

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

	X	
	:	
In re:	:	Chapter 11
	:	
MODIVCARE INC., <i>et al.</i> ,	:	Case No. 25-90309 (ARP)
	:	
Debtors. ¹	:	(Joint Administration Requested)
	:	
	X	

EMERGENCY MOTION OF DEBTORS
FOR ENTRY OF AN ORDER (A) ESTABLISHING NOTIFICATION
PROCEDURES AND APPROVING RESTRICTIONS ON (I) CERTAIN
TRANSFERS OF INTERESTS IN THE DEBTORS, AND (II) CLAIMS OF CERTAIN
WORTHLESS STOCK DEDUCTIONS; AND (B) GRANTING RELATED RELIEF

Emergency relief has been requested. Relief is requested not later than 2:30 p.m. (prevailing Central Time) on August 21, 2025.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on August 21, 2025, at 2:30 p.m. (prevailing Central Time) in Courtroom 404, 4th floor, 515 Rusk Street, Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at (832) 917-1510. Once connected, you will be asked to enter the conference room number. Judge Pérez's conference room number is 282694. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Pérez's homepage. The meeting code is "JudgePérez". Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Pérez's homepage. Select the case name, complete the required fields and click "Submit" to complete your appearance.

¹ A complete list of each of the Debtors in these chapter 11 cases (the "**Chapter 11 Cases**") and the last four digits of each Debtor's taxpayer identification number (if applicable) may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.'s principal place of business and the Debtors' service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.



ModivCare Inc. and its debtor affiliates in the above-captioned cases, as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully state as follows in support of this motion (this “**Motion**”):

RELIEF REQUESTED

1. By this Motion, the Debtors seek entry of an order (the “**Proposed Order**”), substantially in the form attached hereto: (a) approving certain notification procedures, substantially in the form of **Exhibit 1** attached to the Proposed Order (the “**Procedures**”), related to certain transfers of, or claims of a Worthless Stock Deduction (defined below) with respect to, the Beneficial Ownership (defined below) of ModivCare Inc.’s existing common stock (the “**Common Stock**”); (b) directing that any purchase, sale, other transfer of, or claim of a Worthless Stock Deduction with respect to, the Beneficial Ownership of Common Stock² in violation of the Procedures shall be null and void *ab initio*; and (c) granting related relief.

JURISDICTION AND VENUE

2. The United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) has jurisdiction to consider this Motion under 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and the Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper under 28 U.S.C. §§ 1408 and 1409.

3. The statutory and legal predicates for the relief requested herein are sections 105(a), 362, and 541 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), rule 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the

² For the avoidance of doubt, Beneficial Ownership of Common Stock shall not include record ownership or Beneficial Ownership in any securities to be issued in connection with a chapter 11 plan of reorganization of the Debtors.

“*Bankruptcy Local Rules*”), and the Procedures for Complex Cases in the Southern District of Texas.

BACKGROUND

4. On the date hereof (the “*Petition Date*”), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee has been appointed in the Chapter 11 Cases.

5. Contemporaneously with the filing of this Motion, the Debtors filed a motion requesting joint administration of the Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b) and Bankruptcy Local Rule 1015-1.

6. The factual background regarding the Debtors, including their business, their capital structure, and the events leading to the commencement of the Chapter 11 Cases is set forth in the *Declaration of Chad J. Shandler in Support of Chapter 11 Petitions and First Day Relief* (the “*First Day Declaration*”), filed contemporaneously herewith and incorporated herein by reference.³

7. ModivCare is a technology-based healthcare services company that helps people (especially those in vulnerable situations) get the care and support they need. The Company works with government and private health insurance plans, as well as individuals, to provide: (a) transportation to and from medical appointments (non-emergency medical transportation totaling over 36 million rides per year); (b) (e.g., in-home personal care, like helping with daily activities);

³ Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the First Day Declaration.

(c) remote monitoring of patients' health from home; and (d) community health kiosks and wellness programs. ModivCare employs approximately 23,675 people and operates across 48 states and the District of Columbia, including Texas, with corporate offices in Denver, Colorado. ModivCare's goal is to make it easier for patients to get care, remove barriers that keep people from staying healthy, and improve overall health outcomes.

8. As described in the First Day Declaration, the Debtors are party to that certain Restructuring Support Agreement (the "***RSA***") with certain creditors who collectively hold approximately 90% of the First Lien Claims and approximately 70% of the Second Lien Claims. Pursuant to the RSA, the consenting creditors have agreed to provide \$100 million in debtor-in-possession financing to fund the Chapter 11 Cases and support the comprehensive restructuring transactions set forth in the term sheet attached to the RSA (the "***RSA Term Sheet***"). The RSA Term Sheet contemplates, among other things: (a) the equitization of approximately \$871 million in First Lien Claims and approximately \$316 million in Second Lien Claims; (b) the commitment of the consenting creditors to provide exit financing through the Exit Term Loan Facility; (c) the reorganized Debtors' entry into an exit revolving credit facility to support ongoing operations; and (d) the discharge of the Unsecured Notes Claims and General Unsecured Claims; with holders of such claims entitled to participate in an equity rights offering of up to \$200 million, subject to the terms of the RSA. In total, the transactions contemplated by the RSA Term Sheet are expected to reduce the Debtors' funded debt obligations by approximately \$1.1 billion.

THE TAX ATTRIBUTES

9. The Debtors estimate that they possess certain tax attributes, including, as of December 31, 2024, U.S. federal income tax carryforwards of disallowed business interest expense of approximately \$293 million and certain other favorable tax attributes, including certain state net operating losses (such tax attributes allocable to the Debtors or their subsidiaries, collectively, the

“Tax Attributes”). The Debtors may also generate additional Tax Attributes in the 2025 taxable year, including during the pendency of the Chapter 11 Cases. Such Tax Attributes are valuable assets of the Debtors’ estates.

10. A corporation is generally permitted to carry forward its net operating losses (**“NOLs”**), disallowed business interest expense and certain other tax attributes to reduce taxable income, thereby reducing such corporation’s tax liability in future periods. *See* 26 U.S.C. §§ 163(j) and 172. Accordingly, absent any existing or intervening limitations and depending on future operating results, the Tax Attributes could substantially reduce the Debtors’ U.S. federal income tax liability for current and future periods, including during the pendency of the Chapter 11 Cases, in connection with the implementation of the Debtors’ chapter 11 plan of reorganization and the transactions thereunder, and in taxable years thereafter. The Tax Attributes, therefore, could translate into future tax savings over time, and any such savings could enhance the Debtors’ cash position for the benefit of the Debtors and all parties in interest and contribute to the Debtors’ efforts toward a successful reorganization. Accordingly, the value of the Tax Attributes will inure to the benefit of all of the Debtors’ stakeholders.

I. AN “OWNERSHIP CHANGE” MAY NEGATIVELY AFFECT THE DEBTORS’ UTILIZATION OF THE TAX ATTRIBUTES.

11. The Debtors’ ability to utilize the Tax Attributes to reduce future tax liability is subject to certain potential statutory limitations. Section 382 of title 26 of the United States Code (the **“Tax Code”**) limits the amount of U.S. federal taxable income that can be offset by a corporation’s disallowed business interest expense and certain other tax attributes in taxable years (or portions thereof) following an “ownership change.” Generally, an “ownership change” occurs if the percentage (by value) of the stock of a corporation owned by one or more “5-percent shareholders” has increased by more than 50 percentage points over the lowest percentage of stock

owned by such shareholders at any time during the relevant testing period (generally, the shorter of the three-year period ending on the day of any “owner shift” involving a “5-percent shareholder” and the period of time since the most recent “ownership change” of the corporation). 26 U.S.C. §§ 382(g), 382(i). The total percentage point increases of stock owned by one or more “5-percent shareholders” within the measuring period is generally referred to as the amount of the “owner shift.” 26 U.S.C. § 382(g)(2). The determination of whether a shareholder is a “5-percent shareholder” is made by reference to stock value (without regard to certain considerations such as control premiums or minority discounts, and with reference to certain mechanical tests). 26 Treas. Reg. § 1.382-2(a)(3)(i). For example, an “ownership change” would occur in the following situation:

An individual (“*A*”) owns 50.1 percent of the stock of corporation XYZ. *A* sells her 50.1 percent interest to another individual (“*B*”), who owns 5 percent of XYZ’s stock. Under Section 382 of the Tax Code, an “ownership change” has occurred because *B*’s interest in XYZ has increased more than 50 percentage points (from 5 percent to 55.1 percent) during the testing period. The same result would follow even if *B* owned no XYZ stock prior to the transaction with *A* because *B* both becomes a 5 percent shareholder and increases his ownership by more than 50 percentage points (from 0 percent to 50.1 percent) during the testing period.

12. Under these rules, a corporation can be harmed because of actions by parties that are unknown to the corporation. If a person unknown to the corporation were to acquire more than 5 percent of the corporation’s stock (determined in accordance with the rules set forth above), the corporation would experience an “owner shift” (or an increase in the magnitude of an “owner shift”) that could lead to an “ownership change.” 26 U.S.C. § 382(g)(2). By the time the corporation knew who the unidentified shareholder was, the shareholder would have already purchased the shares and the harm would be done. Accordingly, for the Procedures to be effective, the Procedures must bind unknown parties.

13. For the avoidance of doubt, binding unknown parties to the Procedures—which merely require such parties to comply with *procedures* prior to taking certain action—is not unprecedented and, in fact, is not as restrictive as measures corporations may take, in certain instances, outside of bankruptcy. As one particularly salient example, corporations in certain instances may enact charter restrictions to protect their tax attributes. Such charter restrictions may impose *substantive* limitations on sales and purchases of equity that are similar to the procedural limitations requested in this Motion and the Procedures.⁴ Although such charter restrictions are put to a shareholder vote before being enacted, they always bind unknown parties (*i.e.*, persons that are not shareholders at the time the vote is taken) and do so via public information issued by the corporation in connection with the adoption of such charter restrictions. It is true that the relief requested in this Motion is not being put to a shareholder vote—nor should it be, because the requested relief is intended to maximize the value of the Debtors’ estates for all stakeholders—but unlike charter restrictions, the relief requested in this Motion merely implements *procedures*, as opposed to *substantive* limitations, that must be observed before relevant actions are taken.

14. An “ownership change” can also occur because of a claim (for U.S. federal income tax reporting purposes) of a worthlessness deduction under section 165 of the Tax Code with respect to Beneficial Ownership⁵ of Common Stock (a “*Worthless Stock Deduction*”) claimed by any “50-percent shareholder.” 26 U.S.C. § 382(g)(4)(D). A “50-percent shareholder” is any person or entity (or group of holders that is treated as a single entity under the applicable rules)

⁴ See, e.g., Del. Code Ann. tit. 8, § 202 (Lexis Advance through 85 Del. Laws, c. 28) (generally permitting a Delaware corporation to impose restrictions on the transfer and ownership of its securities).

⁵ “*Beneficial Ownership*” has the meaning set forth in the Procedures, and “Beneficially Owns” and “Beneficially Owned” shall have the meaning correlative to the meaning of Beneficial Ownership as defined therein.

with Beneficial Ownership of 50 percent or more of a corporation’s stock “at any time during the 3-year period ending on the last day of the taxable year” with respect to which the Worthless Stock Deduction is claimed. *Id.* If the “50-percent shareholder” still owns the corporation’s stock at the end of such “50-percent shareholder’s” taxable year, section 382 of the Tax Code treats such person or entity as newly purchasing the stock on the first day of its next taxable year. *Id.* For example, if a person or an entity that owns 50 percent of a corporation’s stock claims a Worthless Stock Deduction with respect to such person’s or entity’s 2025 taxable year but does not sell such stock in 2025, that person is treated (i) as not having owned the stock at the end of 2025, and (ii) as having purchased the stock on the first day of the 2026 taxable year. That deemed purchase would cause an “ownership change” because the “50-percent shareholder” would be deemed to have a 50-percentage-point increase in its stock ownership. Notably, while the seminal case of *Official Committee of Unsecured Creditors v. PSS Steamship Co. (In re Prudential Lines Inc.)*, 928 F.2d 565 (2d Cir. 1991) is generally relied upon to support equity trading motions in general, the specific issue in *Prudential Lines* was a Worthless Stock Deduction.

15. If an “ownership change” occurs, section 382 of the Tax Code limits the amount of a corporation’s future taxable income that may be offset by its “pre-change losses” to an annual amount based on the fair market value of all of the stock of the corporation prior to the “ownership change” multiplied by the long-term tax exempt rate that applies to the month of the “ownership change.”⁶ *See* 26 U.S.C. § 382(b). “Pre-change losses” include the Debtors’ Tax Attributes and any so-called “recognized built-in losses” as defined in section 382(h)(2)(B) of the Tax Code.⁷

⁶ The applicable long-term tax-exempt rate changes from month to month. For “ownership changes” occurring in August 2025, the applicable long-term tax-exempt rate is 3.71 percent.

⁷ The rules relating to potential limitations on the ability to offset taxable income with so-called recognized built-in losses are complex and depend on, among other things, the extent (if any) of a debtor’s “net unrealized built-in loss.” A net unrealized built-in loss is equal to the excess of the aggregate adjusted basis of all of a corporation’s applicable assets over their fair market value (as determined for purposes of section 382 of the Tax Code)

Once a tax attribute is limited under section 382 of the Tax Code, its use may be limited forever.⁸ Thus, certain transfers of, or Worthless Stock Deductions taken with respect to, the Beneficial Ownership of Common Stock effected before the date of the Debtors' emergence from the Chapter 11 Cases may trigger an "ownership change" for purposes of section 382 of the Tax Code, endangering the Debtors' ability to utilize the Tax Attributes, which could cause substantial damage to the Debtors' estates to the detriment of all of the Debtors' stakeholders.

16. The Debtors have limited the relief requested herein to the extent necessary to preserve estate value. The Proposed Order will affect only (i) holders of Beneficial Ownership of the equivalent of at least 643,460 shares of Common Stock⁹ (*i.e.*, 4.5 percent or more of outstanding Common Stock); (ii) persons or entities who are interested in purchasing sufficient Beneficial Ownership of Common Stock to result in such person or entity becoming a holder of 4.5 percent or more of Beneficial Ownership of outstanding Common Stock; and (iii) any "50-percent shareholder" seeking to claim a Worthless Stock Deduction.

17. The Debtors believe that they have significant Tax Attributes that would be severely impaired by the occurrence of an "ownership change" during the pendency of the Chapter 11 Cases. To maximize the use of the Tax Attributes and enhance recoveries for the Debtors' stakeholders, the Debtors seek limited relief that will enable them to closely monitor certain transfers of Beneficial Ownership of Common Stock and certain Worthless Stock Deductions

immediately prior to the "ownership change." 26 U.S.C. § 382(h)(3)(A)(i). Once a net unrealized built-in loss is limited under section 382 of the Tax Code, its use is limited for 5 years. If a corporation has a "net unrealized built-in gain" in its assets as of the time of the "ownership change," the limitation under section 382 may be increased in certain circumstances. The Debtors have not yet determined whether they expect to have a net unrealized built-in gain or loss at the effective time of their emergence from chapter 11.

⁸ Recognized built-in losses that are deducted beginning after the expiration of a five-year "recognition period" are no longer subject to limitation, but any recognized built-in losses that are deducted prior to the expiration of such period are limited forever. *See generally* 26 U.S.C. § 382(h).

⁹ Based on approximately 14,299,144 shares of Common Stock as of the Petition Date.

taken with respect to Beneficial Ownership of Common Stock so as to be in a position to act expeditiously to prevent such transfers or claims of Worthless Stock Deductions, if necessary, for the purpose of preserving the Tax Attributes. In the event an “ownership change” occurred prior to the effective date of the Debtors’ chapter 11 plan of reorganization, the resulting limitation on the Debtors’ Tax Attributes would primarily depend on the value of the Common Stock at such time, and thus becomes increasingly more severe as the value of the Common Stock declines.

18. The Procedures are the mechanism by which the Debtors propose that they will monitor and, if necessary, object to certain transfers of Beneficial Ownership of Common Stock and claims of Worthless Stock Deductions with respect to Beneficial Ownership of Common Stock to ensure preservation of the Tax Attributes.

19. Thus, by establishing and implementing the Procedures, the Debtors will be able to object to “ownership changes” that threaten their ability to preserve the value of the Tax Attributes for the benefit of the Debtors’ estates and stakeholders.

BASIS FOR RELIEF

I. THE AUTOMATIC STAY BARS ANY EQUITY TRANSFER THAT WOULD DIMINISH OR LIMIT THE DEBTORS’ INTERESTS IN THE TAX ATTRIBUTES.

20. Section 541 of the Bankruptcy Code provides that property of the estate comprises, among other things, “all legal or equitable interests of the debtor in property as of the commencement of the case.” 11 U.S.C. § 541(a)(1). It is well-established that, for purposes of section 541(a) of the Bankruptcy Code, the phrase “property of the estate” is “intended to be broadly construed.” *Martinez v. OGA Charters, L.L.C. (In re OGA Charters, L.L.C.)*, 901 F.3d 599, 602 (5th Cir. 2018) (citing *United States v. Whiting Pools, Inc.*, 462 U.S. 198, 204-05 (1983)). Tax attributes are property of a debtor’s estate. *See Prudential Lines*, 928 F.2d at 573. Section 362(a)(3) of the Bankruptcy Code stays “any act [of an entity] to obtain possession of

property of the estate or of property from the estate or to exercise control over property of the estate.” 11 U.S.C. § 362(a)(3). The Supreme Court has interpreted section 362(a)(3) of the Bankruptcy Code to “prohibit affirmative actions that would *disturb the status quo* of estate property as of the time when the bankruptcy petition was filed.” *City of Chicago Ill. v. Fulton*, 592 U.S. 154, 158 (2021) (emphasis added). Moreover, the Fifth Circuit has recognized that the automatic stay “implements a stay of *any action, whether against the debtor or third parties, that seeks to obtain or exercise control over property of the debtor.*” *S.I. Acquisition, Inc. v. Eastway Delivery Serv., Inc. (Matter of S.I. Acquisition, Inc.)*, 817 F.2d 1142, 1148 (5th Cir. 1987) (emphasis added). Thus, any act of a holder of a debtor’s equity securities that causes the termination, or limits use, of the tax attributes violates the automatic stay.

21. The Tax Attributes are valuable property of the Debtors’ estates and thus are protected, by operation of the automatic stay, from actions that would diminish their value. Such actions barred by the automatic stay include transfers and pursuing tax deduction claims that would effect an “ownership change.” It is well established that a debtor’s NOLs and other tax attributes are property of the debtor’s estate protected by the automatic stay. *See Prudential Lines*, 928 F.2d at 574 (“[W]here a non-debtor’s action with respect to an interest that is intertwined with that of a bankrupt debtor would have the legal effect of diminishing or eliminating property of the bankrupt estate, such action is barred by the automatic stay.”).¹⁰ The United States Court of Appeals for the Second Circuit, in its seminal *Prudential Lines* decision, affirmed the application of the automatic stay to a debtor’s tax benefits and upheld a permanent injunction prohibiting a parent corporation from taking a Worthless Stock Deduction that would have adversely affected the ability of the

¹⁰ *See also Nisselson v. Drew Indus., Inc. (In re White Metal Rolling & Stamping Corp.)*, 222 B.R. 417, 424 (Bankr. S.D.N.Y. 1998) (“It is beyond peradventure that NOL carrybacks and carryovers are property of the estate of the loss corporation that generated them.”); *In re Grossman’s Inc.*, No. 97-695 (PJW), 1997 WL 33446314 (Bankr. D. Del. Oct. 9, 1997).

parent corporation's subsidiary to utilize its NOLs under the special relief provisions of section 382 of the Tax Code. *See Prudential Lines*, 928 F.2d at 573. As the Second Circuit stated:

Including NOL carryforwards as property of a corporate debtor's estate is consistent with Congress' intention to "bring anything of value that the debtors have into the estate." Moreover, . . . [i]ncluding the right to a NOL carryforward as property of [a debtor's] bankruptcy estate furthers the purpose of facilitating the reorganization of [the debtor].

Id. (quoting H.R. Rep. No. 95-595, at 176 (1978)) (citations omitted).¹¹ The Second Circuit concluded that "despite the fact that the [parent corporation's] action [was] not directed specifically at [the debtor subsidiary], it [nonetheless was] barred by the automatic stay as an attempt to exercise control over property of the estate." *Prudential Lines*, 928 F.2d at 574.

22. In addition to finding that a debtor's NOLs are protected by the automatic stay, the Second Circuit also held that, pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, a bankruptcy court may issue a permanent injunction to protect such debtor's NOLs. *Id.* at 574.

23. In *In re Phar-Mor, Inc.*, 152 B.R. 924 (Bankr. N.D. Ohio 1993), the bankruptcy court applied similar reasoning in granting the debtors' motion to prohibit transfers of their stock that could have had an adverse effect on their ability to utilize their NOLs, even though the debtors' stockholders had not stated any intent to sell their stock and the debtors had not shown that a sale that would trigger an "ownership change" was pending. Despite the "ethereal" nature of the situation, the court observed that "[w]hat is certain is that the *NOL has a potential value, as yet undetermined*, which will be of benefit to creditors and will assist debtors in their reorganization

¹¹ See also *Pension Transfer Corp. v. Beneficiaries under the Third Amendment to Fruehauf Trailer Corp. Ret. Plan No. 003 (In re Fruehauf Trailer Corp.)*, 444 F.3d 203, 211 (3d Cir. 2006) ("Property of the estate 'includes all interests, such as . . . contingent interests and future interests, whether or not transferable by the debtor.'" (quoting *Prudential Lines*, 928 F.2d at 572) (alteration in original)); *Gibson v. U.S. (In re Russell)*, 927 F.2d 413, 417 (8th Cir. 1991) (concluding that the "right to carry forward the [debtor's] NOLs" was a "property interest" of the estate).

process.” *Id.* at 927 (emphasis added). The *Phar-Mor* court, thus, determined that this asset, the *Phar-More* debtors’ NOL, was entitled to protection while the debtor “move[s] forward toward reorganization.” *Id.* The *Phar-Mor* court also concluded that, because the debtors were seeking to enforce the automatic stay, they did not have to meet the more stringent requirements for preliminary injunctive relief:

The requirements for enforcing an automatic stay under 11 U.S.C. § 362(a)(3) do not involve such factors as lack of an adequate remedy at law, or irreparable injury, or loss and a likelihood of success on the merits. The key elements for a stay ... are the existence of property of the estate and the enjoining of all efforts by others to obtain possession or control of property of the estate.

Id. at 926 (quoting *In re Golden Distribs., Inc.*, 122 B.R. 15, 19 (Bankr. S.D.N.Y. 1990)).

24. As the foregoing demonstrates, it is well settled that, pursuant to section 362(a)(3) of the Bankruptcy Code, the automatic stay enjoins actions that would adversely affect a debtor’s ability to utilize its NOLs and other tax attributes.

II. THE PROCEDURES ARE NECESSARY AND IN THE BEST INTERESTS OF THE DEBTORS, THEIR ESTATES, AND THEIR CREDITORS.

25. As discussed above, the Debtors anticipate that preserving the availability of their Tax Attributes is important to avoid severely impairing the Debtors’ ability to use the Tax Attributes and, thus, the Debtors submit that preserving the availability of the Tax Attributes will benefit the Debtors’ estates by limiting the potential incurrence of tax liability during the pendency of the Chapter 11 Cases or future tax periods. Consequently, the Debtors believe that it is imperative that the Procedures are established immediately and effective as of the Petition Date, to ensure that trading in Common Stock, and claiming certain Worthless Stock Deductions with respect to Common Stock, are either precluded or closely monitored and made subject to the Court’s approval.

26. Depending on the Debtors' tax profile during the pendency of the Chapter 11 Cases, future earnings, and the consequences of a restructuring, the Debtors' ability to utilize the Tax Attributes may enhance the Debtors' prospects for a successful emergence from the Chapter 11 Cases. The relief requested herein is narrowly tailored to permit certain stock trading to continue, subject to Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws.

27. The Debtors respectfully submit that the Procedures must be implemented as soon as possible. Even if a transfer or a Worthless Stock Deduction claim were to be null and void under section 362 of the Bankruptcy Code, or as a result of a final order of the Court that prohibited such a transfer or Worthless Stock Deduction claim retroactively to the Petition Date, under U.S. federal income tax law, such transfer or Worthless Stock Deduction claim nevertheless may be regarded as having occurred for tax purposes, in which event the Debtors' estates could suffer an irrevocable loss of value. Accordingly, if a transfer or Worthless Stock Deduction claim occurs that limits the Debtors' ability to utilize their Tax Attributes under section 382 of the Tax Code, the Debtors' ability to realize the value of their Tax Attributes may be permanently diminished. The relief requested, therefore, is crucial to prevent an irrevocable diminution of the value of the Debtors' estates to the detriment of all of the Debtors' stakeholders.

28. It is in the best interests of the Debtors and their stakeholders to restrict stock trading and Worthless Stock Deduction claims that could result in an "ownership change" *before* the effective date of a chapter 11 plan of reorganization or any applicable court order. This restriction would permit the Debtors to utilize the Tax Attributes, if necessary, to offset gain or other income recognized in connection with the Debtors' ownership of their assets and operation of their businesses. For the foregoing reasons, the relief requested herein is necessary, appropriate, and in the best interests of the Debtors, their estates, and all other parties in interest in this case.

EMERGENCY CONSIDERATION

29. The Debtors respectfully request emergency consideration of this Motion pursuant to Bankruptcy Local Rule 9013-1 and Bankruptcy Rule 6003, which authorize the Court to grant relief within the first 21 days after the commencement of a chapter 11 case to the extent that relief is necessary to avoid immediate and irreparable harm. As described in detail above, the Tax Attributes are valuable assets of the Debtors' estates. In addition, once a Tax Attribute is limited under section 382 of the Tax Code, its use is limited forever. Absent granting the relief requested herein, at the outset of the Chapter 11 Cases, the Debtors may be irreparably harmed by equity trading that occurs prior to the Court's entry of an order granting this Motion. By this Motion, the Debtors seek to implement Procedures that would protect against such irreparable harm. Accordingly, the Debtors submit that the requirements of Bankruptcy Rule 6003 are satisfied.

DEBTORS' COMPLIANCE WITH BANKRUPTCY RULE 6004(a) AND WAIVER OF BANKRUPTCY RULE 6004(a) AND (h)

30. With respect to any aspect of the relief sought herein that constitutes a use of property under section 363(b) of the Bankruptcy Code, the Debtors request that the Court find that notice of this Motion is adequate under Bankruptcy Rule 6004(a) and waive the 14-day stay under Bankruptcy Rule 6004(h). As described above, the relief that the Debtors seek in this Motion is necessary to avoid immediate and irreparable harm to the Debtors. Thus, cause exists for the Court to find that notice of this Motion satisfies Bankruptcy Rule 6004(a) and waive the 14-day stay under Bankruptcy Rule 6004(h).

RESERVATION OF RIGHTS

31. Nothing in this Motion is intended to be nor shall be deemed: (a) an implication or admission as to the amount of, basis for, or validity of any claim against the Debtors; (b) a waiver or limitation of the Debtors' or any other party in interest's right to dispute the amount of, basis

for, or validity of any claim; (c) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable non-bankruptcy law; (d) a waiver of the obligation of any party in interest to file a proof of claim; (e) a promise or requirement to pay any particular claim; (f) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law; (g) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (h) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code.

NOTICE

32. Notice of this Motion will be served on: (a) the Office of the United States Trustee for the Southern District of Texas; (b) Paul Hastings LLP, as counsel to the First Lien Agent and the Consenting Creditors; (c) counsel to the DIP Lenders; (d) the creditors listed on the Debtors' consolidated list of 30 creditors holding the largest unsecured claims; (e) the United States Attorney for the Southern District of Texas; (f) Substantial Stockholders of 4.5% or more of outstanding Common Stock; (g) the Internal Revenue Service; (h) the Securities and Exchange Commission; (i) the state attorneys general for states in which the Debtors conduct business; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, under the circumstances, no other or further notice is required.

33. A copy of this Motion is available on (a) the Court's website, at www.txs.uscourts.gov and (b) the website maintained by the Debtors' proposed claims and noticing agent, Kurtzman Carson Consultants, LLC d/b/a Verita Global, at <https://www.veritaglobal.net/ModivCare>.

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WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: August 20, 2025

Respectfully submitted,

/s/ Timothy A. ("Tad") Davidson II

HUNTON ANDREWS KURTH LLP

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*Proposed Attorneys for the Debtors
and Debtors in Possession*

CERTIFICATE OF SERVICE

I certify that on August 20, 2025, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices.

/s/ Timothy A. ("Tad") Davidson II

Timothy A. ("Tad") Davidson II

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

	X	
	:	
In re:	:	Chapter 11
	:	
MODIVCARE INC., <i>et al.</i> ,	:	Case No. 25-90309 (ARP)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
	X	

**ORDER (A) ESTABLISHING NOTIFICATION
PROCEDURES AND APPROVING RESTRICTIONS ON (I) CERTAIN
TRANSFERS OF INTERESTS IN THE DEBTORS, AND (II) CLAIMS OF CERTAIN
WORTHLESS STOCK DEDUCTIONS; AND (B) GRANTING RELATED RELIEF
[Relates to Docket No. ____]**

Upon the emergency motion (the “*Motion*”)² of the Debtors for entry of an order (this “*Order*”) (a) approving certain notification procedures, substantially in the form of **Exhibit 1** attached to this Order, related to certain transfers of, or claims of a Worthless Stock Deduction with respect to, Beneficial Ownership of Common Stock; (b) directing that any purchase, sale, other transfer of, or claim of a Worthless Stock Deduction with respect to, Beneficial Ownership of Common Stock in violation of the Procedures shall be null and void ab initio; and (c) granting related relief, all as more fully set forth in the Motion; and the Court having reviewed the Motion and the First Day Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. § 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order

¹ A complete list of each of the Debtors in these chapter 11 cases (the “*Chapter 11 Cases*”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

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

consistent with Article III of the United States Constitution; and the 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 it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary, except as set forth in the Motion with respect to entry of this Order; and upon the record herein; and after due deliberation thereon; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Debtors' Tax Attributes are property of the Debtors' estates and are protected by section 362(a) of the Bankruptcy Code.
2. The provisions of this Order shall be effective as of the Petition Date.
3. The Procedures, set forth in **Exhibit 1** hereto, are approved and shall apply to all acquisitions, dispositions and transfers of, and all claims of Worthless Stock Deductions with respect to, Beneficial Ownership of Common Stock.
4. Notwithstanding anything to the contrary contained herein, any payment to be made hereunder, and any authorization contained herein, shall be subject to any interim and final orders, as applicable, approving the use of such cash collateral and/or the Debtors' entry into any postpetition financing facilities or credit agreements, and any budgets in connection therewith governing any such postpetition financing and/or use of cash collateral (each such order, a "***DIP Order***"). To the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

5. Any transfer of or claim of a Worthless Stock Deduction with respect to Beneficial Ownership of Common Stock in violation of this Order or the Procedures, including but not limited to the notice requirements, shall be null and void *ab initio*.

6. In the case of any such transfer of Beneficial Ownership of Common Stock in violation of this Order or the Procedures, including but not limited to the notice requirements, the person or entity making such transfer shall be (a) subject to such sanctions as this Court may consider appropriate pursuant to this Court's equitable power under section 105(a) of the Bankruptcy Code, and (b) required to take remedial actions specified by the Debtors, which may include the actions specified in IRS Private Letter Ruling 201010009 (Dec. 4, 2009), to appropriately reflect that such transfer is null and void *ab initio*.

7. In the case of any such claim of a Worthless Stock Deduction with respect to Beneficial Ownership of Common Stock in violation of this Order or the Procedures, including the notice requirements, the person or entity making such claim shall be required to file an amended tax return revoking such claim and any related deduction to appropriately reflect that such claim is void *ab initio*.

8. The Debtors may, in their sole discretion, waive, in writing, any and all restrictions, stays, and notification procedures set forth in the Procedures.

9. The Debtors shall within three (3) business days of the entry of this Order or as soon as reasonably practicable thereafter, (a) send the notice of this Order annexed to the Procedures as **Exhibit 1F** (the "***Notice of Order***") to the parties that were served with the notice of the Motion, (b) the registered holders of the Common Stock and all banks, brokers, intermediaries, or mailing agents that hold Common Stock in "street name" for beneficial holders (collectively, the "***Nominees***") (with instructions to serve down to the beneficial holders of

Common Stock, as applicable), (c) publish the Notice of Order once in the national edition of the *New York Times* or similar publication, and (d) post the Procedures to the website established by the Debtors' proposed claims and noticing agent, Kurtzman Carson Consultants, LLC d/b/a Verita Global, at <https://veritaglobal.net/ModivCare>, such notice being reasonably calculated to provide notice to all parties that may be affected by the Procedures, whether known or unknown, and no further notice of the Procedures being necessary.

10. To the extent that this Order is inconsistent with any prior order or pleading with respect to the Motion in the Chapter 11 Cases, the terms of this Order shall govern.

11. Nothing in the Motion or this Order, or any action taken pursuant to this Order, is intended to be or shall be deemed as (a) an implication or admission as to the amount of, basis for, or validity of any claim against the Debtors; (b) a waiver or limitation of the Debtors' or any other party in interest's right to dispute the amount of, basis for, or validity of any claim; (c) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable non-bankruptcy law; (d) a waiver of the obligation of any party in interest to file a proof of claim; (e) a promise or requirement to pay any particular claim; (f) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law; (g) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (h) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code.

12. Other than to the extent that this Order expressly conditions or restricts trading in, or making Worthless Stock Deduction claims with respect to, Beneficial Ownership of Common Stock (including indirectly or through the issuance or transfer of Options to acquire Beneficial

Ownership of Common Stock), nothing in this Order or in the Motion shall, nor shall it be deemed to, prejudice, impair, or otherwise alter or affect the rights of any holders of Common Stock, including in connection with the treatment of any such stock under any chapter 11 plan or any applicable order of this Court.

13. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

14. Notice of the Motion is adequate under Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules.

15. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Order shall be effective and enforceable immediately upon entry hereof.

16. The Debtors are authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Order.

17. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Signed: _____, 2025
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

**Procedures for Transfers of or Claims of Worthless Stock Deductions
with Respect to Beneficial Ownership of Common Stock**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

	X	
	:	
In re:	:	Chapter 11
	:	
MODIVCARE INC., <i>et al.</i> ,	:	Case No. 25-90309 (ARP)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
	X	

**NOTICES, RESTRICTIONS, AND OTHER PROCEDURES REGARDING
(A) CERTAIN TRANSFERS OF INTERESTS IN THE DEBTORS, AND
(B) CLAIMS OF CERTAIN WORTHLESS STOCK DEDUCTIONS**

TO ALL PERSONS OR ENTITIES WITH EQUITY INTERESTS IN THE DEBTORS:

Pursuant to that certain *Order (A) Establishing Notification Procedures and Approving Restrictions on (I) Certain Transfers of Interests in the Debtors, and (II) Claims of Certain Worthless Stock Deductions; and (B) Granting Related Relief* (the “**Order**”) entered by the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”) on August 20, 2025, Docket No. (____), the following restrictions, notification requirements, and/or other procedures (collectively, the “**Procedures**”) apply to all trading and transfers of, and all claims of Worthless Stock Deductions (defined below) by a Majority Stockholder (defined below) with respect to, the Beneficial Ownership (defined below) of Common Stock (including indirect ownership of, and Options (defined below) to acquire, Beneficial Ownership of Common Stock (defined below)).²

¹ A complete list of each of the Debtors in these chapter 11 cases (the “**Chapter 11 Cases**”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

² Capitalized terms used, but not otherwise defined herein, shall have the same meanings ascribed to such terms in the Order.

A. Common Stock Restrictions.

1. Definitions. For purposes of these Procedures, the following terms have the following meanings:

i. **“Beneficial Ownership”** of Common Stock and Options to acquire Common Stock shall be determined in accordance with applicable rules under section 382 of title 26 of the United States Code (the **“Tax Code”**), title 26 of the Code of Federal Regulations (the **“Treasury Regulations”**), and rulings issued by the Internal Revenue Service (the **“IRS”**), and, thus, to the extent provided in those sources, from time to time shall include, without limitation, (A) direct and indirect ownership, determined without regard to any rule that treats stock of an entity as to which the constructive ownership rules apply as no longer owned by that entity (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (B) ownership by a holder’s family members, (C) ownership by any Entity, and (D) to the extent set forth in Treasury Regulations section 1.382-4, the ownership of an Option to acquire Beneficial Ownership of Common Stock.

ii. **“Common Stock”** shall mean common stock issued by ModivCare Inc. For the avoidance of doubt, by operation of the definition of Beneficial Ownership, an owner of an Option to acquire Beneficial Ownership of Common Stock may be treated as the owner of such Common Stock.

iii. **“Entity”** has the meaning assigned in section 1.382-3(a) of the Treasury Regulations, including any group of persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition of Common Stock.

iv. **“Majority Stockholder”** shall mean (A) any person or Entity that Beneficially Owns at least 7,149,570 shares of Common Stock (representing approximately 50% of all issued and outstanding shares of Common Stock) or (B) any person or Entity that would be a “50-percent shareholder” (within the meaning of section 382(g)(4)(D) of the Tax Code) with respect to its Beneficial Ownership of Common Stock if such person claimed a Worthless Stock Deduction at any time on or after the Petition Date.

v. **“Option”** shall mean all interests described in Treasury Regulations section 1.382-4(d)(9), including any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.

vi. **“Substantial Stockholder”** shall mean any person or Entity that Beneficially Owns at least 643,460 shares of Common Stock (representing approximately 4.5% of all issued and outstanding Common Stock).

vii. **“Worthless Stock Deduction”** shall mean any claim (for U.S. federal income tax reporting purposes) of a worthlessness deduction under section 165 of the Tax Code with respect to Beneficial Ownership of Common Stock.

2. Notice of Substantial Stock Ownership. Any person or Entity that Beneficially Owns, at any time on or after the Petition Date, Common Stock in an amount sufficient to qualify

such person or Entity as a Substantial Stockholder shall file with the Bankruptcy Court a notice of such person's or Entity's substantial ownership (a "***Substantial Stock Ownership Notice***"), in substantially the form annexed to the Order as **Exhibit 1A**, which describes specifically and in detail such person's or Entity's Beneficial Ownership of Common Stock, on or before the date that is the later of (x) twenty (20) calendar days after the entry of the Order or (y) ten (10) business days after such person or Entity qualifies as a Substantial Stockholder. All Substantial Stock Ownership Notices shall be served on the following parties (collectively, the "***Disclosure Parties***"):

- (a) the Debtors, ModivCare Inc., 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237, Attn: General Counsel;
- (b) proposed co-counsel to the Debtors, Latham & Watkins LLP, 1271 Avenue of the Americas, New York, NY 10020, Attn: George Klidonas (george.klidonas@lw.com) and Jonathan Weichselbaum (jon.weichselbaum@lw.com);
- (c) proposed co-counsel to the Debtors, Hunton Andrews Kurth LLP, Attn: Timothy A. ("Tad") Davidson II (taddavidson@hunton.com), Brandon Bell (bbell@hunton.com);
- (d) counsel to the First Lien Agent and Consenting Creditors (as defined in the RSA) (the "***First Lien Agent and Consenting Creditor Counsel***"), Paul Hastings LLP (Attn: Kris Hansen, and Matt Warren (krishansen@paulhastings.com, and mattwarren@paulhastings.com));
- (e) counsel for any statutory committee appointed in the Chapter 11 Cases.

At the election of the filing Substantial Stockholder, the Substantial Stock Ownership Notice to be filed with the Bankruptcy Court (but not the Substantial Stock Ownership Notice that is served upon the Disclosure Parties) may be redacted to exclude the Substantial Stockholder's taxpayer identification number and the amount of Common Stock that the Substantial Stockholder Beneficially Owns.

3. **Acquisition of Common Stock.** At least twenty (20) business days prior to the proposed date of any transfer of Beneficial Ownership of Common Stock (including indirectly or through the issuance or transfer of Options to acquire Beneficial Ownership of Common Stock) or exercise of any Option to acquire Beneficial Ownership of Common Stock, or other transaction that would result in an increase in the amount of Common Stock Beneficially Owned by any person or Entity that currently is or, as a result of the proposed transaction, would be a Substantial Stockholder (a "***Proposed Acquisition Transaction***"), such acquiring or increasing person or Entity, or Substantial Stockholder (a "***Proposed Transferee***") shall file with the Bankruptcy Court and serve upon the Disclosure Parties a notice of such Proposed Transferee's intent to purchase, acquire, or otherwise accumulate Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock (an "***Acquisition Notice***"), in substantially the form annexed to the Order as **Exhibit 1B**, which describes specifically and in detail the Proposed Acquisition Transaction. At the election of the Proposed Transferee, the Acquisition Notice to be

filed with the Bankruptcy Court (but not the Acquisition Notice that is served upon the Disclosure Parties) may be redacted to exclude the Proposed Transferee's taxpayer identification number and the amount of Common Stock that the Proposed Transferee Beneficially Owns.

4. Disposition of Common Stock. At least twenty (20) business days prior to the proposed date of any transfer or other transaction or disposition of Beneficial Ownership of Common Stock (including indirectly or through the issuance or transfer of Options to acquire Beneficial Ownership of Common Stock) that would result in either a decrease in the amount of Common Stock Beneficially Owned by a Substantial Stockholder or a person's or Entity's ceasing to be a Substantial Stockholder (a "***Proposed Disposition Transaction***" and, together with a Proposed Acquisition Transaction, a "***Proposed Transaction***"), such person, Entity, or Substantial Stockholder (a "***Proposed Transferor***") shall file with the Bankruptcy Court and serve upon the Disclosure Parties a notice of such Proposed Transferor's intent to sell, trade, or otherwise transfer the Beneficial Ownership of Common Stock or Options to acquire Beneficial Ownership of Common Stock (a "***Disposition Notice***" and, together with an Acquisition Notice, a "***Trading Notice***"), in substantially the form annexed to the Order as Exhibit 1C, which describes specifically and in detail the Proposed Disposition Transaction. At the election of the Proposed Transferor, the Disposition Notice to be filed with the Bankruptcy Court (but not the Disposition Notice that is served upon the Disclosure Parties) may be redacted to exclude the Proposed Transferor's taxpayer identification number and the amount of Common Stock that the Proposed Transferor Beneficially Owns.

5. Notice of Status as a Majority Stockholder. Any person or Entity that currently is or becomes a Majority Stockholder shall file with the Bankruptcy Court and serve upon the Disclosure Parties a notice of such status (a "***Majority Stockholder Notice***"), in substantially the form annexed to the Order as Exhibit 1D, which describes specifically and in detail such person's Beneficial Ownership of Common Stock, on or before the date that is the later of (x) twenty (20) calendar days after the entry of the Order or (y) ten (10) business days after such person qualifies as a Majority Stockholder. At the election of the Majority Stockholder, the Majority Stockholder Notice to be filed with the Bankruptcy Court (but not the Majority Stockholder Notice that is served upon the Disclosure Parties) may be redacted to exclude the Majority Stockholder's taxpayer identification number.

6. Notice of Intent to Claim a Worthless Stock Deduction. At least twenty (20) business days before a Majority Stockholder files any U.S. federal income tax return, or any amendment to such a return, claiming a Worthless Stock Deduction for a tax year of the Majority Stockholder ending on or before the effective date of a chapter 11 plan of reorganization for the Debtors, such Majority Stockholder shall file with the Bankruptcy Court and serve upon the Disclosure Parties advanced written notice of the intended Worthless Stock Deduction (a "***Worthless Stock Deduction Notice***"), in substantially the form annexed to the Order as Exhibit 1E. At the election of the Majority Stockholder, the Worthless Stock Deduction Notice to be filed with the Bankruptcy Court (but not the Worthless Stock Deduction Notice that is served upon the Disclosure Parties) may be redacted to exclude the Majority Stockholder's taxpayer identification number.

7. Objection Procedures. The Debtors shall have fifteen (15) business days after the filing of a Trading Notice or a Worthless Stock Deduction Notice (the "***Objection Period***") to file

with the Bankruptcy Court and serve on a Proposed Transferee or a Proposed Transferor, as the case may be, or a Majority Stockholder, as applicable, an objection (each, an “**Objection**”) to any Proposed Transaction described in such Trading Notice or any Worthless Stock Deduction described in such Worthless Stock Deduction Notice. If the Debtors file an Objection by the expiration of the Objection Period (the “**Objection Deadline**”), then the applicable Proposed Transaction or Worthless Stock Deduction shall not be effective unless and until approved by a final and nonappealable order of the Bankruptcy Court. If the Debtors do not file an Objection by the Objection Deadline or if the Debtors provide written authorization to the Proposed Transferee or the Proposed Transferor, as the case may be, or the Majority Stockholder, as applicable, approving the Proposed Transaction or the Worthless Stock Deduction prior to the Objection Deadline, then such Proposed Transaction or Worthless Stock Deduction may proceed solely as specifically described in the applicable Trading Notice or Worthless Stock Deduction Notice. Any further or alternative Proposed Transaction or Worthless Stock Deduction must be the subject of an additional Trading Notice or Worthless Stock Deduction Notice, as applicable, and Objection Period.

8. Notice of Order. Any person, Entity, or Nominee (as defined in the Motion) acting on such person’s or Entity’s behalf, who sells Beneficial Ownership of Common Stock to another person or Entity, shall be required to send a copy of the Notice of Order annexed to the Order as **Exhibit 1F** to the purchaser of such Beneficial Ownership of Common Stock or any Nominee acting on such purchaser’s behalf.

B. Noncompliance with the Procedures.

Any acquisition, disposition, transfer, trading of, or claim of Worthless Stock Deduction with respect to, Beneficial Ownership of Common Stock (including indirect ownership of, and Options to acquire, Beneficial Ownership of Common Stock) in violation of these Procedures shall be null and void *ab initio* as an act in violation of the automatic stay under section 362 of the Bankruptcy Code and pursuant to the Bankruptcy Court’s equitable powers under section 105(a) of the Bankruptcy Code. In the event that a Majority Stockholder claims a Worthless Stock Deduction in violation of these Procedures, such holder shall be required to file an amended U.S. federal income tax return revoking such deduction. Furthermore, any person or Entity that acquires, disposes of, transfers, or trades, or claims a Worthless Stock Deduction with respect to, Beneficial Ownership of Common Stock (including indirect ownership of, and Options to acquire, Beneficial Ownership of Common Stock) in violation of these Procedures shall be subject to sanctions as provided under the Order and by applicable law.

C. Debtors’ Right to Waive.

The Debtors may, after consultation with First Lien Agent and Consenting Creditor Counsel, in their sole discretion, waive, in writing, any and all of the foregoing restrictions, stays, and notification procedures.

Exhibit 1A

Substantial Stock Ownership Notice

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

	X	
	:	
In re:	:	Chapter 11
	:	
MODIVCARE INC., <i>et al.</i> ,	:	Case No. 25-90309 (ARP)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
	X	

NOTICE OF SUBSTANTIAL STOCK OWNERSHIP

PLEASE TAKE NOTICE that, pursuant to that certain *Order (A) Establishing Notification Procedures and Approving Restrictions on (I) Certain Transfers of Interests in the Debtors, and (II) Claims of Certain Worthless Stock Deductions; and (B) Granting Related Relief* (with all exhibits thereto, the “**Order**”) entered by the United States Bankruptcy Court for the Southern District of Texas on _____, 2025, Docket No. (____), [Name of Filer] (the “**Filer**”) hereby provides notice that, as of the date hereof, the Filer Beneficially Owns² (including direct and indirect ownership):

- (i) _____ shares of Common Stock, and/or
- (ii) Options to acquire Beneficial Ownership of _____ shares of Common Stock.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is _____.

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

1. For Common Stock and/or Options to acquire Beneficial Ownership of Common Stock that are owned directly by the Filer, the table sets forth (a) the number of such shares and/or the number of shares underlying Options to acquire Beneficial Ownership of Common Stock, in each

¹ A complete list of each of the Debtors in these chapter 11 cases (the “**Chapter 11 Cases**”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

² Capitalized terms used, but not otherwise defined herein, shall have the meanings ascribed to them in **Exhibit 1** to the Order.

case, Beneficially Owned by such Filer and (b) the date(s) on which such shares and/or Options to acquire Beneficial Ownership of Common Stock were acquired.

2. In the case of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock that are not owned directly by the Filer but are nonetheless Beneficially Owned by the Filer, the table sets forth (a) the name(s) of each record or legal owner of such shares of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock that are Beneficially Owned by the Filer, (b) the number of shares of Common Stock and/or the number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock Beneficially Owned by such Filer, and (c) the date(s) on which such Common Stock and/or Options to acquire Beneficial Ownership of Common Stock were acquired.

<i>Class</i>	<i>Name of Owner</i>	<i>Shares Beneficially Owned</i>	<i>Shares Underlying Options Beneficially Owned</i>	<i>Date(s) Acquired</i>
Common Stock				

(Attach additional pages if necessary.)

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares that it has examined this notice (this “**Notice**”) and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments that purport to be part of this Notice are true, correct, and complete in all respects.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, this Notice is being filed with the Bankruptcy Court and served on the Disclosure Parties set forth in **Exhibit 1** to the Order.

[Remainder of page intentionally left blank.]

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone],
(Attn:[name of attorney]).]

Respectfully submitted,

(Name of Substantial Shareholder)

By:

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Dated: _____, 20__

_____, _____

(City)

(State)

Exhibit 1B

Acquisition Notice

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

	X	
	:	
In re:	:	Chapter 11
	:	
MODIVCARE INC., <i>et al.</i> ,	:	Case No. 25-90309 (ARP)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
	X	

**NOTICE OF INTENT TO PURCHASE,
ACQUIRE, OR OTHERWISE ACCUMULATE COMMON STOCK**

PLEASE TAKE NOTICE that, pursuant to that certain *Order (A) Establishing Notification Procedures and Approving Restrictions on (I) Certain Transfers of Interests in the Debtors, and (II) Claims of Certain Worthless Stock Deductions; and (B) Granting Related Relief* (with all exhibits thereto, the “**Order**”) entered by the United States Bankruptcy Court for the Southern District of Texas on _____, 2025, Docket No. (____), [Name of Filer] (the “**Filer**”) hereby provides notice of (a) its intention to purchase, acquire, or otherwise accumulate Beneficial Ownership² (including direct and indirect ownership) of one or more shares of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock and/or (b) a proposed purchase, acquisition, or other accumulation of Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock that would result in an increase in the number of shares of Common Stock and/or number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock that are Beneficially Owned by the Filer (any proposed transaction described in clauses (a) or (b), a “**Proposed Transfer**”).

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

1. If the Proposed Transfer involves the purchase or acquisition directly by the Filer of Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock, the table sets forth (a) the number of shares of Common Stock and/or the number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock proposed to be purchased or acquired and (b) the date(s) of such Proposed Transfer.
2. If the Proposed Transfer involves the purchase or acquisition of Beneficial Ownership of

¹ A complete list of each of the Debtors in these chapter 11 cases (the “**Chapter 11 Cases**”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

² Capitalized terms used, but not defined, herein shall have the meanings ascribed to them in **Exhibit 1** to the Order.

Common Stock and/or Options to acquire Beneficial Ownership of Common Stock by a person or Entity other than the Filer, or an indirect purchase or acquisition of Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock by the Filer or another person or Entity other than the Filer, but the Proposed Transfer nonetheless would increase the number of shares of Common Stock and/or number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock that are Beneficially Owned by the Filer, the table sets forth (a) the name(s) of each such person or Entity that proposes to purchase or acquire, directly or indirectly, such shares of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock, (b) the number of shares of Common Stock and/or number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock proposed to be purchased or acquired, directly or indirectly, and (c) the date(s) of such Proposed Transfer.

<i>Class</i>	<i>Name of Purchaser or Acquirer</i>	<i>Shares to be Purchased or Acquired</i>	<i>Shares Underlying Options to be Purchased or Acquired</i>	<i>Date(s) of Proposed Transfer</i>
Common Stock				

(Attach additional page if necessary.)

PLEASE TAKE FURTHER NOTICE that the following table summarizes the Filer's Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock assuming that the Proposed Transfer is approved and consummated as described above. The table sets forth, as of immediately following the consummation of the Proposed Transfer, the number of shares of Common Stock and/or the number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock (a) that would be owned directly by the Filer and, (b) in the case of Beneficial Ownership by the Filer of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock that would be owned by another person or Entity as record or legal owner, the name(s) of each prospective record or legal owner and the number of shares of Common Stock and/or the number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock that would be owned by each such prospective record or legal owner:

<i>Class</i>	<i>Name of Owner</i>	<i>Shares to Be Beneficially Owned</i>	<i>Shares Underlying Options to Be Beneficially Owned</i>
Common Stock			

(Attach additional page if necessary.)

PLEASE TAKE FURTHER NOTICE that if the Proposed Transfer involves a purchase or acquisition of Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock directly by the Filer and such Proposed Transfer would result in (a) an increase in the Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock by a person or Entity (other than the Filer) that currently is a Substantial Stockholder or (b) a person's or Entity's (other than the Filer) becoming a Substantial Stockholder, the following table sets forth (i) the name of each such person or Entity, (ii) the number of shares of Common Stock and/or the number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock that are Beneficially Owned by such person or Entity currently (i.e., prior to the Proposed Transfer), and (iii) the number of shares of Common Stock and/or the number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock that would be Beneficially Owned by such person or Entity immediately following the Proposed Transfer.

<i>Class</i>	<i>Name of Beneficial Owner</i>	<i>Shares Beneficially Owned Currently (i.e., Prior to Proposed Transfer)</i>	<i>Shares to Be Beneficially Owned Following Proposed Transfer</i>	<i>Shares Underlying Options Beneficially Owned Currently (i.e., Prior to Proposed Transfer)</i>	<i>Shares Underlying Options to Be Beneficially Owned Following Proposed Transfer</i>
Common Stock					

(Attach additional page if necessary.)

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is _____.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, this notice (this "**Notice**") is being filed with the Bankruptcy Court and served upon the Disclosure Parties set forth in **Exhibit 1** to the Order.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, the Filer acknowledges that it is prohibited from consummating the Proposed Transfer unless and until it complies with the procedures set forth in the Order.

PLEASE TAKE FURTHER NOTICE that the Debtors have fifteen (15) business days after receipt of this Notice to object to the Proposed Transfer described herein. If the Debtors file an Objection, such Proposed Transfer will remain ineffective unless such Objection is withdrawn or such transaction is approved by a final and non-appealable order of the Bankruptcy Court. If

none of the Debtors objects within such fifteen (15) business-day period, then after expiration of such period the Proposed Transfer may proceed solely as set forth in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by the Filer that may result in it acquiring, purchasing, disposing, selling, or otherwise transferring Beneficial Ownership of shares of Common Stock and/or Options to acquire Common Stock will each require an additional notice filed with the Bankruptcy Court to be served in the same manner as this Notice.

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

[Remainder of page left intentionally blank.]

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

(Name of Declarant)

By:

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Dated: _____, 20__

_____, _____

(City)

(State)

Exhibit 1C

Disposition Notice

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

	X	
	:	
In re:	:	Chapter 11
	:	
MODIVCARE INC., <i>et al.</i> ,	:	Case No. 25-90309 (ARP)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
	X	

**NOTICE OF INTENT TO SELL, TRADE,
OR OTHERWISE TRANSFER COMMON STOCK**

PLEASE TAKE NOTICE that, pursuant to that certain *Order (A) Establishing Notification Procedures and Approving Restrictions on (I) Certain Transfers of Interests in the Debtors, and (II) Claims of Certain Worthless Stock Deductions; and (B) Granting Related Relief* (with all exhibits thereto, the “**Order**”) entered by the United States Bankruptcy Court for the Southern District of Texas on _____, 2025, Docket No. (____), [Name of Filer] (the “**Filer**”) hereby provides notice of (i) its intention to sell, trade, or otherwise transfer or dispose of the Beneficial Ownership² (including direct and indirect ownership) of one or more shares of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock and/or (ii) a proposed sale, transfer, or disposition of the Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock that would result in a decrease in the number of shares of Common Stock and/or number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock that are Beneficially Owned by the Filer (any proposed transaction described in clauses (i) or (ii), a “**Proposed Transfer**”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on _____, 20__, the Filer filed a notice of status as a Substantial Stockholder with the Bankruptcy Court and served copies thereof on the Disclosure Parties as set forth in the Order.

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

1. If the Proposed Transfer involves the sale, transfer, or disposition directly by the Filer of Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock, the table sets forth (a) the number of shares of Common Stock and/or the number

¹ A complete list of each of the Debtors in these chapter 11 cases (the “**Chapter 11 Cases**”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

² Capitalized terms used, but not defined, herein shall have the meanings ascribed to them in **Exhibit 1** to the Order.

of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock proposed to be sold, transferred, or disposed of and (b) the date(s) of such Proposed Transfer.

2. If the Proposed Transfer involves the sale, transfer or disposition of Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock by a person or Entity other than the Filer, or an indirect sale, transfer, trade, or disposition of Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock by the Filer or another person or Entity other than the Filer, but the Proposed Transfer nonetheless would decrease the number of shares of Common Stock and/or number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock that are Beneficially Owned by the Filer, the table sets forth (a) the name(s) of each such person or Entity that proposes to sell, transfer, or dispose of such Common Stock and/or Options to acquire Beneficial Ownership of Common Stock; (b) the number of shares of Common Stock and/or number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock proposed to be so sold, transferred, or disposed of; and (c) the date(s) of such Proposed Transfer.

<i>Class</i>	<i>Name of Transferor</i>	<i>Shares to Be Sold, Transferred, or Disposed Of</i>	<i>Shares Underlying Options to Be Sold, Transferred, or Disposed Of</i>	<i>Date(s) of Proposed Transfer</i>
Common Stock				

(Attach additional page if necessary.)

PLEASE TAKE FURTHER NOTICE that the following table summarizes the Filer's Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock assuming that the Proposed Transfer is approved and consummated as described above. The table sets forth, as of immediately following the consummation of the Proposed Transfer, the number of shares of Common Stock and/or the number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock (a) that would be owned directly by the Filer and, (b) in the case of Beneficial Ownership by the Filer of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock that would be owned by another person or Entity as record or legal owner, the name(s) of each prospective record or legal owner and the number of shares of Common Stock and/or the number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock that would be owned by each such prospective record or legal owner:

<i>Class</i>	<i>Name of Owner</i>	<i>Shares to Be Beneficially Owned</i>	<i>Shares Underlying Options to Be Beneficially Owned</i>
Common Stock			

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(Attach additional page if necessary.)

PLEASE TAKE FURTHER NOTICE that if the Proposed Transfer involves a sale, transfer, or disposition of Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock directly by the Filer and such Proposed Transfer would result in (a) a decrease in the Beneficial Ownership of Common Stock and/or Options to acquire Beneficial Ownership of Common Stock by a person or Entity (other than the Filer) that currently is a Substantial Stockholder or (b) a person's or Entity's (other than the Filer) becoming a Substantial Stockholder, the following table sets forth (i) the name of each such person or Entity, (ii) the number of shares of Common Stock and/or the number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock that are Beneficially Owned by such person or Entity currently (i.e., prior to the Proposed Transfer), and (iii) the number of shares of Common Stock and/or the number of shares of Common Stock underlying Options to acquire Beneficial Ownership of Common Stock that would be Beneficially Owned by such person or Entity immediately following the Proposed Transfer.

<i>Class</i>	<i>Name of Beneficial Owner</i>	<i>Shares Beneficially Owned Currently (i.e., Prior to Proposed Transfer)</i>	<i>Shares to Be Beneficially Owned Following Proposed Transfer</i>	<i>Shares Underlying Options Beneficially Owned Currently (i.e., Prior to Proposed Transfer)</i>	<i>Shares Underlying Options to Be Beneficially Owned Following Proposed Transfer</i>
Common Stock					

(Attach additional page if necessary.)

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is _____.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, this notice (this "**Notice**") is being filed with the Bankruptcy Court and served upon the Disclosure Parties set forth in **Exhibit 1** to the Order.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, the Filer acknowledges that it is prohibited from consummating the Proposed Transfer unless and until it complies with the procedures set forth in the Order.

PLEASE TAKE FURTHER NOTICE that the Debtors have fifteen (15) business days after receipt of this Notice to object to the Proposed Transfer described herein. If the Debtors file an Objection, such Proposed Transfer will remain ineffective unless such Objection is withdrawn

or such transaction is approved by a final and non-appealable order of the Bankruptcy Court. If none of the Debtors objects within such fifteen (15) business-day period, then after expiration of such period the Proposed Transfer may proceed solely as set forth in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by the Filer that may result in it acquiring, purchasing, disposing, selling, or otherwise transferring Beneficial Ownership of shares of Common Stock and/or Options to acquire Common Stock will each require an additional notice filed with the Bankruptcy Court to be served in the same manner as this Notice.

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

[Remainder of page intentionally left blank.]

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone],
(Attn: [name of attorney]).]

Respectfully submitted,

(Name of Declarant)

By:

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Dated: _____, 20__

_____, _____

(City)

(State)

Exhibit 1D

Majority Stockholder Notice

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

	X	
	:	
In re:	:	Chapter 11
	:	
MODIVCARE INC., <i>et al.</i> ,	:	Case No. 25-90309 (ARP)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
	X	

DECLARATION OF STATUS AS A MAJORITY STOCKHOLDER

PLEASE TAKE NOTICE that, pursuant to that certain *Order (A) Establishing Notification Procedures and Approving Restrictions on (I) Certain Transfers of Interests in the Debtors, and (II) Claims of Certain Worthless Stock Deductions; and (B) Granting Related Relief* (with all exhibits thereto, the “**Order**”) entered by the United States Bankruptcy Court for the Southern District of Texas on _____, 2025, Docket No. (____), [Name of Filer] (the “**Filer**”) hereby provides notice that, as of the date hereof, the Filer is/has become a Majority Stockholder.²

PLEASE TAKE FURTHER NOTICE that, as of _____, 20__, the Filer Beneficially Owns (including direct and indirect ownership) _____ shares of and/or interests in Common Stock. The following table sets forth the date(s) on which the Filer acquired such Beneficial Ownership or otherwise had ownership of such Common Stock in an amount sufficient for the Filer to qualify as a Majority Stockholder:

<i>Number of Shares of and/or Interests in Common Stock Beneficially Owned</i>	<i>Date(s) Acquired</i>

¹ A complete list of each of the Debtors in these chapter 11 cases (the “**Chapter 11 Cases**”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

² Capitalized terms used, but not defined, herein shall have the meanings ascribed to them in **Exhibit 1** to the Order.

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(Attach additional pages if necessary.)

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is _____.

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares that it has examined this notice (this “***Notice***”) and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments that purport to be part of this Notice are true, correct, and complete in all respects.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, this Notice is being filed with the Bankruptcy Court and served on the Disclosure Parties set forth in **Exhibit 1** to the Order.

[Remainder of page intentionally left blank.]

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

(Name of 50-Percent Shareholder)

By:

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Dated: _____, 20__

_____, _____

(City)

(State)

Exhibit 1E

Worthless Stock Deduction Notice

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

	X	
	:	
In re:	:	Chapter 11
	:	
MODIVCARE INC., <i>et al.</i> ,	:	Case No. 25-90309 (ARP)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
	:	
	X	

DECLARATION OF INTENT TO CLAIM A WORTHLESS STOCK DEDUCTION

PLEASE TAKE NOTICE that, pursuant to that certain *Order (A) Establishing Notification Procedures and Approving Restrictions on (I) Certain Transfers of Interests in the Debtors, and (II) Claims of Certain Worthless Stock Deductions; and (B) Granting Related Relief* (with all exhibits thereto, the “**Order**”) entered by the United States Bankruptcy Court for the Southern District of Texas on _____, 2025, Docket No. (____), [Name of Filer] (the “**Filer**”) hereby provides notice of its intention to claim a Worthless Stock Deduction² with respect to its Beneficial Ownership of Common Stock (a “**Proposed Deduction**”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on _____, 20__, the Filer filed a Declaration of Status as a Majority Stockholder with the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that the Filer currently Beneficially Owns (including direct and indirect ownership) ____ shares of and/or interests in Common Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Deduction, the Filer proposes to claim a Worthless Stock Deduction with respect to its Beneficial Ownership of ____ shares of and/or interests in Common Stock. If the Proposed Deduction is permitted to occur, the Filer will be treated as having acquired ____ shares of and/or interests in Common Stock on the first day of the Filer’s next taxable year and shall be treated as never having owned such Common Stock during any prior year for the purposes of testing whether an “ownership change” has occurred.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is _____.

¹ A complete list of each of the Debtors in these chapter 11 cases (the “**Chapter 11 Cases**”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

² Capitalized terms used, but not defined, herein shall have the meanings ascribed to them in **Exhibit 1** to the Order.

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares that it has examined this notice (this “**Notice**”) and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments that purport to be part of this Notice are true, correct, and complete in all respects.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, this Notice is being filed with the Bankruptcy Court and served upon the Disclosure Parties set forth in **Exhibit 1** to the Order.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, the Filer acknowledges that it is enjoined from filing an income tax return with respect to the Proposed Deduction unless and until the Filer complies with the procedures set forth in the Order, but the undersigned Majority Stockholder otherwise reserves all rights regarding the Order or the motion granted pursuant thereto.

PLEASE TAKE FURTHER NOTICE that the Debtors have fifteen (15) business days after receipt of this Notice to object to the Proposed Deduction described herein. If the Debtors file an objection, such Proposed Deduction will not be permitted or effective unless approved by a final and non-appealable order of the Bankruptcy Court. If none of the Debtors objects within such fifteen (15) business-day period, then after expiration of such period the Proposed Deduction may proceed solely as set forth in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by the Filer that may result in the Filer filing an income tax return with respect to a Proposed Deduction will each require an additional notice filed with the Bankruptcy Court to be served in the same manner as this Notice.

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares that it has examined this Declaration and accompanying attachments (if any), and, to the best of its knowledge and belief, this Declaration and any attachments which purport to be part of this Declaration are true, correct, and complete.

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

[Remainder of page intentionally left blank.]

Respectfully submitted,

(Name of Declarant)

By:

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Dated: _____, 20____
_____, _____
(City) (State)

Exhibit 1F

Notice of Order

ATTENTION DIRECT AND INDIRECT HOLDERS OF, AND PROSPECTIVE HOLDERS OF, INTERESTS IN COMMON STOCK OR OPTIONS ISSUED BY MODIVCARE INC.:

Upon the motion (the “**Motion**”) of ModivCare Inc. and its affiliate debtors, as debtors and debtors in possession (the “**Debtors**”)¹, on August 20, 2025, the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”), having jurisdiction over the Chapter 11 Cases, which are being jointly administered, solely for procedural purposes, under the case of Debtor ModivCare styled *In re ModivCare, Inc.*, No. 25-90309 (ARP), entered an order establishing procedures (the “**Procedures**”) with respect to transfers of, and claims of worthlessness deductions by a Majority Stockholder (defined herein) with respect to, its beneficial ownership (including direct and indirect ownership) of common stock issued by ModivCare Inc., including options to acquire beneficial ownership of such common stock (collectively, the “**Common Stock**”).

In certain circumstances, the Procedures restrict (a) transactions involving, and require notices of the holdings of and proposed transactions by, any person, group of persons, or entity that is or, as a result of such a transaction, would become a Substantial Stockholder of the Common Stock (including options to acquire beneficial ownership of the Common Stock) and (b) claims by any Majority Stockholder of a worthlessness deduction under section 165 of the Internal Revenue Code of 1986, as amended, with respect to its beneficial ownership of the Common Stock. For purposes of the Procedures, a “**Substantial Stockholder**” is any person or entity (within the meaning of applicable regulations promulgated by the U.S. Department of the Treasury, including certain persons making a coordinated acquisition of stock) that beneficially owns, directly or indirectly (and/or, to the extent provided in applicable regulations promulgated by the U.S. Department of the Treasury, owns options to acquire) at least 643,460 shares of Common Stock (representing approximately 4.5% of all issued and outstanding shares of Common Stock), and a “**Majority Stockholder**” is any person that beneficially owns at least 7,149,570 shares of Common Stock (representing approximately 50% of all issued and outstanding shares of Common Stock) or any person that would be a “50-percent shareholder” (within the meaning of section 382(g)(4)(D) of the Internal Revenue Code of 1986, as amended) of Common Stock if such person claimed a worthlessness deduction with respect to its beneficial ownership of such securities. ***Any prohibited acquisition, dispositions or other transfer of, or claim of a worthlessness deduction with respect to, beneficial ownership of Common Stock (including indirectly or through the grant or transfer of options to acquire beneficial ownership of Common Stock) will be null and void ab initio and may lead to contempt, compensatory damages, punitive damages, or sanctions being imposed by the Bankruptcy Court.***

The Procedures are available: (i) free of charge on the website maintained by the Debtors’ proposed claims, noticing, and solicitation agent, Kurtzman Carson Consultants, LLC d/b/a

¹ A complete list of each of the Debtors in these chapter 11 cases (the “**Chapter 11 Cases**”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

Verita Global, at <https://www.veritaglobal.net/ModivCare>, and (ii) on the docket of the Chapter 11 Cases, No. 25-90309 (ARP), which can be accessed via PACER at <https://www.pacer.gov>.

The requirements set forth in the Procedures are in addition to the requirements of Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws and do not excuse noncompliance therewith.

A direct or indirect holder of, or prospective holder of, common stock issued by ModivCare Inc. that may be or become a Substantial Stockholder or a Majority Stockholder should consult the Procedures.

Dated: _____, 2025

BY ORDER OF THE COURT