

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:  
FIRST GUARANTY MORTGAGE  
CORPORATION, *et al.*,<sup>1</sup>  
  
Debtors.

Chapter 11  
  
Case No. 22-10584 (CTG)  
  
(Jointly Administered)

**DECLARATION OF AARON SAMPLES**

I, Aaron Samples, hereby declare under penalty of perjury that the following is true to the best of my knowledge, information, and belief:

1. I am the Chief Executive Officer of First Guaranty Mortgage Corporation (“FGMC”) which is the sole Member of Maverick II Holdings, LLC (“Maverick”, together with FGMC, the “Debtors”). I am familiar with the Debtors’ business, financial affairs, and day-to-day operations.

2. I submit this Declaration to provide factual information in support of the Debtors’ confirmation brief and various objections (the “Reply”).

3. Except as otherwise noted, I have personal knowledge of the matters set forth herein. All facts set forth in the Declaration are based on my personal knowledge, my discussions with other members of the Debtors’ senior management, my review of relevant documents, and/or my opinion based on my experience and knowledge of the Debtors’ operations and financial condition. In making the Declaration, I have relied in part on information and materials that the Debtors’ personnel and advisors have gathered, prepared, verified, and provided to me, in each case under my ultimate supervision, at my direction, and/or for my benefit in preparing the Declaration. If I were called to testify as a witness in this matter, I could and would testify competently to the facts set forth herein.

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: First Guaranty Mortgage Corporation (9575); and Maverick II Holdings, LLC (5621). The Debtors’ mailing address is 5800 Tennyson Parkway, Suite 450, Plano, TX 75024.



4. FGMC's corporate headquarters are located in Plano, Texas. The Debtors have regional offices in Texas, Virginia, Utah, Hawaii, Maryland, Missouri, Nevada, New Jersey, and North Carolina.

5. On June 24, 2022, as a result of its inability to procure additional financing to ease its liquidity crisis as well as the cessation of new loan origination activity, FGMC reduced its workforce by separating the employment of approximately 471 employees, including approximately 284 employees paid (at least in part) on a commission basis.

6. On June 24, 2022, the Debtors sent to employees who worked at or reported to the Plano, Texas facility and were separated on that date notices of separation pursuant to the Worker Adjustment and Retraining Notification Act (the "WARN Act").

7. As of June 24, 2022, FGMC's Ft. Worth, Texas facility, employed less than 100 employees and terminated less than 50 employees.

8. As of June 24, 2022, FGMC's Henderson, Nevada facility, employed less than 100 employees and terminated less than 50 employees.

9. After June 24, 2022, more than 200 separated employees received severance payments, notwithstanding the absence of a formal company policy. These payments collectively totaled \$857,000, and the severance payments were made without requiring any consideration in return, such as providing a release or returning of equipment.

10. On April 24, 2022, sixty days before the June 24, 2022 RIF, the Debtors were seeking capital from their sponsor, which had a realistic opportunity of being achieved, which financing would have been sufficient to give the Debtors enough cushion to retain their employees, and the Debtors reasonably believed that sending WARN notices would preclude that financing.

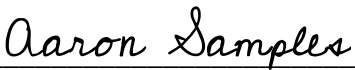
11. It was not until mid-June 2022, that the Debtors believed additional financing or a sale transaction to maintain an ongoing business operation was no longer a viable option.

12. Based upon information and belief, every employee, including employees who were separated from employment on June 24, 2022, were served with notice of the October 14, 2022 bar date [Docket No. 555]. Based upon my review of the claims register kept in this case by

KCC, only 26 employees filed proofs of claim, and of those, only nine (9) included WARN and requested priority claim treatment and four others that seek general unsecured status. *See* Claim Nos. 28, 83, 89, 109, 136, 212, 229, 243, 278 (noting WARN and requesting priority claim treatment); Claim Nos. 157, 158, 217, and 221 (noting WARN and filed as general unsecured claims). In total, the maximum priority claim portion of these claims under Bankruptcy Code § 507(a)(4), assuming they are even allowable (which they are not) totals \$326,845.24.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Dated: October 28, 2022

  
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Aaron Samples  
Chief Executive Officer  
First Guaranty Mortgage Corporation