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Financial Advisors for the Official Committee of
Unsecured Creditors of Jennifer Convertibles, Inc., *et al.*

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

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In re: : Chapter 11
: :
JENNIFER CONVERTIBLES, INC., *et al.*¹ : Case No. 10-13779 (ALG)
: (Jointly Administered)
Debtors. :
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**MONTHLY STATEMENT OF SERVICES RENDERED AND EXPENSES INCURRED
BY DELOITTE FINANCIAL ADVISORY SERVICES LLP, FINANCIAL ADVISORS
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF JENNIFER
CONVERTIBLES, INC., ET AL.
FOR THE PERIOD FROM SEPTEMBER 1, 2010 THROUGH SEPTEMBER 30, 2010**

In accordance with the Court's order pursuant to sections 105(a) and 331 of the
Bankruptcy Code and Bankruptcy Rule 2016(a) establishing procedures for interim monthly
compensation and reimbursement of expenses of professionals (the "Interim Compensation
Order"), dated August 10, 2010 (Docket No. 155), Deloitte Financial Advisory Services LLP
("Deloitte FAS"), Financial Advisors to the Official Committee of Unsecured Creditors (the
"Committee") of Jennifer Convertibles, Inc., *et al.* (the "Debtors"), hereby submits its monthly

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.

statement of services rendered and expenses incurred (the "Statement") for the period September 1, 2010 through and including September 30, 2010 (the "Statement Period").

I. Itemization of Services Rendered by Deloitte FAS Professionals

Name	Title	Total Hours (Non-Travel)	Total Hours (Travel)⁽¹⁾	Applicable Hourly Rate⁽¹⁾	Fees Earned
Narendra Ganti	Partner	29.8	6.0	\$375.00	\$12,300.00
Lee G. Zimet	Director	0.9	N/A	\$375.00	\$337.50
Michael G. Taylor	Senior Manager	70.5	6.0	\$375.00	\$27,562.50
Elizabeth Mary Rielly	Senior Consultant	92.1	N/A	\$375.00	\$34,537.50
Sarah Grace Bowers	Administrative Staff	0.2	N/A	\$375.00	\$75.00
Rashelle Y. Johnson	Administrative Staff	0.3	N/A	\$375.00	\$112.50
Candida M. Monteiro	Administrative Staff	1.0	N/A	\$375.00	\$375.00
TOTAL:		194.8	12.0		\$75,300.00

⁽¹⁾ Travel time charged at 50% of applicable hourly rate.

1. Deloitte FAS' time records are itemized by the tenth of the hour and by individual timekeeper. Detailed time records of services rendered by Deloitte FAS professionals during the Statement Period are attached hereto as Exhibits A, B and C.

II. Itemization of Services Rendered and Disbursements Incurred by Category

2. The following charts itemize services rendered by Deloitte FAS professionals by matter and specify expenses incurred by category.

A. Detailed Summary of Services Rendered by Project Category

3. During the Statement Period, Deloitte FAS professionals devoted time to the following project descriptions:

Project Description	Hours (Non-Travel)	Hours (Travel)⁽¹⁾	Fees Earned⁽¹⁾
Case Administration	1.5	N/A	\$562.50
Asset Sale Proposals/Competitive Bids	1.6	N/A	\$600.00
Miscellaneous Financial Analysis/Models	119.3	N/A	\$44,737.50
Meetings with Client/Counsel	16.6	N/A	\$6,225.00
Meetings with Debtor/Other Advisors	22.1	12.0	\$10,537.50
Fee Applications	33.7	N/A	\$12,637.50
TOTAL:	194.8	12.0	\$75,300.00

⁽¹⁾ Travel time charged at 50% of applicable hourly rate.

4. To assist in its review of the fees sought by Deloitte FAS, Deloitte FAS has divided its time entries into the project categories set forth below. Exhibit A identifies the professionals that have rendered services in each category, along with the number of hours for each individual. Exhibit B presents the total compensation sought for each category.

Case Administration (Fees: \$562.50 and Total Hours: 1.5)

5. Deloitte FAS personnel printed and prepared documents as necessary, as well as made travel arrangements to facilitate meetings with client/counsel, the Debtors, and other advisors.

Asset Sale Proposals/Competitive Bids (Fees: \$600.00 and Total Hours: 1.6)

6. Deloitte FAS discussed the possible sale of the go-forward business with potential buyers, fielded the inquiries of parties potentially interested in acquiring the go-forward business, performed research related to potential buyers for the go-forward business, and investigated other comparable businesses which were sold after filing for bankruptcy.

Miscellaneous Financial Analysis/Models (Fees: \$44,737.50 and Total Hours: 119.3)

7. Deloitte FAS reviewed budgets, forecasts, weekly flash reports comparing actual financial results to those forecast, historical financial information, information related to cure and priority claims, SOFAs and Schedules, inventory details, and real estate information. Deloitte FAS also completed liquidation analyses using information provided by the Debtors and based on offers to support the go-forward business, and performed various other miscellaneous analyses to estimate the potential recovery to creditors, including analyses on the Debtors' net operating losses.

Meetings with Client/Counsel (Fees: \$6,225.00 and Total Hours: 16.6)

8. Deloitte FAS prepared for and held various meetings with the Committee and/or the Committee's counsel to discuss inventory levels, current case status, cash flow analyses, liquidation/recovery analyses, and/or offers to purchase the go-forward business.

Meetings with Debtor/Other Advisors (Fees: \$10,537.50 and Total Hours: 34.1)

9. Deloitte FAS prepared for and held various meetings with the Debtors, the Debtors' counsel, the Debtors' advisors, and/or other advisors involved in the case to discuss inventory levels, current case status, cash flow analyses, liquidation/recovery analyses, and/or offers to purchase/support the go-forward business. Fees associated with travel time to/from these meetings, presented separately on Exhibit B, have been charged at 50% of the applicable hourly rate.

Fee Applications (Fees: \$12,637.50 and Total Hours: 33.7)

10. Deloitte FAS accumulated and reported its time related to the engagement, analyzed the time charged by both professional level and category, and prepared the first monthly and interim (for future filing) fee applications.

B. Expenses Incurred

11. The total expenses incurred by Deloitte FAS during the Statement Period were as follows. Details of expenses are attached hereto as Exhibit D.

<u>Expenses</u>	<u>Amount</u>
Cab Service	\$354.20
Airfare	\$1,057.40
Parking	\$56.00
Long Distance Telephone/Conference Calls & Internet Service	\$11.09
Meals	\$37.36
TOTAL:	\$1,516.05

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

A. Total Fees and Expenses:

12. The total amounts of fees and expenses that Deloitte FAS incurred during the Statement Period were as follows:

Fees	\$75,300.00
Expenses	\$1,516.05
TOTAL:	\$76,816.05

B. Amount Payable After Holdback

13. The fees earned for this Statement Period totaled \$75,300.00 for 206.8 hours of services performed. Pursuant to the Interim Compensation Order, the fees payable to Deloitte FAS for the Statement Period, after adjustment for the 20% holdback, are \$60,240.00.

14. The total expenses incurred during the Statement Period are \$1,516.05.

15. Accordingly, Deloitte FAS requests payment for the Statement Period in the total amount of \$61,756.05, which includes \$60,240.00 of fees (80% of total fees) and \$1,516.05 of expenses (100%).

16. Deloitte FAS respectfully requests that such amounts be paid in accordance with the Interim Compensation Order.

Dated: Washington, DC
October 15, 2010

DELOITTE FINANCIAL ADVISORY SERVICE LLP

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EXHIBITS

[Exhibits A, B, C and D were provided to the Debtors, Debtors' Counsel, the Committee's Counsel, and the Office of the United States Trustee]