

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

In re:

GRACEWAY PHARMACEUTICALS, LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 11-13036 (MFW)

Jointly Administered

Hearing Date: N/A

Objection Deadline: N/A

**MOTION PURSUANT TO DEL. BANKR. L.R. 9006-1(e) FOR AN ORDER
SHORTENING THE TIME FOR NOTICE OF THE HEARING TO CONSIDER THE
NOTICE OF ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS**

The above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”) hereby move (the “**Motion to Shorten**”) this Court, pursuant to Rule 9006-1(e) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), for entry of an order shortening the time for notice of the hearing to consider the *Notice of Assumption and Assignment of Executory Contracts* (the “**Notice**”),² filed concurrently herewith, so that objections, if any, to the Notice be heard on December 7, 2011 at 9:30 a.m. (ET) or such other earlier date and time convenient for this Court (the “**Hearing**”).

1. The Federal Rules of Bankruptcy Procedure require seventeen (17) days

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 (MFW); Graceway Holdings, LLC, a Delaware limited liability company (2502), Case No. 11-13038 (MFW); Graceway Pharmaceuticals, LLC, a Delaware limited liability company (5385), Case No. 11-13036 (MFW); Chester Valley Holdings, LLC, a Delaware limited liability company (9457), Case No. 11-13039 (MFW); Chester Valley Pharmaceuticals, LLC, a Delaware limited liability company (3713), Case No. 11-13041 (MFW); Graceway Canada Holdings, Inc., a Delaware corporation (6663), Case No. 11-13042 (MFW); and Graceway International, Inc., a Delaware corporation (2399), Case No. 11-13043 (MFW). 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.

² Terms used but not defined herein shall have the meanings ascribed in the Notice.

notice prior to the hearing date for approval of assumption and assignment of an executory contract. Pursuant to Local Rule 9006-1(e), however, such period may be shortened by Order of the Court upon written motion specifying the exigencies supporting shortened notice. The Debtors submit that there is sufficient cause to justify shortening the notice period so that this Court may consider the Notice at the Hearing.

2. On October 17, 2011, the United States Bankruptcy Court for the District of Delaware (this “**Court**”) entered the *Order Approving and Authorizing (A) Bidding Procedures in Connection with the Sale of Certain Assets of the Debtors, (B) Stalking Horse Bid Protections, (C) Form and Manner of Notice of the Sale Hearing and (D) Requested Relief* [Docket No. 119] (the “**Bidding Procedures Order**”). The Bidding Procedures Order, among other things, authorized certain procedures regarding the assumption of executory contracts and unexpired leases by the Debtors and the assignment of such leases and contracts to the purchaser of substantially all of the Debtors’ assets.

3. Pursuant to the Bidding Procedures Order, on October 20, 2011, the Debtors filed the *Notice of (I) Cure Amount with Respect to Executory Contracts to Be Assumed and Assigned and (II) Potential Assumption and Assignment of Executory Contracts* [Docket No. 141]. On October 21, 2011, the Debtors filed the *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* [Docket No. 148]. On November 9, 2011, the Debtors filed the *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* [Docket No. 231].

4. On November 19, 2011, the Debtors filed the *Notice of Assumption and*

Assignment of Executory Contracts [Docket No. 282] (the “**Notice of Assumption**”). The Notice of Assumption lists, among others, (1) First Amending Agreement to Distribution Services Agreement with Accuristix (f/k/a McKesson Logistics Solutions), Contract ID 855 (the “**Accuristix Contract**”), and (2) Assignment of Trademark License with Curatek and 3M, Contract ID 894 (the “**Curatek Contract**,” and together with the Accuristix Contract, the “**Contracts**”).

5. On November 22, 2011, the Court entered the *Order Authorizing (A) the Sale of Certain Assets of the Debtors Free and Clear of All Claims, Liens, Liabilities, Rights, Interests and Encumbrances; (B) the Debtors to Enter into and Perform Their Obligations Under the Asset Purchase Agreement; (C) the Debtors to Assume and Assign Certain Executory Contracts and Unexpired Leases; and (D) Granting Related Relief* [Docket No. 306] (the “**Sale Order**”). Pursuant to the Sale Order, the Debtors are directed to assume and assign to Medicis Pharmaceutical Corporation (the “**Buyer**”) each of the contracts listed on Exhibit B to the Sale Order. See Sale Order, ¶ 24. Exhibit B to the Sale Order lists, among others, the Accuristix Contract and the Curatek Contract.

6. Out of an abundance of caution, the Debtors filed the Notice to confirm that the Contracts will be assumed and assigned to the Buyer, effective as of the date of the closing of the sale of substantially all of the Debtors’ assets to the Buyer, and that notice of such assumption was sufficient. As the sale authorized by the Court pursuant to the Sale Order is scheduled to close in the short term, the Debtors respectfully submit that there is sufficient exigency for this Court to hear any objections to the Notice as quickly as possible.

7. Accordingly, the Debtors respectfully request that a hearing on any objections to the Notice be scheduled for December 7, 2011 at 9:30 a.m. (ET) or such other

earlier date and time that is convenient for this Court. The Debtors further request that objections to the Notice be made on or before 4:00 p.m. (ET) on the day prior to the scheduled hearing.

8. The Notice and this Motion to Shorten will be served by courier service or overnight delivery, as appropriate, on (a) the United States Trustee for the District of Delaware; (b) financing counsel to the administrative agent for the lenders under the Debtors' prepetition first lien credit facility; (c) special restructuring and bankruptcy counsel to the administrative agent for the lenders under the Debtors' prepetition first lien credit facility; (d) counsel to the administrative agent for the lenders under the Debtors' prepetition second lien credit facility; (e) the administrative agent for the lenders under the Debtors' prepetition unsecured mezzanine credit facility; (f) counsel to the Official Committee of Unsecured Creditors; (g) the Food and Drug Administration; (h) the Internal Revenue Service; (l) the contract counterparties listed on Exhibit 1 to the Notice; and (m) all parties requesting notice pursuant to Bankruptcy Rule 2002.

9. A copy of the Notice is available on the Court's website: www.deb.uscourts.gov. Additional copies of the Notice are available for free on the website of the Debtors' proposed claims, noticing, soliciting and balloting agent, BMC Group, Inc., at www.bmcgroup.com/graceway, or can be requested by calling (888) 909-0100 from within the United States or +1 (310) 321-5555 if calling from outside the United States. Given the nature of the relief requested by the Notice, the Debtors submit that the proposed notice period is sufficient and provides parties in interest an opportunity to review and respond to the Notice, if necessary.

10. Based on the foregoing, the Debtors submit (a) that cause exists to justify shortening the notice period for the hearing on approval of the relief requested in the Notice and (b) that notice to the parties identified in the preceding paragraphs will be adequate and

sufficient. Accordingly, the Debtors request that the Notice be considered at the Hearing, and that objections, if any, be made on or before 4:00 p.m. (ET) on the day prior to the Hearing.

WHEREFORE, the Debtors respectfully request the Court to enter an order, substantially in the form attached hereto as Exhibit A, scheduling a hearing on objections, if any, to the Notice for December 7, 2011 at 9:30 a.m. (ET) or such other time that is convenient for the Court and requiring that any responses to the Notice be made on or before 4:00 p.m. (ET) on the day prior to the Hearing.

Dated: November 30, 2011
Wilmington, Delaware

Respectfully Submitted,

/s/ Morgan L. Seward

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