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PROPOSED COUNSEL TO THE DEBTORS
AND DEBTORS IN POSSESSION

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

Northwest Senior Housing Corporation, *et al.*,¹

Debtors.

Chapter 11

Case No. 22-30659 (MVL)

(Joint Administration Requested)

**DEBTORS’ MOTION FOR ENTRY OF AN ORDER
EXTENDING THE TIME TO FILE (I) SCHEDULES OF ASSETS AND
LIABILITIES, (II) STATEMENTS OF FINANCIAL AFFAIRS, AND (III) REPORTS
OF FINANCIAL INFORMATION REQUIRED UNDER BANKRUPTCY RULE 2015.3**

The above-captioned debtors and debtors in possession (the “**Debtors**”) hereby move (the “**Motion**”), for entry of an order (the “**Proposed Order**”), substantially in the form attached hereto as Exhibit A, pursuant to Section 521 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 1007(c), 9006(b)(1), and 2015.3 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 1007-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (the “**Local Rules**”), (i) extending the time

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Northwest Senior Housing Corporation (1278) and Senior Quality Lifestyles Corporation (2669). The Debtors’ mailing address is 8523 Thackery Street, Dallas, Texas 75225.



by which the Debtors must file (a) their schedules of assets and liabilities and statements of financial affairs (collectively, the “**Schedules and Statements**”) and (b) their initial reports of financial information with respect to entities in which the Debtors hold a controlling or substantial interest as set forth in Bankruptcy Rule 2015.3 (the “**Rule 2015.3 Reports**”) and (ii) granting related relief. In support of the Motion, the Debtors rely upon the *Declaration of Nick Harshfield in Support of the Debtors’ Chapter 11 Petitions and First Day Pleadings* (the “**First Day Declaration**”),² filed concurrently herewith. In further support of this Motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over these cases pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Debtors confirm their consent to the entry of a final order or judgment by the Court in connection with this Motion if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory and other predicates for the relief requested herein are Bankruptcy Code Sections 521, Bankruptcy Rules 1007(c), 9006(b)(1), and 2015.3, and Local Rule 1007-1.

² Capitalized terms used but not defined in this Motion shall have the meanings given to them in the First Day Declaration.

BACKGROUND

4. On the date hereof (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas (the “**Court**”).

5. The Debtors continue to operate and manage their business as debtors in possession pursuant to Bankruptcy Code Sections 1107(a) and 1108.

6. No trustee, examiner, or official committee of unsecured creditors has been appointed.

7. The factual background regarding the Debtors and the events leading to the filing of the above-referenced chapter 11 cases (the “**Chapter 11 Cases**”) is set forth in the First Day Declaration, which is incorporated herein by reference.

RELIEF REQUESTED

8. By this Motion, the Debtors request entry of the Proposed Order, substantially in the form of Exhibit A, (i) extending the deadline by which the Debtors must file their Schedules and Statements by thirty-one (31) days, for a total of forty-five (45) days from the Petition Date, through and including May 30, 2022 (ii) extending the deadline by which the Debtors must file their initial 2015.3 Reports to the later of (a) thirty (30) days after the creditors’ meeting under Bankruptcy Code Section 341 (the “**341 Meeting**”) or (b) ninety (90) days from the Petition Date, in each case without prejudice to the Debtors’ ability to request additional extensions for cause shown, and (iii) granting related relief.

BASIS FOR RELIEF

9. Under Bankruptcy Code Section 521 and Bankruptcy Rule 1007(c), the Debtors are generally required to file their Schedules and Statements within fourteen (14) days after the Petition Date. *See* 11 U.S.C. § 521. However, pursuant to Bankruptcy Rules 1007(c) and 9006, the

Court has authority to extend the time required for filing of the Schedules and Statements “for cause.” *See* Fed. R. Bankr. P. 1007(c), 9006.

10. Here, good and sufficient cause exists for granting an extension of time to file the Schedules and Statements. To prepare the Schedules and Statements, the Debtors must compile information from books, records, and documents relating to creditor claims, as well as the Debtors’ assets, executory contracts, and unexpired leases. This information is voluminous. Collecting the necessary information requires a significant expenditure of time and effort on the part of the Debtors and their professional advisors in the near term, when these resources would be best used to address the immediate needs of the Debtors’ business operations.

11. The Debtors, with the assistance of their professional advisors, are working diligently and expeditiously on preparing the Schedules and Statements. Given the amount of work entailed in completing the Schedules and Statements and the competing demands on the Debtors, the Debtors may not be able to properly and accurately complete the Schedules and Statements within the required time period. Further, the Debtors have not as of this Motion filed a chapter 11 plan or a motion to set a bar date, and do not anticipate doing so in the immediate future. As a result, none of the Debtors’ creditors will be prejudiced by an extension of time for the Debtors to file the Schedules and Statements.

12. Accordingly, the Debtors therefore respectfully request that the Court extend the fourteen-day (14-day) period for thirty-one (31) days, thereby making the Schedules and Statements due within forty-five (45) days after the Petition Date, which shall be May 30, 2022. Courts in this District and other districts have granted similar relief to that requested herein on numerous occasions. *See, e.g., In re GVS Texas Holdings*, Case No. 21-31121 (MVL) (Bankr. N.D. Tex. July 2, 2021) [Docket No. 62] (extending to 34 days after the petition date); *In re Tuesday*

Morning, Case No. 20-31476 (HDH) (Bankr. N.D. Tex. May 29, 2020) [Docket No. 91] (extending to 34 days after the petition date); *In re Forest Park Medical Center at Fort Worth, LLC*, Case No. 16-40198 (RFN) (Bankr. N.D. Tex. Jan. 12, 2016) [Docket No. 18] (extending to 30 days after the petition date); *In re PFO Glo., Inc.* Case No. 17-30355 (HDH) (Bankr. N.D. Tex. Feb. 10, 2017) [Docket No. 44] (extending to 24 days after the petition date); *In re TPP Acquisition, Inc.*, Case No. 16-33437 (HDH) (Bankr. N.D. Tex. Sep. 21, 2016) [Docket No. 86] (extending to 19 days after the petition date).

13. Bankruptcy Rule 2015.3(a) provides that a debtor must file periodic financial reports regarding the value, operations, and profitability of non-debtor entities in which the debtor holds a substantial or controlling interest, with the first report due no later than seven days before the meeting of creditors pursuant to Bankruptcy Code Section 341. Specifically, Official Form No. 426 requires that, for each entity covered by Bankruptcy Rule 2015.3, a debtor must provide, among other things, a balance sheet, a statement of income, a statement of cash flows, a statement of changes in shareholders' or partners' equity, a description of the non-debtor entity's business operations, a description of claims among any non-controlled non-debtor entities, and a description of tax allocations. Subsequent Rule 2015.3 Reports are to be filed not less frequently than every six months thereafter until the effective date of a plan or dismissal or conversion of the Chapter 11 Cases. The purpose of Bankruptcy Rule 2015.3 is "to assist parties in interest [in] taking steps to ensure that the debtor's interest" in an entity in which the debtor holds a substantial or controlling interest "is used for the payment of allowed claims against the debtor." Pub. L. No. 109-8 § 419(b) (2005). As with Bankruptcy Rule 1007, pursuant to Bankruptcy Rule 2015.3(d) the Court may modify a the Debtors' obligations with respect to the Rule 2015.3 Reports "for cause." *See* F. R. Bankr. P. 2015.3(d).

14. The Debtors own certain non-debtor subsidiaries that fall under the ambit of Bankruptcy Rule 2015.3 and, as such, are required to file Rule 2015.3 Reports. Cause exists to extend the deadline for filing the 2015.3 Reports as requested herein based on the substantial burdens imposed by compliance with Bankruptcy Rule 2015.3 in the early days of these Chapter 11 Cases. Consequently, the Debtors are not in a position to complete their initial Rule 2015.3 Reports within the time required under Bankruptcy Rule 2015.3.

15. Extending the deadline for the initial Rule 2015.3 Reports also will enable the Debtors to work with their financial advisors and the United States Trustee for the Northern District of Texas (the “**U.S. Trustee**”) to determine the appropriate nature and scope of the reports and any proposed modifications to the reporting requirements established by Bankruptcy Rule 2015.3. Accordingly, the Debtors respectfully request that the Court grant an extension of the time by which the Debtors must file their initial Rule 2015.3 Reports to the later of (a) thirty (30) days after the 341 Meeting or (b) ninety (90) days from the Petition Date pursuant to Bankruptcy Rule 2015.3(d). Bankruptcy courts often grant similar relief to that requested herein. *See, e.g., In re Hi-Crush Inc.*, Case No. 20-33495 (Bankr. S.D. Tex. July 13, 2020) [Docket No. 87] (extending deadline to the later of 15 days after the initial 341 meeting or 45 days from and after the petition date); *In re SpeedCast International Ltd.*, Case No. 20-32243 (Bankr. S.D. Tex. June 13, 2020) [Docket No. 309] (extending deadline to 32 days following the 341 meeting); *In re Cobalt International Energy, Inc.*, Case No. 17-36709 (Bankr. S.D. Tex. Dec. 14, 2017) [Docket No. 58] (extending deadline to the 45 days after the petition date); *In re Philippine Airlines, Inc.*, Case No. 21-11569 (Bankr. S.D.N.Y. Sep. 10, 2021) [Docket No. 64] (extending deadline to the later of 10 days after the 341 meeting or 59 days from the petition date); *In re MatlinPatterson Global*

Opportunities Partners II L.P., Case No. 21-11255 (Bankr. S.D.N.Y. July 9, 2021) [Docket No. 32] (extending deadline to 45 days after the initial 341 meeting).

16. The Debtors reserve the right to supplement this Motion and request that the requested relief be granted without prejudice to the Debtors' ability to seek further extension or modification of the requirements to file the Schedules and Statements and the Rule 2015.3 Reports. The Debtors also request that the Court authorize the Debtors to further extend the deadline to file the Schedules and Statements and the Rule 2015.3 Reports without filing a supplemental motion and without further order from the Court, provided that the Debtors obtain the advance consent of the U.S. Trustee.

RESERVATION OF RIGHTS

17. Nothing contained herein is intended or should be construed as an admission of the validity of any claim against the Debtors; a waiver of the Debtors' rights to dispute any claim; or an approval, assumption, or rejection of any agreement, contract, or lease under Bankruptcy Code Section 365. Likewise, if this Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtors' right to dispute such claim subsequently.

NOTICE

18. Notice of this Motion will be provided to: (a) the U.S. Trustee; (b) the holders of the thirty (30) largest unsecured claims against the Debtors on an aggregate basis; (c) UMB Bank, N.A., as Trustee and counsel thereto; (d) Lifespace Communities, Inc. and counsel thereto; (e) the United States Attorney's Office for the Northern District of Texas; (f) the Internal Revenue Service; (g) the United States Department of Justice; (h) the Texas State Attorney General; (i) the United States Securities and Exchange Commission; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002.

19. The Debtors respectfully submit that such notice is sufficient and that no further notice of this Motion is required.

NO PRIOR REQUEST

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

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order, substantially in the form attached as Exhibit A, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: April 14, 2022
Dallas, Texas

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PROPOSED COUNSEL TO THE DEBTORS
AND DEBTORS IN POSSESSION

Exhibit A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

Northwest Senior Housing Corporation, *et al.*,¹
Debtors.

Chapter 11

Case No. 22-30659 (MLV)

(Jointly Administered)

**ORDER EXTENDING THE TIME TO FILE (I) SCHEDULES OF ASSETS AND
LIABILITIES, (II) STATEMENTS OF FINANCIAL AFFAIRS, AND (III) REPORTS
OF FINANCIAL INFORMATION REQUIRED UNDER BANKRUPTCY RULE 2015.3**

Upon the motion (the “**Motion**”)² of the debtors and debtors in possession in the above-captioned chapter 11 cases (the “**Debtors**”) for entry of an order (this “**Order**”), pursuant to Bankruptcy Code Section 521, Bankruptcy Rules 1007(c), 9006(b)(1), and 2015.3, and Local Rule 1007-1, (i) extending the time by which the Debtors must file (a) the Schedules and Statements and (b) the initial Rule 2015.3 Report and (ii) granting related relief; and upon consideration of

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² All capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Motion.

the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and this Court being able to issue a final order consistent with Article III of the United States Constitution; and venue of this proceeding and the Motion in this District being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and the opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing, if necessary, before this Court; and all objections, if any, to the Motion having been withdrawn, resolved or overruled; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The relief requested in the Motion is **GRANTED** as set forth herein.
2. The time by which the Debtors shall file their Schedules and Statements is extended for cause by thirty-one (31) days, for a total of forty-five (45) days from the Petition Date, through and including May 30, 2022.
3. The time by which the Debtors shall file their initial Rule 2015.3 Reports is extended for cause to the later of (a) thirty (30) days after the 341 Meeting or (b) ninety (90) days from the Petition Date, pursuant to Bankruptcy Rules 2015.3 and 9006, without prejudice to the Debtors' right to request further extensions thereof.
4. Without limiting the foregoing, the Debtors may extend the deadline to file the Schedules and Statements and the Rule 2015.3 Reports without filing a supplemental motion and

without further order of the Court, provided that the Debtors obtain the advance consent of the U.S. Trustee.

5. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

6. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed as (a) an admission as to the validity or priority of any claim or lien against any Debtor, (b) a waiver of any Debtor's right to subsequently dispute such claim or lien on any grounds, (c) a promise or requirement to pay any prepetition claim, (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or this Order, (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to Bankruptcy Code Section 365, or (f) a waiver of any Debtor's or any other party in interest's rights under the Bankruptcy Code or any other applicable law.

7. All payments made pursuant to this Order shall be subject to any interim or final order entered by the Court governing the Debtors' right to the use the cash collateral of UMB Bank, N.A., as Trustee, including the budget attached thereto.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

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

End of Order

Submitted by:

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In re:

Northwest Senior Housing Corporation, *et al.*¹

Debtors.

Chapter 11

Case Nos. 22-30659 (MLV)

(Joint Administration Requested)

CERTIFICATE OF CONFERENCE

In accordance with Local Bankruptcy Rule 1007-1(b), I, Trinitee G. Green, discussed the relief sought in the *Debtors' Motion for Entry of an Order Extending the Time to File (I) Schedules of Assets and Liabilities, (II) Statement of Financial Affairs, and (III) Reports of Financial Information Required under Bankruptcy Rule 2015.3* with the U.S. Trustee on April 14, 2022, and the U.S. Trustee opposes the relief sought in the Motion. No committee, trustee, or examiner has been requested or appointed in the above-captioned chapter 11 cases.

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¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are Northwest Senior Housing Corporation (1278) and Senior Quality Lifestyles Corporation (2669). The Debtors' mailing address is 8523 Thackery Street, Dallas, Texas 75225.

Dated: April 14, 2022
Dallas, Texas

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