

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

In re:

AMBIPAR EMERGENCY RESPONSE,<sup>1</sup>  
  
Debtor.

Chapter 11

Case No. 25-90524

**Related to ECF. No. 44**

**OPPORTUNITY’S OBJECTION TO THE DEBTOR’S APPLICATION FOR ENTRY OF  
AN ORDER AUTHORIZING THE EMPLOYMENT OF SIMPSON THACHER &  
BARTLETT LLP AS COUNSEL TO THE DEBTOR AND DEBTOR IN POSSESSION,  
EFFECTIVE AS OF THE PETITION DATE**

Opportunity Dinâmico Fundo de Investimento em Participações Multiestratégia Responsabilidade Limitada (f/k/a Opportunity Agro Fundo de Investimento Em Participações Multiestratégia Investimento No Exterior) (“**Opportunity**”) files this objection to the Debtor’s Application for Entry of an Order Authorizing the Employment of Simpson Thacher & Bartlett LLP (“**STB**”) as Counsel to the Debtor and Debtor in Possession, Effective as of the Petition Date [D.I. 44] (the “**Application**”). In support of this objection, Opportunity respectfully states as follows:<sup>2</sup>

**PRELIMINARY STATEMENT**

1. The Debtor’s Application, drafted by STB, presents itself as a plain vanilla request by the Debtor to retain STB as bankruptcy counsel with a supposed safeguard of the Special Committee’s proposed counsel as de facto conflicts counsel to handle undisclosed presumably minor conflicts unworthy of meaningful discussion. Nothing could be further from the truth.

<sup>1</sup> The last four digits of the Debtor’s taxpayer identification number are 0263. The Debtor’s address is P.O. Box 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, Cayman Islands.

<sup>2</sup> Each capitalized term used but not otherwise defined herein has the meaning ascribed to it in the Application.



Instead, STB's conflicts permeate virtually every consequential function of the Debtor's bankruptcy counsel in this case. Indeed, it would be difficult to identify a single significant bankruptcy task of the Debtor's counsel in this case that would not be irredeemably infected by STB's conflicts due to STB currently representing the entire Ambipar Group and from STB's prior work performed for or on behalf of the Debtor. Further, even if that defect could be remedied (which it cannot), the Special Committee counsel's role is too limited to serve as conflicts counsel in this case.

2. Just by way of illustration, the following are examples of primary tasks of the Debtor's bankruptcy counsel and STB's related conflicts that are discussed in greater detail below:

- (a) **Chapter 11 Plan.** Central to any chapter 11 plan for the Debtor and, from the Debtor's perspective, any restructuring in the RJ proceedings, is resolution of issues such as the Debtor's claims against members of the Ambipar Group (as defined below) and certain of their officers and directors such as for improper sweeps of the Debtor's and its subsidiaries' cash as well as related to the Debtor's limited guaranties of certain debt of other members of the Ambipar Group (plus any contribution claims), substantive consolidation of the Debtor with members of the Ambipar Group, and even absent substantive consolidation, the future economic and corporate relationships between the Debtor and other members of the Ambipar Group;
- (b) **Financing.** Any funding or financing obtained by the Debtor together with or from Ambipar TopCo, which is the Debtor's controlling shareholder and one target of investigations by the Debtor, would be funded with and impacted by such funding or financing; and

- (c) **Claims Resolution.** Resolution and treatment of the Debtor's primary liabilities, guarantees of \$328 million in principal amount of Green Notes for which STB was the Debtor's issuance counsel, would be central, particularly as the proceeds from the second \$128 million issuance of the Green Notes did not flow to the Debtor despite the requirement that the Debtor receive such proceeds. Also, resolution and treatment of claims related to the issuance of the Debtor's public stock, which was arranged by STB, would be problematic if such stock is rendered worthless due to substantive consolidation of the Debtor with other members of the Ambipar Group.

3. Moreover, contrary to the Application's inference, even were it possible to have a mechanism preventing STB's conflicts from precluding its retention (which is not the case), proposed counsel to the Special Committee cannot serve that purpose. First, such counsel is counsel to the Special Committee, not the Debtor. Second, the Special Committee and its counsel's mandate are limited to identifying potential conflicts of interest and investigating potential claims. Hence, neither the Special Committee nor its counsel has any authority to, among other things, pursue any claim on the Debtor's behalf, defend the Debtor's interests against Ambipar TopCo and other members of the Ambipar Group, propose or negotiate a plan, or seek or obtain financing. Third, even were the Special Committee's mandate vastly expanded, the Committee still would lack essential tools to act. Among other things, the Debtor has insufficient funding for the Special Committee and its counsel to serve a broader mandate and the Special Committee lacks an independent financial and forensic professional even though such a professional is essential to the Committee's proper functioning regarding activities such as addressing a plan, obtaining financing, and resolving major claims.

4. Consequently, the Debtor's retention of STB should not be approved.

## RELEVANT FACTS

### The Debtor

5. The Debtor is a distinct entity within the Ambipar corporate group.<sup>3</sup> See Amended First Day Declaration [D.I. 15] ¶ 8. While a majority controlling interest in the Debtor is owned by Ambipar TopCo, there are multiple minority owners of the Debtor’s equity including Opportunity, which owns over 21% of the Debtor’s equity. See id. ¶ 21.

6. The Ambipar corporate group has two distinct business segments: a “financially distressed” “ESG” (environmental services) segment and a strongly operating “Response” segment dedicated to providing emergency response command centers for disasters such as wildfires and oil spills. See id. The Debtor is the parent entity for the Response business and is unrelated to the ESG segment. See id. ¶ 17.

7. In its chapter 11 petition the Debtor states it has a net worth of well over \$600 million based on total assets of approximately \$1.07 billion and total liabilities of only \$328 million. See Amended Petition §§ 15–16, p. 5. The Debtor’s Amended First Day Declaration states the Debtor’s Response business is “operationally sound” (¶ 10) and its performance “has been strong” (¶ 24). In contrast, that same Declaration states the Ambipar entities operating the unrelated ESG segment are in “financial distress” (as is Ambipar TopCo). Id. ¶ 10.

8. Contemporaneously with commencement of this case, due, among other things, to the ESG segment’s financial difficulties, numerous Ambipar group entities, including the Debtor, sought an analog to a preliminary injunction in Brazil (*Tutela Cautelar em Caráter Antecedente*)

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<sup>3</sup> A description of the Debtor’s business, capital structure, and the circumstances leading to commencement of this case is contained in the Amended Declaration of Thiago da Costa Silva in Support of Chapter 11 Petition [D.I. 15] (the “**Amended First Day Declaration**”).

to stay creditor actions for 30 days pending restructuring discussions, followed by commencement of *recuperação* judicial proceedings in Brazil (the “**RJ Proceedings**”). *Id.* ¶ 10.

9. In the RJ Proceedings, the Ambipar entities, including the Debtor, filed court documents that, under Brazilian law, purportedly would support substantive consolidation of the Ambipar entities subject to the RJ Proceedings, including the Debtor. On October 30, 2025, the Brazilian RJ Court issued an order substantively consolidating those Ambipar entities (the “**Consolidation Order**”). See Ad Hoc Group’s Objection to the Disclosure Motion (“**Ad Hoc Group Obj.**”) [D.I. 58] Exh. A at 10–12. This substantive consolidation of the Debtor with other Ambipar companies was granted despite: (a) the Debtor’s ability to account for the Debtor’s distinct assets and liabilities (as demonstrated, among other things, by the Debtor’s public securities filings and multiple filings in this case);<sup>4</sup> (b) creditors’ reliance on the Debtor’s separate identity (as demonstrated by, among other things, the Debtor’s guarantees of the Green Notes held by members of the Ad Hoc Group); (c) the fact the Debtor is not 100% owned by Ambipar TopCo (as a substantial portion of the Debtor’s equity is held by unrelated parties such as Opportunity); and (d) the Debtor’s inability to demonstrate necessary corporate approvals were obtained to enable the Debtor to be included in the RJ Proceedings. Several creditors and the Rio de Janeiro’s Public Prosecutor appealed the Consolidation Order, and those appeals are pending.

10. The extent of STB’s involvement in the RJ Proceedings is unclear. In this case, however, STB has made only token disclosure regarding substantive consolidation activities in the

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<sup>4</sup> See, e.g., Debtor’s Motion for Entry of an Order (I) Extending the 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 [D.I. 36] (the “**Disclosure Motion**”) ¶ 15 (“the Debtor has historically reported consolidated financial information for the Debtor and its subsidiaries in connection with its periodic SEC reporting”); Debtor’s First Monthly Operating Report [D.I. 50] p. 3.

RJ Proceeding and taken no action to protect the Debtor's rights regarding substantive consolidation.

11. Just before commencement of this case and the RJ Proceedings, Ambipar TopCo arranged for essentially all cash held by the Debtor and its subsidiaries to be swept up to Ambipar TopCo and certain of its subsidiaries. See Ad Hoc Group's Obj. [D.I. 58] ¶ 6.<sup>5</sup> Opportunity understands that cash sweep from the Debtor's subsidiaries continues to this day. See id. The extent of STB's involvement in providing advice regarding and/or other assistance with those cash sweeps has not been disclosed. At a minimum, however, STB appears to have taken no action to prevent the cash sweeps or recover the swept funds for the Debtor and its subsidiaries.

12. Instead, STB apparently helped negotiate and draft the Debtor's proposed Funding Agreement with Ambipar TopCo (perhaps from both sides of the table) and is now pursuing a related Motion drafted by STB seeking approval of that agreement in this Court. See Debtor's Motion for Entry of an Order Authorizing the Debtor to (I) Enter Into the Funding Agreement, (II) Open Bank Accounts and (III) Granting Related Relief [D.I. 42] (the "**Funding Motion**"). Opportunity has objected to the Funding Motion due, inter alia, to the conflicts of interest the Funding Motion ignores. See Opportunity's Limited Objection to Funding Motion [D.I. 84]. Opportunity understands the Special Committee and its proposed counsel acquiesced in or tacitly approved the proposed Funding Agreement and Funding Motion.

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<sup>5</sup> This is not the first instance that the Debtor has been used to benefit Ambipar TopCo at the expense of its own interests. When the second tranche of Green Notes was issued, the Debtor's guaranty of those notes was conditioned upon the \$128 million of proceeds from that note issuance being paid to the Debtor. In fact, none of the second tranche note proceeds were paid to the Debtor.

### **The Debtor's Application to Retain STB**

13. The Debtor now seeks to retain STB as bankruptcy counsel in this case under section 327(a) of the Bankruptcy Code. See Application ¶ 1. Yet STB has represented the broader Ambipar Group since 2020 (including the Debtor's parent, Ambipar TopCo, and the Debtor), and continues to represent those entities, including in their global restructuring efforts through the RJ Proceedings:

As set forth in the First Day Declaration, the Debtor is a subsidiary of Ambipar Participações e Empreendimentos S.A. ("Ambipar Topco," collectively with its direct and indirect subsidiaries, the "Ambipar Group"). Ambipar Topco and certain of its subsidiaries (including the Debtor) are party to restructuring proceedings in Brazil (the "RJ Proceedings"). Simpson Thacher represents the Ambipar Group (including Ambipar Topco) in connection with its ongoing global restructuring. This chapter 11 case is a parallel plenary proceeding for the Debtor alongside its RJ Proceedings.

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Simpson Thacher has represented the Ambipar Group since 2020. Over the last five years, Simpson Thacher has worked with the Ambipar Group on several transactional matters. In particular, Simpson Thacher advised the Ambipar Group in connection with both issuances of Green Notes, for which the Debtor has provided limited guarantees, and in connection with the de-SPAC transaction through which the Debtor became a public company in the United States.

Application ¶¶ 8, 10 (emphasis added).

14. Thus, not only does STB have extensive conflicts arising from such combined representation of the Ambipar Group, but STB advised the Ambipar Group on prepetition transactions directly implicated in this case, including: (a) issuances of the Green Notes partially guaranteed by the Debtor that constitute its primary liabilities and should give rise to important claims within the Ambipar Group and plan issues (based, among other things, on limitations on the Debtor's guaranties, claims among certain Ambipar entities for contribution and reimbursement, and the fact the Debtor was supposed to receive the proceeds from the second

issuance of the Green Notes, but those proceeds were paid to other Ambipar entities); and (b) the de-SPAC transaction through which the Debtor became a U.S. public company, which likely also will be the subject of significant claims in this case (because the value of that stock could be eliminated by the substantive consolidation the Ambipar Group (including the Debtor) that the Ambipar Group is now supporting in the RJ Proceedings). *Id.* ¶ 10. Further, it appears STB has been involved with (and at a minimum has not opposed) efforts in the RJ Proceedings to substantively consolidate the Debtor with other members of the Ambipar Group despite the enormous adverse impact such consolidation would have on the Debtor.

15. All of STB's prepetition invoices for work performed for the Debtor, including preparation of the Debtor's chapter 11 petition and related initial Bankruptcy Court filings, were paid by Ambipar TopCo. *Id.* ¶ 22 ("All invoices for prepetition services, to the extent relating to the Debtor, were paid in full by the [sic] Ambipar TopCo prior to the Petition Date."). Thus, it is unclear on whose behalf STB was acting when advising regarding the Debtor's chapter 11 filing and preparing the related documents.

16. The Application suggests all STB's conflicts would be resolved by the Debtor's Special Committee and its counsel because STB will:

tak[e] all necessary actions to protect, preserve, and maximize the value of the Debtor's estate, including prosecuting actions on the Debtor's behalf, defending any action commenced against the Debtor, and representing the Debtor in negotiations concerning litigation in which the Debtor is involved, including objections to claims filed against the Debtor's estate; provided, that the independent Special Committee of the Board of Directors of the Debtor (the "Independent Committee") (for which the Debtor is seeking to retain separate counsel, as described below) has been delegated power and authority in connection with any matters in which a conflict of interest exists or is reasonably likely to exist between the Debtor and its directors, managers, officers, equity holders, employees, affiliates, or former advisors or agents (but excluding the Debtor's direct and indirect subsidiaries) (any such matter, a "Conflict Matter") [.]

*Id.* ¶ 13(d) (emphasis added).



17. The Application, however, omits critical facts regarding the Special Committee. First, the Committee consists of a single director, to the exclusion of the Debtor's other independent directors, and that director was appointed by Ambipar TopCo:

In connection with the commencement of this Chapter 11 case, the Debtor's controlling shareholder, Ambipar Topco, intends to appoint an additional independent director of the Debtor with restructuring expertise (the "**Independent Director**"). Upon their appointment, the expectation is that the Independent Director would be delegated power and authority in connection with any matters in which a conflict of interest exists or is reasonably likely to exist (the "**Conflict Matters**") between (x) the Debtor and (y) Ambipar Topco and its current and former directors, managers, officers, equity holders, employees, advisors, affiliates, or other stakeholders (the "**Related Parties**"), but excluding the Debtor's direct and indirect subsidiaries. . . .

Amended First Day Declaration [D.I. 15] ¶ 35 (emphasis added).

18. Second, and contrary to the language quoted immediately above, the Special Committee's mandate is much more limited than suggested in the Application as that mandate excludes handling matters central to this case, such as: (a) the Debtor's chapter 11 plan (and any parallel plan proceedings in Brazil); (b) the Debtor's financing to the extent funding comes from or is obtained together with Ambipar TopCo; (c) any proposed settlement or assertion of claims by the Debtor against Ambipar TopCo (or its non-Response subsidiaries) or its officers and directors; and (d) resolution of key claims against the Debtor such as those related to the Green Notes and/or issuance of the Debtor's public stock. Yet issues concerning the plan, financing, and/or settlement or resolution of such claims each would involve numerous conflicts of interest.

19. These limitations on the Special Committee's mandate are confirmed by the Debtor's application to retain counsel for the Special Committee:

Pursuant to the Engagement Letter, Quinn Emanuel has been engaged specifically to (i) identify and evaluate, all matters in which a conflict of interest exists or is reasonably likely to exist between [the Debtor] and certain related

parties and (ii) execute an independent investigation of potential claims and causes of action that the [Debtor] may have against certain related parties.

Application for Order Authorizing the Retention and Employment of Quinn Emanuel Urquhart & Sullivan, LLP as counsel to the Independent Special Committee of the Board of Directors of the Debtor (the “**Quinn Application**”) [D.I. 46] ¶ 10; Amended Quinn Application [D.I. 86] ¶ 10.<sup>6</sup> In effect, Quinn Emanuel would be retained by the Special Committee, not by the Debtor, and only would be retained to “identify and evaluate” conflict of interest matters and to conduct an “investigation of potential claims”. Consequently, Quinn Emanuel would have no authority to actually do anything of consequence, including, without limitation, no authority to bring any claim, negotiate any settlement, propose or even be involved with any plan, obtain financing, address substantive consolidation, or object to or otherwise participate regarding any action the Debtor might propose to take regardless of the extent of the conflict(s) involved or the adverse impact of the Debtor as well as its creditors and equity holders.

20. The Special Committee also lacks any independent financial advisor or forensic professionals. See Amended First Day Declaration ¶ 36. In effect, at most the Special Committee would have access to FTI as a forensic professional, but FTI has conflicting interests regarding the Debtor’s claims against its affiliates as FTI is retained by the Ambipar Group collectively rather than by the Debtor alone. Id. (“On October 17, 2025, counsel to Ambipar retained FTI Consulting, Inc. (“FTI”) for a forensic review of Ambipar, and it is the Debtor’s expectation that FTI will be made available to the Independent Director for their investigation of Conflict Matters.”). Thus,

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<sup>6</sup> See also Ambipar Emergency Response, Appointment of Independent Director and Formation of Independent Special Committee (Form 6-K) (Nov. 4, 2025) (the “**Debtor’s Form 6-K Filing**”), [https://www.sec.gov/Archives/edgar/data/1937441/000207097925000059/ambi\\_042independentdirector.htm](https://www.sec.gov/Archives/edgar/data/1937441/000207097925000059/ambi_042independentdirector.htm) (“The Independent Special Committee was tasked with (i) identifying and evaluating all matters in which a conflict of interest exists or is reasonably likely to exist between the Company and its related parties and (ii) investigating and evaluating potential claims and causes of action that the Company may hold against any of its related parties.”). This is the only information publicly available about the Special Committee’s mandate.

FTI's representation of the Ambipar Group collectively would taint any investigation by the Special Committee (while relying on FTI) into Ambipar TopCo's cash sweeps from the Debtor and its subsidiaries and any other potential misconduct by Ambipar TopCo and its officers and directors. It likewise would compromise any role the Special Committee might play (while relying on FTI) in connection with a chapter 11 plan for the Debtor, a restructuring plan in the RJ Proceedings, the resolution of efforts to substantively consolidate the Debtor with other members of the Ambipar Group, and any financing the Debtor may obtain from Ambipar TopCo.

21. Adding to these concerns, the Application fails to mention that the Debtor is separately seeking authority to enter into a Funding Agreement with Ambipar TopCo under which the funds provided by Ambipar TopCo would be used to pay both the Special Committee member and its professionals (and STB), even though that funding may be terminated if claims are pursued against Ambipar TopCo or any of its current or former officers and directors. See Funding Motion [D.I. 42] Exh. A § 2(d). The involvement of the Special Committee and/or Quinn Emanuel with the negotiation of the Funding Agreement and the related motion seeking its approval is unclear.

22. Meanwhile, Schedule 2 to the Declaration of David R. Zylberberg in Support of the Application [D.I. 44] (the "**Zylberberg Declaration**") discloses (buried in a Schedule and unmentioned in the Application itself) that one of STB's clients in matters unconnected to this case is Tércio Borlenghi Junior. Mr. Borlenghi is the controlling shareholder, CEO, and member of the board of directors of Ambipar TopCo, as well as the chairman of the Debtor's board. He is also allegedly one of the people who orchestrated the cash sweeps from the Debtor and its subsidiaries.

23. The Zylberberg Declaration further states that "[i]n preparation for [the Debtor's chapter 11] filing, Simpson Thacher worked with the Debtor's management and became familiar with the Debtor's business, history, financial affairs, capital and corporate structures, and other

information required to assist the Debtor in the administration of this chapter 11 case.” *Id.* Exh. A ¶ 10. As the Debtor has no employees, it is unclear who constituted “the Debtor’s management” that STB states it “worked with”. *Id.* See Amended First Day Declaration ¶ 17 (“As a holding company for the Response business, the Debtor conducts no operations and has no employees.”). Certainly, that “management” did not include the new Special Committee Director as he was appointed post-petition.

### **OBJECTION**

**I. SECTION 327(a) PRECLUDES THE DEBTOR’S RETENTION OF BANKRUPTCY COUNSEL THAT REPRESENTS INTERESTS ADVERSE TO CORE ASPECTS OF THE DEBTOR’S ESTATE AND IS NOT A DISINTERESTED PERSON**

24. Section 327(a) of the Bankruptcy Code provides, in pertinent part, that “the trustee [or debtor-in-possession], with the court’s approval, may employ one or more attorneys” or other professionals “that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee’s duties under this title.” 11 U.S.C. § 327(a). Accordingly, section 327(a) establishes a two-part test: *first*, “the attorney must not hold or represent an interest adverse to the estate,” and *second*, “the attorney must be a ‘disinterested person.’” *In re SBMC Healthcare, LLC*, 473 B.R. 871, 877 (Bankr. S.D. Tex. 2012).

25. Proposed professionals have an “adverse interest” where they “(1) [] possess or assert any economic interest that would tend to lessen the value of the bankruptcy estate or that would create either an actual or potential dispute in which the estate is a rival claimant; or (2) [] possess a predisposition under circumstances that render such a bias against the estate.” *In re Am. Int’l Refinery, Inc.*, 676 F.3d 455, 461 (5th Cir. 2012) (*quoting In re W. Delta Oil Co.*, 432 F.3d

347, 356 (5th Cir. 2005)). This determination “must be made ‘with an eye to the specific facts of each case.’” *Id.* at 462 (*quoting In re W. Delta Oil Co.*, 432 F.3d at 356).

26. The Bankruptcy Code defines a “disinterested person” as someone who “does not have an interest materially adverse to the interest of the estate or of any class of creditors . . . by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason.” 11 U.S.C. § 101(14)(C). The latter portion of the definition is a “catch-all clause” designed to capture “any professional who in the slightest degree might have some interest or relationship that would color the independent and impartial attitude required by the Code.” *In re C&C Demo, Inc.*, 273 B.R. 502, 506 (Bankr. E.D. Tex. 2001) (*quoting In re Consol. Bancshares, Inc.*, 785 F.2d 1249, 1256 (5th Cir. 1986)) (emphasis added). The test for disinterestedness under section 101(14)(C) regularly “overlaps with the adverse interest requirement of section 327(a), creating a single test for courts to employ when examining conflicts of interest.” *In re Project Orange Assocs., LLC*, 431 B.R. 363, 370 (Bankr. S.D.N.Y. 2010); see also *In re Howell*, 148 B.R. 269, 270 (Bankr. S.D. Tex. 1992) (“These two criteria significantly overlap because ‘disinterested person,’ . . . includes a person who does not have an interest materially adverse to the estate.”). Thus, “[s]ection 327’s regulation of the trustee’s [or debtor-in-possession’s] ability to hire professionals is designed simply to ‘serve the important policy of ensuring that all professionals appointed [to represent the trustee or debtor-in-possession] tender undivided loyalty and provide untainted advice and assistance in furtherance of their fiduciary responsibilities.’” *In re Contractor Tech. Ltd.*, No. Civ. A H-05-3212, 2006 WL 1492250, at \*6 (S.D. Tex. May 30, 2006) (citation omitted).

27. The party who files the application bears the burden of demonstrating compliance with section 327(a). See *In re Bigler, LP*, 422 B.R. 638, 643 (Bankr. S.D. Tex. 2010).

28. Pursuant to section 327(c), “a person is not disqualified for employment under this section solely because of such person’s employment by or representation of a creditor,” but “the court shall disapprove such employment if there is an actual conflict of interest.” 11 U.S.C. § 327(c) (emphasis added). Hence, sections 327(a) and (c) require the “per se disqualification as trustee’s counsel of any attorney who has an actual conflict of interest,” and the court “may within its discretion—pursuant to § 327(a) and consistent with § 327(c)—disqualify an attorney who has a potential conflict of interest.” *In re Marvel Ent. Grp., Inc.*, 140 F.3d 463, 476 (3d Cir. 1998).

29. A conflict is actual when the specific facts before the bankruptcy court suggest that “it is likely that a professional will be placed in a position permitting it to favor one interest over an impermissibly conflicting interest.” *In re Pillowtex, Inc.*, 304 F.3d 246, 251 (3d Cir. 2002). Thus, an actual conflict exists “whenever counsel for a debtor corporation has any agreement, express or implied, with management or a director of the debtor, or with a shareholder, or with any control party, to protect the interest of that party.” *In re Kendavis Indus. Int’l, Inc.*, 91 B.R. 742, 754 (Bankr. N.D. Tex. 1988). Likewise, the debtor’s proposed attorneys are not disinterested for purposes of section 327(a) and (c) where intercompany disputes exist that must be resolved. See, e.g., *In re JMK Constr. Grp., Ltd.*, 441 B.R. 222, 233 (Bankr. S.D.N.Y. 2010) (denying counsel’s applications to represent more than one debtor where debtors had potential rights of contribution against each other arising from a judgment, creating a disabling conflict of interest under section 327(a)); *In re Adelpia Commc’ns Corp.*, 336 B.R. 610, 673 (Bankr. S.D.N.Y.), *aff’d*, 342 B.R. 122 (S.D.N.Y. 2006) (granting motion to disqualify debtor’s counsel because counsel “cannot . . . act on both sides of the litigated controversy”); *In re Hoffman*, 53 B.R. 564, 566 (Bankr. W.D.

Ark. 1985) (finding “counsel cannot represent both estates” because the individual debtor’s claim against the corporate debtor created a conflict of interest).<sup>7</sup>

30. While “the mere existence of an intercompany claim” may not give rise to an actual conflict where the relevant debtors “have effectively functioned as one enterprise which has been operated for the benefit of the whole,” *In re Glob. Marine, Inc.* recognized that “the different nature of [a debtor’s and a subsidiary’s] business when compared to the other subsidiaries” calls for “the retention of separate counsel.” *In re Global Marine, Inc.*, 108 B.R. 998, 1004 (Bankr. S.D. Tex. 1987). That exception squarely applies here. The Debtor’s Response business is completely separate from the Ambipar Group’s ESG business, and is, by the Debtor’s own admission, “operationally sound,” while the ESG segment is financially distressed. See Amended First Day Declaration ¶¶ 8, 10. Moreover, key claims of the Debtor against Ambipar TopCo and other members of the Ambipar Group (and certain officers and directors) based on improper sweeps of cash from the Debtor and its affiliates are unrelated to whatever limited extent, if any, those entities might have operated as a single enterprise.

## **II. STB’S SIMULTANEOUS AND ONGOING REPRESENTATION OF THE DEBTOR AND THE REST OF THE AMBIPAR GROUP, INCLUDING AMBIPAR TOPCO, CREATES AN ACTUAL UNCURABLE CONFLICT OF INTEREST**

31. STB’s long-standing and ongoing representation of Ambipar TopCo and the rest of the Ambipar Group directly conflicts with its proposed role as Debtor’s counsel. Courts have repeatedly held that counsel cannot simultaneously represent a debtor and a control party whose interests diverge, particularly where intercompany transactions and potential estate claims are at issue. As one court explained:

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<sup>7</sup> While Ambipar TopCo is not also a debtor in this Court, the same “disinterestedness” analysis should apply, particularly as both the Debtor and Ambipar TopCo (as well as other members of the Ambipar Group that have conflicting interests with the Debtor) are all debtors in the pending RJ Proceedings.

To make the Court's holding more concrete, the Court holds that whenever counsel for a debtor corporation has any agreement, express or implied, with management or a director of the debtor, or with a shareholder, or with any control party, to protect the interest of that party, counsel holds a conflict. That conflict is not potential, it is actual. . . . An attorney who claims to represent a partnership, but also has some agreement, whether express or implied, with the general or limited partners, or with any control person, to protect its interest, that attorney has an actual conflict of interest, and is subject to disqualification . . . .

*In re Kendavis Indus. Int'l, Inc.*, 91 B.R. 742, 754 (Bankr. N.D. Tex. 1988) (emphasis added).

32. STB has represented Ambipar TopCo and the broader Ambipar Group since 2020 and continues to represent those entities on matters central to this case, including the RJ Proceedings. See Application ¶¶ 8, 10. STB also advised the Ambipar Group on prepetition transactions directly implicated in this case, including the Green Notes issuances by another member of the Ambipar Group guaranteed in part by the Debtor and the de-SPAC transaction through which the Debtor became a U.S. public company. Id. ¶ 10. Those representations signify STB has, at a minimum, irreconcilable conflicts concerning: (a) ongoing efforts to substantively consolidate the Debtor with other members of the Ambipar Group; (b) any chapter 11 plan in this case or parallel plan in the RJ Proceedings to the extent any such plan addresses issues such as substantive consolidation of the Debtor with its affiliates, resolution of intercompany claims against affiliates related to the Green Note guarantees, contribution claims, and the cash sweeps from the Debtor and its subsidiaries, and the economic and legal restructuring of the Debtor; and (c) claims arising from the issuance of the Debtor's stock if that stock becomes worthless due to substantive consolidation of the Debtor, etc. Under *Kendavis*, those are actual conflicts of interest from the outset.

33. Those conflicts are particularly serious because Ambipar TopCo is the Debtor's principal adversary in this case on essentially every material issue that has already emerged or is likely to emerge in this case. These include potential claims against Ambipar TopCo (and other



members of the Ambipar Group) related to the cash sweeps and the Debtor's position in the RJ Proceedings concerning the substantive Consolidation Order. Moreover, that adversity stems directly from Ambipar TopCo's control of the Debtor as Ambipar TopCo is not merely a related party or a contractual counterparty. Rather, it is the Debtor's controlling shareholder, the entity that appointed the sole member of the Special Committee, a primary beneficiary of the pre- and post-petition cash sweeps of the Debtor's and its subsidiaries' cash, and the architect of the "restructuring" strategy now being implemented for the Debtor in parallel cases in Brazil and this Court. In that context, STB's long-standing representation of Ambipar TopCo (and the Ambipar Group more broadly) constitutes a direct relationship with a control party that materially compromises STB's disinterestedness under section 101(14)(C).

34. Consequently, as STB's conflicting roles create an inherent conflict of interest that goes to the core of this case, STB cannot satisfy its burden of proof under section 327(a).

### **III. THE DEBTOR'S "SPECIAL COMMITTEE" AND ITS PROPOSED COUNSEL COULD NOT CURE STB'S MASSIVE CONFLICTS PROBLEM**

35. Recognizing the existence (but not the severity or extent) of STB's conflicts, the Debtor attempts to sidestep them by carving out so-called "Conflict Matters" to be handled by a Special Committee with a single member recently appointed by Ambipar TopCo, operating under Ambipar TopCo's dictated mandate, and utilizing separate counsel for such committee chosen by Ambipar TopCo. See Application ¶ 15. Yet the Debtor's own court filings demonstrate this ill-fated "cure" neither creates an independent conflicts entity in substance nor is capable of addressing the conflicts permeating STB's proposed role in this case. Rather, the Special Committee framework merely confirms how entrenched those conflicts truly are.

36. Initially, the Special Committee's operating independence is in serious doubt. The Special Committee consists of a single director, to the exclusion of the Debtor's other independent

directors, and that director was appointed by Ambipar TopCo. See Amended First Day Declaration [D.I. 15] ¶ 35. A committee created and constituted by the Debtor's controlling shareholder cannot serve as an independent check on conflicts involving that same controlling shareholder.

37. Equally important, the Special Committee's authority to act is quite limited and excludes the core issues central to reorganization in this case. The Special Committee, through its proposed counsel (who represents the Special Committee and not the Debtor itself), only has authority to identify and investigate certain potential conflict issues. Its mandate, however, does not extend to: (a) any role regarding the Debtor's chapter 11 plan or any parallel plan in the RJ Proceedings now ongoing in Brazil; (b) obtaining financing; or (c) any settlement, prosecution, or other resolution of the Debtor's claims against Ambipar TopCo, its non-Response subsidiaries, or their officers and directors as well as the key claims against the Debtor. Yet these are precisely the situations in which the Debtor's interests most directly diverge from Ambipar TopCo's and, therefore, for which counsel's independent judgment matters most.

38. These inherent limitations are confirmed by the Debtor's application to retain counsel for the Special Committee. See Quinn Application [D.I. 46] ¶ 10 ("Quinn Emanuel has been engaged specifically to (i) identify and evaluate, all matters in which a conflict of interest exists or is reasonably likely to exist between [the Debtor] and certain related parties and (ii) execute an independent investigation of potential claims and causes of action that the Company may have against certain related parties."); Amended Quinn Application [D.I. 86] ¶ 10; Debtor's Form 6-K Filing. In practical terms, Quinn Emanuel would be retained by the Special Committee, not by the Debtor, and would be limited to identifying and evaluating conflict matters and conducting an "investigation of potential claims". Id. As a result, the Special Committee and its

counsel would have no authority to take meaningful action in the case, including no authority to bring claims, negotiate settlements, propose or participate in any plan, etc.

39. The Special Committee also lacks the basic resources needed to carry out an appropriate mandate. It has no independent financial advisor or forensic professional, and its only access to forensic support would be through FTI. See Amended First Day Declaration [D.I. 15] ¶ 36 (“On October 17, 2025, counsel to Ambipar retained FTI Consulting, Inc. (“FTI”) for a forensic review of Ambipar, and it is the Debtor’s expectation that FTI will be made available to the Independent Director for their investigation of Conflict Matters.”). However, FTI is retained by the Ambipar Group as a whole, not by the Debtor alone. That collective engagement of FTI creates an additional conflict with respect to any investigation into the Debtor’s potential claims against Ambipar TopCo and other entities in the Ambipar Group. Because of that conflict, FTI’s involvement would undermine any meaningful investigation by the Special Committee into the cash sweeps from the Debtor and its subsidiaries, as well as any other potential misconduct by Ambipar TopCo and its officers and directors. For the same reason, FTI’s combined retention would also compromise any role the Special Committee might have in shaping a chapter 11 plan for the Debtor, a restructuring plan in the RJ Proceedings, or the resolution of substantive consolidation efforts involving the Debtor and other Ambipar Group entities in Brazil.

40. These problems are magnified by the Debtor’s request to fund the Special Committee and its professionals with money provided by Ambipar TopCo under a Funding Agreement that permits termination of the funding if claims are pursued against Ambipar TopCo or its current or former officers and directors. See Funding Motion [D.I. 42] Exh. A § 2(d). A committee and its counsel that are chosen by, and financially dependent on, the key party the committee is charged with investigating and likely suing is, by definition, not independent. Also,

the proposed maximum \$3 million funding for the Debtor (which would also cover STB and the Debtor's Texas counsel's fees, U.S. Trustee fees, substantial other administrative costs, including potentially for an official equity holders' committee, etc.) is woefully insufficient to fund any appropriate mandate for the Special Committee. See id. ¶ 7. See also Opportunity's Limited Objection to Funding Motion [D.I. 84].

41. Against this backdrop, the breadth and lack of specificity of the carve-out from STB's representation is telling. The Application states that any matter in which a conflict "exists or is reasonably likely to exist" will be removed from STB's scope and delegated to the Special Committee. Application ¶ 13(d). In practical terms, the proposed carve-out, to the extent comprehensible despite its lack of specificity, would, if actually put into effect despite the current limited mandates of the Special Committee and its counsel, strip STB of nearly every core function of the Debtor's bankruptcy counsel.

42. A structure in which the Debtor's primary bankruptcy counsel is disqualified from addressing the most important issues in the case is not a cure for conflicts. See In re Project Orange Assocs., LLC, 431 B.R. at 375 (the appointment of special conflicts counsel is improper "where the proposed general bankruptcy counsel has a conflict of interest with the creditor that is central to the Debtor's reorganization."); In re Amdura Corp., 121 B.R. 862, 867 (Bankr. D. Colo. 1990) (finding conflicts counsel insufficient to permit debtor's retention of primary bankruptcy counsel when the Court questioned the proposed primary counsel's ability to appropriately advise the debtors in negotiating and drafting a reorganization plan). Rather, it confirms STB is hopelessly conflicted. The Bankruptcy Code requires unqualified loyalty, not an unworkable division of core responsibilities between conflicted and conflict counsel.

**RESERVATION OF RIGHTS**

43. Opportunity reserves all rights to amend and/or supplement this objection, as circumstances might require.

**CONCLUSION**

WHEREFORE, Opportunity respectfully requests that this Court: (a) deny the Application; and (b) grant Opportunity such other and further relief as the Court deems just and proper.

Dated: December 10, 2025

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*Attorneys for Opportunity Dinâmico Fundo de Investimento em Participações Multiestratégia Responsabilidade Limitada*

**CERTIFICATE OF SERVICE**

I hereby certify that on December 10, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States District Court for the Southern District of Texas.

/s/ Michael K. Riordan  
Michael K. Riordan

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

In re:

AMBIPAR EMERGENCY RESPONSE,<sup>1</sup>

Debtor.

Chapter 11

Case No. 25-90524

**Relates to ECF. No. 44**

**ORDER DENYING DEBTOR’S APPLICATION FOR ENTRY OF AN ORDER  
AUTHORIZING THE EMPLOYMENT OF SIMPSON THACHER & BARTLETT LLP  
AS COUNSEL TO THE DEBTOR AND DEBTOR IN POSSESSION,  
EFFECTIVE AS OF THE PETITION DATE**

The Court, having considered the Debtor’s Application for Entry of an Order Authorizing the Employment of Simpson Thacher & Bartlett LLP (“**STB**”) as Counsel to the Debtor and Debtor in Possession, Effective as of the Petition Date [ECF No. 44] (the “**Application**”), the objection (the “**Opportunity Objection**”)<sup>2</sup> to the Application filed by Opportunity Dinâmico Fundo de Investimento em Participações Multiestratégia Responsabilidade Limitada (f/k/a Opportunity Agro Fundo de Investimento Em Participações Multiestratégia Investimento No Exterior) (“**Opportunity**”), any other responses or replies to the foregoing, and the arguments at the hearing, if any; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this proceeding being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue of this proceeding and the Motion being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; finds that the Motion is without merit. It is therefore **ORDERED** that:

1. The Application is **DENIED**, in its entirety.

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<sup>1</sup> The last four digits of the Debtor’s taxpayer identification number are 0263. The Debtor’s address is P.O. Box 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, Cayman Islands.

<sup>2</sup> Capitalized terms not defined herein have the meaning ascribed to them in the Opportunity Objection.

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**ALFREDO R. PÉREZ**  
**UNITED STATES BANKRUPTCY JUDGE**