

SILLS CUMMIS & GROSS P.C.  
Jack M. Zackin (JZ-2540)  
Simon Kimmelman (SK-3654)  
Charles N. Panzer (CP-6271)  
Valerie Hamilton (VH-5697)  
*Attorneys for Debtor and Debtor-in-Possession*

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY**

In re:

PASCACK VALLEY HOSPITAL ASSOCIATION,  
INC.

Debtor.

Hon. Rosemary Gambardella

Case No. 07-23686

Chapter 11

**APPLICATION FOR AN ORDER, PURSUANT TO *FED.R.BANKR.P.* 9006(c)(1),  
SHORTENING TIME FOR NOTICE OF HEARING ON DEBTOR'S MOTION  
SEEKING THE ENTRY OF AN ORDER, PURSUANT TO 11 U.S.C. § 364,  
AUTHORIZING THE DEBTOR TO ENTER INTO AN INSURANCE PREMIUM  
FINANCING AGREEMENT WITH AICCO, INC.**

TO: HONORABLE ROSEMARY GAMBARDELLA,  
UNITED STATES BANKRUPTCY JUDGE

Pascack Valley Hospital Association, Inc., the debtor and debtor-in-possession ("PVH" or the "Debtor"), by and through its attorneys, Sills Cummis & Gross P.C., submits this application (the "Application") for an order (the "Order Shortening Time"), pursuant to Rule 9006(c)(1) of the Federal Rules of Bankruptcy Procedure, shortening time for notice of the hearing on the Debtor's motion (the "Motion") seeking the entry of an order, pursuant to section 364 of chapter 11, Title 11 of the United States Code (the "Bankruptcy Code"), authorizing the Debtor to (a) enter into in an Insurance Premium Finance Agreement, Disclosure Statement and Security Agreement with AICCO, Inc. ("AICCO") with respect to certain of the Debtor's

insurance policies (the “Premium Financing Agreement”); (b) grant AICCO security interests in certain of the Debtor’s insurance-related assets and (c) grant AICCO an administrative expense claim with respect to any deficiency claim of AICCO remaining in the event that AICCO must proceed against the Debtor’s collateral. In support of this Application the Debtors respectfully represent as follows:

**JURISDICTION AND VENUE**

1. This Court has jurisdiction over this matter under 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A), (B) and (D).

2. The statutory basis for the relief requested in the Motion is section 364 of the Bankruptcy Code. Venue is proper in this Court pursuant to 28 U.S.C. § 1409(a).

**BACKGROUND**

3. On September 24, 2007 (the “Petition Date”), the Debtor filed a voluntary petition for relief pursuant to chapter 11 of title 11, United States Code (the “Bankruptcy Code”).

4. Since the Petition Date, the Debtor has remained in possession of its assets and has continued the management of its business as a debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

5. The Debtor is a licensed 280-bed acute care hospital located in Bergen County, New Jersey that provides in-patient, out-patient, and related health care services to the general public. A detailed description of the Debtor’s business and the facts precipitating the filing of the Debtor’s Chapter 11 proceeding is set forth in the Affidavit of Leonard Weil submitted in support of the Debtor’s various “first day” motions. Those facts are incorporated herein by reference.

## **RELIEF REQUESTED**

1. Rule 9006(c)(1) of the Federal Rules of Bankruptcy Procedure authorizes the Court, for cause shown, to reduce the normal twenty (20) day notice period for a motion provided for in D.N.J. LBR 9013-1(c). The Debtors respectfully submit that in this case cause exists to reduce the time period for notice of the hearing on the Motion.

2. As set forth with more particularity in the application submitted in support of the Motion, in the ordinary course of its business, the Debtor maintains various insurance coverage, including insurance policies for general liability, malpractice liability, criminal acts, auto liability and umbrella liability (collectively, the "Insurance Policies").

3. The Motion seeks the entry of an Order authorizing the Debtor to enter into the Premium Financing Agreement, a copy of which is annexed to the application in support of the Motion, which would enable the Debtor to pay the majority of the total insurance premiums, amounting to over \$1.5 million, in monthly installments rather than in one lump sum.

4. Under the Premium Financing Agreement, the Debtor was required to make an immediate cash down payment in the amount of \$540,761.99 (the "Down Payment") on October 2, 2007, and the first monthly payment is due November 1, 2007.

5. In addition, the Debtor's insurance broker advised the Debtor that unless an order of the Bankruptcy Court authorizing the Debtor to enter into the Premium Financing Agreement is entered on or before October 4, 2007, AICCO will not enter into the Premium Financing Agreement.

6. Due to the immediate and absolute need to keep the Insurance Policies in effect, the Debtor had no choice but to timely pay the Down Payment when due and to file this Application seeking an expedited hearing on the Motion on or before October 4, 2007.

7. If for some reason the Application or the Motion or the is denied and the Debtor and AICCO do not enter into the Premium Financing Agreement, the Debtor will immediately seek return of the Down Payment. The first monthly payment under the Premium Financing Agreement is due on or before November 1, 2007.

8. In light of the October 4, 2007 deadline of AICCO and the Debtor's immediate and absolute need to maintain insurance coverage, the Debtor seeks a hearing on the Motion on shortened notice, on or before October 4, 2007 or as soon as possible thereafter, to enable it to enter into the Premium Finance Agreement.

9. Based upon the foregoing, the Debtor respectfully requests that the time period for notice of the hearing on the Motion be shortened.

10. Reduction of the time period in question is not prohibited under *Fed.R.Bankr.P.* 9006(c)(2) and the rules listed therein.

11. No prior request for the relief sought herein has been made to this or any other court.

**WHEREFORE**, the Debtor respectfully requests that the Court enter the accompanying Order Shortening Time and grant such other and further relief as the Court deems just and proper.

**SILLS CUMMIS & GROSS, P.C.**  
*Attorneys for Debtor and Debtor-in-Possession*  
*Pascack Valley Hospital Association,*  
*Inc.*

By: /s/ Jack M. Zackin  
Jack M. Zackin

Dated: October 2, 2007

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

**Caption in Compliance with D.N.J. LBR 9004-2(c)**

SILLS CUMMIS & GROSS P.C.

Jack M. Zackin (JZ-2540)

Simon Kimmelman (SK-3654)

Charles N. Panzer (CP-6271)

Valerie Hamilton (VH-5697)

One Riverfront Plaza

Newark, New Jersey 07102

(973) 643-7000

*Attorneys for the Debtor and Debtor-in-Possession*

In re:

PASCACK VALLEY HOSPITAL ASSOCIATION,  
INC.,

Debtor.

Case No. 07-23686

Chapter 11

Judge: Honorable Rosemary Gambardella

**ORDER SHORTENING TIME FOR NOTICE OF HEARING ON DEBTOR'S MOTION SEEKING THE ENTRY OF AN ORDER, PURSUANT TO 11 U.S.C. § 364, AUTHORIZING THE DEBTOR TO ENTER INTO AN INSURANCE PREMIUM FINANCING AGREEMENT WITH AICCO, INC., PURSUANT TO 11 U.S.C. § 364, AUTHORIZING THE DEBTOR TO ENTER INTO AN INSURANCE PREMIUM FINANCING AGREEMENT WITH AICCO, INC.**

The relief set forth on the following pages, numbered two (2) through three (3) is hereby **ORDERED**.

Debtor: PASCACK VALLEY HOSPITAL ASSOCIATION, INC..  
Case No.: 07-23686  
Caption of Order: ORDER SHORTENING TIME PERIOD FOR NOTICE OF HEARING ON DEBTOR'S MOTION SEEKING THE ENTRY OF AN ORDER, PURSUANT TO 11 U.S.C. § 364, AUTHORIZING THE DEBTOR TO ENTER INTO AN INSURANCE PREMIUM FINANCING AGREEMENT WITH AICCO, INC.

Upon consideration of the application of Pascack Valley Hospital Association, Inc., the debtor and debtor-in-possession herein ("Debtor"), for an order, pursuant to Rule 9006(c)(1) of the Federal Rules of Bankruptcy Procedure, shortening the time period for notice of the hearing (the "Hearing") on the Debtor's motion (the "Motion") seeking the entry of an order, pursuant to section 364 of chapter 11, Title 11 of the United States Code (the "Bankruptcy Code"), authorizing the Debtor to (a) enter into in an Insurance Premium Finance Agreement, Disclosure Statement and Security Agreement with AICCO, Inc. ("AICCO") with respect to certain of the Debtor's insurance policies (the "Premium Financing Agreement"); (b) grant AICCO security interests in certain of the Debtor's insurance-related assets and (c) grant AICCO an administrative expense claim with respect to any deficiency claim of AICCO remaining in the event that AICCO must proceed against the Debtor's collateral; and for good cause shown, it is hereby

**ORDERED**, that the time period required by D.N.J. LBR 9013-1(c) for notice of the Hearing be, and hereby is, shortened as set forth herein; and it is further

**ORDERED**, that the Hearing shall be conducted on October \_\_\_\_\_, 2007 at \_\_\_\_\_ .m., before the Honorable Rosemary Gambardella, United States Bankruptcy Judge in the United States Bankruptcy Court, 50 Walnut Street, Newark, New Jersey; and it is further

**ORDERED**, that true copies of this Order, the application seeking the entry thereof, and the papers in support of the Motion shall be served upon (i) the United States Trustee for Region

Debtor: PASCACK VALLEY HOSPITAL ASSOCIATION, INC..  
Case No.: 07-23686  
Caption of Order: ORDER SHORTENING TIME PERIOD FOR NOTICE OF HEARING ON DEBTOR'S MOTION SEEKING THE ENTRY OF AN ORDER, PURSUANT TO 11 U.S.C. § 364, AUTHORIZING THE DEBTOR TO ENTER INTO AN INSURANCE PREMIUM FINANCING AGREEMENT WITH AICCO, INC.

3, Newark, New Jersey; (ii) counsel for HFG Healthco-IV, LLC; (iii) counsel for Bank of New York, as Master Trustee; (iv) each of the Debtors' twenty (20) largest unsecured creditors; (v) the New Jersey Department of Human Services; (vi) the New Jersey Department of Health and Senior Services; (vii) the New Jersey Health Care Facilities Financing Authority; (viii) the Attorney General for the State of New Jersey; (ix) the State of New Jersey, Division of Taxation; (x) the Internal Revenue Service; (xi) the U.S. Attorney for the District of New Jersey; (xii) Health Professionals and Allied Employees, ATL/AFL-CIO Local 5029; (xiii) Pension Benefit Guaranty Corporation; (xiv) the Affiliates; and (xv) all parties requesting notice pursuant to Fed. R. Bankr. P. 2002, via ECF electronic notice, fax or overnight delivery by October \_\_\_\_\_, 2007, which shall constitute good and sufficient notice of the relief requested in the Motion; and it is further

**ORDERED**, that any objections to the relief requested by the Motion may be raised at the hearing; and it is further

**ORDERED**, that the Court will require appearances of counsel to prosecute the Motion and any objections thereto.