Docket #0473 Date Filed: 10/28/2026
United States Bankruptcy Court
Southern District of Texas
ENTERED
October 28, 2026
Nathan Ochsner, Clerk

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

IN RE:	§	
	§	CASE NO: 24-34908
GLOBAL WOUND CARE MEDICAL GROUP, A PROFESSIONAL CORPORATION,	§	
	§	
Debtor.	§	
	§	CHAPTER 11

ORDER DENYING MOTION TO INTERVENE
(RE: ECF No. 457)

This matter came before the Court on the *Emergency Motion of 180 Health Services, LLC to Intervene in Chapter 11 Case Pursuant to Federal Rule of Bankruptcy Procedure 2018(a)* (the "**Motion**") (ECF No. 457). 180 Health Services seeks leave to intervene generally in the Debtor's chapter 11 case or, alternatively, in all proceedings concerning the Debtor's proposed settlement with the United States—and potential chapter 11 plan treatment of certain claims against the Debtor. The Debtor objects and the United States supports the Debtor's objection (ECF Nos. 458, 460). After careful consideration, the Motion is denied.

Bankruptcy Rule 2018(a) says that "[a]fter hearing on such notice as the court orders and for cause, the court may permit an interested entity to intervene generally or in any specified matter." The text shows that intervention is available only to an "interested entity," the movant must show "cause," and the court "may" permit intervention. The Rule thus commits the ultimate decision on intervention to the Court's discretion.

The Rule does not define "interested entity" or "cause," so courts look to several factors in exercising that discretion:

> In deciding whether to permit intervention under Rule 2018(a), courts look to various factors, including (1) whether the moving party has an economic or similar interest in the matter; (2) whether the interest of the moving party is adequately represented by the existing parties; (3) whether the intervention will cause undue delay to the proceedings; and (4) whether the denial of the movant's request will adversely affect their interest.

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In re Jones, No. H-25-2057, 2025 WL 2402326, at *1 (S.D. Tex. Aug. 19, 2025) (quoting *Neutra, Ltd. v. Terry (In re Acis Cap. Mgmt., L.P.)*, 604 B.R. 484, 513 (N.D. Tex. 2019), *aff'd*, 850 F. App'x 302 (5th Cir. 2021)). But even when factors may favor intervention, the decision of the Court remains "wholly discretionary." *Id.*

180 Health Services is not a creditor of the Debtor. It is a creditor of Wound Pros Management Group, Inc., the management services organization that managed the Debtor's operations and one of the Debtor's creditors. According to 180 Health Services, Wound Pros owes it about $26.9 million (ECF No. 457, ¶ 40), including accrued interest, for human cell and tissue products that Wound Pros purchased and the Debtor used to treat patients (*Id.* ¶ 2). Wound Pros, in turn, holds a scheduled unsecured claim of about $156.8 million against the Debtor (*Id.* ¶ 39).

180 Health Services wants to intervene in connection with the Debtor's motion to approve a settlement between the Debtor and the United States, including the settlement's "implementation, interpretation, enforcement, or modification," and in any plan, claim-allowance, and related matters to the extent they affect the settlement, "the $500,000 creditor pool (or other sum proposed to be used for the purpose of paying administrative, priority, and/or unsecured creditors), the United States' asserted superpriority treatment, or Wound Pros's claim against the Debtor" (*Id.* ¶¶ 6, 32).

180 Health Services alleges that Wound Pros has wound down its operations, is insolvent, and must look to its claims against the Debtor as its primary source of funds to repay its own creditors. And, therefore, a proposed settlement pending Court consideration—under which the United States would receive up to $525 million, and the Debtor would retain up to $500,000 to pay administrative, priority, and general unsecured claims—threatens 180 Health Services' ability to recover from Wound Pros. 180 Health Services argues that this threatened loss is an interest sufficient to support intervention (ECF No. 457).

The Court understands 180 Health Services' argument that it may suffer an economic loss because of the proposed settlement. But that interest is indirect to matters before this Court, and it is not the kind of interest that warrants intervention here. In the intervention context, the term "interest" has been read by courts narrowly 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. *Acis*, 604 B.R. at 513; *see also New Orleans Pub. Serv., Inc. v. United Gas Pipe Line Co.*, 732 F.2d 452, 463–64 (5th Cir. 1984) (en banc). The Fifth Circuit distinguishes a legally protectable interest of that kind from a mere economic interest in the outcome of litigation between others. *New Orleans Pub. Serv.*, 732 F.2d at 463–64; *see also id.* at 472 n.40 (in permissive-intervention context, "though

there is a real economic interest, the interest is not a legally protectable one"). 180 Health Services concedes that it has no direct creditor-debtor relationship with the Debtor, and that any debt it seeks to protect is owed by Wound Pros, and any claims against the Debtor belong to Wound Pros.

"[T]he mere fact that a lawsuit may impede a third party's ability to recover in a separate suit ordinarily does not give the third party a right to intervene." *Mountain Top Condo. Ass'n v. Dave Stabbert Master Builder, Inc.*, 72 F.3d 361, 366 (3d Cir. 1995). Such 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 the party's legal rights and interests can only be asserted against the debtor's creditor, not against the debtor . . . ." *S. Blvd., Inc. v. Martin Paint Stores (In re Martin Paint Stores)*, 207 B.R. 57, 61 (S.D.N.Y. 1997).

As the United States points out (ECF No. 460 ¶ 3), the court in *In re Huggins*, 460 B.R. 714 (Bankr. E.D. Tenn. 2011), applied that reasoning to an entity that held a security interest in the equity of one of the debtor's creditors and sought to oppose a proposed settlement. The court held that the entity could not "be said to be directly affected by the approval or disapproval of the proposed settlement. Rather, at best, there is only the potential that it may be derivatively affected." *Huggins*, 460 B.R. at 718. No intervention motion was before the court, but it added that it "would exercise its discretion to deny such a motion for the same reasons . . . ." *Id.* at 720. 180 Health Services stands in a similar stance.

180 Health Services also relies on a *Stipulation and Agreed Order Regarding Suspension of Medicare Payments to the Debtor by the United States Department of Health and Human Services* (ECF No. 87), but the Stipulation does not supply a direct interest. It only references 180 Health Services as part of the Debtor's representation that none of the interests described in the relevant paragraph, nor any other rebate or remuneration, exists with regard to the Debtor's suppliers of biologic materials. The Stipulation does not earmark funds for 180 Health Services, create a trust in its favor, or otherwise reference any direct claim. The interest 180 Health Services asserts remains derivative of Wound Pros's claims against the Debtor.

180 Health Services next argues that Wound Pros cannot adequately represent its interests. It points to Wound Pros's alleged insolvency, its close relationship with the Debtor, and a proposed settlement provision conditioning Wound Pros' recovery. None of those arguments, however, changes who holds the claims against the Debtor. Wound Pros is a party in interest in this case and has appeared through its counsel. Wound Pros also filed an objection to the settlement. *See* ECF No. 461. That 180 Health Services may have a claim against Wound Pros does not give it the right to intervene here or step into Wound Pros's shoes.

Intervention would also risk undue delay. Intervention with full party rights would allow 180 Health Services to seek discovery, present evidence, and contest a settlement to which it is not a party, and its theory that Wound Pros cannot protect its own creditors would invite unrelated collateral litigation over Wound Pros. *See New Orleans Pub. Serv.*, 732 F.2d at 473. Nor would denial adversely affect 180 Health Services' interest in a way that warrants intervention. Denying intervention does not extinguish or adjudicate 180 Health Services' claims against Wound Pros.

Although 180 Health Services may not intervene, the Court has read the Motion and appreciates the concerns it raises. The Court treats the Motion as an amicus curiae submission asking the Court to consider those concerns. *See New Orleans Pub. Serv.*, 732 F.2d at 473 ("Where the intervenors do not have a legally protectable interest, are adequately represented by an existing party and will not add to the relevant factual development of the case, the position of amicus may be considered more appropriate than an intervention with full-party status . . . ."); *Jones*, 2025 WL 2402326, at *2 (affirming denial of intervention where the bankruptcy court had reviewed the movant's submissions). No further submission by 180 Health Services is needed. Thus, for the reasons stated above,

IT IS ORDERED that the Motion is DENIED.

Signed: October 28, 2026

Christopher Lopez
United States Bankruptcy Judge