

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

In re: §
MODIVCARE, INC., *et al.*, §
Reorganized Debtors. § Case No. 25-90309 (ARP)
§ Chapter 11
§ (Jointly Administered)
§ Judge Alfredo R. Pérez

**MODIVCARE TOPCO, LLC’S EMERGENCY MOTION FOR RECONSIDERATION
OF (I) ORDER BIFURCATING LEGAL AND FACTUAL ISSUES AND
(II) ORDER REQUIRING DEPOSIT OF FUNDS INTO COURT REGISTRY**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

ModivCare Topco, LLC (“**TopCo**” or the “**Reorganized Debtor**”) respectfully moves for reconsideration of two orders announced at the April 6, 2026 status conference in connection with the Objection to White & Case LLP’s Final Fee Application and AlixPartners’ Final Fee Application: (I) the Order Bifurcating Legal and Factual Issues (the “**Bifurcation Order**”), and (II) the Order Requiring Deposit of Funds into the Court Registry (the “**Escrow Order**” and, collectively with the Bifurcation Order, the “**Orders**”). In support, TopCo respectfully shows the Court as follows:



JURISDICTION AND STANDARD OF REVIEW

1. This Court has jurisdiction under 28 U.S.C. § 1334. This is a core proceeding under 28 U.S.C. § 157(b)(2)(A) and (B). Venue is proper under 28 U.S.C. § 1409.
2. A bankruptcy court possesses inherent authority to reconsider its interlocutory orders at any time before entry of final judgment. *See Melancon v. Texaco, Inc.*, 659 F.2d 551, 553 (5th Cir. 1981) (“[A] district court has broad discretion to reconsider and modify its interlocutory orders any time prior to final judgment.”). Where, as here, a party identifies “a manifest error of law or fact” or a “clear error” in the court’s reasoning, reconsideration is appropriate. *See Livingston Downs Racing Ass’n, Inc. v. Jefferson Downs Corp.*, 259 F. Supp. 2d 471, 475 (M.D. La. 2002). A motion to reconsider is also warranted where the court’s order rests on an “erroneous legal standard.” *Simon v. United States*, 891 F.2d 1154, 1159 (5th Cir. 1990).

BASIS FOR EMERGENCY RELIEF

3. Emergency consideration is warranted because the proposed Escrow Order will necessarily set a compliance deadline requiring TopCo to transfer approximately \$1.644 million into the Court’s registry. TopCo requests consideration prior to any deadline passing. Absent emergency consideration, TopCo faces the choice of complying with an order it contends is legally infirm or risking contempt.

SUMMARY OF RELIEF REQUESTED

4. TopCo recognizes and respects this Court’s broad authority to manage its docket. This motion does not challenge that authority. It respectfully submits that both Orders, as

announced, exceed the bounds of what the Bankruptcy Code, the Federal Rules, Fifth Circuit precedent, and the Due Process Clause permit.

5. *The Bifurcation Order.* The Bifurcation Order purports to resolve “legal issues” in a first phase before any evidentiary hearing. This conflicts with Federal Rule of Bankruptcy Procedure 9014(d)’s mandatory directive that testimony on disputed material factual issues “must be taken in the same manner as testimony in an adversary proceeding.” It also contravenes the Fifth Circuit’s categorical rule, most recently reaffirmed in *In re Assadi*, 2025 U.S. App. LEXIS 13678 (5th Cir. June 4, 2025), that an evidentiary hearing is mandatory when fee-application objections raise disputed material facts.
6. *The Escrow Order.* The Escrow Order commands TopCo to affirmatively transfer approximately \$1.644 million of its own funds into the Court’s registry before a single dollar of professional fees has been finally and judicially allowed under 11 U.S.C. § 330. That is a **mandatory injunction**—among the most disfavored forms of equitable relief in the Fifth Circuit—which may issue only upon a showing of “clear entitlement” to relief under the facts and the law. *Justin Indus., Inc. v. Choctaw Sec., L.P.*, 920 F.2d 262, 268 n.7 (5th Cir. 1990). No party moved for this order. It was entered *sua sponte* at a status conference without an evidentiary record, without a showing of irreparable harm, and without a finding of a clear entitlement and likelihood of success on the merits. Moreover, no provision of the Bankruptcy Code authorizes such relief: Section 105(a) cannot be used to compel payment of fees not yet allowed under § 330. *Law v. Siegel*, 571 U.S. 415 (2014).
7. TopCo respectfully requests that the Court reconsider, and: (1) deny/vacate the Escrow Order in its entirety; and (2) deny/vacate the Bifurcation Order and set a single, unified

evidentiary hearing at which all issues, legal and factual, are addressed on a complete record after a reasonable time for discovery.

RELEVANT BACKGROUND

8. On February 11, 2026, AlixPartners, LLP, (“**AlixPartners**”) filed its Final Application for Allowance of Compensation and Reimbursement of Expenses for the Period from September 10, 2025 Through December 29, 2025 [ECF No. 1288] (the “**AlixPartners Fee Application**”), seeking allowance of approximately \$5 million in fees and expenses.
9. On February 12, 2026, White & Case, LLP (“**White & Case**”) filed its Final Application for Allowance of Compensation and Reimbursement of Expenses for the Period from September 9, 2025 Through December 29, 2025 [ECF No. 1290] (the “**WC Fee Application**”), seeking allowance of approximately \$14 million in fees and expenses. Collectively, the AlixPartners Fee Application and the WC Fee Application are referred to as the “**Fee Application**”.
10. On March 4, 2026, TopCo filed its Objection to the AlixPartners Fee Application [ECF No. 1351] (the “**AlixPartners Objection**”). On March 5, 2026, TopCo filed its Objection to the WC Fee Application [ECF No. 1354] (the “**WC Objection**” and collectively with the AlixPartners Objection the “**Objection**”). The Objection presents three tiers of alternative relief: (a) complete denial of fees under § 328(c); (b) reduction and equitable subordination under §§ 330 and 510(c); and (c) reduction under § 330 alone. Each tier depends on the same core factual record: the alleged \$30 million demand made by White & Case partner Scott Greissman; White & Case’s subsequent execution of that demand through its billing practices; and specific, granular challenges to the reasonableness and necessity of more than \$14 million in fees billed by 54 timekeepers over 111 days.

11. Following the Objection, TopCo served narrowly tailored document requests (the “**RFPs**”) directed to those factual issues to White & Case. White & Case refused to produce a single document absent a court order.
12. On April 3, 2026, TopCo filed a Motion to Compel [ECF No. 1409]. The same day, White & Case filed its Reply [ECF No. 1410] (the “**Reply**”), in which, without filing a separate motion, it requested that the Court address purportedly “legal” issues first and defer or preclude factual development. AlixPartners, LLP filed its own Reply [ECF No. 1411].
13. On April 6, 2026, the Court held a status conference and *sua sponte*: (a) ordered bifurcation of the hearing into Phase 1 (“legal issues”) and Phase 2 (“factual issues”); and (b) indicated its intent to require TopCo to deposit all disputed amounts, approximately \$628,727.58 related to White & Case and \$1,016,169.40 related to AlixPartners, into the Court’s registry.
14. On April 8, 2026, White & Case circulated proposed orders memorializing both rulings. The proposed Escrow Order sets an April 10, 2026 compliance deadline—affording TopCo only days to transfer \$1.644 million without any prior motion, briefing, or evidentiary hearing.

ARGUMENT

THE BIFURCATION ORDER VIOLATES THE BANKRUPTCY CODE, THE FEDERAL RULES, AND FIFTH CIRCUIT PRECEDENT.

A. The Bankruptcy Code and Rule 9014 Mandate an Evidentiary Hearing.

15. Section 330(a)(1) provides that the court may award reasonable compensation only “[a]fter notice to the parties in interest and the United States Trustee and a hearing.” 11 U.S.C. § 330(a)(1). Section 102(1)(B)(i) provides that the court may act without an actual hearing

only if a hearing “is not requested by a party in interest.” TopCo has affirmatively requested a hearing.

16. Federal Rule of Bankruptcy Procedure 9014 governs contested matters, including fee-application objections. The Advisory Committee Notes confirm: “If a party in interest opposes the amount of compensation sought by a professional, there is a dispute which is a contested matter.” Rule 9014(d) then provides in mandatory terms: “A witness’s testimony on a disputed material factual issue must be taken in the same manner as testimony in an adversary proceeding.” FED. R. BANKR. P. 9014(d) (emphasis added). The 2002 Advisory Committee Notes reinforce: “if the motion cannot be decided without resolving a disputed material issue of fact, an evidentiary hearing must be held.” The rule is mandatory, not permissive.

B. Fifth Circuit Precedent Categorically Requires an Evidentiary Hearing When Material Facts Are Disputed.

17. In *In re U.S. Golf Corp.*, 639 F.2d 1197, 1202 (5th Cir. 1981), the Fifth Circuit categorically held that “the judge must hold an evidentiary hearing if there are any disputed factual issues” when determining attorneys’ fees in bankruptcy. This holding was reaffirmed in *In re First Colonial Corp. of America*, 544 F.2d 1291, 1300 (5th Cir. 1977).

18. *In re Assadi*, 2025 U.S. App. LEXIS 13678 (5th Cir. June 4, 2025), reaffirmed the *U.S. Golf Corp.* mandate. The court upheld denial of an evidentiary hearing *only* because the *pro se* objector had raised exclusively legal challenges “concern[ing] the legal conclusions the court should draw from the record”, without asserting “disputed factual issues that would benefit from ‘testimony of witnesses.’” *Id.* at *3. This case is the polar opposite. TopCo’s Objection identifies, with specificity, more than a dozen categories of disputed

billing conduct—including the alleged \$30 million demand, systemic overstaffing, and specific unreasonable billing entries, each of which requires witness testimony to resolve. *Assadi* thus supports, rather than undermines, TopCo’s entitlement to an evidentiary hearing.

19. In *Sylvester v. Chaffe McCall, L.L.P. (In re Sylvester)*, 23 F.4th 543, 549 (5th Cir. 2022), the Fifth Circuit vacated a fee award because the court below failed to require the applicant to affirmatively prove each element of its fee request upon the filing of an objection. A bifurcation procedure designed to preemptively foreclose the evidentiary hearing would relieve White & Case of that burden—the antithesis of what *Sylvester* commands. The Supreme Court’s treatment of contested fee applications confirms this expectation: in *Baker Botts L.L.P. v. ASARCO LLC*, 576 U.S. 121, 125 (2015), the bankruptcy court conducted “extensive discovery and a 6-day trial” on contested fee applications before ruling on objections—a procedure the Supreme Court treated as the unquestioned baseline.

C. Every Issue White & Case Labels “Legal” Requires Factual Findings.

20. The Phase 1 issues identified in the Bifurcation Order are not genuinely separable from the factual record:
21. Standing. The Fifth Circuit has developed a structured approach to jurisdictional challenges, including standing, under Rule 12(b)(1). *Williamson v. Tucker*, 645 F.2d 404 (5th Cir. 1981), which established that a district court may find lack of subject matter jurisdiction based on any one of three separate bases: (1) the complaint alone; (2) the complaint supplemented by undisputed facts *evidenced in the record*; or (3) the complaint supplemented by *undisputed facts* plus the court’s resolution of disputed facts. *Williamson v. Tucker*, 645 F.2d at 413 (emphasis added).

22. However, it is unclear whether the Court's oral statements questioning "standing" reflect a question of Article III standing and/or prudential standing, further confusing the necessary proof/evidence that may be required. See *Abraugh v. Altimus*, 26 F.4th 298, 303-04 (5th Cir. 2022) (Not being a proper plaintiff does not defeat Article III standing. "[S]tanding in federal court is determined entirely by Article III and depends in no degree on whether standing exists under state law.") (citations omitted)
23. The "standing" issue is also clearly dependent on factual questions, as indicated by the Court itself. The Court indicated that after conducting an independent review of the reorganized Debtor's corporate documents, the Court itself indicated it had fact questions.
24. "Standing" (Article III and prudential) also raises an additional factual issue – is TopCo liable at all for any fee award? If there is liability, there must be standing under either analysis. And, the Court has apparently determined that there is liability by indicating it would enter the Escrow Order against TopCo requiring it to deposit disputed funds, predetermining liability.
25. Rule 408 Applicability. Before determining whether Rule 408 shields Mr. Greissman's statements, the Court must find whether those statements were made "in the course of compromise negotiations concerning a disputed claim." FED. R. EVID. 408(a). TopCo alleges they were not offers of compromise but unilateral threats—a disputed factual issue. The Court must also address Rule 408(b) exceptions, including whether the statements are admissible to show the bias, motive, and context for the billing patterns that followed. Moreover, Mr. Greissman reiterated the same demand in separate communications with the Consenting Creditors' counsel outside any settlement context; whether those communications fall within Rule 408 is a factual question requiring testimony. Neither

Ramada Development Co. v. Rauch, 644 F.2d 1097 (5th Cir. 1981), nor *Blu-J, Inc. v. Kemper C.P.A. Group*, 916 F.2d 637 (11th Cir. 1990)—the cases on which White & Case principally relies—involved a fiduciary who allegedly threatened to impose harm on the estate it was obligated to serve.

26. The Woerner “Good Gamble” Inquiry. The Fifth Circuit’s *en banc* decision in *Barron & Newburger, P.C. v. Tex. Skyline, Ltd. (In re Woerner)*, 783 F.3d 266, 274 (5th Cir. 2015), requires the Court to assess whether services were “reasonably likely to benefit the estate” *at the time they were rendered*—a prospective, fact-intensive inquiry into what the professionals knew, what alternatives existed, and why they chose to proceed as they did. This cannot be resolved on a paper record.
27. Section 330 Reasonableness Factors. The statutory factors under § 330(a)(3)—including time spent, rates charged, necessity, and reasonableness—are explicitly factual. The Court cannot discern from billing records alone why seven attorneys attended a single deposition, why multiple timekeepers reviewed a routine *pro hac vice* application, or why 54 timekeepers were deployed over 111 days. That inquiry requires testimony about staffing decisions, delegation, and billing judgment.
28. White & Case’s Fee-Comparison Theory. White & Case devotes substantial portions of its Reply to comparing its fees with those of Latham & Watkins LLP. This comparison, raised by White & Case, not TopCo, is itself fact-intensive. Whether the work performed by the two firms was truly comparable, whether Latham’s undisclosed pre-petition fees distort the comparison (White & Case’s own Reply concedes they were “most likely substantial”), and whether Latham’s approval without objection establishes a reasonableness benchmark are factual questions requiring evidence.

29. Section 328(a) Pre-Approval. The Order Authorizing Employment (the “Order”) *refers* to Section 328, with White & Case suggesting that the mere reference locks in billing *rates*. However, the Order of Employment goes on to explicitly say that all fee applications are subject to sections 330 and 331, and the Order clearly does not immunize the *volume* of hours billed, the number of timekeepers deployed, or the reasonableness of specific services from § 330 scrutiny. These remain inherently fact-intensive inquiries. White & Case’s Reply first assumes just the mention of 328 somehow creates pre-approval on final application of their rates, and compounds the assumption by suggesting by arguing that the supposed prior approval of its rates forecloses any challenge to its fees. *See* Reply ¶ 34.

D. Bifurcation Contravenes Rule 42(b)’s Efficiency Requirement.

30. Federal Rule of Civil Procedure 42(b), applicable through FED. R. BANKR. P. 9014(c), permits bifurcation only “for convenience, to avoid prejudice, or to expedite and economize.” *See Lindsey v. Prive Corp.*, 161 F.3d 886, 892 (5th Cir. 1998). Bifurcation accomplishes the opposite here. Because every Phase 1 “legal” issue either requires factual predicate findings or will not eliminate Phase 2, the parties will brief the same issues twice—first on an incomplete record, then again after discovery and evidence are presented. This multiplies cost, burden, and delay.

31. Bifurcation also risks unfair prejudice by fragmenting a fact-dependent record. The Objection presents a unified factual narrative—that White & Case adopted a strategy to generate excessive fees and executed it across multiple workstreams. Preliminary rulings on a limited record may shape and constrain the scope of Phase 2, preventing TopCo from presenting the full context necessary for a fair adjudication.

E. Section 105(a) Cannot Override the Evidentiary Hearing Requirement.

32. To the extent the Bifurcation Order rests on § 105(a), that foundation fails for the same reasons that defeat the Escrow Order. *Law v. Siegel* and *NexPoint Advisors* foreclose the use of § 105(a) to override the specific evidentiary-hearing mandate of Rule 9014(d) and § 330(a)(1).

F. The Consenting Creditors' Own Contemporaneous Statements Confirm the Factual Nature of This Dispute.

33. White & Case invokes the confirmation proceedings as establishing that the Committee's litigation was reasonable. But confirmation addressed whether the Plan satisfied § 1129—not whether the fees incurred in litigating those matters were reasonable when incurred. The Consenting Creditors' Statement filed on October 28, 2025 [ECF No. 589]—filed by the parties who now control TopCo—explicitly warned in real time that the Committee's strategy was to “bury the estate in exponentially expanding professional fees.” Whether that contemporaneous assessment was accurate, and whether White & Case's subsequent billing patterns bear it out, are classic questions of fact requiring witness testimony.

A SINGLE, UNIFIED EVIDENTIARY HEARING IS THE ONLY LAWFUL AND EFFICIENT RESOLUTION.

34. The Objection identifies, with particularity, more than a dozen categories of disputed billing conduct totaling millions of dollars in a \$14 million fee request. These are not abstract legal arguments; they are specific, fact-intensive challenges requiring witness testimony, documentary evidence, and cross-examination. A unified evidentiary hearing—with targeted discovery first is the procedurally sound, efficient, and constitutionally compliant method of resolving this dispute.

35. The Fifth Circuit’s mandate in *In re U.S. Golf Corp.*, 639 F.2d at 1202, and its progeny leave no room for a procedure designed to foreclose that hearing. This Court’s broad discretion to manage its docket, while fully respected, does not extend to denying a party its right to an evidentiary hearing when the Bankruptcy Code, the Federal Rules, and the Constitution require one.

**THE ESCROW ORDER IS A MANDATORY INJUNCTION ENTERED
WITHOUT LEGAL AUTHORITY OR THE REQUISITE SHOWING.**

The Escrow Order Compels Affirmative Action and Is Therefore a Mandatory Injunction.

36. The distinction between prohibitory and mandatory injunctions is dispositive, not semantic. A prohibitory injunction restrains a party from acting and preserves the *status quo*. A mandatory injunction compels affirmative action, altering the existing state of affairs. The classification determines the applicable legal standard.

37. An Escrow Order does not preserve the *status quo*. It predetermines liability and commands TopCo to *affirmatively transfer* approximately \$1.644 million of its own funds into the Court’s registry before a single dollar of fees has been judicially allowed under 11 U.S.C. § 330. The characterization of the order as an “escrow” or “deposit” does not alter the analysis; substance, not label, controls. *See Savage Tavern v. Stag*, 589 F. Supp. 3d 624, 639 (N.D. Tex. 2022) (Mandatory injunction “mandates” a party to take some action inconsistent with the status quo rather than prohibiting them from altering the status quo.).

The Fifth Circuit Imposes a “Clear Entitlement” Standard on Mandatory Injunctions.

38. In *Justin Industries, Inc. v. Choctaw Securities, L.P.*, 920 F.2d 262, 268 n.7 (5th Cir. 1990), the Fifth Circuit held that a party seeking a mandatory injunction “bears the burden of showing a *clear entitlement* to the relief under the facts and the law.” (emphasis added).

This standard is categorically more demanding than the “substantial likelihood of success” test applied to prohibitory injunctions. *Exhibitors Poster Exch., Inc. v. Nat'l Screen Serv. Corp.*, 441 F.2d 560, 561 (5th Cir. 1971) (“Nevertheless, when a plaintiff applies for a mandatory preliminary injunction, such relief ‘should not be granted except in rare instances in which the facts and law are clearly in favor of the moving party.’”)(cleaned up).

39. The Supreme Court reinforced in *Winter v. Natural Resources Defense Council, Inc.*, 555 U.S. 7, 24 (2008), that injunctive relief is “an extraordinary and drastic remedy” that is “never awarded as of right.” *Winter* requires a clear showing on all four elements: (1) likelihood of success on the merits; (2) likelihood of irreparable harm; (3) the balance of equities favors the movant; and (4) an injunction serves the public interest. For a mandatory injunction, each factor must be demonstrated by clear and unambiguous evidence.

None of the Winter Factors Is Satisfied.

40. No party moved for the Escrow Order. It was determined *sua sponte* at a status conference without prior notice, without briefing, and without any evidentiary record bearing on the four *Winter* factors.

41. *No likelihood of success on the merits.* The Escrow Order presupposes that White & Case and AlixPartners are entitled to the disputed sums and that TopCo is liable. The liability element even more suspect when at the same hearing the Court questions TopCo’s “standing”. But fee allowance under § 330 is not ministerial—it requires a judicial determination that fees were reasonable and necessary. TopCo’s Objection raises specific, detailed factual challenges that the Court has not yet evaluated. The outcome of this dispute is supposed to be uncertain, uncertain until the Court hears, weighs and determines the

factual record. White & Case cannot demonstrate “clear entitlement” to funds that have not been allowed.

42. *No showing of irreparable harm.* No evidence has been presented that TopCo lacks the ability or willingness to pay fees ultimately allowed. There is no allegation, let alone proof, of insolvency, asset dissipation, or collection risk. Irreparable harm cannot be presumed; it must be proven. *See Janvey v. Alguire*, 647 F.3d 585, 600 (5th Cir. 2011). This failure is independently fatal.
43. *The balance of equities favors TopCo.* Requiring the transfer of approximately \$1.644 million into the Court’s registry imposes immediate, concrete, and potentially prolonged harm. If this matter is appealed - a realistic prospect whatever the outcome - those funds could remain frozen through proceedings in the District Court and the Fifth Circuit for years. White & Case, by contrast, suffers no legally cognizable harm from awaiting the orderly conclusion of a contested judicial process. Its retention was approved; it was paid interim fees; and it has no present entitlement to the disputed amounts.
44. *The public interest weighs against the order.* Upholding this order would establish precedent that a reorganized debtor may be compelled to deposit disputed holdback amounts into the court’s registry before its fee objection is heard on the merits. This would substantially chill good-faith fee objections, one of the few mechanisms Congress provided to police professional compensation in bankruptcy, and would effectively convert unapproved fee applications into pre-approved claims immune from meaningful review.

NO STATUTORY AUTHORITY EXISTS FOR THE ESCROW ORDER.

Section 105(a) Cannot Supply the Missing Authority.

45. The only conceivable statutory basis for the Escrow Order is 11 U.S.C. § 105(a). But § 105(a) is not a “roving commission to do equity.” *United States v. Sutton*, 786 F.2d 1305, 1308 (5th Cir. 1986). The Supreme Court drew the boundary definitively in *Law v. Siegel*, 571 U.S. 415, 421 (2014), holding unanimously that “a bankruptcy court may not contravene specific statutory provisions” through § 105(a). Section 105(a) empowers courts to *implement* the Code, not to *supersede* it.
46. The fee-allowance framework under §§ 328 and 330 is a specific statutory scheme: professionals are entitled to compensation only *after* the court determines that fees are reasonable and necessary. Ordering the pre-allowance deposit of disputed fees does not implement that scheme; it inverts it. *See also NexPoint Advisors v. Highland Capital Mgmt.*, 48 F.4th 419, 437 (5th Cir. 2022) (rejecting expansive application of § 105(a) to authorize relief not specifically provided by the Code).

THE ESCROW ORDER VIOLATES DUE PROCESS.

47. TopCo has a concrete property interest in the approximately \$1.644 million in disputed funds. Those funds belong to TopCo under the confirmed Plan of Reorganization until a court orders their payment following allowance of the underlying claims. Compelled transfer of a property interest requires procedural due process. *Mathews v. Eldridge*, 424 U.S. 319, 333 (1976) (“The fundamental requirement of due process is the opportunity to be heard at a meaningful time and in a meaningful manner.”)(cleaned up).
48. The Escrow Order was required at a status conference with no advance notice that the Court was considering such relief, no opportunity for TopCo to file written opposition, and no

evidentiary hearing. TopCo was afforded no meaningful opportunity to be heard before being deprived of a substantial sum. *See Goldberg v. Kelly*, 397 U.S. 254, 267–71 (1970) (due process includes the right to present evidence and confront adverse witnesses when substantial property interests are at stake).

PRAYER FOR RELIEF

WHEREFORE, ModivCare Topco, LLC respectfully requests that the Court enter an Order:

- (1) Denying/Vacating the Order Requiring Deposit of Funds into the Court Registry as (a) a mandatory injunction for which no movant has demonstrated the requisite “clear entitlement” under *Justin Industries, Inc. v. Choctaw Securities, L.P.*, 920 F.2d 262, 268 n.7 (5th Cir. 1990), and *Winter v. Natural Resources Defense Council, Inc.*, 555 U.S. 7 (2008); (b) lacking any statutory authority under the Bankruptcy Code; and (c) entered without the notice, hearing, or evidentiary record required by due process;
- (2) Denying/Vacating the Bifurcation Order and setting a single, unified evidentiary hearing at which all issues—legal and factual—are addressed on a complete record, consistent with FED. R. BANKR. P. 9014(d), 11 U.S.C. §§ 102(1) and 330(a)(1), and the Fifth Circuit’s mandate in *In re U.S. Golf Corp.*, 639 F.2d 1197, 1202 (5th Cir. 1981);
- (3) Setting a hearing on the pending Motion to Compel [ECF No. 1409] to allow TopCo to obtain the discovery necessary for the evidentiary hearing; and
- (4) Granting such other and further relief as the Court deems just and proper.

Dated: April 9, 2026

Respectfully submitted,

By: /s/ Johnie J. Patterson

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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 April 9, 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., <i>et al.</i> ,	§	Case No. 25-90309 (ARP)
	§	Chapter 11
Reorganized Debtors.	§	(Jointly Administered)
	§	Judge Alfredo R. Pérez

**ORDER GRANTING RECONSIDERATION AND DENYING
REQUEST FOR BIFURCATING LEGAL AND FACTUAL ISSUES AND
DENYING REQUEST FOR DEPOSIT OF FUNDS INTO COURT REGISTRY**

[Relates To Docket # _____]

Upon reconsideration, it is

ORDERED that the Fee Applications by White and Case and AlixPartners, and the objections thereto, shall be considered at an evidentiary hearing to be scheduled by the Court after a reasonable opportunity for discovery by both parties, and it is further

ORDERED that no escrow of funds is required.

Dated: _____

UNITED STATES BANKRUPTCY JUDGE