

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11  
: :  
**COMFORT CO., INC.,** : Case No. 08-12305 (MFW)  
a Delaware corporation, *et al.*,<sup>1</sup> : **Joint Administration Pending**  
: :  
Debtors. : **Related to Docket No. 15**  
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**NOTICE OF FILING OF PROPOSED BUDGET IN CONNECTION WITH MOTION FOR INTERIM AND FINAL ORDERS PURSUANT TO SECTIONS 105, 361, 362, 363 AND 364 OF THE BANKRUPTCY CODE (I) (A) AUTHORIZING DEBTORS TO OBTAIN POSTPETITION FINANCING, (B) AUTHORIZING DEBTORS TO USE CASH COLLATERAL, (C) GRANTING LIENS, INCLUDING PRIMING LIENS, AND SUPERPRIORITY CLAIMS, AND (D) GRANTING ADEQUATE PROTECTION TO THE DEBTORS' PREPETITION SECURED LENDERS AND (II) SCHEDULING A FINAL HEARING ON THIS MOTION AND (III) GRANTING RELATED RELIEF**

PLEASE TAKE NOTICE that, on October 3, 2008, the above captioned debtors and debtors in possession (the "Debtors") filed the Emergency Motion For Interim And Final Orders Pursuant To Sections 105, 361, 362, 363 And 364 Of The Bankruptcy Code (A) Authorizing Debtors To Obtain Post-Petition Financing, (B) Authorizing The Debtors To Use Cash Collateral, (C) Granting Adequate Protection To Prepetition Lenders (D) Granting Security Interests And Superpriority Administrative Expense Status To DIP Lender, And (E) Scheduling Final Hearing Pursuant To Bankruptcy Rules 4001(b) And (c) (Docket No. 12) (the "**DIP Financing Motion**").

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Comfort Co., Inc. (0360); Sleep Innovations, Inc. (6386); Advanced Innovations Central, LLC (7109); Advanced Innovations East, LLC (2669); Advanced Innovations West, LLC (2116); Advanced Urethane Technologies, Inc. (1725); AUT Brenham, Inc. (7286); AUT Dallas, Inc. (7706); AUT Lebanon, Inc. (7928); AUT Newburyport, Inc. (7032); and AUT West Chicago, Inc. (7561). The address for all of the Debtors is 187 Route 36, Suite 101, West Long Branch, NJ 07764.

**PLEASE TAKE FURTHER NOTICE** that the Debtors hereby file the proposed Budget<sup>2</sup> referenced in the DIP Credit Agreement, which is attached as Exhibit A to the DIP Financing Motion.

Dated: October 5, 2008  
Wilmington, Delaware



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Debtors in Possession

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<sup>2</sup> Capitalized terms used but not defined herein shall have the same meaning ascribed to them in the DIP Financing Motion.

Comfort Co. Inc.  
DIP Budget  
Week Beginning September 29, 2008

(\$ 000's)

	Petition Date							
	1	2	3	4	5	6	7	8
Week	29-Sep	6-Oct	13-Oct	20-Oct	27-Oct	3-Nov	10-Nov	17-Nov
Sales	\$ 6,510	\$ 8,137	\$ 8,137	\$ 9,764	\$ 6,618	\$ 8,272	\$ 8,272	\$ 9,927
<u>Receipts</u>								
A/R collections	\$ 7,074	\$ 6,381	\$ 5,397	\$ 4,952	\$ 6,971	\$ 8,276	\$ 7,023	\$ 7,301
A/R collection reserves	(2,214)	(2,214)	(2,214)	-	-	-	-	-
Misc receipts	120	-	-	-	-	-	-	-
Total Operating Receipts	4,979	4,166	3,183	4,952	6,971	8,276	7,023	7,301
<u>Operating Disbursements</u>								
Raw Materials	4,716	5,096	4,727	4,780	4,830	4,858	4,799	4,817
Deposits / LC's	1,600	1,600	-	-	-	-	-	-
Packaging	349	374	376	371	367	372	372	371
Freight	280	333	316	290	305	311	306	303
Temp Agencies	142	144	143	142	143	143	143	143
Payroll	440	1,014	390	1,014	390	964	390	1,014
Benefits	274	55	29	25	274	55	29	25
Rent	-	306	-	-	-	306	-	-
Professional Fees	-	-	-	1,450	-	-	-	1,425
Misc. Disbursements	261	716	329	297	262	688	340	303
Provision for 6% volume Sensitivity	-	-	-	-	1,400	-	-	-
Total Operating	8,063	9,637	6,310	8,369	7,971	7,697	6,378	8,399
Net Operating Cash Flow	(3,084)	(5,471)	(3,127)	(3,417)	(999)	579	645	(1,099)
<u>Non-Operating Disbursements</u>								
Interest and fees	1,500	-	-	-	272	-	-	-
Principal	-	-	-	-	-	-	-	-
Capital Expenditures	120	520	120	120	120	120	520	120
Total Non-Operating	1,620	520	120	120	392	120	520	120
Net Cash Flow	\$ (4,704)	\$ (5,991)	\$ (3,247)	\$ (3,537)	\$ (1,391)	\$ 459	\$ 125	\$ (1,219)
Beginning Loan Balance	\$ (13,003)	\$ (17,707)	\$ (23,698)	\$ (26,945)	\$ (30,482)	\$ (31,874)	\$ (31,415)	\$ (31,290)
Net cash flow	(4,704)	(5,991)	(3,247)	(3,537)	(1,391)	459	125	(1,219)
Ending Loan Balance	\$ (17,707)	\$ (23,698)	\$ (26,945)	\$ (30,482)	\$ (31,874)	\$ (31,415)	\$ (31,290)	\$ (32,508)

Comfort Co. Inc.  
 DIP Budget  
 Week Beginning September 29, 2008

(\$ 000's)

	9	10	11	12	13	14	15	16	17	18
	24-Nov	1-Dec	8-Dec	15-Dec	22-Dec	29-Dec	5-Jan	12-Jan	19-Jan	26-Jan
Week										
Sales	\$ 8,071	\$ 8,071	\$ 8,071	\$ 8,071	\$ 8,071	\$ 6,324	\$ 7,905	\$ 7,905	\$ 9,486	\$ 6,610
<u>Receipts</u>										
A/R collections	\$ 7,822	\$ 7,530	\$ 7,577	\$ 7,203	\$ 8,203	\$ 7,315	\$ 7,705	\$ 7,097	\$ 7,544	\$ 7,998
A/R collection reserves	-	-	-	-	-	-	-	-	-	-
Misc receipts	-	-	-	-	-	-	-	-	-	-
Total Operating Receipts	7,822	7,530	7,577	7,203	8,203	7,315	7,705	7,097	7,544	7,998
<u>Operating Disbursements</u>										
Raw Materials	4,826	4,825	4,816	4,821	4,822	4,821	4,820	4,821	4,821	4,821
Deposits / LC's	-	-	-	-	-	-	-	-	-	-
Packaging	370	371	371	371	371	371	371	371	371	371
Freight	306	306	305	305	306	306	305	306	306	306
Temp Agencies	143	143	143	143	143	143	143	143	143	143
Payroll	390	1,014	390	1,014	390	1,014	390	1,014	390	1,014
Benefits	274	55	29	25	274	55	29	25	274	55
Rent	-	306	-	-	-	-	306	-	-	-
Professional Fees	-	-	-	-	1,425	-	-	-	1,425	-
Misc. Disbursements	259	684	343	303	258	258	634	343	303	258
Provision for 6% volume Sensitivity	1,400	-	-	-	-	1,400	-	-	-	-
Total Operating	7,968	7,705	6,397	6,982	7,989	8,368	6,998	7,022	8,032	6,967
Net Operating Cash Flow	(147)	(174)	1,180	221	214	(1,052)	707	75	(489)	1,031
<u>Non-Operating Disbursements</u>										
Interest and fees	394	-	-	-	408	-	-	-	415	-
Principal	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	120	120	520	120	120	120	120	120	340	120
Total Non-Operating	514	120	520	120	528	120	120	120	755	120
Net Cash Flow	\$ (660)	\$ (294)	\$ 660	\$ 101	\$ (313)	\$ (1,172)	\$ 587	\$ (45)	\$ (1,243)	\$ 911
Beginning Loan Balance	\$ (32,508)	\$ (33,169)	\$ (33,463)	\$ (32,804)	\$ (32,703)	\$ (33,016)	\$ (34,188)	\$ (33,602)	\$ (33,647)	\$ (34,890)
Net cash flow	(660)	(294)	660	101	(313)	(1,172)	587	(45)	(1,243)	911
Ending Loan Balance	\$ (33,169)	\$ (33,463)	\$ (32,804)	\$ (32,703)	\$ (33,016)	\$ (34,188)	\$ (33,602)	\$ (33,647)	\$ (34,890)	\$ (33,980)

**Comfort Co. Inc.**  
 DIP Budget  
 Week Beginning September 29, 2008

(\$ 000's)

	19	20	21	22	23	24	25	26
	2-Feb	9-Feb	16-Feb	23-Feb	2-Mar	9-Mar	16-Mar	23-Mar
Sales	\$ 8,262	\$ 8,262	\$ 9,915	\$ 7,450	\$ 7,450	\$ 7,450	\$ 7,450	\$ 7,450
<u>Receipts</u>								
A/R collections	\$ 7,998	\$ 7,243	\$ 6,972	\$ 6,907	\$ 7,228	\$ 7,250	\$ 6,806	\$ 7,773
A/R collection reserves	-	-	-	-	-	-	-	-
Misc receipts	-	-	-	-	-	-	-	-
Total Operating Receipts	7,998	7,243	6,972	6,907	7,228	7,250	6,806	7,773
<u>Operating Disbursements</u>								
Raw Materials	4,821	4,821	4,821	4,821	4,821	4,821	4,821	4,821
Deposits / LC's	-	-	-	-	-	-	-	-
Packaging	371	371	371	371	371	371	371	371
Freight	306	306	306	306	306	306	306	306
Temp Agencies	143	143	143	143	143	143	143	143
Payroll	390	1,014	390	1,014	390	1,014	390	1,014
Benefits	29	25	274	55	29	25	274	55
Rent	306	-	-	-	306	-	-	-
Professional Fees	-	-	1,250	-	-	-	-	-
Misc. Disbursements	634	343	303	258	634	343	303	258
Provision for 6% volume Sensitivity	-	-	-	-	-	-	-	-
Total Operating	6,999	7,022	7,857	6,967	6,999	7,022	6,607	6,967
Net Operating Cash Flow	999	220	(885)	(60)	229	228	199	806
<u>Non-Operating Disbursements</u>								
Interest and fees	-	-	423	-	-	-	432	-
Principal	-	-	-	-	-	-	-	-
Capital Expenditures	120	120	640	120	120	120	640	-
Total Non-Operating	120	120	1,063	120	120	120	1,072	-
Net Cash Flow	\$ 879	\$ 100	\$ (1,948)	\$ (180)	\$ 109	\$ 108	\$ (873)	\$ 806
Beginning Loan Balance	\$ (33,980)	\$ (33,101)	\$ (33,001)	\$ (34,948)	\$ (35,129)	\$ (35,020)	\$ (34,912)	\$ (35,785)
Net cash flow	879	100	(1,948)	(180)	109	108	(873)	806
Ending Loan Balance	\$ (33,101)	\$ (33,001)	\$ (34,948)	\$ (35,129)	\$ (35,020)	\$ (34,912)	\$ (35,785)	\$ (34,980)