

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

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| In re:<br><br>GRACEWAY PHARMACEUTICALS, LLC.,<br><i>et al.</i><br><br>Debtors. | Chapter 11<br><br>Case No. 11-13036 (PJW)<br><br>(Jointly Administered)<br><br>Hearing Date: March 1, 2012 at 10:00 a.m.<br>Objection Deadline: February 23, 2012 at 4:00 p.m. |
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**FIRST INTERIM FEE APPLICATION OF LOWENSTEIN SANDLER PC, COUNSEL TO  
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR  
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES INCURRED FROM  
OCTOBER 11, 2011 THROUGH DECEMBER 31, 2011**

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|---|--|
| Name of Applicant:  | <b>LOWENSTEIN SANDLER PC<br/>65 Livingston Avenue<br/>Roseland, New Jersey 07068<br/>Telephone: 973.597.2500</b> |
| Authorized to Provide<br>Professional Services to:                                | <b>Counsel to Official Committee of Unsecured<br/>Creditors</b>  |
| Date of Retention:  | <b><u>November 7, 2011, effective as of October 11, 2011</u></b>   |
| Period for which Compensation<br>and Reimbursement is sought:                     | <b><u>October 11, 2011 through December 31, 2011</u></b>   |
| Amount of Compensation sought as<br>actual, reasonable and necessary:             | <b><u>\$223,139.00</u></b>   |
| Amount of Expense Reimbursement<br>sought as actual, reasonable and<br>necessary: | <b><u>\$ 8,891.12</u></b>  |

Total Amount of Compensation  
Paid as actual, reasonable  
and necessary for applicable period: \$173,006.80

Total Amount of Expense Reimbursement  
Paid as actual, reasonable and  
necessary for applicable period: \$8,891.12

This is a: **First Interim Fee Application**

**The total time expended in connection with the preparation of this fee application is not included herein as such time was expended after the Compensation Period.**

Summary of Fee Application for Compensation Period:

| Date Filed | Period Covered          | Requested    |            | Monthly Statements |            | Certificate of No Objection / Signed Order |
|------------|-------------------------|--------------|------------|--------------------|------------|--|
|            |                         | Fees 100%    | Expenses   | Fees 80%           | Expenses   |  |
| 12/02/2011 | 10/11/2011 – 10/31/2011 | \$118,380.50 | \$3,703.38 | \$94,704.40        | \$3,703.38 | #412                                       |
| 01/11/2012 | 11/1/2011 – 11/30/2011  | \$97,878.00  | \$3,195.43 | \$78,302.40        | \$3,195.43 | #503                                       |
| 01/11/2012 | 12/01/2011 – 12/31/2011 | \$6,880.50   | \$1,992.31 | \$5,504.40         | \$1,992.31 | #515                                       |

NO OBJECTIONS TO ANY OF THE ABOVE-LISTED MONTHLY FEE APPLICATIONS HAVE BEEN FILED.

PLEASE TAKE NOTICE that, pursuant to the Court’s Order Granting Debtors’ Motion for an Administrative Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals, dated October 17, 2011 (the “Administrative Order”), objections, if any, to the Interim Fee Application must be filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801, and be served upon the Applicant at the address set forth below and the Notice Parties (as such term is defined in the Administrative Order) so as to be *actually received* no later than **February 23, 2012 at 4:00 p.m. (Prevailing Eastern Standard Time)**. Only those objections made in writing and timely filed and received in accordance with the Administrative Order and the procedures described herein will be considered by the Court at such hearing.

**PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTIONS TO THE FIRST INTERIM FEE APPLICATION ARE TIMELY FILED AND RECEIVED IN ACCORDANCE WITH THE ABOVE PROCEDURES, THE RELIEF REQUESTED IN THE FIRST INTERIM FEE APPLICATION WILL BE GRANTED WITHOUT FURTHER NOTICE OR A HEARING.**

The Applicant certifies that it has reviewed and complied with Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware.

Dated: February 14, 2012

By: /s/ S. Jason Teele  
**LOWENSTEIN SANDLER**  
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S. Jason Teele  
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--and--

**ELLIOTT GREENLEAF**  
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*Co-Counsel to the Official Committee of  
Unsecured Creditors*