

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

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In re: : Chapter 11
MODIVCARE INC., *et al.*, : Case No. 25-90309 (ARP)
Debtors.¹ : (Jointly Administered)
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MOTION OF DEBTORS TO FILE EXIT FINANCING TERM SHEET
AND CONFIDENTIAL INFORMATION RELATED THERETO CONTAINED IN
MOTION TO ENTER INTO AND PERFORM UNDER THE EXIT FINANCING TERM
SHEET UNDER SEAL

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.

The above-captioned debtors and debtors in possession (the “*Debtors*”) respectfully state as follows in support of this motion (the “*Motion*”).

RELIEF REQUESTED

1. The Debtors file this Motion to request entry of an order (the “*Proposed Order*”), substantially in the form attached hereto:

¹ A complete list of each of the Debtors in these chapter 11 cases (the “*Chapter 11 Cases*”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in the Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.



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- (a) authorizing the Debtors to file the Term Sheet² and confidential information related thereto contained in the Exit Financing Term Sheet Motion under seal; and
- (b) directing that the Term Sheet and confidential information related thereto contained in the Exit Financing Term Sheet Motion shall remain under seal and confidential and not be made available to anyone, without the prior written consent of the Debtors, except to (i) the Court, (ii) the United States Trustee for the Southern District of Texas (the “***U.S. Trustee***”), (iii) the Committee (on a confidential and professional eyes’ only basis), and (iv) any other party as may be ordered by the Court or agreed to by the Debtors, in each case under appropriate confidentiality agreements reasonably satisfactory to the Debtors.

JURISDICTION AND VENUE

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

3. The bases for the relief requested herein are sections 105(a) and 107(b) of title 11 of the United States Code (the “***Bankruptcy Code***”), rule 9018 of the Federal Rules of Bankruptcy Procedure (the “***Bankruptcy Rules***”), rules 9013-1 and 9037-1 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.

BASIS FOR RELIEF

4. Section 105(a) of the Bankruptcy Code codifies the inherent equitable powers of the bankruptcy court and empowers the bankruptcy court to “issue any order, process, or judgment

² Capitalized terms used but not defined herein have the meanings given to them in the *Debtors’ Emergency Motion for Entry of an Order Authorizing the Debtors to Enter Into and Perform Under the Exit Financing Term Sheet and Granting Related Relief* [Docket No. 1017] (the “***Exit Financing Term Sheet Motion***”)

that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Section 107(b) of the Bankruptcy Code provides bankruptcy courts with the power to issue orders that will protect entities, including the Debtors, from potential harm that may result from the disclosure of certain confidential information. *See In re Gen. Homes Corp.*, 181 B.R. 898, 903 (Bankr. S.D. Tex. 1995). This section provides, in relevant part: “On request of a party in interest, the bankruptcy court shall, and on the bankruptcy court’s own motion, the bankruptcy court may—protect an entity with respect to a trade secret or confidential research, development, or commercial information.” 11 U.S.C. § 107(b)(1).

5. Further, Bankruptcy Rule 9018 sets forth procedures by which a party may move for relief under section 107(b) of the Bankruptcy Code. Specifically, Bankruptcy Rule 9018 provides, in relevant part, that on motion “the court may make any order which justice requires . . . to protect the estate or any entity in respect of a trade secret or other confidential research, development, or commercial information” Additionally, Bankruptcy Local Rule 9037-1 provides, in relevant part, that “[a] motion, reply, or other document may initially be filed under seal if the filing party simultaneously files a motion requesting that the document be maintained under seal.”

6. Commercial information is information which would result in “an unfair advantage to competitors by providing them information as to the commercial operations of the debtor.” *In re Alterra Healthcare Corp.*, 353 B.R. 66, 75 (Bankr. D. Del. 2006) (citing *Video Software Dealers Ass’n v. Orion Pictures Corp. (In re Orion Pictures Corp.)*, 21 F.3d 24, 27 (2d Cir. 1994)). Commercial information need not rise to the level of a “trade secret” to be protected under section 107(b) of the Bankruptcy Code. *Orion Pictures*, 21 F.3d at 28; *see also In re Faucett*, 438 B.R. 564, 567 (Bankr. W.D. Tex. 2010) (citing *In re Northstar Energy, Inc.*, 315 B.R. 425, 429 (Bankr.

E.D. Tex. 2004) (“A bankruptcy court is *required* to seal documentary information filed in court that does not rise to the level of a trade secret but that is so critical to the operations of the entity seeking the protective order that its disclosure will unfairly benefit that entity’s competitors.”) (emphasis added). Rather, section 107(b)’s protections extend to commercial information that, if disclosed to the public, could be used by various parties for an unfair advantage. *Id.* at 27-28. Once a court determines that a party in interest is seeking to protect “commercial information,” the court “is required to protect a requesting interested party and has no discretion to deny the application.” *Id.* at 27.

7. Through the Exit Financing Term Sheet Motion, the Debtors seek authority to enter into and perform under the Term Sheet in return for the Potential Exit Lender’s undertaking to diligence and examine the potential Exit Financing Facility. The Term Sheet, along with the Exit Financing Term Sheet Motion itself, contain the confidential and commercially sensitive name of the Potential Exit Lender and terms of the Term Sheet. Because the disclosure of this information could harm the Debtors and the Potential Exit Lender, the Debtors seek authority to file the Term Sheet and the sensitive information related thereto contained in the Exit Financing Term Sheet Motion under seal and to provide for the limited disclosure of such sealed information as provided herein.

8. The terms of the Term Sheet are the product of good-faith negotiations with the Potential Exit Lender. The disclosure of the terms of the Term Sheet and the names of the Potential Exit Lender would likely cause substantial harm to the Debtors and the Potential Exit Lender, and create an unfair advantage for competitors. Given the highly competitive nature of the investment banking and lending industries, it is of the utmost importance that this information be kept confidential.

9. The Debtors therefore submit that good cause exists to authorize the Debtors to file the Term Sheet and the sensitive information related thereto contained in the Exit Financing Term Sheet Motion under seal because of the harm that would ensue if the sensitive and confidential commercial information contained in the Term Sheet became public information.

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: December 11, 2025

Respectfully submitted,

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

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Co-Counsel to the Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

I certify that on December 11, 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**

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

**ORDER GRANTING MOTION OF DEBTORS TO FILE EXIT FINANCING TERM
SHEET AND CONFIDENTIAL INFORMATION RELATED THERETO CONTAINED
IN MOTION TO ENTER INTO AND PERFORM UNDER THE EXIT FINANCING
TERM SHEET UNDER SEAL
[Relates to Docket No. ____]**

Upon consideration of the *Motion of Debtors to File Exit Financing term Sheet and Confidential Information Related Thereto Contained in Motion to Enter Into and Perform Under the Exit Financing Term Sheet Under Seal* (the “***Motion***”)², and upon all of the proceedings had before this Court, it is hereby

ORDERED THAT:

1. The Debtors are authorized to file the Term Sheet and the confidential information related thereto contained in the Exit Financing Term Sheet Motion under seal. The Term Sheet and the confidential information related thereto contained in the Exit Financing Term Sheet Motion shall remain confidential and shall not be made available to anyone, other than as provided in

¹ A complete list of each of the Debtors in these chapter 11 cases (the “***Chapter 11 Cases***”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in the Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

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

paragraph 2 of this Order, without an order by this Court or the prior written consent of the Debtors, in each case under appropriate confidentiality agreements reasonably satisfactory to the Debtors.

2. The Debtors are authorized to cause the unsealed versions of the Term Sheet, and the information related thereto contained in the Exit Financing Term Sheet Motion, to be served on and made available to, on a confidential basis: (a) the Court; (b) the U.S. Trustee; (c) the Creditors' Committee (on a professional eyes' only basis); and (d) any other party as may be ordered by the Court or agreed to by the Debtors, in each case under appropriate confidentiality agreements reasonably satisfactory to the Debtors.

3. The Debtors and any party authorized to receive the sealed Term Sheet, and the information related thereto contained in the Exit Financing Term Sheet Motion, shall be authorized and directed, subject to Bankruptcy Local Rule 9037-1, to redact specific references to the information set forth therein from pleadings filed on the public docket maintained in the Chapter 11 Cases.

4. The Debtors are authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Order.

5. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Signed: _____, 2025

UNITED STATES BANKRUPTCY JUDGE