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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:) Chapter 11
INSIGHT HEALTH SERVICES) Case No. 10-16564 (AJG)
HOLDINGS CORP., et al,¹)
Debtors.) Jointly Administered

OBJECTION TO

**INTERIM ORDER ESTABLISHING NOTIFICATION AND HEARING
PROCEDURES FOR TRANSFERS OF CERTAIN EQUITY SECURITIES
AND GRANTING RELATED RELIEF**

Certain Equity Holder **EXHIBIT C** through its Counsel at the bottom of this documents are objecting the motion (the "Motion")² of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for the entry of an order (this "Interim Order") authorizing the Debtors to establish certain shareholders may make transfers of equity securities in InSight Health Services Holdings Corp., ("InSight Holdings"), all as explained in the above Motion is **not in the best interests of the Debtors' estates, their creditors and other parties including their equity holders** in interest; therefore, the requested order should not be granted on the basis that:

1. Certain Secured Debt Holders are also Equity Holders See exhibit A
2. Certain Secured Debt Holders are also Board of Director and Secured Debt Holder See Exhibit A
3. Certain Debt holders are Secured debt holders, Equity Holders and also Board of Directors See Exhibit A
4. Certain debt holders were same members of above during the first bankruptcy of the Debtor only less than three years. If this motion is allowed there will be ir reversible damage to equity holders and other creditors value.
5. Certain information which should be made available to public records and was

requested in writing from debtor was not provided to shareholders were not given.

Enclosed documents **Exhibit B**

6. The current Equity holder Mr. Hathi has substantial share holding and ownership interest in ISGT, Debtor's security. **Exhibit C**
7. The secured debt of these holders who operated company and owned largest equity shall also be made un secured.

This motion **to object** is filed before the suggested deadline filed is December 30, 2010 at 5:00 p.m. (prevailing Eastern Time) and served upon (a) counsel to the Debtors; (b) the Office of the United States Trustee for the Southern District of New York;

The objection to grant the motion is sent to Debtors Counsels as follow:

James H.M. Sprayregen, P.C.
Edward O. Sassower
KIRKLAND & ELLIS LLP 601
Lexington Avenue New York,
New York 10022 Telephone:
(212)446-4800 Facsimile:
(212)446-4900

- and -

Ryan Blaine Bennett (*pro hac vice* pending) Paul Wierbicki (*pro hac vice* pending) KIRKLAND & ELLIS LLP 300 North LaSalle Street Chicago, Illinois 60654 Telephone:
(312)862-2000 Facsimile: (312)862-2200

Proposed Counsel to the Debtors
and Debtors in Possession

Counsel to the Equity Holder(s)

Adam Fritz

1964 Bush Street

San Francisco

CA 94115

Phone: 415 987 0510

EXHIBIT A

INSIGHT HEALTH SERVICES
HOLDINGS CORP., et al,¹

) Case No. 10-16564 (AJG)
)

Top 10 Institutional Holdings (Details)

| Institution Name | Shares Held | Market Value of Changed Position | % Outstanding Shares | Reporting Date |
|---|------------------|----------------------------------|----------------------|----------------|
| Bennett Management Corporation | 2,040,000 | 0 | 23.60% | 9/15/08 |
| Morgan Keegan & Company, Inc. | 1,223,200 | 9,785,600 | 14.15% | 9/21/07 |
| Cohanzick Management | 1,159,564 | 197,126 | 13.41% | 9/15/08 |
| Hyperion Brookfield Asset Management, Inc. | 772,200 | 397,683 | 8.93% | 6/30/08 |
| J.P. Morgan Investment Management Inc. (New York) | 758,720 | 2,276,160 | 8.78% | 12/31/07 |
| The Blackstone Group | 690,000 | 0 | 7.98% | 11/30/07 |

Barnett Management Corporation and its representative may be equity Holder, Secured Debt Holder and Operated Company as Board of Director.

EXHIBIT B

INSIGHT HEALTH SERVICES) Case No. 10-16564 (AJG)
HOLDINGS CORP., et al,¹)

ARMITAGE CAPITAL CORPORATION

100 West Industrial Road

Addison, IL 60101

PHONE: (630) 841-0575 FAX: (630) 310-8442

EMAIL kjhathl@yahoo.com

November 15,2010

Mr. Louis Hoffman, President

Insight Health Services Holdings Corp.

26250 Enterprise Court, Suite 100 Lake
Forest, CA 92630

Dear Mr. Hoffman (and the Board of Directors):

I am shareholder who owns more than 300,000 shares of Insight Health. The purpose of my this letter is to protect my equity and equity of other shareholders. It is yours and the Board of Directors fiduciary obligation to protect our (equity holders) interest and not simply of yours.

The last two press releases clearly indicate that Insight is in trouble and your plan is to file for Chapter 11 protection, which will wipe out all our equity value. I request you, and to all of the Board of Directors, to tell me how are you planning to protect my equity and other current equity holders investment during and after the re structuring.

Since being appointed President of the company, you have been playing around with its assets and our equity. You have bought a number of operations and you have sold a number of operations all without a clear goal and without understanding the consequences. On a conference call just one year ago, you said that we are doing very well and have surplus funds and could use a line of credit without effecting the operations of the company. Since then you continued to acquire sell and spend money and are now in default because you cannot pay the interest due on these loans!

Now, you have hired a consultant and you are planning to file for Chapter 11 bankruptcy where our equity will be wiped out. This is absolutely not acceptable! You, Mr. Hallman, continue to draw hundreds of thousands of dollars a year in compensation, more than the market cap of

the company and we (equity holders) are the ones who will lose all our investments
Once Chapter 11 is filed, the secured debt holders, (some of them may be sitting on your Board) will benefit being in secured position. Again, the company will be re structured, secured lenders will keep the secured debt, take equity of a New Company and push out all current equity holders and make us loose all our investment. Secured lenders, some of them are part of operation as Board Member are also cause for company's current condition.

The secured debt holders shall consider the extension of the payments or moratorium through you or the hired consultant. If they do not and they are part of equity holders, the debt shall be requested to court to become unsecured debt. So they also stand in line like other unsecured debt holders. Other secured lenders who bought debt by discount and also took equity should be able to help the company to survive rather than pushing to bankruptcy.

I would like a copy of the following information from you all of which should be of public record:

- List of secured Debt Holders and the equity they own of the company regardless of how it was purchased or received during last re organization and after re organization;
- Names of any and all secured lenders representative who are part of the Board of Directors;
- List and amount of secured debt holders;
- The contract company entered with Jefferies and Company, Inc. and the task assigned.

I do not want any insider information. If any of the above information is insider information, please do not send it to me. However, let me know which of the above list is considered insider information by SEC definition. Send me the information which should be public information and information to be made available to shareholders.

Please send me the above information to above address. If you have any questions, please do not hesitate to call or email me.

Thank you

K J Hathi

President

Armitage Capital Corporation

cc: Adam Fritz, Esq. All

Board of Directors

EXIBIT C

Account of: K J Hathi Traditional IRA

Account No: 485639214

Current Position: 301,040 common Shares

Custodian: Fidelity Investment Services

Private Client Group P O Box 770001

Cincinnati, OH 45277

Shares Holding:

| | |
|---|--------------------|
| ISGTQ INSIGHT HEALTH SVCS HLDGS CORP | 301,040.000 |
|---|--------------------|