

Democratic Lawmakers Call for Probe of Genesis Bankruptcy Sale

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Democratic lawmakers called on a Dallas bankruptcy court to appoint an independent examiner to investigate nursing home giant Genesis Healthcare Inc.'s selection of an insider to buy its assets.

The corporate structures of all entities that made bids and the potential impact an existing investor's winning bid may have on unsecured creditors should be investigated, Sen. Elizabeth Warren (D-Mass.), Sen. Richard Blumenthal (D-Conn.), and Rep. Maggie Goodlander (D-N.H.) said in a brief Monday in the US Bankruptcy Court for the Northern District of Texas.

"The conduct of bankruptcy proceedings not only should be right but must seem right," they said. "Here, things do not seem right, and Debtors and related parties have been unwilling to provide the information needed to ensure that company insiders are not abusing the bankruptcy system."

The brief comes after an entity affiliated with private equity firm Pinta Capital Partners was [selected](#) on Dec. 1 to buy most of the assets of Genesis, one of the largest nursing home operators in the US. Pinta was co-founded by health-care entrepreneur Joel Landau.

The buyer, an affiliate of ReGen Healthcare LLC, was already an investor in Pennsylvania-based Genesis.

The filing highlighted concerns that company insiders may be trying to exploit the bankruptcy process to cut the company's debts by selling it to themselves at a reduced price.

The lawmakers questioned the process that led to the selection of the insider bid, which is will be considered Wednesday at a hearing.

The sale could wipe out hundreds of millions of dollars in liabilities owed to creditors, including victims of patient neglect, employees with pension claims, and small business vendors, the lawmakers said.

Creditors have also [cited problems](#) with the auction process, arguing that a bidder associated with private investment firm Milrose Capital LLC, emerged with a higher offer and that and the firm has refused to explain its justification for choosing ReGen.

The brief also noted that Genesis hasn't alleviated concerns lawmakers raised in an October letter they sent to Genesis and Landau.

"The parties' refusal to respond to questions regarding the structure of Genesis and ReGen—despite Genesis's 'commit[ment] to maintaining transparency'—is a red flag that warrants investigation prior to approval of the sale," the brief said. "Genesis has asked that we 'reserve additional questions' until after the sale has concluded, which would be too late."

An examiner should be allow to look into the leadership and ownership structures of Genesis and all its parent companies, the winning bidder, and those with equity interests in ReGen, Pinta, and others, the brief said.

Landau's responsibilities pertaining to Genesis and details of rent referrals, waivers, or agreements between Genesis and landlords are also fair game for investigation, the brief said.

The examiner should also be able to compare the ReGen offer's liability releases for Genesis and insiders against competing bids, as well as other bidders' assurances related to staffing and discontinuing practices, retaining workers and their benefits, and payouts to unsecured creditors, the lawmakers said.

Genesis, which runs 175 facilities in the US, [filed](#) Chapter 11 in July. It blamed its troubles on rising labor costs and other operating expenses following the Covid-19 pandemic.

The lawmakers are represented by Kellett & Bartholow PLLC. McDermott Will & Schulte LLP represents Genesis. The ReGen affiliate is represented by DLA Piper LLP. The unsecured claimholders' committee is represented by Stinson LLP and Proskauer Rose LLP.

The case is [Genesis Healthcare Inc.](#) , Bankr. N.D. Tex., No. 25-80185, brief 12/8/25 .

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Sen. Elizabeth Warren (D-Mass.) is challenging the sale of bankrupt nursing home operator Genesis Healthcare to one of its existing investors. Photographer: Kevin Dietsch/Bloomberg

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