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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.

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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