**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) |
| Reorganized Debtors.[1] | : | (Jointly Administered) |

**OBJECTION TO PROTRANSPORT-1 AND PRN AMBULANCE'S APPLICATION FOR ALLOWANCE OF ADMINISTRATIVE CLAIM**

ModivCare Inc. ("***ModivCare***") and its affiliates in the above-captioned chapter 11 cases (collectively, the "***Reorganized Debtors***" and prior to the Effective Date,[2] the "***Debtors***") represent as follows in support of this objection (the "***Objection***") and request entry of an order, substantially in the form attached hereto (the "***Proposed Order***"), denying *ProTransport-1 LLC's and PRN Ambulance LLC's Application for Allowance and Payment of Administrative Expense Claim* [Docket No. 1470] (the "***Application***") filed by ProTransport-1 LLC and PRN Ambulance LLC (collectively, "***PRN***").

## PRELIMINARY STATEMENT

1. The Application is fraught with deficiencies, any of which on their own would be fatal to PRN's request for allowance and payment of the alleged PRN Administrative Claim. Taking these deficiencies together, the Application should be summarily denied.

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

[2] Capitalized terms used, but not otherwise defined herein, have the meaning ascribed to them in the Plan or the Confirmation Order (each as defined below), as applicable.

2. *First*, PRN failed to file the Application before the February 6, 2026 Administrative Claims Bar Date and failed to demonstrate or even explain why it should be given leave to seek payment of such claims now (over two months after the expiration of the Administrative Claims Bar Date).[3] *Second*, PRN seeks the allowance and payment of claims that arose *after* the Effective Date. PRN does not dispute the timing of such claims. By definition, such claims are not administrative expenses and are not ripe for adjudication by the Court. *Third*, even if these procedural defects were overlooked, the underlying claims are not valid or payable under the PRN contracts or applicable state law, and thus the claims cannot be allowed administrative expense claims.

3. By filing this Application, PRN is attempting to bring claims better suited for adjudication by a non-bankruptcy court to this Court. A substantial portion of the underlying alleged claims accrued after the Effective Date and are governed by state regulatory law. PRN's efforts are an attempt to drain the Reorganized Debtors' resources, in the hopes of extracting a settlement from the Reorganized Debtors, on a matter that is not relevant to the Chapter 11 Cases given the current status of their cases. Accordingly, the Reorganized Debtors respectfully request that the Court deny the Application.

## BACKGROUND

### I. GENERAL BACKGROUND

4. On August 20, 2025 (the "***Petition Date***"), the Debtors each filed a voluntary petition for relief under title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "***Bankruptcy Code***") with the United States Bankruptcy Court for the Southern District of Texas (the "***Court***").

[3] To the extent PRN asserts any claims on account of the rejection of the PRN Contracts, it also failed to file the Application (or any other proof of claim) before the applicable Rejection Damages Bar Date on April 9, 2026.

5. On August 21, 2025, the Court entered the *Order Establishing (A) Bar Dates and Related Procedures for Filing Proofs of Claim, (B) Approving the Form and Manner of Notice Thereof, and (C) Granting Related Relief* [Docket No. 66] (the "***Bar Date Order***"). The Bar Date Order provided that all entities holding claims arising from the Debtors' rejection of executory contracts and unexpired leases ("***Rejection Damages Claims***") must file a proof of claim no later than the date that is twenty-one days following entry of the order approving the rejection of the applicable executory contract or unexpired lease (the "***Rejection Damages Bar Date***"). *See* Bar Date Order ¶ 12.

6. On August 28, 2025, the Bar Date Order was served on PRN. *See Certificate of Service* [Docket No. 353] at Ex. D, pg. 2,942. On September 25, 2025, PRN filed a proof of claim [Claim No. 789] for $702,017.30 (the "***Proof of Claim***"). PRN did not indicate that any portion of the amount asserted in the Proof of Claim was entitled to administrative priority. PRN subsequently acknowledged in the Application that ModivCare had paid nearly all of the prepetition claims asserted by the Proof of Claim. *See* Application ¶ 7 ("[P]ost-petition, ModivCare paid PT-1 nearly all of its $700,000 pre-petition claim.").

7. On October 30, 2025, the Debtors filed the *Notice of Potential Assumption of Certain of Debtors' Executory Contracts and Unexpired Leases* [Docket No. 605] (the "***Cure Notice***"). The Cure Notice listed certain executory contracts and unexpired leases (such agreements, the "***Designated Contracts***") that the Debtors could choose to assume as part of the Chapter 11 Cases and their proposed cure amounts. The Debtors listed two executory contracts with PRN amongst the Designated Contracts (the "***PRN Contracts***"), each with a proposed cure amount of $0.

8. Prior to the objection deadline, on November 14, 2025, PRN filed the *Limited Objection of Counterparties PRN Ambulance, LLC and Protransport-1 LLC to Debtors' Notice of Potential Assumption of Certain Executory Contracts and Unexpired Leases and Cure Amounts* [Docket No. 721] (the "***PRN Cure Objection***"). PRN objected to the proposed cure amounts for the PRN Contracts and alleged that the appropriate cure amount was $1,139,603.57.

9. On December 15, 2025, the Court entered the *Order (I) Confirming the Second Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and Its Debtor Affiliates and (II) Denying Motions of Official Committee of Unsecured Creditors for Leave, Derivative Standing, and Authority to Commence and Prosecute Certain Causes of Action on Behalf of Debtors' Estates* [Docket No. 1055] (the "***Confirmation Order***"), which confirmed the *Second Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and Its Debtor Affiliates* [Docket No. 959] (as amended, modified, or supplemented from time to time, the "***Plan***"). PRN received notice of the Confirmation Order on December 15, 2026. *See Certificate of Service* [Docket No. 1087] at Ex G, pg. 2.

10. On December 29, 2025, the Debtors filed the *Notice of (I) Entry of Order Confirming Second Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and Its Debtor Affiliates, (II) Occurrence of Such Plan's Effective Date, and (III) Related Deadlines with Respect to Administrative Expense and Rejection Damage Claims* [Docket No. 1134] (the "***Notice of Effective Date***"). The Reorganized Debtors served the Notice of Effective Date on PRN on January 6, 2026. *See Certificate of Service* [Docket No. 1182] at Ex. D, pg. 3,051. The Notice of Effective Date (a) set the deadline for the filing of Administrative Claims as February 6, 2026 (the "***Administrative Claims Bar Date***") and (b) notified PRN that the Rejection Damages Bar Date was twenty-one days following the date of rejection of any executory contract.

11. Following entry of the Confirmation Order, the Reorganized Debtors continued to engage in discussions with PRN in an effort to consensually resolve the PRN Cure Objection. The Plan provided the Reorganized Debtors with thirty days from entry of the Confirmation Order to consensually resolve the PRN Cure Objection. Discussions between the Reorganized Debtors and PRN continued for more than thirty days, and as a result, the Reorganized Debtors, with the consent of PRN, filed two notices informing the Court of the status of the PRN Cure Objection and extending the deadline to consensually resolve such objection (collectively, the "***Cure Status Notices***"). *See* Docket Nos. 1206 and 1328.

## II. CONTRACT DISPUTE WITH PRN

12. The PRN Contracts set forth the terms under which PRN could (a) receive prior authorization to conduct ambulatory rides eligible for payment and (b) provide rides before obtaining authorization and subsequently submit such rides for payment ("***Post-Authorization Trips***"). The PRN Contracts also established a process that PRN was required to follow to submit trips to ModivCare for payment. ModivCare typically makes payments for valid trips at least ninety days after PRN has submitted a valid trip. The key issue underpinning the PRN Cure Objection is a dispute over the interpretation of the PRN Contracts and relevant regulatory guidance by the State of California with respect to the Post-Authorization Trips.

13. Prior to the Petition Date, on July 29, 2025, the Reorganized Debtors notified PRN of California's health insurance payors' adoption of the All Plan Letter 22-008 (the "***APL***") issued by the California Department of Health Care Services and corresponding changes to ModivCare's policy, effective August 15, 2025. *See* CA Dep't of Health Care Servs., All Plan Letter 22-008, Non-Emergency Medical and Non-Medical Transportation Services and Related Travel Expenses (May 18, 2022). Importantly, these policy changes did not invalidate all types of Post-

Authorization Trips; rather, such changes narrowed the types of Post-Authorization Trips that would be eligible for payment by the state's health insurance plans.

14. After August 15, 2025, PRN continued to provide Post-Authorization Trips, including trips that were no longer valid under ModivCare's policy and California regulation. Nevertheless, PRN submitted these invalid trips to the Reorganized Debtors for payment. ModivCare continued to provide payment to PRN for *valid* trips, i.e., those that complied with the required submission process, ModivCare's policies, and applicable state regulations. ModivCare also determined that certain Post-Authorization Trips did not meet the requirements imposed by the regulations or follow the required submission process under the PRN Contracts (such claims, the "***Non-Compliant Trips***"), rendering such trips invalid and ineligible for payment. PRN insisted, and continues to insist, that it is entitled to payment on account of the Non-Compliant Trips. The Reorganized Debtors understand that such trips make up a large portion of the PRN Administrative Claim and thus disagree with the amount of the asserted PRN Administrative Claim. The Reorganized Debtors have been clear with PRN: they have been and will continue to honor and make payments for valid trips that comply with all rules, requirements, and regulations.

15. Given the issue in dispute, the Reorganized Debtors and PRN were unable to consensually reach a resolution despite both parties' good faith efforts. As a result, on March 19, 2026, the Reorganized Debtors, after discussing with PRN's counsel, filed the *Notice Regarding Rejection of Executory Contracts with PRN Ambulance LLC and ProTransport-1 LLC* [Docket No. 1376] (the "***Rejection Notice***") rejecting the PRN Contracts, effective as of December 29, 2025. The Rejection Notice was served on PRN on March 19, 2026. *See Certificate of Service* [Docket No. 1381] at Exs. B, D. On March 26, 2026, PRN filed a *Response to Notice re: Rejection of Executory Contracts with PRN Ambulance LLC and ProTransport-1 LLC* [Docket

No. 1389] (the "***PRN Response***"), which allegedly disputed the rejection of the PRN Contracts. PRN did not at that time, or before the relevant deadlines, file an application for either an Administrative Claim or a Rejection Damages Claim. PRN did not set the matter for a hearing, and the Court has not made a determination that the PRN Contracts were not rejected.

16. Since the filing of the Rejection Notice, the Reorganized Debtors have continued to make payments to PRN for valid trips. The Reorganized Debtors also continue to make payments to PRN on account of agreements with certain health insurance providers, under which the Reorganized Debtors act solely as a payment processor to distribute payments to PRN on behalf of such insurers. Importantly, the Reorganized Debtors have stopped asking PRN to provide trips that would be covered by the PRN Contracts and have been clear that they will not make payment on Non-Compliant Trips.

17. In accordance with the Bar Date Order, PRN was required to file a proof of claim for all Claims arising from the Reorganized Debtors' rejection of the executory contracts with PRN within twenty-one days of the Rejection Notice, April 9, 2026. As noted above, the Administrative Claims Bar Date was February 6, 2026. At a minimum, PRN should have filed a protective claim before one or both of those deadlines, and has failed to explain why it did not.

18. Both the Administrative Claims Bar Date and the applicable Rejection Damages Bar Date have passed without PRN filing any proofs of Administrative Claim or proofs of Rejection Damages Claim. On April 29, 2026, PRN filed its first application for an Administrative Claim—the Application—seeking payment of $830,237.00 as an administrative expense (the "***PRN Administrative Claim***") ***eighty-three*** days after the Administrative Claims Bar Date and ***twenty days*** after the applicable Rejection Damages Bar Date. The Application does not include

any details or any support as to the amount sought for payment or why the Application was filed late.

## ARGUMENT

### I. PRN'S ASSERTED CLAIMS DO NOT QUALIFY AS ADMINISTRATIVE EXPENSES

#### A. PRN Cannot Meet Its Burden of Proving the Post-Effective Date Claims Are Administrative Claims

19. Under section 503(b)(1)(A) of the Bankruptcy Code, administrative priority is afforded only to claims that constitute the "actual, necessary costs and expenses of preserving the estate." 11 U.S.C. § 503(b)(1)(A). To obtain administrative priority, a claimant must demonstrate that: (a) the claim arose postpetition as a result of actions taken by the estate representative and (b) the expenses claimed benefited the estate. *See Matter of Whistler Energy II, L.L.C.*, 931 F.3d 432, 441–42 (5th Cir. 2019) ("[T]o qualify as an 'actual and necessary cost' under section 503(b)(1)(A), a claim against the estate must have arisen post-petition and as a result of actions taken by the trustee [or debtor-in-possession] that benefitted the estate.") (citing *In re Jack/Wade Drilling, Inc.*, 258 F.3d 385, 387 (5th Cir. 2001)).

20. The party asserting an administrative claim bears the burden of proving the validity of such claim. *See In re TransAmerican Nat. Gas Corp.*, 978 F.2d 1409, 1413 (5th Cir. 1992); *see also In re Buttes Gas & Oil Co.*, 112 B.R. 191, 194 (Bankr. S.D. Tex. 1989) (noting that a claimant's failure to present a *prima facie* case precludes any burden from shifting to an objecting party). An application for administrative expense status does not constitute *prima facie* evidence thereof; the claimant must affirmatively demonstrate entitlement to such priority status by a preponderance of the evidence. *See, e.g.*, *In re Cardinal Indus., Inc.*, 151 B.R. 833, 836 (Bankr. S.D. Ohio 1992); *see also TransAmerican*, 978 F.2d at 1416 (requiring the applicant to present evidence establishing a *prima facie* case).

21. Administrative expense claims may accrue only while the estate exists—from the petition date until the effective date of a plan of reorganization. *See In re United Operating, LLC*, 540 F.3d 351, 355 (5th Cir. 2008) (holding that upon the effective date of the plan, the estate and debtor-in-possession status ceases to exist). The Fifth Circuit has recognized that the effective date of a plan of reorganization generally cuts off the accrual of administrative expenses. *See In re Northstar Offshore Grp., LLC*, 628 B.R. 286, 299 (Bankr. S.D. Tex. 2020) ("[C]ourts generally recognize that plan confirmation cuts off the accrual of further administrative expenses.") (internal citations omitted); *Matter of P.C., Ltd.*, 929 F.2d 203, 204 n.1 (5th Cir. 1991) ("[Post-confirmation] expenses would not seem to be 'reasonable' or 'necessary' to 'preserve' the bankruptcy estate *after confirmation* unless special factors, such as interim operation pending a sale, were specifically contemplated by the plan."); *see also Otte v. United States*, 419 U.S. 43, 53 (1974) (noting the overriding concern to keep administrative expenses at a minimum).

22. For the following reasons, PRN has failed to carry its burden of proof to demonstrate the PRN Administrative Claim is valid. As an initial matter, the Application seeks the allowance and payment of amounts that substantially, if not all, relate to claims that accrued ***after*** the Effective Date, specifically from December 29, 2025 through March 19, 2026. Any amount that accrued after the Effective Date cannot constitute an administrative expense. That is black letter law. Moreover, PRN has failed to identify if any portion of the PRN Administrative Claim allegedly accrued between the Petition Date and the Effective Date. Instead, PRN simply asserts that a broad administrative expense claim is owed, which is not sufficient evidence to demonstrate a valid claim. *See* Application ¶¶ 10, 15, 24.

23. Even assuming that the post-Effective Date claims are valid administrative expenses that arose during the Chapter 11 Cases, PRN has failed to demonstrate that the PRN

Administrative Claim is valid and payable. *See infra* Section IV. Rather, PRN states, in conclusory fashion, that it provided post-petition services, the services were necessary, and they benefited the estate. *See* Application ¶ 23. PRN offers no evidence establishing the validity of the underlying claims, which further lends itself to the conclusion that the PRN Administrative Claim is not a valid administrative expense.

**B. PRN Failed to Demonstrate Excusable Neglect to Support the Late Filing of the PRN Administrative Claim**

24. Irrespective of the above, PRN is procedurally barred from asserting the PRN Administrative Claim because it failed to timely file the Application before the Administrative Claims Bar Date. Filing an administrative expense claim is an essential requirement of the administration of a chapter 11 case. *See, e.g.*, *Matter of Chesapeake Energy Corp.*, 70 F.4th 273, 282 (5th Cir. 2023) ("The requirement to file proofs of claim is more than a technicality in Chapter 11. Proofs of claim are the touchstone for plan approval and proper distribution of the debtor's assets allotted to each creditor class."). The filing of a general proof of claim for prepetition amounts is insufficient to preserve an administrative claim. *See In re Endeavour Highrise L.P.*, 425 B.R. 402, 418 n.8 (Bankr. S.D. Tex. 2010) ("Claims arising post-petition should not be included in the proof of claim. Rather, a party asserting a post-petition claim should file an application with the court and request an order establishing the claim as an allowed administrative claim . . . ."). Filing a proof of claim that indicates a creditor is entitled to an administrative expense alone does not satisfy the obligation under section 503(a) to timely file and serve a request for payment of an administrative claim. *See In re Taco Bueno Rests., Inc.*, 606 B.R. 289, 298, 303 (Bankr. N.D. Tex. 2019) (holding that creditor who timely filed a general proof of claim that stated a portion of the claim constituted an administrative expense did not satisfy the section 503(a)

requirement to file and serve an administrative claim request, nor did the prior filing show cause to permit an untimely filing of an administrative claim request).

25. Creditors who failed to timely file an administrative expense claim are barred from asserting such claim if they received adequate notice. *See In re Eagle Bus Mfg., Inc.*, 62 F.3d 730, 735 (5th Cir. 1995) ("A creditor's claim can be barred for untimeliness only upon a showing that it received reasonable notice.") (internal citations omitted). Mailing a notice to a creditor "satisfies due process because it is 'reasonably calculated' to inform the creditor of the bar date for filing proofs of claim." *Id.* at 736. A creditor seeking to file a late claim bears the burden of demonstrating excusable neglect. *See In re CJ Holding Co.*, 27 F.4th 1105, 1112 (5th Cir. 2022) ("The burden to show excusable neglect is on the movant[.]"). To determine whether excusable neglect exists, courts consider "the danger of prejudice to the debtor, the length of the delay and its potential impact on judicial proceedings, the reason for the delay, including whether it was within the reasonable control of the movant, and whether the movant acted in good faith." *Pioneer Inv. Servs. Co. v. Brunswick Assocs. Ltd. P'ship*, 507 U.S. 380, 395 (1993). Courts rarely find excusable neglect "when the reason for the delay was within the movant's reasonable control." *CJ Holding Co.*, 27 F.4th at 1116. As the Fifth Circuit has recognized, the purpose of the bankruptcy laws is to quickly and effectively settle bankrupt estates, and "it is the other diligent creditors who will be harmed by permitting late claims, not the debtor whose actions may have been a factor in the late filing." *Matter of Robintech, Inc.*, 863 F.2d 393, 398 (5th Cir. 1989).

26. PRN failed to file an administrative expense claim before the Administrative Claims Bar Date despite receiving the Notice of the Effective Date (and the Administrative Claims Bar Date) via First Class Mail. *See Certificate of Service* [Docket No. 1182] at Ex. D, pg. 3051. In fact, PRN filed the Application more than eighty days after the Administrative Claims Bar Date.

PRN was on notice of the Administrative Claims Bar Date and the status of these cases yet did not file its claim timely. Accordingly, the PRN Administrative Claim was untimely and barred under the Confirmation Order, which explicitly stated in bold that "failure to file and serve such proof of administrative claim timely and properly shall result in such claim being forever barred and discharged." Confirmation Order ¶ 19.

27. PRN has failed to meet its burden to excuse the untimely filing of the Application. Rather, PRN argues that the late filing should be excused because it was led to believe the claims would be paid. *See* Application ¶¶ 10, 16. Such an argument is both insufficient as a matter of law and untrue as a matter of fact. PRN's failure to timely file an administrative expense claim was entirely in its control, and the ongoing negotiations with the Reorganized Debtors about the PRN Cure Objection does not change that. PRN fails to point to any caselaw that supports its contention that this failure is a valid basis for excusable neglect. Rather, the case law cuts against a finding of excusable neglect in this type of situation. The third *Pioneer* factor—the reason for delay—is an integral part of the analysis. The ongoing negotiations, and the potential payment of PRN's claims, are not sufficient justification for PRN's untimely filing of the Application. *See, e.g.*, *In re 50-Off Stores, Inc.*, 220 B.R. 897, 904 (Bankr. W.D. Tex. 1998) (focusing on the creditor's failure to timely file a claim despite receiving adequate notice of the bar date when determining that the *Pioneer* factors weighed against finding excusable neglect); *CJ Holding Co.*, 27 F.4th at 1117 (holding that excusable neglect did not exist where creditors filed untimely claims regardless of the debtor's agreement to mediate the claims). Further, the Reorganized Debtors never promised to assume the contracts with PRN, nor did they ever agree that claims for Non-Compliant Trips were payable. *See supra* ¶ 14. In fact, each of the Cure Status Notices stated the following express reservation:

> The Reorganized Debtors' listing of an unresolved Cure Objection on the Cure Objection Schedule shall not be deemed or construed as (a) a promise by the Reorganized Debtors to seek the assumption of the applicable Designated Contract(s) [or] (b) a limitation or waiver on the Reorganized Debtors' ability to seek to reject any applicable Designated Contract . . . . ***Moreover, the Reorganized Debtors explicitly reserve their rights, in their sole discretion, to assume or reject each Designated Contract set forth on the Cure Notice pursuant to section 365(a) of the Bankruptcy Code*** and nothing herein . . . elevates to administrative expense priority any claims of a counterparty to a Designated Contract against the Reorganized Debtors that may arise under such Designated Contract.
>
> Docket Nos. 1206 and 1328.

PRN was served with each of the Cure Status Notices on January 29, 2026, and February 27, 2026, respectively. *See Certificate of Service* [Docket No. 1252]; *Certificate of Service* [Docket No. 1352].

28. PRN was aware that the Reorganized Debtors had not agreed to assume its contracts or pay all of its alleged claims. The ongoing negotiations between the parties did not relieve PRN of its obligation to file a timely proof of Administrative Claim. Any reason for delay was within PRN's exclusive control. Furthermore, PRN filed the PRN Response approximately a week after the Rejection Notice was filed. Based on PRN's own logic, it should have filed the Application then, but still waited about a month more to file the Application. PRN has not plead sufficient support for excusable neglect, which is unsurprising because they cannot. PRN could and should have timely filed their claim. Accordingly, there is no excusable neglect justifying PRN's untimely filing of the Application, and the Court should bar the PRN Administrative Claim.

## III. PRN FAILED TO TIMELY FILE A REJECTION DAMAGES CLAIM AFTER THE DEBTORS REJECTED THE PRN CONTRACTS

29. A debtor's rejection of a prepetition contract alone does not give rise to an administrative priority claim. Rejection of an executory contract is treated as a breach arising as of the date immediately preceding the filing of the petition. *See* 11 U.S.C. § 365(g); *Matter of Whistler Energy II, L.L.C.*, 931 F.3d at 442; *see also In re Nat'l Gypsum Co.*, 208 F.3d 498, 507

(5th Cir. 2000) ("The 'claim' created by the rejection of the contract or lease is then afforded treatment similar to all other unsecured claims that are either provided for in the plan or are discharged through § 1141(d). The non-debtor whose lease or contract is rejected is then afforded the opportunity, subsequent to the debtor's decision on how to treat the contract or lease, to protect its interests by filing a proof of 'claim' after which the non-debtor is treated as an unsecured creditor.") (emphasis omitted).

30. For twenty-one days after the filing of the Rejection Notice, PRN had the right to file a Rejection Damages Claim for any amounts due and owing that accrued before the Effective Date. *See* Bar Date Order ¶ 12. Nevertheless, PRN failed to file any such Rejection Damages Claim before the Rejection Damages Bar Date. Rather, PRN filed the Application twenty days ***after*** the deadline and did not assert a Rejection Damages Claim. For the avoidance of doubt, any claims PRN seeks to allege on account of rejection of the PRN Contracts are untimely and barred.

## IV. EVEN IF PRN'S CLAIMS WERE TIMELY FILED, THE UNDERLYING CLAIMS ARE NOT VALID

31. PRN's interpretation of the PRN Contracts and relevant state regulations is incorrect. The APL narrowed the Post-Authorization Trips that qualify for reimbursement to transfers between specific categories of locations, and ModivCare changed its policies to reflect this new guidance. The applicable sections of the contracts with PRN that govern for the submission of claims for Post-Authorization Trips explicitly provide: (a) Post-Authorization Trips must meet the requirements of the APL and (b) claims for such trips are authorized only if the Reorganized Debtors are financially responsible. As a result, the Reorganized Debtors are not obligated to pay PRN for the Non-Compliant Trips that violate the APL, something PRN was made aware of prepetition.

32. Therefore, assuming the Court were inclined to evaluate whether PRN's claims are valid administrative expenses, the Court should conclude that the Application, to the extent it seeks reimbursement for the Non-Compliant Trips, should not be granted because the claims are invalid and not payable as Administrative Claims or otherwise.

## CONCLUSION

33. PRN's asserted administrative expense claim is both procedurally barred and substantively deficient. Moreover, the underlying state-law disputes are more appropriately adjudicated in the proper non-bankruptcy forum. Even assuming PRN's claims were timely filed, the claims fail to satisfy the legal standard for administrative expense treatment under section 503(b) of the Bankruptcy Code. For all the foregoing reasons, the Reorganized Debtors respectfully request that this Court enter the Proposed Order denying the relief sought by PRN in its Application.

## RESERVATION OF RIGHTS

34. The Reorganized Debtors reserve their rights to amend, modify, or supplement this Objection to the extent that additional issues currently believed to be resolved are raised in connection with the Application, including any supplement or response thereof.

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Dated: May 20, 2026
Houston, Texas

Respectfully submitted,

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

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*Counsel for the Reorganized Debtors*

**CERTIFICATE OF SERVICE**

I certify that on May 20, 2026, I caused a true and correct 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 on those parties registered to receive electronic notices.

*/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**

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| In re: | : | Chapter 11 |
| MODIVCARE INC., *et al.*, | : | Case No. 25-90309 (ARP) |
| Reorganized Debtors.[1] | : | (Jointly Administered) |

**ORDER SUSTAINING REORGANIZED DEBTORS' OBJECTION TO PROTRANSPORT-1 AND PRN AMBULANCE'S APPLICATION FOR ALLOWANCE OF ADMINISTRATIVE CLAIM**

Upon consideration of *ProTransport-1 LLC's and PRN Ambulance LLC's Application for Allowance and Payment of Administrative Expense Claim* [Docket No. 1470] (the "***Application***") filed by the ProTransport-1 LLC and PRN Ambulance LLC (collectively, "***PRN***") and the Reorganized Debtors' objection (the "***Objection***") to the Application, and upon all the proceedings had before this Court, it is hereby

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

1. The Objection is sustained and the Application is denied.

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

Signed: _____

UNITED STATES BANKRUPTCY JUDGE

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