

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:) Chapter 11
)
INTEGRATED HEALTH) Case No. 00-389 (MFW)
SERVICES, INC., et al.,)
) Jointly Administered
Debtors.)
) **Objection Deadline: October 9, 2003 at 4:00 p.m.**
) **Hearing Date: October 14, 2003 at 10:30 a.m.**

**FINAL FEE APPLICATION OF BLANCO TACKABERY COMBS & MATAMOROS,
P.A. FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT
OF EXPENSES AS CO-COUNSEL TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF PREMIERE ASSOCIATES, INC. AND ITS
SUBSIDIARIES FOR THE PERIOD FROM JANUARY 4, 2002
THROUGH MAY 12, 2003**

Name of Applicant: Blanco Tackabery
Combs & Matamoros, P.A.

Authorized to Provide
Professional Services to: Official Committee of Unsecured Creditors
of Premiere Associates, Inc. and
its Subsidiaries

Date of Retention: Order dated February 14, 2002
(nunc pro tunc to January 4, 2002)

Final period for which compensation
and reimbursement is sought: January 4, 2002 through May 12, 2003

Total amount of compensation sought
as actual, reasonable and necessary from
January 4, 2002 through May 12, 2003: \$347,686.87

Total amount of expense reimbursement
sought as actual, reasonable and necessary
from January 4, 2002 through May 12, 2003:\$37,321.57

This is a: interim final application

Previous Applications Filed		Requested		Approved	
Date Filed	Period Covered	Fees	Expenses	Fees	Expenses
2/25/2002	1/4/02 – 1/31/02	\$46,423.25	\$785.10	\$46,423.25	\$785.10
3/26/2002	2/1/02 – 2/28/02	\$20,064.50	\$1,254.31	\$20,064.50	\$1,254.31
5/15/2002	3/1/02 – 3/31/02	\$37,788.75	\$4,858.07	\$37,788.75	\$4,858.07
6/4/2002	4/1/02 – 4/30/02	\$93,490.37	\$8,475.77	\$93,490.37	\$8,475.77
6/27/2002	5/1/02 – 5/31/02	\$6,158.00	\$3,433.42	\$6,158.00	\$3,433.42
7/31/2002	6/1/02 – 6/30/02	\$7,414.00	\$24.66	\$7,414.00	\$24.66
9/5/2002	7/1/02 – 7/31/02	\$6,884.00	\$3,988.08	\$6,884.00	\$3,988.08
10/15/2002	8/1/02 – 8/31/02	\$3,412.00	\$32.95	\$3,412.00	\$32.95
11/27/2002	9/1/02 – 9/30/02	\$6,764.00	\$180.91	\$6,764.00	\$180.91
1/21/2003	10/1/02 – 10/31/02	\$5,231.00	\$163.87	\$5,231.00	\$163.87
2/14/2003	11/1/02 – 11/30/02	\$2,247.50	\$11.09	\$2,247.50	\$11.09
2/25/2003	12/1/02 – 12/31/02	\$23,328.00	\$840.75	\$23,328.00	\$840.75
3/24/2003	1/1/03 – 1/31/03	\$27,856.50	\$1,993.45	\$27,856.50	\$1,993.45
4/7/2003	2/1/03 – 2/28/03	\$30,227.25	\$4,340.48	\$30,227.25	\$4,340.48
4/25/2003	3/1/03 – 3/31/03	\$15,718.75	\$4,628.24	\$15,718.75	\$4,628.24
6/19/2003	4/1/03 – 4/30/03	\$8,871.00	\$702.40	\$8,871.00	\$702.40
7/3/2003	5/1/03 – 5/12/03	\$5,808.00	\$1,608.02	\$5,808.00	\$1,608.02
Totals		\$347,686.87	\$37,321.57	\$347,686.87	\$37,321.57

* The above approved fee amount assumes that the interim fee applications for the periods 3/1/03 – 5/12/03 will be approved at the October 14, 2003 hearing.

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UNSECURED CREDITORS OF PREMIERE ASSOCIATES, INC. AND ITS
SUBSIDIARIES FOR THE PERIOD FROM JANUARY 4, 2002
THROUGH MAY 12, 2003**

By this application (the “Final Fee Application”), pursuant to 11 U.S.C. §§ 330 and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure and the Order, Under §§ 105(a) and 331, Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated February 22, 2001 (the “Interim Compensation Order”), the law firm of Blanco Tackabery Combs & Matamoros, P.A. (“BTCM”) hereby seeks final approval of all interim fee applications filed by BTCM in these cases as co-counsel to the Official Committee of Unsecured Creditors of Premiere Associates, Inc. and its Subsidiaries (the “Premiere Committee”), in the total amount of \$347,686.87 for legal services rendered, together with reimbursement of actual and necessary expenses incurred in the amount of \$37,321.57, for the period January 4, 2002 through May 12, 2003 (the “Final Fee Period”). In support of this Final Fee Application, BTCM respectfully represents as follows:

1. This Court entered its order on February 14, 2002 appointing BTCM as co-counsel to the Premiere Committee *nunc pro tunc* to January 4, 2002, granting BTCM’s

application dated January 16, 2002 (the "Order"). The Order authorized BTCM to be compensated on an hourly basis and to be reimbursed for actual and necessary expenses.

RELIEF REQUESTED

2. All services for which compensation is requested by BTCM were performed for, or on behalf of, the Premiere Committee.

3. BTCM seeks final approval of all interim fee applications. BTCM has previously submitted interim fee applications for services rendered and reimbursement of expenses as follows:

a. for the period from January 4, 2002 through January 31, 2002 in the amount of \$46,423.25 for fees and \$785.10 for expenses;

b. for the period from February 1, 2002 through February 28, 2002 in the amount of \$20,064.50 for fees and \$1,254.31 for expenses;

c. for the period from March 1, 2002 through March 31, 2002 in the amount of \$37,788.75 for fees and \$4,858.07 for expenses;

d. for the period from April 1, 2002 through April 30, 2002 in the amount of \$93,490.37 for fees and \$8,475.77 for expenses;

e. for the period from May 1, 2002 through May 31, 2002 in the amount of \$6,158.00 for fees and \$3,433.42 for expenses;

f. for the period from June 1, 2002 through June 30, 2002 in the amount of \$7,414.00 for fees and \$24.66 for expenses;

g. for the period from July 1, 2002 through July 31, 2002 in the amount of \$6,884.00 for fees and \$3,988.08 for expenses;

h. for the period from August 1, 2002 through August 31, 2002 in the amount of \$3,412.00 for fees and \$32.95 for expenses;

i. for the period from September 1, 2002 through September 30, 2002 in the amount of \$6,764.00 for fees and \$180.91 for expenses;

j. for the period from October 1, 2002 through October 31, 2002 in the amount of \$5,231.00 for fees and \$163.87 for expenses;

k. for the period from November 1, 2002 through November 30, 2002 in the amount of \$2,247.50 for fees and \$11.09 for expenses;

l. for the period from December 1, 2002 through December 31, 2002 in the amount of \$23,328.00 for fees and \$840.75 for expenses;

m. for the period from January 1, 2003 through January 31, 2003 in the amount of \$27,856.50 for fees and \$1,993.45 for expenses;

n. for the period from February 1, 2003 through February 28, 2003 in the amount of \$30,227.25 for fees and \$4,340.48 for expenses;

o. for the period from March 1, 2003 through March 31, 2003 in the amount of \$15,718.75 for fees and \$4,628.24 for expenses;

p. for the period from April 1, 2003 through April 30, 2003 in the amount of \$8,871.00 for fees and \$702.40 for expenses; and

q. for the period from May 1, 2003 through May 12, 2003 in the amount of \$5,808.00 for fees and \$1,608.02 for expenses.

4. Except for the interim fee applications for the periods March 1, 2003 through May 12, 2003, which are to be heard on October 14, 2003, the Court has previously approved all interim fee applications submitted by BTCM.

5. BTCM requests final approval of all interim fee applications filed by BTCM in these cases, in the total amount of \$347,686.87 for legal services rendered, together with reimbursement for actual and necessary expenses incurred in the amount of \$37,321.57. A summary of the hours and fees of each professional, a summary of compensation by project category, and an expense summary for the Final Fee Period are attached hereto as Exhibit A.

6. Given the nature and value of the services provided by BTCM to the Premiere Committee as described herein, the amounts sought under this Final Fee Application are fair and reasonable under Section 330 of the Bankruptcy Code.

7. BTCM has received no payment and no promises for payment from any source for services rendered to the Premiere Committee in connection with these cases. There is no agreement or understanding between BTCM and any other person, other than members of the firm, for the sharing of compensation to be received for the services rendered in these cases.

SUMMARY OF SERVICES RENDERED

8. BTCM has advised the Premiere Committee on a regular basis with respect to legal matters in connection with those certain “Avoidance Actions” and “Directors and Officers Actions” referred to in the Order, and in connection with the Debtor’s plan of reorganization. Furthermore, BTCM has: (1) prepared and/or assisted in the preparation of various motions, applications, orders, and other pleadings submitted to the Court for consideration; (2) appeared in court to present necessary motions, applications, objections, and pleadings and otherwise represented the interests of the Premiere Committee to the extent such pleadings pertain to the Premiere Group Debtors; (3) engaged in meetings, negotiations, discussions, and communications with interested parties; and (4) performed all necessary professional services

which were described and narrated in detail in the previously filed interim fee application exhibits.

9. BTCM has been involved in all substantive matters involving the estate and the Premiere Committee.

AMOUNTS REQUESTED

10. BTCM seeks compensation in the amount of \$347,686.87 for the Final Fee Period in connection with the professional services described hereinabove.

11. BTCM incurred certain disbursements during the Final Fee Period in the total amount of \$37,321.57. This disbursement sum is broken down into categories of charges, which may include, among other things, telephone and telecopier charges, toll charges, mail and express mail charges, special or hand delivery charges, filing fees, recordation fees, photocopying charges, deposition services and transcript costs, travel expenses, expenses for working meals, and Pacer research charges. BTCM does not charge separately for document processing or non-ordinary overhead expenses such as overtime for secretarial personnel and other staff. A complete review by category of the expenses incurred for the Final Fee Period and an itemization of expenses within each expense category, as required by Del. Bankr. LR 2016-2(e)(ii), may be found in the previously filed interim fee application exhibits.

12. Costs incurred for computer assisted research, if any, are not included in BTCM's normal hourly billing rates and, therefore, are itemized and included in BTCM's disbursements. Pursuant to Del. Bankr. LR 2016-2, BTCM represents that its rate for duplication is \$0.15 per page, and its rate for outgoing telecopier transmissions is \$1.00 per page (excluding related long distance transmission charges). There is no charge for incoming telecopier transmissions and there is no surcharge for computerized research, if any.

13. In accordance with the factors enumerated in 11 U.S.C. § 330, the amounts requested for compensation and expense reimbursement are fair and reasonable given: (a) the complexity of these cases; (b) the aggressive opposition by Debtors and the IHS Committee to the efforts of the Premiere Committee; (c) the complexity of the issues involved in representing the Premiere Committee in the matters of representation; (d) the time expended; (e) the nature and extent of the services rendered; (f) the value of such services; and (g) the costs of comparable services other than in a case under this title.

14. BTCM believes that the time entries and expense entries included in the exhibits to the previously filed interim fee applications are in compliance with the requirements of Del. Bankr. LR 2016-2.

15. BTCM has sent a copy of this Final Fee Application to the Office of the United States Trustee and all parties in interest that have requested notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure. In light of the relief requested herein, BTCM submits that no further notice of the Final Fee Application is necessary.

WHEREFORE, BTCM respectfully requests final approval of all BTCM interim fee applications in these cases, in the total amount of \$347,686.87 for professional services rendered to the Premiere Committee for the Final Fee Period and \$37,321.57 for reimbursement of actual and necessary costs and expenses incurred during the Final Fee Period.

Dated: September 24, 2003.

BLANCO TACKABERY
COMBS & MATAMOROS, P.A.



Gene B. Tarr (NCSB #11110)
P.O. Drawer 25008
Winston-Salem, NC 27114-5008
(336) 761-1250

and

THE BAYARD FIRM
222 Delaware Avenue, Suite 900
P.O. Box 25130
Wilmington, Delaware 19899
(302) 655-5000

Counsel to the Official Committee
of Unsecured Creditors of Premiere
Associates, Inc. and its Subsidiaries

Exhibit A

Integrated Health Services, Inc.
 Billing Period January 4, 2002 through May 12, 2003

AGGREGATE SUMMARY PAGE BY INDIVIDUAL

Name of Professional Person	Position with Applicant, no. of years in that position, prior relevant experience, year of obtaining license to practice, area of expertise	Hourly Billing Rate	Total Billed Hours	Total Compensation
Reginald F. Combs	Partner since 1983. Joined firm as an associate in 1978. Member of the NC Bar since 1978. Expertise in civil litigation.	\$225.00	192.70	\$43,357.50
		\$112.50	22.75	\$2,559.37
		\$235.00	.50	\$117.50
Gene B. Tarr	Partner since 1989. Joined firm as an associate in 1983. Member of the NC Bar since 1983. Expertise in bankruptcy law, creditors' rights, workouts, business and commercial law.	\$200.00	428.10	\$85,620.00
		\$100.00 ¹	32.45	\$3,245.00
		\$210.00	385.10	\$80,871.00
		\$105.00	50.00	\$5,250.00
George E. Hollodick	Partner since 1996. Joined firm as an associate in 1989. Member of the NC Bar since 1989. Expertise in commercial real estate, commercial finance, and long term health care law.	\$200.00	301.60	\$60,320.00
		\$100.00 ¹	39.55	\$3,955.00
		\$210.00	152.40	\$32,004.00
		\$105.00	40.15	\$4,215.75
		\$215.00	.45	\$96.75
Deborah L. McKenney	Joined firm as an associate in 1997. Member of the NC Bar since 1997. Expertise in general corporate, general and commercial real estate, and tax credit projects.	\$160.00	4.00	\$640.00
Ashley S. Rusher	Re-joined firm as an associate in 2001. Previously associate at the firm 1991-1992. Member of the NC Bar since 1987. Member of the GA Bar since 1993. Expertise in bankruptcy law, creditors' rights, workouts, and commercial litigation.	\$150.00	15.60	\$2,340.00
		\$175.00	5.00	\$875.00

¹ Hourly rate reflects ½ reduction from regular hourly rate for travel time.

Carolyn W. Scogin	Joined firm as an associate in 2001. Member of the NC Bar since 2001. Expertise in business, securities and banking law, commercial real estate.	\$125.00 \$135.00	89.45 4.40	\$11,181.25 \$594.00
Nathan B. Atkinson	Joined firm as an associate in 2001. Member of the NC Bar since 2001. Expertise in bankruptcy, civil and commercial litigation.	\$125.00	44.15	\$5,518.75
Brenda S. Bowden	Paralegal 7 years. Expertise in bankruptcy.	\$60.00 \$65.00	43.30 30.40	\$2,598.00 \$1,976.00
Lisa G. Cornatzer	Paralegal 2-1/2 years. Expertise in corporate.	\$60.00 \$65.00	5.00 .80	\$300.00 \$52.00
Grand Total			1,887.85	\$347,686.87
				Blended Rate: \$ 184.17

Integrated Health Services, Inc.
Billing Period January 4, 2002 through May 12, 2003

AGGREGATE TIME SUMMARY BY MATTER

<u>Matter</u>		<u>Total Hours</u>	<u>Total Amount</u>
2	Litigation/Adversary Proceedings ²	976.55	\$181,432.37
3	Retention of Professionals/Fee Applications/ Fee Objections	139.30	19,452.00
4	Plan & Disclosure Statement	289.20	53,627.25
5	Business Operations	6.00	1,230.00
6	Claims, Analysis, Objections & Resolutions	19.80	3,583.25
8	Cash Collateral/DIP Financing	29.15	5,765.00
9	Employee Matters	.20	42.00
10	Lease/Executory Contract Issues	32.55	6,595.00
12	Meetings of Creditors	60.45	11,202.50
13	Stay Relief Matters	4.85	986.00
14	Court Hearings	75.45	13,120.00
15	Asset Analysis and Recovery	7.60	1,531.00
16	Use, Sale or Lease of Property	246.75	49,120.50
	Totals:	1,887.85	\$347,686.87

² Including services related to the Guaranty Avoidance Action on behalf of the Premiere Debtors and the D & O Action on behalf of the Premiere Debtors.

Integrated Health Services, Inc.
Billing Period January 4, 2002 through May 12, 2003

AGGREGATE ITEMIZED DISBURSEMENTS

<u>Description</u>	<u>Amount</u>
Photocopies	\$1,682.70
Outside Copying/Printing	2.50
Outside Legal Services	2,049.72
Postage	51.17
Overnight Mail	912.91
Telecopier	964.10
Travel	25,357.18
Cell Phone Charges, as billed by service provider	76.65
Long Distance Phone Charges, as billed by service provider	135.08
Computer Research – Pacer, Westlaw, and/or Lexis	6,070.61
Internet Usage Charge	18.95
Total	\$37,321.57

VERIFICATION

STATE OF NORTH CAROLINA)
) SS:
FORSYTH COUNTY)


Gene B. Tarr, after being duly sworn according to law, deposes and says:

1. I am a Partner in the applicant firm, Blanco Tackabery Combs & Matamoros, P.A., and am duly admitted and in good standing to practice in the State of North Carolina, as well as the United States District Courts for the Eastern, Middle, and Western Districts of North Carolina. I have previously been admitted *pro hac vice* to practice before this Court.

2. I have personally performed many of the legal services rendered by Blanco Tackabery Combs & Matamoros, P.A., as co-counsel to the Official Committee of Unsecured Creditors of Premiere Associates, Inc. and its Subsidiaries (the "Premiere Committee") and am thoroughly familiar with all other work performed on behalf of the Premiere Committee by the attorneys and paraprofessionals in the firm.


3. The facts set forth in the foregoing Final Fee Application are true and correct to the best of my knowledge, information and belief.

4. I have reviewed the requirements of Rule 2016-2 of the Local Rules for the United States Bankruptcy Court for the District of Delaware, and this Final Fee Application complies with Local Rule 2016-2.

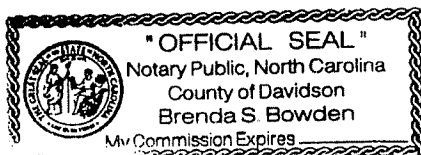


Gene B. Tarr

SWORN TO AND SUBSCRIBED before me this 27th day of September, 2003.



Notary Public



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
INTEGRATED HEALTH)	Case No. 00-389 (MFW)
SERVICES, INC., <u>et al.</u> ,)	
)	Jointly Administered
Debtors.)	

**FINAL ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES OF
BLANCO TACKABERY COMBS & MATAMOROS, P.A.**

Blanco Tackabery Combs & Matamoros, P.A. (“BTCM”), as co-counsel to the Official Committee of Unsecured Creditors of Premiere Associates, Inc. and its Subsidiaries in the above-captioned cases, having filed a final fee application for allowance of compensation and reimbursement of expenses (the “Final Fee Application”) filed with the Court on September 24, 2003; and parties in interest having received adequate notice; and the Court having considered the Final Fee Application and having found the amounts requested in the Final Fee Application to be reasonable; and no objections having been filed; it is hereby

ORDERED that the Final Fee Application is granted, and all interim fee applications filed by BTCM in these cases, in the total amount of \$347,686.87 for services rendered and \$37,321.57 as reimbursement for actual, necessary expenses, are approved on a final basis.

Dated: _____, 2003

The Honorable Mary F. Walrath