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**Hearing Date: March 23, 2011 at 11:00 a.m.
Response Deadline: March 16, 2011 at 4:00 p.m.**

Counsel for the Debtors and Debtors in Possession

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

In re:

JENNIFER CONVERTIBLES, INC.,¹

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**DEBTORS' SECOND OMNIBUS OBJECTION TO CLAIMS THAT DO NOT
CORRESPOND TO THE DEBTORS' BOOKS AND RECORDS, CLAIMS FILED
AGAINST THE WRONG DEBTOR, AND CERTAIN LANDLORD CLAIMS**

Jennifer Convertibles, Inc. ("Jennifer Convertibles") and its affiliated debtors, as debtors and debtors in possession (together, the "Debtors") hereby submit this second omnibus objection (the "Second Omnibus Objection") to proofs of claim (collectively, the "Claims") filed against the Debtors in these chapter 11 cases as listed on Exhibits A, B, and C attached hereto. Pursuant to this Second Omnibus Objection, the Debtors request that the Court enter an order: (a) reducing and/or reclassifying the amount of each claim as itemized on Exhibit A attached hereto for the

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

substantive reasons described below; (b) reclassifying claims filed against the wrong Debtor as if those claims had been asserted initially against the correct Debtor, as listed on Exhibit B attached hereto; and (c) expunging the claims filed by landlords against the Debtors that have entered into lease modification agreements with the Debtors (the “Modification Agreements”) and such leases will be assumed on the effective date, as listed on Exhibit C attached hereto. This request is made pursuant to section 502 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). In support of the Second Omnibus Objection, the Debtors respectfully represent as follows:

JURISDICTION

1. This Court has jurisdiction over this objection pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b)(2).

2. The statutory predicates for the relief questioned herein are Bankruptcy Code section 502(b) and Bankruptcy Rule 3007.

BACKGROUND

A. The Chapter 11 Filings:

3. 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 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.

4. 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 under a license from Ashley Furniture Industries, Inc.

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

6. On November 19, 2010, the Debtors filed their Joint Chapter 11 Plan of Reorganization of Jennifer Convertibles, Inc. and Its Affiliated Debtors, and Disclosure Statement with Respect to the Chapter 11 Plan of Reorganization of Jennifer Convertibles, Inc. and Its Affiliated Debtors. On December 22, 2010, the Debtors filed their Amended Disclosure Statement with Respect to the Chapter 11 Plan of Reorganization of Jennifer Convertibles, Inc. and Its Affiliated Debtors (the “Amended Disclosure Statement”) and their Amended Joint Chapter 11 Plan of Reorganization of Jennifer Convertibles, Inc. and Its Affiliated Debtors (the “Amended Plan”).

7. Also on December 22, 2010, the Bankruptcy Court entered an order approving the Amended Disclosure Statement (docket No. 397). Confirmation is scheduled for January 25, 2011.

8. On February 9, 2011, the Bankruptcy Court entered the Findings of Fact and Conclusions of Law and Order Confirming the Amended Joint Chapter 11 Plan of Reorganization of Jennifer Convertibles, Inc. and its Affiliated Debtors (docket No. 491).

B. Bar Date, Proofs of Claim, And Second Omnibus Objection

9. On September 16, 2010, this Court entered an Order for Filing Proofs and Approving the Form and Manner of Notice Thereof (docket No. 247) (the “Bar Date Order”). Among other things, the Bar Date Order established October 25, 2010 at 5:00 p.m. Eastern Time (the “General Bar Date”) as the deadline to file proofs of claim (subject to certain limited

exceptions) for all persons and entities wishing to assert a claim, as that term is defined in section 101(5) of the Bankruptcy Code (each, a “Claim”), against any of the Debtors that arose prior to the Petition Date to file a proof of claim form (the “Proofs of Claim”) with respect to each Claim. The bar date for governmental units was set for January 18, 2011 at 5:00 p.m. Eastern Time (the “Governmental Bar Date”, and, together with the General Bar Date, the “Bar Dates”).

10. On September 20, 2010, BMC Group, Inc., the claims and noticing agent in these cases (the “Claims Agent”), provided notice of the Bar Dates by mailing a notice of bar date approved by this Court (the “Bar Date Notice”), together with a proof of claim form, upon, all parties listed in the Bar Date Order. On September 27, 2010, a copy of the Bar Date Notice was published in the national edition of USA Today.

11. As of the Bar Date, approximately 715 proofs of Claim (the “Proofs of Claim”) had been filed against the Debtors in these chapter 11 cases. Collectively the Proofs of Claim asserted liquidated Claims of more than \$81 million against the Debtors.

12. On December 23, 2010, the Debtors filed an Omnibus Objection seeking to expunge certain duplicate claims (the “Duplicate Claims Objection”) (docket no. 405). On January 26, 2011, this Court entered an Order approving the relief requested in the Duplicate Claims Objection (docket no. 473), which expunged 24 claims in the amount of \$2,142,929.74.

13. On January 28, 2011, this Court entered a Preliminarily Approval Order Authorizing And Approving Settlement Of Civil Actions, which, upon final approval, will reduce the claim of Ayisha Combs, et al. from \$7,632,100.00 to \$450,000.00.

14. On February 3, 2011, this Court entered the Stipulation and Agreed Order Disallowing and Expunging Claim Number 342 (the Claim of Haining Mengnu Group Co. Ltd/)

(docket no. 486), which expunged both a duplicative administrative claim of \$2,638,284.09 and a duplicative general unsecured claim in the amount of \$17,517,044.54.

15. Thus, as of the date herein, the Debtors believe that the Proofs of Claim currently asserted against the Debtors have been reduced in amount to approximately \$51.5 million.

RELIEF REQUESTED

Books and Records Claims – Exhibit A

16. By this Second Omnibus Objection, the Debtors object to each of the Claims identified on Exhibit A as a "Claim to be Expunged and/or Reclassified" (the "Expunged/Reclassified Books and Records Claim") and seek to reduce and reclassify such Claims as the Claims set forth in the "Surviving Claims" column (the "Surviving Books and Records Claim", and together with the Expunged/Reclassified Books and Records Claims, the "Books and Records Claims").

17. The Debtors object to the amount and/or the classification of the Books and Records Claims listed in Exhibit A, and seek to reduce and reclassify such Books and Records Claims because the Books and Records Claims do not correspond to the Debtors' books and records as: (i) the amount claimed exceeds the amounts reflected in the Debtors' books and records, (ii) the Claims lack sufficient documentation to ascertain the validity of all parts of the Claims, and (iii) the Claims are incorrectly classified as priority, administrative, or secured (collectively, the "Books and Records Claims").

18. To the extent that any Books and Records Claim asserts a claim amount some portion of which is inaccurate, unverifiable, against a non-debtor entity, or which has already been paid, the Debtors reserve the right to object to the allowance of such portion of the Claim. Such Books and Records Claims should not represent liability to the Debtors' estates. Once the Expunged/Reclassified Books and Records Claim is disallowed and expunged, the Surviving

Books and Records Claim shall be subject to all rights, defenses, counterclaims, actions, and objections to which the Books and Records Claim would have been had it been correctly asserted initially.

Claims Filed Against the Wrong Debtor – Exhibit B

19. The Claims included on Exhibit B are Claims that identify as the obligor one or more Debtors when such Claims are properly asserted, if at all, against another Debtor (the “Wrong Debtor Claims”). In each instance involving the Wrong Debtor Claims, the claimant has no valid legal justification (for example, the existence of a guaranty) for asserting a claim against the given Debtor. The Wrong Debtor Claims are subject to reclassification as Claims asserted against the correct Debtor (collectively, the “Reclassified Claims”). Once reclassified, the original Wrong Debtor Claim is reclassified and becomes a Reclassified Claim, which is subject to all rights, defenses, counterclaims, actions, and objections to which the Wrong Debtor Claim would have been had it been asserted initially against the correct Debtor.

20. Therefore, the Debtors object to the allowance of each of the Wrong Debtor Claims described in Exhibit B and request that such Wrong Debtor Claims be reclassified as claims against the correct Debtor as noted in Exhibit B. Because this Second Omnibus Objection does not constitute an objection to the Reclassified Claims, the Debtors reserve their right to object to the Reclassified Claims on any other grounds whatsoever.

Claims Filed by Landlords - Exhibit C

21. The Claims included on Exhibit C are Claims filed by landlords which should now be expunged (the “Landlord Claims”), since the landlords have entered into the Modification Agreements which provide for specific payment terms on account of their pre-and post-petition Claims. Throughout these chapter 11 cases, the Debtors have been diligently crafting a comprehensive reorganization strategy in an effort to maximize the value of their

estates for the benefit of their creditors. In furtherance of this effort, the Debtors, in conjunction with KPMG CF Realty LLC, the Debtors' special real estate advisors, have engaged in arms-length negotiations with the many landlords to the various leases, in order to modify the terms of the leases for their go forward store locations (the "KPMG Leases"). This process has resulted in amended leases for approximately sixty (60) of the Debtors' store locations. In addition, the Debtors' senior management has also engaged in negotiations with approximately fifteen (15) additional landlords, resulting in amendments to such leases (the "Debtor Leases", and together with the KPMG Leases, the "Amended Leases"). Assumption of the Amended Leases effective upon the effective date was approved in this Court's *Order Authorizing the Debtors to Enter into Amended Nonresidential Real Property Leases and to Assume Amended Nonresidential Real Property Leases Effective as of the Effective Date of a Chapter 11 Plan of Reorganization*, dated January 26, 2011 (docket no. 474).

22. As set forth in paragraph 9 above, the Bar Date Order established October 25, 2010 at 5:00 p.m. Eastern Time as the General Bar Date. Most, if not all, of the Amended Leases were entered into subsequent to the General Bar Date, and the terms of the Amended Leases supersede any Claims that were filed. Thus, the landlords who filed Claims which were later superseded by the terms set forth in the Amended Leases may now have their Claims expunged.

23. In accordance with the Amended Leases, the Amended Leases are assumed as of the effective date and the Landlord Claims will be cured as of the effective date pursuant to the terms of the Modification Agreements.

24. Therefore, the Debtors object to the allowance of each of the Landlord Claims described in Exhibit C and request that such Landlord Claims be disallowed in their entirety and expunged.

SEPARATE CONTESTED MATTERS

25. To the extent that a Response (as defined below) is filed with respect to any Claim listed in this Second Omnibus Objection and the Debtors are unable to resolve the Response prior to the hearing on this Second Omnibus Objection, the Debtors request that each such Claim and the objection to such Claim asserted in this Second Omnibus Objection be deemed to constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. The Debtors further request that any order entered by the Court with respect to an objection asserted in this Second Omnibus Objection be deemed a separate order with respect to each Claim.

RESERVATION OF RIGHTS

26. The Debtors expressly reserve the right to amend, modify, or supplement this Second Omnibus Objection and to file additional objections to any other Claims (filed or not) which may be asserted against the Debtors. Should one or more of the grounds for objection stated in this Second Omnibus Objection be dismissed, the Debtors reserve their rights to object on other states grounds or on any other grounds that the Debtors discover during pendency of these cases. In addition, the Debtors reserve the right to seek further reduction of any Claim to the extent that such Claim has not yet been paid.

RESPONSES TO OBJECTIONS

A. Filing and Service of Responses

27. To contest an objection, responses (each, a “Response”), if any, to this Second Omnibus Objection must comply with the procedures set forth below. All Responses must be received by the Debtors by March 16, 2011 (the “Response Deadline”). If a Claimant whose

Claim is subject to an objection does not file and serve a timely Response, the Bankruptcy Court may sustain the Second Omnibus Objection with respect to such Claims without further notice to the Claimant.

28. Content. Each Response must contain the following (at a minimum):

- a. a caption setting forth the name of the Bankruptcy Court, the name of the Debtors, the case number and the title of this Second Omnibus Objection;
- b. the Claimant's name and an explanation for the amount of the Claim;
- c. a concise statement setting forth the reasons why the Bankruptcy Court should not sustain this Second Omnibus Objection, including, without limitation, the specific factual and legal bases upon which the Claimant will rely in opposing this Second Omnibus Objection;
- d. a copy of any other documentation or other evidence of the Claim, to the extent not already included with the Claim, upon which the Claimant will rely in opposing this Second Omnibus Objection at the hearing, such documentation must be sufficient to establish a *prima facie* right to payment, provided however, that the Claimant need not disclose confidential, proprietary, or otherwise protected information in the Response; provided further, however, that the Claimant shall disclose to the Debtors all information and provide copies of all documents that the Claimant believes to be confidential, proprietary, or otherwise protected and upon which the Claimant intends to rely in support of its Claim, subject to appropriate confidentiality constraints and protections;
- e. a declaration of a person with personal knowledge of the relevant facts that support the Response; and
- f. the Claimant's name, address, telephone number and facsimile number and/or the name, address, telephone number and facsimile number of the Claimant's attorney and/or designated representative to whom the attorneys for the Debtors should serve a reply to the Response, if any (collectively, the "Notice Addresses"). If a Response contains Notice Addresses that are different from the name and/or address listed on the Claim, the Notice Addresses will control and will become the service address for future service of papers with respect to all of the Claimant's Claims listed in this Second Omnibus Objection (including all Claims to be disallowed and the surviving Claims) and only for those Claims in this Second Omnibus Objection.

29. Additional Information. To facilitate a resolution of this Second Omnibus Objection, the Response should also include the name, address, telephone number, facsimile number, and electronic mail address of the party with authority to reconcile, settle or otherwise resolve this Second Omnibus Objection on the Claimant's behalf (the "Additional Addresses"). Unless the Additional Addresses are the same as the Notice Addresses, the Additional Addresses will not become the service address for future service of papers.

30. Service of the Response. A written Response to this Second Omnibus Objection, consistent with the requirements described herein will be deemed timely filed only if the Response is actually received on or before the Response Deadline by (i) the Bankruptcy Court. A written Response to this Second Omnibus Objection will be deemed timely served only if a copy of the Response is actually received on or before the Response Deadline by:

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Park Avenue Tower
65 East 55th Street
New York, New York 10022
Attn: Michael S. Fox, Esq.
Jordanna L. Nadritch, Esq.

31. If a Claimant whose Claim is subject to this Second Omnibus Objection and who is served with this Second Omnibus Objection fails to file and serve a timely Response in compliance with the foregoing procedures, the Debtors may present to the Court an appropriate order disallowing and expunging or modifying such Claim without further notice to the Claimant.

32. Timely Response Required. If a Response is properly and timely filed and served, and the Debtors are unable to reach a consensual resolution with the Claimant, the

hearing to consider this Second Omnibus Objection, as to those Claims for which a Response has been filed, will be automatically adjourned to a date to be mutually determined by the parties.

APPLICABLE AUTHORITY

33. Prior to the amendment to Bankruptcy Rule 3007, neither the Bankruptcy Code nor the Bankruptcy Rules addressed a debtor's ability to file omnibus objections to claims. Bankruptcy Rule 3007 imposes facial limitations on the use of omnibus objections effected by the amendments, and the Debtors believe they are in compliance with such limitations. However, even if the Court does not believe the Debtors are in compliance with Bankruptcy Rule 3007, courts have routinely approved additional grounds for omnibus objections in large bankruptcy cases for the sake of expediency and efficiency. *See e.g., In re Adelpia Commc'ns Corp. et al.*, Case No. 02-41729 (REG); *In re Delphi Corp. et al.*, Case No. 05- 44481 (RDD); *In re Circuit City Stores, Inc., et al.*, Case No. 08-35653 (KRH).

34. Additionally, the Court may rely on its general equitable powers to grant the relief requested in this Motion pursuant to section 105(a) of the Bankruptcy Code, which empowers the Court to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a); *Canal Corp. v. Finnman (In re Johnson)*, 960 F.2d 396, 404 (4th Cir. 1992) ("the allowance or disallowance of a claim in bankruptcy is a matter of federal law left to the bankruptcy court's exercise of its equitable powers."). *See also In re WorldCom, Inc.*, No. 02-13533, 2005 WL 3832065, at *4 (Bankr. S.D.N.Y. Dec. 29, 2005).

35. The Second Omnibus Objection requests authority to object to the Claims on grounds that are set forth in Bankruptcy Rule 3007(d). In addition, the Second Omnibus Objection maintains the requisite due process protections and spirit of the amendments. Indeed, although the Second Omnibus Objection addresses multiple Claims, the Claims in Exhibit A, B,

and C are listed in alphabetical order, as required by Rule 3007(e). Thus, from the creditors' standpoint, they can easily determine if the Debtors are objecting to their Claims and on what grounds.

36. Accordingly, the Debtors submit that the Second Omnibus Objection complies with the requirements of Rule 3007 and should be approved.

CONCLUSION

37. The Debtors object to the allowance of the Claims as set forth herein for the reasons stated herein, and the Debtors hereby move this Court for an order providing that (a) each Claim listed on Exhibit A is reduced and/or reclassified; (b) each Claim listed on Exhibit B is reclassified against the correct Debtor as if those claims had been asserted initially against the correct Debtor; and (c) each claim listed on Exhibit C is expunged.

38. This Second Omnibus Objection is limited to the grounds stated herein.

FURTHER INFORMATION

39. Questions about this Second Omnibus Objection or requests for additional information about the proposed disposition of Claims thereunder should be directed to the Debtors' counsel, Olshan Grundman Frome Rosenzweig & Wolosky LLP, at the address set forth above. Questions regarding the amount of a Claim or the filing of a Claim should be directed to the Debtors' claims agent, BMC Group Inc. at (888) 909-0100. Claimants should not contact the Clerk of the Bankruptcy Court to discuss the merits of their Claims.

NOTICE

40. Notice of this Motion has been provided to (i) Office of the United States Trustee for the Southern District of New York; (ii) counsel to the Official Committee of Unsecured Creditors; (iii) the SEC; and (iv) any other party who has filed a notice of appearance in these cases. The Debtors submit that such notice is sufficient under the circumstances.

WHEREFORE the Debtors respectfully request that the Court enter an order substantially in the form annexed hereto as Exhibit D granting the relief requested herein.

Dated: New York, New York
February 16, 2011

OLSHAN GRUNDMAN FROME
ROSENZWEIG & WOLOSKY LLP

By: /s/ Michael S. Fox
Michael S. Fox
Jordanna L. Nadritch
Jayme M. Bethel
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*Counsel for the Debtors and Debtors in
Possession*

EXHIBIT A

Books and Records Claims

In re: Jennifer Convertibles, Inc., et al

OMNIBUS 2: EXHIBIT A - BOOKS AND RECORDS CLAIMS

CLAIM TO BE RECLASSIFIED AND/OR EXPUNGED

SURVIVING CLAIM

<i>Creditor Name and Address</i>	<i>Claim No.</i>	<i>Claim Class</i>	<i>Total Claim Amount</i>	<i>Creditor Name and Address</i>	<i>Claim No.</i>	<i>Claim Class</i>	<i>Total Claim Amount</i>
Academy Fire Protection 48-81 Maspeth Ave. Maspeth, NY 11378	55	Secured: \$1,209.29 Unsecured: \$1,209.29 Priority: \$1,209.29	\$3,627.87	Academy Fire Protection Attention: Robert Paez 48-81 Maspeth Ave. Maspeth, NY 11378	70	Unsecured: \$1,316.30	\$1,316.30
CDW 200 N. Milwaukee Avenue Vernon Hills, IL 60061	12	Secured: \$1,936.78 Priority: \$237.61	\$2,174.39	CDW 200 N. Milwaukee Avenue Vernon Hills, IL 60061	12	Unsecured: \$2,174.39	\$2,174.39
Graham Trucking Enterprises, Inc. 1008 Ashland Avenue Bedford, VA 24523	45	Priority: \$7,209.56	\$7,209.56	Graham Trucking Enterprises, Inc. 1008 Ashland Avenue Bedford, VA 24523	45	Unsecured: \$7,209.56	\$7,209.56
Lunt Heating & Air Conditioning, Inc. PO Box 6299 Santa Rosa, CA 95406	109	Priority: \$126.61 Unsecured: \$126.61	\$253.22	Lunt Heating & Air Conditioning, Inc. PO Box 6299 Santa Rosa, CA 95406	109	Unsecured: \$126.61	\$126.61
M Reis 32 Lark Court Old Bethpage, NY 11804	153	Administrative: \$2,940.00 Priority: \$2,940.00 Unsecured: \$4,776.00	\$10,656.00	M Reis 32 Lark Court Old Bethpage, NY 11804	153	Unsecured: \$4,776.00	\$4,776.00
Midwood Glass Co. 1779 Flatbush Avenue Brooklyn, NY 11210	119	Administrative: \$3,679.97	\$3,679.97	Midwood Glass Co. 1779 Flatbush Avenue Brooklyn, NY 11210	119	Unsecured: \$3,679.97	\$3,679.97
RJS Cleaning Co. Inc. 3335 Glenview Street Philadelphia, PA 19149	146	Priority: \$1,185.00	\$1,185.00	RJS Cleaning Co. Inc. 3335 Glenview Street Philadelphia, PA 19149	146	Unsecured: \$1,185.00	\$1,185.00
Vertis Inc. DBA VertisCommunications 250 W. Pratt Street Suite 1800 Baltimore, MD 2120	211	Administrative: \$17,050.47	\$17,050.47	Vertis Inc. DBA VertisCommunications 250 W. Pratt Street Suite 1800 Baltimore, MD 2120	211	Unsecured: \$17,050.47	\$17,050.47

EXHIBIT B

Wrong Debtor Claims

In re: Jennifer Convertibles, Inc., et al

OMNIBUS 2: EXHIBIT B - WRONG DEBTOR CLAIMS

CLAIM TO BE RECLASSIFIED

SURVIVING CLAIM

<i>Creditor Name and Address</i>	<i>Claim No.</i>	<i>Debtor</i>	<i>Total Claim Amount</i>	<i>Creditor Name and Address</i>	<i>Claim No.</i>	<i>Debtor</i>	<i>Total Claim Amount</i>
Cohen, Moshe 8 Lever Place Plainview, NY 11803	47	Jennifer Purchasing Corp. Case No. 10-13785	\$1,250.00	Cohen, Moshe 8 Lever Place Plainview, NY 11803	47	Jennifer Convertibles, Inc. Case No. 10-13779	\$1,250.00
Jersey Central Power & Light 331 Newman Springs Road, Building 3 Red Bank, NJ 07701	319	Elegant Living Management, Ltd. Case No. 10-13782	\$982.10	Jersey Central Power & Light 331 Newman Springs Road, Building 3 Red Bank, NJ 07701	319	Jennifer Convertibles, Inc. Case No. 10-13779	\$982.10
Michigan Department of Treasury Cadillac Place Suite 10-200 3030 W. Grand Blvd. Detroit, MI 48202	168	Jennifer Management II Corp. Case No. 10-13786	\$1,160.50	Michigan Department of Treasury Cadillac Place Suite 10-200 3030 W. Grand Blvd. Detroit, MI 48202	168	Jennifer Convertibles, Inc. Case No. 10-13779	\$1,160.50
Michigan Department of Treasury Cadillac Place Suite 10-200 3030 W. Grand Blvd. Detroit, MI 48202	169	Jennifer Management II Corp. Case No. 10-13786	\$4,784.44	Michigan Department of Treasury Cadillac Place Suite 10-200 3030 W. Grand Blvd. Detroit, MI 48202	169	Jennifer Convertibles, Inc. Case No. 10-13779	\$4,784.44
NYC Department of Finance Attention: Saul T. Fishman 345 Adams Street 3 rd Floor Brooklyn, NY 11201	361	Washington Heights Convertibles, Inc. Case No. 10-13790	\$709.00	NYC Department of Finance Attention: Saul T. Fishman 345 Adams Street 3 rd Floor Brooklyn, NY 11201	361	Jennifer Convertibles, Inc. Case No. 10-13779	\$709.00

In re: Jennifer Convertibles, Inc., et al

OMNIBUS 2: EXHIBIT B - WRONG DEBTOR CLAIMS

NYC Department of Finance Attention: Saul T. Fishman 345 Adams Street 3 rd Floor Brooklyn, NY 11201	368	Nicole Convertibles, Inc. Case No. 10-13789	\$439.00	NYC Department of Finance Attention: Saul T. Fishman 345 Adams Street 3 rd Floor Brooklyn, NY 11201	368	Jennifer Convertibles, Inc. Case No. 10-13779	\$439.00
NYC Department of Finance Attention: Saul T. Fishman 345 Adams Street 3 rd Floor Brooklyn, NY 11201	369	Elegant Living Management, Ltd. Case No. 10-13782	\$163,268.00	NYC Department of Finance Attention: Saul T. Fishman 345 Adams Street 3 rd Floor Brooklyn, NY 11201	368	Jennifer Convertibles, Inc. Case No. 10-13779	\$163,268.00
Ohio Department of Taxation Bankruptcy Division PO Box 530 Columbus, OH 43216	353	Jennifer Management III Corp. Case No. 10-13784	\$6,09.19	Ohio Department of Taxation Bankruptcy Division PO Box 530 Columbus, OH 43216	353	Jennifer Convertibles, Inc. Case No. 10-13779	\$6,09.19

EXHIBIT C

Landlord Claims Assumed Pursuant to Modification Agreements

In re: Jennifer Convertibles, Inc., et al

OMNIBUS 2: EXHIBIT C - LANDLORD CLAIMS ASSUMED
PURSUANT TO MODIFICATION AGREEMENTS

CLAIM TO BE EXPUNGED

<i>Creditor Name and Address</i>	<i>Claim No.</i>	<i>Claim Class</i>	<i>Total Claim Amount</i>
111 Realty Company Ruskin Moscou Faltischek PC (J Wurst) 1425 RXR Plaza, 15 th Floor Uniondale, NJ 11556	263	Unsecured: \$76,660.65	\$76,660.65
26 West 23 rd Street LLC c/o Law Offices of Steven M. Nachman 675 Third Avenue, 29 th Floor New York, NY 10017	250	Unsecured: \$63,657.51	\$63,657.51
905 WPR LLC c/o Metrovest Equities, Inc. Lamonica Herbst & Maniscalco LLP 3305 Jerusalem Avenue, Suite 201 Wantagh, NY 11793	96	Unsecured: \$51,270.75	\$51,270.75
905 WPR LLC c/o Metrovest Equities, Inc. Lamonica Herbst & Maniscalco LLP Attention: Salvatore Lamonica 3305 Jerusalem Avenue, Suite 201 Wantagh, NY 11793	121	Administrative: \$12,939.06	\$12,939.06
Abill Realty Corp. c/o David W. Novack, Esq. 195 Route 46 West, Suite 11 Totowa, NJ 07512	301	Unsecured: \$51,927.76	\$51,927.76
Abill Realty Corp. c/o David W. Novack, Esq. 195 Route 46 West, Suite 11 Totowa, NJ 07512	302	Unsecured: \$84,629.06	\$84,629.06

In re: Jennifer Convertibles, Inc., et al

**OMNIBUS 2: EXHIBIT C - LANDLORD CLAIMS ASSUMED
PURSUANT TO MODIFICATION AGREEMENTS**

<i>Creditor Name and Address</i>	<i>Claim No.</i>	<i>Claim Class</i>	<i>Total Claim Amount</i>
AMB-SGP CIF-I LLC c/o Thomas R. Cave, Esq. Groom & Cave LLP 1570 The Alameda, Suite 100 San Jose, CA 95126	139	Secured: \$10,300.00	\$10,300.00
Bay Plaza West LLC (Prestige Properties Dev.) 546 Fifth Avenue, 15 th Floor New York, NY 10036	267	Unsecured: \$59,879.93	\$59,879.93
BINA Realty LLC Attention: Lee Stremba, Esq. Troutman Sanders LLP The Chrysler Building 405 Lexington Avenue New York, NY 10174	322	Unsecured: \$4,068.36	\$4,068.36
Brent Associates, Inc. Attention: J. James Kogel 931 B Conklin Avenue Farmingdale, NY 11735	303	Administrative: \$139,489.59 Unsecured: \$48,946.97	\$188,436.56
Brent Associates, Inc. Attention: J. James Kogel 931 B Conklin Avenue Farmingdale, NY 11735	304	Administrative: \$32,693.99 Unsecured: \$16,638.84	\$49,332.83
Brent Associates, Inc. Attention: J. James Kogel 931 B Conklin Avenue Farmingdale, NY 11735	305	Administrative: \$28,674.47 Unsecured: \$38,957.82	\$67,632.29
Cipriano Square Plaza Corporation Attention: Nick Vassello 270 Commerce Drive Rochester, NY 14623	22	Administrative: \$5,425.89	\$5,425.89

In re: Jennifer Convertibles, Inc., et al

**OMNIBUS 2: EXHIBIT C - LANDLORD CLAIMS ASSUMED
PURSUANT TO MODIFICATION AGREEMENTS**

<i>Creditor Name and Address</i>	<i>Claim No.</i>	<i>Claim Class</i>	<i>Total Claim Amount</i>
Cipriano Square Plaza Corporation c/o Jeffrey Kurtzman, Esq. Klehr Harrison Harvey Branzburg LLP 1835 Market Street, Suite 1400 Philadelphia, PA 19103	23	Unsecured: \$57,567.21	\$57,567.21
CJ Realty LP c/o Spiegel Associates 375 North Broadway Jericho, NY 11753	187	Administrative: \$4,064.52 Secured: \$4,064.52 Unsecured: \$23,783.16	\$31,912.20
Enea Properties Company 190 Hartz Avenue, Suite 260 Danville, CA 94526	227	Blank	Blank
Escallier/Goodman CTO c/o Jeffrey Broker, Esq. Broker & Associates PC 18191 Von Karman, Suite 470 Irvine, CA 92612	120	Unsecured: \$40,254.00	\$40,254.00
GGF Huntington LLC Attention: Ian S. Landsberg, Esq. Landsberg & Associates PC 16030 Ventura Boulevard, Suite 470 Encino, CA 91436	282	Unsecured: \$31,639.93	\$31,639.93
GGF Huntington LLC Attention: Ian S. Landsberg, Esq. Landsberg & Associates PC 16030 Ventura Boulevard, Suite 470 Encino, CA 91436	341	Unsecured: \$31,639.93	\$31,639.93
Irwin Sherry 818 N. Doheny Drive Unit 102 West Hollywood, CA 90069	300	Unsecured: \$32,000.00	\$32,000.00

In re: Jennifer Convertibles, Inc., et al

**OMNIBUS 2: EXHIBIT C - LANDLORD CLAIMS ASSUMED
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<i>Creditor Name and Address</i>	<i>Claim No.</i>	<i>Claim Class</i>	<i>Total Claim Amount</i>
Jacob Pearlstein LLC Certilman Balin Adler & Hyman LLP Attention: Richard J. McCord and Carol A. Glick 90 Merrick Avenue East Meadow, NY 11554	286	Administrative: \$5,870.90 Unsecured: \$34,648.50	\$40,519.40
Klein Miller Investment Co. 2121 Century Woods Way Los Angeles, CA 90067	270	Unsecured: \$15,465.89	\$15,465.89
Leesburg Pike Center LLC Saul Holdings Limited Partnership c/o Karen Halloran AVP BF Saul Property Company 7501 Wisconsin Avenue, Suite 1500 Bethesda, MD 20814	280	Unsecured: \$258,758.62	\$258,758.62
MJD Investment Co. Dunn Lee & Keary Grant C. Keary, Esq. 26000 Towne Center Drive Suite 200 Foothill Ranch, CA 92610	251	Unsecured: \$26,584.00	\$26,584.00
Plaza K Shopping Center 6 Prospect Street, Suite 1B The Azarian Building Midland Park, NJ 07432	310	Unsecured: \$33,151.02	\$33,151.02
Restful Furniture Corp. Robinson Brog Leinwand Greene Genovese & Gluck Attention: Russell P McRory 875 Third Avenue, 9 th Floor New York, NY 10022	246	Unsecured: \$119,266.02	\$119,266.02

In re: Jennifer Convertibles, Inc., et al

**OMNIBUS 2: EXHIBIT C - LANDLORD CLAIMS ASSUMED
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<i>Creditor Name and Address</i>	<i>Claim No.</i>	<i>Claim Class</i>	<i>Total Claim Amount</i>
Restful Furniture Corp. Robinson Brog Leinwand Greene Genovese & Gluck Attention: Russell P McRory 875 Third Avenue, 9 th Floor New York, NY 10022	247	Unsecured: \$119,266.02	\$119,266.02
Samuel Lotstein Realty Company LLC c/o Dan Young Wofsey Rosen 600 Summer Street, 7 th Floor Stamford, CT 069001	210	Unsecured: \$27,000.00	\$27,000.00
Sherwood 110 Corp. 2580 Hempstrad Turnpike East Meadow, NY 11554	74	Unsecured: \$132,806.42	\$132,806.42
The Irvine Company LLC c/o Ernie Zachary Park Bewley Lassleben & Miller 13215 E. Penn Street, Suite 510 Whittier, CA 90602	232	Unsecured: \$26,790.13	\$26,790.13
TMCC Inc. Attention: Bonnie L. Pollack, Esq. Cullen & Dykman LLP 100 Quentin Roosevelt Boulevard Garden City, NY 11530	179	Unsecured: \$151,006.13	\$151,006.13
Westport Retail LLC Schwartz Lichtenberg LLP 405 Lexington Avenue, 7 th Floor New York, NY 10174	245	Unsecured: \$46,857.39	\$46,857.39

EXHIBIT D

Proposed Order

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

In re:

JENNIFER CONVERTIBLES, INC.,¹

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**ORDER APPROVING THE SECOND OMNIBUS OBJECTION TO
CLAIMS THAT DO NOT CORRESPOND TO THE DEBTORS'
BOOKS AND RECORDS, CLAIMS FILED AGAINST THE
WRONG DEBTOR, AND CERTAIN LANDLORD CLAIMS**

Upon the objection, dated February 16, 2011 (the “Second Omnibus Objection”)² of the above-captioned debtors (collectively, the “Debtors”) for entry of an order (the “Order”) pursuant to 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007 (a) reducing and/or reclassifying the amount of each claim as itemized on Exhibit A attached thereto for the substantive reasons described below; (b) reclassifying claims filed against the wrong Debtor as if those claims had been asserted initially against the correct Debtor, as listed on Exhibit B attached thereto; and (c) expunging the claims filed by landlords against the Debtors that have entered into lease modification agreements with the Debtors (the “Modification Agreements”) and such leases will be assumed on the effective date, as listed on Exhibit C attached thereto; and the Court having jurisdiction to consider the Second Omnibus Objection and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for

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 defined herein shall have the meanings ascribed to them in the First Omnibus Objection.

the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Second Omnibus Objection having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Second Omnibus Objection (the “Hearing”); and the appearances of all interested parties having been noted in the record of the Hearing; and the Court having determined that the legal and factual bases set forth in the Second Omnibus Objection establish just cause for the relief granted herein; and it appearing that the relief requested in the Second Omnibus Objection is in the best interests of the Debtors, their estates, creditors, and parties in interest; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Second Omnibus Objection is GRANTED.
2. Each Books and Records Claim, Wrong Debtor Claim, and Landlord Claim identified on Exhibits A, B and C to the Second Omnibus Objection are hereby reduced, reclassified, and expunged as indicated therein.
3. Entry of this Order is without prejudice to the Debtors' right to object to any other claims in these chapter 11 cases, or to further object to claims objected to in the Second Omnibus Objection, on any grounds whatsoever.
4. Nothing contained herein shall constitute, nor shall it be deemed to constitute, the allowance of any of the claims.
5. This Court shall retain jurisdiction over the Debtors and the holders of Claims subject to the Second Omnibus Objection to hear and determine all matters arising from the implementation of this Order.

6. Each Claim and the objections by the Debtors to each Claim as addressed in the Second Omnibus Objection and as set forth on Exhibits A, B and C to the Second Omnibus Objection constitutes a separate contested matter as contemplated by Fed. R. Bankr. P. 9014. This Order shall be deemed a separate order with respect to each Claim. Any stay of this Order shall apply only to the contested matter which involves such creditor and shall not act to stay the applicability or finality of this order with respect to the other contested matters covered hereby.

7. This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: _____, 2011
New York, New York

UNITED STATES BANKRUPTCY JUDGE