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**PROPOSED ATTORNEYS FOR DEBTORS**

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

**IN RE:** § **CHAPTER 11**  
§  
**THE LASALLE GROUP, INC., ET AL.,<sup>1</sup>** § **CASE NO. 19-31484**  
§  
**DEBTORS.** § **(JOINT ADMINISTRATION REQUESTED)**

**DEBTORS' EXPEDITED MOTION  
TO ESTABLISH NOTICE PROCEDURES**

The above-captioned debtors and debtors-in-possession (the "Debtors"), debtors-in-possession in the above-referenced chapter 11 cases, file this *Debtors' Expedited Motion to Establish Notice Procedures* (the "Motion") and in support thereof, respectfully represent as follows:

**I. JURISDICTION AND VENUE**

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

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<sup>1</sup> A list of the Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, is attached hereto as Schedule 1. The Debtors' mailing address is 545 E. John Carpenter Freeway, Suite 500, Irving, Texas 75062.

## **II. BACKGROUND**

2. On May 2, 2019 (the "Petition Date"), the Debtors filed their voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") commencing the above captioned cases (the "Chapter 11 Cases"). The Debtors continue to manage and operate their business as debtors-in-possession pursuant to Bankruptcy Code §§ 1107 and 1108. Concurrently with the filing of this Motion, the Debtors have requested procedural consolidation and joint administration of the Chapter 11 Cases.

3. An official committee of unsecured creditors has yet to be appointed in these Chapter 11 Cases. Further, no trustee or examiner has been requested or appointed in these Chapter 11 Cases.

4. A more detailed description of the Debtors and their business, the facts and circumstances leading up to the filing of the Debtors Chapter 11 Cases, and the facts supporting the Motion are set forth in greater detail in the *Declaration of Karen Nicolaou, the Debtors' Chief Restructuring Officer in Support of the Debtors' Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), which is being filed concurrently herewith and is incorporated by reference in this Motion.

## **III. RELIEF REQUESTED**

5. By this Motion, the Debtors request entry of an order limiting the notice in these Chapter 11 Cases and designating the parties upon who notice must be served, as set out more fully in the procedures contained herein.

6. The Debtors propose that every motion, application, pleading, notice, brief, memorandum, affidavit and declaration filed in these cases (with the exception of proofs of claim) (collectively, the "Filings") by any party shall be subject to the notice procedures

described below (the “Notice Procedures”), unless otherwise ordered by the Court.

7. The Debtors request that all Filings in these cases be served upon the parties and entities on the following limited service list (the “Limited Service List”):

- (a) The Debtors and their proposed counsel, Crowe & Dunlevy, P.C.;
- (b) The Office of the United States Trustee for the Northern District of Texas (the “U.S. Trustee”);
- (c) Counsel to each of the Debtors’ pre-petition secured lenders, or if one, the lender itself;
- (d) The 20 largest unsecured creditors for each Debtor regarding which the pleading impacts, unless and until such time as an official committee of unsecured creditors is appointed, if any;
- (e) Counsel to any official committee established in these Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, if any;
- (f) The Office of the Attorney General of the State of Texas (the “Texas Attorney General”);
- (g) The United States Attorney’s Office for the Northern District of Texas (the “U.S. Attorney”);
- (h) The Internal Revenue Service;
- (i) The Office of Health and Human Services; and
- (j) All parties who have filed a notice of appearance and request for notice or service of all pleadings pursuant to Bankruptcy Rule 2002.

8. Furthermore, the Debtors shall serve all Filings for which particular notices are required by Bankruptcy Rules 2002(a)(2), 2002(a)(3), 4001, 6004, 6006, 6007 or 9019 on the parties identified on the Limited Service List in addition to the persons or entities set forth below, in accordance with the following procedures, unless otherwise authorized by this Court:

- a) Filings relating to the use, sale, lease or abandonment of property other than in the ordinary course of business shall be served on each entity having an interest in the property;
- b) Filings related to relief from, or otherwise related to, the automatic stay shall be served on each entity having a lien or encumbrance on the

affected property;

- c) Filings relating to the use of cash collateral or obtaining credit shall be served on each entity with an interest in the cash collateral or each entity with a lien or other interest in property on which a lien is proposed to be granted;
- d) Filings relating to approval of proposed compromises or settlements shall be served on any entity that is a party to the compromise or settlement or which may be materially adversely affected thereby; provided, however, the Debtors may seek additional relief from the Court in order to determine how the notice of such settlement should be implemented;
- e) Filings relating to rights under section 365 of the Bankruptcy Code shall be served on each counterparty to the executory contract(s) or unexpired lease(s) affected thereby; and
- f) Notice of other matters for which the Bankruptcy Rules require notice to all parties in interest shall be served on all creditors of the Debtors and parties in interest, unless otherwise authorized by this Court.

9. All other Filings shall be served on the parties identified on the Limited Service List and each entity with a particular interest in the subject of the Filing. The Debtors further propose that, unless otherwise authorized by the Court, proceedings described in the subsections of Bankruptcy Rule 2002 identified below shall be noticed in accordance with the applicable provisions of such rule: (a) Bankruptcy Rules 2002(a)(1) and (4)-(7); Bankruptcy Rule 2002(b); and (c) Bankruptcy Rules 2002(f)(1)-(3) and (5)-(7).

10. In addition to the foregoing general procedures, the Debtors respectfully request that this Court adopt specific procedures that relate to specific types of parties. When the above Notice Procedures require service by the Debtors on the Debtors' current and former employees of the facilities – except those who (a) are listed in the Schedules of the Debtors, (b) file a proof of claim, or (c) appear in these Chapter 11 Cases, all of which shall be served pursuant to Bankruptcy Rule 2002(g) – to the extent the Debtors determine, in the exercise of their reasonable business judgment, the Debtors may accomplish service on such parties by publishing

a notice generally describing the relief sought and informing the employees where they may obtain copies of the relevant pleadings (the “Publication Notice”). For instance, the Publication Notice may be delivered or posted (whether physically and/or electronically) in the same manner the Debtors have historically given notices to employees, or as may be otherwise required by the Court.

11. Moreover, for residents of the RealCo Debtors who operate memory care facilities, the Debtors request authority to provide required notices to the responsible parties’ that have been designated by the residents for making medical, legal, and financial decisions (“Major Decisions”). As set forth in greater detail in the First Day Declaration, the residents of the RealCo Debtors’ Memory Care Facilities have medical conditions that impair cognitive function such that they cannot make Major Decisions for themselves and have, therefore, delegated that decision-making authority to other care-givers or family members in the intake records and paperwork maintained by the facilities (the “Responsible Party”). Sending notices regarding the bankruptcy proceedings to the residents directly would cause confusion and upset that is unnecessary given that each individual has a designated Responsible Party. In fact, it is the policy of each of the RealCo Debtors that residents do not even receive mail. Therefore, the Debtors respectfully request that any resident notices be sent to the Responsible Parties in lieu of the individual residents.

12. Finally, the Debtors respectfully submit that service of Filings by electronic mail (e-mail) will substantially reduce costs for photocopying and postage. To the extent that e-mail addresses are submitted or obtainable for parties filing a notice of appearance and request for service of papers in these Chapter 11 Cases, the Debtors shall serve those Filings by e-mail. In addition, any party electing to receive notice via the Electronic Case File shall be deemed to have

received notice by such service in lieu of email, mail, or other delivery. Those parties not having access to e-mail will receive service via United States first class mail or other service as may be appropriate.

#### IV. BASIS FOR RELIEF REQUESTED

13. Pursuant to Bankruptcy Rule 2002(a), notice of certain matters must be given to all of the Debtors' creditors. However, the Bankruptcy Rules further provide that "[t]he Court may from time to time enter orders designating the matters in respect to which, the entity to whom, and the form and manner in which notices shall be sent except as otherwise provided by these rules." FED. R. BANKR. P. 2002(M); *see also* FED. R. BANKR. P. 9007 ("[W]hen notice is to be given under these rules, the court shall designate, if not otherwise specified herein . . . the form and manner in which the notice shall be given.").

14. In addition, section 105(a) of the Bankruptcy Code grants bankruptcy courts broad authority and discretion to enforce the provisions of the Bankruptcy Code either under specific statutory provision or under equitable common law principles:

The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title. No provision of this title providing for the raising of an issue by a party in interest shall be construed to preclude the court from, sua sponte, taking any action or making any determination necessary or appropriate to enforce or implement court orders or rules, or to prevent an abuse of process.

11 U.S.C. § 105(a).

15. Section 102(1) of the Bankruptcy Code states that, where the Bankruptcy Code provides for an action to occur "after notice and a hearing," such action may occur "after such notice as is appropriate in the particular circumstances, and such opportunity for a hearing as is appropriate in the particular circumstances . . . ."

16. These Chapter 11 Cases involve thousands of parties in interest, each of which

may be entitled to certain notices, including notice under Bankruptcy Rules 2002(a)(2) and (3). The costs associated with copying and mailing or otherwise serving all Filings to all parties in interest would impose an enormous administrative and economic burden on the Debtors' estates. Additionally, the continual drafting and filing of motions to limit notice for each use, sale or lease of the Debtors' property out of the ordinary course of business, for various compromises and settlements, and the like would also constitute a significant administrative and economic burden on the Debtors' estates.

17. The Debtors believe that adopting the Notice Procedures will substantially reduce the administrative burdens to the Debtors' estates, as well as creditors and parties in interest, and will result in substantial cost savings.

18. Under the terms of the proposed Notice Procedures, all parties in interest who are directly affected by the relief sought by a particular Filing will receive notice of such Filing directly from the movant. The Debtors submit that no party will be prejudiced or adversely affected by the relief requested herein. For these reasons, the Debtors believe the Notice Procedures as set forth herein are appropriate and should be approved and implemented in these Chapter 11 Cases.

## V. NOTICE

19. Notice of this Motion has been provided to: (i) the Office of the United States Trustee; (ii) the Debtors' pre-petition lenders, or if one, the lender itself; (iii) any party whose interests are directly affected by this specific pleading; (iv) those persons who have formally appeared and requested notice and service in these proceedings pursuant to Bankruptcy Rules 2002 and 3017; (v) counsel for any official committees appointed by this Court; (vi) the 20 largest unsecured creditors of each of the Debtors; and (vii) all governmental agencies having a

regulatory or statutory interest in these cases. No other or further notice need be provided.

WHEREFORE the Debtors respectfully request that the Court (i) grant the Motion and (ii) grant such other and further relief as is just and proper.

RESPECTFULLY SUBMITTED this 2nd day of May, 2019.

**CROWE & DUNLEVY, P.C.**

By: /s/ Vickie L. Driver

Vickie L. Driver

State Bar No. 24026886

Christina W. Stephenson

State Bar No. 24049535

Christopher M. Staine

State Bar No. 24104576

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**PROPOSED ATTORNEYS FOR DEBTORS**

**CERTIFICATE OF CONFERENCE**

I hereby certify that on April 28, 2019, I spoke with Lisa Lambert with the US Trustee's Office regarding the relief requested herein. Ms. Lambert requested an opportunity to review the specific Motion and comment on the specific relief requested herein. Accordingly, we will continue to work with the US Trustee's Office to address any and all concerns in advance of the hearing on this Motion.

/s/ Vickie L. Driver

Vickie L. Driver

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing pleading provided by me to Donlin Recano for service upon the parties listed below via e-mail, facsimile, overnight delivery, and/or courier on this 2nd day of May, 2019. I further certify that Donlin Recano will file a certificate of service with the court verifying service upon the following upon completion.

- (a) The Office of the United States Trustee for the Northern District of Texas
- (c) Counsel to each of the Debtors' pre-petition secured lenders, or if none, the lender itself;
- (d) The 20 largest unsecured creditors for each Debtor regarding which the pleading impacts, unless and until such time as an official committee of unsecured creditors is appointed, if any;
- (e) Counsel to any official committee established in these Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, if any;
- (f) The Office of the Attorney General of the State of Texas;
- (g) The United States Attorney's Office for the Northern District of Texas;
- (h) The Internal Revenue Service;
- (i) The Office of Health and Human Services; and
- (j) All parties who have filed a notice of appearance and request for notice or service of all pleadings pursuant to Bankruptcy Rule 2002.

*/s/ Vickie L. Driver*

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Vickie L. Driver

**Schedule 1**

**List of Debtors**

<b>#</b>	<b>Debtor Name</b>	<b>Case No.</b>	<b>EIN</b>
1	The LaSalle Group, Inc.	19-31484	0143
2	West Houston Memory Care, LLC	19-31485	2760
3	Cinco Ranch Memory Care, LLC	19-31486	2716
4	Pearland Memory Care, LLC	19-31488	5311
5	Riverstone Memory Care, LLC	19-31493	5407

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

<b>IN RE:</b>	§	<b>CHAPTER 11</b>
	§	
<b>THE LASALLE GROUP, INC., ET AL.,<sup>1</sup></b>	§	<b>CASE NO. 19-31484</b>
	§	
<b>DEBTORS.</b>	§	<b>(JOINT ADMINISTRATION REQUESTED)</b>

**ORDER ESTABLISHING NOTICE PROCEDURES**

On May \_\_, 2019, the Court conducted a hearing to consider the *Debtors' Expedited Motion to Establish Notice Procedures* (the "Motion"), filed by the above-captioned debtors (the "Debtors"). The Court finds that: (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Motion is in the best interests of the Debtors, their

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<sup>1</sup> A list of the Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, is attached hereto as Schedule 1. The Debtors' mailing address is 545 E. John Carpenter Freeway, Suite 500, Irving, Texas 75062.

estate, and their creditors; (iv) proper and adequate notice of the Motion has been given and no other or further notice is necessary; and (v) upon the record herein after due deliberation thereon, good and sufficient cause exists for the granting of the relief as set forth herein.

Therefore,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. All Filings<sup>2</sup> in these Chapter 11 Cases shall be served upon the parties and entities on following list (the “Limited Service List”):
  - (a) The Debtors and their proposed counsel, Crowe & Dunlevy, P.C.;
  - (b) The Office of the United States Trustee for the Northern District of Texas (the “U.S. Trustee”);
  - (c) Counsel to the Debtors’ pre-petition secured lenders, or if one, the lender itself;
  - (d) The 20 largest unsecured creditors for each Debtor as to whom the pleading relates, until such time as an official committee of unsecured creditors is appointed, if any;
  - (e) Counsel to any official committee established in these Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, if any;
  - (f) The Office of the Attorney General for the State of Texas (the “Attorney General”);
  - (g) The United States Attorney’s Office for the Northern District of Texas (the “U.S. Attorney”);
  - (h) The Internal Revenue Service;
  - (i) The Office of Health and Human Services; and
  - (j) All parties who have filed a notice of appearance and request for notice or service of all pleadings pursuant to Bankruptcy Rule 2002.
3. The Debtors shall serve all Filings for which particular notices are required by

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<sup>2</sup> All capitalized terms not defined herein shall have the meaning ascribed to them in the Motion.

Bankruptcy Rules 2002(a)(2), 2002(a)(3), 4001, 6004, 6006, 6007 or 9019 on the parties identified on the Limited Service List in addition to the persons or entities set forth below, in accordance with the following procedures, unless otherwise authorized by this Court:

- a) Filings relating to the use, sale, lease or abandonment of property other than in the ordinary course of business shall be served on each entity having an interest in the property;
- b) Filings related to relief from, or otherwise related to, the automatic stay shall be served on each entity having a lien or encumbrance on the affected property;
- c) Filings relating to the use of cash collateral or obtaining credit shall be served on each entity with an interest in the cash collateral or each entity with a lien or other interest in property on which a lien is proposed to be granted;
- d) Filings relating to approval of proposed compromises or settlements shall be served on any entity that is a party to the compromise or settlement or which may be materially adversely affected thereby; provided, however, the Debtors may seek additional relief from the Court in order to determine how the notice of such settlement should be implemented;
- e) Filings relating to rights under section 365 of the Bankruptcy Code shall be served on each counterparty to the executory contract(s) or unexpired lease(s) affected thereby; and
- f) Notice of other matters for which the Bankruptcy Rules require notice to all parties in interest shall be served on all creditors of the Debtors and parties in interest, unless otherwise authorized by this Court.

4. All other Filings shall be served on the parties identified on the Limited Service List and each entity with a particular interest in the subject of the Filing. Unless otherwise authorized by the Court, proceedings described in the subsections of Bankruptcy Rule 2002 identified below shall be noticed in accordance with the applicable provisions of such rule: (a) Bankruptcy Rules 2002(a)(1) and (4)-(7); Bankruptcy Rule 2002(b); and (c) Bankruptcy Rules 2002(f)(1)-(3) and (5)-(7).

5. When the above Notice Procedures require service by the Debtors on the Debtors' current and former employees of the facilities – except those who (a) are listed in the Schedules of the Debtors, (b) file a proof of claim, or (c) appear in these Chapter 11 Cases, all of which shall be served pursuant to Bankruptcy Rule 2002(g) – to the extent the Debtors determine, in the exercise of their reasonable business judgment, the Debtors may accomplish service on such parties by publishing a notice generally describing the relief sought and informing the employees where they may obtain copies of the relevant pleadings (the “Publication Notice”). For instance, the Publication Notice may be delivered or posted (whether physically and/or electronically) in the same manner the Debtors have historically given notices to employees, or as may be otherwise required by the Court.

6. When the above Notice Procedures require service by the Debtors on the Debtors' residents of the facilities, such service may be accomplished by noticing the responsible parties that have been designated by the residents upon moving into the facilities.

7. To the extent that e-mail addresses are submitted or obtainable for parties filing a notice of appearance and request for service of papers in these Chapter 11 Cases, the Debtors shall serve those Filings by e-mail. Those parties not having access to e-mail will receive service via United States first class mail or other service as may be appropriate. Additionally, any party receiving notice through the Electronic Case Filing system shall not be entitled to additional service by mail or otherwise.

8. The Debtors shall file monthly an updated Limited Service List as required by the Local Rules and the Order Granting Complex Chapter 11 bankruptcy Case Treatment.

9. Notice given in accordance with the foregoing Notice Procedures is hereby deemed adequate under the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy

Rules, including notice that is required to be given to equity security holders under Bankruptcy Rule 2002(d)(1).

10. All Filings in these Chapter 11 Cases, with the exception of proofs of claim or interest, are hereby subject to the foregoing Notice Procedures, unless otherwise ordered by this Court.

11. Notwithstanding the possible applicability of Bankruptcy Rule 6004(h), the terms and provisions of this Order shall be immediately effective and enforceable upon its entry.

12. The Debtors are hereby authorized to take all actions necessary to effectuate the relief granted in this Order.

13. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation or interpretation of this Order.

### END OF ORDER ###

**Submitted by:**

**CROWE & DUNLEVY, P.C.**

Vickie L. Driver

State Bar No. 24026886

Christina W. Stephenson

State Bar No. 24049535

Christopher M. Staine

State Bar No. 24104576

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