

**ENTERED**

August 21, 2025

Nathan Ochsner, Clerk

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

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In re: : Chapter 11  
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MODIVCARE INC., *et al.*, : Case No. 25-90309 (ARP)  
:  
Debtors.<sup>1</sup> : (Jointly Administered)  
:  
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**ORDER (A) AUTHORIZING  
DEBTORS TO (I) PAY PREPETITION  
WAGES, SALARIES, EMPLOYEE BENEFITS, AND OTHER  
COMPENSATION, AND (II) MAINTAIN EMPLOYEE BENEFITS PROGRAMS  
AND PAY RELATED OBLIGATIONS; AND (B) GRANTING RELATED RELIEF**  
**[Relates to Docket No. 9]**

Upon the emergency motion (the “*Motion*”)<sup>2</sup> of the Debtors for entry of an order (this “*Order*”) pursuant to sections 105(a), 363(b), and 507 of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, (a) authorizing, but not directing, the Debtors to (i) pay the Employee Obligations and related fees, costs, and expenses incident to the foregoing, including amounts owed to third-party service providers and administrators and taxing authorities; and (ii) maintain, and continue to honor and pay amounts with respect to, the Debtors’ business programs and policies for their employees as they were in effect as of the Petition Date, and as they may be modified, amended, or supplemented from time to time in the ordinary course of business; and (b) granting related relief, all as more fully set forth in the Motion; and the Court

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

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



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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; 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, in their discretion and business judgment, and in the ordinary course consistent with the Debtors' prepetition practices and the terms of this Order, to (i) pay the Employee Obligations owed to the Workforce and related fees, costs, and expenses incident to the foregoing, including amounts owed to the Administrators, the Staffing Agencies, and taxing authorities, in each case in the ordinary course of business (whether arising before or after the Petition Date); (ii) maintain, and continue to honor and pay amounts with respect to, the Debtors' business programs and policies for their Employees (including the Employee Benefits) as in effect as of the Petition Date and as they may be modified, amended, or supplemented from time to time in the ordinary course of business; and (iii) continue to deduct and to transmit the Deductions from payroll checks as authorized by Employees, as required under

any employee-related plan, program, or policy, or as required by applicable law; *provided that*, Debtors shall not honor any prepetition Employee Compensation and Benefits to any individual that exceeds the priority amounts set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code.

2. The Debtors are authorized, but not directed, to continue their business programs and policies for their Employees (including the Bonus and Commission Programs and Severance Program) on a postpetition basis, and in each case to pay any accrued amounts thereunder as they become due in the ordinary course of business; *provided that*, to the extent set forth in section 503(c) of the Bankruptcy Code, nothing in this Order shall be deemed to authorize the payment of any amounts to “insiders” (such persons who meet the definition of “insider” provided in section 101(31) of the Bankruptcy Code, collectively, “**Insiders**”) of the Debtors under either the Bonus and Commission Programs or the Severance Program during the Chapter 11 Cases. Notwithstanding the foregoing, the Debtors’ rights are reserved to seek authorization to pay insiders under the Bonus and Commission Programs and Severance Programs during the Chapter 11 Cases pursuant to separate motion.

3. The Debtors are authorized, but not directed, to transmit any Deductions previously withheld or deducted from the Employee payroll to the appropriate third-party recipient.

4. The Debtors are authorized, but not directed, in their discretion and business judgment, and in the ordinary course of business, to (a) modify, change, and discontinue any program, policy, or practice with respect to the Employee Obligations (including the Employee Benefits) and (b) implement new programs, policies, and practices with respect to the Employee Obligations during the Chapter 11 Cases without the need for further Court approval; *provided, however*, Debtors will provide seven (7) days’ advance written notice to the U.S. Trustee, the DIP

Lenders (via counsel thereto), and any statutory committee appointed in these chapter 11 cases of any material changes to its plans, practices, programs, and policies for Employees and any new Employee compensation or Employee Obligations; and, *provided, further*, nothing herein shall be deemed to authorize the Debtors to make any payment that violates section 503(c) of the Bankruptcy Code during the Chapter 11 Cases. For avoidance of doubt, the Debtors are required to seek Court approval, on notice, of any modification of the Employee Obligations or Employee compensation that would implicate any portion of section 503(c) of the Bankruptcy Code.

5. 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, to the extent that sufficient funds are on deposit in available funds in the applicable bank 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.

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 Order.

7. Nothing herein shall be deemed to authorize the Debtors to cash out or set off unpaid PTO Obligations, except upon termination of an Employee to the extent required by applicable non-bankruptcy law.

8. The Debtors shall maintain a matrix/schedule of amounts paid related to the Prepetition Employee Obligations, made pursuant to this Order, including the following information: (a) the names of the payee; (b) the date and the amount of the payment; (c) the category or type of payment, as further described and classified in the Motion; and (d) the Debtor or Debtors that made the payment. On the last business day of each month (beginning in September 2025) and ending upon entry of an order confirming a plan or dismissing or converting the Chapter 11 Cases, the Debtors shall provide a copy of such matrix/schedule to the U.S. Trustee, counsel to the First Lien Agent and the Consenting Creditors, counsel to the DIP Lenders, and any statutory committee appointed in the Chapter 11 Cases covering all payments made pursuant to this Order during the prior month.

9. 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.

10. Nothing in the Motion or this Order, or any payment made pursuant to this Order, is intended to be or shall be deemed as (a) an implication or admission as to the amount of, basis for, or validity of any claim against the Debtors; (b) a waiver or limitation of the Debtors' or any other party in interest's right to dispute the amount of, basis for, or validity of any claim; (c) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable non-bankruptcy law; (d) a waiver of the obligation of any party in interest to file a proof of claim; (e) a promise or requirement to pay any particular claim; (f) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any

other applicable law; (g) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (h) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code. Any payment made pursuant to this Order is not intended to be and should not be construed as an admission to the validity of any claim or waiver of the Debtors' or any other party in interest's rights to dispute such claim subsequently.

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

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

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

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

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

Signed: August 21, 2025

  
Alfredo R Pérez  
United States Bankruptcy Judge