

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

**FORTIETH INTERIM AND FINAL APPLICATION OF
VINICK & DOCHERTY, ESQS. AS 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 AND
FOR FINAL ALLOWANCE AND COMPENSATION FOR THE
PERIOD FEBRUARY 2, 2000 THROUGH MAY 12, 2003**

SUMMARY SHEET - PART I

Name of Applicant:	VINICK & DOCHERTY, ESQS.
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:	\$14,797.50
Amount of interim reimbursement sought as actual, reasonable and necessary:	\$0

Period for which final compensation and reimbursement is sought: February 2, 2000 - May 12, 2003

Amount of final compensation sought as actual, reasonable and necessary: \$2,319,324.25

Amount of final reimbursement sought as actual, reasonable and necessary: \$153,335.04

This is an X interim X final application

The time expended for the preparation of this application through May 12, 2003 is approximately 5 hours. If this is not the first application filed, disclose the following for each prior application:

<u>DATE FILED</u>	<u>PERIOD COVERED</u>	<u>REQUESTED FEES/EXPENSES</u>	<u>APPROVED FEES/EXPENSES</u>
	2/2-2/29/00	\$63,813.95/\$5,949.30	\$63,813.95/\$5,949.30
	3/1-3/31/00	\$60,772.55/\$1,744.12	\$60,772.55/\$1,744.12
	4/1-4/30/00	\$62,492.50/\$8,563.22	\$62,492.50/\$8,563.22
	5/1-5/31/00	\$66,975.50/\$2,492.50	\$66,975.50/\$2,492.50
	6/1-6/30/00	\$57,478.75/\$3,419.94	\$57,478.75/\$3,419.94
	7/1-7/31/00	\$72,480.00/\$2,687.74	\$72,480.00/\$2,687.74
	8/1-8/31/00	\$44,416.00/\$5,627.09	\$44,416.00/\$5,627.09
	9/1-9/30/00	\$70,026.00/\$4,777.69	\$70,026.00/\$4,777.69
	10/1-10/31/00	\$58,306.50/\$4,710.41	\$58,306.50/\$4,710.01
	11/1-11/30/00	\$68,522.75/\$3,430.97	\$68,522.75/\$3,430.97
	12/1-12/31/00	\$66,497.50/\$1,016.58	*\$53,198.00/\$1,016.58
	1/1-1/31/01	\$78,845.50/\$5,790.00	*\$63,076.40/\$5,790.00

<u>DATE FILED</u>	<u>PERIOD COVERED</u>	<u>REQUESTED FEES/EXPENSES</u>	<u>APPROVED FEES/EXPENSES</u>
	2/1-2/28/01	\$74,271.25/\$1,822.47	*\$59,417.00/\$1,822.47
	3/1-3/31/01	\$72,962.00/\$2,865.48	*\$58,369.60/\$2,865.48
	4/1-4/30/01	\$64,987.25/\$1,821.30	*\$51,989.80/\$1,821.30
	5/1-5/31/01	\$69,472.50/\$1,387.81	*\$55,578.00/\$1,387.81
	6/1-6/30/01	\$59,170.00/\$2,702.61	*\$47,336.00/\$2,702.61
	7/1-7/31/01	\$75,297.50/\$3,161.81	*\$60,238.00/\$3,161.81
	8/1-8/31/01	\$44,870.00/\$3,469.93	*\$35,896.00/\$3,469.93
	9/1-9/30/01	\$57,970.00/\$3,411.08	*\$46,376.00/\$3,411.08
	10/1-10/31/01	\$76,220.00/\$2,761.80	*\$60,976.00/\$2,761.80
	11/1-11/30/01	\$74,082.50/\$3,871.22	*\$59,266.00/\$3,871.22
	12/1-12/31/01	\$56,932.50/\$6,537.61	*\$45,546.00/\$6,537.61
	1/1/02-1/31/02	\$56,162.50/\$8,835.47	*\$44,930.00/\$8,835.47
	2/1/02-2/28/02	\$55,337.50/\$4,648.89	*\$44,270.00/\$4,648.89
	3/1/02-3/31/02	\$52,688.75/\$2,903.39	\$52,688.75/\$2,903.39
	4/1/02-4/30/02	\$60,732.50/\$6,932.91	*\$48,586.00/\$6,932.91
	5/1/02-5/31/02	\$49,820.00/\$3,876.17	*\$39,856.00/\$3,876.17
	6/1/02-6/30/02	\$45,522.50/\$4,346.93	*\$36,418.00/\$4,346.93
	7/1/02-7/31/02	\$50,215.00/\$6,254.29	*\$39,785.00/\$6,254.29
	8/1/02-8/31/02	\$45,462.50/\$2,308.52	*\$36,370.00/\$2,308.52
	9/1/02-9/30/02	\$40,110.00/\$5,465.47	*\$32,088.00/\$5,465.47

<u>DATE FILED</u>	<u>PERIOD COVERED</u>	<u>REQUESTED FEES/EXPENSES</u>	<u>APPROVED FEES/EXPENSES</u>
	10/1/02-10/31/02	\$40,990.00/\$2,226.37	\$40,990.00/\$2,226.37
	11/1/02-11/30/02	\$46,142.50/\$3,453.05	**\$32,026.00/\$1,157.51
	12/1/02-12/31/02	\$49,007.50/\$1,419.47	*\$39,206.00/\$1,419.47
	1/1/03-1/31/03	\$64,567.50/\$5,743.12	\$30,896.50/\$5,743.12
	2/1/03-2/28/03	\$54,467.50/\$4,725.56	
	3/1/03-3/31/03	\$45,142.50/\$2,784.07	
	4/1/03-4/30/03	\$66,092.50/\$3,388.68	
	2/2/00-5/12/03	\$2,319,324.25 - FEES	
	2/2/00-5/12/03	\$ 153,335.04 - EXPENSES	

*80% of requested compensation and 100% of reimbursement of expenses requested. By Orders entered by the Honorable Mary F. Walrath, United States Bankruptcy Judge on October 26, 2001, approval was granted for payment of holdback fees for the billing periods from December 2000 through June 2001. Approval was subsequently granted for payment of holdback fees for the billing periods from July 2001 through October 2001. Holdback fees for the billing periods from November 2001 through February 2002 were paid on June 19, 2002.

Holdback fees for the billing periods from May 2002 through July 2002 were paid on December 18, 2002.

Holdback fees for August, September, November and December 2002 were paid on May 17, 2003.

**80% of fees on revised Invoice; 100% of costs on revised Invoice.

SUMMARY SHEET - PART I

In re Integrated Health Services, Inc., 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>YEAR OF ADMISSION</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
DOCHERTY, J.	1975	-0-	\$350	\$0
<u>ASSOCIATES</u>	<u>YEAR OF ADMISSION</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
LEE, K.	1997	4.00	\$275	\$ 1,100.00
WACKSMAN, D.	1990	18.70	\$300	\$ 5,610.00
<u>PARALEGALS</u>		<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
LA RUSSO, T.		59.70	\$125	\$ 7,462.50
PERUSSE, D.		12.90	\$125	\$ 625.00
<u>TOTALS</u>		87.40		<u>\$14,797.50</u>

BLENDING HOURLY RATE FOR PROFESSIONALS AND PARAPROFESSIONALS:
\$169.31

EXPENSE REIMBURSEMENTS REQUESTED: **\$0**

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
)

**FORTIETH INTERIM AND FINAL VERIFIED APPLICATION
OF VINICK & DOCHERTY, ESQS. FOR INTERIM ALLOWANCE
OF COMPENSATION AND FINAL ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Pursuant to Sections 330 and 331 of Title 11 of the United States Code (“Bankruptcy Code”), the law firm of Vinick & Docherty, Esqs. submits this application (“Application”) for an order awarding it reasonable interim compensation with respect to the bankruptcy case of Integrated Health Services, Inc., et al., (the “Debtors”), for professional services rendered to the Debtors in the amount of \$14,797.50 for the period of May 1 through May 12, 2003 (the “Fortieth Interim and Final Fee Period”) and for reasonable final compensation for professional services rendered to the Debtors in the amount of \$2,319,324.25, together with final reimbursement for actual and necessary expenses incurred in the amount of \$153,335.04 for the period February 2, 2000 through May 12, 2003. In support of its Application, Vinick & Docherty respectfully represent as follows:

INTRODUCTION

1. On March 2, 2000, (the “Filing Date”), the Debtors filed a petition for relief under Chapter 11 of the Bankruptcy Code with the Clerk of this Court. Pursuant to an Order entered by this Court on the Filing Date (the “Retention Order”), Vinick & Docherty was authorized to continue

to serve as counsel to the Debtors in connection with a variety of matters. The Retention Order authorized Vinick & Docherty to be compensated on an hourly basis and to be reimbursed for the actual and necessary out-of-pocket expenses that it incurred. At all relevant times, Vinick & Docherty has been a disinterested person as that term is defined in Section 101(14) of the Bankruptcy Code and has neither represented nor held any interest adverse to the interest of the Debtors.

2. All of the services for which compensation is requested by Vinick & Docherty were performed on or behalf of the Debtors and not on behalf of any committee, creditor, or other person.

3. Vinick & Docherty has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with these cases. There is no agreement or understanding between Vinick & Docherty and any other person, other than the members of this firm, for the sharing of compensation to be received for services rendered in this case.

SUMMARY OF SERVICES RENDERED

4. Attached hereto as Exhibit "A" are Vinick & Docherty's detailed time records which set forth the number of hours devoted to each separate matter in which services were rendered during the Fortieth Interim and Final Fee Period by each Vinick & Docherty attorney and paraprofessional and the total dollar amount charged for such services.

5. It would serve no purpose to burden the Court and interested parties with a detailed and lengthy recitation of each and every item of service performed on behalf of the Debtors. Therefore, the following is intended to serve only as a summary description of the services performed by Vinick & Docherty during the Fortieth Interim and Final Fee Period. The full extent of Vinick & Docherty's services are reflected in the time records attached hereto as Exhibit "A". Said time records have been

prepared in compliance with Del. Bankr. LR 2016-2. Vinick & Docherty submits that such services were valuable and necessary to the continued operation of the Debtors after the filing date.

6. During the Fortieth Interim and Final Fee Period, professional services were rendered to the Debtors in a wide variety of areas, including, but not limited to, services in the following general categories: (A) Bankruptcy, (B) Collections, (C) Corporate Matters, and (D) Litigation.

A. Bankruptcy Total Billed \$1,135.00

7. This matter involves numerous phone conferences with bankruptcy counsel regarding various issues pertaining to lifting of the automatic stay and consultations with bankruptcy counsel on various litigation, as well as preparation of this Fee Application, Summary Sheet and Invoice for Services Rendered during the period May 1 through May 12, 2003.

B. Collections Total Billed \$10,915.00

8. These matters encompass collections on behalf of IHS, Rehabworks, Symphony Mobilex and Symphony Rehab. This firm undertakes collections of matters against both individual and institutional debtors after in-house efforts at collection have failed. We are successful in effecting collection in a large percentage of cases solely by communicating directly with the debtor. If direct communication is unsuccessful then matters are referred to litigation where the size of the debt and the assurance of collectability warrants further efforts.

C. Corporate Total Billed \$285.00

9. This category includes time spent in connection with matters affecting the Debtors company-wide including drafting and revising contracts, policies and procedures, admission agreements, and guidelines; preparation of corporate resolutions; monitoring activities and billing by local counsel. This category also includes general matters which are not susceptible to description

under the other headings and generally involve day-to-day issues and legal questions which are referred to this firm for resolution.

D. Litigation

Total Billed \$2,462.50

10. Work in the litigation area involves management and supervision of the Debtors' litigation in the commercial, employment, discrimination, negligence and criminal areas.

DISBURSEMENTS

11. Vinick & Docherty has incurred no out-of-pocket expenses during the Fortieth Interim Fee Period.

VALUATION OF SERVICES

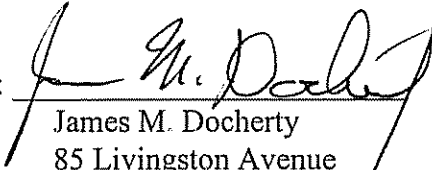
12. Attorney and paralegal time expended by Vinick & Docherty professionals during the Fortieth Interim and Final Fee Period totaled 87.40 hours. Those services are billed at the rate set forth on Exhibit "B" annexed hereto. In compliance with Del. Bankr. LR 2016-2(d)(iii), travel time is billed at one half of the professional's regular hourly rate.

13. The nature of the work performed by these persons is fully set forth in the attachments hereto. These are Vinick & Docherty's normal hourly rates for work of this character. The reasonable value of services rendered by Vinick & Docherty to the Debtors during the Fortieth Interim and Final Fee Period is: \$14,797.50.

14. In accordance with the factors enumerated in Section 330 of the Bankruptcy Code, the amount requested is fair and reasonable given the complexity of these cases, the time extended, the nature and extent of the services rendered, the value of such services, and the costs of comparable services other than in a case under this title.

WHEREFORE, Vinick & Docherty requests allowance be made to it in the sum of \$14,797.50 for reimbursement of actual interim necessary costs and expenses incurred during the period May 1, 2003 through May 12, 2003; and allowance be made to it in the sum of \$2,319,324.25 for reasonable final compensation for professional services rendered to the Debtors, together with final reimbursement of actual necessary costs and expenses in the amount of \$153,335.04 incurred during the period February 2, 2000 through May 12, 2003; and such other further relief as the Court may deem just and proper.

VINICK & DOCHERTY, ESQS.
Counsel for the Debtors

By: 
James M. Docherty
85 Livingston Avenue
Roseland, New Jersey 07068
(973) 994-1955

DATED: June 23, 2003

VINICK & DOCHERTY

COUNSELLORS AT LAW

85 Livingston Avenue
Roseland, New Jersey 07068-1778

(973) 994-1955 • Fax (973) 994-2552

June 1, 2003

Integrated Health Services, Inc.
The Highlands
910 Ridgebrook Road
Sparks, Maryland 21152

FEES - 5/1/03 - 5/12/03

5/1/03-5/12/03	Legal Fees - IHS Matters	\$ 8,725.00
5/1/03-5/12/03	Legal Fees - Symphony Matters	<u>6,072.50</u>
	Legal Fees Due	14,797.50

COSTS - 5/1/03 - 5/12/03

5/1/03-5/12/03	Costs - IHS Matters	-0-
5/1/03-5/12/03	Costs - Symphony Matters	<u>-0-</u>
	Costs Due	-0-

TOTAL AMOUNT DUE **\$14,797.50**

VINICK & DOCHERTY

COUNSELLORS AT LAW

85 Livingston Avenue
Roseland, New Jersey 07068-1778
(973) 994-1955 • Fax (973) 994-2552

June 1, 2003

Integrated Health Services, Inc.
The Highlands
910 Ridgebrook Road
Sparks, Maryland 21152

Attached please find our invoice for professional services rendered and costs incurred for the period May 1, 2003 to May 12, 2003.

The following is a recapitulation of the amounts due for each classification and our final calculation resulting in the balance due for this period.

	<u>LEGAL FEES</u>	<u>COSTS*</u>
Bankruptcy	\$1,135.00	\$ -0-
Collections	\$6,627.50	\$ -0-
Litigation - Negligence	\$ <u>962.50</u>	\$ <u>-0-</u>
Subtotals	\$8,725.00	\$0

*Disbursements, including Federal Express; Airborne Express; long distance telephone; facsimile; copying; transportation; lodging; filing fees; travel expenses; on-line services; postage; etc. Any bills we may receive after the date of this invoice, for costs incurred during this billing period, will appear on a later invoice.

Total Amount Due: \$8,725.00

VINICK & DOCHERTY

COUNSELLORS AT LAW

85 Livingston Avenue
Roseland, New Jersey 07068-1778

(973) 994-1955 • Fax (973) 994-2552

Invoice submitted to:

June 1, 2003

Integrated Health Services, Inc.

The Highlands
910 Ridgebrook Road
Sparks, MD 21152

Invoice No. I20030601

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INVOICE FOR PROFESSIONAL SERVICES RENDERED 5/1/03 THROUGH 5/12/2003

In Reference To: **BANKRUPTCY**

Professional Services

	<u>Hours</u>	<u>Amount</u>
<u>AIG Issues</u>		
5/12/2003 DMW PC w/PJM & L.Stremba re: status of lawsuit (.4)	0.40	
SUBTOTAL:	0.40	120.00
<u>Ace Insurance Issues</u>		
5/12/2003 DMW PC w/ F.Deasey re: reservation of rights (.5); Examine letter from F.Deasey re: same (.2); PC w/ PJM re: same (.1)	0.80	
SUBTOTAL:	0.80	240.00
<u>IHS Bankruptcy</u>		
5/12/2003 DMP Compile, proof, edit data for April 2003 billing period	5.00	
SUBTOTAL:	5.00	625.00

Integrated Health Services, Inc.

	<u>Hours</u>	<u>Amount</u>
<u>Reorganization/Litigation Issues</u>		
5/12/2003 DMW Numerous PC w/ B.Pincus & PJM re: meeting and claims	0.50	
SUBTOTAL:	0.50	150.00
FOR PROFESSIONAL SERVICES RENDERED	6.70	\$1,135.00

Attorney Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>
David M. Wacksman	1.70	300.00
Diane M. Perusse	5.00	125.00

In Reference To:COLLECTIONS

Professional Services

	<u>Hours</u>	<u>Amount</u>
<u>Arcadia/Rowland</u>		
5/12/2003 TLR Prepare & forward recovered funds to Darlene Lucio(.2); Update collection report re payments made to date(.2); Update disbursement sheet(.1)	0.50	
SUBTOTAL:	0.50	62.50
<u>Bloomfield/Nickerson</u>		
5/6/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50

Integrated Health Services, Inc.

		<u>Hours</u>	<u>Amount</u>
<u>Bonterra/Powers</u>			
5/6/2003	TLR	Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30
SUBTOTAL:			0.30 37.50
<u>Brentwood/Sprong</u>			
5/9/2003	TLR	Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30
SUBTOTAL:			0.30 37.50
<u>Briarcliff/Booth</u>			
5/8/2003	TLR	Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30
SUBTOTAL:			0.30 37.50
<u>Briarcliff/Brannum</u>			
5/6/2003	TLR	Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30
SUBTOTAL:			0.30 37.50
<u>Canon City/Formby</u>			
5/8/2003	TLR	Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30
SUBTOTAL:			0.30 37.50

Integrated Health Services, Inc.

	<u>Hours</u>	<u>Amount</u>
<u>Carriage by the Lake/E/O Williams</u>		
5/12/2003 TLR Prepare & forward recovered funds to Darlene Lucio(.2); Update collection report re same(.1); Update disbursement sheet re payments made to date(.1)	0.40	
SUBTOTAL:	0.40	50.00
<u>Casa Real/Armijo</u>		
5/7/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50
<u>Collection Report</u>		
5/2/2003 TLR Revise, prepare & update current months report re client facility case review.	2.50	
5/5/2003 TLR Revise, prepare & update report re client facility case review per Jeff Kahn & Carin Massaro for review date of May 9th.	5.00	
5/6/2003 TLR Revise, prepare & update report re client facility case review per Jeff Kahn & Carin Massaro for review date of May 9th.	4.50	
5/7/2003 TLR Revise, prepare & update report re client facility case review per Jeff Kahn & Carin Massaro for review date of May 9th.	4.00	
5/8/2003 TLR Revise, prepare & update report re client facility case review per Jeff Kahn & Carin Massaro for review date of May 9th.	4.00	
5/9/2003 TLR Revise, prepare & update current report re client facility case review.	5.00	
SUBTOTAL:	25.00	3,125.00

Integrated Health Services, Inc.

		<u>Hours</u>	<u>Amount</u>
<u>Crystal Springs/ROme</u>			
5/7/2003	TLR	Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30
SUBTOTAL:			0.30 37.50
<u>Derry/Cournoyer</u>			
5/7/2003	TLR	Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30
SUBTOTAL:			0.30 37.50
<u>Derry/Ely</u>			
5/7/2003	TLR	Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30
SUBTOTAL:			0.30 37.50
<u>Derry/Phillips</u>			
5/7/2003	TLR	Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30
SUBTOTAL:			0.30 37.50
<u>Desert Lane/Anderson, Roy</u>			
5/5/2003	TLR	Examine Affidavit in Support of Default Judgment frm Atty Blalock(.3); Prepare & forward documentation to Carin Massaro re execution of docs(.2); Update collection report re same(.2)	0.70
SUBTOTAL:			0.70 87.50
<u>Dunn/Colville</u>			
5/5/2003	TLR	New file review.	0.40

Integrated Health Services, Inc.

	<u>Hours</u>	<u>Amount</u>
5/5/2003 DMW New file review.	0.40	
5/6/2003 DMW Prepare & forward file to Lauren Irwin.	0.10	
5/12/2003 TLR Prepare & forward file to Lauren Irwin re determine recovery potential(.2); Add case into collection report(.2)	0.40	
SUBTOTAL:	1.30	250.00
<u>Eagel Creek/Roush</u>		
5/9/2003 TLR Examine ltr frm Atty Slovin re status of case(.2); Prepare & forward e-mail to Atty Slovin re same(.2); Update collection report re same(.1)	0.50	
SUBTOTAL:	0.50	62.50
<u>Fayetteville/Neely</u>		
5/8/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50
<u>Hawthorne/Boyd</u>		
5/7/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50
<u>Henderson/Eagan</u>		
5/2/2003 TLR PC w/Lauren Irwin re proposed settlement(.2); Prepare & forward ltr to Jeff Kahn & Carin Massaro re same(.2); Update collection report re same(.1); Examine ltr frm Lauren Irwin re same(.1)	0.60	
5/5/2003 TLR Examine ltr frm Lauren Szotak re settlement(.2); Prepare & forward ltr to Jeff Kahn re same(.2); Update collection report re same(.2)	0.60	

Integrated Health Services, Inc.

		<u>Hours</u>	<u>Amount</u>
	SUBTOTAL:	1.20	150.00
	<u>Henderson/Flood</u>		
5/12/2003	TLR Examine ltr frm Atty Blalock re status of case(.2); Prepare & forward e-mail to Atty Blalock re costs(.2); Update collection report re same(.1)	0.50	
	SUBTOTAL:	0.50	62.50
	<u>Heritage Manor/Wetz</u>		
5/1/2003	TLR Examine ltr frm Atty Van Dyne re stage of Guardianship(.2); Prepare & forward ltr to Darlene Lucio re status of case(.2); Update collection report re same(.1)	0.50	
	SUBTOTAL:	0.50	62.50
	<u>Keller at Mimosa/Fitch</u>		
5/12/2003	TLR New file review.	0.40	
	DMW New file review.	0.40	
	SUBTOTAL:	0.80	170.00
	<u>Keller at Mimosa/Troxell</u>		
5/6/2003	TLR Examine status frm Atty Clark(.2); Update collection report re same(.1)	0.30	
	SUBTOTAL:	0.30	37.50
	<u>Las Cruces/Croissant</u>		
5/7/2003	TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	

Integrated Health Services, Inc.

	<u>Hours</u>	<u>Amount</u>
SUBTOTAL:	0.30	37.50
<u>Livingston/Harris</u>		
5/5/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50
<u>Lubbock/Myers, Minerva</u>		
5/5/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50
<u>Macon Manor/McDowell</u>		
5/12/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50
<u>Marietta/Flores</u>		
5/5/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50
<u>Minden/Boothe</u>		
5/12/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50

Integrated Health Services, Inc.

		<u>Hours</u>	<u>Amount</u>
<u>Minden/Sanders</u>			
5/7/2003	TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:		0.30	37.50
<u>Mountain View/Prinkey</u>			
5/12/2003	TLR New file review.	0.40	
	DMW New file review.	0.40	
SUBTOTAL:		0.80	170.00
<u>Mountainview/Wintersmith</u>			
5/12/2003	TLR Prepare & forward settlement funds to Jeff Kahn(.2); Update collection report & disbursement sheet re payments made & settlement terms(.4)	0.60	
SUBTOTAL:		0.60	75.00
<u>Nashville/Russell</u>			
5/9/2003	TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:		0.30	37.50
<u>Northern Virginia/Patterson</u>			
5/12/2003	TLR Prepare & forward recovered funds to Jeff Kahn(.2); Update collection report re funds paid to date(.2); Update disbursement sheet(.1)	0.50	
SUBTOTAL:		0.50	62.50

Integrated Health Services, Inc.

		<u>Hours</u>	<u>Amount</u>
<u>Palm Bay/Richards</u>			
5/8/2003	TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:		0.30	37.50
<u>Pierremont/Caviness</u>			
5/5/2003	DMW New file review.	0.40	
	TLR New file review.	0.40	
5/6/2003	DMW Prepare & forward file to Lauren Irwin.	0.10	
	TLR Prepare & forward file to Lauren Irwin re determine recovery potential(.2); Add case into collection report(.2)	0.40	
SUBTOTAL:		1.30	250.00
<u>Port Charlotte/Henley, Ruby</u>			
5/9/2003	TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:		0.30	37.50
<u>Port Charlotte/Loyd</u>			
5/2/2003	TLR New file review.	0.40	
5/5/2003	DMW New file review.	0.40	
5/6/2003	DMW Prepare & forward file to Lauren Irwin.	0.10	
	TLR Prepare & forward file to Lauren Irwin re determine recovery potential(.2); Add case into collection report(.2)	0.40	
SUBTOTAL:		1.30	250.00
<u>Port Charlotte/Quinn</u>			
5/8/2003	TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	

Integrated Health Services, Inc.

	<u>Hours</u>	<u>Amount</u>
SUBTOTAL:	0.30	37.50
<u>Roswell/Young</u>		
5/8/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50
<u>Sebring/Tait</u>		
5/9/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50
<u>Shoreham/Burkes</u>		
5/7/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50
<u>Terrell Care/Geiser</u>		
5/2/2003 TLR New file review.	0.40	
5/5/2003 DMW New file review.	0.40	
5/6/2003 DMW Prepare & forward file to Lauren Irwin.	0.10	
5/9/2003 TLR Prepare & forward file to Lauren Irwin re determine recovery potential(.2); Add case into collection report(.2)	0.40	
SUBTOTAL:	1.30	250.00
<u>The Exceptional/McGrew</u>		
5/7/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	

Integrated Health Services, Inc.

	<u>Hours</u>	<u>Amount</u>
SUBTOTAL:	0.30	37.50
<u>University/Hopkins</u>		
5/8/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50
<u>Wichita/Anderson</u>		
5/5/2003 TLR Examine monthly reconciliation statement frm Atty Butler(.2); Prepare & forward funds to Jeff Kahn(.2); Update collection report re same & disbursement sheet(.2)	0.60	
SUBTOTAL:	0.60	75.00
<u>Willowbrook/Allen</u>		
5/2/2003 TLR New file review.	0.40	
5/5/2003 DMW New file review.	0.40	
5/6/2003 DMW Prepare & forward file to Lauren Irwin.	0.10	
5/9/2003 TLR Prepare & forward file to Lauren Irwin re determine recovery potential(.2); Add case into collection report(.2)	0.40	
SUBTOTAL:	1.30	250.00
<u>Woodstock/Henry</u>		
5/9/2003 TLR Examine status frm Atty Speisman(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50
FOR PROFESSIONAL SERVICES RENDERED	48.40	\$6,627.50

Integrated Health Services, Inc.

Attorney Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>
David M. Wacksman	3.30	300.00
Tracy LaRusso	45.10	125.00

In Reference To: LITIGATION - NEGLIGENCE

Integrated Health Services, Inc.

Professional Services

	<u>Hours</u>	<u>Amount</u>
<u>Braden River/Schmidt</u>		
5/6/2003 TLR Examine file(.2); Prepare & forward a Substitution of Atty to Clark Robinson, Esq.(.2); Update Litigation report re counsel change(.1)	0.50	
SUBTOTAL:	0.50	62.50

Integrated Health Services, Inc.

	<u>Hours</u>	<u>Amount</u>
<u>Crystal Springs/Brown</u>		
5/2/2003 TLR Examine status frm GB.	0.20	
SUBTOTAL:	0.20	25.00
<u>Hialeah/Liboy</u>		
5/2/2003 TLR Examine status frm GB.	0.20	
SUBTOTAL:	0.20	25.00
<u>Lanier Manor/Jackson</u>		
5/1/2003 DMW Examine letter from local counsel re: mediation	0.10	
SUBTOTAL:	0.10	30.00
<u>Oakbridge/Mincey</u>		
5/2/2003 TLR Examine status frm GB.	0.20	
SUBTOTAL:	0.20	25.00
<u>Palm Garden of Ocala/Heckle</u>		
5/2/2003 TLR Examine status frm GB.	0.20	
SUBTOTAL:	0.20	25.00
<u>Palm Garden of Pinellas/Zeigler</u>		
5/5/2003 DMW Numerous PC w/ R.Romeguera re: settlemen at \$125,000 (.3); examine file (.15); PC w/ PJM re: settlement (.1)	0.55	
5/12/2003 DMW Numerous PC w/ R.Romeguera re: settlement (.2); Examine file (.1)	0.30	
SUBTOTAL:	0.85	255.00

Integrated Health Services, Inc.

	<u>Hours</u>	<u>Amount</u>
<u>Palm Garden of Tampa/Crotts</u>		
5/2/2003 TLR Examine status frm GB.	0.20	
SUBTOTAL:	0.20	25.00
<u>Riverfront/Boatright</u>		
5/2/2003 TLR Examine status frm GB.	0.20	
SUBTOTAL:	0.20	25.00
<u>Silver Springs/Baker</u>		
5/12/2003 DMW Examine settlement agreement (.1); PC w/ local counsel re: amending same (.2)	0.30	
SUBTOTAL:	0.30	90.00
<u>Woodbridge/Barnwell</u>		
5/1/2003 DMW Numerous PC w/ W.Smith re: adjourning deposition (.25); PC w/ PJM re: same (.1); PC w/ & E-Mail to J.Wilkes re: same (.5)	0.85	
5/12/2003 DMW Numerous PC w/G.Moulds re: Wilkes	0.40	
SUBTOTAL:	1.25	375.00
FOR PROFESSIONAL SERVICES RENDERED	4.20	\$962.50

Attorney Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>
David M. Wacksman	2.50	300.00
Tracy LaRusso	1.70	125.00

VINICK & DOCHERTY

COUNSELLORS AT LAW

85 Livingston Avenue
Roseland, New Jersey 07068-1778

(973) 994-1955 • Fax (973) 994-2552

June 1, 2003

Integrated Health Services, Inc.
The Highlands
920 Ridgebrook Road
Sparks, Maryland 21152

Attached please find our invoice for professional services rendered and costs incurred for the period May 1, 2003 through May 12, 2003.

The following is a recapitulation of the amounts due for each classification and our final calculation resulting in the balance due for this period.

	<u>LEGAL FEES</u>	<u>COSTS*</u>
Rehabworks Collections	\$2,865.00	\$ -0-
Symphony Corporate Matters	\$ 285.00	\$ -0-
Symphony Mobilex Collections	\$1,110.00	\$ -0-
Symphony Mobilex Litigation Matters	\$ 315.00	\$ -0-
Symphony Rehab Collections	\$ 312.50	\$ -0-
Symphony Rehab Litigation Matters	<u>\$1,185.00</u>	<u>\$ -0-</u>
Subtotals	\$6,072.50	\$0

*Disbursements, including Federal Express; Airborne Express; long distance telephone; facsimile; copying; transportation; lodging; filing fees; travel expenses; on-line services; postage; etc. Any bills we may receive after the date of this invoice, for costs incurred during this billing period, will appear on a later invoice.

Total Amount Due:

\$6,072.50

VINICK & DOCHERTY

COUNSELLORS AT LAW

85 Livingston Avenue
Roseland, New Jersey 07068-1778

(973) 994-1955 • Fax (973) 994-2552

Invoice submitted to:

June 1, 2003

Integrated Health Services, Inc.

Invoice No. S20030601

The Highlands
910 Ridgebrook Road
Sparks, MD 21152

Page 1

INVOICE FOR PROFESSIONAL SERVICES RENDERED 5/1/03 THROUGH 5/12/2003

In Reference To: REHABWORKS COLLECTIONS

Professional Services

	<u>Hours</u>	<u>Amount</u>
<u>Blue Dauphin Cases</u>		
5/12/2003 TLR Conf w/associate re settlment funds directly to client(.2); Update collection report re same(.2)	0.40	
DMW Numerous PC w/ L.Sims re: 24,000 settlement (.25); E-Mail to L.Sims re: same (.2)	0.45	
SUBTOTAL:	0.85	185.00
<u>Brighton Manor</u>		
5/2/2003 TLR Examine ltr frm Atty Havens re Motion to Defer Dismissal(.3); Update collection report re same(.1); Conf w/associate re same(.1)	0.50	
DMW Examine Motion to Defer Dismissal frm Atty Havens(.2)	0.20	
SUBTOTAL:	0.70	122.50

Integrated Health Services, Inc.

		<u>Hours</u>	<u>Amount</u>
<u>Collection Report</u>			
5/1/2003	TLR	Revise, prepare & update current months report re client case review.	2.50
SUBTOTAL:		2.50	312.50
<u>Glenview Manor</u>			
5/2/2003	TLR	Examine ltr frm Atty Slovin re scheduled Trial date(.2); Prepare & forward ltr to Tom Guild, Esq., & Lisa Simms re obtaining witness for same(.2); Update collection report re same(.1); Conf w/associate re same(.1)	0.60
	DMW	Conf w/paralegal re witness for trial(.3); Examine ltr frm Tracy LaRusso to Tom Guild, Esq., & Lisa Simms re obtaining witness for trial date(.2)	0.50
5/5/2003	DMW	Examine E-Mail re: court date	0.10
SUBTOTAL:		1.20	255.00
<u>Metro Health</u>			
5/1/2003	KML	Examine complaint re reimbursement of Medicaid funds (.1); research priority of claims to Medicaid funds (1.8); conference w/ D Wacksman re priority of claims (.1)	2.00
5/2/2003	KML	Research priority of claims	2.00
5/5/2003	DMW	Letter to P.Durdellar & T.Guild re: legal research	0.50
5/12/2003	DMW	Examine bankruptcy court pleadings (.1); legal research re: constructive trust (.5); lettter to T.Guild & P.Durdellar re: same (.3)	0.90
SUBTOTAL:		5.40	1,520.00
<u>Report</u>			
5/12/2003	DMW	PC w/ T.Guild re: write off report	0.30

Integrated Health Services, Inc.

	<u>Hours</u>	<u>Amount</u>
SUBTOTAL:	0.30	90.00
 <u>Riverview</u>		
5/1/2003 DMW Examine numerous E-mails & correspondence from local counsel re: settlement at 41,000 (.5); Numerous PC w/ local counsel re: same (.2)	0.70	
5/5/2003 DMW Examine & respond to numerous E-Mails from local counsel re: settlement (.25); PC w/ local counsel re: same (.15)	0.40	
5/12/2003 TLR Examine numerous ltrs frm Atty Tycko re settlement proposals(.3); Update collection report re same(.1)	0.40	
SUBTOTAL:	1.50	380.00
FOR PROFESSIONAL SERVICES RENDERED	12.45	\$2,865.00

Attorney Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>
David M. Wacksman	4.05	300.00
Kathleen M. Lee	4.00	275.00
Tracy LaRusso	4.40	125.00

In Reference To: SYMPHONY CORPORATE MATTERS

Professional Services

	<u>Hours</u>	<u>Amount</u>
 <u>Aylward</u>		
5/5/2003 DMW Examine medical authorization (.15); letter to client re: releasing records (.3)	0.45	

Integrated Health Services, Inc.

	<u>Hours</u>	<u>Amount</u>
5/12/2003 DMW Letter to C.Solomen re: release records (.1); Examine letter from P.Aylward re: records (.1); PC w/ same (.3)	0.50	
SUBTOTAL:	0.95	285.00
FOR PROFESSIONAL SERVICES RENDERED	0.95	\$285.00

Attorney Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>
David M. Wacksman	0.95	300.00

In Reference To: SYMPHONY MOBILEX COLLECTIONS

Professional Services

	<u>Hours</u>	<u>Amount</u>
<u>Coast Care</u>		
5/1/2003 DMW Examine invoices (.1); PC w/ M.Massey re: same (.2)	0.30	
SUBTOTAL:	0.30	90.00

Collection Report

5/1/2003 TLR Revise, prepare & update current months report re client case review.	2.50	
5/6/2003 TLR Revise, prepare & update current months report re client case review.	2.30	
SUBTOTAL:	4.80	600.00

Friendship Haven

5/5/2003 DMW Update report	0.20	
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Integrated Health Services, Inc.

	<u>Hours</u>	<u>Amount</u>
5/8/2003 TLR Examine ltr frm Michele Massey re confirmation of debtor payment(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.50	97.50
<u>Meadow View Life Center</u>		
5/2/2003 TLR Extensive review of invoices & aging reports(.2); Prepare & forward Proof of Claim to Bankruptcy Court(.3); Update collection report re same(.1)	0.60	
DMW Prepare & forward Proof of Claim to U.S. Bankruptcy Court.	0.50	
SUBTOTAL:	1.10	225.00
<u>Redwood</u>		
5/1/2003 DMW PC w/ debtor re: settlement of \$4500	0.20	
SUBTOTAL:	0.20	60.00
<u>Woodlands</u>		
5/6/2003 TLR Examine ltr frm Lauren Irwin re payments made to date(.2); Update collection report re same(.1)	0.30	
SUBTOTAL:	0.30	37.50
FOR PROFESSIONAL SERVICES RENDERED	7.20	\$1,110.00

Attorney Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>
David M. Wacksman	1.20	300.00
Tracy LaRusso	6.00	125.00

Integrated Health Services, Inc.

In Reference To: SYMPHONY REHAB COLLECTIONS

Professional Services

Hours Amount

Collection Report

5/1/2003 TLR Revise, prepare & update current months report re
client case review.

2.50

SUBTOTAL:

2.50 312.50

FOR PROFESSIONAL SERVICES RENDERED

2.50 \$312.50

Attorney Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>
Tracy LaRusso	2.50	125.00

In Reference To: SYMPHONY REHAB LITIGATION MATTERS

Professional Services

Hours Amount

Mona Electric

5/12/2003 DMW Examine complaint (.25); Letter to adversary re:
incorrect defendant (.5); Examine letter from
adversary re: same (.2)

0.95

SUBTOTAL:

0.95 285.00

Integrated Health Services, Inc.

Rehabworks/Hughes

	<u>Hours</u>	<u>Amount</u>
5/12/2003 DMW Prepare interrogatories	3.00	
SUBTOTAL:	3.00	900.00
FOR PROFESSIONAL SERVICES RENDERED	3.95	\$1,185.00

Attorney Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>
David M. Wacksman	3.95	300.00

In Reference To: SYMPHONY MOBILEX LITIGATION MATTERS

Professional Services

Magee

	<u>Hours</u>	<u>Amount</u>
5/12/2003 DMW Examine Initial Liability Caption report from GB	0.10	
SUBTOTAL:	0.10	30.00

Symphony Mobilex/Ferrigan

5/12/2003 DMW Examine pleadings & summary judgment motion (.25); numerous PC w/ A.Long & T.Guild re: strategy (.5); PC w/ attorney for co-defendant re: settlement (.2)	0.95	
SUBTOTAL:	0.95	285.00
FOR PROFESSIONAL SERVICES RENDERED	1.05	\$315.00

Integrated Health Services, Inc.

Attorney Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>
David M. Wacksman	1.05	300.00

BILLING RATES

		<u>TRAVEL TIME*</u>
James M. Docherty, Esq.	\$350.00 per hour	\$175.00
Kathleen M. Lee, Esq.	\$275.00 per hour	\$137.50
David M. Wacksman, Esq.	\$300.00 per hour	\$150.00
Amanda B. DeVuono	\$ 75.00 per hour	\$ 37.50
Tracy La Russo, Paralegal	\$125.00 per hour	\$ 62.50
Diane Perusse, Paralegal	\$125.00 per hour	\$ 62.50

*One half of the regular hourly rate

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

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

AFFIDAVIT OF SERVICE

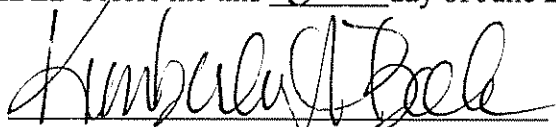
STATE OF DELAWARE)
) SS
 NEW CASTLE COUNTY)

Thomas Hartzell, being duly sworn according to law, deposes and says that he is employed by the law firm of Young Conaway Stargatt & Taylor, LLP, attorneys for the Debtors in the within captioned matter, and that on the 26th day of June 2003, he caused a copy of the attached pleading to be served, as indicated, on the parties on the attached service list.



 Thomas Hartzell

SWORN TO AND SUBSCRIBED before me this 26th day of June 2003.



 Notary Public
 KIMBERLY A. BECK
 NOTARY PUBLIC
 STATE OF DELAWARE
 My commission expires Oct. 1, 2006

CORE GROUP SERVICE LIST
Integrated Health Services, Inc.
6/26/2003

Donald A. Beskrone, Esq.
Staff Attorney
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(;Premiere Committee of Unsecured Creditors)
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(Blount Memorial Hospital; Sungard Data Systems)
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of the Premiere Associates' Debtors
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