

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

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In re: : Chapter 11  
MODIVCARE INC., *et al.*, : Case No. 25-90309 (ARP)  
Debtors.<sup>1</sup> : (Joint Administration Requested)  
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**EMERGENCY MOTION OF DEBTORS FOR ENTRY OF AN  
ORDER (A) APPROVING DEBTORS' PROPOSED FORM OF ADEQUATE  
ASSURANCE OF PAYMENT TO UTILITY PROVIDERS, (B) ESTABLISHING  
PROCEDURES FOR RESOLVING OBJECTIONS BY UTILITY PROVIDERS,  
(C) PROHIBITING UTILITY PROVIDERS FROM ALTERING, REFUSING, OR  
DISCONTINUING SERVICE, AND (D) 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.

<sup>1</sup> 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 the Debtors’ proposed form of adequate assurance of payment to the Utility Providers (as defined below); (b) establishing procedures for resolving objections by the Utility Providers relating to the adequacy of the Debtors’ proposed adequate assurance; (c) prohibiting the Utility Providers from altering, refusing, or discontinuing service to, or discriminating against, the Debtors on account of the commencement of the Chapter 11 Cases or outstanding prepetition invoices; and (d) 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), 366, and 1107(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), rule 9013 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 “**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.<sup>2</sup>

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) in-home personal care (*e.g.* helping with daily activities); (c) remote monitoring 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. Its goal is to make it easier for patients to get care, remove barriers that keep people from staying healthy, and improve overall health outcomes.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the First Day Declaration.

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.

## **DEBTORS’ UTILITIES**

### **I. UTILITY PROVIDERS**

9. In the ordinary course of business, the Debtors incur utility expenses, including electricity, gas, internet, telephone service, water, and other similar services (collectively, the “**Utility Services**”) from a number of utility providers (collectively, the “**Utility Providers**”), which are generally paid on a monthly basis. A nonexclusive list of Utility Providers that provide Utility Services to the Debtors as of the Petition Date is provided on **Exhibit 1** annexed to the Proposed

Order (the “*Utility Services List*”).<sup>3</sup> For the 12 months before the Petition Date, the Debtors estimate that on average, they spend approximately \$314,000 per month on Utility Services. To the best of the Debtors’ knowledge, there are no material defaults or arrearages for the Debtors’ undisputed invoices for prepetition Utility Services, except for approximately \$17,600 owed, in the aggregate, to six Utility Providers.

10. Preserving uninterrupted Utility Services is essential to the Debtors’ ongoing operations and their ability to provide care to patients. Should any Utility Provider alter, refuse, or discontinue service, even briefly, the Debtors’ business operations could be severely disrupted. Such a result may pose risks to the Debtors’ patients, and jeopardize the Debtors’ reorganization efforts to the detriment of all parties in interest. Accordingly, it is essential that the Utility Services continue uninterrupted during the Chapter 11 Cases.

## II. PROPOSED ADEQUATE ASSURANCE

11. The Debtors intend to pay all postpetition obligations owed to the Utility Providers in a timely manner and have sufficient funds to do so through their proposed debtor-in-possession financing and cash generated through operations. To provide the Utility Providers with adequate assurance pursuant to section 366 of the Bankruptcy Code, the Debtors propose to deposit cash in an amount equal to approximately 50% of the one month average cost of Utility Services (less any deposit or amounts guaranteed pursuant to a letter of credit issued in favor of any such Utility Provider that have not been applied to outstanding prepetition amounts) (the “*Adequate Assurance Deposit*”), calculated, where practicable, using the historical average for such payments during the 12 months prior to the Petition Date, into a segregated account for the benefit of the Utility

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<sup>3</sup> The inclusion of any entity in, or omission of any entity from, the Utility Services List is not an admission by the Debtors that such entity is, or is not, a utility within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights and defenses with respect thereto.

Providers (the “*Utility Deposit Account*”). Additionally, the Debtors request the authority to adjust the Adequate Assurance Deposit (up or down) if the Debtors terminate any of the Utility Services provided by a Utility Provider, make other arrangements with certain Utility Providers for adequate assurance of payment, determine that an entity listed on the Utility Services List is not a utility that is subject to section 366 of the Bankruptcy Code, or supplement the Utility Services List to include additional Utility Providers that are subject to section 366 of the Bankruptcy Code. Based on the foregoing, the Debtors propose that the total amount of the Adequate Assurance Deposit will be \$156,834.12.

12. The Adequate Assurance Deposit will be placed into the Utility Deposit Account within 20 days after the entry of the Proposed Order and will be held by the Debtors in the Utility Deposit Account for the benefit of the Utility Providers on the Utility Services List until the earliest of (a) reconciliation and payment by the Debtors of the Utility Provider’s final invoice following the Debtors’ termination of Utility Services from such Utility Provider, (b) the effective date of any chapter 11 plan confirmed in the Chapter 11 Cases, (c) the consummation of a sale, pursuant to section 363 of the Bankruptcy Code, of all or substantially all the assets of the Debtors, or (d) the dismissal of the Chapter 11 Cases. No liens will encumber the Adequate Assurance Deposit or the Utility Deposit Account.

13. The Debtors submit that the Adequate Assurance Deposit, in conjunction with the Debtors’ ability to pay for future Utility Services in the ordinary course of business (collectively, the “*Proposed Adequate Assurance*”), constitutes sufficient adequate assurance to the Utility Providers in full satisfaction of section 366 of the Bankruptcy Code.

### III. PROPOSED ADEQUATE ASSURANCE PROCEDURES

14. Any Utility Provider that is not satisfied with the Proposed Adequate Assurance may request additional or different adequate assurance of future payment (the “*Adequate Assurance Procedures*”) pursuant to the procedures set forth below:

- a. Within three business days after entry of the Proposed Order, the Debtors shall e-mail, serve by mail, or otherwise expeditiously send a copy of this Motion and the Proposed Order to the Utility Providers on the Utility Services List.
- b. The Adequate Assurance Deposit shall be placed into the Utility Deposit Account within 20 days after the entry of the Proposed Order. The funds in the Utility Deposit Account shall constitute adequate assurance for each Utility Provider in the amount set forth for such Utility Provider in the column labeled “Adequate Assurance Deposit” on the Utility Services List.
- c. If an amount relating to Utility Services provided postpetition by a Utility Provider is unpaid, and remains unpaid beyond any applicable grace period, such Utility Provider shall be permitted to file a written notice of such non-payment (the “*Payment Notice*”) with the Court and serve such Payment Notice on: (a) proposed counsel to the Debtors, Latham & Watkins LLP, 1271 Avenue of the Americas, New York, NY 10020, United States (Attn: Jonathan J. Weichselbaum, and Nikhil Gulati (jon.weichselbaum@lw.com, and nikhil.gulati@lw.com)); (b) proposed co-counsel to the Debtors, Hunton Andrews Kurth LLP (Attn: Timothy A. (“Tad”) Davidson II, and Brandon Bell (taddavidson@hunton.com, and bbell@hunton.com)); (c) counsel to the First Lien Agent and the Consenting Creditors, Paul Hastings LLP (Attn: Kris Hansen, and Matt Warren (krishansen@paulhastings.com, and mattwarren@paulhastings.com)); (d) counsel to any statutory committee appointed in these cases, if any; and (e) the U.S. Trustee (Attn: Jana Whitworth, Andrew Jimenez, and Alina Samko-Yu (janawhitworth@usdoj.gov, andrew.jimenez@usdoj.gov, alina.samko-yu@usdoj.com)) (collectively, the “*Utility Notice Parties*”). Such Payment Notice must set forth (a) the amount owing, (b) the location for which Utility Services are provided, and (c) each of the Debtors’ account numbers with the Utility Company that have become delinquent.
- d. If a Payment Notice is properly provided as described above, and such non-payment is not cured and no Utility Notice Party has objected to the Payment Notice within 10 days of its receipt thereof, the Debtors will be required to (a) remit to such Utility from the Adequate Assurance Deposit the amount of postpetition charges claimed as being owed in the Payment Notice, and (b) replenish the Adequate Assurance Deposit for the amount remitted to such Utility Company. If a Utility Notice Party objects to the Payment Notice, then the Debtors shall request a hearing before the Court to determine whether a payment should be remitted from the Adequate Assurance Deposit and, if such payment is warranted, the amount to be remitted.

- e. The portion of the Adequate Assurance Deposit attributable to each Utility Provider shall be returned to the Debtors, or successors thereto, as applicable, automatically, without further order of the Court, on the earliest of (a) reconciliation and payment by the Debtors of the Utility Provider's final invoice following the Debtors' termination of Utility Services from such Utility Provider, (b) the effective date of any chapter 11 plan confirmed in the Chapter 11 Cases, (c) the consummation of a sale, pursuant to section 363 of the Bankruptcy Code, of all or substantially all the assets of the Debtors, or (d) the dismissal of the Chapter 11 Cases.
- f. Any Utility Provider desiring additional assurances of payment in the form of deposits, prepayments, or otherwise must serve a request for additional assurance (an "***Additional Assurance Request***") on the Utility Notice Parties. Utility Providers shall not file Additional Assurance Requests with the Court.
- g. The Additional Assurance Request must (a) be made in writing, (b) set forth the location(s) for which Utility Services are provided, the account number(s) for such location(s), and the outstanding balance for each such account, (c) summarize the Debtors' payment history relevant to the affected account(s), including any security deposits or surety bonds, (d) set forth the amount and nature of the adequate assurance of payment that would be satisfactory to the Utility Provider, (e) explain why the Utility Provider believes the Proposed Adequate Assurance is not sufficient adequate assurance of future payment, and (f) provide an email address to which the Debtors may respond to the Additional Assurance Request.
- h. An Additional Assurance Request may be made no later than 20 days after entry of the Proposed Order. If a Utility Provider fails to serve an Additional Assurance Request on the Utility Notice Parties within the 20 days after entry of the Proposed Order, the Utility Provider shall be (a) deemed to have received "satisfactory" adequate assurance of payment in compliance with section 366 of the Bankruptcy Code and (b) forbidden from discontinuing, altering, or refusing Utility Services to, or discriminating against, the Debtors on account of any unpaid prepetition charges or requiring additional assurance of payment other than the Proposed Adequate Assurance.
- i. The Debtors may, without further order from the Court, resolve an Additional Assurance Request by mutual agreement with a Utility Provider, and the Debtors may, in connection with any such agreement, provide a Utility Provider with additional adequate assurance of payment including cash deposits, prepayments, or other forms of security if the Debtors believe that such adequate assurance is reasonable; *provided, however*, that the Debtors shall maintain a summary record of such agreements and their respective terms, and such summary record and the agreements themselves shall be available to any official committee appointed in these cases and the United States Trustee for the Southern District of Texas (the "***U.S. Trustee***"); *provided, further*, that to the extent the Debtors provide a Utility Provider with additional adequate assurance of payment, such Utility Provider shall promptly return or release, as applicable, such additional adequate assurance of payment on the earliest of (a) reconciliation and payment by the Debtors of the



Utility Provider's final invoice following the Debtors' termination of Utility Services from such Utility Provider, (b) the effective date of any chapter 11 plan confirmed in the Chapter 11 Cases, (c) the consummation of a sale, pursuant to section 363 of the Bankruptcy Code, of all or substantially all the assets of the Debtors, or (d) the dismissal of the Chapter 11 Cases.

- j. If the Debtors and the Utility Provider are not able to reach a resolution within 14 days of receipt of the Additional Assurance Request, the Debtors shall request a hearing before the Court to determine the adequacy of assurances of payment with respect to a particular Utility Provider (the "**Determination Hearing**") pursuant to section 366(c)(3) of the Bankruptcy Code.
- k. Pending resolution of the Determination Hearing, the Utility Provider that served the Additional Assurance Request shall be prohibited from altering, refusing, or discontinuing Utility Services to the Debtors, or discriminating against the Debtors, on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.
- l. The Determination Hearing shall be an evidentiary hearing at which the Court will determine whether the Adequate Assurance Deposit and any additional adequate assurance of payment requested by the Utility Provider should be modified pursuant to section 366(c)(3) of the Bankruptcy Code. At such Determination Hearing, the Utility Provider shall have the burden, including, for the avoidance of doubt, the evidentiary burden, of demonstrating that the Adequate Assurance Deposit should be modified, including by providing additional adequate assurance of payment.
- m. Absent compliance with the Adequate Assurance Procedures and the terms of the orders granting the relief requested herein, the Utility Provider (including Utility Providers subsequently added to the Utility Services List) shall not (a) alter, refuse, or discontinue services to, or discriminate against, the Debtors on account of unpaid prepetition invoices or due to the commencement of the Chapter 11 Cases or (b) require the Debtors to pay a deposit or other security in connection with the provision of postpetition Utility Services, other than the funding of the Adequate Assurance Deposit, without prejudice to the Utility Provider's right to seek modification of the Proposed Adequate Assurance under section 366(c)(3)(A).
- n. In addition, the Utility Providers are prohibited from unilaterally applying any payments on account of postpetition services to any outstanding prepetition invoices or drawing upon any existing security deposit, surety bond, or other form of security to secure future payment for Utility Services.
- o. Notwithstanding anything in the Proposed Order to the contrary, upon a timely motion filed with the Court and served on the Utility Notice Parties by any Utility Provider, the Court shall conduct a hearing on or before the date that is 30 days following the Petition Date to resolve any disputes between the Debtors and such Utility Provider regarding the Adequate Assurance Procedures or the Proposed Adequate Assurance.

#### IV. SUBSEQUENT MODIFICATIONS OF UTILITY SERVICES LIST

15. Although the Debtors have made an extensive and good faith effort to identify all of the Utility Providers that provide Utility Services as set forth on the Utility Services List, certain Utility Providers may not be listed therein. To the extent the Debtors identify additional Utility Providers or require the services of a new Utility Provider (a “*Subsequently Identified Utility Provider*”), the Debtors shall promptly file amendments to the Utility Services List and serve copies of the order granting this Motion on any Subsequently Identified Utility Providers, along with an amended Utility Services List that includes such Subsequently Identified Utility Provider.

16. The Debtors shall serve a copy of the Proposed Order upon any Subsequently Identified Utility Provider added to the Utility Services List within three business days of such addition. Upon such amendment, any Subsequently Identified Utility Provider that is added to the Utility Services List has the right to object to such inclusion within 14 days after it receives notice of this Motion and the Proposed Order. If no objection is timely received by the Debtors, the Debtors request that the provisions of the Proposed Order apply to the Subsequently Identified Utility Provider. Should any objection be timely made and received by the Debtors, such Subsequently Identified Utility Provider shall be permitted to make an Additional Assurance Request in accordance with the Adequate Assurance Procedures set forth herein.

17. The Debtors shall increase the amount of the Adequate Assurance Deposit if a Subsequently Identified Utility Provider is added to the Utility Services List by an amount equal to 50% of one month average cost of the Utility Services provided by such Subsequently Identified Utility Provider, calculated, where practicable, using the historical average for such payments during the 12 months prior to the Petition Date.

18. The Debtors propose that they may terminate the services of any Utility Provider and reduce the Adequate Assurance Deposit by the amount held on account of such terminated

Utility Provider upon reconciliation and payment by the Debtors of the Utility Provider's final invoice in accordance with applicable non-bankruptcy law following the Debtors' termination of Utility Services provided by such Utility Provider; *provided*, that there are no outstanding disputes related to postpetition payments due; *provided, further*, that that Debtors shall, to the extent reasonably practicable, provide at least seven days' notice to any Utility Provider prior to removal of such Utility Provider from the Utility Services List. The Debtors request that the Proposed Order, once entered, bind all Utility Providers, regardless of when the Utility Providers are added to the Utility Services List.

### **BASIS FOR RELIEF**

19. Section 1107(a) of the Bankruptcy Code "contains an implied duty of the debtor-in-possession to 'protect and preserve the estate, including an operating business' going-concern value.'" *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)).

20. The relief requested in this Motion will help ensure the continuation of the Debtors' business at this critical juncture as they transition into chapter 11. The relief requested also provides the Utility Providers with a fair and orderly procedure for determining requests for additional adequate assurance, without which the Debtors could be forced to address multiple requests by Utility Providers in a disorganized manner when the Debtors' efforts should be more productively focused on continuing to operate and restructure their businesses for the benefit of all parties in interest.

#### **I. PROPOSED ADEQUATE ASSURANCE IS SUFFICIENT.**

21. Section 366 of the Bankruptcy Code is designed to serve the dual purposes of protecting a debtor from being cut off from utility services and providing utility companies with "adequate assurance" that the debtor will be able to pay for postpetition services. *See* H.R. Rep.

No. 95-595, at 350 (1977), *as reprinted in* 1978 U.S.C.C.A.N 5963, 6306. To that end, pursuant to section 366(c) of the Bankruptcy Code, during the first 30 days of a chapter 11 case, a utility provider may not alter, refuse, or discontinue service to, or discriminate against, a debtor solely on the basis of the commencement of a chapter 11 case or unpaid prepetition amounts, but after the first 30 days, a utility provider may alter, refuse, or discontinue service if a debtor does not provide adequate “assurance of payment” for postpetition utility services in satisfactory form. *See* 11 U.S.C. § 366(c).

22. Section 366(c)(1)(A) of the Bankruptcy Code defines “assurance of payment” of postpetition charges as “(i) a cash deposit; (ii) a letter of credit; (iii) a certificate of deposit; (iv) a surety bond; (v) a prepayment of utility consumption; or (vi) another form of security that is mutually agreed on between the utility and the debtor or the trustee.” 11 U.S.C. § 366(c)(1)(A). Section 366(c)(1)(B) of the Bankruptcy Code expressly excludes from such definition an administrative expense priority for a utility’s claim. *See id.* § 366(c)(1)(B). In addition, section 366(c)(3)(B) of the Bankruptcy Code provides a list of factors that courts are not to consider when evaluating whether a proposed adequate assurance payment is in fact adequate. *See id.* § 366(c)(3)(B). These factors include (i) the absence of security before the petition date, (ii) the debtor’s history of timely payments, and (iii) the availability of an administrative expense priority.

23. Although section 366(c) of the Bankruptcy Code clarifies what does and does not constitute “assurance of payment” and what can be considered in determining whether such assurance is adequate, Congress, in enacting such section, did not divest the Court of its power to determine what amount, if any, is necessary to provide adequate assurance of payment to a Utility Provider. *See* 11 U.S.C. § 366(c). Specifically, section 366(c)(3)(A) of the Bankruptcy Code

states that “[o]n request of a party in interest and after notice and a hearing, the court may order modification of the amount of an assurance of payment.” *Id.* § 366(c)(3)(A). Thus, there is nothing to prevent a court from deciding, on the facts of the case before it, that the amount required of a debtor to provide adequate assurance of payment to a utility provider should be nominal or even zero. *See, e.g., In re SQLC Senior Living Ctr. at Corpus Christi, Inc.*, Case No. 19-20063 (DRJ) (Bankr. S.D. Tex. Feb. 12, 2019) (Docket No. 40); *In re Pac-West Telecomm, Inc.*, Case No. 07-10562 (BLS) (Bankr. D. Del. May 2, 2007) (Docket No. 39) (approving adequate assurance in the form of one-time supplemental prepayment to each utility company equal to prorated amount of one week’s charges). Prior to the enactment of section 366(c) of the Bankruptcy Code, courts frequently made such rulings pursuant to section 366(b) of the Bankruptcy Code. *See Va. Elec. & Power Co. v. Caldor, Inc.-N.Y.*, 117 F.3d 646, 650 (2d Cir. 1997) (“Even assuming that ‘other security’ should be interpreted narrowly, we agree with the appellees that a bankruptcy court’s authority to ‘modify’ the level of the ‘deposit or other security,’ provided for under § 366(b), includes the power to require no ‘deposit or other security’ where none is necessary to provide a utility supplier with ‘adequate assurance of payment.’”).

24. Although section 366(c)(2) of the Bankruptcy Code allows a utility to take action if the debtor fails to provide adequate assurance of payment that is “satisfactory” to the utility, it is the bankruptcy court and not the utility provider that is the ultimate arbiter of what is “satisfactory” assurance after taking into consideration the relationship between the debtor and the utility. *See, e.g., In re Penn Cent. Transp. Co.*, 467 F.2d 100, 103–04 (3d Cir. 1972) (affirming the bankruptcy court’s decision that no utility deposit was necessary where such deposits would “jeopardize the continuing operation of the [debtor] merely to give further security to suppliers who already [were] reasonably protected”); *see, e.g., In re Heard*, 84 B.R. 454, 459 (Bankr. W.D.

Tex. 1987) (holding that since the utility had not had any difficulty with the debtors during 14 years of service, “the utility need[ed] no adequate assurance”). Indeed, section 366 of the Bankruptcy Code only requires that assurance of payment be “adequate,” and courts construing section 366(b) have long recognized that adequate assurance of payment does not constitute an absolute guarantee of the debtor’s ability to pay. *See, e.g., In re Caldor, Inc.-N.Y.*, 199 B.R. 1, 3 (S.D.N.Y. 1996) (“Section 366(b) requires the Bankruptcy Court to determine whether the circumstances are sufficient to provide a utility with ‘adequate assurance’ of payment. The statute does not require an ‘absolute guarantee of payment.’” (citation omitted)), *aff’d sub nom. Va. Elec. & Power Co. v. Caldor, Inc.-N.Y.*, 117 F.3d 646 (2d Cir. 1997); *In re New Rochelle Tel. Corp.*, 397 B.R. 633, 639 (Bankr. E.D.N.Y. 2008) (“Adequate assurance, however, is not a guarantee of payment; rather, it is intended to guard against the utility assuming an unreasonable risk of non-payment.”).

25. Further, courts consider what is “need[ed] of the utility for assurance, and... require that the debtor supply no more than that, since the debtor almost perforce has a conflicting need to conserve scarce financial resources.” *Va. Elec.*, 117 F.3d at 650. Indeed, “[c]ourts will approve an amount that is adequate enough to insure against unreasonable risk of nonpayment, but are not required to give the equivalent of a guaranty of payment in full.” *In re Great Atl. & Pac. Tea Co.*, No. 11-CV-1338 (CS), 2011 WL 5546954, at \*5 (S.D.N.Y. Nov. 14, 2011) (citations omitted).

26. Here, the Utility Providers are adequately assured against any risk of nonpayment for future services. The Adequate Assurance Deposit and the Debtors’ ability to meet obligations as they come due in the ordinary course provide assurance of the Debtors’ payment of their future obligations to the Utility Providers. To the best of the Debtors’ knowledge, there are no material defaults or arrearages for the Debtors’ undisputed invoices for prepetition Utility Services, other than payment interruptions that may be caused by the commencement of the Chapter 11 Cases.

Accordingly, the Adequate Assurance Deposit and the Debtors' ongoing ability to meet obligations as they come due in the ordinary course provide assurance of the Debtors' payment of their future obligations to the Utility Providers. Moreover, termination of the Utility Services could result in the Debtors' inability to operate their businesses to the detriment of all stakeholders. *See In re Pilgrim's Pride Corp.*, No. 08-45664 (DML), 2009 WL 7313309, at \*2 (Bankr. N.D. Tex. Jan. 4, 2009) ("The consequences of an unexpected termination of utility service to [the debtors] could be catastrophic."); *In re Monroe Well Serv., Inc.*, 83 B.R. 317, 321–22 (Bankr. E.D. Pa. 1988) (noting that without utility service the debtors "would have to cease operations" and that section 366 of the Bankruptcy Code "was intended to limit the leverage held by utility companies, not increase it.").

## **II. ADEQUATE ASSURANCE PROCEDURES ARE REASONABLE AND APPROPRIATE.**

27. The Court has the power to approve these Adequate Assurance Procedures pursuant to section 105(a) of the Bankruptcy Code, which provides that a bankruptcy court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions" of the Bankruptcy Code. The proposed Adequate Assurance Procedures are reasonable because they will ensure that the Utility Services continue while providing a streamlined process for Utility Providers to challenge the adequacy of the Proposed Adequate Assurance or seek an alternative form of adequate assurance. If a Utility Provider does not believe the Proposed Adequate Assurance is "satisfactory," such Utility Provider may file an objection or an Additional Assurance Request pursuant to the Adequate Assurance Procedures described above.

28. The Adequate Assurance Procedures are necessary and appropriate to carry out the provisions of the Bankruptcy Code, particularly section 366, and the Court has regularly approved similar procedures in comparable complex Chapter 11 Cases. Accordingly, the Proposed

Adequate Assurance Deposit and the Adequate Assurance Procedures are necessary, appropriate, and in the best interests of the Debtors' estates and all other parties-in-interest in the Chapter 11 Cases. Accordingly, the Court should grant the relief requested herein in full.

### **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 and in the First Day Declaration, immediate and irreparable harm would result if the relief requested herein is not granted. 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; (h) an admission that any lien satisfied pursuant to this Motion is valid (and all rights to contest the extent, validity, or perfection or seek avoidance of all such liens are expressly reserved); or (i) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' or any other party in interest's rights to dispute such claim subsequently.

### **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, counsel to the First Lien Agent and the Consenting Creditors; (c) counsel to the DIP Lenders; (d) the Utility Providers; (e) the creditors listed on the Debtors' consolidated list of 30 creditors holding the largest unsecured claims; (f) the United States Attorney for the Southern District of Texas; (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](http://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>.

*[Remainder of page intentionally left blank.]*

**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. <sup>1</sup>	:	(Jointly Administered)
	:	
	X	

**ORDER (A) APPROVING DEBTORS’  
PROPOSED FORM OF ADEQUATE ASSURANCE  
OF PAYMENT TO UTILITY PROVIDERS, (B) ESTABLISHING  
PROCEDURES FOR RESOLVING OBJECTIONS BY UTILITY PROVIDERS,  
(C) PROHIBITING UTILITY PROVIDERS FROM ALTERING, REFUSING,  
OR DISCONTINUING SERVICE, AND (D) GRANTING RELATED RELIEF  
[Relates to Docket No. \_\_\_\_]**

Upon the emergency motion (the “*Motion*”)<sup>2</sup> of the Debtors for entry of an order (this “*Order*”) (a) approving the Debtors’ proposed form of adequate assurance of payment to the Utility Providers, (b) establishing procedures for resolving objections by the Utility Providers relating to the adequacy of the Debtors’ proposed adequate assurance, (c) prohibiting the Utility Providers from altering, refusing, or discontinuing service to, or discriminating against, the Debtors on account of the commencement of the Chapter 11 Cases or outstanding prepetition invoices, and (d) 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

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<sup>1</sup> 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.

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

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 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; 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 Adequate Assurance Deposit and the Adequate Assurance Procedures are hereby approved and are deemed adequate assurance of future payment as required by section 366 of the Bankruptcy Code.

2. The Debtors shall deposit the Adequate Assurance Deposit in the amount of \$156,834.12 in a segregated account for the benefit of the Utility Providers within 20 days after the entry of this Order. The Debtors are authorized to cause the Adequate Assurance Deposit to be held in the Utility Deposit Account until the earliest of (a) reconciliation and payment by the Debtors of the Utility Provider's final invoice following the Debtors' termination of Utility Services from such Utility Provider, (b) the effective date of any chapter 11 plan confirmed in the Chapter 11 Cases, (c) the consummation of a sale, pursuant to section 363 of the Bankruptcy Code, of all or substantially all the assets of the Debtors, or (d) the dismissal of the Chapter 11 Cases.

3. No liens shall encumber the Adequate Assurance Deposit or the Utility Deposit Account.

4. The following Adequate Assurance Procedures are hereby approved:

- a. Within two business days after entry of this Order, the Debtors shall e-mail, serve by mail, or otherwise expeditiously send a copy of the Motion and this Order to the Utility Providers on the Utility Services List.
- b. The Adequate Assurance Deposit shall be placed into the Utility Deposit Account within 20 days after the entry of this Order. The funds in the Utility Deposit Account shall constitute adequate assurance for each Utility Provider in the amount set forth for such Utility Provider in the column labeled “Adequate Assurance Deposit” on the Utility Services List.
- c. If an amount relating to Utility Services provided postpetition by a Utility Provider is unpaid, and remains unpaid beyond any applicable grace period, such Utility Provider shall be permitted to file a written notice of such non-payment (the “**Payment Notice**”) with the Court and serve such Payment Notice on: (a) proposed counsel to the Debtors, Latham & Watkins LLP, 1271 Avenue of the Americas, New York, NY 10020, United States (Attn: Jonathan J. Weichselbaum, and Nikhil Gulati (jon.weichselbaum@lw.com, and nikhil.gulati@lw.com)); (b) proposed co-counsel to the Debtors, Hunton Andrews Kurth LLP (Attn: Timothy A. (“Tad”) Davidson II, and Brandon Bell (taddavidson@hunton.com, and bbell@hunton.com)); (c) counsel to the First Lien Agent and the Consenting Creditors, Paul Hastings LLP (Attn: Kris Hansen, and Matt Warren (krishansen@paulhastings.com, and mattwarren@paulhastings.com)); (d) counsel to any statutory committee appointed in these cases, if any; and (f) the U.S. Trustee (Attn: Jana Whitworth, Andrew Jimenez, and Alina Samko-Yu (janawhitworth@usdoj.gov, andrew.jimenez@usdoj.gov, alina.samko-yu@usdoj.com)) (collectively, the “**Utility Notice Parties**”). Such Payment Notice must set forth (a) the amount owing, (b) the location for which Utility Services are provided, and (c) each of the Debtors’ account numbers with the Utility Company that have become delinquent.
- d. If a Payment Notice is properly provided as described above, and such non-payment is not cured and no Utility Notice Party has objected to the Payment Notice within 10 days of its receipt thereof, the Debtors will be required to (a) remit to such Utility from the Adequate Assurance Deposit the amount of postpetition charges claimed as being owed in the Payment Notice, and (b) replenish the Adequate Assurance Deposit for the amount remitted to such Utility Company. If a Utility Notice Party objects to the Payment Notice, then the Debtors shall request a hearing before the Court to determine whether a payment should be remitted from the Adequate

Assurance Deposit and, if such payment is warranted, the amount to be remitted.

- e. The portion of the Adequate Assurance Deposit attributable to each Utility Provider shall be returned to the Debtors, or successors thereto, as applicable, automatically, without further order of the Court, on the earliest of (a) reconciliation and payment by the Debtors of the Utility Provider's final invoice following the Debtors' termination of Utility Services from such Utility Provider, (b) the effective date of any chapter 11 plan confirmed in the Chapter 11 Cases, (c) the consummation of a sale, pursuant to section 363 of the Bankruptcy Code, of all or substantially all the assets of the Debtors, or (d) the dismissal of the Chapter 11 Cases.
- f. Any Utility Provider desiring additional assurances of payment in the form of deposits, prepayments, or otherwise must serve a request for additional assurance (an "***Additional Assurance Request***") on the Utility Notice Parties. Utility Providers shall not file Additional Assurance Requests with the Court.
- g. The Additional Assurance Request must (a) be made in writing, (b) set forth the location(s) for which Utility Services are provided, the account number(s) for such location(s), and the outstanding balance for each such account, (c) summarize the Debtors' payment history relevant to the affected account(s), including any security deposits or surety bonds, (d) set forth the amount and nature of the adequate assurance of payment that would be satisfactory to the Utility Provider, (e) explain why the Utility Provider believes the Proposed Adequate Assurance is not sufficient adequate assurance of future payment, and (f) provide an email address to which the Debtors may respond to the Additional Assurance Request.
- h. An Additional Assurance Request may be made no later than 20 days after entry of this Order. If a Utility Provider fails to serve an Additional Assurance Request on the Utility Notice Parties within the 20 days after entry of the Proposed Order, the Utility Provider shall be (a) deemed to have received "satisfactory" adequate assurance of payment in compliance with section 366 of the Bankruptcy Code and (b) forbidden from discontinuing, altering, or refusing Utility Services to, or discriminating against, the Debtors on account of any unpaid prepetition charges or requiring additional assurance of payment other than the Proposed Adequate Assurance.
- i. The Debtors may, without further order from the Court, resolve an Additional Assurance Request by mutual agreement with a Utility Provider, and the Debtors may, in connection with any such agreement, provide a Utility Provider with additional adequate assurance of payment including cash deposits, prepayments, or other forms of security if the Debtors believe that such adequate assurance is reasonable; *provided, however*, that the



Debtors shall maintain a summary record of such agreements and their respective terms, and such summary record and the agreements themselves shall be available to any official committee appointed in these cases and the United States Trustee for the Southern District of Texas (the “*U.S. Trustee*”); *provided, further*, that to the extent the Debtors provide a Utility Provider with additional adequate assurance of payment, such Utility Provider shall promptly return or release, as applicable, such additional adequate assurance of payment on the earliest of (a) reconciliation and payment by the Debtors of the Utility Provider’s final invoice following the Debtors’ termination of Utility Services from such Utility Provider, (b) the effective date of any chapter 11 plan confirmed in the Chapter 11 Cases, (c) the consummation of a sale, pursuant to section 363 of the Bankruptcy Code, of all or substantially all the assets of the Debtors, or (d) the dismissal of the Chapter 11 Cases.

- j. If the Debtors and the Utility Provider are not able to reach a resolution within 14 days of receipt of the Additional Assurance Request, the Debtors shall request a hearing before the Court to determine the adequacy of assurances of payment with respect to a particular Utility Provider (the “*Determination Hearing*”) pursuant to section 366(c)(3) of the Bankruptcy Code.
- k. Pending resolution of the Determination Hearing, the Utility Provider that served the Additional Assurance Request shall be prohibited from altering, refusing, or discontinuing Utility Services to the Debtors, or discriminating against the Debtors, on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.
- l. The Determination Hearing shall be an evidentiary hearing at which the Court will determine whether the Adequate Assurance Deposit and any additional adequate assurance of payment requested by the Utility Provider should be modified pursuant to section 366(c)(3) of the Bankruptcy Code. At such Determination Hearing, the Utility Provider shall have the burden, including, for the avoidance of doubt, the evidentiary burden, of demonstrating that the Adequate Assurance Deposit should be modified, including by providing additional adequate assurance of payment.
- m. Absent compliance with the Adequate Assurance Procedures and the terms of this Order, the Utility Provider (including Utility Providers subsequently added to the Utility Services List) shall not (a) alter, refuse, or discontinue services to, or discriminate against, the Debtors on account of unpaid prepetition invoices or due to the commencement of the Chapter 11 Cases or (b) require the Debtors to pay a deposit or other security in connection with the provision of postpetition Utility Services, other than the funding of the Adequate Assurance Deposit, without prejudice to the Utility Provider’s right to seek modification of the Proposed Adequate Assurance under section 366(c)(3)(A).

- n. In addition, the Utility Providers are prohibited from unilaterally applying any payments on account of postpetition services to any outstanding prepetition invoices or drawing upon any existing security deposit, surety bond, or other form of security to secure future payment for Utility Services.
- o. Notwithstanding anything in this Order to the contrary, upon a timely motion filed with the Court and served on the Utility Notice Parties by any Utility Provider, the Court shall conduct a hearing on or before the date that is 30 days following the Petition Date to resolve any disputes between the Debtors and such Utility Provider regarding the Adequate Assurance Procedures or the Proposed Adequate Assurance.

5. Absent compliance with the procedures set forth in the Motion and this Order, the Utility Providers, including, without limitation, those listed on **Exhibit 1** annexed hereto, are prohibited from altering, refusing, or discontinuing Utility Services, or otherwise discriminating against the Debtors, on account of any unpaid prepetition charges or any perceived inadequacy of the Debtors' Proposed Adequate Assurance. The Utility Providers are prohibited from requiring additional adequate assurance of payment other than pursuant to the Adequate Assurance Procedures set forth herein.

6. The inclusion of any entity in, as well as any omission of any entity from, the Utility Services List shall not be deemed an admission by the Debtors that such entity is, or is not, a utility within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights and defenses with respect thereto.

7. The Debtors are authorized to amend the Utility Services List attached hereto as **Exhibit 1** to add or delete any Utility Providers, with such amendment to be filed with the Court and timely served on the affected Utility Provider (the “***Subsequently Identified Utility Provider***”) to allow sufficient time for parties to object. The Debtors shall serve a copy of this Order upon any Subsequently Identified Utility Provider added to the Utility Services List within three business days of such addition. Upon such amendment, any Subsequently Identified Utility Provider that is added to the Utility Services List has the right to object to such inclusion within

14 days after it receives notice of the Motion and this Order. If no objection is timely received by the Debtors, the provisions of this Order shall apply to the Subsequently Identified Utility Provider. Should any objection be timely made and received by the Debtors, such Subsequently Identified Utility Provider shall be permitted to make an Additional Assurance Request in accordance with the Adequate Assurance Procedures set forth herein.

8. The Debtors shall increase the amount of the Adequate Assurance Deposit if a Subsequently Identified Utility Provider is added to the Utility Services List by an amount equal to 50% of one month average cost of the Utility Services provided by such Subsequently Identified Utility Provider, calculated, where practicable, using the historical average for such payments during the 12 months prior to the Petition Date.

9. The Debtors may terminate the services of any Utility Provider and reduce the Adequate Assurance Deposit by the amount held on account of such terminated Utility Provider upon reconciliation and payment by the Debtors of the Utility Provider's final invoice in accordance with applicable non-bankruptcy law following the Debtors' termination of Utility Services provided by such Utility Provider; *provided*, that there are no outstanding disputes related to postpetition payments due; *provided, further*, that that Debtors shall, to the extent reasonably practicable, provide at least seven days' notice to any Utility Provider prior to removal of such Utility Provider from the Utility Services List.

10. The relief granted herein is for all Utility Providers providing Utility Services to the Debtors, regardless of when the Utility Providers are added to the Utility Services List.

11. Nothing in the Motion or this Order, or any payment made 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; (h) an admission that any lien satisfied pursuant to the Motion is valid (and all rights to contest the extent, validity, or perfection or seek avoidance of all such liens are expressly reserved); or (i) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code. Any payment made pursuant to this Order is not intended to be and should not be construed as an admission to the validity of any claim or waiver of the Debtors' or any other party in interest's rights to dispute such claim subsequently.

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

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

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

15. 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****Utility Services List**

Utility Company	Account Number/s	Type of Service Provided	Mailing Address	Approximate Monthly Average	Adequate Assurance Deposit
11:11 SYSTEMS, INC.	1000206538	Telecom Implementation and Support	1235 NORTH LOOP WEST SUITE 800 HOUSTON, TX 77008 United States of America	\$7,191	\$3,595
8X8 INC	QB198072701121	Telecom	675 CREEKSIDE WAY CAMPBELL, CA 95008 United States of America	\$10,031	\$5,015
A&E LOW VOLTAGE SOLUTIONS LLC	LICENSE # ELEC.0207196-L5	Telecom / Wi-Fi	1190 PECK LANE CHESHIRE, CT 06410 United States of America	\$32	\$16
AMERICAN ELECTRIC POWER	6122007138, 2215579448	Electric	a/c# 061-220-071-3-8 PO BOX 371496 PITTSBURGH, PA 15250-7496 United States of America	\$42	\$21
AT&T	9002, 2521, 937R01099912	Telecom	PO BOX 5019 CAROL STREAM, IL 60197-5019 United States of America	\$3,011	\$1,506
AT&T MOBILITY	2396311, 287318703922	Telecom	PO BOX 6463 CAROL STREAM, IL 60197-6463 United States of America	\$5,009	\$2,504
ATMOS ENERGY CORPORATION	3064141405	Natural Gas	PO BOX 740353 CINCINNATI, OH 45274-0353 United States of America	\$281	\$140
Bandwidth Inc.	BW-7057664	Telecom Implementation and Support	2230 BANDMATE WAY RALEIGH, NC 27607-6383 United States of America	\$114,964	\$57,482

Utility Company	Account Number/s	Type of Service Provided	Mailing Address	Approximate Monthly Average	Adequate Assurance Deposit
BOROUGH OF CLARKS SUMMIT	2754	Wastewater	304 South State Street Clarks Summit, PA 18411-1592 United States of America	\$149	\$74
CHARTER COMMUNICATIONS	8358-12-002-0013253	Telecom	PO BOX 6030 CAROL STREAM, IL 60197-6030 United States of America	\$72	\$36
CINCINNATI BELL (PO 748001)	513D131157168, 9375147436843, 9372470140320	Telecom	P.O. Box 748001 Cincinnati, OH 45274-8001 United States of America	\$27,316	\$13,658
CITY OF SULLIVAN (CIVIC CENTER)	2497503004	Electric	2 W. Harrison Street Sullivan, IL 61951 United States of America	\$1,128	\$564
COGENT COMMUNICATIONS, LLC	HIGIHIGI00002, MODIVCAR90001, MODIVCAR00003, MODIVCAR00001, MODIVCAR00002, CAREFIND00004	Telecom	PO BOX 791087 BALTIMORE, MD 21279-1087 United States of America	\$3,394	\$1,697
COLOGIX	315681, 1920331	Telecom Implementation and Support	PO Box 732353 Dallas, TX 75373-2353 United States of America	\$9,563	\$4,782
COMCAST	6161, 6381, 5674, 8495753105031550, 8773404132225590, 8773102482379570, 8773100781613710, 8993208790396970, 8993113800129680, 8993111700238210, 8773103520925290, 8993212360456240, 8993112540061670, 8993110610729330, 8993115160095460, 8993115880236670, 8993114530105240,	Telecom	PO BOX 70219 PHILADELPHIA, PA 19176-0219 United States of America	\$2,020	\$1,010

Utility Company	Account Number/s	Type of Service Provided	Mailing Address	Approximate Monthly Average	Adequate Assurance Deposit
	8773103720877700, 8499053460760590, 8499101430066750, 8993114630040790, 8401538072, 8499101800114040, 8773405070689700, 8773103251962730				
Commonwealth Edison Company	3175535000	Electric	PO BOX 6111 CAROL STREAM, IL 60197-6111 United States of America	\$152	\$76
Con Edison Co of New York	11332150009	Electric	PO BOX 1701 New York, NY 10116-1701 United States of America	\$1,188	\$594
CORNING NATURAL GAS CORP	8723600009002460, 8723600009002470	Natural Gas	330 W. William Street PO BOX 58 Corning, NY 14830 United States of America	\$143	\$71
Cox Communications Arizona, LLC	1603	Telecom	PO BOX 53249 PHOENIX, AZ 85072-3249 United States of America	\$307	\$153
DIALPAD INC.	1416818024	Telecom	PO Box 123808 Dept 3808 Dallas, TX 75312-3808 United States of America	\$211	\$106
ELIZABETHTOWN GAS COMPANY	8896610914	Natural Gas	1 SOUTH JERSEY PLAZA FOLSOM, NJ 08037 United States of America	\$69	\$35
ENTERGY UTILITY HOLDING COMPANY, LLC	199165705	Electric	PO BOX 8105 BATON ROUGE, LA 70891-8105 United States of America	\$1,669	\$835

Utility Company	Account Number/s	Type of Service Provided	Mailing Address	Approximate Monthly Average	Adequate Assurance Deposit
FIRSTENERGY CORP	100156853903, 100153631724	Electric	PO BOX 3687 AKRON, OH 44309 United States of America	\$538	\$269
FLORIDA POWER AND LIGHT	18387-53067, 4123283519	Electric	GENERAL MAIL FACILITY MIAMI, FL 33188-0001 United States of America	\$144	\$72
FRANKLIN TOWNSHIP SUPERVISORS	5719/6753	Wastewater	900 Fairyland Road Leighton, PA 18235-9051 United States of America	\$123	\$61
FRONTIER COMMUNICATIONS	217-728-2081-032107-5, 585-473-6442-041217-6, 304-369-0046-1, 58547364420412100	Telecom	PO Box 740407 Cincinnati, OH 45274-0407 United States of America	\$570	\$285
INTERNATIONAL TELCOM, LLC	DLP069229	Telecom	DIAL800 PO BOX 11491 Newark, NJ 07101 United States of America	\$56	\$28
LEVEL 3 COMMUNICATIONS LLC	5-2HC9NBLC, 5-7GJGTH60	Telecom	PO BOX 910182 DENVER, CO 80291-0182 United States of America	\$12,523	\$6,262
LONG ISLAND LIGHTING CO	9174224799, 9174224797, 5455000199	Electric / Natural Gas	333 EARLE OVINGTON BLVD SUITE 403 UNIONDALE, NY 11553 United States of America	\$113	\$56
Masergy Communications, Inc.	411127-409344, 407006-405996	Telecom	PO BOX 733938 DALLAS, TX 75373-3938 United States of America	\$62,188	\$31,094
MONONGAHELA POWER CO	110157947455, 110139393737, 110142250841, 323314254073, 222518254073	Electric	PO BOX 3615 AKRON, OH 44309-3615 United States of America	\$295	\$148



Utility Company	Account Number/s	Type of Service Provided	Mailing Address	Approximate Monthly Average	Adequate Assurance Deposit
MOUNTAINEER GAS COMPANY	323314254073, 222518254073	Natural Gas	PO BOX 580211 CHARLOTTE, NC 28258-0211 United States of America	\$29	\$14
NATIONAL GRID	1430507039, 4758855153	Electric / Natural Gas	PO BOX 371396 PITTSBURGH, PA 15250-7396 United States of America	\$180	\$90
NEW JERSEY-AMERICAN WATER COMPANY	1018-210051393309	Water / Wastewater Utility	P O BOX 371331 PITTSBURGH, PA 15250-7331 United States of America	\$42	\$21
NIAGARA MOHAWK POWER CORPORATION	7850889009, 9025088152, 3765090143, 4758855153, 78509899009, 8725088173, 7580889009, 7850589009, 5725088173, 143057039	Electric / Natural Gas	300 Erie Blvd West Syracuse, NY 13202 United States of America	\$1,630	\$815
NYSEG	10036210861, 10041635987	Electric / Natural Gas	PO BOX 847812 BOSTON, MA 02284-7812 United States of America	\$205	\$102
PECO ENERGY COMPANY	9820288000, 3000, 9678925000, 5000, 4000, 12483111, 05251-35175, 6038, 1015, 1014, 1135, 36260-87020	Electric / Natural Gas	PO BOX 37629 PHILADELPHIA, PA 19101 United States of America	\$540	\$270
PENNSYLVANIA AMERICAN WATER COMPANY	1024210051916070, 1024210034751570	Water	PO BOX 371412 PITTSBURGH, PA 15250-7412 United States of America	\$225	\$112
PENNSYLVANIA ELECTRIC COMPANY	100152989743, 100151841762, 100153237498, 10053237498	Electric	PO BOX 371422 PITTSBURGH, PA 15250-7422 United States of America	\$167	\$83

Utility Company	Account Number/s	Type of Service Provided	Mailing Address	Approximate Monthly Average	Adequate Assurance Deposit
PPL ELECTRIC UTILITIES CORPORATION	8237056083, 6656040083, 5032065049, 3070048059, 9145029053, 9547196019, 8677805013, 644124041, 7559141077, 3269043097, 8677805004, 9547196000	Electric	2 North 9th Street Allentown, PA 18101-1175 United States of America	\$2,030	\$1,015
PSE&G CO	7698414000, 7479426801	Electric / Natural Gas	PO BOX 14444 NEW BRUNSWICK, NJ 08906-4444 United States of America	\$3,294	\$1,647
ROCHESTER GAS AND ELECTRIC CORP	2002-9431-234	Electric / Natural Gas	PO BOX 847813 BOSTON, MA 02284-7813 United States of America	\$426	\$213
Sangoma US Inc.	105254	Telecom	301 N CATTLEMEN RD STE 300 SARASOTA, FL 34232-6431 United States of America	\$17	\$9
SOUTH JERSEY GAS	4557277628	Natural Gas	PO BOX 6091 BELLMAWR, NJ 08099-6091 United States of America	\$323	\$161
TEXAS GAS SERVICE	913025744237986000	Natural Gas	PO BOX 219913 KANSAS CITY, MO 64121-9913 United States of America	\$82	\$41
THE CONNECTICUT LIGHT AND POWER CO	51819209008, 51094509056, 51176248086, 51104347026, 51094509059, 51879209008	Electric	PO BOX 56002 BOSTON, MA 02205-6002 United States of America	\$258	\$129

Utility Company	Account Number/s	Type of Service Provided	Mailing Address	Approximate Monthly Average	Adequate Assurance Deposit
THE SOUTHERN CONNECTICUT GAS COMPANY	5000116789665, 80001116789665, 50116789665	Natural Gas	PO BOX 847819 BOSTON, MA 02284-7819 United States of America	\$80	\$40
TOWN OF NORTH ATTLEBOROUGH	2374607	Electric	ATTN: Electric Dept -ACCT# 0002374607 275 LANDRY AVE NORTH ATTLEBOROUGH, MA 02760-3501 United States of America	\$262	\$131
UGI UTILITIES INC	411004141783, 421000561421, 411013457428, 411012996962	Electric / Natural Gas	PO Box 15503 Wilmington, DE 19886-5503 United States of America	\$532	\$266
VEOLIA WATER NEW JERSEY INC	10003732112222, 10003832112222, 10003732112222	Water / Wastewater Utility	PAYMENT CENTER PO BOX 371804 PITTSBURGH, PA 15250-7804 United States of America	\$94	\$47
VERIZON COMMUNICATIONS INC.	198, 542089425-00006, 257-310-810-0001-10, 157-326-606-0001-72, 157-230-577-0001-55, 257-277-830-0001-09, 257-280-580-0001-62, 753-254-907-0001-13, 951-440-732-0001-84, 452-493-482-0001-55, 151-289-448-0001-21, 357-236-007-0001-35, 168	Telecom	PO BOX 16800 NEWARK, NJ 07101-6800 United States of America	\$19,528	\$9,764
VINELAND MUNICIPAL UTILITES	270322, 270320	Electric / Water	640 E. WOOD STREET PO BOX 1508 VINELAND, NJ 08362-1508 United States of America	\$388	\$194
WINDSTREAM	209012388	Telecom	PO BOX 9001013 LOUISVILLE, KY 40290-1013 United States of America	\$18,842	\$9,421