

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

In re: )  
 ) Chapter 11  
**Graceway Pharmaceuticals, LLC, et al.**<sup>1</sup> ) Case No. 11-13036 (PJW)  
 ) (Jointly Administered)  
Debtors. )

**SUPPLEMENTAL AFFIDAVIT OF SAMUEL STAR IN SUPPORT OF THE  
APPLICATION FOR AN ORDER AUTHORIZING EMPLOYMENT AND  
RETENTION OF FTI CONSULTING, INC. AS  
FINANCIAL ADVISOR FOR THE OFFICIAL COMMITTEE  
OF UNSECURED CREDITORS**

STATE OF NEW YORK )  
 ) ss.  
COUNTY OF NEW YORK )

I, Samuel Star, being duly sworn, hereby depose and say:

1. I am a Senior Managing Director with FTI Consulting, Inc., together with its wholly owned subsidiaries, agents, independent contractors and employees (“FTI”), an international consulting and financial advisory services firm with numerous offices throughout the world. On October 27, 2011, the Committee filed an application to retain FTI as its financial advisor (Docket No 164) in connection with the above captioned debtors (the “Debtors”) and chapter 11 cases (the “Cases”) (the “Application”). I submit this Affidavit on behalf of FTI (the “Supplemental Affidavit”) to supplement my prior affidavit sworn to and filed on October 27, 2011 (Docket No 164) that was submitted in connection with the Application (the “Original Affidavit”)<sup>2</sup>. Except as otherwise noted<sup>3</sup>, I have personal knowledge of the matters set forth herein.

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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 disclosures contained herein and in my prior affidavit cover FTI Consulting Inc., together with its wholly owned subsidiaries and employees. To the extent any agents or independent contractors are utilized for this matter, separate declarations consistent with Section 1103(b) of the Bankruptcy Code will be filed.

<sup>3</sup> Certain of the disclosures herein relate to matters within the personal knowledge of other professionals at FTI and are based on information provided by them.

2. In connection with the preparation of the Original Affidavit, FTI conducted a review of entities which were identified to FTI as being involved in these Cases as “Debtors and Affiliated Entities,” “Debtors’ Attorneys,” “Debtors’ Financial Advisors,” “Debtors’ Board of Directors and Corporate Officers,” “Debtors’ Major Shareholders,” “Significant Trade Creditors” “Official Creditors’ Committee Members,” “Official Creditors’ Committee Attorneys,” “Official Creditors’ Committee Member’s Attorneys,” “Parties to Major Litigation,” “Attorneys for Administrative Agents,” the agent for the first lien lenders, Bank of America and the agent for the second lien lenders, Deutsche Bank.

3. FTI has completed its review of the entities made reasonably known to FTI not covered in the Original Affidavit. A listing of the additional parties reviewed is reflected on Exhibit A to this Supplemental Affidavit. FTI’s review, completed under my supervision, consisted of a query of the Exhibit A parties within an internal computer database containing names of individuals and entities that are present or recent former clients of FTI. A summary of such relationships that FTI identified during this process is set forth on Exhibit B to this Affidavit.

4. As noted in the Original Affidavit, FTI has been retained by Nycomed, a defendant in a patent infringement lawsuit being prosecuted by the Debtors, for the purposes of performing a damages assessment (the “FTI Nycomed Engagement”). Accordingly, the ethical wall procedures described in the Original Affidavit have been implemented for the professionals working on the FTI Nycomed Engagement and the professionals working on behalf of the Committee ( the” FTI Committee Engagement”). The professionals involved in the FTI Nycomed Engagement are members of FTI’s Forensic and Litigation Consulting segment while the professionals involved in the FTI Committee Engagement are members of FTI’s Corporate Finance/Restructuring segment with each team housed on separate floors. Furthermore, no professionals have worked, or will work, on both engagements. Furthermore, the FTI Committee Engagement will not involve valuing either the patent lawsuit or the patent itself. FTI understands that should the Committee desire such services, an independent advisory firm will be retained.

5. Based on the results of its review, except as otherwise discussed herein, FTI does not have a relationship with any of the parties on Exhibit A in matters related to the Debtors or these Cases. FTI has provided and could reasonably expect to continue to provide services unrelated to the Debtors and their Cases for the various entities shown on Exhibit B. FTI’s

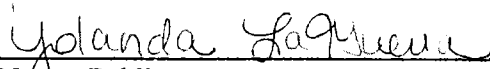
assistance to these parties has been related to providing various financial restructuring, litigation/technology support, strategic communications and economic consulting services. .

6. Insofar as I have been able to ascertain and subject to the disclosures herein and in my prior affidavit, FTI does not represent any interests adverse to the Official Committee of Unsecured Creditors and, to the best of my knowledge, remains a "disinterested person" as that term is defined in Section 101(14) of the Bankruptcy Code, and does not represent any other entity having an adverse interest in these Cases.

Dated this 7<sup>th</sup> day of November 2011.

  
\_\_\_\_\_  
Samuel Star

SUBSCRIBED AND SWORN TO BEFORE ME this 7<sup>th</sup> day of November 2011.

  
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Yolanda LaRue  
Notary Public

My Commission Expire

YOLANDA LARUE  
Notary Public State of New York  
Exp. 11/11/12  
Com. No. 11111111111111111111  
Date of Birth: 11/11/11 2011