IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
VYAIRE MEDICAL, INC., *et al.*,[1]	)	Case No. 24-11217 (BLS)
Debtors.	)	(Jointly Administered)

SUMMARY COVER SHEET TO THE FIRST INTERIM FEE APPLICATION OF KIRKLAND & ELLIS LLP AND KIRKLAND & ELLIS INTERNATIONAL LLP, ATTORNEYS FOR THE DEBTORS AND DEBTORS IN POSSESSION, FOR THE INTERIM FEE PERIOD FROM JUNE 9, 2024 THROUGH AND INCLUDING AUGUST 31, 2024

Name of Applicant:	Kirkland & Ellis LLP
Authorized to Provide Professional Services to:	Debtors and Debtors in Possession
Date of Retention:	August 5, 2024 effective as of June 9, 2024
Interim Period for which Compensation and Reimbursement is Sought:	June 9, 2024 through August 31, 2024
Interim Amount of Compensation Sought as Actual, Reasonable and Necessary:[2]	$9,309,620.32
Interim Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary:	$65,000.23
Amount of Holdback Fees Sought for Applicable Period:	$1,854,922.79
Total Compensation Approved by Interim Order to Date:	$7,454,697.53

[1] The last four digits of Debtor Vyaire 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/Vyaire. The location of Debtor Vyaire 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] For the avoidance of doubt, the interim amount of compensation and the amount of holdback fees sought include the reductions agreed upon with the Office of the United States Trustee (the "U.S. Trustee").

This is a(n) ___ monthly _X_ interim ___ final application.

This Fee Application includes approximately 23 hours and $25,000.00 in fees incurred in connection with the preparation of K&E Fee Applications.

Prior Applications

		Requested		Approved	
Date Filed; Docket No.	**Period Covered**	**Fees**	**Expenses**	**Fees**	**Expenses**
8/30/2024 Docket No. 489	June 9, 2024 – June 30, 2024	$1,875,844.00	$25,041.09	$1,875,844.00	$25,041.09
10/3/2024 Docket No. 604	July 1, 2024 – July 31, 2024	$2,796,646.00	$33,951.83	$2,796,646.00	$33,951.83
10/9/2024 Docket No. 615	August 1, 2024 – August 31, 2024	$2,794,772.80	$6,007.31	$2,782,207.53	$6,007.31
Total		**$7,467,262.80**	**$65,000.23**	**$7,454,697.53**	**$65,000.23**

Summary of Hours by Attorney Billed In Interim Fee Period

Attorney Name	**Position**	**Department**	**Date of Admission**	**Hourly Billing Rate** In this Application	**Hours Billed** In this Application	**Fees Billed** In this Application
Rebecca H. Arnall	Associate	ECEB - Executive Compensation	2017	1,199.62	22.10	$26,511.50
Cooper Barghols	Associate	Corporate - General	2023	885.97	12.40	$10,986.00
Wes Benter	Associate	ECEB – Labor/ Employment	2019	1,575.00	0.50	$787.50
Samantha Bradley	Associate	Technology & IP Transactions	2019	1,345.00	7.00	$9,415.00
Chris Ceresa	Associate	Restructuring	2020	1,382.42	477.80	$660,521.00
Tiffani Chanroo	Associate	Restructuring	2021	1,319.21	328.20	$432,965.00
Kenny Chiaghana	Associate	Restructuring	2023	907.69	150.00	$136,154.00
Erica D. Clark	Associate	Restructuring	2019	1,595.00	104.90	$167,315.50
Dominique Collins	Associate	ECEB - Executive Compensation	2020	1,127.38	2.10	$2,367.50
Georgia	Associate	Litigation -	2021	1,185.00	0.90	$1,066.50

Attorney Name	Position	Department	Date of Admission	Hourly Billing Rate In this Application	Hours Billed In this Application	Fees Billed In this Application
Cooper-Dervan		General				
Joseph A. D'Antonio	Associate	Litigation - General	2021	1,210.21	12.10	$14,643.50
Jaina Desai	Associate	Restructuring	2023	937.86	519.60	$487,314.00
Shareen Dhillon	Associate	Technology & IP Transactions	2018	1,265.00	2.00	$2,530.00
Luke Finn	Associate	Corporate - M&A/Private Equity	2021	1,345.00	249.80	$335,981.00
Justin M. Garfinkle	Associate	Technology & IP Transactions	2022	1,081.81	93.70	$101,365.50
Emanuel Goetz	Associate	Taxation	2024	744.82	87.80	$65,395.00
Palmer Gunderson	Associate	Taxation	2023	965.54	172.60	$166,652.00
David Hackel	Associate	Restructuring	2023	1,009.02	155.90	$157,306.50
Yoonie Han	Associate	Corporate - Debt Finance	2019	1,456.08	27.70	$40,333.50
Liz Ji	Associate	Taxation	2021	1,225.21	28.70	$35,163.50
Olivia Kaufmann	Associate	Corporate - Healthcare	2023	1,048.72	52.90	$55,477.50
Sooah Kim	Associate	ECEB - Employee Benefits	2022	1,066.55	19.40	$20,691.00
Brian King	Associate	Corporate - Healthcare	2017	1,345.00	3.60	$4,842.00
Maggie Kate King	Associate	Technology & IP Transactions	2021	1,229.94	70.30	$86,464.50
Sabrina Lieberman	Associate	Restructuring	2023	901.18	298.90	$269,363.50
Savannah Malnar-Cole	Associate	Antitrust/ Competition	2023	1,146.00	13.00	$14,898.00
Jennifer Mancini	Associate	Litigation - General	2022	1,037.50	6.00	$6,225.00
Rebecca J. Marston	Associate	Restructuring	2021	1,309.31	288.30	$377,475.50
Brandan Matthews	Associate	Corporate - M&A/Private Equity	2021	1,345.00	118.30	$159,113.50
Grant McClernon	Associate	Corporate - Healthcare	2023	815.00	2.00	$1,630.00
Ruan J. Meintjes	Associate	Corporate - Healthcare	2022	1,059.47	96.60	$102,345.00

Attorney Name	Position	Department	Date of Admission	Hourly Billing Rate In this Application	Hours Billed In this Application	Fees Billed In this Application
Julienne Miranda	Associate	Corporate - General	2023	822.66	16.70	$13,738.50
Jake Moeller	Associate	Corporate - General	2022	1,095.00	5.60	$6,132.00
Michael William Morgan	Associate	Corporate - General	2022	978.60	10.00	$9,786.00
Jai Mudhar	Associate	Restructuring	2020	1,324.56	27.40	$36,293.00
Trent Nachbar	Associate	Corporate - M&A/Private Equity	2022	1,228.10	151.10	$185,565.50
Dan O'Connor	Associate	Corporate - M&A/Private Equity	2021	1,323.73	235.10	$311,209.50
Sarah Osborne	Associate	Restructuring	2023	908.78	252.00	$229,012.00
Carolin Paus	Associate	Restructuring	2023	679.15	64.40	$43,737.00
D. Taylor Petersen	Associate	Corporate - General	2023	975.00	29.30	$28,567.50
Joseph Cermak Profancik	Associate	Corporate - Debt Finance	2022	1,011.50	26.30	$26,602.50
Joshua Raphael	Associate	Restructuring	2023	1,076.33	108.00	$116,244.00
Adrian Salmen	Associate	Restructuring	2021	1,202.51	80.80	$97,163.00
Seth Sanders	Associate	Restructuring	2021	1,140.59	115.60	$131,852.00
Florian Schuette	Associate	Taxation	2023	750.00	1.50	$1,125.00
Scottie Shermetaro	Associate	Technology & IP Transactions	2018	1,553.01	181.70	$282,181.50
Daniel Shin	Associate	Technology & IP Transactions	2023	975.00	37.60	$36,660.00
Noah Spector	Associate	Litigation - General	2021	1,184.29	77.40	$91,664.00
Matt Swanson	Associate	Environment - Transactional	2021	1,329.00	3.50	$4,651.50
Kyle Nolan Trevett	Associate	Restructuring	2020	1,152.87	108.40	$124,971.00
Josh Valletta	Associate	Restructuring	2023	975.00	0.30	$292.50
Paul Vasiloff	Associate	ECEB - Labor/ Employment	2021	1,315.26	15.60	$20,518.00
Donatus Wang	Associate	Restructuring	2022	924.13	55.50	$51,289.00
Quin Wetzel	Associate	Restructuring	2023	892.82	106.50	$95,085.50
Ann-Kathrin Ziegler	Associate	Restructuring	2018	1,064.15	41.00	$43,630.00
Kon	Partner	Restructuring	2000	2,305.00	45.00	$103,725.00

Attorney Name	**Position**	**Department**	**Date of Admission**	**Hourly Billing Rate** In this Application	**Hours Billed** In this Application	**Fees Billed** In this Application
Asimacopoulos						
Marin Boney	Partner	Antitrust/ Competition	2008	1,885.00	2.50	$4,712.50
John G. Caruso	Partner	Real Estate	1992	2,115.00	8.60	$18,189.00
Adam Thomas Clifford, P.C.	Partner	Corporate - M&A/Private Equity	2013	1,995.00	10.40	$20,748.00
Bernadette Coppola	Partner	Technology & IP Transactions	2013	1,575.00	82.90	$130,567.50
Hannah Crawford	Partner	Restructuring	2015	1,595.00	6.50	$10,367.50
Sion Davies	Partner	Antitrust/ Competition	2016	1,575.00	5.10	$8,032.50
Tabitha J. De Paulo	Partner	Litigation - General	2015	1,435.00	103.30	$148,235.50
Anthony M. Del Rio	Partner	Corporate - Healthcare	2014	1,595.00	75.80	$120,901.00
Michael Ehret	Partner	Taxation	2001	1,895.00	153.60	$291,072.00
Emma L. Flett	Partner	Technology & IP Transactions	2009	2,115.00	5.40	$11,421.00
Susan D. Golden	Partner	Restructuring	1988	1,600.00	6.10	$9,760.00
Luci Hague	Partner	International Trade	2015	1,575.00	0.40	$630.00
Kate Hardey	Partner	Corporate - Healthcare	2003	1,995.00	49.00	$97,755.00
Erik Hepler	Partner	Corporate - Debt Finance	1990	2,115.00	0.20	$423.00
Andrew Idrizovic, P.C.	Partner	Corporate - Debt Finance	2009	1,995.00	3.00	$5,985.00
Partha Kar	Partner	Restructuring	2002	2,305.00	19.10	$44,025.50
Sarah Kimmer	Partner	Litigation - General	2015	1,365.00	2.00	$2,730.00
Daniel Lewis, P.C.	Partner	Technology & IP Transactions	2008	1,910.00	31.70	$60,547.00
Mario Mancuso, P.C.	Partner	International Trade	1997	2,400.00	0.20	$480.00
Sean McClay	Partner	Corporate - Debt Finance	2018	1,575.00	8.50	$13,387.50
Mark McKane, P.C.	Partner	Litigation - General	1999	2,065.00	6.00	$12,390.00
Alisa	Partner	Litigation -	2015	1,595.00	52.90	$84,375.50

Attorney Name	Position	Department	Date of Admission	Hourly Billing Rate In this Application	Hours Billed In this Application	Fees Billed In this Application
Melekhina		General				
James Morgan	Partner	Taxation	2004	2,445.00	2.90	$7,090.50
Mavnick Nerwal	Partner	Taxation	2008	2,265.00	0.50	$1,132.50
Maureen D. O'Brien	Partner	ECEB - Employee Benefits	1998	2,115.00	18.50	$39,127.50
Rakesh Patel	Partner	Taxation	2000	1,665.00	2.50	$4,162.50
Evangelia Podaras	Partner	ECEB - Labor/ Employment	2016	1,575.00	26.10	$41,107.50
Scott D. Price, P.C.	Partner	ECEB - Executive Compensation	1998	2,245.00	2.90	$6,510.50
William T. Pruitt	Partner	Litigation - General	2004	1,695.00	0.80	$1,356.00
Jay M. Ptashek, P.C.	Partner	Corporate - Debt Finance	1993	2,245.00	2.00	$4,490.00
Risa Salins	Partner	ECEB - Labor/ Employment	2002	2,115.00	21.10	$44,626.50
Yusuf Salloum	Partner	Restructuring	2018	1,595.00	157.20	$250,734.00
Anna Schwander	Partner	Corporate - Capital Markets	2002	1,315.00	7.20	$9,468.00
Noah Shier	Partner	Technology & IP Transactions	2017	1,575.00	9.50	$14,962.50
Jessica H. Sicsu	Partner	Corporate - M&A/Private Equity	2002	1,745.00	0.70	$1,221.50
Josh Sussberg, P.C.	Partner	Restructuring	2004	2,305.00	7.10	$16,365.50
Paul D. Tanaka, P.C.	Partner	Environment - Transactional	2003	2,115.00	16.30	$34,474.50
Michael D. Thorpe	Partner	Antitrust/ Competition	2010	1,695.00	0.60	$1,017.00
Steve Toth	Partner	Corporate - M&A/Private Equity	2005	1,820.00	332.50	$605,150.00
Sarah Ullathorne	Partner	Restructuring	2004	1,575.00	5.30	$8,347.50
Nicholas Warther	Partner	Taxation	2017	1,665.00	137.70	$229,270.50
Cristina Weidner	Partner	Restructuring	2005	1,665.00	21.50	$35,797.50
Dennis	Partner	Corporate -	2008	2,025.00	1.50	$3,037.50

Attorney Name	Position	Department	Date of Admission	Hourly Billing Rate In this Application	Hours Billed In this Application	Fees Billed In this Application
Williams		Healthcare				
Spencer A. Winters, P.C.	Partner	Restructuring	2013	1,685.00	281.70	$474,664.50
Sara B. Zablotney, P.C.	Partner	Taxation	2003	2,445.00	69.60	$170,172.00
Totals					**6,980.30**	**$9,146,016.00**

Summary of Hours by Paraprofessionals Billed In Interim Fee Period

Professional Name	Position	Department	Hourly Billing Rate In this Application	Hours Billed In this Application	Fees Billed In this Application
Stephanie Choi	Junior Paralegal	Litigation - General	355.00	58.60	$20,803.00
Georgia Meadow	Junior Paralegal	Restructuring	355.00	0.50	$177.50
Ashley Brittanie Miller	Junior Paralegal	Technology & IP Transactions	355.00	0.70	$248.50
Tanzila Zomo	Junior Paralegal	Restructuring	355.00	65.90	$23,394.50
Lauren Austgen	Paralegal	Technology & IP Transactions	435.00	1.50	$652.50
Amy Donahue	Paralegal	Restructuring	525.00	38.20	$20,055.00
Julia R. Foster	Paralegal	Restructuring	525.00	66.30	$34,807.50
Angela Leonard	Paralegal	Litigation - General	625.00	26.90	$16,812.50
Michelle L. Nowicki	Paralegal	Technology & IP Transactions	625.00	51.00	$31,875.00
Robert Orren	Paralegal	Restructuring	625.00	0.50	$312.50
Henry Rosas	Paralegal	Corporate - Debt Finance	625.00	0.50	$312.50
Barbara M. Siepka	Paralegal	Technology & IP Transactions	435.00	3.80	$1,653.00
Hayley Smith	Paralegal	Technology & IP Transactions	625.00	2.00	$1,250.00
Rob Soneson	Paralegal	Technology & IP	625.00	10.00	$6,250.00

Professional Name	**Position**	**Department**	**Hourly Billing Rate** In this Application	**Hours Billed** In this Application	**Fees Billed** In this Application
		Transactions			
Michael Y. Chan	Support Staff	Conflicts Analysis	395.00	24.00	$9,480.00
Matthew Cooper	Support Staff	Conflicts Analysis	340.00	5.00	$1,700.00
Marta Dudyan	Support Staff	Conflicts Analysis	340.00	25.00	$8,500.00
Shaun Patrick Kelly	Support Staff	Presentation Design	495.00	4.30	$2,128.50
Eric Nyberg	Support Staff	Conflicts Analysis	340.00	22.50	$7,650.00
Totals for Paraprofessionals				**407.20**	**$188,062.50**

Interim Compensation By Project Category

Matter Number	**Project Category Description**	**Total Hours**	**Total Fees**
4	Chapter 11 Filing	429.70	$468,189.00
5	Corporate & Governance Matters	127.50	$142,227.00
6	Disclosure Statement, Plan, and Confirmation	272.00	$280,303.00
7	DIP Financing and Cash Collateral	281.70	$358,618.50
8	Cash Management	4.60	$5,548.00
9	Automatic Stay Issues	3.10	$3,069.50
10	Asset Sales/Section 363 Issues: Use, Sale and Disposition of Property	3,882.40	$5,242,847.00
11	Executory Contracts and Unexpired Leases	70.70	$78,689.50
12	Business Operations	103.20	$118,732.50
13	Claims Administration	55.70	$58,921.50
14	Schedules and Statements (SOFAs)	86.60	$104,485.00
15	Creditor and Stakeholder Communications	32.30	$32,215.50
16	U.S. Trustee Matters and Communication	31.90	$38,906.50
17	Hearings	28.00	$39,653.00
18	Insurance and Surety Matters	5.40	$5,713.00
19	Utilities	17.10	$18,139.50
20	Tax Matters	645.70	$946,173.00
21	Case Administration	327.10	$327,834.00
22	Retention – K&E	332.90	$314,096.00

Matter Number	Project Category Description	Total Hours	Total Fees
23	Retention – Non-K&E	142.80	$152,778.50
24	Vendor Matters	54.80	$60,255.00
25	Litigation	237.50	$256,302.50
27	Non-Working Travel	33.30	$46,201.50
28	Creditors' Committee Matters	104.60	$118,611.00
29	Employee and Labor Matters	76.90	$115,569.00
Total		**7,387.50**	**$9,334,078.50**

Interim Expense Summary

Expense	Vendor (if any)	Unit Cost (if applicable)	Amount
Third Party Telephone Charges			$0
Standard Copies or Prints	Kirkland & Ellis LLP	$0.10	$467.70
Tabs/Indexes/Dividers	Kirkland & Ellis LLP		$0
Color Copies or Prints			$1,161.60
Scanned Images	Kirkland & Ellis LLP		$0
Local Transportation			$855.10
Travel Expense			$3,961.94
Airfare			$4,803.29
Transportation to/from airport			$1,904.94
Travel Meals			$369.65
Court Reporter Fee/Deposition			$72.90
Filing Fees			$0
Other Court Costs and Fees			$32,208.66
Working Meals/K&E Only			$1,046.19
Outside Retrieval Service			$2,357.56
Computer Database Research			$1,940.62
Westlaw Research			$5,484.51
LexisNexis Research			$684.41
Overtime Transportation			$1,122.65
Overtime Meals - Attorney			$1,063.78
Secretarial Overtime	Kirkland & Ellis LLP		$0
Document Services Overtime	Kirkland & Ellis LLP		$0
Rental Expenses			$5,142.16
Overnight Delivery – Hard			$242.67
Computer Database Research - Soft			$109.90
Total			**$65,000.23**

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
VYAIRE MEDICAL, INC., *et al.*,[1]	)	Case No. 24-11217 (BLS)
Debtors.	)	(Jointly Administered)

FIRST INTERIM FEE APPLICATION OF KIRKLAND & ELLIS LLP AND KIRKLAND & ELLIS INTERNATIONAL LLP, ATTORNEYS FOR THE DEBTORS AND DEBTORS IN POSSESSION, FOR THE INTERIM FEE PERIOD FROM JUNE 9, 2024 THROUGH AND INCLUDING AUGUST 31, 2024

Kirkland & Ellis LLP and Kirkland & Ellis International LLP (together, "K&E"), attorneys for the above-captioned debtors and debtors in possession (collectively, the "Debtors"), hereby submits its first interim fee application (the "Fee Application") for allowance of compensation for professional services provided in the amount of $9,309,620.32 and reimbursement of actual and necessary expenses in the amount of $65,000.23 that K&E incurred for the period from June 9, 2024 through August 31, 2024 (the "Fee Period").[2] In support of this Fee Application, K&E submits the declaration of Spencer A. Winters, president of Spencer A. Winters, P.C., a partner of K&E, (the "Winters Declaration"), which is attached hereto as

[1] The last four digits of Debtor Vyaire 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/Vyaire. The location of Debtor Vyaire 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 used but not otherwise defined have the meaning ascribed to them in the *Joint Chapter 11 Plan of Vyaire Medical, Inc. and its Debtor Affiliates* [Docket No. 581] (the "Plan"), the *Motion of Debtors for Entry of an Order (I) Approving the Adequacy of the Disclosure Statement on an Interim and Final Basis, (II) Scheduling a Combined Disclosure Statement Approval and Plan Confirmation Hearing, (III) Approving the Solicitation and Notice Procedures, (IV) Approving the Combined Hearing Notice, and (V) Grating Related Relief* [Docket No. 520] (the "Disclosure Statement Motion") and the *Disclosure Statement for the Joint Chapter 11 Plan of Vyaire Medical, Inc. and its Debtor Affiliates* [Docket No. 582] (the "Disclosure Statement"), as applicable.

Exhibit A and incorporated by reference. In further support of this Fee Application, K&E respectfully states as follows.

Jurisdiction and Venue

1. 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 United States Bankruptcy Court for the District of Delaware (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. The Debtors confirm their consent, pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), to the entry of a final order by the Court in connection with this Fee Application 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.

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

3. The bases for the relief requested herein are sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code"), rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), rule 2016 of the Local Rules, and the *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief* [Docket No. 218] (the "Interim Compensation Order").

Background

4. On June 9, 2024, (the "Petition Date"), Vyaire Medical, Inc. and certain of its subsidiaries filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors-in-possession

pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On June 11, 2024, the Court entered an order [Docket No. 84] authorizing the joint administration and procedural consolidation of the Debtors' chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request has been made for the appointment of a trustee or examiner in these chapter 11 cases. On June 26, 2024, the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code (the "Committee") [Docket No. 121].

5. A description of the Debtors' business, the reasons for commencing the chapter 11 cases, and the relief sought from the Court to allow for a smooth transition into chapter 11 are set forth in the *Declaration of John Bibb, Group Chief Executive Officer of Vyaire Medical, Inc., in Support of Debtors' Chapter 11 Petitions and First Day Motions*, filed on June 10, 2024 [Docket No. 15] and incorporated herein by reference.

6. On July 9, 2024, the Court entered the Interim Compensation Order, which sets forth the procedures for interim compensation and reimbursement of expenses for all professionals in these cases.

Preliminary Statement

7. During the Fee Period, K&E represented the Debtors professionally and diligently, advising them on a variety of complex matters and issues, as a result of which the Debtors took action to maximize the value of their estates for the benefit of all parties in interest. K&E provided the variety of services during the Fee Period, including:

(a) stabilized the Debtors' business operations following their transition into chapter 11 by obtaining relief to continue operating in the ordinary course of business, including securing approval of all "first day" and "second day" motions and related relief after resolving issues raised by the U.S. Trustee, the Committee, and other stakeholders;

(b) obtained approval of debtor-in-possession financing and the use of cash collateral;

(c) prepared and filed the Debtors' Schedules of Assets and Liabilities and Statements of Financial Affairs;

(d) implemented a number of prudent, cost-cutting measures to optimize the Debtors' go-forward operations, including rejecting certain burdensome executory contracts;

(e) obtained approval of bidding procedures [Docket No. 249] (the "Bidding Procedures Order"), allowing the Debtors to solicit the best and highest offers for going-concern sales of their businesses and continue their comprehensive marketing process related thereto on a postpetition basis;

(f) prepared for and conducted a multi-day auction with multiple bidders and several rounds of bidding with respect to the Debtors' "Vents" business unit;

(g) prepared, drafted, and negotiated definitive documentation in connection with multiple multi-jurisdictional carveout sale transactions;

(h) arranged transition of the Debtors' assets and businesses to the buyers, setting up transition service agreements to ensure regulatory compliance and continuity of vital services to patients;

(i) negotiated with numerous executory contract and unexpired lease counterparties with respect to cure amounts and adequate assurance packages in connection with the sale transactions;

(j) negotiated, drafted, and filed the Plan and Disclosure Statement; and

(k) on October 2, 2024 obtained Court approval to commence solicitation.

8. Given these accomplishments and the complexities of the Debtors' business and restructuring, K&E submits that the compensation and expense reimbursement sought herein for the necessary and beneficial professional services K&E provided to the Debtors during the Fee Period are reasonable and appropriate, commensurate with the scale, nature, and complexity of these chapter 11 cases, and should be approved.

Case Status Summary

9. The Debtors commenced these chapter 11 cases in an effort to consummate one or

more sale transactions to maximize value for all stakeholders and allow their business to survive as a going concern. Faced with increasing liquidity constraints and in response to challenging macroeconomic conditions and internal business challenges, the Debtors engaged with their prepetition secured lenders to obtain DIP financing that would permit the Debtors to stabilize the business operations, continue their prepetition sale process on a post-petition basis, and consummate sale transaction(s) through a chapter 11 process. On June 9, 2024, the Company and the consenting stakeholders (the "Consenting Stakeholders" and together with the Company, the "RSA Parties") entered into the Restructuring Support Agreement (the "RSA"), whereby the RSA Parties agreed, subject to the terms and conditions thereof, to support the sale process, consummation of any sale transactions, and to wind down the remaining Company.

10. Having reached consensus with the Consenting Stakeholders, the Debtors commenced these cases with a DIP Facility of $45 million of new money, filed a motion to approve certain bidding procedures, and obtained customary first-day relief to ensure a soft landing in chapter 11.

11. Shortly after the cases commenced, the official committee of unsecured creditors was formed by the U.S. Trustee and retained counsel. The Debtors worked with counsel to the Committee to meet document and diligence requests.

12. Since the filing, the Debtors worked with K&E and their other advisors to continue their robust prepetition marketing process on a postpetition basis, which ultimately culminated in the Sale Transactions with Trudell (the "Trudell Transaction") and Zoll (the "Zoll Transaction"). The Sale Transactions resulted in $90,500,000 of cash, independent of certain assumed liabilities.

13. On September 4, 2024, the Court approved the Debtors' entry into the Sale Transactions. Following the Court's approval of the Debtors' entry into the Sale Transactions, the Debtors participated in significant negotiation of the Sale Transaction Documentation with both Zoll and Trudell.

14. On September 11, 2024, the Debtors filed the *Joint Chapter 11 Plan of Vyaire Medical, Inc. and its Debtor Affiliates* (as amended, modified, or supplemented, the "Plan") [Docket No. 518] and the *Disclosure Statement for the Joint Chapter 11 Plan of Vyaire Medical, Inc. and its Debtors Affiliates* (as amended, modified, or supplemented, the "Disclosure Statement") [Docket No. 519]. On September 30, 2024, the Debtors filed amended versions of the Plan [Docket No. 581] and Disclosure Statement [Docket No. 582].

15. On October 11, 2024, the Debtors closed the Zoll Transaction, and have since progressed significantly towards closing the Trudell Transaction.

The Debtors' Retention of K&E

16. On August 5, 2024, the Court entered the *Order Authorizing the Retention and Employment of Kirkland & Ellis LLP and Kirkland & Ellis International LLP as Attorneys for the Debtors and Debtors in Possession Effective as of June 9, 2024* [Docket No. 350] (the "Retention Order"), attached hereto as **Exhibit B** and incorporated by reference. The Retention Order authorizes the Debtors to compensate and reimburse K&E in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and the Interim Compensation Order. The Retention Order also authorizes the Debtors to compensate K&E at K&E's hourly rates charged for services of this type and to reimburse K&E for K&E's actual and necessary out-of-pocket expenses incurred, subject to application to this Court. The particular terms of K&E's engagement are detailed in the engagement letter by and between K&E and the Debtors, effective as of June 9, 2024 and attached hereto as **Exhibit C**

(the "Engagement Letter").

17. The Retention Order authorizes K&E to provide the following services consistent with and in furtherance of the services enumerated above:

a. advising the Debtors with respect to their powers and duties as debtors-in-possession in the continued management and operation of their businesses and properties;

b. preparing pleadings, including motions, applications, answers, orders, reports, and papers necessary or otherwise beneficial to the administration of the Debtors' estates and consistent with the services identified in the Retention Order;

c. appearing before the Court and any appellate courts to represent the interests of the Debtors' estates before those courts in connection with the services in the Retention Order; and

d. performing all other legal services reasonably necessary or otherwise beneficial for the Debtors in connection with these chapter 11 cases.

Disinterestedness of K&E

18. To the best of the Debtors' knowledge and as disclosed in the *Declaration of Spencer A. Winters, in Support of the Debtors' Application for Entry of an Order Authorizing the Retention and Employment of Kirkland & Ellis LLP and Kirkland & Ellis International LLP as Attorneys for the Debtors and Debtors in Possession Effective as of June 9, 2024* [Docket No. 236, Exhibit B] (as amended, supplemented, or otherwise modified from time to time, the "K&E Declaration"),[3] (a) K&E is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, as required by section 327(a) of the Bankruptcy Code, and does not hold or represent an interest adverse to the Debtors' estates and (b) K&E has no

[3] K&E has also filed the *Supplemental Declaration of Spencer A. Winters in Support of the Application of Debtors for Entry of an Order Authorizing the Retention and Employment of Kirkland & Ellis LLP and Kirkland & Ellis International LLP as Attorneys for the Debtors and Debtors in Possession Effective as of June 9, 2024* [Docket No. 326] and the *Second Supplemental Declaration of Spencer A. Winters in Support of the Application of Debtors for Entry of an Order Authorizing the Retention and Employment of Kirkland & Ellis LLP and Kirkland & Ellis International LLP as Attorneys for the Debtors and Debtors in Possession Effective as of June 9, 2024* [Docket No. 603].

connection to the Debtors, their creditors, or other parties in interest, except as may be disclosed in the K&E Declaration.

19. K&E may have in the past represented, may currently represent, and likely in the future will represent parties in interest in connection with matters unrelated to the Debtors in these chapter 11 cases. In the K&E Declaration, K&E disclosed its connections to parties in interest that it has been able to ascertain using its reasonable efforts. K&E will update the K&E Declaration, as appropriate, if K&E becomes aware of relevant and material new information.

20. K&E performed the services for which it is seeking compensation on behalf of the Debtors and their estates, and not on behalf of any committee, creditor, or other entity.

21. Except to the extent of the advance payments paid to K&E that K&E previously disclosed to this Court in the K&E Declaration, K&E has received no payment and no promises for payment from any source other than the Debtors for services provided or to be provided in any capacity whatsoever in connection with these chapter 11 cases.

22. Pursuant to Bankruptcy Rule 2016(b), K&E has not shared, nor has K&E agreed to share (a) any compensation it has received or may receive with another party or person other than with the partners, counsel, and associates of K&E or (b) any compensation another person or party has received or may receive.

Summary of Compliance with Interim Compensation Order

23. This Fee Application has been prepared in accordance with the Interim Compensation Order.

24. K&E seeks interim compensation for professional services rendered to the Debtors during the Fee Period in the amount of $9,309,620.32 and reimbursement of actual and necessary expenses incurred in connection with providing such services in the amount of

$65,000.23.[4] During the Fee Period, K&E attorneys and paraprofessionals expended a total of 7,387.50 hours for which compensation is requested.

25. In accordance with the Interim Compensation Order, as of the date hereof, K&E has received payments totaling $7,519,697.76 ($7,454,697.53 of which was for services provided and $65,000.23 of which was for reimbursement of expenses) for the Fee Period. Accordingly, by this Fee Application, and to the extent such amounts have not been paid by the time of the hearing on this Fee Application, K&E seeks payment of the remaining $1,854,922.79, which amount represents the entire amount of unpaid fees and expenses incurred between June 9, 2024 and August 31, 2024.[5]

Fees and Expenses Incurred During Fee Period

A. Customary Billing Disclosures.

26. K&E's hourly rates are set at a level designed to compensate K&E fairly for the work of its attorneys and paraprofessionals and to cover fixed and routine expenses. The hourly rates and corresponding rate structure utilized by K&E in these chapter 11 cases are equivalent to the hourly rates and corresponding rate structure used by K&E for other restructuring matters, as well as similar complex corporate, securities, and litigation matters whether in court or otherwise, regardless of whether a fee application is required. The rates and rate structure reflect that such restructuring and other complex matters typically are national in scope and typically

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[4] In connection with discussions with the U.S. Trustee, the Debtors have agreed to deduct $8,751.59 from the holdback amount in connection with certain fees granted in the First Monthly Application and $15,706.59 from the aggregate amount in connection with certain fees and expenses requested in the *Third Monthly Fee Application of Kirkland & Ellis LLP and Kirkland & Ellis International LLP, Attorneys for the Debtors and Debtors in Possession, for the Period from August 1, 2024, Through and Including August 31, 2024* [Docket No. 615], as reflected in the *Certification of Counsel Regarding Third Monthly Fee Application of Kirkland & Ellis LLP and Kirkland & Ellis International LLP, Attorneys for the Debtors and Debtors in Possession, for the Period from August 1, 2024 Through and Including August 31, 2024 [No Order Required]* [Docket No. 697].

[5] This amount also reflects the 20% holdback for the Fee Period, excluding the agreed upon reductions for the June fees and expenses.

involve great complexity, high stakes, and severe time pressures. Additionally, the Debtors are subject to multiple domestic and international regulatory regimes requiring specialized review and consideration in connection with any potential transactions. For the convenience of the Court and all parties in interest, attached hereto as **Exhibit D** is K&E's budget and staffing plan for this Fee Period (the "Budget and Staffing Plan") and attached hereto as **Exhibit E** is a summary of blended hourly rates for timekeepers who billed to non-bankruptcy matters and blended hourly rates for timekeepers who billed to the Debtors during the Fee Period.

B. Fees Incurred During Fee Period.

27. In the ordinary course of K&E's practice, K&E maintains computerized records of the time expended to render the professional services required by the Debtors and their estates. For the convenience of the Court and all parties in interest, attached hereto as **Exhibit F** is a summary of fees incurred and hours expended during the Fee Period, setting forth the following information:

(a) the name of each attorney and paraprofessional for whose work on these chapter 11 cases compensation is sought;

(b) each attorney's year of bar admission and area of practice concentration;

(c) the aggregate time expended and fees billed by each attorney and each paraprofessional during the Fee Period;

(d) the hourly billing rate for each attorney and each paraprofessional at K&E's current billing rates;

(e) the hourly billing rate for each attorney and each paraprofessional as disclosed in the first interim application;

(f) the number of rate increases since the inception of the case; and

(g) a calculation of total compensation requested using the rates disclosed in the *Debtors' Application for Entry of an Order Authorizing the Retention and Employment of Kirkland & Ellis LLP and Kirkland & Ellis International LLP as Attorneys for the Debtors and Debtors in Possession Effective as of June 9, 2024* [Docket No. 236] (the "Retention Application").

C. Expenses Incurred During Fee Period.

28. In the ordinary course of K&E's practice, K&E maintains a record of expenses incurred in the rendition of the professional services required by the Debtors and their estates and for which reimbursement is sought. K&E currently charges $0.16 per page for standard duplication in its offices in the United States. Notwithstanding the foregoing and consistent with the Local Bankruptcy Rules, K&E charged no more than $0.10 per page for standard duplication services in these chapter 11 cases. K&E does not charge its clients for incoming facsimile transmissions.

29. For the convenience of the Court and all parties in interest, attached hereto as **Exhibit G** is a summary for the Fee Period, setting forth the total amount of reimbursement sought with respect to each category of expenses for which K&E is seeking reimbursement.

Summary of Legal Services Rendered During the Fee Period

30. As discussed above, during the Fee Period, K&E provided extensive and important professional services to the Debtors in connection with these chapter 11 cases. These services were often performed under severe time constraints and were necessary to address a multitude of critical issues both unique to these chapter 11 cases and typically faced by large, international corporate debtors in similar cases of this magnitude and complexity.

31. To provide a meaningful summary of K&E's services provided on behalf of the Debtors and their estates, K&E has established, in accordance with its internal billing procedures, certain subject matters categories (each, a "Matter Category") in connection with these chapter 11 cases. The following is a summary of the fees and hours billed for each Matter Category in the Fee Period:[6]

[6] In certain instances, K&E may have billed the same amount of fees, but different number of hours to different Matter Categories. This difference is the result of different staffing of each such Matter Category.

Matter Number	Matter Category Description	Hours		Total Compensation	
		Budgeted	Billed	Budgeted	Billed
4	Chapter 11 Bankruptcy Filing and First Day Preparation	160 - 248	429.70	$180,000 - $280,000	$468,189.00
5	Corporate and Governance Matters	60 - 93	127.50	$90,000 - $140,000	$142,227.00
6	Disclosure Statement, Plan, and Confirmation	257 - 400	272.00	$270,000 - $420,000	$280,303.00
7	DIP Financing and Cash Collateral	153 - 237	281.70	$180,000 - $280,000	$358,618.50
8	Cash Management	79 - 122	4.60	$90,000 - $140,000	$5,548.00
9	Automatic Stay Issues	68 - 106	3.10	$67,500 - $105,000	$3,069.50
10	Asset Sales/Section 363 Issues: Use, Sale, and Disposition of Property	1,080 - 1,680	3,882.40	$1,575,000 - $2,450,000	$5,242,847.00
11	Executory Contracts and Unexpired Leases	88 - 136	70.70	$90,000 - $140,000	$78,689.50
12	Business Operations	95 - 147	103.20	$139,500 - $217,000	$118,732.50
13	Claims Administration	66 - 102	55.70	$74,250 - $115,500	$58,921.50
14	Schedules and Statements (SOFAs)	61 - 95	86.60	$68,850 - $107,100	$104,485.00
15	Creditor and Stakeholder Communications	46 - 71	32.30	$58,050 - $90,300	$32,215.50
16	U.S. Trustee Matters and Communication	53 - 82	31.90	$73,800 - $114,800	$38,906.50
17	Hearings	61 - 94	28.00	$76,500 - $119,000	$39,653.00
18	Insurance and Surety Matters	59 - 91	5.40	$67,500 - $105,000	$5,713.00
19	Utilities	59 - 91	17.10	$67,500 - $105,000	$18,139.50
20	Tax Matters	107 - 166	645.70	$135,000 - $210,000	$946,173.00
21	Case Administration	188 - 292	327.10	$225,000 - $350,000	$327,834.00
22	K&E Fee Applications	266 - 414	332.90	$405,000 - $630,000	$314,096.00
23	Non-K&E Fee / Employment Applications	99 - 154	142.80	$132,750 - $206,500	$152,778.50
24	Vendor Matters	96 - 149	54.80	$126,000 - $196,000	$60,255.00
25	Litigation	101 - 156	237.50	$135,000 - $210,000	$256,302.50
27	Non-Working Travel Time	12 - 17	33.30	$11,250 - $17,500	$46,201.50
28	Creditors' Committee Issues	34 - 53	104.60	$45,000 - $70,000	$118,611.00
29	Employee and Labor Matters	73 - 114	76.90	$88,650 - $137,900	$115,569.00

32. The following is a summary, by Matter Category, of the most significant professional services provided by K&E during the Fee Period. This summary is organized in accordance with K&E's internal system of matter numbers. The detailed descriptions

demonstrate that K&E was heavily involved in performing services for the Debtors on a daily basis, often including night and weekend work, to meet the needs of the Debtors' estates in these chapter 11 cases. A schedule setting forth a description of the Matter Categories utilized in this case, the number of hours expended by K&E partners, associates, and paraprofessionals by matter, and the aggregate fees associated with each matter is attached hereto as **Exhibit H**.

33. In addition, K&E's computerized records of time expended providing professional services to the Debtors and their estates are attached hereto as **Exhibit I**, and K&E's records of expenses incurred during the Fee Period in the rendition of professional services to the Debtors and their estates are attached as **Exhibit J**.

(a) Chapter 11 Bankruptcy Filing and First Day Preparation [Matter No. 4]

Total Fees: $468,189.00
Total Hours: 429.70

34. This Matter Category includes time spent by K&E attorneys and paraprofessionals providing services related to the filing of the Debtors' chapter 11 petitions and various "first day" pleadings and related notices during the initial days of these chapter 11 cases, including, without limitation, (a) reviewing and revising the Debtors' petitions and "first day" motions, proposed orders, affidavits and notices; and (b) preparing for the "first day" hearing, including drafting hearing notes and related materials and preparing potential witnesses in connection with certain of the first day motions.

35. Specifically, the Debtors filed several motions seeking orders authorizing the Debtors to pay various prepetition claims. Entry of these orders eased the strain on the Debtors' relationships with employees, vendors, customers, and taxing authorities as a consequence of the commencement of these chapter 11 cases. Among other things, these orders authorized the Debtors to (a) pay certain critical vendors, suppliers, and lien claimants, (b) pay certain

prepetition employee wages and benefits, (c) maintain cash management systems, (d) use prepetition bank accounts, checks, and other business forms, (e) make tax payments to federal, local, and state taxing authorities, (f) prohibit utility companies from discontinuing services, and (g) maintain prepetition insurance policies and enter into new insurance policies.

(b) Corporate and Governance [Matter No. 5]

Total Fees: $142,227.00
Total Hours: 127.50

36. This Matter Category includes time spent by K&E attorneys and paraprofessionals advising the Debtors and the Board of Directors (the "Board") regarding corporate governance issues related to the Debtors' restructuring and sale transactions. Specifically, K&E attorneys and paraprofessionals spent time:

(i) complying with corporate governance requirements, including drafting and revising resolutions, certificates, amendments to corporate documents, and minutes from board meetings, as necessary;

(ii) preparing for and participating in various meetings with the Special Committee and senior management in connection with key issues and events regarding these chapter 11 cases; and

(iii) providing updates to the Debtors and their advisors regarding the foregoing activities.

(c) Disclosure Statement, Plan, and Confirmation [Matter No. 6]

Total Fees: $280,303.00
Total Hours: 272.00

37. This Matter Category includes time spent by K&E attorneys and paraprofessionals providing services related to developing a wind-down plan in connection with these chapter 11 cases. Specifically, K&E attorneys and paraprofessionals spent time:

(i) researching and analyzing legal and factual issues relevant to the Plan and Disclosure Statement;

(ii) drafting, negotiating, revising, and filing the Plan, Disclosure Statement, Disclosure Statement Motion, and all related filings to the same;

(iii) engaging with the U.S. Trustee, the Committee, the Prepetition First Lien Lenders, the Prepetition Second Lien Lenders, the DIP Lenders, and other key stakeholders relating to their comments to the Plan, Disclosure Statement, Disclosure Statement Motion, Solicitation Materials, and other related documents; and

(iv) providing updates to the Debtors and their advisors regarding the foregoing activities.

(d) DIP Financing and Cash Collateral [Matter No. 7]

Total Fees: $358,618.50
Total Hours: 281.70

38. This Matter Category includes time spent by K&E attorneys and paraprofessionals securing postpetition financing and the consensual use of cash collateral, which was necessary to both preserve the Debtors' operations during these chapter 11 cases, as well as to provide sufficient liquidity to administer these chapter 11 cases and bridge to consummation of the transactions contemplated by the RSA and the Plan. K&E's efforts were critical in securing the consensual use of cash collateral and negotiating, documenting, and closing on the Debtors' DIP financing facility on favorable terms to provide the Debtors with the necessary liquidity to fund the Debtors' operations during these chapter 11 cases.

(e) Cash Management [Matter No. 8]

Total Fees: $5,548.00
Total Hours: 4.60

39. This Matter Category includes time spent on a variety of tasks that were necessary to ensure the continued operation and maintenance of the Debtors' cash management systems and DIP financing. Specifically, K&E attorneys and paraprofessionals spent time:

(i) obtaining entry of interim and final orders authorizing the Debtors to operate their pre-existing cash management systems and perform intercompany transactions;

(ii) drafting materials related to the Debtors' use of their cash management systems; and

(iii) analyzing and discussing the terms of the maintenance of the Debtors' cash management systems with the Debtors, the Debtors' other professionals, and various stakeholders.

(f) Automatic Stay Issues [Matter No. 9]

Total Fees: $3,069.50
Total Hours: 3.10

40. This Matter Category includes time spent by K&E attorneys and paraprofessionals providing services related to the imposition of the automatic stay.

(g) Asset Sales/Section 363 Issues: Use, Sale, and Disposition of Property [Matter No. 10]

Total Fees: $5,242,847.00
Total Hours: 3,882.40

41. This Matter Category includes time spent by K&E attorneys and paraprofessionals providing services related to the disposition of the Debtors' assets. Specifically, K&E attorneys and paraprofessionals spent time:

(i) researching, drafting, negotiating, and seeking approval of the Bidding Procedures Order;

(ii) drafting declarations in support of the Bidding Procedures Order and the Debtors' marketing process;

(iii) reviewing, revising, and negotiating non-disclosure agreements with interested counterparties;

(iv) drafting, reviewing, and negotiating asset purchase agreements;

(v) reviewing and analyzing issues related to the sale and communications with potential bidders related thereto;

(vi) coordinating the Debtors' marketing process with PJT Partners LP ("PJT"), including corresponding with prospective bidders, drafting non-disclosure agreements, reviewing, and analyzing indications of interest, and making all necessary preparations to obtain court approval of the sale transactions;

(vii) coordinating with local counsel, researching, and analyzing issues regarding the various foreign jurisdictions where the Debtors operate to ensure compliance with all applicable regulatory regimes;

(viii) conducting a multi-day auction with regard to the Zoll Transaction;

(ix) resolving objections to the Bidding Procedures Order and Sale Transactions, as well as resolving objections to cures; and

(x) advising and coordinating with the Debtors and the Debtors' advisors with respect to the foregoing.

(h) Executory Contracts and Unexpired Leases [Matter No. 11]

Total Fees: $78,689.50
Total Hours: 70.70

42. This Matter Category includes time spent by K&E attorneys examining issues related to the Debtors' executory contracts and unexpired leases. K&E attorneys spent time researching, analyzing, renegotiating, or rejecting the Debtors' obligations under their various executory contracts and unexpired leases. Specifically, K&E attorneys spent time:

(i) negotiating and coordinating with counterparties regarding issues related to cure or adequate assurance;

(ii) advising the Debtors with respect to their rights and obligations under their executory contracts and unexpired leases under relevant bankruptcy and nonbankruptcy law, including with respect to the assumption and assignment of such executory contracts;

(iii) researching and analyzing issues related thereto; and

(iv) coordinating with the Debtors and various counterparties regarding treatment of executory contracts, including cure amounts.

(i) Business Operations [Matter No. 12]

Total Fees: $118,732.50
Total Hours: 103.20

43. It is important that the Debtors and their advisors create and implement an all-encompassing and cohesive strategy for maintaining business operations with minimal

disruptions during the course of the Debtors' chapter 11 cases. K&E attorneys and paraprofessionals spent time developing a strategy with the Debtors to ensure a smooth transition into chapter 11 and to ensure that going forward the business operations continue without interruption. Specifically, K&E attorneys and paraprofessionals spent time strategizing with management and the Debtors' other advisors regarding the Debtors' operations and business plans and various domestic and international regulatory issues.

(j) Claims Administration [Matter No. 13]

Total Fees: $58,921.50
Total Hours: 55.70

44. This Matter Category includes time K&E attorneys and paraprofessionals spent on matters related to claims administration and claims-related issues. Specifically, K&E attorneys and paraprofessionals spent time:

(i) researching and revising the Debtors' bar date motion in coordination with Cole Schotz, P.C. ("Cole Schotz"); and

(ii) reviewing, analyzing, and researching certain claims asserted against the Debtors.

(k) Schedules and Statements (SOFAs) [Matter No. 14]

Total Fees: $104,485.00
Total Hours: 86.60

45. This Matter Category includes time spent by K&E attorneys and paraprofessionals providing services related to advising the Debtors, Omni Agent Solutions, Inc. ("Omni"), and other advisors in connection with the preparation, review, revision, and filing of the Debtors' schedules of assets and liabilities and statements of financial affairs (the "Schedules and Statements"). Moreover, K&E attorneys advised the Debtors regarding drafting the Schedules and Statements, attended regular conferences with the Debtors and their advisors regarding the same.

(l) Creditor and Stakeholder Communications [Matter No. 15]

Total Fees: $32,215.50
Total Hours: 32.30

46. This Matter Category includes time spent by K&E attorneys and paraprofessionals on matters relating to stakeholder issues and communications. Specifically, K&E attorneys and paraprofessionals spent time:

(i) drafting and revising communication materials regarding the Debtors' chapter 11 cases;

(ii) corresponding with the Debtors, various stakeholders, and their respective advisors to provide updates as to developments in the chapter 11 cases;

(iii) providing relevant information and access to the Debtors and their records as requested;

(iv) responding to miscellaneous creditor inquiries; and

(v) coordinating with the Debtors' other professionals regarding potential updates to the creditor matrix.

(m) U.S. Trustee Matters and Communications [Matter No. 16]

Total Fees: $38,906.50
Total Hours: 31.90

47. This Matter Category includes time spent by K&E attorneys and paraprofessionals corresponding with the U.S. Trustee with respect to the following issues:

(i) analyzing, researching, negotiating, and revising first day motions and proposed orders regarding the U.S. Trustee's comments, and corresponding with the U.S. Trustee regarding the same; and

(ii) coordinating with Cole Schotz to prepare the Debtors for and participating in the initial debtor interview and the meeting of creditors required by section 341 of the Bankruptcy Code.

(n) Hearings [Matter No. 17]

Total Fees: $39,653.00
Total Hours: 28.00

48. This Matter Category includes time spent by K&E attorneys and

paraprofessionals providing services related to preparing for and attending several hearings during the Fee Period (each a "Hearing" and, collectively, the "Hearings"), including preparing agendas, orders, and binders related to Hearings, settling orders before and after Hearings, and corresponding with various parties in preparation for, and after the Hearings. These services also included conferences to discuss multiple matters scheduled for a specific Hearing and coordinating Hearing logistics. During the Fee Period, K&E attorneys and paraprofessionals spent considerable time preparing for and attending Hearings including:

(i) the "first day" hearing on June 11, 2024 for interim or final approval of the First Day Motions and interim approval of a motion authorizing the Debtors to operate their cash management systems and the DIP Facility; and

(ii) hearings on August 26, 2024 and August 30, 2024 to approve the proposed sale of the Debtors' assets.

(o) Insurance and Surety Matters [Matter No. 18]

Total Fees: $5,713.00
Total Hours: 5.40

49. This Matter Category includes time spent by K&E attorneys and paraprofessionals providing services related to ensuring that Debtors' insurance policies were maintained during these chapter 11 cases. Specifically, K&E attorneys and paraprofessionals spent time drafting, negotiating, and revising the insurance order, reviewing and analyzing the Debtors' insurance policies and surety bond program, engaging with counsel to the sureties, and researching and analyzing issues regarding the same.

(p) Utilities [Matter No. 19]

Total Fees: $18,139.50
Total Hours: 17.10

50. This Matter Category includes time spent by K&E attorneys and paraprofessionals providing services related to utility issues arising in connection with filing

these chapter 11 cases, including revising the utilities order and corresponding with AlixPartners, LLP ("AlixPartners") regarding issues related to the Debtors' utilities.

(q) Tax Matters [Matter No. 20]

Total Fees: $946,173.00
Total Hours: 645.70

51. This Matter Category includes time spent by K&E attorneys and paraprofessionals conducting legal research, preparing correspondence and pleadings, and generally advising the Debtors on tax issues related to or arising during the chapter 11 cases. During the Fee Period, K&E attorneys were responsible for researching and analyzing certain tax issues arising in connection with the Debtors' business operations, including the following:

(i) advising the Debtors regarding the Debtors' motion to establish procedures related to certain transfers of, or declarations of worthlessness with respect thereto, the Debtors' common stock and the interim and final orders approving the same;

(ii) researching and analyzing certain tax issues related to the proposed sale transactions, the implementation of the Plan, and emergence from chapter 11;

(iii) researching and analyzing certain tax issues and implications arising in connection with the Debtors' business operations, business structure, intercompany transactions, recapitalizations, the sale transactions, and the wind-down; and

(iv) coordinating and communicating with the Debtors, the Debtors' advisors, and relevant stakeholders regarding the foregoing.

(r) <u>Case Administration [Matter No. 21]</u>

Total Fees: $327,834.00
Total Hours: 327.10

52. This Matter Category includes time spent on a variety of tasks that were necessary to ensure the efficient and smooth administration of legal services related to the Debtors' chapter 11 cases. Specifically, K&E attorneys and paraprofessionals spent time:

(i) coordinating, managing, and administering the Debtors' chapter 11 cases on a daily basis, including monitoring critical dates and maintaining a case calendar, task lists, and work-in-process reports;

(ii) organizing and maintaining voluminous document files for the Debtors' chapter 11 cases;

(iii) ensuring compliance with the service and notice requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, including coordinating service of pleadings and other related notices with the Debtors' local counsel, Cole Schotz;

(iv) in connection with numerous pleadings, preparing notices of motions, proposed orders, exhibits, schedules, and coordinating the delivery of such pleadings to the Court and the U.S. Trustee; and

(v) conducting regular internal conferences regarding the overall case status to ensure the efficient progress of workstreams.

53. Time billed to this Matter Category also includes work and meetings related to multiple matters such that the time cannot be easily allocated to one of the other matters.

(s) <u>K&E Fee Applications [Matter No. 22]</u>

Total Fees: $314,096.00
Total Hours: 332.90

54. This Matter Category includes time spent by K&E attorneys and paraprofessionals providing services related to the retention of K&E as the Debtors' counsel. Specifically, K&E attorneys and paraprofessionals spent time:

(i) preparing pleadings and a comprehensive conflict analysis necessary to obtain the order of the Court approving the employment of K&E to represent the Debtors;

(ii) implementing internally established procedures which require the continuous analysis of potential new conflicts;

(iii) preparing updated professional disclosures for filing with the Court;

(iv) preparing and distributing K&E's monthly fee statements in accordance with the Interim Compensation Order;

(v) reviewing all time entries to ensure compliance with the Interim Compensation Order and applicable provisions of the Bankruptcy Code, and to make necessary redactions to preserve the confidentiality of the work performed for the Debtors; and

(vi) conducting discussions, phone calls, and correspondence with the U.S. Trustee regarding K&E's retention and responding to questions and comments regarding the same.

(t) Non-K&E Fee / Employment Applications [Matter No. 23]

Total Fees: $152,778.50
Total Hours: 142.80

55. This Matter Category includes time spent by K&E attorneys and paraprofessionals providing services related to ensuring the retention of the Debtors' other professionals in these chapter 11 cases. Specifically, K&E attorneys and paraprofessionals spent time:

(i) coordinating and preparing the filing of section 156 application for the Debtors' claims and noticing agent and administrative advisor Omni;

(ii) coordinating with the Debtors and their other advisors with respect to ordinary course professional retentions and complying with the related disclosure requirements of applicable provisions of the Bankruptcy Code;

(iii) coordinating with the Debtors and Cole Schotz with respect to ordinary course professional retentions and complying with the related disclosure requirements of applicable provisions of the Bankruptcy Code;

(iv) reviewing retention applications filed by the Committee's professionals and coordinating with the Committee to address the

Debtors' concerns regarding these retentions and reviewing related fee statements; and

(v) coordinating efforts among the Debtors and their other professionals to address various concerns and issues raised by the U.S. Trustee and the Committee with respect to the retention of the Debtors' other professionals and ensuring that these professionals were ultimately retained without any objection to assist in the Debtors' chapter 11 cases.

(u) <u>Vendor Matters [Matter No. 24]</u>

Total Fees: $60,255.00
Total Hours: 54.80

56. This Matter Category includes time spent by K&E attorneys and paraprofessionals advising the Debtors on vendor and supplier issues, including with respect to first day relief and postpetition business activities. Specifically, K&E attorneys and paraprofessionals spent time corresponding with Debtors' advisors and vendors' counsel regarding prepetition vendor agreements, responding to inquiries from vendors concerning the Debtors' chapter 11 cases, and coordinating with AlixPartners regarding the same.

(v) <u>Litigation [Matter No. 25]</u>

Total Fees: $256,302.50
Total Hours: 237.50

57. This Matter Category includes time spent by K&E attorneys and paraprofessionals providing services related to discovery, litigation, or other adversarial matters. Specifically, K&E attorneys and paraprofessionals spent time:

(i) reviewing, analyzing, researching, and preparing responses to potential and actual filed objections; and

(ii) reviewing, analyzing, and responding to various discovery requests and reviewing potentially discoverable documents for privilege and confidentiality considerations.

(w) <u>Non-Working Travel Time [Matter No. 27]</u>

Total Fees: $46,201.50

Total Hours: 33.30

58. This Matter Category includes time spent by K&E attorneys and paraprofessionals providing services related to traveling in connection with their representation of the Debtors. The amounts presented for review and the request for payment in the Fee Application reflect a reduction of one half the charges for travel time.

(x) <u>Creditors' Committee Issues [Matter No. 28]</u>

Total Fees: $118,611.00
Total Hours: 104.60

59. This Matter Category includes time spent by K&E attorneys meeting and corresponding with the Committee's advisors and the Debtors' prepetition lenders and their advisors to provide updates as to developments in the cases, providing relevant information and access to the Debtors and their records as requested, and responding to miscellaneous creditor inquiries. K&E attorneys and paraprofessionals also spent time responding to information requests from the Committee and coordinating with the Debtors' other advisors to efficiently respond to diligence requests.

(y) <u>Employee and Labor Matters [Matter No. 29]</u>

Total Fees: $115,569.00
Total Hours: 76.90

60. This Matter Category includes time spent by K&E attorneys and paraprofessionals addressing the following employee compensation issues:

(i) drafting, revising, and negotiating the proposed order approving, among other things, payment and continuation of employee compensation and benefits programs, and securing approval of the same on a final basis; and

(ii) researching and analyzing issues concerning employment and labor matters.

Actual and Necessary Expenses Incurred by K&E

61. As set forth in **Exhibit I** attached hereto, and as summarized in **Exhibit G** attached hereto, K&E has incurred a total of $65,000.23 in expenses on behalf of the Debtors during the Fee Period. These charges are intended to reimburse K&E's direct operating costs, which are not incorporated into the K&E hourly billing rates. K&E charges external copying and computer research at the provider's cost without markup. Only clients who actually use services of the types set forth in **Exhibit I** of this Fee Application are separately charged for such services. The effect of including such expenses as part of the hourly billing rates would impose that cost upon clients who do not require extensive photocopying and other facilities and services.

Reasonable and Necessary Services Provided by K&E

A. Reasonable and Necessary Fees Incurred in Providing Services to the Debtors.

62. The foregoing professional services provided by K&E on behalf of the Debtors during the Fee Period were reasonable, necessary, and appropriate to the administration of these chapter 11 cases and related matters.

63. Many of the services performed by partners and associates of K&E were provided by K&E's Restructuring Group. K&E has a prominent practice in this area and enjoys a national and international reputation for its expertise in financial reorganizations and restructurings of troubled companies, with over 175 attorneys focusing on this area of the law. The attorneys at K&E have represented either the debtor or the creditors' committee or have acted as special counsel in many large chapter 11 cases.

64. In addition, due to the facts and circumstances of these chapter 11 cases, attorneys from K&E's litigation, corporate, and tax groups were heavily involved with K&E's representation of the Debtors. These practice groups also enjoy a national and international

reputation for their expertise. Overall, K&E brings to these chapter 11 cases a particularly high level of skill and knowledge, which inured to the benefit of the Debtors and all stakeholders.

B. Reasonable and Necessary Expenses Incurred in Providing Services to the Debtors.

65. The time constraints imposed by the circumstances of these chapter 11 cases required K&E attorneys and other employees to devote substantial time during the evenings and on weekends to perform services on behalf of the Debtors. These services were essential to meet deadlines, respond to daily inquiries from various creditors and other parties in interest on a timely basis, and satisfy the demands of the Debtors' businesses and ensure the orderly administration of their estates. Consistent with firm policy, and as further disclosed in the Retention Application, K&E attorneys and other K&E employees who worked late in the evenings or on weekends were reimbursed for their reasonable meal and transportation costs. K&E's regular practice is not to include components for those charges in overhead when establishing billing rates, but rather to charge its clients for these and all other out-of-pocket disbursements incurred during the regular course of the rendition of legal services.

66. In addition, due to the location of the Debtors' businesses, co-counsel, creditors, and other parties in interest in relation to K&E's offices, frequent multi-party telephone conferences involving numerous parties were required. On many occasions, the exigencies and circumstances of these chapter 11 cases required overnight delivery of documents and other materials. The disbursements for such services are not included in K&E's overhead for the purpose of setting billing rates and K&E has made every effort to minimize its disbursements in these chapter 11 cases. The actual expenses incurred in providing professional services were necessary, reasonable, and justified under the circumstances to serve the needs of the Debtors in these chapter 11 cases.

67. Among other things, K&E makes sure that all overtime meals, travel meals, hotel rates, and airfares are reasonable and appropriate expenses for which to seek reimbursement. Specifically, K&E regularly reviews its bills to ensure that the Debtors are only billed for services that were actual and necessary and, where appropriate, prorates expenses. In that regard, K&E will waive certain fees and reduce its expenses if necessary. In the Fee Period, K&E voluntarily reduced its fees and expenses by $255,017.39. Consequently, K&E does not seek payment of such fees or reimbursement of such expenses in the Fee Application.

K&E's Requested Compensation and Reimbursement Should be Allowed

68. Section 330 of the Bankruptcy Code provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

> In determining the amount of reasonable compensation to be awarded . . . the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—
>
> (A) the time spent on such services;
>
> (B) the rates charged for such services;
>
> (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
>
> (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
>
> (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and expertise in the bankruptcy field; and

> (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

69. K&E respectfully submits that the services for which it seeks compensation in this Fee Application were, at the time rendered, necessary for and beneficial to the Debtors and their estates and were rendered to protect and preserve the Debtors' estates. K&E further believes that it performed the services for the Debtors economically, effectively, and efficiently, and the results obtained benefited not only the Debtors, but also the Debtors' estates and the Debtors' constituents. K&E further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors, their estates, and all parties in interest.

70. During the Fee Period, K&E's hourly billing rates for attorneys ranged from $745 to $2,465. The hourly rates and corresponding rate structure utilized by K&E in these chapter 11 cases are equivalent to the hourly rates and corresponding rate structure used by K&E for restructuring, workout, bankruptcy, insolvency, and comparable matters, and similar complex corporate, securities, and litigation matters, whether in court or otherwise, regardless of whether a fee application is required. K&E strives to be efficient in the staffing of matters. These rates and the rate structure reflect that such matters are typically national in scope and involve great complexity, high stakes, and severe time pressures—all of which were present in these chapter 11 cases.

71. Moreover, K&E's hourly rates are set at a level designed to compensate K&E fairly for the work of its attorneys and paraprofessionals and to cover certain fixed and routine overhead expenses. Hourly rates vary with the experience and seniority of the individuals

assigned. These hourly rates are subject to periodic adjustments to reflect economic and other conditions and are consistent with the rates charged elsewhere.

72. In sum, K&E respectfully submits that the professional services provided by K&E on behalf of the Debtors and their estates during these chapter 11 cases were necessary and appropriate given the complexity of these chapter 11 cases, the time expended by K&E, the nature and extent of K&E's services provided, the value of K&E's services, and the cost of comparable services outside of bankruptcy, all of which are relevant factors set forth in section 330 of the Bankruptcy Code. Accordingly, K&E respectfully submits that approval of the compensation sought herein is warranted and should be approved.

73. No previous application for the relief sought herein has been made to this or any other Court.

Reservation of Rights and Notice

74. It is possible that some professional time expended, or expenses incurred, during the Fee Period are not reflected in the Fee Application. K&E reserves the right to include such amounts in future fee applications. In addition, the Debtors have provided notice of this Fee Application to: (a) the U.S. Trustee; (b) the Committee; (c) the office of the attorney general for each of the states in which the Debtors operate; (d) the United States Attorney's Office for the District of Delaware; (e) the Internal Revenue Service; (f) the United States Securities and Exchange Commission; (g) counsel to the 1L Ad Hoc Group; (h) the agent of the DIP Facility and counsel thereto; (i) the agent of the First Lien Credit Agreement and counsel thereto; (j) the Second Lien Credit Agreement Agent and counsel thereto; (k) the agent of the First Lien Notes and counsel thereto; and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties"). Pursuant to the Interim Compensation Order, any party, other than the Notice Parties, that wishes to object to the Fee Application, must file its

objection with the Court, with a copy to Chambers and serve it on the affected professional and the Notice Parties so that it is actually received on or before December 4, 2024 (or the date which is 21 days after service of this Application, whichever is later) at 4:00 p.m. prevailing Eastern Time.

No Prior Request

75. No prior application for the relief requested herein has been made to this or any other court.

[*Remainder of Page Intentionally Blank*]

WHEREFORE, K&E respectfully requests that the Court enter an order (a) awarding K&E interim compensation for professional and paraprofessional services provided during the Fee Period in the amount of $9,309,620.32, and reimbursement of actual, reasonable and necessary expenses incurred in the Fee Period in the amount of $65,000.23; (b) authorizing and directing the Debtors to remit payment to K&E for such fees and expenses; and (c) granting such other relief as is appropriate under the circumstances.

Dated: November 13, 2024
Wilmington, Delaware

/s/ Patrick J. Reilley

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