

**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)

Joint Administration Pending

Docket Ref. No. 7

**ORDER UNDER 11 U.S.C. §§ 345, 363, 364, 503(b)(1), 553, 1107, AND 1108
AND LOCAL RULE 2015-2 (I) AUTHORIZING CONTINUED USE OF EXISTING
(A) BANK ACCOUNTS, (B) CASH MANAGEMENT SYSTEM, AND (C) BUSINESS
FORMS AND CHECKS; AND (II) WAIVING INVESTMENT AND
DEPOSIT REQUIREMENTS OF 11 U.S.C. § 345(b)**

(“Cash Management Order”)

Upon consideration of the motion (the “Motion”)² of the Debtors for entry of an order (the “Order”) (I) authorizing the Debtors’ continued use of their existing (a) bank accounts, (b) business forms and checks, and (c) cash management system; and (II) waiving the investment and deposit requirements of Section 345(b) of the Bankruptcy Code; and it appearing that the relief requested is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this Motion is a core proceeding pursuant to 28 U.S.C. § 157; and adequate notice of the Motion and opportunity for objection having been

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); 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).

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

given; and it appearing that no other notice need be given; and after due deliberation and sufficient cause therefore, it is hereby ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is GRANTED as set forth herein.

2. Subject to the terms and conditions in this Order, the Debtors are authorized to continue to (a) use their Existing Bank Accounts, business forms and checks, and Cash Management System, and (b) the requirements provided in 11 USC § 345(b) are hereby WAIVED as to the Existing Bank Accounts for an interim period of sixty (60) days, without prejudice to the Debtors' rights to seek a further waiver.

3. Subject to the terms and conditions in this Order, the Debtors are authorized to (a) designate, maintain and continue to use, with the same numbers, all of the Existing Bank Accounts and (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors-in-possession. Exhibit B to the Motion provides a listing of the Existing Bank Accounts. Notwithstanding the foregoing, the Debtors are authorized, but not required, to close the Chester Valley Account.

4. The banks at which the Bank Accounts are maintained (collectively, the "**Banks**") are authorized and directed to continue to service and administer the Bank Accounts as accounts of the respective Debtor as a debtor-in-possession without interruption and in the usual and ordinary course, and to receive, process and honor and pay any and all checks, drafts, wires, or automated clearing house transfers ("**ACH Transfers**") drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be. Such Bank Accounts should be renamed "debtor-in-possession" accounts with the Petition Date included in the account title. The Banks are also authorized to waive any applicable requirement to establish separate accounts for cash collateral and/or tax payments.

5. The Banks are authorized and directed to accept and honor all representations from the Debtors as to which checks, drafts, wires, or ACH Transfers should be honored or dishonored consistent with any order(s) of this Court, whether the checks, drafts, wires, or ACH Transfers are dated prior to, on, or subsequent to the Petition Date, and whether or not the Bank believes the payment is or is not authorized by any order(s) of this Court.

6. Except for those checks, drafts, wires, or ACH Transfers that must be honored and paid in order to comply with any order(s) of this Court authorizing payment of certain prepetition claims, no checks, drafts, wires, or ACH Transfers issued on the Existing Bank Accounts prior to the Petition Date but presented for payment after the Petition Date shall be honored or paid.

7. The Debtors are authorized to continue to use their existing checks and other business forms, which checks and business forms shall not be required to include the legend "Debtor-in-Possession" or a "debtor-in-possession case number"; provided further that, with respect to checks or other business forms which the Debtors or their agents print themselves, the Debtors shall begin printing the "Debtor in Possession" legend on such items within ten (10) days of the date of entry of this Order. However, if new checks and business forms are ordered, such checks and business forms shall be required to include the legend "Debtor-in-Possession" and a "debtor-in possession case number." Third-party payroll and benefits administrators and providers are also authorized to prepare and issue checks on behalf of the Debtors, subject to the provisions of this paragraph.

8. Subject to the terms and conditions in this Order, the Debtors may open additional bank accounts and close Existing Bank Account(s) as they may deem necessary and appropriate, and the Banks are authorized to honor the Debtors' requests to open or close, as the case may be,

any such Bank Accounts; provided, however, that the Debtors give notice within fifteen (15) days to the Office of the United States Trustee for the District of Delaware, the First Lien Administrative Agent, and any statutory committees appointed in these chapter 11 cases; provided, further, that the Debtors shall open any such new Bank Account at banks that have executed a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware, or at such banks that are willing to immediately execute such an agreement.

9. Subject to the terms and conditions in this Order, any and all bank accounts opened by the Debtors on or after the Petition Date at any Bank shall, for all purposes under this Order, be deemed a Bank Account (as if it had been opened prior to the Petition Date), and any and all Banks at which such bank accounts are opened shall similarly be subject to the rights and obligations of this Order.

10. The Debtors and Wells Fargo are hereby authorized to continue to perform pursuant to the terms of any prepetition agreements that may exist between them, except and to the extent otherwise directed by the terms of this Order. The parties to such agreements shall continue to enjoy the rights and remedies afforded them under such agreements, except to the extent modified by the terms of this Order or by operation of the Bankruptcy Code.

11. For Banks at which the Debtors hold Bank Accounts that are party to a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware, within fifteen (15) days of the date of entry of this Order the Debtors shall (a) contact each Bank, (b) provide each of the Debtors' employer identification numbers and (c) identify each of their Bank Accounts held at such Banks as being held by a debtor in possession in a bankruptcy case.

12. For Banks at which the Debtors hold Bank Accounts that are not a party to a Uniform Depository Agreement with the Office of the United States Trustee for the District of

Delaware, the Debtors shall use their good faith reasonable best efforts to cause the Banks to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee within 45 days of the date of this Order. The U.S. Trustee's rights to seek further relief from this Court on notice in the event that the aforementioned banks are unwilling to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee are fully reserved.

13. Unless expressly permitted pursuant to an order of this Court, all intercompany transfers by any Debtor to any non-debtor affiliate or subsidiary are prohibited.

14. The Debtors shall maintain accurate and detailed records of all transfers, including intercompany transfers, so that all transactions may be readily ascertained, traced, recorded properly and distinguished between prepetition and post-petition transactions.

15. This court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied and that the relief requested herein is necessary to avoid immediate and irreparable harm.


16. Notwithstanding the provisions of Bankruptcy Rule 6004 and Bankruptcy Rule 6006 or any applicable provisions of the Local Rules, this Order shall not be stayed for fourteen (14) days after the entry hereof, but shall be effective and enforceable immediately upon entry, and the fourteen (14) day stay provided in such rules is hereby expressly waived and shall not apply.

17. Notwithstanding anything to the contrary contained herein, any payment to be made, or authorization contained, hereunder and the opening of any additional bank account in accordance with the terms hereof, shall, in each case, be subject to the requirements imposed on the Debtors under any approved debtor-in-possession financing facility, or any order regarding the use of cash collateral.

18. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

19. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: September 30, 2011
Wilmington, Delaware



Peter J. Walsh
United States Bankruptcy Judge