

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

In re:

GRACEWAY PHARMACEUTICALS, LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 11-13036 (PJW)

Jointly Administered

Ref. Doc. No. 21

**ORDER PURSUANT TO SECTIONS 327(a) AND 328(a) OF THE
BANKRUPTCY CODE AUTHORIZING THE DEBTORS TO RETAIN AND EMPLOY
LATHAM & WATKINS LLP AS ATTORNEYS FOR THE DEBTORS
NUNC PRO TUNC TO THE PETITION DATE**

("L&W Retention Order")

Upon consideration of the application (the "Application")² of the Debtors for entry of an Order (the "Order") authorizing the Debtors to retain and employ Latham & Watkins LLP ("L&W") as attorneys for the Debtors, *nunc pro tunc* to the Petition Date, pursuant to Sections 327(a), 328(a), 329 and 1107 of title 11 of 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 2014-1 and 2016-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"); and upon consideration of the Declaration of Josef S. Athanas (the "Athanas Declaration"); and this Court being satisfied based on the representations made in the Application and the Athanas Declaration that L&W is disinterested as that term is defined under Section 101(14) of the

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 Graceway Pharmaceuticals, LLC is 340 Martin Luther King Jr. Blvd., Suite 500, Bristol, TN 37620 (Attn: John Bellamy).

Bankruptcy Code, as modified by Section 1107(b) of the Bankruptcy Code; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors, and other parties-in-interest; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this Application is a core proceeding pursuant to 28 U.S.C. § 157; and adequate notice of the Application and opportunity for objection having been given; and it appearing that no other notice need be given; and after due deliberation and sufficient cause therefore, it is hereby ORDERED, ADJUDGED, AND DECREED that:

1. The Application is GRANTED as set forth herein.
2. In accordance with Section 327(a) of the Bankruptcy Code, the Debtors are authorized to retain and employ L&W as their attorneys on the terms set forth in the Application and the Athanas Declaration.
3. In a manner consistent with the Application and the Athanas Declaration, L&W may render legal services to the Debtors relating to the day-to-day administration of these Chapter 11 Cases, including, without limitation:
 - a. advising the Debtors with respect to their powers and duties as debtors-in-possession in the continued management and operation of their business and properties;
 - b. attending meetings and negotiating with representatives of creditors, interest holders and other parties-in-interest;
 - c. taking all necessary action to protect and preserve the Debtors' estates, including prosecuting actions on the Debtors' behalf, defending any action commenced against the Debtors and representing the Debtors' interests in negotiations concerning litigation in which the Debtors are involved, including objections to claims filed against the estates;
 - d. preparing motions, applications, answers, orders, reports, and papers necessary to the administration of the Debtors' estates;

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Application.

- e. taking necessary action on behalf of the Debtors to obtain approval of a disclosure statement and confirmation of a plan;
- f. advising the Debtors in connection with the potential sale of assets and taking necessary action to guide the Debtors through a potential sale of their assets in the bankruptcy court;
- g. appearing before this Court or any Appellate Courts, and protecting the interests of the Debtors' estates before those Courts; and
- h. performing all other necessary legal services for the Debtors in connection with these Chapter 11 Cases, including (i) analyzing the Debtors' leases and executory contracts and the assumption or assignment thereof and (ii) advising on corporate, litigation, environmental, finance and other legal matters.

4. L&W shall be entitled to allowance of compensation and reimbursement of expenses in accordance with the procedures set forth in Sections 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules and Local Rules of this Court as may then be applicable, from time to time, the guidelines established by the Office of the United States Trustee and such procedures as may be fixed by order of this Court.

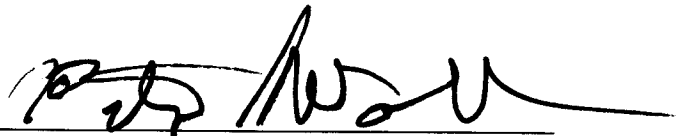
5. L&W shall apply any retainer remaining at the time of its final fee application in satisfaction of compensation and reimbursement awarded with respect to such application, and promptly pay to the Debtors' estates any retainer remaining after such application.

6. Notwithstanding anything to the contrary contained herein, any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the Debtors under any approved debtor-in-possession financing facility, or any order regarding the use of cash collateral.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

8. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: Oct 17, 2011
Wilmington, Delaware



Peter J. Walsh
United States Bankruptcy Judge