

**OLSHAN GRUNDMAN FROME  
ROSENZWEIG & WOLOSKY LLP**  
Park Avenue Tower  
65 East 55<sup>th</sup> Street  
New York, New York 10022  
Michael S. Fox, Esq.  
David Y. Wolnerman, Esq.  
Jayme M. Bethel, Esq.  
212.451.2300

**Presentment Date: July 6, 2011 at 12:00 p.m.  
Objection Deadline: July 5, 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.,<sup>1</sup>  
  
Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**REORGANIZED DEBTORS' MOTION FOR FINAL DECREE  
CLOSING CASES OF CERTAIN OF THE REORGANIZED DEBTORS**

Jennifer Convertibles, Inc. ("JCI") and its affiliated debtors, as debtors and debtors in possession (together, the "Debtors", now known as the "Reorganized Debtors"), by and through their undersigned counsel, respectfully represent:

1. On July 18, 2010, each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). On July 22, 2010, this Court entered an order consolidating the Debtors' cases for procedural purposes only (the "Joint Administration Order") (docket no. 51).

<sup>1</sup> 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. On February 9, 2011, this Court entered an order (the “Confirmation Order”) (docket no. 491) confirming the Amended Joint Chapter 11 Plan of Reorganization for Jennifer Convertibles, Inc. and its Affiliated Debtors (as confirmed, the “Amended Plan”). The Amended Plan became effective in accordance with its terms on February 22, 2011 (the “Effective Date”).

3. The Reorganized Debtors have substantially completed the claims reconciliation process and, at this time, only a handful of claims filed in these cases remain disputed and unresolved (the “Unresolved Claims”). Furthermore, the Reorganized Debtors have made distributions as required with respect to all claims that have been allowed thus far. The Unresolved Claims are asserted against only one of the twelve Reorganized Debtors — JCI.

4. By this motion (the “Motion”), the Reorganized Debtors seek entry of a final decree (the “Final Decree”), pursuant to sections 350 and 105(a) of the Bankruptcy Code and Rule 3022 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), closing each of the cases identified on Exhibit A hereto (the “Cases to be Closed”). As previously noted, all claims asserted against the Reorganized Debtors in the Cases to be Closed have been resolved.

5. The entry of a final decree in each of the Cases to be Closed will not prejudice a claimant’s rights to receive distributions under the Amended Plan. Accordingly, it is no longer necessary to keep such Reorganized Debtors’ cases open pending the resolution of the few remaining open matters in these jointly-administered cases. Rather, the Reorganized Debtors respectfully submit that it is appropriate at this time to close the Cases to be Closed. The chapter 11 case of JCI, Case Number 10-13779 (ALG) (the “Lead Case”) shall remain open until the Unresolved Claims are resolved, the JCI estate is fully administered and a final decree is entered closing such case.

6. Because all twelve of the Debtors' chapter 11 cases are jointly administered pursuant to the Joint Administration Order, the Reorganized Debtors request that the Final Decree also sever the Cases to be Closed from the Lead Case.

7. In addition, as all applicable fees and disbursements made in connection with the Reorganized Debtors' cases were and will continue to be made under the Lead Case, the Reorganized Debtors request that the requirement of Rule 3022-1 of the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules") that a chapter 11 debtor file and serve a closing report, be waived with respect to the Cases to be Closed. Instead, the Debtors propose to file a consolidated closing report in the Lead Case either contemporaneously with the entry of a closing decree in the Lead Case or shortly thereafter.

8. Finally, the Reorganized Debtors request that, at any time prior to the closing of the Lead Case, the Reorganized Debtors may reopen any of the cases that have been closed by filing a notice of presentment of proposed order (the "Notice of Proposed Order") with this Court on twenty (20) days notice to the United States Trustee for the Southern District of New York (the "U.S. Trustee") and the parties receiving notice of this Motion (the "Notice Parties"). If no objection to the proposed order is received within twenty (20) days of the Notice of Proposed Order, the Court may enter the proposed order without a hearing and without further action by the Reorganized Debtors.

### **JURISDICTION**

9. This Court has jurisdiction to consider this motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

10. The statutory predicates for the relief requested herein are sections 350 and 105(a) of the Bankruptcy Code, as supplemented by Bankruptcy Rule 3022.

## **BASIS FOR RELIEF REQUESTED**

11. Section 350(a) of the Bankruptcy Code provides that “[a]fter an estate is fully administered and the court has discharged the trustee, the court shall close the case.” 11 U.S.C. § 350(a). Bankruptcy Rule 3022 further provides that “[a]fter an estate is fully administered in a chapter 11 reorganization case, the court, on its own motion or on motion of a party in interest, shall enter a final decree closing the case.” Fed. R. Bankr. P. 3022. Section 105(a) of the Bankruptcy Code provides that “[t]he Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

12. Although neither the Bankruptcy Code nor the Bankruptcy Rules define “fully administered,” the Advisory Committee’s Note to Bankruptcy Rule 3022 states that:

Factors that the court should consider in determining whether the estate has been fully administered include [:] (1) whether the order confirming the plan has become final, (2) whether deposits required by the plan have been distributed, (3) whether the property proposed by the plan to be transferred has been transferred, (4) whether the debtor or the successor of the debtor under the plan has assumed the business or management of the property under the plan, (5) whether payments under the plan have commenced, and (6) whether all motions, contested matters, and adversary proceedings have been finally resolved.

Fed. R. Bankr. P. 3022, Advisory Committee’s Notes (1991). The foregoing factors are meant as a guide for determining whether a case should be closed; not all factors must be satisfied. See, e.g., In re Gates Community Chapel of Rochester, Inc., 212 B.R. 220, 223-24 (Bankr. W.D.N.Y. 1997) (noting that list of factors in Advisory Committee’s Note to Bankruptcy Rule 3022 is non-exclusive and such factors need only be considered by court when deciding whether to close case); In re Mold Makers, Inc., 124 B.R. 766, 768-69 (Bankr. N.D. Ill. 1990) (finding that all factors in Advisory Committee’s Note to Bankruptcy Rule 3022 need not be present before entering final decree).

13. When deciding whether entry of a final decree is appropriate, courts also consider whether the plan of reorganization has been substantially consummated. See Walnut Assocs. v. Saidel, 164 B.R. 487, 493 (Bankr. E.D. Pa. 1994) (substantial consummation is one factor to be considered); Gates Community Chapel, 212 B.R. at 224 (same). Similar to the factors described above, substantial consummation is deemed to occur upon the following:

- (A) transfer of all or substantially all of the property proposed by the plan to be transferred;
- (B) assumption by the debtor or by the successor to the debtor under the plan of the business or of the management of all or substantially all of the property dealt with by the plan; and
- (C) commencement of distribution under the plan.

11 U.S.C. § 1101(2).

14. As set forth above, the Court entered the Confirmation Order on February 9, 2011, which order has become final. Further, on the Effective Date, the Amended Plan was substantially consummated in accordance with its terms. Among other things that occurred on the Effective Date, the Reorganized Debtors commenced the distributions under the Amended Plan.

15. By keeping the Lead Case open, the Court can continue to address any other matters relating to these cases, including those matters described in Article XIII of the Plan, which identifies the matters over which this Court has retained jurisdiction. Moreover, in the unlikely event the Reorganized Debtors need to reopen a case that has been closed, the Reorganized Debtors have requested the authority to do so in order to address specific matters that may arise. Approval of this motion will also allow the Reorganized Debtors to cease incurring quarterly U. S. Trustee fees for the Cases to be Closed (although the Reorganized Debtors will continue to pay the quarterly fees for the Lead Case until a final decree is entered).

In the event that the Court grants the Reorganized Debtors' request to reopen a closed case, the U.S. Trustee shall retain all of the rights and privileges under 28 U.S.C. section 1930(a)(6). All of the U.S. Trustee fees due and owing for the Cases to be Closed shall be paid within 15 days of the entry of the annexed proposed order.

16. Based on the foregoing, the Reorganized Debtors submit that entry of a final decree closing the Cases to be Closed is warranted under the circumstances.

**NOTICE**

17. Notice of this Motion will be provided to: (a) the U. S. Trustee; (b) counsel for the Litigation Trust; and (c) all parties that have requested notice in these cases pursuant to Bankruptcy Rule 2002 prior to the date hereof. The Reorganized Debtors submit that, under the circumstances, no other or further notice is required.

18. No previous motion for the relief sought herein has been made to this or any other court.

19. Because the authorities relied upon herein are set forth above, the Reorganized Debtors respectfully submit that the motion itself satisfies the requirements of Local Rule 9013-1(b) regarding the submission of a memorandum of law.

**CONCLUSION**

WHEREFORE, the Reorganized Debtors respectfully request that the Court enter a final decree, substantially in the form annexed hereto as Exhibit B, granting the Motion and such other and further relief as may be just and proper.

Dated: New York, New York  
June 24, 2011

OLSHAN GRUNDMAN FROME  
ROSENZWEIG & WOLOSKY LLP

By: /s/ Michael S. Fox  
Michael S. Fox  
David Y. Wolnerman  
Jayme M. Bethel  
Park Avenue Tower  
65 East 55<sup>th</sup> Street  
New York, New York 10022  
(212) 451-2300

*Counsel for the Debtors and the  
Reorganized Debtors*

**EXHIBIT A**

<b><u>Case Number</u></b>	<b><u>Name of Debtor</u></b>
10-13780	Jennifer Convertibles Boylston MA, Inc.
10-13781	Jennifer Chicago Ltd.
10-13782	Elegant Living Management, Ltd.
10-13783	Hartsdale Convertibles, Inc.
10-13784	Jennifer Management III Corp.
10-13785	Jennifer Purchasing Corp.
10-13786	Jennifer Management II Corp.
10-13787	Jennifer Management V Ltd.
10-13788	Jennifer Convertibles Natick, Inc.
10-13789	Nicole Convertibles, Inc.
10-13790	Washington Heights Convertibles, Inc.



**EXHIBIT B**

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

In re:

JENNIFER CONVERTIBLES, INC.,<sup>2</sup>

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**FINAL DECREE CLOSING CASES OF  
CERTAIN OF THE REORGANIZED DEBTORS**

1. Upon the motion (the “Motion”) of the reorganized debtors in the above-captioned cases (collectively, the “Reorganized Debtors”), seeking entry of a final decree (the “Final Decree”) closing the cases of certain of the Reorganized Debtors pursuant to sections 350(a) and 105(a) of title of the United States Code and Rule 3022 of the Federal Rules of Bankruptcy Procedure; and it appearing that notice was given in accordance with the Motion; and it appearing that no other or further notice is necessary; and the relief requested in the Motion being in the best interest of the Reorganized Debtors, the Debtors and their estates; and it being found that the closing of the Closed Cases will in no way prejudice the holder of an allowed claim’s rights to receive distributions under the Amended Plan, nor will the closing of the Closed Cases otherwise alter or modify the terms of the Amended Plan; and sufficient cause appearing therefore; it is hereby:

ORDERED, ADJUDGED and DECREED that:

1. The Motion is granted to the extent provided herein.

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<sup>2</sup> 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. Capitalized terms that are not otherwise defined herein have the meanings ascribed to such terms in the Motion.

3. The cases of the Reorganized Debtors identified on Appendix 1 hereto (the “Closed Cases”) will no longer be jointly administered with the Lead Case and closed effective as of the date of entry of this Final Decree.

4. The requirement of Rule 3022-1 of the Local Bankruptcy Rules for the Southern District of New York that a closing report be filed and served by a chapter 11 debtor, is hereby waived with respect to the Closed Cases; provided, that, upon closing of the Lead Case, the Reorganized Debtors shall file a consolidated closing report with respect to all of their cases.

5. At any time prior to the closing of the Lead Case, the Reorganized Debtors may reopen one or more closed cases by filing a Notice of Proposed Order with the Court on 20 days notice to the U.S. Trustee and the Notice Parties. If no objection to the proposed order is received within 20 days of the Notice of Proposed Order, the Court may enter the proposed order without a hearing and without further action by the Reorganized Debtors.

6. In the event the Reorganized Debtors reopen a Closed Case, the U.S. Trustee shall retain all rights and privileges under 28 U.S.C. § 1930(a)(6).

7. All U.S. Trustee fees due and owing for the Closed Cases shall be paid within 15 days of entry of this Final Decree.

8. This Court shall retain jurisdiction over all matters relating to the Lead Case, including, without limitation, all matters described in Article XIII of the Amended Plan.

Dated: New York, New York  
July \_\_, 2011

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HONORABLE ALLAN L. GROPPER  
UNITED STATES BANKRUPTCY JUDGE

**Appendix 1**

<b><u>Case Number</u></b>	<b><u>Name of Debtor</u></b>
10-13780	Jennifer Convertibles Boylston MA, Inc.
10-13781	Jennifer Chicago Ltd.
10-13782	Elegant Living Management, Ltd.
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10-13784	Jennifer Management III Corp.
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