

**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

Obj. Deadline: February 16, 2012 at 4:00 p.m. (ET)

Hearing Date: March 1, 2012 at 11:00 a.m. (ET)

NOTICE OF APPLICATION

TO: (I) THE DEBTORS, (II) COUNSEL TO THE DEBTORS, (III) COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, (IV) THE UNITED STATES TRUSTEE, (V) SPECIAL RESTRUCTURING AND BANKRUPTCY COUNSEL TO THE ADMINISTRATIVE AGENT FOR THE LENDERS UNDER THE DEBTORS' PREPETITION FIRST LIEN CREDIT FACILITY; AND (VI) THOSE PARTIES REQUESTING NOTICE PURSUANT TO BANKRUPTCY RULE 2002.

The **Final Fee Application of Lazard Freres & Co., LLC as Investment Banker to the Debtors for Allowance of Compensation and Reimbursement of Expenses Incurred for the Interim Period September 29, 2011 through November 30, 2011** (the "Application") has been filed with the Bankruptcy Court. The Application seeks allowance of final fees in the amount of \$2,743,750.00 and final expenses in the amount of \$7,296.99.

Objections to the Application, if any, are required to be filed on or before **February 16, 2012 at 4:00 p.m. (ET)** (the "Objection Deadline") with the Clerk of the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 Market Street, Wilmington, Delaware 19801.

At the same time, you must also serve a copy of the response so as to be received by the following on or before the Objection Deadline: (i) Graceway Pharmaceuticals, LLC, 340 Martin Luther King Jr. Blvd., Suite 500, Bristol, Tennessee 37620, Attn: John Bellamy; (ii) counsel for the Debtors, Latham & Watkins LLP, Suite 5800, 233 South Wacker Drive, Chicago, Illinois 60606, Attn: Josef S. Athanas and Young Conaway Stargatt & Taylor, LLP, 1000 West Street, 17th Floor, Wilmington, Delaware 19801, Attn: Michael R. Nestor; (iii)

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.

counsel for the Committee appointed by the Office of the United States Trustee, Lowenstein Sandler PC, 65 Livingston Avenue, Roseland, New Jersey 07068, Attn: S. Jason Teele and Elliott Greenleaf, 1105 North Market Street, Suite 1700, Wilmington, Delaware 19801, Attn: Rafael X. Zahralddin-Aravena; (iv) The Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801, Attn: Juliet Sarkessian; and (v) special restructuring and bankruptcy counsel to the administrative agent for the lenders under the Debtors' prepetition first lien credit facility, Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, New York 10019, Attn: Scott K. Charles and Michael S. Benn.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE APPLICATION WILL BE HELD MARCH 1, 2012 AT 11:00 A.M. (ET), BEFORE THE HONORABLE PETER J. WALSH, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 6TH FLOOR, COURTROOM NO. 2, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THIS COURT MAY GRANT THE RELIEF REQUESTED BY THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: January 27, 2012
Wilmington, Delaware

Respectfully Submitted,

/s/ Kara Hammond Coyle

Michael R. Nestor (No. 3526)
Kara Hammond Coyle (No. 4410)
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-and-

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ATTORNEYS FOR DEBTORS
AND DEBTORS-IN-POSSESSION