

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:

MIDWEST CHRISTIAN VILLAGES, INC.
et al,

Debtors.

Chapter 11

Case No. 24-42473-659
Jointly Administered

Related Docket No. 5

**INTERIM ORDER (I) PROHIBITING UTILITY PROVIDERS FROM ALTERING,
REFUSING, OR DISCONTINUING UTILITY SERVICES; (II) DETERMINING
ADEQUATE ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES;
(III) ESTABLISHING PROCEDURES FOR DETERMINING ADEQUATE
ASSURANCE OF PAYMENT; AND (IV) GRANTING RELATED RELIEF**

Upon the Motion¹ of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an interim order (this “**Interim Order**”): (i) prohibiting utility providers from (a) altering, refusing or discontinuing services to or discriminating against, the Debtors on account of any outstanding amounts for services rendered prepetition or (b) drawing upon any existing security deposit, surety bond or other form of security to secure future payment for utility services; (ii) determining adequate assurance of payment for future utility services; (iii) establishing procedures for determining adequate assurance of payment for future utility services (the “**Adequate Assurance Procedures**”); and (iv) granting related relief; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and Rule 81-9.01(B)(1) of the Local Rules of the United States District Court for the Eastern District of Missouri; and the Court having found that this is a core proceeding pursuant to 28

¹ Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Motion.



U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Utility Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “**Hearing**”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED on an interim basis** as set forth herein.
2. The final hearing (the “**Final Hearing**”) on the Motion shall be held on **August 14, 2024 at 10:00 a.m.** (prevailing Central Time) in the United State Bankruptcy Court, 111 S. Tenth Street, **Courtroom 7 North**, St. Louis, Missouri, 63102. Any objections or responses to entry of a final order on the Motion (the “**Final Order**”) shall be filed on or before **4:00 p.m. (prevailing Central Time), on August 7, 2024** and shall be served on: (a) the Debtors, 2 Cityplace Dr, Suite 200, Saint Louis, MO 63141-7390; (b) proposed counsel to the Debtors (i) Dentons US LLP, 211 N Broadway Ste 3000, St. Louis, MO 63102, Attention: Stephen O’Brian and 233 S. Wacker Drive, Suite 5900, Attention: Robert Richards, Samantha Ruben, and Elysa Chew, (ii) Summers Compton Wells LLC, 903 South Lindbergh Blvd., Suite 200, St. Louis, Missouri 63131, Attention: David A. Sosne; (c) the Office of the United States Trustee for the Eastern District of Missouri; (d) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (e) counsel to UMB Bank, N.A.: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Attention: Daniel Bleck and Aaron Williams, One Financial Center, Boston, MA 02111; (f) counsel to any statutory committee appointed in these chapter 11 cases; (i) the United States Attorney’s Office

for the Eastern District of Missouri; (j) the Internal Revenue Service; (k) the United States Securities and Exchange Commission; (l) the state attorneys general for all states in which the Debtors conduct business; (m) any party that has requested notice pursuant to Bankruptcy Rule 2002; and (n) the parties on the Utility Service List. If no objection or response is timely filed and served, the Court may enter the Final Order without need for the Final Hearing.

3. The Debtors are authorized, but not directed, to pay prepetition obligations related to Utility Agent Fees in accordance with prepetition practices.

4. The following Adequate Assurance Procedures are approved in all respects:

- a. If an amount relating to Utility Services provided postpetition by a Utility Provider is unpaid, and remains unpaid beyond any applicable grace period, such Utility Provider may request a disbursement from the Adequate Assurance Account by giving notice to: (i) the Debtors, 2 Cityplace Dr, Suite 200, Saint Louis, MO 63141-7390; (ii) proposed counsel to the Debtors, (A) Dentons US LLP, 211 N Broadway Ste 3000, St. Louis, MO 63102, Attention: Stephen O'Brian and 233 S. Wacker Drive, Suite 5900, Attention: Robert Richards, Samantha Ruben, and Elysa Chew, and (B) Summers Compton Wells LLC, 903 South Lindbergh Blvd., Suite 200, St. Louis, Missouri 63131, Attention: David A. Sosne; (iii) counsel to UMB Bank, N.A.: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Attention: Daniel Bleck and Aaron Williams, One Financial Center, Boston, MA 02111; and (iv) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases (collectively, the "**Adequate Assurance Notice Parties**"). The Debtors shall honor such request within five (5) business days after the date the request is received by the Debtors, subject to the ability of the Debtors and any such requesting Utility Provider to resolve any dispute regarding such request without further order of the Court; provided that in no event shall a Utility Provider be permitted to receive aggregate disbursements in excess of the total amount set forth for such Utility Provider under the column labeled "Proposed Adequate Assurance Deposit" on the Utility Services List.
- b. The portion of the Adequate Assurance Deposit attributable to each Utility Provider shall be removed from the account and returned to the Debtors on the earlier of (i) the Debtors' termination of Utility Services from such Utility Provider or (ii) the effective date of any chapter 11 plan approved in these chapter 11 cases.

- c. Any Utility Provider desiring additional assurances of payment must serve a written request (an “**Additional Assurance Request**”) on the Adequate Assurance Notice Parties so that it is actually received by the Adequate Assurance Notice Parties no later than twenty (20) days after the entry of an order granting the relief requested herein (the “**Request Deadline**”).
- d. Any Additional Assurance Request must (i) set forth the location(s) for which Utility Services are provided, the account number(s) for such location(s), and the outstanding balance for each account, (ii) provide a report on and certify the Debtors’ payment history on each account for the previous twelve (12) months, (iii) disclose any existing security deposit, (iv) provide an explanation of why the requesting Utility Provider believes the Proposed Adequate Assurance is not Adequate Assurance of future payment, and (v) specify the amount and nature of Adequate Assurance that would be satisfactory to the Utility Provider.
- e. Without further order of the Court, the Debtors may (i) enter into agreements granting additional Adequate Assurance to a Utility Provider, including cash deposits, prepayments, or other forms of security if determined by the Debtors to be reasonable, and (ii) extend the Debtors’ time to file a Determination Motion (as defined below).
- f. If the Debtors determine that an Additional Assurance Request is unreasonable, then such Utility Provider shall have the greater of (i) twenty (20) days from the receipt of the Proposed Orders or (ii) thirty (30) days from the entry of the Proposed Orders (the “**Resolution Period**”) to negotiate with the Debtors to resolve the Utility Provider’s Additional Assurance Request; provided that the Debtors and Utility Provider may extend the Resolution Period by mutual agreement. If a resolution is not reached within the Resolution Period, then the Debtors shall file a motion (the “**Determination Motion**”) pursuant to section 366(c)(3) of the Bankruptcy Code seeking a determination from the Court that the Adequate Assurance Deposit, plus any additional consideration offered by the Debtors, constitutes Adequate Assurance of payment. Pending resolution of any such Determination Motion, the Utility Provider filing such Additional Assurance Request shall be prohibited from altering, refusing, or discontinuing service to the Debtors on account of the commencement of these chapter 11 cases, unpaid charges for prepetition services, or on account of any objections to the Debtors’ Proposed Adequate Assurance.
- g. The Proposed Adequate Assurance shall be deemed Adequate Assurance of payment for any Utility Provider that fails to make an Additional Assurance Request.

5. The Utility Providers are prohibited from requiring additional adequate assurance of payment other than pursuant to the Adequate Assurance Procedures.

6. The Adequate Assurance Deposit shall be deemed adequate assurance of payment for any Utility Provider that fails to make an Additional Assurance Request.

7. The Debtors will cause a copy of this Interim Order, including the Adequate Assurance Procedures, to be served on any subsequently identified Utility Provider and any such Utility Provider shall be bound by the Adequate Assurance Procedures.

8. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized, but not directed, to receive, process, honor and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

9. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or this Interim Order or any payment made pursuant to this Interim Order shall constitute, nor is it intended to constitute, an admission as to the validity or priority of any claim or lien against the Debtors, a waiver of the Debtors' rights to subsequently dispute such claim or lien, or the assumption or adoption of any agreement, contract or lease under Bankruptcy Code § 365.

10. Notwithstanding anything to the contrary contained herein, any payment made or to be made under this Interim Order, any authorization contained in this Interim Order, or any claim for which payment is authorized hereunder, shall be subject to any orders of this Court


approving any debtor in possession financing for, or any use of cash collateral by, the Debtors and the budget governing such debtor in possession financing and use of cash collateral.

11. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

12. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules are satisfied by such notice.

13. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective upon its entry.

14. No later than two (2) business days after the date of this Interim Order, the Debtors shall serve a copy of the Interim Order on the Notice Parties and shall file a certificate of service no later than 24 hours after service.


KATHY A. SURRATT-STATES
U.S. Bankruptcy Judge

DATED: July 19, 2024
St. Louis, Missouri
jjh

Order Prepared By:

Stephen O'Brien
(MoBar # 43977)
DENTONS US LLP
211 N Broadway Ste 3000
St. Louis, MO 63102
Telephone: (314) 241-1800
stephen.obrien@dentons.com

Robert E. Richards (*pro hac vice* pending)
Samantha Ruben (*pro hac vice* pending)
Elysa Chew (*pro hac vice* pending)
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

– and –

David A. Sosne
(MoBar # 28365)
SUMMERS COMPTON WELLS LLC
903 South Lindbergh Blvd., Suite 200
St. Louis, Missouri 63131
Telephone: (314) 991-4999
dsosne@scw.law

Proposed Co-Counsel to the Debtors and Debtors-in-Possession