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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11 Case

SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.,

Case No. 13- 22840 (RDD)

Debtors.

(Jointly Administered)
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**DEBTORS' APPLICATION FOR ORDER EXTENDING TIME TO
REMOVE ACTIONS AND CLAIMS PURSUANT TO 28 U.S.C. § 1452**

Sound Shore Medical Center of Westchester, and the other above captioned debtors, as debtors-in-possession (each a "Debtor" and collectively, the "Debtors"), hereby submit this application (the "Application") for an order extending the time within which the Debtors may remove actions pursuant to 28 U.S.C. § 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and respectfully represent as follows:

JURISDICTION

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§157 and 1334. This Application is a core proceeding pursuant to 28 U.S.C. §157(b)(2). Venue is proper in this District and before this Court pursuant to 28 U.S.C. §§1408 and 1409.

2. The statutory predicates for the relief requested herein are Bankruptcy Rules 9006 and 9027.

BACKGROUND

3. On May 29, 2013 (the "Petition Date"), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, the Debtors are continuing to operate their businesses and manage their affairs as debtors-in-possession. No trustee or examiner has been appointed in these cases. On June 10, 2013, the United States Trustee for the Southern District of New York appointed an official committee of unsecured creditors (the "Committee").

4. The factual background relating to the Debtors' commencement of these chapter 11 cases, including their business operations, their capital and debt structure, and the need to sell substantially all of their assets, is set forth in detail in the Affidavit of John Spicer Pursuant to Local Bankruptcy Rule 1007-2 and in Support of First Day Motions and Applications, [Docket No. 18] filed on the Petition Date and incorporated herein by reference.

FACTUAL BACKGROUND

5. The Debtors are parties to various pre-petition claims, actions and civil proceedings (collectively, the "Actions"). Since the commencement of these cases, the Debtors have primarily focused their limited resources on, among other things: (a) maintaining their going concern healthcare operations; (b) adjusting to their obligations under the Bankruptcy Code and Bankruptcy Rules; (c) satisfying the conditions precedent for the sale of substantially all of their assets; and (d) attending to various other demanding duties, including, without limitation, maintaining vendor relationships, responding to the inquiries and investigations of the

Committee and addressing the needs and concerns of essential personnel who are facing the uncertainty of the sale. As such, the Debtors have not been able to evaluate the Actions and are currently unable to make an informed decision as to whether removal of any of the Actions is appropriate at this time.

6. Under 28 U.S.C. § 1452, the time period within which the Debtors must file notices to remove any pending civil actions is currently set to expire on August 29, 2013 (the “Removal Deadline”)¹. The imminent expiration of the deadline provides the Debtors with inadequate time to evaluate the need for removal of the Actions. An extension of the removal period would allow for the immediate resolution of these more urgent issues following which the Debtors can turn their attention to conducting a more comprehensive analysis of the Actions.

RELIEF REQUESTED

7. By this Application, the Debtors are seeking an extension of the Removal Deadline up to and including the date upon which a plan of reorganization or liquidation is confirmed in the Debtors’ Chapter 11 cases.

BASIS FOR RELIEF REQUESTED

8. Removal of civil actions is governed by Bankruptcy Rule 9027 and 28 U.S.C. § 1452. Specifically, the provisions of 28 U.S.C. § 1452(a) provides that:

A party may remove any claim or cause of action in a civil action other than a proceeding before the United States Tax Court or a civil action by a governmental unit to enforce such governmental

¹ Pursuant to Section 10 of the Case Management Order [Docket No. 143-1], “[i]f a Motion to extend the time to take any action is filed 7 days before the expiration of the period prescribed by the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules or the provisions of any order entered by this Court, the time shall automatically be extended until the Court acts on the Motion, without the necessity for the entry of a bridge order.”

unit's police or regulatory power, to a district court for the district where such civil action is pending, if such district court has jurisdiction of such claim or cause of action under section 1334 of this title. The court to which such claim or cause of action is removed may remand such claim or cause of action on any equitable ground. An order entered under this subsection remanding a claim or cause of action, or a decision to not remand, is not reviewable by appeal or otherwise.

28 U.S.C. § 1452(a).

In addition, Bankruptcy Rule 9027(a)(2), which sets forth the time periods for the filing of notices to remove claims or causes of action further provides, in relevant part, as follows:

If the claim or cause of action in a civil action is pending when a case under the Code is commenced, a notice of removal may be filed only within the longest of (A) 90 days after the order for relief in the case under the Code, (B) 30 days after entry of an order terminating a stay, if the claim or cause of action in a civil action has been stayed under § 362 of the Code, or (C) 30 days after a trustee qualifies in a chapter 11 reorganization case but not later than 180 days after the order for relief.

Fed. R. Bankr. P. 9027(a)(2).

Accordingly, under Rule 9027(a)(2), the time within which the Debtors must file notices to remove any pending civil actions is scheduled to expire on August 29, 2013.

9. Under Bankruptcy Rule 9006(b)(1), a court may, upon a showing of cause, extend the time period set forth under Rule 9027, without notice:

[W]hen an act is required or allowed to be done at or within a specified period by these rules or by a notice given thereunder or by order of court, the court for cause shown may at any time in its discretion...with or without motion or notice order the period enlarged if the request therefore is made before the expiration of period originally prescribed or as extended by a previous order.

Fed. R. Bankr. P. 9006(b)(1).

10. Accordingly, under the Bankruptcy Rules, this Court is authorized to grant the relief requested herein. Indeed, courts have routinely held that Bankruptcy Rule 9006 authorizes bankruptcy courts to specifically extend the removal period provided for under 28 U.S.C. § 1452 and Bankruptcy Rule 9027 “for cause”. *See, e.g., In re Jandous Elec. Constr. Corp.*, 106 B.R. 48, 50 (Bankr. S.D.N.Y. 1989) (holding that a debtor’s period in which to file a motion to remove may be expanded pursuant to Bankruptcy Rule 9006); *In re World Fin. Servs. Ctr., Inc.*, 81 B.R. 33, 39 (Bankr. S.D. Cal. 1987) (noting that the Supreme Court intended to give bankruptcy judges the power to enlarge the filing periods under Bankruptcy Rule 9027(a) pursuant to Bankruptcy Rule 9006(b)); *Raff v. Gordon*, 58 B.R. 988, 990 (E.D. Pa. 1986) (holding that an expansion of time to file notices of removal is authorized under the Bankruptcy Rules).²

Cause Exists to Extend the Existing Time Period for Removal

11. As set forth above, the Debtors’ time to file notices to remove any Actions (and thereby remove the Actions to the bankruptcy court) expires on August 29, 2013. Since the commencement of these cases, the Debtors have primarily focused their limited resources on, among other things: (a) maintaining their going concern healthcare operations; (b) adjusting to their obligations under the Bankruptcy Code and Bankruptcy Rules; (c) satisfying the conditions precedent for the sale of substantially all of their assets; (d) analyzing executory contracts and

² Courts overseeing other large cases have also granted similar relief in other chapter 11 cases. *See, e.g., In re Saint Vincents Catholic Medical Centers of New York*, No. 10-11963 (CGM) (Bankr. S.D.N.Y. May 2, 2011) (period currently extended until confirmation of chapter 11 plan(s)); *In re Lehman Bros. Holdings, Inc.*, No. 08-13555 (JMP) (Bankr. S.D.N.Y. Dec. 18, 2008) (period extended until confirmation of chapter 11 plan); *In re Quebecor World (USA)*, No. 08-10152 (JMP) (Bankr. S.D.N.Y. Dec. 18, 2008) (period extended until later of (a) the confirmation date, or (b) 30 days after the entry of an order terminating the automatic stay with respect to the particular action sought to be removed); *In re Dana Corp.*, No. 06-10354 (BRL) (Bankr. S.D.N.Y. May 23, 2007) (period extended until confirmation of chapter 11 plan); *In re Calpine Corp.*, No. 05-60200 (BRL) (Bankr. S.D.N.Y. March 20, 2006) (period extended to the later of (a) 210 days after the petition date or (b) 30 days after the entry of an order terminating the automatic stay with respect to the particular action sought to be removed).

unexpired leases in connection with their ongoing operational needs and in contemplation of the sale; (e) preparing and filing the schedules of assets and liabilities and statements of financial affairs; and (f) attending to various other demanding duties, including, without limitation, maintaining vendor relationships, responding to the inquiries and investigations of the Committee and addressing the needs and concerns of essential personnel who are facing the uncertainty of the sale. As such, the Debtors have not been able to evaluate the Actions and are currently unable to make an informed decision as to whether removal of any of the Actions is appropriate at this time.

12. The imminent expiration of the deadline provides the Debtors with inadequate time to evaluate the need for removal of the Actions. An extension of the removal period would allow for the immediate resolution of more urgent issues following which the Debtors can turn their attention to conducting a more comprehensive analysis of the Actions. As such, the Debtors require additional time to consider the removal (and possible transfer) of the Actions. The decision on the potential removal of the Actions will require a full analysis to determine the necessity, if any, of such removal.

13. The Debtors believe that the proposed extension will enable them to properly consider, and make informed decisions concerning, the removal of the Actions. If the requested extension is not granted, the Debtors believe that they may not have sufficient time to properly consider the removal of the Actions.

14. Significantly, the parties to the Actions will not be prejudiced by the extension. A large majority of the parties to the Actions are subject to the automatic stay provisions of section 362 of the Bankruptcy Code. In addition, to the extent relief is granted, parties to the Actions

would also be protected insofar as they would retain their right to seek remand under 28 U.S.C. §1452(b).

15. Accordingly, the Debtors submit that cause exists to grant the relief requested herein, and that such relief is appropriate and in the best interests of the Debtors, their estates and creditors.

NOTICE

16. Notice of this Application has been given to the (i) Office of the United States Trustee, (ii) counsel for the Creditors Committee, (iii) counsel for the Debtors' postpetition secured lenders, (iv) all known parties to any of the Actions; (v) all parties that have requested service of notice in these cases pursuant to Bankruptcy Rule 2002; and (vi) all other parties required to receive notice pursuant to the Case Management Order entered in these cases. The Debtors submit that no other or further notice need be given in light of the circumstances of these cases.

NO PRIOR REQUEST

17. No prior request for the relief sought in this Application has been made to this or any other Court.

WHEREFORE the Debtors respectfully requests the entry of an order, substantially in the form annexed hereto as Exhibit A, pursuant to 28 U.S.C. § 1452 and Bankruptcy Rules 9006(b) and 9027, extending the time within which the Trustee is permitted to file notices of removal of the Actions up to and including the date upon which a plan of reorganization or liquidation is confirmed in the Debtors' Chapter 11 cases.

Dated: August 22, 2013
Great Neck, New York

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Exhibit A

Proposed Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

Chapter 11 Case

SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.,

Case No. 13- 22840 (RDD)

Debtors.

(Jointly Administered)

-----X

**ORDER GRANTING DEBTORS' APPLICATION FOR ORDER EXTENDING TIME
TO REMOVE ACTIONS AND CLAIMS PURSUANT TO 28 U.S.C. § 1452**

Upon the Application of Debtors For An Order Extending The Period Within Which The Debtors May Remove Actions Pursuant To 28 U.S.C. § 1452 and Federal Rules Of Bankruptcy Procedure 9006 and 9027, dated August 22, 2013 (the "Application")³ filed by Sound Shore Medical Center of Westchester ("SSMC") and the other debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"); and this Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of these cases and this Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and notice of the Application having been provided as set forth in the Application; and the Court having determined that the relief sought in the Application is in the best interests of the Debtors' estates, creditors, and other parties-in-interest; and after due deliberation; and sufficient cause appearing therefore; accordingly it is hereby

³ Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Application.

ORDERED, that the time period provided by Bankruptcy Rule 9027 within which the Debtors may file notices of removal of related proceedings under Rules 9006 and 9027(a)(2) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) is extended up to and including the date upon which a plan of reorganization or liquidation is confirmed in the Debtors’ Chapter 11 cases (the “Extended Removal Deadline”); and it is further

ORDERED, that the Extended Removal Deadline applies to the Actions and all matters specified in Rule 9027(a)(2); and it is further

ORDERED, that this Order shall be without prejudice to the Debtors’ right to seek further extensions of the time within which to remove related proceedings; and it is further

ORDERED, that this Court shall retain jurisdiction over all matters arising from or related to the implementation of this Order.

Dated: September __, 2013
White Plains, New York

HON. ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE