

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

In re:  
MODIVCARE, INC., *et al.*,<sup>1</sup>  
Debtors.

Chapter 11  
Case No. 25-90309  
(Jointly Administered)

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**OBJECTION TO FINAL FEE APPLICATION  
FILED BY ALIXPARTNERS, LLP**

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**TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:**

ModivCare Topco, LLC ("**ModivCare**") files this Objection to the Final Fee and Expense Request of AlixPartners, LLP, and would respectfully show as follows:

**SUMMARY OF FACTS AND RELIEF REQUESTED**

1. The reorganization of ModivCare Inc. and its seventy debtor affiliates (collectively, the "**Debtors**") was characterized by an aggressive, expedited timeline that saw the enterprise transition from its voluntary Chapter 11 filing on August 20, 2025, to the confirmation of its Second Amended Joint Chapter 11 Plan of Reorganization on December 15, 2025.
2. The Official Committee of Unsecured Creditors (the "**Committee**") retained AlixPartners, LLP ("**AlixPartners**") as its financial advisor to provide specialized expertise in valuation, business plan assessment, and litigation support.
3. In its Final Application, AlixPartners seeks total compensation and expense reimbursement of \$5,022,757.29 for approximately 111 days of service as financial advisor to

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<sup>1</sup> 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 these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.



the Committee, comprising \$4,955,847.00 in professional fees, \$41,910.29 in expenses, and \$25,000.00 in *post-effective date* fees.

4. The final fee request should be scrutinized through the lens of the twelve factors articulated in *Johnson v. Georgia Highway Express, Inc.* and the prospective "reasonable at the time" standard established by the Fifth Circuit in *In re Woerner*. A comprehensive audit of AlixPartners' 321 pages of time records reveals a pattern of top-heavy staffing, excessive internal conferencing, the billing of clerical tasks at professional rates, and the pursuit of litigation strategies that lacked an objective prospective benefit to the estate.

5. While the Reorganized Debtors do not contest that AlixPartners performed services during the case, they respectfully submit that the fees and expenses sought are unreasonable, excessive, and insufficiently justified under the standards of 11 U.S.C. § 330 and controlling Fifth Circuit authority.

6. Specifically, the time requested in the Fee Application should be significantly reduced because: (a) AlixPartners charged hourly rates far exceeding prevailing market rates for financial advisory services in the Southern District of Texas; (b) AlixPartners engaged in systematic overstaffing and "gang billing" of routine internal coordination calls, inflating billable hours well beyond what was actual and necessary; (c) AlixPartners duplicated the services of White & Case LLP ("**White & Case**"), counsel to the Committee, in violation of the express terms of the Retention Order; and (d) AlixPartners seeks reimbursement of unreasonable expenses.

#### **JURISDICTION AND STANDING**

7. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

**I. FACTUAL BACKGROUND**

8. On August 20, 2025 (the "Petition Date"), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

9. On September 5, 2025, the United States Trustee appointed the Committee [ECF No. 124].

10. On November 4, 2025, this Court entered the Order Authorizing the Official Committee of Unsecured Creditors to Employ and Retain AlixPartners, LLP as its Financial Advisor Effective as of September 10, 2025 [ECF No. 654] (the "Retention Order").

11. On December 15, 2025, the Court entered the *Order Confirming Second Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and its Debtor Affiliates* [ECF No. 1055] (the "Confirmation Order"). The Plan went effective on December 29, 2025.

12. On February 11, 2026, AlixPartners filed its Final Fee Application [ECF No. 1288], seeking a final allowance of \$5,022,757.29 (the "**Fee Application**").

**II. LEGAL STANDARD**

13. Under 11 U.S.C. § 330(a)(1), the Court may award to a professional employed under section 1103 "reasonable compensation for actual, necessary services rendered by the . . . professional person . . . and reimbursement for actual, necessary expenses".

14. Section 330(a)(3) requires the Court to consider the following factors in determining reasonable compensation:

- a. the time spent on such services;
- b. the rates charged for such services;

- c. whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- d. whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- e. with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- f. whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

15. Section 330(a)(4)(A) further provides that the Court "shall not allow compensation for . . . services that were not . . . reasonably likely to benefit the debtor's estate" or were "not necessary to the administration of the case".

16. In *Barron & Newburger, P.C. v. Texas Skyline, Ltd. (In re Woerner)*, 783 F.3d 266 (5th Cir. 2015) (en banc), the Fifth Circuit overruled the prior *Pro-Snax* retrospective "actual benefit" standard and adopted a prospective "good gamble" test, holding that services are compensable if they were either "**necessary to the administration**" of the case or "**reasonably likely to benefit**" the estate "at the time at which [they were] rendered". However, the *Woerner* standard is not a shield for inefficiency or overzealousness. In assessing the likelihood of benefit, courts must consider the probability of success at the time of the service and the reasonable costs of pursuing that action. "Whether the services were ultimately successful is **relevant** to, but **not dispositive** of,

attorney compensation.” *Barron & Newburger, P.C. v. Tex. Skyline, Ltd. (In re Woerner)*, 783 F.3d at 276 (emphasis added).

17. The Reorganized Debtors contend that AlixPartners’ pursuit of a doubling of the enterprise value—from the midpoint of \$837.5 million to approximately \$1.66 billion—lacked objective reasonableness given the contemporaneous market trading data and the Debtors’ operational realities, such as the non-renewal of material contracts. Furthermore, these “opinions” were never disclosed to the Committee for review prior to discussing them at trial.

18. The Fifth Circuit has confirmed that the lodestar method — evaluating (1) whether the hours billed were reasonable, (2) whether the hourly rates are consistent with prevailing market rates, and (3) all other relevant equitable factors — remains the proper analytical framework.<sup>1</sup>

19. The determination of the lodestar amount does not conclude the inquiry.<sup>2</sup> The court possesses broad discretion to adjust the fee award based on the *Johnson* factors, which include: (1) the time and labor required; (2) the novelty and difficulty of the questions; (3) the skill requisite to perform the legal service properly; (4) the preclusion of other employment; (5) the customary fee; (6) whether the fee is fixed or contingent; (7) time limitations; (8) the amount involved and the results obtained; (9) the experience, reputation, and ability of the professional; (10) the "undesirability" of the case; (11) the nature and length of the professional relationship; and (12) awards in similar cases.

20. Courts in the Fifth Circuit have repeatedly reduced or disallowed professional fees for overstaffing, duplication of services, excessive rates, and billing for services that are not actual and necessary. See, e.g., *In re Digerati Techs., Inc.*, 537 B.R. 317 (Bankr. S.D. Tex. 2015)

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<sup>1</sup> *Assadi v. Osherow (In re Assadi)*, 2025 U.S. App. LEXIS 13678, at \*7 (5th Cir. 2025)

<sup>2</sup> *Moench v. Marquette Transp. Co. Gulf-Inland, L.L.C.*, 838 F.3d 586 (5th Cir. 2016)

(applying *Woerner* lodestar; reducing fees for vague entries, lumping, overstaffing, and lack of billing judgment); *In re 900 Corp.*, 327 B.R. 585 (Bankr. N.D. Tex. 2005) (court reduced fees for overstaffing, duplicative efforts, and excessive billing, emphasized the need for careful billing judgment, particularly when fees are assessed against another party, and reduced fees to protect estate assets from excessive charges.)

21. The Retention Order itself imposes a binding, affirmative obligation: "AlixPartners shall use its reasonable efforts to avoid any duplication of services provided by any of the other retained professionals in these Chapter 11 Cases" (*Retention Order* ¶ 13). AlixPartners' own Retention Application acknowledged this obligation, stating: "AlixPartners will work closely with White & Case to ensure that there will be no duplication of efforts or unnecessary overlap". (*Retention Application* ¶ 15)

### III. APPLICATION OBJECTION

22. The Fee Application should be reduced for five principal reasons:
- a. excessive hourly rates;
  - b. systemic overstaffing and internal "gang billing";
  - c. duplication of White & Case's legal services in violation of the Retention Order;
  - d. services that were neither reasonable nor necessary, and provided no benefit to the estate;
  - e. vague and lumped time entries and clerical billing; and
  - f. unreasonable expenses and impermissible post-effective date fees.

**A. HOURLY RATES CHARGED BY ALIXPARTNERS UNREASONABLE**

23. AlixPartners staffed this 111-day engagement with 34 individual timekeepers and charged the following rates:

<u>TITLE/LEVEL</u>	<u>RATE RANGE</u>	<u>KEY EXAMPLES</u>
Partner/Managing Director	\$1,225 – \$1,460/hr	MacGreevey (\$1,460) McGlynn (\$1,415) Brown (\$1,415) Magrisi (\$1,250)
Director	\$715 – \$1,150/hr	Panda (\$1,150) Amico (\$1,150) Nelson (\$1,120) Gates (\$1,120) Komendowski (\$1,080)
Senior Vice President	\$565 – \$980/hr	Hood (\$850) Clark (\$910) Prince (\$950) Cuomo (\$910)
Vice President	\$445 – \$835/hr	Lovatto (\$835) Bonito (\$580) Carafi (\$445)
Analyst	\$535/hr	Olohan (\$535)

24. The resulting blended hourly rate ranged from \$1,032.83 (October) to \$1,111.70 (November), with a composite average of \$1,060.91 across all four months. Industry data confirms that AlixPartners already commands the highest blended hourly rate among financial advisors to unsecured creditors' committees, recorded at \$1,013/hour in recent comparable cases, and the rates in this case exceed even that benchmark.

25. These rates are unreasonable under § 330(a)(3)(B) and (F) for several reasons.

**B. RATES EXCEED COUNSEL'S RATES**

26. Multiple AlixPartners partners billed at \$1,415–\$1,460/hour — rates that rival or exceed senior White & Case restructuring partners (\$2,100–\$2,500/hr) on a per-unit basis when one

considers that financial advisory work does not require a law license and does not carry the same professional responsibility obligations. The fact that AlixPartners Directors billing at \$1,080–\$1,150 per hour and SVPs billing at \$850–\$980 per hour exceed the rates of many experienced attorneys in this District is itself an indication of unreasonableness.

**C. EXCESSIVE NUMBER OF HIGH-RATE BILLERS**

27. The engagement featured 9 professionals billing at partner rates (\$950–\$1,460), 8 directors (\$715–\$1,150), and 11 SVPs (\$565–\$980), many of them billing substantially full-time during peak months. For example, in October alone, Ashutosh Panda (Director, rate of \$1,150) billed 215.0 hours; Susan Clark (SVP, rate of \$910) billed 212.3 hours; Ryan Komendowski (Director, rate of \$1,080) billed 189.1 hours; and Lucas Lovatto (VP, \$835) billed 162.4 hours. This staffing model is inconsistent with a reasonable, efficient engagement.

**D. EXCESSIVE HOURS DUE TO SYSTEMIC OVERSTAFFING AND “GANG BILLING”**

28. The time records reveal a pervasive, recurring pattern of billing large numbers of AlixPartners professionals for the same internal coordination calls. This practice dramatically inflated hours and is not the "actual, necessary" service contemplated by § 330. Examples include:

- a. **October 6, 2025:** A single internal "workstreams, coordination, and next steps" call was attended by 13 AlixPartners professionals each billing 0.5 hours. Total: 7.0 hours at a blended rate exceeding \$1,000/hour, generating approximately \$7,700 in fees for one internal telephone call.
- b. **October 7, 2025:** A similar internal coordination call involved 11 professionals with each billing 0.6 hours. Total: 6.6 hours, approximately \$7,300.

- c. **October 14, 2025:** Yet another internal coordination call with 11 professionals with each billing 0.5 hours. Total: 5.5 hours, approximately \$5,900.
- d. **October 21, 2025:** Internal "work plan and strategy" call with 12 professionals with each billing 0.7 hours. Total: 9.1 hours, approximately \$10,000.
- e. **October 28, 2025:** Internal "ongoing workstreams" call with 13 professionals, each billing 0.7 hours. Total: 9.1 hours, approximately \$10,000.
- f. **November 4, 2025:** Internal "ongoing workstreams, coordination of priority tasks, and next steps" call with 12 professionals with each billing 0.8 hours. Total: 10.4 hours, approximately \$11,400.
- g. **November 11, 2025:** Internal "work plan and strategy" call with 10 professionals with each billing 0.7 hours. Total: 7.0 hours, approximately \$7,800.
- h. **November 18, 2025:** Internal "work plan and strategy" call with 10 professionals, each billing 0.5–0.6 hours. Total: approximately 5.8 hours, approximately \$6,400.
- i. **December 2, 2025:** Internal "ongoing workstreams, coordination of priority tasks, and next steps" call with 8 professionals with each billing 0.4 hours. Total: 3.2 hours, approximately \$3,700.

29. The foregoing is only a sample. These internal coordination calls occurred weekly or more frequently throughout AlixPartners' engagement, and each call routinely included 8–14 professionals. No reasonable basis exists for requiring 14 financial advisors on a single internal

coordination call. At most, 2–3 senior professionals should attend such calls; the remaining team members can be briefed by memorandum or brief follow-up call. The excess hours generated by this practice are conservatively estimated at 300+ hours over the course of the engagement, representing approximately \$300,000–\$350,000 in excessive fees.

30. The Reorganized Debtors request disallowance of all time charged by professionals in excess of 3 attendees for any internal-only AlixPartners coordination call, or alternatively, a 20% across-the-board reduction to the "Planning, Coordination and Case Management" category (101.3 hours / \$116,057.50) and "Meetings/Communication with UCC and Creditors" category (256.6 hours / \$306,728.50) to account for the systematic overstaffing.

**E. DUPLICATION OF SERVICES**

31. Paragraph 13 of the Retention Order expressly requires that "AlixPartners shall use its reasonable efforts to avoid any duplication of services provided by any of the other retained professionals in these Chapter 11 Cases". AlixPartners' own Retention Application represented that "AlixPartners will work closely with White & Case to ensure that there will be no duplication of efforts or unnecessary overlap". The time records demonstrate systematic failure to honor these obligations across multiple categories.

32. AlixPartners billed 85.5 hours for "*RSA, Disclosure Statement & Plan of Reorganization*" work, including reviewing and "providing comments" on draft confirmation objections, plan supplements, and other legal pleadings. For example, Chase Hood (SVP, \$850/hr) billed 0.7 hours on November 21 to "Review initial draft of confirmation objection," 1.4 hours on November 25 to "Review and provide additional comments to further revised confirmation objection," and 1.3 hours on November 25 to "Revise and provide comments to revised confirmation objection". Reviewing, revising, and commenting on draft confirmation objections is quintessential legal work product that was White & Case's core function. White & Case billed

522.7 hours (\$759,367.00) in its November and December time periods under its own "*Exclusivity, Plan & Disclosure Statement*" category for this same work. While a financial advisor may reasonably review financial aspects of plan documents, the detailed review and revision of legal briefs and confirmation objections by a financial advisor at \$850/hour is duplicative.

33. AlixPartners billed 398.4 hours (\$469,325.50) for "*Litigation Support / Investigations*," which the Fee Application describes as including "[c]onducted detailed investigations into the Debtors' insiders and other parties' actions prior to filing for bankruptcy" and "[r]eviewed the Debtors' advisors' reports on these actions, prepared related expert reports, and summarized findings for the Committee". White & Case simultaneously billed 382.9 hours (\$523,640.00) in December alone, and substantial additional hours in November, under its own "*Investigation of Causes of Action*" category for the same underlying investigation. The combined total for investigation activities between both firms exceeded 780+ hours — an extraordinary figure for investigating pre-petition transactions in a case that ultimately did not result in any filed adversary proceedings.

34. Both firms had multiple professionals attending the same deposition preparation sessions (*e.g.*, the November 7 call where AlixPartners professionals Rubel, Amico, Komendowski, and MacGreevey attended alongside White & Case attorneys Zakia, Smith, and Chase to "prepare for ModivCare CEO deposition").

35. Both firms reviewed the same Silvers investigation report and prepared responsive analysis.

36. AlixPartners billed 201.9 hours (\$240,499.50) for "Court Hearings and Status Conferences". While financial advisor attendance at certain hearings may be appropriate, the time

records reveal multiple AlixPartners professionals attending the same hearings at which White & Case was already present and advocating:

- a. **September 30, 2025 (DIP Hearing):** Six AlixPartners professionals attended (MacGreevey, McGlynn, Amico, Gates, Hood, Cuomo), collectively billing 30.4 hours (\$34,241.50). White & Case — which was conducting the actual litigation — also had its full trial team present.
- b. **December 8–11, 2025 (Confirmation Hearing):** AlixPartners billed 153.1 hours (\$184,505.50) in December for "Court Hearings and Status Conferences" alone. White & Case simultaneously had over a dozen attorneys at the confirmation hearing, billing 472.2 hours (\$837,561.00) in its "Hearings & Court Matters" category. While AlixPartners' expert witness Greg Magrisi needed to attend for his testimony and one or two professionals could reasonably observe, the attendance of multiple additional AlixPartners professionals at every hearing session is unreasonable.

37. AlixPartners billed 152.4 hours (\$147,204.50) for "Claims Analysis". White & Case also performed claims analysis work, billing under its "Claims Administration & Objections" categories. For example, White & Case billed 20.7 hours on claims work in November alone, including extensive research into make-whole claims and precedent claim objections. Both firms performed overlapping claims analysis during the same period.

38. Of the 215.0 hours (\$228,903.50) AlixPartners billed for "DIP Financing and Cash Collateral," the vast majority (213.7 hours) was incurred in September. While the preparation of the MacGreevey declaration supporting the DIP objection was a legitimate financial advisory function, much of the remaining DIP work overlapped with White & Case's role as lead counsel

on the DIP objection. White & Case billed 57.3 hours (\$99,952.00) for DIP Financing work in October alone, and substantial additional hours in September. Both firms had multiple professionals attending the same DIP hearings and breakout meetings on September 30.

**F. EXCESSIVE FEE APPLICATION PREPARATION TIME**

39. AlixPartners billed 83.0 hours (\$60,713.00) for "Fee Statements / Fee Applications" — *i.e.*, preparing its own monthly fee statements and this final fee application. While the Supreme Court confirmed in *Baker Botts LLP v. ASARCO LLC*, 576 U.S. 121 (2015), that preparing fee applications is compensable, § 330(a)(6) requires that such compensation be "reasonable in relation to the level and skill required". Over 83 hours to prepare four monthly fee statements and one final application is unreasonable; the Fee Application itself is largely a compilation of previously filed monthly fee statements with a brief narrative.

**G. AMBIGUOUS TIME WHICH LACKS SUFFICIENT DETAIL**

40. Under *In re Woerner*, the burden is on the professional to show that any billed for service was a "good gamble" at the time it was made. It is impossible to assess the objective reasonableness of a "workstream" if the professional refuses to describe or identify the work being performed. Numerous entries in the application fail to meet the disclosure standards of this Circuit, including the following:

**Matter 1.1.1: Planning, Coordination and Case Management**

<u>DATE</u>	<u>PROF</u>	<u>DESCRIPTION OF SERVICES</u>	<u>HOURS</u>	<u>RATE</u>	<u>TOTAL FEE</u>
09/10/25	KBM	Prepare case set-up items	0.9	\$1,415	\$1,273.50
09/10/25	KBM	Email to internal team re: case workstreams and next steps	0.6	\$1,415	\$849.00
09/11/25	GM	Prepare for call for ModivCare re: diligence	0.3	\$1,250	\$375.00
09/24/25	AP	Call... re: weekly case updates and ongoing workstreams	0.6	\$1,150	\$690.00

09/24/25	CH	Call... re: weekly case updates and ongoing workstreams	0.6	\$850	\$510.00
09/24/25	CC	Call... re: weekly case updates and ongoing workstreams	0.6	\$910	\$546.00
09/24/25	DM	Call... re: weekly case updates and ongoing workstreams	0.6	\$1,460	\$876.00
09/24/25	JA	Call... re: weekly case updates and ongoing workstreams	0.6	\$1,150	\$690.00
09/24/25	KBM	Call... re: weekly case updates and ongoing workstreams	0.6	\$1,415	\$849.00
09/24/25	LL	Call... re: weekly case updates and ongoing workstreams	0.6	\$835	\$501.00
09/24/25	MDG	Call... re: weekly case updates and ongoing workstreams	0.6	\$1,120	\$672.00
09/24/25	RK	Call... re: weekly case updates and ongoing workstreams	0.6	\$1,080	\$648.00
09/24/25	SC	Call... re: weekly case updates and ongoing workstreams	0.6	\$910	\$546.00
09/24/25	TGP	Call... re: weekly case updates and ongoing workstreams	0.6	\$950	\$570.00
10/06/25	JA	Draft of key items and workplan required to get to Confirmation	1.1	\$1,150	\$1,265.00
10/06/25	Group	(12 identical entries) Call... re: ongoing workstreams and next steps	6	(Avg)	\$6,720.00
10/07/25	Group	(11 identical entries) Call... re: priority tasks and next steps	6.6	(Avg)	\$7,785.00
10/14/25	Group	(11 identical entries) Call... re: priority tasks and next steps	5.5	(Avg)	\$6,942.50
10/21/25	Group	(12 identical entries) Call... re: strategy and next steps	8.4	(Avg)	\$10,741.50
10/28/25	Group	(12 identical entries) Call... re: priority tasks and next steps	8.4	(Avg)	\$10,741.50
11/18/25	Group	(8 identical entries) Call... re: strategy and next steps	4.1	(Avg)	\$5,042.00
11/18/25	JA	Draft key workstream tracker and identify of update to priority deliverables	0.5	\$1,150	\$575.00
12/02/25	Group	(8 identical entries) Call... re: priority tasks and next steps	3.2	(Avg)	\$3,706.00

**Matter 1.1.9: Business and Strategic Plan**

<u>DATE</u>	<u>PROF</u>	<u>DESCRIPTION OF SERVICES</u>	<u>HOURS</u>	<u>RATE</u>	<u>TOTAL FEE</u>
10/1/2025	AP	Review discovery documents for each segment	2.8	\$1,150	\$3,220.00

10/2/2025	AP	Review discovery documents for each segment	2.7	\$1,150	\$3,105.00
10/3/2025	AP	Review discovery documents for each segment	2.4	\$1,150	\$2,760.00
10/6/2025	AP	Review discovery documents for each segment	2.6	\$1,150	\$2,990.00
10/7/2025	AP	Review discovery documents for each segment	1.8	\$1,150	\$2,070.00
10/8/2025	AP	Review discovery documents for each segment	2.9	\$1,150	\$3,335.00
10/9/2025	AP	Review discovery documents for each segment	1.5	\$1,150	\$1,725.00
10/10/2025	AP	Review discovery documents for each segment	2.6	\$1,150	\$2,990.00
10/13/2025	AP	Review discovery documents for each segment	2.8	\$1,150	\$3,220.00
10/14/2025	AP	Review discovery documents for each segment	1.3	\$1,150	\$1,495.00
10/15/2025	AP	Review discovery documents for each segment	2.5	\$1,150	\$2,875.00
10/16/2025	AP	Review discovery documents for each segment	1.3	\$1,150	\$1,495.00
10/17/2025	AP	Review discovery documents for each segment	1.4	\$1,150	\$1,610.00
10/20/2025	AP	Review discovery documents for each segment	1.2	\$1,150	\$1,380.00
10/21/2025	AP	Review discovery documents for each segment	0.7	\$1,150	\$805.00
11/12/2025	LL	Review open business plan questions (No context)	0.3	\$835	\$250.50
11/14/2025	AP	Review discovery documents for each segment	1.1	\$1,150	\$1,265.00
11/17/2025	SC	Prepare for deposition, re: Business Plan diligence (Vague session)	2.4	\$910	\$2,184.00
11/20/2025	LL	Review documents and materials for deposition preparation	0.7	\$835	\$584.50

**Matter 1.1.11: Financial and Other Diligence**

<u>DATE</u>	<u>PROF</u>	<u>DESCRIPTION OF SERVICES</u>	<u>HOUR</u> <u>S</u>	<u>RATE</u>	<u>TOTAL</u> <u>FEE</u>
9/11/2025	JL	Review case filings to prepare for kick off	0.6	\$1,225	\$735.00
9/11/2025	JL	Review initial request list	0.6	\$1,225	\$735.00
9/15/2025	KBM	Review information available in data room	0.3	\$1,415	\$424.50

9/24/2025	KBM	Review outstanding information requests	0.4	\$1,415	\$566.00
10/1/2025	JA	Review various data room files and provide summary overview	0.8	\$1,150	\$920.00
10/3/2025	JA	Review various data room documents re prep for upcoming hearing	2	\$1,150	\$2,300.00
10/6/2025	MDG	Review open items on diligence list	1	\$1,120	\$1,120.00
10/7/2025	MDG	Review docket for various debtor filings	0.5	\$1,120	\$560.00
10/9/2025	KBM	Review outstanding information requests and next steps	0.6	\$1,415	\$849.00
10/9/2025	MDG	Review contracts in Datasite dataroom	1	\$1,120	\$1,120.00
10/14/2025	JA	Review historical diligence info re prior forecasts	0.5	\$1,150	\$575.00
11/3/2025	KBM	Review updates re: outstanding information requests	0.4	\$1,415	\$566.00
11/4/2025	JA	Review various data room documents re historical financial projections	0.5	\$1,150	\$575.00
11/6/2025	JA	Review various documents re projections per request from W&C	1	\$1,150	\$1,150.00
11/11/2025	KBM	Review updates re: outstanding diligence requests	0.2	\$1,415	\$283.00
11/13/2025	KBM	Review updates re: outstanding diligence requests	0.3	\$1,415	\$424.50
11/24/2025	JA	Review various claims and causes of action listed re Plan Settlement	0.6	\$1,150	\$690.00
12/4/2025	JA	Prepare for upcoming UCC Committee meeting (Generic prep)	0.5	\$1,150	\$575.00

**Matter 1.20: Fee Applications & Fee Statements (Ministerial Tasks)**

<u>DATE</u>	<u>PROF</u>	<u>DESCRIPTION OF SERVICES</u>	<u>HOURS</u>	<u>RATE</u>	<u>TOTAL FEE</u>
10/8/2025	LMB	Prepare AlixPartners weekly fee estimates	0.2	\$580	\$116.00
10/15/2025	LMB	Prepare AlixPartners weekly fee estimates	0.2	\$580	\$116.00
10/22/2025	LMB	Prepare AlixPartners weekly fee estimates	0.3	\$580	\$174.00
10/28/2025	LMB	Prepare AlixPartners weekly fee estimates	0.3	\$580	\$174.00
11/11/2025	LMB	Prepare AlixPartners weekly fee estimates	0.2	\$580	\$116.00
11/19/2025	LMB	Prepare AlixPartners weekly fee estimates	0.2	\$580	\$116.00
11/25/2025	LMB	Prepare AlixPartners weekly fee estimates	0.2	\$580	\$116.00

12/3/2025	LMB	Prepare AlixPartners weekly fee estimates	0.3	\$580	\$174.00
12/9/2025	LMB	Prepare AlixPartners weekly fee estimates	0.3	\$580	\$174.00
12/18/2025	LMB	Prepare AlixPartners weekly fee estimates	0.3	\$580	\$174.00
12/23/2025	LMB	Prepare AlixPartners weekly fee estimates	0.3	\$580	\$174.00

#### H. IMPROPER LUMPING OF TASKS

41. The U.S. Trustee Fee Guidelines highlight the requirement that each time entry describes a single, distinct task. AlixPartners' records are replete with "lumped" entries that combine disparate activities—such as internal strategy, document review, and correspondence—into a single block of time. Lumped time entries include:

##### **Matter 1.1.1: Planning, Coordination and Case Management**

<u>DATE</u>	<u>PROF</u>	<u>DESCRIPTION OF SERVICES</u>	<u>HOURS</u>	<u>RATE</u>	<u>TOTAL FEE</u>
09/10/25	DM	Develop ModivCare UCC work plan, strategy and related staffing	1.5	\$1,460	\$2,190.00
09/10/25	RK	Discussion... re: valuation work stream and staffing; Discussion... re: business plan workstream	0.2	\$1,080	\$216.00
09/10/25	CH	Prepare team internal datasite and email distribution group	0.9	\$850	\$765.00
09/11/25	CC	Complete input to work plan and diligence request lists	1.4	\$910	\$1,274.00
09/17/25	JL	Call... re: unencumbered assets and DIP, case updates, ongoing workstreams, and next steps	0.9	\$1,225	\$1,102.50
09/18/25	Group	(8 profs) Call... re: case updates and work plan	6.4	(Avg)	\$6,996.00
09/24/25	Group	(11 profs) Call... re: weekly case updates and ongoing workstreams	6.6	(Avg)	\$7,098.00
10/06/25	Group	(13 profs) Call... re: ongoing workstreams, coordination, and next steps	6.5	(Avg)	\$7,310.00
10/07/25	Group	(11 profs) Call... re: ongoing workstreams, coordination of priority tasks, and next steps	6.6	(Avg)	\$7,785.00

10/14/25	Group	(11 profs) Call... re: ongoing workstreams, coordination of priority tasks, and next steps	5.5	(Avg)	\$6,942.50
10/21/25	Group	(12 profs) Call... re: ModivCare work plan and strategy and next steps	8.4	(Avg)	\$10,741.50
10/28/25	Group	(12 profs) Call... re: ongoing workstreams, coordination of priority tasks, and next steps	8.4	(Avg)	\$10,741.50
12/02/25	Group	(8 profs) Participate in a call... re: ongoing workstreams and next steps	3.2	(Avg)	\$3,706.00

**Matter 1.1.2: Meetings & Communication with UCC/Creditors**

<u>DATE</u>	<u>PROF.</u>	<u>DESCRIPTION OF SERVICES</u>	<u>HOURS</u>	<u>RATE</u>	<u>TOTAL FEE</u>
09/16/25	Group	(12 profs) Participate in call... re: DIP objection, critical vendor, and general case updates	9.6	(Avg)	\$11,028.00
09/16/25	Group	(7 profs) Participate in call... re: case status and workstreams	2.1	(Avg)	\$2,247.00
09/17/25	Group	(6 profs) Call... re: unencumbered assets and DIP, case updates, and next steps	5.4	(Avg)	\$6,304.50
09/18/25	Group	(8 profs) Call... re: case updates, deadlines, workstreams, and next steps	8.8	(Avg)	\$10,615.00
09/20/25	Group	(3 profs: CH, CC, DM) Call... re: DIP objection, comparables, and case liquidity	2.4	(Avg)	\$2,576.00
09/21/25	Group	(4 profs) Participate in a call... re: cash flow and case extension analysis	1.2	(Avg)	\$1,311.00
09/22/25	Group	(6 profs) Call... re: analysis of DIP financing and declaration	4.2	(Avg)	\$4,821.00
09/22/25	Group	(8 profs) Call... re: case updates and DIP objection	6.4	(Avg)	\$7,316.00
10/02/25	Group	(8 profs) Call... re: updates, DIP hearing, disclosure statement, and strategy	6.4	(Avg)	\$7,780.00
11/11/25	Group	(7 profs) Attend meeting... re: Committee meeting, work plan and strategy	4.9	(Avg)	\$6,111.00
11/25/25	Group	(7 profs) Call... re: case updates, ongoing workstreams, and next steps	3.5	(Avg)	\$4,177.50
12/04/25	Group	(11 profs) Attend meeting... re: case updates and strategy	5.5	(Avg)	\$6,450.00
12/18/25	Group	(5 profs) Call... re: case updates, ongoing workstreams, and next steps	2.5	(Avg)	\$3,062.50

**Matter 1.1.9: Business and Strategic Plan**

<u>DATE</u>	<u>PROF</u>	<u>DESCRIPTION OF SERVICES</u>	<u>HOURS</u>	<u>RATE</u>	<u>TOTAL FEE</u>
09/22/25	LL	Reviewed/annotated memorandums... formulated initial working hypotheses	1.2	\$835	\$1,002.00
09/23/25	LL	Review P&L... identified trends, adjustments, and areas requiring clarification	2.4	\$835	\$2,004.00
10/01/25	JL	Review data documents... and add follow up request items or status inquiry	1.4	\$1,225	\$1,715.00
10/02/25	LL	Conduct initial assessment...; compared plan margins to peer benchmarks	2.8	\$835	\$2,338.00
10/02/25	LL	Review consolidated business plan...; aligned analytical priorities with MD	2.8	\$835	\$2,338.00
10/03/25	LL	Analyze spend data to identify trends, cost drivers, and optimization opportunities	2.4	\$835	\$2,004.00
10/06/25	LL	Conduct assessment of indirect-spend... identified baseline and savings rates	2.5	\$835	\$2,087.50
10/07/25	LL	Analyze supplier-rationalization... flagged overlapping vendors and limited leverage	2.8	\$835	\$2,338.00
10/10/25	LL	Research automation call-deflection; estimated reduction and resulting FTE changes	2.6	\$835	\$2,171.00
10/13/25	LL	Prepare effectiveness model... estimating potential savings	2.7	\$835	\$2,254.50
10/13/25	LL	Prepare interview questions... for informal call with Ken Shepard	2.5	\$835	\$2,087.50
10/29/25	LL	Integrate initiatives into model; ensured consistency of phasing and costs	2.2	\$835	\$1,837.00
12/08/25	GM	** Testimony preparation with counsel (all day preparation session) **	11	\$1,250	\$13,750.00
12/09/25	GM	** Testimony preparation with counsel (all day preparation session) **	11	\$1,250	\$13,750.00

**Matter 1.1.11: Financial and Other Diligence**

<u>DATE</u>	<u>PROF</u>	<u>DESCRIPTION OF SERVICES</u>	<u>HOURS</u>	<u>RATE</u>	<u>TOTAL FEE</u>
09/11/25	CC	Create and edit diligence list across 13 week, DIP, M&A, and other categories	2.6	\$910	\$2,366.00
09/12/25	JA	Review background information and update to due diligence list	1.6	\$1,150	\$1,840.00
09/15/25	CH	Download and review new uploads to data room	1.2	\$850	\$1,020.00

09/19/25	CC	Review discovery files and organize associated diligence tracker	0.9	\$910	\$819.00
11/04/25	JA	Analyze various issues re cash collateral, sureties and letters of credit	1.2	\$1,150	\$1,380.00
11/04/25	JA	Draft and review of various waterfall scenarios based on different valuations	1	\$1,150	\$1,150.00
11/05/25	JA	Draft questions list for depositions re business plan, Q1'25 and liquidity	1.5	\$1,150	\$1,725.00
11/07/25	JA	Draft potential questions for depositions as well as flagging supporting documents	1.7	\$1,150	\$1,955.00
11/12/25	JA	Review and provide comments on UCC standing motion; follow up on requests	1.5	\$1,150	\$1,725.00
12/01/25	JA	Review deposition transcripts re: draft of follow up items	1.2	\$1,150	\$1,380.00
12/03/25	JA	Analyze filed monthly operating report re performance and payments of claims	1.1	\$1,150	\$1,265.00
12/04/25	JA	Analyze voting results and prepare summary based on vendors paid	1.3	\$1,150	\$1,495.00

**Preparation of Presentations, Objections, and Testimony (Misc. Categories)**

<u>DATE</u>	<u>PROF</u>	<u>DESCRIPTION OF SERVICES</u>	<u>HOURS</u>	<u>RATE</u>	<u>TOTAL FEE</u>
09/15/25	JA	Draft supporting slides and provide comments on first day motions (Category 1.1.3)	0.9	\$1,150	\$1,035.00
10/29/25	JA	Draft update materials including recovery scenarios and liquidity update (Category 1.1.3)	2	\$1,150	\$2,300.00
10/30/25	CH	Prepare demonstratives and commentary for claims analysis (Category 1.1.3)	2.2	\$850	\$1,870.00
11/05/25	JA	Review W&C motion and assist with providing financial inputs (Category 1.1.12)	1.5	\$1,150	\$1,725.00
11/23/25	JA	Review/provide comments on confirmation objection and prepare backup (Category 1.1.12)	0.8	\$1,150	\$920.00
12/01/25	CR	Draft direct testimony scripts and exhibits in preparation for trial (Category 1.1.13)	3.2	\$1,225	\$3,920.00
12/02/25	CR	Draft direct testimony scripts and related demonstratives (Category 1.1.13)	2.3	\$1,225	\$2,817.50
12/08/25	DM	Session re: confirmation recap and witness preparation (Category 1.1.13)	1.5	\$1,460	\$2,190.00

**I. CLERICAL AND MINISTERIAL TASKS**

42. Professionals are prohibited compensation for "essentially clerical or secretarial work," regardless of whether the person performing the task is a professional. Such tasks are considered overhead, and their cost should be absorbed by the firm's hourly rates. The AlixPartners time records contain numerous entries where highly compensated professionals billed the estate for ministerial work. Below are some examples:

- a. **Case Setup and Administration:** On September 10, 2025, Kathryn B. McGlynn (Managing Director, \$1,415/hr) billed 0.9 hours to "Prepare case set-up items." Setting up an internal project file is a basic administrative function that does not require the expertise of a managing director.
- b. **Data Room and Distribution List Management:** Chase Hood (SVP, \$850/hr) billed 0.8 hours on September 10, 2025, and another 0.8 hours on September 11, 2025, to "Prepare team internal datasite and email distribution group." Additionally, on September 10, 2025, Hood billed 0.8 hours to "Prepare working group list for counsel."
- c. **Fee Application Preparation:** Lisa Marie Bonito (VP, \$580/hr) billed 62.3 hours in Category 1.20 (Fee Applications & Fee Statements).<sup>1</sup> While some time for fee application preparation is compensable, over 60 hours for a reorganization that lasted less than four months is excessive. Much of this time was spent on repetitive tasks such as "Analyzing professional fees... for privilege and confidentiality" and "Preparing schedule/exhibit workbook".

43. The practice of billing the estate at professional rates—up to \$1,415 per hour—for managing email distribution lists and formatting data rooms is inherently unreasonable. The Reorganized Debtors submit that these entries should be disallowed in their entirety.

**J. UNREASONABLE EXPENSES**

44. AlixPartners seeks \$41,910.29 in total expenses. The Reorganized Debtors object to the following categories of expenses:

- a. **Excessive Research Reports:** In October 2025 alone, AlixPartners purchased three third-party market research reports totaling \$9,400.00: "US Home Care Services Market Outlook" (\$2,000.00), "US Remote Patient Monitoring Market Outlook" (\$4,950.00), and "US Non-Emergency Medical Transportation Market to 2031" (\$2,450.00). When combined with \$2,253.63 in September research costs (including \$1,210.10 and \$893.53 for additional industry research reports), AlixPartners charged the estate \$11,973.63 for "Client Research". The necessity of nearly \$12,000 in off-the-shelf industry research reports has not been demonstrated, particularly where AlixPartners presumably already possesses expertise in the healthcare and transportation sectors that justified its retention.
- b. **Luxury Lodging:** In October 2025, the expense records reflect \$1,500/person for two nights at New York City hotels (Westin Grand Central and Benjamin Royal Sonesta) for Amico and Komendowski — while traveling to *AlixPartners' own New York office at 909 Third Avenue*. The Reorganized Debtors question why the estate should bear

lodging costs for AlixPartners professionals traveling to their firm's own headquarters.

- c. In November 2025, lodging totaled \$3,000.00, and in December 2025, lodging totaled \$8,797.53 — the highest single expense category in December.

**K. POST-EFFECTIVE DATE FEES**

45. AlixPartners requests an additional \$25,000.00 for "fees incurred or expected to be incurred *after the Effective Date* . . . in connection with the preparation and prosecution of this final Application". The Retention Order, at Paragraph 5, provides that "AlixPartners shall not seek reimbursement from the Debtors' estates for any fees incurred in defending any of AlixPartners' fee applications in these Chapter 11 Cases". To the extent the \$25,000.00 includes any fees for defending this Fee Application against objections, such fees are expressly prohibited. AlixPartners should be required to submit an itemized statement of actual post-effective date fees incurred, limited strictly to preparation (not defense), before any allowance is granted.

**PRAYER**

**WHEREFORE**, ModivCare, respectfully prays that the Court deny the requested fees and for such other and further relief as the Court deems just and proper.

Date: March 4, 2026.

Respectfully submitted,

WALKER & PATTERSON, P.C.

By: /s/ Johnie Patterson

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**COUNSEL FOR MODIVCARE**

**CERTIFICATE OF SERVICE**

I, Johnie Patterson, hereby certify that a true and correct copy of the foregoing Objection was served electronically upon all parties entitled to notice pursuant to this Court's CM/ECF electronic noticing platform on March 4, 2026.

By: /s/ Johnie Patterson

Johnie Patterson

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

In re:  
MODIVCARE, INC., *et al.*,<sup>1</sup>  
Debtors.

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Chapter 11  
Case No. 25-90309  
(Jointly Administered)

**ORDER ON OBJECTION TO FINAL FEE APPLICATION  
FILED BY ALIXPARTNERS, LLP  
[Relates To ECF No. \_\_\_\_\_]**

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It is

**ORDERED** that the Fees requested by AlixPartners, LLP are disallowed, and it is further

**ORDERED** that the Expenses requested by AlixPartners, LLP are disallowed.

Dated: \_\_\_\_\_

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

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<sup>1</sup> 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 these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.