

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

In re:

VYAIRE MEDICAL, INC., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 24-11217-BLS

Jointly Administered

**DECLARATION OF FRANCES THOMPSON IN SUPPORT OF  
HARTFORD FIRE INSURANCE COMPANY’S AND HARTFORD  
INSURANCE COMPANY OF THE MIDWESTS’ RESERVATION OF  
RIGHTS AND LIMITED OBJECTION TO THE DEBTORS’  
SUCCESSFUL BIDDER NOTICE (AMONG OTHER RELIEF)**

I, Frances Thompson, of full age, hereby declare as follows:

1. I am a Bond Claims Representative for Hartford Fire Insurance Company. As such, I am fully familiar with the facts contained in this Declaration.

2. I make this Declaration on behalf of Hartford Fire Insurance Company and Hartford Insurance Company of the Midwest (collectively, “Hartford” or the “Sureties”).

3. Prior to June 9, 2024 (the “Petition date”), Hartford issued the following Pharmaceutical and Customs bonds (the “Bonds”) on behalf of certain Debtors totaling \$700,000.00:

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<sup>1</sup> 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’ proposed 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.

| Principal                                         | Bond No.    | Obligee                                 | Nature of Bond      | Expiration Date | Bond Amount |
|---------------------------------------------------|-------------|-----------------------------------------|---------------------|-----------------|-------------|
| Vyaire Medical, Inc. and Vyaire Medical 211, Inc. | 20BSBAA2688 | California State Board of Pharmacy      | Pharmaceutical Bond | 04/30/2025      | \$100,000   |
| Vyaire Medical, Inc. and Vyaire Medical 211, Inc. | 20BSBIL8800 | Nevada State Board of Pharmacy          | Pharmaceutical Bond | 10/21/2024      | \$100,000   |
| Vyaire Medical, Inc.                              | 20BSBAA2687 | Maryland Board of Pharmacy              | Pharmaceutical Bond | 04/30/2025      | \$100,000   |
| Vyaire Medical, Inc.                              | 22C000T8M   | Bureau of Customs and Border Protection | Custom Duty         | 06/07/2025      | \$400,000   |

4. In connection with Hartford's execution and/or issuance of the Bonds, certain of the Debtors and/or their non-debtor affiliates as indemnitors, executed in favor of Hartford as indemnitee, General Indemnity Agreements (the "Indemnity Agreements") in which indemnitors agreed to indemnify, exonerate and hold harmless the Sureties. A redacted copy of the Indemnity Agreements are attached hereto as **Exhibit A** and **Exhibit B**.

5. The Indemnity Agreements, among other provisions, provides in pertinent part:

"Loss" means any and all payments and interest thereon from the date of payment, including but not limited to, attorney fees, court costs, and all other fees or costs, made by Hartford: (i) in the belief that it was or may be liable as a consequence of Underwriting any Bond; (ii) because of the failure of any Indemnitor or Principal to discharge its obligations under any Bond; (iii) in investigating and responding to any notice, demand, claim, suit, regulatory proceeding or request received by or made to Hartford; or (iv) in enforcing the terms and obligations of this Agreement.

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Indemnitors shall indemnify, hold harmless and exonerate Hartford from and against any and all Loss claims, demands, liabilities, expenses, suits, orders, judgments, or causes of action arising out of or related to the underwriting of any Bond.

See **Exhibit A**.

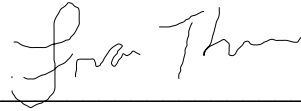
Indemnitor(s) agree to indemnify Hartford and save it harmless from any and all loss and expense of whatsoever kind or nature, including, but not limited to interest, court costs, attorney fees, incurred by Hartford in connection with or by reason of furnishing any bond hereunder. The undersigned Indemnitor(s) hereby agree to deposit upon demand with Hartford an amount sufficient to discharge any claim or any such bond, which deposit may be held by Hartford as collateral security against any loss or cost on this bond.

See **Exhibit B**.

6. Hartford has incurred attorneys' fees and costs in this matter and will continue to incur attorneys' fees and costs in this matter.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the facts set forth in the foregoing declaration are true and correct to the best of my knowledge, information, and belief.

Date: August 15, 2024

A handwritten signature in cursive script, appearing to read "Frances Thompson", written over a horizontal line.

Frances Thompson  
Bond Claims Representative