

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

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| In re: HIGHER GROUND EDUCATION, INC., <i>et al.</i> , Debtors. ¹ | § § § § § § § | Chapter 11 Case No. 25-80121 (MVL) (Jointly Administered) |
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**DECLARATION OF TERRY NUGENT
IN SUPPORT OF THE MODIFIED SECOND AMENDED JOINT PLAN OF
REORGANIZATION OF HIGHER GROUND EDUCATION, INC., ITS AFFILIATED
DEBTORS, AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

I, Terry Nugent, declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, as follows:

1. I am the Commercial Property Manager for RTS Orchards, LLC, a member of the Committee. RTS Orchards, LLC is an unsecured creditor in these chapter 11 cases and filed a proof of claim in the amount of \$1,127,151.31. Soon after the Committee was formed on July 8, 2025, I was appointed as its Co-Chair.

2. I submit this declaration (this “Declaration”) on behalf of the Committee solely in my capacity as Co-Chair, in support of the *Modified Second Amended Joint Plan of Reorganization of Higher Ground Education, Inc., its Affiliated Debtors, and the Official Committee of Unsecured Creditors* (the “Plan”).² Except as otherwise noted, all facts in this Declaration are based on my personal knowledge of the matters set forth herein.

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.veritaglobal.net/higherground>. The Debtors’ service address for these chapter 11 cases is 1321 Upland Dr., PMB 20442, Houston, TX 77043.

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



3. From the outset of these cases, the Committee has been fighting to maximize recoveries for unsecured creditors. Immediately after its appointment, the Committee began a fulsome and thorough investigation into the prepetition events that led to the formation of Guidepost Global Education, LLC (“GGE”) and the transfer of substantially all of the Debtors’ assets to GGE through various sales and foreclosures. Through the Committee’s investigations and advocacy, the Committee was able to identify and develop estate claims with significant value against multiple parties that the Debtors proposed to release through their initial chapter 11 plan.

4. Those estate claims are now being addressed in the Plan, as amended based on the Committee’s efforts, which incorporates a global settlement with a number of parties that had engaged or been involved in prepetition foreclosures and sales of the Debtors’ assets, as more fully described in the *Second Amended Disclosure Statement for the Second Amended Joint Plan of Reorganization of Higher Ground Education, Inc., its Affiliated Debtors, and the Official Committee of Unsecured Creditors* [Docket No. 551]. That global settlement was reached following a mediation that began on August 19, 2025, and involved the Committee, the Debtors, the Settlement Parties, Girn, and Venn. I was present by videoconference for significant portions of the mediation. The Committee was an active participant in the mediation and advocated vigorously on behalf of all unsecured creditors for a result that was a favorable settlement of estate claims and preserved meaningful recoveries for unsecured creditors.

5. Negotiations continued in the weeks that followed the mediation, and the parties were successful in reaching the global settlement. The Committee and its counsel worked with the Debtors as plan proponents to revise the original chapter 11 plan to incorporate the global

settlement and create a framework that provides a fair, effective path for recovery for the benefit of unsecured creditors.

6. The Committee supports the Plan because the funds made available in the Plan for unsecured creditors constitute a reasonable return for the estate claims being resolved against the Settlement Parties and the best opportunity to get those funds into the hands of unsecured creditors as swiftly as possible, without the time, costs, and attendant risk of protracted litigation. Under the Plan, the Settlement Parties will provide a payment of \$1.95 million cash (subject to adjustment as further detailed in the Plan); the Settlement Parties and the Girns have agreed to waive their distributions under the Plan, adding over \$12.8 million in additional value; and the Liquidating Trust will receive valuable estate causes of action against non-released parties, along with insurance policies that could provide another \$5,000,000 or more in value for the benefit of unsecured creditors.

7. As to unsecured creditors' claims generally, I believe the Plan offers the best outcome for resolution. If approved, the Plan will end and/or avoid many years of litigation and expedite recoveries to unsecured creditors. Absent confirmation of the Plan, I believe that general unsecured creditors would receive nothing, or next to nothing, on account of their claims.

8. I believe that the Debtor Releases contained in Article 10.2 of the Plan are fair, reasonable, and in the best interests of the Debtors' Estates under the facts and circumstances of these chapter 11 cases. While the Committee believes that there are potential claims against certain of the Released Parties that are meritorious, recovery of damages for the Estates nevertheless presents a challenge. Each claim would be subject to defenses, and the Estates would be required to pursue lengthy, costly litigation to achieve a final judgment, including

appeals. I believe that the proposed consideration from the Released Parties in exchange for the Debtor Releases is fair and reasonable.

9. The Debtor Releases were heavily negotiated among the Committee, the Debtors, and the Released Parties in good faith, at arm's length, and without collusion or fraud. I believe that the releases being granted to the Released Parties under the Plan are integral to the Plan, fair and reasonable, appropriate under the circumstances, and should be approved.

10. The Committee elected John Madden of Emerald Capital Advisors Corp. to serve as the Liquidating Trustee. The Committee believes Mr. Madden has the requisite experience and qualifications to serve in that position.

11. For the foregoing reasons, the Committee supports confirmation of the Plan.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the facts set forth in the foregoing declaration are true and correct to the best of my knowledge, information, and belief.

Dated: November 19, 2025

/s/ Terry Nugent

Terry Nugent, solely in her capacity as Co-Chair
of the Official Committee of Unsecured
Creditors