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**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 ORDER: (A) APPROVING THE DISCLOSURE
STATEMENT; (B) FIXING THE VOTING RECORD DATE; (C) APPROVING
THE SOLICITATION MATERIALS AND PROCEDURES FOR DISTRIBUTION
THEREOF; (D) APPROVING THE FORMS OF BALLOTS AND
ESTABLISHING PROCEDURES FOR VOTING ON THE DEBTORS' JOINT
PLAN OF REORGANIZATION; (E) SCHEDULING A HEARING AND
ESTABLISHING NOTICE AND OBJECTION PROCEDURES IN
RESPECT OF THE CONFIRMATION OF DEBTORS' JOINT PLAN OF
REORGANIZATION; AND (F) GRANTING RELATED RELIEF**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

The debtors and debtors in possession in the above-captioned cases (each a "Debtor" and, collectively, the "Debtors"), hereby move the court, pursuant to this motion (the "Motion"), for entry of an order (the "Disclosure Statement Order") (a) approving the Disclosure Statement

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).

With Respect to the Joint Chapter 11 Plan of Reorganization for Jennifer Convertibles, Inc. and its Affiliated Debtors (as the same may be amended, modified and/or supplemented after the date thereof, the “Disclosure Statement”); (b) fixing the voting record date; (c) approving the solicitation materials and procedures for distribution thereof; (d) approving the forms of ballots and establishing procedures for voting on the Debtors’ Joint Chapter 11 Plan of Reorganization for Jennifer Convertibles, Inc. and its Affiliated Debtors (as the same may be amended, modified and/or supplemented after the date thereof, the “Plan”);² (e) scheduling a hearing and establishing notice and objection procedures in respect of confirmation of the Debtors’ Plan (the “Confirmation Hearing”); and (f) granting related relief. In support of this Motion, the Debtors respectfully represent 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.

2. Jennifer Convertibles, Inc. was organized as a Delaware corporation in 1986, and is currently the owner of (i) the largest group of sofabed specialty retail stores and leather specialty retail stores in the United States, and (ii) six big box, full-line furniture stores operated under the Ashley Furniture HomeStore brand (the “Ashley Stores”) under a license from Ashley Furniture Industries, Inc. (“Ashley”).

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

3. 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. Since the Petition Date, the Debtors have closed approximately fifty (50) of their store locations, including one Ashley Store.

4. As of the date hereof, the Debtors employ 404 people; 248 people in the Jennifer segment (including warehouse personnel), 115 people in the Ashley segment, and 41 corporate employees.

5. 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

6. This Court has jurisdiction over this motion (the "Motion") 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.

7. The statutory predicates for the relief sought herein are sections 105, 502, 1125, 1126 and 1128 of the Bankruptcy Code and Rules 2002, 3001, 3003, 3017, 3018 and 3020 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

RELIEF REQUESTED

8. By this Motion, the Debtors seek the entry of the Disclosure Statement Order, substantially in the form annexed hereto as Exhibit 1, approving the substantive and procedural matters central to the confirmation process for the Plan, including approval of (a) the Disclosure Statement as providing "adequate information" within the meaning of section 1125(a) of the Bankruptcy Code, and (b) the procedures, important dates and the deadlines proposed herein

with respect to voting on and confirming the Plan. The Debtors filed both the Disclosure Statement and the Plan concurrently with this Motion.

9. For the convenience of the Court and all parties in interest, a summary timeline identifying each of the relevant dates and deadlines proposed herein by the various procedures is set forth below:

<u>Event/Deadline</u>	<u>Date</u>
Disclosure Statement Objection Deadline:	December 14, 2010 at 4:00 p.m. Eastern Time
Record Date:	December 20, 2010 at 4:00 p.m. Eastern Time
Disclosure Statement Hearing:	December 21, 2010 at 11:00 a.m. Eastern Time
Solicitation Deadline:	Five (5) days from the date the Disclosure Statement Order is entered
Deadline to Publish the Confirmation Hearing Notice:	[DATE], 2010 at 4:00 p.m. Eastern Time
Plan Supplement Filing Date	Fourteen (14) days prior to the Confirmation Hearing
Voting Deadline:	[DATE], 2011 at 4:00 p.m. Eastern Time
Plan Objection Deadline:	[DATE], 2011 at 4:00 p.m. Eastern Time
Deadline to Reply to Confirmation Objections:	[DATE], 2011 at 4:00 p.m. Eastern Time
Confirmation Hearing:	[January 25], 2011 at :00 .m. Eastern Time

10. In light of the current posture of these chapter 11 cases and the need to promptly proceed with the Plan process, the Debtors believe that the proposed timeline and procedures requested herein are (a) reasonable and appropriate and (b) comply fully with the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules for the Southern District of New York (the “Local Bankruptcy Rules”), and therefore should be approved.

BASIS FOR RELIEF

A. THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION AND SHOULD BE APPROVED

11. Pursuant to section 1125 of the Bankruptcy Code, a plan proponent must provide holders of impaired claims with “adequate information” regarding a debtor’s proposed plan of

reorganization. In that regard, section 1125(a)(1) of the Bankruptcy Code provides in pertinent part that:

“adequate information” means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor’s books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan

11 U.S.C. § 1125(a)(1). Thus, a debtor’s disclosure statement must, as a whole, provide information that is “reasonably practicable” to permit an “informed judgment” by creditors and interest holders entitled to vote on the plan. See In re Phoenix Petroleum Co., 278 B.R. 385, 392 (Bankr. E.D. Pa. 2001); In re Dakota Rail, Inc., 104 B.R. 138, 142 (Bankr. D. Minn. 1989); see also Talarico v. Thomas Crimmins Contracting Co., No. 94 Civ. 0420, 1995 WL 422034 at *5 (S.D.N.Y. July 18, 1995) (“A disclosure statement . . . is evaluated only in terms of whether it provides sufficient information to permit enlightened voting by holders of claims or interests.”) (citation omitted); In re Copy Crafters Quickprint Inc., 92 B.R. 973, 979 (Bankr. N.D.N.Y. 1988) (adequacy of disclosure statement “is to be determined on a case-specific basis under a flexible standard that can promote the policy of chapter 11 towards fair settlement through a negotiation process between informed interested parties”). Fundamentally, a disclosure statement “must clearly and succinctly inform the average unsecured creditor what it is going to get, when it is going to get it, and what contingencies there are to getting its distribution.” In re Ferretti, 128 B.R. 16, 19 (Bankr. D.N.H. 1991).

12. In examining the adequacy of the information contained in a disclosure statement, a bankruptcy court has broad discretion. See Texas Extrusion Corp. v. Lockheed Corp. (In re Texas Extrusion Corp.), 844 F.2d 1142, 1157 (5th Cir. 1988); see also In re Oxford Homes, 204

B.R. 264, 269 (Bankr. D. Me. 1997) (finding that Congress intentionally drew vague contours of what constitutes adequate information so that bankruptcy courts could exercise discretion to tailor them to each case's particular circumstances); In re Dakota Rail, 104 B.R. at 143 (holding that bankruptcy court has "wide discretion to determine . . . whether a disclosure statement contains adequate information, without burdensome, unnecessary, and cumbersome detail"). This grant of discretion was intended to facilitate the effective reorganization of a debtor in the broad range of businesses in which chapter 11 debtors engage and the broad range of circumstances that accompany chapter 11 cases. See H.R. Rep. No. 595-95, 1st Sess. 408-09 (1977). "In reorganization cases, there is frequently great uncertainty. Therefore, the need for flexibility is greatest." Id. at 409. Accordingly, the determination of whether a disclosure statement contains adequate information is to be made on a case-by-case basis, focusing on the unique facts and circumstances of each case. See In re Phoenix, 278 B.R. at 393; Kirk v. Texaco, Inc., 82 B.R. 678, 682 (S.D.N.Y. 1988) ("[t]he legislative history could hardly be more clear in granting broad discretion to bankruptcy judges under § 1125(a)").

13. The Debtors' Disclosure Statement contains ample and adequate information to allow parties in interest to make informed judgments about and, to the extent appropriate, vote on the Plan. The Disclosure Statement includes information regarding, among other things: (a) the Debtors and their corporate history, assets, liabilities and businesses; (b) the conditions preceding the Debtors' decision to commence these chapter 11 cases; (c) the significant events that have occurred during these chapter 11 cases; (d) the classification and treatment of claims and equity interests under the Plan; (e) other material terms of the Plan and the means for its implementation; (f) information concerning the projected financial performance, valuation and other financial information of the Debtors; and (g) certain risk factors relating to the Plan.

14. Excluding exhibits, the Disclosure Statement exceeds 100 pages in length and contains more than sufficient detail to permit holders of claims entitled to vote on the Plan to make an informed judgment whether to accept or reject the Plan. The Debtors have made every effort to produce a disclosure statement that renders the Plan and process understandable. Accordingly, the Debtors believe that the Disclosure Statement contains adequate information within the meaning of section 1125 of the Bankruptcy Code and should be approved.

15. In addition, the Debtors request that the Court authorize it to make non-material changes to the Disclosure Statement and related documents and appendices before distributing solicitation packages to each person in accordance with the Disclosure Statement Order. If so permitted, the Debtors will file blacklined copies with the Court of any modified pages marked to reflect the changes from the prior version.

B. FIXING A RECORD DATE

16. Bankruptcy Rule 3017(d) provides that upon approval of a disclosure statement, except to the extent that the court orders otherwise with respect to one or more unimpaired classes of creditors, the debtor shall mail to all creditors and the U.S. Trustee, a copy of the plan of reorganization, the disclosure statement, notice of the voting deadline and such other information as the court may direct. For the purposes of soliciting votes in connection with the confirmation of a plan, “creditors and equity security holders shall include holders of stocks, bonds, debentures, notes and other securities of record on the date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing.” Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) contains a similar provision regarding determination of the record date for voting purposes.

17. In accordance with the Bankruptcy Rules, the voting record date is typically the date a court enters an order approving a disclosure statement. The Debtors therefore request that

the Bankruptcy Court exercise its power under section 105(a) of the Bankruptcy Code to establish 4:00 p.m. Eastern Time on December 20, 2010 as the record date for purposes of determining which creditors are entitled to vote on the Plan (the “Record Date”).

**C. APPROVING SOLICITATION MATERIALS
AND PROCEDURES FOR DISTRIBUTION THEREOF**

18. Bankruptcy Rule 3017(d) sets forth the materials that must be provided to holders of claims for the purpose of soliciting their votes and providing adequate notice of the hearing on confirmation of a plan of reorganization:

Upon approval of a disclosure statement,—except to the extent that the court orders otherwise with respect to one or more unimpaired classes of creditors or equity security holders—the debtor in possession, trustee, proponent of the plan, or clerk as the court orders shall mail to all creditors and equity security holders, and in a chapter 11 reorganization case shall transmit to the United States trustee:

- (1) the plan or a court-approved summary of the plan;
- (2) the disclosure statement approved by the court;
- (3) notice of the time within which acceptances and rejections of the plan may be filed; and
- (4) any other information as the court may direct, including any court opinion approving the disclosure statement or a court-approved summary of the opinion.

In addition, notice of the time fixed for filing objections and the hearing on confirmation shall be mailed to all creditors and equity security holders in accordance with Rule 2002(b), and a form of ballot conforming to the appropriate Official Form shall be mailed to creditors and equity security holders entitled to vote on the plan.

Fed. R. Bankr. P. 3017(d).

19. After the Court has approved the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code, the Debtors propose to distribute

the Confirmation Hearing Notice (as defined below) and solicitation materials (the “Solicitation Materials”) including:

- (a) the Disclosure Statement Order, excluding the exhibits annexed thereto;
- (b) either
 - (1) a ballot, together with a return envelope and the Disclosure Statement (with the Plan and other exhibits annexed thereto), or
 - (2) a Notice of Non-Voting Status (as defined below), as applicable; and
- (c) such other materials as the Court may direct.

20. The Debtors expect that they will be able to commence distribution of the Solicitation Materials no later than the date that is five (5) days after the entry of the Disclosure Statement Order (the “Solicitation Commencement Date”) to:

- (a) all persons or entities identified on the Debtors’ schedules of liabilities filed pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007 (as amended or modified prior to the Record Date, the “Schedules”) as holding liquidated, noncontingent, and undisputed claims, in an amount greater than zero dollars, excluding scheduled claims that have been (i) superseded by a timely filed proof of claim, (ii) disallowed or expunged, or (iii) paid in full;
- (b) all parties who timely filed proofs of claim, as reflected on the official claims register maintained by BMC Group, Inc. (the “Balloting Agent” or “BMC”), as of the close of business on the Record Date, and whose claims have not been disallowed or expunged prior to the Solicitation Commencement Date;
- (c) the assignee of a transferred and assigned claim (whether a filed claim or a party included on the Schedules) shall be entitled to receive such Solicitation Materials if the transfer and assignment has been noted on the Court’s docket and is effective pursuant to Bankruptcy Rule 3001(e) as of the close of business on the Record Date; and

21. The Debtors shall commence to distribute or cause to be distributed by the Solicitation Commencement Date, the Disclosure Statement Order, the Confirmation Hearing Notice, the Disclosure Statement (together with the Plan and other exhibits annexed thereto) and

such other materials as the Court may direct to, among other parties (to the extent such parties did not receive the Solicitation Materials):

- (a) the United States Trustee for the Southern District of New York (the “US Trustee”);
- (b) Kelley Drye & Warren LLP, as counsel for the Creditors’ Committee
- (c) counsel for Haining Mengnu Group Co. Ltd. (“Mengnu”);
- (d) the Securities and Exchange Commission;
- (e) the Internal Revenue Service for the Southern District of New York;
- (f) relevant federal, state and local taxing authorities at their statutory addresses;
- (g) parties who have filed a request for service of all pleadings pursuant to and in accordance with Bankruptcy Rule 2002 as of the day prior to service; and

22. The Plan and Disclosure Statement also will be available via the internet at <http://www.nysb.uscourts.gov> and <http://www.bmcgroup.com/jenniferconvertibles>. In addition, the Debtors will provide parties in interest with a hard copy of the Disclosure Statement upon written request.

23. During these chapter 11 cases, the Debtors have had mail returned by the United States Postal Service as undeliverable. The Debtors anticipate that some of the notices served in these cases, including notices of the Disclosure Statement Hearing, notices of the bar dates established in these cases and notices of the commencement of these cases, will also be returned as undeliverable. The Debtors believe that it would be costly and inefficient to distribute Solicitation Materials to the same addresses to which undeliverable notices were distributed. Therefore, the Debtors seek the Court’s approval for a departure from the strict notice rule, excusing the Debtors from distributing Solicitation Materials to those entities listed at such addresses if the Debtors are unable to obtain accurate addresses for such entities before the

Solicitation Commencement Date after having exercised good faith efforts to locate a more current address. Further, if the Debtors send Solicitation Materials, which are deemed undeliverable, and, in good faith cannot obtain more current addresses, the Debtors seek to be excused from attempting to re-deliver Solicitation Materials to such entities.

24. The Debtors believe that the proposed notice and service procedures are fair and reasonable and are designed to provide holders of claims with adequate notice within the meaning of section 1125(a) of the Bankruptcy Code and, thus, should be approved.

**D. APPROVING FORMS OF BALLOTS AND
ESTABLISHING PROCEDURES FOR VOTING ON THE PLAN**

(i) Approving Forms Of Ballots And Distribution Thereof

25. Bankruptcy Rule 3017(d) requires the Debtors to mail a form of ballot to “creditors and equity security holders entitled to vote on the plan.” The Debtors have prepared customized ballots (collectively, the “Ballots”) for voting on the Plan, substantially in the forms attached to the Disclosure Statement Order as Exhibits A and B. Each of the Ballots is based upon Official Form No. 14, but has been modified to address the particular aspects of these chapter 11 cases and to include certain additional information that the Debtors believe to be relevant and appropriate for the class of claims that is entitled to vote to accept or reject the Plan.

26. The Ballots will be distributed to holders of claims entitled to vote on the Plan in Class 2 (Mengnu Unsecured Claims), and Class 3 (General Unsecured Claims) (collectively, the “Voting Classes”). All other classes under the Plan are either unimpaired and conclusively presumed to have accepted the Plan or are deemed to reject the Plan. The unimpaired class conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code is Class 1 (Priority Non-Tax Claims). Under the Plan, the classes of claims deemed to

reject the Plan pursuant to section 1126(g) of the Bankruptcy Code are: Class 4 (Existing Preferred Stock Interests); and Class 5 (Existing Common Stock Interests).

27. Bankruptcy Rule 3018(c) provides that “[a]n acceptance or rejection shall be in writing, identify the plan or plans accepted or rejected, be signed by the creditor or equity security holder or an authorized agent, and conform to the appropriate Official Form.” Fed. R. Bankr. P. 3018(c). The Ballots have been prepared in accordance with Bankruptcy Rule 3018(c). Thus, the Debtors believe that the forms of the Ballots comply with Bankruptcy Rule 3018(c) and should, therefore, be approved.

(ii) Proposed Notices To Deemed Accepting and Deemed Rejecting Classes

28. As discussed above, certain Classes are *not* entitled to vote on the Plan. As a result, they will *not* receive Solicitation Materials and, instead, the Debtors propose that such parties receive an appropriate form notifying them of their non-voting status.

29. Specifically, Claims in Class 1 (Priority Non-Tax Claims) are designated under the Plan as unimpaired and, therefore, are conclusively presumed to accept the Plan. See 11 U.S.C. § 1126(f).

30. Bankruptcy Rule 3017(d) provides, in relevant part, as follows:

If the court orders that the disclosure statement and the plan or a summary of the plan shall not be mailed to any unimpaired class, notice that the class is designated in the plan as unimpaired and notice of the name and address of the person from whom the plan or summary of the plan and disclosure statement may be obtained upon request and at the plan proponent’s expense, shall be mailed to members of the unimpaired class together with the notice of the time fixed for filing objections to and the hearing on confirmation.

31. Accordingly, in lieu of a Ballot, the Debtors propose to send to holders of unimpaired claims in Class 1 (Priority Non-Tax Claims) a notice of non-voting status,

substantially in the form annexed to the Disclosure Statement Order as Exhibit C (the “Notice of Non-Voting Status”) in the Solicitation Materials sent to such holders.

32. In addition, and consistent with section 1126(g) of the Bankruptcy Code and Bankruptcy Rule 3017(d), Solicitation Materials for holders of claims or interests in Class 4 (Existing Preferred Stock Interests) and Class 5 (Existing Common Stock Interests) that are conclusively presumed to reject the Plan will include a Notice of Non-Voting Status but not a ballot.

33. The Notice of Non-Voting Status sets forth the manner in which a copy of the Plan and Disclosure Statement may be obtained. The Debtors submit that such notice satisfies the requirements of the Bankruptcy Code and Bankruptcy Rule 3017(d). Accordingly, the Debtors request that the Court determine that they are not required to distribute copies of the Plan and Disclosure Statement to any holder of an unimpaired claim in Class 1 (Priority Non-Tax Claims), which is deemed to accept the Plan, or to any holder of a claim or interest in Class 4 (Existing Preferred Stock Interests) and Class 5 (Existing Common Stock Interests), which are deemed to reject the Plan, unless requested by such holder in writing.

(iii) Establishing Voting Deadline For Receipt Of Ballots

34. Bankruptcy Rule 3017(c) provides that, on or before approval of a disclosure statement, the court shall fix a time within which the holders of claims may accept or reject a plan. The Debtors anticipate commencing the solicitation period within five (5) days after the entry of the Disclosure Statement Order. Based on such schedule, the Debtors propose that in order to be counted as a vote to accept or reject the Plan, each ballot must be properly executed, completed, and delivered to the BMC Group Inc. (“BMC”), as the Debtors’ notice and claims agent, by (a) first-class mail; (b) overnight courier; or (c) personal deliver so as to be received by BMC no later than 4:00 p.m. Eastern Time on [DATE], 2011, or any other date set by the Court

(the “Voting Deadline”). The Debtors propose that the certification of the Ballots be filed on or before the date of the Confirmation Hearing.

35. Assuming the Court enters the Disclosure Statement Order the day after the hearing to approve the Disclosure Statement, the Debtors’ proposed deadlines – i.e., the Solicitation Deadline and Voting Deadline – will afford holders of claims entitled to vote on the Plan with more than 28 days within which to review and analyze the solicitation materials and subsequently make an informed decision as to whether to vote to accept or reject the Plan before the Voting Deadline consistent with the requirements of the applicable Bankruptcy Rules. See Fed. R. Bankr. P. 3017(d) (after approval of a disclosure statement, the debtor must transmit the plan, the approved disclosure statement, a notice of the time within which acceptances and rejections of such plan may be filed and any other information that the court may direct to certain holders of claims). Accordingly, the Debtors request that the Court approve the form of, and the proposed procedures and timeline for distributing, the Solicitation Materials to the holders of claims in the Voting Classes.

(iv) Approval Of Procedures For Vote Tabulation

36. Section 1126(c) of the Bankruptcy Code provides as follows:

A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan.

37. Section 1126(d) of the Bankruptcy Code provides as follows:

A class of interests has accepted a plan if such plan has been accepted by holders of such interests, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount of the allowed interests of such class held by holders of such interests, other than any entity designated under

subsection (e) of this section, that have accepted or rejected such plan.

Further, Bankruptcy Rule 3018(a) provides that “the court after notice and hearing may temporarily allow the claim or interest in an amount which the court deems proper for the purpose of accepting or rejecting a plan.” Fed. R. Bankr. P. 3018(a). Consistent with these requirements, the Debtors propose to use the procedures attached to the Disclosure Statement Order as Exhibit D and incorporated by reference herein (the “Solicitation Procedures”).

(v) Approval of the Solicitation Procedures; Ballot Tabulation

38. To ease and clarify the process of tabulating all votes received, the Debtors propose that a Ballot be counted in determining the acceptance or rejection of the Plan only if it satisfies certain criteria. Specifically, the Solicitation Procedures provide that the Debtors not count a Ballot if it is, among other things, illegible, submitted by a holder of a claim that is not entitled to vote on the Plan, unsigned or not clearly marked.

39. Solely for the purpose of voting to accept or reject the Plan and not for the purpose of the allowance of, or distribution on account of, a claim, the Debtors propose that each claim in a Voting Class be temporarily allowed in an amount equal to the amount of such claim as set forth by the Debtors on the applicable Ballot delivered by the Debtors to such party; provided, however, that the Debtors reserve the right to object to (a) the amount of any claim set forth for voting purposes on a Ballot, (b) the amount otherwise agreed to by the Debtors and the applicable claimant or (c) an amount ordered by the Court; provided, further, that the Debtors reserve the right to object to any proof of claim on any grounds including for purposes of distribution, or to amend and/or supplement the Debtors’ schedules of assets and liabilities. Accordingly, this motion constitutes a request for temporary allowance of claims, solely for voting purposes, under Bankruptcy Rule 3018(a).

40. In tabulating votes, the Debtors will use the hierarchy and rules identified in the Solicitation Procedures to determine the amount of the claim associated with each holder's vote.

41. The proposed Solicitation Procedures set forth specific criteria with respect to the general tabulation of Ballots, the voting procedures applicable to beneficial holders of claims and the tabulation of such votes.

42. All Ballots will be accompanied by first-class, postage prepaid, return envelopes pre-addressed to BMC. The Ballots may be returned to BMC by first-class, postage prepaid mail in the pre-addressed return envelope provided in a Solicitation Materials with each Ballot or by overnight delivery (at the Holder's expense).

43. The Debtors further propose that the following Ballots not be counted nor considered for any purpose in determining whether the Plan has been accepted or rejected: (a) any Ballot received after the Voting Deadline, unless the Debtors shall have granted in writing an extension of the Voting Deadline with respect to such Ballot; (b) any Ballot that is illegible or contains insufficient information to permit the identification of the claimant; (c) any Ballot cast by a person or entity that does not hold a claim in a Voting Class; (d) any unsigned Ballot; (e) any Ballot transmitted to BMC by facsimile or other electronic means; and (f) any Ballot that is otherwise properly completed and returned but does not indicate either an acceptance or rejection of the Plan or otherwise indicates both an acceptance or rejection of the Plan.

44. The Debtors believe that the foregoing Solicitation Procedures provide for a fair and equitable voting process in light of the circumstances involved.

**E. ESTABLISHING NOTICE AND OBJECTION PROCEDURES
IN RESPECT OF CONFIRMATION OF THE PLAN**

(i) Scheduling The Confirmation Hearing

45. Bankruptcy Rule 3017(c) provides:

On or before approval of the disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject the plan and may fix a date for the hearing on confirmation.

46. In accordance with Bankruptcy Rule 3017(c) and in view of the Debtors' proposed solicitation schedule outlined herein, the Debtors request that a hearing on confirmation of the Plan (the "Confirmation Hearing") be scheduled on January 25, 2011 at 11:00 a.m. Eastern Time, subject to the Court's availability. The Confirmation Hearing may be continued from time to time by the Court or the Debtors without further notice other than adjournments announced in open court. The proposed timing for the Confirmation Hearing is in compliance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules and will enable the Debtors to pursue confirmation of the Plan in a timely fashion in order to ensure confirmation and consummation of the Plan within the timeframe contemplated by the Debtors, the Creditors' Committee, and Mengnu.

(ii) Establishing Procedures For Notice Of The Confirmation Hearing

47. Bankruptcy Rule 2002(b) and (d) require not less than twenty-eight (28) days' notice to all creditors and equity security holders of the time fixed for filing objections and the hearing to consider confirmation of a chapter 11 plan. In accordance with Bankruptcy Rules 2002 and 3017(d), the Debtors propose to provide to all known creditors and equity security holders a copy of the notice substantially in the form attached to the Disclosure Statement Order as Exhibit E (the "Confirmation Hearing Notice") simultaneously with the Solicitation Materials.

48. By this motion, the Debtors request that the Court approve the Confirmation Hearing Notice, which contains, among other things: (a) instructions as to how to view or obtain copies of the Disclosure Statement (including the Plan and other exhibits thereto), the Disclosure Statement Order and all other materials in the Solicitation Materials (excluding Ballots) from BMC and/or the Court's website via PACER, (b) the Voting Deadline, (c) notice of the date by which the Debtors will file the Plan Supplement, (d) the deadline to file objections to confirmation of the Plan (the "Plan Objection Deadline"), (e) the Confirmation Hearing date and time and (f) procedures for the temporary allowance of claims. Because it is included in the Solicitation Materials, such notice will be sent on or prior to the date that is 28 days prior to the Plan Objection Deadline.

49. Bankruptcy Rule 2002(l) permits the Court to "order notice by publication if it finds that notice by mail is impracticable or that it is desirable to supplement the notice." Fed. R. Bankr. P. 2002(l). In addition to mailing the Confirmation Hearing Notice, the Debtors propose to publish the Confirmation Hearing Notice (in a format modified for publication), on a date that is no less than fourteen (14) days prior to the Plan Objection Deadline, in the national edition of the *New York Times*. Additionally, the Debtors will post the Confirmation Hearing Notice electronically on their reorganization website at <http://www.bmcgroup.com/jenniferconvertibles>. The Debtors believe that publication of the Confirmation Hearing Notice will provide sufficient notice of the approval of the Disclosure Statement, the Record Date, the Voting Deadline, the time fixed for filing objections to confirmation of the Plan, and the time, date, and place of the Confirmation Hearing to persons who do not otherwise receive actual written notice by mail as provided for in the Disclosure Statement Order.

50. The Debtors submit that the foregoing procedures will provide adequate notice of the Confirmation Hearing and, accordingly, request that the Court approve such notice as adequate.

(iii) Establishing Procedures For The Filing Of Objections To Confirmation Of The Plan

51. Pursuant to Bankruptcy Rule 3020(b)(1), objections to confirmation of a plan must be filed and served “within a time fixed by the court.” The Confirmation Hearing Notice provides, and the Debtors request that the Court direct that objections to confirmation of the Plan or proposed modifications to the Plan, if any, must:

- (a) be in writing;
- (b) state the name and address of the objecting party and the amount and nature of the claim or interest of such party;
- (c) state with particularity the basis and nature of any objection to the Plan and, if practicable, proposed modification to the Plan that would resolve such objection; and
- (d) be filed, together with proof of service, with the Court and served so that they are received by the Notice Parties (as set forth below) no later than 4:00 p.m. (prevailing Eastern Time), on the date that is seven (7) days prior to the date of the Confirmation Hearing (the “Objection Deadline”).

Notice Parties:

Counsel to the Debtors: Olshan Grundman Frome Rosenzweig & Wolosky LLP
Park Avenue Tower
65 East 55th Street
New York, NY 10022
Attention: Michael S. Fox, Esq.

Counsel to the Creditors’
Committee: Kelley Drye & Warren LLP
101 Park Avenue
New York, NY 10017
Attention: James S. Carr, Esq.

Mengnu: Neiger LLP
317 Madison Avenue
21st Floor
New York, NY 10017
Attn: Edward Neiger, Esq

United States Trustee: Office of the United States Trustee
33 Whitehall Street, 21st Floor
New York, NY 10004
Attention: Nazar Khodorovsky

52. The proposed timing for filing and service of objections and proposed modifications, if any, will afford the Court, the Debtors, and other parties in interest sufficient time to consider the objections and proposed modifications prior to the Confirmation Hearing. The Debtors request that the Bankruptcy Court approve this schedule pursuant to Bankruptcy Rule 3020.

NOTICE

53. Notice of this Motion has been provided to: (a) the United States Trustee for the Southern District of New York (the “United States Trustee”); (b) counsel to the Creditors Committee; (c) counsel for Mengnu; (d) the Securities and Exchange Commission; (e) the Internal Revenue Service; (f) all relevant federal, state and local taxing authorities at their statutory addresses; and (g) all parties who have filed a request for service of all pleadings in these cases.

No Previous Request

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

55. Because the authorities relied upon herein are set forth above, the Debtors respectfully submit that this Motion itself satisfies the requirements of Local Rule 9013-1(b) of

the Local Rules for the United States Bankruptcy Court for the Southern District of New York regarding the submission of a memorandum of law.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form annexed hereto, granting the Motion and such other and further relief as may be just and proper.

Dated: New York, New York
November 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 to the Debtors and Debtors in Possession

EXHIBIT 1

Disclosure Statement Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

Jennifer Convertibles, Inc.¹

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

Jointly Administered

**ORDER: (A) APPROVING THE DISCLOSURE
STATEMENT; (B) FIXING THE VOTING RECORD DATE; (C) APPROVING
THE SOLICITATION MATERIALS AND PROCEDURES FOR DISTRIBUTION
THEREOF; (D) APPROVING THE FORMS OF BALLOTS AND
ESTABLISHING PROCEDURES FOR VOTING ON THE DEBTORS' JOINT
PLAN OF REORGANIZATION; (E) SCHEDULING A HEARING AND
ESTABLISHING NOTICE AND OBJECTION PROCEDURES IN
RESPECT OF THE CONFIRMATION OF DEBTORS' JOINT PLAN OF
REORGANIZATION; AND (F) GRANTING RELATED RELIEF**

Upon consideration of the motion (the "Motion")² of the debtors and debtors in possession in the above-captioned cases (each a "Debtor" and, collectively, the "Debtors") for entry of an order (the "Disclosure Statement Order") (a) approving the Disclosure Statement With Respect to the Joint Chapter 11 Plan of Reorganization for Jennifer Convertibles, Inc. and its Affiliated Debtors (as the same may be amended, modified and/or supplemented after the date thereof, the "Disclosure Statement"); (b) fixing the voting record date; (c) approving the solicitation materials and procedures for distribution thereof; (d) approving the forms of ballots and establishing procedures for voting on the Debtors' Joint Chapter 11 Plan of Reorganization for Jennifer Convertibles, Inc. and its Affiliated Debtors (the "Plan"); (e) scheduling a hearing

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 Motion

and establishing notice and objection procedures in respect of confirmation of the Debtors' Plan (the "Confirmation Hearing"); and (f) granting related relief; and the Court having jurisdiction to consider the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. §§ 157 and 1334 and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 19, 1984 (Ward, Acting C.J.); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Debtors having filed with the Court the Disclosure Statement and the Plan; and the Court having reviewed the Disclosure Statement, the Motion, and the responses thereto; and the Court having found and determined that the legal and factual bases set forth in the Motion and at the Disclosure Statement Hearing establish just cause for the relief granted herein; and sufficient notice of the Motion having been given; and no other or further notice being necessary or required; and it appearing to the Court, based upon the full record of these cases that the Motion should be granted; and after due deliberation, and sufficient cause appearing therefor,

IT IS HEREBY FOUND THAT:

A Notice of the Motion and the Disclosure Statement Hearing was served as proposed in the Motion, and such notice constitutes good and sufficient notice to all interested parties and no other or further notice need be provided.

B The Disclosure Statement contains "adequate information" within the meaning of section 1125 of the Bankruptcy Code.

C The forms of the Ballots annexed hereto as Exhibits A and B are sufficiently consistent with Official Form No. 14 and adequately addresses the particular needs of these chapter 11 cases and are appropriate for each class of claims that is entitled to vote to accept or reject the Plan.

D The forms of the ballots require the furnishing of sufficient information to assure that duplicate ballots are not submitted and tabulated.

E Ballots need not be provided to the holders of unimpaired claims in Class 1 (Priority Non-Tax Claims) because the Plan provides that such classes are unimpaired and, therefore, conclusively presumed to accept the Plan.

F Ballots need not be provided to the holders of claims and interests in Class 4 (Preferred Stock Interests) and Class 5 (Common Stock Interests) because such holders are deemed to reject the Plan.

G The period, set forth below, during which the Debtors may solicit acceptances to the Plan is a reasonable and adequate period of time under the circumstances for creditors to make an informed decision to accept or reject the Plan.

H The procedures for the solicitation and tabulation of votes to accept or reject the Plan (as more fully set forth in the Motion and below) provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

I The notice substantially in the form annexed hereto as Exhibit E (the “Confirmation Hearing Notice”) and the procedures set forth below for providing such notice to all creditors and equity security holders of the time, date and place of the hearing to consider confirmation of the Plan (the “Confirmation Hearing”) and the contents of the Solicitation Materials (as defined below) comply with Bankruptcy Rules 2002 and 3017 and constitute sufficient notice to all interested parties. It is hereby

ORDERED, ADJUDGED AND DECREED that:

1. The Motion is granted to the extent set forth herein.

2. The Disclosure Statement is **APPROVED** pursuant to section 1125(a)(1) of the Bankruptcy Code and Bankruptcy Rule 3017(b). All unresolved objections to the Disclosure Statement are overruled for the reasons stated on the record of the Disclosure Statement Hearing.

3. The Debtors, in consultation with counsel to the Creditors' Committee, is authorized to make non-material changes to the Disclosure Statement, the Plan and related documents (including the appendices thereto and exhibits to this Disclosure Statement Order) before distributing Solicitation Materials to each creditor or other party in interest in accordance with the terms of this Disclosure Statement Order without further order of the Bankruptcy Court, including changes to correct typographical, clerical and grammatical errors, and to make conforming changes among the Disclosure Statement, the Plan and related documents and all appendices thereto, including the form of letters of support of the Plan submitted by the Debtors and the Creditors' Committee.

4. The Debtors are authorized to solicit, receive and tabulate votes to accept or reject the Plan in accordance with the Solicitation Procedures attached hereto as Exhibit D and incorporated by reference herein, which are hereby approved.

5. The following dates and deadlines are hereby established with respect to voting on and confirmation of the Plan:

(i) **[December 20], 2010 at 4:00 p.m. Eastern Time** shall be the date for determining: (a) the holders of claims entitled to receive Solicitation Materials; (b) the holders of claims entitled to vote to accept or reject the Plan; and (c) whether claims have been properly transferred to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee can vote as the holder of such Claim (the "Record Date");

(ii) the Debtors shall distribute Solicitation Materials and the Confirmation Hearing Notice within five business days of entry of this Disclosure Statement Order (the "Solicitation Deadline");

(iii) As further provided below, any party who wishes to have its claim allowed for purposes of voting on the Plan in a manner or amount that is inconsistent with the Ballot it received or the rules set forth herein shall serve on counsel to each of the Debtors and the Creditors' Committee, and file with the Bankruptcy Court, on or before **[DATE], 2011 at 4:00 p.m. Eastern Time**, a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim for voting purposes (the "Rule 3018(a) Motion Deadline").

(iv) All holders of claims in the Voting Classes must complete, execute and return their Ballots so that they are **actually received** by the BMC Group, Inc., the Debtors' Notice and Claims Agent pursuant to the Solicitation Procedures, on or before **[DATE], 2011 at 4:00 p.m. Eastern Time** (the "Voting Deadline");

(v) **[DATE], 2011 at 4:00 p.m. Eastern Time** shall be the date by which objections to the Plan must be filed with the Bankruptcy Court and served so as to be actually received by the parties set forth in paragraph 7 herein (the "Plan Objection Deadline"); and

(vi) The Bankruptcy Court shall consider confirmation of the Plan at the hearing to be held on **[January 25, 2011] at [11:00 a.m.] (ET)** (the "Confirmation Hearing").

6. The Debtors are authorized to distribute solicitation materials (the

"Solicitation Materials") including:

- a this Order (without the exhibits annexed hereto);
- b either
 - i. the applicable Ballot, together with a return envelope and the Disclosure Statement, together with the Plan and other exhibits annexed thereto, or
 - ii. Notice of Non-Voting Status, as applicable;
- c with respect to holders of Claims in Classes 2 and 3, a letter from the Creditors' Committee recommending that such holders vote to accept the Plan, which letter will be in form and substance mutually agreeable to the Debtors, and the Creditors' Committee

by **[DATE], 2010** (the "Solicitation Commencement Date") to: (A) all persons or entities

identified on the Debtors' schedules of liabilities that have been filed pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007 (as amended or modified prior to the Record

Date, the “Schedules”) as holding liquidated, noncontingent, and undisputed claims, in an amount greater than zero dollars, excluding scheduled claims that have been (1) superseded by a timely filed proof of claim, (2) disallowed and/or expunged, or (3) paid in full; (B) all parties having filed timely proofs of claims as reflected on the official claims register maintained by BMC, as of the close of business on the Record Date, and whose claims have not been disallowed or expunged prior to the Solicitation Commencement Date; and (C) the assignee of a transferred and assigned claim (whether a filed or scheduled claim) shall be entitled to receive such Solicitation Materials if the transfer and assignment has been noted on the Court’s docket and is effective pursuant to Bankruptcy Rule 3001(e) as of the close of business on the Record Date; and (D) the holders of the Debtors’ equity securities, including registered holders as of the Record Date.

7. The Debtors are authorized to distribute a copy of this Order (without the exhibits annexed hereto), the Confirmation Hearing Notice and the Disclosure Statement (together with the Plan and other exhibits annexed thereto) to, among other parties (to the extent such parties did not receive the Solicitation Materials): (a) the United States Trustee for the Southern District of New York (the “United States Trustee”); (b) counsel to the Creditors Committee; (c) counsel for Mengnu; (d) the Securities and Exchange Commission; (e) the Department of Justice; (f) the Internal Revenue Service; (g) all relevant federal, state and local taxing authorities at their statutory addresses; and (h) all parties who have filed a request for service of all pleadings in these cases.

8. Solicitation Materials, which shall include Ballots, shall be distributed to holders, as of the Record Date, of claims in Class 2 (Mengnu Unsecured Claims) and Class 3

(General Unsecured Claims), which classes are designated under the Plan as entitled to vote to accept or reject the Plan.

9. A copy of this Order, the Confirmation Hearing Notice and Notice of Non-Voting Status shall be distributed to holders, as of the Record Date, of unimpaired claims in Class 1 (Priority Non-Tax Claims) and holders of claims and interests in Class 4 (Preferred Stock Interests) and Class 5 (Common Stock Interests) that are deemed to reject the Plan.

10. The Debtors are not required to distribute copies of the Plan and Disclosure Statement to any holder of a claim or interest in Class 1 (Priority Non-Tax Claims), Class 4 (Preferred Stock Interests) and Class 5 (Common Stock Interests), unless such holder makes a specific request in writing for the same.

11. With respect to addresses from which one or more prior notices served in these cases were returned as undeliverable by the United States Postal Service, the Debtors are excused from distributing Solicitation Materials to those entities listed at such addresses if the Debtors are unable to obtain accurate addresses for such entities before the Solicitation Commencement Date after having exercised good faith efforts to obtain more current addresses, and failure to attempt to re-deliver Solicitation Materials to such entities will not constitute inadequate notice of the Confirmation Hearing, the Voting Deadline, or a violation of Bankruptcy Rule 3017(d).

12. All Ballots must be properly executed, completed, and the original thereof shall be delivered to BMC so as to be actually received by no later than the Voting Deadline.

13. All holders of Claims in Class 2 (Mengnu Unsecured Claims) and Class 3 (General Unsecured Claims) that do not wish to grant and, if applicable, receive the releases

provided for in the Plan, are required to check the box on the applicable ballot indicating that they opt not to grant such release.

14. Any holder of a claim who seeks to have its claim allowed for voting purposes in an amount different from that which is set forth in the Schedules, the Plan, the Disclosure Statement, or the procedures set forth herein, must file a motion (a “3018 Motion”), as set forth in the Solicitation Procedures, seeking a hearing to consider the estimation of such claim before ten (10) days prior to the Voting Deadline, provided that such claim is disputed or objected to at least 20 days prior to the Voting Deadline. Such 3018 Motion shall set forth with particularity, the amount at which such claimant believes its claim should be allowed, and the evidence in support thereof.

15. If the Bankruptcy Court has not, on or before the Voting Deadline, temporarily or otherwise allowed all or a portion of a claim set forth in a Claimant Voting Motion for voting purposes, pursuant to Bankruptcy Rule 3018(a), such claim shall not be counted for voting purposes.

16. In the event that a party timely files a Claimant Voting Motion pursuant to this Order, such party may, after conferring with the Debtors, seek to schedule an expedited hearing before the Court with respect to such motion for a date prior to the Confirmation Hearing. In the event the Debtors file a motion objecting to or estimating a claim that is subject of a Claimant Voting Motion, such Claimant Voting Motion shall be consolidated with the Debtors’ motion objecting to or estimating such claim.

17. In the event that a claimant reaches an agreement with the Debtors as to the treatment of its claim for voting purposes, a stipulation setting forth that agreement may be presented to the Bankruptcy Court for approval by notice of proposed stipulation and order, with

presentment upon three (3) calendar days' notice to: (a) the United States Trustee; and (b) counsel to the Creditors Committee.

18. If a creditor casts more than one Ballot voting the same claim(s) before the Voting Deadline, the latest dated, properly executed ballot received before the Voting Deadline is deemed to reflect the voter's intent and, thus, to supersede any prior ballots.

19. Creditors must vote all of their claims within a particular class under the Plan, whether or not such claims are asserted against the same or multiple Debtors, either to accept or reject the Plan and may not split their vote(s), and thus a ballot that partially accepts and partially rejects the Plan will not be counted.

20. Any Ballot that is otherwise properly completed, executed, and timely returned to BMC but does not indicate an acceptance or rejection of the Plan, or indicates both an acceptance and a rejection of the Plan, shall not be counted.

21. Except in the Debtors' discretion, in consultation with the Creditors' Committee, any ballot received after the Voting Deadline shall not be counted.

22. A vote shall be disregarded if this Court determines, after notice and a hearing, that such vote was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

23. Any Ballot that is illegible or contains insufficient information to permit the identification of the claimant or interest holder shall not be counted.

24. Any Ballot cast by a person or entity that does not hold a claim in a class that is entitled to vote to accept or reject the Plan shall not be counted.

25. Any unsigned Ballot or signed but unoriginal ballot shall not be counted.

26. Except in the Debtors' discretion, in consultation with the Creditors' Committee, any ballot transmitted to BMC by facsimile or other electronic means shall not be counted.

27. In accordance with section 1125(e) of the Bankruptcy Code, to the fullest extent permitted by law, none of the Debtors (including their respective directors, officers, employees, shareholders, members, partners, agents or representatives (including attorneys, accountants, financial advisors and investment bankers), each solely in their capacity as such) shall have any liability on account of soliciting votes on the Plan or participating in such solicitation, for violation of any applicable law, rule, or regulation governing solicitation of acceptance or rejection of a plan or the offer, issuance, sale or purchase of securities.

28. The Confirmation Hearing Notice is approved.

29. The requirement pursuant to Local Rule 3018-1(a) that the vote certification be submitted to the Court at least five (5) days prior to the Confirmation Hearing is hereby waived; provided, however, the Debtors shall submit the vote certification to the Court no later than three (3) days before the Confirmation Hearing, as set forth in the Solicitation Procedures.

30. The Confirmation Hearing will be held at [11:00 a.m.] (prevailing New York Time) on [January 25], 2011; provided, however, that the Confirmation Hearing may be adjourned from time to time by the Court or the Debtors without further notice to parties other than an announcement at or before the Confirmation Hearing or any adjourned Confirmation Hearing.

31. The Debtors will post the Confirmation Hearing Notice electronically on their reorganization website <http://www.bmcgroup.com/jenniferconvertibles>.

32. Objections to confirmation of the Plan, if any, must: (a) be made in writing; (b) state with particularity the legal and factual ground therefor, and, if practicable, propose modification to the Plan that would resolve such objection; (c) conform to the Bankruptcy Rules and the Local Rules; (d) be filed with the Bankruptcy Court electronically in accordance with General Order M-182 (General Order M-182 and the User's Manual for the Electronic Case Filing System can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court), by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), Microsoft Word or any other Windows-based word processing format (with a hard-copy delivered directly to Chambers); and (e) be served in accordance with General Order M-182, so as to be received by each of the Notice Parties no later than 4:00 p.m. (prevailing Eastern Time) on [DATE], 2011. The Notice Parties are as follows:

Counsel to the Debtors:	Olshan Grundman Frome Rosenzweig & Wolosky LLP Park Avenue Tower 65 East 55 th Street New York, NY 10022 Attention: Michael S. Fox, Esq.
Counsel to the Creditors' Committee:	Kelley Drye & Warren LLP 101 Park Avenue New York, NY 10017 Attention: James S. Carr, Esq.
United States Trustee:	Office of the United States Trustee 33 Whitehall Street, 21 st Floor New York, NY 10004 Attention: Nazar Khodorovsky

Counsel for Mengnu, as
Plan Sponsor:

Neiger LLP
317 Madison Avenue
21st Floor
New York, NY 10017
Attention: Edward Neiger, Esq.

33. In the event that multiple objections to confirmation of the Plan are filed, the Debtors and any other party in interest are authorized to file a single, omnibus reply to such objections.

34. Objections to confirmation of the Plan not timely filed and served in the manner set forth above shall not be considered by the Bankruptcy Court and shall be overruled.

35. The Debtors are authorized to take or refrain from taking any action necessary or appropriate to implement the terms of and the relief granted in this Order without seeking further order of the Court, including, but not limited to, the making of any payments reasonably necessary to perform the actions and distributions contemplated herein.

36. This Court shall retain jurisdiction with respect to all matters related to this Order.

Dated: _____, 2010
New York, New York

HONORABLE ALLAN L. GROPPER
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Ballot for Class 2

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS INCLUDED IN THE MATERIALS MAILED WITH THIS BALLOT.

**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

**BALLOT FOR ACCEPTING OR REJECTING
CHAPTER 11 PLAN OF REORGANIZATION
OF JENNIFER CONVERTIBLES, INC. AND ITS AFFILIATED DEBTORS**

**BALLOT FOR VOTING CLAIMS:
CLASS 2: MENGNU UNSECURED CLAIM**

The debtors and debtors in possession in the above-captioned cases (each a “Debtor” and, collectively, the “Debtors”), filed a Joint Chapter 11 Plan of Reorganization of Jennifer Convertibles, Inc. and Its Affiliated Debtors, dated November 19, 2010 (as may be amended and/or modified, the “Plan”). On [DATE], 2010, the Bankruptcy Court approved a Disclosure Statement with Respect to the Chapter 11 Plan of Reorganization of Jennifer Convertibles, Inc. and Its Affiliated Debtors, dated November 19, 2010 (the “Disclosure Statement”). The Disclosure Statement provides information to assist you in deciding how to vote your Ballot.² If you do not have a Disclosure Statement, you may obtain one by calling the Debtors’ Claims Agent, BMC Group, Inc., at (888) 909-0100. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. Your Claim has been placed in Class 2 (Mengnu Unsecured Claim) under the Plan. If you hold claims or equity interests in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

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 have the respective meanings ascribed to them in the Plan (as defined below).

THE VOTING DEADLINE BY WHICH YOUR BALLOT MUST BE **ACTUALLY RECEIVED** BY THE DEBTORS' VOTING AGENT, BMC GROUP, INC. IS **4:00 P.M. (EASTERN TIME) ON [DATE], 2010**. IF YOUR BALLOT IS NOT **ACTUALLY RECEIVED** ON OR BEFORE THE VOTING DEADLINE, YOUR BALLOT WILL **NOT** BE COUNTED.

If the Plan is confirmed by the Bankruptcy Court it will be binding on you whether or not you vote.

If you are a Holder of a Class 2 Mengnu Unsecured Claim, please use this Ballot to cast your vote to accept or reject the Plan. Capitalized terms used and not otherwise defined herein shall have the meaning set forth in the Plan. The Plan is Exhibit 1 to the Disclosure Statement, which accompanies this Ballot. The Plan can be confirmed by the Bankruptcy Court and thereby made binding upon you if it is accepted by the holders of two-thirds (2/3) in amount and more than one-half (1/2) in number of Claims in each Class that votes on the Plan, and if it otherwise satisfies the requirements of section 1129(a) of the Bankruptcy Code. If the requisite acceptances are not obtained (or if a Class of Claims or Interests is deemed to reject the Plan), the Bankruptcy Court may nonetheless confirm the Plan if it finds that the Plan provides fair and equitable treatment to, and does not discriminate unfairly against, the Class or Classes rejecting it, and otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. To have your vote count, you must complete, sign and return this Ballot in accordance with the instructions set forth below.

HOW TO VOTE

1. Complete ITEM 1.
2. Cast your vote either to accept or reject the Plan by checking the proper box in ITEM 2.
3. Review ITEM 3 carefully.
4. Review the certifications contained in ITEM 4.
5. **SIGN AND DATE THE BALLOT.** Unsigned Ballots will not be counted.
6. **YOU MUST VOTE ALL YOUR UNSECURED CLAIMS EITHER TO ACCEPT OR TO REJECT THE PLAN AND MAY NOT SPLIT YOUR VOTE. EXCEPT IN THE SOLE DISCRETION OF THE DEBTORS, SPLIT VOTES WILL NOT BE COUNTED.**
7. **RETURN THE BALLOT IN THE PRE-ADDRESSED POSTAGE-PAID ENVELOPE.**

Item 1. Amount of Claim Voted. The undersigned certifies that as of [December 20], 2010, the undersigned was the Holder of a Class 2 Mengnu Unsecured Claim in the amount set forth below:

\$

Item 2. Vote. The undersigned Holder of the Claim votes as follows (check ONE box only — if you do not check a box, or if you check both boxes, your vote will not be counted):

☐ to **Accept** the Plan. ☐ to **Reject** the Plan.

**Item 3. IMPORTANT INFORMATION REGARDING THE RELEASES
CONTAINED IN THE PLAN**

On the Effective Date, certain release, injunction, exculpation and discharge provisions will become effective. It is important to read the provisions contained in Article XII of the Plan very carefully so that you understand how confirmation and consummation of the Plan – which effectuates such provisions – will affect you and any Claim you may hold against the Debtors so that you cast your vote accordingly.

Specifically, subject to certain exceptions set forth therein, Section 12.08 of the Plan provides as follows:

Except as otherwise provided in this Plan or the Confirmation Order, on the Effective Date, to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, each Holder of a Claim that does not vote to reject the Plan and any Person who receives a Distribution under the Plan, in consideration for the obligations of the Debtors and the other Released Parties under this Plan, the Plan Distributions, the New Common Stock and other contracts, instruments, releases, agreements or documents executed and delivered in connection with this Plan, will be deemed to consensually forever release, waive and discharge all Claims, demands, debts, rights, Causes of Action or liabilities (other than the right to enforce the obligations of any party under this Plan and the contracts, instruments, releases, agreements and documents delivered under or in connection with this Plan), including, without limitation, any Claims for any such loss such Holder may suffer, have suffered or be alleged to suffer as a result of the Debtors commencing the Chapter 11 Cases or as a result of this Plan being consummated, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, this Plan or the Disclosure Statement against any Released Party.

Item 4. Authorization. By executing this Ballot, the undersigned Holder of a Class 2 Mengnu Unsecured Claim certifies that it (a) has full power and authority to vote to accept or reject the Plan with respect to the Claim referenced in Item 1, (b) was the Holder of such a Claim on and as of [December 20], 2010, and (c) has received a copy of the Disclosure Statement and understands that the solicitation of votes for the Plan is subject to all the terms and conditions set forth in the Disclosure Statement.

No fees, commissions, or other remuneration will be payable to any broker, dealer or other person for soliciting votes on the Plan. This Ballot shall not constitute or be deemed a proof of claim, an assertion of a claim, or an admission by the Debtors of the nature, validity or amount of any claim.

Claimants submitting duplicative Ballots in the same Class shall be deemed to have voted in the manner of the last Ballot cast before the Voting Deadline. Any Ballot that is illegible or contains insufficient information to permit the identification of the claimant will not be counted.

BALLOTS MUST BE RETURNED TO BMC GROUP, INC. AT:

<u>If Delivered by Mail:</u>	<u>If Delivered by Overnight or Hand Delivery:</u>
BMC Group, Inc. Attention: Jennifer Convertibles Claims Processing PO Box 3020 Chanhassen, MN 55317-3020	BMC Group, Inc. Attention: Jennifer Convertibles Claims Processing 18750 Lake Drive East Chanhassen, MN 55317

YOUR VOTE MUST BE SENT IN AMPLE TIME FOR YOUR VOTE TO BE ACTUALLY RECEIVED BY THE DEBTORS' VOTING AGENT, BMC GROUP, INC., BY 4:00 P.M. (EASTERN TIME) ON [DATE], 2010, OR YOUR VOTE WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, OR IF YOU NEED ADDITIONAL COPIES OF THIS BALLOT, THE DISCLOSURE STATEMENT, THE PLAN OR OTHER RELATED MATERIALS OR DOCUMENTS, PLEASE CALL BMC GROUP, INC. AT (888) 909-0100.

YOU SHOULD REVIEW THE DISCLOSURE STATEMENT AND THE PLAN CAREFULLY BEFORE YOU VOTE. YOU MAY WISH TO SEEK LEGAL ADVICE CONCERNING THE PLAN AND YOUR CLASSIFICATION AND TREATMENT UNDER THE PLAN.

Name: _____
(Print or Type)

Social Security or Federal Tax I.D. No.: _____
(Optional)

Signature: _____

By: _____
(If Appropriate)

Title: _____
(If Appropriate)

Street Address: _____

City, State, Zip Code: _____

Telephone Number: () _____

EXHIBIT B

Ballot for Class 3

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS INCLUDED IN THE MATERIALS MAILED WITH THIS BALLOT.

**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

**BALLOT FOR ACCEPTING OR REJECTING
CHAPTER 11 PLAN OF REORGANIZATION
OF JENNIFER CONVERTIBLES, INC. AND ITS AFFILIATED DEBTORS**

**BALLOT FOR VOTING CLAIMS:
CLASS 3: GENERAL UNSECURED CLAIMS**

The debtors and debtors in possession in the above-captioned cases (each a “Debtor” and, collectively, the “Debtors”), filed a Joint Chapter 11 Plan of Reorganization of Jennifer Convertibles, Inc. and Its Affiliated Debtors, dated November 19, 2010 (as may be amended and/or modified, the “Plan”). On [DATE], 2010, the Bankruptcy Court approved a Disclosure Statement with Respect to the Chapter 11 Plan of Reorganization of Jennifer Convertibles, Inc. and Its Affiliated Debtors, dated November 19, 2010 (the “Disclosure Statement”). The Disclosure Statement provides information to assist you in deciding how to vote your Ballot.² If you do not have a Disclosure Statement, you may obtain one by calling the Debtors’ Claims Agent, BMC Group, Inc., at (888) 909-0100. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. Your Claim has been placed in Class 3 (General Unsecured Claims) under the Plan. If you hold claims or equity interests in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

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 have the respective meanings ascribed to them in the Plan (as defined below).

THE VOTING DEADLINE BY WHICH YOUR BALLOT MUST BE **ACTUALLY RECEIVED** BY THE DEBTORS' VOTING AGENT, BMC GROUP, INC. IS **4:00 P.M. (EASTERN TIME) ON [DATE], 2010**. IF YOUR BALLOT IS NOT **ACTUALLY RECEIVED** ON OR BEFORE THE VOTING DEADLINE, YOUR BALLOT WILL **NOT** BE COUNTED.

If the Plan is confirmed by the Bankruptcy Court it will be binding on you whether or not you vote.

If you are a Holder of a Class 3 General Unsecured Claim,³ please use this Ballot to cast your vote to accept or reject the Plan. Capitalized terms used and not otherwise defined herein shall have the meaning set forth in the Plan. The Plan is Exhibit 1 to the Disclosure Statement, which accompanies this Ballot. The Plan can be confirmed by the Bankruptcy Court and thereby made binding upon you if it is accepted by the holders of two-thirds (2/3) in amount and more than one-half (1/2) in number of Claims in each Class that votes on the Plan, and if it otherwise satisfies the requirements of section 1129(a) of the Bankruptcy Code. If the requisite acceptances are not obtained (or if a Class of Claims or Interests is deemed to reject the Plan), the Bankruptcy Court may nonetheless confirm the Plan if it finds that the Plan provides fair and equitable treatment to, and does not discriminate unfairly against, the Class or Classes rejecting it, and otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. To have your vote count, you must complete, sign and return this Ballot in accordance with the instructions set forth below.

HOW TO VOTE

1. Complete ITEM 1.
2. Cast your vote either to accept or reject the Plan by checking the proper box in ITEM 2.
3. Review ITEM 3 carefully.
4. Review the certifications contained in ITEM 4.
5. **SIGN AND DATE THE BALLOT.** Unsigned Ballots will not be counted.
6. **YOU MUST VOTE ALL YOUR UNSECURED CLAIMS EITHER TO ACCEPT OR TO REJECT THE PLAN AND MAY NOT SPLIT YOUR VOTE. EXCEPT IN THE SOLE DISCRETION OF THE DEBTORS, SPLIT VOTES WILL NOT BE COUNTED.**
7. **RETURN THE BALLOT IN THE PRE-ADDRESSED POSTAGE-PAID ENVELOPE.**

³ All capitalized terms not otherwise defined herein have the respective meanings ascribed to them in the Plan (as defined below).

Item 1. Amount of Claim Voted. The undersigned certifies that as of [December 20], 2010, the undersigned was the Holder of a Class 3 General Unsecured Claim in the amount set forth below:

\$

Item 2. Vote. The undersigned Holder of the Claim votes as follows (check ONE box only — if you do not check a box, or if you check both boxes, your vote will not be counted):

☐ to **Accept** the Plan. ☐ to **Reject** the Plan.

**Item 3. IMPORTANT INFORMATION REGARDING THE RELEASES
CONTAINED IN THE PLAN**

On the Effective Date, certain release, injunction, exculpation and discharge provisions will become effective. It is important to read the provisions contained in Article XII of the Plan very carefully so that you understand how confirmation and consummation of the Plan – which effectuates such provisions – will affect you and any Claim you may hold against the Debtors so that you cast your vote accordingly.

Specifically, subject to certain exceptions set forth therein, Section 12.08 of the Plan provides as follows:

Except as otherwise provided in this Plan or the Confirmation Order, on the Effective Date, to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, each Holder of a Claim that does not vote to reject the Plan and any Person who receives a Distribution under the Plan, in consideration for the obligations of the Debtors and the other Released Parties under this Plan, the Plan Distributions, the New Common Stock and other contracts, instruments, releases, agreements or documents executed and delivered in connection with this Plan, will be deemed to consensually forever release, waive and discharge all Claims, demands, debts, rights, Causes of Action or liabilities (other than the right to enforce the obligations of any party under this Plan and the contracts, instruments, releases, agreements and documents delivered under or in connection with this Plan), including, without limitation, any Claims for any such loss such Holder may suffer, have suffered or be alleged to suffer as a result of the Debtors commencing the Chapter 11 Cases or as a result of this Plan being consummated, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, this Plan or the Disclosure Statement against any Released Party.

Item 4. Authorization. By executing this Ballot, the undersigned Holder of a Class 3 General Unsecured Claim certifies that it (a) has full power and authority to vote to accept or reject the Plan with respect to the Claim referenced in Item 1, (b) was the Holder of such a Claim on and as of [December 20], 2010, and (c) has received a copy of the Disclosure Statement and understands that the solicitation of votes for the Plan is subject to all the terms and conditions set forth in the Disclosure Statement.

No fees, commissions, or other remuneration will be payable to any broker, dealer or other person for soliciting votes on the Plan. This Ballot shall not constitute or be deemed a proof of claim, an assertion of a claim, or an admission by the Debtors of the nature, validity or amount of any claim.

Claimants submitting duplicative Ballots in the same Class shall be deemed to have voted in the manner of the last Ballot cast before the Voting Deadline. Any Ballot that is illegible or contains insufficient information to permit the identification of the claimant will not be counted.

BALLOTS MUST BE RETURNED TO BMC GROUP, INC. AT:

<u>If Delivered by Mail:</u>	<u>If Delivered by Overnight or Hand Delivery:</u>
BMC Group, Inc. Attention: Jennifer Convertibles Claims Processing PO Box 3020 Chanhassen, MN 55317-3020	BMC Group, Inc. Attention: Jennifer Convertibles Claims Processing 18750 Lake Drive East Chanhassen, MN 55317

YOUR VOTE MUST BE SENT IN AMPLE TIME FOR YOUR VOTE TO BE ACTUALLY RECEIVED BY THE DEBTORS' VOTING AGENT, BMC GROUP, INC., BY 4:00 P.M. (EASTERN TIME) ON [DATE], 2010, OR YOUR VOTE WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, OR IF YOU NEED ADDITIONAL COPIES OF THIS BALLOT, THE DISCLOSURE STATEMENT, THE PLAN OR OTHER RELATED MATERIALS OR DOCUMENTS, PLEASE CALL BMC GROUP, INC. AT (888) 909-0100.

YOU SHOULD REVIEW THE DISCLOSURE STATEMENT AND THE PLAN CAREFULLY BEFORE YOU VOTE. YOU MAY WISH TO SEEK LEGAL ADVICE CONCERNING THE PLAN AND YOUR CLASSIFICATION AND TREATMENT UNDER THE PLAN.

Name: _____
(Print or Type)

Social Security or Federal Tax I.D. No.: _____
(Optional)

Signature: _____

By: _____
(If Appropriate)

Title: _____
(If Appropriate)

Street Address: _____

City, State, Zip Code: _____

Telephone Number: () _____

EXHIBIT C

Notice of Non-Voting Status

**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

NOTICE OF NON-VOTING STATUS

1. PLEASE TAKE NOTICE THAT by order entered on ____, 2010, the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) entered an Order (the “Order”) approved the Debtors’ Disclosure Statement with Respect to the Chapter 11 Plan of Reorganization for Jennifer Convertibles, Inc. and its Affiliated Debtors, dated ____, 2010 (as it may be amended and/or modified, the “Disclosure Statement”), filed by Jennifer Convertibles, Inc. and its subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), and authorized the Debtors to solicit votes to accept or reject the Debtors’ Chapter 11 Plan of Reorganization for Jennifer Convertibles, Inc. and its Affiliated Debtors, dated November 19, 2010 (as it may be amended and/or modified, the “Plan”), annexed as Exhibit 1 to the Disclosure Statement. All capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Plan.

2. **UNDER THE TERMS OF THE PLAN, CLASS 1 PRIORITY NON-TAX CLAIMS ARE NOT IMPAIRED, AND HOLDERS OF SUCH CLAIMS ARE (A) CONCLUSIVELY PRESUMED TO HAVE ACCEPTED THE PLAN, AND (B) NOT ENTITLED TO VOTE ON THE PLAN ON ACCOUNT OF SUCH CLAIMS.**

3. **HOLDERS OF CLASS 4 EXISTING PREFERRED STOCK INTERESTS AND CLASS 5 EXISTING COMMON STOCK INTERESTS WILL NEITHER RECEIVE NOR RETAIN ANY CONSIDERATION UNDER THE PLAN AND, ACCORDINGLY, ARE (A) CONCLUSIVELY PRESUMED TO HAVE REJECTED THE PLAN, AND (B) NOT ENTITLED TO VOTE ON THE PLAN ON ACCOUNT OF SUCH CLAIMS AND INTERESTS.**

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).

4. **YOU ARE RECEIVING THIS NOTICE BECAUSE YOU HAVE BEEN IDENTIFIED AS HOLDING A CLAIM OR INTEREST IN ONE OF THE CLASSES IDENTIFIED ABOVE THAT ARE NOT ENTITLED TO VOTE ON THE PLAN.**

5. Copies of the Order, the Plan and the Disclosure Statement are available for inspection on the Court's website at <http://ecf.nysb.uscourts.gov>. A login and password to the Court's Public Access to Electronic Court Records ("PACER") website are required to access this information and can be obtained through the PACER Service Center at <http://www.pacer.psc.uscourts.gov>. Copies of the Order, the Plan and the Disclosure Statement may also be examined between the hours of 8:30 A.M. and 5:00 P.M., Monday through Friday at the Office of the Clerk of the Bankruptcy Court, One Bowling Green, Room 511, New York, New York 10004-1408. Copies may also be obtained online at the website of the Debtors' claims agent, BMC Group, Inc. ("BMC"), at <http://www.bmcgroup.com/jenniferconvertibles>, or by written request (at your cost) to BMC at the following address and telephone number: BMC Group, Inc., Attention: Jennifer Convertibles Claims Processing, PO Box 3020, Chanhassen, MN 55317-3020, (888) 909-0100.

Dated: New York, New York
_____, 2010

**OLSHAN GRUNDMAN FROME
ROSENZWEIG & WOLOSKY LLP**
Michael S. Fox
Jordanna L. Nadritch
Jayme M. Bethel
Park Avenue Tower
65 East 55th Street
New York, New York 10022
Telephone: (212) 451-2300

EXHIBIT D

Solicitation Procedures

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

SOLICITATION PROCEDURES

Pursuant to the Disclosure Statement Order, the following procedures, as amended, (the “Solicitation Procedures”) shall govern the solicitation and tabulation of votes to accept or reject the Plan. These Solicitation Procedures comprise a material part of the Disclosure Statement Order and are incorporated therein by reference.

A. Defined Terms

Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan or the Disclosure Statement. Capitalized terms not otherwise defined in the Plan or the Disclosure Statement shall have the following meaning in these Solicitation Procedures:

1. **“Ballot”** means the form or forms distributed to the holders of Claims in the Voting Classes by which such parties may indicate acceptance or rejection of the Plan, including the ballots substantially in the forms attached as Exhibits A and B to the Disclosure Statement Order.
2. **“Disputed Claim”** means a Claim subject to a pending claims objection as of the Voting Record Date.
3. **“Resolution Event”** means one or more of the events described in Section C of these Solicitation Procedures.

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).

4. **“Scheduled”** means, when referring to a Claim, the manner in which a Claim appears on the Debtors’ Schedules.
5. **“Solicitation Deadline”** means the date by which the Debtors shall mail Solicitation Materials, no later than five (5) business days after entry of the Disclosure Statement Order.
6. **“Solicitation Materials”** means the solicitation materials and documents to be sent to holders of Claims in the Voting Classes as provided in the Disclosure Statement Order, which materials will provide such holders with the information needed to vote on the Plan.
7. **“Voting Classes”** means holders of Claims in Class 2 (Mengnu Unsecured Claims) and Class 3 (General Unsecured Claims), which are the impaired classes of Claims entitled to vote on the Plan:
8. **“Voting Deadline”** means [DATE], 2011 at 4:00 p.m. Eastern Time.
9. **“Voting Report”** means the report (or reports) to be submitted by the Debtors’ Claims Agent detailing the results of the plan solicitation process.

B. Holders of Claims Entitled to Vote to Accept or Reject the Plan

Only the following holders of Claims in the Voting Classes shall be entitled to vote to accept or reject the Plan with regard to such Claims:

1. Holders of Claims for which Proofs of Claim have been timely filed by the Bar Date, IF such Proofs of Claim:
 - (a) have not been withdrawn, expunged or disallowed as of the Voting Record Date, and
 - (b) are not the subject of a pending objection as of the Voting Record Date; provided, however, that a Claim that is subject to a pending objection as of the Voting Record Date shall be entitled to vote if the Claim becomes eligible to vote through a Resolution Event pursuant to the procedures set forth in Section C below;
2. Holders of Claims that are listed in the Schedules in amounts in excess of \$0.00 and that are not listed as contingent, unliquidated or disputed, and for which no Proof of Claim has been timely filed; and
3. Holders of Claims that arise pursuant to an agreement or settlement with the Debtors, as reflected in a document filed with the Bankruptcy Court, in an order of the Bankruptcy Court or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court, in each case regardless of whether a Proof of Claim has been filed.

C. Temporary Allowance of Claims for Voting Purposes Only

The following procedures shall govern the temporary allowance of Claims solely for the purpose of voting on the Plan. For the avoidance of doubt, these procedures shall **not** be used for determining the allowance of any Claim for purposes of distributions under the Plan.

1. On or before the Solicitation Deadline, each Holder of a Disputed Claim shall be sent a notice of such holder's non-voting status in substantially the form attached as Exhibit C to the Disclosure Statement Order.
2. Unless otherwise ordered by the Bankruptcy Court, the Holder of a Disputed Claim or the holder of any other Claim that is not entitled to vote on the Plan cannot vote to accept or reject the Plan unless one or more of the following Resolution Events has taken place prior to the Voting Deadline:
 - (a) an order of the Bankruptcy Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing;
 - (b) an order of the Bankruptcy Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing, as provided in subparagraph 5 below;
 - (c) a stipulation or other agreement is executed between the Holder of such Claim and the Debtors (in consultation with the Creditors' Committee) resolving the objection and allowing such Claim in an agreed-upon amount;
 - (d) a stipulation or other agreement is executed between the holder of such Claim and the Debtors (in consultation with the Creditors' Committee) temporarily allowing the holder of such Claim to vote its Claim in an agreed upon amount; or
 - (e) the pending Objection to such Claim is voluntarily withdrawn by the Debtors.
3. No later than two business days after a Resolution Event, the Claims Agent shall distribute the Solicitation Materials to the relevant Holder of such Claim that has been allowed for voting purposes only by such Resolution Event, which will include a Ballot that must be completed and returned by no later than the Voting Deadline. If a Claim has been estimated or otherwise allowed for voting purposes by order of the Bankruptcy Court after the Voting Deadline, the Claims Agent shall distribute the Solicitation Materials to the relevant Holder of such Claim within one (1) business day of the entry of the Bankruptcy Court order, which will include a Ballot that must be completed and returned to the Claims Agent by no later than two (2) business days after receipt for the Claims Agent, or such other time as may be ordered by the Bankruptcy Court. A Ballot that is completed and returned to the Claims Agent in accordance with this subsection 4 shall be

tabulated in accordance with the Solicitation Procedures, as if timely received by the Voting Deadline.

4. If any party wishes to have its Claim allowed for purposes of voting on the Plan in a manner that is inconsistent with the Ballot it received or the rules set forth herein, such party must serve on counsel to each of the Debtors and the Creditors' Committee and file with the Bankruptcy Court, on or before **[DATE], 2010 at 4:00 p.m. (ET)**, a motion for an order pursuant to Bankruptcy Rule 3018(a) (a "Rule 3018(a) Motion") temporarily allowing such Claim for voting purposes.
 - (a) A Rule 3018(a) Motion must set forth with particularity the amount and classification that such party believes its Claim should be temporarily allowed for voting purposes and the evidentiary support for temporarily allowing such Claim for voting on the Plan.
 - (b) For any timely-filed Rule 3018(a) Motion, the Ballot in question shall be counted (a) in the amount established in an order entered by the Bankruptcy Court, (b) in the amount agreed to by the Debtors and the moving party or (c) if an order has not been entered by the Bankruptcy Court and the Debtors and the moving party have not come to an agreement as to the relief requested in the Rule 3018(a) Motion, in an amount equal to the preprinted amount on the Ballot, or in the event the moving party did not receive a Ballot, \$0.00.
 - (c) Prior to filing a Rule 3018(a) Motion, a party considering such relief shall contact counsel to the Debtors regarding a consensual resolution of the allowance of such party's claim for voting purposes.
 - (d) Unresolved Rule 3018(a) Motions with respect to Claim allowance for voting purposes will be heard at the Confirmation Hearing or at such earlier time as the Bankruptcy Court may be available.
5. Notwithstanding any other provisions in these Solicitation Procedures, if an individual Claim has been estimated or otherwise allowed for voting purposes by order of the Bankruptcy Court, including an order entered by the Bankruptcy Court after the Voting Deadline, such Claim will be allowed temporarily for voting purposes only in the amount so estimated or allowed by the Bankruptcy Court.
6. Notwithstanding anything contained in these Solicitation Procedures, any Claim or Class of Claims that is Allowed in an amount specified in the Plan shall be Allowed for voting purposes in such Allowed amount set forth in the Plan.

D. Establishing Claim Amounts for Voting Purposes

In tabulating votes, the hierarchy below shall be used to determine the amount of the Claim associated with each Holder's vote:

1. The Claim amount settled and/or agreed upon by the Debtors (in consultation with the Creditors' Committee), as reflected in a document filed with the Bankruptcy Court, in an order of the Bankruptcy Court or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court;
2. The Claim amount allowed (temporarily or otherwise) pursuant to a Resolution Event under the procedures set forth herein;
3. The Claim amount contained in a Proof of Claim that has been timely filed by the Bar Date (or deemed timely filed by the Bankruptcy Court) and not subject to a pending objection; provided, however, that timely filed Proofs of Claim in an unliquidated or unknown amount will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code, and will count as Ballots for Claims in the amount of \$1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code;
4. The Claim amount listed in the Schedules, provided that such Claim is not Scheduled as contingent, disputed or unliquidated and has not been paid in full or in part during these chapter 11 cases;
5. For executory contracts and unexpired leases designated for rejection but for which no proof of claim has been filed as of the Voting Record Date, the Claim amount identified by the Debtors and included on the Ballot sent to the counterparty to such contract or lease; and
5. In the absence of any of the foregoing, \$0.00.

In the event that a Holder of a Claim identifies a Claim amount on its Ballot that is different from the amount otherwise calculated in accordance with these Solicitation Procedures, such Claim will be allowed temporarily for voting purposes in an amount calculated in accordance with the procedures described herein. **The Claim amounts established pursuant to the procedures set forth herein shall control solely for voting purposes, and shall not constitute the allowed amount of any Claim for distribution purposes under the Plan.** Moreover, any amounts filled in on Ballots by the Debtors through the Claims Agent are not binding for purposes of allowance and distribution.

E. General Ballot Tabulation

The following voting procedures and standard assumptions shall be used in tabulating Ballots:

1. Except as otherwise provided herein, unless a Ballot is timely submitted on or before the Voting Deadline, the Debtors shall reject such Ballot as invalid and, therefore, decline to count it in connection with Confirmation;
2. The Claims Agent will date all Ballots when received. The Claims Agent shall retain the original Ballots and an electronic copy of the same for a period of one

year after the Effective Date of the Plan, unless otherwise ordered by the Bankruptcy Court;

3. The Debtors will file the Voting Report with the Bankruptcy Court no later than three days before the Confirmation Hearing. The Voting Report shall, among other things, delineate every irregular Ballot, including those Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking signatures or lacking necessary information, received via facsimile or electronic mail or damaged. The Voting Report shall indicate the Debtors' intentions with regard to such irregular Ballots;
4. The method of delivery of Ballots to be sent to the Claims Agent is at the election and risk of each holder, and except as otherwise provided, a Ballot will be deemed delivered only when the Claims Agent **actually receives** the appropriately, originally executed Ballot;
5. An original executed Ballot is required to be submitted by the entity submitting such Ballot. Delivery of a Ballot to the Claims Agent by facsimile, email or any other electronic means will not be valid;
6. No Ballot should be sent to the Debtors, the Debtors' agents (other than the Claims Agent) or the Debtors' financial or legal advisors or the Creditors' Committee or its financial or legal advisors, and if so sent will not be counted;
7. If multiple Ballots are received from the same Holder with respect to the same Claim before the Voting Deadline, the latest-dated Ballot timely received will be deemed to reflect that voter's intent and will supersede and revoke any prior Ballot;
8. Holders must vote all of their Claims within a particular Class either to accept or reject the Plan and may not split any votes. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted. Further, to the extent a Holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular Holder within a Class for the purpose of counting votes;
9. A person signing a Ballot in its capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity must indicate such capacity when signing and, if required or requested by the Claims Agent, the Debtors or the Bankruptcy Court, must submit proper evidence to the requesting party to so act on behalf of such Holder;
10. The Debtors (in consultation with the Creditors' Committee), subject to contrary order of the Bankruptcy Court, may waive any defects or irregularities as to any particular Ballot at any time, either before or after the close of voting, and any such waivers will be documented in the Voting Report;

11. Neither the Debtors, nor any other entity, will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the Voting Report, nor will any of them incur any liability for failure to provide such notification;
12. Unless waived or as ordered by the Bankruptcy Court, any defects or irregularities in connection with deliveries of Ballots must be cured before the Voting Deadline or such Ballots will not be counted;
13. In the event a designation of lack of good faith is requested by a party-in-interest under section 1126(e) of the Bankruptcy Code, the Bankruptcy Court will determine whether any vote to accept and/or reject the Plan cast with respect to that Claim will be counted for purposes of determining whether the Plan has been accepted and/or rejected;
14. Subject to any contrary order of the Bankruptcy Court, the Debtors reserve the right to reject any Ballot not in proper form, the acceptance of which, in the opinion of the Debtors, upon consultation with the Creditors' Committee, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; provided, however, that any such rejections will be documented in the Voting Report; and
15. The following Ballots shall **not** be counted in determining the acceptance or rejection of the Plan:
 - (a) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim;
 - (b) any Ballot cast by or on behalf of an entity that does not hold a Claim in a Class that is entitled to vote on the Plan;
 - (c) any unsigned Ballot;
 - (d) any Ballot that is signed but does not otherwise comply with the requirement set forth in subsection 9, above;
 - (e) any Ballot not marked to accept or reject the Plan, or marked both to accept and reject the Plan; and
 - (f) any Ballot submitted by or on behalf of any entity not entitled to vote pursuant to the Plan, the Disclosure Statement Order or these Solicitation Procedures.

F. Transferred Claim Procedures

1. Pre-Voting Record Date Transfers. With respect to a transferred Claim, the transferee shall be entitled to receive the Solicitation Materials and, if the Holder of such Claim is entitled to vote with respect to the Plan, cast a Ballot on account

of such Claim only if (a) all actions necessary to effectuate the transfer of the Claim, pursuant to Bankruptcy Rule 3001(e), have been completed by the Voting Record Date, or (b) the transferee files and the Bankruptcy Court has docketed by the Voting Record Date (i) the documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer.

2. Post-Voting Record Date Transfers. In the event a Claim is transferred after the Voting Record Date, the transferee of such Claim shall be bound by any vote made by the Holder of such Claim as of the Voting Record Date.

G. The Debtors' Reservation of Rights Regarding Modification to the Plan

The Debtors expressly reserve the right to amend from time to time the terms of the Plan in accordance with its terms (subject to compliance with the requirements of section 1127 of the Bankruptcy Code).

H. Contact Information

The contact information for the Debtors' Claims Agent is as follows:

BMC Group, Inc.
Attention: Jennifer Convertibles Claims Processing
PO Box 3020
Chanhassen, MN 55317-3020
Telephone: (888) 909-0100

EXHIBIT E

Confirmation Hearing Notice

**OLSHAN GRUNDMAN FROME
ROSENZWEIG & WOLOSKY LLP**

Park Avenue Tower
65 East 55th Street
New York, New York 10022
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**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)

**NOTICE OF ORDER: (A) APPROVING THE DISCLOSURE
STATEMENT; (B) FIXING THE VOTING RECORD DATE; (C) APPROVING
THE SOLICITATION MATERIALS AND PROCEDURES FOR DISTRIBUTION
THEREOF; (D) APPROVING THE FORMS OF BALLOTS AND
ESTABLISHING PROCEDURES FOR VOTING ON THE DEBTORS' JOINT
PLAN OF REORGANIZATION; (E) SCHEDULING A HEARING AND
ESTABLISHING NOTICE AND OBJECTION PROCEDURES IN
RESPECT OF THE CONFIRMATION OF DEBTORS' JOINT PLAN OF
REORGANIZATION; AND (F) GRANTING RELATED RELIEF**

TO ALL CREDITORS, EQUITY INTEREST HOLDERS AND PARTIES IN INTEREST IN
THE ABOVE-CAPTIONED CHAPTER 11 CASES, PLEASE TAKE NOTICE THAT:

1. Approval of Disclosure Statement and Solicitation Procedures. On [____], the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered an order (the "Disclosure Statement Order") approving, among other things, (a) the *Disclosure Statement With Respect to the Joint Chapter 11 Plan of*

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).

Reorganization for Jennifer Convertibles, Inc. and its Affiliated Debtors [Docket No. ____] dated November 19, 2010 (as the same may be amended, modified and/or supplemented after the date thereof, the “Disclosure Statement”), as providing adequate information for Holders of Claims² in the above-captioned debtors and debtors in possession (collectively, the “Debtors”) to make a decision as to whether to accept or reject the *Debtors’ Joint Chapter 11 Plan of Reorganization for Jennifer Convertibles, Inc. and its Affiliated Debtors* [Docket No. ____] dated November 19, 2010 (as the same may be amended, modified and/or supplemented after the date thereof, the “Plan”) and (b) the procedures for solicitation of votes to accept or reject the Plan and the tabulation of such votes on the Plan (the “Solicitation Procedures”).

VOTING ON THE PLAN

2. Record Date. Pursuant to the Disclosure Statement Order, holders of Claims against the Debtors as of [**December 20**], **2010 at 4:00 p.m. Eastern Time**, the voting record date established by the Disclosure Statement Order (the “Record Date”), will receive the appropriate solicitation materials, including a copy of this notice (collectively, the “Solicitation Materials”).
3. Voting Classes. Holders of Claims as of the Record Date that are entitled to vote to accept or reject the Plan include Holders of Claims in Class 2 (Mengnu Unsecured Claims) and Class 3 (General Unsecured Claims).
4. Voting Deadline. Any Holder of a Claim that the Debtors believe is entitled to vote on the Plan has been mailed the Solicitation Materials that includes a ballot form (a “Ballot”) and appropriate instructions for voting on the Plan. For any vote to accept or reject the Plan to be counted, a Ballot must be completely filled out, executed and returned so that it is actually received by the Debtors’ Claims Agent no later than [**DATE**], **2011 at 4:00 p.m. Eastern Time** (the “Voting Deadline”) at the following address: BMC Group, Inc., Attention: Jennifer Convertibles Claims Processing, PO Box 3020, Chanhassen, MN 55317-3020.

Creditors who are entitled to vote on the Plan are urged to read all instructions on their Ballots carefully to ensure that their Ballots are properly completed and timely submitted. *Any Ballot received after the Voting Deadline will not be counted (unless the Voting Deadline is extended) and failure to follow the voting instructions accompanying the Ballot may also disqualify your vote.*

TEMPORARY ALLOWANCE OF CLAIMS FOR VOTING

5. Temporary Allowance of Claims. Creditors that are not entitled to vote on the Plan or that disagree with the Claim amount indicated on the Ballot they receive on account of a Claim in a Voting Class may nevertheless still be able to vote their Claim (or vote a different Claim amount) if a “Voting Resolution Event” occurs in accordance with, and

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan or the Disclosure Statement, as applicable.

subject to, the procedures set forth in the Disclosure Statement Order prior to the Voting Deadline of **[DATE], 2011 at 4:00 p.m. Eastern Time.**

6. **Voting Resolution Event.** Each of the following events constitutes a Voting Resolution Event solely with respect to the temporary allowance of claims for voting purposes: (a) an order of the Bankruptcy Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing; (b) an order of the Bankruptcy Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing; (c) a stipulation or other agreement is executed between the Holder of such Claim and the Debtors (in consultation with the Creditors' Committee) resolving the Objection and allowing such Claim in an agreed-upon amount; (d) a stipulation or other agreement is executed between the Holder of each Claim and the Debtors (in consultation with the Creditors' Committee) temporarily allowing the Holder of such Claim to vote its Claim in an agreed upon amount; or (e) the pending objection to such Claim is voluntarily withdrawn by the Debtors. This is intended only as a summary of the procedures for the temporary allowance of Claims for voting purposes. Please refer to the Disclosure Statement Order and attached Solicitation Procedures for a comprehensive description of the requirements for the temporary allowance of Claims solely for voting purposes.

CONFIRMATION OF THE PLAN

7. **Confirmation Hearing.** A hearing to consider confirmation of the Plan (the "Confirmation Hearing") will be held on **[January 25, 2011] at 11:00 a.m. Eastern Time**, or as soon thereafter as counsel may be heard, at the United States Bankruptcy Court for the Southern District of New York, Room 617, 1 Bowling Green, New York, New York 10004-1408 before the Honorable Allan L. Gropper, United States Bankruptcy Judge. ***The Confirmation Hearing may be continued from time to time without further notice, including by announcement of the adjourned date(s) at the Confirmation Hearing or any continued hearing.***
8. **Objection Deadline.** **[DATE], 2011 at 4:00 p.m. Eastern Time**, is the deadline for objecting to confirmation of the Plan (unless otherwise agreed by the Debtors or by order of the Bankruptcy Court).
9. **Objection Procedures.** Any Objection to confirmation of the Plan must be filed and served in accordance with the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York and shall (i) set forth the name of the objector, the nature and amount of Claims or Interests held or asserted by the objector against the Debtors' Estates or Property, (ii) be in writing, (iii) state with particularity the basis for the Objection and specific grounds therefore and (iv) be electronically filed with the Bankruptcy Court in accordance with General Order M-242 (which can be found at www.nysb.uscourts.gov) by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a CD ROM, preferably in Portable Document Format (PDF), Microsoft Word, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers) and served, with a

copy to chambers, so that it is actually received on or before [DATE], 2010 at 4:00 p.m. Eastern Time, by the following notice parties:

Counsel to the Debtors: Olshan Grundman Frome Rosenzweig & Wolosky LLP
Park Avenue Tower
65 East 55th Street
New York, NY 10022
Attention: Michael S. Fox, Esq.

Counsel to the Creditors'
Committee: Kelley Drye & Warren LLP
101 Park Avenue
New York, NY 10017
Attention: James S. Carr, Esq.

Counsel for Mengnu, as
Plan Sponsor: Neiger LLP
317 Madison Avenue
21st Floor
New York, NY 10017
Attn: Edward Neiger, Esq

United States Trustee: Office of the United States Trustee
33 Whitehall Street, 21st Floor
New York, NY 10004
Attention: Nazar Khodorovsky

10. Effect of Confirmation. Subject to the satisfaction of the conditions set forth in Article XIV of the Plan, the Plan will be consummated on the Effective Date. Among other things, on the Effective Date, certain release, injunction, exculpation and discharge provisions set forth in Article XII of the Plan will become effective. You should read the provisions contained in Article XII of the Plan very carefully so that you understand how confirmation and consummation of the Plan will affect you and any Claim, Equity Interest in the Debtors, right or action you may have against the Debtors. **THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED UNDER THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, INCLUDING SECTIONS 524 AND 1141 OF THE BANKRUPTCY CODE, AND BY ALL OTHER APPLICABLE LAW.**

ADDITIONAL INFORMATION

11. Additional Copies of Documents. Copies of the Plan and the Disclosure Statement are available for review at the Office of the Clerk, United States Bankruptcy Court for the Southern District of New York, 1 Bowling Green, New York, New York 10004-1408, and on the Bankruptcy Court's website at www.nysb.uscourts.gov. Copies of the Plan, the Disclosure Statement, and the materials comprising the Solicitation Packages are also available free of charge on the website of the Debtors' Claims Agent at

<http://www.bmcgroup.com/jenniferconvertibles> or upon request from the Claims Agent by calling (888) 909-0100.

12. Plan Supplement Documents. On or before [DATE], 2011, the Debtors will file certain documents, agreements, schedules and exhibits with the Bankruptcy Court that relate to implementation of the Plan, including exit credit agreements and new organizational documents (collectively, the "Plan Supplement"). Notice of the filing will be provided to known creditors and other parties in interest informing parties that printed copies of the Plan Supplement will be available free of charge upon request to the Claims Agent.

New York, New York

Dated: _____, 2010

**OLSHAN GRUNDMAN FROME
ROSENZWEIG & WOLOSKY LLP**

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65 East 55th Street
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