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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-4** Judge: Hon. [●] Date: [●], 2026 Time: [●] Place: [●]

MEMORANDUM OF POINTS & AUTHORITIES IN SUPPORT OF 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; AND (II) WAIVING REQUIREMENTS OF LBR 2015-2; (III) GRANTING LIMITED WAIVER OF SECTION 345(b) DEPOSIT REQUIREMENTS; AND (IV) GRANTING RELATED RELIEF

[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 Memorandum of Points and Authorities (the "Memorandum") in support of its motion (the "Motion") for entry of orders, substantially in the form attached to the Exhibit List as Exhibit A and Exhibit B (the "Interim Order" and the "Final Order," respectively) filed concurrently herewith, pursuant to §§ 105, 345, 363, 364, 503, 1107, and 1108 of the Bankruptcy Code, Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 1001-1(f), 2015-2, and 9014-1(f) of the Local Rules of Practice ("LBR"): (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; (iv) scheduling a final hearing; and (v) granting related relief. In support of the Motion, the Debtor refers to 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 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; and (II) Waiving Requirements of LBR 2015-2; (III) Granting Limited Waiver of Section 345(b) Deposit Requirements; and (IV) Granting Related Relief* (the "Raymond Declaration"), and the exhibits in support of the Motion (the "Exhibit List"), filed contemporaneously herewith, and such other evidence and testimony as may be presented at the hearing on the Motion (the "Hearing").

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 the Motion 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, 345, 363, 364, 503, 1107, and 1108 of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, and LBRs 9014-1(f)(3) and (4).

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. Overview of the Cash Management System

The Debtor's operations require the collection, payment, and transfer of funds through its bank accounts. In the ordinary course of business, the Debtor operates a centralized cash management system (the "Cash Management System") to collect, transfer, and disburse funds

generated through the Debtor's operations and accurately records such collections, transfers, and disbursements as they are made.

The Cash Management System is essential to the Debtor's ordinary, usual, and necessary operating practices. The Cash Management System is straightforward and designed to support the Debtor's educational operations. The Cash Management System also provides numerous benefits, including the ability to (a) quickly create status reports on the location and amount of funds, thereby allowing management to track and control the Debtor's funds, (b) ensure cash availability and prompt payment of employee, vendor, and other operating expenses, and (c) reduce administrative costs by facilitating the efficient movement of funds. Without the continued use of its existing Cash Management System, the Debtor would be unable to continue its operations during this Chapter 11 Case without significant disruption.

C. The Bank Accounts

The Debtor's Cash Management System is currently comprised of three (3) bank accounts (collectively, and together with any other bank accounts the Debtor may open in the ordinary course of business, the "Bank Accounts"). The Debtor maintains its Bank Accounts at a single financial institution, East West Bank ("East West Bank" or the "Bank"). The Bank Accounts are owned and controlled by the Debtor and are held in the name of Highlands Community Charter and Technical Schools. After the Petition Date, the Debtor intends to open a fourth account with East West Bank to hold the adequate assurance deposit required pursuant to the Debtor's first-day utilities motion, as further described below. Each of the Bank Accounts, together with the account the Debtor intends to open following the Petition Date, is listed in the following chart and described in further detail below:

Account No. (last four digits)	Bank	Type of Account	Function
**6413*	East West Bank	Commercial Checking	Main operating account
**6421*	East West Bank	Commercial Checking	FSA account
**4082*	East West Bank	IntraFi Cash Service Account	Interest-bearing reserve account
—	East West Bank	Commercial Checking	Adequate assurance deposit account (to be opened after the Petition Date)

Operating Account. The Debtor maintains a commercial checking account at East West Bank (account number ending in 6413) (the "Operating Account"), which serves as the Debtor's primary operating account. The Operating Account is the central account through which substantially all of the Debtor's receipts are deposited and from which all disbursements are made. The Debtor receives funds into the Operating Account primarily through government education funding remittances from state and local agencies, including apportionment payments and other program-related revenues. All of the Debtor's disbursements are made from the Operating Account, including payments to vendors and other parties, payroll-related disbursements (which are processed through the Debtor's third-party payroll provider, Paylocity), and other ordinary course operating expenses, via ACH and check.

FSA Account. The Debtor maintains a commercial checking account at East West Bank (account number ending in 6421) that is used in connection with the Debtor's employee flexible spending account ("FSA") program (the "FSA Account"). The FSA Account is administered through a third-party benefits provider and is used to process employee FSA contributions and reimbursements. In the ordinary course of business, activity in the FSA Account is limited to FSA-related debits and credits, including periodic transfers between the FSA Account and the Operating Account in connection with the funding and reimbursement cycle of the Debtor's FSA program.

ICS Account. The Debtor maintains an interest-bearing reserve account at East West Bank (account number ending in 4082) through the IntraFi Cash Service Program (the "ICS Account"). Funds held in the ICS Account are invested by East West Bank, as the Debtor's agent and custodian, in guaranteed money market instruments. Funds held in the ICS Account are accessible on a daily basis and are placed through IntraFi's network of FDIC-insured institutions, providing pass-through FDIC insurance coverage for the full balance of the ICS Account. In the ordinary course of business, activity in the ICS Account is limited to the accrual and receipt of interest income and periodic transfers to or from the Operating Account as needed to fund the Debtor's operations.

Adequate Assurance Account. Soon after the Petition Date, the Debtor intends to open a fourth account with East West Bank (the "Adequate Assurance Account"). The Debtor intends to use this account to hold the adequate assurance deposit required pursuant to the Debtor's first-day utilities motion. For the avoidance of doubt, the Adequate Assurance Account has not yet been opened or funded.

D. The Bank Fees

The Debtor incurs certain fees and charges in connection with the ordinary course operation of the Cash Management System, including, without limitation, those fees specified in the prepetition agreements entered into between the Debtor and the Bank (collectively, the "Bank Fees"). The Bank Fees include account maintenance charges, charges relating to ACH and wire transfers, and other customary miscellaneous charges. The Debtor does not incur any regularly charged or scheduled Bank Fees, rather, Bank Fees are charged by the Bank as incurred. In the ordinary course of business, the Bank charges the Debtor and deducts from the appropriate Bank Accounts certain service charges, and other fees, costs, and expenses.

As of the Petition Date, the Debtor believes that it does not owe any accrued Bank Fees. Out of an abundance of caution, however, the Debtor seeks authority to pay any accrued Bank Fees as of the Petition Date, to the extent any such fees are later determined to exist. In addition, the Debtor seeks approval to continue to pay postpetition Bank Fees, and for the Bank to deduct any such Bank Fees, in the ordinary course of business.

E. The Debtor's Existing Business Forms

In the ordinary course of business, the Debtor uses a variety of preprinted business forms in connection with its Cash Management System, including, without limitation, letterhead, purchase orders, invoices, and checks (collectively, the "Business Forms"). The Debtor would be required by the United States Trustee (the "U.S. Trustee") under the *U.S. Trustee's Operating Guidelines for Chapter 11 Cases* (the "U.S. Trustee Guidelines") to incur the expense and delay of ordering entirely new business forms referencing the Debtor's status as a debtor-in-possession absent relief from the Court. To the extent necessary, the Debtor seeks authority to use pre-existing business forms without such a reference in order to minimize expense to the estate. The

Debtor submits that parties in interest will not be prejudiced if such relief is granted because parties doing business with the Debtor will likely be aware of its status as a debtor-in-possession and, therefore, changing business forms is unnecessary and would be unduly burdensome. To the extent the Debtor exhausts its existing supply of checks, the Debtor will reissue checks with the designation "Debtor-in-Possession" and the corresponding case number.

III. BASIS FOR RELIEF

A. The Court Should Authorize the Debtor to Maintain Existing Bank Accounts and Continue Using the Cash Management System.

In general, LBR 2015-2 and the U.S. Trustee Guidelines require chapter 11 debtors to close prepetition bank accounts, open new debtor-in-possession accounts at authorized depositories and use checks and other business forms that clearly bear the "Debtor-in-Possession" notation and the case number unless otherwise ordered by the Court. The U.S. Trustee Guidelines also expect debtors to maintain accounts only at authorized depositories that comply with the U.S. Trustee's requirements. East West Bank is an authorized depository under the U.S. Trustee Guidelines, and the Debtor's continued use of its existing Bank Accounts therefore already satisfies this requirement. The Debtor seeks a tailored waiver of the remaining requirements to the extent necessary to avoid disruption.

The requested relief is grounded in the Bankruptcy Code and in this Court's discretion to modify local requirements for cause. Section 363(c)(1) authorizes a debtor in possession to use property of the estate in the ordinary course of business. The Debtor's established banking arrangements, disbursement practices, and cash concentration routines are ordinary-course uses of property that facilitate collections, payroll, vendor payments, and educational program obligations integral to the Debtor's operations. Section 105(a) empowers the Court to enter orders that are necessary or appropriate to carry out the provisions of the Bankruptcy Code, including continuing practices under § 363(c)(1) to avoid disruption at the outset of this Chapter 11 Case. Moreover, LBR 1001-1(f) permits modification of local rule requirements for cause, and LBR 2015-2 and the U.S. Trustee Guidelines, while providing important operating standards, yield to case-specific

modifications where strict, immediate compliance would cause harm disproportionate to any benefit.

Courts recognize that continuation of prepetition bank accounts and cash management practices is routinely approved as a practical necessity, particularly for enterprises where integrated systems are essential to efficient collections and disbursements. *See, e.g.*, *In re Oroville Hospital*, No. 25-26876, [Docket No. 287] (Bankr. E.D. Cal., Jan. 15, 2025) (granting motion to continue using existing cash management system); *In re Madera Community Hospital*, No. 23-10457, [Docket No. 246] (Bankr. E.D. Cal., Apr. 14, 2023) (same); *In re The Roman Catholic Bishop of Sacramento*, No. 24-21326, [Docket No. 270] (Bankr. E.D. Cal., May 4, 2024) (same); *In re Tri-Valley Learning Corporation*, No. 16-43112, [Docket No. 70] (Bankr. N.D. Cal. 2016) (same); *see also In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987) (recognizing that requests for authority to continue using cash management systems are "simple matters"); *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (acknowledging that use of an integrated cash management system "allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash"), *aff'd*, 997 F.2d 1039 (3d Cir. 1993). Further, the U.S. Trustee operating guidelines do not carry the force of law. *In re Gold Standard Baking, Inc.*, 179 B.R. 98, 101-02 (Bankr. N.D. Ill. 1995).

Here, cause exists to authorize the Debtor to continue to use its existing Bank Accounts as debtor-in-possession accounts and to maintain its Cash Management System. As an initial matter, because East West Bank is an authorized depository under the U.S. Trustee Guidelines, continued use of the Bank Accounts is consistent with, rather than a departure from, the U.S. Trustee Guidelines. The Debtor's receipts and disbursements are overwhelmingly electronic, including government education funding remittances from state and local agencies, and payroll and vendor disbursements that fund ongoing school operations. Redirecting this volume of payors to newly opened accounts is not practical without causing interruptions in receipts and disbursements and risking funds being paid into closed accounts. Forcing immediate closure of the Bank Accounts

and opening new accounts at authorized depositories would introduce risk and delay that far outweighs any potential benefit.

The Debtor's robust internal controls further support continuation. The Debtor's Fiscal Services Department, under the oversight of senior management, maintains oversight of cash balances and disbursements, with tiered purchasing authority levels requiring approval at increasing thresholds depending on the size of the expenditure. Bank reconciliations are performed and reviewed by the Fiscal Services Department on a monthly basis, and in the rare event that the Debtor's reports and Bank Account records do not match, any discrepancies are investigated and resolved within 10 business days in accordance with the Debtor's internal policies. These controls mitigate risk and provide a transparent and reliable framework for continued financial operations postpetition.

In addition to authorizing the Debtor to maintain its Bank Accounts and Cash Management System, the Court should authorize the Bank to: (1) honor and process postpetition checks, ACH debits, and wire transfers; (2) follow the Debtor's instructions to honor or dishonor items, including prepetition items the Debtor determines should not be paid; and (3) charge or debit the Bank Accounts for returned items and related fees in the ordinary course. Further, the Debtor should be authorized to pay undisputed prepetition Bank Fees, which are incidental to preserving ordinary-course banking services.

For all these reasons, and as more particularly described in the First Day Declaration and the Raymond Declaration filed in support of the Motion, cause exists under §§ 105(a) and 363(c)(1) and LBR 1001-1(f) to authorize continued use of the Debtor's existing Bank Accounts and Cash Management System, direct the Bank as requested, and waive strict and immediate compliance with LBR 2015-2 and the U.S. Trustee Guidelines to the extent necessary to avoid operational disruption. Denying or delaying this relief would cause immediate irreparable harm by interrupting receivables, jeopardizing payroll and vendor stability, and impairing the Debtor's ability to continue providing educational services to its students.

B. The Court Should Authorize Continued Use of Prepetition Business Forms.

The Court should authorize the Debtor's continued use of its existing preprinted Business Forms, including checks, without immediately stamping a "Debtor-in-Possession" notation. If the Debtor uses all of its prepetition Business Forms and requires replenishing its supply, it will order Business Forms stamped with a "Debtor-in-Possession" notation and case number on new stock as it is ordered. Section 105(a) and LBR 1001-1(f) permit the Court to tailor the application of local rules and guideline requirements for cause. Courts have permitted continued use of prepetition forms where immediate reprinting would cause waste, confusion, and unnecessary expense, especially early in a case when clarity and continuity with employees, patients, payors, and vendors are critical. *See, e.g.*, *In re The Roman Cath. Bishop of Sacramento,* No. 24-21326, [Docket No. 270] (Bankr. E.D. Cal., May 4, 2024); *In re Tri-Valley Learning Corporation*, No. 16-43112, [Docket No. 70] (Bankr. N.D. Cal. 2016) (same); *In re Zacky Farms, LLC,* Case No. 12-37961, [Docket No. 211] (Bankr. E.D. Cal., Nov. 5, 2012); *see also In re Young*, 205 B.R. 894, 897 (Bankr. W.D. Tenn. 1997) ("The UST has not been given any additional power to 'require' that this or any other debtor imprint 'Debtor–In–Possession' on his checks.").

Here, the Debtor seeks to minimize needless administrative costs and avoid confusion among stakeholders that interact daily with the Debtor's forms and checks. Given the Debtor's commitment to adopt the required markings on replacement stock if current supplies are depleted, immediate reprinting would create cost and delay with no meaningful countervailing benefit.

C. The Court Should Grant a Limited Waiver of § 345(b) to the Extent Applicable.

Section 345(a) requires that estate funds be deposited or invested in a manner that will yield the maximum reasonable net return, taking into account the safety of such deposit or investment. As discussed above, East West Bank is an authorized depository under the U.S. Trustee Guidelines, is well-capitalized and financially stable, and each of the Bank Accounts is insured by the FDIC. The Debtor's Cash Management System therefore complies with the requirements of § 345.

Out of an abundance of caution, and to the extent § 345(b) is deemed to apply to any of the Bank Accounts, the Debtor requests a limited waiver of § 345(b) for cause. Section 345(b)

prescribes bonding or collateralization requirements but expressly allows the Court to waive such requirements "for cause." Courts evaluating "cause" consider factors including the debtor's sophistication, the size and complexity of the case, the safety of the investment vehicles, the existence of appropriate safeguards, and the costs associated with strict compliance. *See, e.g.*, *In re The Roman Cath. Bishop of Sacramento*, Case No. 24-21326, [Docket No. 270] (Bankr. E.D. Cal., May 4, 2024); *see also In re Serv. Merch. Co., Inc.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999) (enumerating factors to be considered in waiving requirements of § 345(b), including the size of business and safety of debtor's proposed investments); *In re King Mountain Tobacco Co., Inc.*, 623 B.R. 323, 332 (Bankr. E.D. Wash. 2020) (finding cause under the totality of the circumstances for debtor to retain its investment accounts).

To the extent a waiver is deemed necessary, cause exists for a limited waiver of § 345(b). Each of the Operating Account, FSA Account, and Adequate Assurance Account is insured by the FDIC, and the ICS Account benefits from pass-through FDIC insurance coverage across the IntraFi network, such that the full balance of the ICS Account is covered by FDIC insurance. East West Bank is a well-capitalized and financially stable institution and an authorized depository under the U.S. Trustee Guidelines. Imposing bonding or collateralization requirements in these circumstances would impose administrative burden, disrupt liquidity planning, and reduce returns without commensurate reductions in risk. The Debtor will maintain transparent reporting and will engage cooperatively with the U.S. Trustee to address any concerns regarding the Debtor's accounts. On this record, to the extent § 345(b) applies, the balance of the § 345(b) factors demonstrates cause for a limited waiver tailored to the Debtor's circumstances, out of an abundance of caution.

IV. PROCESSING OF CHECKS AND ELECTRONIC FUND TRANSFERS

The Debtor has sufficient funds to pay the amounts described in the Motion in the ordinary course of business through cash on hand. Moreover, under the Debtor's existing Cash Management System, the Debtor can readily identify checks or wire transfer requests relating to an authorized payment. As such, the Debtor believes there is minimal risk that unauthorized checks or wire transfer requests will be inadvertently honored. The Debtor therefore respectfully

requests that the Court authorize all applicable financial institutions, upon the Debtor's request, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief sought in the Motion.

V. EMERGENCY CONSIDERATION

Bankruptcy Rule 6003 provides that, to the extent relief is necessary to avoid immediate and irreparable harm, the Court may issue an order within the first 21 days of a chapter 11 case granting "a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition." Fed. R. Bankr. P. 6003(b).

For the reasons discussed herein and in the Motion and First Day Declaration, the Debtor respectfully requests that the Court enter an interim order in the form set forth on Exhibit A to the Exhibit List filed concurrently herewith: (a) authorizing, but not directing, the Debtor to: (i) maintain existing bank accounts; (ii) continue use of cash management system; (iii) continue use of business forms; and (iv) honor certain prepetition obligations related thereto; (b) waiving requirements of LBR 2015-2; (c) granting a limited waiver of Section 345(b) deposit requirements to the extent applicable; (d) scheduling a final hearing; and (e) granting related relief. The relief requested in the Motion is integral to the Debtor's ability to transition its operations into this Chapter 11 Case. Failure to obtain such authorization and other relief within the first 21 days of this Chapter 11 Case would severely disrupt the Debtor's operations at this critical juncture. The requested relief is necessary to enable the Debtor to operate its business in the ordinary course, continue to deliver quality educational services to its students without interruption, and preserve and maximize the value of the estate for the benefit of all stakeholders. Accordingly, the Debtor submits that it has satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and respectfully requests that the Court approve the relief sought in the Motion on an emergency basis.

VI. RESERVATION OF RIGHTS

Nothing herein shall constitute a waiver of any claims, rights, objections, or remedies available to the Debtor against any party. The Debtor expressly reserves the right to seek

modification of any relief granted hereunder to the extent necessary to facilitate this Chapter 11 Case and the Debtor's ongoing operations, or as otherwise required to comply with any order entered by the Court in this Chapter 11 Case. Furthermore, nothing herein, nor any action taken in furtherance of the relief requested, shall be deemed or construed as: (i) an admission regarding the validity of any claim asserted against the Debtor, (ii) a waiver of the rights of the Debtor or any appropriate party in interest to contest any such claim, or (iii) an approval, adoption, or assumption of any agreement, contract, program, policy, or lease pursuant to § 365, nor shall anything herein otherwise limit or affect the Debtor's rights under § 365 to assume or reject any executory contract with any party. Similarly, in the event the Court grants the relief requested herein, any payment made in accordance with the Court's order shall not be deemed, and should not be interpreted, as an admission of the validity of any claim or as a waiver of the Debtor's right to challenge such claim at a later time. Finally, no provision of the relief requested herein shall be construed to require or obligate the Debtor to accept any services from any party.

VII. WAIVER OF BANKRUPTCY RULE 6004(A) AND 6004(H)

The Debtor requests a waiver of any applicable notice requirements under Bankruptcy Rule 6004(a) and any stay of the order granting the relief requested herein under Bankruptcy Rule 6004(h). As set forth above and in the First Day Declaration, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtor's ongoing operations and value-maximizing process. Accordingly, ample cause exists to justify waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent such requirements and stay are applicable.

VIII. NOTICE

The Debtor will provide notice of the Motion and this Memorandum via first class mail, facsimile or email (where available) to: (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) East West Bank; (g) the Internal Revenue Service; (h) the United

States Department of Education; and (i) parties that file with the Court and serve upon the Debtor requests for notice of all matters in accordance with Bankruptcy Rule 2002(i) (collectively, the "Notice Parties"). If the Court grants the relief requested by the Motion, the Debtor shall provide notice of the entry of the order granting such relief upon each of the foregoing parties and any other parties in interest as the Court directs. The Debtor submits that such notice is sufficient and that no other or further notice need be given. No prior request for the relief sought herein has been made by the Debtor to any other court.

IX. CONCLUSION

For the reasons set forth herein, the Debtor respectfully requests entry of an order: (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 a limited waiver of Section 345(b) deposit requirements to the extent applicable; (iv) scheduling a final hearing; and (v) granting related relief.

Dated: October 4, 2026

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

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