

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

In re: : Case No.: 00-389 (MFW)
: :
Integrated Health Services, Inc. : Chapter 11
: :
Debtors. : (Jointly Administered)
: :
: Objections due by November 17, 2003 @ 4:00 p.m.
: Hearing Date: November 24, 2003 @ 9:30 a.m.

SUPPLEMENTAL SUBMISSION IN SUPPORT OF 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 law firm of Jenkens & Gilchrist Parker Chapin (“Applicant”) has filed an application 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 "Application"). Applicant makes this supplemental submission to advise the Court and interested parties that Applicant has agreed to make a voluntary reduction to the amount of final compensation sought in the Application.

2. During the past few months, the IHS Liquidating LLC, which is the Debtors' successor under the Debtors' confirmed Plan of Reorganization, has undertaken to review the fee applications of retained professionals of the Debtors with respect to the overall reasonableness of the aggregate amounts sought by the professionals in their final fee applications.

3. As a result of extensive arms' length discussions with representatives of the IHS Liquidating LLC, the Applicant has agreed that Applicant will voluntarily reduce its request for final compensation by the sum of \$1,500,000, a reduction of approximately 12% of the total fees for which final approval is sought, or 10% of the aggregate of the total fees and total disbursements combined. Applicant's voluntary reduction reduces its request for compensation from \$15,337,237.21 (for fees and disbursements combined) to \$13,837,237.21.

4. Applicant believes that its total request for final compensation, even without the voluntary reduction, is reasonable under any and all applicable legal standards. However, Applicant is prepared to reduce its request because Applicant recognizes that there is always room to argue over the reasonableness of aggregate fees, in a case of this size, duration and complexity, and Applicant would prefer not to spend its own time or waste the time of the Court or other parties in interest disputing these issues in papers or in the courtroom.

5. Applicant is mindful that the Court has heretofore expressed concerns that various time entries and disbursement entries of the Applicant in certain interim applications lacked sufficient detail to be in full compliance with all applicable

guidelines. The Court has, on those occasions, reserved its decision on the interim applications pending submission of additional information by the Applicant. Applicant is also mindful that the Court is the ultimate arbiter of the reasonable amount of fees and expenses to be awarded to the Applicant, and knows that the Court will consider any objections and make its own assessment of the Applicant's final application. However, Applicant believes that the voluntary reduction of \$1,500,000 should be sufficient to address any concerns the Court may have.

WHEREFORE, Jenkens respectfully requests that this Court allow Jenkens final compensation and final reimbursement of actual and necessary expenses in the aggregate sum of \$13,837,237.21 for 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
November 13, 2003

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

By: s/ Lee W. Stremba/

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