

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

PROOF OF CLAIM

Name of Debtor: Insight Health Corp.

Case Number: 10-16568-ajg

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property): Johnson Memorial Hospital, Inc. Through Clifford A. Zucker, Plan Custodian

Check this box to indicate that this claim amends a previously filed claim.

Name and address where notices should be sent: Elana Bloom, Zeisler & Zeisler, P.C., 558 Clinton Avenue, Bridgeport, CT 06605. Telephone number: (203) 368-4234

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Court Claim Number: (If known) Filed on:

Name and address where payment should be sent (if different from above): Telephone number:

Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: \$ 156,935.00. If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim.

2. Basis for Claim: Preferential transfers made to Insight Health Corp. by Debtor, Johnson Memorial Hospital (see attached)

Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

3. Last four digit(s) of any number by which creditor identifies debtor:

Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).

3a. Debtor may have scheduled account as: (See instruction #3a on reverse side.)

Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).

4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).

Nature of property or right of setoff: Real Estate Motor Vehicle Other. Describe: Value of Property: \$ Annual Interest Rate % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ Basis for perfection: Amount of Secured Claim: \$ Amount Unsecured: \$

Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(). Amount entitled to priority: \$

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

Date: Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

FOR COURT USE ONLY

Insight 00119

Clifford A. Zucker, Plan Custodian

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form**Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the trustee or another party in interest files an objection to your claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS**Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is a person, corporation, or other entity owed a debt by the debtor that arose on or before the date of the bankruptcy filing. See 11 U.S.C. §101 (10)

Claim

A claim is the creditor's right to receive payment on a debt owed by the debtor that arose on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.nsc.uscourts.gov) for a small fee to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT
HARTFORD DIVISION**

-----X		
In re:	:	Chapter 11
	:	
JOHNSON MEMORIAL HOSPITAL, INC.,	:	Case Nos. 08-22187
JOHNSON MEMORIAL CORPORATION,	:	through 08-22189
THE JOHNSON EVERGREEN CORPORATION,	:	
	:	Jointly Administered under
Debtors.	:	Case No. 08-22188 (ASD)
-----X		
JOHNSON MEMORIAL HOSPITAL, INC.	:	
THROUGH CLIFFORD A. ZUCKER,	:	
PLAN CUSTODIAN	:	
	:	
Plaintiff,	:	
	:	
INSIGHT HEALTH CORP.,	:	Adv. Pro. No. _____
	:	
	:	
Defendant.	:	
-----X		

**COMPLAINT TO AVOID TRANSFERS PURSUANT TO 11 U.S.C. §§ 547, RECOVER
PROPERTY TRANSFERRED PURSUANT TO 11 U.S.C. § 550
AND DISALLOW CLAIMS PURSUANT TO 11 U.S.C. § 550**

Johnson Memorial Hospital, Inc. through Clifford A. Zucker, Plan Custodian (the "Plaintiff"), in support of this complaint (the "Complaint") to avoid and recover transfers against INSIGHT HEALTH CORP. (the "Defendant"), hereby alleges upon information and belief that:

NATURE OF THE CASE

1. This Complaint seeks to avoid and recover from Defendant, or from any other person or entity for whose benefit the transfers were made, all preferential transfers of property made for or on account of an antecedent debt and to or for the benefit of Defendant by Johnson

Memorial Corporation, Johnson Memorial Hospital Inc. and/or The Johnson Evergreen Corporation (the "Debtors") during the ninety-day (90) period prior to the filing of the Debtors' bankruptcy petitions pursuant to 11 U.S.C. §§ 547 and 550. To the extent that Defendant has filed a proof of claim or has a claim listed on the Debtors' schedules as undisputed, liquidated, and not contingent, or has otherwise requested payment from the Debtors or the Debtors' chapter 11 estate, (collectively, the "Claims"), this Complaint is not intended to be, nor should it be construed as, a waiver of Plaintiff's or the Debtors' right to object to such Claims for any reason including, but not limited to, 11 U.S.C. § 502 (a) through G) ("Section 502"), and such rights are expressly reserved. Notwithstanding this reservation of rights, certain relief pursuant to Section 502 may be sought by Plaintiff herein as further stated below.

JURISDICTION

2. This Court has subject matter jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334(b).

3. This adversary proceeding is a "core" proceeding to be heard and determined by the Bankruptcy Court pursuant to 28 U.S.C. § 157(b)(2).

4. Venue is proper in the District of Connecticut pursuant to 28 U.S.C. § 1391 and 1409.

BACKGROUND

5. On November 4, 2008 (the "Petition Date"), Johnson Memorial Hospital, Inc. ("JMH") along with Johnson Memorial Corporation and the Johnson Evergreen Corporation (collectively with JMH, the "Debtors") each filed in this Court a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11U.S.C. §§ 101, et seq. (the "Bankruptcy Code").

6. The Debtors' cases, In re: Johnson Memorial Corporation, Case No. 08-22188, In re: Johnson Memorial Hospital, Inc., Case No. 08-22187, and In re: The Johnson Evergreen Corporation, Inc., Case No. 08-22189 (collectively, the "Cases"), all pending in the United States Bankruptcy Court for the District of Connecticut, Hartford Division (the "Bankruptcy Court"), are jointly administered under Case No. 08-22188 (ASD).

7. By order of the Bankruptcy Court dated August 11, 2010, the Debtors' Amended Joint Plan of Reorganization dated August 9, 2010 (the "Plan") was confirmed.

8. Pursuant to the Debtors' Confirmed Plan and that certain Plan Custodian Agreement dated September 27, 2010 between the Debtors' and Clifford A. Zucker as Plan Custodian for and on behalf of the holders of Class A6-Allowed Unsecured Claims Against Johnson Memorial Hospital, Inc. and Johnson Memorial Corporation and Class B6-Allowed Unsecured Claims Against The Johnson Evergreen Corporation and the Johnson Memorial Corporation under the Plan, Clifford A. Zucker is authorized and empowered to exercise all of the powers of the Debtors in connection with certain litigation claims, including the claims set forth herein, and is expressly authorized to institute and prosecute any action with respect thereto.

9. Plaintiff is informed and believes and on that basis alleges that Defendant is a corporation with a business address of 26250 ENTERPRISE COURT, SUITE 100, LAKE FOREST, CA 92630.

CLAIMS FOR RELIEF

COUNT 1

(Avoidance of Preference Transfers -11 U.S.C. § 547)

10. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein.

11. On or within ninety (90) days before the Petition Date, that is between August 7, 2008 and November 4, 2008 (the "Preference Period"), the Debtors continued to operate their business affairs, including the transfer of property, either by checks, cashier checks, wire transfers, direct deposit or otherwise to certain entities, including Defendant.

12. By this Complaint, the Plaintiff is seeking to avoid all the transfers of an interest of the Debtor's property made by JMH to Defendant within the Preference Period.

13. Plaintiff has determined that JMH made transfers to Defendant during the Preference Period in an amount not less than \$ 156,935.00 (the "Transfers"). Attached hereto as "Exhibit A" and incorporated herein by this reference is a list identifying each known Transfer that Plaintiff seeks to avoid and recover in this Complaint.

14. During the course of this proceeding, Plaintiff may learn (through discovery or otherwise) of additional transfers made to Defendant during the Preference Period. It is Plaintiff's intention to avoid and recover all transfers made by one or more of the Debtors of an interest of the Debtors in property and to or for the benefit of Defendant or any other transferee. Plaintiff reserves its right to amend this original Complaint to include: (i) further information regarding the Transfers, (ii) additional Transfers, (iii) modifications of and/or revision to Defendant's name, (iv) additional defendants, and/or (v) additional causes of action (e.g., but not exclusively, 11 U.S.C. § 542, § 544, § 545, § 548 and § 549) (collectively, the "Amendments"), that may become known to Plaintiff at any time during this adversary proceeding, through formal discovery or otherwise, and for the Amendments to relate back to this original Complaint.

15. Defendant was a creditor of the one or more of the Debtors at the time of the Transfers within the meaning of 11 U.S.C. § 101(10)(A). At the time of the Transfers,

Defendant had a right to payment on account of an obligation owed to Defendant by one or more of the Debtors.

16. The Transfers were to or for the benefit of a creditor within the meaning of 11 U.S.C. § 547(b)(1) because the Transfers either reduced or fully satisfied a debt then owed by one or more of the Debtors to Defendant.

17. The Transfers were for, or on account of, antecedent debts owed by one or more of the Debtors before the Transfers were made.

18. The Debtors were insolvent at all times during the ninety (90) days prior to the Petition Date. Plaintiff is entitled to the presumption of insolvency for the Transfers made during the Preference Period pursuant to 11 U.S.C. § 547(f).

19. As a result of the Transfers, Defendant received more than it would have received if: (i) the Debtors' cases were under chapter 7 of the Bankruptcy Code; (ii) the Transfers had not been made; and (iii) Defendant received payment of its debts under the provisions of the Bankruptcy Code. As evidenced by the Debtors' schedules filed in the underlying bankruptcy case as well as the proofs of claim that have been received to date, the Debtors' liabilities exceed their assets to the point that unsecured creditors will not receive a full payout of their claims from the Debtors' bankruptcy estate.

20. In accordance with the foregoing, the Transfers are avoidable pursuant to 11 U.S.C. § 547(b).

COUNT II

(Recovery of Avoided Transfers -11 U.S.C. § 550)

20. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein.
21. Plaintiff is entitled to avoid the Transfers pursuant to 11 U.S.C. § 547(b).
22. Defendant was the initial transferee of the Transfers or the immediate or mediate transferee of such initial transferee or the person for whose benefit All Avoided Transfers were made.
23. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to recover from Defendant the Transfers, plus interest thereon to the date of payment and the costs of this action.

COUNT III

(Disallowance of all Claims -11 U.S.C. § 502(d) and (j))

24. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein.
25. Defendant is an entity from which property is recoverable under 11 U.S.C. § 550.
26. Defendant is a transferee of the Transfers avoidable under 11 U.S.C. § 547.
27. Defendant has not paid the amount of the Transfers, or turned over such property, for which Defendant is liable under 11 U.S.C. § 550.
28. Pursuant to 11 U.S.C. § 502(d), any and all Claims of Defendant and/or its assignee, against the Debtors' chapter 11 estates or Plaintiff must be disallowed until such time as Defendant pays to Plaintiff an amount equal to the aggregate amount of the Transfers, plus interest thereon and costs.
29. Pursuant to 11 U.S.C. § 502, any and all Claims of Defendant, and/or its assignee, against the Debtors' chapter 11 estates or Plaintiff previously allowed by the Debtors or

Plaintiff, must be reconsidered and disallowed until such time as Defendant pays to Plaintiff an amount equal to the aggregate amount of all the Transfers.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests that this Court grant it the following relief against Defendant:

As to Counts I through III, that the Court enter a judgment against Defendant:

- A. That the Transfers avoidable under 11 U.S.C. §§ 547 in the amount of \$156,935.00 be avoided;
- B. That the Transfers, to the extent that they are avoided pursuant to 11 U.S.C. § 547, be recovered by Plaintiff pursuant to 11 U.S.C. § 550;
- C. Disallowing, in accordance with 11 U.S.C. § 502 (d), any Claims held by Defendant and/or its assignee until Defendant satisfies the judgment;
- D. Disallowing, in accordance with 11 U.S.C. § 502 (0), any Claims held by Defendant and/or its assignee until Defendant satisfies the judgment;
- E. Awarding pre-judgment interest at the maximum legal rate running from the date of each Transfer to the date of judgment herein;
- F. Awarding post judgment interest at the maximum legal rate running from the date of judgment herein until the date the judgment is paid in full, plus costs;
- G. Requiring Defendant to pay forthwith the judgment amount awarded in favor of Plaintiff;
- H. Granting Plaintiff such other and further relief as the Court deems just and proper.

JOHNSON MEMORIAL HOSPITAL, INC.
THROUGH CLIFFORD A. ZUCKER, PLAN
CUSTODIAN

By: /s/Kellianne Baranowsky
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