

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	
)	Chapter 11
)	
FIRST GUARANTY MORTGAGE)	Case No. 22-10584 (CTG)
CORPORATION, <i>et al.</i> , ¹)	
)	(Jointly Administered)
Debtors.)	
)	Related Docket No. 407

DEBTORS' MOTION FOR ENTRY OF AN ORDER
SHORTENING THE NOTICE PERIOD WITH RESPECT TO DEBTORS' MOTION
FOR INTERIM APPROVAL OF THE ADEQUACY OF DISCLOSURES IN THE
COMBINED DISCLOSURE STATEMENT AND PLAN, SCHEDULING A COMBINED
CONFIRMATION HEARING, AND APPROVING SOLICITATION PROCEDURES

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully state as follows in support of this motion (this "Motion to Shorten"):

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Order"), shortening the notice period with respect to the *Debtors' Motion for Entry of an Order (I) Granting Interim Approval of the Adequacy Of Disclosures in the Combined Disclosure Statement and Plan; (II) Scheduling a Combined Confirmation Hearing and Setting Deadlines Related Thereto; (III) Approving Solicitation Packages and Procedures; (IV) Approving the Forms of Ballots; and (V) Granting Related Relief* (the "Solicitation Procedures Motion"), filed contemporaneously herewith.²

¹ 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.

² Capitalized terms used but not defined herein have the meanings given to such terms in the Solicitation Procedures Motion.



2. The Debtors request that the Court schedule a hearing on the Solicitation Procedures Motion for September 20, 2022 at 3:00 p.m. prevailing Eastern Time (the “Proposed Hearing Date”) to consider the Debtors’ request for entry of the proposed Solicitation Procedures Order, with objections or responses, if any, to be filed with the Court on or before September 15, at 4:00 p.m. prevailing Eastern Time (the “Proposed Objection Deadline”).

Jurisdiction and Venue

3. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), 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.

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The bases for the relief requested herein are section 105 of the Bankruptcy Code, Bankruptcy Rule 9006(c)(1), and Local Rule 6004-1(c).

Basis for Relief

6. Pursuant to Local Rule 3017-2(b), a motion seeking to combine a plan and disclosure statement into one document, for procedures related to the interim approval of a

disclosure statement, and to schedule a combined hearing to consider both final approval of a disclosure statement and confirmation of a plan must provide (a) at least fourteen (14) days' notice of deadline to object to such motion and, (b) if objections are received, must schedule a hearing no earlier than seven days after the end of the objection notice period.

7. Bankruptcy Rule 9006(c)(1) authorizes the Court, for cause shown, to reduce notice periods for motions and to do so on an ex parte basis. *See* Fed. R. Bankr. P. 9006(c)(1) (“[W]hen an act is required or allowed to be done at or within a specified time by these rules or by a notice given thereunder or by order of court, the court for cause shown may in its discretion with or without motion or notice order the period reduced.”); *see also In re Chateaugay Corp.*, 111 B.R. 399, 407-08 (S.D.N.Y. 1990) (affirming bankruptcy court’s decision to shorten notice period where there was no prejudice to the non-moving party and cause was shown).

8. Here, ample cause exists to shorten notice in connection with the Solicitation Procedures Motion. Concurrently herewith, the Debtors filed the *Combined Disclosure Statement and Plan of First Guaranty Mortgage Corporation and Debtor Affiliate* [D.I. 405] (including all exhibits thereto and as amended, supplemented or otherwise modified from time to time, the “Plan”). The Solicitation Procedures Motion seeks to schedule a hearing to confirm the Plan on October 31, 2022 – in accordance with the milestone deadline set by the Debtors’ Cash Flow DIP Lender. Given the Debtors’ constrained liquidity and the milestones set by the Cash Flow DIP Lender, it is critical that the Debtors immediately begin the process to confirm the Plan and do so under the expedited timeframe provided by Local Rule 3017-2. To that end, establishing a proposed confirmation hearing date and related deadlines to support solicitation of the Plan as soon as possible will help ensure that the Debtors will be able to confirm the Plan and wind down their estates in an organized manner.

9. The timeline the Debtors seek to approve under the Solicitation Procedures Motion will not prejudice the Debtors' creditors or any party in interest. Significantly, although the Debtors seek to shorten the notice period to permit interim approval of the Disclosure Statement and scheduling of a confirmation hearing, all parties in interest will be provided the full 28 days required by Bankruptcy Rule 2002 to respond or object to confirmation of the Debtors' Plan. On the other hand, if the Debtors are unable to seek confirmation on the timeline proposed in the Solicitation Procedures Motion—which requires that the Court enter the Solicitation Procedures Order on shortened notice—the Debtors' ability to pursue a value maximizing strategy will be significantly jeopardized.

Local Rule 9006-1(e) Certification

10. The Debtors have notified the U.S. Trustee and counsel to the Creditors' Committee of the relief requested in this Motion to Shorten. The U.S. Trustee and Creditors' Committee do not consent to the shortened notice requested.

Notice

11. The Debtors will provide notice of this Motion to Shorten to the following parties, or their counsel, if known: (a) the U.S. Trustee; (b) counsel to the Debtors' prepetition and postpetition lenders; (c) the Committee; and (d) any party that has requested notice pursuant to Bankruptcy Rule 2002 and Local Rule 2002-1(b). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given

No Prior Request

12. No prior request for the relief sought in this Motion to Shorten has been made to this or any other court.

WHEREFORE, the Debtors respectfully request entry of the Order, substantially in the form attached hereto as **Exhibit A**, (a) granting the relief requested herein and (b) granting such other relief as is just and proper.

Dated: September 7, 2022

PACHULSKI STANG ZIEHL & JONES LLP

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Exhibit A

Proposed Order

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

In re:

FIRST GUARANTY MORTGAGE
CORPORATION, *et al.*,¹

Debtors.

Chapter 11

Case No. 22-10584 (CTG)

(Jointly Administered)

Related Docket No.

**ORDER SHORTENING THE NOTICE PERIODS
WITH RESPECT TO DEBTORS' MOTION FOR INTERIM APPROVAL OF THE
ADEQUACY OF DISCLOSURES IN THE COMBINED DISCLOSURE STATEMENT
AND PLAN, SCHEDULING A COMBINED CONFIRMATION HEARING, AND
APPROVING SOLICITATION PROCEDURES**

Upon consideration of the motion (the “Motion to Shorten”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”) shortening the notice period with respect to the *Debtors’ Motion for Entry of an Order (I) Granting Interim Approval of the Adequacy Of Disclosures in the Combined Disclosure Statement and Plan; (II) Scheduling a Combined Confirmation Hearing and Setting Deadlines Related Thereto; (III) Approving Solicitation Packages and Procedures; (IV) Approving the Forms of Ballots; and (V) Granting Related Relief (the “Solicitation Procedures Motion”)*, all as more fully set forth in the Motion to Shorten; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core

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² Capitalized terms used but not defined herein have the meanings given to such terms in the Motion.

proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion to Shorten in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having determined that the legal and factual bases set forth in the Motion to Shorten establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion to Shorten is granted as set forth herein.
2. The Solicitation Procedures Motion shall be heard at a hearing on September 20, 2022, at 3:00 p.m. prevailing Eastern Time.
3. Any responses or objections to the relief requested in the Solicitation Procedures Motion shall be filed with this Court no later than September 15, 2022, at 4:00 p.m. prevailing Eastern Time.
4. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order.
5. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.