

KELLEY DRYE & WARREN LLP
James S. Carr
Jason R. Adams
101 Park Avenue
New York, New York 10178
Tel: 212-808-7800
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Presentment Date: March 7, 2012 at 10:00 a.m.
Objection Deadline: March 6, 2012 at 4:00 p.m.

Counsel to The Trust Administrator For
The Jennifer Convertibles Litigation Trust

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

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In re:)	Chapter 11
JENNIFER CONVERTIBLES, INC., <i>et al.</i> ¹)	Case No. 10-13779 (ALG)
Debtors.)	(Jointly Administered)
)	
)	
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**NOTICE OF PRESENTMENT OF STIPULATION AND AGREED ORDER
RESOLVING CLAIMS OF OAKLAND SQUARE LLC**

PLEASE TAKE NOTICE that the undersigned will present the attached
Stipulation and Agreed Order Resolving Claims of Oakland Square LLC (the "Stipulation and
Order") on **March 7, 2012 at 10:00 a.m.** to the Honorable Allan L. Gropper, United States
Bankruptcy Judge, at the United States Bankruptcy Court, One Bowling Green, New York, New
York 10004-1408.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the
Stipulation and Order must be in writing, conform to the Bankruptcy Rules and the Local Rules
of the Bankruptcy Court, and be filed with the Bankruptcy Court electronically in accordance

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.

with General Order M-242 (General Order M-242 and the User's Manual for the Electronic Case Filing System ("ECF")) can be found at www.nyscb.uscourts.gov, the official website for the Bankruptcy Court), by registered users of the Bankruptcy Court's filing system, and by other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect or any other Windows-based word processing format (with a hard copy delivered directly to Chambers of Judge Gropper) and shall be served in accordance with General Order M-242 so that they are received no later than **4:00 p.m. (prevailing Eastern Time) on March 6, 2012** by: (i) counsel to the Trust Administrator for the Jennifer Convertibles Litigation Trust, Kelley Drye & Warren LLP, 101 Park Avenue, New York, New York 10178, Attention: Jason R. Adams, Esq.; (ii) counsel for the Debtors, Olshan Grundman Frome Rosenzweig & Wolosky LLP, Park Avenue Tower, 65 East 55th Street, New York, New York, 10022, Attention: Michael S. Fox, Esq. and Jordanna L. Nadritch, Esq.; and (iii) the United States Trustee for the Southern District of New York, 33 Whitehall Street, New York, New York 10004, Attention: Nazar Khodorovsky, Esq.

PLEASE TAKE FURTHER NOTICE that if no objection is timely filed, served and received in accordance with this notice, the Court may enter the Stipulation and Order. If an objection is timely filed, served and received, a hearing will be scheduled by the Honorable Allan L. Gropper, United States Bankruptcy Judge, at the United States Bankruptcy Court, One Bowling Green, New York, New York 10004-1408 at a time and date to be established by the Court.

Dated: New York, New York
February 24, 2012

KELLEY DRYE & WARREN LLP

By: /s/ James S. Carr
James S. Carr
Jason R. Adams
101 Park Avenue
New York, New York 10178
Tel: (212) 808-7800
Fax: (212) 808-7897

Counsel to the Trust Administrator for the Jennifer
Convertibles Litigation Trust

CERTIFICATE OF SERVICE

On the 24th day of February, 2012, the *NOTICE OF PRESENTMENT OF STIPULATION AND AGREED ORDER RESOLVING CLAIMS OF OAKLAND SQUARE LLC* was served upon those parties entitled to receive notice via this Court's ECF filing system and upon those parties listed below via United States first class mail.

/s/ Jason Adams
Jason Adams

Olshan Grundman Frome Rosenzweig &
Wolosky LLP,
Park Avenue Tower,
65 East 55th Street,
New York, New York, 10022
Attention: Michael S. Fox, Esq. and
Jordanna L. Nadritch, Esq

United States Trustee
33 Whitehall Street
New York, New York 10004
Attention: Nazar Khodorovsky, Esq.

Pryor Cashman LLP
7 Times Square
New York, New York 10036
Attn: Seth Lieberman, Esq.

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

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

**STIPULATION AND AGREED ORDER RESOLVING
CLAIMS OF OAKLAND SQUARE LLC**

This stipulation and agreed order (the "Stipulation") is made by and among the Trust Administrator (the "Trust Administrator") for the Jennifer Convertibles Litigation Trust (the "Trust") of Jennifer Convertibles, Inc., *et al.*, the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), and Oakland Square LLC ("Oakland Square"), by and through their respective authorized representatives. The Trust and Oakland Square are collectively referred to herein as the "Parties."

WHEREAS, on July 18, 2010 (the "Petition Date"), each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Following the Petition Date, the Debtors continued to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

WHEREAS, on February 8, 2011, the Court entered an Order (the "Confirmation Order")² confirming the Debtors' Amended Joint Chapter 11 Plan of Reorganization For Jennifer Convertibles, Inc. and its Affiliated Debtors (the "Plan").³

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.

WHEREAS, pursuant to section 9 of the Plan, the Trust was formed on February 22, 2011, which was the date the Plan became effective (the “Effective Date”).⁴ The Trust was formed for the purpose of (i) liquidating and distributing, among other things, the Litigation Trust Causes of Action, the Tranche A Note, the Tranche C Note, 9.9% of the New Common Stock and any other assets acquired by the Trust (the “Litigation Trust Fund”); and (ii) pursuing objections to disputed general unsecured claims. Pursuant to section 8.01 of the Plan, the Debtors were deemed to have assigned to the Trust on the Effective Date the exclusive right to object to disputed general unsecured claims. The appointment of the Trust Administrator was approved pursuant to paragraph 17 of the Confirmation Order.

WHEREAS, on October 25, 2010, Oakland Square filed proof of claim number 338 against Jennifer Convertibles, Inc. asserting claims against the Debtors in the amount of \$79,551.39 (“Claim 338”).

WHEREAS, on January 20, 2012, the Trust Administrator filed a fourth (substantive) omnibus objection to certain (a) overstated claims; (b) no liability claims; (c) misclassified claims; (d) rejection damages claims; (e) misclassified landlord claims; and (f) overstated landlord claims (the “Fourth Omnibus Objection”).⁵ In the Forth Omnibus Objection, the Trust objected to Claim 338 because it was unclear from the face of the claim the unsecured and administrative portions of the claim being asserted by Oakland Square.

² Docket Entry No. 491.

³ Docket Entry No. 399.

⁴ Docket Entry No. 503.

⁵ Docket Entry No. 658.

WHEREAS, the Parties have engaged in good-faith negotiations with respect to Claim 338 and have determined that it is in the best interests of the Parties to enter into this Stipulation resolving Claim 338.

NOW, THEREFORE, in consideration of the foregoing, the Parties hereby stipulate and agree as follows:

1. Claim 338 shall be allowed as (i) an administrative claim in the amount of \$22,695.55; and (ii) a general unsecured claim in the amount of \$56,855.84.
2. The agreement and obligations set forth in this Stipulation shall be in full and final satisfaction of the matters raised in Fourth Omnibus Objection, but solely as it relates to Claim 388. Upon entry of a final order approving this Stipulation, the Fourth Omnibus Objection as its relates only to Claim 388 shall be deemed moot.
3. The allowance of Claim 388 as provided in this Stipulation shall fully and finally resolve any and all liability of the Trust to Oakland Square. Oakland Square hereby releases, waives and discharges the Trust, the Trust Administrator and each of their respective successors, assigns, agents, and attorneys of and from any and all claims other than Claim 388 as allowed pursuant to this Stipulation.
4. This Stipulation is binding upon the bankruptcy estate, the Parties, their respective successors and assigns, all parties-in-interest, and upon any trustee appointed in this or any converted case. In the event that this case is converted to a case under chapter 7 of the Bankruptcy Code, and a chapter 7 trustee is appointed, this Stipulation shall remain in full force and effect.
5. Each Party represents that it understands and fully agrees to each and every provision hereof. This Stipulation constitutes the entire agreement between the Parties

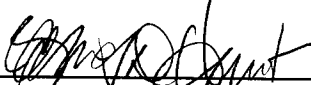
with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions between the Parties. This Stipulation may not be amended, modified or waived without the express written consent of the Parties hereto.

6. This Stipulation may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures on copies of this Stipulation reproduced electronically or by facsimile shall be deemed as effective as original signatures on counterparts.

WHEREFORE, the undersigned have executed this Stipulation on behalf of the Parties hereto on February 24, 2012.

JENNIFER CONVERTIBLES
LITIGATION TRUST

OAKLAND SQUARE LLC

By: 
By: KDW Restructuring & Liquidation
Services LLC, not individually but solely
As Trust Administrator of the Jennifer
Convertibles Litigation Trust
By: James D. Hunt
Title: Chief Operating Officer
101 Park Avenue
New York, New York 10178
Tel: (212) 808-7800
Fax: (212) 808-7897

By: /s/ Seth Lieberman
Seth Lieberman
PRYOR CASHMAN LLP
7 Times Square
New York, New York 10036
Tel: (212) 326-0819
Fax: (212) 798-6917

ATTORNEYS FOR OAKLAND
SQUARE LLC

SO ORDERED:

Dated: _____, 2012
New York, New York

UNITED STATES BANKRUPTCY JUDGE