

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

In re:)
) Chapter 11
INTEGRATED HEALTH)
SERVICES, INC., *et al.*,) Case No. 00-00389 (MFW)
)
Debtors.) **Objection Deadline: November 12, 2003 at 4:00 p.m.**
) **Hearing Date: November 24, 2003 at 9:30 a.m.**

**FINAL FEE APPLICATION OF KLEHR, HARRISON, HARVEY,
BRANZBURG & ELLERS LLP AS COUNSEL FOR THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR THE FINAL PERIOD FROM
FEBRUARY 23, 2000 THROUGH MAY 12, 2003**

Name of Applicant: Klehr, Harrison, Harvey, Branzburg & Ellers LLP

Authorized to Provide Professional Services to: Official Committee of Unsecured Creditors

Date of Retention: February 23, 2000

Period for which final compensation
and reimbursement is sought: February 23, 2000 through May 12, 2003

Amount of Final Compensation sought as
actual, reasonable and necessary: \$477,182.50

Amount of Final Expense Reimbursement sought as
actual, reasonable and necessary: \$81,708.24

This is a: _____ Interim X Final Application.

The total time expended for the preparation of this fee application is estimated to be
approximately 10.0 hours.

MONTHLY FEE APPLICATIONS PRIOR TO REVISED COMPENSATION ORDER

<u>Date Filed</u>	<u>Period Covered</u>	<u>Requested Fees, Expenses</u>	<u>Paid Fees, Expenses</u>
April 25, 2000	2/23/00 – 3/31/00	\$14,067.00, \$ 521.14	\$14,067.00 \$ 521.14
May 25, 2000	4/1/00 – 4/30/00	\$ 9,672.50 \$ 1,525.04	\$ 9,672.50 \$ 1,525.04
June 26, 2000	5/1/00-5/31/00	\$ 7,015.00 \$ 1,178.29	\$ 7,015.00 \$ 1,178.29
July 21, 2000	6/1/00-6/30/00	\$ 7,860.50 \$11,261.72	\$ 7,860.50 \$11,261.72
August 25, 2000	7/1/00-7/31/00	\$ 7,682.50 \$ 1,959.58	\$ 7,682.50 \$ 1,959.58
September 26, 2000	8/1/00-8/31/00	\$ 9,584.50 \$ 458.79	\$ 9,584.50 \$ 458.79
October 25, 2000	9/1/00-9/30/00	\$ 7,379.00 \$ 726.65	\$ 7,379.00 \$ 726.65
December 8, 2000	10/1/00-10/31/00	\$10,897.00 \$ 871.28	\$10,897.00 \$ 871.28
December 26, 2000	11/1/00 – 11/30/00	\$14,267.50 \$ 1,161.27	\$14,267.50 \$ 1,161.27
February 16, 2001	12/1/00 – 12/31/00	\$11,399.50 \$ 904.65	\$11,399.50 \$ 904.65
March 19, 2001	1/1/01 – 1/31/01	\$10,004.00 \$ 691.24	\$10,004.00 \$ 691.24
April 3, 2001	2/1/01 – 2/28/01	\$ 9,324.00 \$ 563.79	\$ 9,324.00 \$ 563.79
May 1, 2001	3/1/01 – 3/31/01	\$13,589.50 \$ 988.42	\$13,589.50 \$ 988.42
May 25, 2001	4/1/01 – 4/30/01	\$ 9,602.50 \$ 1,487.80	\$ 9,602.50 \$ 1,487.80
July 3, 2001	5/1/01 – 5/31/01	\$ 9,726.00 \$ 817.83	\$ 9,726.00 \$ 817.83
July 30, 2001	6/1/01 – 6/30/01	\$ 6,112.00 \$ 668.49	\$ 6,112.00 \$ 668.49

MONTHLY FEE APPLICATIONS UNDER REVISED COMPENSATION ORDER

Date Application Filed, Period	Total Fees	Fees Requested (80%)	Expenses Requested	CNO Filing Date, DI #	Total Billed	Payment	Payment Date
September 6, 2001, July 1, 2001 thru July 31, 2001	\$5,885.50	\$4,708.40	\$733.30	9/27/01 5328	\$6,618.80	\$6,618.80	5/21/02 5/24/02
October 16, 2001, August 1, 2001 thru August 31, 2001	\$8,842.50	\$7,074.00	\$4,592.19	11/17/01 5642	\$13,434.69	\$13,434.69	5/21/02 5/24/02
November 9, 2001, September 1, 2001 thru September 30, 2001	\$10,793.50	\$8,634.80	\$4,924.38	11/30/01 5885	\$15,717.88	\$15,717.88	5/21/02 5/24/02
November 30, 2001 October 1, 2001 thru October 31, 2001	\$12,244.50	\$9,795.60	\$273.95	12/21/01 6028	\$12,518.45	\$12,518.45	5/24/02
December 26, 2001, November 1, 2001 thru November 31, 2001	\$12,120.00	\$9,696.00	\$3,417.85	1/16/02 6196	\$15,537.85	\$15,537.85	2/21/02
February 8, 2002, December 1, 2001 thru December 31, 2001	\$8,754.00	\$7,003.20	\$1,119.04	3/1/02 6773	\$9,873.04	\$9,873.04	2/25/02
March 12, 2002, January 1, 2002 thru January 31, 2002	\$18,852.00	\$15,081.60	\$3,528.55	4/2/02 6990	\$22,380.55	\$22,380.55	5/24/02
April 5, 2002, February 1, 2002 thru February 28, 2002	\$12,777.00	\$10,221.60	\$4,649.94	4/26/02 7175	\$17,426.94	\$17,426.94	5/21/02

Date Application Filed, Period	Total Fees	Fees Requested (80%)	Expenses Requested	CNO Filing Date, DI #	Total Billed	Payment	Payment Date
May 1, 2002, March 1, 2002 thru March 31, 2002	\$7,759.50	\$6,207.60	\$806.56	5/23/02 7367	\$8,566.06	\$8,566.06	6/26/02
June 7, 2002, April 1, 2002 thru April 30, 2002	\$15,257.50	\$12,206.00	(\$150.32)	7/2/02 7625	\$15,107.18	\$15,107.18	8/9/02
July 9, 2002 May 1, 2002 thru May 31, 2002	\$53,634.00	\$42,907.20	\$7,092.77	7/30/02 7725	\$60,726.77	\$60,726.77	9/30/02
August 6, 2002 June 1, 2002 thru June 30, 2002	\$32,891.00	\$26,312.80	\$2,175.69	8/28/02 7927	\$35,066.69	\$35,066.69	10/9/02
September 5, 2002 July 1, 2002 thru July 31, 2002	\$8,645.00	\$6,916.00	\$7,984.35	10/1/02 8088	\$16,629.35	\$16,629.35	11/15/02
October 8, 2002 August 1, 2002 thru August 31, 2002	\$8,733.50	\$6,986.80	\$1,380.44	10/29/02 8264	\$10,113.94	\$10,113.94	11/15/02
October 31, 2002 September 1, 2002 thru September 30, 2002	\$7,099.50	\$5,679.60	\$473.94	11/25/02 8397	\$7,573.44	\$7,573.44	1/31/03

Date Application Filed, Period	Total Fees	Fees Requested (80%)	Expenses Requested	CNO Filing Date, DI #	Total Billed	Payment	Payment Date
December 6, 2002 October 1, 2002 thru October 31, 2002	\$12,030.50	\$9,624.40	\$2,965.58	12/27/02 8558	\$14,996.08	\$14,996.08	1/31/03
January 6, 2003 November 1, 2002 through November 30, 2002	\$7,629.00	\$6,103.20	\$1,454.25	1/28/03 8782	\$9,083.25	\$9,083.25	2/11/03
February 6, 2003 December 1, 2002 through December 31, 2002	\$7,099.00	\$5,679.20	\$925.52	2/27/03 9020	\$8,024.52	\$8,024.52	5/23/03
March 7, 2003 January 1, 2003 through January 31, 2003	\$7,784.00	\$6,227.20	\$771.29	3/31/03 9242	\$8,555.29	\$8,555.29	5/23/03
April 3, 2003 February 1, 2003 through February 28, 2003	\$15,461.50	\$12,369.20	\$750.45	4/25/03 9479	\$16,211.95	\$16,211.95	5/23/03
May 8, 2003 March 1, 2003 through March 31, 2003	\$17,183.00	\$13,746.40	\$911.77	5/30/03 9789	\$18,094.77	\$18,094.37	6/17/03

Date Application Filed, Period	Total Fees	Fees Requested (80%)	Expenses Requested	CNO Filing Date, DI #	Total Billed	Payment	Payment Date
June 4, 2003 April 1, 2003 through April 30, 2003	\$19,374.00	\$15,499.20	\$4,553.41	6/25/03 9981	\$23,927.41		
July 3, 2003 May 1, 2003 through May 12, 2003	\$8,149.50	\$6,519.60	\$587.36	7/24/03 10138	\$8,736.86		
TOTAL	\$477,182.50	\$381,746.00	\$81,708.24		\$558,890.74	\$526,226.07	

Professional	Hourly Rate	Hours	Amount Billed
<u>Partners</u>			
Joanne B. Wills	\$425.00	33.70	\$14,322.50
Joanne B. Wills	\$410.00	71.30	\$29,233.00
Joanne B. Wills	\$375.00	209.90	\$78,712.50
Joanne B. Wills	\$350.00	39.70	\$13,895.00
David S. Eagle	\$300.00	26.40	\$7,920.00
Steven K. Kortanek	\$310.00	3.60	\$1,116.00
Steven K. Kortanek	\$300.00	14.90	\$4,470.00
Steven K. Kortanek	\$275.00	3.60	\$990.00
Steven K. Kortanek	\$240.00	1.90	\$456.00
<u>Of-Counsel</u>			
Andrew O. Schiff	\$300.00	13.30	\$3,990.00
Andrew O. Schiff	\$275.00	70.50	\$19,387.50
Andrew O. Schiff	\$250.00	22.00	\$5,500.00
<u>Associates</u>			
Maria Sawczuck	\$235.00	86.80	\$20,398.00
Maria Sawczuck	\$230.00	21.60	\$4,968.00
James E. Huggett	\$200.00	1.90	\$380.00
James E. Huggett	\$180.00	1.50	\$270.00
Stephanie A. Fox	\$230.00	609.50	\$140,185.00
Stephanie A. Fox	\$220.00	50.80	\$11,176.00
Stephanie A. Fox	\$180.00	16.30	\$2,934.00
Denise S. Kraft	\$280.00	7.40	\$2,072.00
Deirdre M. Richards	\$200.00	23.60	\$4,720.00
Maggie Sobelski	\$150.00	1.45	\$217.50
Brad Bender	\$185.00	13.70	\$2,534.50
<u>Paralegals</u>			
Ty Workman	\$120.00	32.90	\$3,948.00
Ty Workman	\$105.00	53.20	\$5,586.00
Patricia A. Carroll	\$105.00	0.90	\$94.50
Tracey Swilley	\$120.00	17.70	\$2,124.00
Tracey Swilley	\$105.00	106.60	\$11,193.00
Debbie Westwood	\$125.00	119.30	\$14,912.50
Debbie Westwood	\$120.00	20.80	\$2,496.00
Debbie Westwood	\$105.00	159.20	\$16,716.00
Joseph L. King	\$125.00	36.90	\$4,612.50
Joseph L. King	\$105.00	2.10	\$220.50
Stephanie Noble	\$125.00	238.10	\$29,762.50
Stephanie Noble	\$105.00	6.70	\$703.50
Lisa Friedkin	\$125.00	92.30	\$11,537.50
Heather Gamiel	\$125.00	0.80	\$100.00
<u>Clerks</u>			
Doris Newman	\$50.00	36.07	\$1,803.50
Cheryl Carey	\$50.00	4.95	\$247.50
Michael Crimi	\$50.00	32.55	\$1,627.50
TOTAL		2,306.42	\$477,182.50

Blended Rate: **\$206.89**

Compensation by Project Category

Adequate Protection	\$489.50
Asset Disposition	\$10,905.00
Adversary	\$29,935.00
Business Operations	\$2,177.00
Creditor Committee	\$16,397.50
Claim Objection	\$9,448.50
Documentation/Plan Negotiation	\$14,158.00
Executory Contracts	\$20,412.50
Employee Benefits	\$961.00
2004 Examination	\$1,066.50
Fee Application	\$79,018.50
Fiduciary Duty Litigation	\$47,315.50
Fee of Others	\$346.00
General Case Administration	\$122,386.00
Court Hearings	\$65,753.50
Lift Stay Litigation	\$41,888.50
Claims Administration	\$9,418.00
Post Petition Financing	\$1,037.00
Preference Action	\$838.50
Retention Plan	\$47.00
Retention of Others	\$308.50
TOTAL	\$477,182.50

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)	Chapter 11
INTEGRATED HEALTH)	
SERVICES, INC., <i>et al.</i> ,)	Case No. 00-00389 (MFW)
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Debtors.)	Objection Deadline: November 12, 2003 at 4:00 p.m.
)	Hearing Date: November 24, 2003 at 9:30 a.m.

**FINAL FEE APPLICATION OF KLEHR, HARRISON, HARVEY,
BRANZBURG & ELLERS LLP AS COUNSEL FOR THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR THE FINAL PERIOD FROM
FEBRUARY 23, 2000 THROUGH MAY 12, 2003**

Pursuant to sections 330 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”), Klehr, Harrison, Harvey, Branzburg & Ellers LLP (“Klehr Harrison”) hereby applies to this Court for final approval of its reasonable compensation and reimbursement of expenses in these chapter 11 cases for professional legal services rendered as co-counsel to the Official Committee of Unsecured Creditors (“Committee”) in the amount of \$477,182.50 for compensation and \$81,708.24 in reimbursement expenses for the period February 23, 2000 through and including May 12, 2003 (the “Final Compensation Period”). In support of the Application, Klehr Harrison respectfully represents as follows:

BACKGROUND

1. On February 2, 2000, (the “Petition Date”), the Debtors filed voluntary petitions under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors

thereafter have continued in the management and operation of their businesses and properties pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. On February 18, 2000, the United States Trustee for the District of Delaware appointed the Committee consisting of nine members. On February 23, 2000, the Committee duly selected Otterbourg, Steindler, Houston & Rosen, P.C. (“OSH&R”) and Klehr Harrison as co-counsel to represent the Committee in all matters during the pendency of the Debtors’ chapter 11 cases.

3. On April 13, 2000, the Court entered an Order Approving the retention of Klehr Harrison as counsel to the Committee, effective February 23, 2000. The Order was entered on the docket as entry number 774.

RELIEF REQUESTED

4. This Application is being submitted with respect to the Final Compensation Period in accordance with the Administrative Order Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, entered by the Court on February 22, 2001.

5. This is the final fee application filed by Klehr Harrison in these cases. Klehr Harrison has rendered services on behalf of the Committee for the period from February 23, 2000 through May 12, 2003 (the “Final Compensation Period”), totaling 2,306.42 hours of professional time.

6. Attached to each monthly interim application previously filed were detailed statements respecting the time and values accumulated each month by Firm attorneys and paraprofessionals during the monthly Compensation Period. Klehr Harrison submits that the professional services rendered on behalf of the Committee for the Final Compensation Period are reasonably worth the sum of \$477,182.50.

7. Klehr Harrison expended costs on behalf of the Committee in the sum of \$81,708.24 during the Final Compensation Period. In accordance with Local Bankruptcy Rule 2016-2(e)(iii), the line designated "Photocopying" in each of the thirty-nine previously filed monthly interim applications represented in-house copying based on a cost of 15¢ per page. Klehr Harrison submits that these expenses were actual, necessary and reasonable.

8. The total sum due to Klehr Harrison for professional services rendered and costs expended on behalf of the Committee for the Final Compensation Period is \$558,890.74.

9. Klehr Harrison accordingly seeks allowance pursuant to section 331 of the Bankruptcy Code of the sum of \$477,182.50 in fees and \$81,708.24 in costs, for a total of \$558,890.74.

10. Given the nature and value of the services provided by Klehr Harrison to the Committee as described herein, the amounts sought under this Application are fair and reasonable.

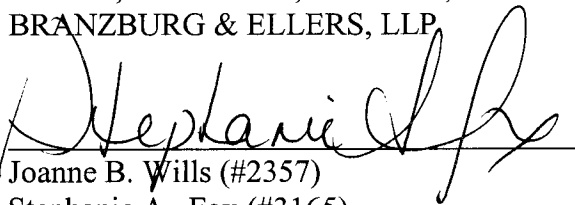
11. The services rendered by Klehr Harrison on behalf of the Committee consisted of the following:

- a. reviewing all pleadings filed in these cases;
- b. drafting pleadings on behalf of the Committee;
- c. attending all hearings in these cases and representing the Committee;
- d. advising the Committee on the District of Delaware's local bankruptcy procedures;
- e. filing and serving all pleadings on behalf of the Committee;
- f. maintaining case calendars, docket sheet and pleading files; and
- g. participating in Committee conference calls and meetings.

WHEREFORE, Klehr Harrison hereby requests that this Honorable Court enter an Order (i) granting final approval for all Interim Fee Applications for professional services rendered in the total sum of \$477,182.50, and reimbursement of costs expended in the total sum of \$81,708.24 for the period February 23, 2000 through May 12, 2003; (ii) directing payment of the outstanding amounts of any allowed fees and expenses and (iii) granting such other and further relief as it shall deem just.

Respectfully submitted,

KLEHR, HARRISON, HARVEY,
BRANZBURG & ELLERS, LLP



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Dated: October 23, 2003

Co-counsel to the Official Committee of
Unsecured Creditors