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**Hearing Date: July 12, 2011 at 10:00 a.m.
Objection Deadline: June 28, 2011 at 4:00 p.m.**

*Counsel for the Reorganized Debtors
(Successors to 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)

**REORGANIZED DEBTORS' RESERVATION OF RIGHTS WITH RESPECT
TO THE MOTION OF THE TRUST ADMINISTRATOR FOR THE JENNIFER
CONVERTIBLES LITIGATION TRUST FOR AN ORDER EXTENDING
THE TIME TO FILE OBJECTIONS TO GENERAL UNSECURED CLAIMS**

Jennifer Convertibles, Inc. (“Jennifer Convertibles”) and its affiliated debtors, as debtors and debtors in possession (together, the “Debtors”, now known as the “Reorganized Debtors”), file this reservation of rights (the “Reservation”) to the *Motion Of The Trust Administrator For The Jennifer Convertibles Litigation Trust For An Order Extending The Time To File Objections To General Unsecured Claims*, dated June 8, 2011 (docket no. 589) (the “Motion”). In support of this Reservation, the Debtors respectfully state as follows:

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).

1. The Reorganized Debtors do not object to the Trust Administrator's request to extend the Objection Deadline (as defined in the Motion) from August 21, 2011 through and including June 1, 2012, subject to the reservation of rights requested herein. See Motion at ¶ 11.

2. The Reorganized Debtors wish to reserve their right to submit a final decree and seek closure of the Debtors' chapter 11 cases at the Reorganized Debtors' discretion, in accordance with the authority granted to the Reorganized Debtors in section 6.01 of the Debtors' *Amended Joint Chapter 11 Plan Of Reorganization For Jennifer Convertibles, Inc. And Its Affiliated Debtors*, filed December 22, 2010 (docket no. 399) (the "Amended Plan").

3. The Reorganized Debtors understand that extending the current Objection deadline will not harm general unsecured creditors, and may ultimately benefit the Debtors' estates. See Motion at ¶ 14. However, to the extent the relief requested in the Motion seeks to delay closing of the Debtors' chapter 11 cases, the Reorganized Debtors object.

4. The Debtors' chapter 11 cases were confirmed on February 9, 2011 (the "Confirmation Date"). See *Findings of Fact and Conclusions of Law and Order Signed on 2/8/2011 Confirming the Amended Joint Chapter 11 Plan of Reorganization of Jennifer Convertibles, Inc. and its Affiliated Debtors* (docket no. 491). Since the Confirmation Date, the Reorganized Debtors have filed multiple omnibus claims objections, made distributions in accordance with the terms of the Amended Plan, resolved virtually all administrative claims, and otherwise worked diligently towards consummation of the Amended Plan. In that respect, the Reorganized Debtors will be filing a closing report and motion for final decree with this Court for the eleven Debtor subsidiaries other than Jennifer Convertibles, Inc. shortly.

5. Until such final decree is entered, the Reorganized Debtors are required to continue paying quarterly fees to the United States Trustee for each Debtor entity in accordance

with 28 U.S.C. § 1930 and section 6.08 of the Amended Plan. The Reorganized Debtors do not believe it is in their best interests, and will indeed be a hardship, to continue paying such quarterly fees for the next twelve months solely because the Trust Administrator has requested an extension to the Objection Deadline.

6. Thus, for the above reasons, the Reorganized Debtors respectfully request that this Court allow the Reorganized Debtors to reserve their rights to seek closure of these chapter 11 cases at their own discretion, and without consideration given to the extension requested by the Trust Administrator in the Motion.

Notice

7. Notice of this Objection has been provided to: (i) Office of the United States Trustee for the Southern District of New York; (ii) Counsel to the Litigation Trust; and (iii) any other party who has filed a notice of appearance in these cases. The Debtors submit that such notice is sufficient under the circumstances.

Waiver of Memorandum

8. In as much as the relevant legal authorities are set forth herein, no novel issues of law are raised and the Debtors request that they not be required to file a separate memorandum of law in support of its response.

WHEREFORE, the Reorganized Debtors respectfully request that they be allowed to reserve their rights with respect to the relief requested in the Motion, and grant such further relief as may be equitable under the circumstances of this case.

Dated: New York, New York
June 24, 2011

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