

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

In re:	Chapter 11
GRACEWAY PHARMACEUTICALS, LLC, <i>et al.</i> ,	Case No. 11-13036 (PJW)
Debtors.	Jointly Administered
	Sale Hearing: November 22, 2011 at 11:00 a.m. Objection Deadline: November 11, 2011 at 4:00 p.m. Re: Docket No. 148

**OBJECTION OF PRIME THERAPEUTICS LLC TO
THE DEBTORS' AMENDED PROPOSED CURE AMOUNTS**

Prime Therapeutics LLC (“Prime”) objects to the cure amounts included in Exhibit 1 to the Amended Notice of (I) Cure Amounts with Respect to Executory Contracts to be Assumed and Assigned and (II) Potential Assumption and Assignment of Executory Contracts, dated October 21, 2011 (Docket No. 148) (the “Amended Notice”), filed by the above-captioned Debtors (the “Debtors”), which lists proposed cure amounts for two executory contracts between Prime and the Debtors. In support of its objection, Prime respectfully states:

1. On September 29, 2011 (the “Petition Date”), the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.
2. Prior to the Petition Date, Prime entered into two contractual agreements with Graceway Pharmaceuticals, LLC: (i) a Rebate and Administrative Fee Agreement (and subsequent, related amendments) (the “Commercial Contract”); and (ii) a Medicare Part D Rebate and Administrative Fee Agreement (and a subsequent, related amendment) (the “Part D Contract”) (collectively, the “Prime Contracts”).
3. On October 21, 2011, the Debtors filed the Amended Notice.

4. In the event that the Debtors assume and assign the Prime Contracts, Prime is entitled to have all amounts due under such contracts paid to it pursuant to 11 U.S.C. § 365(b)(1).

5. The cure amounts proposed by the Debtors in their Amended Notice are inaccurate as to the Prime Contracts.

6. Since filing their Amended Notice, the Debtors have filed a Second Amended Notice of (I) Cure Amounts with Respect to Executory Contracts to be Assumed and Assigned and (II) Potential Assumption and Assignment of Executory Contracts, dated October 21, 2011 (Docket No. 231) (the "Second Amended Notice").

7. In their Second Amended Notice, the Debtors amended their proposed cure amount for Prime's Commercial Contract, but the Debtors did not amend their proposed cure amount for Prime's Part D Contract.

8. Accordingly, this Objection relates only to the Debtors' proposed cure amount for Prime's Part D Contract. Prime's Objection to the Debtors' proposed cure amount for Prime's Commercial Contract will be addressed in a separate filing.

9. As set forth in the following chart, the Debtors' Amended Notice understates the amount due to Prime under the Part D Contract (the amounts listed arise from both pre- and post-petition obligations of Graceway Pharmaceuticals, LLC under the Part D Contract).

Proposed Cure Amount	Additional Pre-Petition Amount Due	Additional Post-Petition Amount Due	Total Current Amount Due
\$0	\$6,694.24	\$4,303.65	\$10,997.89

10. The current amounts due are supported by the summary attached as Exhibit A to this Objection.

WHEREFORE, Prime respectfully objects to the Amended Cure Amounts as they pertain to the Prime Contracts and Prime respectfully asks this Court to enter an Order reflecting an accurate cure amount currently due as set forth immediately above.

Dated: November 14, 2011
Wilmington, Delaware

SMITH, KATZENSTEIN & JENKINS LLP

/s/ Michael P. Migliore

Michael P. Migliore (ID No. 4331)
Smith, Katzenstein & Jenkins LLP
The Corporate Plaza
800 Delaware Avenue
Suite 1000, P.O. Box 410
Wilmington, DE 19899
Tel. 302-652-8400 x216

-and-

Edwin H. Caldie, Esq.
LEONARD, STREET AND DEINARD
A Professional Association
150 South Fifth Street, Suite 2300
Minneapolis, Minnesota 55402
Tel: (612) 335-1500
Fax: (612) 335-1657

Attorneys for Prime Therapeutics LLC