

STERN, LAVINTHAL, FRANKENBERG & NORGAARD, LLC
184 Grand Avenue
Englewood, New Jersey 07631
Telephone Number (201) 871-1333
Telecopier Number (201) 871-1333
Proposed Attorneys for Debtor
By: John O'Boyle, Esq.
JO - 6337

| | | |
|---------------------------------------|---|---|
| In the Matter of: | : | UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY NEWARK VICINAGE |
| ALLIED HEALTH CARE SERVICES, INC., | : | Chapter 7 |
| Debtor. | : | Case No. 10-35561(MS) |

APPLICATION FOR APPROVAL OF DEBTOR'S EMPLOYMENT OF ATTORNEYS

TO: The Honorable Morris Stern
United States Bankruptcy Court

The Application of the above-named Debtor shows and alleges:

1. An involuntary petition for relief under Chapter 7 of the Bankruptcy Code was filed against the Debtor on August 19, 2010. On the same date, the petitioners filed a motion for appointment of a trustee in the case. However, as of the date of this application, no trustee or creditors' committee has been appointed.

2. The Debtor requires the assistance of counsel in this case. The Debtor wishes to retain Stern, Lavinthlal, Frankenberg & Norgaard, LLC ("SLFN") of 184 Grand Avenue, Englewood, New Jersey 07631. The Debtor wishes to employ SLFN because its experience and expertise in bankruptcy matters.

3. To the best of applicant's knowledge, SLFN has no prior connection with the Debtor, any creditor of the Debtor or any other

party in interest, or their respective attorneys or accountants, and neither holds nor represents any interest materially adverse to the Debtor, the Creditors or the estate. To the best of applicant's knowledge, SLFN is a "disinterested person" within the meaning of 11 U.S.C. Sec. 101(14).

4. Submitted simultaneously herewith is a certification of a member of SLFN, setting forth the firm's hourly rates. The Debtor has agreed to compensate the firm at such rates, subject to this Court's approval of the firm's employment and subject to this Court's approval of the firm's application(s) for compensation and reimbursement of expenses.

5. The Debtor respectfully submits that its employment of SLFN is in the best interest of the estate.

WHEREFORE, the Debtor respectfully requests this Court to enter an Order Approving its Employment of Stern, Lavinthal, Frankenberg & Norgaard, LLC, effective August 24, 2010, with compensation to be allowed pursuant to further order of this Court.

I certify that the foregoing statements are true. I am aware that if the foregoing statements are willfully false, I am subject to punishment.

Dated: 8/27/10

 /s/ Charles K. Schwartz
Charles K. Schwartz, President
Allied Health Care Services, Inc.

STERN, LAVINTHAL, FRANKENBERG & NORGAARD, LLC
184 Grand Avenue
Englewood, New Jersey 07631
Telephone Number (201) 871-1333
Telecopier Number (201) 871-1333
Proposed Attorneys for Debtor
By: John O'Boyle, Esq.
JO - 6337

| | | |
|---------------------------------------|---|---|
| In the Matter of: | : | UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY NEWARK VICINAGE |
| ALLIED HEALTH CARE SERVICES, INC., | : | Chapter 7 |
| Debtor. | : | Case No. 10-35561(MS) |

**CERTIFICATION OF PROPOSED COUNSEL TO DEBTOR, WITH
STATEMENT PURSUANT TO 11 U.S.C. Sec. 329
AND FED. R. BANKR. P. 2016(b)**

John O'Boyle, Esq. certifies as follows:

1. I am an attorney admitted to practice before this Court, and I am a member of Stern, Lavinthal, Frankenberg & Norgaard, LLC ("SLFN"), the proposed counsel to the Debtor.

2. SLFN maintains an office at 184 Grand Avenue, Englewood, NJ 07631.

3. To the best of my knowledge, neither SLFN nor any of its members or employees holds or represents any interest adverse to the Debtor, its creditors or the estate. To the best of my knowledge, the firm and all of its members and employees are "disinterested persons" within the meaning of that term as set forth in 11 U.S.C. Sec. 101(14).

4. Subject to this Court's approval and upon such notice as is required by the Court, Proposed Counsel intends to seek

compensation for its services at the following rates:

| | | |
|-------------------|---|---------------|
| Senior Partners | - | \$500.00/hour |
| Partners | - | \$350.00/hour |
| Senior Associates | - | \$275.00/hour |
| Junior Associates | - | \$200.00/hour |
| Law Clerk | - | \$125.00/Hour |
| Paralegals | - | \$100.00/hour |

**STATEMENT PURSUANT TO 11 U.S.C. SEC. 329
AND FED. R. BANKR. P. 2016(b)**

5. On or about August 24, 2010, after the filing of the involuntary petition for bankruptcy relief against the Debtor, the Debtor and proposed counsel agreed that proposed counsel would represent it in the above-captioned case according to the billing rates set forth above. The Debtor provided Proposed Counsel with a retainer deposit of \$25,000.00.

6. Proposed Counsel has not shared or agreed to share any compensation received or anticipated in this matter with any other entity.

WHEREFORE, it is respectfully requested that this Court enter an Order Approving the Debtor's Employment of Stern, Lavinthal, Frankenberg & Norgaard, LLC, effective August 24, 2010, with compensation to be allowed pursuant to further order of this Court.

I certify that the foregoing statements are true. I am aware that if the foregoing statements are willfully false, I am subject to punishment.

Dated: 8/27/10

/s/ John O'Boyle

John O'Boyle, Esq.

| | |
|--|--|
| UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY | |
| Caption in Compliance with D.N.J. LBR 9004-2(c) | |
| Stern, Lavinthal, Frankenberg & Norgaard, LLC 184 Grand Avenue Englewood, New Jersey 07631 Telephone No. (201) 871-1333 Telecopier No. (201) 871-3161 | |
| In Re: | |
| ALLIED HEALTH CARE SERVICES, INC. | |
| Debtor. | |

Case No.: 10-35561(MS)

Adv. No.:

Hearing Date:

Judge: Morris Stern

ORDER APPROVING DEBTOR'S EMPLOYMENT OF ATTORNEYS

The relief set forth on the following page is hereby
ORDERED.

Page 2

Case Name: ALLIED HEALTH CARE SERVICES, INC.

Caption Name: ORDER AUTHORIZING DEBTOR'S EMPLOYMENT OF ATTORNEYS

THIS MATTER came to the attention of the court upon the application of the Debtor for approval of its employment of Stern, Lavinthal, Frankenberg & Norgaard, LLC as its counsel in the above-captioned matter. It appears from the Application that the proposed counsel represents no interest adverse to the debtor or the estate and the employment is necessary and would be in the best interest of this estate. The Court finds good cause to make the following order.

IT IS ORDERED as follows:

1. Pursuant to 11 U.S.C. Sec. 327(a), the Debtor's employment of Stern, Lavinthal, Frankenberg & Norgaard, LLC in the above-captioned matter, at the hourly rates set forth in the Certification submitted in connection with the Debtor's Application, is approved effective August 24, 2010.

2. Stern, Lavinthal, Frankenberg & Norgaard, LLC shall seek this Court's approval for further compensation for legal services and reimbursement of expenses by way of Application to this Court upon such notice as this Court shall require.