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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-9 Judge: Hon. [●] Date: [●], 2026 Time: [●] Place: [●]

DEBTOR'S EMERGENCY MOTION FOR ENTRY OF AN ORDER LIMITING SCOPE OF NOTICE

[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.

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 motion (the "Motion") for entry of an order, substantially in the form attached to the Exhibit List as Exhibit A filed concurrently herewith, limiting the scope of service of certain notices of hearings, applications, motions, stipulations, and other matters, defined below as the Limited Service Matters (defined herein), to the Limited Service List (defined herein), pursuant to the procedures set forth herein (the "Limited Notice Procedures"). In support of this 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 an Order Limiting Scope of Notice* (the "Raymond Declaration"), and the exhibits in support of this Motion (the "Exhibit List"), each filed contemporaneously herewith, and such other evidence and testimony as may be presented at the hearing on this Motion (the "Hearing").[2]

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 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.

[2] A more detailed description of the Debtor and its business, and the facts and circumstances supporting this Motion 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 Motion have the meanings ascribed to them in the Raymond Declaration and the First Day Declaration or as indicated elsewhere in this Motion.

The bases for the relief requested herein are § 105(a) and Rules 2002, 4001, 6003, 6004, 6006, 9006, 9007, 9013, 9014 and 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

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 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.

B. Facts Relevant to this Motion

As of the Petition Date, the Debtor estimates that it has over $88 million in liabilities and approximately 2,000 potential creditors and parties in interest (on a consolidated basis). The Debtor believes that limiting the scope of service as set forth below will preserve estate assets and efficiency without limiting the rights of parties affected by relief sought by the Debtor.

III. RELIEF REQUESTED

By this Motion, the Debtor seeks entry of the Order: limiting the service of all notices of hearings, applications, motions, stipulations, and other matters as the Court may direct (the "Limited Notice Matters"), except for the Complete Notice Matters (defined herein), only upon the following (collectively, the "Limited Service List"):

a. The Office of the United States Trustee;

b. The holders of the twenty (20) largest unsecured claims against the Debtor filed in accordance with Bankruptcy Rule 1007(d), or, if appointed, any official committee of unsecured creditors;

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. Any party directly affected by the relief requested in the document to be served and its counsel, if applicable; and

g. Parties that file with the Court and serve upon the Debtor requests for notice of all matters in accordance with Bankruptcy Rule 2002(i).

However, the Debtor proposes that the following matters will be excepted from the limited scope of notice provisions sought by this Motion: (i) the time fixed for filing proofs of claim; (ii) the time fixed for filing objections to, and the hearing to consider, approval of any proposed disclosure statement; (iii) the time fixed for accepting, rejecting, or objecting to confirmation of any proposed plan or any modification thereof and the hearing thereon; (iv) the entry of an order confirming a plan; (v) a hearing regarding dismissal or conversion of the Chapter 11 Case; and (vi) any other proceedings for which the Court orders further notice (collectively, the "Complete Notice Matters").

IV. BASIS FOR RELIEF REQUESTED

A. The Court Has Authority to Limit the Scope of Notice

"Except as the rules provide otherwise, the court may designate the matters about which, the entity to whom, and the form and manner in which a notice must be sent." FED. R. BANKR. P. 2002(m). The Bankruptcy Rules grant broad authority for the Court to modify the scope of notice for particular matters. For instance, Bankruptcy Rule 2002(i) provides—with respect to use,

sale or lease of estate property, compromises and settlements, and professional compensation—that

> [T]he court may order that a notice required by (a)(2), (3), or (6) be: (A) sent to the United States trustee; and (B) mailed only to: (i) the committees…appointed under § 1102, or to their authorized agents; and (ii) those creditors and equity security holders who file—and serve on the trustee or debtor in possession—a request that all notices be mailed to them.

FED. R. BANKR. P. 2002(i)

In addition, Bankruptcy Rules 4001, 6004, 6006, 9006, 9007, 9013, 9014 and 9019 each allow this Court to determine those parties to whom the Debtor must provide notice. Given that there are thousands of creditors in this case, it would be impractical and would impose a large administrative and economic burden upon the Debtor's estate if the Debtor was required to mail notice of every matter in this Chapter 11 Case to all parties listed on the creditor matrix. As such, a predictable procedure for limiting notice will serve the administration of this Chapter 11 Case.

B. Limited Notice Procedures

1. Service of Limited Notice Matters that Are Not Emergency or Expedited

The Debtor proposes that notices regarding the Limited Notice Matters that will be heard on regular notice must be served by first class mail upon the Limited Service List. Among other things, such notices will provide notice of the applicable objection deadline under the Local Rules of Practice and that failure to timely object may be deemed by the Court to constitute consent to the relief requested.

2. Service of Limited Notice Matters that Require Emergency or Expedited Relief

The Debtor proposes that notices regarding Limited Notice Matters that require emergency or expedited relief must be served by email, fax, personal service or overnight delivery on the Limited Service List, if possible. In some instances, service by one of the means listed is

not possible within the time frame available or is not practical (e.g., service on a very large group for which the Debtor has no fax or email addresses readily available). The Debtor proposes that service of emergency or expedited Limited Notice Matters be upon only the Limited Service List and that service of emergency or expedited Limited Notice Matters by overnight delivery be authorized if such notice will be delivered prior to the scheduled hearing time.

C. **Service of Order Granting Motion; Special Notice Requests**

If the Court grants this Motion, the Debtor will serve a true and correct copy of the Order as entered to be served on all known creditors and parties in interest in this case. The Order will provide that the Debtor shall serve all papers filed in this Chapter 11 Case on any party who requests to be included on the Debtor's service lists in this Chapter 11 Case. Such a request may be made by filing a request for special notice with the Court and properly serving such request on the Debtor's counsel.

V. EMERGENCY CONSIDERATION

The Debtor respectfully requests emergency consideration of this Motion pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first twenty-one 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 viability of the Debtor's operations 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 Motion on an emergency basis.

VI. WAIVER OF BANKRUPTCY RULE 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.

VII. RESERVATION OF RIGHTS

Nothing contained in this Motion or any order granting the relief requested in this Motion, and no action taken by the Debtor pursuant to the relief requested or granted (including any payment made in accordance with any such order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount of, basis for, priority, or validity of any claim against the Debtor under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtor's or any other party in interest's rights to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in this motion or any order granting the relief requested by this motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability or perfection of any lien on, security interest in, or other encumbrance on property of the Debtor's estates; or (g) a waiver or limitation of any claims, causes of action or other rights of the Debtor or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtor's rights to subsequently dispute such claim.

VIII. NOTICE

The Debtor will provide notice of this Motion 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; and (f) 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.

IX. 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**: (i) granting this Motion approving the Limited Notice Procedures, the Limited Notice Matters, and the Limited Notice List; and (ii) granting the Debtor such other relief as the Court deems 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