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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 SEEKING THE ENTRY OF AN ORDER
PURSUANT TO 11 U.S.C. § 363(b) AUTHORIZING THE SALE OF
MEDICAL EQUIPMENT AND MACHINERY, FURNITURE, FIXTURES
AND RELATED ITEMS, FREE OF LIENS, CLAIMS AND
ENCUMBRANCES**

**TO: THE HONORABLE ROSEMARY GAMBARDELLA,
UNITED STATES BANKRUPTCY JUDGE**

Pascack Valley Hospital Association, Inc., the debtor and debtor-in-possession (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 ("*Fed.R.Bankr.P.*"), shortening time for notice of the hearing on the Debtor's motion (the "Motion") seeking the entry of an order, pursuant to 11 U.S.C. § 363(b), authorizing the Debtor to sell certain medical equipment and machinery,

furniture, fixtures and related items (collectively, the “Acquired Assets”) free and clear of liens, claims and encumbrances (the “Sale”). In support of the Application, the Debtor respectfully represents as follows:

BACKGROUND

1. On September 24, 2007 (the “Petition Date”), the Debtor filed a voluntary petition for relief pursuant to Chapter 11, Title 11 of the United States Code (the “Bankruptcy Code”). Since the Petition Date, the Debtor has remained in possession of its assets and continued management of its business as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. The Debtor has been a licensed 280-bed acute care hospital located in Bergen County, New Jersey that, until November 21, 2007, provided 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 “Weil Affidavit”). *See*, ECF Document No. 13. Those facts are incorporated herein by reference.

3. As set forth in more detail in the Weil Affidavit, the Debtor determined that it could not continue to operate because of its exceptionally poor financial performance and prospects. As of November 21, 2007, the Debtor permanently ceased all operations as an acute care hospital, pursuant to a closure plan and application for a certificate of need submitted to the New Jersey Department of Health and Senior Services.

4. By Order dated December 20, 2007 (ECF Document No. 275), the Court, *inter alia*, approved the bidding procedures and the form of Asset Purchase Agreement for the auction sale (the “Auction Sale”) of substantially all of the Debtor’s assets (collectively, the “Assets”).

5. On February 27, 2008, the Auction Sale was conducted, and the bid of HUMC/Touro, LLC (“HUMC/Touro”) was determined to be the highest and best offer. *See*, Notice of Results of Auction, ECF Document No. 408. However, the Assets to be acquired by HUMC/Touro (the “HUMC/Touro Assets”), including the premises where the Acquired Assets are located (the “Facility”), do not include the Acquired Assets.

6. The Debtor has received several inquiries and offers regarding the possible purchase of the Acquired Assets. The highest and best offer, as determined by the Debtor was submitted by Great American Group, LLC (“Great American” or the “Seller”), which is in the business of liquidating assets and which advises that it intends to liquidate the Acquired Assets.

7. The Debtor and Great American have negotiated an Asset Purchase Agreement (the “APA”) incorporating the terms of Great American’s offer, a copy of which is attached as Exhibit B to the application in support of the Motion submitted herewith.

8. A key term of the APA is that the Acquired Assets must be removed from the Facility not less than seventy days after the closing of the sale of the Acquired Assets. This term was negotiated by Great American to afford it a certain minimum time period to market and sell the Acquired Assets. However, this time period must harmonize with the simultaneous requirement of HUMC/Touro that the Facility be free of the Acquired Assets within sixty days after the closing of the sale of the Facility to HUMC/Touro, which closing may occur as early as March 31, 2008.

9. In order to accommodate the minimum seventy-day period that the Acquired Assets may remain at the Facility required by Great American, and the sixty-day after closing period that HUMC/Touro will agree to permit the Acquired Assets to remain at the Facility, the closing of the sale of the Acquired Assets must occur no later than March 21, 2008.

Accordingly, the Debtor respectfully requests that the time period for notice of the hearing on the Motion be shortened so that the Court may decide the Motion on or before March 18, 2008 at 10:00 a.m., which is the same date and time as the hearing on the Debtor's motion seeking the entry of an order approving the sale of the HUMC/Touro Assets.

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

11. 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.

Dated: Newark, New Jersey
March 10, 2008

Respectfully submitted,

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By: /s/ Jack M. Zackin

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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.

Hon. Rosemary Gambardella, U.S.B.J.

Case No. 07-23686

Chapter 11

**ORDER SHORTENING TIME FOR NOTICE OF HEARING ON DEBTOR'S
MOTION SEEKING THE ENTRY OF AN ORDER PURSUANT TO 11 U.S.C. §
363(b) AUTHORIZING THE SALE OF MEDICAL EQUIPMENT AND
MACHINERY, FURNITURE, FIXTURES AND RELATED ITEMS, FREE OF
LIENS, CLAIMS AND ENCUMBRANCES**

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

Dated:

Hon. Rosemary Gambardella, U.S.B.J.

Debtor: PASCACK VALLEY HOSPITAL ASSOCIATION, INC..
Case No.: 07-23686
Caption of Order: Order Shortening Time for Notice of Hearing on Debtor's Motion Seeking the Entry of an Order Pursuant to 11 U.S.C. § 363(b) Authorizing the Debtor to Sell Certain Medical Equipment and Machinery, Furniture, Fixtures and Related Items, Free and Clear of Liens, Claims and Encumbrances

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 11 U.S.C. § 363(b), authorizing the Debtor to sell certain medical equipment and machinery, furniture, fixtures and related items, free and clear of liens, claims and encumbrances; 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 March _____, 2008 at _____ .m., before the Honorable Rosemary Gambardella, United States Bankruptcy Judge, at 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 papers in support of the Motion shall be served upon (i) the United States Trustee for Region 3, Newark, New Jersey; (ii) counsel for Bank of New York, as Master Trustee; (iii) counsel for the Official Committee of Unsecured Creditors; (iv) counsel for HUMC/Touro, LLC; (v) all parties requesting notice pursuant to Fed. R. Bankr. P. 2002, via ECF electronic notice, email, fax or overnight delivery by March _____, 2008, which shall constitute good and sufficient notice of the relief requested in the Motion; and it is further

Debtor: PASCACK VALLEY HOSPITAL ASSOCIATION, INC..
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Caption of Order: Order Shortening Time for Notice of Hearing on Debtor's Motion Seeking the Entry of an Order Pursuant to 11 U.S.C. § 363(b) Authorizing the Debtor to Sell Certain Medical Equipment and Machinery, Furniture, Fixtures and Related Items, Free and Clear of Liens, Claims and Encumbrances

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.