

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

In re:	)	Chapter 11
VYAIR MEDICAL, INC., <i>et al.</i> , ¹	)	Case No. 24-11217 (BLS)
Debtors.	)	(Jointly Administered)
	)	

**OBJECTION OF SPECTRUM PLASTICS GROUP TO THE DEBTORS' FIRST
NOTICE TO CONTRACT PARTIES OF POTENTIALLY ASSUMED AND ASSIGNED
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Spectrum Plastics Group ("Spectrum") by its undersigned attorneys, hereby submits this limited objection (this "Objection") to the proposed cure amount set forth in *First Notice to Contract Parties of Potentially Assumed and Assigned Executory Contracts and Unexpired Leases* [D.I. 256] (the "Cure Notice"). In support of this Objection, Spectrum states the following:

I. Background

1. On June 9, 2024 (the "Petition Date"), the above-captioned debtors (the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

2. Prior to the Petition Date, Spectrum provided certain goods pursuant to purchase orders (the "Purchase Orders") that constitute executory contracts between the Debtor and Spectrum.²

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 The Purchase Orders are confidential documents and will be furnished upon request.

3. To date, the certain Purchase Orders have not been paid, nor have been assumed or rejected by the Debtors, and Spectrum continues to provide services postpetition to the Debtors.

4. On June 10, 2024, the Debtors filed the *Motion of Debtors for Entry of an Order (I) Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors' Assets, (II) Authorizing the Debtors to Enter into a Stalking Horse Agreement and Provide Bid Protections, (III) Approving the Form and Manner of Notice Thereof, (IV) Scheduling an Auction and Sale Hearing, (V) Approving Procedures for the Assumption and Assignment of Contracts, (VI) Approving the Sale of the Debtors' Assets Free and Clear, and (VII) Granting Related Relief* [D.I. 16] (the "Bidding Procedures Motion"), seeking *inter alia*, approval of various procedures, including bid and assumption and assignment procedures (the "Bidding Procedures") to govern the sales of substantially all of the Debtors' assets pursuant to section 363 of the Bankruptcy Code.³

5. On July 11, 2024, the Court entered the *Order (I) Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors' Assets, (II) Authorizing the Debtors to Enter into a Stalking Horse Agreement and Provide Bid Protections, (III) Approving the Form and Manner of Notice Thereof, (IV) Scheduling an Auction and Sale Hearing, (V) Approving Procedures for the Assumption and Assignment of Contracts, (VI) Approving the Sale of the Debtors' Assets Free and Clear, and (VII) Granting Related Relief* [D.I. 249] (the "Bidding Procedures Order"), which among other things, approved the Sale Procedures.

6. On July 11, 2024, the Debtors filed and served the Cure Notice on counterparties to contracts the Debtors propose to assume and assign to the Successful Bidder, which lists certain contracts with Spectrum for assumption.

³ Capitalized terms not otherwise defined herein, should have the meaning given to them in the Bidding Procedures Motion or the Cure Notice.

II. Objection

7. Under the Plan, the Debtors proposes to assume the Purchase Orders with Spectrum and pay Spectrum a cure in the amount of \$0.00.

8. Spectrum disputes the \$0.00 cure amounts proposed by the Debtors because this amount does not reflect the amount due and owing to Spectrum for prepetition charges or postpetition charges due and owing to Spectrum under the Purchase Orders.

9. Spectrum's records show that, as summarized on **Exhibit A**, \$32,726.64 is due and owing to Spectrum for prepetition goods. Thus, as of the date of this Objection, the total cure amount is \$32,726.64 plus any amounts that become due and owing hereafter until the date on which the Purchase Orders are assumed.

10. Spectrum can only provide the information presently available regarding amounts that the Debtors owe, while reserving the right to amend this Objection as necessary to include any additional or unknown amounts.

11. Further, in addition to the cure amounts asserted herein, new purchase orders are issued as the Debtors place future orders. Amounts due under newly issued postpetition purchase orders will constitute part of the cure amounts that the Debtors must pay at the time of assumption.

12. Section 365(b)(1)(A) of the Bankruptcy Code requires that the Debtors cure or promptly cure outstanding balances due under the Purchase Orders upon assumption.

III. Conclusion

13. For the foregoing reasons and any additional reasons stated at a hearing on this matter, the Debtors should be required to fully cure all amounts due and owing to Spectrum under the Purchase Orders and the Court should grant Spectrum such other and further relief as is just and proper.

Dated: July 25, 2024

/s/ Tobey M. Daluz

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