

**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)
	)	
	)	Hearing Date: December 11, 2024 at 11:00 a.m. (ET)
	)	Objection Deadline: November 21, 2024 at 4:00 p.m. (ET)

**SUMMARY OF FIRST INTERIM
FEE APPLICATION OF BDO USA, P.C., TAX ACCOUNTANT
FOR THE DEBTORS AND DEBTORS IN POSSESSION,
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF
EXPENSES FOR THE PERIOD FROM JUNE 9, 2024 THROUGH AUGUST 31, 2024**

Name of Applicant:	BDO USA, P.C.
Authorized to provide professional services to:	Vyaire Medical, Inc., <i>et al.</i>
Date of retention:	August 7, 2024 (Effective as of June 9, 2024) [Docket No. 366]
Period for which compensation and reimbursement is sought:	June 9, 2024 through August 31, 2024
Amount of compensation sought as actual, reasonable and necessary:	\$1,181,374.60
Amount of expense reimbursement sought as actual, reasonable and necessary:	\$0.00
This is a(n):	___ monthly <u> X </u> interim ___ final application
Prior Interim Applications:	None

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.

SUMMARY OF FEES AND EXPENSES REQUESTED

Monthly Application		Requested Fees and Expense		Allowed Fees and Expenses		Unpaid Fees and Expenses	
Monthly Fee Period, Application Docket No., and Date Filed	CNO Docket No. and Date Filed	Total Fees Requested	Total Expenses Requested	Fees - Amount Allowed	Expenses - Amount Allowed	Unpaid Fees	Unpaid Expenses
06/09/24 – 06/30/24 Docket No. 479 08/28/24	Docket No. 533 09/19/2024	\$346,930.80	\$0.00	\$277,544.64	\$0.00	\$69,386.16	\$0.00
07/01/24 – 07/31/24 Docket No. 512 09/09/24	Docket No. 591 10/01/2024	\$356,159.60	\$0.00	\$284,927.68	\$0.00	\$71,231.92	\$0.00
08/01/24 – 08/31/24 Docket No. 579 09/27/24	Docket No. 645 10/21/2024	\$478,284.20	\$0.00	\$382,627.36	\$0.00	\$95,656.84	\$0.00
TOTAL:		\$1,181,374.60	\$0.00	\$945,099.68	\$0.00	\$236,274.92	\$0.00

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

In re:	)	Chapter 11
	)	
VYAIRES MEDICAL, INC., <i>et al.</i> , ¹	)	Case No. 24-11217 (BLS)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	Hearing Date: December 11, 2024 at 11:00 a.m. (ET)
	)	Objection Deadline: November 21, 2024 at 4:00 p.m. (ET)

**FIRST INTERIM FEE APPLICATION OF BDO USA, P.C., TAX ACCOUNTANT
FOR THE DEBTORS AND DEBTORS IN POSSESSION,
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF
EXPENSES FOR THE PERIOD FROM JUNE 9, 2024 THROUGH AUGUST 31, 2024**

BDO USA, P.C. (the “Applicant” or “BDO”), tax accountant to Vyair Medical, Inc. and certain of its subsidiaries, the debtors and debtors in possession in the above captioned cases (collectively, the “Debtors”), hereby submits this first interim fee application (the “Application”) pursuant to (i) sections 330 and 331 of title 11 of the United State Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), (ii) Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (iii) Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), and (iv) 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”)² for allowance of compensation for services rendered and reimbursement of expenses for the period from June 9, 2024 through August 31,

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 used but not otherwise defined herein shall have the meanings ascribed to such terms in the Interim Compensation Order.

2024 (the “Interim Fee Period”). In support of this Application, BDO respectfully represents 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 Local Rule 9013-1(f), to the entry of a final order by the Court in connection with this 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 statutory bases for the relief sought herein are sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016 and Local Rule 2016-2.

Background

A. The Chapter 11 Cases

4. On June 9, 2024 (the “Petition Date”), Vyair Medical, Inc. and certain of its subsidiaries filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. On June 11, 2024, the Court entered an order authorizing the procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. See Docket No. 84.

6. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases.

7. On June 26, 2024, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed the Official Committee of Unsecured Creditors (the “Committee”). See Docket No. 121.

8. A detailed description of the Debtors and their business, including the facts and circumstances giving rise to the Debtors’ chapter 11 cases, is set forth in the *Declaration of John Bibb, Group Chief Executive Officer of Vyair Medical, Inc., in Support of Chapter 11 Petitions and First Day Motions*. See Docket No. 15.

B. The Retention of BDO

9. On July 9, 2024, the Debtors applied to the Court for an order authorizing the retention and employment of BDO USA as Debtors’ tax accountant effective as of the Petition Date. See Docket No. 238. On August 7, 2024, the Court entered an order authorizing such retention. See Docket No. 366.

C. The Interim Compensation Order

10. The Interim Compensation Order sets forth the procedures for interim compensation and reimbursement of expenses in these chapter 11 cases. Specifically, the Interim Compensation Order provides that beginning with the period ending on August 31, 2024, and at three-month intervals thereafter, each of the Professionals may file and serve on the Application Recipients an interim fee application (each, an “Interim Fee Application”) for compensation and reimbursement of expenses sought in the Monthly Fee Statements served during such period. See Interim Compensation Order ¶ 2(e). Application Recipients will have twenty-one (21) days after service of an Interim Fee Application to object thereto (the “Interim Fee Application Objection”).

Deadline”). *Id.* Provided that no objection to an Interim Fee Application is filed within Interim Fee Application Objection Deadline, the Court, in its discretion, may approve an uncontested Interim Fee Application without the need for a hearing upon the Professional’s filing of a certificate of no objection. *Id.* ¶ 2(f). Upon allowance by the Court of a Professional’s Interim Fee Application, the Debtors shall be authorized to promptly pay such Professional all allowed fees (including the 20% holdback) and expenses not previously paid. *Id.*

Relief Requested

11. Pursuant to the Interim Compensation Order and section 331 of the Bankruptcy Code, BDO is seeking compensation in the amount of \$1,181,374.60 in fees for professional services rendered by BDO during the Interim Fee Period. This amount is derived solely from the applicable hourly billing rates of BDO personnel who rendered such services to the Debtors. In addition, BDO is seeking reimbursement of expenses incurred during the Interim Fee Period in the amount of \$0.00.

Reasonable and Necessary Services

12. Professionals of BDO USA have expended a total of 2,184.1 hours in connection with this matter during the Interim Fee Period.

13. The services for which BDO seeks compensation were, at the time rendered, necessary for, beneficial to, and in the best interests of, the Debtors and the Debtors’ estates. The services rendered were consistently performed in a timely manner commensurate with the complexity, importance and nature of the issues involved. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by Applicant is fair and reasonable given (a) the complexity of these cases, (b) the time

expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

Notice

14. BDO will provide notice and serve this Application on the Application Recipients (as defined and set forth in the Interim Compensation Order). In light of the nature of the relief requested in this Application, BDO submits that no other or further notice is required.

No Prior Request

15. No prior request for the relief sought in the Application has been made to this or any other court.

Certification of Compliance and Waiver

16. The undersigned representative of BDO certifies that he has reviewed the requirements of Local Rule 2016-2, and that the Application substantially complies with that Local Rule. To the extent that the Application does not comply in all respects with the requirements of Local Rule 2016-2, BDO believes that such deviations are not material and respectfully requests that any such requirements be waived.

Conclusion

WHEREFORE, BDO respectfully requests the Court enter an order (a) approving the Interim Fee Application; (b) awarding BDO compensation for the Interim Fee Period in the amount of \$1,181,374.60 and reimbursement for actual and necessary expenses in the amount of \$0.00; (c) authorizing the payment of such sums to BDO pursuant to the Interim Compensation Order;

and (d) granting such other and further relief as the Court may deem just and proper.

Dated: October 31, 2024

/s/ Kevin Wilkes

Kevin Wilkes

Tax Principal, Transaction Advisory Services

BDO USA, P.C.

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*Tax Accountant for the Debtors
and Debtors-in-Possession*

VYAIR MEDICAL, INC., ET AL.**BUDGET AND BILLING BY PROJECT CATEGORY**
JUNE 9, 2024 THROUGH AUGUST 31, 2024

<u>Project Category</u>	<u>Monthly Hours</u>	<u>Monthly Fees</u>
Federal Income Tax Returns/Extensions	770.9	\$296,533.60
Unclaimed Property	0.6	374.40
Fee Apps and Retention	102.5	48,668.00
Administrative	0.7	386.40
State Income Tax Returns/Extensions	314.7	124,609.60
Schedule M	45.3	18,452.40
Transfer Pricing	7.4	7,064.00
Tax Consulting	942.0	685,286.20
TOTAL:	2,184.1	\$1,181,374.60

SUMMARY OF BILLING BY PROFESSIONAL
JUNE 9, 2024 THROUGH AUGUST 31, 2024

<u>Professional</u>	<u>Position</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Amount</u>
Doug Bekker	Partner, NTO	4.9	\$1,150.00	\$5,635.00
Michael Masciangelo	Principal, CTS	2.0	1,150.00	2,300.00
Doug Chestnut	Managing Director, NTO	20.2	982.81	19,852.80
Rich Liebman	Managing Director, NTO	215.3	978.42	210,652.80
Zach Meyers	Managing Director, NTO	2.7	782.81	2,113.60
Cathy Stopyra	Managing Director, NTO	0.3	960.00	288.00
Kevin Wilkes	Principal, TAS	89.6	960.00	86,016.00
Annie Lee	Principal, ITS	26.2	793.13	20,780.00
Connie Cunningham	Principal, CTS	1.2	820.00	984.00
Keith Mannor	Principal, CTS	3.2	813.75	2,604.00
Micscha van der Kamp	Principal, Transfer Pricing	0.9	820.00	738.00
Kevin Ainsworth	Principal, CTS	2.5	780.00	1,950.00
Jesal Patel	Managing Director, Transfer Pricing	1.7	760.00	1,292.00
Randi Miller	Managing Director, CTS	57.7	686.68	39,621.20
Eric Tal	Senior Manager, TAS	0.5	680.00	340.00
Lucy Germano	Director, TAS	32.9	701.52	23,080.00
Sara Anderson	Senior Manager, Transfer Pricing	3.0	656.00	1,968.00
Greg Poci	Experienced Manager, SALT	110.0	603.27	66,360.00
Jesse Hooker	Manager, TAS	27.7	517.79	14,342.80
Alina Pierce	Manager, TAS	389.4	640.00	249,216.00
Sue Bazzzy	Senior Manager, ITS	52.8	624.00	32,947.20
Tim Goodyear	Senior Manager, SALT	0.6	624.00	374.40
John Gifford	Senior Manager, ASC740	97.0	600.56	58,254.40
Hannah Hobson	Experienced Senior, TAS	129.5	552.00	71,484.00
Melody Song	Experienced Senior, TAS	14.1	552.00	7,783.20
Nicole Roche	Manager, NTO	5.7	530.74	3,025.20
Ryan Keating	Senior, TAS	4.6	484.00	2,226.40
Bianca Pappalardo	Senior, TAS	7.5	484.00	3,630.00
Eddie Mason	Experienced Senior, NTO	83.8	454.26	38,067.20
Dante Petrone	Experienced Senior, ITS	103.4	452.00	46,736.80
Nick Zavis	Senior, SALT	43.3	288.61	12,496.80
Jon Morici	Experienced Senior, CTS	72.0	332.22	23,920.00
Kelsee Schofield	Senior, SALT	89.5	235.93	21,115.60
Ryan Lilly	Experienced Associate, SALT	140.1	261.64	36,656.40
Kassandra Gillis	Experienced Associate, ITS	58.6	272.00	15,939.20
Maxwell Kueppers	Associate, Transfer Pricing	0.5	260.00	130.00
Bryce Bertler	Associate, ITS	32.4	248.00	8,035.20

Djan Hinov	Associate, SALT	11.9	248.00	2,951.20
Tom O'Callaghan	Associate, CTS	5.1	232.00	1,183.20
Jared Schierbaum	Senior Associate, BRS	28.0	220.00	6,160.00
Emmitt Karrels	Intern, ITS	119.3	180.00	21,474.00
Blake Peiffer	Intern, ITS	92.5	180.00	16,650.00
	TOTAL:	2,184.1		\$1,181,374.60
Blended Rate:			\$540.90	

VYAIR MEDICAL, INC., *ET AL.*

**SUMMARY OF BILLING BY EXPENSE CATEGORY
JUNE 9, 2024 THROUGH AUGUST 31, 2024**

There are No Expenses for Interim Fee Period