

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

In re:

GRACEWAY PHARMACEUTICALS,  
LLC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 11-13036 (PJW)  
Jointly Administered

**MOTION OF CARDINAL HEALTH FOR ALLOWANCE AND  
PAYMENT OF ADMINISTRATIVE CLAIM**

Cardinal Health (“Cardinal”)<sup>2</sup>, by and through its undersigned counsel, hereby files this Motion for Allowance and Payment of Administrative Claim (the “Motion”) pursuant to 11 U.S.C. § 503(b)(1)(A) and in support of its Motion, represents as follows:

**JURISDICTION**

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334.
2. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).
3. Venue of this proceeding and this Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

<sup>1</sup> 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), Case No. 11-13037 (PJW); Graceway Holdings, LLC, a Delaware limited liability company (2502), Case No. 11-13038 (PJW); Graceway Pharmaceuticals, LLC, a Delaware limited liability company (5385), Case No. 11-13036 (PJW); Chester Valley Holdings, LLC, a Delaware limited liability company (9457), Case No. 11-13039 (PJW); Chester Valley Pharmaceuticals, LLC, a Delaware limited liability company (3713), Case No. 11-13041 (PJW); Graceway Canada Holdings, Inc., a Delaware corporation (6663), Case No. 11-13042 (PJW); and Graceway International, Inc., a Delaware corporation (2399), Case No. 11-13043 (PJW). The mailing address for Graceway Pharmaceuticals, LLC is 340 Martin Luther King Jr. Blvd., Suite 400, Bristol, TN 37620 (Attn: John Bellamy). On October 4, 2011, Graceway Canada Company filed an application in the Ontario Superior Court of Justice (Commercial List) pursuant to the Courts of Justice Act, R.S.O. 1990, c. C. 43.

<sup>2</sup> As used herein, the term “Cardinal Health” means the following affiliated operating companies and subsidiaries of Cardinal Health, Inc., an Ohio corporation (“CHI”): Cardinal Health 3, LLC; Cardinal Health 104 LP; Cardinal Health 107, Inc.; Cardinal Health 107, LLC; Cardinal Health 108, Inc.; Cardinal Health 110, Inc.; Cardinal Health 112, LLC; Cardinal Health 113, LLC; Cardinal Health 411, Inc.; Borschow Hospital & Medical Supplies, Inc. Under the Agreements (defined herein), CHI may designate any other subsidiary as “Cardinal Health”.

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Graceway Pharmaceuticals LLC



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## BACKGROUND

4. On September 29, 2011 (the "Petition Date"), the above captioned debtors ("Debtors") commenced these bankruptcy proceedings by filing voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code").

5. After filing for bankruptcy protection, the Debtors pursued a sale of substantially all of their assets pursuant to section 363 of the Bankruptcy Code. On November 22, 2011, an Order was entered by this Court approving a sale to Medicis Pharmaceutical Corporation, LLC (the "Sale").

6. On April 20, 2012, this Court confirmed the Debtors' First Amended Joint Plan of Liquidation (the "Plan"). The Plan became effective on May 4, 2012 (the "Effective Date").

7. Prior to the Petition Date, Cardinal (i) purchased pharmaceutical products from one of the Debtors, Graceway Pharmaceuticals, LLC ("Graceway"), for subsequent resale to various entities, including, but not limited to, hospitals, supermarkets, pharmacies, nursing homes, and clinics and (ii) provided distribution services to Graceway for its pharmaceutical products in exchange for a fee.

8. The business relationship between Cardinal and Graceway created a series of ongoing mutual payment and credit obligations between the parties. Cardinal incurred payment obligations to Graceway for the ongoing purchase of pharmaceutical products, while Graceway incurred payment and credit obligations to Cardinal for, among other things, distribution service agreement fees, Medicaid/Medicare rebates, chargebacks and product return credits. In the ordinary course of their dealings, Graceway settled such payment and credit obligations by

issuing credit memos to Cardinal, who applied such credit memos against outstanding amounts owed to Graceway.

9. Following the Petition Date, Cardinal and Graceway continued their prepetition course of dealings until the time of the Sale. As a result, Graceway owes certain amounts to Cardinal on account of post-petition distribution fees, chargebacks, rebates and product returns.

#### **RELIEF REQUESTED**

10. By this Motion and pursuant to Bankruptcy Code section 503(b), Cardinal requests the Court enter an order substantially in the form of order attached hereto granting Cardinal an allowed administrative expense claim in the amount of \$1,086,664.73.

#### **BASIS FOR RELIEF**

11. 11 U.S.C. § 503 provides:

(b) After notice and a hearing, there shall be allowed administrative expenses, other than claims allowed under section 502(f) of this title, including-

(1) the actual, necessary costs and expenses of preserving the estate . . . .

(3) the actual, necessary expenses, . . . incurred by—

(D) a creditor . . . in making a substantial contribution in a case under chapter 9 or 11 of this case.

12. The United States Bankruptcy Court for the District of Delaware has parsed the “actual” and “necessary” requirements and stated that “[d]etermining whether a creditor has an administrative claim is a two-prong test: the expense must have arisen from a post-petition transaction between the creditor and the debt, and the transaction must have been ‘actual and necessary’ to preserve the estate.” In re Unidigital, Inc., 262 B.R. 283, 288 (Bankr. D. Del. 2001) (internal citations omitted).

13. In instances where a trustee or debtor in possession “elects to continue to receive benefits from the other party to an executory contract pending a decision to reject or assume a contract, the debtor-in-possession is obligated to pay for the reasonable value of those services.” NLRB v. Bildisco & Bildisco, 465 U.S. 513, 531 (1984) (noting that the reasonable value of services is often the amount specified in the contract).

14. As set forth within the *Motion of Cardinal Health for (I) Relief From the Automatic Stay Pursuant to 11 U.S.C. § 362(d) and (II) Approval of Setoff Under 11 U.S.C. § 553* [D.I. 684] (the “Lift-Stay Motion”), Cardinal and Graceway continued their normal business relationship following the Petition Date until the Sale. In their business interactions, Graceway incurred payment and credit obligations to Cardinal for, among other things, distribution service agreement fees, Medicaid/Medicare rebates, chargebacks and product return credits.

15. In the normal course of business between Cardinal and Graceway, Graceway incurred post-petition liabilities to Cardinal totaling \$1,086,664.73 (the “Post-Petition Claim”). Attached as **Exhibit A** is documentation supporting the Post-Petition Claim. This sum includes \$526,780.32 for credits issued to Cardinal for distribution services and \$559,884.41 for rebates, chargebacks and return credits stemming from Cardinal’s purchases from Graceway. This continued relationship was established by a pair of integrated contracts governing the relationship and establishing the fee arrangement between Cardinal and Graceway (which agreements were previously filed under seal as Exhibits E and F to the Lift-Stay Motion).

16. The post-petition relationship between Cardinal and Graceway allowed the Debtors to continue to supply their product to the marketplace, maintaining Graceway’s brand and image during the time that the Debtors sought to sell their assets as a going concern through a 363 sale. Absent Cardinal’s continued distribution and acceptance of returns, Graceway’s

value may have been adversely affected. This damage to Graceway's value would likely have caused potential purchasers of the Debtors' assets to be unwilling to pay the ultimate purchase price obtained by the Debtors in this case. This maintenance of the Debtors' brand and product value, which maximized the going concern value of the enterprise, was an "actual, necessary cost[] and expense[] of preserving the estate".

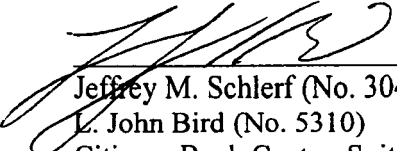
**CONCLUSION**

WHEREFORE, Cardinal respectfully requests that this Court enter an Order:

- (a) Allowing Cardinal an administrative expense claim for unpaid amounts totaling \$1,086,664.73 to be paid to Cardinal; and,
- (b) Granting such other and further relief as this Court deems fair and just.

Dated: June 8, 2012  
Wilmington, Delaware

**FOX ROTHSCHILD LLP**



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# Exhibit A

Returns and Cash Discounts

Inventory Already Returned

Co #	Vendor #	Payee #	Invoice #	Invoice Date	Due Date	Invoice Amount
8	8961	4879	60523	2/7/2012	2/7/2012	(176.60)
35	8961	4879	22730	2/10/2012	2/10/2012	(16,554.75)
24	8961	4879	35968	2/27/2012	2/27/2012	(88.30)
29	8961	4879	19346	2/27/2012	2/27/2012	(340.20)
32	8961	4879	30739	2/27/2012	2/27/2012	(111.82)
29	8961	4879	19365	2/28/2012	2/28/2012	(10,560.91)
32	8961	4879	30994	3/5/2012	3/5/2012	(538.60)
10	8961	4879	1045831	3/7/2012	3/7/2012	(7,679.15)
10	8961	4879	1045843	3/7/2012	3/7/2012	(12,439.96)
6	8961	4879	60902	3/19/2012	3/19/2012	(10,051.91)
15	8961	4879	45316	3/19/2012	3/19/2012	(905.10)
27	8961	4879	37764	3/19/2012	3/19/2012	(942.45)
43	8961	4879	51237	3/19/2012	3/19/2012	(36,280.38)
9	8961	4879	72536	3/21/2012	3/21/2012	(1,237.40)
19	8961	4879	00023367DJ	3/21/2012	3/21/2012	(1,409.40)
19	8961	4879	00023518DJ	3/21/2012	3/21/2012	(217.65)
43	8961	4879	51343	3/23/2012	3/23/2012	(528.96)
43	8961	4879	51406	3/27/2012	3/27/2012	(538.60)
26	8961	4879	42309	3/28/2012	3/28/2012	(5,739.37)
26	8961	4879	42310	3/28/2012	3/28/2012	(14,933.66)
26	8961	4879	42311	3/28/2012	3/28/2012	(176.60)
43	8961	4879	51482	4/3/2012	4/3/2012	(3,501.28)
15	8961	4879	45867	4/6/2012	4/6/2012	(1,820.86)
28	8961	4879	26791	4/6/2012	4/6/2012	(341.40)
28	8961	4879	27018	4/6/2012	4/6/2012	(307.26)
32	8961	4879	31284	4/6/2012	4/6/2012	(1,165.50)
37	8961	4879	33179	4/6/2012	4/6/2012	(4,495.95)
43	8961	4879	51216	4/6/2012	4/6/2012	(5,044.26)
43	8961	4879	51496	4/6/2012	4/6/2012	(9,694.80)
43	8961	4879	51570	4/6/2012	4/6/2012	(1,247.30)
43	8961	4879	51750	4/6/2012	4/6/2012	(7,630.88)
43	8961	4879	51852	4/6/2012	4/6/2012	(10,454.74)

Returns and Cash Discounts

Inventory Already Returned						
Co #	Vendor #	Payee #	Invoice #	Invoice Date	Due Date	Invoice Amount
43	8961	4879	51942	4/6/2012	4/6/2012	(307.26)
43	8961	4879	51995	4/6/2012	4/6/2012	(6,518.34)
43	8961	4879	52124	4/6/2012	4/6/2012	(6,012.90)
43	8961	4879	52184	4/6/2012	4/6/2012	(614.52)
43	8961	4879	52190	4/6/2012	4/6/2012	(3,082.88)
43	8961	4879	52221	4/6/2012	4/6/2012	(2,637.56)
8	8961	4879	60780	4/9/2012	4/9/2012	(3,802.68)
8	8961	4879	60855	4/9/2012	4/9/2012	(894.90)
8	8961	4879	61075	4/9/2012	4/9/2012	(614.52)
8	8961	4879	61628	4/9/2012	4/9/2012	(1,041.52)
43	8961	4879	52390	4/9/2012	4/9/2012	(1,342.10)
9	8961	4879	72762	4/12/2012	4/12/2012	(1,758.13)
6	8961	4879	61583	4/16/2012	4/16/2012	(2,987.04)
43	8961	4879	52492	4/16/2012	4/16/2012	(730.42)
6	8961	4879	00061583PB	4/18/2012	4/18/2012	2,987.04
43	8961	4879	52515	4/20/2012	4/20/2012	(190.75)
43	8961	4879	52520	4/24/2012	4/24/2012	(670.92)
6	8961	4879	60872	5/7/2012	5/7/2012	(5,293.58)
9	8961	4879	73086	5/10/2012	5/10/2012	(413.53)
43	8961	4879	52740	5/18/2012	5/18/2012	(1,809.15)
24	8961	4879	36792	5/22/2012	5/22/2012	(1,420.54)
43	8961	4879	52846	5/23/2012	5/23/2012	(258.40)
35	8961	4879	22664	5/28/2012	5/28/2012	(618.10)
43	8961	4879	52893	5/30/2012	5/30/2012	(200.12)
<b>Total</b>						<b>(207,388.82)</b>

Invoice #	Cash Discount
90097158	38,419.29
90097156	596.35
90097157	1,073.43
90097472	1,157.95
90097475	284.41
90097476	365.67
90097473	2,266.14
90097474	119.27
90097742	2,042.70
90097743	834.89
<b>Total Cash Discounts</b>	
	<b>47,160.10</b>

Inventory Already Returned	207,388.82
Inventory On-Hand	96,865.36
Morgue	139,168.78
<b>Total Contingent Return</b>	<b>443,422.96</b>



Post-Petition Credits

Co. #	Vendor #	Payee #	Invoice #	Invoice Date	Due Date	Invoice Amount	Net
3	8961	4879	90098338C	12/9/2011	12/9/2011	(1,209.06)	(1,209.06)
6	8961	4879	90098335C	12/9/2011	12/9/2011	(109.47)	(109.47)
8	8961	4879	90098337C	12/9/2011	12/9/2011	(112.47)	(112.47)
9	8961	4879	90098340C	12/9/2011	12/9/2011	(917.15)	(917.15)
10	8961	4879	90098333C	12/9/2011	12/9/2011	(3,495.39)	(3,495.39)
11	8961	4879	90098334C	12/9/2011	12/9/2011	(4,846.08)	(4,846.08)
15	8961	4879	90098336C	12/9/2011	12/9/2011	(3,652.45)	(3,652.45)
18	8961	4879	90098339C	12/9/2011	12/9/2011	(328.41)	(328.41)
19	8961	4879	90098341C	12/9/2011	12/9/2011	(48.18)	(48.18)
24	8961	4879	90098331C	12/9/2011	12/9/2011	(28.54)	(28.54)
26	8961	4879	90098332C	12/9/2011	12/9/2011	(372.53)	(372.53)
32	8961	4879	90098345C	12/9/2011	12/9/2011	(214.53)	(214.53)
34	8961	4879	90098342C	12/9/2011	12/9/2011	(75.72)	(75.72)
35	8961	4879	90098343C	12/9/2011	12/9/2011	(48.18)	(48.18)
37	8961	4879	90098344C	12/9/2011	12/9/2011	(257.58)	(257.58)
3	8961	4879	90098589C	12/13/2011	12/13/2011	(210.43)	(210.43)
6	8961	4879	90098596C	12/13/2011	12/13/2011	(126.20)	(126.20)
8	8961	4879	90098592C	12/13/2011	12/13/2011	(337.41)	(337.41)
9	8961	4879	90098598C	12/13/2011	12/13/2011	(443.88)	(443.88)
11	8961	4879	90098595C	12/13/2011	12/13/2011	(302.88)	(302.88)
15	8961	4879	90098591C	12/13/2011	12/13/2011	(112.47)	(112.47)
16	8961	4879	90098594C	12/13/2011	12/13/2011	(269.42)	(269.42)
19	8961	4879	90098597C	12/13/2011	12/13/2011	(28.54)	(28.54)
24	8961	4879	90098600C	12/13/2011	12/13/2011	(242.46)	(242.46)
26	8961	4879	90098590C	12/13/2011	12/13/2011	(188.19)	(188.19)
29	8961	4879	90098593C	12/13/2011	12/13/2011	(656.82)	(656.82)
37	8961	4879	90098599C	12/13/2011	12/13/2011	(673.08)	(673.08)
3	8961	4879	90098620C	12/14/2011	12/14/2011	(656.82)	(656.82)
8	8961	4879	90098613C	12/14/2011	12/14/2011	(134.71)	(134.71)
9	8961	4879	90098612C	12/14/2011	12/14/2011	(105.38)	(105.38)
11	8961	4879	90098621C	12/14/2011	12/14/2011	(437.88)	(437.88)
15	8961	4879	90098619C	12/14/2011	12/14/2011	(112.47)	(112.47)
19	8961	4879	90098618C	12/14/2011	12/14/2011	(33.27)	(33.27)

Post-Petition Credits

Co #	Vendor #	Payee #	Invoice #	Invoice Date	Due Date	Invoice Amount	Net
26	8961	4879	90098611C	12/14/2011	12/14/2011	(53.78)	(53.78)
27	8961	4879	90098610C	12/14/2011	12/14/2011	(159.95)	(159.95)
32	8961	4879	90098615C	12/14/2011	12/14/2011	(109.47)	(109.47)
34	8961	4879	90098617C	12/14/2011	12/14/2011	(176.68)	(176.68)
37	8961	4879	90098616C	12/14/2011	12/14/2011	(73.42)	(73.42)
43	8961	4879	90098614C	12/14/2011	12/14/2011	(126.20)	(126.20)
3	8961	4879	90098535C	12/15/2011	12/15/2011	(437.59)	(437.59)
3	8961	4879	90098670C	12/15/2011	12/15/2011	(329.30)	(329.30)
6	8961	4879	90098534C	12/15/2011	12/15/2011	(162.95)	(162.95)
8	8961	4879	90098536C	12/15/2011	12/15/2011	(461.40)	(461.40)
8	8961	4879	90098671C	12/15/2011	12/15/2011	(109.47)	(109.47)
9	8961	4879	90098537C	12/15/2011	12/15/2011	(1,242.12)	(1,242.12)
10	8961	4879	90098533C	12/15/2011	12/15/2011	(109.47)	(109.47)
11	8961	4879	90098669C	12/15/2011	12/15/2011	(420.86)	(420.86)
15	8961	4879	90098547C	12/15/2011	12/15/2011	(46.20)	(46.20)
15	8961	4879	90098674C	12/15/2011	12/15/2011	(121.23)	(121.23)
16	8961	4879	90098541C	12/15/2011	12/15/2011	(656.82)	(656.82)
16	8961	4879	90098673C	12/15/2011	12/15/2011	(100.96)	(100.96)
18	8961	4879	90098543C	12/15/2011	12/15/2011	(50.48)	(50.48)
18	8961	4879	90098668C	12/15/2011	12/15/2011	(109.47)	(109.47)
24	8961	4879	90098539C	12/15/2011	12/15/2011	(114.16)	(114.16)
26	8961	4879	90098542C	12/15/2011	12/15/2011	(100.96)	(100.96)
26	8961	4879	90098676C	12/15/2011	12/15/2011	(964.10)	(964.10)
27	8961	4879	90098538C	12/15/2011	12/15/2011	(25.24)	(25.24)
28	8961	4879	90098546C	12/15/2011	12/15/2011	(159.95)	(159.95)
29	8961	4879	90098545C	12/15/2011	12/15/2011	(218.94)	(218.94)
29	8961	4879	90098675C	12/15/2011	12/15/2011	(425.38)	(425.38)
32	8961	4879	90098544C	12/15/2011	12/15/2011	(970.54)	(970.54)
32	8961	4879	90098672C	12/15/2011	12/15/2011	(437.88)	(437.88)
34	8961	4879	90098548C	12/15/2011	12/15/2011	(319.90)	(319.90)
34	8961	4879	90098677C	12/15/2011	12/15/2011	(727.38)	(727.38)
35	8961	4879	90098678C	12/15/2011	12/15/2011	(8.03)	(8.03)
37	8961	4879	90098540C	12/15/2011	12/15/2011	(310.72)	(310.72)

Post-Petition Credits

Col #	Vendor #	Payee #	Invoice #	Invoice Date	Due Date	Invoice Amount	Net
37	8961	4879	90098679C	12/15/2011	12/15/2011	(290.90)	(290.90)
3	8961	4879	90098706C	12/16/2011	12/16/2011	(277.64)	(277.64)
6	8961	4879	90098711C	12/16/2011	12/16/2011	(112.47)	(112.47)
8	8961	4879	90098709C	12/16/2011	12/16/2011	(468.50)	(468.50)
9	8961	4879	90098708C	12/16/2011	12/16/2011	(109.47)	(109.47)
11	8961	4879	90098703C	12/16/2011	12/16/2011	(134.71)	(134.71)
15	8961	4879	90098704C	12/16/2011	12/16/2011	(318.18)	(318.18)
19	8961	4879	90098707C	12/16/2011	12/16/2011	(104.26)	(104.26)
26	8961	4879	90098710C	12/16/2011	12/16/2011	(4,265.85)	(4,265.85)
32	8961	4879	90098702C	12/16/2011	12/16/2011	(1,013.50)	(1,013.50)
37	8961	4879	90098701C	12/16/2011	12/16/2011	(198.72)	(198.72)
43	8961	4879	90098705C	12/16/2011	12/16/2011	(605.76)	(605.76)
3	8961	4879	90098766C	12/19/2011	12/19/2011	(25.24)	(25.24)
8	8961	4879	90098765C	12/19/2011	12/19/2011	(563.26)	(563.26)
9	8961	4879	90098764C	12/19/2011	12/19/2011	(273.84)	(273.84)
11	8961	4879	90098763C	12/19/2011	12/19/2011	(25.24)	(25.24)
19	8961	4879	90098768C	12/19/2011	12/19/2011	(194.79)	(194.79)
24	8961	4879	90098770C	12/19/2011	12/19/2011	(24.97)	(24.97)
26	8961	4879	90098772C	12/19/2011	12/19/2011	(82.32)	(82.32)
28	8961	4879	90098773C	12/19/2011	12/19/2011	(25.24)	(25.24)
32	8961	4879	90098771C	12/19/2011	12/19/2011	(1,007.88)	(1,007.88)
34	8961	4879	90098769C	12/19/2011	12/19/2011	(1,642.05)	(1,642.05)
37	8961	4879	90098767C	12/19/2011	12/19/2011	(12.43)	(12.43)
3	8961	4879	90098801C	12/20/2011	12/20/2011	(109.47)	(109.47)
8	8961	4879	90098806C	12/20/2011	12/20/2011	(224.94)	(224.94)
11	8961	4879	90098800C	12/20/2011	12/20/2011	(605.76)	(605.76)
15	8961	4879	90098799C	12/20/2011	12/20/2011	(2,423.04)	(2,423.04)
19	8961	4879	90098804C	12/20/2011	12/20/2011	(98.66)	(98.66)
26	8961	4879	90098807C	12/20/2011	12/20/2011	(849.94)	(849.94)
32	8961	4879	90098802C	12/20/2011	12/20/2011	(656.82)	(656.82)
35	8961	4879	90098805C	12/20/2011	12/20/2011	(8.03)	(8.03)
37	8961	4879	90098803C	12/20/2011	12/20/2011	(57.57)	(57.57)
3	8961	4879	90098832C	12/21/2011	12/21/2011	(218.94)	(218.94)

Post-Petition Credits

Co. #	Vendor #	Payee #	Invoice #	Invoice Date	Due Date	Invoice Amount	Net
6	8961	4879	90098835C	12/21/2011	12/21/2011	(775.29)	(775.29)
8	8961	4879	90098829C	12/21/2011	12/21/2011	(224.94)	(224.94)
9	8961	4879	90098831C	12/21/2011	12/21/2011	(218.94)	(218.94)
11	8961	4879	90098825C	12/21/2011	12/21/2011	(1,681.32)	(1,681.32)
16	8961	4879	90098834C	12/21/2011	12/21/2011	(218.94)	(218.94)
19	8961	4879	90098830C	12/21/2011	12/21/2011	(109.47)	(109.47)
26	8961	4879	90098833C	12/21/2011	12/21/2011	(1,719.76)	(1,719.76)
27	8961	4879	90098836C	12/21/2011	12/21/2011	(25.24)	(25.24)
29	8961	4879	90098826C	12/21/2011	12/21/2011	(135.60)	(135.60)
34	8961	4879	90098828C	12/21/2011	12/21/2011	(109.47)	(109.47)
35	8961	4879	90098827C	12/21/2011	12/21/2011	(25.24)	(25.24)
43	8961	4879	90098838C	12/21/2011	12/21/2011	(140.85)	(140.85)
3	8961	4879	90098916I	12/22/2011	12/22/2011	165.74	165.74
6	8961	4879	90098907C	12/22/2011	12/22/2011	(224.94)	(224.94)
8	8961	4879	90098914C	12/22/2011	12/22/2011	(112.47)	(112.47)
11	8961	4879	90098915C	12/22/2011	12/22/2011	(100.96)	(100.96)
15	8961	4879	90098911C	12/22/2011	12/22/2011	(2,036.22)	(2,036.22)
19	8961	4879	90098908C	12/22/2011	12/22/2011	(16.06)	(16.06)
26	8961	4879	90098910C	12/22/2011	12/22/2011	(244.40)	(244.40)
28	8961	4879	90098909C	12/22/2011	12/22/2011	(25.24)	(25.24)
32	8961	4879	90098912C	12/22/2011	12/22/2011	(218.94)	(218.94)
35	8961	4879	90098913C	12/22/2011	12/22/2011	(16.06)	(16.06)
3	8961	4879	90098933C	12/23/2011	12/23/2011	(112.47)	(112.47)
8	8961	4879	90098934C	12/23/2011	12/23/2011	(109.47)	(109.47)
9	8961	4879	90098936C	12/23/2011	12/23/2011	(337.41)	(337.41)
11	8961	4879	90098935C	12/23/2011	12/23/2011	(1,514.40)	(1,514.40)
15	8961	4879	90098939C	12/23/2011	12/23/2011	(556.35)	(556.35)
16	8961	4879	90098938C	12/23/2011	12/23/2011	(24.97)	(24.97)
19	8961	4879	90098941C	12/23/2011	12/23/2011	(220.86)	(220.86)
26	8961	4879	90098940C	12/23/2011	12/23/2011	(225.85)	(225.85)
64	8961	4879	DC1746055800	12/19/2011	12/26/2011	(25.24)	(25.24)
3	8961	4879	90099016I	12/28/2011	12/28/2011	28.54	28.54
6	8961	4879	90098990C	12/28/2011	12/28/2011	(25.24)	(25.24)

Post-Petition Credits

Co. #	Vendor #	Payee #	Invoice #	Invoice Date	Due Date	Invoice Amount	Net
6	8961	4879	90099012C	12/28/2011	12/28/2011	(463.12)	(463.12)
9	8961	4879	90099015C	12/28/2011	12/28/2011	(547.35)	(547.35)
15	8961	4879	90098997C	12/28/2011	12/28/2011	(109.47)	(109.47)
15	8961	4879	90099018C	12/28/2011	12/28/2011	(134.71)	(134.71)
16	8961	4879	90098995C	12/28/2011	12/28/2011	(54.90)	(54.90)
19	8961	4879	90098996C	12/28/2011	12/28/2011	(539.06)	(539.06)
19	8961	4879	90099017C	12/28/2011	12/28/2011	(395.62)	(395.62)
26	8961	4879	90098998C	12/28/2011	12/28/2011	(2,950.48)	(2,950.48)
26	8961	4879	90099013C	12/28/2011	12/28/2011	(109.47)	(109.47)
27	8961	4879	90099014I	12/28/2011	12/28/2011	190.40	190.40
28	8961	4879	90098994C	12/28/2011	12/28/2011	(176.68)	(176.68)
32	8961	4879	90098993C	12/28/2011	12/28/2011	(218.94)	(218.94)
32	8961	4879	90099019C	12/28/2011	12/28/2011	(656.82)	(656.82)
37	8961	4879	90098991C	12/28/2011	12/28/2011	(61.70)	(61.70)
64	8961	4879	DC1747119100	12/21/2011	12/28/2011	(151.44)	(151.44)
3	8961	4879	90099073C	12/29/2011	12/29/2011	(25.24)	(25.24)
6	8961	4879	90099077C	12/29/2011	12/29/2011	(631.00)	(631.00)
8	8961	4879	90099072C	12/29/2011	12/29/2011	(123.40)	(123.40)
9	8961	4879	90099076I	12/29/2011	12/29/2011	45.90	45.90
15	8961	4879	90099075C	12/29/2011	12/29/2011	(121.23)	(121.23)
27	8961	4879	90099074C	12/29/2011	12/29/2011	(25.24)	(25.24)
32	8961	4879	90099079I	12/29/2011	12/29/2011	1.67	1.67
34	8961	4879	90099078C	12/29/2011	12/29/2011	(112.47)	(112.47)
37	8961	4879	90099080C	12/29/2011	12/29/2011	(16.06)	(16.06)
64	8961	4879	DC1747645700	12/22/2011	12/29/2011	(25.24)	(25.24)
3	8961	4879	90099145I	1/2/2012	1/2/2012	38.20	38.20
6	8961	4879	90099146C	1/2/2012	1/2/2012	(50.48)	(50.48)
11	8961	4879	90099102C	1/2/2012	1/2/2012	(2,347.32)	(2,347.32)
15	8961	4879	90099148C	1/2/2012	1/2/2012	(109.47)	(109.47)
16	8961	4879	90099104C	1/2/2012	1/2/2012	(218.94)	(218.94)
19	8961	4879	90099105C	1/2/2012	1/2/2012	(275.42)	(275.42)
26	8961	4879	90099103I	1/2/2012	1/2/2012	45.90	45.90
26	8961	4879	90099147C	1/2/2012	1/2/2012	(50.48)	(50.48)

Post-Petition Credits

Co. #	Vendor #	Payee #	Invoice #	Invoice Date	Due Date	Invoice Amount	Net
43	8961	4879	900991491	1/2/2012	1/2/2012	76.10	76.10
<b>Total Chargebacks</b>						<b>(69,301.35)</b>	

		Distribution Fees		
186	4879	DED INV 1755280 S 16165	1/6/2012	1/6/2012 (526,780.32) CMA 4TH QTR 2011

Totals	
Q4 Distribution Fees	526,780.32
Cash Discounts	47,160.10
Chargebacks	69,301.35
Contingent Returns	443,422.96
<b>Post-Petition Balance Due</b>	<b>559,884.41</b>
	<b>1,086,664.73</b>

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

In re:

GRACEWAY PHARMACEUTICALS,  
LLC., *et al.*,

Debtors.

Chapter 11

Case No. 11-13036 (PJW)  
Jointly Administered

Related to Docket No. \_\_\_\_

**ORDER GRANTING MOTION OF CARDINAL HEALTH FOR ALLOWANCE AND  
PAYMENT OF ADMINISTRATIVE CLAIM**

Upon consideration of the Motion of Cardinal Health for Allowance and Payment of Administrative Claim (the "Motion")<sup>1</sup>; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the requested relief therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Objection having been provided under the circumstances, and it appearing that no other or further notice need be provided; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors' estates, their creditors, and all parties-in-interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Motion is GRANTED; and it is further

ORDERED that Cardinal is hereby awarded an allowed administrative expense claim pursuant to Bankruptcy Code section 503(b) for unpaid amounts due and owing to Cardinal totaling \$1,086,664.73; and it is further

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

ORDERED that the Debtors shall pay \$1,086,664.73 to Cardinal within 10 calendar days from the date hereof; and it is further

ORDERED that the Court shall retain jurisdiction with respect to any matter related to the implementation of this Order.

Dated: \_\_\_\_\_, 2012  
Wilmington, Delaware

\_\_\_\_\_  
The Honorable Peter J. Walsh  
United States Bankruptcy Judge



**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that one (1) copy of the **Motion of Cardinal Health for Allowance and Payment of Administrative Claim** was served on the parties in the attached service list this 8th day of June, 2012, *via* first class mail unless otherwise indicated:

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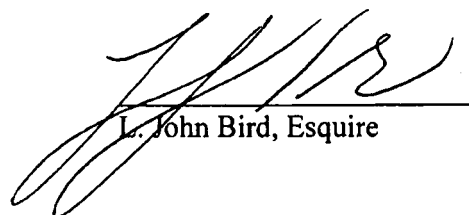
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