

Fill in this information to identify the case:

Debtor 1 SiO2 Medical Products, Inc.

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the: United States Bankruptcy Court -
District of Delaware

Case number 23-10366

RECEIVED
5/26/2023 2:54:11 PM (Eastern Time)
US BANKRUPTCY COURT-DRC
Claim No. ECN-90

Official Form 410

Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense, other than a claim arising under section 503(b)(9) of the Bankruptcy Code. Make a request for an administrative expense claim (other than 503(b)(9) claims) according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Robert S. Abrams</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	☒ No ☐ Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Matthew G. Summers c/o Ballard Spahr LLP 919 N. Market Street, 11th Floor Wilmington DE 19801 302-252-4428 summersm@ballardspahr.com	
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	☒ No ☐ Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	☒ No ☐ Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? ☒ No
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ Unknown / unliquidated. Does this amount include interest or other charges?
☒ No
☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
 Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
 Limit disclosing information that is entitled to privacy, such as health care information.
See attached

9. Is all or part of the claim secured? ☒ No
☐ Yes. The claim is secured by a lien on property.
- Nature of property:**
☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
☐ Motor vehicle
☐ Other. Describe: _____
- Basis for perfection:** _____
 Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
- Value of property:** \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)
- Amount necessary to cure any default as of the date of the petition:** \$ _____
- Annual Interest Rate** (when case was filed) _____ %
☐ Fixed
☐ Variable

10. Is this claim based on a lease? ☒ No
☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? ☒ No
☐ Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

☒ No

☐ Yes. Check all that apply:

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

☐ Other. Specify subsection of 11 U.S.C. § 507(a)(____) that applies.

Amount entitled to priority

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

* Amounts are subject to adjustment on 04/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim entitled to priority under 11 U.S.C. § 503(b)(9)?

☒ No

☐ Yes.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☐ I am the creditor.

☒ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 5/26/2023
MM / DD / YYYY

/s/ Robert S. Abrams

Signature

Print the name of the person who is completing and signing this claim:

Robert S. Abrams
c/o Ballard Spahr LLP
919 N. Market Street, 11th Floor
Wilmington DE 19801
302-252-4428
summersm@ballardspahr.com

Fill in this information to identify the case:

United States Bankruptcy Court for the District of Delaware

Indicate Debtor against which you assert a claim by checking the appropriate box below.

(Check only one Debtor per claim form.)

- ☒ SiO2 Medical Products, Inc.
(Case No. 23-10366)
- ☐ Advanced Bioscience Labware, Inc.
(Case No. 23-10367)
- ☐ Advanced Bioscience Consumables, Inc.
(Case No. 23-10368)

Proof of Claim

Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense other than a claim arising under section 503(b)(9). Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor? Name and address of the creditor.	Name and address of creditor (the person or entity to be paid for this claim): Robert S. Abrams	
	Other names the creditor used with the debtor: _____	
2. Has this claim been acquired from someone else?	☒ No ☐ Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).	Where should notices to the creditor be sent? Name: <u>Matthew G. Summers c/o Ballard Spahr LLP</u> Address: <u>919 N. Market Street, 11th Floor</u> City: <u>Wilmington</u> State: <u>DE</u> Zip: <u>19801</u> Phone: <u>302-252-4428</u> Email: <u>summersm@ballardspahr.com</u> Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	Where should payments to the creditor be sent? (if different) Name: _____ Address: _____ City: _____ State: _____ Zip: _____ Phone: _____ Email: _____
4. Does this claim amend one already filed?	☒ No ☐ Yes. Claim number on court claims registry (if known): _____ Filed on (MM/DD/YYYY): _____	
5. Do you know if anyone else has filed a proof of claim for this claim?	☒ No ☐ Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case was Filed

6. Do you have any number you use to identify the debtor?	☒ No ☐ Yes. Last 4 digits of the debtor's account or any identification number used: _____	
7. How much is the claim?	<u>\$ Unliquidated</u> Does this amount include interest or other charges? ☒ No ☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).	
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>See attached</u>	

9. Is all or part of the claim secured?	☒ No ☐ Yes. The claim is secured by a lien on property.	Nature of property: ☐ Real estate. If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . Basis for perfection: Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured (the sum of the secured and unsecured amounts should match the amount in line 7): \$ _____ Amount necessary to cure any default as of the date of the petition: \$ _____ Annual interest rate (when case was filed): _____ % ☐ Fixed ☐ Variable	☐ Motor vehicle ☐ Other (describe): _____
10. Is this claim based on a lease?	☒ No ☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____		
11. Is this claim subject to a right of setoff?	☒ No ☐ Yes. Identify the property: _____		
12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)? A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority. * Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.	☒ No ☐ Yes. Check all that apply: ☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). ☐ Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). ☐ Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). ☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). ☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). ☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.	Amount entitled to priority \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____	
13. Is all or part of the claim entitled to priority under 11 U.S.C. § 503(b)(9)?	☒ No ☐ Yes. Indicate the amount of your claim arising from the value of any goods delivered to and received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation identifying the particular invoices for which the 503(b)(9) claim is being asserted, and attach documentation of any reclamation demand made to the Debtor under section 546(c) of the Bankruptcy Code (if applicable). \$ _____		

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☐ I am the creditor.
☒ I am the creditor's attorney or authorized agent.
☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date (MM/DD/YYYY): 5-26-23

Signature: Robert S. Abrams

Print the name of the person who is completing and signing this claim:

First name: Robert Middle: S. Last: Abrams

Title: _____

Company (identify the corporate servicer as the company if the authorized agent is a servicer): c/o Ballard Spahr LLP

Address: 919 N. Market Street, 11th Floor

City: Wilmington State: DE Zip: 19801

Phone: 302-252-4428 Email: summersm@ballardspahr.com

Schedule to Proof of Claim

**In re: SiO2 Medical Products, Inc., Case No. 23-10366 (JTD)
United States Bankruptcy Court for the District of Delaware**

Creditor: Robert S. Abrams (“Mr. Abrams”)

This Schedule supplements the information stated in the accompanying Proof of Claim and shall constitute part of the Proof of Claim.

I. Basis for the Claim

Mr. Abrams asserts claims and causes of action against the Company arising from the below facts, including, but not limited to, breach of fiduciary duty claims, aiding and abetting breach of fiduciary duty claims, and fraudulent inducement claims. Mr. Abrams is further entitled to claims for indemnification and advancement, as well as reimbursement for monetary obligations of the Company that were paid by Mr. Abrams on the Company’s behalf.

A. Background

Robert S. Abrams founded SiO2 Medical Products, Inc. (“SiO2” or the “Company”) as a division of CV Holdings in 2008. On January 25, 2015, SiO2 became an independent company by purchasing some of the assets of Mr. Abrams’ previous company, Capitol Vial, Inc. From SiO2’s inception until July 2022, Mr. Abrams served as SiO2’s CEO and Chairman. Mr. Abrams currently serves as a director of SiO2. Until recently, Mr. Abrams spent the vast majority of his time in Auburn, Alabama, where SiO2 is headquartered, overseeing the research and development of SiO2’s cutting edge medical and biotech products. Over the last twelve months, SiO2 has perfected a number of its products, and it is now poised to introduce its breakthrough technology to the world.

Between Mr. Abrams’ personally held shares and those held by A. Enterprises, LLC, an entity controlled by Mr. Abrams, Mr. Abrams currently owns 100% of SiO2’s common stock and 28,795.81 shares of Enterprises 2017 Series A Preferred Shares. Mr. Abrams held voting control of SiO2 and its subsidiaries from its inception until July 2022, when Mr. Abrams was fraudulently induced to step down as CEO and surrender voting control by granting a proxy for his shares, as described below.

Mr. Abrams has been denied access to information in the Company’s possession, including information stored on Mr. Abrams’ Company computer and email account, at the Company’s premises, and on the Company’s network. SiO2 employees that Mr. Abrams or his lawyers contacted for information have refused to disclose information, claiming they were so instructed by counsel for SiO2 and its debtor-affiliates, Advanced Bioscience Labware, Inc. and Advanced Bioscience Consumables, Inc. (together with SiO2, the “Debtors”), in the above-captioned case. These obstructionist actions are inconsistent with, and contrary to, Mr. Abrams’ rights and interests as an SiO2 director and SiO2 shareholder. Mr. Abrams has been completely shut out of the Company that he founded and built. Mr. Abrams considers such actions to be in

bad faith and to give rise to various claims and causes of action against the Debtors and others.

Over the last decade, the Company has always had an ability to raise money to meet any economic challenge and bankruptcy was not even a consideration. In April of 2022, the Company was worth \$3.2 billion based on the sale of stock to third parties and new patents obtained. As discussed further below, however, certain parties steered the Company into an unnecessary bankruptcy by, in part, rejecting potential sources of funding. Mr. Abrams ceased pursuing available capital for the Company from external investors in or around July 2022 based on the false promises made to SiO2 by those who caused and/or participated in the filing of this bankruptcy. Immediately before the bankruptcy filing, in early 2023, the Company also failed to pursue approximately \$100 million of available monies from the federal government in connection with its work related to the Covid-19 pandemic.

As its founder, Mr. Abrams built SiO2 and its predecessor from the ground up. Mr. Abrams founded SiO2 to develop a critical need for production of glass-lined syringes and vials. From SiO2's inception through 2022—roughly fourteen years—Mr. Abrams ran SiO2's research and development. During that time, SiO2 built its patent portfolio, which now consists of 245 currently-issued patents, over 30 unique pending patent applications, more than roughly 8,000 patent use cases, and about 750 more patents in process. SiO2's technological advancements have resulted in the development of critical life-saving products through utilization of its patent portfolio.

Over the years, Mr. Abrams funded SiO2 and its predecessor with hundreds of millions of his own money and raised hundreds of millions more from others to fund SiO2's operations. In 2012, for example, Mr. Abrams raised over \$70 million in debt from the Retirement System of Alabama to help launch SiO2's Auburn, Alabama manufacturing facility, which SiO2 repaid in full, including interest, in an amount totaling \$132 million by December 31, 2021. Around December 2021, Mr. Abrams raised an additional \$100 million in funding for SiO2 from a Korean company, Doosan Corporation.

After spending more than fourteen years perfecting SiO2's products, the Company is now on the brink of commercializing its technology, which makes SiO2 extremely valuable and renders the timing of the filing of the Debtors' bankruptcy cases dubious. The Company's value is evident from its valuation in the years preceding the bankruptcy. Around 2020, for example, prior to the Doosan Corporation transaction, a publicly-traded multinational medical technology company (the "Potential Acquirer") approached SiO2 to discuss potentially acquiring SiO2's biotech products only. SiO2 expressed interest in the proposed transaction, spurring the Potential Acquirer to conduct due diligence. After completing its diligence, the Potential Acquirer offered to purchase SiO2's assets for an initial \$750 million payment followed by an earnout on terms that would make the total deal worth approximately \$1 billion to \$1.5 billion. Again, this valuation was for the biotech portion of the company only. SiO2's board, however, rejected the offer, feeling it undervalued SiO2. In December 2021, in connection with the capital raise from Doosan Corporation, the Company was valued at roughly \$2 billion.

B. In 2022, the Company and Mr. Abrams Were Defrauded by Thomas Strüngmann

Mr. Abrams' personally held shares and A. Enterprises' shares combined carry with them majority voting control of SiO2. Mr. Abrams exercised this majority voting control of SiO2 from its inception in 2015 until July 2022, when he was fraudulently induced by one of the Company's investors, Thomas Strüngmann ("Strüngmann"), to relinquish voting control in exchange for funding that Strüngmann promised to the Company, but never delivered or intended to deliver, as evidenced by his own statements and actions.

Strüngmann is a wealthy German businessman. Mr. Abrams' understanding is that Strüngmann and his brother, Andreas, were early backers of German firm BioNTech, which partnered with Pfizer to make a vaccine for Covid-19. Strüngmann currently controls two of SiO2's investors—Patiro Holdings AG ("Patiro") and Athos KG ("Athos"). Strüngmann began investing in SiO2 around 2015. In the Spring of 2022, Strüngmann and Mr. Abrams, as SiO2's then-CEO, began discussing the possibility of his making a further investment in SiO2.

On or around June 28, 2022, Mr. Abrams met with Strüngmann and several other people at Strüngmann's Munich office. At the meeting, and in the presence of others, Strüngmann agreed to invest \$50 million of equity in SiO2 at an equity value of \$500 million, which Mr. Abrams believed was a low valuation but accepted given the time sensitivity of the transaction. Before the meeting had finished, Strüngmann asked to speak to Mr. Abrams alone in another room. The two spent approximately thirty minutes privately discussing terms for Strüngmann's desire to provide additional funding for SiO2—beyond the initial \$50 million investment Strüngmann had agreed to.

During this conversation, Strüngmann and Mr. Abrams, as SiO2's CEO, agreed that Strüngmann would also invest an additional \$70-\$80 million in or about September or October 2022 and would raise or provide another \$170 million in new equity for SiO2 to support commercialization. As to the \$170 million, Strüngmann told Mr. Abrams he would attempt to raise as much of the additional \$170 million as possible from third parties, including his personal contacts. Together, these two investments of \$70-\$80 million and \$170 million constituted \$240-\$250 million in new equity. When combined with Strüngmann's agreement to immediately invest \$50 million, this constituted in excess of \$290 million in new capital—more than enough to fund SiO2 until it became significantly profitable.

In exchange for Strüngmann's promise to provide this new capital to SiO2, Mr. Abrams agreed to step down as SiO2's CEO and gave Strüngmann voting control of the Biotech division of the Company only by granting him proxy rights to vote Mr. Abrams and A. Enterprises' shares. Strüngmann selected Yves Steffen ("Steffen") to replace Mr. Abrams as SiO2's CEO in or around August 2022. At the time, Steffen was an SiO2 employee working in Europe who had only been with the Company for less than a year. Mr. Abrams believed at the time that Steffen was loyal to SiO2.

As part of the deal, Strüngmann further instructed Mr. Abrams to cease his ongoing efforts to raise funds for the Debtors. The reason he gave for this was that he was prepared to arrange for all necessary investments himself and did not want Mr. Abrams attracting other

investors. Strüngmann and Mr. Abrams, as then-CEO of Si02, also agreed that Strüngmann would run the Debtors' biotech and vaccine businesses only. Strüngmann said he had no interest in the rest of the Debtors' business, which was comprised of seven other research and development product divisions that Mr. Abrams would continue to run exclusively. Strüngmann's only involvement with these divisions would be through his charging a 5% fee of their profits to compensate him for use of the biotech and vaccine businesses' patents.

Mr. Abrams was not personally represented by counsel with respect to these transactions during any part of the June 28, 2022 meeting with Strüngmann, including the private discussion between Mr. Abrams and Strüngmann after the larger meeting with other individuals present. Based on Si02's agreement with Strüngmann and his representations to Mr. Abrams during their private discussion, Mr. Abrams broke off ongoing discussions with other potential sources of capital for Si02, including private and sovereign funds from Saudi Arabia and The United Arab Emirates ("UAE"). Mr. Abrams had been in negotiations with the Saudi funds for approximately eight months and had exchanged term sheets for an equity investment of between \$200-\$300 million. Mr. Abrams had also exchanged a term sheet with the UAE fund. Also based on Si02's agreement with Strüngmann and his representations to Mr. Abrams, Mr. Abrams executed the Amended & Restated Stockholders Voting Agreement on July 5, 2022, which gave Strüngmann's company, Patiro, a proxy to vote both Mr. Abrams' personal shares and A. Enterprises' shares. Although Mr. Abrams believed on the basis of their agreement that the proxy granted Strüngmann voting control only over the Company's biotech division, the proxy as written gave Strüngmann voting control over SiO2 more broadly. Mr. Abrams was focused on the Company's need for liquidity and the ultimate commercialization of its products, and again was not represented by counsel, as he thought that Strüngmann and Steffen were similarly focused on the Company's needs, as opposed to their own.

Strüngmann did not perform his end of the bargain. When Si02 requested the \$70-80 million he promised to invest in or around September or October 2022, he stated that he never intended to invest any more money. After investing the initial \$50 million, he provided none of the additional \$70-\$80 million he had promised, though he invested \$35 million in December 2022 through Athos under different terms and conditions. He likewise failed to raise the additional \$170 million equity investment for the Company. At a meeting of the Company's board of directors ("Board") in the fall of 2022, Strüngmann denied that he ever promised that he would: (1) invest \$70-\$80 million later in 2022; (2) raise another \$170 million in new equity; or (3) attempt to raise as much of the \$170 million as possible from third parties, including his personal contacts. It makes no sense for Mr. Abrams to have given a proxy for Strüngmann to vote Mr. Abrams' shares and to have stopped negotiating with the sovereign funds without the exact promises made to Si02 detailed in the foregoing paragraphs.

Between June 28, 2022 and roughly July 5, 2022, Strüngmann obtained Mr. Abrams' proxy by fraud and without consideration based on the false promises he made to Si02 and Mr. Abrams regarding his funding commitments described above. As a result, anything that occurred afterwards resulting from Strüngmann's use of the fraudulently obtained proxy is also a fraud.

C. Strüngmann and Steffen Steered the Company to an Unnecessary Bankruptcy

Instead, after gaining voting control of SiO2, Strüngmann and Steffen—who is beholden to Strüngmann—immediately began pursuing bankruptcy. In fact, they began speaking with current bankruptcy counsel several months earlier, in or around April 2022.¹ With Mr. Abrams proxy, Strüngmann had control of the Board. Rather than aiding the Debtors’ fundraising efforts, by instructing Mr. Abrams to cease raising funds from other investors, Strüngmann actively hindered the Debtors’ ability to raise capital. Mr. Abrams believes that Strüngmann did this to create a false liquidity crisis in order to justify a bankruptcy designed to personally benefit himself, even though it was against SiO2’s best interests.

In early 2023, the Strüngmann and Steffen continued down this path by failing to pursue available money from the federal government, owed to the Company for work performed by SiO2 related to the Covid-19 pandemic. In January 2023, Mr. Abrams began working to submit a request for equitable adjustment (“REA”) to the U.S. government for \$111,457,080 in costs SiO2 incurred in manufacturing vials for the government’s Operation Warp Speed program for production of a Covid-19 vaccine. Mr. Abrams prepared a draft of the REA, which Mr. Abrams sent to Steffen, SiO2’s new CEO hand-picked by Strüngmann, to be filed with the federal government. Mr. Abrams personally hired and paid the fees of an attorney—one of the leading experts on government reimbursement—for the purpose of advising Mr. Abrams on whether SiO2 was entitled to request this reimbursement. Although there was no guarantee that the government would grant the request, the attorney told Mr. Abrams that he considered it a routine submission and payment was highly likely. According to him, if the submission had been filed by January 24, 2023, SiO2 would have known by March 24, 2023 whether the U.S. government would pay some or all of the much-needed \$111 million.

Steffen inexplicably refused to make this filing with the federal government. In roughly February 2023, Mr. Abrams flew to Auburn, Alabama to ensure that Steffen would file the application with the federal government. After Mr. Abrams confronted Steffen, he promised Mr. Abrams that he would file the application. He did not. Instead, Steffen began making excuses for why he did not make the filing.

On March 22, 2023, Steffen emailed an explanation of why he did not make the reimbursement request. That email is attached to this Proof of Claim as Exhibit 1. Steffen listed several considerations, including the amount of work needed to submit and negotiate the request and its potential to “jeopardize the Company’s relationship with the government and future contract opportunities.” Mr. Abrams was aware that many companies had hundreds of REAs pending with the federal government at the same time and apparently believed that their relationship with the federal government would not be jeopardized by the submission. Mr. Abrams considers Steffen’s attempted justifications for failing to file the REA to be pretextual.

¹ There are numerous misstatements in the *Declaration of Yves Steffen, Chief Executive Officer of SiO2 Medical Products, Inc., in Support of Chapter 11 Filing and First Day Motions* (ECF No. 15), which are provable by documentation that is in the control of the Company and being withheld from Mr. Abrams.

First, even if it would require effort to submit and negotiate the request, the size of the potential reimbursement—\$111 million in new capital—more than justifies the cost and effort. Second, requesting more money from the government has nothing to do with the potential for future contact opportunities—those are separate matters handled by separate divisions of the government at separate locations. Mr. Abrams believes the real reason that Steffen did not submit the reimbursement request is that it would undermine his and Strüngmann’s plan to create a fake liquidity crisis to justify putting the Company into bankruptcy.

On or around September 25, 2022, Strüngmann met in London with a representative from Oaktree Capital Management, L.P., the first lien debt holder (“Oaktree”) and Steffen. Mr. Abrams did not attend the meeting. Mr. Abrams assumed that Steffen would represent the interests of SiO2 at the meeting. Afterwards, when Mr. Abrams asked SiO2’s CEO Steffen what had occurred at the meeting, he told Mr. Abrams that he could not tell Mr. Abrams. Mr. Abrams was very surprised by this response.

With Mr. Abrams’ fraudulently obtained proxy, Strüngmann was able to obtain the requisite Board votes needed to pass a Board resolution supporting the bankruptcy plan and put it to a shareholder vote. Strüngmann could then use his voting control to pass an Action by Written Consent of the Shareholders to authorize the bankruptcy. SiO2’s bankruptcy petition attached a Written Consent of the Shareholders to authorize the bankruptcy, which is signed by Patiro acting by proxy on behalf of Mr. Abrams and Mr. Abrams’ company, A. Enterprises. Mr. Abrams would never have given Strüngmann (or his entity) a proxy if Mr. Abrams thought it would result in a bankruptcy filing.

On March 30, 2023, as a result of Strüngmann’s control of the Company’s Board and the voting proxy, Mr. Abrams was removed as Chairman of the Board.

Mr. Abrams asserts that he has claims and causes of action against the Company arising from these facts, including, but not limited to, breach of fiduciary duty claims, aiding and abetting breach of fiduciary duty claims, and fraudulent inducement claims.

On March 29, 2023 (the “Petition Date”), the Debtors each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors cases are jointly administered for procedural purposes only (the “Chapter 11 Cases”).

D. Advancement & Indemnification

Since the Petition Date, the Debtors have accused Mr. Abrams of various alleged malfeasance or improper actions and omissions relating to the use, financing, and sale of an airplane and improper expense reimbursements. Mr. Abrams denies all of these allegations, and asserts that he is entitled to advancement and indemnification under state law and the Debtors’ respective organizational documents in connection with the Debtors’ ongoing investigations into these alleged actions and omissions, any claims or causes of action ultimately asserted based on the alleged actions and omissions, and any claims or causes of action the Debtors may allege or assert against Mr. Abrams. In addition, Mr. Abrams reserves his right to assert claims under the Company’s directors and officers insurance policy as a covered insured.

E. Reimbursement Claims

Prior to the Petition Date, Mr. Abrams paid certain monetary obligations of the Company on the Company's behalf, both individually and through certain of the companies he controls, in a currently unliquidated amount. Mr. Abrams is actively investigating the actual amounts of such claims. These investigative efforts, however, have been hampered as a result of the Company denying Mr. Abrams access to his computer and records, which the Company holds in its possession. Mr. Abrams' investigation into such payments remains ongoing and he expressly reserves all rights to seek reimbursement for such claims when such claim amounts become known.

II. Amount & Priority of the Claim

Mr. Abrams asserts general unsecured claims against SiO2 in an unliquidated and undetermined amount.

III. Notices

All notices and pleadings concerning this proof of claim should be sent to the following:

Richard J. Cooper
David H. Botter
Luke A. Barefoot
Thomas S. Kessler
Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006

-and-

Matthew G. Summers
Laurel D. Roglen
Ballard Spahr LLP
919 N. Market Street, 11th Floor
Wilmington, Delaware 19801

IV. Reservation of Rights

Mr. Abrams reserves the right to amend this proof of claim to include amounts not stated above, including, without limitation, costs, expenses, attorneys' fees, and any other charges or amounts due, as appropriate, under applicable bankruptcy and non-bankruptcy law. Mr. Abrams reserves all of his rights and remedies, including, without limitation, the right to amend this claim from time to time to reflect damages, additional charges, adjustments and the like, due and payable to Mr. Abrams, as the same become quantified, known or available.

Mr. Abrams further reserves the right to amend this Proof of Claim (and any Proof of Claim that it files, has filed or may file in the Debtors' bankruptcy cases) to make such claim a secured claim by virtue of Mr. Abrams' right to setoff, offset or recoup the amount thereof under 11 U.S.C. § 553 or otherwise, or to otherwise assert a defense of setoff, offset and/or recoupment against any claims, defenses or offsets that the Debtor or any other party may assert against Mr. Abrams.