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

In re:	§	
	§	Chapter 11
	§	
Higher Ground Education, Inc., <i>et al.</i> , ¹	§	Case No.: 25-80121-11 (MVL)
	§	
Debtor.	§	(Joint Administration Requested)

**DEBTORS' EMERGENCY MOTION FOR
ENTRY OF AN ORDER (I) AUTHORIZING DEBTORS
TO (A) CONTINUE TO OPERATE THEIR CASH MANAGEMENT
SYSTEM, (B) HONOR CERTAIN PREPETITION OBLIGATIONS
RELATED THERETO, (C) MAINTAIN EXISTING BUSINESS FORMS,
AND (D) CONTINUE CERTAIN INTERCOMPANY TRANSACTIONS,
AND (II) GRANTING RELATED RELIEF**

Higher Ground Education, Inc. ("HGE") and its affiliated debtors and debtors in possession (collectively, the "**Debtors**") in the above-captioned chapter 11 cases (the "**Chapter 11**")

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LLC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.



Cases”) hereby file *Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Honor Certain Prepetition Obligations Related thereto, (C) Maintain Existing Business Forms, and (C) Continue Certain Intercompany Transactions, and (II) Granting Related Relief* (this “**Motion**”).² In support of this Motion, the Debtors respectfully represent as follows:

I.
JURISDICTION, VENUE, AND PREDICATES FOR RELIEF

1. The United States Bankruptcy Court for the Northern District of Texas (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). The Debtors confirm their consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), to the entry of a final order by the Court.

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

3. The bases for the relief requested herein are sections 105, 345, 363, and 503 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), Bankruptcy Rules 6003 and 6004, Rule 9013-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (the “**Local Rules**”), and the Procedures for Complex Cases in the Northern District of Texas.

II.
BACKGROUND

4. From their inception in 2016 through the beginning of 2025, the Debtors grew to over 150 schools (the “**Schools**”), becoming the largest owner and operator of Montessori schools in the world. The Debtors’ mission was to modernize and mainstream the Montessori education

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the First Day Declaration (defined below).

movement. In addition to owning and operating the Schools, the Debtors provided training and consulting services to Montessori schools around the world. The Debtors sought to offer an end-to-end experience that covers the entire lifecycle of a family at school, virtually, and at home, from birth through secondary education—enabled by next-gen, accredited Montessori instruction. Information on the Debtors, their businesses, and a summary of the relief requested in this Motion can be found in the *Declaration of Jonathan McCarthy in Support of First Day Motions* (the “**First Day Declaration**”), filed concurrently herewith and incorporated herein by reference.

5. On June 17, 2025, (the “**Petition Date**”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors remain in possession of their property and are managing their businesses as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. The court has not appointed a trustee, and no official committee has been established.

6. Contemporaneously with the filing of this Motion, the Debtors have filed with the Court a motion requesting joint administration of the Chapter 11 Cases for procedural purposes only pursuant to Bankruptcy Rule 1015(b).

III. RELIEF REQUESTED

7. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “**Proposed Order**”): (a) authorizing the Debtors to continue to operate their Cash Management System (as defined below) and (b) granting related relief.

IV. THE CASH MANAGEMENT SYSTEM

A. Foreclosures and Transition Services Agreements

8. As stated in the First Day Declaration, the Employees have shifted employment due to the impact of the Debtors’ prepetition secured lenders foreclosure sales (the “**Foreclosures**”).

Three different Foreclosures and sales occurred with three different buyers acquiring the foreclosed assets (the “**Foreclosed Assets**”). These buyers were Guidepost Global Education, Inc. (“**GGE**”), Cosmic Education Americas Limited (“**CEA**”), and TNC Schools LLC (“**TNC**,” and with GGE and CEA, the “**Foreclosure Buyers**”). At the time of each of the Foreclosures, the Foreclosure Buyers were not in a position to operate the Foreclosed Assets or the centralized management functions maintained at HGE, including the Cash Management System (as defined herein). In an effort to minimize any disruptions at the Foreclosed Assets, including keeping employees employed and students in Schools, the Debtors entered into transition services agreements with each of GGE, CEA, and TNC (the “**TSAs**”).

9. Pursuant to the TSAs, the Debtors maintained the Cash Management System for the benefit of the Debtors and the Foreclosure Buyers while the Foreclosure Buyers either opened new bank accounts or transitioned ownership of certain of the Debtors’ Bank Accounts (as defined herein) to the Foreclosure Buyers. Other than limited obligations to assist in the transferring of certain executory contracts, unexpired leases, and other documents, all of the TSAs were terminated effective June 1, 2025. Also on June 1, 2025, substantially all of the Debtors’ Employees at the Foreclosed Assets (i.e., the foreclosed Schools) and the corporate workforce ceased employment at HGE and began employment at GGE (the “**GGE Employees**”).

10. As of the Petition Date, the Debtors still maintain operations at eleven (11) Schools that were not foreclosed upon (the “**Remaining Schools**”). The Debtors intend to operate the Remaining Schools through, at a minimum, the end of June 27, 2025, with certain of the Remaining Schools transitioning to new operators by June 30, 2025.

11. While the GGE Employees are no longer employed by the Debtors, they are still performing a wide variety of functions that are critical to the administration of these Chapter 11

Cases and the Debtors' restructuring pursuant to a Master Services Agreement, effective as of June 1, 2025, between HGE and GGE (the "**Master Services Agreement**"). GGE will be reimbursed for reasonable, documented expenses under the Master Services Agreement. These functions include the performance of the Cash Management System for the Debtors through the pendency of these Chapter 11 Cases.

B. Overview of the Cash Management System

12. In the ordinary course of business, the Debtors maintain an integrated, centralized cash management system (the "**Cash Management System**") comparable to the cash management systems used by similarly situated companies to manage the cash of operating units in a cost-effective, efficient manner.

13. The Debtors use the Cash Management System in the ordinary course of business to collect, transfer, and distribute funds generated from their operations and to facilitate cash monitoring, forecasting, and reporting. The Cash Management System allows the Debtors to control funds, ensure cash availability for each operating entity, and reduce administrative costs by facilitating the movement of funds among multiple entities. The Debtors' treasury department, which is now maintained at GGE, maintains daily oversight over the Cash Management System and implements cash management controls for entering, processing, and releasing funds. The Debtors' accounting department, which is now maintained at GGE, regularly reconciles the Debtors' books and records to ensure that all transfers are accounted for properly.

14. The Cash Management System is arranged and organized to monitor cash flows between and to centralize procurement for general administrative and operating expenses. The Cash Management System, however, generally reflects the Debtors' Cash Management System prior to the Foreclosures. As such, there are certain aspects of the Cash Management System that may not be operational at the time of the Petition Date. There are certain Bank Accounts that may

no longer be operating as of the Petition Date, but the Debtors have not been able to close or transfer to the Foreclosure Buyers and such Bank Accounts remain in the Cash Management System.

15. To minimize the disruption caused by these Chapter 11 Cases and to maximize the value of the Debtors' estates, the Debtors request authority, but not direction, to continue to utilize their existing Cash Management System during the pendency of these Chapter 11 Cases, subject to the terms described herein.

C. The Bank Accounts

16. As of the Petition Date, the Debtors' Cash Management System includes a total of thirty-six (36) bank accounts (each a "**Bank Account**" and collectively, the "**Bank Accounts**").³ The Debtors routinely transfer money between the Bank Accounts (as described below in more detail) via transfers between Debtors as Intercompany Transfers (defined below) in order to help cover outgoing payments.

17. The Bank Accounts are held at Wells Fargo National Bank, N.A. (the "**Cash Management Bank**" or "**Wells Fargo**"), which is an authorized depository by the United States Trustee. The Bank Accounts can be divided into four primary categories, and are identified on **Exhibit B** attached hereto, and further summarized below:

- ***Main Operating Account.*** The Debtors' main operating account ending in x3030 (the "**Main Operating Account**") acts as the nexus for Intercompany Transfers for all Bank Accounts, including those held by non-Debtor affiliates.
- ***School Operating Accounts.*** The Debtors maintain separate operating account for the School entities (collectively, the "**School Operating Accounts**"). These accounts receive tuition deposits directly from students' families and pays various operation expenses of for the Schools.

³ This number includes only Bank Accounts owned by the Debtor entities. The Debtors' Cash Management System also includes five (5) additional bank accounts owned by non-Debtor Affiliates which are shown in the cash management schematic, attached hereto as **Exhibit C**.

- ***Holding/Inactive Accounts.*** The Debtors maintain several separate holding accounts (collectively, the “**Inactive Accounts**”), which are dormant and inactive as of the Petition Date.
- ***Specific Disbursement Accounts.*** The Debtors maintain two disbursements accounts that are each dedicated for a specific purpose: (1) a disbursement account that is solely for the purpose of paying for tenant improvements (the “**Construction Vendor Account**”); and (b) a disbursement account that is solely for the purpose of paying the health benefit providers (the “**Health Benefits Account**,” together with the Construction Vendor Account, the “**Specific Disbursement Accounts**”). These Specific Disbursement Accounts are dormant as of the Petition Date.

D. Description of Funds Processing

18. The Debtors’ revenue is primarily generated through tuition payments from their students and families. Tuition deposits are received into the School Operating Accounts either via check, electronic payment, or direct deposit. These funds then directly pay certain taxes, vendors, and certain payroll obligations and benefits for employees.⁴ Excess funds in the School Operating Accounts are also transferred to the Main Operating Account. Funds in the Main Operating Account are then transferred to other Debtors’ and non-Debtor affiliates’ Bank Accounts to assist with the Debtors’ operations. For instance, the Main Operating Account will transfer certain funds to the international non-Debtor affiliates, as detailed in the Cash Management Schematic. The Main Operating Account will also transfer funds to School Operating Accounts as needed.

19. The Health Benefits Account ending in x2202 also receives funds from the Main Operating Account, which are then used then used to pay certain employee health benefit providers. The Construction Vendor Account ending in x5723 receives funds from a landlord,

⁴ A more detailed description of the Debtors’ payroll and benefits obligations are described in *Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses, (B) Continue Employee Benefit Programs, and (II) Granting Related Relief*, filed contemporaneously herewith.

which are then used to pay construction vendors for improvements on a lease on which the Debtors are tenants.

20. The Debtors also pay certain vendors via check, ACH, wire, or credit card from the Main Operating Account or one of the School Operating Accounts. Taxing authorities are either paid by check or electronic payment from the Debtors' Main Operating Account or one of the School Operating Accounts. Similarly, payroll obligations and benefits are either paid from the Main Operating Account or one of the School Operating Accounts by directly depositing the funds to the Debtors' payroll processor, BambooHR.

E. The Corporate Card Program

21. The Debtors provide certain employees with corporate credit cards issued by Corpay (the "**Corporate Card Program**") for certain business expenses incurred in connection with their employment, including certain preapproved travel, business licenses, and miscellaneous fees and services (the "**Employee Expenses**"). Employees also use the cards to pay for miscellaneous operating expenses as needed (the "**Operating Expenses**" together with the Employee Expenses, the "**Business Expenses**"). The Corporate Card Program has been assumed by and is being operated by GGE and any remaining Business Expenses for the Remaining Schools under the Corporate Card Program will be processed by GGE and paid by the Debtors pursuant to the Master Services Agreement.

22. As of the Petition Date, the Debtors have approximately 7 employees at the Remaining Schools with corporate credit cards under the Corporate Card Program. The corporate credit cards are tied to the Debtors' credit and the Debtors are responsible for any amounts charged to the corporate credit cards. In light of the Remaining Schools, the Debtors have very limited Business Expenses under the Corporate Card Program, and believe that any such outstanding obligations, if any, are immaterial.

23. The Business Expenses are ordinary course expenses that the Debtors' employees incur in performing their job functions. It is essential to the continued operation of the Remaining Schools that the Debtors be permitted to continue to pay amounts accrued and outstanding on account of the Corporate Card Program and be permitted to continue the Corporate Card Program in the ordinary course solely with respect to the Remaining Schools.

F. Bank Fees

24. The Debtors pay fees to the Cash Management Bank on a monthly basis incurred in connection with the Bank Accounts (the "**Bank Fees**"). The Bank Fees total approximately \$20,000 per month. The Debtors owe approximately \$10,000 as of the Petition Date, the Debtors seek authority, but not direction, to pay the prepetition Bank Fees and continue paying the Bank Fees in the ordinary course on a post-petition basis, consistent with historical practice.

G. Continued Use of Existing Business Forms and Records

25. The Debtors seek a waiver of the requirement that they open a new set of books and records as of the Petition Date. Opening a new set of books and records would create unnecessary administrative burdens and hardship and would cause unnecessary expense, use of resources, and delay. The Debtors, in the ordinary course of their businesses, use many checks, invoices, stationary, and other business forms (collectively, the "**Business Forms**"). By virtue of the nature and scope of the businesses in which the Debtors are engaged and the numerous other parties with whom they deal, the Debtors need to use their existing Business Forms without alteration or change. Printing new business forms would take an undue amount of time and expense. Fulfillment of the requirement would likely delay the payment of post-petition claims and negatively affect operations and the value of the Debtors' estates. Accordingly, the Debtors request that the Court authorize them to continue using their existing Business Forms and to maintain their existing business records.

H. Intercompany Transactions

26. In the ordinary course of business, the Debtors maintain business relationships with each other (the “**Intercompany Transactions**”) that have historically resulted in intercompany receivables and payables (collectively, the “**Intercompany Claims**”). The Debtors settle Intercompany Transactions as journal-entry receivables and payables, from time to time, to document transactions between the Debtors and certain of their non-Debtor affiliates. Historically, these Intercompany Transfers are initiated by approved staff members (the “**Cash Management Staff Members**”). Intercompany Transactions between the Debtors and domestic non-Debtor affiliates are made on a daily basis to cover ongoing operational expenses. These transfers are authorized by Cash Management Staff members.

27. Intercompany Transfers between the Main Operating Account and Bank Accounts held by foreign non-Debtor affiliates are made twice a month to cover certain operational expenses. Two authorized Cash Management Staff Members must approve these transfers. Once an Intercompany Transactions is complete, the Debtors then make appropriate credits and debits within their accounting system to reflect these Intercompany Transfers.

28. The Debtors anticipate that the Intercompany Transactions will continue postpetition in the ordinary course of business among for operations involving the Remaining Schools. Such transfers are an essential component of the Debtors’ businesses and are necessary to maintain the efficiency of the Debtors’ operations and centralized Cash Management System. Because the Debtors engaged in the Intercompany Transactions on a regular basis prepetition, the Debtors believe that they may continue the Intercompany Transactions in the ordinary course under section 363(c)(1) of the Bankruptcy Code, without court approval but subject to any requirements under the DIP Order and DIP Documents. Nonetheless, out of an abundance of caution, the Debtors seek express authority, but not direction, to continue engaging in the

Intercompany Transactions in the ordinary course of business on a postpetition basis in a manner substantially consistent with the Debtors' past practice. Consistent with their prepetition practice, the Debtors will maintain records of all transfers and will continue to ascertain, trace and account for all of the Intercompany Transactions and comply with their requirements under the DIP Order and DIP Documents.

I. Compliance with Section 345 of the Bankruptcy Code and the U.S. Trustee Guidelines

29. Section 345(a) of the Bankruptcy Code governs a debtor's cash deposits during a chapter 11 case and authorizes deposits of money as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." 11 U.S.C. § 345(a). For deposits or investments that are not "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States," section 345(b) of the Bankruptcy Code requires debtors to obtain, from the entity with which the money is deposited, a bond in favor of the United States and secured by the undertaking of an adequate corporate surety, or "the deposit of securities of the kind specified in section 9303 of title 31," unless the court "for cause" orders otherwise. 11 U.S.C. § 345(a)–(b).

30. Similarly, the Office of the United States Trustee for the Northern District of Texas (the "**U.S. Trustee**") *Guidelines for Chapter 11 Cases* (the "**U.S. Trustee Guidelines**") generally require chapter 11 debtors to, among other things, deposit all estate funds into an account with an authorized depository that agrees to comply with certain requirements of the U.S. Trustee.

31. As noted above, all Debtor Bank Accounts are held at Wells Fargo, which is a U.S. Trustee-approved depository in Region 6 of the Northern District of Texas. Thus, the Debtors have no reason to believe at this time that their Cash Management System, as described above, does not comply with section 345 of the Bankruptcy Code. Accordingly, pursuant to section 105 of the Bankruptcy Code, if necessary, the Debtors request a waiver or, failing that, a thirty (30) day

extension of their obligations under the U.S. Trustee Guidelines to maintain the Bank Accounts at Wells Fargo while the Debtors work with Wells Fargo and the U.S. Trustee.

V.
BASIS FOR RELIEF

A. Maintaining the Existing Cash Management System Is Essential to the Debtors' Ongoing Operations and Restructuring Efforts.

32. The U.S. Trustee Guidelines require debtors in possession to, among other things, close all existing bank accounts and open new debtor-in-possession accounts. These requirements are intended to provide a clear line of demarcation between prepetition and post-petition transactions and operations and to prevent inadvertent payment of prepetition claims. Considering, however, that the Debtors' businesses and financial affairs require the collection, disbursement, and movement of funds through the Debtors' multiple Bank Accounts, enforcement of these provisions of the U.S. Trustee Guidelines during these Chapter 11 Cases would severely disrupt the Debtors' operations. Accordingly, the Debtors respectfully request that the Court allow them to operate each of the Bank Accounts listed above, as they were maintained in the ordinary course of business before the Petition Date.

33. Continuation of the Cash Management System is permitted pursuant to section 363(c)(1) of the Bankruptcy Code, which authorizes a debtor in possession to "use property of the estate in the ordinary course of business without notice or a hearing." 11 U.S.C. § 363(c)(1); *see Amdura Nat'l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996) (included within the purview of section 363(c) is a debtor's ability to continue the "routine transactions" necessitated by a debtor's cash management system). Bankruptcy courts routinely treat requests for authority to continue utilizing existing cash management systems as relatively "simple matter[s]." *See, e.g., In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987). In addition, in granting such relief, courts recognize that an integrated cash

management system “allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash.” *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff’d in relevant part*, 997 F.2d 1039, 1061 (3d Cir. 1993). The requirement to maintain all accounts separately “would be a huge administrative burden and economically inefficient.” *Columbia Gas*, 997 F.2d at 1061; *see also Southmark Corp. v. Grosz (In re Southmark Corp.)*, 49 F.3d 1111, 1114 (5th Cir. 1995) (cash management system allows debtor “to administer more efficiently and effectively its financial operations and assets”).

34. Here, requiring the Debtors to adopt a new, segmented cash management system during these Chapter 11 Cases would be expensive, burdensome, and unnecessarily disruptive to the Debtors’ Schools. Importantly, the Cash Management System provides the Debtors with the ability to quickly track and report the location and amount of funds, which, in turn, allows management to track and control such funds, ensure cash availability, and reduce administrative costs through a centralized method of coordinating the collection and movement of funds. Any disruption of the Cash Management System could have a negative effect on the Debtors’ restructuring efforts. Indeed, absent the relief requested herein, requiring the Debtors to adopt a new, segmented cash management system would cause the Debtors’ operations to grind to a halt, jeopardizing the Debtors’ Schools and the education of their students. By contrast, maintaining the current Cash Management System will facilitate the Debtors’ transition into chapter 11 by, among other things, minimizing delays in paying post-petition debts and eliminating administrative inefficiencies. Finally, maintaining the current Cash Management System will allow the Debtors’ treasury and accounting employees to focus on their daily responsibilities.

35. The Debtors respectfully submit that parties in interest will not be harmed by the Debtors' continued use of the present Cash Management System, including maintenance of the Bank Accounts, because the Debtors have implemented appropriate mechanisms to ensure that unauthorized payments will not be made on account of prepetition obligations. Specifically, with the assistance of their advisors, the Debtors have implemented internal control procedures that prohibit payments on account of prepetition debts without the prior approval of the Debtors' respective treasury department. The Debtors will continue to work closely with the Cash Management Bank to ensure that appropriate procedures are in place to prevent checks issued prepetition from being honored without the Court's approval. In light of such protective measures, the Debtors submit that maintaining the Cash Management System is in the best interest of the Debtors' estates and creditors.

B. Authorizing the Cash Management Bank to Continue to Maintain, Service, and Administer the Bank Accounts in the Ordinary Course of Business Is Warranted.

36. Moreover, the Debtors respectfully request that the Court authorize the Cash Management Bank to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption, and in the ordinary course of business. The Debtors further respectfully request that the Court authorize and direct the Cash Management Bank to receive, process, honor, and pay any and all checks, wire transfers, credit cards, ACH payments, and other instructions, and drafts payable through, or drawn or directed on, such Bank Accounts after the Petition Date by holders, makers, or other parties entitled to issue instructions with respect thereto, irrespective of whether such checks, drafts, wires, credit card or ACH payments are dated prior to or subsequent to the Petition Date.

37. Notwithstanding the foregoing, any check, draft, or other notification that the Debtors advise the Cash Management Bank to have been drawn, issued, or otherwise presented

before the Petition Date may be honored by the Cash Management Bank only to the extent authorized by order of the Court. If the Debtors' ability to conduct transactions by these methods is impaired, the Debtors may be unable to perform under certain contracts, and payments to vendors could be delayed, resulting in unnecessary disruption to their business operations and the incurrence of additional costs.

38. The Debtors also respectfully request that to the extent a bank honors a prepetition check or other item drawn on any account that is the subject of this Motion, either at the direction of the Debtors or in good faith belief that the Court has authorized such prepetition check or item to be honored, such bank will not be deemed to be liable to the Debtors or their estates on account of such prepetition check or other item honored postpetition. Such relief is reasonable and appropriate because the bank is not in a position to independently verify or audit whether the Debtors may pay a particular item in accordance with a Court order or otherwise.

C. The Court Should Authorize the Debtors to Pay Prepetition Amounts Owed on Account of the Cash Management System.

39. The Debtors' funds move through the Cash Management System as described above, and at any given time, there may be prepetition amounts outstanding on account of the Cash Management System. Any non-payment of prepetition amounts owed could cause serious disruptions to the Debtors' estates. As such, the Debtors respectfully request that the Court authorize the Debtors to pay any prepetition amounts owed in connection with the Cash Management System.

40. Courts in the Fifth Circuit and elsewhere have recognized that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate, including an operating business's going-concern value. *See, e.g., In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002); *In re Equalnet Commc'ns Corp.*, 258 B.R. 368, 369–70 (Bankr.

S.D. Tex. 2000); *see also In re Just for Feet, Inc.*, 242 B.R. 821, 825–26 (D. Del. 1999); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175–76 (Bankr. S.D.N.Y. 1989); *Armstrong World Indus., Inc. v. James A. Phillips, Inc. (In re James A. Phillips, Inc.)*, 29 B.R. 391, 398 (S.D.N.Y. 1983). In so doing, these courts acknowledge that several legal theories rooted in sections 105(a) and 363(b) of the Bankruptcy Code support the payment of prepetition claims.

41. Section 363(b) of the Bankruptcy Code permits a bankruptcy court, after notice and a hearing, to authorize a debtor to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). To do so, “the debtor must articulate some business justification, other than the mere appeasement of major creditors.” *See Ionosphere Clubs*, 98 B.R. at 175 (noting that section 363(b) provides “broad flexibility” to authorize a debtor to honor prepetition claims where supported by an appropriate business justification). In addition, under section 1107(a) of the Bankruptcy Code, a debtor in possession has, among other things, the “implied duty . . . to ‘protect and preserve the estate, including an operating business’ going concern value.” *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *CoServ*, 273 B.R. at 497).

42. Courts also authorize payment of prepetition claims in appropriate circumstances based on section 105(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code codifies a bankruptcy court’s inherent equitable powers to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Under section 105(a), courts may authorize pre-plan payments of prepetition obligations when essential to the continued operation of a debtor’s businesses. *See Just for Feet*, 242 B.R. at 825–26. Specifically, a court may use its power under section 105(a) of the Bankruptcy Code to authorize payment of prepetition obligations pursuant to the “necessity of payment” rule (also referred to as the “doctrine

of necessity”). *See, e.g., Ionosphere Clubs*, 98 B.R. at 176; *In re Lehigh & New England Railway Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (stating that courts may authorize payment of prepetition claims when there “is the possibility that the creditor will employ an immediate economic sanction, failing such payment”); *see also In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (noting that, in the Third Circuit, debtors may pay prepetition claims that are essential to the continued operation of the business). A bankruptcy court’s use of its equitable powers to “authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.” *Ionosphere Clubs*, 98 B.R. at 175–76 (citing *Miltenberger v. Logansport, C. & S.W. Ry. Co.*, 106 U.S. 286 (1882)). Indeed, at least one court has recognized that there are instances when a debtor’s fiduciary duty can “only be fulfilled by the preplan satisfaction of a prepetition claim.” *CoServ*, 273 B.R. at 497.

43. The Debtors request that the Court authorize the Debtors to continue to pay the Bank Fees, including any prepetition Bank Fee, and further authorize the Cash Management Bank to chargeback returned items to the Bank Accounts, whether such items are dated prior to, on, or subsequent to the Petition Date, in the ordinary course of business. The Debtors further request that the Court order that liens on any of the Bank Accounts granted to creditors will not have priority over the Bank Fees of the respective Cash Management Bank at which the Bank Account is located.

44. The Debtors’ continued use of the Cash Management System, including payment of Bank Fees, will facilitate their transition into chapter 11 by, among other things, avoiding administrative inefficiencies and expenses and minimizing delays in the payment of postpetition amounts due. As described above, the Debtors pay Bank Fees to the Cash Management Bank to

facilitate the use of their Bank Accounts. Non-payment of these fees could cause disruption to their Cash Management System.

45. Accordingly, the Debtors respectfully submit that a sound business purpose exists to authorize payment of prepetition amounts due in connection with the Cash Management System, including Bank Fees.

D. The Court Should Authorize the Debtors to Continue Intercompany Transactions in the Ordinary Course.

46. The Debtors' funds move through the Cash Management System as described above. At any given time, there may be Intercompany Claims owed by one Debtor or to another Debtor. Intercompany Transactions are made between and among the Debtors in the ordinary course as part of the Cash Management System.⁵ The Debtors track all fund transfers in their accounting system and can ascertain, trace, and account for all Intercompany Transactions previously described. The Debtors, moreover, will continue to maintain records of such Intercompany Transactions.

47. If the Intercompany Transactions were to be discontinued, the Cash Management System and related administrative controls would be disrupted to the Debtors' and each of their estates' detriment. Accordingly, the Debtors respectfully submit that the continued performance of the Intercompany Transactions is in the best interest of the Debtors' estates and their creditors and, therefore, the Debtors should be permitted to continue such performance.

⁵ Because the Debtors engage in Intercompany Transactions on a regular basis and such transactions are common among large enterprises similar to the Debtors, the Debtors submit the Intercompany Transactions are ordinary course transactions within the meaning of 363(c)(1) of the Bankruptcy Code and, thus, do not require this Court's approval. Nonetheless, out of an abundance of caution, the Debtors are seeking express authority to engage in such transactions on a postpetition basis. Moreover, the continued performance of the ordinary course Intercompany Transactions is integral to ensure the Debtors' ability to operate their businesses as debtors in possession.

E. Cause Exists to Waive Section 345 of the Bankruptcy Code to the Extent It Is Applicable to the Cash Management System.

48. To the extent the Cash Management System does not strictly comply with section 345 of the Bankruptcy Code, the Debtors further request a waiver or thirty-day grace period to comply with the deposit and investment requirements set forth therein. Section 345(a) of the Bankruptcy Code governs a debtor's cash deposits during a chapter 11 case and authorizes deposits of money as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." 11 U.S.C. § 345(a). Section 345(b) of the Bankruptcy Code requires that a debtor's bank post a bond unless a debtor's funds are "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States." 11 U.S.C. § 345(b).

49. As discussed above, each of the Bank Accounts is maintained at a bank that is a U.S. Trustee-approved depository in Region 6 of the Northern District of Texas, and, therefore, are in compliance with section 345(b) of the Bankruptcy Code. Out of an abundance of caution, to the extent that any of the Debtors' Bank Accounts do not comply strictly with section 345 of the Bankruptcy Code, the Debtors submit that that cause exists to waive any such noncompliance or extend the Debtors' deadline to comply with section 345(b) by a thirty-day grace period from the Petition Date because all funds are deposited safely and prudently at financially stable banking institutions in a manner specifically designed to preserve capital, provide liquidity, and generate return.

VI.
NOTICE

50. The Debtors will provide notice of this Motion to (a) the Office of the United States Trustee for the Northern District of Texas; (b) the United States Attorney's Officer for the Northern District of Texas; (c) the state attorney generals for all states in which the Debtors conduct or have

recently conducted business; (d) the Internal Revenue Service, (e) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (f) Cozen O'Connor, as counsel to the Senior DIP Lender and Plan Sponsor; (g) Kane Russell Coleman Logan PC, as counsel to the Junior DIP Lender; (h) the banks and financial institutions where the Debtors maintain banking accounts; and (i) all parties in interest who have formally appeared and requested notice pursuant to Bankruptcy Rule 2002. The Debtors respectfully submit that no further notice of this Motion is required.

51. The pleadings in these Chapter 11 Cases and supporting papers are available on the Debtors' website at www.veritaglobal.net/HigherGround or on the Bankruptcy Court's website at <https://ecf.txnb.uscourts.gov/>. You can request any pleading you need from (i) the proposed noticing agent at: HigherGroundInfo@veritaglobal.com, (888) 733-1431 (U.S./Canada) (toll-free), +1 (310) 751-2632 (International), or (ii) proposed counsel for the Debtors at: Foley & Lardner LLP, 1144 15th Street, Suite 2200, Denver, CO 80202, Attn: Tim Mohan (tmohan@foley.com), and Foley & Lardner LLP, 1000 Louisiana Street, Suite 2000, Houston, Texas 77002, Attn: Nora McGuffey (nora.mcguiffey@foley.com) and Quynh-Nhu Truong (qtruong@foley.com).

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

DATED: June 18, 2025

Respectfully submitted by:

/s/ Holland N. O'Neil

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**PROPOSED COUNSEL TO DEBTORS
AND DEBTORS IN POSSESSION**

CERTIFICATE OF SERVICE

I hereby certify that on June 18, 2025, a true and correct copy of the foregoing document was served electronically by the Court's PACER system.

/s/ Nora J. McGuffey

Nora J. McGuffey

Exhibit A

Proposed Order

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

In re:	§	
	§	Chapter 11
	§	
Higher Ground Education, Inc., <i>et al.</i> , ¹	§	Case No.: 25-80121-11 (MVL)
	§	
Debtor.	§	(Joint Administration Requested)

**ORDER (I) AUTHORIZING
DEBTORS TO (A) CONTINUE TO OPERATE
THEIR CASH MANAGEMENT SYSTEM, (B) HONOR
CERTAIN PREPETITION OBLIGATIONS RELATED THERETO, (C)
MAINTAIN EXISTING BUSINESS FORMS, AND (D) CONTINUE CERTAIN
INTERCOMPANY TRANSACTIONS, AND (II) GRANTING RELATED RELIEF**

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LLC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.

Upon the motion (the “**Motion**”)² filed by Higher Ground Education, Inc. (“**HGE**”) and its affiliated debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an order (this “**Order**”): (i) authorizing the Debtors to (a) continue to operate their Cash Management System, (b) pay any prepetition or postpetition amounts outstanding on account of the Bank Fees, (c) maintain existing Business Forms in the ordinary course of business, and (d) continue to perform Intercompany Transactions consistent with historical practice and granting administrative expense priority to postpetition intercompany balances, and (ii) granting related relief all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “**Hearing**”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The Motion is granted as set forth herein.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

2. The Debtors are authorized, but not directed, to (a) continue operating the Cash Management System as described in the Motion in the ordinary course of business and consistent with the Debtors' historical practice; (b) honor their prepetition obligations related thereto, consistent with historical practice, including Bank Fees, and (c) continue to perform Intercompany Transactions consistent with historical practice; *provided* that the Debtors shall continue to maintain records with respect to all transfers of cash or property (including pursuant to such transactions) so that all Intercompany Transactions may be readily ascertained, traced, and recorded.

3. The Debtors are authorized, but not directed, to: (a) designate, maintain, close, and continue to use their existing Bank Accounts, including, but not limited to, the Bank Accounts identified in the Motion, in the names and with the account numbers existing immediately before the Petition Date; (b) deposit funds in, and withdraw funds from, the Bank Accounts by all usual means, including checks, wire transfers, ACH transfers, and other debits; (c) pay any ordinary course Bank Fees incurred in connection with the Bank Accounts; and (d) open new debtor in possession bank accounts at banks that have executed a Uniform Depository Agreement with the U.S. Trustee or banks that are willing to immediately execute one; *provided, however*, that the Debtors shall give ten (10) days' notice to the U.S. Trustee and any statutory committees appointed in these Chapter 11 Case prior to opening or closing such a bank account. The Debtors shall provide further notice to all such parties within ten (10) days after any such bank account is opened or closed, and such parties will have ten (10) days from receipt of such notice to file any objection with regard to the opening or closing of a bank account, or such later date as may be extended by the Court or agreed to by the Debtors.

4. The Cash Management Bank is authorized and directed, without the need for further order of this Court, to continue to maintain, service, and administer the Bank Accounts in accordance with prepetition practices as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course of business and to receive, process, honor, and pay, to the extent of available funds, any and all checks, drafts, wires, credit card payments, and ACH transfers issued and drawn on the Bank Accounts by the holders or makers thereof, as the case may be, (i) on or after the Petition Date, or (ii) prior to the Petition Date only as authorized by this Court.

5. The Debtors are authorized, but not directed to, continue to use their existing Business Forms. The Debtors shall further immediately advise the Cash Management Bank to restyle the Bank Accounts as a “Debtor-in-Possession” account.

6. To the extent any of the Debtors’ Bank Accounts are not in compliance with 11 U.S.C. § 345(b) or any of the U.S. Trustee’s requirements or guidelines, the Debtors shall have a period of 30 days from the date of entry of this Order (or such additional time to which the U.S. Trustee may agree) to either bring such Bank Accounts into compliance with section 345(b) of the Bankruptcy Code or to make such other arrangements as are agreed to by the U.S. Trustee or approved by the Court; *provided* that nothing in the foregoing shall prevent the Debtors or the U.S. Trustee from seeking further relief from the Court to the extent such an arrangement cannot be reached within that time period (or such other period as agreed to by the Debtors and the U.S. Trustee). The Debtors may obtain a further extension of the 30-day period referenced above by written stipulation with the U.S. Trustee and filing such stipulation on the Court’s docket without the need for further Court order.

7. Subject to the terms hereof, the Debtors are authorized to open any new Bank Accounts or close any existing Bank Accounts and enter into any ancillary agreements, including new deposit account control agreements, related to the foregoing, as they may deem necessary and appropriate; *provided, however*, that opening such new Bank Accounts are subject to the conditions in paragraph 3 of this Order.

8. The relief granted in this Order is extended to any new bank account opened by the Debtors after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened, which bank shall be deemed a Cash Management Bank.

9. The Debtors are authorized to promptly place stop payments on any unauthorized prepetition checks or ACH payments that should not be honored by the Bank. Upon receiving notice of this Order, the Cash Management Bank shall not honor or pay any bank payments drawn on any listed Bank Accounts or otherwise issued before the Petition Date for which the Debtors specifically issue stop payment orders in accordance with the documents governing such Bank Accounts.

10. The Cash Management Bank may rely on the representations of the Debtors with respect to whether any check, item, or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of this Court, and the Cash Management Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

11. The Debtors' Cash Management Bank is authorized to debit the Debtors' Bank Accounts in the ordinary course of business without the need for further order of this Court for:
(a) all checks drawn on the Debtors' Bank Accounts which are cashed at the Cash Management Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date

or after the Petition Date; (b) all checks or other items deposited in one of Debtors' Bank Accounts with the Cash Management Bank prior to the Petition Date or after the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such items prior to the Petition Date; and (c) all undisputed prepetition and postpetition amounts outstanding as of the date hereof, if any, owed to the Cash Management Bank as service charges for the maintenance of the Cash Management System; *provided, however*, that no checks issued against the Debtors prior to the commencement of these Chapter 11 Cases shall be honored except as otherwise authorized by order of this Court and directed by the Debtors.

12. The Cash Management Bank is authorized, without further order of this Court, to charge back to the appropriate accounts of the Debtors any amounts resulting from returned checks or other returned items, including returned items that result from ACH transactions, wire transfers, or other electronic transfers of any kind, and the Debtors are authorized to pay any fees and expenses owed to the Cash Management Bank related thereto, regardless of whether such returned items were deposited or transferred prepetition or post-petition and regardless of whether the returned items relate to prepetition or post-petition items or transfers.

13. Subject to the terms set forth herein, any bank, including the Bank, may rely upon the representations of the Debtors with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtors prior to, on, or subsequent to the Petition Date should be honored pursuant to any order of this Court, and no bank that honors a prepetition or postpetition check or other item drawn on any account that is the subject of this Order (a) at the direction of the Debtors, (b) in a good faith belief that this Court has authorized such prepetition or postpetition check or item to be honored, or (c) as a result of a mistake made despite the implementation of reasonable,

customary handling procedures, shall be deemed to be nor shall be liable to the Debtors, their estates, or any other party on account of such prepetition or postpetition check or other item being honored post-petition, or otherwise deemed to be in violation of this Order.

14. Any bank, including the Cash Management Bank, is further authorized to honor the Debtors' directions with respect to the opening and closing of any Bank Account and accept and hold the Debtors' funds in accordance with the Debtors' instructions; *provided* that the Cash Management Bank shall not have any liability to any party for relying on such representations to the extent such reliance otherwise complies with applicable law.

15. Nothing contained in the Motion, or this Order shall be construed to (a) create or perfect, in favor of any person or entity, any interest in cash of a Debtor that did not exist as of the Petition Date or (b) alter or impair the validity, priority, enforceability, or perfection of any security interest or lien, in favor of any person or entity, that existed as of the Petition Date.

16. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Order or the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors' or any other party in interest's

rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

17. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, whether such checks or other requests were submitted prior to, or after, the Petition Date, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

18. The Debtors are authorized, but not directed, to issue post-petition checks or to effect post-petition fund transfer requests in replacement of any checks or fund transfer requests that are dishonored as a consequence of these Chapter 11 Cases with respect to prepetition amounts that are authorized to be paid in connection with the relief granted herein.

19. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

20. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

21. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

22. The Debtors are authorized to take all reasonable actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

23. As soon as practicable after entry of this Order, the Debtors shall serve a copy of this Order on the Cash Management Bank.

24. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

###END OF ORDER###

Submitted by:

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**PROPOSED COUNSEL TO DEBTORS
AND DEBTORS IN POSSESSION**

EXHIBIT B

DEBTOR BANK ACCOUNTS		
Account Holder	Account Number (Last 4 digits)	Bank Account Description
Main Operating Account		
Higher Ground Education, Inc.	x3030	Main operating account that collects funds from the Debtors' operations via Intercompany Transfers and from which other payroll, tax, and vendor obligations are paid. Funds are also transferred to foreign non-Debtor affiliates.
School Operating Accounts		
LePort Emeryville LLC	x6631	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations. The Foreclosure Buyers were funding this account through the TSAs.
Guidepost FIC B LLC	x5446	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations. The Foreclosure Buyers were funding this account through the TSAs.
Guidepost FIC C LLC	x6232	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations.
HGE FIC D LLC	x8007	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations.
HGE FIC E LLC	x4010	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations. The Foreclosure Buyers were funding this account through the TSAs.
HGE FIC F LLC	x4036	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations.
HGE FIC G LLC	x3494	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations.
HGE FIC H LLC	x3290	This Bank Account was used for operation of certain Schools, which are no longer in operations. The Debtors intend to close this Bank Account because the Bank Account is dormant and not used by the Debtors.
HGE FIC I LLC	x2563	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations.
HGE FIC K LLC	x2561	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations. The Foreclosure Buyers were funding this account through the TSAs.

DEBTOR BANK ACCOUNTS		
Account Holder	Account Number (Last 4 digits)	Bank Account Description
HGE FIC L LLC	x9813	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations. The Foreclosure Buyers were funding this account through the TSAs.
HGE FIC M LLC	x5563	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations.
HGE FIC N LLC	x6527	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations.
HGE FIC O LLC	x0534	This Bank Account was used for operation of certain Schools, which are no longer in operations. The Debtors intend to close this Bank Account because the Bank Account is dormant and not used by the Debtors.
HGE FIC P LLC	x8735	This Bank Account was used for operation of certain Schools, which are no longer in operations. The Debtors intend to close this Bank Account because the Bank Account is dormant and not used by the Debtors.
HGE FIC Q LLC	x8743	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations. The Foreclosure Buyers were funding this account through the TSAs.
HGE FIC R LLC	x8750	This Bank Account was used for operation of certain Schools, which are no longer in operations. The Debtors intend to close this Bank Account because the Bank Account is dormant and not used by the Debtors.
Guidepost A LLC	x7270	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations.
Guidepost Branchburg LLC	x9478	This Bank Account was used for operation of certain Schools, which are no longer in operations. The Debtors intend to close this Bank Account because the Bank Account is dormant and not used by the Debtors.
Guidepost Birmingham LLC	x0589	This Bank Account was used for operation of certain Schools, which are no longer in operations. The Debtors intend to close this Bank Account because the Bank Account is dormant and not used by the Debtors.
Guidepost Bradley Hills LLC	x3925	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations. Debtors are funding this account through a transition service agreement.
Guidepost Carmel LLC	x3438	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations.
Guidepost Goodyear LLC	x0653	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations. The Foreclosure Buyers were funding this account through the TSAs.

DEBTOR BANK ACCOUNTS		
Account Holder	Account Number (Last 4 digits)	Bank Account Description
Guidepost Las Colinas LLC	x0658	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations.
Guidepost Muirfield Village LLC	x5660	This Bank Account was used for operation of certain Schools, which are no longer in operations. The Debtors intend to close this Bank Account because the Bank Account is dormant and not used by the Debtors.
Guidepost Richardson LLC	x8564	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations. The Foreclosure Buyers were funding this account through the TSAs.
Guidepost Leawood LLC	x6858	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations. The Foreclosure Buyers were funding this account through the TSAs.
Guidepost South Riding LLC	x4327	Receives and holds tuition deposits and pays immediate operating expenses of certain School(s), including taxes, vendors, and certain payroll obligations. The Foreclosure Buyers were funding this account through the TSAs.
Guidepost St Robert LLC	x7809	This Bank Account was used for operation of certain Schools, which are no longer in operations. The Debtors intend to close this Bank Account because the Bank Account is dormant and not used by the Debtors.
Guidepost Walled Lake LLC	x7977	This Bank Account was used for operation of certain Schools, which are no longer in operations. The Debtors intend to close this Bank Account because the Bank Account is dormant and not used by the Debtors.
Guidepost FIC C LLC	x6869	Receives and holds tuition deposits and pays certain operating expenses of certain School(s), such as certain taxes and vendors. Debtors are funding this account through a transition service agreement.
Prepared Montessorian LLC	x8106	Receives and holds payments from third parties for webinars and other training programs. The Bank Account has limited activity.
<u>Inactive Accounts</u>		
Terra Firma Services LLC	x8573	This Bank Account is now dormant and relates to payments that were made when Terra Firma Services LLC was an operating entity. The Debtors no longer utilize this Bank Account and intend to close it.
<u>Disbursement Accounts</u>		
HGE FIC I LLC	x5723	The Construction Vendor Account receives funds from certain landlords and pays certain construction vendors for tenant improvements.
Higher Ground Education, Inc.	x2202	The Health Benefits Account receives funds from the Main Operating Account and pays certain obligations of the employee health benefit plans.

EXHIBIT C

