

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

In re:

MODIVCARE, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-90309 (ARP)

(Jointly Administered)

**APPLICATION FOR ALLOWANCE AND PAYMENT OF
ADMINISTRATIVE EXPENSE CLAIM OF SALESFORCE, INC.**

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.

TO THE HONORABLE ALFREDO R. PEREZ, UNITED STATES BANKRUPTCY
JUDGE:

Salesforce, Inc. (f/k/a salesforce.com, inc.) ("Salesforce"), by and through the undersigned counsel, hereby requests (the "Administrative Expense Request") entry of an order (the "Administrative Expense Order") (a) allowing an administrative expense in an amount not less than **US \$103,591.84** (the "Administrative Expense Claim") incurred in connection with the provision of the Salesforce Services² (as hereinafter identified) provided by Salesforce to

¹ 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 the Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

² All capitalized terms shall have the meaning as set forth in this *Application for Allowance and Payment of Administrative Expenses* and, if not defined herein, as set forth in the Ramirez Declaration filed in support of this request.



ModivCare Solutions, LLC (“ModivCare”) (ModivCare and the jointly administered Debtors³, collectively, hereinafter referred to as the “Debtors”), and the acceptance and use of the Salesforce Services by ModivCare, from and after the Petition Date through the Plan Effective Date, pursuant to the Salesforce Contract, (b) directing the Administrative Expense Claim be paid in full within seven (7) business days after entry of the Administrative Expense Order, or at such time as the Court otherwise orders, (c) approving the *Reservation of Rights* asserted hereinafter, and (d) granting such other and further relief as may be deemed just and proper under the circumstances of this case.

This Administrative Expense Request is brought pursuant to 11 U.S.C. §§503(b)(1)(A) and 507(a)(2), and is based on the matters set forth herein, the *Declaration of Kevin Ramirez in Support of the Request for Allowance and Payment of Administrative Expense of Salesforce, Inc.* (the “Ramirez Declaration”) filed in support hereof, the files and the records in this case, and such other and further evidence as may be submitted at or before the trial on this matter.

Salesforce requests that the Court take judicial notice of the pleadings filed in this case and the facts set forth in the Court’s orders, findings of fact and conclusions of law pursuant to Rule 201 of the Federal Rules of Evidence (as incorporated by Rule 9017 of the Federal Rules of Bankruptcy Procedure).

JURISDICTION AND VENUE.

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (B) and (O).
2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

3. Salesforce is a Delaware corporation, and, among other activities, it provides

³ See, *Order Directing the Joint Administration of Chapter 11 Cases* [ECF 27] (the “Joint Administration Order”)

on-demand customer relationship management and software application services (collectively, the “Salesforce Services”) to its business customers (individually, a “Salesforce Customer” and, collectively, “Salesforce Customers”). See Ramirez Declaration at ¶2.

THE SALESFORCE CONTRACT

4. Prior to August 20, 2025, the Debtors entered into those certain Order Forms (the “Order Forms”),⁴ which are governed by their applicable *Master Subscription Agreement* (the “MSA” and, together with the Order Forms, collectively the “Salesforce Contract”).⁵ Pursuant to the Salesforce Contract: (i) the Debtors ordered certain Salesforce Services and became obligated to pay in full the aggregate amounts due pursuant to this contract with respect to such services; (ii) Salesforce became obligated to provide the Salesforce Services to the Debtors; (iii) Salesforce has provided such services to the Debtors; and (iv) the Debtors accepted and utilized, and continue to accept and utilize, the Salesforce Services provided pursuant to the Salesforce Contract. See Ramirez Declaration at ¶9.

BANKRUPTCY CASE

5. On August 20, 2025 (the “Petition Date”): (A) ModivCare Solutions, LLC and the other Debtors each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas (the “Court”) and, thereby, commenced their individual cases under chapter 11 (collectively, the “Bankruptcy Cases”); and (B) on August 21, 2025, the Court entered the Joint Administration Order directing the joint administration of the Bankruptcy Cases (but not substantively consolidated consolidating such cases).

⁴ The Administrative Expense Claim Summary is attached as Exhibit A to the Ramirez Declaration and is incorporated by reference here in as if fully set forth.

⁵ Due to the confidentiality provisions of the MSA, a copy of the Salesforce Contract and related invoices (the “Invoices”) are not attached to the Ramirez Declaration. However, subject to appropriate non-disclosure protections, a copy of the Salesforce Contract and the Invoices will be made available to the Debtors in connection with this Administrative Expense Request.

6. On December 5, 2025, the Debtors filed the *Second Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and its Debtor Affiliates* [ECF 959] (the “Plan”) providing for, among other things, the assumption and assignment of the Salesforce Contract as of the Plan Effective Date (as defined below).

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* [ECF 1134], thereby deeming assumption and assignment of the Salesforce Contract to the Reorganized Debtors effective as of December 29, 2025 (the “Plan Effective Date”).

8. Pursuant to Plan, the deadline to file a request for payment of administrative claim for services provided to the Debtors through the Plan Effective Date is February 5, 2026 (the “Administrative Claim Bar Date”). However, with respect to Salesforce, the Administrative Claim Bar Date was extended by counsel for the Debtors to February 12, 2026 (the “Extended Administrative Claim Bar Date”).

THE ADMINISTRATIVE EXPENSE CLAIM

9. From and after the Petition Date through the Plan Effective Date, the Debtors knowingly accepted the Salesforce Services provided and that provision of such services was in the ordinary course of business of the parties. *See* Ramirez Declaration at ¶19.

10. From the commencement of the Salesforce Contract through the date of the Ramirez Declaration, the Debtors have failed to pay all post-petition Fees due and owing pursuant to the Salesforce Contract, more specifically, an amount of not less than US **\$103,591.84**⁶ remains due and owing to Salesforce pursuant to the Salesforce Contract for

⁶ See, the Administrative Expense Claim Summary which is attached hereto as Exhibit A and is incorporated by

services due from the Petition Date through the Plan Effective Date. *See Ramirez Declaration* at ¶20.

LEGAL AUTHORITY

Administrative Expenses Are Allowed for Actual, Necessary Costs

And Expenses of Preserving the Estate.

11. Pursuant to the United States Bankruptcy Code, claims for "the actual, necessary costs and expenses of preserving the estate" shall be allowed as administrative expenses, 11 U.S.C. §503(b)(1)(A), and "the administrative expenses of the debtor-in-possession receive highest priority in corporate bankruptcy proceedings. 11 U.S.C. § 507(a)(1)." *Supplee v. Bethlehem Steel Corporation (In re Bethlehem Steel Corp.)*, 479 F.3d 167, 172 (2d Cir. 2007). *Accord, In re Williams*, 246 B.R. 591, 593–94 (B.A.P. 8th Cir. 1999); *In re Centennial Communications, Inc.*, 2006 WL 379796 (D. Neb. 2006). The policy behind this favored treatment is to encourage creditors to continue to do business with an insolvent entity, thus allowing a debtor's estate to maximize the value of its assets for the benefit of creditors during the process of a liquidation or reorganization. *In re Williams*, 246 B.R. at 595; *In re Centennial Communications, Inc.*, 2006 WL 379796 at *3.

12. It is well established that "if a debtor in possession elects to continue to receive benefits from the other party to an executory contract pending a decision to reject or assume a contract, the debtor in possession is obligated to pay for the reasonable value of those services." *See NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 531 (1984). Further, where a debtor-in-possession or trustee knowingly and willingly uses a non-debtor's property or services, after the commencement of a case and prior to rejection of the underlying contract to preserve and

reference here in as if fully set forth.

maximize estate assets, it is liable for an administrative claim at the contract rate, even if it did not "profit" from such use. *See e.g., In re Patient Education Media, Inc.*, 221 B.R. 97 (Bankr. S.D.N.Y. 1998); *In re Adelpia Bus. Sols., Inc.*, 296 B.R. 656, 662 (Bankr. S.D.N.Y. 2003).

13. “In determining whether a claim is an “actual, necessary ‘cost and expense’ of preserving the estate,” courts generally consider whether the expense arose from a transaction with the estate, and whether it benefitted the estate in some demonstrable way.” *In re Centennial Commc'ns, Inc.*, No. 81-82295, 2006 WL 379796, at *3 (D. Neb. 2006). *Accord, In re Tama Beef Packing, Inc.*, 290 B.R. 90, 96 (B.A.P. 8th Cir. 2003); *In re Williams*, 246 B.R. at 594- 95. Essentially, the administrative expense claimant must demonstrate that the expenses provided a tangible benefit to the bankruptcy estate. *Id. Accord, Reiter v. Fokkena (In re Wedemeier)*, 239 B.R. 794, 798 (8th Cir. BAP 1999).

14. Salesforce submits that its right to allowance and payment of the Administrative Expense Claim is clear: (A) Salesforce provided the Salesforce Services from the Petition Date though the Plan Effective Date pursuant to the Salesforce Contract; (B) ModivCare (in its capacity as debtor-in-possession) knowingly and willingly accepted the Salesforce Services; (C) the Salesforce Services were supplied to and beneficial to the debtor in possession in the operation of its business; and, (D) regardless whether, ultimately, the estate is liquidated or its business operations are sold as a going concern, utilization of the Salesforce Services by ModivCare and/or the other Debtors preserves the Debtors’ estates. Salesforce further submits that access to the Account, and usage of the Salesforce Services, directly and substantially benefitted the Debtors’ estates by permitting the Debtors’ continued post-petition operations without interruption.

15. Based on all these facts and circumstances, Salesforce submits that the provision of the Salesforce Services, unquestionably, constitutes “actual, necessary costs and expenses

of preserving the estate” that should be allowed as administrative expenses, 11 U.S.C. §503(b)(1)(A), and should receive the highest priority in payment in this bankruptcy proceeding pursuant to 11 U.S.C. §507(a)(1).

RESERVATION OF RIGHTS

16. Notwithstanding the foregoing, Salesforce expressly reserves (and hereby expressly does not waive) (a) all rights, claims, counterclaims, defenses, interests, actions and/or other remedies (collectively, its “Rights”) including, without limitation, the right to amend, modify and/or supplement (A) any proof of claim already filed by Salesforce and/or any other claim or proof of claim that it may be filed in the future (collectively, the “Claims”), (B) the Administrative Expense Claim asserted hereby and/ or any further administrative expenses as may be asserted hereinafter (collectively, the “Administrative Expenses”), (C) a judicial determination of the amount(s) due and owing with regard to the Claims and/or the Administrative Expenses, (D) this Administrative Expense Request in response to any submission by any party-in-interest including, without limitation, any objection to this Administrative Expense Request or an amendment to it, and (E) the right to adopt any other pleadings filed by any other party related to the Claims, this Administrative Expense Claim, any other Administrative Expenses or the Administrative Expense Requests as may be filed hereinafter (collectively, the “Reservation of Rights”).

CONCLUSION

WHEREFORE, Salesforce respectfully requests the Court enter its Administrative Expense Order –

(A) Allowing an administrative expense claim, in the amount not less than **US \$103,591.84** pursuant to the Salesforce Contract for Salesforce Services provided from the Petition Date through the Plan Effective Date;

(B) Directing the Debtors to pay the Administrative Expense Claim, in full, within seven (7) business days after entry of the Administrative Expense Order, or at such time as the Court otherwise orders;

(C) approving the Reservation of Rights; and granting such other and further relief as may be deemed just and proper under the circumstances of this case.

Dated: February 10, 2026

Respectfully submitted,

VARTABEDIAN HESTER &
HAYNES LLP

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Attorneys for Creditor Salesforce, Inc.

CERTIFICATE OF SERVICE

I hereby certify on February 10, 2026, I caused a true and correct copy of the foregoing document to be served via CM/ECF upon all parties receiving such service. In addition, I hereby certify that a true and correct copy of the foregoing document was served on the parties listed below via United States Mail, first class postage prepaid, on February 10, 2026.

Debtors:

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/s/ Emily S. Chou

Emily S. Chou

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

In re:

MODIVCARE, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-90309 (ARP)

(Jointly Administered)

**ORDER GRANTING APPLICATION FOR ALLOWANCE AND PAYMENT OF
ADMINISTRATIVE EXPENSE CLAIM OF SALESFORCE, INC.**

On this day, the Court considered the *Application for Allowance and Payment of Administrative Expense Claim of Salesforce, Inc.* [Docket No. ____] (the “Administrative Expense Request”)² filed by Salesforce, Inc. (f/k/a salesforce.com, inc.) (“Salesforce”). In the Administrative Expense Request, Salesforce requests entry of an order (i) allowing an administrative expense claim, in the amount not less than of US **\$103,591.84** pursuant to the Salesforce Contract for Salesforce Services provided from the Petition Date through the Plan Effective Date; (ii) directing the Debtors to pay the Administrative Expense Claim, in full, within seven (7) business days after entry of this Order; and (iii) approving the Reservation of Rights.

Having reviewed the Administrative Expense Request, the Court finds that (i) it has jurisdiction over the matters raised in the Administrative Expense Request pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); (iii) proper and adequate notice of the Administrative Expense Request has been given and no other or further notice is necessary; (iv) no objections to the Administrative Expense Request were filed, as reflected in the *Certificate of No Objection to the Application for Allowance and Payment of Administrative Expense Claim of Salesforce, Inc.* [Docket No. ____]; and (v) the legal and factual bases set forth in the Administrative Expense Request

¹ 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 the Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

² Capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the Administrative Expense Request.

establish just cause for the relief granted herein.

ACCORDINGLY, it is hereby ORDERED:

1. The Administrative Expense Request is GRANTED.
2. Salesforce is hereby allowed an administrative expense claim, in the amount not less than of US \$103,591.84 pursuant to the Salesforce Contract for Salesforce Services provided from the Petition Date through the Plan Effective Date.
3. The Debtors are hereby authorized and directed to pay to Salesforce the Administrative Expense Claim, in full, within seven (7) business days after entry of this Order.
4. The Reservation of Rights requested in the Administrative Expense Request are hereby approved.
5. This Court shall retain jurisdiction over all matters arising from or related to this Order.

Dated: _____, 2026
Houston, Texas

THE HONORABLE ALFREDO R. PÉREZ
UNITED STATES BANKRUPTCY JUDGE