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**COUNSEL TO THE EDGEMERE
RESIDENTS TRUST**

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

In re:	§	Chapter 11
Northwest Senior Housing Corporation, <i>et al.</i> , ¹	§	Case No. 22-30659 (MLV)
Debtors.	§	(Jointly Administered)

**EDGEMERE RESIDENTS' TRUST FIRST OMNIBUS
OBJECTION TO RESIDENT CLAIMS**

NO HEARING WILL BE CONDUCTED ON THIS OBJECTION TO CLAIMS UNLESS A WRITTEN RESPONSE IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AT EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE ST., RM. 1254, DALLAS, TX 75242-1496 BEFORE CLOSE OF BUSINESS ON NOVEMBER 15, 2023, WHICH IS AT LEAST 30 DAYS FROM THE DATE OF SERVICE HEREOF.

ANY RESPONSE SHALL BE IN WRITING AND FILED WITH THE CLERK, AND A COPY SHALL BE SERVED UPON COUNSEL FOR THE MOVING PARTY PRIOR TO THE DATE AND TIME SET FORTH HEREIN. IF A RESPONSE IS FILED A HEARING MAY BE HELD WITH NOTICE ONLY TO THE OBJECTING PARTY. IF NO

¹ The Debtors in these chapter 11 cases (the "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) (together, the "Debtors"). The Debtors' mailing address is 8523 Thackery Street, Dallas, Texas 75225.



HEARING ON SUCH NOTICE OR MOTION IS TIMELY REQUESTED, THE RELIEF REQUESTED SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT OR THE NOTICED ACTION MAY BE TAKEN.

NOW COMES, Stephen A. McCartin, the Trustee of the Edgemere Resident's Trust (the "**Trustee**"), and files this *First Omnibus Objection to Resident Claims* (the "**Objection**"), and requests entry of an order, substantially in the form attached hereto as **Exhibit A** (the "**Proposed Order**"), sustaining the Objection to the disputed claims (each, a "**Disputed Claim**") listed on **Exhibit 1** to the attached Proposed Order.² In support of the Objection, the Trustee respectfully represents as follow:

I.
JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the Northern District of Texas (the "**Court**") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). The Trustee confirms his consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), to the entry of a final order by the Court.

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

3. The bases for the relief requested herein are section 502 of title 11 of the United States Code (the "**Bankruptcy Code**"), Bankruptcy Rule 2014 and 2016, and Rule 3007-2 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (the "**Local Rules**").

² For the sake of completeness and as alternative bases to support the Objection, certain Disputed Claims may be listed in more than one of the exhibits attached to the Proposed Order.

II. **BACKGROUND**

4. On April 14, 2022 (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**”), commencing the above-captioned cases (the “**Chapter 11 Cases**”).

5. 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**”).

6. On May 22, 2023, the Debtors gave notice of the selection of the Residents Trustee pursuant to the Plan, who will be responsible for, *inter alia*, reconciling and otherwise resolving resident related 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 related to refund claims of current and former residents of Edgemere (collectively, the “**Residents’ Claims**”).

III. **PROOFS OF CLAIMS**

7. More than seventy-eight (78) resident related refund claims have been filed in these Chapter 11 Cases. The Residents’ Trust is in the process of reviewing and reconciling these filed proofs of claim. This process includes identifying particular categories of claims that may be targeted for disallowance, reduction and allowance, or reclassification. To avoid possible double recovery or improper recovery by claimants, the Residents’ Trust anticipates filing objections to these categories of claims.

8. As part of its ongoing review, the Residents' Trust has reviewed the proofs of claim listed on Exhibit 1 attached to the Proposed Order, and has concluded that each such claim is objectionable on the basis set forth below.

IV.
OBJECTIONS AND RELIEF REQUESTED

A. Priority Claims.

9. By this Objection, the Residents' Trust seeks entry of the Proposed Order, pursuant to section 502(b) of the Bankruptcy Code and Bankruptcy Rule 3007(d)(2), disallowing the priority status of each Proof of Claim listed on **Exhibit 1** to the Proposed Order, and requests this Court enter an order allowing the claims in the Proposed Allowed Amounts listed on Exhibit 1 to the Proposed Order as general unsecured claims only.

B. Secured Claims.

10. By this Objection, the Residents' Trust seeks entry of the Proposed Order, pursuant to section 502(b) of the Bankruptcy Code and Bankruptcy Rule 3007(d)(4), disallowing the secured status of each Proof of Claim listed on **Exhibit 1** to the Proposed Order, and requests this Court enter an order allowing the claims in the Proposed Allowed Amounts listed on Exhibit 1 to the Proposed Order as general unsecured claims only.

C. Claims in Excess of Scheduled Amounts.

11. By this Objection, the Residents' Trust seeks entry of the Proposed Order, pursuant to section 502(b) of the Bankruptcy Code and Bankruptcy Rule 3007(d)(7), disallowing each Proof of Claim listed on **Exhibit 1** to the Proposed Order, in the amounts claimed in excess of the Proposed Allowed Amounts (the amounts scheduled for such claims of the Debtors' Schedules of Assets and Liabilities), and requests this Court enter an order allowing such claims in the Proposed Allowed Amounts as general unsecured claims.

D. Duplicate and Escrow Related Claims.

12. By this Objection, the Residents' Trust seeks entry of the Proposed Order, pursuant to section 502(b) of the Bankruptcy Code and Bankruptcy Rule 3007(d)(7), disallowing in full the duplicate claims and resident escrow related claims (which have been paid in full) as indicated as duplicated or escrow claims on Exhibit 1 to the Proposed Order.

**V.
RESERVATION OF RIGHTS**

13. Nothing herein shall constitute an admission of liability by the Debtors or the Residents' Trust with respect to any Proof of Claim. The Residents' Trust reserves its right to object to any Proof of Claim, including any claim listed on **Exhibit 1** to the Proposed Order, on any grounds whatsoever at a later date.

WHEREFORE, the Residents' Trust respectfully requests that the Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein, and for such other relief as the Court deems appropriate under the circumstances.

CERTIFICATE OF SERVICE

I hereby certify that, on October 4, 2023, a true and correct copy of the foregoing document was served electronically by the Court's PACER system, and served on the claimants whose claims are being objected to and are listed on Exhibit 1 to the Proposed Order.

/s/ Stephen A. McCartin
Stephen A. McCartin

EXHIBIT A

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

In re:	§	Chapter 11
	§	
Northwest Senior Housing Corporation., <i>et al.</i> , ¹	§	Case No.: 22-30659 (MLV)
	§	
Reorganized Debtors.	§	(Jointly Administered)
	§	

**ORDER SUSTAINING THE FIRST OMNIBUS OBJECTION TO THE ALLOWANCE
OF CERTAIN PROOF OF CLAIMS FILED BY THE RESIDENTS' TRUST**

Upon consideration of *First Omnibus Objection to the Allowance of Certain Proof of Claims* (the “**Objection**”)² filed by the Residents’ Trust in these chapter 11 cases (the “**Chapter 11 Cases**”) pursuant to section 502 of the Bankruptcy Code and Bankruptcy Rule 3007, seeking entry of an order allowing the Disputed Claims in the Proposed Allowed Claim Amounts listed on Exhibit 1, as general unsecured claims only, and disallowing all or any portion claimed as priority or secured, and disallowing any amount of the claim in excess of the Proposed Allowed Claim

¹ The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal identification number are: Northwest Senior Housing Corporation.

² Capitalized terms not defined herein shall have the meaning ascribed in the Objection.

Amount listed on the attached Exhibit 1, all as more fully set forth in the Objection; and the Court having jurisdiction to consider the Objection and the relief requested therein pursuant to 28 U.S.C. § 1334; and due and adequate notice of the Objection having been given under the circumstances; and sufficient cause appearing therefor; it is HEREBY ORDERED THAT:

1. The Objection is sustained as set forth herein.
2. Any response to the Objection not otherwise withdrawn, resolved, or adjourned is hereby overruled on its merits.
3. Each Disputed Claim identified on Exhibit 1 attached to this Order is allowed in the Proposed Allowed Amount of such claim on Exhibit 1, as a general unsecured claim only, and is disallowed as a priority and secured claim and disallowed in any amount exceeding the Claim Amounts on Exhibit 1.
4. Each Disputed Claim identified on Exhibit 1 attached to the Order as a duplicate or escrow related deposit claim is disallowed in full.
5. KCC, as claims and noticing agent, is authorized and directed to update the claims register maintained in these Chapter 11 Cases to reflect the relief granted in this Order.
6. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of any parties right to dispute any prepetition claim 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 this Objection or any order granting the relief requested by this Objection; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a waiver of any parties rights under the Bankruptcy Code or any other applicable law.

7. Notice of the Objection as provided therein shall be deemed good and sufficient and the requirements of the Bankruptcy Local Rules are satisfied by such notice.

8. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

9. The Residents' Trust is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Objection.

10. 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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COUNSEL TO THE RESIDENTS' TRUST

EXHIBIT 1

POC #	RESIDENT ID	POC AMOUNT	NATURE	SCHEDULED & PROPOSED ALLOWED AMOUNT	PROPOSED NATURE
75	RESIDENT ID-117	240,402.00	Portion of claim amount filed as Priority	216,362.00	GENERAL UNSECURED
49	RESIDENT ID-127	664,050.00	Portion of claim amount filed as Priority	537,881.00	GENERAL UNSECURED
101	RESIDENT ID-212	274,762.80	Portion of claim amount filed as Priority	274,763.00	GENERAL UNSECURED
102	RESIDENT ID-212	274,762.80	Duplicate Claim	-	GENERAL UNSECURED
164	RESIDENT ID-217	463,430.00	Portion of claim amount filed as Priority	417,087.00	GENERAL UNSECURED
165	RESIDENT ID-217	463,340.00	Duplicate Claim	-	GENERAL UNSECURED
107	RESIDENT ID-245	541,890.00	Secured	541,890.00	GENERAL UNSECURED
143	RESIDENT ID-245	541,890.00	Duplicate Claim	-	GENERAL UNSECURED
71	RESIDENT ID-282	590,000.00	Escrow Resident	-	GENERAL UNSECURED
93	RESIDENT ID-292	555,273.00	Portion of claim amount filed as Priority	555,273.00	GENERAL UNSECURED
125	RESIDENT ID-354	818,100.00		818,100.00	GENERAL UNSECURED
130	RESIDENT ID-354	UNLIQUIDATED	Duplicate Claim	-	GENERAL UNSECURED
186	RESIDENT ID-1387	449,100.00		449,100.00	GENERAL UNSECURED
115	RESIDENT ID-1387	2,663,991.60	Duplicate Claim	-	GENERAL UNSECURED
121	RESIDENT ID-1387	784,600.00	Duplicate Claim	-	GENERAL UNSECURED
123	RESIDENT ID-1387	2,663,991.60	Duplicate Claim	-	GENERAL UNSECURED
137	RESIDENT ID-1387	784,600.00	Duplicate Claim	-	GENERAL UNSECURED
138	RESIDENT ID-1387	2,663,991.60	Duplicate Claim	-	GENERAL UNSECURED
161	RESIDENT ID-1394	316,478.00		316,478.00	GENERAL UNSECURED
86	RESIDENT ID-1394	316,478.00	Duplicate Claim	-	GENERAL UNSECURED
129	RESIDENT ID-1398	649,485.00	Unliquidated & Secured	649,485.00	GENERAL UNSECURED
23	RESIDENT ID-1402	589,095.00	Portion of claim amount filed as Priority	589,095.00	GENERAL UNSECURED
22	RESIDENT ID-1403	269,910.00	Portion of claim amount filed as Priority	269,910.00	GENERAL UNSECURED
117	RESIDENT ID-1407	552,843.00	Unliquidated & Secured	539,343.00	GENERAL UNSECURED
53	RESIDENT ID-1411	420,000.00	Portion of claim amount filed as Priority	420,300.00	GENERAL UNSECURED
118	RESIDENT ID-1422	510,294.40	Unliquidated & Secured	507,098.80	GENERAL UNSECURED
80	RESIDENT ID-1424	UNLIQUIDATED	Unliquidated & Secured	412,020.00	GENERAL UNSECURED
81	RESIDENT ID-1424	UNLIQUIDATED	Duplicate Claim	-	GENERAL UNSECURED
82	RESIDENT ID-1424	UNLIQUIDATED	Duplicate Claim	-	GENERAL UNSECURED
157	RESIDENT ID-1424	UNLIQUIDATED	Duplicate Claim	-	GENERAL UNSECURED
158	RESIDENT ID-1424	UNLIQUIDATED	Duplicate Claim	-	GENERAL UNSECURED
148	RESIDENT ID-1438	875,601.90	Portion of claim amount filed as Priority	875,602.00	GENERAL UNSECURED
159	RESIDENT ID-1438	875,601.90	Duplicate Claim	-	GENERAL UNSECURED

POC #	RESIDENT ID	POC AMOUNT	NATURE	SCHEDULED & PROPOSED ALLOWED AMOUNT	PROPOSED NATURE
98	RESIDENT ID-1441	618,921.00		618,921.00	GENERAL UNSECURED
96	RESIDENT ID-1441	618,921.00	Duplicate Claim	-	GENERAL UNSECURED
128	RESIDENT ID-1443	452,952.00	Unliquidated & Secured	452,952.00	GENERAL UNSECURED
12	RESIDENT ID-1446	335,327.04		335,327.00	GENERAL UNSECURED
33	RESIDENT ID-1446	335,327.04	Duplicate Claim	-	GENERAL UNSECURED
170	RESIDENT ID-1446	UNLIQUIDATED	Duplicate Claim	-	GENERAL UNSECURED
113	RESIDENT ID-1455	333,164.00	Portion of claim amount filed as Priority	333,164.00	GENERAL UNSECURED
109	RESIDENT ID-1461	432,224.00	Portion of claim amount filed as Priority	432,224.00	GENERAL UNSECURED
183	RESIDENT ID-1461	432,224.00	Duplicate Claim	-	GENERAL UNSECURED
106	RESIDENT ID-1477	672,984.00	Escrow Resident	-	GENERAL UNSECURED
122	RESIDENT ID-1521	589,095.00	Unliquidated & Secured	589,055.00	GENERAL UNSECURED
141	RESIDENT ID-1521	589,095.00	Duplicate Claim	-	GENERAL UNSECURED
111	RESIDENT ID-1522	837,810.00	Unliquidated & Secured	837,810.00	GENERAL UNSECURED

27,062,006.68

11,989,240.80