IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Apple Tree Life Sciences, Inc., *et al.*,[1]	Case No. 25-12177 (LSS)
Debtors.	(Jointly Administered)
	Re: Docket No. 83

DECLARATION OF ERIC WINSTON IN SUPPORT OF DEBTORS' MOTION FOR AN ORDER (I) ENFORCING THE AUTOMATIC STAY AND (II) IMPOSING SANCTIONS AGAINST RIGMORA

Eric Winston, hereby declares, pursuant to 28 U.S.C. § 1746, as follows:

1. I am a partner of the law firm of Quinn Emanuel Urquhart & Sullivan, LLP ("Quinn Emanuel"), which maintains offices at various locations including, 865 S. Figueroa St., 10th Floor, Los Angeles, California 90017. I am an attorney duly admitted to practice in the State of California.

2. I submit this Declaration in support of the *Debtors' Motion for an Order (I) Enforcing the Automatic Stay and (II) Imposing Sanctions Against Rigmora* (the "Motion").[2] Unless otherwise stated in this Declaration, I have personal knowledge of the facts sets forth herein.

3. Attached hereto as **Exhibit A** is a true and correct copy of the motion to maintain the status quo filed by ATP III GP in the Delaware Chancery Court dated September 19, 2025.

4. Attached hereto as **Exhibit B** is a true and correct copy of transcript of the September 19 Hearing in the Delaware Chancery Court.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number include: Apple Tree Life Sciences, Inc. (4506); ATP Life Science Ventures, L.P. (8224); ATP III GP, Ltd. (6091); Apertor Pharmaceuticals, Inc. (3161); Initial Therapeutics, Inc. (2453); Marlinspike Therapeutics, Inc. (4757); and Red Queen Therapeutics, Inc. (8563). The location of the Debtors' service address in these chapter 11 cases is 230 Park Avenue, Suite 2800, New York, NY 10169.

[2] All terms not otherwise defined herein have the same meanings as defined in the Motion.

5. [redacted]

6. [redacted]

7. [redacted]

8. Attached hereto as **Exhibit F** is a true and correct copy of the transcript of the December 15 Status Conference.

9. [redacted]

10. Attached hereto as **Exhibit H** is a true and correct copy of the transcript of the December 17 Cayman Islands Hearing.

11. [redacted]

12. [redacted]

13. Attached hereto as **Exhibit K** is a true and correct copy of the Cayman Court's Order dated December 22, 2025.

14. Attached hereto as **Exhibit L** is a true and correct copy of the transcript of the First Day Hearing.

I hereby declare under the penalty of perjury that the foregoing statements made by me are true and correct to the best of my knowledge, information and belief.

Dated: December 23, 2025

/s/ Eric Winston
Eric Winston, Esq.

EXHIBIT A

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

ATP III GP, LTD., in its capacity as General Partner of ATP Life Science Ventures, L.P.,	)	
Plaintiff,	)	
v.	)	C.A. No. 2025-0607-KSJM
RIGMORA BIOTECH INVESTOR ONE LP and RIGMORA BIOTECH INVESTOR TWO LP,	)	
Defendants.	)	

PLAINTIFF'S EMERGENCY MOTION
FOR STATUS QUO ORDER

Plaintiff ATP III GP, Ltd., by and through its undersigned counsel, hereby moves, pursuant to Court of Chancery Rule 65 and the Court's equitable powers, for the entry of a Status Quo Order in the form submitted herewith. The grounds for this motion are set forth in Plaintiff's Brief in Support of its Emergency Motion for Entry of a Status Quo Order filed contemporaneously herewith.

/s/ Michael A. Barlow

Michael A. Barlow (Bar No. 3928)
Shannon M. Doughty (Bar No. 6785)
QUINN EMANUEL URQUHART & SULLIVAN LLP
500 Delaware Avenue, Suite 220
Wilmington, Delaware 19801
(302) 302-4000
michaelbarlow@quinnemanuel.com
shannondoughty@quinnemanuel.com

Garrett B. Moritz (Bar No. 5646)
Roger S. Stronach (Bar No. 6208)
A. Gage Whirley (Bar No. 6208)
ROSS ARONSTAM & MORITZ LLP
Hercules Building
1313 North Market Street, Suite 1001
Wilmington, Delaware 19801
(302) 576-1600
gmoritz@ramllp.com
rstronach@ramllp.com
gwhirley@ramllp.com

Attorneys for Plaintiff ATP III GP, Ltd.

OF COUNSEL:

Andrew Berdon
Rachel E. Epstein
Kathryn D. Bonacorsi
Taylor L. Jones
Jenny Braun
Jonathan M. Acevedo
QUINN EMANUEL URQUHART & SULLIVAN, LLP
295 Fifth Avenue
New York, New York 10016
(212) 849-7000

Jessica T. Reese
Hannah E. Dawson
John F. Ferraro
QUINN EMANUEL URQUHART & SULLIVAN, LLP
111 Huntington Avenue, Suite 520
Boston, Massachusetts 02199
(617) 712-7100

Dated: September 19, 2025

WORDS: 65 / 500

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

ATP III GP, LTD., in its capacity as General Partner of ATP Life Science Ventures, L.P.,	)	
Plaintiff,	)	
v.	)	C.A. No. 2025-0607-KSJM
RIGMORA BIOTECH INVESTOR ONE LP and RIGMORA BIOTECH INVESTOR TWO LP,	)	
Defendants.	)	

PLAINTIFF'S BRIEF IN SUPPORT OF ITS
EMERGENCY MOTION FOR STATUS QUO ORDER

YOU ARE IN POSSESSION OF A CONFIDENTIAL FILING FROM THE COURT OF CHANCERY OF THE STATE OF DELAWARE

If you are not authorized to view this document under Rule 5.1 or by Court Order, read no further than this page and contact the following person(s):

Michael A. Barlow (Bar No. 3928)
Shannon M. Doughty (Bar No. 6785)
QUINN EMANUEL URQUHART & SULLIVAN, LLP
500 Delaware Avenue, Suite 220
Wilmington, Delaware 19801
(302) 302-4000

Garrett B. Moritz (Bar No. 5646)
Roger S. Stronach (Bar No. 6208)
A. Gage Whirley (Bar No. 6707)
ROSS ARONSTAM & MORITZ LLP
Hercules Building
1313 North Market Street, Suite 1001
Wilmington, Delaware 19801
(302) 576-1600

Attorneys for Plaintiff ATP III GP, Ltd.

A Public Version of this Document will be filed on or before Sept. 29, 2025.

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

ATP III GP, LTD., in its capacity as General Partner of ATP Life Science Ventures, L.P.,	)	
Plaintiff,	)	
v.	)	C.A. No. 2025-0607-KSJM
RIGMORA BIOTECH INVESTOR ONE LP and RIGMORA BIOTECH INVESTOR TWO LP,	)	
Defendants.	)	

PLAINTIFF'S BRIEF IN SUPPORT OF ITS
EMERGENCY MOTION FOR STATUS QUO ORDER

OF COUNSEL:

Andrew Berdon
Rachel E. Epstein
Kathryn D. Bonacorsi
QUINN EMANUEL URQUHART & SULLIVAN, LLP
295 Fifth Avenue
New York, New York 10016
(212) 849-7000

Michael A. Barlow (Bar No. 3928)
Shannon M. Doughty (Bar No. 6785)
QUINN EMANUEL URQUHART & SULLIVAN LLP
500 Delaware Avenue, Suite 220
Wilmington, Delaware 19801
(302) 302-4000
michaelbarlow@quinnemanuel.com
shannondoughty@quinnemanuel.com

Jessica T. Reese
Hannah E. Dawson
John F. Ferraro
QUINN EMANUEL URQUHART & SULLIVAN, LLP
111 Huntington Avenue, Suite 520
Boston, Massachusetts 02199
(617) 712-7100

Dated: September 19, 2025

Garrett B. Moritz (Bar No. 5646)
Roger S. Stronach (Bar No. 6208)
A. Gage Whirley (Bar No. 6208)
ROSS ARONSTAM & MORITZ LLP
Hercules Building
1313 North Market Street, Suite 1001
Wilmington, Delaware 19801
(302) 576-1600
gmoritz@ramllp.com
rstronach@ramllp.com
gwhirley@ramllp.com

Attorneys for Plaintiff ATP III GP, Ltd.

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES

Page

Cases

PRELIMINARY STATEMENT

Rigmora sought a continuance of trial from this Court based on the representation that it needed to review recently produced ATP privileged documents before trial. When ATP opposed the continuance as a delay tactic intended to deprive this Court of jurisdiction in favor of the Cayman litigation, Rigmora assured the Court otherwise. Rigmora told this Court ATP's concerns "were misplaced" because even a delayed Delaware trial would occur "well before the January 2026 trial date in Cayman." Dkt. 217 ¶ 10. Further, Rigmora argued that a continuance of trial would not irreparably harm the portfolio companies due to ATP's intended use of internal funds recently received by the Fund to keep the portfolio companies alive through trial. Dkt. 215 ¶ 14.

Rigmora was not candid with the Court. Just one day after the Court granted the continuance, Rigmora unleashed its Cayman strategy. It filed an application in the Cayman Islands to strip ATP of financial control of the Fund and replace it with provisional liquidators ("PLs"). Rigmora's application to appoint PLs (the "Application") was accompanied by a ***61-page affidavit*** from its General Counsel that relies extensively on ATP's recently-produced documents—the very materials Rigmora told the Court it needed more time to review. Rigmora's Application also seeks to hinder the current internal funding, as well as any future internal funding, of the portfolio companies.

Rigmora's Application in the Cayman Islands is a frontal attack on this Court's jurisdiction and an attempt to circumvent this Court's orders expediting this action and denying Rigmora's Motion to Stay in favor of the later-filed Cayman proceedings that Rigmora previously lost.

Rigmora asserts that PLs are needed because of events that Rigmora characterizes as evidence of ATP's mismanagement, dissipation of assets, oppression, or misconduct. Specifically, Rigmora asserts that this Delaware action is "illegitimate," and points to ATP's use of internal funds to keep the portfolio companies alive through trial in Delaware as dissipation of assets. At its core, therefore, Rigmora's Application stems from the same nucleus of operative facts as this action: ATP's reluctant determination to enforce the capital contribution provisions of the LPA against Rigmora despite Rigmora's stated desire to avoid further investment in ATP's pre-clinical companies.

Rigmora appears to view a trial here in Delaware as an unacceptable risk, and is attempting to mitigate that risk by displacing ATP as the Fund's general partner before trial as soon as possible. In correspondence, Rigmora has threatened to seek an *ex parte* hearing in Cayman on its Application by ***10 a.m. today***, unless ATP agrees to undertakings by which it would forfeit control of the Fund. In other words, Rigmora is demanding that ATP sacrifice the Fund's portfolio companies if it wants to avoid an *ex parte* proceeding to appoint PLs. And, even should ATP agree to

these undertakings, Rigmora indicated it would seek to have this application heard on October 31, a date well before January 2026.

Rigmora's strategy is a cynical attempt to weaponize this Court's decision to delay trial by seeking new relief in the Cayman Islands and moot this Court's ruling. Allowing it to do so would eviscerate ATP's rights to operate the Fund and the portfolio companies' ability to survive through trial in Delaware.

ATP therefore moves for a status quo to maintain the viability of ATP's claims through final judgment in this expedited litigation. ATP asks the Court to preserve the status quo that existed on September 17—when the Court granted the continuance—by enjoining Rigmora from pursuing appointment of PLs in the Cayman Islands until final disposition of this action. This relief is necessary to enable ATP to try its case in Delaware and to prevent Rigmora from the using Cayman proceedings to destroy thirteen Delaware portfolio companies and strip ATP of its authority before this Court has an opportunity to rule.

BACKGROUND

Shortly after ATP filed this action, Rigmora filed a copy-cat Writ Proceeding and a Winding-Up Petition against ATP (the "Cayman Action") in the Grand Court of the Cayman Islands (the "Cayman Court"). Exs. 1 & 2. Rigmora then attempted to use this later-filed action to stay this Court's proceedings; this Court denied that motion on June 27. Dkt. 43. This later-filed action, by Rigmora's own admission,

overlaps materially with the issues here. Dkt. 10 ¶ 15-17. Despite this overlap and denial of the Motion to Stay, Rigmora has continued to prosecute the Cayman Action. A case management conference is scheduled in the Cayman Action for October 31, with a trial beginning on January 12, 2026.

Beyond that duplicative litigation, Rigmora's strategy is to starve the portfolio companies that ATP has fostered by denying them needed resources. Discovery has shown that Rigmora's strategy to starve the Fund is driven by its own self-interest, not by any fault of ATP or the performance of the portfolio companies. In late 2024, Rigmora began executing on its plan to cash out on its investment and tank the Fund, as described in detail in ATP's pre-trial brief. *See* Plaintiff's Pre-Trial Brief, Dkt. 204 (hereinafter, "Pl.'s PTB"), at 21-25. Rigmora hopes the portfolio companies wither before this Court can enforce its capital commitments.

To that end, Rigmora refused to honor the May 30 capital calls for the budgeted portfolio companies. This included denying all funding to ATP and ATLS (an entity that handles Fund expenses), including $8 million owing to ATLS in the May 30 capital call. Pre-Trial Order, Dkt. 209 (hereinafter, "PTO") ¶ 64.

Rigmora's short-term gambit failed when ATP was able to identify internally-sourced funds (a repayment of a note by one portfolio company and a milestone payment from another) to keep the Fund and the portfolio companies afloat for a few months to litigate this case.

Rigmora now seeks retribution. It seeks to deprive ATP of any ability to keep the portfolio companies alive by having PLs installed on an emergent basis and eliminating ATP's financial control over the Fund.

The day after this Court continued trial based on reassurances from Rigmora that the Cayman Action was not going to trial until January 2026, Rigmora moved the Cayman Court to remove ATP's decision-making authority and financial control over the Fund and portfolio companies in favor of hand-picked PLs.[1]

Also on September 17, Rigmora informed ATP that unless ATP agrees, by 10 a.m. on September 19, to certain undertakings, it will seek emergency and expedited *ex parte* appointment of the PLs from the Cayman Court. And if (and only if) ATP does agree to these undertakings, Rigmora will then seek to have the Application for PLs heard on October 31, 2025, just two weeks after the trial in this action, and *before* the November trial date that Rigmora requested in its continuance motion.

The undertakings that Rigmora demands are effectively a forfeiture of ATP's ability to keep the portfolio companies alive. Rigmora demands that ATP undertake: "that it will not until further order of the Grand Court, dispose, deal with or diminish the value of the Fund's Assets in excess of US$10,000 without first providing

[1] A provisional liquidator under Cayman law is similar to a bankruptcy trustee under U.S. law. Except here, the trustee would be hand-selected by Rigmora, which has a demonstrated purpose of starving the portfolio companies.

[Rigmora] with 7 days' notice together with an explanation of the purpose, nature and amount of the proposed transaction." Ex. 3. This undertaking would be subject only to a carve out for "any entitlement on the part of the General Partner under and in accordance with the limited partnership agreement in respect of the Fund (as amended and restated) (the 'LPA') to use the Fund's Assets to discharge the Fund's reasonable legal costs and expenses." *Id.* Rigmora's stated position, however, is that this litigation is not a reasonable legal cost of the Fund. Ex. 4, ¶ 7.

Rigmora's Application is predicated on the assertion that this Delaware action is "illegitimate," and was improperly brought in bad faith. Ex. 4, ¶ 16.3. But the "legitimacy" of ATP's claims necessarily turns on the outcome in this Court. This action is *per se* legitimate should the Court decide that the May 30 capital calls were authorized under the LPA and Rigmora breached its duty to make capital contributions. Further, whether ATP's claims were legitimate (irrespective of the outcome) is a question for *this* Court because ATP seeks a specific declaration that this suit was brought in good faith. Compl. ¶¶ 193-196 (Fifth Cause of Action); PTO ¶ 74(f) (setting forth relief sought by ATP). This Court also acknowledged the legitimacy of this action in granting Plaintiff's Motion to Expedite. Dkt. 39, at 43:8-13.

Rigmora's Application for PLs further argues that ATP's attempt to enforce the May 30 capital calls somehow violates a duty not to "designate, deem or treat"

Rigmora as a defaulting partner. Ex. 4, ¶¶ 19-21. But how and why Rigmora breached has always been before this Court, and the Court allowed ATP to amend to assert actual breach claims, not just anticipatory claims. Sept. 11. Hrg. Tr. 23:-11-15. Rigmora's PL Application now seeks to relitigate this question as a challenge to the propriety of ATP's actions.

Rigmora's PL Application relies heavily on ATP's recently produced privileged documents. *See* Ex. 4, ¶¶ 29, 32, 34, 47, 71, 73, 77, 83-86, 88, 103 (citing to documents produced pursuant to Court's September 8 order requiring ATP to make a roll-off production of privileged documents). Rigmora's Cayman counsel concedes its reliance on those documents, arguing that, "based on an initial review [of the roll-off] material, your client's position is now untenable." Ex. 5. The inescapable conclusion is that by September 17, Rigmora had reviewed the roll-off documents sufficiently both to form a view of ATP's litigation position, ***and to draft a detailed 61-page affidavit*** based on those documents.

This is at odds with Rigmora's position at the September 11 pre-trial conference, when Rigmora's lead counsel repeatedly expressed "very serious concern" about Rigmora's ability to review these same documents in time to litigate this action on September 18 and 19. Sept. 11 Hrg. Tr., 11:5-16, 62:4-11. Rigmora reiterated this position in correspondence to the Court on September 12, *see* Dkt. 211 (describing "prejudice to [Rigmora] of [ATP]'s late production" and calling trial

dates "unworkable"), and in the briefing for its subsequent Motion to Continue, *see* Dkt. 215 ¶¶ 1-2, 10 (referring to Rigmora's position as "the only way to protect [Rigmora's] right to a fair trial"); Dkt. 217 ¶ 5 (same).[2]

In its Motion to Continue, Rigmora further asserted what it characterizes as ATP's "self-help"—the availability of the internal funding described above—as grounds to delay trial. Dkt. 215 ¶ 14. Rigmora asserts, incorrectly and in contravention to sworn testimony from ATP witnesses, *see, e.g.* Ex. 6, Yanchik 2 Tr. at 98:5-24, that ATP can maintain the Fund and its portfolio companies with funding from these collaborations.

Yet Rigmora now seeks the appointment of a PL that would hamper ATP's purported ability even to use such funding. Ex. 7, at 4 (seeking to empower PLs with mandate to control all Fund assets and payments); Ex. 4 ¶¶ 8.1, 8.2, 9 (similar).

ARGUMENT

A status quo order "is essentially a temporary restraining order," which requires "1) that the order will avoid imminent irreparable harm; 2) a reasonable likelihood of success on the merits; and 3) that the harm to plaintiffs outweighs the harm to defendants." *Raptor Sys., Inc. v. Shepard*, 1994 WL 512526, at *2 (Del. Ch. Sept. 12, 1994). "[T]he standard is a flexible one, and a strong showing on one

[2] Rigmora also served a revised JX list adding ***51*** documents, all but ***two*** of which were contained in ATP's roll-off productions.

element may overcome a weak showing on another element." *AM Gen. Hldgs. LLC v. Renco Gp., Inc.*, 2012 WL 6681994, at *3 (Del. Ch. Dec. 21, 2012) (internal quotation marks omitted).

Here, the status quo can be protected only by enjoining Rigmora from attempting to divest ATP of its authority over the Fund in the Cayman Action through the appointment of PLs. This Court is well within its authority to issue such an injunction. Under "black letter principles of law," an "anti-suit injunction is appropriate (1) to address a threat to the court's jurisdiction; (2) to prevent evasion of important public policy; (3) to prevent a multiplicity of suits; or (4) to protect a party from vexatious or harassing litigation." *In Matter of Liquidation of Freestone Ins. Co.*, 143 A.3d 1234, 1249 (Del. Ch. 2016) (internal quotation omitted).

As this Court has explained, "[w]ith respect to the first situation, this Court has enjoined the pursuit of litigation in other courts in order to protect its own jurisdiction, particularly where a filing is a transparent effort [by a litigant] to remove the controversy to a forum of its own choosing." *In re TransPerfect Global, Inc.*, 2019 WL 5260362, at *14 (Del. Ch. Oct. 17, 2019) (quotations omitted), *aff'd in part, rev'd in part sub nom. TransPerfect Glob., Inc. v. Pincus*, 278 A.3d 630 (Del. 2022).

That is the case here. Rigmora seeks to remove the controversy to a "forum of its own choosing." It does so by seeking relief in the Cayman Court that would

divest ATP of its authority to manage the Fund. That plan threatens this Court's ability to award any effective relief to ATP, it seeks to starve the Delaware portfolio companies, and it would allow Rigmora to profit from a "multiplicity of suits" that it created. As this Court previously found, Rigmora's "forum selection maneuvers" created "a potential for conflicting rulings in these proceedings and the Cayman proceedings." June 27, 2025 Hrg. Tr. at 52:5-18. Rigmora now seeks to profit from just that kind of forum shopping. Delaware courts have repeatedly criticized litigants who seek to use multi-forum litigation to "dash in and out of a forum based on tactical considerations and assessment that their case looks weak in light of the governing law in a particular jurisdiction." *In re Walt Disney Co. Deriv. Litig*., 1997 WL 118402, at 4 (Del. Ch. Mar. 13, 1997) (denying motion to stay Delaware litigation).

Delaware law is clear that "all claims" arising from a "a single chain of events" and involving the same parties "should where practicable, be adjudicated in a single action if (a) that forum has jurisdiction over all such parties, and (b) is capable of doing prompt and complete justice." *In re RJR Nabisco, Inc. S'holders Litig*., 576 A.2d 654, 662 (Del. Ch. 1990).

Here, that forum is this Court. Where a party seeks to litigate issues that "necessarily implicate" the issues in Delaware litigation, an anti-suit injunction is

warranted to protect the authority of the Delaware court. *Am. Int'l Indus. v. Neslemur Co.*, 2020 WL 7255550, at *2 (Del. Ch. Dec. 10, 2020).

I. ATP'S CLAIMS HAVE A REASONABLE LIKELIHOOD OF SUCCESS ON THE MERITS.

Discovery has shown that ATP has a strong likelihood of succeeding on the merits of its claims. ATP asserts breach of the LPA based on Rigmora's refusal to meet outstanding capital calls made against already-approved budgets and failure to reasonably consider budget proposals, Compl. ¶¶ 155-75, as well as breach of the obligation to act rationally and in good faith when exercising its contractual authority under Cayman Islands law, *id*. ¶¶ 176-82. ATP also seeks declaratory relief that ATP has not breached its fiduciary duties by pursuing this action, *id*. ¶¶ 193-96.

The LPA itself unambiguously requires that Rigmora meet ATP's capital calls for approved budgets. *See* LPA § 5(c)(ii). Rigmora has failed to fund more than $100 million in outstanding capital commitments pursuant to the May 30 Capital Calls. Pl.'s PTB, at 50-55. It has also failed to "discuss in good faith any objections" to proposed budgets going forward. LPA Amend. No. 17, § 20(d)(ii); Amend. No. 18, § 20(d)(ii). Each is a breach. Pl.'s PTB, at 5, 27-32, 36-40, 50-55. Further, by refusing to consider new budgets for the portfolio companies, Rigmora has breached its obligation under Amendment 22 and Cayman Islands law to consider proposed budgets rationally and in good faith. *Id.* at 5, 40-50. As further detailed in its pre-

trial brief, ATP has a high likelihood of prevailing on its claim that prosecution of this suit is consistent with its obligations to the Fund. *Id.* at 59-62.

II. ATP FACES IRREPARABLE HARM.

Allowing Rigmora to pursue multi-forum litigation risks irreparable harm to ATP and the portfolio companies. Courts in Delaware have repeatedly recognized that forcing litigants to defend litigation in inappropriate fora is, in and of itself, irreparable harm. *See Nat'l Indus. Gp. (Hldg.) v. Carlyle Inv. Mgmt.*, 67 A.3d 373, 386 (Del. 2013) ("[Plaintiff] would suffer irreparable harm if it were required to litigate in [a different forum] in contravention of the bargain it struck with [Defendant] that is set forth in the forum selection clause."). Where, as here, these issues are properly before this Court, pursuant to a jurisdiction clause and the Court's denial of Rigmora's Motion to Stay this action in favor of the Cayman Action, *see* Dkt. 43, ATP would be irreparably harmed by having to simultaneously litigate these issues in a separate jurisdiction. And, the remedy Rigmora seeks in Cayman—appointment of PLs—may itself cause irreparable harm, as ATP will also be stripped of its authority over the Fund and its portfolio companies. *DiNardo v. Renzi*, 1987 WL 10014, at *3 (Del. Ch. Apr. 24, 1987) (finding loss of opportunity to manage investment constitutes irreparable harm).

Further, threats to a business as a going concern constitute irreparable injury. *See, e.g.*, *Applied Energetics, Inc. v. Farley*, 2019 WL 334426, at *12 (Del. Ch. Jan.

23, 2019) (action threatening company's ability to raise capital that put its solvency at risk was "sufficient to warrant a finding of irreparable harm"); *Balch Hill P'rs, L.P. v. Shocking Techs., Inc.*, 2013 WL 588964, at *4 (Del. Ch. Feb. 7, 2013) ("[T]he threat of insolvency is sufficient to raise a possibility of irreparable harm."). Here, although Rigmora argued to this Court, in its Motion to Continue trial to November, that the Fund and the portfolio companies would be appropriately funded through trial due to the measures Rigmora characterized as "self-help," *supra* at 8, Rigmora now seeks to deny ATP the ability to use those funds to fund the portfolio companies through trial. *See P.C. Connection, Inc. v. Synygy Ltd.*, C.A. No. 2020-0869-JTL, at 17, 19-20 (Del. Ch. Oct. 12, 2020) (TRANSCRIPT) (irreparable harm when the plaintiff "couldn't pay its employees and continue to operate during that near-term period [before a hearing]" and ordering submission of order limiting ability to "terminate services"); *Destra Targeted Income Unit Inv. Tr. v. Parmjit Singh Parmar*, 2017 WL 373207, at *2 (Del. Ch. Jan. 25, 2017) (discussing irreparable harm, "[a] meaningful threat that a defendant may render relief meaningless by dissipating assets or removing them from the court's jurisdiction has been held to support preliminary relief").

III. EQUITY FAVORS ENTERING THE STATUS QUO ORDER.

Should Rigmora's Application proceed, this Court will be deprived of its ability to meaningfully prosecute its claims in this Court. *Am. Int'l Indus. v.*

Neslemur Co., 2020 WL 7255550, at *3 (Del. Super. Dec. 10, 2020) ("[A]s a general matter, all claims arising from a single chain of events should, where practicable, be adjudicated in a single action in a forum having jurisdiction over all parties and capable of doing prompt and complete justice."). ATP will lose both its ability to manage the Fund and the ability to fund the portfolio companies through trial.

Given the advanced nature of this case, the balance of equities tips decidedly in ATP's favor. Rigmora should not be allowed to defeat this Court's ability to adjudicate those claims by divesting ATP of its authority based on Cayman proceedings that seek to circumvent this Court's jurisdiction. *See Am. Healthcare Admin. Servs., Inc. v. Aizen*, 285 A.3d 461, 483 (Del. Ch. 2022) ("[A] court of equity can grant injunctive relief to protect its jurisdiction over property that a defendant otherwise would remove from the jurisdiction and place outside the court's control.").

In this situation, none of the equities favor allowing Rigmora to pursue an *ex parte* appointment of PLs. The Cayman Action "has barely begun" compared to this Action, and thus there are "[n]o issues of comity" that would require this Court to yield "at this stage of the proceedings." *Conduent State Healthcare, LLC v. ACE Am. Ins. Co*., 2022 WL 414597, at *3 (Del. Ch. Feb. 10, 2022). But that is exactly what Rigmora seeks—superseding months of litigation here in favor of *ex parte*

proceedings before a Cayman tribunal that has not had a fraction of the engagement that this Court has had.

Furthermore, on September 12, Rigmora moved to adjourn the trial in this case for two full months, representing to this Court that the volume of ATP's roll-off production of documents was overwhelming and that holding the trial as scheduled on September 18 and September 19 would effectively strip Rigmora of due process. *See* Sept. 11 Hrg. Tr., 11:5-16, 62:4-11. When ATP voiced concern that Rigmora's request for such an extensive delay signaled a renewed effort to avoid a prompt trial in this matter and steer the dispute back to its later-filed Winding Up proceeding in the Cayman Islands, Rigmora dismissed that concern as being "misplaced" because even a November Delaware trial would occur "well before the January 2026 trial date in Cayman." Dkt. 217 ¶ 10.

Rigmora omitted any mention of its PL application in its September 16 Reply Brief while arguing that granting their requested adjournment of the Delaware trial would not allow the Winding-Up Petition in the Cayman Action to interfere with this Court's jurisdiction because trial was not scheduled to be held in Cayman until January 12. Rigmora also argued that ATP would not be irreparable harmed by a delay because ATP had arranged internal funding of the portfolio companies (which Rigmora characterized as "self help"). Dkt. 215 ¶ 14.

These omissions were also accompanied by significant overstatement of the prejudice that Rigmora faced in the absence of a substantial adjournment. Rigmora represented to this Court repeatedly in filings and oral presentation on September 11, 12, and 15, that the newly produced documents were so voluminous that it would take them weeks to review and incorporate into their case. Sept. 11 Hrg. Tr. 11:5-14:1 (Rigmora asserts "it will be a real challenge for [Rigmora] to identify witnesses earlier or get the joint exhibit list finalized earlier"; that Rigmora is "deeply troubled by the ability of [Rigmora] to continue to meet the deadlines"); *id.* at 56:13-61:23 (Rigmora's counsel indicates it is "screaming to do everything that we can on our end to pull together the evidence that [the Court] will need to consider and has "deep concerns about how to wrestle these 17,000 documents and how to distill them down to include them in a factual presentation"); Dkt. 211 at 2-3, (characterizing original trial dates as "unworkable"); Dkt. 215 ¶ 1 (documents "will take time to review"); *id.* ¶ 11 (documents "affect[] each aspect of the trial and preparation for trial, including matters of timing"). Rigmora's PL petition was filed just two days after that last representation, and was clearly in the works at the time the representation was made, and yet relies extensively on these same newly-produced documents. *See* Ex. 4, ¶¶ 29, 32, 34, 47, 71, 73, 77, 83-86, 88, 103.

Using this combination of omission of facts and overstatement of the need for a substantial adjournment, Rigmora is now weaponizing the trial adjournment to

initiate PL proceedings that are explicitly aimed at stripping ATP of its authority to control the finances of the Fund and end-run this Court's jurisdiction to decide this case.

When balancing the equities, "[i]t is also appropriate to consider public policy." *DeMarco v. Christiana Care Health Servs., Inc.*, 263 A.3d 423, 438 (Del. Ch. 2021). Delaware public policy favors first-filed actions. *McWane Cast Iron Pipe Corp. v. McDowell-Wellman Eng'g Co.*, 263 A.2d 281, 283 (Del. 1970) ("[A]s a general rule, litigation should be confined to the forum in which it is first commenced …"); *see also Connecticut Mut. Life Ins. Co. v. Merritt-Chapman & Scott Corp.*, 163 A. 646, 648 (Del. Ch. 1932) ("The propriety of confining litigation to the forum in which it is first commenced has repeatedly been recognized by courts of equity, and an injunction will generally be allowed to prevent either party from removing the litigation into another court." (quoting High on Injunction (4th Ed.) § 48)).

ATP's status quo order will provide the "ancillary injunctive relief" needed "to protect [the Court's] jurisdiction over (and the parties[']) entitlement to a meaningful adjudication of their rights in) the property or other matter that is the subject of the action." *E.I. Du Pont de Nemours & Co. v. HEM Rsch., Inc.*, 576 A.2d 635, 639 (Del. Ch. 1989); *see also Steinberg v. Lee*, C.A. No. 12539-VCL, at 47 (Del. Ch. July 15, 2016) (TRANSCRIPT) ("I'm not going to put a provision in the

status quo order that restricts the ability of the company to fund the 225 or the 205 or the types of claims that are here.").

Rigmora cannot legally or equitably be allowed to deny the Fund the ability to operate and prosecute its claims until this matter is adjudicated, thereby causing the very irreparable injury this action seeks to prevent.

CONCLUSION

ATP requests that the Court grant its Motion.

/s/ Michael A. Barlow

Michael A. Barlow (Bar No. 3928)
Shannon M. Doughty (Bar No. 6785)
QUINN EMANUEL URQUHART & SULLIVAN LLP
500 Delaware Avenue, Suite 220
Wilmington, Delaware 19801
(302) 302-4000
michaelbarlow@quinnemanuel.com
shannondoughty@quinnemanuel.com

Garrett B. Moritz (Bar No. 5646)
Roger S. Stronach (Bar No. 6208)
A. Gage Whirley (Bar No. 6208)
ROSS ARONSTAM & MORITZ LLP
Hercules Building
1313 North Market Street, Suite 1001
Wilmington, Delaware 19801
(302) 576-1600
gmoritz@ramllp.com
rstronach@ramllp.com
gwhirley@ramllp.com

Attorneys for Plaintiff ATP III GP, Ltd.

OF COUNSEL:

Andrew Berdon
Rachel E. Epstein
Kathryn D. Bonacorsi
Taylor L. Jones
Jenny Braun
Jonathan M. Acevedo
QUINN EMANUEL URQUHART & SULLIVAN, LLP
295 Fifth Avenue
New York, New York 10016
(212) 849-7000

Jessica T. Reese
Hannah E. Dawson
John F. Ferraro
QUINN EMANUEL URQUHART & SULLIVAN, LLP
111 Huntington Avenue, Suite 520
Boston, Massachusetts 02199
(617) 712-7100

Dated: September 19, 2025

WORDS: 4,232 / 14,000

EXHIBIT B

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

ATP III GP, LTD., in its capacity as General Partner of ATP Life Science Ventures, L.P.,	:	
Plaintiff,	:	
v	:	C. A. No. 2025-0607-KSJM
RIGMORA BIOTECH INVESTOR ONE LP and RIGMORA BIOTECH INVESTOR TWO LP,	:	
Defendants.	:	

- - -

Chancery Court Chambers
Leonard L. Williams Justice Center
500 North King Street
Wilmington, Delaware
Friday, September 19, 2025
1:30 p.m.

- - -

BEFORE: HON. KATHALEEN St.J. McCORMICK, Chancellor

- - -

TELECONFERENCE RE PLAINTIFF'S EMERGENCY MOTION FOR A STATUS QUO ORDER

APPEARANCES:

MICHAEL A. BARLOW, ESQ.
SHANNON M. DOUGHTY, ESQ.
Quinn Emanuel Urquhart & Sullivan, LLP
-and-
ANDREW M. BERDON, ESQ.
RACHEL E. EPSTEIN, ESQ.
KATHRYN D. BONACORSI, ESQ.
of the New York Bar
Quinn Emanuel Urquhart & Sullivan, LLP
-and-
ROGER S. STRONACH, ESQ.
Ross Aaronstam & Moritz LLP
for Plaintiff

BLAKE K. ROHRBACHER, ESQ.
DANIEL E. KAPROW, ESQ.
CHRISTINE J. CHEN, ESQ.
ZACHARY R. GREER, ESQ.
BENJAMIN O. ALLEN, ESQ.
Richards, Layton & Finger, PA
-and-
WILLIAM H. TAFT V, ESQ.
SHANNON ROSE SELDEN, ESQ.
CARL MICARELLI, ESQ.
of the New York Bar
Debevoise & Plimpton LLP
for Defendants

- - -

THE COURT: Good afternoon, everyone. This is Kathaleen McCormick.

Do we have a court reporter on the line?

THE COURT REPORTER: Yes, Your Honor. It's Karen.

THE COURT: Hi, Karen. Thank you.

Can we have appearances for the record, please?

ATTORNEY BARLOW: Your Honor, starting with plaintiff, this is Mike Barlow from Quinn Emanuel from plaintiff ATP. I'm joined by Shannon Doughty, Rachel Epstein, Andrew Berdon, Kathryn Boncorsi, Roger Stronach of Ross Aronstam & Moritz, and I believe client representatives Dr. Seth Harrison and Dan Finkelman are also on the line.

ATTORNEY ROHRBACHER: For defendants, Your Honor, Blake Rohrbacher of Richards, Layton & Finger. From my firm, Dan Kaprow, Christine Chen, Zack Greer, Benjamin Allen. From Debevoise & Plimpton, William Taft, Shannon Selden. And I'll let Ms. Selden introduce anyone else who's there with her.

ATTORNEY SELDEN: Thanks, Blake. Carl Micarelli and others from my firm are on the line

here.

THE COURT: All right. Mr. Barlow, who will be speaking for your side?

ATTORNEY BARLOW: I will, Your Honor.

THE COURT: All right. Let's begin.

ATTORNEY BARLOW: Your Honor, we appreciate the opportunity to be heard this afternoon. I know once upon a time today was the date that we were scheduled to be in for the second day of trial in this matter. That moved and, nonetheless, here we are in front of you, Your Honor, on a Friday afternoon.

It's a curious set of facts that we would be back in front of Your Honor so quickly, but it is in part due and significantly caused by actions that Rigmora took immediately after this Court decided to continue trial until October; actions that we believe were inconsistent with positions it took before this Court in procuring that extension.

This Court was told by Rigmora that it needed an extension because it had significant due process concerns with going to the Court, going to trial, as to review of the privileged documents that were produced by ATP. That was its explanation for why it needed to get that extension.

We responded, and in our opposition to their motion for a continuance we explained to the Court that we actually believed that this was in furtherance of a strategy that we thought was behind this -- with the denial of the motion to stay in favor of the Cayman court -- but this was behind the strategy to try to advance the Cayman litigation and seek relief in the Cayman Islands Grand Court.

They responded in paragraph 10 of their reply that those concerns were "misplaced," and expressly cited the January 2026 trial date as a reason we needn't be concerned about the potential for potential proceedings in Cayman as a reason not to delay this matter.

Having told the Court that that was not an issue, we were shocked the very next day to be served with a letter from their Cayman counsel and a filing made in the Cayman court in which they seek the appointment of provisional liquidators to seize control of the Fund from our client, ATP, and essentially direct the control of the Fund, of its portfolio companies and its operations, essentially depriving this Court of the opportunity to fully adjudicate and remediate the breaches of contract that

we have been litigating in this court since late May.

For that reason, Your Honor, we filed this morning our emergency motion. We think the request for a continuance was sought expressly for this purpose. And I'd like to highlight just a few main elements of that.

One of them that I want to highlight is, first, that they told the Court that this proceeding wasn't going to happen in Cayman until actually January. It turns out they did not inform the Court that they were going to file a 61-page affirmation of their client in Cayman the next day.

The second thing I think I want to focus on is how it relates to funding of ATP and of the partnerships. One of the arguments that they made in seeking a continuance is that we needn't be worried about continued funding of the portfolio companies because we had -- or the Fund had been able to generate some internal cash to satisfy a few extra months of operations, that we needn't worry about that. Yet, the very next day they filed a provisional liquidator application that seeks to take control of those finances away from ATP.

And, thirdly, that they came to court

and said we have due process concerns with the fact that we might be forced to go to trial on Thursday and Friday of the subsequent week without having had the opportunity to review these documents, and then the very next day after the Court pushed trial, filed a 61-page affidavit that relies heavily on those documents produced.

Establishing, in our view, that they've actually been furiously reviewing them as quickly as they can and were prepared and had marshaled the evidence that they thought that those documents proved in support of their claims, and simply wanted to present those claims in the first instance to the Cayman court and not to Your Honor.

Your Honor, all we want to do in this action is get to trial and have our matters heard. The appointment of provisional liquidators in Cayman is expressly intended to prevent us from doing so. Because the relief that we might be able to seek as ATP if provisional liquidators are appointed could be, essentially, entirely undone.

We believe Rigmora has an obligation that it has breached to fund $215 million of approved budgeted capital contributions right now to the

portfolio companies. If the Fund is put in the hands of provisional liquidators, individuals appointed, selected by Rigmora, proposed by Rigmora, those individuals who are essentially restructuring professionals and not biotechnology or biopharmaceutical executives, that $215 million that we think we're going to prevail on in this Court, respectfully, Your Honor, those provisional liquidators could send it right back to Rigmora, instead of where it's supposed to go, which is in furtherance of the Fund's objectives to try to develop these 13 very promising Delaware-based portfolio companies.

So, Your Honor, we're here seeking the emergency relief because we think that the request that was made to continue trial was made essentially for this purpose. And because, more fundamentally, the appointment of provisional liquidators would essentially prevent this Court from hearing and adjudicating these claims.

I saw a letter that was filed by my friends just maybe an hour before this hearing, and I have a number of disagreements with it. But I think it's really quite remarkable in the approach it takes.

And it essentially tries to rewrite their own threat, their own threat to go seek *ex parte* relief in Cayman to get the appointment of a provisional liquidator.

What they did was send a letter saying unless we agree to these extreme undertakings that they sought to require, unless we did so by 10:00 a.m. today, they would be -- in paragraph 15 of Exhibit 5 to our motion, which is the letter sent to Walkers, "we will be forced to seek urgent relief without further notice to protect our clients' position until the PL Application is resolved."

That request "to seek urgent relief without further notice" was a direct threat that they were going to go in and seek an *ex parte* hearing on the 61-page Blöchlinger affidavit they had filed with the Cayman court.

So it's absolutely the case that what my friends on the other side were doing was threatening that, essentially, unless we forfeited control over the financing of the Fund through these onerous undertakings, that they would take 61 pages of documents from this -- a 61-page affidavit full of documents from this litigation, run in to the Cayman court and seek relief that would essentially allow

them to avoid having this Court fully adjudicate our rights.

Now, they say also in that letter that, well, we're not seeking to impact the litigation, Your Honor. In fact, we would propose to carve out the litigation.

Your Honor, that is an empty, empty, commitment. Because the actual provisional litigator appointment language that they seek would give control of all the funding, including of the litigation, over to the provisional liquidators, thereby preventing ATP from continuing to potentially fund this litigation and essentially cutting them off that way as well.

So what we're here for, Your Honor -- and there are a lot of cases cited in our motion that go to the idea that it is entirely appropriate to enjoin a party from seeking relief in a second and subsequent jurisdiction when the parties have joined issue here in Delaware and they have largely litigated this claim -- filed pretrial briefs at this point -- as a way of essentially trying to subvert the relief that can be awarded by this Court or the jurisdiction of this Court.

So then what we'd ask is that the

Court enter an order essentially enjoining Rigmora from taking further actions to pursue the appointment of provisional liquidators in Cayman until this Court has the opportunity to adjudicate the claims before it and come to a final resolution of those issues.

We appreciate Your Honor's attention to these issues, and I'm happy to answer any questions you may have.

THE COURT: Thank you, Mr. Barlow. So I have the letter that was filed right before the hearing in front of me. And it takes issue with your description of the nature of what they proposed -- sorry, of what was proposed in the September 17th letter, which is perhaps a minor thing.

But they say that they didn't threaten to go seek *ex parte* relief in the Caymans; rather, they insisted that you respond by 10:00 a.m. today so that they could seek relief six weeks from now.

What's your response?

ATTORNEY BARLOW: Your Honor, that's not what paragraph 15 of the letter to Walkers says. So that is our response to that.

THE COURT: Thank you.

ATTORNEY BARLOW: What they

proposed -- there's a hearing in the Caymans in October, at the very end of the month I believe, October 31st. And so what they propose is that unless we agree to the undertaking they will "seek urgent relief without further notice." And that urgent relief that they're requesting wasn't, oh, they'll go to the court and get a notice provision or something like that. That was they will, without further notice, act on the 61-page application that they had filed contemporaneously with sending that letter.

So I think it's fairly clear in context.

THE COURT: I read that the same way. I just wanted to give you a chance to respond.

ATTORNEY BARLOW: Thank you, Your Honor.

THE COURT: All right. Let's hear from the other side.

ATTORNEY SELDEN: Thank you, Your Honor. It's Shannon Selden at Debevoise & Plimpton for the defendants.

And I would like, Your Honor, to address what I think are some misconstructions or misrepresentations of what's happening in the Cayman

proceeding and how it relates to this Delaware proceeding. And I most assuredly want to disabuse the Court and my adversaries of any suggestion that we are trying to proceed in the Caymans and not in this Court, or that this was in any way an attempt to take advantage of Your Honor's adjournment, which we had sought for the reasons I had described at the pretrial conference.

I think the request for provisional liquidators -- which, look, I think the word "liquidation" has an ominous name and is subject to misinterpretation here that has been somewhat by my adversary.

But that request and the need for interim supervision of the Fund's assets and the portfolio companies and its ability to fund its expenses while two parallel proceedings are going forward is a part of winding-up proceedings in the Caymans, is something that would have proceeded regardless of our trial date. And certainly the timing and some of the urgency requested was informed by some of the information that has come out throughout the course of discovery, including the misuse of funds by the GP, just as a big picture

point.

I know, Your Honor, that we had submitted our letter immediately prior to this conference, and you may not have had much time with it. But I hope that it is a helpful guide to defendants' response to these allegations, which I understand the Court takes seriously and I want to make sure that we are addressing in full.

First, the LPs have not threatened and are not threatening to seek *ex parte* appointment of provisional liquidators in the Cayman court --

THE COURT: Sorry for interrupting you. Skip that point because it's a bad one. I read the letter the same way they did, as if you were all going to seek relief today if they failed to respond by 10:00 a.m. and not give them further notice. That sounds like *ex parte* relief to me. I understand why they took it that way. I'm glad to hear you're not doing that.

But the idea that it wasn't a fair construction of your letter is a bad argument. So why don't you go to the next one.

ATTORNEY SELDEN: Thank you, Your Honor. I would draw the Court's attention to the

undertakings that we had asked the general partner to agree to in hopes that further relief would not be required from the Cayman court before the October 31st hearing. And I think that is what that allusion to seeking relief without further discussion is. Because there was hopes that these undertakings are the kinds of undertakings that the GP could and should agree to. They are Exhibit 7 to plaintiff's submission here.

And they ask for the kinds of things that the GP, as a fiduciary of the Fund, ought to be able to agree to, which is just that it will not, without further order of the Court, dispose of or diminish the value of the assets without notice. So it is seeking notice to the LPs of dissipation of assets.

It does not -- and you'll see that in paragraph (b) of Exhibit 7, which is the request for undertakings. It doesn't limit any ability on the part of the GP to use the Fund's assets to discharge its costs and expenses. So you can see that the GP is to continue to use the Fund's assets in that way.

It asks, in paragraph (c) of Exhibit 7 of the requested undertakings that the GP -- if it becomes aware of an offer for the acquisition of the

assets or capital investments of the Fund or assets of the Fund, that it provide notice to the LPs.

These are some of the things that the LPs had requested of the GP in the undertakings, which, to be clear, it sought the GP's consent to and would only go to court if the GP did not consent. Because the LPs have serious concerns -- like those that I described to Your Honor at the pretrial conference -- that the GP is, in the interim, dissipating assets of the Fund or entertaining offers for the sale of assets of the Fund or encumbering the assets of the Fund in violation of its duty to the Fund and its investors.

So the undertakings requested here are undertakings designed to preserve the portfolio companies and their value and the value of the investments while this ongoing disagreement between the GP and the LPs continues to be litigated, both in this Court and in the Cayman court.

I might, Your Honor, address kind of what the goal of the provisional liquidators is and what they are to do because I fear that there is -- I fear the description of plaintiff here makes it sounds like it is something for the benefit of the LPs or

destructive of value to the Fund or related to liquidation or winding up of portfolio companies. And, Your Honor, that is not the case.

This is a request for temporary relief, which is designed to facilitate funding for the portfolio companies on notice to the LPs while the Cayman proceedings are pending. That is the kind of thing that LPs seek in fund-related proceedings like this in the Cayman court when there is a dispute between the GP and the LPs over the management of the Fund and some need in the interim to make sure that the Fund is able to preserve and maintain and increase the value of its investments.

That's the role of the provisional liquidators. They're not coming in to be destructive of value; they're coming in to be preserving of value and to manage certain aspects of the Fund while the proceedings in the Cayman court are pending, and before the Cayman court reaches a determination on these issues in January of this year.

So, among other things, the provisional liquidators can oversee the expenditure of capital, including providing capital to the portfolio companies. They can work to negotiate agreements to

secure additional capital for the Fund and its portfolio companies. They can appoint directors to the boards of portfolio companies to ensure capital is spent properly at the company level.

These are each value-preserving measures, and they are intended to facilitate funding to the portfolio companies where there is some real risk -- substantiated by documents that we had raised in our pretrial conference and that my client's Cayman counsel has raised in the Cayman proceedings -- that the GP is undertaking or considering sales of assets or encumbrances that would be damaging to the assets in the meantime.

So that's -- the role of the provisional liquidators is to be independent and to answer to the Court, not to the LPs. Their role, under Cayman law and under the Cayman proceedings, is to do what is best for the Fund and for the portfolio companies. They are not subject to my client's instructions or to the LPs' instructions. And their powers will not include any oversight of this proceeding here in Delaware.

They do not start taking steps to wind up the Fund. That is not their function. Their only

role here is to avoid damage to the Fund's assets pending the January trial of the winding-up petition, which is a Cayman statutory procedure.

I will say, Your Honor, there is an intersection of Cayman law with that winding up procedure and the appointment of provisional liquidators which I think is important. Where there is a dispute -- as there is here -- between the GPs and the LPs over the running of the Fund, if there are investments by the Fund in the portfolio companies during the pendency of the winding-up petition, there is some risk to those investments after the winding-up petition is adjudicated and some risk that those assets are not kept at the portfolio company level as a legal matter.

And so having court supervision by the provisional liquidators during the pendency of a winding-up petition is an ordinary course Cayman litigation proceeding to make sure that there is oversight and preservation of value of those assets. And as investments and funds are distributed to the portfolio companies during the pendency of that proceeding, they, by right, remain in the portfolio companies once it is fully adjudicated and are not

kind of at risk after the fact.

So that is a risk that, you know, absent appointment of a provisional liquidator, there are provisions of the Companies Act that might void the transfer of capital in that interim proceeding.

So that -- so I think that, Your Honor, is, generally speaking, what the provisional liquidators are intended to do. And I want to be absolutely clear that they are here, not to do -- their main role is for the benefit of the portfolio companies and preservation of value and assets during what is, admittedly, a dispute. We and the GP do not agree as to how these portfolio companies and the Fund are being managed.

But that is a request made by virtue of Cayman law in order to meet these Companies Act requirements to allow the transfer of capital to the portfolio companies and have them have independent oversight, not by my clients and not by the GP at ATP, during the pendency of that case.

And I believe, Your Honor, that that is a filing that was anticipated to be made and is needed to be made before a determination on the winding-up proceeding, regardless of what the timing

of our Delaware trial was.

And it may be the case that some of what came to light in the past couple weeks, which I had alluded to, which is the use of funds and transfer of funds by the GP to its counsel at Quinn, its attempts to sell assets of the portfolio company without notice to the LPs, there were reasons for that to move quickly in parallel. But those reasons have nothing to do with the adjournment or trial date in our case.

And here in Delaware, in our case, we were in Delaware and ready to go to trial and appreciated the adjournment from Your Honor and have, indeed, since then taken the steps that we had described needing to do, including noticing additional depositions to examine witnesses on documents that were not available to us during the course of discovery. We intend to do that.

And this case in Delaware will still be ahead of both the appointment of a provisional liquidator in the Cayman proceedings -- which the LPs have requested be heard on October 31st and requested the GP's consent that it be heard on October 31st. But that's just a hearing date that the Court already

had in place. And none of the final adjudication on the merits of any of these questions would be reached in the Caymans until on or after the January hearing begins.

So Your Honor may have questions. I know that's a lot. I will stop there. But I do very much want to clarify what is happening here for the Court.

THE COURT: All right. So I have to say, I was really alarmed by this morning's filing. I adjourned the trial that was set to go forward yesterday and today based, in part, on the representation that you-all were not pushing forward or attempting to place the Cayman proceedings at a faster pace than these.

ATP argued that that was the strategy here, that that was the sole reason for delay. They said that the goal was not to give you-all more time to review their late-produced documents, but rather give you an opportunity to push Cayman proceedings forward. So, yeah, I think that they were on to something. That's exactly what it seems like happened.

And I hear everything you're saying

about the nature of the petition, but the optics aren't great for you-all. So had I known this would have been the case, I probably wouldn't have adjourned the trial that was set to go forward yesterday and today.

So what I hear you now saying -- and I want to make sure I'm hearing clearly, because I'm relying on these representations. I hear you saying that you are not going forward and you are not going to present your motion to the Cayman court sooner than October 31st. Is that correct?

ATTORNEY SELDEN: That is correct, to the best of my understanding, Your Honor. We have requested -- and, look, would appreciate the GP's consent that this be heard on October 31st. And that was the intent, perhaps poorly conveyed, that we meet and confer with respect to these undertakings and reach agreement that the GP will not take these steps in the interim, and that we put that question to the court on October 31st.

That is my understanding, Your Honor. And I want to be absolutely clear with this Court that my understanding is and remains that we are not trying to put the Cayman case ahead of the Delaware case. We

appreciate Your Honor's adjournment.

We had sought the request for the provisional liquidator on the 31st to preserve assets and get money into the portfolio companies. And we will not take any further steps to move it forward without notice to Your Honor, without notice to the Cayman court, and without notice to the other side.

THE COURT: All right.

ATTORNEY SELDEN: I'm happy to make that representation.

THE COURT: So if that representation is accurate, you will not seek -- regardless of whether they agree to what you've asked them to agree or not -- present your motion to the Cayman court before October 31st. That's correct?

ATTORNEY SELDEN: That's correct, Your Honor. And, certainly, I would add only the caveat that we would not do it without notice. And I would add -- and I haven't had a chance to talk to my client, Your Honor, but I am happy to make a representation, I would not do that without notice to Your Honor, without notice to the Cayman court, and without notice to our adversaries.

If there is some reason to believe

there is a sale or dissipation of the assets between now and October 31st by the GP, I may be forced by circumstance to come back to them, to you, and to the Cayman court.

But I want to be absolutely clear with Your Honor that I do not wish to moot the Cayman proceedings ahead of this Court, and I will not seek to do that. My clients will not seek to do that without notice to you and to the GP.

THE COURT: All right. So I don't know that that's totally sufficient. So if you were to go to the Cayman court, how many days notice would you anticipate giving me and the other side if you were to go to the Court before October 31st?

ATTORNEY SELDEN: That is a fair question, Your Honor. And I can say I don't know the Cayman procedure. And I will say the only thing that I have in mind here is a genuine concern that has come to light and is described in my client's affidavits in the Cayman proceeding, that we understand the GP has been seeking to sell assets of the portfolio companies without the consent of the LPs.

If such a sale were to come to light, I think -- and I would appreciate the Court's

guidance -- but I think our step would be to raise it with them and with both courts and to seek guidance as to how we should proceed. But to do all that at the Court's direction and on a schedule so ordered by Your Honor or by the Cayman judge.

THE COURT: All right. Let's hear from Mr. Barlow.

Mr. Barlow, it seems like, at least based on counsel's representation, that the sticking point here is a concern that ATP will sell assets, in their view, in violation of the Fund agreements in the near term and perhaps before October 31st. Seems like an easy thing to agree to give notice of.

What are your views?

ATTORNEY BARLOW: Your Honor, I appreciate your questioning of Ms. Selden and driving down the specifics on the schedule. I'm not sure where this new set of allegations relating to sale allegations is coming from. But I don't think there's a basis for it in the context of this particular situation.

It's surprising to me that sort of we're hearing this now because, candidly, that's not the focus of the affirmation. The focus of the

affirmation that was submitted in the Cayman court is relitigating a whole bunch of issues of which I am much more familiar because they're coming from this litigation.

But to go directly to Your Honor's question, I don't think there would be any concerns with providing notice. I'm not sure we have an obligation to do that under the agreement, but it would seem that we could provide an exchange of something like seven days' notice to them. But that they could at least provide sort of seven days' notice to us instead of going forward in the Cayman proceeding.

The other issue, Your Honor, is they've said that they want to now present this on October 31st. I appreciate that concession by my adversary.

I do note that with the rescheduled trial now in mid-October, it creates -- let me put it this way. I'm always reticent to propose scheduling issues that will put even more burden on the Court to potentially resolve issues quickly. And I'm a little worried that the appointment of provisional liquidators being potentially litigated on

October 31st based on several of the issues here, that we'll be in the middle of post-trial briefing, creates essentially the exact same situation we're in today, delays it until we're in post-trial briefing instead of where we are today.

So we can address that with Ms. Selden and talk about it. But at this point, I'm not sure that we would be willing to consent to having the matter heard at the case scheduling conference on October 31st. We think the issues that are before this Court should be litigated in this Court.

As much as we might like it, a very, very quick resolution on this matter, I'm a bit too humble to demand that it necessarily happen by October 31st so that this matter can be fully adjudicated and resolved before a Cayman Court essentially hears a truncated version of it on a different petition.

THE COURT: So I understand your concern, Mr. Barlow.

Here's what I'm thinking. Based on the representation from defense counsel that they do not intend to present their motion to the Cayman court before October 31st -- and I recognize that

representation was heavily caveated. I am not going to resolve the *status quo* motion today.

I am going to let you-all attempt to negotiate whether agreement to provide notice concerning a sale of the assets and a decision to run in to the Cayman court can let us wait to hold argument on the motion for a *status quo* at trial if necessary. Perhaps the negotiations will lead a truce then exceeding those narrow topics.

But I think, based on what I'm hearing today, we can take a breath and get to the next phase of this litigation. Again, defense counsel' representation was heavily caveated. That concerns me. And I think defense counsel would be wise to cool down and meaningfully negotiate with the other side before rushing in to the Cayman court. Because I am, at this point, suspicious of the strategy and concerned.

So are there any --

ATTORNEY SELDEN: Your Honor, it's Shannon Selden at Debevoise. And I just wanted to, first, thank Your Honor, and also say that while Mr. Barlow was speaking, I would like to revisit some of the caveats to my representation. And I have

checked and want to be clear with the Court that we will not go *ex parte* to or seek relief in the Cayman court prior to the 31st.

So I do -- it is very important to me to give Your Honor that assurance, and I want to give you that assurance. I would say there was a September 12th notice of a sale of the company which had caused my clients concern after our post-trial conference and before this was filed.

But I hear you loud and clear. And I appreciate the time to talk to our opposing counsel and see if we can work out a schedule in the Caymans. And we will not, in the interim, go in to the Cayman court.

THE COURT: All right. So --

ATTORNEY BERDON: Your Honor?

THE COURT: Go ahead.

ATTORNEY BERDON: I apologize. This is Andrew Berdon. And I would not say anything at this point normally, but the allegation that there has been notice of a sale of a company is simply not true.

The only thing that has gone on with respect to the idea of an asset sale was an unsolicited approach over the summer for one of the

portfolio companies where a conversation or two were had and then the offer was rejected and nothing more came of it.

What happened was some grey press in Europe published a story saying that there were ongoing negotiations. The LPs reached out to us. We confirmed that there were no ongoing negotiations, that there had been an approach. And we sent them copies of the approach letter, which they then mischaracterized as our engaging in negotiations for the sale of assets without giving them notice.

So, Your Honor, there is no danger of our trying to slip one by this Court, the Cayman court, or the LPs. And the allegation that we did something untoward with respect to anything over the summer is just not true.

THE COURT: Excellent. So I am not resolving the motion for a *status quo* order today. I've reviewed Mr. Rohrbacher's letter asking for an opportunity to submit a full response to the motion. Go for it.

I'm not resolving it today based on the representations concerning the no-earlier-than-October-31st hearing in the Caymans.

I'm also comforted by Mr. Berdon's representation. And I think that's the most we can accomplish today.

Are there any questions?

ATTORNEY SELDEN: No, Your Honor.

ATTORNEY BARLOW: Not on behalf of plaintiff, Your Honor.

THE COURT: All right. Thank you. We are adjourned.

(Proceedings concluded at 2:07 p.m.)

- - -

CERTIFICATE

I, KAREN L. SIEDLECKI, Official Court Reporter for the Court of Chancery of the State of Delaware, Registered Diplomate Reporter, and Certified Realtime Reporter, do hereby certify that the foregoing pages numbered 3 through 32 contain a true and correct transcription of the proceedings as stenographically reported by me at the hearing in the above cause before the Chancellor of the State of Delaware, on the date therein indicated, except for the rulings at pages 28-29 and 31-32, which were revised by the Chancellor.

IN WITNESS WHEREOF I have hereunto set my hand at Wilmington this 20th day of September, 2025.

/s/Karen L. Siedlecki

Karen L. Siedlecki
Official Court Reporter
Registered Diplomate Reporter
Certified Realtime Reporter

EXHIBIT C

[redacted]

EXHIBIT D

EXHIBIT E

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

09949-00010/17623607.2

[redacted]

EXHIBIT F

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:	. Chapter 11
	. Case No. 25-12177 (LSS)
APPLE TREE LIFE SCIENCES, INC., *et al.*,	. (Joint Administration Requested)
	. Courtroom No. 2
	. 824 North Market Street
Debtors.	. Wilmington, Delaware 19801
	. Monday, December 15, 2025
. . . . .	. 3:00 p.m.

TRANSCRIPT OF STATUS CONFERENCE HEARING
BEFORE THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For the Debtors: L. Katherine Good, Esquire
POTTER ANDERSON & CORROON LLP
Hercules Plaza
1313 North Market Street, 6th Floor
P.O. Box 951
Wilmington, Delaware 19801

Eric Winston, Esquire
QUINN EMANUEL URQUHART & SULLIVAN LLP
865 S. Figueroa Street, 10th Floor
Los Angeles, California 90017

(APPEARACNES CONTINUED)

Audio Operator: Taesha Marsh, ECRO

Transcription Company: Reliable
The Nemours Building
1007 N. Orange Street, Suite 110
Wilmington, Delaware 19801
Telephone: (302)654-8080
Email: gmatthews@reliable-co.com

Proceedings recorded by electronic sound recording, transcript produced by transcription service.

APPEARANCES (CONTINUED):

For Rigmora Biotech One LP and Rigmora Biotech Investor Two LP:

Michael Merchant, Esquire
RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801

Shannon Rose Seldon, Esquire
DEBEVOISE & PLIMPTON LLP
66 Hudson Boulevard
New York, New York 10001

INDEX

(Proceedings commenced at 3:00 p.m.)

THE COURTROOM DEPUTY: All rise.

THE COURT: Please be seated.

Ms. Good.

MS. GOOD: Good afternoon, Your Honor. Katie Good of Potter Anderson & Corroon on behalf of Apple Tree Life Sciences, Inc., and its affiliated debtors and debtors-in-possession.

Since the status conference is our first time in front of Your Honor, I thought I would make, at least, a few introductions and I'm sure we will do additional ones when we're back for our first day hearing.

I'm joined today on Zoom by my co-counsel, Eric Winston, Patricia Tomasco, Andrew Berdon, and Rachel Epstein from Quinn Emanuel, and several of their other colleagues who will introduce more fully at the first day hearing. We also have listening in today our chief restructuring officer, Perry Mandarino, from B. Riley, and certain of his colleagues. And Dr. Seth Harrison, the president and CEO of the lead debtor, and managing director and director of ATP III GP, Ltd., the general partner, as well as others from the company. My colleague, Shannon Forshay, is also here in the courtroom with me today.

I know that Mr. Winston is prepared to address the Court on the motion to expedite that you scheduled the status

conference on today.

THE COURT: Okay, thank you.

Mr. Merchant

MR. MERCHANT: Good afternoon, Your Honor. Michael Merchant of Richards, Layton & Finger on behalf of Rigmora Biotech Investor LP and Rigmora Biotech Investor Two LP. I am here in the courtroom today with my co-counsel, Shannon Seldon and Natascha Born, from Debevoise & Plimpton LLP. I am also here with two of my colleagues, Daniel Kaprow and Clint Carlisle.

Ms. Seldon will be addressing the Court with respect to the status conference on the motion that we filed.

THE COURT: Thank you.

MR. MERCHANT: Thank you.

THE COURT: Okay. I, obviously, scheduled the status conference on very short notice. Thank you for appearing.

I want to get a handle on this, particularly because I realize that there is a conference scheduled on Wednesday in the Cayman Islands. I also wanted a sense of when I would be getting first days, which I see has started to be filed.

So, I would like to hear first from Rigmora as to what you believe I should be doing before Wednesday and we will talk.

MS. SELDON: Thank you, Your Honor. Shannon Seldon from Debevoise & Plimpton for the Rigmora LP's.

Your Honor, before Wednesday we would ask that the Court grant relief from the automatic stay sufficient for that status conference to proceed as it would in the ordinary course as a matter of Cayman law and proceedings. I think that regardless, Justice Asif, in the Cayman Court, has -- is aware of the Chapter 11 filings, has asked counsel for the parties to appear before him and update him as to what has happened in this Court and what those filings have been made here. I that can and should proceed without regard to the automatic stay. That is not a violation of the automatic stay. That is the execution by officers of the Cayman Court of their duty to apprise the Cayman Judge as to the status of these proceedings and its potential impact on his proceedings.

We would ask Your Honor to go a step further and actually grant relief from the automatic stay so that the Cayman proceedings and the pretrial conference on Wednesday can go forward as they were scheduled to do in order to preserve the possibility of the Cayman proceeding going to trial in January. I understand that Your Honor will want further briefing and want to hear more from the parties and has more decisions to make with respect to the broader application of the automatic stay as to those Cayman

proceedings but in order to preserve that in fullness we would ask, at least, that the Court be able to ask questions, and get input, and have some dialog with counsel in the Cayman proceedings on Wednesday and that they not be so foreclosed by the automatic stay that they're not able to engage fully with the Cayman Court as he would like

THE COURT: Thank you.

Let me hear a response to that.

MR. WINSTON: Good afternoon, Your Honor. Eric Winston of Quinn Emanuel on behalf of the debtors.

Let me -- if you will indulge me in a few minutes, if I could, give you a little bit more background but just on the specific issue of the Wednesday hearing. It is a pretrial conference. There is no dispute that the lawyers in the Cayman Islands should apprise the Court as to the goings on here. That is not -- I don't think there is any dispute that that can and should happen. In fact, we did inform the Court of the filing of the case and the judge did indicate that he wants to have counsel there to, at least, give him an update as to what is going on here. That makes all the sense in the world.

The notion, though, of whether the pretrial conference should go off in the ordinary course goes to the broader issue of what they are trying to accomplish which is to knock us out and go straight to a winding up proceeding

that, you know, we certainly contend would be extremely value destructive for which, and I will get to this in a little bit, there is zero prejudice to letting this Court resolve their motion and we think its going to moot out what is going to happen in the winding up but if we're wrong about that no prejudice even if the hearing got delayed for a short period of time.

If it's okay with Your Honor, since this is our first opportunity to appear before you, if I could spend a few minutes just giving a little bit of background I think it will help explain why we filed a pretty detailed opposition motion to shorten time, you usually don't see that, because I think its important context for the case. If that is okay, Your Honor, if I could spend a few minutes doing that.

THE COURT: You may.

MR. WINSTON: Thank you.

So, Your Honor, this case now involves seven debtors, three corporate debtors that filed last week and the four portfolio companies that filed this morning. Importantly, a number of those portfolio companies, while majority owned by, what I will call, the partnership, they also do have other owners and they have dozens of creditors. There may be more portfolio companies that will need protection in Chapter 11, we are being very careful of how we proceed in that respect but its entirely possible in the next

week to two weeks or so you may see some more.

Earlier today, as Your Honor noted, we did file some first day motions. We also filed the first day declarations of Dr. Harrison and of our chief restructuring officer, Mr. Mandarino. One good fact, a little unusual for large Chapter 11's, there is, effectively, no secured debt, so we don't really have any cash collateral issues. That being said, before any scheduled first day hearing, you're going to see a budget filed that will show the use of cash over the next 13 weeks.

Then, of course, we did file the opposition to the motion to shorten time. In the declarations and in that opposition, we spell out why these companies have filed Chapter 11 and how we expect to operate and eventually reorganize. And the partnership, the four portfolio debtor companies, and the remaining portfolio companies they're all part of an enterprise, the goal of which has been to establish startup biotech firms and provide them the financing necessary to discover new potential medicines and bring them to clinical trials.

It has been the track record that once there's sufficient clinical evidence of safety and efficiency the companies either go public, or they syndicate, or they're sold in order to gain access to capital to continue on the process and also make a return to their equity investors. As

it sits here today, there is over $221 million of commitments from the partnership to the portfolio companies that have not been fulfilled. That is one of the major reasons why we are seeking Chapter 11 protections.

While there has already been tremendous success, companies like Stoke, and Eric Fuhrer (phonetic), and Syntimmune, and Braeburn, due to Rigmora's internal liquidity constraints and the nature of the partnership agreement its refusal to honor its capital calls is what has directly and materially adversely impacted the portfolio companies making it impossible for the partnership, absent Chapter 11 protections, to fulfill its commitments, permit those portfolio companies to survive, and maximize the value for them and the partnership.

And you probably started to see this in the papers, but it's that refusal to honor capital commitments is what led for the lawsuit to be brought in Delaware Chancery Court, which was the one that was recently decided on December 5th. It was after a two-day trial, a lot of briefing, a lot of witness testimony, and overwhelmingly the debtor in that case, ATP GP, prevailed. Not only did the Court order the specific performance remedy to compel a payment of nearly $100 million, its findings fully vindicate the conduct and decision making of ATP GP and Dr. Harrison, and conclusively show that Rigmora has not acted in a way

that is consistent with its pleadings in the Cayman Islands. This has nothing to do with the loss of trust by the general partner. Instead, it's because Rigmora has its own internal problems.

The problem with that ruling is even if the money is actually paid, which hasn't happened yet, it covers the next six months of operations at the portfolio companies and Rigmora has made it clear they will not fund any further. So at best, even if they comply with this specific performance order, these companies only have six months of liquidity.

So, we have two problems. One is that the liabilities owed to the portfolio companies from the partnership for $221 million exceeds cash coming in but even if that cash comes in its not going to be enough to continue on. So, to address that problem and to address the fact that Rigmora is unwilling to do what has been over a decades worth of conduct and success, you will start to see, very soon, a financing motion that will show up half to maximize value and we are working, hopefully, on a plan and disclosure statement to be filed in the near term to be able to restructure the partnership and the portfolio companies that will hopefully pay ever creditor in full and provide a meaningful return to equity.

That brings me to what they're trying to do now. Right after the lawsuit was brought in the Chancery Court,

Rigmora ran to the Cayman Islands to commence a winding up proceeding. It did so on the argument that there was a loss of trust; not because of its own internal issues which is proven to be wrong. It also sought and obtained, on an ex parte basis, interim orders blocking the partnership and the GP from taking certain actions against Rigmora, which has been very much like a strangle hold on the ability to raise capital.

It is a hundred percent clear, and we will certainly spend a lot of time in the briefing, that the entire winding up proceeding was done in retaliation for what was going on in the Chancery Court. But what is interesting is after we got the ruling from the Chancery Court on December 5th we were expecting to get, over the weekend, a call saying, okay, here is the money, go use it to help the portfolio companies and let's have a rational business discussion of how to move this forward and eventually, if we need to, divorce but that did not happen. Rigmora did not signal, in any way, it was going to do anything other then continue on with its winding up proceeding even though the basis for it, we would submit, has been knocked out.

So, we actually got very worried that they were going to go run again, ex parte, and try to do further adverse activities to prevent the money from coming in and to prevent the ability for the partnership to save its portfolio

companies. That is why you saw last week those first three filings.

One thing I do want to say, like this wasn't the situation of someone filing for bankruptcy on the eve of trial to stop something from happening. This is a month beforehand. I mean, we did it as soon as we thought there was the real risk of the money not coming in and the partnership being in danger of not being able to act.

Despite these facts, Rigmora wants to continue, you're hearing it today, with the winding up proceeding trial that starts in mid-January. There is no emergency at all. The dismissal motion should be heard on regular notice with a fair opportunity to take discovery and Your Honor have a full record. And if the result of that is the trial in the Cayman Islands is pushed back a few months there is no prejudice whatsoever.

The only evidence in support of the motion to dismiss has been a Cayman Islands lawyer declaration. He is acting both as a fact witness and a foreign law expert. They haven't put in any declarations of the business representatives, including the people that testified in the Chancery Court trial. That submitted declaration makes no mention of any imminent loss of value if the Cayman Islands proceeding is delayed. Rather, it talks about the costs that have already been incurred but whether that trial happens

tomorrow or a year from now that investment of time and money has already been spent, can't undo that.

Importantly, all of the assets that they could possibly be concerned with are now in the jurisdiction of this Court, subject to this Court's oversight, which means there actually isn't any risk of any meaningful loss of value because that is what Chapter 11 is for. And it makes no sense to proceed with the dismissal motion while proceeding with gearing up for the winding up trial which is what their position would submit. It makes no sense.

One of the two is going to be right. Either we're going to prevail and defeat the dismissal motion, and we will be in Chapter 11, and the winding proceeding hopefully never happens or we're wrong and then they can proceed with the winding up proceeding and kill off the portfolio companies but it makes no sense to do it at the same time. And this Court is the right Court to first resolve the questions.

So, for those reasons, Your Honor, we would ask that you deny their motion to expedite, that you set this on a regular schedule, that we have an opportunity to make sure we can develop a factual record and third parties that are interested in this with their voices as well. And as for what is happening on the 17th, again, no problem whatsoever informing the Judge what is going on but there shouldn't be any prejudice whatsoever to the effect of the automatic stay,

which happens all the time in Chapter 11 cases, and no party should be prejudiced in its defense or its prosecution of the dismissal motion which is to be heard by Your Honor.

So, I appreciate the time you have given me and I'm happy to answer any questions you might have.

THE COURT: What would be the prejudice to the debtor to permitting the pretrial conference in full to go forward?

MR. WINSTON: Well, I think the major prejudice other then it sort of undermines one of the purposes of the automatic stay, which is to stop this step, is we would not want its existence to be a fact that supports the granting of the dismissal motion or later granting relief from stay on the substance.

So, while I think there is something to be said of, sure, you know, its not a big deal, it is just a procedural hearing, we certainly don't want it to be interpreted in any way, including by the Judge in the Cayman Islands that somehow the automatic stay doesn't apply, which is position they, seemingly, are taking in the dismissal motion or that there is any expectation that that trial is going to move forward if Your Honor does as we requested, which is put this on a regular notice.

So, in that respect, if we're on a regular notice and the reality is that the dismissal motion won't be heard

in time for the winding up proceeding to start and we should be doing them in parallel --

(Sneezing)

MR. WINSTON: -- why go forward at all on the 17th.

Bless you, Your Honor.

THE COURT: Thank you.

What do you consider to be a regular schedule for the motion?

MR. WINSTON: Well, putting aside we're in the holiday season, so I'm trying not to prejudice everyone's schedules, on something this serious and weighty in which there has already been a pretty incomplete picture in their motion that was filed, I would say minimum 30 days.

THE COURT: Thank you.

Happy to hear a response.

MS. SELDON: Thank you, Your Honor. That was quite a lot and there have been two other longstanding proceedings, so I will do my best to catch Your Honor on Rigmora's view of those in response to what you have just heard.

First of all, I think that what you have heard from my opponents is that blatant attempt in some ways to relitigate the trial that we just completed here in the Court of Chancery in Delaware where Chancellor McCormick heard us

at trial, heard multiple fact witnesses, heard expert testimony, issued on December 5th a decision on a very expedited schedule at the express request of ATP that she issue that decision on that day so that the Cayman Court have the benefit of that decision before it proceeded with the winding up.

Chancellor McCormick's views on these issues before the winding up proceeding which ATP represented both to Chancellor McCormick and to the Cayman Court that it understood would happen, would happen in January, was important to preserve, and goes to the fundamental question of governance that is of who it is that can make decisions with respect to the Cayman ELP which is, effectively, a trust for the benefit of my clients, the Rigmora LP's.

Right now the GP is the GP of that Cayman exemptive limited partnership, it is a fiduciary. Its duty is to the investors. The 98 percent investors in that ELP are my clients, the Rigmora LP's. The GPO's duties to them, they have lost all confidence and all trust in the GP for reasons, Your Honor, that go far beyond the scope of today's status conference but are demonstrated both in the Delaware trial and in the Cayman trial but it is the right of LP's and a Cayman ELP to move for a winding up of their fund when they have lost trust and confidence is appropriate and requires displacing the GP and bringing in an independent liquidator

to administer the trust for the benefits of investors is a central question of governance and Cayman law under the ELP, which is the Cayman Exempted Limited Partnership Act, and under the LPA, which is the limited partnership agreement that governs this entity in particular.

That is the central governance question that is set to be heard and decided by Justice Asif in the Cayman Court. He is the only Judge who has the authority and the jurisdiction to decide that. It is exclusively within his remit and it is, Your Honor, a necessary precursor to any of the actions that ATP, the GP, is contemplated here in these Chapter 11 cases. The questions --

THE COURT: Why is that?

MS. SELDON: Because the questions before Justice Asif fundamentally go to the question of who may act for the benefit of the Cayman ELP. That is the fund.

THE COURT: I understand that but there is currently management in place. So, management makes decisions.

MS. SHELDON: Well, there's Well, there is not exactly management in place, Your Honor. For the fund, for the Cayman ELP ATP Life Sciences the GP, under the terms of the ELP and the LPA acts for that fund entity, that partnership. But the GP is to act as a fiduciary for the benefit of the LP's. It is to hold assets and the ELP holds

assets in trust for the LP's. And the Cayman proceeding calls into question whether the GP is acting appropriately in the interest of the investors and appropriately in the interest of the fund or whether it should be displaced for liquidators.

So that question of whether the GP can and should be acting as a matter of Cayman law is the question that the Cayman Court would decide in January -- and I suggest, Your Honor, that that is a question that fundamentally should come before anything that proceeds here in these Chapter 11 cases because it is a question of Cayman law, it is exclusively within the remit of the Cayman Court and in a Cayman winding up proceeding, even if Your Honor were to proceed with the Chapter 11 cases, any decisions about assets or actions of the fund or the GP would then be subject to scrutiny of the Cayman Court after the fact and couldn't be formalized or recognized as a matter of Cayman law under the Cayman ELP absent approval of the Cayman Court in the Cayman winding up proceeding.

So, anything that happened here in a Chapter 11 case for a Cayman ELP would be subject to later review in the Cayman winding up proceeding if there remains this question of who is calling the shots for the fund. So, Your Honor, it is very much our strong view that the Cayman Court should go forward first to adjudicate that central governance question

before any of the Chapter 11 cases go forward with respect to the ELP or the GP here in this Court.

THE COURT: What about the portfolio companies?

MS. SELDON: Your Honor, with respect to the portfolio companies, I think that it makes good sense to think of those separately, and really the Cayman proceeding is a question that affects this governance question that I've described with respect to the GP and the ELP, which doesn't have separate legal entity and is run by the GP. That needs to proceed in the Cayman court, but the motion to dismiss and abstain and to lift the stay doesn't apply to the Chapter 11 cases filed on behalf of the portfolio companies, which were later filed, they were filed this morning, so I saw them as I was coming down on the train from New York.

With respect to those Chapter 11 cases of the portfolio companies, again, there is fundamentally a question of Cayman law as to whether the GP is acting consistent with its fiduciary duties and its obligation to the investors in the fund, to the LPs who are my clients, or whether it is putting in its own interests ahead of its LPs' interest and filing those portfolio companies here in Chapter 11 cases in order to seize control and hold those assets hostage from the LPs and the fund. I think there's a real dispute about that and I think Your Honor will hear much more about that if those Chapter 11 cases proceed, but I do not think you need

to reach conclusions about the portfolio company Chapter 11 cases in order to recognize this fundamental question of Cayman law and governance with respect to the fund should go forward in front of Justice Asif.

I would say, Your Honor, a couple of other things, if I might, on the interplay of these different cases, one of which is the Cayman winding up proceeding was indeed filed on the heels of the Delaware Chancery Court action, which was just litigated through trial here in Wilmington. And it was filed because there's fundamentally a two-party dispute here where the LPs and the GPs disagree at their very core over who is acting in the best interest of the fund, and that is a question of Cayman law that is squarely before the Cayman court now.

The questions that were before Chancellor McCormick were, again, a wide variety of questions, one of which was what the total contingent subscriptions or capital commitments that the LPs were to the fund, which Chancellor McCormick has decided in my clients' favor, and a question of whether the capital calls that were made on May 30th, minutes before that action was filed, were valid and should be paid. On that question, where ATP, the GPs sought specific performance of payment of the capital calls issued on May 30th right before they filed suit, Chancellor McCormick did rule for the GP and did require payment of $96 million in

capital calls for the benefit of those portfolio companies. And, promptly upon receiving that decision, we have jointly entered -- we have entered competing orders, but both of the orders submitted by my clients, the defendants, and by ATP GP, the plaintiff, to the court called for payment of that $96 million within ten days of the entry of the order of judgment, that's December 26th. My clients are prepared to pay that within those ten days, they have made no indication and no representation and done nothing to suggest otherwise, and I will represent to the Court today that we will pay that $96 million, there's no reason to think otherwise.

And it was on the eve of that successful judgment where the purported debtors here won their $96 million in payment. They turned around and filed Chapter 11 cases in this court, claiming $200,000 in debt, and acknowledging that they have between one and $10 billion in assets. This is not a case for the fund or the GP that belongs in Bankruptcy Court --

THE COURT: They have six months --

MS. SELDON: -- or in a Chapter 11 --

THE COURT: -- they have six months of funding for biotech companies.

MS. SELDON: But, Your Honor, the six months of funding for the biotech companies is for the portfolio companies, and there are within the portfolio other companies

that have value. And so at the ELP level there are some portfolio companies that maybe do need to be wound up and there may be some portfolio companies that have real value, but the question, Your Honor, about how to dispose of or manage that portfolio and reorganize those companies should not be confused with the fundamental precursor question of whether the GP or the LP is the person who is benefitting from the Cayman ELP, whether the GP should be displaced with the independent liquidator that would be appointed by the Cayman court if the winding-up proceeding is successful. And there is no reason to think, Your Honor, that in that independent winding-up proceeding -- the liquidator there deals with the assets of the fund, including the portfolio companies, and has the ability under Cayman law and the sole ability to seek and have approved further funding for those portfolio companies, to manage those assets, to handle sales, that is all teed up for the Cayman winding-up proceeding.

And when the debtors come into this court and say, oh, there are biotech companies that need funding, this is an urgent matter, that is exactly the same argument that they made to Chancellor McCormick six months ago that was exactly the premise of their case in Delaware; they have one with respect to the capital calls, otherwise all of the other claims were ruled on in our clients' favor with the recognition by both parties and Chancellor McCormick that the

next question is whether the GP should be displaced in its role as a fiduciary of the fund and the assets for which my clients contributed 98 percent of the capital, billions of dollars. It is their assets that are in play and the GP trying to hold them hostage by filing them here in this court.

THE COURT: I think that wasn't the emphasis of your motion, though it's interesting to hear it, but that is not the -- that was not the emphasis of the motion that you filed. So, we'll get to that, I guess.

MS. SELDON: Well, Your Honor, I am -- I agree, on the motion I have tried to focus here in this court on the Chapter 11 cases and to say I don't want to re-litigate the Delaware case, and I don't think this is the appropriate place to litigate the winding-up questions. I think the questions --

THE COURT: I don't think this is a re-litigation. I read quickly -- and I need to read it again, obviously, and maybe more than twice -- Chancellor McCormick's decision. So, I understand what she ruled and what she didn't, and certainly that opinion doesn't reflect this loss of confidence, but, you know, perhaps there was. That's not what the decision reflects, but I'm not -- you know, we'll see where we get on that, but --

MS. SELDON: But, Your Honor, if I might just on

that. The reason that it doesn't appear in Chancellor McCormick's decision is because that is the question that is before the Cayman court.

THE COURT: Well, but she talks about -- she clearly gives me the background that I didn't get from looking at what was filed in front of me, admittedly quickly, where we learn about the different investment strategy for Rigmora, and so that's set out in her ruling as factual findings.

So, again, I don't think we're doing the same thing; that was my only point is I don't think it is the same issue in front of me as it was in front of Chancellor McCormick.

MS. SELDON: I would say it ought not to be and what I heard from my adversary overlapped, but I want to make two important clarifications, Your Honor, because there is a missing piece that is not fully in front of the Delaware courts, and that is what is happening in the Cayman court.

In the case before Chancellor McCormick there were breach of contract claims under the LPA brought by the GP against the LP, but the question of fiduciary duties and the appropriate governance of the Cayman ELP is a question exclusively within the jurisdiction of the Cayman court and is before Justice Asif. You do not see before you the witness statements that were submitted in the Cayman court

because they are submitted exclusively to the Cayman court and I can't submit them absent consent of my adversary to you. So, we would ask the GP consent that those witness statements be submitted here to this Court so that you have the benefit of both sides of the story and don't just have the completed trial, but have the actual witness statements that went in just last week from my clients and from my adversary's clients into the Cayman court, which are -- until the trial is held cannot be disclosed other than to the judge. And I admit to not yet being a full expert on Cayman procedure, so I will hedge a little bit on the details of that, but we need either the permission of the Cayman court, which we could seek on Wednesday, or the consent of my adversary, which I would ask them for today, in order so that Your Honor has that full story because you are only seeing a piece of it, and that piece of it is the contract claim that happened in Delaware, but it doesn't show you the deep distrust and the Cayman law aspects that require replacing the GP with a liquidator who can then, if it is the appropriate thing to do for these Delaware companies, pursue the Chapter 11 cases or secure more funding, and take all the actions that are necessary to preserve assets. But that is the question of how best to preserve the assets and the investments where, believe me, Your Honor, my clients, who have put billions of dollars in this fund, have a desire to

preserve its value, to preserve their investment, to recognize value in these assets, but they do not trust this GP to do it, and that is the question that's before the Cayman court. And I would ask for the opportunity to submit those additional filings once we get the permission of the Cayman court, if that's a question that Your Honor would like to see here.

THE COURT: All I was saying is that's not the emphasis of the motion that was filed.

MS. SELDON: On that, Your Honor, I would just say we would like very much --

THE COURT: The motion was to dismiss, the motion was -- and then, tangentially, relief from stay.

MS. SELDON: That's right. We do think that the bankruptcy cases should be dismissed and that the Court should abstain. I don't think that these were filed in good faith or that there's true financial distress.

THE COURT: So that's the dispute in front of me.

MS. SELDON: And on that, Your Honor, I've told you a lot about the Cayman proceedings, but let me address directly the timing question, if that would be helpful, which is I do think, in addition to the prejudice of all of the millions of dollars that have been invested in litigating the Cayman proceedings and getting them ready for an imminent January trial, there is the ongoing and very real prejudice

to my clients and to the portfolio companies of having a dispute over governance pending unresolved in the one court that can hear it, which is the Cayman court, and that is creating a cloud over the portfolio companies, a cloud over the fund, a cloud over the investments, and it will continue to create a cloud over these Chapter 11 cases until and unless Justice Asif is able to resolve that question, and he has reserved 15 days, which he will not get back and does not have in the imminent future to resolve that. And I would ask that the motion to dismiss and abstain be heard on a sufficiently expedited schedule to preserve that very important trial date because otherwise it will just continue to cloud these Chapter 11 cases, and you will hear these questions of fiduciary issues and Cayman law throughout them until they go back to the Cayman court afterwards.

THE COURT: Thank you.

Mr. Winston.

MR. WINSTON: Your Honor, may I have a few minutes --

THE COURT: Yes, please.

MR. WINSTON: -- may I have a few minutes to respond? Thank you, Your Honor. I'm more than happy to answer any questions you have, but let me just make a few points, if I may.

I think a lot of what you just heard, in addition

to being issues not really in the motion to dismiss, nonetheless go to merits, not the imminent need for anything. And while I just heard at the tail end of the presentation a desire to keep the Court's calendar -- I've heard for the first time the caring about the portfolio companies. If they actually cared about the portfolio companies, we never would have litigated in the Chancery Court and got an order compelling them to pay. And we actually quote from the opinion in our opposition, among other things, "ATP has proven by clear and convincing evidence that Rigmora must make capital calls within approved portfolio company budgets and, on balance, the equities favor ATP. Rigmora LP funds have the funds to meet the capital calls. Moreover, the portfolio companies are developing treatments for serious medical conditions, including childhood blindness, various cancers, obesity, and neurodegenerative diseases. The public interest strongly favors preserving potentially life-saving research programs."

That's not Rigmora's position, that's our position.

And so, if we're all on the same, you know, wavelength about saving the portfolio companies, the last thing we want is to have a winding-up petition go forward instead of being in here where you're going to have Cayman Island joint liquidators trying to what, sell U.S.-based

companies that are out of money? Like that's completely -- I mean, I don't mean to gild the lily here, it's pretty absurd. And while I'm not asking Your Honor to rule on the merits today, let's make that case.

And, importantly, I'm a little surprised to hear counsel make the argument that the Cayman Island court has exclusive jurisdiction because the limited partnership agreement has a dual-jurisdiction clause in it, Delaware or the Cayman Islands, and they haven't brought a breach of fiduciary duty claim in the Cayman Islands, they've just brought a winding-up petition.

And so the right answer is to do what happens often in Chapter 11 cases where there is a cross-border aspect. The Chapter 11 court has plenary jurisdiction. We cited in our case and you'll see a lot more of it in our opposition to the motion to dismiss the Soundview decision, which involved a Cayman Island company where it was in a winding-up proceeding, then filed a Chapter 11, and then afterwards they ran to try to get liquidators appointed, and it was found to violate the automatic stay. That hasn't happened here yet, but the court kept the jurisdiction because it's the right place. This one is even more powerful because it's not simply one entity, it's an entity that owns a lot of U.S.-based companies that are doing really important stuff and they are living by, you know, a gossamer thread

right now.

So, again, we would ask Your Honor, set this on a regular time. If the worst thing that happens is that the winding-up proceeding gets delayed a few months, fine, that happens all the time in Chapter 11 cases.

THE COURT: Okay. The motion in front of me that was filed and on which I was requested to shorten notice is a motion to dismiss the case, with a secondary and very ancillary relief of a motion for relief from stay. And quite frankly, given the complicated nature of this matter as it's being described to me, I need briefing and I need the time to consider the briefing on the motion to dismiss.

So, I'm not going to shorten the time period. I'll ask the parties to discuss a briefing schedule and see if they can agree on one, and I'll try to accommodate that schedule with a hearing, but -- a prompt hearing, but it's not going to be on shortened notice.

I will grant relief from stay for the pretrial conference to go forward in the Caymans on Wednesday. I don't know, it hasn't really been described to me what would be -- what substantively would go forward, what dates might be established by the court, or what's really left before the judge to decide before the January 12th trial date. So, the parties -- I think the parties and judge can discuss that, but I will say that I don't anticipate that the January trial

date is going to go forward given the need for me to decide what was filed, which is a motion to dismiss.

And I'm cognizant, believe me, of judges' schedules when they have put things on their calendar. In fact, I would not have been available today, but something settled over the weekend that was supposed to go forward. I was supposed to have a contested, very contested claim objection today that would have taken all day. So, I'm quite aware of setting aside scheduling time, I'm quite aware of preparing for matters that don't go forward, and I don't like to disrupt any other judge's schedule, but I don't see that this motion to dismiss gets resolved in enough time for the parties and the Court to know that that trial can go forward.

So, again, I will grant relief from stay for the pretrial conference itself to go forward, but not any further than that at this point in time.

MS. SELDON: Your Honor, might I ask one question?

THE COURT: Yes.

MS. SELDON: Which is cognizant of trying to balance both Your Honor's need for a full briefing and consideration of the motion to dismiss and Justice Asif's schedule. Would it be more efficient for this Court, for Your Honor if we were to separate out our motion and move for now just to lift the automatic stay to permit the Cayman case to go forward, leaving the motion to dismiss and for

abstention to be decided later. And I will say that the posture of these Chapter 11 cases has changed somewhat since we made our motion as the additional Chapter 11/7 filed on behalf of the portfolio companies. And while I hesitate to ask for another bite at the apple, I think it might be helpful to separate out and to make on shortened notice the motion to lift the stay to permit this governance question to go forward in the Caymans, while leaving the broader and I understand weightier question of dismissal to be decided down the road.

THE COURT: I'm not going to entertain an oral motion, if you will, to switch emphasis and to bring a motion that really hasn't been brought. So, I'll leave it to the parties. I can't stop you from filing any motions, but I'll have to decide once something is filed how I'll hear it.

MS. SELDON: Thank you.

THE COURT: Okay. First days, any thoughts on first days, which seem to me, at least last time I looked at it, to be very limited.

MS. GOOD: Yes, Your Honor, Katie Good from Potter Anderson again.

We have filed all of the first days that we intend to move forward with at this point in time, which would be joint administration, a creditor matrix motion, a claims agent retention application, and wages and cash management

motion. So, to the extent the Court has time later this week, preferably on Wednesday, we would propose that as a hearing date.

THE COURT: I need to check with Mrs. Johnson, but it would have to be in the afternoon. I do have a contested matter at 2:30. I don't know if the 3:00 is contested or not, so maybe 3:30. From what it sounds like, it shouldn't take that long. The first several were clearly ministerial. I guess the wages motion is really the only thing that's of any substance, correct?

MS. GOOD: Yes, Your Honor, wages and cash management are --

THE COURT: And cash management. And I certainly want to give Rigmora whatever time it needs, if it is going to contest anything, but I will check with Mrs. Johnson, if you all wait a minute after we adjourn, and we can fit you in that afternoon.

MS. GOOD: Thank you, Your Honor.

THE COURT: Okay, anything else for today?

MS. GOOD: Nothing else from the debtors, Your Honor.

THE COURT: Okay. Thank you very much. We're adjourned.

(Proceedings concluded at 3:47 p.m.)

CERTIFICATION

We certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter to the best of our knowledge and ability.

/s/ William J. Garling December 16, 2025

William J. Garling, CET-543

Certified Court Transcriptionist

For Reliable

/s/ Tracey J. Williams December 16, 2025

Tracey J. Williams, CET-914

Certified Court Transcriptionist

For Reliable

EXHIBIT G

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

EXHIBIT H

OPUS 2

In the Matter of ATP Life Science Ventures, L.P.

Day 1PTR1

December 17, 2025

Opus 2 - Official Court Reporters

Phone: 0203 008 6619

Email: transcripts@opus2.com

Website: https://www.opus2.com

Wednesday, 17 December 2025

(3.03 pm GMT)

JUSTICE ASIF KC: Good morning.

MR SCOTT: My Lord, good morning.

I appear, as before, with Mr Faulkner for the plaintiffs and petitioners, the Rigmora LPs; my learned friends Mr Ayres and Ms White for the defendant, the GP.

Submissions by MR SCOTT

As your Lordship knows, this is the PTR ahead of the January trial in these proceedings. We were last before your Lordship at the end of November, when your Lordship dismissed the mediation and privilege summons brought by the GP.

JUSTICE ASIF KC: Yes.

MR SCOTT: There have since been two very significant developments in Delaware. The Delaware judgment came out on Friday, 5 December, and there followed, on Tuesday, the 9th, commencement by the GP of Chapter 11 proceedings against itself and against the Partnership and against ATLS. There has since been a flurry of activity in Delaware. Subject to your Lordship, what I want to do this morning is address the court on three topics. The first is the Delaware judgment and its significance for your Lordship's purposes, and its

principal significance is that, as a result of the Delaware judgment, the substratum of the Partnership is now gone, and it is gone because the Chancellor accepted our case as to what our total contingent subscriptions are and accepted our case that we have an unfettered discretion over budget approval. And the upshot of that is that once we have complied with the Delaware judgment, as we will do in the coming days, and paid those of May capital calls which the Chancellor has required us to pay, there will be just US$29 million left in undrawn contingent subscriptions left to call and we will have an unfettered discretion over budget approvals in respect of any future calls for that sum.

So the Partnership has no future in the form that was envisaged by the parties under the LPA. As I say, its substratum has gone and so it needs to be wound up. My Lord, that will be the first topic.

The second will be the Chapter 11 proceedings. As your Lordship will have seen from our skeleton, we stayed(?) and are moving in Delaware to have them dismissed on the basis that they are a bad faith filing, an attempt to avoid the consequences of the Delaware judgment, a device by which to kill the January trial in your Lordship's court that the GP agreed should take place, and a device pursued in circumstances where

the Partnership is not facing financial distress in the slightest, its stated assets being multiple orders of magnitude greater than the paltry debts mentioned in the petitions.

My Lord, the Delaware Bankruptcy Court will rule in due course on the motion to dismiss. What I want to focus on is the implications, again for your Lordship's purposes, of the commencement of the Chapter 11 proceedings having regard to the relevant provisions of the Limited Partnership Agreement, the LPA, and the associated provisions of the ELP Act, because, regardless of whether the Chapter 11 filings were done in good faith or bad faith, regardless of that, the contractually agreed and statutory consequences of their commencement in respect of the GP is that the Partnership shall now be wound up under the supervision of this court. So the issue that now confronts your Lordship in these proceedings is not whether the Partnership should be wound up, but rather how and by whom.

My Lord, that brings me to the third topic that I wish to address, the question of how your Lordship should manage these proceedings in the light of these recent developments in Delaware.

JUSTICE ASIF KC: Mr Scott, before we go much further, can

I just make sure that the message has got back to everyone that we absolutely must be finished by 2 o'clock? If we have to sit over lunch, we can do that, but I've read everyone's skeletons, I've read the Delaware judgment, I've read the transcript of the hearing before the bankruptcy judge in Delaware, so I've got a pretty good picture of the current lie of the land in Delaware, and so I would hope that this morning -- and also I'm also very conscious of what the parties are allowed to argue in front of me as permitted by the bankruptcy judge in Delaware and what they're not currently allowed to argue in front of me, so I would hope that that might speed up matters today somewhat.

MR SCOTT: I'm grateful, my Lord. That indication had indeed come to us. I would not expect to be much more than an hour on my feet.

JUSTICE ASIF KC: Right, okay.

MR SCOTT: My Lord, I should also say at this point, there is, I understand, a further hearing in Delaware, I think scheduled for 3.30 today.

JUSTICE ASIF KC: Yes, I did see that.

MR SCOTT: And it would be helpful, if possible, if your Lordship were able to indicate at the end of submissions this morning what your Lordship's view is on

the lie of the land and the way forward so that that can be communicated ——

JUSTICE ASIF KC: Communicated.

MR SCOTT: —— (overspeaking) —— in Delaware ——

JUSTICE ASIF KC: No, that's understandable, Mr Scott, and I'm happy to do that —— well, assuming we've reached a position where I'm able to.

MR SCOTT: I'm grateful, my Lord.

JUSTICE ASIF KC: I will provide whatever assistance to the judge in Delaware that I can.

MR SCOTT: I'm grateful.

My Lord, just to complete the overview on the third topic, how your Lordship should take forward these proceedings, what we invite your Lordship to do is to direct a two—day hearing, ideally in the week commencing 19 January. We understand that week had been reserved in your Lordship's diary for judgment writing following the trial. And the purpose of that two—day hearing would be to determine the contractual and statutory consequences of the recent development in Delaware as a matter of Cayman law, and they are the paragraph 10(b) issues, as we have termed them, identified in our skeleton at paragraph 12. Perhaps can I just ask your Lordship to take that up.

JUSTICE ASIF KC: Yes, I've got that.

MR SCOTT: Your Lordship sees at 12.1, 12.2 and 12.3 the paragraph 10(b) issues. They are all issues of Cayman law. They are discrete issues capable of determination without a need to resolve any factual issues, because they're issues that —— they're simply the legal consequences of what has happened in Delaware.

We say that a determination from your Lordship on those issues would be helpful to the parties in the context of these Cayman proceedings because, if we are right about them, they will in practice dispose of the case. A determination from your Lordship is also likely to be very helpful in the context of the Chapter 11 proceedings in Delaware, because it would provide to the Delaware Bankruptcy Court and to third parties an authoritative statement of the Cayman law consequences of what has happened and that can then be factored into whatever decisions need to be taken by the bankruptcy judge in the US proceedings, and it will obviate, for example, the need for the US bankruptcy judge to hear Cayman law expert evidence on these issues, because there could be no one more expert than a judge of this court pronouncing on the issues as they arise in this particular case.

JUSTICE ASIF KC: Can I just understand, how does this fit in with your intended application in terms of whether to

strike out the —— or to dismiss the Chapter 11 proceedings? Are you saying that whatever I say about the position of the ELP and the paragraph 10(b) issues needs to be determined before that application is made, or is it not?

MR SCOTT: So that application has been made.

JUSTICE ASIF KC: Yes, it's been made, but I know it's not been heard?

MR SCOTT: It hasn't been heard yet. The parties, as I understand it, are in a process of agreeing a schedule to brief and then have that motion served ——

JUSTICE ASIF KC: Yes. And the Delaware judge has indicated pretty plainly that she's not going to make a decision on that in time for the trial here ——

MR SCOTT: No, indeed.

JUSTICE ASIF KC: —— the intended trial here to go ahead.

MR SCOTT: Indeed. And the way we see this working is that your Lordship's determination on the paragraph 10(b) issues will be relevant for the purpose of disposing of the motion to dismiss. They will also be relevant more broadly.

JUSTICE ASIF KC: But how are you going —— in that case, how are you going to be able to run that before you've got a decision from the Delaware judge permitting you to do that, given the automatic stay under Chapter 11?

MR SCOTT: My Lord, because what we intend to do, and to do before the end of this week, is to make a motion to vary the moratorium ——

JUSTICE ASIF KC: All right.

MR SCOTT: —— to permit us to have the paragraph 10(b) issues determined.

JUSTICE ASIF KC: Right.

MR SCOTT: If —— my Lord, I understand the position in Delaware so far as the rules are concerned to be that, having made that motion, the hearing can come on, if it can be accommodated, within 14 days thereafter. That takes us to the very early part of January, and we would hope that the Delaware bankruptcy judge would hear us on the motion to vary the moratorium in very early January to enable us to come back before your Lordship later in the month to argue out the point. So that's the schedule that we have in mind.

All I'm asking today is that your Lordship reserves the slot in the court's diary and we work towards it. But, of course, if the judge in Delaware cannot accommodate the motion to vary, or is not prepared to grant motion to vary, then we will need to come back and deal with the consequences of that, because, as I hope we made plain in the skeleton, and let me make it plain again orally, we intend to comply with the moratorium,

and nothing that I'm saying to your Lordship today should be misrepresented or weaponised in Delaware as any suggestion to the contrary.

JUSTICE ASIF KC: No, that's fine. I just —— I was just trying to work out how the chronology would be likely —— allay(?) in my own head how the chronology would be likely to work out.

MR SCOTT: That's the chronology as we see things.

JUSTICE ASIF KC: Right.

For what it's worth, the week commencing 19 January is —— looks to me to be possible, but it does depend on quite a lot of good will from the judge in Delaware being able to accommodate your motion in time, and also because, presumably, everyone is going to say that unless and until the Delaware judge has granted your relief, no one can properly start spending on all the money preparing for the paragraph 10(b) arguments.

What I can say at this stage is, if the 19th —— if the week of 19 January is not feasible, then, subject to 26 January being a bank holiday, I could do later in that week. I could do the week of the 2nd. But then I can't do anything until 2 March.

MR SCOTT: Just so I have that clear, my Lord.

JUSTICE ASIF KC: Yes. The week of the 26th, the 26th is a public holiday. I have something on the 27th, but

I could do 28, 29 or 30 January.

The week of the 2nd, I've got a short hearing on Tuesday morning, but apart from that, that week is currently clear. And then I could not to anything, because of trials, until 2 March.

MR SCOTT: That's a very helpful indication, my Lord. Could I just turn my back for one moment?

(Pause)

So, my Lord, with that ——

JUSTICE ASIF KC: And can I also just say, again, with a view to trying to assist the parties, it seems to me it's preferable that I at least allocate some time at this stage so that there is a space set aside in my calendar, which fills up, as everyone knows, fairly quickly, because if we don't do it now and simply wait until the judge in Delaware has ruled, that builds in at least three or four weeks of unnecessary delay in the resolution of the matters you want to have determined.

MR SCOTT: Indeed. And the concern is, on our side of the court at least, before you know it, those issues aren't getting determined until the spring.

JUSTICE ASIF KC: Yes.

MR SCOTT: And we do say they really are issues of fundamental importance. I mean, in some ways they're

gating(?) issues in the case.

JUSTICE ASIF KC: And the other thing, in my view, is this. If it turns out that the Delaware judge says, no, you can't do any of this, then it's much easier to release the time than it is to try and work in the other direction.

MR SCOTT: Well, we respectfully agree, my Lord.

My Lord, with that introduction, can I deal with my first topic, which is the Delaware judgment and its implications.

JUSTICE ASIF KC: Yes.

MR SCOTT: If I can ask your Lordship please to take up our skeleton, paragraph 16.

JUSTICE ASIF KC: Yes. I thought it was very interesting how both sides managed to portray the judgment as a resounding victory.

MR SCOTT: Well ——

JUSTICE ASIF KC: I mean, that's par for the course.

MR SCOTT: Indeed. My Lord, without meaning to be flippant, it's an odd victory won by the GP that results in a Chapter 11 filing just a couple of days later, but there we are.

My Lord, what I want to do is just invite your Lordship's attention to the contrast between what the GP was asking for in May and what it achieved in

the Delaware judgment. Can I ask your Lordship to re—read the subparagraphs of paragraph 16, which summarise the GP's ask back in May.

(Pause)

JUSTICE ASIF KC: Yes, I've read that.

MR SCOTT: And if your Lordship would then please read paragraph 17, we set out there what we say the effect of seeking this relief was.

JUSTICE ASIF KC: Yes, I've read that.

MR SCOTT: I'm grateful.

And as your Lordship knows from the submissions I made at the August hearing in this matter, our position consistently has been that there was never any basis in the LPA for this suite of relief, and what the Delaware complaint as issued was was an account in effect to restructure the Partnership through orders for declaratory relief and supposed specific performance, specific performance of the obligations which didn't exist under the LPA but which the GP invited the Delaware Court to impose.

My Lord, the absence of any contractual basis for that relief is illustrated by two things. The first is that the GP had abandoned a good deal of it by the time the Delaware trial took place, with more still abandoned come closing arguments.

The second is the fact that the Delaware Chancellor has found, in her judgment following the trial, that the GP's case in the most part has failed. It failed in particular as regards the level of total contingent subscriptions, and it failed in particular as regards the attempt to strip us of budget approval rights.

If your Lordship will then go, please, to paragraph 18 in our skeleton.

JUSTICE ASIF KC: Yes.

MR SCOTT: Your Lordship sees that by the time the music stopped, so to speak, and we got to the end of the trial in Delaware, there were five claims left in play, which we identify in paragraph 18. First, the claim for a declaration that we had breached the LPA or our common law duties by refusing to consider budgets in good faith and had waived our rights to do so in the future. That claim failed and the declaration sought was refused. And importantly, the claim failed because the alleged duty relied upon, derived from Braganza, was held by the Delaware judge not to exist in the context of this partnership, and that chimes with an observation that your Lordship made at the August hearing, that the application of Braganza in the context of an ELP did not appear to reflect Cayman law, as it does not.

My Lord, second, there was a claim from the GP for

specific performance requiring payment of the disputed capital calls made in May. Now, this succeeded to the extent of US$96 million or so of those calls and we intend to pay them as soon as the GP supplies us with the account details required under the Chancellor's post—judgment order, which includes protective measures to hold the payment in a segregated account to the order of the US Bankruptcy Court.

My Lord, third, the GP had sought a declaration that its filing of the Delaware complaint was not done in bad faith and was consistent with its fiduciary duties and the terms of the LPA. The Chancellor declined to make that declaration, or to deal with the issue in her judgment, and that is because, as she said in her judgment, it was an issue more appropriate for determination by your Lordship.

My Lord, fourth, the GP had sought a declaration that the default provisions in the LPA had not been amended. That declaration bore no resemblance to the relief initially sought in the Delaware complaint, whereby, if granted, the GP would have been entitled to apply a default charge across all of our interests in the Partnership. That request was abandoned come the trial. The declaration that was sought in its place was pointless, because we had never disputed that

the default provisions had not been amended, and the Chancellor duly refused to grant that pointless declaration.

My Lord, fifth and finally, the GP had pursued a claim for costs, but the Chancellor dismissed this too, finding that the claim had been waived in the course of arguments.

My Lord, the summary I've just given you is set out in a bit more detail in paragraph 19 with references to the Delaware judgment, but I'm not proposing, in the light of your Lordship's indication, to take that up at this stage. But we do say that there is a stark contrast between what the GP sought to achieve by its filing in May and what it has achieved. The GP had claimed that the Partnership had $550 million of capital commitments remaining, had more than $214 million of unfunded approved budgets and that we had lost our rights to approve further budgets. And one can readily see that, if that reflected the true position under the LPA, this Partnership would have a future. But it does not reflect the true position under the LPA, as the Chancellor has found, because following the Delaware judgment, the GP has at most $29 million in capital commitments left to call from us(?), and in circumstances where we are free to reject further

budgets, as it is our right to do and as we are inclined to do given that we have no trust and confidence in Dr Harrison and the GP.

My Lord, we respectfully submit that, in those circumstances, the Partnership substratum is simply gone and there is no serious argument to the contrary. That's not an issue that turns upon the facts about whether the loss of trust and confidence is justified. It doesn't depend on any of that. It just depends on the financial implications of the Delaware judgment. So what we would envisage as regards determination of that issue in January really are submissions to your Lordship on the substratum case law and then the application of the principles from those cases to the undisputed financial landscape that results from the Delaware judgment.

My Lord, can I make one thing clear at this point, and it's important that this not be misrepresented in Delaware or weaponised there. In saying what we do about the loss of substratum of the Partnership, we are not saying —— we are not saying that the Partnership is financially distressed. Plainly it is not: it has billions of dollars in assets, it has piles of cash. There is no suggestion that the Partnership is unable to meet its liabilities as they fall due, nor any

suggestion of any risk that such difficulties may arise at the Partnership level, whether imminently or otherwise. The point is not that the Partnership is in financial distress. The point is that Dr Harrison has so managed the Partnership capital that the purpose for which it was formed can no longer be carried out. It is impossible or impracticable, the language used by the case law, to continue where the Partnership has just 29 million in remaining available capital, a sum that would soon be burned through by the ATLS fee that Dr Harrison causes to be charged.

Now, he must have recognised that that would be the position if we were correct in our contentions on total contingent subscription amounts and our unfettered right under the LPA to give or refuse budget approvals, and that is no doubt why he caused the GP to put its case so high in the Delaware complaint as issued in May and to persist in the fantasy that we had agreed to contribute hundreds of millions more in capital than we ever did, because once the true contractual position is ascertained, as it now has been, it was obvious and it is obvious that the Partnership cannot continue its business within the contractually agreed framework of the LPA.

And, my Lord, the attempt by the GP to achieve

a restructuring through the Delaware complaint having died with the Delaware judgment, what happened is the pivot just a few days later to Chapter 11 as the means by which to achieve the restructuring. And the commencement of those Chapter 11 proceedings effectively concedes that the substratum of the Partnership has gone, because if the Partnership could continue for the purpose for which it was formed, there would be no basis to seek restructuring under Chapter 11.

Importantly, the GP is not —— is not seeking Chapter 11 relief to deal with any insolvency at the Partnership level, because there is none, and my Lord, that is apparent from the Chapter 11 filings themselves. I don't know if your Lordship has had the opportunity to look at those.

JUSTICE ASIF KC: I didn't look at those, no.

MR SCOTT: Perhaps I should just show them to your Lordship. They're in the hearing bundle and they're in broadly similar terms. If your Lordship would just give me a moment to find an example. If we take one in the case of the Partnership, it's at tab 14. Your Lordship sees that it's expressed to be a "Voluntary Petition". It certainly wasn't voluntary from our perspective.

And if your Lordship turns to page 336 in

the bundle, your Lordship sees the estimated assets of the Partnership are put at between $1 billion and $10 billion and the estimated liabilities are put at between $100,000 and $500,000. Well, if that's financial distress, I suspect many of us in the world would wish to be financially distressed. That's the basis upon which this restructuring relief is being sought.

My Lord, whatever the relief that will ultimately be sought in Delaware if the Chapter 11 proceedings are not struck out, it will be a form of reorganisation that attempts to vary the terms upon which the Rigmora LPs have agreed to participate in the Partnership and to do so without our consent, and again, that illustrates that the substratum of the Partnership is gone.

My Lord, another illustration, if you would go, please, to tab 24 in the hearing bundle at page 621, and this is a declaration of Dr Harrison that was filed earlier this week in the Chapter 11 proceedings. Can I ask your Lordship, please, to read paragraphs 16 and 17.

(Pause)

As your Lordship sees, Dr Harrison there admits that one of his aims in pursuing the Chapter 11 proceedings is to effect "a restructuring of the Partnership's

capital structure" and to "bring in new investors to replace the defaulting limited partners". Well, we're not defaulting partners and the suggestion otherwise is difficult to reconcile with the injunction that your Lordship made earlier this year and continued in August. That prevents the GP from treating us as defaulting partners on the basis of those disputed capital calls. As I have said, we intend to comply with them as soon as the GP provides us with the relevant account details.

But, my Lord, the fact that Dr Harrison is taking this stance in the Chapter 11 proceedings, whatever the rights and wrongs of it, further illustrates that the substratum of this Partnership is gone, because on his own evidence, his own evidence, he's seeking a restructuring of the Partnership's capital structure and admission of new investors, all without our consent or without any right to do it under the LPAs. My Lord, it is, with respect, impossible to see how Dr Harrison thinks he can get away with that, given there is a petition on foot in your Lordship's court and given the provisions of Section 99 of the Companies Act, under which, in the event that a winding—up order is made, any alteration in the status of the Partnership's members would be void absent a validation order from

your Lordship, and there is no suggestion from the GP that it intends to seek one of those, as it has not during the life of these proceedings on a single occasion.

Now, my Lord, these are among the points that we say illustrate the abusive nature of the Chapter 11 proceedings, and the Delaware Court will rule on that in due course. I'm obviously not asking your Lordship to rule upon it. The key point for your Lordship's purposes is that the commencement of the Chapter 11 proceedings in the circumstances of this case concedes that the substratum of the Partnership has now gone and that would be a sufficient basis for the court to wind up the Partnership on just and equitable grounds and to do so summarily.

My Lord, that brings me to my second topic, which is the contractual and statutory consequences of the Chapter 11 proceedings themselves.

My Lord, before I address that, just a brief word, if I may, on the circumstances in which the Chapter 11 bankruptcy proceedings were brought. They are nothing short of extraordinary. Your Lordship will recall that back in August, when the GP abandoned its stay application, it agreed to a trial of these Cayman proceedings in January. It joined with us in asking

your Lordship to make available court time to have the dispute resolved because it was in the interests of all the parties that it be resolved at the January trial. The GP did not indicate at that stage that it might seek Chapter 11 protection, nor was that suggested to your Lordship at the October mention, the October CMC, the recent hearings on mediation and privilege summonses, and that's more than a week of court time during which the GP kept this under wraps. Nor was it ever suggested to the Chancellor in Delaware. Nor had the possibility ever been suggested in the correspondence that passed between the parties. The Chapter 11 proceedings were entirely unheralded. The first we heard of them was in a casual email from Mr Berdon(?) of Quinn Emanuel, the individual who had filed misleading evidence before your Lordship at the last hearing, for which my learned friend Mr Ayres rightly apologised. Now, we learned from him in the course of email exchanges on 9 December about settling the post−trial order in Delaware. Mr Berdon said, "Well, the GP has filed Chapter 11 proceedings". And that was remarkable and remarkable in circumstances where the GP had repeatedly represented to us that it was not seeking to imperil the January trial.

If your Lordship will just go, please, to tab 6 in

the hearing bundle, your Lordship should have there an email from Walkers to the court on Monday of this week, 8 December −− I'm so sorry −−

JUSTICE ASIF KC: Last week.

MR SCOTT: −− Monday last week.

JUSTICE ASIF KC: Yes.

MR SCOTT: I'm so sorry, I've lost a week! Monday last week:

"Dear Ms Wood,

"Thank you for your email.

"We write to confirm that we are instructed to appeal the Judge's decision on the Privilege Summonses."

Well, no surprise that those instructions were given. But then this:

"In order to progress our client's appeal promptly and so as not to imperil the January trial fixture, we would be grateful if the reasoned judgment could be handed down as soon as reasonably practicable."

JUSTICE ASIF KC: Yes, I spent most of the next day working on the draft judgment because I also had the request from the Court of Appeal to finalise it as soon as possible.

MR SCOTT: And the GP didn't trouble to tell your Lordship that at the same time that your Lordship was working away on the judgment, the GP and Quinn Emanuel were

working away on these petitions. And your Lordship may wish to ask Mr Ayres, when he gets on his feet, when Walkers first knew that this was underway, because it's very difficult to see how an email can have been sent properly in those terms if Walkers knew that Chapter 11 filings were going to be made.

My Lord, likewise, if you turn the tab, please, to tab 7, we've got a letter here from Walkers on 9 December, the very same day that the filings were made. It's dealing with the appeal in relation to the privilege summonses, and your Lordship sees, at paragraph 3, Walkers say this:

"... for the avoidance of doubt, we reject any suggestion in Your Letter that our client's appeal is in any way unmeritorious or a tactical attempt to delay the trial."

Or could multiply these communications. Take, for example, the communication to the Court of Appeal demanding that it convene a special sitting in an attempt to preserve the January trial.

Your Lordship will recall from prior hearings in this case the concerns that we have repeatedly expressed about the GP's wrecking strategy in relation to your Lordship's jurisdiction and the repeated attempts made to forestall this court's examination of the GP's

conduct and the application of its winding up jurisdiction to this Cayman ELP. Your Lordship will recall the failed stay applications, the one abandoned by Ms Prevezer in August and the one informally made by Mr Ayres when he came on the scene at the October mention. Your Lordship will recall the charade at the October CMC when the GP turned up without any proposals for directions to trial other than that we kick everything off for a two−day CMC to be listed who knows when. Your Lordship will recall the failed mediation summonses, the failed privilege summonses, the manoeuvrings in Delaware by which we were forced to withdraw our PL application. And, my Lord, the unheralded Chapter 11 proceedings coming hot on the heels of the disaster that the Delaware judgment was for the GP is all of a piece with the wrecking strategy that Dr Harrison has evidently settled upon in relation to proceedings in your Lordship's court.

Your Lordship sees that strategy in some ways reach the denouement shortly following the Chapter 11 proceedings, because if your Lordship will go next to tab 9 in the hearing bundle, does your Lordship have the −− an email from Ms Moseley of Walkers on the 10th?

JUSTICE ASIF KC: Yes.

MR SCOTT: And your Lordship will no doubt have read this,

I suspect, as it came in. Walkers asserting that the effect of what had happened in Delaware was to automatically stay these Cayman proceedings, such that the PTR and the January trial had to be vacated. Now, that is quite wrong as a matter of Cayman law, as we explain in our skeleton, because it's a decision for your Lordship how to conduct these proceedings, and I'll return to that in due course.

But when we declined to acquiesce to the GP's suggestion that the PTR should simply come out of the diary, declined because we said we wished to update your Lordship on these important developments, we received a truly remarkable letter from Quinn Emanuel. And if your Lordship will please turn that up, it's tab 10 −−

JUSTICE ASIF KC: Yes, I've read that.

MR SCOTT: You've read the letter? I'm grateful. And your Lordship will no doubt have formed his own view on the appropriateness of a US law firm writing personally to a Cayman attorney, threatening him with severe consequences in the event of any knowing violation of the automatic stay. And my Lord, we would invite you to note the contrast between the aggressive tone that Quinn Emanuel took in this letter to Mr Farmer with the position that they adopted before the judge in

Delaware on Monday.

JUSTICE ASIF KC: Yes, I've read the transcript as well.

MR SCOTT: Your Lordship will note that the Quinn Emanuel counsel on that occasion did not draw to the Delaware judge's attention the letter that Quinn had sent just a few days prior.

As your Lordship knows, we filed the motions to strike out the Delaware bankruptcy proceedings on 12 December −− that was on Friday. Ancillary to that, we moved to shorten the timetables for the GP to respond and that led to the scheduling hearing on Monday, and your Lordship has indicated that you've read the transcript so I don't need to go back over that. Your Lordship will have seen that the Delaware bankruptcy judge was content for the PTR to go ahead and that is why we are before your Lordship today.

I've already addressed your Lordship on what we see as the next steps in Delaware, a motion to vary the stay this week, a request to the Delaware judge, if she can accommodate it, for a ruling in early January that will then clear the field for a determination by your Lordship of the paragraph 10(b) issues.

So let me turn then to those paragraph 10(b) issues, and I've already addressed your Lordship on the substratum aspect of it. I want to turn next to

the contractual and statutory consequences of the commencement of the Chapter 11 proceedings, because in the GP's desperate attempt to avoid your Lordship's jurisdiction, it seems to have overlooked the statutory and contractual consequences, because this latest front in the wrecking strategy is in fact a form of kamikaze. If I can ask your Lordship please to take up the authorities bundle at tab 3.

JUSTICE ASIF KC: Yes.

MR SCOTT: (Inaudible) −− the ELP Act. If I just invite your Lordship's attention to section 36(1):

"An [ELP] shall ..."

Shall:

"... be voluntarily wound up in accordance with the provisions of the partnership agreement −−

"(a) at the time or upon the occurrence of any event specified in the partnership agreement ..."

And if your Lordship will then move ahead, please, to page 10, your Lordship sees that:

"The winding up of an exempted limited partnership shall be deemed to commence upon the earlier to occur ... of the following ..."

And then (d):

"The occurrence of an event provided by the partnership agreement upon which the [ELP] is to be

wound up ..."

If your Lordship will then take up the hearing bundle, please, at tab 5, and if your Lordship will go, please, to page 55 —— that's a bad reference. It should be page 56. At the foot of the page, you should have paragraph 10(b). And (a) having provided that:

"The Partnership shall continue in perpetuity, unless it is sooner dissolved as provided in Paragraph 10(b) or by operation of law."

10(b) says this:

"The Partnership shall be wound up ..."

"Shall be wound up":

"... and dissolved (i) upon any event in respect of the General Partner specified in Section 15(5) of the ELP Law ..."

This LPA defines the ELP law as the 2012 revision as amended from time to time. And the events to which section 15(5) of the 2012 revision referred are now found in section 36(7) of the Act. And if your Lordship would please go to section 36(7), your Lordship sees the relevant events there set out, and at (b), one such event is "the commencement of liquidation, bankruptcy or dissolution proceedings", and there can be no doubt, we respectfully ——

JUSTICE ASIF KC: Well, it's in relation to the sole or last

remaining qualified General Partner, so it's specific to the gentleman.

MR SCOTT: Indeed, yes. And the point I was —— the follow—on point is that, where the General Partner has commenced Chapter 11 bankruptcy proceedings against itself, that is plainly an event of withdrawal within the meaning of this section and that brings about the termination provision in 10(b) of the LPA.

The effect of these provisions, the contract and the statute under which the Partnership was created and to which it owes its sole existence, the effect is that a voluntary winding up is deemed to have commenced upon 9 December with the commencement of the Chapter 11 proceedings in respect of the GP. So that is why I say the question is no longer whether the Partnership should be wound up, the parties have agreed that it shall, with the statutory revision(?) that it shall, in the events which have occurred, namely the Chapter 11 proceedings in respect of the GP. And so the question now is how and by whom the winding up should be conducted.

Now, our preference is for a compulsory winding up order to be made.

JUSTICE ASIF KC: Can I just ask one question, Mr Scott?

MR SCOTT: Of course.

JUSTICE ASIF KC: So if that is right, then doesn't it have

the result that Section 99 only applies from 9 December onwards, so you each say you may want or you may have reason to want to try to persuade me to wind up on the existing petition?

MR SCOTT: Well, that was the first reason why our preference is that there be a compulsory winding—up order on the petition, to preserve the operation of Section 99. So that's the first reason and it's an important reason.

There is a further reason, that we apprehend —— and I don't put it any higher than that —— but we apprehend that it may be easier for court—appointed liquidators in a compulsory liquidation to obtain Chapter 15 recognition in the States and it would be for voluntary liquidation.

So that's our preference, my Lord, and that's where the substratum point comes in, because if we are right on the substratum point, the consequence would be a winding—up order on the just and equitable basis in the existing petition.

But, my Lord, an alternative approach to the preference I've just set out would be for the court to exercise its power to remove the GP as liquidating agent in the voluntary liquidation that is presently on foot and replace it with court appointees. My Lord,

the Cayman Court of Appeal has confirmed that there is jurisdiction to do just that. That's the One Thousand & One Voices case to which we refer at paragraph 35 of our skeleton and which your Lordship has at tab 8 of the authorities bundle, page 152.

JUSTICE ASIF KC: I also read that yesterday.

MR SCOTT: I'm grateful.

And we say this would be a clear case for exercising that jurisdiction where we have the majority interest in the winding up, and our preference is that it be done by court appointees rather than the GP. I don't know if your Lordship has had the opportunity to remind himself of what Justice Kawaley said on that issue at first instance in One Thousand & One Voices.

JUSTICE ASIF KC: You mean the paragraph at the end?

MR SCOTT: Indeed.

JUSTICE ASIF KC: Yes.

MR SCOTT: I am grateful. About the importance of giving due weight, save for exceptional circumstances ——

JUSTICE ASIF KC: To the parties with the economic interest.

MR SCOTT: Indeed, yes.

And again, it seems to us that that's an issue your Lordship properly can and should grapple with at the January hearing we seek and an issue that won't involve having to investigate whether trust and

confidence has justifiably gone, it will simply involve taking due account of our interests as the majority in having the winding up conducted by court appointees, rather than a GP who we don't trust.

I turn finally to the question how the court should proceed. And as I said earlier, we have every intention of complying with and respecting the automatic stay, which is why we have applied to have it lifted and why we will be making a further application this week to vary it to permit the termination of the paragraph 10(b) issues in January. What I'm addressing your Lordship on, as I am bound to do as an attorney of this court, is your Lordship's powers and the principles that govern them, and it's a matter for your Lordship how to proceed in the light of the Chapter 11 proceedings. We address the principles in our skeleton at 36 to 40.

JUSTICE ASIF KC: Yes.

MR SCOTT: The Chapter 11 stay is not a part of Cayman law. If it is to have effect in this jurisdiction, it would be as a result of a decision by your Lordship to exercise his own power to stay the proceedings. And in the usual way, your Lordship would do that where the interests of justice so require, where to do so would further the overriding objective, and recognising that while the court properly can and does give

assistance to foreign courts conducting insolvency proceedings, the court cannot override local substantive law and local public policies. And as a matter of Cayman substantive law and public policy, it is ordinarily important to hold commercial parties to their bargains to protect the property rights that accrue to them under such bargains and to supervise the winding up of legal persons who owe their sole existence to Cayman law, as does this Partnership.

My Lord, we do say, applying those principles, the most appropriate course would be for your Lordship to direct the two-day hearing we seek to determine the paragraph 10(b) issues. As I said, they are discrete issues of Cayman law and they can be determined without the need to resolve any contentious issues of fact and where the resolution will, or at least may, provide a short answer to what should happen to this Partnership from the perspective of Cayman law under which it exists.

If we are right that the Delaware judgment means the substratum of the Partnership has gone or if we are right that the contractually agreed and statutory consequences of Chapter 11 are that we are in winding up now already, there will be no need for your Lordship to determine the various other issues in these proceedings.

My Lord, there is a further practical significance about these issues, because if we are right on the paragraph 10(b) point, then the Partnership has already entered voluntary winding up, and that being so, the GP is contractually obliged "to carry out the winding up of the affairs of the Partnership pursuant to the LPA". That is expressly set out in paragraph 11(a) of the LPA. And the provision continues to explain that the GP is required to do two things, first, cause the Partnership to satisfy its liabilities and obligations to creditors, and then, second, to distribute the net assets remaining to the Partners. Those are the purposes for which the GP can act now that voluntary winding up is in train and they are the powers that the GP can exercise.

JUSTICE ASIF KC: So are you saying that pursuant -- a restructuring is outside the scope of the powers?

MR SCOTT: Yes.

JUSTICE ASIF KC: Right.

MR SCOTT: And that's among the reasons why we say it would be valuable to the Delaware bankruptcy judge to have your Lordship's views on that question, because if your Lordship agrees with us that pursuit of the restructuring is outside the GP's powers under the LPA, or at least an improper exercise of such powers

that the GP has, that's another matter that the Delaware judge may wish to bear in mind in determining how to proceed with the Chapter 11. But we do say it's in the interests not just of the parties, but the Delaware court, and indeed all stakeholders in relation to these Chapter 11 proceedings, to have clarity on the position under Cayman law that results under this LPA and the ELP.

My Lord, we also say that would further the interests of justice and it would further the overriding objective. It would avoid junking in its entirety the January fixture that we have and the work that the parties have been doing in preparation for it. And the course we propose would not offend against the Chapter 11 stay because, as I have said, we intend to move in Delaware to have the stay lifted to the extent necessary to permit determination of the paragraph 10(b) issues.

My Lord, can I finish on this with a brief word about the GP's position today. As I understand the GP's skeleton, its position is that your Lordship should simply vacate the January trial and give the parties liberty to apply if the Chapter 11 stay is lifted. That's paragraph 8 of their skeleton. That will achieve the long-standing wrecking strategy that the GP has been

pursuing. The only reason given for it in the GP's skeleton is the suggestion that "the most appropriate way to recognise the effect of the worldwide stay imposed by the US Bankruptcy Proceedings" is to vacate the trial. Your Lordship has my submission that the question is not one of recognition, at least not at this stage. There's no appointee or approved restructuring in the Chapter 11 proceedings yet and there may never be one. All there is at this stage is the institution of proceedings. That does not result in an automatic stay under Cayman law. The question is instead a matter for your Lordship's discretionary decision taking account of all the circumstances. And we do say the appropriate and the fair and just exercise of discretion is the one that we propose, whereby we try to do something useful in January that will assist all concerned in relation to progressing the orderly winding up of this Partnership.

If your Lordship will just give me one moment.

(Pause).

My Lord, if I can just come back to the helpful indication that your Lordship gave about dates in January and February. What we would propose is that we will contact the court tomorrow, after we have had the scheduling conference in Delaware.

JUSTICE ASIF KC: That's fine, Mr Scott.

MR SCOTT: But what I can say, my Lord, and this is the attempt to be helpful, and I hope there will be a similar attempt on the other side, but what I can say is that from our perspective, our Cayman team can do all of the dates that your Lordship has indicated. I think I can do most of them.

JUSTICE ASIF KC: That's fine.

MR SCOTT: And if Mr Ayres would be good enough to indicate his side's availability, and if your Lordship is persuaded to make these two days available, we can all work together to get something in that fits both here and with the schedule in Delaware.

Unless I can assist your Lordship further, and I'm sorry I've slightly overrun.

JUSTICE ASIF KC: No, that's fine, Mr Scott.

The only —— I'm not suggesting this to anyone, the parties will take their own counsel as to the course they want to pursue, but I'm certainly conscious that judges in the Grand Court have, in the past, made anti—suit injunctions to prevent proceeding with liquidations or Chapter 11 in the States where the companies are Cayman incorporated companies. So I'm alive to the fact that just because the GP has commenced Chapter 11 proceedings is not necessarily the end of

the matter.

MR SCOTT: Well, I hope that has been heard on the other side of the court. Obviously it's not an application ——

JUSTICE ASIF KC: No.

MR SCOTT: —— I am making to your Lordship, or can, but your Lordship is quite right to identify the court's own powers to protect its jurisdiction from these sorts of vexatious and oppressive attacks.

JUSTICE ASIF KC: Yes. Thank you, Mr Scott.

Yes, Mr Ayres.

Submissions by MR AYRES

MR AYRES: My Lord, I'm going to be in my submissions much shorter than my learned friend, and part of the reason for that is because I am going to be cautious about what I say in light of the fact there is Chapter 11 bankruptcy proceedings, including the fact that although the judge, Judge Silverstein, gave permission for this PTR to take place, that was not a permission, as far as we were concerned, where any party, myself included, or the opponents, could simply trespass on the merits, describe in detail the positions that they wish to put forward and effectively advance the merits. So, my Lord, I am not going to respond in detail to a lot of what my learned friend said and your Lordship should not take that as an acceptance that he has.

My Lord, just one point of information in relation to a document my learned friend took you to. If your Lordship can go —— I think he took you to page 632, which is part of the declaration of Dr Harrison in relation to the application for Chapter 11 reorganisation, and ——

JUSTICE ASIF KC: It's actually 621, I think.

MR AYRES: Yes, and if your Lordship goes down in that document to the top of page 633 and reads paragraphs 46 and 47, you'll see, my Lord, in paragraph 47, it's set out there that:

"the Partnership owes more than $221 million in unfunded commitments to certain of the PortCos."

So, my Lord, that's obviously a fact that ——

JUSTICE ASIF KC: Well, isn't that reflected in the (inaudible)?

MR AYRES: No, no. No, but it's an additional fact that's being put before the court at the same time.

So, my Lord, in terms of what I want to say, as I said, I'm going to be narrow and cautious in what I say. Your Lordship's seen and read the transcript of what happened in front of Judge Silverstein on Monday, and of course there are —— or at that stage on Monday there were two applications which were being made to the Delaware Bankruptcy Court. First of all was

the motion to dismiss the whole bankruptcy, and secondly, as my learned friend alluded to, I call it "the expedition motion", but I think in Delaware speak it's called "the motion to shorten time".

JUSTICE ASIF KC: Yes.

MR AYRES: And in terms of dealing with the motion to shorten time, that was dismissed. And I know your Lordship's looked at it, but I just want to make sure your Lordship's got the right page —— I know you have —— just to remind you of the relevant section where this is dealt with, 766 of the hearing bundle, in the transcript, which is in tab 25. She makes her ruling at line 13:

"... I'm not going to shorten ... time ..."

And then over the page, your Lordship will see, between lines 3 and 16, the judge talks about her own scheduling issues and, of course, the fact that she'd had a case settle which would allow her to effectively deal with the application quicker than the parties had hoped. But, my Lord, she makes that comment effectively in —— cognisant of you, and she says:

"... I'm quite aware of setting aside scheduling time, I'm quite aware of preparing for matters that don't go forward, and I don't like to disrupt ... other judge's schedule[s] ..."

So your Lordship should be aware, and, you know, this is in the context of obviously this multi—jurisdictional case, that the Delaware Court is expressly cognisant of the fact that it is either disrupting or potentially disrupting something that is happening in this court, so ——

JUSTICE ASIF KC: Well, Mr Ayres, from my point of view, the January trial is clearly not going ahead, both because of the consequences of the Delaware trial and also because of the Chapter 11 process, the current existence of the Chapter 11, whether it continues beyond the motion to dismiss or not, is irrelevant for that purpose.

I raised the question of my availability later than 19 January because I am slightly concerned that it's a pretty optimistic timetable, bearing in mind what Judge Silverstein said about her own availability, to expect everyone to be ready for 19 January. But, as I've indicated, as it happens, I do have availability in early February, and in the following —— the week of 26 January, subject to the Bank Holiday, and the week of 2 February, which seemed to me to be a more realistic timeframe to work with without requiring the judge in Delaware to disrupt her own schedule.

MR AYRES: So, my Lord, we are officers of the court and we

will cooperate with the question of giving our available dates. I can say personally, myself, I am free on the 19th because I was going to have to be anyway. But my Lord, being officers of the court and co—operating with our opponents and with you as to our available dates, I should make it clear we are not consenting to anything, we are not accepting that any of this should be going ahead, and in fact quite the opposite. So, my Lord, I think that needs to be made clear.

Just back on the page, my Lord, if you've got —— I know your Lordship wants to get me on to the topic of ——

JUSTICE ASIF KC: No, no.

MR AYRES: —— where we go and how this works, but I just want to just finish off that Judge Silverstein made it very clear in lines 14 to 16 that she is going to grant the relief —— the relief from the stay for this ——

JUSTICE ASIF KC: Sorry, is this on 766 or 767?

MR AYRES: This is 767, lines 14 to 16 —— the whole passage from 3 to 16 is appropriate. But she's very clear that:

"... not any further than that at this point in time."

So ——

JUSTICE ASIF KC: Well, I think, really my understanding of what she says in the transcript —— and tell me if I'm

wrong —— is —— if you think that I'm wrong —— is that she is content for the parties and the court, the Grand Court, to deal with, if I can describe it like this, practicalities, but not substantive matters.

MR AYRES: Well, my Lord, partly correct, but there's a narrower —— what she is content —— as I understand it objectively, she is content for the parties to come before your Lordship to discuss the vacation of the January trial, and that's it. And my opponents, I'm afraid to say, have overstepped the mark in terms of the Delaware Bankruptcy Court, and obviously ——

JUSTICE ASIF KC: Well, she'll decide whether she thinks ——

MR AYRES: She'll decide that. But obviously my learned friend, he made an hour's worth of submissions and on two occasions he said, "This should not be weaponised or misrepresented". Now, of course it won't be misrepresented, but he has said what he's said on instructions from his client and he has been, in my submission, highly incautious in relation to his submissions to this court and how they will be treated in a different court. But, my Lord, that's not really a matter for me, that is a matter for the Delaware Court.

But, my Lord, I want to come back to the real topic, and I don't really have a great deal to say in relation

to this, or certainly more than a few more minutes' worth of submissions, but question is: what is workable? My opponents will say, well, of course he's saying it's unworkable, why wouldn't he, because that's part of the wrecking strategy that they always suggest that we are guilty of. But, my Lord, I am going to make some submissions in relation to how this is actually going to, in practical terms, work.

So there's already a motion to dismiss which needs to be determined at some stage when Judge Silverstein can do so. We are told that there is also going to be a new motion issued in Delaware, which is a motion to vary the stay, and as I understand it, we've been told that we'll see that on 19 December. And as my learned friend alluded to, if they can persuade the Delaware Court to hear that in two weeks or as promptly as possible, we're going to have —— and this is of course conjecture —— a determination of that motion to vary in early January. Now, first of all, we simply just don't know at this stage whether that can happen. You have heard anything from my learned friend to the effect that they have got some promises or some assurances or even some less than assurances from the Delaware Court that that may happen. So that's got to happen.

If the variation is granted, my Lord, then we can't deal with all these new points that my learned friend has addressed you on today, including the one he mentioned at the very end of his submissions in an unstructured away and without either some form of originating process which is new or the amendment of the existing petition, or both. And, my Lord, we haven't seen a draft of any of these amendments or new originating process, but what we have been provided with in the skeleton argument, at paragraph 12, is what's called the "paragraph 10(b) issues". My learned friend was good enough to suggest that they call them the 10(b) issues, because I certainly wouldn't call them 10(b) issues, because the only one that really is a 10(b) issue is the first one, 12.1.

Now, I would accept, subject to everything I've said earlier on, that 12.1 is a reasonably neat and tidy question, it's slightly more than a point of law, but it involves the question of whether or not the references to liquidation, bankruptcy or dissolution proceedings include Chapter 11. And, my Lord, because I'm not going to trespass on the merits, I'm not going to say anything more about that, but you shouldn't take my non—trespass as acceptance.

But, my Lord, the second and third issues which are

described as paragraph 10(b) issues, they're either completely new issues or they are the reheating of the existing dispute in a different context. And as far as 12.2 is concerned, that is a request for a compulsory winding—up order, in other words the same sort of order that is on the basis of the current petition, using the fact that or the suggestion that the Partnership substratum has now gone, based upon recent events, including, as it says there, a consequence of the Chapter 11 bankruptcy proceedings in the Delaware judgment. Well, my Lord, obviously your Lordship can do what you like, but the reality of that is that that is going to need amendment of the existing proceedings in order to be fair to the GP, no matter how rotten my learned friends think the GP actually is.

And as far as 12.3 is concerned, that is not a two—day determination, because that is a determination of the question, notwithstanding what my learned friend says about One Thousand & One Voices, as to whether or not it is in fact the case that independent liquidators should be appointed in place of the GP as liquidating agent. Now, my Lord, one might make submissions about the question of the economic interest, but of course in One Thousand & One Voices, there was a considerable amount of misconduct of the GP in that case during

the course of the liquidation, which also supported the decision that was made in that case. So it is not a complete "slam dunk" that the Rigmora LPs are going to be able to say One Thousand & One Voices, therefore that is a completely easy application.

My submission is the reason that it's not a two—day application, 12.3, is that we are going to be considering the impact of the Delaware judgment, the question of whether findings in the Delaware judgment are binding upon you, and the question of whether or not the GP is as rotten and guilty of misconduct as the Rigmora LPs say, and that's simply a reheating of the whole dispute. So it's completely unworkable that we can have a two—day hearing. So, my Lord, we say it can't be fairly tried procedurally, either with a run up of two weeks in early January to the 19th or in any of the dates that your Lordship said in —— I think I should have a look at the dates.

JUSTICE ASIF KC: February.

MR AYRES: So, my Lord, in terms of, I think, the 27th, the week of that, I think I'm personally —— I'm personally free, I think. Yes, so —— no, sorry, tell a lie, I'm not free that week, but I am free in the week of 2 February. I can do those dates. I am also free on 2 March.

So, my Lord, I don't want to suggest in any shape or form that I personally have availability issues. There may be Walkers issues, but we'll come back to that, and obviously client issues, which we'll communicate with Campbells about tomorrow. But, my Lord, it's simply not workable to have that.

If your Lordship wants to set aside time for the purposes of making sure that isn't taken up by other cases, then, my Lord, I've got nothing to say about that, that's a matter for you, and something you're perfectly entitled to do. But the idea that this can happen quickly, in January, is, we say, for the birds, because there are too many hurdles, too much uncertainty and too many contingencies in place.

And so, my Lord, as I said, I'm going to be much shorter than my learned friend. I'm not going to trespass on the merits. I'm not going to argue against what my learned friend said in relation to many of his points, not because I agree with them, because I do not want it to be said that we are acquiescing in a hearing which is effectively turning into a merits hearing, and that is completely contrary to the Chapter 11 bankruptcy stay.

My Lord, unless I can assist further, those are my submissions.

JUSTICE ASIF KC: Thank you.

Reply submissions by MR SCOTT

MR SCOTT: I hope your Lordship knows that none of my submissions invited your Lordship to determine any point on the merits. What I did was to identify to your Lordship the issues as we see them arising out of two undisputed facts: one, the Delaware judgment; and two, the Chapter 11 proceedings. I understand Mr Ayres' instructions will no doubt be to attempt to lay the ground for some argument in Delaware that we have breached the moratorium, but we have not.

What we would invite your Lordship to note is, despite all the attempts to put roadblocks in the way of determination of the issues I've identified —— and I'll come back to those roadblocks in a moment —— there was no suggestion from Mr Ayres that the GP has a substantive answer to them.

My Lord, before I deal with the paragraph 10(b) issues, can I just correct or at least give our perspective on the point from Dr Harrison's declaration that your Lordship was taken to. If we can go back to it, please, it's tab 24, 633. Your Lordship was shown 46:

"In addition to the unsecured obligations owed by the Partnership, ATP and ATLS ..."

If your Lordship just pauses there. Those are the entities which filed on 9 December, and I'll show your Lordship one of the filings. What then had happened by the time of Dr Harrison's petition is that some of the portfolio companies had filed as well, and they are "the Filing Portfolio Companies", and it is they who are said to "owe more than $5.4 million to dozens of creditors", as your Lordship would see from the petitions from the portfolio companies that are in the hearing bundle.

I should, while we have this open, invite your Lordship's attention to 47, the suggestion that:

"the Partnership owes more than $221 million in unfunded commitments to certain of the PortCos."

That is wrong. The Partnership does not owe anything. It does not have any legal commitment or liability whatsoever to those PortCos. What Dr Harrison means there is that he would wish to use that money if it were available to him, which it is not, as a result of the Delaware judgment.

My Lord, while we have the hearing bundle open, if we could just please go again to the transcript of the conference earlier in the week, and if I can ask your Lordship please to take up page 766.

JUSTICE ASIF KC: Yes.

MR SCOTT: Lines 18 and 19 are, with respected, crystal clear:

"I will grant relief from stay for the pretrial conference to go forward in the Caymans on Wednesday."

If your Lordship would just re—read it —— I know your Lordship has read it already —— from line 18 down to line 2 over the page. Nothing in what I have said to your Lordship today is remotely inconsistent with that.

So far as concerns the paragraph 10(b) issues, we're not remotely precious about labelling, we could call them "the issues" if that would be more palatable, but what they are in effect are preliminary issues. What we're asking your Lordship to do is direct their determination. In the usual way, your Lordship will give such directions as you think appropriate for the determination of those issues. So if your Lordship takes the view that there ought to be either amendments or the issuance of some originating process, your Lordship has ample power to direct that. Your Lordship might take the view that the issues can amply be addressed in skeleton arguments. That's certainly our view.

My Lord, so far as the issues themselves and whether it makes sense to direct their determination, I understood Mr Ayres to accept that, subject to his

overarching position of being unable to assist your Lordship today, that paragraph 12.1 is an issue that makes sense to determine. I think he called it a "neat and tidy" issue. We respectfully agree with that.

On paragraphs 12.2 and 12.3, they were objected to as raising either new issues or rehashing the existing issues on the case, and what underlies all of that is the, with respect, false premise that the determination of those issues depends on your Lordship reaching a view about the GP's misconduct, and it does not. What it depends upon is your Lordship reaching a determination based upon the two undisputed facts identified in the Delaware judgment and the Chapter 11 bankruptcy proceeding and then applying to those undisputed facts principles of Cayman law.

And, my Lord, as for the suggestion that this cannot be dealt with in a two−day hearing, can I just ask your Lordship please to take up tab 7 of the authorities bundle.

JUSTICE ASIF KC: Yes.

MR SCOTT: This is Justice Kawaley's decision in One Thousand & One Voices. Your Lordship will see that it was heard on a single day, 11 April '24, and −− on the papers, and the decision followed on 2 May.

If I could just invite your Lordship's attention to paragraph 20, could I ask your Lordship please to read 20 down to 26, which summarise the principles that apply in this context.

(Pause)

JUSTICE ASIF KC: Yes, I've read that.

MR SCOTT: So we do say, with respect, this issue is well capable of being dealt with within the context of the two−day hearing that we suggest, once it is recognised that this is not an issue that will require your Lordship to form a view as to the allegations of misconduct against the GP. And as I say, we're very much in your Lordship's hands as to what, if any, additional directions are necessary to bring the matter forward in an orderly way. If your Lordship wants us to amend, of course we'll do that, subject to lifting the stay to the extent necessary to achieve that.

My Lord, unless I can assist the court further, those are our submissions.

I am reminded that it will assist the Delaware Court, from our perspective, to have your Lordship's ruling on these issues, if it were possible, in time for the hearing at 3.30 today.

JUSTICE ASIF KC: Just remind me, is Delaware currently on the same time zone as the Cayman Islands or −− yes −−

MR SCOTT: I see everyone to my right nodding.

JUSTICE ASIF KC: So I've got about four hours. That's fine. I'm just going to rise for about 10/15 minutes maximum and then I will come back and tell you what I'm going to do.

(4.31 pm GMT)

(A short break)

(4.53 pm GMT)

JUSTICE ASIF KC: This matter −−

MR AYRES: Before your Lordship's starts. It's probably in everyone's interests that the microphones are muted.

JUSTICE ASIF KC: Thank you, Mr Ayres.

Judgment (excised for approval)

That will need to be tidied up, because my sentences fell to pieces in a few areas, but I hope that gives a sufficient indication, first of all, of my reasons, and hopefully some useful input for the judge in Delaware this afternoon.

MR SCOTT: I'm very grateful, my Lord.

I've been asked to ask your Lordship if the court's audio recording could be shared with Opus 2.

JUSTICE ASIF KC: Yes, of course.

MR SCOTT: I think that means shared right now, so that we can ensure that corrections are properly made.

JUSTICE ASIF KC: Yes. As soon as I rise, I will ask

Ms Wood to make that available. Can you make sure that someone gives me, to give to her, or emails her with an email address for Opus 2 so that she can communicate as quickly as possible.

MR SCOTT: I'm grateful, my Lord.

I think, in the usual way, and in accordance with our duty as counsel, it falls to us to draft an order −−

JUSTICE ASIF KC: Yes, please.

MR SCOTT: −− to reflect your Lordship's ruling.

JUSTICE ASIF KC: Yes. I think the only actual order is that the trial needs to be vacated.

MR SCOTT: And the direction of preliminary issues.

JUSTICE ASIF KC: Yes, I suppose that's right. Yes, yes.

MR SCOTT: And we would also ask your Lordship to reserve the costs of today.

JUSTICE ASIF KC: That's fine. I'm happy to do that.

MR SCOTT: I'm happy to put a (inaudible) hand to do the first draft of the order.

JUSTICE ASIF KC: For what it's worth, again, it doesn't seem to me that there can be any sensible argument that that is outside the scope of what the judge in Delaware ordered was permissible in the context of what she said in the transcript at page 766 of the hearing bundle, where she said she'll:

"... grant relief from stay for the pretrial

conference to go forward in the Caymans on Wednesday. I don't know, it hasn't really been described to me what would be —— what substantively would go forward, what dates will be established by the court, or what's really left for the judge to decide ..."

Et cetera. As I indicated to you in the course of argument, I read that as indicating that she was content for this court and for the parties to deal with the procedural consequences of the Chapter 11 filing, and it seems to me it's absolutely plain that that must include drawing up an order after the hearing today in order to reflect what I have ordered.

MR SCOTT: Very grateful for that indication.

MR AYRES: Well, the only thing I would say is we have no difficulty with the fact that the court needs to make an order, that seems to be obvious, that if counsel weren't helpful, your Lordship would do it.

My Lord, just in relation to the question of whether you're going to make any further directions beyond vacation of the trial, my Lord, I'd urge some caution in relation to that, because there may be some incongruence with what you said in the judgment. You've made it clear that you've accepted the submission that there will need to be amendments to the pleadings. The reality is the formulation of preliminary issue can only

sensibly happen once ——

JUSTICE ASIF KC: (Overspeaking — inaudible).

MR SCOTT: —— once this is filed. So I would ask your Lordship not to ——

JUSTICE ASIF KC: Yes.

Mr Scott, I did hesitate, because —— when you were asking about that, because I wasn't entirely sure. I think it's right that until the pleadings have been amended it's probably better to hold back on the wording of the order for the preliminary issues. I mean, it seems to me it's plain from what's said in paragraph 12 of the skeleton that everyone knows what the issues are intended to be.

MR SCOTT: Indeed. And equally plain that your Lordship has just ruled that there will be a trial of those issues.

JUSTICE ASIF KC: Yes.

MR SCOTT: I'm very happy to defer formalising that in an order until we have been permitted to go through the process of pleading.

JUSTICE ASIF KC: I think —— I think, just ——

MR SCOTT: But I don't want anyone to be suggesting this afternoon in Delaware ——

JUSTICE ASIF KC: That I haven't said.

MR SCOTT: —— that it hasn't happened, because it has happened.

JUSTICE ASIF KC: Exactly. No, I think, bearing in mind the sensibilities —— everyone is concerned about trespassing on the Delaware court —— I'm happy to —— not to include form —— not to include that in a form of this order at this stage, but I have given a very clear indication that that is what I intend to happen, and absent something happening in Delaware to derail that, that is what I consider should happen.

MR SCOTT: So the order will in that case provide for the January hearing to be ——

JUSTICE ASIF KC: Vacated.

MR SCOTT: —— vacated and the two—day hearing to be fixed in the week commencing the 2nd?

JUSTICE ASIF KC: Exactly. And costs reserved.

MR SCOTT: I'm very grateful. We'll turn that around and hopefully get that to you very shortly.

JUSTICE ASIF KC: All right. Thank you all very much.

(5.15 pm GMT

(The hearing concluded)

INDEX

EXHIBIT I

[redacted]

EXHIBIT J

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted],

[redacted]

[redacted]

[redacted]

[redacted]

EXHIBIT K

Neutral Citation Number: [2025] CIGC (FSD) 124

Cause No: FSD 2025-0146 (JAJ)
and Cause No: FSD 2025-0151 (JAJ)

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

BETWEEN:

(1) UNICORN BIOTECH VENTURES ONE LTD
(in its capacity as general partner of RIGMORA BIOTECH INVESTOR ONE LP)

(2) UNICORN BIOTECH VENTURES TWO LTD
(in its capacity as general partner of RIGMORA BIOTECH INVESTOR TWO LP)

Plaintiffs

-and-

ATP III GP, LTD
(in its capacity as general partner of ATP Life Science Ventures, L.P.)

Defendant

Appearances:	**Mr Andrew Scott KC of counsel instructed by Mr Liam Faulkner, Mr Hugo Farmer and Ms Yuan Wen of Campbells LLP for the Plaintiffs / Petitioners** **Mr Andrew Ayres KC of counsel instructed by Ms Shelley White, Ms Laure Astrid Wigglesworth and Ms Rebecca Mosely of Walkers (Cayman) LLP for the Defendant / Respondent**
Before:	**The Honourable Justice Jalil Asif KC**
Heard:	**17 December 2025**
Ex tempore judgment delivered:	**17 December 2025**
Finalised judgment approved:	**22 December 2025**

Civil procedure—vacation of trial—effect of defendant filing for Chapter 11 bankruptcy protection in the United States on conduct of proceedings before the Grand Court—case management considerations

- -

JUDGMENT

- -

1. This writ action and winding up petition are listed before me today for a combined pre-trial review in advance of a trial in both matters due to commence on 12 January 2026. This hearing has been fixed in the calendar since October 2025 and was intended to be used to address any last-minute issues concerning preparation for the trial.

2. As in previous hearings before me, the limited partners who are the Plaintiffs / Petitioners have been represented by Mr Andrew Scott KC, supported by Mr Liam Faulkner, Mr Hugo Farmer and Ms Yuan Wen of Campbells LLP, and the Defendant / Respondent general partner has been represented by Mr Andrew Ayres KC, supported by Ms Shelley White, Ms Laure Astrid Wigglesworth and Ms Rebecca Mosely from Walkers (Cayman) LLP. I will refer to the parties respectively as the LPs and the GP.

3. In the last two weeks there have been two substantial developments, the first of which will have a significant effect on the intended progress of the trial; the second of which has largely derailed it. The first is that on 5 December 2025, just over 10 business days ago, Chancellor McCormick in Delaware gave judgment in the parallel proceedings between the parties dealing with certain issues about the GP's entitlement to make capital calls from the LPs, rejecting parts of the GP's case. This is likely to have consequences for the conduct of the winding up petition before the Grand Court, in particular Mr Scott argues that it will significantly simplify the question whether a winding up order should be made. If the trial before the Grand Court were to proceed, there would also be arguments about the extent to which any findings by Chancellor McCormick might be binding on the parties in respect of their disputes before the Grand Court. However, the parties have always known that that would be the case.

4. Secondly, and more significantly, on 9 December 2025, the GP and certain other linked entities sought Chapter 11 bankruptcy protection in the United States including, as part of that protection, a worldwide automatic stay of proceedings in any other jurisdiction.

5. The GP's intention to seek Chapter 11 protection was not foreshadowed in any way either to the LPs or to the Grand Court. Indeed on 8 and 9 December 2025, at the same time that the GP and Quinn Emanuel, its lead attorneys in the US proceedings, must have been preparing the GP's Chapter 11 filings (including a lengthy declaration of Dr Seth Harrison, the controller of the GP), Walkers were dealing with the Grand Court and the Court of Appeal in relation to the GP's intended expedited appeal against an Order I had made on 1 December 2025 concerning a privilege issue regarding discovery. In their dealings with Campbells, the Grand Court and the Court of Appeal on 8 and 9 December 2025, Walkers expressly represented that the GP did not intend the appeal to disrupt the trial fixed for 12 January 2026. There is no suggestion that Walkers were aware of the GP's intended Chapter 11 filing in the United States, which would be wholly contradictory to the representations made by them.

6. Thus, it is now clear that, for the second time within less than 3 weeks, the GP and Quinn Emanuel have not informed Walkers of important matters relevant to the proper conduct of the Cayman proceedings, with the result that the position has been actively misrepresented to the Court. This is extremely unsatisfactory and is to be deprecated.

7. Of a piece with this, it is also extremely regrettable that a partner in Quinn Emanuel considered it appropriate to write directly to an associate at Campbells on 11 December 2025 threatening all kinds of personal consequences as a result of Campbells' indication to the Grand Court on 10 December 2025 that they considered that the PTR should proceed, contrary to Walkers' request to vacate it, so that the Court could be properly informed of developments in Delaware and consider what consequences they had for the matters before the Grand Court. Quinn Emanuel asserted in the letter that the communication to the Grand Court was itself a violation of the automatic stay under Chapter 11. This is in marked contrast to the submissions on behalf of the GP at an oral hearing before the Delaware bankruptcy judge on 15 December 2025, where the transcript of the hearing that is before me records that an attorney from Quinn Emanuel orally submitted in relation to the PTR today:

> *"[…] on the specific issue of the Wednesday hearing. It is a pretrial conference. There is no dispute that the lawyers in the Cayman Islands should apprise the Court as to the goings on here. That is not -- I don't think there is any dispute that that can and should happen. In fact, we did inform the Court of the filing of the case and the judge did indicate that he wants to have counsel there to, at least, give him an update as to what is going on here. That makes all the sense in the world."*

Bullying correspondence of the kind exemplified by Quinn Emanuel's letter dated 11 December 2025, whilst it might be acceptable in the United States (although I doubt that), is completely unacceptable in the Cayman Islands. I do not want to see similar conduct in any matters that come before me by any American law firms involved in the background, still less by any local attorneys.

8. The PTR hearing before me today has focused on the consequences of the GP's filing of the Chapter 11 proceedings in the United States and the impact of the automatic stay under American law on what is happening and due to happen before the Grand Court.

9. It seems to me that the first point is the obvious one that the trial cannot proceed on 12 January 2026 and must be vacated. That is for two reasons. First, because neither of the parties are able to take steps to prepare for that trial whilst the Chapter 11 proceedings are live. Whilst the Chapter 11 stay is not directly enforceable in the Cayman Islands and no application has been made to recognise the Chapter 11 proceedings here, the GP and all the partnership assets are based in the United States. Thus, even if either of the parties were to take steps to try to progress the matters before the Grand Court, there would probably be arguments in Delaware that they are in contempt, with potentially severe consequences for them and for all of the partnership's assets. So, I do not criticise either party for taking the view that the January trial cannot realistically proceed.

10. I note that the LPs are seeking or intend to seek in Delaware, first, to dismiss the Chapter 11 proceedings as an abuse, and secondly, an order waiving or disapplying the automatic stay so that a slimmed down trial, taking into account Chancellor McCormick's recent judgment, can proceed before the Grand Court later in January 2026. Those motions in Delaware have not yet been briefed or determined and it appears unlikely that they will be determined until sometime during January 2026 at the earliest, which is also inconsistent with the ability to proceed with the intended trial on 12 January 2026.

11. The second reason why it seems to me that the trial cannot and should not proceed on 12 January 2026 is that the LPs' position is that the effect of the GP's Chapter 11 filing is that the partnership is now in voluntary liquidation under Cayman law. So, a number of the issues that were going to be fought out in the 12 January trial are likely no longer to be live issues and will probably not need to be determined by the Court. I therefore have no hesitation concluding that the trial fixed to commence on 12 January 2026 should be vacated.

12. The second question is whether the Court should fix a date in January or February 2026 for hearing a streamlined version of the substantive winding up petition presented by the LPs, which is the LPs' position, or whether, as the GP argues, the Court should simply await developments in Delaware and essentially take no further steps to move the Cayman disputes forward until clarity is obtained on the position in the United States.

13. I do not find the GP's position to be a particularly attractive one. The parties have throughout sought to advance the resolution of the disputes between them both in Delaware and in the Grand Court on an expedited basis. My own view is that an orderly separation of the GP from the LPs needs to occur sooner rather than later to avoid the continuation of these obviously corrosive disputes between the parties on each side. It does not seem to me to be productive or a beneficial use of the parties' time and resources for this dispute to drag on for any longer than absolutely necessary. The only people who are profiting from this dispute at the moment are the lawyers on each side.

14. I therefore conclude that I should fix a date for the trial of what the LPs have called the "paragraph 10(b) issues" for the week commencing 2 February 2026. If, for any reason, events in Delaware do not progress on a schedule that allows the parties to prepare for and conduct that hearing, then the parties can apply to me in mid to late January with a view to adjourning the trial and moving it perhaps into March 2026. But it seems to me that it is far better that I allocate that time and give the parties a date to be working towards now so that my calendar does not fill up in the intervening period. If I did not do so, and the parties were to come back to me in mid to late January 2026 following a decision by the Delaware judge on either the dismissal of the Chapter 11 proceedings or a carve out for the Grand Court proceedings from the automatic stay, the likelihood is that the earliest date that I could then give them would not be until the middle to the end of March, and perhaps even into April 2026.

15. I am inclined to accept Mr Scott's submission that Chancellor McCormick's findings and the fact of the Chapter 11 filing in the United States, and their consequences under the limited partnership agreement and Cayman Islands law, have the result that it ought not to be necessary any longer to get into the question whether the LPs have lost trust and confidence in the GP's ability to manage the partnership. It seems to me that Mr Scott is right to say that the issue for the Court, or at least a preliminary issue for the Court, is the question whether there has been a loss of substratum, which on its own would justify the making of a winding-up order without the necessity to get into the questions of loss and of trust and confidence.

16. It seems to me that two days should be sufficient for the Court to determine the paragraph 10(b) issues, which are largely matters of law and construction of the limited partnership agreement. To the extent that there is likely to be any need to consider questions of fact, they are likely to be relatively circumscribed in their scope. I note in passing, and with some admiration, that Chancellor McCormick was able to hear the Delaware trial in two days. I appreciate that there are significant differences in the procedural approach of the US courts to the conduct of trials compared to the approach of the Grand Court, but I think that with goodwill and cooperation on both sides it ought to be feasible to have a hearing of the more limited nature proposed by the LPs within a two-day time estimate.

17. I agree with Mr Ayres on behalf of the GP that it will be necessary for the LPs to make amendments to their winding up petition so that it is clear precisely what their case is, both for the GP and also for the Court when it comes to deal with the hearing of the petition. It also seems to me that Mr Scott is correct that the appropriate procedural way to characterise the hearing in February 2026 is that it will be a trial of preliminary issues, so that if, for any reason, I determine that the partnership's substratum has not been lost, then the LPs have the ability to come back and to argue the loss of trust and confidence points at a later stage, if there is any real appetite on either side for the matter to proceed beyond February 2026.

18. However, having said that, I will not make an order at this stage imposing any procedural timeline for the preparation of amended pleadings because I am conscious that there may well be arguments that the parties are unable to take any such substantive steps whilst the stay under Chapter 11 applies to them.

19. I understand that the matter is before the Delaware judge this afternoon. It does seem to me that, at the very least, it would be of real utility for the Delaware judge to authorise the preparation of amended pleadings on both sides in order to re-state what are the issues that the Grand Court will need to determine in due course. It also seems to me that it would be of real utility for the Delaware judge, as soon as possible, to determine that the limited issues that the LPs wish to put before the Grand Court for determination should be excluded from the scope of the automatic stay so that a determination on those issues can be made. A decision on those points is likely to be of real benefit to the parties and also to the Delaware court if the Chapter 11 proceedings are not dismissed and continue.

20. For what it is worth, I will conclude by saying that I generally take the view that the conduct of the winding up of a Cayman exempted limited partnership, and by whom that winding up ought to be carried out, are more appropriately questions for the Grand Court to determine supported by Chapter 15 recognition in due course, rather than by Chapter 11 proceedings. It is for the Delaware judge to take whatever view of that indication that she wishes to take.

21. It also occurs to me, without the benefit of full argument, but as a preliminary view, that the proposal for capital restructuring and the introduction of new investors, which is adverted to by Dr Harrison in his declaration in support of the Chapter 11 proceedings, appears at first blush to be outside the proper scope of the GP's powers based on the limited partnership agreement which is binding upon the GP, and also having regard to applicable Cayman law on what a GP's obligations are in the context of a winding-up of a Cayman exempted limited partnership.

Dated 17 December 2025

THE HONOURABLE JUSTICE JALIL ASIF KC
JUDGE OF THE GRAND COURT

EXHIBIT L

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:	Chapter 11
	Case No. 25-12177 (LSS)
APPLE TREE LIFE SCIENCES, INC., *et al.*,	(Joint Administration Requested)
	Courtroom No. 2
	824 Market Street
Debtors.	Wilmington, Delaware 19801
	Wednesday, December 17, 2025
	3:34 p.m.

TRANSCRIPT OF HEARING
BEFORE THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For the Debtors and Debtors in Possession: L. Katherine Good, Esquire
Shannon A. Forshay, Esquire
Ethan H. Sulik, Esquire
POTTER ANDERSON & CORROON, LLP
1313 North Market Street
6th Floor
Wilmington, Delaware 19801

(APPEARANCES CONTINUED)

Audio Operator: Brandon J. McCarthy, ECRO

Transcription Company: Reliable
The Nemours Building
1007 N. Orange Street, Suite 110
Wilmington, Delaware 19801
Telephone: (302)654-8080
Email: gmatthews@reliable-co.com

Proceedings recorded by electronic sound recording, transcript produced by transcription service.

APPEARANCES (CONTINUED):

For the Debtors and Debtors in Possession:
Patricia B. Tomasco, Esquire
Rachael A. Harrington, Esquire
QUINN EMANUEL URQHUART & SULLIVAN, LLP
295 5th Avenue
9th Floor
New York, New York 10016

Eric D. Winston, Esquire
865 South Figueroa Street
10th Floor
Los Angeles, California 90017

For the U.S. Trustee:
Hannah J. McCollum, Esquire
UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
J. Caleb Bogg Federal Building
844 King Street
Suite 2207, Lockbox 35
Wilmington, Delaware 19801

For Rigmora Biotech Investor Two LP by its General Partner Unicorn Biotech Ventures Two Ltd:
Michael J. Merchant, Esquire
RICHARDS LAYTON & FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801

-and-

Shannon R. Selden, Esquire
DEBEVOISE & PLIMPTON, LLP
66 Hudson Boulevard
New York, New York 10001

INDEX

INDEX

EXHIBITS

(Proceedings commenced at 3:34 p.m.)

THE CLERK: Please rise.

THE COURT: Please be seated.

MS. GOOD: Good afternoon, Your Honor.

Katie Good of Potter Anderson & Corroon, on behalf of Apple Tree Life Sciences, Inc. and its affiliated Debtors and Debtors in possession.

First, thank you to Your Honor for accommodating us with this hearing time for our first day today. I know this is a busy week for the Court with the upcoming holidays, so we greatly appreciate you making time for us so quickly.

We also want to thank Ms. McCollum and Ms. Seliber from the United States Trustee's Office, who I believe are on Zoom, for working with us over the last couple of days to resolve their Office's concerns on the first day motions.

I'll start off with a few introductions. I know we did some over Zoom on Monday, but since we have members of the team in the courtroom, we wanted to give you the opportunity to put faces with names. I'm joined in the courtroom today by my co-counsel from Quinn Emanuel, Patricia Tomasco, Andrew Berdon, and Rachael Harrington. Next, we have Dr. Seth L. Harrison, the president and CEO of Apple Tree Life Sciences, Inc., the lead debtor in these cases, and Mr. Perry Mandarino of B. Riley, who's the debtors' chief restructuring officer, and his colleague Elise Melconian.

THE COURT: Hello, everyone.

MS. GOOD: We also have from Potter Anderson, my colleagues Brett Haywood, Shannon Forshay, and Ethan Sulik.

We did file yesterday and earlier today, revised, proposed forms of order addressing the U.S. Trustee's concerns, a supplemental declaration of Mr. Mandarino with our proposed budget for the cases, and a notice with the transcript, and that was a preliminary transcript, a rough, if you will, of the pretrial review that was conducted today in the Cayman Court, and, of course, an amended agenda that included those items and the omnibus objection filed by Rigmora. We had hard copies delivered to chambers, but if Your Honor doesn't have copies, we have them with us, as well.

THE COURT: I have a hard copy, but I was in a meeting and then a hearing before this one, so I really haven't had a chance to take a look at it, so you'll have to walk me through what needs to be walked through.

MS. GOOD: We will.

Ms. Tomasco will be providing the Court with an overview of the cases before we turn to the first day motions. But before we jump into those, after her presentation, we would ask for Your Honor's permission to have Mr. Winston address the Court. He is on Zoom today and while we understand your preference is not to have

presentations via Zoom, the counsel who are here and presenting all of these motions were traveling and preparing for this hearing this morning and Mr. Winston was able to be on the Cayman Islands proceeding listening. So we wanted to have him be able to address those issues with Your Honor, since he was the party who listened to that, and then he could answer any questions you might have.

THE COURT: Okay. We'll address that when we get to it.

MS. GOOD: Okay. Thank you.

So, with that, I will turn the podium over to Ms. Tomasco to give the Court an overview.

THE COURT: Thank you.

MS. TOMASCO: Thank you, Your Honor.

Patty Tomasco of Quinn Emanuel, on behalf of -- or proposed counsel on behalf of the Debtors and Debtors in possession.

If you wouldn't mind allowing presenter status to Mr. Alain Jaquet, who is on the Zoom for a PowerPoint?

THE COURT: Mr. Jaquet?

MS. TOMASCO: Oh, look. He's so ready.

THE COURT: There we go.

MS. TOMASCO: We don't even get to see him, he's so fast. Thank you, Your Honor.

I thought it would be important for the Court,

unlike the status conference we had on Monday, to get a sense of who these Debtors are and what they do, very briefly. I know we have a lot to address today and it's a little bit more controversial. These are not meant to be controversial, but just introductory. So, if I could get started with the PowerPoint presentation?

As you know, Your Honor, the Debtors comprise a biotechnology venture capital enterprise. The Debtors that you have before you are what we're going to call the "Corporate Debtors" which are -- which were filed on December 9th. That is ATP III GP, Ltd., "the general partner," or the "GP"; ATP Life Science Ventures LP, "the fund" or "the partnership"; and Apple Tree Life Sciences, Inc., "ATLS."

On December 15th, just a few days ago, although it seems like a week, we also filed additional portfolio companies, consisting of: Apertor Pharmaceuticals, Inc.; Initial Therapeutics, Inc.; Marlinspike Therapeutics, Inc.; and Red Queen Therapeutics.

The Debtors are -- the Portfolio Debtors and the Corporate Debtors are all Delaware corporations headquartered in the United States. The general partner manages the fund's investments and operations. The general partner and the fund are the only Debtors having a connection to the Cayman Islands, because the Cayman Islands entities formed over a

decade ago.

ATLS, in exchange, is a subsidiary of the fund that handles operational expenses, sort of a money-management entity, if you will.

Since the partnership's foundation in 2012, the fund invested billions of dollars in Life Science companies, very successfully researching and developing potential, promising new treatments for conditions including cancer, blindness, opioid addiction, obesity, among others.

The current portfolio companies -- and this is all going to look like a bunch of unknowns to you, but I hope in the course of the case you'll get to know these companies better -- those are listed here. I'm not going to go through them.

But what I would like to do is on the next slide, demonstrate to you, this is a slide that takes, if you look on the left-hand column, those are funds that are similarly situated to Apple Tree Partners. Those are, in essence, competitor funds and we have some acronyms on this slide, but I think it's important to know what they are.

So the total value per dollar invested is the "TDPI" and the distribution per dollar invested is the "DPI." So, if you see on the gray box, the non-Apple Tree entities have an average total value per dollar invested of 1.15x and they have a DPI of .15x, compared to the history of Apple

Tree Partners, which has a TDPI of 2.7x and a DPI of 1x; in other words, Apple Tree Partners' historic performance has outpaced its similarly situated competitors over the life of the fund up until the recent events.

Just to go through a couple of the milestones accomplished by Apple Tree Partners, as a venture capital firm investing in biotechnology assets, the fund was invested in Stoke and Akero for $150 million. In 2019, those entities experienced IPOs. The distributed value of those portfolio companies, now exited, $736.1 million.

The Syntimmune asset, the fund invested $71 million in Syntimmune. The fund sold its position to Alexion for $278 million in consideration and then an additional $603 million from potential milestone payments.

You know, one of the assets of the estate is that the fund obtained a $130 million judgment with respect to those non-payments of the milestone payments; that is an asset of the estate that we hope to preserve for the benefit of these estates.

Another success story. Braeburn was founded by the Debtors in 2012. The Debtors invested $600 million over the years. In 2023, Braeburn launched its flagship product to treat opioid-use disorder and is currently exceeding sales forecast for that diagnosis of treatment. Braeburn is valued on a DCF basis of billions of dollars. So, we're not going

to say exactly how much, because people would argue about it, but billions of dollars, suffice it to say, and approximately $722 million of this value has already been distributed to the fund's majority partners, including Rigmora.

Just in terms of the recent headwinds: How did we end up here? As with all things, there comes some hurdles in a corporation's lifestyle; some of which they can overcome and some of which they can't. Beginning in 2022, Dr. Rybolovlev, whose family trust ultimately owns the Rigmora LPs, began attempts to reduce those funds commitments, as a result of a change in investment strategy.

I don't think I need to good through this, because the Court indicated on Monday that you've already read the Chancery Court's opinion. The Chancery Court's opinion, as you know, is what led the Debtors to seek Chapter 11 protection; not because it was adverse, but because it was favorable. And we were very concerned at that time of what would happen in the Cayman Chancery Court -- in the Cayman Courts as a result of the Chancery Court's opinion, and that is how we ended up here.

Just by way of what do you have in front of you: This is a little bit different than other biotechnology venture funds in that the relationship between the general partner and the portfolio companies is quite intimate.

Instead of each company having its own integrated C-suite, a lot of the C-suite functions are performed by the general partner and its subsidiaries. And so, for example, R&D, accounting, and those things are performed at that level.

In general, the general partner, the fund, and ATLS operate together as an integrated biotechnology venture capital enterprise. The relationship between the general partner and the fund is that the fund is the primary investment vehicle. The fund has two major limited partners, Rigmora Biotech Investor I, LP and Rigmora Biotech Investor II, LP. The Rigmora LPs are ultimately owned by the family trust of billionaire, Dr. Rybolovlev, who was originally born in Russia and now holds Cypriot citizenship, as the Court knows from the Chancery Court's opinion.

Now, under the terms of the LPA, the general partner has exclusive authority and control over the partnership's management, policies, and affairs. And as the Court also may know from Monday's hearing and from the petitions that were filed, the fund owes the portfolio companies $221 million in committed, but unfunded funding commitments. So what that means is that these companies are dependent on the fund for funding their operational expenses.

We have attached for the Court's reference, an organizational chart, which is hard to put into words, so I'll just let the pictures speak.

And then just in terms of the company overview, specifically, we have these entities on Slide 13, which are in preclinical stage: Aethon, Apertor, Deep Apple, Evercrisp, Initial, and Marlinspike. Those -- some of those are Debtors, as you know. We have preclinical stage on the next page: Nereid, Nine Square, and Red Queen, some of which are also Debtors.

We have clinical stage, and if you need to understand the difference between preclinical and clinical, I'm sorry, I can't tell you, but I'm just going to guess. But that means that they're in clinical trials. We have Aulos, Ascidian, Marengo, and Replicate.

And the commercial stage, as you've heard, the success of Braeburn, teaching opioid addiction disorder, as well as Galvanize, which produces a medical device that treats cancer.

In terms of management, Dr. Seth Harrison, M.D., who is the CEO of the company. We have various other illustrious doctors and professionals that lead the company. I list them there.

And for purposes of this case, the people that you have in front of you who are helping the company through this process, Quinn Emanuel: myself, Mr. Winston, Ms. Harrington -- no relationship to Seth, Mister -- Dr. Seth Harrison -- and then Potter Anderson, of course, and Murphy &

King, who has come in as special counsel for certain conflict matters, as well as Perry Mandarino and the folks at B. Riley. In addition, our Cayman counsel: Walkers Global is the Cayman counsel that's been assisting during those proceedings.

I'm not going to go over too much more of the causes of the Chapter 11, unless the Court wants us to repeat what was already found in the chancellor's opinion. As you know, the investment focus of the Rigmora LPs changed over time. They decided to stop trying investing in the Apple Tree portfolio.

The issue with Ukraine is not so much an impediment to Mr. Rybolovlev, but it is an impediment to finding alternative investors, given his change of heart, and that is that it's very difficult with his presence -- and Mr. Mandarino has done his own investigation of this -- it's very difficult to find investors that will invest in a company that has KYC issues, such as those presented by a Russian national. And that is the rock and a hard place, where the Debtors find themselves at this time.

Now, in 2023, Braeburn, the success company that we spoke of earlier who's not a debtor -- which is not a debtor, the name of the drug is BRIXADI. Its commercial launch has been very successful, as I mentioned, and the Rigmora LPs went through a number of machinations during that

time of commercial success -- and this is also discussed in the chancellor's opinion -- ultimately, Rigmora LPs' conditioned discussions of new budget approvals for companies at the end of their current commitments on the partnerships agreement to liquidate companies that showed significant progress.

Now, in this time frame, the companies, the GP and Rigmora, continued to try to work together under these budget constraints; however, that has led to what we have here and that is, they call it "drip funding," almost like an IV being administered to the portfolio companies and they only get funding for a few months at a time, if a month. And as a result of that, their operations have been fairly anemic.

Now, these funding constraints, then, of course, have led to the litigation. I'm not going to repeat what's already been said in the Chancery Court's opinion.

Needless to say, on May 30th, the litigation commenced in Delaware Chancery Court and the Rigmora LPs immediately engaged in obstructive tactics in the Cayman Islands. And we do have an issue, Your Honor, with some competing jurisdictions, that the LPA itself does allow for dual jurisdiction of the parties between Delaware and the Cayman Islands.

The key findings, of course, of the chancellor's opinion is that ATP proved by clear and convincing evidence

that Rigmora must meet capital calls within approved portfolio company budgets. There is no factual basis to question ATP's good faith. No evidence suggests that anyone intended the performance milestones identified in the investment memoranda to serve as conditions to the limited partners' obligation to fund budgets the DIP approved.

On balance, the equities favor ATP. The Rigmora LPs have the funds available to meet the capital calls; moreover, the portfolio companies are developing treatments for serious medical conditions including childhood blindness, various cancers, obesity, and neurodegenerative diseases. The public interests strongly favors preserving potentially life-saving programs.

That is exactly why we're here. As you know, Your Honor, a piece mean dismantling of something as delicate as these companies would be devastating not just to the research that's been done so far, but to overall value of the estate. Now, we are committed to running the case as cleanly and efficiently as possible, but that sentence right there: It is in the public interest to preserve potentially life-saving research programs.

As a result of what we call the "Russian effect" the partnership and the filing portfolio companies have no viable means to raise new equity financing to replace the Rigmora funds and, yet, prior to the Rigmora funds breaching

LPA by not making the capital calls required, we have a situation in which the Debtors' portfolio companies have been starved and there was no other choice but to commence a Chapter 11 to preserve those values and to find and locate and work with an alternative financing partner, whoever that may be.

Today, the Debtors and their affiliates have had to terminate approximately 100 employees as a result of the drip funding. The portfolio companies are left with skeletal workforces. Years of research and preclinical drug development conducted by the portfolio companies have been severely disrupted and the retaliatory winding-up proceeding in the Cayman Islands would be catastrophic for all stakeholders. It is not the same as Chapter 11, as the Court knows, because it would be a forced, pure liquidation.

Fire sales of interest in the portfolio companies at distressed prices would not maximize value of the estate. The termination of ongoing clinical trials would not fulfill the public interest in preserving life-saving protocols. The extinguishment of value that the partnership has built since the inception of the portfolio companies would be lost.

In a Chapter 11, we have the ability to conduct, as you know, an orderly, orderly search for maximization of value to overcome the current impasse that the Debtors find themselves in. They have valuable assets that need funding

and they need to identify an alternative source.

But remember, we started out with the success of these funds being well beyond that of their peers. It is not going to be difficult to find partners for a set of assets that have outperformed all of their peers by such a factor, and so what we'd really have to do is to figure out a way to get past the Russia effect and to maximize the value of these portfolios' assets for all of the stakeholders and to find a way to exit and to still preserve value.

We're going to be looking for debtor-in-possession financing, short term, and then a bridge to exit for some other investor who wants to come in and work with these portfolio companies. Chapter 11 provides us with the tools to do that and the -- and we'll talk about this in a little bit -- but the imposition of the automatic stay on the Cayman proceedings cannot be the -- we cannot overemphasize how important that is going to be. We'll get into that as we go through our goals, but we certainly want to stabilize the portfolio companies and make sure that even in their mothball or stasis state, that they're able to continue to preserve their value.

We want to stem litigation costs. As you know, Your Honor, one of the benefits of the automatic stay is to give the debtor a breathing spell. I don't think that's what we've gotten so far from the benefit, from the automatic

stay -- and we're going to talk about that -- we've gotten far from it. We're going to secure debtor-in-possession financing, which, as you know, for a company like this, is much more attractive in a Chapter 11 than out. We're going to deliver a comprehensive restructuring plan to counterparties that maximizes value and pays everybody equally and fairly. And we're going to secure exit financing and we're going to negotiate a plan of reorganization.

As of the petition date, the Debtors had approximately $17.3 million of cash, which is not subject to the lien of any creditor and is using that fund to fund its operations.

Your Honor, I'm going to turn the podium over to Ms. Good to handle some of the more routine first day motions. We're taking them in order of easiest to hardest. Before we do, I would like to move into evidence the declaration of Dr. Seth L. Harrison, in support of Chapter 11 petitions, which is at Docket 18, filed on December 15th; the declaration of Perry Mandarino, which is filed at Docket 25, also filed on December 15th.

THE COURT: Is there any objection to either of those declarations coming into evidence?

MS. SELDEN: Your Honor, I don't have objections to them coming into evidence with the limited purposes for which they're admitted today. We dispute almost everything

that is in Dr. Harrison's affidavit that's inconsistent with his prior testimony. We have disputes with Mr. Mandarino's testimony. We have disputes with Ms. Tomasco's testimony as just offered, too, but we will address all of that in subsequent motion practice.

We object to most of what has just been said. That's inconsistent with the facts and evidence developed and submitted elsewhere, but we will reserve those objections and make appropriate motions on them.

THE COURT: Okay. Thank you.

Then those two declarations are admitted for purposes of this hearing today.

(Harrison Declaration received in evidence)

(Mandarino Declaration received in evidence)

MS. TOMASCO: Thank you, Your Honor.

I'll turn the podium over to Ms. Good.

MS. GOOD: Thank you, Your Honor.

Before we move into our first day motions, we wanted to give the Court a brief update on what occurred in the Cayman proceedings today and I would just ask your indulgence for Mr. Winston to be heard over Zoom on that.

THE COURT: I will hear from him on that.

Mr. Winston?

MR. WINSTON: Good afternoon, Your Honor.

Eric Winston of Quinn Emanuel, on behalf of the

Debtors. And I do apologize for not being there in person; that's because we did not expect any need for anyone who is listening into the Cayman Islands hearings to show up, but, unfortunately, that's not proven to be the case.

When Your Honor heard this on Monday, you granted limited relief from stay to permit a previously scheduled, pretrial review to proceed, and that was for the January 12th trial on the existing winding-up petition. And Your Honor, you know, recognized the limited scope, I could quote on page 31 of the Monday transcript, we weren't really told what was supposed to happen at that hearing, but you said you thought what dates would be established by the Court, what's really left for the judge to decide before the January 12th hearing, but you didn't anticipate the January 12 trial hearing to go forward, given the need to decide which was the motion to dismiss that they had filed.

And consistent with Your Honor's instructions and what we believe to be a very limited hearing, we submitted to the Cayman Islands Court what's called a "skeleton." It's a formal legal brief that is in the British system that outlined exactly what Your Honor indicated we should do, which is to tell the Court of what had happened here and that we didn't think the January 12th hearing should go forward, and that, you know, we could certainly talk about dates, to the extent that the motion to dismiss, which was pending,

which -- but hadn't been scheduled yet, depended on the resolution of that.

That's not what Rigmora did. It filed its own version of a skeleton that went way beyond what Your Honor permitted. It raised a brand new reason for a winding-up petition that has not been filed to go forward. And at today's hearing, they argued for over an hour on this new ground and the new ground -- I will summarize it, but you're going to see some filings on it very quickly -- this new ground is because the GP has filed for bankruptcy, as a matter of Cayman Islands law, the partnership has dissolved and can be wound up and they want Your Honor to grant relief from stay so that the Cayman Islands Court can make that determination.

It is not the same as the motion to dismiss that you have already seen; it is brand new and it went for over an hour.

Our Cayman Islands counsel, in response, said, this is beyond what the Bankruptcy Court in the United States permitted. We are not going to respond to any of the substance of this, but we will certainly talk about, like, dates, which they did talk about. It was extraordinary to see.

And I'm sorry that I'm not there in person, but this is why we rushed to get you the transcript, which is

just a rough version; we will see a more finalized version, hopefully, either later today or tomorrow. But I'll just give you an example of what was said, and this was by counsel for Rigmora. In describing, this was in his first submission, and he said, quote:

"Regardless of whether the Chapter 11 filings were done in good faith or bad faith, regardless of that, the contractually agreed and statutory consequences of their commencement in respect of the GP is that the partnership shall now be wound up under the supervision of this Court --" "this Court" being the Cayman Islands Court -- "so the issue that now confronts your Lordship in these proceedings is not whether the partnership should be wound up, but rather, how and by whom?"

And then they made an oral application to get permission to file this new petition for winding up on this new argument or to amend their existing one to add this new argument. And then to top it off, they asked for -- to reserve on costs, which is the British way of saying they wanted to be awarded their attorney's fees.

I've got to tell you, I've never seen anything like it. It was something that was drilled into me as a baby bankruptcy associate a long time ago: Don't violate the automatic stay by doing something in another court if you don't have permission to do so. It is completely

inconsistent with what we think Your Honor ordered on Monday and we are going to bring it in a motion seeking a determination that what happened today was a violation of the automatic stay.

They have not filed their new motion seeking relief from stay. I think they're intending to do so very soon, but they definitely shouldn't have done what they did today. It was way beyond, you know, the bounds of what this Court permitted.

Thank you, Your Honor.

THE COURT: Thank you.

MS. SELDEN: Your Honor, Shannon Selden, on behalf of the Rigmora LPs.

We, again, very much disagree with Mr. Winston's characterization of the Cayman proceedings. I think that transcript speaks for itself, as does the skeleton. It will be before Your Honor and when Your Honor has a chance to read them, you will see that Justice Asif said in the Cayman proceedings:

"I am very conscious of what the parties are allowed to argue in front of me, as permitted by the bankruptcy judge in Delaware and what they're not allowed to argue in front of me. That should speed things up somewhat today."

An hour may seem long in this court or in U.S.

courts, but it is a fraction of the time that Cayman Courts spend arguing things and the bulk of the time that Rigmora's counsel spent in the Cayman proceedings was updating the Cayman Court as to the outcome of the Delaware Chancery proceeding, which had been very much on Justice Asif's radar, as needing to be wrapped up and concluded before his trial could proceed in January.

You will also see in the transcript of the Cayman proceedings that Rigmora's counsel in the Cayman proceedings, flagged for Justice Asif that the expected time, should Your Honor, here in Delaware, lift the stay in response to my motion that we do intend to make, that the time for a trial in the Cayman proceedings would be much shorter. That the evidentiary submissions would be much shorter. That the need for testimony would be alleviated, such that if he were to reserve time on his calendar for that later trial, it could be two days instead of 15 days; again, that's in the Court's information --

THE COURT: Because of a new theory? Because of a new request?

MS. SELDEN: Not because of a new theory, Your Honor, or a new request, but because of what action the GP has taken as a matter of Cayman law under the ELP law, which is a Cayman statute. When the GP files for bankruptcy or commences a bankruptcy proceeding, the substratum of the

partnership is lost and the GP loses legal authority as a matter of Cayman statute to act --

THE COURT: I don't know if they do or they don't --

MS. SELDEN: That's --

THE COURT: -- but we certainly have cases in the U.S. that find different results in a similar circumstance.

But it sounds like the judge understood what was permitted and not. I'm not sure if counsel understood what was permitted or not.

MS. SELDEN: Your Honor, counsel very much understood and I think that you will see that in the transcript. And I want to be clear with Your Honor that in telling the judge that the trial would be shorter because the legal standard is different, that is informing the Court, but Rigmora did not, and has not made a different application for that relief yet in the Cayman Court.

We have flagged the change in circumstance occasioned by the GP's filing here in the Bankruptcy Court and had asked -- and Justice Asif asked how much time would he need to reserve. And I think as you read the transcript, especially towards the end of the transcript, you will see both, Rigmora's counsel and Justice Asif being very attuned to the fact that we need clarity from Your Honor first in our subsequent motion here before anything can go forward there.

And the only question is: Does the change in circumstance, which makes this a legal question and less a factual question, change the timing that the Cayman Court has to reserve, and he has reserved fewer days, but is waiting, as are we, for a motion to lift the automatic stay here in Delaware. I want to be absolutely clear about that.

I do think that as a matter of Cayman law, it is a meaningful change that Your Honor and Justice Asif will have to consider. But I would very much urge Your Honor not to take the GP's representations of a conflicted fiduciary about this, but to read the transcript --

THE COURT: I'll read --

MS. SELDEN: -- to read the skeletons --

THE COURT: I will read the transcript.

MS. SELDEN: -- and to see what we and Justice Asif (inaudible) --

THE COURT: Of course. Of course, I will read the transcript and draw my own conclusions, but it's -- has Rigmora abandoned, then, its current motion in front of the Court for a different, perhaps a different one if I permit that; is that what happened today? Their theory changed and it's now a whole new motion and reason that they abandoned what's currently in front of the Court?

MS. SELDEN: In front of this Court or in front of the Chancery?

THE COURT: No, in front of the Cayman Islands Court.

MS. SELDEN: In front of the Cayman Court, Rigmora hasn't abandoned anything. It has respected the automatic stay, but it has informed the Court that the length of the trial would be shorter, not because of a choice on Rigmora's part to abandon or not abandon, but because as a matter of Cayman statutory law, actions by the GP taken in this Court to file for bankruptcy means that the GP no longer has legal authority to act in its current role.

THE COURT: Okay.

MS. SELDEN: That's a -- that is purely a function of Cayman statute. I think you will see it's spelled out in both, the skeleton and in the KC's arguments to Justice Asif. But that is not -- surely, it is the case that with that change in factual circumstance and the change in legal circumstance that Rigmora, if the stay is lifted to allow that legal issue to be decided, thinks that is a dispositive legal issue as to who has the authority to make decisions for the fund.

And you saw Ms. Tomasco in her presentation today said that the GP has legal authority under the LPA to act and make decisions on behalf of the partnership. That is as a matter of Cayman law, no longer true as of December 9th, the date of the filing of these cases by operation of statute.

And that is a fundamental legal dispute that the LPs have with the GPs that arises under Cayman statute.

We did inform Justice Asif, as I would inform Your Honor. We will make appropriate motions. We will not make the motions in the Cayman Court until and unless the stay is lifted to allow us to do so.

But it is the GP's actions which have, as a function of Cayman law, deprived the GP of authority to proceed in either place, and that is, fundamentally, our objection.

THE COURT: I understand the argument.

Ms. Good?

MS. GOOD: Your Honor, we clearly disagree with that and we will address the Court with motion practice that will be forthcoming.

But turning back to our agenda for our first day hearing today, we have a limited set of five motions and, you know, I'll just go over how we intend to present those. Items 8 and 9 on the agenda are our motions for joint administration and authorization to redact certain information from the consolidated creditor matrix. It will be handled by my colleague, Mr. Sulik.

Then, Item 10, the application to approve the retention of Kurtzman Carson Consultants, d/b/a Verita, will be handled by my colleague, Ms. Forshay.

Then we'll turn the podium over to Ms. Harrington from Quinn Emanuel, to address the Court on the employee wage motion.

And, finally, Ms. Tomasco will address the Court on the cash management motion.

THE COURT: Thank you.

MS. GOOD: With that, I'll turn the podium over to Mr. Sulik.

THE COURT: Mr. Sulik?

MR. SULIK: Good afternoon, Your Honor.

Ethan Sulik of Potter Anderson & Corroon, on behalf of the Debtors.

The first motion we have on the agenda is listed as Agenda Item 8; it's the joint administration motion, which was filed at Docket 16. By this motion, the Debtors seek to have these cases jointly administered for procedural purposes only under the case number 25-12177, which is the lead case in Apple Tree Life Sciences, Inc.

The Debtors submit this relief will facilitate the efficient administration of the case and will ease the burden for all parties. We further submit that no party will be prejudiced by this relief.

Prior to this hearing, the Debtors received informal comments from the Office of the United States Trustee and those comments were incorporated into our revised

form of order, which was filed at Docket 50. I have a copy of that if Your Honor would like.

THE COURT: I have a set of the redlines.

MR. SULIK: Okay.

THE COURT: Thank you.

MR. SULIK: Unless the Court has any questions, the Debtors respectfully request that the motion be granted.

THE COURT: I do not have any questions.

Does anyone object to joint administration?

MS. SELDEN: Your Honor, we do not object to joint administration for procedural purposes only, but I will continue to note the fundamental differences between the four portfolio companies and the Cayman entities.

THE COURT: Yes, this is for administrative convenience only. It does not affect any kind of substantive consolidation.

Okay. I hear no objections. I've reviewed the motion, as well as the revised form of order and it will be granted, as revised.

MR. SULIK: Thank you, Your Honor.

Next on the agenda at Item 9 is the creditor matrix redaction motion, which was filed at Docket 21. By this motion, the Debtors seek authority to redact personally identifiable information from the debtors' creditor matrix and other pleadings to be filed in these cases.

The Debtors submit that this relief is warranted under Sections 105 and 107 of the Bankruptcy Code and will help prevent harm to individuals listed in any of the debtors' public filings. The Debtors further submit that such relief has become routine and we respectfully request the Court's entry of the order.

THE COURT: Thank you.

Does anyone wish to be heard with respect to the creditor matrix redaction motion?

(No verbal response)

THE COURT: I hear no one.

I've reviewed it. I see the revised form of order; it looks like it's at Docket 51 --

MR. SULIK: Yes, Your Honor.

THE COURT: -- and I have no questions. This has become customary. I will sign it.

MR. SULIK: Thank you, Your Honor.

With that, I'll turn the podium over to my colleague, Shannon Forshay.

THE COURT: Thank you.

MS. FORSHAY: Hello, Your Honor.

For the record, Shannon Forshay with Potter Anderson & Corroon, proposed co-counsel to the Debtors. I will be presenting the debtors' application to retain Kurtzman Carson Consultants LLC, otherwise known as "Verita,"

which appears at Docket 22 and is Item 10 on the agenda.

The application seeks to employ Verita as the debtors' claims and noticing agent, pursuant to 28 U.S.C. 156 and Local Rule 2002(1)(e).

The Debtors solicited proposals from at least two other Court-approved claims and noticing agents, in compliance with the Court's claims agent retention protocol. After reviewing the proposals, the Debtors selected Verita, based on their experience and pricing or expertise and pricing.

The Debtors submitted the Gershbein declaration in support of the application, which is attached as Exhibit B to the application.

At this time, I would like to move the Gershbein declaration into evidence, as Mr. Gershbein is available for cross-examination on Zoom today, if necessary.

THE COURT: Thank you.

Any objections to the declaration coming into evidence?

(No verbal response)

THE COURT: I hear none.

It's admitted.

(Gershbein Declaration received in evidence)

MS. FORSHAY: Thank you, Your Honor.

The United States Trustee reviewed the application

and the debtors filed a revised, proposed retention order on December 16th at Docket 52, which reflects the United States Trustee's informal comments.

Unless Your Honor has any questions, we respectfully request that the Court enter the revised retention order.

THE COURT: I do not have any questions.

Does anyone wish to be heard with respect to the retention of Kurtzman Carson?

(No verbal response)

THE COURT: I hear no one.

I've reviewed it. The Debtors complied with the protocol. I see the changes that have been made; they're acceptable and I will sign the revised form of order.

MS. FORSHAY: Thank you, Your Honor.

I will turn the podium over to my colleague Rachael Harrington.

MS. HARRINGTON: Good afternoon, Your Honor.

Rachael Harrington from Quinn Emanuel, on behalf of the -- proposed counsel for the Debtors.

The next motion we have is Agenda Item 11, which was filed at Docket 56 and it is the debtors' motion to continue employ compensation and benefit programs.

Before I get into the specifics, I do want to let you know that we have spoken with the U.S. Trustee and the

revised order, filed at Docket 56, incorporates their proposed language and comments.

So, through this motion, the Debtors request that the Court authorize the Debtors to continue employee compensation and benefits on a post-petition basis, pursuant to Sections 363 and 105(a). In total, the Debtors employ 28 employees with annual salaries ranging from 90,000 to 500,000, annually. They also offer a number of employee benefits, including medical, dental, and vision insurance, 401(k) programs, and other programs in a similar vein.

The Debtors believe that the continuation of these wage and benefit programs is necessary to ensure retention of debtors' employees. The employees rely on these programs and if they're not continued, we believe they may seek other employment which would substantially impair the debtors' ability to continue operating their business; in effect, the reorganization that maximizes value.

The nature of the debtors' business makes this relief especially important in this case. The Debtors are involved in the research and development of new treatments for serious conditions, many of which currently have no viable treatment or cure. It is essential that the Debtors do not lose the knowledge of the employees who have been working on these projects. The Debtors, therefore, seek an

order authorizing them to continue paying these wages and to continue -- and as -- also, to continue paying third parties, as required to administer payroll and these benefits.

The debtors timed the petition to avoid disruption to employees livelihoods. So, as of the petition date there are no prepetition amounts owed to salaried employees; however, the debtors do owe a limited number of payments to five contractors. Four of those payments are less than $1,300 and those are to non-insiders. There is one payment owed to an insider of $25,000. He is a medical doctor who is an expert in drug formulations and he gave consulting services to the debtors in that capacity. In this interim order we are only asking to pay up to the statutory cap. So, in total, the debtors request that the Court authorize prepetition payments owed to these contactors in a total amount not to exceed $30,000.

The interim order does not provide for any payments of bonuses but the debtors have 18 employees, approximately, who are eligible for year-end bonuses of a percentage of their salaries. These bonuses are scheduled to be paid on February 10th and in the final order we will be seeking to honor our bonus commitments to our employees; however, the debtors do not at any point seek to pay bonuses to insiders and the order explicitly prohibits such payments to insiders.

Unless Your Honor has any questions, we request entry of the interim order to continue paying employee wages and benefit programs.

One other matter, so we understand that there was an objection from Rigmora counsel. We did discuss resolving some of their concerns and I believe that we came to a resolution that they agree to.

THE COURT: Mr. Merchant.

MR. MERCHANT: Good afternoon, Your Honor. Michael Merchant of Richards, Layton & Finger on behalf of Rigmora.

Yes. We did raise certain objections with regards to the wages motion. They were probably in the category of visibility with regards to the payments being made and just making sure that we have notice and an understanding of everything that will be going out the door.

We did speak with debtors counsel, just prior to this hearing. I think we have resolution on our issues and the disclosure that was made that it's just one insider receiving a payment in the interim and its only up to the cap. Subject to seeing those revisions implemented through a revised form of order I can represent that we are resolved on the wages motion.

THE COURT: Thank you.

MR. MERCHANT: Thank you.

THE COURT: Anyone else?

Ms. McCollum.

MS. MCCOLLUM: Good afternoon, Your Honor. Hannah McCollum for the U.S. Trustee.

First, I want to thank you very much for allowing me to appear by Zoom as I am in Philadelphia and I do not think our law enforcement partners would have appreciated how fast I would have had to drive to get to Delaware.

I did want to say that I very much appreciate the debtors working with us on these motions. We are resolved on all of the interim orders. The bonus discussion that counsel just had with Your Honor we have, essentially, reserved that for the final order because we don't have a lot of information as we sit here today on what those bonuses are, what the programs are, all that sort of thing. So, I understand that more information will be provided and we will discuss that with respect to the final order.

I also want to shoehorn in that we have are in the process of soliciting for a committee and we are also in the process of discussing appropriate Section 341 dates which will likely be the week of January 14th, I believe.

Other than that, I have nothing else to say. I, again, want to thank debtors counsel for working with us.

THE COURT: Thank you.

I will approve the employee wages motion as it

will be revised to reflect the agreement with Rigmora and as it has been revised to address the comments from the Office of the United States Trustee. This is an interim order. The amount that can go out under it is capped at $30,000. There has been explanations with respect to the five contractors, which those payments, to the extent of the one, will be subject to the statutory cap.

Otherwise, I find, for the reasons counsel has stated, that it is necessary and appropriate. And Rule 6003 has been met with respect to avoiding irreparable harm to this company during the interim period. Needless to say, employees need to receive their compensation.

MS. HARRINGTON: Yes.

THE COURT: So, I will wait for a revised form of order under certification of counsel after discussions with Rigmora.

MS. HARRINGTON: Thank you, Your Honor.

MS. TOMASCO: Your Honor, next up on the agenda is the cash management motion. Ordinarily, the associate who drafts the motion gets to present the motion but, unfortunately, our other associate is busy in a Houston confirmation hearing. So, it's going to fall to me.

We have agreed on modifications with the U.S. Trustee. Those are uploaded at Docket Number 57. And, obviously, we appreciate the helpful comments of the United

States Trustee, Hannah McCollum and Megan Seliber, who provided their input and we worked on language.

The next motion that we have is Agenda Number 12 filed at Docket Number 24. Cash management is not my forte, Your Honor. That is why Mr. Izakelian always does it. But I am going to try to pretend to be Mr. Izakelian today. And that is that the debtors don't have that complicated of a cash management system and only one of the accounts was not at a U.S. Trustee depository. So, that is described in Paragraphs 11 through 17 of the motion at Paragraphs 4 through 7. The schematic is provided as Exhibit 1 to the proposed interim order. And the list of bank accounts is provided at Exhibit 2 to the proposed interim order.

As I mentioned, only one of the accounts is not at a U.S. Trustee approved depository and that is the Bank of California. So, we would request, pursuant to Local Rule 2015-2(b) that an interim waiver of Section 345 requirements be implemented with respect to that account to give us some time to move it to an authorized depository. I will say that the whole point of the cash management motion is to comply with Section 345.

In terms of intercompany transactions, as you know from the debtors structure, we are structured as a venture capital fund that funds early stage clinical -- pre-clinical and clinical affiliates that require money from the fund. It

would be almost impossible to operate these debtors without them using the funds from the partnership to fund their operations. Nonetheless, with the U.S. Trustee we agree to, for the interim order, a $1.270, almost $1.3, million cap on intercompany pending the final hearing, Your Honor. That is something that we agreed with, with the U.S. Trustee.

We have also requested authority to use preprinted business forms, including checks, until the stock runs out. This is also highly common relief. And then we will reorder forms and checks with the required debtor-in-possession designation pursuant to Local Rule 2015-2(a). The debtors believe that continuation of the cash management is necessary to ensure the continued operations of the debtors. As the Court is aware, the portfolio companies depend on these funds.

Additional support for the motion was provided by the declaration of Perry Mandarino in support of the Chapter 11 petitions filed at Docket Number 27, at page A-3, Paragraphs 8 through 20. We did receive, at Docket Number 61, an objection by Rigmora. Unfortunately, I believe that Rigmora does not understand that what this motion does is to comply with Section 345 with respect to the safekeeping of the debtors funds. It is not a substitute, nor is it intended to be any kind of disposition or addressing of the title of interest in those funds, but to restrict the

intercompany payments, as they have suggested, without court authority or without code authority would run in the face of Bankruptcy Code Sections 1107, the operation of the debtors business; 1108, ordinary course; and 363(c), the ability of the debtors to operate in the ordinary course.

Now, to be sure, Rigmora is a limited partner. They are not a secured creditor, nor do they have express interest in these funds. Nonetheless, they have said, and this sort of dovetails into what they have done in the Cayman Court this morning, they seem to read 541(d) to mean that the interest in which they hold in the limited partnership property, as a limited partner, is somehow subject to 541(d) as if it's not property of the estate. And, of course, nothing could be further from the truth.

You can't read 541(d) to grant to equity holders of the corporation an equitable interest in the corporation's assets anymore then you can a limited partner with a limited partner's assets. And nothing in Cayman law purports to change this. Again, we are dealing with 345, not an adequate protection motion or any other kind of procedural device in which these interests could be adjudicated.

What they have said in their objection gives a harbinger of what they did in the Cayman Court today when they said specifically:

"It is far from clear whether and to what extent

the automatic stay even applies to the Cayman Islands proceeding. The Fund is not even a party to that proceeding and although the GP is a defendant, that is based on the GP's role as a fiduciary of the Fund. Moreover, because of the nature of the fund under Cayman Island law and the fact that the assets distributed to the Fund are held in trust by the GP for the LP's" -- which I think is probably a mischaracterization of the law -- "and other limited partners" - because there are other limited partners besides Rigmora -- "who are the beneficial owners" -- not property of the estate, they say - "of such assets it appears as though most, if not all, the assets shown by the debtors on their petitions are not even property of the estate."

That is their argument as to why this Court should not grant the 345 motion which, as you know, is merely the safekeeping of the debtors funds and to protect them from the collapse of the depository institutions in which they are placed.

So, this remarkable position it should not come as any surprise to Your Honor that the debtors claim that notwithstanding their limited partnership structure, the partnership and the general partner owns the assets within their purview. It's a little bit obtuse and its almost so preposterous a notion, it's almost hard to find cases directly on point where somebody has made this argument. But

the argument seems to be that under Begier and SemCrude, in other words, property in which the debtor is truly holding in trust, such as royalty funds that were unpaid or a true trustee relationship, should imbue the property of these estates with some kind of equitable title and somebody else.

Well, I have to say, you know, that is remarkable but Collier in bankruptcy disagrees, as you might imagine. Just because somebody has a fiduciary duty to somebody else and just because upon dissolution somebody has an equitable interest in the remaining property, does not turn property of the estate into somebody else's property. And no cases so held.

And it's interesting because, as I said, it's hard to find cases that talk about this but Collier does and it says you can say that somebody has equitable title but it doesn't mean that the rest of the property is not property of the estate, it's just subject to whatever equitable title they have but we don't even have this here. We don't have a situation in which ATP doesn't own the property it owns. We don't have any kind of trust imbued on the property that it owns. The fact that somebody has a residual interest in property upon dissolution of a partnership does not change the title to the property.

So, whatever residual rights equity has to assets upon dissolution that is certainly Rigmora's goal here. They

want it all and they want it all for themselves. They don't want it subject to anybody's control or interest but that is not what is in the best interest of the estate.

It does not change the fact that these debtors hold legal and equitable title to their property. In particular, the ones, you know, that are operating have bank accounts, etc. Full stop, there is no evidence, other than their argument that somehow under Cayman law property that the debtors hold has somehow been transmogrified into something else simply because of the *ipso facto* situation that the general partner has filed for Chapter 11 protection. As the Court knows, 541(c)(1) says that cannot be so.

Again, difficult to find exactly cases where somebody has made this argument but it's just not so. 541(c)(1) says that notwithstanding anything under Cayman law, any other applicable law, it is property of the estate. Nothing that they have said even touches on that issue.

Closest case to these situations In Re Dixie Management & Investment Limited Partners, 474 B.R. 698, an Arkansas case out of 2011. Essentially, a limited partners attempt to wind up on the general partners bankruptcy was void and ineffective. Other cases along these lines that we can cite to you, when it comes up, again, I submit that this motion is not the appropriate time.

We are not talking about adjudicating somebody's

interest in funds. We are simply protecting the funds that the debtor has. There is no use on restriction of the funds because no one has a cognizable interest in the funds.

So, what happened today in the Cayman Court goes directly to this fiction that they are trying to create that there is some kind of different title that happens, notwithstanding 541(c)(1) because they said in Cayman Court today, so as far as concerns to the Paragraph 10(b) issues, which is the limited partnership winding up provision of the LPA, we're not remotely precious about labeling. We could call them the "issues" if that would be more palatable but what they are, in effect, are preliminary issues. What we are asking Your Lordship to do is to direct their determination.

They are asking the Cayman Court to direct the determination of the effects of the general partners Chapter 11 on the rights of the general partner within the partnership. Well, of course, the general partner is a Chapter 11 debtor in the United States of America and that general partners rights and ownership are protected the moment of the petition. That is what they are ignoring in that objection to the cash management order, no less, Your Honor.

So, what I would suggest is if they want to bring a motion to assert rights in the property they should bring

that motion. This is not the vehicle to do it. With that said, we do have a couple of issues that do need to be addressed.

One is, if you look at their -- is the redline filed on the docket?

(Pause)

MS. TOMASCO: Okay. Attached to their objection they attach a redline. And I can go through those and there are some things that we need to discuss. And I don't mean to denigrate the work of the United States Trustee but we largely agree with the United States Trustee with their changes.

What they seek to do on page 1 of the redline, Your Honor, even though this is simply to comply with the bankruptcy codes and the U.S. Trustee's guidelines for the handling of estate funds, they impose an additional requirement that they should perform intercompany transactions, not in the ordinary course and not granting administrative expense status -- can we get a redline?

THE COURT: I know I have it. I'm just trying to find it.

UNIDENTIFIED SPEAKER: May I approach, Your Honor?

THE COURT: You may. Thank you.

MS. TOMASCO: So, Your Honor, in the preamble we ask that the debtors be able to honor obligations and

intercompany transactions consistent with historical practice or, in other words, in the ordinary course of business, as 1107 and 1108 grant us the authority to do, which has not been curtailed by Your Honor.

Instead, they say -- propose that they limit the ability to perform intercompany transactions consistent, not just with the LPA but with the ELP Act. Again, what they are weaving into this order is an attempt to exercise control over property of the estate by imposing additional restrictions not based on 345 but based on the contract and foreign law.

In Paragraph 2, I have no problem creating an additional notice party. And, again, in Paragraph 3, they want the debtors, in complying with Section 345, to also comply with the Limited Partnership Act, the ELP Act of the Cayman Islands, all applicable state, federal, foreign law, including, but not limited to, Cayman Islands law.

Well, I believe that 28 U.S.C. 959 does that for us. We do have to comply with law. I don't know what they mean by that and certainly I am not willing to put it into a 345 order because it's beyond the scope of the motion and the purpose of the statute.

Continue to perform intercompany transactions and not consistent with historical practice but, again, subject to and compliant at all times with the ELP Act and applicable

state, federal, and foreign law. Again, not a requirement of Section 345. The only thing we're doing here is safeguarding estate funds from the collapse of the bank and to make sure they don't dissipate outside the estate. That which we are willing to do, we are not willing to do more.

In Paragraph 4, to segregate the bank accounts by each debtor, notwithstanding that that is inconsistent with the debtors historical practices. We are not willing to do that.

Paragraph 5, some people like hyphens, some people don't. I am neutral on that.

Paragraph 6, again, imposing obligations that are not found in the bankruptcy code other than 28 U.S.C. 959(e) which, of course, applies. I am only willing, for the purposes of this motion and order, to comply with Section 345.

Again, end of Paragraph 7, more imposition of additional requirements that are not found in Section 345.

Same with Paragraph 10, again, we are going to be operating in the ordinary course of business. We all know what that means; however, what they have stricken out is that we can't close any bank accounts and as you know, Your Honor, sometimes in a restructuring you want to consolidate your banking. You may want to close bank accounts.

It may not be ordinary course because its

occasioned by the restructuring and not necessarily by ordinary course of business. I don't agree with that striking of the language. It would -- it is not ordinary course to close down a bank account ordinarily and all we are talking about is to open and close bank accounts consistent with the debtors desire to be efficient. I don't believe that that language is necessary.

We can get to Paragraph 14, which is the one part that I agree with, in part. And we can give them notice of any closing or opening of bank accounts. We certainly want to be transparent. Now, with respect to Paragraph 14, this is the paragraph that addresses the repository for the bank account within which to hold the nearly $100 million that Rigmora owes in unfunded contributions that they were required to make by the Delaware Chancery Court.

We do have an account ready to open. The bank is waiting for the entry of this order. So, we are in a little bit of a pickle. The bank wants to know that they can open the account and we have authority to manage our cash. So, so far so good. We can do that. We can open a new segregated bank account and authorized depository. We are good with that. $97 million, that seems approximately correct. They characterize Delaware's order as a partial final judgment and shall immediately provide notice of each new segregated account to the LP's. Also, okay.

Any funds from this new segregated account shall not be withdrawn or, otherwise, used or incumbered pending further order of the U.S. Bankruptcy Court for the District of Delaware. That is fine too.

Then they say, well, you can only use it with respect to the Delaware partial final judgment, I am not sure what that means because I don't think it put any restrictions on it, the LPA -- well, I don't know what restrictions the LPA puts on it. The ELP and applicable law. I believe the ELP is what they are referring to as Cayman law.

I don't think that Your Honor needs to be told in this order what you are going to put in the next order about how and when those funds can be used during cumbered because that is going to be the subject of a separate motion and I don't believe it belongs here.

With respect to Paragraph 15, they, again, start acting like a cash collateral person and say that its only pursuant to a budget approved by the LP's. In other words, not by the Court, but by Rigmora can say how much intercompany transactions can occur. Well, of course, that is a user patient both of the debtors vested property rights and management rights of the GP LP property, which, of course, became property of the estate upon the filing, as well as imposing on the Court's ability to direct how the funds should be used within these cases. So, I believe that

Chapter 15 is completely unacceptable. That would continue until the end of 15, also unacceptable from my perspective.

So long as the actions, in Paragraph 19, don't violate, again, foreign law, the ELP Act, etc., I don't believe that that should be a restriction that the Court should undertake. In particular, in connection with a 345 order. If they want restrictions put on the use of cash of any kind they need to do so pursuant to an appropriate section of the bankruptcy code. Again, notice is perfectly fine with us. We are happy to give them notice of any of those things, the same as we give the U.S. Trustee.

Paragraph 23, nothing in this interim order shall modify or impair, that is also fine. That is just a reservation of rights.

With that, You Honor, we disagree with the objection of Rigmora. We think that the objection itself is based on a faulty premise that ignores the existence of 541(c), the ability of the debtors to operate their estates as debtors-in-possession under 1107 and 1108. We believe that the ability to operate the businesses under 363(c) should not be fettered here. There is not a cognizable interest in the cash that Rigmora can assert even under Cayman law. Any springing rights that happened were automatically stayed and obviated by 541(c). They can't restrict our ability to use the cash on hand.

I will open it up for any questions that the Court has.

THE COURT: I don't have any questions. Thank you.

MS. SELDEN: Thank you, Your Honor. Shannon Selden of Debevoise & Plimpton for the Rigmora LP's.

Your Honor has heard me several times today and the other day refer to the important differences between and among the debtors in this case. I think that comes into play here with respect to cash management as well. I want to carve out for the moment the four portfolio companies, which are Delaware entities. And as to those, really Rigmora doesn't have the substantive objections that you saw throughout our opposition and in our redline to the cash management.

The heart of the cash management issues tie to the Cayman ELP, ATP Life Sciences LP, which is the Cayman Fund. And, Your Honor, with respect to that fund the difference in the nature of these entities is essential to the structure, to the ownership, to the management of cash and to the investments. I think that what you hear from debtors counsel here is an utter collapsing with respect to their description of the debtors, the description of the debtors estates, the description of the debtors property, and of their cash that wholly elides these critical differences and seeks to treat

them altogether as one with assets in common and a single pool of cash that can be collectively managed when that is not at all the case. I am going to --

THE COURT: Is that how they have been run historically?

MS. SELDEN: No, Your Honor, it is not at all how they have been managed historically, it is not how they are structured legally, and it is not how they are managed historically. And if Your Honor will indulge me, I can unpack that a little bit.

I think there is a really fundamental issue at play here. You heard debtors counsel say we don't have a situation in which ATP doesn't own the property that it owns. And I think a fundamental premise of the presentation that you just heard is that ATP GP, the general partner, somehow has an estate or an ownership interest. And you hear counsel speaking of 341(c) and the interest of the debtor in its property and that property becoming, under 341(c), property of the estate among filing of a bankruptcy. But the GP never had an interest in the property of the fund. The property of the fund -- the fund is a trust for the benefit of the LP's.

THE COURT: I have a question on that because I saw that. Of course, you know, in the 30 minutes I had to think about this, I looked in the declaration of Mr. Faulkner and what he points me to, Section 16 of the Exemptive Limited

Partnership Act. So, I pulled the Exemptive Limited Partnership Act, okay, which I probably didn't hallucinate when I put it into Google and got it.

But it doesn't say that. It does not say that the assets are held in trust for the benefit of a limited partner. It says that any rights or property of every description of the exemptive limited partnership, some other stuff, shall be held by the general partner upon trust as an asset of the exemptive limited partnership; not of the limited partners, but of the exemptive limited partnership in accordance with the terms of the partnership agreement, which he hasn't pointed me to the partnership agreement to say there is something different.

Now, I could be totally wrong. This may not be the right provision but this is what he sent me to and I am trying to understand that because it's not what this statute says. I don't know how it's been interpreted, I don't know what the case law is, but it's not what the statute says and I am trying to understand that because it doesn't make sense to me.

I was trying to figure out what is an entity that has no legal personal fee -- not personal, personality which is what he is also saying. And I get a passthrough for tax purposes but are you telling me that this partnership didn't enter into contracts, can't own anything, it doesn't make any

sense. So, that is why I went to the statute.

MS. SELDEN: Your Honor, I think you are asking the right questions and I think that Cayman Exemptive Limited Partnership is an entity that is foreign in kind as well as in jurisdiction to Delaware Courts and to US lawyers.

THE COURT: It's that not foreign in kind. I get the idea of a partnership and a general partner, which here has total liabilities. So, of course, it gets to manage. I get all of those concepts.

MS. SELDEN: But, Your Honor, what I think is very foreign, and I say this having been through this journey myself in order to understand what the exemptive limited partnership is, is that as a matter of Cayman law it truly is different from the kind of partnership that we see here in Delaware or a limited liability partnership. An ELP does not have legal personality. It does not hold things for its own interest. The GP holds it for the benefit of the limited partners. And I you look --

THE COURT: Where does it say that in the statute?

MS. SELDEN: If you look further in Mr. Faulkner's declaration, I think that you had picked up Paragraph 20 of his declaration on page 12 of that declaration, where he describes for you Section 16-1 of the ELP Act, which Your Honor pulled up. I hope that you have the current version of the ELP Act because I know some of the references have

changed in recent years but you will see that Mr. Faulkner --

THE COURT: 30th of January 2025 is pretty current.

MS. SELDEN: Excellent. So we're on the same page because there is one cross reference that is important to the GP status which I know has changed in the course that we have been litigating and discussing this with them but I will say if you look at Mr. Faulkner's declaration he explains to you first what Section 16-1 says and then you go down to Paragraphs 21, I think, through 24, unpacks somewhat what this means as a matter of Cayman law. You will see that the concept of rights or property of the ELP is embedded elsewhere throughout the ELP Act and in the Sections 416-1, 16-2, 17-1 and 18 of the ELP Act and reference to rights or properties of the ELP as to property rights and interest arising from the capital contributed by the partners in accordance with the LPA for the conduct of the partnership business.

And then what follows is the case law that Your Honor was looking for, which is this Kuwait Ports Authority case which is where you get the interpretation of the statute that answers the question that Your Honor had and concludes that the assets of the ELP are held by the general partner on trust for each of the partners and do not form part of the general partners assets.

THE COURT: For each of the partners. I still don't think that says what you say it says which is they are in trust for the limited partnerships, the limited partners. It doesn't say that.

So, I don't know what the law is. I did try to pull those cases, those I couldn't get in the limited time I had because I wanted to read them. And I read the sections of the Limited Partnership Act, the Exemptive Limited Partnership Act that I was lead to. Clearly, this partnership can own assets. It talks about it. It talks about that.

So, if a -- it doesn't --

MS. SELDEN: Your Honor, I would --

THE COURT: -- it talks about an asset debtor obligation of the exemptive limited partnership. So, it has to have something, some kind of, I don't know if its personality but it has some kind of something.

MS. SELDEN: Your Honor, I think it will be very helpful to Your Honor to have the benefit of Cayman law expertise on this issue --

THE COURT: Of course.

MS. SELDEN: -- because there is a robust amount of both Cayman law and English law that goes to these questions of what it means to be an exemptive limited partnership that was the subject of extensive declaration and

testimony in the underlying Chancery action, and which addresses these questions of statutory interpretation.

The statute doesn't stand by itself. It is important but it is read in connection with both the LPA and with Cayman cases interpreting it. And just as we would have bankruptcy cases that help us to unpack the meaning of the bankruptcy code or US statute, those Cayman cases, as a matter of statutory interpretation, come to the conclusion that the general partners is acting as a fiduciary for the LP's, that it does hold assets --

THE COURT: That is not what you read before. Read to me again what you said before because that is not what you read.

MS. SELDEN: Because there are multiple provisions that I am, Your Honor. 16-1 is one of them and 16-1 is the provision in Mr. Faulkner's declaration that he references there but it is also the case, as a matter of first order, that the GP is a fiduciary for the LP's, that the GP does not hold assets itself directly but for the benefit of the ELP's and for the limited partners.

These are not -- these are -- the way in which an ELP is legally constituted, holds property, acts among its limited partners and its general partners. The way in which it is deemed to hold or not hold assets is different as a matter of Cayman law then a limited liability partnership is.

And it is different in fundamental ways that matter to what is happening in this Court because it goes to this question that Your Honor has put your finger on of whose assets are these and who can control them.

And as a matter of Cayman law, really it is a statutory trust for the benefit of the LP's. It is not itself independently holding assets and property. And I would be happy to put before Your Honor -- we didn't have -- we didn't think to submit the full Cayman affidavits in connection with our cash management motion but I do think that there is a robust body of Cayman law that goes to this important question that puts into play the underlying presumption that prior to the bankruptcy filing the GP or the ELP had property that was theirs that becomes property of the estate now that they have filed and that fundamental principle is a Cayman law statutory and case law question that is a first order question with respect to many of the issues that we dispute here in the cash management issue.

I would say, Your Honor, that I might unpack a little bit more some of the other issues that go to the interplay of the fund, the GP, and the portfolio companies because I think those are relevant also. You say to me is this not how they behaved in the ordinary course and I say do you know, why is that? The ELP is a creature both of statute, of the ELP law, but also of the limited partnership

agreement which is a contract. It's been amended many times but that is the governing agreement as between the limited partners and the GP. There was some reference made to their being limited partners other than my clients. Ther are a handful who have contributed no capital but were awarded certain interests and have that title.

So, fundamentally this functions as a fund of one with the Rigmora LP's having contributed 98 percent of the capital of the exemptive limited partnership which is the fund. The fund has an unusual LPA which gives the Rigmora LP's a degree of control over the investments that you would not see, and we do not see, in multi LP funds where much of that vests with the GP managing the money of lots of people, pulled together in a collective investment vehicle.

But this investment vehicle, this Cayman LP -- this Cayman ELP is essentially a fund of one and in the LPA, as we litigated extensively down the street, the limited partners have all kinds of rights that you might see in a typical limited partnership agreement including rights to approve the budgets for portfolio companies or the creation of portfolio companies before they are created and invested in by the fund.

So, when we say that the LP's have approval rights over budgets, we are referring specifically to those provisions of the LPA which Chancellor McCormick considered

and found contrary to the GP's allegations that Rigmora never breached. Rigmora has absolute discretion to consider and approve or not approve budgets.

THE COURT: Haven't they already approved budgets.

MS. SELDEN: And it has approved budgets.

THE COURT: So, those budgets are approved?

MS. SELDEN: The budgets are approved and so part of the objection to the cash management is it is not ordinary course to spend cash and manners inconsistent with the approved budgets. That is our request in the cash management order is that the LP's have pre-existing rights under the LPA to approve budgets. They have done so. Money can be invested only consistent with those approvals.

And let me take it, if I will, one step further, Your Honor, because, again, the structure of these entities and the way in which they contractually relate to each other goes very much to the question of whose assets are whose and how the cash flows. That is the fund itself is an investor in the portfolio companies. It has more -- four of those portfolio companies are debtors here and have been filed but there are many other portfolio companies in which the fund invests; some of which are quite valuable, others of which are less so.

But there are a number of portfolio companies, some here before Your Honor, many not, but there is a

contractual relationship and legal relationship between the fund and those portfolio companies too, and many of those portfolio companies are the subject of SPAs or staff purchase agreements with the fund where the fund makes a commitment to provide a Series A financing, and for some companies that did well Series A or Series C financing, depending on the state of those portfolio companies. But, again, the way in which the fund invests the money that has been contributed to the fund by my clients is pursuant to the fund's agreements with its portfolio companies.

THE COURT: Is the debtor purporting to not spend the funds in the way the budgets have been approved?

UNIDENTIFIED SPEAKER: Your Honor, I --

MS. SELDEN: Well --

THE COURT: No, let Counsel.

MS. SELDEN: I think -- I suspect that we have different answers. And I will tell Your Honor that we have -- we have a concern with respect to the cash management order that the debtor, again, by collapsing these debtors, by treating their assets as though it is a single estate by disregarding the contractual structure and the limits on the use of funds, is seeking to use those funds in ways that the LPA and the SPAs do not permit and we object to that.

Now, I will say, Your Honor, there is a way in

which the misuse of funds and the direction of funds from one portfolio company to another portfolio company, inconsistent with both the SPAs and the LPs would be consistent with historical practice because that's something that the GP has done in the past, to which the LPs very much object and is a breach of the LPA and SPA. So, there is a -- consistent with historical practice, where historical practice has been a breach, and we object to that.

So, in the cash management order -- and we have always objected to that, and so I don't want to suggest that there has been waiver or adoption of that, but there are particular incidences that were raised both in the Cayman court and in the Chancery Court with respect to intercompany loans that were improper and a misuse of funds, again, because for the fund to invest in a portfolio company, the LPs must first approve that investment, then the fund itself enters into an SPA, and is to invest consistent with its SPA.

THE COURT: Wait, wait. The fund enters into an agreement? This exempted liability fund that has no personality enters into an agreement with somebody?

MS. SELDEN: I know that Your Honor is catching me out on the way that I have phrased that, but I think in the SPAs I am not going to say -- I don't have the SPAs in front of me today and, although I have spent a long time with them, I am using the fund when I describe the investment

relationship imprecisely, and I think it will be important to Your Honor. And I think, while I don't have a precise answer to each of these four companies standing here today because of the speed with which we are before Your Honor on these questions --

THE COURT: Fair enough.

MS. SELDEN: -- I do think that that question is important to me as well. What is the nature of this portfolio company's relationship to the other Cayman debtors, what rights does it have to receive further investment, that is all governed by contract and by the SPA. It is important what the amounts are, who the counterparties are.

And I can tell you, Your Honor, that when I deposed Dr. Harrison in the underlying proceeding and asked him does the fund have obligations to continue to invest in certain of these companies or is it discretionary, the answer was it's discretionary. There's not -- this $200 million of mandatory further investment is not consistent with prior representations or testimony in the other case. That's one of the many things that we dispute in debtors' presentation.

So that's one of our disputes here is that the cash management order does not respect corporate structure, corporate governance, contractual limits, and the limitations, importantly, around the ways in which investments are made into these companies.

THE COURT: Is that the purpose of this type of motion?

MS. SELDEN: Well, the -- is it the purpose of a cash management motion, that's above my pay grade, Your Honor. I'm not sure what the overall purpose of a cash management motion is, but when I see this cash management motion, what I see debtors requesting to do is to use cash in ways that they are not permitted to do by the LPA or by the SPA that they have sought to do and lost elsewhere and down the street in other courts and that are inconsistent with our agreements.

And I would take just another example, Your Honor, which is the $96 million in capital calls that my clients will pay subject to Chancellor McCormick's order. That $96 million of capital calls is to come into a segregated account, and you see it treated here and discussed here as an asset of the estate, but of that, to be clear, $56 million is for portfolio companies that are not debtors. And that balance of that 40 million is for the four portfolio companies, but in specified amounts; only 7.1 million goes to Apertor, 7 million goes to Initial, 6.3 to Marlinspike, 6.4 to Red Queen, and then there is some money for expenses for ATLS. So that 96 million shouldn't come in as a pooled asset of the estate when more than half of it is not an estate asset at all, in our view, that is, it's being paid in, but

only so it can go out for these other portfolio companies.

And I have a deep concern -- you have heard from debtors that somehow we are interfering with science, with medical research, with the development of these successful companies, absolutely not. This is my client's investment; they care very much about these companies. Putting $56 million bound for these other portfolio companies into the Chapter 11 cases and having it distributed elsewhere, or for counsel and advisers and everybody else, that's not what that $96 million is supposed to do. So --

THE COURT: So, I'm going to want a response to that, not this moment, I'm going to want a response to that from the debtors and to understand how the cash is being used. But let me ask this very practical question: Today we're talking about approval on an interim basis of $1.2 million, to be able to use $1.2 million. Am I right or am I wrong? I may be wrong. That's I guess with respect to -- is that only with respect to intercompany?

MS. SELDEN: I understood that to be a request that 1.2 million is a limit on intercompany transfers --

THE COURT: Okay.

MS. SELDEN: -- but not a total limit on the interim request.

THE COURT: Fair enough.

MS. SELDEN: If that's all they were asking for, I

would feel better, Your Honor.

THE COURT: Fair enough. I will tell you, one of the problems I have with the edits that were made is that they seem to be asking the bank and constraining banks to understand what the law is in the Cayman Islands, what the LPA requires, et cetera. That just can't be the case. They cannot be made to understand -- to have to decide whether they're distributing -- letting the debtor take money out. So those edits, to me, just aren't practical.

MS. SELDEN: I would be hopeful that with more time we would have better edits, Your Honor. I do feel like -- I will tell Your Honor from the bottom of my heart that I wish that I had a way to make this clean and easy with respect to the cash management. I think that it is very, very difficult because these are not -- this is not one Delaware corporation that has a singular estate. There are four separate portfolio companies, there's a complicated ELP, there is a GP with no assets of its own, there is a whole -- an entity that is a Delaware entity wholly owned by the fund for purposes of paying expenses. It's complicated and there are -- there is law and there are contracts, different contracts that have been ruled on by other courts, but also stand on their own that govern all of this cash.

And so fundamentally, you know, when I said at the beginning of this hearing I don't object to the consolidation

for procedural purposes, I understand that's easier for the Court. My objection to treating this as an amalgamated set of Chapter 11 cases is that it is very hard to think of the cash management in that way for these entities and it is not appropriate under the specific terms that govern and limit the rights that the portfolio companies have, the GP has, or the ELP as it stands. And perhaps if there is -- you know, I welcome Your Honor's guidance, if there is some way to make narrower or better edits, I am all for it, but I have deep, deep concerns about the misuse of funds through this process, including of the judgment that my clients are ready, willing, and able to pay, but doesn't all belong in bankruptcy.

THE COURT: Okay. Let me ask -- I'll certainly hear from you again, but let me -- I'm trying to get to the heart of this and what we can get done today and not get done today. Looking at the budget, which I have not had a chance to look at before coming on the bench, how much money is going out the door between now and when we can have a second day hearing?

MS. TOMASCO: Nine million.

THE COURT: Okay. And where can I tell that?

MS. TOMASCO: Double disbursements on the last page of the budget.

(Pause)

MS. TOMASCO: It's about seven million. And, Your

Honor, the order prohibits the use of any funds for any non-debtor already. So, this issue with non-debtor companies and any money coming in, and I would just point out that this is a mismatch of concepts. Under 363(p), the party asserting an interest in property of the estate has the burden to establish that interest.

That being said, I've confirmed that the funds will only be used in connection with any portfolio company that is subject to a budgeting process in accordance to the budget that has already been approved by Rigmora. So, there is absolutely -- all of these things, this parade of horribles, they're made up, they don't exist. We're not going to use the money outside the terms of an approved LPA budget. There are two debtors that don't have approved budgets.

THE COURT: So what happens to them?

MS. TOMASCO: They get to use the money because it's been allocated to them on an unbudgeted basis, but it doesn't mean it hasn't already been allocated to them by the LPA.

THE COURT: Say that to me again.

MS. TOMASCO: It's already been allocated to them under the LPA without a budget. So, there are some portfolio --

THE COURT: There are some funds that can be

used --

MS. TOMASCO: Correct.

THE COURT: -- that are not subject to a budget.

MS. TOMASCO: Yeah, a line item budget, but they've been budgeted.

THE COURT: But they've been budgeted.

MS. TOMASCO: Correct.

THE COURT: For particular uses --

MS. TOMASCO: Or for a particular --

THE COURT: -- or for particular entities?

MS. TOMASCO: -- entity. In addition, you have the general expenses of the general partner, which of course are also approved on a non-budgeted basis.

THE COURT: And is that part of the 21 million or whatever, 17 million, whatever the funds are that the debtor --

MS. TOMASCO: Correct.

THE COURT: -- the debtors, whichever debtor has already?

MS. TOMASCO: Correct. So, there are some portfolio companies that have line item budgets, you can only use it for these purposes, you have the GP fund that is subject to its own overhead administration, and then you have some allocated -- you have some allocated on an unbudgeted basis to other subsidiaries.

None of the funds will be used for non-debtors. And so -- but the use of the word budget in here implies that they're going to have additional budgetary oversight and that can't be the case. If they want to assert this theory that somehow as a limited partner they have a vested property right in property of the estate, which, Your Honor, I doubt very seriously that is the case, then they can bring their own motion for adequate protection, this is not the space for it. This is our relationship with the banks, it's already created a hiccup with how do we create the segregated fund as ordered by the Chancery Court. This is a 345 order. If they wanted to come in and assert an interest in property and restrict the debtors' use of it based on that interest, they have the burden of proof under 363(p); they just do.

Now, that being said, we're doing everything correctly and fairly. We're not doing anything, we've agreed with the U.S. Trustee, none of this goes to non-debtors. We're only using it in accordance with approved budgets, to the extent they apply. So, nothing is happening here, and what they've created is this maelstrom of, you know, perceived troubles that aren't actually happening.

THE COURT: Well, couldn't some of the funds that the debtor have already -- or is to get already budgeted for non-debtors. So that's what I'm trying to figure out is --

MS. TOMASCO: That's a level of detail I don't

have sitting here today, but we're certainly willing to explain where the $97 million will go. Now, to the extent it comes into the GP on behalf of the non-debtor LP -- the non-debtor --

THE COURT: Non-debtor portfolio company.

MS. TOMASCO: -- portfolio companies, that's an issue for another day. We're not even talking about it because what we're doing, we're going to do what the Delaware Chancery Court told us to do, which is to put it into a segregated account and we'll come back to you and say here's our plan. And of course they're going to complain and Your Honor is going to rule, but that's not what we're talking about. We're talking about the 17 million that's in the debtors' coffers right now that -- we're talking about the 17 million that's in the debtors' coffers right now, and then we have another 97 million coming in, some of which is available to the debtors and will come back in.

THE COURT: Right, I don't have to worry about that because we don't have that yet --

MS. TOMASCO: You don't have to worry about that today.

THE COURT: -- that's going to be subject to another order.

MS. TOMASCO: Correct. You don't have to worry about that today; you'll have to worry about it tomorrow, but

not today.

So, what I think would make the most sense, the most rational sense is to say, okay, we need a 345 order, otherwise the bank won't let us open the segregated account in which to put the 97 million, that's problem number one. Problem number two, they're asserting an amorphous interest in property that I don't think exists under U.S. or Cayman law. I don't think Cayman law is different than U.S. law when it comes to partnership and limited partnership property, I just don't. I didn't read anything in the statute, I'm not an expert, but I'm sitting here today saying how could it be. To Your Honor's point, how can you lack personality if you could enter into a contract? Of course, you can hold property and it's your property, subject to all of the other provisions of the Bankruptcy Code.

So, what I think would make the most sense is, to avoid -- and this is a point I wish I had thought of, but Your Honor made it, and that is to avoid scaring off the banks to just deal. Like we've got make payroll, we've got to do stuff, right? We don't need to put this many ornaments on this Christmas tree, we don't need any, we just need a regular order. We can say in there, you know, we're going to establish a segregated account, subject to further order of the Court, that's what it says, that's what we're going to do. We have -- Mr. Mandarino is watching the farm, he's

making sure none of the animals get out.

And so what we don't need is to take what is a very practical order designed for practical things and imbue it with the last two years of litigation history, it's not the right place.

THE COURT: So what are you proposing?

MS. TOMASCO: Well, what I do propose is what I've just said. I read through the order, we don't need to say it's subject to applicable law.

THE COURT: I don't see how we can say it's subject to applicable law; I don't even know what that means.

MS. TOMASCO: Correct.

THE COURT: I just don't know what that means, so I can't issue an order that does that.

MS. TOMASCO: We do need to come up with language on the segregated account, but I have another practical solution, and that is we need that order anyway. I don't know that that segregated account, as long as it's an authorized depository, needs to be the subject of 345 relief. In other words, we're not seeking relief on that. We can have a separate 345 order on that account when it is established, but we have to get it established first and then we can fight about it. That would make the most sense to me so we can get a very practical order out to the bank, so we can start clearing checks.

THE COURT: Well, that makes sense. I think the issue is, is there any language that can be put in here to memorialize what you have represented that the money that will be used between now and the next date will be used pursuant to or consistent with budgetary authority already granted, or funds that come in without --

MS. TOMASCO: Restriction.

THE COURT: -- outside of the restriction of the budget.

MS. TOMASCO: I believe, if it were up to me, I would put in the preamble, but based on the representation of the debtors on the record that the amounts to be used pursuant to this order would be consistent with the budget requirements of the LPA to the extent they existed on the petition date, which is I think accurate.

THE COURT: I think that solves many problems that I see, which is that it needs to be consistent with the LPA, at least for these purposes. Then we're going to have the fight over whether in fact you have to be consistent with the LPA, if the debtor is going to take that position, but if the position in this interim -- and if you need to talk to your client, I'll let you and we can take a recess --

MS. TOMASCO: Okay.

THE COURT: -- to see if there can be some language that preserves this issue to be raised in a context

in which I can really address it and with authority that I can look at ahead of time, and with the recognition that we need to have a generic cash management order in place that permits banking to continue and permits the debtor to be able to use its bank accounts to fund ordinary course expenses and things it would do in any event.

MS. SELDEN: Yeah, and if I could be heard --

THE COURT: Yes.

MS. SELDEN: -- on just three ideas that I think might address -- one is a concern and two ideas, so forgive me. But the first concern is that when I look at the budget, it is not consistent with the representations that debtors' counsel is making with respect to the use of cash for non-debtor portfolio companies. When I look at page 4 of the debtor and line item 13, I see what appears to be $11 million leaving the estate for non-debtor portfolio companies over the next two months, three months into February of 2026. So, I have a concern that the description of the uses of cash is not consistent with the budget that is proposed, the single largest line item of which does appear to be millions of dollars going to non-debtor portfolio companies, and I don't know which portfolio companies those are or why that money is being sent to them. So --

THE COURT: And where do you see that? You see that on page 4, line --

MS. SELDEN: Line item 13 --

THE COURT: 13.

MS. SELDEN: -- of project 13-week cash flow, beginning cash balance 12.9.

And so that's a concern I have, Your Honor, and it is -- my other concern is that I'm not sure how they are planning to use this cash and there is a broad desire to use it for intercompany transfers that are not otherwise permitted. I do have --

THE COURT: But those were limiting to a million three.

MS. SELDEN: I do -- well, that on one page, but when I look at the forecast --

THE COURT: No, the order, the order is going to limit it.

MS. SELDEN: The orders are limited right.

THE COURT: Yes, regardless of what this budget says, the order is limiting that. That was negotiated --

MS. SELDEN: Yes, and I am sorry. I am trying to reconcile the order and the budget --

THE COURT: -- and that doesn't always happen.

MS. SELDEN: -- on the five-year, but I just have this concern that these are big numbers for non-debtor portfolio companies going out the door.

I do have -- with respect to the modifications

that might be made to the cash management itself I think the terms of the LPA need to govern, I would also ask that it be revised so that the terms of the Series A preferred stock purchase agreement with each of the four portfolio companies govern. Each of these debtor portfolio companies has an SPA, and that SPA provides the terms of the fund's investments into that portfolio company, that's the contract that governs and that directs -- it is the mechanism by which certain money goes to one company and not to another and on what terms the investment can be made into those companies.

And so I have a continuing concern between the budget (indiscernible) and the cash management order that the debtor is not -- the debtors are not respecting the differences between and among these entities. And I think cash management only needs to happen with respect to the entities that have cash to manage and that's five of the seven debtors; that's ATLS, it is the four portfolio companies, but the fund and the GP, otherwise their cash is managed by ATLS and they don't need to have freedom to move money around in ways that are inconsistent with LPA and the SPA. What -- the portfolio companies need cash management, ATLS needs cash management. This cash management order can and should be narrowly focused on the debtors who need it and consistent with the terms of the agreements that govern the management of their cash, and I think the banks and

counterparties can all work with that because that's how they've been working to date. There are different relationships there and different needs there, and the cash management order should address it.

I am happy -- I don't know that I can revise it standing here on the fly, Your Honor, but I am happy to take another look at proposed language, if that would move the ball forward, but conceptually that would be my very strong preference and I think consistent with the differences between and among these debtors, their use of cash, their need for cash, and their historical past practice.

THE COURT: Thank you.

MS. TOMASCO: Your Honor, first of all, we're not running around blurring the lines between the companies, we have good accounting and everything will be accounted for. In fact, one of the things they struck was for there to be a superpriority administrative claim for any use of intercompany payables or receivables, as is very common, to protect each of the estates from any money movement that may have ended up, you know, being wrong or hurting the other company, we do that all the time.

So, what I think is that we have a litigation perspective being placed on what is a very routine motion and order. What I would say, though, Your Honor, is that we have a lot of other restrictions on how we use cash in a

Chapter 11 case, and those will all be complied with and complied with the U.S. Trustee guidelines with respect to these cash accounts.

So, what I fear is going to happen is that we've taken a very routine motion and order entered into a substitute for litigation, and I don't think that that's appropriate. But in a practical sense, though, Your Honor, there are budgeted funds that are in the debtor -- the GP's possession that are subject to budgets that have been approved by Rigmora, by the LP. So, the question is, we are going to comply with that budget, we never said we weren't. What we need is a 345 order that doesn't have so many conditions that a bank is going to scoff at it and not let us do what we need to do.

To that end, I really do think we have to separate these issues into a separate order somehow with respect to the escrow account -- the segregated account, sorry, not escrow account -- segregated account to hold the proceeds of the Delaware Chancery litigation, subject to further order of the Court. That's what I would suggest. They can have all the notice that they want, but I think the balance of their changes need to be stricken, and I think that we should settle a separate order on the segregated account because that's going to take a week to negotiate and we don't have that long to write checks.

THE COURT: The problem with cash management motions is that they have -- the orders is that they have grown beyond 345 and -- because I agree that 345, all 345 has to do with is making deposits and investments in banks that -- to ensure that the funds aren't lost. I mean, that's what 345 is about. It turned into other things, so now we add things in like business forms and all kinds of things that don't really go into 345, and 345 also doesn't contemplate a budget, it just doesn't. So usually we see that in a DIP order, in DIP financing, and that's where we would be having these fights, right? But we don't have that here.

So, this motion sort of -- I would agree there's a mismatch and that this is probably not the right place to address this issue, and I certainly today do not have the information necessary to make any of these decisions. So, recognizing that the debtor needs to open its bank accounts and needs an ability for the bank to feel comfortable that it can write a check -- or that it can honor a check, sorry, that it can honor a check that is presented.

(Pause)

THE COURT: Yeah, I can't require -- as I said before, I can't require the banks to be in compliance with the LPA, the ELP act, and the applicable federal or state law, or anybody's foreign law because that just means they

can't do anything because they don't know. So, those comments cannot be taken.

I do think that the segregated bank account, we can deal with that later. There are no funds in it. So, let's get it opened and let's -- if you need something to open the account, tab just the sentence that says you're authorized to open an account that will hold this separate fund, and then we'll deal with anything after that because you may need an authorization for the bank to recognize and open a segregated account for you, which is just I guess a new account for them.

And then I would like some kind of a representation, it can be in the recital, prefatory paragraph, reflecting what you've represented to the Court about the use of the funds, but I'm not going to turn this order into something that requires me to have to figure out what the law is and what it requires. And the debtors do have obligations, and perhaps they have contractual obligations that they have to comply with and, if they don't, then we'll have an issue to decide, but I'm going to take a form of order that I've just said, if that's enough -- if you have questions because I realize this is kind of scattered -- but a simpler order doing what's necessary to open and maintain the accounts. If you need to pay banks because you owe them some money, you can do that, and this issue is going

to have to be brought.

Let's find the best way to tee this issue up so that it can be decided because it is foreign law, I need to understand it better and understand parties' rights, and understand what the interplay is between the Cayman law and the Bankruptcy Code, and how they interact or how one supersedes the other, or whatever.

MS. TOMASCO: Thank you, Your Honor, I think I understand what you want. You want their changes to be taken out other than the notice provisions.

THE COURT: The notice provisions obviously.

MS. TOMASCO: And then we'll add a preamble that says that we will -- to the extent that there are approved budgets, we will comply with them.

THE COURT: Yes.

MS. TOMASCO: Okay.

MS. SELDEN: Thank you, Your Honor.

MS. MCCOLLUM: Your Honor, may I be heard?

THE COURT: Ms. McCollum, join the party.

MS. MCCOLLUM: Your Honor, I will be extremely brief. One of the comments that we made on the record -- sorry, Hannah McCollum for the U.S. Trustee -- one of the comments that was made on the record is what is the purpose of a 345 motion or cash management motion, the purpose is to protect the debtors' funds. And these orders do two things

and they're not always obvious to the parties, and I think a lot of this came out when Silicon Valley Bank failed two years ago. These accounts, if they are UDA banks, they are collateralized by the bank above the FDIC insurance levels and the bank provides us, our office, back-end reporting, so that we can catch issues. We have caught, you know, money being stolen from debtor accounts because the banks are reporting to us separately. It is incredibly important to have these kinds of orders on file because they protect the debtor.

We are not standing here trying to be difficult for fun; we are trying to protect what is here, $17 million plus another $97 million. That is significantly over the FDIC insurance level, I think we can all agree on that. And as I read the motion, I am not offering any opinion whatsoever on what the -- you know, whether this is combining the debtors or not combining the debtors. There are multiple accounts that appear to be in different debtors' names and all of these accounts, the banks need to be made aware that these debtors are in bankruptcy, so that they can begin the collateralization process and they can begin the reporting process, which is what protects these funds.

And so I, I guess for the first time ever, rise to support the debtors' cash management motion. But, you know, all levity aside, this is incredibly important and this is

the vehicle that protects these funds and I think it needs to be entered as soon as possible to permit the debtors to do that. And I certainly support a provision, a very simple provision in it that says you can open this segregated account, it has to be opened at a UDA bank. Whatever happens after that happens, but those funds will at least be protected from my standpoint, and I think that's important.

So, thank you, Your Honor, for hearing me on this.

THE COURT: Yes, thank you. And I had a debtor who was caught up with $300 million at Silicon Valley Bank, so I get the issue. But I do think, as I said, these have somewhat grown to now we're looking at use of funds and can I pay intercompany transfers, and what about this and that, and so they've sort of gotten beyond this very basic protection of the debtors' funds.

But in any event, yes, a simple order. Please circulate it. It does need to get entered as soon as possible. So, when you upload it after circulating, hopefully taking into account any comments that the Rigmora group has, send it over, and email my chambers so we know it's there and can be entered.

And I would like some discussion among counsel as to how various issues should get teed up and the best way, so that I am in a position to be able to rule on them and have time to get up to speed on all the very extraordinary

submissions I'm going to get on the law.

Any questions? Did you all talk about a second day or did you all get one?

MS. TOMASCO: We did, I think it's somewhere around the 20th at 2:30.

MS. SELDEN: Yes.

MS. TOMASCO: And I made a bad joke after that, so I won't --

THE COURT: Okay. And that date is fine for -- in terms of scheduling, it's okay, but I am going to be out of the office on business the week before. So, submissions need to be planned sufficiently in advance because when I get back that may not be enough time to go over Cayman law. So, I need it briefed sufficiently in advance if there are going to be issues, for example, on final cash management.

MS. TOMASCO: I think, given the interposition of the holidays and the 20th, I do think that what -- in my ideal world the second days would be routine and we would reserve all of these larger issues for a different date.

THE COURT: If you all can work that out. I suspect Ms. Selden may have a view, but I would in the first instance -- we have it on the calendar, it doesn't mean it can't move, it doesn't mean whatever, but I would like you all to talk about briefing. I recognize the holidays are among us, here, but I have a week of business outside of this

courtroom.

MS. SELDEN: Thank you, Your Honor. You were correct to anticipate that I will have more objections, but I am happy to talk to debtors' counsel about what we can resolve, if anything, before then and how to appropriately brief it before Your Honor.

The other -- if now is a good time, Your Honor, the other housekeeping issue with respect to scheduling that we had raised with debtors' counsel and I don't think we've been able to reach agreement is a hearing date for what we anticipate will be a motion to lift the stay in order to allow Justice Asif in the Cayman court to address a precursor issue of Cayman law. And I think, Your Honor -- I do not think, Your Honor, that it will spare this Court all that you need to know about Cayman law, but I do think of it in the manner of kind of certifying the state law question that there is a precursor issue of Cayman law that the Cayman court is ready, willing, and able, and best suited and maybe solely suited to rule on and has reserved time at the beginning of February.

And so we do anticipate -- I know I haven't made it yet, but I do anticipate making a motion to lift stay to allow Justice Asif to address this issue, and hopefully provide both the parties and the Court with some clarity as to how the Grand Cayman Court views a central issue of Cayman

law that goes to the GP issue. I believe that we could -- that we could do that on normal timing and be heard late the week of January 5th, if Your Honor is available, that's what we have proposed to debtors' counsel. I know that it -- I'm acutely aware that it is the holidays, I am also acutely aware that at ATP's instigation we have been proceeding on an expedited schedule since May. We have -- usually it is ATP and their counsel asking to move as quickly as possible and to be heard in this case, it is me and I wish it weren't over the holidays, but I do think this is a very important question and I would like to be back before Your Honor late the week of January 5th, which I think, frankly, would give folks time after the holidays to prepare for the hearing and Your Honor time to read, even though it would put some burden on my team, to whom I publicly apologize for filing before.

THE COURT: Okay. So, I'd like you to get the motion filed, and then we'll figure out a schedule for it, recognizing of course that you're going to be briefing second days during that same week. So, I'd like to see it, and we'll see when we can fit it in at an appropriate time.

MS. TOMASCO: Well, Your Honor --

MS. SELDEN: Thank you, Your Honor.

MS. TOMASCO: -- one threshold showing that they would have to make is they have to have something worth protecting, right? I think that threshold inquiry may answer

some of the Cayman law questions that the Court has to get to. In other words, I think what they're looking for is an advisory opinion or, you know, winning the entire game by going back to the Cayman court.

THE COURT: I need to see the motion so I understand what it is.

MS. TOMASCO: Thank you, Your Honor. I was going to give Mr. Berdon a chance to speak up with respect to timing as well.

THE COURT: Timing on what, Mr. Berdon?

MS. TOMASCO: Mr. Berdon is the lead trial counsel from the Delaware Chancery Court.

THE COURT: Oh.

MS. TOMASCO: With respect to the timing of the motion for relief from stay, they can file whatever motion they want --

THE COURT: They should file it.

MS. TOMASCO: -- yeah, she can file whatever motion she wants, but in terms of timing of when it's going to be heard, what they're actually asking for is to win the entire show, as opposed to a limited form of relief, is what I have a feeling, and so that requires more time.

THE COURT: Well, I'll find out when I read it.

MS. SELDEN: I propose to make it -- I think it will be best if I make the motion, and then Your Honor and my

adversaries will see it, and we can have it on -- you know, I think 14 days' notice is typical. We will be available whenever Your Honor is able to hear us. And I think -- we have fundamental disagreements, but I want, and I think Justice Asif wants, and our clients want this to move forward as efficiently as possible. There are valuable assets in which we are deeply invested and the parties have litigated in multiple forums. I think Your Honor should have the benefit of briefing in Cayman law and the hearing, and I do think we should do that early in January because, Your Honor, I'm afraid every time we have an issue with this Bankruptcy Court I'm going to be standing here raising Cayman law issues. So, I want to get it before you sooner rather than later, so that we can have some clarity around these important questions.

THE COURT: Okay. Well, thank you. You know, we're always fortunate in this court to have excellent lawyering and excellent counsel in front of us, and this case just proves that. So, I know that I'm going to get excellent briefing from both sides. I also know -- and I know these parties have been litigating hard in multiple courts and multiple jurisdictions, but I also know that I can expect that counsel will work with each other to streamline things, to put things in front of the Court in an orderly fashion, and to cooperate where possible on scheduling and briefing

and all of that because I know -- if I don't know individual counsel here, I know the firms and they're fine firms, and I know that that kind of cooperation will happen.

So, I'll look forward to whatever is filed.

MS. SELDEN: Thank you, Your Honor.

THE COURT: Thank you for today. We're adjourned.

(Proceedings concluded at 5:50 p.m.)

CERTIFICATION

We certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter to the best of our knowledge and ability.

/s/ William J. Garling December 18, 2025

William J. Garling, CET-543

Certified Court Transcriptionist

For Reliable

/s/ Mary Zajaczkowski December 18, 2025

Mary Zajaczkowski, CET-531

Certified Court Transcriptionist

For Reliable

/s/ Tracey J. Williams December 18, 2025

Tracey J. Williams, CET-914

Certified Court Transcriptionist

For Reliable