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

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In re:	)	Chapter 11
	)	
INSIGHT HEALTH SERVICES HOLDINGS	)	Case No. 10-16564 (AJG)
CORP., <i>et al.</i> ,	)	
Debtors.	)	Jointly Administered

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**MOTION TO SHORTEN TIME WITH RESPECT TO MOTION OF THE MOVING CREDITORS TO CHANGE THEIR VOTE ON THE DEBTORS' PREPACKAGED JOINT CHAPTER 11 PLAN OF REORGANIZATION**

John Glade, Mary Jo Elliott, Mike M. Reynolds, Gary M. Williamson, Burt Weiss (collectively, the "Tejas Creditors") and Mark Salter (together with the Tejas Creditors, the "Moving Creditors") file this motion (the "Motion") seeking entry of an order under Rule 9006(c) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 9006-1(b) of the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules") shortening the time for notice of the hearing to consider the Motion of the Moving Creditors to Change their Vote on the Debtors' Prepackaged Joint Chapter 11 Plan of Reorganization (the

“Voting Motion”),<sup>1</sup> filed concurrently herewith and incorporated herein by reference. In support of the Motion, the Debtors respectfully state as follows:

### **Jurisdiction**

1. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding under 28 U.S.C. § 157(b)(2).
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory bases for the relief sought herein are Bankruptcy Rule 9006(c) and Local Rule 9006-1(b).

### **Background**

4. On December 10, 2010, the Debtors commenced these chapter 11 cases.
5. On December 11, 2010, the Debtors filed their Plan [Docket No. 23] and related Disclosure Statement [Docket No. 24], which reflect a prearranged restructuring of the Debtors' existing debt obligations, including a conversion of the existing Senior Secured Notes into substantially all of the New Common Stock of the Reorganized Debtors.
6. On January 11, 2011, each of the Tejas Creditors each submitted ballots to the Debtors in which they accepted the Plan.
7. On January 14, 2011, Mr. Salter submitted a ballot to the Debtors in which he accepted the Plan.
8. As set forth in their affidavits attached to the Voting Motion, the Tejas Creditors voted to accept the Plan in reliance on representations made to them by the financial advisor to the Debtors shortly before the Voting Deadline.

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<sup>1</sup> Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Voting Motion.

9. As set forth in his affidavit, Mr. Salter voted to accept the Plan based on a misunderstanding of the treatment provided to him under the Plan.

**Relief Requested**

10. By the Motion, the Moving Creditors seek entry of an order shortening the notice period for the Voting Motion such that it may be heard by the Court on January 25, 2011 at 10:00 a.m. (ET).

**Basis for Relief**

11. Local Rule 9006-1(b) requires motions to be served at least fourteen days before the return date of the motion. Bankruptcy Rule 9006(f) requires that three days be added to the fourteen days where service of the motion is by mail and there is a right for a party to take action. Bankruptcy Rule 9006(c)(1) and Local Rule 9006-1(b) authorize the Court, for cause shown, to reduce the notice period required for a hearing. Here, ample cause exists to shorten the time for notice of the Voting Motion and to grant the Motion.

12. The Moving Creditors did not learn of the discriminatory treatment under the Plan described in the Voting Motion until January 19, 2011. If the Moving Creditors had known that certain large holders of Senior Secured Notes would be receiving additional rights under the Plan that are not provided to smaller holders, the Moving Creditors would not have voted in favor of the Plan. Because the hearing on confirmation of the Plan is currently scheduled to commence on January 25, 2011 at 10:00 a.m. (ET), it is imperative that the Voting Motion be approved on an expedited basis so that the Moving Creditors' votes may be accurately counted in advance of the confirmation hearing. To this end, the relief requested herein is warranted so that the Voting Motion may be heard concurrently with the hearing on confirmation of the Plan already scheduled to be before the Court on January 25, 2011 at 10:00 a.m. (ET).

**Notice**

13. The Moving Creditors have provided notice of this Motion to: (a) the Office of the United States Trustee for the Southern District of New York; (b) the Debtors; (c) the parties listed in the consolidated list of fifty (50) largest unsecured creditors filed by the Debtors; (d) counsel to the administrative agent under the Debtors' prepetition credit agreement; (e) the indenture trustees under the Debtors' prepetition note issuances; and (f) counsel to the ad hoc committee of certain holders of the Debtors' prepetition note issuances. The Moving Creditors submit that no other or further notice need be provided.

**No Previous Request**

14. No previous request for the relief sought herein has been made to this or any other court.

WHEREFORE, the Moving Creditors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit A, (a) shortening the notice period for the Voting Motion such that it may be heard by the Court on January 25, 2011 at 10:00 a.m. (ET), and (b) granting such other and further relief as is just and proper.

Dated: January 21, 2011  
New York, New York

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**Exhibit A**

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

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In re:	)	Chapter 11
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INSIGHT HEALTH SERVICES HOLDINGS	)	Case No. 10-16564 (AJG)
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**ORDER ON MOTION TO SHORTEN TIME WITH RESPECT TO MOTION OF THE  
MOVING CREDITORS TO CHANGE THEIR VOTE ON THE DEBTORS'  
PREPACKAGED JOINT CHAPTER 11 PLAN OF REORGANIZATION**

Upon the motion (the "Motion") of the Moving Creditors for entry of an order under Bankruptcy Rule 9006(c) and Local Rule 9006-1(b) shortening the time for notice of the hearing to consider the Motion of the Moving Creditors to Change their Vote on the Debtors' Prepackaged Joint Chapter 11 Plan of Reorganization (the "Voting Motion"); and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and venue being proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that notice of the Motion was appropriate under the circumstances; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted as set forth herein.
2. The hearing to consider the Voting Motion shall be held on January 25, 2011 at 10:00 a.m. (Prevailing Eastern Time) before Judge Gonzalez, One Bowling Green, New York, New York 10004, Courtroom 523. The hearing on the Voting Motion may be adjourned from time to time without further notice other than an announcement of the adjourned date or dates in

open court. Notice of such adjourned date(s) will be available on the electronic case filing docket.

3. This Court retains jurisdiction with respect to all matters arising from or related to implementation, interpretation and enforcement of the Order.

Dated: \_\_\_\_\_, 2011

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**UNITED STATES BANKRUPTCY JUDGE**