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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 DECEMBER 1, 2010 THROUGH DECEMBER 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

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 December 1, 2010 through and including December 31, 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 |
|-----------------------|-------------------|---------------------------------|---|---|--------------------|
| Michael G. Taylor | Senior Manager | 8.5 | N/A | \$375.00 | \$3,187.50 |
| Elizabeth Mary Rielly | Senior Consultant | 11.4 | N/A | \$375.00 | \$4,275.00 |
| TOTAL: | | 19.9 | N/A | | \$7,462.50 |

⁽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⁾ |
|---|---------------------------|-------------------------------------|----------------------------------|
| Miscellaneous Financial Analysis/Models | 17.8 | N/A | \$6,675.00 |
| Meetings with Client/Counsel | 2.1 | N/A | \$787.50 |
| TOTAL: | 19.9 | N/A | \$7,462.50 |

⁽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.

Miscellaneous Financial Analysis/Models (Fees: \$6,675.00 and Total Hours: 17.8)

5. Deloitte FAS reviewed and analyzed forecasts, weekly flash reports comparing actual financial results to those forecast, historical financial information, the October monthly operating report, the plan of reorganization, and the Debtors-in-Possession (“DIP”) budgets.

Meetings with Client/Counsel (Fees: \$787.50 and Total Hours: 2.1)

6. 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, and/or other financial analysis performed.

B. Expenses Incurred

7. Deloitte FAS did not incur any expenses during the Statement Period.

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

A. Total Fees and Expenses:

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

| | |
|---------------|-------------------|
| Fees | \$7,462.50 |
| Expenses | \$0.00 |
| TOTAL: | \$7,462.50 |

B. Amount Payable After Holdback

9. The fees earned for this Statement Period totaled \$7,462.50 for 19.9 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 \$5,970.00.

10. Deloitte FAS did not incur any expenses during the Statement Period.

11. Accordingly, Deloitte FAS requests payment for the Statement Period in the total amount of \$5,970.00 (80% of total fees).

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

Dated: Washington, DC
January 27, 2011

DELOITTE FINANCIAL ADVISORY SERVICE LLP

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EXHIBITS

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