

**UAL HEARIIN 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: March 5, 2025, at 10:30 a.m. (ET)
	)	Objection Deadline: February 5, 2025, at 4:00 p.m. (ET)

**FINAL FEE APPLICATION OF BDO USA P.C., TAX ACCOUNTANT TO THE
DEBTORS AND DEBTORS IN POSSESSION, FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD FROM JUNE 9, 2024 THROUGH NOVEMBER 14, 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 November 14, 2024
Amount of compensation sought as actual, reasonable and necessary:	\$1,505,329.64 ²
Amount of expense reimbursement sought as actual, reasonable and necessary:	\$0.00
This is a(n):	___ monthly ___ interim <u>X</u> final application

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 As set forth in the *First Omnibus Order Awarding Interim Allowance of Compensation for Services Rendered and Reimbursement of expenses* [Docket No. 834], BDO USA, P.C. agreed to a voluntary fee reduction of \$35,116.56. This amount also reflects an additional voluntary discount of \$63,000.00 being applied against BDO's final fee application as tax accountant to the debtors for compensation and reimbursement of expenses incurred for the period from June 9, 2024 through November 14, 2024.

Prior Interim Fee Application:

Application Docket No., and Date Filed	Interim Fee Period	Approved Fees and Expenses
Docket No. 698, 11/08/24	6/9/2024 – 8/31/2024	\$1,146,258.04

Prior Monthly Fee Applications:

Monthly Application		Requested Fees and Expenses		Approved Fees and Expenses		Holdback
Monthly Fee Period, Application Docket No., and Date Filed	CNO Docket No. and Date Filed	Total Fees Requested	Total Expenses Requested	Approved Fees (80%)	Approved Expenses (100%)	Fees Holdback (20%)
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
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
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
09/01/24 – 09/30/24 Docket No. 700 10/31/24	Docket No. 792 11/22/2024	\$191,542.40	\$0.00	\$153,233.92	\$0.00	\$38,308.48
10/01/24 – 10/31/24 Docket No. 756 11/20/24	Docket No. 839 12/12/2024	\$128,876.40	\$0.00	\$103,101.12	\$0.00	\$25,775.28
11/01/24 – 11/14/24 Docket No. 841 12/13/24	Docket No. 920 1/6/2025	\$38,652.80	\$0.00	\$30,922.24	\$0.00	\$7,730.56

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VYAIRE MEDICAL, INC., <i>et al.</i> , ¹	)	Case No. 24-11217 (BLS)
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Debtors.	)	(Jointly Administered)
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**FINAL FEE APPLICATION OF BDO USA P.C., TAX ACCOUNTANT TO THE
DEBTORS AND DEBTORS IN POSSESSION, FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
FROM JUNE 9, 2024 THROUGH NOVEMBER 14, 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 final 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”), (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”); and (v) the *Order Appointing Fee Examiner and Establishing Related Procedures for the Review of Fee Applications of Retained Professionals* [Docket No. 690] (the “Fee Examiner Order”),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 Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Interim Compensation Order, the Fee Examiner Order, or the *Second Amended Joint Chapter 11 Plan of Vyair Medical, Inc. and Its Debtor Affiliates* [Docket No. 719] (the “Plan”), as applicable.

for allowance of compensation for services rendered and reimbursement of expenses for the period from June 9, 2024 through November 14, 2024 (the “Final Fee Period”). In support of this Application, Cole Schotz 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. Such relief is also warranted under Bankruptcy Rule 2016, Local Rule 2016-2, the Interim Compensation Order, the Fee Examiner Order, the Plan, and the Confirmation Order (as defined herein).

Background

A. The Chapter 11 Cases

4. On June 9, 2024 (the “Petition Date”), Vyaire 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 final allowance of compensation and reimbursement of expenses in these chapter 11 cases. Specifically, the Interim Compensation Order provides that Professionals shall file final applications for compensation and reimbursement (collectively, the “Final Fee Applications”) by such deadline as may be established in a confirmed chapter 11 plan or in an order of the Court. *See* Interim Compensation Order ¶ 2(i). All Final Fee Applications shall comply with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable orders of the Court. *Id.*

D. The Plan and Confirmation Order

11. On November 11, 2024, the Debtors filed the Plan.

12. On November 14, 2024, the Court entered the *Findings of Fact, Conclusions of Law, and Order Approving the Debtors' Disclosure Statement For, and Confirming the Second Amended Joint Chapter 11 Plan of Vyaire Medical, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 745] (the "Confirmation Order").

13. 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* [Docket No. 810], (the "Effective Date Notice"), and the Plan became effective in accordance with its terms.

14. Pursuant to the confirmed Plan, and as set forth in the Effective Date Notice, the deadline to file final requests for payment of Professional Fee Claims is January 27, 2025 (the "Professional Fee Application Deadline"), which is the first Business Day that is sixty (60) days after the Effective Date. All professionals must file final requests for payment of Professional Fee Claims by no later than the Professional Fee Application Deadline to receive final approval of the fees and expenses incurred in these Chapter 11 Cases.

Relief Requested

15. By this Application, and pursuant to the Interim Compensation Order, the Plan, and section 331 of the Bankruptcy Code, BDO is seeking compensation in the amount of \$1,505,329.64 in fees for professional services rendered by BDO during the Final 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 Final Fee Period in the amount of \$0.00.

Reasonable and Necessary Services

16. Professionals of BDO expended a total of 2,796.6 hours in connection with this matter during the Final Fee Period.

17. 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

18. BDO will provide notice and serve this Application on the Application Recipients (as defined and set forth in the Interim Compensation Order) and the Fee Examiner. 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

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

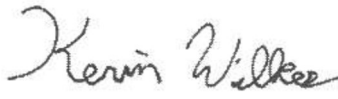
Certification of Compliance and Waiver

20. 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 Application; (b) awarding BDO compensation for the Final Fee Period in the amount of \$1,505,329.64³ and reimbursement for actual and necessary expenses in the amount of \$0.00; (c) authorizing the payment of such sums to BDO requested in the Application; and (d) granting such other and further relief as the Court may deem just and proper.

Dated: January 15, 2025



Kevin Wilkes
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Tax Accountant for the Debtors and Debtors-in-Possession

³ As set forth in the First Omnibus Order Awarding Interim Allowance of Compensation for Services Rendered and Reimbursement of expenses [Docket No. 834], BDO USA, P.C. agreed to a voluntary fee reduction of \$35,116.56. This amount also reflects an additional voluntary discount of \$63,000.00 being applied against BDO's final fee application as tax accountant to the debtors for compensation and reimbursement of expenses incurred for the period from June 9, 2024 through November 14, 2024.

VYAIR MEDICAL, INC., ET AL.**BUDGET AND BILLING BY PROJECT CATEGORY
JUNE 9, 2024 THROUGH NOVEMBER 14, 2024**

<u>Project Category</u>	<u>Total Hours</u>	<u>Total Fees</u>
Federal Income Tax Returns/Extensions	807.4	\$320,374.80
Unclaimed Property	0.6	374.40
Fee Apps and Retention	268.9	132,348.40
Administrative	0.7	386.40
State Income Tax Returns/Extensions	317.4	125,643.20
Schedule M	45.3	18,452.40
Transfer Pricing	11.3	8,936.40
Tax Consulting	1,345.0	996,930.20
Sub-Total:	2,796.6	\$1,603,446.20
Voluntary Reduction Agreed to With U.S. Trustee and Fee Examiner:		-35,116.56
Voluntary Discount:		-63,000.00¹
TOTAL WITH REDUCTIONS:	2,796.6	\$1,505,329.64

¹ The \$63,000.00 is a voluntary discount being applied against BDO's final fee application as tax accountant to the debtors for compensation and reimbursement of expenses incurred for the period from June 9, 2024 through November 14, 2024.

SUMMARY OF BILLING BY PROFESSIONAL
JUNE 9, 2024 THROUGH NOVEMBER 14, 2024

Professional	Position	Hours	Hourly Rate	Amount
Doug Bekker	Partner, NTO	7.1	\$1,150.00	\$8,165.00
Michael Masciangelo	Principal, CTS	16.4	1,150.00	18,860.00
Todd Simmens	Principal, CTS	1.0	1,150.00	1,150.00
Janet Schabhutl	Managing Director, NTO	0.5	1,008.00	504.00
Doug Chestnut	Managing Director, NTO	25.4	987.97	25,094.40
Rich Liebman	Managing Director, NTO	323.7	988.32	319,920.00
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	118.4	960.00	113,664.00
Annie Lee	Principal, ITS	38.1	801.52	30,538.00
Connie Cunningham	Principal, CTS	1.7	820.00	1,394.00
Keith Mannor	Principal, CTS	3.9	814.87	3,178.00
Micscha van der Kamp	Principal, Transfer Pricing	1.4	820.00	1,148.00
Kevin Ainsworth	Principal, CTS	2.5	780.00	1,950.00
Jesal Patel	Managing Director, Transfer Pricing	1.7	760.00	1,292.00
Kate Pascuzzi	Managing Director, Tax Controversy	0.9	704.00	633.60
Randi Miller	Managing Director, CTS	66.5	690.56	45,922.00
Eric Tal	Senior Manager, TAS	0.5	680.00	340.00
Lucy Germano	Director, TAS	35.7	699.83	24,984.00
Sara Anderson	Senior Manager, Transfer Pricing	4.6	656.00	3,017.60
Greg Poci	Experienced Manager, SALT	110.0	603.27	66,360.00
Jesse Hooker	Manager, TAS	38.2	551.38	21,062.80
Alina Pierce	Manager, TAS	580.2	640.00	371,328.00
Sue Bazy	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	104.5	602.82	62,994.40
Hannah Hobson	Experienced Senior, TAS	266.6	552.00	147,163.20
Melody Song	Experienced Senior, TAS	37.3	552.00	20,589.60
Nicole Roche	Manager, NTO	5.7	530.74	3,025.20
Ryan Keating	Senior, TAS	16.9	484.00	8,179.60
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	104.3	452.76	47,222.80
Nick Zavis	Senior, SALT	43.3	288.61	12,496.80
Jon Morici	Experienced Senior, CTS	72.8	332.40	24,198.40
Kelsee Schofield	Senior, SALT	89.5	235.93	21,115.60
Ryan Lilly	Experienced Associate, SALT	141.1	261.80	36,940.40
Kassandra Gillis	Experienced Associate, ITS	58.6	272.00	15,939.20
Miranda McBride	Associate, Transfer Pricing	2.0	272.00	544.00
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	15.4	232.00	3,572.80
Jared Schierbaum	Senior Associate, BRS	55.9	220.00	12,298.00
Emmitt Karrels	Intern, ITS	119.3	180.00	21,474.00
Blake Peiffer	Intern, ITS	92.5	180.00	16,650.00
Sub-Total:		2,796.6		\$1,603,446.20
Voluntary Reduction Agreed to With U.S. Trustee and Fee Examiner:				-35,116.56
Voluntary Discount:				-63,000.00¹
TOTAL WITH REDUCTIONS:		2,796.6		\$1,505,329.64
Blended Rate:			\$538.27	

¹ The \$63,000.00 is a voluntary discount being applied against BDO's final fee application as tax accountant to the debtors for compensation and reimbursement of expenses incurred for the period from June 9, 2024 through November 14, 2024.

VYAIR MEDICAL, INC., *ET AL.*

**SUMMARY OF BILLING BY EXPENSE CATEGORY
JUNE 9, 2024 THROUGH NOVEMBER 14, 2024**

There are No Expenses for Final Fee Period