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**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  
FOR AN ORDER PURSUANT TO 11 U.S.C. §§ 105(a) AND 363 AUTHORIZING  
IMPLEMENTATION OF KEY EMPLOYEE RETENTION PROGRAM**

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 sections 105(a) and 363 of chapter 11, Title 11 of the United States Code (the "Bankruptcy Code"),

authorizing the Debtor to implement a key employee retention program. 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 bases for the relief requested in the Motion are sections 105(a) and 363 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 (the “First Day Affidavit”). 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 and in the First Day Affidavit, the Debtor's Board of Trustees, in consultation with the Debtor's financial advisors, has determined that the Debtor cannot continue in operation because of its exceptionally poor financial performance and prospects. The Debtor has submitted a Certificate of Need Application to the New Jersey Department of Health ("DOH") setting forth a plan for the expeditious closure of its facility and the transfer of its patients to other hospitals and health care centers in the immediate vicinity.

3. In connection with its anticipated closure, on September 20, 2007, the Debtor notified all of its employees that their employment soon would be terminated. Consequently, many of the Debtor's most skilled employees are seeking and obtaining employment elsewhere. Among them, the Debtor's chief engineer, a critical employee whose services are essential to the operation of the Hospital, tendered his resignation to the Debtor because he has accepted employment elsewhere. The chief engineer's resignation is unfortunate in itself and because it may be a harbinger of things to come.

4. The Motion seeks the entry of an Order authorizing the Debtor to implement a key employee retention program, the purpose of which is to minimize key employee turnover, retain talent in a tight labor market and motivate key employees to continue to provide essential services during the crucial wind-down phase of the Debtor's case.

5. Due to the immediate and absolute need to retain as many key employees as possible, and to minimize the number of resignations tendered by key employees while this Motion is pending, the Debtor respectfully requests that the time period for notice of the hearing

on the Motion be shortened and that the Motion be scheduled for expedited hearing on or before October 17, 2007.

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

7. 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.**  
*Proposed Attorneys for Debtor and  
Debtor-in-Possession  
Pascack Valley Hospital Association, Inc.*

By: /s/ Valerie A. Hamilton  
Jack M. Zackin  
Valerie A. Hamilton

Dated: October 4, 2007

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY  
Caption in Compliance with D.N.J. LBR 9004-2(c)  
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In re:

PASCACK VALLEY HOSPITAL ASSOCIATION,  
INC.,

Debtor.

Case No. 07-23686

Chapter 11

Honorable Rosemary Gambardella

**ORDER SHORTENING TIME FOR NOTICE OF HEARING ON  
DEBTOR'S MOTION FOR AN ORDER PURSUANT TO 11 U.S.C. §§  
105(a) AND 363 AUTHORIZING IMPLEMENTATION OF KEY  
EMPLOYEE RETENTION PROGRAM**

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 (RG)  
Caption of Order: Order Shortening Time Period for Notice of Hearing on Debtor's Motion for an Order Pursuant to 11 U.S.C. §§ 105(a) and 363 Authorizing Implementation of Key Employee Retention Program

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 sections 105(a) and 363 of chapter 11, Title 11 of the United States Code (the "Bankruptcy Code"), authorizing the Debtor to implement a key employee retention program; 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 Courtroom 3E of 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 Motion papers shall be served upon (i) the United States Trustee for Region 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) Health Professionals and Allied Employees, ATL/AFL-CIO Local 5029; and (vi) 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

Debtor: Pascack Valley Hospital Association, Inc.  
Case No.: 07-23686 (RG)  
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Implementation of Key Employee Retention Program

**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.