

**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)

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

Upon the motion (the "Motion") of the Reorganized Debtors in the above-captioned case (the "Reorganized Debtors"), seeking entry of a final decree (the "Final Decree") closing the case 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 objections of the Trust Administrator for the Jennifer Convertibles Litigation Trust (the "Trust") and the United States Trustee having been resolved as set forth herein; and the relief requested in the Motion being in the best interest of the Reorganized Debtors, the Debtor and their estates; and it being found that the closing of the Case 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 Case 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>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. Capitalized terms that are not otherwise defined herein have the meanings ascribed to such terms in the Motion.

3. The objection of the Trust to the Motion was resolved through the execution of (i) a Second Forbearance Agreement by and among the Trust and the Reorganized Debtors (the “Forbearance Agreement”); (ii) an Amended and Restated Senior Secured Tranche C Note by the Reorganized Debtors in favor of the Trust, in the principal amount of \$1,025,000 (the “Amended Tranche C Note”); (iii) an Amended and Restated Security Agreement by and among the Reorganized Debtors and the Trust (the “Amended Security Agreement”); and (iv) a side letter among Morris Group Co. Ltd. (formerly known as Haining Mengnu Group Co. Ltd.) (“Mengnu”), the Reorganized Debtors, and the Trust which provides for, *inter alia* Mengnu’s consent to the above agreements, Mengnu’s waiver of any rights of distribution from the Trust under the Amended Plan, repayment by the Reorganized Debtors of the Amended Tranche C Note in full, and return of the Trust’s common stock to the Reorganized Debtors.

4. The objection of the United States Trustee was resolved through the execution of a Stipulation and Order providing for the terms of payment of outstanding United States quarterly fees pursuant to 28 U.S.C. § 1930(a)(6) in the amount of \$262,340.40.

5. The case of the Reorganized Debtors identified on Appendix 1 hereto (the “Case”) will be closed effective as of the date of entry of this Final Decree, *provided, however*, that the Court shall retain such jurisdiction as is provided in Article XIII (Retention of Jurisdiction) of the Plan, and the entry of this final decree is without prejudice to the rights of the Reorganized Debtors or any party in interest to seek to reopen the Cases for good cause shown.

6. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation or interpretation of this Order.

Dated: New York, New York  
September 15, 2014

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

**Appendix 1**

<b><u>Case Number</u></b>	<b><u>Name of Debtor</u></b>
10-13779	Jennifer Convertibles, Inc.