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ATTORNEY FOR TRUSTEES EDWARD C. CERNY III, SUZAN KUMAR, AND GALE SWANSON AND THE MARTHA P. CERNY TRUST

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

IN RE:	§	
	§	
Northwest Senior Housing Corporation,	§	Chapter 11
et al. <sup>1</sup> ,	§	
	§	CASE NO. 22-30659 (MVL)
	§	
DEBTORS.	§	(Jointly Administered)

## EDWARD C. CERNY III, SUZAN KUMAR, GALE SWANSON, AND MARTHA P. CERNY TRUST'S RESPONSE TO EDGEMERE RESIDENTS' TRUST FIRST OMNIBUS OBJECTION TO RESIDENT CLAIMS

(Related to ECF No. 1722)

COME NOW Edward C. Cerny III, Suzan Kumar, Gale Swanson, and Martha P. Cerny

Trust (collectively, "Cerny Trust") and hereby file this Response to Edgemere Residents'

Trust First Omnibus Objection to Resident Claims ("Response") and respectfully states

as follows:

1. On April 14, 2022, Northwest Senior Housing Corporation ("Edgemere")

commenced the above styled bankruptcy case by filing a Voluntary Petition for Non-Individuals

<sup>&</sup>lt;sup>1</sup> 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.

under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. ("<u>Bankruptcy</u> <u>Code</u>") in the above styled court.

2. On April 7, 2023, the Court entered *Findings of Fact, Conclusions of Law, and* Order Confirming Chapter 11 Plan of Plan Sponsors [Docket Nos. 1393, 1394] (the "<u>Confirmation Order</u>"), confirming the Fourth Amended Chapter 11 Plan of the Plan Sponsors Dated February 17, 2023 [Docket No. 1241] (the "<u>Plan</u>").

3. The Resident Trustee, as part of the Edgemere Residents' Trust First Omnibus Objection to Resident Claims (the "<u>First Omnibus Objection</u>"), explains that the Residents' Trust is reviewing proofs of claim filed by former residents, including the claim filed on behalf of the Cerny Trust. The Trustee's process includes "identifying particular categories of claims that may be targeted for disallowance, reduction and allowance, or reclassification." Further, the Trustee states that the First Omnibus Objection is filed to "avoid possible double recovery or improper recovery by claimants."

4. It is the understanding of the Cerny Trust that its proof of claim (noted on the court's claims register as Claim #7-1) is listed by the Resident Trustee on Exhibit 1 to the Proposed Order on First Omnibus Objection as POC #22—Resident ID #1403 in the amount of \$269,910.00. As part of the First Omnibus Objection, the Resident Trustee "seeks entry of a Proposed Order, pursuant to section 502(b) of the Bankruptcy Code and Bankruptcy Rule 3007(d)(2), disallowing the priority status of each Proof of Claim listed on Exhibit 1 to the Proposed Order, and requests this Court enter an order allowing the claims in the Proposed Allowed Amounts listed on Exhibit 1 to the Proposed Order as general unsecured claims only."

5. The claim of the Cerny Trust was paid in September 2023 as a refund claim out of the Resident Trust pursuant to the terms of the Confirmation Order and Plan. The Cerny Trust does not oppose a reclassification of its proof of claim as a general unsecured claim. However, in

the unlikely event that the Resident Trustee considers the Cerny Trust proof of claim as targeted for disallowance or reduction and allowance, the Cerny Trust objects to such treatment and would request a final hearing to adjudicate the First Omnibus Objection.

#### **RESERVATION OF RIGHTS AND JOINDER**

6. Cerny Trust expressly reserves all rights, including to: (i) amend, supplement, revise, or withdraw this Response, (ii) raise other objections to the First Omnibus Objection, and (iii) file responsive pleadings in accordance with applicable rules and/or deadlines.

#### <u>PRAYER</u>

WHEREFORE, Cerny Trust respectfully requests this Court grant such relief as this Court deems proper at law or equity.

Dated: November 14, 2023

Respectfully submitted,

## WADDELL SERAFINO GEARY RECHNER JENEVEIN, P.C.

By: <u>/s/ Beverly Cahill</u> BEVERLY CAHILL NELSON State Bar Number: 24031785 <u>bcahill@wslawpc.com</u>

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## **CERTIFICATE OF SERVICE**

The undersigned certifies that on November 14, 2023, a true and correct copy of the foregoing Response was served electronically on all parties registered to receive electronic notice of filings in this case via this Court's ECF notification system, including the Debtor and its counsel.

By: <u>/s/ Beverly Cahill</u> Beverly Cahill Nelson