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UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

IN RE:	)	
	)	
NORTHWEST SENIOR HOUSING	)	Case Number 22-30659-mvl11
CORPORATION,	)	
	)	Chapter 11
	)	
Debtor.	)	

**OBJECTION OF BONNIELYN FRANCIS TO FIRST AMENDED  
DISCLOSURE STATEMENT FOR THE PLAN OF REORGANIZATION  
OF THE PLAN SPONSORS DATED DECEMBER 6, 2022**

**Bonnielyn Francis** ("*Francis*"), a creditor and "Former Resident" in this case, objects pursuant to 11 U.S.C. Section 1125 and Federal Rule of Bankruptcy Procedure 3017 to the First Amended Disclosure Statement for the Plan of Reorganization of the Plan Sponsors Dated December 6, 2022 ("*Amended Disclosure Statement*") (docket #870), and as her objections will respectfully show the Court as follows:

1. The Plan Sponsors<sup>1</sup> filed the Amended Disclosure Statement on December 6, 2022.
2. Francis is a Former Resident as defined in the First Amended Plan of Reorganization of the Plan Sponsors Dated December 6, 2022. Francis filed a Proof of Claim in the amount of \$420,000.00 based on an Edgemere Life Care Agreement. Upon information and belief Francis' unit has not been re-occupied.
3. Section 1125 of the Bankruptcy Code requires that prior to solicitation of votes on its plan of

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<sup>1</sup> Capitalized terms not defined in this Objection have the meanings as defined in the Amended Disclosure Statement



reorganization by a debtor, the bankruptcy court must conduct a hearing upon the adequacy of the disclosure statement. A disclosure statement is adequate if it contains information of a kind and in sufficient detail so that a creditor can make an informed judgment about the plan of reorganization.

4. Francis objects to the Amended Disclosure Statement on the following grounds:

a. The Treatment of Former Residents is Ambiguous.

Claims of Former Residents are placed in Class 5 under the Plan. According to the Plan, Former Residents are “a Resident that no longer resides at the Community as of the Voting Record Date.” Section V(3)(e) of the Amended Disclosure Statement states as follows as to the treatment of Former Residents:

“Former Residents who do not OPT OUT of the Lifespace Settlement and the releases under Section 8 of the Plan (i.e., Participating Former Residents) shall receive Cash from the Residents Trust within sixty (60) days of the Effective Date, or as soon as practicable thereafter, in an amount equal to their Refund Claim.”

However, upon information and belief the Plan Sponsors may not intend that Former Residents whose units are not yet re-occupied be paid until and unless their residences are re-sold or leased. The Amended Disclosure Statement is ambiguous as it does not clearly define the treatment of Former Residents whose units have not been re-sold or leased. To the extent such Former Residents are to be treated differently the Amended Disclosure Statement should disclose exactly how and when they will be paid and the legal basis for the treatment suggested by the Plan.

b. The Source and Feasibility of Funding of the Residents Trust is Not Sufficient.

The Residents Trust is to be funded by “annual payments” by Lifespace pursuant to a not-yet provided Schedule. The Amended Disclosure Statement does not sufficient explain the amount of the annual payments. Also, Lifespace can defer payments under certain circumstances. The Amended Disclosure Statement does not provide financial information on Lifespace and no projections as to the annual Participating Resident Claims are provided. Creditors cannot determine what amounts will likely be funded annually and how much Former Residents will actually receive under the Plan.

c. The Disclosure Statements Fails to Adequately Explain Former Resident Claims  
Against Lifespace

In order to receive payment as Class 5 Claims, Former Resident must not opt out of a broad release of the "Released Parties" which includes Lifespace Communities, Inc. The Disclosure Statement does not adequately disclose claims brought and potential claims of Former Residents against Lifespace.

d. Joinder With Other Former Resident Objections.

Francis adopts and incorporates by reference the objections to the Amended Disclosure Statement made by all other Former Residents.

WHEREFORE, Bonnielyn Francis prays that the Amended Disclosure Statement not be approved, and for such other and further relief to which she may be justly entitled.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on December 12, 2022 a true and correct copy of this Objection was served to counsel for the Debtors, the Official Committee of Unsecured Creditors, the Office of the United States Trustee and on all parties receiving ECF-Notice via the Court's Electronic Case Filing (ECF) system.

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James W. Brewer