

Porzio Bromberg & Newman PC
100 Southgate Parkway
Morristown, NJ 07962-1997
(973) 538-4006
(973) 538-5146 Facsimile
Warren J. Martin Jr. (WM-0487)
Brett S. Moore (BM-0014)

Counsel to the Official Committee of Unsecured Creditors

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

In re:

PASCACK VALLEY HOSPITAL
ASSOCIATION, INC.,

Debtor.

Chapter 11

Case No. 07-23686 (RG)

**Hearing Date: February 5, 2008 at
11:00 a.m.**

**LIMITED OBJECTION OF THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS TO DEBTOR'S MOTION SEEKING THE
ENTRY OF AN ORDER, PURSUANT TO 11 U.S.C. §§ 541 AND 105(a),
AND 28 U.S.C. § 1334(e), AUTHORIZING THE DEBTOR TO RETURN
CERTAIN MONIES THAT ARE NOT PROPERTY OF THE DEBTOR'S
ESTATE**

To: The Honorable Rosemary Gambardella, United States Bankruptcy Judge

The Official Committee of Unsecured Creditors (the "Committee"), by and through its undersigned counsel, hereby submits this Limited Objection (the "Limited Objection") to the Motion brought by the above referenced debtor (the "Debtor") seeking entry of an order, pursuant to sections 541 and 105(a) of Chapter 11, Title 11 of the United States Code (the "Bankruptcy Code"), and section 1334(e) of Title 28 of the United States Code, authorizing the Debtor to return certain monies that are not property of the Debtor's estate (the "Motion"), and hereby respectfully states as follows:

BACKGROUND

1. On September 24, 2007 (the "Petition Date"), the Debtor filed a voluntary petition for relief pursuant to Chapter 11 of the Bankruptcy Code.

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

3. On October 11, 2007, the Office of the United States Trustee appointed the Committee.

4. The Debtor filed the Motion on January 10, 2008. In the Motion, the Debtor asserts that it is holding \$93,750 (the "Monies") that was invested by certain doctors to acquire ownership units of Pascack Radiation Therapy Management Company, L.L.C. ("PRTMC"). The Debtor asserts that PRTMC never commenced business operations nor opened an account into which the Monies could be deposited.

5. The Debtor further asserts that the Monies are held in trust and are not property of the Debtor's estate under section 541 of the Bankruptcy Code. Accordingly, the Debtor seeks authority to return the Monies to the investors.

LIMITED OBJECTION

4. On January 15, 2008, counsel for the Committee requested certain additional information from the Debtor's counsel concerning the Motion, including: (i) a copy of the Confidential Offering Memorandum referenced in the Motion papers; (ii) the Debtor's business records referred to in paragraph 9 of the Motion; and (iii) detail on the timing of when such Monies were paid to the Debtor. Subsequently, on January 22, 2008, the Committee's counsel requested some additional information on the Motion, including: (x) whether a closing occurred as contemplated in the Confidential Offering Memorandum; (y) information on the account into

which the Monies were deposited; and (z) whether the investment checks were made payable to PRTMC as contemplated in the Confidential Offering Memorandum.

5. Debtor's counsel mailed a copy of the Confidential Offering Memorandum to the undersigned on January 17, 2008, but has been unable to provide any additional detail requested by the Committee.

WHEREFORE, the Committee respectfully requests that this Court deny the Motion absent the Debtor providing the additional information requested by the Committee.

Dated: January 29, 2008

PORZIO BROMBERG & NEWMAN P.C.

By: /s/ Brett S. Moore
Brett S. Moore

100 Southgate Parkway
P. O. Box 1997
Morristown, New Jersey 07962
(973) 538-4006