

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

In re:

JENNIFER CONVERTIBLES, INC.,¹

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Motion for Joint Administration Pending)

**INTERIM ORDER PURSUANT TO SECTIONS 105(a), 363 (b), AND 503(b) OF THE
BANKRUPTCY CODE (I) AUTHORIZING DEBTORS TO (A) CONTINUE THEIR
LIABILITY, PROPERTY AND OTHER INSURANCE PROGRAMS, (B) PAY ALL
OBLIGATIONS IN RESPECT THEREOF, AND (II) FOR AUTHORIZATION FOR
FINANCIAL INSTITUTIONS TO HONOR AND PROCESS CHECKS AND
TRANSFERS RELATED TO SUCH OBLIGATIONS**

Upon the motion, dated July 19, 2010 (the “Motion”)² of Jennifer Convertibles, Inc. and its affiliated debtors, as debtors in possession (collectively, “Debtors”), for an order pursuant to sections 105(a), 363 (b), and 503(b) of the Bankruptcy Code, as more fully set forth in the Motion; and upon consideration of the Declaration of Rami Abada in Support of the Debtors’ Chapter 11 Petitions and Request for First Day Relief; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having

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.

determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED, on an interim basis.
2. The Debtors are authorized and empowered, but not directed, pursuant to sections 105(a), 363(b), and 503(B) of the Bankruptcy Code, (i) to continue the Insurance Programs uninterrupted and to honor their undisputed prepetition obligations thereunder, and (ii) to pay in their sole discretion, all Insurance Obligations, provided, however, that the Debtors are authorized to make only those payments on prepetition claims that are due and payable within the first 21 days of the Debtors' cases, and such relief will be subject to a final hearing.
3. Nothing in this Order shall impair the ability of the Debtors or appropriate party in interest to contest any claim of any creditor pursuant to applicable law or otherwise dispute, contest, setoff, or recoup any claim, or assert any rights, claims or defenses related thereto.
4. The Final Hearing to consider entry of an order granting the relief requested in the Motion on a permanent basis shall be held on _____, 2010 at __:___.m. (Eastern Time); and any objections to entry of such order shall be in writing and filed with this Court and served upon (a) Olshan Grundman Frome Rosenzweig & Wolosky LLP, Attn: Michael S. Fox, Esq., Counsel for the Debtors; (b) Office of the U.S. Trustee; (c) Lawrence A. Darby, III, Esq., Counsel to Mengnu; and (d) Neiger LLP, Attn: Edward E. Neiger, Esq., Counsel to Mengnu; and (e) counsel for any statutory committee appointed in these cases, in each case so as to be received no later than __:___.m. (Eastern Time) on _____, 2010.

5. If no Objections are filed to the Motion, the Court may enter a Final Order without further notice or hearing.

6. Bankruptcy Rule 6003(b) has been satisfied.

7. The requirements of Bankruptcy Rule 6004(a) are waived,

8. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order.

9. The Debtors are authorized to take all steps necessary to carry out this Order.

10. This Court retains jurisdiction to interpret and enforce this Order.

Dated: July __, 2010
New York, New York

UNITED STATES BANKRUPTCY JUDGE