

**EXHIBIT II**

**Declaration of Thomas E. Hill**

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

In re:

GRACEWAY PHARMACEUTICALS, LLC,  
*et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 11-13036 (PJW)

Jointly Administered

**DECLARATION OF THOMAS E. HILL IN SUPPORT OF DEBTORS'  
SECOND OMNIBUS (NON-SUBSTANTIVE) OBJECTION TO CLAIMS  
PURSUANT TO § 502(b) OF THE BANKRUPTCY CODE,  
BANKRUPTCY RULE 3007, AND LOCAL RULE 3007-1**

I, Thomas E. Hill, pursuant to 28 U.S.C. § 1746, declare:

1. I am a managing director for Alvarez and Marsal North America, LLC (“**Alvarez**”), the court-approved restructuring advisors to the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”). In my capacity as a managing director of Alvarez, I am one of the persons responsible for overseeing the claims reconciliation and objection process in these Chapter 11 Cases. I have read the Debtors’ Second Omnibus (Non-Substantive) Objection to Claims Pursuant to § 502(b) of the Bankruptcy Code, Bankruptcy Rule 3007, and Local Rule 3007-1 (the “**Objection**”),<sup>2</sup> and am directly, or by and through my personnel or agents, familiar with the information contained therein, the Proposed Order, and the exhibits attached thereto.

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<sup>1</sup> 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 400, 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.

<sup>2</sup> Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Objection.

2. Considerable resources and time have been expended in reviewing and reconciling the Proofs of Claims filed or pending against the Debtors in these Chapter 11 Cases. The claims were carefully reviewed and analyzed in good faith utilizing due diligence by the appropriate personnel. These efforts resulted in the identification of the “Amended and Superseded Claims,” the “Duplicate Claims,” and the “No Supporting Documentation Claims,” identified respectively in Exhibits A through C to the Proposed Order.

3. The information contained on Exhibits A through C to the Proposed Order is true and correct to the best of my knowledge.

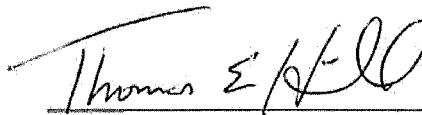
4. The Debtors have reviewed their books and records and have determined that the claimants asserting the claims identified on Exhibit A to the Proposed Order are claims that have been amended and superseded by subsequently-filed Proofs of Claims. Therefore, the Debtors seek to disallow in full the claims under the heading “Claims to be Disallowed” and have the claims under the heading “Remaining Claims” remain on the claims register.

5. The Debtors have reviewed their books and records and determined that the claims identified on Exhibit B to the Proposed Order are duplicate claims. Accordingly, to prevent the claimants from receiving an unwarranted recovery, the Debtors seek to disallow in full the Duplicate Claims.

6. The Debtors have reviewed Disputed Claims identified on Exhibit C to the Proposed Order and determined that they are not supported by any documentation. Accordingly, to prevent the claimants from receiving an unwarranted recovery, the Debtors seek to disallow in full the No Supporting Documentation Claims.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 14, 2012

A handwritten signature in black ink, appearing to read "Thomas E. Hill", written over a horizontal line.

Thomas E. Hill  
Managing Director, Alvarez and Marsal North  
America, LLC