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**UNITED STATES BANKRUPTCY COURT
THE SOUTHERN DISTRICT OF NEW YORK**

In re:

JENNIFER CONVERTIBLES, INC.,¹

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**MONTHLY STATEMENT OF SERVICES RENDERED AND EXPENSES INCURRED
BY OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP,
COUNSEL FOR THE DEBTORS AND DEBTORS IN POSSESSION,
FOR THE PERIOD FROM JULY 18, 2010 THROUGH JULY 31, 2010**

In accordance with the Court's order pursuant to sections 105(a) and 331 of title 11 of the United States Code (the "Bankruptcy Code") and Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), establishing procedures for interim monthly compensation and reimbursement of expenses of professionals, dated August 10, 2010, (Docket No. 155) (the "Interim Compensation Order"), Olshan Grundman Frome Rosenzweig & Wolosky LLP ("Olshan"), counsel to Jennifer Convertibles, Inc. ("Jennifer Convertibles") and its

¹ 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).

affiliated debtors, as debtors in possession (together, the “Debtors”), hereby submits its monthly statement of services rendered and expenses incurred (the “Statement”) for the period of July 18, 2010 through and including July 31, 2010 (the “Statement Period”).

I. Itemization of Services Rendered by Olshan Professionals

Name	Title	Law School Graduation Year	Year of Partner-ship	Total Hours	2010 Hourly Rate	Fees Earned
Michael S. Fox	Partner	1982	1987	90.20	\$630	\$56,826.00
Andrea Fischer	Partner	1990	2003	26.30	\$465	\$12,229.50
Kenneth A. Schlesinger	Partner	1988	1997	.30	\$490	\$147.00
Jordanna L. Nadritch	Associate	2003	n/a	91.40	\$425	\$38,845.00
David Y. Wolnerman	Associate	2001	n/a	12.80	\$415	\$5,312.00
Jayme M. Bethel	Associate	2009	n/a	82.90	\$280	\$23,212.00
Suhailah S. Sallie	Legal Assistant	n/a	n/a	75.20	\$185	\$13,912.00
Annette A. Messano	Legal Assistant	n/a	n/a	1.40	\$300	\$420.00
TOTAL:				380.50		\$150,903.50

Olshan’s time records are itemized by the tenth of the hour and by individual timekeeper.

II. Itemization of Services Rendered and Disbursements Incurred by Category

The following charts itemize services rendered by Olshan professionals by matter and specify expenses incurred by category.

A. Detailed Summary of Services Rendered by Project Category

1. During the Statement Period, Olshan professionals devoted time to the following matters:

Matter	Hours	Fees Earned
Asset Analysis and Recovery	8.10	\$4,054.50
Asset Disposition	59.20	\$26,901.50
Business Operations	53.50	\$25,312.00
Case Administration	240.20	\$85,478.00

Fee/Employment Applications	8.90	\$3,322.50
Creditor's Committee	10.60	\$5,835.00
TOTAL:	380.50	\$150,903.50

2. To assist in the review of the fees sought by Olshan, Olshan has divided its time entries into the project categories set forth above. Below is a brief description of each project category.

Asset Analysis and Recovery (Fees \$4,054.50 and Total Hours 8.10):

3. This category represents time spent identifying and reviewing potential assets, including the Debtors' ongoing and go forward lease agreements.

Asset Disposition (Fees \$26,901.50 and Total Hours 59.20):

4. This category represents time spent selecting a liquidation agent for the Debtors' store locations subject to store closing sales, and drafting the corresponding motion and pleadings to establish bid procedures and to conduct store closing sales, including related drafts of the sale order and agency agreement. This category also includes a review and analysis of the Debtors' leases to determine and assess which leases should be rejected pursuant to Bankruptcy Code section 365, and communications with the landlords of such rejected leases.

Business Operations (Fees \$25,312.00 and Total Hours 53.50):

5. This category represents time spent in connection with the day to day operations of the Debtors as a chapter 11 debtor in possession, including communications with the Debtors' financial institutions and Merrick, and drafting and negotiating the stipulation with Merrick. This category also represents communications with Mengnu and Ashley as the Debtors' key suppliers, and related negotiations and discussions.

Case Administration (Fees \$85,478.00 and Total Hours 240.20):

6. This category represents time spent on general and administrative matters related to this case, including drafting and revision of various motions and pleadings, preparation for and attending hearings, and communications with the court and United States Trustee. This category also includes time spent drafting the schedules of assets and liabilities and the statements of financial affairs.

Fee/Employment Applications (Fees \$3,322.50 and Total Hours 8.90):

7. This category represents time spent drafting and revising the motion for interim compensation, and drafting and revising the retention applications for Olshan, KPMG and TM Capital.

Committee Matters (Fees \$5,835.00 and Total Hours 10.60):

8. This category represents time spent communicating with committee counsel and discussing the various case issues with the committee.

B. Expenses Incurred

9. The total expenses incurred by Olshan during the Statement Period were as follows:

Expenses	Amount
Meals	\$38.73
Pacer	\$382.88
Postage	\$18.30
Reproduction	\$2,961.90
Secretarial Overtime	\$170.00
Taxi	\$83.70
Telephone (Long Distance)	\$4.54
Transportation	\$174.86
Travel	\$9.00
Westlaw	\$1,801.09
Word Processing	\$1,200.00
TOTAL	\$6,845.00

III. Total Amounts Fees and Expenses Sought for the Statement Period

A. Total Fees and Expenses

13. The total amounts of fees and expenses that Olshan incurred during the statement were as follows:

FEES: \$150,903.50
EXPENSES: \$6,845.00
TOTAL: \$157,748.50

B. Amount Payable After Holdback

14. The fees earned for this Statement Period totaled \$150,903.50 for 380.50 hours of services performed. Pursuant to the Interim Compensation Order, the fees payable to Olshan for the Statement Period, after adjustment of the 20% holdback, are \$120,722.80.

15. The total expenses incurred during the Statement Period are \$6,845.00.

16. Accordingly, Olshan requests payment for the Statement Period in the total amount of \$127,567.80, which includes \$120,722.80 of fees (80% of total fees) and \$6,845.00 of expenses (100%).

17. Olshan respectfully requests that such amounts be paid in accordance with the Interim Compensation Order.

Dated: New York, New York
September 17, 2010

OLSHAN GRUNDMAN FROME
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