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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.	Case No. 26-25868 Chapter 11 DCN SMR-13 Judge: Hon. Christopher D. Jaime Date: November 10, 2026 Time: 11:00am Place: Courtroom 32 501 I Street Sacramento, California 95814

DECLARATION OF JERRY W. SIMMONS IN SUPPORT OF APPLICATION TO EMPLOY THE LAW OFFICES OF YOUNG, MINNEY & CORR, LLP AS SPECIAL CHARTER SCHOOL COUNSEL

I, Jerry W. Simmons, declare:

1. I am an attorney duly licensed to practice law in the State of California and a partner in the Sacramento office of the law firm Law Offices of Young, Minney & Corr, LLP ("YM&C"), the proposed special charter school counsel for Highlands Community Charter and Technical Schools ("HCCTS" or the "Debtor") a California Non-Profit Corporation, and the debtor and debtor in possession in the above-captioned chapter 11 case (the "Bankruptcy Case"). If called as a witness, I could and would testify competently thereto. My office is located at 655 University Avenue, Suite 150, Sacramento, California 95825.

2. This declaration is submitted pursuant to Bankruptcy Rules 2014(a) and 2016(b) and Bankruptcy Code sections 327 and 329 in support of the *Debtor's Application to Employ the Law Offices of Young, Minney & Corr, LLP as Special Charter School Counsel* (the "Application"). I give capitalized terms not defined in this declaration the same meanings given to them in the Application. I have read the Application and hereby incorporate its factual statements.

3. The Debtor desires to employ YM&C as its special charter school counsel. The Debtor has requested the services of YM&C because the Debtor knows YM&C to be skilled in charter school law, education regulatory matters, and related administrative and litigation proceedings, and that the firm's members have substantial knowledge and experience that will enable them to perform services of special benefit to the Debtor and its estate in a cost-effective manner. The Debtor believes that the substantial size and complexity of this particular Bankruptcy Case, and in particular the disputed Audit Liability, will necessitate the involvement of counsel with the depth and experience of YM&C in charter school and education law matters.

4. YM&C is a law firm whose practice is dedicated exclusively to education law. The firm's founders began working in education law in 1992, and YM&C has litigated nearly every seminal appellate decision improving equal access to school choice. Since 1993, YM&C has grown

from an initial 60 school clients to more than 700 school, nonprofit organization, and public agency clients, and has expanded from a single office in Sacramento to offices located in Sacramento, Los Angeles, San Diego, and Walnut Creek.

5. YM&C's attorneys frequently represent charter schools and other public educational agencies in connection with school administration, operations, and regulatory compliance, as well as litigation and administrative proceedings before state and local regulatory authorities. YM&C's attorneys have substantial experience assisting charter schools with matters including drafting charter petitions, memoranda of understanding, facilities agreements, employment and labor law matters, board governance, zoning and building code compliance, and the defense of audit findings in both annual and extraordinary audits, as well as compliance with the Brown Act, the Political Reform Act, the Public Records Act, and the Family Educational Rights and Privacy Act. As a law firm focused exclusively on education law, YM&C is able to draw on the resources and experience necessary to address the multidisciplinary issues presented by charter school administration and regulatory disputes.

6. The Debtor originally engaged YM&C as its charter school counsel over a year before the commencement of this Bankruptcy Case, to assist with matters relating to the administration of Highlands Community Charter School ("HCCS") and California Innovative Career Academy ("CICA"). As a result of its prepetition representation of the Debtor, including representing the Debtor in its request for summary review submitted to the Education Audit Appeals Panel ("EAAP") on July 24, 2025 and its formal notice of appeal filed with EAAP on October 9, 2025, both concerning State Audit Report 2024-106 and the related determination of the California Department of Education disallowing past apportionment, YM&C has acquired in-depth knowledge of the Debtor's structure, operations, and the disputed Audit Liability. As such, YM&C possesses

the necessary background to address the legal issues and related matters that may arise in the administration of the Bankruptcy Case.

7. Accordingly, given YM&C's extensive experience in charter school and education law matters and its experience conducting prepetition work for the Debtor in connection with the disputed Audit Liability, YM&C is both well qualified and uniquely able to act as the Debtor's special charter school counsel in this Bankruptcy Case in an efficient and timely manner. YM&C will work alongside and coordinate with general bankruptcy counsel Sheppard, Mullin, Richter & Hampton LLP and financial advisor Arch & Beam Global, LLC to guard against unnecessary duplication of services performed or charged to the Debtor's estate.

8. The professional services which YM&C will render to the Debtor are as follows:

a. Advising and representing the Debtor with respect to matters of charter school administration, operations, and regulatory compliance, including matters arising under the California Education Code and related regulations;

b. Advising and representing the Debtor in connection with the pending appeal before EAAP and any related administrative or judicial proceedings concerning State Audit Report 2024-106 and the related determination by the California Department of Education, including the disputed Audit Liability;

c. Advising and representing the Debtor in other litigation, administrative proceedings, and audit appeals involving state and local educational agencies, including the California Department of Education, EAAP, the California State Auditor, and the Debtor's authorizing agency;

d. Advising the Debtor regarding charter renewal, charter amendment, and other matters affecting the Debtor's charter school authorization;

e. Coordinating with the Debtor's general bankruptcy counsel and other retained professionals regarding the treatment of the Audit Liability and related claims in the Bankruptcy Case;

f. Preparing pleadings, filings, and other papers in connection with the matters described above, to the extent such matters are not already being handled by the Debtor's general bankruptcy counsel; and

g. Taking such other action and performing such other services as the Debtor may require of YM&C in connection with the Bankruptcy Case and any related proceedings within the scope of YM&C's special charter school counsel engagement.

9. I believe YM&C is a disinterested person within the meaning of Bankruptcy Code sections 101(14) and 1107(b) and is authorized to be employed under Bankruptcy Code section 327. Neither I, YM&C, nor any partner of, counsel to, or associate of the firm represents any entity other than the Debtor in connection with this Bankruptcy Case. YM&C does not represent any entity having a direct adverse interest in connection with the Bankruptcy Case, nor does YM&C have any adverse interest in this matter. YM&C is not a creditor, equity security holder or an insider of the Debtor. Neither YM&C, nor any attorney at YM&C, is, or has ever been, a director, officer or employee of the Debtor at any time.

10. Along with my partners, I have reviewed the list of creditors provided by the Debtor and I have made reasonable inquiries of YM&C's lawyers and staff to determine the nature of the connections described herein. YM&C has run a computerized conflict check on the list of the Debtor's creditors as provided by the Debtor. As of the date of the Application, YM&C has specifically researched its client database to determine whether it had any relationship with the following: (a) the Debtor; (b) parties in interest; and (c) the Hon. Christopher Jaime. I do not believe

that any of YM&C's current representations pose an adverse interest in connection with the Bankruptcy Case or disqualify YM&C from representation of the Debtor under the Bankruptcy Code.

11. To the best of my knowledge, neither I nor any other attorney or employee of YM&C have any business or social connections with the Debtor, its creditors, their equity security holders, or with any parties in interest, their respective attorneys or accountants, or with the Office of the United States Trustee or any persons employed in the office of the United States Trustee. I do not believe that any connections exist that would render YM&C not a "disinterested person" within the meaning of 11 U.S.C. §§ 101(14), 327, and 1107(b).

12. These rates are subject to periodic adjustment to reflect economic and market conditions and increased experience and skill. The following schedule sets forth the hourly rates of the YM&C attorneys most likely to render services in this Bankruptcy Case:

Name	Title	Hourly rate
Jerry Simmons	Partner	$425.00
Paul Thies	Senior Counsel	$380.00

During the 90-day period prior to the Petition Date, YM&C received payments and advances for professional services performed and to be performed, and expenses incurred and to be incurred, including professional services and expenses related to the commencement and prosecution of this Bankruptcy Case. In addition, YM&C holds a retainer (the "Retainer") in favor of the Debtor to be maintained throughout the Bankruptcy Case.

The Debtor and YM&C understand and have agreed that YM&C hereafter will apply to the Court for allowance of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules for the United States Bankruptcy Court for the Eastern District of California (the "Bankruptcy Local

Rules"), the *United States Bankruptcy Court Eastern District of California Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees, effective February 19, 2014* (the "Local Guidelines"), the *U.S. Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330* (the "U.S. Trustee Guidelines," and together with the Local Guidelines, the "Fee Guidelines"), and any further Orders of the Court (the "Orders") for all professional services performed and expenses incurred after the Petition Date. Notwithstanding anything to the contrary contained in this Application and its supporting papers, YM&C acknowledges that the relevant provisions of the Bankruptcy Code, Bankruptcy Rules, Bankruptcy Local Rules, Local Guidelines and the Fee Guidelines will apply and prevail.

These rates are subject to periodic increase, usually at the beginning of each calendar year. Such changes will be noted on the billing statements for the first time period in which the revised rates become effective.

The following constitutes the statement of YM&C required by section 1103 of the Bankruptcy Code and Bankruptcy Rule 2014(a) and the U.S. Trustee's Guidelines for Employment Applications in larger Chapter 11 cases ("UST Large Case Fee Guidelines") and to answer the specific questions posed in section D.1 of the UST Large Case Fee Guidelines:

a. Neither YM&C nor any attorneys at YM&C have otherwise altered their standard billing rates for this engagement, or made any adjustments based upon the geographic location of the case.

b. YM&C's representation of the Debtor prior to the Petition Date was on the same terms and rates as set forth in this Application.

c. Any increase in applicable rates that may occur during the pendency of the case will be disclosed in accordance with the UST Large Case Fee Guidelines.

YM&C has prepared and discussed with the Debtor a proposed estimated budget and a staffing plan. The Debtor has approved the staffing plan and budgets for the first 13-weeks of the

Bankruptcy Case, understanding that the budgets are estimates based upon the current agreed upon case strategy and information known to date.

YM&C respectfully requests that the effective date of employment be the Petition Date as provided in Local Rule 2014-1 ("An application for an order approving employment pursuant to Federal Rule 2014(a) shall be presumed to relate back to the later of 30 days before the filing of the application or the order for relief. The order approving the employment shall state the effective date on or after which the employment is authorized and effective for services rendered."). This application was filed prior to 30 days after the Petition Date, so pursuant to Local Rule 2014-1 the effective date should be the Petition Date.

In the alternative, if the effective date of YM&C's employment is not the Petition Date, the Debtor requests that YM&C's compensation for pre-employment services be allowed for work done after the Petition Date and before entry of an order approving the Application.

The Application requests approval of YM&C's retention on rates, terms, and conditions consistent with what YM&C charges clients outside of chapter 11 and in other chapter 11 cases, namely, prompt payment of YM&C's hourly rates, as adjusted from time to time, and reimbursement of out-of-pocket disbursements at cost or based on formulas that approximate the actual cost where the actual cost is not easily ascertainable.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 13h day of October, 2026, at Sacramento, California.

/s/ Jery W. Simmons
JERRY W. SIMMONS