

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:

MIDWEST CHRISTIAN VILLAGES, INC.
et al,¹

Debtors.

Chapter 11

Case No. 24-24-42473-659
(Joint Administration Requested)

Hearing Date: July 17, 2024
Hearing Time: 2:00 p.m. (CT)
Hearing Location: Courtroom 7N

DEBTORS' APPLICATION FOR AUTHORITY TO EMPLOY
SUMMERS COMPTON WELLS LLC AS
LOCAL COUNSEL FOR THE DEBTORS

The above-captioned debtors and debtors-in-possession (the “Debtors”), by and through their proposed counsel, submit this motion (the “Motion”) for entry of an order, pursuant to section 327(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Federal Rules of Bankruptcy Procedure 2014, 2016 and 5002 (“Bankruptcy Rules 2014, 2016 and 5002”) and Local Rules 2014-1(A), 2016-1 and 9062-1 (the “Bankruptcy Rules”) and apply to the Court for authority to employ the firm of Summers Compton Wells LLC (“SCW”) as their local bankruptcy counsel. In support of this Motion, the Debtors respectfully represent as follows:

¹ The address of the Debtors headquarters is 2 Cityplace Dr, Suite 200, Saint Louis, MO 63141-7390. The names and last four digits of the Debtors’ federal tax identification numbers are: (i) Midwest Christian Villages, Inc. [5009], (ii) Hickory Point Christian Village, Inc. [7659], (iii) Lewis Memorial Christian Village [3104], (iv) Senior Care Pharmacy Services, LLC [1176], (v) New Horizons PACE MO, LLC [4745], (vi) Risen Son Christian Village [9738], (vii) Spring River Christian Village, Inc. [1462], (viii) Christian Homes, Inc. [1562], (ix) Crown Point Christian Village, Inc. [4614], (x) Hoosier Christian Village, Inc. [3749], (xi) Johnson Christian Village Care Center, LLC [8262], (xii) River Birch Christian Village, LLC [7232], (xiii) Washington Village Estates, LLC [9088], (xiv) Christian Horizons PEO, LLC [4871], (xv) Wabash Christian Therapy and Medical Clinic, LLC [2894], (xvi) Wabash Christian Village Apartments, LLC [8352], (xvii) Wabash Estates, LLC [8743], (xviii) Safe Haven Hospice, LLC [6886], (xix) Heartland Christian Village, LLC [0196], (xx) Midwest Senior Ministries, Inc. [3401] and (xxi) Shawnee Christian Nursing Center, LLC [0068].



BACKGROUND

1. On July 16, 2024 (the “Petition Date”), the Debtors filed voluntary petitions for relief pursuant to chapter 11 of the Bankruptcy Code.
2. The Debtors continue in the operation and management of their business as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.
3. No trustee, examiner or official committee has been appointed in these chapter 11 cases.
4. Simultaneously with or on or about the same day of the filing of this Motion, the Debtors filed the *Declaration of Kate Bertram in Support of the Debtors’ Chapter 11 Petition and First Day Motions* (the “First Day Declaration”). As described in more detail in the First Day Declaration, the Debtors operate a mix of independent, assisted, and supportive living skilled nursing campuses in 11 locations across the Midwest, serving over 1,200 residents.
5. The Debtors filed Chapter 11 cases to pursue one or more going concern sales and/or going concern affiliates for each of their facilities.

JURISDICTION AND VENUE

6. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
7. The statutory predicates for the relief sought herein are sections 327(a) of the Bankruptcy Code and Bankruptcy Rules 2014, 2016 and 5002 (“Bankruptcy Rules 2014, 2016 and 5002”) and Local Rules 2014-1(A), 2016-1 and 9062-1.

RELIEF REQUESTED

8. Debtors desire to employ the law firm of Summers Compton Wells LLC (hereinafter "SCW"), attorneys duly qualified to practice before this Court, to advise Debtors as local bankruptcy with respect to this proceeding.

9. Debtors require the services of attorneys to represent them and assist them in carrying out the duties of debtors-in-possession under sections 1107 and 1108 of the Bankruptcy Code.

10. SCW has agreed to charge fees in this matter on an hourly basis and to seek reimbursement of actual and necessary fees and expenses pursuant to section 330(a)(1) of the Bankruptcy Code. Fees to be charged in these cases range from \$425.00 per hour to \$495.00 per hour for principals of and counsel to the firm; from approximately \$275.00 per hour to \$400.00 per hour for associates; and from \$200.00 to \$250.00 per hour for paralegals and legal assistants and from \$175.00 to \$200.00 per hour for law clerks. These hourly rates are subject to periodic adjustments to reflect economic and other conditions.

11. The primary professionals anticipated to be handling these matters will be as follows:

<u>Professional</u>	<u>Hourly Rate</u>
David A. Sosne - Principal	\$490.00
Brian J. LaFlamme - Principal	\$450.00
Seth A. Albin-Principal	\$450.00
Paralegals	\$200.00-250.00
Law Clerks	\$165.00-195.00

12. Debtors wish to employ SCW under what customarily has been called a retainer in bankruptcy cases but, pursuant to the Missouri Rules of Professional Conduct for attorneys, should be called an advance payment, of about Thirty Thousand Dollars (\$30,000.00), because of the extensive legal services anticipated in this proceeding. Payment of this advance amount,

as well as any filing fee in this case, was made prior to the Petition Date. In addition, SCW received additional funds from the Debtors for pre-petition services as disclosed in its Rule 2016(b) statement filed contemporaneously herewith.

13. The professional services to be rendered by SCW to the Debtors include, without limitation, working with lead counsel:

- a) Evaluating the Companies' financial situation;
- b) Evaluating the Companies' various options to deal with its financial situation, including determining which options are available to it, which options are best suited to their financial situation, and how to proceed with any chosen option;
- c) If the Companies decide to pursue one or more bankruptcy cases, evaluating any filing and the timing of any such filing;
- d) Assisting in the preparation of the documentation necessary to proceed with the Companies' chosen option;
- e) If the Companies decide to pursue the bankruptcy option, assisting in all aspects of the cases; and
- f) Performing all other matters relevant or related to the Chapter 11 representation described hereinabove, as requested by the Companies, lead counsel or required by law or Local Rule.

14. It is the Debtors and SCW's intent that SCW will be paid for its services on a monthly basis by the Debtors pursuant to Local Rule 2016-2(B), that SCW file periodic fee applications with this Court pursuant to the Local Rules, and that SCW will draw down upon its retainer/advanced payment as fees are earned and paid with Debtor's paying additional fees once the advanced payment as fees are earned and paid with Debtors paying such additional fees once the advance payment is fully drawn down.

15. To the best of the Debtors' knowledge, SCW is a disinterested person within the meaning of 11 U.S.C. § 101(14) and presently represents no interest adverse to the Debtors or the bankruptcy estates in any of the matters upon which they are to be engaged, and their

employment would be in the best interests of this estate. As discussed in greater detail in the Affidavit of David A. Sosne of SCW in support of this Application, SCW previously represented one or more of Debtors' vendors or other parties in interest in matters unrelated to this bankruptcy case. Debtors have been fully informed of the past and potential ongoing representations and hereby evidences their consent to the continued representation in matters unrelated to this proceeding. The Debtors and SCW believe that previous representation of the entity/s, if any, listed in the Affidavit will not in any way adversely affect SCW's representation of the Debtors.

16. The Affidavit of David A. Sosne of SCW in support of this Application, as well as the Rule 2016 Disclosure of SCW, contemporaneously are filed herewith and expressly are incorporated by reference herein.

17. The employment of SCW should be approved effective as of the Petition Date in this matter with SCW having the right to seek compensation from the Debtors for professional services rendered on and after that date.

NO PREVIOUS REQUEST

18. No previous application for the relief sought herein has been made to this or any other Court.

NOTICE

19. The Motion and notice of this Motion will be served respectively to Master Service List No. 1 (dated July 16, 2024) and Master Notice List No. 1 (dated July 16, 2024). Notice of this Motion and any order entered hereon will be served in accordance with Local Rule 9013-3(A)(1). The Debtors submit that, under the circumstances, no other or further notice is required.

WHEREFORE, the Debtors respectfully request entry of an order granting the relief requested herein, together with such other and further relief as the Court deems just and proper.

<p>Dated: July 16, 2024</p> <p>St. Louis, Missouri</p> <p>Approved: Debtors By /s/ Kate Bertram Kate Bertram President/CEO</p>	<p>Respectfully submitted, DENTONS US LLP</p> <p>Stephen O'Brien #43977MO DENTONS US LLP 211 N Broadway Ste 3000 St. Louis, MO 63102 Telephone: (314) 241-1800 stephen.obrien@dentons.com Robert E. Richards (<i>pro hac vice</i> pending) Samantha Ruben (<i>pro hac vice</i> pending) Elysa Chew (<i>pro hac vice</i> pending)</p> <p>DENTONS US LLP 233 S. Wacker Drive, Suite 5900 Chicago, Illinois 60606-6404 Telephone: (312) 876-8000 robert.richards@dentons.com samantha.ruben@dentons.com elysa.chew@dentons.com</p> <p>– and –</p> <p><u>/s/ David A. Sosne</u> David A. Sosne #28365MO SUMMERS COMPTON WELLS LLC 903 South Lindbergh Blvd., Suite 200 St. Louis, Missouri 63131 Telephone: (314) 991-4999 dsosne@scw.law</p> <p><i>Proposed Co-Counsel to the Debtors and Debtors-in-Possession</i></p>
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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:

MIDWEST CHRISTIAN VILLAGES, INC.
et al,¹

Debtors.

Chapter 11

Case No. 24-42473-659
(Joint Administration Requested)

Hearing Date: July 17, 2024
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AFFIDAVIT OF DAVID A. SOSNE IN SUPPORT OF
APPLICATION TO EMPLOY SUMMERS COMPTON WELLS LLC
AS LOCAL COUNSEL FOR THE
DEBTORS AND DEBTORS-IN-POSSESSION

STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

David A. Sosne, being duly sworn, deposes and states as follows:

1. I am an attorney at law duly licensed to practice in the State of Missouri and I am admitted to practice before the bars of, *inter alia*, the State of Missouri, and the United States District Court for the Eastern District of Missouri.

2. I am a principal in the firm of Summers Compton Wells LLC ("SCW"), which maintains its offices at 903 S. Lindbergh Blvd, Suite 200, St. Louis, Missouri 63131

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3. I am an experienced bankruptcy practitioner and have handled the types of matters likely to arise in this reorganization case.

4. The professional services to be rendered by SCW to Midwest Christian Villages, Inc., and its debtor affiliates, debtors and debtors-in-possession in the above-captioned case (each a “Debtor” and, collectively, the “Debtors”), include, without limitation, working with lead counsel to:

- a) Evaluating the Companies’ financial situation;
- b) Evaluating the Companies’ various options to deal with its financial situation, including determining which options are available to it, which options are best suited to their financial situation, and how to proceed with any chosen option;
- c) If the Companies decide to pursue one or more bankruptcy cases, evaluating any filing and the timing of any such filing;
- d) Assisting in the preparation of the documentation necessary to proceed with the Companies’ chosen option;
- e) If the Companies decide to pursue the bankruptcy option, assisting in all aspects of the cases; and
- f) Performing all other matters relevant or related to the Chapter 11 representation described hereinabove, as requested by the Companies, lead counsel or required by law or Local Rule.

5. SCW has attempted to determine its past and present involvement, if any, with the Debtors, the Debtors’ creditors and other interested parties. SCW’s review of its client records for past and present representations of the Debtors, creditors and other interested parties reveals the existence of the following connections and/or relationships with such parties:

- (a) SCW previously represented AmerisourceBergen, a vendor to the Debtors, in certain matters unrelated to Debtors or these proceedings. AmerisourceBergen does not owe SCW any amounts as of the Petition Date and the representation has ceased.

(b) SCW previously represented one or more Debtors more than 8 years ago, providing general legal services unrelated to the matters pertaining to the filing of these cases.

(c) SCW does not believe that the foregoing matters and representation will interfere with or impair SCW's professional judgment in representing the Debtors.

Further, SCW does not believe that the existence of these matters creates an appearance of professional impropriety on SCW's part or that these matters create a conflict that would or should disqualify SCW from representing the Debtors in these cases.

7. I believe that I and the other attorneys of SCW are disinterested and represent no interest adverse to the estate in the matter upon which SCW is to be engaged by the Debtors.

8. SCW will apply for compensation for its services rendered and reimbursement for its expenses incurred in accordance with sections 330 and 331 of the Bankruptcy Code, Federal Rules of Bankruptcy Procedure 2014, 2016 and 2017, Local Rules 2014 and 2016 of the United States Bankruptcy Court for the Eastern District of Missouri, and the Guidelines for Compensation of Professionals promulgated by the Office of the United States Trustee.

9. No payments have been made to SCW for services rendered, or to be rendered, in connection with this Chapter 11 case, other than under what customarily has been called a retainer in bankruptcy matters but, pursuant to the Missouri Rules of Professional Conduct for attorneys, should be called an advanced payment of Thirty Thousand Dollars (\$30,000.00), plus such other compensation and payments as set forth in the Rule 2016 Disclosure of Compensation of SCW accompanying the Application to Employ Summers Compton Wells LLC as Counsel for the Debtors. From the advanced payments, SCW has drawn down pre-petition \$9,888.50 for pre-petition fees, leaving a balance to be held in trust the sum of \$29,111.50.

10. It is the Debtors' and SCW's intent that SCW will be paid for its services on a monthly basis by the Debtors pursuant to Local Rule 2016-2(B), that SCW file periodic fee applications with this Court pursuant to the Local Rules, and that SCW will draw down upon its retainer/advanced payment as fees are earned and paid with Debtors paying such additional fees once the advanced payment as fees are earned and paid with Debtors paying such additional fees once the advanced payment is fully drawn down.

11. Subject to approval of this Court, it is anticipated that the source of all compensation for professional services to be rendered on behalf of the Debtors shall be funds from the Debtors and their bankruptcy estates.

12. No agreement exists between SCW and any other person, other than members of SCW, for the sharing of compensation to be received by SCW in connection with services rendered in this case.

FURTHER AFFIANT SAYETH NOT.

/s/ David A. Sosne
DAVID A. SOSNE

STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

On this 16th day of July, 2024, before me, a Notary Public, in and for said state, personally appeared David A. Sosne, known to me to be the person who executed the within Affidavit, and acknowledged to me that he executed the same for the purposes therein stated.

Subscribed and sworn to before me this 16th day of July, 2024.

CHRISTINA HAUCK
My Commission Expires
August 5, 2026
Jefferson County, Missouri
Commission #14692322

/s/ Christina Hauck
NOTARY PUBLIC

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**RULE 2016 DISCLOSURE OF COMPENSATION OF
SUMMERS COMPTON WELLS LLC**

Pursuant to 11 U.S.C. § 329(a), Federal Rule of Bankruptcy Procedure 2016(b), and Local Rule of the United States Bankruptcy Court for the Eastern District of Missouri 2016-1(A), Summers Compton Wells LLC ("SCW"), attorneys for the above captioned and footnoted entities, as debtors and debtors-in-possession (each a "Debtor" and, collectively, the "Debtors") makes the following statement of the compensation paid or agreed to be paid to it for services rendered or to be rendered in contemplation of and in connection with the above captioned case within one year before the filing of the Debtors' Chapter 11 cases:

1. SCW will be paid at the following rates for its services in this case: \$425.00 per hour to \$495.00 per hour for principals of and counsel to the firm; from approximately \$275.00

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per hour to \$400.00 per hour for associates; and from \$200.00 to \$250.00 per hour for paralegal and legal assistant time and from \$165.00 to \$195.00 per hour for law clerks.

2. The specific attorneys presently anticipated to be primarily responsible for this matter are:

<u>Professional</u>	<u>Hourly Rate</u>
David A. Sosne – Principal	\$490.00
Brian J. LaFlamme - Principal	\$450.00
Seth A. Albin-Principal	\$450.00

The rates may be adjusted from time to time, which adjustments will be disclosed in the billing statements and fee applications.

3. SCW will be reimbursed for its actual, reasonable and necessary out-of-pocket expenses.

4. SCW has not shared or agreed to share any portion of its compensation with any other person, other than members of SCW.

5. It is anticipated that the source of all compensation for professional services and reimbursement for out-of-pocket expenses rendered or to be rendered on behalf of the Debtors during the present Chapter 11 cases is from the initial advanced payment on hand, which advanced payment was paid with funds of the Debtors, together with such other funds from the Debtors and their bankruptcy estates, except as otherwise disclosed or to be disclosed. All amounts paid or sought shall be subject to the approval of the Court.

6. SCW has received payments for fees and expenses from and on behalf of the Debtors in the year immediately prior to the filing of these cases: (a) \$30,000 on or about June 20, 2024, plus (b) \$9,000 on July 15, 2024. After credit of certain of the aforesaid monies to amounts due for pre-petition services and expenses for filing fees, SCW has \$29,111.50 on hand

remaining as funds for what customarily has been called a retainer which presently is held in SCW's trust account.

7. I hereby certify that the foregoing is a complete statement of any agreement or arrangement for payment to me or my law firm for representation of the Debtors in these bankruptcy proceedings.

Respectfully submitted,

SUMMERS COMPTON WELLS LLC

Date: July 16, 2024

By: /s/ David A. Sosne

David A. Sosne, Esq. #28365MO

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