


<b>UNITED STATES BANKRUPTCY COURT</b>		<b>District of Delaware</b>	<b>PROOF OF CLAIM</b>
Name of Debtor: <b>Graceway Pharmaceuticals, LLC</b>		Case Number: <b>11-13036 (PJW)</b>	<p><input type="checkbox"/> Check this box if this claim amends a previously filed claim.</p> <p><b>Court Claim Number:</b> _____ <i>(If known)</i></p> <p><b>Filed on:</b> _____</p> <p><input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.</p>
NOTE: <i>Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.</i>			
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>ACE American Insurance Company</b>			
Name and address where notices should be sent: <b>ACE American Insurance Company c/o Paul Bech, Esquire 436 Walnut Street, WA04K, Phila. PA 19106</b>		<p><b>RECEIVED</b></p> <p><b>DEC 21 2011</b></p> <p><b>BMC GROUP</b></p>	<b>COURT USE ONLY</b>
Telephone number: <b>(215) 640-4110</b> email: <b>paul.bech@acegroup.com</b>			
Name and address where payment should be sent (if different from above):			
Telephone number: _____ email: _____			
<b>1. Amount of Claim as of Date Case Filed:</b> \$ <u><del>contingent &amp; unliquidated</del></u> If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.			
<b>2. Basis for Claim:</b> <u>premium owed on ins. policy runoff</u> (See instruction #2)			
<b>3. Last four digits of any number by which creditor identifies debtor:</b>  <div style="text-align: center;">6 6 4 4</div>	<b>3a. Debtor may have scheduled account as:</b> _____ (See instruction #3a)	<b>3b. Uniform Claim Identifier (optional):</b> _____ (See instruction #3b)	
<b>4. Secured Claim (See instruction #4)</b> Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.  <b>Nature of property or right of setoff:</b> <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe:  <b>Value of Property:</b> \$ _____  <b>Annual Interest Rate</b> _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		<b>Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any:</b> \$ _____  <b>Basis for perfection:</b> _____  <b>Amount of Secured Claim:</b> \$ _____  <b>Amount Unsecured:</b> \$ _____	
<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.</b>			
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).		<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	
<input type="checkbox"/> 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).		<input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	
		<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).	
		<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(____).	
		<b>Amount entitled to priority:</b> \$ _____ <b>Graceway Pharmaceuticals LLC</b>	
 00119			
<i>*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.</i>			
<b>6. Credits.</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)			

7. Documents: Attached are 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. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".)

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

If the documents are not available, please explain:

8. Signature: (See instruction #8)

Check the appropriate box.

- XX I am the creditor. I am the creditor's authorized agent. I am the trustee, or the debtor, or their authorized agent. I am a guarantor, surety, indorser, or other codebtor. (Attach copy of power of attorney, if any.) (See Bankruptcy Rule 3004.) (See Bankruptcy Rule 3004.) (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Darlene Schneider
Title: Senior Legal Assistant
Company: ACE American Insurance Company
Address and telephone number: 436 Walnut St, WA04K Phila, PA 19106
Telephone number: (215) 640-4864
Email: darlene\_schneider@acegroup.com
Signature: Darlene Schneider 12/20/11
Date: 12/20/11

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

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, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number: Fill in the federal judicial district in which the bankruptcy case was filed...
Creditor's Name and Address: Fill in the name of the person or entity asserting a claim...
1. Amount of Claim as of Date Case Filed: State the total amount owed to the creditor...
2. Basis for Claim: State the type of debt or how it was incurred...
3. Last Four Digits of Any Number by Which Creditor Identifies Debtor: State only the last four digits...
3a. Debtor May Have Scheduled Account As: Report a change in the creditor's name...
3b. Uniform Claim Identifier: If you use a uniform claim identifier, you may report it here.

4. Secured Claim: Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured.
5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a): If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority.
6. 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.
7. Documents: Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest.
8. Date and Signature: The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature.

**EXHIBIT A TO PROOF OF CLAIM OF**  
**ACE AMERICAN INSURANCE COMPANY**  
**In re: Graceway Pharmaceuticals, LLC, et al.; Case No. 11-13036 (PJW)**  
**(U.S.B.C. D.DE)**

1. ACE American Insurance Company, and/or possibly other affiliated members of the ACE Group of Companies (collectively referred to as "ACE") issued insurance policies ("Policies") covering the Debtor, Graceway Pharmaceuticals. These Policies provided coverage to the Debtor for Directors and Officers Liability coverage among other various types of insurance coverage.

2. The presently-known Policy is identified as: ACE American Insurance Company Policy No. G24576644 effective March 31, 2011 until March 31, 2012. However, this matter is still under investigation and ACE reserves the right to supplement or amend this list.

3. Above-mentioned Policy No. G24576644 is not attached hereto due to its voluminous nature. However, a copy can be provided if requested.

4. Policy G24576644 has a run-off endorsement attached for which the premium of \$100,000 has not been paid as of the date of the filing of this Proof of Claim.

5. The Debtor's obligations under the Policy includes, without limitation, the obligation to pay premium, audit premium and the obligation to cooperate and assist in the investigation and defense of claims, and/or the obligation to defend claims.

6. In filing this Proof of Claim, ACE is not waiving or prejudicing its rights to (a) require the Debtors to satisfy their obligations to pay premium or audit premium.

7. In filing this Proof of Claim, ACE is not waiving any applicable right it may have to arbitrate any disputes with the Debtors.

8. ACE also asserts recoupment and set-off rights in any amounts (including but not limited to any return premium, unearned premium, and/or premium reimbursement) that ACE might otherwise owe.

9. This Proof of Claim is filed pursuant to the Court's Bar Date Order. ACE consents only to this Court's jurisdiction to determine the amount of ACE's allowed claim against the bankruptcy estate and not for any other purpose.

10. The filing of this Proof of Claim shall not constitute (a) a waiver of ACE's rights, claims, defenses, and remedies under the Policies, whether against the Debtors or any other person or entity, (b) a waiver of ACE's rights of indemnification, reimbursement or subrogation against the Debtors or any creditor of the Debtors or

any other party, (c) a waiver of any past, present or future default under the Policies, or (d) an admission that any collateral held by ACE is property of the estate.

11. ACE reserves the right to amend or supplement this Proof of Claim.



**ace usa**

AGENT

MARSH USA  
500 WEST MONROE ST  
CHICAGO IL 60661

MAIL PAYMENT TO

ACE American Insurance Company - Genius  
Dept. CH 10678  
Palatine, IL 60055-0678

OVERNIGHT ADDRESS

ACE American Insurance Company - Genius  
5505 N. Cumberland Avenue, Suite 307  
Chicago, IL 60656-1471  
Attn: Box 10678

FOR QUESTIONS ABOUT THIS STATEMENT CALL :

PHONE : 800-323-6129  
FAX : 302-476-6185

WIRE INFORMATION:

ACCOUNT NAME:  
ABA No.:  
ACCOUNT NUMBER:

ACE American Insurance Company  
043000281  
093-8373

Mellon Bank West, NA  
3 Mellon Bank Center  
Pittsburgh, PA 15259

Policy ID Policy Term	Insured Name	Effective Date	Gross Amount	Commission Amount	Net Amount Due	Due Date
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DOX G24576644 03/31/2011 - 03/31/2012	Graceway Holdings, LLC	10/01/2011	\$100,000.00	\$20,000.00	\$80,000.00	10/31/2011
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**TOTAL**

**\$80,000.00**

Please attach a copy of this statement with your payment or in case of wire fax a copy to 302.476.6185.

Premium Must be Received by the Company no later than: October 31, 2011

P & L Office GEN

Producer Code 279413

Billing Type I

Collecting Office COR



ACE  
Corporation Legal  
Routing WAO4K  
436 Walnut Street  
Philadelphia, PA 19106

215-640-4864 tel  
Darlene.Schneider@acegroup.com  
www.acegroup.com

**Darlene D. Schneider**  
*Senior Legal Assistant*

December 20, 2011

**VIA FEDERAL EXPRESS**

BMC Group, Inc.  
Attn: Graceway Pharmaceuticals Claims Processing  
18750 Lake Drive East  
Chanhassen, MN 55317

RE: In re: Graceway Pharmaceuticals, LLC  
Case No. 11-13036 (PJW)

Dear Sir/Madam:

Enclosed for filing are an original and one copy of ACE American Insurance Company's Proof of Claim in the above-captioned bankruptcy matter. Please file the original and return a filed copy to me in the enclosed self-addressed, stamped envelope.

If you have any questions, please feel free to contact me.

Very truly yours,

  
Darlene D. Schneider  
Senior Legal Assistant

Enclosures