

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

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In re:	:	Chapter 11
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MODIVCARE INC., <i>et al.</i> ,	:	Case No. 25-90309 (ARP)
	:	
Reorganized Debtors.	:	(Jointly Administered)
	:	
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**RESPONSE TO NOTICE RE: REJECTION OF EXECUTORY  
CONTRACTS WITH PRN AMBULANCE LLC AND PROTRANSPORT-1 LLC**  
[Relates to Docket Nos. 605, 1055, 1206, 1328 & 1376]

ProTransport-1 LLC and PRN Ambulance LLC (collectively “**PRN**”) respectfully submit the following response to the Reorganized Debtors’ ***NOTICE REGARDING REJECTION OF EXECUTORY CONTRACTS WITH PRN AMBULANCE LLC AND PROTRANSPORT-1 LLC*** [Docket No. 1376] filed on March 19, 2026 (the “**PRN Rejection Notice**”). A copy of the PRN Rejection Notice is attached as Exhibit A. All capitalized terms used but not otherwise defined herein have the same meanings ascribed to them in the PRN Rejection Notice.

PRN contends from the Petition Date (August 20, 2025) to March 9, 2026, i.e., a date months after Plan confirmation, Debtors and Reorganized Debtors (a) filed multiple pleadings which told the Court and interested parties including PRN, that they intend to assume the two PRN Contracts; (b) did not suggest in any filed pleadings that Reorganized Debtors may seek to reject the PRN Contracts post-confirmation-until March 2026; and (c) did not ask or tell PRN to stop providing post-petition or post-confirmation services to Debtors and Reorganized Debtors under the PRN Contracts until March 9, 2026.



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On December 29, 2025, Debtors filed a motion (Docket No. 1133), seeking Court authorization to reject two executory contracts with Cigna Corporate Services, LLC, defined therein as “**Rejected Contracts**,” and to make the rejection effective as of a month later-January 28, 2026 (the “**Cigna Rejection Motion**”). In paragraph 6 of the Cigna Rejection Motion, Debtors stated:

The Effective Date is scheduled to occur on or before December 29, 2025. Under the terms of the Plan, ***on the Effective Date, all Executory Contracts and Unexpired Leases of the Debtors shall be deemed assumed by the Debtors, except for, among other things, those Executory Contracts and Unexpired Leases that are subject to a motion to reject filed by the Debtors pending on the Effective Date.*** Given the impending effectiveness of the Plan, the Debtors are filing this Motion seeking to reject the Rejected Contracts. (Emphasis added.)

Reorganized Debtors have not served PRN with, and to PRN’s knowledge have not filed, a motion seeking the Court’s authority to reject the PRN Contracts. Realizing (in March 2026) that such motions had to be filed by the Effective Date of December 29, 2025, Reorganized Debtors filed the PRN Rejection Notice instead-more than 2.5 months after the Effective Date, as if Court authority is not required to reject the PRN Contracts. Reorganized Debtors want the Court to brush aside their point in their Cigna Rejection Motion that all executory contracts other than those Debtors had already rejected in connection with Plan confirmation (or were subject to a motion for rejection filed by December 29, 2025) were deemed assumed under their Plan. Likewise, PRN contends the PRN Contracts were deemed assumed under the Plan.

The Confirmation Order was an integral part of the Plan confirmation process, too. Consistent with the Debtors’ comment in the Cigna Rejection Motion that all executory contracts not expressly rejected (or subject to a motion to reject) by the Effective Date were deemed assumed, parts of paragraph 2 and all of paragraph 36 of the Confirmation Order describe a

comprehensive, multi-step process Reorganized Debtors must follow to resolve any cure-related disputes regarding assumed executory contracts, including the PRN Contracts. (Other terms of the Confirmation Order apply, as well.)

In paragraph 2 of the Confirmation Order, PRN's rights regarding its Cure Claims and the Proposed Cure (as defined therein) were reserved. The third sentence in paragraph 2 states any Assumption Dispute *shall* be resolved in accordance with paragraph 36. (Emphasis added.)

Paragraph 36 of the Confirmation Order starts with the phrase "Notwithstanding anything to the contrary in the Plan..." and continues "in the event of an Assumption Dispute regarding the amount and timing of any Proposed Cure, the Reorganized Debtors and [ProTransport-1 and PRN Ambulance] shall promptly confer after the Effective Date to attempt to resolve any dispute." PRN contends the Reorganized Debtors did not comply, because they did not submit a Proposed Cure to PRN promptly after the Effective Date, or thereafter. Likewise, the parties never even discussed any cure amounts.

The cure amount listed in its PRN Objection (of \$1,139,603.579), reflected the amount due on November 13, 2025. Both Debtors and Reorganized Debtors knew such cure amount would change regularly thereafter, because (a) they typically took 30-90 days after receipt of PRN's bills to process and pay them; (b) they knew that PRN continued to provide services under the PRN Contracts until March 9, 2026; (c) they processed and paid many of PRN's bills in the ordinary course; and (d) PRN provided them with periodic totals due and 30/60/90 day breakdowns of the balance due to PRN.

According to PRN's records, the current balance due to PRN under the PRN Contracts for services rendered through March 9, 2026 is estimated at \$1,057,929.27, which is slightly lower than the balance due on November 13, 2025.

The second sentence in paragraph 36 of the Confirmation Order also begins with the phrase “Notwithstanding anything to the contrary in the Plan,” then sets forth a multi-step procedure the Reorganized Debtors had to follow. The Reorganized Debtors did not follow the steps required in paragraph 36. They never proposed a cure amount to PRN. They filed two notices of dispute, but did not cause the dispute(s) with PRN to be set for a status conference at the next omnibus hearing in the Chapter 11 Cases, as required in paragraph 36.

The third sentence in paragraph 36 of the Confirmation Order makes clear the next required step in the process (after evidentiary hearings if necessary), is *for the Court to determine the payments, if any, or other actions, if any, Reorganized Debtors are required to pay or perform to assume executory contracts.* (Emphasis added.) The Reorganized Debtors did not seek any such determination from the Court. Paragraph 36 does not permit the Reorganized Debtors to reject the PRN Contracts until after the multi-step process described in the first three sentences of paragraph 36 is completed.

The PRN Rejection Notice also contains the following statements towards the end:

On March 9, 2026, rather than litigate the PRN Objection, the Reorganized Debtors informed PRN of its decision to reject the contract pursuant to the Plan *due to an inability to resolve the outstanding PRN Objection.* See Plan, Section 8.9(d). The Reorganized Debtors and PRN *remain in discussions* regarding a potential resolution of PRN’s claims resulting from the rejection of the PRN Contracts and any services provided thereunder. (Emphasis added.)

PRN contends several statements quoted above that appear in the Rejection Notice are false and misleading. First, there was no “inability to resolve the PRN Objection.” The only issue raised in the PRN Objection was the cure amount due. Reorganized Debtors did not even propose a cure amount to PRN. In February 2026, Reorganized Debtors raised an issue with PRN regarding certain terms in the PRN Contracts they did not like, but PRN offered to remove those terms on a go-forward basis.

Second, section 8.9(d) of the Plan (referenced in the PRN Objection) is subservient to the dispute resolution process Reorganized Debtors were required to follow under paragraphs 2 and 36 of the Confirmation Order. Plus, section 8.9(d) of the Plan contains generalized reservation of rights and states in full the following:

(d) If there is a dispute regarding a Cure Claim or whether a contract or lease was or is executory or unexpired at the time of assumption or rejection under this Plan, the Debtors or Reorganized Debtors, as applicable, shall have 60 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease by Filing a notice indicating such altered treatment.

PRN contends section 8.9(d) of the Plan is consistent with the mandatory dispute resolution process described in paragraphs 2 and 36 of the Confirmation Order. Both require the Debtors to try to resolve all cure-related disputes under assumed executory contracts with counterparties (like PRN) and, if the disputes cannot be resolved consensually, the Reorganized Debtors are supposed to raise the disputed issues with this Court; the counterparties are allowed to assert their rights and claims in the contested proceedings; and the Court is supposed to rule upon the disputes. But the Reorganized Debtors want to skip that required process and hope to convert PRN's post-petition priority claims exceeding \$1,000,000 into a rejection-based, pre-petition general unsecured claim requiring them to pay PRN nothing and instead have PRN receive the same treatment that general unsecured claims receive under the Plan.

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PRN contends it is owed at least \$1,037,929.27 under the PRN Contracts for services provided in good faith to Debtors and Reorganized Debtors through March 9, 2026, and that such amount should be awarded and promptly paid as a priority claim or otherwise, even if the Court permits Reorganized Debtors to reject the PRN Contracts. If Reorganized Debtors do not voluntarily agree to pay this amount to PRN promptly, PRN intends to seek appropriate relief from the Court.

Dated: March 26, 2026

Respectfully submitted,



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HOOPER, LUNDY & BOOK

*Attorneys for Counterparties PRN Ambulance  
LLC and Pro Transport-1 LLC*

# **EXHIBIT A**

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

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In re: : Chapter 11  
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MODIVCARE INC., et al., : Case No. 25-90309 (ARP)  
:   
Reorganized Debtors.<sup>1</sup> : (Jointly Administered)  
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**NOTICE REGARDING REJECTION OF EXECUTORY CONTRACTS  
WITH PRN AMBULANCE LLC AND PROTRANSPORT-1 LLC  
[Relates to Docket Nos. 605, 1055, 1206, & 1328]**

**PLEASE TAKE NOTICE THAT**, on October 30, 2025, the Reorganized Debtors<sup>2</sup> filed the *Notice of Potential Assumption of Certain of Debtors’ Executory Contracts and Unexpired Leases* [Docket No. 605] (the “**Cure Notice**”) listing certain executory contracts and unexpired leases (those executory contracts and unexpired leases identified on the Cure Notice, collectively, the “**Potentially Assumed Contracts**”), and their respective Proposed Cures, that the Reorganized Debtors intended to assume as part of the Chapter 11 Cases. The executory contracts with PRN Ambulance LLC and ProTransport-1 LLC (collectively, “**PRN**” and such agreements, the “**PRN Contracts**”), are listed as Potentially Assumed Contracts in the Cure Notice. The Cure Notice stated the Proposed Cures for the PRN Contracts was \$0.

**PLEASE TAKE FURTHER NOTICE THAT**, the deadline for the counterparties to the Potentially Assumed Contracts (the “**Counterparties**”) to file an objection (including any informal comments or objections received by the Reorganized Debtors, “**Cure Objections**”) to the assumption of the Potentially Assumed Contracts or the Proposed Cures for such Potentially Assumed Contracts was November 17, 2025 (the “**Objection Deadline**”).

**PLEASE TAKE FURTHER NOTICE THAT**, 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 Objection**”), which did not object to the assumption by the Reorganized Debtors of the PRN Contracts. Instead, the PRN Objection

<sup>1</sup> 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>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in the Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1200, Denver, Colorado 80237.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Cure Notice or the Confirmation Order, as applicable.

avored assumption of the PRN Contracts, but asserted a cure amount of \$1,139,603.57 as of November 13, 2025.

**PLEASE TAKE FURTHER NOTICE THAT**, on December 5, 2025, the Reorganized Debtors filed the *Second Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and Its Debtor Affiliates* [Docket No. 959] (the “**Plan**”). Before and after entry of the Confirmation Order (as defined herein), PRN continued to provide services to the Reorganized Debtors and the Reorganized Debtors continued to pay valid claims for such services in the ordinary course of business.

**PLEASE TAKE FURTHER NOTICE THAT**, on December 15, 2025, the Court entered the *Order (I) Confirming 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**”). The Confirmation Order provides that the Reorganized Debtors must file a notice of dispute with the Court (and promptly serve such notice on the applicable counterparty) by January 28, 2026, if any dispute regarding the assumption, or assumption and assignment, of the Potentially Assumed Contracts, including, without limitation, the Proposed Cure or the applicable Reorganized Debtor’s ability to provide adequate assurance of future performance, could not be resolved consensually the applicable parties. See Confirmation Order, ¶ 36.

**PLEASE TAKE FURTHER NOTICE THAT**, on January 28, 2026, the Reorganized Debtors filed the *Notice Regarding the Status of Various Cure Objections* [Docket No. 1206] (the “**First Cure Status Notice**”), which stated, among other things, the Reorganized Debtors remain in active negotiations with PRN regarding the PRN Objection. The First Cure Status Notice did not list a Proposed Cure amount for the PRN Contracts. The ending paragraphs of the First Cure Status Notice reserved the Reorganized Debtors’ right to reject executory contracts. During February 2026, the parties continued discussions aimed at resolving the PRN Objection and PRN continued to provide services to the Reorganized Debtors and the Reorganized Debtors continued to pay valid claims for such services in the ordinary course of business.

**PLEASE TAKE FURTHER NOTICE THAT**, on February 27, 2026, the Reorganized Debtors filed the *Second Notice Regarding the Status of Various Cure Objections* [Docket No. 1328] (the “**Second Cure Status Notice**”), which was similar to the First Cure Status Notice. The Second Cure Status Notice also provided that if the Reorganized Debtors could not reach a consensual resolution with PRN relating to the assumption of the PRN Contracts, the Reorganized Debtors would file a supplemental notice by March 13, 2026, providing the Court with a further update as to the status of such Cure Objections. On March 9, 2026, rather than litigate the PRN Objection, the Reorganized Debtors informed PRN of its decision to reject the contract pursuant to the Plan due to an inability to resolve the outstanding PRN Objection. See Plan, Section 8.9(d). The Reorganized Debtors and PRN remain in discussions regarding a potential resolution of PRN’s claims resulting from the rejection of the PRN Contracts and any services provided thereunder. The Reorganized Debtors and PRN both

reserve their rights to the fullest extent under applicable law. The Reorganized Debtors have discussed this notice with PRN and shall ensure that PRN is served with a copy of this Notice.

All documents filed with the Court in connection with the above-captioned Chapter 11 Cases, including the Plan, the Cure Notice, and the Confirmation Order may be obtained free of charge by visiting the solicitation website maintained by the Reorganized Debtors' balloting and solicitation agent, Kurtzman Carson Consultants, LLC (d/b/a Verita Global), at <https://www.veritaglobal.net/ModivCare>. Copies of the Plan and Disclosure Statement may also be obtained by calling the Solicitation Agent at (888) 733-1521 (U.S./Canada) or +1 (310) 751-2636 (International) or submitting an inquiry at <https://www.veritaglobal.net/ModivCare/Inquiry>. You may also obtain these documents and any other pleadings filed in the Reorganized Debtors' Chapter 11 Cases (for a fee) at: [www.txs.uscourts.gov](http://www.txs.uscourts.gov).

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Dated: March 19, 2026  
Houston, Texas

Respectfully submitted,

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

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*Co-Counsel for the Reorganized Debtors*

**CERTIFICATE OF SERVICE**

I certify that on March 19, 2026, a true and correct copy of the foregoing document was 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  
Timothy A. ("Tad") Davidson II

**CERTIFICATE OF SERVICE**

I hereby certify that on March 26, 2026, a true and correct copy of the foregoing  
**RESPONSE TO NOTICE REGARDING REJECTION OF EXECUTORY CONTRACTS  
WITH PRN AMBULANCE LLC AND PROTRANSPORT-1 LLC** was sent via the Court's  
CM/ECF electronic filing system on all parties registered to receive electronic notice.



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Gary F. Torrell