

**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)

**SUPPLEMENTAL DECLARATION AND DISCLOSURE STATEMENT  
OF MICHAEL S. FOX ON BEHALF OF  
OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP**

Michael S. Fox makes this declaration under 28 U.S.C. § 1746, and states:

1. I am a member of the firm of Olshan Grundman Frome Rosenzweig & Wolosky LLP (“Olshan”), a law firm with principal offices at 65 East 55<sup>th</sup> Street, New York, New York 10022.

2. This Declaration is part of Olshan’s ongoing obligation to provide the disclosure required under Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and supplements the application, dated July 19, 2010 (the “Application”), of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for approval of the Debtors’ retention of Olshan as their attorneys in these chapter 11 cases pursuant to sections 327(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) (docket no. 5).

---

<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).

3. As of July 18, 2010 (the “Petition Date”), the Debtors had paid Olshan \$434,608.89 on account of prepetition billings. Attached hereto as Exhibit A is a spreadsheet detailing (i) all invoices delivered by Olshan to the Debtors in respect of services provided by Olshan during the one-year period prior to the Petition Date, (ii) the date on which the Debtors remitted payments in respect of each such invoice, and (iii) the amount of each such payment.

4. On July 15, 2010, the Debtors paid Olshan a retainer in the amount of \$250,000. As of the Petition Date, after applying \$71,498.75 in remaining prepetition fees and expenses, the retainer had a remaining balance of \$178,501.25, which will be applied against future fees and expenses, subject to the Court’s approval of such fees and expenses.

5. To the extent that the matter with Strategic Turnaround Equity Partners (“Strategic”), an equity holder of the Debtors in matters unrelated to these cases, is still an active matter, attorneys working on the Strategic matter will not work on this engagement, and will be subject to Olshan’s internal screening procedures. As set forth in greater detail in the Declaration of Michael S. Fox, filed concurrently with the Application, in order to determine disinterestedness, Olshan reviewed the list of creditors and equity security holders of the Debtors provided by the Debtors. Olshan maintains a computerized conflicts check system. Olshan compared the information obtained thereby with the information contained in its client and adverse party conflict check system.

6. Any of Olshan’s requests for reimbursement of expenses will comply with the Court’s guidelines, the guidelines established by the United States Trustee, and any other applicable law.

7. If at any time Olshan increases the hourly rate for its services and/or expense rate, Olshan will file a supplemental affidavit with the court describing any such increases and provide notice of these increases to the Office of the United States Trustee.

8. The following changes have been made to the documentation supporting the Application: (i) paragraph 5 of the Engagement Letter is of no force or effect; (ii) the following sentence is stricken from the Terms of Engagement, addendum page 7 (“Billing and Payment Procedures”): “All Statements paid more than 30 days after receipt will be subject to a late charge of one (1%) percent per month”; and (iii) the following sections are stricken in their entirety from the Terms of Engagement, addendum page 7: “New York Venue and Governing Law” and “Arbitration.”

9. The foregoing constitutes the statement of Olshan pursuant to sections 327(a), 329, and 504 of the Bankruptcy Code, and Bankruptcy Rules 2014(a) and 2016(b).

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: August 9, 2010

/s Michael S. Fox  
Michael S. Fox

**EXHIBIT A**  
**Prepetition Compensation**

INVOICE #	INVOICE DATE	INVOICE AMOUNT	PAYMENT DATE	AMOUNT PAID
146856	1/31/2010	\$ 4,469.38	11/7/08	\$ 4,469.38
147330	2/28/2010	\$ 3,586.83	11/7/08	\$ 3,586.83
147787	3/24/2010	\$ 14,673.18	5/7/10	\$ 14,673.18 *
148240	4/21/2010	\$ 6,547.17	5/7/10	\$ 6,547.17 **
148576	5/17/2010	\$ 38,218.03	6/14/10	\$ 38,218.03
148811	6/4/2010	\$ 53,179.34	6/14/10	\$ 53,179.34
149325	6/30/2010	\$ 145,087.68	7/1/10	\$ 145,087.68
149637	7/15/2010	\$ 97,348.53	7/15/10	\$ 97,348.53
149835	7/18/2010	\$71,498.75	7/18/10	\$71,498.75
<b>GRAND TOTAL</b>		<u>\$ 434,608.89</u>		<u>\$ 434,608.89</u>

\*Note: paid from initial retainer of \$10,000, rec'd 11/7/08

\*\*Note: \$2,229.54 paid from initial retainer, balance paid 5/7/10.