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Proposed Counsel for Highlands Community Charter and Technical Schools

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*]

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

[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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I, *Jonathan Raymond,* hereby declare as follows:

1. I am the Executive Director of 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"). I submit this declaration (this "Declaration") in support of the *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 "Application") filed concurrently herewith. The Application seeks 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. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

2. Except as otherwise indicated, all facts in this Declaration are based upon my personal knowledge, my discussions with others in the Debtor's management team and the Debtor's advisors, my review of relevant documents and information concerning the Debtor's operations, financial affairs, and restructuring initiatives, or my opinions based upon my

experience and knowledge. The documents referenced herein, or otherwise relied upon for purposes of this Declaration, are business records of the Debtor, prepared and kept in the ordinary course of the regularly conducted business activities of the Debtor and used by me for those purposes. I am over the age of eighteen and authorized to submit this Declaration on behalf of the Debtor. If called upon as a witness, I could and would testify competently to the facts set forth in this Declaration.

A. General Background

3. 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.

4. 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, are set forth in the *Declaration of Jonathan Raymond in Support of Chapter 11 Petition and First Day Motions* (the "First Day Declaration"), which is incorporated herein by reference.

B. Facts Relevant to This Application

5. 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*

6. The First Day Motions will be filed contemporaneously with the Application, and I am informed and believe that it is likely the First Day Motions would commonly be heard at the

same date and time, at least on an interim basis. 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, I am informed and anticipate that the First Day Motions will directly affect largely the same stakeholders. As such, 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.

7. I believe that 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.

8. 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").

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed this 4th day of October, 2026, at Sacramento, California.

Signed by:
Jonathan Raymond
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Jonathan Raymond