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Official Committee of Unsecured Creditors*

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY

In the Matter of:

PASCACK VALLEY HOSPITAL
ASSOCIATION, INC., a New Jersey
Corporation,

Debtor-in-Possession.

(Hon. Rosemary Gambardella)

Chapter 11

Case No. 07-23686 (RG)

**APPLICATION FOR ORDER AUTHORIZING THE EMPLOYMENT
AND RETENTION OF WEISER LLP *NUNC PRO TUNC* AS OF
OCTOBER 12, 2007 AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS**

The Official Committee of Unsecured Creditors (the “Committee”) of Pascack Valley Hospital Association, Inc. (“Pascack,” or the “Debtor”), appointed in the Chapter 11 case of the above-captioned debtor and debtor-in-possession (the “Debtor”), submits this application (the “Application”) for an Order pursuant to sections 328 and 1103 of Title 11 of the United States Code (the “Bankruptcy Code”) authorizing and approving the employment and retention of Weiser LLP (“Weiser”) as financial advisor to the Committee, effective as of October 12, 2007. In support of this Application, the Committee, through its proposed counsel, respectfully represents as follows:

BACKGROUND

1. On September 24, 2007 (the "Petition Date") the Debtor filed a petition for reorganization pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. §101, et seq. (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of New Jersey.

2. The Debtor continues to operate its business and manage its properties as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. On October 11, 2007, the United States Trustee for this Region convened a meeting of the Debtors' twenty (20) largest unsecured creditors and appointed the Creditors' Committee in this case. Thereafter, the Committee selected and retained Drinker Biddle & Reath, LLP as its counsel in these proceedings. On October 12, 2007, the Committee selected Weiser to serve as financial advisor to the Committee

4. Weiser has substantial experience in accounting and financial consulting, including turnarounds and bankruptcy, and has participated in numerous chapter 11 proceedings before this Court. Thus, pursuant to sections 328 and 1103 of the Bankruptcy Code, the Committee seeks this Court's approval of the retention of Weiser as financial advisor to the Committee, effective as of October 12, 2007.

JURISDICTION AND VENUE

5. This Court has jurisdiction over this Application pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

6. The statutory predicates for the relief sought in this Application are sections 328 and 1103 of the Bankruptcy Code.

RELIEF REQUESTED

7. By this Application, the Committee seeks entry of an order pursuant to section 1103(a) of the Bankruptcy Code, authorizing and approving the retention of Weiser as financial advisor to the Committee, effective as of October 12, 2007. The Committee has selected Weiser because the professionals employed by Weiser have considerable experience in matters of this character as more fully set forth in the Affidavit of James Horgan (the "Horgan Affidavit"), submitted in support of this Application. A copy of the Horgan Affidavit is annexed hereto as Exhibit A. Accordingly, the Committee believes that Weiser is well-qualified to provide financial advisory services to the Committee in this case.

SERVICES TO BE PROVIDED

8. The Committee desires to retain Weiser to provide such professional services as Weiser and the Committee find mutually agreeable. The services to be provided by Weiser include, but are not limited to:

- a. Assistance in a sale process of the Debtor collectively or in segments, parts or other delineations;
- b. Review listing of parties previously contacted by Debtor and those interested who previously expressed an interest in purchasing or investing in the Debtor. Discussions with Debtor management regarding same and follow-up contacts with third parties, as necessary;
- c. Contact other potential strategic and financial investors regarding their interest in investing in or purchasing the Debtor or in other delineations;
- d. General review of the data room that is available to interested parties to ensure it is sufficient for parties to enable them to make an informed decision on an expedited basis;

- e. Review and scrutinize cash disbursements on an ongoing basis to monitor costs for continuing operations or to implement a closure plan for the hospital for the period subsequent to the Petition Date;
- f. Analyze post-petition and pre-petition transactions with insiders, related and/or affiliated companies; assess and evaluate current post-petition business relationships and transactions with same to understand how much, if any, profit is being transferred to these parties; assess the current accounts receivable balance affiliates and any offsets or deductions, if any, that may be taken against monies owed to the Debtor.
- g. Review financial terms of the proposed DIP loan facility; if requested by the Committee, propose alternate lending sources;
- h. Review proposed management bonus\incentive plan, provide comments to Committee counsel on its reasonableness and provide comparisons to other bankruptcy and non-bankruptcy incentive structures, as requested by Committee counsel;
- i. Evaluate weekly budgeted post-petition collection short-falls or expense over runs; discuss with Debtor's management and provide updates to Committee counsel regarding same;
- j. Attendance at meetings including the Committee, the Debtor, creditors, interested purchasers\investors\financing sources, their attorneys and consultants, Federal and state authorities, if required;
- k. If requested by Committee counsel, investigate pre-petition capital and financing raised, financial information prepared regarding same, and use of such proceeds;
- l. If requested by Committee counsel, investigate pre-petition acts, conduct, property, liabilities and financial condition of the Debtor, its management, its professionals and review of Debtor's books and records for related party transactions, potential preferences, fraudulent conveyances and other potential pre-petition investigations;
- m. If requested by Committee counsel, review and analysis of proposed transactions for which the Debtor seeks Court approval;
- n. If requested by Committee counsel, assist the Committee in developing, evaluation, structuring and negotiating the terms and conditions of all potential plans of reorganization including contacting potential plan sponsors if appropriate;

- o. If requested by Committee counsel, provide other and further financial advisory services with respect to the Debtor, including valuation, general restructuring and advice with respect to financial, business and economic issues, as may arise during the course of the restructuring.

DISCLOSURES

9. To the best of the Committee's knowledge the partners, managers, and associates of Weiser do not have any connection with the Debtor, its creditors or other parties in interest, their respective attorneys, accountants or financial advisors, the United States Trustee, or any person employed in the office of the United States Trustee, except as set forth in the Horgan Affidavit submitted contemporaneously with this Application and incorporated herein by reference.

10. To the best of the Committee's knowledge, except as set forth in the Horgan Affidavit, the partners, managers and associates of Weiser do not represent or hold any interest adverse to the interest of the estate with respect to the matter for which it will be employed.

11. To the best of the Committee's knowledge, the partners, managers and associates of Weiser are "disinterested" persons, as defined in 11 U.S.C. § 101(14).

12. To the best of the Creditors' Committee's knowledge, except as set forth in the Horgan Affidavit, the partners, managers and associates of Weiser do not represent any other entity having an interest adverse to the interests represented by the Committee in connection with the case.

COMPENSATION

13. Subject to the Court's approval and pursuant to Sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the rules and other procedures which this Court may fix, the Committee requests that Weiser be compensated on an hourly basis

in such amounts as are more particularly described in the accompanying Horgan Affidavit, plus reimbursement of the actual and necessary expenses Weiser incurs in connection with its engagement. The billing rates for services rendered by Weiser's professionals in connection with this case are as follows: Partners/Principals \$350-\$540, Directors/Senior Managers \$280-\$350, Assistants to Managers \$125-\$300, and Paraprofessionals \$70-\$125. Weiser shall also seek reimbursement of the actual and necessary expenses, charges and disbursements which it incurs in connection with services provided to the Committee in this case. The Committee understands that any compensation and expenses paid to Weiser must be approved by this Court upon application consistent with the Bankruptcy Code and applicable Bankruptcy Rules.

NOTICE

14. Pursuant to D.N.J. LBR 2014-1(a), notice of this Application has been provided to: (i) the Office of the United States Trustee; (ii) Members of the Creditors' Committee; (iii) Sills Cummis, counsel for the Debtor.; and (iv) all parties who have formally requested notice in these proceedings electronically via the Courts' CM/ECF system or by first class mail, postage pre-paid. The Committee respectfully submits that under the circumstances no further notice is appropriate, necessary or required.

15. No previous application for the relief sought herein has been made to this or any other Court.

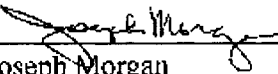
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CONCLUSION

WHEREFORE, the Committee respectfully requests that this Court enter an Order authorizing it to retain and employ the firm of Weiser LLP as financial advisors to the Committee, effective as of October 12, 2007, and for such other and further relief as the Court deems necessary and just.

Respectfully submitted,

OFFICIAL UNSECURED CREDITORS'
COMMITTEE OF PASCACK VALLEY HOSPITAL
ASSOCIATION, INC.

By: 
Joseph Morgan
On behalf of MD-X Solutions, Inc., Its Chairman

Dated: November 9, 2007

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

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

DRINKER BIDDLE & REATH LLP
A Delaware Limited Liability Partnership
500 Campus Drive
Florham Park, New Jersey 07932-1047
(973) 360-1100
Robert K. Malone (RM 1098)
Douglas J. McGill (DM 0436)

In Re:

PASCACK VALLEY HOSPITAL ASSOCIATION,
INC.

Case No. 07-23686

Judge: Gambardella

Chapter: 11

Recommended Local Form:

Followed

Modified

**CERTIFICATION OF PROFESSIONAL IN SUPPORT OF
APPLICATION FOR RETENTION OF PROFESSIONAL**

I, James Horgan, being of full age, certify as follows:

1. I am seeking to be retained as an accountant and financial advisor for the Chapter 11 Trustee of Pascack Valley Hospital Association, Inc., Robert Malone, Esq., Douglas McGill, Esq.

2. I have been a restructuring professional since 1993 and I am a Certified Public Accountant; Certified Insolvency and Restructuring Advisor (CIRA); Certified Valuation Analyst (CVA); Certified Turnaround Professional (CTP); and I hold a Certification in Distressed Business Valuation (CDBV).

3. I am a partner in the firm of Weiser LLP (“Weiser”), an accounting and financial consulting firm with approximately 600 employees. Weiser maintains offices in Edison, New Jersey located at 399 Thornall Street, Edison, New Jersey 08837; New York City located at 135 West 50th Street, New York, New York 10020; Long Island, New York located at 3000 Marcus Avenue, Lake Success, New York 11042 and Westchester New York located at 660 White Plains Road, Tarrytown, New York 10591.

4. The proposed arrangement for compensation, including hourly rates, if applicable, is as follows: Subject to Court approval, Weiser will seek compensation in accordance with its usual and customary rates. Weiser’s professionals’ hourly billing rates are as follows:

Partners/Directors:	\$350-\$540
Senior Managers:	\$280-\$350
Assistants to Managers:	\$125-\$300
Paraprofessionals:	\$ 70-\$125

In addition, Weiser will seek reimbursement for expenses incurred in connection with its services in this case.

5. To the best of my knowledge, after reasonable and diligent investigation, my connection with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee, is as follows:

None

Describe Connection:

6. To the best of my knowledge, after reasonable and diligent investigation, the connection of my firm, its members, shareholders, partners, associates, officers and/or employees with the debtor, creditors, any other party in interest, their respective attorneys and accountants,

the United States trustee, or any person employed in the office of the United States trustee, is as follows:

None

Describe Connection:

7. To the best of my knowledge, my firm, its members, shareholder, partners, associates, officers and/or employees and I (check all that apply):

does not hold an adverse interest to the estate.

does not represent an adverse interest to the estate.

is a disinterested person under 11 U.S.C. § 101(14).

does not represent or hold any interest adverse to the debtor or the estate with respect to the matter for which he/she will be retained under 11 U.S.C. § 327(e).

Other; explain: Weiser has in the past worked with, continues to work with, and has mutual clients with certain law firms who represent parties-in-interest in the case. None of these engagements or relationships relate to this case.

Weiser has had, may currently have, and may in the future have commercial or professional relationships directly or indirectly with customers, competitors, and creditors of the Debtor. Weiser researched its client database to determine whether it had any relationships with the following entities: (a) the Debtor and its affiliates, if any, (b) the Debtor's directors and officers as disclosed in the Debtor's bankruptcy court filings, and (c) the Debtor's twenty largest unsecured creditors and the Official Creditors Committee. This research did not reveal any fact or situation that would represent a conflict of interest for Weiser with regard to the Debtor and its affiliates.

Despite the efforts described above to identify and disclose Weiser's connections with parties-in-interest in this case, because the Debtor has numerous creditors and other

relationships, Weiser is unable to state with certainty that every client representation or other connection has been disclosed. If Weiser discovers additional information that requires disclosure, Weiser will file supplemental disclosures with the Court as promptly as possible.

8. If the professional is an auctioneer,

A. A surety bond in accordance with D.N.J. LBR 2014-1(B)(2) is attached.

Yes No

B. My qualifications and previous experience as an auctioneer include:

C. Have you or any member of your firm ever been convicted of any criminal offense, other than motor vehicle violations? Yes No

9. If the professional is an auctioneer, appraiser or realtor, the location and description of the property is as follows:

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Date: 10/16/2007

/s/ James Horgan
Signature of Professional

James Horgan

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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY

In re:	:	
	:	(Hon. Rosemary Gambardella)
	:	
PASCACK VALLEY HOSPITAL	:	Chapter 11
ASSOCIATION, INC.,	:	
	:	Case No. 07-23686 (RG)
Debtor.	:	
	:	
	:	
	:	
	:	

**ORDER AUTHORIZING RETENTION OF WEISER LLP
AS FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF CREDITORS
PURSUANT TO SECTION 1103(a) OF THE BANKRUPTCY CODE AND RULE
2014(a) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE,
EFFECTIVE AS OF OCTOBER 12, 2007**

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

Debtor: PASCACK VALLEY HOSPITAL ASSOCIATION, INC.
Case No: 07-23686 (RG)
Caption of Order: Order Authorizing the Retention of Weiser LLP as Financial Advisor to the Official Committee of Creditors Pursuant to Section 1103(a) of the Bankruptcy Code and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure, Effective as of October 12, 2007

THIS MATTER, having been opened before this Court upon the Application of the Official Committee of Creditors (the “Creditors’ Committee”) of Pascack Valley Hospital Association, Inc., the debtor and debtor-in-possession herein (“Pascack Valley” or the “Debtors”) seeking entry of an order, pursuant to section 1103(a) of title 11 of the United States Code (the “Bankruptcy Code”), authorizing the Creditors’ Committee to employ and retain the firm of Weiser LLP (“Weiser”) as its financial advisor; and upon the Affidavit of James Horgan, a partner in the firm of Weiser (the “Horgan Affidavit”) submitted therewith; and the Court being satisfied based on the representations made in the Application and the Horgan Affidavit that the partners, counsel and associates of Weiser who will be engaged in these cases represent no interest adverse to any party in interest with respect to the matters upon which they are to be engaged, that they are disinterested persons as that term is defined under section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and that their employment is necessary and would be in the best interest of the Creditors’ Committee; and after due deliberation and sufficient cause appearing therefor, it is hereby,

ORDERED that the Application is granted; and it is further

ORDERED that in accordance with section 1103(a) of the Bankruptcy Code, the Creditors’ Committee is authorized to employ and retain the firm Weiser as its financial advisor on the terms set forth in the Application and the Horgan Affidavit, effective as of October 12, 2007; and it is further

ORDERED, that fees payable to Weiser and the reimbursement of Weiser’s expenses shall be fixed by further order of this Court upon appropriate application therefor in accordance with

Debtor: PASCACK VALLEY HOSPITAL ASSOCIATION, INC.
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sections 330 and 331 of the Bankruptcy Code and such rules of procedure as may then be applicable, and any applicable orders of this Court governing the filing of fee applications.