

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

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

**MOTION OF DEBTORS FOR ENTRY OF AN ORDER FURTHER
EXTENDING THE TIME FOR DEBTORS TO COMPLY
WITH SECTION 345(b) OF THE BANKRUPTCY CODE**

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.

ModivCare Inc. and its debtor affiliates in the above-captioned cases, as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully state as follows in support of this motion (this “**Motion**”):

RELIEF REQUESTED

1. By this Motion, the Debtors hereby seek entry of an order, substantially in the form attached hereto (the “**Order**”), extending the time for the Debtors to comply with section 345(b) of the Bankruptcy Code, including any of the U.S. Trustee’s requirements or guidelines, by 45

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



days through and including January 2, 2026,² without prejudice to the Debtors' right to seek further extensions of the deadline to come into compliance with, or a waiver of the requirements of, section 345(b) of the Bankruptcy Code for cause.

JURISDICTION AND VENUE

2. The United States Bankruptcy Court for the Southern District of Texas (the "***Court***") has jurisdiction to consider this Motion pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and the Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper under 28 U.S.C. §§ 1408 and 1409.

3. The statutory and legal predicates for the relief requested herein are sections 105(a) and 345 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "***Bankruptcy Code***"), rule 6004 of the Federal Rules of Bankruptcy Procedure (the "***Bankruptcy Rules***"), rule 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "***Bankruptcy Local Rules***"), and the Procedures for Complex Cases in the Southern District of Texas.

BACKGROUND

4. On August 20, 2025 (the "***Petition Date***"), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code. The Chapter 11 Cases are jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b).

5. On September 5, 2025, the U.S. Trustee appointed an official committee of unsecured creditors [Docket No. 124] (the "***Committee***"), which was reconstituted on

² Calculated in accordance with Bankruptcy Rule 9006(a).

October 22, 2025 [Docket No. 568]. No request for the appointment of a trustee or an examiner has been made in the Chapter 11 Cases.

6. The factual background regarding the Debtors, including their business, their capital structure, and the events leading to the commencement of the Chapter 11 Cases is set forth in the *Declaration of Chad J. Shandler in Support of Chapter 11 Petitions and First Day Relief* [Docket No. 14] (the “**First Day Declaration**”) filed on the Petition Date.

7. On September 29, 2025, the Court entered the *Final Order (A) Authorizing Debtors to (I) Continue Existing Cash Management System, (II) Maintain Existing Business Forms, and (III) Continue Intercompany Transactions; and (B) Granting Related Relief* [Docket No. 388] (the “**Final Cash Management Order**”),³ which, among other things, extended the time by which the Debtors must comply with section 345(b) of the Bankruptcy Code or any of the U.S. Trustee’s requirements or guidelines through and including October 2, 2025 (the “**Initial Section 345 Deadline**”).⁴

8. On October 1, 2025, the Debtors filed the *Motion of Debtors for Entry of an Order Extending the Time for Debtors to Comply with Section 345(b) of the Bankruptcy Code* [Docket No. 412] (the “**Initial 345 Deadline Extension Motion**”), which sought, *inter alia*, a further extension of the Debtors’ deadline to comply with section 345(b) of the Bankruptcy Code and any of the U.S. Trustee’s requirements or guidelines through and including November 17, 2025.

³ Capitalized terms used but not defined herein have the meanings given to them in the Final Cash Management Order.

⁴ The Section 345 Deadline was carried over from the *Interim Order (A) Authorizing Debtors to (I) Continue Existing Cash Management System, (II) Maintain Existing Business Forms, and (III) Continue Intercompany Transactions; and (B) Granting Related Relief* [Docket No. 59] entered on August 21, 2025.

9. On October 27, 2025, the Court entered the *Order Extending the Time for Debtors to Comply with Section 345(b) of the Bankruptcy Code* [Docket No. 579] (the “**Initial 345 Deadline Extension Order**”) which, *inter alia*, granted the Debtors an extension of their deadline to comply with section 345(b) of the Bankruptcy Code and any of the U.S. Trustee’s requirements or guidelines through and including November 17, 2025 (the “**First Extended Section 345 Deadline**”).

10. Since the Petition Date, including the period between the Initial Section 345 Deadline and the First Extended Section 345 Deadline, the Debtors have been working diligently to bring their Cash Management System into compliance with section 345(b) of the Bankruptcy Code. Nearly all of the Debtors’ bank accounts are at banks that are authorized depositories in the Southern District of Texas and the process to convert those accounts to debtor-in-possession accounts is underway. However, there are a few remaining accounts that are not yet established at authorized depositories and the Debtors need additional time to assess whether the transferring of such accounts to authorized depositories is viable and/or to bring those accounts into compliance and complete the conversion of their remaining accounts to debtor-in-possession accounts.

11. By way of example, the Debtors have four bank accounts—one at Banc of California, N.A., two at Webster Bank, N.A., and one at HSBC Bank USA, N.A.—that are not at authorized depositories and are used to receive incoming funds and receipts from various payors (the “**Payors**”). The average balance in each of these accounts over the last three month-ends is relatively *de minimis* and no greater than \$70,000; significantly lower than the \$250,000 Federal Deposit Insurance Corporation (“**FDIC**”) insurance coverage limit. The Debtors have been working to coordinate with the Payors to update their records and payment remittance information, so that the Debtors are able to move these accounts to authorized depositories with as little

disruption as possible to their business operations. Despite the Debtors' diligent and continuous coordination efforts with the Payors, this account transfer process is taking the Debtors longer than initially anticipated.

12. Moreover, two of the Debtors bank accounts—one at Morgan Stanley and one at Vantage Bank Texas—are held also held at non-authorized depositories and maintain balances above the FDIC-insured limit (as of 11/12/25 the balance of the Morgan Stanley account was \$3,282,643.25 and the balance of the Vantage Bank Texas account was \$9,488,757.84). These two accounts serve as restricted cash accounts that serve as collateral for certain of the Debtors' carriers. The Debtors do not have access to those accounts, and cannot move the funds without consent from the relevant carriers. The Debtors believe that the burdens of obtaining carrier consent and the operational disruption and administrative costs that would be required to move these accounts, which are held at stable, FDIC-insured institutions, substantially outweigh the benefits of moving such accounts to non-authorized depositories. Nonetheless, the Debtors are actively engaging with the U.S. Trustee on these accounts and are actively considering their alternatives to comply with section 345(b) of the Bankruptcy Code without the need to seek a waiver. The Debtors have not however, at this juncture, determined whether they will seek a waiver of section 345(b)'s requirements with respect to certain of their accounts, including, but not limited to, the six accounts identified above.

13. Following discussions with counsel for the U.S. Trustee, the Debtors and the U.S. Trustee have been unable to agree on a further extension of the Section 345 Deadline at this time. Accordingly, the Debtors have filed this Motion to allow them sufficient time to bring the remainder of their accounts into compliance or otherwise reach agreement with the U.S. Trustee.

BASIS FOR RELIEF

14. Section 345(b) of the Bankruptcy Code generally requires debtors to maintain bank accounts with institutions that have agreed to execute a bond in favor of the United States or otherwise guaranteed the amounts on deposit “unless the court for cause orders otherwise.” 11 U.S.C. § 345(b).

15. As noted above, the vast majority of the Debtors’ bank accounts are in compliance with section 345(b) of the Bankruptcy Code. However, the Debtors need additional time to bring the remaining accounts into compliance. Requiring the Debtors to abruptly close those accounts would be disruptive to the Debtors’ operations, and the Debtors believe that with this extension they will either (i) be able to bring these accounts into compliance with section 345(b), (ii) reach an agreement with the U.S. Trustee that does not necessitate moving the accounts, or, in the event neither of the former options prove viable, (iii) seek a waiver of section 345(b) as to these accounts or a subset thereof. Further, these bank accounts are maintained at highly rated and stable financial institutions that are well-capitalized and insured by the FDIC. Accordingly, cause exists to extend the Section 345(b) Deadline through and including January 2, 2026.

NOTICE

16. Notice of this Motion will be given to the parties on the Debtors’ Master Service List and all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, under the circumstances, no other or further notice is required.

17. A copy of this Motion is available on (a) the Court’s website, at www.txs.uscourts.gov, and (b) the website maintained by the Debtors’ claims and noticing agent, Kurtzman Carson Consultants, LLC d/b/a Verita Global, at <https://www.veritaglobal.net/ModivCare>.

WHEREFORE, the Debtors respectfully request that the court enter the Order, granting the relief requested herein and such other relief as is just and proper.

Dated: November 17, 2025
Houston, Texas

Respectfully submitted,

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

HUNTON ANDREWS KURTH LLP

Timothy A. ("Tad") Davidson II (Texas Bar No. 24012503)

Catherine A. Rankin (Texas Bar No. 24109810)

Brandon Bell (Texas Bar No. 24127019)

600 Travis Street, Suite 4200

Houston, TX 77002

Telephone: (713) 220-4200

Email: taddavidson@hunton.com

crankin@hunton.com

bbell@hunton.com

-and-

LATHAM & WATKINS LLP

Ray C. Schrock (NY Bar No. 4860631)

Keith A. Simon (NY Bar No. 4636007)

George Klidonas (NY Bar No. 4549432)

Jonathan J. Weichselbaum (NY Bar No. 5676143)

1271 Avenue of the Americas

New York, NY 10020

Telephone: (212) 906-1200

Email: ray.schrock@lw.com

keith.simon@lw.com

george.klidonas@lw.com

jon.weichselbaum@lw.com

*Attorneys for the Debtors
and Debtors in Possession*

CERTIFICATE OF SERVICE

I certify that on November 17, 2025, 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 II

Timothy A. ("Tad") Davidson II

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

	X	
	:	
In re:	:	Chapter 11
	:	
MODIVCARE INC., <i>et al.</i> ,	:	Case No. 25-90309 (ARP)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
	X	

**ORDER EXTENDING THE TIME FOR DEBTORS
TO COMPLY WITH SECTION 345(b) OF THE BANKRUPTCY CODE
[Relates to Docket Nos. 16, 59, 388, 412, 579, & ____]**

Upon the motion (the “*Motion*”)² of the above-captioned debtors (the “*Debtors*”) for entry of an order (this “*Order*”) further extending the First Extended Section 345 Deadline, as more fully set forth in the Motion; and the Court having reviewed the Motion; and the Court having jurisdiction to consider the Motion; and the relief requested therein in accordance with 28 U.S.C. § 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and the Court having determined that there is good and sufficient cause for the relief granted in this order, it is hereby

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

² Capitalized terms used but not defined herein have the meanings given to them in the Motion.

ORDERED, ADJUDGED AND DECREED THAT:

1. The deadline for the Debtors to comply with section 345(b) of the Bankruptcy Code or any of the U.S. Trustee's requirements or guidelines is extended through and including January 2, 2026.
2. Except as expressly set forth in this Order, all terms and conditions of the Final Cash Management Order remain in full force and effect.
3. This Order is without prejudice to the ability of the Debtors and the U.S. Trustee to agree to further extensions of the Section 345(b) Deadline or to seek further relief, including a waiver of the requirements of Section 345(b), from the Court to the extent that an agreement cannot be reached.
4. The terms and conditions of this Order are immediately effective and enforceable upon its entry.
5. The Debtors are authorized to take all actions necessary or appropriate to implement the relief granted in this Order in accordance with the Motion.
6. The Court retains jurisdiction regarding the implementation, interpretation and enforcement of this Order.

Signed: _____, 2025

UNITED STATES BANKRUPTCY JUDGE