IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Apple Tree Life Sciences, Inc., *et al.*,[1] Debtors.	Chapter 11 Case No. 25-12177 (LSS) (Jointly Administered) **Related D.I.: 1239**

FUND DEBTOR'S LIMITED OBJECTION AND RESERVATION OF RIGHTS TO FIRST AND FINAL APPLICATION OF VERNON FLYNN KC, AKASH SONECHA, AND ANSON CHEUNG FOR COMPENSATION FOR SERVICES RENDERED AND FOR REIMBURSEMENT OF EXPENSES AS SUPPLEMENTAL CAYMAN ISLANDS COUNSEL TO THE DEBTORS FOR THE PERIOD MAY 14, 2026 THROUGH AUGUST 3, 2026

Debtor ATP Life Science Ventures, L.P. (the "Fund Debtor" or the "Fund") files this limited objection and reservation of rights (the "Limited Objection") to the *First and Final Application of Vernon Flynn KC, Akash Sonecha, and Anson Cheung for Compensation for Services Rendered and for Reimbursement of Expenses as Supplemental Cayman Islands Counsel to the Debtors for the Period May 14, 2026 Through August 3, 2026* [D.I. 1239] (the "Flynn Fee Application"), filed by Vernon Flynn KC, Akash Sonecha, and Anson Cheung (collectively, the "Barristers"). In support of this Limited Objection, the Fund Debtor respectfully states as follows:

PRELIMINARY STATEMENT

1. In the Flynn Fee Application, the three Barristers seek over $3 million for 1,170 hours of work for a trial they lost, which is an estimated blended hourly rate of over $2,500 at a conversion rate of £1 to $1.32. The Office of the United States Trustee has reserved its right, and

[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.

2512177261103000000000004

that of the fee examiner, to object to the reasonableness of these fees.[2] And, subject to that reasonableness objection, the amount of compensation ultimately allowed under the Flynn Fee Application should be the responsibility of the GP without prejudice to the GP's right to seek to recover those fees from the Fund.

2. Mr. Flynn was instructed, at the direction of Walkers (Cayman) LLP ("Walkers"), on behalf of the GP in the GP's defense of the Cayman Proceeding—a proceeding the Cayman Court determined was a dispute between the GP and the petitioning limited partners, not the Fund. The Fund does not appear to have received any benefit from that defense, which was unsuccessful. The starting point is that any fees allowed should therefore be paid by the GP from the GP's estate. To the extent the GP contends that the Fund must ultimately bear any portion of the costs under the indemnification provisions in section 15(a) of the Fund's LPA (as defined below), that question is governed by the Fund's limited partnership agreement and is fact intensive.

BACKGROUND

I. The Chapter 11 Cases

3. On December 9 and 15, 2025, and January 1 and 15, 2026 (the "Petition Dates"), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in this Court (the "Chapter 11 Cases"). The Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

[2]The Flynn Retention Order preserves the right of the Office of the United States Trustee (the "U.S. Trustee") to object to the Barristers' compensation under the reasonableness standard of section 330 of the Bankruptcy Code. Flynn Retention Order ¶ 4. The Fund Debtor has its own views as to the reasonableness of the fees sought. For purposes of this Limited Objection, however, the Fund Debtor is content to let the Flynn Retention Order have its effect, and defers to the U.S. Trustee on that issue. All rights as to the reasonableness of the Barristers' fees are expressly reserved to the U.S. Trustee.

4. On January 20, 2026, the Court entered the *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief* [D.I. 181] (the "Interim Compensation Order"). On April 10, 2026, the Court entered the *Order Appointing Fee Examiner and Establishing Related Procedures Concerning Compensation and Reimbursement of Expenses of Professionals and Members of Official Committees and Consideration of Fee Applications* [D.I. 527], and Rucki Fee Review, LLC serves as the Court-appointed fee examiner (the "Fee Examiner").

5. Before the Petition Dates, Unicorn Biotech Ventures One Ltd. and Unicorn Biotech Ventures Two Ltd (in their capacities as general partners of Rigmora Biotech Investor One LP and Rigmora Biotech Investor Two LP, respectively) (collectively, "Rigmora") filed a winding-up petition in the Grand Court of the Cayman Islands (the "Cayman Court") on June 6, 2025 (the "Cayman Proceeding"). By judgment dated November 6, 2025, *Re ATP Life Sciences Ventures LP* [2025] CIGC (FSD) 106 [D.I. 125-10] (the "Directions Order"), the Cayman Court ruled that "[a]s required by section 33(1) of the Exempted Limited Partnership Act, the petition must continue as between the Petitioners and the general partner." Directions Order ¶ 39. The Cayman Court observed that there "is clearly going to be a dispute in this case whether the general partner is entitled to indemnity from the exempted limited partnership's assets for the costs of defending the just and equitable petition," *id.* ¶ 40, and that "there is a real danger that the general partner is failing to heed the words of another prominent Cayman Judge, Justice Ian Kawaley, in *One Thousand and One Voices Africa Fund I LP* [2024] 1 CILR 371." *Id.* ¶¶ 41–44.

6. Following trial on the loss of substratum, the Cayman Court declared that the Fund had lost its substratum and, by order dated July 10, 2026 (the "Appointment Order"), appointed Alexander Lawson and Barry Lynch as joint officeholders (the "Officeholders") with immediate

effect to act in the stead of and to the exclusion of the GP in respect of the Fund. On July 30, 2026, this Court entered an order recognizing the Officeholders' appointment [D.I. 1000] (the "Recognition Order").

II. The Flynn Retention and the Flynn Fee Application

7. On June 18, 2026, the Debtors filed an application under sections 327(e) and 328(a) of the Bankruptcy Code to retain the Barristers as supplemental Cayman Islands counsel [D.I. 805] (the "Flynn Application"). The Flynn Application sought the Barristers' retention "in relation to the two upcoming trials" in the Cayman Proceeding: "(1) the Substratum Trial schedule[d] to take place on June 30 and July 1, 2026, and (2) the Trust and Confidence Trial scheduled to take place from July 29 to August 4, 2026." Flynn Application ¶ 16 & n.3. Each Barrister declared that he or she would commit significant time and resources to "prepare for the two trials." *See, e.g.*, Flynn Application, Ex. B (Declaration of Vernon Flynn KC) ¶ 12. The Debtors described the engagement as "narrow and circumscribed." Flynn Application ¶ 32.

8. The Flynn Application proposed flat fees for each Barrister: Mr. Flynn, $2,014,950 (£1,500,000), "representing an hourly rate of $2,400"; Mr. Sonecha, $445,741 (£337,500); and Ms. Cheung, $600,255 (£450,000). Flynn Application ¶ 23. Mr. Flynn's flat fee was to be earned in five installments: £450,000 upon engagement and £300,000 on each of June 4, June 18, and July 2, 2026, with the final £150,000 on July 16, 2026. *Id.* ¶ 23 n.5. The Barristers were required to keep summary time records in fifteen-minute increments. Flynn Retention Order ¶ 6.

9. Mr. Flynn swore in his supporting declaration that he would, "at Walkers' instruction and direction . . . prepare for and represent the Debtors' interests in the Cayman Proceedings." Flynn Application, Ex. B ¶ 4.

10. On July 28, 2026, the Fund Debtor filed a limited objection [D.I. 985] stating that a flat fee of over $3 million without any time entries was not appropriate, and requesting that the Barristers file an application for compensation on the basis of reasonableness, including under section 330 of the Bankruptcy Code, once the nature and extent of the barristers' services were known. On August 20, 2026, the Officeholders filed a statement with respect to the Flynn Application [D.I. 1059] (the "Officeholders' Statement") requesting that any order approving the Flynn Application (a) provide that the retention is only with respect to the GP, (b) not provide that the Fund has any obligation to pay the fees sought, and (c) fully preserve the Fund's and the GP's rights with respect to any request by the GP for indemnification under the LPA (defined below).

11. On August 26, 2026, the Court entered an order authorizing the Debtors to retain the Barristers under sections 327(e) and 328(a) of the Bankruptcy Code, effective as of May 14, 2026, "pursuant to the terms set forth in the Application, as modified by this Order" [D.I. 1084] (the "Flynn Retention Order"). Flynn Retention Order ¶ 2. The Flynn Retention Order provides that the Barristers' compensation is subject to review only under section 328(a), "provided, however, that . . . the U.S. Trustee shall retain the right to object . . . based on the reasonableness standard provided for in section 330 of the Bankruptcy Code," and that nothing in the order or the record "shall constitute a finding of fact or conclusion of law binding the U.S. Trustee . . . with respect to the reasonableness of the Barristers' fees." *Id*. ¶ 4. It further provides that the Debtors may compensate the Barristers "subject to the procedures set forth in the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable orders of this Court," *id*. ¶ 5; that none of the fees "shall constitute a 'bonus' or fee enhancement," *id*. ¶ 8; and that the Barristers may not seek fees "arising from the defense of any objection to their fees," *id*. ¶ 9. The Flynn Retention Order does not address which estate is responsible for the Barristers' fees.

12. At the August 25, 2026 hearing on the Flynn Application (the "Retention Hearing"), the Court stated that it saw the question of which estate should bear the cost of the Barrister's fees "more as an allocation issue among debtors and, perhaps, informed by the indemnification provision in the contract," which it "could decide if there's a dispute." Aug. 25, 2026 Hr'g Tr. ("Retention Hr'g Tr.") at 78. Earlier at the same hearing, the Court observed that interim fee orders "don't decide allocation issues among debtors." *Id.* at 55.

13. On October 20, 2026, the Barristers filed the Flynn Fee Application, seeking final allowance of $3,019,500.00 in compensation and $6,827.81 in expenses, for a total of $3,026,327.81, for the period May 14, 2026 through August 3, 2026. Flynn Fee Application at 2. Of the compensation sought, $1,980,000.00 is attributable to Mr. Flynn, $594,000.00 to Ms. Cheung, and $445,500.00 to Mr. Sonecha. *Id.* ¶ 14 n.4. The Barristers report 1170 hours and 9 minutes in total. *Id.* ¶ 13. The Court expressly preserved the U.S. Trustee's right to challenge the reasonableness of the Barristers' fees. *See* Flynn Retention Order at 1; *id.* ¶ 4.

14. The trust and confidence trial did not proceed as scheduled. Following the substratum trial on June 30 and July 1, 2026, Rigmora's counsel circulated a draft order vacating the trust and confidence trial (*see* Flynn Fee Application, Ex. C, entry of July 10, 2026), and the July 29, 2026 hearing before the Cayman Court proceeded as a directions hearing. Mr. Flynn's recorded time ends on July 17, 2026, the day after the final installment of his flat fee was deemed earned. *See id.*, Ex. C; Ex. D (invoice entry of July 16, 2026: "Stage five of agreed fee £150,000.00").

III. The LPA

15. The Fund is governed by its First Amended and Restated Limited Partnership Agreement, as amended (the "LPA"). Under the LPA, costs incurred by the GP may be borne by

the Fund, if at all, in one of two ways. First, as "Fund expenses" under paragraph 11 of the LPA (as amended by Amendment 9), which provides that "the Partnership shall be responsible for all other reasonable expenses of the Partnership . . . including without limitation . . . (vii) professional fees, including legal expenses for the Partnership." Second, through indemnification of "Indemnified Partners," including the GP, under paragraph 15 of the LPA, subject to the conditions set forth therein.

LIMITED OBJECTION

I. Whatever Amount Is Allowed, the Fees Should Be Allocated to the GP Debtor, Not the Fund Debtor

16. Each Debtor's estate is a separate estate with its own assets and creditors; joint administration under Bankruptcy Rule 1015(b) is a procedural convenience that does not alter the substantive rights of any Debtor or its creditors. *See* Fed. R. Bankr. P. 1015(b). The Court "shall not allow compensation for" services that were not "reasonably likely to benefit the debtor's estate" or "necessary to the administration of the case." 11 U.S.C. § 330(a)(4)(A)(ii). Even where terms are approved under section 328, the question of which estate bears the cost of a professional's services remains distinct from whether the services are compensable at all.

17. On the evidence presently available, Mr. Flynn's services were rendered in a single forum, for a single purpose, and for the benefit of a single Debtor: the advancement of the GP's interest through the defense of the Cayman Proceeding. The Cayman Court determined that the petition was to proceed "as between the Petitioners and the general partner," Directions Order ¶ 39, and that "the real disputes are between the two Petitioners on one side and the general partner on the other." Mr. Flynn was instructed by Walkers on behalf of the GP, took instructions from the GP, and advanced the GP's position in opposing the petition. Mr. Flynn's own invoices, which are addressed to Walkers, identify the matter as "ATP III LIMITED/DR SETH L HARRISON -

V- UNICORN BIOTECH VENTURES ONE LTD & ORS." *See* Flynn Fee Application, Ex. D. The Fund is not named. The GP lost. The Fund does not appear to have benefited from that defense.

18. The GP is itself a Debtor and the party that instructed and benefited from Mr. Flynn's services. To the extent compensable, the cost of those services is properly chargeable to, and should be paid solely by, the GP Debtor's estate, which is directly responsible for any fees awarded to the Barristers on the Flynn Fee Application.

19. The Court need not decide the indemnification question now. To the extent the Court allows the Barristers' fees, it can do so as an obligation of the GP Debtor's estate, and the Court's inquiry as to the Barristers ends there. Whether the GP may thereafter shift any portion of those fees to the Fund—whether as "Fund expenses" under paragraph 11 of the LPA or by way of indemnification under paragraph 15—is a separate question between the GP and the Fund.[3]

20. It is premature for the Court to resolve the question of indemnification, as both courts have recognized that indemnification and allocation are matters to be addressed at a later time. The Cayman Court identified that there "is clearly going to be a dispute in this case whether the general partner is entitled to indemnity from the exempted limited partnership's assets for the costs of defending the just and equitable petition," and that the answer "will turn upon the wording of the limited partnership agreement," but did not decide the question. Directions Order ¶¶ 40–44. This Court likewise observed that fee orders "don't decide allocation issues among debtors," and that it would address disputes over "which estate should bear which expenses" and "interdebtor claims" "when and if it comes to me." Retention Hr'g Tr. at 55. There is no reason to depart from

[3] By order entered June 4, 2026 [D.I. 752], the Court fixed July 10, 2026 as the deadline for filing proofs of claim against the Fund Debtor. The Fund Debtor reserves all rights as to whether any claim by the GP against the Fund for indemnification or reimbursement on account of the Barristers' fees is time barred or otherwise subject to disallowance.

that sequencing here, particularly where the relevant questions are fact sensitive and the documents potentially bearing on them are not yet before either court.

21. Accordingly, the Fund Debtor objects to the Flynn Fee Application to the extent it seeks payment, directly or indirectly, from the Fund Debtor's estate or assets, and requests that any amounts allowed on the Flynn Fee Application be payable solely by the GP Debtor's estate.

RESERVATION OF RIGHTS AND PRESERVATION OF CLAIMS

22. The Fund Debtor reserves all rights, claims, and defenses, including the right to (i) object further to the Flynn Fee Application or any other application by the Barristers, under section 328(a) or otherwise; (ii) seek allocation of the Barristers' fees among the Debtor estates, and reimbursement or disgorgement of any amounts paid from Fund assets; and (iii) contest any claim by the GP that the Fund is liable for such fees. This objection is without prejudice to the Fund's right to assert claims against the GP or any third party, including the control party of the GP, for damages resulting from the actions of the GP or such third party and all such claims are expressly reserved.

CONCLUSION

WHEREFORE, the Fund Debtor respectfully requests that the Court (i) sustain this Limited Objection; (ii) deny the Flynn Fee Application to the extent it seeks payment, directly or indirectly, from the Fund Debtor's estate or assets, and provide that any compensation allowed on the Flynn Fee Application is payable solely by the GP Debtor's estate; (iii) provide that any order entered on the Flynn Fee Application does not determine the Fund's liability under the LPA or any claim of the Fund arising from any payment from the Fund Debtor's estate or assets, all of which are reserved; and (iv) grant such other and further relief as the Court deems just and proper.

Dated: November 3, 2026
Wilmington, Delaware

Respectfully submitted,

DLA PIPER LLP (US)

/s/ R. Craig Martin

R. Craig Martin (DE No. 5032)
DLA Piper LLP (US)
1201 North Market Street, Suite 2100
Wilmington, Delaware 19801
Telephone: (302) 468-5700
Facsimile: (302) 394-2341
Email: craig.martin@us.dlapiper.com

-and-

Gregory M. Juell (NY No. 5420120)
1251 Avenue of the Americas
New York, New York 10020
Telephone: (212) 335-4000
Facsimile: (212) 335-4501
Email: gregory.juell@us.dlapiper.com

-and-

Shant K. A. Eulmessekian (NY No. 6094668)
DLA Piper LLP (US)
2000 Avenue of the Stars, Suite 400 North Tower
Los Angeles, California 90067
Telephone: (310) 595-3000
Facsimile: (310) 595-3300
Email: shant.eulmessekian@us.dlapiper.com

Counsel to the Fund Debtor