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UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

In re Highlands Community Charter and Technical Schools, Debtor and Debtor in Possession.[1]	Case No. 26-25868 Chapter 11 **DCN: SMR-1** Hon. [●] [*Relief requested on an ex parte basis*]

DEBTOR'S *EX PARTE* APPLICATION FOR ENTRY OF AN ORDER (I) MODIFYING LBR 9014-1(d) TO ALLOW THE FILING AND SERVICE OF AN OMNIBUS NOTICE OF FIRST DAY MOTIONS, (II) SHORTENING NOTICE WITH RESPECT TO THE FIRST DAY MOTIONS, (III) MODIFYING LBR 9014-1(d)(5) TO ALLOW REQUESTS FOR RELIEF TO BE JOINED IN A SINGLE MOTION, AND (IV) MODIFYING LBR 9014-1(d)(4) SOLELY FOR PROCEDURAL FIRST DAY MOTIONS

[1] The last four digits of the Debtor's federal tax identification number is 0967. The mailing address for the Debtor is 1111 Howe Ave., Suite 505, Sacramento, CA 95825.

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Highlands Community Charter and Technical Schools ("HCCTS" or, the "Debtor"), a California Non-Profit Corporation organized under the laws of the State of California, and the above-captioned debtor and debtor-in-possession in this voluntary chapter 11 case (the "Chapter 11 Case") filed on the date hereof (the "Petition Date") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), hereby submits this application (this "Application") for entry of an order, substantially in the form attached to the Exhibit List as **Exhibit A** (the "Order") filed concurrently herewith: (i) modifying Rule 9014-1(d) of the Local Rules of Practice ("LBR") to allow the filing and service of an omnibus notice of hearing for First-Day Motions (as defined below); (ii) shortening the time period for notice of the hearing on the First-Day Motions (the "Hearing"), such that service of all documents for the First-Day Motions on the Notice Parties (defined below), by either email, facsimile, first class mail, or overnight delivery, by at least twenty-four (24) hours prior to the date and time set for the Hearing, shall be deemed sufficient to have the matter heard at the Hearing; (iii) modifying LBR 9014-1(d)(5) to allow requests for relief to be joined in a single First Day Motion to the extent necessary for the relief requested in typical first day motions; (iv) expanding the page limitation in LBR 9014-1(d)(4) from six to ten pages solely for certain procedural First-Day Motions; and (v) granting the Debtor such other relief as is just and appropriate. The proposed form of Order is lodged concurrently herewith given the *ex parte* relief sought in this Application. In support of this Application, the Debtor relies upon the *Declaration of Jonathan Raymond in Support of Chapter 11 Petition and First Day Motions* (the "First Day Declaration"), and the *Declaration of Jonathan Raymond in Support of Debtor's Ex Parte Application for Entry of an Order (I) Modifying LBR 9014-1(d) to Allow the Filing and Service of an Omnibus Notice of First Day Motions, (II) Shortening Notice with Respect to the First Day Motions, (III) Modifying LBR 9014-1(d)(5) to Allow Requests for Relief to Be Joined in a Single Motion, and (IV) Modifying LBR 9014-1(d)(4) Solely for Procedural First Day Motions* (the "Raymond Declaration"), and respectfully states as follows:

I. JURISDICTION AND VENUE

The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and General Orders 182 and 223 of the United States District Court for the Eastern District of

California. The Debtor confirms its consent, pursuant to Bankruptcy Rule 7008, to the entry of a final order by the Court in connection with this Application to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

The bases for the relief requested herein are § 105 of the Bankruptcy Code and LBRs 1001-1, 9006-1, and 9014-1.

II. FACTUAL BACKGROUND

A. General Background

The Debtor filed the Chapter 11 Case on the Petition Date. The Debtor is operating its business and managing its properties as a debtor in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in this Chapter 11 Case, and no committees have been appointed or designated.

The Debtor is a California non-profit public benefit corporation that owns, manages, and operates two adult-serving charter schools in Sacramento County: Highlands Community Charter School ("HCCS") and California Innovative Career Academy ("CICA" and, together with HCCS, the "Schools"). The Twin Rivers Unified School District ("Twin Rivers") issued the current charters (the "Charters") that authorize HCCTS to operate both HCCS and CICA. Since opening in August 2014, HCCTS has served approximately 60,000 students. The Debtor is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986. A more detailed description of the Debtor, including its current and historical business operations and the events precipitating the Chapter 11 Case, is set forth in the First Day Declaration.

B. Facts Relevant to This Application

On or promptly after the Petition Date, the Debtor intends to file certain motions seeking expedited relief necessary for the efficient transition of the Debtor into bankruptcy (collectively, the "First Day Motions"). The First Day Motions are identified below by title and proposed

docket control number. As set forth more fully below, the Debtor has summarized the relief requested in each of the First Day Motions (except to the extent such First Day Motion seeks "such other relief as is just and appropriate") as follows:

DCN	RELIEF SOUGHT
SMR-1	*Debtor's Ex Parte Application for Entry of an Order (I) Modifying LBR 9014-1(d) to Allow the Filing and Service of an Omnibus Notice of First Day Motions, (II) Shortening Notice with Respect to the First Day Motions, (III) Modifying LBR 9014-1(d)(5) to Allow Requests for Relief to Be Joined in a Single Motion, and (IV) Modifying LBR 9014-1(d)(4) Solely for Procedural First Day Motions*
SMR-2	*Debtor's Emergency Motion for an Order Extending Time to File Schedules of Assets and Liabilities and Statements of Financial Affairs*
SMR-3	*Debtor's Emergency Motion For Entry of An Order Authorizing Rejection of Certain Unexpired Leases*
SMR-4	*Debtor's Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to (a) Maintain Existing Bank Accounts; (b) Continue Use of Cash Management System; (c) Continue Use of Business Forms; and (d) Honor Certain Prepetition Obligations Related thereto; (II) Waiving Requirements of LBR 2015-2; (III) Granting Limited Waiver of Section 345(b) Deposit Requirements; and (IV) Granting Related Relief*
SMR-5	*Debtor's Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to Use Cash in the Ordinary Course of Business in Accordance with Approved Budget; (II) Authorizing the State of California to Recover Prepetition Overpayments from Future Apportionments; (III) Finding that Holders of Equipment Liens Are Adequately Protected; and (IV) Granting Related Relief*
SMR-6	*Debtor's Emergency Motion for Interim and Final Orders: (I) Approving Debtor's Adequate Assurance of Payment for Utility Services; (II) Prohibiting Utility Providers From Altering, Refusing, Or Discontinuing Service; (III) Approving Debtor's Proposed Procedures; and (IV) Granting Related Relief*
SMR-7	*Debtor's Emergency Motion for Interim and Final Orders: (I) Authorizing the Debtor to Maintain, Renew, or Supplement Its Insurance Policies and Satisfy All Obligations Related Thereto; and (II) Granting Related Relief*
SMR-8	*Debtor's Emergency Application For Order Authorizing and Approving the Appointment of Kurtzman Carson Consultants, LLC dba Verita Global as Notice, Claims, and Solicitation Agent*
SMR-9	*Debtor's Emergency Motion for Order Limiting Scope of Notice*
SMR-10	*Debtor's Emergency Motion for Entry of Interim and Final Orders (I) Authorizing Debtor to (a) Pay Prepetition Wages, Salaries, and Other Compensation, (b) Continue Employee Benefits, (c) Honor Certain Prepetition Obligations Related Thereto; and (II) Granting Related Relief*

As set forth in the Raymond Declaration, the Debtor will suffer immediate, irreparable harm if the relief requested in the First Day Motions is not granted, and any delay in scheduling the Hearing will negatively affect the Debtor's ability to operate and to maximize and preserve the assets of its bankruptcy estate for the benefit of creditors.

III. RELIEF REQUESTED

A. The Debtor Requests Modification of LBR 9014-1(d) to Allow the Filing and Service of an Omnibus Notice of the Hearing on the First Day Motions to the Notice Parties.

LBR 9014- 1(d)(1) provides that "every application, motion, contested matter or other request for an order, shall be comprised of a motion, or other request for relief, notice, evidence, and a certificate of service." LBR 9014-1(d)(1). Moreover, "each of the documents described in subpart (d)(1) hereof shall be filed as a separate document." LBR 9014-1(d)(4). However, "[t]he Court may . . . on motion of a party in interest for cause, modify the provisions of these Rules in a manner not inconsistent with the Federal Rules of Bankruptcy Procedure to accommodate the needs of a particular case or proceeding." LBR 1001-1(f).

The First Day Motions will be filed contemporaneously, and the Debtor expects the First Day Motions to be heard at the same date and time, at least on an interim basis. This is because the requests for relief in the First Day Motions all relate primarily to the Debtor's desire to maintain the continuity of operations and ease its transition into the Chapter 11 Case. Given the similar goals of the relief sought, the Debtor anticipates that the First Day Motions will directly affect largely the same stakeholders. As such, modification of LBR 9014-1(d) to permit an omnibus notice of the Hearing on the First Day Motions will: (i) reduce repetitive filings and service requirements; (ii) avoid unnecessary repetition in multiple pleadings; and (iii) avoid the confusion that might arise from service of multiple notices. Based on the foregoing, cause exists to modify LBR 9014-1(d) to allow the filing and service of an omnibus notice.

The Debtor further requests that the Court authorize the scope and manner of notice of the Hearing to ensure that service of the omnibus notice is sufficient to have the First Day Motions heard at the Hearing. The Debtor proposes that it will provide omnibus notice of the Hearing on the First Day Motions by first class mail, overnight delivery, facsimile, or email (where available)

to the following parties: (a) the Office of the U.S. Trustee; (b) the holders of the twenty (20) largest unsecured claims against the Debtor filed in accordance with Bankruptcy Rule 1007(d); (c) the State of California through the Attorney General for the State of California; (d) the United States of America through the United States Attorney for the Eastern District of California; (e) Twin Rivers; (f) the Internal Revenue Service; (g) the United States Department of Education; (h) parties that file with the Court and serve upon the Debtor requests for notice of all matters in accordance with Bankruptcy Rule 2002(i), and (i) any parties directly affected by the relief sought in any First Day Motion as set forth in the notice section of such First Day Motion or related memorandum of points and authorities (collectively, the "Notice Parties"). The Debtor submits that the proposed Notice Parties and notice methods are sufficient to provide notice of the Hearing on the First Day Motions.

B. The Debtor Requests That the Court Shorten the Period Required for Notice of the Hearing on the First Day Motions.

The Court may shorten notice of a hearing seeking "first day" relief in a chapter 11 case. Specifically, Bankruptcy Rule 9006(c)(1) contemplates that the Court may shorten notice periods "for cause shown." Fed. R. Bankr. P. 9006(c)(1). While the LBRs contemplate certain notice periods, they also provide that the Court may shorten notice "[i]n appropriate circumstances and for good cause shown." LBR 9014-1(f)(3). Moreover, the LBRs specifically contemplate shortened notice for first day hearings in chapter 11 cases:

> In chapter 11, 12, and 13 cases, preliminary hearings on motions for "first day orders," including, but not limited to, motions to use cash collateral, borrow money, and pay employees, shall comply with Fed. R. Bankr. P. 4001(b) and Fed. R. Bankr. P. 6003. Such motions will generally be heard by the Court within two (2) days of a request for such preliminary hearing or as soon thereafter as reasonably possible. Counsel for the debtor or the trustee shall contact the chambers of the assigned judge as soon as it is known that a hearing will be needed to ascertain what notice will be required and the date and time of the hearing.

LBR 9014-1(f)(4); *see also* Fed. R. Bankr. P. 4001(b)(2)(A), (c)(2)(A) (permitting hearings on interim relief related to cash collateral and postpetition financing on less than 14 days' notice); Fed R. Bankr. P. 6003(a) (permitting a hearing on less than 21 days' notice to use, sell, or lease estate property where "relief is needed to avoid immediate and irreparable harm").

Cause exists to shorten notice of the Hearing because any delay in the relief sought in the First Day Motions will negatively affect the Debtor's ability to operate and to maximize and preserve the assets of its bankruptcy estate. As set forth more specifically in the First Day Motions and the evidence submitted in support, the Debtor operates two adult-serving charter schools in and around Sacramento County, California. The critical significance of the Debtor's educational operations and facilities to the students and communities it serves requires that the Debtor minimize operational disruptions resulting from its Chapter 11 Case. As set forth above, the First Day Motions seek relief critical to this objective, including: (i) the continued payment of wages and benefits; (ii) maintenance of the Debtor's cash management system; (iii) renewing and continuation of insurance; (iv) prohibiting utility providers from discontinuing service; and (v) the continued use of cash on hand to fund operations in the ordinary course of business. Additionally, the requests for relief in the First Day Motions are of the kind contemplated in LBR 9014-1(f)(4) and Bankruptcy Rules 4001 and 6003, which expressly permit hearings on shortened notice to avoid the irreparable harm that is likely to occur if the Debtor's operations are disrupted. Accordingly, cause exists to shorten notice of the Hearing.

C. The Debtor Seeks Authority to Join Requests for Relief in a Single Motion to the Extent Necessary and Typical of First Day Motions.

Generally, the LBRs require that "every application, motion, contested matter, or other request for an order shall be filed separately from every other request." LBR 9014-1(d)(5). However, "[t]he Court may . . . on motion of a party in interest for cause, modify the provisions of these Rules in a manner not inconsistent with the Federal Rules of Bankruptcy Procedure to accommodate the needs of a particular case or proceeding." LBR 1001-1(f).

The Debtor seeks authority to join requests for relief in certain First Day Motions out of an abundance of caution. The First Day Motions are reasonably limited to the subject matter of the relief sought in the subject motion. However, as a technical matter, each First Day Motion seeks multiple distinct, but related, relief. Further parsing the relief sought in the First Day Motions into additional pleadings would interfere with the Court's ability to consider fully the subject matter of each First Day Motion, cause unnecessarily duplicative filings, increase the likelihood of creditor

confusion, and substantially increase expense to the estates from the numerous additional documents that would result without any added benefit. The Debtor submits that modifying LBR 9014-1(d)(5) will: (i) significantly reduce filings and the volume of paper to serve; (ii) avoid unnecessary clogging of the Court's docket; and (iii) simplify the papers for the benefit of all parties. Based on the foregoing, cause exists to modify LBR 9014-1(d)(5) to accommodate the needs of this Chapter 11 Case.

D. The Debtor Seeks Authority to Expand the Pagination Limitation for Combined Motions and Memoranda of Points and Authorities for Procedural First Day Motions.

LBR 9014-1(d)(4) permits "a motion or other request for relief and a memorandum of points and authorities thereto" to "be filed together as a single document when not exceeding six (6) pages in length, including the caption page." LBR 9014-1(d)(4). The Debtor anticipates filing the following procedural First Day Motions: (i) motion to limit the scope of notice; and (ii) motion to extend the deadline to file statements and schedules (collectively, the "Procedural First Day Motions"). Solely with respect to these Procedural First Day Motions, the Debtor seeks authority to expand the page limitation in LBR 9014-1(d)(4) from six to ten pages. The Debtor submits that this will reduce the number of docket entries early in this Chapter 11 Case and aid in the efficient review administration of First Day Motions. The Debtor has limited the request to the Procedural First Day Motions to ensure that motions addressing more substantive issues will comply with the separate motion and memorandum of points and authorities requirements in the Local Rules of Practice.

IV. CONCLUSION

WHEREFORE, the Debtor respectfully requests entry of an order: (i) modifying Rule 9014-1(d) of the Local Rules of Practice ("LBR") to allow the filing and service of an omnibus notice of hearing for First-Day Motions (as defined below); (ii) shortening the time period for notice of the Hearing, such that service of all documents for the First-Day Motions on the Notice Parties, by either email, facsimile, first class mail, or overnight delivery, by at least twenty-four (24) hours prior to the date and time set for the Hearing, shall be deemed sufficient to have the matter heard at

the Hearing; (iii) modifying LBR 9014-1(d)(5) to allow requests for relief to be joined in a single First Day Motion to the extent necessary for the relief requested in typical first day motions; (iv) expanding the page limitation in LBR 9014-1(d)(4) from six to ten pages solely for certain procedural First-Day Motions; and (v) granting the Debtor such other relief as is just and appropriate. The proposed form of Order is lodged concurrently herewith given the *ex parte* relief sought in this Application.

Dated: October 4, 2026

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By */s/ Ori Katz*
ORI KATZ
Proposed Counsel for Highlands Community Charter and Technical Schools