

EXHIBIT A

**GRACEWAY PHARMACEUTICALS, LLC, et al., CASE NO. 11-13036
COPY OF THE RETENTION ORDER AUTHORIZING
EMPLOYMENT OF THE APPLICANT**

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

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

RE: Docket No. 164

**ORDER AUTHORIZING RETENTION OF
FTI CONSULTING, INC. AS FINANCIAL ADVISOR
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Upon the application (the "Application")² of the Official Committee of Unsecured Creditors (the "Committee") of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for an order pursuant to section 1103 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), authorizing them to retain FTI Consulting, Inc., together with its wholly owned subsidiaries and employees, and those agents and independent contractors who hereinafter file appropriate declarations consistent with section 1103(b) of the Bankruptcy Code (collectively, "FTI"), as financial advisor; and upon the Affidavits of Samuel Star in support of the Application; and due and adequate notice of the Application having been given; and it appearing that no other notice need be given; and it appearing that FTI is not representing any adverse interests in connection with this case; and it appearing that the relief requested in the Application is in the best interest of the Committee; after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED that the Application be, and it hereby is, granted, as set forth herein; and it is

¹The 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)

²Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Application.

further

ORDERED that the capitalized terms not defined herein shall have the meanings ascribed to them in the Application; and it is further

ORDERED that in accordance with sections 328(a) and 1103 of the Bankruptcy Code, Bankruptcy Rule 2014 and Rule 2014-1 of the Local Rules, the Committee is authorized to employ and retain FTI as of October 13, 2011 as their financial advisor on the terms set forth in the Application and as set forth in the affidavits of Samuel Star dated October 27, 2011 and November ~~7~~⁹ 2011; and it is further

ORDERED that FTI shall be compensated and reimbursed for actual and necessary expenses upon the filing and approval of interim and final applications in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules and Local Rules of this Court, as may then be applicable, from time to time, and such applicable orders entered by this Court in respect of compensation of professionals.

ORDERED that FTI is entitled to reimbursement of actual and necessary expenses, including any reasonable legal fees incurred for FTI's defense of its retention and fee applications in this matter, subject to Court approval, provided that FTI shall attach to its fee applications those invoices of its counsel for which it seeks to be reimbursed, which invoices shall include the information required by the Bankruptcy Code and such Bankruptcy Rules and Local Rules of this Court, as may then be applicable from time to time, and such applicable orders entered by this Court in respect of compensation of professionals.

ORDERED that the following indemnification provisions are hereby approved:

a. subject to the provisions of subparagraphs (b) and (c) below, the Debtors are authorized to indemnify and hold harmless, and shall indemnify and hold harmless, FTI for any claims, liabilities, costs or expenses (including the reasonable fees and expenses

of its attorneys) arising from, related to, or in connection with any of the Debtors having furnished to FTI any false, inaccurate or misleading documents, reports, information (financial or otherwise), records, projections, books of record or financial statements, in each case, that FTI in turn distributes to or shares with the Committee or upon which FTI relied in providing advice to the Committee in connection with these Chapter 11 cases; and in furtherance of the foregoing the Debtors shall promptly pay reasonable expenses (including the reasonable fees and expenses of its attorneys) incurred by FTI in defending, participating in, or settling any action, proceeding or investigation in which FTI is a party or is threatened to be made a party or otherwise is participating in by reason of the engagement authorized herein, upon submission of invoices therefore, whether in advance of the final disposition of such action, proceeding, or investigation or otherwise, provided that FTI undertakes to repay any and all such amounts so advanced if it shall ultimately be determined that FTI is not entitled to be indemnified therefore pursuant to the terms hereof; and

b. the Debtors shall have no obligation to indemnify or to hold FTI harmless for any such claim, liability, cost or expense that is either (i) judicially determined (the determination having become final) to have arisen primarily from FTI's bad faith, gross negligence or willful misconduct; or (ii) settled prior to a judicial determination as to FTI's bad faith, gross negligence or willful misconduct, but determined by this Court, after notice and a hearing pursuant to subparagraph (c) infra, to be a claim, liability, cost or expense for which FTI is not entitled to receive indemnity or to be held harmless under the terms of the Application as modified by this Order; and

c. if, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these chapter 11 cases, FTI believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification and hold harmless obligations, including, without limitation, the advancement of defense costs, FTI must file an application therefore in this Court, and the Debtors may not pay any such amounts to FTI before the entry of an order by this Court approving the

payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by FTI for said indemnification and hold harmless, and not as a provision limiting the duration of the Debtors' obligation to indemnify and hold FTI harmless; and it is further

ORDERED that this court shall retain jurisdiction with respect to all matters arising or related to the implementation of this order.

Dated: November 7, 2011



HONORABLE PETER J. WALSH

EXHIBIT B

**GRACEWAY PHARMACEUTICALS, LLC, et al., CASE NO. 11-13036
DETAILED PROFESSIONAL ACTIVITY BY HOURS AND FEES BY PROJECT
CATEGORY**

Analysis of Business Plan

Professional	Date	Hours	Activity	Rate	Fees
Swetz, M.	18-Oct-11	1.6	Review Debtors' 5-year financial projections.	\$305	\$488.00
Subtotal		1.6			\$488.00

Analysis of Claims/Liabilities Subject to Compromise

Professional	Date	Hours	Activity	Rate	Fees
Greenberg, M.	27-Oct-11	0.6	Review terms of pre-petition credit agreements.	\$745	\$447.00
Swetz, M.	27-Oct-11	2.5	Review terms of pre-petition credit agreements.	\$305	\$762.50
Greenberg, M.	28-Oct-11	2.7	Review organizational structure and corresponding debt obligations of each Debtor entity.	\$745	\$2,011.50
Swetz, M.	28-Oct-11	2.8	Review terms of pre-petition credit agreements.	\$305	\$854.00
Subtotal		8.6			\$4,075.00

Analysis of Interco. Claims, Related Party Transactions, Subcon

Professional	Date	Hours	Activity	Rate	Fees
Star, S.	27-Oct-11	0.2	Review corporate structure and intercompany balances.	\$895	\$179.00
Subtotal		0.2			\$179.00

Analysis of Other Miscellaneous Motions

Professional	Date	Hours	Activity	Rate	Fees
Greenberg, M.	13-Oct-11	2.6	Review first day motions, including declaration of Executive VP of Strategic Development.	\$745	\$1,937.00
Bekker, A.	14-Oct-11	2.7	Review Graceway court documents, including first day motions.	\$380	\$1,026.00
Greenberg, M.	15-Oct-11	2.4	Review first day motions, including declaration of Executive VP of Strategic Development.	\$745	\$1,788.00
Subtotal		7.7			\$4,751.00

Asset Sales

Professional	Date	Hours	Activity	Rate	Fees
Bekker, A.	13-Oct-11	1.2	Track potential issues identified from review of the APA.	\$380	\$456.00

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Asset Sales

Professional	Date	Hours	Activity	Rate	Fees
Bekker, A.	13-Oct-11	2.8	Review the APA and related sale documents.	\$380	\$1,064.00
Star, S.	14-Oct-11	0.1	Review bidding procedures and modifications.	\$895	\$89.50
Meakin, N.	14-Oct-11	1.8	Review of Canadian Bid Procedures motion and Receiver's report.	\$870	\$1,566.00
Greenberg, M.	15-Oct-11	2.7	Review terms of the APA.	\$745	\$2,011.50
Greenberg, M.	17-Oct-11	0.7	Review data room documentation related to the asset sale.	\$745	\$521.50
Greenberg, M.	17-Oct-11	1.3	Review asset sale documentation provided by Lazard.	\$745	\$968.50
Greenberg, M.	17-Oct-11	2.2	Review court documents addressing the asset sale and bidding procedures.	\$745	\$1,639.00
Star, S.	18-Oct-11	0.3	Review Canadian proceedings regarding sale.	\$895	\$268.50
Greenberg, M.	18-Oct-11	0.7	Prepare list of potential asset buyers.	\$745	\$521.50
Swetz, M.	18-Oct-11	1.8	Review sale documents from the data room.	\$305	\$549.00
Greenberg, M.	18-Oct-11	2.8	Review Debtors' buyer list and research potential additional buyers.	\$745	\$2,086.00
Greenberg, M.	18-Oct-11	2.8	Review asset purchase agreement and related sale documents.	\$745	\$2,086.00
Star, S.	19-Oct-11	1.1	Review purchase price allocation issues.	\$895	\$984.50
Greenberg, M.	20-Oct-11	0.3	Prepare list of potential asset sale buyers for Debtors.	\$745	\$223.50
Greenberg, M.	20-Oct-11	0.7	Review letters of interest of potential buyers.	\$745	\$521.50
Greenberg, M.	20-Oct-11	1.7	Review Court documents and data room documents addressing the Debtors' marketing process.	\$745	\$1,266.50
Star, S.	21-Oct-11	0.5	Research potential buyer candidates.	\$895	\$447.50
Greenberg, M.	21-Oct-11	1.7	Review bidding procedures and sale documents.	\$745	\$1,266.50
Greenberg, M.	24-Oct-11	1.4	Review data room documents related to the asset sale.	\$745	\$1,043.00
Greenberg, M.	27-Oct-11	0.8	Prepare list of questions for Debtors regarding DIP budget and asset sale.	\$745	\$596.00
Greenberg, M.	27-Oct-11	2.6	Review letters of interest of potential buyers and the Debtors' summary of such letters.	\$745	\$1,937.00
Star, S.	30-Oct-11	0.1	Review Canadian court endorsement regarding sale.	\$895	\$89.50
Star, S.	31-Oct-11	0.2	Review court calendar and sales process timeline.	\$895	\$179.00
Subtotal		32.3			\$22,381.50

EXHIBIT B

**GRACEWAY PHARMACEUTICALS, LLC, et al., CASE NO. 11-13036
DETAILED PROFESSIONAL ACTIVITY BY HOURS AND FEES BY PROJECT
CATEGORY**

Case Management

Professional	Date	Hours	Activity	Rate	Fees
Star, S.	13-Oct-11	0.4	Review draft non-disclosure agreement.	\$895	\$358.00
Greenberg, M.	13-Oct-11	0.9	Prepare information request list.	\$745	\$670.50
Star, S.	13-Oct-11	2.8	Develop work plan and initial information request list.	\$895	\$2,506.00
Star, S.	17-Oct-11	0.3	Update work plan.	\$895	\$268.50
Greenberg, M.	18-Oct-11	0.2	Review articles regarding court hearings.	\$745	\$149.00
Star, S.	20-Oct-11	0.6	Update work plan.	\$895	\$537.00
Star, S.	27-Oct-11	0.5	Revise information request list.	\$895	\$447.50
Star, S.	27-Oct-11	0.5	Update work plan.	\$895	\$447.50
Subtotal		6.2			\$5,384.00

Cash & Liquidity Analysis

Professional	Date	Hours	Activity	Rate	Fees
Greenberg, M.	15-Oct-11	2.9	Review cash collateral motion and DIP budget covenants.	\$745	\$2,160.50
Bekker, A.	16-Oct-11	0.4	Review DIP wind-down budget.	\$380	\$152.00
Bekker, A.	16-Oct-11	1.4	Review cash collateral motion.	\$380	\$532.00
Swetz, M.	18-Oct-11	2.7	Analyze pre-close DIP budget, post-close DIP budget and Canada Balance Sheet.	\$305	\$823.50
Greenberg, M.	19-Oct-11	1.4	Review actual v. budgeted cash flow results for the two weeks ended 10/14/11.	\$745	\$1,043.00
Greenberg, M.	19-Oct-11	2.6	Analyze DIP cash flow budget and wind-down cash budget.	\$745	\$1,937.00
Star, S.	20-Oct-11	0.5	Review DIP budget.	\$895	\$447.50
Greenberg, M.	20-Oct-11	0.9	Prepare list of cash budget / sale process questions for the Debtors.	\$745	\$670.50
Swetz, M.	20-Oct-11	2.5	Review documents related to cash budget.	\$305	\$762.50
Swetz, M.	20-Oct-11	2.7	Review pre-sale and wind-down DIP budgets.	\$305	\$823.50
Swetz, M.	24-Oct-11	2.8	Prepare chart of covenants for cash budget.	\$305	\$854.00
Swetz, M.	27-Oct-11	1.5	Review actual v. budgeted cash flow through week ended 10/21/11.	\$305	\$457.50
Subtotal		22.3			\$10,663.50

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**GRACEWAY PHARMACEUTICALS, LLC, et al., CASE NO. 11-13036
DETAILED PROFESSIONAL ACTIVITY BY HOURS AND FEES BY PROJECT
CATEGORY**

Current Operating Results and Events

Professional	Date	Hours	Activity	Rate	Fees
Greenberg, M.	17-Oct-11	1.4	Review data room documentation related to US and Canada financial condition.	\$745	\$1,043.00
Star, S.	21-Oct-11	0.3	Review Canadian cross-border protocol and Canadian financial results.	\$895	\$268.50
Meakin, N.	21-Oct-11	0.4	Review Canadian cross-border protocol.	\$870	\$348.00
Greenberg, M.	23-Oct-11	0.3	Review Canada financial results.	\$745	\$223.50
Greenberg, M.	25-Oct-11	0.8	Review financial data for US and Canada.	\$745	\$596.00
Swetz, M.	27-Oct-11	2.8	Research historical and projected financial data regarding drugs sold in Canada vs. US.	\$305	\$854.00
Star, S.	28-Oct-11	0.2	Review revenue by product analysis.	\$895	\$179.00
Subtotal		6.2			\$3,512.00

Financing Matters (DIP, Exit, Other)

Professional	Date	Hours	Activity	Rate	Fees
Star, S.	13-Oct-11	0.3	Review proposed DIP financing issues.	\$895	\$268.50
Star, S.	17-Oct-11	0.4	Review updated list of DIP issues.	\$895	\$358.00
Subtotal		0.7			\$626.50

Firm Retention

Professional	Date	Hours	Activity	Rate	Fees
Hellmund-Mora, M.	13-Oct-11	0.9	Attend to retention matters (open matter and task codes).	\$250	\$225.00
Greenberg, M.	14-Oct-11	0.8	Prepare FTI retention papers.	\$745	\$596.00
Star, S.	17-Oct-11	0.4	Draft retention papers.	\$895	\$358.00
Greenberg, M.	17-Oct-11	0.6	Prepare retention papers.	\$745	\$447.00
Hellmund-Mora, M.	17-Oct-11	1.6	Review Graceway list of parties in interest in preparation of retention documents.	\$250	\$400.00
Swetz, M.	17-Oct-11	2.4	Prepare draft of retention documents.	\$305	\$732.00
Star, S.	18-Oct-11	0.7	Review retention progress and drafted papers.	\$895	\$626.50
Swetz, M.	18-Oct-11	1.9	Prepare list of firms to check for potential conflict.	\$305	\$579.50
Swetz, M.	18-Oct-11	2.2	Draft retention papers.	\$305	\$671.00

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CATEGORY**

Firm Retention

Professional	Date	Hours	Activity	Rate	Fees
Hellmund-Mora, M.	19-Oct-11	0.7	Update pending matter information.	\$250	\$175.00
Hellmund-Mora, M.	19-Oct-11	0.8	Review list of parties in interest and update template.	\$250	\$200.00
Swetz, M.	19-Oct-11	1.8	Draft retention documents.	\$305	\$549.00
Swetz, M.	19-Oct-11	2.3	Prepare exhibit A for retention affidavit.	\$305	\$701.50
Swetz, M.	19-Oct-11	2.9	Investigate open items with regard to retention documents and conflict checklist.	\$305	\$884.50
Swetz, M.	20-Oct-11	0.9	Prepare materials for relationship disclosure.	\$305	\$274.50
Swetz, M.	21-Oct-11	1.6	Prepare materials for relationship disclosure.	\$305	\$488.00
Hellmund-Mora, M.	21-Oct-11	2.3	Review connection check results for preparation of affidavit.	\$250	\$575.00
Swetz, M.	21-Oct-11	2.8	Draft retention papers.	\$305	\$854.00
Swetz, M.	21-Oct-11	2.9	Analyze relationship disclosure for retention documents.	\$305	\$884.50
Swetz, M.	24-Oct-11	2.5	Analyze relationship disclosure for retention documents.	\$305	\$762.50
Hellmund-Mora, M.	26-Oct-11	0.7	Review required information for retention documents.	\$250	\$175.00
Hellmund-Mora, M.	26-Oct-11	0.9	Attend to retention matters regarding affidavit.	\$250	\$225.00
Swetz, M.	26-Oct-11	2.4	Analyze relationship disclosure for retention documents.	\$305	\$732.00
Swetz, M.	27-Oct-11	1.4	Prepare retention papers and send to counsel.	\$305	\$427.00
Hellmund-Mora, M.	27-Oct-11	1.5	Review potential disclosures related to relationships for preparation of affidavit.	\$250	\$375.00
Swetz, M.	28-Oct-11	2.6	Analyze relationship disclosure for retention documents.	\$305	\$793.00
Swetz, M.	31-Oct-11	2.5	Prepare final retention documents.	\$305	\$762.50
Swetz, M.	31-Oct-11	2.7	Prepare tracking spreadsheet with relationship disclosure research information.	\$305	\$823.50
Swetz, M.	31-Oct-11	2.9	Finalize connection check for preparation of affidavit.	\$305	\$884.50
Subtotal		50.6			\$16,181.00

General Meetings with Committee & Committee Counsel

Professional	Date	Hours	Activity	Rate	Fees
Star, S.	13-Oct-11	0.6	Discussions with counsel regarding work plan.	\$895	\$537.00
Greenberg, M.	14-Oct-11	0.3	Correspondence with counsel regarding confidentiality agreement and information request list.	\$745	\$223.50

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DETAILED PROFESSIONAL ACTIVITY BY HOURS AND FEES BY PROJECT
CATEGORY**

General Meetings with Committee & Committee Counsel

Professional	Date	Hours	Activity	Rate	Fees
Star, S.	14-Oct-11	1.1	Discussions with counsel regarding case status.	\$895	\$984.50
Bekker, A.	14-Oct-11	1.1	Discussions with counsel regarding case status.	\$380	\$418.00
Meakin, N.	15-Oct-11	1.2	Call with UCC counsel regarding pending motions and work plan.	\$870	\$1,044.00
Star, S.	15-Oct-11	1.2	Call with UCC counsel regarding pending motions and work plan.	\$895	\$1,074.00
Bekker, A.	15-Oct-11	1.2	Call with UCC counsel regarding pending motions and work plan.	\$380	\$456.00
Star, S.	16-Oct-11	0.2	Discussions with counsel regarding non-disclosure agreement.	\$895	\$179.00
Star, S.	16-Oct-11	0.2	Discussions with counsel regarding cash collateral issues.	\$895	\$179.00
Star, S.	17-Oct-11	0.1	Review draft email to committee regarding motion status.	\$895	\$89.50
Bekker, A.	17-Oct-11	0.7	Call with Lowenstein regarding objections.	\$380	\$266.00
Greenberg, M.	17-Oct-11	1.0	Discussions with counsel regarding court hearing and cash collateral motion.	\$745	\$745.00
Star, S.	17-Oct-11	1.1	Conference calls with counsel regarding DIP issues.	\$895	\$984.50
Star, S.	18-Oct-11	0.4	Conference call with counsel regarding DIP issues and exit strategy.	\$895	\$358.00
Swetz, M.	18-Oct-11	1.4	Prepare sale process summary for presentation to the UCC.	\$305	\$427.00
Meakin, N.	19-Oct-11	0.6	Conference call with counsel regarding exit strategy.	\$870	\$522.00
Star, S.	19-Oct-11	0.6	Conference call with counsel regarding exit strategy.	\$895	\$537.00
Swetz, M.	19-Oct-11	2.5	Review and revise UCC presentation regarding sale process, budgets, and Graceway Canada's value.	\$305	\$762.50
Greenberg, M.	19-Oct-11	2.9	Prepare case status report to be distributed to the UCC, including sale process update and DIP budget analysis.	\$745	\$2,160.50
Meakin, N.	20-Oct-11	0.8	Conference call with UCC regarding pending motion, cash budget and case strategy.	\$870	\$696.00
Star, S.	20-Oct-11	0.8	Conference call with UCC regarding pending motion, cash budget and case strategy.	\$895	\$716.00
Swetz, M.	20-Oct-11	0.8	Conference call with UCC regarding pending motion, cash budget and case strategy.	\$305	\$244.00
Swetz, M.	20-Oct-11	1.7	Prepare UCC presentation regarding sale process, budgets, and Graceway Canada's value.	\$305	\$518.50
Greenberg, M.	20-Oct-11	2.0	Prepare status report to be distributed to the UCC, including sale process update and DIP budget analysis.	\$745	\$1,490.00
Meakin, N.	22-Oct-11	0.8	Conference call with counsel regarding Canada allocation motion response.	\$870	\$696.00

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DETAILED PROFESSIONAL ACTIVITY BY HOURS AND FEES BY PROJECT
CATEGORY**

General Meetings with Committee & Committee Counsel

Professional	Date	Hours	Activity	Rate	Fees
Star, S.	22-Oct-11	0.8	Conference call with counsel regarding Canada allocation motion response.	\$895	\$716.00
Braun, R.	22-Oct-11	0.8	Conference call with counsel regarding Canada allocation motion response.	\$730	\$584.00
Greenberg, M.	25-Oct-11	0.5	Discussion with counsel regarding Canada asset value.	\$745	\$372.50
Meakin, N.	25-Oct-11	0.6	Preparation for call with counsel regarding DIP issues, allocation motion and settlement parameters.	\$870	\$522.00
Meakin, N.	25-Oct-11	0.7	Conference calls with counsel regarding DIP issues, allocation motion and settlement parameters.	\$870	\$609.00
Star, S.	25-Oct-11	0.7	Conference calls with counsel regarding DIP issues, allocation motion and settlement parameters.	\$895	\$626.50
Swetz, M.	25-Oct-11	0.7	Conference calls with counsel regarding DIP issues, allocation motion and settlement parameters.	\$305	\$213.50
Swetz, M.	25-Oct-11	1.8	Prepare UCC presentation regarding value of Graceway Canada and potential recoveries.	\$305	\$549.00
Greenberg, M.	26-Oct-11	0.5	Correspondence with counsel regarding avoidance actions.	\$745	\$372.50
Greenberg, M.	26-Oct-11	0.6	Correspondence with counsel regarding key settlement issues.	\$745	\$447.00
Star, S.	26-Oct-11	0.7	Discussions with counsel regarding DIP issues.	\$895	\$626.50
Swetz, M.	26-Oct-11	0.7	Discussions with counsel regarding DIP issues.	\$305	\$213.50
Star, S.	26-Oct-11	2.2	Review report to Committee regarding POR issues, cash position and Canada value.	\$895	\$1,969.00
Swetz, M.	26-Oct-11	2.6	Prepare summary of potential creditor recoveries for UCC presentation.	\$305	\$793.00
Swetz, M.	26-Oct-11	2.8	Prepare summary of Graceway Canada value for UCC presentation.	\$305	\$854.00
Greenberg, M.	27-Oct-11	0.6	Prepare UCC report regarding DIP, Canada value, creditor recoveries and settlement parameters.	\$745	\$447.00
Meakin, N.	27-Oct-11	1.0	Conference call with Committee regarding DIP issues, allocation motion, asset sale and settlement parameters.	\$870	\$870.00
Star, S.	27-Oct-11	1.0	Conference call with Committee regarding DIP issues, allocation motion, asset sale and settlement parameters.	\$895	\$895.00
Swetz, M.	27-Oct-11	1.0	Conference call with Committee regarding DIP issues, allocation motion, asset sale and settlement parameters.	\$305	\$305.00
Swetz, M.	27-Oct-11	1.9	Prepare UCC presentation regarding value of Graceway Canada and potential recoveries, and send to counsel.	\$305	\$579.50
Meakin, N.	28-Oct-11	0.8	Conference call with counsel regarding allocation motion, sales process and corporate structure.	\$870	\$696.00

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DETAILED PROFESSIONAL ACTIVITY BY HOURS AND FEES BY PROJECT
CATEGORY**

General Meetings with Committee & Committee Counsel

Professional	Date	Hours	Activity	Rate	Fees
Star, S.	28-Oct-11	0.8	Conference call with counsel regarding allocation motion, sales process and corporate structure.	\$895	\$716.00
Braun, R.	28-Oct-11	0.8	Conference call with counsel regarding allocation motion, sales process and corporate structure.	\$730	\$584.00
Korn, G.	28-Oct-11	0.8	Conference call with counsel regarding allocation motion, sales process and corporate structure.	\$560	\$448.00
Greenberg, M.	28-Oct-11	1.1	Correspondence with UCC regarding DIP budget disbursements.	\$745	\$819.50
Star, S.	31-Oct-11	0.4	Discussions with counsel regarding Lenders/Debtors' response to FTI retention.	\$895	\$358.00
Subtotal		52.2			\$32,493.50

General Meetings with Debtors & Debtors' Professionals

Professional	Date	Hours	Activity	Rate	Fees
Star, S.	13-Oct-11	0.5	Discussions with Lazard regarding information needs and case status.	\$895	\$447.50
Greenberg, M.	13-Oct-11	0.5	Discussions with Lazard regarding information needs and case status.	\$745	\$372.50
Star, S.	14-Oct-11	0.6	Discussions with Lazard regarding information requests.	\$895	\$537.00
Star, S.	15-Oct-11	0.2	Discussions with Debtors regarding information request.	\$895	\$179.00
Greenberg, M.	17-Oct-11	0.5	Correspondence with Debtors regarding asset sale.	\$745	\$372.50
Swetz, M.	17-Oct-11	0.8	Call with Alvarez & Marsal and Lazard regarding FTI's information request list and the DIP budget.	\$305	\$244.00
Star, S.	17-Oct-11	1.3	Conference call with Debtors' advisors regarding sale process, DIP budget and information requests.	\$895	\$1,163.50
Star, S.	18-Oct-11	0.2	Discussions with Debtors' advisors regarding exit strategy.	\$895	\$179.00
Greenberg, M.	19-Oct-11	0.4	Correspondence with Alvarez & Marsal regarding DIP cash flow budget.	\$745	\$298.00
Meakin, N.	21-Oct-11	1.4	Conference call with Debtors' advisors regarding sale process, cash budget and administrative expense reserves.	\$870	\$1,218.00
Star, S.	21-Oct-11	1.4	Conference call with Debtors' advisors regarding sale process, cash budget and administrative expense reserves.	\$895	\$1,253.00
Swetz, M.	21-Oct-11	1.4	Conference call with Debtors' advisors regarding sale process, cash budget and administrative expense reserves.	\$305	\$427.00
Greenberg, M.	24-Oct-11	0.3	Correspondence with Debtors regarding Canadian financial results.	\$745	\$223.50

EXHIBIT B

**GRACEWAY PHARMACEUTICALS, LLC, et al., CASE NO. 11-13036
DETAILED PROFESSIONAL ACTIVITY BY HOURS AND FEES BY PROJECT
CATEGORY**

General Meetings with Debtors & Debtors' Professionals

Professional	Date	Hours	Activity	Rate	Fees
Greenberg, M.	25-Oct-11	0.4	Call with Alvarez & Marsal regarding DIP budget.	\$745	\$298.00
Swetz, M.	25-Oct-11	0.4	Call with Alvarez & Marsal regarding DIP budget.	\$305	\$122.00
Greenberg, M.	25-Oct-11	0.5	Correspondence with Debtors regarding September 2011 financial results for US and Canada.	\$745	\$372.50
Star, S.	26-Oct-11	0.5	Conference call with Debtors regarding allocation motion.	\$895	\$447.50
Korn, G.	26-Oct-11	0.5	Conference call with Debtors regarding allocation motion.	\$560	\$280.00
Korn, G.	26-Oct-11	2.2	Preparation for call with Debtors regarding allocation motion.	\$560	\$1,232.00
Greenberg, M.	28-Oct-11	0.2	Correspondence with Debtors regarding upcoming conference call agenda.	\$745	\$149.00
Meakin, N.	28-Oct-11	1.2	Conference call with Debtors' advisors regarding sale process, corporate structure, cash flow and operations.	\$870	\$1,044.00
Star, S.	28-Oct-11	1.2	Conference call with Debtors' advisors regarding sale process, corporate structure, cash flow and operations.	\$895	\$1,074.00
Braun, R.	28-Oct-11	1.2	Conference call with Debtors' advisors regarding sale process, corporate structure, cash flow and operations.	\$730	\$876.00
Korn, G.	28-Oct-11	1.2	Conference call with Debtors' advisors regarding sale process, corporate structure, cash flow and operations.	\$560	\$672.00
Subtotal		19.0			\$13,481.50

Meetings with Other Parties

Professional	Date	Hours	Activity	Rate	Fees
Star, S.	13-Oct-11	0.7	Conference call with Committee and 1st lien counsel regarding DIP financing issues.	\$895	\$626.50
Bekker, A.	13-Oct-11	0.7	Conference call with Committee and 1st lien counsel regarding DIP financing issues.	\$380	\$266.00
Greenberg, M.	18-Oct-11	0.7	Discussion with Lowenstein and Wachtell regarding DIP issues.	\$745	\$521.50
Star, S.	18-Oct-11	0.8	Conference call with 1st lien counsel regarding DIP issues.	\$895	\$716.00
Meakin, N.	19-Oct-11	0.3	Call with Canadian Receiver's counsel regarding intent regarding liquidation plan post-sale and claims procedure.	\$870	\$261.00
Meakin, N.	24-Oct-11	0.3	Call with Canadian Receiver regarding case status.	\$870	\$261.00
Meakin, N.	25-Oct-11	0.4	Conference call with 1st lien counsel regarding DIP issues.	\$870	\$348.00
Star, S.	25-Oct-11	0.4	Conference call with 1st lien counsel regarding DIP issues.	\$895	\$358.00
Meakin, N.	25-Oct-11	0.6	Preparation for call with 1st lien counsel regarding DIP issues.	\$870	\$522.00

EXHIBIT B

**GRACEWAY PHARMACEUTICALS, LLC, et al., CASE NO. 11-13036
DETAILED PROFESSIONAL ACTIVITY BY HOURS AND FEES BY PROJECT
CATEGORY**

Meetings with Other Parties

Professional	Date	Hours	Activity	Rate	Fees
Star, S.	31-Oct-11	0.3	Call with 2nd lien holders to discuss case issues.	\$895	\$268.50
Greenberg, M.	31-Oct-11	0.3	Call with 2nd lien holders to discuss case issues.	\$745	\$223.50
Star, S.	31-Oct-11	0.4	Discussion with counsel to 1st lien lenders regarding FTI's retention order.	\$895	\$358.00
Greenberg, M.	31-Oct-11	0.4	Discussion with counsel to 1st lien lenders regarding FTI's retention order.	\$745	\$298.00
Subtotal		6.3			\$5,028.00

POR & DS - Analysis, Negotiation and Formulation

Professional	Date	Hours	Activity	Rate	Fees
Star, S.	18-Oct-11	0.6	Develop settlement parameters.	\$895	\$537.00
Star, S.	25-Oct-11	0.6	Develop settlement parameters.	\$895	\$537.00
Greenberg, M.	25-Oct-11	2.3	Prepare recovery analysis.	\$745	\$1,713.50
Swetz, M.	25-Oct-11	2.6	Prepare creditor recovery analysis.	\$305	\$793.00
Star, S.	26-Oct-11	0.8	Develop settlement parameters.	\$895	\$716.00
Star, S.	26-Oct-11	1.4	Review preliminary recovery analysis.	\$895	\$1,253.00
Star, S.	28-Oct-11	0.6	Develop settlement outline.	\$895	\$537.00
Star, S.	31-Oct-11	0.9	Develop settlement outline.	\$895	\$805.50
Greenberg, M.	31-Oct-11	2.9	Prepare potential settlement parameters in preparation for negotiation with counsel to 1st lien holders.	\$745	\$2,160.50
Subtotal		12.7			\$9,052.50

Prepare for and Attend Court Hearings

Professional	Date	Hours	Activity	Rate	Fees
Meakin, N.	17-Oct-11	1.8	Participate in Canadian Court hearing.	\$870	\$1,566.00
Subtotal		1.8			\$1,566.00

Valuation and Related Matters

Professional	Date	Hours	Activity	Rate	Fees
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EXHIBIT B

**GRACEWAY PHARMACEUTICALS, LLC, et al., CASE NO. 11-13036
DETAILED PROFESSIONAL ACTIVITY BY HOURS AND FEES BY PROJECT
CATEGORY**

Valuation and Related Matters

Professional	Date	Hours	Activity	Rate	Fees
Greenberg, M.	17-Oct-11	0.8	Review court documents regarding value of Canadian entity.	\$745	\$596.00
Braun, R.	17-Oct-11	1.6	Prepare valuation analysis.	\$730	\$1,168.00
Greenberg, M.	18-Oct-11	0.4	Review Debtors' valuation of Canadian entity.	\$745	\$298.00
Meakin, N.	18-Oct-11	1.0	Consideration of various matters including Canadian value allocation and restructuring claims.	\$870	\$870.00
Braun, R.	18-Oct-11	2.4	Prepare valuation analysis.	\$730	\$1,752.00
Meakin, N.	19-Oct-11	1.5	Discussion with counsel and Committee member regarding value of Canada assets.	\$870	\$1,305.00
Greenberg, M.	19-Oct-11	1.5	Discussion with counsel and Committee member regarding value of Canada assets.	\$745	\$1,117.50
Meakin, N.	19-Oct-11	1.6	Review of Debtors allocation motion in preparation for calls regarding same.	\$870	\$1,392.00
Braun, R.	19-Oct-11	1.7	Prepare valuation analysis.	\$730	\$1,241.00
Korn, G.	19-Oct-11	1.9	Prepare valuation analysis.	\$560	\$1,064.00
Korn, G.	19-Oct-11	2.1	Prepare valuation analysis.	\$560	\$1,176.00
Braun, R.	20-Oct-11	1.8	Prepare valuation analysis.	\$730	\$1,314.00
Korn, G.	20-Oct-11	2.9	Analyze allocation of value to the Canadian operations.	\$560	\$1,624.00
Star, S.	21-Oct-11	0.8	Analyze valuation issues.	\$895	\$716.00
Korn, G.	21-Oct-11	0.9	Analyze purchase price issues.	\$560	\$504.00
Meakin, N.	21-Oct-11	1.0	Analyze valuation and purchase price issues.	\$870	\$870.00
Braun, R.	21-Oct-11	1.3	Prepare valuation analysis.	\$730	\$949.00
Korn, G.	21-Oct-11	2.4	Review of documents in the data room, and financial modeling related to the valuation analysis.	\$560	\$1,344.00
Korn, G.	21-Oct-11	2.8	Analyze allocation of value to the Canadian operations.	\$560	\$1,568.00
Star, S.	22-Oct-11	1.2	Review Canadian value allocation motion.	\$895	\$1,074.00
Greenberg, M.	22-Oct-11	1.4	Analyze value of Canadian assets.	\$745	\$1,043.00
Korn, G.	22-Oct-11	2.4	Perform review of documents in data room and financial modeling related to Canada valuation.	\$560	\$1,344.00
Braun, R.	22-Oct-11	2.7	Prepare valuation analysis.	\$730	\$1,971.00
Korn, G.	23-Oct-11	2.9	Perform financial modeling related to valuation analysis.	\$560	\$1,624.00
Star, S.	24-Oct-11	0.3	Review value allocation issues.	\$895	\$268.50
Greenberg, M.	24-Oct-11	1.1	Analyze value of Canadian assets.	\$745	\$819.50

EXHIBIT B**GRACEWAY PHARMACEUTICALS, LLC, et al., CASE NO. 11-13036
DETAILED PROFESSIONAL ACTIVITY BY HOURS AND FEES BY PROJECT
CATEGORY*****Valuation and Related Matters***

Professional	Date	Hours	Activity	Rate	Fees
Braun, R.	24-Oct-11	1.7	Prepare valuation analysis.	\$730	\$1,241.00
Korn, G.	24-Oct-11	2.5	Perform financial modeling related to public companies considered similar to Graceway.	\$560	\$1,400.00
Korn, G.	24-Oct-11	2.7	Perform search for public companies similar to Graceway.	\$560	\$1,512.00
Star, S.	25-Oct-11	0.2	Review Debtors' supplement to the Canada value allocation motion.	\$895	\$179.00
Hofstad, I.	25-Oct-11	0.5	Prepare an overview of historical M&A transactions in the industry and financials for comparable companies.	\$450	\$225.00
Greenberg, M.	25-Oct-11	1.8	Prepare UCC report related to creditor recoveries and Canada valuation.	\$745	\$1,341.00
Swetz, M.	25-Oct-11	2.3	Prepare valuation analysis for distribution to counsel.	\$305	\$701.50
Braun, R.	25-Oct-11	2.5	Prepare valuation analysis.	\$730	\$1,825.00
Korn, G.	25-Oct-11	2.5	Perform financial modeling related to transactions in which target is considered comparable to Graceway.	\$560	\$1,400.00
Korn, G.	25-Oct-11	2.6	Perform review of trailing twelve months' financials through September 30, 2011 for valuation analysis.	\$560	\$1,456.00
Korn, G.	25-Oct-11	2.9	Perform search for comparable transactions in which the target is considered comparable to Graceway.	\$560	\$1,624.00
Star, S.	26-Oct-11	0.7	Review FTI analysis of Canada value.	\$895	\$626.50
Swetz, M.	26-Oct-11	1.8	Analyze documents related to acquisition of Canadian entity and license agreements.	\$305	\$549.00
Greenberg, M.	26-Oct-11	1.9	Prepare valuation analysis for distribution to the UCC.	\$745	\$1,415.50
Braun, R.	26-Oct-11	2.0	Prepare valuation analysis.	\$730	\$1,460.00
Swetz, M.	26-Oct-11	2.4	Prepare valuation analysis for distribution to counsel.	\$305	\$732.00
Korn, G.	26-Oct-11	2.6	Perform financial modeling related to implied transaction multiples of Graceway.	\$560	\$1,456.00
Korn, G.	26-Oct-11	2.7	Perform search for additional publicly traded comparable companies and transaction comparables.	\$560	\$1,512.00
Star, S.	27-Oct-11	0.3	Research drug registration requirements in Canada.	\$895	\$268.50
Korn, G.	27-Oct-11	0.4	Research Canadian allocation issues.	\$560	\$224.00
Meakin, N.	27-Oct-11	1.0	Review of Canadian allocation issues.	\$870	\$870.00
Braun, R.	27-Oct-11	1.0	Prepare valuation analysis.	\$730	\$730.00
Koo, J.	27-Oct-11	1.0	Research Canadian allocation issues.	\$550	\$550.00
Korn, G.	27-Oct-11	1.2	Analysis of Canadian allocation issues.	\$560	\$672.00

EXHIBIT B

**GRACEWAY PHARMACEUTICALS, LLC, et al., CASE NO. 11-13036
DETAILED PROFESSIONAL ACTIVITY BY HOURS AND FEES BY PROJECT
CATEGORY**

Valuation and Related Matters

Professional	Date	Hours	Activity	Rate	Fees
Korn, G.	27-Oct-11	2.4	Perform financial modeling related to publicly traded company and transaction comparables.	\$560	\$1,344.00
Star, S.	28-Oct-11	0.2	Draft exhibit for response to value allocation motion.	\$895	\$179.00
Korn, G.	28-Oct-11	1.7	Prepare valuation analysis.	\$560	\$952.00
Korn, G.	28-Oct-11	2.3	Perform financial modeling based on adjustments related to trailing twelve months' numbers through September 30, 2011.	\$560	\$1,288.00
Greenberg, M.	30-Oct-11	1.1	Prepare Canada valuation analysis.	\$745	\$819.50
Star, S.	31-Oct-11	0.7	Review Canada value allocation analysis.	\$895	\$626.50
Greenberg, M.	31-Oct-11	1.8	Prepare Canada valuation analysis.	\$745	\$1,341.00
Subtotal		93.8			\$59,532.50
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Grand Total		322.2			\$189,395.50

EXHIBIT C

**GRACEWAY PHARMACEUTICALS, LLC, et al., CASE NO. 11-13036
DETAILED EXPENSES BY CATEGORY
FOR THE PERIOD OCTOBER 13, 2011 THROUGH OCTOBER 31, 2011**

Meals

Professional/Service	Date	Expense	Expense Description
Greenberg, M.	10/19/2011	\$14.31	Dinner in New York, NY while working late in office.
		\$14.31	

Transportation

Professional/Service	Date	Expense	Expense Description
Greenberg, M.	10/19/2011	\$12.00	Taxi in New York, NY; office to home after working late in office.
		\$12.00	

Grand Total **\$26.31**