

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

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	:	
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 INTERIM AND FINAL
ORDERS (A) AUTHORIZING DEBTORS TO (I) CONTINUE EXISTING CASH
MANAGEMENT SYSTEM, (II) MAINTAIN EXISTING BUSINESS
FORMS, AND (III) CONTINUE INTERCOMPANY TRANSACTIONS;
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 the 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 interim order (the “**Proposed Interim Order**”) and thereafter a final order (the “**Proposed Final Order**,” and together with the Proposed Interim Order, the “**Proposed Orders**”), substantially in the forms attached hereto, authorizing, but not directing, the Debtors to:

- (a) continue operating their existing cash management system (the “**Cash Management System**”), including, without limitation, to continue to maintain their existing Accounts (as defined below) and Business Forms (as defined below);
- (b) implement changes to the Cash Management System in the ordinary course of business insofar as such changes relate to the Debtors’ participation in, or control of, the Cash Management System, including, without limitation, opening new or closing existing Accounts owned by the Debtors;
- (c) continue to perform under and honor intercompany transactions among Debtors and non-Debtor affiliates in the ordinary course of business;
- (d) provide administrative expense priority for postpetition Intercompany Claims (as defined below) against the Debtors;
- (e) honor and pay all prepetition and postpetition Account Fees (as defined below) payable by the Debtors; and
- (f) continue utilizing the Corporate Card Programs (as defined below) in the ordinary course and pay prepetition amounts thereunder.

2. The Debtors further request that the Court (a) waive, on a 60-day conditional basis, certain requirements under section 345 of the Bankruptcy Code (as defined below) and the Guidelines for Debtors-in-Possession (the “**U.S. Trustee Guidelines**”); (b) authorize and direct the financial institutions at which the Debtors maintain various Accounts to (i) continue to maintain, service, and administer the Debtors’ Accounts, and (ii) debit the Debtors’ accounts in the ordinary

course of business on account of (I) electronic transfers (including wire transfers, book transfers, and automated clearinghouse (“*ACH*”) transfers) or checks drawn on the Debtors’ Accounts, and (II) all amounts owed to the Banks for maintenance of the Accounts (as defined below), including, without limitation, any account fees, credit card processing fees, service charges and other fees, costs, charges, chargebacks, and expenses associated with the Accounts and the Cash Management System, whether arising before or after the commencement of the Chapter 11 Cases; and (c) grant related relief.

JURISDICTION AND VENUE

3. 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.

4. The statutory and legal predicates for the relief requested herein are sections 105(a), 345, 363(b)(1), 363(c)(1), 364(a), and 1107(a) 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 “*Bankruptcy Local Rules*”), and the Procedures for Complex Cases in the Southern District of Texas.

BACKGROUND

5. 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.

6. 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.

7. 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.²

8. 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 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.

9. 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.

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

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 Takeback 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 Other 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 and save approximately \$107 million in interest annually.

CASH MANAGEMENT SYSTEM³

I. OVERVIEW

10. ModivCare maintains a sophisticated cash management system to facilitate the timely and efficient collection, management, and disbursement of funds in the ordinary course of business (the “***Cash Management System***”). An illustrative schematic of the Cash Management System is attached hereto as **Exhibit A**.

11. The Cash Management System includes a total of 116 Debtor bank accounts (together with any other bank accounts the Debtors may open in the ordinary course of business, collectively, the “***Accounts***”). A list of the Accounts is attached hereto as **Exhibit B**.⁴ The

³ The figures listed herein reflect accruals or balances, as applicable, as of the end of day on August 19, 2025.

⁴ **Exhibit B** is a complete list of the Accounts. To the extent that any Accounts have been inadvertently omitted from the list, the Debtors request that the Interim Order and the Final Order granting the relief sought herein apply to such Accounts.

Accounts are maintained by various Debtor entities at the financial institutions as detailed in **Exhibits A** and **B** (collectively, the “***Banks***”), with the majority being maintained at Wells Fargo Bank, N.A. (“***Wells Fargo***”):

- a. 1 Account maintained at Banc of California, N.A. (“***BofC***”);
- b. 11 Accounts maintained at CIBC Bank USA (“***CIBC***”);
- c. 2 Accounts maintained at Citizens Bank (“***Citizens***”);
- d. 1 Accounts maintained at HSBC Bank USA, N.A. (“***HSBC***”);
- e. 1 Account maintained at Morgan Stanley (“***MS***”);
- f. 8 Accounts maintained at JP Morgan Chase Bank, N.A. (“***JP Morgan***”);
- g. 14 Accounts maintained at PNC Bank, N.A (“***PNC***”);
- h. 1 Account maintained at Vantage Bank Texas (“***Vantage***,” together with MS, the “***Collateral Accounts***”);
- i. 2 Accounts maintained at Webster Bank, N.A. (“***Webster***”);
- j. 74 Accounts maintained at Wells Fargo; and
- k. 1 Account maintained at Truist Bank (“***Truist***”).

12. The Cash Management System is critical to ModivCare’s business. The Debtors use the Cash Management System to collect, transfer, and distribute funds, and to facilitate cash monitoring, forecasting, and reporting for the entire corporate enterprise. The Cash Management System is typical for organizations within the Debtors’ industry of similar size and sophistication and is designed to manage the Debtors’ cash flow in a cost effective and efficient manner. The complexity of the Cash Management System is driven in part by the Debtors’ recent corporate acquisitions that resulted in various acquired cash management systems. The Debtors are in the process of consolidating and eliminating certain of the Accounts, but this is a time intensive process that requires the cooperation of the Debtors’ customers to complete.

13. ModivCare's treasury department maintains daily oversight of the Cash Management System and implements cash management controls for entering, processing, and releasing funds, including in connection with all Intercompany Transactions (as defined below). The Debtors' treasury and accounting personnel review all Account activity on a daily basis and regularly reconcile the Debtors' books and records to ensure that all transfers are accounted for properly. Cash is then moved to ensure sufficient funding for upcoming obligations such as interest payments, payroll, and accounts payable. The Debtors' accounting system, enterprise resource planning system, and Treasury Management System (as defined herein) are used to analyze bank Account activity and coordinate cash positioning. The Treasury Management System retrieves information from the Accounts across each business segment and then the accounting group analyzes and codes each account to the general ledger, providing a snapshot of where cash sits within the enterprise.

14. Any disruption to the Cash Management System would have an immediate adverse effect on the Debtors' operations to the detriment of their estates and stakeholders. To minimize the disruption caused by the Chapter 11 Cases, the Debtors request authority to continue their Cash Management System during the course of the Chapter 11 Cases consistent with how the Cash Management System operated prior to the Petition Date.

II. THE ACCOUNTS AND FLOW OF FUNDS

15. The Debtors depend on the timely and efficient collection, transfer, and disbursement of funds. The Cash Management System is tailored to meet the Debtors' operating needs for their business segments. The Cash Management System also enables control over the Debtors' funds, and ensures cash availability and liquidity, while complying with requirements under the Debtors' financing arrangements and applicable laws and regulations.

16. The Cash Management System is based around the Main Concentration Account (as defined herein), which is the Debtors' primary operating account. Cash generated by the Debtors' operating revenues flow into the Cash Management System by way of sweeps, checks, ACH, and wire transfers from the various Collection Accounts to the Main Concentration Account. On a periodic basis, funds from these Collection Accounts are electronically transferred to other Accounts directly by the Debtors' treasury department for the purpose of disbursements from, among others, the Operating Accounts and the Payroll Accounts.

17. The Accounts generally fall within the following categories:⁵

Accounts ⁶	Description of Accounts
<p>Main Concentration Account <i>Wells Fargo Account ending 8361</i></p> <p>Secondary Concentration Account <i>PNC Account ending 8962</i></p>	<p>The Wells Fargo x8361 Account serves as the Debtors' main bank account for operations (the "Main Concentration Account") and the PNC x8962 Account serves as a secondary bank account for operations (the "Second Concentration Account"). These Accounts also make disbursements for amounts owed on behalf of vendors and payroll, as well as disbursements to restricted bank accounts held by Debtors and non-Debtors. Disbursed funds across the Cash Management System mainly originate from the Main Concentration Account.</p> <p>Funding of these Accounts is comprised of revenue collections offset by disbursements from the subaccounts that are swept each night down to a zero balance to close each day. All automatically swept funds are held in the Main Concentration Account overnight.</p>
<p>Collection Accounts <i>33 Accounts</i></p>	<p>These Accounts receive operating collections (the "Collection Accounts"). Collections are deposited into specific Collection Accounts based on the source of payment and the business segment or Debtor entity to which the collection relates.</p>

⁵ Capitalized but undefined terms that appear in this table shall have the meanings ascribed to them elsewhere in this Motion.

⁶ In addition to the below, there are also two restricted cash savings/money market Accounts maintained by the Debtors' corporate business segment that have little to no activity.

Accounts ⁶	Description of Accounts
Operating Accounts <i>45 Accounts</i>	<p>These Accounts serve as the Debtors' disbursement accounts for operating expenses (the "<i>Operating Accounts</i>"). These Accounts maintain a positive cash balance (or zero balance when cash is swept) at all times. Cash from the collection of membership fees and other sources that is disbursed into the Operating Accounts is swept on a daily basis into the Main Concentration Account.</p>
Payroll Accounts <i>24 Bank Accounts</i>	<p>Certain of the Debtors maintain Accounts used to fund general corporate disbursements, including payroll, benefits, and related fees, among other things (the "<i>Payroll Accounts</i>"). Payroll is automatically swept via a reverse wire by the Debtors' payroll provider, Automatic Data Processing, Inc. ("<i>ADP</i>").</p> <p>The Debtors' payroll are automatically funded via cash sweeps from the Main Concentration Account.</p>
Lockbox Accounts <i>6 Accounts</i>	<p>These Accounts receive operating collections that are deposited via checks (the "<i>Lockbox Accounts</i>"). All the Debtors' customer receipts and other third-party payments are received into the Lockbox Accounts via incoming lockbox checks, electronic transfers, and ACH wire transfers. At the end of each business day, funds in the Lockbox Accounts are automatically transferred to the Main Concentration Account.</p>
Adequate Assurance Account <i>Wells Fargo Account ending 6918</i>	<p>This Account will hold an adequate assurance deposit for the benefit of the Debtors' utility providers throughout the course of these Chapter 11 Cases (the "<i>Adequate Assurance Account</i>").⁷</p>
Collateral Accounts <i>MS Account ending 2088</i> <i>Vantage Account ending 6751</i>	<p>These accounts (the "<i>Collateral Accounts</i>") hold restricted cash pledged to certain insurance carriers under the Debtors' risk/bonding programs. Funds in the Collateral Accounts are not available for general corporate purposes and may be withdrawn or applied only at the direction of the applicable carrier pursuant to the governing collateral agreements. The Debtors have</p>

⁷ The adequate assurance deposit is described further in the *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*, filed substantially contemporaneously herewith.

Accounts ⁶	Description of Accounts
	no control over, or access to, these funds, and no operating receipts are deposited into the Collateral Accounts.
DIP Proceeds Account <i>Wells Fargo Account ending 1544</i>	The Operating Account maintained at Wells Fargo was repurposed as the DIP Proceeds Account prior to the Petition Date for the purpose of receiving proceeds of the Debtors' proposed DIP Facility. This Account is segregated from ordinary disbursement activity and will be used solely to receive and hold new-money proceeds of the proposed DIP Facility, with transfers made to the Main Concentration Account only as permitted by the DIP Orders and the Approved Budget.

A. Account Fees and Software Fees

18. The Debtors incur periodic service charges and other fees in connection with maintaining the Accounts (the “**Account Fees**”). The Account Fees primarily consist of service charges from the Banks. The Debtors have historically incurred approximately \$85,000 per month, in the aggregate, in Account Fees, though balance credits offered by certain Banks offset a portion of the monthly Account Fees. As of the Petition Date, the Debtors estimate that they owe the Banks approximately \$40,000, irrespective of any applicable earnings credits, on account of unpaid Account Fees.

19. The Debtors also incur certain fees related to software that facilitates the operation of the Cash Management System and their businesses more broadly (the “**Software Fees**”). The Debtors use Workday, a vendor and payment-management platform provided by Workday, Inc. (“**Workday**”) and Kyriba, a treasury-management platform provided by Kyriba Corp. (“**Kyriba**,” together with Workday and similar software, the “**Treasury Management System**”), to automate cash management functions such as cash positioning and forecasting, bank account administration, and risk management.

20. Workday is used to support and record key steps in the payment process (including vendor master maintenance, purchase order and invoice intake, approval workflows, and accounts payable recording), as well as to post payments to the general ledger and maintain audit trails. Workday facilitates the creation of payment runs (*e.g.*, ACH/check files) and transmits or exports such files for release by the Banks through the Treasury Management System or Bank portals. Workday, however, does not hold funds and has no independent control or ability to disburse funds from the Company's Accounts. In 2025, the Debtors' annual spend on account of the Software Fees incurred in connection with Workday is approximately \$5.3 million. Kyriba also plays a key role in the Debtors' cash management and accounting processes by processing and aggregating account information and statements from the Debtors' various Accounts into a single location but has no control or ability to disburse funds from these Accounts. The Debtors' average annual spend on account of the Software Fees incurred in connection with Kyriba is approximately \$75,000.

21. As of the Petition Date, the Debtors estimate that they do not owe any unpaid Software Fees. The Debtors seek authority to pay the Account Fees and the Software Fees (including any accrued but unpaid prepetition Account Fees and Software Fees) in the ordinary course of business on a postpetition basis.

B. Business Forms and Books and Records

22. As part of the Cash Management System, the Debtors use a variety of preprinted business forms, including checks, letterhead, correspondence forms, invoices, purchase orders, and other business forms in the ordinary course of business (collectively, and as they may be modified from time to time, the “***Business Forms***”). The Debtors also maintain books and records to document their financial results and a wide array of necessary operating information (collectively, the “***Books and Records***”). To avoid a material disruption to their business operations that would

result from a disruption of the Cash Management System and to avoid unnecessary expense, the Debtors request authorization to continue using all of the Business Forms and Books and Records in use immediately before the Petition Date (and as may be amended or modified in the ordinary course from time to time), including with respect to the Debtors' ability to update authorized signatories and services, as needed—without reference to the Debtors' status as chapter 11 debtors in possession—rather than requiring the Debtors to incur the expense and delay of ordering new Business Forms and creating new Books and Records.

C. Corporate Card Programs

23. As part of the Cash Management System, the Debtors maintain several corporate card programs: the Regions Cards, the AmEx Cards, the Comdata Mileage Cards, and the Comdata Lodging Cards (each as defined below, and collectively, the “*Corporate Card Programs*”).

24. In the ordinary course of business, the Debtors maintain a credit card program that provides certain employees with travel and expense credit cards (the “*Regions Cards*”) issued by Regions Bank (“*Regions*”). The Regions Cards are used by employees in the field to make NEMT arrangements on behalf of members in special circumstances where transportation through the NEMT segment's normal channels is unavailable. In addition, some members qualify for meals and lodging to be paid through the Regions Cards. As of the Petition Date, the Debtors maintain 24 Regions Cards and have spent approximately \$150,000 per month in connection therewith in 2025.

25. In the ordinary course of business, the Debtors also maintain a credit card program that provides certain employees with travel and expense credit cards (the “*AmEx Cards*”) issued by American Express Company (“*AmEx*”). The AmEx Cards are used by certain employees to cover certain approved supplies and travel expenses, such as hotel stays and meals, department expenses, and other miscellaneous expenses in the ordinary course of business. As of the Petition

Date, the Debtors maintain 220 AmEx Cards and have spent approximately \$270,000 per month in connection therewith in 2025.

26. In the ordinary course of business, the Debtors also maintain two separate card programs with Comdata Inc. (“**Comdata**” and together with Regions and AmEx, the “**Credit Card Providers**”): one for mileage reimbursement (the “**Comdata Mileage Cards**”) and the other for member lodging (the “**Comdata Lodging Cards**,” together with the Comdata Mileage Cards, the “**Comdata Card Program**”). The Comdata Mileage Cards provide a payment method to reimburse providers in certain states for transportation based on the mileage driven to conduct business related to NEMT. The only administrative cost related to the Comdata Mileage Cards is a \$1.50 per card fee to issue a card to new drivers, thereby providing the Debtors a cost-effective way to issue mileage reimbursements. As of the Petition Date, the Debtors maintain 53,000 Comdata Mileage Cards and have spent approximately \$3.2 million per month in connection therewith.

27. The Comdata Lodging Cards are reloadable money cards issued to members to cover lodging accommodations booked through the Debtors’ travel provider, Teplis Travel Services, LP (“**Teplis**”).⁸ The Comdata Lodging Cards provide Debtors with an operationally efficient method to provide accommodations for members without the administrative hurdles of requiring members to pay up front and seek reimbursement from the Debtors. As of the Petition Date, the Debtors have spent approximately \$520,000 per month in 2025 in connection with the Comdata Lodging Cards.

⁸ The Comdata Lodging Cards are issued by Edenred, a subsidiary of Teplis, but are invoiced to Comdata, who ultimately extends the credit that Debtors must pay.

28. In some circumstances, the Debtors may owe prepetition amounts under the Corporate Card Program where, for example, charges by employees in various locations have not been offset against the balance due to processing delays by merchants, among other factors.

29. The Corporate Card Program is an integral part of the Debtors' business operations and an important mechanism whereby the Debtors cover special NEMT arrangements and reimburse certain employees for out-of-pocket expenses. Without the Corporate Card Program, the Debtors run the risk of employee and member attrition, thereby putting the Debtors' business and restructuring efforts in jeopardy to the detriment of all stakeholders. Accordingly, the Debtors seek authority, but not direction, to continue maintaining the Corporate Card Program and to continue the Corporate Card Program in the ordinary course of business on a postpetition basis.

D. Intercompany Transactions

30. The Debtors engage in business transactions with each other and with non-Debtor subsidiaries and affiliates (each, a "*Non-Debtor Affiliate*"), including making payments or providing services for each other's benefit (collectively, the "*Intercompany Transactions*") that result in intercompany receivables and payables (collectively, the "*Intercompany Claims*"). Intercompany Transactions include, among other things, transactions related to the collection of cash and payment of salaries, wages, benefits, contract labor, supplies, professional fees, purchased services, taxes, fees, and insurance. At any given time, ordinary-course operations may result in Intercompany Claims owed by one Debtor or Non-Debtor Affiliate, on the one hand, to another Debtor or Non-Debtor Affiliate, on the other hand.

31. The Intercompany Transactions are an essential component of the Debtors' complex operations. They are integral to the Debtors' ability to process payroll and payments to third-party vendors, provide enterprise-wide management and support services, and otherwise facilitate operations on a daily basis. The Debtors can and do ascertain, trace, and account for all

Intercompany Transactions through bank cash balance reports, which reflect actual cash movements, and will continue tracking Intercompany Transactions on a postpetition basis, including those involving Non-Debtor Affiliates, consistent with past practice. The Debtors would be unduly burdened, both financially and logistically, if they were required to halt Intercompany Transactions or otherwise make material changes to the Cash Management System. The Debtors seek the authority to continue the Intercompany Transactions in the ordinary course of business on a postpetition basis and to grant administrative expense status to Intercompany Claims due from Debtors to other Debtors and/or to Non-Debtor Affiliates as a result of Intercompany Transactions.

U.S. TRUSTEE GUIDELINES

I. AUTHORIZED DEPOSITORIES AND COMPLIANCE WITH SECTION 345(B) OF THE BANKRUPTCY CODE

32. The U.S. Trustee Guidelines generally require chapter 11 debtors to keep all estate funds in accounts with Authorized Depositories. Certain of the Banks—BoFC, HSBC, MS, Vantage, and Webster—are not Authorized Depositories but are highly-rated financial institutions that are well-capitalized, financially stable, and insured by the Federal Deposit Insurance Corporation (“**FDIC**”). The Debtors maintain six Accounts, in total, at BoFC, HSBC, MS, Vantage, and Webster, consisting of (a) four accounts that, as of the Petition Date, hold relatively *de minimis* un-restricted cash and are generally maintained below the \$250,000 FDIC insurance coverage limit; and (b) the two Collateral Accounts, which were established at the request of certain counterparties, hold restricted cash that serves as collateral for certain carriers and to which the Debtors do not have access. Therefore, the Debtors submit that maintenance of Accounts at these institutions will not jeopardize the Debtors’ estates or any party in interest.

33. The Cash Management System is complex and critical to the ongoing stability of the Debtors’ businesses and smooth transition into the chapter 11 cases. Requiring the Debtors to

transfer any of their applicable Accounts to an Authorized Depository would place a needless and excessive administrative burden on the Debtors and impose significant, value-destructive costs to the Debtors' estates, and these costs are not justified in this case. Accordingly, the Debtors request an initial 60-day waiver of the deposit and investment requirements of section 345 of the Bankruptcy Code and the U.S. Trustee Guidelines upon entry of the Proposed Interim Order.

II. DEBTOR-IN-POSSESSION ACCOUNTS

34. The Debtors' Cash Management System is complex and maintaining it in the ordinary course is critical to the continued stability of the Debtors' businesses and smooth transition into chapter 11. Considering the breadth and complexity of the Debtors' businesses and financial affairs and the sheer volume of collections, disbursements, and movement of funds through the Cash Management System on a daily basis, closing the Accounts and opening new ones, as well as complying with the other provisions of the U.S. Trustee Guidelines relating to the Cash Management System, would severely disrupt the ordinary financial operations of the Debtors by reducing efficiencies and causing unnecessary expense. Accordingly, cause exists to allow the Debtors to continue utilizing the existing Accounts in the ordinary course, consistent with historical practices.

BASIS FOR RELIEF

I. CONTINUATION OF CASH MANAGEMENT SYSTEM IS IN THE BEST INTERESTS OF DEBTORS AND ALL OTHER PARTIES IN INTEREST.

35. The efficient and economical operation of the Debtors' business requires that the Cash Management System continue during the Chapter 11 Cases. As a practical matter, it would be difficult and expensive to establish and maintain a separate cash management system for each Debtor. Further, requiring the Debtors to adopt new, segmented cash management systems at this early and critical stage of the Chapter 11 Cases would be expensive, create unnecessary

administrative burdens, and be extraordinarily disruptive to their business operations. Any such disruption would have a severe and adverse impact upon the success of the Chapter 11 Cases. Accordingly, the Debtors seek authority to continue using the Cash Management System in the same manner as the Cash Management System was utilized prior to the Petition Date, and to implement ordinary course changes to it consistent with past practices. The Bankruptcy Code provides for such relief.

36. Section 363(c)(1) of the Bankruptcy Code authorizes the debtor in possession to “enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business...and may use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The purpose of section 363(c)(1) is to provide a debtor in possession with the flexibility to engage in the ordinary transactions required to operate its business without unneeded oversight by its creditors or the court. *In re HLC Props., Inc.*, 55 B.R. 685, 686 (Bankr. N.D. Tex. 1985) (finding “no need to further burden the docket or the staff of the Court with a superfluous order” when a transaction is in the ordinary course of business); *Med. Malpractice Ins. Ass’n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 384 (2d Cir. 1997); *Chaney v. Official Comm. of Unsecured Creditors of Crystal Apparel, Inc. (In re Crystal Apparel, Inc.)*, 207 B.R. 406, 409 (S.D.N.Y. 1997). Included within the purview of section 363(c) is a debtor’s ability to continue the “routine transactions” necessitated by a debtor’s cash management system. *Amdura Nat’l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996). A cash management system allows a debtor “to administer more efficiently and effectively its financial operations and assets.” *Southmark Corp. v. Grosz (In re Southmark Corp.)*, 49 F.3d 1111, 1114 (5th Cir. 1995). Accordingly, section 363(c)(1) authorizes the continuation of the Cash Management System as it operated prepetition without the Court’s approval.

37. To the extent the relief requested herein is found to fall outside of the Debtors' ordinary course of business, the Court may grant such relief pursuant to section 363(b) of the Bankruptcy Code, which provides, in relevant part, that "[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Courts in the Fifth Circuit have granted a debtor's request to use property of the estate outside of the ordinary course of business pursuant to section 363(b) of the Bankruptcy Code upon a finding that such use is supported by sound business reasons. *See, e.g., Black v. Shor (In re BNP Petroleum Corp.)*, 642 F. App'x 429, 435 (5th Cir. 2016) (noting that section 363 "requires that a sale of the estate's assets be supported by an articulated business justification, good business judgment, or sound business reasons") (internal quotation and citation omitted); *Inst. Creditors of Cont'l Air Lines, Inc. v. Cont'l Air Lines, Inc. (In re Cont'l Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) ("[F]or the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.") (internal citation omitted); *see also In re Crutcher Res. Corp.*, 72 B.R. 628, 631 (Bankr. N.D. Tex. 1987) ("A Bankruptcy Judge has considerable discretion in approving a § 363(b) sale of property of the estate other than in the ordinary course of business, but the movant must articulate some business justification for the sale."); *In re Terrace Gardens Park P'ship*, 96 B.R. 707, 714 (Bankr. W.D. Tex. 1989) ("[T]here must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.") (internal citation omitted).

38. In addition, the Court has authority, pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, to authorize the relief requested herein because such relief is necessary for the Debtors to carry out their duties under section 1107(a) of the Bankruptcy Code.

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)). Under section 105(a) of the Bankruptcy Code, “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a); *see CoServ*, 273 B.R. at 491-93 & n.6 (holding that sections 105 and 1107 of the Bankruptcy Code provide authority for a debtor-in-possession to pay prepetition claims); *see also In re Tusa-Expo Holdings, Inc.*, Case No. 08-45057-DML-11, 2008 WL 4857954, at *1 (Bankr. N.D. Tex. Nov. 7, 2008); *CEI Roofing*, 315 B.R. at 56. Moreover, Bankruptcy Rule 6003 itself implies that the payment of prepetition obligations may be permissible within the first twenty-one (21) days of a case where doing so is “needed to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003. Accordingly, the Bankruptcy Code authorizes the postpetition payment of prepetition claims where, as here, such payments are critical to preserving the going-concern value of a debtor’s estates.

39. Moreover, Bankruptcy Rule 6003 itself implies that the payment of prepetition obligations may be permissible within the first 21 days of a case where doing so is “necessary to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003. Accordingly, the Bankruptcy Code authorizes the postpetition payment of prepetition claims, including the Account Fees, where, as here, such payments are critical to preserving the going-concern value of a debtor’s estate.

40. Maintaining the existing Cash Management System is in the best interests of the Debtors’ estates and all parties in interest and, therefore, should be approved. If the Debtors are required to alter the way in which they collect and disburse cash throughout the Cash Management

System, their operations will experience severe disruptions, which would ultimately frustrate the Debtors' ability to maximize the value of their estates. Further, the Cash Management System provides material benefits to the Debtors, including the ability to (a) ensure the maximum availability of funds when and where necessary, including distributing funds to those Debtors with immediate liquidity needs, and (b) reduce costs and administrative expenses by facilitating the movement of funds and the development of more timely and accurate account information.

II. THE DEBTORS SHOULD BE AUTHORIZED TO CONTINUE INTERCOMPANY TRANSACTIONS AND CERTAIN INTERCOMPANY CLAIMS SHOULD BE GRANTED ADMINISTRATIVE EXPENSE PRIORITY.

41. As stated above, under section 363(c)(1) of the Bankruptcy Code, a debtor in possession "may use property of the estate in the ordinary course of business without notice or a hearing." The Debtors believe that they do not require the Court's approval to continue entering into and performing Intercompany Transactions. The Debtors and their non-Debtor affiliates enter into and perform Intercompany Transactions "in the ordinary course of business" within the meaning of section 363(c)(1) of the Bankruptcy Code. Intercompany Transactions are not just a matter of routine in the Debtors' business; they are the sort of transactions that are common among many business enterprises that operate through multiple affiliates. It is precisely because of their routine nature that the Intercompany Transactions are integral to the Debtors' ability to operate ModivCare's business and successfully emerge from the Chapter 11 Cases. Accordingly, pursuant to this Motion, the Debtors request authority to engage in Intercompany Transactions on a postpetition basis.

42. The Debtors also request that the Court grant administrative expense status to all Intercompany Claims arising postpetition as a result of Intercompany Transactions under section 503(b)(1)(A) of the Bankruptcy Code, which provides, "[a]fter notice and a hearing, there shall be allowed administrative expenses . . . including . . . the actual, necessary costs and expenses of

preserving the estate” If the Intercompany Claims are accorded administrative expense status, each entity that participates in the Cash Management System and provides a benefit to the Debtors’ estates will be assured that it will be compensated for its efforts. Courts in this district and in other districts have granted administrative expense status to postpetition intercompany claims in similar cases.

III. AN INITIAL 60-DAY WAIVER OF THE U.S. TRUSTEE GUIDELINES AND SECTION 345 OF THE BANKRUPTCY CODE ARE WARRANTED.

43. The U.S. Trustee Guidelines generally require chapter 11 debtors to, among other things: (a) close all existing bank accounts and open new debtor in possession bank accounts; (b) establish one debtor in possession account for all estate monies required for the payment of taxes (including payroll taxes); (c) physically set aside all monies required by law to be withheld from employees or collected from others for taxes; (d) open a new set of books and records as of the commencement date of the case; (e) use new business forms indicating the debtor-in-possession status of the chapter 11 debtor, including checks that bear the designation “debtor in possession” and reference the bankruptcy case number on such checks; and (f) make all disbursements of estate funds by check with a notation representing the reason for the disbursement. These guidelines are intended to provide a clear line of demarcation between prepetition and postpetition transactions and operations and to prevent inadvertent payment of prepetition claims.

44. In addition, section 345(a) of the Bankruptcy Code provides that a debtor may deposit or invest estate funds in a manner that “will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” 11 U.S.C § 345(a). For deposits that are not “insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States,” the

estate must require from the entity with which the money is deposited or invested a bond in favor of the United States secured by the undertaking of a corporate security, “unless the court for cause orders otherwise.” 11 U.S.C § 345(b).

45. For the reasons set forth below, the Debtors submit that cause exists for the Court to authorize an initial 60-day waiver of certain requirements of the U.S. Trustee Guidelines and section 345 of the Bankruptcy Code.

A. Authorizing the Banks to Continue to Maintain, Service, and Administer the Accounts in the Ordinary Course of Business Is Warranted

46. In the ordinary course of business, the Debtors conduct numerous transactions by checks, wire transfers, ACH transfers, and other electronic means. If the Debtors are denied the opportunity to conduct transactions through these means, their businesses operations would be disrupted unnecessarily, burdening the Debtors and their creditors with additional costs.

47. Accordingly, the Debtors request that the Court authorize the Banks to receive, process, honor, and pay, to the extent funds are available in the applicable Account, any and all checks, electronic fund transfer, ACH payments, and other instructions and drafts payable through, or drawn on, such Accounts, irrespective of whether such checks, drafts, electronic fund transfers, or ACH payments are dated prior or subsequent to the Petition Date. The Debtors also request that, to the extent a Bank honors a prepetition check or other item drawn on any Account in a good-faith belief that the Court has authorized such prepetition check or item to be honored, such Bank will not be liable on account thereof because the Banks are not able to independently verify or audit whether a particular item may be paid in accordance with a Court order or otherwise.

B. Maintenance of Debtors’ Existing Accounts and Business Forms Is Warranted

48. The Debtors seek a waiver of the requirements of the U.S. Trustee Guidelines, which would require, among other things, the closure of the Accounts and the opening of new

deposit accounts. Strict enforcement of the U.S. Trustee Guidelines at the outset of the Chapter 11 Cases with respect to the Cash Management System will severely disrupt the Debtors' ordinary financial operations by reducing efficiencies, increasing administrative burdens, and creating unnecessary expenses. The Chapter 11 Cases will be more orderly if the Debtors are permitted to maintain all Accounts with the same account numbers during the outset of these cases. By preserving business continuity and avoiding the disruption and delay to the Debtors' disbursement obligations, all parties-in-interest, including employees, vendors, and customers, will be best served by the relief requested herein. Furthermore, the Debtors' continued use of their existing Business Forms will not prejudice parties in interest because parties doing business with the Debtors will know of the Debtors' status as debtors in possession. In addition, to the extent necessary, the Debtors request authority to make ordinary course changes to the Cash Management System, such as opening or closing their Accounts in accordance with the Debtors' prepetition practices.

C. Cause Exists for an Initial 60-Day Waiver of the U.S. Trustee Guidelines and Certain Requirements of Section 345 of the Bankruptcy Code Regarding Authorized Depositories

49. The Debtors seek an initial 60-day waiver of the deposit and investment requirements of section 345 of the Bankruptcy Code and certain requirements of the U.S. Trustee Guidelines.

50. As the legislative history of the 1994 amendments to the Bankruptcy Code explains:

Section 345 of the [Bankruptcy] Code governs investments of funds of bankruptcy estates. The purpose is to make sure that funds of a bankrupt that are obliged to creditors are invested prudently and safely with the eventual goal of being able to satisfy all claims against the bankruptcy estate. Under current law, all investments are required to be FDIC insured, collateralized or bonded. While this requirement is wise in the case of smaller debtors with limited funds that cannot afford a risky investment to be lost, it can work to needlessly handcuff larger, more sophisticated debtors. Th[e proposed amendment] would . . . allow the courts to approve investments other than those permitted by [s]ection 345(b) for just cause . . .

In re Serv. Merch. Co., Inc., 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999) (quoting H.R. Rep. 103-834, 103rd Cong., 2nd Sess. 224 (Oct. 4, 1994); 140 Cong. Rec. H10767 (Oct. 4, 1994)). In evaluating whether the requisite “cause” exists, courts consider the “totality of the circumstances,” including such factors as:

- a. the sophistication of the debtor’s business;
- b. the size of the debtor’s business operations;
- c. the amount of the investments involved;
- d. the bank ratings (Moody’s and Standard & Poor) of the financial institutions where the debtor in possession funds are held;
- e. the complexity of the case;
- f. the safeguards in place within the debtor’s own business for ensuring the safety of the funds;
- g. the debtor’s ability to reorganize in the face of a failure of one or more of the financial institutions;
- h. the benefit to the debtor;
- i. the harm, if any, to the debtor;
- j. the harm, if any, to the estate; and
- k. the reasonableness of the debtor’s request for relief from section 345(b) requirements in light of the overall circumstances of the case.

See Serv. Merch. Co., 240 B.R. at 896.

51. In the ordinary course of their business, the Debtors maintain substantially all of their cash in their Accounts at Wells Fargo. The Accounts are vital to the Cash Management System. The Debtors submit that “cause” exists to waive the requirements of section 345(b) of the Bankruptcy Code because (i) all or substantially all of the Debtors’ cash is held at Banks that are highly rated, well-capitalized, and/or financially stable institutions subject to oversight by federal or foreign banking regulators, (ii) the Debtors retain the right to remove funds held at the

Banks and establish new bank Accounts as needed, (iii) the cost associated with satisfying the requirements of section 345(b) is excessive, and (iv) the process of satisfying those requirements is otherwise unduly burdensome and would lead to needless inefficiencies in the administration of the estates.

52. In light of the foregoing, the Debtors submit that cause exists to grant an initial 60-day waiver of the requirements of section 345 of the Bankruptcy Code and the U.S. Trustee guidelines.

IV. THE COURT SHOULD AUTHORIZE THE DEBTORS TO PAY PREPETITION ACCOUNT FEES.

53. The Court should authorize the Debtors to pay Account Fees and similar charges, if any, incurred prior to the commencement of the Chapter 11 Cases. As the *CoServ* court stated, “it is only logical that the bankruptcy court be able to use section 105(a) of the Code to authorize satisfaction of the prepetition claim in aid of preservation or enhancement of the estate.” *CoServ*, 273 B.R. at 497.

54. Here, payment of any prepetition Account Fees is in the best interests of the Debtors and all parties-in-interest in these cases because it will prevent any disruption to the Cash Management System and ensure that the Debtors’ receipt of and access to funds is not delayed. Further, because the Banks may have setoff rights for the Account Fees, payment of such prepetition amounts should not alter the rights of unsecured creditors in the Chapter 11 Cases.

V. THE COURT SHOULD AUTHORIZE THE DEBTORS TO MAINTAIN THEIR CORPORATE CARD PROGRAMS AND PAY ALL OBLIGATIONS RELATED THERETO.

55. As stated above, under section 363(c)(1) of the Bankruptcy Code, a debtor in possession may use property of the estate in the ordinary course of business without a hearing. Furthermore, section 364(a) of the Bankruptcy Code permits a debtor in possession to “obtain

unsecured credit and incur unsecured debt in the ordinary course of business” without a court order. 11 U.S.C. § 364(a). Purchases made using the Corporate Card Programs fall within the ordinary course of business under section 363(c)(1) of the Bankruptcy Code. The use of credit cards and similar payment methods is widespread as a means of facilitating day-to-day business activities. As a result, the Debtors believe they do not require the Court’s approval to continue the Corporate Card Programs on a postpetition basis.

56. Nonetheless, out of an abundance of caution, the Debtors request authority to continue the Corporate Card Programs in the ordinary course of business and consistent with past practices, and to pay all obligations related thereto, including any obligations that arose before the Petition Date but remain outstanding. Yet, in the event the Court finds that such transactions do not fall within the ordinary course of business, the Debtors request authority pursuant to sections 363(b)(1) and 105(a) of the Bankruptcy Code to continue using the Corporate Card Programs and to pay all obligations related thereto.

57. Continued use of the Corporate Card Programs is integral to the success and stability of the Debtors’ businesses. The Debtors rely on the ability of their employees to pay for expenses incurred in the ordinary course and to make other reasonable work-related purchases necessary to fulfill their day-to-day professional obligations. Permitting the Debtors to continue using the Corporate Card Programs will ensure that the Debtors’ employees are able to fulfill their daily professional obligations and, in turn, prevent significant disruption to the Debtors’ business operations.

58. The Debtors also seek authorization to pay all outstanding prepetition amounts owing under the Corporate Card Programs. If the Debtors do not pay outstanding amounts owing, there is a significant risk that the Credit Card Providers or the Banks could restrict the Debtors’

access to their Corporate Card Programs or cease extending credit to the Debtors after the Petition Date. If that were to occur, it would be costly, disruptive to the Debtors' operations, burdensome to the Debtors and their estates, and time-consuming for the Debtors to establish new credit card programs with one or more alternative providers. Accordingly, the Court should authorize the Debtors to maintain their Corporate Card Programs and pay all obligations related thereto.

EMERGENCY CONSIDERATION

59. 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)**

60. 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

61. 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

62. 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 Consenting Creditors; (c) counsel to the DIP Lenders; (d) the Banks; (d) the Credit Card Providers; (f) the creditors listed on the Debtors' consolidated list of 30 creditors holding the largest unsecured claims; (g) the United States Attorney for the Southern District of Texas; (h) the Internal

Revenue Service; (i) the Securities and Exchange Commission; (j) the state attorneys general for states in which the Debtors conduct business; and (k) 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.

63. 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 Orders 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

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*Proposed Attorneys for the Debtors
and Debtors in Possession*

CERTIFICATE OF SERVICE

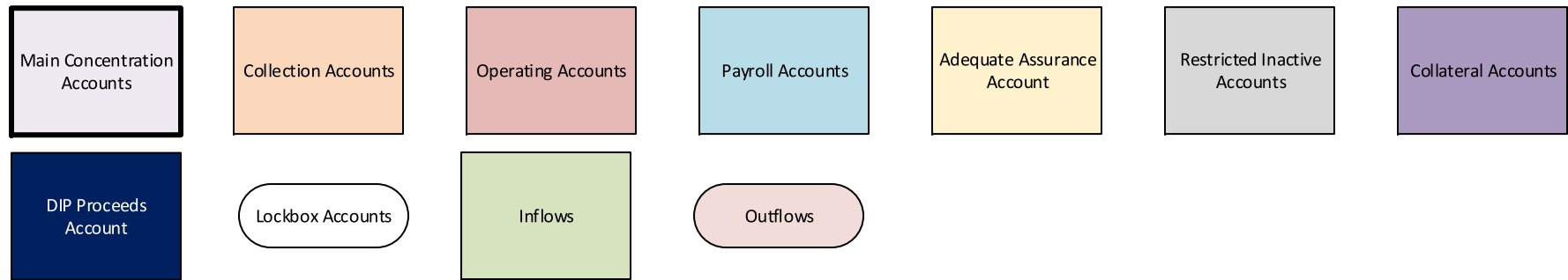
I certify that on August 20, 2025, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices.

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

Exhibit A

Cash Management Schematic

Cash Schematic Legend



Segments:

PCS: Personal Care Services
RPM: Remote Patient Monitoring
NEMT: Non-Emergency Medical
Transportation
CORP: Corporate

Banks:

JPM: JP Morgan Chase Bank, N.A.
WB: Webster Bank
WF: Wells Fargo
BofC: Banc of California, N.A.
CIBC: CIBC Bank USA
Citizens: Citizens Bank
HSBC: HSBC Bank USA, N.A.
PNC: PNC Bank, N.A.
MS: Morgan Stanley
VB: Vantage Bank Texas
Truist: Truist Bank

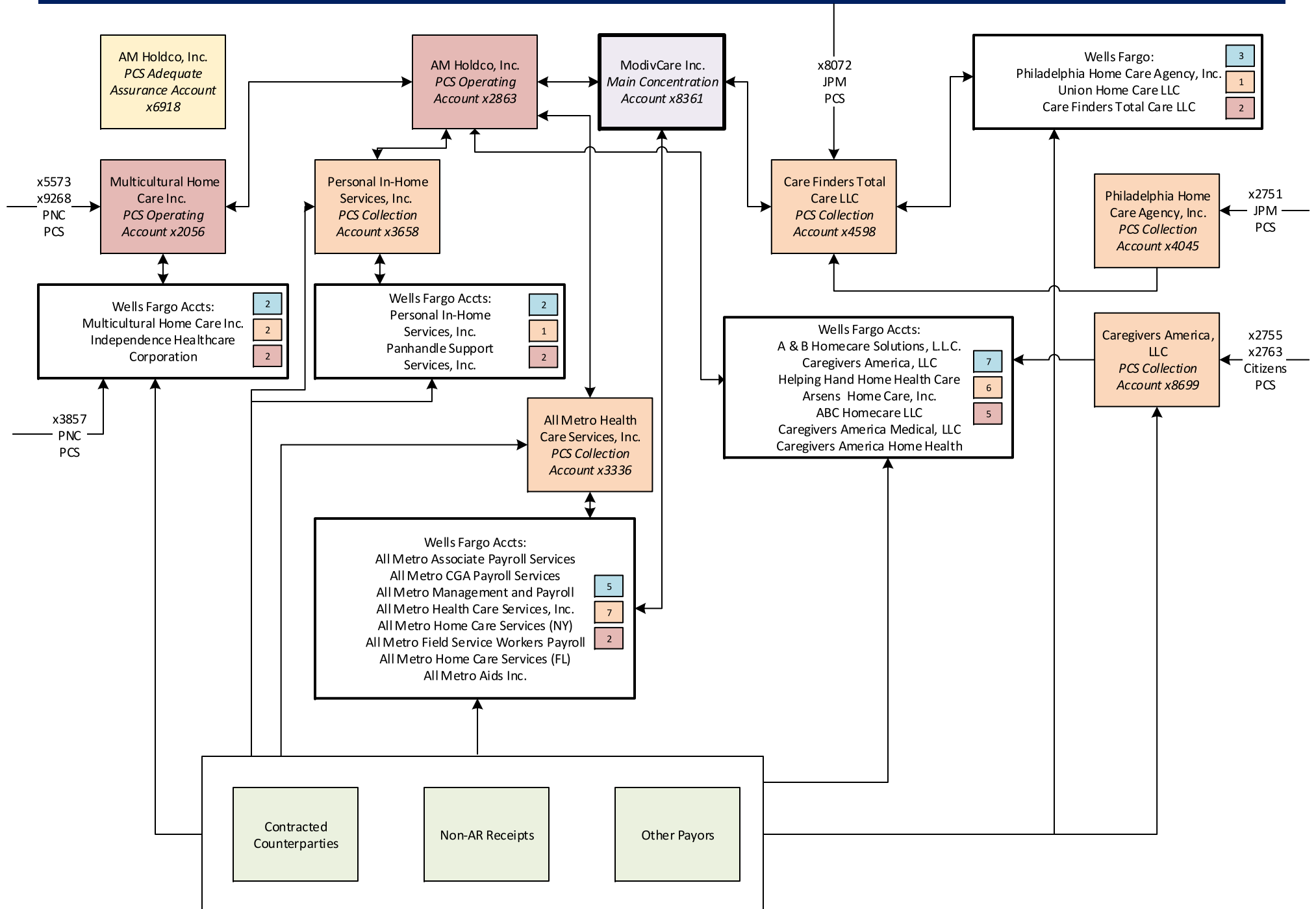
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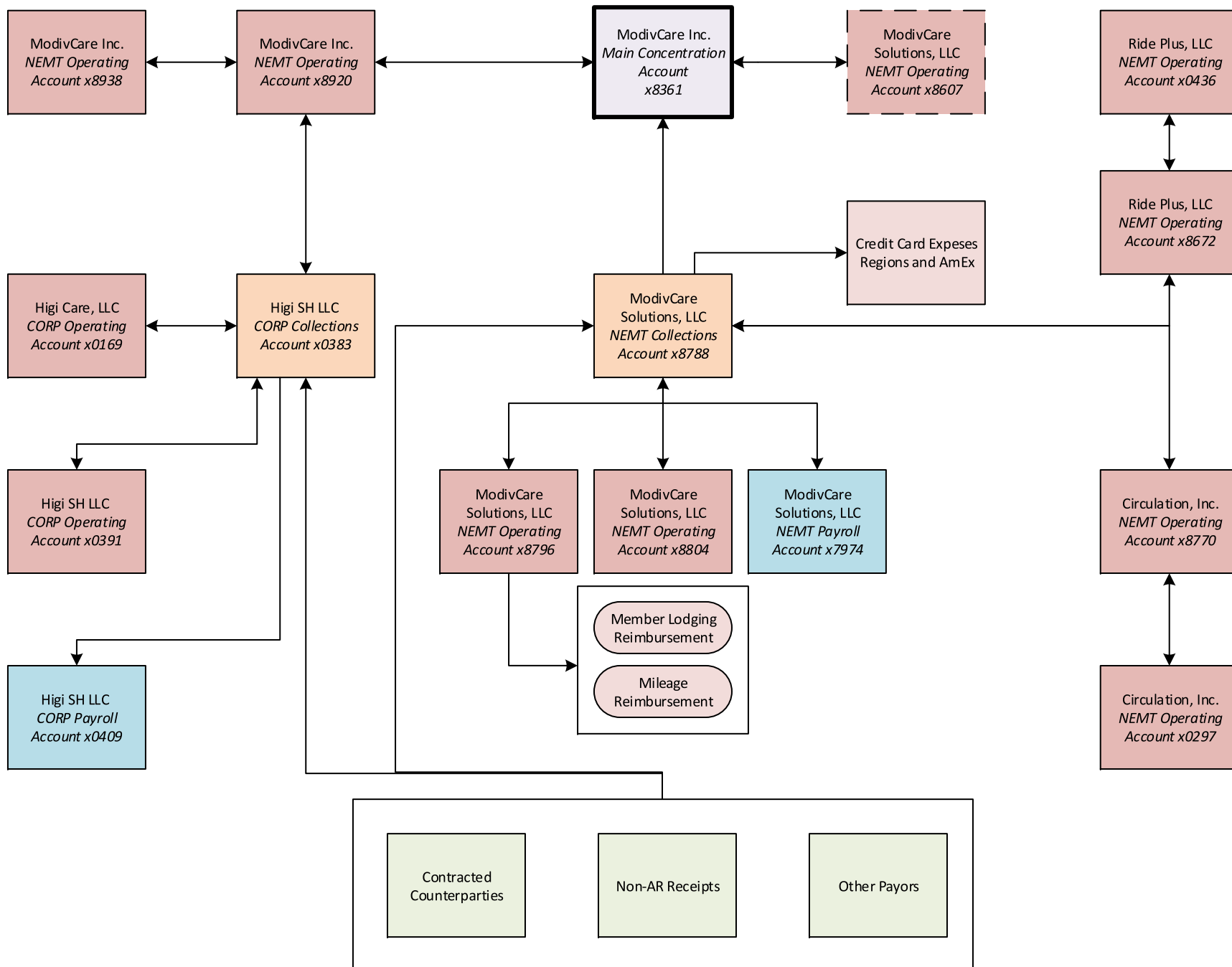
Dashed Box: Manual Sweep
Solid Line: Cash Flow

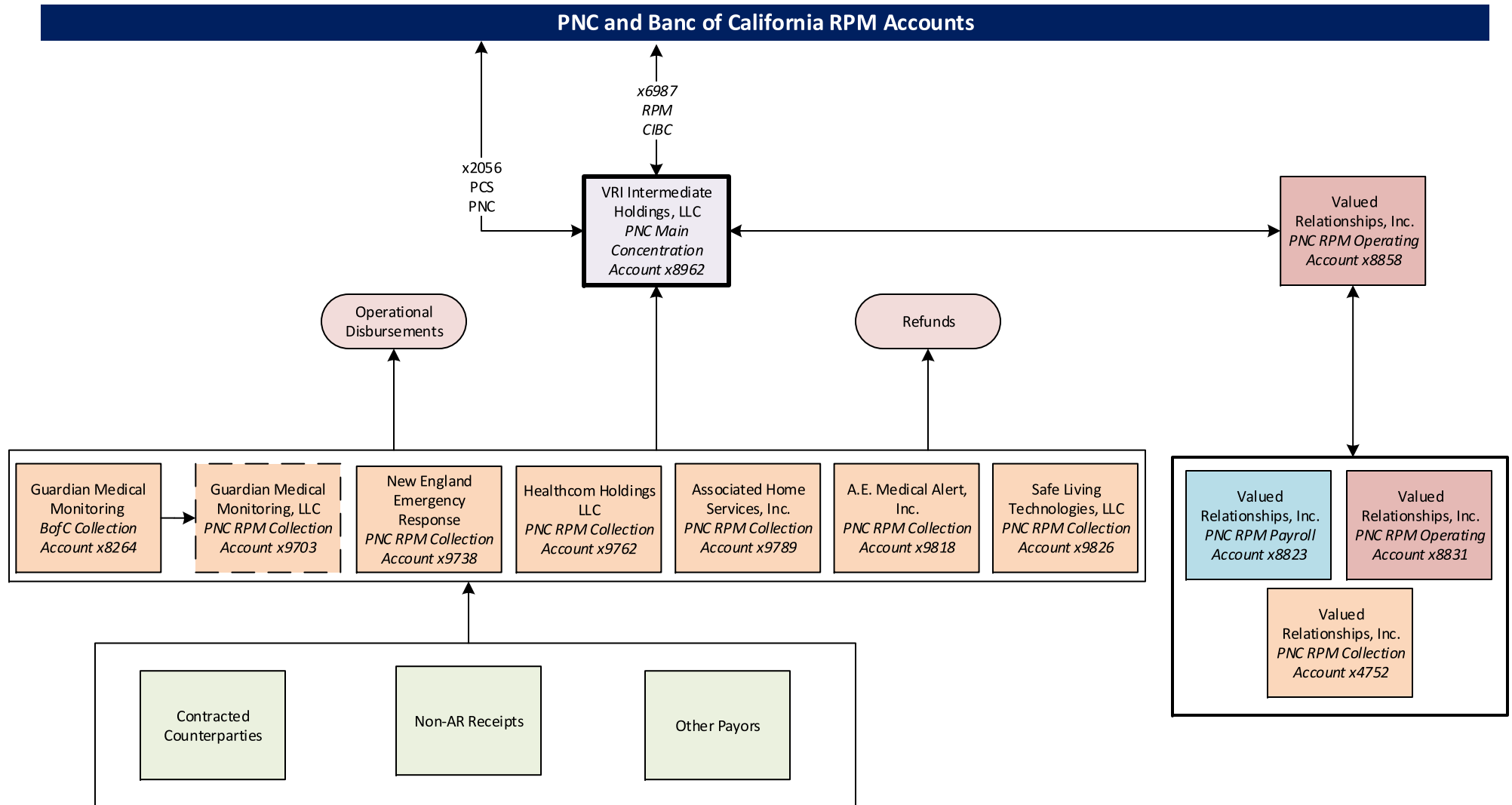
Accounts with no connecting cash flow
lines are standalone accounts that require
direct wire funding

All other accounts are ZBAs

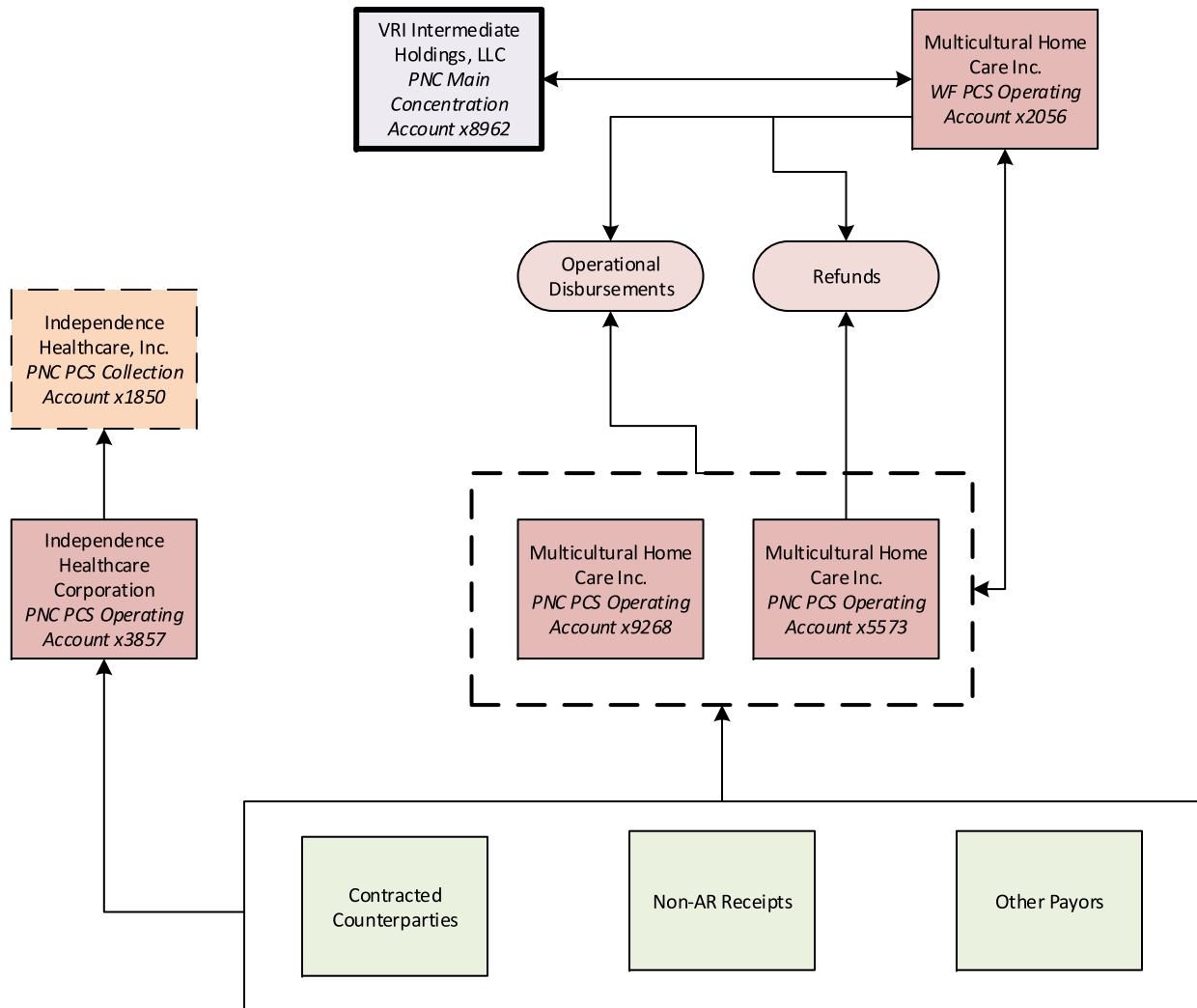
Wells Fargo PCS Accounts



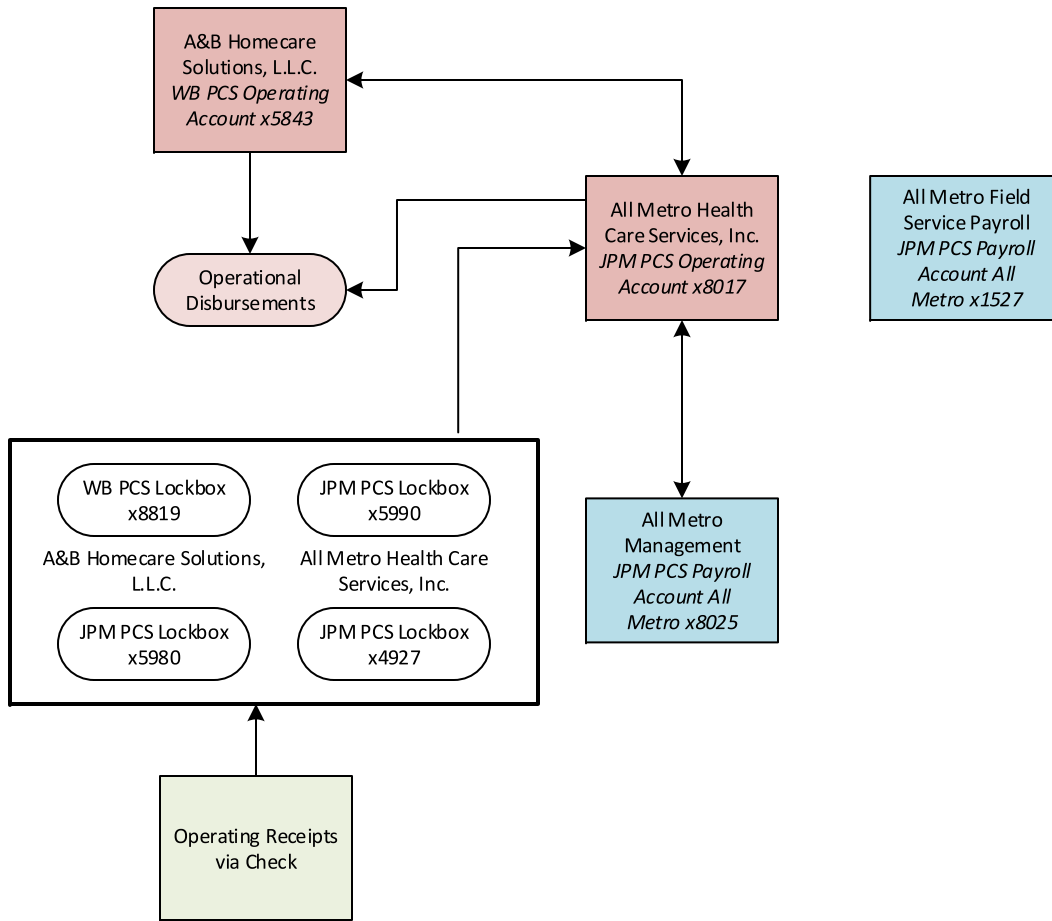
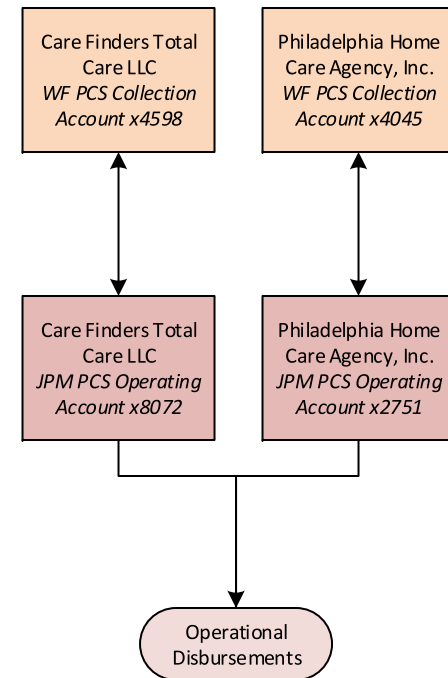




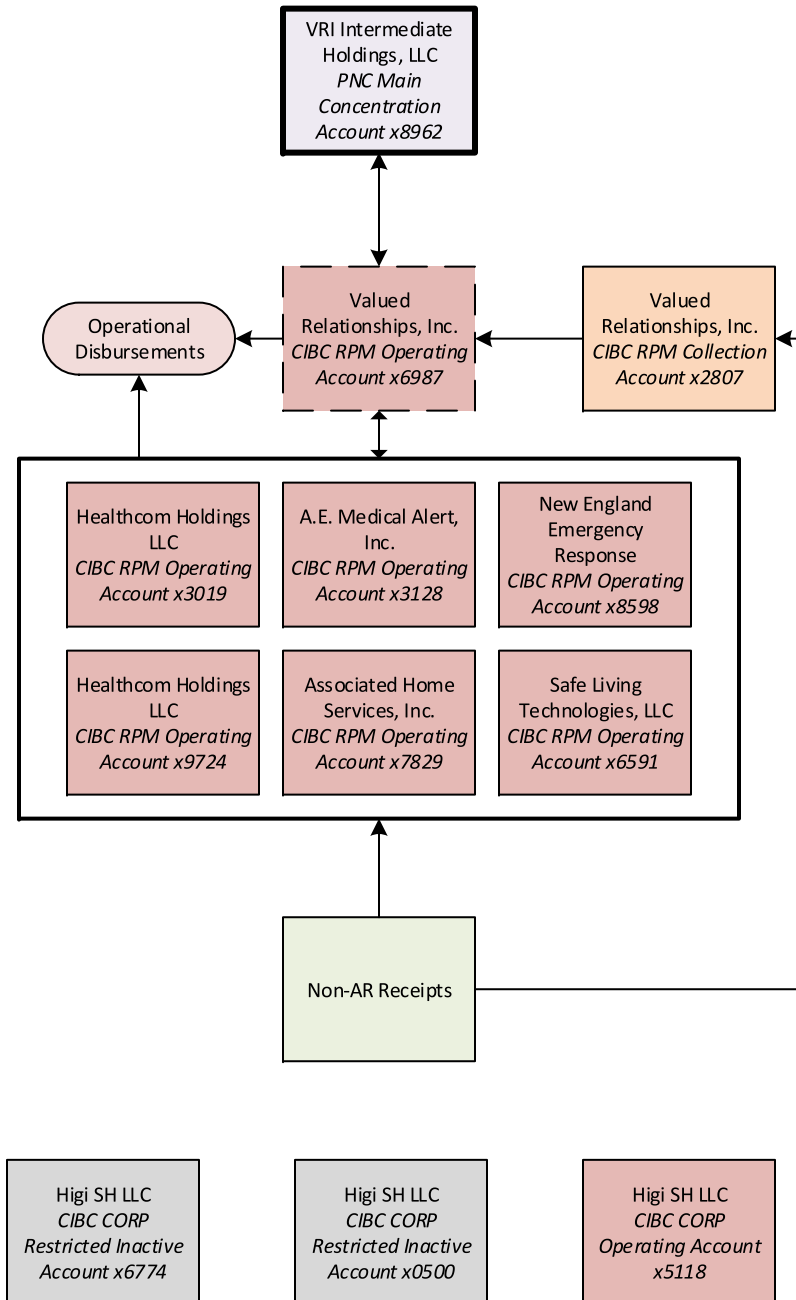
PNC PCS Accounts



JP Morgan and Webster PCS Accounts

A&B Homecare / All MetroCare Finders

CIBC RPM and Corporate Accounts



Citizens, HSBC, Collateral, DIP Proceeds and Truist Accounts

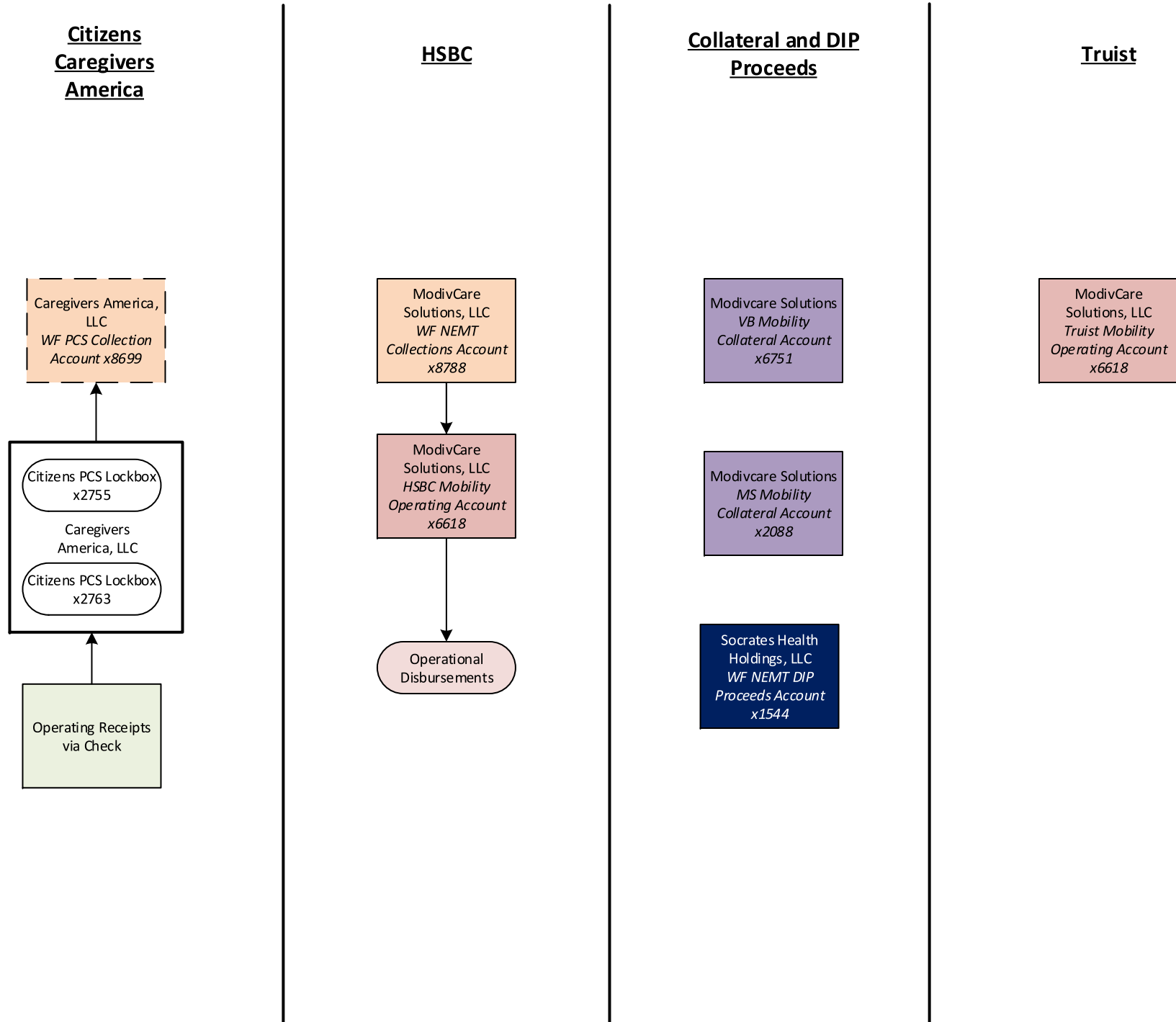


Exhibit B

Accounts¹

¹ All account balances shown reflect amounts as of the end of day on August 19, 2025.

Debtor	Bank	Account #	Account Subcategory	Segment	Currency	Account Balance
ModivCare Solutions, LLC	Wells Fargo	x8361	Main Concentration	NEMT	USD	\$52,715,988.66
All Metro Health Care Services, Inc.	JP Morgan Chase Bank, N.A.	x8017	Operating	PCS	USD	\$6,732,263.43
VRI Intermediate Holdings, LLC	PNC Bank, N.A.	x8962	Main Concentration	RPM	USD	\$1,708,900.34
ModivCare Solutions, LLC	Wells Fargo	x8607	Operating	NEMT	USD	\$457,177.28
Care Finders Total Care LLC	JP Morgan Chase Bank, N.A.	x8072	Operating	PCS	USD	\$319,266.88
Multicultural Home Care Inc.	PNC Bank, N.A.	x9268	Operating	PCS	USD	\$213,091.00
Caregivers America, LLC.	Citizens Bank	x2763	Lockbox	PCS	USD	\$183,086.33
Valued Relationships, Inc.	CIBC Bank USA	x6987	Operating	RPM	USD	\$173,921.45
Caregivers America, LLC.	Citizens Bank	x2755	Lockbox	PCS	USD	\$112,938.60
Philadelphia Home Care Agency, Inc.	JP Morgan Chase Bank, N.A.	x2751	Operating	PCS	USD	\$108,870.85
Guardian Medical Monitoring, LLC	Banc of California, N.A.	x8264	Collection	RPM	USD	\$39,146.61
A & B HOMECARE SOLUTIONS, L.L.C.	Webster Bank, N.A.	x5843	Operating	PCS	USD	\$30,806.82
A & B HOMECARE SOLUTIONS, L.L.C.	Webster Bank, N.A.	x8819	Lockbox	PCS	USD	\$25,000.00
Multicultural Home Care Inc.	PNC Bank, N.A.	x5573	Operating	PCS	USD	\$12,798.75
Higi SH LLC	CIBC Bank USA	x5118	Operating	Corporate	USD	\$8,447.58
ModivCare Solutions, LLC	HSBC Bank USA, N.A.	x6618	Operating	NEMT	USD	\$6,168.31
Independence Healthcare Corporation	PNC Bank, N.A.	x3857	Operating	PCS	USD	\$4,158.83
Panhandle Support Services, Inc.	Truist Bank	x6065	Operating	PCS	USD	\$2,722.34
All Metro Field Service Workers Payroll Services Corporation	JP Morgan Chase Bank, N.A.	x1527	Payroll	PCS	USD	\$2,093.89
A & B HOMECARE SOLUTIONS, L.L.C.	Wells Fargo	x4334	Collection	PCS	USD	\$0.00
A.E. Medical Alert, Inc.	PNC Bank, N.A.	x9818	Collection	RPM	USD	\$0.00
A & B HOMECARE SOLUTIONS, L.L.C.	Wells Fargo	x4359	Operating	PCS	USD	\$0.00
A & B HOMECARE SOLUTIONS, L.L.C.	Wells Fargo	x4367	Payroll	PCS	USD	\$0.00
ABC Homecare LLC	Wells Fargo	x5523	Collection	PCS	USD	\$0.00
ABC Homecare LLC	Wells Fargo	x5556	Payroll	PCS	USD	\$0.00
All Metro Aids Inc.	Wells Fargo	x5630	Collection	PCS	USD	\$0.00
All Metro Associate Payroll Services Corporation	Wells Fargo	x1521	Collection	PCS	USD	\$0.00
All Metro Associate Payroll Services Corporation	Wells Fargo	x1539	Payroll	PCS	USD	\$0.00
All Metro CGA Payroll Services Corporation	Wells Fargo	x1570	Collection	PCS	USD	\$0.00
All Metro CGA Payroll Services Corporation	Wells Fargo	x1604	Payroll	PCS	USD	\$0.00
All Metro Field Service Workers Payroll Services Corporation	Wells Fargo	x2205	Collection	PCS	USD	\$0.00
All Metro Health Care Services, Inc.	Wells Fargo	x3336	Collection	PCS	USD	\$0.00
All Metro Home Care Services of Florida, Inc.	Wells Fargo	x2752	Collection	PCS	USD	\$0.00
All Metro Home Care Services of Florida, Inc.	Wells Fargo	x2778	Operating	PCS	USD	\$0.00
All Metro Home Care Services of Florida, Inc.	Wells Fargo	x2786	Payroll	PCS	USD	\$0.00
All Metro Home Care Services of New York, Inc.	Wells Fargo	x7577	Collection	PCS	USD	\$0.00
All Metro Home Care Services of New York, Inc.	Wells Fargo	x7593	Operating	PCS	USD	\$0.00
All Metro Home Care Services of New York, Inc.	Wells Fargo	x7601	Payroll	PCS	USD	\$0.00
All Metro Management and Payroll Services Corporation	Wells Fargo	x2254	Collection	PCS	USD	\$0.00
All Metro Management and Payroll Services Corporation	Wells Fargo	x2015	Payroll	PCS	USD	\$0.00

Debtor	Bank	Account #	Account Subcategory	Segment	Currency	Account Balance
AM Holdco, Inc.	Wells Fargo	x2863	Operating	PCS	USD	\$0.00
AM Holdco, Inc.	Wells Fargo	x6918	Adequate Assurance	PCS	USD	\$0.00
Arsens Home Care, Inc.	Wells Fargo	x3203	Collection	PCS	USD	\$0.00
Arsens Home Care, Inc.	Wells Fargo	x7051	Operating	PCS	USD	\$0.00
Arsens Home Care, Inc.	Wells Fargo	x7069	Payroll	PCS	USD	\$0.00
Associated Home Services, Inc.	PNC Bank, N.A.	x9789	Collection	RPM	USD	\$0.00
Guardian Medical Monitoring, LLC	PNC Bank, N.A.	x9703	Collection	RPM	USD	\$0.00
Healthcom Holdings LLC	PNC Bank, N.A.	x9762	Collection	RPM	USD	\$0.00
New England Emergency Response Systems, Inc.	PNC Bank, N.A.	x9738	Collection	RPM	USD	\$0.00
Care Finders Total Care LLC	Wells Fargo	x4598	Collection	PCS	USD	\$0.00
Care Finders Total Care LLC	Wells Fargo	x4614	Operating	PCS	USD	\$0.00
Care Finders Total Care LLC	Wells Fargo	x4622	Payroll	PCS	USD	\$0.00
CareGivers America Home Health Services, LLC	Wells Fargo	x5504	Collection	PCS	USD	\$0.00
CareGivers America Home Health Services, LLC	Wells Fargo	x5538	Payroll	PCS	USD	\$0.00
CareGivers America Medical Staffing, LLC	Wells Fargo	x5595	Collection	PCS	USD	\$0.00
CareGivers America Medical Staffing, LLC	Wells Fargo	x5611	Operating	PCS	USD	\$0.00
CareGivers America Medical Staffing, LLC	Wells Fargo	x1478	Payroll	PCS	USD	\$0.00
Caregivers America, LLC.	Wells Fargo	x8699	Collection	PCS	USD	\$0.00
Caregivers America, LLC.	Wells Fargo	x8707	Operating	PCS	USD	\$0.00
Caregivers America, LLC.	Wells Fargo	x8715	Payroll	PCS	USD	\$0.00
Circulation, Inc.	Wells Fargo	x0297	Operating	NEMT	USD	\$0.00
Circulation, Inc.	Wells Fargo	x8770	Operating	NEMT	USD	\$0.00
Helping Hand Home Health Care Agency Inc	Wells Fargo	x1926	Collection	PCS	USD	\$0.00
Helping Hand Home Health Care Agency Inc	Wells Fargo	x1678	Operating	PCS	USD	\$0.00
Helping Hand Home Health Care Agency Inc	Wells Fargo	x1686	Payroll	PCS	USD	\$0.00
Higi Care, LLC	Wells Fargo	x0169	Operating	Corporate	USD	\$0.00
Higi SH LLC	Wells Fargo	x0383	Collection	Corporate	USD	\$0.00
Safe Living Technologies, LLC	PNC Bank, N.A.	x9826	Collection	RPM	USD	\$0.00
All Metro Health Care Services, Inc.	JP Morgan Chase Bank, N.A.	x4927	Lockbox	PCS	USD	\$0.00
A.E. Medical Alert, Inc.	CIBC Bank USA	x3128	Operating	RPM	USD	\$0.00
Associated Home Services, Inc.	CIBC Bank USA	x7829	Operating	RPM	USD	\$0.00
Healthcom Holdings LLC	CIBC Bank USA	x9724	Operating	RPM	USD	\$0.00
All Metro Health Care Services, Inc.	JP Morgan Chase Bank, N.A.	x5980	Lockbox	PCS	USD	\$0.00
All Metro Health Care Services, Inc.	JP Morgan Chase Bank, N.A.	x5990	Lockbox	PCS	USD	\$0.00
Healthcom Holdings LLC	CIBC Bank USA	x3019	Operating	RPM	USD	\$0.00
Higi SH LLC	Wells Fargo	x0391	Operating	Corporate	USD	\$0.00

Debtor	Bank	Account #	Account Subcategory	Segment	Currency	Account Balance
Higi SH LLC	CIBC Bank USA	x6774	Restricted Inactive	Corporate	USD	\$195,625.40
Higi SH LLC	Wells Fargo	x0409	Payroll	Corporate	USD	\$0.00
Independence Healthcare Corporation	Wells Fargo	x1850	Collection	PCS	USD	\$0.00
Independence Healthcare Corporation	Wells Fargo	x1876	Operating	PCS	USD	\$0.00
Independence Healthcare Corporation	Wells Fargo	x1884	Payroll	PCS	USD	\$0.00
Valued Relationships, Inc.	PNC Bank, N.A.	x4752	Collection	RPM	USD	\$0.00
Valued Relationships, Inc.	PNC Bank, N.A.	x8831	Operating	RPM	USD	\$0.00
All Metro Management and Payroll Services Corporation	JP Morgan Chase Bank, N.A.	x8025	Payroll	PCS	USD	\$0.00
Higi SH LLC	CIBC Bank USA	x0500	Restricted Inactive	Corporate	USD	\$85,870.16
Valued Relationships, Inc.	PNC Bank, N.A.	x8858	Operating	RPM	USD	\$0.00
New England Emergency Response Systems, Inc.	CIBC Bank USA	x8598	Operating	RPM	USD	\$0.00
Safe Living Technologies, LLC	CIBC Bank USA	x6591	Operating	RPM	USD	\$0.00
Valued Relationships, Inc.	CIBC Bank USA	x2807	Collection	RPM	USD	\$0.00
Valued Relationships, Inc.	PNC Bank, N.A.	x8823	Payroll	RPM	USD	\$0.00
ModivCare Solutions, LLC	Wells Fargo	x8788	Collection	NEMT	USD	\$0.00
ModivCare Solutions, LLC	Wells Fargo	x8938	Operating	NEMT	USD	\$0.00
ModivCare Solutions, LLC	Wells Fargo	x8796	Operating	NEMT	USD	\$0.00
ModivCare Solutions, LLC	Wells Fargo	x8920	Operating	NEMT	USD	\$0.00
ModivCare Solutions, LLC	Wells Fargo	x8804	Operating	NEMT	USD	\$0.00
ModivCare Solutions, LLC	Wells Fargo	x7974	Payroll	NEMT	USD	\$0.00
Multicultural Home Care Inc.	Wells Fargo	x2049	Collection	PCS	USD	\$0.00
Multicultural Home Care Inc.	Wells Fargo	x2064	Operating	PCS	USD	\$0.00
Multicultural Home Care Inc.	Wells Fargo	x2056	Operating	PCS	USD	\$0.00
Multicultural Home Care Inc.	Wells Fargo	x2072	Payroll	PCS	USD	\$0.00
Panhandle Support Services, Inc.	Wells Fargo	x3732	Collection	PCS	USD	\$0.00
Panhandle Support Services, Inc.	Wells Fargo	x3492	Operating	PCS	USD	\$0.00
Panhandle Support Services, Inc.	Wells Fargo	x3500	Payroll	PCS	USD	\$0.00
Personal In-Home Services, Inc.	Wells Fargo	x3658	Collection	PCS	USD	\$0.00
Personal In-Home Services, Inc.	Wells Fargo	x3674	Operating	PCS	USD	\$0.00
Personal In-Home Services, Inc.	Wells Fargo	x3682	Payroll	PCS	USD	\$0.00
Philadelphia Home Care Agency, Inc.	Wells Fargo	x4045	Collection	PCS	USD	\$0.00
Philadelphia Home Care Agency, Inc.	Wells Fargo	x4060	Operating	PCS	USD	\$0.00
Philadelphia Home Care Agency, Inc.	Wells Fargo	x4078	Payroll	PCS	USD	\$0.00
Ride Plus, LLC	Wells Fargo	x0436	Operating	NEMT	USD	\$0.00
Ride Plus, LLC	Wells Fargo	x8672	Operating	NEMT	USD	\$0.00
ModivCare Solutions, LLC	Morgan Stanley	x2088	Collateral	NEMT	USD	\$3,202,105.00
ModivCare Solutions, LLC	Vantage Bank Texas	x6751	Collateral	NEMT	USD	\$9,339,021.00
Socrates Health Holdings, LLC	Wells Fargo	x1544	DIP Proceeds	NEMT	USD	\$0.00
Union Home Care LLC	Wells Fargo	x8632	Collection	PCS	USD	\$0.00
Union Home Care LLC	Wells Fargo	x8665	Payroll	PCS	USD	\$0.00

**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	

**INTERIM ORDER (A) AUTHORIZING
DEBTORS TO (I) CONTINUE EXISTING
CASH MANAGEMENT SYSTEM, (II) MAINTAIN EXISTING BUSINESS
FORMS, AND (III) CONTINUE INTERCOMPANY TRANSACTIONS;
AND (B) GRANTING RELATED RELIEF
[Relates to Docket No. ____]**

Upon the emergency motion (the “*Motion*”)² of the Debtors for entry of an interim order (this “*Interim Order*”) (a) authorizing, but not directing, the Debtors to (i) continue operating their existing Cash Management System, including, without limitation, to continue to maintain their existing accounts and business forms, (ii) implement changes to the Cash Management System in the ordinary course of business insofar as such changes relate to the Debtors’ participation in, or control of, the Cash Management System, including, without limitation, opening new or closing existing accounts owned by the Debtors, (iii) continue to perform under and honor intercompany transactions among Debtors and non-Debtor affiliates in the ordinary course of business, (iv) provide administrative expense priority for postpetition Intercompany Claims against the

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://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 have the meaning assigned to them in the Motion.

Debtors, (v) honor and pay all prepetition and postpetition Account Fees payable by the Debtors, and (vi) continue utilizing the Corporate Card Programs in the ordinary course and pay prepetition amounts thereunder; (b) waiving, on a conditional 60-day basis, certain requirements under section 345 of the Bankruptcy Code and the U.S. Trustee Guidelines; (c) authorizing and directing the financial institutions at which the Debtors maintain various accounts to (i) continue to maintain, service, and administer the Accounts and (ii) debit the Accounts in the ordinary course of business on account of (I) electronic transfers (including wire transfers, book transfers, and ACH transfers) or checks drawn on the Accounts and (II) all amounts owed to the Banks for maintenance of the Accounts, including, without limitation, any account fees, credit card procession fees, service charges and other fees, costs, charges, chargebacks, and expenses associated with the Accounts and the Cash Management System, whether arising before or after the commencement of the Chapter 11 Cases; 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 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, except as set forth in the Motion with respect to entry of this Interim Order and notice of the Final Hearing (as defined below); 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 are authorized, but not directed, to continue to maintain, and manage their cash pursuant to, the Cash Management System; to collect, concentrate, and disburse cash in accordance with the Cash Management System, including Intercompany Transactions; and to make ordinary course changes to their Cash Management System without further order of the Court.

2. The Debtors are authorized, but not directed, to (a) designate, maintain, and continue to use any or all of their existing Accounts, including those listed on **Exhibit B** to the Motion, in the names and with the account numbers existing immediately before the Petition Date, (b) to the extent of available funds, deposit funds in, and withdraw funds from, such accounts by all usual means, including, without limitation, checks, wire transfers, ACH transfers, and other debits, (c) pay any Account Fees or other charges associated with the Accounts, whether arising before or after the Petition Date, and (d) treat their prepetition Accounts for all purposes as debtor in possession accounts.

3. The Debtors are authorized, but not directed, to (a) open new Accounts and close any existing Accounts in the ordinary course of business as they may deem necessary and appropriate, and any relevant bank is authorized to honor the Debtors' requests to open or close such Accounts and (b) enter into any ancillary agreements, including new deposit control agreements, related to the foregoing, as they may deem necessary and appropriate; *provided*, that all accounts opened by any of the Debtors on or after the Petition Date at any bank, shall, for purposes of this Interim Order, be deemed an Account as if it had been listed on **Exhibit B** to the

Motion; *provided, further*, that all new accounts that are opened within the United States shall be at depositories that are designated as an approved depository by the U.S. Trustee pursuant to the U.S. Trustee Guidelines; *provided, further*, that the Debtors shall provide prior written notice to the extent reasonably practicable, email notice being sufficient, to the U.S. Trustee, and, if appointed, counsel to any statutory committee, email notice being sufficient, of such opening or closing any Account and such opening or closing shall be timely reported in the Debtors' monthly operating reports.

4. The Banks are authorized to receive, process, honor, and pay any and all checks issued, or to be issued, and electronic funds transfers requested, or to be requested, by the Debtors relating to such obligations as set forth herein, to the extent that sufficient funds are on deposit in available funds in the applicable Accounts to cover such payments. The Banks are authorized to accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of this Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise.

5. The Debtors are authorized, but not directed, to continue the Corporate Card Programs in the ordinary course and using, and performing their obligations under, the Corporate Card Programs, including, without limitation, paying any obligations related thereto regardless of whether such obligations arose prior to or after the Petition Date. All prepetition charges and fees due and owing under any agreements between the Credit Card Providers and the Debtors are authorized to be paid to the Credit Card Providers, as applicable pursuant to the terms of such agreements.

6. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds transfers, and to replace any prepetition checks or electronic fund transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Chapter 11 Cases with respect to any prepetition amounts that are authorized to be paid pursuant to this Interim Order.

7. Each of the Debtor's Banks is authorized to debit the Debtors' accounts in the ordinary course of business without the need for further order of this Court for: (i) all checks drawn on the Debtors' accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (ii) all checks or other items deposited in one of Debtors' accounts with such Bank prior to the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such items prior to the Petition Date; and (iii) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System; and that any of the Debtors' Banks may rely on the representations of the Debtor with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Order or any other order of this Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

8. The Banks shall not be liable to any party on account of: (a) following the Debtors' representations, instructions, or presentations as to any order of the Court (without any duty of further inquiry); (b) the honoring of any prepetition checks, drafts, wires, electronic funds transfers, ACH transfers, or other items in a good faith belief or upon a representation by the

Debtors that the Court has authorized such prepetition check, draft, wire, transfers, or other items; or (c) an innocent mistake made despite implementation of reasonable handling procedures.

9. Those certain existing deposit agreements between the Debtors and their existing Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect, without the need for further Court order. Either the Debtors or the Banks may, without further order of this Court, implement changes to the Cash Management System and procedures in the ordinary course of business pursuant to terms of those certain existing deposit agreements, including, without limitation, the opening and closing of Accounts.

10. The Debtors are authorized pursuant to sections 363(c) and 364(a) of the Bankruptcy Code to continue to perform under and honor Intercompany Transactions in the ordinary course of business, so long as such Intercompany Transactions are materially consistent with the Debtors' operation of their business in the ordinary course during the prepetition period; *provided* that the Debtors shall maintain accurate and detailed records of all Intercompany Transactions and the payment of Intercompany Claims so that all transactions, including Intercompany Transactions and the payment of Intercompany Claims, may be readily traced, ascertained, distinguished, and recorded properly on applicable intercompany accounts (if any) and distinguished between prepetition and postpetition transactions for the purposes of determining administrative expense status, which records shall be provided to First Lien Agent and Consenting Creditor Counsel upon reasonable request. Further, the Debtors shall maintain a report setting forth all Intercompany Transactions that constitute cash payments, both between Debtors and between Debtors and non-Debtor affiliates, and shall provide a copy of such report

on a weekly basis to First Lien Agent and Consenting Creditor Counsel beginning with the second week following the entry of this Interim Order. To the extent that the transfers within the Cash Management System are disbursements, they will be noted and reflected on the monthly operating reports and post confirmation reports filed by Debtors.

11. All Intercompany Claims against one Debtor held by another Debtor arising after the Petition Date as a result of Intercompany Transactions shall be accorded administrative expense priority status in accordance with section 503(b) of the Bankruptcy Code. For the avoidance of doubt, the relief granted in this Interim Order with respect to the postpetition Intercompany Transactions and the Intercompany Claims resulting therefrom shall not constitute a finding as to the validity, priority, or status or any prepetition Intercompany Claim or any Intercompany Transaction from which such Intercompany Claim may have arisen, and the Debtors and any other party in interest expressly reserve any and all rights with regard to the validity, priority, or status of any prepetition Intercompany Claim or any Intercompany Transaction from which such Intercompany Claim may have arisen.

12. To the extent that any of the Debtors' Accounts are not in compliance with section 345(b) of the Bankruptcy Code and any provision of the U.S. Trustee Guidelines, the Debtors shall have until October 2, 2025, without prejudice to seeking an additional extension or extensions, to come into compliance with section 345(b) of the Bankruptcy Code and the U.S. Trustee Guidelines. The Debtors may obtain a further extension of the time period set forth in this paragraph by entering into a written stipulation with the U.S. Trustee and filing such stipulation on the Court's docket without the need for further Court order; *provided*, that nothing herein shall prevent the Debtors or the U.S. Trustee from seeking further relief from the Court to the extent that an agreement cannot be reached.

13. Notwithstanding the foregoing, a non-Debtor affiliate shall not setoff any postpetition obligations owed to a Debtor against any prepetition obligations owed by a Debtor to a non-Debtor affiliate to the disadvantage of the Debtors.

14. The Debtors shall maintain accurate records of all transfers within the Cash Management System, including transfers between Debtors, so that all postpetition transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, their books and records, to the same extent maintained by the Debtors before the Petition Date. To the extent that the transfers within the Cash Management System are disbursements, they will be noted and reflected on the monthly operating reports and post confirmation reports filed by Debtors.

15. The Debtors are authorized to continue using, as such forms were in existence immediately before the Petition Date, the Business Forms, without reference to any Debtors' status as a debtor in possession; *provided*, that once the Debtors have exhausted their existing stock of checks, the Debtors shall ensure that any new checks are clearly labeled "Debtor In Possession" as soon as it is reasonably practicable to do so; *provided further*, that with respect to any Business Forms that exist or are generated electronically, the Debtors shall use reasonable efforts to ensure that such electronic Business Forms are labeled "Debtor In Possession" within fifteen (15) days following entry of this Interim Order, without prejudice to seeking an additional extension of such deadline. The Debtors may obtain a further extension of the 15-day time period referenced in this paragraph by entering into a written stipulation with the U.S. Trustee and filing such stipulation on the Court's docket without the need for further Court order.

16. Nothing in the Motion or this Interim Order, or any payment made pursuant to this Interim 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 Interim 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.

17. 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.

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

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

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

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

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

23. A final hearing on the Motion (the “*Final Hearing*”) shall be held on [●], 2025, at [●]:00 [A./P.]M., prevailing Central Time. Any objections or responses to entry of the Final Order granting the relief requested in the Motion shall be filed on or before 5:00 p.m., prevailing Central Time, on [●], 2025. If no objections are timely filed and served, the Court may enter the Final Order without conducting the Final Hearing.

Signed: _____, 2025
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE

**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	

**FINAL ORDER (A) AUTHORIZING
DEBTORS TO (I) CONTINUE EXISTING
CASH MANAGEMENT SYSTEM, (II) MAINTAIN EXISTING BUSINESS
FORMS, AND (III) CONTINUE INTERCOMPANY TRANSACTIONS;
AND (B) GRANTING RELATED RELIEF
[Relates to Docket No. ____]**

Upon the emergency motion (the “*Motion*”)² of the Debtors for entry of a final order (this “*Final Order*”) (a) authorizing, but not directing, the Debtors to (i) continue operating their existing Cash Management System, including, without limitation, to continue to maintain their existing accounts and business forms, (ii) implement changes to the Cash Management System in the ordinary course of business insofar as such changes relate to the Debtors’ participation in, or control of, the Cash Management System, including, without limitation, opening new or closing existing accounts owned by the Debtors, (iii) continue to perform under and honor intercompany transactions among Debtors and non-Debtor affiliates in the ordinary course of business, (iv) provide administrative expense priority for postpetition Intercompany Claims against the

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://veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in the Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

² Capitalized terms used but not otherwise defined herein have the meaning assigned to them in the Motion.

Debtors, (v) honor and pay all prepetition and postpetition Account Fees payable by the Debtors, and (vi) continue utilizing the Corporate Card Programs in the ordinary course and pay prepetition amounts thereunder; (b) waiving, on a conditional 60-day basis, certain requirements under section 345 of the Bankruptcy Code and the U.S. Trustee Guidelines; (c) authorizing and directing the financial institutions at which the Debtors maintain various Accounts to (i) continue to maintain, service, and administer the Accounts and (ii) debit the Accounts in the ordinary course of business on account of (I) electronic transfers (including wire transfers, book transfers, and ACH transfers) or checks drawn on the Accounts and (II) all amounts owed to the Banks for maintenance of the Accounts, including, without limitation, any account fees, credit card procession fees, service charges and other fees, costs, charges, chargebacks, and expenses associated with the Accounts and the Cash Management System, whether arising before or after the commencement of the Chapter 11 Cases; and (d) granting related relief, all as more fully set forth in the Motion; and the Court having reviewed the Motion, the First Day Declaration, and the Interim Order entered on [●], 2025; 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 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 Debtors are authorized, but not directed, to continue to maintain, and manage their cash pursuant to, the Cash Management System; to collect, concentrate, and disburse cash in accordance with the Cash Management System, including Intercompany Transactions; and to make ordinary course changes to their Cash Management System without further order of the Court.

2. The Debtors are authorized, but not directed, to (a) designate, maintain, and continue to use any or all of their existing Accounts, including those listed on **Exhibit B** to the Motion, in the names and with the account numbers existing immediately before the Petition Date, (b) to the extent of available funds, deposit funds in, and withdraw funds from, such accounts by all usual means, including, without limitation, checks, wire transfers, ACH transfers, and other debits, (c) pay any Account Fees or other charges associated with the Accounts, whether arising before or after the Petition Date, and (d) treat their prepetition Accounts for all purposes as debtor in possession accounts.

3. The Debtors are authorized, but not directed, to (a) open new Accounts and close any existing Accounts in the ordinary course of business as they may deem necessary and appropriate, and any relevant bank is authorized to honor the Debtors' requests to open or close such Accounts and (b) enter into any ancillary agreements, including new deposit control agreements, related to the foregoing, as they may deem necessary and appropriate; *provided*, that all accounts opened by any of the Debtors on or after the Petition Date at any bank, shall, for purposes of this Final Order, be deemed an Account as if it had been listed on **Exhibit B** to the

Motion; *provided, further*, that all new accounts that are opened within the United States shall be at depositories that are designated as an approved depository by the U.S. Trustee pursuant to the U.S. Trustee Guidelines; *provided, further*, that the Debtors shall provide prior written notice to the extent reasonably practicable, email notice being sufficient, to the U.S. Trustee, and, if appointed, counsel to any statutory committee, email notice being sufficient, of such opening or closing any Account and such opening or closing shall be timely reported in the Debtors' monthly operating reports.

4. The Banks are authorized to receive, process, honor, and pay any and all checks issued, or to be issued, and electronic funds transfers requested, or to be requested, by the Debtors relating to such obligations as set forth herein, to the extent that sufficient funds are on deposit in available funds in the applicable accounts to cover such payments. The Banks are authorized to accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of this Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise.

5. The Debtors are authorized, but not directed, to continue the Corporate Card Programs in the ordinary course and using, and performing their obligations under, the Corporate Card Programs, including, without limitation, paying any obligations related thereto regardless of whether such obligations arose prior to or after the Petition Date. All prepetition charges and fees due and owing under any agreements between the Credit Card Providers and the Debtors are authorized to be paid to the Credit Card Providers, as applicable pursuant to the terms of such agreements.

6. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds transfers, and to replace any prepetition checks or electronic fund transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Chapter 11 Cases with respect to any prepetition amounts that are authorized to be paid pursuant to this Final Order.

7. Each of the Debtor's Banks is authorized to debit the Debtors' accounts in the ordinary course of business without the need for further order of this Court for: (i) all checks drawn on the Debtors' accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (ii) all checks or other items deposited in one of Debtors' accounts with such Bank prior to the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such items prior to the Petition Date; and (iii) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System; and that any of the Debtors' Banks may rely on the representations of the Debtor with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Order or any other order of this Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

8. The Banks shall not be liable to any party on account of: (a) following the Debtors' representations, instructions, or presentations as to any order of the Court (without any duty of further inquiry); (b) the honoring of any prepetition checks, drafts, wires, electronic funds transfers, ACH transfers, or other items in a good faith belief or upon a representation by the

Debtors that the Court has authorized such prepetition check, draft, wire, transfers, or other items; or (c) an innocent mistake made despite implementation of reasonable handling procedures.

9. Those certain existing deposit agreements between the Debtors and their existing Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect, without the need for further Court order. Either the Debtors or the Banks may, without further order of this Court, implement changes to the Cash Management System and procedures in the ordinary course of business pursuant to terms of those certain existing deposit agreements, including, without limitation, the opening and closing of Accounts.

10. The Debtors are authorized pursuant to sections 363(c) and 364(a) of the Bankruptcy Code to continue to perform under and honor Intercompany Transactions in the ordinary course of business, so long as such Intercompany Transactions are materially consistent with the Debtors' operation of their business in the ordinary course during the prepetition period; *provided* that the Debtors shall maintain accurate and detailed records of all Intercompany Transactions and the payment of Intercompany Claims so that all transactions, including Intercompany Transactions and the payment of Intercompany Claims, may be readily traced, ascertained, distinguished, and recorded properly on applicable intercompany accounts (if any) and distinguished between prepetition and postpetition transactions for the purposes of determining administrative expense status, which records shall be provided to First Lien Agent and Consenting Creditor Counsel upon reasonable request. Further, the Debtors shall maintain a report setting forth all Intercompany Transactions that constitute cash payments, both between Debtors and between Debtors and non-Debtor affiliates, and shall provide a copy of such report

on a weekly basis to First Lien Agent and Consenting Creditor Counsel beginning with the second week following the entry of this Final Order. To the extent that the transfers within the Cash Management System are disbursements, they will be noted and reflected on the monthly operating reports and post confirmation reports filed by Debtors.

11. All Intercompany Claims against one Debtor held by another Debtor arising after the Petition Date as a result of Intercompany Transactions shall be accorded administrative expense priority status in accordance with section 503(b) of the Bankruptcy Code. For the avoidance of doubt, the relief granted in this Final Order with respect to the postpetition Intercompany Transactions and the Intercompany Claims resulting therefrom shall not constitute a finding as to the validity, priority, or status or any prepetition Intercompany Claim or any Intercompany Transaction from which such Intercompany Claim may have arisen, and the Debtors and any other party in interest expressly reserve any and all rights with regard to the validity, priority, or status of any prepetition Intercompany Claim or any Intercompany Transaction from which such Intercompany Claim may have arisen.

12. To the extent that any of the Debtors' Accounts are not in compliance with section 345(b) of the Bankruptcy Code and any provision of the U.S. Trustee Guidelines, the Debtors shall have until October 2, 2025, without prejudice to seeking an additional extension or extensions, to come into compliance with section 345(b) of the Bankruptcy Code. The Debtors may obtain a further extension of the time period set forth in this paragraph by entering into a written stipulation with the U.S. Trustee and filing such stipulation on the Court's docket without the need for further Court order; *provided*, that nothing herein shall prevent the Debtors or the U.S. Trustee from seeking further relief from the Court to the extent that an agreement cannot be reached.

13. Notwithstanding the foregoing, a non-Debtor affiliate shall not setoff any postpetition obligations owed to a Debtor against any prepetition obligations owed by a Debtor to a non-Debtor affiliate to the disadvantage of the Debtors.

14. The Debtors shall maintain accurate records of all transfers within the Cash Management System, including transfers between Debtors, so that all postpetition transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, their books and records, to the same extent maintained by the Debtors before the Petition Date and such records shall be made available upon reasonable request by counsel to the Consenting Creditors. To the extent that the transfers within the Cash Management System are disbursements, they will be noted and reflected on the monthly operating reports and post confirmation reports filed by Debtors.

15. The Debtors are authorized to continue using, as such forms were in existence immediately before the Petition Date, the Business Forms, without reference to any Debtors' status as a debtor in possession; *provided*, that once the Debtors have exhausted their existing stock of checks, the Debtors shall ensure that any new checks are clearly labeled "Debtor In Possession" as soon as it is reasonably practicable to do so; *provided further*, that with respect to any Business Forms that exist or are generated electronically, the Debtors shall use reasonable efforts to ensure that such electronic Business Forms are labeled "Debtor In Possession" within fifteen (15) days following entry of this Final Order, without prejudice to seeking an additional extension of such deadline. The Debtors may obtain a further extension of the 15-day time period referenced in this paragraph by entering into a written stipulation with the U.S. Trustee and filing such stipulation on the Court's docket without the need for further Court order.

16. Nothing in the Motion or this Final Order, or any payment made pursuant to this Final 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 Final 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.

17. 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.

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

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

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

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

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

Signed: _____, 2025
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE