

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

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In re:

MODIVCARE INC., *et al.*,

Debtors.<sup>1</sup>

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

**NOTICE OF FILING OF THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS' CLOSING STATEMENT DEMONSTRATIVE FROM THE  
CONFIRMATION HEARING**

**PLEASE TAKE NOTICE** that on December 8, 2025 at 9:00 a.m. (prevailing Central Time) the United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) commenced a hearing (the “**Confirmation Hearing**”) to consider confirmation of the Debtors’ proposed Plan<sup>2</sup> and the Standing Motions<sup>3</sup> filed by the Official Committee of Unsecured Creditors (the “**Committee**”) in the above-captioned chapter 11 cases.

**PLEASE TAKE FURTHER NOTICE** that appended hereto as **Exhibit A** is a copy of the demonstrative the Committee used during closing statement at the Confirmation Hearing.

All documents filed in the Chapter 11 Cases, and other relevant case information are available free of charge on the following website maintained by the Debtors’ claims, balloting, and noticing agent, Kurtzman Carson Consultants, LLC d/b/a Verita Global, in connection with the Chapter 11 Cases: <https://www.veritaglobal.net/ModivCare>. Copies of any pleadings or papers filed with the Court may also be obtained by visiting the Court’s website at <https://ecf.txsb.uscourts.gov> in accordance with the procedures and fees set forth therein.

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<sup>1</sup> A complete list of each of the debtors (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’ proposed 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.

<sup>2</sup> *Second Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and Its Debtor Affiliates* [Docket No. 959] (as subsequently modified or amended, the “**Plan**”).

<sup>3</sup> *Motion of the Official Committee of Unsecured Creditors for (I) Leave, Derivative Standing, and Authority to Commence and Prosecute Certain Uptier Transaction Claims and Causes of Action on Behalf of the Debtors’ Estates and (II) Exclusive Settlement Authority* [Docket Nos. 728, 732], and *Omnibus Motion of the Official Committee of Unsecured Creditors (I) Objecting to Claims and (II) for (A) Leave, Derivative Standing, and Authority to Commence and Prosecute Certain Lien Challenge Claims Causes of Action on Behalf of the Debtors’ Estates and (B) Exclusive Settlement Authority* [Docket Nos. 729, 733] (collectively, the “**Standing Motions**”).



December 12, 2025  
Houston, Texas

/s/ Charles R. Koster

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*Counsel for the Official Committee of Unsecured  
Creditors*

**Certificate of Service**

I certify that on December 12, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Charles R. Koster

Charles R. Koster

**EXHIBIT A**

**Committee's Closing Statement Demonstrative**

# *In re ModivCare Inc., et al.* Case No. 25-90309 (ARP)

Official Committee of Unsecured Creditors

Closing Demonstrative

# Confirmation Objections

# Overview

- The Committee has two primary objections to Plan confirmation

1

The 1Ls are slated to recover in excess of the amount of their claims

- Total Enterprise Value exceeds the fully loaded claim amount
- The fully loaded claim amount is too high
- Unencumbered assets are not being shared ratably

2

The Plan's releases are unwarranted

3

Comments to Confirmation Order

# ► The 1Ls are Being Paid More than in Full

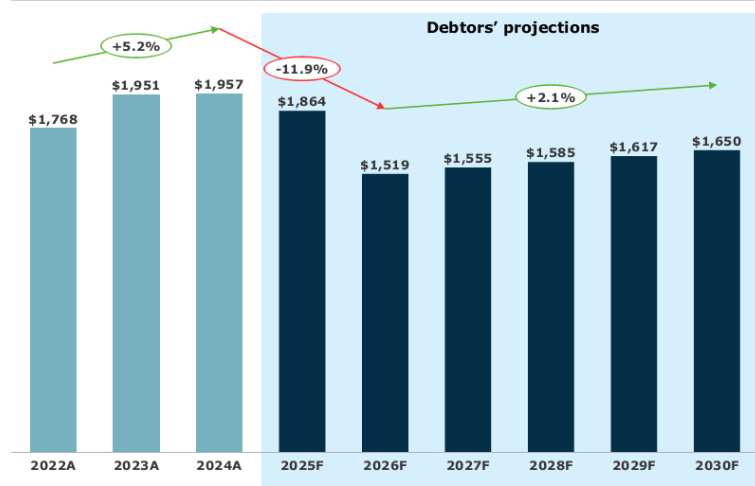
# Why We Are Here

Opinion #1

PRIVILEGED &amp; CONFIDENTIAL - PREPARED AT THE DIRECTION OF COUNSEL AND SUBJECT TO MATERIAL CHANGE

## 1A NEMT | Debtors project steep revenue drop in 2026 from major contract losses in 2025 with no expectation of recovery to historical revenue levels

FY22-FY30 Revenue Trend (\$M)



### Commentary

NEMT segment revenue grew 5.2% for the 2022-24 period, suggesting healthy growth

However, the Debtors project significant revenue decline in the 2025-26 projections and assume future growth of only ~2% despite a market growing at ~9% CAGR

It appears that the Debtors don't see a path of recovery due to contract attrition (recent loss of SC RFP, termination of UHC contract, etc.) that it assumes will last into the future, presumably due to:

- Loss of customer confidence in Debtors' ability to deliver services due to ongoing bankruptcy proceedings and operational issues with rides (e.g., scheduling, routing, ride quality)

Source: 10.2.6.9\_MODV - Three-Statement Model - 9.25.2025\_DIST, AlixPartners Analysis

AlixPartners

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# Why We Are Here With Experts

- Leslie Norwalk testified that the Company would have difficulties selling its business segments because of exogenous factors relating to public policy.

16            Additionally, one of the challenges in selling a business  
17            that is mainly Medicaid is in July of 2025, Congress passed  
18            and the president passed into the law the Big Beautiful Bill  
19            Act, the relevance of which to this company, ModivCare, is  
20            that it will over the next 10 years, cut Medicaid a trillion  
21            dollars. Over the next 10 years, you'll see a reduction in  
22            the number of Medicaid beneficiaries that are on the rolls,  
23            and consequently the number of individuals that we at  
24            ModivCare might serve through any of our lines of business.  
25            But certainly those businesses that we were hoping to sell,  
  
1            those prices would come down simply because the number of  
2            beneficiaries they would serve would come down; consequently,  
3            revenue would decrease.

4            So those are two of the big ones. There are other  
5            similar ones. There was a regulation on the books called the  
6            80/20 rule that CMS put into place that would change the  
7            amount that we would have to pay our nurses and other home  
8            health aides and our personal care services business.  
9            Typically, 80 percent of what was coming in from the state we  
10            would have to pay out to our home health aides, and our  
11            proportions were more favorable to the company than 80/20. So  
12            both our remote patient monitoring business and our PCS  
13            business had issues that arose during 2025 that made it harder  
14            to sell at a price that we needed.

Leslie Norwalk, December 8, 2025 Trial Tr. at 81:16-82:3

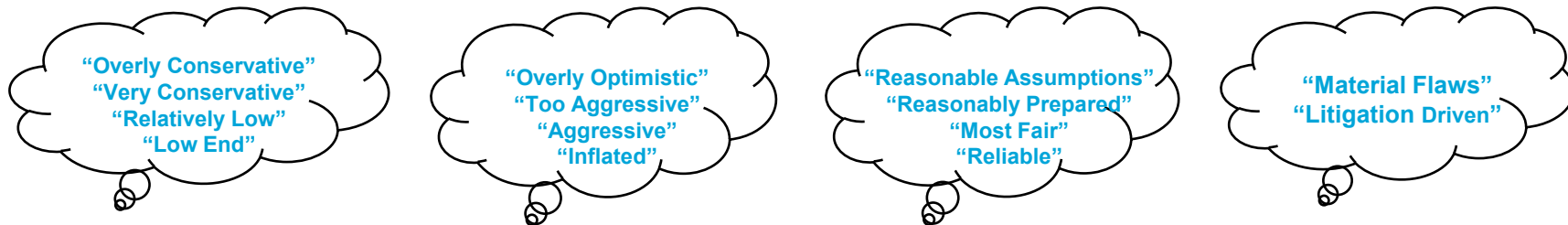
Leslie Norwalk, December 8, 2025 Trial Tr. at 82:4-14

## Why We Are Here With Experts

- August 20, 2025 ModivCare Board Presentation Materials:
    - “The Company has pursued asset sales for several months and received multiple indications of interest, **each proposed transaction requires lender consent, which the lenders have declined to provide.** In fact, the **lenders have directed the Company to pause all asset sales.**” (emphasis added)
- JX-057 at 12
- Zul Jamal testified that he had always understood that he would need to testify on the subject of valuation if confirmation was contested.

December 9, 2025 Trial Tr. [ROUGH] at 217:11-18.

# Disconnect #1: What is “reasonable” for this business?



- Marc Brown testified that when a valuation expert is looking for “reasonable financial projections,” the expert considers “the inherent risk in a particular company.” See Dec. 10 Hear. Tr. [ROUGH] 267:17-268:1

## Risks Related to Our Business and Operations

*We derive a significant amount of our revenues from a limited number of payors, and any changes in the funding, financial viability or our relationships with these payors could have a material adverse impact on our financial condition and results of operations.*

We generate a significant amount of our revenue from a limited number of payors under a relatively small number of contracts. For example, for the year ended December 31, 2024, approximately 33.3% of our NEMT segment revenue was derived from only five payors, and one of which, a single state Medicaid agency, contributed 10.9% to our aggregate NEMT segment revenue during that period. As it relates to our other segments, for the year ended December 31, 2024, approximately 12.5% of our PCS segment revenue was derived from one U.S. state Medicaid program, and approximately 18.9% of our Monitoring segment revenue was derived from one health plan. The loss of, reduction in amounts generated by, or changes in methods or regulations governing payments for our services under these contracts could have a material adverse impact on our revenue and results of operations. In addition, any consolidation of any of our private payors could increase the impact that any such risks would have on our revenue, financial position, and results of operations.

*ModivCare 2025 10-K at 28 (JX-073) (emphasis added)*

# The Magrisi Look

## Opinion Summary

**PRIVILEGED & CONFIDENTIAL - PREPARED AT THE DIRECTION OF COUNSEL AND SUBJECT TO MATERIAL CHANGE**

## Summary of Opinions

### Debtors' Business Plan underestimates earnings capacity ("Opinion Summary")

In my opinion, the Business Plan is not reasonable in that it does not fairly represent the anticipated earnings capacity of the Debtors' business through the Projection Period (2026-2030). Adjusting for reasonable assumptions and key value and cost drivers should enhance Debtors' Adjusted ("Adj.") EBITDA projections by **\$45M - \$73M** on a full run-rate basis.

### Opinion #1 – Debtors unreasonably extrapolate current Revenue headwinds

The Business Plan assumes current liquidity headwinds faced by the Debtors will continue to erode customer confidence and applies that conservatism to the projections. The Debtors also understate stickiness with NEMT customers due to high switching costs and stronger customer preference for national integrated transport and supportive care providers.

### Opinion #2 – Business Plan retains pre-bankruptcy operating costs with modest margin expansion

Debtors purport to retain most of their pre-bankruptcy operating cost structure while claiming significant revenue decline due to customer attrition. Instead, the Debtors should align current cost structure to margin outcomes by driving significant operating leverage (e.g., improving unit costs, consolidating SG&A) in the business.

### Opinion #3 – Business Plan projects elevated Capital Expenditures compared to historical spend

The Business Plan assumes elevated Capital Expenditures ("Capex") of 1.8% of projected Revenue for the Projection Period (exceeding historical average Capex levels of 1.3% of revenue), including delivery automation savings of \$11M in 2027, with no identifiable Revenue uplift attached to the CapEx investments. Allowing for Debtors' projected investments in 2026 and 2027 to fund these initiatives, Capex spend should drop to 1.3% from 2028 onwards.

### Opinion #4 – Plan is impaired by inconsistent projections of 2025 and 2026

The Business Plan is impaired by inconsistent pre-bankruptcy projections and pro forma presentations of the Company's financial results for 2025 and outlook for 2026. Debtors' 2025 Adj. EBITDA projections have also fluctuated unpredictably.

# The Magrisi Look

## Opinion Summary

**PRIVILEGED & CONFIDENTIAL - PREPARED AT THE DIRECTION OF COUNSEL AND SUBJECT TO MATERIAL CHANGE**

### A There are incremental achievable opportunities to enhance Company's EBITDA by \$45M-\$73M annually on a full run-rate basis

Based on a review of the Company's performance, competitive strengths, and market dynamics, an incremental **\$45M-\$73M annually** in EBITDA opportunity should be achieved

Opinion	Opportunity	2026 In-Year EBITDA Opportunity	2027+ EBITDA Opportunity (Full Run-Rate)	Primary Value Drivers and Levers
Opinion #1	Replace Lost Revenue	\$14M - \$20M	\$14M - \$20M	<ul style="list-style-type: none"> <li>Adjust Company's assumption on customer and revenue loss in NEMT to add back 40%-50% of UHC revenue lost (\$100M-\$125M recovery vs. ~\$250M loss)</li> <li>Continued push from Risk-bearing to Fee-for-Service (FFS) pricing in existing and new contracts for NEMT and higher rate realization for PCS</li> </ul>
	Reduce Service	\$6M - \$12M	\$9M - \$18M	<ul style="list-style-type: none"> <li>Allocate higher share of trip volumes to high-performing and cost-effective Transport Providers in NEMT</li> <li>Optimize staffing and utilization in Contact and Operations Centers in NEMT and</li> </ul>

Opinion	Opportunity	2026 In-Year EBITDA Opportunity	2027+ EBITDA Opportunity (Full Run-Rate)	Primary Value Drivers and Levers
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				<ul style="list-style-type: none"> <li>Align Company's compensation and benefits (401(k), 401(a), etc.) with industry standards to ensure cost-effectiveness</li> <li>Rationalize small vendors (&lt;50k annual spend) in key expense categories</li> </ul>
	Totals	\$39M - \$60M	\$45M - \$73M	

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Debtors' Demonstrative 1

Extra "Gets"

# The Magrisi Report

## Opinion Summary

PRIVILEGED & CONFIDENTIAL - PREPARED AT THE DIRECTION OF COUNSEL AND SUBJECT TO MATERIAL CHANGE

**A There are incremental achievable opportunities to enhance Company's EBITDA by \$45M-\$73M annually on a full run-rate basis**

Opinion #2	Reduce Service Expense	\$6M - \$12M	\$9M - \$18M	<ul style="list-style-type: none"> <li>Allocate higher share of trip volumes to high-performing and cost-effective Transport Providers in NEMT</li> <li>Optimize staffing and utilization in Contact and Operations Centers in NEMT and Scheduling in PCS</li> <li>Right-size PCS Branch Operations and Management functions to standard staffing ratios</li> </ul>
	Reduce SG&A	\$19M - \$28M	\$23M - \$35M	<ul style="list-style-type: none"> <li>Optimize Company's Finance function as a centralized shared service operating in best cost locations and eliminating public Company costs</li> <li>Consolidate Human Resources ("HR") FTEs embedded across business units into centralized shared services to eliminate duplication</li> <li>Transition SG&amp;A functions, specifically Finance, Product and Technology functions, to best cost locations, including offshoring to international markets offering competitive talent and lower wage rates</li> <li>Right-size Business Development, Transformation and Sales functions to align with current revenue levels and future growth projections</li> <li>Align company's compensation and benefits (401(k), STI, merit) with industry standards to ensure cost-effectiveness</li> <li>Rationalize small vendors (&lt;50k annual spend) in key expense categories</li> </ul>

				current revenue levels and future growth projections
				<ul style="list-style-type: none"> <li>Align company's compensation and benefits (401(k), STI, merit) with industry standards to ensure cost-effectiveness</li> <li>Rationalize small vendors (&lt;50k annual spend) in key expense categories</li> </ul>
Totals	\$39M - \$60M	\$45M - \$73M		

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Debtors' Demonstrative 1

**Not impacted by legislation**

# The Shandler “Realism” Approach

- **Mr. Shandler testified that he was brought in to make sure the Debtors did not miss projections.**

Q.

And you had testified earlier that historically the debtors projections were over[ly] optimistic. During your time the as chief [transformation] officer is there anything about the historical process that the debtors changed in an effort to make sure the projections were more accurate?

A.

Yes, I think that we brought a level of [realism] if you will into the protections. When what had come to my attention was in terms of when we first got involved in the discussions that I asked the finance team, which is you have missed your projections for the last two years. Why? . . . That basically either you can call it over estimating growth or under estimating attrition but that was one of the bigg[est] weaknesses and we kind of put level of real[ism] into [] th[ose] assumptions.

*Dec. 9 Hear. Tr.*

# The Shandler Results

- **Mr. Shandler has more unexpected losses in his projections than gains in his projections.**

## Go Gets

Mr. Shepard testified that the go-gets Mr. Shandler/FTI included would calculate to be \$6 million. In deciding on this number, Mr. Shandler did not account for whether the senior management team would remain in place or be replaced.

Shepard, Dec. 8 Trial Tr. at 144:8-14; Shandler, Dec. 9 Trial Tr. [Rough] at 59:17-60:3, 102:3-23

## Attrition

Mr. Shandler confirmed that “contract attrition” in the projections was estimated between \$10 – 11 million.

Shandler, Dec. 9 Trial Tr. [Rough] at 91:7-13



## “Worst Case” vs. “Good Case”

### The Bad News

- Mr. Shepard revealed for the first time at trial that Mr. Chu-Ba learned the names of the replacement parties to the UHC contract, but that no one has confirmed that fact with UHC.
- The Company also shared that it lost three other contracts, including Georgia, Virginia Aetna, HSCS Cigna.

### The Good News

- The Company has successfully won its appeal with respect to the South Carolina contract and status quo of the contract is reinstated.
- The winning Democrat, Mikie Sherrill, was the candidate the Debtors were hoping for in New Jersey.

# The July 21 Board Meeting

Case 25-90309 Document 935-10 "SEALED" Filed in TXSB on 12/05/25 Page 70 of 84

## Illustrative Valuation Hurdles



Debtors' Demonstrative 1

The implied 2025 EBITDA multiples at the midpoint of Mr. Jamal's unadjusted formal valuation are 6.0 – 7.4x. See page 3 of the Debtors Demonstrative 2.

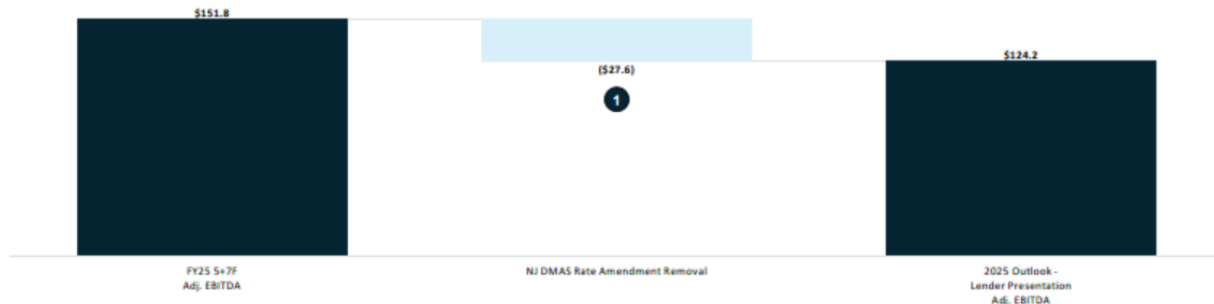
# The Effect of the Nondisclosure of the “Cunningham Adjustment” on the First Month of these Cases

Beginning Bates: n/a

PRIVILEGED & CONFIDENTIAL – SUBJECT TO MATERIAL CHANGE

## FY25 5+7F to 2025 Outlook - Lender Presentation<sup>[1]</sup>

(\$ in millions)



① **NJ DMAS** – Impact of removing NJ DMAS Rate Amendment, which was assumed to be retro to September 1, 2024 in the Jul-25 Preliminary 5+7

October 14, 2025, 2025 Projections Progression (JX-080)

*Plan value impact of Cunningham Adjustment = \$27m EBITDA x 6.0 – 7.4 = \$162 - \$200 million.*

December 9 Trial Tr. 115:8-14 “It was with regard to [Mr. Cunningham’s judgment that we thought it was prudent to remove the New Jersey figures].”

# The Effect of the Nondisclosure of the Cunningham Adjustment on the First Month of these Cases

- Presented a materially different company to the DIP markets
  - \$27 million in EBITDA lower
  - \$162-200 million in TEV lower
- Paid the DIP backstop fee out of junior creditor recoveries
- Made impossible a more equitable split of monies available to junior creditors
- Caused the Debtors to file and prosecute a plan giving all recoveries to the 1Ls
- Allowed the 1L / DIP Lenders to control case cadence through milestones

# The Dispassionate Viewer of TEV

## The Committee's Expert, Marc Brown

### Employment and Qualifications

**AlixPartners**

**AlixPartners, LLP**  
Global Valuation Services Practice Coordinator



**Price Waterhouse, LLP**  
Senior Analyst, Valuation Services Group

**nuveen**

**John Nuvveen & Co**  
Investment Banking Analyst



**Chicago Fundamental Investment Partners, LLC**  
Investment Analyst

*Over 25 years of experience  
Hundreds of damages, valuation, and forensic accounting engagements  
Significant valuation experience in the healthcare industry, including as a testifying valuation and damages expert.*

### Education



**University of Illinois at Urbana-Champaign**  
Bachelor of Science in Finance (with high honors)



**University of Chicago Graduate School of Business**  
Master of Business Administration (with honors)

### Certifications / Memberships



**CFA Charterholder**  
Member of the CFA Institute and CFA Society of Chicago



**Turnaround Management Association**



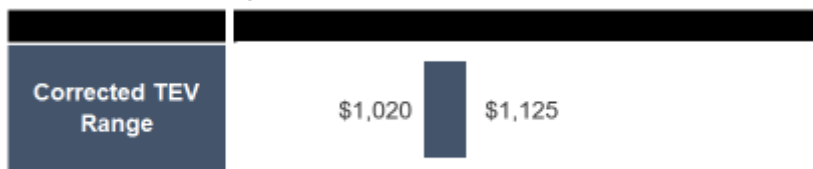
**Association of Insolvency & Restructuring Advisors**



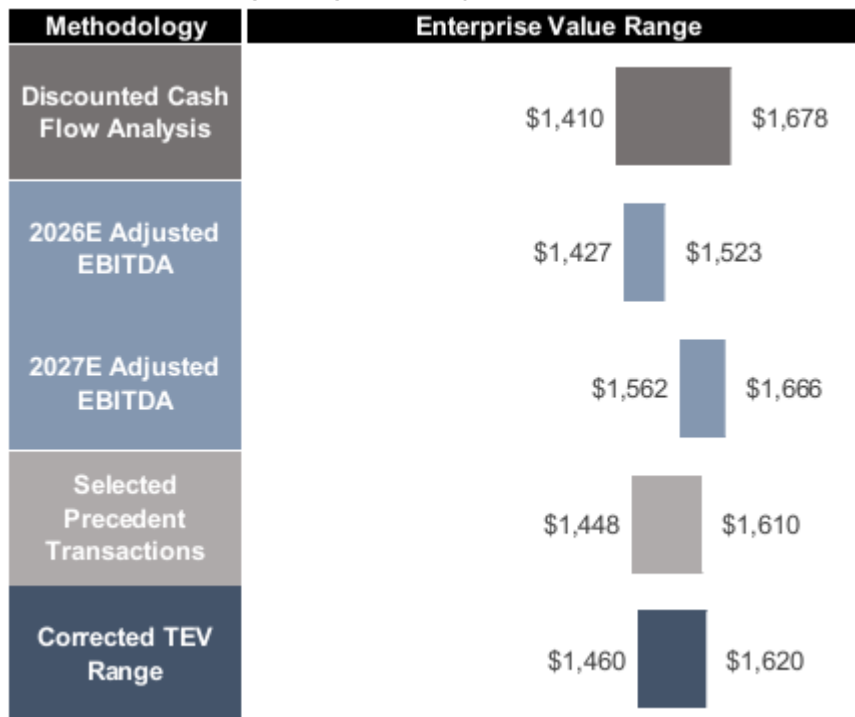
**Business Valuation Association**

# The Dispassionate View of TEV

## TEV Assuming Debtors' Business Plan



## TEV Assuming Magrisi Projections



Unsecured Creditors' Committee, Demonstrative 3, slide 2

- **Mr. Brown did not directly compare home healthcare companies to ModivCare.**
- **Mr. Brown did not bump his valuation up by including Lyft.**

## Dec. 10 Confirmation Hearing Rough Transcript

# Mr. Jamal's Many Hats

1	Investment Banker hired by the Company in late 2024 to explore a range of strategic alternatives	5	Company's settlement representative with stakeholders
2	Company's primary negotiator of the Fifth Amendment: Received \$4.3m in fees for this prior engagement	6	Corporate representative to the Debtors on key topics in discovery <ul style="list-style-type: none"><li>□ Prepetition Restructuring Efforts and Strategic Alternatives</li><li>□ Q1 2025 Transactions</li><li>□ Negotiations of the RSA and Plan</li><li>□ Valuation</li><li>□ Exit Financing</li></ul>
3	Company's primary negotiator of the Plan and the RSA: If confirmed, Moelis will receive a release and success fees		
4	Company's primary negotiator of the DIP (and Backstop Fee), and Exit Finance		
		7	Valuation expert for the Plan Proponents



## Disconnect # 2: Mr. Jamal's Impossible Position

- No other Moelis valuation profession was brought to court
- Mr. Jamal started his formal valuation analysis and began exercising his judgment with respect to valuation after the Petition Date
- The consequences for Mr. Jamal of deriving a value of more than \$991M<sup>[1]</sup> when he got to a formal valuation, included:
  - The Plan he negotiated for his client would fall apart
  - He gave away 20% of the post-reorganization equity to the wrong constituency
  - The Company he has been advising needs to get out of bankruptcy on an expedited timeline would remain in Chapter 11
  - He gets no Plan release or success fee.

[1] 1L Claim + DIP Claim

# Mr. Jamal's Many Professional Judgments

Judgment / Error	Value Impact
Mr. Jamal's Valuation Range "professional judgment"	No math to support. See "Summary of Preliminary Financial Analysis," Debtors' Demonstrative 3; December 9, 2025 Trial Tr. [ROUGH] at 233:8-21, 242:19-243:8
LTM without readjusting for New Jersey	Up to \$200 million (See Debtors' Jamal Demonstrative, at 3).
Use of Debtors' Disclosure Statement Projections	For every \$10 million in incremental EBITDA, his valuation would increase by approximately \$60 million to \$75 million
Residual Growth Rate Below Inflation	\$50 million to \$70 million (in the low end of his range) (See December 9, 2025 Trial Tr. [ROUGH] at 242:10-243:8)
Inclusion of UK Transport Companies	DCF: \$50 - \$70 million Public Company Method: ~\$120 million Transaction Method: ~\$140 million (December 9, 2025 Trial Tr. [ROUGH] at 239:9-241:9).
Matrix worth \$0	\$56 million (low end of his range) (December 9, 2025 Trial Tr. [ROUGH] at 228:2-229:2).
2026 Net Working Capital "Mistake"	\$33 million to DCF (December 9, 2025 Trial Tr. [ROUGH] at 243:9-244:11).
Terminal Net Working Capital	Up to \$25 million (in the low end of his DCF range) (December 10, 2025 Trial Tr. [ROUGH] at 228:1-11).
Beta Error (Discount Rate)	\$50 million to \$100 million (in his DCF) (UCC Demonstrative 3 at 12; December 10, 2025 Trial Tr. [ROUGH] at 225:5-7).

# The Debtors' Soft Evidence of Value

## □ The Mr. Mounts Gonzales Sideshow

- Mr. Mounts Gonzales testified that he cared deeply about ModivCare's mission, which he described as "very important."
  - "I have more than 1,000 hours into ModivCare . . . I found ModivCare extremely interesting because of my logistics and technology background, and I really like its mission. It has a very important mission. You know, these folks that it is helping don't have all the resources that they need to do the things that ModivCare enables them to do. See Nov. 14 Mounts Gonzales Dep. Tr. 24:13-25:11
  - Ms. Norwalk was the only board member that AI Catalyst voted against in 2025. See Nov. 26 Mounts Gonzales Dep. Tr. 358:3-11
- Leslie Norwalk testified that Mr. Mounts Gonzales was "duplicitous" and simply looking out for the interests of equity holders, that he frequently failed to look out for the best interests of the Company, went around her and other board members, and generally had an adversarial relationship with the rest of the board. Dec. 8 Hear. Tr. 78:11-79:12:
- The Court should look at DX-226 if it is interested in the backstory

# The Debtors' Soft Evidence of Value

## □ **FRE 702 Limits the Type of Valuation Evidence the Court Can Take**

- Trading prices not used in either valuation
- Market reactions to the expert testimony are not evidence of value
- “Difficulties” in obtaining financing are expected
- The Committee’s failure to subscribe to the equity rights offering is a red herring

## □ **“Fragility” of the business**

- There is no 13-week cash flow past December 31
- There has been no change to the estimated 2025 Adj. EBITDA
- There is no change to the estimated cash at emergence
- There is no change to the financial projections

# The Debtors' Evidence of "Overwhelming Creditor Support"<sup>[1]</sup>

9. **Parties In Interest Participation Rate.** Below is a chart of the participation rates

broken out by Class for voting and elections to opt out of the Plan's Third-Party Release.

Class	Vote %	Opt-Out %
Class 1	N/A	8.93%
Class 2	N/A	19.81%
Class 3	98.35%	1.10%
Class 4 (GUC)	5.68%	2.06%
Class 4 (2L Notes)	97.33%	0.00%

Class 4 Summary Between Second Lien Notes and General Unsecured Claims															
Class	Class Description	Unacceptable Votes	Members Voted	Members Accepted	Members Rejected	Members Abstained	% Accepted	% Rejected	Total \$ Voted	\$ Accepted	\$ Rejected	\$ Abstained	% \$ Accepted	% \$ Rejected	Class Accepted or Rejected
4	General Unsecured Claims	34	737	655	82	62	88.87	11.13	\$293,161,974.98	\$170,681,450.73	\$122,480,524.25	\$28,892,247.09	58.22	41.78	
4	Second Lien Notes	0	73	72	1	0	98.63	1.37	\$316,144,498.00	\$312,994,498.00	\$3,150,000.00	\$0.00	99.00	1.00	

462 paid in full by Voting Record Date

\$100 million subject to pending objection  
\$24.5 million to creditors paid in full

98% of 2L claims subject to the RSA. See Dec. 9 Hear. Tr. 159:18-22

[1] Debtors' Confirmation Brief at 1

# The Distributable Value Waterfall: Just Reversing Mr. Jamal's Other Judgments

Illustrative Equity Value	Jamal	Valuation Corrections		Valuation Corrections	
		High	Low	High	Low
Total Implied Enterprise Value	A	\$ 925	\$ 1,020	\$ 1,125	\$ 1,020
(-) Estimated LCs Out. at Emerge		(111)	(111)	(111)	(111)
(-) Takeback 1L TL (DIP)		(100)	(100)	(100)	(100)
(-) Takeback 1L TL (Lenders)		(200)	(200)	(200)	(200)
43.6% Ownership Stake of Matrix	A	56	56	56	56
(+) Excess Cash	A	61	61	61	61
<b>Equity Value</b>		<b>\$ 631</b>	<b>\$ 726</b>	<b>\$ 831</b>	<b>\$ 726</b>

Illustrative Recovery Analysis					
<b>Distributable Value</b> $\Sigma A$	\$ 1,042	\$ 1,137	\$ 1,242	\$ 1,137	\$ 1,242
Less: LCs at Emergence	(111)	(111)	(111)	(111)	(111)
<b>Adjusted Distributable Value</b>	<b>\$ 931</b>	<b>\$ 1,026</b>	<b>\$ 1,131</b>	<b>\$ 1,026</b>	<b>\$ 1,131</b>
<b>DIP Claim</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>\$ 100</b>
Reinstated Debt	100	100	100	100	100
DIP Backstop Fee	-	144	160	-	-
DIP Recovery	\$ 100	\$ 244	\$ 260	\$ 100	\$ 100
Recovery %	100.0%	243.7%	259.8%	100.0%	100.0%
Effective Equity %	0.0%	19.8%	19.2%	0.0%	0.0%
<b>1L Claim</b>	<b>\$ 881</b>	<b>\$ 881</b>	<b>\$ 881</b>	<b>\$ 881</b>	<b>\$ 881</b>
Reinstated Debt	200	200	200	200	200
Equity	618	563	626	704	783
Recovery	\$ 818	\$ 763	\$ 826	\$ 904	\$ 983
Recovery %	92.9%	86.6%	93.8%	102.6%	111.6%
Effective Equity %	98.0%	77.6%	75.4%	97.0%	94.3%
<b>G. Unsecured (incl. 2L) Claim</b>	<b>\$ 586</b>	<b>\$ 586</b>	<b>\$ 586</b>	<b>\$ 586</b>	<b>\$ 586</b>
Equity	13	19	44	22	48
Hypothetical Warrant Value	na	na	na	na	na
Recovery	\$ 13	\$ 19	\$ 44	\$ 22	\$ 48
Recovery %	2.2%	3.2%	7.6%	3.7%	8.1%
Effective Equity %	2.0%	2.6%	5.3%	3.0%	5.7%
<b>Sub. Unsecured Notes Claim</b>	<b>\$ 229</b>	<b>\$ 229</b>	<b>\$ 229</b>	<b>\$ 229</b>	<b>\$ 229</b>
Recovery	-	-	-	-	-
Recovery %	0.0%	0.0%	0.0%	0.0%	0.0%
Effective Equity %	0.0%	0.0%	0.0%	0.0%	0.0%

Unsecured Creditors' Committee, Demonstrative 3

# The Distributable Value Waterfall: Just Reversing Mr. Jamal's Other Judgments

## Valuation Analysis

### Illustrative Recovery Analysis

Illustrative recoveries to 1L and GUC claims at Low and High ends of the valuation range

#### Illustrative Recovery Analysis

(\$ in millions)		Illustratively Assumes No 1L Takeback Debt		Illustratively Assumes \$200mm 1L Takeback Debt	
		Low	High	Low	High
<b>Total Implied Enterprise Value</b>		<b>\$750</b>	<b>\$925</b>	<b>\$750</b>	<b>\$925</b>
(-) Estimated LCs Outstanding at Emergence		(111)	(111)	(111)	(111)
(-) Takeback First Lien Term Loan (DIP)		(100)	(100)	(100)	(100)
(-) Takeback First Lien Term Loan (1L Lenders)		—	—	(200)	(200)
(+ ) 43.6% Ownership Stake of Matrix Post-Tax Equity Value		—	56	—	56
(+ ) Excess Cash <sup>(1)</sup>		61	61	61	61
<b>Illustrative Distributable Value</b>		<b>\$600</b>	<b>\$831</b>	<b>\$400</b>	<b>\$631</b>
<b>1L</b>	<b>Pro Forma Equity<sup>(2)</sup></b>	<b>Claims<sup>(3)</sup></b>			
Debt				200	200
Equity	78.4%			314	495
<b>Total</b>		<b>\$470</b>	<b>\$651</b>	<b>\$514</b>	<b>\$695</b>
% Recovery		53%	74%	58%	79%
<b>General Unsecured Claims</b>					
Equity	1.6%	10	13	6	10
Series A Warrant Equity <sup>(4)</sup>		19	39	10	29
Series B Warrant Equity <sup>(5)</sup>		16	34	8	24
Series C Warrant Equity <sup>(6)</sup>		14	30	6	21
<b>Total</b>		<b>\$59</b>	<b>\$116</b>	<b>\$32</b>	<b>\$84</b>
<b>Low GUC Estimate:</b>		<b>\$538</b>			
% Recovery <i>without</i> Warrant Equity		2%	2%	1%	2%
% Recovery <i>with</i> Warrant Equity		11%	22%	6%	16%
<b>High GUC Estimate:</b>		<b>\$634</b>			
% Recovery <i>without</i> Warrant Equity		2%	2%	1%	2%
% Recovery <i>with</i> Warrant Equity		9%	18%	5%	13%

Source: Company financials; Amended Plan filed on 10/7/2025

Note: Warrant equity values reflect Black Scholes warrant values associated with full 15% equity allocation for each series of warrants and do not reflect dilution from subsequent series; Warrant 15% equity allocation is subject to change based on sizing of takeback facility

1. Assumes \$75mm of minimum operating cash

2. Equity splits do not include the impact of dilution from warrants and MIP

3. Inclusive of accrued and unpaid interest as of 8/20/2025

4. Assumes Black Scholes value assuming 30% volatility and Equity Strike price implied by total enterprise value of \$971mm

5. Assumes Black Scholes value assuming 30% volatility and Equity Strike price implied by total enterprise value of \$1,058mm

6. Assumes Black Scholes value assuming 30% volatility and Equity Strike price implied by total enterprise value of \$1,145mm

**Moelis**

Committee's Demonstrative 1

Confidential | 27

# Plan Supplement: Retained Causes of Action

Case 25-90309 Document 802 Filed in TXSB on 11/24/25 Page 1 of 50  
Docket #9802 Date Filed: 11/24/2025

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

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

**NOTICE OF FILING OF SECOND PLAN SUPPLEMENT  
FOR THE FIRST AMENDED JOINT CHAPTER 11 PLAN OF  
REORGANIZATION OF MODIVCARE INC. AND ITS DEBTOR AFFILIATES**

**PLEASE TAKE NOTICE** that on November 14, 2025, the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”) filed the *Notice of Filing of Plan Supplement for the First Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and Its Debtor Affiliates* [Docket No. 725] (the “**First Plan Supplement**”) with the United States Bankruptcy Court for the Southern District of Texas (the “**Court**”).


**PLEASE TAKE FURTHER NOTICE** that, as contemplated by the *First Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and Its Debtor Affiliates* [Docket No. 465] (as may be amended, modified, or supplemented from time to time, and including all exhibits and supplements thereto, the “**Plan**”), the Debtors hereby file this second plan supplement (the “**Second Plan Supplement**” and together with the First Plan Supplement, the “**Plan Supplement**”). Capitalized terms used but not defined herein have the meanings set forth in the Plan. This Second Plan Supplement includes the following exhibits (in each case, as may be amended, modified, or supplemented from time to time):

EXHIBIT	DOCUMENT
<b>A</b>	Revised Schedule of Retained Causes of Action
<b>B</b>	Redline to Prior Schedule of Retained Causes of Action <sup>2</sup>

<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.vertinglobal.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.

<sup>2</sup> The redline attached hereto as Exhibit B does not include Annexes I-III to the Revised Schedule of Retained Causes of Action because such Annexes I-III are unchanged from those appended to the Schedule of Retained Causes of Action appended to the Schedule of Retained Causes of Action included in the First Plan Supplement.

US-DOCS-16201885



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- No witness testified that there was any valuation of any claims or causes of action in DX-358
  - Jamal<sup>[1]</sup>, Dec. 9 Trial Tr. [Rough] at 246:21-247:5.
  - Jamal, Dec. 9 Trial Tr. [Rough] at 247:6-16.
  - Shandler, Dec. 9 Trial Tr. [Rough] at 131:19-133:1.

Second Plan Supplement, DX-358, Exhibit A at 2.

[1] Mr. Jamal was the Debtors’ 30(b)(6) witness on the valuation

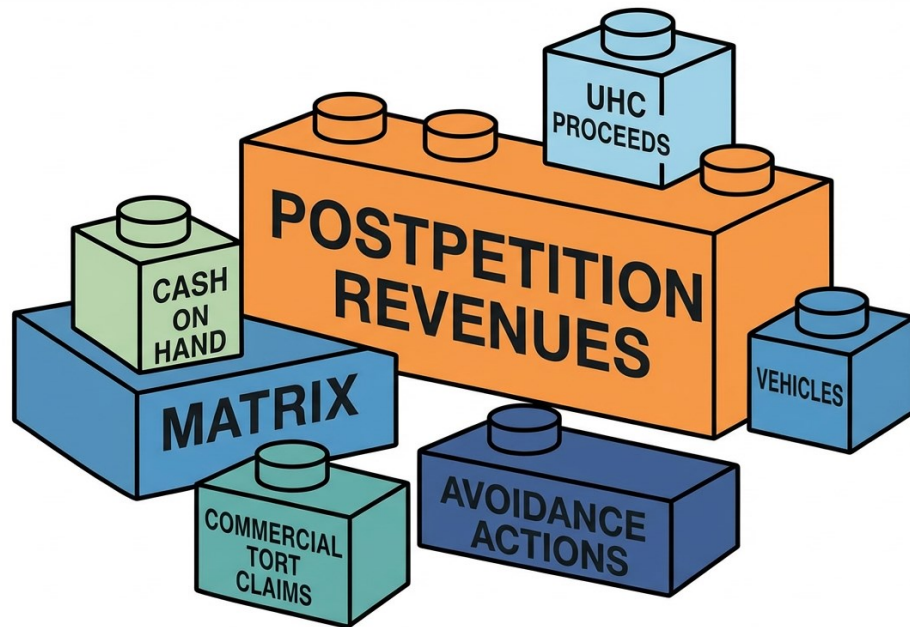


# The Committee's Challenges are not Monolithic

Modification	Legal Impact	Plan Confirmable?
Committee's revised business plan is used and Mr. Brown's valuation is accepted.	1L Lenders receive more than payment in full	✗
Mr. Magrisi's business plan adjustments are accepted.	1L Lenders receive more than payment in full	✗
Debtors' business plan accepted but with Committee's valuation adjustments and the \$111m in restricted cash is valued.	1L Lenders receive more than payment in full in the high-scenario	✗
Debtor's business plan and valuation are accepted, but the DIP Backstop Fee is eliminated and the \$111m in restricted cash is valued.	1L Lenders receive more than payment in full in the high-scenario	✗
Lien challenge is successful.	Unsecured creditors are not receiving value they are entitled to, in violation of best interest's test and unfair discrimination rule	✗
Uptier challenge is successful.	Plan classification scheme fails, and unsecured noteholders are unfairly discriminated against	✗
Court finds that fair consideration has not been provided for Debtor releases.	Plan fails to satisfy section 1129(a)(1)	✗

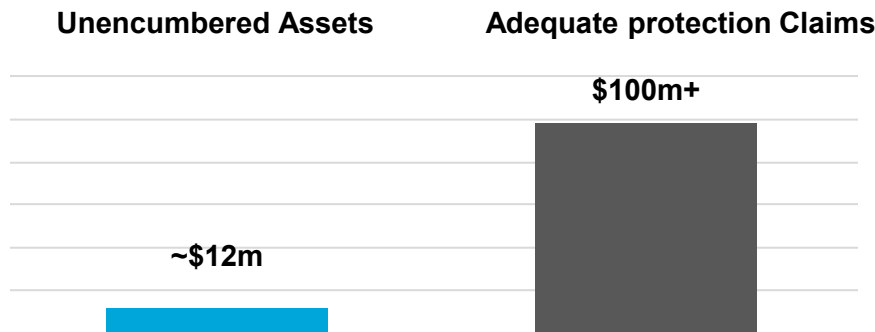
# ► Standing Motion: Lien Challenge

# There are Substantial Unencumbered Assets Available to Unsecured Creditors



# Debtors' Argument That Unencumbered Value is Distributed Away


**Any Unencumbered Assets will be Absorbed**



- Commercial Tort Claims: ~11.2mm
- Vehicles: \$1.1m
- Bank Accounts: \$402,297,22

- Dip Facility
- Uses of Cash Collateral
- Unpaid Administrative Expenses

# The Consenting Creditors Must Marshal Any DIP and Adequate Protection Claims

(f) No Marshaling. Neither the DIP Secured Parties nor the Prepetition First Lien Secured Parties shall be subject to the equitable doctrine of “marshaling” or any other similar doctrine with respect to any of the DIP Collateral or the Prepetition First Lien Collateral, as applicable;  *provided*, that the proceeds of (i) Avoidance Actions and (ii) any other assets that do not constitute Prepetition First Lien Collateral may only be applied in satisfaction of the DIP Obligations or First Lien Adequate Protection Superpriority Claims after the DIP Secured Parties and Prepetition First Lien Secured Parties have used commercially reasonable efforts to seek payment from all other DIP Collateral and Prepetition First Lien Collateral.

*ECF No. 468 ¶ 20(f)*

# Insufficient Evidence of Secured Claim or Adequate Protection Claim



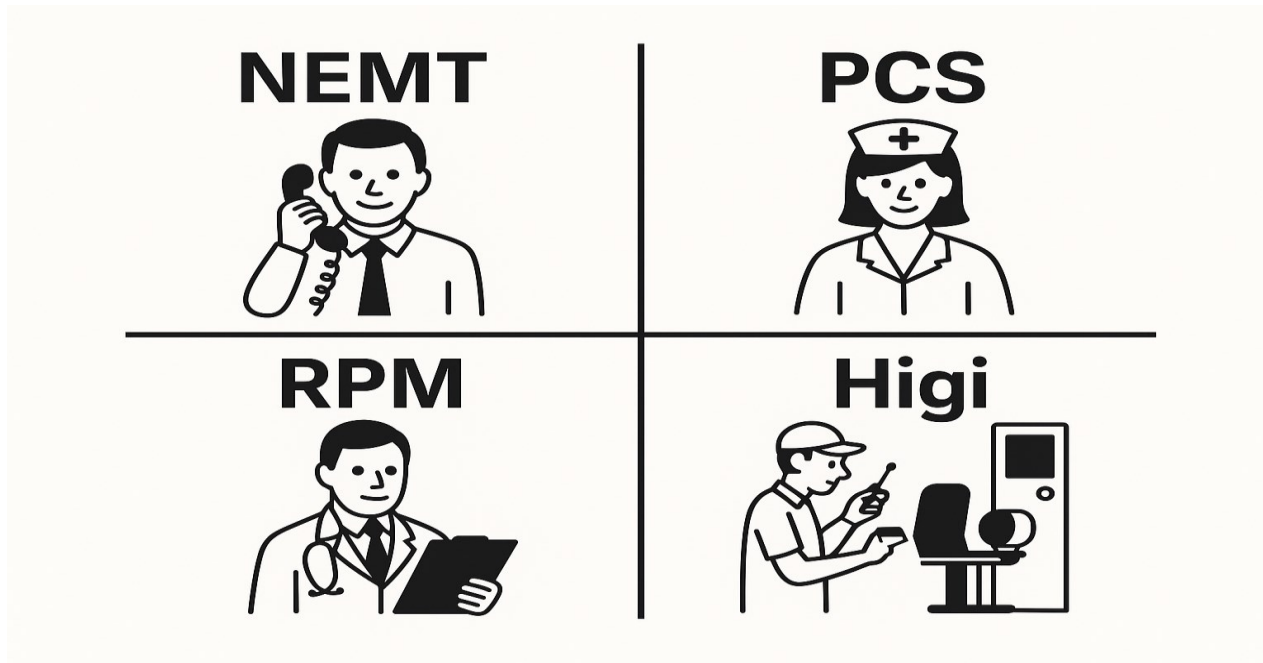
## Section 552

- (a) Except as provided in subsection (b) of this section, property acquired by the estate or by the debtor after the commencement of the case is not subject to any lien resulting from any security agreement entered into by the debtor before the commencement of the case.

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- (b) (1) Except as provided in sections 363, 506(c), 522, 544, 545, 547, and 548 of this title, if the debtor and an entity entered into a security agreement before the commencement of the case and if the security interest created by such security agreement extends to property of the debtor acquired before the commencement of the case and to proceeds, products, offspring, or profits of such property, then such security interest extends to such proceeds, products, offspring, or profits acquired by the estate after the commencement of the case to the extent provided by such security agreement and by applicable nonbankruptcy law, except to any extent that the court, after notice and a hearing and based on the equities of the case, orders otherwise.

# The Debtors Operate in a “Service-Oriented” Industry





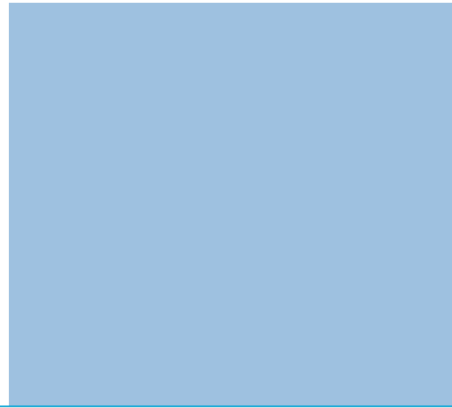
# Unencumbered Assets Will Reach Unsecured Creditors

**Debtors' Midpoint TEV**  
(for illustrative purposes only)

**\$837.5m**

**Secured Claims**

**\$399m**



- ▶ DIP Facility
- ▶ 1L Secured Claim

# The Debtors Have Not Satisfied Their Burden With Respect to Plan Releases

# The Debtors Have Not Satisfied Their Burden on Plan Releases

## 10.6. Releases.

### (a) Releases by the Debtors.

*“Released Parties”* means, collectively, each of: (a) the Debtors; (b) the Reorganized Debtors; (c) the Consenting Creditors, (d) the First Lien Agent; (e) the DIP Lenders; (f) the DIP Backstop Commitment Parties; (g) the DIP Agent; (h) the Second Lien Notes Trustee; (i) each Holder of a Claim in a Voting Class that does not affirmatively elect to “opt out” of the Third-Party Releases as provided on its respective ballot; (j) each Holder of a Claim or Interest in a Non-Voting Class that does affirmatively elect to “opt out” of the Third-Party Releases as provided on its respective Release Opt-Out Form; and (k) with respect to each of the foregoing persons in clauses (a) through (j), each Related Party, solely to the extent such Related Party would be liable whether directly or under principles of agency for any such Claims or Causes of Action asserted against the applicable Entity in the foregoing clauses (a) through (j) to whom they are related. Notwithstanding the foregoing, any Person that opts out of the releases set forth in the Plan shall not be deemed a “Released Party” hereunder; *provided*, that any Holder of a Claim or Interest that timely objects to the Third-Party Release, either through (i) a formal objection Filed on the docket of the Chapter 11 Cases, or (ii) an informal objection provided to the Debtors by electronic mail, and such objection is not withdrawn on the docket of the Chapter 11 Cases or via electronic mail, as applicable, before or at the Confirmation Hearing (and in the case of the latter on the record), shall not be a “Released Party” hereunder; *provided, further*, any Person or Entity (and each such Person or Entity’s Related Parties) that files an objection with the Bankruptcy Court to any substantive pleading in the Chapter 11 Cases, including to approval of the DIP Facility or the confirmation of this Plan, or commences any Cause of Action in the Bankruptcy Court or any other court of competent jurisdiction against any director of the Debtors, or against any Consenting Creditor relating to such Consenting Creditor’s secured Claims, shall not be a Released Party.

To the fullest extent permitted by applicable law and approved by the Bankruptcy Court, and except as otherwise expressly set forth in this Plan or the Confirmation Order, pursuant to section 1123(b) of the Bankruptcy Code, as of the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each of Debtors, Reorganized Debtors, Reorganized Parent, and the Estates, in each case on behalf of itself and its respective successors, assigns, and Representatives, and any and all other Persons who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Persons, has and is deemed to have, forever and unconditionally released, and absolved each Released Party from any and all Claims, obligations, rights, suits, damages, and Causes of Action, remedies, and liabilities whatsoever whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims asserted or assertable on behalf of the Debtors, the Estates, Reorganized Parent, or the Reorganized Debtors, that such Entity would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, including (i) the governance, management, transactions, ownership, or operation of the Debtors or the Non-Debtor Affiliates, (ii) the purchase, acquisition, sale, merger or rescission of any business line, Assets, or Security of the Debtors or the Non-Debtor Affiliates, (iii) the subject matter of, or the transactions, events, circumstances, acts or omissions giving rise to, any Claim or Interest that is treated in the Restructuring Transactions, including the negotiation, formulation, or preparation of the Restructuring Transactions, (iv) the business or contractual arrangements between any Debtor or Non-Debtor Affiliate and any other Entity (including Consenting Creditors), (v) the Prepetition Funded Debt Documents, (vi) the Debtors’ and Non-Debtor Affiliates’ in- or out-of-court restructuring efforts, (vii) intercompany transactions, (viii) the formulation,

preparation, dissemination, negotiation, solicitation, entry into, Filing, or consummation of this Plan, the Plan Supplement the Disclosure Statement, the Restructuring Support Agreement and related prepetition transactions, the Definitive Documents, the Equity Rights Offering Documents, the Corporate Governance Documents, the New Corporate Governance Documents, the Chapter 11 Cases, or any Restructuring Transaction, (ix) any contract, instrument, release, or other agreement or document created or entered into in connection with this Plan, the Plan Supplement, the Disclosure Statement, the Restructuring Support Agreement, the Definitive Documents, the Equity Rights Offering Documents, the Corporate Governance Documents, the New Corporate Governance Documents, the Chapter 11 Cases, the pursuit of Confirmation and consummation of the Plan, the administration and implementation of the Plan or Confirmation Order, including the issuance or distribution of securities pursuant to the Plan, (x) the distribution, including any disbursements made by a Distribution Agent, of property under this Plan, or any other related agreement, or (xi) any other act or omission, transaction, agreement, event, or other occurrence related to any of the foregoing and taking place on or before the Effective Date; *provided*, that the Debtors do not release Claims or Causes of Action (1) that are of a commercial nature and arise in the ordinary course of business, such as accounts receivable and accounts payable on account of goods being sold and services being performed; (2) arising under an Executory Contract or Unexpired Lease that is assumed by the Debtors; or (3) arising out of, or related to, any act or omission of a Released Party that is determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction to have constituted actual fraud, gross negligence, or willful misconduct (it being agreed that any Released Parties’ consideration, approval, or receipt of any distribution did not arise from or relate to actual fraud (but not, for the avoidance of doubt, fraudulent transfers, gross negligence, or willful misconduct). Notwithstanding anything to the contrary in the foregoing, the Releases set forth above do not release (1) any obligations of any Person under this Plan, the Confirmation Order, any other Definitive Document, any Restructuring Transaction, any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan or any agreement, Claim, or obligation arising or assumed under this Plan or (2) any Causes of Action specifically retained by the Debtors pursuant to the Schedule of Retained Causes of Action.

*First Amended Joint Chapter 11 Plan, DX-056 at Definitions, § 10.6.*

## The Releases are Premised on the Quinn Investigation

Ultimately, the investigation did not identify any viable causes of action the Debtors may have against the Released Parties, other than claims relating to the exchange component of the Coliseum Transactions as a preferential transfer. Mr. Silvers concluded, however, that the Plan already treats the Second Lien Notes as unsecured claims, meaning any preference recovery could not result in anything more than the very Plan before this Court. Accordingly, pursuing the claim (or any other unsupported claims) would only generate unnecessary expense without any potential benefit to the Debtors' estates under the current Plan. The Board agreed with Mr. Silvers' assessment.

*Debtors' Omnibus Brief (A) in Support of Plan Confirmation and (B) Objecting to Committee's Motions for Standing to Pursue Claims and Lien Challenge [ECF 921] ¶ 140.*

# The Quinn Investigation Does Not Support the Releases

The Debtors withheld from the Committee the basis on which the Board approved the broad Plan releases – including the basis on which to release the Board itself.



Mr. Silvers is not independent.



The investigation was inadequate.



Released parties did not provide consideration.

## The Committee Has Asserted Colorable Claims in the Standing Motion

- The Debtors' objection reflects that they gave no serious consideration to either the actual or constructive fraudulent transfer claims.

## 11 U.S.C. § 101(22A)(A): “financial participant”

(22A) The term “financial participant” means—

- (A) an entity that, at the time it enters into a securities contract, commodity contract, swap agreement, repurchase agreement, or forward contract, or at the time of the date of the filing of the petition, has one or more agreements or transactions described in paragraph (1), (2), (3), (4), (5), or (6) of section 561(a) with the debtor or any other entity (other than an affiliate) of a total gross dollar value of not less than \$1,000,000,000 in notional or actual principal amount outstanding (aggregated across counterparties) at such time or on any day during the 15-month period preceding the date of the filing of the petition, or has gross mark-to-market positions of not less than \$100,000,000 (aggregated across counterparties) in one or more such agreements or transactions with the debtor or any other entity (other than an affiliate) at such time or on any day during the 15-month period preceding the date of the filing of the petition

# The Uptier Transaction Was One Collapsed Transaction

1       Q     Okay. Again, this was an exchange of notes, right?

2       A     This was -- there was an exchange of notes, but it was a  
3       series of transactions which all function together.

Silvers, Dec. 8 Trial Tr. at 266:2-6



# Constructive Fraudulent Transfer

The Uptier Transaction did not “secure antecedent debt.”

5       Q     In your business understanding of what happened in that  
6       transaction, you do not agree that what happened is that the  
7       participating note holders held unsecured notes and then the  
8       Debtor granted a lien to secure those notes, right?

9       A     If I'm getting your question correct because there's a  
10      series of negatives, but I do not agree that it was adding a  
11      lien to the notes. I believe that the transaction was that  
12      they exchanged senior unsecured notes for new second lien  
13      notes.

14      Q     Right. The lien was to secure a different set of notes,  
15      not the preexisting unsecured notes, right?

16      A     Yeah, I think -- I think that's what I just said.

Silvers, Dec. 8 Trial Tr. at 267:5-16

# The Debtors Acquired Their Debt Securities in the Market

**Section 1.1 Total Consideration.** Each Holder, severally and not jointly, hereby agrees to exchange and deliver to the Company the aggregate principal amount of Old Notes set forth in Exhibit A hereto, and in exchange therefor the Company hereby agrees to issue to each Holder the Exchange Consideration, set forth in Exhibit A hereto, in each case at the Closing (as defined herein). For the avoidance of doubt, Exhibit A shall be updated from time to time after the date hereof prior to the Exchange concurrently with the execution of a joinder agreement pursuant to Sections 1.4(iv), 2.11 or 6.3 hereof to give effect to any assignment of the rights and obligations hereunder in connection with any succession, assignment or transfer of Old Notes permitted hereunder.

Exchange Agreement, JX-076 at § 1.1.

## EXCHANGE AGREEMENT

The undersigned beneficial owners of the Old Notes (as defined herein) (the foregoing, together with (x) each successor or assign of any of the foregoing which executes a joinder agreement to this Agreement pursuant to Section 2.11 or Section 6.3 and (y) any successor entity of the foregoing that signs a joinder agreement to this Agreement pursuant to Section 1.4(iv) as a result of any of the foregoing becoming a Non-Consenting Holder, collectively, the “**Holders**” or the “**Backstop Parties**” and each, a “**Holder**” or a “**Backstop Party**”), severally and not jointly, enter into this Exchange Agreement (the “**Agreement**”) with ModivCare Inc., a Delaware corporation (the “**Company**”), on January 9, 2025, whereby each Holder, severally and not jointly, will, subject to the terms and conditions hereof, exchange (the “**Exchange**”) for each \$1,000 principal amount of the Company’s existing 5.000% Senior Notes due 2029 (the “**Old Notes**”) specified on Exhibit A hereto issued pursuant to that certain Indenture, dated as of August 24, 2021 (as amended, supplemented or otherwise modified from time to time, the “**Old Notes Indenture**”), between the Company (as successor to ModivCare Escrow Issuer, Inc.), the guarantors party thereto from time to time and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Old Notes Trustee**”), \$1,000 principal amount of the Company’s newly issued 5.000% / 10.000% Second Lien Senior Secured PIK Toggle Notes due 2029 (the “**Exchange Notes**”), as set forth below (the “**Exchange Consideration**”).

Pursuant to Section 9.02 of the Old Notes Indenture, the Company and the Old Notes Trustee intend to (x) amend or supplement the Old Notes Indenture with the consent of the Holders (as defined in the Old Notes

Old Notes outstanding (the “**Requisite Consents**”) in order to fault in the Old Notes Indenture and release the guarantees rely, the “**Proposed Amendments**”) and (y) enter into a **ination Agreement**”), in form and substance reasonably and the Backstop Parties, whereby the Old Notes will be under the Credit Agreement, and the Holders have agreed to its in accordance with the requirements of the Old Notes and hereby direct the Old Notes Trustee to enter into the Old Notes Subordination Agreement.

has not been obtained and the Supplemental Indenture has not that hold Old Notes will exchange (the “**Backstop Party**”) out of the Old Notes held by the Backstop Parties for \$50.0 Notes on the terms and subject to the conditions set forth Requisite Consents, Holders will exchange (the “**Subsequent**

**Exchange**”) \$201.0 million in aggregate principal amount of the Old Notes held by such Holders for \$201.0 million in aggregate principal amount of the Exchange Notes on the terms and subject to the conditions set forth herein.

The Exchange Notes will be issued in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”), and pursuant to the provisions of an Indenture (the “**Exchange Notes Indenture**”) to be dated as of the Exchange Closing Date (as defined herein) or the Backstop Party Exchange Closing Date (as defined herein), as applicable, among the Company, the guarantors party thereto and Ankura Trust Company, LLC, as trustee or such other trustee as may be mutually acceptable to the Backstop Parties holding a majority of the Amendment No. 5 Incremental Term Loans (as defined in the Credit Agreement (as defined herein)) held by all Backstop Parties (such majority, the “**Required Backstop Parties**”) and the Company (in such capacity, the “**Exchange Notes Trustee**”) and as note collateral agent (in such capacity, the “**Exchange Notes Collateral Agent**”). The Exchange Notes Indenture shall be in a form to be mutually agreed between the Company and the Required Backstop Parties and the terms of the Exchange Notes Indenture shall be substantially similar in all material respects to the terms of the Old Notes Indenture, as in effect on the date hereof, except that (i) all covenants contained therein (other than covenants which are customarily different for an indenture governing high yield securities like the Exchange Notes) shall be amended to be substantially consistent with the terms of the Credit Agreement, subject to certain cushions to be

# The Uptier Transaction Did Not “Satisfy” Antecedent Debt

## Section 3.02 Selection.

(a) If less than all of the Notes are to be redeemed at any time, the Global Notes to be redeemed shall be selected for redemption in accordance with DTC's requirements, or, in the case of Definitive Notes, the Definitive Notes to be redeemed shall be selected by the Trustee on a pro rata basis, unless otherwise required by law or applicable stock exchange requirements.

(b) No Notes of \$2,000 or less can be redeemed in part.

(c) If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest will cease to accrue on Notes or portions of Notes called for redemption unless the Issuer defaults in the payment of the redemption price or the applicable notice of redemption is conditional and the conditions are not satisfied or waived.

## Section 3.03 Notice of Redemption.

## Section 3.02 Selection.

(a) If less than all of the Notes are to be redeemed at any time, the Global Notes to be redeemed shall be selected for redemption in accordance with DTC's requirements, or, in the case of Definitive Notes, the Definitive Notes to be redeemed shall be selected by the Trustee on a pro rata basis, unless otherwise required by law or applicable stock exchange requirements.

ssion in accordance with the applicable  
ic transmission in accordance with the applicable  
more than 60 days before the redemption date to  
) redemption notices may be transmitted more  
with a Legal Defeasance or Covenant Defeasance  
ant to Section 4.15(c) shall be transmitted at least  
nd (iii) notices of a Special Mandatory  
the date of the occurrence of the Special

including CUSIP and ISIN number, if applicable)

(1) the redemption date;

(2) the redemption price, including the portion thereof representing any accrued and unpaid interest; *provided* that in connection with a redemption under Section 3.07(a) of this Indenture, the notice need not set forth the redemption price but only the manner of calculation thereof;

(3) if any Note is to be redeemed in part only, the portion of the principal amount of that Note that is to be redeemed;

(4) the name and address of the Paying Agent;

(5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(6) that, unless the Issuer defaults in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on Notes called for redemption ceases to accrue on and after the redemption date;

Unsecured Notes Indenture, JX-071 at § 3.02(a).

# Actual Intent to Hinder Creditors

**From:** Jason Gart [jgart@hgvora.com]  
**Sent:** 12/28/2024 3:49:41 PM  
**To:** Klingbaum, Leonard [Leonard.Klingbaum@ropesgray.com]; Zul Jamal [Zul.Jamal@moelis.com]; Josh [jsussberg@kirkland.com]  
**CC:** Patel, Milap [Milap.Patel@ropesgray.com]  
**Subject:** [EXT] Re: MODV: Term Sheet + Expense Reimbursement Letter

**External: Exercise caution with links & attachments**

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This is unacceptable. I know you want to help your friends out but this is infuriating for multiple reasons. Let's decide if this is going to work or not right now. If we need to pivot because of this point then we need to determine DIP sizing. If we're going to pivot please provide details of D&O insurance the company carries because the board is clearly not taking this seriously.

**Jason Gart**  
HG Vora Capital Management, LLC  
330 Madison Avenue, 21<sup>st</sup> FL.  
New York, NY 10017  
O: 212.835.0375 | C: 703.785.1165  
jgart@hgvora.com

[CX-065]

## Actual Intent to Hinder Creditors

**From:** Heath Sampson [Heath.Sampson@modivcare.com]  
**Sent:** 1/4/2025 11:50:08 PM  
**To:** Scott Kern [Scott.Kern@modivcare.com]; Barbara Gutierrez [Barbara.Gutierrez@modivcare.com]; Faisal Khan [Faisal.Khan@modivcare.com]  
**Subject:** Re: Bonds

The bondholders within the 251M tranche are in a great position, as they are now secured and will be marked up to 100% of par value. For example, if someone holds \$100M today at a market price of 59, their position would effectively be reprioritized, and they will see their value increase to \$169M.

This explains why TCW and HG are supportive—they stand to benefit significantly from this reprioritization. Of course, so do we as we need the \$75m

However, the remaining bondholders outside the 251M tranche face a much harsher reality. Their positions could drop as low as 25, leaving them with substantial losses. This imbalance in outcomes is likely to fuel frustration and opposition among the non-prioritized bondholders. We will need a communication strategy for our left-out bond holders...

[CX-073]

## Actual Intent to Hinder Creditors

**From:** Das, Pratik Ranjan <pratik.das@kirkland.com>

**Sent:** Tuesday, January 07, 2025 11:07 AM

**To:** Patel, Milap <Milap.Patel@ropesgray.com>; Ethridge, Nell <Nell.Ethridge@ropesgray.com>; Levy, Katrina <katrina.levy@kirkland.com>; ModivCare.PH <ModivCare.PH@paulhastings.com>; RopesModivCare <RopesModivCare@ropesgray.com>; Badawi, Sam <sam.badawi@ropesgray.com>

**Cc:** #ModivCare\_Project\_Nuggets\_K&E\_Core <Modivcare\_projectnuggetsK&Ecore@kirkland.com>

**Subject:** RE: ModivCare - Amendment Documentation

Hi Milap - We've had further discussions on this point and given we are already treating the holders of the stub unsecured notes harshly (since they cannot participate in the uptier), we think the better approach is not to also subordinate them. We think the risks outweigh the benefits for the uptiering holders here so we'd be grateful if your clients could reconsider this point.

Thanks,  
Pratik

[CX-078]

# The Uptier Transaction Was a Bridge to Nowhere



The Board was never presented with forecasts showing adequate liquidity beyond 13 weeks.

*Jamal, Dec. 9 Trial Tr. [Rough] at 199:10-23*  
*Shandler, Dec. 9 Trial Tr. [Rough] at 128:18-129:5*

The Company would not have sufficient liquidity to pay back the \$75 million at maturity.

*Shandler, Dec. 9 Trial Tr. [Rough] at 130:2-6*

By the end of 2024, the Company had already discussed the need to post cash collateral.

*Shephard, Dec. 8 Trial Tr. at 154:3-7*



# The Uptier Transaction Was a Bridge to Nowhere



The stated purpose of the Uptier Transaction was to give “breathing room” to sell the businesses, but there was no analysis that RPM or PCS could be sold at FMV in 2025.

*Jamal, Dec. 9 Trial Tr. [Rough] at 200:6-11, 202:8-12*

The Consenting Creditors halted the sale process.

*Jamal, Dec. 9 Trial Tr. [Rough] at 272:12-25*

“The mindset of the other directors, the mindset of FTI, the mindset of the other advisors, legal and investment banking, everything seemed to be focused on, you know, restructuring and getting into bankruptcy.”

*Mounts Gonzales, Nov. 14 Dep. Tr. 196:14-20*



