

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

IN RE:	§	
	§	Chapter 11
MODIVCARE INC., <i>et al.</i> ,	§	
	§	Case No. 25-90309-(ARP)
Debtors. <sup>1</sup>	§	(Jointly Administered)

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**AGREED ORDER AND STIPULATION RESOLVING MOTION OF  
THRESA LYONS FOR RELIEF FROM STAY AND FOR ORDER  
DETERMINING INAPPLICABILITY OF STAY TO CERTAIN NON-DEBTORS**

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WHEREAS, on August 20, 2025 (the “Petition Date”), the above-captioned Debtors and debtors-in-possession commenced the Chapter 11 Cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code;<sup>2</sup>

WHEREAS, on October 10, 2025, Thresa Lyons, individually and as personal representative of the estate of Rosa Lyons (“Movant”), filed her *Motion for Relief from Stay and for Order Determining Inapplicability of Stay to Certain Non-Debtors* (the “Motion”) [ECF No. 471];

WHEREAS, the Debtors filed their *Response in Opposition* to the Motion [ECF No. 570];

WHEREAS, the Motion seeks: (i) a determination that the automatic stay does not apply to certain non-debtor co-defendants in the civil action styled *Thresa Lyons et al. v. ModivCare*

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<sup>1</sup> A complete list of each of the debtors (collectively, 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> 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”)



*Solutions, LLC et al.*, Cause No. D-!-GN-25-000419, pending in the 53<sup>rd</sup> Judicial District Court of Travis County, Texas (the “State-Court Action”); and (ii) relief from the automatic stay to permit Movant to continue prosecution of the State-Court Action against the Debtors, limited to recovery of insurance proceeds;

WHEREAS, the Debtors and Movant (together, the “Parties”) have conferred and reached a resolution of the Motion upon the terms set forth below (this “Agreed Order and Stipulation”), which the Parties, by and through their undersigned counsel, agree is in the best interests of judicial economy and the efficient administration of these cases; and

WHEREAS, the Court, having considered the Motion, the Debtors’ response, and the representations of counsel, and finding that good cause exists to approve, authorize, and enter this Agreed Order and Stipulation, **it is hereby ORDERED that:**

1. The automatic stay imposed by 11 U.S.C. § 362(a) does not apply to the non-debtor defendants named in the State-Court Action. Movant may continue to prosecute the State-Court Action against such non-debtor defendants in accordance with applicable law.

2. The automatic stay under 11 U.S.C. § 362(a) shall remain in full force and effect with respect to the Debtors and the Debtors’ property until the effective date (the “Effective Date”) of the confirmed chapter 11 plan in these Chapter 11 Cases [Docket No. 1055, Exhibit A] (the “Plan”). Upon occurrence of the Effective Date, the stay shall terminate by operation of law pursuant to 11 U.S.C. § 362(c)(2)(C), and the Motion shall thereafter be deemed MOOT. For avoidance of doubt, except for the limited rights set forth in Paragraph 3, nothing herein limits the applicability of the injunction provided under the Plan.

3. Preservation of Claims and Reservation of Rights: (i) Movant’s rights, claims, and causes of action against ModivCare Solutions, LLC and/or ModivCare Inc. as a nominal defendant

in order to pursue applicable insurance, the Debtor's insurers, and any other parties in the State-Court Action are hereby preserved and not released, impaired, waived or enjoined by operation of the Plan or any confirmation order; (ii) the Debtors reserve all defenses, claims, and rights with respect to the State-Court Action and the matters asserted therein, except as expressly provided in this Agreed Order and Stipulation; (iii) nothing herein shall constitute or be deemed an admission of liability or coverage by any party.

4. Any judgment or recovery in the State-Court Action against the Debtors shall be limited solely to the proceeds, if any, available under applicable insurance policies, and Movant shall not seek or enforce any judgment or recovery against the Debtors or the Debtors estates, Reorganized Debtors, or property thereof, except to the extent of such insurance proceeds. Movant hereby waives any claim it may have against the Debtors, the Reorganized Debtors, or their estates for amounts in excess of the proceeds of the applicable insurance policies.

5. Nothing in the Motion, Stipulation or this Agreed Order and Stipulation: (i) alters, amends or otherwise modifies the terms and conditions of any insurance policies issued to the Debtors or of any related agreements; (ii) relieves the Debtors of any obligations to pay any retentions or to pay (or reimburse an insurer for) any deductibles; (iii) relieves the Debtors of any of their other obligations under the insurance policies and related agreements; (iv) creates or permits a direct right of action by the Movant against any of the Debtors' insurers; (v) precludes or limits, in any way, the rights of any insurer to contest and/or litigate the existence, primacy and/or scope of available coverage under any allegedly applicable policy or to otherwise assert any defenses to coverage; (vi) constitutes a determination or admission that coverage exists with respect to the Movant's claims; or (vii) relieves the Movant from her obligation, if any, to file a proof of claim. For the avoidance of doubt, the automatic stay is lifted, if and to the extent

applicable, to allow, but not to require, the Debtors' insurers and third party administrators to: (a) administer, handle, defend, settle, and/or pay the Movant's claims (and any costs related thereto) subject to and in accordance with the terms of any applicable insurance policies, any related agreements, or any claim services agreements; and (b) draw on any and all collateral provided by or on behalf of the Debtors therefor if and when the Debtors fail to pay.

6. This Agreed Order and Stipulation shall be effective immediately upon entry and shall be binding upon the Parties, their successors, assigns, and any trustee or Reorganized Debtor in these Chapter 11 Cases.

7. Except as expressly provided herein, all other relief requested in the Motion is denied.

8. Each person who executes this Agreed Order and Stipulation by or on behalf of any Party represents and warrants that such person has been duly authorized and empowered to execute and deliver this Agreed Order and Stipulation on behalf of the relevant Party.

9. The Court retains jurisdiction to interpret, enforce, and implement the provisions of this Agreed Order and Stipulation.

**THE FOREGOING STIPULATION IS HEREBY APPROVED AND SO ORDERED.**

Signed:

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United States Bankruptcy Judge

*AGREED as to Form and Substance:*

/s/ Bach W. Norwood

Bach W. Norwood

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