

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]. **Bellco Drug Corp.**

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:
Morton R. Branzburg, Esq.
Klehr Harrison Harvey Branzburg
1835 Market St., Suite 1400
Philadelphia, PA 19103

215-569-3007 mbranzburg@klehr.com

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

Court Claim Number: _____
(If known)

Filed on: _____

RECEIVED
DEC 29 2011
BMC GROUP

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: \$ 59,965.87

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: rejection damages in contract claims
(See instruction #4 on reverse side.)

5. Last four digits of any number by which creditor identifies Debtor: _____
 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: setoff of amounts due under contract

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: \$ 59,965.87 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



00169

Date: 12/28/11 Signature: _____

Printed Name: Morton R. Branzburg

POWER OF ATTORNEY

Bellco Drug Corporation ("Bellco") hereby appoints Morton R. Branzburg, Esquire or any other attorney or paralegal of the law firm Klehr | Harrison | Harvey | Branzburg, LLP to act as Bellco's Attorney-in-Fact (the "Attorney-In-Fact") to execute and prosecute proofs of claim on behalf of Bellco to be filed in the United States bankruptcy courts.

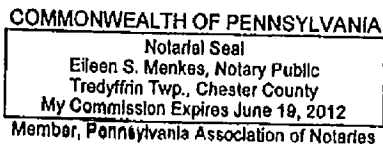
BELLCO DRUG CORPORATION

Date: 12-23-2011

By: *John G. Chen*
Name: John G. Chen
Title: SVP, General Counsel & Secretary

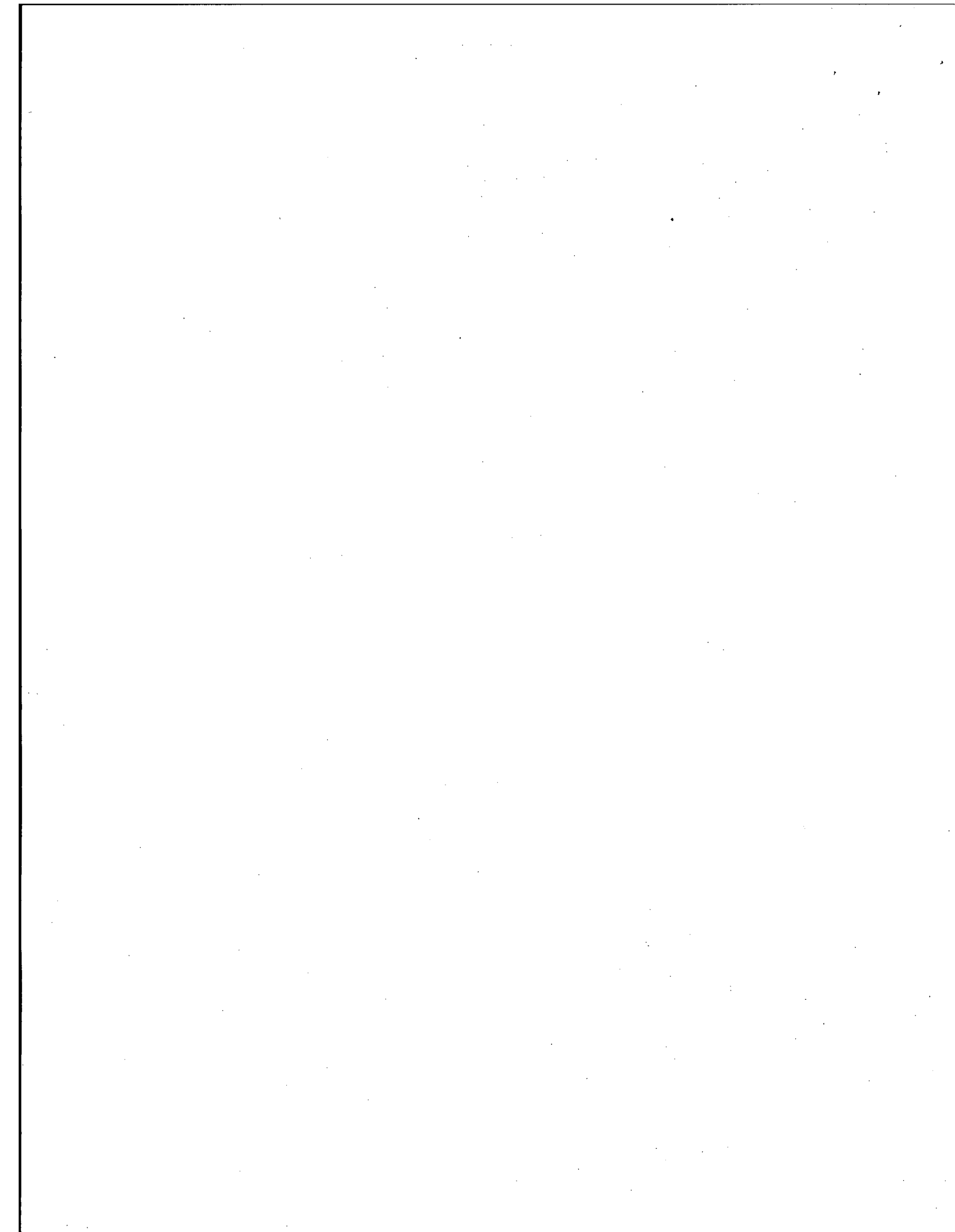
Sworn to and Subscribed before me
this 23rd day of December,
2011.

Eileen S. Menkes
Notary Public



My Commission Expires:

6-19-2012



Debtor: Graceway Pharmaceuticals, LLC
Case No. 11-13036

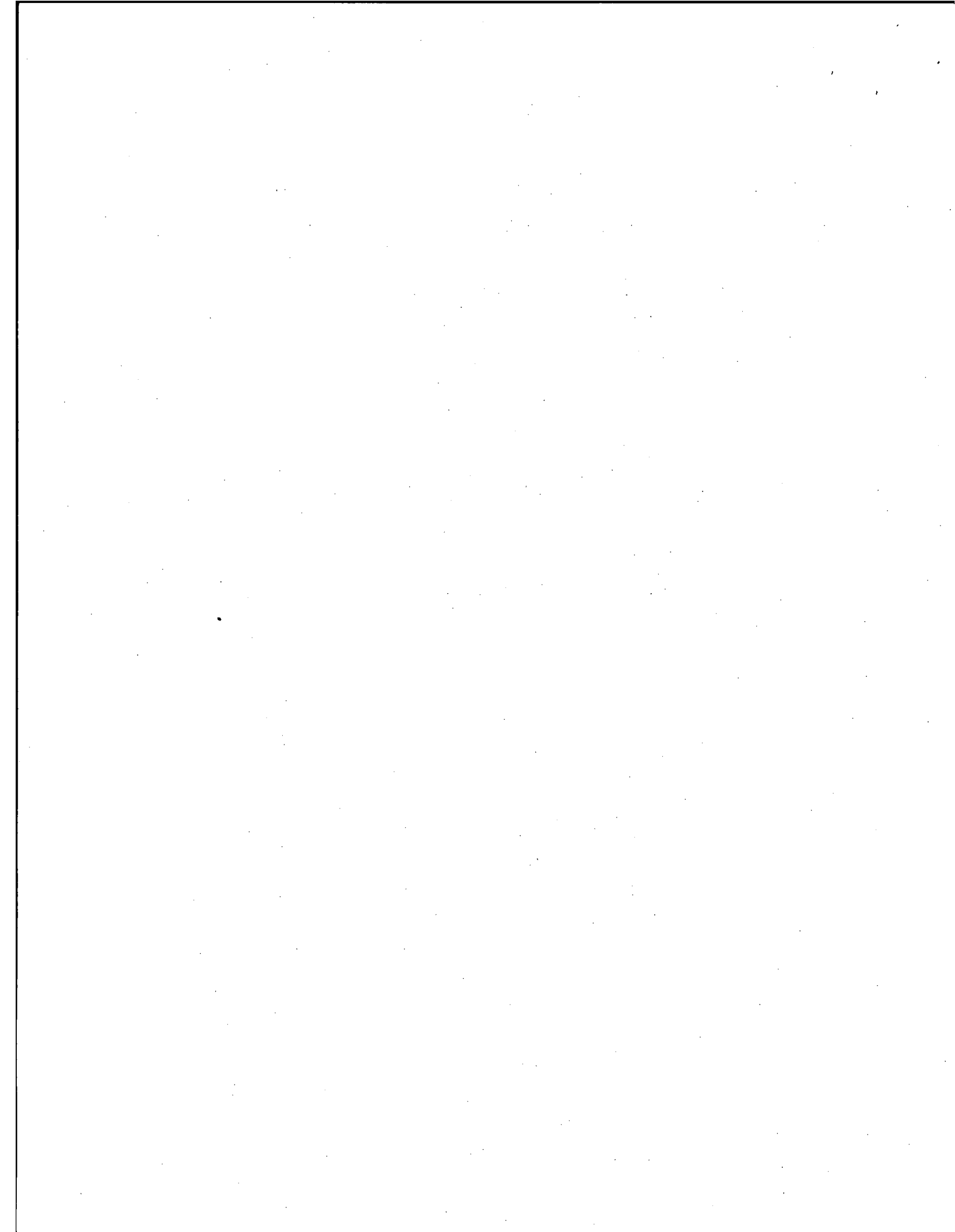
Attachment to Proof of Claim
filed by Bellco Drug Corp.

The documentation evidencing this indebtedness is voluminous. Copies are available upon request to Morton R. Branzburg, Esquire, Klehr | Harrison | Harvey | Branzburg, LLP, 1835 Market Street, Suite 1400, Philadelphia, PA 19103; telephone number 215-569-3007.

On or about January 1, 2011, AmerisourceBergen Drug Corporation ("Bellco") and Bellco Drug Corp. ("Bellco") entered into a distribution service agreement (the "DSA") with Graceway Pharmaceuticals, LLC ("Graceway"). The DSA contains confidential and proprietary information. The Debtors are a party to the DSA and thus already have a copy of the DSA. Bellco will provide a copy of the DSA to the Debtors or other parties upon the execution of an acceptable confidentiality agreement.

The DSA requires Graceway to comply with Bellco's Chargeback policy, which is annexed hereto as **Exhibit A**. Furthermore, the DSA requires Graceway to accept returns of product. The amounts owed to Bellco under the DSA are described in the annexed **Exhibit B**. Bellco currently owes Graceway certain amounts under the DSA that exceed the amount of this claim and thus the entirety of this claim is secured by Bellco's right of setoff. Bellco asserts that any portion of the claim that is ultimately held to not be fully secured is an unsecured claim against the estate and no portion of such unsecured claim shall be deemed waived due to Bellco's assertion that such claim is secured.

In executing and filing this claim, Bellco is not waiving in any manner or under any circumstances any security interest it now has or may be determined to have at any time, nor is it waiving any claim, action, cause of action or right of set-off, it may have against debtor or any other entity or person, including the right to assert claims in amounts different from the amounts set forth herein, nor is it waiving any defense, offset, recoupment, counter-claim or similar right or remedy it may now have or at any time have against debtor or any other entity or person or with respect to any legal or equitable proceeding now existing or hereafter commenced. Bellco reserves the right to amend or supplement this claim in any respect including, but not limited to, the assertion, by proof of claim or other application to this Bankruptcy Court, for any amount that becomes due under any other various agreements, pursuant to court order or otherwise, and continuing costs, fees and expenses (including legal fees and disbursements) arising out of or related to the claims asserted herein.



CONTRACT & CHARGEBACK ADMINISTRATION POLICY

AmerisourceBergen Drug Corporation ("AMERISOURCEBERGEN") is committed to the administration of contracts between manufacturers and other pharmaceutical industry suppliers ("Suppliers") and Customers for Products purchased by Customers from AMERISOURCEBERGEN where a Contract Price has been agreed upon between a Supplier and Customers, subject to the terms and conditions of this Policy. Suppliers must comply with this Policy and the Healthcare Distribution Management Association's (HDMA's) voluntary guidelines for contract and chargeback administration entitled "Streaming the Contracts Administration Process" ("HDMA Guidelines"). In the event of a conflict between this Policy and the HDMA guidelines, this Policy shall prevail. AMERISOURCEBERGEN may modify this Policy from time to time in its sole discretion.

1. Definitions

A. "Chargeback" means the difference between the published wholesale replacement cost in effect on the invoice date of sale to a Customer and, if less than such price, the Contract Price negotiated between a Supplier and such Customer that is in effect on the order date of sale.

B. "Chargeback Advance" means a payment from Supplier to compensate AMERISOURCEBERGEN for the expense of financing price discounts to Customers before AMERISOURCEBERGEN is reimbursed by Supplier.

C. "Contract Price" means the price quoted to AMERISOURCEBERGEN in a Wholesaler Notification for a specific Product applicable to a particular Customer.

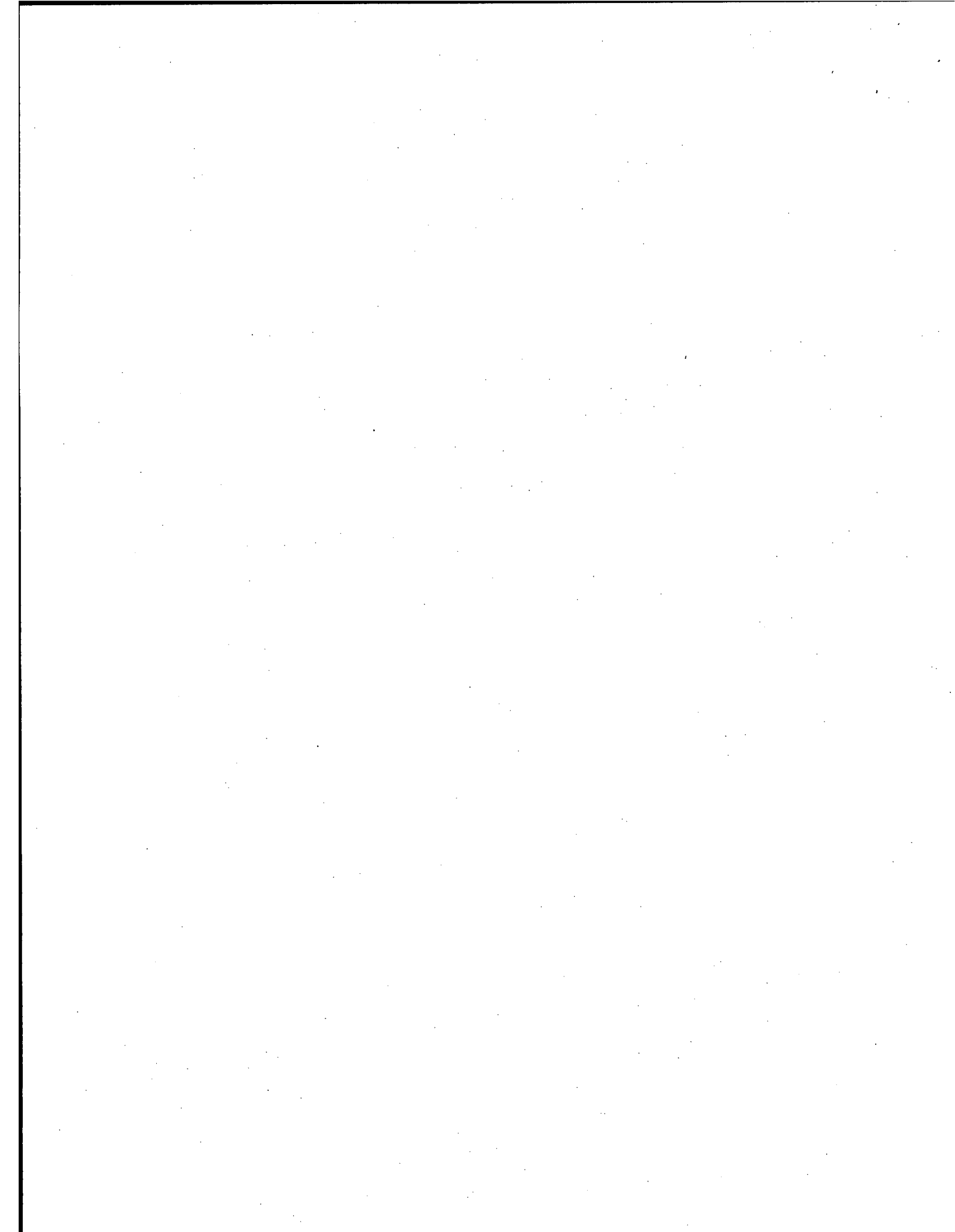
D. "Customer" means an entity that purchases Products and is designated by a Supplier in a Wholesaler Notification as qualified to purchase Products at a Contract Price.

E. "Product" means a product from a Supplier for which a special Contract Price applies for designated Customers.

F. "Wholesaler Notification" means a notice sent to AMERISOURCEBERGEN by a Supplier that specifies the contract price to be charged for specific Products to specific Customers. Wholesaler Notifications may be either an initial notice or notice of changes to a prior Wholesaler Notification.

2. Contract Chargeback Overview

Suppliers shall immediately notify AMERISOURCEBERGEN of contracts Supplier has signed with Customers that include special Contract Prices for specific Products. The Wholesaler Notification will include the information specified in this Policy. AMERISOURCEBERGEN will, in turn, sell such Products to such Customers at the Contract Price and at prices solely negotiated by AMERISOURCEBERGEN and the Customer. Upon selling a Product to a Customer, AMERISOURCEBERGEN will charge Supplier for the difference between the current replacement cost of the product and, if less than such price, the Contract Price.



Chargebacks will include information specified in this Policy. Supplier will pay Chargebacks to AMERISOURCEBERGEN pursuant to this Policy.

3. Wholesaler Notification—New Contracts/Changes

A. Non-EDI Wholesaler notification for a new Contract price or contract must be received by AMERISOURCEBERGEN at least ten (10) days before its effective date and must include all required information. AMERISOURCEBERGEN must receive EDI notification at least two (2) days before its effective date. Supplier may not deny any Chargeback for failure to comply with conditions or failure to provide information if Supplier did not include it in the Wholesaler Notification.

B. All Wholesaler Notifications must include the following information:

- Supplier information (including contact name, address, phone, fax, etc.)
- Contract start/end dates
- Contract number for chargeback submissions and name of GPO or Customer
- Customers eligible for Contract Prices, including name, address, and reference number (e.g., DEA/HIN).
- Products along with appropriate NDC/UPC number and Wholesale unit cost
- Contract Prices

C. Suppliers requiring price changes to existing contracts may send a change notification to Wholesaler with updated information. Such changes may add, delete or modify information. AMERISOURCEBERGEN should receive non-EDI notification at least ten (10) days before the effective date and EDI notifications should be received at least two (2) days prior to effective date. Changes should include all information required in section 3.B. for a new contract. Supplier must include action code (i.e., add, modify, delete).

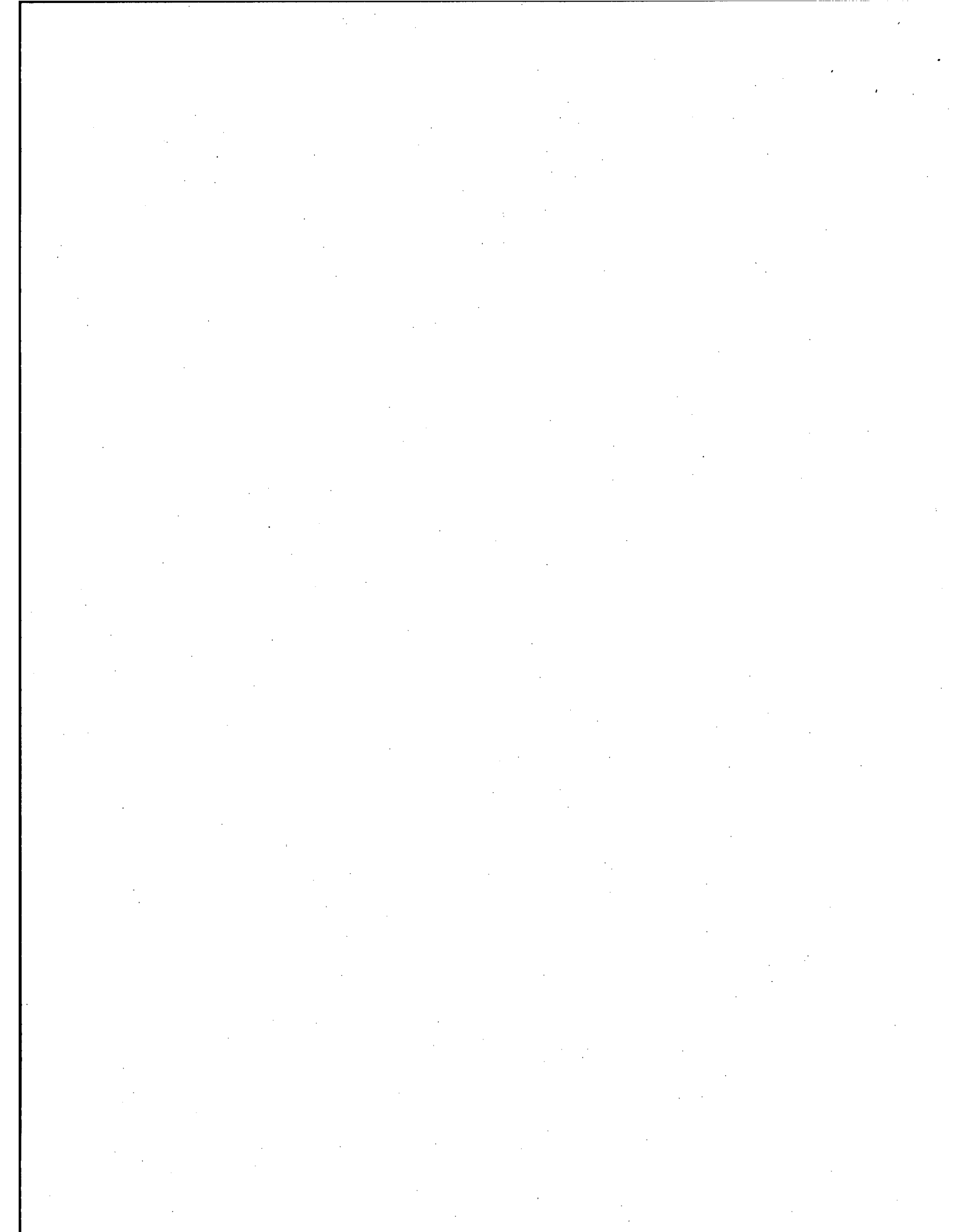
4. Wholesaler Notification Requirements for New Contracts/Changes

A. AMERISOURCEBERGEN requires that all Wholesaler Notifications for new contracts and contract changes be sent electronically using EDI transaction set 845(Bid Award).

a. A Supplier that is not utilizing EDI 845 to send contract notifications can send an electronic file in a layout approved by AMERISOURCEBERGEN. File layout and additional details may be obtained from the AMERISOURCEBERGEN Director of Contracts.

b. A Wholesaler Notification that is not received via EDI 845 or in an AMERISOURCEBERGEN approved file format from the Supplier will result in an administrative fee of \$100 per contract document.

B. Failure to provide non-EDI Wholesaler Notifications for new contracts and contract changes to AMERISOURCEBERGEN at least ten (10) days prior to the effective date and at least two (2) days prior to effective date when sent via EDI 845 or electronic file, will result in



an administrative fee of \$100 per contract document. Any Notification received on or past the contract's effective date will result in a fee of \$500 per contract document.

C. AMERISOURCEBERGEN requires that a DEA number or HIN be included for each eligible customer on the Wholesaler Notification. An administrative fee of \$25 will result for each missing identifier.

D. AMERISOURCEBERGEN requires a valid NDC or UPC identifier for each item that is listed on the Wholesaler Notification. An administrative fee of \$25 will result for each missing identifier.

5. Backdated Contracts

If Supplier requires the implementation of a backdated contract, AMERISOURCEBERGEN will charge \$500 per contract document. In addition, there will be a \$10.00 charge for each credit and rebill transaction line created for a Customer as a result of the backdated contract.

6. Chargeback Claims

A. AMERISOURCEBERGEN will submit initial Chargeback claims on a scheduled basis, either daily or weekly.

B. Chargeback claim submissions will include the following information (unless otherwise agreed by AMERISOURCEBERGEN and Supplier in writing):

- AMERISOURCEBERGEN information (including name, address, any requested identifying number specified by Supplier and AMERISOURCEBERGEN's debit memo/reference number)
- Supplier information (including any information requested by Supplier)
- Customer information (including name and reference number [e.g., DEA/HIN])
- Sale information
 - Product description (including size and NDC number)
 - Quantity shipped
 - Invoice number
 - Date of order
 - Contract number (or other reference number)
 - Contract Price
 - Unit cost per Supplier's current price list
 - Extended Chargeback amount due
- Total Chargeback amount due (including all sales submitted on Chargeback claim)

E. Chargeback claims will be submitted by EDI (Transaction set- 844 Chargebacks). Any Supplier not capable of receiving EDI transaction set 844 will need to pick up the chargeback submission data on a secured website. Supplier must contact AMERISOURCEBERGEN Chargeback Manager to obtain instructions and password to access website.

F. In the event that new information surfaces that cause corrections or adjustments to prior sales, chargeback claims can be reopened and resubmitted within eighteen (18) months of the original sale date or as otherwise may be required in a government contract.

G. If AMERISOURCEBERGEN and Supplier do not have a signed written agreement indicating the time limit for chargeback submissions, Supplier may not otherwise impose any such time limit.

7. Chargeback Reimbursement

AMERISOURCEBERGEN expects to maintain at least a "cash neutral" position in processing Chargebacks. This can be achieved through the following options:

A. **Chargeback Advance.** Supplier will maintain a Chargeback Advance deposit with AMERISOURCEBERGEN equal to the number of days a Chargeback claim is outstanding to AMERISOURCEBERGEN multiplied by an average daily Chargeback value (based on the previous three months of history). The Chargeback Advance deposit will be adjusted periodically (quarterly). If Supplier does not adjust its balance, AMERISOURCEBERGEN may do so through a deduction from any amount it owes a Supplier.

B. **Daily submission and processing of Chargeback.** Issuance and receipt of credit memo for chargeback submission should not exceed two (2) business days from receipt of chargeback claim.

C. **Deductions.** AMERISOURCEBERGEN will make an immediate deduction against any amount owed to Supplier upon generation of the Chargeback claim, unless otherwise agreed to in writing.

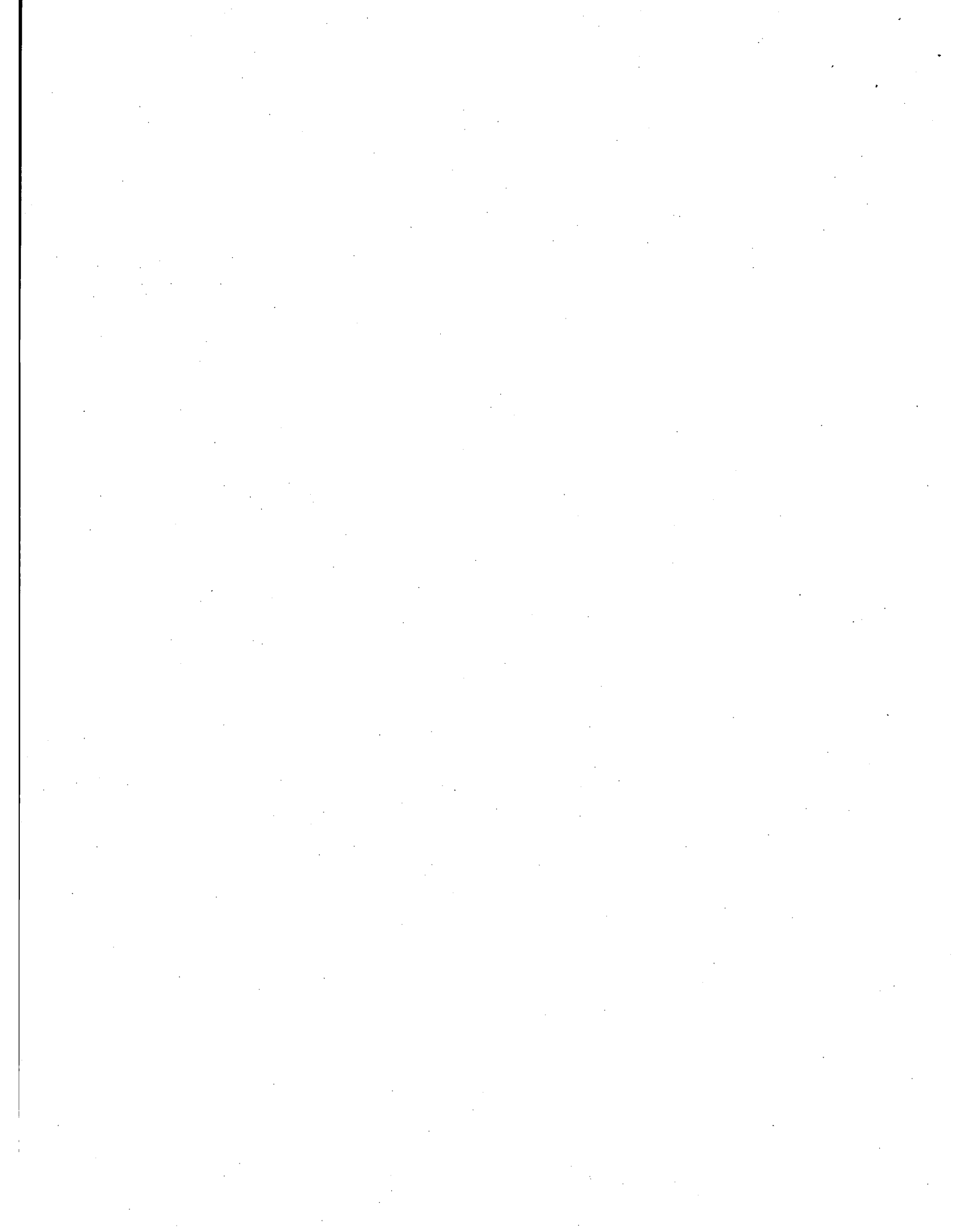
8. Chargeback Variance Report and Credit Memo Requirements

AMERISOURCEBERGEN requires that all chargeback variances and credit memo detail be reported using EDI transaction set 849 (reconciliation).

A. Any Supplier that is not utilizing EDI transaction set 849 to report variances can supply reconciliation details in an AMERISOURCEBERGEN approved file format. File layout and additional details may be obtained from the AMERISOURCEBERGEN Director of Chargebacks.

B. Any chargeback variance detail that is not received via EDI transaction set 849 or in an electronic file from a Supplier will result in an administrative charge of \$100 per chargeback debit memo.

C. A credit memo only is not acceptable as a chargeback reconciliation report. A reconciliation report using HDMA error codes is required. AMERISOURCEBERGEN will charge Supplier an administrative fee of \$100 per chargeback debit memo if chargeback variance detail is not in required format.



D. Any chargeback reconciliation report that is not received by AMERISOURCEBERGEN within fifteen (15) days of the original submission date will be charged \$100 per debit memo.

E. Due to customer credit and rebill constraints, AMERISOURCEBERGEN will not accept any initial chargeback reconciliation/credit memo that is older than six (6) months from the original chargeback submission date. Any previous deduction taken for the chargeback will be deemed final.

9. Negative Chargebacks

If a Product that was sold on contract is returned within ninety (90) days of the original invoice date by a Customer for credit and that Product will be resold under a contract price or returned to Supplier for the full WAC price, AMERISOURCEBERGEN will notify Supplier and reimburse Supplier through a negative Chargeback, if required by contract.

10. New Customer Eligibility Confirmation

Prior to a new customer file being activated by AMERISOURCEBERGEN, an e-mail notification is sent to the Supplier requesting confirmation of contract eligibility. A response to the confirmation is an important step in providing accurate pricing to the mutual Customer from day one. A non-response to the confirmation request prior to the Customer's effective date will result in a \$500 charge and a \$10.00 charge for each credit and rebill transaction line created as a result of the non-response.

Administrative fees will be accumulated by calendar month. A debit memo will be generated by the 10th of the following month and deducted from the Supplier's next payment from AMERISOURCEBERGEN.

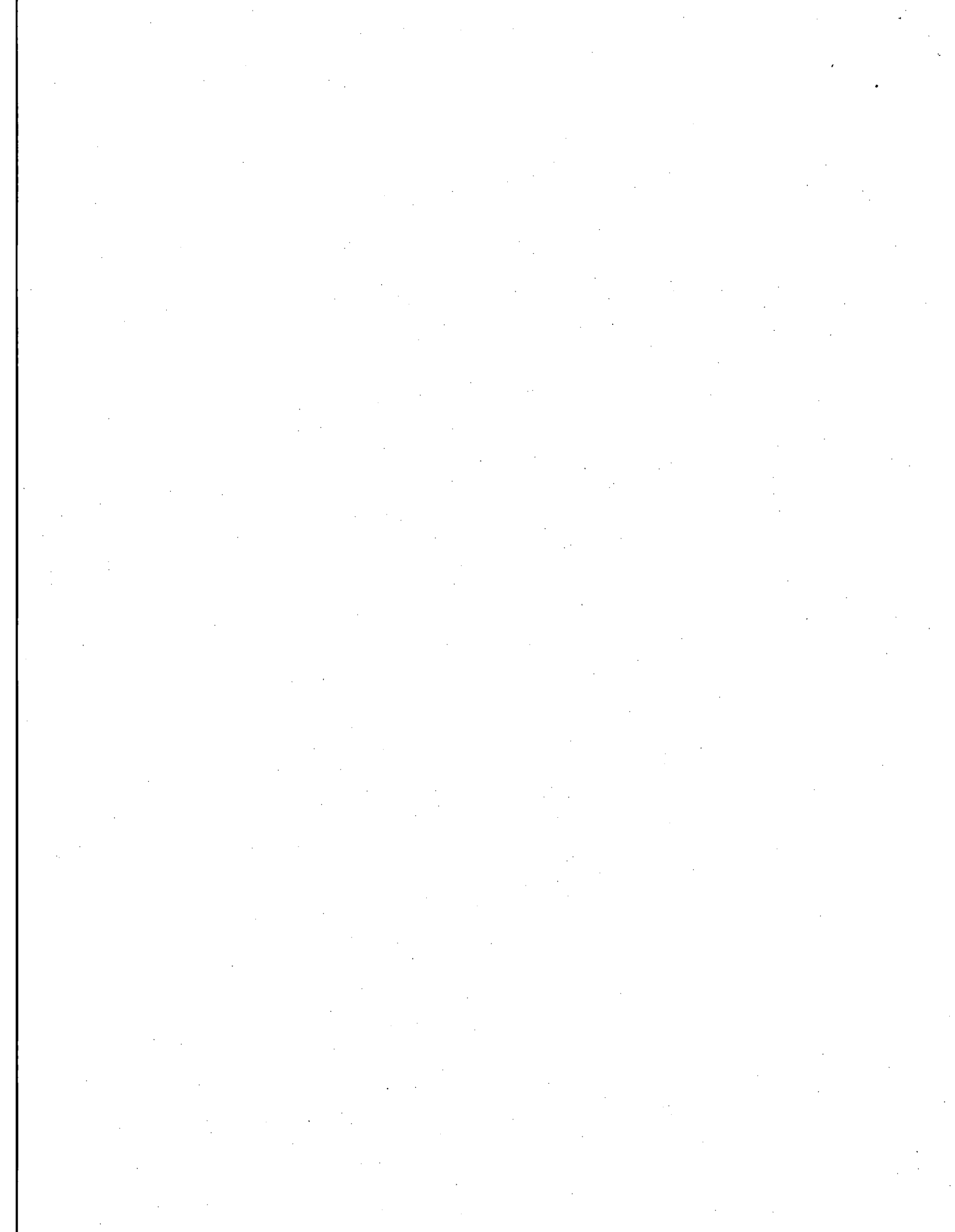
11. Chargeback Reconciliation

AMERISOURCEBERGEN makes every effort to insure that the pricing extended to Customers is as accurate as possible for both Suppliers and Customers. However, an independent review by a Customer or its auditors may, for a variety of reasons, identify incorrectly billed Products. Suppliers will cooperate with AMERISOURCEBERGEN to promptly resolve any such discrepancies that are identified, including in the area of government audits. Government accounts will be precluded from Supplier's time limitations or restrictions with regard to chargeback submissions.

12. Cost Adjustments

A. Wholesale Cost Adjustments

Adjustments to wholesale replacement cost will only be allowed if it is agreed to by the AMERISOURCEBERGEN Supply Chain Department and communicated to



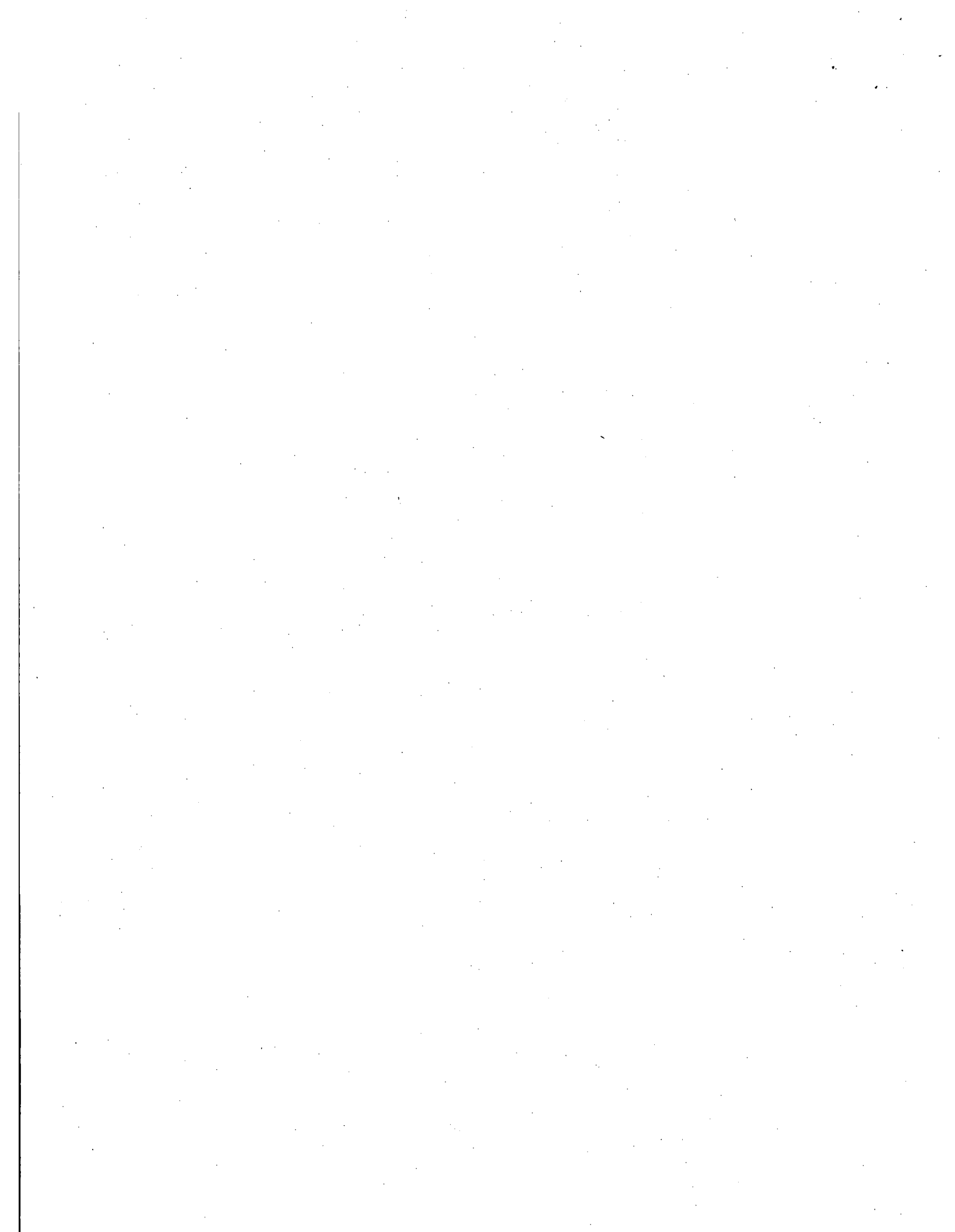
AMERISOURCEBERGEN's Chargeback Administrator at least fifteen (15) days before any affected Chargeback sale.

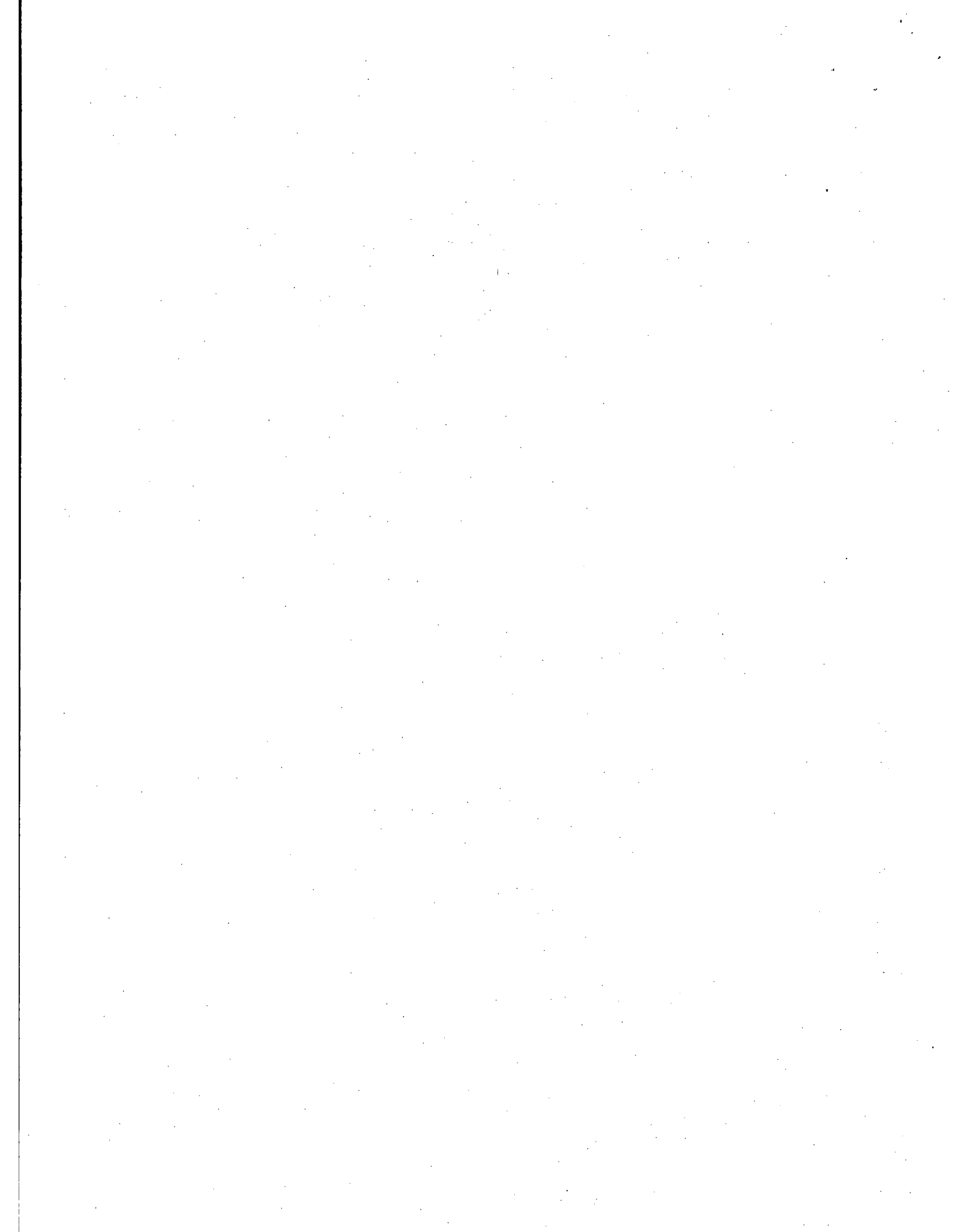
B. Price Reductions Credit

If Supplier reduces its net Product price, it will make available a credit to AMERISOURCEBERGEN equal to the price reduction multiplied by the number of Product units in AMERISOURCEBERGEN's inventory on the effective date of such reduction. Supplier will issue such credit within fifteen (15) days of AMERISOURCEBERGEN's providing a report substantiating its inventory on such date. Such credits will not reduce the amount of any Chargeback claim.

C. Cash Discounts

Chargebacks are in addition to and not a substitute for normal trade terms. As such, Chargebacks will not be reduced by any prompt pay or cash discount, (e.g., 2% net 30 days).





Vendor #	Vendor Name	Inv Date	Invoice Number	Open Amount	Discount	Net Amount
920261	GRACEWAY PHARMACEUTICALS,LLC(3MPHARM)	8/31/2011	90092418	59,189.93	0.00	59,189.93
920261	GRACEWAY PHARMACEUTICALS,LLC(3MPHARM)	9/28/2011	90094227	664.12	0.00	664.12
920261	GRACEWAY PHARMACEUTICALS,LLC(3MPHARM)	9/28/2011	90094228	111.82	0.00	111.82
Total due to Belco				59,965.87	0.00	59,965.87

Jenny L. Taylor, Assistant to Morton R. Branzburg
Direct Dial: (215) 569-3008
Email: jtaylor@klehr.com

December 28, 2011

VIA FEDERAL EXPRESS

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

Re: Graceway Pharmaceuticals, LLC
U.S.B.C., Dist. of Del. Case No. 11-13036

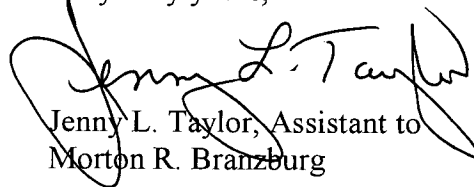
Dear Sir or Madam:

Enclosed please find the original and one copy of a proof of claim to be filed in the above-captioned matter on behalf of Belco Drug Corp.

Kindly return a time-stamped copy to the undersigned in the pre-addressed, stamped envelope provided.

Thank you for your assistance.

Very truly yours,


Jenny L. Taylor, Assistant to
Morton R. Branzburg

11469-0678