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

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

REORGANIZED DEBTORS' OBJECTION TO
MOTION FOR LIMITED RELIEF FROM PLAN INJUNCTION
[Relates to Docket No. 1638]

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***") file this objection (the "***Objection***") to the *Motion for Limited Relief from Plan Injunction*, [Docket No. 1638] (the "***Motion***") filed pro se by Ms. Lus Lucy Rosario ("***Movant***") and request that the Court deny the Motion.

PRELIMINARY STATEMENT

1. The Motion should be denied because Movant fails to meet her burden to prove that the extraordinary remedy of lifting the Plan Injunction (as defined below) should be granted. Importantly, although the Motion states that Movant would not proceed against the Reorganized Debtors and would proceed only against insurance, that could not happen because the applicable insurance policy has a $1,000,000 per claim deductible. Thus, granting the Motion would impose

[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.

real burdens on the Reorganized Debtors. As a result, Movant fails to meet her burden of establishing that the Plan Injunction should be lifted and that these substantial burdens should be imposed on the Reorganized Debtors.

BACKGROUND

2. 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. 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***") setting, among other things, October 1, 2025 as the deadline for non-governmental creditors and interest holders to file claims in the Chapter 11 Cases (the "***Bar Date***").

4. On August 23, 2025, the Reorganized Debtors' claims and noticing agent, Kurtzman Carson Consultants, LLC d/b/a Verita Global (the "***Claims and Noticing Agent***"), mailed notice of the Bar Date (the "***Bar Date Notice***") to potential claimants in accordance with the procedures set forth in the Bar Date Order. *See Affidavit of Service* [Docket No. 98]. Also, as certified at Docket No. 142, in accordance with the Bar Date Order, the Bar Date Notice was published in *The New York Times* on August 26, 2025.

5. 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***").

6. On December 18, 2025, the Claims and Noticing Agent mailed notice of the Confirmation Order (the "***Confirmation Notice***") in accordance with the procedures set forth in the Confirmation Order. *See Affidavit of Service* [Docket No. 1087]. Also, as certified at Docket No. 1165, the Confirmation Notice was published in *The New York Times* on January 2, 2026.

7. 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 "***Effective Date Notice***"). Also, as certified at Docket No. 1165, the Effective Date Notice was published in *The New York Times* on January 2, 2026.

THE PLAN INJUNCTION

8. The Plan and Confirmation Order expressly establish a permanent injunction that became effective on the Effective Date and binds holders of claims and other parties subject to the Plan. See Confirmation Order at ¶ 9; Plan at Art. X.5.

9. Article X.5 provides for a permanent injunction (the "***Plan Injunction***") and states in relevant part:

> Except as otherwise expressly provided. . . ***all Persons are, to the fullest extent permitted under Section 524 and other applicable provisions of the Bankruptcy Code, permanently enjoined*** from (a) commencing or continuing, in any manner or in any place, any suit, action or other proceeding of any kind; (b) enforcing, attaching, collecting, or recovering in any manner or means any judgment, award, decree, or order; (c) creating,

> perfecting, or enforcing any Lien or encumbrance; (d) asserting a right of setoff or subrogation of any kind; or (e) commencing or continuing in any manner any action or other proceeding of any kind, in each case on account of or with respect to any Claim, demand, liability, obligation, debt, right, Cause of Action, Interest, or remedy released or to be released, exculpated or to be exculpated, settled or to be settled, or discharged or to be discharged pursuant to this Plan or the Confirmation Order against any Person so released, discharged, or exculpated . . . (emphasis added).

10. Pursuant to the Plan, a "Causes of Action" means:

> any action, claim, cross-claim, third-party claim, cause of action, controversy, dispute, proceeding, demand, right, lien, indemnity, contribution, guaranty, suit, obligation, liability, loss, debt, fee or expense, damage, interest, judgment, cost, account, defense, remedy, offset, power, privilege, proceeding, license and franchise of any kind or character whatsoever, known, unknown, foreseen or unforeseen, existing or hereafter arising, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, Disputed or undisputed, secured or unsecured, assertable directly or derivatively . . . whether arising before, on, or after the Petition Date, in contract or in tort . . . .

Plan at Art. I.A.

11. The Plan likewise defines a "Claim" to mean

> (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment . . . .

Plan at Art. I.A.

MOVANT AND THE MOTION

12. Movant contacted the Reorganized Debtors after the Effective Date of the Plan through a letter dated February 27, 2026, titled "Demand for Compensation, Acknowledgement, and Record Correction – failed Medicaid Transportation, August 8, 2024" (the "***Letter***"). In the Letter, Movant alleged that the Reorganized Debtors failed to provide certain transportation services on August 8, 2024.

13. The Letter also included attachments that indicate Movant contacted a better business bureau in August 2024 to raise her concerns, and that the Debtors responded to the better business bureau in November 2024. The attachments to the Letter further indicate that the file with the better business bureau was closed on January 9, 2025, after Movant failed to respond to the Debtors' attempts to contact Movant. The Letter also included as an attachment an email that confirms that the Debtors attempted to contact Movant in November 2024 about her allegations to the better business bureau. The Debtors have no record of any communications from Movant after January 2025 until the Letter dated February 27, 2026.

14. Over four months after sending the Letter, on July 8, 2026, Movant filed the Motion. By the Motion, Movant seeks to modify the Plan Injunction to "permit the liquidation of a prepetition tort claim in a non-bankruptcy forum." Motion, ¶ 1.

15. The Motion further states "Movant does not seek recovery from the Debtors, the Reorganized Debtors, their bankruptcy estates, or their assets. Any recovery sought is limited solely to third-party insurance proceeds, to the extent such coverage exists." Motion, ¶ 2.

16. Such a recovery, however, is not possible. The insurance policy that would apply to Movant's claim has a per claim deductible of $1,000,000. Accordingly, before Movant could receive any insurance proceeds, the Reorganized Debtors would need to satisfy the $1,000,000 per claim deductible.

OBJECTION

A. The Plan Injunction Applies to Movant

17. The Confirmation Order is final and is binding on Movant.

18. Section 1141(a) of the Bankruptcy Code provides that, subject to exceptions not relevant here, "the provisions of a confirmed plan bind the debtor . . . and any creditor, equity

security holder, or general partner in the debtor," whether or not such party accepted the plan. 11 U.S.C. § 1141(a).

19. It is well established that a confirmation order is a final judgment with res judicata effect. *See Eubanks v. F.D.I.C.*, 977 F.2d 166, 170–71 (5th Cir. 1992); *Republic Supply Co. v. Shoaf*, 815 F.2d 1046, 1051–54 (5th Cir. 1987). That preclusive effect reaches not only matters actually litigated, but also matters that could have been raised in connection with confirmation. *See Eubanks*, 977 F.2d at 170–71; *Shoaf*, 815 F.2d at 1051–54.

20. It also is well established that a party that received constitutionally sufficient notice of confirmation may not later collaterally attack the confirmed plan or injunction provisions embodied in the confirmation order. *See Shoaf*, 815 F.2d at 1051–54; *Eubanks*, 977 F.2d at 170–71.

21. Due process is the necessary predicate to that preclusive effect and notice must be "reasonably calculated" to reach interested parties, convey the required information, and afford a reasonable opportunity to respond. *Chemetron Corp. v. Jones*, 72 F.3d 341, 346 (3d Cir. 1995).

22. For notice purposes, bankruptcy law distinguishes between "known" and "unknown" creditors. Known creditors are entitled to actual notice but unknown creditors may be bound by constructive notice through publication. *See In re Placid Oil Co.*, 753 F.3d 151, 154–58 (5th Cir. 2014); *Chemetron Corp. v. Jones*, 72 F.3d 341, 346 (3d Cir. 1995) ("It is well established that, in providing notice to unknown creditors, constructive notice of the bar claims date by publication satisfies the requirements of due process."); *see also In re Schepps Food Stores*, 152 B.R. 136, 138 (Bankr. S.D. Tex. 1993) ("If the debtor is unaware of the creditor's claim, then the debtor cannot possibly give the creditor actual notice. Therefore, due to necessity, publication

notice satisfies the due process requirements for unknown creditors if the published notice is reasonably calculated to apprise the unknown creditors of the pending bankruptcy.").

23. A creditor qualifies as "known" only if the debtor actually knows of the creditor or, through reasonably diligent efforts, could identify the creditor based on specific information suggesting both the claim and the claimant. *Placid Oil Co.*, 753 F.3d at 154–58; *Crystal Oil Co. v. Caldwell (In re Crystal Oil Co.)*, 158 F.3d 291, 297 (5th Cir. 1998). Thus, a claim is not reasonably ascertainable merely because it is conceivable or foreseeable; the debtor must possess specific information pointing to an actual claimant and an actual basis for liability. *Placid Oil*, 753 F.3d at 156-57.

24. The Debtors exercised reasonably diligent efforts in the preparation of their schedules and did not identify Movant or her alleged claim. Specifically, the better business bureau file with respect to Movant was closed on January 9, 2025, after Movant failed to respond to the Debtors' attempts to contact her, and the Debtors have no record of any further communications from Movant until well after the Effective Date of the Plan through the Letter dated February 27, 2026.

25. The Debtors were not required to provide actual notice to every prior customer. Nor were the Debtors required to provide actual notice to prior customers who may have raised a concern with a better business bureau, but then failed to respond to the Debtors or otherwise notify the Debtors that they intended to pursue a claim. Moreover, Movant's file with the better business bureau was closed in January 2025, over seven months before the Petition Date, and the Debtors did not hear further from Movant until the Letter dated February 2026. As indicated in *Placid Oil*, a claim is not reasonably ascertainable merely because it is conceivable or foreseeable, instead the

Debtors needed to possess specific information pointing to Movant and an actual basis for liability and that did not exist under these facts and circumstances.

26. As a result, Movant was an unknown creditor and is bound by publication notice of the Bar Date and the Effective Date of the Plan.

B. Movant Fails to Meet Her Burden

27. Once confirmed, a plan injunction is not lightly disturbed. A plan injunction approved in a confirmed plan "can be modified only if the change would 'not rise to the level of a modification that would be prohibited by § 1127(b).'" *In re Superior Offshore, Inter., Inc.*, No. 08–32590 (MI), 2011 WL 4972121 at *3 (Bankr. S.D. Tex. Oct. 19, 2011) (quoting *Romero v. Border Steel Rolling Mills Inc.*, 54 F. App'x 591 (5th Cir. 2002). This Court has allowed the modification of a plan injunction only in narrow circumstances, such as where prior stay relief had already been granted and the requested tort action was allowed to proceed on that basis. *Romero*, 54 F. App'x 591.

28. Bankruptcy courts have the authority to interpret and enforce confirmation orders and plan injunctions, including by halting post-confirmation litigation that violates the injunction or imposes estate-related burdens on the reorganized debtor. *See Monarch Life Ins. Co. v. Ropes & Gray*, 65 F.3d 973, 983–84 (1st Cir. 1995); *In re IT Grp., Inc.*, 339 B.R. 338, 343 (D. Del. 2006).

29. To the extent a party seeks relief from or modification of a confirmed plan injunction, the burden rests with the movant. *See In re Ditech Holding Corp.*, No. 19-10412 (JLG), 2022 WL 16952443 (Bankr. S.D.N.Y. Nov. 15, 2022).

30. Movant's alleged claims fall squarely within the scope of the Plan Injunction. The Motion seeks leave to liquidate a "prepetition tort claim" in another forum to proceed against insurance. As indicated above, however, the per claim deductible for the applicable insurance

policy is $1,000,000. As a result, granting the Motion and lifting the Plan Injunction would impose real burdens on the Reorganized Debtors.

31. Movant has failed to sustain her burden of proving that the extraordinary remedy of lifting the Plan Injunction should be granted, especially when such relief would impose material burdens on the Reorganized Debtors.

32. Moreover, the Motion does not indicate why it was appropriate for Movant to wait over four months after sending the Letter to file the Motion, let alone justify this substantial and prejudicial delay.

33. As a result of the foregoing, Movant's request for relief from the Plan Injunction should be denied.

RESERVATION OF RIGHTS

34. This Objection is without prejudice to the rights of the Reorganized Debtors or any other party in interest to object to the Motion on any grounds whatsoever, and the Reorganized Debtors expressly reserve all further substantive or procedural objections, rights, and claims that they may have concerning Movant.

CONCLUSION

35. For all the foregoing reasons, the Reorganized Debtors respectfully request that this Court deny the Motion.

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Dated: July 20, 2026
Houston, Texas

Respectfully submitted,

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

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CERTIFICATE OF SERVICE

I certify that on July 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
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