

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

In re:

HIGHER GROUND EDUCATION, INC., *et*
*al.*¹

Debtor.

) Chapter 11

) Case No. 25-80121-mvl11

) (Jointly Administered)

**CERTIFICATION OF COUNSEL REGARDING THE STIPULATION TO
MODIFY THE AUTOMATIC STAY TO PERMIT
PAYMENTS UNDER THAT CERTAIN INSURANCE POLICY**

The undersigned counsel to Higher Ground Education, Inc. (“HGE”) and its affiliated debtors (the “Debtors” or the “Stipulating Insureds”) and Evanston Insurance Company (the “Stipulating Insurer”, and together with the Stipulating Insureds, the “Parties”) certify as follows:

1. The Parties have agreed to the terms of the *Stipulation to Modify the Automatic Stay to Permit Payments Under That Certain Insurance Policy* (the “Stipulation”), a true and correct copy of which is attached hereto as **Exhibit A**.

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).



2. The Parties have agreed to the entry of an order regarding the Stipulation, substantially in the form of the proposed order attached hereto as **Exhibit B**.
3. The Parties thus respectfully request that the Court enter the order attached hereto as **Exhibit B**.

Dallas, Texas
September 2, 2025

Respectfully submitted by:

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Counsel to Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

I certify that on September 2, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court of the Northern District of Texas.

/s/ Cary Joy Economou
Cary Joy Economou

Exhibit A

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

In re:)
) Chapter 11
)
HIGHER GROUND EDUCATION, INC., *et*) Case No. 25-80121-11 (MVL)
*al.*¹)
)
Debtor.) (Jointly Administered)
)

**STIPULATION TO MODIFY THE AUTOMATIC STAY
TO PERMIT PAYMENTS
UNDER THAT CERTAIN INSURANCE POLICY**

This stipulation (the “Stipulation”) is entered into by and between Higher Ground Education, Inc. (“HGE”) and its affiliated debtors (the “Debtors” or the “Stipulating Insureds”) and Evanston Insurance Company (the “Stipulating Insurer”). The Stipulating Insureds and the Stipulating Insurer will collectively be referred to as the “Parties”. This Stipulation is based on the following facts and circumstances:

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).

WHEREAS, on June 17, 2025, the Debtors filed a petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Texas (the “Court”); and

WHEREAS, the Court has not appointed a Trustee of the Debtors’ Estate; and

WHEREAS, prepetition, the Stipulating Insurer issued a For Profit Management Liability Policy No. MKLV3MML000325 to HGE for the claims-made period May 26, 2023 to May 26, 2024 that provided for the Insureds,² pursuant to its terms and conditions, employment practices and third party discrimination liability insurance coverage up to a maximum aggregate limit of liability of Three Million Dollars (\$3,000,000), inclusive of Claim Expenses (the “Policy”); and

WHEREAS, pre-petition, certain of the Debtors, former employees of the Debtors, and a non-debtor entity were named as defendants in a civil proceeding captioned *Renah Soliman v. Guidepost FIC A LLC, Higher Ground Education, Inc., Guidepost FIC B LLC, Erin Hennigan, and Amie Sugarman*, Case No. 30-2023-01354511-CU-WT-CJC, filed on October 2, 2023, in the Superior Court for the State of California County of Orange (the “Underlying Litigation”); and

WHEREAS, the Underlying Litigation involves claims by a former employee of one or more of the Debtors alleging, among other things, discrimination, harassment, failure to accommodate, wrongful termination and retaliation; and

WHEREAS, there are additional outstanding Claims that were made against certain of the Debtors and tendered to the Stipulating Insurer that remain unresolved and outstanding which the Stipulating Insurer would like to finalize and closeout (the “Outstanding Claims”); and,

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Policy.

WHEREAS, the Stipulating Insurer has an obligation to pay Claim Expenses³ and Loss⁴ incurred by the individuals and entities that are insured under the Policy in connection with the Underlying Litigation and the Outstanding Claims; and

WHEREAS, Insuring Agreement A. of the Policy's Employment Practices and Third Party Discrimination Liability ("EPL") Coverage Part, provides, in relevant part:

The Insurer will pay on behalf of the Insureds all Loss for which the Insureds become legally obligated to pay on account of any Employment Practices Claim⁵ first made against the Insureds during the Policy Period ... for a Wrongful Employment Act⁶ taking place before or during the Policy Period.

³ Section II(C) of the Policy's General Terms and Conditions defines Claim Expenses to mean, in relevant part, "reasonable and necessary fees, costs and expenses...."

⁴ Section III(E) of the Policy's EPL Coverage Part defines Loss to mean, in relevant part the "total amount the Insureds become legally obligated to pay on account of covered Claims made against them, including, but not limited to, damages (including back pay, front pay and punitive, exemplary or multiple damages), judgments, any award of pre-judgment and post-judgment interest with respect to covered damages, settlements, Claim Expenses, prevailing plaintiff attorney's fees awarded pursuant to any federal, state or local statutory or common law or Section 1988 of the Civil Rights Act, and liquidated damages awarded under the Age Discrimination in Employment Act, the Equal Pay Act or the Family Medical Leave Act...."

⁵ Section II(H) of the Policy's General Terms and Conditions defines Employment Practices Claim to mean, in relevant part, "a Claim, ..., brought by or on behalf of any past, present, future or prospective Employee of the Company against any Insured for a Wrongful Employment Practice...."

⁶ Section II(II) of the Policy's General Terms and Conditions defines Wrongful Employment Practice to mean, in relevant part, any "actual or alleged acts, errors or omissions by the Insured Persons in their capacity as such or by the Company: 1. Wrongful termination (including constructive discharge) of an Employee; 2. Violation of any law or public policy concerning discrimination in employment whether based upon age, race, national origin, religion, sex, sexual preference, marital status, disability, medical leave or genetic predisposition; 3. Employment-related torts including without limitation wrongful termination, failure or refusal to hire or promote; wrongful discipline; wrongful reference, deprivation of a career opportunity, demotion or adverse change in terms, conditions or status of employment; wrongful failure to grant tenure; humiliation; retaliation for asserting a legal right; workplace harassment or bullying including without limitation offensive, intimidating, coercive or unwelcome conduct, advances, contact or communications; negligent hiring, retention, supervision, training or performance evaluation; and employment-related misrepresentation, defamation, invasion of privacy or infliction of emotional distress; or 4. Violation of any other employment-related law, rule or regulation, including without limitation any civil rights or fair employment practices law[.]"

WHEREAS, to ensure any potential disbursement under the Policy does not violate the stay in light of the commencement of the Debtors' bankruptcy case, the Parties agree to entry of an order from the Court modifying the bankruptcy stay pursuant to 11 U.S.C. § 362(a) (the "Bankruptcy Stay"), to the extent applicable, to authorize the payment of funds under the Policy, pursuant to the terms of this Stipulation; and

WHEREAS, to avoid unnecessary expense and delay, and to otherwise preserve the Policy for all parties in interest, the Parties have agreed, subject to the reservation of rights contained herein, to consent to relief from the Bankruptcy Stay, to the extent applicable, for the limited purpose of authorizing the Stipulating Insurer under the Policy to advance Claim Expenses and/or pay Loss, in connection with the Underlying Litigation and the Outstanding Claims; and

NOW, THEREFORE, subject to Bankruptcy Court approval, in consideration of the mutual covenants, promises, and obligations set forth herein, the Parties to this Stipulation agree as follows:

1. To the extent applicable, the Bankruptcy Stay is hereby modified to permit the Stipulating Insurer, under the terms of the Policy, to pay, reimburse, and/or advance insurance proceeds in connection with the payment and/or reimbursement of Claim Expenses and/or Loss incurred in connection with the Underlying Litigation and Outstanding Claims.

2. Except as otherwise specified in this Stipulation, in entering into this Stipulation, each of the Parties hereto expressly reserves all rights that any or all may have to make any contention concerning the Policy, its coverage or scope, the Stipulating Insurer's duty, if any, to make interim advancements of Claim Expenses, and all other matters connected with the Policy and the claims submitted thereunder. Nothing herein shall prejudice the current or future positions of the Stipulating Insurer and/or any of the Parties, and the Stipulating Insurer and the Parties

reserve all rights, with respect to, among other things: (i) future motions to lift or modify the Bankruptcy Stay, or motions to determine the Bankruptcy Stay does not apply, (ii) the terms, conditions and provisions of the Policy and the application of the same to any Insured, and/or (iii) the application of any portion of the proceeds of the Policy, to other Claims that may be filed against any Insured.

3. Nothing herein shall constitute a finding by the Court or an admission by the Stipulating Insurer or the Parties that the proceeds of the Policy are or are not property of the Debtors' Estates, and the Court makes no finding as to the applicability of the Bankruptcy Stay as to the Policy's proceeds; *provided, however*, that the Parties acknowledge and agree that the payments made pursuant to this Stipulation cannot be challenged or recovered by any of the Parties or any Insurer on the basis that that the proceeds of the Policy used to make those payments are property of the Debtors' Estates.

4. No term or condition in this Stipulation is intended to modify or change any of the terms, conditions, or provisions of the Policy, or the Stipulating Insurer's coverage letters/communications.

5. To the extent consistent with the terms and conditions of the Policy, the terms "Claim Expenses" and "Loss" as used herein shall be defined as set forth in the Policy, which definition shall not be modified and/or enlarged.

6. The Parties hereby agree that they do not object to the Stipulating Insurer's payment of Claim Expenses and/or Loss up to aggregate limit of liability of the EPL Coverage Part under the Policy for amounts incurred by the Insureds in connection with the Underlying Litigation and/or the Outstanding Claims, to the extent such payments are made subject to the terms of this

Stipulation; provided, further, however, that the Parties reserve the right to agree to an amendment of this Stipulation to the extent circumstances or developments warrant an appropriate adjustment.

7. The terms of this Stipulation are without prejudice to the filing of future motions with this Court by the Parties or parties in interest seeking supplemental relief under this Stipulation or to raise any other issues or grounds supporting or opposing the relief granted herein, with such positions being fully preserved.

8. The Parties understand and agree that payments made by the Stipulating Insurer under the Policy will reduce and may exhaust the limit of liability of the Policy's EPL Coverage Part, and no advancements and/or payments made in accordance with this Stipulation shall be deemed improper, a breach of the applicable Policy, made in bad faith and/or an extra-contractual payment. The Parties understand and agree that with respect to the Underlying Litigation and the Outstanding Claims, the total amount available to the Insureds is the aggregate limit of liability for the Policy's EPL Coverage Part.

9. Nothing in this Stipulation shall: (i) be deemed precedent to any future order from this Court concerning any issue raised herein, or (ii) alter the Parties' respective burdens in any ensuing litigation regarding these matters.

10. This Stipulation does not constitute an agreement by the Parties that this Court has jurisdiction over any asserted or potentially asserted claims against the Insureds. The Stipulating Insurer preserves its rights to assert or contest jurisdiction of this Court with respect to such claims.

11. Nothing in this Stipulation shall constitute a waiver, modification or limitation of the Debtor's, Stipulating Insurer's, or the Stipulating Insureds' reservation of all rights, remedies and defenses under the Policy and/or applicable law, including in connection with any claim for indemnification, reimbursement and/or subrogation.

12. Nothing in this Stipulation constitutes a determination of coverage by the Stipulating Insurer under the Policy and the Stipulating Insurer continues to reserve all rights under the Policy.

13. This Stipulation may be executed in any number of counterparts, and each such counterpart is to be deemed an original for all purposes, but all counterparts shall collectively constitute one agreement. Further, electronic signatures or transmissions of an originally signed document by facsimile or Adobe.pdf shall be as fully binding on the Parties as an original document.

14. Each of the Parties to the Stipulation, by and through its respective counsel, represents and warrants that it has full and requisite power and authority to execute, deliver and perform its obligations under this Stipulation.

15. This Court shall retain jurisdiction with respect to implementation, interpretation, and enforcement of the terms of this Stipulation and to resolve any disputes concerning this Stipulation, and the Parties submit to the exclusive jurisdiction of this Court solely for purposes of the foregoing.

16. The Order approving this Stipulation shall provide that the Stipulation is immediately valid and fully effected upon its entry and the Parties stipulate to the waiver of the 14-day stay pursuant to Federal Rule of Bankruptcy Procedure 4001(a).

Dallas, Texas
September 2, 2025

Respectfully submitted by:

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Counsel to Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

I certify that on September 2, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court of the Northern District of Texas.

/s/ Cary Joy Economou
Cary Joy Economou

Exhibit B

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

In re:

HIGHER GROUND EDUCATION, INC., *et*
*al.*¹

Debtor.

)
) Chapter 11
)

) Case No. 25-80121-11 (MVL)
)
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) (Jointly Administered)
)

**ORDER MODIFYING THE AUTOMATIC STAY TO PERMIT
PAYMENTS UNDER THAT CERTAIN INSURANCE POLICY**

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).

Upon the stipulation by and between Higher Ground Education, Inc. (“HGE”) and its affiliated debtors (the “Debtors” or the “Stipulating Insureds”) and Evanston Insurance Company (the “Stipulating Insurer”, and together with the Stipulating Insureds, the “Parties”), to modify the automatic stay to permit payments under that certain insurance policy,

IT IS HEREBY ORDERED that the stipulation is granted.

IT IS HEREBY ORDERED that this Court shall retain jurisdiction solely with respect to implementation, interpretation, and enforcement of the terms of the stipulation and this order and to resolve any disputes concerning this stipulation and the parties submit to the exclusive jurisdiction of this Court solely for purposes of the foregoing.

IT IS FURTHER ORDERED that the stipulation is immediately valid and fully effected upon the entry of this order and the parties stipulated to the waiver of the 14-day stay pursuant to Federal Rule of Bankruptcy Procedure 4001(a).

END OF ORDER

Submitted by:

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