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

In re:	§	Chapter 11
	§	
THE LASALLE GROUP, LLC, et al.,¹	§	Case No. 19-31484-sgj-11
	§	
Debtors.	§	(Jointly Administered)

MOTION OF ROSEMONT SUMMIT OPERATING LLC FOR ENTRY OF AN AGREED ORDER LIFTING THE AUTOMATIC STAY TO PERMIT SETOFF

THIS PLEADING REQUESTS RELIEF THAT MAY BE ADVERSE TO YOUR INTERESTS.

IF NO TIMELY RESPONSE IS FILED WITHIN 14 DAYS FROM THE DATE OF SERVICE, THE RELIEF REQUESTED HEREIN MAY BE GRANTED WITHOUT A HEARING BEING HELD.

A TIMELY FILED RESPONSE IS NECESSARY FOR A HEARING TO BE HELD

Rosemont Summit Operating LLC (“Rosemont”), pursuant to Bankruptcy Code sections 362 and 553, and Federal Rule of Bankruptcy Procedure 4001(d), files this *Motion for Entry of an Agreed Order Lifting the Automatic Stay to Permit Setoff* (the “Motion”) and respectfully represents as follows:

Jurisdiction and Venue

¹ The debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: The LaSalle Group, Inc. (0143); West Houston Memory Care, LLC (2760); Cinco Ranch Memory Care, LLC (2716); Pearland Memory Care, LLC (5311); and Riverstone Memory Care, LLC (5407) (collectively, the “Debtors”). The Debtors’ mailing address is 545 E. John Carpenter Freeway, Suite 500, Irving, Texas 75062.

1. This Court has jurisdiction to hear this matter pursuant to 28 U.S.C. § 1334. This proceeding is a core proceeding under 28 U.S.C. § 157(b)(2). The statutory predicate for relief is 11 U.S.C. §§ 362, 553 and Rule 4001(d) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

Factual and Procedural Background

2. On November 5, 2010, Rosemont and The LaSalle Group, Inc. (“LaSalle”), a Debtor in these cases, entered in that certain Lease Agreement, as amended by that certain First Amendment to Lease Agreement dated as of October 17, 2012 and as amended by that certain Amended and Restated Second Amendment to Lease Agreement dated as of March 6, 2015 (collectively, the “Lease”), concerning the rental of Suites 500, Suite 620 and Suite 670 in that certain office building located at 545 East John Carpenter Freeway, Irving, Texas 75062. Pursuant to the terms of the Lease, LaSalle deposited \$15,937.48 with Rosemont as a security deposit (the “Security Deposit”).

3. On May 2, 2019 (the “Petition Date”), the Debtors each filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

4. As of the Petition Date, LaSalle owed Rosemont approximately \$69,544.39 in unpaid rent under the Lease (the “Pre-Petition Rent Claim”).

5. On May 31, 2019, the Lease expired by its own terms and LaSalle continued to occupy the Lease space as a hold-over tenant.

Statement of Relief Requested and Grounds Therefor

6. By this Motion, Rosemont seeks relief from the automatic stay for entry of the Agreed Order (attached hereto as Exhibit A) so that it may offset the amount held as the Security Deposit against the Pre-Petition Rent Claim.

7. Courts analyzing similar requests to Rosemont's typically look to section 553 of the Bankruptcy Code to examine whether setoff is permissible. Section 553 of the Bankruptcy Code preserves a creditor's right to setoff a mutual, pre-petition obligation owing to a debtor against a mutual, pre-petition claim against a debtor. 11 U.S.C. § 553(a). LaSalle and Rosemont each agree that the Security Deposit and the Pre-Petition Rent Claim at issue here constitute mutual, pre-petition obligations/claims. Consequently, Rosemont is entitled under Section 553 of the Bankruptcy Code to setoff the Security Deposit against the Pre-Petition Rent Claim.

8. Under section 362(a)(7) of the Bankruptcy Code, the automatic stay directly applies to efforts to setoff debt. Pursuant to the Bankruptcy Code, this Court has broad discretion to modify or lift the automatic stay for cause. *See* 11 U.S.C. § 362(d). Cause exists to lift the automatic stay and the LaSalle has no ability to provide adequate protection to Rosemont. In addition, the stay should be lifted because the Debtors do not have an equity interest in the Security Deposit and do not assert that the Security Deposit is necessary for an effective reorganization in these bankruptcy cases. For these reasons, the stay should be lifted so that Rosemont may setoff the Security Deposit against the Pre-Petition Rent Claim.

Reservation of Rights

9. Rosemont reserves all rights under the Bankruptcy Code, the Bankruptcy Rules, the local rules of this Court, and applicable non-bankruptcy law, including, but not limited to, with respect to the Security Deposit and the Pre-Petition Rent Claim including the right to amend, supplement, or withdraw this Motion, or any portion thereof, at or prior to any final

hearing on this Motion. Moreover, Rosemont reserves all rights and claims in connection with any other pre-petition or post-petition claim related to the Lease.

Request for Relief

10. Rosemont respectfully requests that this Court (i) grant the relief requested in the Motion; (ii) enter the proposed Agreed Order; and (iii) grant Rosemont such other and further relief to which it may be justly entitled, both at law and in equity.

DATED July 18, 2019

Respectfully submitted by:

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PROPOSED COUNSEL FOR THE DEBTORS

Certificate of Service

I hereby certify that a true and correct copy of the foregoing pleading was served upon parties on the Limited Service List via e-mail, U.S. Mail and/or electronic transmission via the Court's ECF noticing system on this 18th day of July, 2019.

By: /s/ Edward L. Ripley
Edward L. Ripley

EXHIBIT A

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

In re:	§	Chapter 11
	§	
THE LASALLE GROUP, LLC, et al.,²	§	Case No. 19-31484-sgj-11
	§	
Debtors.	§	(Jointly Administered)

**AGREED ORDER GRANTING RELIEF FROM
THE AUTOMATIC STAY TO PERMIT SETOFF**

Before the Court is the *Motion for Entry of an Agreed Order Lifting the Automatic Stay to Permit Setoff* (the “Motion”) filed by Rosemont Summit Operating LLC (“Rosemont”) filed pursuant to Bankruptcy Code sections 362 and 553 and Federal Rule of Bankruptcy Procedure 4001(d). The Court finds that notice of the Motion was proper under the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the local rules and orders of

² The debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: The LaSalle Group, Inc. (0143); West Houston Memory Care, LLC (2760); Cinco Ranch Memory Care, LLC (2716); Pearland Memory Care, LLC (5311); and Riverstone Memory Care, LLC (5407) (collectively, the “Debtors”). The Debtors’ mailing address is 545 E. John Carpenter Freeway, Suite 500, Irving, Texas 75062.

the Court. The Court, having read and considered the Motion, and having been informed that Debtors' proposed counsel has agreed to the relief requested in the Motion, further finds that the relief requested in the Motion is appropriate and should be granted. It is therefor

ORDERED that the Motion is GRANTED and Rosemont is authorized to setoff the Security Deposit against the Pre-Petition Rent Claim as described in the Motion.

IT IS FURTHER ORDERED that the automatic stay is hereby lifted and modified to permit Rosemont to effectuate such setoff; and it is further

IT IS FURTHER ORDERED that the stay imposed by Bankruptcy Rule 4001(a)(3) does not apply.

END OF ORDER

Agreed to as to Form and Substance by:

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