

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

In re: :
 :
Integrated Health Services, Inc., et al., : **Case No.: 00-389 (MFW)**
 :
 :
 Debtors . :
 : **Chapter 11**
 :
 : **Jointly Administered**

FORTIETH APPLICATION OF JENKENS & GILCHRIST PARKER CHAPIN LLP AS COUNSEL FOR THE DEBTORS AND DEBTORS IN POSSESSION FOR INTERIM ALLOWANCE OF COMPENSATION FOR ACTUAL AND NECESSARY SERVICES RENDERED AND FOR REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES INCURRED FOR THE PERIOD MAY 1, 2003 THROUGH MAY 12, 2003 AND FOR FINAL ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FEBRUARY 1, 2000 THROUGH MAY 12, 2003¹

SUMMARY SHEET – PART I

Name of Applicant:	Jenkins & Gilchrist Parker Chapin LLP
Authorized to Provide Professional Services to:	Debtors
Date of Retention:	February 2, 2000
Period for which interim compensation and reimbursement is sought:	May 1, 2003 – May 12, 2003
Amount of Interim Compensation sought as actual, reasonable and necessary:	\$120,724.00
Amount of Interim Reimbursement of expenses sought as actual, reasonable and necessary:	\$3,382.18
Period for which final award of compensation and reimbursement is sought:	February 2, 2000 – May 12, 2003

¹ On May 12, 2003 (the "Confirmation Date"), this Court entered an order (the "Confirmation Order"), confirming the *Amended Joint Plan of Reorganization of Integrated Services, Inc. and Its Subsidiaries* (the "IHS Plan"). Pursuant to Section 2.2 of the IHS Plan, the Debtors are authorized to pay compensation for services rendered and reimbursement of expenses after the Confirmation Date in the ordinary course, without the need for Bankruptcy Court approval. After the Effective Date (as defined in the IHS Plan), the Liquidating LLC or the Reorganized Debtors (as defined in the IHS Plan, respectively), as applicable, are authorized to pay compensation for services rendered or reimbursement of expenses incurred after the Effective Date, in the ordinary course and without the need for Bankruptcy Court approval. Accordingly, fees and expenses incurred by Jenkins & Gilchrist Parker Chapin LLP after May 12, 2003 are not included in this application.

Amount of Final Compensation
sought as actual, reasonable and
necessary: \$14,670,215 12

Amount of Final Reimbursement sought
as actual, reasonable and necessary: \$667,022 21

This is an interim and final application

The time expended for the preparation of this application through May 12, 2003 is approximately 8 hours² Applicant's prior applications for and awards of compensation are as follows:

DATE FILED	PERIOD COVERED	REQUESTED FEES/EXPENSES		APPROVED FEES/EXPENSES
3/25/00	2/2/00 - 2/29/00	Fees	205,943 56	Approved
		Expenses	6,308 47	
4/25/00	3/1/00 - 3/31/00	Fees	241,784 00	Approved
		Expenses	15,718 05	
5/25/00	4/1/00 - 4/30/00	Fees	384,440 00	Approved
		Expenses	17,876 00	
6/25/00	5/1/00 - 5/31/00	Fees	271,752 75	Approved
		Expenses	16,707 66	
7/25/00	6/1/00 - 6/30/00	Fees	327,996 00	Approved
		Expenses	31,972 71	
8/25/00	7/1/00 - 7/31/00	Fees	230,172 50 ³	Approved
		Expenses	15,428 04	
9/26/00	8/1/00 - 8/30/00	Fees	277,246 00	Approved
		Expenses	19,738 07	
10/26/00	9/1/00 - 9/30/00	Fees	334,227 00	Approved
		Expenses	10,005 03	
11/22/00	10/1/00 - 10/31/00	Fees	295,500 00	Approved
		Expenses	17,324 79	
12/22/00	11/1/00-11/30/00	Fees	233,134 00	Approved
		Expenses	9,745 92	
1/25/01	12/1/00-12/31/00	Fees	255,143 00	Approved
		Expenses	7,029 71	
2/25/01	1/1/01-1/31/01	Fees	250,957 00	Approved
		Expenses	7,484 28	
3/25/01	2/1/01-2/28/01	Fees	331,166 00	Approved
		Expenses	11,197 06	
4/25/01	3/1/01-3/30/01	Fees	424,344 00	Approved
		Expenses	31,620 69	
5/25/01	4/1/01-4/30/01	Fees	469,751 50	Approved
		Expenses	28,599 00	
6/25/01	5/1/01-5/31/01	Fees	426,641 00	Approved
		Expenses	25,636 25	
7/25/01	6/1/01-6/30/01	Fees	440,838 00 ¹	80% of fees paid,
		Expenses	21,606 59	100% of expenses paid
8/27/01	7/1/01 - 7/31/01	Fees	510,268 50 ³	80% of fees paid,
		Expenses	33,118 60	100% of expenses paid
9/27/01	8/1/01-8/31/01	Fees	428,445 50 ³	80% of fees paid
		Expenses	21,837 74	100% of expenses paid
10/29/01	9/01/01 -9/30/01	Fees	363,636 00	Approved
		Expenses	8,126 17	
12/27/01	10/01/01 - 10/31/01	Fees	528,438 50	Approved
		Expenses	21,721 20	

² Allowances for compensation for such time accrued after August 31, 2002 will be requested in a subsequent fee application.

³ Fees held in abeyance in the amount of \$26,535 00

¹ By Order dated February 28, 2002 the Court disallowed the requested holdback fees pending submission of supplemental information

DATE FILED	PERIOD COVERED	REQUESTED FEES/EXPENSES	APPROVED FEES/EXPENSES
2/04/02	11/01-01-11/30/01	Fees 505,765 00 Expenses 15,823 68	Approved
2/22/02	12/01-01-12/31/01	Fees 488,463 00 Expenses 18,319 77	Approved
4/3/02	1/1/02 – 1/31/02	Fees 549,978 00 Expenses 12,497 02	Approved
5/14/02	2/1/02 - 2/28/02	Fees 517,613 00 Expenses 29,149 55	Approved
6/25/02	3/1/02 – 3/31/02	Fees 473,745 00 Expenses 24,343 78	Approved
7/26/02	4/1/02 – 4/30/02	Fees 537,255 50 Expenses 18,838 98	Approved
8/25/02	5/1/02 – 5/31/02	Fees 478,522 50 Expenses 17,530 71	Approved
9/12/02	6/1/02 – 6/30/02	Fees 517,477 50 Expenses 19,457 38	Approved
2/4/03	7/1/02 – 7/31/02	Fees 416,958 30 Expenses \$14,786 18	Approved
2/12/03	8/1/02 – 8/31/02	Fees 369,217 50 Expenses 17,880 03	Approved
2/21/03	9/1/02 – 9/30/02	Fees 434,991 50 Expenses 15,114 46	Approved
3/25/03	10/1/02 – 10/31/02	Fees 520,741 00 Expenses 18,389 51	Approved
4/7/03	11/1/02 – 11/30/02	Fees 303,227 50 Expenses 9,057 40	Approved
6/5/03	12/1/02 – 12/31/02	Fees 243,725 00 Expenses 11,412 51	Approved
6/11/03	1/1/03-1/31/03	Fees 255,360 50 Expenses 8,983 51	Approved
6/19/03	2/1/03-2/28/03	Fees 196,507 50 Expenses 6,754 91	Approved
7/17/03	3/1/03-3/31/03	Fees 244,131 00 Expenses 11,892 91	Approved
7/28/03	4/1/03-4/30/03	Fees 263,987 00 Expenses 14,605 71	Approved

SUMMARY SHEET
Integrated Health Services, et. al.
Summary Of Time Recorded In Connection
With the Rendition of Services To The Debtors For The
Period From May 1, 2003 Through May 12, 2003

<u>PARTNERS</u>	<u>LAW SCHOOL CLASS</u>	<u>YEAR ADMITTED</u>	<u>HOURS</u>	<u>RATE (\$)</u>	<u>AMOUNT</u>
Jenkins, N	1977	1978	9 50	410	\$3,895 00
Perkiel, M	1974	1975	1 40	575	819 00
Stremba, L.	1975	1976	8 70	520	4,398 00
<u>COUNSEL</u>	<u>LAW SCHOOL CLASS</u>	<u>YEAR ADMITTED</u>	<u>HOURS</u>	<u>RATE (\$)</u>	<u>AMOUNT</u>
Berne, C.	1976	1977	91.40	450	\$39,759 00
Boneparth, H	1969	1970	30 20	395	11,929 00
<u>ASSOCIATES</u>	<u>LAW SCHOOL CLASS</u>	<u>YEAR ADMITTED</u>	<u>HOURS</u>	<u>RATE (\$)</u>	<u>AMOUNT</u>
Alter, A	1968	1969	41.20	400	\$16,450 00
Carlson, J.	1982	1983	42.00	400	16,800 00
Deutch, P.	1995	1996	15 80	370	5,846 00
Feldman, S.	1994	2001	1 30	315	409 50
Fesser, M	2002	pending	17 60	215	3,784 00
Goffin, C.	1997	1998	16 30	335	5,460 00
Kim, M	1996	1997	4 40	305	1,342 00
Leonard, J	2000	2001	1 00	240	240 00
<u>PARALEGALS</u>					
Friedman, B			7 00	160	\$1,120 00
Shah, S.			53.00	150	7,952.00
TOTAL:			<u>344.60</u>		<u>120,724.00</u>

BLENDED HOURLY RATE FOR PROFESSIONAL AND PARAPROFESSIONALS: \$350.00

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

In re: :
: :
Integrated Health Services, Inc. : Case No.: 00-389 (MFW)
: :
Debtors. : :
: Chapter 11
: :
: (Jointly Administered)

**FORTIETH INTERIM APPLICATION OF JENKENS & GILCHRIST
PARKER CHAPIN LLP AS COUNSEL FOR THE DEBTORS AND
DEBTORS IN POSSESSION FOR ALLOWANCE OF INTERIM
COMPENSATION FOR ACTUAL AND NECESSARY SERVICES
RENDERED AND FOR REIMBURSEMENT OF ACTUAL AND
NECESSARY EXPENSES INCURRED FOR THE PERIOD
MAY 1, 2003 THROUGH MAY 12, 2003 AND FOR FINAL ALLOWANCE
OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR
THE PERIOD FEBRUARY 2, 2000 THROUGH MAY 12, 2003**

1. Pursuant to 11 U.S.C. §§ 330 AND 331 AND Rule 2016 of the Federal Rules of Bankruptcy Procedure and the Administrative Order Under §§ 105(a) and 331 of the Bankruptcy Code Establishing revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official committee members dated February 2, 2000 (the “Interim compensation Order”), the law firm of Jenkens & Gilchrist Parker Chapin (“Jenkens”) hereby applies for an order awarding it reasonable interim compensation for professional legal services rendered as co-counsel to the above-captioned debtors and debtors in possession (collectively the “Debtors”) in the amount of \$120,724.00 together with interim reimbursement for actual and necessary expenses incurred in the amount of for \$3,382.18 for the period May 1, 2003 through and including May 12, 2003 (the “Interim Fee Period”) and for an order awarding it reasonable final compensation for professional legal services rendered as co-counsel to

the above-captioned Debtors in the amount of \$14,670,215 00 together with final reimbursement for actual and necessary expenses incurred in the amount of \$667,022 21 for the period February 2, 2000 through and including May 12, 2003 (the "Final Fee Period") In support of its application (the "Application"), Jenkens & Gilchrist Parker Chapin respectfully represents as follows:

INTRODUCTION

1 On February 2, 2000 (the "Filing Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. § 101 et seq., (the "Bankruptcy Code") with the clerk of this Court. Since the filing Date, the Debtors have continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy code. The within chapter cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of this Court.

2 No trustee or examiner has been appointed herein. On February 15, 2000, the United States Trustee appointed an official committee of unsecured creditors (the "Creditors' Committee") in these cases pursuant to section 1102 of the Bankruptcy code. On January 4, 2002, pursuant to an Order of the United States Bankruptcy Court for the District of Delaware dated December 26, 2001, the United States Trustee appointed an additional official committee of unsecured creditors (the "Premier Group Creditors' committee") for Premiere Associates, Inc., and its affiliates.

3 On November 21, 2001, the Rotech Debtors⁵ filed a proposal form of disclosure statement and joint plan of reorganization, which were subsequently amended. By Order dated December 20, 2001, the Court approved the form of the Rotech Debtors' amended disclosure statement (the "Rotech Disclosure Statement") and joint plan of reorganization (the "Rotech Plan"), and approved the Rotech Debtors' proposed procedures for soliciting acceptances of the Rotech Plan. At a hearing held on February 13, 2002, the Bankruptcy Court entered an order confirming the Rotech Plan. The Rotech Plan has since gone effective pursuant to the terms of the order approving confirmation.

4 On December 26, 2002, the IHS Debtors filed with the Court a joint plan of reorganization (as amended, the "IHS Plan") and an accompanying disclosure statement (the "IHS Disclosure statement") pursuant to section 1125 of the Bankruptcy code. On March 14, 2003, the court entered an order approving the IHS Disclosure Statement. Confirmation hearings for the IHS Plan were held on April 29, May 7 and May 12, 2003. On May 12, 2003, the Bankruptcy Court confirmed the IHS Plan, as amended, and substantively consolidated the IHS Debtors' estates. The IHS Plan became effective September 9, 2003.

5 In accordance with the Administrative Order Pursuant to Sections 105(a), 330(a) and 503(b)(2) of the Bankruptcy code, rule 9006(b)(1) of the Federal rules of Bankruptcy Procedure and Local Rule 9006-2 Establishing Revised Procedures for the Submission of Final Applications for Allowance of Compensation and Reimbursement of

⁵ Those Debtor entities associated with the Rotech business segment are hereinafter referred to as the

Expenses of Professionals Under the Rotech Debtors' Second Amended Joint Plan of Reorganization (the "Rotech Administrative Order") [Docket No. 7397] signed on May 29, 2002, this court granted an extension of time to file final fee applications in connection with the fees and expenses incurred on behalf of the Rotech Debtors under the Rotech Plan. The Rotech Administrative Order permitted professionals to file consolidated final fee applications at the end of the cases. The deadline to file final fee applications pursuant to the terms of the IHS Plan is forty-five (45) days after the effective date, or October 24, 2003. This Application requests final approval of all fees and reimbursement of all expenses incurred by Jenkens & Gilchrist Parker Chapin in connection with its representation of both the Rotech Debtors and the IHS Debtors⁶.

JENKENS' RETENTION

6 Pursuant to an order dated March 7, 2000, this Court authorized the Debtors to retain Parker Chapin LLP as bankruptcy counsel to the Debtors in these cases. Parker Chapin LLP has acted as bankruptcy counsel for the Debtors since February 2, 2000. Effective January 1, 2001, Parker Chapin LLP and Jenkens & Gilchrist PC agreed to merge the two firms. The merger was accomplished by forming a new limited liability partnership under the name of Jenkens & Gilchrist Parker Chapin LLP. The partners of Jenkens consist of the individual partners of Parker Chapin LLP and Jenkens & Gilchrist PC.

"Rotech Debtors" and those Debtor entities associated with the Symphony and Long-Term Care business segments are hereinafter referred to as the "IHS Debtors".

⁶ Due to their voluminous nature, the prior thirty-nine (39) interim applications filed by Jenkens & Gilchrist Parker Chapin in these cases are not annexed to this Application. A list of the prior applications,

JENKENS' APPLICATION

7 Professional services and expenses for which compensation and reimbursement are sought were rendered and expended on behalf of the Debtors pursuant to Chapter 11 of the Bankruptcy Code. Jenkens believes it is appropriate that it be compensated for the time spent and be reimbursed for the expenses incurred in connection with these matters under 11 U.S.C. § 1107.

8 For the interim period covered by this Application, Jenkens has provided a total of 344.60 attorney and paraprofessional hours to the Debtors and has incurred fees for such services totaling \$120,724.00 for the same period, Jenkens has incurred actual and necessary expenses totaling \$3,382.18. With respect to these amounts, as of the date of this Application, Jenkens has received no payments.

9 Jenkens maintains daily records of the time spent in rendering professional services during the period covered by this Application. Statements of services and summaries of the value of services provided to the Debtors are contained in Exhibit A attached hereto.

10 Exhibit B attached hereto contains a breakdown of disbursements⁷ incurred by Jenkens over the period to which the fortieth interim fee Application relates

including the date each application was filed, is included in the cover sheet to the present Application and will be made available if the Court deems it necessary.

⁷ Duplicating: Jenkens's charge to the Debtors for in-house duplication is \$.15 per page, which is a discounted rate. For duplicating contracted outside the firm, Jenkens bills its clients for the actual direct costs incurred by the firm for a client's account.

Computer Research: Jenkens's standard practice is to bill clients for research on Lexis, Westlaw and other on-line services at actual costs.

In addition, Jenkens has provided a detailed list of the disbursements as indicated in our billing statements

11. Jenkens will not burden this court with a detailed or lengthy description of each and every item of service performed during this fortieth interim period. Jenkens' services are described in great detail in the annexed billing statements. However, the following is a brief summary of some of the services performed by Jenkens during this fortieth and final interim period:

A. Case Administration (Matter 00002)

(Fees: \$3,176.00, Total Attorney/Paraprofessional Hours: 22.60)

This category includes numerous tasks which were necessary to comply with certain procedural aspects of these cases, including coordination with our co-counsel and local counsel for the preparation of agenda letters for submission to the Court in advance of each hearing date, coordination and planning of activities and interaction with Debtors' co-counsel and other professionals. In addition, due to the voluminous amount of documents in this case, Jenkens has been and continues to maintain document files to enable professionals to retrieve documents as needed.

B. Claims Administration and Objections (Matter 00007)

(Fees: \$55,035.00, Total Attorney Paraprofessional Time: 145.50)

Both before and after the August 29, 2000 bar date, Applicant has worked closely with the Debtors and their claims agent, Poorman-Douglas Corporation ("Poorman"), to

Telecommunications: Jenkens's standard practice is to charge its clients the actual cost to Jenkens of discounted carrier rates. Outgoing long distance facsimile transmittals are billed at the cost of the call. There is no charge for incoming facsimile transmittals.

ensure that all of the claims filed in these joint chapter 11 cases (over 14,000 to date) are accurately and promptly entered in the claims register and to ensure consistency between the claims register and IHS's books and records. Applicant continues to communicate frequently with the Debtors and Poorman to discuss and review numerous aspects of the claims administration process and determine how best to process, evaluate and resolve the large number of claims filed.

During this period, Applicant has continued to assist the Debtors in their review and analysis of the filed and scheduled claims. Applicant frequently dealt with attorneys for numerous claimants to identify, narrow and resolve disputes with respect to the amount, classification and status of claims. Applicant continued its efforts with respect to the Debtors' numerous objections to claims (thirty-one filed as of this application period) and speaks and meets frequently with the Debtors' employees, representatives and ordinary course professionals in order to prepare for future objections. Working closely with the Debtors, Applicant prepared, reviewed and revised numerous claims schedules and analyses during this application period.

During this period Applicant also continued its analyses and negotiations with respect to several creditors holding unsecured claims totaling several hundred million dollars in the aggregate (as filed) as well as creditors holding large dollar priority claims. These claimants include Medshares, Pharmerica, Travelers, IOS/Ikon and Pyxis. With respect to Travelers, Applicant perfected the Debtors' appeal from a decision and order of this Court holding the claim of Travelers Indemnity Company & Affiliates for unpaid workers' compensation insurance premiums, most recently amended to the amount of approximately \$6.6 million, to be entitled to priority status under section 507(a)(4) of

the Bankruptcy Code. Applicant analyzed the decision appealed from, analyzed the legislative history of the (a)(4) priority, examined the divergent case law on the issues raised on appeal and drafted and filed its opening brief. In addition, Applicant reviewed the issues surrounding Travelers' third amendment of its original claim, which is in an amount more than double the liability estimated by the Debtors to be slightly in excess of \$3 million, worked with the Debtors' risk management personnel in an effort to reconcile the amount of the claim and attempted to negotiate a formula for resolving the claim amount with counsel for Travelers.

Applicant also continued its analysis of Medicaid claims as well as its negotiations with several state agencies including Florida. Additionally, Applicant has continued working with the Debtors to resolve any and all pending administrative claims.

C. Plan and Disclosure Statement (Matter 00012)

(Fees: \$2,942.00, Total Attorney/Paraprofessional Hours: 5.70)

Although Kaye Scholer LLP is the Debtors' counsel primarily responsible for work relating to the Debtors' Plan of Reorganization (the "Plan"), Applicant rendered substantial services during the Compensation Period in connection with the balloting process relating to the Plan.

As reflected in the attached billing statements, during the Compensation Period, Applicant analyzed and consulted with Kaye Scholer regarding various objections to the Plan and with regard to the manner in which numerous claims were to be treated in the balloting process and how the votes of numerous creditors for or against acceptance of the Plan would affect the tabulation of votes in the various classes designated in the Plan.

D. Lease Agreements and Other Executory Contracts (Matter 00014)

(Fees: \$22,634.50, Total Attorney/Paraprofessional Hours: 357.80)

As of the Petition Date, the Debtors operated numerous skilled nursing and assisted living facilities at various locations throughout the United States. Since then, the Debtors' management has implemented a cost-reduction strategy to shrink the Debtors' businesses. As part of that strategy, management has conducted, and continues to conduct, extensive reviews of the constituent parts of the Debtors' businesses to determine whether it is in the best interests of the Debtors' estates to continue to operate, transfer, or close individual skilled nursing and assisted living facilities.

Once a decision has been reached by the Debtors as to the disposition of a particular facility, Jenkens takes the steps which are needed to implement that decision, which include, but are not limited to, negotiating and drafting leases, lease amendments, lease termination agreements, assignments of leases, and operations transfer agreements. Where facilities are closed or transferred to new operators, notice is given to the appropriate Federal and state agencies, research is done regarding relevant state Medicaid, Department of Health, and Certificate of Need laws which may affect the transfer, and arrangements are made regarding the disposition of the Debtors' Medicaid and Medicare provider numbers and provider reimbursement agreements. Jenkens works with state Medicaid agencies and the Department of Justice to resolve any issues relating to overpayments and underpayments to the affected Debtors.

Once negotiations are concluded and regulatory hurdles have been cleared, Jenkens prepares motion papers, orders and stipulations, and in some instances engages

in discovery, which can include, but is not limited to, exchanging documents and taking depositions

During the fee period, Applicant continued to assist the Debtors in connection with (i) the Debtors' analysis of whether to retain or transition numerous healthcare facilities, and (ii) the Debtors' ongoing negotiations with landlords concerning the terms of the Debtors' facility leases. Applicant updated a binder containing copies of stipulations which had been entered into with the U.S. Department of Justice relating to the transfer of the Debtors' Medicare provider reimbursement agreements and numbers. Applicant updated charts which summarize (i) certain equipment leases and other executory contracts, and (ii) the status of the Debtors' facility lease motions, as well as a summary of the facilities which have been transferred, and how claims by landlords of the affected facilities were dealt with in conjunction with rejection motions, rejection stipulations, and OTAs.

Debtors continued their efforts to identify under-performing facilities and review performance data. The Debtors and their counsel continued to attempt to resolve the transfer of facilities by engaging in discussions and negotiations with the landlord of the affected facility concerning amounts due for the Debtors' fair use and occupancy of said facility, and a reasonable timetable for transitioning the operations of the facility to a new operator or closing the facility if it is not transitioned.

Applicant counseled the Debtors with respect to issues which arose in connection with the transfers (or possible transfers) of a small number of facilities. As part of that process, Applicant corresponded with the Department of Justice concerning facilities whose transfer was under consideration concerning the terms of stipulations which would

govern the assumption and assignment to new operators of the Debtors' Medicare provider numbers, following confirmation of the Debtors' plan of reorganization Applicant continued its review of its files, and continued the preparation of comprehensive exhibits to a proposed Global Settlement Agreement with CMS

Among the numerous documents which Applicant drafted and/or revised in connection with the Debtors' portfolio of facilities and related executory contracts, are the following. (i) operations transfer agreements, contracts for the sale of real property, leases, and lease amendments, including transaction documents for the Farmington and IHS at Riverfront facilities, (ii) motions to approve the transfer of facilities such as Farmington, and (iii) motions to reject certain executory contracts, including various equipment leases. In addition, Applicant responded to, and attempted to resolve (i) inquiries relating to motions filed by Applicant relating to the disposition of various facilities, (ii) claim issues which arose in connection with the transfer/closure of facility operations, (iii) disputes over the payment of post-petition rent and other amounts which were asserted by landlords to be due and owing, (iv) disputes over due diligence requests by proposed new operators of certain facilities, and (v) demands by equipment lessors relating to equipment located in facilities which were the subject of transfer motions

E. Labor (Matter 00018)

(Fees. \$4,548 50 Total Attorney/Paraprofessional Hours. 10 90)

This category includes numerous tasks which were necessary to assist the Debtor in complying with statutory obligations related to its employees and to avoid or mitigate the disruption of the Debtor's business while operating as debtor-in-possession Applicant provided on-going advice and representation with respect to claims pending

before U S government agencies pertaining to Debtor's employees and with respect to Debtor's obligations to its employees in connection with the prospective sale of its business Applicant also assisted to Debtor in resolving compliance specifications pending before the National Labor Relations Board In addition, Applicant counseled Debtor and prepared documentation in connection with prospective termination of the employment of one of Debtor's executive employees.

F. FSQ, Inc., F/K/A Five Star Quality (Matter 0098)

(Fees: \$12,550.00, Total Attorney/Paraprofessional Hours. 31 20)

During the Compensation Period, Applicant analyzed an amended complaint filed by the plaintiff, performed research to demonstrate various deficiencies in the pleading and drafted a motion to dismiss the amended complaint Applicant also had several conferences with counsel for co-defendants to coordinate the defense of the action, and participated in a teleconference with the Court

12 To enable the Court to have a clearer picture of issues involved, Applicant has provided a complete detail of disbursements

13 Jenkens has endeavored to represent the Debtors in the most expeditious and economical manner possible Tasks have been assigned to attorneys, paralegal, and secretaries at Jenkens in so that work has been performed by those most familiar with the particular matter or tasks Moreover, Jenkens has sought to coordinate with other professionals involved in these cases, including Kaye Scholer, Jenkens' co-counsel, so as to minimize any duplication of effort and to minimize attorney's fees and expenses to the Debtors Jenkens believes it has been successful in this regard

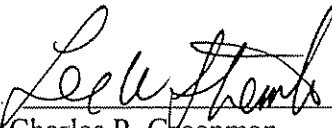
14. As stated in the Affidavit of Charles P. Greenman, annexed hereto as Exhibit "C" to this Application, no agreement or understanding exists between Jenkens and any other person for the sharing of compensation received or to be received for services rendered in or in connection with these cases.

15. The undersigned believes that the time entries included in Exhibit A and the expense entries attached as Exhibit B hereto are in compliance with the requirements of Del. Bankr. LR 2016-2.

WHEREFORE, Jenkens respectfully requests that this Court allow Jenkens. (i) interim compensation in the sum of \$120,724.00 for actual and necessary professional services rendered on behalf of the Debtors during the period May 1, 2003 through May 12, 2003, (ii) interim reimbursement in the amount of \$3,382.18 of actual and necessary expenses incurred during the period May 1, 2003 through May 12, 2003, (iii) final compensation in the sum of \$14,670,215.12 for actual and necessary professional services rendered on behalf of the Debtors during the period February 2, 2000 through May 12, 2003; and (iv) final reimbursement in the amount of \$667,022.21 of actual and necessary expenses incurred during the period February 2, 2000 through May 12, 2003, and authorize and direct the Debtors to pay Jenkens in respect of outstanding interim and final compensation and expenses approved by the Court, and grant such other and further relief as the Court deems just and proper.

Dated: New York, New York
September 23, 2003

JENKENS & GILCHRIST PARKER
CHAPIN LLP
Attorneys For Debtors and Debtors-in-
Possession

By: 

Charles P. Greenman
Lee W. Stremba
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
(212) 704-6000

SUMMARY OF DISBURSEMENTS
May 1, 2003 through May 12, 2003

Air Express	94.57
Courier	80.50
Local Travel	28.80
Long Distance Telephone	91.75
Meals	36.72
Photocopy (internal)	198.15
Postage	1.52
Research (inclusive of Lexis and Westlaw)	1,600.61
Secretarial Overtime	250.00
Telecopier	440.00
Travel and Hotel Expense	183.50
Word Processing	<u>376.06</u>
TOTAL	\$3,382.18

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

**AFFIDAVIT OF CHARLES P. GREENMAN
PURSUANT TO 11 U.S.C. § 504 AND RULE 2016
OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE**

STATE OF NEW YORK)
ss:
COUNTY OF NEW YORK)

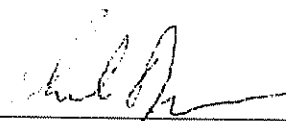
Charles P. Greenman, being duly sworn, deposes and states:

1. I am a member of the firm of Jenkens & Gilchrist Parker Chapin LLP, attorneys for the above-captioned debtors. Effective January 1, 2001, Parker Chapin LLP and Jenkens & Gilchrist PC agreed to merge the two firms. The means of accomplishing this was to form a new limited liability partnership under the name of Jenkens & Gilchrist Parker Chapin LLP. This partnership consists of the old Parker Chapin partners and Jenkens & Gilchrist PC as limited partners.

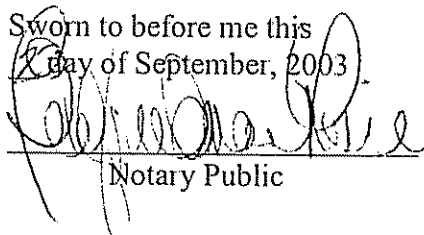
2. In accordance with Rule 2016 of the Federal Rules of Bankruptcy Procedure and Section 504 of the Bankruptcy Code, no agreement or understanding exists between Jenkens &

Gilchrist Parker Chapin LLP and any other person for a division of compensation or reimbursement received or to be received herein or in connection within the chapter 11 cases.

3. This affidavit certifies that I have reviewed the requirements and that the Fortieth and Final Application of Jenkens & Gilchrist Parker Chapin, LLP counsel to the Debtors and Debtors in Possession For Interim Allowance of Compensation and Reimbursement of Expenses for the Period May 1, 2003 through May 12, 2003, complies with Del. Bankr. LR 2016.



Charles P. Greenman

Sworn to before me this
2 day of September, 2003

Notary Public

BETH FRIEDMAN LURIE
NOTARY PUBLIC, State of New York
No. 4763035
Qualified in Nassau County
Commission Expires Sept 30, 2005

Gene B. Tarr, Esq.
Blanco Tackaberry Combs & Matamoros, P.A.
P.O. Box 25008
Winston Salem, NC 27114-5008

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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

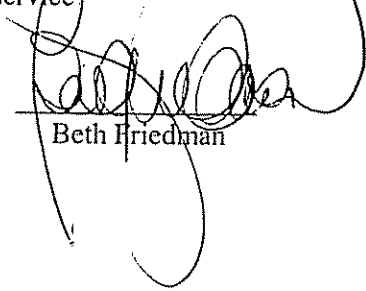
CERTIFICATE OF SERVICE


STATE OF NEW YORK }
 } ss.:
COUNTY OF NEW YORK }

Beth Friedman, being duly sworn, deposes and says:

Deponent is not a party to this action, is over 18 years of age, and an employee of
Jenkins & Gilchrist Parker Chapin LLP.

On September 23, 2003, deponent caused copies of the *fortieth Application of Jenkins & Gilchrist Parker Chapin LLP As Counsel For The Debtors And Debtors In Possession For Allowance Of Interim Compensation For Actual And Necessary Services Rendered And For Reimbursement Of All Actual And Necessary Expenses Incurred For The Period May 1, 2003 through May 12, 2003 and for Final Allowance of Compensation and Reimbursement of Expenses for the Period February 1, 2000 through May 12, 2003* to be served by regular, first class mail, upon the parties listed on the attached pages, who are to my knowledge, all of the parties entitled to service


Beth Friedman

Sworn to before me this
23rd day of September, 2003


AMOS ALTER
Attorney and Counselor at Law
No. 01AL5059665
Qualified in New York County
Notary Commission Expires 31 August 2006
Notary Public

Jesse H. Austin III
Dave Cartee, Esq.
Paul Hastings Janofsky & Walker
600 Peachtree Street, N.E.
Suite 2400
Atlanta, GA 30308

Mark D. Collins, Esq.
Richards Layton & Finger
One Rodney Square
Wilmington, DE 19801

Chaim J. Fortgang, Esq.
Wachtell Lipton Rosen & Katz
51 West 52nd Street
New York, NY 10019

Donald A. Beskrone, Esq.
Office of the United States Trustee
844 N. King Street- Room 2311
Wilmington, DE 19801

Young Conaway Stargatt & Taylor
The Brandywine Building
1000 West Street-17th Floor
Wilmington, Delaware 19899-0391

Stuart Hirshfield, Esq.
Dewey Ballantine LLP
1300 Avenue of the Americas
New York, NY 10019

Dale Dube, Esq.
Michael D. De Baecke, Esq.
Blank Rome Comisky & Mc Cauley, LLP
Chase Manhattan Centre, Suite 800
Wilmington, DE 19801

Joanne B. Wills, Esq.
Steven K. Kortanek, Esq.
Klehr Harrison Harvey Branzburg & Ellers
919 Market Street- Suite 1000
Wilmington, DE 19801

Scott L. Hazan, Esq.
Roseanne A. Finkel, Esq.
Otterbourg, Steindler Houston & Rosen, P.C
230 Park Avenue- 29th Floor
New York, NY 10169

Stephen Karotkin, Esq.
Weil Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153-8007

Mr. Bill Johnson
Integrated Health Services, Inc.
919 Ridgebrook Road
Sparks, MD 21152

Michael J. Crames, Esq.
Kaye Scholer LLP
425 Park Avenue
New York, NY 10022-3598

Charlene Davis, Esq.
Elio Battista, Esq.
Neil B. Glassman, Esq.
The Bayard Firm
222 Delaware Avenue- Suite 900
Wilmington, DE 19899

Mark N. Berman, Esq.
Andrew M. Troop, Esq.
Hutchins, Wheeler & Dittmar
101 Federal Street
Boston, MA 02110