UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	
	§	
Warrior Technologies, LLC	§	Case No. 26-33562 (ARP)
	§	
Debtor.	§	Chapter 11
	§	

DECLARATION OF H.H. WOMMACK, III IN SUPPORT
OF CHAPTER 11 PETITION AND FIRST DAY PLEADINGS

I, H.H. Wommack, III, declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury as follows:

1. I am the Chief Executive Officer of Warrior Technologies, LLC (the "**Debtor**"). On May 21, 2026 (the "**Petition Date**"), the Debtor filed for relief under Chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**").

2. I make this Declaration in support of certain initial motions (collectively, the "**First Day Motions**") filed in the case (the "**Chapter 11 Case**"), which have been or are to be soon filed, including the following:

(a) Debtors' Emergency Motion for an Order (i) Prohibiting Utility Companies From Altering or Discontinuing Service on Account of Prepetition Invoices, (ii) Approving Deposit Account as Adequate Assurance of Payment, and (iii) Establishing Procedures for Resolving Requests by Utility Companies for Additional Adequate Assurance of Payment ("**Utilities Motion**");

(b) Emergency Motion of Debtors for Entry of Interim and Final Orders Authorizing Payment of (i) Certain Prepetition Wages and Other Compensation, (ii) Certain Benefits and Confirming Right to Continue Benefits Postpetition, (iii) Reimbursement to Employees for Prepetition Expenses, (iv) Withholding and Payroll Related Taxes (v) Worker's Compensation Obligations, and (vi) Prepetition Claims Owing to Administrators and Third Party Providers ("**Employee Wages Motion**");

(c) Emergency Motion of Debtors for Entry of Interim and Final Orders Authorizing the Debtors to Pay Certain Prepetition Claims of Critical Vendors (the "**Critical Vendors Motion**"); and

(d) Debtors' Emergency Motion For Entry of an Order Authorizing the Debtors to (I) Continue Insurance Coverage Entered Into Prepetition and Satisfy Prepetition Obligations Related Thereto; (II) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies; (III) Honor the Terms of the Premium Finance Agreement and Pay Premiums Thereunder; (IV) Modify the Automatic Stay With Respect to the Workers' Compensation Program (the "**Insurance Motion**").

The Debtor may reference this declaration from time to time in support of other motions and applications in the Chapter 11 Case as well.

I. THE DEBTOR'S STRUCTURE AND BUSINESS AND THE REASONS FOR FILING CHAPTER 11

A. Debtor's Business and Properties

3. The Debtor is an independent environmental and industrial services company founded in 2017.

4. The Debtor's core business services clients in upstream, midstream, and downstream oil & gas operations, as well as renewable energy, construction, food processing, and public-sector clients. It's core business activities include: (a) environmental and industrial cleaning, (b) mechanical services, (c) hydroexcavation and line finding, (d) trucking and transportation, (e) demolition, abandonment, and abatement, and (f) gas mitigation and scrubbing.

5. The Debtor's key customer have large operation hubs located primarily in the west and south Texas energy resource basins. The Debtor maintains yards at strategic locations so that it can provide timely services to its key customers. The Debtor has more than 300 master service agreements with some of the largest global energy and infrastructure companies in the continental United States, including Chevron, ExxonMobil, and Diamondback Energy, among others.

6. The Debtor's main assets include trucks and other machinery necessary to perform its core business activities, as well as certain intellectual property for in-house developed cleaning tools and above ground tank cleaning processes, and accounts receivable.

B. <u>Secured Indebtedness</u>

7. On September 26, 2024, the Debtor, as borrower, entered into that certain Loan and Security Agreement (as amended from time to time, the "**Credit Agreement**", and together with all documents, agreements and instruments executed and delivered therewith and all related documents, agreements and instruments, collectively, the "**Loan Documents**") with Commercial Funding, Inc., as lender (the "**Lender**"). Approximately $14.2 million was due and outstanding under the Loan Documents as of the Petition Date (the "**Loan**"). The Lender asserts that the repayment of the Loan is secured by substantially all of the Debtor's assets, other than assets securing various purchase money loans permitted under the Loan Documents.

8. In addition, as of the Petition Date, the Debtor has various secured equipment financing agreements with more than 25 lenders, totaling approximately $23 million in aggregate of secured equipment financing.

9. In total, as of the Petition Date, the Debtor has approximately $38 million of secured debt outstanding.

10. As set forth in the Debtor's motion to obtain debtor-in-possession financing, the Debtor intends to obtain post-petition financing from the Lender that will roll-up the Loan, allow the Debtor to obtain further advances under the Loan, and increase the Debtor's borrowing capacity under the Loan by $3.8 million. The Debtor also intends to enter into a term loan with an affiliate of the Lender, Commercial Credit Group, Inc., in the amount of $5.7 million to fund shortfalls between revolving advances available under the Loan and the actual costs and expenses of operating the Debtor's business and administering this Chapter 11 Case.

C. Unsecured Indebtedness

11. As of the Petition Date, the Debtor owes approximately $4.5 million to vendors and other trade creditors on an unsecured basis. The Debtor also owes related-party loans in the amount of approximately $6 million, which have been advanced to pay for expenses in excess of amounts the Debtor was able to borrower under the terms of the Loan and to otherwise pay the expenses of the Debtor's operational needs.

D. Events Leading to Chapter 11 Case

12. The Debtor's Chapter 11 Case was precipitated by increased costs and a slowdown in receipt of revenues. Over the past year, the price of insurance and fuel—two of the Debtor's main expenses—have gone up significantly. These rising costs have made it harder for the Debtor to keep enough cash on hand to cover its day-to-day operations.

13. At the same time, the Debtor's income has dropped. While the business usually sees a seasonal slowdown at the end of the year, this past year was especially difficult. Some of the Debtor's biggest customers gave their employees longer holiday breaks in November and December, which meant fewer jobs and less revenue for the Debtor during November, December, and January. Just as business was starting to pick up again in January, a major ice storm forced the Debtor to shut down for over a week, leading to even more lost income.

14. To make matters worse, some of the Debtor's main customers have been slow to pay their bills, which has made it harder for the Debtor to borrow money against its outstanding invoices. Because of these payment delays, much of the money owed to the Debtor no longer qualified as collateral for its loan, reducing how much it could borrow and leading to extra fees for borrowing more than its limit. All of these factors combined left the Debtor with very few options, leading to the decision to seek protection under Chapter 11 and try to reorganize its business.

E. The Debtor's Intentions in Chapter 11

15. The Debtor and its management are actively considering all available options during the Chapter 11 process and reserve the right to pursue any course of action as circumstances evolve. At this stage, the Debtor's primary focus is on stabilizing and improving operations. To that end, the Debtor intends to conduct a thorough review of the performance at each of its yard locations, assess its equipment portfolio to identify opportunities for reduction or optimization, and continue efforts to streamline the accounts payable process, which is an initiative that began before the bankruptcy filing. The Debtor also remains committed to improving the collection of outstanding invoices to strengthen cash flow.

16. Looking ahead, the Debtor's goal is to develop and implement a reorganization plan that will restructure and replace the current Loan and any debtor-in-possession financing, while reorganizing its financial affairs to better position the company for future success.

II. FIRST DAY PLEADINGS

17. In connection with the filing of the Chapter 11 Case, the Debtor seeks approval of the First Day Motions and related orders (the "**Proposed Orders**"). The Debtor respectfully requests that the Court enter each of the Proposed Orders as they are critical to the Debtor's successful reorganization in the Chapter 11 Case.

18. I have reviewed each of the First Day Motions, Proposed Orders, and exhibits thereto (or have otherwise had their contents explained to me), and the facts set forth therein are true and correct to the best of my knowledge, information, and belief. Moreover, I believe that the relief sought in each of the First Day Motions (a) is vital to enabling the Debtor to make the transition to, and operate in, chapter 11 with minimum interruptions and disruptions to its business

or loss of productivity or value; and (b) constitutes a critical element in the Debtor's ability to successfully maximize value for the benefit of its estate.

A. Utilities Motion

19. I understand that bankruptcy law provides utilities with certain protections during a chapter 11 case which are in addition to those rights of other creditors and service providers. A failure to establish the parameters of these protections early in a bankruptcy case, I am told, can jeopardize the debtor's access to utility service.

20. The Debtor purchases electricity, telephone, internet, and related services from vendors that I am told could be considered utilities for bankruptcy purposes. It would be very problematic for the continued operation of the Debtor's business if any of these services were cut off. For this reason, the Utilities Motion requests the Court to fix the terms of any protection afforded to the utility providers of the Debtor during the Chapter 11 Case. The intention of the Utilities Motion is to fulfill the Debtor's legal obligations to these utility providers while at the same time avoiding any unpredicted, abrupt interruptions of their services which could severely damage the Debtor's business. The Debtor incurs approximately $19,000 in costs to utility providers per month and is proposing allocating $9,500 into a designated sub-account for the adequate protection of the utility providers during the pendency of Chapter 11 Case.

21. I believe it critical that the Debtor knows from the very beginning of the case the terms it must fulfill in order to assure that its telephone, internet, online and related services continue uninterrupted. I have read the Utilities Motion and confirm that the facts set forth therein are true and accurate.

B. Employee Wages Motion

22. By the Employee Motion, the Debtor seeks entry of an order authorizing, but not

directing, the Debtor to (i) pay accrued prepetition wages, salaries, and other compensation to its Employees (as defined below); (ii) honor any prepetition obligations in respect of, and continue in the ordinary course of business until further notice (but not assume), Employee benefits plans and programs, as described below; (iii) reimburse Employees for prepetition expenses that Employees incurred on behalf of the Debtors in the ordinary course of business on a prepetition basis, provided such reimbursement is below the statutory priority amount; (iv) pay all related prepetition payroll taxes and other deductions; (v) honor worker's compensation obligations and related obligations, if any; and (vi) pay any prepetition claims of administrators and providers in the ordinary course of business to the extent that any of the foregoing programs are administered, insured, or paid through a third-party administrator or provider.

i Debtors' Employees

23. In connection with the operation of its business, the Debtor currently has more than 250 full-time employees (collectively, the "**Employees**"). None of the Employees are represented by a union or a collective bargaining unit.

24. The Employees perform a wide variety of functions critical to the administration of this Chapter 11 Case and the Debtor's restructuring. Their skills, knowledge, and understanding of the Debtor's operations and infrastructure are essential to preserving operational stability and efficiency. In many instances, the Employees include trained personnel that are intimately familiar with the Debtor's business and who are not easily replaced. Without the continued, uninterrupted services of its Employees, the Debtor's restructuring efforts will be halted. If the Debtor cannot assure its Employees that it will promptly pay prepetition Employee Obligations (as defined below) to the extent allowed under the Bankruptcy Code, and continue to honor, as applicable, the Benefits Obligations (as defined below), certain Employees will likely seek employment

elsewhere. The loss of Employees at this critical juncture would have a material adverse impact on the Debtor's business and ability to maximize value through this Chapter 11 Case.

25. Moreover, most of the Debtor's Employees rely exclusively on their compensation and benefits from the Debtor to pay their daily living expenses and to support their families. Employees will be exposed to significant financial hardships if the Debtor is not permitted to continue to pay, as applicable, their compensation, provide benefits, and maintain existing programs. Consequently, the relief requested is necessary and appropriate.

ii Employee Compensation

26. In the ordinary course of business, the Debtor incurs payroll and other compensation obligations for its Employees. These obligations are described in more detail below.

(a) Employee Compensation Obligations

27. In the ordinary course of business, the Debtor pays its Employees on a bi-weekly basis. Payroll is drawn from the Debtor's operating account the day before it is disbursed. The Debtor's average payroll obligation per cycle is approximately $980,000. The last payroll date before the Petition Date was May 15, 2026, which covered the payroll period from April 26, 2026 through May 9, 2026. The Debtor estimates that as of the Petition Date, approximately $770,000 has accrued and remains unpaid (the "**Employee Compensation Obligations**"), representing the prorated portion of the Employee compensation due for the period from May 10, 2026 through the Petition Date. To the best of the Debtor's understanding, none of the Employees are owed more than $17,150 in accrued and unpaid general prepetition wages or salaries. The Debtor seeks authorization, but not direction, to pay any unpaid Employee Compensation Obligations. In addition, the Debtor seeks authority to cause any prepetition checks or electronic payment requests that were given in payment of Employee Compensation Obligations to be honored and to reissue

any check or electronic payment request that is not cleared by the applicable bank or other financial institution, to the extent necessary.

(b) Administrative Fee Obligations

28. The Debtor uses a third-party processor, ADP, to process its payroll. The ongoing services of ADP are imperative to the smooth functioning of the Debtor's payroll system. While the Debtor does not believe that any outstanding obligations are owed to ADP as of the Petition Date, the Debtor seeks authorization, but not direction, to pay any such fees to the extent it is determined that a balance is owed (the "**Administrative Fee Obligations**") and to continue paying the Administrative Fee Obligations postpetition in the ordinary course of business. In addition, the Debtor seeks authority to cause any prepetition checks or electronic payment requests that were given in payment of Administrative Fee Obligations to be honored and to reissue any check or electronic payment request that is not cleared by the applicable bank or other financial institution, to the extent necessary.

(c) Withholding Obligations

29. For each applicable pay period, the Debtor may need to deduct certain amounts directly from Employees' paychecks, including, without limitation, pre- and after-tax deductions payable pursuant to policies and arrangements with certain Employees as well as legally-ordered deductions, and other miscellaneous deductions (collectively, the "**Deductions**").

30. In connection with the compensation paid to Employees, the Debtor is required by law to withhold amounts related to federal, state, and local income taxes, as well as social security, unemployment and Medicare taxes (collectively, the "**Employee Withholding Taxes**") and to remit the same to the applicable taxing authorities. In addition, the Debtor is required to make matching payments from its own funds for, among other things, social security and Medicare taxes

and to pay, based on a percentage of gross payroll, state, and federal unemployment insurance, employment training taxes, and state disability insurance contributions (the "**Employer Payroll Tax Obligations**," and together with Employee Withholding Taxes, the "**Payroll Tax Obligations**"). Each pay cycle, the Debtor withholds any applicable Employee Withholding Taxes from the Employees' wages, and remits, in conjunction with ADP, the same to the applicable taxing authorities.

31. The Debtor seeks authorization, but not direction, to continue to make the Deductions and to satisfy the Payroll Tax Obligations (collectively, the "**Withholding Obligations**" and with Employee Compensation Obligations and Administrative Fee Obligations, the "**Employee Obligations**") and to remit amounts withheld on behalf of third parties postpetition in the ordinary course of business.

ii. Employee Benefits

32. In the ordinary course of business, the Debtor implements various benefits plans and policies for its Employees that can be divided into the following categories, all as are described in more detail below: (a) medical coverage (the "**Medical Plan**"), dental coverage (the "**Dental Plan**"), and short term and long term disability coverage (the "**Disability Coverage**" and, with the Medical Plan and Dental Plan, the "**Health Plans**"); (b) workers compensation insurance (the "**Workers Compensation Program**"); and (c) paid and unpaid leave ("**Leave Policies**" and collectively with the Health Plans, 401(k) Plan and Workers Compensation Program, the "**Benefits Plans**"). All obligations with respect to the Benefits Plans are hereinafter referred to as the "**Benefits Obligations**."

(a) Health Plans

33. The Debtor believes that it is necessary and appropriate to continue to honor its obligations to Employees under the Health Plans. The Debtor requests authority, but not direction, to pay all prepetition amounts due under the Health Plans. The Debtor also requests authority, but not direction, to continue to offer the Health Plans and honor its obligations thereunder in the ordinary course of business during the administration of the Chapter 11 Case. Except as set forth below, as of the Petition Date, the Debtor believes it is current on all premium payments in connection with the Health Plans.

34. Medical Plan. The Debtor offers its Employees health insurance through a Blue Cross Blue Shield ("**BCBS**") plan. The monthly premium to BCBS is approximately $216,000. As of the Petition Date, the Debtor owes or will owe approximately $432,000 to BCBS for May and June premiums, which it seeks authority to pay.

35. Dental Plan. The Debtor offers its Employees dental insurance through Guardian Life Insurance.

36. Disability Coverage. The Debtor also offers employees short term and long term disability coverage through Guardian Life Insurance.

37. The Debtor pays approximately $29,000 per month to Guardian for expenses related to the Dental Plan and Disability Coverage. As of the Petition Date, the Debtor owes or will owe approximately $58,000 to Guardian for May and June premiums, which it seeks authority to pay.

(b) 401(k) Plan

38. The Debtor also maintains a 401(k) Plan whereby the Debtor matches employee contributions to their 401(k) plans, up to 3% of the employee's salary. The Debtor is current on

all of its obligations under the 401(k) plan and seeks to continue the 401(k) Plan in the ordinary course of business on a postpetition basis and consistent with past practice.

(c) Workers' Compensation Program

39. The Debtor maintains workers' compensation insurance for its Employees at the statutorily required level for each state in which the Debtor operates. The Debtor maintains workers' compensation coverage ("**Workers' Compensation Insurance**") for claims ("**Workers' Compensation Claims**") through Zurich American Insurance Company. The Debtor pays approximately $271,532 a year to maintain the Workers' Compensation Insurance. The Debtor seeks authority, but not direction, to pay any premiums under the Workers' Compensation Insurance when they become due.

(d) Leave Policies

40. The Debtor maintains a paid leave benefit program for Employees, providing paid leave for an annual vacation allotment and sick leave ("**Paid Leave**"). Paid Leave for the year accrues on January 1st and unused leave rolls over each calendar year. Unused Paid Leave is not paid out upon termination of Employees. Employees accrue Paid Leave depending on their tenure. Similar to other programs described herein, Paid Leave is an integral benefit that the Debtor offers to the Employees, and will help maintain employee morale and protect employee expectations. Accordingly, the Debtor seeks authority, but not direction, to pay its Employees any accrued Paid Leave in the ordinary course of business and consistent with past practice, and to continue paying Paid Leave to its Employees in the ordinary course of business on a postpetition basis and consistent with past practice.

41. The Debtor also has a leave of absence policy (the "**Leave of Absence Policy**" and with Paid Leave, the "**Leave Policies**") in place for work absences related to family and medical

leave ("**FMLA**"). Eligible Employees are entitled up to twelve workweeks of unpaid leave each year under the Leave of Absence Policy. Employees taking a leave of absence maintain their benefits under the Health Plans and return to the same or equivalent jobs upon returning to work. The Debtor seeks authority, but not direction, to continue its Leave of Absence Policy in the ordinary course of business on a postpetition basis and consistent with past practice.

iii. Reimbursable Expense Obligations

42. Prior to the Petition Date, in the ordinary course of business, the Debtor reimbursed Employees for reasonable and legitimate expenses incurred on behalf of the Debtor in the scope of the Employee's employment ("**Reimbursable Expense Obligations**"). Reimbursable Expense Obligations typically include expenses for, among other things, travel, mileage, food, beverage, cell phone and certain other business and travel related expenses. All such expenses are incurred with the applicable Employee's understanding that he or she will be reimbursed by the Debtor in accordance with the Debtor's reimbursement policy, as described in more detail below. In all cases, reimbursement is contingent on the Debtor's determination that the charges are for legitimate business expenses.

43. The Debtor processes expense and reimbursement claims on a rolling basis. As such, it is difficult for the Debtor to determine the exact amount of Reimbursable Expense Obligations outstanding as of the Petition Date because, among other things, Employees may have expenses that they have yet to submit to the Debtor for reimbursement.

44. The Reimbursable Expense Obligations are ordinary course expenses that the Debtor's Employees incur in performing their job functions. It is essential to the continued operation of the Debtor's business that the Debtor be permitted to continue reimbursing, or making direct payments on behalf of, Employees for such expenses.

45. Employees incur the Reimbursable Expense Obligations as business expenses on the Debtor's behalf and with the understanding that they would be reimbursed. To avoid harming Employees who incurred the Reimbursable Expense Obligations, the Debtor requests authority, but not direction, to satisfy all prepetition Reimbursable Expense Obligations to the extent Employees have paid for such expenses directly from their own funds or are otherwise personally liable for such expenses, but only up to $17,150, less any other payments those Employees may receive as a result of the relief requested in the Motion. The Debtor also seeks authority to continue its reimbursement policy, and to satisfy any prepetition amounts due in connection therewith, in the ordinary course of business during the administration of the Chapter 11 Case.

46. The Debtor's ability to successfully operate is contingent on reliable and loyal Employees. As stated above, many of the Debtor's Employees are trained personnel that are familiar with the Debtor and its operations and would be difficult to replace. Thus, it is essential to assure the Employees that the Debtor will honor the Employee Obligations and continue and maintain the Employee Benefits in the ordinary course of business throughout the Chapter 11 Case. A failure to promptly do so will create concern and discontent among the Employees and could lead to resignations. The loss of even a few key personnel would immediately and irreparably harm the Debtor's ability to maintain operations to the detriment of all interested parties. Accordingly, the Debtor respectfully requests that the Court grant the Employee Motion.

C. Critical Vendor Motion

47. In advance of filing the Chapter 11 Case, the Debtor, along with its professionals, spent time reviewing and analyzing its books and records, to identify certain critical business relationships and/or suppliers of goods and services—the loss of which would materially impair the going-concern viability of the Debtor's business (the "**Critical Vendors**"). The Debtor expects

to continue this review process after the Petition Date. In connection with identifying Critical Vendors, the Debtor considered and continues to consider a variety of factors, including:

- whether a vendor is a sole- or limited-source for goods or services critical to the Debtor's business operations;
- whether alternative vendors are available that can provide requisite volumes of similar goods or services on equal (or better) terms and, if so, whether the Debtor would be able to continue operating while transitioning business thereto;
- the degree to which replacement costs (including pricing, transition expenses, professional fees, and lost sales or future revenue) exceed the amount of a vendor's prepetition claim;
- whether an agreement exists by which the Debtor could compel a vendor to continue performing on prepetition terms;
- whether certain specifications or contract requirements prevent, directly or indirectly, the Debtor from obtaining goods or services from alternative sources;
- whether failure to pay all or part of a particular vendor's claim could cause the vendor to refuse to provide critical services on a postpetition basis;
- whether the Debtor's inability to pay all or part of the vendor's prepetition claim could trigger financial distress for the applicable vendor; and
- whether failure to pay a particular vendor could result in contraction of trade terms as a matter of applicable non-bankruptcy law or regulation.

48. At this time, the Debtor estimates that the Critical Vendors may hold claims in excess of approximately $1.5 million that may not be entitled to administrative or other priority status under section 503(b)(9) of the Bankruptcy Code, and approximately $850,000 of which are due on an interim basis (the "**Critical Vendor Claims**"). By the Critical Vendor Motion, the Debtor seeks authority to pay the Critical Vendor Claims.

49. In return for paying the Critical Vendor Claims, the Debtor will use commercially reasonable efforts to require the applicable Critical Vendor to provide favorable trade terms in line with historical practice for the postpetition delivery of goods and services or otherwise continue

supplying the Debtor with essential goods and services for the duration of the Chapter 11 Case. The Debtor therefore requests authority to condition payment upon such party's written agreement to continue supplying goods or services to the Debtor for the duration of the Chapter 11 Case in accordance with trade terms at least as favorable to the Debtor as those practices and programs in place prior to the Petition Date (collectively, the "**Customary Trade Terms**").

50. If any party accepts payment pursuant to the relief requested by the Critical Vendor Motion and thereafter does not continue to provide goods or services on Customary Trade Terms, then, subject to such party's right to object as set forth in the proposed Final Order attached as Exhibit B to the Critical Vendor Motion: (a) such payment may be deemed to be an improper postpetition transfer on account of a prepetition claim, and therefore, immediately recoverable by the Debtor in cash upon written request; (b) upon recovery by the Debtor, any prepetition claim of such party shall be reinstated as if the payment had not been made; and (c) if there exists an outstanding postpetition balance due from the Debtor to such party, the Debtor may elect to recharacterize and apply any payment made pursuant to the relief requested by the Critical Vendor Motion to such outstanding postpetition balance and such supplier or vendor will be required to repay to the Debtor such paid amounts that exceed the postpetition obligations then outstanding without the right of any setoffs, claims, provisions for payment of any claims, or otherwise.

51. The Debtor submits that the requested relief will allow the Debtor to preserve stakeholder value by paying the prepetition claims of certain counterparties that are critical to the Debtor's business enterprise. Accordingly, the Debtor requests that the Court grant the Critical Vendor Motion.

D. Insurance Motion

52. By the Insurance Motion, the Debtor seeks entry of an order, substantially in the form attached as Exhibit A to the Insurance Motion, authorizing, but not directing, the Debtor to: (a) continue existing insurance coverage entered into prepetition and satisfy payment obligations related thereto; (b) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business; (c) honor the terms of the Premium Finance Agreement (as defined herein) and pay premiums thereunder; (d) modify the automatic stay with respect to the Debtor's workers' compensation program; and (e) grant related relief.

i. The Insurance Policies

53. In the ordinary course of business, the Debtor maintains seven (7) insurance policies that are administered by three (3) third-party insurance carriers (collectively, the "**Insurance Carriers**"). These policies provide coverage for, among other things, the Debtor's general liability, automobile liability, worker's compensation, umbrella coverage, employment practices liability, management liability, and property (collectively, the "**Insurance Policies**"). The Debtor pays an aggregate amount of approximately $3,920,398.61 on account of annual premiums for the Insurance Policies. A schedule of the Insurance Policies is attached as Exhibit B to the Insurance Motion.[1]

54. The Insurance Policies are financed through a premium financing agreement with AFCO Direct, a copy of which is attached as **Exhibit C** (the "**Premium Finance Agreement**"). Pursuant to the Premium Finance Agreement, the Debtor is required to make eleven (11) monthly premium payments of approximately $336,933.44 beginning on August 1, 2025. As of the Petition

[1] The Debtors request authority to honor obligations and renew all insurance policies, as applicable, regardless of whether the Debtors inadvertently fail to include a particular insurance policy on **Exhibit B** to the Insurance Motion.

Date, there is approximately $715,000 outstanding on account of the Premium Finance Agreement, some or all of which will come due during the pendency of the Chapter 11 Case.

55. Continuation of the Insurance Policies and the Premium Finance Agreement and entry into new insurance policies is essential to the preservation of the value of the Debtor's businesses and operations. Moreover, in many instances, insurance coverage is required by the regulations, laws, and contracts that govern the Debtor's commercial activities, including the Office of the United States Trustee's (the "**U.S. Trustee**") requirement that a debtor maintain adequate coverage given the circumstances of its chapter 11 case. Accordingly, to ensure uninterrupted coverage, the Debtor requests authority to maintain its existing Insurance Policies, pay prepetition obligations related thereto, and enter into new insurance policies and premium financing agreements, as applicable, in the ordinary course of business.

ii. Worker's Compensation Program.

56. The Debtor maintains a workers' compensation insurance policy for employees at the levels required by laws in the states in which the Debtor operates (collectively, the "**Workers' Compensation Program**"). To the extent any of the employees assert claims under the Workers' Compensation Program, the Debtor requests that the court modify the automatic stay under section 362 of the Bankruptcy Code to permit the employees to proceed with their claims under the Workers' Compensation Program. This required modification of the automatic stay pertains solely to claims under the Workers' Compensation Program.

iii. The Debtor's Insurance Broker.

57. The Debtor obtain its Insurance Policies through Mcanally Wilkins Inc. (the "**Insurance Broker**"). The Insurance Broker assists the Debtor in obtaining comprehensive insurance coverage for its operations in the most cost-effective manner, negotiating policy terms,

provisions, and premiums, assisting the Debtor with claims, and providing ongoing support throughout the applicable policy periods. The Debtor financed the fees owed to the Insurance Broker via the Premium Financing Agreement. The Debtor seeks authority to honor any amounts owed to the Insurance Broker in the ordinary course of business on a postpetition basis to ensure uninterrupted coverage under the Insurance Policies.

Dated: May 21, 2026

By: */s/* Tripp Womack
H.H. Wommack, III

CERTIFICATE OF SERVICE

I hereby certify that on May 21, 2026, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

Dated: Los Angeles, California
May 21, 2026

/s/ *Bernard R. Given, II*
BERNARD R. GIVEN, II