

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

	X	
	:	Chapter 11
In re	:	
	:	Case No. 24-11217 (BLS)
VYAIRE MEDICAL, INC., <i>et al.</i> ,	:	
	:	Jointly Administered
Debtors. ¹	:	
	:	Hearing Date: 1/29/2025 at 10:30AM (ET)
	:	Objection Date: 1/10/2025 at 4:00PM(ET)

**MOTION OF COGNIZANT FOR THE ALLOWANCE AND PAYMENT OF
ADMINISTRATIVE EXPENSE CLAIM**

Cognizant Worldwide Limited and Cognizant Technology Solutions U.S. Corp. (collectively “Cognizant”), by and through its undersigned counsel, hereby files this motion (the “Motion”), pursuant to 11 U.S.C. §§ 503(a), 503(b)(1)(A), and 507(a)(2) for the allowance and prompt payment of its administrative expense claim. In support of such request, Cognizant respectfully states as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012. Venue is proper in the Court under 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b).

2. The statutory basis for the relief requested in this Motion is section 503(b)(1)(A) of the Bankruptcy Code.

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.

BACKGROUND

3. Pursuant to a Master Services Agreement, as amended from time to time, and various statements of work and work orders issued thereunder (collectively, the “Agreement”), Cognizant agreed to provide certain services to the Debtors and the Debtors agreed to pay for such services as invoiced.

4. On June 9, 2024 (the “Petition Date”), Vyaire Medical, Inc. and its affiliates (the “Debtors”), each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Court”). The Debtors continue to operate their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. The Debtors’ cases are being jointly administered.

5. Following the Petition Date, Cognizant has continued to provide services to the Debtors pursuant to the terms of the Agreement.

6. On November 14, 2024, the Court confirmed the *Second Amended Joint Chapter 11 Plan of Reorganization of Vyaire Medical, Inc. and Its Debtor Affiliates* [Docket No. 719] (the “Plan”), which was attached as Exhibit A to the *Findings of Fact, Conclusions of Law, and Order Confirming the Second Amended Joint Chapter 11 Plan of Reorganization of Vyaire Medical, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 745] (the “Plan Confirmation Order”).

7. On November 27, 2024, the Debtors filed the *Notice Of (I) Entry of Confirmation Order, (II) Occurrence Of Effective Date, and (III) Related Bar Dates* [ECF No. 810] (the “Notice of Effective Date”).

8. The Notice of Effective Date provided that the Plan became effective on November 27, 2024 (the “Effective Date”) and set the deadline for filing requests for payment of administrative expense claims as December 27, 2024.

RELIEF REQUESTED

9. By this Motion, Cognizant respectfully requests that the Court enter an order, substantially in the form attached hereto as **Exhibit A** (the “Administrative Expense Order”), (a) allowing Cognizant’s administrative expense claim, in an amount not less than \$154,314.15 (the “Administrative Expense Claim”), and (b) ordering the Debtors to promptly pay Cognizant the Administrative Expense Claim.

LEGAL ANALYSIS

10. Administrative expenses “receive priority payment over other claims pursuant to Bankruptcy Code § 507(a)(2).” *In re Highway Techs., Inc.*, No. 13-11326 (KJC), 2015 Bankr. LEXIS 308, at *10 (Bankr. D. Del. Jan. 30, 2015). Section 503(b) of the Bankruptcy Code provides for the priority payment of certain enumerated categories of allowable administrative expenses. 11 U.S.C. § 503(b). One of the categories of administrative expenses permitted under the Bankruptcy Code is the “the actual, necessary costs and expenses of preserving the estate.” 11 U.S.C. § 503(b)(1)(A). It is well established that “if a debtor in possession elects to continue to receive benefits from the other party to an executory contract pending a decision to reject or assume a contract, the debtor in possession is obligated to pay for the reasonable value of those services.” *Goody's Family Clothing, Inc. v. Mountaineer Prop. Co. II, LLC (In re Goody's Family Clothing, Inc.)*, 401 B.R. 656, 666 (D. Del. 2009) (quoting *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 531, 104 S. Ct. 1188, 79 L.Ed.2d 482 (1984)).

11. In order to qualify as an administrative expense under Section 503, the claim must have arisen post-petition and as the result of actions taken to benefit the estate. *See In re Marcal Paper Mills, Inc.*, 650 F.3d 311, 320-21 (3d Cir. 2011) (explaining that administrative expenses must arise from services provided to the bankruptcy estate post-petition and must be beneficial to the debtor in possession in the operation of its business). The Third Circuit has explained that “[b]y limiting priority to those claims that are actual and necessary, the Code prevents the estate from being consumed by administrative expenses, and preserves the estate for the benefit of the creditors.” *Marcal*, 650 F.3d at 315.

12. The Debtors benefitted from the post-petition use of Cognizant’s services and derived an actual and necessary cost and expense that preserved its estate by continuing to use Cognizant’s services. Cognizant provides business process outsourcing to the debtor by performing duties on behalf of the debtor such as managing accounts payable and accounts receivable. Copies of the invoices that comprise the Administrative Expense Claim are attached hereto as **Exhibit B**.

RESERVATION OF RIGHTS

13. Cognizant expressly reserves (and hereby expressly does not waive) all of its rights to revise, modify, update, and amend its request for the allowance and prompt payment of its Administrative Expense Claim, including the right to assert additional administrative expense claims against the Debtors.

WHEREFORE, Cognizant respectfully requests that the Court:

- (a) Allowing Cognizant an administrative claim in the amount of \$154,314.15;
- (b) Directing the Debtors to pay the administrative claim to Cognizant pursuant to the Plan; and

(c) Granting such other and further relief as is just and appropriate under the circumstances.

Dated: December 27, 2024
Wilmington, Delaware

Respectfully submitted,

DLA PIPER LLP (US)

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