

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW YORK

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In re :  
: Chapter 11  
: JENNIFER CONVERTIBLES, INC., : Case No. 10-13779 (ALG)  
: Debtors. : (Jointly Administered)  
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**FIRST AND FINAL APPLICATION OF EISNERAMPER LLP F/K/A EISNER  
LLP FOR ALLOWANCE AS ACCOUNTANTS TO THE DEBTORS**

Name of Applicant:	EisnerAmper LLP
Authorized to provide professional services to:	The above-captioned debtors and debtors in possession
Date of retention:	September 16, 2010
Period for which compensation and reimbursement are sought:	September 16, 2010 to February 22, 2011
Fees sought for compensation period:	\$255,000.00
Expenses sought for compensation period:	\$0
Total compensation and expense reimbursement sought:	\$255,000.00
Total compensation and reimbursement previously paid:	\$250,000.00
Net Unpaid:	\$5,000.00

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In re :  
: Chapter 11  
: JENNIFER CONVERTIBLES, INC., : Case No. 10-13779 (ALG)  
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**FIRST AND FINAL APPLICATION OF EISNERAMPER LLP F/K/A EISNER  
LLP FOR ALLOWANCE AS ACCOUNTANTS TO THE DEBTORS**

EisnerAmper LLP (“EisnerAmper”) respectfully makes this first and final application for allowance of compensation for professional services rendered to the Debtors by EisnerAmper on behalf of the Debtors for the period September 16, 2010 through February 22, 2011 (the “Compensation Period”), pursuant to (i) Sections 327, 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”); (ii) Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); (iii) Administrative Order M-389, Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases (the “Amended Guidelines”); (iv) the Court’s order pursuant to Bankruptcy Code sections 105(a) and 331 and Bankruptcy Rule 2016(a), establishing procedures for interim monthly compensation and reimbursement of expenses of professionals, dated August 10, 2010, (Docket No. 155) (the “Interim Compensation Order”); (v) the guidelines promulgated by the Office of the United States Trustee applicable to the Application for compensation and reimbursement of expenses (the “U.S. Trustee Guidelines”); (vi) the Court’s Order Authorizing Debtors to Employ EisnerAmper LLP as a Professional Utilized In The Ordinary Course of Business Pursuant to Bankruptcy Code (Docket No. 248) (the

“Retention Order”); and (vii) Findings of Fact and Conclusions of Law and Order Signed on 2/8/2011 Confirming the Amended Joint Chapter 11 Plan of Reorganization of Jennifer Convertibles, Inc. and its Affiliated Debtors, dated February 9, 2011 (Docket No. 491) (the “Confirmation Order”).

### **INTRODUCTION**

1. This is EisnerAmper’s first and final application for allowance and payment of compensation for professional services (the “Application”). This Application requests compensation for certain audit services rendered by EisnerAmper on behalf of the Debtors during the Compensation Period in connection with the rendering of these services. Specifically, EisnerAmper seeks the approval and allowance of compensation in the amount of \$255,000, representing the capped amount of fees for EisnerAmper’s actual time charges for 1,267.8 hours of professional services rendered, all as more fully set forth below. Approval and allowance of this amount is fully warranted in light of the actual and necessary services rendered to the Debtors by EisnerAmper as described in this Application.

2. To date, the Debtors have paid EisnerAmper a total of \$250,000 in fees incurred during the Compensation Period. By this Application, EisnerAmper hereby submits its application for first interim and final allowance and payment of 100% of the fees for professional services rendered by EisnerAmper to the Debtors during the Compensation Period in connection with, the rendering of such professional services.

### **JURISDICTION AND VENUE**

3. The Court has jurisdiction over this Application under 28 U.S.C. §§ 157 and 1334. Venue is proper under 28 U.S.C. §§ 1408 and 1409. This is a core proceeding under 28 U.S.C. § 157(b)(2).

## **BACKGROUND**

### **The Bankruptcy Cases**

4. On July 18, 2010 (the “Petition Date”), each of the Debtors commenced with the Bankruptcy Court a voluntary case pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors have continued in possession of their property and continue to operate and manage their businesses as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or an examiner in these chapter 11 cases.

5. Jennifer Convertibles, Inc. was organized as a Delaware corporation in 1986 and, as of the Petition Date, was the owner of (i) the largest group of sofa-bed specialty retail stores and leather specialty retail stores in the United States, with stores located throughout the Eastern seaboard, Midwest, West Coast and Southwest, and (ii) seven big box, full-line furniture stores operated under the Ashley Furniture HomeStore brand (the “Ashley Stores”) under a license from Ashley Furniture Industries, Inc.

### **The Retention of EisnerAmper**

6. On August 13, 2010, the Debtors filed their Application To Employ And Retain Eisner LLP As Auditors To The Debtors And Debtors In Possession Pursuant To Sections 327(A), 330, 331 And 1107(B) Of The Bankruptcy Code (Docket No. 166) (the “Retention Application”), attached hereto as Exhibit “A”, seeking authorization to retain EisnerAmper as the Debtors’ auditors. The Retention Application caps fees for EisnerAmper during the course of the bankruptcy at \$255,000 (the “Capped Fee”), as stipulated as terms of the EisnerAmper engagement letter dated June 2, 2010 (the “Engagement Letter”), attached hereto as Exhibit “B”. On October 8, 2010, the Debtors filed the Supplemental Affidavit of

Steven Kreit In Support of Employment of EisnerAmper LLP (Docket No. 279).

7. Pursuant to the Retention Order, attached hereto as Exhibit “C”, the Court granted the Retention Application and approved the retention of EisnerAmper.

8. The Retention Application provided and the Retention Order authorized EisnerAmper to provide various professional services, including but not limited to the following:

- a. audit the Debtors’ consolidated balance sheet and related consolidated statements of operations and comprehensive income and cash flows for the year ending August 28, 2010;
- b. upon completion of the audit, subject to its findings and professional judgment, issue a report expressing an opinion regarding the financial statements; and
- c. perform any other permitted non-audit services that may be requested by the Debtors and covered in a separate engagement letter.

9. Pursuant to the Retention Order, in consideration for services provided to the Debtors, the Debtors were authorized, subject to final approval of the Court, to pay EisnerAmper in accordance with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules for the Southern District of New York, the Interim Compensation Order, the U.S. Trustee Guidelines, and the Amended Guidelines.

**The Debtors’ Restructuring and Confirmation of the Amended Plan**

10. On November 19, 2010, the Debtors filed the Debtors Emergency Motion For Entry Of An Order Authorizing The Debtors To Enter Into A DIP Credit Agreement (Docket No. 335) (the “DIP Motion”), seeking authorization of the Bankruptcy Court to enter into a DIP financing arrangement (the “DIP Financing”) with Mengnu. The Court approved the requested relief on an interim basis on December 1, 2010, and entered the Final Order Authorizing Debtors to Enter into a DIP Credit Agreement on December 21, 2010 (Docket

No. 394).

11. Also on November 19, 2010, the Debtors filed the Joint Chapter 11 Plan Of Reorganization For Jennifer Convertibles, Inc. and Its Affiliated Debtors. Subsequently, on December 17, 2010, the Debtors filed the Amended Joint Chapter 11 Plan Of Reorganization For Jennifer Convertibles, Inc. and Its Affiliated Debtors (the “Amended Plan”) and the Disclosure Statement Regarding the Amended Plan (the “Disclosure Statement”).

12. On February 9, 2011, the Bankruptcy Court entered the Confirmation Order. Pursuant to Section 4.02(a)(4) of the Amended Plan and paragraph 29 of the Confirmation Order, all final requests for payment of Fee Claims (as defined therein), incurred during the period from the Petition Date through the Effective Date (as defined therein), are required to be filed with the Bankruptcy Court within sixty days after the Effective Date or such other date as may be fixed by the Bankruptcy Court and served on the Debtors, their counsel, the United States Trustee, and counsel to the Creditors Committee. *See* Amended Plan § 4.02(a)(4); Confirmation Order ¶

13. The Amended Plan and the Confirmation Order further provide that, subject to written engagement agreements with the Reorganized Debtors, the amount of any reasonable fees and expenses incurred by any professional in connection with implementation of the Amended Plan shall be paid in cash by the Reorganized Debtors. *See* Amended Plan § 4.02(a)(4); Confirmation Order ¶ 30.

#### **SERVICES RENDERED**

14. Since the Petition Date, EisnerAmper has rendered professional services to the Debtors as requested and as necessary and appropriate. During the Compensation Period, EisnerAmper provided a wide variety of auditing services for the Debtors, as noted below.

15. All services for which compensation is sought were performed for and on behalf of the Debtors. EisnerAmper has not entered into any agreement, express or implied, with any party in interest for the purpose of fixing or sharing fees or other compensation to be paid for professional services rendered in these cases.

16. Senior level professionals with extensive experience in the area of auditing services have directed EisnerAmper's team. Throughout the Compensation Period, EisnerAmper allocated significant resources to this case. Each EisnerAmper professional assigned to this engagement as well as other administrative personnel within EisnerAmper dedicated significant time to this assignment.

17. In connection with its work pursuant to the Engagement Letter, EisnerAmper performed various services at the request or direction of the Debtors and/or the Debtors' counsel, the legal professionals of Olshan Grundman Frome Rosenzweig & Wolosky LLP ("Olshan"). EisnerAmper has provided a broad range of necessary auditing services to the Debtors. Major areas of efforts can be summarized into the following general categories and sub-categories (collectively, the "Services"): In addition to the matters set forth in the Engagement Letter, significant time was incurred on the following Services:

- a. Accounts receivable;
- b. Inventory;
- c. Accounts payable and accrued expenses;
- d. Partner review and evaluation of audit workpapers;
- e. Tax liabilities;
- f. Lease agreements, loan agreements and other executory contracts; and

- g. Review and editing of financial statements.

**TERMS OF EISNERAMPER'S COMPENSATION**

18. Monthly Fees. The Retention Order authorized the payment of EisnerAmper's monthly fees pursuant to the terms of the Engagement Letter. Pursuant to the Engagement Letter, in payment for the services provided by EisnerAmper to the Debtors, the Debtors agreed to pay EisnerAmper, subject to the final approval of the Bankruptcy Court, a capped total fee of \$255,000.

**REQUEST FOR COMPENSATION FOR COMPENSATION PERIOD**

19. By this Application, EisnerAmper seeks entry of an order (i) granting, on a final basis, allowance and award of compensation for the professional services rendered by it as tax professionals to the Debtors during the Compensation Period, consisting of fees in the total amount of \$255,000; and (ii) authorizing and directing the Debtors to make payment in respect of all unpaid fees.

20. Attached hereto as Exhibit "D" is a schedule of total compensation for which EisnerAmper is seeking payment, as well as the total compensation previously paid and the total compensation outstanding.

21. Exhibits to this Application reflect fees of \$343,712 for services rendered from August 13, 2010 through February 22, 2011. However, EisnerAmper recognizes that its fees are limited to \$255,000 as set forth in the Engagement Letter and the Retention Order.

22. The fees charged by EisnerAmper during the Compensation Period have thus been billed in accordance with the Retention Order and the Engagement Letter. The fees that EisnerAmper is charging for the Services rendered by its professionals in these cases are comparable to the fees charged by EisnerAmper for professional services rendered in

comparable, non-bankruptcy related matters. Such fees are reasonable based on the customary compensation charged by similarly skilled practitioners in comparable non-bankruptcy cases in the competitive national financial advisory market.

23. Although the Retention Order did not require EisnerAmper to maintain time records, EisnerAmper kept a basic log of the time each of the primary members of the transaction team, as listed above, dedicated to these cases, which is attached hereto as Exhibit “E”. EisnerAmper’ policy, for all engagements in or out of bankruptcy, is to dedicate the appropriate number of professionals to the assignment to complete the work as efficiently as possible.

24. Attached hereto as Exhibit “F” is the certification of Steven Kreit in support of this Application.

25. Attached hereto as Exhibit “G” is the proposed order granting the relief requested herein.

### **BASIS FOR REQUEST FOR COMPENSATION**

#### **The Requested Compensation Should be Allowed**

26. Section 330 of the Bankruptcy Code governs the compensation of professionals employed by the debtor or an approved committee and provides that “the court may award...reasonable compensation for actual, necessary services rendered by the...professional person...and reimbursement for actual, necessary expenses.” 11 U.S.C. § 330(a)(1). Section 330 also sets forth the following factors in determining the reasonableness of the compensation sought for the services provided:

- the time spent on such services;
- the rates charged for such services;

- whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

27. EisnerAmper submits that the Services for which it seeks compensation in this Application were necessary and beneficial to the Debtors' estates. EisnerAmper submits that it played an integral role in assisting the Debtors in these chapter 11 cases. Further, EisnerAmper respectfully submits that the Services rendered to the Debtors were performed effectively, efficiently and economically and that the results obtained have benefitted all stakeholders in these cases. EisnerAmper further submits that the compensation requested for Services rendered by EisnerAmper to the Debtors during the Compensation Period is fully justified and reasonable based on the following: (a) the degree of activity during the Compensation Period and the high level of services rendered by EisnerAmper to the Debtors; (b) the complexity of the issues presented; (c) the skills necessary to perform the tax advisory services properly; (d) the preclusion of other employment; (e) customary fees charged in non-bankruptcy situations for similar services rendered; (f) time constraints required by the exigencies of the cases; and (g) the experience, reputation and ability of the professionals rendering services.

### **CONCLUSION**

28. In sum, the Services EisnerAmper has rendered have been necessary and beneficial and were performed in a timely manner commensurate with the complexity, importance and nature of the issues involved. Accordingly, EisnerAmper respectfully requests for the Court to approve the compensation requested herein.

### **NOTICE**

29. This Application, with exhibits, has been provided to (i) the Court; (ii) the Debtors; (iii) counsel to the Debtors; (iv) counsel to the Official Committee of Unsecured Creditors; and (iv) the Office of the United States Trustee. Notice of this Application has been provided to all parties that have filed a notice of appearance in the Debtors' case and all other parties entitled to notice. In light of the relief requested, EisnerAmper submits that no other or further notice is necessary.

WHEREFORE, EisnerAmper respectfully requests that the Court enter an Order (i) allowing and awarding the requested compensation of \$255,000 for the Compensation Period; and (ii) granting such other and further relief as is just and equitable, for all of which no other application has been made to this or any other Court.

Dated: New York, New York  
April 4, 2011

EisnerAmper LLP

By: /s/ Steven Kreit  
STEVEN KREIT  
750 Third Avenue  
New York, New York 10017  
Telephone: (212) 949-8700  
Fax: (212) 891-4100

**EXHIBIT A**

**Retention Application**

**OLSHAN GRUNDMAN FROME  
ROSENZWEIG & WOLOSKY LLP**

Park Avenue Tower  
65 East 55<sup>th</sup> Street  
New York, New York 10022  
Michael S. Fox, Esq.  
Jordanna L. Nadritch, Esq.  
Jayme M. Bethel, Esq.  
212.451.2300

*Counsel for the Debtors and Debtors in Possession*

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

In re:

JENNIFER CONVERTIBLES, INC.,<sup>1</sup>

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**DEBTORS' APPLICATION TO EMPLOY AND RETAIN EISNER LLP AS AUDITORS  
TO THE DEBTORS AND DEBTORS IN POSSESSION PURSUANT  
TO SECTIONS 327(a), 330, 331 AND 1107(b) OF THE BANKRUPTCY CODE**

Jennifer Convertibles, Inc. ("Jennifer Convertibles") and its affiliated debtors, as debtors in possession (together, the "Debtors"), hereby apply to this Court (the "Application") for entry of an order pursuant to sections 327(a), 330, 331 and 1107(b) of title 11 of the Bankruptcy Code, Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 2014-1 of the Local Rules of the Bankruptcy Court of the Southern District of New York (the "Local Rules"), authorizing the Debtors to retain and employ Eisner LLP ("Eisner"), as auditors,

<sup>1</sup> 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).

*nunc pro tunc* to the commencement of these chapter 11 cases (the “Application”). In support of the Application, the Debtors rely upon and incorporate by reference the Affidavit of Steven Kreit (the “Kreit Affidavit”), annexed hereto as Exhibit B. In support of this Application, the Debtors respectfully state as follows:

### **Background**

1. On July 18, 2010 (the “Petition Date”), each of the Debtors commenced with the Bankruptcy Court a voluntary case pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. An Official Committee of Unsecured Creditors was appointed in these chapter 11 cases on July 23, 2010.

2. Jennifer Convertibles, Inc. was organized as a Delaware corporation in 1986, and is currently the owner of (i) the largest group of sofabed specialty retail stores and leather specialty retail stores in the United States, with stores located throughout the Eastern seaboard, Midwest, West Coast and Southwest, and (ii) seven big box, full-line furniture stores operated under the Ashley Furniture HomeStore brand (the “Ashley Stores”) under a license from Ashley Furniture Industries, Inc.

3. As of the Petition Date, the Debtors’ stores included 130 stores operated by the Jennifer segment. During fiscal 2007, the Debtors opened their first Ashley Store. As of the Petition Date, the Debtors operate seven Ashley Stores.

4. As of the Petition Date, the Debtors employed 497 people. There are 336 employees in the Jennifer segment, 114 employees in the Ashley segment and 47 corporate employees. None of the employees are represented by a collective bargaining unit.

5. The factual background relating to the Debtors' commencement of these chapter 11 cases is set forth in additional detail in the Declaration of Rami Abada in Support of First Day Applications (the "Abada Declaration") filed on July 19, 2010 and incorporated herein by reference.

### **Jurisdiction**

6. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

7. The statutory predicates for the relief requested herein are sections 105(a), 327(a) and 330 of title 11 of the United States Code (the "Bankruptcy Code").

### **Relief Requested**

8. By this Application, the Debtors entry of an order, pursuant to sections 327(a), 330, 331 and 1107(b) of the Bankruptcy Code, Rule 2014 of the Bankruptcy Rules and Local Rule 2014-1, authorizing the employment and retention of Eisner as auditors to the Debtors, *nunc pro tunc* to the Petition Date, pursuant to terms of an engagement letter, dated as of June 2, 2010 (the "Engagement Letter"), a copy of which is annexed hereto as Exhibit A. It is proposed that Eisner will provide assistance with the completion of the Debtors' 2010 audit, for the fiscal year ending August 28, 2010 and upon completion of the audit and subject to its findings, issue an opinion report.

9. The Debtors request that they be permitted to employ and retain Eisner, *nunc pro tunc* to the Petition Date, on terms substantially similar to those in effect prior to the Petition Date, but subject to the limitations described herein. The Debtors represent that: (a) they desire to employ Eisner as necessary for the Debtors' operations and to be in compliance with the reporting requirements of the Securities Exchange Commission; (b) the expenses for Eisner will

be kept to a minimum; and (c) Eisner will not perform substantial services relating to bankruptcy matters without permission of this Court.

### **QUALIFICATIONS AND SERVICES**

10. The Debtors seek authority to continue to employ and retain Eisner as an ordinary course professional, to render auditing services to the Debtors. The Debtors have selected Eisner as their auditors because of Eisner's diverse experience and extensive knowledge in the fields of accounting and taxation. In addition, Eisner has provided auditing services to the Debtors prepetition. By virtue of its prepetition engagement by the Debtors, Eisner is familiar with the books, records, financial information and other data maintained by the Debtors and is well-qualified to continue to provide accounting and financial advisory services to the Debtors. Therefore, retaining Eisner is an efficient and cost effective manner in which the Debtors may obtain the requisite services and such retention is reasonable and in the best interests of the estates.

#### **Services to be Rendered**

11. If this Application is approved, Eisner will continue to provide audit services to the Debtors. Eisner professionals, including Steven Kreit, who will lead the Eisner team, will work closely with the Debtors' management and other professionals throughout these cases. The professional services that Eisner will render to the Debtors may include, without limitation, the following:

- a. audit the Debtors' consolidated balance sheet and related consolidated statements of operations and comprehensive income and cash flows for the year ending August 28, 2010;
- b. upon completion of the audit, subject to its findings and professional judgment, issue a report expressing an opinion regarding the financial statements; and

- c. perform any other permitted non-audit services that may be requested by the Debtors and covered in a separate engagement letter.

12. Such professional services are necessary to ensure that the Debtors make necessary filings with the taxing authorities during the bankruptcy process.

13. Specifically, Eisner performs audits of the Debtors' consolidated balance sheets and the related consolidated statements of operations, stockholders' equity and cash flows for each fiscal year. The Debtors' fiscal year ends on August 28, 2010, and the Debtors need Eisner to ensure that they are in compliance with the Sarbanes-Oxley Act of 2002, Section 404 requirements. The Debtors submit that the retention of Eisner and the payment of Eisner's compensation on the basis set forth herein is reasonable and in the best interests of the Debtors, their estates, creditors, and other parties in interest. As set forth above, Eisner has previously worked with the Debtors and has gained considerable expertise and background knowledge in that time. If the Debtors are forced to retain an alternate auditor, the estates undoubtedly would incur additional and unnecessary expenses. It is therefore in the best interests of the Debtors' estates to avoid any disruption in the professional services required in the operation of their businesses.

#### Compensation

14. The Debtors have been mindful of the need to minimize expenses related to professionals given the precarious nature of their finances. Accordingly, the Debtors have carefully determined that the services of Eisner are absolutely critical for the operation of the Debtors' business. As a public reporting company, the Debtors are required by law to comply with the Sarbanes-Oxley Act of 2002, and Eisner's professional services are necessary to ensure that the Debtors make necessary filings with the taxing authorities during the bankruptcy process. Thus Eisner's services are vital to the Debtors' continuing operations.

15. The Debtors therefore propose that they be permitted to pay, without formal application to this Court, 100% of the postpetition fees and disbursements to Eisner upon the submission to the Debtors of an appropriate invoice in accordance with Eisner's standard billing practices (without prejudice to the Debtors' normal right to dispute any such invoices). Pursuant to the terms of the Engagement Letter, Eisner estimates that fees for the audit of the Debtors financial statements will be approximately \$255,000 annually, including out-of-pocket costs and \$12,500 per quarter for interim reviews, all as set forth in greater detail in the Engagement Letter attached hereto as Exhibit A. As such, the Debtors submit that a cap in the amount of \$255,000 (the "Fee Cap") be imposed, and to the extent that fees payable to Eisner exceed the Fee Cap, such fees will be subject to prior approval of the Court in accordance with section 330 of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules; provided, however, Eisner will be entitled to payment up to the Fee Cap as a credit against the fee and disbursements ultimately allowed by the Court.

16. The Debtors believe that the fees and compensation of Eisner and the terms of the engagement are fair and reasonable in light of industry practice, market rates both in and out of chapter 11 proceedings, Eisner's experience in reorganizations and the scope of work to be performed pursuant to its retention.

17. In connection with these cases, the Debtors have retained (a) Olshan Grundman Frome Rosenzweig & Wolosky LLP as general counsel, (b) TM Capital Corp. to provide financial advisor services, (c) KPMG CF Realty LLC as special real estate advisor, and (d) BMC Group, Inc. as claims and noticing agent. Each of these firms will work under the direction of the Debtors' management. Eisner is prepared to work closely with each of the Debtors' professionals to ensure that there is no unnecessary duplication of effort or cost.

### **Disclosure of Disinterestedness**

18. As further described in the Kreit Affidavit, attached hereto as Exhibit B, the Debtors believe that: (a) Eisner has no connection with the Debtors, their creditors, the U.S. Trustee, any person employed in the Office of the U.S. Trustee or any other party with an actual or potential interest in these chapter 11 cases or their respective attorneys or accountants; (b) Eisner is not a creditor, equity security holder or insider of the Debtors; (c) Eisner is not and was not, within two years of the Petition Date, a director, officer or employee of the Debtors; and (d) Eisner does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with or interest in, the Debtors or for any other reason.

19. Accordingly, based on the Kreit Affidavit, the Debtors believe that Eisner (a) does not hold or represent any interest adverse to the Debtors or their estates, and (b) is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code. Moreover, the Debtors believe that employment of Eisner is necessary and in the best interests of the Debtors and their estates.

20. As set forth in the Kreit Affidavit, the Debtors do not owe Eisner any amounts for professional services rendered prior to the Petition Date.

### **Basis For Relief**

21. Pursuant to section 327(a) of the Bankruptcy Code, a debtor “may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the [debtor’s] duties . . . .” 11 U.S.C. § 327(a).

22. Section 101(14) of the Bankruptcy Code defines “disinterested person” as a person that:

- a. is not a creditor, an equity security holder, or an insider;
- b. is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of the debtor; and
- c. does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason.

23. Bankruptcy Rule 2014 provides, in relevant part, as follows:

An order approving the employment of attorneys, accountants, appraisers, auctioneers, agents, or other professionals pursuant to § 327 . . . of the Code shall be made only on application of the trustee or committee.

Fed R. Bankr. P. 2014.

24. Local Rule 2014-1 provides, in relevant part, as follows:

An application for the employment of a professional person pursuant to §§ 327 and 328 of the Bankruptcy Code shall state the specific facts showing the reasonableness of the terms and conditions of the employment, including the terms of any retainer, hourly fee or contingent fee arrangement.

S.D.N.Y. LBR 2014-1.

25. As set forth above, Eisner has considerable expertise and background knowledge of the Debtors' businesses. Forcing the Debtors to retain an alternate auditor would incur additional and unnecessary expenses. As such, the Debtors believe retention of Eisner as their auditor is in the best interests of the Debtors, their estates, creditors, and other parties in interest. The Debtors believe it is essential that the employment of Eisner be continued to avoid disruption of the Debtors' normal business operations, since without Eisner the Debtors will not be able to complete their 10-K at the end of their fiscal year, which concludes on August 28, 2010.

26. The Debtors therefore submit that the proposed employment of Eisner and the payment of compensation on the basis set forth herein are both reasonable and in the best interest of their estates and creditors. Accordingly, the Debtors respectfully request that the relief sought herein is granted.

#### **Notice**

27. Notice of this Application has been provided to: (i) Office of the United States Trustee for the Southern District of New York; (ii) those creditors holding the thirty (30) largest unsecured claims against the Debtors' estates (on a consolidated basis); (iii) counsel to the Official Committee of Unsecured Creditors; and (iv) any other party directly affected by this Application. The Debtors submit that such notice is sufficient under the circumstances.

#### **No Previous Request**

28. No previous request for the relief sought herein has been made to this or any other Court.

WHEREFORE the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: New York, New York  
August 13, 2010

OLSHAN GRUNDMAN FROME  
ROSENZWEIG & WOLOSKY LLP

By: /s/ Michael S. Fox  
Michael S. Fox  
Jordanna L. Nadritch  
Jayme M. Bethel  
Park Avenue Tower  
65 East 55<sup>th</sup> Street  
New York, New York 10022  
(212) 451-2300

*Counsel for the Debtors and Debtors in  
Possession*

**EXHIBIT B**

**Engagement Letter**

# Eisner

Eisner LLP  
Accountants and Advisors

750 Third Avenue  
New York, NY 10017-2703  
Tel 212.949.8700 Fax 212.891.4100  
www.eisnerllp.com

June 2, 2010

Mr. Ed Bohn  
c/o Nova Corp  
74 West Sheffield Avenue  
Englewood, NJ 07631

and

Mr. Rami Abada  
Jennifer Convertibles, Inc. and Subsidiaries  
417 Crossways Park Drive  
Woodbury, NY 11797

Gentlemen:

This letter is to confirm our understanding of the terms of our engagement as independent auditors of Jennifer Convertibles, Inc. and subsidiaries (the "Company") and the nature and extent of the services which we will provide.

## **Audit Responsibilities and Limitations**

### *Audit of Financial Statements*

We will perform an audit of the Company's consolidated balance sheet and the related consolidated statements of operations, stockholders' equity and cash flows as of August 28, 2010 and for the year then ended. Our responsibility is to express an opinion on the financial statements based on our audit.

Our audit will be conducted in accordance with standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"). Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud. Accordingly, a material misstatement may remain undetected.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. An audit made in accordance with standards of the PCAOB, based on the concept of selective testing of the data being examined, is subject to the inherent limitations of the auditing process and to the inherent risk that material errors or fraud, if they exist, will not necessarily be detected. An audit is not designed and cannot be relied on to detect error or fraud that is immaterial to the financial statements.

In addition, if the exemption of small companies from Section 404(b) of Sarbanes-Oxley is not deferred, we will perform an integrated audit which will encompass the Company's internal control over financial reporting as of the year end, based on criteria established in the PCAOB's Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*. Our responsibility is to express an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

# Eisner

Mr. Ed Bohn and Rami Abada

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June 2, 2010

Our audit will be conducted in accordance with standards of the PCAOB to comply with the Sarbanes-Oxley Act of 2002, Section 404 requirements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit will include obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we consider necessary. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We are required to communicate in writing all identified deficiencies, including significant deficiencies, in internal controls to management and inform the audit committee that we have made such a communication. In addition, we are also required to communicate in writing all identified significant deficiencies and material weaknesses to the audit committee.

## *Review of Interim Financial Information*

We are responsible for conducting our review in accordance with the standards of the PCAOB. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we will not express an opinion on the interim financial information taken as a whole.

A review includes obtaining sufficient knowledge of the Company's business and its internal control as it relates to the preparation of both annual and interim financial information to:

- Identify the types of potential material misstatements in the interim financial information and consider the likelihood of their occurrence.
- Select the inquiries and analytical procedures that will provide us with a basis for communicating whether we are aware of any material modifications that should be made to the interim financial information for it to conform with generally accepted accounting principles.

A review is not designed to provide assurance on internal control or to identify significant deficiencies. However, we are responsible for communicating with the audit committee or others with equivalent authority or responsibility, regarding any significant deficiencies that come to our attention.

The engagement is being undertaken solely for the Company's benefit and the parties do not intend to provide contractual rights to any other person.

The working papers prepared in conjunction with our audit and reviews are the property of our firm, constitute confidential information and will be retained by us in accordance with our firm's policies and procedures.

# Eisner

Mr. Ed Bohn and Rami Abada

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June 2, 2010

Company information will be treated as strictly confidential and will not be disclosed to a third party, except upon request from applicable SEC regulatory authorities, by subpoena, or upon the Company's express instruction. We will promptly notify you of such requests for information.

## **Management's Responsibilities and Representations**

The financial statements and interim financial information referred to above are the responsibility of the management of the Company. In this regard, management is responsible for properly recording transactions in the accounting records and establishing and maintaining effective internal control over financial reporting sufficient to permit the preparation of reliable financial statements and interim financial information. In addition, management is responsible for adjusting the financial statements and interim financial information to correct material misstatements aggregated by us during the current engagement and pertaining to the latest period presented. Management is also responsible for making available to us, upon request, all of the Company's original accounting records and related information, and Company personnel to whom we may direct inquiries, and to furnish us with such schedules and analyses as we require.

Management is responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

In an audit of internal control over financial reporting, management accepts responsibility for the effectiveness of the Company's internal control over financial reporting; evaluates the effectiveness of the Company's internal control over financial reporting using suitable control criteria; supports its evaluation with sufficient evidence, including documentation; and presents a written assessment of the effectiveness of the Company's internal control over financial reporting as of the end of the Company's fiscal year.

As required by standards of the PCAOB, we will make specific inquiries of management and others about the representations embodied in the financial statements and interim financial information, and the effectiveness of the Company's internal controls. Standards of the PCAOB also require that we obtain a representation letter covering the financial statements and interim financial information from certain members of management.

This representation letter must specifically state, among other items, that management is responsible for adjusting the financial statements and interim financial information to correct material misstatements and that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements and interim financial information taken as a whole.

The results of our audit tests, the responses to our inquiries, and the written representations constitute the evidential matter we intend to rely upon in forming an audit opinion on the financial statements.

If you intend to publish or otherwise reproduce the financial statements together with our report (or otherwise make reference to our firm) in a document that contains other information, you agree to (a) provide us with a draft of the document to read in advance, and (b) obtain our approval for inclusion of our report before it is printed and distributed.

Mr. Ed Bohn and Rami Abada  
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June 2, 2010

### **Scope of Services**

- We will perform an audit of the Company's consolidated balance sheet and related consolidated statements of operations, stockholders' equity and cash flows as of August 28, 2010 and for the year then ended. In addition, our integrated audit will include an assessment of the Company's internal control over financial reporting as of the year end.
- We will perform reviews of the interim financial information to be included in the Company's quarterly filings on Form 10-Q for each of the quarters in the year ending August 28, 2010.

### **Fees and Billing Arrangements**

We estimate that our fees for the audit of the financial statements will be approximately \$255,000, including out-of-pocket costs and \$12,500 per quarter for the interim reviews. In the event that we are required to perform an audit of the internal control over financial reporting, we estimate that our fees for this audit will be an additional \$127,500, including out-of-pocket costs. In the event that unanticipated issues or problems require additional work, we will so advise you and will estimate the additional fees involved. In addition, should the nature of the Company change by addition of new subsidiaries, plants or other changes of a material nature, our fee will have to be adjusted.

We will issue progress bills for the estimated integrated audit fees, with the following due dates:

	<b>Including Internal Control Audit</b>	<b>Excluding Internal Control Audit</b>
August 29, 2010	\$94,375	\$62,500
September 29, 2010	\$94,375	\$62,500
October 29, 2010	\$94,375	\$62,500
November 29, 2010	\$94,375	\$62,500
Upon delivery of management letter	\$ 5,000	\$ 5,000

Additional amounts, if any, will be billed timely with payment due promptly upon presentation. In the event of nonpayment we shall not be required to perform any further services until we have received such payment, whereupon we will resume our work as soon as the individuals working on the engagement again become available.

Fees for the quarterly reviews and additional amounts, if any, will be billed timely with payment due promptly upon presentation. In the event of nonpayment we shall not be required to perform any further services until we have received such payment, whereupon we will resume our work as soon as the individuals working on the engagement again become available.

# Eisner

Mr. Ed Bohn and Rami Abada

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June 2, 2010

Our estimate of these fees is based upon our discussions with you, in which you have disclosed no unusual problems or issues which would require us to conduct an audit of unusual scope or otherwise expend time and effort in excess of that normally anticipated in an engagement of this type. The estimate also assumes that we will have the full cooperation of your personnel, as required and that there is a reasonable continuity of personnel familiar with the matters to which our engagement relates. Further, you will provide us with the schedules and records that we request (which will be detailed in a request list in advance of our fieldwork) and that all such schedules and records will be provided to us timely in accordance with the scheduled fieldwork dates, to be mutually agreed upon. If the requested schedules and records are not provided to us in accordance with the scheduled dates and we are unable to continue our work, we will resume our work as soon as the schedules and records are provided to us and the individuals assigned to the engagement again become available.

It must be understood that the nature of our engagement requires us to exercise our independent professional judgment with respect to various auditing, accounting and related issues. In reaching our conclusions, we must retain the right to judge the nature and scope of the work required in order to conform to standards of the PCAOB, as well as the work we deem necessary to enable us to reach the conclusions and form the opinions required of us. If our judgment as to the scope of the work required causes us to reassess our foregoing estimate of fees for this engagement, we will so advise you. We reserve the right to refrain from performing additional work (and thereby incurring additional time charges) unless and until you have confirmed your understanding of, and agreement to, any additional estimated charges.

We acknowledge your right to terminate our services at any time, and you acknowledge our right to resign at any time (including instances where, in our judgment, our independence has been impaired or we can no longer rely on the integrity of management), subject in either case to our right to payment for charges incurred to the date of termination or resignation.

In the event that we determine to resign, and you seek damages allegedly resulting from such resignation, our maximum liability to you in the event we are held liable because of such resignation shall be limited to the fees actually paid to us to the date of resignation.

Eisner LLP and Jennifer Convertibles, Inc. each, to the extent permitted by law, knowingly, voluntarily and intentionally waives its right to a trial by jury in any action arising out of or relating to this Engagement Letter or the services to be performed by Eisner LLP pursuant hereto. This waiver applies to any action or legal proceeding whether sounding in contract, tort, negligence or otherwise.

Eisner LLP is a member firm of the PKF International Limited network of legally independent firms. Neither the other member firms nor providing services in connection with this engagement letter nor PKF International Limited is responsible to accept liability for the work or advice which Eisner LLP provides to its clients and, in signing and returning to us the enclosed copy of this engagement letter, you acknowledge and accept that such other member firms and PKF International Limited do not owe you any duty in relation to the work or advice which we will provide in accordance with this engagement letter.

# Eisner

Mr. Ed Bohn and Rami Abada

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June 2, 2010

Not included in our fee are any additional projects you desire (beyond the audit and interim reviews specified above), such as tax examinations, assistance with technical accounting and tax matters, audit committee meetings and other communications with the audit committee, etc. Any such projects outside of the "Scope of Services" section of this letter, if requested, will be billed timely at our standard billing rates and will be due promptly upon presentation. Such services may require pre-approval from your audit committee to comply with independence rules under the Securities Exchange Act.

## **Other Non-attest Services**

To the extent we perform any non-attest services (including, but not limited to, the preparation of tax returns), you agree that you will make all management decisions and perform all management functions, designate competent employees to oversee the services, evaluate the adequacy and results of the services performed, accept responsibility for the results of the services and, where appropriate, establish and maintain internal controls including monitoring ongoing activities.

## **Independence**

To comply with independence rules under the Securities Acts administered by the Securities and Exchange Commission, the Company agrees not to hire, in a senior executive or financial reporting capacity, any Eisner employee (or former employee) who was involved in the audit of the Company's financial statements or review of interim financial information in the twelve-month period preceding the filing of your most recent annual report. If it is determined that we are not independent because of the Company's employment of a member of the engagement team, we will not be able to complete any audit (or review of any quarterly filing) in progress, and may not be able to update our auditors' report for any registrations during any period for which we are not deemed independent. If the Company violates this provision, the Company will pay us a fee equivalent to the annual audit engagement fee to reimburse us for audit fees lost and the estimated costs of hiring and training replacement personnel.

We confirm that in our professional judgment we are independent of the Company within the meaning of the Securities Acts administered by the Securities and Exchange Commission, including rules of the Public Company Accounting Oversight Board. We also confirm that there are no relationships between Eisner LLP, and its related entities, and the Company, and its related entities and/or persons in financial reporting oversight roles that in our professional judgment may reasonably be thought to bear on independence.

The regulations under the Securities Acts provide (among other things) that no partner, manager or person working on the engagement may have a direct or material indirect financial interest in a client. To that end, we obtain a declaration from each partner and professional employee, annually, with respect to their independence.

Nothing has come to our attention which, in our professional judgment, would adversely impact our independence.

# Eisner

Mr. Ed Bohn and Rami Abada

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June 2, 2010

If this is in accordance with your understanding, please indicate your acceptance of the above arrangements by signing and returning a copy of this letter to my attention at our office.

Very truly yours,

EISNER LLP

By:  \_\_\_\_\_  
Steven Kreit, Partner

Accepted:

JENNIFER CONVERTIBLES, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved:

(Authorized Member of Audit Committee)

By: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT C**

**Retention Order**

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

In re:

JENNIFER CONVERTIBLES, INC.,

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

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<sup>1</sup> 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).

**ORDER AUTHORIZING DEBTORS TO EMPLOY EISNERAMPER LLP AS A  
PROFESSIONAL UTILIZED IN THE ORDINARY COURSE OF BUSINESS  
PURSUANT TO BANKRUPTCY CODE SECTIONS 105(a), 327(a) AND 330**

Upon the Application, dated August 13, 2010 (the “Application”)<sup>2</sup> of Jennifer Convertibles, Inc. and its affiliated debtors, as debtors in possession (collectively, the “Debtors”), for entry of an order pursuant to sections 327(a), 330, 331 and 1107(b) of title 11 of the Bankruptcy Code, Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 2014-1 of the Local Rules of the Bankruptcy Court of the Southern District of New York (the “Local Rules”), authorizing the Debtors to retain and employ EisnerAmper LLP (“Eisner”), as auditors, effective as of the date hereof; and consideration of the Application and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Application (the “Hearing”); and the appearances of all interested parties having been noted in the record of the Hearing; and the Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and it appearing that the relief requested in the Application is in the best interests of the Debtors, their estates, creditors, and parties in interest;

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<sup>2</sup> All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

To the extent provided herein, the Application is GRANTED.

1. Pursuant to sections 327(a), 330, 331 and 1107(b) of the Bankruptcy Code, the Debtors hereby are authorized to retain Eisner as their auditors in these chapter 11 cases effective as of the date hereof, in accordance with the terms and conditions set forth in the Application and this Order, provided, however, that to the extent that the Application and the Engagement Letter are inconsistent with this Order, the terms of this Order shall govern.

2. Eisner is authorized to perform the services set forth in the Application as modified by the terms of this Order. In the event that the Debtors elect to retain Eisner for the performance of any other permitted non-audit services, and Eisner agrees to such retention, such non-audit services and the terms of their provision by Eisner shall be set forth in a separate engagement letter, and a supplemental employment application with respect to such non-audit services shall be filed with the Bankruptcy Court.

3. Except as otherwise set forth herein, Eisner shall be compensated in accordance with and will file interim and final fee applications for allowance of its compensation and expenses and shall be subject to sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York, dated November 25, 2009 (the

“Amended Fee Guidelines”), and the United States Trustee Fee Guidelines (collectively, the “Fee Guidelines”).

4. Eisner shall be reimbursed only for reasonable and necessary expenses as provided by the Fee Guidelines.

5. The fees for the services to be performed by Eisner as set forth in the Application and the Engagement Letter shall be capped at \$255,000. The services to be performed by Eisner shall occur in four stages as set forth in the Engagement Letter. **If any party believes that the continued engagement of Eisner should become improvident, such party may seek appropriate prospective relief from this Court upon shortened notice.**

6. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

7. This Court shall retain jurisdiction to resolve all matters relating to implementation of this Order.

Dated: September 16, 2010  
New York, New York

/s/ Judge Allan L. Gropper  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT D**

**Compensation Schedule**

EisnerAmper LLP  
 Accountants for the Debtors  
 750 Third Avenue  
 New York, NY 10017  
 212 891-4092

UNITED STATES BANKRUPTCY COURT  
 SOUTHERN DISTRICT OF NEW YORK

Name of Firm/Party in Interest:  
 EisnerAmper LLP

Role in Case: Accountants for the Debtor

Fees Previously Incurred \$-0-  
 Fees Paid \$-0-  
 Amount not yet approved \$-0-

Expenses Previously Incurred \$-0-  
 Expenses Paid \$-0-

-----X  
 In re

JENNIFER CONVERTIBLES, INC., Chapter 11

Case No. 10-13779 (ALG)

Final Fees Sought: \$255,000  
 Fees Paid: \$250,000  
 Unpaid Fees: \$ 5,000

DEBTORS. (Jointly Administered)

-----X

**FIRST AND FINAL APPLICATION OF EISNERAMPER LLP, FORMERLY KNOWN AS EISNER LLP, ACCOUNTANTS TO THE DEBTORS, FOR PAYMENT OF COMPENSATION FOR SERVICES RENDERED AND FOR REIMBURSEMENT OF EXPENSES INCURRED PURSUANT TO SECTIONS 327 AND 328 OF THE BANKRUPTCY CODE AND RULE 2016(a) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE FOR THE PERIOD AUGUST 13, 2010 THROUGH DECEMBER 31, 2010**

Name of Professional	Hours Engaged Since Last Application		Rates	Total	Fees Charged for Similar Work in Bankruptcy Matter and Percentage Received		Time Records Submitted
Andrews, T.	.5		\$100	\$50	"	"	"
Armerino, S.	.5		\$120	\$60	"	"	"
Bennett, M.	.5		\$230	\$115	"	"	"
Bienstock, H.	2.3		\$230	\$529	"	"	"
Camacho, E.	.6		\$100	\$60	"	"	"
Castillo, A.	3.8		\$180	\$684	"	"	"
Cooper, L.	1.3		\$100	\$130	"	"	"
Costa, M.	7.5		\$260	\$1,950	"	"	"
Devine, V.	31.5		\$215	\$6,773	"	"	"
DiCarlo, L.	5.0		\$215	\$1,075	"	"	"
Fogelfis, E.	223.0		\$215	\$47,945	"	"	"
Iannicelli, J.	.3		\$85	\$26	"	"	"
Kaffeman, E.	.5		\$100	\$50	"	"	"
Karsael, A.	256.5		\$260	\$66,690	"	"	"
Keenan, S.	220.5		\$290	\$63,945	"	"	"
Knee, M.	34.5		\$525	\$18,113	"	"	"
Kreit, S.	54.0		\$455	\$24,570	"	"	"
Kurayeva, A.	176.5		\$260	\$45,890	"	"	"
Leventhal, L.	11.5		\$525	\$6,038	"	"	"
Lichtenstein, M.	.3		\$180	\$54	"	"	"

Mahl, C.	8.0		\$215	\$1,720	“	“	“
McNamara, D.	.5		\$105	\$53	“	“	“
Mott, K.	192.5		\$230	\$44,275	“	“	“
Patel, Z.	.9		\$365	\$329	“	“	“
Sammartano, A.	6.5		\$215	\$1,398	“	“	“
Singer, R.	.3		\$100	\$30	“	“	“
Southerland, T.	1.0		\$100	\$100	“	“	“
Tserpelis, E.	23.0		\$420	\$9,660	“	“	“
Volchansky, A.	4.0		\$350	\$1,400	“	“	“
	1,267.8			\$343,712			
	BLENDED HOURLY RATE		\$271.10				

TIME SPENT IN PREPARING AND REVIEWING FEE APPLICATION: -0- HOURS INCLUDING REVIEW OF OTHER FEE APPLICATIONS FILED IN THIS CASE

IS THE TIME SPENT IN PREPARING THE FEE APPLICATION(S) INCLUDED IN THE TOTAL HOURS DESCRIBED IN THE APPLICATION?    YES   ✓   NO

DOLLAR VALUE OF THE TIME SPENT IN PREPARING THE FEE APPLICATION(S) IF COMPENSATION THEREFORE IS SOUGHT: \$0

**EXHIBIT E**

**Time Records**

## JENNIFER CONVERTIBLES, INC.

## SUMMARY BY PROFESSIONAL

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Andrews, T.	Staff	100	0.5	50
Armerino, S.	Staff	120	0.5	60
Bennett, M.	Senior Accountant	230	0.5	115
Bienstock, H.	Senior Accountant	230	2.3	529
Camacho, E.	Staff	100	0.6	60
Castillo, A.	Staff Accountant	180	3.8	684
Cooper, L.	Staff	100	1.3	130
Costa, M.	Senior Accountant	260	7.5	1,950
Devine, V.	Staff Accountant	215	31.5	6,773
DiCarlo, L.	Staff Accountant	215	5.0	1,075
Fogelfis, E.	Staff Accountant	215	223.0	47,945
Iannicelli, J.	Staff	85	0.3	26
Kaffeman, E.	Staff	100	0.5	50
Karsael, A.	Senior Accountant	260	256.5	66,690
Keenan, S.	Manager	290	220.5	63,945
Knee, M.	Partner	525	34.5	18,113
Kreit, S.	Partner	455	54.0	24,570
Kurayeva, A.	Senior Accountant	260	176.5	45,890
Leventhal, L.	Partner	525	11.5	6,038
Lichtenstein, M.	Staff Accountant	180	0.3	54
Mahl, C.	Staff Accountant	215	8.0	1,720
McNamara, D.	Staff	105	0.5	53
Mott, K.	Senior Accountant	230	192.5	44,275
Patel, Z.	Manager	365	0.9	329

Sammartano, A.	Staff Accountant	215	6.5	1,398
Singer, R.	Staff	100	0.3	30
Southerland, T.	Staff	100	1.0	100
Tserpelis, E.	Director	420	23.0	9,660
Volchansky, A.	Senior Manager	350	<u>4.0</u>	<u>1,400</u>
TOTAL			<u>1,267.8</u>	<u>343,712</u>

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Andrews, T.	11/23/10	<u>0.5</u> 0.5	Report - WP and draft; scanned to Auditors' Pickup -- waiting upon technical signature

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Armerino, S.	08/23/10	<u>0.5</u>	Report - Clerical
		0.5	

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Bennett, M.	08/25/10	0.5	Audit - planning
		<u>0.5</u>	

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Bienstock, H.	08/24/10	0.3	Inventory Planning Meeting
Bienstock, H.	08/29/10	2.0	Inventory Observation - Broadway and 20th
		<u>2.3</u>	

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Camacho, E.	11/22/10	0.3	Correction and format opinion page only
Camacho, E.	11/22/10	0.3	Correction and format opinion page only
		<u>0.6</u>	

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Castillo, A.	10/15/10	<u>3.8</u>	Researched UCC filings search for Jennifer Convertibles and other companies
		3.8	

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Cooper, L.	12/01/10	0.5	Report - Clerical
Cooper, L.	12/03/10	0.8	Report - Clerical
		<u>1.3</u>	

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Costa, M.	08/31/10	6.0	Audit Inventory
Costa, M.	09/08/10	<u>1.5</u>	Audit
		7.5	

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Devine, V.	10/12/10	8.0	Inventory Tie out
Devine, V.	10/13/10	8.5	Inventory Tie out
Devine, V.	10/14/10	8.0	Inventory Tie out
Devine, V.	10/15/10	7.0	Inventory Tie out
		<u>31.5</u>	

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Di Carlo, L.	08/29/10	<u>5.0</u>	Audit - Inventory at Jennifer Convertibles and Ashley Furniture stores
		5.0	

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Fogelfis, E.	09/15/10	0.8	Cash Confirmations
Fogelfis, E.	09/20/10	4.0	Prepare selections for field work
Fogelfis, E.	09/21/10	8.0	Revenue/Cash Disbursement control testing
Fogelfis, E.	09/22/10	8.0	Cash Disbursement/Revenue Testing/Planning forms
Fogelfis, E.	09/23/10	7.5	Audit
Fogelfis, E.	09/24/10	7.0	Walkthroughs, selections, reasonableness testing, consent letter
Fogelfis, E.	09/27/10	4.0	Receiving/shipping cutoff test selections/cleanup
Fogelfis, E.	10/04/10	8.0	Cash/Revenue monitoring/Confirmations
Fogelfis, E.	10/05/10	8.0	Confirmations/Cash/Bank Transfer Schedules/Cleanup
Fogelfis, E.	10/06/10	9.0	Cash/Cutoff testing/Confirmations/Revenue testing/Revenue Monitoring
Fogelfis, E.	10/07/10	8.0	Cutoff testing
Fogelfis, E.	10/08/10	8.0	Drill down testing, Revenue test, cutoff testing
Fogelfis, E.	10/12/10	11.0	Cutoff testing, Drill down testing, Revenue testing
Fogelfis, E.	10/13/10	8.5	Cutoff testing/Drill downs
Fogelfis, E.	10/14/10	8.0	Cutoff/Revenue/PPE/Confirmations
Fogelfis, E.	10/15/10	8.0	Cutoff/PPE/Confirmations/Cash
Fogelfis, E.	10/18/10	8.0	Cutoff/Property Plant Equipment/Cash/Confirmations
Fogelfis, E.	10/19/10	9.0	PPE, Revenue Monitoring, Capital Leases, Cash, Confirmations
Fogelfis, E.	10/20/10	8.0	Search, Capital Lease, Other Assets, Cutoff, Audit Programs, Fixed Assets, Confirmation follow up
Fogelfis, E.	10/21/10	8.0	Price Testing/Cutoff
Fogelfis, E.	10/22/10	8.0	Price testing/PPE/Customer Deposit testing/Search for Unrecorded Liabilities
Fogelfis, E.	10/25/10	6.0	Disc ops, disposals, cleanup, cutoff testing, inventory
Fogelfis, E.	10/26/10	8.0	Search/Customer Deposits/Cleanup/Disposals/other assets
Fogelfis, E.	10/27/10	8.0	Customer deposit testing/cutoff/forfeited income/cleanup
Fogelfis, E.	10/28/10	8.0	Inventory tieout/Search/Cleanup/Confirmation followup
Fogelfis, E.	10/29/10	6.3	Inventory tieout/Search for Unrecorded Liabilities/Cleanup
Fogelfis, E.	11/01/10	8.0	10K/Price Test/Inventory/Cleanup
Fogelfis, E.	11/03/10	6.0	Inventory/Search/Capital Lease/10K
Fogelfis, E.	11/04/10	5.0	Inventory/Cleanup/10K
Fogelfis, E.	11/05/10	6.0	Inventory/Closing Engagement Forms/10K/Search/Cleanup
Fogelfis, E.	11/11/10	1.0	Rep Letter/Confirm
Fogelfis, E.	11/12/10	0.5	Cleanup
Fogelfis, E.	11/19/10	2.8	Audit

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Fogelfis, E.	12/09/10	0.3	Perm filing
Fogelfis, E.	12/10/10	0.5	Perm filing
		<u>223.0</u>	

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Iannicelli, J.	11/24/10	<u>0.3</u>	2010-08 AUDIT OPINION - corrections
		0.3	

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Kaffeman, E.	11/24/10	<u>0.5</u> 0.5	Report - Clerical 213244 Jennifer - cr - draft drawer

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Karsael, A.	08/13/10	2.0	Audit
Karsael, A.	08/23/10	5.0	Audit
Karsael, A.	08/24/10	2.0	Audit
Karsael, A.	08/25/10	1.0	Audit
Karsael, A.	08/26/10	0.5	Audit
Karsael, A.	08/29/10	0.5	Audit
Karsael, A.	08/31/10	1.0	Audit
Karsael, A.	09/03/10	0.5	Audit - set up confirmations
Karsael, A.	09/07/10	1.0	Audit - Planning Meeting Agenda
Karsael, A.	09/08/10	1.5	Audit - planning meeting
Karsael, A.	09/08/10	3.0	Audit - planning and Interim organization
Karsael, A.	09/10/10	5.0	Audit - reviewed inventory observations
Karsael, A.	09/14/10	3.0	Audit
Karsael, A.	09/16/10	1.0	Audit - inventory
Karsael, A.	09/17/10	1.0	Audit - inventory
Karsael, A.	09/20/10	5.0	Audit - planning and setting up staff
Karsael, A.	09/21/10	8.0	Audit - client discussion, planning and supervising staff
Karsael, A.	09/22/10	8.0	Audit - planning, supervision
Karsael, A.	09/23/10	8.0	Audit planning and supervision, legal review
Karsael, A.	09/24/10	7.5	Audit legal review and wrap up of interim
Karsael, A.	09/27/10	0.5	Audit - Made selections for testing
Karsael, A.	09/29/10	3.0	Audit - Made selections for cut off testing and price testing
Karsael, A.	09/30/10	1.0	Audit
Karsael, A.	10/04/10	8.0	Started reviewing revenue test, supervision
Karsael, A.	10/05/10	8.0	Reviewing revenue test, supervision and started inventory
Karsael, A.	10/06/10	8.0	Inventory and supervision
Karsael, A.	10/07/10	8.0	Inventory and supervision
Karsael, A.	10/08/10	7.0	Inventory and supervision
Karsael, A.	10/11/10	8.0	Inventory, supervision, started customer deposits
Karsael, A.	10/13/10	8.0	Customer Deposits and Inventory
Karsael, A.	10/14/10	8.0	Customer Deposits and Inventory
Karsael, A.	10/15/10	6.0	Customer Deposits and supervision
Karsael, A.	10/18/10	7.5	Cust deposits and supervision
Karsael, A.	10/19/10	8.0	Audit

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Karsael, A.	10/21/10	8.0	Audit
Karsael, A.	10/22/10	7.0	Audit
Karsael, A.	10/25/10	8.0	Audit
Karsael, A.	10/26/10	8.0	Audit
Karsael, A.	10/27/10	2.0	Audit
Karsael, A.	10/28/10	8.0	Audit
Karsael, A.	10/29/10	5.0	Audit
Karsael, A.	11/01/10	6.0	Audit - Clean up and review of workpapers
Karsael, A.	11/02/10	6.0	Audit
Karsael, A.	11/03/10	6.0	Audit
Karsael, A.	11/04/10	6.0	Audit
Karsael, A.	11/05/10	6.0	Audit
Karsael, A.	11/08/10	3.0	Audit - clean up
Karsael, A.	11/14/10	2.0	Audit - clean up
Karsael, A.	11/18/10	4.0	Audit - clean up open items
Karsael, A.	11/19/10	6.0	Audit - clean up open items
Karsael, A.	11/22/10	4.0	Audit - clean up and closing procedures
Karsael, A.	11/23/10	8.0	Audit
		<u>256.5</u>	

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Keenan, S.	08/13/10	0.5	Audit -binder setup and discussions with staff
Keenan, S.	08/19/10	1.0	Audit
Keenan, S.	09/01/10	2.5	Audit planning
Keenan, S.	09/07/10	3.0	Audit planning and review agenda
Keenan, S.	09/08/10	2.0	Audit planning planning meeting and supervision
Keenan, S.	09/22/10	2.0	Audit planning supervision and review
Keenan, S.	09/23/10	3.0	Audit planning supervision and review
Keenan, S.	09/24/10	3.0	Audit planning supervision and review
Keenan, S.	09/27/10	0.5	Audit planning discussions with client and staff
Keenan, S.	09/28/10	1.0	Audit planning discussions with client and staff
Keenan, S.	09/29/10	0.5	Audit planning
Keenan, S.	09/30/10	4.0	Audit review
Keenan, S.	10/01/10	2.5	Audit review
Keenan, S.	10/04/10	4.0	Audit supervision hold backs, deferred rent
Keenan, S.	10/06/10	2.0	Audit supervision
Keenan, S.	10/07/10	3.0	Audit supervision
Keenan, S.	10/13/10	4.0	Audit supervision def rent, AP
Keenan, S.	10/15/10	4.0	Audit supervision abandoned leases, AP, inventory
Keenan, S.	10/19/10	5.5	Audit supervision, review, AP, accruals
Keenan, S.	10/20/10	8.0	Audit supervision, review, AP, accruals, leases, AR
Keenan, S.	10/21/10	8.5	Audit supervision, review, assets
Keenan, S.	10/22/10	8.0	Audit supervision, review, rent, leases
Keenan, S.	10/27/10	8.0	Audit review and supervision
Keenan, S.	10/28/10	7.5	Audit review and supervision
Keenan, S.	10/29/10	8.0	Audit review and supervision
Keenan, S.	11/01/10	4.0	Audit review and supervision
Keenan, S.	11/03/10	2.0	Audit review and supervision
Keenan, S.	11/04/10	9.5	Audit review and supervision
Keenan, S.	11/05/10	11.0	Audit review and supervision
Keenan, S.	11/06/10	3.0	Audit review and supervision
Keenan, S.	11/08/10	8.0	Audit review and report
Keenan, S.	11/09/10	6.0	Audit review and report
Keenan, S.	11/10/10	7.0	Audit review and report
Keenan, S.	11/11/10	6.5	Audit review and report

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Keenan, S.	11/12/10	6.0	Audit review and report
Keenan, S.	11/15/10	2.5	Audit review and report
Keenan, S.	11/15/10	4.5	Audit review and report
Keenan, S.	11/16/10	4.0	Audit review and report
Keenan, S.	11/17/10	0.5	Audit review and report
Keenan, S.	11/17/10	4.3	Audit review and report
Keenan, S.	11/18/10	9.5	Audit review and report
Keenan, S.	11/19/10	7.5	Audit review and report
Keenan, S.	11/22/10	8.8	Audit review and report
Keenan, S.	11/23/10	12.5	Audit review and report
Keenan, S.	11/24/10	7.5	Audit review and report
		<u>220.5</u>	

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Knee, M.	09/08/10	1.0	Technical Services - Consultations
Knee, M.	09/13/10	1.0	Technical Services - Review
Knee, M.	09/16/10	0.5	Technical Services - Review
Knee, M.	10/01/10	1.0	Technical Services - Consultations
Knee, M.	11/17/10	8.0	Technical Services - Review
Knee, M.	11/18/10	8.0	Technical Services - Review
Knee, M.	11/22/10	2.0	Technical Services - Review
Knee, M.	11/23/10	8.0	Technical Services - Review
Knee, M.	11/24/10	5.0	Technical Services - Review
		<u>34.5</u>	

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Kreit, S.	08/13/10	0.5	Audit
Kreit, S.	08/18/10	1.0	Assist bankruptcy counsel
Kreit, S.	08/19/10	1.5	Assist bankruptcy counsel
Kreit, S.	08/31/10	0.5	Audit
Kreit, S.	09/01/10	1.5	Disc ops
Kreit, S.	09/08/10	1.5	Audit
Kreit, S.	09/29/10	1.0	Audit
Kreit, S.	10/08/10	0.5	Audit
Kreit, S.	10/12/10	2.0	Audit
Kreit, S.	10/14/10	2.0	Audit
Kreit, S.	10/15/10	2.0	Audit
Kreit, S.	10/22/10	8.0	Audit
Kreit, S.	10/26/10	1.0	Audit
Kreit, S.	10/29/10	0.5	Audit
Kreit, S.	11/02/10	0.5	Audit
Kreit, S.	11/03/10	1.0	Audit
Kreit, S.	11/04/10	2.0	Audit
Kreit, S.	11/05/10	1.0	Audit
Kreit, S.	11/10/10	0.5	Audit
Kreit, S.	11/11/10	3.0	Audit
Kreit, S.	11/12/10	5.5	Audit
Kreit, S.	11/15/10	0.5	Audit
Kreit, S.	11/16/10	0.5	Audit
Kreit, S.	11/17/10	2.0	Audit
Kreit, S.	11/18/10	2.0	Audit
Kreit, S.	11/19/10	1.0	Audit
Kreit, S.	11/22/10	3.0	Audit
Kreit, S.	11/23/10	3.0	Audit
Kreit, S.	11/24/10	1.0	Audit
Kreit, S.	11/29/10	1.0	Audit
Kreit, S.	12/03/10	1.0	Audit
Kreit, S.	12/08/10	0.5	Audit
Kreit, S.	12/09/10	0.5	Audit

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Kreit, S.	12/23/10	1.0	Audit
		<u>54.0</u>	

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Kurayeva, A.	09/08/10	1.3	Audit - planning meeting
Kurayeva, A.	10/04/10	8.0	Audit - First day of the fieldwork, TB import, JE output reports using IDEA
Kurayeva, A.	10/06/10	8.0	Audit - JE completeness test and WP documentations
Kurayeva, A.	10/07/10	9.0	Audit - cash review, setting up deferred rent schedules, made selections
Kurayeva, A.	10/08/10	8.0	Audit - Deferred rent - selections testing
Kurayeva, A.	10/11/10	8.0	Audit - Deferred rent, rent expense
Kurayeva, A.	10/12/10	8.0	Audit, Future leases WP, equity
Kurayeva, A.	10/13/10	7.5	Audit - Analytic, other open items in areas worked on
Kurayeva, A.	10/14/10	8.0	Audit - rejected leases, forfeited income selections for testing
Kurayeva, A.	10/18/10	8.0	Audit - Ratio analysis, Revenue & expenses reasonableness test
Kurayeva, A.	10/19/10	4.0	Audit - disc ops
Kurayeva, A.	10/20/10	8.5	Audit - Analytics
Kurayeva, A.	10/21/10	9.5	Audit - Disc ops
Kurayeva, A.	10/22/10	8.0	Audit - disc ops
Kurayeva, A.	10/26/10	8.0	Audit - cash flow
Kurayeva, A.	10/27/10	4.0	Audit - MD&A
Kurayeva, A.	10/28/10	10.0	Audit - last day of fieldwork - MD&A
Kurayeva, A.	10/29/10	8.0	Audit - tied 10K
Kurayeva, A.	11/01/10	5.0	Audit - Tied 10K
Kurayeva, A.	11/02/10	5.0	Audit - MD&A and GAAP disclosure checklists
Kurayeva, A.	11/03/10	8.0	Audit - forepart
Kurayeva, A.	11/04/10	8.0	Audit - checklists
Kurayeva, A.	11/05/10	6.3	Audit - wrapping up
Kurayeva, A.	11/08/10	0.5	Audit - open items
Kurayeva, A.	11/09/10	5.0	Audit - tied Version 2 of 10K, updated the WPs
Kurayeva, A.	11/10/10	1.0	Audit - open items
Kurayeva, A.	11/11/10	2.0	Audit - Open items
Kurayeva, A.	11/12/10	1.5	Audit - Open items
Kurayeva, A.	11/15/10	0.5	Audit - open items
		<u>176.5</u>	

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Leventhal, L.	09/08/10	1.5	Audit
Leventhal, L.	10/25/10	0.5	Audit
Leventhal, L.	11/16/10	4.5	Audit
Leventhal, L.	11/17/10	1.5	Audit
Leventhal, L.	11/18/10	2.0	Audit
Leventhal, L.	11/22/10	1.0	Audit
Leventhal, L.	11/23/10	0.5	Audit
		<u>11.5</u>	

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Lichtenstein, M.	09/14/10	<u>0.3</u>	Confirms received
		0.3	

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Mahl, C.	08/24/10	0.5	Inventory planning meeting
Mahl, C.	08/31/10	7.0	Inventory observation at NJ warehouse, inventory observation check list, inventory, observation memo
Mahl, C.	09/14/10	<u>0.5</u>	Inventory
		8.0	

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
McNamara, D.	11/22/10	0.5	FinStmts; WPEdits; pdfs

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Mott, K.	08/24/10	1.0	Audit - Physical Inventory Observation - Planning Meeting
Mott, K.	08/25/10	4.0	Audit - Planning forms
Mott, K.	08/26/10	1.0	Audit - Planning forms; budget
Mott, K.	08/29/10	2.8	Audit - Physical Inventory Count (Checklist, Audit Program, Memo, Count Sheets, etc.)
Mott, K.	08/29/10	4.5	Audit - Inventory Observation (Ashley - Patchogue)
Mott, K.	08/30/10	0.8	Audit Materiality and Budget
Mott, K.	09/08/10	1.0	Audit - Planning meeting
Mott, K.	10/04/10	8.0	A/P leadsheet review; A/R leadsheet and analytics
Mott, K.	10/05/10	8.3	A/R ratio analysis and setup of alternate procedures testing; prepaid expense leadsheet review
Mott, K.	10/06/10	5.5	Prepaid expenses
Mott, K.	10/07/10	9.5	Prepays; Accounts Payable
Mott, K.	10/08/10	8.0	Accounts Payable
Mott, K.	10/11/10	6.0	Accounts Payable and Accrued Expenses
Mott, K.	10/13/10	8.5	Accrued expenses
Mott, K.	10/14/10	8.8	Audit
Mott, K.	10/15/10	8.0	Prepays; Accounts Payable; Accrued Expenses
Mott, K.	10/18/10	4.5	Open Items, Accrued Expenses
Mott, K.	10/19/10	10.5	Accrued expenses; Accounts Payable
Mott, K.	10/20/10	9.8	Accrued Expenses, Accounts Receivable (CC Deposits in Transit)
Mott, K.	10/21/10	10.3	Accounts Receivable; Accruals
Mott, K.	10/22/10	8.0	Accounts Payable; Prepays
Mott, K.	10/25/10	8.3	Accounts Payable
Mott, K.	10/26/10	8.0	Accounts Payable, Accruals
Mott, K.	10/27/10	10.3	Accounts Payable, Accruals
Mott, K.	10/28/10	9.8	Accounts Payable, Accruals
Mott, K.	10/29/10	4.0	Accounts Payable
Mott, K.	11/01/10	1.0	Tie out 10-K
Mott, K.	11/02/10	4.0	10K Tie out; Team discussions
Mott, K.	11/04/10	6.5	Accounts Payable, Subsequent Events, Open Items, Accruals, Team Discussions
Mott, K.	11/05/10	6.5	Binder clean-up, open items, proposed adjustments, team discussions
Mott, K.	11/11/10	4.0	Accounts Payable; review and clean up of binder; open items
Mott, K.	11/12/10	0.3	Accounts Payable PAJE
Mott, K.	11/16/10	0.5	A/P clean-up and clearing review notes

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Mott, K.	01/04/11	<u>1.0</u>	Clearing review notes
		192.5	

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Patel, Z.	09/15/10	0.3	Information Technology Services
Patel, Z.	11/03/10	0.3	Information Technology Services
Patel, Z.	11/09/10	0.3	Information Technology Services
		<u>0.9</u>	

# JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Sammartano, A.	08/29/10	3.5	Inventory Observation-Farmingdale location
Sammartano, A.	08/30/10	1.0	Checklists, memo, audit program
Sammartano, A.	09/03/10	2.0	Confirmations
		<u>6.5</u>	

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Singer, R.	11/23/10	<u>0.3</u> 0.3	Report - 2010-11 CONSENT S3 - C&D

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Southerland, T.	11/22/10	0.8	PR
Southerland, T.	12/03/10	<u>0.2</u>	PR
		1.0	

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Tserpelis, E.	11/16/10	4.0	Review - Annual
Tserpelis, E.	11/22/10	8.0	Review - Annual
Tserpelis, E.	11/23/10	8.0	Review - Annual-tax provision
Tserpelis, E.	12/23/10	3.0	Review - Annual - sign off work papers
		<u>23.0</u>	

JENNIFER CONVERTIBLES

Professional	Date	Hours	Description
Volchansky, A.	10/15/10	1.5	Audit - IT assessment
Volchansky, A.	12/14/10	2.5	Information Technology Services
		<u>4.0</u>	

**EXHIBIT F**

**Certification**

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

In re:

JENNIFER CONVERTIBLES, INC.,<sup>1</sup>

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**CERTIFICATION**

Steven Kreit, under penalty of perjury, certifies and says:

1. I am a partner at EisnerAmper LLP (“EisnerAmper”), an accounting firm with its principal office located at 750 Third Avenue, New York, NY 10017. EisnerAmper has acted and continues to act as auditor to and rendered professional services on behalf of the Jennifer Convertibles, Inc. and its affiliated debtors (the “Debtors,” and, on and after the effective date of the Debtors’ plan of reorganization, the “Reorganized Debtors”), as debtors in possession in these chapter 11 cases.

2. This certification is submitted in support of EisnerAmper’s final application for allowance of compensation and reimbursement of expenses (the “Application”), pursuant to (i) Sections 327, 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”); (ii) Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); (iii) Administrative Order M-389, Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases (the “Amended Guidelines”); (iv) the

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<sup>1</sup> 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).

Court's order pursuant to Bankruptcy Code sections 105(a) and 331 and Bankruptcy Rule 2016(a), establishing procedures for interim monthly compensation and reimbursement of expenses of professionals, dated August 10, 2010, (Docket No. 155) (the "Interim Compensation Order"); (v) the guidelines promulgated by the Office of the United States Trustee applicable to the Application for compensation and reimbursement of expenses (the "U.S. Trustee Guidelines"); (vi) the Court's Order Authorizing Debtors to Employ EisnerAmper LLP as a Professional Utilized In The Ordinary Course of Business Pursuant to Bankruptcy Code (Docket No. 248) (the "Retention Order"); and (vii) Findings of Fact and Conclusions of Law and Order Signed on 2/8/2011 Confirming the Amended Joint Chapter 11 Plan of Reorganization of Jennifer Convertibles, Inc. and its Affiliated Debtors, dated February 9, 2011 (Docket No. 491) (the "Confirmation Order").

3. I hereby certify that:

- a. I have read the Application.
- b. To the best of my knowledge, information and belief formed after a reasonable inquiry, the fees and disbursements sought in the Application fall within the Amended Guidelines and the U.S. Trustee Guidelines, as modified by any orders of this Court, except as specifically noted in this Certification and in the Application.
- c. The fees and disbursements sought are billed at rates and in accordance with practices customarily employed by EisnerAmper and generally accepted by EisnerAmper's clients.
- d. In providing a reimbursable service, EisnerAmper does not make a profit on that service, whether the service is performed by EisnerAmper in-house or through a third party.

4. This Application is being served upon this Court, the Office of the United States Trustee, the Debtors and their counsel, and counsel for the Official Committee of Unsecured Creditors.

Dated: April 4, 2011  
New York, New York

/s/ Steven Kreit

STEVEN KREIT  
EisnerAmper LLP

**EXHIBIT G**

**Proposed Order**

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

In re:

JENNIFER CONVERTIBLES, INC.,<sup>2</sup>

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**ORDER APPROVING FIRST AND FINAL APPLICATION OF EISNERAMPER LLP  
F/K/A EISNER LLP FOR ALLOWANCE AS ACCOUNTANTS TO THE DEBTORS  
FOR THE PERIOD FROM SEPTEMBER 16, 2010 THROUGH FEBRUARY 22, 2011**

Upon the application (the “Final Fee Application”) of EisnerAmper LLP (“EisnerAmper”) as auditor for the debtors in the above-captioned cases (collectively, the “Debtors”) for final allowance of compensation for services rendered and reimbursement of expenses incurred from September 16, 2010 through February 22, 2011; and pursuant to sections 327, 330(a) and 331 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); and a hearing (the “Hearing”) having been held before this Court to consider the Final Fee Application; and it appearing that sufficient notice has been given, and no other notice being necessary; and upon the full record of the Hearing and all prior proceedings in these cases; and after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED, ADJUDGED AND DECREED that;

1. The Final Fee Application is granted to the extent set forth herein.

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<sup>2</sup> 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).

2. All capitalized terms used but not defined herein shall have the same meaning ascribed to them in the Final Fee Application.

3. The fees of EisnerAmper requested for services rendered and expenses incurred during the Compensation Period are approved on a final basis, in the amounts and to the extent provided in Schedule A annexed hereto.

4. The Debtors are authorized and directed to pay as soon as practicable all fees and expenses approved by this Order that remain unpaid.

5. This Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order.

Dated: New York, New York  
April \_\_, 2011

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HONORABLE ALLAN L. GROPPER  
UNITED STATES BANKRUPTCY JUDGE

CASE NAME: Jennifer Convertibles, Inc., et al.  
CASE NUMBER: 10-13779 (ALG) (Jointly Administered)

**SCHEDULE A**

**FEES AND EXPENSES APPROVED ON AN FINAL BASIS**

<u>Applicant</u>	<u>Capacity</u>	Final Compensation <u>Approved</u>	Final Reimbursement of Expenses <u>Approved</u>	Fees To Be <u>Paid</u> <sup>3</sup>
EisnerAmper LLP	Auditors to the Debtors	\$255,000.00	\$0	\$5,000.00

Date: \_\_\_\_\_, 2011

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<sup>3</sup> The amount listed in this category includes fees for services rendered for the period September 16, 2010 through February 22, 2011 that have not yet been paid by the Debtors.