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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In Re:

Jennifer Convertibles, Inc., Chapter 11  
Case No. 10-13779 (ALG)

Debtor.

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**STATEMENT AND RESERVATION OF RIGHTS  
WITH RESPECT TO DEBTOR'S MOTION FOR  
AN ORDER EXTENDING TIME TO ASSUME  
OR REJECT LEASES**

To the Honorable Allan L. Gropper, United States Bankruptcy Judge:

TMCC Inc. ("TMCC"), by its attorneys Cullen and Dykman LLP, respectfully files the following statement and reservation of rights in connection with the Debtor's Motion for an Order Extending Time to Assume to Reject Unexpired Leases:

1. On July 18, 2010 (the "Petition Date"), Hartsdale Convertibles, Inc. (the "Debtor") filed a voluntary petition for relief under chapter 11 of title 11, United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York. The Debtor is operating as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. Pursuant to section 365(d)(4) of the Bankruptcy Code, the Debtor's time by which it must assume or reject its unexpired leases of real property expires November 15, 2010. By

Motion dated October 18, 2010, the Debtor seeks to extend that time to February 14, 2011 (THE “Motion to Extend”).

3. TMCC is the sub-landlord of the premises located at 1821 Route 110, East Farmingdale, New York (the “Premises”) to the Debtor as sub-tenant pursuant to sublease dated August 18, 2009 (the “Sublease”). The Sublease has not yet been assumed or rejected by the Debtor.

4. By Motion dated September 28, 2010 (the “TMCC Motion”), TMCC has sought an order compelling payment of post-petition lease obligations, directing the timely performance of the lease obligations or, in the alternative, compelling the Debtor to immediately reject the Sublease. The Debtor has requested discovery in connection with the TMCC Motion and the parties have entered into a scheduling arrangement as a result of which the next hearing on the TMCC Motion is scheduled for December 16, 2010.

5. Pursuant to the proposed order in connection with the Motion to Extend, the relief requested by the Debtor will be without prejudice to the right of any counterparty to a lease to move the Court to fix an earlier date by which the Debtor must assume or reject its lease.

6. While TMCC is not opposed to the Court extending the Debtor’s time to assume or reject its unexpired leases in general, TMCC reserves its rights under the TMCC Motion to compel the Debtor to immediately reject the Sublease for the reasons set forth therein, notwithstanding any extended time in which the Debtor would be able to assume or reject the Sublease as a result of the Motion to Extend.

WHEREFORE, TMCC respectfully requests that the Court grant it such relief as is deemed just and proper.

Dated: Garden City, New York  
October 30, 2010

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