

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)

**THIRTY NINTH APPLICATION OF YOUNG CONAWAY
STARGATT & TAYLOR, LLP AS COUNSEL TO THE DEBTORS
FOR INTERIM COMPENSATION FOR SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
FROM APRIL 1, 2003 THROUGH MAY 12, 2003 AND FOR
FINAL COMPENSATION FOR SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
FROM FEBRUARY 2, 2000 THROUGH MAY 12, 2003**

Name of Applicant: Young Conaway Stargatt &
Taylor, LLP

Authorized to Provide
Professional Services to: Debtors

Date of Retention: Order dated March 7, 2000
(*nunc pro tunc* to February 2,
2000)

Period for which interim compensation
and reimbursement is sought: April 1, 2003 through
May 12, 2003

Amount of interim Compensation
sought as actual, reasonable and necessary: \$157,508.50

Amount of interim Expense Reimbursement
sought as actual, reasonable and necessary: \$146,047.23

Period for which final compensation and reimbursement is sought:

February 2, 2000 through
May 12, 2003

Amount of final Compensation sought as actual, reasonable and necessary:

\$2,255,050.00¹

Amount of final Expense Reimbursement sought as actual, reasonable and necessary:

\$2,346,944.48¹

This application does not include time incurred in connection with its preparation.

Previous Applications filed		Requested		Approved	
Date Filed	Period Covered	Fees	Expenses	Fees	Expenses
4/27/00	2/29/00-2/29/00	\$67,534.50	\$12,277.93	\$67,534.50	\$12,277.93
5/11/00	3/1/00-3/31/00	\$43,305.00	\$11,494.55	\$43,305.00	\$11,494.55
6/26/00	4/1/00-4/30/00	\$60,975.00	\$18,285.26	\$60,975.00	\$18,285.26
8/2/00	5/1/00-5/31/00	\$43,490.50	\$45,491.27	\$43,490.50	\$45,491.27
8/23/00	6/1/00-6/30/00	\$36,235.00	\$82,793.51	\$36,235.00	\$82,793.51
8/31/00	7/1/00-7/31/00	\$36,471.00	\$28,244.54	\$36,471.00	\$28,244.54
10/25/00	8/1/00-8/31/00	\$53,322.00	\$30,422.78	\$53,322.00	\$30,422.78
11/15/00	9/1/00-9/30/00	\$44,722.00	\$47,129.03	\$44,722.00	\$47,129.03
1/10/01	10/1/00-10/31/00	\$45,718.00	\$48,030.29	\$45,718.00	\$48,030.29

¹ 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 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 application requests approval of final fees and expenses incurred in connection with both the IHS Debtors and the Rotech Debtors (each as defined in this application)

Previous Applications filed		Requested		Approved	
Date Filed	Period Covered	Fees	Expenses	Fees	Expenses
2/12/01	11/1/00-11/30/00	\$60,208.00	\$37,836.72	\$60,208.00	\$37,836.72
4/20/01	12/1/00-12/31/00	\$43,368.50	\$37,444.96	\$43,368.50	\$37,444.96
6/22/01	1/1/01-1/31/01	\$53,617.00	\$42,864.71	\$53,617.00	\$42,864.71
7/27/01	2/1/01-2/28/01	\$52,213.50	\$45,183.08	\$52,213.50	\$45,183.08
9/7/01	3/1/01-3/31/01	\$57,889.00	\$58,786.34	\$46,311.20	\$58,786.34
1/14/02	4/1/01 – 4/30/01	\$54,273.50	\$52,281.82	\$54,273.50	\$52,281.82
1/16/02	5/1/01 – 5/31/01	\$43,927.50	\$43,913.77	\$43,927.50	\$43,913.77
1/16/02	6/1/01 – 6/30/01	\$33,093.50	\$26,691.94	\$33,093.50	\$26,691.94
1/18/02	7/1/01 – 7/31/01	\$43,824.00	\$63,016.62	\$43,824.00	\$63,016.62
1/28/02	8/1/01 – 8/31/01	\$42,597.50	\$55,449.31	\$42,597.50	\$55,449.31
2/5/02	9/1/01 – 9/30/01	\$38,733.00	\$52,522.49	\$38,733.00	\$52,522.49
4/17/02	10/1/01 – 10/31/01	\$42,164.00	\$68,647.49	\$42,164.00	\$68,647.49
4/25/02	11/1/01 – 11/30/01	\$63,479.50	\$51,095.65	\$63,479.50	\$51,095.65
5/13/02	12/1/01 – 12/31/01	\$56,520.00	\$66,329.85	\$56,520.00	\$66,329.85
5/30/02	1/1/02 – 1/31/02	\$79,478.50	\$78,965.83	\$79,478.50	\$78,965.83
6/11/02	2/1/02 – 2/28/02	\$83,265.00	\$87,248.85	\$83,265.00	\$87,248.85
6/17/02	3/1/02 – 3/31/02	\$65,241.00	\$77,838.15	\$65,241.00	\$77,838.15
6/21/02	4/1/02 – 4/30/02	\$77,707.00	\$76,636.78	\$77,707.00	\$76,636.78
6/26/02	5/1/02 – 5/31/02	\$68,292.50	\$61,637.79	\$68,292.50	\$61,637.79
9/11/02	6/1/02 – 6/31/02	\$56,430.00	\$61,732.53	\$56,430.00	\$61,732.53
11/21/02	7/1/02 – 7/31/02	\$31,450.50	\$75,950.50	\$31,450.50	\$75,950.50

Previous Applications filed		Requested		Approved	
Date Filed	Period Covered	Fees	Expenses	Fees	Expenses
11/21/02	8/1/02 – 8/31/02	\$37,519.00	\$49,517.54	\$37,519.00	\$49,517.54
1/21/03	9/1/02 – 9/30/02	\$56,121.50	\$67,387.74	\$56,121.50	\$67,387.74
3/6/03	10/1/02 – 10/31/02	\$54,087.00	\$65,046.82	\$54,087.00	\$65,046.82
4/16/03	11/1/02 – 11/30/02	\$36,089.00	\$52,068.55	\$36,089.00	\$52,068.55
4/16/03	12/1/02 – 12/31/02	\$51,702.50	\$72,662.55	\$51,702.50	\$72,662.55
5/23/03	1/1/03 – 1/31/03	\$68,710.50	\$101,591.53	\$54,968.40	\$101,591.53
6/19/03	2/1/03 – 2/28/03	\$56,654.50	\$90,599.89	\$45,323.60	\$90,599.89
7/14/03	3/1/03 – 3/31/03	\$59,469.00	\$104,089.40	Pending	Pending

Name of Professional Person	Position with the app. and no. of years in that position	Hourly billing rate (incl. chgs)	Total billed hours	Total compensation
Robert S. Brady	Partner since 1998. Joined firm as an associate in 1990. Member of the DE Bar since 1990.	\$425.00	103.70	\$44,072.50
Pauline K. Morgan	Partner since 2000. Joined firm as an associate in 1997. Member of the PA and NJ Bars since 1987. Member of the DE Bar since 1997.	\$410.00	.70	\$287.00
Maureen D. Luke	Partner since 2003. Joined firm as an associate in 1999. Member of the DE and PA Bars since 1992.	\$375.00	6.60	\$2,475.00

Name of Professional Person	Position with the app. and no. of years in that position	Hourly billing rate (incl. chgs)	Total billed hours	Total compensation
Curtis J. Crowther	Joined the firm as an associate in 2001. Member of the DE and PA Bars since 1994.	\$325.00	.30	\$97.50
Edmon L. Morton	Joined firm as an associate in 1999. Member of the DE Bar since 1999.	\$305.00	137.80	\$42,029.00
Joseph M. Barry	Joined firm as an associate in 2001. Member of the DE Bar since 2002. Member New York Bar since 2001.	\$245.00	158.80	\$38,906.00
Seth J. Reidenberg	Joined firm as an associate in 2002. Member of the DE Bar since 1997. Member of the PA Bar since 1998.	\$240.00	.50	\$120.00
Alfred Villoch	Joined firm as an associate in 2002. Member of the DE Bar since 2003.	\$205.00	48.20	\$9,881.00
Brenda Walters	Paralegal 21 years	\$165.00	3.30	\$544.50
Debbie Laskin	Paralegal 19 years	\$150.00	.40	\$60.00
Thomas Hartzell	Paralegal 10 years	\$145.00	116.60	\$16,907.00
Chandra Rudloff	Paralegal 2 years	\$120.00	.30	\$36.00
Stefanie Hubloue	Paralegal 2 years	\$120.00	.60	\$72.00
Marnie Powell	Paralegal 2 years	\$110.00	.30	\$33.00
Stephanie Warren	Paralegal 1 month	\$35.00	26.00	\$910.00
Ami Vari	Case Management Assistant	\$35.00	25.60	\$896.00
Patsy Petlock	Case Management Assistant	\$35.00	3.80	\$133.00

Name of Professional Person	Position with the app. and no. of years in that position	Hourly billing rate (incl. chgs)	Total billed hours	Total compensation
Debbie McIntyre	Case Management Assistant	\$35.00	1.40	\$49.00

Grand Total 634.90hrs. \$157,508.50

Blended Rate: \$248.08/hour

YOUNG CONAWAY STARGATT & TAYLOR, LLP

Integrated Health Services, Inc.
Billing Period Through May 12, 2003

AGGREGATE ITEMIZED DISBURSEMENTS

<u>Description</u>		<u>Amount</u>
AP Postage	\$	175.50
Computerized Legal Research		1,994.18
Delivery		4,395.80
Deposition/Transcript		584.40
Facsimile		1,975.00
Federal Express		30,581.34
Filing Fee		150.00
Long Distance Telephone		644.90
Outside Duplication Services		40,189.12
Photocopy Charges		57,690.30
Postage		7,384.14
Working Meals		282.55
Total Disbursements:	\$	146,047.23

YOUNG CONAWAY STARGATT & TAYLOR, LLP

Integrated Health Services, Inc.
Billing Period Through May 12, 2003

AGGREGATE TIME SUMMARY BY MATTER

MATTER	TOTAL HOURS	TOTAL AMOUNT
056309.1001 Case Administration	38.10	\$ 2,983.50
056309.1002 Court Hearings	174.50	48,019.50
056309.1003 Cash Collateral/DIP Financing	4.00	1,042.00
056309.1004 Schedules & Statements, U.S. Trustee Reports	0.40	47.00
056309.1005 Lease/Executory Contract Issues	181.50	51,587.50
056309.1006 Use, Sale or Lease of Property - 363 Issues	6.30	1,414.50
056309.1007 Claims, Analysis, Objections & Resolutions	66.40	12,558.50
056309.1009 Stay Relief Matters	4.40	913.00
056309.1011 Other Adversary Proceedings	48.60	10,625.50
056309.1012 Plan & Disclosure Statement	84.30	22,905.50
056309.1013 Creditor Inquiries	1.30	372.50
056309.1017 Retention of Professionals/Fee Issues	18.20	3,609.00
056309.1018 Fee Application Preparation	6.90	1,430.50
Total:	634.90	\$ 157,508.50

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)

**THIRTY NINTH INTERIM AND FINAL FEE APPLICATION OF YOUNG
CONAWAY STARGATT & TAYLOR, LLP FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

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 Young Conaway Stargatt & Taylor, LLP (“YCS&T”) 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 \$157,508.50 together with interim reimbursement for actual and necessary expenses incurred in the amount of for \$146,047.23 for the period April 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 \$2,255,050.00 together with final reimbursement for actual and necessary expenses incurred in the amount of for \$2,346,944.48 for the period February 2, 2000 through and including May 12, 2003 (the

“Final Fee Period”). In support of its application (the “Application”), YCS&T 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 “Premiere Group Creditors' Committee”) for Premiere Associates, Inc , and its affiliates.

3. On November 21, 2001, the Rotech Debtors¹ filed a proposed 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

¹ Those Debtor entities associated with the Rotech business segment are hereinafter referred to as the “Rotech Debtors” and those Debtor entities associated with the Symphony and Long-Term Care business segments are hereinafer referred to as the “IHS Debtors”.

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 has not, at present, become effective pursuant to its terms.

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 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. Since the deadline to file final fee applications pursuant to the terms of the IHS Plan is linked to the effective date, there is no present deadline established by which professionals must file final fee applications

thereunder. This Application requests final approval of all fees and reimbursement of all expenses incurred by YCS&T in connection with its representation of both the Rotech Debtors and the IHS Debtors.²

YCS&T RETENTION

6. YCS&T was employed under a general retainer to represent the Debtors as bankruptcy counsel in connection with these chapter 11 cases, pursuant to an Order entered by this Court on March 7, 2000 authorizing the employment of YCS&T *nunc pro tunc* from the commencement of this case. The Order authorized YCS&T to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

7. All services for which compensation is requested by YCS&T were performed for or on behalf of the Debtors.

COMPENSATION PREVIOUSLY PAID

8. Except to the extent of the retainer paid to YCS&T as described in the application seeking approval of YCS&T's employment by the Debtors, during the period covered by this Application, YCS&T 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 YCS&T and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these cases.

² Due to their voluminous nature, the prior thirty-eight (38) interim applications filed by YCS&T in these cases are not annexed to this Application. A list of the prior applications, 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.

SUMMARY OF SERVICES RENDERED

9. Attached hereto as Exhibit A is a detailed statement of fees incurred during the period of April 1, 2003 through May 12, 2003, showing the amount of \$157,508.50 due for compensation.

10. The attorneys of YCS&T who have rendered professional services in these cases during the Interim Fee Period are Robert S. Brady, Pauline K. Morgan, Maureen D. Luke, Curtis J. Corwther, Edmon L. Morton, Joseph M. Barry, Seth J. Reidenberg and Alfred Villoch. Paraprofessional services were provided by Brenda Walters, Debbie Laskin, Thomas Hartzell, Chandra Rudloff, Stefanie Hubloue, Marnie Powell and Stephanie Warren. Case management services were provided by Ami Vari, Patsy Petlock and Debbie McIntyre.

11. YCS&T, by and through the above-named persons, has advised the Debtors on a regular basis with respect to legal matters in connection with the operation and reorganization of their businesses and with respect to all other matters arising in the performance of their duties as debtors in possession. Further, YCS&T has prepared and/or assisted in the preparation of various motions, applications, orders and other pleadings submitted to the Court for consideration and has performed all necessary professional services which are described and narrated in detail hereinafter.

SUMMARY OF SERVICES BY PROJECT

12. The services rendered by YCS&T during the Interim Fee Period can be grouped into the categories set forth on Exhibit A attached hereto. The attorneys, paralegals and clerks who rendered services relating to each category are identified, along with the number of hours for each individual and the total compensation sought for each category, in the attachment hereto.

DISBURSEMENTS

13. YCS&T has incurred out-of-pocket disbursements during the Interim Fee Period in the amount of \$146,047.23. This disbursement sum is broken down into categories of charges, including, among other things, telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, charges for mailing supplies (including, without limitation, envelopes and labels) provided by YCS&T to outside copying services for use in mass mailings, travel expenses, expenses for “working meals,” computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime. A complete review by category of the expenses incurred for the Fee Period may be found in the attachments hereto as Exhibit B. Following the summary is an itemization of expenses within each expense category, as required by Del. Bankr. LR 2016-2(e)(ii). YCS&T’s computerized billing system records certain expenses, such as telephone, facsimile and duplication charges, in “batches” covering several days, rather than daily charges. To the extent such itemization is insufficient to satisfy the requirements of Del. Bankr. LR 2016-2(e)(ii), YCS&T respectfully requests that the Court waive strict compliance with such rule.

14. Costs incurred for overtime and computer assisted research are not included in YCS&T’s normal hourly billing rates and, therefore, are itemized and included in YCS&T’s disbursements. Pursuant to Del. Bankr. LR 2016-2, YCS&T represents that its rate for duplication is \$.15 per page, its rate for outgoing telecopier transmissions is \$1.00 per page (excluding related long distance transmission charges), there is no charge for incoming telecopier transmissions and there is no surcharge for computerized research.

VALUATION OF SERVICES

15. Attorneys and paraprofessionals of YCS&T have expended a total of 634.90 hours in connection with this matter during this Interim Fee Period. The reasonable value of the services rendered by YCS&T during this Fee Period as co-counsel for the Debtors in these cases under chapter 11 is \$157,508.50.

16. YCS&T 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.

17. In accordance with the factors enumerated in 11 U.S.C. § 330, the amount requested is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

WHEREFORE, YCS&T respectfully requests interim allowance of \$157,508.50 as compensation for necessary professional services rendered to the Debtors for the Interim Fee Period, and \$146,047.23 for reimbursement of actual necessary costs and expenses incurred during that period and request final allowance of \$2,255,050.00 as compensation for necessary professional services rendered to both the IHS Debtors and the Rotech Debtors for the Final Fee Period, and \$2,346,944.48 for reimbursement of actual necessary costs and expenses incurred during that period

YOUNG CONAWAY STARGATT & TAYLOR, LLP



Robert S. Brady (No. 2847)

Edmon L. Morton (No. 3856)

Joseph M. Barry (No. 4221)

~~The Brandywine Building~~

1000 West Street, 17th Floor

P.O. Box 391

Wilmington, DE 19899-0391

(302) 571-6600

Attorneys for Debtors and Debtors in Possession

Dated: August 5, 2003

VERIFICATION


STATE OF DELAWARE)
)
NEW CASTLE COUNTY) SS:

Robert S. Brady, after being duly sworn according to law, deposes and says:

1. I am a Partner in the applicant firm, Young Conaway Stargatt & Taylor, LLP, and have been admitted to the bar of the Supreme Court of Delaware since 1990.

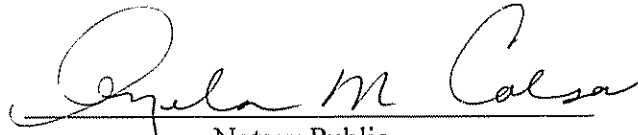
2. I have personally performed many of the legal services rendered by Young Conaway Stargatt & Taylor, LLP, as counsel for the Debtors and am thoroughly familiar with all other work performed on behalf of the Debtors by the lawyers and paraprofessionals in the firm.

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



ROBERT S. BRADY

SWORN TO AND SUBSCRIBED before me this 5th day of August 2003.



Notary Public

ANGELA M. COLSON
NOTARY PUBLIC
STATE OF DELAWARE
My Commission Expires Aug 31, 2003