

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

In re:

AMBIPAR EMERGENCY RESPONSE,

Debtor.¹

)
) Chapter 11
)
) Case No. 25-90524 (ARP)
)
) Re: Docket Nos. 36 and 58
)

DEBTOR’S REPLY TO LIMITED OBJECTION OF AD HOC GROUP

Ambipar Emergency Response, the above-captioned debtor and debtor in possession (the “Debtor”), files this reply (this “Reply”) in support of the Motion² and in response to the limited objection of the Ad Hoc Group [Docket No. 58] (the “Objection”)³ and respectfully represents as follows:

Reply

1. The Ad Hoc Group Objection was already moot when filed. At the initial Section 341(a) meeting on November 20, the United States Trustee, with the consent of the Debtor, announced that the Debtor would file its schedules and statement of financial affairs (“SOFA”) on December 4: *i.e.*, the same date demanded by the Ad Hoc Group in its objection.⁴

¹ The last four digits of the Debtor’s taxpayer identification number are 0263. The Debtor’s address is 2346 Avenida Angelica, 5th Floor, São Paulo, SP, 01228-200, Brazil.

² *Motion for Entry of an Order (I) Extending Time to File (A) Schedules of Assets and Liabilities and Schedules of Executory Contracts and Unexpired Leases, and (B) Statement of Financial Affairs, (II) Modifying Requirement to File List of Equity Security Holders, (III) Extending Time to File, and Modifying Frequency of Reports Under Bankruptcy Rule 2015-3, (IV) Authorizing Redacting of Certain Personally Identifiable Information of Natural Persons, and (V) Granting Related Relief* [Docket No. 36] (the “Motion”).

³ Capitalized terms not defined in this Reply shall have the meaning given to such terms in the Motion or Ad Hoc Group Objection, as applicable.

⁴ In the unlikely event that counsel to the Ad Hoc Group was not aware that the Debtor had committed to file the Schedules and SOFA by December 4, they could have asked the Debtor before filing an objection—particularly as the advisors of the Ad Hoc Group are being provided with weekly update calls.



2. In the month since the Petition Date, the Debtor has been working alongside the rest of the Ambipar group to stabilize its business and gather information that will be necessary to develop a potential restructuring. Given that the Ambipar group has suffered a “freefall” insolvency and is in the midst of a forensic accounting review, the Debtor and its professionals have benefitted tremendously from the breathing room provided by Chapter 11 and the RJ Proceedings.

3. In particular, the Debtor and its advisors have accomplished the following during the first month of this case:

- *Information Disclosure.* The Ambipar Group has made a data room available to the advisors to the ad hoc group and the independent director and his advisors, populated with more than 400 documents relating to the Debtor, including all the information filed under seal in the RJ Proceedings. In addition, on November 21, the Debtor filed its first Monthly Operating Report for the Debtor. As noted above, the Debtor expects to file its schedules and SOFA on December 4, and preparation of those documents is well underway.
- *Business Stabilization.* In the initial weeks after the commencement of the case, the Ambipar group experienced changes in management and significant risk of business disruption at the operating subsidiaries of the Debtor located outside of Brazil. While these entities are not included in any insolvency proceeding and operate largely independently of the Ambipar group’s Brazilian operations, customers and employees were understandably confused and concerned about the effect of the Brazilian insolvency on these businesses. The Debtor has spent a significant amount of time addressing these concerns through a strong and continuing communications and outreach effort.
- *Forensic Accounting Review.* As disclosed in the First Day Declaration, FTI is leading a forensic accounting review of the Ambipar group. FTI was retained shortly before the Petition Date, and so was beginning its work simultaneously with the commencement of this Chapter 11 case. Over the first month of the case, FTI has collected relevant information and other materials for their investigation and begun its analysis. The Debtor has informed the advisors to the Ad Hoc Group that it expects to share the initial results of this review with them early in December.
- *Independent Director.* In the first week of the case, the Debtor retained David Mack as independent director (the “Independent Director”), and delegated to the Independent Director the authority to, among other things, investigate claims against certain related parties. The Independent Director retained Quinn Emanuel Urquhart & Sullivan, LLP (“Quinn”) as its proposed counsel. The Ambipar group

and its professionals have spent many hours briefing the Independent Director and his counsel, and collecting information requested by the Independent Director. The Independent Director is also being updated by FTI on the status of its ongoing forensic review.

- *Case Financing.* The Debtor filed with *de minimis* cash and no other monetizable assets.⁵ In the first month of the case, the Debtor negotiated and executed a Funding Agreement with its parent pursuant to which the parent has agreed to finance this Chapter 11 case. A motion to approve the Funding Agreement was filed on November 17.

4. The Debtor recognizes that the Ad Hoc Group has asserted concern regarding a substantive consolidation order in Brazil. But substantive consolidation is commonly ordered at the early stages of Brazilian insolvency proceedings. As recently commented by former Judge Allan Gropper:

*“It is well-known that Brazil has very loose substantive consolidation rules. There have been several cases on that issue. Those cases have generally been unsuccessful in objecting to a Brazilian plan on substantive consolidation grounds. . . . There was consolidation in [InterCement] that the bondholders didn’t like. Maybe it was just the double dip that they were trying to get that they didn’t get under Brazilian law . . . [I]t’s much prized by bondholders who, of course, realize that it may or may not be ultimately enforceable in Brazil.”*⁶

5. Several Ambipar stakeholders are contesting the current substantive consolidation order in Brazil—although curiously, the Ad Hoc Group has not challenged or appealed it, despite having standing to do so. In any event, the substantive consolidation order is not a final order, the Debtor has not sought to import that order from Brazil into the Chapter 11 case, and the implications of “substantive consolidation” under Brazilian law are not identical to the implications under U.S. law. In short, the issue is premature.

⁵ The Ad Hoc Group incorrectly asserts that the Debtor only needs case financing because cash is not being “upstreamed” to the Debtor from its operating subsidiaries. See Objection at fn. 14. The Debtor did not historically, and does not currently, participate in the cash management systems of its indirect operating subsidiaries.

⁶ Practising Law Institute, Bankruptcy & Reorganizations 2025: Current Developments, Cross-Border Insolvencies and Chapter 15, comments of Hon. Allan J. Gropper (discussing *In re InterCement Brasil S.A.*, 668 B.R. 802 (Bankr. S.D.N.Y. 2015)).

6. In its effort to suggest Debtor and its professionals are not properly discharging their duties, the Ad Hoc Group's objection contains a number of inaccuracies:

- The Ad Hoc Group asserts that it has been “stymied”⁷ in its efforts to obtain information from the Debtor. This is incorrect. The Ad Hoc Group's advisors have been under NDA for several weeks, and, as noted above, have been provided access to a comprehensive data room. The Ad Hoc Group's advisors also have been attending a weekly update call with advisors to the Ambipar group.
- The Ad Hoc Group claims both Alvarez & Marsal and FTI Consulting are acting as financial advisors to the Debtor.⁸ This is incorrect. As disclosed in the First Day Declaration, FTI has been retained solely to conduct a forensic accounting review of the Ambipar group. Alvarez & Marsal is acting as financial advisor to the Ambipar group.
- The Ad Hoc Group claims the disputed substantive consolidation of the RJ Parties was never publicly disclosed to the Court.⁹ This is incorrect. In its first monthly operating report, the Debtor disclosed as follows:

*“On October 30, 2025, the Brazilian Court entered an order (the “Consolidation Order”) in the “RJ Proceedings” substantively consolidating the Debtor with the other “RJ Parties” (each as defined in the First Day Declaration). The Consolidation Order, as well as the scope of relief granted thereunder, is subject to challenge and appeal by certain parties to the RJ Proceedings. The Debtor has prepared this MOR on the basis that it has not been consolidated with the other RJ Parties.”*¹⁰

7. The Objection is therefore both moot and incorrect. The Debtor will file its schedules and SOFA on December 4th and looks forward to working constructively with the Ad Hoc Group and its constituents during the global restructuring of the Ambipar group. The Debtor encourages the Ad Hoc Group to participate in the RJ Proceedings (especially since the RJ Proceedings are the sole insolvency proceedings for the issuer and other guarantors of the Green

⁷ Objection ¶ 2.

⁸ Objection ¶ 4.

⁹ Objection ¶ 5.

¹⁰ Global Notes and Statements of Limitations, Methodology, and Disclaimers Regarding the Debtor's Monthly Operating Report for the Period of October 20, 2025, through October 31, 2025 [Docket No. 50, pg. 3].

Notes held by the Ad Hoc Group). To be clear, the Chapter 11 case is not intended to restrain the Ad Hoc Group in any respect from participating in the RJ Proceedings or global restructuring negotiations.

8. Attached to this Reply is a revised proposed order extending the time within which the Debtor must file its Schedules and Statements to December 4, 2025, without prejudice to the Debtor's right to seek additional extensions.

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Respectfully submitted this 26th day of November, 2025.

GRAY REED

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**IN THE UNITED STATES BANKRUPTCY COURT
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In re:

AMBIPAR EMERGENCY RESPONSE,

Debtor.¹

)
) Chapter 11
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) Case No. 25-90524 (ARP)
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) **Re: Docket No. _____**

**ORDER (I) EXTENDING TIME TO FILE
(A) SCHEDULES OF ASSETS AND LIABILITIES AND SCHEDULES OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (B) STATEMENT
OF FINANCIAL AFFAIRS, (II) MODIFYING REQUIREMENT TO FILE LIST
OF EQUITY SECURITY HOLDERS, (III) EXTENDING TIME TO FILE, AND
MODIFYING FREQUENCY OF, REPORTS UNDER BANKRUPTCY RULE 2015-3,
(IV) AUTHORIZING REDACTING OF CERTAIN PERSONALLY IDENTIFIABLE
INFORMATION OF NATURAL PERSONS, AND (V) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtor and debtor in possession (the “Debtor”) for entry of an order (this “Order”): (i) extending the deadline to file the Schedules and Statements, (ii) modifying the requirement to file a list of equity security holders; (iii) extending the deadline by which the Debtor must file its initial report under Bankruptcy Rule 2015.3 and modifying Bankruptcy Local Rule 2015-3; (iv) authorizing the Debtor to redact certain personally identifiable information of natural persons; and (v) granting related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this

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² Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Motion.

district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The time within which the Debtor must file the Schedules and Statements is extended through and including December 4, 2025, without prejudice to the Debtor's right to seek additional extensions. The Debtor may obtain further extensions to file its Schedules and Statements by agreement with the U.S. Trustee (by filing an agreed stipulation on the docket) without the need for further order from this Court.

2. The time within which the Debtor must file the initial Rule 2015.3 Report is extended through and including December 4, 2025, without prejudice to the Debtor's right to seek additional extensions. The Debtor may obtain further extensions to file the initial Rule 2015.3 Report by agreement with the U.S. Trustee (by filing an agreed stipulation on the docket) without the need for further order from this Court.

3. The Debtor's obligation to file Rule 2015.3 Reports every month in compliance with Bankruptcy Local Rule 2015-3 is hereby modified to permit the Debtor to file Rule 2015.3

every six (6) months following the filing of the initial Rule 2015.3 Report, until the effective date of a plan has occurred or the case has been dismissed or converted.

4. The requirements that the Debtor file a list of equity security holders pursuant to Bankruptcy Rule 1007(a)(3) and provide notice directly to equity security holders under Bankruptcy Rule 2002(d) are waived.

5. The Debtor and Verita (as noticing agent) are authorized to redact on the Schedules and Statements, the Equity Holder List, proofs of claim, any related affidavits of service, and any other documents filed with this Court, the names, home addresses, email addresses, and other personally identifiable information of all natural persons. The Debtor shall provide unredacted versions of the Schedules and Statements, the Equity Holder List, proofs of claim, any related affidavits of service, and any other filings redacted pursuant to this Order to (a) this Court, (b) the U.S. Trustee, (c) counsel to any official committee appointed in this chapter 11 cases, (d) Verita, and (e) any party in interest upon a request to the Debtor (email being sufficient) or to this Court that is reasonably related to this chapter 11 case, subject to any applicable privacy or data protection law or regulation, *provided* that any receiving party shall not transfer or otherwise provide such unredacted document to any person or entity not party to the request and shall represent that the unredacted version(s) of the documents will be maintained in confidence. The Debtor shall inform the Court and the U.S. Trustee promptly after denying any request for an unredacted document pursuant to this Order. Nothing herein precludes a party in interest's right to file a motion requesting that this Court unseal the information redacted by this Order. For the avoidance of doubt, Bankruptcy Local Rule 9037-1(b) shall apply to any document redacted in accordance with this Order.

6. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

7. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Bankruptcy Rules, the Bankruptcy Local Rules, and the Complex Case Procedures are satisfied by such notice are satisfied by such notice.

8. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

9. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

10. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Signed: _____, 2025

Alfredo R. Perez
United States Bankruptcy Judge