

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:)	In Proceedings Under Chapter 11
)	Hon. Kathy A. Surratt-States
Midwest Christian Villages, Inc.,)	
et. al.,)	
)	Case No. 24-42473-659
Debtors.)	(Jointly Administered)
)	
)	

**OBJECTION TO
DEBTORS' MOTION FOR AN ORDER (I) APPROVING
THE FORM OF NOTICE TO CREDITORS REGARDING (A) SATISFACTION
OF CERTAIN SCHEDULED CLAIMS, AND (B) REMOVAL OR REDUCTION,
AS APPLICABLE, OF SATISFIED CLAIMS FROM DEBTORS' SCHEDULES
OF ASSETS AND LIABILITIES AND CLAIMS REGISTER; AND (II)
GRANTING RELATED RELIEF**

COMES NOW, Karl Koenig, responsible party f/b/o/ Liliane Koenig (hereinafter "Creditor") and for his objection to *Debtors' Motion for an Order (I) Approving the Form of Notice to Creditors Regarding (A) Satisfaction of Certain Scheduled Claims, and (B) Removal or Reduction, as Applicable, of Satisfied Claims From Debtors' Schedules of Assets and Liabilities and Claims Register; and (II) Granting Related Relief* (the "Motion") [Doc. No. 637] states to this honorable court as follows:

1. Creditor is the holder of a proof of claim (the "Claim") timely filed with this Court in the case of Crown Point Christian Village, Inc. (Case No. 24-42481); said Claim has been designated as proof of claim number 18 in said case.



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2. Creditor's Claim is based upon that certain Indiana Life Time Right Agreement dated on or about July 16, 2005 (the "2005 Agreement") as amended by that certain Residential Care Facility Admission Agreement dated on or about March 30, 2021 (the "2021 Agreement" and together with the 2005 Agreement, the "Koenig Agreements"). The Koenig Agreements were attached to the Claim and said Claim was filed in accordance with all applicable rules.

3. Pursuant to 11 U.S.C. §502(a) and Rule 3001(f) of the FEDERAL RULES OF BANKRUPTCY PROCEDURE, the Claim is allowed unless and until an objection is filed and is prima facie evidence of its validity and amount. This Court has held that the mere filing of an objection to claim does not deprive the creditor of the prima facie validity of its claim unless the objecting party comes forward with substantial evidence. In re Austin, 538 B.R. 543, 545 (Bankr. E.D. MO 2015); see also, In re Dorlaque, 658 B.R. 489, 499-500 (Bankr. E.D. MO 2024).

4. As this Court is no doubt aware, there are no fewer than twenty-one (21) Chapter 11 cases which are being jointly administered in these proceedings. Further, in the lead case of Midwest Christian Villages, Inc., there are approximately 640 docket entries (many with multiple exhibits comprising tens or indeed hundreds of pages). Further, the Jointly Administered Debtors engaged in a long sale process during which their assets were sold in several groups to different buyers pursuant to voluminous sale documents.

5. Despite the complexity of the foregoing, and the clear requirements of 11 U.S.C. §502(a) and Rule 3001(f), the Jointly Administered Debtors nonetheless seek to "notify" some 687 creditors, including Creditor, that their claims are "satisfied" pursuant to a 50-page schedule attached to the Motion. For hundreds of said creditors, the only information which the Jointly Administered Debtors propose to provide regarding disallowance is the following statement:

Claim has been fully satisfied as the underlying liability has been assumed by the applicable facility purchaser pursuant to the terms of an Asset Purchase Agreement.

The Jointly Administered Debtors do not provide any further information, do not reference any particular order or agreement, and do not identify the date or amount of any payment by which any of the claims of these 687 creditors was "satisfied". The proposed notice is devoid of any particularized information that possibly notifies or informs the 687 listed creditors of the basis by which their claims should be disallowed under 11 U.S.C. §502(b).

6. Further, the Motion and the accompanying proposed notice to creditors is inconsistent with this Court's Local Rule 3007(C) and Rules 3007(d), (e), and (f) of the FEDERAL RULES OF BANKRUPTCY PROCEDURE in that the Jointly Administered Debtors: (a) apparently do not believe they are required to file an objection to disallow any claim; (b) seek to disallow in excess of 100 claims pursuant to the proposed notice; (c) do not describe with any real particularity the factual or legal basis for the proposed "satisfaction"; and (d) as mentioned above, do not identify any basis under 11 U.S.C. §502(b) for disallowance.

7. Further, at paragraphs seven (7), and sixteen (16) through and including nineteen (19) thereof, the Motion seeks "removal and expungement" of each of the 687 claims from the Jointly Administered Debtors' bankruptcy schedules and the claims register of this Court and also seeks to allow the Jointly Administered Debtors and the claims agent in these proceedings to modify this Court's docket. The Jointly Administered Debtors cite no legal basis allowing "removal and expungement" of any claim (as opposed to disallowance), or which might allow them, or their retained claims agent, to control any aspect of this Court's docket.

8. While the procedure proposed in the Motion is no doubt swift, it is also most certainly hasty and the relief requested by the Jointly Administered Debtors simply does not comply with the Local Rules of this Court, Rule 3007 of the Federal Rules of Bankruptcy Procedure, and 11 U.S.C. §502(b). Indeed, the Jointly Administered Debtors seek to employ a process that ignores their obligations under the law and the requisite due process rights of creditors.

9. Creditor submits that the Motion is not well-taken and should be denied. If the Jointly Administered Debtors wish to disallow any proof of claim, they should file objections in compliance with this Court's ruling in Austin, and applicable statutes and rules. Further, the Jointly Administered Debtors fail to identify any factual or legal basis for either of their request to remove and expunge any claim, or their request to control the documents on this Court's docket.

WHEREFORE, Creditor respectfully prays that this honorable Court deny the Motion and that the Court grant Creditor such additional and further relief as is just and proper.

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Certificate of Service

The undersigned certifies that a copy of the foregoing was mailed, postage prepaid this 20th day of March, 2025 to the parties identified below unless said parties received service by electronic means, and that the foregoing document was served upon parties entering an appearance in these matters by the court's CM/ECF system:

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