

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

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In re: : Chapter 11  
: :  
MODIVCARE INC., *et al.*, : Case No. 25-90309 (ARP)  
: :  
Debtors.<sup>1</sup> : (Jointly Administered)  
: :  
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**DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING  
THE DEBTORS TO REJECT CERTAIN EXECUTORY CONTRACTS**

**If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within twenty-one days from the date this motion was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.**

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 (the “***Motion***”):

**RELIEF REQUESTED**

1. By this Motion, the Debtors seek entry of an order (the “***Proposed Order***”), substantially in the form attached hereto, authorizing the Debtors to: (a) reject certain executory contracts, including any agreements, riders, schedules, certificates, memoranda, amendments, supplements, guaranties, and any other documents related thereto, each as set forth on **Exhibit 1**

<sup>1</sup> A complete list of each of the Debtors in these 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’ 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.



to the Proposed Order (collectively, the “***Rejected Contracts***”) with Cigna Corporate Services, LLC, which is the counterparty to each Rejected Contract (the “***Counterparty***”), effective as of January 28, 2026 (the “***Rejection Date***”).

### **JURISDICTION AND VENUE**

2. The United States Bankruptcy Court for the Southern District of Texas (the “***Court***”) has jurisdiction over this matter pursuant to 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 pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory and legal predicates for the relief requested herein are sections 105, 362, 365(a), and 554 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “***Bankruptcy Code***”), rules 6004, 6006, and 6007 of the Federal Rules of Bankruptcy Procedure (the “***Bankruptcy Rules***”), rule 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas, and the Procedures for Complex Cases in the Southern District of Texas.

### **BACKGROUND**

4. On August 20, 2025 (the “***Petition Date***”), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the “***Chapter 11 Cases***”). 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***”) [Docket No. 14].<sup>2</sup>

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

5. 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 request for the appointment of a trustee or an examiner has been made in the Chapter 11 Cases.

6. On December 5, 2025, the Debtors filed their *Second Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and Its Debtor Affiliates* [Docket No. 959] (the “**Plan**”). On December 15, 2025, the Court entered the Confirmation Order. The Effective Date is scheduled to occur on or before December 29, 2025. Under the terms of the Plan, on the Effective Date, all Executory Contracts and Unexpired Leases of the Debtors shall be deemed assumed by the Debtors, except for, among other things, those Executory Contracts and Unexpired Leases that are the subject of a motion to reject filed by the Debtors pending on the Effective Date. Given the impending effectiveness of the Plan, the Debtors are filing this Motion seeking to reject the Rejected Contracts.

**A. The Rejected Contracts**

7. Both prior to the filing of the Chapter 11 Cases and continuing since the Petition Date, the Debtors and their advisors have been undertaking an extensive analysis of their executory contracts. As a result of this ongoing analysis, the Debtors determined, in their business judgment, based on a number of factors including, but not limited to, the current contract terms and business needs, that the Rejected Contracts identified on **Exhibit 1** attached to the Proposed Order are unnecessary and burdensome to the Debtors’ estates and should be rejected effective as of the Rejection Date. Further, the Debtors, in their business judgment, have determined that the Rejected Contracts are not needed for the Debtors’ go forward business operations.

8. Prior to the filing of this Motion, the Debtors engaged in good faith negotiations with the Counterparty in order to resolve certain issues that would have obviated the need for this

Motion. Such negotiations are ongoing, however, given the Debtors' emergence from Chapter 11, the Debtors have filed this Motion, seeking to reject the Rejected Contracts effective as of the Rejection Date. By rejecting the Rejected Contracts, the Debtors will avoid the accrual of unnecessary expenses with no foreseeable benefits to the Debtors' estates.

### **BASIS FOR RELIEF**

9. Section 365(a) of the Bankruptcy Code provides that a debtor, "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). "This provision allows a trustee to relieve the bankruptcy estate of burdensome agreements which have not been completely performed." *Stewart Title Guar. Co. v. Old Republic Nat'l Title Ins. Co.*, 83 F.3d 735, 741 (5th Cir. 1996) (citing *In re Murexco Petroleum, Inc.*, 15 F.3d 60, 62 (5th Cir. 1994)); *see also In re Orion Pictures Corp.*, 4 F. 3d 1095, 1098 (2d Cir. 1993) (noting that the purpose of rejection of executory contracts is to permit the debtor in possession to renounce title to and abandon burdensome property).

10. A debtor's rejection of an executory contract or unexpired lease is ordinarily governed by the "business judgment" standard. *See Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1989) ("It is well established that 'the question of whether a lease should be rejected . . . is one of business judgment.'") (quoting *Grp. Of Institutional Inv'rs v. Chi., M., St. P & P.R. Co.*, 318 U.S. 523, 550 (1943)); *see also In re Tex. Sheet Metals, Inc.*, 90 B.R. 260, 264 (Bankr. S.D. Tex. 1988) ("The traditional business judgment standard governs the rejection of ordinary executory contracts."). The business judgment standard requires a court to approve a debtor's business decision unless that decision is the product of "bad faith, whim, or caprice." *See In re Trans World Airlines, Inc.*, 261 B.R. 103, 121 (Bankr. D. Del. 2001) (citing *In re Wheeling-Pittsburgh Steel Corp.*, 72 B.R. 845, 849-50 (Bankr. W.D. Pa. 1987)).

11. In applying the business judgment standard, courts have held that rejection of an executory contract or an unexpired lease is appropriate where such rejection would benefit the estate. *See In re Pisces Energy, LLC*, No. 09-36591-H5-11, 2009 WL 7227880, at \*6 (Bankr. S.D. Tex. Dec. 21, 2009) (“Courts apply the ‘business judgment test,’ which requires a showing that the proposed course of action will be advantageous to the estate and the decision be based on sound business judgment.”); *see also Orion Pictures*, 4 F.3d at 1098-99 (stating that section 365 of the Bankruptcy Code permits a debtor in possession, subject to court approval, to decide which executory contracts would be beneficial to reject). Thus, upon finding that a debtor exercised its sound business judgment in determining that rejection of certain contracts or leases is in the best interests of its creditors and other parties in interest, a court should approve the rejection under section 365(a) of the Bankruptcy Code. *See In re Summit Land Co.*, 13 B.R. 310, 315 (Bankr. D. Utah 1981) (holding that absent extraordinary circumstances, court approval of a debtor’s decision to assume or reject an executory contract “should be granted as a matter of course”).

12. The Debtors have determined, in the sound exercise of their business judgment, that rejection of the Rejected Contracts as of the Rejection Date will serve the best interests of their estates. The Debtors have analyzed each of the agreements listed on **Exhibit 1**, and have determined that such agreements do not provide the Debtors any material benefit. The rejection of the Rejected Contracts will relieve the Debtors of these unnecessary obligations and, thus, it is in the best interests of their creditors and other parties in interest.

13. Accordingly, to relieve the Debtors of burdensome obligations and avoid unnecessary administrative expenses associated with the Rejected Contracts, the Debtors seek to reject the Rejected Contracts effective as of the Rejection Date, which is thirty days from the date of the filing of this Motion.

**RESERVATION OF RIGHTS**

14. 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. Nothing contained in the Proposed Order shall be deemed to increase, decrease, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

**NOTICE**

15. Notice of this Motion will be given to the parties on the Debtors' Master Service List, the Counterparty, and all parties that have requested or that are required to receive notice

pursuant to Bankruptcy Rule 2002. The Debtors submit that, under the circumstances, no other or further notice is required.

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

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

Dated: December 29, 2025  
Houston, Texas

Respectfully submitted,

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

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*Co-Counsel for the Debtors  
and Debtors in Possession*



**CERTIFICATE OF SERVICE**

I certify that on December 29, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

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

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

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

**ORDER AUTHORIZING  
THE DEBTORS TO REJECT CERTAIN EXECUTORY CONTRACTS  
[Relates to Motion at Docket No. \_\_\_\_]**

Upon the motion (the “***Motion***”)<sup>2</sup> of the above-captioned debtors and debtors in possession (the “***Debtors***”) for entry of an order (this “***Order***”) authorizing the Debtors to reject certain executory contracts, each as set forth on **Exhibit 1** attached hereto (collectively, the “***Rejected Contracts***”), effective as of the Rejection Date, all as more fully set forth in the Motion; 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; 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) 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 the Court having found that the Debtors provided appropriate notice of

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<sup>1</sup> A complete list of each of the Debtors in these chapter 11 cases (the “***Chapter 11 Cases***”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ 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 shall have the meanings ascribed to them in the Motion.

the Motion and the opportunity for a hearing on the Motion under the circumstances and that no other or further notice is necessary; 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 and the hearing, if any, with respect to the Motion establish just cause for the relief granted herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

**ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Debtors are authorized to reject the Rejected Contracts identified on **Exhibit 1** attached hereto, including any agreements, riders, schedules, certificates, memoranda, amendments, supplements, guaranties, and any other documents related thereto, effective as of January 28, 2026.

2. Nothing in this Order shall prejudice the rights of the Counterparty with respect to any claim for damages arising from the rejection of the Rejected Contracts and with respect to any objection by the Debtors thereto.

3. Nothing herein shall prejudice the rights of the Debtors to argue that any claim for damages arising from the rejection of the Rejected Contracts is limited to the remedies available under any applicable termination provision of such contract or lease, as applicable, or that any such claim is an obligation of a third party and not that of the Debtors or their estates.

4. 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 admission as to the validity of any claim against any Debtor or the existence of any lien against the Debtors' properties; (b) a waiver of the Debtors' rights to dispute any claim or lien on any grounds; (c) a promise to pay any claim; (d) an implication or admission that any particular claim would constitute an allowed claim; (e) an

assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code (other than the Rejected Contract); or (f) a limitation on the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract with any party subject to this Order. Nothing contained in this Order shall be deemed to increase, decrease, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

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

6. The Debtors are authorized to take all reasonable actions necessary to effectuate the relief granted in this Order.

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

Signed: \_\_\_\_\_, 2026  
Houston, Texas

\_\_\_\_\_  
Alfredo R. Pérez  
United States Bankruptcy Judge

**Exhibit 1****Rejected Contracts<sup>1</sup>**

<b>No.</b>	<b>Debtor</b>	<b>Counterparty</b>	<b>Counterparty Address</b>	<b>Contract Title</b>	<b>Effective Date</b>	<b>Termination Date</b>
1.	ModivCare Solutions, LLC	Cigna Corporate Services, LLC	Two Liberty Place 1601 Chestnut Street Philadelphia, PA 19192 <sup>2</sup>	Master Services Agreement	April 1, 2023	April 1, 2028
2.	ModivCare Solutions, LLC	Cigna Corporate Services, LLC	Two Liberty Place 1601 Chestnut Street Philadelphia, PA 19192	Statement of Work No. 11007	April 15, 2023	January 31, 2028
3.	ModivCare Solutions, LLC	Cigna Corporate Services, LLC	Two Liberty Place 1601 Chestnut Street Philadelphia, PA 19192	Amendment No. 1 to Statement of Work	November 1, 2023	January 31, 2028

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<sup>1</sup> The Rejected Contracts shall include any agreements, riders, schedules, certificates, memoranda, amendments, supplements, guaranties, and any other documents related thereto.

<sup>2</sup> Notice is required to be delivered to 900 Cottage Grove Road Hartford, CT 06152, Attn: Supply Chain Management, C8SCM.

No.	Debtor	Counterparty	Counterparty Address	Contract Title	Effective Date	Termination Date
4.	ModivCare Solutions, LLC	Cigna Corporate Services, LLC	Two Liberty Place 1601 Chestnut Street Philadelphia, PA 19192	Amendment No. 2 to Statement of Work	June 1, 2024	January 31, 2028
5.	ModivCare Solutions, LLC	Cigna Corporate Services, LLC	Two Liberty Place 1601 Chestnut Street Philadelphia, PA 19192	Amendment No. 3 to Statement of Work	January 1, 2024	January 31, 2028