

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

In re:)
) Chapter 11
)
JENNIFER CONVERTIBLES, INC., *et al.*¹) Case No. 10-13779 (ALG)
)
Debtors.) (Jointly Administered)
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)
)

**ORDER GRANTING TRUST ADMINISTRATOR'S SECOND (SUBSTANTIVE)
OMNIBUS OBJECTION TO CERTAIN (A) OVERSTATED CLAIMS; (B) NO
LIABILITY CLAIMS; AND (C) REJECTION DAMAGES CLAIMS**

Upon consideration of the Trust Administrator's Second (Substantive) Omnibus Objection to Certain (A) Overstated Claims; (B) No Liability Claims; and (C) Rejection Damages Claims (the "Second Omnibus Objection")² requesting entry of an order disallowing, modifying, reclassifying and expunging the claims listed on Exhibit A through C; and the Court having jurisdiction to consider the Second Omnibus Objection and the relief requested therein pursuant to 28 U.S.C. § 157; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing from the affidavit of service filed with the Court and from the record that due and proper notice of the Second Omnibus Objection having been provided to the parties identified therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Second Omnibus Objection and the responses thereto; and a hearing having been held on November 16, 2011, to consider the relief requested in the Second Omnibus Objection; and the appearances of all interested parties having been

¹ The Debtors in these chapter 11 cases are: (i) Jennifer Convertibles, Inc.; (ii) Jennifer Convertibles Boylston MA, Inc.; (iii) Jennifer Chicago Ltd.; (iv) Elegant Living Management, Ltd.; (v) Hartsdale Convertibles, Inc.; (vi) Jennifer Management III Corp.; (vii) Jennifer Purchasing Corp.; (viii) Jennifer Management II Corp.; (ix) Jennifer Management V Ltd.; (x) Jennifer Convertibles Natick, Inc.; (xi) Nicole Convertibles, Inc.; and (xii) Washington Heights Convertibles, Inc.

² Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Second Omnibus Objection.

noted in the record of the hearing; and upon all of the proceedings had before the Court and after due deliberation and sufficient causes appearing therefore:

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Second Omnibus Objection is granted as set forth herein.
2. Each of the Overstated Claims listed under the column “Claims to be Reduced” on the attached Exhibit A is reduced to the dollar amount and priority listed under the column “Modified Claims” on the attached Exhibit A.
3. Each of the No Liability Claims listed on the attached Exhibit B is hereby disallowed and expunged in its entirety.
4. Each of the Rejection Damages Claims listed under the column “Claims to be Reduced” on the attached Exhibit C is reduced to the dollar amount and priority listed under the column “Adjusted Claims” on the attached Exhibit C.
5. The Trust Administrator’s rights to object to any of the Claims or any other claims which may be asserted against the Debtors on any other grounds are preserved. Additionally, should one or more of the grounds of objection stated in the Second Omnibus Objection be dismissed, the Trust Administrator’s rights to object on other stated grounds or on any other grounds the Trust Administrator discovers are further preserved.
6. The Trust Administrator’s right to setoff, including, but not limited to, security deposits against the allowed amount of any Claims is hereby preserved.
7. Nothing contained herein shall constitute or be deemed to constitute the allowance of any of the Claims.

8. This Court shall retain jurisdiction with respect to any matters related to or arising from the Second Omnibus Objection or the implementation of this Order.

9. Each Claim and the objections of the Trust Administrator to such Claim, as addressed in the Second Omnibus Objection and as set forth on Exhibit A through C hereto, constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014. This Order shall be deemed a separate Order with respect to each Claim. Any stay of this Order pending appeal by any claimants whose Claims are subject to this Order shall only apply to the contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to the other contested matters listed in the Second Omnibus Objection or this Order.

Dated: New York, New York
November 16, 2011

/s/ Allan L. Gropper
THE HONORABLE ALLAN L. GROPPER
UNITED STATES BANKRUPTCY JUDGE