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. 1188

OBJECTION BY DEBTORS APERTOR PHARMACEUTICALS, EVERCRISP BIOSCIENCES, INC., INITIAL THERAPEUTICS, INC., MARLINSPIKE THERAPEUTICS, INC., NEREID THERAPEUTICS, INC., NINE SQUARE THERAPEUTICS, INC., AND RED QUEEN THERAPEUTICS, INC. TO MOTION OF DEBTOR ATP LIFE SCIENCE VENTURES, L.P., FOR ENTRY OF AN ORDER CONFIRMING ITS RIGHTS WITH RESPECT TO PORTFOLIO COMPANIES

Debtors and debtors in possession Apertor Pharmaceuticals, Inc. ("Apertor"), Evercrisp Biosciences, Inc. ("Evercrisp"), Initial Therapeutics, Inc. ("Initial"), Marlinspike Therapeutics, Inc. ("Marlinspike"), Nereid Therapeutics Inc. ("Nereid"), Nine Square Therapeutics, Inc. ("Nine Square"), and Red Queen Therapeutics, Inc. ("Red Queen" and, collectively, the "Portfolio Debtors"), file this objection ("Objection") to the *Motion of Debtor ATP Life Science Ventures, L.P., for Entry of an Order Confirming its Rights with Respect to Portfolio Companies* [Docket No. 1188] ("Motion") filed by debtor and debtor in possession ATP Life Science Ventures, L.P. ("Fund").[2] In support of this Objection, the Portfolio Debtors respectfully state:

[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); Red Queen Therapeutics, Inc. (8563); Evercrisp Biosciences, Inc. (4437); Nine Square Therapeutics, Inc. (4503); and Nereid Therapeutics Incorporated (8493). The location of the Debtors' service address in these chapter 11 cases is 230 Park Avenue, Suite 2800, New York, NY 10169.

[2] Defined terms not defined in the Objection have the meanings given to them in the Motion.

PRELIMINARY STATEMENT

1. Ongoing funding constraints have forced each Portfolio Debtor to reduce its workforce to one or two key employees. Evercrisp, for example, has one employee, its Chief Executive Officer, and no laboratory. She directs all of its research through contract research organizations. The people who remain at the Portfolio Debtors are the people these estates chose to keep, and whom this Court's funding orders have paid to keep. They hold the scientific knowledge, the vendor and partner relationships, and the institutional memory that any buyer or investor will require. The Motion would permit the Officeholders to replace them as executives and directors at will, with or without cause or explanation, in the middle of a sale process. For companies already fighting to preserve value, this unbridled authority jeopardizes their value for no stated reason.

2. The Motion seeks sweeping relief without any Court oversight. Paragraph 25 of the Motion asserts only that the need to remove directors and senior executives at will is "based upon market feedback to date and the Officeholders' experience and diligence in these cases." Since this Court recognized the Officeholders' control of the Fund, their oversight of the Portfolio Debtors has been largely limited to budget and funding matters. The Officeholders have never raised concerns about the Portfolio Debtors' management or leadership, or any need for change. If the Officeholders have specific concerns, they should first discuss them with the Portfolio Debtors' management and leadership and obtain Court approval of any changes.

3. Granting the Officeholders the unfettered right to replace officers and directors risks disrupting the ongoing effort to market the Portfolio Debtors and solicit interest in them, for no demonstrated reason. The requested relief contradicts the Clarification Order (defined below) and risks substantial harm to the Portfolio Debtors at a critical inflection point in these cases.

RELEVANT BACKGROUND

4. As the Motion acknowledges, the Court knows these chapter 11 cases, including why the Officeholders were appointed and recognized. The Portfolio Debtors therefore limit their recitation to the facts relevant to the Motion and to why the Court should deny the requested relief.

A. *The June 24 Clarification Order Restrains the Officeholders' Authority to Replace Board Members and Management of the Portfolio Debtors.*

5. On June 24, 2026, after a hearing, the Court entered the Clarification Order [Docket No. 823]. Paragraph 4 of the Clarification Order states:

> Notwithstanding anything else contained herein, in the event an Officeholder is appointed by the Grand Court, and *notwithstanding any language in any order appointing such Officeholder*, upon such appointment *the scope of such Officeholder's authority with respect to the Fund or any assets of the Fund shall be subject to all applicable requirements of the Bankruptcy Code and any order of this Court*. For the avoidance of doubt, *any Officeholders appointed by the Grand Court may not replace the members of the board of directors or senior executives of the portfolio companies without consent of the General Partner or further Order of this Court*.

See Docket No. 823 (emphasis added).

6. Thus, anticipating the Cayman Court's appointment of the Officeholders, paragraph 4 of the Clarification Order already confines the Officeholders' authority over the Portfolio Debtors to the requirements of the Bankruptcy Code and any order of this Court. The same paragraph also bars the Officeholders from replacing the Portfolio Debtors' directors and senior executives without the General Partner's consent or further order of the Court.

B. *The Cayman Court Appoints the Officeholders Granting them the Power to Replace Directors and Senior Management of the Portfolio Debtors.*

7. On July 10, 2026, after finding a "loss of substratum," the Cayman Court appointed the Officeholders ("Appointment Order") and granted them:

> The power to manage the [Fund] for the benefit of the limited partners, including … to exercise any rights conferred on or exercisable by or on behalf of the [Fund]

> or its [General Partner Debtor] to appoint or remove directors to or from the board of any portfolio company or other subsidiary of the [Fund] and to replace the executives of any such portfolio company or other subsidiary of the [Fund] as reasonably considered necessary by the [O]fficeholders.

See Docket No. 926-2 at ¶ 5(f)(i).

C. The July 30 Recognition Order Does Not Override the Clarification Order.

8. On July 30, 2026, this Court entered the Recognition Order. See Docket No. 1000.

9. The Court recognized the appointment of the Officeholders "to act in the stead of the [General Partner Debtor] under the [Limited Partnership Agreement] and to carry out the management, policies and control of the affairs and the conduct of the business of the [Fund]." *See* Docket No. 1000 ¶ 1. Paragraph 2 of the Recognition Order also expressly requires:

> To the extent the Officeholders choose to exercise … the specific powers enumerated in Paragraph 5 of the Appointment Order, the Officeholders must exercise such authority and powers consistent with the [Fund]'s obligations as a debtor and debtor-in-possession and consistent with and subject to the dictates of the United States Bankruptcy Code.

See Docket No. 1000 at ¶ 2. The Recognition Order also provides that "[t]he automatic stay of 11 U.S.C. § 362 remains in place with respect to each of [the Portfolio Debtors and the other debtor Portfolio Companies] and their estates unless and until any relief from stay is granted in one or more of the bankruptcy cases." *Id*. at ¶ 4.

10. The Recognition Order does not purport to vacate or amend paragraph 4 of the Clarification Order. Indeed, it does not mention the Clarification Order at all. Had the Court intended the Recognition Order to override the Clarification Order, it presumably would have said so.

OBJECTION

I. The Clarification and Recognition Orders Coexist and Are Readily Harmonized.

11. The Motion rests on the erroneous premise that the Recognition Order "obviates"

paragraph 4 of the Clarification Order. Nothing in the Recognition Order supports this premise. The Recognition Order's silence as to the Clarification Order does not render paragraph 4 of the Clarification Order ambiguous, nor does it validate the Fund's self-serving "obviation" theory. A court order remains binding until it is modified or vacated; it is not nullified by implication because a later order on a related subject is silent about it. *See Main Line Fed. Sav. & Loan Ass'n v. Tri-Kell, Inc.*, 721 F.2d 904, 907 n.4 (3d Cir. 1983) (where later ruling did not vacate bankruptcy court's earlier order, that order "remains binding on the parties unless it itself is vacated"); *Wood v. Connections Cmty. Support Programs, Inc.*, 2024 WL 915614, at *3 (D. Del. Mar. 4, 2024) ("When a court enters an order, . . . in the absence of modification of the order by the court, compliance is required."); *SEC v. Charles Plohn & Co.*, 433 F.2d 376, 379 (2d Cir. 1970) ("It is axiomatic that a court order must be obeyed . . . until it is properly set aside"); *see also Thomas v. Att'y Gen.*, 625 F.3d 134, 140-41 (3d Cir. 2010) (later decision does not displace earlier ruling unless it materially alters the earlier rationale; earlier ruling "remains effective" where later decision did not state it was modifying, reversing, or vacating it).

12. The Clarification Order and the Recognition Order coexist and are readily harmonized. Paragraph 2 of the Recognition Order defines and limits the general standard governing how the Officeholders exercise the powers granted by the Cayman Court's Appointment Order. *See* Docket No. 1000 at ¶ 2. Paragraph 4 of the Clarification Order imposes a prerequisite for one specific category of action: the replacement of the boards and senior management of the Portfolio Debtors. *See* Docket No. 823 at ¶ 4. The Officeholders may act within the bounds of the Recognition Order; however, if they seek to remove the Portfolio Debtors' board members or senior management, they must first obtain the GP Debtor's consent or a further order from this Court (collectively, the "Replacement Safeguards").

13. The Clarification Order was forward-looking by its terms and should not be treated as superseded absent an express order. Both orders use the same language requiring the Officeholders to comply with the Bankruptcy Code in exercising their duties, and the very next sentence of the Clarification Order explains how that requirement applies to removing and installing senior management and board members.

14. The Replacement Safeguards were designed primarily to preserve core continuity at the Portfolio Debtors during these Chapter 11 Cases and to avoid disruption and loss of Portfolio Debtor value. The Portfolio Debtors' boards consist of scientific founders, senior management, and directors who have overseen these programs for years and who have substantial knowledge of the Portfolio Debtor science, relevant markets, and regulatory environment. Giving the Officeholders unchecked power to replace the Portfolio Debtors' directors and senior executives threatens not only the governance of these entities but also the ongoing research programs that the existing boards and senior management oversee and carry out daily—programs critical to maximizing the value of the Portfolio Debtors' estates.

II. The Relief Sought by the Officeholders Threatens the Rehabilitation of the Debtors.

15. The Officeholders cite *Johns-Manville* for the general proposition that "corporate governance does not cease when a company files a petition under chapter 11." Mot. ¶ 33; *see Johns-Manville Corp.*, 801 F.2d 60, 64 (2d Cir. 1986). But *Johns-Manville* and its progeny also establish that governance rights—even the more fundamental ones—may be limited where their exercise seriously threatens the debtors' rehabilitation. *See Johns-Manville Corp.*, 801 F.2d at 66 ("[T]he determination whether the Equity Committee is guilty of clear abuse turns on whether rehabilitation will be seriously threatened …."); *see also In re SSI Body Armor I, Inc.*, 527 B.R. 597, 607 (Bankr. D. Del. 2015) ("[T]he bankruptcy court may enjoin the occurrence of a

shareholder meeting as well as the implementation of the results of such a meeting when there is 'clear abuse,' in other words, a showing of delay and real jeopardy to a debtor's reorganization."); *In re Marvel Ent. Grp., Inc.*, 209 B.R. 832, 838-840 (D. Del. 1997) (narrowly holding that the filing of a chapter 11 petition and the related automatic stay do not preclude shareholder action to call an annual meeting, but noting that, unlike here, there was no indication the shareholders sought to seize control of the debtor's estate); *In re Gen. Growth Props., Inc.*, 426 B.R. 71, 75 (Bankr. S.D.N.Y. 2010) (noting that "[e]ven [a] fundamental corporate governance provision can be limited if it 'seriously threatened, rather than merely delayed,' the rehabilitation of a debtor.").

16. The Motion suggests that board changes may be needed to advance the process approved by this Court [Docket Nos. 796 and 1080] ("Process"). *See* Mot. ¶ 2. The Officeholders already have the authority to sell the Fund's equity interests in the Portfolio Debtors without any action by those companies' boards. Indeed, selling the Fund's stock in the Portfolio Debtors does not require reconstituting those companies' boards.

17. To maintain and realize the Portfolio Debtors' value, individuals who understand the data from ongoing studies must remain on the boards and in senior management. The current employees and board members who designed the studies, manage the contract research organizations performing them, and hold relationships with licensors and potential partners should not be removed without demonstrated cause.

18. Paragraph 4 of the Clarification Order exists to protect that continuity. For a year, these estates have used Court-approved funding to keep these specific people in place to maintain and realize the value of these businesses. The Motion would leave the retention of the remaining critical managers to the Officeholders' sole discretion. When a company has few knowledgeable

officers and directors, replacing them is not a governance change. It effectively shuts down the science.

19. Granting the Motion could cause harm even if the Officeholders never exercise the rights it confers. The mere prospect that essential personnel may be removed creates uncertainty that may chill potential acquirers or investors.

20. The requested relief itself threatens to separate the science from the scientists, destroying value that should be preserved to maximize enterprise value. Changing boards and senior management in the middle of a sale process injects uncertainty into the Process at its most sensitive moment. Many of the Portfolio Debtors' executives and directors have deep knowledge of both the entity they manage and oversee and its industry and have remained with the Portfolio Debtors throughout these cases to see through the development and commercialization of the science to which they have been dedicated. They often have relationships with potentially interested third parties and other leaders in the field. Given their unique knowledge of the Portfolio Debtors and the science being pursued, potential suitors will likely rely on these individuals in any transition involving an acquisition, recapitalization, or other transaction. In short, keeping management in place at the Portfolio Debtors is critical to preserving value and maximizing the chances of a successful exit.

21. The Fund has not adequately explained why it seeks this fundamental change now. A sale process is underway: letters of intent are due by October 23, 2026, and selection of the preferred candidate is expected in late November. It is unclear who will submit letters of intent and what connections, if any, those bidders have with the limited or general partner. Evaluating the opportunities, and deciding whether Court assistance on governance is necessary or appropriate, will require sufficient time and expertise.

22. Although the Officeholders have suggested that they do not currently intend to use the sweeping powers sought in the Motion against employees, as opposed to directors, that assurance gives essential employees little comfort because a newly reconstituted board could make those changes without cause or judicial approval.

23. Finally, the Fund has not shown any need for the authority it seeks. With the General Partner's consent, the Officeholders replaced an independent director at the Portfolio Debtors with their own candidate, giving the Officeholders and the Fund appropriate insight into the Portfolio Debtor boards.

RESERVATION OF RIGHTS

24. The Portfolio Debtors expressly reserve all rights, claims, defenses, and remedies, including, without limitation, the right to supplement and amend this Objection and to raise additional objections to the Motion.

CONCLUSION

WHEREFORE, the Portfolio Debtors respectfully request that the Court deny the Motion and provide such other and further relief as the Court deems just and proper.

[*Signature Page Follows*]

Dated: October 13, 2026
Wilmington, Delaware

Respectfully submitted,

/s/ Andrew G. Lizotte

Andrew M. Berdon, Esq. (admitted *pro hac vice*)
Patricia B. Tomasco, Esq. (admitted *pro hac vice*)
Rachel E. Epstein, Esq. (admitted *pro hac vice*)
Alain Jaquet, Esq. (admitted *pro hac vice*)
Rachel Harrington, Esq. (admitted *pro hac vice*)
QUINN EMANUEL URQUHART & SULLIVAN, LLP
295 5th Avenue, 9th Floor
New York, New York 10016
Telephone: (212) 849-7000
Email: andrewberdon@quinnemanuel.com
pattytomasco@quinnemanuel.com
rachelepstein@quinnemanuel.com
alainjaquet@quinnemanuel.com
rachelharrington@quinnemanuel.com

-and-

Eric D. Winston, Esq. (admitted *pro hac vice*)
Razmig Izakelian, Esq. (admitted *pro hac vice*)
Benjamin Roth, Esq. (admitted *pro hac vice*)
QUINN EMANUEL URQUHART & SULLIVAN, LLP
865 S. Figueroa Street, 10th Floor
Los Angeles, California 90017
Telephone: (213) 443-3000
Email: ericwinston@quinnemanuel.com
razmigizakelian@quinnemanuel.com
benroth@quinnemanuel.com

Harold B. Murphy, Esq. (admitted *pro hac vice*)
Andrew G. Lizotte, Esq. (admitted *pro hac vice*)
MURPHY & KING, P.C.
28 State Street, 31st Floor
Boston, MA 02109
Telephone: (617) 423-0400
Facsimile: (617) 556-8985
Email: alizotte@murphyking.com

Counsel to the Portfolio Debtors