

**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)

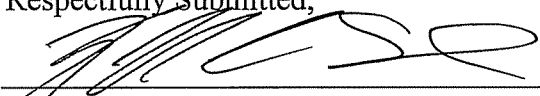
Jointly Administered

**NOTICE OF FILING OF FIRST AMENDED STATEMENT OF FINANCIAL AFFAIRS
OF GRACEWAY INTERNATIONAL, INC.**

PLEASE TAKE NOTICE that pursuant to Rule 1009(a) of the Federal Rules of Bankruptcy Procedure, Graceway International, Inc., a debtor and debtor in possession in the above-captioned cases, hereby files its First Amended Statement of Financial Affairs.

Dated: January 5, 2012
Wilmington, Delaware

Respectfully Submitted,



Michael R. Nestor (No. 3526)
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-and-

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 500, 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.

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AND DEBTORS-IN-POSSESSION

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:

GRACEWAY PHARMACEUTICALS, LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 11-13036 (PJW)

Jointly Administered

**FIRST AMENDED GLOBAL NOTES AND STATEMENT OF
LIMITATIONS, METHODOLOGY AND DISCLAIMERS
REGARDING THE DEBTORS' SCHEDULES OF ASSETS
AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS**

Graceway Pharmaceuticals, LLC ("**Graceway**") and certain of its subsidiaries and equity holders, as debtors and debtors-in-possession in the above-captioned chapter 11 cases (the "**Debtors**"), with the assistance of their advisors, have filed their respective Schedules of Assets and Liabilities (the "**Schedules**") and Statements of Financial Affairs (the "**Statements**") with the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**"), pursuant to Section 521 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "**Bankruptcy Code**") and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**").

Brian G. Shrader has signed each of the Schedules on behalf of the Debtors. Mr. Shrader is the Chief Financial Officer of Graceway and is an authorized signatory for each of the other Debtors. John A. A. Bellamy has signed each of the Statements on behalf of the Debtors. Mr. Bellamy is the Executive Vice President and General Counsel of Graceway and is an authorized signatory for each of the other Debtors. In reviewing and signing the Schedules and Statements, Mr. Bellamy and Mr. Shrader have necessarily relied upon the efforts, statements and representations of various personnel of the Debtors. Mr. Bellamy and Mr. Shrader have not (and could not have) personally verified the accuracy of each such statement and representation, including statements and representations concerning amounts owed to creditors.

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 500, 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.

These Global Notes and Statement of Limitations, Methodology and Disclaimers Regarding the Debtors' Schedules of Assets and Liabilities and Statements of Financial Affairs (the "**Global Notes**") pertain to, are incorporated by reference in, and comprise an integral part of all of the Schedules and Statements. The Global Notes should be referred to and reviewed in connection with any review of the Schedules and Statements.²

The Schedules and Statements do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles ("**GAAP**"), nor are they intended to be fully reconciled with the financial statements of each Debtor. The Schedules and Statements contain unaudited information that is subject to further review and potential adjustment. The Schedules and Statements reflect the Debtors' reasonable best efforts to report the assets and liabilities of each Debtor on an unconsolidated basis. All amounts contained in the Schedules and Statements are in U.S. dollars unless otherwise noted.

In preparing the Schedules and Statements, the Debtors relied on financial data derived from their books and records that was available at the time of such preparation. Although the Debtors have made reasonable efforts to ensure the accuracy and completeness of such financial information, subsequent information or discovery may result in material changes to the Schedules and Statements. As a result, inadvertent errors or omissions may exist. The Debtors reserve all rights to amend, supplement or otherwise modify the Schedules and Statements as is necessary and appropriate.

Nothing contained in the Schedules and Statements shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases, including, without limitation, any issues involving substantive consolidation, equitable subordination, defenses and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and any other relevant nonbankruptcy laws.

Description of Cases. On September 29, 2011 (the "**Petition Date**"), each of the Debtors filed a petition with this Court under chapter 11 of the Bankruptcy Code. 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. On September 30, 2011, the Court entered an order consolidating these Chapter 11 Cases for procedural purposes only [Docket No. 42]. On October 11, 2011, the Office of the United States Trustee appointed an official committee of unsecured creditors pursuant to Section 1102 of the Bankruptcy Code.

Reporting Date. Each Debtor's fiscal year ends on December 31. All descriptions of assets on the Schedules and answers to questions on the Statements, except where otherwise noted, are reported as of the close of business on September 28, 2011.

² The Global Notes are in addition to the specific notes contained in each Debtor's Schedules and Statements. The fact that the Debtors have prepared a Global Note with respect to any of the Schedules and Statements and not to others should not be interpreted as a decision by the Debtors to exclude the applicability of such Global Note to any of the Debtors' remaining Schedules and Statements.

Consolidated Books and Records. The books and records of all Debtors are consolidated into the books and records of Graceway Pharmaceuticals, LLC. This consolidation is reflected in the Schedules and Statements, except with respect to Graceway Canada Holdings, Inc. and Graceway International, Inc. The Debtors were able to separate out the transactions of these two Debtors from the consolidated books and records of the other Debtors, and therefore, such separate transactions are reflected in the Schedules and Statements. The Debtors have made reasonable efforts to attribute assets and liabilities to the correct Debtor entity; however, the Debtors reserve all rights to amend such attributions.

Recharacterization. Notwithstanding the fact that the Debtors have used their reasonable best efforts to correctly characterize, classify, categorize or designate certain claims, assets, executory contracts, unexpired leases and other items reported in the Schedules and Statements, the Debtors nonetheless may have improperly characterized, classified, categorized, designated or omitted certain items. Thus, the Debtors reserve all rights to recharacterize, reclassify, recategorize, redesignate, add or delete items reported in the Schedules and Statements at a later time as is necessary and appropriate, as additional information becomes available, including, but not limited to, whether contracts listed herein were executory as of the Petition Date or remain executory postpetition. The Debtors have made reasonable efforts to bifurcate liabilities into pre- and postpetition amounts; however, the Debtors reserve all rights to amend such determinations.

Liabilities. The liabilities listed on the Schedules do not reflect any analysis of claims under Section 503(b)(9) of the Bankruptcy Code. Accordingly, the Debtors reserve all rights to dispute and challenge the validity of any claims asserted under Section 503(b)(9) of the Bankruptcy Code or the characterization of the structure of any such transaction or any document or instrument related to any creditor's claim. In addition, the Debtors reserve all rights to amend, supplement or otherwise modify the Liability Schedules as is necessary and appropriate for any other reason.

Book Value. The Debtors have concluded, in the exercise of their business judgment, that it would be inefficient and costly to obtain current market valuations of their assets. Accordingly, unless otherwise noted, the value of each asset and liability reflects the book value of the asset or liability according to the Debtors' accounting books and records. The Debtors reserve their rights to amend or adjust the value of each asset or liability set forth in the Schedules and Statements.

Insiders. For purposes of the Schedules and Statements, the Debtors define "insiders" pursuant to Section 101(31) of the Bankruptcy Code as (a) directors; (b) officers; (c) shareholders holding in excess of 5% of the voting shares; (d) relatives of directors, officers or shareholders of the Debtors (to the extent known by the Debtors); and (e) Debtor/non-Debtor affiliates. The Debtors define "directors" as members of the board of directors of the Debtors.

The Debtors do not believe that the employees of the Debtors with the title "vice president," including "senior vice president," constitute "insiders" pursuant to Section 101(31). However, out of an abundance of caution, the Debtors have included—solely with respect to disclosures relating to bonuses and any non-ordinary course payments—all employees with a title of vice president.

For the avoidance of doubt, persons listed as “insiders” have been included for informational purposes only. The Debtors do not take any position in the Schedules and Statements with respect to: (a) such person’s influence over the control of the Debtors; (b) the management responsibilities or functions of such individual; (c) the decision-making or corporate authority of such individual; or (d) whether such individual could successfully argue that he or she is not an “insider” under applicable law, including, without limitation, the federal securities laws, or with respect to any theories of liability or for any other purpose. The Debtors reserve all rights to assert that any individual referenced in the Schedules and Statements is or is not an insider and to present and submit evidence relating to such a determination.

Intercompany Claims. Receivables and payables among the Debtors and their affiliates (each an “**Intercompany Receivable**” or “**Intercompany Payable**” and, collectively, the “**Intercompany Claims**”) are reported on the Debtors’ Schedule B and Schedule F, respectively. These Intercompany Claims have been listed as of close of business on September 28, 2011. The listing of these amounts is not and shall not be construed as an admission of the characterization of such balances as debt, equity or otherwise. Intercompany Claims represent all transactions between affiliate Debtor and non-debtor entities, including cash and non-cash transactions. Intercompany Claims have not been scheduled for the Debtors whose books and records have been consolidated, as discussed above.

Intellectual Property Rights. Exclusion of certain intellectual property from the Schedules shall not be construed as an admission that such intellectual property rights have been abandoned, have been terminated or otherwise expired by their terms or have been assigned or otherwise transferred pursuant to a sale, acquisition or other transaction. Conversely, inclusion of certain intellectual property on the Schedules shall not be construed as an admission that such intellectual property rights have not been abandoned, have not been terminated or otherwise expired by their terms, or have not been assigned or otherwise transferred pursuant to a sale, acquisition or other transaction. The Debtors have made diligent efforts to attribute intellectual property to the rightful Debtor entity; however, in some instances, intellectual property listed on the Schedules of one Debtor entity may, in fact, be owned by another. Accordingly, the Debtors reserve all of their rights with respect to the legal status of any and all such intellectual property rights.

Classifications. Listing a claim on (1) Schedule D as “secured,” (2) Schedule E as “priority” or (3) Schedule F as “unsecured,” or listing a contract on Schedule G as “executory” or “unexpired,” does not constitute an admission by the Debtors of the legal rights of the claimant or a waiver of the Debtors’ right to recharacterize or reclassify such claim or contract.

Claims Description. The Debtors have made reasonable efforts to properly classify each claim as “contingent” (“**C**”), “unliquidated” (“**U**”) or “disputed” (“**D**”). Claim amounts that could not be fairly quantified by the Debtors are scheduled as “undetermined” and with a C, U and/or D notation, as deemed appropriate given the individual circumstances. Any failure to designate a claim on the Debtors’ Schedules as C, U and/or D does not constitute an admission by the Debtors that such claim is not “contingent,” “unliquidated” or “disputed.” The Debtors reserve the right to dispute or to assert offsets or defenses to any claim reflected on its Schedules and Statements as to amount, liability, priority, status or classification or to otherwise subsequently designate any claim as “contingent,” “unliquidated” or “disputed.”

Causes of Action. Despite their reasonable best efforts, the Debtors may not have identified and/or set forth all of their causes of action (filed or potential) against third parties as assets in their Schedules and Statements. The Debtors reserve all rights with respect to any causes of action and nothing in the Global Notes or the Schedules and Statements shall be deemed a waiver of any such causes of action.

Confidentiality. Addresses of individuals are generally not included in the Schedules and Statements. The Debtors will mail any required notice or other documents to the address listed in their books and records for such individuals. Additionally, individuals names, other than insiders, have generally been redacted in the Schedules and Statements.

Excluded Assets and Liabilities. The Debtors have excluded certain categories of assets and liabilities from the Schedules and Statements, such as goodwill and intangibles. Other immaterial assets and liabilities may also have been excluded. The balance sheet reflects liabilities recognized in accordance with GAAP; however, not all such liabilities would result in a claim against the Debtors, and thus, certain liabilities (including certain reserves and product-related accruals) have not been included in the Schedules and Statements. The Debtors have not set forth executory contracts as assets in their Schedules and Statements. The Debtors' executory contracts and unexpired leases have been set forth in Schedule G.

The Debtors have requested Bankruptcy Court authority to honor and/or pay certain prepetition claims including, but not limited to, outstanding prepetition wages to current employees and outstanding prepetition taxes. Accordingly, these liabilities have been or will be satisfied and are not listed in the Schedules and Statements.

Property and Equipment. The Debtors lease property and equipment from certain third-party lessors. Any such leases are set forth in the Schedules and Statements. Nothing in the Schedules and Statements is or shall be construed as an admission regarding any determination as to the legal status of any lease (including whether any lease is a true lease or a financing arrangement), and the Debtors reserve all of their rights with respect to any such issue.

Totals. All totals included in the Schedules and Statements represent totals of all the known amounts included in the Schedules and Statements and exclude items identified as "undetermined." To the extent that there are unknown or undetermined amounts, the actual total may be materially different from the listed total.

Liens. Unless otherwise noted, property, inventory and equipment listed in the Schedules and Statements are presented without consideration of any liens that may attach (or have attached) to such property, inventory and equipment.

Setoffs, Credits and Similar Rights. The Debtors incur certain setoffs from customers and suppliers in the ordinary course of business. Pharmaceutical companies such as the Debtors sell products through a network of large wholesale drug distributors ("**Wholesalers**"). The Debtors negotiate certain channel management agreements and chargeback agreements with the Wholesalers which govern the terms of certain sales incentives that the Wholesalers receive for the sale of Debtors' products and the terms of sale of the Debtors' products by the Wholesalers to the Dispensers. These agreements typically result in chargebacks, channel management,

returns and other related obligations arising to compensate the Wholesalers, which the Debtors typically reimburse by issuing a credit memo that permits setoff against future purchases.

The Debtors have attempted to account for setoffs and other similar rights in the Schedules and Statements. However, the Debtors reserve all rights to challenge any such setoffs during the preference period under Section 553 of the Bankruptcy Code, and nothing contained in the Schedules and Statements should be deemed an admission of the validity of any setoff or similar rights.

Schedule B – Personal Property. As discussed above, the Debtors incur certain setoffs from customers and suppliers in the ordinary course of business. The Debtors have attempted to separate amounts owed to the Debtors from amounts owed to customers under such programs. However, because the reconciliation is voluminous and occurs over the course of many months, certain amounts listed in Schedule B may include setoffs and similar rights.

Schedule D – Secured Creditors. Except as otherwise agreed pursuant to a stipulation or order entered by the Bankruptcy Court, the Debtors reserve their rights to dispute or challenge the validity, perfection, or immunity from avoidance, of any lien purported to be granted or perfected in any specific asset to a secured creditor listed on Schedule D. In addition, certain of the entities listed on Schedule D may be equipment lessors not secured by property of the estate; however, the Debtors have listed these entities on Schedule D out of an abundance of caution. Moreover, although the Debtors may have scheduled claims of various creditors as secured claims, the Debtors reserve all rights to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument related to such creditor's claim.

The descriptions provided in Schedule D are intended to be only a summary. Reference to the applicable loan agreements and related documents is necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in the General Notes shall be deemed to constitute a modification or interpretation of the terms of such agreements.

The secured claim of Bank of America, N.A. does not include a letter of credit in the amount of \$350,000, which is currently undrawn and therefore listed as a contingent unliquidated claim in Schedule D.

Schedule E – Priority Creditors. On October 19, 2011, the Court entered a final order granting the Debtors authority to pay prepetition employee wages and other obligations in the ordinary course [Docket No. 139] (the "**Employee Wage Order**"). Pursuant to the Employee Wage Order, the Debtors believe that any employee claims for prepetition amounts, whether allowable as a priority or nonpriority claim, have been or will be satisfied.

The listing of any claim on Schedule E does not constitute an admission by the Debtors that such claim is entitled to priority treatment under Section 507 of the Bankruptcy Code. The Debtors reserve their right to dispute the priority status of any claim on any basis. Moreover, the listing of any tax claim on Schedule E is not an admission or designation by the Debtors that such claim is a prepetition tax claim. The Debtors reserve their right to treat any of these claims as postpetition claims.

Schedule F – Unsecured Non-Priority Claims. Schedule F includes the prepetition amounts owing to counterparties to executory contracts and unexpired leases. Such prepetition amounts, however, may be paid in connection with the assumption and/or assignment of an executory contract or unexpired lease. In addition, Schedule F does not include rejection damage claims of the counterparties to executory contracts and unexpired leases that have been or may be rejected.

The claims of individual creditors for, among other things, goods, services or taxes, are listed on the Debtors' books and records and may not reflect credits or allowances due from such creditors. The Debtors reserve all of their rights respecting such credits and allowances. The dollar amounts listed may be exclusive of contingent and unliquidated amounts.

Schedule G – Executory Contracts and Unexpired Leases. While every effort has been made to ensure the accuracy of Schedule G, inadvertent errors or omissions may have occurred. Certain of the unexpired leases and executory contracts listed on Schedule G may contain certain renewal options, guarantees of payment, indemnifications, options to purchase, rights of first refusal and other miscellaneous rights. Such rights, powers, duties, and obligations are not set forth on Schedule G.

The Debtors hereby reserve (a) all of their rights to dispute the validity, status, or enforceability of any contracts, agreements or leases set forth in Schedule G and (b) to amend or supplement Schedule G as necessary. Inclusion of any agreement on Schedule G does not constitute an admission that such agreement is, in fact, an executory contract or unexpired lease and the Debtors reserve all rights in that regard, including, without limitation, determining or asserting that any agreement is not executory, has expired pursuant to its terms or was terminated prepetition.

Schedule H – Codebtors. For purposes of Schedule H, the Debtors that are either the principal obligors or guarantors under the prepetition credit facilities are listed as co-debtors on Schedule H. The Debtors may not have identified certain guaranties that are part of the Debtors' executory contracts, unexpired leases, secured financings, debt instruments and other such agreements. The Debtors reserve their rights to amend the Schedules to the extent that additional guaranties are identified or such guaranties are discovered to have expired or be unenforceable.

In the ordinary course of their businesses, the Debtors may be involved in pending or threatened litigation and claims. These matters may involve multiple plaintiffs and defendants, some or all of whom may assert cross-claims and counter-claims against other parties. Because all such claims are contingent, disputed or unliquidated, such claims have not been set forth individually on Schedule H. Litigation matters can be found on each Debtor's Schedule F and in item Statement 4a of the Debtors' Statements.

Statement Questions 1 & 2 Income. As discussed above, the Debtors' books and records are consolidated into the books and records of Graceway Pharmaceuticals, LLC. However, the Debtors have been able to separate out the transactions of Graceway Canada Holdings, Inc. and Graceway International, Inc., including income. With respect to Statement Question 1, "gross revenue" excludes depreciation, amortization, interest, income taxes and other income disclosed in the response to Statement Question 2.

The Debtors have included income and gains on fixed asset sales in “other income.” The Debtors have also included in “other income” gains from (1) the sale of the right to sell substantially all of the products that the Debtors had marketing and other rights in and to, other than Zyclara, throughout Mexico and certain parts of South America and Latin America and (2) the licensing of the right to sell and market Zyclara in Mexico and certain parts of South America and Latin America. The transfers involved in such sale are not included in the response to Statement Question 10(a).

Statement Question 3(b): Payments to Creditors. Pursuant to Statement Question 3(b), the Debtors have included all payments and transfers made to creditors within the 90 days immediately preceding the commencement of the case and have made no attempt to exclude items that were made as cash in advance payments or as retainer fees. The Debtors have not included any payments to or on the behalf of any of the Debtors’ employees.

Receipts and disbursements are made through a centralized and consolidated cash management system. Payments made are listed by the entity making such payment notwithstanding that certain payments will have been made on behalf of another entity. As such, only certain Debtors include a response to Statement Question 3(b). In addition, payments made on behalf of non-Debtor affiliated entities are included in response to Statement Question 3(b) to the extent that the payment was made out of a Debtor-owned bank account.

In the response to Statement Question 3(b), the Debtors included the check number associated with the payment if applicable. If the payment was made by wire transfer or ACH, the Debtors created a unique number comprised of an invoice number or other unique numbering to identify the payment for purposes of responding to this Statement question.

Statement Question 3(c): Payments to Insiders. Payments to individuals defined as an “insider” (as that term is defined in the Bankruptcy Code) have been included in response to Statement Question 3(c). The Debtors did not include payments made directly to a third party credit card company for expense reimbursements on behalf of insiders. The Debtors do not believe that the employees of the Debtors with the title “vice president” or “senior vice president” constitute “insiders” pursuant to Section 101(31). However, out of an abundance of caution, the Debtors have included—solely with respect to disclosures relating to bonuses and any non-ordinary course payments—all employees with a title of vice president or senior vice president.

A return of capital of approximately \$16.5 million paid by non-debtor affiliate Graceway Canada Company is reflected as such on the books of Debtor Graceway Canada Holdings, Inc., and a dividend of approximately \$16.5 million paid by Debtor Graceway Canada Holdings, Inc. is reflected as dividend income to Debtor Graceway Pharmaceuticals, LLC.

Statement Question 8 - Losses. The Debtors occasionally incur losses for a variety of reasons including, among others, theft and property damage. These losses have not had a material impact on the Debtors’ businesses and the Debtors do not keep a centralized record of them. Therefore, such losses have not been included in the response to Statement question 8.

Statement Question 10 – Other Transfers. The Debtors have included in the responses to Statement Questions 1 and 2 gains from (1) the sale of the right to sell substantially all of the products that the Debtors had marketing and other rights in and to, other than Zyclara, throughout Mexico and certain parts of South America and Latin America and (2) the licensing of the right to sell and market Zyclara in Mexico and certain parts of South America and Latin America. Therefore, the transfers involved in such sale are not included in the response to Statement Question 10(a).

Statement Question 13 - Setoffs. As discussed above, the Debtors incur certain setoffs from customers and suppliers in the ordinary course of business. The Debtors have used reasonable efforts to set forth the details of such setoffs in the answer to Statement Question 13.

Statement Question 19 – Books, Records and Financial Statements. The Debtors provided potential purchasers who executed confidentiality agreements with access to their financial statements via an electronic data room in accordance with the *Order Approving and Authorizing (A) Bidding Procedures in Connection with the Sale of Certain Assets of the Debtors, (B) Stalking Horse Bid Protections, and (C) Form and Manner of Notice of the Sale Hearing and (D) Related Relief* [Docket No. 119] (the “**Bid Procedures Order**”) and the bidding procedures approved in the Bid Procedures Order. The Debtors do not have records indicating which of these potential purchasers, if any, have accessed their financial statements, and therefore did not include such parties in the response to Statement Question 19(d). Additionally, the Debtors have at times provided vendors and certain other parties with their financial statements but do not have records reflecting which parties have received their financial statements. Therefore, such parties are not included in the response to Statement Question 19(d).

Statement Question 20 – Inventory. The Debtors conduct a cycle count rather than a physical inventory. The information in response to Statement Question 20 is based upon this cycle count.

Global Notes Control. In the event that the Schedules and Statements differ from the foregoing Global Notes, the Global Notes shall control.

END OF GLOBAL NOTES

SCHEDULES AND STATEMENTS BEGIN ON THE FOLLOWING PAGE

UNITED STATES BANKRUPTCY COURT

District Of Delaware

In re: Graceway International, Inc.,
Debtor

Case No. 11-13043 (PJW)
(if known)

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any owner of 5 percent or more of the voting or equity securities of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. § 101.

1. Income from employment or operation of business

None State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

\$4,246,667.00

SOURCE

Gross Revenue 01/01/2009 through 12/31/2009

AMOUNT	SOURCE
\$1,826,771.00	Gross Revenue 01/01/2010 through 12/31/2010
\$618,470.00	Gross Revenue 01/01/2011 through 09/28/2011

2. Income other than from employment or operation of business

None State the amount of income received by the debtor other than from employment, trade, profession, operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT	SOURCE
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3. Payments to creditors

Complete a. or b., as appropriate, and c.

None a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and creditor counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
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None b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$5,850. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS/ TRANSFERS	AMOUNT PAID OR VALUE OF TRANSFERS	AMOUNT STILL OWING
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None c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
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SEE ATTACHED SOFA 3C RIDER

4. Suits and administrative proceedings, executions, garnishments and attachments

None a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
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None b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED	DATE OF SEIZURE	DESCRIPTION AND VALUE OF PROPERTY
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5. Repossessions, foreclosures and returns

None List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY
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6. Assignments and receiverships

None a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
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None b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CUSTODIAN	NAME AND LOCATION OF COURT CASE TITLE & NUMBER	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY
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7. Gifts

None List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE OF GIFT
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8. Losses

None List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
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SEE GLOBAL NOTES

9. Payments related to debt counseling or bankruptcy

None List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYER IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
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SEE ANSWER TO STATEMENT QUESTION 9 FOR GRACEWAY PHARMACEUTICALS, LLC

10. Other transfers

None a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
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None b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY
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11. Closed financial accounts

None List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING
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12. Safe deposit boxes

None

List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY
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13. Setoffs

None

List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF
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14. Property held for another person

None

List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER	DESCRIPTION AND VALUE OF PROPERTY	LOCATION OF PROPERTY
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15. Prior address of debtor

None

If debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS	NAME USED	DATES OF OCCUPANCY
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16. Spouses and Former Spouses

None

If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight** years immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

17. Environmental Information

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law.

None

a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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None

b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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None

c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS OF GOVERNMENTAL UNIT	DOCKET NUMBER	STATUS OR DISPOSITION
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18. Nature, location and name of business

None

a. *If the debtor is an individual*, list the names, addresses, taxpayer-identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer-identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer-identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

NAME	LAST FOUR DIGITS OF SOCIAL-SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO. (ITIN)/ COMPLETE EIN	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
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None

b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME	ADDRESS
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The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

(An individual or joint debtor should complete this portion of the statement only if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)

19. Books, records and financial statements

None a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS	DATES SERVICES RENDERED
SHRADER, BRIAN 340 MARTIN LUTHER KING JR. BLVD SUITE 500 BRISTOL, TN 37620	9/29/2009 TO PRESENT
WHITSON, CHERIE 340 MARTIN LUTHER KING JR. BLVD SUITE 500 BRISTOL, TN 37620	9/29/2009 TO PRESENT
WITHROW, ROBERT 340 MARTIN LUTHER KING JR. BLVD SUITE 500 BRISTOL, TN 37620	9/29/2009 TO PRESENT

None b. List all firms or individuals who within **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME	ADDRESS	DATES SERVICES RENDERED
KPMG LLP	1601 MARKET STREET PHILADELPHIA, PA 19103-2499	9/29/2009 TO PRESENT

None c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME	ADDRESS
KPMG LLP	ATTN: PRESIDENT OR GENERAL COUNSEL DEPT 0566 P.O. BOX 120001 DALLAS, TX 75312-0566
SHRADER, BRIAN	340 MARTIN LUTHER KING JR. BLVD SUITE 500 BRISTOL, TN 37620
WHITSON, CHERIE	340 MARTIN LUTHER KING JR. BLVD SUITE 500 BRISTOL, TN 37620

NAME	ADDRESS
WITHROW, ROBERT	340 MARTIN LUTHER KING JR. BLVD SUITE 500 BRISTOL, TN 37620

None d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS	DATE ISSUED
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SEE ATTACHED SOFA 19D RIDER

20. Inventories

None a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY	INVENTORY SUPERVISOR	DOLLAR AMOUNT OF INVENTORY (Specify cost, market or other basis)
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None b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

DATE OF INVENTORY	NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS
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21. Current Partners, Officers, Directors and Shareholders

None a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS	NATURE OF INTEREST	PERCENTAGE OF INTEREST
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None b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
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SEE ATTACHED SOFA 21B RIDER

22. Former partners, officers, directors and shareholders

None a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME	ADDRESS	DATE OF WITHDRAWAL
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None b. If the debtor is a corporation, list all officers or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS	TITLE	DATE OF TERMINATION
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23. Withdrawals from a partnership or distributions by a corporation

None If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR	DATE AND PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
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SEE RESPONSE TO SOFA 3C

24. Tax Consolidation Group.

None If the debtor is a corporation, list the name and federal taxpayer-identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION	TAXPAYER-IDENTIFICATION NUMBER (EIN)
GRACEWAY PHARMA HOLDING CORP.	27-3569175
GRACEWAY INTERNATIONAL, INC.	26-0212399

25. Pension Funds.

None



If the debtor is not an individual, list the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within six years immediately preceding the commencement of the case.

NAME OF PENSION FUND	TAXPAYER-IDENTIFICATION NUMBER (EIN)
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* * * * *

[If completed by an individual or individual and spouse]

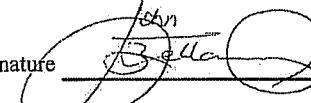
I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct.

Date _____ Signature of Debtor _____

Date _____ Signature of Joint Debtor (if any) _____

[If completed on behalf of a partnership or corporation]

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date _____ Signature  _____
Print Name John A.A. Bellamy
And Title EVP, General Counsel & Secretary

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

___ continuation sheets attached

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571

DECLARATION AND SIGNATURE OF NON-ATTORNEY BANKRUPTCY PETITION PREPARER (See 11 U.S.C. § 110)

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required by that section.

Printed or Typed Name and Title, if any, of Bankruptcy Petition Preparer

Social-Security No. (Required by 11 U.S.C. § 110.)

If the bankruptcy petition preparer is not an individual, state the name, title (if any), address, and social-security number of the officer, principal, responsible person, or partner who signs this document.

Address

Signature of Bankruptcy Petition Preparer

Date

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional signed sheets conforming to the Official Form for each person

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 18 U.S.C. § 156.

SOFA 3C
INTERCOMPANY TRANSACTIONS

ENTITY	DESCRIPTION	DATE	AMOUNT
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE - GRACEWAY PHARMACEUTICALS, LLC PAID FOR LIABILITY ON BEHALF OF GRACEWAY INTERNATIONAL, INC.	07/12/2011	\$ (39,838.83)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE - GRACEWAY INTERNATIONAL, INC. RECEIVED CASH FROM GRACEWAY PHARMACEUTICALS, LLC CUSTOMER.	06/30/2011	\$ (166,666.67)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE - GRACEWAY INTERNATIONAL, INC. PAID FOR PRODUCT SHIPPED DIRECTLY TO GRACEWAY PHARMACEUTICALS, LLC.	06/24/2011	\$ 36,504.10
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE - GRACEWAY INTERNATIONAL, INC. PAID FOR PRODUCT SHIPPED DIRECTLY TO GRACEWAY PHARMACEUTICALS, LLC.	06/10/2011	\$ 37,735.86
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE - GRACEWAY PHARMACEUTICALS, LLC PAID FOR LIABILITY ON BEHALF OF GRACEWAY INTERNATIONAL, INC.	05/24/2011	\$ (284,057.10)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	04/30/2011	\$ 3,807.24
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	04/18/2011	\$ 1,101.71
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE - GRACEWAY INTERNATIONAL, INC. CUSTOMER PAID DIRECTLY TO GRACEWAY PHARMACEUTICALS, LLC	04/14/2011	\$ 132,211.20
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	04/10/2011	\$ (900.00)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	04/04/2011	\$ (1,124.84)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	03/30/2011	\$ (7,369.35)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE - GRACEWAY INTERNATIONAL, INC. RECEIVED CASH RECORDED AS GRACEWAY PHARMACEUTICALS, LLC RECEIVABLE	02/28/2011	\$ (400,000.00)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	02/15/2011	\$ (78,048.71)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	02/07/2011	\$ (4,738.15)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE - GRACEWAY PHARMACEUTICALS, LLC PAID FOR PRODUCT SHIPPED DIRECTLY TO GRACEWAY INTERNATIONAL, INC.	02/03/2011	\$ (116,772.08)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	01/31/2011	\$ 619.15
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	01/12/2011	\$ (1,123.91)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	01/12/2011	\$ (7,723.00)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	01/12/2011	\$ (506.64)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	01/12/2011	\$ (1,343.01)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	01/12/2011	\$ (1,766.09)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	12/31/2010	\$ (39,332.32)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE - PAYMENT OF INTERCOMPANY BALANCE	12/30/2010	\$ 553,540.70
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	12/10/2010	\$ (42,816.74)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	12/10/2010	\$ (24,629.97)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	12/10/2010	\$ (682.40)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	12/10/2010	\$ (798.82)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	12/10/2010	\$ (195.98)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	12/10/2010	\$ (141.25)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	12/10/2010	\$ (465.83)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	12/10/2010	\$ (4,694.64)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	11/30/2010	\$ (5,000.00)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	11/30/2010	\$ (46,955.66)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	11/17/2010	\$ (12.00)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	11/15/2010	\$ (2.00)
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	11/12/2010	\$ 16,881.56
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	10/27/2010	\$ 46,317.73
GRACEWAY PHARMACEUTICALS, LLC	INTERCOMPANY PAYABLE	10/08/2010	\$ 41,854.31

TOTAL \$ (407,132.43)

SOFA 19D

BOOKS, RECORDS AND FINANCIAL STATEMENTS - ISSUED FINANCIAL STATEMENTS

NAME AND ADDRESS	DATE ISSUED
AMERICAN EXPRESS ATTN: PRESIDENT OR GENERAL COUNSEL P O BOX 360001 FORT LAUDERDALE, FL 33336-0001	UNKNOWN
BANK OF AMERICA, N.A., AS FIRST LIEN COLLATERAL AGENT ATTENTION: DAN BUTLER MAIN OFFICE BC MAIL CODE: R11-102-16-01 111 WESTMINSTER ST PROVIDENCE, RI 02903	UNKNOWN
DEUTSCHE BANK TRUST COMPANY AMERICAS, AS SECOND LIEN COLLATERAL AGENT ATTENTION: CARIN M. KEEGAN DEUTSCHE BANK LEVERAGED FINANCE PORTFOLIO 60 WALL STREET NEW YORK, NY 10005	UNKNOWN
GOLDMAN SACHS CREDIT PARTNERS, L.P. ATTN: MUHAMMAD KHAN 30 HUDSON STREET, 17TH FLOOR JERSEY CITY, NJ 07302	UNKNOWN
GTCR CO-INVEST II, L.P. ATTN: PRESIDENT OR GENERAL COUNSEL 300 NORTH LASALLE STREET SUITE 5600 CHICAGO, IL 60654	UNKNOWN
GTCR CO-INVEST III, L.P. ATTN: PRESIDENT OR GENERAL COUNSEL 300 NORTH LASALLE STREET SUITE 5600 CHICAGO, IL 60654	UNKNOWN
GTCR FUND IX/A, L.P. ATTN: PRESIDENT OR GENERAL COUNSEL 300 NORTH LASALLE STREET SUITE 5600 CHICAGO, IL 60654	UNKNOWN

SOFA 19D

BOOKS, RECORDS AND FINANCIAL STATEMENTS - ISSUED FINANCIAL STATEMENTS

NAME AND ADDRESS	DATE ISSUED
GTCR FUND IX/A.L.P. ATTN: PRESIDENT OR GENERAL COUNSEL 6100 SEARS TOWER CHICAGO, IL 60606	UNKNOWN
GTCR FUND IX/B, GRACEWAY SPLITTER, L.P. ATTN: PRESIDENT OR GENERAL COUNSEL 300 NORTH LASALLE STREET SUITE 5600 CHICAGO, IL 60654	UNKNOWN
GTCR FUND VIII, L.P. ATTN: PRESIDENT OR GENERAL COUNSEL 300 NORTH LASALLE STREET SUITE 5600 CHICAGO, IL 60654	UNKNOWN
GTCR FUND VIII, LP ATTN: PRESIDENT OR GENERAL COUNSEL 6100 SEARS TOWER CHICAGO, IL 60606-6402	UNKNOWN
GTCR FUND VIII/B, GRACEWAY SPLITTER, L.P. ATTN: PRESIDENT OR GENERAL COUNSEL 300 NORTH LASALLE STREET SUITE 5600 CHICAGO, IL 60654	UNKNOWN
GTCR GOLDER RAUNER II, LLC ATTN: DAN TOROCKIO 300 NORTH LASALLE STREET STE.5600 CHICAGO, IL 60654	UNKNOWN
KONICA MINOLTA PREMIER FINANCE ATTN: PRESIDENT OR GENERAL COUNSEL P O BOX 740423 ATLANTA, GA 30374-0423	UNKNOWN

SOFA 19D

BOOKS, RECORDS AND FINANCIAL STATEMENTS - ISSUED FINANCIAL STATEMENTS

NAME AND ADDRESS	DATE ISSUED
MARSH USA, INC. ATTN: PRESIDENT OR GENERAL COUNSEL 1801 WEST END AVENUE, STE 1500 NASHVILLE, TN 37203	UNKNOWN
MOODY'S INVESTORS SERVICE ATTN: PRESIDENT OR GENERAL COUNSEL P.O. BOX 102597 ATLANTA, GA 30368-0597	UNKNOWN
PRICEWATERHOUSECOOPERS, LLP 800 GREEN VALLEY ROAD SUITE 500 GREENSBORO, NC 27408	UNKNOWN
RLI INSURANCE COMPANY ATTN: DIRECTOR OR GENERAL COUNSEL 9025 NORTH LINDBERGH DRIVE PEORIA, IL 61615-1499	UNKNOWN
STANDARD AND POOR'S ATTN: PRESIDENT OR GENERAL COUNSEL 2542 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	UNKNOWN
WELLS FARGO ATTN: MR. JEFF LINICK, SENIOR VP 201 SOUTH JEFFERSON ST 2ND FLOOR ROANOKE, VA 24011	UNKNOWN

SOFA 21B
CURRENT PARTNERS, OFFICERS, DIRECTORS AND SHAREHOLDERS

NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK
GRACEWAY PHARMACEUTICALS, LLC 340 MARTIN LUTHER KING JR. BLVD SUITE 500 BRISTOL, TN 37620	EQUITY HOLDER	100%
BELLAMY, JOHN A.A. 340 MARTIN LUTHER KING JR. BLVD SUITE 500 BRISTOL, TN 37620	EVP, GENERAL COUNSEL & SECRETARY	N/A
GREGORY, JEFFERSON J. 340 MARTIN LUTHER KING JR. BLVD SUITE 500 BRISTOL, TN 37620	CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO	N/A
MOCCIA, ROBERT J. 340 MARTIN LUTHER KING JR. BLVD SUITE 500 BRISTOL, TN 37620	MEMBER OF THE BOARD OF DIRECTORS, PRESIDENT AND COO	N/A
SHRADER, BRIAN G. 340 MARTIN LUTHER KING JR. BLVD SUITE 500 BRISTOL, TN 37620	CFO	N/A
WITHROW, ROBERT 340 MARTIN LUTHER KING JR. BLVD SUITE 500 BRISTOL, TN 37620	TREASURER	N/A