

**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 (MFW)

Joint Administration Pending

**MOTION OF THE DEBTORS FOR ENTRY OF AN ORDER
ESTABLISHING EXCLUSIVE PROCEDURES FOR THE ASSERTION,
RESOLUTION, AND SATISFACTION OF CLAIMS ASSERTED
PURSUANT TO BANKRUPTCY CODE § 503(b)(9)**

("503(b)(9) Administration Motion")

The above-captioned debtors and debtors-in-possession (collectively, the "**Debtors**"), hereby move this Court (the "**Motion**") for entry of an order (the "**Order**"), in substantially the form attached hereto as Exhibit A, establishing the exclusive procedures for the assertion, resolution, and satisfaction of claims asserted pursuant to Section 503(b)(9) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "**Bankruptcy Code**"). In support of this Motion, the Debtors respectfully state:

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).

Jurisdiction

1. This Court has jurisdiction over this Motion under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of this proceeding and this Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are Sections 105(a) and 503(b)(9) of the Bankruptcy Code and Rule 3003(c)(3) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

Background

3. On the date hereof (the “**Petition Date**”), each of the Debtors filed a petition with the Court under chapter 11 of the Bankruptcy Code (collectively, the “**Chapter 11 Cases**”). The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases, and no committees have been appointed or designated. Concurrently with the filing of this Motion, the Debtors have requested procedural consolidation and joint administration of these Chapter 11 Cases.

4. A description of the Debtors’ business, the reasons for commencing these Chapter 11 Cases, and the relief sought from the Court to allow for a smooth transition into chapter 11 are set forth in the Declaration of Gregory C. Jones in Support of Chapter 11 Petitions and First Day Motions filed on the Petition Date.

Relief Requested

5. Section 503(b)(9) of the Bankruptcy Code provides for the allowance, as an administrative expense, of the value of any goods sold to the Debtors in the ordinary course of their business and received by the Debtors within twenty days before the Petition Date. Specifically, the Section provides that:

After notice and a hearing, there shall be allowed, administrative expenses . . . including—

(9) the value of any goods received by the debtor within 20 days before the date of commencement of a case under [the Bankruptcy Code] in which the goods have been sold to the debtor in the ordinary course of such debtor’s business.

11 U.S.C. § 503(b)(9).

6. During the twenty-day period immediately preceding the Petition Date, the Debtors purchased on credit various products, samples, office supplies, packing supplies, and other goods (collectively, “**Goods**”) in the ordinary course of their business and for use in their operations. In many instances, the invoices for the Goods were not received prior to the Petition Date or the Debtors were unable to pay the vendors and suppliers (collectively, the “**Vendors**”) who delivered Goods to the Debtors during the twenty-day period prior to the Petition Date. Thus, the Debtors believe the Vendors are likely to assert claims under Section 503(b)(9) of the Bankruptcy Code (each, a “**503(b)(9) Claim**” and collectively, the “**503(b)(9) Claims**”). Based on their books and records, the Debtors estimate that the total value of the 503(b)(9) Claims is approximately \$2,748,889 and that such claims may be asserted by approximately ten Vendors.

7. Because Section 503(b)(9) is a relatively recent addition to the Bankruptcy Code, the Debtors believe that there will be some uncertainty among the Vendors as to the procedures and methods they must undertake to properly assert 503(b)(9) Claims. This uncertainty may result in numerous inquiries and demands on the Debtors’ employees and professionals, as well

as the initiation of piecemeal litigation, which would divert the attention of the Debtors and their professionals from the more pressing task of administering these Chapter 11 Cases. To avoid the resulting distraction, delay, and expense that may ensue, the Debtors seek entry of an order, pursuant to Sections 105(a) and 503(b)(9) of the Bankruptcy Code, (a) authorizing them to establish procedures exclusively for the assertion of the 503(b)(9) Claims and the resolution, allowance, and satisfaction thereof and (b) prohibiting the Vendors from pursuing the assertion or collection of 503(b)(9) Claims outside of such procedures.

8. Proposed 503(b)(9) Procedures. The Debtors propose the following procedures (the “**503(b)(9) Procedures**”) with respect to all of the 503(b)(9) Claims:

- (a) Any Vendor asserting a 503(b)(9) Claim would be required to prepare a proof of claim (a “**Proof of 503(b)(9) Claim**”), using the form attached hereto as Exhibit B, that sets forth (a) the value of Goods the claimant contends the Debtors received within twenty days prior to the Petition Date; (b) documentation, including invoices, receipts, bills of lading and the like, identifying such Goods for which the claim is being asserted; and (c) documentation identifying which of the Debtors the Goods were shipped to, the date such Goods were received by such Debtor, and the alleged value of such Goods;
- (b) All Proofs of 503(b)(9) Claims would be required to be filed with (i) BMC Group, Inc., Attn: Graceway Claims Processing, PO Box 3020, Chanhassen, MN 55317-3020 (if by first-class mail), or BMC Group Inc., Attn: Graceway Claims Processing, 18750 Lake Drive East, Chanhassen, MN 55137 (if by overnight courier or hand-delivery); (ii) proposed co-counsel to the Debtors, (a) Latham & Watkins LLP, 233 South Wacker Drive, Suite 5800, Chicago, Illinois 60606 (Attn: Josef S. Athanas, Esq. and Matthew L. Warren, Esq.), and (b) Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, P.O. Box 391, Wilmington, Delaware 19899 (Attn: Kara Hammond Coyle, Esq.); and (iii) the Debtors, c/o John A. A. Bellamy, Executive Vice President & General Counsel, Graceway Pharmaceuticals, LLC, 340 Martin Luther King Jr. Blvd., Suite 500, Bristol, TN 37620, so as to be received no later than sixty days after the Order is entered by the Court (the “**503(b)(9) Claim Filing Deadline**”);
- (c) The Debtors would have sixty days after the 503(b)(9) Claim Filing Deadline to subsequently file with this Court any objections (“**Objections**”) to the 503(b)(9) Claims (the “**Objection Deadline**”);

- (d) Vendors would have thirty days from the Objection Deadline to file with the Court and serve any responses (“**Responses**”) to such Objections (the “**Response Deadline**”);
- (e) The Debtors would have twenty-one days from the Response Deadline to file with the Court and serve any replies to such Responses (the “**Reply Deadline**”);
- (f) Any outstanding Objections would be heard by this Court at the next hearing following the Reply Deadline;
- (g) Notwithstanding and without limiting the foregoing, the Debtors would be authorized, but not required, to negotiate, in their sole discretion, with any Vendor and to seek an agreement resolving any objection to such Vendor’s 503(b)(9) Claim, and approval of such an agreement would be subject to notice and a hearing; and
- (h) To the extent a 503(b)(9) Claim is allowed, such 503(b)(9) Claim would be satisfied solely pursuant to and as set forth in such plan of reorganization or plan of liquidation as may be confirmed by this Court.²

9. The Debtors propose that the 503(b)(9) Procedures be the sole and exclusive method for the assertion, resolution, allowance, and satisfaction of the 503(b)(9) Claims and request that all Vendors be prohibited from invoking any other means of asserting claims pursuant to Section 503(b)(9) of the Bankruptcy Code, including, without limitation, the filing of a motion for allowance or to compel payment of any 503(b)(9) Claims.

10. Procedure for Providing Notice of 503(b)(9) Filing Deadline. The Debtors propose to serve on all Vendors known to have sold goods to any of the Debtors within the twelve months preceding the Petition Date a notice of the 503(b)(9) Filing Deadline in the form of notice attached hereto as Exhibit C.

Basis for Relief

11. In the ordinary course of their business, the Debtors purchase a substantial amount of Goods from a variety of Vendors, and accordingly, they expect that numerous

² Provided, however, that if any Vendor is a party to an executory contract that is assumed and assigned to a third party, nothing herein will prevent payment in full of any cure amount associated with such contract.

503(b)(9) Claims may be filed. Deferring litigation of claims and establishing uniform procedures for resolving such claims is a common practice in Chapter 11 cases, as is the establishment of a bar date. See Fed. R. Bankr. P. 3003(c)(3) (“The court shall fix . . . the time within which proofs of claim or interest may be filed.”); see also In re Orleans Homebuilders, Inc., Case No. 10-10684 (PJW) (Bankr. D. Del. Apr. 6, 2010); In re Smurfit-Stone Container Corporation, Case No. 09-10235 (BLS) (Bankr. D. Del. Mar. 10, 2009). Moreover, the Debtors believe that the 503(b)(9) Procedures will facilitate the Debtors’ ability to negotiate with the Vendors, expediting the resolution of the 503(b)(9) Claims and assisting with the economical administration of these Chapter 11 Cases.

12. Section 105(a) of the Bankruptcy Code provides that bankruptcy courts “may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions” of the Bankruptcy Code. 11 U.S.C. § 105(a). The Debtors submit that establishing and implementing the 503(b)(9) Procedures is necessary and appropriate and that the 503(b)(9) Procedures are consistent with the intent of Section 503(b)(9) of the Bankruptcy Code.

13. The Debtors believe that their ability to address the 503(b)(9) Claims in this uniform manner will assist in the timely resolution of such claims and promote the orderly and efficient administration of these Chapter 11 Cases. The relief requested in this Motion is therefore in the best interests of the Debtors and their respective estates, their creditors, and other parties-in-interest, and should be granted in all respects.

14. Nothing in this Motion should be construed as impairing the Debtors’ right to contest or challenge any 503(b)(9) Claim on any grounds, and the Debtors expressly reserve all of their rights with respect thereto.

Notice

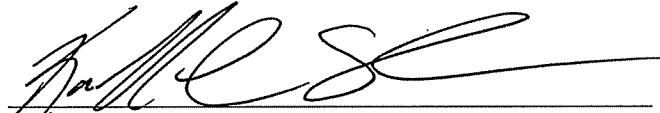
15. The Debtors have provided notice of this Motion to: (a) the United States Trustee for the District of Delaware; (b) financing counsel to the administrative agent for the lenders under the Debtors' prepetition first lien credit facility; (c) special restructuring and bankruptcy counsel to the administrative agent for the lenders under the Debtors' prepetition first lien credit facility; (d) counsel to the administrative agent for the lenders under the Debtors' prepetition second lien credit facility; (e) the administrative agent for the lenders under the Debtors' prepetition unsecured mezzanine credit facility; (f) the creditors listed on the Debtors' consolidated list of 30 largest unsecured creditors, as filed with the Debtors' chapter 11 petitions; (g) the Food and Drug Administration; (h) the Internal Revenue Service; (i) the Vendors expected to assert 503(b)(9) Claims; and (j) all parties requesting notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtors submit that no further notice is required or needed under the circumstances.

16. A copy of the Motion is available on the Court's website: www.deb.uscourts.gov. Additional copies of the Motion are available for free on the website of the Debtors' proposed claims, noticing, soliciting and balloting agent, BMC Group, Inc., 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.

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit A, (a) authorizing the 503(b)(9) Procedures, (b) prohibiting the Vendors from pursuing 503(b)(9) Claims outside of such procedures, and (c) granting such other and further relief as this Court deems appropriate.

Dated: September 29, 2011
Wilmington, Delaware

Respectfully Submitted,



Michael R. Nestor (No. 3526)
Kara Hammond Coyle (No. 4410)
YOUNG CONAWAY STARGATT & TAYLOR, LLP
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

-and-

David S. Heller
Josef S. Athanas
Matthew L. Warren
LATHAM & WATKINS LLP
Suite 5800
233 South Wacker Drive
Chicago, IL 60606
Telephone: (312) 876-7700
Facsimile: (312) 993-9767

PROPOSED ATTORNEYS FOR DEBTORS AND
DEBTORS-IN-POSSESSION

Exhibit A
Proposed Order

**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 (MFW)

Joint Administration Pending

**ORDER ESTABLISHING EXCLUSIVE PROCEDURES FOR THE
ASSERTION, RESOLUTION, AND SATISFACTION OF CLAIMS ASSERTED
PURSUANT TO BANKRUPTCY CODE § 503(b)(9)**

("503(b)(9) Administration Order")

Upon consideration of the motion (the "**Motion**")² of the Debtors for entry of an order establishing the exclusive procedures for the assertion, resolution, and satisfaction of claims asserted pursuant to Section 503(b)(9) 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 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, with no objections or requests for hearing having been filed, or all objections having been overruled, as the case may be; 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 Motion is GRANTED as set forth herein.

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).

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

2. The following 503(b)(9) Procedures are hereby authorized and approved in their entirety and shall apply to all 503(b)(9) Claims:

- (a) Any Vendor asserting a 503(b)(9) Claim must prepare a proof of claim (a “**Proof of 503(b)(9) Claim**”), using the form attached to the Motion as Exhibit B, that sets forth (a) the value of the Goods the claimant contends the Debtors received within twenty days prior to the Petition Date; (b) documentation, including invoices, receipts, bills of lading and the like, identifying the Goods for which the claim is being asserted; and (c) documentation identifying which of the Debtors the Goods were shipped to, the date the Goods were received by such Debtor, and the alleged value of the Goods;
- (b) All Proofs of 503(b)(9) Claims would be required to be filed with (i) BMC Group, Inc., Attn: Graceway Claims Processing, PO Box 3020, Chanhassen, MN 55317-3020 (if by first-class mail), or BMC Group Inc., Attn: Graceway Claims Processing, 18750 Lake Drive East, Chanhassen, MN 55137 (if by overnight courier or hand-delivery); (ii) proposed co-counsel to the Debtors, (a) Latham & Watkins LLP, 233 South Wacker Drive, Suite 5800, Chicago, Illinois 60606 (Attn: Josef S. Athanas, Esq. and Matthew L. Warren, Esq.), and (b) Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, P.O. Box 391, Wilmington, Delaware 19899 (Attn: Kara Hammond Coyle, Esq.); and (iii) the Debtors, c/o John A. A. Bellamy, Executive Vice President & General Counsel, Graceway Pharmaceuticals, LLC, 340 Martin Luther King Jr. Blvd., Suite 500, Bristol, TN 37620, so as to be received no later than sixty days after the date this Order is entered: _____, 2011 (the “**503(b)(9) Claim Filing Deadline**”);
- (c) The Debtors shall have sixty days after the 503(b)(9) Claim Filing Deadline to subsequently file with this Court any objections (“**Objections**”) to the 503(b)(9) Claims (the “**Objection Deadline**”);
- (d) Vendors shall have thirty days from the Objection Deadline to file with this Court and serve any responses (“**Responses**”) to such Objections (the “**Response Deadline**”);
- (e) The Debtors shall have twenty-one days from the Response Deadline to file with this Court and serve any replies to such Responses (the “**Reply Deadline**”);
- (f) Any outstanding Objections shall be heard by this Court at the next hearing following the Reply Deadline;
- (g) Notwithstanding and without limiting the foregoing, the Debtors shall be authorized, but not required, to negotiate, in their sole discretion, with any Vendor and to seek an agreement resolving any objection to such Vendor’s 503(b)(9) Claim, and approval of such an agreement will be subject to notice and a hearing; and

(h) To the extent a 503(b)(9) Claim is allowed, such 503(b)(9) Claim shall be satisfied solely pursuant to and as set forth in such plan of reorganization or plan of liquidation as shall be confirmed by this Court.

3. The 503(b)(9) Procedures shall be the sole and exclusive method for the assertion, resolution, and satisfaction of any and all 503(b)(9) Claims against the Debtors.³

4. The Vendors shall be prohibited from utilizing any other means for the assertion, reconciliation, allowance, resolution, or satisfaction of the 503(b)(9) Claims, including, without limitation, the filing of a motion for allowance or to compel payment of any 503(b)(9) Claims.

5. The Debtors shall serve on all Vendors known to have sold goods to any of the Debtors within the twelve months preceding the Petition Date a copy of the notice of the 503(b)(9) Filing Deadline substantially in the form attached to the Motion as Exhibit C.

6. Nothing in the Motion or this Order shall be deemed or construed as: (a) an admission as to the validity or priority of any claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any claim; or (c) an approval or assumption of any agreement, contract or lease pursuant to Section 365 of the Bankruptcy Code.

7. All time periods set forth in this Order shall be calculated in accordance with Rule 9006(a) of the Federal Rules of Bankruptcy Procedure.

8. Notwithstanding the provisions of Bankruptcy Rule 6004 and Bankruptcy Rule 6006 or any applicable provisions of the Local Rules, this Order shall not be stayed for fourteen (14) days after the entry hereof, but shall be effective and enforceable immediately upon entry, and the fourteen (14) day stay provided in such rules is hereby expressly waived and shall not apply.

³ Provided, however, that if any Vendor is a party to an executory contract that is assumed and assigned to a third party, nothing herein shall prevent payment in full of any cure amount associated with such contract.

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

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

Dated: _____, 2011
Wilmington, Delaware

United States Bankruptcy Judge

Exhibit B

503(b)(9) Claim Form

Proof of 503(b)(9) Claim Form

Graceway Pharmaceuticals, LLC, et al., Case No. 11-13036 (MFW), Chapter 11 Joint Administration Requested

11 U.S.C. § 503(b)(9) provides that "[a]fter notice and a hearing, there shall be allowed administrative expenses . . . including . . . the value of any goods received by the debtor within 20 days before the date of commencement of a [bankruptcy case] in which the goods have been sold to the debtor in the ordinary course of such debtor's business." Your receipt of this form does not mean you hold a claim that is entitled to Section 503(b)(9) treatment.

Claimants should submit a signed original Proof of 503(b)(9) Claim form asserting such 503(b)(9) Claim, together with accompanying documentation, by mail, hand delivery, or overnight courier, to the following address:

If by Mail: BMC Group, Inc. Attn: Graceway Claims Processing PO Box 3020 Chanhassen, MN 55317-3020	If by Hand Delivery or Overnight Courier: BMC Group, Inc. Attn: Graceway Claims Processing 18750 Lake Drive East Chanhassen, MN 55317
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With copies to:
 (a) Latham & Watkins LLP, 233 South Wacker Drive, Suite 5800, Chicago, Illinois 60606 (Attn: Josef S. Athanas, Esq. and Matthew L. Warren, Esq.);
 (b) Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, P.O. Box 391, Wilmington, Delaware 19899 (Attn: Kara Hammond Coyle, Esq.); and
 (c) Graceway Pharmaceuticals, LLC, c/o John A. A. Bellamy, Executive Vice President & General Counsel, 340 Martin Luther King Jr. Blvd., Suite 500, Bristol, TN 37620.

Debtor against which claim is asserted: (Check Only One)

- | | |
|--|--|
| <input type="checkbox"/> Graceway Pharma Holding Corp. Case No. 11-13037 | <input type="checkbox"/> Chester Valley Pharmaceuticals, LLC Case No. 11-13041 |
| <input type="checkbox"/> Graceway Holdings, LLC Case No. 11-13038 | <input type="checkbox"/> Graceway Canada Holdings, Inc. Case No. 11-13042 |
| <input type="checkbox"/> Graceway Pharmaceuticals, LLC Case No. 11-13036 | <input type="checkbox"/> Graceway International, Inc. Case No. 11-13043 |
| <input type="checkbox"/> Chester Valley Holdings, LLC Case No. 11-13039 | |

NOTE: This form must be served upon BMC Group, Inc., at one of the above-referenced addresses on or prior to [____], 2011. The form may be submitted in person or by courier service, hand delivery or mail. Facsimile, email or electronic submissions will not be accepted. Requests shall be deemed filed when actually received by BMC Group, Inc.

Name of Creditor:
(the person or other entity to whom the debtor owes money or property)

Name and Address Where Notices Should Be Sent:

Telephone No.:

- Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach a copy of statement giving particulars.
- Check box if you have asserted a reclamation demand for any of the Goods referenced on this claim form. Attach statement identifying any such goods.

ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: _____

Check here if this claim: replaces amends a previously filed claim, dated: _____

1. TOTAL AMOUNT OF SECTION 503(b)(9) CLAIM: \$ _____.

2. DATE OF DELIVERY OF GOODS: _____.

Attach proof of delivery of such goods.

3. BRIEF DESCRIPTION OF CLAIM AND GOODS:

Attach particular invoices for which any of the amounts described in this form was applied.

4. SUPPORTING DOCUMENTS: Attach copies of supporting documents, such as invoices, receipts, bills of lading, promissory notes, purchase orders, itemized statements of running accounts, or contracts. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. Any attachments must be 8-1/2" by 11".

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

5. DATE-STAMPED COPY: To receive an acknowledgement of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

6. ORDINARY COURSE CERTIFICATION: By signing this claim form, you are certifying that the goods, for which payment is sought hereby, were sold to the debtor in the ordinary course of the debtor's business and were received by the debtor within twenty days prior to September 29, 2011 as required by 11 U.S.C. § 503(b)(9).

_____ Date	Print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any) _____ Name	_____ Title	_____ Signature
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Exhibit C

Notice

**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 (MFW)

Joint Administration Pending

**NOTICE OF DEADLINE REQUIRING FILING OF PROOFS OF CLAIMS
FOR § 503(b)(9) CLAIMS ON OR BEFORE [_____], 2011**

DEBTOR(S) (Other names, if any, used by the Debtor(s) in the last 6 years appear in parentheses)	CASE NO.	EIN #	ADDRESS
Graceway Pharma Holding Corp. (Aldara, Atopiclair, Zyclara, Maxair, Minitran, Tambocor, MetroGel Vaginal, Estrasorb, Norflex, Calcium Disodium Versenate, Duromine, Theolair, Norgestic, Norgestic Forte, and Benziq)	11-13037	27-3569175	340 Martin Luther King Jr. Blvd., Suite 500, Bristol, TN 37620
Graceway Holdings, LLC (Aldara, Atopiclair, Zyclara, Maxair, Minitran, Tambocor, MetroGel Vaginal, Estrasorb, Norflex, Calcium Disodium Versenate, Duromine, Theolair, Norgestic, Norgestic Forte, and Benziq)	11-13038	20-4182502	
Graceway Pharmaceuticals, LLC (Aldara, Atopiclair, Zyclara, Maxair, Minitran, Tambocor, MetroGel Vaginal, Estrasorb, Norflex, Calcium Disodium Versenate, Duromine, Theolair, Norgestic, Norgestic Forte, and Benziq)	11-13036	14-1965385	
Chester Valley Holdings, LLC (Aldara, Atopiclair, Zyclara, Maxair, Minitran, Tambocor, MetroGel Vaginal, Estrasorb, Norflex, Calcium Disodium Versenate, Duromine, Theolair, Norgestic, Norgestic Forte, and Benziq)	11-13039	20-1929457	

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).

Chester Valley Pharmaceuticals, LLC (Aldara, Atopiclair, Zyclara, Maxair, Minitran, Tambocor, MetroGel Vaginal, Estrasorb, Norflex, Calcium Disodium Versenate, Duromine, Theolair, Norgestic, Norgestic Forte, and Benziq)	11-13041	20-1933713	
Graceway Canada Holdings, Inc. (Aldara, Atopiclair, Zyclara, Maxair, Minitran, Tambocor, MetroGel Vaginal, Estrasorb, Norflex, Calcium Disodium Versenate, Duromine, Theolair, Norgestic, Norgestic Forte, and Benziq)	11-13042	20-8046663	
Graceway International, Inc. (Aldara, Atopiclair, Zyclara, Maxair, Minitran, Tambocor, MetroGel Vaginal, Estrasorb, Norflex, Calcium Disodium Versenate, Duromine, Theolair, Norgestic, Norgestic Forte, and Benziq)	11-13043	26-0212399	

PLEASE TAKE NOTICE THAT:

The United States Bankruptcy Court for the District of Delaware (the “**Court**”) has entered an Order (the “**503(b)(9) Administration Order**”) (i) establishing **5:00 p.m. (prevailing Eastern Time) on []**, 2011 (the “**503(b)(9) Claim Filing Deadline**”) as the last date for each person or entity (including individuals, partnerships, corporations, joint ventures, and trusts) to file a proof of claim (a “**Proof of 503(b)(9) Claim**”) against Graceway Pharma Holding Corp.; Graceway Holdings, LLC; Graceway Pharmaceuticals, LLC; Chester Valley Holdings, LLC; Chester Valley Pharmaceuticals, LLC; Graceway Canada Holdings, Inc.; and Graceway International, Inc. (the “**Debtors**”) for any claim asserted under 11 U.S.C. § 503(b)(9) (a “**503(b)(9) Claim**”).

The 503(b)(9) Claim Filing Deadline and the procedures set forth below for filing Proofs of 503(b)(9) Claim apply only to all claims for the value of goods received by any Debtor within twenty days before September 29, 2011 (the “**Petition Date**”) where the goods were sold to the debtor in the ordinary course of such Debtor’s business.

PART I. WHO MUST FILE A PROOF OF 503(b)(9) CLAIM

You **MUST** file a Proof of 503(b)(9) Claim to share in distributions from the Debtors’ bankruptcy estates if you have a claim (as defined in Section 101(5) of the Bankruptcy Code) for an administrative expense under Section 503(b)(9) of the Bankruptcy Code for the value of any goods received by any Debtor within twenty days prior to the Petition Date in which the goods were sold to such Debtor in the ordinary course of such Debtor’s business. Such claims must be filed so as to be actually received on or prior to the 503(b)(9) Claim Filing Deadline, even if such claims are not now fixed, liquidated or certain or did not mature or become fixed, liquidated or certain before the Filing Date.

If you have a claim other than one asserted under Section 503(b)(9) of the Bankruptcy Code, you do not have to file a Proof of 503(b)(9) Claim with respect to such claim. Procedures for such claims will be determined in a separate order of the Court.

This notice is being sent to many persons who have historically sold goods to the Debtors but may not have a 503(b)(9) Claim against the Debtors. The fact that you have received this notice does not mean that you have a 503(b)(9) claim against the Debtors.

PART II. WHAT TO FILE

The Debtors are enclosing a Proof of 503(b)(9) Claim form for use in the Debtors' cases. You may utilize the Proof of 503(b)(9) Claim form provided by the Debtors to file your claim. Additional Proof of 503(b)(9) Claim forms (as well as copies of the 503(b)(9) Administration Order) may be obtained 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.

All Proofs of 503(b)(9) Claims must identify, with specificity: (a) the value of goods the Debtors received within twenty days prior to the Petition Date; (b) documentation, including invoices, receipts, bills of lading and the like, identifying such goods for which the claim is being asserted; and (c) documentation identifying which of the Debtors the goods were shipped to, the date such goods were received by such Debtor, and the alleged value of such goods. Any holder of a 503(b)(9) Claim against more than one Debtor must file a separate Proof of 503(b)(9) Claim with respect to each such Debtor.

All Proof of 503(b)(9) Claim forms must be **signed** by the claimant or, if the claimant is not an individual, by an authorized agent of the claimant. It must be written in English and be denominated in United States currency.

PART III. WHEN AND WHERE TO FILE

All Proofs of 503(b)(9) Claim against the Debtors must be filed so as to be actually received at the following address **on or before 5:00 p.m. (prevailing Eastern Time) on [_____], 2011:**

IF DELIVERED BY MAIL:

BMC Group, Inc.
Attn: Graceway Claims Processing
PO Box 3020
Chanhassen, MN 55317-3020

IF DELIVERED BY HAND DELIVERY OR OVERNIGHT COURIER:

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

Proofs of 503(b)(9) Claim will be deemed filed only when received by BMC Group, Inc. at the one of the addresses listed above, on or before 5:00 p.m. (prevailing Eastern Time) on the 503(b)(9) Claim Filing Deadline. Proofs of 503(b)(9) Claim may not be delivered by facsimile, telecopy or electronic mail transmission.

**PART IV. CONSEQUENCES OF FAILURE TO FILE A PROOF OF 503(b)(9) CLAIM
BY THE 503(b)(9) CLAIM FILING DEADLINE**

Any person or entity who fails to file a Proof of 503(b)(9) Claim on or before the 503(b)(9) Claim Filing Deadline shall be forever barred and estopped from utilizing any other means for the assertion, reconciliation, allowance, resolution, or satisfaction of any 503(b)(9) Claim, including, without limitation, the filing of a motion for allowance or to compel payment of any 503(b)(9) Claim.

A HOLDER OF A POSSIBLE CLAIM AGAINST THE DEBTORS SHOULD CONSULT THEIR OWN ATTORNEY REGARDING ANY MATTERS RELATED TO THIS NOTICE, INCLUDING WHETHER THE HOLDER SHOULD FILE A PROOF OF 503(b)(9) CLAIM.

Questions concerning the contents of this Notice and requests for Proofs of 503(b)(9) Claim forms should be directed to BMC Group, Inc., 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. Please note that BMC Group, Inc.'s staff is not permitted to give legal advice. You should consult your own attorney for assistance regarding any other inquiries, such as questions concerning the completion or filing of a Proof of 503(b)(9) Claim.

Dated: _____, 2011
Wilmington, Delaware

Respectfully Submitted,

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-and-

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PROPOSED ATTORNEYS FOR DEBTORS
AND DEBTORS-IN-POSSESSION