

**OLSHAN GRUNDMAN FROME  
ROSENZWEIG & WOLOSKY LLP**

Park Avenue Tower  
65 East 55<sup>th</sup> Street  
New York, New York 10022  
Michael S. Fox, Esq.  
Jordanna L. Nadritch, Esq.  
Jayme M. Bethel, Esq.  
212.451.2300

*Counsel to the Debtors and Debtors in Possession*

**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)

**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 SEPTEMBER 1, 2010 THROUGH SEPTEMBER 30, 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

<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).

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 September 1, 2010 through and including September 30, 2010 (the “Statement Period”).

**I. Itemization of Services Rendered by Olshan Professionals**

<b>Name</b>	<b>Title</b>	<b>Law School Graduation Year</b>	<b>Year of Partnership</b>	<b>Total Hours</b>	<b>2010 Hourly Rate</b>	<b>Fees Earned</b>
Michael S. Fox	Partner	1982	1987	73.30	\$630	\$46,179.00
Kenneth A. Schlesinger	Partner	1987	1997	1.40	\$490	\$686.00
Jordanna L. Nadritch	Associate	2003	n/a	100.20	\$425	\$42,585.00
David Y. Wolnerman	Associate	2001	n/a	10.40	\$415	\$4,316.00
Jessica A. Berets	Associate	2002	n/a	16.80	\$430	\$7,224.00
Jayne M. Bethel	Associate	2009	n/a	100.70	\$280	\$28,196.00
Suhailah S. Sallie	Legal Assistant	n/a	n/a	60.10	\$185	\$11,118.50
<b>TOTAL:</b>				<b>362.90</b>		<b>\$140,304.50</b>

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:

<b>Matter</b>	<b>Hours</b>	<b>Fees Earned</b>
Asset Analysis and Recovery	51.20	\$22,906.00
Asset Disposition	13.60	\$4,296.00
Business Operations	62.50	\$29,740.00
Case Administration	110.60	\$36,199.00
Claims Administration and Objections	23.20	\$7,432.00
Fee/Employment Applications	32.60	\$10,626.00

Fee/Employment Objections	8.90	\$3,710.00
Litigation	8.80	\$3,625.50
Plan/Disclosure Statement	49.10	\$20,500.50
Creditor's Committee	2.40	\$1,269.50
<b>TOTAL:</b>	<b>362.90</b>	<b>\$140,304.50</b>

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 \$22,906.00 and Total Hours 51.20):**

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 lease summaries and communications with landlords regarding same.

**Asset Disposition (Fees \$4,296.00 and Total Hours 13.60):**

4. This category represents time spent reviewing and analyzing the Debtors' leases to determine and assess which leases should be rejected pursuant to Bankruptcy Code section 365, drafting the related rejection notices, as well as communications with landlords regarding same.

**Business Operations (Fees \$29,740.00 and Total Hours 62.50):**

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' credit card processors, and drafting and negotiating the stipulations with Merrick Bank. This category also includes communications and negotiations with Mengnu and Ashley. In addition, this category includes communications with utility companies regarding adequate assurance and establishing postpetition accounts.

**Case Administration (Fees \$36,199.00 and Total Hours 110.60):**

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 \$7,432.00 and Total Hours 23.20):**

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

**Fee/Employment Applications (Fees \$10,626.00 and Total Hours 32.60):**

8. This category represents time spent preparing monthly fee statements. This category also includes time spent drafting and revising the EisnerAmper LLP (“Eisner”) retention application.

**Fee/Employment Objections (Fees \$3,710.00 and Total Hours 8.90):**

9. This category represents time spent communicating with the United States Trustee and the Official Committee of Unsecured Creditors (the “Committee”) over retention issues with respect to Eisner.

**Litigation (Fees \$3,625.50 and Total Hours 8.80):**

10. This category represents time spent attending to issues with regard to the California class action.

**Plan/Disclosure Statement (Fees \$20,500.50 and Total Hours 49.10):**

11. This category represents time spent drafting all of the documents related to both the plan and disclosure statement, and researching attending to issues regarding classification and treatment under the plan.

**Creditor's Committee (Fees \$1,269.50 and Total Hours 2.40):**

12. This category represents time spent communicating with Committee counsel.

B. Expenses Incurred

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

<b>Expenses</b>	<b>Amount</b>
Facsimile	\$8.00
Meals	\$586.19
Messenger	\$12.01
Outside Copying	\$27.09
Postage	\$54.90
Reproduction	\$279.72
Secretarial O/T	\$85.00
Telephone (Long Distance)	\$1.73
Transportation	\$253.02
UPS	\$393.59
Westlaw	\$749.12
Word Processing	\$937.50
<b>TOTAL:</b>	<b>\$3,387.87</b>

**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: \$140,304.50  
EXPENSES: \$3,387.87  
**TOTAL: \$143,692.37**

B. Amount Payable After Holdback

15. The fees earned for this Statement Period totaled \$140,304.50 for 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 \$112,243.60.

16. The total expenses incurred during the Statement Period are \$3,387.87.

17. Accordingly, Olshan requests payment for the Statement Period in the total amount of \$115,631.47, which includes \$112,243.60 of fees (80% of total fees) and \$3,387.87 of expenses (100%).

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

Dated: New York, New York  
October 18, 2010

OLSHAN GRUNDMAN FROME  
ROSENZWEIG & WOLOSKY LLP

By: /s/ Michael S. Fox  
Michael S. Fox  
Jordanna L. Nadritch  
Jayme M. Bethel  
Park Avenue Tower  
65 East 55<sup>th</sup> Street  
New York, New York 10022  
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