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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.	Case No. 26-25868 Chapter 11 DCN: SMR-14 Judge: Hon. Christopher D. Jaime Date: November 10, 2026 Time: 11:00am Place: Courtroom 32 501 I Street Sacramento, California 95814

DEBTOR'S APPLICATION TO EMPLOY KURTZMAN CARSON CONSULTANTS, LLC DBA VERITA GLOBAL AS ADMINISTRATIVE ADVISOR

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"), hereby requests authority to Kurtzman Carson Consultants, LLC dba Verita Global ("Verita") as administrative advisor (the "Administrative Advisor") in this Chapter 11 Case to the Debtor (the "Application"), and in support of this Application, respectfully represents the following:[1]

This Application is made pursuant to sections 327 and 330 of title 11 of the United States Code (the "Bankruptcy Code"); Rules 2014, 2016 and 5002 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"); and the Guidelines of the Office of the United States Trustee ("UST Guidelines"). This Application is supported by the *Declaration of Evan Gershbein in Support of Debtor's Application to Employ of Kurtzman Carson Consultants, LLC dba Verita Global* filed herewith (the "Gershbein Declaration").

I. BACKGROUND

On October 4, 2026, HCCTS filed a voluntary Chapter 11 petition under Title 11 of the United States Code (the "Petition Date"). The Debtor remains in possession of its estate and no trustee has been appointed. The Debtor continues to operate and manage its business as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. The Debtor filed this Bankruptcy Case to reorganize its financial affairs pursuant to a plan of reorganization that will,

[1] "The Debtor additionally requests, pursuant to Rule 1001-1(f) of the LBR, a modification of LBR 9014-1(d)(4), which ordinarily requires that a motion and its memorandum of points and authorities be filed as separate documents unless the combined filing does not exceed six pages. LBR 1001-1(f) provides that "[t]he Court may *sua sponte* or on motion of a party in interest for cause, modify the provisions of these Rules in a manner not inconsistent with the Federal Rules of Bankruptcy Procedure to accommodate the needs of a particular case or proceeding." Here, permitting the motion and memorandum of points and authorities to be filed as a single document will promote efficiency and clarity by streamlining the presentation and minimizing any potential risk of creditor confusion. Based on the foregoing, cause exists to modify LBR 9014-1(d)(4), pursuant to LBR 1001-1(f)."

among other things, fairly and equitably compensate its various creditors, and address the disputed Audit Liability[2] as determined by the California Office of the State Auditor.

II. RETENTION OF VERITA

The Debtor has retained Verita as Administrative Advisor for the Debtor in connection with this Chapter 11 Case, 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 A to the Exhibit List and incorporated by reference herein.

III. VERITA'S QUALIFICATIONS

The Debtor seeks to retain Verita as Administrative Advisor in the Bankruptcy Case because it 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 Administrative Advisor or the official claims and noticing agent in other large bankruptcy cases.

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.

[2] All capitalized terms used but not defined herein have the meanings ascribed to such terms in the *Declaration of Jonathan Raymond in support of Chapter 11 Petition and First Day Motions* [Docket No. 4] (the "First Day Declaration"). Further, additional information regarding the circumstances leading to the commencement of the Bankruptcy Case and information regarding the Debtor in Possession's operations and structure is also set forth in the First Day Declaration.

IV. SCOPE OF SERVICES

As permitted by Bankruptcy Code section 327(a) and Bankruptcy Rule 2014(a), the Debtor desires to employ Verita as its Administrative Advisor in connection with the Bankruptcy Case, effective as of the Petition Date, or, in the alternative, effective as of the date of entry of an order approving this Application, provided that Verita shall be compensated for all work done after the Petition Date and before entry of an order approving this Application. Accordingly, the Debtor respectfully requests the entry of an order, substantially in the form of Exhibit B attached hereto, authorizing the Debtor to employ and retain Verita as its Administrative Advisor to perform the services that will be necessary during the Bankruptcy Case under the terms set forth in this Application and the Gershbein Declaration, effective as of the Petition Date. The Debtor and Verita anticipate that, if the Court approves the proposed employment, Verita will provide the administrative services (the "Administrative Services"), without limitation:

a. assisting with, among other things, the preparation of the Debtor's schedules of assets and liabilities, schedules of executory contracts and unexpired leases and statements of financial affairs;

b. assisting with, among other things, solicitation, balloting, tabulation and calculation of votes, as well as preparing any appropriate reports required in furtherance of confirmation of any chapter 11 plan;

c. generating an official ballot certification and testifying, if necessary, in support of the ballot tabulation results for any chapter 11 plan(s) in the chapter 11 case;

d. generating, providing and assisting with claims objections, exhibits, claims reconciliation and related matter; and

e. providing such other claims processing, noticing, solicitation, balloting and administrative services described in the Services Agreement, but not

included in the Section 156(c) Application[3], as may be requested by the Debtors from time to time.

Verita is one of the country's leading chapter 11 administrators, and Verita's professionals have experience in noticing, claims administration, solicitation, balloting, and facilitating other administrative aspects of chapter 11 cases. Verita has substantial experience providing the Administrative Services in numerous cases of comparable size and complexity.

V. COMPENSATION

The fees to be charged by Verita in connection with this Chapter 11 Case are set forth in the Services Agreement. The Debtor proposes that the cost of Verita's services be paid from the Debtor's estate pursuant to section 327(a) and section 503(b)(1)(A) of the Bankruptcy Code. The Debtor respectfully submits that Verita's rates for its services in connection with the notice, claims processing, and solicitation services are competitive and comparable to the rates charged by its competitors for similar services. Indeed, the Debtor conducted a review and competitive comparison of other firms prior to selecting Verita as Administrative Advisor and, following arm's-length negotiations, determined that Verita's rates to be more than reasonable given the quality of Verita's services and Verita's prior bankruptcy expertise.

Prior to the Petition Date, the Debtor provided Verita with a retainer in the amount of $30,000 (the "Retainer"). Verita seeks to apply the retainer to all prepetition invoices, thereafter, to have the retainer replenished to the original retainer amount, and thereafter, to hold the retainer during this Chapter 11 Case as security for the payment of fees and expenses incurred under the Services Agreement.

[3] On the Petition Date, the Debtor filed the *Debtor's Emergency Application for an Order Authorizing and Approving the Appointment of Kurtzman Carson Consultants, LLC dba Verita Global as Notice, Claims, and Solicitation Agent* seeking to retain Verita as the Debtor's claims and noticing agent pursuant to 28 U.S.C. § 156 (c) (the "Section 156c) Application") [Docket No. 33].

Verita intends to apply to the Court for allowance of compensation and reimbursement of out-of-pocket expenses incurred after the Petition Date in connection with the services that it provides as the Administrative Advisor in the chapter 11 cases in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable orders of the Court.

The Debtor requests that Verita's compensation for pre-employment services be allowed based on the exceptional circumstances of this case. *See In re Miller*, 620 B.R. 637 (Bankr. E.D. Cal. 2020). Specifically, Verita has performed a significant amount of work after the Petition Date and before entry of this Order as reflected by the extensive bankruptcy docket during the first month of the Bankruptcy Case (i.e., ten "first-day" motions seeking extensive and critically necessary relief), and as a result the retained professionals satisfy the exceptional circumstances exception for the compensation for pre-employment services. Any application or motion for compensation going forward will distinguish between any services provided before the effective date of employment and services provided after the effective date of employment, with the effective date of employment being the date upon which an order is entered approving such employment.

VI. DISINTERESTEDNESS

The Debtor has many creditors, and accordingly, Verita may have rendered and may continue to render services to certain of these creditors. However, Verita has not and will not represent the separate interests of any such creditor in this case. Additionally, Verita employees may, in the ordinary course of their personal affairs, have relationships with certain creditors of the Debtor. For example, one or more of Verita's employees may have obligations outstanding with financial institutions that are creditors of the Debtor or may have used the Debtor's services themselves.

To the best of the Debtor's knowledge, information, and belief, and except as disclosed in the Gershbein Declaration, Verita has represented that it neither holds nor represents any interest adverse to the Debtor's estate in connection with any matter on which it would be employed and that it is a "disinterested person," as referenced in section 327(a) of the Bankruptcy Code and as defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code. Verita will supplement its disclosure to the Court if any facts or circumstances are discovered that would require disclosure.

VII. CONCLUSION

The Debtor believes it is essential that Verita be employed to provide the services described above. Based upon the foregoing, the Debtor requests that the Court enter an order authorizing:

1. The employment of Verita as its Administrative Advisor herein on the terms and conditions set forth above pursuant to section 327(a); and
2. For such other and further relief as the Court may deem proper in the circumstances.

Dated: October 13, 2026

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By */s/ Ori Katz*
Ori Katz

Proposed Counsel for Highlands Community Charter and Technical School