

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

In re:	)	
	)	Chapter 11
	)	
VYAIRE MEDICAL, INC., <i>et al.</i> , ¹	)	Case No. 24-11217 (BLS)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	Re: Docket Nos. 241, 261

**ORDER AUTHORIZING DEBTORS TO (I) RETAIN AP SERVICES, LLC,
(II) DESIGNATE CHARLES BRALEY AS CHIEF RESTRUCTURING OFFICER
EFFECTIVE AS OF THE PETITION DATE, AND (III) GRANTING RELATED RELIEF**

Upon the application (the “Application”)² of the above-captioned debtors (collectively, the “Debtors”) for entry of an order (this “Order”) authorizing the Debtors to (a) retain and employ AP Services, LLC (“APS”), (b) designate Charles Braley as Chief Restructuring Officer (“CRO”), each pursuant to the terms of the engagement letter by and among the Debtors and APS, dated as of June 6, 2024 (the “Engagement Letter”) effective as of the Petition Date, and (c) granting related relief, all as more fully set forth in the Application; and upon consideration of the Braley Declaration; and the United States District Court for the District of Delaware has jurisdiction over this matter pursuant to 28 U.S.C. § 1334, which was referred to the Court under 28 U.S.C. § 157 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012, and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III

¹ The last four digits of Debtor Vyair Medical, Inc.'s federal tax identification number are 6495. A complete list of each of the Debtors in these chapter 11 cases and each such Debtor's federal tax identification number may be obtained on the website of the Debtors' claims and noticing agent at <https://omniagentsolutions.com/Vyair>. The location of Debtor Vyair Medical, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 26125 North Riverwoods Boulevard, Mettawa, Illinois, USA 60045.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

of the United States Constitution; and the Court having found that venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided to the parties listed therein; and it appearing that no other or further notice need be provided; and the Court having reviewed the Application; and the Court having held a hearing on the Application; and the Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and it appearing that the relief requested in the Application is in the best interest of the Debtors, their estates, and all parties in interest; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Application is approved as set forth in this Order.
2. Pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, the Debtors are authorized to (i) retain and employ APS and (ii) designate Charles Braley as CRO, in each instance effective as of the Petition Date, and in accordance with the terms and conditions set forth in the Engagement Letter attached to the Application as **Exhibit B**.
3. The terms of the Engagement Letter are reasonable and approved in all respects, as modified by this Order.
4. APS is authorized to apply the Retainer to satisfy any unbilled or other remaining prepetition fees and expenses that APS becomes aware of during its ordinary course billing review and reconciliation. The balance of the Retainer held by APS shall be treated as an evergreen retainer and be held by APS as security throughout these Chapter 11 Cases until APS's fees and expenses are fully paid.

5. Upon employment and retention by the Debtors, Mr. Braley shall be empowered and authorized to carry out all duties and responsibilities set forth in the Engagement Letter.

6. To the extent APS uses the services of independent contractors (the “Contractors”) in these Chapter 11 Cases, APS shall: (a) pass through the cost of such Contractors to the Debtors at the same rate that APS pays the Contractors; (b) seek reimbursement for actual costs only; (c) ensure that the Contractors are subject to the same conflict checks as required for APS; and (d) file with the Court such disclosures required by Bankruptcy Rule 2014.

7. Notwithstanding anything to the contrary in the Application or the Engagement Letter, APS’s engagement is subject to the following terms:

- a. APS and its affiliates shall not act in any other capacity (for example, and without limitation, as a financial advisor, claims agent/claims administrator, or investor/acquirer) in connection with these Chapter 11 Cases.
- b. In the event the Debtors seek to have APS Personnel assume executive officer positions that are different than the position(s) disclosed in the Application, or to materially change the terms of the engagement by either (i) modifying the functions of personnel, or (ii) altering or expanding the scope of the engagement, a motion to modify the retention shall be filed.
- c. Notwithstanding anything to the contrary contained in the Application, the Engagement Letter, or any exhibits hereto, during the course of these Chapter 11 Cases, APS will only seek reimbursement of actual and necessary expenses.
- d. APS shall file reports of compensation earned and expenses incurred on a monthly basis (“Compensation Reports”). APS may from time to time add or remove staff and, as a result, APS will also file staffing reports that will reflect the names of all full- and part-time APS Personnel involved in these Chapter 11 Cases and each individual’s hourly billing rate (“Staffing Reports” and, together with Compensation Reports, the “Staffing and Compensation Reports”). APS will provide its Staffing and Compensation Reports to: (i) the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”), (ii) counsel to the Debtors, and (iii) counsel to the Official Committee of Unsecured Creditors (the “Committee”) (the “Notice Parties”). The Notice Parties shall have fourteen days after the date each Staffing and Compensation Report is served upon them to object, and the related compensation and expenses will be subject to Court review in the event an objection is filed.

- e. APS shall append to the Staffing and Compensation Reports time records that contain detailed time entries describing the tasks performed on a daily basis and the corresponding charges (time multiplied by hourly rate) organized by project category. The time entries shall identify the time spent completing such tasks in tenth of an hour (0.1) increments and the corresponding charge (time multiplied by hourly rate) for each task (by daily project category entry).
- f. No principal, employee, or independent contractor of APS and its affiliates shall serve as a director of any of the above-captioned Debtors during the pendency of these Chapter 11 Cases.
- g. The Debtors are permitted to indemnify those persons serving as corporate officers on the same terms as provided to the Debtors' other officers and directors under the corporate bylaws and applicable state law, along with insurance coverage under the Debtors' D&O Policy.
- h. There shall be no indemnification of APS or its affiliates.
- i. The limitation of liability section in the Engagement Letter will be eliminated for the duration of these Chapter 11 Cases.
- j. Success fees, transaction fees, or other back-end fees shall be approved by the Court at the conclusion of the case on a reasonableness standard and are not being pre-approved by entry of this Order. No success fee, transaction fee, or back-end fee shall be sought upon conversion of the case, dismissal of the case for cause, or appointment of a trustee.
- k. For a period of three years after the conclusion of the engagement, neither APS nor any of its affiliates shall make any investments in the Debtors or the reorganized Debtors.
- l. APS Personnel serving as corporate officers of the Debtors shall be subject to the same fiduciary duties and obligations applicable to other persons serving in such capacity.
- m. APS shall follow the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules regarding limitations on reimbursement of expenses.
- n. APS shall make appropriate disclosures of any and all facts that may have a bearing on whether APS, its affiliates, or any individuals working on the engagement hold/represent any interest adverse to the Debtors, their creditors, or other parties in interest. The obligation to disclose identified in this subparagraph is a continuing obligation.

8. The relief granted herein shall be binding upon any chapter 11 trustee appointed in these Chapter 11 Cases, or upon any chapter 7 trustee appointed in the event of a subsequent conversion of these Chapter 11 Cases to cases under chapter 7.

9. To the extent there is any inconsistency between the terms of the Engagement Letter, the Application, and this Order, the terms of this Order shall govern.

10. APS shall use its reasonable efforts to avoid any unnecessary duplication of services provided by any retained professionals in these Chapter 11 Cases.

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

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

13. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Application.

14. The Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: July 30th, 2024
Wilmington, Delaware


BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE