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Hearing Date: September 14, 2010 (11:00 a.m. ET)
Objection Deadline: September 8, 2010 (5:00 p.m. ET)

Proposed Counsel to The Official Committee of
Unsecured Creditors of Jennifer Convertibles, Inc., *et al.*

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

**SUPPLEMENTAL DECLARATION OF JAMES S. CARR PURSUANT TO 28 U.S.C.
§1746 IN SUPPORT OF THE APPLICATION OF THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF JENNIFER CONVERTIBLES, INC., *ET AL.*,
TO RETAIN AND EMPLOY KELLEY DRYE & WARREN LLP
AS COUNSEL, *NUNC PRO TUNC* TO JULY 23, 2010**

I, JAMES S. CARR, hereby make this supplemental declaration pursuant to 28
U.S.C. §1746 and state as follows:

1. I am an attorney admitted to practice in the State of New York and in the
United States District Court for the Southern District of New York. I am a partner in the law
firm of Kelley Drye & Warren LLP (“Kelley Drye”), which maintains offices at 101 Park
Avenue, New York, New York 10178.

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. On August 18, 2010, the Official Committee of Unsecured Creditors (the “Committee”) of Jennifer Convertibles, Inc., *et al.* (the “Debtors”) filed its application (the “Application”) for authorization to retain and employ Kelley Drye & Warren as counsel to the Committee *nunc pro tunc* to July 23, 2010. At the same time, I submitted a declaration (the “Carr Declaration”) pursuant to 28 U.S.C. § 1746 in support of the Application.

3. I am familiar with the matters set forth herein and make this supplemental declaration (the “Supplemental Declaration”) in further support of the Application.

A. Kelley Drye’s Disclosure Procedures

4. After filing the Application, Kelley Drye received comments from the Office of the United States Trustee requesting that Kelley Drye supplement its initial conflicts check to include additional professionals and individuals retained by the Debtors.

5. In connection with its Application and to prepare this Supplemental Declaration, after receiving comments from the United States Trustee, Kelley Drye compared the information contained in the conflict system and adverse party indexes currently maintained by Kelley Drye (the “Conflicts System”) with the names of significant parties in these cases, including (i) all professionals and individuals retained by the Debtors in these cases; and (ii) the designated claims agent for these cases. The specific names of the parties run through the Conflicts System are set forth on Exhibit 1 attached hereto.

6. The Conflicts System maintained by Kelley Drye is designed to include every matter on which the firm is now or has been engaged, sorted by which entity the firm is now or has been engaged by, and, in each instance, listing the identity of related parties and adverse parties and the attorneys in the firm who are knowledgeable about the matter. It is the policy of Kelley Drye that a new matter may only be opened within the firm after completing and submitting, to those charged with maintaining the Conflicts System, the information

necessary to check each such matter for conflicts, including the identity of the prospective client and related adverse parties. Accordingly, Kelley Drye maintains and systematically updates this system in the regular course of the firm's business, and it is the regular practice of the firm to make and maintain these records.

7. Further, an e-mail was sent to each partner of Kelley Drye to verify whether any member of Kelley Drye has a connection to (i) professionals retained by the Debtors in these cases; or (ii) the designated claims agent.

B. Kelley Drye's Connections With Parties In Interest In Matters Unrelated To These Cases

8. Based on the results of the Conflicts System and the e-mail that was sent to each partner, Kelley Drye does not hold or represent any interest adverse to, and has no connection with the professionals retained by the Debtors in these cases, the designated claims agent, or any other party-in-interest herein in the matters upon which Kelley Drye is to be retained in these cases, subject to the following disclosure:

- a. Michael S. Fox, Esq., a partner at the law firm of Olshan Grundman Frome Rosenzweig & Wolosky LLP, which has been retained as counsel to the Debtors, is the litigation trustee in the case titled *In re Perry H. Koplik & Sons, Inc.*, Case No. 02-B-40648 (REG) (Bankr. S.D.N.Y. 2006). As the litigation trustee, Mr. Fox retained Kelley Drye to initiate an action against Bank Mandiri in the adversary proceeding styled *Fox v. Bank Mandiri (In re Perry H. Koplik & Sons, Inc)* Adv. Proc. No. 05-01136. The adversary proceeding was resolved consensually and an order dismissing the adversary proceeding with prejudice was entered on July 23, 2010, by the Honorable Cecelia G. Morris in the United States Bankruptcy Court for the Southern District of New York. Moreover, the partner who had the relationship with Mr. Fox left Kelley Drye in November 2009.

9. I believe this prior representation and personal relationship have not and will not affect Kelley Drye's representation of the Committee in these cases. None of Kelley Drye's representations of this party or other parties in interest who are involved in these cases

comprises a material component of Kelley Drye's practice, nor does Kelley Drye currently represent any such parties on any issue relating to the Debtors' cases.

10. In addition, at the request of the Office of the United States Trustee, I can confirm that in charging clients for telephone expenses, such expenses do not include local telephone charges but instead only cover long-distance, international and conference call charges.

I, James S. Carr, declare, under penalty of perjury, that I have read the foregoing and that it is true and correct to the best of my knowledge, information, and belief.

Dated: New York, New York
September 10, 2010

/s/ James S. Carr
James S. Carr

EXHIBIT 1 TO SUPPLEMENTAL DECLARATION

LIST OF NAMES SEARCHED THROUGH THE CONFLICTS SYSTEM

Jennifer Convertibles, Inc., et al. – Conflict Check

Debtors' Counsel

Michael S. Fox, Esq., Olshan Grundman Frome Rosenzweig & Wolosky, LLP
Jordanna L. Nadritch, Esq., Olshan Grundman Frome Rosenzweig & Wolosky, LLP
Jayme M. Bethel, Esq., Olshan Grundman Frome Rosenzweig & Wolosky, LLP

Debtors' Financial Advisor

Paul Smolevitz, TM Capital
Spencer Mash, TM Capital
Kevin Formica, TM Capital

Debtors' Real Estate Advisor

Matthew Bordwin, KPMG LLP
Rob Tramantano, KPMG LLP

Debtors' Auditor

Steven Kreit, Eisner LLP

Claims Agent

Tinamarie A. Feil, BMC Group, Inc.
James Myers, BMC Group, Inc.