

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

_____	)	Chapter 11
In re:	)	
	)	Case No. 22-10584 (CTG)
FIRST GUARANTY MORTGAGE	)	
CORPORATION, <i>et al.</i> , <sup>1</sup>	)	(Jointly Administered)
	)	
Debtors.	)	Ref Docket Nos. 9, 64, 201 and 287
_____	)	

**CERTIFICATION OF COUNSEL REGARDING DEBTORS' MOTION FOR ENTRY  
OF FINAL ORDER (I) AUTHORIZING DEBTORS TO (A) PAY EMPLOYEE  
OBLIGATIONS AND (B) CONTINUE EMPLOYEE BENEFIT PROGRAMS, AND (II)  
GRANTING RELATED RELIEF**

The undersigned hereby certifies that:

1. On June 30, 2022, the above-captioned debtors and debtors in possession (the "Debtors") filed the *Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Pay Employee Obligations and (B) Continue Employee Benefit Programs, and (II) Granting Related Relief* [Docket No. 9] (the "Motion").
2. On July 1, 2022, the Court entered an order granting the Motion on an interim basis [Docket No. 64] (the "Interim Order").
3. Pursuant to the notice of Motion, objections to entry of a final order were due to be filed on, or prior to, July 21, 2022, at 4:00 p.m. (ET) (the "Objection Deadline"). The Debtors granted an extension of the Objection Deadline to the Official Committee of Unsecured Creditors (the "Committee") until July 25, 2022 at 4:00 p.m.

<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 5400 Tennyson Parkway, Suite 450, Plano, TX 75024.



4. The Committee filed a limited objection to the Motion [Docket No. 201] (the “Committee Objection”).

5. On August 4, 2022, the Court entered the *Order Granting in Part Motion of Debtors for Entry of Final Orders (I) Authorizing Debtors to (A) Pay Employee Obligations and (B) Continue Employee Benefit Programs, and (II) Granting Related Relief* [Docket No. 287] (the “Second Wage Order”). The Second Wage Order granted the relief requested in the Motion on a final basis as to Current Employees but preserved the Committee Objection in connection with final relief concerning payments to Former Employees.

6. The Debtors and the Committee have resolved the Committee Objection. A proposed form of order (the “Proposed Order”) resolving the Committee Objection and granting the Motion on a final basis is attached hereto as **Exhibit 1**.

7. The Debtors and the Committee respectfully request entry of the Proposed Order at the Bankruptcy Court’s convenience.

Dated: September 13, 2022

**PACHULSKI STANG ZIEHL & JONES LLP**

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# **EXHIBIT 1**

**(Proposed Order)**

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

In re:	Chapter 11
FIRST GUARANTY MORTGAGE CORPORATION, <i>et al.</i> , <sup>1</sup>	Case No. 22-10584 (CTG)
Debtors.	(Jointly Administered)
	Re Docket Nos. 9, 64, 201, 287

**FINAL ORDER GRANTING MOTION OF DEBTORS FOR ENTRY OF FINAL ORDERS (I) AUTHORIZING DEBTORS TO (A) PAY EMPLOYEE OBLIGATIONS AND (B) CONTINUE EMPLOYEE BENEFIT PROGRAMS, AND (II) GRANTING RELATED RELIEF**

Upon consideration of the motion (the “Motion”)<sup>2</sup> of First Guaranty Mortgage Corporation (“FGMC”), and the above-referenced affiliated debtors and debtors in possession (the “Debtors”) under chapter 11 of title 11 of the United States Code, §§ 101 *et seq.* (the “Bankruptcy Code”),<sup>3</sup> in these chapter 11 cases (the “Chapter 11 Cases”), for entry of a final order (this “Final Order”): (i) authorizing, but not directing, the Debtors to (a) pay prepetition wages, salaries, other compensation, and reimbursable expenses, and (b) continue employee benefits programs in the ordinary course of business, including payment of certain prepetition obligations related thereto; and (ii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; 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*

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

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

<sup>3</sup> All references to “§” or “section” herein are to sections of the Bankruptcy Code. All references to “Bankruptcy Rules” are to provisions of the Federal Rules of Bankruptcy Procedure. All references to “Local Rules” are to provisions of the Local Bankruptcy Rules of the United States Bankruptcy Court for the District of Delaware (the “Court”).

*District of Delaware*, dated February 29, 2012; and this Court having found that it 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 in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and that no other notice need be provided; and this Court having reviewed the Motion and the First Day Declaration and having heard the statements in support of the relief requested therein at hearings before this Court (the "Hearings"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearings 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, as it related to Former Employees, is granted on a final basis as set forth herein.
2. The Court re-affirms that as filed in the *Order Granting in Part Motion of Debtors for Entry of Final Orders (I) Authorizing Debtors to (A) Pay Employee Obligations and (B) Continue Employee Benefit Programs, and (II) Granting Related Relief* [Docket No. 287] (the "Current Employees Order"), the Current Employees Order was a final order with respect to Current Employees. Current Employees Order at ¶ 1. The findings in the Current Employees Order are simultaneously incorporated herein.
3. The Court re-affirms that the Current Employees Order continued final consideration of the relief sought in the Motion concerning Former Employees pending entry of this Final Order. Current Employees Order at ¶ 1.

4. The Debtors are authorized, but not directed, to pay or honor claims of Former Employees, provided that no payment to a Former Employee on account of a pre-petition claim shall exceed, in the aggregate, the \$15,150 statutory cap provided for under § 507(a)(4), and *provided further* that the Debtors shall not pay prepetition amounts of any of the applicable categories of Employee Compensation & Benefits to Former and Current Employees in the aggregate in excess of the following amounts:

Category	Amount
Outstanding Amounts to Employees and the Upcoming Payrolls	\$ 1,641,164
Payroll Costs	\$ 85,000
Contractors / Reimbursements / PTO	\$ 213,100
Health Plans	\$ 6,600
<b>Total</b>	<b>\$ 1,945,864</b>

5. Nothing herein shall be deemed to authorize the payment of any amounts which violate, implicate, or are otherwise subject to § 503(c). The Debtors will seek approval of any insider bonus or incentive programs, if any, under separate motion under § 503(c) and nothing herein shall prejudice the Debtors' ability to seek such relief pursuant to § 503(c) at a later time.

5. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order, or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to § 365; (f) a waiver

or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of any or all such liens.

6. The Debtors' banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

7. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these Chapter 11 Cases with respect to prepetition amounts owed in connection with the relief granted herein.

8. Pursuant to § 362(d), Employees are authorized to proceed with their claims against the Workers' Compensation Insurance in the appropriate judicial or administrative forum and the Debtors are authorized, but not directed, to maintain their Workers' Compensation Insurance in the ordinary course. This modification of the automatic stay pertains solely to claims against the Workers' Compensation Insurance.

9. Nothing in this Final Order or any action taken by the Debtors in furtherance of the implementation hereof shall be deemed to constitute an assumption or rejection of any executory contract or unexpired lease pursuant to § 365, and all of the Debtors' rights with respect to such matters are expressly reserved.

10. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall (a) create, nor is it intended to create, any rights in favor of, or enhance the status of any claim held by, any person or entity, or (b) be deemed to convert the priority of any claim from a prepetition claim into an administrative expense claim.

11. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

12. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

13. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.