


UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE		PROOF OF CLAIM
Name of Debtor: Graceway Pharmaceuticals, LLC		Case Number: 11-13036 (PJW)
NOTE: 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 toll U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): Cardinal Health		COURT USE ONLY
Name and address where notices should be sent: Cardinal Health ATTN: Debra Willet 7000 Cardinal Place Dublin, OH 43017 Telephone number: 614.757.3428 email: debra.willet@cardinalhealth.com		<input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ <i>(If known)</i> Filed on: _____
Name and address where payment should be sent (if different from above): Telephone number: _____ email: _____		<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.
1. Amount of Claim as of Date Case Filed: \$1,530,202.45 *See Attached Addendum 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.		
2. Basis for Claim: Chargebacks/Returns/Fees (See instruction #2)		
3. Last four digits of any number by which creditor identifies debtor:	3a. Debtor may have scheduled account as: Cardinal (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)
4. Secured Claim (See instruction #4) 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. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other Describe: Value of Property: \$3,816,987.30 Annual Interest Rate % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		3b. Uniform Claim Identifier (optional): Amount of ancillary and other charges, as of the time case was filed, included in secured claim, if any: \$ _____ Basis for perfection: Right of set-off under Section 553(a) and applicable non-bankruptcy law. Cardinal Health intends to file a motion for relief from the automatic stay to allow for set-off. Amount of Secured Claim: \$1,530,202.45 Amount Unsecured: \$0
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. <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"/> Contributions employee benefit 11 U.S.C. § 507(a)(5) <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"/> Other — Specify applicable paragraph 11 U.S.C. § 507(a)(____).		
*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.		Amount entitled to priority: \$ _____ Graceway Pharmaceuticals LLC  00144
6. Credits. 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.

- I am the creditor.
- I am the creditor's authorized agent (Attach copy of power of attorney, if any.)
- I am the trustee, or the debtor, or their authorized agent. (See Bankruptcy Rule 3004.)
- I am a guarantor, surety, indorser, or other codebtor. (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: Amy Calvert
 Title: Director, General Accounting
 Company: Cardinal Health
 Address and telephone number (if different from notice address above):



 (Signature)

12/21/11

 (Date)

Telephone number email:

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 (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

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. 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).

1. 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 4 and 5. Check the box if interest or other charges are included in the claim.

2. 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 delivering 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 an interested party objects to the claim.

3. 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.

3a. Debtor May Have Scheduled Account As:

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.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under!! 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. (See Definitions.) 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.

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. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

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. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. 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. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

INFORMATION

Debtor

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is a person, corporation, or other entity to whom debtor owes a debt that was incurred before the date of the bankruptcy filing. See 11 U.S.C. §101 (10).

Claim

A claim is the creditor's right to receive payment for a debt owed by the debtor 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 clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under!! 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).

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 must show only the last four digits of any social-security, individual's tax-identification, or financial-account number, only the initials of a minor's name, and only the year of any person's date of birth. 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.

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.

Acknowledgment of Filing of Claim

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system

(www.pacer.psc.uscourts.gov) for a small fee to view your filed proof of 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(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

GRACEWAY PHARMACEUTICALS, LLC

Case 11-13036 (PJW)

Addendum to Proof of Claim filed by Cardinal Health*

On or about January 1, 2011, Cardinal Health and debtor Graceway Pharmaceuticals, LLC (the "Debtor") entered into: (a) a Distribution Services Agreement; (b) a National Logistics Center Agreement; and (c) a Wholesale Purchase Agreement (collectively referred to herein as the "Agreements"), pursuant to which Cardinal Health serves as an authorized distributor of the Debtor's products, and provides certain services to the Debtor in exchange for certain fees. Copies of the Agreements are not being attached to this proof of claim because of certain confidentiality clauses contained in each of the Agreements, but they may be made available upon request and conditioned upon an appropriate waiver by the Debtor of the confidentiality provisions, or they will be made available for *in camera* inspection upon an order of this Court.

As of the petition date of September 29, 2011, the Debtor owed Cardinal Health the aggregate sum of \$1,428,449.82, consisting of (i) \$57,168.22 in chargebacks; (ii) \$233,579.66 for division returns; (iii) \$372,467.07 for third party returns; and (iv) \$765,234.87 for distribution service agreement fees (collectively, the "Outstanding Balance") Attached as Exhibit A is an analysis of the Outstanding Balance.

In addition to the Outstanding Balance, Cardinal Health has inventory-on-hand (the "Inventory") valued at approximately \$715,000. Based upon historical monthly demand, Cardinal Health anticipates it will be unable to sell approximately \$101,752.63 of the Inventory. Accordingly, Cardinal Health has a contingent, unmatured claim in the approximate amount of \$101,752.63 ("Unmatured Claim") on account of product that it would have returned to the Debtor for credit. Attached hereto and incorporated herein as Exhibit B is an analysis of the Unmatured Claim.

In sum, the total amount due and owing from the Debtor to Cardinal Health is the sum of \$1,530,202.45, comprised of \$1,428,449.82 on account of the Outstanding Balance and \$101,752.63 on account of the Unmatured Claim.

As of the Petition Date, Cardinal Health believes that it owes the Debtor approximately \$3,816,987.30 pursuant to the Wholesale Service Agreement ("WSA") on account of (i) product purchased by Cardinal Health; and (ii) advance payments made by the Debtor to Cardinal Health with respect to certain Wholesale Agreement Credits (as that term is defined in the WSA) (collectively, the "Debtor Claim"). Cardinal Health files a secured claim for the Debtor Claim pursuant to its right of set-off under §553(a) and applicable non-bankruptcy law. Cardinal Health intends to file a motion for relief from the automatic stay to allow for set-off.

Cardinal Health expressly reserves the right to amend this proof of claim and this addendum as may be necessary to supplement this proof of claim in any way, including, but not limited to, to seek interest, attorneys fees, and costs as may be allowed pursuant to 11 U.S.C. §§ 502 and 506, and/or to file a request for payment of administrative expenses relating to this matter.

*The term "Cardinal Health" means the following affiliated operating companies: Cardinal Health 3, LLC; Cardinal Health 104 LP; Cardinal Health 107, Inc.; Cardinal Health 110, Inc.; Cardinal Health 112, LLC; Cardinal Health 113, LLC; Cardinal Health 411, Inc.; and any other subsidiary of Cardinal Health, Inc., an Ohio corporation ("CHI"), as may be designated by CHI.

**Graceway
Pre-Petition/Post-Petition Analysis as of ATB 12/12/11**

Total Pre-Petition Amounts due to Cardinal
Chargebacks (\$57,168.22)
Division Returns (\$233,579.66)
3rd Party Returns (\$372,467.07)
DSA Fees (\$765,234.87)
Total (\$1,428,449.82)

Total Pre-Petition Amounts due to Graceway
Division Invoices \$3,816,987.30

Graceway Inventory OH
12/20/2011

8 Business Days Remaining

Item Description	CIN	On Hand Qty as of 12/20/11	On Hand \$ as of 12/20/11	DIOH *	1 Business Day DIOH	Monthly Demand	Projected on Hand on 12/31/11
MAXAIR AUTOHALER 0.2MG 14GM	4100715	940	\$ 116,785.60	4.7	\$ 33,729.28	\$ 742,044.11	\$ -
ZYCLARA 3.75% 28X0.25GM CRM	4298089	504	\$ 301,618.80	2.8	\$ 145,831.38	\$ 3,208,290.45	\$ -
ALDARA 5% 12X0.25GM CRM	4054821	383	\$ 72,387.00	3.6	\$ 27,264.68	\$ 599,823.00	\$ -
ALDARA 5% 24X0.25GM CRM	4067849	0	0	0.0	\$ (11.18)	-245.97	\$ -
ATOPICLAIR 100GM NSTR TOP	4082343	144	\$ 14,127.84	6.7	\$ 2,868.97	\$ 63,117.43	\$ -
BENZIQ 5.25% 50GM	4226783	0	\$ -	0.0	\$ 3.34	\$ 73.48	\$ -
CALC DISOD VERS 200/ML10X2.5ML	4257135	29	\$ 27,550.00	51.2	\$ 734.09	\$ 16,150.00	\$ 21,677.27
ESTRASORB 56X1.74GM EM	4330403	198	\$ 11,173.14	7.9	\$ 1,920.33	\$ 42,247.26	\$ -
METROGEL-VAG 0.75% 70GM W/APL	4064218	558	\$ 16,740.00	5.1	\$ 4,491.36	\$ 98,810.00	\$ -
MINITRAN 0.1MG/HR 30	4081501	173	\$ 12,291.65	14.8	\$ 1,129.26	\$ 24,843.82	\$ 3,257.53
MINITRAN 0.2MG/HR 30	4077046	113	\$ 8,158.60	22.6	\$ 492.27	\$ 10,830.00	\$ 4,220.42
MINITRAN 0.4MG/HR 30	4080206	108	\$ 8,737.20	21.4	\$ 556.49	\$ 12,242.87	\$ 4,285.25
MINITRAN 0.6MG/HR 30	4077038	197	\$ 17,276.90	18.8	\$ 1,253.05	\$ 27,567.03	\$ 7,252.52
NORFLEX 30MG/ML 6X2ML	4307435	252	\$ 36,061.20	23.7	\$ 2,072.78	\$ 45,601.20	\$ 19,478.95
TAMBOCOR 100MG 100	4057048	132	\$ 45,064.80	30.5	\$ 2,012.19	\$ 44,268.20	\$ 28,967.27
TAMBOCOR 150MG 100	4148136	42	\$ 19,731.60	30.2	\$ 889.77	\$ 19,575.00	\$ 12,613.42
TAMBOCOR 50MG 100	4123998	37	\$ 8,053.05	10.9	\$ 1,009.10	\$ 22,200.30	\$ -
							\$ 101,752.63

*DIOH=Days Inventory on Hand



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Cardinal Health
7000 Cardinal Place
Dublin, OH 43017
614.757.5000 main

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December 21, 2011

VIA OVERNIGHT UPS DELIVERY

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

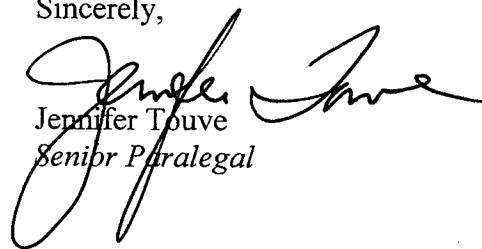
Re: **Graceway Pharmaceuticals, LLC**
Proofs of Claim for filing on behalf of Cardinal Health
Case No. 11-13036 (PJW)

To Whom It May Concern:

Enclosed please find an original and one (1) copy of the Proof of Claim to be filed in the above-referenced bankruptcy case on behalf of Cardinal Health in the amount of \$1,530,202.45.

Please file the above-referenced claim and return a file-stamped copy of the claim in the enclosed UPS package. Thank you for your assistance in this matter. Should you have any questions, please do not hesitate to contact me.

Sincerely,



Jennifer Touve
Senior Paralegal

Enclosures