

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

In re:

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

Debtors.

Chapter 11

Case No. 11-13036 (\_\_\_\_)

Joint Administration Pending

**MOTION OF THE DEBTORS FOR THE ENTRY OF AN ORDER  
(A) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO REMIT  
AND PAY CERTAIN TAXES AND FEES AND (B) AUTHORIZING AND  
DIRECTING BANKS AND OTHER FINANCIAL INSTITUTIONS TO  
HONOR RELATED CHECKS AND ELECTRONIC PAYMENT REQUESTS**

("Prepetition Taxes Motion")

The above-captioned debtors and debtors-in-possession (collectively, the "**Debtors**"), hereby move this Court (the "**Motion**") for entry of interim and final orders, the interim order in substantially the form attached hereto as Exhibit A (the "**Interim Order**") and the final order in substantially the form attached hereto as Exhibit B (the "**Final Order**"), (a) authorizing, but not directing, the Debtors to remit and pay certain sales, use, income, real property, personal property and other taxes, as well as fees for licenses, permits, and other similar charges and assessments and (b) authorizing and directing banks and other financial institutions to receive, process, honor, and pay checks presented for payment and electronic payment requests relating to the foregoing. In support of this Motion, the Debtors respectfully state:<sup>2</sup>

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Graceway Pharma Holding Corp., a Delaware corporation (9175); 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).

<sup>2</sup> The facts and circumstances supporting this Motion are set forth in the Declaration of Gregory C. Jones in Support of Chapter 11 Petitions and First Day Motions (the "**First Day Declaration**"), filed on the Petition Date (defined below).

### **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), 363(b), 507(a)(8) and 541 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended (the “**Bankruptcy Code**”) and Rule 6003 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 (including the facts and circumstances supporting this Motion) are set forth in the First Day Declaration filed contemporaneously with this Motion.

### **The Debtors’ Taxes**

5. In the ordinary course of the Debtors’ business, the Debtors (a) incur taxes, including, but not limited to, sales, use, income, franchise, personal property, real property,

excise, business and other taxes in operating their business (collectively, the “**Taxes**”)<sup>3</sup> and (b) are charged fees including, but not limited to, permitting fees, license fees, regulatory fees, user fees and other similar charges and assessments (collectively, the “**Fees**”).<sup>4</sup> The Taxes and Fees are owed to various government taxing, licensing and regulatory authorities (collectively, the “**Authorities**,” a listing of which is annexed hereto as Exhibit C).<sup>5</sup> The Debtors’ have historically paid all Taxes and Fees to the respective Authorities in accordance with all applicable laws and regulations and in a timely manner.

6. For tax year 2009, the Debtors paid approximately \$1,200 in sale and use taxes (the “**Sale and Use Taxes**”), primarily relating to samples of the Debtors’ products. The Sale and Use Taxes typically arise if a supplier does not have business operations in the state in which it is supplying goods and does not charge state taxes. For tax year 2010, the Debtors paid approximately \$1,150 in Sale and Use Taxes. As of the Petition Date, the Debtors have paid a *de minimis* amount in Sale and Use Taxes for tax year 2011, and estimate that approximately \$200 will be owed in Sale and Use Taxes for 2011. The Debtors request the authority to pay all such amounts without regard to whether the amounts accrued prior to or following the Petition Date.

7. For 2009, the Debtors also paid approximately \$469,000 in franchise/gross receipts taxes (the “**Franchise/Gross Receipts Taxes**”) and approximately \$4.98 million in income taxes (the “**Income Taxes**”). Franchise/Gross Receipts Taxes are imposed by certain states for the privilege of allowing companies to do business in a state or to maintain a company’s good standing in a state, and may be based on a flat fee, net operating income or

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<sup>3</sup> The Debtors have a taxable presence in all 50 states and the District of Columbia.

<sup>4</sup> The Debtors collect certain Fees from their customers on behalf of governmental entities. For such Fees, the Debtors are required to remit the collected amounts to the appropriate governmental entity. The Debtors hereby request authority to pay Fees regardless of whether they constitute “trust fund” obligations.

<sup>5</sup> The Debtors do not seek authority to collect and pay state and federal withholding taxes under this motion but rather request such authority as part of the Employee Obligations Motion filed concurrently herewith.

capital employed. Certain jurisdictions assess both Franchise/Gross Receipts Taxes and Income Taxes, while others assess either Franchise/Gross Receipts Taxes or Income Taxes depending on which results in a higher tax assessed. In addition, some jurisdictions require estimated Franchise/Gross Receipts Taxes payments to be remitted on a quarterly basis if the estimated Franchise/Gross Receipts Taxes exceed a certain threshold. For 2010, Debtors paid approximately \$132,000 in Franchise/Gross Receipts Taxes and approximately \$250,000 in Income Taxes. As of the Petition Date, the Debtors have paid approximately \$23,100 in Franchise/Gross Receipts Taxes for 2011 and have not paid any amounts for Income Taxes for 2011. The Debtors estimate that they will owe an additional \$163,025 in Franchise/Gross Receipts Taxes and \$10,000 in Income Taxes for 2011. The Debtors request the authority to pay all such amounts without regard to whether the amounts accrued prior to or following the Petition Date.

8. State and local laws in jurisdictions where the Debtors operate generally grant Authorities the ability to levy property taxes against the Debtors' real and personal property (the "**Property Taxes**"). The Debtors typically pay Property Taxes on their real and personal property in the ordinary course of business as such taxes are invoiced to avoid the imposition of statutory liens on their real and personal property. The Debtors, for tax year 2009, remitted approximately \$12,500 on account of real Property Taxes and \$11,000 on account of personal Property Taxes. For tax year 2010, the Debtors paid approximately \$13,000 on account of real Property Taxes and \$13,000 on account of personal Property Taxes. The Debtors estimate that for tax year 2011 they will owe approximately \$13,000 on account of real Property Taxes and approximately \$14,000 on account of personal Property Taxes. The Debtors request the authority to pay all such amounts without regard to whether the amounts accrued prior to or

following the Petition Date.

9. Certain states require the Debtors to pay various business taxes. These taxes may be based on various conditions determined by the applicable taxing jurisdiction. Further, certain states require the Debtors to pay business license fees to remain in good standing for purposes of introducing their prescription goods into the state (collectively the “**Business Taxes**”). The Debtors believe that certain of these Business Taxes may, under applicable law, be entitled to priority as a secured claim. For 2009, the Debtors paid approximately \$83,000 in Business Taxes. For 2010, the Debtors paid approximately \$79,200 in Business Taxes. The Debtors have paid approximately \$13,200 on account of Business Taxes for 2011 and do not believe any additional Business Taxes will be due for 2011. The Debtors request authority to pay all such amounts without regard to whether amounts accrued prior to or following the Petition Date.

10. Various federal, state and local laws require the Debtors to obtain and pay Fees for a wide range of licenses and permits from a number of local, state and federal regulatory agencies. Indeed, because the Debtors operate in a highly regulated industry, the Debtors are subject to many license requirements and annual Fees from (i) the Food and Drug Administration, (ii) the states in which the Debtors operate and (iii) the federal government. During the 12 months prior to the Petition Date, the Debtors expended approximately \$3.3 million for Fees owed to the federal government and approximately \$25,000 for Fees owed to various state and local agencies. The majority of such amounts are paid in advance or upon submission of an application for the related licenses. The Debtors estimate that for tax year 2011 they will owe an additional \$390,000 on account of such fees and licenses. The Debtors request authority to pay all such amounts without regard to whether amounts accrued prior to or following the Petition Date.

11. The Debtors request the authority, but not direction, to pay all amounts owed on account of Taxes and Fees regardless of whether such amounts accrued prior to or after the Petition Date. Some, if not all, of the applicable governmental authorities may cause the Debtors to be audited if the Taxes and Fees are not paid immediately. Such audits will unnecessarily divert the Debtors' attention away from these Chapter 11 Cases. Further, if the Debtors do not pay such amounts in a timely manner, the governmental authorities may attempt to suspend the Debtors' operations, file liens, seek to lift the automatic stay and pursue other remedies that will harm the estates. Finally, some of these outstanding tax liabilities are for "trust fund" taxes that the Debtors have collected and hold in trust for the benefit of the applicable governmental authority. Therefore, such funds do not constitute property of the estate and could not otherwise be used by the estates.

12. In all cases, the Debtors' failure to pay the Taxes and Fees could have a material adverse impact on their ability to operate in the ordinary course of business. Any disputes that could impact their ability to conduct business in a particular jurisdiction could have a wide-ranging and adverse effect on the Debtors' operations as a whole.

#### **Relief Requested**

13. Although the Debtors' records reflect that they have paid all Taxes and Fees that were due to be paid by the Petition Date, the Debtors seek the authority to pay the Taxes and Fees in the ordinary course of business as such Taxes and Fees come due without regard to whether such obligations accrued or arose before or after the Petition Date.

14. The Debtors also request that all applicable banks and other financial institutions be authorized to receive, process, honor, and pay all checks presented for payment and to honor all electronic payment requests made by the Debtors related to Taxes or Fees, whether such

checks were presented or electronic requests were submitted prior to or after the Petition Date. The Debtors further request that all such banks and financial institutions be authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved pursuant to this Motion.

### **Basis for Relief**

15. There are several bases for granting the relief requested in this motion, including: (a) many of the Taxes and Fees are not property of the estate; (b) Section 105 of the Bankruptcy Code and the Court's general equitable powers permit the Court to grant the relief sought; (c) portions of the Taxes and Fees may be entitled to priority status pursuant to Section 507(a)(8) of the Bankruptcy Code; (d) governmental entities may sue the Debtors' directors and officers for unpaid Taxes and Fees distracting them from the administration of these Chapter 11 Cases; and (e) Section 363 of the Bankruptcy Code gives the Debtors authority to remit payment on account of such Taxes and Fees in the ordinary course of business.

16. First, Section 541(d) of the Bankruptcy Code provides, in relevant part, that "[p]roperty in which the debtor holds, as of the commencement of the case, only legal title and not an equitable interest . . . becomes property of the estate under subsection (a)(1) or (2) of this section only to the extent of the debtors' legal title to such property, but not to the extent of any equitable interest in such property that the debtor does not hold." 11 U.S.C. § 541(d).

17. Some of the Taxes and Fees constitute "trust fund" taxes, which are required to be collected from their customers by the Debtors and held in trust for payment to the Authorities. See, e.g., Begier v. Internal Revenue Serv., 496 U.S. 53, 66-67 (1990) (holding that any prepetition payment of trust fund taxes is not a transfer subject to avoidance because such funds are not the debtor's property); DuCharmes & Co., Inc. v. Mich., 852 F.2d 194 (6th Cir. 1988)

(per curiam) (same); In re Russman's Inc., 125 B.R. 520, 523 (Bankr. E.D. Tenn. 1991) (sales taxes collected by a debtor constitute trust fund taxes); In re King, 117 B.R. 339, 341 (Bankr. E.D. Tenn. 1990) (same); In re Shank, 792 F.2d 829, 832 (9th Cir. 1986) (sales tax required by state law to be collected by sellers from their customers is a "trust fund" tax and not released by bankruptcy discharge); DeChiaro v. New York State Tax Comm'n, 760 F.2d 432, 435-36 (2d Cir. 1985) (same); In re Shreve Steel Erection, Inc., 92 B.R. 214 (Bankr. W.D. Mich. 1988) (same); In re Maranatha Trucking Co., Case No. 587-1438, 1988 WL 212742 (Bankr. N.D. Ohio 1988) (same). To the extent these "trust fund" taxes are collected, they are not property of the Debtors' estates under Section 541(d) of the Bankruptcy Code. See, e.g., In re Am. Int'l Airways, Inc., 70 B.R. 102, 104-105 (Bankr. E.D. Pa. 1987); In re Dameron, 155 F.3d 718, 721-22 (4th Cir. 1998) (funds from various lenders held by closing agent in trust for designated third parties not property of debtor's estate). Therefore the Debtors generally do not have an equitable interest in funds held on account of such "trust fund" taxes and the Debtors should be permitted to pay those funds to the Authorities as they become due.

18. To the extent any of the Taxes and Fees do not constitute "trust fund" taxes in a particular jurisdiction, the Court may rely on its general equitable powers to grant the relief requested in this Motion as codified in Section 105(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code empowers the Court to "issue any order, process, or judgment that is necessary to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a). A bankruptcy court's use of its equitable powers to "authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept." In re Ionosphere Clubs, Inc., 98 B.R. 174, 175-176 (Bankr. S.D.N.Y. 1989) (citing Miltenberger v. Logansport, C. & S.W. R.Co., 106 U.S. 286, 1 S.Ct. 140, 27 L.Ed. 117 (1882)). Section



105(a) authorizes a court to “permit pre-plan payment of a pre-petition obligation when essential to the continued operation of the debtor.” In re NVR L.P., 147 B.R. 126, 127 (Bankr. E.D. Va. 1992); see also, In re Just for Feet, Inc., 242 B.R. 821, 824-26 (D. Del. 1999).

19. Application of Section 105(a) of the Bankruptcy Code in the context of this Motion is appropriate because the relief requested herein is consistent with the policy of chapter 11 of the Bankruptcy Code. A debtor in possession is a fiduciary with a duty to protect and preserve the estate, including the value of the business as a going concern. In re CoServ, L.L.C., 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002) (“There are occasions when this [fiduciary] duty can only be fulfilled by the preplan satisfaction of a prepetition claim.”). Granting the relief requested in this Motion will enhance the likelihood of the Debtors’ successfully maximizing the value of the estates’ assets, and thus benefit the estates’ creditors.

20. Some or all of the Taxes and Fees are or may be entitled to secured or priority status under the Bankruptcy Code. Most, if not all, of the jurisdictions in which the Debtors’ operations are located provide for the creation of a statutory lien on the Debtors’ real and personal property if the applicable property taxes are not paid. Such statutory tax liens typically arise on, or relate back to, a date prior to the due date of the tax bill (e.g., the assessment date or tax status date) and may take priority over pre-existing secured interests. See, e.g., Tenn. Code. Ann. § 67-5-2101(a).

21. The relation back of a tax lien to the assessment or tax status date may not affect the enforceability of the tax lien against a debtor or violate the automatic stay imposed by Section 362(a) of the Bankruptcy Code. See 11 U.S.C. § 362(b)(3). In fact, the creation and perfection of such a lien may not violate the automatic stay for certain taxes — even if the lien arises under applicable law for taxes due after the petition date. See 11 U.S.C. § 362(b)(18)

(automatic stay does not apply to “the creation or perfection of a statutory lien for an ad valorem property tax, or a special tax or special assessment on real property whether or not ad valorem, imposed by a governmental unit, if such tax or assessment comes due after the date of the filing of the petition”); see also 3 Alan N. Resnick & Henry J. Sommer, COLLIER ON BANKRUPTCY 362.05[17] (16th ed.) (Section 362(b)(18) reversed prior case law under which the creation of a statutory lien for ad valorem property taxes violated the automatic stay). Thus, the Debtors’ failure to pay the Taxes may inadvertently increase the scope of secured and priority claims held against the Debtors’ estates.

22. Indeed, many Authorities may even hold oversecured claims against the Debtors’ estates absent the relief requested herein. The Bankruptcy Code provides that oversecured claims accrue interest during the pendency of a chapter 11 case. See 11 U.S.C. § 506(b); United States v. Ron Pair Enters., Inc., 489 U.S. 235, 241-43 (1989) (nonconsensual lienholders may receive interest on their claims under Section 506(b) of the Bankruptcy Code). The detrimental effect of such claims on the recoveries of other creditors could be significant. Neither Section 506(b) nor Ron Pair specifies the rate at which such interest shall accrue. Many governmental units likely will assert that statutory interest rates or penalties are the appropriate benchmark. The applicable statutory rates of interest for some of the jurisdictions in which the Debtors’ operations are located may exceed prevailing market interest rates by a significant degree. See, e.g., Tenn. Code. Ann. § 67-5-2010; Texas Tax Code § 111.060 (prime rate plus one percent).

23. Even if the applicable property taxes are treated as unsecured claims, claims for property taxes may still be priority claims entitled to payment prior to general unsecured creditors. See 11 U.S.C. § 507(a)(8)(B) (i.e., a “property tax incurred before the commencement of the case and last payable without penalty after one year before the date of the filing of the

petition”). To the extent that the property taxes are entitled to eighth priority treatment under Section 507(a)(8)(B) of the Bankruptcy Code, the governmental units may also seek penalties that, in turn, may also be eligible for priority treatment. See 11 U.S.C. § 507(a)(8)(G) (granting eighth priority status to “a penalty related to a claim of a kind specified in this paragraph and in compensation for actual pecuniary loss”). Thus, payment of the Taxes at this time affects only the timing of payment and should not prejudice the rights of other creditors. The Authorities will receive no more than the amounts they may be entitled to under the Bankruptcy Code and the relief requested herein will save the Debtors the potential interest expense (and penalties) that otherwise might accrue during these Chapter 11 Cases.

24. Furthermore, in some cases, the Authorities may assert that the Debtors’ directors and officers are personally liable if the Debtors fail to meet the obligations imposed upon them to remit Taxes and Fees. To the extent such accrued Taxes or Fees were unpaid as of the Petition Date, the Debtors’ directors and officers may be subject to lawsuits in certain jurisdictions during the pendency of these Chapter 11 Cases, even if the failure to pay such Taxes and Fees was not a result of any malfeasance on their part. Such potential litigation would prove distracting for the Debtors, the named directors and officers, and this Court, which may be asked to entertain various motions seeking injunctions relating to potential court actions. Therefore, it is in the best interests of the Debtors’ estates to eliminate the possibility of these distractions.

25. Bankruptcy Rule 6003 requires that any motion seeking relief to use property of the estate pursuant to Section 363 of the Bankruptcy Code or to pay prepetition claims within 21 days of the Petition Date must show that the relief would prevent “immediate and irreparable harm.” These Chapter 11 Cases require the complete attention of the Debtors’ officers and directors to maximize the value of the estate. Thus, if the relief is not granted, any disruption

caused as a result of non-payment of Taxes and Fees and any personal tax-related lawsuits would cause the Debtors' estates immediate and irreparable harm by distracting from the reorganization efforts. See In re Calpine Corp., 365 B.R. 401, 410 (S.D.N.Y. 2007) (holding that potential distractions to employees constitutes "imminent irreparable harm" if they would impact the restructuring process); In re Lomas Fin. Corp., 117 B.R. 64, 67 (S.D.N.Y. 1990) (imminent and irreparable harm found where "key personnel would be distracted from participating in the reorganization process"); see also Malm v. Goldin, 1993 WL 330489, \*3 (S.D.N.Y. 1993) (same). Therefore, the relief requested in this Motion satisfies the requirement of Bankruptcy Rule 6003.

26. The Court also may grant the relief requested herein pursuant to Section 363 of the Bankruptcy Code. Section 363(b) provides, in relevant part, that "[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Under this Section, a court may authorize a debtor to pay certain prepetition claims. See In re Ionosphere Clubs, Inc., 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (affirming lower court order authorizing payment of prepetition wages pursuant to Section 363(b) of the Bankruptcy Code). To do so, "the debtor must articulate some business justification, other than mere appeasement of major creditors." Id. at 175. As discussed herein, paying the Taxes and Fees will benefit the estate and its creditors by allowing the Debtors' operations to continue without interruption.

27. The timely payment of the Taxes and Fees is necessary and in the best interest of the Debtors, their estates, and their creditors. Moreover, courts in this District have exercised their powers to authorize debtors to pay prepetition tax obligations. See, e.g., In re NEC Holdings Corp., Case No. 10-11890 (PJW) (Bankr. D. Del. June 11, 2010); In re Regent

Communications Inc., Case No. 10-10632 (KG) (Bankr. D. Del. March 2, 2010); In re Accuride Corporation, Case No. 09-13449 (BLS) (Oct. 9, 2009); In re Hayes Lemmerz Int'l, Inc., Case No. 09-11655 (MFW) (Bankr. D. Del. May 13, 2009); In re Tropicana Entm't, LLC, Case No. 08-10856 (KJC) (Bankr. D. Del. May 6, 2008); In re Leiner Health Prods., Inc., Case No. 08-10446 (KJC) (Bankr. D. Del. Mar. 12, 2008); and In re Wickes Holdings, LLC, Case No. 08-10212 (KJC) (Bankr. D. Del. Feb. 5, 2008).<sup>6</sup> The Debtors submit that the present circumstances warrant similar relief in these Chapter 11 Cases.

28. Nothing in this Motion should be construed as impairing the Debtors' right to contest the amounts of any Taxes and Fees allegedly owing to the various Authorities, and the Debtors expressly reserve all of their rights with respect thereto.

#### **Notice**

29. No trustee, examiner or creditors' committee has been appointed in the Chapter 11 Cases. 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) counsel to the administrative agent for the lenders under the Debtors' prepetition unsecured mezzanine credit facility; (f) the creditors listed on the Debtors'

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<sup>6</sup> See also, In re Pope & Talbot, Inc., Case No. 07-11738 (CSS) (Bankr. D. Del. Nov. 21, 2007); In re American Home Mortgage Holdings, Inc., Case No. 07-11047 (CSS) (Bankr. D. Del. Aug. 7, 2007); In re Tweeter Home Entm't Group, Inc., Case No. 07-10787 (PJW) (Bankr. D. Del. June 13, 2007); In re Hancock Fabrics, Inc., Case No. 07-10353 (BLS) (Bankr. D. Del. Mar. 22, 2007); In re Dura Auto. Sys., Inc., Case No. 06-11202 (KJC) (Bankr. D. Del. Oct. 31, 2006); In re J.L. French Auto Castings, Inc., Case No. 06-10019 (MFW) (Bankr. D. Del. Feb. 13, 2006); In re Maxide Acquisitions, Inc., Case No. 05-10429 (MFW) (Bankr. D. Del. Feb. 15, 2005); In re Ultimate Electronics, Case No. 05-10104 (KPG) (Bankr. D. Del. Jan. 13, 2005).

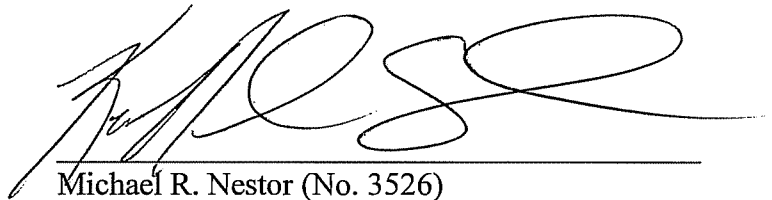
consolidated list of 30 largest unsecured creditors, as filed with the Debtors' chapter 11 petitions; (g) the Food and Drug Administration; (h) the Internal Revenue Service; and (i) all parties requesting notice pursuant to Bankruptcy Rule 2002 (the "**Notice Parties**"). In light of the nature of the relief requested, the Debtors submit that no further notice is required or needed under the circumstances.

30. A copy of the Motion is available on the Court's website: [www.deb.uscourts.gov](http://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](http://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 this Court enter interim and final orders, the interim order in substantially the form attached hereto, (a) authorizing, but not directing, the Debtors to remit and pay Taxes and Fees, (b) authorizing and directing banks and other financial institutions to receive, process, honor, and pay checks presented for payment and electronic payment requests relating to the foregoing, and (c) granting such other and further relief as this Court deems appropriate.

Dated: September 29, 2011  
Wilmington, Delaware

Respectfully Submitted,



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PROPOSED ATTORNEYS FOR DEBTORS AND  
DEBTORS-IN-POSSESSION

**Exhibit A**

**Proposed Interim Order**



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

In re:

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

Debtors.

Chapter 11

Case No. 11-13036 (\_\_\_\_)

Joint Administration Pending

Reference Doc. No. \_\_\_\_

**INTERIM ORDER (A) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO  
REMIT AND PAY CERTAIN TAXES AND FEES AND (B) AUTHORIZING AND  
DIRECTING BANKS AND OTHER FINANCIAL INSTITUTIONS TO HONOR  
RELATED CHECKS AND ELECTRONIC PAYMENT REQUESTS**

("Interim Prepetition Taxes Order")

Upon consideration of the motion (the "Motion")<sup>2</sup> of the Debtors for entry of an order (a) authorizing, but not directing, the Debtors to remit and pay certain sales, use, income, real property, personal property and other taxes, as well as fees for licenses, permits, and other similar charges and assessments and (b) authorizing and directing banks and other financial institutions to receive, process, honor, and pay checks presented for payment and electronic payment requests relating to the foregoing; 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

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Graceway Pharma Holding Corp., a Delaware corporation (9175); 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).

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

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 on an interim basis as set forth herein.
2. The Debtors are authorized, but not required, to pay and remit to the Authorities any and all amounts owed on account of Sales and Use Taxes, in an aggregate amount not to exceed \$200, without regard to whether such Sales and Use Taxes accrued or arose before or after the Petition Date.
3. The Debtors are authorized, but not required, to pay and remit to the Authorities any and all amounts owed on account of Franchise/Gross Receipts Taxes, in an aggregate amount not to exceed \$50,000, without regard to whether such Franchise/Gross Receipts Taxes accrued or arose before or after the Petition Date.
4. The Debtors are authorized, but not required, to pay and remit to the Authorities any and all amounts owed on account of Income Taxes, in an aggregate amount not to exceed \$15,000, without regard to whether such Incomes Taxes accrued or arose before or after the Petition Date.
5. The Debtors are authorized, but not required, to pay and remit to the Authorities any and all amounts owed on account of Fees, in an aggregate amount not to exceed \$5,000, without regard to whether such Fees accrued or arose before or after the Petition Date.
6. The banks and other financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay such checks and electronic payment requests when presented for payment, and all such banks and other financial institutions are

authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

7. The Debtors are authorized to reissue any check or electronic payment that originally was given in payment of any prepetition amount authorized to be paid under this Order and is not cleared by the applicable bank or other financial institution.

8. Nothing in the Motion or this Order, nor as a result of the Debtors' payment of claims pursuant to 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.

9. The Debtors do not concede that any liens (contractual, common law, statutory, or otherwise) described in this Motion and that may be asserted by the Authorities are valid, and the Debtors expressly reserve the right to contest the extent, validity, or perfection, or seek the avoidance, of all such liens.

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

11. This court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied and that the relief requested herein is necessary to avoid immediate and irreparable harm.

12. The Debtors shall serve a copy of this Order, the Motion and the proposed Final Order on the Notice Parties and the Taxing Authorities set forth on Exhibit C to the Motion no later than five (5) business days following the date of entry of this Order.

13. The final hearing to consider entry of an order granting the relief requested in the Motion on a final basis shall be held on \_\_\_\_\_, 2011, at \_\_\_\_\_ (Eastern Time) (the “**First Omnibus Hearing**”).

14. Any objection to the relief requested in the Motion on a permanent basis must be (a) filed in writing with the Court, at 824 North Market Street, [ ] Floor, Wilmington, Delaware 19801, by 4:00 p.m. (Eastern Time) on the date that is 20 days after the entry of this interim order, October \_\_, 2011 (the “**Objection Deadline**”) and (b) served so as to be actually received by the following parties by the Objection Deadline: (i) 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, (ii) proposed co-counsel to the Debtors, Latham & Watkins, LLP, 233 South Wacker Drive, Chicago, IL 60606 (Attn: Josef S. Athanas, Esq. and Matthew L. Warren, Esq., josef.athanas@lw.com and matthew.warren@lw.com) and Young Conaway Stargatt & Taylor, 1000 West Street, 17<sup>th</sup> Floor, Wilmington, Delaware 19801 (Attn: Michael R. Nestor, Esq. and Kara Hammond Coyle, Esq., mnestor@ycst.com and kcoyle@ycst.com), (iv) financing counsel to the First Lien Agent, Morgan, Lewis & Bockius LLP, 225 Franklin Street, 16<sup>th</sup> Floor, Boston, Massachusetts 02110, Attn: Jonathan K. Bernstein, jbernstein@morganlewis.com, (v) special restructuring and bankruptcy counsel to the First Lien Agent, Wachtell, Lipton, Rosen & Katz, 51 West 52<sup>nd</sup> Street, New York, New York 10019, Attn: Scott K. Charles and Michael S. Benn, SKCharles@wlrk.com and MSBenn@wlrk.com, (vi) counsel to any Committee, (vii) counsel to the Second Lien Agent, Sidley Austin LLP, One South Dearborn, Chicago, Illinois 60603, Attn: Larry J. Nyhan, lnyhan@sidley.com and (viii) the Office of the United States Trustee for the District of Delaware, 844 King Street, J. Caleb

Boggs Federal Building, Room 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: Juliet M. Sarkessian).

15. 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.

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

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

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

Dated: \_\_\_\_\_, 2011

\_\_\_\_\_  
United States Bankruptcy Judge

**Exhibit B**

**Proposed Final Order**

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

In re:

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

Debtors.

Chapter 11

Case No. 11-13036 (\_\_\_\_)

Joint Administration Pending

Reference Doc. No. \_\_\_\_

**ORDER (A) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO REMIT  
AND PAY CERTAIN TAXES AND FEES AND (B) AUTHORIZING AND DIRECTING  
BANKS AND OTHER FINANCIAL INSTITUTIONS TO HONOR RELATED CHECKS  
AND ELECTRONIC PAYMENT REQUESTS**

("Final Prepetition Taxes Order")

Upon consideration of the motion (the "Motion")<sup>2</sup> of the Debtors for entry of an order (a) authorizing, but not directing, the Debtors to remit and pay certain sales, use, income, real property, personal property and other taxes, as well as fees for licenses, permits, and other similar charges and assessments and (b) authorizing and directing banks and other financial institutions to receive, process, honor, and pay checks presented for payment and electronic payment requests relating to the foregoing; 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

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Graceway Pharma Holding Corp., a Delaware corporation (9175); 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).

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

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 provided herein.
2. The Debtors are authorized, but not required, to pay and remit to the Authorities (a) taxes, including, but not limited to, sales, use, income, franchise, personal property, real property, business and other taxes incurred or collected by the Debtors from their customers on behalf of the Authorities (collectively, the "Taxes") and (b) fees including, but not limited to, permitting fees, license fees, regulatory fees, user fees and other similar charges and assessments (collectively, the "Fees"), without regard to whether such Taxes or Fees accrued or arose before or after the Petition Date.
3. The banks and other financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay such checks and electronic payment requests when presented for payment, and all such banks and other financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.
4. The Debtors are authorized to reissue any check or electronic payment that originally was given in payment of any prepetition amount authorized to be paid under this Order and is not cleared by the applicable bank or other financial institution.
5. Nothing in the Motion or this Order, nor as a result of the Debtors' payment of claims pursuant to 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.

6. The Debtors do not concede that any liens (contractual, common law, statutory, or otherwise) described in this Motion and that may be asserted by the Authorities are valid, and the Debtors expressly reserve the right to contest the extent, validity, or perfection, or seek the avoidance, of all such liens.

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. This court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied and that the relief requested herein is necessary to avoid immediate and irreparable harm.

9. 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.

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

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

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

Dated: \_\_\_\_\_, 2011

\_\_\_\_\_  
United States Bankruptcy Judge

**Exhibit C**

**List of Authorities**

**List of Taxing Authorities**

<b><u>Name of Taxing Authority</u></b>	<b><u>Taxing Authority Address</u></b>	<b><u>Jurisdiction</u></b>	<b><u>Purpose</u></b>
Alabama Department of Revenue	Business Privilege Tax Section P.O. Box 327431 Montgomery, AL 36132-7431	Alabama	Personal Property
Alabama State Board of Pharmacy	111 Village Street Hoover, AL 35242	Alabama	Wholesale Drug Application
Arizona State Board of Pharmacy	1700 W. Washington Street Suite 250 Phoenix, AZ 85007	Arizona	Wholesale Drug Application
Arkansas State Board of Pharmacy	101 E. Capitol - Suite 218 Little Rock, AR 72201	Arkansas	Wholesale Drug Application
California State Board of Pharmacy	1625 North Market Blvd Suite N219 Sacramento, Ca 95834	California	Wholesale Drug Application
Franchise Tax Board	State of California P.O. Box 942857 Sacramento, CA 94257-2021	California	Franchise/Income
Franchise Tax Board	P.O. Box 942857 Sacramento, CA 94257-0551	California	Franchise/Income
Franchise Tax Board	State of California P.O. Box 942867 Sacramento, CA 94267-0651	California	Member's Withholdings
Franchise Tax Board	P.O. Box 942857 Sacramento, CA 94257-0601	California	LLC
Colorado Division of Registrations	1560 Broadway Suite 350 Denver, CO 80202	Colorado	Wholesale Drug Application
Department of Health Board of Pharmacy	717 14Th Street, NW Suite 600 Washington, DC 20005	Connecticut	Wholesale Drug Application
Department of Revenue Services	State of Connecticut P.O. Box 25030 Hartford , CT 06102-5030	Connecticut	Sales & Use
Department of Revenue Services	State of Connecticut P.O. Box 2936 Hartford , CT 06104-2936	Connecticut	Business Entity
State of Delaware	Division of Professional Regulation Cannon Building 861 Silver Lake Blvd, Suite 203 Dover, DE 19904	Delaware	Wholesale Drug Application

<b><u>Name of Taxing Authority</u></b>	<b><u>Taxing Authority Address</u></b>	<b><u>Jurisdiction</u></b>	<b><u>Purpose</u></b>
D.C. Treasurer	441 4th Street NW Washington, DC 20001-2714	District of Columbia	Wholesale Drug Application
D.C. Treasurer	Government of D.C. Office of Tax & Revenue P.O. Box 7572 Washington, DC 20044-7572	Washington, DC	Franchise
D.C. Treasurer	Government of D.C. Office of Tax & Revenue P.O. Box 7572 Washington, DC 20044-0679	Washington, DC	Franchise Tax
Department of Health	Pharmaceutical Control – AccessRx 717 14Th Street, NW Suite 600 Washington, DC 20005	Washington, DC	Disclosure Report
Department of Health Board of Pharmacy	717 14Th Street, NW Suite 600 Washington, DC 20005	Federal	Wholesale Drug Application
Food and Drug Administration	10903 New Hampshire Ave Silver Spring, MD 20993-0002	Federal	Food and Drug Administration
Internal Revenue Service	Department of the Treasury IRS Service Center Ogden, UT 84201-0011	Federal	Partnership Income
Internal Revenue Service	Department of the Treasury IRS Service Center Ogden, UT 84201-0011	Federal	Corporate Income
Internal Revenue Service	Department of the Treasury IRS Service Center Ogden, UT 84201-0045	Federal	Corporate Income
The U.S. Department of Health and Human Services	200 Independence Avenue, S.W. Washington, DC 20201	Federal	Department of Health & Human Services
U.S. Department of Veterans Affairs	810 Vermont Avenue, NW Washington, DC 20420	Federal	Veteran's Affairs
US Treasury	Dept of the Treasury P.O. Box 409101 Ogden, UT 84409	Federal	Partnership Withholding
Florida Department of Health	4025 Bald Cypress Way Bin # B00 Tallahassee, FL 32399-1728	Florida	Wholesale Drug Application
Georgia State Board of Pharmacy	Professional Licensing Boards Division 237 Coliseum Drive Macon, GA 31217-3858	Georgia	Wholesale Drug Application

<b><u>Name of Taxing Authority</u></b>	<b><u>Taxing Authority Address</u></b>	<b><u>Jurisdiction</u></b>	<b><u>Purpose</u></b>
Idaho State Board of Pharmacy	3380 Americana Terrace, Suite 320 Boise, ID 83706	Idaho	Wholesale Drug Application
Department of Finance & Professional Regulation	320 W. Washington Springfield, IL 62786	Illinois	Wholesale Drug Application
National Association of Boards of Pharmacy	1600 Feehanville Drive Mount Prospect, IL 60056	VAWD	Wholesale Drug Application
Professional Licensing Agency	Attn: Indiana Board of Pharmacy 402 W. Washington Street Room W072 Indianapolis, IN 46204	Indiana	Wholesale Drug Application
Iowa Board of Pharmacy	400 SW Eighth Street, Suite 3 Des Moines, IA 50309-4688	Iowa	Wholesale Drug Application
Kansas Department of Revenue	Kansas Franchise Tax 915 SW Harrison Street Topeka, KS 66699-5000	Kansas	Franchise
Kansas State Board of Pharmacy	800 SW Jackson Street Suite 1414 Topeka, KS 66612	Kansas	Wholesale Drug Application
Kentucky Board of Pharmacy	State Office Building Annex Suite 300 125 Holmes Street Frankfort, KY 40601	Kentucky	Wholesale Drug Application
Kentucky Department of Revenue	Frankfort, KY 40620	Kentucky	Partnership Income
Kentucky Department of Revenue	Frankfort, KY 40620	Kentucky	Sales & Use
Louisiana Board of Wholesale Drug Distributors	12046 Justice Avenue, Suite C Baton Rouge, LA 70816	Louisiana	Wholesale Drug Application
Treasurer State of Maine	Department of Professional & Financial Regulation Office of Licensing & Registration 35 State House Station Augusta, ME 04333-0035	Maine	Wholesale Drug Application
Treasurer State of Maine	Attn: Tanith Fales 11 State House Station Augusta, ME 04333	Maine	Disclosure Report
Department of Taxation	State of Maryland Dept of Assessment & Taxation 301 West Preston St, Room 801 Baltimore, MD 21201-2395	Maryland	Personal Property-Leased Vehicles

<b><u>Name of Taxing Authority</u></b>	<b><u>Taxing Authority Address</u></b>	<b><u>Jurisdiction</u></b>	<b><u>Purpose</u></b>
Maryland Board of Pharmacy	201 West Preston Street Baltimore, MD 21201	Maryland	Wholesale Drug Application
MA Department of Public Health	Attn: Sheila Faiella Financial Manager Division of Health Care Quality 99 Chauncy St., 2 <sup>nd</sup> Floor Boston, MA 02111	Massachusetts	Disclosure Report
Michigan Department of Treasury	P.O. Box 30774 Lansing, MI 48909-8274	Michigan	Michigan Business
Michigan Department of Treasury	Lansing, MI 48930	Michigan	Sales & Use
State of Michigan	Department of Community Health Bureau of Health Professionals P.O. Box 30670 Lansing, MI 48909-8170	Michigan	Wholesale Drug Application
Minnesota Board of Pharmacy	2829 University Avenue, S.E. Suite 530 Minneapolis, MN 55414-32514	Minnesota	Wholesale Drug Application
Minnesota Department of Revenue	Minnesota Partnership Tax Mail Station 1760 St. Paul, MN 55145-1760	Minnesota	MN Partnership
Minnesota Department of Revenue	Minnesota Partnership Tax Mail Station 1765 St. Paul, MN 55145-1765	Minnesota	MN Partnership
Mississippi State Board of Pharmacy	204 Key Drive, Suite D Madison, MS 39110	Mississippi	Wholesale Drug Application
State of Missouri	Board of Pharmacy 3605 Missouri Blvd P.O. Box 625 Jefferson City, MO 65102-0625	Missouri	Wholesale Drug Application
Department of Revenue	Missouri Department of Revenue Taxation Division P.O. Box 1629 Jefferson City, MO 65105-1629	Missouri	Sales & Use
Nebraska Department of Health & Human Services	P.O. Box 95026 Lincoln, NE 68509-5026	Nebraska	Wholesale Drug Application
Nevada State Board of Pharmacy	431 W. Plumb Lane Reno, NV 89509	Nevada	Wholesale Drug Application
New Hampshire Board of Pharmacy	57 Regional Drive Concord, NH 03301-8518	New Hampshire	Wholesale Drug Application
Department of Revenue	NH DRA P.O. Box 637 Concord, NH 03302-0637	New Hampshire	Business

<b><u>Name of Taxing Authority</u></b>	<b><u>Taxing Authority Address</u></b>	<b><u>Jurisdiction</u></b>	<b><u>Purpose</u></b>
Division of Taxation	State of New Jersey Division of Taxation P.O. Box 248 Trenton, NJ 08646-0248	New Jersey	Partnership Return
NJ Division of Taxation	P.O. Box 248 Trenton, NJ 08646-0248	New Jersey	Member's Withholdings
State of New Jersey	Department of Law & Public Safety Division of Consumer Affairs 124 Halsey Street Newark, NJ 7102	New Jersey	Wholesale Drug Application
New Mexico Board of Pharmacy	5200 Oakland NE, Suite A Albuquerque, NM 87113	New Mexico	Wholesale Drug Application
New York State Education Department	89 Washington Avenue Albany, NY 12234	New York	Wholesale Drug Application
NC Department of Revenue	P.O. Box 25000 Raleigh, NC 27640-0520	North Carolina	Franchise/Income
North Carolina Department of Agriculture & Consumer Services	1001 Mail Service Center Raleigh, NC 27699-1001	North Carolina	Wholesale Drug Application
North Dakota State Board of Pharmacy	1906 East Broadway Avenue Bismarck, ND 58501	North Dakota	Wholesale Drug Application
Office of State Tax Commissioner	P.O. Box 5623 Bismarck, ND 58506-5623	North Dakota	Sales
Ohio Department of Taxation	CAT Division P.O. Box 16158 Columbus, OH 43216-6158	Ohio	Commercial Activity
Treasurer, State of Ohio	Ohio State Board of Pharmacy 77 South High Street Room 1702 Columbus, OH 43215-6126	Ohio	Wholesale Drug Application
Oklahoma State Board of Pharmacy	4545 Lincoln Boulevard, Suite 112 Oklahoma City, OK 73105-3413	Oklahoma	Wholesale Drug Application
Oregon Board of Pharmacy	800 NE Oregon St, Suite 150 Portland, OR 97232	Oregon	Wholesale Drug Application
City of Philadelphia	Department of Revenue P.O. Box 1660 Philadelphia, PA 19105-1660	Pennsylvania	Business Privilege
City of Philadelphia	Department of Revenue P.O. Box 1660 Philadelphia, PA 19105-1660	Pennsylvania	Net Profits
PA Dept. of Revenue	P.O. Box 280403 Harrisburg, PA 17128-0403	Pennsylvania	Member's Withholding



<b><u>Name of Taxing Authority</u></b>	<b><u>Taxing Authority Address</u></b>	<b><u>Jurisdiction</u></b>	<b><u>Purpose</u></b>
Pennsylvania Department of Health	Health and Welfare Building 8th Floor West 625 Forster Street Harrisburg, PA 17120	Pennsylvania	Wholesale Drug Application
Pennsylvania Department of Revenue	Bureau of Corporate Taxes Department 280425 Harrisburg, PA 17128-0425	Pennsylvania	PA Partnership Return
Pennsylvania Department of Revenue	Bureau of Corporate Taxes Department 280427 Harrisburg, PA 17128-0427	Pennsylvania	PA Partnership Return
Rhode Island General Treasurer	Department of Health 3 Capitol Hill Providence, RI 2908	Rhode Island	Wholesale Drug Application
South Carolina Department of Labor, Licensing & Regulation	P.O. Box 11329 Columbia, SC 29211	South Carolina	Wholesale Drug Application
City of Bristol, TN	P.O. Box 1348 Bristol, TN 37621-1348	Tennessee	Property
Sullivan County, TN	Frances Harrell, Trustee Sullivan County P.O. Box 550 Blountville, TN 37617	Tennessee	Property
Tennessee Department of Health	Health Related Boards Tennessee Board of Pharmacy 227 French Landing, Suite 300 Nashville, TN 37243	Tennessee	Wholesale Drug Application
Tennessee Department of Revenue	Andrew Jackson State Office Bldg 500 Deaderick Street Nashville, TN 37242	Tennessee	Franchise/Excise
Tennessee Department of Revenue	Andrew Jackson State Office Bldg 500 Deaderick Street Nashville, TN 37242	Tennessee	Business License Sullivan County, TN
Tennessee Department of Revenue	Andrew Jackson State Office Bldg 500 Deaderick Street Nashville, TN 37242	Tennessee	Business License City of Bristol, TN
Comptroller of Public Accounts	P.O. Box 149348 Austin, TX 78714-9348	Texas	Franchise
Comptroller of Public Accounts	P.O. Box 149348 Austin, TX 78714-9348	Texas	Public Information Report
Texas Department of State Health Services	P.O. Box 149347 Austin, TX 78714-9347	Texas	Wholesale Drug Application

<b><u>Name of Taxing Authority</u></b>	<b><u>Taxing Authority Address</u></b>	<b><u>Jurisdiction</u></b>	<b><u>Purpose</u></b>
State of Vermont	Attn: Public Protection Division Office of the Attorney General 109 State St. Montpelier, VT 05609-1009	Vermont	Disclosure Report
Vermont Secretary of State	Board of Pharmacy National Life Building North FL2 Montpelier, VT 05620-3402	Vermont	Wholesale Drug Application
Treasurer of Virginia	Virginia Department of Health Professionals Perimeter Center 9960 Mayland Drive, Suite 300 Henrico, VA 23233-1463	Virginia	Wholesale Drug Application
Department of Revenue	State of Washington Dept of Revenue P.O. Box 34051 Seattle, WA 98124-1051	Washington	Business and Occupation
Washington Department of Health	101 Israel Road SE P.O. Box 47890 Tumwater, WA 98501	Washington	Wholesale Drug Application
West Virginia Board of Pharmacy	232 Capitol Street Charleston, WV 25301	West Virginia	Wholesale Drug Application
West Virginia State Tax Department	Internal Audit Division P.O. Box 11751 Charleston, WV 25339-1751	West Virginia	Income/Business Franchise
West Virginia State Tax Department	Tax Account Administration Division P.O. Box 1202 Charleston, WV 25324-1202	West Virginia	Income/Business Franchise
Wisconsin Department of Revenue	P.O. Box 8908 Madison, WI 53708-8908	Wisconsin	Partnership Recycling Surcharge
Wisconsin Department of Revenue	P.O. Box 930208 Milwaukee, WI 53293-0208	Wisconsin	Partnership Recycling Surcharge
Wyoming State Board of Pharmacy	Mary K. Walker, Executive Director 1712 Carey Avenue, Suite 200 Cheyenne, WY 82002	Wyoming	Wholesale Drug Application