IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	Case No. 25-12177 (LSS)
Apple Tree Life Sciences, Inc., *et al.*,[1]	)	Jointly Administered
Debtors.	)	**Re: Docket Nos. 1270, 1271, 1290**

DEBTOR ATP LIFE SCIENCE VENTURES, L.P.'S REPLY IN SUPPORT OF MOTION TO DISQUALIFY QUINN EMANUEL URQUHART & SULLIVAN, LLP FROM REPRESENTING APERTOR PHARMACEUTICALS, INC.; EVERCRISP BIOSCIENCES, INC.; INITIAL THERAPEUTICS, INC.; MARLINSPIKE THERAPEUTICS, INC.; NEREID THERAPEUTICS INCORPORATED; NINE SQUARE THERAPEUTICS, INC.; RED QUEEN THERAPEUTICS, INC.; AND ATP III GP, LTD.

Debtor ATP Life Science Ventures, L.P. (the "Fund Debtor"), by and through its undersigned counsel, respectfully submits this reply (the "Reply") in support of *Debtor ATP Life Science Ventures, L.P.'s Motion to Disqualify Quinn Emanuel Urquhart & Sullivan, LLP from Representing Apertor Pharmaceuticals, Inc.; Evercrisp Biosciences, Inc.; Initial Therapeutics, Inc.; Marlinspike Therapeutics, Inc.; Nereid Therapeutics Incorporated; Nine Square*

[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.

Therapeutics, Inc.; Red Queen Therapeutics, Inc.; and ATP III GP, Ltd. [Docket No. 1270] (the "Motion")[2] and in response to the Opposition.[3] The Fund Debtor respectfully states as follows:

PRELIMINARY STATEMENT

1. Quinn Emanuel's Opposition rests on a central contradiction that proves the Fund Debtor's case. On the one hand, Quinn Emanuel insists that its representation of the GP and the Portfolio Debtors is not materially adverse to the Fund Debtor and involves no substantially related matters. On the other hand, Quinn Emanuel repeatedly proclaims that disqualifying it would "eliminate effective opposition to the PSA" and "prevent counsel that knows the underlying facts from participating in the plan confirmation process." Quinn Emanuel cannot have it both ways. It can provide "effective opposition" to the Fund Debtor's plan confirmation process only by advocating positions materially adverse to the Fund Debtor. And its insistence that it must remain in the case precisely because it "knows the underlying facts" from representing all Debtors since the Petition Dates confirms that the Fund Debtor's reorganization is the exact same matter—and, at a minimum, a substantially related matter—in which Quinn Emanuel previously represented the Fund Debtor.

2. Quinn Emanuel's attempt to evade Model Rule 1.9 by arguing that it "never represented the Officeholders" (Opp'n ¶¶ 4, 50 & n.10, 52–54) turns organizational ethics rules upside down. Quinn Emanuel does not even cite Model Rule 1.13(a), discussed in the Motion, which plainly states that "[a] lawyer employed or retained by an organization represents the

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[2] Capitalized terms used but not defined in this Reply have the meanings given to them in the Motion or the Opposition, as applicable.

[3] *See Opposition to Debtor ATP Life Science Ventures, L.P.'s Motion to Disqualify Quinn Emanuel Urquhart & Sullivan, LLP from Representing Apertor Pharmaceuticals, Inc.; Evercrisp Biosciences, Inc.; Initial Therapeutics, Inc.; Marlinspike Therapeutics, Inc.; Nereid Therapeutics Incorporated; Nine Square Therapeutics, Inc.; Red Queen Therapeutics, Inc.; and ATP III GP, Ltd.* [Docket No. 1290] (the "Opposition"), filed by the Portfolio Debtors and the GP.

organization acting through its duly authorized constituents." Quinn Emanuel concedes, as it must, that before July 2026, "the Fund [Debtor], acting through the GP," retained and instructed Quinn Emanuel, and that today the Fund Debtor "acts solely through the Officeholders" as fiduciaries of the debtor-in-possession. Opp'n ¶¶ 1 n.3, 16, 55. Replacing an entity's authorized decisionmakers transfers control of the entity's attorney-client relationship and confidences to new management; it does not turn the entity into a stranger to its former counsel. Nor is this dispute confined to the Governance Motion—where Quinn Emanuel is already invoking an order it obtained for the Fund Debtor against the Fund Debtor and seeking to cross-examine the Fund Debtor's fiduciary. By Quinn Emanuel's own admission, the dispute now encompasses (or soon will) opposition to the Fund Debtor's PSA, DIP financing, and plan confirmation process, implicating the core restructuring matters on which Quinn Emanuel billed over 4,403 hours in the first four months of these cases alone.

3. The record refutes Quinn Emanuel's contradictory assertion that the Fund Debtor both waited too long to seek disqualification after terminating the firm on August 10 and did not wait long enough after the October 19 chambers conference. Opp'n ¶¶ 5, 42–43, 63–68. Far from acquiescing, the Fund Debtor expressly notified Quinn Emanuel in writing on August 21 that it "do[es] not consent to or waive any conflict of interest" and that Quinn Emanuel "cannot take any actions, applications, or other steps on behalf of the General Partner, ATLS or any other party that are adverse to the [Fund Debtor]." Aug. 21 Letter, at 2. When Quinn Emanuel nonetheless escalated to formal litigation against the Fund Debtor on October 13 by filing the Objection to the Governance Motion and noticing a hostile examination of an Officeholder, the Fund Debtor within six days of the filing demanded Quinn Emanuel's withdrawal and filed the Motion eight days later,

after Quinn Emanuel flatly refused to withdraw. Every case Quinn Emanuel cites in support of its argument of waiver by delay involved a delay of one to four *years*—not days.

4. Nor will disqualification unfairly prejudice the Portfolio Debtors or the GP. The Portfolio Debtors have been represented since June 2025 by M&K, which was retained as court-approved co-counsel under section 327(a) for the express purpose of representing the Portfolio Debtors in any conflict with the Fund Debtor, and who took the lead on the Governance Motion objection. Quinn Emanuel speaks out of both sides of its mouth regarding M&K. To deny a disabling conflict, Quinn Emanuel asserts that M&K's retention "to act for the Portfolio Debtors in the event of any actual conflict between the Portfolio Debtors and the Fund Debtor . . . entirely moots the DQ Motion." Opp'n ¶ 71. Yet in the very next paragraph, Quinn Emanuel insists that disqualifying it from opposing the Fund Debtor on the Governance Motion and the PSA would unfairly prejudice the Portfolio Debtors by depriving them of Quinn Emanuel's litigation advocacy. If M&K's court-approved role is to represent the Portfolio Debtors whenever an actual conflict arises with the Fund Debtor, then Quinn Emanuel must step aside now that the estates are in open conflict, not litigate alongside M&K against its own former client. M&K's role as conflicts counsel must be more than a remedy in name only and Quinn Emanuel cannot be left to police a conflict it refuses to acknowledge.

5. Section 327(a) of the Bankruptcy Code independently requires disqualification. Quinn Emanuel's contention that the May 5, 2026 retention order is "law of the case" on interdebtor conflicts because Rigmora raised and "then abandoned" an intercompany-claim objection (Opp'n ¶¶ 7, 76) misstates both the record and the law. As the April 28, 2026 hearing transcript and the Court's May 5 letter ruling confirm, Rigmora withdrew that objection before the hearing, and the Court adjudicated solely a contingent preference objection regarding Quinn

Emanuel's $20 million prepetition retainer. Docket No. 614 at 5:9–13, 13:10–16:7; Docket No. 621 at 2–4. Moreover, what Quinn Emanuel characterized in February 2026 as a "hypothetical" conflict among aligned estates has now developed into an active conflict across central elements of the Chapter 11 Cases—which is per se disqualifying under section 327(a).

6. Finally, to the extent the Fund Debtor remains a current client of Quinn Emanuel in the Syntimmune Litigation, Model Rule 1.7 bars Quinn Emanuel's adverse representation in these Chapter 11 Cases. Quinn Emanuel's claim that the Aug. 10 Letter constituted "informed consent, confirmed in writing," to concurrent adversity (Opp'n ¶¶ 8, 83) is flatly contradicted by the text of the Aug. 10 Letter and Aug. 21 Letter and the narrow advance waivers in Quinn Emanuel's engagement letters.

7. The Court should grant the Motion and disqualify Quinn Emanuel.

REPLY

I. QUINN EMANUEL MUST BE DISQUALIFIED UNDER MODEL RULE 1.9

A. A Change in Management of the Fund Debtor Does Not Extinguish Quinn Emanuel's Duties to Its Former Client

8. The Fund Debtor is Quinn Emanuel's former client as a matter of law. Under Model Rule 1.13(a), "[a] lawyer employed or retained by an organization represents the organization acting through its duly authorized constituents." Model Rule of Pro. Conduct 1.13(a) & cmt. [1]; *Commodity Futures Trading Comm'n v. Weintraub*, 471 U.S. 343, 348 (1985) ("As an inanimate entity, a corporation must act through agents. A corporation cannot speak directly to its lawyers. . . . [Such action] must necessarily be undertaken by individuals empowered to act on behalf of the corporation."); *TransPerfect Glob., Inc. v. Ross Aronstam & Moritz LLP*, 2022 WL 803484, at *11 (Del. Ch. Mar. 17, 2022), *aff'd*, 287 A.3d 1159 (Del. 2022) ("[W]here an attorney is hired by a corporation, that attorney owes a duty to the corporate entity, not to the individual

directors, officers and shareholders"). When an organization's constituents communicate with the organization's counsel in their organizational capacity, those communications belong to the organization and are protected by Model Rule 1.6, which "does not mean . . . that constituents of an organizational client are the clients of the lawyer." Model Rule of Pro. Conduct 1.13 cmt. [2]; *see also In re Bevill, Bresler & Schulman Asset Mgmt. Corp.*, 805 F.2d 120, 124 (3d Cir. 1986) ("[A]ny privilege that exists as to a corporate officer's role and functions within a corporation belongs to the corporation, not the officer."). And when control of an organization passes to new management, control over the organization's attorney-client relationship and confidences passes to the new management as well, while displaced managers retain no right to assert or control them. *Weintraub*, 471 U.S. at 349; *see also United States v. Graf*, 610 F.3d 1148, 1156–57 (9th Cir. 2010) (founder who was "the company's voice in its communications with counsel," could not block counsel's testimony after the company's fiduciary waived its privilege); *Transcontinental Refrigerated Lines, Inc. ex rel. Young v. New Prime, Inc.*, 2014 WL 2471936, at *3, *5 (M.D. Pa. June 3, 2014) (granting liquidating agent's motion to compel because "neither [the former president] nor [his counsel] may invoke the attorney-client privilege with respect to any communication that either impacted or implicated [the debtor's] corporate interests"); Motion ¶¶ 45–46.

9. Quinn Emanuel argues that the Fund Debtor is no longer its "former client" under Model Rule 1.9 because "Quinn Emanuel never represented the Officeholders," whom it analogizes to post-confirmation liquidating trustees. Opp'n ¶¶ 4, 49 n.10, 52–54. That argument ignores Model Rule 1.13 entirely and is refuted by Quinn Emanuel's own concessions. Throughout its Opposition, Quinn Emanuel admits that, before July 2026, "the Fund, acting through the GP," retained and instructed Quinn Emanuel, and that today the Fund Debtor "acts

solely through the Officeholders," who "mak[e] decisions for the [Fund Debtor]" and act "in their capacities as fiduciaries for the Fund Debtor as debtor-in-possession." Opp'n ¶¶ 1 n.3, 16, 55. Indeed, Quinn Emanuel previously acknowledged that the Officeholders are the Fund Debtor's "current decisionmakers" and are "akin to directors of a corporation." Oct. 23 QE Letter, at 3. The client that retained Quinn Emanuel per the 2020 QE Engagement Letter and 2025 QE Engagement Letter and obtained Court approval under section 327(a) was the Fund Debtor—not its constituent. Replacing the GP with the Officeholders changed the authorized constituents who direct the Fund Debtor; it did not create a new entity or extinguish Quinn Emanuel's duties to the Fund Debtor.

10. Quinn Emanuel's fallback that *Weintraub* is inapplicable because "[t]he Fund Debtor is an exempted limited partnership that lacks a 'legal personality'" is equally meritless. Opp'n ¶ 49 n.10. That is the exact argument Rigmora advanced in moving to dismiss the Fund Debtor's chapter 11 case, which Quinn Emanuel opposed by arguing that under Cayman law "an ELP has some degree of legal personality" (Docket No. 403 [Feb. 20, 2026 Hr'g Tr.] at 44:9–12), and which this Court rejected in holding that the Fund Debtor is an eligible debtor-in-possession with its own bankruptcy estate and assets "notwithstanding a lack of separate legal personality" under Cayman law. *See* Docket No. 548; Docket No. 583-1 (Apr. 22, 2026 Hr'g Tr.) at 6:10–7:25. Quinn Emanuel cannot now take the opposite position. Moreover, at the July 22, 2026 recognition hearing, this Court expressly equated the Officeholders' role in governing the Fund Debtor to that of a corporate board of directors: "[T]he Officeholders are the decision-makers, as I would equate them to a board of directors. They're making the decisions. They're now fiduciaries. . . . The Fund is a debtor-in-possession." Docket No. 976 at 45:12–46:4; *see also* Docket No. 1000 ¶ 2 ("The Officeholders are making decisions for the Partnership, which is a debtor and debtor-in-possession

under chapter 11 . . . ."). Finally, Model Rule 1.13 could not be clearer that organizational client rules "apply equally to unincorporated associations" and "organizational clients that are not corporations." Model Rule of Pro. Conduct 1.13 cmt. [1].

11. Quinn Emanuel's response to *Weintraub* is beside the point. Quinn Emanuel argues that *Weintraub* "did not discuss disqualification, or Rule 1.9," and that succession to an entity's privilege does not make the successor a "former client," relying on *Abengoa* and the Officeholders' counsel's argument there. Opp'n ¶ 49 n.10 (citing *In re Abengoa Bioenergy Biomass of Kansas, LLC*, 2018 WL 1321951, at *9 (Bankr. D. Kan. Mar. 13, 2018)). That may be true, but it answers an argument the Fund Debtor does not make. The Fund Debtor does not contend that the Officeholders became Quinn Emanuel's former client by succeeding to the Fund Debtor's privilege. The former client is the Fund Debtor itself—the same entity that retained Quinn Emanuel and that the Court authorized Quinn Emanuel to represent under section 327(a). Model Rule 1.13(a) makes that clear, and *Weintraub* rests on the same premise: the privilege belongs to the corporation, and control over it passes to new management precisely because the client does not change when its managers do. 471 U.S. at 348–49. Courts applying *Weintraub* to motions to disqualify have drawn exactly this conclusion, stating that because "successor management stands in the shoes of prior management," "the prior attorney-client relationship continues," and the entity remains counsel's former client. *Tekni-Plex, Inc. v. Meyner & Landis*, 89 N.Y.2d 123, 133–34 (1996) (applying former N.Y. DR 5-108; granting disqualification, and distinguishing "the mere transfer of assets with no attempt to continue the pre-existing operation"); *accord Marco v. Dulles*, 169 F. Supp. 622, 629 (S.D.N.Y. 1959) ("Directors come and go but a corporation persists. One board of directors may conceive the interests of a corporation to be quite different from a prior board. Nevertheless the professional obligation of former general counsel to the corporation

persists. Its loyalty is not to the former directors alone but to the continuing corporate entity as well.") (denying disqualification on other grounds), *appeal dismissed*, 268 F.2d 192 (2d Cir. 1959), *overruled on other grounds*, *Silver Chrysler Plymouth, Inc. v. Chrysler Motors Corp.*, 496 F.2d 800, 806 (2d Cir. 1974).

12. *Abengoa* confirms the distinction. There, a plan transferred assets to a separate liquidating trust, and the court reasoned that "preserving the privilege for a chapter 7 trustee does not make that trustee the debtor." 2018 WL 1321951, at *7. The Fund Debtor needs no such transformation. It is the debtor—the same debtor that Quinn Emanuel used to represent—and it continues to act in these Chapter 11 Cases in its own name.

13. The trio of post-confirmation liquidating trustee cases on which Quinn Emanuel relies in fact confirm why the Fund Debtor is Quinn Emanuel's former client. *See Abengoa*, 2018 WL 1321951; *In re Las Uvas Valley Dairies*, 648 B.R. 260 (Bankr. D.N.M. 2022); *In re HRB Winddown, Inc.*, 2023 WL 3294623 (Bankr. D. Del. May 5, 2023). In each of those cases, a confirmed chapter 11 plan transferred estate assets to a *newly created* liquidating trust operating for the benefit of creditors outside the debtor's corporate structure.[4] In *HRB Winddown*, Judge Shannon contrasted the liquidating trustee (who received only specific litigation assets under the plan) with the Plan Administrator, who was charged under the plan with exercising "[a]ll Company governance activities of Debtor" as the debtor continued in existence, holding: "Under this

[4] *Abengoa* and *Las Uvas* are inapposite on additional grounds as well. In *Abengoa*, the dissolved Missouri debtors had executed an engagement letter expressly agreeing that all information shared with counsel could be shared with the affiliated Kansas debtor and that no information would be kept confidential between them, and waiving any right to seek disqualification in intercompany disputes. 2018 WL 1321951, at *2, *8. Quinn Emanuel's 2025 Engagement Letter contains no such inter-client information-sharing provision or conflict waiver among the Debtors. *See* 2025 QE Engagement Letter, at 3–5. Furthermore, in *Las Uvas*, the debtor itself continued to be represented by the challenged law firm post-confirmation and actually supported the creditor's position against the liquidating trustee. 648 B.R. at 263, 266.

structure, to the extent there is a 'former client' of Debevoise that survived consummation of the Plan, it would be the Plan Administrator, not the Liquidating Trustee." 2023 WL 3294623, at *4–5; *accord Las Uvas*, 648 B.R. at 265–66 (distinguishing a liquidating trustee from a fiduciary who "replaces management and assumes control" of a corporate debtor under *Weintraub*). Here, the Fund Debtor continues in existence as a chapter 11 debtor-in-possession, and the Officeholders have replaced the GP to exercise all of the Fund Debtor's governance and management authority. Under *Weintraub* and *HRB Winddown*, the Fund Debtor remains Quinn Emanuel's former client.

B. Quinn Emanuel's Representation of the Non-Fund Debtors Against the Fund Debtor Is in the Same Matter—and, at a Minimum, a Substantially Related Matter

14. Quinn Emanuel is representing the Portfolio Debtors and the GP in the exact same matter—and, at a minimum, a substantially related matter—in which it represented the Fund Debtor for eight months. Matters are the same or "substantially related" if they "involve the same transaction or legal dispute or if there otherwise is a substantial risk that confidential factual information as would normally have been obtained in the prior representation would materially advance the client's position in the subsequent matter." Model Rule of Pro. Conduct 1.9(a) & cmt. [3]; *see In re IH 1, Inc.*, 441 B.R. 742, 746 (Bankr. D. Del. 2011) (recognizing these as two independent grounds for relatedness); Motion, ¶¶ 48-56. In the Third Circuit, a former client need not prove that confidences were actually disclosed or used, nor divulge the contents of its privileged communications. Rather, courts recognize that a lawyer should be disqualified because the lawyer "might have acquired" substantially related information whenever "(a) the lawyer and the client ought to have talked about particular facts during the course of the representation, or (b) the information is of such a character that it would not have been unusual for it to have been discussed between lawyer and client during their relationship." *Realco Servs., Inc. v. Holt*, 479 F. Supp. 867, 871–72 (E.D. Pa. 1979); *see also Talecris Biotherapeutics, Inc. v. Baxter Int'l Inc.*, 491

F. Supp. 2d 510, 514–15 (D. Del. 2007) ("In determining whether a 'substantial relationship' exists, the court need not, nor should it, inquire into whether an attorney actually acquired confidential information during the prior representation related to the correct representation. Rather, the court's primary concern is whether confidential information that might have been gained in the first representation [may be] used to the detriment of the former client in the subsequent action.") (internal citations and quotation marks omitted); *In re Meridian Auto. Sys.-Composite Operations, Inc.*, 340 B.R. 740, 747–48 (Bankr. D. Del. 2006) (finding matters substantially related where attorney necessarily reached legal conclusions regarding documents the client provided which could advantage the attorney's current client); Motion ¶¶ 48–52.

15. Quinn Emanuel contends that "the single 'matter' actually at issue—the Governance Motion—is not one on which Quinn Emanuel represented the Fund Debtor," and relies on an out-of-district decision, *Headfirst Baseball LLC v. Elwood*, 999 F.Supp.2d 199 (D.D.C. 2013), to argue that the Fund Debtor must identify specific confidential information obtained from Quinn Emanuel's prior work that would advance the non-Fund Debtors' position now that the Fund Debtor is pursuing "a different plan" under the PSA. Opp'n ¶¶ 50–51, 55–57, 78. This argument fails on every score.

16. First, one need only look at the caption on the filings to confirm that Quinn Emanuel is opposing its former client in literally the *same* matter. Even taking Quinn Emanuel's cramped view of the current matter as limited to the Governance Motion, the Objection turns on interpreting and enforcing Paragraph 4 of the Stay Relief Clarification Order, an order that Quinn Emanuel itself drafted, negotiated, and obtained while serving as counsel for the Fund Debtor. Opp'n ¶¶ 22–234, 60; Motion, ¶¶ 4, 27. Invoking an order obtained while representing a former client

against that former client to restrict its corporate governance rights over its subsidiaries is a textbook violation of Model Rule 1.9.

17. Furthermore, Quinn Emanuel's own Opposition refutes its claim that the dispute is confined to the Governance Motion. Quinn Emanuel repeatedly admits that it seeks to remain in these cases to oppose the Fund Debtor's PSA Motion, DIP Motion, and chapter 11 plan confirmation process so that the non-Fund Debtors are not deprived of "effective opposition to the PSA" by "counsel that knows the underlying facts." Opp'n ¶¶ 6, 36–41 & n.7, 70, 72. The reorganization of the Fund Debtor's estate, the monetization of its Portfolio Company equity, the treatment of the Series A SPA claims, and the resolution of the Rigmora dispute through a chapter 11 plan are the exact same transactions and legal disputes for which the Fund Debtor retained Quinn Emanuel in December 2025. *See* 2025 QE Engagement Letter, at 1–2; Motion ¶¶ 20–24, 53–56.

18. Second, Quinn Emanuel's reliance on *Headfirst Baseball*—a non-binding District of Columbia decision—is misplaced. *Headfirst Baseball* arose from a traditional two-party dispute and has never been cited by a Delaware bankruptcy court. As this Court has previously observed, multi-party bankruptcy representations, such as these Chapter 11 Cases, do not fit the mold of a "traditional two-party dispute." *In re Franchise Grp., Inc.*, Case No. 24-12480 (LSS), Docket No. 975 (Hr'g Tr.) at 12:8–14 (Bankr. D. Del. Feb. 12, 2025).

19. *Headfirst Baseball* is also distinguishable on its facts. There, the defendants moved before discovery to disqualify the plaintiff LLCs' counsel based on disputed assertions that the firm had previously given informal advice to an individual co-founder about his ownership rights. There was no engagement letter, no billing records, and a signed acknowledgment by the movant before suit that the firm "does not serve as your counsel . . . for any other matter," leading the court

to deny the motion *without prejudice* to renewal after discovery because the movant failed to establish that an attorney-client relationship ever existed. 999 F. Supp. 2d at 206, 209–13. Here, Quinn Emanuel's eight-month representation of the Fund Debtor as lead restructuring counsel in these very Chapter 11 Cases is undisputed and documented by engagement letters and fee applications documenting over 4,403 hours of work in the first four months of these Chapter 11 Cases. *Headfirst Baseball* is simply inapposite.

20. Third, even evaluated under *Headfirst Baseball*'s three-step inquiry, the record establishes a clear, concrete risk that confidential information obtained from the Fund Debtor would materially advance the non-Fund Debtors' opposition to the Governance Motion, the PSA, and the plan. One need not speculate about what Quinn Emanuel and the Fund Debtor "ought to have talked about," *Realco*, 479 F. Supp. at 871-72, because Quinn Emanuel's own billing entries and filings document the exact overlap:

- Before the Officeholders displaced the General Partner on July 10, 2026, the same Quinn Emanuel lawyers who now oppose the Governance Motion developed the Fund Debtor's position on that same governance dispute. In April 2026, members of the Quinn Emanuel team drafted the "governance term sheet," corresponded "regarding legal underpinning of term sheet," and joined a 3.1-hour call with Dr. Harrison and Mr. Finkelman "regarding governance term sheet and plan constructs." Docket No. 825-2 at 34–36. Quinn Emanuel then drafted the motion that led to the Stay Relief Clarification Order. After a strategy call with multiple members of the Quinn Emanuel team, it made a "second set of revisions to motion for clarification to reflect greater ambiguity." *Id.* at 40. On June 24, it met "with opposing counsel and client regarding negotiation of clarification order." Docket No. 1019-2 at 25. That is the same order Quinn Emanuel now uses against the Fund Debtor (Opp'n ¶ 60). On June 9, members of the Quinn Emanuel team reviewed "results of analysis of Series A. Agreements" and coordinated "regarding potential claims against Portfolio Company debtors," which are its current clients. *Id*. at 7.

- On August 11, 2026—the day after the Fund Debtor terminated Quinn Emanuel—Quinn Emanuel billed the Fund Debtor 4.3 hours to "Work on potential strategies for advancing Chapter 11 cases into plan of reorganization (2.0); study standing of portfolio company boards and independent director(s) to advance plans of reorganization (2.3)." Oct. 13 Letter, at 6. Having researched and advised on the legal standing of the Portfolio Company boards in connection with advancing or opposing a

chapter 11 plan, Quinn Emanuel is now representing the Portfolio Debtors against the Fund Debtor on that exact governance and plan-standing dispute.

- While representing the Fund Debtor, Quinn Emanuel worked directly with the CRO and B. Riley on Portfolio Company cash-flow budgets, enterprise valuations, and the Series A SPAs—including billing the Fund Debtor on August 3, 2026 for *"*Email correspondence with B. Riley Team regarding SPAs (0.8); update the disclosure statement based on recent developments (2.6)." Oct. 13 Letter, at 6; Motion ¶¶ 23–24, 54–56. In opposing the PSA and litigating plan confirmation or cramdown, Quinn Emanuel would be cross-examining the Fund Debtor's witnesses and attacking the plan's treatment of the Portfolio Debtors' $150 million SPA claims and equity valuations using the very financial models, runway analyses, and SPA legal assessments it developed as counsel to the Fund Debtor.

- Having billed over $25 million prepetition litigating the LPA capital calls against Rigmora and thousands of hours postpetition advising the Fund Debtor on the Rigmora appeals, Cayman winding-up exposure, and amendment of the LPA (Oct. 13 Letter, at 4, Annex A, at 4; Docket No. 682-2 at 174–76; Docket No. 844-2 at 16, 26; Docket No. 1110-2 at 23, 32, 51–52; Motion ¶¶ 45, 55 n.8), Quinn Emanuel is uniquely privy to the Fund Debtor's privileged internal assessments of its litigation vulnerabilities, appellate risks, and settlement valuation—information that goes to the heart of any challenge by the non-Fund Debtors to the reasonableness of the Rigmora settlement embodied in the PSA.

21. That information—acquired in this very case up through August 2026—is neither "general knowledge of policies and practices" nor "obsolete." Indeed, Quinn Emanuel's admission that it seeks to remain in the case for confirmation because it is the "counsel that knows the underlying facts" (Opp'n ¶ 70) and its self-proclaimed "deep institutional knowledge" acquired over years of representing the Fund Debtor (Opp'n ¶ 31 n.4), including funding, intercompany claims, plan formulation issues, and its dispute with Rigmora, confirms that its prior work is directly relevant to the upcoming confirmation fight.

C. The GP Debtor's and Portfolio Debtors' Interests Are Materially Adverse to the Fund Debtor's Interests

22. Quinn Emanuel's representation of the Portfolio Debtors and the GP is directly and materially adverse to the Fund Debtor. "There is no situation more materially adverse than when a lawyer's former client is in a suit against that lawyer's current client." *AgSaver LLC v. FMC*

Corp., 2011 WL 2274178, at *4 (E.D. Pa. June 9, 2011) (citation omitted); *see also In re Pittsburgh Corning Corp.*, 308 B.R. 716, 736 (Bankr. W.D. Pa. 2004) (disqualifying counsel from representing a current client in a matter directly adverse to a former client); Motion ¶¶ 57–62.

23. Quinn Emanuel's assertion that opposing *the Fund Debtor's* Governance Motion "definitionally could not have been adverse *to the Fund Debtor*" beggars belief, and demonstrates that Quinn Emanuel cannot be trusted to police the many potential conflicts in its representation of the non-Fund Debtors. Opp'n ¶ 60 (emphasis added). If filing a formal objection asking the Court to deny a former client's motion, noticing a hostile cross-examination of its court-recognized fiduciary, and seeking to defeat its chapter 11 plan is "definitionally" not adverse merely because the former client changed strategic direction after new fiduciaries took office, then nothing could ever qualify as adverse. A client is entitled to change its business and legal strategy when new decisionmakers take the helm, and its former lawyer must respect that decision. *See* Model Rule of Pro. Conduct 1.13 cmt. [3]. Indeed, it is precisely because the Fund Debtor changed course that the Debtors' interests diverged. That change in strategic direction is the reason Quinn Emanuel now faces disabling conflicts, not an excuse to ignore them.

24. Quinn Emanuel's point is a non sequitur in any case. The Fund Debtor is the movant asking this Court to confirm its governance rights over the Portfolio Companies; Quinn Emanuel opposed that motion. Opposing a former client's motion and cross-examining its representative in open court is direct, material adversity, regardless of the legal theory invoked in the objection. And as Quinn Emanuel's Opposition now confirms, that adversity extends to the Portfolio Debtors' disputed Series A SPA claims against the Fund Debtor and to the planned opposition to the Fund Debtor's PSA, DIP Motion, and chapter 11 plan. Opp'n ¶¶ 36–41, 70, 72, 76–77.

D. The Fund Debtor Expressly Refused to Consent to, and Never Waived, the Conflict by Delay

25. The Fund Debtor has neither consented to nor waived Quinn Emanuel's conflict of interest. Under Model Rule 1.9(a), a former client's waiver requires "informed consent, confirmed in writing." Model Rule of Pro. Conduct 1.9(a). A former client waives a conflict by delay only if it fails to raise the issue for an unreasonable period in a manner demonstrating that disqualification is being used purely as a tactical weapon. *IH 1*, 441 B.R. at 748; *Madukwe v. Del. State Univ.*, 552 F. Supp. 2d 452, 463–64 (D. Del. 2008); Motion ¶¶ 63–66.

26. Quinn Emanuel does not dispute that the forward waiver in its 2025 Engagement Letter is limited to "other matters in which we do not represent ATP" and therefore does not apply to these Chapter 11 Cases. *See* Motion ¶ 64; 2025 QE Engagement Letter, at 5. Instead, Quinn Emanuel argues that the Fund Debtor waived the conflict by waiting "ten weeks" after terminating Quinn Emanuel on August 10 before demanding its withdrawal on October 19, while simultaneously faulting the Fund Debtor for filing the Motion on October 27 rather than waiting longer after the October 19 chambers conference. Opp'n ¶¶ 5, 42–43, 63–68. Quinn Emanuel cannot fault the Fund Debtor for both waiting too long and also not long enough.

27. In any event, the record demonstrates that the Fund Debtor acted promptly and consistently at every step:

- On August 10, 2026, eleven days after the Court entered the Recognition Order, and eleven days after Quinn Emanuel itself recognized the possibility of adversity if the Fund Debtor changed its position on the Third Funding Motion, the Fund Debtor terminated Quinn Emanuel's engagement in these Chapter 11 Cases and asked Quinn Emanuel to identify which non-Fund Debtors it intended to continue representing. Aug. 10 Letter ¶¶ 2, 5; Motion ¶¶ 33-34.

- On August 21, 2026, the Fund Debtor expressly notified Quinn Emanuel in writing that "the Officeholders do not consent to or waive any conflict of interest between the General Partner, ATLS, and any Debtor Portfolio Company and the Partnership," and warned that Quinn Emanuel "cannot take any actions, applications, or other steps on behalf of the General Partner, ATLS or any other

party that are adverse to the Partnership in those matters on which it acts for or has acted for the Partnership." Aug. 21 Letter, at 2; Motion ¶ 34.

- On September 4, 2026, when Quinn Emanuel resisted turning over the ATLS server, the Fund Debtor's counsel reiterated that if the GP wished to take a position adverse to the Fund Debtor, it must use a firm "that is not a current or former law firm to the Fund." DLA Sept. 4 Email ¶ 6; Motion ¶ 34.

- On October 13, 2026, Quinn Emanuel escalated the conflict into formal litigation by filing the Objection to the Governance Motion and noticing the hostile examination of Mr. Lawson. Motion ¶¶ 36–37. Within six days, on October 19 and 20, the Fund Debtor demanded in writing that Quinn Emanuel withdraw, and on October 21 offered to meet and confer before the adjourned November 10 hearing to see if the conflict could be resolved without Court intervention. Oct. 19 OHS Letter; Oct. 20 OHS Letter; Opp'n, Ex. 6 at 2; Motion ¶ 40. Only after Quinn Emanuel sent its October 23 letter categorically denying any conflict (Oct. 23 QE Letter) and refused to withdraw at the October 27 meet-and-confer did the Fund Debtor file the Motion—just fourteen days after Quinn Emanuel filed the Objection.[5] Motion ¶ 40.

28. Every single case Quinn Emanuel cites to argue waiver by delay (Opp'n ¶¶ 63–66) involved a delay of one to four *years* (or multiple prior litigations without objection), not six days after an adverse filing or ten weeks after termination during which the former client repeatedly objected in writing to any adverse representation.[6] There was no delay here, much less delay that could constitute a knowing waiver of a profound conflict.

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[5] The routine emails regarding uncontested extensions of exclusivity for all Debtors, extensions of the claims bar date to defer interdebtor litigation, and extensions of appellate briefing schedules to defend prior orders where all Debtors were aligned as appellees (Opp'n ¶¶ 33, 67 & Exs. 1–4) on which Quinn Emanuel places so much emphasis are beside the point. Cooperating on administrative matters where the Debtors' interests were aligned is entirely consistent with the Fund Debtor's August 21 directive that Quinn Emanuel could take no steps adverse to the Fund Debtor.

[6] *See Marks Constr. Co. v. Huntington Nat'l B*ank, 2010 WL 1404590, at *3–4 (N.D. W. Va. Apr. 2, 2010) (delay of over 4 years after removal by a non-client opposing bank, and collecting cases involving delays of 13 months to more than three years*); Trust Corp. of Mont.*, 701 F.2d at 87–88 (delay of two years and six months after opposing counsel delivered the entire prior client file for review, with motion filed 33 days before trial; even then, the court still barred the firm from trying the damages phase*); Enslein v. Di M*ase, 2018 WL 1426361, at *2–5 (W.D. Mo. Mar. 22, 2018) (delay of over two years after bankruptcy retention application and eighteen months after adversary complaint, where prior work on an unrelated 2013 NDA and office-sharing agreement was not at issue*); Etkin & Co. v. SBD* LLC, 2012 WL 5398966, at *2–5 (S.D. Fla. Nov. 5, 2012) (delay of fifteen months until after fact discovery closed on a Rule 3.7 lawyer-as-witness motion where defendant was not calling the lawyer as a witness*); In re Trev*ino, 78 B.R. 29, 40–41 (Bankr. M.D. Pa. 1987) (delay of four years after bankruptcy filing across numerous prior proceedings, where prior business loan application was unrelated to residential foreclosure*); In re Muma Servs., I*nc., 286 B.R. 583, 588–90 (Bankr. D. Del. 2002) (delay of almost one year after

E. Disqualification Is the Necessary Remedy and Will Not Unfairly Prejudice the Portfolio Debtors or the GP

29. When determining the appropriate remedy for a conflict, the relevant considerations in the Third Circuit—protecting a former client's expectation of loyalty and confidentiality, preserving the integrity of the proceedings, and evaluating whether disqualification would cause unfair prejudice—all compel disqualification here. *See In re Corn Derivatives Antitrust Litig.*, 748 F.2d 157, 162 (3d Cir. 1984); *Enzo Life Scis., Inc. v. Adipogen Corp.*, 2013 WL 6138791, at *7 (D. Del. Nov. 20, 2013); Motion ¶¶ 67–70.

30. Quinn Emanuel argues that the Court should exercise its discretion to deny disqualification because removal would "unfairly prejudice" the GP and Portfolio Debtors as the cases move toward plan confirmation, whereas the Fund Debtor supposedly faces no prejudice. Opp'n ¶¶ 69–73.[7]

31. With respect to the Portfolio Debtors, Quinn Emanuel's own argument regarding its co-counsel, M&K, defeats its claim of prejudice. In its Opposition, Quinn Emanuel asserts that M&K was retained under section 327(a) *for this very purpose*, *i.e.*, "to act for the Portfolio Debtors in the event of any actual conflict between the Portfolio Debtors and the Fund Debtor," and claims that "[t]his division of labor is a common bankruptcy practice and entirely moots the DQ Motion." Opp'n ¶ 71; *see also* Docket No. 134 ¶ 17 (approving M&K to represent the Portfolio Debtors in affiliate negotiations, claims litigation, and "any plan, strategic sale transactions . . . or financial restructuring"); Docket No. 316 ¶ 34. Yet in the very next paragraph, Quinn Emanuel insists that disqualifying it from opposing the Fund Debtor on the Governance Motion and the PSA would

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mova*nt orally wai*ved the conflict, and where movant intentionally sent new unrelated work to a different office of the fi*rm af*ter being sued as "a strategic ploy to undo the waiver").

[7] Indeed, at the parties' October 27 meet-and-confer, after learning that the Fund Debtor would not seek to disqualify M&K, Quinn Emanuel acknowledged that this changed its assessment of any prejudice to its clients and stated that it would consult with M&K and the Portfolio Debtors regarding potential withdrawal.

subject the Portfolio Debtors to "substantial hardship" and "replication of expended efforts." Opp'n ¶ 72. Quinn Emanuel cannot have it both ways. Conflicts counsel is a safeguard, not a fig leaf to cover conflicted representations. The presence of experienced and involved conflicts counsel belies the Opposition's assertions of prejudice.

32. As M&K's retention application, October 23 letter, and fee applications confirm, M&K has represented the Portfolio Debtors since June 2025, including on their proofs of claim, funding disputes, sale and marketing protocols, and the Governance Motion objection—which M&K states was filed at management's direction "in discussions with [M&K], not Quinn Emanuel." Docket No. 134 ¶¶ 9, 24; Docket No. 134-3 ¶ 15; Oct. 23 M&K Letter, at 1–2; *see* Docket No. 1220 at 8–12, 17–21. Because the Portfolio Debtors and the Fund Debtor are now in direct conflict over governance, intercompany claims, and the PSA, Quinn Emanuel must step aside so that M&K can perform the exact role the Court approved it to perform, untainted by Quinn Emanuel's former-client conflicts.

33. Nor does Quinn Emanuel establish any unfair prejudice to the GP. Before the Cayman Court displaced the GP on July 10, 2026, the GP had no assets, no revenue, zero employees, and existed solely to manage the Fund Debtor. Motion ¶¶ 18, 55. Now that the Officeholders act in the stead of and to the exclusion of the GP on all matters concerning the Fund Debtor (Aug. 21 Letter, at 2), the GP has no ongoing management role over the Fund Debtor, and its sole shareholder and director (Dr. Harrison) has already retained separate personal counsel. Motion ¶ 62; Aug. 10 Letter ¶ 6.3. In any event, any inconvenience to the GP or the Portfolio Debtors is entirely self-inflicted: both were on notice of the conflict since at least August 2026 and chose not to transition away from Quinn Emanuel. Motion ¶¶ 66, 70. None of the cases Quinn Emanuel cites (Opp'n ¶¶ 69, 72–73) involved a law firm switching sides against a former debtor

client in the same bankruptcy case while refusing to step aside for conflicts counsel.[8] Disqualification under Model Rule 1.9 is required.

II. SECTION 327(a) INDEPENDENTLY REQUIRES DISQUALIFICATION, AND THE MAY 5 RETENTION ORDER IS NOT "LAW OF THE CASE"

A. The Retention Order Did Not Adjudicate Interdebtor Conflicts or Approve Quinn Emanuel Opposing the Fund Debtor

34. The May 5, 2026 Retention Order does not insulate Quinn Emanuel from disqualification under the law-of-the-case doctrine. The law-of-the-case doctrine "bars re-litigation 'of matters *once decided* during the course of a single continuing lawsuit.'" *In re Radnor Holdings Corp.*, 564 B.R. 467, 482 (D. Del. 2017) (emphasis added) (quoting *Casey v. Planned Parenthood*, 14 F.3d 848, 856 (3d Cir. 1994)). Moreover, under section 327(a), "[a]lthough a court may initially authorize the employment of counsel, it must disqualify counsel upon learning of an actual conflict, and it may exercise its discretion to remove counsel if there is a potential conflict." *In re The Harris Agency, LLC*, 462 B.R. 514, 522 (E.D. Pa. 2011) (citing *In re BH & P, Inc.*, 949 F.2d 1300, 1314–17 (3d Cir. 1991)); *see* Motion ¶¶ 72–74.

35. Quinn Emanuel contends that its joint representation of the Portfolio Debtors and GP alongside the Fund Debtor—including with respect to disputed intercompany claims under the

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[8] *See In re Boy Scouts of Am.*, 630 B.R. 122, 126, 128, 132–33 (D. Del. 2021) (objector was a third-party insurer whom a different, screened practice group had represented in reinsurance arbitrations, and counsel carved out all insurance coverage issues from day one, leaving them exclusively to conflicts counsel), *aff'd*, 35 F.4th 149 (3d Cir. 2022); *FlatWorld Interactives LLC v. Apple Inc.*, 2013 WL 4039799, at *2, *7–9 (N.D. Cal. Aug. 7, 2013) (challenged firm never represented Apple and received no confidential information from co-founder's husband, an environmental partner in another city who never worked on Apple matters); *UMG Recordings, Inc. v. MySpace, Inc.*, 526 F. Supp. 2d 1046, 1053–56, 1064–66 (C.D. Cal. 2007) (firm obtained an advance written waiver, erected an ethical wall seven months before the dispute so no attorneys overlapped, and was required by the court to drop the substantially related defense and discovery requests entirely and pay the former client's fees); *Edwards v. CoreCivic of Tenn., LLC*, 2021 WL 5303406, at *3–4 (S.D. Cal. Nov. 15, 2021) (single sarcastic email to former HR manager considered under Model Rule 4.2 where no confidential information was sought or obtained); *Nat'l Oilwell Varco, L.P. v. Omron Oilfield & Marine, Inc.*, 60 F. Supp. 3d 751, 756–57, 767–69 (W.D. Tex. 2014) (lateral attorney who billed zero hours to patent-in-suit was immediately screened by an ethical wall, shared no confidences, and left the firm months before the motion was filed).

Series A SPAs—"was fully disclosed and briefed, and the section 327(a) retention order is law of the case" because Rigmora raised that argument in its January 2026 retention objection and "then abandoned that argument" before the Court entered the Retention Order on May 5, 2026. Opp'n ¶ 76 (citing *Radnor*, 564 B.R. at 477); *see also id*. ¶¶ 7, 18–19.

36. Quinn Emanuel's own premise defeats its argument: because Rigmora abandoned its intercompany-conflict objection before the April 28, 2026 retention hearing, the Court never reached or decided the issue. At the outset of the April 28 hearing, Debtors' counsel informed the Court that Quinn Emanuel's retention application was going forward "solely with respect to the objections noted in the supplemental statement filed by Rigmora yesterday." Docket No. 614 (Apr. 28, 2026 Hr'g Tr.) at 5:9–13. Quinn Emanuel then confirmed on the record with Rigmora's counsel that Rigmora had withdrawn every other ground of objection, concluding: "All right. That leaves us with solely the issue of whether or not a $20 million retainer that was paid to Quinn Emanuel creates an actual conflict of interest that is disqualified." *Id.* at 13:10–16:7; *see also id.* at 36:24–25 (The Court: "So I appreciate that the issues were narrowed so that I don't have to address the other issues . . . ."). Furthermore, in its May 5 Letter Ruling, the Court expressly stated that "[t]he Rigmora LPs objected to the Firm's retention on multiple bases but have since limited their objection to one: the Firm is conflicted because it received the $20 million retainer," and ruled solely that Rigmora's contingent Cayman clawback theory did not establish a facially plausible preference claim under *In re Pillowtex, Inc.*, 304 F.3d 246 (3d Cir. 2002). Docket No. 621 at 2–4.

37. *Radnor Holdings*—the sole authority Quinn Emanuel cites for law of the case (Opp'n ¶ 76)—illustrates why the doctrine does not apply here. In *Radnor*, the U.S. Trustee's objection that Skadden had a conflict of interest with the debtor's secured lender was actually

litigated and decided at a contested evidentiary retention hearing, and then litigated again in a two-day evidentiary hearing on Skadden's final fee application years later, resulting in detailed factual findings affirmed by the Third Circuit. 564 B.R. at 472, 475–77, 482–83. Here, the Court never adjudicated interdebtor conflicts at the retention stage, much less pre-approve Quinn Emanuel continuing to represent the Portfolio Debtors and the GP against the Fund Debtor if, as happened, they became adverse.

B. Quinn Emanuel's Continuing Duties to the Fund Debtor Impair Its Ability to Advocate for the Non-Fund Debtors on the Central Elements of These Cases

38. Under section 327(a), counsel's inability to advocate unreservedly for the Portfolio Debtors and the GP on the central issues in these Chapter 11 Cases is an actual, disqualifying conflict—and, at a minimum, a potential conflict that requires disqualification. Section 327(a)'s dual requirements that counsel "not hold or represent an interest adverse to the estate" and be "disinterested" collapse into a single test ensuring "that debtors[']counsel has no relationship that [a]ffects or limits its ability to advocate on behalf of the debtors." *In re Franchise Grp., Inc.*, Case No. 24-12480 (LSS), Docket No. 975 (Hr'g Tr.) at 11:10–16 (Bankr. D. Del. Feb. 12, 2025). As this Court held in *Franchise Group*, "[i]f counsel's ability to advocate on behalf of the debtors is impaired or constrained then counsel has an actual conflict that is automatically disqualifying"—particularly where the conflict goes "to central elements of a case or a plan," because "[w]hile the employment of conflicts counsel can be useful for a discrete portion of a case, it cannot be used as a substitute for general bankruptcy counsel's duties to negotiate a plan of reorganization." *Id.* at 11:17–19, 14:15–15:11, 18:10–18 (quoting *In re Enviva Inc.*, 2024 WL 2795274, at *8 (Bankr. E.D. Va. May 30, 2024)); *see also In re BH & P, Inc.*, 949 F.2d 1300, 1315–17 (3d Cir. 1991); Motion ¶¶ 71–87.

39. Quinn Emanuel does not mention—much less attempt to distinguish—*Franchise Group*. Instead, it argues that (1) the Portfolio Debtors' $150 million in disputed Series A SPA claims against the Fund Debtor are "aligned" or can be handled as a "discrete issue" by M&K under *In re Adelphia Communications Corp.*, 342 B.R. 122 (S.D.N.Y. 2006); (2) the Fund Debtor has not explained how positions Quinn Emanuel developed for the Fund Debtor "six months ago" continue to be relevant; (3) the Motion identifies no conflict with respect to the GP; and (4) the Court should exercise its discretion to deny disqualification to avoid duplication of effort and cost. Opp'n ¶¶ 77–80. Each of those contentions fails.

40. *First*, when Quinn Emanuel defended its retention in February 2026, it assured the Court that "the interests of the Corporate Debtors and Portfolio Companies are aligned and not in conflict," and that M&K would act for the Portfolio Debtors "in the hypothetical scenario that their interests conflict with those of the Corporate Debtors, including in connection with the Series A [SPAs]." Docket No. 316 ¶ 34. That scenario is no longer hypothetical. Five Portfolio Debtors have filed proofs of claim asserting over $150 million in disputed Series A SPA obligations against the Fund Debtor and the GP (Motion ¶¶ 35, 60, 75), the Portfolio Debtors and the GP are actively litigating against the Fund Debtor on the Governance Motion (*id.* ¶ 36), and Quinn Emanuel's Opposition announces that the Portfolio Debtors and the GP intend to oppose the Fund Debtor's PSA, DIP Motion, and chapter 11 plan (Opp'n ¶¶ 36–41, 70, 72). Unlike in *Adelphia*—where lead bankruptcy counsel voluntarily withdrew from both sides of all interdebtor disputes and remained strictly neutral while creditor groups litigated them, 342 B.R. at 126–28; *see also Abengoa*, 2018 WL 1321951, at *8—Quinn Emanuel has been terminated by the Fund Debtor and is actively litigating against the Fund Debtor on behalf of the other Debtors.

41. *Second*, as shown above, Quinn Emanuel's own pre-appointment fee applications refute its claim that its prior work is irrelevant to current funding and plan structure issues. Between February and June 2026, Quinn Emanuel billed the Fund Debtor to analyze the Series A SPAs and "potential claims against Portfolio Company debtors" and their "plan treatment" (Docket No. 1019-2 at 7, 33), Portfolio Company valuations and funding budgets (Docket No. 682-2 at 146; Docket No. 825-2 at 5–7), the LPA equity waterfall and "classification and cram down issues" (Docket No. 844-2 at 25–26), and Rigmora's settlement proposals and reserve price (Docket No. 825-2 at 34, 36; Docket No. 1019-2 at 34–35). Because Model Rules 1.9(a) and (c) prohibit Quinn Emanuel from opposing the Fund Debtor on those matters or using the Fund Debtor's confidential information to its disadvantage, Quinn Emanuel is ethically barred from advising or advocating for the Portfolio Debtors and the GP on the very issues that form the core of these Chapter 11 Cases going forward: governance, intercompany claims, DIP and exit financing, and confirmation of a chapter 11 plan. Under *Franchise Group*, a general bankruptcy counsel that is ethically barred from handling the central elements of the restructuring and plan process has an actual, disqualifying conflict under section 327(a) that cannot be cured by delegating discrete tasks to co-counsel. Docket No. 975 at 12:17–15:11, 18:10–18; Motion ¶¶ 78–80, 86.

42. *Third*, contrary to Quinn Emanuel's assertion that no conflict exists as to the GP (Opp'n ¶ 79), the GP is a co-obligor and target of the Portfolio Debtors' $150 million in Series A SPA proofs of claim (Motion ¶ 35; Oct. 23 M&K Letter, at 1–2), asserts potential indemnification claims against the Fund Debtor that the Fund Debtor disputes (Aug. 10 Letter ¶ 6.2; Aug. 21 Letter, at 2), and is joining the Portfolio Debtors in opposing the Fund Debtor's Governance Motion and PSA (Opp'n ¶¶ 37–41, 70). Quinn Emanuel cannot simultaneously represent the Portfolio Debtors

(who hold $150 million in claims against the GP) and the GP against its former client, the Fund Debtor.

43. *Fourth*, even if Quinn Emanuel's conflict were characterized as "potential" rather than "actual"—which it is not—every factor governing the Court's discretion under *BH & P*, 949 F.2d at 1315–17, and *Franchise Group*, Docket No. 975 at 12:1–7, 20:14–21:10, weighs in favor of disqualification. *See Motion* ¶¶ 82–87. The Portfolio Debtors already have court-approved section 327(a) counsel in M&K, which has represented them since June 2025 and is authorized to handle all affiliate disputes, claims, sale processes, and plan negotiations (Docket No. 134 ¶¶ 9, 17, 20), and neither efficiency nor convenience can justify allowing a debtor's former lead restructuring counsel to switch sides and litigate against its former estate in the same chapter 11 case.[9]

III. TO THE EXTENT THE FUND DEBTOR REMAINS A CURRENT CLIENT OF QUINN EMANUEL, MODEL RULE 1.7 INDEPENDENTLY BARS QUINN EMANUEL'S ADVERSE REPRESENTATION

44. To the extent the Fund Debtor remains a current client of Quinn Emanuel by virtue of the Syntimmune litigation, Model Rule 1.7 independently requires Quinn Emanuel's disqualification. *See* Motion ¶ 88.

45. Quinn Emanuel does not dispute that it continues to represent the Fund Debtor in the Syntimmune Litigation or that its representation of the GP and the Portfolio Debtors is subject

[9] The remaining authorities Quinn Emanuel cites in its Opposition (Opp'n ¶¶ 78, 80) are inapposite. In *In re Boy Scouts of America*, 35 F.4th 149, 158–59 (3d Cir. 2022), the Third Circuit held that a non-debtor insurer's challenge to a law firm's retention failed under section 327(a) because the firm represented the insurer only "in reinsurance matters in which [the debtor] was not a party, and [the law firm's] representation of [the debtor] excluded insurance issues," which were handled by dedicated insurance counsel. In *In re Golden Guernsey Dairy, LLC*, 2015 WL 3669932, at *3–5 (Bankr. D. Del. June 12, 2015), the challenged firm was longtime counsel to the private equity parent, copied the parent on prepetition operational emails with the subsidiary, and never represented the debtor in bankruptcy. Lastly, in *In re Harold & Williams Development Co.*, 977 F.2d 906, 910–11 (4th Cir. 1992), the issue was whether one individual could serve as both lawyer and accountant for the same debtor to prepare routine financial reports and tax returns.

to Model Rule 1.7. Opp'n, ¶¶ 8, 82-83. Rather, Quinn Emanuel contends only that in the Aug. 10 Letter, "the Fund Debtor, acting through the Officeholders, affirmatively consented in writing to have Quinn Emanuel represent the Fund Debtor in the Syntimmune Litigation," and in so doing waived any concurrent conflict in these Chapter 11 Cases. *Id*. ¶ 83; *see also id.* ¶ 8. But the very correspondence Quinn Emanuel cites refutes that contention.

46. The Aug. 10 Letter states only that that Quinn Emanuel could continue handling narrow post-judgment issues against a third party in the Syntimmune Litigation—it says nothing about, and therefore cannot constitute informed written consent to, Quinn Emanuel representing other clients *against* the Fund Debtor in these Chapter 11 Cases. Indeed, in the paragraph immediately following the one Quinn Emanuel quotes, the Fund Debtor's counsel stated that "it is not clear to the Officeholders whether your firm will continue to act for any parties in the Chapter 11 Cases," and asked Quinn Emanuel to "please identify the clients for which it does continue to act in connection with this matter." *Id.*, ¶ 5. The Fund Debtor could not have given informed consent to an adverse representation when it did not even know which other parties Quinn Emanuel continued to represent.

47. Any conceivable doubt was eliminated eleven days later in the August 21 Letter, which expressly tied Quinn Emanuel's ongoing representation in the Syntimmune Litigation to *avoiding* conflicted representations adverse to the Fund Debtor:

> Please also note that the Officeholders *do not consent to or waive* any conflict of interest between the General Partner, ATLS, and any Debtor Portfolio Company and the Partnership. Thus, *your firm cannot take actions, applications, or other steps* on behalf of the General Partner, ATLS or any other party *that are adverse to the Partnership* in those matters on which it acts for or has acted for the Partnership. This is especially so in light of the fact that the Officeholders have requested and believe your firm has accepted a role in continuing to act for the Partnership with respect to the Syntimmune litigation.

Aug. 21 Letter, at 2 (emphasis added). Characterizing an explicit written refusal to waive conflicts as "informed consent, confirmed in writing," under Model Rule 1.7(b)(4) does not pass the straight-face test.

48. Neither of Quinn Emanuel's engagement letters waives this concurrent conflict as both waivers are limited to matters other than these Chapter 11 Cases. 2020 QE Engagement Letter at 4–5; 2025 QE Engagement Letter at 5.[10] Because these Chapter 11 Cases are the very matter in which Quinn Emanuel represented the Fund Debtor for eight months, neither advance waiver authorizes Quinn Emanuel to represent the GP and the Portfolio Debtors against the Fund Debtor here. Without informed written consent, Model Rule 1.7 prohibits Quinn Emanuel's adverse representation.

49. Accordingly, Model Rule 1.7 provides a separate and independent ground requiring Quinn Emanuel's disqualification.

CONCLUSION

50. For the foregoing reasons, the Fund Debtor respectfully requests that the Court enter an order: (a) disqualifying Quinn Emanuel from serving as counsel to the Portfolio Debtors and the GP or to any other person or entity whose interests are adverse to the Fund Debtor; (b) directing Quinn Emanuel to refrain from using or disclosing the Fund Debtor's confidential information; and (c) granting such other and further relief as the Court deems just and proper.

[10] The advance waivers in both the 2020 QE Engagement Letter and the 2025 QE Engagement Letter are expressly limited to "other matters in which we do not represent the [Fund Debtor]" and that are "not substantially related" to Quinn Emanuel's representation of the Fund Debtor. 2020 QE Engagement Letter at 4–5; 2025 QE Engagement Letter at 5.

Dated: November 5, 2026
Wilmington, Delaware

Respectfully submitted,

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