

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:

Chapter 11

SOUND SHORE MEDICAL CENTER
OF WESTCHESTER, et al.

Case No. 13-22840(RDD)

Debtors.
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**INTERIM ORDER AUTHORIZING DEBTOR TO
MAINTAIN AND USE EXISTING (I) CASH MANAGEMENT
SYSTEM, (II) BANK ACCOUNTS AND (III) BUSINESS FORMS**

Upon the motion, dated March 29, 2013 (the “**Motion**”),¹ of Sound Shore Medical Center of Westchester (“**SSMC**”) and certain of its debtor affiliates (each a “**Debtor**” and collectively the “**Debtors**”),² seeking entry of an order, pursuant to sections 105(a), 345(b) and 363(c) of title 11, the United States Code (as amended, the “**Bankruptcy Code**”), (a) authorizing the Debtors to maintain and use their existing (i) Cash Management System, (ii) bank accounts and (iii) business forms, (b) honoring certain prepetition obligations relating to the use of the cash management systems, (c) waiving the investment and deposit requirements of section 345(b) of the Bankruptcy Code, and (d) scheduling a final hearing on the Motion, all as described more fully in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157(a) and 1334(b); and due and appropriate notice of the Motion having been provided under the circumstances of this case and as set forth in the Motion, and it appearing that no other or further notice of the Motion need be

¹ Capitalized terms not defined herein shall have the meaning ascribed to them in the Motion.

² The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number include: Sound Shore Health System, Inc. (1398), Sound Shore Medical Center of Westchester (0117), The Mount Vernon Hospital, Inc. (0115), Howe Avenue Nursing Home d/b/a Helen and Michael Schaffer Extended Care Center (0781), NRHMC Services Corporation (9137), The M.V.H. Corporation (1514) and New Rochelle Sound Shore Housing, LLC (0117). There are certain additional affiliates of the Debtors who are not debtors in these Chapter 11 Cases and have not sought relief under Chapter 11.

provided; and upon the Affidavit of John Spicer Pursuant to Rule 1007 and in Support of First Day Motions, dated as of the Petition Date; and upon the record of the hearing held by the Court on the Motion on May 31, 2013 (the “Hearing”); and just cause having been established at the Hearing; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and all parties in interest,

IT IS HEREBY ORDERED THAT:

1. Pending a final hearing, the Motion is granted on an interim basis to the extent provided herein.

2. The Debtors are authorized to continue utilizing their prepetition Cash Management Systems, as maintained by the Debtors prior to the commencement of their Chapter 11 Cases, and to manage their cash and transfer funds by and between the Debtors as and when needed and in the amounts necessary or appropriate to maintain their operations and facilitate the orderly operation of their estates or businesses in the ordinary course.

3. The requirement that the Debtors establish new bank accounts as of the Petition Date is waived.

4. The Debtors are authorized and empowered to designate, maintain, and continue to use their existing pre-petition Bank Accounts, including, without limitation, those set forth in Exhibit B to the Motion, without interruption and in the ordinary course, and in the names and with the account numbers existing immediately prior to the commencement of their Chapter 11 Cases, and receive, honor, and pay any and all checks, drafts, wires, and automated clearing house transfers issued and drawn on the Bank Accounts to the extent funds are available in the Bank Accounts upon which such checks, drafts, or wire transfers are drawn and, with

respect to automated clearing house transfers, only to the extent such transfers are pre-funded; provided, however, that no checks, drafts, wires, and automated clearing house transfers issued and drawn on the Bank Accounts prior to the Petition Date shall be honored by the Banks except as otherwise ordered by the Court.

5. The Debtors may continue to disburse funds by debit, check, wire, or automated clearing house payments and other means; provided, however, nothing herein shall direct any Bank that did not provide automatic clearing house services to the Debtors prepetition to provide such services postpetition.

6. The Debtors are authorized to pay any outstanding fees, charges, or other amounts (the “**Service Charges**”) owed as of the Petition Date, if any, in connection with the Cash Management System for the maintenance of the Cash Management System.

7. The Debtors shall mark all newly ordered checks with a “debtor in possession” designation.

8. Nothing in this Order shall authorize the payment of any prepetition obligations to any third-party, including any indebtedness owed to any lender, by way of setoff or otherwise; provided, however, that the Debtors shall be authorized to pay ordinary course Service Charges incurred in connection with the Bank Accounts.

9. The Debtors are authorized to (i) deposit funds in and withdraw funds from such accounts by all usual means, including, without limitation, checks, wire transfers, and other debits, (ii) pay any ordinary course Service Charges incurred post-petition in connection

with the Bank Accounts, and (iii) treat the Bank Accounts for all purposes as debtors in possession accounts.

10. The Debtors are authorized to maintain and continue to use any and all Business Forms substantially in the forms existing immediately prior to the commencement of the Debtors' Chapter 11 Cases, without reference to their status as debtors in possession, provided however, that the Debtors shall mark any newly printed and computer generated forms with a "debtor in possession" designation.

11. The Debtors reserve the right to close some or all of their prepetition Bank Accounts and open new debtor in possession accounts; provided, however, that the Debtors may open a new bank account only with a bank designated as an Authorized Depository under the United States Trustee Guidelines, unless first obtaining the consent of the U.S. Trustee. Notwithstanding the foregoing, the requirements of section 345 of the Bankruptcy Code shall be waived as to any existing accounts maintained by the Debtors.

12. The Banks where the Debtors maintain the Bank Accounts as of the commencement of their Chapter 11 Cases are authorized and directed to continue to maintain, service, and administer such Bank Accounts; provided, however, that nothing contained herein shall authorize the Bank Accounts to honor any check issued or dated prior to the commencement of the Debtors' Chapter 11 Cases, except as otherwise provided by separate order(s) of this Court.

13. The Banks are authorized to debit the Bank Accounts in the ordinary course of business without the need for further order of this Court on account of (a) all checks drawn on the Bank Accounts that are cashed at such Banks' counters or exchanged for cashier's

checks by the payees thereof prior to the Petition Date, (b) all wires or other transfers to Debtors' secured creditors' accounts whether directed prepetition or postpetition, (c) all checks or other items deposited in one of the Bank Accounts with such Banks prior to the Petition Date that have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such items prior to the Petition Date, (d) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Banks as ordinary course fees for the maintenance of the Cash Management Systems, and (e) clear any checks, wires or other transfers from the Bank Accounts authorized by the Debtors pursuant to other first day requests granted by the Court, pursuant to the specific terms set forth in the order of the Court granting such relief; provided however, that the Banks are authorized to accept, honor, and rely upon all representations from the Debtors without an independent duty to verify or audit whether a particular item may be paid in accordance with orders of this Court, as to which checks, drafts, wires or automated clearing house payments, specifically identified by the Debtors to the Banks, should be honored or dishonored consistent with orders entered by this Court, whether the checks or instructions are dated prior to, on, or subsequent to the Petition Date and shall not be held liable for honoring or dishonoring any check, draft, wire or automated clearing house payment presented, issued, or drawn on the Bank Accounts as a result of following the representations of the Debtors.

14. Nothing contained in this Order shall in any way alter or impair the rights and remedies of any of the non-debtor parties to the account agreements in effect with respect to the Bank Accounts, including, without limitation, any Bank's ability to close any Bank Account pursuant to the terms of such agreements upon at least thirty (30) days' prior written notice to the

Debtors of any such proposed closure or the ability immediately to terminate or nullify certain banking services associated with the Bank Accounts.

15. The Banks, acting in reliance on this Order, shall not be liable for their actions taken in reliance upon this Order or in their post petition processing of checks and items received pursuant to the Cash Management Systems, except the Banks may be liable for their gross negligence or malfeasance. The rights of the non-Debtor parties to account agreements with respect to the Bank Accounts to assert claims for any unpaid amounts owing under the account agreements, including reasonable attorney fees to the extent provided for in the account services agreement, are expressly reserved.

16. For all purposes in this Order, any and all accounts opened by the Debtors on or after the Petition Date at any Bank shall be deemed a Bank Account (as if it had been opened prior to the Petition Date and listed on Exhibit B to the Motion) and any and all Banks at which such accounts are opened shall similarly be subject to the rights and obligations of this Order.

17. Any payment or transfer made or service rendered by the Debtors pursuant to this Order is not, and shall not be deemed, an admission as to the validity of the underlying obligation, a waiver of any rights the Debtors may have to dispute such obligation, or an approval or assumption of any agreement, contract, or lease under section 365 of the Bankruptcy Code.

18. Nothing contained in the Motion or this Interim Order shall be deemed or construed as an admission as to the validity or priority of any claim against the Debtors.

19. The requirements set forth in Bankruptcy Rule 6004(a) are satisfied by the contents of the Motion.

20. Notwithstanding the possible applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Final Order shall be immediately effective and enforceable upon its entry.

21. There shall be a hearing held on June 25, 2013 at 10:00 a.m. (the “**Final Hearing**”) to consider any objections to entry on a final basis of the proposed order (a) authorizing the Debtor to maintain and use their existing: (i) cash management system, (ii) bank accounts and (iii) business forms, (b) honoring certain prepetition obligations relating to the use of the cash management systems; and (c) waiving the investment and deposit requirements of section 345(b) of the Bankruptcy Code. All objections shall be filed with the Bankruptcy Court electronically in accordance with General order M-132 (which can be found at www.nysb.uscourts.gov <<http://www.nysb.uscourts.gov>>, the official website for the Bankruptcy Court), so as to be received no later than three (3) business days prior to the Hearing by (i) The Honorable Robert D. Drain, 300 Quarropas Street, White Plains, NY 10601-4140, (ii) Garfunkel Wild, P. C., 111 Great Neck Road, Great Neck, NY 11021 (Attn: Burton S. Weston, Esq. and Afsheen A. Shah, Esq.), (iii) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 1004 (Attn: Susan D. Golden, Esq. and William E. Curtin, Esq.), and (iv) counsel for the Creditors’ Committee, once appointed, so as to be actually received by the filing deadline.

22. Service of the Motion as provided therein shall be deemed good and sufficient notice of such Motion.

23. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

24. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the implementation of this Order.

Dated: May 31, 2013
White Plains, New York

/s/Robert D. Drain
HON. ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE