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) (Jointly Administered)
Debtors.	**Ref. Docket No. 1052**

FEE EXAMINER'S FINAL REPORT REGARDING SECOND QUARTERLY FEE APPLICATION OF POTTER ANDERSON & CORROON LLP

Rucki Fee Review, LLC ("Rucki Fee Review"), the fee examiner appointed in the above-captioned chapter 11 cases and acting in its capacity as such (the "Fee Examiner"), hereby submits its final report (this "Final Report") regarding the *Second Interim Application of Potter Anderson & Corroon LLP for Compensation for Services Rendered and for Reimbursement of Expenses as Co-Counsel to the Debtors and Debtors in Possession for the Period April 1, 2026 through June 30, 2026* (the "Second Quarterly Fee Application") [Docket No. 1052] filed by Potter Anderson & Corroon LLP (the "Firm").

BACKGROUND

1. In performance of its fee and expense review procedures and in preparation of its initial report provided to the Firm (the "Initial Report") and this Final Report designed to quantify and present factual data relevant to the requested fees, disbursements and expenses

[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.

2512177261026000000000008

contained in the Second Quarterly Fee Application consistent with its appointment order, Rucki Fee Review reviewed the Second Quarterly Fee Application, including each of the billing and expense entries subsumed therein, for compliance with section 330 of the Bankruptcy Code, Bankruptcy Rule 2016 and Local Rule 2016-1, as well as the *U.S. Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330—Appendix A* and the Firm's retention order. Rucki Fee Review also reviewed for a reasonable effort to comply with the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases Effective as of November 1, 2013* (the "Attorney Large Case Guidelines").

2. Rucki Fee Review did not prepare informal memos related to the fee applications of the Firm, but instead included its issues and questions in its Initial Report provided to the Firm. Rucki Fee Review thereafter conferred with the Firm regarding the Initial Report, and following such conferral includes its recommendations in this Final Report.

DISCUSSION

3. For the compensation period of April 1, 2026 through June 30, 2026, as set forth in the Second Quarterly Fee Application, the Firm seeks interim bankruptcy court approval in the amount of $893,913.00 as actual, reasonable and necessary fees and for expense reimbursement of $16,953.33.

4. Although it examines the matter on a case-by-case basis based on the facts and circumstances of each case and each applicant's role within a case (such as whether a firm is responsible for coordinating filing and scheduling of and hearing on multiple

professionals' fee applications, like the Firm here) regardless of whether any given threshold is exceeded such that fees below its presumptive threshold may be unreasonable and fees above its presumptive threshold may be reasonable, to accommodate firms with small fees Rucki Fee Review generally does not consider time spent on fee issues to be presumptively unreasonable where less than 7% of total time has been charged for preparing fee applications and addressing fee issues. It applies these guidelines on a cumulative basis. Through the conclusion of the second quarterly fee period using Rucki Fee Review's calculations (which differ slightly from those stated in the Firm's fee applications based on task code variance) the Firm has charged approximately $66,742.25 in fees (net of $4,775.75 in previously agreed fee reductions on account of these fees) relating to the Firm's fee applications and the fee applications of other debtor professionals and related fee issues on a cumulative basis (of which approximately $17,399.75 of the cumulative fees (net of the same fee reductions) and $16,181.50 of the incremental fees relate to the Firm's fee applications). The total fees incurred on account of debtor professional fee applications is approximately 2.4% of the Firm's total cumulative fees through the end of the second quarterly fee period, and the Firm's fee applications are less than 1% of the Firm's cumulative total fees. Subject to the agreed reductions set forth herein (which includes $1,966.00 of fees on account of debtor professional fee application work, inclusive of $660.00 of these fees on account of the Firm's fee applications), Rucki Fee Review considers these fees reasonable, necessary and appropriate.

5. Rucki Fee Review considers the staffing breakdown during the second quarterly fee period (percentage of hours billed by partners, counsel, associates, and paraprofessionals respectively) to be appropriate, as reflected in the Firm's blended hourly rate of $670.10,

which is equivalent to a senior associate at the Firm's current standard hourly rates and compares to a similar $670.29 during the first quarterly fee period. Moreover, the billing rates of the Firm's counsel and partners are less than that of many associates at many firms with comparable chapter 11 experience, allowing for a heavier utilization of counsel and partners.

6. Further to the Firm's staffing, Rucki Fee Review notes that the Firm utilized eleven professionals or paraprofessionals to perform its work during the second quarterly fee period, including four paraprofessionals. This compares to 20 persons during the first quarterly fee period. Three of the Firm's eleven personnel billed fewer than 15 hours during the second quarterly fee period. Two of these persons are paraprofessionals and one is a bankruptcy associate who performed discrete research. Rucki Fee Review gives additional scrutiny to time entries of those billing fewer than 15 hours in a quarter to address if the utilization of such particular persons was necessary for the case. After review, however, Rucki Fee Review considers the utilization of these persons to be appropriate other than the time of one of the paraprofessionals, whose entire 1.7 hours were waived within the specific agreed reductions set forth herein.

7. Rucki Fee Review notes that it is customary in cases before the Bankruptcy Court for a "reasonable effort" to comply with the Attorney Large Case Guidelines to include preparation of a budget and staffing plan for each applicable law firm agreed to by the client (debtor or committee). Here, the Firm did prepare a prospective budget and staffing plan for the second quarterly fee period, which is a factor Rucki Fee Review considers in evaluating the staffing and total fees on this matter. The Firm's budgeted fees were $1,445,500.00 for the second quarterly fee period, meaning the Firm was under its budget

by approximately 38.2%. Subject to the agreed reductions set forth herein, Rucki Fee Review considers the Firm's work to be well-coordinated within the Firm and with its fellow professionals.

8. Local Rule 2016-1 provides in section (d) that all fee applications shall include activity descriptions with sufficient detail to allow the Court to determine whether the time is actual, reasonable, and necessary, including complete and detailed activity descriptions with the time allotted to each activity and a separate description and a time allotment for each activity (i.e., activity descriptions should not be lumped). Each time allotment also shall include the nature of the activity (e.g., phone call, research) and subject matter of the activity (e.g., exclusivity motion, section 341 meeting). Local Rule 2016-1 also requires that activity descriptions individually identify meetings and hearings, along with each participant, the subject of the meeting or hearing, and the participant's role. Notwithstanding the Local Rule, and consistent with the practice of certain of the Bankruptcy Court's Judges, Rucki Fee Review does not object to "lumping" where a single timekeeper bills less than 0.5 hours during an entire day in the aggregate (not multiple lumped 0.5 entries).

9. Rucki Fee Review identified certain entries that it considers lumped or otherwise not fully compliant with the Local Rules. After conferral with the Firm, the Firm has agreed to a reduction of $800.00 on account of these entries in compromise of Rucki Fee Review's request. For its remaining future fee applications, as with all other firms, Rucki Fee Review has requested the Firm minimize the number of entries that employ phrasing such as "attention to" and "coordinate" which sometimes are vague as to what work was performed *(i.e.*, drafting, reviewing, conferencing, etc.). Rucki Fee Review further requested that

preparation time be separately billed from other activity, such as attending calls or hearings, and that the work done to prepare be specified wherever preparation time exceeds 2.0 hours in the aggregate for a given hearing or other event. Likewise, Rucki Fee Review requested the Firm ensure all e-mail correspondence and conferences identify the counterparties to the same and made certain other requests as to future entries.

10. Administrative tasks that are generally not compensable by a non-chapter 11 client or are clerical in nature are not compensable in chapter 11. Rucki Fee Review identified certain work it considered administrative in nature, and the Firm agreed to a fee reduction of $708.00 on account of these fees in compromise of Rucki Fee Review's request.

11. Rucki Fee Review identified certain conferences, telephone calls or other matters that were billed inconsistently by the respective professionals, and/or conferences where the counterparty to the conversation did not bill an itemized charge for the discussion. Rucki Fee Review acknowledges that the latter can result from a professional intentionally or inadvertently not billing for a conference that actually occurred, or otherwise not being billed. After discussion with the Firm, the Firm has agreed to a reduction of $2,761.50 on account of these entries, representing the full amount of the difference in the non-matching entries and no reduction for the entries without a corresponding entry, which Rucki Fee Review considers an appropriate compromise.

12. Rucki Fee Review identified certain entries that appeared to be billed to these chapter 11 cases in error, and the Firm has agreed to a reduction of $1,760.00 on account of these entries in compromise of Rucki Fee Review's request.

13. Rucki Fee Review has identified a number of entries where the various subentries did not total the time stated for the entry. In some cases, these underbilled; in other cases, they overbilled. In the aggregate, these entries amounted to a slight underbilling, so no reduction is required on account of these entries.

14. In addition to those other matters referenced herein, Rucki Fee Review requested the Firm waive or reduce certain fee entries for miscellaneous reasons. After discussion with the Firm, the Firm has agreed to a reduction of $6,223.50 on account of these entries in compromise of Rucki Fee Review's request.

15. Rucki Fee Review notes that for meals and lodging, it will enforce the following per diem limitations: $25/breakfast, $35/lunch and $55/dinner, for Wilmington and all other U.S. locations, except for New York City and London, $35/breakfast, $55/lunch and $70/dinner; for Washington DC, Chicago, Los Angeles and San Francisco, $30/breakfast, $45/lunch and $65/dinner. With respect to hotel charges, Rucki Fee Review generally considers room charges (inclusive of taxes) in excess of the following rates to be excessive absent satisfactory explanation from an applicant of the justification for exceeding such charges: $375/Wilmington; $550/New York City; $450/Boston and San Francisco; $400/ Washington, DC, Los Angeles, and London; $325/Chicago, Miami, Philadelphia and Pittsburgh; $300/Dallas and Houston; $275/Baltimore and Denver; $250 for all other U.S. locations.

16. Here, the Firm had one international lodging charge Rucki Fee Review did not consider objectionable, and Rucki Fee Review notes that the Firm voluntarily reduced certain of its expenses prior to filing its monthly fee applications in order to comply with the foregoing

limitations and thanks the Firm for its cooperation in this regard, though one group meal charge was inadvertently not reduced and exceeded the foregoing thresholds by $18.57. The Firm subsequently agreed to an expense reduction in this amount in compromise of Rucki Fee Review's request. Rucki Fee Review also requested and obtained additional information with respect to certain other expense entries and after review and consideration of the same considers the balance of the Firm's expense reimbursement request to be reasonable, necessary and appropriate for reimbursement.

17. After accounting for the agreed fee reductions of $12,253.00 and expense reductions of $18.57 discussed herein, Rucki Fee Review considers the balance of fees and expenses sought in the Second Quarterly Fee Application to be reasonable, necessary and appropriate under the circumstances.

CONCLUSION

18. Rucki Fee Review recommends the approval of the Second Quarterly Fee Application in the amount of $881,660.00 with respect to fees and the reimbursement of expenses in the amount of $16,934.76, which amounts reflect the reductions agreed to with the Firm set forth herein on account of the Second Quarterly Fee Application.

Dated: October 26, 2026
Wilmington, Delaware

Respectfully submitted,

RUCKI FEE REVIEW, LLC
FEE EXAMINER

By: */s/ Justin H. Rucki*
Justin H. Rucki
President of Rucki Fee Review, LLC