

PUBLIC INFORMATION SHEET

Chapter 11 Bankruptcy Filing of Saint Augustine's University

Case No. 26-01864-5-DMW

This information sheet is provided for general informational purposes only. It is not legal advice. Parties with legal questions regarding this case are encouraged to consult a licensed attorney.

Background About Saint Augustine's University

Saint Augustine's University ("SAU" or the "Debtor") is a private, nonprofit historically Black university ("HBCU") located in Raleigh, North Carolina. Founded in 1867 by the Episcopal Church, SAU has served generations of students — with a particular mission of providing access to higher education for first-generation college students and underserved communities.

In recent years, SAU has faced financial challenges, including enrollment declines, substantial institutional debt, and a dispute with its accrediting body, the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). SAU seeks to continue its historical mission, as reimagined for the future. To best accomplish this goal, and address the above issues, it determined that a Chapter 11 proceeding under the protection of the United States Bankruptcy Court represented the best path forward.

What Is Chapter 11 Bankruptcy?

Chapter 11 of the United States Bankruptcy Code is a form of bankruptcy protection that allows an organization such as SAU to reorganize its financial affairs while maintaining control of its operations. Chapter 11 is intended to give a financially distressed organization the opportunity to define its goals, restructure its debts, renegotiate contracts, and develop a plan of reorganization, with the goal of emerging as a financially viable entity.

When an organization files for Chapter 11 protection, it becomes known as the "Debtor-in-Possession" (DIP). This means that, unless the Court orders otherwise, the existing management continues to operate the organization's day-to-day affairs but does so subject to oversight by the Court and the Bankruptcy Administrator, and subject to specific requirements of the Bankruptcy Code.

The filing of a Chapter 11 petition triggers an automatic stay, which generally halts all collection actions, lawsuits, and enforcement proceedings against the Debtor while the case is pending. This gives the Debtor breathing room to address its financial affairs in an orderly manner.

Frequently Asked Questions (FAQs):

Q: When did Saint Augustine's University file for Chapter 11 bankruptcy?

A: Saint Augustine's University filed its voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code on April 27, 2026, in the United States Bankruptcy Court for the Eastern District of North Carolina, Raleigh Division. The case has been assigned Case Number 26-01864-5-DMW.

Q: Is the University still operating?

A: As a Debtor-in-Possession under Chapter 11, Saint Augustine's University is authorized to continue operating its affairs in the ordinary course of business during the pendency of the bankruptcy case, subject to the oversight of this Court and the Office of the Bankruptcy Administrator for the Eastern District of North Carolina. Any significant transactions outside the ordinary course of business require Court approval.

Q: What is the goal of this bankruptcy case?

A: The University filed for Chapter 11 protection to formulate its path forward and pursue an orderly reorganization of its financial affairs. The ultimate goal is the confirmation of a Plan of Reorganization — a court-approved document that sets out how the Debtor will satisfy its obligations to creditors and chart a sustainable path forward. The Court must find that any such Plan meets the legal requirements of the Bankruptcy Code before it can be confirmed.

Q: Who oversees the Debtor during the bankruptcy case?

A: Oversight and supervision are shared among several parties:

The Bankruptcy Court: The Honorable United States Bankruptcy Judge assigned to this case has judicial authority over the proceedings. All significant decisions — including approval of financing, sale of assets, and confirmation of a reorganization plan — require Court approval.

The Office of the Bankruptcy Administrator: The United States Bankruptcy Administrator (“BA”) is an independent officer of the federal judiciary assigned to provide oversight and supervision of this bankruptcy case. The BA's role is to protect the integrity of the bankruptcy process and the interests of all parties — including creditors, students, employees, and the public. The BA monitors the Debtor's financial operations and reporting, reviews the reasonableness of professional fees, and has the right to appear and be heard on any matter before the Court.

Q: Who are the creditors in this case?

A: Creditors may include, but are not limited to, financial lenders and bondholders; vendors and suppliers; employees and former employees owed wages or benefits; students with claims relating to tuition or fees; governmental entities; and other parties with contractual or legal claims against the University.

Q: What is an "automatic stay" and how does it affect parties?

A: Upon the filing of a bankruptcy petition, Section 362 of the Bankruptcy Code imposes an automatic stay that immediately halts most collection actions, lawsuits, foreclosures, and other proceedings against the Debtor and its property. Creditors and other parties who believe they have grounds to seek relief from the automatic stay may file a motion with the Court. Parties should not take any collection or enforcement actions against the

Debtor without first consulting with a bankruptcy attorney and ensuring such actions are not barred by the automatic stay. A creditor who takes action that violates the automatic stay may be subject to sanctions as determined by the Bankruptcy Court.

Q: How can creditors file a claim?

A: Filing a Proof of Claim is the formal process by which creditors assert their right to be paid from the Debtor's bankruptcy estate. Detailed instructions and official claim forms are available through the Bankruptcy Court Clerk's Office at www.nceb.uscourts.gov.
See the "Filing a Claim" section below for more information.

Q: How do I access the Court's docket and case filings?

A: All pleadings, orders, and documents filed in this case are available through the Public Access to Court Electronic Records ("PACER") system at www.pacer.gov. Registration is required; a small per-page fee applies. Some documents may also be available for free review at the Clerk's Office of the United States Bankruptcy Court for the Eastern District of North Carolina.

The Debtor's Fiduciary Duty as Debtor-in-Possession:

Although Saint Augustine's University continues to operate during this case, it does so as a Debtor-in-Possession — meaning its management is legally required to act as a fiduciary for the benefit of its creditors and the bankruptcy estate as a whole, not merely in its own institutional interest. This means the University must operate transparently, preserve its assets, make full financial disclosures to the Court, and obtain Court approval before taking actions outside the ordinary course of business. The Bankruptcy Administrator monitors the Debtor's compliance with these obligations throughout the case.

Filing a Claim Against Saint Augustine's University

If you believe Saint Augustine's University owes you money or has an obligation to you that arose before the bankruptcy filing date, you may be a creditor in this case. Filing a Proof of Claim is the formal process by which you assert your right to be paid from the bankruptcy estate and participate in any distributions made to creditors.

Important: Claims that existed prior to the bankruptcy filing date will in most circumstances not be paid immediately. Pre-petition claims are addressed through the Plan of Reorganization — the Court-approved document that governs how the Debtor will satisfy its obligations to creditors. The plan process takes time, and creditors should expect that payment of pre-petition claims, if any, will occur only after a plan has been proposed, approved by creditors, confirmed by the Court, and become effective. Patience will be required.

To protect your right to participate in that process, you must file your Proof of Claim before the Bar Date — the Court-ordered deadline for submitting claims. Claims filed after the Bar Date may be disallowed.

General Claims Bar Date: August 25, 2026

Governmental Unit Bar Date: October 24, 2026

Official claim forms, filing instructions, and additional information are available through the Bankruptcy Court Clerk's Office at www.nceb.uscourts.gov. Claims may also be filed electronically through the Court's online portal. If you are unsure whether you have a claim or need assistance, you are encouraged to consult a licensed bankruptcy attorney.

The Meeting of Creditors (The "341 Meeting")

Section 341 of the United States Bankruptcy Code requires that, in every bankruptcy case, the Debtor must appear at a Meeting of Creditors, commonly referred to as the "341 Meeting", shortly after the bankruptcy petition is filed. The 341 Meeting provides creditors, the Bankruptcy Administrator, and other parties in interest with the opportunity to ask the Debtor, under oath, questions about its financial affairs, assets, liabilities, and the circumstances leading to the filing of the bankruptcy case.

The 341 Meeting is not a court hearing, and a bankruptcy judge does not preside over it. Rather, the meeting is typically conducted by a representative of the Bankruptcy Administrator's office. However, testimony given at the meeting is taken under oath, and the Debtor's representative(s) are subject to the penalties of perjury.

A representative of Saint Augustine's University will be required to appear and respond to questions. Creditors are entitled to attend and ask relevant questions, though the 341 Meeting is not a forum for litigation or extended argument.

341 Meeting Details:

Wednesday, May 27, 2026 at 10:00 a.m. at 300 Fayetteville Street, Suite 130, Raleigh, NC 27601

Hybrid Participation Available — Zoom:

This 341 Meeting will be conducted in a hybrid format, providing participants the opportunity to attend either in person at the location above or remotely via Zoom videoconference. Parties wishing to participate via Zoom should use the following link:

Zoom Video Link:

<https://www.zoomgov.com/j/1607213129?pwd=VWRIOHlzUFoveEQ3dlBZRU1vQ0VhUT09>

Zoom Phone Option:

Number = (646) 828-7666

Meeting ID = 160 721 3129

Who Should Attend the 341 Meeting?

Creditors and parties in interest are invited but not required to attend the 341 Meeting. However, attendance can be valuable for creditors who wish to obtain information about the Debtor's financial condition directly from the Debtor's representatives. If you are a creditor and intend to ask questions, you should be prepared to briefly and clearly identify yourself, your claim, and the nature of your question.

The University's bankruptcy counsel is Ciara L. Rogers of Waldrep Wall Babcock & Bailey PLLC. Ms. Rogers can be reached at (919)589-7985 or via email at crogers@waldrepwall.com.