

Holland N. O'Neil (TX 14864700)
Thomas C. Scannell (TX 24070559)
FOLEY & LARDNER LLP
2021 McKinney Avenue, Suite 1600
Dallas, TX 75201
Telephone: (214) 999-3000
Facsimile: (214) 999-4667
honeil@foley.com
tscannell@foley.com

Timothy C. Mohan
(admitted *pro hac vice*)
FOLEY & LARDNER LLP
1400 16th Street, Suite 200
Denver, CO 80202
Telephone: (720) 437-2000
Facsimile: (720) 437-2200
tmohan@foley.com

Nora J. McGuffey (TX 24121000)
Quynh-Nhu Truong (TX 24137253)
FOLEY & LARDNER LLP
1000 Louisiana Street, Suite 2000
Houston, TX 77002
Telephone: (713) 276-5500
Facsimile: (713) 276-5555
nora.mcguffey@foley.com
qtruong@foley.com

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

**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
Debtor.	§	
	§	(Jointly Administered)

**DEBTORS' THIRD OMNIBUS MOTION
FOR ENTRY OF AN ORDER (I) AUTHORIZING THE
ASSUMPTION AND ASSIGNMENT OF CERTAIN UNEXPIRED LEASES, 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 Cases**”) hereby file *Debtors’ Third Omnibus Motion for Entry of an Order (I) Authorizing the*

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 Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Naperville LLC (8046); 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.



Assumption and Assignment of Certain Unexpired Leases, 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 under 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 predicates for the relief requested herein are sections 105(a) and 365 of title 11 of the United States Code (the “**Bankruptcy Code**”), Bankruptcy Rule 6006, and Rule 9013-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (the “**Local Rules**”).

II.
RELIEF REQUESTED

4. The Debtors seek entry of an order in the attached proposed form (the “**Order**”) authorizing the Debtors to (a) assume certain unexpired leases (the “**Assigned Leases**”) related to the Transaction Services Agreements (“**TSAs**”) listed on Schedule 1 to the Order (the “**Assumption List**”) and assign such Assigned Leases to non-debtors: Guidepost Global

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

Education, Inc. (“GGE”) and Cosmic Education Americas Limited (“CEA,” and with GGE, the “**Foreclosure Buyers**”);³ and (b) and perform their obligations thereunder.⁴

5. On June 27, 2025, the Debtors previously filed *Debtors’ Omnibus Motion for Entry of an Order (I) Authorizing the Assumption and Assignment of Certain Unexpired Leases, and (II) Granting Related Relief* [Docket No. 99] (the “**First Assumption Motion**”). The First Assumption Motion is scheduled for hearing on August 21, 2025.

6. On July 24, 2025, the Debtors previously filed *Debtors’ Second Omnibus Motion for Entry of an Order (I) Authorizing the Assumption and Assignment of Certain Unexpired Leases, and (II) Granting Related Relief* [Docket No. 263] (the “**Second Assumption Motion**”). The Second Assumption Motion is scheduled for hearing on August 21, 2025.

III. **BACKGROUND**

A. Overview of the Chapter 11 Cases

7. 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 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

³ TNC Schools LLC (“TNC”) is also a Foreclosure Buyer.

⁴ The TSAs also require that the Debtors assign certain contracts to the Foreclosure Buyers. To that end, The Debtors are still in the process of reviewing their books and records but anticipate that they will need to seek additional relief to assume and assign other related executory contracts and unexpired leases.

can be found in the *Declaration of Jonathan McCarthy in Support of First Day Motions* [Docket No. 15] (the “**First Day Declaration**”).

8. On June 17, 2025 and June 18, 2025 (together, the “**Petition Date**”), the Debtors filed voluntary petitions for relief under chapter 11. 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 the official committee of unsecured creditors was appointed on July 8, 2025 [Docket No. 158] (the “**Committee**”).

B. The Prepetition Foreclosures and the Assigned Contracts and Leases

9. As stated in the First Day Declaration, three different pre-petition Foreclosures (as defined in the First Day Declaration) and sales occurred with the Foreclosure Buyers acquiring the foreclosed assets (the “**Foreclosed Assets**”). At the time of the Foreclosures, none of the Foreclosure Buyers were in a position to operate the Foreclosed Assets or the centralized management functions maintained at HGE. In an effort to minimize any disruptions at the Foreclosed Assets, including keeping employees employed and students in Schools, the Debtors entered into various TSAs with each of GGE, CEA, and TNC. One of the Debtors’ obligations under the TSAs was to assist in the assignment of the Assigned Leases that are in the name of the Debtors to the Foreclosure Buyers to ensure minimal impact on the Schools.

10. On June 1, 2025, substantially all of the Debtors’ corporate employees ceased employment with the Debtors and began employment with GGE. As a result, the Debtors no longer had the staffing necessary to perform the certain services under the TSAs for the benefit the Foreclosure Buyers. Therefore, the TSAs were terminated, effective June 1, 2025. Despite their termination, certain of the Debtors’ obligations under the TSAs continue—namely, the Debtors’ obligation to assist with the assumption and assignment of the Assigned Leases. Indeed, the

assumption and assignment of the Assigned Leases remain necessary in order to facilitate and ensure the continued operations of the foreclosed-upon Schools.

11. As such, after extensive discussions with the Foreclosure Buyers, the Debtors have agreed to assume and assign the Assigned Leases set forth on the Assumption List (attached as Schedule 1 to the Order, which identifies the counterparties thereto, the “**Contract Counterparties**”). The Assumption List discloses the proposed cure amount for each Assigned Lease, as of the filing of this Motion, and the proposed assignee for each lease selected for assumption and assignment.

C. The Proposed Cure Amounts of the Assigned Contracts and Leases

12. While there may be certain cure amounts for certain Assigned Leases, the Debtors believe that the vast majority of Assigned Leases do not have any cure amounts payable as of the Petition Date. In the event cure amounts are owed, and consistent with the TSAs, the Foreclosure Buyers—not the Debtors—will pay outstanding obligations owed to Contract Counterparties under the Assigned Leases and cure defaults under the Assigned Leases.

13. The Assumption List includes cure amounts for the Assigned Leases calculated based upon the Debtors books and records as of the Petition Date (the “**Proposed Cure Amounts**”). If a Contract Counterparty disagrees with the Proposed Cure Amounts, then such Contract Counterparty can file an objection to this Motion and the proposed assumption and assignment of such Assigned Lease.

IV.
BASIS FOR RELIEF

A. Assumption and Assignment of the Assigned Leases Constitute a Sound Exercise of the Debtors’ Reasonable Business Judgment

14. Section 365(a) of the Bankruptcy Code provides that a debtor in possession “subject to the court’s approval, may assume . . . any executory contract or unexpired lease of the debtor.”

11 U.S.C. § 365(a). Section 365(f) allows a debtor in possession to assign any executory contract or unexpired lease that it has assumed, if adequate assurance of future performance by the assignee of such contract is provided. 11 U.S.C. § 365(f).

15. A debtor's assumption and/or assignment of an executory contract or unexpired lease is ordinarily governed by the "business judgment" standard. *See Mission Prod. Holdings, Inc. v. Tempnology, LLC*, 587 U.S. 370, 374 (2019) ("The bankruptcy court will generally approve that choice [to assume or reject], under the deferential 'business judgment' rule").

16. The "business judgment" test merely requires a showing that assumption and/or assignment of the unexpired lease or contract will benefit the debtor's estate, and courts will approve such decision unless the decision is the product of bad faith, whim or caprice. *See In re Pisces Energy, LLC*, 2009 Bankr. LEXIS 4709, at *18 (Bankr. S.D. Tex. Dec. 21, 2009) ("In the absence of a showing of bad faith . . . the debtor's business judgment will not be altered.") (quoting *NLRB v. Bildisco & Bildisco (In re Bildisco)*, 682 F.2d 72, 79 (3d Cir. 1982), *aff'd*, 465 U.S. 513 (1984)).

17. Upon finding that a debtor exercised its sound business judgment, a court should approve assumption and assignment under section 365 of the Bankruptcy Code. *See Richmond Leasing Co. v. Cap. Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985) ("As long as assumption of a lease appears to enhance a debtor's estate, court approval of a debtor-in-possession's decision to assume the lease should only be withheld if the debtor's judgment is clearly erroneous, too speculative, or contrary to the provisions of the Bankruptcy Code.") (quoting *Allied Technology, Inc. v. R.B. Brunemann & Sons*, 25 B.R. 484, 495 (Bankr. S.D. Ohio 1982)).

18. Assumption and assignment of the Assigned Leases is well within the Debtors' reasonable business judgment, is in the best interests of their estates and stakeholders and is

necessary to implement the terms of the TSAs. Although the TSAs have since terminated, it is the Debtors' belief that their obligation to facilitate the assignment of the Assigned Leases continues. Indeed, the Foreclosure Buyers require the services provided through the Assigned Leases to ensure a successful transition of the foreclosed Schools. Conversely, the Debtors no longer require the Assigned Leases for their business operations, given the Debtors' exit from owning and managing the foreclosed Schools included in the Foreclosed Assets. Accordingly, assuming and assigning the Assigned Leases is a reasonable exercise of the Debtors' business judgment.

B. The Cure and Adequate Assurance Requirements of Section 365 of the Bankruptcy Code Are Satisfied

19. Pursuant to section 365(b)(1)(A) of the Bankruptcy Code, a debtor may not assume an executory contract or unexpired lease unless, at the time of assumption, the debtor cures or provides adequate assurance that the debtor will promptly cure any existing default. *See* 11 U.S.C. § 365(b)(1)(A); *see also Lifemark Hospitals, Inc. v. Liljeberg Enters. (In re Liljeberg Enters., Inc.)*, 304 F.3d 410, 444 (5th Cir. 2002) (holding that the debtor must provide adequate assurance that it will cure the default amount); *L.R.S.C. Co. v. Rickel Home Ctrs., Inc. (In re Rickel Home Ctrs., Inc.)*, 209 F.3d 291, 298 (3d Cir. 2000) (finding that the debtor must cure defaults or provide adequate assurance of a prompt cure). Further, pursuant to section 365(b)(1)(C) of the Bankruptcy Code, if a default is outstanding, a debtor seeking to assume an executory contract or unexpired lease must provide adequate assurance of future performance under such contract or lease. *See* 11 U.S.C. § 365(b)(1)(C). And pursuant to section 365(f) of the Bankruptcy Code, the assignee of any assigned contracts must show adequate assurance of future performance. *See* 11 U.S.C. § 365(f)(2).

20. Section 365's requirements are met here. Subject to the terms of TSAs, the Foreclosure Buyers have agreed to pay valid amounts owing to the Debtors' vendors,

subcontractors, and landlords with respect to the Foreclosed Assets. The Foreclosure Buyers will reconcile the Proposed Cure Amounts, if any, owed to the Contract Counterparties and continue paying validated amounts, satisfying the TSAs provision allowing the Foreclosure Buyers to reconcile invoices related to the Foreclosed Assets and section 365(b)'s requirement that any contractual defaults be "promptly cure[d]." 11 U.S.C. § 365(b)(1)(A). Moreover, the Assigned Contracts and Leases are being assigned to the Foreclosure Buyers, which have agreed to perform under the Assigned Contracts and Leases. These commitments ensure that the Assigned Contracts and Leases will, if necessary, be cured and provide adequate assurance of future performance under the Assigned Contracts and Leases.

C. The Court Should Authorize this Omnibus Request Under Bankruptcy Rule 6006

21. Pursuant to Bankruptcy Rule 6006(e), the Debtors may seek authority to assume and assign multiple executory contracts in one motion if "(1) all executory contracts or unexpired leases to be assumed or assigned are between the same parties or are to be assigned to the same assignee; (2) the trustee seeks to assume, but not assign to more than one assignee, unexpired leases of real property; or (3) the court otherwise authorizes the motion to be filed." Fed. R. Bankr. P. 6006(e).

22. The Debtors request that the Court grant the Debtors authority to assume and/or assign multiple executory contracts under Bankruptcy Rule 6006(e)(3). Assuming and assigning the Assigned Leases is a necessary step to successfully fulfill the Debtors' continued obligations under the TSAs and transition the Assigned Contracts and Leases to the Foreclosure Buyers. Requiring the Debtors to file a separate motion for each Assigned Lease would unnecessarily burden the Debtors' estates and delay implementation of the TSAs. Accordingly, the Court should authorize the assumption and assignment of the Assigned Leases via this Motion pursuant to Bankruptcy Rule 6006(e)(3).

23. Separately, Bankruptcy Rule 6006(f) requires that a motion to assume multiple executory contracts or unexpired leases must:

- a. state in a conspicuous place that parties receiving the omnibus motion should locate their names and their contracts or leases listed in the motion;
- b. list parties alphabetically and identify the corresponding contract or lease;
- c. specify the terms, including the curing of defaults and the identity of each assignee and the adequate assurance of future performance by each assignee, for each requested assumption and assignment.
- d. be numbered consecutively with other omnibus motions to assume, assign, or reject executory contracts or unexpired leases; and
- e. be limited to no more than 100 executory contracts or unexpired leases.

See Fed. R. Bankr. P. 6006(f). The Debtors submit that the Motion is consistent with Bankruptcy Rule 6006(f). The Motion conspicuously states that all Contract Counterparties should locate their names and leases attached to the Assumption List, attached as Schedule 1 to the Order. Moreover, **Schedule 1** lists seven (7) Contract Counterparties in alphabetical order, identifies each Assigned Lease, and provides the proposed cure amount.

V. **RESERVATION OF RIGHTS**

24. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity or any party in interest under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's rights 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 Motion or any order granting the relief requested by this Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a waiver of any claims or causes of action

which may exist against any creditor or interest holder; (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code, except for the assumption and assignment of the Assigned Contracts and Leases identified on the Assumption List; (g) a waiver or limitation of the Debtors', and the Foreclosure Buyers rights under the Bankruptcy Code or any other applicable law; and (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this 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.

VI. **NOTICE**

25. 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) counsel to the Committee; (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 Contract Counterparties; 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.

26. 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.mcguddy@foley.com) and Quynh-Nhu Truong (qtruong@foley.com).

[Remainder of page intentionally left blank.]

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: August 8, 2025

Respectfully submitted by:

/s/ Holland N. O'Neil

Holland N. O'Neil (TX 14864700)
Thomas C. Scannell (TX 24070559)
FOLEY & LARDNER LLP
2021 McKinney Avenue, Suite 1600
Dallas, TX 75201
Telephone: (214) 999-3000
Facsimile: (214) 999-4667
honeil@foley.com
tscannell@foley.com

-and-

Timothy C. Mohan (admitted *pro hac vice*)
FOLEY & LARDNER LLP
1144 15th Street, Suite 2200
Denver, CO 80202
Telephone: (720) 437-2000
Facsimile: (720) 437-2200
tmohan@foley.com

-and-

Nora J. McGuffey (TX 24121000)
Quynh-Nhu Truong (TX 24137253)
FOLEY & LARDNER LLP
1000 Louisiana Street, Suite 2000
Houston, TX 77002
Telephone: (713) 276-5500
Facsimile: (713) 276-5555
nora.mcguffey@foley.com
qtruong@foley.com

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

CERTIFICATE OF SERVICE

I hereby certify that on August 8, 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