

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

**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, "operating income" 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 Pharma Holding Corp.,
Debtor

Case No. 11-13037 (PJW)

Chapter 11

SUMMARY OF SCHEDULES

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors also must complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	ASSETS	LIABILITIES	OTHER
A - Real Property		1	\$ 0.00		
B - Personal Property		5	\$ 0.00 + UNDETERMINED AMOUNTS		
C - Property Claimed as Exempt					
D - Creditors Holding Secured Claims		1		\$ 0.00	
E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E)		5		\$ 0.00 + UNDETERMINED AMOUNTS	
F - Creditors Holding Unsecured Nonpriority Claims		1		\$ 0.00	
G - Executory Contracts and Unexpired Leases		1			
H - Codebtors		1			
I - Current Income of Individual Debtor(s)	No				\$ N/A
J - Current Expenditures of Individual Debtors(s)	No				\$ N/A
TOTAL		15	\$ 0.00 + UNDETERMINED AMOUNTS	\$ 0.00 + UNDETERMINED AMOUNTS	

In re Graceway Pharma Holding Corp.,
 Debtor

Case No. 11-13037 (PJW)
 (If known)

SCHEDULE A – REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a co-tenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor’s own benefit. If the debtor is married, state whether the husband, wife, both, or the marital community own the property by placing an “H,” “W,” “J,” or “C” in the column labeled “Husband, Wife, Joint, or Community.” If the debtor holds no interest in real property, write “None” under “Description and Location of Property.”

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write “None” in the column labeled “Amount of Secured Claim.”

If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

DESCRIPTION AND LOCATION OF PROPERTY	NATURE OF DEBTOR'S INTEREST IN PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION	AMOUNT OF SECURED CLAIM
NONE				
Total ▶			\$ 0.00	

(Report also on Summary of Schedules.)

In re Graceway Pharma Holding Corp.,
 Debtor

Case No. 11-13037 (PJW)
 (If known)

SCHEDULE B – PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether the husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." If the property is being held for a minor child, simply 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).

TYPE OF PROPERTY	N O N E	DESCRIPTION AND LOCATION OF PROPERTY	H U S B A N D, W I F E, J O I N T, O R C O M M U N I T Y	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITH- OUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
1. Cash on hand.	X			
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.	X			
3. Security deposits with public utilities, telephone companies, landlords, and others.	X			
4. Household goods and furnishings, including audio, video, and computer equipment.	X			
5. Books; pictures and other art objects; antiques; stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.	X			
7. Furs and jewelry.	X			
8. Firearms and sports, photographic, and other hobby equipment.	X			
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.		SEE ATTACHED SCHEDULE B.9 RIDER		UNDETERMINED
10. Annuities. Itemize and name each issuer.	X			

In re Graceway Pharma Holding Corp.,
Debtor

Case No. 11-13037 (PJW)
(If known)

SCHEDULE B – PERSONAL PROPERTY
(Continuation Sheet)

TYPE OF PROPERTY	N O N E	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITH- OUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c).)	X			
12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.	X			
13. Stock and interests in incorporated and unincorporated businesses. Itemize.		100% EQUITY OWNERSHIP IN GRACEWAY HOLDINGS, LLC		UNDETERMINED
14. Interests in partnerships or joint ventures. Itemize.	X			
15. Government and corporate bonds and other negotiable and nonnegotiable instruments.	X			
16. Accounts receivable.	X			
17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	X			
18. Other liquidated debts owed to debtor including tax refunds. Give particulars.	X			
19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.	X			
20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	X			

In re Graceway Pharma Holding Corp.,
 Debtor

Case No. 11-13037 (PJW)
 (If known)

SCHEDULE B – PERSONAL PROPERTY
 (Continuation Sheet)

TYPE OF PROPERTY	N O N E	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITH- OUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	X			
22. Patents, copyrights, and other intellectual property. Give particulars.	X			
23. Licenses, franchises, and other general intangibles. Give particulars.	X			
24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	X			
25. Automobiles, trucks, trailers, and other vehicles and accessories.	X			
26. Boats, motors, and accessories.	X			
27. Aircraft and accessories.	X			
28. Office equipment, furnishings, and supplies.	X			
29. Machinery, fixtures, equipment, and supplies used in business.	X			
30. Inventory.	X			
31. Animals.	X			
32. Crops - growing or harvested. Give particulars.	X			
33. Farming equipment and implements.	X			
34. Farm supplies, chemicals, and feed.	X			

In re Graceway Pharma Holding Corp.,
 Debtor

Case No. 11-13037 (PJW)
 (If known)

SCHEDULE B – PERSONAL PROPERTY
 (Continuation Sheet)

TYPE OF PROPERTY	N O N E	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITH- OUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
35. Other personal property of any kind not already listed. Itemize.	X			
3 continuation sheets attached Total ►				\$ 0.00 + UNDETERMINED AMOUNTS

(Include amounts from any continuation
 sheets attached. Report total also on
 Summary of Schedules.)

SCHEDULE B - PERSONAL PROPERTY
 RIDER B.9 - INTERESTS IN INSURANCE POLICIES

INSURANCE COMPANY	TYPE OF POLICY	POLICY NUMBER	SURRENDER OR REFUND VALUE
ACE AMERICAN	EXCESS D&O	DOXG24576644-002	UNDETERMINED
COLUMBIA CASUALTY (CNA)	EXCESS PRODUCTS LIABILITY	ADE2088049084-4	UNDETERMINED
CONTINENTAL INSURANCE CO. (CNA)	OCEAN CARGO	OC7300011	UNDETERMINED
FEDERAL INSURANCE COMPANY (CHUBB)	FIDUCIARY, CRIME, K&R	8207-8184	UNDETERMINED
HARTFORD CASUALTY INSURANCE COMPANY	UMBRELLA	20 RHU TA9564	UNDETERMINED
HARTFORD FIRE INSURANCE COMPANY	PACKAGE - GL/PROPERTY	20 UUN TA9885	UNDETERMINED
HARTFORD FIRE INSURANCE COMPANY	AUTOMOBILE LIABILITY	20 UEN I16177	UNDETERMINED
HARTFORD FIRE INSURANCE COMPANY	AUTOMOBILE LIABILITY	20 MCP IY3911	UNDETERMINED
ILLINOIS UNION (ACE)	EXCESS PRODUCTS LIABILITY	G21818690-002	UNDETERMINED
IRONSHORE SPECIALTY	EXCESS PRODUCTS LIABILITY	000170601	UNDETERMINED
THE HARTFORD	WORKERS' COMPENSATION (ALL STATES EXCEPT MONOPOLISTIC STATES)	20 WE RT7552	UNDETERMINED
NATIONAL UNION FIRE INSURANCE OF PITTSBURGH (CHARTIS)	D&O/EPL	01-686-03-49	UNDETERMINED
SELF-INSURED RETENTION	PRODUCTS LIABILITY (500K SIR)	N/A	UNDETERMINED

TOTAL

UNDETERMINED

In re Graceway Pharma Holding Corp.,
Debtor

Case No. 11-13037 (PJW)
(if known)

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is the creditor, 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). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H – Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim Without Deducting Value of Collateral" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion, if Any" on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE AND AN ACCOUNT NUMBER <i>(See instructions above.)</i>	CODEBTOR	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO.								
			VALUE \$					
ACCOUNT NO.								
			VALUE \$					
ACCOUNT NO.								
			VALUE \$					
<u>0</u> continuation sheets attached Subtotal ▶ (Total of this page) Total ▶ (Use only on last page)							\$ 0.00	\$0.00
							\$ 0.00	\$0.00

(Report also on Summary of Schedules.) (If applicable, report also on Statistical Summary of Certain Liabilities and Related Data.)

In re Graceway Pharma Holding Corp.,
DebtorCase No. 11-13037 (PJW)
(if known)**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, 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).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

TYPES OF PRIORITY CLAIMS (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)

Domestic Support Obligations

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

Extensions of credit in an involuntary case

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

Wages, salaries, and commissions

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$11,725* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

Contributions to employee benefit plans

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

In re Graceway Pharma Holding Corp.,
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(if known)

Certain farmers and fishermen

Claims of certain farmers and fishermen, up to \$5,775* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

Deposits by individuals

Claims of individuals up to \$2,600* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

Taxes and Certain Other Debts Owed to Governmental Units

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

Commitments to Maintain the Capital of an Insured Depository Institution

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507 (a)(9).

Claims for Death or Personal Injury While Debtor Was Intoxicated

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

* Amounts are subject to adjustment on April 1, 2010, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

In re Graceway Pharma Holding Corp.,
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Case No. 11-13037 (PJW)
(if known)

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS
(Continuation Sheet)

Type of Priority for Claims Listed on This Sheet

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER <i>(See instructions above.)</i>	CODEBTER	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	Type of Priority for Claims Listed on This Sheet			AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY	AMOUNT NOT ENTITLED TO PRIORITY, IF ANY
				CONTINGENT	UNLIQUIDATED	DISPUTED			
Account No. COMPTRROLLER OF PUBLIC ACCOUNTS P.O. BOX 149348 AUSTIN, TX 78714-9348			CONTINGENT TAX CLAIM	X	X		UNDETERMINED	UNDETERMINED	UNDETERMINED
Account No. D.C. TREASURER GOVERNMENT OF D.C. OFFICE OF TAX & REVENUE P.O. BOX 7572 WASHINGTON, DC 20044-7572			CONTINGENT TAX CLAIM	X	X		UNDETERMINED	UNDETERMINED	UNDETERMINED
Account No. FRANCHISE TAX BOARD P.O. BOX 942857 SACRAMENTO, CA 94257-0601			CONTINGENT TAX CLAIM	X	X		UNDETERMINED	UNDETERMINED	UNDETERMINED
Account No. INTERNAL REVENUE SERVICE DEPARTMENT OF THE TREASURY IRS SERVICE CENTER OGDEN, UT 84201-0045			CONTINGENT TAX CLAIM	X	X		UNDETERMINED	UNDETERMINED	UNDETERMINED
Sheet no. <u>1</u> of <u>3</u> continuation sheets attached to Schedule of Creditors Holding Priority Claims							\$ 0.00	\$ 0.00	\$ 0.00
Subtotals ▶ (Totals of this page)									
Total ▶ (Use only on last page of the completed Schedule E. Report also on the Summary of Schedules.)							\$		
Totals ▶ (Use only on last page of the completed Schedule E. If applicable, report also on the Statistical Summary of Certain Liabilities and Related Data.)								\$	\$

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS
 (Continuation Sheet)

Type of Priority for Claims Listed on This Sheet

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER <i>(See instructions above.)</i>	CODEBTER	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	Type of Priority for Claims Listed on This Sheet			AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY	AMOUNT NOT ENTITLED TO PRIORITY, IF ANY
				CONTINGENT	UNLIQUIDATED	DISPUTED			
Account No. KENTUCKY DEPARTMENT OF REVENUE FRANKFORT, KY 40620			CONTINGENT TAX CLAIM	X	X		UNDETERMINED	UNDETERMINED	UNDETERMINED
Account No. MICHIGAN DEPARTMENT OF TREASURY P.O. BOX 30774 LANSING, MI 48909-8274			CONTINGENT TAX CLAIM	X	X		UNDETERMINED	UNDETERMINED	UNDETERMINED
Account No. MINNESOTA DEPARTMENT OF REVENUE MINNESOTA PARTNERSHIP TAX MAIL STATION 1760 ST. PAUL, MN 55145-1760			CONTINGENT TAX CLAIM	X	X		UNDETERMINED	UNDETERMINED	UNDETERMINED
Account No. NC DEPARTMENT OF REVENUE P.O. BOX 25000 RALEIGH, NC 27640-0520			CONTINGENT TAX CLAIM	X	X		UNDETERMINED	UNDETERMINED	UNDETERMINED
Sheet no. <u>2</u> of <u>3</u> continuation sheets attached to Schedule of Creditors Holding Priority Claims							\$ 0.00	\$ 0.00	\$ 0.00
Subtotals ▶ (Totals of this page)									
Total ▶ (Use only on last page of the completed Schedule E. Report also on the Summary of Schedules.)							\$		
Totals ▶ (Use only on last page of the completed Schedule E. If applicable, report also on the Statistical Summary of Certain Liabilities and Related Data.)							\$	\$	\$

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet)

Type of Priority for Claims Listed on This Sheet

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER <i>(See instructions above.)</i>	CODEBTER	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY	AMOUNT NOT ENTITLED TO PRIORITY, IF ANY
Account No. PENNSYLVANIA DEPARTMENT OF REVENUE BUREAU OF CORPORATE TAXES DEPARTMENT 280427 HARRISBURG, PA 17128-0427			CONTINGENT TAX CLAIM	X	X		UNDETERMINED	UNDETERMINED	UNDETERMINED
Account No. TENNESSEE DEPARTMENT OF REVENUE ANDREW JACKSON STATE OFFICE BLDG 500 DEADERICK STREET NASHVILLE, TN 37242			CONTINGENT TAX CLAIM	X	X		UNDETERMINED	UNDETERMINED	UNDETERMINED
Account No. WEST VIRGINIA STATE TAX DEPARTMENT INTERNAL AUDIT DIVISION P.O. BOX 11751 CHARLESTON, WV 25339-1751			CONTINGENT TAX CLAIM	X	X		UNDETERMINED	UNDETERMINED	UNDETERMINED
Account No. WISCONSIN DEPARTMENT OF REVENUE P.O. BOX 8908 MADISON, WI 53708-8908			CONTINGENT TAX CLAIM	X	X		UNDETERMINED	UNDETERMINED	UNDETERMINED
Sheet no. <u>3</u> of <u>3</u> continuation sheets attached to Schedule of Creditors Holding Priority Claims							\$ 0.00	\$ 0.00	\$ 0.00
Subtotals ▶ (Totals of this page)									
Total ▶ (Use only on last page of the completed Schedule E. Report also on the Summary of Schedules.)							\$ 0.00 + UNDETERMINED AMOUNTS		
Totals ▶ (Use only on last page of the completed Schedule E. If applicable, report also on the Statistical Summary of Certain Liabilities and Related Data.)								\$ 0.00 + UNDETERMINED AMOUNTS	\$ 0.00 + UNDETERMINED AMOUNTS

In re Graceway Pharma Holding Corp.,
Debtor

Case No. 11-13037 (PJW)
(if known)

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, 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). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER <i>(See instructions above.)</i>	CODEBTOR	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
ACCOUNT NO.							
ACCOUNT NO.							
ACCOUNT NO.							
ACCOUNT NO.							
Subtotal ▶							\$ 0.00
Total ▶							\$ 0.00

0 continuation sheets attached

(Use only on last page of the completed Schedule F.)
(Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data.)

In re Graceway Pharma Holding Corp.,
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Case No. 11-13037 (PJW)
(if known)

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser," "Agent," etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, 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).

Check this box if debtor has no executory contracts or unexpired leases.

NAME AND MAILING ADDRESS, INCLUDING ZIP CODE, OF OTHER PARTIES TO LEASE OR CONTRACT.	DESCRIPTION OF CONTRACT OR LEASE AND NATURE OF DEBTOR'S INTEREST. STATE WHETHER LEASE IS FOR NONRESIDENTIAL REAL PROPERTY. STATE CONTRACT NUMBER OF ANY GOVERNMENT CONTRACT.
PRICEWATERHOUSECOOPERS, LLP 800 GREEN VALLEY ROAD SUITE 500 GREENSBORO, NC 27408	SERVICES AGREEMENT

In re Graceway Pharma Holding Corp.,
Debtor

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(if known)

SCHEDULE H - CODEBTORS

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by the debtor in the schedules of creditors. Include all guarantors and co-signers. 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 the eight year period 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, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, 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; Fed. Bankr. P. 1007(m).

Check this box if debtor has no codebtors.

NAME AND ADDRESS OF CODEBTOR	NAME AND ADDRESS OF CREDITOR

In re : Graceway Pharma Holding Corp.

Case No. 11-13037 (PJW)

DECLARATION CONCERNING DEBTOR'S SCHEDULES

DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR

I declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of _____ sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date _____

Signature: _____
Debtor

Date _____

Signature: _____
(Joint Debtor, if any)

[If joint case, both spouses must sign.]

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

X _____
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 appropriate 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. 11 U.S.C. § 110; 18 U.S.C. § 156.

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF A CORPORATION OR PARTNERSHIP

I, the Chief Financial Officer [the president or other officer or an authorized agent of the corporation or a member or an authorized agent of the partnership] of the Corporation [corporation or partnership] named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of _____ sheets (Total shown on summary page plus 1), and that they are true and correct to the best of my knowledge, information, and belief.

Date 10/31/11

Signature : Brian G. Shrader

Brian G. Shrader - Chief Financial Officer
[Print or type name of individual signing on behalf of debtor.]

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

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