

PORZIO BROMBERG & NEWMAN P.C.

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Attorneys Appearing: Warren J. Martin Jr. (WM-0487)

Brett S. Moore (BM-0014)

Proposed Counsel for the Official Committee of
Unsecured Creditors of Pascack Valley Hospital Association, Inc.

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

In re:

PASCACK VALLEY HOSPITAL
ASSOCIATION, INC.,

Debtor.

Chapter 11

Honorable Rosemary Gambardella

Case No. 07-23686 (RG)

**APPLICATION BY THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF PASCACK VALLEY HOSPITAL ASSOCIATION, INC. FOR
ENTRY OF AN ORDER AUTHORIZING THE RETENTION AND
EMPLOYMENT OF PORZIO BROMBERG & NEWMAN P.C., AS COUNSEL
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS NUNC
PRO TUNC TO NOVEMBER 19, 2007**

TO: THE HONORABLE ROSEMARY GAMBARDELLA
UNITED STATES BANKRUPTCY JUDGE

The Official Committee of Unsecured Creditors of Pascack Valley Hospital Association, Inc. (the "Pascack Committee") submits this application (the "Application") for entry of an order authorizing the employment and retention of Porzio Bromberg & Newman P.C. ("Porzio"), as counsel to the Pascack Committee, and states as follows:

Jurisdiction

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue is proper before this Court

pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicate for the relief sought herein is sections 328(a) and 1103(a) of the Bankruptcy Code and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure.

Background

2. On September 24, 2007 (the "Petition Date"), the Pascack Valley Hospital Association, Inc. (the "Debtor"), filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, the "Bankruptcy Code"). The Debtor continues in the management and operation of their business and property as debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed herein.

3. On October 11, 2007, the Office of the United States Trustee for the District of New Jersey (the "Trustee") formed the Pascack Committee pursuant to Section 1102 of the Bankruptcy Code. On the same date, the Pascack Committee selected Drinker Biddle & Reath LLP as its counsel.

4. On November 16, 2007, Drinker Biddle & Reath LLP announced its intention to withdraw as Committee Counsel as a result of a conflict of interest.

5. On November 19, 2007, the Pascack Committee selected Pozio as its new counsel.

6. Due to the circumstances in these cases, Porzio began work at once at the direction of the Pascack Committee. In light of the consultation provided and the services rendered immediately upon the selection of Porzio, the Pascack Committee seeks nunc pro tunc approval and authorization giving full effect to the Pascack Committee's retention of Porzio as of November 19, 2007.

Relief Requested

7. By this Application, the Pascack Committee seeks to employ Porzio as its counsel in this chapter 11 case, effective November 19, 2007, the day the Pascack Committee selected Porzio and Porzio began working on behalf of the Pascack Committee. Porzio maintains an office for the practice of law at 100 Southgate Parkway, Morristown, New Jersey 07962.

Services to be Performed

8. The Pascack Committee is the statutory representative of the interests of the unsecured creditors of the Debtor. To this end, the Pascack Committee desires to retain counsel under Section 1103(a) of the Bankruptcy Code with respect to all aspects of the proper and expeditious administration of this case in protecting the interests of unsecured creditors and the Debtor's estate. Porzio, as counsel to the Pascack Committee, shall perform services for the Pascack Committee in relation to, but not limited to, the following:

- a. providing the Pascack Committee with legal advice with respect to its rights, duties and powers in this case;
- b. consulting with the Debtor, its counsel, other professionals retained in this case and the United States Trustee concerning the administration of the case;
- c. assisting and advising in the Pascack Committee's investigation of the acts, conduct, assets, liabilities and financial condition of the Debtor, the operation of the Debtor's business, and any other matters relevant to this case or to the formulation of a plan of reorganization or liquidation, including considering the appointment of a trustee or examiner, as appropriate;
- d. assisting and advising the Pascack Committee in its analysis of, and negotiations with, the Debtor and any third parties, in the formulation of any plan of reorganization or liquidation;
- e. assisting and advising the Pascack Committee with respect to its communications with the general creditor body regarding significant matters in the Debtor's case;
- f. preparing pleadings, motions, applications, objections and other papers as may be necessary in furtherance of the Pascack Committee's interests and objectives;
- g. analyzing and advising the Pascack Committee of the meaning and importance of all pleadings and other documents filed with the Court;
- h. representing the Pascack Committee at all hearings and other proceedings; and
- i. performing such other legal services as may be required and are deemed to be in the interest of the Pascack Committee and of unsecured trade creditors in accordance with those powers and duties set forth in the Bankruptcy Code.

The Pascack Committee has been informed that the principals, counsel and associates of Porzio who will appear in this matter are admitted to practice before this Court.

9. The Pascack Committee believes that Porzio is well qualified to act as its counsel, and possesses extensive knowledge and expertise in the areas of bankruptcy, reorganization and the other areas of law relevant to this case.

Disclosure Concerning Conflicts of Interest

10. To the best of the Pascack Committee's knowledge, information and belief, neither the law firm of Porzio, nor any principal, counsel or associate therewith, has or represents any interest adverse to the Debtor's estate with respect to the matters on which it is to be employed or has any connection of any kind or nature with the Debtor, its creditors or any other party-in-interest except as set forth in the certification of Warren J. Martin Jr., Esq., a principal of Porzio (the "Martin Certification"), filed concurrently herewith.

11. The Pascack Committee believes that the attorneys at Porzio are "disinterested persons" as that term is defined in Section 101(14) of the Bankruptcy Code with respect to the Debtor, its estate and the Pascack Committee. Further, it is the belief of the Pascack Committee that the retention and employment of Porzio is in the best interest of all parties in the Debtor's case.

Compensation

12. The Pascack Committee has been advised that, at the present time, Porzio's attorney and paralegal rates for those who will be primarily involved in this engagement are as follows:

<u>Attorney</u>	<u>Year of Admission</u>	<u>Present Rate</u>
Warren J. Martin Jr.	1986	\$500.00

John S. Mairo	1994	\$450.00
Brett S. Moore	2000	\$380.00
Robert M. Schechter	2005	\$300.00

Paralegal

Mathew D. Laskowski		\$165.00
Qandeel Sheikh		\$140.00

Other attorneys and legal assistants may from time to time participate in the representation of the Pascack Committee at their respective current hourly rates. Porzio customarily reviews, and if appropriate, increases its standard hourly billing rates on an annual basis. All of Porzio's rates are commensurate with the hourly rates of other firms of similar size and expertise in New Jersey.

13. The hourly rates set forth above are Porzio's standard hourly rates for work of this nature. It is Porzio's policy to charge its clients for all expenses and disbursements incurred in connection with the client's case. The expenses charged to clients include, but are not limited to, telephone and telecopier charges, mail and express mail charges, hand delivery charges, document processing, photocopying charges, travel expenses, expenses for "working meals," on-line research, and transcription services.

14. Notice of this Application has been given to the Debtor, Debtor's counsel, Office of the United States Trustee for the District of New Jersey, and all other parties that have requested notice or copies of pleadings in these cases. The Pascack Committee submits that no further notice is required.

15. This Application presents no novel issues of law requiring citation to any authority; accordingly, no brief is necessary.

16. No previous application for relief sought herein has been made to this or any other court.

WHEREFORE, the Pascack Committee requests that the Court approve its selection and employment of the law firm of Porzio, Bromberg and Newman, P.C., as its counsel, nunc pro tunc to November 19, 2007 to assist in the performance of its functions and obligations pursuant to Section 1103 of the Bankruptcy Code; that the Court enter an order, substantially in the form annexed hereto, granting the Application; and that the Court grant such other and further relief as it deems just and proper.

**Official Committee of Unsecured Creditors
of Pascack Valley Hospital Association, Inc.**

By: /s/ Joseph Morgan
Joseph Morgan
MD-X Solutions, Inc.
Chairperson of the Pascack Committee

Dated: November 26, 2007

PORZIO BROMBERG & NEWMAN P.C.

100 Southgate Parkway

P.O. Box 1997

Morristown, New Jersey 07962

(973) 538-4006

Attorneys Appearing: Warren J. Martin Jr. (WM-0487)

Brett S. Moore (BM-0014)

Proposed Counsel for the Official Committee of
Unsecured Creditors of Pascack Valley Hospital Association, Inc.

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

In re:

PASCACK VALLEY HOSPITAL
ASSOCIATION, INC.,

Debtor.

Chapter 11

Honorable Rosemary Gambardella

Case No. 07-23686 (RG)

**CERTIFICATION OF COUNSEL IN SUPPORT OF APPLICATION BY THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF PASCACK VALLEY
HOSPITAL ASSOCIATION, INC. FOR ENTRY OF AN ORDER AUTHORIZING THE
RETENTION AND EMPLOYMENT OF PORZIO BROMBERG & NEWMAN P.C., AS
COUNSEL FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS NUNC
PRO TUNC TO NOVEMBER 19, 2007**

WARREN J. MARTIN JR., under penalty of perjury, hereby declares as follows:

1. I am a principal of the firm of Porzio, Bromberg & Newman, P.C. ("Porzio"), with offices located at 100 Southgate Parkway, Morristown, New Jersey 07962, and have been duly admitted to practice before the United States Bankruptcy Court for the District of New Jersey.

2. I submit this certification (the "Certification"): (i) in connection with the application (the "Application") by the Official Committee of Unsecured Creditors (the "Committee") of the Pascack Valley Hospital Association, Inc. (the "Debtor") for entry of an Order authorizing the retention and employment of Porzio as counsel for the Committee, nunc

pro tunc to November 19, 2007, in the above captioned matter at Porzio's normal hourly rates and in accordance with its normal reimbursement policies; (ii) in compliance with sections 327, 328(a), 329, 504 and 1103 of title 11 of the United States Code (the "Bankruptcy Code"); and (iii) to provide disclosure required under rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). Unless otherwise stated in the Affidavit, I have personal knowledge of the facts set forth herein. To the extent any information disclosed herein requires amendment or modification upon Porzio's completion of any further review or as additional interested party information becomes available to Porzio, a supplemental affidavit reflecting such amended or modified information will be submitted to the Court.

3. In preparing this declaration, I caused to be submitted, for review by our conflicts check system, the names of the parties in interest in this case, including without limitation, the Debtor, the Debtor's twenty (20) largest unsecured creditors, The Bank of New York, HFG Helthco-4 LLC, and all parties who filed Notices of Appearance in the case. Porzio's conflicts check system is designed to include every matter on which the firm is or at one time was retained and, in each instance, to include the identity of related and adverse parties. Porzio regularly updates this system. To the best of my knowledge and after diligent inquiry, neither I, Porzio, nor any principal, counsel or associate of Porzio represents any entities or parties in interest other than the Committee in connection with the chapter 11 case of the Debtor. As for wholly unrelated matters in which creditors of the Debtor as well as Porzio have some level of involvement, Porzio discloses the following:

- Porzio represents Community Blood Service in connection with regulatory compliance matters unconnected to the instant case.

- Porzio represents a party adverse to the Bank of New York as trustee in a matter before the Superior Court of New Jersey, Essex County, styled *Bank of New York, As Trustee FBO The Certificateholders CWABS, Inc. Asset-backed Certificates, Series 2005-BC4 v. Dante M. Vetuschi, et al.* ("CWABS"), Docket No.: ESS-F-11803-06 (N.J. Sup. Ct. 2006).
- Porzio employs Lily C. Wrynn as a temporary paralegal. Ms. Wrynn's father is employed by the NYU School of Medicine, one of the Debtor's "Top 20" general unsecured creditors.
- Porzio represents EI du Pont de Nemours & Company ("DuPont") in an asbestos defense matter before the Superior Court of New Jersey, Middlesex County, styled *Robert Becker v. A C & S, Inc., et al.*, Docket No.: L-1084-03 AS (the "Becker Litigation"). Amerada Hess Corporation is co-defendant along with DuPont in the Becker Litigation. Amerada Hess is a related company to Hess Corporation, one of the Debtor's "Top 20" general unsecured creditors.
- Porzio represents XL Insurance in an asbestos defense matter pending before the United States District Court for the Southern District of New York, styled *City of Marksville v. Alon U.S.A. Energy, Inc., et al.* MDL No. 1358 (the "Marksville Litigation"). Amerada Hess Corporation is co-defendant along with XL Insurance in the Becker Litigation. Amerada Hess Corporation is a related company to Hess Corporation, one of the Debtor's "Top 20" general unsecured creditors.
- Porzio performs certain land use and other real estate work for Commerce Bank ("Commerce"). In 2000, Commerce loaned \$2.5 million to Life Key Ventures, Inc. a for-profit affiliate of the Debtor (the "Commerce Loan"). The Debtor is a

guarantor (on an unsecured basis) of the Commerce Loan. Porzio's collections from Commerce over the last three years have been limited to less than one-half of one percent of the firm's annual revenues.

4. Porzio does not believe that its representations in the matters described above create any "disinterestedness" or "adverse interest" issues within the meaning of 11 U.S.C. §§ 327(a) or 1103(b).

5. I am not related to or connected to and, to the best of my knowledge, no other attorney at Porzio is related or connected to any United States Bankruptcy Judge for the District of New Jersey or any of the District Judges for the District of New Jersey who handle bankruptcy cases, or the United States Trustee for the District of New Jersey or any employee in the Office of the United States Trustee.

6. Porzio will file appropriate supplemental disclosure(s) with the Court to the extent information concerning any further connections is discovered.

7. Porzio has not received any promises as to payment or compensation in connection with this Chapter 11 case other than in accordance with the provisions of the Bankruptcy Code and as disclosed herein. Porzio has no agreement with any other entity to share compensation received by Porzio.

8. Accordingly, I represent that I am, and each member of Porzio is a "disinterested person" as that term is defined in 11 U.S.C. § 101 (14).

9. At the present time, Porzio's attorney and paralegal rates for those whom will be primarily involved in this engagement are as follows:

<u>Attorney</u>	<u>Year of Admission</u>	<u>Present Rate</u>
Warren J. Martin Jr.	1986	\$500.00
John S. Mairo	1994	\$450.00

Brett S. Moore	2000	\$380.00
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Paralegal

Mathew D. Laskowski		\$165.00
Qandeel Sheikh		\$140.00

Other attorneys and legal assistants may from time to time participate in the representation of the Committee at their respective current hourly rates. Porzio customarily reviews, and if appropriate, increases its standard hourly billing rates on an annual basis. All of Porzio's rates are commensurate with the hourly rates of other firms of similar size and expertise in New Jersey.

10. The hourly rates set forth above are Porzio's standard hourly rates for work of this nature. It is Porzio's policy to charge its clients for all expenses and disbursements incurred in connection with the client's case. The expenses charged to clients include, but are not limited to, telephone and telecopier charges, mail and express mail charges, hand delivery charges, document processing, photocopying charges, travel expenses, expenses for "working meals," on-line research, and transcription services.

11. I fully understand that all compensation to my firm must be fixed by further order of this Court upon the submission of an affidavit of legal services rendered pursuant to the provisions of the Bankruptcy Code.

12. I declare under penalty of perjury under the laws of the United States of America that the foregoing statements are true and correct.

DATED: November 26, 2007

PORZIO, BROMBERG & NEWMAN, P.C.

By: /s/ Warren J. Martin Jr.
Warren J. Martin Jr.

PORZIO BROMBERG & NEWMAN P.C.

100 Southgate Parkway

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Attorneys Appearing: Warren J. Martin Jr. (WM-0487)

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**UNITED STATES BANKRUPTCY COURT
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In re:

PASCACK VALLEY HOSPITAL
ASSOCIATION, INC.,

Debtor.

Chapter 11

Honorable Rosemary Gambardella

Case No. 07-23686 (RG)

**ORDER AUTHORIZING EMPLOYMENT OF PORZIO BROMBERG &
NEWMAN PC AS COUNSEL TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF THE PASCACK VALLEY HOSPITAL
ASSOCIATION, INC. NUNC PRO TUNC TO NOVEMBER 19, 2007**

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

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Debtor: Pascack Valley Hospital Association, Inc.

Case Nos.: 07-23686 (RG)

Caption of Order: Order Authorizing Employment of counsel for the Official Committee of Unsecured Creditors of Pascack Valley Hospital Association, Inc. Nunc Pro Tunc to November 19, 2007.

This matter being opened to the Court by the Official Committee of Unsecured Creditors (the "Committee") of Pascack Valley Hospital Association, Inc. (the "Debtor"), upon the application (the "Application") for the entry of an Order authorizing the employment of Porzio, Bromberg & Newman, P.C. as counsel to the Committee nunc pro tunc to November 19, 2007; and the Court having considered the Application and the certification of Warren J. Martin Jr. (the "Martin Certification") in support thereof; and the Court being satisfied based on the representations made in the Application and Martin Certification that said attorneys represent no interest adverse to the Debtor's estate 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 and that their employment is necessary to assist the Committee in the performance of its functions and obligations pursuant to Section 1103 of the Bankruptcy Code; and due and sufficient notice of the Application having been given; and no adverse interest being affected; upon due deliberation and consideration of the facts and circumstances relevant to this matter; and no additional notice being necessary or required,

IT IS HEREBY,

ORDERED, that the Application is granted; and it is further

ORDERED that the Committee be and hereby is authorized to employ the law firm of Porzio Bromberg and Newman P.C., as its counsel on the terms set forth in the Application and the Martin Certification, effective as of November 19, 2007; and it is further

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Debtor: Pascack Valley Hospital Association, Inc.
Case Nos.: 07-23686 (RG)
Caption of Order: Order Authorizing Employment of counsel for the Official Committee of Unsecured Creditors of Pascack Valley Hospital Association, Inc. Nunc Pro Tunc to November 19, 2007.

ORDERED, that Porzio shall be entitled to allowance of compensation and reimbursement of expenses upon the filing and approval of interim and final applications pursuant to the applicable provisions of the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules of the Court, and such other orders as the Court may enter.