



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

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THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

A handwritten signature in cursive script, reading "Michelle V. Larson".

Signed May 27, 2022

United States Bankruptcy Judge

**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

**FINAL ORDER (I) AUTHORIZING
(A) CONTINUED USE OF THE DEBTORS' EXISTING
CASH MANAGEMENT SYSTEM, (B) MAINTENANCE OF THE
DEBTORS' EXISTING BANK ACCOUNTS, AND (C) CONTINUED USE OF THE
DEBTORS' EXISTING BUSINESS FORMS, AND (II) GRANTING RELATED RELIEF**

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.



Upon the motion (the “**Motion**”)² of the debtors and debtors in possession in the above-captioned chapter 11 case (the “**Debtors**”) for entry of a final order (this “**Final Order**”), pursuant to Bankruptcy Code Sections 105(a), 345(b), and 363(c) and Bankruptcy Rules 6003 and 6004, (i) authorizing the Debtors to (a) continue to use the Cash Management System, including existing bank accounts, (b) honor certain prepetition obligations related thereto, (c) continue intercompany transactions, and (d) maintain the Debtors’ existing business forms and (ii) granting related relief; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and this Court being able to issue a final order consistent with Article III of the United States Constitution; and venue of this proceeding and the Motion in this District being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that certain of the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and the opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion, having considered the record in support of the Motion, and having heard the statements and arguments of counsel concerning the relief requested therein at the hearings on the Motion before this Court; and all objections, if any, to the Motion having been withdrawn, resolved or overruled; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

² All capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

1. The relief requested in the Motion is GRANTED on a final basis strictly to the extent set forth herein.

2. The Debtors are authorized but not directed, pursuant to Bankruptcy Code Sections 105(a) and 363(c)(1), to (a) maintain and continue using in the ordinary course, subject to the terms of this Final Order and any other orders of this Court, the Cash Management System, including those Bank Accounts identified on the schedule attached hereto as Exhibit 1, substantially as depicted on the Cash Management Schematic attached hereto as Exhibit 2.

3. The Debtors are authorized to implement changes to the Cash Management System and procedures in the ordinary course of business, including by (a) opening additional bank accounts and closing any Bank Accounts in their sole discretion without further order of this Court and (b) completing the Systems Transfer; provided that the Debtors will provide notice to the U.S. Trustee and the Official Committee of Unsecured Creditors (“**Committee**”) within five (5) business days of opening any new Debtor Bank Account. The provisions in this Final Order which apply to Bank Accounts will apply to any such newly-opened bank accounts as if they had been open on the date hereof.

4. The Debtors are further authorized, but not directed, to (a) continue to use, with the same account numbers, each of the Bank Accounts in existence as of the Petition Date, including each of the accounts identified on Exhibit 1 attached hereto, and need not comply with certain guidelines relating to bank accounts set forth in the UST Guidelines, (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession, (c) deposit funds in and withdraw funds from the Bank Accounts by all usual means in the ordinary course of business, including, without limitation, by check, wire transfer and other methods, (d) pay the Bank Fees to the extent such Bank Fees are incurred in all respects in the ordinary course of business, including,

without limitation, any prepetition Bank Fees and any other Bank Fees for prepetition transactions that are charged to the Debtors on or after the Petition Date in the ordinary course of business, and (e) otherwise perform obligations under the documents governing the Bank Accounts to the extent such obligations arise in all respects in the ordinary course of business.

5. To the extent any of the Bank Accounts are not in compliance with Bankruptcy Code Section 345(b) or any of the UST Guidelines, the Debtors shall have until June 14, 2022, without prejudice to seeking an additional extension, to come into compliance with Bankruptcy Code Section 345(b) and any of the U.S. Trustee's requirements or guidelines; provided that nothing herein shall prevent the Debtors or the U.S. Trustee from seeking further relief from the Court to the extent that an agreement cannot be reached. The Debtors may obtain a further extension of such period referenced above by entering into a written stipulation with the U.S. Trustee and filing such stipulation on the Court's docket without the need for further Court order.

6. The Debtors are authorized, in their reasonable discretion, to continue the Intercompany Transactions between and among the Debtors and their affiliated Debtor and Non-Debtor entities arising from or relating to the operation of the Debtors' businesses in the ordinary course and consistent with the practices in place prior to the Petition Date; provided that the Debtors shall (a) continue to maintain current records with respect to all transfers of cash so that all Intercompany Transactions may be readily ascertained, traced and properly recorded on applicable intercompany accounts and (b) implement accounting procedures to distinguish between prepetition and post-petition Intercompany Transactions. The Debtors' affiliated Debtor and Non-Debtor entities need not file an application for approval of administrative expense priority claims for any Intercompany Transfers taking place post-petition in the ordinary course of business and timely paid in full pursuant to 11 U.S.C. 363(c)(1) and in compliance with the Budget. The

Debtors' affiliated Debtor and Non-Debtor entities may file an application for approval of an administrative expense priority claim under Bankruptcy Code Section 503(b) for any transfers related to any portion of any Intercompany Transactions that are accrued post-petition but not timely paid in the ordinary course of business, including the Corporate Overhead Fees. All parties' rights are fully reserved and preserved to respond to any such administrative expense applications, if and when filed.

7. The Debtors are authorized to use, in their present form, all preprinted correspondence and Business Forms (including checks).

8. The Banks are authorized, but not directed, to (a) continue to service and administer the Bank Accounts as accounts of the Debtors, as debtors in possession, without interruption and in the usual and ordinary course, and to receive, process, and honor and pay, to the extent of available funds, any and all checks, drafts, wires, or ACH transfers drawn on the Bank Accounts on or after the Petition Date by the holders or makers thereof, as the case may be (the **"Disbursements"**); provided however, the Debtors shall take all reasonable steps to stop payment on any checks, drafts, wires, or ACH transfers drawn or issued by the Debtors before, but which did not clear the Bank Accounts prior to, the Petition Date, except checks approved to be paid by an order of this Court.

9. The Banks are authorized to charge back to the appropriate accounts of the Debtors any amounts resulting from returned checks or other returned items, including, without limitation, returned items that result from automated clearing house transactions (**"ACH Transfers"**), wire transfers, or other electronic transfers of any kind (collectively, the **"Returned Items"**), regardless of whether such items were deposited or transferred prepetition or post-petition and regardless of whether the Returned Items relate to prepetition or post-petition items or transfers.

10. The Banks shall not be required to honor any Disbursements unless there are collected and immediately available funds in the Bank Accounts sufficient to cover such requests. The Banks are authorized to rely on the representations of the Debtors as to which Disbursements are authorized to be honored or dishonored, whether or not such Disbursements are dated prior to, on, or after the Petition Date, and whether or not the Bank believes the payment is authorized by an order of the Court. The Banks shall not be liable to any party or otherwise deemed in violation of this Final Order on account of: (a) following the Debtors' instructions or Debtors' representations as to any order of this Court; (b) the honoring of any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored despite implementation of reasonable item handling procedures; or (c) making an innocent mistake made despite implementation of customary item handling procedures.

11. To the extent that the Debtors direct that any Disbursement be dishonored or the Banks inadvertently dishonor any Disbursements, the Debtors are authorized to issue replacement Disbursements consistent with the orders of this Court.

12. The Banks are authorized to continue in the ordinary course of business to honor any standing instructions of the Debtors with respect to daily or periodic wires, ACH Transfers or other debits made to the Bank Accounts in accordance with the Debtors' prepetition instructions. The Banks are further authorized to debit the Bank Accounts in the ordinary course of business and without further order of this Court on account of all checks drawn on the Debtors' accounts which were cashed at the counter of the Banks or exchanged for cashier's or official checks by the payees thereof prior to the Petition Date.

13. The Debtors' credit card processors are authorized to process payments in the ordinary course of business, including the netting out of any fees and/or chargebacks arising before, on or after the Petition Date.

14. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed as (a) an admission as to the validity or priority of any claim or lien against the Debtors, (b) a waiver of the Debtors' rights to subsequently dispute such claim or lien on any grounds, (c) a promise or requirement to pay any prepetition claim, (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or this Final Order, (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to Bankruptcy Code Section 365, or (f) a waiver of the Debtors or any other party in interest's rights under the Bankruptcy Code or any other applicable law.

15. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b) because the relief granted in this Final Order is necessary to avoid immediate and irreparable harm to the Debtors' estates.

16. Notice of the Motion shall be deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice or waived.

17. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order shall be immediately effective and enforceable upon its entry.

18. All payments made pursuant to this Order shall be subject to any interim or final order entered by the Court governing the Debtors' right to the use the cash collateral of UMB Bank, N.A., as Trustee, including the budget attached thereto.

19. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

20. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

End of Order

Submitted by:

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Exhibit 1

Bank Accounts

	Bank	Account Number(s)	Account Type
1	Bankers Trust	6121	Revenue Account
2.	Bankers Trust	1479	Disbursement Account
3.	Regions Bank	0381	Escrow Account
4.	Regions Bank	5305	Escrow Account

Exhibit 2

Cash Management Schematic

Northwest Senior Housing Corporation

Cash Flow Chart

