UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In re:	Chapter 11
Whitehall Manor, Inc., et al.,	Case No. 25-15245 (PMM)
Debtors.	Jointly Administered[1]

DEBTORS' MOTION FOR ENTRY OF AN ORDER APPROVING MODIFIED ADEQUATE PROTECTION PENDING CONFIRMATION OF A CHAPTER 11 PLAN AND EXPEDITED CONSIDERATION

The above-captioned debtors and debtors in possession (collectively, the "Debtors"), [2] by and through their counsel, Dilworth Paxson LLP, hereby move (this "Motion") on an expedited basis, pursuant to Rules 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Sections 105(a), 361, 362, and 363 of Title 11 of the United States Code, 11 U.S.C. § 101, *et. seq.* (the "Bankruptcy Code") and Local Bankruptcy Rules 5070-1(g), 9014-1, and 9014-2 (the "Local Rules"), for the entry of an order substantially in the form of the proposed order submitted herewith scheduling a hearing for May 26, 2026 regarding modification of the adequate protection of the interests of Lehigh Valley 1, LLC ("Lehigh") and approving said modification as requested by the Debtors.

[1] The Debtors and debtors-in-possession in these Chapter 11 Cases and the last four digits of their respective taxpayer identification numbers are as follows: (i) Whitehall Trust (4229); (ii) Saucon Trust (4229); (iii) Whitehall Manor, Inc. (5606); (iv) Saucon Valley Manor, Inc. (2894). The Debtors' mailing address is 1177 6th Street, Whitehall, PA 18052. The Dismissal Order, entered on March 19, 2026, dismissed the cases of debtor Whitehall Trust, Case No. 25-15241-PMM and debtor Saucon Trust, Case No. 25-15243-PMM.
[2] The Chapter 11 cases of Whitehall Trust and Saucon Trust were dismissed by the Bankruptcy Court on March 20, 2026. The dismissal order is stayed pending appeal by order of the Bankruptcy Court dated April 2, 2026. If the dismissal order is affirmed on appeal, Whitehall Trust and Saucon Trust will no longer be Debtors under the Plan and all provisions of the Plan dependent on those entities being Debtors will be deemed stricken from the Plan and of no effect.

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory and rule-based predicates for the relief requested herein are sections 105(a), 361, 362, and 363 of the Bankruptcy Code, Bankruptcy Rules 4001 and 9014, and Local Rules 5070-1(g), 9014-1, and 9014-2.

PRELIMINARY STATEMENT

4. On May 15, 2026, the Debtors filed their Proposed Plan of Reorganization (the "Plan") and the Disclosure Statement. The Plan provides for the reorganization of the Debtors and the resolution of all outstanding Claims against, and Interests in, the Debtors. Because the Dismissal Order Appeal remains pending and because the Debtors believe that reorganization of all of the Debtors and their Estate is most beneficial to their successful reorganization and to creditors and parties in interest, the Debtors are requesting, in a separate motion, that the hearing to approve the Disclosure Statement be scheduled for a date that is thirty (30) days after the Dismissal Order Appeal is resolved by final order. In order to expedite the appeal process, the Trust Debtors have petitioned the Court of Appeals for the Third Circuit to take the appeal directly, bypassing the district court, and avoiding the delay of two layers of appeals. Moreover, if the Court of Appeals accepts the requested direct appeal, the Trust Debtors will request expedited consideration of the appeal.

5. In the interim, to protect Lehigh's interests pending confirmation of the Plan, the Debtors request that the Bankruptcy Court modify its prior decisions regarding adequate protection and rent payment requirements such that the Debtors are continuing to pay all post-petition taxes, insurance, repairs and maintenance as they come due and pay to Lehigh the full mortgage principal and interest payments each month beginning June 1, 2026 pending confirmation of the Plan.

6. Such modification will ensure that sufficient funds are set aside to cover all amounts coming due to Lehigh under its mortgages post-petition, pending confirmation of the Plan, protect its interests in cash collateral, and allow the Debtors to continue to operate pending resolution of the Dismissal Order Appeal and confirmation of a Plan.

7. The Debtors additionally request that the Court hold a hearing on this matter on May 26, 2026, a date on which hearings on other matters in the Debtors' bankruptcy cases are already scheduled.

BACKGROUND

8. Prior to the COVID-19 pandemic, Debtors Whitehall Manor, Inc. and Saucon Valley Manor, Inc. were making monthly rental payments to Debtors Whitehall Trust and Saucon Trust, respectively, under the Leases. The rental amount was determined with M&T (which cited HUD in requiring changes to the rental amounts) to assure that the Monthly Rent assured receipt of (i) the monthly debt service (mortgage principal and interest pursuant to the fixed payment of the Note), and (ii) the annual Mortgage Insurance Premium to HUD for its insurance of the loans, (iii) property taxes, (iv) property insurance, and (v) the sum required under the Regulatory Agreement by HUD to be contributed monthly to the Trusts' reserve for repairs and maintenance (from which the Trusts or Manors could receive reimbursement for capital repairs and replacements separate from the rental payments). Annually, an accountant satisfactory to HUD conducted an Audit of the Manors and Trusts and made reconciliation of the rental payments and, if there was a "surplus" under its regulations, would authorize a distribution from the Trusts to Abraham Atiyeh of such surplus. Due to concern about a potential shortfall from a fixed rent, the monthly rent payment was made explicit as to its components. At all relevant times, the stated fixed rent and the variable statement were treated the same and the Trusts received the rent inclusive of items (i) through (v), not in addition to components thereof. The books of the Trusts

prior to the full harm of COVID taking effect reflected that the rent paid by the Manors to the Trusts was made a gross sum – not net.

9. When Debtors Whitehall Manor, Inc. and Saucon Valley Manor, Inc. were unable to service their operations and pay rent to Debtors Whitehall Trust and Saucon Trust as a result of economic difficulties stemming from the pandemic, they chose to use available funds to pay for the resident care and necessities for their operations with the hope that they would be able to remedy their rent defaults so that the mortgages could be serviced and taxes could be paid in the near term once their financial condition improved, and that HUD would grant modification and forbearance as it, and the United States government and its agencies, ("USA"), allowed for other obligors whose debt was guaranteed, insured or due to the USA.

10. Subsequent to 2021, with the knowledge and consent of the Trusts, Debtors Whitehall Manor, Inc. and Saucon Valley Manor, Inc. began paying for insurance directly and performed and paid for necessary repairs and maintenance directly. Beginning in 2024, they negotiated a settlement of the past-due real estate taxes (since HUD and M&T used the accumulated reserve account to reduce the payment due from HUD to M&T, instead of paying taxes or providing funds for repair and maintenance), and the Manors began making payments directly to the taxing authorities to resolve the outstanding tax obligations and assure that title was not lost for the Trusts and use continued for the benefit of Manors and HUD.

11. On December 26, 2025 (the "Petition Date"), the Debtors commenced the above-captioned chapter 11 cases (the "Chapter 11 Cases") by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

12. The Debtors continue in possession of their property and to operate and manage their businesses as a debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

13. Pursuant to the interim orders of this Court authorizing the Debtors' continued use of cash collateral, Debtors Whitehall Manor, Inc. and Saucon Valley Manor, Inc. have each made adequate protection payments to Lehigh in the amount of $35,000 per month.

14. In addition, Debtors Whitehall Manor, Inc. and Saucon Valley Manor, Inc. have been maintaining insurance coverage, paying post-petition property taxes, and maintaining and repairing their operations, facilities and the real estate owned by Debtors Whitehall Trust and Saucon Trust since the Petition Date.

15. The Office of the United States Trustee has requested the appointment of a trustee in the Chapter 11 Cases of Whitehall Manor, Inc. and Saucon Valley Manor, Inc., which motion remains pending. No official committee of unsecured creditors has been appointed in these Chapter 11 Cases.

16. On March 20, 2026, this Court dismissed the Chapter 11 Cases filed by Debtors Whitehall Trust and Saucon Trust. This Court entered an order on April 2, 2026, staying the effectiveness of the dismissal order pending appeal. The Debtors are awaiting a decision by the Third Circuit Court of Appeals whether it will authorize a direct appeal of the dismissal order. The Debtors intend to seek expedited consideration of the appeal once the direct appeal is authorized. If not authorized, the Debtors will move as expeditiously as possible in the District Court to resolve the Dismissal Order Appeal, seeking further expedited appellate review by the Third Circuit Court of Appeals, if necessary.

17. On May 15, 2026, the Debtors filed the Plan and Disclosure Statement.

RELIEF REQUESTED

18. By this Motion and pursuant to sections 105(a), 361, 362, and 363 of the Bankruptcy Code, Rules 4001 and 9014 of the Bankruptcy Rules, and Local Rules 5070-1(g), 9014-1, and 9014-2, the Debtors seek the entry of an order (the "Adequate Protection Order")

scheduling an expedited hearing and approving modified adequate protection pending confirmation of the Plan.

19. The Debtors have requested that a hearing to approve the Disclosure Statement, Solicitation Materials and Related Notice and Objection Procedures be scheduled for a date that is thirty (30) days following the entry of a final order resolving the Dismissal Order Appeal.

20. While Debtors Whitehall Manor, Inc. and Saucon Valley Manor, Inc. believe they have feasible options to restructure their own obligations, those options and their effectiveness are unnecessarily and substantially limited by the dismissal of the Trust cases. In the event that the Dismissal Order is reversed, the Trusts and the operating companies will have substantially greater confirmation options. If the Dismissal Order is reversed, and a Plan for Debtors Whitehall Manor, Inc. and Saucon Valley Manor, Inc. is required to be pursued and confirmed in the interim, the Debtors would be precluded from modifying that Plan to obtain the benefits of a cram down plan or other options that would benefit their Estate, operations and creditors.

21. Accordingly, to avoid prejudice to the Debtors in the event that the Dismissal Order is reversed on appeal, the Debtors submit that the prudent course is to provide adequate protection to Lehigh as set forth above pending confirmation of a Plan and scheduling the hearing to confirm the Disclosure Statement, Solicitation Materials and Related Notice and Objection Procedures until after the Dismissal Order appeal has been resolved.

22. The Debtors intend to expedite the appeal process as much as possible and it is in their best interest to do so given that they will continue to incur fees and costs associated with their Chapter 11 cases, but the Debtors believe that the benefits of waiting until the outcome of the Dismissal Order Appeal to ensure that they are able to consider all available restructuring options outweigh such fees and costs. This Court can always revisit scheduling if the appeal process is taking longer than appropriate for a bankruptcy case. Such an outcome is unlikely given that these

bankruptcy cases have been pending for just over four months and the Circuit Court has docketed the petitions for direct appeal, setting a short period by which Lehigh must respond before the Circuit Court considers the petitions.

23. The Debtors request that the Court enter orders substantially in the form attached hereto as Exhibit A scheduling an expedited hearing for May 26, 2026 and Exhibit B setting the adequate protection requirement equal to the amount of debt service owed to Lehigh under the Mortgages on a monthly basis pending confirmation of a Plan. See Commonwealth Ins. Co. v. Underwriters, Inc., 846 F.2d 196, 199 (3d Cir. 1988) ("[T]he power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket . . . .") (quoting Landis v. North American Co., 299 U.S. 248, 254, 57 S.Ct. 163, 166, 81 L.Ed. 153 (1936) (describing "the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants")); In re Gilbert, 120 F.4th 114, 126 (3d Cir. 2024), as amended (Nov. 1, 2024) ("A bankruptcy court has discretion to manage its docket by shortening a notice period. Fed. R. Bankr. P. 9006(c)(1). 'We will not interfere with a ... court's control of its docket except upon the clearest showing that the procedures have resulted in actual and substantial prejudice to the complaining litigant.') (quoting In re Asbestos Prods. Liab. Litig. (No. VI), 921 F.3d 98, 109 (3d Cir. 2019)) (internal citations and quotations omitted).

ARGUMENT

I. MODIFICATION OF ADEQUATE PROTECTION AND PAYMENT OF RENT

24. Following the April 23, 2026 hearing in these Chapter 11 Cases, this Court directed (the "Rent Order") the Debtors to escrow with the Receiver beginning May 1, 2026, the monthly rent stated in the Leases between Debtors Whitehall Manor, Inc. and Whitehall Trust and between Debtors Saucon Valley Manor, Inc. and Saucon Trust, being $139,000 and $142,118.42,

respectively. The Receiver confirmed receipt of these funds from the Debtors on April 30, 2026 in accordance with the Rent Order.

25. Subsequent to the Petition Date, Debtors Whitehall Manor, Inc and Saucon Valley Manor, Inc. have continued to pay all post-petition taxes, insurance, maintenance and repair obligations directly, rather than as rent to Debtors Whitehall Trust and Saucon Trust. In that same time, the Trusts performed no repairs nor maintenance, and paid no real estate taxes. The only component of the rent that is not being paid post-petition is the mortgage principal and interest due to Lehigh; however, Lehigh is receiving adequate protection payments from Debtors Whitehall Manor, Inc. and Saucon Valley Manor, Inc. in the amount of $35,000 each, equal to just over half of the amount of the monthly mortgage principal and interest obligation.

26. The Rent Order has created a situation for the Debtors that, based upon the demand to pay the identified amount and also the taxes, repair, maintenance and insurance and not getting any of the Good Shepherd rental income), will preclude their ability to continue operations pending confirmation of a Plan and renders reorganization economically not feasible. By requiring the Debtors to continue to pay all property taxes, insurance, maintenance and repair costs directly to the respective taxing authorities, insurance carriers, and maintenance and repair providers, respectively, and continue to make adequate protection payments to Lehigh in the amount of $35,000 per month from each of Debtors Whitehall Manor, Inc. and Saucon Valley Manor, Inc., and also escrow with the Receiver the full amount of rent under the Leases,[3] Debtors Whitehall Manor, Inc. and Saucon Valley Manor, Inc. are being required to pay essentially double the amount that they have ever had to pay under the Leases. Even at their most profitable before the COVID-19 pandemic, those Debtors would not have been able to sustain operations while paying double

[3] The Debtors are also required to turn over to the Receiver the rent received from their tenant, Good Shepherd, less expenses.

the amount of these expenses each month and certainly, until they can confirm a Plan to restructure their financial condition, they cannot do so.

27. Mr. Atiyeh has received interest from bank lenders familiar with him, the respective properties and operating entities, and the personal assets that he intends to use to fund a plan of reorganization and resolve the Debtors' obligations to creditors. He is not personally obligated on the mortgages currently held by Lehigh or under the Leases. He is willing to commit to financing the plan in exchange for the consideration being provided in the plan, but is not willing to contribute these funds without that consideration – especially since the payment requirements identified above would present little chance of success for the operations. The impact of the payment obligations on cash flow will also have a negative effect on lenders agreeing to provide financing to Mr. Atiyeh and to Mr. Atiyeh economic considerations as an investor.

28. Lehigh is only entitled to have its interests in the Debtors' Assets protected pending confirmation of the Plan. Moreover, it is only entitled to payment on account of the mortgages that it currently holds. Lehigh is not and never was entitled to receive the intercompany rent payments under the Leases. The amount being paid as adequate protection and set aside as monthly rent is more than five times the amount of monthly debt service under the terms of the mortgages. And, Debtors Whitehall Manor, Inc. and Saucon Valley Manor, Inc. are also paying all post-petition tax, insurance, maintenance and repair obligations as they come due. The Debtors cannot sustain operations while making these payments and are effectively being denied their ability to reorganize.

29. The Debtors submit that, pending confirmation of the Plan, to protect Lehigh's interests, Debtors Whitehall Manor, Inc. and Saucon Valley Manor, Inc. should each be required to pay the full monthly principal and interest payment to Lehigh as required by the Mortgages (being $69,844.95 for Whitehall and $69,578.58 for Saucon). There is no evidence that any of the

collateral securing the Debtors' obligations to Lehigh is depreciating post-petition. To be sure, the Debtors' net receipts have increased overall over the course of these Chapter 11 cases, until the Debtors were required to pay out escrow funds under the Rent Order. Clearly, paying the full post-petition debt service adequately protects Lehigh's interests pending confirmation of the Plan.

30. The Debtors, therefore, request that, pending confirmation of the Plan and in lieu of escrowing rent under the Rent Order and paying $35,000 monthly adequate protection payments, the Court enter an order providing: (i) that the Debtors pay to Lehigh, on or before the 13th day of each month, a monthly amount of $69,844.95 from Debtor Whitehall Manor, Inc. and $69,578.58 from Debtor Saucon Valley Manor, Inc., representing the full post-petition monthly debt service obligation; and (ii) that they continue to pay all post-petition tax, insurance, maintenance and repair obligations as they come due.

II. EXPEDITED CONSIDERATION IS WARRANTED

31. For the reasons set forth above, the Debtors submit that expedited consideration is necessary and appropriate. The Debtors have consulted with Matthew Hamermesh, counsel to interested party Lehigh, and Lehigh does not oppose the scheduling of an expedited hearing on May 26, 2026. Notice of this motion was provided to all interested parties via ECF notice on May 15, 2026.

WHEREFORE, the Debtors respectfully request that this Court enter the Adequate Protection Order and granting such other and further relief as is just and proper.

Date: __5/15/26 _____/s/ Anne Aaronson___

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Counsel for the Debtors and Debtors in Possession

EXHIBIT A

[PROPOSED ORDER SCHEDULING EXPEDITED HEARING]

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In re:	Chapter 11
Whitehall Manor, et al.,	Case No. 25-15241 (PMM)
Debtors.	Jointly Administered

O R D E R

AND NOW, upon consideration of the Debtors' Motion for Entry of an Order Approving Modified Adequate Protection Pending Confirmation of a Chapter 11 Plan And Expedited Consideration ("the Motion"), and the request for an expedited hearing thereon, and sufficient cause being shown, it is hereby ORDERED that:

1. The Request for an Expedited Hearing is GRANTED.

2. A hearing to consider the Motion shall be held on May 26, 2026, at __2:30___ p.m. via Zoom

https://www.zoomgov.com/j/1604457928?pwd=HQTn4QQaQju9Wv9BjWJGnYMGbvIMsT.1
Meeting ID: 160 445 7928
Passcode: 952332

3. Written objections or other responsive pleadings to the Motion (while not required) may be filed up to the time of the hearing and all objections will be considered at the hearing.

4. The Movant shall serve the Motion and this Order on the U.S. Trustee (Rachel Wolf), Phillip Berger, Esquire and Matthew Hamermesh, Esquire (attorneys for Lehigh), and Brett Messinger, Esquire (attorney for Receiver) by e-mail transmission no later than 5:00 p.m. on 5/18/2026. If the hearing is scheduled less than 48 hours after the Movant receives this Order, Movant shall give immediate telephonic notice of the hearing to the above as well.

Date: ______________________________

Honorable Patricia Mayer

EXHIBIT B

[PROPOSED ADEQUATE PROTECTION ORDER]

THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In re: Whitehall Manor, et al.,[4] Debtors.	Chapter 11 Case No. 25-15245(PMM) Jointly Administered

ORDER APPROVING MODIFIED ADEQUATE PROTECTION PENDING CONFIRMATION OF A CHAPTER 11 PLAN

This matter came before the Court on the motion (the "Motion")[5] of the above-captioned debtors and debtors-in-possession (the "Debtors") for the entry of an order substantially in the form of the proposed order submitted herewith scheduling an expedited hearing on the Motion and approving modified adequate protection of the interests of Lehigh Valley 1, LLC ("Lehigh") pending confirmation of a plan. Upon review of the Motion and the objections thereto, and based upon the evidence presented to this Court at hearing on the Motion, the Court hereby **ORDERS**:

1. To protect the interests of Lehigh Valley 1, LLC (the "Secured Party") pending confirmation of the Plan, the Court hereby:

    a. grants the Secured Party replacement security interests in and replacement liens (exclusive of any avoidance actions available to the Debtor's estates pursuant to Sections 544, 545, 547, 548, 549, 550, 553(b), or 724(a) of the Bankruptcy Code or any proceeds thereof) on all of the Debtors' assets,

[4] The Debtors in these Chapter 11 Cases are: (i) Whitehall Manor, Inc. (5606); and (ii) Saucon Valley Manor, Inc. (2894).
[5] Capitalized terms not defined herein shall have the meanings set forth in the Motion.

whether such property was acquired before or after the Petition Date (the "Replacement Liens").

b. Such Replacement Liens shall be equal to the aggregate diminution in value, if any, after the Petition Date of the cash collateral and other collateral in which the Secured Party holds an interest. The Replacement Liens shall be of the same extent, validity, and priority as the liens of the Secured Party on the prepetition cash collateral and other collateral.

c. Subject to the foregoing paragraph, the Replacement Liens shall constitute valid and duly perfected security interests and liens as of the Petition Date. The Secured Party shall not be required to file or serve financing statements, notices of lien, or similar interests which otherwise may be required under federal or state law in any jurisdiction, or take any action, including taking possession, to validate and perfect such Replacement Liens.

d. The Replacement Liens shall be subject and subordinate solely to fees payable to the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6) and the Clerk of the Bankruptcy Court.

2. Beginning June 1, 2026 and continuing each month thereafter until confirmation of the Plan, Debtor Whitehall Manor, Inc. is directed to place into escrow with the Receiver the amount of $69,844.95 and Debtor Saucon Valley Manor, Inc. is directed to place into escrow with the Receiver the amount of $69,578.58, each representing the monthly debt service payment required by the pre-petition mortgages held by the Secured Party.

3. The Debtors are directed to keep their books and records of original entry current and updated, so that all business activity is posted to them in the ordinary course of the Debtors' businesses. The Debtors shall provide to the Secured Party any reports of

operations required to be provided by the prepetition agreements at the same time and in the same manner as set forth therein. In addition, the Debtors have agreed to and will provide the Lender with a weekly report of payments made and income received over the prior week, with a monthly reconciliation of actual income and expenses compared to budgeted income and expenses. The weekly report will be provided on or before Wednesday of the following week and the monthly reconciliation by the 10th day of the following month.

4. All prior Orders of the Court, including the prior interim orders of this Court awarding adequate protection payments and the escrow of rent under the intercompany leases by and between the Debtors in connection with the use of cash collateral are superseded by this Order.

5. This Order shall be fully effective upon its entry.

SO ORDERED this ___ day of May, 2026.

____

Honorable Patricia M. Mayer

United States Bankruptcy Judge