

**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

Related Docket Nos. 485, 548, 555 and 566

**ORDER (A) APPROVING THE DISCLOSURE STATEMENT,
(B) ESTABLISHING THE VOTING RECORD DATE, VOTING DEADLINE AND
OTHER DATES, (C) APPROVING PROCEDURES FOR SOLICITING, RECEIVING
AND TABULATING VOTES ON THE PLAN AND FOR FILING OBJECTIONS TO
THE PLAN AND (D) APPROVING THE MANNER AND FORMS OF NOTICE
AND OTHER RELATED DOCUMENTS**

Upon consideration of the motion (the “**Motion**”)² of the above-captioned debtors and debtors-in-possession (the “**Debtors**”) for entry of an order, pursuant to 11 U.S.C. §§ 105(a), 502, 1125, 1126, 1128 and 1129 and Rules 2002, 3003, 3017, 3018, and 3020 of the Federal Rules of Bankruptcy Procedure, (a) approving the Disclosure Statement, (b) establishing the Voting Record Date, the Voting Deadline and other dates (a summary chart of which is attached hereto as Chart A), (c) approving procedures for soliciting, receiving and tabulating votes on the Plan and for filing objections to the Plan, (d) approving the manner and forms of notice and other related documents and (e) granting other relief relating thereto as set forth herein; and it

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), 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.

² Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Motion, Plan and Disclosure Statement, as applicable.

appearing that the relief requested in the Motion is in the best interests of the Debtors' estate, its 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 the Motion is a core proceeding pursuant to 28 U.S.C. § 157; and adequate notice of the Motion and opportunity for objection having been given; and it appearing that no other notice need be given; and after due deliberation and sufficient cause therefor:

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The Disclosure Statement for the First Amended Joint Plan of Liquidation of Graceway Pharmaceuticals, LLC, et al. [Docket No. 566] (the "**Disclosure Statement**"), filed on March 1, 2012, contains adequate information within the meaning of Section 1125 of the Bankruptcy Code.

B. The notices attached hereto as Exhibits 1, 2, 4, 5, 6, 7, 8 and 9 (collectively, the "**Notices**") contain sufficient information and are appropriate under the circumstances.

C. The form of the ballots attached hereto as Exhibits 3A through 3C (collectively, the "**Ballots**") (i) are sufficiently consistent with Official Form No. 14, (ii) adequately address the particular needs of these Chapter 11 Cases and (iii) are appropriate for each Class of Claims entitled under the Plan to vote to accept or reject the Plan.

D. The time period set forth below during which the Debtors may solicit votes on the Plan is a reasonable period of time for Creditors to make an informed decision as to whether to accept or reject the Plan.

E. The procedures set forth below for the solicitation and tabulation of votes to accept or reject the Plan provide for a fair and equitable voting process and are consistent with Section 1126 of the Bankruptcy Code.

F. The procedures set forth below regarding the Confirmation Hearing Notice and the contents of the Solicitation Package (defined below) comply with Bankruptcy Rules 2002 and 3017 and constitute sufficient notice to all interested parties.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is granted as set forth herein.

I. Approval of the Disclosure Statement

2. Pursuant to Bankruptcy Rule 3017(b), the Disclosure Statement is approved as containing adequate information within the meaning of Section 1125(a) of the Bankruptcy Code, and the Debtors are authorized to distribute the Disclosure Statement and Solicitation Package in order to solicit votes on, and pursue confirmation of, the Plan.

3. The notice by mail to all of a debtor's creditors and shareholders informing them of the time set for filing objections to, and the hearing to consider the approval of a disclosure statement (the "**Disclosure Statement Hearing Notice**"), attached hereto as Exhibit 1, is approved pursuant to Bankruptcy Rules 2002 and 3017.

4. The notice and objection procedures provided in connection with the hearing on the Disclosure Statement, which will be held at 11:00 a.m. prevailing Eastern Time on March 1, 2012 (the "**Disclosure Statement Hearing**"), were reasonable and appropriate under the circumstances, and such notice and objection procedures were adequate pursuant to Bankruptcy Rule 3017.

II. Confirmation Hearing and Objections

5. Pursuant to Bankruptcy Rule 3020(b)(2), the hearing to consider confirmation of the Plan (the "**Confirmation Hearing**") shall be on April 11, 2012 at 2:00 p.m. prevailing Eastern Time.

6. Pursuant to Bankruptcy Rule 3020(b)(1), the deadline (the “**Confirmation Objection Deadline**”) for filing and serving objections to confirmation of the Plan (“**Confirmation Objections**”) shall be April 3, 2012 at 4:00 p.m. prevailing Eastern Time.

7. The Confirmation Objections, if any, shall (a) be in writing, (b) comply with Federal Rules of Bankruptcy Procedure and the Local Rules of Bankruptcy Practice and Procedures of the United States Bankruptcy Court for the District of Delaware, (c) state with particularity the legal and factual bases for the objection and, if practicable, a proposed modification to the Plan that would resolve such objection, and (d) be filed, contemporaneously with a proof of service, with the Bankruptcy Court and served so as to be **actually received** by each of the following parties (the “**Notice Parties**”) on or before the Confirmation Objection Deadline:

- a) Counsel to the Debtors, Latham & Watkins LLP, 233 South Wacker Drive, Suite 5800, Chicago, IL 60606 (Attn: Josef S. Athanas, Esq. and Matthew L. Warren, Esq.) (josef.athanas@lw.com and matthew.warren@lw.com) (fax: 312-993-9767) and Young Conaway Stargatt & Taylor LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801 (Attn: Michael R. Nestor, Esq. and Kara Hammond Coyle, Esq.) (mnestor@ycst.com and kcoyle@ycst.com) (fax: 302-576-3472);
- b) Counsel to the Creditors’ Committee, Elliott Greenleaf, 1105 North Market Street, Suite 1700, P.O. Box 2327, Wilmington, DE 19801 (Attn: Rafael Xavier Zahralddin-Aravena) (rxza@elliottgreenleaf.com) (fax: 302-384-9399) and Lowenstein Sandler, 919 65 Livingston Avenue, Roseland, NJ 07068 (Attn: S. Jason Teele, Esq.) (steele@lowenstein.com) (fax: 973-597-2347);
- c) Special Bankruptcy and Restructuring Counsel to the Agent for the First Lien Lenders, Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, NY 10019 (Attn: Scott K. Charles, Esq. and Michael S. Benn, Esq.) (SKCharles@wlrk.com and MSBenn@wlrk.com) (fax: 212-403-2158) and DLA Piper LLP, 919 North Market Street, 15th Floor, Suite 1500, Wilmington, DE 19801 (Attn: Stuart M. Brown, Esq.) (stuart.brown@dlapiper.com) (fax: 302-778-7913);

- d) Financing Counsel to the Agent for the First Lien Lenders, Morgan Lewis, 225 Franklin Street, 16th Floor, Boston, MA 02110 (Attn: Sula Fiszman, Esq.) (sfiszman@morganlewis.com) (fax: 617-341-7701);
- e) Counsel to the Agent for the Second Lien Lenders, Sidley Austin LLP, One South Dearborn, Chicago, IL 60603 (Attn: Larry Nyhan, Esq. and Jeffrey E. Bjork, Esq.) (lnyhan@sidley.com and jbjork@sidley.com) (fax: 213-896-6600);
- f) Agent for the Mezzanine Lenders, Goldman Sachs Credit Partners L.P., 30 Hudson Street, 5th Floor, Jersey City, NJ 07302 (Attn: Michelle Latzoni) (gsd.link@gs.com) (fax: 212-357-4597);
- g) Receiver for Graceway Canada Company, Duff & Phelps Canada Restructuring Inc., 200 King Street West, Suite 1002, Toronto, ON M5H 3T4 (Attn: Robert Kofman and David Sieradzki) (bobby.kofman@duffandphelps.com and david.sieradzki@duffandphelps.com) (fax: 647-497-9490);
- h) Counsel to the Receiver for Graceway Canada Company, Davies Ward Phillips & Vineberg LLP, 1 First Canadian Place, Suite 4400, P.O. Box 63, Toronto, ON M5X 1B1 (Attn: Jay Swartz) (jswartz@dwvpv.com) (fax: 416-863-0871);
- i) Counsel to Graceway Canada Company, Goodmans LLP, Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, ON M5H 2S7 (Attn: Fred Myers, Joe Latham, and Caroline Descours) (fmyers@goodmans.ca, jlatham@goodmans.ca, and cdescours@goodmans.ca) (fax: 416-979-1234);
- j) The Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2213, Lockbox 35, Wilmington, DE 19801 (Attn: Juliet Sarkessian, Esq.) (Juliet.M.Sarkessian@usdoj.gov) (fax: 302-573-6497).

III. Establishment of Voting Record Date and Approving Procedures for Temporary Allowance of Claims that are Subject to an Objection Filed by the Debtors

8. Pursuant to Bankruptcy Rule 3017(d), March 1, 2012 shall be the voting record date (the “**Voting Record Date**”) with respect to all Claims (*i.e.*, those in Classes 1, 2, 3, 4, 5, 6, 8 and the holders of Interests in Class 7). The Debtors shall use the applicable Voting Record Date for determining which (a) Creditors are entitled to receive Solicitation Packages (b) Creditors are entitled to vote to accept or reject the Plan, and (c) non-voting Creditors and Interest holders are entitled to receive notice of the Confirmation Hearing.

9. With respect to any transferred Claim, the transferee will be entitled to receive a Solicitation Package and cast a Ballot on account of the transferred Claim only if: (a) all actions necessary to effect the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) have been completed by the Voting Record Date; or (b) the transferee files, no later than the Voting Record Date, (i) the documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer. Each transferee shall be treated as a single Creditor for purposes of the numerosity requirements in Section 1126(e) of the Bankruptcy Code and other procedures set forth in this Order.

10. Any holder of a Claim against the Debtors for which the Debtors have filed an objection, whether such objection related to the entire Claim or a portion thereof, shall not be entitled to vote on the Plan and shall not be counted in determining whether the requirements of Section 1126(c) of the Bankruptcy Code have been met with respect to the Plan (except to the extent and in the manner as may be set forth in the objection) unless (a) the Claim has been temporarily allowed for voting purposes pursuant to Bankruptcy Rule 3018(a) and in accordance with this Order or (b) on or before the Voting Deadline, the objection to such Claim has been withdrawn or resolved in favor of the Creditor asserting the Claim.

11. A recipient of an objection to expunge or disallow its Claim will receive a notice of non-voting status, substantially in the form of Exhibit 2 attached hereto.

12. March 20, 2012 at 4:00 p.m. prevailing Eastern Time (the “**Rule 3018(a) Motion Deadline**”) shall be the deadline for the filing and serving of any motion requesting temporary allowance of a movant’s Claim for purposes of voting pursuant to Bankruptcy Rule 3018(a) (the “**Rule 3018(a) Motion**”).

13. Rule 3018(a) Motions must be filed with the Bankruptcy Court and served on co-counsel to the Debtors and the other Notice Parties so as to be **actually received** not later than the Rule 3018(a) Motion Deadline; *provided, however*, that if the Debtors object to a Claim on or after the date that is ten (10) days before the original Rule 3018(a) Motion Deadline, then such objections will not affect the Claim for voting purposes. Any of the Debtors' objections relating to voting purposes must be filed no later than ten (10) days before the Rule 3018(a) Motion Deadline.

14. Any party timely filing and serving a Rule 3018(a) Motion shall be provided a Ballot and be permitted to cast a provisional vote to accept or reject the Plan. If, and to the extent that, the Debtors do not agree in writing to temporarily allow the Claim and the Debtors and such party are unable to resolve the issues raised by the Rule 3018(a) Motion prior to the Voting Deadline (defined below), then at the Confirmation Hearing this Court shall determine whether the provisional Ballot should be counted as a vote on the Plan.

15. Notwithstanding Bankruptcy Rule 3018(a), whenever two or more Ballots are cast which attempt to vote the same Claim prior to the Voting Deadline, the last Ballot received by the Voting and Claims Agent prior to the Voting Deadline shall be deemed to reflect the voter's intent and thus to supersede any prior Ballots; *provided, however*, that where an ambiguity exists as to which Ballot was the latest mailed, the Voting and Claims Agent reserves the right to contact the Creditor and calculate the vote according to such voter's stated intent. This procedure is without prejudice to the Debtors' right to object to the validity of the second Ballot on any basis permitted by law and, if the objection is sustained, to count the first Ballot for all purposes.

16. Nothing in this Order shall affect or limit the Debtors' right to object to any proof of Claim or Rule 3018(a) Motion.

IV. Approval of Solicitation Procedures

A. Duties of Voting and Claims Agent

17. The Voting and Claims Agent shall assist the Debtors in, among other things, (a) mailing Confirmation Hearing Notices to holders of Claims in Non-Voting Classes and other non-voting parties entitled to notice, (b) mailing Solicitation Packages, (c) soliciting votes on the Plan, (d) receiving, tabulating, and reporting on Ballots cast for or against the Plan by holders of Claims against the Debtors, (e) responding to inquiries from Creditors and stakeholders relating to the Plan, the Disclosure Statement, the Ballots and matters related thereto, including, without limitation, the procedures and requirements for voting to accept or reject the Plan and objecting to the Plan, and (f) if necessary, contacting Creditors regarding the Plan and their Ballots.

B. Notices and Ballots

18. The Notices and Ballots to be used in connection with the solicitation of votes on, and confirmation of, the Plan (as applicable) are hereby approved in full.

19. All Creditor Ballots shall be accompanied by pre-addressed, postage prepaid return envelopes addressed to the Voting and Claims Agent.

20. Classes 1 (Other Priority Claims) and 4 (Other Secured Claims) are deemed Unimpaired Claims and, thus, the holders of such Unimpaired Claims are conclusively presumed to accept the Plan pursuant to Section 1126(f) of the Bankruptcy Code, and the Debtors are not required to solicit their vote with respect to such Unimpaired Claims.

21. The Debtors shall not be obligated to deliver Solicitation Packages or Ballots to holders of Unimpaired Claims. Rather, in lieu thereof and in accordance with Bankruptcy Rule 3017(d), the Debtors shall mail to the holders of such Unimpaired Claims a notice, substantially

in the form of Exhibit 4 attached hereto (the “**Unimpaired Claims Notice**”). Notwithstanding the foregoing, the Debtors shall deliver a Solicitation Package to each party that has asserted an Other Secured Claim and each such party shall have the right to indicate what portion of such asserted Other Secured Claim should be treated as, and counted as for voting purposes, a Class 5 General Unsecured Claim.

22. Classes 6 (Intercompany Claims), 7 (Old Equity) and 8 (Old Equity Rights) do not retain or receive any property under the Plan, and are, therefore, deemed to reject the Plan pursuant to Section 1126(g) of the Bankruptcy Code. Therefore, the Debtors are not required to send Ballots or Solicitation Packages to holders of such Claims or Interests. Rather, in lieu thereof, and in accordance with Bankruptcy Rule 3017(d), the Debtors shall mail to the holders of such Claims and Interests a notice of non-voting status, substantially in the form of Exhibit 5 attached hereto.

23. The Debtors shall not be required to deliver Ballots or Solicitation Packages to counterparties to the Debtors’ executory contracts and unexpired leases who do not have scheduled Claims or Claims based upon filed proofs of Claim. Rather, in lieu thereof, and in accordance with Bankruptcy Rule 3017(d), the Debtors shall mail to the counterparties to the Debtors’ executory contracts and unexpired leases a notice, substantially in the form of Exhibit 6 attached hereto (the “**Contract/Lease Notice**”). The Debtors shall provide notice of any such amendment to the Assumption Schedule to the parties to the executory contract or lease affected thereby not later than twenty-eight (28) days prior to the Confirmation Hearing.

C. Content and General Transmittal of Solicitation Packages; Notice of Confirmation Hearing

24. The Debtors are authorized to transmit, or cause to be transmitted, on or before March 6, 2012 (the “**Solicitation Mailing Date**”), to the Persons listed below, subject to the

limitations contained therein and elsewhere in this Order, by United States mail, first-class postage prepaid, personal service, or overnight delivery, a solicitation package (the “**Solicitation Package**”) on a compact disk or containing a copy or conformed printed version of the following:

- a) the Confirmation Hearing Notice, attached hereto as Exhibit 7.
- b) the Disclosure Statement;
- c) the Plan (which may be furnished in the Solicitation Package as Exhibit A to the Disclosure Statement);
- d) the Disclosure Statement Order (without exhibits attached);
- e) a cover letter attached hereto as Exhibit 9 from the Debtors describing the contents of the Solicitation Package and instructions on how paper copies of any materials that may be provided in CD-ROM format can be obtained at no charge; and
- f. to the extent applicable, a Ballot and/or notice, appropriate for the specific Creditor, in substantially the forms attached to this Order (as may be modified for particular Classes and with instruction attached thereto) and a postage prepaid return envelope addressed to the Voting and Claims Agent.

25. The Debtors shall provide copies of the Solicitation Package (other than a Ballot) to: (a) the United States Trustee for the District of Delaware; (b) financing counsel to the First Lien Facility Agent; (c) special restructuring and bankruptcy counsel to the First Lien Facility Agent; (d) counsel to the Second Lien Facility Agent; (e) the administrative agent for the lenders under the Debtors’ prepetition unsecured mezzanine credit facility; (f) counsel to the Creditors’ Committee; (g) the Creditors listed on the Debtors’ consolidated list of 30 largest unsecured Creditors, as filed with the Debtors’ chapter 11 petitions; (h) the Food and Drug Administration; (i) the Internal Revenue Service; (j) the U.S. Public Health Service; (k) the Centers for Medicare and Medicaid Services; (l) counsel to, Receiver for, and counsel to the Receiver for Graceway

Canada; (m) all parties requesting notice pursuant to Bankruptcy Rule 2002 as of the date of mailing the Solicitation Package; and (n) each Entity with an interest in the Debtors' Assets.

26. The Debtors shall provide Solicitation Packages to the following Creditors (with exclusions as noted herein): Creditors who are holding Claims designated as Impaired Claims (Classes 2, 3 and 5) and are entitled to vote on the Plan because such Creditors (i) have filed proofs of Claim that have not been disallowed by an order of the Bankruptcy Court entered on or before the Voting Record Date as to which the Debtors have not filed an objection unless the Claim has been temporarily allowed for voting purposes, or (ii) hold Claims which are scheduled in the Schedules, other than those (x) scheduled, in whole or part, as unliquidated, contingent, or disputed (y) scheduled in the amount of zero or in an unknown in amount, or (z) that have been disallowed by an order of the Bankruptcy Court entered on or before the Voting Record Date. Additionally, the Debtors shall deliver a Solicitation Package to each party that has asserted an Other Secured Claim and each such party shall have the right to indicate what portion of such party's asserted Other Secured Claim should be treated as, and counted as for voting purposes, a Class 5 General Unsecured Claim.

27. Creditors who have filed duplicate Claims in any given Class shall be entitled to receive only one Solicitation Package and shall be allowed one Ballot for voting their Claims with respect to that Class.

28. The Debtors shall provide the Confirmation Hearing Notice to all parties that received the Disclosure Statement Hearing Notice, all creditors of the Debtors, and to parties to executory contracts and unexpired leases, which parties are not currently "creditors" as defined in Section 101(10) of the Bankruptcy Code, no later than March 6, 2012.

29. The Debtors shall publish the Confirmation Hearing Notice on or prior to March 9, 2012 in the national edition of The Wall Street Journal.

30. Publication of the Confirmation Hearing Notice as described herein shall constitute sufficient notice of the Confirmation Hearing to Persons who do not otherwise receive notice by mail as provided for in this Order.

D. Transmittal of Solicitation Packages to Holders of Contingent, Unliquidated, and Disputed Claims that are Not Subject to an Objection Filed by the Debtors

31. The Debtors shall not be required to mail any documents or Notices to any Creditor (i) whose Claim is not scheduled or is scheduled as disputed, contingent or unliquidated and (ii) who fails to timely file a proof of Claim.

32. The Debtors shall distribute to claimants who have filed proofs of Claim, which, in whole or in part, reflect a disputed, unliquidated, or contingent Claim, and which are not subject to an objection filed by the Debtors, (a) a Solicitation Package which contains a Ballot, (b) the Confirmation Hearing Notice, which notice informs such Person or Entity that its entire Claim has been allowed temporarily for voting purposes only and not for purposes of allowance or distribution, at \$1.00 and (c) a notice of disputed, unliquidated, or contingent status, substantially in the form of Exhibit 8 attached hereto.

E. When No Notice or Transmittal is Necessary

33. Notwithstanding anything in this Order to the contrary, the Debtors shall not be required to send Solicitation Packages, individual solicitation materials or other notices to any of the following Creditors or other parties-in-interest in these Chapter 11 Cases:

- a) any Creditor whose Claim is based solely on amounts scheduled by the Debtors but whose Claim already has been paid or satisfied in the full scheduled amount; *provided, however*, if, and to the extent that, any such Creditor would be entitled to receive a Solicitation Package for any reason other than by virtue of the fact that its Claim had been scheduled by the

Debtors, then such Creditor shall be sent a Solicitation Package in accordance with the procedures set forth herein;

- b) any Creditor who filed a proof of Claim if the amount asserted in such proof of Claim is less than or equal to the amount that has already been paid;
- c) any holder of a Claim that was disallowed in full by order of this Court; or
- d) any Person or Entity to whom the Debtors mailed the Disclosure Statement Hearing Notice and received any such Notices returned by the United States Postal Service marked "undeliverable as addressed," "moved - left no forwarding address," "forwarding order expired," or any similar reason, unless the Debtors has been informed in writing by such Person of that Person's new address.

V. Voting Deadline and Procedures for Vote Tabulation

34. April 3, 2012 at 4:00 p.m. prevailing Eastern Time (the "**Voting Deadline**") is the last date and time by which Ballots for accepting or rejecting the Plan must be received by the Voting and Claims Agent in order to be counted.

35. If a party that is entitled to vote has more than one Claim against one or more of the Debtors based upon different transactions, said party shall be entitled to one vote for numerosity purposes in the aggregate dollar amount of all said Claims. If a party that is entitled to vote has Claims (either scheduled or filed or both) against more than one of the Debtors based on the same transaction (e.g., a Claim against one Debtor that was guaranteed by another Debtor), said party shall be entitled to one vote for numerosity purposes in a dollar amount based upon its Claim or Interest against one of the Debtors.

36. Any timely received Ballot that contains sufficient information to permit the identification of the claimant and is cast as an acceptance or rejection of the Plan shall be counted and shall be deemed to be cast as an acceptance or rejection, as the case may be, of the Plan. The foregoing general procedures shall be subject to the following exceptions:

- a) If a Claim is deemed an Allowed Claim in accordance with the Plan, such Claim shall be Allowed for voting purposes in the deemed allowed amount set forth in the Plan;
- b) If a Claim for which a proof of Claim has been filed is marked, in whole or in part, as contingent, unliquidated, or disputed, and that is not subject to an objection filed by the Debtors, then such Claim shall be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, at \$1.00;
- c) If a Claim has been estimated or otherwise allowed for voting purposes by order of the Court, then such Claim shall be temporarily allowed in the amount so estimated or allowed by the Court for voting purposes only, and not for purposes of allowance or distribution;
- d) If a Claim is not listed on the Schedules, or is scheduled at zero, in an unknown amount, or, in whole or in part, as unliquidated, contingent, or disputed, and a proof of Claim was not filed, then such Claim shall be disallowed for voting purposes and for purposes of allowance and distribution pursuant to Bankruptcy Rule 3003(c);
- e) If the Debtors have served and filed an objection to a Claim or any portion thereof at least ten (10) days prior to the Rule 3018(a) Motion Deadline, and the party that filed such Claim has not filed a Rule 3018(a) Motion prior to the Rule 3018(a) Motion Deadline, then such Claim shall be temporarily disallowed for voting purposes only and not for the purposes of the allowance or distribution, except to the extent and in the manner as may be set forth in the objection; and
- f) Ballots cast in amounts in excess of their allowed amount will only be counted to the extent of the Creditors' allowed Claim.

37. None of the Debtors, the Voting and Claims Agent or any other Person or Entity will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots, nor will any of them incur any liability for failure to provide such notification. The Voting and Claims Agent may either disregard, with no further notice, defective Ballots, or it may attempt to have defective Ballots cured.

38. The following Ballots shall not be counted or considered for any purpose in determining whether the Plan has been accepted or rejected:

- a) Any Ballot received after the Voting Deadline unless the Debtors grant an extension of the Voting Deadline in writing with respect to such Ballot;
- b) Any Ballot that is illegible or contains insufficient information to permit the identification of the claimant;
- c) Any Ballot cast by a Person or Entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan;
- d) Any Ballot cast for a Claim not listed on the Schedules, or scheduled at zero, in an unknown amount, or, in whole or in part, as unliquidated, contingent, or disputed, and for which no proof of Claim was filed;
- e) Any Ballot that is properly completed, executed and timely filed, but (a) indicates both an acceptance and rejection of the Plan or (b) partially accepts and partially rejects the Plan;
- f) Any Ballot submitted by facsimile, telecopy or electronic mail;
- g) Any unsigned Ballot;
- h) Any Ballot sent to this Court, the Debtors, the Debtors' agents/representatives (other than the Voting and Claims Agent), administrative agent under any credit facility, or the Debtors' financial or legal advisors;
- i) Any Ballot executed by the holder of an Allowed Claim, but which does not indicate acceptance or rejection of the Plan; or
- j) Any Ballot not cast in accordance with the procedures approved in this Order;

39. Any duplicate Ballot will only be counted once.

40. Claims splitting is not permitted and Creditors who vote must vote all of their Claims within a particular Class to either accept or reject the Plan.

41. In the event that no votes to accept or reject the Plan are received with respect to a particular Class, such Class shall be deemed to have voted to accept the Plan.

V. **Miscellaneous**

42. The service of Solicitation Packages and other Notices and documents described herein in the time and manner set forth in this Order constitutes adequate and sufficient notice of the Confirmation Hearing and no further notice is necessary.

43. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

44. Notwithstanding any applicable Bankruptcy Rule, the terms and conditions of this Order shall be immediately effective and enforceable upon its entirety.

45. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

46. The Debtors are authorized to make nonsubstantive changes to the Disclosure Statement, the Plan, the Ballots, the Notices and related documents without further order of the Court, including without limitation changes to correct typographical and grammatical errors, insert dates and to make conforming changes among the Disclosure Statement, the Plan, the Ballots, the Notices and any other materials in the Solicitation Package prior to mailing.

47. Copies of the Plan and Disclosure Statement and all pleadings and orders of the Bankruptcy Court are publicly available on the Court's website: www.deb.uscourts.gov. Additional copies are available for free on the website of the Voting and Claims Agent at www.bmcgroup.com/graceway, or can be requested by calling (888) 909-0100 from within the United States or +1 (310) 321-5555 if calling from outside the United States.

Dated: March 1, 2012
Wilmington, Delaware



PETER J. WALSH
UNITED STATES BANKRUPTCY JUDGE