

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

Caption in Compliance with D.N.J. LBR 9004-2(c)
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The Center for Wound Healing, Inc.*

In re:

ST. MARY'S HOSPITAL, PASSAIC, N.J.

Debtor.

Chapter 11

Case No.: 09-15619 (MS)

Hon. Morris Stern

FILED
JAMES [unclear] CLERK
APR 30 2009
U.S. BANKRUPTCY COURT
NEWARK, N.J.
BY *[Signature]* DEPUTY

**INTERIM ORDER DIRECTING SEGREGATION AND PAYMENT OF CERTAIN
COLLECTIONS TO MODERN MEDICAL INC. d/b/a THE CENTER FOR WOUND
HEALING, INC., ESTABLISHING AN EXPEDITED BRIEFING SCHEDULE,
PROVIDING TIME FRAME IN WHICH THE DEBTOR MUST ASSUME OR REJECT
ITS EXECUTORY CONTRACT WITH MODERN MEDICAL INC. d/b/a THE CENTER
FOR WOUND HEALING, INC., AND GRANTING OTHER RELATED RELIEF**

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

4/30/09



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Debtor: St. Mary's Hospital, Passaic, N.J.

Case No.: 09-15619 (MS)

Caption of Order: Interim Order Directing Segregation and Payment of Certain Collections to Modern Medical Inc. d/b/a The Center for Wound Healing, Inc., Establishing an Expedited Briefing Schedule, Providing a Time Frame in Which the Debtor Must Assume or Reject its Executory Contract With Modern Medical Inc. d/b/a The Center for Wound Healing, Inc., and Granting Other Related Relief

This matter having come before the Court on the motion (the "Motion") of Modern Medical Inc. d/b/a The Center for Wound Healing, Inc. seeking entry of an Order (i) compelling St. Mary's Hospital, Passaic, N.J. (the "Debtor") to assume or reject its agreement with Modern Medical pursuant to 11 U.S.C. §365(d) or, alternatively, modifying the automatic stay to allow Modern Medical to Terminate the Agreement; (ii) directing segregation, accounting and payment of hyperbaric cash reimbursements not property of the Debtor's estate; and (iii) in the event the agreement between Modern Medical and the Debtor is terminated, granting relief from the automatic stay to remove its wholly owned equipment from the Debtor's facility (the "Motion"), and a hearing on the Motion having been held on March 31, 2009, and the Court having considered the papers filed, and the arguments of counsel, and having rendered its oral opinion, and good cause having been shown for the entry of the within Interim Order,

IT IS HEREBY ORDERED that:

1. The Debtor immediately shall segregate, account for and turn over Modern Medical's share of all receipts related to hyperbaric treatment and wound care services rendered by Modern Medical from the Petition Date (March 9, 2009) through the present date.
2. The Debtor will continue the segregation, accounting and turnover of Modern Medical's share of all receipts related to hyperbaric treatment and wound care services rendered by Modern Medical as such funds are received by the Debtor for services rendered by Modern Medical on a going forward basis.
3. With respect to any and all amounts due and owing to Modern Medical based on hyperbaric treatment and wound care services rendered by Modern Medical pre-petition:

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Debtor: St. Mary's Hospital, Passaic, N.J.

Case No.: 09-15619 (MS)

Caption of Order:

Interim Order Directing Segregation and Payment of Certain Collections to Modern Medical Inc. d/b/a The Center for Wound Healing, Inc., Establishing an Expedited Briefing Schedule, Providing a Time Frame in Which the Debtor Must Assume or Reject its Executory Contract With Modern Medical Inc. d/b/a The Center for Wound Healing, Inc., and Granting Other Related Relief

(a) where such amounts are owed, but not yet billed, the Debtor is required to segregate such funds as they are received by the Debtor from third party payors, and the funds will be held by the Debtor pending further determination by the Court regarding the legal issue of whether or not the Hyperbaric Services Agreement between Modern Medical and the Debtor constitutes and/or establishes an express or constructive trust regarding such funds; and

(b) where such amounts are owed and billed, and the Debtor has already received payment from third party payors regarding same and failed to turn over to Modern Medical its share of such funds, Modern Medical reserves all its rights to, inter alia seek payment of such funds from the Debtor, or designate such amounts as an administrative claim against the Debtor's estate.

4. The parties are to submit supplemental briefs regarding the issue of whether the Hyperbaric Services Agreement constitutes and/or establishes an express or constructive trust. The Debtor's brief must be filed no later than two (2) weeks from the entry of the within Order. Modern Medical's reply brief must be filed no later than four (4) weeks from the entry of the within Order.

5. The Debtor is hereby directed to assume or reject its Agreement with Modern Medical within sixty (60) days of the entry of this Order.

6. A final hearing will be scheduled regarding this matter on June 16, 2009 at 1:00 P.m.