7

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
A Limited Liability Partnership
Including Professional Corporations
ORI KATZ, State Bar No. 209561
KIRK RIDER, State Bar. No. 364539
Four Embarcadero Center, 17th Floor
San Francisco, California 94111-4109
Telephone: (415) 434-9100
Facsimile: (415) 434-3947
Email: okatz@sheppard.com
krider@sheppard.com

[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-8 Judge: Hon. [●] Date: [●], 2026 Time: [●] Place: [●]

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

[1] The Debtor in this chapter 11 case, along with the last four digits of the Debtor's federal tax identification number, is: Highlands Community Charter and Technical Schools [0967]. The mailing address for the Debtor is 1111 Howe Ave. Suite 505 Sacramento, CA 95825.

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 (the "Application") for entry of an order authorizing the retention and employment of Kurtzman Carson Consultants, LLC dba Verita Global ("Verita") as notice, claims, and solicitation agent in this Chapter 11 Case pursuant to 11 U.S.C. §§ 327(a), 328, and 1107(b), Fed. R. Bankr. P. 2014 and Rules 9014-1(f)(3) and (4) of the Local Rules of Practice (the "LBR"): (a) authorizing the Debtor to retain and employ Verita as notice, claims, and solicitation agent in this Chapter 11 Case effective as of the Petition Date; and (b) granting related relief. In support of this Application, 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 Application For Order Authorizing and Approving the Appointment of Kurtzman Carson Consultants, LLC dba Verita Global as Notice, Claims, and Solicitation Agent* (the "Raymond Declaration"), the *Declaration of Evan Gershbein in Support of 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* (the "Gershbein Declaration"), the *Memorandum of Points and Authorities in Support of 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* (the "Memorandum"), and the exhibits in support of this Application as set forth on the exhibit list (the "Exhibit List"), each filed contemporaneously herewith and incorporated herein by reference, and such other evidence and testimony as may be presented at the hearing on this Application (the "Hearing").[2]

[2] A more detailed description of the Debtor and its business, and the facts and circumstances supporting this Application and the Debtor's Chapter 11 Case are set forth in greater detail in the First Day Declaration. Capitalized terms used but not otherwise defined in this Application have the meanings ascribed to them in the Memorandum, the Raymond Declaration, the Gershbein Declaration and the First Day Declaration, as applicable, or as indicated elsewhere in this Application.

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 §§ 327(a), 328, and 1107(b) of the Bankruptcy Code, Rule 2014 of the Federal Bankruptcy Rules and Rules 9014-1(f)(3) and (4) of the LBR.

II. FACTUAL 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 501(c)(3) non-profit 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") for both HCCS and CICA, and since opening in August 2014, HCCTS has served approximately 60,000 students. The Debtor is exempt from certain 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 First Day Declaration.

III. RELIEF REQUESTED

The Debtor seeks authority to employ and retain Verita as notice, claims, and solicitation agent for the Debtor in connection with this Chapter 11 Case, effective as of the Petition Date,

pursuant to the terms and conditions contained in that certain *Verita Agreement For Services*, dated as of September 25, 2026, by and between Verita and the Debtor (such agreement, together with all attachments and amendments thereto, the "Services Agreement"), a copy of which is attached as Exhibit B to the Exhibit List and incorporated by reference herein.

IV. QUALIFICATIONS

Verita is comprised of leading industry professionals with significant experience in both the legal and administrative aspects of large, complex chapter 11 cases. Verita's professionals have experience in noticing, claims administration, solicitation, balloting, and facilitating other administrative aspects of chapter 11 cases and have experience in matters of this size and complexity. Verita's professionals have acted as debtor's counsel or the official claims and noticing agent in other large bankruptcy cases.

By appointing Verita as the notice, claims, and solicitation Agent in this Chapter 11 Case, the distribution of notices, the processing of claims, and the solicitation of votes will be expedited and the Clerk of the United States Bankruptcy Court for the Eastern District of California (the "Clerk") will be relieved of the administrative burden of processing what may be an overwhelming number of claims. The Debtor submits, based on all engagement proposals obtained and reviewed, that Verita's rates are competitive and reasonable given Verita's quality of services and expertise. The terms of Verita's retention are set forth in the Services Agreement; provided, however, that Verita is seeking approval solely of the terms and provisions as set forth in this Application and the Services Agreement.

V. SCOPE OF SERVICES

Section 156(c) of title 28 of the United States Code, which governs the staffing and expenses of the Court, authorizes the Court to use facilities other than those of the Clerk's Office for the administration of a bankruptcy case. If approved, in its role as claims, noticing, and solicitation agent, Verita will perform a large range of clerical tasks that otherwise would create a

substantial burden for the Clerk's Office. A detailed description of the proposed claims and noticing services are set forth in the accompanying memorandum of points and authorities.

VI. COMPENSATION

As described in the Memorandum of Points and Authorities, the Debtor respectfully requests that the undisputed fees and expenses incurred by Verita in the performance of the Claims Services be treated as administrative expenses of the Debtor's chapter 11 estate pursuant to 28 U.S.C. § 156(c) and section 503(b)(1)(A) of the Bankruptcy Code and be paid in the ordinary course of business without further application to or order of the Court.

Prior to the Petition Date, the Debtor paid Verita a retainer in the amount of $30,000. Verita seeks to first apply the retainer to all prepetition invoices, and thereafter, to hold the retainer as security for payment of Verita's final invoice for services rendered and expenses incurred in performing the Claims Services.

VII. DISINTERESTEDNESS

As set forth in the accompanying Memorandum of Points and Authorities and the Gershbein Declaration, Verita is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code with respect to matters upon which it is to be engaged.

VIII. RELIEF AS OF THE PETITION DATE IS APPROPRIATE

In accordance with the Debtor's request, Verita has agreed to serve as claims, noticing and solicitation agent on and after the Petition Date with assurances that the Debtor would seek approval of its employment and retention, effective as of the Petition Date, so that Verita can be compensated for services rendered before approval of this Application. No party in interest will be prejudiced by the granting of relief as of the Petition Date as proposed in this Application, because Verita has provided and continues to provide valuable services to the Debtor's estate during any interim period.

Accordingly, the Debtor respectfully requests entry of an order substantially in the form attached to the Exhibit List as Exhibit A thereto authorizing the Debtor to retain and employ Verita as claims, noticing and solicitation agent, effective as of the Petition Date.

IX. EMERGENCY CONSIDERATION

The Debtor respectfully requests emergency consideration of this Application pursuant to

Bankruptcy Rule 6003, which empowers a court to grant relief within the first twenty-one (21) days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." Fed. R. Bankr. P. 6003. As set forth herein, the Debtor believes an immediate and orderly transition into chapter 11 is critical to the Schools' viability and that any delay in granting the requested relief could hinder operations and disrupt the efficient restructuring process. Accordingly, the Debtor submits that it has satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and requests that the Court approve the relief requesting in this Application on an emergency basis.

X. WAIVER OF BANKRUPTCY RULES 6004(A) AND 6004(H)

To the extent applicable, the Debtor seeks a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h) to ensure immediate implementation of these procedures.

XI. NOTICE

The Debtor will provide notice of this Application 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) Verita; and (g) parties that file with the Court and serve upon the Debtor requests for notice of all maters in accordance with Bankruptcy Rule 2002(i) (collectively, the "Notice Parties"). If the Court grants the relief requested by the Application, 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 be given. No prior request for the relief sought herein has been made by the Debtor to this or any other court.

XII. CONCLUSION

WHEREFORE, The Debtor respectfully requests that the Court enter the proposed Order substantially in the form attached to the Exhibit List as Exhibit A, granting the relief requested herein and such other relief as the Court deems just, proper appropriate under the circumstances.

Dated: October 4, 2026

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By */s/ Ori Katz*
Ori Katz

Proposed Counsel for Highlands Community Charter and Technical School