

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

Apple Tree Life Sciences, Inc., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-12177 (LSS)

(Joint Administration Requested)

**DEBTORS' MOTION SEEKING ENTRY OF INTERIM AND FINAL ORDERS  
(I) AUTHORIZING THE DEBTORS TO (A) CONTINUE TO OPERATE THEIR CASH  
MANAGEMENT SYSTEM, (B) HONOR CERTAIN PRE-PETITION OBLIGATIONS  
RELATED THERETO, AND (C) CONTINUE TO PERFORM INTERCOMPANY  
TRANSACTIONS, (II) GRANTING ADMINISTRATIVE EXPENSE STATUS TO POST-  
PETITION INTERCOMPANY BALANCES, AND (III) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) respectfully state the following in support of this motion (this “Motion”).

**RELIEF REQUESTED**

1. The Debtors seek entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (respectively, the “Interim Order” and “Final Order”): (a) authorizing, but not directing, the Debtors to (i) continue to operate their Cash Management System (as defined below); (ii) honor certain pre-petition obligations related thereto; (iii) pay any pre-petition or post-petition amounts outstanding on account of the Bank Fees (as defined below); and (iv) continue to perform Intercompany Transactions (as defined below); (b) granting administrative expense status to post-petition intercompany balances; and (c) granting related relief. In addition, the Debtors request that the Court schedule a final hearing 21 days after the

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



filing of this Motion, or as soon thereafter as is convenient for the Court, to consider approval of this Motion on a final basis.

### **JURISDICTION AND VENUE**

2. The United States Bankruptcy Court for the District of Delaware (this “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

3. Pursuant to rule 9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Debtors confirm their consent to the Court entering a final order in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The bases for the relief requested herein are sections 105, 345, 363, 364, and 503 of title 11 of the United States Code (the “Bankruptcy Code”), rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rules 2015-1 and 9013-1.

### **BACKGROUND**

6. On December 9 and 15, 2025 (the “Petition Dates”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the “Chapter 11 Cases”). A detailed description of the facts and circumstances of these Chapter 11 Cases is set forth in the *Declaration of Perry M. Mandarino, Chief Restructuring Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Motions* (the “Mandarino Declaration”), filed contemporaneously with

this Motion and incorporated by reference herein.<sup>2</sup> As described in more detail in the Mandarino Declaration, the Debtors commenced these Chapter 11 Cases due to the failure of the Rigmora LPs to fulfill their contractual obligations, and their attempts to wind up the Partnership (defined below), which would destroy the Partnership through litigation. Through these Chapter 11 Cases, the Debtors seek to stabilize their business, and, under the Court's supervision, restructure the Partnership's capital structure.

7. The Debtors are operating their business and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrent with the filing of this Motion, the Debtors filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases, and no official committees have been appointed or designated.

### **THE CASH MANAGEMENT SYSTEM**

#### **II. Overview.**

8. The Debtors comprise a biotechnology venture capital enterprise operating and investing in the United States. In the ordinary course of business, the Debtors maintain a cash management system (the "Cash Management System") comparable to the systems used by similarly situated companies to manage cash in a cost-effective and efficient manner. The Debtors' Cash Management System is critical to the Debtors' businesses, as it streamlines the Debtors' ability to collect, transfer, and disburse cash and to facilitate cash monitoring, forecasting, and reporting.

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<sup>2</sup> Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Mandarino Declaration.

9. As of the Petition Date, the Cash Management System is comprised of 20 active bank accounts (collectively, the “Bank Accounts”). As illustrated on the Cash Management System diagram attached as **Exhibit 1** to both **Exhibit A** and **Exhibit B** hereto, the Debtors maintain two (2) bank accounts at JP Morgan Chase Bank, N.A. (“JPM”), twelve (12) bank accounts at Banc of California (“Banc of California”), two (2) bank accounts at Western Alliance Bank (“Western Alliance”), three (3) bank accounts at Citizens Bank (“Citizens”), and one (1) account at Eastern Bank (“Eastern” and together with JPM, Banc of California, Western Alliance, and Citizens, the “Cash Management Banks”). The Bank Accounts are identified on **Exhibit 2** annexed to both **Exhibit A** and **Exhibit B** hereto. The Debtors’ accounting department maintains daily oversight over the Cash Management System, implements cash management controls for entering, processing, and releasing funds, and regularly reconciles the Debtors’ books and records to ensure that all transfers are accounted for properly.

10. As described more fully herein, the Cash Management System is an essential component of the Debtors’ businesses. Any interruption of the Cash Management System would severely disrupt the Debtors’ operations and result in harm to the Debtors’ estates and their stakeholders. Accordingly, the Debtors seek authority to continue using their Cash Management System in the ordinary course of business on a post-petition basis in a manner consistent with past practice, and to pay any pre-petition fees related to the Cash Management System.

### **III. The Bank Accounts and Flow of Funds.**

11. As noted above, the Cash Management System consists of 20 bank accounts. The Debtors receive cash from capital calls. This cash is deposited into an account at Banc of California held by ATP Life Science Ventures, L.P. (“6841 Account”). Funds are then disbursed from the 6841 Account to: (i) pay a management fee to Apple Tree Life Sciences, Inc.; (ii) fund investments in portfolio companies; and (iii) make vendor payments.

12. The management fee is paid to an account at Banc of California held by Apple Tree Life Sciences, Inc. (“6809 Account”). Funds are disbursed from the 6809 Account to: (i) make vendor payments; and (ii) an Apple Tree Life Sciences, Inc. account at JPM (“9710 Account”). Vendor payments are also made from an Apple Tree Life Science, Inc. account at Banc of California (“6817 Account”). Cash is also swept from two accounts at Banc of California (“1819 Account” and “6973 Account”) to the 6809 Account. Interest from two additional Banc of California accounts (“9187 Account” and “9895 Account”) is swept into the 1819 and 6973 Accounts, respectively.

13. Apertor Pharmaceuticals, Inc. receives funds from ATP Life Science Ventures, L.P. at a Citizens Bank account, a JPM account, and a Banc of California account (the “Apertor Checking Accounts”). Funds from the Apertor Checking Accounts are used to pay Aptertor Pharmaceuticals, Inc.’s expenses. Apertor Pharmaceuticals, Inc. also has a letter of credit account with respect to its leased premises.

14. Red Queen Therapeutics, Inc. receives funds from ATP Life Science Ventures, L.P. at an Eastern Bank Account (“3214 Account”). Funds from the 3214 Account are used to pay Red Queen Therapeutics, Inc.’s expenses.

15. Initial Therapeutics, Inc. receives funds from ATP Life Science Ventures, L.P. at a Western Alliance Account and a Banc of California account (the “Initial Accounts”). Funds from the Initial Accounts are used to pay Initial Therapeutics, Inc.’s expenses. Initial Therapeutics, Inc. also has a money market account at Western Alliance that holds accrued interest.

16. Marlinspike Therapeutics, Inc. receives funds from ATP Life Science Ventures, L.P. at a Banc of California account (“0916 Account”), and funds from the 0916 Account are used

to pay expenses. Marlinspike Therapeutics, Inc. also has money market and ICS sweep accounts that hold accrued interest.

17. As of the Petition Date, the Debtors have approximately \$17,281,275 of cash on hand. The Bank Accounts and Cash Management System are described further in the following table:

<b>Bank Account</b>	<b>Account Description</b>
JPM x9710 (“ <u>9710 Account</u> ”)	The 9710 Operating Account is used by Apple Tree Life Sciences, Inc. to send and receive cash payments.
Banc of California x6809 (“ <u>6809 Account</u> ”)	The 6809 Operating Account is used by Apple Tree Life Sciences, Inc. to send and receive cash payments.
Banc of California x1819 (“ <u>1819 Account</u> ”)	The 1819 Account is used by Apple Tree Life Sciences, Inc. to hold cash at a higher interest rate and swept into the 6809 Account for cash needs.
Banc of California x6973 (“ <u>6973 Account</u> ”)	The 6973 Account is used by ATP Life Science Ventures, LP to hold cash at a higher interest rate and swept into the 6841 Account for cash needs.
Banc of California x6817 (“ <u>6817 Account</u> ”)	The 6817 Account is used by Apple Tree Life Sciences, Inc. to hold cash for the interest holders of former investment Tusker Medical for future earnouts.
Banc of California x9187 (“ <u>Credit Card LOC Account</u> ”)	The Credit Card LOC Account is used to secure the Debtors’ credit cards.
Banc of California x9895 (“ <u>Standby LOC Account</u> ”)	The Standby LOC Account is used for rent and RXR HB Owner is the beneficiary.
JPM x2650 (“ <u>2650 Account</u> ”)	The 2650 Account is used by ATP Life Science Ventures, LP to hold cash at a higher interest rate.

<b>Bank Account</b>	<b>Account Description</b>
Banc of California x6841 (“ <u>6841 Account</u> ”)	The 6841 Account is used by ATP Life Science Ventures, LP to send and receive cash payments.
Banc of California x0916 (“ <u>0916 Account</u> ”)	The 0916 Account is used by Marlinspike Therapeutics, Inc. to send and receive cash payments.
Banc of California x7202 (“ <u>7202 Account</u> ”)	The 7202 Account is a Marlinspike Therapeutics, Inc. money market collateral account that has no balance.
Banc of California x9169 (“ <u>9169 Account</u> ”)	The 9169 Account is a Marlinspike Therapeutics, Inc. ICS sweep account that has no balance.
Eastern Bank x3214 (“ <u>3214 Account</u> ”)	The 3214 Account is used by Red Queen Therapeutics, Inc. to send and receive cash payments.
Western Alliance Bank x1598 (“ <u>1598 Account</u> ”)	The 1598 Account is used by Initial Therapeutics, Inc. to send and receive cash payments.
Western Alliance Bank x0938 (“ <u>0938 Account</u> ”)	The 0938 Account is used by Initial Therapeutics, Inc. to hold cash at a higher interest rate and sweep into the 1598 Account for cash needs.
Banc of California x8529 (“ <u>8529 Account</u> ”)	The 8529 Account is used by Initial Therapeutics, Inc. to send and receive cash payments.
Citizens Bank x2487 (“ <u>2487 Account</u> ”)	The 2487 Account is used by Apertor Pharmaceuticals, Inc. to send and receive cash payments.
Citizens Bank x0118 (“ <u>0118 Account</u> ”)	The 0118 Account is used by Apertor Pharmaceuticals, Inc. to hold restricted cash on a letter of credit for landlord beneficiary.
Citizens Bank x0006 (“ <u>0006 Account</u> ”)	The 0006 Account is used by Apertor Pharmaceuticals, Inc. to hold cash at a higher interest rate.
Banc of California x.4508 (“ <u>4508 Account</u> ”)	The 4508 Account is used by Apertor Pharmaceuticals, Inc. to hold cash.

#### **IV. Bank Fees**

18. In the ordinary course, the Debtors incur periodic service charges, payment processing fees, and other fees in connection with maintaining the Cash Management System (collectively, the “Bank Fees”). The Debtors incur between approximately \$2,000 and \$2,500 in

Bank Fees each month under the Cash Management System in the aggregate. Of that amount, Banc of California charged a fee of \$23,071 in 2025 with respect to the Standby LOC Account and a \$235 annual fee with respect to the Credit Card LOC Account, with the remainder varying based on the number of incoming and outgoing transactions each month. The Debtors estimate that there are no pre-petition Bank Fees remain outstanding as of the Petition Date. To ensure continued access to their Bank Accounts without disruption, the Debtors' seek authority to pay any such due and owing Bank Fees, including pre-petition Bank Fees, in the ordinary course on a post-petition basis, consistent with historic practice.

**V. Compliance with U.S. Trustee Guidelines and the Bankruptcy Code.**

19. The Cash Management Banks, except for Eastern Bank, are designated as authorized depositories in the District of Delaware by the Office of the United States Trustee (the "U.S. Trustee"), pursuant to the *Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees* (the "U.S. Trustee Guidelines"). Eastern Bank, for its part, is a well-capitalized and financially stable financial institution that is insured by the Federal Deposit Insurance Corporation (the "FDIC"), and the balance in that account of \$36,045.75 is well below the FDIC insurance limit of \$250,000. Therefore maintenance of this bank account will not jeopardize any party in interest.

20. Requiring the Debtors to transfer the cash funds held at Eastern Bank would place a needless administrative and financial burden on the Debtors, imposing unnecessary and avoidable costs on the Debtors' estates to the detriment of their efforts to maximize value for stakeholders. The Debtors will reach out to authorized depositories to find suitable replacement banks. In the event that any of the Bank Accounts cease to comply with, or do not comply with, the requirements of section 345(b) of the Bankruptcy Code during the Chapter 11 Cases, the Debtors request that the Court either (a) provide the Debtors with 45 days without prejudice to



seeking an additional extension from the entry of the Interim Order, to bring the Bank Accounts into compliance with section 345(b) of the Bankruptcy Code or (b) to seek appropriate relief from the Court.

## **VI. Intercompany Transactions.**

### **A. Overview.**

21. The Debtors maintain relationships with each other (the “Intercompany Transactions”) resulting in intercompany receivables and payables in the ordinary course of business (the “Intercompany Balances”). Specifically, pursuant to the *First Amended and Restated Limited Partnership Agreement* of Apple Tree Partners IV, L.P. (the “Partnership”), as amended from time to time, Apple Tree Life Sciences, Inc. receives an annual fee (“ATLS Fee”). From the ATLS Fee, Apple Tree Life Sciences, Inc. pays: (i) compensation and benefits for employees; (ii) all facilities and related overhead expenses, (iii) for office supplies, equipment, information technology support, and software; (iv) publications, dues, and charitable contributions; (v) for public relations, marketing, and advertising; (vi) travel; and (vii) capital expenditures. Generally speaking, the Partnership is responsible for all of the other reasonable expenses of the Partnership.

22. In connection with the daily operation of the Cash Management System, as funds are swept and disbursed throughout the Cash Management System and as business is transacted between the Debtors, at any given time there may be Intercompany Balances owing. Certain Intercompany Balances are settled in cash while others are reflected as journal entry receivables and payables, as applicable. The Debtors track all fund transfers through their accounting system and can ascertain, trace, and account for all Intercompany Transactions. If the Intercompany Transactions were to be discontinued, the Cash Management System and the Debtors’ operations

would be disrupted unnecessarily to the detriment of the Debtors, their creditors, and other stakeholders.<sup>3</sup>

**B. Importance of the Intercompany Transactions.**

23. The Debtors' ability to engage in Intercompany Transactions is essential to the smooth and uninterrupted operation of the Debtors' business. The Intercompany Transactions are crucial for the Debtors to operate. The Debtors would be unduly burdened both financially and logistically if they were required to halt or otherwise modify the Intercompany Transactions at this time. As a practical matter, deconsolidation likely would require extensive renegotiation with and outreach to vendors and other third parties. Hasty changes to this established system likely would disrupt the Debtors' ability to timely and properly process receivables and payables.

24. Moreover, the Intercompany Transactions are comparable to those of other companies with similarly complex corporate structures and operate in a fashion typical of other venture capital enterprises. Importantly, all Intercompany Transactions can be, and will be, tracked on a post-petition basis, and fully subject to monthly reviews by the Debtors. Any discrepancies can, and will be, addressed consistent with past practice.

**VII. Corporate Cards.**

25. As part of the Cash Management System, Debtor Apple Tree Life Sciences, Inc. has provided five (5) employees with corporate credit cards and one (1) general accounts payable credit card issued by Banc of California, and one (1) employee credit card and one (1) general accounts payable credit card issued by Brex (the "ATLS Cards") to cover legitimate business

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<sup>3</sup> This Motion provides an overview of the Debtors' typical Intercompany Transactions. The relief requested herein is applicable with respect to all Intercompany Transactions and is not limited to those Intercompany Transactions described in this Motion. To the extent that there are any outstanding pre-petition obligations related to Intercompany Transactions not described herein, the Debtors, out of an abundance of caution, seek authority to honor such obligations.

expenses, including related to information technology, marketing, and business development, incurred in the ordinary course of the Debtors' business. Debtor Initial Therapeutics, Inc. has provided three (3) employees with corporate credit cards issued by Ramp ("Initial Cards"), Debtor Red Queen Therapeutics, Inc. has provided one (1) employee with a corporate credit card ("Red Queen Card"), Debtor Marlinspike Therapeutics, Inc. has one (1) general accounts payable credit card ("Marlinspike Card"), and Debtor Apertor Pharmaceuticals, Inc. has provided two (2) employees with a corporate credit card ("Apertor Cards", and with the ATLS Cards, the Initial Cards, the Marlinspike Card, and the Apertor Cards, the "Corporate Cards").

26. Historically, Debtor Apple Tree Life Sciences, Inc. accrued and paid approximately \$55,166 per month on account of the ATLS Cards, which hold a \$100,000 aggregate credit limit. The Initial Cards hold a \$500,000 aggregate credit limit, and Debtor Initial Therapeutics, Inc. has historically paid and accrued approximately \$3,600 per month on account of the Initial Cards.

27. As of the Petition Date, the ATLS Cards hold a balance of approximately \$(834.87). The Initial Cards hold a balance of approximately \$1,505.94. The Red Queen Card has a balance of under \$500, the Marlinspike Card has no current balance, and the current balance on the Apertor Cards is approximately \$2,089.63.

28. The costs incurred through use of the Corporate Cards are billed directly to the Debtors and do not pass through the applicable employee's personal financial account. The Corporate Card payments are paid on a monthly basis.

29. The Corporate Cards are an integral part of the Debtors' cash management and account functions. The ability of the Debtors to use the Corporate Cards on a go-forward basis is essential to the continued operation of the Debtors' business and the corporate administration thereof in order for the relevant employees and vendors to have assurance that they will be able to

purchase certain business expenses without having to seek reimbursement from their own account or otherwise seek proper remittance. Accordingly, the Debtors' inability to maintain the Corporate Cards would result in unnecessary hardship on the continued operation of the Debtors' business. Out an abundance of caution, the Debtors seek authorization to continue honoring obligations in relation to the Corporate Cards on a post-petition basis in the ordinary course of business.

### **BASIS FOR RELIEF**

#### **I. Maintaining the Existing Cash Management System Is Essential to Maximizing the Value of the Debtors' Estates.**

30. The U.S. Trustee Guidelines require debtors in possession to, among other things: (a) close all existing bank accounts and open new debtor-in-possession bank accounts; (b) establish one debtor-in-possession account for all estate monies required for the payment of taxes, including payroll taxes; (c) physically set aside all monies required by law to be withheld from employees or collected from others for taxes; (d) open a new set of books and records as of the commencement date of the case; (e) use new business forms indicating the debtor-in-possession status of the chapter 11 debtor; and (f) make all disbursements of estate funds by check with a notation representing the reason for the disbursement. *See* U.S. Trustee Guidelines. These requirements are designed to provide a clear line of demarcation between pre-petition and post-petition transactions and operations and to prevent inadvertent payment of pre-petition claims. Considering, however, the complex Cash Management System that the Debtors have in place for the transfer and distribution of funds, which ties into the Debtors' existing corporate accounting and cash forecasting reporting, enforcement of this provision of the U.S. Trustee Guidelines during these Chapter 11 Cases would disrupt the Debtors' ability to efficiently administer these Chapter 11 Cases.

31. Continuation of the Cash Management System is nevertheless permitted pursuant to section 363(c)(1) of the Bankruptcy Code, which authorizes the debtor in possession to “use property of the estate in the ordinary course without notice or a hearing.” 11 U.S.C. § 363(c)(1). *See, e.g., Med. Malpractice Ins. Ass’n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 384 (2d Cir. 1997) (“Section 363(c)(1) of the Bankruptcy Code authorizes a debtor-in-possession to enter into transactions involving property of the estate within the ordinary course of business without notice or a hearing.”); *In re Enron Corp.*, No. 01-16034 (AJG), 2003 WL 1562202, at \*15 (Bankr. S.D.N.Y. Mar. 21, 2003) (stating same). Included within the purview of section 363(c) of the Bankruptcy Code is a debtor’s ability to continue the “routine transactions” necessitated by a debtor’s cash management system. *In re Frigitemp Corp.*, 34 B.R. 1000, 1010 (S.D.N.Y. 1983), *aff’d*, 753 F.2d 230 (2d Cir. 1985); *see also Amdura Nat’l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996).

32. Additionally, courts have noted that an integrated cash management system “allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash.” *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff’d in part and rev’d in part*, 997 F.2d 1039 (3d Cir. 1993). The United States Court of Appeals for the Third Circuit has agreed, emphasizing that requiring a debtor to maintain separate accounts “would be a huge administrative burden and economically inefficient.” *Columbia Gas*, 997 F.2d at 1061; *see also In re Southmark Corp.*, 49 F.3d 1111, 1114 (5th Cir. 1995) (finding that a cash management system allows a debtor “to administer more efficiently and effectively its financial operations and assets”). Bankruptcy courts routinely treat requests for authority to continue utilizing existing cash management systems as a

relatively “simple matter.” *See In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987).

33. Courts in this District regularly grant chapter 11 debtors the same or similar relief as requested in this Motion. *See, e.g., In re Brightmark Plastics Renewal LLC*, No. 25-10472 (LSS) (Bankr. D. Del. Apr. 10, 2025) (authorizing debtors to continue to operate their prepetition cash management system); *In re Nikola Corp.*, No. 25-10258 (TMH) (Bankr. D. Del. Feb. 20, 2025) (same); *In re Zurvita Holdings, Inc.*, No. 24-12823 (MFW) (Bankr. D. Del. Jan. 16, 2025) (same); *In re Biolase, Inc.*, No. 24-12245 (KBO) (Bankr. D. Del. Oct. 25, 2024) (same); *In re CalAmp Corp.*, No. 24-11136 (LSS) (Bankr. D. Del. June 26, 2024) (same); *In re Supply Source Enters., Inc.*, No. 24-11054 (BLS) (Bankr. D. Del. June 13, 2024) (same); *In re Ambri Inc.*, No. 24-10952 (LSS) (Bankr. D. Del. May 28, 2024) (same); *In re Restoration Forest Prods. Group, LLC*, No. 24-10120 (KBO) (Bankr. D. Del. Feb. 22, 2024) (same).

34. Here, the Debtors satisfy the standards for maintaining their existing Cash Management System and respectfully request that the Court allow them to continue operating each of the Bank Accounts identified on **Exhibit 2** annexed to Exhibit A and Exhibit B attached hereto. The Bank Accounts will be maintained in the ordinary course as they were before the Petition Date and are necessary to conduct the Debtors’ routine pre-petition transactions and, as such, the Debtors believe the continued use of the Cash Management System falls within the purview of ordinary course transactions permitted under Bankruptcy Code section 363(c)(1). As noted in the cases above, maintaining the Cash Management System and Bank Accounts allows efficient utilization of the Debtors’ cash resources and will enable the Debtors’ businesses to continue operating. The relief requested in this Motion will help minimize any disruption in the Debtors’ business operations during these Chapter 11 Cases and preserve the value of the Debtors’ estates.

**II. Maintaining the Existing Cash Management System Will Not Harm Parties-in-Interest.**

35. The Debtors' continued use of their Cash Management System will facilitate the Debtors' transition into chapter 11 by, among other things, avoiding administrative inefficiencies, expenses, and distraction associated with disrupting this system and minimizing delays in the payment of post-petition obligations. The Debtors respectfully submit that parties-in-interest will not be harmed by the Debtors' maintenance of their existing Cash Management System, including maintenance of the Bank Accounts and continuance of the Intercompany Transactions, because the Debtors have developed and implemented appropriate mechanisms to ensure that unauthorized payments will not be made on account of obligations incurred before the Petition Date. Specifically, with the assistance of their advisors, the Debtors have implemented internal control procedures that prohibit payments on account of pre-petition debts without the prior approval of the Debtors' accounting department. In light of such protective measures, the Debtors submit that maintaining the Cash Management System is in the best interests of their estates and creditors.

**III. The Court Should Authorize the Debtors to Continue Using Their Existing Business Forms.**

36. The Debtors use a variety of business forms in the ordinary course of business, including, among others, checks, invoices and letterhead (the "Business Forms"). The U.S. Trustee Guidelines require a debtor in possession to immediately obtain new checks printed with the designation "debtor in possession" and the corresponding number of the lead bankruptcy case. To avoid unnecessary expense and further disruption of the Cash Management System, the Debtors request authorization to continue to use their existing Business Forms substantially in the forms existing immediately before the Petition Date, without reference to its status as a debtor in possession. The Debtors will communicate with their vendors and counterparties with whom the

Debtors conduct business to notify them of the commencement of these Chapter 11 Cases, which the Debtors believe will provide adequate notice of the Debtors' status as a debtor in possession.

37. Furthermore, in accordance with Local Rule 2015-1(a), to the extent the Debtors exhaust their existing supply of checks during these Chapter 11 Cases and require new checks, the Debtors will order checks with a notation indicating the designation "debtor in possession" and the corresponding number of the lead bankruptcy case for these Chapter 11 Cases. In light of these steps, the Debtors submit that parties in interest will not be prejudiced if the Debtors are authorized to continue to use their Business Forms substantially in the form existing immediately before the Petition Date.

**IV. Authorizing the Debtors to Continue Using Debit, Wire, and ACH Transfers Is Warranted.**

38. The Debtors request that the Court grant further relief from the U.S. Trustee Guidelines to the extent they require the Debtors to make all disbursements by check. The U.S. Trustee Guidelines require that all receipts and all disbursements of estate funds must be made by check with a notation representing the reason for the disbursement. The Debtors conduct a large number of transactions on a daily basis through automated clearinghouse ("ACH") transfers and other similar methods. If the Debtors' ability to conduct transactions by debit, wire, ACH transfer, or other similar methods is impaired, the Debtors' day-to-day activities may be unnecessarily disrupted, and the estates will incur additional costs. Therefore, the Debtors submit that authorizing the continuation of using debit, wire, and ACH transfers is warranted.

**V. Authorizing the Banks to Continue to Maintain, Service, and Administer the Bank Accounts in the Ordinary Course is Warranted.**

39. The Debtors respectfully request that the Court authorize the Banks to continue to maintain, service, and administer the Bank Accounts, without interruption and in the ordinary course. In this regard, the Debtors request that, the Banks be authorized to (a) receive, process,



honor, and pay any and all checks, ACH transfers, and other instructions and drafts payable through, drawn, or directed on such Bank Accounts after the Petition Date by holders, makers, or other parties entitled to issue instructions with respect thereto; (b) accept and honor all representations from the Debtors as to which checks, drafts, wires, or ACH transfers should be honored or dishonored consistent with any order of the Court and governing law, whether such checks, drafts, wires, or ACH transfers are dated before or subsequent to the Petition Date; and (c) continue to charge the Debtors the Bank Fees and charge-back returned items to the Bank Accounts, whether such items are dated before, on, or subsequent to the Petition Date, in the ordinary course.

40. The Debtors also request that to the extent a Bank honors a pre-petition check or other item drawn on any account either: (a) at the direction of the Debtors; (b) in a good-faith belief that the Court has authorized such pre-petition check or item to be honored; or (c) as a result of an innocent mistake made despite implementation of customary item handling procedures, such Bank will not be deemed to be liable to the Debtors or to the estates on account of such pre-petition check or other item honored post-petition. This is reasonable and appropriate because the Banks are not in a position to independently verify or audit whether a particular item may be paid in accordance with a Court order or otherwise. The Debtors also request that the Court authorize the Debtors to pay any pre-petition Bank Fees for pre-petition transactions that are charged post-petition.

**VI. The Court Should Authorize the Debtors to Continue Conducting Intercompany Transactions in the Ordinary Course and Grant Administrative Expense Status to Post-petition Intercompany Balances Among the Debtors.**

41. The Debtors' funds move through the Cash Management System as described above. At any given time, there may be Intercompany Balances owing. Intercompany

Transactions are made in the ordinary course as part of the Cash Management System.<sup>4</sup> The Debtors track all fund transfers in their accounting system and can ascertain, trace, and account for all Intercompany Transactions previously described. The Debtors, moreover, will continue to maintain records of such Intercompany Transactions.

42. If the Intercompany Transactions were to be discontinued, the Cash Management System and related administrative controls could be disrupted to the Debtors' and the estates' detriment. In addition, a number of critical services would be interrupted. The Debtors respectfully request the authority to continue conducting the Intercompany Transactions in the ordinary course of business without need for further Court order.

**VII. Cause Exists for Waiving the U.S. Trustee Guidelines Regarding Authorized Depositories on an Interim and Final Basis.**

43. The Debtors seek a waiver of the deposit and investment requirements set forth in section 345 of the Bankruptcy Code.

44. Section 345(a) of the Bankruptcy Code governs a debtor's cash deposits during a chapter 11 case and authorizes deposit or investment of money of estates, such as cash, as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." For deposits that are not "insured or guaranteed by the United States or by a department, agency or instrumentality of the United States or backed by the full faith and credit of the United States," section 345(b) of the Bankruptcy Code provides that the estate must require from the entity with which the money is deposited or invested a bond in favor of the United States

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<sup>4</sup> Because the Debtors engage in Intercompany Transactions on a regular basis and such transactions are common among enterprises like it, the Debtors submit that the Intercompany Transactions are ordinary course transactions within the meaning of section 363(c)(1) of the Bankruptcy Code and, thus, do not require the Court's approval. Nonetheless, out of an abundance of caution, the Debtors seek express authority to engage in such transactions on a post-petition basis. Moreover, the continued performance of the ordinary course Intercompany Transactions is integral to ensure the Debtors' ability to operate their businesses as debtors in possession.

secured by the undertaking of a corporate security, “unless the court for cause orders otherwise.” Additionally, under the U.S. Trustee Guidelines, debtors in possession must, among other things, close pre-petition bank accounts and open new “debtor in possession” operating, payroll, and tax accounts at one or more approved depositories.

45. Courts may waive compliance with the Bankruptcy Code section 345 and the U.S. Trustee Guidelines for “cause.” In evaluating whether “cause” exists, courts have considered a number of factors such as:

- (1) the sophistication of the debtor’s business;
- (2) the size of the debtor’s business operations;
- (3) the amount of the investments involved;
- (4) the bank ratings (Moody’s and Standard & Poor) of the financial institutions where the debtor in possession funds are held;
- (5) the complexity of the case;
- (6) the safeguards in place within the debtor’s own business for ensuring the safety of the funds;
- (7) the debtor’s ability to reorganize in the face of a failure of one or more of the financial institutions;
- (8) the benefit to the debtor;
- (9) the harm, if any, to the debtor;
- (10) the harm, if any, to the estate; and
- (11) the reasonableness of the debtor’s request for relief from section 345(b) requirements in light of the overall circumstances of the case.

*See In re Serv. Merch. Co., Inc.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999); *In re King Mountain Tobacco Co., Inc.*, 623 B.R. 323, 332-33 (Bankr. E.D. Wash. 2020) (authorizing the debtors to use existing cash management systems even though banks were not approved depositories).

46. Because the Bank Accounts are vital to the Cash Management System, requiring the Debtors to transfer funds to other banks would be unduly burdensome to the Debtors' operations and potentially cause severe tax consequences to the detriment of the Debtors' estates. In addition, the Eastern account is maintained at a well-capitalized, highly-rated FDIC-insured bank, and the balance in that account is well below the FDIC insurance limit. The Debtors therefore believe that this account provides protections that are comparable to those contemplated by section 345 of the Bankruptcy Code. Therefore, the Debtors submit that cause exists to waive the U.S. Trustee Guidelines and allow the Debtors to continue to maintain the Bank Accounts in the ordinary course of business.

47. To allay the concerns addressed by section 345(b) of the Bankruptcy Code, the Debtors will engage with the U.S. Trustee in good faith discussion to determine potential modifications to the Debtors' Cash Management System.

**THE REQUIREMENTS OF BANKRUPTCY RULE 6003 ARE SATISFIED**

48. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the Petition Date if the "relief is needed to avoid immediate and irreparable harm." As set forth in this Motion, the Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations and that any delay in granting the relief requested could hinder the Debtors operations and cause irreparable harm. Furthermore, the failure to receive the requested relief during the first 21 days of these Chapter 11 Cases would severely disrupt the Debtors' operations at this critical juncture. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 to support the relief requested herein.

**WAIVER OF BANKRUPTCY RULE 6004(A) AND 6004(H)**

49. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

**RESERVATION OF RIGHTS**

50. Nothing contained in this Motion or any actions taken pursuant to any order granting the relief requested by this Motion is intended or should be construed as (a) an admission as to the validity of any particular claim against the Debtors, (b) a waiver of the Debtors' rights to dispute any particular claim on any grounds, (c) a promise or requirement to pay any particular claim, (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion, (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code, (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law, or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

**NOTICE**

51. The Debtors will provide notice of this Motion to the following parties and/or their respective counsel, as applicable: (a) the United States Trustee for the District of Delaware; (b) the

holders of the 20 largest unsecured claims against the Debtors (on a consolidated basis); (c) the United States Attorney's Office for the District of Delaware; (d) the Internal Revenue Service; (e) the attorneys general in the states where the Debtors conduct their business operations; (f) the Cash Management Banks; and (g) any party that has requested notice pursuant to Bankruptcy Rule 2002. Given that this Motion seeks "first day" relief, within forty-eight (48) hours of the entry of an order granting this Motion, the Debtors will serve copies of this Motion and any order entered with respect to this Motion as required by Local Rule 9013-1(m). The Debtors respectfully submit that, in light of the relief requested, no further notice is necessary.

**NO PRIOR REQUEST**

52. No prior request for the relief sought in this Motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court (a) enter the Interim Order, substantially in the form attached hereto as **Exhibit A**, (b) enter the Final Order, substantially in the form attached hereto as **Exhibit B**, and (c) grant such other and further relief as is just and proper.

*[Remainder of Page Intentionally Left Blank]*

Dated: December 15, 2025  
Wilmington, Delaware

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Respectfully submitted,

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*Proposed Counsel to the Debtors and Debtors in Possession*

**EXHIBIT A**



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

Apple Tree Life Sciences, Inc., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-12177 (LSS)

(Joint Administration Requested)

Re: Docket No. \_\_

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE  
TO OPERATE THEIR CASH MANAGEMENT SYSTEM, (B) HONOR  
CERTAIN PRE-PETITION OBLIGATIONS RELATED THERETO, AND  
(C) CONTINUE TO PERFORM INTERCOMPANY TRANSACTIONS,  
(II) GRANTING ADMINISTRATIVE EXPENSE STATUS TO POST-PETITION  
INTERCOMPANY BALANCES, AND (III) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”): (a) authorizing, but not directing, the Debtors to (i) continue to operate their cash management system (the “Cash Management System”); (ii) honor certain pre-petition obligations related thereto; and (iii) continue to perform Intercompany Transactions consistent with historical practice; (b) granting administrative expense status to post-petition intercompany balances; and (c) scheduling a final hearing to consider approval of the Motion on a final basis, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, entered February 29, 2012; and that this Court having the power

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

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that proper and adequate notice of the Motion and the relief requested therein has been provided in accordance with the Bankruptcy Rules and the Local Rules, and that, except as otherwise ordered herein, no other or further notice is necessary; and objections (if any) to the Motion having been withdrawn, resolved or overruled on the merits; and a hearing having been held to consider the relief requested in the Motion and upon the record of the hearing and all of the proceedings had before this Court; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

**IT IS HEREBY ORDERED THAT**

1. The Motion is granted on an interim basis as set forth herein.
2. The final hearing with respect to this Motion shall be held on \_\_\_\_\_, **2026** at \_\_:\_\_\_.m (**prevailing Eastern Time**). Any objections or responses to entry of the proposed Final Order shall be filed on or before \_\_:\_\_\_.m. (**prevailing Eastern Time**) on \_\_\_\_\_, **2025** and served on the following parties: (a) proposed co-counsel to the Debtors, (i) Quinn Emanuel Urquhart & Sullivan, LLP, 700 Louisiana Street, Suite 3900, Houston, TX 77002, Attn: Patricia B. Tomasco (pattytomasco@quinnemanuel.com), (ii) Quinn Emanuel Urquhart & Sullivan, LLP, 865 S. Figueroa Street, 10<sup>th</sup> Floor, Los Angeles, CA 90017, Attn: Eric D. Winston (ericwinston@quinnemanuel.com), and (iii) Potter Anderson & Corroon LLP, Hercules Plaza, 1313 North Market Street, 6th Floor, Wilmington, DE 19801, Attn: L. Katherine Good (kgood@potteranderson.com) and Brett M. Haywood (bhaywood@potteranderson.com); (b)

counsel to any statutory committee appointed in these Chapter 11 Cases; (c) the U.S. Trustee, 844 King Street, Suite 2207, Wilmington, DE 19801, Attn: Megan Seliber (megan.seliber@usdoj.gov) and Hannah McCollum (hannah.mccollum@usdoj.gov); and (d) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002. If no objections are timely filed, this Court may enter the Final Order without further notice or hearing.

3. The Debtors are authorized, on an interim basis and in their sole discretion, to: (a) continue operating the Cash Management System, substantially as illustrated on Exhibit 1 attached hereto; (b) honor their pre-petition obligations related thereto; and (c) continue to perform Intercompany Transactions consistent with historical practice.

4. The Debtors are authorized, on an interim basis, to: (a) continue to use, with the same account numbers, the Bank Accounts in existence as of the Petition Date, including those Bank Accounts identified on Exhibit 2 attached hereto; (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (c) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, and other debits; (d) pay all pre-petition Bank Fees; and (e) pay any ordinary course Bank Fees incurred in connection with the Bank Accounts, irrespective of whether such fees arose prior to the Petition Date, and to otherwise perform their obligations under the documents governing the Bank Accounts.

5. The Debtors are authorized, but not directed, to continue using, in their present form, the Business Forms, as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date, without reference to the Debtors' status as debtors in possession; *provided* that once the Debtors have exhausted their existing stock of Business Forms, the Debtors shall ensure that any new Business Forms are clearly labeled "Debtor-In-Possession"; *provided, further*, with respect to any Business Forms that exist or are generated

electronically, to the extent reasonably practicable, the Debtors shall ensure that such electronic Business Forms are clearly labeled “Debtor-In-Possession.”

6. The Banks at which the Bank Accounts are maintained are authorized to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession without interruption and in the ordinary course, and to receive, process, honor, and pay, to the extent of available funds, any and all checks, drafts, wires, and ACH transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be.

7. All Banks provided with notice of this Interim Order maintaining any of the Bank Accounts shall not honor or pay any bank payments drawn on the listed Bank Accounts, or otherwise issued before the Petition Date, absent further direction from the Debtors.

8. In the course of providing cash management services to the Debtors, the Banks at which the Bank Accounts are maintained are authorized, without further order of the Court, to deduct the applicable fees and expenses associated with the nature of the deposit and cash management services rendered to the Debtors, whether arising pre-petition or post-petition, from the appropriate accounts of the Debtors, and further, to charge back to, and take and apply reserves from, the appropriate accounts of the Debtors any amounts resulting from returned checks or other returned items, including returned items that result from ACH transactions, wire transfers, merchant services transactions or other electronic transfers of any kind, regardless of whether such items were deposited or transferred pre-petition or post-petition and regardless of whether the returned items relate to pre-petition or post-petition items or transfers.

9. Each Bank is authorized to debit the Debtors’ accounts in the ordinary course of business without the need for further order of the Court for: (a) all checks drawn on the Debtors’

accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (b) all checks or other items deposited in one of the Debtors' accounts with such Bank prior to the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such items prior to the Petition Date; (c) all undisputed pre-petition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System; and (d) all reversals, returns, refunds, and chargebacks of checks, deposited items, and other debits credited to Debtor's account after the Petition Date, regardless of the reason such item is returned or reversed (including, without limitation, for insufficient funds or a consumer's statutory right to reverse a charge).

10. The Debtors are authorized to open any new bank accounts or close any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; *provided* that in the event the Debtors open a new bank account they shall open one at an authorized depository and shall timely indicate the opening of such account on the Debtors' monthly operating report and shall provide five (5) days advance notice of the opening of any new bank accounts or closing of any Bank Account to the U.S. Trustee.

11. Each of the Banks may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of the Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

12. Those agreements existing between the Debtors and the Banks shall continue to govern the post-petition cash management relationship between the Debtors and the Banks, subject

to applicable bankruptcy or other law, all of the provisions of such agreements, including the termination, fee provisions, rights, benefits, offset rights and remedies afforded under such agreements shall remain in full force and effect absent further order of the Court or, with respect to any such agreement with any Bank (including, for the avoidance of doubt, any rights of a Bank to use funds from the Bank Accounts to remedy any overdraft of another Bank Account to the extent permitted under the applicable deposit agreement), unless the Debtors and such Bank agree otherwise, and any other legal rights and remedies afforded to the Banks under applicable law shall be preserved, subject to applicable bankruptcy law.

13. The requirement to establish separate bank accounts for cash collateral and/or tax payments is hereby waived.

14. Notwithstanding anything to the contrary set forth herein, the Debtors are authorized, but not directed, to continue Intercompany Transactions arising from or related to the operation of their businesses in the ordinary course; *provided* that each Debtor shall (a) continue to pay its own obligations consistent with such Debtor's past practice with respect to Intercompany Transactions and related obligations, and in no event shall any of the Debtors pay for the pre-petition or post-petition obligations incurred or owed by any of the other Debtors in a manner inconsistent with past practices; and (b) beginning on the Petition Date, maintain (i) current records of intercompany balances; (ii) a Debtor by Debtor summary on a monthly basis of any post-petition Intercompany Transactions involving the transfer of cash for the preceding month (to be available on the 21st day of the following month); and (iii) reasonable access to the Debtors' advisors with respect to such records.

15. All Intercompany Claims arising after the Petition Date owed by a Debtor to another Debtor under any postpetition Intercompany Transactions authorized hereunder are hereby accorded administrative expense status under section 503(b) of the Bankruptcy Code.

16. The Debtors shall maintain accurate and detailed records of all transfers, including but not limited to, Intercompany Transactions, so that all transactions may be readily ascertained, traced, recorded properly and distinguished between prepetition and post-petition transactions.

17. Notwithstanding the Debtors' use of a consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity pays those disbursements.

18. The Debtors and the Banks may, without further order of the Court, agree to and implement changes to the Cash Management System and procedures in the ordinary course of business, including, without limitation, the opening and closing of bank accounts; *provided* that in the event the Debtors open a new bank account they shall open one at an authorized depository; *provided, further*, that the Debtors shall give five (5) days' notice of the opening of any new bank accounts or closing of any Bank Account to the U.S. Trustee.

19. The Debtors are authorized to issue post-petition checks, or to effect post-petition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to pre-petition amounts owed in connection with any Bank Fees.

20. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any particular claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d)

an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens. Any payment made pursuant to this Interim Order is not intended and should not be construed as an admission as the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

21. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the pre-petition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

22. Nothing in this Interim Order shall modify or impair the ability of any party in interest to contest how the Debtors account, including, without limitation, the validity or amount set forth in such accounting for any Intercompany Transaction or Intercompany Balance. The rights of all parties in interest with the respect thereto are fully preserved.

23. The Debtors shall have thirty (30) days, without prejudice to seeking an additional extension, from the entry of this Interim Order to either come into compliance with section 345(b) of the Bankruptcy Code or to seek appropriate relief from the Court.



24. As soon as practicable after entry of this Interim Order, the Debtors shall serve a copy of this Interim Order on the Banks.

25. This Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied, and that the interim relief requested is necessary to avoid immediate and irreparable harm.

26. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

27. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

28. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

29. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

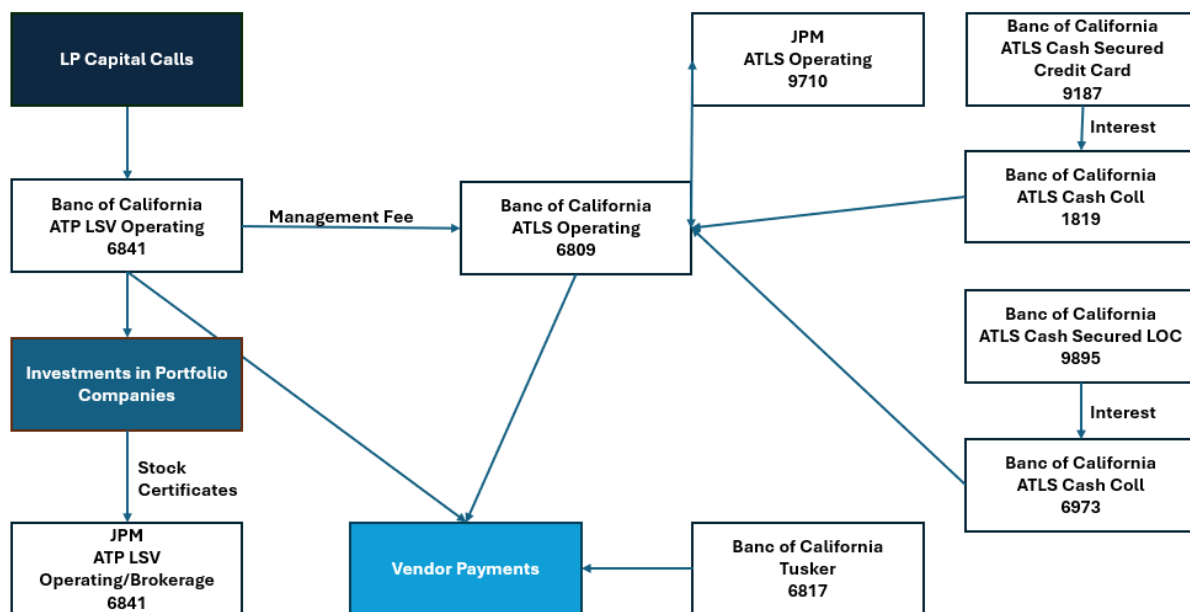
30. For banks at which the Debtors hold bank accounts that are party to a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”), within fifteen (15) days of the date of entry of this Order the Debtors shall (a) contact each bank, (b) provide the bank with each of the Debtors’ employer identification numbers and (c) identify each of their bank accounts held at such banks as being held by a debtor in possession in a bankruptcy case, and provide the case number.

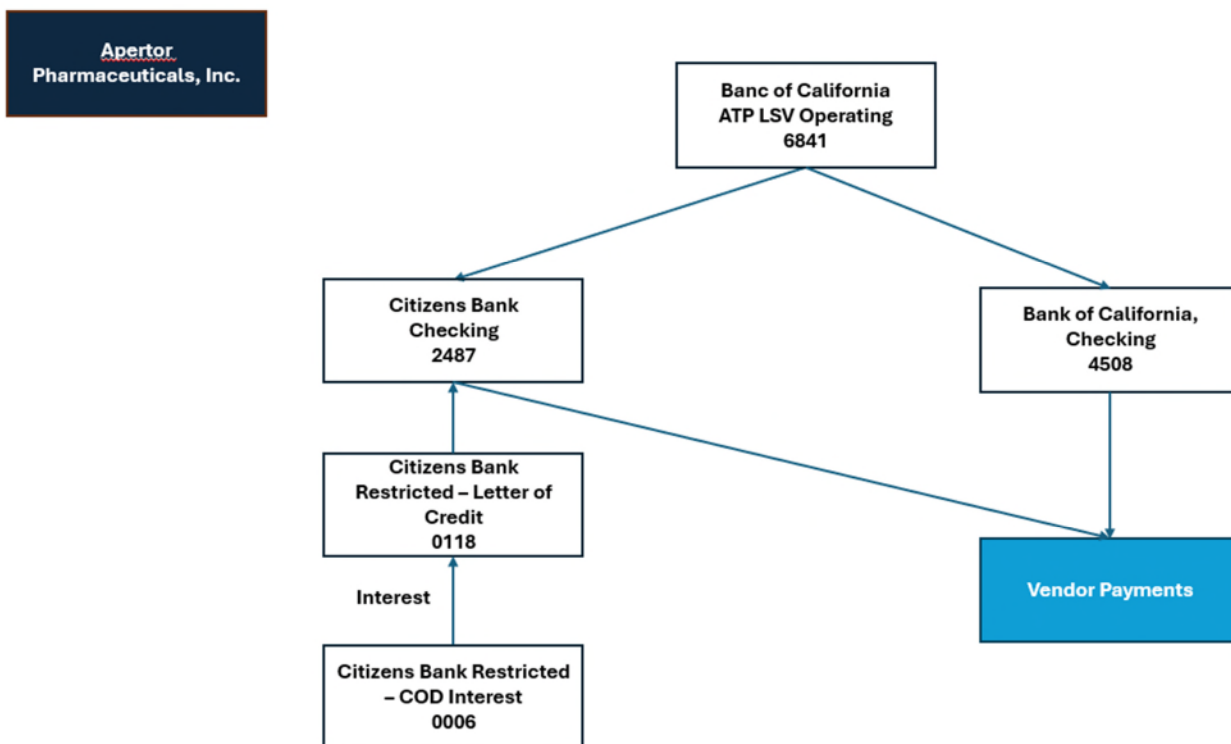
31. For banks at which the Debtors hold accounts that are not party to a Uniform Depository Agreement with the U.S. Trustee, the Debtors shall use their good-faith efforts to cause the banks to execute a Uniform Depository agreement in a form prescribed by the U.S. Trustee

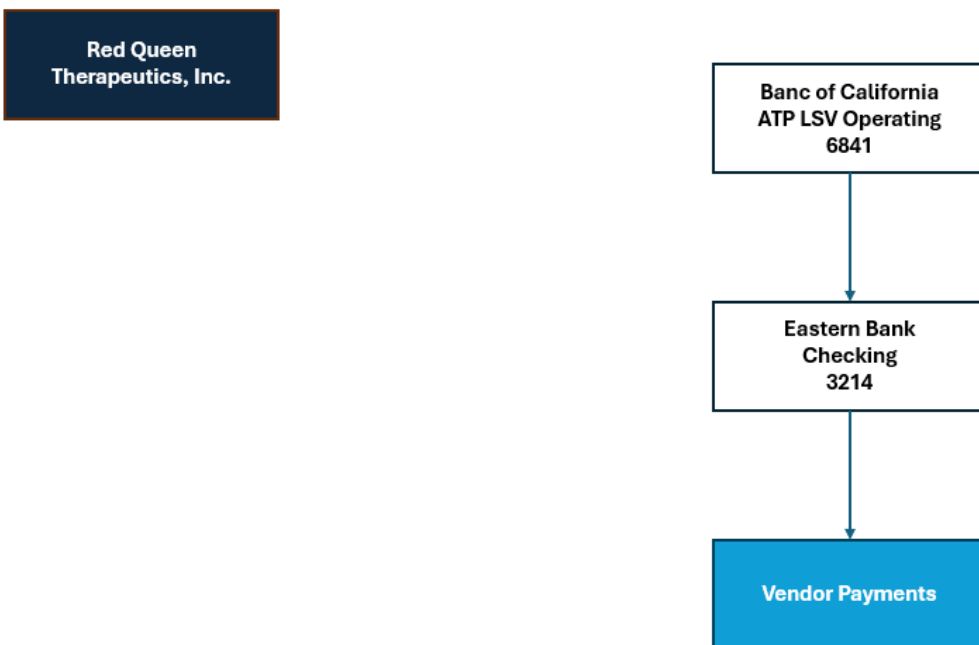
within thirty (30) days of the date of this Order. The U.S. Trustee's rights to seek further relief from this Court on notice in the event that the aforementioned banks are unwilling to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee are fully reserved.

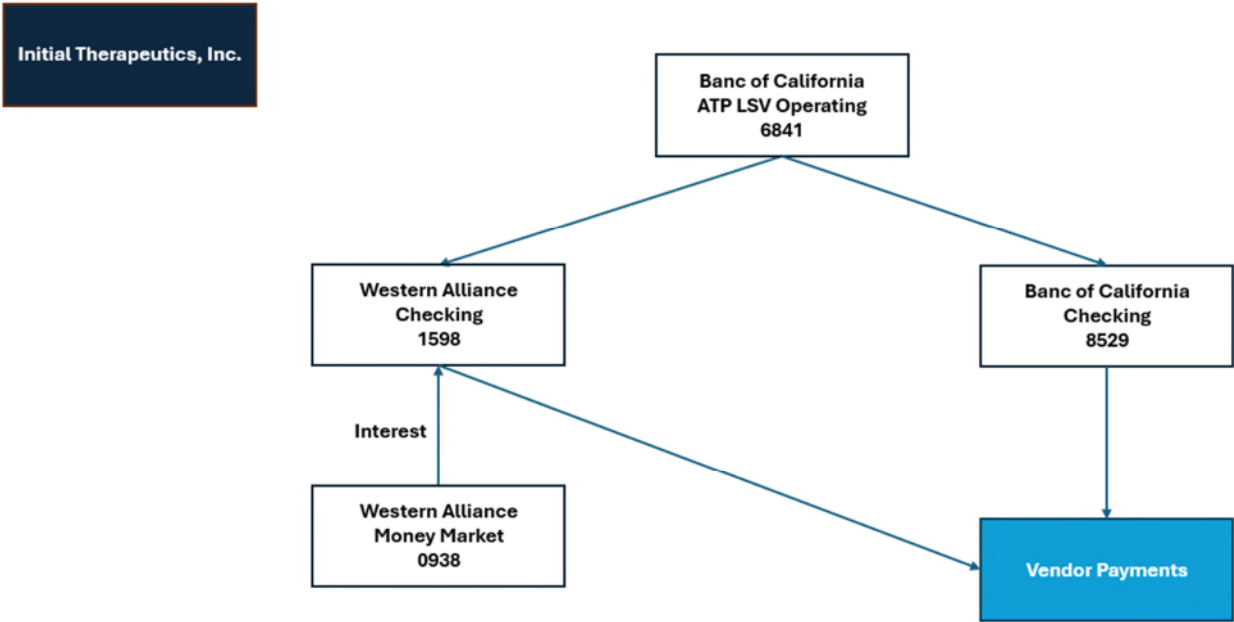
**EXHIBIT 1**

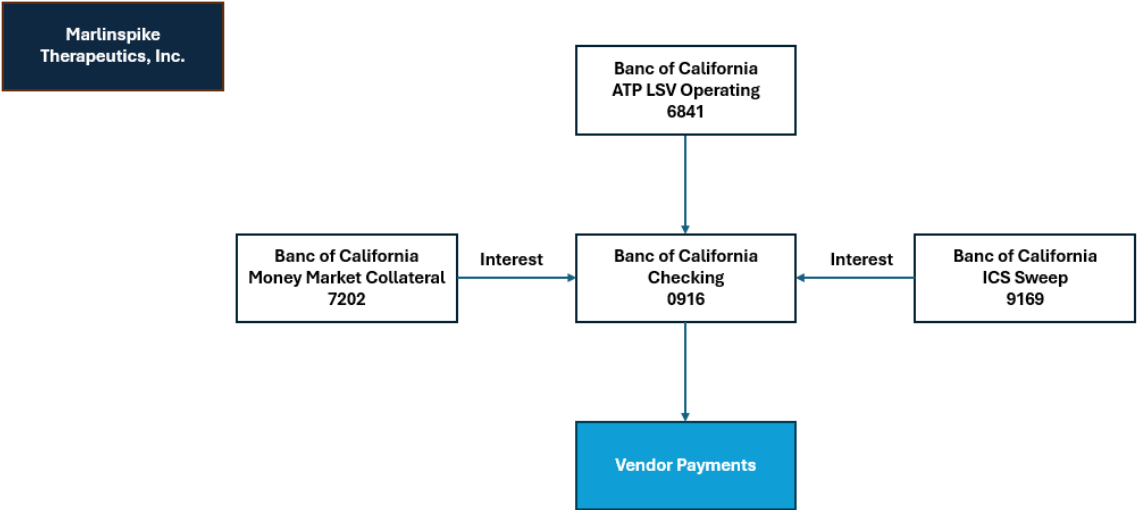
**Cash Management System Schematic**













**EXHIBIT 2**

**Bank Accounts**

<b>No.</b>	<b>Entity</b>	<b>Bank Name</b>	<b>Last Four Digits of Account Number</b>	<b>Account Type</b>
1	Apple Tree Life Sciences, Inc.	JPM	9710	Operating
2	Apple Tree Life Sciences, Inc.	Banc of California	6809	Business Checking
3	Apple Tree Life Sciences, Inc.	Banc of California	1819	Business High Yield
4	Apple Tree Life Sciences, Inc.	Banc of California	6973	Business High Yield
5	Apple Tree Life Sciences, Inc.	Banc of California	6817	Business Checking
6	Apple Tree Life Sciences, Inc.	Banc of California	9187	Secured Credit Card
7	Apple Tree Life Sciences, Inc.	Banc of California	9895	Secured Letter of Credit
8	ATP Life Science Ventures, L.P.	JPM	2650	Investment
9	ATP Life Science Ventures, L.P.	Banc of California	6841	Business Checking
10	Marlinspike Therapeutics, Inc.	Banc of California	0916	Business Checking
11	Marlinspike Therapeutics, Inc.	Banc of California	7202	Money Market Collateral
12	Marlinspike Therapeutics, Inc.	Banc of California	9169	ICS Sweep
13	Red Queen Therapeutics, Inc.	Eastern Bank	3214	Cash Management Checking
14	Initial Therapeutics Inc.	Western Alliance Bank	0938	Business Money Market
15	Initial Therapeutics Inc.	Western Alliance Bank	1598	Business Checking
16	Initial Therapeutics Inc	Banc of California	8529	Checking
17	Apertor Pharmaceuticals, Inc.	Citizens Bank	2487	Checking
18	Apertor Pharmaceuticals, Inc.	Citizens Bank	0118	Restricted Letter of Credit
19	Apertor Pharmaceuticals, Inc.	Citizens Bank	0006	Checking
20	Apertor Pharmaceuticals, Inc.	Banc of California	4508	Checking

**EXHIBIT B**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

Apple Tree Life Sciences, Inc., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-12177 (LSS)

(Joint Administration Requested)

Re: Docket Nos. \_\_ & \_\_

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE  
TO OPERATE THEIR CASH MANAGEMENT SYSTEM, (B) HONOR  
CERTAIN PRE-PETITION OBLIGATIONS RELATED THERETO, AND  
(C) CONTINUE TO PERFORM INTERCOMPANY TRANSACTIONS,  
(II) GRANTING ADMINISTRATIVE EXPENSE STATUS TO POST-PETITION  
INTERCOMPANY BALANCES, AND (III) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”): (a) authorizing, but not directing, the Debtors to (i) continue to operate their cash management system (the “Cash Management System”); (ii) honor certain pre-petition obligations related thereto; and (iii) continue to perform Intercompany Transactions consistent with historical practice; (b) granting administrative expense status to post-petition intercompany balances; and (c) scheduling a final hearing to consider approval of the Motion on a final basis, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, entered February 29, 2012; and that this Court having the power

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

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that proper and adequate notice of the Motion and the relief requested therein has been provided in accordance with the Bankruptcy Rules and the Local Rules, and that, except as otherwise ordered herein, no other or further notice is necessary; and objections (if any) to the Motion having been withdrawn, resolved or overruled on the merits; and a hearing having been held to consider the relief requested in the Motion and upon the record of the hearing and all of the proceedings had before this Court; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

**IT IS HEREBY ORDERED THAT**

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized, on a final basis, to: (a) continue operating the Cash Management System, substantially as illustrated on Exhibit 1 attached hereto; (b) honor their pre-petition obligations related thereto; and (c) continue to perform Intercompany Transactions consistent with historical practice.
3. The Debtors are authorized, on a final basis, to: (a) continue to use, with the same account numbers, the Bank Accounts in existence as of the Petition Date, including those Bank Accounts identified on Exhibit 2 attached hereto; (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (c) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, and other debits; (d) pay all pre-petition Bank Fees; and (e) pay any ordinary course Bank Fees incurred in connection with

the Bank Accounts, irrespective of whether such fees arose prior to the Petition Date, and to otherwise perform their obligations under the documents governing the Bank Accounts.

4. The Debtors are authorized, but not directed, to continue using, in their present form, the Business Forms, as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date, without reference to the Debtors' status as debtors in possession; *provided* that once the Debtors have exhausted their existing stock of Business Forms, the Debtors shall ensure that any new Business Forms are clearly labeled "Debtor-In-Possession"; *provided, further*, with respect to any Business Forms that exist or are generated electronically, to the extent reasonably practicable, the Debtors shall ensure that such electronic Business Forms are clearly labeled "Debtor-In-Possession."

5. The Banks at which the Bank Accounts are maintained are authorized to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession without interruption and in the ordinary course, and to receive, process, honor, and pay, to the extent of available funds, any and all checks, drafts, wires, and ACH transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be.

6. All Banks provided with notice of this Final Order maintaining any of the Bank Accounts shall not honor or pay any bank payments drawn on the listed Bank Accounts, or otherwise issued before the Petition Date, absent further direction from the Debtors.

7. In the course of providing cash management services to the Debtors, the Banks at which the Bank Accounts are maintained are authorized, without further order of the Court, to deduct the applicable fees and expenses associated with the nature of the deposit and cash management services rendered to the Debtors, whether arising pre-petition or post-petition, from

the appropriate accounts of the Debtors, and further, to charge back to, and take and apply reserves from, the appropriate accounts of the Debtors any amounts resulting from returned checks or other returned items, including returned items that result from ACH transactions, wire transfers, merchant services transactions or other electronic transfers of any kind, regardless of whether such items were deposited or transferred pre-petition or post-petition and regardless of whether the returned items relate to pre-petition or post-petition items or transfers.

8. Each Bank is authorized to debit the Debtors' accounts in the ordinary course of business without the need for further order of the Court for: (a) all checks drawn on the Debtors' accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (b) all checks or other items deposited in one of the Debtors' accounts with such Bank prior to the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such items prior to the Petition Date; (c) all undisputed pre-petition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System; and (d) all reversals, returns, refunds, and chargebacks of checks, deposited items, and other debits credited to Debtor's account after the Petition Date, regardless of the reason such item is returned or reversed (including, without limitation, for insufficient funds or a consumer's statutory right to reverse a charge).

9. The Debtors are authorized to open any new bank accounts or close any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; *provided that* in the event the Debtors open a new bank account they shall open one at an authorized depository and shall timely indicate the opening of such account on the Debtors' monthly operating report

and shall provide five (5) days advance notice of the opening of any new bank accounts or closing of any Bank Account to the U.S. Trustee.

10. Each of the Banks may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of the Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

11. Those agreements existing between the Debtors and the Banks shall continue to govern the post-petition cash management relationship between the Debtors and the Banks, subject to applicable bankruptcy or other law, all of the provisions of such agreements, including the termination, fee provisions, rights, benefits, offset rights and remedies afforded under such agreements shall remain in full force and effect absent further order of the Court or, with respect to any such agreement with any Bank (including, for the avoidance of doubt, any rights of a Bank to use funds from the Bank Accounts to remedy any overdraft of another Bank Account to the extent permitted under the applicable deposit agreement), unless the Debtors and such Bank agree otherwise, and any other legal rights and remedies afforded to the Banks under applicable law shall be preserved, subject to applicable bankruptcy law.

12. The requirement to establish separate bank accounts for cash collateral and/or tax payments is hereby waived.

13. Notwithstanding anything to the contrary set forth herein, the Debtors are authorized, but not directed, to continue Intercompany Transactions arising from or related to the operation of their businesses in the ordinary course; *provided* that each Debtor shall (a) continue to pay its own obligations consistent with such Debtor's past practice with respect to Intercompany



Transactions and related obligations, and in no event shall any of the Debtors pay for the pre-petition or post-petition obligations incurred or owed by any of the other Debtors in a manner inconsistent with past practices; and (b) beginning on the Petition Date, maintain (i) current records of intercompany balances; (ii) a Debtor by Debtor summary on a monthly basis of any post-petition Intercompany Transactions involving the transfer of cash for the preceding month (to be available on the 21st day of the following month); and (iii) reasonable access to the Debtors' advisors with respect to such records.

14. All Intercompany Claims arising after the Petition Date owed by a Debtor to another Debtor under any postpetition Intercompany Transactions authorized hereunder are hereby accorded administrative expense status under section 503(b) of the Bankruptcy Code.

15. The Debtors shall maintain accurate and detailed records of all transfers, including but not limited to, Intercompany Transactions, so that all transactions may be readily ascertained, traced, recorded properly and distinguished between prepetition and post-petition transactions.

16. Notwithstanding the Debtors' use of a consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity pays those disbursements.

17. Those certain existing deposit and service agreements between the Debtors and the Banks shall continue to govern the post-petition cash management relationship between the Debtor and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination, chargeback, and fee provisions, shall remain in full force and effect.

18. The Debtors and the Banks may, without further order of the Court, agree to and implement changes to the Cash Management System and procedures in the ordinary course of business, including, without limitation, the opening and closing of bank accounts; *provided* that in

the event the Debtors open a new bank account they shall open one at an authorized depository; *provided, further*, that the Debtors shall give five (5) days' notice of the opening of any new bank accounts or closing of any Bank Account to the U.S. Trustee.

19. The Debtors are authorized to issue post-petition checks, or to effect post-petition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these Chapter 11 Cases with respect to pre-petition amounts owed in connection with any Bank Fees.

20. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any particular claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens. Any payment made pursuant to this Final Order is not intended and should not be construed as an admission as the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

21. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the pre-petition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented

for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

22. Nothing in this Final Order shall modify or impair the ability of any party in interest to contest how the Debtors account, including, without limitation, the validity or amount set forth in such accounting for any Intercompany Transaction or Intercompany Balance. The rights of all parties in interest with the respect thereto are fully preserved.

23. As soon as practicable after entry of this Final Order, the Debtors shall serve a copy of this Final Order on the Banks.

24. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

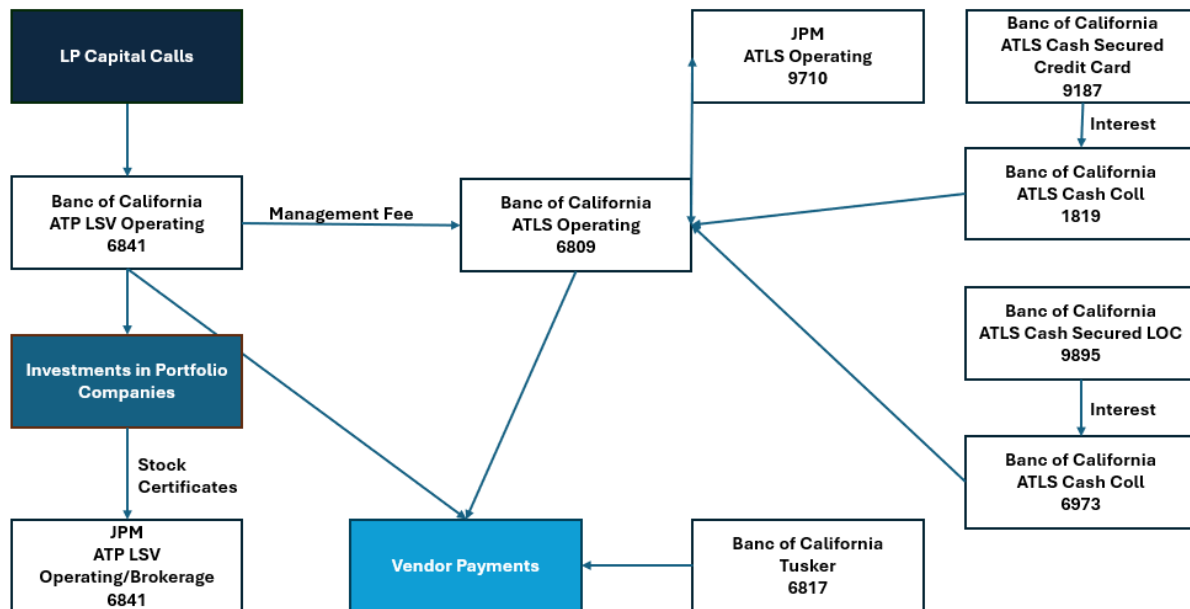
25. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

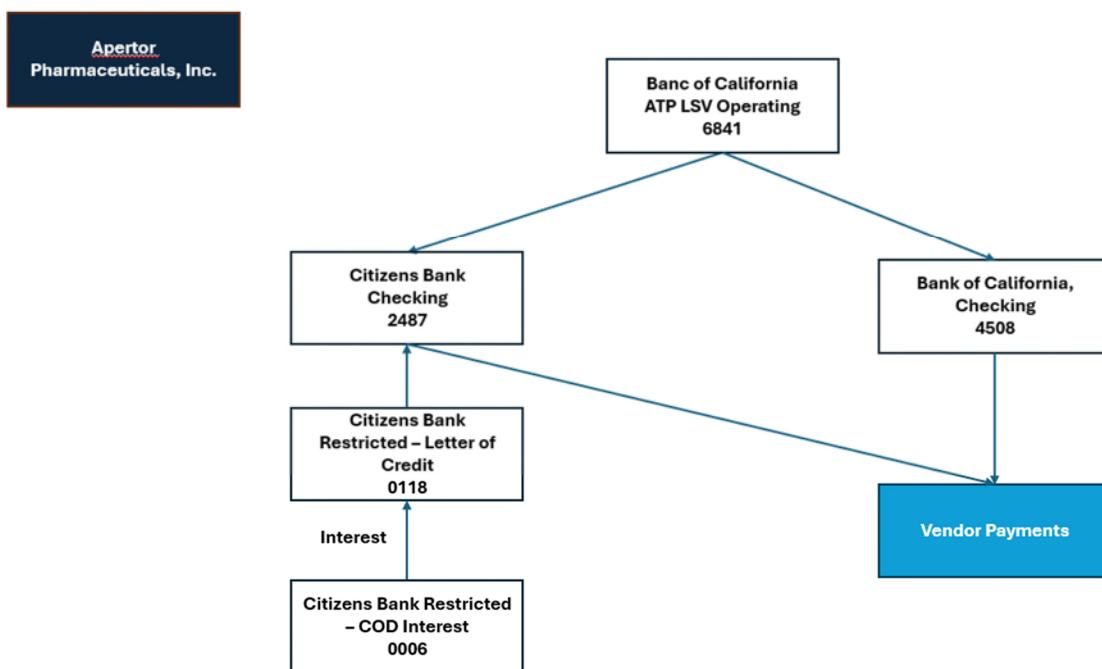
26. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

27. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

**EXHIBIT 1**

**Cash Management System Schematic**





**Red Queen  
Therapeutics, Inc.**

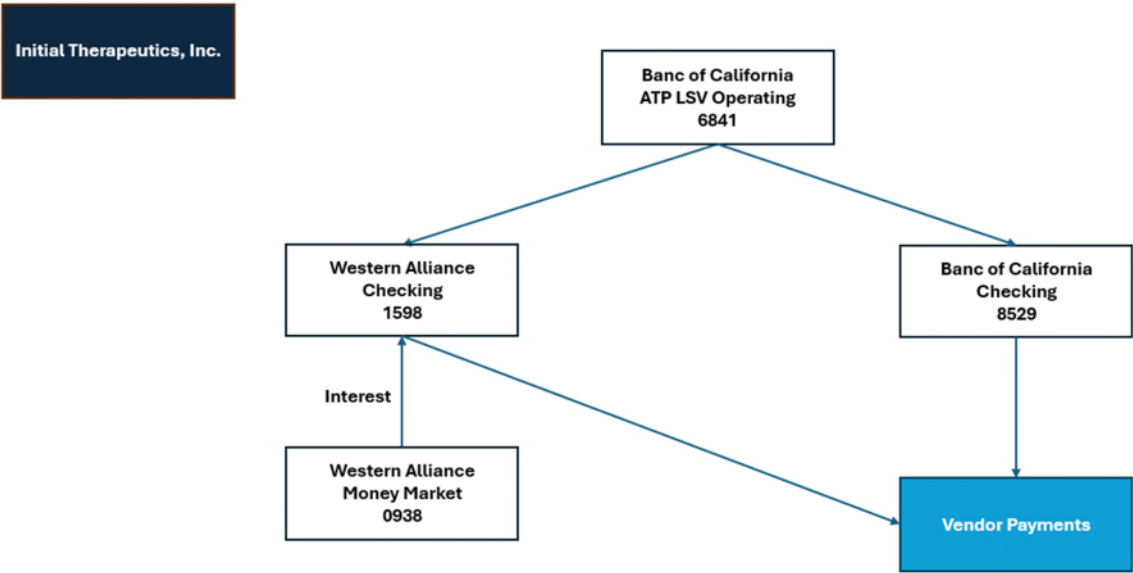
**Banc of California  
ATP LSV Operating  
6841**



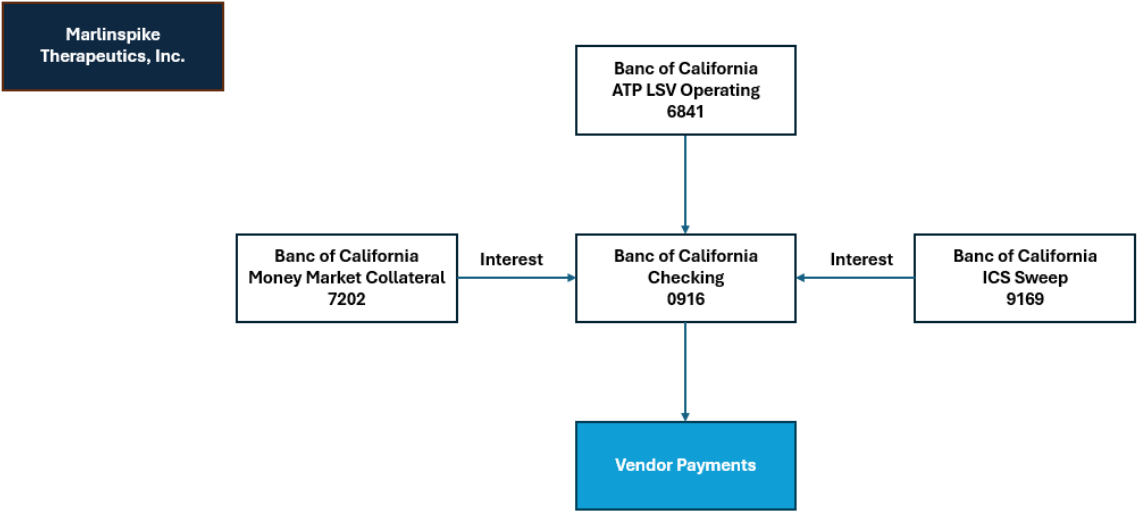
**Eastern Bank  
Checking  
3214**



**Vendor Payments**







**EXHIBIT 2**

**Bank Accounts**

<b>No.</b>	<b>Entity</b>	<b>Bank Name</b>	<b>Last Four Digits of Account Number</b>	<b>Account Type</b>
1	Apple Tree Life Sciences, Inc.	JPM	9710	Operating
2	Apple Tree Life Sciences, Inc.	Banc of California	6809	Business Checking
3	Apple Tree Life Sciences, Inc.	Banc of California	1819	Business High Yield
4	Apple Tree Life Sciences, Inc.	Banc of California	6973	Business High Yield
5	Apple Tree Life Sciences, Inc.	Banc of California	6817	Business Checking
6	Apple Tree Life Sciences, Inc.	Banc of California	9187	Secured Credit Card
7	Apple Tree Life Sciences, Inc.	Banc of California	9895	Secured Letter of Credit
8	ATP Life Science Ventures, L.P.	JPM	2650	Investment
9	ATP Life Science Ventures, L.P.	Banc of California	6841	Business Checking
10	Marlinspike Therapeutics, Inc.	Banc of California	0916	Business Checking
11	Marlinspike Therapeutics, Inc.	Banc of California	7202	Money Market Collateral
12	Marlinspike Therapeutics, Inc.	Banc of California	9169	ICS Sweep
13	Red Queen Therapeutics, Inc.	Eastern Bank	3214	Cash Management Checking
14	Initial Therapeutics Inc.	Western Alliance Bank	0938	Business Money Market
15	Initial Therapeutics Inc.	Western Alliance Bank	1598	Business Checking
16	Initial Therapeutics Inc	Banc of California	8529	Checking
17	Apertor Pharmaceuticals, Inc.	Citizens Bank	2487	Checking
18	Apertor Pharmaceuticals, Inc.	Citizens Bank	0118	Restricted Letter of Credit
19	Apertor Pharmaceuticals, Inc.	Citizens Bank	0006	Checking
20	Apertor Pharmaceuticals, Inc.	Banc of California	4508	Checking