

KELLEY DRYE & WARREN LLP  
James S. Carr  
Eric R. Wilson  
101 Park Avenue  
New York, New York 10178  
Tel: (212) 808-7800  
Fax: (212) 808-7897

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

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

In re:

JENNIFER CONVERTIBLES, INC., *et al.*<sup>1</sup>

Debtors.

Chapter 11

Case No. 10-13779 (ALG)  
(Jointly Administered)

**MONTHLY STATEMENT OF SERVICES RENDERED AND  
EXPENSES INCURRED BY KELLEY DRYE & WARREN LLP, COUNSEL  
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF  
JENNIFER CONVERTIBLES, INC., ET AL. FOR THE PERIOD FROM  
NOVEMBER 1, 2010 THROUGH NOVEMBER 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), Kelley Drye & Warren, LLP ("Kelley Drye"), Counsel to the Official Committee of Unsecured Creditors (the "Committee") of Jennifer Convertibles, Inc., *et al.* (the "Debtors"), hereby submits its monthly statement of services rendered and expenses incurred (the "Statement") for the period November 1, 2010 through and including November 30,

<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.

2010 (the “Statement Period”).

**I. Itemization of Services Rendered by Kelley Drye 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>
James S. Carr	Partner	1987	1998	38.9	\$645.00	\$25,090.50
Kevin J. Smith	Special Counsel	1997	N/A	8.1	\$565.00	\$4,576.50
Mark W. Page	Special Counsel	1991	N/A	4.5	\$495.00	\$2,227.50
Jason R. Adams	Associate	2000	N/A	80.7	\$485.00	\$39,139.50
Vikki Bollettino	Associate	2009	N/A	8.6	\$305.00	\$2,623.00
Risa M. Drexler	Associate	2009	N/A	13.3	\$305.00	\$4,056.50
Marie Vicinanza	Resource Assistant	N/A	N/A	.8	\$220.00	\$176.00
<b>TOTAL:</b>				<b>154.9</b>		<b>\$77,889.50</b>

1. Kelley Drye’s time records are itemized by the tenth of the hour and by individual timekeeper. Detailed time records of services rendered by Kelley Drye professionals during the Statement Period are attached hereto as Exhibit A.

**II. Itemization of Services Rendered and Disbursements Incurred by Category**

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

**A. Detailed Summary of Services Rendered by Project Category**

3. During the Statement Period, Kelley Drye professionals devoted time to the following matters:

<b>Matter</b>	<b>Hours</b>	<b>Fees Earned</b>
General Case Administration	3.8	\$1,779.00
Fee Matters	9.5	\$3,355.50
Financing and Cash Collateral	19.0	\$10,351.00
Asset Disposition	1.9	\$1,225.50
Executory Contracts and Leases	1.7	\$770.50
Avoidance Actions	24.7	\$10,361.50

Claims	2.6	\$1,383.00
Disclosure Statement and Plan of Reorganization	73.2	\$38,219.00
Committee Communications	13.4	\$7,971.00
Court Hearings	5.1	\$2,473.50
<b>TOTAL:</b>	<b>154.9</b>	<b>\$77,889.50</b>

4. To assist in the review of the fees sought, Kelley Drye has divided its time entries into the project categories set forth below. Exhibit A identifies the attorneys who have rendered services in each category, along with the number of hours for each individual and the total compensation sought for each category.

**General Case Administration** (Fees: \$1,779.00 and Total Hours: 3.8)

5. This category represents time spent on general and administrative matters arising in this case, including time spent conducting a general review of pleadings and maintaining a case calendar and a list of critical dates.

**Fee Matters** (Fees: \$3,355.50 and Total Hours: 9.5)

6. This category represents time spent preparing and filing a monthly fee statement for October 2010.

**Financing and Cash Collateral** (Fees: \$10,351.00 and Total Hours: 19.0)

7. Time in this category was spent negotiating the terms of the Debtors' proposed DIP financing from Haining Mengnu Group Co. Ltd. ("Mengnu"). Time in this category was also spent conferring with the Debtors, Mengnu and United States Trustee regarding the terms of the DIP Agreement, the Interim DIP Order and the DIP budget.

**Asset Disposition** (Fees: \$1,225.50 and Total Hours: 1.9)

8. Time in this category was spent communicating with a potential acquirer of the Debtors' assets.

**Executory Contracts and Leases** (Fees: \$770.50 and Total Hours: 1.7)

9. This category represents time spent reviewing a motion filed by one of the Debtors' landlords to compel payment of post-petition rent and the Debtors' response thereto. Time in this category was also spent conferring with advisors to the Debtors and Mengnu regarding the Debtors' assumption of the Debtors' license agreements with Ashley HomeStores, Ltd.

**Avoidance Actions** (Fees: \$10,361.50 and Total Hours: 24.7)

10. This category represents time spent reviewing and analyzing publicly available information regarding potential claims against the Debtors' officers and directors. Time in this category was also spent preparing a demand letter to the Debtors to request the Debtors commence litigation with regard to such claims against its officers and directors.

**Claims** (Fees: \$1,383.00 and Total Hours: 2.6)

11. Time in this category was spent communicating with the Debtors' claims and noticing agent regarding the total unsecured claims filed against the Debtors.

**Disclosure Statement and Plan of Reorganization** (Fees: \$38,219.00 and Total Hours: 73.2)

12. This category includes time spent finalizing the terms of a term sheet with Mengnu which forms the basis of the Debtors' plan of reorganization. Time in this category also includes time conferring with the Debtors and Mengnu regarding the Debtors' plan and disclosure statement, reviewing, analyzing and revising such documents and multiple meetings with the Debtors' and Mengnu's advisors to finalize and file such documents.

**Committee Communications** (Fees: \$7,971.00 and Total Hours: 13.4)

13. This category represents time spent communicating with Committee members regarding the status of the Debtors' cases. This category also includes time spent preparing for and conducting weekly Committee conference calls.

**Court Hearings** (Fees: \$2,473.50 and Total Hours: 5.1)

14. This category represents time spent preparing for and attending court hearings. During the Statement Period, counsel to the Committee participated in hearings to approve interim DIP financing and extending exclusivity, to extend time to assume or reject unexpired leases, and to address certain landlord motions.

**B. Expenses Incurred**

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

<b><u>Expenses</u></b>	<b><u>Amount</u></b>
Books/Research Matters	\$226.60
Courier	\$19.90
Duplication	\$315.00
Long Distance Telephone/Conference Calls	\$90.73
Westlaw Research	\$29.82
Pacer	\$453.12
Postage	\$6.72
<b>TOTAL:</b>	<b>\$1,141.89</b>

**III. Committee Member Expenses Sought for the Statement Period**

16. The total Committee member expenses that Kelley Drye seeks reimbursement of on behalf of Committee members are as follows:

<b><u>Expenses</u></b>	<b><u>Amount</u></b>
Hotel	\$379.92
Miscellaneous	\$525.00
Transportation/Airfare	\$1,053.40
<b>TOTAL:</b>	<b>\$1,958.32</b>

**IV. Total Amount of Fees and Expenses Sought for the Statement Period**

**A. Total Fees and Expenses:**

17. The total amount of fees and expenses for the Statement Period are as follows:

Fees	\$77,889.50
Kelley Drye Expenses	\$1,141.89
Committee Member Expenses	\$1,958.32
<b>TOTAL:</b>	<b>\$80,989.71</b>

**B. Holdback**

18. The fees earned for this Statement Period totaled \$77,889.50 for 154.9 hours of services performed. Pursuant to the Interim Compensation Order, to the extent permitted to be paid, the fees payable to Kelley Drye for the Statement Period, after adjustment for the 20% holdback, are \$62,311.60.

19. The total expenses incurred by Kelley Drye during the Statement Period are \$1,141.89. The total expenses incurred by Committee members are \$1,958.32.

20. Accordingly, to the extent permitted to be paid, Kelley Drye requests payment for the Statement Period in the total amount of \$65,411.81, which includes \$62,311.60 of fees (80% of total fees) and \$3,100.21 of expenses (100%).

21. Kelley Drye respectfully requests that such amounts be paid in accordance with the Interim Compensation Order.

Dated: New York, New York  
December 21, 2010

**KELLEY DRYE & WARREN LLP**

By: /s/ James S. Carr

James S. Carr

Eric R. Wilson

101 Park Avenue

New York, New York 10178

Tel: (212) 808-7800

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**EXHIBIT A – DETAILED TIME AND EXPENSE RECORDS**

[Exhibit A was provided to the Debtors, Debtors' Counsel  
and the Office of the United States Trustee]