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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 ENTRY OF AN ORDER AUTHORIZING AND DIRECTING VALLEY  
NATIONAL BANK TO IMPLEMENT DAILY SWEEP OF DEPOSITORY  
ACCOUNTS**

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 (the "Bankruptcy Rules"), shortening time for notice of the hearing on the Debtor's motion (the "Motion") seeking the entry of an order, pursuant to section 105(a) of chapter 11, Title 11 of the United States Code (the "Bankruptcy Code"), authorizing and directing Valley National Bank to implement a daily

sweep of the Debtor's Depository Accounts. In support of this Application, the Debtor 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 is section 105(a) 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 "Filing 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 Filing 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. The Debtor entered into a DIP Financing arrangement with HFG Healthco-4, LLC (“HFG”), the terms of which financing were approved on an interim basis by Order dated September 26, 2007 (the “DIP Financing Order”). A hearing to consider entry of a final DIP Financing Order is scheduled for October 17, 2007.

3. In connection with the DIP Financing arrangement with HFG, PVH established two (2) new lock box depository accounts (the "Depository Accounts") at Valley into which various payors have been directed to deposit funds representing Receivables owing to PVH.

4. Under the terms of the DIP Financing Order contemplated to be entered in this proceeding, a first lien and security interest (priming on a consensual basis certain existing pre-petition liens) will be granted to the DIP lender under a revolving credit facility secured by such Receivables.

5. The mechanism provided for under the DIP Financing Order requires that on a daily basis, all proceeds deposited into the Depository Accounts at Valley be swept to a collection account to be maintained by the DIP Lender. The DIP Lender will thereafter advance to the Debtor's operating account under the terms of the DIP Financing Order for funding of operational expenses in accordance with the Budget (as defined in the DIP Financing Order). In furtherance thereof, the Debtor seeks authorization and direction to Valley to provide such a sweep of the Depository Accounts on a daily basis.

6. Since a hearing is already scheduled for October 17, 2007 to consider entry of a final DIP Financing Order, and the relief sought in the Motion is designed to assist with the implementation of the DIP Financing Order, 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 October 17, 2007.

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

8. 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/ Valerie A. Hamilton  
Jack M. Zackin  
Valerie A. Hamilton

Dated: October 12, 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)  
AUTHORIZING AND DIRECTING VALLEY NATIONAL BANK TO  
IMPLEMENT DAILY SWEEP OF DEPOSITORY ACCOUNTS**

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) Authorizing and Directing Valley National Bank to Implement Daily Sweep of Depository Accounts

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 (the "Bankruptcy Rules"), 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 105(a) of chapter 11, Title 11 of the United States Code (the "Bankruptcy Code"), authorizing and directing Valley National Bank to implement daily sweep of Depository Accounts; 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 Indenture Trustee and Master Trustee; (iv) counsel for the Creditors' Committee; (v) Valley National Bank, N.A.; and (vi) all parties requesting notice pursuant to Fed. R. Bankr. P. 2002, via ECF electronic notice, email, 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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Valley National Bank to Implement Daily Sweep of Depository Accounts

**ORDERED**, that any objection to the relief requested in 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.