

Stephen A. McCartin (TX 13344700)
Thomas C. Scannell (TX 24070559)
Mark C. Moore (TX 24074751)
FOLEY & LARDNER LLP
2021 McKinney Avenue, Ste. 1600
Dallas, Texas 75201
Telephone: (214) 999.3000
Facsimile: (214) 999.4667
smccartin@foley.com
tscannell@foley.com
mmoore@foley.com

**COUNSEL FOR THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS**

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

In re:

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

Debtors.

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Chapter 11

Case No. 22-30659 (MVL)

Jointly Administered

**REQUEST FOR EMERGENCY CONSIDERATION
OF MOTION FOR AUTHORITY**

[Relates to Docket No. 635]

The Official Committee of Unsecured Creditors (the “**Committee**”) hereby files this *Request for Emergency Consideration of Emergency Motion for Authority to Negotiate and Related Relief* (the “**Request**”) regarding the *Emergency Motion for an Order: (1) Authorizing the Committee to Engage in Plan Formulation and Contingency-Planning Negotiations with the Landlord and Related Parties, and (2) Holding Such Parties Harmless Pursuant to Sections 105(a) and 1103(c)(3) of the Bankruptcy Code* [Docket No. 635] (the “**Motion for Authority**”). This Request seeks emergency consideration of the Motion for Authority at the hearing already set on

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.



related matters for September 29, 2022 at 9:30 AM (the “**Hearing**”). In support of the relief sought, the Committee would respectfully show the Court as follows:

I.
BACKGROUND

1. On April 14, 2022 (the “**Petition Date**”), the Debtors filed voluntary petitions commencing cases for relief under chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”) in the United States Bankruptcy Court for the Northern District of Texas (the “**Court**”).

2. On August 3, 2022, the Debtors filed their *Plan of Reorganization* [Docket No. 508] and *Disclosure Statement* [Docket No. 509] in support thereof. The Disclosure Statement was initially set for hearing on September 29, 2022 at the Hearing, but the Court recently stayed consideration of the Disclosure Statement based on a request² filed by Intercity Investment Properties, Inc. (the “**Landlord**”) that the Committee supported.³ The Disclosure Statement has not been reset, and all deadlines with respect thereto have been stayed.⁴

3. On August 11, 2022, the Debtors filed their *Motion for Entry of An Order Extending the Exclusivity Period for the Filing of a Chapter 11 Plan* [Docket No. 534] (the “**Exclusivity Motion**”) that ostensibly sought to the extend “the period during which the Debtors have the exclusive right to file a chapter 11 plan” (defined therein as the “**Exclusivity Period**”) in one place but later acknowledged that because the Plan had already been filed, requested “an extension of 180 days of the Debtors’ exclusive period for obtaining acceptances of and confirming the Debtors’ Plan.”⁵ The proposed order attached to the Exclusivity Motion extends “the Debtors’

² See Docket No. 543.

³ See Docket No. 607.

⁴ See Docket No. 620 [text entry only].

⁵ Compare *id.* at 1 and 2, ¶ 3.

Exclusivity Period ... through and including February 8, 2023.”⁶ The Landlord filed a limited objection to the Exclusivity Motion.⁷ On September 22, 2022, the Committee filed an objection to the Exclusivity Motion at Docket No. 634 (the “**Committee Objection**”).⁸ The Committee understands that the Trustee and the United States Trustee also intend to object to the Exclusivity Motion, which is set for hearing at the Hearing.

4. On August 12, 2022, the Landlord filed its *Motion to Dismiss Chapter 11 Cases Under 11 U.S.C. § 1112(b)* [Docket No. 541] (the “**Motion to Dismiss**”). The Debtors filed a preliminary objection⁹ and a primary objection¹⁰ to the Motion to Dismiss, to which UMB Bank, N.A. (the “**Trustee**”) and the Committee also objected.¹¹ The Landlord then replied.¹² The Motion to Dismiss is set for hearing at the Hearing.

5. Based on the issues raised in the objections to the Exclusivity Motion, the anticipation that the Trustee will now seek to file its own plan on behalf of the Bondholders, and the Committee’s so-far-frustrated attempts to engage other stakeholders in negotiations, the Committee prepared and filed the Motion for Authority. This Request seeks a hearing on the Motion for Authority at the Hearing alongside that of the Exclusivity Motion and Motion to Dismiss (among other things). The issues raised in each pleading, and the responses and objections

⁶ *Id.* at Exhibit A, ¶ 2.

⁷ *See* Docket No. 602.

⁸ The Committee incorporates the facts, arguments, and authorities set forth in the Committee Objection as is fully set forth herein.

⁹ *See* Docket No. 564.

¹⁰ *See* Docket No. 624.

¹¹ *See* Docket Nos. 622 and 627, respectively.

¹² *See* Docket No. 630.

thereto, are fundamentally intertwined, and the Court should hear and determine all such issues together.

II.

RELIEF REQUESTED

6. As noted above, the Motion for Authority was filed on September 22, 2022. Ordinarily, under the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas and the complex case procedures approved in this case, objecting parties would normally have twenty four (24) days to file responses or objections to the relief requested in the Motion for Authority. In this situation, however, the Committee requests that the Bankruptcy Court set a hearing on the Motion for Authority at the Hearing on September 29, 2022. The Committee proposes that any objections to the relief requested in the Motion for Authority may be made at the Hearing (September 29, 2022 at 9:30 AM).

7. Under Federal Rule of Bankruptcy Procedure 9006(c)(1), the Bankruptcy Court has discretion to shorten notice periods for “cause.” Bankruptcy Rule 9006(c) provides:

Except as provided in paragraph (2) of this subdivision, when an act is required or allowed to be done at or within a specified time by these rules or by a notice given thereunder or by order of court, the court for cause shown may in its discretion with or without motion or notice order the period reduced.

The court may not reduce the time for taking action under Rules 2002(a)(7), 2003(a), 3002(c), 3014, 3015, 4001(b)(2), (c)(2), 4003(a), 4004(a), 4007(c), 4008(a), 8002, and 9033(b). In addition, the court may not reduce the time under Rule 1007(c) to file the statement required by Rule 1007(b)(7).¹³

8. Similarly, the Court’s *Order Granting Chapter 11 Complex Case Treatment* [Docket No. 97] in this case contemplates emergency consideration and/or relief on fewer than 23 days’ notice so long as the party seeking such files a separate written request for emergency

¹³ Fed. R. Bankr. P. 9006(c)(1-2).

consideration “with the usual court requirements for explanation and verification of the need for emergency or expedited hearing.”¹⁴

9. Here, emergency consideration of the Motion for Authority at the Hearing date previously set for the Motion to Dismiss and the Exclusivity Motion is necessary under the circumstances because the issues raised in all three pleadings, and any responses or objections filed thereto, relate to the same potentially case-dispositive issues of whether these Chapter 11 Cases will continue, who can file a plan, how that plan be negotiated, and when those actions might occur. The changed circumstances of the Chapter 11 Cases, as reflected in the Trustee’s Objection to Exclusivity, constitute sufficient cause for emergency consideration of the Motion for Authority, which seeks an order authorizing the Committee to engage with the Landlord with respect to alternative and/or contingency planning.

10. Specifically, the unwillingness of the Bondholders (as defined in the Motion for Authority) to extend the DIP maturity date, which is currently December 31, 2022, or fund additional amounts to the Debtors’ estates to allow the extended timetable that the Debtors have requested for the Landlord Litigation (as defined in the Motion for Authority), have exacerbated an already tenuous financial situation for the Debtors, and the Committee needs the authorization and protections requested in the Motion for Authority to begin alternative and contingency planning for a worst-case scenario. While the Committee has every intention to engage with the Bondholders in good faith regarding their proposed alternative plan, prudence demands that the Committee also engage others at the same time to realize the best outcome possible for the estates and the creditors thereof. Time is of the essence; thus, emergency consideration is warranted because the issues are inextricably intertwined with the matters currently set for the Hearing.

¹⁴ See Docket No. 97 at 4, ¶5.

11. As reflected in the Certificate of Conference below, prior to filing this Request, counsel for the Committee conferred with counsel for the Debtors, the Trustee, the Landlord, and the United States Trustee regarding the relief requested. The Committee understands that the Debtors oppose emergency consideration at the Hearing, while the Landlord and the United States Trustee consent. The Trustee has not responded to date.

12. Accordingly, the Committee believes an emergency setting on the Motion for Authority is in the best interests of the Debtors, their estates, and all creditors thereof.

III. **CONCLUSION**

WHEREFORE, the Committee respectfully request that the Court grant this Request and set the Motion for Authority for hearing on September 29, 2022 at 9:30 AM and grant the Committee such other and further relief as is appropriate under the circumstances. .

Dated: September 22, 2022

Respectfully submitted,

FOLEY & LARDNER LLP

/s/ Mark C. Moore

Stephen A. McCartin (TX 13344700)

Thomas C. Scannell (TX 24070559)

Mark C. Moore (TX 24074751)

2021 McKinney Avenue, Suite 1600

Dallas, Texas 75201

Telephone: (214) 999-3000

Facsimile: (214) 999-4667

Email: smccartin@foley.com

Email: tscannell@foley.com

Email: mmoore@foley.com

**COUNSEL FOR THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing pleading was served electronically by the Court's PACER system on September 22, 2022.

/s/ Mark C. Moore

Mark C. Moore

CERTIFICATE OF CONFERENCE

I hereby certify that I, or other individuals at my firm, conferred via email and/or telephone with counsel for the Debtors, the Trustee, the Landlord, and the United States Trustee regarding the relief sought herein. The Debtors oppose emergency consideration for the Motion for Authority at the Hearing on September 29, 2022. The Landlord and the United States Trustee consent. At the time of this filing, the Trustee has not responded.

/s/ Mark C. Moore

Mark C. Moore

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

In re:

Northwest Senior Housing Corporation, *et*
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Debtors.

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Chapter 11

Case No. 22-30659 (MVL)

(Jointly Administered)

**ORDER GRANTING REQUEST FOR EMERGENCY CONSIDERATION
OF THE MOTION FOR AUTHORITY**

Upon the *Request for Emergency Consideration of the Motion for Authority* (the “**Request**”)² of the Official Committee of Unsecured Creditors (the “**Committee**”) regarding the *Emergency Motion for an Order: (1) Authorizing the Committee to Engage in Plan Formulation and Contingency-Planning Negotiations with the Landlord and Related Parties, and (2) Holding Such Parties Harmless Pursuant to Sections 105(a) and 1103(c)(3) of the Bankruptcy Code* [Docket No.

¹ The Debtors in these chapter 11 cases (the “**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) (together, the “**Debtors**”). The Debtors’ mailing address is 8523 Thackery Street, Dallas, Texas 75225.

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

635] (the “**Motion for Authority**”); and the Court having jurisdiction pursuant to sections 157 and 1334 of title 28 of the United States Code to consider the Request and the relief requested therein; and venue being proper in this Court pursuant to sections 1408 and 1409 of title 28 of the United States Code; and the Court having determined that the relief sought in the Request is in the best interests of the Committee, the Debtors, their creditors, and all parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

IT IS ORDERED, ADJUDGED AND DECREED THAT:

1. The Request is GRANTED;
2. The Court will consider the Motion for Authority on September 29, 2022 at 9:30 a.m. and advise the parties if any other proceedings are deemed necessary.

End of Order

Order submitted by:

FOLEY & LARDNER LLP

/s/ Mark C. Moore

Stephen A. McCartin (TX 13344700)

Thomas C. Scannell (TX 24070559)

Mark C. Moore (TX 24074751)

2021 McKinney Avenue, Suite 1600

Dallas, Texas 75201

Telephone: (214) 999-3000

Facsimile: (214) 999-4667

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