

BMC creditors hoping for \$3M

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The unsecured creditors committee of the Bayonne Medical Center is trying to recover \$1 million from Pamrapo Savings Bank in an effort to collect more cash to distribute to the creditors.

At the same time, the debtor hospital is planning to hire a real estate broker to sell some of the hospital's properties - either to the current hospital owners or outsiders - to get more cash to pay its creditors.

If these moves - which await approval by the U.S. Bankruptcy Court - are successful, the unsecured creditors could end up with nearly \$3 million for its members.

But that amount is still far short of the more than \$25 million owed that group by the debtor hospital, which declared itself broke in April 2007.

The hospital was sold on Feb. 1 to IJKG, LLC, to be run as a for-profit hospital.

Bankruptcy Judge Morris Stern, sitting in Newark, has yet to set a hearing date.

At this point, the hospital's current ownership has filed no objections to the proposed property transactions.

In papers filed Sept. 16 with the court, debtor BMC board chairwoman Ruth Dugan asked the court for permission to hire Coldwell Banker Jablonski Real Estate, of Bayonne, to help market and sell 12 East 29th St., which committee members identified as BMC's financial services offices, and two parcels of vacant land, listed as 423-427 Avenue E.

The real estate firm has listed the 29th Street building as 7,000 square feet and has priced the property at \$1,018,000. It has listed the Avenue E lots as 11,557 square feet and has priced them at \$806,000.

Court papers filed by the unsecured creditors committee attorney Andrew Sherman allege that the committee has the right "to recover certain transfers made by BMC (to Pamrapo) because they were preferential and/or fraudulent and to subordinate Pamrapo's claims against the Bayonne Medical Center's bankruptcy estate."

The committee has previously alleged in court that Pamrapo exploited "insider knowledge" - derived from overlapping representation on the bank and hospital board - to get the hospital to repay \$1 million of a loan before it went bust.

Pamrapo officials deny any wrongdoing.