

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

In re: : Chapter 11  
: :  
GRACEWAY PHARMACEUTICALS, : Case No. 11-13036 (PJW)  
LLC. : :  
: : Jointly Administered  
Debtors. : :  
: : Hearing: November 22, 2011 at 11:00 a.m.

**THE OHIO DEPARTMENT OF JOB AND FAMILY SERVICES', LIMITED  
OBJECTION TO SECOND AMENDED NOTICE OF (I) CURE AMOUNT WITH  
RESPECT TO EXECUTORY CONTRACTS TO BE ASSUMED AND ASSIGNED  
AND (II) POTENTIAL ASSUMPTION AND ASSIGNMENT OF EXECUTORY  
CONTRACTS**

The Ohio Department of Jobs and Family Services (“ODJFS”) hereby objects to Second Amended Notice of (I) Cure Amount with Respect to Executory Contracts to be Assumed and Assigned and (II) Potential Assumption and Assignment of Executory Contracts (“Notice”). In the Notice, the Debtors/Debtors-in-Possession (“Debtors”) appear to indicate that they wish to assume a master Rebate Agreement with the Secretary of Health and Human Services (“HHS”) identified as item 474 (left hand column) on Schedule 1, Contract ID No. 271 (the “Agreement”). The Agreement governs rebates for drugs purchased through the Medicaid program in accordance with federal law. See 42 U.S.C. 1396r-8(a)(1). The Agreement requires the Debtors to pay rebates and other sums directly to the states. See 42 U.S.C. 1396r-8(b).

ODJFS administers the Medicaid drug program in Ohio. As of the date of this Limited Objection, Debtors have underpaid rebates owed to ODJFS pursuant to the Agreement in the amount of \$10,791.17. ODJFS is unable to determine whether this amount is included in the amount listed in the fifth column entitled “Cure Amount.” Therefore, ODJFS files this limited objection to request that \$10,791.17 plus all interest

that will have accrued at the time of payment, be paid to ODJFS as a cure payment, to the extent Debtors intend to assume the Agreement.

WHEREFORE, ODJFS respectfully requests that if the Debtors assume the executory contract identified as Contract ID No. 271, or such other contract that governs the payments described above between the Debtors and HHS which affects ODJFS, that the cure amount be increased to \$10,791.17 plus interest.

November 10, 2011

Respectfully Submitted,  
MICHAEL DeWINE  
Attorney General of Ohio

/s/ Donn D. Rosenblum  
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Family Services

Certificate of Service

I hereby certify that on November 10, 2011, copies of the foregoing *Limited Objection to Notice of Cure Amounts* were served via ECF email upon all persons who receive notices and filings through the Court's ECF system and email as indicated below:

**Electronic Mail in Addition to ECF Notice List**

- bellamy@gracewaypharma.com
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/s/ Donn D. Rosenblum  
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