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

III. 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	64.40	\$630	\$40,572.00
Steven R. Gursky	Partner	1979	1983	8.40	\$620	\$5,208.00
Kenneth A. Schlesinger	Partner	1987	1997	15.20	\$490	\$7,448.00
Allen R. Wolff	Partner	1992	1999	18.80	\$570	\$10,716.00
Jordanna L. Nadritch	Associate	2003	n/a	168.60	\$425	\$71,655.00
Ellen V. Holloman	Associate	1999	n/a	22.70	\$440	\$9,988.00
David Y. Wolnerman	Associate	2001	n/a	7.30	\$415	\$3,029.50
Safia A. Anand	Associate	2002	n/a	2.30	\$395	\$908.50
Jessica A. Berets	Associate	2002	n/a	8.60	\$430	\$3,698.00
Jayne M. Bethel	Associate	2009	n/a	116.30	\$280	\$32,564.00
Charles R. Fritch	Associate	2009	n/a	0.50	\$280	\$140.00
Suhailah S. Sallie	Legal Assistant	n/a	n/a	21.70	\$185	\$4,014.50
Wendy A. Bloom	Legal Assistant	n/a	n/a	3.60	\$255	\$918.00
TOTAL:				458.40		\$190,859.50

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

IV. 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	66.60	\$26,401.50
Asset Disposition	11.90	\$4,057.00
Business Operations	79.20	\$36,408.50
Case Administration	71.70	\$28,394.00
Claims Administration and Objections	9.10	\$2,940.00
Fee/Employment Applications	22.10	\$7,452.00
Fee/Employment Objections	1.00	\$425.00
Financing	14.90	\$4,665.00
Litigation	34.70	\$14,113.00
Plan/Disclosure Statement	127.70	\$56,338.50
Creditor's Committee	3.80	\$2,004.50
SEC Matters	15.70	\$7,660.50
TOTAL:	458.40	\$190,859.50

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 \$26,401.50 and Total Hours 66.60):

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 KPMG CF Realty LLC and landlords regarding same.

Asset Disposition (Fees \$4,057.00 and Total Hours 11.90):

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. This category also includes time spent responding to objections filed by the landlords of the rejected leases.

Business Operations (Fees \$36,408.50 and Total Hours 79.20):

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 stipulations with Merrick Bank and American Express. 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 post-petition accounts.

Case Administration (Fees \$28,394.00 and Total Hours 71.70):

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, client and the United States Trustee. This category also includes review of the Debtors' D&O insurance policy and various intellectual property issues, as well as drafting of the motions to extend exclusivity and rejection periods.

Claims Administration and Objections (Fees \$2,940.00 and Total Hours 9.10):

7. This category represents time spent attending to specific claim inquiries, calls with BMC Group, Inc., and attention to 503(b)(9) issues.

Fee/Employment Applications (Fees \$7,452.00 and Total Hours 22.10):

8. This category represents time spent preparing monthly fee statements. This category also includes time spent drafting the KGS LLP ("KGS") retention application and revising the EisnerAmper LLP retention application and related order.

Fee/Employment Objections (Fees 425.00 and Total Hours 1.00):

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 KGS.

Financing (Fees \$4,665.00 and Total Hours 14.90):

10. This category represents time spent drafting the motion to approve DIP financing and communications with Mengnu and other parties with respect to same.

Litigation (Fees \$14,113.00 and Total Hours 34.70):

11. This category represents time spent attending to issues with regard to the California class action and the motion of TMCC, Inc. for an order compelling payment of postpetition lease obligations.

Plan/Disclosure Statement (Fees \$56,338.50 and Total Hours 127.70):

12. This category represents time spent drafting all of the documents related to both the plan and disclosure statement, and researching attending to issues regarding timing, classification and treatment under the plan. This category also represents communications with respect to same.

Creditor’s Committee (Fees \$2,004.50 and Total Hours 3.80):

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

SEC Matters (Fees \$7,660.50 and Total Hours 15.70):

14. This category represents time spent drafting and reviewing the Debtors’ 10-K.

B. Expenses Incurred

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

Expenses	Amount
Meals	\$291.85
Messenger	\$65.77
Reproduction	\$1,032.84
Telephone	\$600.75
Telephone (Long Distance)	\$0.08
Travel Expense	\$130.00
UPS	\$184.38
Process Service	\$317.00
PACER Service	\$957.53
Witness Fees	\$120.00
Transcripts	\$1,475.50
Westlaw	\$320.98
TOTAL:	\$5,496.68

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

A. Total Fees and Expenses

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

FEES: \$190,859.50
 EXPENSES: \$5,496.68
TOTAL: \$196,356.18

B. Amount Payable After Holdback

17. The fees earned for this Statement Period totaled \$190,859.50 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 \$152,687.60.

18. The total expenses incurred during the Statement Period are \$5,496.68.

19. Accordingly, Olshan requests payment for the Statement Period in the total amount of \$158,184.28, which includes \$152,687.60 of fees (80% of total fees) and \$5,496.68 of expenses (100%).

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

Dated: New York, New York
November 23, 2010

OLSHAN GRUNDMAN FROME
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