

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

**In re:**

**MIDWEST CHRISTIAN VILLAGES, INC.  
*et al.*,<sup>1</sup>**

**Debtors.**

**MIDWEST CHRISTIAN VILLAGES, INC.  
*et al.*,**

**Plaintiffs,**

**v.**

**THE CITY OF SPRINGFIELD ,**

**Defendant.**

**Chapter 11**

**Case No. 24-42473**

**(Jointly Administered)**

**Adv. Proc. No.**

**COMPLAINT**

The above-captioned debtors and debtors in possession (the “Debtors”), by and through their undersigned counsel, assert the following claims against Defendant the City of Springfield and allege as follows:

<sup>1</sup> 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], (xxi) Shawnee Christian Nursing Center, LLC [0068], and (xxii) Safe Haven Hospice, LLC [6886].



244247325110300000000001

### **Introduction**

1. On July 16, 2024 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).<sup>2</sup>

2. Prepetition, the Debtors operated a mix of independent, assisted living, and skilled nursing campuses in 10 locations across the Midwest, serving over 1,000 residents. During the pendency of these chapter 11 cases, the Debtors have consummated sale transactions for all of the Debtors’ operating facilities. The Debtors have continued to operate their businesses as debtors in possession.

3. Defendant the City of Springfield (“Defendant”) is a city located in Sangamon County, Illinois.

4. Old National Bank, formerly known as First Midwest Bank, is a financial institution located at 300 North Hunt Club Road, Gurnee, Illinois 60031.

### **Jurisdiction**

5. This Court has jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334 and 11 U.S.C. §§ 541 and 542. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (E), (M) and (O) as it relates to the administration of the bankruptcy estate, the turnover of property of the estate, the sale of property of the estate and an order pertaining thereto, and other proceedings affecting and concerning the liquidation of the assets of the estate.

6. Venue is proper in this District pursuant to 28 U.S.C. § 1409.

### **Facts and Requested Relief**

7. Prior to the Petition Date, on February 1, 2020, Debtor Midwest Christian Villages, Inc. established a letter of credit (the “Letter of Credit”)<sup>3</sup> issued by Old National Bank f/k/a First

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<sup>2</sup> All references to chapter or “§” herein are references to the Bankruptcy Code, unless otherwise indicated.

<sup>3</sup> A true and correct copy of the Letter of Credit is attached hereto as **Exhibit 1**.

Midwest Bank in favor of the City of Springfield for drawings up to an aggregate amount of \$132,708.12.

8. The Letter of Credit was established with respect to potential sidewalk and other infrastructure improvements to land surrounding the River Birch Senior Living facility in Springfield.

9. Although these improvements were contemplated years ago, they have not occurred to date and are not expected to occur at this point.

10. Post-petition, the Debtors have successfully sold substantially all of their remaining assets pursuant to a series of sale orders issued by this Court [Docket Nos. 501-04], including the River Birch location.

11. Accordingly, the improvements contemplated in the Letter of Credit will not occur.

12. The Debtors are now in the process of winding up their business and liquidating their remaining assets.

13. Since the issuance of the Letter of Credit, a pledge agreement was executed pursuant to which there were, at one point in time, \$132,708.12<sup>4</sup> of funds pledged to Old National Bank to support the Letter of Credit, which funds constitute property of the Debtors' estate.

14. The City of Springfield cannot draw on the Letter of Credit for reimbursement of costs which it has not incurred and any such purported draw would be a windfall to the City of Springfield.

15. The funds pledged to support the Letter of Credit constitute property of the Debtors' estate pursuant to 11 U.S.C. § 541.

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<sup>4</sup> The funds held at Old National Bank have increased due to accrual of interest. As of September 30, 2025, there is \$149,236.75 in the pledged account. The amount of interest will continue to accrue and increase.

16. The pledged funds are necessary to the Debtors' liquidation and exit from these Chapter 11 cases.

17. As set forth above, the improvements contemplated by the Letter of Credit have not and will not occur.

18. The Court should hold that Defendant has no right to draw on and has no interest in the Letter of Credit and that the Letter of Credit should be deemed cancelled and surrendered.

19. In the event Defendant seeks to draw or has drawn on the Letter of Credit, Defendant should be required and ordered to turn over any funds it received therefrom together with interest.

20. With the cancellation and surrender of the Letter of Credit, the Debtors will be able to obtain the funds held and pledged to Old National Bank.

WHEREFORE, Debtors pray for judgment against the Defendant and for entry of an order holding and finding that 1) Defendant has no right to draw on the Letter of Credit; (2) that Defendant has no interest in the Letter of Credit; 3) that the Letter of Credit is cancelled and deemed surrendered to Debtors; and 4) that in the event Defendant has drawn on the Letter of Credit or draws on the Letter of Credit at any time from and after the date of this action, Defendant should be compelled to turn over all funds it has received, together with interest thereon, to Debtors or as directed by Debtors. Further, Debtors request for such additional relief that is consistent with the relief requested herein.

**SUMMERS COMPTON WELLS LLC**

/s/ David A. Sosne #28365

903 South Lindbergh Blvd., Suite 200

St. Louis, Missouri 63131

Telephone: (314) 991-4999

dsosne@scw.law

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

Exhibit 1



**First Midwest Bank**

First Midwest Bank  
300 North Hunt Club Road  
Gurnee, Illinois 60031-2502

**IRREVOCABLE LETTER OF CREDIT # 660028968-203**

February 1, 2020

**Beneficiary:**

The City of Springfield  
Attn: Nate Bottoms  
Department of Public Works  
201 Municipal Center West  
Springfield, IL 62701

**Applicant**

Midwest Christian Villages, Inc.  
622 Emerson Road, Ste. 310  
St Louis, MO 63141-6727

RE: GLARTO, LLC – Larry W. Sapp for CARLAR, LLC; tom Hardy and Glen P. Garrison (Obligors)

Lot 2 of the Resurvey of Lot 303 and Lot 302 in P.C. Seventh Addition (southeast corner of the intersection of Mather Road and Cockrell Lane)

Gentlemen:

We hereby establish this Irrevocable Letter of Credit in favor of The City of Springfield (Beneficiary) for drawings up to an aggregate amount of One Hundred Thirty Two Thousand Seven Hundred Eight and 12/100 Dollars (\$132,708.12), which is the amount The City of Springfield has determined to be Obligor's proportional share of the improvement cost of that part of Mather Road and Cockrell Lane adjacent to the above-referenced property as shown on Exhibit A. This Letter of Credit is issued, presentable, and payable at our office, 300 North Hunt Club Road, Gurnee, IL 60031, Attn: Letter of Credit Department, as provided herein.

We hereby undertake to promptly honor your sight draft drawn on us, indicating our Letter of Credit No. 660028968-203, for all or any part of this Credit if presented at our above-referenced office on or before expiry date set forth below and accompanied by a certified statement purportedly signed by an authorized representative of The City of Springfield stating:

1. The City of Springfield, which has previously granted final approval of the final plat of the above-referenced property is drawing on this Irrevocable Letter of Credit to provide funds for the improvement of that portion of Cockrell Lane and Mather Road adjacent to the above-referenced property as per Code 153.145.1.
2. The City is releasing First Midwest Bank of liability under this Letter of Credit upon payment of and to the extent of the draw.

We hereby engage that all drafts drawn and presented in conformity with the terms of this credit will be duly honored upon presentation and delivery of documents specified above on or before February 1, 2021. Partial withdrawals will be permitted. All parties hereto agree that the



**Irrevocable Letter of Credit No. 660028968-203**

**February 1, 2020**

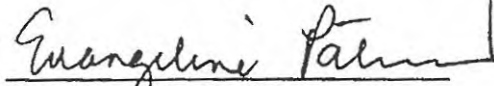
**Page 2**

outstanding obligation hereunder may be released upon written authorization of the Engineer of said City of Springfield. This Letter of Credit shall be automatically extended for additional periods of one year from the initial expiration date(s) and of each future expiration date unless not less than 60 days prior to such date, the Bank shall notify you in writing, by registered mail or overnight courier at the above address that the Bank elects not to renew this Letter of Credit for such additional period. If we shall make such election, the Engineer of the City of Springfield shall be entitled to draw, upon written request with no additional evidence required, other than the above-referenced certified statement, any remaining balance on the Letter of Credit prior to the then current expiration date, regardless of the amount of work completed. If we shall make such election, the Engineer of the City of Springfield shall release First Midwest Bank of all further obligations under this Letter of Credit at the end of the then current expiration date, provided however, that nothing contained herein shall be construed to limit the right of the City of Springfield to make drafts against this Letter of Credit until its initial expiry date or any date to which said Letter of Credit is automatically extended as described above.

Any proceeding arising out of or relating to this Letter of Credit must be brought only in the courts of the State of Illinois, County of Sangamon, or the United States District Court for the Central District of Illinois in the division serving Sangamon County, Illinois. Both Beneficiary and Issuer (i) irrevocably submits to the exclusive jurisdiction and venue of such court in any such proceeding, (ii) waives any objection it may either now or hereafter have to venue or to convenience of forum, (iii) agrees that all claims in respect of the proceeding shall be heard and determined only in any such courts, and (iv) agrees not to bring any proceeding arising out of or relating to this Letter of Credit in any other court.

This Letter of Credit shall be governed by and construed in accordance with the laws of the State of Illinois, including the Uniform Commercial Code. Unless inconsistent with Illinois law, this Letter of Credit shall be governed by and construed in accordance with the International Standby Practices (ISP 98), as hereby expressly incorporated by reference.

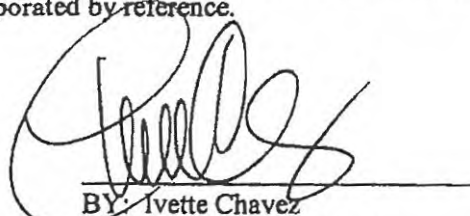
**FIRST MIDWEST BANK**



BY: Evangelina Patricio

ITS: Loan Operations Officer

Saved as: saved as mcv203ltr.doc



BY: Ivette Chavez

ITS: Asst. Vice President

<b>ADVERSARY PROCEEDING COVER SHEET</b> (Instructions on Reverse)		<b>ADVERSARY PROCEEDING NUMBER</b> (Court Use Only)
<b>PLAINTIFFS</b>		<b>DEFENDANTS</b>
<b>ATTORNEYS</b> (Firm Name, Address, and Telephone No.)		<b>ATTORNEYS</b> (If Known)
<b>PARTY</b> (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee		<b>PARTY</b> (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee
<b>CAUSE OF ACTION</b> (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED)		
<b>NATURE OF SUIT</b>  (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)		
<b>FRBP 7001(1) – Recovery of Money/Property</b> <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other  <b>FRBP 7001(2) – Validity, Priority or Extent of Lien</b> <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property  <b>FRBP 7001(3) – Approval of Sale of Property</b> <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h)  <b>FRBP 7001(4) – Objection/Revocation of Discharge</b> <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e)  <b>FRBP 7001(5) – Revocation of Confirmation</b> <input type="checkbox"/> 51-Revocation of confirmation  <b>FRBP 7001(6) – Dischargeability</b> <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny  (continued next column)		<b>FRBP 7001(6) – Dischargeability (continued)</b> <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other  <b>FRBP 7001(7) – Injunctive Relief</b> <input type="checkbox"/> 71-Injunctive relief – imposition of stay <input type="checkbox"/> 72-Injunctive relief – other  <b>FRBP 7001(8) Subordination of Claim or Interest</b> <input type="checkbox"/> 81-Subordination of claim or interest  <b>FRBP 7001(9) Declaratory Judgment</b> <input type="checkbox"/> 91-Declaratory judgment  <b>FRBP 7001(10) Determination of Removed Action</b> <input type="checkbox"/> 01-Determination of removed claim or cause  <b>Other</b> <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)
<input type="checkbox"/> Check if this case involves a substantive issue of state law	<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23	
<input type="checkbox"/> Check if a jury trial is demanded in complaint	Demand \$	
Other Relief Sought		

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR		BANKRUPTCY CASE NO.
DISTRICT IN WHICH CASE IS PENDING	DIVISION OFFICE	NAME OF JUDGE
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISION OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF)		
DATE		PRINT NAME OF ATTORNEY (OR PLAINTIFF)

### INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 104, the Adversary Proceeding Cover Sheet. When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

**Plaintiffs and Defendants.** Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

**Attorneys.** Give the names and addresses of the attorneys, if known.

**Party.** Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

**Demand.** Enter the dollar amount being demanded in the complaint.

**Signature.** This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.