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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.*<sup>1</sup> : 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 OCTOBER 1, 2010 THROUGH OCTOBER 31, 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

<sup>1</sup> 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 October 1, 2010 through and including October 31, 2010 (the "Statement Period").

**I. Itemization of Services Rendered by Deloitte FAS Professionals**

<b>Name</b>	<b>Title</b>	<b>Total Hours (Non-Travel)</b>	<b>Total Hours (Travel)<sup>(1)</sup></b>	<b>Applicable Hourly Rate<sup>(1)</sup></b>	<b>Fees Earned</b>
Narendra Ganti	Partner	27.5	3.0	\$375.00	\$10,875.00
Michael G. Taylor	Senior Manager	59.7	3.0	\$375.00	\$22,950.00
Elizabeth Mary Rielly	Senior Consultant	54.4	N/A	\$375.00	\$20,400.00
<b>TOTAL:</b>		<b>141.6</b>	<b>6.0</b>		<b>\$54,225.00</b>

<sup>(1)</sup> 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:

<b>Project Description</b>	<b>Hours (Non-Travel)</b>	<b>Hours (Travel) <sup>(1)</sup></b>	<b>Fees Earned <sup>(1)</sup></b>
Asset Sale Proposals/Competitive Bids	0.1	N/A	\$37.50
Miscellaneous Financial Analysis/Models	107.0	N/A	\$40,125.00
Meetings with Client/Counsel	9.0	N/A	\$3,375.00
Meetings with Debtor/Other Advisors	15.8	6.0	\$7,050.00
Fee Applications	9.7	N/A	\$3,637.50
<b>TOTAL:</b>	<b>141.6</b>	<b>6.0</b>	<b>\$54,225.00</b>

<sup>(1)</sup> 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.

**Asset Sale Proposals/Competitive Bids** (Fees: \$37.50 and Total Hours: 0.1)

5. Deloitte FAS corresponded with the Debtors' advisors regarding a party potentially interested in acquiring the go-forward business.

**Miscellaneous Financial Analysis/Models** (Fees: \$40,125.00 and Total Hours: 107.0)

6. Deloitte FAS reviewed forecasts, weekly flash reports comparing actual financial results to those forecast, historical financial information, information related to cure and priority claims, and the three year business plan. 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 a valuation analysis of certain equity stakes and of the sources and uses of cash at settlement.

**Meetings with Client/Counsel** (Fees: \$3,375.00 and Total Hours: 9.0)

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

**Meetings with Debtor/Other Advisors** (Fees: \$7,050.00 and Total Hours: 21.8)

8. 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 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: \$3,637.50 and Total Hours: 9.7)

9. Deloitte FAS accumulated and reported its time related to the engagement, analyzed the time charged by both professional level and category, and prepared the September 2010 monthly fee application.

**B. Expenses Incurred**

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

<b><u>Expenses</u></b>	<b><u>Amount</u></b>
Cab Service	\$169.37
Airfare	\$528.70
Parking	\$20.00
Long Distance Telephone/Conference Calls & Internet Service	\$6.95
<b>TOTAL:</b>	<b>\$725.02</b>

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

#### **A. Total Fees and Expenses:**

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

Fees	\$54,225.00
Expenses	\$725.02
<b>TOTAL:</b>	<b>\$54,950.02</b>

#### **B. Amount Payable After Holdback**

12. The fees earned for this Statement Period totaled \$54,225.00 for 147.6 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 \$43,380.00.

13. The total expenses incurred during the Statement Period are \$725.02.

14. Accordingly, Deloitte FAS requests payment for the Statement Period in the total amount of \$44,105.02, which includes \$43,380.00 of fees (80% of total fees) and \$725.02 of expenses (100%).

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

Dated: Washington, DC  
November 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]