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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 DECEMBER 1, 2010 THROUGH DECEMBER 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 December 1, 2010 through and including December 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	37.10	\$630	\$23,373.00
Kenneth A. Schlesinger	Partner	1987	1997	2.40	\$490	\$1,176.00
Mitchell B. Stern	Partner	1984	2001	5.40	\$560	\$3,024.00
Allen R. Wolff	Partner	1992	1999	23.10	\$570	\$13,167.00
Nina M. Rokat	Partner	1996	2005	7.90	\$510	\$4,029.00
Jordanna L. Nadritch	Associate	2003	n/a	101.70	\$425	\$43,222.50
Ellen V. Holloman	Associate	1999	n/a	14.10	\$440	\$6,204.00
David Y. Wolnerman	Associate	2001	n/a	33.30	\$415	\$13,819.50
Jessica A. Berets	Associate	2002	n/a	15.90	\$430	\$6,837.00
Denise Wahba	Associate	2006	n/a	3.60	\$350	\$1,260.00
Jayme M. Bethel	Associate	2009	n/a	91.70	\$280	\$25,676.00
Suhailah S. Sallie	Legal Assistant	n/a	n/a	40.00	\$185	\$7,400.00
Brian K. Simpson	Legal Assistant	n/a	n/a	0.80	\$225	\$180.00
TOTAL:				377.00		\$149,368.00

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	77.00	\$33,660.00
Asset Disposition	4.70	\$1,351.00
Business Operations	63.90	\$29,956.00
Case Administration	73.30	\$23,237.50
Claims Administration and Objections	18.00	\$5,271.50
Fee/Employment Applications	2.00	\$661.50
Financing	15.50	\$5,079.50
Litigation	55.40	\$23,233.00
Plan/Disclosure Statement	60.90	\$24,357.50
SEC Matters	6.30	\$2,560.50
TOTAL:	377.00	\$149,368.00

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 \$33,660.00 and Total Hours 77.00):

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 \$1,351.00 and Total Hours 4.70):

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 \$29,956.00 and Total Hours 63.90):

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, American Express, and Discover. This category also includes communications and negotiations with Mengnu and Ashley, as well as time spent drafting the motion to assume the Ashley Trademark Usage Agreements. In addition, this category includes review of the Debtors' D&O insurance policy.

Case Administration (Fees \$23,237.50 and Total Hours 73.30):

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 attending to the Debtors' monthly operating reports.

Claims Administration and Objections (Fees \$5,271.50 and Total Hours 18.00):

7. This category represents time spent attending to specific claim inquiries and objections, calls with BMC Group, Inc., and attention to the claims register in these chapter 11 cases. This category also includes time spent drafting omnibus claims objections.

Fee/Employment Applications (Fees \$661.50 and Total Hours 2.00):

8. This category represents time spent preparing monthly fee statements for Olshan, and time spent revising the KPMG amended retention application.

Financing (Fees \$5,079.50 and Total Hours 15.50):

9. This category represents time spent reviewing and revising the final DIP documents and preparing for the final DIP hearing, as well as communications with Mengnu and other parties with respect to same.

Litigation (Fees \$23,233.00 and Total Hours 55.40):

10. This category represents time spent attending to issues with regard to the California class action and the Motion of TMCC, Inc to Compel Payment of Post-Petition Lease Obligations, Directing Timely Performance of All Lease Obligations or, in the alternative, Compelling Immediate Rejection of Lease.

Plan/Disclosure Statement (Fees \$24,357.50 and Total Hours 60.90):

11. This category represents time spent negotiating and 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 and negotiations with respect to same.

SEC Matters (Fees \$2,560.50 and Total Hours 6.30):

12. This category represents time spent drafting and reviewing the Debtors' 10-Q and 8-K.

B. Expenses Incurred

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

Expenses	Amount
Meals	\$120.40
Reproduction	\$338.04
Secretarial O/T	\$42.50
Telephone (Long Distance)	\$95.49
Transportation	\$203.79
UPS	\$266.74
Transcripts	\$1,779.87
Westlaw	\$145.35
Word Processing	\$1,106.25
TOTAL:	\$4,098.43

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: \$149,368.00
EXPENSES: \$4,098.43
TOTAL: \$153,466.43

B. Amount Payable After Holdback

17. The fees earned for this Statement Period totaled \$149,368.00 for 377.00 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 \$119,494.40.

18. The total expenses incurred during the Statement Period are \$4,098.43.

19. Accordingly, Olshan requests payment for the Statement Period in the total amount of \$123,592.83, which includes \$119,494.40 of fees (80% of total fees) and \$4,098.43 of expenses (100%).

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

Dated: New York, New York
February 9, 2011

OLSHAN GRUNDMAN FROME
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