

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
(Jointly Administered)

Hearing Date: March 26, 2025
Hearing Time: 10:00 a.m. (CT)
Hearing Location: Courtroom 7 North

**MOTION FOR ENTRY OF ORDER AUTHORIZING DEBTORS TO:
(1) IMPLEMENT A RECORDS RETENTION POLICY THAT INCLUDES DISPOSAL
OF CERTAIN BUSINESS AND OTHER RECORDS, INCLUDING CERTAIN PATIENT
AND NON-PATIENT RECORDS; AND (2) OBTAIN RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) file this motion (this “**Motion**”) for entry of an order (the “**Order**”) authorizing the Debtors to: (1) implement an alternative document retention policy (the “**Alternative Record Retention Policy**”) for certain business and other records, including patient and non-patient records,² in both paper and electronic form, which policy differs from the Debtors’ current record retention policy, pursuant to §§ 105(a), 351, 363(c), and 554(a) of title 11 of the United States Code (the

¹ The address of the Debtors is Christian Horizons, c/o HMP, 1033 Demonbreun Street, Suite 200, Nashville, TN 37203. The 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 Living, 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].

² “Patient Records” are defined in the Bankruptcy Code as “any record relating to a patient, including a written document or a record recorded in a magnetic, optical, or other form of electronic medium.” 11 U.S.C. § 101(40B).



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“**Bankruptcy Code**”)³⁴ and (2) provide such other and further relief that may be just and proper.

In support of the Motion, the Debtors rely on the *Declaration of Shawn O’Conner in Support of Motion for Entry of Order Authorizing Debtors to: (1) Implement a Records Retention Policy that Includes Disposal of Certain Business and Other Records, Including Certain Patient Records; and (2) Obtain Related Relief*, attached hereto as **Exhibit A** (the “**O’Conner Declaration**”) and incorporated herein by reference.

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 §§ 1107 and 1108.

3. On August 8, 2024, the United States Trustee for the Eastern District of Missouri (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors pursuant to section 1102 [Docket No. 121] (the “**Committee**”).

4. No trustee or examiner has been appointed in these chapter 11 cases.

5. On July 16, 2024, the Debtors filed the *Declaration of Kate Bertram in Support of the Debtors’ Chapter 11 Petition and First Day Motions* [Docket No. 3] (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 1,000 residents. There is also a pharmacy business.

³ All references to § herein are to sections of the Bankruptcy Code. All references to “**Bankruptcy Rules**” are to provisions of the Federal Rules of Bankruptcy Procedure. All references to “**LBR**” are to provisions of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Eastern District of Missouri.

⁴ The Debtors understand their obligation to maintain any litigation holds for pending or anticipated litigation, and will retain and preserve any such records as required.

6. The Debtors filed these chapter 11 cases to pursue one or more going concern sales and/or going concern affiliations for each of their facilities. On November 12, 2024 at 10:00 a.m. (CT), the Debtors' conducted an auction with respect to the Debtors' assets. On November 27, 2024, the Court approved the sale orders approving the asset purchase agreements between the Debtors and the successful bidders for the sale of the Debtors' assets. [Docket Nos. 501-504]. On December 16, 2024, the Court held the final Sale Hearing, which granted relief on a final basis on December 20, 2024. [Docket Nos. 532-536].

7. As of the date of the filing of this Motion, sales for eight (8) of the twelve (12) facilities have already closed.

8. In the course of their operations, the Debtors maintain business and other records, including patient, employee, tax and other non-patient records, in both paper and electronic form. For those records related to a specific facility that has been or will be sold in these chapter 11 cases, the buyer for that facility will be responsible for maintaining such records going forward, to the extent required by law. However, for those records that have not and will not be transferred to a buyer of one of the Debtors' facilities, the Debtors request authority to implement the Alternative Record Retention Policy for the reasons more fully set forth below.

Jurisdiction

9. The United States Bankruptcy Court for the Eastern District of Missouri, Eastern Division (the "**Court**") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

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

11. The statutory bases for the relief requested herein are §§ 105, 351, 363, 554, 1107, and 1108 and Bankruptcy Rule 6011.

Relief Requested

12. In this Motion, the Debtors move for entry of the Order authorizing the Debtors to:

(1) implement the Alternative Record Retention Policy for certain business and other records, including patient and non-patient records, in both paper and electronic form, which policy differs from the Debtors' current record retention policy, pursuant to §§ 105(a), 351, 363(c), and 554(a); and (2) provide such other and further relief that may be just and proper.

Relevant Background to the Motion

13. Historically and postpetition, the Debtors created and maintained business and other records, including patient and non-patient records, both in paper and electronic form, in the ordinary course of their business. As further detailed in **Exhibit 1** of the O'Conner Declaration attached hereto as **Exhibit A**, the records at issue in this Motion fall into the following categories: Medical Records; Medicare and Medicaid Cost Reports (which may include Health Insurance Portability and Accountability Act of 1996 ("**HIPPA**") and/or Protected Health Information ("**PHI**") data); Accounting / Financial Records (*e.g.*, billing records; cash receipts; bank statements; cost reports; audits, tax returns and various other tax documents; fixed assets; accounts payable invoices; P-card reports; bond information; previous audits; appraisals); Employment Records (*e.g.*, payroll records; P-card reports; W2s; various other tax documents; garnishments; annuity information; associate records); Business Records (*e.g.*, associate records; marketing files; community architect's files; organizational documents); and Nursing Home Records.

14. Under various applicable state and federal law, the Debtors (and/or subsequent purchasers) are required to maintain these records for a period of three to ten (3-10) years, depending on the type of record. *See e.g.*, Mo. Ann. Stat. § 198.052(6) (in Missouri, medical records must be maintained for five (5) years after resident leaves facility); *id.* at § 198.052(7)

(new operator must preserve former operator's records in accordance with obligations under § 198.052(6) and elsewhere); *id.* at § 198.052(3) (all financial information, data, and records relating to the operation and reimbursement of the facility must be maintained for seven (7) years); *id.* at § 290.520 (certain employee records must be maintained for three (3) years); *id.* at § 144.320 (certain corporate tax records must be maintained for three (3) years); 210 Ill. Comp. Stat. Ann. 85/6.17(c) (in Illinois, medical records must be maintained for ten (10) years); *id.* at 9/105 (service delivery contracts and related documents executed by a resident or former resident must be maintained for three (3) years); Ill. Admin. Code tit. 56, § 280.140 (certain employee records must be maintained for three (3) years); 805 Ill. Comp. Stat. Ann. 180/1-40(a)(3) and -(4) (certain corporate tax records must be maintained for three (3) years); Ind. Code Ann. § 16-39-7-1 (in Indiana, medical records must be maintained for at least seven (7) years); *id.* at § 23-1-52-1 (certain corporate records must be maintained for three (3) years).

15. As permitted by various applicable state and federal laws, certain business and other records, including patient and non-patient records, in both paper and electronic format, of the Debtors are subject to various asset purchase agreements and have been or will be transferred to the purchaser of the Debtors' property, where such records will be maintained by the purchasers in accordance with applicable law. Specifically, any such records currently belonging to the following:

- a. the Indiana Communities (Crown Point Christian Village and Hoosier Christian Village);
- b. the Illinois Market-Rate Communities and Pharmacy (Hickory Point Christian Village, Lewis Memorial Christian Village, Christian Homes, Inc. d/b/a The Christian Village, River Birch Christian Village, LLC d/b/a River Birch Living, and Senior Care Pharmacy Services LLC);
- c. the Supportive Living Communities and Low-Income Apartments (Washington Village Estates, LLC, Wabash Estates, LLC, and Wabash Christian Apartments, LLC); and

- d. the Iowa/Missouri Communities (Risen Son Christian Village and Spring River Christian Village, Inc.)

are subject to various asset purchase agreements and have been or will be transferred to the following:

- i. Casa Healthcare LLC;
- ii. CarDon Real Estate Investment Company LLC;
- iii. CH Arcadia Holdco, LLC; and
- iv. RNG BEHCN CL MG LLC,

as the case may be, as part of the sale of those assets. *See e.g., Notice of Filing of Declaration of K. Nicholas Glaisner of Ziegler in Support of Sale Motion* [Docket No. 487].

16. This means, among other things, that patients of these facilities will have continued access to their medical records by requesting copies from the purchaser of the respective property. Various state and federal authorities who have interests in these various business and other records, including patient and non-patient records, also have the requisite access.

17. In addition, as detailed in **Exhibit 1** to the O'Conner Declaration, the Debtors are currently maintaining a significant volume of documents in electronic form and in paper form at: (1) Iron Mountain in Lincoln, Illinois; (2) Iron Mountain in St. Louis, Missouri; (3) Iron Mountain in East Peoria, Illinois; (4) Iron Mountain in Louisville, Kentucky; and (5) Iron Mountain in Hazelwood, Missouri. The records at these locations are not well organized and some have been comingled with the documents of other Debtors' records. Some of the paper records go back decades. The Debtors have been in business for over sixty (60) years.

18. At all relevant times, the Debtors have implemented certain records retention policies that comported with state and federal law. However, the cost to index, store, and act as the custodian of records for the records identified in **Exhibit 1** attached to **Exhibit A** hereto, on an ongoing basis, would be material over the course of the next ten (10) years.

19. As a result of the Debtors' liquidity and winddown, the Debtors have sold or are in the process of selling substantially all of their assets and will not continue operating any of their facilities. In any event, the Debtors do not have sufficient funds to continue to maintain custody of the records identified in **Exhibit 1** attached to **Exhibit A** hereto in accordance with otherwise applicable state and federal law. Thus, paying to store these records is simply an unnecessary expense that only diminishes creditor recoveries. These records are also not needed to process claims against the Debtors, to pursue avoidance actions, or for other winddown purposes. Thus, the Debtors believe that the continued maintenance of many of these records, at all or in strict accordance with otherwise applicable state and federal law, is not in the best interests of the Debtors' estates or their creditors.

20. Accordingly, the Debtors instead propose to implement the Alternative Record Retention Policy, which will result in either the turnover of such documents to the purchaser of the Debtors' assets or the disposal of such documents, as set forth herein. Specifically, for those documents that are not currently located at or already identified as pertaining to a particular facility (which in the latter case would enable the Debtors to easily transfer such documents to the respective purchasers for a relatively low cost), the Debtors hereby seek authority to shred or otherwise destroy such documents on or as reasonably practicable after the date (the "**Destruction Date**") that is immediately following the date that is 365 days (the "**Waiting Period**") from the date of publication of notice (the "**Published Notice**") of this Motion, to the extent that such documents remain in the possession and/or control of the Debtors; *provided that*, (a) the Debtors will, within 180 days from the date of this Motion (the "**Notice Deadline**"), notify by mail (i) the Attorneys General for the states of Illinois, Missouri, and Indiana, which are the relevant governing authorities regarding relevant non-patient business records and the like, and (ii) those patients

discharged within the last ten (10) years whose patient records may be at issue, (b) the Debtors will, prior to the expiration of the Waiting Period, provide such Attorneys General and patients with the opportunity to retrieve the relevant records, in the first instance, (c) the Debtors will, prior to the expiration of the Waiting Period, notify the United States Department of Health and Human Services (“**DHHS**”), which is the relevant federal governing authority under Bankruptcy Rule 6011 (for patient records only), and (d) the Debtors will, prior to the expiration of the Waiting Period, provide DHHS with the opportunity to notify the Debtors of its intent, or lack thereof, to accept deposit of any or all patient records upon the expiration of the Waiting Period; *provided further that*, the Debtors will not destroy any patient records to the extent that DHHS notifies the Debtors prior to the expiration of the Waiting Period of its intent to accept deposit of such patient records.

21. The Debtors believe this Alternative Records Retention Policy is in the best interests of all of the Debtors’ estates, creditors, patients, and other parties in interest for the reasons that follow.

Basis for Relief

22. Broadly, § 351 provides for the proper retention and/or destruction of patient records, § 363(c) provides a debtor with general authorization to use or dispose of property in the ordinary course of business, and § 554(a) allows a debtor in possession to abandon property of the estate that is burdensome or that is of inconsequential value. Furthermore, § 105(a) provides that the Court may “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” When read together, these sections of the Bankruptcy Code provide authority for the Debtors to implement the Alternative Record Retention Policy, which seeks to

apply the general framework of § 351 to certain of the Debtors' business and other records, including patient and non-patient records, as identified in Exhibit 1 attached to Exhibit A hereto.

23. Of particular relevance here, “[d]uties that arise when a health care business is ceasing operations, such as proper destruction or retention of patient records . . . are covered under § 351 . . . of the Bankruptcy Code . . . and allow the Trustee to carry out such functions.” *In re Banes*, 355 B.R. 532, 536 (Bankr. M.D.N.C. 2006). Section 351 specifically provides that “[i]f a healthcare business commences a case under chapter . . . 11, and the trustee does not have a sufficient amount of funds to pay for the storage of the patient records in the manner required under applicable Federal or State law,” then, subject to certain specified requirements, the trustee may “destroy those records” by “shredding or burning the records” if they are written or by “otherwise destroying those records so that those records cannot be retrieved” if they are “magnetic, optical, or other electronic records.” 11 U.S.C. §§ 351, 351(3); *accord In re LLSS Mgmt. Co., Inc.*, No. 07-02678-5-ATS, 2008 WL 395184, *2 (Bankr. E.D.N.C. Feb. 11, 2008); *Banes*, 355 B.R. at 536; *In re 7-Hills Radiology, LLC*, 350 B.R. 902, 903 n.2 (Bankr. D. Nev. 2006) (noting that “health care business[es] are restricted in the way in which they may dispose of patient records” under § 351).

24. Section 351 further provides that, before the trustee or debtor is authorized to destroy a debtor's patient records, he or she must first publish notice in one or more appropriate newspapers, and that if the patient's records are not claimed by the patient or an insurance provider within 365 days after the date of the notification, then the trustee will destroy the patient's records. *See* 11 U.S.C. § 351(1)(A).

25. Section 351 also provides that, during the first 180 days of the 365 day period following the published notices, the trustee must properly attempt to notify each patient and

insurance carrier, concerning the patient records by mailing an appropriate notice regarding the claiming or disposing of the patient records to the most recent known address of: (1) the patient, or a family member or contact person for that patient, and (2) the appropriate insurance carrier. *See id.* at § 351(1)(B). Bankruptcy Rule 6011 requires that this notice also be given to the Attorneys General for any states where the healthcare facility is located. FED. R. BANKR. P. 6011(b).

26. Section 351 further provides that if the patient records are not claimed within 365 days of the date of the published notices, the trustee shall send by certified mail a written request to each appropriate federal agency to request permission to deposit the patient records with that agency. 11 U.S.C. § 351(2). Only after the 365 day period following the published notices has elapsed and the patient records have not been claimed by a patient or insurance provider, and a request to deposit the patient records with the appropriate federal agency has not been granted, may the trustee destroy the patient records. *See id.* at § 351(3); *see also LLSS Mgmt. Co.*, 2008 WL 395184, at *2.

27. Here, the Debtors should be authorized to destroy the patient records under § 351, and using § 351 as a general guideline, the non-patient business and other records in the ordinary course of business under §§ 105(a), 363(c), and 554. **First**, patients at all of the Debtors' facilities will have continued access to their medical records by requesting copies from the purchaser of the respective property. Similarly, various state and federal authorities who have interests in these various business and other records, including patient and non-patient records, will also have the requisite access. **Second**, the cost to index, store, and act as the custodian of records for the records identified in **Exhibit 1** attached to **Exhibit A** hereto, on an ongoing basis, would be approximately \$[•] over the course of the next ten (10) years. This is cost-prohibitive and would be extremely

harmful for the Debtors' estates to bear. Not only do the Debtors not have sufficient funds to continue to maintain custody of these records, but paying to store these records is simply an unnecessary expense that only diminishes creditor recoveries. *Third*, these records are not needed to process claims against the Debtors, to pursue avoidance actions, or for other winddown purposes.

28. Therefore, the Debtors seek authority to comply with all requirements under § 351 and Bankruptcy Rule 6011 regarding the disposition of the records at issue here, including:

- i. Publication of the Notice on the proposed disposal of patient records in newspapers of general circulation, to include the *USA Today*, the *Chicago Tribune*, the *St. Louis Post-Dispatch*, and the *Indianapolis Star* (*i.e.*, the Published Notice);
- ii. Prompt notification of all patients discharged within the last ten (10) years whose patient records may be at issue, applicable insurance carriers, and the Attorneys General for any states where the healthcare facility is located, including but not limited to Illinois, Missouri, and Indiana, within 180 days of the Published Notice regarding the claiming and disposing of the relevant records, consistent with § 351(1)(B);
- iii. Notification of the DHHS to request permission to deposit any patient records with DHHS, to the extent such patient records have not been claimed during the Waiting Period by patients or the appropriate insurance carrier; and
- iv. Destruction of the records in the manner specified in § 351(3) if the records have not been retrieved during the Waiting Period, unless DHHS has notified the Debtors of its intent to accept deposit of such records.

29. The Debtors believe that the Alternative Records Retention Policy is in the best interests of the Debtors' estates, creditors, patients, and other parties in interest and complies with the spirit and intent of the Bankruptcy Code. To the extent that the Court finds that any portion of the Alternative Records Retention Policy does not strictly comply with the plain language of any otherwise applicable law, the Debtors believe they have demonstrated sufficient grounds for waiver. For the foregoing reasons, the Debtors request the Court grant the Motion in full.

No Prior Request

30. No prior request for the relief sought in this Motion has been made to this or any other court.

Notice

31. The Motion will be provided Master Service List No. 1 (dated February 5, 2025) and the Notice of Hearing on the Motion will be served on the Master Notice List No. 1 (dated February 5, 2025). 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.

Conclusion

32. Based upon the foregoing, the Debtors respectfully request that this Court enter an order: (i) authorizing the Debtors to implement the Alternative Records Retention Policy, pursuant to §§ 105(a), 351, 363(c), and 554(a), and (ii) granting to the Debtors such other relief as the Court deems just and proper under the circumstances.

Dated: March 5, 2025
St. Louis, Missouri

Respectfully submitted,

DENTONS US LLP

/s/ Stephen O'Brien

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

Exhibit A

(Shawn O'Conner Declaration)

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:

MIDWEST CHRISTIAN VILLAGES, INC.
et al.,⁵

Debtors.

Chapter 11

Case No. Case No. 24-42473-659
(Jointly Administered)

Hearing Date: March 26, 2025
Hearing Time: 10:00 a.m. (CT)
Hearing Location: Courtroom 7 North

**DECLARATION OF SHAWN O'CONNER IN SUPPORT OF MOTION FOR
ENTRY OF ORDER AUTHORIZING DEBTORS TO: (1) IMPLEMENT A RECORDS
RETENTION POLICY THAT INCLUDES DISPOSAL OF CERTAIN BUSINESS AND
OTHER RECORDS, INCLUDING CERTAIN PATIENT AND NON-PATIENT
RECORDS; AND (2) OBTAIN RELATED RELIEF**

The undersigned hereby declares under oath as follows:

1. I am a Managing Director with Healthcare Management Partners, LLC and serve as Chief Restructuring Officer ("**CRO**") of each of the above-captioned debtors and debtors in possession (collectively, the "**Debtors**").

2. I have more than a decade of experience in healthcare leadership. I have served as a Chief Executive Officer, Chief Business Development Officer, Senior Vice President of

⁵ The address of the Debtors headquarters is 2 Cityplace Dr, Suite 200, Saint Louis, MO 63141-7390. The 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 Living, 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].

Operations, a Regional Vice President of Operations, Regional Financial Controller, Director of Special Projects, and Licensed Nursing Home Administrator across over ten states. I have extensive experience in leading and directing operations in both single-site communities and multisite operations. My experience includes leadership development, strategic planning, business development, financial forecasting, and revenue growth.

3. I also have significant experience with investor-owned healthcare service providers. My executive level experience includes mergers, acquisitions, and turnaround situations, including restructuring in bankruptcy and over twenty (20) receiverships. In all of my many healthcare provider turnaround assignments, I have successfully designed and implemented plans that simultaneously added patient volume and revenues while conserving cash and reducing unit costs. I and my team have expert knowledge of the bankruptcy process as well as its implications and obligations on an operating provider of healthcare services.

4. Except as otherwise indicated herein, this declaration (the “**Declaration**”) is based upon my personal knowledge, my review of relevant documents, information provided to me by employees of the Debtors or the Debtors’ legal and financial advisors, or my opinion based upon my experience, knowledge, and information concerning the Debtors’ operations and the healthcare industry. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

5. This Declaration is in support of the *Motion For Entry Of Order Authorizing Debtors To: (1) Implement A Records Retention Policy That Includes Disposal Of Certain Business And Other Records, Including Certain Patient And Non-Patient Records; And (2) Obtain Related Relief* (“**Motion**”) and for all other purposes permitted by law.

6. Historically and postpetition, the Debtors created and maintained business and

other records, including patient and non-patient records, in both paper and electronic form, in the ordinary course of their business. As further detailed in **Exhibit 1** attached hereto, the records at issue in this Motion fall into the following categories: Medical Records; Medicare and Medicaid Cost Reports (which may include Health Insurance Portability and Accountability Act of 1996 (“**HIPPA**”) and/or Protected Health Information (“**PHI**”) data); Accounting / Financial Records (e.g., billing records; cash receipts; bank statements; cost reports; audits, tax returns and various other tax documents; fixed assets; accounts payable invoices; P-card reports; bond information; previous audits; appraisals); Employment Records (e.g., payroll records; P-card reports; W2s; various other tax documents; garnishments; annuity information; associate records); Business Records (e.g., associate records; marketing files; community architect’s files; organizational documents); and Nursing Home Records.

7. Under various applicable state and federal law, I understand that the Debtors (and/or subsequent purchasers) are required to maintain these records for a period of three to ten (3-10) years, depending on the type of record.

8. As permitted by various applicable state and federal laws, certain business and other records, including patient and non-patient records, of the Debtors are subject to various asset purchase agreements and have been or will be transferred to the purchaser of the Debtors’ property, where such records will be maintained by the purchasers in accordance with applicable law. Specifically, any such records currently belonging to the following:

- a. the Indiana Communities (Crown Point Christian Village and Hoosier Christian Village);
- b. the Illinois Market-Rate Communities and Pharmacy (Hickory Point Christian Village, Lewis Memorial Christian Village, Christian Homes, Inc. d/b/a The Christian Village, River Birch Christian Village, LLC d/b/a River Birch Living, and Senior Care Pharmacy Services LLC);

- c. the Supportive Living Communities and Low-Income Apartments (Washington Village Estates, LLC, Wabash Estates, LLC, and Wabash Christian Apartments, LLC); and
- d. the Iowa/Missouri Communities (Risen Son Christian Village and Spring River Christian Village, Inc.)

are subject to various asset purchase agreements and have been or will be transferred to the following:

- i. Casa Healthcare LLC;
- ii. CarDon Real Estate Investment Company LLC;
- iii. CH Arcadia Holdco, LLC; and
- iv. RNG BEHCN CL MG LLC,

as the case may be, as part of the sale of those assets. *See e.g., Notice of Filing of Declaration of K. Nicholas Glaisner of Ziegler in Support of Sale Motion* [Docket No. 487].

10. This means, among other things, that patients of these facilities will have continued access to their medical records by requesting copies from the purchaser of the respective property. Various state and federal authorities who have interests in these various business and other records, including patient and non-patient records, also have the requisite access.

11. In addition, as detailed in **Exhibit 1** hereto, the Debtors are currently maintaining a significant volume of documents in electronic form and in paper form at: (1) Iron Mountain in Lincoln, Illinois; (2) Iron Mountain in St. Louis, Missouri; (3) Iron Mountain in East Peoria, Illinois; (4) Iron Mountain in Louisville, Kentucky; and (5) Iron Mountain in Hazelwood, Missouri. The records at these locations are not well organized and some have been comingled with the documents of other Debtors' records. Some of the paper records go back decades. The Debtors have been in business for over 60 years.

12. At all relevant times, the Debtors have implemented certain records retention policies that comported with state and federal law. However, the cost to index, store, and act as

the custodian of records for the records identified in **Exhibit 1** attached hereto, on an ongoing basis, would be material over the course of the next ten (10) years.

13. As a result of the Debtors' liquidity and winddown, the Debtors have sold or are in the process of selling substantially all of their assets and will not continue operating any of their facilities. In any event, the Debtors do not have sufficient funds to continue to maintain custody of the records identified in **Exhibit 1** attached hereto in accordance with otherwise applicable state and federal law. Thus, paying to store these records is simply an unnecessary expense that only diminishes creditor recoveries. These records are also not needed to process claims against the Debtors, to pursue avoidance actions, or for other winddown purposes. Thus, the Debtors and I believe that the continued maintenance of many of these records, at all or in strict accordance with otherwise applicable state and federal law, is not in the best interests of the Debtors' estates or their creditors.

14. Accordingly, the Debtors instead propose to implement the Alternative Record Retention Policy, which will result in either the turnover of such documents to the purchaser of the Debtors' assets or the disposal of such documents, as set forth herein. Specifically, for those documents that are not currently located at or already identified as pertaining to a particular facility (which in the latter case would enable the Debtors to easily transfer such documents to the respective purchasers for a relatively low cost), the Debtors hereby seek authority to shred or otherwise destroy such documents on or as reasonably practicable after the date (the "**Destruction Date**") that is immediately following the date that is 365 days (the "**Waiting Period**") from the date of publication of notice (the "**Published Notice**") of this Motion, to the extent that such documents remain in the possession and/or control of the Debtors; *provided that*, (a) the Debtors will, within 180 days from the date of this Motion (the "**Notice Deadline**"), notify by mail (i) the

Attorneys General for the states of Illinois, Missouri, and Indiana, which are the relevant governing authorities regarding relevant non-patient business records and the like, and (ii) all patients discharged within the last ten (10) years whose patient records may be at issue, (b) the Debtors will, prior to the expiration of the Waiting Period, provide such Attorneys General and patients with the opportunity to retrieve the relevant records, in the first instance, (c) the Debtors will, prior to the expiration of the Waiting Period, notify the United States Department of Health and Human Services (“**DHHS**”), which is the relevant federal governing authority under Bankruptcy Rule 6011 (for patient records only), and (d) the Debtors will, prior to the expiration of the Waiting Period, provide DHHS with the opportunity to notify the Debtors of its intent, or lack thereof, to accept deposit of any or all patient records upon the expiration of the Waiting Period; *provided further that*, the Debtors will not destroy any patient records to the extent that DHHS notifies the Debtors prior to the expiration of the Waiting Period of its intent to accept deposit of such patient records.

9. The Debtors and I believe this Alternative Records Retention Policy is in the best interests of all of the Debtors’ estates, creditors, patients, and other parties in interest for the reasons above. Accordingly, the Debtors instead propose either to implement an alternative record retention policy, as further detailed herein, or to dispose of the relevant records in the manner specified in § 351.

FURTHER DECLARANT SAYETH NOT.

Date: March 5, 2025

/s/ Shawn O’Conner

Shawn O’Conner

Chief Restructuring Officer

**MIDWEST CHRISTIAN VILLAGES, INC. and
related Debtors**

Exhibit 1

(Records with Retention and Disposal Designations)

Current Records Location	Relevant Debtor or Affiliate	Type of Record	Non-Patient or Patient	Additional Details	Current Nonbankruptcy Record Retention Policy	Alternative Record Retention Policy
Lincoln, Illinois - Iron Mountain	Safe Haven Hospice, LLC	Medical and Employment Records	May include PHI data and Confidential Information.	Various boxes.	Shred in 10 years.	Shred in 365 days.
Lincoln, Illinois - Iron Mountain	Safe Haven Hospice, LLC; MCV Carelink, LLC	Medical and Employment Records	May include PHI data and Confidential Information.	40-60 boxes: obtained from Springfield, IL storage in Summer 2024.	Shred in 10 years.	Shred in 365 days.
Lincoln, Illinois - Warehouse	Christian Homes, Inc. d/b/a Washington Christian Village	Medical and Employment Records	May include PHI data and Confidential Information.	Various boxes.	Shred in 10 years.	Shred in 365 days.
Lincoln, Illinois - Iron Mountain	Home Office	Accounting / Financial Records; Employment Records	Non-Patient, Confidential Information	Various boxes: billing records; payroll records; cash receipts; bank statements; cost reports; audits, tax returns; fixed assets; accounts payable invoices; P-card reports;	Shred in 4 years.	Shred in 365 days.
Lincoln, Illinois - Iron Mountain	Home Office	Incorporation Records and Board Minutes for Formerly Owned Corporations	Non-Patient	Articles of Incorporation; Minute Books	Shred in 10 years.	Shred in 365 days.
Lincoln, Illinois - Walk-In Safe	Unknown	Accounting / Financial Records; Employment Records	Non-Patient	Various boxes: bond information; previous audits; appraisals; W2s; various tax documents; garnishments; payroll; annuity information.	Shred in 6 years.	Shred in 365 days.
St. Louis, Missouri - Iron Mountain	Assorted	Accounting Records; Business Records	Non-Patient	Various boxes: Home Office associate records prior to 2020; accounting permanent storage; permanent storage marketing files; community architect's files; New Horizons PACE associate records; organizational documents for all locations.	Shred in 7 years.	Shred in 365 days.

Current Records Location	Relevant Debtor or Affiliate	Type of Record	Non-Patient or Patient	Additional Details	Current Nonbankruptcy Record Retention Policy	Alternative Record Retention Policy
Lincoln, Illinois - Iron Mountain	Pleasant Meadows Christian Village	Unknown	Unknown	Divested in 2013.	Shred Immediately	Shred Immediately.
East Peoria, Illinois - Iron Mountain	Fair Havens Christian Village	Unknown	Unknown	Divested in 2019.	Shred in 2029.	Shred in 365 days.
Lincoln, Illinois - Iron Mountain	Bridgeway Christian Village	Unknown	Unknown	Divested in 2014.	Shred Immediately	Shred Immediately.
Louisville, KY - Iron Mountain	Christian Homes, Inc. d/b/a Wabash Christian Village	Medical and Employment Records	May include PHI data and Confidential Information.	Unknown.	Shred in 10 years.	Shred in 365 days.
Hazelwood, Missouri - Iron Mountain	Heartland Christian Village, LLC	Medical and Employment Records	May include PHI data and Confidential Information.	Divested in 2019.	Shred in 2029.	Shred in 365 days.
Hazelwood, Missouri - Iron Mountain	Shawnee Christian Nursing Center, LLC	Unknown	Unknown	Divested in 2019.	Shred in 2029.	Shred in 365 days.
Brownstown, Indiana - Hoosier Christian Village (Will be moved to Louisville, KY - Iron Mountain)	Johnson Christian Village	Unknown	Unknown	25 boxes.	Shred in 7 years.	Shred in 365 days.
Carmi, Illinois - Wabash Christian Supportive Living (Will be moved to Lincoln, Illinois - Iron Mountain)	Wabash Christian Therapy & Medical Clinic	Unknown	Unknown	Various boxes.	Shred in 10 years.	Shred in 365 days.
Electronic Records	Midwest Christian Villages, Inc.	Electronic Business Records	Confidential Information	Multiple drives.	Destroy in 10 years.	Destroy in 365 days.
Electronic Records	Christian Horizons Living, LLC	Electronic Employment Records	Confidential Information	Separate server for pre-2023 records & UKG Pro	Destroy in 7 years.	Destroy in 365 days.