

**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 THIRD (NON-SUBSTANTIVE)
OMNIBUS OBJECTION TO CERTAIN (A) WRONG DEBTOR CLAIMS;
(B) DUPLICATIVE CLAIMS; (C) SATISFIED CLAIMS; (D) REORGANIZED
DEBTORS’ LIABILITY CLAIMS; AND (E) AMENDED AND SUPERSEDED CLAIMS**

Upon consideration of the Trust Administrator’s Third (Non-Substantive) Omnibus Objection to Certain (A) Wrong Debtor Claims; (B) Duplicative Claims; (C) Satisfied Claims; (D) Reorganized Debtors’ Claims; and (E) Amended and Superseded Claims (the “Third Omnibus Objection”)² requesting entry of an order disallowing, modifying, reclassifying and expunging the claims listed on Exhibit A through E; and the Court having jurisdiction to consider the Third 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 Third 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 Third Omnibus Objection and the responses thereto; and the Trust

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 Third Omnibus Objection.

Administrator having presented a revised order to reflect compromises reached and the adjournment or withdrawal of particular claims objections; and a hearing having been held on February 28, 2012, to consider the relief requested in the Third Omnibus Objection; and the appearances of all interested parties having been 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 Third Omnibus Objection is granted as set forth herein.
2. Each of the Wrong Debtor Claims listed under the column “Wrong Debtor Claims” on the attached Exhibit A is hereby reclassified to be asserted against the Debtor identified in the column “Reclassified Claims” on the attached Exhibit A.
3. Each of the Duplicative Claims listed under the column “Claims to be Disallowed and Expunged” on the attached Exhibit B is hereby disallowed and expunged in its entirety.
4. Each of the Satisfied Claims listed on Exhibit C is hereby disallowed and expunged in its entirety. As to claims 352 and 353, the Trust Administrator acknowledges the Ohio Department of Taxation did not respond to the objection.
5. Each of the Reorganized Debtors’ Liability Claims listed on the attached Exhibit D is hereby disallowed and expunged in its entirety.
6. Each of the Amended and Superseded Claims listed under the column “Claims to be Disallowed and Expunged” on the attached Exhibit E is hereby disallowed and expunged in its entirety.

7. 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 Third 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.

8. The Trust Administrator's right to setoff rights, including, but not limited to, security deposits against the allowed amount of any Claims is hereby preserved.

9. Nothing contained herein shall constitute or be deemed to constitute the allowance of any of the Claims.

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

11. Each Claim and the objections of the Trust Administrator to such Claim, as addressed in the Third Omnibus Objection and as set forth on Exhibit A through E 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 Third Omnibus Objection or this Order.

Dated: New York, New York
February 28, 2012

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