

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

PROOF OF CLAIM

1. Name of Debtor (Check Only One):

- 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)

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:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022-4611
Attn.: Paul M. Basta and Jeffrey D. Pawlitz

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BMC GROUP

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

Court Claim Number:
(If known)

Filed on:

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.

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

GTCR Golder Rauner II, L.L.C.
300 North LaSalle, Suite 5600
Chicago, Illinois 60654
Attn.: Christian McGrath

Telephone number: 312-382-2200

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.

THIS SPACE IS FOR COURT USE ONLY

3. Amount of Claim as of Date Case Filed: \$ See Addendum.

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.

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.*

4. Basis for Claim: See Addendum. (See instruction #4 on reverse side.)

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

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.

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



00155

Date: December 20, 2011 Signature: Christian McGrath Printed Name: Christian McGrath, General Counsel

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

In re:)	Chapter 11
)	
GRACEWAY PHARMACEUTICALS, LLC, <i>et al.</i> , ¹)	Case No. 11-13036 (PJW)
)	
)	Jointly Administered
)	
Debtors.)	
)	

ADDENDUM TO PROOF OF CLAIM

1. I, Christian McGrath, on behalf of certain current and former directors, officers, and employees of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), as listed on **Exhibit 1** hereto (collectively, the “Claimants”), creditors in the above-captioned proceedings pending in the United States Bankruptcy Court for the District of Delaware (the “Court”) and jointly administered under Case No. 11-13036 (PJW), hereby file this proof of claim (the “Proof of Claim”) on behalf of each of the Claimants listed on **Exhibit 1** against each of the Debtors in the corresponding cases as represented on **Exhibit 1**. The first meeting of the creditors was held on November 7, 2011 pursuant to section 341 of the Bankruptcy Code [Docket No. 83]. The Court established December 30, 2011, as the date by which creditors of the Debtors must file claims against the Debtors’ estates.

2. Claimants expressly reserve their rights to amend, modify, and/or supplement this Proof of Claim at any time for whatever reason including, without limitation, to provide

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Graceway Pharma Holding Corp., a Delaware corporation (9175); Graceway Holdings, LLC, a Delaware limited liability company (2502); Graceway Pharmaceuticals, LLC, a Delaware limited liability company (5385); Chester Valley Holdings, LLC, a Delaware limited liability company (9457); Chester Valley Pharmaceuticals, LLC, a Delaware limited liability company (3713); Graceway Canada Holdings, Inc., a Delaware corporation (6663); and Graceway International, Inc., a Delaware corporation (2399). The mailing address for the Debtors is 340 Martin Luther King Jr. Blvd., Suite 500, Bristol, TN 37620 (Attn: John Bellamy).

supporting documentation, and/or to specify the amount of Claimants' contingent, unmatured, and/or unliquidated claims, if any, as they become non-contingent, matured, and/or liquidated. In addition, the filing of this Proof of Claim does not in anyway prohibit the filing of additional claims, including, without limitation, to include additional officers, directors, or other employees of the Debtors named as defendants in any current or subsequent legal actions and all such rights are expressly reserved.

3. By virtue of filing this Proof of Claim, Claimants do not waive, and hereby expressly reserves their rights to pursue claims, including, but not limited to, the claims described herein against any of the Debtors, based upon alternative legal theories.

4. By virtue of filing this Proof of Claim, Claimants do not, and the Proof of Claim shall not be deemed to be, consent to the jurisdiction of this Court. Claimants do not waive their rights to dispute the jurisdiction of this Court to hear any proceeding, motion, or other matter related to the Proof of Claim or any other rights of the Claimants apart from the Proof of Claim.

5. Each of the Debtors were, at the time of the filing of the petition initiating these cases on September 29, 2011 (the "Petition Date"), and still are, indebted and liable to the Claimants as described herein.

Claims

6. The Debtors are indebted and obligated to the Claimants in a contingent and unliquidated amount with respect to any and all rights and entitlements that the Claimants have or may have to indemnification, contribution, reimbursement or other payments (*e.g.*, including, without limitation, damages, costs, director fees, expense reimbursements, and expenses related thereto) from the Debtors pursuant to applicable law, contract, or otherwise arising in respect of or by reason of claims, cross-claims, or counter-claims, including, without limitation, avoidance actions that may be brought pursuant to sections 554, 547, 548, 549, and 553 of title 11 of the

United States Code (as amended, the “Bankruptcy Code”) against the Claimant by the Debtors, the Official Committee of Unsecured Creditors, the chapter 11 trustee, or any creditor or party in interest.

7. In addition, the Claimants preserve their rights to seek additional claims against the Debtors for any and all other claims arising from the services performed as a director or officer of the Debtors.

8. Claimants will provide any supporting documentation to their Claims (as defined herein) upon reasonable request.

Miscellaneous

9. To the extent the Debtors assert claims against the Claimants of any kind, the Claimants reserve their rights to assert that such claims by the Debtors are subject to the right of setoff and/or recoupment (the “Setoff Rights”), which rights are treated as secured claims under the Bankruptcy Code.

10. To the extent any of the claims set forth herein (the “Claims”), in whole or in part, or any component thereof, arise or relate in any manner to the period on or after the Petition Date, Claimants assert that such Claims (or any portions thereof) are entitled to priority pursuant to sections 503 and 507 of the Bankruptcy Code.

11. To the extent any of the Claims, in whole or in part, or any component thereof, arise or relate in any manner to the period prior to the Petition Date and are entitled to priority classification, Claimants assert that such Claims are entitled to priority pursuant to section 507 of the Bankruptcy Code.

12. Solely to the extent that the value, within the meaning of section 506(a) of the Bankruptcy Code, of any property securing the Claims and/or the Setoff Rights, if any, is less than the allowed amount of the Claims, the Claims may be treated, in part, as general unsecured

claims under the Bankruptcy Code, and in such event, and solely to such extent, the Claims asserted herein, or the relevant part thereof, as the case may be, shall constitute unsecured claims and this Proof of Claim shall constitute a Proof of Claim for both the secured portion of Claimants' Claims and for any such unsecured portion of Claimants' Claims. The foregoing shall not be deemed an admission regarding the amount of the Claims nor regarding the value of any property securing the Claims or the Setoff Rights.

Notices

6. All notices concerning this Proof of Claim should be sent to:

GTCR Golder Rauner II, L.L.C.
300 North LaSalle, Suite 5600
Chicago, Illinois 60654
Attn: Christian McGrath
Tel: (312) 382-2200
Fax: (312) 382-2201

with copy to:

Paul M. Basta
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022-4611
paul.basta@kirkland.com
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

- and -

Jeffrey D. Pawlitz
KIRKLAND & ELLIS LLP
300 North LaSalle
Chicago, Illinois 60654
jeffrey.pawlitz@kirkland.com
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

EXHIBIT 1¹

Claimant Name	Debtor Name
Edgar D. Jannotta	Graceway Pharmaceuticals, LLC
Edgar D. Jannotta	Graceway Pharma Holding Corp.
Edgar D. Jannotta	Graceway Holdings, LLC
Edgar D. Jannotta	Chester Valley Holdings, LLC
Edgar D. Jannotta	Chester Valley Pharmaceuticals, LLC
Edgar D. Jannotta	Graceway Canada Holdings, Inc
Edgar D. Jannotta	Graceway International, Inc.
Constantine S. Mihas	Graceway Pharmaceuticals, LLC
Constantine S. Mihas	Graceway Pharma Holding Corp.
Constantine S. Mihas	Graceway Holdings, LLC
Constantine S. Mihas	Chester Valley Holdings, LLC
Constantine S. Mihas	Chester Valley Pharmaceuticals, LLC
Constantine S. Mihas	Graceway Canada Holdings, Inc
Constantine S. Mihas	Graceway International, Inc.
George Sperzel	Graceway Pharmaceuticals, LLC
George Sperzel	Graceway Pharma Holding Corp.
George Sperzel	Graceway Holdings, LLC
George Sperzel	Chester Valley Holdings, LLC
George Sperzel	Chester Valley Pharmaceuticals, LLC
George Sperzel	Graceway Canada Holdings, Inc
George Sperzel	Graceway International, Inc.

¹ The mailing address for each Claimant is: 300 North LaSalle, Suite 5600, Chicago, Illinois 60654, Attn.: Christian McGrath.

KIRKLAND & ELLIS LLP
AND AFFILIATED PARTNERSHIPS

300 North LaSalle Street
Chicago, Illinois 60654

Nicole Murphy
To Call Writer Directly:
(312) 862-2542
nicole.murphy@kirkland.com

(312) 862-2000
www.kirkland.com

Facsimile:
(312) 862-2200

December 20, 2011

Via UPS Next Day Air

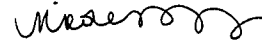
BMC Group, Inc.
Attn: Graceway Claims Processing
18750 Lake Drive East
Chanhassen, MN 55317-9384

Re: Graceway Pharmaceuticals, LLC, *et al.*
Case No. 11-13036, Chapter 11
Jointly Administered

Dear BMC Group, Inc.:

Enclosed please find fourteen proofs of claims together with a copy of each proof of claim. Please stamp the copy provided with the date and claim number and return the fourteen copies in the provided self-addressed, postage-paid envelope. Please contact me at your earliest convenience if you have any questions.

Sincerely,



Nicole Murphy

NM /mp

Enclosures (28)