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IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	**Case No. 25-80185-SGJ-11**
GENESIS HEALTHCARE INC., ET AL.,[1]	§	
	§	**Chapter 11**
DEBTORS.	§	
	§	**(Jointly Administered)**

AMICUS BRIEF OF SENATOR ELIZABETH WARREN, SENATOR RICHARD BLUMENTHAL, AND REPRESENTATIVE MAGGIE GOODLANDER IN SUPPORT OF THE HEALTHCARE NEGLIGENCE CLAIMANTS' EMERGENCY MOTION TO (A) APPOINT EXAMINER TO REVIEW IMPLEMENTATION OF BIDDING PROCEDURES WITH EXPANDED POWERS TO SELECT THE SUCCESSFUL BIDDER AND (B) CONTINUE SALE HEARING

Amici Senator Elizabeth Warren, Senator Richard Blumenthal, and Representative Maggie Goodlander (collectively, "*Amici*"), file this brief in support of the Healthcare Negligence Claimants' Emergency Motion to (A) Appoint Examiner to Review Implementation of Bidding Procedures with Expanded Powers to Select the Successful Bidder and (B) Continue Sale Hearing, Dkt. No. 1733, and would respectfully show the Court as follows:

[1] The last four digits of Genesis Healthcare, Inc.'s federal tax identification number are 4755. There are 299 Debtors in these chapter 11 cases, which are being jointly administered for procedural purposes only. A complete list of the Debtors and the last four digits of their federal tax identification numbers are not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://dm.epiq11.com/Genesis. The location of Genesis Healthcare, Inc.'s corporate headquarters and the Debtors' service address is 101 East State Street, Kennett Square, PA 19348.

INTEREST OF *AMICI* CURIAE

Amici are Senator Elizabeth Warren, who represents Massachusetts in the United States Senate, Senator Richard Blumenthal, who represents Connecticut in the United States Senate, and Representative Maggie Goodlander, who represents the Second District of New Hampshire in the United States House of Representatives. As members of Congress, *Amici* have a special interest generally in ensuring that company insiders do not exploit the bankruptcy system for their own benefit, and at the expense of their creditors. That is especially true where, as here, the company serves a vulnerable elderly patient population, and it has been alleged that Debtor's mismanagement of its facilities has led to compromised patient care. *Amici* have raised concerns with the Debtor and Joel Landau, managing partner of Pinta Capital Partners, and asked a series of questions that would allow *Amici* to better assess whether the Debtor, its affiliates, and its insiders are attempting to abuse the bankruptcy system.[2] Unfortunately, the responses that *Amici* received did not sufficiently answer these questions and instead raised fresh concerns.

Amici therefore support the Court's appointment of an examiner to review the implementation of the bidding procedures and urge this Court to ensure the scope of any examination includes an inquiry into all matters necessary to evaluate the selection of the Successful Bidder, the fairness of the process, the treatment of insiders and other stakeholders, and any other issues relevant to protecting the interests of Debtor's creditors and existing patients, and preserving the integrity of the bankruptcy process.

[2] Letter from Senator Elizabeth Warren, Senator Welch, Senator Blumenthal, and Representative Goodlander to Genesis Healthcare, Inc. and Joel Landau, Managing Partner of Pinta Capital Partners, October 7, 2025, pp. 2-5. Attached at Addendum A.

INTRODUCTION

"The conduct of bankruptcy proceedings not only should be right but must seem right." *In re Ira Haupt & Co.*, 361 F.2d 164, 168 (2d. Cir. 1966). Here, things do not seem right, and Debtor and related parties have been unwilling to provide the information needed to ensure that company insiders are not abusing the bankruptcy system. *Amici* believe that approving the sale to the insider Successful Bidder without an independent investigation by an examiner poses a far greater risk to current patients and the bankruptcy system than any hypothetical delay associated with appointing one. A tailored examiner process will protect patient welfare, maximize value, ensure transparency, and preserve the integrity of the bankruptcy system. For these reasons, the Court should appoint an examiner to review the implementation of the bid procedures and select the successful bidder.

BACKGROUND

1. On July 9, 2025, Genesis and related affiliates (collectively, "Genesis" or "Debtor") filed petitions for relief under Chapter 11 of the Bankruptcy Code.[3]
2. Genesis is one of the largest post-acute care providers in the country, operating nearly 200 skilled nursing facilities and senior living centers across 18 states at the time of the petition filing, with more than 15,000 residents and more than 27,000 employees.[4]

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[3] Voluntary Petition for Non-Individuals Filing for Bankruptcy, *In re Genesis Healthcare, Inc.*, Case No. 25-80185, Dkt. No. 1 (Bankr. N.D. Tex. Jul. 9, 2025). There are 299 Debtors in these chapter 11 cases, which are being jointly administered for procedural purposes only. *See In re Genesis Healthcare, Inc.*, Case No. 25-80185, Dkt. No. 51 (Bankr. N.D. Tex. Jul. 9, 2025).

[4] Letter from Genesis Healthcare, Inc. to Senator Elizabeth Warren, Senator Welch, Senator Blumenthal, and Representative Goodlander, October 26, 2025, p. 2. Attached at Addendum B.

3. On October 7, 2025, *Amici* wrote to Genesis and Joel Landau, managing partner of Pinta Capital Partners.[5] *Amici* received a response from Genesis[6] but not from Mr. Landau or Pinta Capital Partners, and *Amici* received an additional letter from Genesis's lender ReGen Healthcare LLC ("ReGen") and the then Stalking Horse Bidder (now Successful Bidder) CPE 88988 LLC.[7]

4. The letter to Genesis and Mr. Landau outlined *Amici*'s concerns with the bankruptcy, specifically that Genesis and Mr. Landau may be abusing the bankruptcy system to wipe away Genesis's debts and claims to victims by selling the company at a discount to insiders.

5. As *Amici* noted in the letter, Genesis's takeover by private equity companies JER Partners and ReGen preceded worse outcomes for patients, while investors reaped the profits and left the company with unsustainable finances.[8] Specifically, Genesis's private equity owners orchestrated a sale of Genesis's real estate assets to a health care real estate investment trust named Health Care REIT, Inc. (now Welltower), to "distribute capital back to [their] investors" while Genesis was saddled with costly leases and other long term debts.[9]

6. At the time of the filing of the petition, Genesis owed patients, patients' families, and other individuals who won lawsuits against Genesis an estimated $259 million.[10] It is likely Genesis owes much more to patients whose claims are still being adjudicated, with some experts estimating approximately $344 million more in potential liability to victims.[11] Genesis has

[5] Letter from Senator Elizabeth Warren, et al., *supra* note 2.
[6] Letter from Genesis Healthcare, Inc., *supra* note 4.
[7] Letter from ReGen Healthcare LLC and CPE 88988 LLC to Senator Elizabeth Warren, Senator Welch, Senator Blumenthal, and Representative Goodlander, October 26, 2025. Attached at Addendum C.
[8] Letter from Senator Elizabeth Warren, et al., *supra* note 2, at pp.2-5.
[9] PERE News, "JER sells Genesis HealthCare assets in $2.4 bn deal," Zoe Hughes, March 1, 2011, https://www.perenews.com/jer-sells-genesis-healthcare-assets-in-2-4bn-deal/.
[10] First Day Declaration of Louis E. Robichaux IV, *In re Genesis Healthcare, Inc.*, Case No. 25-80185, Dkt. No. 18, at ¶¶ 84-85 (Bankr. N.D. Tex. July 10, 2025).
[11] September 10, 2025, Hearing Transcript, *In re Genesis Healthcare, Inc.*, Case No. 25-80185, Dkt. No. 861, at 11:19-25 - 12:1-9 (Bankr. N.D. Tex. Sept. 10, 2025).

faced a stream of serious claims, including improper care of ulcers, wounds, and bed sores; failure to diagnose and treat illnesses and infections; emotional, physical, and sexual abuse; inadequate staff training; unsafe and unsanitary conditions; medication errors; and fractures and breaks from falls.[12] In 2022, the Connecticut Department of Public Health shut down Genesis's Quinnipiac Valley Center nursing home because of the death of two patients and additional safety concerns,[13] and two Genesis facilities in Massachusetts were fined for patient neglect and inadequate care of residents.[14]

7. Nevertheless, Genesis is proposing to sell itself to some of the same individuals who were at the helm of the company as it faced patient mistreatment lawsuits and made financial and management decisions that preceded its bankruptcy.[15]

8. This is a recipe for disaster, not only for existing and future patients, but also for Debtor's unsecured creditors, including individuals, small businesses, and other entities that are collectively owed hundreds of millions of dollars. For example, Genesis owes more than $12 million in unfunded liabilities to its employees' pension fund, and more than $200 million to

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[12] Legal Examiner, "Genesis HealthCare Has History of Nursing Home Abuse Lawsuits and Other Legal Troubles," September 26, 2023, https://www.legalexaminer.com/texaminer/all/genesis-healthcare-has-history-of-nursing-home-abuse-lawsuits-and-other-legal-troubles.

[13] WSHU, "Deaths and safety concerns shutter a Wallingford nursing home," Sabrina Garone, March 16, 2022, https://www.wshu.org/connecticut-news/2022-03-16/deaths-and-safety-concerns-shutter-a-wallingford-nursing-home.

[14] Legal Examiner, "Genesis HealthCare Has History of Nursing Home Abuse Lawsuits and Other Legal Troubles," September 26, 2023, https://www.legalexaminer.com/texaminer/all/genesis-healthcare-has-history-of-nursing-home-abuse-lawsuits-and-other-legal-troubles.

[15] *See* Notice of Results of Auction and Successful Bidder, *In re Genesis Healthcare, Inc.*, Case No. 25-80185, Dkt. No. 1692 (Bankr. N.D. Tex. Dec. 1, 2025) (naming CPE 88988, LLC as the Successful Bidder); *see also* Bloomberg Law, "Bankrupt Genesis Healthcare Gets Stalking Horse Bid From ReGen," Jonathan Randles, July 10, 2025, https://news.bloomberglaw.com/bankruptcy-law/bankrupt-genesis-healthcare-gets-stalking-horse-bid-from-regen; Supplemental Declaration of Narendra Ganti of FTI Consulting, Inc., Financial Advisor to the Statutory Unsecured Claimholders' Committee, in Support of Objections of the Statutory Unsecured Claimholders' Committee to the Debtors' Various Requests for Relief, *In re Genesis Healthcare, Inc.*, Case No. 25-80185, Dkt. No. 479, at Exhibit A (Bankr. N.D. Tex. Aug. 18, 2025).

medical supply, pharmacy, and other vendors—in addition to the hundreds of millions of dollars in liabilities resulting from neglect, wrongful death, and other suits.[16]

9. When *Amici* raised these concerns with Genesis and Mr. Landau, the responses *Amici* received did not answer the questions, but they did raise fresh concerns. For one, the joint letter from ReGen and CPE 88988 LLC, which are represented by the same law firm, appears to indicate that the interests of the current owner (ReGen) and the prospective owner (the insider bidder) are the same, which is consistent with *Amici*'s concern that a very similar group of individuals, who already own or control Genesis, are trying to sell it to themselves, wiping away legal and other creditor debts in the process.[17]

10. Indeed, the response confirms that "Genesis…sought, negotiated and obtained CPE's 'stalking horse' bid" and describes the goal of the transactions:

> [A] path to exit the Bankruptcy Case through a value-maximizing transaction that provides for… (i) the continued operation of all or substantially all of Genesis' 175 facilities and likely employment of substantially all of Genesis' 27,000 employees; (ii) the payment or assumption of Genesis' prepetition secured debt, (iii) the payment of Genesis' estimated amounts of administrative and priority claims… and (iv) a recovery for unsecured creditors.[18]

Notable in this description are the caveats and omissions: respondents indicate only that they are "likely" to retain employees, but they make no promises or commitments to do so. Moreover, their stated goal of "recovery for unsecured creditors" does not indicate any plan to

[16] *See* Voluntary Petition for Non-Individuals Filing for Bankruptcy, *In re Genesis Healthcare, Inc.*, Case No. 25-80185, Dkt. No. 1, at 49-51 (Bankr. N.D. Tex. Dec. 1, 2025).
[17] Letter from ReGen Healthcare LLC and CPE 88988 LLC, *supra* note 7.
[18] *Id.*

establish a full—or even substantial—recovery for patients and families, small businesses, and employee pension funds that fall into this category.[19]

11. Similarly, the response from Genesis states that the "ultimate goal" of the sale is "maximizing value for all parties-in-interest,"[20] but *Amici* are concerned that Genesis does not plan to "maximize value" to the same extent for all parties. Instead, it appears that the sale transaction will favor insiders, providing full or substantially full payment of their debts, while non-insiders like patient victims and vendors "may get nothing."[21] It also appears that the Debtors intend to grant insiders broad releases from liability, without offering any additional value to the Healthcare Negligence Claimants whose claims against those non-debtor, third parties would be released, thus further insulating the insiders at the expense of creditors.[22]

12. Further, the parties' refusal to respond to questions regarding the structure of Genesis and ReGen—despite Genesis's supposed "commit[ment] to maintaining transparency"—is a red flag that warrants investigation prior to approval of the sale.[23] Genesis has asked that *Amici* "reserve additional questions" until after the sale has concluded,[24] which, of course, would be too late.

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[19] *Id.*
[20] Letter from Genesis Healthcare, Inc., *supra* note 4.
[21] *See* August 21, 2025, Hearing Transcript, *In re Genesis Healthcare, Inc.*, Case No. 25-80185, Dkt. No. 724, at 113 (Bankr. N.D. Tex. Aug. 21, 2025)(Mr. Robichaux: "They may get nothing on $1.6 billion in claims. That is correct.").
[22] *See* Amended Objection of the Ad Hoc Group of Holders of Personal Injury and Wrongful Death Claims to the Debtors' Proposed Sale of the Ad Hoc Group's Members' Personal Injury and Wrongful Death Claims and State Law Rights and Remedies to the Stalking Horse Bidder or an Alternative Bidder, *In re Genesis Healthcare, Inc.*, Case No. 25-80185, Dkt. No. 1756, at 2, 25 (Bankr. N.D. Tex. Dec. 8, 2025) (describing releases under the Stalking Horse APA).
[23] Letter from Genesis Healthcare, Inc., *supra* note 4, at 4.
[24] *Id.*

13. More recently, reporting suggests that Debtor's management of the auction process lacked transparency and that the insider Successful Bidder's final bid was in fact lower than the competing bid.[25]

ARGUMENT

A. The Limited Scope Examination Proposed by the Healthcare Negligence Claimants is Warranted.

On December 5, 2025, the Healthcare Negligence Claimants filed an Emergency Motion to (A) Appoint Examiner to Review Implementation of Bidding Procedures with Expanded Powers to Select the Successful Bidder and (B) Continue Sale Hearing (the "Examiner Motion"). Dkt. No. 1733. The Examiner Motion follows the Notice of Results of Auction and Successful Bidder filed by Debtor Genesis Healthcare, Inc., on December 1, 2025, which names CPE 88988 LLC, the Stalking Horse Bidder, as the Successful Bidder. Dkt. No. 1692. The Healthcare Negligence Claimants identify some potentially troubling conduct in the implementation of the bid procedures. Because *Amici* have previously expressed concern regarding the insider Stalking Horse Bidder and because the responses to *Amici*'s inquiries have been lacking, *Amici* support the Healthcare Negligence Claimants' request for an examiner to review the implementation of the bid procedures and select the successful bidder.

An examiner functions as an independent professional appointed to conduct fact-finding and publicly report their findings and conclusions. *See* 11 U.S.C. §§ 1104(d), 1106(a)(4),

[25] *See* Boston Globe, "Troubled nursing chain Genesis sells itself in controversial bankruptcy deal," Katy Lazar (Dec. 1, 2025), https://www.bostonglobe.com/2025/12/01/metro/genesis-healthcare-nursing-homes-bankruptcy/. *See also* Healthcare Negligence Claimants' Emergency Motion to (A) Appoint Examiner to Review Implementation of Bidding Procedures with Expanded Powers to Select the Successful Bidder and (B) Continue Sale Hearing, *In re Genesis Healthcare, Inc.*, Case No. 25-80185, Dkt. No. 1733 (Bankr. N.D. Tex. Dec. 5, 2025).

1106(b). Appointment of an examiner promotes transparency and impartiality for the benefit of all stakeholders and the public. Unlike the Debtor, an examiner is "disinterested" and free from any materially adverse interests to the estate or its creditors. 11 U.S.C. §§ 101(14)(C), 1104(d). Their public reports enable the court, creditors, other stakeholders, and the public to understand the results of the examiner's inquiries. 11 U.S.C. § 1106(a)(4).

Specifically, under section 1106(b) of the Bankruptcy Code, a court-appointed examiner performs the duties as set forth in sections 1106(a)(3) and 1106(a)(4) which provide that an examiner shall:

> (3) except to the extent that the court orders otherwise, investigate the acts, conduct, assets, liabilities, and financial condition of the debtor, the operation of the debtor's business and the desirability of the continuance of such business, and any other matter relevant to the case or to the formulation of a plan;
>
> (4) as soon as practicable—
> (A) file a statement of any investigation conducted under paragraph (3) of this subsection, including any fact ascertained pertaining to fraud, dishonesty, incompetence, misconduct, mismanagement, or irregularity in the management of the affairs of the debtor, or to a cause of action available to the estate; and
> (B) transmit a copy or a summary of any such statement to any creditors' committee or equity security holders' committee, to any indenture trustee, and to such other entity as the court designates.

The broad language of section 1106 plainly can include review of the implementation of the bidding procedures that the Healthcare Negligence Claimants request.

Additionally, when an examiner is appointed, "the bankruptcy court retains broad discretion to direct the examiner's investigation, including its nature, extent, and duration." *In re Revco*, 898 F.2d 498, 501 (6th Cir. 1990); *see also In re FTX Trading Ltd.*, et al, 91 F.4th 148, 156 (3d Cir. 2024) (same). This flexibility allows the court to calibrate an examiner's responsibilities to the unique facts of each case and ensure that the investigation meaningfully addresses the concerns raised by affected stakeholders. In this instance, that discretion permits the Court to tailor the examiner's duties to gathering information related to and reviewing the implementation of the bidding procedures.

In addition, section 1106(b) vests the court with discretion "to give the examiner additional duties as the circumstances warrant." Thus, examiners have been tasked with expanded or specialized roles in numerous cases. For example, in *In re Landscaping Servs., Inc.*, Judge Small determined he had authority to appoint an examiner to assist the court in determining whether the confirmation and good faith requirements for plan confirmation had been satisfied. 39 B.R. 588, 591 (Bankr. E.D.N.C. 1984). The court noted that an insider was the company's "president, its landlord, its equipment lessor, its materials supplier, its primary secured creditor,…its bond guarantor, its bank loan guarantor, its tax co-obligor and its proposed purchaser." *Id.* In the court's view, the circumstance clearly compelled further inquiry. *Id.* Courts have also given examiners duties such as mediating plan negotiations, examining the fairness of settlements, facilitating claims resolution, and selling property of the estate. *See* William L. Norton, III, Norton Bankr. L. & Prac., § 99.26 (3d ed. Oct. 2025). These examples demonstrate that bankruptcy courts routinely confer additional, case-specific responsibilities on examiners. The circumstances here warrant the Court's exercise of its discretion to grant the expanded powers requested because of significant concerns regarding insider involvement and the integrity of the sale process justify an independent, neutral decision maker.

B. The Scope of Any Examiner's Inquiry, However, Should be Broad Enough to Cover the Following Topics.

Taken together, the plain language of the statute and relevant case law make clear that courts may define the scope of any examiner's investigation to match the demands of the case.

Where insider involvement, complex transactions, and questions of good faith are implicated, the examiner's inquiry should be designed to address those concerns. Here, at a minimum, the following topics should be addressed.

Issues Related to the Potential Sale to Insiders

- Rationale for selecting the insider stalking horse as the successful bidder, including Debtors' valuation of claims against insiders.

- Specific releases of the company, insiders or other parties required or otherwise incorporated into the winning bid, and a comparison to the same for the non-winning bid.

- Details on assurances, if any, made by or to the successful bidder and non-winning bidder to discontinue practices, such as understaffing, that have led to a dramatic deterioration in the quality of care across Genesis facilities.

- Details on the plans by the successful bidder and non-winning bidder to retain Genesis workers after the consummation of the sale and the impact, if any, on worker pensions and benefits, and collective bargaining agreements.

- Details on proposed payouts to general unsecured creditors, and more specifically to tort claimants under both the winning bid and the non-winning bid.

- The relationship between Debtor (including its leadership and owners) and the Successful Bidder.

- The relationship and arrangements between Debtor, the Successful Bidder, and Health Care REIT, Inc. (now Welltower) or other landlords, including rent referrals, abatements, waivers, or forbearance agreements.

This list is not intended to be limiting, and *Amici* urge the Court to ensure the scope of any examination includes an inquiry into any other matters essential to implementing a fair auction, safeguarding creditor interests, protecting patients, and maintaining the integrity and transparency of this bankruptcy case.

WHEREFORE, PREMISES CONSIDERED, *Amici* respectfully requests that the Court grant the Healthcare Negligence Claimants' Emergency Motion to (A) Appoint Examiner to Review Implementation of Bidding Procedures with Expanded Powers to Select the Successful Bidder and (B) Continue Sale Hearing, Dkt. No. 1733.

Respectfully submitted,

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ATTORNEY FOR *AMICI*

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic means via ECF transmission to all Pacer System participants in these bankruptcy cases on December 8, 2025.

/s/ Theodore "Thad" O. Bartholow III
Thedore "Thad" O. Bartholow III

Addendum A

Letter from Senator Elizabeth Warren, Senator Welch, Senator Blumenthal, and Representative Goodlander to Genesis Healthcare, Inc. and Joel Landau, Managing Partner of Pinta Capital Partners, October 7, 2025

Congress of the United States

Washington, DC 20515

October 7, 2025

Louis Robichaux IV
Co-Chief Restructuring Officer
Genesis Healthcare, Inc.
15950 Dallas Parkway, Suite 750
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Joel Landau
Managing Partner
Pinta Capital Partners
885 Third Avenue 29th Floor
New York, NY 10022

Russell A. Perry
Co-Chief Restructuring Officer
Genesis Healthcare, Inc.
15950 Dallas Parkway, Suite 750
Dallas, TX 75248

Dear Mr. Robichaux, Mr. Perry, and Mr. Landau,

We write to express our concerns and seek information regarding Genesis HealthCare's July 9, 2025 petition for Chapter 11 bankruptcy.[1] The United States Bankruptcy Court for the Northern District of Dallas will soon hold additional hearings in the Genesis bankruptcy, including a hearing on October 8, 2025 to consider Genesis's request to preemptively protect its executives from litigation. Genesis is one of the largest post-acute care providers in the country, operating nearly 200 skilled nursing facilities and senior living centers across 17 states, and 1,400 rehabilitation therapy centers in 43 states and the District of Columbia.[2] Its bankruptcy jeopardizes care at these facilities, where conditions have already been deteriorating over the past few years.[3] This precarious situation appears to have been the result of years of private equity looting of Genesis, including by JER Partners and, most recently, by Mr. Landau's ReGen Healthcare.

We are further concerned that Genesis and Mr. Landau may be using the bankruptcy system to wipe away Genesis's debts and claims to victims by selling the company at a discount to insiders. Patients and family members hurt by Genesis, together with taxpayers who have paid hundreds of millions of dollars for patient care at Genesis through the Medicaid and Medicare programs and our constituents, deserve answers regarding the cause of this bankruptcy, whether Genesis plans to repay the debts it owes, and whether Genesis is attempting to abuse our bankruptcy system. Such information will enable us to better carry out our responsibilities to

[1] Voluntary Petition for Non-Individuals Filing for Bankruptcy, Genesis Healthcare, Inc. (Docket No. 1), https://document.epiq11.com/document/getdocumentbycode?docId=4487840&projectCode=GHI&source=DM.
[2] Genesis Healthcare, About Genesis Healthcare, https://www.genesishcc.com/about-us.
[3] Declaration of Narendra Ganti (Docket No. 415, ¶¶ 25-27), https://document.epiq11.com/document/getdocumentbycode?docId=4500910&projectCode=GHI&source=DM.

pursue legislation to improve the health care system in the interests of our constituents and protect the bankruptcy process from misuse.

JER Partners and ReGen Healthcare Hollowed Out Genesis

Genesis Healthcare began as Genesis Health Ventures in 1985 with nine nursing homes.[4] That company engaged in a series of mergers and acquisitions over the following 15 years, growing into a $2.4 billion public company encompassing nursing homes as well as rehabilitation therapy, diagnostic testing, respiratory therapy, and pharmacy services.[5] Genesis HealthCare Corporation spun off in 2003, retaining its skilled nursing centers, assisted living and independent living communities, and Genesis Rehabilitation Services.[6]

In 2007, private equity firms JER Partners and Formation Capital bought Genesis.[7] In what we now recognize as a classic move in the private equity playbook,[8] the firms sold "substantially all" Genesis real estate assets to a health care real estate investment trust (REIT) named Health Care REIT, Inc. (now Welltower)[9] for $2.4 billion.[10] The sale comprised 180 facilities and nearly 20,000 assisted-living and long-term care beds, and left Genesis paying rent on real estate that it had previously owned.[11] As the managing director of JER's health team explained at the time, the deal allowed the private equity group to "distribute capital back to our investors by taking advantage of today's exceptionally strong demand for health real estate assets."[12] In other words, the private equity owners saddled Genesis with costly leases and long term debts in order to secure a payout for themselves and other Genesis investors. In court filings, Genesis's lawyers have conceded that these sale-leaseback transactions were a "pivotal moment in the history of the [c]ompany."[13]

Under private equity leadership, Genesis continued buying up nursing home companies to grow into a giant, including acquiring Sun Healthcare Group in 2012 for $215 million[14] and merging with Skilled Healthcare in 2015.[15] By 2016, Genesis was the largest skilled nursing operator in the country, operating more than 500 facilities and more than 60,000 licensed beds across more

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[4] Genesis Healthcare, History, https://www.genesishcc.com/about-us/company-profile/history.
[5] *Id.*
[6] *Id.*
[7] *Id.*
[8] Axios, "Steward Health's sale puts scrutiny on real estate deals," Caitlin Owens, September 6, 2024, https://www.axios.com/2024/09/06/steward-massachusetts-hospitals-deal.

[9] NBC 24 News, "Toledo-based Health Care Reit becomes Welltower Inc.," Amulya Raghuveer, October 17, 2015, https://nbc24.com/news/local/toledo-based-health-care-reit-becomes-welltower-inc.
[10] PERE News, "JER sells Genesis HealthCare assets in $2.4bn deal," Zoe Hughes, March 1, 2011, https://www.perenews.com/jer-sells-genesis-healthcare-assets-in-2-4bn-deal/.
[11] *Id.*
[12] *Id.*
[13] Declaration of Louis E. Robichaux IV in Support of Chapter 11 Petitions and First Day Pleadings (Docket No. 18), ¶ 1, https://document.epiq11.com/document/getdocumentbycode?docId=4488478&projectCode=GHI&source=DM.
[14] PR Newswire, "Genesis HealthCare Acquires Sun Healthcare Group, Inc.," December 3, 2012, https://www.prnewswire.com/news-releases/genesis-healthcare-acquires-sun-healthcare-group-inc-181866581.html.

than 30 states.[16] In March 2021, on the brink of bankruptcy after JER Partners' sale of Genesis's real estate assets and the company's rapid expansion, Genesis accepted a $100 million investment over two years from Mr. Landau's private equity firm ReGen Healthcare LLC[17] in exchange for 93 percent equity and the right to appoint two board members.[18] ReGen acquired the right to appoint an additional board member in 2023 in exchange for an additional $25 million.[19]

The circumstances of this buyout were unusual in their own right. A Senate investigation revealed that the company plunged into financial failure despite receiving $665 million in state and federal assistance in the wake of the Covid-19 pandemic.[20] And the failed Genesis CEO, George V. Hager – who led the company into financial ruin while thousands of its residents died during the pandemic – received $8 million in compensation, including a $5.2 million retention bonus just two months before he left the company.[21]

ReGen's takeover of Genesis has led to worse outcomes for patients. Since then, the proportion of Genesis facilities rated above average (4-5 stars) by the Centers for Medicare & Medicaid Services (CMS) declined from 38 percent to 15 percent, and the average facility rating fell from 2.98 to 2.29 stars.[22] Just last month, CMS moved to close Genesis's Magnolia Ridge facility in Alabama due to the company's failure to "substantially comply with Medicare and Medicaid health and safety participation requirements."[23]

Even before the ReGen takeover, Genesis had a history of mistreating nursing home patients, including failing to properly monitor, treat, and care for patients, leading to "serious, and sometimes fatal, infections and accidents."[24] As a result, Genesis faced a stream of serious claims, including:

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[15] PR Newswire, "Genesis Healthcare Combines With Skilled Healthcare Group, Inc.," February 2, 2015, https://www.prnewswire.com/news-releases/genesis-healthcare-combines-with-skilled-healthcare-group-inc-300029265.html.

[16] Declaration of Louis E. Robichaux IV in Support of Chapter 11 Petitions and First Day Pleadings (Docket No. 18), https://document.epiq11.com/document/getdocumentbycode?docId=4488478&projectCode=GHI&source=DM.

[17] *Id.*

[18] First Day Declaration of Louis E. Robichaux IV (Docket No. 18, ¶¶ 27–28, 30), https://document.epiq11.com/document/getdocumentbycode?docId=4488478&projectCode=GHI&source=DM.

[19] First Day Declaration of Louis E. Robichaux IV (Docket No. 18, ¶¶ 82, 39), https://document.epiq11.com/document/getdocumentbycode?docId=4488478&projectCode=GHI&source=DM.

[20] Letter from Sen. Elizabeth Warren to Genesis Healthcare, March 16, 2021, https://www.warren.senate.gov/imo/media/doc/2021.03.16%20Letter%20Response%20to%20Genesis%20Healthcare%20re%20Executive%20Pay%20and%20CARES%20Act%20Funding%20(2).pdf.

[21] *Id*.

[22] Declaration of Narendra Ganti (Docket No. 415, ¶¶ 25-27), https://document.epiq11.com/document/getdocumentbycode?docId=4500910&projectCode=GHI&source=DM.

[23] Debtors' Emergency Motion for Entry of Order Temporarily Enjoining Decertification of Magnolia Ridge Center (Docket No. 922 ¶ 17), https://document.epiq11.com/document/getdocumentbycode?docId=4512727&projectCode=GHI&source=DM.

[24] Legal Examiner, "Genesis HealthCare Has History of Nursing Home Abuse Lawsuits and Other Legal Troubles," September 26, 2023, https://www.legalexaminer.com/home-family/nursing-home-abuse-lawsuits/genesis-healthcare-has-history-of-nursing-home-abuse-lawsuits-and-other-legal-troubles/.

- Improper care of ulcers, wounds, and bed sores
- Failure to diagnose and treat illnesses and infections
- Emotional, physical, and sexual abuse
- Inadequate staff training
- Unsafe and unsanitary conditions
- Medication errors
- Fractures and breaks from falls.[25]

In 2022, the Connecticut Department of Public Health shut down Genesis's Quinnipiac Valley Center nursing home because of the death of two patients and additional safety concerns, and all 94 residents had to be transferred.[26]

> The investigation revealed that the Genesis HealthCare nursing home residents weren't getting their medications on time or given the correct dosage or type, staff weren't trained properly, and that neglect was occurring. One resident died of a heart attack after staff failed to give him his medication. They also discovered that infections at Quinnipiac Valley Center weren't controlled how they should have been to ensure the health and safety of residents and staff.[27]

Two Genesis facilities in Massachusetts were fined the same year for patient neglect and inadequate care of residents.[28]

In 2024, CMS reportedly threatened to stop issuing Medicare and Medicaid payments to the Genesis-owned Lebanon Center in New Hampshire over non-compliance with federal health and safety standards. [29] CMS cited failure to properly administer medication, failure to follow CDC guidelines for infection prevention and control, and failure to provide sufficient nursing staff as among the facility's deficiencies. [30]

Genesis has faced significant legal liabilities as a result of these actions. Prior to filing for bankruptcy, Genesis spent $8 million per month to settle and defend tort claims, and owes $259 million in outstanding litigation costs.[31] The total amount Genesis owes is likely much higher as

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[25] *Id.*
[26] WSHU, "Deaths and safety concerns shutter a Wallingford nursing home," Sabrina Garone, March 16, 2022, https://www.wshu.org/connecticut-news/2022-03-16/deaths-and-safety-concerns-shutter-a-wallingford-nursing-home.
[27] Legal Examiner, "Genesis HealthCare Has History of Nursing Home Abuse Lawsuits and Other Legal Troubles," September 26, 2023, https://www.legalexaminer.com/home-family/nursing-home-abuse-lawsuits/genesis-healthcare-has-history-of-nursing-home-abuse-lawsuits-and-other-legal-troubles/.
[28] *Id.*
[29] Valley News, "Lebanon Nursing Home Faces Penalties for Care Deficiencies," Clare Shanahan, October 4, 2024, https://vnews.com/2024/10/04/lebanon-nursing-home-does-not-meet-federal-regulations-57252234/.
[30] Centers for Medicare and Medicaid Services, Lebanon Center Inspection Report, July 11, 2024, https://www.medicare.gov/care-compare/inspections/pdf/nursing-home/305050/health/health-inspection?date=2024-07-11.

165 claims remain pending, with some estimating that Genesis owes potential victims more than $344 million more.[32]

Genesis and ReGen Appear to Be Attempting to Escape Liability by Abusing the Bankruptcy System

Struggling under the weight of mounting debts, Genesis ultimately filed a Chapter 11 bankruptcy petition on July 9, 2025.[33] Almost immediately, the company announced that it had secured $30 million in debtor-in-possession financing from its existing secured lenders, including ReGen.[34] And just one day after its Chapter 11 petition, Genesis filed court documents stating that it had struck an initial deal to be acquired by affiliates of ReGen.[35]

Bankruptcy practitioners have raised concerns about these types of bids made by insiders during Chapter 11 proceedings, called "stalking horse" bids. In particular, experts have highlighted that these insider bids may result in a lower recovery for creditors than liquidation, and that lax standards for reviewing the ultimate fairness of the transaction may allow insiders to shed the company's debts without having to pay a competitive price for the estate.[36] Additionally, the stalking horse bidder often receives bid protections including superpriority status and a breakup fee if the deal is not consummated.[37] Indeed, the U.S. Trustee, the U.S. government's bankruptcy watchdog, has regularly intervened to object to "stalking horse" bidder protections in recent cases with these concerns in mind.[38] Parties in the Genesis bankruptcy have testified that the bidding process is designed to favor the insider bid and that it will chill bids from other potentially interested companies.[39]

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[31] First Day Declaration of Louis E. Robichaux IV (Docket No. 18, ¶¶ 84-85), https://document.epiq11.com/document/getdocumentbycode?docId=4488478&projectCode=GHI&source=DM.
[32] September 10, 2025 Hearing Transcript, 11:19-25 - 12:1-9 (on file with the Office of Senator Warren).
[33] Voluntary Petition for Non-Individuals Filing for Bankruptcy, Genesis Healthcare, Inc. (Docket No. 1), https://document.epiq11.com/document/getdocumentbycode?docId=4487840&projectCode=GHI&source=DM.
[34] ABL Advisor, "Genesis HealthCare Files Chapter 11, Secures $30MM DIP Financing," July 10, 2025, https://www.abladvisor.com/news/41063/genesis-healthcare-files-chapter-11-secures-30mm-dip-financing.
[35] Bloomberg Law, "Bankrupt Genesis Healthcare Gets Stalking Horse Bid From ReGen," Jonathan Randles, July 10, 2025, https://news.bloomberglaw.com/bankruptcy-law/bankrupt-genesis-healthcare-gets-stalking-horse-bid-from-regen.
[36] ProQuest, "Sales to Insiders: Are They Entirely Fair?," Daniel Carragher, November 2010, https://www.proquest.com/docview/808402306?pq-origsite=gscholar&fromopenview=true&sourcetype=Scholarly%20Journals.
[37] Goodwin Law, "Stalking Horse Bidders: What Bid Protections Can You Expect in a Section 363 Sale?," Robert J. Lemons, Howard S. Steel, and Meredith Mitnick, February 11, 2025, https://www.goodwinlaw.com/en/insights/publications/2025/02/alerts-practices-ma-stalking-horse-bidders-what-bid-protections.
[38] Squire Patton Boggs, "U.S. Trustee Objects to Stalking Horse Bid Protections in Three Recent Delaware Bankruptcy Cases," Kyle Arendsen, March 14, 2025, https://www.restructuring-globalview.com/2025/03/u-s-trustee-objects-to-stalking-horse-bid-protections-in-three-recent-delaware-bankruptcy-cases/.
[39] Turnbull Declaration (Docket No. 417) pp. 9-11, https://document.epiq11.com/document/getdocumentbycode?docId=4500911&projectCode=GHI&source=DM.

Genesis owes hundreds of millions in unsecured debts. These include more than $12 million in unfunded liabilities to its employees' pension fund,[40] and more than $160 million to medical supply, pharmacy, and other vendors.[41] These claims are in addition to the hundreds of millions of dollars in liabilities resulting from neglect, wrongful death, and other suits outlined above. Despite these liabilities, Genesis's sale plan would dedicate only $15 million to pay administrative claims and unsecured creditor debts, and Genesis's Chief Restructuring Officer acknowledged that unsecured creditors like tort victims "may get nothing."[42]

Genesis appears to be attempting to use the bankruptcy system to escape its liabilities, leaving businesses and victims in the lurch. In addition, the same insiders that are attempting to re-purchase Genesis at a discount have snuck provisions into the sale proposal that would release claims against them, allowing them to not only leave monetary claims behind but also escape personal liabilities.[43] The parties seeking releases are Joel Landau, David Gefner, Pinta Capital, and Perigrove.[44]

These provisions are by design: before the bankruptcy petition, Genesis prepared a presentation in which the company described their intention to file for bankruptcy in the Northern District of Texas because of "favorable case law on releases and insider transactions."[45]

Mr. Landau's Involvement in Genesis Raises Additional Concerns

ReGen is owned by Pinta Capital Partners ("Pinta"),[46] the private equity group co-founded by Mr. Landau[47] and David Harrington, and of which David Gefner is a Director.[48] Mr. Gefner is

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[40] *Id.*
[41] Voluntary Petition for Non-Individuals Filing for Bankruptcy, Genesis Healthcare, Inc. (Docket No. 1), https://document.epiq11.com/document/getdocumentbycode?docId=4487840&projectCode=GHI&source=DM.
[42] August 27, 2025 Hearing Transcript p. 75; August 21, 2025 Hearing Transcript p. 113 ("Mr. Robichaux: They may get nothing on $1.6 billion in claims. That is correct.").
[43] Bidding Procedures Motion (Docket No. 117 p. 29) ("The Purchased Assets include, to the extent not otherwise released, all Claims and Causes of Action against the Released Parties, certain critical vendors, counterparties to Assumed Contracts and Assumed Leases and any other Claims and Causes of Action (which includes avoidance claims under Chapter 5 of the Bankruptcy Code) other than the Excluded Causes of Action. The Stalking Horse Bid also requires certain releases against the Released Parties by the Debtors and their estates, which shall be approved in the Sale Order.") https://document.epiq11.com/document/getdocumentsbydocket/?docketId=1167843&projectCode=GHI&docketNumber=117&source=DM.
[44] Bidding Procedures Order pp. 77-78 ("Released Parties" includes ReGen Healthcare, LLC, WAX Dynasty Partners LLC, MAO 22322 LLC, Pinta Capital Partners, Perigrove, Integra WIP Tenant, Joel Landau and David Gefner), https://document.epiq11.com/document/getdocumentbycode?docId=4506065&projectCode=GHI&source=DM.
[45] August 21, 2025 Hearing Transcript pp. 123-125 (discussing presentation prepared by debtors' financial advisor which states they chose Northern District of Texas as the venue for bankruptcy because it is favorable on insider releases and insider transactions).
[46] Private Equity Stakeholder Project, "Pulling Back The Veil On Today's Private Equity Ownership of Nursing Homes," Eileen O'Grady, July 2021, p. 9, https://pestakeholder.org/wp-content/uploads/2021/07/PESP_Report_NursingHomes_July2021.pdf.
[47] Pinta Capital Partners, Joel Landau, https://www.pintacapitalpartners.com/team/url/joel-landau.
[48] Supplemental Declaration of Narendra Ganti of FTI Consulting, Inc., Financial Advisor to the Statutory Unsecured Claimholders' Committee, in Support of Objections of the Statutory Unsecured Claimholders'

also a co-founder of Perigrove,[49] a private equity firm that took over prison health care company Corizon Health, Inc. (split into Tehum Care Services, Inc. and YesCare Corporation).[50] At the time of its bankruptcy filing in 2023, Corizon was one of the largest providers of prison health care services in the country and also the repeat target of serious claims of malpractice and patient neglect.[51] As Corizon's debts and liabilities increased, the company was acquired by largely anonymous investors.[52] Rather than facing victims and their families in court, Corizon attempted to shield itself by employing the so-called "Texas Two-Step,"[53] a maneuver through which companies leverage bankruptcy proceedings to attempt to evade liability and, as characterized by Tehum Director Isaac Lefkowitz, "force plaintiffs into accepting lower settlements."[54] Under Perigrove's direction,[55] Corizon appeared to attempt to manipulate the bankruptcy system to escape tort lawsuits and avoid paying bills for tens of millions of dollars' worth of goods and services provided to Corizon by hospitals, small businesses, and former employees.[56]

Mr. Landau's connection to Perigrove through Pinta Partners raises concerns that Genesis could be attempting to repeat Corizon's playbook – this time using a stalking horse bid rather than the Texas Two-Step – in order to avoid claims and liabilities. The hundreds of victims of Genesis's mismanagement deserve better.

To assist us in better understanding Genesis's aims and actions, we request that you provide the following information by October 21, 2025:

Committee to the Debtors' Various Requests for Relief (Docket No. 479), https://document.epiq11.com/document/getdocumentsbydocket/?docketId=1175730&projectCode=GHI&docketNumber=479&source=DM.

[49] Supplemental Declaration of Narendra Ganti of FTI Consulting, Inc., Financial Advisor to the Statutory Unsecured Claimholders' Committee, in Support of Objections of the Statutory Unsecured Claimholders' Committee to the Debtors' Various Requests for Relief (Docket No. 479), https://document.epiq11.com/document/getdocumentsbydocket/?docketId=1175730&projectCode=GHI&docketNumber=479&source=DM.

[50] Letter from Senator Warren to YesCare Corporation and Tehum Care Services Inc., October 24, 2023, https://www.warren.senate.gov/imo/media/doc/2023.10.24%20Letter%20re%20Corizon%20Texas%20Two-Step.pdf.

[51] Reuters, "Special Report: U.S. jails are outsourcing medical care – and the death toll is rising," Jason Szep, Oct. 26, 2020, https://www.reuters.com/article/us-usa-jails-privatization-special-repor/special-report-u-s-jails-areoutsourcing-medical-care-and-the-death-toll-is-rising-idUSKBN27B1DH.

[52] Business Insider, "Hidden investors took over Corizon Health, a leading prison healthcare company. Then they deployed the Texas Two-Step," Nicole Einbinder and Dakin Campbell, Aug. 21, 2023, https://www.businessinsider.com/corizon-health-bankruptcy-yescare-texas-two-step-law-2023-8.

[53] *Id.*

[54] *Id.*; Wall Street Journal, "Prison Health Contractor Expands Texas Two-Step Bankruptcy Tactic," Andrew Scurria and Akiko Matsuda, Sept. 19, 2023, https://www.wsj.com/articles/prison-health-contractor-expands-texas-two-step-bankruptcy-tactic-acac4928.

[55] Reuters, "Prison healthcare company restarts mediation after bankruptcy judge Jones quits," Dietrich Knauth, November 14, 2023, https://www.reuters.com/business/healthcare-pharmaceuticals/prison-healthcare-company-restarts-mediation-after-bankruptcy-judge-jones-quits-2023-11-15/.

[56] Wall Street Journal, "Prison Health Contractor Expands Texas Two-Step Bankruptcy Tactic," Andrew Scurria and Akiko Matsuda, September 19, 2023, https://www.wsj.com/articles/prison-health-contractor-expands-texas-two-step-bankruptcy-tactic-acac4928.

Questions Regarding Structure of Genesis and ReGen

1. Please provide a full description of Genesis' leadership and stakeholder structure, as well as the leadership and ownership of all of the entities' parent companies.
2. Please provide a description of the stalking horse bidder's ownership structure. In your response, please include the identities of each natural person that directly or indirectly holds an equity interest in ReGen, Pinta Capital, and/or Perigrove, and the size of the membership interest(s) held by that natural person.
3. What is Joel Landau's official capacity with respect to Genesis? What are his responsibilities and authorities with respect to Genesis?
4. Please provide a list of every entity that Genesis has done business with in the 1 year prior to bankruptcy that was directly or indirectly owned or controlled by Joel Landau and his family members or David Gefner. For the purposes of this point, ownership means a stake of 10% or more.
5. Since 2021, what rent deferrals, abatements, waivers, or forbearance agreements has Genesis received from REIT or other landlords, and what amounts remain outstanding by counterparty?
6. Please provide a broad accounting of Genesis's liabilities and assets.
7. Please provide a list of all compensation (including salaries, bonuses, stock awards, and any other benefit or perk) each of you and other top executives at Genesis and ReGen have received from Genesis, ReGen and affiliated entities each year from 2021 to the present.

Questions Regarding Genesis's Bankruptcy and Potential Sale to Insiders

8. What was the rationale for determining to only engage with an insider stalking horse bidder? Why did the company not engage in any prepetition marketing of assets to non-insiders?
9. Why did the company not seek to reorganize through a Chapter 11 plan?
10. Please explain the decision to file in the Northern District of Texas, including providing any internal analysis comparing venues, expected treatment of third-party releases, and insider transactions.
11. Did Genesis conduct an enterprise valuation before determining to sell the company rather than pursue a plan of reorganization?
12. What steps did Genesis take to facilitate the company's sale in pieces to maximize recovery and interest from other bidders?
13. What safeguards is Genesis putting in place to ensure that administrative expenses are not going to be left behind with the estate while the stalking horse bidder acquires substantially all assets?
14. What steps is Genesis taking to ensure that the stalking horse bidder does not continue the same practices that have led to a dramatic deterioration in the quality of care across Genesis facilities?
15. Please describe all administrative expenses to be assumed by the stalking horse bidder or paid by the estates and provide your analysis of whether the stalking horse asset purchase agreement would render the estate administratively insolvent. How many Genesis workers will lose their jobs as a result of the bankruptcy?

16. Do any lease or sublease agreements contain change-of-control, go-dark, or consent rights that could affect continuity of operations during or after the §363 sale? Please identify them.
17. How many workers and retirees will lose pensions and other benefits?
18. Will you provide severance for workers who lose their jobs?
19. Have there been or will there be any collective bargaining agreements rejected during bankruptcy proceedings?
20. How much does Genesis expect to pay out to unsecured creditors if the sale to the stalking horse bidder is approved? What percentage of outstanding claims does that represent?
21. How much does Genesis expect to pay out to tort claimants if the sale to the stalking horse bidder is approved? What percentage of outstanding claims does that represent?
22. How much does Genesis expect to pay out to workers in outstanding salaries, pensions, and other benefits and liabilities if the sale to the stalking horse bidder is approved? What percentage of outstanding liabilities to workers does that represent?
23. How is Genesis ensuring patients are cared for during the bankruptcy proceedings? How does Genesis plan to improve patient care moving forward?

Sincerely,

Elizabeth Warren
United States Senator

Peter Welch
United States Senator

Richard Blumenthal
United States Senator

Maggie Goodlander
Member of Congress

Addendum B

Letter from Genesis Healthcare, Inc. to Senator Elizabeth Warren, Senator Welch, Senator Blumenthal, and Representative Goodlander, October 26, 2025

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October 26, 2025

VIA EMAIL

Senator Elizabeth Warren
Senator Pete Welch
Senator Richard Blumenthal
Representative Maggie Goodlander

Re: *In re Genesis Healthcare, Inc.*, *et al.*, Case No. 25-80185 (SGJ) (Bankr. N.D. Tex.)

Thank you for your letter dated October 7, 2025 (the "Letter") addressed to, among others, Mr. Louis E. Robichaux IV and Mr. Russell A. Perry. As you know, Mr. Robichaux and Mr. Perry currently serve as the co-Chief Restructuring Officers of Genesis Healthcare, Inc. ("Genesis" or the "Company") and certain of its affiliates and subsidiaries (collectively, the "Debtors") in connection with their above-captioned chapter 11 bankruptcy cases currently pending in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Court"). Our law firm, McDermott Will & Schulte LLP, represents the Debtors in connection with these chapter 11 cases.

We appreciate the Senators' concerns expressed in the Letter and share the goal of maintaining transparency throughout this process. However, the Letter sets forth various assertions and characterizations about Genesis with which Mr. Robichaux and Mr. Perry respectfully disagree, including, but not limited to, statements regarding the Company's historical corporate and capital structure, its operational history, and its current chapter 11 cases. While the Debtors believe that the docketed public record,[1] which includes sworn declarations, pleadings, bankruptcy court orders, and hearing materials, is clear and speaks for itself on these points, we also believe it necessary to highlight a few key aspects of the record in response to the Letter, as set forth herein.

Events Leading to Chapter 11

Like many other skilled nursing operators, Genesis' initial business model focused on growth and expansion. Indeed, in the years following its inception, the Company, both organically and through various mergers and acquisitions, transformed into a multi-billion-dollar operation with over 500 facilities in 34 states at its peak. However, through its expansion efforts, the Company's operations became increasingly more difficult to manage. In an effort to stay competitive, the

[1] The public record in the chapter 11 cases, which includes answers to many of the questions raised in the Letter, is available free of charge at the Genesis Healthcare, Inc. bankruptcy website (https://dm.epiq11.com/case/genesis/info).

Company shifted from its growth trajectory in 2017 and began divesting certain of its unprofitable facilities, decreasing its portfolio to less than 400 facilities by the beginning of 2020. With those efforts, however, came a complex web of legacy liabilities and operational challenges that accumulated over time and were further exacerbated by the COVID-19 pandemic and its aftermath.

As a result of these and other factors set forth in the *Declaration of Louis E. Robichaux IV in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 18], the Company prepared for a bankruptcy filing in late 2020 and early 2021; however, the Company ultimately solved its impending liquidity crisis through (i) an out-of-court capital infusion by ReGen Healthcare, LLC ("ReGen") in exchange for certain convertible subordinated notes and (ii) a restructuring of their largest master lease. All told, ReGen provided a cumulative investment of approximately $100 million into Genesis from 2021-2023, none of which has been repaid.

While ReGen's investment allowed the Company to avoid bankruptcy and provided a liquidity runway, it was unfortunately insufficient to allow the Company to fully transform its business model and achieve long-term viability. As a result, the Company took other performance-enhancing measures, including selling assets, deferring payment of trade obligations and other liabilities, reducing payroll obligations, divesting unprofitable facilities, and securing additional funding from external resources. Although some of these efforts were successful, the Company was unable to achieve a viable long-term solution which would have resolved its significant legacy liabilities, necessitating consideration of potential restructuring alternatives.

In the months prior to the Petition Date, the Company explored various out-of-court restructuring options; however, the Company determined that an out-of-court transaction would not provide a sustainable long-term solution. To further complicate matters, rumors of a chapter 11 filing began circulating in May 2025, causing litigation plaintiffs to commence aggressive collection actions in state court and trade vendors to seek immediate payment on tightened credit terms. Ultimately, it became clear to the Company that, in order to preserve its ability to continue caring for its patients and residents, a chapter 11 process was unavoidable.

The Chapter 11 Cases

The Debtors filed for chapter 11 on July 9, 2025 (the "Petition Date"). As of the Petition Date, the Debtors operated approximately 175 skilled nursing and acute care facilities across 18 states, with more than 15,000 residents and more than 27,000 employees. The Debtors entered chapter 11 with committed debtor-in-possession ("DIP") financing and agreement among their key stakeholders for an efficient chapter 11 process with a clear exit, centered around an efficient and robust sale process for substantially all of their assets with the ultimate goal of maximizing value for all parties-in-interest.

On July 30, 2025, the Office of the United States Trustee for Region 6 (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Committee") to represent the interests of unsecured creditors in these chapter 11 cases.[2] The Committee is represented by two national

[2] Though it originally consisted of seven members, the U.S. Trustee twice reconstituted the Committee, resulting in the current 11-member Committee. *See* Docket Nos. 250, 262, 593, 698, 699.

full-service law firms and has also retained a financial advisor and investment banker.[3] As evidenced by the public record, the Committee has been very vocal in their advocacy to date in these chapter 11 cases and the Debtors, along with their advisors, have continued to work in good faith to answer their diligence questions and respond to numerous discovery requests received since their appointment.

On August 15, 2025, the U.S. Trustee appointed three patient care ombudsmen (each, a "PCO"): Ms. Suzanne Koenig, Ms. Melanie Cyganowski, and Ms. Susan Goodman.[4] Immediately upon their appointment, the Debtors established an open line of communication with each of the PCOs and have maintained transparency throughout the process, responding to a variety of diligence inquiries and providing direct access to their facilities, residents, and patients. Reports regarding resident care from each of the three PCOs are also available on the docket.

The Debtors' Sale Process

As noted above, the Debtors entered chapter 11 with the goal of establishing a value-maximizing sale process and immediately sought Court approval of proposed bid procedures to govern this process. Following a three-day contested hearing, the Court entered an order approving the Debtors' bid procedures, which reflected certain comments and input from the Committee.[5] These approved procedures now govern the Debtors' ongoing sale process, which was commenced in mid-July at the direction of the Debtors' Special Restructuring Committee (the "SRC") and remains subject to the SRC's oversight and approval. The Debtors' SRC comprises three independent fiduciaries, Mr. Jonathan Foster, Ms. Elizabeth LaPuma, and Mr. William Snyder, each with decades of restructuring experience. In addition, the Debtors formed a Special Investigation Committee (the "SIC"), comprised of Mr. Foster and Ms. LaPuma, who have sole authority over any matters relating to the valuation of any claims or causes of actions against any of the Debtors' related parties. The SIC retained separate counsel, Katten Muchin Rosenman LLP, which conducted a pre-petition independent investigation into these matters at the sole direction of the SIC. The SIC's independent investigation remains open during the pendency of these chapter 11 cases.

While the marketing and sale process remains active ongoing, there will not be certainty regarding the outcome of this process until after the auction (currently scheduled for November 12) and a subsequent sale hearing (currently scheduled for December 10). Though the Debtors remain optimistic, public accusations and characterizations about the Debtors—including those set forth in the Letter—have the potential to negatively impact competing bids and proposed sale transactions to the detriment of all parties-in-interest. If, as expected, the sale process results in a value-maximizing bid(s) for the estates' assets, the Debtors submit that the Court approval process with respect to any successful bid(s) will ensure transparency, provide clarity to all parties-in-interest, and answer many of the inquiries raised in the Letter, while also providing such parties the opportunity to raise any concerns and object to the proposed transaction(s) if they so choose. To ensure the likelihood of a value-maximizing sale outcome and avoid chilling bidding in

[3] *See* Docket Nos. 1128, 1177, 1254, 1255.

[4] *See* Docket Nos. 435, 445, 446.

[5] *See* Docket No. 685.

advance of the bid deadline, the Debtors respectfully request that parties-in-interest allow the Court-approved process to run its course and reserve additional questions, if any, until after the Debtors' marketing and sale efforts have concluded.

Mediation Efforts

Contemporaneously with the ongoing sale process and in furtherance of maximizing value, the Debtors, along with the Committee, certain of the Debtors' prepetition secured lenders, DIP lenders, and the proposed stalking horse bidder, are scheduled to participate in Court-approved mediation before the Honorable Harlin Hale (Ret.) over the course of multiple days prior to the sale hearing. The parties remain hopeful that mediation will result in a global settlement that will benefit all constituents; however, similar to the sale process, the Debtors respectfully submit that it is critical to allow the parties time to meaningfully engage in mediation and reserve questions until after the process has concluded.

* * *

At bottom, the Debtors are committed to working through these chapter 11 cases as efficiently and cost-effectively as possible, all while prioritizing continuity of resident care in their facilities. The Debtors believe that their ongoing sale and marketing process, coupled with global mediation efforts, will facilitate their goals of maximizing value, maintaining administrative solvency, and protecting their residents' well-being throughout the chapter 11 process and beyond, while preserving jobs and fulfilling their fiduciary obligations.

As set forth above, the Debtors submit that the answers to many of the questions set forth in the Letter can be found in the public record; however, should you have additional questions, please do not hesitate to contact me. The Debtors remain committed to maintaining transparency and are willing to facilitate further inquiries, if any, following the conclusion of their sale and mediation efforts.

Sincerely,

/s/ Daniel M. Simon

Daniel M. Simon, counsel to Genesis Healthcare, Inc.

CC: Jonathan Foster
Elizabeth LaPuma
William Snyder

Addendum C

Letter from ReGen Healthcare LLC and CPE 88988 LLC to Senator Elizabeth Warren, Senator Welch, Senator Blumenthal, and Representative Goodlander, October 26, 2025

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October 26, 2025

VIA EMAIL

Senator Elizabeth Warren
Senator Richard Blumenthal
Senator Peter Welch
Representative Maggie Goodlander

Re: *In re Genesis Healthcare, Inc.*, *et al.*, Case No. 25-80185 (SGJ) (Bankr. N.D. Tex.)

Dear Senator Warren, Senator Blumenthal, Senator Welch and Representative Goodlander,

I write in response to your letter dated October 7, 2025, regarding the Chapter 11 bankruptcy cases of Genesis Healthcare, Inc. and certain of its subsidiaries (collectively, "Genesis") that are currently pending in the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court"), and are being jointly administered under Case No. 25-80185 (SGJ) (the "Bankruptcy Case"). We represent ReGen Healthcare LLC ("ReGen") and CPE 88988 LLC ("CPE") in connection with the Bankruptcy Case and, therefore, we are responding on behalf of ReGen and CPE.

As you may be aware, senior care facilities have faced significant financial distress in recent years as a result of numerous factors, including, but not limited to, elevated labor costs, workforce shortages, Medicaid funding cuts, and reimbursement rates that fail to keep pace with inflation. In fact, senior care facilities have consistently represented nearly a quarter of all healthcare bankruptcies since 2019, with chapter 11 filings surging in the wake of the COVID-19 pandemic and reaching the highest level in a two-year period in early 2025.[1] This distress has impacted entities across the full spectrum of senior care, from skilled nursing facilities and assisted living communities to continuing care retirement communities and independent living facilities, causing many of these healthcare companies to seek chapter 11 relief.

As one of the nation's largest skilled nursing operators, Genesis was among the many senior care companies that faced significant financial distress as a result of such factors.[2] In fact, like many skilled nursing companies emerging from the COVID-19 pandemic, Genesis faced "a rapid and substantial liquidity shortfall" causing it to undergo preparations for a chapter 11 filing

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1 *See* Gibbins Advisors, *Healthcare Restructuring: Trends and Outlook (May 2025)*, available at https://www.gibbinsadvisors.com/research/.

2 *See* Declaration of Louis E. Robichaux IV In Support of Chapter 11 Petitions and First Day Pleadings [Docket No. 18] (the "Robichaux Declaration").

in 2021.[3] However, Genesis was able to avert a bankruptcy filing at that time as a result of new money loans in the aggregate amount of approximately $100 million by ReGen and a restructuring of Genesis' master lease with Welltower.[4] Unfortunately, despite the new funding from ReGen (which has never been repaid), the Welltower lease restructuring and Genesis' operational turnaround over the last several years, Genesis (and the skilled nursing sector as a whole) continued to face challenges that resulted in the commencement of Genesis' Bankruptcy Case.[5]

In order to ensure that Genesis has sufficient funding during the Bankruptcy Case to provide for, among other things, uninterrupted care to its patients and its restructuring expenses, Genesis sought, negotiated and obtained junior debtor-in-possession financing (the "DIP Financing") from its prepetition lenders (a minority portion of which was provided by CPE). Genesis also sought, negotiated and obtained CPE's "stalking horse" bid that not only establishes a floor for Genesis' competitive sale process, but also provides Genesis with a path to exit the Bankruptcy Case through a value-maximizing transaction that provides for, among other things, (i) the continued operation of all or substantially all of Genesis' 175 facilities and likely employment of substantially all of Genesis' 27,000 employees; (ii) the payment or assumption of Genesis' prepetition secured debt, (iii) the payment of Genesis' estimated amounts of administrative and priority claims (which includes substantial governmental priority tax claims), and (iv) a recovery for unsecured creditors.

In connection therewith, and prior to the commencement of the Bankruptcy Case, Genesis appointed three independent fiduciaries to its Board and formed a Special Investigation Committee and a Special Restructuring Committee vested with certain rights, authority and powers.[6] CPE and ReGen engaged in good faith with Genesis (and its independent fiduciaries) and other key stakeholders in connection with the DIP Financing and the stalking horse bid.

Notably, CPE agreed to serve as the stalking horse bidder without receiving a break-up fee. Furthermore, CPE's bid is subject to Genesis' competitive marketing and sale process, which permits any interested bidder to submit competing bids for some or all of Genesis' assets.[7] CPE's bid remains subject to not only competing offers but a "fiduciary out" in favor of Genesis and the approval of the Bankruptcy Court.

The bid deadline for other interested parties to submit competing bids for some or all of Genesis' assets is November 7, 2025, and an auction is currently scheduled for November 12, 2025. Given the ongoing sale and marketing process, it is simply too early to know whether CPE's

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3 *See* Robichaux Declaration at ¶ 4.

4 *See id.*

5 *See id.* at ¶¶ 5, 90 – 99. Additionally, contrary to the unsubstantiated statements of certain litigants in the Bankruptcy Case, ReGen did not "takeover" Genesis. In connection with its purchase of convertible notes, ReGen obtained the right to appoint a minority of directors to Genesis' board (up to 3 members of Genesis' 7-member board). Furthermore, at all times, independent members of Genesis' board were and continue to be vested with authority to approve any transaction involving ReGen or its affiliates.

6 *See id.* at ¶¶ 112-115.

7 *See* Order (I) Approving Bidding Procedures and Expense Reimbursement, (II) Approving the Debtors' Entry Into the Stalking Horse APA with Stalking Horse Bidder and Subject to Higher or Otherwise Better Offers at the Auction in Accordance with the Bidding Procedures, (III) Scheduling Certain Dates and Deadlines, (IV) Approving the Form and Manner of Notice Thereof, and (V) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases [Docket No. 685].

bid (either in its current form or as may be modified as part of the auction process) will be selected by Genesis as the winning bid and, if so, whether it will be approved by the Bankruptcy Court.

CPE and ReGen have also engaged in good faith with Genesis and other stakeholders in an effort to resolve outstanding disputes in the Bankruptcy Case. In that regard, Genesis recently filed a motion[8] with the Bankruptcy Court seeking approval of a mediation process between Genesis, the Official Committee of Unsecured Creditors, certain of Genesis' largest stakeholders, ReGen and CPE, and an extension of certain deadlines in the Bankruptcy Case, including the sale hearing, to facilitate mediation discussions among the parties. The Bankruptcy Court granted the relief sought in that motion on October 23, 2025.

As demonstrated by, among other things, the approximately $100 million loan provided in 2021, ReGen and certain affiliated entities have made significant efforts to support Genesis so it could avoid a bankruptcy filing. Those efforts, however, were ultimately unsuccessful. Nevertheless, ReGen and CPE continue to engage with Genesis in good faith by, among other things, (i) providing critical DIP funding, (ii) proposing a path to exit the Bankruptcy Case through a value-maximizing transaction that preserves the homes of thousands of patients and provides continued employment to thousands of employees, and (iii) participating in good faith in mediation discussions with key stakeholders in the Bankruptcy Case. We believe that any assertion to the contrary is simply unfounded.

Upon conclusion of the mediation, if circumstances warrant, we may be able to provide additional information. We are hopeful the mediation will result in a successful outcome.

Sincerely,

/s/ James Muenker

James Muenker

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[8] *See* Joint Emergency Motion for Order Authorizing and Directing Mediation [Docket No. 1361].