

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

In re:

JENNIFER CONVERTIBLES, INC.,

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

STATEMENT OF FINANCIAL AFFAIRS

JENNIFER CONVERTIBLES, INC.

CASE NO. 10-13779

OLSHAN GRUNDMAN FROME
ROSENZWEIG & WOLOSKY, LLP
Park Avenue Tower
65 East 55th Street
New York, NY 10022
Tel: (212) 451-2300
Fax: (212) 451-2222

Counsel for the Debtors and
Debtors in Possession

These notes (the “Global Notes”) regarding the Debtors’ Schedules of Assets and Liabilities (the “Schedules”) and Statements of Financial Affairs (the “SOFAs,” and together with the Schedules, the “Bankruptcy Schedules”) comprise an integral part of the Bankruptcy Schedules and should be referred to and considered in connection with any review of them.

1. Management (“Management”) of the debtor in the above-captioned chapter 11 case and its affiliated debtors and debtors in possession (each, a “Debtor,” and collectively, the “Debtors”)¹ has prepared unaudited Bankruptcy Schedules pursuant to section 521 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure. Except where otherwise noted, the information provided herein is as of the close of business on July 16, 2010. The Debtors’ bankruptcy petitions were filed on July 18, 2010. The chapter 11 cases of the Debtors are jointly administered, pursuant to an order of the United States Bankruptcy Court for the Southern District of New York, dated July 22, 2010 (the “Bankruptcy Court”). While Management has made every reasonable effort to ensure that the Debtors’ Bankruptcy Schedules are accurate and complete, based upon information that was available to them at the time of preparation, inadvertent errors or omissions may exist and the subsequent receipt of information and/or further review and analysis of the Debtors’ books and records may result in changes to financial data and other information contained in the Bankruptcy Schedules.
2. The Debtors reserve the right to amend the Bankruptcy Schedules in all respects as may be necessary or appropriate, including, but not limited to, the right to assert offsets or defenses to, or to dispute, any claim reflected on the Schedules as to amount, liability or classification, or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.” Furthermore, nothing contained in the Bankruptcy Schedules shall constitute a waiver of the Debtors’ rights with respect to these chapter 11 cases and specifically with respect to any issues involving substantive consolidation, equitable subordination and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and other relevant non-bankruptcy laws.
3. The Bankruptcy Schedules are a reflection of the assets and liabilities as recorded in the Debtors’ books and records and, therefore, may not be an accurate reflection of all of the Debtors’ potential liabilities.
4. The Debtors have filed consolidated Bankruptcy Schedules for all entities except Hartsdale Convertibles, Inc. The Debtors have maintained consolidated financial statements and consolidated bank accounts since inception. The Debtors’ Bankruptcy Schedules would not be accurate, except on a consolidated basis, as there is simply no way to break out the information required in the Bankruptcy Schedules for each individual Debtor entity. Because the time and expense of any attempt to unscramble the

¹ If applicable, the last four digits of the tax payer identification numbers of the Debtors follow in parentheses: (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).

Debtors' intercompany transactions would be so substantial, without any assurance of success, the Debtors believe that filing consolidated Bankruptcy Schedules is in the best interests of the Debtors and the Debtors' creditors and estates.

5. The Debtors have made reasonable efforts to correctly characterize, classify, categorize, and designate the claims, assets, executory contracts, unexpired leases, and other items reported in the Bankruptcy Schedules. However, due to the complexity and size of the Debtors' business, the Debtors may have improperly characterized, classified, categorized, or designated certain items. The Debtors thus reserve all of their rights to recharacterize, reclassify, recategorize, or redesignate items reported in the Bankruptcy Schedules at a later time as necessary or appropriate as additional information becomes available.
6. The preparation of the Bankruptcy Schedules required Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. Without prior notice, the Debtors may amend their Bankruptcy Schedules as they deem necessary and appropriate to reflect material changes, if any, that arise during the pendency of their chapter 11 cases. In addition, the Debtors reserve the right to dispute or to assert offsets or defenses to any claim listed on the Bankruptcy Schedules.
7. Given the differences between the information requested in the Bankruptcy Schedules and the financial information utilized under generally accepted accounting principles in the United States ("GAAP"), the aggregate asset values and claim amounts set forth in the Bankruptcy Schedules do not necessarily reflect the amounts that would be set forth in a balance sheet prepared in accordance with GAAP.
8. It would be prohibitively expensive, unduly burdensome and extremely time-consuming to obtain current market valuations of the Debtor's assets. Accordingly, unless otherwise indicated, net book values rather than current market values are reflected on the SOFA and Schedules. Assets that have been fully depreciated or expensed for accounting purposes have no net book value. The current book values may not reflect a comprehensive review of accounting adjustments, including asset impairments and write-downs, which may be required and conducted in relation to the Debtor's bankruptcy. The reader therefore should not place undue reliance upon the book values associated with the assets listed.
9. The SOFA and Schedules prepared by Management and the Debtors' professionals are unaudited. While the Debtors have tried to ensure that the SOFA and Schedules are accurate and complete based upon information that was available at the time of the preparation, the subsequent receipt of information or an audit may result in material changes in financial data contained in the SOFA and Schedules.
10. The information provided for herein, except as otherwise noted, represents the assets and liability data of the Debtors as of close of business on Friday, July 16, 2010.

11. Exclusion of certain intellectual property shall not be construed to be an admission that such intellectual property rights have been abandoned, have been terminated, or otherwise have expired by their terms, or have been assigned or otherwise transferred pursuant to a sale, acquisition, or other transaction. Conversely, inclusion of certain intellectual property shall not be construed to be an admission that such intellectual property rights have not been abandoned, have not been terminated, or otherwise have not expired by their terms, or have not been assigned or otherwise transferred pursuant to a sale, acquisition, or other transaction. Accordingly, the Debtors reserve all of their rights with respect to the legal status of any and all intellectual property rights.
12. The bank account balances listed in the Debtors' Schedule B are net of outstanding negotiables that have been issued by the Debtors but not yet cashed by the recipient of such negotiables (i.e., Schedule B reflects bank cash, not book cash).
13. With respect to Schedule B, questions 28 and 29, the Debtors own, among other things, computer hardware and software, office furniture, and various store inventory which are divided between warehouse and showrooms. These amounts are listed at book value.
14. With respect to Schedule B, question 30, the Debtors' inventory, located in both the Debtors' warehouses and showrooms, is listed and itemized by location. The amounts listed reflect first-in, first-out accounting.
15. With respect to Schedule B, question 35, the information contained therein includes prepayments that are held by certain third parties on account of services provided to the Debtors in the ordinary course of their businesses.
16. Unless otherwise noted, all of the amounts listed on Schedule B represent the value of the Debtor's assets as reflected in the Debtor's books and records (net of depreciation or amortization where applicable). The Debtor has performed no independent review of the value of these assets. The actual value of the assets listed may differ significantly from the amounts reflected in the Debtor's books and records.
17. Pursuant to an order of the Bankruptcy Court dated July 22, 2010, the Debtors are authorized to pay certain prepetition obligations for employee wages, salaries, and other compensation, reimbursable employee expenses and employee medical and similar benefits. Therefore, related claims held by the Debtors' employees within the Bankruptcy Code section 507(a)(4) cap have not been listed on the Debtors' Schedule F.
18. Pursuant to an interim order of the Bankruptcy Court dated July 22, 2010 and a final order dated August 4, 2010, the Debtors are authorized to honor certain common carrier claims. Therefore, related prepetition claims held by the Debtors' common carriers that have been paid as authorized by the Bankruptcy Court have not been listed on the Debtors' Schedule E.
19. Pursuant to an interim order of the Bankruptcy Court dated July 22, 2010 and a final order dated August 4, 2010, the Debtors are authorized to continue honoring their

customer obligations in the ordinary course of business. As a result, the amount of customer deposits listed as of July 16, 2010 on the Debtors' Schedule E is an aggregate amount, and does not include an individual listing for each customer deposit, as the Debtors have been honoring such deposits postpetition in the ordinary course of business.

20. The Debtors have not determined whether, and to what extent, any of the creditors identified on Schedule E in fact are entitled to priority under Section 507 of the Bankruptcy Code. The Bankruptcy Court, in an order dated August 4, 2010, authorized the Debtors to pay certain prepetition "priority" claims, including sales and other "trust fund" taxes owing to state and local taxing authorities. Amounts listed as claims on Schedule E have not been reduced by any postpetition payments made in accordance with these orders, and such amounts listed as claims on Schedule E are preliminary amounts and are subject to reconciliation and amendments by the Debtors. The listing of any claim on Schedule E does not constitute an admission by the Debtors that such claim is entitled to priority treatment under section 507 of the Bankruptcy Code. The Debtors reserve all of their rights to dispute the amount and/or the priority status of any claim on any basis at any time. The Debtors have not included any potential "priority" claims of their employees or otherwise related to employee benefits.
21. In the ordinary course of their businesses, the Debtors utilize a centralized cash management system through which certain payments are made through centralized disbursement accounts in the name of a single entity on behalf of its affiliates. These payments have been reported on the Bankruptcy Schedules of the Debtor that legally owns the disbursement accounts through which such payments were made.
22. All parties to executory contracts, including those listed on Schedule G, may legally be holders of contingent and unliquidated claims arising from (i) obligations under those executory contracts and/or (ii) rejection damages in the event that executory contract is rejected. Certain of these claims are not listed on Schedule F.
23. For purposes of the Schedules, the Debtors have only scheduled claims and executory contracts for which the Debtors may be contractually and/or directly liable. No claims have been scheduled for a Debtor that may have benefited directly or indirectly from a contractual relationship to which the Debtors were not a named party. No claims or executory contracts have been scheduled where payments to third parties were made on a Debtor's behalf for administrative convenience or as a result of the Debtors' cash management system. No claims or executory contracts have been scheduled for which the Debtors do not have formal contracts.
24. Listing a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease. The Debtors reserve all rights to challenge whether any of the listed contracts, leases, agreements or other documents constitute an executory contract or unexpired lease, including if any are unexpired nonresidential real property leases. Any and all of the Debtors' rights, claims and causes of action with respect to the contracts and agreements listed on Schedule G are expressly preserved.

25. While every reasonable effort has been made to ensure the accuracy of Schedule G regarding executory contracts and unexpired leases, inadvertent errors or omissions may have occurred. The Debtors hereby reserve all of their rights to dispute the validity, status or enforceability of any contract, agreement, or lease set forth on Schedule G that may have expired or may have been modified, amended, and supplemented from time to time by various amendments, restatements, waivers, estoppel certificates, letters and other documents, instruments, and agreements which may not be listed on Schedule G. Certain of the leases and contracts listed on Schedule G may contain certain renewal options, guarantees of payment, options to purchase, rights of first refusal, and other miscellaneous rights. Such rights, powers, duties and obligations are not set forth on Schedule G. Certain of the executory agreements may not have been memorialized in writing and could be subject to dispute. In addition, the Debtors may have entered into various other types of agreements in the ordinary course of their business, including supplemental agreements, amendments/letter agreements, title agreements and confidentiality agreements. Such documents may also not be set forth on Schedule G. The Debtors reserve all of their rights to dispute or challenge the characterization of the structure of any transaction, or any document or instrument (including without limitation, any intercompany agreement) related to a creditor's claim. Certain of the contracts, agreements, and leases listed on Schedule G may have been entered into by more than one of the Debtors. In the ordinary course of business, the Debtors may have entered into agreements, written or oral, for the provision of certain services on a month-to-month or at-will basis. Such contracts may not be included on Schedule G. However, each Debtor reserves the right to assert that such agreements constitute executory contracts.
26. In the interests of protecting individuals' privacy, the Debtors have not included payments made to non-insider employees on account of wages, salaries or commissions in their responses to SOFA question 3(b). Other payments to employees have been included.
27. With respect to SOFA, question 3(b), the listing of any transfer does not constitute an admission that the transferee of such transfer is a creditor of any of the Debtors.
28. With respect to SOFA, question 3(c), for the purposes of the Schedules and SOFA, the Debtors define "insiders" pursuant to section 101(31) as (a) directors, (b) officers, (c) those in control of the Debtors, (d) relatives of directors, officers, or persons in control of the Debtors and (e) non-debtor affiliates. Persons listed as "insiders" have been included for informational purposes only. The Debtors do not take any position with respect to (a) such person's influence over the control of the Debtors, (b) the management responsibilities or functions of such individual, (c) the decision-making or corporate authority of such individual or (d) whether such individual could successfully argue that he or she is not an "insider" under applicable law. The Debtors have included all payments and awards made over the twelve months preceding the filing to any individual deemed an insider.
29. With respect to SOFA, question 4, the Debtors have made reasonable efforts to accurately record all suits and administrative proceedings of the Debtor that is the party to the action or was a party to the action within the one (1) year immediately preceding

the Petition Date. Certain litigation against a particular Debtor may relate to any of the other Debtors.

30. Payments related to professional services rendered to the Debtors in connection with the commencement of their chapter 11 cases have been made on a consolidated basis by Jennifer Convertibles, Inc., and appear only in response to SOFA, question 9 for that entity.
31. With respect to SOFA, question 13, the Debtors routinely incur setoffs from third parties during the ordinary course of business. Certain of these constitute normal setoffs consistent with the ordinary course of business in the Debtors' industry. In such instances, such ordinary course setoffs are excluded from the Debtors' responses to SOFA question 13. The Debtors reserve all rights to enforce or challenge, as the case may be, any setoffs that have been or may be asserted.
32. With respect to SOFA, question 18, each Debtor has identified all businesses in which it has a direct ownership interest in more than 5% of the voting or equity securities. Indirect ownership rights, if any, are not listed.
33. With respect to SOFA, questions 19(a) and 19(b), because the Debtors report their financial information on a consolidated basis, the books of account and records of all of the Debtors are located at the corporate headquarters of Jennifer Convertibles, 417 Crossways Park Drive, Woodbury, New York 11797.
34. The Debtors, their Management, agents, officers, directors, employees, representatives, attorneys and financial advisors do not guarantee or warrant as to the accuracy and/or completeness of the data that is provided herein and shall not be liable for any loss or injury arising out of or caused in whole or in part by the acts, errors or omissions, whether negligent or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating or delivering the information contained herein. While every effort has been made to provide accurate and complete information herein, inadvertent errors or omissions may exist. The Debtors, their Management, agents, attorneys and financial advisors expressly do not undertake any obligation to update, modify, revise or re-categorize the information provided herein or to notify any third party should the information be updated, modified, revised or recategorized. In no event shall the Debtors or their agents, attorneys and financial advisors be liable to any third party for any direct, indirect, incidental, consequential or special damages (including, but not limited to, damages arising from the disallowance of a potential claim against the Debtors or damages to business reputation, lost business or lost profits), whether foreseeable or not and however caused, even if the Debtors or their agents, attorneys and financial advisors are advised of the possibility of such damages.

UNITED STATES BANKRUPTCY COURT
Southern District of New York

In re: **Jennifer Convertibles, Inc.**Case No. **10-13779 (ALG)**

Debtor

(If known)

STATEMENT OF FINANCIAL AFFAIRS

1. Income from employment or operation of business

None State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT	SOURCE	FISCAL YEAR PERIOD
122,280,797.00	Sales & Revenue from Service Contracts	8/26/07-8/30/08
94,531,185.00	Sales & Revenues from Service Contracts	8/31/08-8/29/09
86,292,270.00	Sales & Revenues from Service Contracts	8/30/09-7/16/10

2. Income other than from employment or operation of business

None State the amount of income received by the debtor other than from employment, trade, profession, operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT	SOURCE	FISCAL YEAR PERIOD
69,977.09	Other Income	8/26/07 to 8/30/08
502,753.27	Interest Income	8/26/07 to 8/30/08
89,233.86	Interest Income	8/31/08 to 8/29/09
5,356.00	Other Income	8/31/08 to 8/29/09
12,234.37	Interest Income	8/30/09 to 7/18/10
64,150.00	Other Income	8/30/09 to 7/18/10

3. Payments to creditors

Complete a. or b., as appropriate, and c.

- None a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
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- None b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$5,850*. If the debtor is an individual, indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS/ TRANSFERS	AMOUNT PAID OR VALUE OF TRANSFERS	AMOUNT STILL OWING
See Attached	See Attached	11,238,786.44	25,477,674.56

*Amount subject to adjustment on 4/01/13, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

- None c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
See Attached		1,908,379.66	

4. Suits and administrative proceedings, executions, garnishments and attachments

- None a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATIO	STATUS OR DISPOSITION
See Attached			

- None b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED	DATE OF SEIZURE	DESCRIPTION AND VALUE OF PROPERTY
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5. Repossessions, foreclosures and returns

- None List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY
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6. Assignments and receiverships

- None a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
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- None b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CUSTODIAN	NAME AND ADDRESS OF COURT CASE TITLE & NUMBER	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY
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7. Gifts

- None List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE OF GIFT
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8. Losses

None List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
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9. Payments related to debt counseling or bankruptcy

None List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYOR IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
See Attached		\$840,795.17

10. Other transfers

None a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
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None b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR INTEREST IN PROPERTY
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11. Closed financial accounts

None List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING
JPMorgan Chase Bank, MA Northeast Market PO Box 260180 Baton Rouge, LA 70826-0180	Money Market # 5573 1,039.52	1,039.52 2/2/10

12. Safe deposit boxes

None List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITOR	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY
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13. Setoffs

None List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF
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14. Property held for another person

None List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER	DESCRIPTION AND VALUE OF PROPERTY	LOCATION OF PROPERTY
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15. Prior address of debtor

None If debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS	NAME USED	DATES OF OCCUPANCY
419 Crossways Park Drive Woodbury, NY 11797	Jennifer Convertibles, Inc.	11/1996 to 01/2008

16. Spouses and Former Spouses

None If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

17. Environmental Information.

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law.

None

- a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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None

- b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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None

- c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS OF GOVERNMENTAL UNIT	DOCKET NUMBER	STATUS OR DISPOSITION
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18. Nature, location and name of business

None a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within the **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within the **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within the **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the business, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within the **six years** immediately preceding the commencement of this case.

NAME	LAST FOUR DIGITS OF SOCIAL SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO. (ITIN)/ COMPLETE EIN	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
Cipriano Square Convertibles, Inc.	52-1551921		Retail Furniture	01/18/1988 11/26/2006
Contour Rd Convertibles, Inc.	52-1552029		Retail Furniture	01/18/1988 11/26/2006
Elegant Living Management, Ltd.	51-0345049		Retail Furniture	07/10/1992
Hartsdale Convertibles, Inc.	13-3251681		Retail Furniture	01/14/1985
Jamaica Avenue Convertibles, Inc.	11-3490780		Retail Furniture	04/27/1999 08/31/2009
Jennifer Acquistion Corp.	52-2189587		Retail Furniture	07/13/1999
Jennifer Chicago Ltd.	36-3780505		Retail Furniture	06/17/1991
Jennifer Convertibles Boylston MA, Inc.	04-3277904		Retail Furniture	06/27/1995
Jennifer Convertibles Licensing Corp.	51-0338920		Retail Furniture	02/03/1992
Jennifer L.P. III	51-0341171		Retail Furniture	06/09/1992 05/31/2005
Jennifer L.P. IV	51-0349878		Retail Furniture	06/14/1993 06/01/2005
Jennifer L.P. V	51-0349879		Retail Furniture	07/02/1993 06/02/2005
Jennifer Management II Corp.	51-0339177		Retail Furniture	10/29/1991
Jennifer Management III Corp.	52-1783552		Retail Furniture	04/24/1992
Jennifer Management V Ltd.	51-0349876		Retail Furniture	06/09/1993

Jennifer Media Corp.	51-0363593	Retail Furniture	12/06/1993
Jennifer Outlet Center, Inc.	11-3199590	Retail Furniture	12/06/1993 09/30/2006
Jennifer Purchasing Corp.	11-3187319	Retail Furniture	12/06/1993
Natick Convertibles, Inc.	22-3422227	Retail Furniture	01/01/1996
Nicholson Lane Convertibles, Inc.	52-1551922	Retail Furniture	01/18/1988 12/29/2009
Nicole Convertibles, Inc.	11-2655985	Retail Furniture	07/05/1983
Route 35 Convertibles, Inc.	11-2858874	Retail Furniture	05/04/1987 09/01/2005
Valley Stream Convertibles, Inc.	11-2841130	Retail Furniture	01/14/1987 08/31/2009
Washington Heights Convertibles, Inc.	11-3490783	Retail Furniture	04/14/1999

None b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME

ADDRESS

19. Books, records and financial statements

- None a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS	DATES SERVICES RENDERED
Dan Marchione 417 Crossways Park Drive Woodbury, NY 11797	1/25/2010-7/16/2010
Darcia Wills 417 Crossways Park Drive Woodbury, NY 11797	7/16/2008-7/16/2010
Debra Harrison 417 Crossways Park Drive Woodbury, NY 11797	7/16/2008-7/16/2010
Helen Tesoriero 417 Crossways Park Drive Woodbury, NY 11797	7/16/2008-7/16/2010
Henry Campbell 417 Crossways Park Drive Woodbury, NY 11797	7/16/2008-7/16/2010
Joe Schillero 417 Crossways Park Drive Woodbury, NY 11797	7/16/2008-7/16/2010
Judy Camassar 417 Crossways Park Drive Woodbury, NY 11797	7/16/2008-2/5/2010
Kelly D'Amato 417 Crossways Park Drive Woodbury, NY 11797	7/16/2008-7/16/2010
Lisa Sappelsa 417 Crossways Park Drive Woodbury, NY 11797	7/16/2008-7/16/2010
Philip Rameshwar 417 Crossways Park Drive Woodbury, NY 11797	7/16/2008-7/16/2010

- None b. List all firms or individuals who within **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME	ADDRESS	DATES SERVICES RENDERED
EisnerAmper LLP 750 Third Avenue New York, NY 10017		7/16/2008-7/16/2010
KGS LLP 125 Jericho Turnpike, Suite 300 Jericho, NY 11753		7/16/2008-7/16/2010

- None c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME	ADDRESS
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- None d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS

DATE ISSUED

20. Inventories

- None a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY	INVENTORY SUPERVISOR	DOLLAR AMOUNT OF INVENTORY (Specify cost, market or other basis)	
02/27/2010	Performed by Salespersons	8,399,702.17	FIFO
08/29/2009	Performed by Warehouse Personnel	8,189,772.14	FIFO

- None b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

DATE OF INVENTORY	NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS
08/29/2009	Jennifer Convertibles, Inc. 417 Crossways Park Drive Woodbury, NY 11797
02/27/2010	Jennifer Convertibles, Inc. 417 Crossways Park Drive Woodbury, NY 11797

21. Current Partners, Officers, Directors and Shareholders

- None a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS	NATURE OF INTEREST	PERCENTAGE OF INTEREST
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- None b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
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See Attached**22. Former partners, officers, directors and shareholders**

- None a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME	ADDRESS	DATE OF WITHDRAWAL
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- None b. If the debtor is a corporation, list all officers or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS	TITLE	DATE OF TERMINATION
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23. Withdrawals from a partnership or distributions by a corporation

None If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR	DATE AND PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
See Attached	Salary	\$1,214,644.36

24. Tax Consolidation Group.

None If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION	TAXPAYER IDENTIFICATION NUMBER (EIN)

25. Pension Funds.

None If the debtor is not an individual, list the name and federal taxpayer identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND	TAXPAYER IDENTIFICATION NUMBER (EIN)

* * * * *

[If completed on behalf of a partnership or corporation]

I, declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date 9/3/2010Signature s/ Rami AbadaRami Abada, President

Print Name and Title

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

_____ continuation sheets attached

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.

Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
1900-1902 Van Ness LLC	1902 Van Ness Avenue, 3rd Floor San Francisco, CA 94109	5/3/2010	13,000.00	20,548.39
26 West 23rd Street LLC	27 Frost Lane Lawrence, NY 11559	5/21/10,6/9/10	42,436.00	54,756.13
416-424 Realty Corp	47 88th Street Brooklyn, NY 11209	5/7/10,6/9/10	18,000.00	5,225.81
83rd Street Retail, LLC	c/o The Bromley Companies 120 5th Avenue, 11th Floor New York, NY 10011	5/7/2010	36,000.00	78188.42
902 Associates (C/o Williams Real Estate)	902 Broadway New York NY 10010	5/28/2010	36,268.56	201,030.22
905WPR,LLC; Metrovest	1905 A Story Avenue Bronx NY 10473	6/7/10,6/9/10	21,763.66	28,228.46
AAA Superior Carpet & Upholstery	39 Somerset Street, Centereach NY 11720	04/19/10-07/16/10	16,130.00	900.00
AAA Transport,LLC	34 Elliot Street, Newark NJ 07104	4/26/10-7/01/10	16,581.50	2,800.50
Advance Technology Repair	PO Box 1032, Medford, NJ 08055	04/19/10-07/16/10	8,585.00	1,795.00
Alef Furniture Restoration	1219 Bay 25th St, Far Rockaway, NY 11691	04/19/10-07/16/10	27,855.00	2,785.00
Allstate Floral & Craft	14038 Park Place Cerritos, CA 90703	4/17/10-7/18/10	11,538.50	6,834.70
Alon Hahn	216 West 100 Street apt.815, New York NY 10025	4/26/10-7/01/10	23,167.25	3,741.50
AM NEW YORK	PO BOX 3002 Boston, MA 02241-3002	6/3/2010	10,200.00	15,300.00
American Express	P.O. Box 1270 Newark, NJ 07101-1270	5/7/10,6/7/10,7/6/10	53,820.11	15,376.00
Annapolis Harbour Center	2572 Solomons Island Road Annapolis MD 21401	7/16/2010	12,129.42	17,373.79

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.

Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
Anthony Longo	128 Rosemont Ave., Farmingville, NY 11738	4/26/10-7/01/10	14,480.00	2,335.00
ASF Logistics	3812 Springhill Ave. Mobile, AL 36608	6/9/10,6/24/10,7/14/10	33,073.00	0.00
ASG Security	1891 Santa Barbara Dr., Ste. 201 Lancaster, PA 17601	4/19/10-6/24/10	13,299.07	13,010.68
Ashley Furniture Industries, Inc.	PO Box 190 Arcadia, WI 54612	04/19/10-07/16/10	666,142.95	228,958.65
Ashley Furniture Industries, Inc.	PO Box 180 Arcadia, WI 54612	4/17/10-7/18/10	2,290,737.71	940,012.32
B.C. Carpet Cleaning Inc.	1921 Bogart Ave, Bronx, NY 10462	04/19/10-07/16/10	32,160.00	3,330.00
B.T.M.I. Ltd.	192 Mountaindale Rd Yonkers, NY 10710	6/9/2010	18,220.08	90,971.17
Best Delivery Services, Inc.	4132 Greenwood Street Skokie, IL 60076	5/7/10,6/25/10	11,000.00	3,193.55
Best Delivery Services, Inc.	4132 Greenwood Street Skokie, IL 60076	5/5/10-7/9/10	53,524.43	1,370.00
Better Business Management Inc	11875 Stephens Warren, MI 48089	5/5/10-7/9/10	23,798.09	2,469.00
BGE	P.O.Box 13070 Philadelphia, PA 19101-3070	4/19/10-7/12/10	10,469.53	1,896.63
BON REALTY, INC	160-10 Crossbay Boulevard Howard Beach, NY 11414	5/7/10,6/9/10	15,000.00	4,354.84
CDW Direct, LLC	P.O.Box 75723 Chicago, IL 60675	4/19/10-6/24/10	8,047.97	2,174.39
Cesar A Barrera	181 William Street Apt 2, Perth Amboy NJ 08861	4/26/10-7/01/10	17,079.00	3,482.50
Chrys & Gen's Trucking	900 Knopf Street, Linden NJ 08861	4/26/10-7/01/10	11,048.50	1,717.00
CL&P	P.O.Box 150493 Hartford, CT 06115- 0493	4/26/10-7/6/10	12,241.50	4,228.28

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.

Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
Coaster Co. of America	P.O. Box 890011 Charlotte NC 28289	04/19/10-07/16/10	8,593.00	0.00
COLLEGE AVENUE INC.	P.O. Box 564 Mahwah, NJ 07430	5/7/10,6/9/10	13,000.00	3,774.19
ComEd	Bill Payment Center Chicago, IL 60668	4/20/10-7/14/10	9,025.66	553.57
Con Edison	Corporate Customer Group 4 Irving Place, 9th Floor South Attn: Jacqueline Frazier New York, NY 10003	4/19/10-7/12/10	110,849.54	23,815.24
Connecticut Post	P.O. Box 40000 Hartford, CT 06151	6/23/2010	17,750.00	13,750.00
Cooper Truck Line, Inc.		04/19/10-07/16/10	18,486.43	0.00
Corner Properties 2, LLC	1770 Boston Post Road Milford CT 06460	5/21/2010	11,323.65	55,889.73
Creative Television Marketing	2550 North Hollywood Way St. 100 Burbank, CA 91505	5/7/2010	100,000.00	1,690,300.00
Crosspointe Plaza, LLC	1260 Stelton Road Piscataway, NJ 08854	6/28/2010	14,000.00	88,122.45
Crown Credit Company	P.O.Box 640352 Cincinnati, OH 45264- 0352	4/22/10,5/21/10,7/1/10	6,754.23	0.00
D.C. Treasurer D.M.G.T. Telecommunications, Inc.	P.O.Box 96384 Washington, DC 20090	5/14/10,6/11/10,7/9/10	8,616.88	1,800.00
D.S. Furniture Services	112 Cain Drive Brentwood, NY 11717	5/7/10-6/24/10	17,132.32	7,841.09
Daily News, L. P.	2522 Steven Lane, North Brook, IL 60062 125 Theodore Conrad Drive Attn: Daniel Tobin Jersey City, NJ 07305-4698	04/19/10-07/16/10	7,650.00	1,800.00
		5/7/10,6/3/10	111,914.20	125,869.71

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.

Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
Daily News-L.A.	P.O.Box 6151 Covina, CA 91722	6/7/10,6/24/10	19,968.00	29,952.00
David Gonzalez	PO Box 250, Shirley, NY 11967	04/19/10-07/16/10	15,282.04	1,421.00
DELAWARE SECRETARY OF STATE	State of Delaware Division of Corporations PO Box 11728 Newark, NJ 07101-4728	5/4/2010	6,300.00	0.00
DELL Marketing L.P.	C/O Dell USA L.P. P.O. Box 643561 Pittsburgh, PA 15264-3561	5/7/10-6/24/10	7,146.85	0.00
Descartes Systems (USA) LLC	P.O.Box 404037 Atlanta, GA 30384-4037	7/14/2010	8,174.03	0.00
Dimplex North America Limited	1367 Industrial Road Cambridge, ON N1R7G8 Canada	4/17/10-7/18/10	32,396.00	5,590.00
DJM FILMS INC	4 EAST 46TH ST New York, NY 10017	4/23/10,6/7/10	10,265.00	4,156.94
DK Sign	25-20 BQE West, 1st Floor Woodside, NY 11377	6/1/10,6/25/10	13,225.60	1,851.00
Docs Furniture Repairs	185 E. 159th St. Apt 2 A, Bronx, NY 10451	04/19/10-07/16/10	10,330.00	1,840.00
Donald S.Radcliffe,CPA	239 Long Hill Road Little Falls, NJ 07424	5/7/2010-7/13/10	13,310.00	0.00
Douglas Moncada	54-56 Linden Ave.Apt.404 , Jersay City NJ 07305	4/26/10-7/01/10	22,999.00	4,416.50
Drinker Biddle & Reath LLP	One Logan Square, Ste, 2000 Philadelphia, PA	5/7/10,6/17/10	62,904.63	110,146.31
Dynamic Sheet Metal Ltd.	19136-6996 192 24th Street Brooklyn, NY 11232	4/23/2010	16,457.10	38,361.63

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.

Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
East Gate Center I Ltd. Ptshp.	c/o BPG Mgmt Company, LP 770 Township Line Rd, Ste. 150 Yardley, PA 19067	5/7/10,6/9/10	15,426.34	2,941.01
Edward Bohn	322 Broadway Pompton Lake, NJ 07442	7/12/2010	14,500.00	0.00
Eisner LLP	750 Third Avenue New York, NY 10017	6/30/2010	36,403.00	0.00
El Cerrito Plaza	c/o MCD-RC CA-EI Cerrito, LLC P.O. Box 31001-0900 Pasadena, CA 91110- 0900	6/7/2010	11,217.35	17,140.56
Emmanuel Transport LLC	181 William Street, Perth Amboy, NJ 08861	4/26/10-7/01/10	18,544.00	4,247.50
Enea Properties Company	190 Hartz Avenue, Ste. 260 Danville, CA 94526	5/3/10,6/9/10	15,000.00	2,903.23
EXAMINER NEWSPAPERS	P.O.Box 630707 Baltimore, MD 21263- 0707	5/7/10,5/25/10	18,000.00	29,250.00
FEDERAL REALTY INVESTMENT TRUST	P.O. BOX 8500-9320 Philadelphia, PA 19178-9320	5/3/10-7/8/10	10,013.23	32,373.64
Felix Carranza	5601 Blvd.East apt.19C, West New York NJ 07093	4/26/10-7/01/10	31,446.50	4,727.50
Felix Carranza 2	5601 Blvd.East apt.19C, West New York NJ 07093	4/26/10-7/01/10	14,755.00	3,492.50
Florida Power & Light	General Mail Facility Miami, FL 33188- 0001	4/19/10-7/12/10	21,421.92	2,669.30
Fort Aire, Ltd.	26 Anchor Street Freeport, NY 11520	5/17/10-7/9/10	71,500.00	0.00
Francisco Esquivel	5806 Hudson Ave.#13, West New York NJ 07093	4/26/10-7/01/10	22,559.00	4,905.83

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.

Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
Gannett NJ Newspapers	PO BOX 677599 Dallas, TX 75267-7599	5/21/2010	11,907.18	24,213.36
GGF Huntington, LLC	c/o Gaska, Inc. 100 West Broadway, Ste 950 Glendale, CA 91210	5/21/2010	11,644.99	18,406.60
Graham Trucking Enterprises	1008 Ashland Ave., Bedford 24523	04/19/10-07/16/10	39,958.41	7,209.56
Granite Telecommunications	100 Newport Ave. Attn: Laura Casavant Quincy, MA 02171	5/6/10,6/7/10,7/8/10	23,011.44	6,287.00
Guadalupe Lopez	3863 Gordon Way, Riverside CA 92509	4/26/10-7/01/10	22,146.52	2,646.50
Guardmaster	313 Post Avenue Westbury, NY 11590	4/17/10-7/18/10	16,337.80	4,257.02
Haining Mengnu Group,	1061 Long Ling Road, Economic Development Zone, Haining Zheijiang 31440	04/19/10-07/16/10	1,912,123.45	17,378,165.69
HK Bashi	KLIM Mgmt PO Box 27263 San Francisco, CA 94127	5/7/10,6/9/10	15,000.00	19,354.84
HSdesign	405 East 70th Street, Apt. 3C New York, NY 10021	4/27/10-7/14/10	21,236.07	0.00
Ikon Financial Services	P.O.Box 41564 Philadelphia, PA 19101-1564	4/19/10-7/16/10	6,501.42	0.00
IMAX Worldwide Imports	PO Box 21568 Tulsa, OK 74121-1568	4/17/10-7/18/10	10,899.81	12,014.54
Isabella Transport Inc.	181 William Street, Perth Amboy NJ 08861	4/26/10-7/01/10	16,803.50	4,525.50
J.P.P.L.Trucking	228 Cortland Street, Belleville NJ 07109	4/26/10-7/01/10	18,008.01	4,531.00

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.

Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
James W Bertarelli	d/b/a Bertarelli Bros. Construction 65 Magnolia Avenue Brockton, MA 02301 P.O.Box 3687 Akron, OH 44309-	5/7/10,6/9/10	6,300.00	1,829.03
Jersey Central Power & Light	3687 520 Hill Ave. Perth	4/19/10-7/12/10	10,689.19	0.00
Jesenia Transport Svc.Corp.2	Amboy, NJ 08861 4358 Friesian Lane,	4/26/10-7/01/10	17,007.14	4,415.00
Jose De Jesus Garcia	Riverside CA 92509 106-20 Shore Front Pkwy Apt. 11T, Rockaway Park NJ 11694	4/26/10-7/01/10	22,149.49	2,026.00
Julio Rosas	214 Glenwood Lane Port Jefferson, NY 11777	04/19/10-07/16/10	7,810.00	20.00
K & B Quality Service Inc.	FILE#53525 Los Angeles, CA 90074	4/20/10-7/16/10	71,298.56	1,160.00
KABC TV	PO BOX 33091 Newark, NJ 07188-	6/22/10,6/24/10	25,721.00	37,622.00
KCBS TV	0091 841 SW Sun Circle Palm City, FL 34990	5/7/10,6/22/10	16,681.25	12,954.00
Kevin Coyle	BANK OF AMERICA FILE # 7214 Box 60000 San Francisco, CA 94160	7/12/2010	10,386.00	0.00
KGO TV	125 Jericho Turnpike, Suite 300 Jericho, NY 11753-1024	6/10/10,6/22/10	9,588.00	0.00
KGS LLP	PO Box 220, 405 Lewallen St, Asheboro, NC 247204	6/2/10-7/16/10	52,849.27	0.00
Klaussner Furniture	2121 Century Woods Way Los	04/19/10-07/16/10	535,982.23	993,615.89
Klein Miller Investment Co.	Angeles, CA 90067	5/7/10-6/9/10	46,256.00	8,304.39

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.
Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
KPIX TV	PO BOX 33091 Newark, NJ 07188-0091	5/7/10,6/22/10	11,453.75	7,624.50
KRON TV	PO BOX 601703 Charlotte, NC 28260-1703	6/16/10,6/24/10	5,907.50	6,464.00
KTTV TV	16440 COLLECTION CENTER DR Chicago, IL 60693	6/22/10,6/24/10	16,150.00	6,103.00
KTVU TV	PO BOX 79702 City of Industry, CA 91716-9702	6/10/10,6/16/10	9,690.00	13,328.00
Laguna Hills Investment Co.	C/O Fritz Duda Co.P.O. Box 60848 Los Angeles, CA 90060	5/7/10,6/9/10	11,242.67	3,139.36
Law Offices of Wincig & Wincig Lawrence Transportation System	137 Fifth Avenue, 9th Floor New York, NY 10010	4/19/10-7/1/10 04/19/10-07/16/10	38,645.27 138,884.75	0.00 28,122.24
Lazar Industries, LLC.	PO Box 515095, Los Angeles, CA 90051 1207 Lakewood Drive Greensboro, NC 27410	04/19/10-07/16/10 5/7/10,6/9/10	11,451.01 39,012.00	7,590.01 69,844.06
Leslie Falchhook		6/11/10-7/15/10	6,669.52	0.00
LIPA	P.O. Box 9039 Hicksville, NY 11802-9039	4/19/10-7/15/10	82,237.66	48,178.07
Litemor Distributors	290 Vanderbilt Avenue, Ste. 4 Norwood, MA 02062	4/19/10-6/24/10	10,834.69	6,239.37
Lodestar Distribution Services	1738 Stratton Rd. Crofton, MD 21114	5/7/10-7/12/10	12,301.00	9,671.00
Lodestar Distribution Services	1738 Stratton Rd. Crofton, MD 21114 file 54221	5/5/2010-7/9/10	77,308.50	0.00
Los Angeles Times	Los Angeles, CA 90074-4221	6/8/2010	26,403.83	127,817.17

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.

Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
Lou's Upholstery Service	7266 Danbury Ave. Hesperia, CA 92345	4/28/10-7/6/10	11,000.00	55.00
M Garzon Transport, LLC	213 Cross Street, Harrison NJ 07029	4/26/10-7/01/10	14,132.00	3,466.00
Man Je Kim/Redwood Plaza	6650 Commerce Blvd, Suite 11A Rohnert Park, CA 94928	5/7/10,6/9/10	10,000.00	2,903.23
Mark Berman	401 E. 80 Street, Apt. 17B New York, NY 10022	7/12/2010	10,000.00	0.00
MBK HOLDINGS, LLC	511 Millburn Ave Short Hills, NJ 07078	5/21/10,6/8/10	29,357.41	10,208.57
MBK Holdings, LLC	511 Millburn Ave Short Hills, NJ 07078	5/7/10,6/8/10	24,878.25	4,815.15
MegaPath Inc.	P.O.Box 31785 Hartford, CT 06150	4/22/10-6/29/10	8,790.19	0.00
MELVIN LAST & DANIEL GOLMAN	d/b/a WOODROSE REALTY CO. 30-52 Steinway Street Astoria, NY 11103	5/7/10,6/9/10	15,000.00	4,354.84
Miami Herald Pub. Company	PO BOX 019135 Miami, FL 33101- 9135	6/3/2010	23,027.50	54,109.50
Michels Transport LLC	106 Hamilton Ave., Fairveiw NY 07022	4/26/10-7/01/10	14,633.04	2,237.00
Mico Archibald Partners, LLC.	13191 Crossroads Parkway North City of Industry, CA 91746	5/21/10,6/9/10	67,113.45	56,442.58
Midco Waste #689	P.O. BOX 9001099 Louisville, KY 40290- 1099	4/26/10-7/14/10	9,196.86	961.63
Midland Pacific LLC	Attn: David Pourshamtoubi 18517 Torrey Pines Lane Tarzana, CA 91356	5/21/2010	15,550.56	71,231.60
Multi Service Corporation	P.O.Box 843343 Kansas City, MO 64184-3343	4/19/10-6/22/10	7,202.00	329.00
Nam Won Paek or Soon M Paek	9217 Beech Hill Drive Bethesda, MD 20817	5/25/2010	17,444.00	97,348.77

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Southern District of New York**

Jennifer Convertibles, Inc.
Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
Nation Wide Sign Service, Inc.	3015 Garrett Road Drexel Hill, PA 19026 P.O.Box 9037 Hicksville, NY 11802-	5/7/10-6/24/10	6,323.11	2,307.21
National Grid - LI	9037 575 Eighth Ave., 10th Floor New York, NY 10018	4/22/10-7/15/10	9,335.86	176.83
Net @ Work	P.O.Box 52609 Phoenix, AZ 85072-	5/7/2010	8,680.00	0.00
Nevada Department of Taxation	2609 P O Box 15120 Newark, NJ 07192	5/14/10,6/11/10	7,191.57	10.00
New York Magazine	PO Box 4136 Binghampton, NY 13902-4136	5/7/10,6/22/10	17,500.00	21,000.00
New York State Corporation Tax	P.O. Box 19218 Newark, NJ 07195-	5/4/2010	7,325.00	0.00
New York Times Co. RA	0218 235 Pinelawn Rd Melville, NY 11747	5/7/10,6/3/10	25,218.00	76,654.00
Newsday, Inc.		5/25/10,6/3/10,6/24/10	99,508.46	142,082.00
Next International Co.LTD.		04/19/10-07/16/10	40,525.00	0.00
NSTAR Electric	P.O.Box 4508 Woburn, MA 01888 455 Route 306, Ste. 133 Monsey, NY 10952	4/26/10-7/12/10	12,631.08	5,416.53
Office Solutions	PO Box 10010 Perrysburg, OH 43552	4/19/2010,6/2/10,6/11/10	8,804.18	2,378.20
Ohio Table Pad Company	Park Avenue Tower 65 E. 55th St. New York, NY 10022	4/17/10-7/18/10	8,566.06	1,455.76
OLSHAN	File 56017 Los Angeles, CA 90074	5/4/10,6/9/10	113,975.01	0.00
Orange County Register	1171 Kennedy Blvd. Bayonne, NJ 07002	5/7/10,6/10/10,6/22/10	31,600.00	27,200.00
Oscar Sanchez		4/26/10-7/01/10	25,077.00	3,783.50

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STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
Peabody & Arnold	Federal Reserve Plaza 600 Altantic Ave. Boston, MA 02210 P.O.Box 37629 Philadelphia, PA 19101	5/7/10,6/2/10	10,814.00	2,869.00
PECO Energy	11206 Villa St., Adelanto CA 92301	4/19/10-7/15/10	13,308.06	3,167.63
Pedro Quionnes	P.O.Box 4863 Trenton, NJ 08650- 4863	4/26/10-7/01/10	48,310.00	5,385.00
Pepco	1500 Old Northern Boulevard Roslyn, NY 11576	4/19/10-7/6/10	10,979.16	1,711.15
Pergament Mall of Staten Island, LLC	PO Box 55, Clarksburg MD 20871 Box 997300 Sacramento, CA 95899	5/7/10,6/9/10	40,650.14	8,455.99
PF's Cleaning Service	Philadelphia, PA 19182-2063	04/19/10-07/16/10	14,185.00	1,380.00
PG & E	6 Prospect Street, Suite 1B Midland Park, NJ 07432	4/19/10-7/9/10	13,087.35	1,002.16
Philadelphia Newspapers LLC	P.O.Box 822063 Philadelphia, PA 19178-9831	5/7/2010	27,002.17	57,228.80
Plaza K Shopping Center	711 Clifton Avenue, Newark NJ 07104	7/7/2010	17,500.00	24,879.31
PMAIC	70 Newfield Ave., Edison NJ 08837 P.O.Box 3100 Tallahassee, FL 32315-3100	5/3/2010	74,657.05	0.00
Poly Trucking		4/26/10-7/01/10	31,826.76	5,008.00
Poundex Furniture Inc.		04/19/10-07/16/10	16,722.00	0.00
Premium Assignment Corporation		5/6/10,6/4/10,7/6/10	30,896.94	0.00

**UNITED STATES BANKRUPTCY COURT
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Jennifer Convertibles, Inc.
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STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
Primo International	P O Box 2970, Champlain 12919-2970	04/19/10-07/16/10	16,254.00	0.00
PSE&G CO	PO Box 14444 New Brunswick, NJ 08906	5/13/10,6/14/10,7/16/10	10,714.63	0.00
PSE&G Company	PO Box 14444 New Brunswick, NJ 08906	4/22/10-7/15/10	32,653.83	12,071.05
R. Arroyo Trucking	27736 HUMMINGBIRD CT, Hayward CA 94545	04/19/10-07/16/10	19,920.00	5,810.00
Restful Furniture Corp.	18 Wimbledon Ct. Jericho, NY 11753	6/7/10	10,000.00	116,721.72
Retail Maint. Management, Inc.	3 East Deer Park Road Dix Hills, NY 11746	4/19/10-6/24/10	8,042.78	6,500.13
Robert Khan	2345 Hunter Square Court, Reston, VA 20191	04/19/10-07/16/10	6,780.00	1,530.00
Roth Bros., Inc.	P.O. Box 72464 Cleveland, OH 44192-2464	4/19/10-6/24/10	6,790.62	7,233.76
RustyBrick Inc.	2 Executive Blvd., Suite 305 Suffern, NY 10901	6/2/10-7/13/10	6,300.00	0.00
S & P Upholstery Service	590 Middle Street, Apt. #112 Weymouth, MA 02189	5/5/10-7/9/10	48,762.50	1,455.00
S. Cohen Advertising, Inc.	2109 Broadway Apt. 15-131 New York, NY 10023	5/11/10,6/7/10,7/12/10	43,439.01	3,400.00
Samuel Lotstein Realty Co LLC	159 Main Street Stamford, CT 06904	5/7/2010	9,000.00	23,225.81
San Francisco Newspaper Agency	PO BOX 80070 Prescott, AZ 86304- 8070	6/3/10,6/16/10	43,498.66	61,888.94

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STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
San Jose Mercury News	dept 8217 Los Angeles, CA 90084-8217	5/21/10,6/10/10	37,288.00	40,878.00
Sealy Mattress Company	PO Box 828561 Philadelphia, PA 19182	4/17/10-7/18/10	148,831.30	53,649.15
Shannon Guarracino	590 Middle Street Apt. #112 Weymouth MA 02189	04/19/10-07/16/10	5,940.00	1,640.00
Simple Transfer, LLC	160 Manor Drive Red Bank, NJ 07701	4/23/10-7/16/10	230,259.05	0.00
Sofa Dr. Inc.		5/7/10-7/16/10	161,066.39	0.00
Southern California Edison	P.O.Box 300 Rosemead, CA 91772-0001	4/19/10,5/17/10,6/17/10	22,952.79	0.00
Specialty Lighting Group	P.O.Box 1196 New Haven, CT 06505	4/19/10-6/24/10	7,175.70	17,334.70
State of Michigan	Dept 77003 Lansing, MI 48922	5/14/10, 6/11/10, 7/9/10	23,184.09	4,200.00
Stratford Company/Caye Uphols.	BOA Lockbox 13933, Collection Drive Center, Chicago, IL 60693	04/19/10-07/16/10	156,746.75	336,752.26
Sun-Sentinel	P. O. Box 100606 Atlanta, GA 30384- 0606	5/19/2010	11,067.20	33,105.10
Terry Lee Copelan	Copelan's Deliveries Services 4932 Kidds Mill Road Liberty, NC 27298	5/5/10-7/9/10	13,525.00	0.00
The Atlanta Journal & Const.	P.O. Box 105375 Atlanta, GA 30348- 5375	4/26/2010	19,359.34	18,718.68
The Baltimore Sun	P.O. Box 3132 Boston, MA 02241- 3132	6/7/2010	7,500.00	37,715.62
The Chavin Family Partnership	9177 B Central Avenue Montclair CA 91763	5/7/10,6/9/10	6,000.00	4,741.94

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Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
The Journal News	P.O.Box 822883 Philadelphia, PA 19182-2883	5/7/10,6/16/10	14,048.80	21,575.50
The Record-North Jersey Media	1 Garret Mountain Plaza, 6th Floor P.O. Box 471 West Patterson, NJ 07424-0471	5/7/10,6/7/10	27,451.44	22,544.00
The Star Ledger	PO Box 5718 Hicksville, NY 11802- 5718	6/3/2010	18,654.64	124,525.78
The Washington Post	PO BOX 17641 Baltimore, MD 21297- 1641	4/23/10,6/24/10	14,203.75	61,006.25
The Winfield Group	c/o Sher Partners 10500 N.E. 8th Street, Ste. 850 Bellevue, WA 98004	5/7/10,6/9/10	21,788.96	26,784.79
THIRD & FIFTY EIGHTH LLC	c/o Larstand Corporation 22 East 65th Street New York, NY 10021	6/4/2010	46,390.97	27,518.63
Thompson Delivery Co. (AT)	3503 Donamire Way Kennesaw, GA 30144	5/5/10-7/9/10	12,295.00	485.00
TM Capital Corp.	15 Piedmont Center, Suite 1010 3575 Piedmont Road NE Atlanta, GA 30305- 1572	5/7/10,7/15/10	37,599.58	0.00
TOA Technologies, Inc.	One Chagrin Highlands, Suite 207 2000 Auburn Drive Beachwood, OH 44122	4/20/10-6/11/10	9,332.40	5,802.00
Toys R Us - Delaware Inc.	PO Box 416104 Boston, MA 02241	5/7/10,6/9/10	14,585.40	18,819.87
Travelers	CL Remittance Center Hartford, CT 06183- 1008	5/26/2010	20,134.00	0.00
Tuscany Furniture	P.O. Box 880384 Boca Raton, FL 33488	5/7/10,6/9/10,6/25/10	7,759.20	2,252.67

**UNITED STATES BANKRUPTCY COURT
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STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
Tuscany Furniture Repair Inc. - Delv.	P.O. Box 880384 Boca Raton, FL 33488	5/5/10-7/9/10	41,192.50	3,002.50
Tustin Market Place	TIC Retail Properties- The Market Place Los Angeles, CA 90084- 0350	5/21/2010	11,753.07	18,449.52
Twelve Sixty Three-M, LLC	205 Mill Road Edison, NJ 08837	5/7/10,6/9/10	89,004.34	20,022.86
U.S. Quality Furniture	8920 Winkler Drive, Houston, TX 77017	04/19/10-07/16/10	31,692.80	3,310.84
UMA Enterprises, Inc.	660 West Artesia Blvd. Compton, CA 90220 P.O.Box 346	4/17/10-7/18/10	34,049.77	0.00
Universal Environ. Consulting.	Carle Place, NY 11514	6/2/10,6/9/10	18,844.31	16,244.99
UPS	P.O. Box 7247-0244 Philadelphia, PA 19170-0001	4/19/10-7/16/10	20,232.53	55.39
USA #1 Unlimited Service	41 Driggs Street, Staten Island, NY 10305	04/19/10-07/16/10	14,116.00	1,580.00
Valspar Corp.	Lockbox 771852 1852 Solutions Center Chicago, IL 60677- 1008	5/6/10-7/13/10	88,783.75	69,828.75
Valspar Corp.	Lockbox 771852 1852 Solutions Center Chicago, IL 60677- 1008	4/19/10-6/25/10	60,030.25	29,478.00
VASTNET	P.O.Box 1525 Melville, NY 11747 PO BOX 404555	4/19/10-7/15/10	7,115.43	0.00
Vertis, Inc.	Atlanta, GA 30384- 4555	5/4/10-6/24/10	76,611.17	43,946.31
Vicenti Asset LLC	11950 San Vicente Blvd, Ste. 200 Los Angeles, CA 90049	5/20/2010	12,560.12	32,413.21
Virginia Department of Taxation	PO Box 26626 Richmond, VA 23261	5/14/10-7/9/10	14,030.58	1,900.00

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Exhibit 3B. - Payments to creditors

Creditor	Creditor Address	Date of Payments	Amount Paid	Amount Still Owing
VNN Group LLC	3400 Oakmont View Drive Glendale, CA 91208	6/7/2010	8,010.15	28,681.50
William Benbassat	5705 S Sepulveda Boulevard Culver City, CA 90230 P.O. Box 422 Laurel, NY 11948-0422	5/3/10,6/7/10	20,000.00	5,806.45
Woodbury Office Seven	140 Grand Street, Penthouse 2 White Plains, NY 10601	5/7/2010	21,468.64	149,203.64
Yankwitt & McGuire, LLP	67-11 Yellowstone Blvd. apt.6B, Forest Hills, NY 11375	7/6/10,7/16/10	15,392.50	0.00
Z Talker Trucking	PO BOX 934130 Atlanta, GA 31193-4130	4/26/10-7/01/10	22,177.00	3,923.00
ZIMMERMAN ADV		5/7/10,5/25/10,6/23/10	195,975.32	295,958.25
			<u>\$11,238,786.44</u>	<u>\$25,477,674.56</u>

UNITED STATES BANKRUPTCY COURT
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Jennifer Convertibles, Inc.
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STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3C - Payments to creditors

Name & Address of Creditor, Relationship to Debtor	Address	Date of Payment	Amount Paid	Amount Still Owing
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	8/13/2009	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	8/27/2009	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	9/4/2009	2,625.00	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	9/10/2009	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	9/24/2009	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	10/8/2009	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	10/22/2009	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	11/5/2009	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	11/19/2009	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	12/3/2009	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	12/11/2009	2,625.00	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	12/17/2009	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	12/31/2009	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	1/14/2010	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	1/22/2010	360.00	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	1/28/2010	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	2/11/2010	6,153.83	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	2/11/2010	11,538.46	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	2/18/2010	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	2/18/2010	(11,538.46)	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	2/25/2010	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	3/4/2010	3,846.16	-

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STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3C - Payments to creditors

Name & Address of Creditor, Relationship to Debtor	Address	Date of Payment	Amount Paid	Amount Still Owing
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	3/5/2010	2,625.00	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	3/18/2010	(6,153.83)	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	3/18/2010	7,692.31	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	4/1/2010	21,153.83	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	4/1/2010	11,538.46	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	4/15/2010	11,538.46	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	4/29/2010	11,538.46	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	5/13/2010	11,538.46	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	5/27/2010	11,538.46	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	6/10/2010	11,538.46	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	6/11/2010	875.00	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	6/24/2010	11,538.46	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	7/8/2010	11,538.46	-
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	7/13/2010	875.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	8/13/2009	8,686.54	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	8/27/2009	8,686.54	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	9/4/2009	4,800.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	9/10/2009	8,686.54	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	9/24/2009	8,686.54	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	10/8/2009	8,686.54	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	10/22/2009	8,686.54	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	11/5/2009	8,686.54	-

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Exhibit 3C - Payments to creditors

Name & Address of Creditor, Relationship to Debtor	Address	Date of Payment	Amount Paid	Amount Still Owing
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	11/19/2009	8,686.54	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	12/3/2009	8,686.54	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	12/11/2009	4,800.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	12/17/2009	8,686.54	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	12/31/2009	8,686.54	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	1/14/2010	15,609.60	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	1/28/2010	20,225.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	2/11/2010	20,225.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	2/25/2010	20,225.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	3/4/2010	10,112.50	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	3/5/2010	4,800.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	3/18/2010	20,225.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	4/1/2010	20,225.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	4/15/2010	20,225.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	4/29/2010	20,225.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	5/13/2010	20,225.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	5/27/2010	20,225.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	6/10/2010	20,225.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	6/11/2010	1,600.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	6/24/2010	20,225.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	7/8/2010	20,225.00	-
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	7/13/2010	1,600.00	-

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Jennifer Convertibles, Inc.
Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3C - Payments to creditors

Name & Address of Creditor, Relationship to Debtor	Address	Date of Payment	Amount Paid	Amount Still Owing
Jara Enterprises Inc., Former Private Co owned by CEO and EVP of Debtor		9/4/2009	7,666.60	-
Jara Enterprises Inc., Former Private Co owned by CEO and EVP of Debtor		12/16/2009	74,145.22	-
Jara Enterprises Inc., Former Private Co owned by CEO and EVP of Debtor		12/29/2009	47,905.80	-
Jara Enterprises Inc., Former Private Co owned by CEO and EVP of Debtor		1/8/2010	100,000.00	-
Jara Enterprises Inc., Former Private Co owned by CEO and EVP of Debtor		1/21/2010	100,000.00	-
Jara Enterprises Inc., Former Private Co owned by CEO and EVP of Debtor		1/27/2010	45,552.47	-
Jara Enterprises Inc., Former Private Co owned by CEO and EVP of Debtor		2/11/2010	150,000.00	-
Jara Enterprises Inc., Former Private Co owned by CEO and EVP of Debtor		3/10/2010	55,155.21	-
Jara Enterprises Inc., Former Private Co owned by CEO and EVP of Debtor		4/13/2010	75,000.00	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	8/13/2009	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	8/27/2009	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	9/4/2009	2,925.00	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	9/10/2009	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	9/24/2009	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	10/8/2009	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	10/22/2009	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	11/5/2009	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	11/19/2009	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	12/3/2009	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	12/11/2009	2,925.00	-

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.
Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 3C - Payments to creditors

Name & Address of Creditor, Relationship to Debtor	Address	Date of Payment	Amount Paid	Amount Still Owing
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	12/17/2009	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	12/31/2009	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	1/14/2010	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	1/28/2010	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	2/11/2010	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	2/25/2010	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	3/4/2010	12,454.81	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	3/5/2010	2,925.00	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	3/18/2010	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	4/1/2010	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	4/15/2010	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	4/29/2010	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	5/13/2010	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	5/27/2010	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	6/10/2010	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	6/11/2010	975.00	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	6/24/2010	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	7/8/2010	24,909.62	-
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	7/13/2010	975.00	-
			<u>\$1,908,379.66</u>	

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.
Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 4A - Suits and administrative proceedings, executions, garnishments and attachments.

Caption of the Suit and Case No.	Nature of the Proceeding	Court or Agency Involved and Location	Status or Disposition
Theodore, Dion N. v. Jennifer Convertibles, Inc., Case No. 10-cv-10274 (WGY)	American with Disabilities Act violations in three (3) of the Company's stores	US District Court for the District of Massachusetts	Pending
Combs, Ayisha v. Jennifer Convertibles, Inc., case No. C-09-3242-SI	Putative class action for alleged violations of federal Fair Labor Standards Act and California labor code	US District Court for Northern District of California	Settled
New York City Department of Consumer Affairs	Notice of Violation	New York City Department of Consumer Affairs	Pending
Madison Waldorf, LLC v. Jennifer Convertibles, Inc., Case No. LT-4-2-102711-2010	Landlord/Tenant Dispute	District Court of Maryland for Charles County	Pending
Gibson, Steven vs. Jennifer Convertibles, Inc., Case No. 0502-0010376-2010	Contract claim	District Court of Maryland for Prince George's County Courthouse, Bourne Wing	Pending
Seidel, Karyn Lynn vs. Jennifer Convertibles, Inc., Case No. 0601-0011110-2010	Product liability	District Court of Maryland for Montgomery County	Pending
Insogna, Marilyn vs. Jennifer Convertibles, Inc., Case No. 201010SC000850	Contract claim	Trial Court of Massachusetts, District Court Department, Small Claims Session	Pending

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.
Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 4A - Suits and administrative proceedings, executions, garnishments and attachments.

Caption of the Suit and Case No.	Nature of the Proceeding	Court or Agency Involved and Location	Status or Disposition
Kermani, Bahereh vs. Jennifer Convertibles, Inc., Case No. SM 10A01961	Contract claim	Superior Court of California, County of Los Angeles, West District, Santa Monica Courthouse	Pending
Brown, Cleant vs. Jennifer Convertibles, Inc., Case No. SM 10A01827	Contract claim	Superior Court of California, County of Los Angeles, West District, Santa Monica Courthouse	Pending
First American Properties, Inc. vs. Jennifer Convertibles, Inc., Case No. 10M1 715770	Landlord/Tenant Dispute	Circuit Court of Cook County, Illinois, Municipal Department, First District	Pending
Fata Equities, LLC vs. Jennifer Convertibles, Inc., Case No. L&T 072467/10	Landlord/Tenant Dispute	Civil Court of the City of New York, County of New York	Pending
Holmdel Towne Center, LLC vs. Jennifer Convertibles, Inc., Case No. LT 4381-10	Landlord/Tenant Dispute	Superior Court of New Jersey, Law Division, Special Civil Part, Monmouth County	Pending
Pond Road Associates, LLC vs. Jennifer Convertibles, Inc., Case No. LT 3847-10	Landlord/Tenant Dispute	Superior Court of New Jersey, Law Division, Monmouth County, Special Civil Part Landlord/Tenant	Pending
NorCor Cicero Associates, LLC vs. Jennifer Convertibles, Inc., Case No. 10M1 711814	Complaint for Forcible Detainer and Rent Damage Claims	Circuit Court of Cook County, Illinois, First District	Pending
Shelby Corners, LLC vs. Jennifer Convertibles, Inc.	Landlord/Tenant Dispute	State of Michigan in the Circuit Court for Macomb County	Pending

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.
Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 4A - Suits and administrative proceedings, executions, garnishments and attachments.

Caption of the Suit and Case No.	Nature of the Proceeding	Court or Agency Involved and Location	Status or Disposition
Shelby Corners, LLC vs. Jennifer Convertibles, Inc., Case No. 10-2543-CK	Landlord/Tenant Dispute	Civil Court of the City of New York, County of Bronx	Pending
Valencia Marketplace I, LLC vs. Jennifer Convertibles, Inc., Case No. 10U00740	Prejudgment Claim of Right to Possession	Superior Court of California for the County of Los Angeles, North Valley District	Pending
Midland Pacific LLC vs. Jennifer Convertibles, Inc., Case No. BC 441844	Landlord/Tenant Dispute	Superior Court of California for the County of Los Angeles, Central Judicial District	Pending
Hannington, LP vs. Jennifer Convertibles, Inc., Case No. 10-02348-C	Landlord/Tenant Dispute	Superior Court in the Commonwealth of Massachusetts, Suffolk County	Pending
Madison Waldorf, LLC vs. Jennifer Convertibles, Inc., Case No. LT 4-2-102711-2010	Landlord/Tenant Dispute	District Court of Maryland for Charles County	Pending
City Centre Philadelphia, PA L.P. and Philadelphia Shopping Center Corporation vs. Jennifer Convertibles, Inc., Case No. 100700246	Landlord/Tenant Dispute	Court of Common Pleas of Philadelphia County, Pennsylvania	Pending
L.E. Barasch of Toms River, Inc., vs. Jennifer Convertibles, Inc., Case No. LT-2923-10	Landlord/tenant dispute	Superior Court of New Jersey, Law Division, Special Civil Part, Ocean County	Pending
905 WPR, LLC vs. Jennifer Convertibles, Inc., Case No. 090099 BLT 2010	Landlord/Tenant Dispute	Civil Court of the City of New York, County of Bronx	Pending

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.
Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 4A - Suits and administrative proceedings, executions, garnishments and attachments.

Caption of the Suit and Case No.	Nature of the Proceeding	Court or Agency Involved and Location	Status or Disposition
Hilltown Crossings, L.P. vs. Jennifer Convertibles, Inc., Case No. 2010-17204	Landlord/Tenant Dispute	Court of Common Pleas, Montgomery County, Pennsylvania	Pending
Cipriano Square Plaza Corporation vs. Jennifer Convertibles, Inc.	Landlord/Tenant Dispute	Circuit Court for Prince George's County, Maryland	Pending
JBG/Montgomery Village, LLC vs. Jennifer Convertibles, Inc.	Landlord/Tenant Dispute	District Court of Maryland, Montgomery County	Pending
Plaza K. Shopping Center, LLC vs. Jennifer Convertibles, Inc., Case No. LT-006365-10	Landlord/tenant dispute	Superior Court of New Jersey, Law Division, Special Civil Part, Middlesex County	Pending
PFF Main Street Chicago LLC vs. Jennifer Convertibles, Inc., Case No. 2010L000825	Landlord/Tenant Dispute	Circuit Court of the Eighteenth Judicial Circuit, Dupage County, Illinois	Pending
Middletown I Resources, LP, vs. Jennifer Convertibles, Inc., Case No. Unknown	Landlord/Tenant Dispute	Town of Wallkill Justice Court, County of Orange, State of New York	Pending
181 st Washington Heights Associates, LLC vs. Jennifer Convertibles Inc. and Washington Heights Convertibles, Inc., Case No. L&T 69079/2010	Landlord/Tenant Dispute	Civil Court of the City of New York, County of New York, Non-Housing Part 52	Pending
Saul Holdings Limited Partnership vs. Jennifer Convertibles, Inc., Case No. GV10015041-00	Landlord/Tenant Dispute	Commonwealth of Virginia, General District Court for Fairfax County	Pending

UNITED STATES BANKRUPTCY COURT
Southern District of New York

Jennifer Convertibles, Inc.
Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 4A - Suits and administrative proceedings, executions, garnishments and attachments.

Caption of the Suit and Case No.	Nature of the Proceeding	Court or Agency Involved and Location	Status or Disposition
C.J. Realty, L.P. vs. Jennifer Convertibles, Inc., Case No. LT-004029-10	Landlord/Tenant Dispute	District Court of the County of Nassau, First District Hempstead	Pending
Annapolis Harbour Center Associates, LLP vs. Jennifer Convertibles, Inc., Case No. 107100001891	Landlord/Tenant Dispute	District Court of Maryland for Anne Arundel County	Pending
Shin, Gary Thomas vs. Jennifer Convertibles, Inc.	Contract claim	Orange County Superior Court - West Justice Center	Pending

UNITED STATES BANKRUPTCY COURT
Southern District of New York

Jennifer Convertibles, Inc.

Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 9 - Payments Related to Debt Counseling or Bankruptcy.

Name of Payee	Address of Payee	Date of Payment, Name of Payor if other than Debtor	Amount of Money or Description and Value of Property
TM Capital Corp.	15 Piedmont Center, Suite 1010 3575 Piedmont Road NE Atlanta, GA 30305-1572	7/24/09	11,224.32
TM Capital Corp.	15 Piedmont Center, Suite 1010 3575 Piedmont Road NE Atlanta, GA 30305-1572	9/4/09	11,071.47
TM Capital Corp.	15 Piedmont Center, Suite 1010 3575 Piedmont Road NE Atlanta, GA 30305-1572	10/2/09	10,661.98
TM Capital Corp.	15 Piedmont Center, Suite 1010 3575 Piedmont Road NE Atlanta, GA 30305-1572	10/30/09	10,386.63
TM Capital Corp.	15 Piedmont Center, Suite 1010 3575 Piedmont Road NE Atlanta, GA 30305-1572	11/30/09	10,724.71
TM Capital Corp.	15 Piedmont Center, Suite 1010 3575 Piedmont Road NE Atlanta, GA 30305-1572	1/11/10	341.24
Olshan	65 East 55th Street Park Avenue Tower New York, NY 10022	5/4/10	22,577.64
TM Capital Corp.	15 Piedmont Center, Suite 1010 3575 Piedmont Road NE Atlanta, GA 30305-1572	5/7/10	10,000.00
TM Capital Corp.	15 Piedmont Center, Suite 1010 3575 Piedmont Road NE Atlanta, GA 30305-1572	6/7/10	100,000.00
Olshan	65 East 55th Street Park Avenue Tower New York, NY 10022	6/9/10	91,397.37
TM Capital Corp.	15 Piedmont Center, Suite 1010 3575 Piedmont Road NE Atlanta, GA 30305-1572	7/1/10	26,981.52

UNITED STATES BANKRUPTCY COURT
Southern District of New York

Jennifer Convertibles, Inc.

Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 9 - Payments Related to Debt Counseling or Bankruptcy.

Name of Payee	Address of Payee	Date of Payment, Name of Payor if other than Debtor	Amount of Money or Description and Value of Property
Olshan	65 East 55th Street Park Avenue Tower New York, NY 10022	7/1/10	145,087.68
Yankwitt & McGuire LLP	140 Grand Street, Penthouse 2 White plains, NY 10601	7/6/10	10,000.00
TM Capital Corp.	15 Piedmont Center, Suite 1010 3575 Piedmont Road NE Atlanta, GA 30305-1572	7/15/10	27,599.58
Olshan	65 East 55th Street Park Avenue Tower New York, NY 10022	7/15/10	347,348.53
Yankwitt & McGuire LLP	140 Grand Street, Penthouse 2 White plains, NY 10601	7/16/10	5,392.50
			<hr/> \$840,795.17 <hr/>

UNITED STATES BANKRUPTCY COURT
Southern District of New York

Jennifer Convertibles, Inc.

Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 21B - Current Partners, Officers, Directors and Shareholders.

If debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

Name and Address of Beneficial Owner	Amounts and Nature of Beneficial Ownership	Percent of Class (%)
Harley J. Greenfield (1) Hans J. Klaussner and Klaussner Furniture Industries, Inc. (5)	1,598,324 (2)	19.1
Edward B. Seidner (1)	943,230 (3)	11.8
M. Shanken Communications, Inc. (5)	830,383 (4)	11.6
Nissan Aboodi (6)	680,571 (5)	9.6
Rami Abada (1)	625,500 (6)	8.8
David A. Belford (8)	568,801 (7)	7.6
Kenneth S. Grossman (9)	394,000 (8)	5.6
	398,500 (9)	5.5

1) The address of Messrs. Greenfield, Abada, Seidner, Mattler and Berman is c/o Jennifer Convertibles, Inc., 417 Crossways Park Drive, Woodbury, New York 11797.

2) Includes (a) 297,329 shares of common stock, (b) 300,000 shares of common stock underlying options to acquire convertible preferred stock granted to Mr. Greenfield by Klaussner and (c) 1,000,995 shares issuable upon currently exercisable options.

3) Includes (a) 924,500 shares underlying convertible preferred stock in connection with Klaussner's \$5,000,000 investment and (b) 18,730 shares issuable upon the exercise of currently exercisable options. Based on information contained in the Schedule 13D filed by Klaussner and its owner, Hans J. Klaussner, Mr. Klaussner is the sole stockholder of the parent company of Klaussner and, accordingly, may be deemed the beneficial owner of the shares owned by Klaussner. The principal address of Klaussner is 405 Lewallen Street, Asheboro, North Carolina 27203. Hans J. Klaussner's address is 7614 Gegenbach, Germany. The information is based upon a Schedule 13D filed by such group on December 15, 2004.

4) Includes (a) 730,383 shares of common stock and (b) 100,000 shares issuable upon the exercise of currently exercisable options.

5) The address of M. Shanken Communications, Inc. is 387 Park Avenue South, New York, New York 10022. The information is based upon a Schedule 13G filed by such person on January 18, 2008.

UNITED STATES BANKRUPTCY COURT
Southern District of New York

Jennifer Convertibles, Inc.

Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 21B - Current Partners, Officers, Directors and Shareholders.

6) Includes (a) 460,000 shares of our common stock held by Navon VII LLC of which Mr. Aboodi has shared voting and dispositive power and (b) 165,500 shares of common stock held under Delaware Charter G&T Co TR Nissim Aboodi of which Mr. Aboodi has shared voting and dispositive power. Based on information contained in the Schedule 13G filed by the aforementioned entities and Nissan Aboodi, Mr. Aboodi is deemed the beneficial owner of the shares owned. The principal address of Nissan Aboodi is 1700 Broadway – 17th Floor, New York, NY 10019. The information is based upon a Schedule 13G filed by such person on February 12, 2008.

7) Includes (a) 118,801 shares of common stock and (b) 450,000 shares issuable upon the exercise of currently exercisable options.

8) The address of David A. Belford is 2097 S. Hamilton Road, Suite 200, Columbus, Ohio 43232. The information is based upon a Schedule 13D/A filed by such person on April 20, 1998.

9) Includes (a) 248,500 shares of common stock and (b) 150,000 shares issuable upon the exercise of currently exercisable warrants. The address of Kenneth S. Grossman is 18 Norfolk Rd., Great Neck, New York 11020. The information is based upon a Schedule 13G filed by such person on April 22, 2005.

UNITED STATES BANKRUPTCY COURT
Southern District of New York

Jennifer Convertibles, Inc.
Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 23 - Withdrawals from a Partnership or Distributions by a Corporation.

Name & Address of Creditor, Relationship to Debtor	Address	Date of Payment	Purpose	Amount Paid
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	8/13/2009	Salary	8,686.54
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	8/27/2009	Salary	8,686.54
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	9/10/2009	Salary	8,686.54
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	9/24/2009	Salary	8,686.54
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	10/8/2009	Salary	8,686.54
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	10/22/2009	Salary	8,686.54
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	11/5/2009	Salary	8,686.54
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	11/19/2009	Salary	8,686.54
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	12/3/2009	Salary	8,686.54
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	12/17/2009	Salary	8,686.54
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	12/31/2009	Salary	8,686.54
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	1/14/2010	Salary	15,609.60
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	1/28/2010	Salary	20,225.00
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	2/11/2010	Salary	20,225.00
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	2/25/2010	Salary	20,225.00
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	3/4/2010	Salary	10,112.50
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	3/18/2010	Salary	20,225.00
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	4/1/2010	Salary	20,225.00
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	4/15/2010	Salary	20,225.00

**UNITED STATES BANKRUPTCY COURT
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STATEMENT OF FINANCIAL AFFAIRS

Exhibit 23 - Withdrawals from a Partnership or Distributions by a Corporation.

Name & Address of Creditor, Relationship to Debtor	Address	Date of Payment	Purpose	Amount Paid
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	4/29/2010	Salary	20,225.00
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	5/13/2010	Salary	20,225.00
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	5/27/2010	Salary	20,225.00
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	6/10/2010	Salary	20,225.00
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	6/24/2010	Salary	20,225.00
Harley Greenfield, CEO	417 Crossways Park Drive, Woodbury NY 11797	7/8/2010	Salary	20,225.00
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	8/13/2009	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	8/27/2009	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	9/10/2009	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	9/24/2009	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	10/8/2009	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	10/22/2009	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	11/5/2009	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	11/19/2009	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	12/3/2009	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	12/17/2009	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	12/31/2009	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	1/14/2010	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	1/28/2010	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	2/11/2010	Salary	6,153.83

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STATEMENT OF FINANCIAL AFFAIRS

Exhibit 23 - Withdrawals from a Partnership or Distributions by a Corporation.

Name & Address of Creditor, Relationship to Debtor	Address	Date of Payment	Purpose	Amount Paid
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	3/18/2010	Salary	(6,153.83)
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	2/11/2010	Salary	11,538.46
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	2/18/2010	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	2/18/2010	Salary	(11,538.46)
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	2/25/2010	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	3/4/2010	Salary	3,846.16
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	3/18/2010	Salary	7,692.31
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	4/1/2010	Salary	21,153.83
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	4/1/2010	Salary	11,538.46
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	4/15/2010	Salary	11,538.46
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	4/29/2010	Salary	11,538.46
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	5/13/2010	Salary	11,538.46
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	5/27/2010	Salary	11,538.46
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	6/10/2010	Salary	11,538.46
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	6/24/2010	Salary	11,538.46
Edward Seidner, EVP	417 Crossways Park Drive, Woodbury NY 11797	7/8/2010	Salary	11,538.46
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	8/13/2009	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	8/27/2009	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	9/10/2009	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	9/24/2009	Salary	24,909.62

UNITED STATES BANKRUPTCY COURT
Southern District of New York

Jennifer Convertibles, Inc.
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STATEMENT OF FINANCIAL AFFAIRS

Exhibit 23 - Withdrawals from a Partnership or Distributions by a Corporation.

Name & Address of Creditor, Relationship to Debtor	Address	Date of Payment	Purpose	Amount Paid
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	10/8/2009	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	10/22/2009	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	11/5/2009	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	11/19/2009	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	12/3/2009	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	12/17/2009	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	12/31/2009	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	1/14/2010	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	1/28/2010	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	2/11/2010	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	2/25/2010	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	3/4/2010	Salary	12,454.81
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	3/18/2010	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	4/1/2010	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	4/15/2010	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	4/29/2010	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	5/13/2010	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	5/27/2010	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	6/10/2010	Salary	24,909.62
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	6/24/2010	Salary	24,909.62

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

Jennifer Convertibles, Inc.

Case Number: 10-13779 (ALG)

STATEMENT OF FINANCIAL AFFAIRS

Exhibit 23 - Withdrawals from a Partnership or Distributions by a Corporation.

Name & Address of Creditor, Relationship to Debtor	Address	Date of Payment	Purpose	Amount Paid
Rami Abada, President	417 Crossways Park Drive, Woodbury NY 11797	7/8/2010	Salary	<u>24,909.62</u>
				<u>\$1,214,644.36</u>

UNITED STATES BANKRUPTCY COURT
Southern District of New York

Exhibit "C"

[If, to the best of the debtor's knowledge, the debtor owns or has possession of property that poses or is alleged to pose a threat of imminent and identifiable harm to the public health or safety, attach this Exhibit "C" to the petition.]

In re:

Case No.: **10-13779 (ALG)**

Jennifer Convertibles, Inc.

Chapter: **11**

Debtor(s)

Exhibit "C" to Voluntary Petition

1. Identify and briefly describe all real or personal property owned by or in possession of the debtor that, to the best of the debtor's knowledge, poses or is alleged to pose a threat of imminent and identifiable harm to the public health or safety (attach additional sheets if necessary):

N/A

2. With respect to each parcel of real property or item of personal property identified in question 1, describe the nature and location of the dangerous condition, whether environmental or otherwise, that poses or is alleged to pose a threat of imminent and identifiable harm to the public health or safety (attach additional sheets if necessary):

N/A

UNITED STATES BANKRUPTCY COURT
Southern District of New York

In re: Jennifer Convertibles, Inc.
Debtor

Case No. 10-13779 (ALG)
Chapter 11

**DISCLOSURE OF COMPENSATION OF ATTORNEY
FOR DEBTOR**

1. Pursuant to 11 U.S.C. § 329(a) and Bankruptcy Rule 2016(b), I certify that I am the attorney for the above-named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept	\$	<u>250,000.00</u>
Prior to the filing of this statement I have received	\$	<u>250,000.00</u>
Balance Due	\$	<u>0.00</u>

2. The source of compensation paid to me was:

Debtor Other (specify)

3. The source of compensation to be paid to me is:

Debtor Other (specify)

4. I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation, is attached.

5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- a) Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
- b) Preparation and filing of any petition, schedules, statement of affairs, and plan which may be required;
- c) Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
- d) Representation of the debtor in adversary proceedings and other contested bankruptcy matters;
- e) [Other provisions as needed]

None

6. By agreement with the debtor(s) the above disclosed fee does not include the following services:

None

CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

Dated: 9/3/2010

/s/ Michael S. Fox, Esq.

Michael S. Fox, Esq., Bar No. MF-2612

Olshan Grundman Frome Rosenzweig

Attorney for Debtor(s)

**United States Bankruptcy Court
Southern District of New York**

In re **Jennifer Convertibles, Inc.**

Case No. **10-13779 (ALG)**

Debtor.

Chapter **11**

STATEMENT OF CORPORATE OWNERSHIP

Comes now **Jennifer Convertibles, Inc.** (the "Debtor") and pursuant to Fed. R. Bankr. P. 1007(a) and 7007.1 state as follows:

_____ All corporations that directly or indirectly own 10% or more of any class of the corporation's equity interests are listed below:

Owner	% of Shares Owned
None	

OR,

 X There are no entities to report.

By **s/ Michael S. Fox, Esq.**

Michael S. Fox, Esq.
Signature of Attorney

Counsel for **Jennifer Convertibles, Inc.**

Bar no.: **MF-2612**

Address.: **Olshan Grundman Frome Rosenzweig
& Wolosky, LLP
65 East 55th Street
New York
New York 10022**

Telephone No.: **212.451.2300**

Fax No.: **212.451.2222**

E-mail address: **mfox@olshanlaw.com**