

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

In re:	Chapter 11
JENNIFER CONVERTIBLES, INC., ¹	Case No. 10-13779 (ALG)
Debtors.	(Jointly Administered)

**REVISED ORDER AUTHORIZING AND APPROVING THE DEBTORS'
SETTLEMENT AND STIPULATION WITH HANNINGTON LP**

Upon the Application, dated October 19, 2010 (the “Application”)² of Jennifer Convertibles, Inc. and its affiliated debtors, as debtors in possession (collectively, the “Debtors”), for entry of an order pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure and 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 (the “Stipulation”) attached as Exhibit A to the Application; 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 Application having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Application (the “Hearing”); and the appearances of all interested parties having been noted in the record of the Hearing; and the

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

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

Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and it appearing that the relief requested in the Application 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 relief requested in the Application is GRANTED.
2. The Stipulation is hereby approved, and amended to provide that, (i) Plaintiff shall not assert or be entitled to any other administrative claim with respect to the Premises, and (ii) Plaintiff hereby waives and releases any right, title, and/or interest in the balance of the Account.
3. This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: _____, 2010
New York, New York

UNITED STATES BANKRUPTCY JUDGE