

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

PROOF OF CLAIM

1. Name of Debtor (Check Only One):

- Graceway Pharmaceuticals, LLC (11-13036) Chester Valley Pharmaceuticals, LLC (11-13041)
 Graceway Pharma Holding Corp. (11-13037) Graceway Canada Holdings, Inc. (11-13042)
 Graceway Holdings, LLC (11-13038) Graceway International, Inc. (11-13043)
 Chester Valley Holdings, LLC (11-13039)

This form should not be used to assert a claim for an administrative expense arising after the commencement of the case, which should be filed pursuant to 11 U.S.C. § 503. Additionally, this form should not be used to assert a claim under 11 U.S.C. § 503(b)(9), which should be filed pursuant to the 503(b)(9) Administration Order, entered on October 17, 2011 [Docket No. 122].

2. Name of Creditor (the person or other entity to whom the Debtor owes money or property):

Name and address where notices should be sent:

Carton Service, Inc.
PO Box 1219
Norris, TN 37828-1219

RECEIVED
DEC 16 2011
BMC GROUP

Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number: _____
(If known)

Filed on: _____

Name and address where payment should be sent (if different from above):

Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check this box if you are the Debtor or trustee in this case.

Telephone number:

If an amount is identified above, you have a claim scheduled by one of the Debtors as shown. Please review the bar date notice to determine whether you must file a proof of claim to preserve your rights. The bar date notice is available online at www.bmcgroup.com/graceway or upon request at the address on the back of this form.

THIS SPACE IS FOR COURT USE ONLY

3. Amount of Claim as of Date Case Filed:

\$ 22,354.80

If all or part of your claim is secured, complete item 6 below; however, if all of your claim is unsecured, do not complete item 6. If all or part of your claim is entitled to priority, complete item 7.

Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

4. Basis for Claim: Goods and services sold

(See instruction #4 on reverse side.)

5. Last four digits of any number by which creditor identifies Debtor: 1118

5a. Debtor may have scheduled account as: _____
(See instruction #5a on reverse side.)

6. Secured Claim (See instruction #6 on reverse side.)

Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: Real Estate Motor Vehicle Equipment Other

Describe:

Value of Property: \$ _____ Annual Interest Rate _____%

Amount of arrearage and other charges as of time case filed included in secured claim,

if any: \$ _____ Basis for perfection: _____

Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____

8. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

9. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 9 and definition of "redacted" on reverse side.)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain in an attachment.

7. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. § 507(a)(4).

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

Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507(a)(7).

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

Other – Specify applicable paragraph of 11 U.S.C. § 507(a)(_____).

Amount entitled to priority:

\$ _____

*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

10. Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

FOR COURT USE ONLY

Graceway Pharmaceuticals LLC



00106

Date: 12/13/11 Signature: Anita Wenninger Printed Name: Anita Wenninger

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the Debtor, there may be exceptions to these general rules. The attorneys for the Debtors and their court-appointed claims agent are not authorized and are not providing you with any legal advice.

PLEASE SEND YOUR ORIGINAL, COMPLETED CLAIM FORM AS FOLLOWS: **IF BY MAIL:** BMC GROUP, INC., ATTN: GRACEWAY PHARMACEUTICALS CLAIMS PROCESSING, P.O. BOX 3020, CHANHASSEN, MN 55317-3020. **IF BY HAND DELIVERY OR OVERNIGHT COURIER:** BMC GROUP, INC., ATTN: GRACEWAY PHARMACEUTICALS CLAIMS PROCESSING, 18750 LAKE DRIVE EAST CHANHASSEN, MN 55317. **ANY PROOF OF CLAIM SUBMITTED BY FACSIMILE OR E-MAIL WILL NOT BE ACCEPTED.**

THE GENERAL BAR DATE FOR CLAIMS IN THESE CHAPTER 11 CASES IS DECEMBER 30, 2011 4:00 P.M. (PREVAILING EASTERN TIME). THE GOVERNMENTAL BAR DATE FOR CLAIMS OF GOVERNMENTAL ENTITIES IN THESE CHAPTER 11 CASES IS MARCH 27, 2012 AT 4:00 P.M. (PREVAILING EASTERN TIME).

1. Court, Name of Debtor, and Case Number:

These Chapter 11 cases were commenced in the United States Bankruptcy Court for the District of Delaware. You should select the Debtor against which you are asserting your claim. **A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR.**

2. Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. Please provide us with a valid email address. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

3. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 6 and 7. Check the box if interest or other charges are included in the claim.

4. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the trustee or another party in interest files an objection to your claim.

5. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the Debtor's account or other number used by the creditor to identify the Debtor.

5a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the Debtor.

6. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

7. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507(a):

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

8. Credits:

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.

9. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 4. Do not send original documents, as attachments may be destroyed after scanning.

10. Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

Debtor

A Debtor is the person, corporation, or other entity that has filed a bankruptcy case. The Debtors in these Chapter 11 cases are:

Graceway Pharmaceuticals, LLC (11-13036)
Graceway Pharma Holding Corp. (11-13037)
Graceway Holdings, LLC (11-13038)
Chester Valley Holdings, LLC (11-13039)
Chester Valley Pharmaceuticals, LLC (11-13041)
Graceway Canada Holdings, Inc. (11-13042)
Graceway International, Inc. (11-13043)

Certain of the Debtors were known by other names within the past six years; such former names are identified in the notice of commencement.

Creditor

A creditor is the person, corporation, or other entity owed a debt by the Debtor on the date of the bankruptcy filing.

Claim

A claim is the creditor's right to receive payment on a debt owed by the Debtor that arose on the date of the bankruptcy filing. See 11 U.S.C. § 101(5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the Debtor on the date of the bankruptcy filing. The creditor must file the form with The Garden City Group, Inc. as described in the instructions above.

Secured Claim Under 11 U.S.C. § 506(a)

A secured claim is one backed by a lien on property of the Debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a Debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the Debtor money (has a right to setoff).

Section 503(b)(9) Claim

A Section 503(b)(9) claim is a claim for the value of any goods received by the Debtor within 20 days before the date of commencement of a bankruptcy case in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business.

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. § 507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION

Acknowledgment of Filing of Claim

To receive acknowledgment of your filing, please provide a stamped self-addressed envelope and a copy of this proof of claim when you file the original claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the Debtor. These entities do not represent the bankruptcy court or the Debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(c), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.

Purchase order

Billing Address Graceway Pharmaceuticals, 340 Martin Luther King Jr. Blvd, Bristol, TN 37620 US Phone: (423)274-2100 Fax: (423)274-2139
Vendor Address Pharma Packaging Solutions P.O. Box 92492 CLEVELAND OH 44193 USA

Information	
Purchase Order Number	4500010548
Date	08/04/2011
Vendor No.	301393
Currency	USD
Buyer	Supply Chain Inven
Phone	423-274-2100
Ship Date	08/18/2011

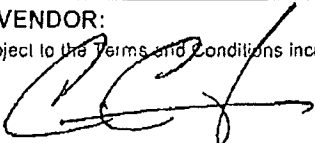
Shipping Address :	Graceway Pharmaceuticals, LLC. Distribution Plant - License # 2626 881 Mountain View Drive PINEY FLATS TN 37686
Terms of payment :	Within 30 days Due net Currency USD
Terms of delivery :	EXW(Ex Works) /Plant

Item	Material/Description	Quantity	UM	Unit Price	Net Amount
10	Cartons	1.00	AU	16966.630000/ AU	16,966.63
	The item covers the following services:				
	101	1.000 EA		16,966.63	16,966.63
20	Proofs, Plates, Dyes	1.00	AU	3000.000000/ AU	3,000.00
	For Zyclara Dating Extension				
	The item covers the following services:				
	10 For Cartons	1.000 EA		3,000.00	3,000.00
30	Cartons	1.00	AU	4430.980000/ AU	4,430.98
	The item covers the following services:				
	10 Cartons	1.000 EA		4,430.98	4,430.98

See Attached for Breakdown

CSI order
43966

ref: 90074211

INSTRUCTIONS TO VENDOR:	
This Purchase Order is subject to the Terms and Conditions incorporated herein by this reference.	
SIGNATURE 	DATE 04-AUG-2011

Jeanne Ritzenthaler

From: Joe Compton
Sent: Friday, August 05, 2011 7:18 AM
To: Jeanne Ritzenthaler
Subject: FW: UPDATE

Importance: High

Follow Up Flag: Follow up
Flag Status: Flagged

The Zyclara copies will all be the same except we will have new lot numbers on each one – preprinted. See below for the lot numbers.

We need to send these proofs to Joel as soon as we can. Joel is in Bristol.

Do you need anything from me on this?

From: Joel Newton [mailto:joel.newton@gracewaypharma.com]
Sent: Thursday, August 04, 2011 12:24 PM
To: Joe Compton
Cc: Jeanne Ritzenthaler
Subject: UPDATE
Importance: High

Lot #	28's Qty	Sachet Qty	New Expiration
LJ015A	11,747	328,916	OCT 13
LI020A	11,369	318,332	SEP 13
LI021A	4,553	127,484	SEP 13
LF005A	1,877	52,556	JUN 13
LF044A	5,349	149,772	JUN 13

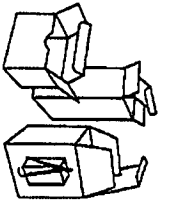
9.4
SHOW 43966
ON 8-17-11

Joe,
Please see the additional units we will need on the cartons and the inserts (LF005A and LF044A) Total cartons now 34,895 units total as well as 34,895 inserts. I will send the PO based on our previous price in the last email.

Thanks
Joel

34,895

Joel Newton
Sr. Director Logistics and Supply Chain
340 Martin Luther King Blvd Suite 400
Bristol, TN 37620
Office: 423-274-2132
Cell: 423-366-6634
Fax: 423-274-5532



Invoice

Carton Service, Inc.

1 OF 1

First Quality Drive PO Box 702 Shelby, OH 44875-0702 Phone (419) 342-5010 Fax (419) 342-4804
First Quality Drive PO Box 1219 Norris, TN 37828-1219 Phone (865) 494-6000 Fax (865) 494-6050
Rentl To: Carton Service, Inc., P.O. Box 92492, Cleveland, OH 44193

INVOICE NO. 90074269

INVOICE DATE 09/09/11

SALES REP. E J Compton

CUSTOMER # 1118

SOLD TO

SHIP TO

GRACEWAY PHARMACEUTICALS LLC
SUITE 400
340 MARTIN LUTHER KING BLVD
BRISTOL, TN 37620

GRACEWAY DISTRIBUTION CENTER
ATTN: HERSCHEL BLESSING
881 MOUNTAIN VIEW ROAD
PINEY FLATS, TN 37686

DATE SHIPPED

09/08/2011

SHIPPED VIA

AAA COOPER TRANSPORTATION PREPAID NORRIS TN

FOB

NORRIS TN

BILL OF LADING NO.

0080049278

TERMS 1% 10 days, net 30

After 30 Days a FINANCE CHARGE, computed by a "Periodic Rate" of 1 1/2 % per month, which is an annual percentage rate of 18% will be added to accounts not paid.

QUANTITY	NO. OF CARTONS	CASE COUNT	CARTON NO.	ITEM DESCRIPTION (SIZE OR NUMBER)	CUSTOMER P.O. NO.	GT. WT. OR NO.	PRICE/BOX	EXTENSION	
12,600	28	450	01118-009-008	ZYCLARA LI015A EXP 10/13	4800010548	43970	\$693.60 1000 EA	\$7,478.11	
12,150	27	450	01118-009-005	ZYCLARA LI020A EXP 09/13 Total Freight	4800010548	43967	\$693.60 1000 EA	\$7,211.03 122.21	
TOTAL CASES							55	1,386	

DISCOUNT ALLOWED - 1% 146.89

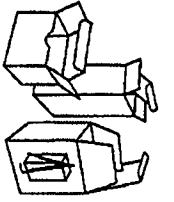
Positively no claims allowed unless made immediately upon receipt of goods and seller shall in no event be liable for consequential damages.

We hereby certify that these goods were produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of Labor issued under Section 14 thereof.

\$14,811.35

TOTAL

Accounting Copy



Invoice

Carton Service, Inc.

First Quality Drive PO Box 702 Shelby, OH 44875-0702 Phone (419) 342-5010 Fax (419) 342-4804
 First Quality Drive PO Box 1219 Norris, TN 37828-1219 Phone (865) 494-6000 Fax (865) 494-6050
 Remit To: Carton Service, Inc., P.O. Box 92492, Cleveland, OH 44193

1 OF 1

INVOICE NO. 90074211

INVOICE DATE 09/07/11

SALES REP. E J Compton

CUSTOMER # 1118

SOLD TO

GRACEWAY PHARMACEUTICALS LLC
 SUITE 400
 340 MARTIN LUTHER KING BLVD
 BRISTOL, TN 37620

SHIP TO

GRACEWAY DISTRIBUTION CENTER
 ATTN: HERSCHEL BLESSING
 881 MOUNTAIN VIEW ROAD
 PINEY FLATS, TN 37686

DATE SHIPPED

09/06/2011

SHIPPED VIA

AAA COOPER TRANSPORTATION PREPAID NORRIS TN

FOB

BILL OF LADING NO. 0080049242

TERMS 1% 10 days, net 30

After 30 Days a FINANCE CHARGE, computed by a "Periodic Rate" of 1 1/2 % per month, which is an annual percentage rate of 18% will be added to accounts not paid.

QUANTITY	NO. CASES	CASH COUNT	CARTON NO.	ITEM DESCRIPTION (SIZE OR NUMBER)	CUSTOMER P.O. NO.	GSI ORD. NO.	PRICE/UM	EXTENSION
2,065	4	150 263	01118-009-007	ZYCLARA LF005A EXP 06/13	4500010548	43969	\$593.50 1000 EA	\$1,225.58
4,590	10	450 90	01118-009-006	ZYCLARA L1021A EXP 09/13	4500010548	43968	\$593.50 1000 EA	\$2,724.16
5,850	13	450	01118-009-004	ZYCLARA LF044A EXP 06/13 Total Freight	4500010548	43966	\$593.50 1000 EA	\$3,471.98 121.73
TOTAL CASES: 29						WEIGHT: 700		

Positively no claims allowed unless made immediately upon receipt of goods and seller shall in no event be liable for consequential damages.

"We hereby certify that these goods were produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof."

\$7,543.45

TOTAL

Accounting Copy