

AMENDED

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK (MANHATTAN) PROOF OF CLAIM

In re: Jennifer Convertibles, Inc Case Number: 10-13779

NOTE: See Reverse for List of Debtors/Case Numbers/ important details. This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor and Address: the person or other entity to whom the debtor owes money or property

KLAUSSNER FURNITURE INDUSTRIES 405 Lewallen Road Asheboro NC 27205 Attention: Kim Cockerham

Creditor Telephone Number (336) - 625-6175 Name and address where payment should be sent (if different from above):

1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$ 996,012.03

2. BASIS FOR CLAIM: Goods Sold

4. SECURED CLAIM (See instruction #4 on reverse side.) Secured Claim Amount: \$ Unsecured Claim Amount: \$

5. PRIORITY CLAIM Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). Unsecured Priority Claim Amount: \$

6. AMOUNT OF CLAIM THAT QUALIFIES AS AN ADMINISTRATIVE EXPENSE UNDER 11 U.S.C. § 503(b)(9): \$45,410.37

7. CREDITS: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 8. SUPPORTING DOCUMENTS: Attach redacted copies of supporting documents...

The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received on or before 5:00 pm, prevailing Eastern Time on 3/4/2011 for Non-Governmental Claimants OR on or before 3/4/2011 for Governmental Units.

DATE: 3/4/2011 SIGNATURE: Kim W. Cockerham / Credit Manager

Penalty for presenting fraudulent claim is a fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 AND 3571

ADDENDUM TO AMENDED PROOF OF CLAIM

This Amended Proof of Claim is being filed by virtue of an agreement among Klaussner Furniture Industries, Inc. ("Klaussner" or "Claimant"), the reorganized Debtors and the Litigation Trustee appointed in connection with the Debtors' confirmed plan, by which this Amended Proof of Claim will be allowed in the amounts and with the priorities set forth herein. This Amended Proof of Claim amends claim number 229 filed on October 18, 2010. At the time Jennifer Convertibles, Inc. and its affiliated debtors ("Debtors") filed their bankruptcy cases, the total amount of the claim of Klaussner Furniture Industries, Inc. ("Klaussner" or "Claimant") against the Debtors was \$996,012.03 (*see* Schedule "A" attachment hereto) (the "Claim").

1. \$45,410.37 of the Claim is entitled to administrative priority pursuant to 11 U.S.C. § 503(b)(9) (*see* Schedule "B" attachment hereto).
2. This Amended Proof of Claim is not subject to any valid set-off or counterclaim.
3. This Amended Proof of Claim is filed to protect the rights of Claimant and is not intended as, and shall not be construed as, (a) a waiver or release of any rights of Claimant to have the reference withdrawn in the bankruptcy case or with respect to any proceeding, controversy, matter or other issue, or to demand and obtain a trial by jury therein; (b) a waiver or release of the right of Claimant to have final orders in non-core matters entered only after de novo review by a district judge; (c) a waiver or release of any rights of Claimant against any other person or other entity liable for any or all of the claims described herein; (d) a waiver of any right of subordination in favor of Claimant of indebtedness or liens held by any other creditors; (e) an election of any remedy

waiving or otherwise affecting any other remedy of Claimant; (f) a waiver or release of any additional claims or other rights that Claimant may have in or against the Debtors, their estates or the property thereof; or (g) a waiver or release of any other rights, claims, actions, defenses, set-offs or recoupments to which Claimant is or may be entitled under agreements, in law or in equity. All of the rights, claims, actions, defenses, set-offs and recoupments described above are hereby reserved.