

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

GRACEWAY PHARMACEUTICALS, LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 11-13036 (PJW)

(Jointly Administered)

Related Docket Number: 1106

**ORDER PERMITTING DISTRIBUTIONS UNDER
THE PLAN AND LIQUIDATING TRUST**

Upon consideration of the Liquidating Trustee's motion (the "**Motion**") for an order permitting the distributions required by the *First Amended Joint Plan of Liquidation of Graceway Pharmaceuticals, LLC, et al.* [D.I. 551] (the "**Plan**"); it appearing that the relief requested in the Motion is in the best interest of the Debtors' estates, their creditors and Beneficiaries² and other parties in interest; the Court having jurisdiction to consider the Motion pursuant to 11 U.S.C. §§ 157 and 1334; and finding that adequate notice of the Motion and hearing to consider such Motion having been given; and upon consideration of the limited objections to the Motion and the proposed reserve to protect the objecting party's interests; and after due deliberation and sufficient good cause appearing therefor, it is hereby:

1. ORDERED that the Motion is GRANTED, as provided herein.
2. The minimum amount of the First Lien Facility Agent's First Lien Facility Claims shall be fixed in the amount of \$22,021,932.01 as of October 31, 2015.

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). On October 4, 2011, Graceway Canada Company ("**Graceway Canada**") filed an application in the Ontario Superior Court of Justice (Commercial List) pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C. 43.

² All capitalized terms used, but not otherwise defined, herein shall have the meaning given in the Motion.

3. After payment of Connecticut General Life Insurance Company's administrative priority claim in the amount of \$63,537.91, and after payment or provision for payment of all other Allowed Administrative Expense Claims in full, the Liquidating Trustee is authorized to make the Proposed Distribution to the following Beneficiaries, classified under the Plan, in the amounts identified in chart below:

Class:	Amount to Be Distributed:
Class 2 (First Lien Facility Claims)	\$17,243,132.88
Class 3 (Second Lien Facility Claims)	\$0.00
Class 4 (Other Secured Claims)	\$0.00
Class 5 (General Unsecured Claims)	\$8,746,138.43 (<i>pro-rata</i>)

4. The Liquidating Trustee is authorized to reserve \$400,000.00 for anticipated future expenses of the Liquidating Trust.

5. This Order shall not be construed to be an adjudication, allowance, disallowance, or determination of the secured or unsecured status of the claim asserted by Ropes & Gray LLP in Claim No. 168 (the "**R&G Claim**"). The Liquidating Trustee shall, pending resolution of the R&G Claim in accordance with the Plan and applicable law, reserve cash in an amount equal to (i) \$431,627.66, plus (ii) an amount sufficient to pay interest on the R&G Claim at the maximum rate allowed by law, to the extent the R&G Claim is allowed pursuant to 11 U.S.C. §506(a).

6. Following the making of the distributions set forth in this Order, the First Lien Facility Agent will continue to hold a First Lien Facility Claim in the amount of at least \$4,778,799.94. Nothing in this Order shall prevent the First Lien Facility Agent from asserting that it holds a First Lien Facility Claim in excess of such amount.

7. The First Lien Facility Agent is authorized to release to the First Lien Facility Lenders (as defined in the Plan) any funds received in respect of the First Lien Facility Claim

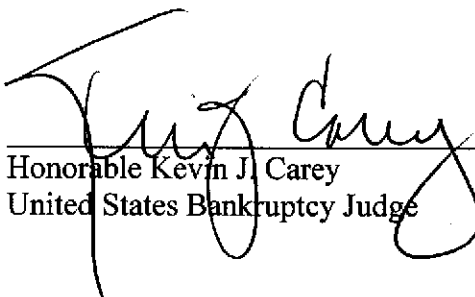
that it may have been required by previous order of this Court to hold for refund to the Debtors or to any creditors of the Debtors.

8. The Liquidating Trustee is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

9. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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

Dated: Dec 16, 2015
Wilmington, Delaware



Honorable Kevin J. Carey
United States Bankruptcy Judge