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COUNSEL TO THE DEBTORS AND
DEBTORS IN POSSESSION

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

Northwest Senior Housing Corporation, *et al.*,¹

Debtors.

Chapter 11

Case No. 22-30659 (MVL)

(Jointly Administered)

**MOTION OF DEBTORS FOR ENTRY OF AN ORDER EXTENDING TIME
TO FILE NOTICES OF REMOVAL OF CIVIL ACTIONS**

The above-captioned debtors and debtors-in-possession (the “**Debtors**”) hereby move (the “**Motion**”) the Court for entry of an order substantially in the form attached hereto as Exhibit A (the “**Proposed Order**”), pursuant to section 1452 of title 28 of the United States Code (the “**Section 1452**”), section 105(a) of title 11 of the United States Code (the “**Bankruptcy Code**”), and Rules 9006 and 9027 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), extending the Debtors’ time to file notices of removal of civil actions to and through November 10, 2022. In support of the Motion, the Debtors, by and through their undersigned counsel, respectfully represent:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Northwest Senior Housing Corporation (1278) and Senior Quality Lifestyles Corporation (2669). The Debtors’ mailing address is 8523 Thackery Street, Dallas, Texas 75225.



JURISDICTION AND VENUE

1. The Court has jurisdiction over these Chapter 11 Cases pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157, and the Debtors confirm their consent to the entry of a final order or judgment by the Court in connection with the Motion if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution

2. Venue is proper in this District under 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief requested herein are Section 1452, Bankruptcy Code section 105(a), and Bankruptcy Rules 9006 and 9027.

PROCEDURAL BACKGROUND

4. On April 14, 2022 (the “**Petition Date**”), each of the Debtors filed a voluntary petition in this Court commencing a case for relief under chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”). The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of the Chapter 11 Cases, is set forth in detail in the *Declaration of Nick Harshfield in Support of Chapter 11 Petition and First Day Pleadings* [Docket No. 7] (“**First Day Declaration**”) and fully incorporated herein by reference.

5. The Chapter 11 Cases are being jointly administered pursuant to Bankruptcy Rule 1015(b). *See* Docket No. 88. The Debtors continue to operate and manage their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

6. No trustee or examiner has been appointed.

7. On April 28, 2022, the Office of the United States Trustee for the Northern District of Texas (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Committee**”) pursuant to Bankruptcy Code section 1102(a)(1). *See* Docket No. 135.

RELIEF REQUESTED

8. By this Motion, the Debtors seek entry of the Proposed Order, substantially in the form attached hereto as Exhibit A, extending the current deadline by which the Debtors may remove civil actions by 120 days through and including November 10, 2022. The Debtors also request that this Motion be considered without prejudice to their rights to seek further extensions of the deadlines to remove civil actions.

BASIS FOR RELIEF

9. Section 1452 provides for the removal of certain actions related to bankruptcy cases and states in pertinent part:

A party may remove any claim or cause of action in a civil action other than a proceeding before the United States Tax Court or a civil action by a governmental unit to enforce such governmental unit's police or regulatory power, to the district court for the district where such civil action is pending, if such district court has jurisdiction of such claim or cause of action under section 1334 of this title.

28 U.S.C. § 1452(a).

10. Bankruptcy Rule 9027 sets forth the time periods for the filing of notices to remove claims or causes of action initiated both prior to the Petition Date (the “**Prepetition Actions**”) and subsequent to the Petition Date (the “**Postpetition Actions**”) and, together with the Prepetition Actions, the “**Civil Actions**”). Specifically, with respect to the deadline for filing notices of removal of Prepetition Actions (the “**Prepetition Removal Deadline**”), Bankruptcy Rule 9027 provides in pertinent part:

If the claim or cause of action in a civil action is pending when a case under the [Bankruptcy] Code is commenced, a notice of removal may be filed only within the longest of (A) 90 days after the order for relief in the case under the [Bankruptcy] Code, (B) 30 days after entry of an order terminating a stay, if the claim or cause of action in a civil action has been stayed under § 362 of the [Bankruptcy Code], or (C) 30 days after a trustee qualifies in a chapter 11 reorganization case but not later than 180 days after the order for relief.

Fed. R. Bankr. P. 9027(a)(2).

11. Similarly, with respect to the deadline for filing notices of removal of Postpetition Actions (the “**Postpetition Removal Deadline**”), Bankruptcy Rule 9027 provides, in pertinent part:

If a claim or cause of action is asserted in another court after the commencement of a case under the [Bankruptcy] Code, a notice of removal may be filed with the clerk only within the shorter of (A) 30 days after receipt, through service or otherwise, of a copy of the initial pleading setting for the claim or cause of action sought to be removed, or (B) 30 days after receipt of the summons if the initial pleading has been filed with the court but not served with the summons.

Fed. R. Bankr. P. 9027(a)(3).

12. Bankruptcy Rule 9006 permits a court to extend the period to remove actions provided by Bankruptcy Rule 9027. Specifically, in pertinent part, Bankruptcy Rule 9006 provides:

[W]hen an act is required or allowed to be done at or within a specified period by these rules or by a notice given thereunder or by order of court, the court for cause shown may at any time in its discretion (1) with or without motion or notice order the period enlarged if the request therefor is made before the expiration of the period originally prescribed.

Fed. R. Bankr. P. 9006(b)(1).

13. It is well-settled that the Court is authorized, pursuant to Bankruptcy Rule 9006, to enlarge the removal period provided under Section 1452 and Bankruptcy Rule 9027. *See Pacor, Inc. v. Higgins*, 743 F.2d 984, 996 n.17 (3d Cir. 1984), *overruled on other grounds*, *Things Remembered, Inc. v. Petrarca*, 516 U.S. 124, 134–35 (1995) (holding bankruptcy court’s power to grant extension of removal deadline pursuant to Bankruptcy Rule 9006(b) is “clear”); *Caperton v. A.T. Massey Coal Co., Inc.*, 251 B.R. 322, 325 (S.D. W.Va. 2000) (holding Bankruptcy Rule 9006 provides authority to enlarge time periods for removing actions under Bankruptcy Rule 9027); *In re Jandous Elec. Constr. Corp.*, 106 B.R. 48 (Bankr. S.D.N.Y. 1989) (same); *In re World Fin. Servs.*

Ctr., Inc., 81 B.R. 33, 39 (Bankr. S.D. Cal. 1987) (same); *Raff v. Gordon*, 58 B.R. 988, 990 (E.D. Pa. 1986) (same).²

14. Courts in this district and other districts have regularly granted the relief requested herein in other chapter 11 cases. *See, e.g., In re Highland Capital Management, L.P.*, Case No. 19-34054 (SGJ) [Docket No. 459] (Bankr. N.D. Tex. Feb. 19, 2020) (180 days); *In re Westmoreland Coal Co.*, Case No. 18-35672 (DRJ) [Docket No. 818] (Bankr. S.D. Tex. Dec. 18, 2018) (120 days); *In re Life Partners Holding, Inc.*, Case No. 15-40289-RFN [Docket No. 1810] (Bankr. N.D. Tex. Apr. 7, 2016) (120 days); *In re CDX Gas, LLC*, Case No. 08- 37922 (LZP) (Bankr. S.D. Tex. March 31, 2009) (90 days); *In re Mirant Corp.*, Case No. 03-46590 (DML) (Bankr. N.D. Tex. Oct. 9, 2003) (extending through plan confirmation); *see also In re Augustus Intelligence Inc.*, Case No. 21-10744 (JTD) (Bankr. D. Del. Aug. 6, 2021) (180 days); *In re Consolidated Infrastructure Group, Inc.*, Case No. 19-10165 (BLS) (Bankr. D. Del. Apr. 29, 2019) (120 days); *In re Variant Holding Co., LLC*, Case No. 14-12021 (BLS) (Bankr. D. Del. Nov. 10, 2015) (120 days); *In re Suntech Am., Inc.*, Case No. 15-10054 (CSS) (Bankr. D. Del. May 1, 2015) (120 days); *In re EBHI Holdings, Inc.*, Case No. 09-12099 (MFW) (Bankr. D. Del. July 11, 2014) (120 days); *In re Caribbean Petroleum Corp.*, Case No. 10-12553 (KG) (Bankr. D. Del. June 2, 2014) (120 days).

15. The Debtors are named parties in certain Civil Actions. At this time, it is unclear if any of the Civil Actions may require removal and whether the Debtors will be required to do so as part of an eventual claims reconciliation process. This Motion is submitted to preserve the status quo through the Debtors' bankruptcies, and to permit the applicable parties to make any decisions regarding the removal of any Civil Actions.

² To supplement this authority, Bankruptcy Code section 105(a) grants the Court broad powers to enforce the Bankruptcy Code's provisions either under the specific statutory language of the Bankruptcy Code or under equitable common law doctrines. *See* 11 U.S.C. § 105(a) ("The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.").

16. Initially, upon the commencement of these Chapter 11 Cases, the Debtors' resources were focused on numerous pressing matters associated with transitioning into bankruptcy, operating as chapter 11 debtors in possession, and administering the Debtors' estates. The Debtors will continue to analyze existing Civil Actions and may become aware of additional Civil Actions in connection with proofs of claim that may be filed in these Chapter 11 Cases. Given the pressing nature of the Debtors' needs at early on in these Chapter 11 Cases, the Debtors simply need more time to evaluate the Civil Actions to determine whether removal is appropriate.

17. Furthermore, the rights of any Debtors' adversaries will not be prejudiced by the relatively short 120-day extension requested herein because such claims and actions are stayed under Bankruptcy Code section 362, and because any party to any Civil Actions that are removed retains its right to seek to have that action remanded pursuant to Section 1452(b).

18. The Debtors submit that their request for a 120-day extension is reasonable, practical, and well within the range of extensions granted by bankruptcy courts under similar circumstances. The Debtors believe that the time extension proposed herein will allow the Debtors to carefully consider, and make informed decisions concerning, the removal of Civil Actions.

NOTICE

19. Notice of this Motion shall be given to: (a) the U.S. Trustee; (b) counsel to the Committee; (c) counsel to UMB Bank, N.A., as Trustee; (d) Lifespace Communities, Inc. and counsel thereto; (e) the United States Attorney's Office for the Northern District of Texas; (f) the Internal Revenue Service; (g) the United States Department of Justice; (h) the Texas State Attorney General; (i) the United States Securities and Exchange Commission; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002.

RESERVATION OF RIGHTS

20. The Debtors reserve all rights and defenses with respect to any Civil Actions. The Debtors further reserve the right to seek additional extensions of the deadlines to remove Civil Actions.

NO PRIOR REQUEST

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

WHEREFORE, the Debtors respectfully request that the Court: (i) enter the Proposed Order in substantially the form attached hereto as Exhibit A, granting the relief requested herein, and (ii) provide such other relief as the Court deems appropriate and just.

Dated: July 7, 2022
Dallas, Texas

POLSINELLI PC

/s/ Trinitee G. Green

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COUNSEL TO THE DEBTORS
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Exhibit A

(Proposed Order)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

Northwest Senior Housing Corporation, *et al.*,¹

Debtors.

Chapter 11

Case No. 22-30659 (MVL)

(Jointly Administered)

**ORDER GRANTING MOTION OF DEBTORS FOR ENTRY
OF AN ORDER EXTENDING TIME TO FILE
NOTICES OF REMOVAL OF CIVIL ACTIONS**

Upon the motion (the “**Motion**”)² of the Debtors for an order, pursuant to section 1452 of title 28 of the United States Code, Bankruptcy Code section 105(a), Bankruptcy Rules 9006 and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Northwest Senior Housing Corporation (1278) and Senior Quality Lifestyles Corporation (2669). The Debtors’ mailing address is 8523 Thackery Street, Dallas, Texas 75225.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

9027, and Local Rule 9006-2, extending the time within which to file notices of removal of civil actions; and the Court having reviewed the Motion; and the Court having determined that the relief requested in the Motion is in the best interest of the Debtors, their estates, their creditors, and other parties in interest; and the Court having jurisdiction to consider the Motion and relief requested therein in accordance with 28 U.S.C. § 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b), and the Debtors consent to entry of a final order under Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED, as set forth herein.
2. The deadline for the Debtors to file notices of removal of Civil Actions pursuant to Section 1452 and Bankruptcy Rule 9027 is extended 120 days through and including November 10, 2022.
3. This Order is without prejudice to the Debtors' rights to seek further extensions of time within which to remove Civil Actions.
4. This Order is without prejudice to any position the Debtors may take regarding whether Bankruptcy Code section 362 applies to any of the Civil Actions.
5. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

6. The terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order.

7. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

8. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Order.

###End of Order###

Submitted by:

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