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September 9, 2024

Honorable Vincent F. Papalia  
United States Bankruptcy Judge  
District Court of New Jersey  
50 Walnut Street - Courtroom 3B  
Newark, New Jersey 07102

**RE: Atlantic Neurosurgical Specialists PA**  
**Case # 24-15726 (VFP)**  
**Motion for D&O Insurance**  
**Hearing: September 20, 2024 at 10:00 AM**

Dear Judge Papalia:

As you know I am counsel to the debtors Atlantic Neurosurgical Specialists PA and ANS Newco LLC (the Debtors) in these jointly administered cases. There is pending before you tomorrow at 10:00 AM, Debtors' motion for permission to purchase D&O insurance for the Debtors' directors and officers with \$3,000,000 coverage for 1 year. As set forth in the Motion the existing policy of insurance will expire on September 21, 2024. The policy which the Debtors seek to put in place is a forward-looking policy and does not seek to cover claims prior to September 21, 2024. Given the contentious nature of the parties to this case, having a policy of D&O insurance is prudent. The directors and officers of the Debtors have historically always had D&O insurance. The premium cost of the policy is estimated to be \$50,000. The Debtors have sufficient funds to purchase the policy.

Counsel to Key Bank has filed an objection to the proposed policy basing its objection on the allegation that no showing of a benefit to the estate is made. Counsel is incorrect. The benefit to the estate is that the executive committee will remain in place and continue to manage the affairs of the Debtors. The policy will be an asset of the bankruptcy estates. The decision to purchase the D&O policy is a decision of the members of the Debtors' Executive Committee in the exercise of their business judgement.

The Debtors, the Committee and Key Bank are moving towards a consensual liquidating plan. Loss of management at this point will disrupt the possibility of a

consensual plan; and will not be in the best interest of the Debtors or the stakeholders in these cases.

I note that counsel to Dr. Paul Saphier has also filed a letter with the Court this morning in which he appears to be requesting that should the Court enter an order approving the Motion that the Debtors attempt to include in the policy the shareholders of the Debtors as insureds. The Debtors have not priced the cost of the additional coverage as proposed by counsel into the cost of the D&O policy. I can confirm that under the existing Argo policy for D&O coverage, other than that the shareholders may be included in the definition of employees and may have coverage to that extent, there is no endorsement as counsel alleges that would include all 8 shareholders as insureds.

For the above reasons the Debtors respectfully request that the Court overrule the objection filed by Key Bank and enter an order granting the relief sought in the Motion.

Respectfully yours,  
Greenbaum, Rowe, Smith & Davis LLP

A handwritten signature in black ink, appearing to be 'D. Bruck', with a long horizontal line extending to the right.

David L. Bruck

DLB:jaz

Enclosures

cc: Richard Bernard, Esq.  
Paul Hollander, Esq.  
Morris Bauer, Esq.  
Patricia Staiano, Esq.  
Sam Della Fera, Esq.  
Frank Velocci, Esq.  
Ryan Jareck, Esq.  
Christopher Massaro Esq.  
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Fran Steele Esq.  
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