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**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)	
Reorganized Debtors.)	(Jointly Administered)	
)		
)		

**SEVENTH POST-CONFIRMATION STATUS REPORT OF THE TRUST
ADMINISTRATOR FOR THE JENNIFER CONVERTIBLES LITIGATION TRUST**

This Seventh Post-Confirmation Status Report of the Trust Administrator for the Jennifer Convertibles Litigation Trust is filed in accordance with: (i) Paragraph 18 of the Findings of Fact, Conclusions of Law, and Order Confirming the Amended Joint Chapter 11 Plan of Reorganization of Jennifer Convertibles, Inc. and its Affiliated Debtors entered in the above-captioned cases on February 9, 2011 (the “Confirmation Order”);² (ii) Article IX of the Amended Joint Chapter 11 Plan of Reorganization for Jennifer Convertibles, Inc. and its

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. (collectively, the “Debtors”).

² Docket Entry No. 491.

Affiliated Debtors, dated December 21, 2010 (the “Plan”);³ (iii) Section 3.10 of the *Litigation Trust Agreement and Declaration of Trust* dated February 22, 2012 (the “Trust Agreement”); and (iv) Rule 3021-1 of the *Local Bankruptcy Rules for the Southern District of New York* (the “Local Rules”).

The Plan became effective on February 22, 2011 (the “Effective Date”). On the Effective Date, the Jennifer Convertibles Litigation Trust (the “Trust”) was established. The Confirmation Order contemplates that, notwithstanding the applicable provisions of the Trust Agreement and Local Rule 3021-1, every January 30th, April 30th, July 30th and October 30th and until the Trust is terminated, quarterly updates showing any and all disbursements made by the Trust during the preceding quarter will be filed with the Court and served upon the U.S. Trustee.⁴

The following post-confirmation status reports have previously been filed in accordance with the Confirmation Order:

- *First Post-Confirmation Status Report of the Trust Administrator for the Jennifer Convertibles Litigation Trust*, filed with this Court on October 29, 2012,⁵ detailing the disbursements made by the Trust from its inception through the third calendar quarter of 2012;
- *Second Post-Confirmation Status Report of the Trust Administrator for the Jennifer Convertibles Litigation Trust*, filed with this Court on January 31, 2013,⁶ detailing the disbursements made by the Trust during the fourth calendar quarter of 2012;
- *Third Post-Confirmation Status Report of the Trust Administrator for the Jennifer Convertibles Litigation Trust*, filed with this Court on April 30, 2013,⁷ detailing the disbursements made by the Trust during the first calendar quarter of 2013;

³ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

⁴ Confirmation Order, at ¶ 18.

⁵ Docket Entry No. 826.

⁶ Docket Entry No. 835.

⁷ Docket Entry No. 837.

- *Fourth Post-Confirmation Status Report of the Trust Administrator for the Jennifer Convertibles Litigation Trust*, filed with this Court on July 30, 2013,⁸ detailing the disbursements made by the Trust during the second calendar quarter of 2013;
- *Fifth Post-Confirmation Status Report of the Trust Administrator for the Jennifer Convertibles Litigation Trust*, filed with this Court on October 29, 2013,⁹ detailing the disbursements made by the Trust during the third calendar quarter of 2013; and
- *Sixth Post-Confirmation Status Report of the Trust Administrator for the Jennifer Convertibles Litigation Trust*, filed with this Court on February 4, 2014,¹⁰ detailing the disbursements made by the Trust during the fourth calendar quarter of 2013.

Pursuant to the Plan and the Trust Agreement, the Trust has undertaken the following activities, among others, during the first calendar quarter of 2014, *i.e.*, between January 1, 2014 and March 31, 2014 (the “Reporting Period”):

- Worked with the Reorganized Debtors at their request to forbear from exercising rights under the Tranche C Note until June 2, 2014;
- Sent a follow-up mailing to obtain certain tax identification forms, required under the Plan and Trust Agreement as a necessary prerequisite to receiving distributions under the Plan, to those Trust beneficiaries who still have not returned their completed documents to the Trust;
- Concluded prosecution of adversary proceedings against various defendants seeking the return of preferential and/or fraudulent transfers pursuant to Chapter 5 of the Bankruptcy Code (“Avoidance Actions”); and
- Handled creditor inquiries.

The following activity has occurred with respect to Trust assets during the Reporting Period (all amounts reflect Cash values):

⁸ Docket Entry No. 840.

⁹ Docket Entry No. 844.

¹⁰ Docket Entry No. 846.

Opening balance (January 1, 2014)	\$	565,573
Additions ¹¹	\$	18
Plan disbursements ¹²	\$	0
Operating costs ¹³	\$	<u>(27,705)</u>
Ending balance (March 31, 2014)	\$	<u><u>537,886</u></u>

Dated: New York, New York
April 30, 2014

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¹¹ Additions consist of interest income.

¹² No payments were issued to Holders of Allowed General Unsecured Claims during the first calendar quarter of 2014.

¹³ Operating costs consist of Trust Administrator fees and professional expenses.