

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:

MIDWEST CHRISTIAN VILLAGES, INC.
et al.,¹

Debtors.

Chapter 11

Case No. 24-42473-659

(Jointly Administered)

Re: Docket No. 750

DEBTORS' REPLY TO CREDITOR'S RESPONSE TO OBJECTION TO CLAIM

The above-captioned debtors and debtors-in-possession (the "Debtors"), by and through their counsel, hereby reply (this "Reply") to Karl Koenig's, responsible party f/b/o Liliane Koenig (the "Creditor"), response [Docket No. 750] (the "Response") to the *Debtors' Third Omnibus Objection to Claims* [Docket No 735] (the "Objection"). In support of this Reply, the Debtors submit the declaration of Kenna Hudson, the Debtors' controller (the "Hudson Declaration"), attached hereto as **Exhibit A**, and respectfully state as follows:

¹ The address of the Debtors headquarters is 2 Cityplace Dr, Suite 200, Saint Louis, MO 63141-7390. The last four digits of the Debtors' federal tax identification numbers are: (i) Midwest Christian Villages, Inc. [5009], (ii) Hickory Point Christian Village, Inc. [7659], (iii) Lewis Memorial Christian Village [3104], (iv) Senior Care Pharmacy Services, LLC [1176], (v) New Horizons PACE MO, LLC [4745], (vi) Risen Son Christian Village [9738], (vii) Spring River Christian Village, Inc. [1462], (viii) Christian Homes, Inc. [1562], (ix) Crown Point Christian Village, Inc. [4614], (x) Hoosier Christian Village, Inc. [3749], (xi) Johnson Christian Village Care Center, LLC [8262], (xii) River Birch Christian Village, LLC [7232], (xiii) Washington Village Estates, LLC [9088], (xiv) Christian Horizons Living, LLC [4871], (xv) Wabash Christian Therapy and Medical Clinic, LLC [2894], (xvi) Wabash Christian Village Apartments, LLC [8352], (xvii) Wabash Estates, LLC [8743], (xviii) Safe Haven Hospice, LLC [6886], (xix) Heartland Christian Village, LLC [0196], (xx) Midwest Senior Ministries, Inc. [3401]; (xxi) Shawnee Christian Nursing Center, LLC [0068]; and (xxii) Safe Haven Hospice, LLC [6886] [filed on August 21, 2024].



BACKGROUND

1. On July 16, 2024 (the "Petition Date"), the Debtors filed voluntary petitions for relief pursuant to chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Missouri (the "Court").

2. The Debtors continue in the operation and management of their business as debtors-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. An official committee of unsecured creditors (the "Committee") has been appointed in the chapter 11 cases. No trustee or examiner has been appointed in these chapter 11 cases.

3. On November 27, 2024, the Court entered the *Order (I) Approving the Asset Purchase Agreement Between the Debtors and the Successful Bidder; (II) Authorizing the Sale of Substantially All of the Assets of Crown Point Christian Village, Inc.; and (III) Granting Related Relief* [Docket No. 501] (the "Sale Order") whereby the Debtors were authorized to enter into that certain APA with the Buyer (each as defined in the Sale Order).

4. Pursuant to the APA, the Buyer assumed certain liabilities of Debtor Crown Point Christian Village, Inc. ("Crown Point"), including certain resident agreements.

5. Pursuant to the Sale Order, the sale of the assets of Crown Point was consummated free and clear of all liens, claims, and encumbrances.

REPLY

6. The Creditor has alleged a claim for amounts related to certain agreements dating from 2005 and 2021 (the "Agreements"). *See* Response 2.

7. At the time the Agreements were entered into and at every point thereafter, including on the Petition Date, no funds were set aside for the benefit of the Creditor specifically.

8. In accordance with common senior living facility practice, the funds from these types of agreements were held in a comingled account. Accordingly, the Creditor's claim is not and never has been secured.

9. Additionally, the Creditor received notice of the Sale Order and knew that the Agreements would be assumed by the Buyer. *See* Response 11; *see also Certificate of Service* [Docket No. 508]. Despite this, Creditor made no objection to the Sale Order or assumption of the Agreements.

10. As no timely objections were filed, the Court entered the Sale Order and the sale transaction was subsequently consummated. The lack of timely appeal renders the Sale Order final and unappealable.

11. However, Creditor, through the Response, has created a *de facto* collateral challenge to the Sale Order by attempting to unwind what was previously approved by this Court.

12. If Creditor had an issue with the sale of Crown Point or assumption of the Agreements, there was ample opportunity to object prior to the entry of the Sale Order. Creditor choose not to object, but now wants relief from the Sale Order by forcing the Debtors to pay out an alleged obligation that was already appropriately assumed by Buyer.

13. Finally, the Response makes it clear that counsel for the Creditor knows who the Buyer is and, indeed, has been in contact with the Buyer. *See* Response 10. Although counsel for the Creditor claims that attempts to contact the Buyer were unsuccessful, this is not grounds to launch a *de facto* collateral challenge to the Sale Order and attempt to foist upon the Debtors an alleged responsibility that was appropriately assumed by and assigned to the Buyer.

CONCLUSION

14. In sum, the Creditor's claim is not secured and the Response should be overruled as it represents a *de facto* collateral attack on a properly entered Sale Order to which no timely objection was filed.

WHEREFORE, the Debtors request that the Court enter an Order approving the Objection and grant such other relief as the Court deems proper.

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Dated: June 24, 2025
St. Louis, Missouri

Respectfully submitted,

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/s/ Stephen O'Brien

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Debtors-in-Possession*

Exhibit A

(Declaration of Kenna Hudson)

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:

MIDWEST CHRISTIAN VILLAGES, INC.
et al.,¹

Debtors.

Chapter 11

Case No. 24-42473-659

(Jointly Administered)

Re: Docket No. 750

**DECLARATION OF KENNA HUDSON IN SUPPORT OF DEBTORS' REPLY TO
CREDITOR'S RESPONSE TO OBJECTION TO CLAIM**

I, Kenna Hudson, declare as follows under penalty of perjury:

1. I am the controller of the above-captioned debtors (the "Debtors").
2. I make this declaration in support of the *Debtors' Reply to Creditor's Response to Objection to Claim* (the "Reply").²
3. Prior to the Petition Date, the Debtors would regularly hold deposits in a comingled account.
4. It is my understanding that this practice is common in the senior living space.

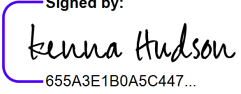
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² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Reply.

5. No specific funds were held for the Creditor at any point before or after the Petition Date.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct.

Date: June 24, 2025

Signed by:

By: 655A3E1B0A5C447...
Kenna Hudson
Controller
Midwest Christian Villages, Inc.