

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In Re. Maverick II Holdings, LLC

Debtor(s)

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Case No. 22-10583

Lead Case No. 22-10584

☒ Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 06/30/2022

Petition Date: 06/29/2022

Months Pending: 0

Industry Classification:

5	3	1	3
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Reporting Method:

Accrual Basis ☒

Cash Basis ☐

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☐ Statement of cash receipts and disbursements
- ☐ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☐ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Timothy P. Cairns

Signature of Responsible Party

08/04/2022

Date

Timothy P. Cairns

Printed Name of Responsible Party

919 North Market Street 17th Floor Wilmington, DE
19801
Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore § 1320.4(a)(2) applies.



2210584220804000000000010

Debtor's Name Maverick II Holdings, LLC

Case No. 22-10583

Part 1: Cash Receipts and Disbursements	Current Month	Cumulative
a. Cash balance beginning of month	\$0	
b. Total receipts (net of transfers between accounts)	\$0	\$0
c. Total disbursements (net of transfers between accounts)	\$0	\$0
d. Cash balance end of month (a+b-c)	\$0	
e. Disbursements made by third party for the benefit of the estate	\$0	\$0
f. Total disbursements for quarterly fee calculation (c+e)	\$0	\$0

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)	Current Month
a. Accounts receivable (total net of allowance)	\$0
b. Accounts receivable over 90 days outstanding (net of allowance)	\$0
c. Inventory (Book <input type="radio"/> Market <input type="radio"/> Other <input checked="" type="radio"/> (attach explanation))	\$0
d. Total current assets	\$0
e. Total assets	\$0
f. Postpetition payables (excluding taxes)	\$0
g. Postpetition payables past due (excluding taxes)	\$0
h. Postpetition taxes payable	\$0
i. Postpetition taxes past due	\$0
j. Total postpetition debt (f+h)	\$0
k. Prepetition secured debt	\$0
l. Prepetition priority debt	\$0
m. Prepetition unsecured debt	\$0
n. Total liabilities (debt) (j+k+l+m)	\$0
o. Ending equity/net worth (e-n)	\$0

Part 3: Assets Sold or Transferred	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$0	\$0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$0	\$0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$0	\$0

Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.)	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$0	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$0	
c. Gross profit (a-b)	\$0	
d. Selling expenses	\$0	
e. General and administrative expenses	\$0	
f. Other expenses	\$0	
g. Depreciation and/or amortization (not included in 4b)	\$0	
h. Interest	\$0	
i. Taxes (local, state, and federal)	\$0	
j. Reorganization items	\$0	
k. Profit (loss)	\$0	\$0

Debtor's Name Maverick II Holdings, LLC

Case No. 22-10583

Part 5: Professional Fees and Expenses

			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative	
a.	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>						
	<i>Itemized Breakdown by Firm</i>						
		Firm Name	Role				
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Debtor's Name Maverick II Holdings, LLC

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b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
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Debtor's Name Maverick II Holdings, LLC

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Debtor's Name Maverick II Holdings, LLC

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c.	All professional fees and expenses (debtor & committees)						

Part 6: Postpetition Taxes**Current Month****Cumulative**

a.	Postpetition income taxes accrued (local, state, and federal)	\$0	\$0
b.	Postpetition income taxes paid (local, state, and federal)	\$0	\$0
c.	Postpetition employer payroll taxes accrued	\$0	\$0
d.	Postpetition employer payroll taxes paid	\$0	\$0
e.	Postpetition property taxes paid	\$0	\$0
f.	Postpetition other taxes accrued (local, state, and federal)	\$0	\$0
g.	Postpetition other taxes paid (local, state, and federal)	\$0	\$0

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☐ No ☐ N/A ☒
- i. Do you have:
- Worker's compensation insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- Casualty/property insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- General liability insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☐ No ☒
- k. Has a disclosure statement been filed with the court? Yes ☐ No ☒
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Debtor's Name **Maverick II Holdings, LLC**Case No. **22-10583****Part 8: Individual Chapter 11 Debtors (Only)**

- | | | | |
|----|---|-------|-----|
| a. | Gross income (receipts) from salary and wages | _____ | \$0 |
| b. | Gross income (receipts) from self-employment | _____ | \$0 |
| c. | Gross income from all other sources | _____ | \$0 |
| d. | Total income in the reporting period (a+b+c) | _____ | \$0 |
| e. | Payroll deductions | _____ | \$0 |
| f. | Self-employment related expenses | _____ | \$0 |
| g. | Living expenses | _____ | \$0 |
| h. | All other expenses | _____ | \$0 |
| i. | Total expenses in the reporting period (e+f+g+h) | _____ | \$0 |
| j. | Difference between total income and total expenses (d-i) | _____ | \$0 |
| k. | List the total amount of all postpetition debts that are past due | _____ | \$0 |
- l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)? Yes ☐ No ☒
- m. If yes, have you made all Domestic Support Obligation payments? Yes ☐ No ☐ N/A ☒

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Aaron Samples

Signature of Responsible Party

Chief Executive Officer

Title

Aaron Samples

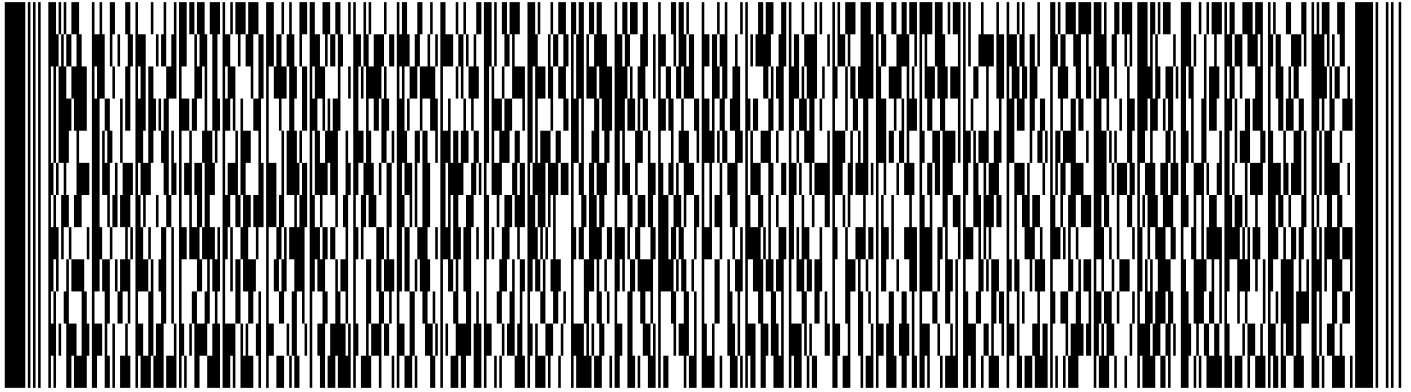
Printed Name of Responsible Party

08/04/2022

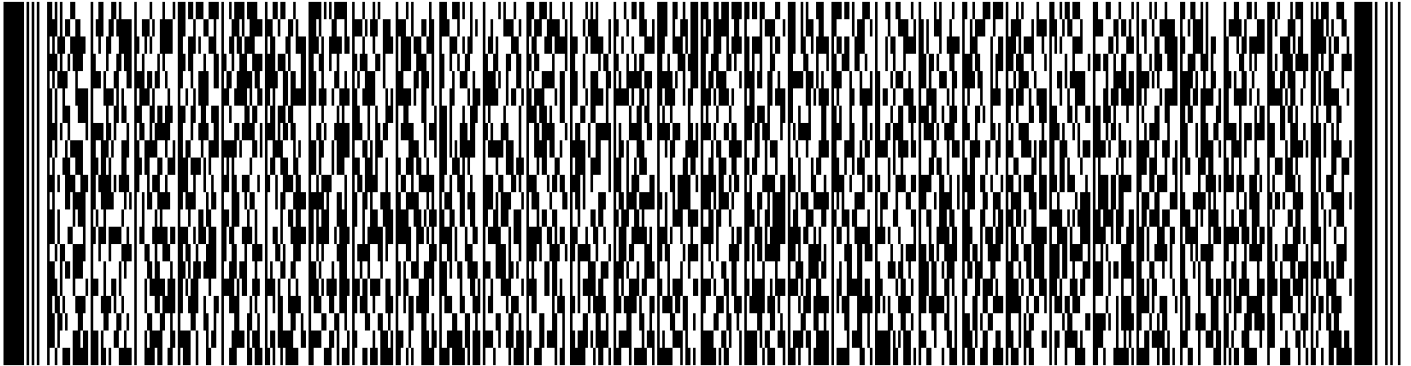
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Debtor's Name Maverick II Holdings, LLC

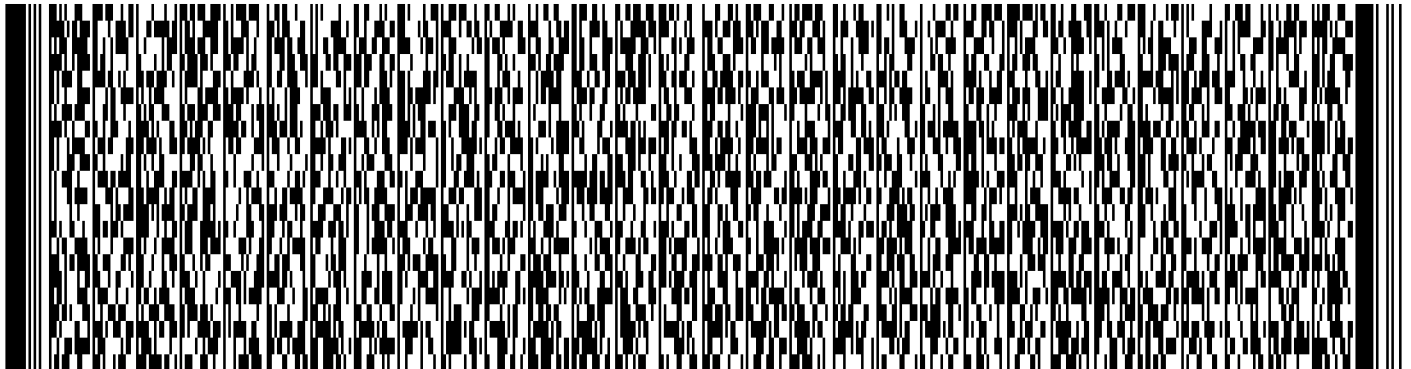
Case No. 22-10583



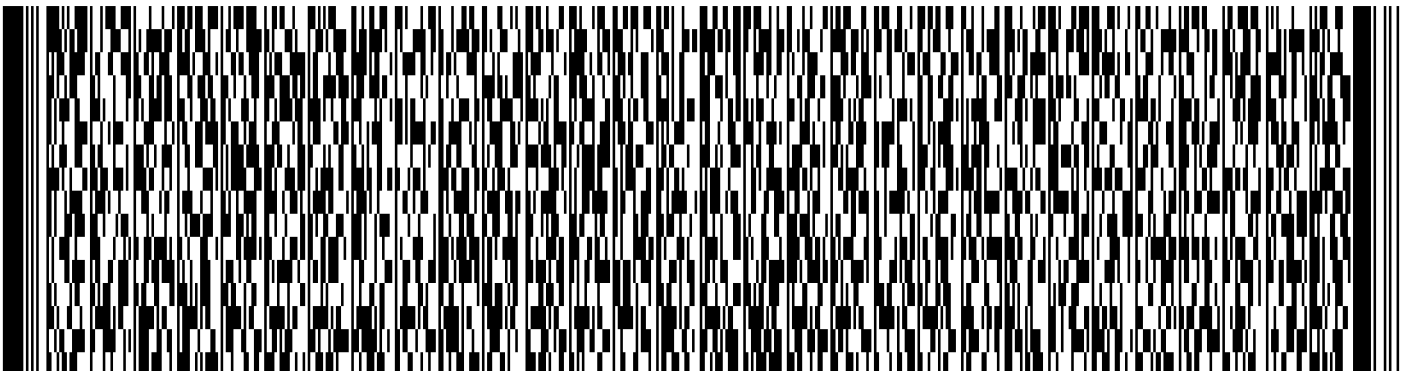
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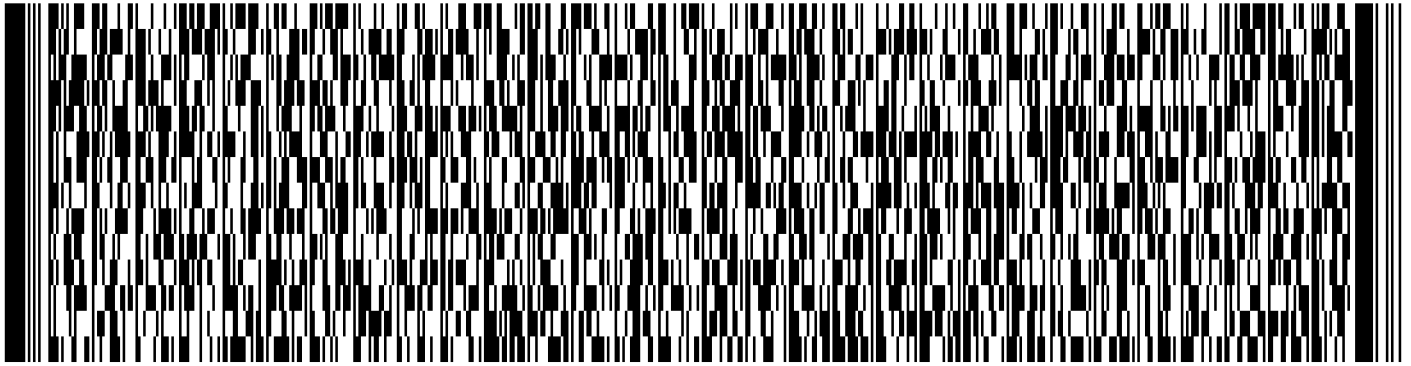
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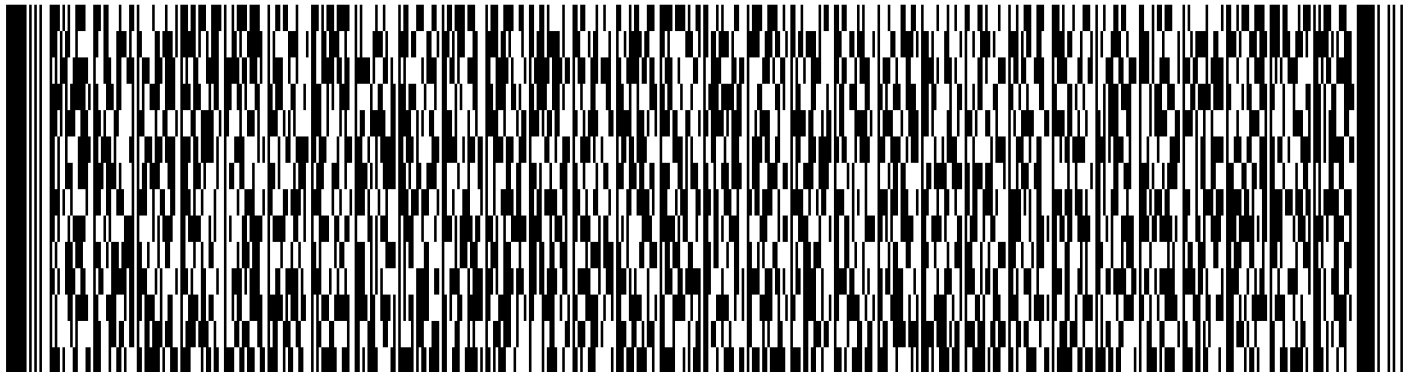
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Bankruptcy1to50



Bankruptcy51to100



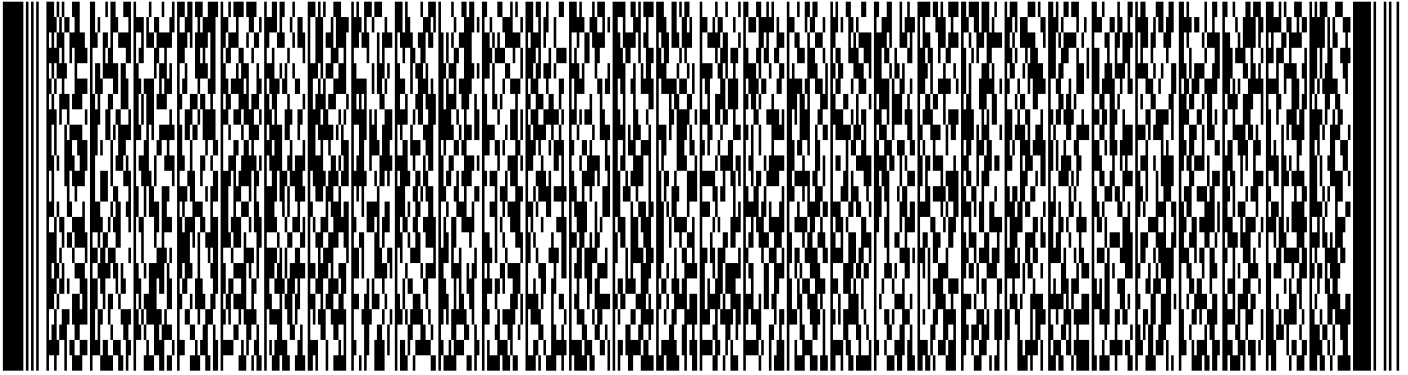
NonBankruptcy1to50



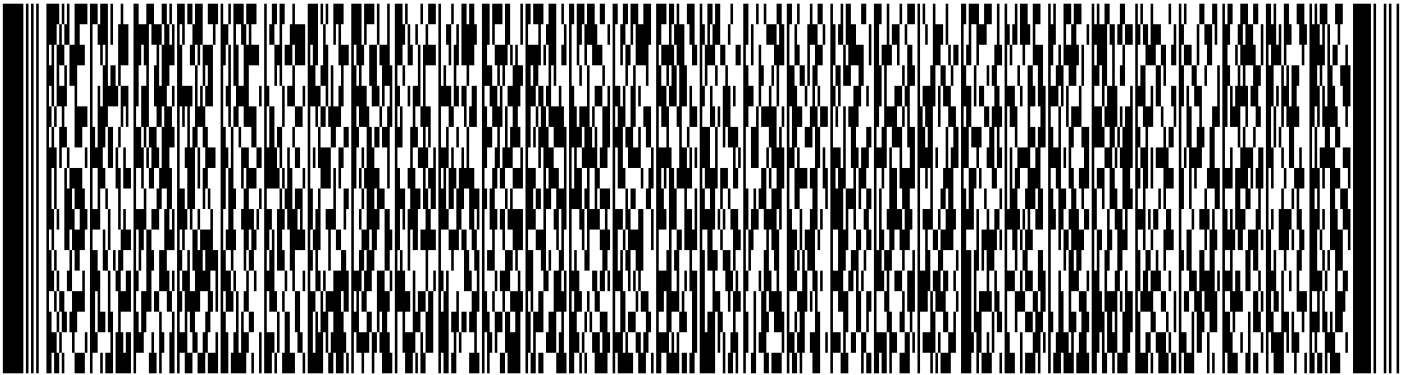
NonBankruptcy51to100

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Notes to the Monthly Operating Reports (“MOR”):

General Notes:

On June 30, 2022, each of the two Debtors, First Guaranty Mortgage Corporation and Maverick II Holdings, LLC, filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”). The cases are jointly administered under Case No. 22-10584 in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). The Debtors are authorized to continue operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

The following notes and statements of limitation should be referred to, and referenced, in connection with any review of the MOR:

Accuracy – The financial information disclosed herein was not prepared in accordance with federal or state securities laws or other applicable non-bankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. Persons and entities trading in or otherwise purchasing, selling, or transferring the claims against or equity interests in the Debtors should evaluate this financial information in light of the purposes for which it was prepared. The Debtors are not liable for and undertake no responsibility to indicate variations from securities laws or for any evaluations of the Debtors based on this financial information or any other information.

Basis of Presentation – The financial statements and information contained herein are unaudited and preliminary. The Debtors are maintaining their books and records in accordance with generally accepted accounting principles (“GAAP”) and the information furnished in this MOR uses the Debtors’ normal accrual method of accounting. In preparing the MOR, the Debtors relied on financial data derived from their books and records that was available at the time of preparation. Subsequent information or discovery may result in material changes to the MOR and errors or omissions may exist. Notwithstanding any such discovery, new information, and errors or omissions, the Debtors do not undertake any obligation or commitment to update the MOR.

Payment of Prepetition Claims Pursuant to First Day Orders – Within the first week of the commencement of the Debtors’ chapter 11 cases, the Bankruptcy Court entered orders (the “First-Day Orders”) authorizing, but not directing, the Debtors to, among other things, pay certain prepetition (a) service fees and charges assessed by the Debtors’ cash management banks; (b) insurance obligations; (c) surety bond program obligations; (d) employee wages, salaries, and related items, including independent contractor obligations; and (e) critical vendors. Payments made on account of such claims following the commencement of these chapter 11 cases were paid pursuant to the authority granted to the Debtors by the Bankruptcy Court under the First-Day Orders.

Pre-petition Liabilities (Liabilities Subject to Compromise) – As of the date of this MOR, the process remains ongoing for reconciling pre-petition claims against the Debtors' estates. Accordingly, the amounts currently classified as pre-petition liabilities (i.e., liabilities subject to compromise) are estimates and may include some accruals and are subject to future change and adjustment.

Reporting Period – Unless otherwise noted herein, the MOR generally reflects the Debtors' books and records and financial activity occurring during the applicable reporting period. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.

Reservation of Rights – Given the complexity of the Debtors' businesses, inadvertent errors, omissions, or over inclusion of contracts or leases may have occurred. Accordingly, the Debtors hereby reserve all of their rights to dispute the validity, status, enforceability, or executory nature of any claim amount, representation, or other statement in this MOR and reserve the right to amend or supplement this MOR if necessary, but shall be under no obligation to do so.

Part 1: Cash Receipts and Disbursements

Prior to the petition date the Debtors sold certain loans as part of a securitization pool. Sale proceeds from the loan sale were received into the Debtors' Flagstar bank account. Due to the nature of these securitized loans, Flagstar had the ability to and withdrew \$614,300 from the Debtors' Flagstar bank account on June 30 to pay down its warehouse line of credit.

Part 2: Asset and Liability Status – Accounts Receivable Aging

Due to the nature of the Debtors' business, the Debtors do not typically account for aging in their accounts receivable. Their accounts receivable balance is associated with delinquent mortgage payments, escrow payments, and tax payments by borrowers that they have advanced on behalf of the borrower. In order to determine if an account receivable is over 90 days outstanding, the Debtors have used delinquency status of the borrower's payments. Delinquency status is measured in months rather than days as mortgage remittance statuses are done on a monthly basis. If a loans delinquency status is 90+ days, these were included in the accounts receivable over 90 days outstanding line item (Part 2, line b.); otherwise, it was included in accounts receivable (Part 2, line a.)

Part 2: Asset and Liability Status, Line Item M. Prepetition Unsecured Debt

Due to the nature of the Debtors' business, the Debtors possess a significant amount of passthrough funds. These passthrough funds of \$621,708.56 have been allocated to prepetition unsecured debt for presentation purposes on the MOR. These passthrough funds are comprised of borrower escrows and as such, do not belong to the Debtors, but rather are held on behalf of others in the ordinary course of business.

Supporting Documentation: Bank Reconciliation Exhibit

The accounts that have been included in the Bank Reconciliation exhibit are the accounts in which the Debtor has their own funds and are able to reconcile what their book balance is in comparison to the bank balance. The Debtors do have additional bank accounts, but due to the nature of their businesses, those accounts were not included in the reconciliation exhibit since those accounts are all custodial and pass-through, funds do not belong to the Debtors, and are not included on the Debtors' balance sheet.