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

In re:	Chapter 11
GLOBAL WOUND CARE MEDICAL GROUP, a Professional Corporation,	Case No. 24-34908
Debtor and Debtor in Possession.	

THE UNITED STATES' STATEMENT IN SUPPORT OF DEBTOR'S OBJECTION TO THE EMERGENCY MOTION OF 180 HEALTH SERVICES, LLC TO INTERVENE
[Docket Nos. 457, 458]

The Department of Justice, on behalf of the United States (collectively, the "United States"), hereby files this statement in support of the *Debtor's Objection to the Emergency Motion of 180 Health Services, LLC to Intervene in Chapter 11 Case Pursuant to Rule of Bankruptcy Procedure 2018(a)*, ECF No. 458 (the "Objection"). In the Objection, the Debtor details how 180 Health Services, LLC ("180 Health") improperly seeks an order allowing it to intervene in all matters in this bankruptcy case, and specifically asserts a desire to object to the proposed settlement between the Debtor and the United States. *See* ECF Nos. 457, 457-1. Because 180 Health does not have a direct, legally protectable interest in this bankruptcy case, it does not have a right to intervene.

STATEMENT OF SUPPORT

1. As described in its Motion,[1] 180 Health asserts that it has a contractual relationship with Wound Pros Management Group ("WPMG"). ECF No. 457-2. It does not allege that it is a

[1] Unless otherwise defined herein, capitalized terms have the same meaning as in the Objection.

creditor of the estate or that it has any contractual relationship with the Debtor. Instead, 180 Health seeks to intervene in the bankruptcy case because it asserts claims against WPMG, and WPMG allegedly has claims against the Debtor. Motion at 14.

2. As described in the Objection, in order to intervene, a party must have a "direct, substantial, [and] legally protectable interest." Objection at 5 (citing *New Orleans Pub. Serv., Inc. v. United Gas Pipe Line Co.*, 732 F.2d 452, 463 (5th Cir. 1984)). Indeed, one of the cases cited by 180 Health held that a debtor's investor – a party much more closely related to the case than 180 Health asserts here – should not be permitted to intervene because, "in the intervention context, the term 'interest' is narrowly read to mean a *direct* and substantial interest in the proceedings . . . that the substantive law recognizes as belonging to or being owned by *the party seeking intervention*." *In re Acis Capital Mgmt., L.P.*, 604 B.R. 484, 513 (N.D. Tex. 2019) (emphasis in original) (cleaned up).

3. 180 Health concedes that it does not have any such direct, legally cognizable relationship with the Debtor. Motion at 14. Instead, it emphasizes that WPMG's ability to pay what it owes 180 Health might be affected by the settlement between the Debtor and the United States. Assuming *arguendo* that 180 Health has the downstream interest it describes, such attenuated interests are not sufficient to allow a non-party to intervene. As one court has noted, "[s]uch a party may be deeply concerned about the bankruptcy proceeding, since the debtor's ability to pay its creditor may affect the creditor's ability to pay, in turn, its creditor," but a creditor's creditor is not "directly affected by the approval or disapproval of [a] proposed settlement. Rather, at best, there is only the potential that it may be derivatively affected." *In re Huggins*, 460 B.R. 714, 718 (Bankr. E.D. Tenn. 2011) (quoting *In re Martin Paint Stores*, 207

B.R. 57, 61 (S.D.N.Y.1997));[2] *see also, In re Protech Coating Services, Inc.*, 479 B.R. 611, 613-14 (Bankr. M.D. Fla. 2012) (holding that non-creditor insurance companies did not have standing to object to a compromise).

4. 180 Health also concedes that any alleged interest it might have in this bankruptcy case belongs to WPMG but argues that it "cannot rely on Wound Pros" to advocate for the interest of its creditors. Motion at 15. 180 Health's purported position, however, is no different than a litany of other WPMG creditors and is similar to thousands of creditors of creditors in bankruptcies across the country. To allow 180 Health to object to a settlement to which it is not a party simply because it believes it cannot rely on WPMG to do so would create an enormous slippery slope. The duty of the bankruptcy courts is "to determine whether a settlement is in the best interest of *the estate*, not to ensure that the *creditors'* representatives are honoring their fiduciary duties." *In re Refco, Inc.*, 505 F.3d 109, 119 (2d Cir. 2007) (emphasis in original). As 180 Health concedes, WPMG has hired sophisticated bankruptcy counsel. ECF No. 457-2. Whether WPMG has a basis to object to the settlement will be based on WPMG's own legal and business judgment.

5. Finally, the United States notes that the proposed settlement provides the estate with an additional $500,000 that would otherwise be subject to the United States' recoupment, setoff, and adequate protection rights. Because creditors will recover more under the terms of the

[2] 180 Health also seems to suggest that they should be granted more access to the Court than traditional creditors of creditors because of WPMG's purported inability to pay its bills to 180 Health. Motion at 14-15. If that were a legally relevant inquiry, evidence would have to be presented to make a factual determination whether WPMG was actually unable to pay its debts. It is not difficult to imagine how third-parties might abuse these types of proceedings and create a sideshow of complex fact-finding litigation into a *creditor's* financial status that is wholly unrelated to the merits of the debtor's underlying motion on which the third-party seeks to intervene.

proposed settlement than they would if the settlement is not approved, the possibility of sharing in those settlement funds could benefit 180 Health.

6. Accordingly, not only does180 Health does not have a right to intervene in this bankruptcy, but 180 Health is in no way harmed by not participating in these proceedings or by the proposed settlement agreement. The Motion should be denied.

Dated: October 2, 2026

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that I caused a copy of this document to be served on October 2, 2026, upon those parties who have registered for the Court's electronic noticing system (CM/ECF) and by electronic mail on the parties requesting electronic service of notices.

/s/ *Andrew Warner*
Andrew Warner