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

In re:

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

Liquidating Debtors.

Chapter 11

Case No. 22-30659 (MVL)

(Jointly Administered)

**LITIGATION TRUSTEE'S MOTION TO
EXTEND THE DEADLINE TO OBJECT TO CLAIMS**

A HEARING WILL BE CONDUCTED ON THIS MATTER ON OCTOBER 12, 2023 AT 1:00 PM IN THE EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE ST., 14TH FLOOR, DALLAS, TEXAS 75242. IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-FOUR (24) DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED WITHOUT A HEARING.

¹ The Liquidating 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).



Leif M. Clark, trustee (the “**Litigation Trustee**”) of the litigation trust (the “**Litigation Trust**”) hereby submits this *Motion to Extend the Deadline to Object to Claims* (the “**Motion**”) for the entry of an order, substantially in the form attached hereto as Exhibit A (the “**Proposed Order**”) pursuant to section 105 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 9006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), extending the deadline by which objections to claims must be filed through November 10, 2023. In support of this Motion, the Litigation Trustee, by and through undersigned counsel, respectfully represents:

JURISDICTION

1. The Court has jurisdiction over this Motion 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 Litigation Trustee confirms its 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 bases for the relief requested herein are Bankruptcy Code section 105(a) and Bankruptcy Rule 9006.

4. This Court has constitutional authority to enter a final order in this matter and has retained exclusive jurisdiction over all matters arising out of, or related to, these Chapter 11 Cases under Section 11 of the Plan.

BACKGROUND

5. On April 14, 2022 (the “**Petition Date**”), each of the above-captioned liquidating debtors, as debtors and debtors-in-possession, 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**”), commencing the above-captioned cases (the “**Chapter 11 Cases**”).

6. On April 20, 2022, the Court approved the retention of Kurtzman Carson Consultants, LLC (“**KCC**”) as the Debtors’ claims, noticing, and administrative agent in these Chapter 11 Cases. *See* Docket No. 110.

7. On June 8, 2022, the Court entered an *Order (I) Establishing Bar Dates, (II) Approving Form and Manner of Notice Thereof, and (III) Approving Procedures for Filings Proofs of Claims* [Docket No. 386] (the “**Bar Date Order**”). Among other things, the Bar Date Order set July 21, 2022 at 4:00 p.m. (prevailing Central Time) as the general date for filing proofs of claim. Attached to the Bar Date Order was the notice of deadlines for filing proofs of claim (the “**Bar Date Notice**”). KCC served and published the Bar Date Notice in both the Dallas Morning News and the New York Times National Edition. *See* Docket Nos. 427, 431, and 437.

8. On April 7, 2023, the Court entered *Findings of Fact, Conclusions of Law, and Order Confirming Chapter 11 Plan of Plan Sponsors* [Docket Nos 1393, 1394] (the “**Confirmation Order**”), confirming the *Fourth Amended Chapter 11 Plan of the Plan Sponsors Dated February 17, 2023* [Docket No. 1241] (the “**Plan**”). The Plan did not establish a claims objection deadline.

9. On July 25, 2023, the Court entered the *Order Granting Debtors’ Motion to Extend the Deadline to Object to Claims* [Docket No. 1659], which established that objections to claims, if any, shall be filed and served on or before October 4, 2023.

10. On May 22, 2023, the Debtors gave notice of the selection of the Residents Trustee and the Litigation Trustee, who will be responsible for, *inter alia*, reconciling and otherwise resolving certain of the proofs of claim (collectively, the “**Proofs of Claim**”) that have been filed

in these Chapter 11 Cases. *See* Docket Nos. 1504 and 1526. Those Proofs of Claim include at least 78 Proofs of Claim filed by current and former residents and patients.

11. The Claims Register maintained by KCC reflects that approximately 150 Proofs of Claim have been filed asserting General Unsecured Claims and approximately 463 General Unsecured Claims have been scheduled in these jointly administered Chapter 11 Cases, in an aggregate amount in excess of \$164,171,815.52 asserted against the estates.

12. The Litigation Trustee has collected information and business records from the Liquidating Debtors for the purpose of evaluating Proofs of Claim, and the transfer of information and records remains ongoing.

13. The Litigation Trustee has been or will be funded with cash in the amount of \$500,000.00 and Litigation Trust Assets, including, without limitation, certain claims to be prosecuted and liquidated for the benefit of holders of interest in the Litigation Trust, which includes holders of allowed General Unsecured Claims. As of the date hereof, the Litigation Trust does not have funds available for distribution to holders of allowed General Unsecured Claims and does not expect to have funds available to make any distributions in the near term.

14. Given the circumstances, it would not be prudent for the Litigation Trust to use its limited resources to attempt to complete the claims reconciliation process by October 4, 2023. Instead, the Litigation Trust should focus on liquidating the Litigation Trust Assets and pursue the claims reconciliation process once there are assets available for distribution to the holders of allowed General Unsecured Claims. As such, the Litigation Trustee seeks a one-year extension of the claims objection deadline without prejudice to seek further extensions.

15. The Litigation Trustee understands that the Residents Trustee does not oppose the relief requested herein, as the Residents Trustee also needs additional time to complete the claims reconciliation and dispute resolution process.

RELIEF REQUESTED

16. By this Motion, the Litigation Trustee seeks an extension of the claims objection deadline through and including October 4, 2024. The Litigation Trustee requests that the Court enter an order substantially in the form attached hereto extending the deadline to and through October 4, 2024, without prejudice to the right of the Litigation Trustee to seek a further extension of the claims objection deadline, if necessary

BASIS FOR RELIEF

17. Bankruptcy Rule 9006(b)(1) provides that “when an act is required or allowed to be done at or within a specified period . . . by order of the court, the court for cause shown may at any time in its discretion . . . order the period enlarged if the request therefor is made before the expiration of the period originally prescribed.” As discussed herein, good and sufficient cause exists to extend the claims objection deadline and the request is being made prior to the expiration of the original deadline.

18. The Litigation Trustee and the Residents Trustee have the power and duty to resolve all disputed claims. The Litigation Trustee has received information and has begun its review with respect to certain of the Proofs of Claim. *See* Docket No. 1691. However, as noted above, the Litigation Trustee continues to collect business records and information from the Liquidating Debtors. Additionally, the Litigation Trust holds assets that must be liquidated, including, primarily causes of action that have not generated funds and is unlikely to do so for some time. As such, the Litigation Trust does not hold funds available for distribution to holders of Allowed General Unsecured Claims.

19. The Litigation Trustee needs to focus his attention on liquidating the Litigation Trust Assets and turn his attention to the claims reconciliation and resolution process when funds are available for distribution. Similar – if not identical – relief has been granted in this district. *See Senior Care Centers*, No. 18-33967-SGJ [Docket No. 3097] (Bankr. N.D. Tex. August 14, 2023) (granting Liquidating Trustee’s fourth motion to extend, extending deadline that was initially established as September 23, 2020 to and through September 23, 2024).

20. Accordingly, the Litigation Trustee believes that an extension of the claims objection deadline to and including October 4, 2024 is appropriate. The extension is not sought for the purpose of delay and will not prejudice any claimants. The Litigation Trustee reserves the right to seek further extensions of the claims objection deadline, as necessary.

NOTICE

21. Notice of the Motion will be given to: (a) the U.S. Trustee; (b) counsel to UMB Bank, N.A., as Trustee; (c) counsel to Lifespace Communities, Inc; (d) the Residents Trustee; and (e) any party registered to received ECF notice in these Chapter 11 Cases.

WHEREFORE, the Litigation Trustee respectfully requests that the Court grant: (i) the Motion, entering the Proposed Order in the form attached hereto as Exhibit A; and (ii) such other and further relief as this Court deems just and proper.

[Signature on following page]

Dated: September 8, 2023
Dallas, Texas

POLSINELLI PC

/s/ Trinitee G. Green

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– and –

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COUNSEL TO LEIF M. CLARK, THE
LITIGATION TRUSTEE

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

Liquidating Debtors.

Chapter 11

Case No. 22-30659 (MVL)

(Jointly Administered)

**ORDER GRANTING LITIGATION TRUSTEE'S MOTION TO
EXTEND THE DEADLINE TO OBJECT TO CLAIMS**

Upon the motion (the “**Motion**”)² of the Litigation Trustee for entry of an order extending the claims objection deadline; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334(b); and the Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that the Litigation Trustee consents to entry of a final order

¹ The Liquidating 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).

² Capitalized Terms used but not otherwise defined herein have the meanings ascribed to them in the Plan.

under Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having determined that the relief requested in the Motion is in the best interests of the Liquidating Debtors, their estates, their creditors, and other parties in interest; and it appearing that proper and adequate notice of the Motion has been given, under the circumstances, and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefore, it is **HEREBY ORDERED** that:

1. The Motion is GRANTED as set forth herein.
2. The claims objection deadline is hereby extended to and through October 4, 2024, without prejudice to the right of the Litigation Trustee or other parties in interest, including the Residents Trustee, to seek further extensions of the claims objection deadline.
3. This Court shall retain jurisdiction over any and all matters arising from the interpretation, implementation, or enforcement of this Order.
4. The terms and conditions of this Order will be immediately effective and enforceable upon its entry.

END OF ORDER

Submitted by:

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