

**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 (PJW)

Jointly Administered

Related Docket No. 377 and 455

**SUPPLEMENTAL CERTIFICATION OF COUNSEL REGARDING SECOND
MONTHLY APPLICATION OF EDWARDS WILDMAN PALMER LLP AS SPECIAL
INTELLECTUAL PROPERTY COUNSEL TO THE DEBTORS FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED FOR THE
INTERIM PERIOD OCTOBER 1, 2011 THROUGH OCTOBER 31, 2011**

On December 16, 2011, Edwards Wildman Palmer LLP (“**EWP**”), special intellectual property counsel for the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), filed the *Second Monthly Application of Edwards Wildman Palmer LLP as Special Intellectual Property Counsel to the Debtors for Allowance of Compensation and Reimbursement of Expenses Incurred for the Interim Period October 1, 2011 through October 31, 2011* [Docket No. 377] (the “**Application**”). The Application – as initially filed – seeks allowance of interim fees in the amount of \$130,788.00 and interim expenses in the amount of \$39,523.29. Objections to the Application, if any, were required to be filed on or before January 5, 2012 at 4:00 p.m. (ET) (the “**Objection Deadline**”).

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

Prior to the Objection Deadline, the Office of the United States Trustee (the “U.S. Trustee”) requested additional information regarding certain of the fees and expenses included in the Application. On January 10, 2012, EWP provided the U.S. Trustee with responses to the U.S. Trustee’s questions. The U.S. Trustee had some remaining concerns regarding \$16,294.36 of the requested expenses (the “Disputed Expenses”). The parties agreed to adjourn EWP’s request for payment of the Disputed Expenses until the first quarterly fee hearing scheduled in these cases. The U.S. Trustee confirmed that she had no objection to the requested fees, nor to the undisputed portion of the requested expenses. With the exception of the U.S. Trustee’s informal comments, the Court’s docket reflects that no answer, objection or other responsive pleading to the Application was filed prior to the Objection Deadline.

Accordingly, on January 12, 2012, EWP filed a *Certification of Counsel Regarding Second Monthly Application of Edwards Wildman Palmer LLP as Special Intellectual Property Counsel to the Debtors for Allowance of Compensation and Reimbursement of Expenses Incurred for the Interim Period October 1, 2011 through October 31, 2011* [Docket No. 455], seeking reimbursement of 80% (\$104,630.40) of requested interim fees (\$130,788.00) and 100% of undisputed requested interim expenses (\$23,228.93). Pursuant to the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* entered on October 17, 2011 [Docket No. 127] (the “Procedures Order”), the Debtors were authorized to, and did, pay to EWP the requested interim fees and undisputed requested interim expenses.

Although EWP had agreed to adjourn its request for payment of the Disputed Expenses until the first quarterly fee hearing, in the interim, EWP was able to resolve the remaining concerns of the U.S. Trustee. The U.S. Trustee has confirmed that she has no objection to

payment of the Disputed Expenses in the amount of \$16,117.36.² In accordance with the Procedures Order, the Debtors are now authorized to pay the Disputed Expenses (\$16,117.36) on an interim basis without further Court order.

Dated: January 25, 2012
Wilmington, Delaware

Respectfully Submitted,

/s/ Kara Hammond Coyle

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ATTORNEYS FOR DEBTORS AND
DEBTORS-IN-POSSESSION

² The Disputed Expenses total \$16,294.36. However, EWP voluntarily reduced the amount of Disputed Expenses sought to \$16,117.36 due to an overage of \$177.00 charged to the Debtors.