

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

In re:

JENNIFER CONVERTIBLES, INC.,<sup>1</sup>

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**ORDER PURSUANT TO SECTIONS 502(b)(9), 503(a) AND 503(b)(9)  
OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3003(c)(3)  
ESTABLISHING THE DEADLINE AND PROCEDURES FOR FILING PROOFS OF  
CLAIM AND APPROVING FORM AND MANNER OF NOTICE THEREOF**

Upon the motion, dated August 31, 2010 (the “Motion”)<sup>2</sup> of Jennifer Convertibles, Inc. and its affiliated debtors, as debtors in possession (collectively, the “Debtors”), for entry of an order establishing the deadline and procedures for filing proofs of claim in the Debtors’ chapter 11 cases and approving the form and manner of notice thereof; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein; and a hearing having been held to consider the relief requested in the Motion (the “Hearing”); and the

---

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

<sup>2</sup> All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

appearances of all interested parties having been noted in the record of the Hearing; and it appearing that no other or further notice need be provided; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED.
2. That pursuant to Rule 3003(c)(3) of the Bankruptcy Rules, and except as otherwise provided herein, each person or entity (including, without limitation, each individual, partnership, joint venture, corporation, estate, or trust) that asserts a claim (as defined in section 101(5) of the Bankruptcy Code) against the Debtors (including, without limitation, a claim pursuant to section 503(b)(9) of the Bankruptcy Code) that arose on or prior to July 18, 2010 (the "Petition Date") shall file an original, written proofs of such claim (each a "Proof of Claim") which substantially confirms to Exhibit B attached to the Bar Date Motion (the "Proof of Claim Form"), which form is hereby approved, or Official Form No. 10, so as to be received on or before **October 25, 2010 at 5:00 p.m. (prevailing Eastern Time)** (the "General Bar Date").
3. Notwithstanding any other provision hereof, governmental units (as defined in section 101(27) of the Bankruptcy Code) that assert a claim (as defined in section 101(5) of the Bankruptcy Code) against any Debtor that arose on or prior to the Petition Date shall file a Proof of Claim so as to be received on or before **January 17, 2011, at 5:00 p.m. (prevailing Eastern Time)** (the "Governmental Bar Date" and, together with the General Bar Date, the "Bar Dates").
4. The following procedures for the filing of proofs of claim shall apply:

- a. All Proofs of Claim filed against the Debtors must substantially conform to the Proof of Claim Form or Official Bankruptcy Form No. 10;
- b. Proofs of claim must be filed either by U.S. Postal Service mail, overnight delivery, or hand delivery to the following addresses:

By overnight mail or by hand delivery, to:

Jennifer Convertibles, Inc., et al.  
C/O BMC Group, Inc.  
18750 Lake Drive East  
Chanhassen, MN 55317

-or-

By first-class mail, to:

Jennifer Convertibles, Inc., et al.  
C/O BMC Group, Inc.  
PO Box 3020  
Chanhassen, MN 55317-3020

-or-

By hand delivery to:

Clerk of the United States Bankruptcy Court  
Attn: Jennifer Convertibles, Inc. Claims Processing  
One Bowling Green  
New York, New York 10004;

- c. Proofs of Claim will be deemed timely filed only if **actually received** by BMC or the Clerk of the Court on or before the applicable Bar Date.
- d. Each Proof of Claim must: (i) be signed; (ii) include supporting documentation (if voluminous, attach a summary) or an explanation as to why documentation is not available; (iii) be in the English language; and (iv) be denominated in United States currency;
- e. Proofs of Claim shall **not** be accepted if sent by facsimile, telecopy or electronic mail; and
- e. Proofs of claim must specify by name and case number the Debtor against which the claim is filed; if the holder asserts a claim against more than one Debtor or has claims against different Debtors, a separate proof of claim must be filed with respect to each Debtor.

5. The following persons or entities are **not** required to file Proofs of Claim on or before the applicable Bar Date:

- a. any person or entity who has **already** properly filed a Proof of Claim against all Debtors against which such person or entity has a claim with BMC or the Clerk of the Court in a form which substantially conforms to the Proof of Claim Form or Official Form No. 10;
- b. any person or entity whose claim is listed on the Schedules filed by the Debtors, provided that (i) the claim is **not** scheduled as “disputed,” “contingent,” or “unliquidated,” **and** (ii) the claimant does not disagree with the amount, nature and priority of the claim for such person or entity as set forth in the Schedules;
- c. any person or entity that holds a claim that heretofore has been allowed by an order of this Court entered on or before the General Bar Date;
- d. any person or entity whose claim has been paid in full by any of the Debtors;
- e. any holder of a claim for which a specific deadline to file a proof of claim have previously been fixed by this Court;
- f. any Debtor holding a claim against another Debtor;
- g. any person or entity that holds a claim allowable under section 503, 507(a), 330(a), 331 or 364 of the Bankruptcy Code as an administrative expense (other than any claim allowable under section 503(b)(9) of the Bankruptcy Code);
- h. any current employee of the Debtors solely with respect to any claim based on the payment of wages, salaries and vacation pay arising in the ordinary course of business and previously authorized to be paid by order of the Court, including the first day wage order approved by the Court on July 22, 2010 (Docket Entry No. 52), provided, however, that if the Debtors provide written notice to any current employee stating that the Debtors do not intend to exercise their authority to pay such claim, such employee shall have until the later of either (i) the General Bar Date; or (ii) the first business day that is thirty (30) calendar days from the date of service of such written notice, to file a proof of such claim;
- i. professionals whose retention in these chapter 11 cases has been approved by the Court, to the extent that such person’s claim against the Debtors is for postpetition amounts due; and
- j. the United States Trustee for statutory fees required to be paid by the Debtors.

6. Pursuant to Bankruptcy Rule 3005, the last date and time by which guarantors, sureties, indorsers, and other co-debtors may file claims under section 501(b) of the Bankruptcy Code is **November 24, 2010 at 5:00 p.m. (prevailing Eastern Time)**;

7. The last date for any person or entity asserting a claim arising from the recovery by the Debtors of a voidable transfer to file a proof of such claim against the Debtors is the **later** of either (i) the General Bar Date, or (ii) the first business day that is at least thirty (30) calendar days after the entry of any order or judgment approving the avoidance of the transfer.

8. Any person or entity that holds a claim that arises from the rejection of an executory contract or unexpired lease must file a Proof of Claim based on such rejection by the later of (i) the General Bar Date; (ii) the first business day that is at least thirty (30) calendar days after entry of the order authorizing the rejection of the respective executory contract or unexpired lease; or (iii) such date as the Court may fix in the applicable order authorizing such rejection.

9. Holders of the Debtors' equity securities do not need to file a proof of such interest; provided, however, that if any such equity security holder asserts any rights as a creditor of any of the Debtors' estates, including a claim relating to such equity interest or the purchase or sale of such equity interest, a proof of such claim must be filed on or before the General Bar Date pursuant to the procedures et forth in this Order.

10. Any person or entity that holds a claim that arises under section 503(b)(9) of the Bankruptcy Code (which, despite their priority status, are prepetition claims) must file a proof of such claim on or before the General Bar Date to the extent that such claim has not been paid.

11. Neither the Bar Date nor any other deadline established by this Order applies to requests for the payment of administrative expenses arising in these cases under sections 503,

507(a)(1), 330(a), 331 and 364 of the Bankruptcy Code (other than any claim allowable under section 503(b)(9) of the Bankruptcy Code).

12. If the Debtors amend or supplement the Schedules subsequent to the date hereof, in a manner that (i) reduces the liquidated amount of a scheduled claim; (ii) reclassifies a scheduled, undisputed, liquidated, non-contingent claim as disputed, unliquidated or contingent; (iii) reduced the priority of a scheduled claim; or (iv) changes the Debtor against whom a claim was scheduled, and the affected claimant does not agree with such amendment, then the affected claimant who has not already filed a proof of claim in advance of the General Bar Date with respect to such scheduled claim must file a proof of claim on the later of (i) the first business day that is at least thirty (30) calendar days after the mailing of notice of such amendment in accordance with Bankruptcy Rule 1009, or (ii) such other time as may be established by order of the Court in connection with a motion to amend the Schedules, but in each instance, only to the extent such proof of claim does not exceed the amount scheduled for such claim before the amendment.

13. Nothing in this Order shall prejudice the right of the Debtors or any other party-in-interest to dispute or assert offsets or defenses to any claim reflected in the Schedules.

14. Pursuant to Bankruptcy Rule 3003(c)(2), all holders of claims against the Debtors that fail to comply with this Order by timely filing a Proof of Claim in appropriate form shall not be treated as a creditor with respect to such claim for the purposes of voting and distribution.

15. Notice of the entry of this Order and of the applicable Bar Date in substantially the form attached to the Motion as Exhibit A, which form is hereby approved, shall be deemed good, adequate, and sufficient notice of the Bar Dates if served in accordance with the Motion upon:

- a. the U.S. Trustee;
- b. Kelley Drye & Warren LLP, as counsel for the Creditors' Committee;
- c. all persons or entities that have requested notice of the proceedings in the Debtors' chapter 11 cases;
- d. all persons or entities that have filed a proof of claim;
- e. all creditors and other known holders of claims as of the date of entry of the Bar Date Order, including all persons or entities listed on the Schedules as holding claims, at the addresses stated therein;
- f. all counterparties to the Debtors' executory contracts and unexpired leases;
- g. all parties to litigation with the Debtors (as of the date of the entry of the Bar Date Order);
- h. the Internal Revenue Service for the Southern District of New York and, if required by Bankruptcy Rule 2002(j), the Securities and Exchange Commission and any other required governmental units;
- i. all persons and entities listed on the Debtors' consolidated list of creditors as established by the Debtors pursuant to this Court's order authorizing the Debtors to prepare a consolidated list of creditors in lieu of mailing matrix, dated August 4, 2010 (Docket Entry No. 126) as of the date of the entry of the Bar Date Order; and
- j. such additional persons and entities as deemed appropriate by the Debtors.

16. With regard to those holders of claims listed on the Schedules, the Debtors shall mail one or more proof of claim forms (as appropriate) substantially similar to the Proof of Claim form annexed to the Motion as Exhibit B.

17. Any person or entity who desires to rely on the Schedules will have the responsibility for determining that the claim is accurately listed in the Schedules.

18. The Debtors shall publish the Bar Date Notice as modified for publication as may be necessary in USA Today on at least one occasion at least twenty-one (21) days prior to the General Bar Date, which publication is hereby approved and shall be deemed good, adequate and sufficient publication notice of the General Bar Date..

19. The Debtors and BMC are authorized and empowered to take such steps and perform such acts as may be necessary to implement and effectuate the terms of this Order.

20. Entry of this Order is without prejudice to the right of the Debtors to seek a further order of this Court fixing a date by which holders of claims or interests not subject to the Bar Date established herein must file such proofs of claim or interest or be barred from doing so.

21. Nothing in this Order shall prejudice the right of any party in interest to object to any proof of claim, whether filed or scheduled, on any grounds, or to dispute or assert offsets or defenses to any claims reflected on the Schedules or any amendments thereto, as to amount, liability, classification or otherwise or to subsequently designate any claim as disputed, contingent, unliquidated or undetermined.

22. This Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order.

Dated: September \_\_, 2010  
New York, New York

---

UNITED STATES BANKRUPTCY JUDGE