UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:	**Chapter 11**
MIDWEST CHRISTIAN VILLAGES, INC. ***et al.*,**[1]	**Case No. 24-42473-659** **(Jointly Administered)**
Debtors.	Hearing Date: March 26, 2025 Hearing Time: 10:00 a.m. (CT) Hearing Location: Courtroom 7 North

DEBTORS' MOTION FOR ORDER UNDER 11 U.S.C. §§ 363 AND 105(a) AND FED. R. BANKR. P. 2002, 6004, 9006, AND 9019 ESTABLISHING PROCEDURES FOR REMAINING ASSET SALES

The above-captioned debtors and debtors-in-possession (the "**Debtors**"), by and through their counsel, submit this motion (the "**Sale Motion**") to the United States Bankruptcy Court for the Eastern District of Missouri (the "**Court**") for entry of an order, pursuant to §§ 363 and 105(a) of title 11 of the United States Code (the "**Bankruptcy Code**")[2] and Rules 2002, 6004, 9006 and 9019 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), establishing procedures (the "**Sale Procedures**") for the private sale or settlement (the "**Sale**") of some or all

[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 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].

[2] All references to § herein are to sections of the Bankruptcy Code.

of the Debtors' remaining assets, which include those certain illiquid, long-term investments consisting of ownership interests in certain limited partnerships pursuant to various subscription agreements (collectively, the "**Assets**"), free and clear of all liens, claims, encumbrances, and/or other interests (collectively, "**Interests**"), in each instance, conditioned only on the Debtors' ability to obtain the requisite consent of UMB Bank, N.A., in its capacity as bond trustee (the "**Bond Trustee**") and as applicable DIP Financier prior to each Sale closing; *provided that*, notice is also given to the Notice Parties (as defined herein) prior to each Sale closing. In support of this Sale Motion, the Debtors rely on the *Declaration of Shawn O'Conner in Support of the Debtors' Motion for Order under 11 U.S.C. §§ 363 and 105(A) and Fed. R. Bankr. P. 2002, 6004, 9006, and 9019 Establishing Procedures for Remaining Asset Sales*, attached hereto as **Exhibit A** (the "**O'Conner Declaration**") and incorporated herein by reference, and further respectfully represent as follows:

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.

6. The Debtors filed these chapter 11 cases to pursue one or more going concern sales and/or affiliations for each of their facilities and other assets.

7. Prior to filing the instant chapter 11 cases, the Debtors engaged Healthcare Management Partners ("**HMP**") as strategic advisors in assessing the Debtors' businesses and strategic alternatives for continued operations and/or sales of a portion or all of the Debtors' assets. HMP is a turnaround and consulting firm that specializes in assisting healthcare organizations experiencing financial challenges. At the recommendation of HMP, and after due consideration of HMP's recommendation by the Debtors, the Debtors engaged B.C. Ziegler and Company ("**Ziegler**"), a privately held investment bank, capital markets, and proprietary investments firm that specializes in the healthcare, senior living, and education sectors, as investment bankers to assist the Debtors with locating potential buyers for some or all of their assets, including the Assets at issue here, which must be sold via private Sale because there is no public market for such Assets.

8. Prior to the Petition Date, Ziegler facilitated Debtor Christian Homes, Inc.'s purchase of the Assets, which are certain illiquid, long-term investments consisting of ownership interests in certain limited partnerships pursuant to various subscription agreements, specifically including: (i) one (1) unit of Ziegler Link-Age Fund II, LP, with an estimated present-day net book value to the Debtors of approximately $288,769.00 per unit; and (ii) fifteen (15) units of Ziegler Link-Age Fund III, LP, with an estimated present-day net book value to the Debtors of approximately $146,299.00 per unit.[3] The market for buying these kinds of assets generally expect a closing within a business day or two (2) of the price being agreed to.

[3] Due to the nature of these Assets, which are illiquid, long-term investments, the Debtors anticipate that the present-day fair market value of these Assets will be at a significant illiquidity discount, which is a present-day discount of

9. Various of the Debtors' estates have other illiquid or longer-term assets. These include (i) interests in Caring Communities, which provides insurance for various not for profit clients; (ii) long-term reserves, holdback, or escrows from various prior sale transactions; and (iii) various investment returns. Additionally, other assets include: (i) a various potential tax refunds and credits including ERC credits; (ii) furniture, fixtures, and equipment at the Debtors' central office; (iii) funds that may ultimately be recovered from the Federal National Mortgage Association; (iv) receivables; and (v) any other inchoate assets, other than Chapter 5 causes of action.

10. As recognized in the *Supplemental Final Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; and (4) Granting Liens, Security Interests and Superpriority Claims* [Docket No. 377] (the "**Final DIP Order**"), UMB Bank, N.A., as either the Bond Trustee under the Bond Indentures (as defined in the Final DIP Order), or as successor master trustee (the "**Master Trustee**" and together with the Bond Trustee, the "**Trustee**") under the Master Indenture (as defined in the Final DIP Order), or in its capacity as Trustee, as lender (the "**DIP Lender**") with respect to the pre-petition bonds and the DIP Financing has a senior secured interest in the Assets. Because the Bond Trustee appears to be undersecured with respect to the Assets, the Debtors do not believe that any other party has a secured interest or other viable interest in the Assets.

11. Because, in the Debtors' business judgment, retaining and maintaining the Assets long-term is burdensome and no longer in the best interests of the estates, much less feasible or practical, Ziegler is actively soliciting buyers to purchase the Debtors' Assets. However, due to

their future fully liquid market valuation. Nevertheless, after conducting a cost-benefit analysis, the Debtors believe, in their business judgment, that selling these Assets now is in the best interests of the Debtors' estates.

the nature of some of these Assets and the Debtors' goals of maximizing their value for the benefit of the Debtors' estates and its creditors, once a buyer is identified, the Sale must close quickly – typically the next day. The Debtors believe that failure or inability to close quickly would likely result in a lack of interest on the part of any potential buyers, which would eliminate or substantially undermine the economic benefits that would be realized from any transactions, to the detriment of the Debtors' estates.

12. Some of the assets may be sold or liquidated in one-off transactions, while others may be sold or liquidated in conjunction with other assets.

13. Some may be settled with the counterparty to the escrow or holdback with the estate's portion then released to the estate or sold to a third party buyer.

14. The Debtors are soliciting bids from certain potential bidders who purchase remnant assets from bankruptcy estates and will be sharing those bids with the Bond Trustee and the other Notice Parties.

15. The Debtors believe the Sale of at least some of these Assets is normally an ordinary course of business transaction. Notwithstanding the foregoing, because the Debtors will be selling the Assets before they become fully liquid, and because some potential purchasers may be uncomfortable consummating the Sale without confirmation that (i) the Sale is authorized by the Court, and (ii) the Sale will be free and clear of Interests under § 363(f), the Debtors believe this Motion is appropriate.

16. By this Motion, to avoid unnecessary costs and delay that could jeopardize the value the Debtors may realize from these illiquid, long-term investments, the Debtors seek advance authority from this Court to sell and close on the Debtors' Assets to buyers, free and clear of all Interests, conditioned only on the Debtors' ability to obtain the requisite consent of the Bond

Trustee prior to each Sale closing – all without the need for further motion, hearing, or Court order at the time of the Sale; *provided that*, notice is also given to the Notice Parties (as defined herein) prior to each Sale closing.

17. Some of the reserves, refunds, and/or holdbacks may not otherwise be received until 2026 or later. Allowing the Sales to occur in the next few months of 2025 will expedite the structured dismissal or closing of these pending Chapter 11 cases.

JURISDICTION AND VENUE

18. 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).

19. The statutory predicates for the relief sought herein are §§ 105 and 363 and Bankruptcy Rules 2002, 6004, 6006, and 9019.

RELIEF REQUESTED

20. By this Motion, the Debtors seek entry of an order, pursuant to §§ 105 and 363, providing advance authority to the Debtors to consummate the Sale of the Debtors' Assets to buyers, all free and clear of all Interests, conditioned only on the Debtors' ability to obtain the requisite consent of the Bond Trustee prior to each Sale closing; *provided that*, notice is also given to the Notice Parties (as defined herein) prior to each Sale closing. For the reasons set forth below in greater detail, for the purpose of maximizing the consideration to be realized by the Debtors' estates for the Assets, the Debtors respectfully request that the Court grant this Sale Motion.

PROPOSED SALE PROCEDURES

21. In connection with the proposed Sale of the Assets, and to optimally and

expeditiously sell the Assets, the Debtors request that the Court dispense with the requirements of notice and a hearing for the Sale of the Assets, and instead establish certain uniform Sale Procedures by which the Debtors may undertake the Sale of the Assets, which include:

(i) Business Judgment Standard: The Debtors are authorized to consummate the Sale of the Assets without further order of the Court or prior notice to any party if the Debtors determine in a reasonable exercise of their business judgment that such a Sale is in the best interest of the Debtors' estates; *provided that*, prior to execution of an asset purchase agreement between the Debtors and the potential buyer, the Debtors will (a) obtain the requisite written consent from the Bond Trustee, and (b) no later than five (5) days prior to the Sale, serve notice of the Sale via electronic mail to counsel for the Committee and the Office of the United States Trustee (the "**U.S. Trustee**," and together with the Committee the "**Notice Parties**").

(ii) Sale Free and Clear: Any such Sale of the Assets shall be free and clear of all Interests, with any valid and properly perfected Interests attaching only to the Sale proceeds with the same validity, extent, and priority as immediately prior to the Sale.

(iii) Good Faith Purchaser: Each purchaser of one or more units of the Assets pursuant to such a Sale will be afforded the protections of § 363(m) as a good faith purchaser.

(iv) Sale Reports: Within seven (7) days of closing a Sale of the Assets, the Debtors will file with the Bankruptcy Court a notice reporting the Sale, which identifies (a) the details of the Asset at issue, (b) the name of the buyer and any relationship such party has with the Debtors, (c) any parties known to the Debtors as holding Interests on the Asset at issue and a statement indicating whether (i) all such Interests are capable of monetary satisfaction, or (ii) the holders of such Interests have consented

to the Sale, (d) the date and time of the closing of the Sale, and (e) the purchase price of the Assets and any other significant terms of the Sale, along with (e) a statement from the Debtors confirming that, in the Debtors' reasonable exercise of their business judgment and in consultation with the Debtors' advisors, the Assets were sold pursuant to these Sale Procedures, with the Bond Trustee's prior written consent and after notice to the Notice Parties.[4]

22. All Asset Sales undertaken pursuant to the foregoing Sale Procedures will be deemed a sale made free and clear of any Interests of any entity in the Assets. Any party asserting an Interest in the Assets will be protected by having such Interest attach to the net proceeds of the Sales, subject to any claims and defenses the Debtors may possess with respect thereto.

23. The Debtors believe that these Sale Procedures will maximize the likelihood that they can effectively negotiate and consummate the Sale of the Assets, while simultaneously protecting the legitimate interests of the estates' creditors. Therefore, the Debtors submit that the establishment of the foregoing Sale Procedures is in the best interests of the Debtors' estates, their creditors, and other parties in interest in these chapter 11 cases. The Assets have little, if any, utility to the applicable Debtor as long-term investments. Their Sale, however, will general additional value for the Debtors' estates and their creditors. Moreover, implementation of the foregoing Sale Procedures will promote judicial economy and make cost effective these Assets that would otherwise be a loss to the estates.

[4] Notwithstanding anything in the Sale Procedures or this Motion, to the extent the Debtors determine that it is in the best interests of the Debtors' estates and their creditors to sell the Assets to an insider of the Debtors, the Debtors shall file a motion with the Court requesting approval of such sale.

ARGUMENT

A. Approval of the Sale Procedures is Appropriate and in the Best Interests of the Debtors' Estates and Stakeholders.

24. Section 363(b)(1) provides that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate[.]" 11 U.S.C. § 363(b)(1). Section 105(a) provides in pertinent part that "[t]he Court may issue any order, process or judgment that is necessary and appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Bankruptcy Rules 2002 and 6004 govern the scope of the notice to be provided in the event a debtor elects to sell property of the estate under § 363.

25. With respect to the procedures to be adopted in conducting a sale outside the ordinary course of a debtor's business, Bankruptcy Rule 6004 provides only that such sale may be by private sale or public auction, and requires only that the debtor provide an itemized list of the property sold together with the prices received upon consummation of the sale. Fed. R. Bankr. P. 6004(f).

26. Neither the Bankruptcy Code nor the Bankruptcy Rules contain specific provisions with respect to the procedures to be employed by a debtor in conducting a public or private sale. Nonetheless, as one court has stated, "[i]t is a well-established principle of bankruptcy law that the objective of bankruptcy rules and the [debtors'] duty with respect to such sales is to obtain the highest price or greatest overall benefit possible for the estate." *In re Atlanta Packaging Prods., Inc.*, 99 B.R. 124, 131 (Bankr. N.D. Ga. 1988).

27. Furthermore, in light of the demonstrable benefits of the streamlined Sale Procedures to sell the Assets and the legal justifications described herein, this Court and other bankruptcy courts have approved procedures similar to the Sale Procedures in other chapter 11 cases. *See, e.g.*, *In re Briggs & Stratton Corp.*, No. 20-43597-399 (Bankr. E.D. Mo Nov. 9, 2020)

(authorizing sales up to $2,500,000 pursuant to remaining asset sale procedures); *In re Noranda Aluminum*, No. 16-10083 (Bankr. E.D. Mo. Apr. 15, 2016) (authorizing sales up to $ 2 million pursuant to de minimis asset sale procedures); *In re Arch Coal, Inc.*, No. 16-40120 (CER) (Bankr. E.D. Mo. Feb. 24, 2016) (authorizing sales up to $7.5 million pursuant to de minimis asset sale procedures); *see also In re EP Energy Corp.*, No. 19-35654 (MI) (Bankr. S.D. Tex. Apr. 27, 2020) (authorizing sales up to $10 million pursuant to de minimis asset sale procedures); *In re Bristow Group Inc.*, No. 19-32713 (Bankr. S.D. Tex. July 22, 2019) (authorizing sales up to $10 million pursuant to de minimis asset sale procedures); *In re iHeartMedia, Inc.*, No. 18-31274 (Bankr. S.D. Tex. June 21, 2018) (authorizing sales up to $15 million pursuant to de minimis asset sale procedures); *In re Westinghouse Electric Company LLC*, No. 17-10751 (Bankr. S.D.N.Y January 25, 2018) (authorizing sales up to $5 million pursuant to de minimis asset sale procedures); *In re Vanguard Natural Resources, LLC*, No. 17-30560 (Bankr. S.D. Tex. March 1, 2017) (authorizing sales up to $10 million pursuant to de minimis asset sale procedures); *In re CHC Group Ltd.*, No. 16-31854 (Bankr. N.D. Tex. Dec. 5, 2016) (authorizing sales up to $10 million pursuant to de minimis asset sale procedures); *In re Energy Future Holdings Corp.*, No. 14-10979 (Bankr. D. Del. Jun. 3, 2014) (authorizing sales up to $5 million pursuant to de minimis asset sale procedures); *In re Visteon Corp.*, No. 09-11786 (Bankr. D. Del. July 16, 2009) (authorizing sales up to $10 million pursuant to de minimis asset sale procedures); *In re Charter Communications, Inc.*, Case No. 09-11435 (Bankr. S.D.N.Y. Apr. 15, 2009) (authorizing sales up to $15 million pursuant to de minimis asset sale procedures); *In re Calpine Corp.*, Case No. 05-60200 (Bankr. S.D.N.Y. March 1, 2006) (authorizing sales up to $15 million pursuant to de minimis asset sale procedures).

28. Here, the Sale Procedures are designed to promote the paramount goal of any proposed sale of property of the Debtors' estates: maximizing the value of Sale proceeds received

by the estates and preventing further diminution in the value of the estate's assets. Because there is no public market in which to sell these Assets, the Debtors require the ability to act quickly to consummate a Sale once the Debtors, with the assistance of their advisors, identify a potential purchaser who offers to purchase the Assets for fair amount in a private Sale. This is precisely what the Sale Procedures enable the Debtors to do: act quickly to realize the maximum amount possible in exchange for the Assets, while still ensuring certain safeguards are in place (*i.e.*, consent of the Bond Trustee and notice to the Notice Parties), and transparency is maintained (*e.g.*, through post-closing reporting). Failure to authorize the Sale Procedures would eliminate or substantially undermine the economic benefits that would be realized from any transactions, to the detriment of the Debtors' estates. Accordingly, the Sale Procedures should be approved because, under the circumstances, they are reasonable, appropriate, and in the best interests of the Debtors, their estates, creditors, and all parties in interest.

B. The Sale of the Assets Should be Approved Under § 363 as a Sound Exercise of the Debtors' Business Judgment.

29. The Debtors have determined in their business judgment that the Sale of the Assets through a private sale is the best way to maximize the value of the Assets under § 363(b). Although § 363 does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, a sale of a debtor's assets should be authorized if a sound business purpose exists for doing so. *See, e.g.*, *In re Channel One Comm., Inc.*, 117 B.R. 493, 496 (Bankr. E.D. Mo. 1990) (citing *Comm. of Equity Sec. Holders* v. *Lionel Corp.* (*In re Lionel Corp.*), 722 F.2d 1063, 1071 (2d Cir. 1983)); *In re The Landing,* 156 B.R. 246, 249 (Bankr. E.D. Mo. 1993) (citing *In re George Walsh Chevrolet*, 118 B.R. 99, 102 (Bankr. E.D. Mo. 1990)); *see also Meyers v. Martin* (*In re Martin*), 91 F.3d 389, 395 (3d Cir. 1996) (citing *Fulton State Bank v. Schipper* (*In re Schipper*), 933 F.2d 513, 515 (7th Cir. 1991)); *Official Comm. of*

Unsecured Creditors v. The LTV Corp. (*In re Chateaugay Corp.*), 973 F.2d 141, 143 (2d Cir. 1992); *Stephen Indus., Inc. v. McClung*, 789 F.2d 386 (6th Cir. 1986); *In re Trilogy Dev. Co., LLC*, No. 09-42219-DRD-11, 2010 Bankr. LEXIS 5636, at *3-4 (Bankr. W.D. Mo. 2010); *Committee of Asbestos-Related Litigants and/or Creditors v. Johns-Manville Corp.* (*In re Johns-Manville Corp.*), 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986).

30. Courts typically consider the following factors in determining whether a proposed sale satisfies this standard: (i) whether a sound business justification exists for the sale; (ii) whether adequate and reasonable notice of the sale was provided to interested parties; (iii) whether the sale will produce a fair and reasonable price for the property; and (iv) whether the parties have acted in good faith. *See In re George Walsh Chevrolet*, 118 B.R. at 102; *In re The Landing*, 156 B.R. at 249; *In re Decora Indus., Inc.*, Case No. 00-4459, 2002 WL 32332749, at *2 (D. Del. May 20, 2002) (citing *In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991)). Where a debtor demonstrates a valid business justification for a decision, it is presumed that "in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company." *Official Comm. of Subordinated Bondholders v. Integrated Res., Inc.* (*In re Integrated Res., Inc.*), 147 B.R. 650, 656 (S.D.N.Y. 1990) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)).

31. Notably, courts emphasize that the business judgment rule is not an onerous standard and may be satisfied "'as long as the proposed action appears to enhance the debtor's estate.'" *Crystalin, LLC v. Selma Props. Inc.* (*In re Crystalin, LLC*), 293 B.R. 455, 463-64 (B.A.P. 8th Cir. 2003) (quoting *Four B. Corp. v. Food Barn Stores, Inc.* (*In re Food Barn Stores, Inc.*), 107 F.3d 558, 566 n.16 (8th Cir. 1997) (emphasis in original, internal alterations and quotations omitted)); *see also In re AbitibiBowater*, 418 B.R. 815, 831 (Bankr. D. Del. 2009) (the business

judgment standard is "not a difficult standard to satisfy"). Under the business judgment rule, "management of a corporation's affairs is placed in the hands of its board of directors and officers, and the Court should interfere with their decisions only if it is made clear that those decisions are, *inter alia*, clearly erroneous, made arbitrarily, are in breach of the officers' and directors' fiduciary duty to the corporation, are made on the basis of inadequate information or study, are made in bad faith, or are in violation of the Bankruptcy Code." *In re Farmland Indus., Inc.*, 294 B.R. 855, 881 (Bankr. W.D. Mo. 2003) (citing *In re United Artists Theatre Co.*, 315 F.3d 217, 233 (3d Cir. 2003); *Richmond Leasing Co. v. Cap. Bank, N.A.*, 762 F.2d 1303 (5th Cir. 1985); *In re Defender Drug Stores, Inc.*, 145 B.R. 312, 317 (B.A.P. 9th Cir. 1992)); *see also In re Food Barn Stores, Inc.*, 107 F.3d at 567 n. 16 ("[w]here the [debtor's] request is not manifestly unreasonable or made in bad faith, the court should normally grant approval as long as the proposed action appears to enhance the debtor's estate.") (citing *Richmond Leasing Co.*, 762 F.2d at 1309); *In re Farmland Indus. Inc.*, 294 B.R. 903 at 913 (approving the rejection of employment agreements and noting that "[u]nder the business judgment standard, the question is whether the [proposed action] is in the Debtors' best economic interests, based on the Debtors' best business judgment in the circumstances.") (citations omitted).

32. Again, the paramount goal in any proposed sale of property of the estate is to either maximize the proceeds received by the estate and/or prevent further diminution in the value of the estate's assets. *See, e.g.*, *In re Food Barn Stores, Inc*., 107 F.3d at 564-65 (in bankruptcy sales, "a primary objective of the Code [is] to enhance the value of the estate at hand"); *Integrated Resources*, 147 B.R. at 659 ("It is a well-established principle of bankruptcy law that the . . . [trustee's] duty with respect to such sales is to obtain the highest price or greatest overall benefit possible for the estate.") (*quoting In re Atlanta Packaging Prods., Inc*., 99 BR. 124, 130 (Bankr.

N.D. Ga. 1988)); *In re Dania Corp.*, 400 F.2d 833 (5th Cir. 1968), *cert denied*, 393 U.S. 1118 (1969); *see also In re San Jacinto Glass Indus.*, 93 B.R. 934, 944 (Bankr. S.D. Tex. 1988); *In re Continental Air Lines, Inc.*, 780 F.2d 1223 (5th Cir. 1986). As long as the sale appears to enhance a debtor's estate, court approval of a debtor's decision to sell should only be withheld if the debtor's judgment is clearly erroneous, too speculative, or contrary to the provisions of the Bankruptcy Code. *GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd.*, 331 B.R. 251, 255 (N.D. Tex. 2005); *In re Lajijani*, 325 B.R. 282, 289 (B.A.P. 9th Cir. 2005); *In re WPRV-TV, Inc.*, 143 B.R. 315, 319 (D.P.R. 1991) ("The trustee has ample discretion to administer the estate, including authority to conduct public or private sales of estate property. Courts have much discretion on whether to approve proposed sales, but the trustee's business judgment is subject to great judicial deference.").

33. Applying § 363, the proposed Sale of the Assets should be approved. As set forth above, the Debtors have determined that the best method of maximizing the recovery of the Debtors' estates—and avoiding diminution in value and longer term holding and administration costs—is through the Sale of the Assets, which would otherwise sit idle, provide no present value to the Debtors' estates, and would be costly to retain and maintain on a long-term basis. As to assurance of value, Ziegler and/or HMP, who both specialize in the healthcare sector and has experience evaluating and marketing these types of assets to potential buyers who may be interested, will conduct a thorough sales process consistent with the requirements of the Bankruptcy Code, the Bankruptcy Rules, and pursuant to the Sale Procedures approved by the Court, which specifically includes the requirement that the Bond Trustee provide its prior written consent to the Sale. As a result, the fairness and reasonableness of the consideration to be paid by the purchaser will be demonstrated by adequate "market exposure" and a fair, transparent

process—the best means, under the circumstances, for establishing whether a fair and reasonable price is being paid.

34. The Sale Procedures will expedite the flow of cash into the estates and will eliminate the cost-prohibitive need to maintain the Assets until they are fully liquid. Thus, the Sale Procedures constitute the most efficient, cost-effective way to capitalize on the value of the Assets while protecting the best interests of the Debtors, their estates, and their creditors.

C. The Debtors have Established that the Sale of the Assets Free and Clear of Interests is Authorized by § 363(f).

35. The Debtors further submit that it is appropriate to sell the Assets free and clear of Interests pursuant to § 363(f), with any such Interests attaching to the sale proceeds of the Assets to the extent applicable. Section 363(f) authorizes a trustee to sell assets free and clear of liens, claims, encumbrances, and/or other interests if:

(1) applicable nonbankruptcy law permits the sale of such property free and clear of such interests;

(2) such entity consents;

(3) such interest is a lien and the price at which such property is to be sold is greater than the value of all liens on such property;

(4) such interest is in bona fide dispute; or

(5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f); *see also Lindsay v. Ipock,* 732 F.2d 619, 622 (8th Cir.1984) (citing the conditions set forth in section 363(f)). This provision is supplemented by § 105(a), which provides that "[t]he Court may issue any order, process or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a).

35. Because § 363(f) is drafted in the disjunctive, satisfaction of any one of its five requirements will suffice to permit the sale of the Debtors' Assets "free and clear" of Interests.

The Mutual Life Inc. Co. of New York v. Red Oak Farms, Inc. (*In re Red Oak Farms, Inc.*), 36 B.R. 856, 857–858 (Bankr. W.D. Mo. 1984); *In re Dundee Equity Corp*., No. 89-B-10233, 1992 Bankr. LEXIS 436, at *12 (Bankr. S.D.N.Y. Mar. 6, 1992) ("Section 363(f) is in the disjunctive, such that the sale free of the interest concerned may occur if any one of the conditions of § 363(f) have been met."); *In re Bygaph, Inc*., 56 B.R. 596, 606 n.8 (Bankr. S.D.N.Y. 1986) (same); *Michigan Employment Sec. Comm'n v. Wolverine Radio Co.* (*In re Wolverine Radio Co.*), 930 F.2d 1132, 1147 n.24 (6th Cir. 1991) (stating that § 363(f) is written in the disjunctive; holding that the court may approve the sale "free and clear" provided at least one of the subsections of § 363(f) is met).

36. At least one of the tests of § 363(f) is satisfied with respect to the Sale of the Assets because, prior to any such Sale, the Debtors will obtain the written consent of the Bond Trustee. Moreover, although the Debtors do not believe that any other party has a secured interest in the Assets, because the Debtors are providing notice of this Motion, any such parties will have the opportunity to object. *See Veltman v. Whetzal*, 93 F.3d 517, 520 (8th Cir. 1996) (finding that having received adequate notice of sale free of ownership interest, a lack of objection constituted a waiver of a request for a hearing); *see also FutureSource LLC v. Reuters Ltd.,* 312 F.3d 281, 285 (7th Cir. 2002) ("It is true that the Bankruptcy Code limits the conditions under which an interest can be extinguished by a bankruptcy sale, but one of those conditions is the consent of the interest holder, and lack of objection (provided of course there is notice) counts as consent."); *In re Christ Hosp.*, No. 14-472, 2014 U.S. Dist. LEXIS 128409 at *36 (Bankr. D.N.J. Sept. 12, 2014) ("Silence by affected claim holders may constitute consent for purposes of section 363(f)(2)."). In any event, the Bond Trustee (or any purported lienholder) will be adequately protected by having its Interests, if any, in each instance against the Debtors or their estates, attach to the Sale proceeds ultimately attributable to the Assets in which such creditor alleges an interest, in the same order of priority,

with the same validity, force, and effect that such creditor had prior to the Sale, subject to any claims and defenses the Debtors may possess with respect thereto. Accordingly, § 363(f) authorizes the transfer and conveyance of the Assets free and clear of any such Interests.

37. Although § 363(f) provides for the sale of assets "free and clear of any interests," the term "any interest" is not defined anywhere in the Bankruptcy Code. *Folger Adam Security v. DeMatteis/MacGregor JV*, 209 F.3d 252, 257 (3d Cir. 2000). Courts have interpreted "any interest" expansively to include not only *in rem* interests in property, but also other obligations that are "connected to or arise from the property being sold" or that could "potentially travel with the property being sold." *In re Gardens Reg'l Hosp. and Med. Ctr., Inc.*, 567 B.R. 820, 825 (Bankr. C.D. Cal. 2017) (California Attorney General imposed conditions are an "interest in property" that can be stripped off the assets through a sale under § 363); *In re La Paloma Generating, Co.*, No. 16-12700, 2017 WL 5197116, *4 (Bankr. D. Del. Nov. 9, 2017) (holding that emission surrender obligations created by California regulations and statutes and enforced by the California Air Resources Board are an interest in property which can be cut off by a § 363 sale); *see also In re Trans World Airlines, Inc.*, 322 F.3d 283, 285, 288 (3d Cir. 2001) (holding that plaintiff's interests in travel vouchers that were issued to settle employment discrimination are an interest under § 363 because they arise from the property being sold); *PBBPC, Inc. v. OPK Biotech, LLC* (*In re PBBPC, Inc.*), 484 B.R. 860, 867-870 (B.A.P. 1st Cir. 2013) (affirming decision that debtor's assets could be sold free and clear of Commonwealth of Massachusetts's right to treat a purchaser of substantially all of the assets of chapter 11 debtor as a "successor employer" to which debtor's experience rating could be imputed to determine purchaser's unemployment insurance contribution); *In re ARSN Liquidating Corp. Inc.*, No. 14-11527-BAH, 2017 WL 279472, *5 (Bankr. D.N.H. Jan. 20, 2017) (Nat'l Council on Compensation Ins. violated sale order by

imputing debtor's workers' compensation experience rating to buyer in setting buyer's workers' compensation experience rating); *In re Vista Mktg. Grp. Ltd.*, 557 B.R. 630, 635-39 (Bankr. N.D. Ill. 2016) (free and clear language in sale order prevented a state sanitary district from asserting claim against asset purchaser for connection fee surcharge that was calculated based entirely on debtor's use of the district's sewer facilities); *United Mine Workers of Am. Combined Benefit Fund v. Walter Energy, Inc.*, 551 B.R. 631, 641 (N.D. Ala. 2016) (sale under § 363 cuts off Coal Act obligations despite language in Act imposing successor liability on buyer); *In re Christ Hosp.*, 502 B.R. 158, 176-79 (Bankr. D.N.J. 2013) (section 363 sales cut off tort claims against purchaser of nonprofit hospital); *In re Tougher Indus.*, Nos. 06-12960, 0710022, 2013 WL 1276501 at **6-9 (Bankr. N.D.N.Y. Mar. 27, 2013) (holding that debtor's assets could be sold free and clear of New York State Department of Labor's right to use the debtor's experience rating to access the buyer's tax liability as successor to the debtor); *In re Grumman Olson Indus. Inc.*, 467 B.R. 694, 702–03 (S.D.N.Y 2012) ("Section 363(f) can be used to sell property free and clear of claims that could otherwise be assertable against the buyer of the assets under the common law doctrine of successor liability") (internal quotation marks and citation omitted); *WBO P'ship v. Va. Dep't of Med. Assistance Servs.* (*In re WBO P'ship*), 189 B.R. 97, 104–05 (Bankr. E.D. Va. 1995) (holding that Commonwealth of Virginia's right to recapture depreciation is an "interest" as that term is used in § 363(f)).

38. Courts have consistently held that a buyer of a debtor's assets pursuant to a § 363 sale takes such assets free from successor liability resulting from pre-existing claims. *See Ninth Avenue Remedial Grp. v. Allis-Chalmers Corp*., 195 B.R. 716, 732 (N.D. Ind. 1996) (stating that a bankruptcy court has the power to sell assets free and clear of any interest that could be brought against the bankruptcy estate during the bankruptcy); *MacArthur Co. v. Johns-Manville Corp.* (*In*

re Johns-Manville Corp.), 837 F.2d 89, 93-94 (2d Cir. 1988) (channeling of claims to proceeds consistent with intent of sale free and clear under § 363(f)). The purpose of an order purporting to authorize the transfer of assets free and clear of all "interests" would be frustrated if claimants could thereafter use the transfer as a basis to assert claims against the purchaser arising from the Debtors' pre-sale conduct. Under § 363(f), the purchaser is entitled to know that the Assets are not infected with latent claims that will be asserted against the purchaser after the proposed transaction is completed. Accordingly, consistent with the above-cited case law, the order approving the Sale should state that the purchaser is not liable as a successor under any theory of successor liability, for claims that encumber or relate to the Assets.

D. The Purchaser Should be Afforded All Protections Under § 363(m) as a Good Faith Purchaser.

39. Section 363(m) protects a good-faith purchaser's interest in property purchased from the debtor's estate notwithstanding that the sale conducted under § 363(b) is later reversed or modified on appeal. Specifically, § 363(m) states that:

> The reversal or modification on appeal of an authorization under [section 363(b)] . . . does not affect the validity of a sale . . . to an entity that purchased . . . such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale were stayed pending appeal.

11 U.S.C. § 363(m); *see also In re Trism, Inc.*, 328 F.3d 1003, 1008 (8th Cir. 2003) ("Section 363(m) protects a good faith purchaser and lists no other exceptions or any other qualifications to receive the protection of section 363(m)."); *U.S. v. Whitney Design, Inc.* (*In re Whitney Design, Inc.*), No. 4:10-CV-441, 2011 WL 13254299, at *2 (E.D. Mo. Jan. 11, 2011) (the purpose of Section 363 is to protect third party purchasers in good faith and "[b]y providing reliability and finality, §363 enhances the value of the debtor's assets sold in bankruptcy"). Section 363(m) "codifies Congress's strong preference for finality and efficiency" in bankruptcy proceedings. *In*

re Energytec, Inc., 739 F.3d 215, 218-19 (5th Cir. 2013). Under § 363(m), "[w]hen a sale of assets is made to a good faith purchaser, it may not be modified or set aside unless the sale was stayed pending appeal." *Paulman v. Gateway Venture Partners III, L.P.* (*In re Filtercorp, Inc.*), 163 F.3d 570, 576 (9th Cir. 1998); *In re Ewell*, 958 F.2d 276, 282 (9th Cir. 1992) ("Because the Buyer was a good faith purchaser, under 11 U.S.C. § 363(m) the sale may not be modified or set aside on appeal unless the sale was stayed pending appeal."); *Onouli-Kona Land Co. v. Estate of Richards* (*In re Onouli-Kona Land Co.*), 846 F.2d 1170, 1172 (9th Cir. 1988) ("Finality in bankruptcy has become the dominant rationale for our decisions [. . . .]").

40. The selection of the purchaser will be the product of arms' length, good faith negotiations in an anticipated competitive purchasing process. The Debtors request the Court enter an order finding that any purchaser of the Assets sold pursuant to the Sale Procedures is a good faith purchaser entitled to the protections of § 363(m).

E. The Debtors Should Receive Advance Authority to Enter into Settlement Agreements Under Bankruptcy Rule 9019, As Necessary, to Effectuate the Sale of the Assets, Without Need to Return to Court.

41. Bankruptcy Rule 9019 governs compromises and settlements in bankruptcy proceedings. Upon notice and a motion, the court may approve a settlement under Bankruptcy Rule 9019. *See also Tri State Financial, LLC v. Lovald*, 525 F.3d 649, 655 (8th Cir. 2008) (recognizing that Rule 9019 requires notice and a hearing but that such notice and hearing is as is appropriate under the circumstances). In the Eighth Circuit, when a court evaluates a compromise or settlement under Rule 9019, "the proper considerations are the probability of success in litigation; the difficulties, if any, in collection matters; the complexity, expense, inconvenience, and delay necessarily attending the litigation; and the paramount interests of the creditors and a proper deference to their reasonable views." *In re Farmland Indus., Inc.*, 289 B.R. 122, 127 (B.A.P. 8th Cir. 2003). Furthermore, a court has discretion to approve a compromise or settlement

"which itself further[s] the goals underlying bankruptcy sales: fairness, finality, integrity, and maximization of assets." *Id.* at 127-28; *see also In re Bridge Info Sys., Inc.*, 344 B.R. 587, 593 (E.D. Mo. 2006) ("Generally, [a] decision to approve or disapprove a proposed settlement under Bankruptcy Rule 9019 is within the discretion of the bankruptcy judge.") (citation and internal quotes omitted).

> The standard for compromise and approval of a settlement is whether the settlement is "fair and equitable" and "in the best interests of the estate." This Court need not conclusively determine claims subject to compromise, nor find that the settlement constitutes the best result obtainable. Instead, this Court need only canvass the issues to determine that the settlement does not fall "below the lowest point in the range of reasonableness."

In re Apex Oil Co., 92 B.R. 847, 867 (Bankr. E.D. Mo. 1988) (citations omitted).

42. Here, the Debtors anticipate that it will be necessary to enter into various settlement agreements under Bankruptcy Rule 9019 to consummate the Sale of at least some of the Debtors' Assets (*e.g.*, the Debtors' long-term reserves, holdback, or escrows from various prior sale transactions). To avoid delay in closure of the Sales or closing these cases, as well as the costs associated with litigation or motion practice, the Debtors seek advance authority to settle any claims regarding the remaining Assets, so long as, in accordance with the Sale Procedures, the Debtors determine in a reasonable exercise of their business judgment that such a settlement is in the best interest of the Debtors' estates; *provided that*, prior to execution of the settlement, the Debtors will (a) obtain the requisite written consent from the Bond Trustee, and (b) no later than five (5) days prior to the settlement, serve notice of the settlement via electronic mail to counsel for the Notice Parties. Failure to have such advance authority could undermine the Sales or result in the additional expenses, which is contrary to the goals of the Debtors and its creditors, who all desire to reach a quick, fair, final resolution that maximizes the Debtors' Assets.

RELIEF FROM THE 14-DAY WAITING PERIOD UNDER BANKRUPTCY RULES 6004(h) AND 6006(d) IS APPROPRIATE

43. Bankruptcy Rule 6004(h) provides that an "order authorizing the use, sale, or lease of property . . . is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Similarly, Bankruptcy Rule 6006(d) provides that an "order authorizing the trustee to assign an executory contract or unexpired lease . . . is stayed until the expiration of 14 days after the entry of the order, unless the court orders otherwise." The Debtors request that the order granting this Motion be effective immediately by providing that the 14-day stay periods under Bankruptcy Rules 6004(h) and 6006(d) are waived.

44. The purpose of Bankruptcy Rules 6004(h) and 6006(d) is to provide sufficient time for an objecting party to appeal before an order can be implemented. *See* Advisory Committee Notes to Fed. R. Bankr. P. 6004(h) and 6006(d). Although Bankruptcy Rules 6004(h) and 6006(d) and the Advisory Committee Notes are silent as to when a court should "order otherwise" and eliminate or reduce the 14-day stay period, *COLLIER* suggests that the 14-day stay period should be eliminated to allow a sale or other transaction to close immediately "where there has been no objection to the procedure." *COLLIER ON BANKRUPTCY*, ¶ 6004.11 (Alan N. Resnick & Henry J. Sommer eds., 16th ed.). Furthermore, *COLLIER* provides that if an objection is filed and overruled, and the objecting party informs the court of its intent to appeal, the stay may be reduced to the amount of time actually necessary to file such appeal. *Id*.

45. The Debtors hereby request that the Court waive the 14-day stay periods under Bankruptcy Rules 6004(h) and 6006(d) or, in the alternative, if an objection to the Sale is filed, reduce the stay period to the minimum amount of time needed by the objecting party to file its appeal.

NO PREVIOUS REQUEST

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

NOTICE

47. This Motion and notice of this Motion will be served respectively on the current Master Service List and current Master Notice List. 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

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.

Dated: March 5, 2025
St. Louis, Missouri

Respectfully submitted,

DENTONS US LLP

/s/ Stephen O'Brien

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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 DEBTORS' MOTION FOR ORDER UNDER 11 U.S.C. §§ 363 AND 105(A) AND FED. R. BANKR. P. 2002, 6004, 9006, AND 9019 ESTABLISHING PROCEDURES FOR REMAINING ASSET SALES

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 Operations, a Regional Vice President of Operations, Regional Financial Controller, Director 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].

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 *Debtors' Motion for Order under 11 U.S.C. §§ 363 and 105(A) and Fed. R. Bankr. P. 2002, 6004, 9006, and 9019 Establishing Procedures for Remaining Asset Sales* ("**Motion**")[6] and for all other purposes permitted by law.

6. The Debtors filed these chapter 11 cases to pursue one or more going concern sales and/or affiliations for each of their facilities and other assets.

[6] Any capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

7. Prior to filing the instant chapter 11 cases, the Debtors engaged Healthcare Management Partners ("**HMP**") as strategic advisors in assessing the Debtors' businesses and strategic alternatives for continued operations and/or sales of a portion or all of the Debtors' assets. I understand that HMP is a turnaround and consulting firm that specialized on assisting healthcare organizations experiencing financial challenges. At the recommendation of HMP, and after due consideration of HMP's recommendation by the Debtors, the Debtors engaged B.C. Ziegler and Company ("**Ziegler**"), who I understand is a privately held investment bank, capital markets, and proprietary investments firm that specializes in the healthcare, senior living, and education sectors, as investment bankers to assist the Debtors with locating potential buyers for some or all of their assets, including the Assets at issue here, which must be sold via private Sale because there is no public market for such Assets.

8. Prior to the Petition Date, Ziegler facilitated Debtor Christian Homes, Inc.'s purchase of the Assets, which are certain illiquid, long-term investments consisting of ownership interests in certain limited partnerships pursuant to various subscription agreements, specifically including: (i) one (1) unit of Ziegler Link-Age Fund II, LP, with an estimated present-day net book value to the Debtors of approximately $288,769.00 per unit; and (ii) fifteen (15) units of Ziegler Link-Age Fund III, LP, with an estimated present-day net book value to the Debtors of approximately $146,299.00 per unit. I understand that the market for buying these kinds of assets generally expect a closing within a business day or two (2) of the price being agreed to.

9. Various of the Debtors' estates have other illiquid or longer-term assets. These include (i) interests in Caring Communities, which provides insurance for various not for profit clients; (ii) long-term reserves, holdback, or escrows from various prior sale transactions; and (iii) various investment returns. Additionally, other assets include: (i) a various potential tax

refunds and credits including ERC credits; (ii) furniture, fixtures, and equipment at the Debtors' central office; (iii) funds that may ultimately be recovered from the Federal National Mortgage Association; (iv) receivables; and (v) any other inchoate assets, other than Chapter 5 causes of action.

10. I understand that Ziegler, who specializes in the healthcare sector, has experience evaluating and marketing these types of assets to potential buyers who may be interested, and will conduct a thorough sales process consistent with the requirements of the Bankruptcy Code, the Bankruptcy Rules, and pursuant to the Sale Procedures approved by the Court. HMP will assist in marketing certain of the assets as well.

11. Because, in the Debtors' business judgment, retaining and maintaining the Assets long-term is burdensome and no longer in the best interests of the estates, much less feasible or practical, Ziegler and/or HMP is actively soliciting buyers to purchase the Debtors' Assets. However, due to the nature of these Assets and the Debtors' goals of maximizing their value for the benefit of the Debtors' estates and its creditors, once a buyer is identified, the Sale must close quickly – typically the next day. The Debtors and I believe that failure or inability to close quickly would likely result in a lack of interest on the part of any potential buyers, which would eliminate or substantially undermine the economic benefits that would be realized from any transactions, to the detriment of the Debtors' estates.

12. Some of the assets may be sold or liquidated in one-off transactions, while others may be sold or liquidated in conjunction with other assets.

13. Some may be settled with the counterparty to the escrow or holdback with the estate's portion then released to the estate or sold to a third party buyer.

14. The Debtors are soliciting bids from certain potential bidders who purchase remnant assets from bankruptcy estates and will be sharing those bids with the Bond Trustee and the other Notice Parties.

15. The Debtors and I believe the Sale of at least some of these Assets is normally an ordinary course of business transaction. Notwithstanding the foregoing, because the Debtors will be selling the Assets before they become fully liquid, and because some potential purchasers may be uncomfortable consummating the Sale without confirmation that (i) the Sale is authorized by the Court, and (ii) the Sale will be free and clear of Interests under § 363(f), the Debtors and I believe this Motion is appropriate.

16. To avoid unnecessary costs and delay that could jeopardize the value the Debtors may realize from these illiquid, long-term investments, the Debtors seek advance authority from this Court to sell and close on the Debtors' Assets to buyers, free and clear of all Interests, conditioned only on the Debtors' ability to obtain the requisite consent of the Bond Trustee prior to each Sale closing – all without the need for further motion, hearing, or Court order at the time of the Sale; *provided that*, notice is also given to the Notice Parties (as defined herein) prior to each Sale closing.

17. Some of the reserves, refunds, and/or holdbacks may not otherwise be received until 2026 or later. Allowing the Sales to occur in the next few months of 2025 will expedite the structured dismissal or closing of these pending Chapter 11 cases.

PROPOSED SALE PROCEDURES

18. In connection with the proposed Sale of the Assets, and to optimally and expeditiously sell the Assets, the Debtors believe it is necessary and therefore request that the Court dispense with the requirements of notice and a hearing for the Sale of the Assets, and instead

establish certain uniform Sale Procedures by which the Debtors may undertake the Sale of the Assets, which include:

(i) Business Judgment Standard: The Debtors are authorized to consummate the Sale of the Assets without further order of the Court or prior notice to any party if the Debtors determine in a reasonable exercise of their business judgment that such a Sale is in the best interest of the Debtors' estates; *provided that*, prior to execution of an asset purchase agreement between the Debtors and the potential buyer, the Debtors will (a) obtain the requisite written consent from the Bond Trustee, and (b) no later than five (5) days prior to the Sale, serve notice of the Sale via electronic mail to counsel for the Committee and the Office of the United States Trustee (the "**U.S. Trustee**," and together with the Committee the "**Notice Parties**").

(ii) Sale Free and Clear: Any such Sale of the Assets shall be free and clear of all Interests, with any valid and properly perfected Interests attaching only to the Sale proceeds with the same validity, extent, and priority as immediately prior to the Sale.

(iii) Good Faith Purchaser: Each purchaser of one or more units of the Assets pursuant to such a Sale will be afforded the protections of § 363(m) as a good faith purchaser.

(iv) Sale Reports: Within seven (7) days of closing a Sale of the Assets, the Debtors will file with the Bankruptcy Court a notice reporting the Sale, which identifies (a) the details of the Asset at issue, (b) the name of the buyer and any relationship such party has with the Debtors, (c) any parties known to the Debtors as holding Interests on the Asset at issue and a statement indicating whether (i) all such Interests are capable of monetary satisfaction, or (ii) the holders of such Interests have consented to the Sale, (d) the date and time of the closing of the Sale, and (e) the purchase price

of the Assets and any other significant terms of the Sale, along with (e) a statement from the Debtors confirming that, in the Debtors' reasonable exercise of their business judgment and in consultation with the Debtors' advisors, the Assets were sold pursuant to these Sale Procedures, with the Bond Trustee's prior written consent and after notice to the Notice Parties.[7]

19. All Asset Sales undertaken pursuant to the foregoing Sale Procedures will be deemed a sale made free and clear of any Interests of any entity in the Assets. Any party asserting an Interest in the Assets will be protected by having such Interest attach to the net proceeds of the Sales, subject to any claims and defenses the Debtors may possess with respect thereto.

20. The Debtors and I believe that these Sale Procedures will maximize the likelihood that they can effectively negotiate and consummate the Sale of the Assets, while simultaneously protecting the legitimate interests of the estates' creditors. Therefore, the Debtors submit that the establishment of the foregoing Sale Procedures is in the best interests of the Debtors' estates, their creditors, and other parties in interest in these chapter 11 cases. The Assets have little, if any, utility to the applicable Debtor as long-term investments. Their Sale, however, will general additional value for the Debtors' estates and their creditors and minimize further holding and administration costs. Moreover, implementation of the foregoing Sale Procedures will promote judicial economy and make cost effective these Assets that would otherwise be a loss to the estates.

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

[7] Notwithstanding anything in the Sale Procedures or this Motion, to the extent the Debtors determine that it is in the best interests of the Debtors' estates and their creditors to sell the Assets to an insider of the Debtors, the Debtors shall file a motion with the Court requesting approval of such sale.