

**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 DEBTORS' THIRD OMNIBUS OBJECTION TO CERTAIN
PROOFS OF CLAIM FILED AS PRIORITY AND SECURED CLAIMS THAT
DO NOT CORRESPOND TO THE DEBTORS' BOOKS AND RECORDS**

Upon the objection, dated April 20, 2011 (the "Third Omnibus Objection")² of the above-captioned debtors (collectively, the "Debtors", or, the "Reorganized Debtors") for entry of an order (the "Order") pursuant to 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007 reducing, reclassifying, or expunging the amount of each claim as itemized on Exhibits A and B attached thereto for the substantive reasons described therein; and the Court having jurisdiction to consider the Third 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 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 Third 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 Third Omnibus Objection (the "Hearing"); and the

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

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

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 Third Omnibus Objection establish just cause for the relief granted herein; and it appearing that the relief requested in the Third 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 Third Omnibus Objection is GRANTED.
2. Each Claim identified on Exhibits A and B to this Order is 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 Third 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 Third 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 Third Omnibus Objection and as set forth on Exhibits A and B to this Order 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: May 17, 2011
New York, New York

/s/ Allan L. Gropper

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

In re: Jennifer Convertibles, Inc., et al

OMNIBUS 3: EXHIBIT A - REDUCED/RECLASSIFIED CLAIMS

CLAIM TO BE REDUCED OR RECLASSIFIED

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>
Combs et al, Alisha Attention: Alan Harris Harris & Ruble 6424 Santa Monica Blvd. Los Angeles, CA 90038	278	Priority: \$7,632,100.00 Priority:\$450,000.00	Priority: \$7,632,100.00 Priority:\$450,000.00	Combs et al, Alisha Attention: Alan Harris Harris & Ruble 6424 Santa Monica Blvd. Los Angeles, CA 90038	278	Unsecured: \$450,000.00 Priority: \$50,000.00	\$500,000.00
Constant, Joseph 49 Highland Drive Bloomfield Hills, MI 48302	316	Priority: \$1,399.19	\$1,399.19	Constant, Joseph 49 Highland Drive Bloomfield Hills, MI 48302	316	Unsecured: \$1,399.19	\$1,399.19
Crown Credit Company Attention: Rodney J. Hinders 102 S. Washington Street New Bremen, OH 45869	268	Secured: \$14,000.00	\$14,000.00	Crown Credit Company Attention: Rodney J. Hinders 102 S. Washington Street New Bremen, OH 45869	268	Unsecured: \$14,000.00	\$14,000.00
Furniture Service of Michigan 17410 Revere Road Southfield, MI 48076	208	Priority: \$1,695.00	\$1,695.00	Furniture Service of Michigan 17410 Revere Road Southfield, MI 48076	208	Unsecured: \$1,695.00	\$1,695.00
Litemor Distributors 290 Vanderbilt Avenue Suite 4 Norwood, MA 02062	243	Administrative: \$1,529.40 Unsecured: \$5,312.97	\$6,842.37	Litemor Distributors 290 Vanderbilt Avenue Suite 4 Norwood, MA 02062	243	Unsecured: \$6,842.37	\$6,842.37

<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>
Lowery, Latonya 70 Grove Highland Park, MI 48203	49	Priority: \$200.00	\$200.00	Lowery, Latonya 70 Grove Highland Park, MI 48203	49	Unsecured: \$200.00	\$200.00
Orange & Rockland Utilities PO Box 1005 Spring Valley, NY 10977	204	Administrative: \$1,388.85 Unsecured: \$1,388.85	\$2,777.70	Orange & Rockland Utilities PO Box 1005 Spring Valley, NY 10977	204	Unsecured: \$1,388.85	\$1,388.85
Settle, Wade 105 Whipple Road, #1 Kittery, ME 03904	167	Priority: \$2,019.97	\$2,019.97	Settle, Wade 105 Whipple Road, #1 Kittery, ME 03904	167	Unsecured: \$2,019.97	\$2,019.97

EXHIBIT B

In re: Jennifer Convertibles, Inc., et al

OMNIBUS 3: EXHIBIT B - EXPUNGED CLAIMS

CLAIM TO BE EXPUNGED

<i>Creditor Name and Address</i>	<i>Claim No.</i>	<i>Claim Class</i>	<i>Total Claim Amount</i>	<i>Reason</i>
Ashley Furniture Industries Inc. One Ashley Way Arcadia, WA 54612	40	Administrative: \$147,649.79 Unsecured: \$134,880.20	\$282,529.99	Paid.
Bradley, Vicki 66 Ash Street Hopkinton, MA 01748	364	Priority: \$1,639.97	\$1,639.97	Late filed claim.
Contra Costa County Treasurer-Tax Collector Attention: Eric Moe PO Box 967 Martinez, CA 94553	31	Secured: \$188.71	\$188.71	Paid.
Diamond Star Glass 9881 6 th Street, #201 Rancho Cucamonga, CA 91730	154	Priority: \$2,824.60	\$2,824.60	Paid.
Division of Unemployment Assistance Attention: Chuck Hurst 5 th Floor 19 Stanford Street Boston, MA 02114	82	Priority: \$3,151.52	\$3,151.52	Settled at \$0.
Dwain P. Trabeau 14212 Chelwood Avenue Baton Rouge, LA 70816	157	Secured: \$1,000.00	\$1,000.00	Shareholder.
Illinois Department of Employment Security 333 S. State Street Chicago, IL 60603	323	Priority: \$36.00	\$36.00	Settled at \$0.
Illinois Department of Employment Security 333 S. State Street Chicago, IL 60603	324	Priority: \$1,273.72	\$1,273.72	Settled at \$0.

<i>Creditor Name and Address</i>	<i>Claim No.</i>	<i>Claim Class</i>	<i>Total Claim Amount</i>	<i>Reason</i>
Indiana Department of Revenue Bankruptcy Section N-240 100 N. Senate Avenue Indianapolis, IN 46204	101	Priority: \$1,793.89 Unsecured: \$11,466.89	\$13,260.78	Settled at \$0.
Indiana Department of Revenue Attention: Carol Lushell Bankruptcy Section 100 N. Senate Avenue Indianapolis, IN 46204	357	Administrative: \$1,888.06	1,888.06	Settled at \$0.
Miami-Dade County Tax Collector Bankruptcy Unit 140 W. Flagler Street Suite 1403 Miami, FL 33130	2	Secured: \$90.00 Priority: \$61.32	\$151.32	Rejected lease.
New Jersey, State of Department of Treasury, Division Taxation PO Box 245 Trenton, NJ 08602	228	Priority: \$16,155.26	\$16,155.26	Paid.
New York State Department of Taxation & Finance Bankruptcy Section PO Box 5300 Albany, NY 12205	346	Priority: \$288,081.71 Unsecured: \$37,079.22	\$325,160.93	Settled.
New York State Department of Taxation & Finance Bankruptcy Section PO Box 5300 Albany, NY 12205	367	Priority: \$1,833.70	\$1,833.70	Paid.
North Carolina Department of Revenue Attention: Angela C. Fountain Collections Examination Division PO Box 1168 Raleigh, NC 27602	7	Priority: \$1,409.01 Unsecured: \$140.85	\$1,549.87	Settled at \$0.

<i>Creditor Name and Address</i>	<i>Claim No.</i>	<i>Claim Class</i>	<i>Total Claim Amount</i>	<i>Reason</i>
North Carolina Department of Revenue Attention: Angela C. Fountain Collections Examination Division PO Box 1168 Raleigh, NC 27602	8	Priority: \$1,409.01 Unsecured: \$140.85	\$1,549.87	Settled at \$0.
NYC Department of Finance Attention: Saul T. Fishman 345 Adams Street 3 rd Floor Brooklyn, NY 11201	361	Priority: \$709.00	\$709.00	Paid.
NYC Department of Finance Attention: Saul T. Fishman 345 Adams Street 3 rd Floor Brooklyn, NY 11201	365	Priority: \$138,859.00	\$138,859.00	Paid.
NYC Department of Finance Attention: Saul T. Fishman 345 Adams Street 3 rd Floor Brooklyn, NY 11201	368	Priority: \$439.00	\$439.00	Paid.
NYC Department of Finance Attention: Saul T. Fishman 345 Adams Street 3 rd Floor Brooklyn, NY 11201	369	Priority: \$163,268.00	\$163,268.00	Paid.