

**OLSHAN GRUNDMAN FROME
ROSENZWEIG & WOLOSKY LLP**

Park Avenue Tower
65 East 55th Street
New York, New York 10022
Michael S. Fox, Esq.
Jordanna L. Nadritch, Esq.
Jayme M. Bethel, Esq.
212.451.2300

Counsel for the Debtors and Debtors in Possession

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

In re:

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

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**DEBTORS' MOTION FOR ENTRY OF AN ORDER SHORTENING TIME
OF NOTICE WITH RESPECT TO THE DEBTORS' APPLICATION PURSUANT
TO RULE 9019 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE
AND BANKRUPTCY CODE SECTIONS 105(a) AND 363 FOR ENTRY
OF AN ORDER AUTHORIZING AND APPROVING THE
DEBTORS' SETTLEMENT AND STIPULATION WITH HANNINGTON LP**

Jennifer Convertibles, Inc. ("Jennifer Convertibles") and its affiliated debtors, as debtors in possession (together, the "Debtors"), hereby move this Court (the "Motion") for entry of an order shortening time of notice with respect to the application pursuant to sections 105(a) and 363 of title 11 of the United States Code (the "Bankruptcy Code"), authorizing and approving the settlement with Hannington LP ("Hannington"), in accordance with the terms of the stipulation

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

attached to the application as Exhibit A (the “Stipulation”) (the “9019 Application”). In support of this Motion, the Debtors respectfully state as follows:

Background

1. On July 18, 2010 (the “Petition Date”), each of the Debtors commenced with the Bankruptcy Court a voluntary case pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. An Official Committee of Unsecured Creditors was appointed in these chapter 11 cases on July 23, 2010 (the “Creditors’ Committee”).

2. On September 3, 2010, the Debtors filed their Schedules of Assets and Liabilities and Statements of Financial Affairs. On September 15, 2010, the meeting of creditors pursuant to section 341 of the Bankruptcy Code was held.

3. Jennifer Convertibles, Inc. was organized as a Delaware corporation in 1986, and is currently the owner of (i) the largest group of sofa-bed specialty retail stores and leather specialty retail stores in the United States, with stores located throughout the Eastern seaboard, Midwest, West Coast and Southwest, and (ii) seven big box, full-line furniture stores operated under the Ashley Furniture HomeStore brand (the “Ashley Stores”) under a license from Ashley Furniture Industries, Inc.

4. As of the Petition Date, the Debtors’ stores included 130 stores operated by the Jennifer segment. During fiscal 2007, the Debtors opened their first Ashley Store. As of the Petition Date, the Debtors operated seven Ashley Stores.

5. As of the Petition Date, the Debtors employed 497 people. There are 336 employees in the Jennifer segment, 114 employees in the Ashley segment and 47 corporate employees. None of the employees are represented by a collective bargaining unit.

6. The factual background relating to the Debtors' commencement of these chapter 11 cases is set forth in additional detail in the Declaration of Rami Abada in Support of First Day Motions filed on July 19, 2010 and incorporated herein by reference.

Jurisdiction

7. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

8. On or about October 19, 2010, the Debtors filed their 9019 Application.

9. Pursuant to Bankruptcy Rule 9006(c)(1) and Rule 9006-1(b) of the Local Rules of the Bankruptcy Court of the Southern District of New York (the "Local Rules"), the Debtors hereby request a shortening of the notice period with respect to the relief sought in the 9019 Application so that the Debtors may seek entry of an order approving the 9019 Application at the hearing scheduled for November 9, 2010 at 10:00 a.m. (Eastern Time). The Debtors propose that any objections to the Motion be filed and served so that they are actually received no later than November 2, 2010 at 4:00 p.m. (Eastern Time).

Basis For Relief: Grounds Exist to Shorten and Limit Notice

10. Bankruptcy Rule 9006(c)(1) provides that "when an act is required or allowed to be done at or within a specified time by these rules or by a notice given thereunder or by order of court, the court for cause shown may in its discretion with or without motion or notice order the period reduced." Fed. R. Bankr. P. 9006(c)(1).

11. This Motion seeks to shorten the notice period so that the Court may approve the 9019 Application requesting authorization for the Debtors to enter into the Stipulation with Hannington. Accordingly, the Debtors respectfully request that the Court waive the required

notice period and allow the Debtors to seek entry of the 9019 Application Order at the hearing on November 9, 2010 at 10:00 a.m.

12. The Debtors believe that shortened notice and an expedited hearing is warranted under the circumstances, and that due process is not hindered as a result of the proposed shortening of the applicable notice periods. As set forth in greater detail in the 9019 Application, upon approval of the Stipulation, Hannington has consented to the release of attachment upon accounts, goods, effects and credits held by JP Morgan Chase Bank on behalf of the Debtors in the amount of \$81,560.76 (the "Funds"). After payment to Hannington of its allowed administrative claim, \$45,030.85 will be remitted to the Debtors' estates.

13. The Debtors have vacated the premises in accordance with the required procedures, and Hannington has accepted the surrender. Therefore, the Debtors are requesting authorization to enter into the Stipulation with Hannington, on an abbreviated time frame, in order to have the Funds remitted to the Debtors' estates as soon as possible. Under such circumstances, the Debtors submit that shortening the notice period for the relief as proposed herein is appropriate and will not prejudice the interests of any party in interest in these cases.

14. Accordingly, the Debtors submit that they should be permitted to seek entry of the 9019 Application Order at the hearing scheduled for November 9, 2010 at 10:00 a.m. (Eastern Time).

Notice

15. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion has been provided to: (i) Office of the United States Trustee for the Southern District of New York; (ii) counsel to the Official Committee of Unsecured Creditors; (iii) the SEC; and (iv) any other party who has filed a notice of appearance in these cases. The Debtors submit that such notice is sufficient under the circumstances.

No Previous Request

16. No previous request for the relief sought herein has been made to this or any other Court.

WHEREFORE the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: New York, New York
October 19, 2010

OLSHAN GRUNDMAN FROME
ROSENZWEIG & WOLOSKY LLP

By: /s/ Michael S. Fox
Michael S. Fox
Jordanna L. Nadritch
Jayme M. Bethel
Park Avenue Tower
65 East 55th Street
New York, New York 10022
(212) 451-2300

*Counsel for the Debtors and Debtors in
Possession*

EXHIBIT A

Supplemental Declaration

**OLSHAN GRUNDMAN FROME
ROSENZWEIG & WOLOSKY LLP**

Park Avenue Tower
65 East 55th Street
New York, New York 10022
Michael S. Fox, Esq.
Jordanna L. Nadritch, Esq.
Jayme M. Bethel, Esq.
212.451.2300

Counsel for the Debtors and Debtors in Possession

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

In re:

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

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**DECLARATION OF MICHAEL S. FOX IN SUPPORT OF THE DEBTORS' MOTION
FOR ENTRY OF AN ORDER SHORTENING TIME OF NOTICE WITH RESPECT TO
THE DEBTORS' APPLICATION PURSUANT TO RULE 9019 OF THE FEDERAL
RULES OF BANKRUPTCY PROCEDURE AND BANKRUPTCY CODE SECTIONS
105(a) AND 363 FOR ENTRY OF AN ORDER AUTHORIZING AND APPROVING THE
DEBTORS' SETTLEMENT AND STIPULATION WITH HANNINGTON LP**

Michael S. Fox makes this declaration under 28 U.S.C. § 1746, and states:

1. I am a member of the firm of Olshan Grundman Frome Rosenzweig & Wolosky LLP ("Olshan"), a law firm with principal offices at 65 East 55th Street, New York, New York 10022.

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

2. I submit this declaration in support of the motion of the Debtors (the "Motion") for entry of an order shortening time of notice with respect to the application pursuant to sections 105(a) and 363 of title 11 of the United States Code (the "Bankruptcy Code"), authorizing and approving the settlement with Hannington LP ("Hannington"), in accordance with the terms of the stipulation attached to the application as Exhibit A (the "Stipulation") (the "9019 Application").

3. I declare that all statements made herein are made based on my own knowledge.

4. The facts as described in the Motion and the 9019 Application are incorporated herein.

5. The Debtors believe that shortened notice and an expedited hearing are warranted under the circumstances. As more fully described in the Motion, the Debtors are seeking to shorten the notice period so that the Court may approve the 9019 Application and authorize the Debtors to enter into the Stipulation with Hannington.

6. The Debtors respectfully submit that due process is not hindered as a result of the proposed shortening of the applicable notice periods. As set forth in greater detail in the 9019 Application, upon approval of the Stipulation, Hannington would consent to the release of attachment upon accounts, goods, effects and credits held by JP Morgan Chase Bank on behalf of the Debtors in the amount of \$81,560.76 (the "Funds"). After payment to Hannington of its allowed administrative claim, \$45,030.85 will be remitted to the Debtors' estates.

7. The Debtors therefore are requesting authorization to enter into the Stipulation with Hannington, on an abbreviated time frame, in order to have the Funds remitted to the Debtors' estates as soon as possible. Under such circumstances, the Debtors submit that

shortening the notice period for the relief as proposed herein is appropriate and will not prejudice the interests of any party in interest in these cases.

8. Accordingly, the Debtors submit that they should be permitted to seek the requested relief at the hearing scheduled for November 9, 2010 at 10:00 a.m. (Eastern Time).

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: October 19, 2010

/s/ Michael S. Fox
Michael S. Fox

EXHIBIT B

Proposed Order

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

In re:

JENNIFER CONVERTIBLES, INC.,¹

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**ORDER SHORTENING TIME OF NOTICE WITH RESPECT TO THE DEBTORS'
APPLICATION PURSUANT TO RULE 9019 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE AND BANKRUPTCY CODE SECTIONS 105(a) AND 363
FOR ENTRY OF AN ORDER AUTHORIZING AND APPROVING THE
DEBTORS' SETTLEMENT AND STIPULATION WITH HANNINGTON LP**

Upon the motion, dated October 19, 2010 (the "Motion")² of Jennifer Convertibles, Inc. and its affiliated debtors, as debtors in possession (collectively, the "Debtors"), for entry of an order shortening time of notice with respect to the application pursuant to sections 105(a) and 363 of title 11 of the United States Code (the "Bankruptcy Code"), authorizing and approving the settlement with Hannington LP ("Hannington"), in accordance with the terms of the stipulation attached to the application as Exhibit A (the "Stipulation") (the "9019 Application"); and the Court having jurisdiction to consider the Motion 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 it appearing

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

that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the “Hearing”); and the appearances of all interested parties having been noted in the record of the Hearing; 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, creditors, and parties in interest; 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. Pursuant to Bankruptcy Rule 9006(c)(1) and Local Rule 9006-1(b), the notice and objection periods for the relief requested are shortened as set forth herein.
3. A hearing to consider the relief sought in the 9019 Application is set for November 9, 2010 at 10:00 a.m. (Eastern Time).
4. Any objections to the relief sought must be filed, served and received no later than November 2, 2010 at 4:00 p.m. (Eastern Time). Responses or objections to the 9019 Application, if any, must be in writing, must conform to the Bankruptcy Rules and the Local Rules of the Bankruptcy Court of the Southern District of New York and must be served on (a) counsel for the Debtors, Olshan Grundman Frome Rosenzweig & Wolosky LLP, Attention: Jordanna L. Nadritch, Esq.; (b) counsel for the Official Committee of Unsecured Creditors, Kelley Drye & Warren LLP, Attention: James S. Carr, Esq.; and (c) Office of the United States Trustee for the Southern District of New York.
5. This Court shall retain jurisdiction to resolve all matters relating to implementation of this Order.

Dated: _____, 2010
New York, New York

UNITED STATES BANKRUPTCY JUDGE