

Senator Warren leads push to halt insider sale of troubled nursing home chain

By [Kay Lazar](#) Globe Staff, Updated December 9, 2025, 1 hour ago



Senator Elizabeth Warren. JACQUELYN MARTIN/ASSOCIATED PRESS

Several members of New England's congressional delegation, including Massachusetts Senator Elizabeth Warren, late Monday [asked a Texas bankruptcy judge](#) to halt this week's expected approval of an insider deal that would allow Genesis HealthCare, [a](#)

[troubled nursing home chain](#) with 49 facilities across the region, to sell the chain to itself.

The sale would allow the company, with [a history](#) of violations and [low ratings](#), to escape more than \$1 billion in claims against it, many from families of patients who were injured or died in the company's facilities.

Separately, the U.S. Trustee's office, an arm of the Justice Department that oversees bankruptcies, also weighed in Monday, [asking the judge to halt the sale](#).

Lisa Lambert, the US Trustee in Texas, wrote that the bankruptcy judge should deny Genesis's sale at the very least until the court can determine whether it is fair and equitable and whether it is "the product of arms-length bargaining."

The Democratic lawmakers, including Sens. Peter Welch of Vermont and Richard Blumenthal of Connecticut, and Rep. Maggie Goodlander of New Hampshire, told the judge that 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.

"This is a recipe for disaster, not only for existing and future patients, but also for [Genesis's] unsecured creditors, including individuals, small businesses, and other entities that are collectively owed hundreds of millions of dollars," they wrote.

They filed their objections as an amicus brief, in support of a group of 338 plaintiffs, mostly families or estates of patients who died, including some from Massachusetts and New Hampshire.

The lawmakers asked [Chief Judge Stacey G. C. Jernigan](#), who is overseeing the proceedings in Texas, to appoint an independent person to review November's auction, in which Genesis controlled the bidding process, and ultimately awarded the winning sealed bid to itself, despite signs that another company's offer was better and higher.

“Here, things do not seem right,” Warren’s group wrote. Genesis “and related parties have been unwilling to provide the information needed to ensure that company insiders are not abusing the bankruptcy system.”

They told the judge that approving the sale to the insider bidder— expected after two days of hearings slated for Wednesday and Thursday — without an independent investigation “poses a far greater risk to current patients and the bankruptcy system than any hypothetical delay associated with appointing one.”

John Anthony, the Florida attorney who represents the 338 families across 20 states, said he was heartened that Warren, a noted bankruptcy expert who taught at Harvard Law School, is supporting their claims.

“We hope her insights give Judge Jernigan more to consider during this crucial week for the victim claimants,” he said.

Anthony said his clients’ claims against Genesis total more than \$380 million, including roughly \$42.6 million Genesis agreed to in settlements in the months before it filed for bankruptcy in July.

In the group’s latest argument to Jernigan, Anthony said an independent examiner is needed to comb through the insider dealings by Genesis.

“A fair and transparent auction process as a neutral party is necessary to select the winning bid, given the clear conflict of interest that exists between [Genesis] and [its insider, new company] and because it is in the best interests of creditors that the highest and best bid is accepted,” he wrote.

Warren and her colleagues urged Jernigan “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 [Genesis's] creditors and existing patients, and preserving the integrity of the bankruptcy process.”

Dan Simon, an attorney for Genesis, declined to comment Tuesday.

In its July bankruptcy filings, Genesis proposed to the court that it be acquired by ReGen Healthcare, a private equity company owned by [Joel Landau](#), who also co-owns another private equity firm called [Pinta Partners](#). Landau's ReGen already has at least 93 percent equity in Genesis.

Transcripts from the [bankruptcy auction](#), which was held over two days last month, showed that one company, called [Genie 3 Partners, LLC](#), ultimately bid against Landau's insider contender. Records indicate Genie is a new Delaware company formed in October.

The transcripts show that Genie 3 kept upping the ante, bidding more than Genesis' insider company, which is identified in the transcripts as CPE 88988. It also showed Genie offering at least \$922 million, before the proceedings were concluded on Nov. 19 with a sealed bid from each company, and a statement from Genesis' attorney saying the bids would be opened after the proceedings went off the record.

Twelve days later, the record shows that Genesis filed documents with the bankruptcy court, indicating that the bankruptcy's proceedings' "Special Restructuring Committee" — three people hired by Genesis — decided "in an exercise of its reasonable business judgment" that CPE 88988 LLC, Genesis' insider company, won the auction.

The Genie 3 bid would have allowed many of the financial claims against Genesis to continue, but the winning bid from CPE 88988 essentially wiped out most of them, providing pennies on the dollar for payments.

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