

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY

<p>John P. Leon JL4638 Subranni Zauber LLC 750 Route 73 South – Suite 307B Marlton, N.J 08053 (609) 347-7000; Fax (609) 345-4545 Attorneys for Debtor</p>	
<p>In Re: Miller Health Care, LLC Debtor</p>	<p>Chapter 11 Case No.: 11-28615-RTL Judge Raymond T. Lyons</p>

**VERIFIED MOTION FOR AN ORDER AUTHORIZING
DEBTOR TO MAINTAIN CURRENT BANK ACCOUNTS**

Miller Health Care, LLC, the debtor and debtor-in-possession (“Debtor”), hereby moves for authorization to maintain its current bank accounts to the extent necessary for a limited period (the “Motion”), and in support thereof submits as follows:

1. On June 18, 2011 (the “Petition Date”), Debtor filed its petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”).
2. The Debtor operates Lawrenceville Nursing and Rehabilitation Center in Lawrenceville, N.J. (the “Nursing Home”). The Debtor has approximately 125 employees, and approximately 90 patients currently reside at the Nursing Home. Debtor is operating its business and managing its property as debtor-in-possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.
3. No trustee, examiner, or official committee of unsecured creditors has been appointed in this case.

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

5. Prior to the Petition Date, Debtor maintained a payroll account with Wachovia Bank, and an operations checking account at TD Bank (collectively the "Bank Accounts").

6. Approximately 25% of the Nursing Home's patients are Medicaid patients, and approximately 35% of the patients are Medicare patients. The government entities that fund the Medicaid and Medicare payments to the Debtor make payments monthly by direct deposits to the Debtor's Operating Account. The Debtor needs those funds each month to fund its operating costs. If Debtor does not receive those funds each month for any reason, it would not be able to pay its operating costs, and its operations would be severely disrupted, to the detriment of the Estate and its creditors.

7. The governmental entities that administer the Medicaid and Medicare programs generally operate at a slow pace, and are not known for rapidly responding to and accommodating any change to routine procedures. The Debtor fears that if it closes its existing operations account, there will be a long delay before the governmental entities that administer the Medicaid and Medicare programs make the necessary changes to authorize direct deposits to the new DIP account. To avoid a disruption of Debtor's ordinary operations, it is essential that the Debtor be permitted to continue using its operations checking account until the required changes are made, at which time all Medicaid and Medicare payments will be deposited directly into the Debtor's DIP account.

Relief Requested

8. By this Motion, Debtor seeks authority to maintain its pre-petition operations accounts to the extent necessary, until such time as the governmental entities that administer the Medicaid and Medicare programs agree to make all deposits to Debtor's DIP account. The Debtor also seeks authority to maintain its pre-petition payroll account until all payroll checks issued on that account have cleared (provided the court authorizes payment of pre-petition wages pursuant to the Debtor's separate motion for that relief).

9. Debtor further requests that all banks providing and maintaining the Bank Accounts be (a) authorized and directed to service and administer the Bank Accounts without interruption and in the usual and ordinary course, (b) prohibited from exercising any claimed rights of setoff or offset of amounts in such Bank Accounts including any right to administratively freeze such Bank Accounts, subject to further orders of this Court, (c) directed to receive, process, honor and pay all checks and drafts drawn on the Bank Accounts on account of any claim (as such term is defined in 11 U.S.C. § 101(5)) arising on or after the Petition Date or any claim arising before the Petition Date that this Court has authorized to be paid, provided that sufficient funds, whether deposited prior or subsequent to the Petition Date, are in the Bank Accounts to cover and permit payment thereof, and (d) enjoined and restrained from honoring any check issued on account of a claim arising prior to the Petition Date unless the Court authorizes payment of such claim and sufficient funds, whether deposited prior or subsequent to the Petition Date, are in the Bank Accounts to cover and permit payment thereof.

Basis for Relief

10. The Office of the United States Trustee has established certain operating guidelines (the "Guidelines") for debtors-in-possession in order to supervise the administration of Chapter

11 cases. The Guidelines require Chapter 11 debtors, among other things, to close all existing bank accounts and to open new debtor-in-possession bank accounts, to establish one debtor-in-possession account for all estate monies required for the payment of taxes including payroll taxes, to maintain a separate debtor-in-possession account for cash collateral and to obtain checks for all debtor-in-possession accounts bearing the designation “debtor-in-possession,” as well as the bankruptcy case number and the type of account. These requirements are designed to provide a clear line of demarcation between prepetition and postpetition transactions and operations and to prevent the inadvertent payment of prepetition claims.

11. Debtor believes continuation of the Bank Accounts is essential to a smooth and orderly transition into Chapter 11, thereby causing a minimum of interference with Debtor’s operations. Requiring Debtor to immediately close its existing bank accounts would inevitably lead to severe disruption of operations. The Debtor’s Estate will benefit from keeping the accounts open because it will avoid the operational and administrative paralysis that closing the existing accounts would necessarily entail.

12. Maintaining the Bank Accounts would not lead to the postpetition honoring of prepetition claims that are not authorized by this Court. The banks at which Debtor’s funds are held will be advised immediately not to honor checks issued before the Petition Date, except as otherwise ordered by this Court.

13. Section 105(a) of the Bankruptcy Code empowers the Court to “issue any order, process or judgment that is necessary or appropriate to carry out the provisions of this title.”

14. Good cause supports the relief requested in this Motion, as set forth herein. Orders granting substantially the same relief as requested herein have been entered in numerous Chapter 11 cases.

15. To the extent that checks issued prior to the Petition Date to pay prepetition indebtedness that this Court has granted Debtor the authority to pay (e.g., certain prepetition wages, salaries, employee benefits) are presented for payment after the Petition Date and dishonored, Debtor requests the authority to reissue such checks in accordance with the relief requested by Debtor's motion requesting authority to pay such items.

16. As set forth above, Debtor does not seek authorization for checks issued on account of prepetition claims to be honored postpetition unless authorized by this Court. To the contrary, Debtor seeks to prohibit and enjoin the banks from honoring any checks issued or drawn on any of the Bank Accounts prepetition without prior Court authorization.

17. Notice of this Motion has been given to the United States Trustee. Debtor respectfully submits that such notice is sufficient under the circumstances.

18. I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

WHEREFORE, Debtor requests that this Court enter an order authorizing it to maintain its current Bank Accounts, and for such other and further relief as is just and proper.

/s/ Thomas Miller
By: Thomas Miller

June 20, 2011

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<p>In Re: Miller Health Care, LLC Debtor</p>	<p>Chapter 11 Case No.: 11-28615-RTL Judge Raymond T. Lyons</p>

**ORDER AUTHORIZING DEBTOR TO MAINTAIN
CURRENT BANK ACCOUNTS ON AN INTERIM BASIS**

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

Upon consideration of the verified motion (the "Motion") of the above-captioned debtor and debtor-in-possession ("Debtor"), for an Order authorizing Debtor to maintain its currently existing Bank Accounts, and notice having been given to the United States Trustee; and such notice being sufficient under the circumstances; and such relief being necessary to assure that operation of Debtor's business will not be disrupted and that its value as a going-concern will not be impaired, it is ORDERED as follows:

1. The Motion is granted.
2. Debtor is authorized and empowered to keep open its payroll account at Wachovia Bank until all pre-petition checks drawn on that account have been paid.
3. Debtor is authorized and empowered to keep open its operations checking account at TD Bank for the sole purpose of receiving Medicare and Medicaid payments from the governmental entities that make such payments, provided that the Debtor shall immediately transfer all such payments to the Debtor's post-petition Debtor-In-Possession operating account. The pre-petition accounts at Wachovia Bank and TD Bank are referred to herein as the "Bank Accounts."
4. The Bank Accounts shall be treated as Debtor's accounts, in its capacity as debtor-in-possession, for all purposes.
5. All banks and financial institutions providing, maintaining, or holding the Bank Accounts shall be authorized and empowered to service and administer the Bank Accounts in accordance with the terms hereof; provided, however, that no bank or financial institution shall administratively freeze any Bank Account, or exercise any claimed right of setoff against any Bank Account, without obtaining a further order of this Court.

6. TD Bank shall not honor any check or draft issued on account of a claim arising prior to the Petition Date unless so authorized by an Order of this Court.

7. Wachovia Bank shall honor all checks presented for payment from the Debtor's existing payroll account, provided that sufficient funds, whether deposited prior or subsequent to the Petition Date, are in that account to permit payment thereof.

8. If any payroll checks issued prior to the Petition Date are presented for payment after the Petition Date and dishonored, Debtor has the authority to reissue such checks in accordance with the relief requested by Debtor's contemporaneously filed Motion for such relief.

9. Notwithstanding the provisions hereof, Debtor shall open new debtor-in-possession bank accounts for the continued operation of Debtor's business.

10. Debtor is hereby authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this Order.

11. The Office of the United States Trustee shall be permitted a period of 60 days from the date of this Order to review the Bank Accounts procedures, and to file a motion for the Court to reconsider this Order.