

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

In re:	)	
	)	Chapter 11
VYAIRE MEDICAL, INC., ¹	)	
	)	Case No. 24-11217 (BLS)
Liquidating Debtor.	)	
	)	Hearing Date: June 11, 2025 at 10:30 a.m. (ET)
	)	Obj. Deadline: June 4, 2025 at 4:00 p.m. (ET)

**THE PLAN ADMINISTRATOR’S FOURTH OMNIBUS OBJECTION
(SUBSTANTIVE) TO CERTAIN CLAIMS
(No Liability Claims, Reclassified Claims, and Overstated Claims)**

TO ALL PARTIES RECEIVING THIS OBJECTION:

YOU SHOULD REVIEW SCHEDULE 1, SCHEDULE 2, AND SCHEDULE 3 TO THE PROPOSED ORDER TO LOCATE YOUR NAME AND CLAIM(S) AND DETERMINE IF YOUR CLAIM(S) ARE SUBJECT TO THIS OBJECTION. IF YOUR CLAIM(S) ARE LISTED ON THE SCHEDULES ATTACHED TO THE PROPOSED ORDER, YOU MAY HAVE SUBSTANTIVE RIGHTS AFFECTED BY THIS OBJECTION.

YOUR SUBSTANTIVE RIGHTS MAY ALSO BE AFFECTED BY FURTHER OBJECTIONS THAT MAY BE FILED IN THESE CHAPTER 11 CASES.

THE RELIEF SOUGHT IN THIS OBJECTION IS WITHOUT PREJUDICE TO THE RIGHTS OF THE PLAN ADMINISTRATOR, THE DEBTORS, THEIR ESTATES, ANY SUCCESSORS THERETO OR ANY OTHER PARTY IN INTEREST TO PURSUE FURTHER OBJECTIONS AGAINST THE CLAIMS SUBJECT TO THIS OBJECTION, AND NOTHING HEREIN OR THE PROPOSED ORDER IS INTENDED OR SHALL BE DEEMED TO BE AN ALLOWANCE OF ANY SUCH CLAIMS.

David M. Barse, solely in his capacity as the Plan Administrator of Vyair Medical, Inc., *et al.* (the “Plan Administrator”), appointed pursuant to the *Second Amended Joint Chapter 11 Plan of Vyair Medical, Inc. and Its Debtor Affiliates* [Docket No. 719] (the “Plan”), which was confirmed by the Order of the United States Bankruptcy Court for the District of Delaware (the

¹ This chapter 11 case is now being administered by the Plan Administrator pursuant to the terms of 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 Vyair Medical, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 745] (the “Confirmation Order”). The Plan Administrator’s mailing address is Vyair Medical, Inc., Attn: David M. Barse, Plan Administrator, c/o Cole Schotz P.C., 500 Delaware Avenue, Suite 600, Wilmington, DE 19801.

“Court”) on November 14, 2024 [Docket No. 745] (the “Confirmation Order”),² hereby files this third omnibus objection (non-substantive) (the “Objection”) seeking entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), disallowing and expunging the claims listed on (i) **Schedule 1** (the “No Liability Claims”), (ii) **Schedule 2** (the “Reclassified Claims”), and (iii) **Schedule 3** (the “Overstated Claims”). In support of the Objection, the Plan Administrator submits and incorporates herein the declaration of Joel Amico of AP Services, LLC attached hereto as **Exhibit B** (the “Amico Declaration”), and respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider the Objection under 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. This is a core proceeding under 28 U.S.C. § 157(b) and, pursuant to Rule 9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Plan Administrator consents to the entry of a final order by the Court in connection with the Objection to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

2. Venue is proper in this District under 28 U.S.C. §§ 1408 and 1409.

3. The statutory and legal predicates for the relief requested in the Objection are sections 502(b) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”),

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Confirmation Order or Plan, as applicable.

Local Rule 3007-1, and the *General Order Regarding Applicability of Rule 3007(c) of the Amended Federal Rules of Bankruptcy Procedure* (the “Rule 3007(c) General Order”).

BACKGROUND

A. The Chapter 11 Cases

4. On June 9, 2024, Vyaire Medical, Inc. and its affiliated debtors in the above-captioned chapter 11 cases (collectively, the “Debtors”) each commenced a voluntary case under the Bankruptcy Code with the Court.

5. The Debtors operated their business and managed their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code

6. On November 14, 2024, this Court entered the Confirmation Order.

7. On November 27, 2024 (the “Effective Date”), the Plan became effective in accordance with its terms [Docket No. 810].

8. On the Effective Date, David M. Barse, in his capacity as Plan Administrator, became the sole representative of the Debtors’ estates for the purpose of, *inter alia*, reconciling claims filed against the Debtors’ estates and facilitating distributions in accordance with the Plan. *See* Plan, Art. IV.E. and VII.

9. On January 25, 2025, the Court entered a *Final Decree Closing Certain Cases* [Docket No. 974], *inter alia*, closing all of the Debtors’ cases other than the above-captioned case and authorizing that relief in connection with any of the Debtors be filed in the above-captioned case.

B. The Claims Reconciliation Process

10. On July 9, 2024, the Court entered the *Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Under Section 503(b)(9), (II) Establishing Amended Schedules Bar*

Date and Rejection Damages Bar Date, (III) Approving the Form of and Manner for Filing Proofs of Claim, Including Section 503(b)(9) Requests, and (IV) Approving Form and Manner of Notice Thereof [Docket No. 227] (the “Bar Date Order”).

11. The Bar Date Order established, *inter alia*, (i) August 2, 2024 as deadline for all creditors, other than governmental units, holding a prepetition claim against one or more of the Debtors to file and serve a proof of claim and (ii) December 9, 2024 as the deadline for all governmental units holding a prepetition claim against one or more of the Debtors to file and serve a proof of claim. *See* Bar Date Order at ¶¶ 3.a. and b.

12. Pursuant to the Plan, the deadline for creditors to file Administrative Claims against the Debtors’ estates expired on December 27, 2024. *See* Plan, Art. I.A.5.

13. Subject to the Plan Administrator’s ability to seek an extension of such deadline, the Plan established May 27, 2025³ as the deadline to file objections to the allowance of Claims filed against the Debtors. *See* Plan, Art. VII.E.

14. On April 28, 2025, the Court entered the *Order Approving the Plan Administrator’s (I) First Motion to Extend the Claims Objection Deadline and (II) Second Motion to Extend the Administrative Claims Objection Deadline* [Docket No. 1074] (the “Extension Order”).

15. Pursuant to the Extension Order, (i) the deadline to object to all Claims, other than Administrative Claims, is November 24, 2025 and (ii) the deadline to object to Administrative Claims is August 25, 2025.

16. The Plan Administrator, with the assistance of his professional advisors, has been reviewing and reconciling the filed proofs of claim with the Debtors’ books and records to

³ Because 180 days after the Effective Date falls on Memorial Day, May 26, 2025, the Claims Objection Deadline rolls until the next business day – i.e., Tuesday, May 27, 2025. *See* FED. R. BANKR. P. 9006(a).

determine the validity of the asserted claims. This reconciliation process includes identifying particular categories of claims that may be targeted for reduction, reclassification, and disallowance or expungement. To avoid possible improper recovery by claimants, the Plan Administrator is filing this Objection to the Disputed Claims (as defined below).

RELIEF REQUESTED

17. By this Objection, the Plan Administrator objects to the claims set forth on **Schedules 1, 2, and 3** to the Proposed Order (collectively, the “Disputed Claims”) pursuant to section 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1. The Plan Administrator respectfully requests entry of the Proposed Order (i) disallowing and expunging the No Liability Claims on **Schedule 1** to the Proposed Order, (ii) reclassifying the Reclassified Claims on **Schedule 2** to the Proposed Order, and (iii) modifying the Overstated Claims on **Schedule 3** to the Proposed Order, as set forth herein.

OBJECTION

A. Legal Standard

18. When asserting a proof of claim against a bankrupt estate, a claimant must allege facts that, if true, would support a finding that the debtor is legally liable to the claimant. *See In re Energy Future Holdings*, 2016 WL 4925052, at *3 (D. Del. Sept. 14, 2016) (“The initial burden is on the claimant to allege sufficient facts to support the claim”); *In re Allegheny Int’l, Inc.*, 954 F.2d 167, 173 (3d. Cir. 1992). Where the claimant alleges sufficient facts to support its claim, its claim is afforded *prima facie* validity. *See Allegheny Int’l*, 954 F.2d at 173. A party wishing to dispute such a claim must produce evidence in sufficient force to negate the claim’s *prima facie* validity. *See Energy Future Holdings*, 2016 WL 4925052, at *3 (“The objector must produce evidence which, if believed, would refute at least one of the allegations that is essential to the claim’s legal sufficiency”); *see also* 11 U.S.C. § 502(a); FED. R. BANKR. P. 3001(f). In

addition, Bankruptcy Rule 3007 and Local Rule 3007-1 permits the Plan Administrator to make omnibus objections to the Disputed Claims.

19. A claim, however, should not be allowed if that claim is unenforceable against a debtor and property of a debtor, under any agreement or applicable law. See 11 U.S.C. § 502(b)(1). If an objection is made to the proof of claim, the claimant has the ultimate burden of persuasion as to the validity and amount of the claim. See *Allegheny Int'l*, 954 F.2d at 172.

B. No Liability Claims

20. The Plan Administrator objects to the No Liability Claims as claims for which the Debtors are not liable.

21. Upon review of the Debtors' books and records, along with the No Liability Claims and their supporting materials (if any), the Plan Administrator has determined that the applicable Debtor against whom such No Liability Claim is asserted is not liable for each No Liability Claim. The specific basis for the Plan Administrator's objection to each No Liability Claim is further explained in the column of **Schedule 1** to the Proposed Order titled "*Reason for Disallowance.*"

22. Failure to disallow the No Liability Claims would result in the applicable claimants receiving an unwarranted recovery against the Debtors' estates to the detriment of creditors in these chapter 11 cases. Accordingly, the Plan Administrator requests entry of an order disallowing each No Liability Claim identified on **Schedule 1** to the Proposed Order.

C. Reclassified Claims

23. The claimants asserting claims listed on **Schedule 2** to the Proposed Order improperly assert that their claims are entitled to secured status. The Plan Administrator has reviewed the Reclassified Claims and any related supporting documentation provided by each applicable claimant, along with the Debtors' books and records, and has determined that the

Reclassified Claims should instead be classified as non-priority general unsecured claims. A further explanation for the proposed reclassification of each Reclassification Claim is set forth on **Schedule 2** to the Proposed Order in the column titled “*Reason for Reclassification.*”

24. Any failure to reclassify the Reclassified Claims, as indicated on **Schedule 2** to the Proposed Order, will award the applicable claimants undue secured status to the detriment of other creditors in these chapter 11 cases. Accordingly, subject to further objection, the Plan Administrator requests entry of the Proposed Order reclassifying the Reclassified Claims as indicated on **Schedule 2** to the Proposed Order.

D. Overstated Claims

25. The Plan Administrator objects to the Overstated Claims to the extent they are asserted for amounts in excess of what they are actually owed.

26. Courts in this Circuit routinely reduce claims when the asserted amount is unsupported by the claimant’s submitted documentation or are otherwise irreconcilable with the debtor’s books and records. *See In re Rental Car Intermediate Holdings, LLC*, No. 20-11247, D.I. 1734 (Bankr. D. Del. Mar. 31, 2025) (reducing claim on basis that the amount stated in proofs of claim were different from what was reflected in the debtors’ books and records); *Rotech Healthcare Inc., et al.*, No. 13-10741, D.I. 1577 (Bankr. D. Del. May 20, 2014) (same); *In re Harry & David Holdings, Inc.*, No. 11-10884, D.I. 915 (Bankr. D. Del. Nov. 23, 2011) (same).

27. The Plan Administrator has reviewed the Overstated Claims and any related supporting documentation provided by each applicable claimant, along with the Debtors’ books and records, and has determined that the Overstated Claims listed on **Schedule 3** to the Proposed Order are overstated and should be reduced accordingly. A further explanation for the proposed

modification of each Overstated Claim is set forth on **Schedule 3** to the Proposed Order in the column titled “*Reason for Modification.*” Failure to reduce these Overstated Claims would result in these creditors receiving an excessive recovery to the detriment of other creditors in these chapter 11 cases. Accordingly, subject to further objection, the Plan Administrator requests entry of the Proposed Order modifying the Overstated Claims as indicated on **Schedule 3** to the Proposed Order.

RESPONSES TO OBJECTION

28. **Filing and Service of Responses.** To contest the Objection, a claimant must file and serve a written response to the Objection (a “Response”) so that it is received by **4:00 p.m. (Eastern Time) on June 4, 2025** (the “Response Deadline”). A claimant who has timely filed a Response and wishes to oppose the Objection must attend or make other plans to participate in the hearing on the Objection, which is scheduled to be held on **June 11, 2025 at 10:30 a.m. (Eastern Time)** before The Honorable Brendan L. Shannon, United States Bankruptcy Judge, United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6th Floor, Courtroom No. 1, Wilmington, Delaware 19801.

29. Every Response should be filed with the Office of the Clerk, United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, and served on counsel for the Plan Administrator, so that the Response is received no later than the Response Deadline at the following address:

Patrick J. Reilley, Esq.
Stacy L. Newman, Esq.
500 Delaware Avenue, Suite 600
Wilmington, DE 19801
Telephone: (302) 652-3131
Facsimile: (302) 652-3117
preilley@coleschotz.com
snewman@coleschotz.com

- and -

Matteo Percontino, Esq.
Court Plaza North, 25 Main Street
Hackensack, NJ 07601
Telephone: 201-489-8000
mpercontino@coleschotz.com

30. Timely Response Required. If a claimant fails to file and serve a timely Response, then, without further notice to the claimant or a hearing on the Objection, the Plan Administrator will present the Court with an order, substantially in the form attached hereto as **Exhibit A**, and the relief requested in the Objection may be granted without a hearing.

SEPARATE CONTESTED MATTER

31. To the extent that a Response is filed regarding any Disputed Claim listed in the Objection and the Plan Administrator is unable to resolve the Response, each such claim, and the objection by the Plan Administrator to each such claim asserted herein, shall constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. The Plan Administrator respectfully requests that any order entered by the Court regarding the Objection shall be deemed a separate order with respect to each Disputed Claim.

RESERVATION OF RIGHTS

32. The Plan Administrator hereby reserves his right and those of the Debtors' estates and any successors thereto to object further to the Disputed Claims on any additional factual or legal grounds. Without limiting the generality of the foregoing, the Plan Administrator

specifically reserves the right to amend the Objection, file additional papers in support hereof or take other appropriate actions, including to: (a) respond to any allegation or defense that may be raised in a Response by or on behalf of any claimant or other party in interest; (b) object further to any claim for which a claimant provides (or attempts to provide) additional documentation or substantiation; and (c) object further to any claim based on additional information that may be discovered on further review by the Plan Administrator or through discovery.

COMPLIANCE WITH LOCAL RULE 3007-1

33. To the best of the Plan Administrator's knowledge and belief, the Objection, including the exhibits annexed to the Proposed Order, substantially complies with Local Rule 3007-1 and the Rule 3007(c) General Order. To the extent that the Objection does not comply with the requirements of Local Rule 3007-1 or the Rule 3007(c) General Order, the Plan Administrator submits that the deviations are not material and respectfully request that those requirements be waived.

NO PRIOR REQUEST

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

NOTICE

35. Notice of this Objection will be given to: (i) the U.S. Trustee; (ii) claimants whose claims are subject to this Objection and their counsel, if known, and (iii) all parties entitled to notice pursuant to Bankruptcy Rule 2002. The Plan Administrator submits that, under the circumstances, no other or further notice is required.

CONCLUSION

WHEREFORE, for the reasons stated herein, the Plan Administrator respectfully requests that the Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested in the Objection and such other and further relief as the Court deems just and proper.

Dated: May 8, 2025
Wilmington, Delaware

COLE SCHOTZ P.C.

/s/ Patrick J. Reilley
Patrick J. Reilley (No. 4451)
Stacy L. Newman (No. 5044)
500 Delaware Avenue, Suite 600
Wilmington, DE 19801
Telephone: (302) 652-3131
Facsimile: (302) 652-3117
preilley@coleschotz.com
snewman@coleschotz.com

- and -

Matteo Percontino, Esq. (Admitted *Pro Hac Vice*)
Court Plaza North, 25 Main Street
Hackensack, NJ 07601
Telephone: (201) 489-3000
Facsimile: (201) 489-1536
mpercontino@coleschotz.com

*Counsel to David M. Barse, solely in his capacity as
the Plan Administrator of Vyair Medical, Inc., et
al.*