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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 AUGUST 1, 2010 THROUGH AUGUST 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 August 1, 2010 through and including August 31, 2010 (the “Statement Period”).

I. Itemization of Services Rendered by Olshan Professionals

Name	Title	Law School Graduation Year	Year of Partnership	Total Hours	2010 Hourly Rate	Fees Earned
Michael S. Fox	Partner	1982	1987	111.00	\$630	\$69,930.00
Andrea Fischer	Partner	1990	2003	4.30	\$465	\$1,999.50
Mitchell B. Stern	Partner	1984	2008	9.60	\$560	\$5,376.00
Jordanna L. Nadritch	Associate	2003	n/a	202.10	\$425	\$85,892.50
Jayme M. Bethel	Associate	2009	n/a	179.80	\$280	\$50,344.00
Fredrick J. Levy	Of Counsel	1987	n/a	1.00	\$465	\$465.00
Suhailah S. Sallie	Legal Assistant	n/a	n/a	144.00	\$185	\$26,640.00
Brian K. Simpson	Legal Assistant	n/a	n/a	1.40	\$225	\$315.00
TOTAL:				653.20		\$240,962.00

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	42.80	\$19,649.00
Asset Disposition	30.50	\$9,406.00
Business Operations	116.80	\$53,185.00
Case Administration	345.60	\$107,332.50
Claims Administration and Objections	24.20	\$9,458.00

Fee/Employment Applications	24.50	\$8,313.50
Fee/Employment Objections	5.60	\$2,380.00
Creditor's Committee	63.20	\$31,238.00
TOTAL:	653.20	\$240,962.00

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 \$19,649.00 and Total Hours 42.80):

3. This category represents time spent identifying and reviewing potential assets, specifically the Debtors' ongoing and go forward lease agreements, including drafting lease modification agreements and communications with landlords regarding same. This category also includes drafting the motion to enter into a new lease and preparing riders addressing the bankruptcy filing for existing leases.

Asset Disposition (Fees \$9,406.00 and Total Hours 30.50):

4. This category represents time spent revising the motion to establish bid procedures and motion to conduct store closing sales and related documents, as well as communications with the liquidation agent. 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 drafting the corresponding motions to reject leases, establishing lease rejection procedures and rejection notices, as well as communications with landlords regarding same.

Business Operations (Fees \$53,185.00 and Total Hours 116.80):

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, drafting and negotiating the stipulations with Merrick. This category also includes communications and negotiations with Mengnu over shipping terms, and drafting and negotiating the escrow agreement and corresponding motion and stipulation. This category also includes communications with utility companies regarding adequate assurance and establishing postpetition accounts.

Case Administration (Fees \$107,332.50 and Total Hours 345.60):

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

Claims Administration and Objections (Fees \$9,458.00 and Total Hours 24.20):

7. This category represents time spent attending to specific claim inquiries, drafting and revising of the bar date motion, notice and order, and reviewing objections to various motions.

Fee/Employment Applications (Fees \$8,313.50 and Total Hours 24.50):

8. This category represents time spent revising the interim compensation procedures, revising the Olshan and TM Capital retention orders and supplemental declarations and incorporating comments from the United States Trustee regarding same. This category also includes time spent drafting and revising the Eisner retention application.

Fee/Employment Objections (Fees \$2,380.00 and Total Hours 5.60):

9. This category represents time spent communicating with the United States Trustee over retention issues that arose with respect to Olshan, TM Capital, and KPMG, and communications with TM Capital and KPMG regarding same.

Creditor's Committee (Fees \$31,238.00 and Total Hours 63.20):

10. This category represents time spent communicating and meeting with committee counsel, and reviewing and revising committee bylaws and non-disclosure agreements related to same.

B. Expenses Incurred

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

Expenses	Amount
Copies	\$460.62
Federal Express	\$35.30
Meals	\$53.02
Messenger	\$109.29
Parking	\$79.30
Taxi	\$9.90
Telephone (Long Distance)	\$0.88
Transportation/Taxi/Parking	\$791.89
UPS	\$281.81
Word Processing	\$262.50
TOTAL:	\$2,084.51

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

A. Total Fees and Expenses

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

FEES: \$240,962.00
EXPENSES: \$2,084.51
TOTAL: \$243,046.51

B. Amount Payable After Holdback

15. The fees earned for this Statement Period totaled \$240,962.00 for 653.20 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 \$192,769.60.

16. The total expenses incurred during the Statement Period are \$2,084.51.

17. Accordingly, Olshan requests payment for the Statement Period in the total amount of \$194,854.11, which includes \$192,769.60 of fees (80% of total fees) and \$2,084.51 of expenses (100%).

18. 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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