

# **EXHIBIT A**

**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

Objection Deadline: 12/22/2011 @ 4:00 PM

Hearing Date: Only if Objections are Filed

**NOTICE OF FIRST MONTHLY APPLICATION  
OF LOWENSTEIN SANDLER PC FOR COMPENSATION  
FOR SERVICES RENDERED AND REIMBURSEMENT  
OF EXPENSES INCURRED AS COUNSEL FOR THE  
OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR  
THE PERIOD OF OCTOBER 11, 2011 THROUGH OCTOBER 31, 2011**

TO: The Notice Parties as defined in the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals (the "Interim Compensation Order") (Docket No. 127). Parties receiving notice in the above-captioned matter pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") shall receive this Notice only.

PLEASE TAKE NOTICE that Lowenstein Sandler PC, Counsel to the Official Committee of Unsecured Creditors in the above-captioned cases, has filed the **First Monthly Application of Lowenstein Sandler PC for Compensation for Services Rendered and Reimbursement of Expenses as Counsel for the Official Committee of Unsecured Creditors for the Period October 11, 2011 through October 31, 2011** (the "Application"). The Application seeks the allowance of fees in the amount of **\$118,380.50** (80%, \$94,704.40) and expenses in the amount of **\$3,703.38** for the period **October 11, 2011 through and including October 31, 2011** and payment of 80% of fees in the amount of **\$94,704.40** and 100% of the expenses in the amount of **\$3,703.38** pursuant to the Interim Compensation Order. The Application has been filed and served

<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); 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).

Date: 12.2.11

Docket No. 332

on the Notice Parties pursuant to the Interim Compensation Order. Notice of the Application has been filed and served on all parties requesting notice pursuant to Bankruptcy Rule 2002.

PLEASE TAKE FURTHER NOTICE that Objections, if any, to the relief requested in the Application must be filed with the United States Bankruptcy Court, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801, on or **before December 22, 2011 at 4:00 p.m. (prevailing Eastern Time)**, and a copy served upon the following parties so as to be **received no later than 4:00 p.m. (prevailing Eastern Time) on December 22, 2011:**

(i) Graceway Pharmaceuticals, LLC, 340 Martin Luther King Boulevard, 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, 17<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Michael R. Nestor; (iii) counsel for the Committee appointed by 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, 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 & Kats, 51 West 52<sup>nd</sup> Street, New York, New York 10019, Attn: Scott K. Charles and Michael S. Benn (the "Notice Parties").

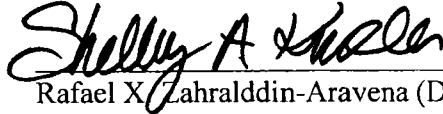
PLEASE TAKE FURTHER NOTICE THAT PURSUANT TO THE INTERIM COMPENSATION ORDER, IF NO OBJECTIONS ARE FILED IN ACCORDANCE WITH THE ABOVE PROCEDURE, THE ABOVE-CAPTIONED DEBTORS WILL BE AUTHORIZED TO PAY EIGHTY PERCENT (80%) OF REQUESTED FEES AND ONE HUNDRED (100%) OF REQUESTED EXPENSES WITHOUT FURTHER COURT ORDER.

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PLEASE TAKE FURTHER NOTICE THAT ONLY IF AN OBJECTION IS PROPERLY AND TIMELY FILED IN ACCORDANCE WITH THE PROCEDURES SET FORTH ABOVE PURSUANT TO THE INTERIM COMPENSATION ORDER, WILL A HEARING BE HELD ON THE APPLICATION.

Dated: December 2, 2011  
Wilmington, Delaware

**ELLIOTT GREENLEAF**

A handwritten signature in black ink, reading "Shelley A. Kinsella". The signature is written in a cursive, flowing style. The first name "Shelley" is written in a larger, more prominent script, followed by "A." and "Kinsella". The signature is positioned above a horizontal line.

Rafael X. Zahralddin-Aravena (DE Bar No. 4166)

Shelley A. Kinsella (DE Bar No. 4023)

1105 North Market Street, Suite 1700

Wilmington, Delaware 19801

Telephone: (302) 384-9400

Facsimile: (302) 384-9399

Email: rxza@elliottgreenleaf.com

Email: sak@elliottgreenleaf.com

*Co-counsel for the Official Committee of  
Unsecured Creditors of Graceway  
Pharmaceuticals, LLC, et al.*

**File a Motion:**11-13036-PJW Graceway Pharmaceuticals, LLC

Type: bk	Chapter: 11 v	Office: 1 (Delaware)
Assets: y	Judge: PJW	Case Flag: PlnDue, DscIsDue, MEGA, LEAD, CLMSAGNT

U.S. Bankruptcy Court

District of Delaware

**Notice of Electronic Filing**

The following transaction was received from Shelley A. Kinsella entered on 12/2/2011 at 2:37 PM EST and filed on 12/2/2011

**Case Name:** Graceway Pharmaceuticals, LLC**Case Number:** 11-13036-PJW**Document Number:** 332**Docket Text:**Monthly Application for Compensation of *Lowenstein Sandler PC (First)* for the period *October 11, 2011 to October 31, 2011* Filed by Official Committee of Unsecured Creditors. Objections due by 12/22/2011. (Attachments: # (1) Exhibit s A through D# (2) Notice # (3) Certificate of Service) (Kinsella, Shelley)

The following document(s) are associated with this transaction:

**Document description:**Main Document**Original filename:**LS 1 App.pdf**Electronic document Stamp:**

[STAMP bkecfStamp\_ID=983460418 [Date=12/2/2011] [FileNumber=10306304-0] [68366dc6249adc34d53b148ae2ceaec02286a49ec9c669cf8deb58b97467b6cbfa44c249a3dba24a99af2a27d4135f7fa204a830c0f2bdb1bd6c9c922d0b1839]]

**Document description:**Exhibit s A through D**Original filename:**LS 1 App Exh.pdf**Electronic document Stamp:**

[STAMP bkecfStamp\_ID=983460418 [Date=12/2/2011] [FileNumber=10306304-1] [23968a7f6e61a762d7aa29a1227fd5c65efbbe259ad42ac9b322e8efc439489382833dfc59fb8dd0c7da673576182494448b9b9c4ea04b17ca9e8055c3a013b]]

**Document description:**Notice**Original filename:**LS 1 Not.pdf**Electronic document Stamp:**

[STAMP bkecfStamp\_ID=983460418 [Date=12/2/2011] [FileNumber=10306304-2] [5a07bc20b50004b032b508fc0ed30966947ecb8690cc0781af9b8eddb66b1c0efdb06d8131c9ad15290b146a8c6bf9ae65e37497ec7c5e426c9308d38dd02bf6]]

**Document description:**Certificate of Service**Original filename:**LS 1 COS.pdf**Electronic document Stamp:**

[STAMP bkecfStamp\_ID=983460418 [Date=12/2/2011] [FileNumber=10306304-3] [494b1a425a6399af783d20485ca10fcd59df180f1d289dd4686b4d2207b2050192f9b3ac4c6fb4634402397a50fcd74e8aa980cfd89ec6ce6feffda6663b31]]

**11-13036-PJW Notice will be electronically mailed to:**William M. Alleman, Jr. on behalf of Interested Party Galderma S.A.  
walleman@mnat.com, mdecarli@mnat.comDaniel K. Astin on behalf of Creditor 3M Company  
dastin@ciardilaw.com, vfrew@ciardilaw.com, dchigges@ciardilaw.com, mflores@ciardilaw.comBMC Group, Inc.  
mjohm@bmcgroup.comAlan Edward Brown on behalf of Creditor 3M Company  
arbrown@mmm.comStuart M. Brown on behalf of Interested Party Bank of America, N.A., as Administrative Agent for the Pre-petition First Lien Lenders  
stuart.brown@dlapiper.comMark D. Collins on behalf of Creditor Medicis Pharmaceutical Corporation  
collins@RLF.com, rbgroup@rlf.comTraci L. Cotton on behalf of Creditor UT System obo UT M.D. Anderson Cancer Center  
tcotton@utsystem.eduJohn D. Demmy on behalf of Creditor Caremark Entities  
jdd@stevenslee.comCharles R. Ekberg on behalf of Creditor RX Solutions  
ekberg@lanepowell.comBrett D. Fallon on behalf of Interested Party Ei Inc.  
bfallon@morrisjames.com, wweller@morrisjames.com, jdawson@morrisjames.comJeffrey K. Garfinkle on behalf of Creditor McKesson Corporation  
jgarfinkle@buchalter.com

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

In re:

GRACEWAY PHARMACEUTICALS, LLC,  
et al.,

Debtors.

Chapter 11

Case No. 11-13036 (PJW)

Jointly Administered

Objection Deadline: 12/22/2011 @ 4:00 PM

Hearing Date: Only if Objections are Filed

**FIRST MONTHLY APPLICATION OF LOWENSTEIN SANDLER PC  
FOR COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES INCURRED AS COUNSEL FOR  
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR  
THE PERIOD OF OCTOBER 11, 2011 THROUGH OCTOBER 31, 2011**

Name of Applicant:

Lowenstein Sandler PC

Authorized to provide  
professional services to:

Official Committee of Unsecured Creditors of  
Graceway Pharmaceuticals, LLC, *et al.*

Date of Retention:

November 7, 2011, effective as of October 11, 2011

Period for which compensation  
and reimbursement is sought:

October 11, 2011 through October 31, 2011

Amount of Compensation sought  
as actual, reasonable and necessary:

\$ 94,704.40 (80% of \$118,380.50)

Amount of Expense Reimbursement  
sought as actual, reasonable and necessary:

\$ 3,703.38

This is a:   x   monthly        interim        final application

**ATTACHMENT TO FIRST MONTHLY APPLICATION**

**I. SUMMARY OF TIME CHARGES AND HOURLY RATES**

<b>Name of Professional</b>	<b>Title</b>	<b>Hours Spent</b>	<b>Hourly Rate</b>	<b>Charge</b>
Lerner, Michael J.	Shareholder/Member	0.30	\$750.00	\$225.00
Paradiso, Robert J.	Shareholder/Member	1.90	590.00	1,121.00
Rosen, Kenneth A.	Shareholder/Member	12.50	745.00	9,312.50
Teele, S. Jason	Shareholder/Member	87.00	555.00	48,285.00
Melcher, Ryan S.	Counsel	4.20	475.00	1,995.00
Pietrowski, Elizabeth	Counsel	0.80	450.00	360.00
Chafetz, Eric S.	Associate	4.80	490.00	2,352.00
Ingman, Tatiana	Associate	55.10	420.00	23,142.00
Stefanelli, Nicole	Associate	71.30	370.00	26,381.00
Belvin, Jada S.	Project Assistant	1.00	95.00	95.00
LaFiura-Smith, Kim Marie	Paralegal	10.90	180.00	1,962.00
Power, Megan	Paralegal	14.00	225.00	3,150.00
<b>TOTAL FEES</b>		<b>263.80</b>		<b>\$118,380.50</b>
<b>Blended Rate</b>				<b>\$448.75</b>

**COMPENSATION BY PROJECT CATEGORY**

<b>Task Description</b>	<b>Hours</b>	<b>Fees</b>
Case Administration	14.30	\$3,986.50
Investigation of Prepetition Lenders	18.20	5,145.00
Asset Disposition	97.10	44,127.50
Meetings of and Communication with Creditors	28.80	15,157.00
Fee/Employment Applications	8.30	2,987.00
Employment and Retention Applications - Others	3.10	1,468.50
Assumption/Rejection of Leases and Contracts	0.60	222.00

Other Contested Matters (excluding assumption/rejection motions)	20.70	9,028.00
Financing/Cash Collateral	39.70	18,386.00
Claims Administration and Objections	1.00	478.00
General Bankruptcy Advice/Opinions	32.00	17,395.00
<b>Total</b>	<b>263.80</b>	<b>\$ 118,380.50</b>

### **EXPENSE SUMMARY**

#### **Summary of Disbursement Charges**

Computerized legal research	\$3,138.51
Telecommunications	346.83
Travel	210.54
Photocopies 75 pages at \$0.10 per page	7.50
<b>Total Disbursements</b>	<b>\$3,703.38</b>



**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

In re:

GRACEWAY PHARMACEUTICALS, LLC,  
et al.,

Debtors.

Chapter 11

Case No. 11-13036 (PJW)

Jointly Administered

Objection Deadline: 12/22/2011 @ 4:00 PM  
Hearing Date: Only if Objections are Filed

**FIRST MONTHLY APPLICATION OF LOWENSTEIN SANDLER PC  
FOR COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES INCURRED AS COUNSEL FOR  
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR  
THE PERIOD OF OCTOBER 11, 2011 THROUGH OCTOBER 31, 2011**

Lowenstein Sandler PC ("Lowenstein Sandler" or "Applicant"), as counsel to the Official Committee of Unsecured Creditors the ("Committee") appointed in the chapter 11 cases of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), submits its first monthly application for allowance of compensation and reimbursement of expenses for the period of October 11, 2011 through October 31, 2011, respectfully represents and alleges as follows:

1. On September 29, 2011 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Court").
2. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors continue to operate their businesses and properties as debtors-in-possession. No trustee or examiner has been appointed in these cases.
3. On October 11, 2011, the Office of the United States Trustee for the District of Delaware appointed the Committee. *See* Notice of Appointment of Official Committee of Unsecured Creditors (Docket No. 90). On October 11, 2011, the Committee selected Lowenstein Sandler to serve as its lead counsel.

4. On October 17, 2011, the Court entered an Order Establishing Procedures for Interim compensation and Reimbursement of Expenses for Professionals (the “Interim Compensation Order”) (Docket No. 127). Pursuant to the Interim Compensation Order, Lowenstein Sandler and other professionals retained in this case are authorized to file and serve upon the Debtors and the parties identified in the Interim Compensation Order monthly fee applications of their fees and expenses.

5. On November 7, 2011, this Court entered an Order authorizing the employment and retention of Lowenstein Sandler, as counsel to the Committee, effective as of October 11, 2011. A copy of this Order is annexed hereto as Exhibit “A”. See Docket No. 223.

6. Applicant seeks the allowance of compensation for professional services rendered for and on behalf of the Committee for the period of October 11, 2011 through October 31, 2011, (the “Compensation Period”). In addition, Applicant seeks reimbursement of actual and necessary costs and expenses incurred during the Compensation Period.

7. Specifically, Applicant seeks an allowance and payment of \$94,704.40 (\$118,380.50 minus a 20% holdback of \$23,676.10) for professional services rendered to and on behalf of the Committee during the Compensation Period. A detailed description of services rendered during the Compensation Period is annexed hereto as Exhibit “B”. Applicant also seeks the allowance and reimbursement of actual and necessary costs and expenses incurred during the Compensation Period in the sum of \$3,703.38. A schedule of disbursements incurred by the Applicant is annexed hereto as Exhibit “C”.

8. During the Compensation Period, Applicant diligently and frequently consulted with counsel for the Debtors and other parties in interest concerning the general administration of these cases. Such consultations have occurred throughout the Compensation Period, in substantial part, by telephone communications and e-mail with counsel and other representatives for the Debtors and other interested parties. Applicant has rendered professional services as counsel to the Committee as requested and necessary and appropriate in furtherance of the Committee’s duties and functions in these chapter 11 cases.

### **SUMMARY OF SERVICES BY PROJECT**

9. The services rendered by the Applicant during the Compensation Period can be grouped into the categories set forth below:

<b>Task Description</b>	<b>Hours</b>	<b>Fees</b>
Case Administration	14.30	\$3,986.50
Investigation of Prepetition Lenders	18.20	5,145.00
Asset Disposition	97.10	44,127.50
Meetings of and Communication with Creditors	28.80	15,157.00
Fee/Employment Applications	8.30	2,987.00
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General Bankruptcy Advice/Opinions	32.00	17,395.00
<b>Total</b>	<b>263.80</b>	<b>\$ 118,380.50</b>

### **VALUATION OF SERVICES**

10. Attorneys and a paraprofessional employed by the Applicant have expended a total of 263.8 hours in connection with this matter during the Compensation Period, as follows:

<b>Name of Professional</b>	<b>Title</b>	<b>Hours Spent</b>	<b>Hourly Rate</b>	<b>Charge</b>
Lerner, Michael J.	Shareholder/Member	0.30	\$750.00	\$225.00
Paradiso, Robert J.	Shareholder/Member	1.90	590.00	1,121.00
Rosen, Kenneth A.	Shareholder/Member	12.50	745.00	9,312.50
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Ingman, Tatiana	Associate	55.10	420.00	23,142.00
Stefanelli, Nicole	Associate	71.30	370.00	26,381.00
Belvin, Jada S.	Project Assistant	1.00	95.00	95.00
LaFiura-Smith, Kim Marie	Paralegal	10.90	180.00	1,962.00
Power, Megan	Paralegal	14.00	225.00	3,150.00
<b>TOTAL FEES</b>		<b>263.80</b>		<b>\$118,380.50</b>
<b>Blended Rate</b>				<b>\$448.75</b>

11. The nature of the work performed by these persons is fully set forth in **Exhibit “B”** attached hereto. These are Applicant’s normal hourly rates for the work of this character. The reasonable value for services rendered by Applicant to the Committee during the Compensation Period is \$118,380.50, which amount is subject to a holdback of 20% in the amount of \$23,676.10 pursuant to the Interim Compensation Order governing these cases until an interim fee application encompassing the Compensation Period is prepared.

12. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount requested is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the cost of comparable services other than in a case under this title.

#### **DISBURSEMENTS**

13. Applicant incurred reasonable and necessary out-of-pocket expenses in the sum of \$3,703.38, in connection with rendering legal services to the Committee during the Compensation Period. A description of the expenses is set forth in **Exhibit “C”** annexed hereto. Such disbursements include postage, messenger service, photocopying, travel expenses, and Federal Express expenses. Applicant has sought to utilize the most cost efficient method of communication consistent with the necessary time constraints. Applicant’s regular charge for photocopy expenses is \$0.10 per page. Westlaw and Lexis charges represent computerized legal research facility charges for computer assisted research. Use of Westlaw and Lexis greatly

enhances legal research and access to case law from all jurisdictions, and is cost efficient, saving substantial attorney research time. Other disbursements are itemized in the annexed schedule. These disbursements were necessary to effectively render legal services in these cases.

14. Annexed hereto as **Exhibit "D"** and made part hereof is a Certification of Counsel submitted pursuant to section 504 of the Bankruptcy Code.

15. During the course of these cases, Applicant has incurred and paid all actual and necessary disbursements and expenses.

16. This is the Applicant's first monthly fee application in furtherance of the Interim Compensation Order. No prior application has been made to this or any other Court for this Compensation Period or for the allowance of fees and disbursements sought herein.

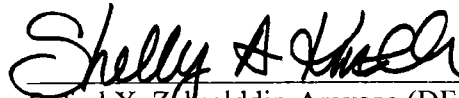
17. Applicant has received no payment and no promises of payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with these cases, and there is no agreement or understanding between the Applicant and any other person, other than members of the Applicant, for the sharing of compensation to be received for services rendered in these cases.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**WHEREFORE**, Applicant respectfully requests that it be granted a third monthly allowance of fees in the amount of \$94,704.40 (\$118,380.50 minus a 20% holdback of \$23,676.10) for professional services rendered to and on behalf of the Committee during the Compensation Period, plus reimbursement of its actual, reasonable, and necessary expenses incurred in connection with services rendered during the Compensation Period in the sum of \$3,703.38 and that it be granted such other and further relief as the Court may deem just and proper.

Dated: December 2, 2011

**ELLIOTT GREENLEAF**



Rafael X. Zafaralddin-Aravena (DE 4166)  
Shelley A. Kinsella (DE 4023)  
1105 N. Market Street, Suite 1700  
Wilmington, Delaware 19801  
Telephone: (302) 384-9400  
Facsimile: (302) 384-9399  
Email: rxza@elliottgreenleaf.com  
Email: sak@elliottgreenleaf.com

- and -

**LOWENSTEIN SANDLER**

Kenneth A. Rosen  
S. Jason Teele  
Nicole Stefanelli  
65 Livingston Avenue  
Roseland, NJ 07068  
Tel: 973.597.2500  
Fax: 973.597.2400  
Email: krosen@lowenstein.com  
Email: steele@lowenstein.com  
Email: nstefanelli@lowenstein.com

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

# **Exhibit “A”**

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

RE: Docket No. 163

**ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION  
OF LOWENSTEIN SANDLER PC AS COUNSEL TO THE  
OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Upon consideration of the application (the "Application")<sup>2</sup> of the Official Committee of Unsecured Creditors (the "Committee") of the above-captioned debtors and debtors-in-possession (the "Debtors") for authorization to retain Lowenstein Sandler PC ("Lowenstein Sandler") to serve as counsel for the Committee, effective as of October 11, 2011; and upon consideration of the Declaration of Counsel in support of the Application; and the Court being satisfied that Lowenstein Sandler represents no adverse interest in connection with these bankruptcy cases; and notice of the Application being sufficient; and good cause appearing therefor;

It is **ORDERED** as follows:

1. The Application is granted.

<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); 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).

<sup>2</sup> Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Application.



2. Pursuant to sections 328(a) and 1103 of the Bankruptcy Code, Bankruptcy Rule 2014 and Rule 2014-1 of the Local Rules, the Committee is authorized and empowered to employ and retain Lowenstein Sandler, effective as of October 11, 2011, to serve as its counsel in the above-captioned cases.

3. Lowenstein Sandler shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, the applicable Federal Rules of Bankruptcy Procedure, the rules of this Court, and any applicable orders entered by this Court in respect of compensation of professionals.

Dated: Nov. 7, 2011

  
PETER W. WALSH  
UNITED STATES BANKRUPTCY JUDGE

# **Exhibit “B”**

Professional Services rendered by Lowenstein Sandler PC, through October 31, 2011

In re: Chapter 11

**I. SUMMARY OF TIME CHARGES AND HOURLY RATES**

<b>Name of Professional</b>	<b>Year Admitted</b>	<b>Title</b>	<b>Hours Spent</b>	<b>Hourly Rate</b>	<b>Charge</b>
Lerner, Michael J.	1983	Shareholder/Member	0.30	\$750.00	\$225.00
Paradiso, Robert J.	1995	Shareholder/Member	1.90	590.00	1,121.00
Rosen, Kenneth A.	1979	Shareholder/Member	12.50	745.00	9,312.50
Teele, S. Jason	2001	Shareholder/Member	87.00	555.00	48,285.00
Melcher, Ryan S.	2004	Counsel	4.20	475.00	1,995.00
Pietrowski, Elizabeth	2001	Counsel	0.80	450.00	360.00
Chafetz, Eric S.	2004	Associate	4.80	490.00	2,352.00
Ingman, Tatiana	2007	Associate	55.10	420.00	23,142.00
Stefanelli, Nicole	2008	Associate	71.30	370.00	26,381.00
Belvin, Jada S.	N/A	Project Assistant	1.00	95.00	95.00
LaFiura-Smith, Kim Marie	N/A	Paralegal	10.90	180.00	1,962.00
Power, Megan	N/A	Paralegal	14.00	225.00	3,150.00
<b>TOTAL FEES</b>			<b>263.80</b>		<b>\$118,380.50</b>
<b>Blended Rate</b>					<b>\$448.75</b>

TIME DETAIL:

Code	Date	Timekeeper	Time Narrative	Hours	Amount
<u>B100 - Administration</u>					
<u>B110 Case Administration</u>					
B110	10/11/11	KML	Prepare Notice of Appearance for K. Rosen, S. Teele, and N. Stefanelli	0.60	\$108.00
B110	10/11/11	KML	Prepare Committee By-Laws	1.50	270.00
B110	10/11/11	KML	Prepare pro hac vice papers for S. Teele, K. Rosen and N. Stefanelli	1.20	216.00
B110	10/11/11	NS	Conference call with local counsel	0.30	111.00
B110	10/11/11	NS	Review and revise pro hac vice motions	0.20	74.00
B110	10/11/11	NS	Internal e-mails re: tasks needed to be completed in short term	0.10	37.00
B110	10/12/11	ESC	Phone call with N. Stefanelli re: issues with Lazard retention application, bar date motion and 503(b)(9) bar date motion; review e-mail from N. Stefanelli re: same	0.20	98.00
B110	10/12/11	JSB	Compile and Organize Documents for N. Stefanelli	1.00	95.00
B110	10/12/11	KAR	Conference call with Debtor's counsel	0.50	372.50
B110	10/12/11	KML	Prepare hearing binder index	1.20	216.00
B110	10/12/11	NS	Coordinate with support staff for preparation of hearing binders and other items needed for second day hearing	0.60	222.00
B110	10/12/11	NS	Finalize pro hac vice applications and coordinate filing with local counsel	0.20	74.00
B110	10/13/11	KAR	Telephone conference with FTI; telephone conference with Mesirov re: financial advisor needs	0.50	372.50

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<b>Code</b>	<b>Date</b>	<b>Timekeeper</b>	<b>Time Narrative</b>	<b>Hours</b>	<b>Amount</b>
B110	10/13/11	NS	Circulate draft NDA to Committee professionals	0.10	37.00
B110	10/14/11	NS	Revise committee contact list	0.20	74.00
B110	10/14/11	NS	Exchange e-mails with FTI re: conflict parties	0.10	37.00
B110	10/14/11	NS	Telephone conference with local counsel re: critical dates, etc.	0.20	74.00
B110	10/17/11	NS	Circulate NDA executed by Lowenstein	0.10	37.00
B110	10/19/11	KAR	Telephone conference with A. Mintz of Stone Lion	0.40	298.00
B110	10/19/11	NS	Exchange internal e-mails re: bar date order	0.10	37.00
B110	10/19/11	NS	Exchange e-mails with FTI re: conflict parties	0.10	37.00
B110	10/20/11	KAR	Telephone conference with Tanner Partners, buyer of 20 day claims	0.30	223.50
B110	10/21/11	NS	Exchange internal e-mails re: open issues	0.10	37.00
B110	10/27/11	KML	Review docket for First Day Affidavit and Motion for an entry of an order determining the value of the assets of Graceway Canada Company and the Supplement to the motion per T. Ingman	0.60	108.00
B110	10/27/11	NS	Exchange internal e-mails re: calendar control	0.10	37.00
B110	10/28/11	KML	Review docket for protocol motion and order	1.00	180.00
B110	10/31/11	KML	Review critical dates memo and advise counsel of same	2.00	360.00
B110	10/31/11	KML	Review docket re: the commencement of the Canada proceeding	0.80	144.00
<b>Total B110 - Case Administration</b>				<b>14.30</b>	<b>\$3,986.50</b>

ALL DETAILED INFORMATION IS CONSIDERED TO BE PRIVILEGED AND CONFIDENTIAL.

Code	Date	Timekeeper	Time Narrative	Hours	Amount
<u>B120A Investigation of Prepetition Lenders</u>					
B120A	10/12/11	MP	Review pre-petition loan documents	1.00	225.00
B120A	10/12/11	MP	Draft lien analysis memorandum	1.00	225.00
B120A	10/12/11	RSM	Cursory review of credit documents	0.60	285.00
B120A	10/13/11	MP	Draft pre-petition lien analysis memorandum	2.00	450.00
B120A	10/14/11	MP	Review pre-petition loan documents	1.00	225.00
B120A	10/14/11	MP	Draft pre-petition lien analysis memorandum	2.50	562.50
B120A	10/17/11	MP	Discuss pre-petition lien review with R. Melcher	0.10	22.50
B120A	10/17/11	MP	Draft pre-petition lien review memorandum	2.80	630.00
B120A	10/19/11	MP	Draft pre-petition lien analysis memorandum	0.50	112.50
B120A	10/19/11	RSM	Begin reviewing credit documentation and reviewing and commenting on M. Power draft of lien summary memorandum	2.10	997.50
B120A	10/20/11	RSM	Continue reviewing credit documentation and reviewing and commenting on M. Power draft of lien summary memorandum	0.90	427.50
B120A	10/24/11	MP	Meet with R. Melcher re: pre-petition lien review	0.20	45.00
B120A	10/25/11	MP	Review pre-petition lien analysis memorandum per R. Melcher comments	1.50	337.50
B120A	10/26/11	MP	Meet with R. Melcher and J. Teele re: pre-petition lien review	0.30	67.50
B120A	10/26/11	MP	Draft e-mail correspondence to J. Teele re: lien review document request	0.10	22.50

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Code	Date	Timekeeper	Time Narrative	Hours	Amount
B120A	10/26/11	MP	Review pre-petition loan documents	0.30	67.50
B120A	10/26/11	MP	Revise pre-petition lien analysis memorandum	0.30	67.50
B120A	10/26/11	RSM	Additional review of credit documentation re: questions raised by J. Teele in connection with lien analysis	0.60	285.00
B120A	10/27/11	MP	Review pre-petition secured loan documents	0.30	67.50
B120A	10/28/11	MP	E-mail correspondence with M. Greenberg re: prepetition loan documents	0.10	22.50
<b>Total B120A - Investigation of Prepetition Lenders</b>				<b>18.20</b>	<b>\$5,145.00</b>

B130 Asset Disposition

B130	10/11/11	NS	Review sale motion	1.20	444.00
B130	10/12/11	NS	Drafting objection to bidding procedures	2.50	925.00
B130	10/13/11	NS	Drafting bidding procedures objection	6.00	2,220.00
B130	10/13/11	NS	Draft e-mail to local counsel re: bidding procedures objection	0.10	37.00
B130	10/13/11	NS	Exchange e-mails with local counsel re: revised bidding procedures	0.10	37.00
B130	10/13/11	NS	Exchange internal e-mails re: bidding procedures objection	0.10	37.00
B130	10/13/11	SJT	Review docket and stalking horse APA	1.40	777.00
B130	10/14/11	KAR	Review revisions to bid procedures motion order	0.50	372.50
B130	10/14/11	NS	Exchange e-mails with A. Bekker re: bidding procedures	0.10	37.00

<b>Code</b>	<b>Date</b>	<b>Timekeeper</b>	<b>Time Narrative</b>	<b>Hours</b>	<b>Amount</b>
B130	10/17/11	SJT	Continue review of sale issues and APA	2.40	1,332.00
B130	10/18/11	NS	Review Debtors' motion to determine value of Canadian assets	0.60	222.00
B130	10/19/11	KAR	Review allocation motion	0.60	447.00
B130	10/19/11	NS	Conference call re: motion to determine value of Canada's assets	1.50	555.00
B130	10/19/11	NS	Summarize Debtors' motion to determine value of Canadian assets	1.20	444.00
B130	10/19/11	SJT	Review debtors' motion to allocate sale proceeds	2.10	1,165.50
B130	10/19/11	SJT	Telephone conference with committee professionals re: allocation motion	1.00	555.00
B130	10/19/11	SJT	Research re: valuation and allocation issues	1.30	721.50
B130	10/21/11	SJT	Review APA and schedules	1.30	721.50
B130	10/21/11	SJT	Attention to allocation issues and research	1.70	943.50
B130	10/21/11	SJT	Telephone conference with committee professionals re: allocation and DIP issues	0.80	444.00
B130	10/22/11	NS	Conference call with Committee professionals re: Debtor's motion to value Canadian assets	0.80	296.00
B130	10/22/11	NS	Office conference with J. Teele re: Debtor's motion to value Canadian assets	0.20	74.00
B130	10/22/11	SJT	Telephone conference with committee professionals re: allocation motion	0.80	444.00
B130	10/23/11	SJT	Review APA for issues relating to allocation motion	0.40	222.00
B130	10/24/11	KAR	Review e-mail re: discovery on allocation issue	0.20	149.00

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<b>Code</b>	<b>Date</b>	<b>Timekeeper</b>	<b>Time Narrative</b>	<b>Hours</b>	<b>Amount</b>
B130	10/24/11	KAR	Review e-mail from FTI re: Canadian valuation	0.20	149.00
B130	10/24/11	SJT	Correspondence with FTI re: allocation motion issues	0.80	444.00
B130	10/24/11	SJT	Office conferences with N. Stefanelli and T. Ingman re: objection to allocation motion	0.70	388.50
B130	10/24/11	SJT	Correspondence with counsel for First Lien Claimholders re: allocation motion	0.30	166.50
B130	10/24/11	SJT	Continued review of allocation motion and research relating to same	2.10	1,165.50
B130	10/24/11	TI	Review of allocation motions and research re: valuation methods	3.10	1,302.00
B130	10/24/11	TI	Research re: valuation	0.20	84.00
B130	10/24/11	TI	Graceway research re: valuation	1.20	504.00
B130	10/24/11	TI	Research and e-mail to J. Teele re: valuation	2.50	1,050.00
B130	10/25/11	NS	Strategy meeting re: Debtor's motion to determine value of Canadian assets	0.40	148.00
B130	10/25/11	SJT	Review case law in support of objections to allocation motion	1.20	666.00
B130	10/25/11	SJT	Review Debtors' supplement to allocation motion	0.40	222.00
B130	10/25/11	SJT	Telephone conference with FTI re: allocation motion issues and DIP financing	0.80	444.00
B130	10/25/11	TI	Valuation research	4.20	1,764.00
B130	10/26/11	SJT	Telephone conference with debtors' advisors re: allocation motion	0.40	222.00
B130	10/26/11	TI	Valuation research and drafting summary	5.20	2,184.00
B130	10/27/11	NS	Strategy meeting re: objection to allocation motion	0.40	148.00

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Code	Date	Timekeeper	Time Narrative	Hours	Amount
B130	10/27/11	TI	Office conference with J. Teele and N. Stefanelli re: drafting objection	0.40	168.00
B130	10/27/11	TI	Drafting objection to valuation motion	7.80	3,276.00
B130	10/28/11	TI	Draft objection to allocation motion	1.50	630.00
B130	10/28/11	TI	Research and drafting objection to allocation motion	6.00	2,520.00
B130	10/29/11	TI	Drafting objection to allocation motion	2.00	840.00
B130	10/30/11	TI	Drafting objection to allocation motion	3.00	1,260.00
B130	10/30/11	TI	Drafting objection to allocation motion	6.00	2,520.00
B130	10/31/11	SJT	Telephone conference with FTI re: allocation motion and parameters for global settlement	1.00	555.00
B130	10/31/11	SJT	Review FTI's proposed exhibit to objection to allocation motion	0.40	222.00
B130	10/31/11	SJT	Revise and review first draft of objection to allocation motion	2.30	1,276.50
B130	10/31/11	SJT	Review and significantly revise objection to allocation motion	3.20	1,776.00
B130	10/31/11	TI	Revising objection to allocation motion	2.00	840.00
B130	10/31/11	TI	Revising objection to allocation motion	8.50	3,570.00
<b>Total B130 - Asset Disposition</b>				97.10	\$44,127.50

B150 Meetings of and Communication with Creditors

B150	10/11/11	NS	Draft Committee bylaws	0.40	148.00
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Code	Date	Timekeeper	Time Narrative	Hours	Amount
B150	10/11/11	NS	Meeting with Committee	1.40	518.00
B150	10/11/11	SJT	Correspondence to the committee re: scheduling call and initial update	0.40	222.00
B150	10/11/11	SJT	Meet with committee	1.40	777.00
B150	10/12/11	KAR	Telephone call with 3M re: creditor committee representatives and members	0.40	298.00
B150	10/12/11	KAR	Review four sets of pitch materials from financial advisors to be interviewed	0.50	372.50
B150	10/12/11	NS	Draft e-mail to Committee re: financial advisor interviews	0.10	37.00
B150	10/12/11	NS	Revise Committee bylaws	0.40	148.00
B150	10/12/11	NS	Draft e-mail to Committee re: proposed bylaws	0.10	37.00
B150	10/12/11	SJT	Review and revise committee by-laws and committee contact list	0.80	444.00
B150	10/12/11	SJT	Correspondence with financial advisor candidates re: interviews	0.50	277.50
B150	10/12/11	SJT	Review presentation materials provided by financial advisor candidates for interviews with committee	0.70	388.50
B150	10/12/11	SJT	Review and revise correspondence to committee re: by-laws and Thursday's meeting	0.20	111.00
B150	10/13/11	NS	Committee conference call	1.40	518.00
B150	10/13/11	NS	Draft e-mail to Committee re: bidding procedures objection	0.10	37.00
B150	10/13/11	SJT	Telephone conference with R. Zahralddin-Aravena re: committee issues	0.30	166.50
B150	10/13/11	SJT	Telephone conference with the committee	1.70	943.50

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<b>Code</b>	<b>Date</b>	<b>Timekeeper</b>	<b>Time Narrative</b>	<b>Hours</b>	<b>Amount</b>
B150	10/14/11	KAR	Review status update to the creditors committee re: several pending motions	0.40	298.00
B150	10/14/11	NS	Draft e-mail to Committee re: status of objections/negotiations and other open issues	0.90	333.00
B150	10/14/11	NS	Draft minutes of 10/13/11 committee conference call	0.30	111.00
B150	10/14/11	SJT	Review and revise draft correspondence to committee re: first day pleadings, sale process, by laws and general status	0.40	222.00
B150	10/14/11	SJT	Review revised version of committee by-laws	0.60	333.00
B150	10/16/11	SJT	Correspondence to committee re: status update	0.40	222.00
B150	10/17/11	NS	Draft e-mail update to Committee re: second day hearing	0.50	185.00
B150	10/18/11	SJT	Correspondence to committee re: comprehensive update of case status and summary of strategy going forward	0.80	444.00
B150	10/19/11	KAR	Conference call with 3M re: allocation	0.60	447.00
B150	10/19/11	MJL	Telephone call with N. Calandrillo of Metaphor; confer with J. Teele	0.30	225.00
B150	10/19/11	SJT	Telephone conference with committee member re: allocation issues	1.30	721.50
B150	10/20/11	EP	Participate in Committee conference call	0.80	360.00
B150	10/20/11	KAR	Conference call with creditors committee	0.80	596.00
B150	10/20/11	NS	Committee conference call	0.80	296.00
B150	10/20/11	NS	Draft e-mail to Committee re: proof of claim filing process	0.40	148.00
B150	10/20/11	SJT	Telephone conference with the committee	1.00	555.00
B150	10/20/11	SJT	Telephone conference with committee member re: bar date issues	0.30	166.50

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Code	Date	Timekeeper	Time Narrative	Hours	Amount
B150	10/21/11	KAR	Review FTI's report to the creditors committee	0.40	298.00
B150	10/24/11	SJT	Telephone conferences with committee members re: general status and strategy	1.20	666.00
B150	10/26/11	SJT	Correspondence to committee re: general case update	0.50	277.50
B150	10/27/11	NS	Committee conference call	1.00	370.00
B150	10/27/11	RJP	Teleconference with creditors committee; review of correspondence	1.50	885.00
B150	10/27/11	SJT	Telephone conference with the committee	1.00	555.00
B150	10/27/11	SJT	Review documents in preparation for committee call	0.50	277.50
B150	10/28/11	SJT	Correspondence with committee professionals re: proposed final DIP order	0.40	222.00
B150	10/28/11	SJT	Correspondence with committee members re: response to budget inquiries	0.40	222.00
B150	10/31/11	SJT	Telephone conference with second lien noteholders re: case status	0.50	277.50
<b>Total B150 - Meetings of and Communication with Creditors</b>				<b>28.80</b>	<b>\$15,157.00</b>

B160 Fee/Employment Applications

B160	10/11/11	KML	Prepare Lowenstein Sandler retention papers	2.00	360.00
B160	10/11/11	NS	Review and revise Lowenstein retention application	0.50	185.00
B160	10/18/11	NS	Review conflict results; revise retention certification accordingly	1.20	444.00
B160	10/19/11	NS	Review conflict results; office conferences with J. Teele re: same	0.60	222.00

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Code	Date	Timekeeper	Time Narrative	Hours	Amount
B160	10/19/11	NS	Exchange internal e-mails re: retention papers	0.10	37.00
B160	10/20/11	NS	Continue review of conflict results and further revise retention application and certification accordingly	1.80	666.00
B160	10/20/11	SJT	Review and revise Lowenstein Sandler retention pleadings	0.70	388.50
B160	10/21/11	NS	Exchange e-mails with local counsel re: retention papers	0.10	37.00
B160	10/27/11	NS	Finalize retention papers and coordinate filing and service of same	0.40	148.00
B160	10/27/11	SJT	Review final version of retention application and certification and direct filing of same	0.40	222.00
B160	10/29/11	SJT	Correspondence with FTI re: indemnification issues	0.50	277.50
<b>Total B160 - Fee/Employment Applications</b>				<b>8.30</b>	<b>\$2,987.00</b>

B165 Employment and Retention Applications - Others

B165	10/12/11	ESC	Review, analyze and summarize debtors' motion to retain Lazard Freres & Co. LLC	1.60	784.00
B165	10/13/11	NS	Telephone conferences with C. Reckler re: Lazard retention application (x2)	0.20	74.00
B165	10/13/11	NS	Telephone conference with J. Teele re: Lazard retention application	0.20	74.00
B165	10/13/11	NS	Draft response to Lazard retention application	0.40	148.00
B165	10/14/11	SJT	Telephone conference with Debtors' counsel re: Lazard retention	0.30	166.50
B165	10/31/11	SJT	Telephone conferences with M. Benn and S. Star re: FTI indemnification issues	0.40	222.00

Code	Date	Timekeeper	Time Narrative	Hours	Amount
<b>Total B165 - Employment and Retention Applications - Others</b>				3.10	\$1,468.50

B185 Assumption/Rejection of Leases and Contracts

B185	10/31/11	NS	Review and summarize contract rejection procedures motion	0.60	222.00
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<b>Total B185 - Assumption/Rejection of Leases and Contracts</b>				0.60	\$222.00
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B190 Other Contested Matters (excluding assumption/rejection motions)

B190	10/12/11	NS	Telephone conference with E. Chafetz re: numerous motions and applications to be reviewed and summarized	0.20	74.00
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B190	10/12/11	NS	Conference call with Debtor's counsel re: sale and other issues	0.90	333.00
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B190	10/12/11	NS	Strategy meeting re: objections to sale and DIP	0.50	185.00
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B190	10/12/11	NS	Telephone conference with J. Teele re: objections to sale and DIP	0.20	74.00
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B190	10/13/11	ESC	Review, analyze and summarize the debtors' 503(b)(9) motion	0.70	343.00
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B190	10/13/11	ESC	Revise summaries of bar date motion, 503(b)(9) bar date motion and application to retain Lazard Freres & co. llc	1.40	686.00
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B190	10/13/11	KAR	Review objections limited re: Lazard and also draft DIP financing	0.80	596.00
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B190	10/13/11	NS	Telephone conference with J. Teele and S. Star re: open issues	0.20	74.00
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B190	10/13/11	NS	Review memo from E. Chafetz re: various motions and applications filed by the Debtors	0.30	111.00
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B190	10/13/11	NS	Draft internal e-mail re: comments to draft objections	0.10	37.00
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B190	10/13/11	SJT	Review and revise draft objection to bidding procedures motion and response to Lazard retention	1.70	943.50
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ALL DETAILED INFORMATION IS CONSIDERED TO BE PRIVILEGED AND CONFIDENTIAL.

Code	Date	Timekeeper	Time Narrative	Hours	Amount
B190	10/14/11	KAR	Review e-mails re: wage order and severance issues	0.40	298.00
B190	10/14/11	NS	Telephone conference with A. Bekker re: objections filed by Committee	0.20	74.00
B190	10/15/11	NS	Telephone conference with J. Teele re: hearing prep	0.10	37.00
B190	10/16/11	NS	Prepare for second day hearing	0.80	296.00
B190	10/17/11	NS	Prepare for second day hearing	6.00	2,220.00
B190	10/17/11	NS	Attend second day hearing	2.50	925.00
B190	10/22/11	SJT	Review information re: Canadian pharmaceutical regulations	0.40	222.00
B190	10/25/11	SJT	Review information and research re: drug approvals in Canada	1.10	610.50
B190	10/28/11	NS	Conference call with Committee professionals re: allocation motion	0.70	259.00
B190	10/30/11	TI	Drafting Graceway objection	1.50	630.00
<b>Total B190 - Other Contested Matters (excluding assumption/rejection motions)</b>				<b>20.70</b>	<b>\$9,028.00</b>

B200 - Operations

B230 Financing/Cash Collateral

B230	10/11/11	NS	Review DIP financing motion, proposed final order and blackline of same	1.40	518.00
B230	10/11/11	SJT	Receipt and initial review of DIP order	0.40	222.00
B230	10/12/11	KAR	Review list of DIP issues for call with Wachtel Lipton	0.20	149.00

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Code	Date	Timekeeper	Time Narrative	Hours	Amount
B230	10/12/11	NS	Revise DIP issues list	0.40	148.00
B230	10/12/11	SJT	Review proposed final DIP financing order	1.00	555.00
B230	10/12/11	SJT	Receipt and summary review of documents re: lenders' liens and claims	1.00	555.00
B230	10/13/11	KAR	Review proposed DIP order	0.30	223.50
B230	10/13/11	KAR	Conference call with S. Charles re: DIP objections	0.70	521.50
B230	10/13/11	NS	Conference call with counsel for First Lien Agent re: DIP	0.90	333.00
B230	10/13/11	NS	Drafting DIP objection	2.00	740.00
B230	10/13/11	NS	Draft e-mail to K. Rosen re: DIP issues	0.10	37.00
B230	10/13/11	SJT	Telephone conference with lenders' counsel re: DIP financing	1.20	666.00
B230	10/13/11	SJT	Review draft final DIP order and notes in preparation for call with lenders' counsel regarding DIP financing	0.60	333.00
B230	10/13/11	SJT	Review transcript of hearing re: Boston General provided by lenders' counsel as part of discussion regarding committee's objections to proposed DIP financing	0.60	333.00
B230	10/14/11	NS	Drafting DIP objection	8.00	2,960.00
B230	10/15/11	NS	Conference call with FTI re: DIP financing issues	1.00	370.00
B230	10/15/11	SJT	Draft proposed language for DIP order	1.00	555.00
B230	10/16/11	NS	Continue drafting DIP objection	6.00	2,220.00
B230	10/16/11	NS	Conference call with J. Teele re: DIP objection	0.20	74.00

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Code	Date	Timekeeper	Time Narrative	Hours	Amount
B230	10/17/11	KAR	Conference call with FTI re: DIP financing	0.60	447.00
B230	10/17/11	KAR	Conference call with professionals and FTI re: DIP	0.60	447.00
B230	10/17/11	NS	Conference call with FTI re: DIP financing issues	0.80	296.00
B230	10/17/11	SJT	Telephone conference with committee professionals re: DIP financing	0.80	444.00
B230	10/18/11	KAR	Review e-mails with WLRK re: revisions to the DIP	0.70	521.50
B230	10/18/11	NS	Conference call with counsel for First Lien Agent	1.00	370.00
B230	10/18/11	NS	Conference call with local counsel and FTI re: open DIP issues	0.40	148.00
B230	10/18/11	SJT	Review proposed final DIP order and notes in preparation for call with lenders' counsel	0.60	333.00
B230	10/18/11	SJT	Telephone conference with lenders' counsel re: DIP financing	1.00	555.00
B230	10/18/11	SJT	Correspondence to lenders' counsel re: issues and agenda for call about DIP financing	0.80	444.00
B230	10/21/11	NS	Telephone conference with counsel for first lien agent re: open DIP issues	0.10	37.00
B230	10/21/11	SJT	Review DIP issues and proposal/counter-proposal with lenders re: same	0.60	333.00
B230	10/25/11	NS	Conference call with counsel for First Lien Agent re: DIP	0.40	148.00
B230	10/25/11	NS	Conference call with Committee professionals re: DIP issues	0.20	74.00
B230	10/25/11	SJT	Telephone conference with counsel for First Lien Claimholders re: DIP financing	0.60	333.00
B230	10/25/11	SJT	Review notes re: DIP financing in preparation for call with lenders' counsel	0.30	166.50

ALL DETAILED INFORMATION IS CONSIDERED TO BE PRIVILEGED AND CONFIDENTIAL.

Code	Date	Timekeeper	Time Narrative	Hours	Amount
B230	10/25/11	SJT	Consideration of DIP financing proposal and counter-proposal	0.40	222.00
B230	10/27/11	SJT	Telephone conference and correspondence with lenders' counsel re: DIP financing	0.60	333.00
B230	10/28/11	SJT	Review revised proposed final DIP order	2.20	1,221.00
<b>Total B230 - Financing/Cash Collateral</b>				<b>39.70</b>	<b>\$18,386.00</b>

B300 - Claims and Plan

B310 Claims Administration and Objections

B310	10/12/11	ESC	Review, analyze and summarize debtors' bar date motion	0.90	441.00
B310	10/31/11	NS	Exchange internal e-mails re: proof of claim bar date	0.10	37.00
<b>Total B310 - Claims Administration and Objections</b>				<b>1.00</b>	<b>\$478.00</b>

B400 - Bankruptcy-Related Advice

B410 General Bankruptcy Advice/Opinions

B410	10/12/11	NS	Review first day affidavit, interim orders on various first day motions and second day motions	4.00	1,480.00
B410	10/12/11	SJT	Review first day affidavit and all first day motions and orders	4.50	2,497.50
B410	10/13/11	SJT	Review FTI's document request	0.40	222.00
B410	10/13/11	SJT	Telephone conference with S. Star re: work plan and general status	0.40	222.00
B410	10/14/11	KAR	Review FTI's initial information request	0.30	223.50

ALL DETAILED INFORMATION IS CONSIDERED TO BE PRIVILEGED AND CONFIDENTIAL.

Code	Date	Timekeeper	Time Narrative	Hours	Amount
B410	10/14/11	KAR	Telephone conference with B. Nathan re: McKesson joining the creditors committee	0.20	149.00
B410	10/14/11	KAR	Telephone conference with S. Star re: focus of his investigation	0.40	298.00
B410	10/14/11	KAR	Review e-mail re: non disclosure agreement and turn over of information	0.20	149.00
B410	10/14/11	SJT	Multiple e-mails and consideration given to issue of admitting creditor to committee in ex officio capacity	2.30	1,276.50
B410	10/14/11	SJT	Correspondence with FTI Consulting and Elliott Greanleaf re: confidentiality agreement	0.40	222.00
B410	10/14/11	SJT	Review correspondence from US Trustee re: severance issues in connection with wage motion	0.30	166.50
B410	10/14/11	SJT	Correspondence with Elliott Greenleaf re: severance issues	0.30	166.50
B410	10/15/11	SJT	Telephone conference with FTI Consulting re: work plan and general status	1.00	555.00
B410	10/15/11	SJT	Telephone conference with J. Athanas re: confidentiality agreement and status of orders for second day hearing	0.30	166.50
B410	10/15/11	SJT	Review and revise confidentiality agreement and correspond with Debtors' counsel re: same	0.60	333.00
B410	10/15/11	SJT	Review proposed final orders for wages motion, utilities motion, 503(b)(9) motion, customer program motion and bidding procedures motion	1.50	832.50
B410	10/16/11	SJT	Review pleadings and orders and prepare notes for tomorrow's hearing	2.70	1,498.50
B410	10/17/11	SJT	Review pleadings, notes and revised proposed orders in preparation for today's hearing	2.10	1,165.50
B410	10/17/11	SJT	Telephone conference with US Trustee re: severance issues	0.40	222.00
B410	10/17/11	SJT	Appear in court for second day hearings	2.00	1,110.00
B410	10/18/11	SJT	Attention to committee confidentiality agreement with debtors	0.60	333.00

ALL DETAILED INFORMATION IS CONSIDERED TO BE PRIVILEGED AND CONFIDENTIAL.

Code	Date	Timekeeper	Time Narrative	Hours	Amount
B410	10/19/11	KAR	Review initial information requests	0.50	372.50
B410	10/19/11	SJT	Correspondence with counsel for debtors and lenders re: Friday's hearing	0.30	166.50
B410	10/24/11	KAR	Review FTI's information request to debtors	0.30	223.50
B410	10/26/11	SJT	Review information re: lien review	0.50	277.50
B410	10/26/11	SJT	Correspondence with debtors' counsel re: document request	0.40	222.00
B410	10/26/11	SJT	Receipt and review of IPL sale agreement	0.60	333.00
B410	10/26/11	SJT	Telephone conferences with FTi re: allocation, DIP financing and case resolution issues	1.00	555.00
B410	10/27/11	SJT	Review research materials re: Health Canada procedures and valuation issues	3.10	1,720.50
B410	10/28/11	RJP	Review of IP status and lien recordings	0.40	236.00
<b>Total B410 - General Bankruptcy Advice/Opinions</b>				<b>32.00</b>	<b>\$17,395.00</b>

**Timekeeper Summary (by Task):**

<b>Task</b>	<b>Task Description</b>	<b>Hours</b>	<b>Fees</b>
B110	Case Administration	14.30	\$3,986.50
B120A	Investigation of Prepetition Lenders	18.20	5,145.00
B130	Asset Disposition	97.10	44,127.50
B150	Meetings of and Communication with Creditors	28.80	15,157.00
B160	Fee/Employment Applications	8.30	2,987.00
B165	Employment and Retention Applications - Others	3.10	1,468.50
B185	Assumption/Rejection of Leases and Contracts	0.60	222.00
B190	Other Contested Matters (excluding assumption/rejection motions)	20.70	9,028.00
B230	Financing/Cash Collateral	39.70	18,386.00
B310	Claims Administration and Objections	1.00	478.00
B410	General Bankruptcy Advice/Opinions	32.00	17,395.00
	<b>Total</b>	<b>263.80</b>	<b>\$ 118,380.50</b>

# **Exhibit “C”**

**Actual and necessary disbursements incurred by Lowenstein Sandler PC**

**II. Summary of Disbursement Charges**

Computerized legal research	\$3,138.51
Telecommunications	346.83
Travel	210.54
Photocopies 75 pages at \$0.10 per page	7.50
<b>Total Disbursements</b>	<b>\$3,703.38</b>

The above charges are based upon time and expense records available on or about the date of the attached letter. Such records are believed in good faith to be accurate and substantially up to date, but there may be fees and expenses that have not been processed as of such date which Lowenstein Sandler PC may submit in the future. Lowenstein Sandler PC reserves the right to amend this monthly statement at a later date.



**DISBURSEMENT DETAIL:**

Date	Description	Amount
10/09/11	Other Telecommunications Charges VENDOR: Rosen, Kenneth A.; INVOICE#: 110111; DATE: 11/1/2011 cell phone calls 07/10-10/09/11	\$20.94
10/10/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	3.99
10/13/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	20.41
10/14/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	1.57
10/15/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - CAN	16.01
10/15/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	24.11
10/17/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	5.04
10/19/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	5.11
10/19/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - CAN	1.81
10/19/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	0.62
10/19/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - CAN	7.22
10/19/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	4.04
10/19/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	1.41
10/20/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - CAN	6.77
10/20/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	18.40
10/22/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	1.29
10/22/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - CAN	13.97
10/22/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	13.94
10/25/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011	9.70

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	ReadyConference - Toll Free - CAN	
10/25/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	3.85
10/25/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - CAN	5.18
10/25/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	4.32
10/25/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	39.50
10/25/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	26.44
10/25/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	0.19
10/25/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	2.43
10/26/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	2.10
10/26/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	11.73
10/26/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	0.86
10/26/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	1.29
10/27/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - CAN	13.09
10/27/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	22.37
10/27/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	4.71
10/27/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	8.50
10/28/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	0.14
10/28/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	6.36
10/31/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	12.26
10/31/11	Long distance telephone - External VENDOR: Premiere Global Services INVOICE#: 09695850 DATE: 10/31/2011 ReadyConference - Toll Free - USA	5.16
10/17/11	Local Travel VENDOR: Teele, S. Jason; INVOICE#: 110311; DATE: 11/3/2011 Omnibus hearing - From: office /	210.54

ALL DETAILED INFORMATION IS CONSIDERED TO BE PRIVILEGED AND CONFIDENTIAL.

To: Wilmington DE / Travel Date: 10/17/11

10/10/11	Computerized legal research: Westlaw: User Name: TEELE,S JASON / Duration of Search: 00:00	\$159.60
10/24/11	Computerized legal research: Westlaw: User Name: INGMAN,TATIANA / Duration of Search: 00:00	1,370.71
10/25/11	Computerized legal research: Westlaw: User Name: INGMAN,TATIANA / Duration of Search: 00:00	239.69
10/25/11	Computerized legal research: Lexis: User: TAGGART, KATHERINE; Service: COLLIER SERVICE; Charge Type: COMPUTER CONECTN TIME-00:03:06; DOCUMENT PRINTING-16.00; TIER 6-00:03:05;;	137.89
10/26/11	Computerized legal research: Westlaw: User Name: INGMAN,TATIANA / Duration of Search: 00:00	385.46
10/28/11	Computerized legal research: Westlaw: User Name: INGMAN,TATIANA / Duration of Search: 00:00	83.36
10/30/11	Computerized legal research: Westlaw: User Name: INGMAN,TATIANA / Duration of Search: 00:00	54.86
10/31/11	Computerized legal research: Westlaw: User Name: INGMAN,TATIANA / Duration of Search: 00:00	706.94
	Internal photocopies: 75 pages at \$0.10 per page	7.50
	Total Disbursements	<hr/> \$3,703.38 <hr/>

# **Exhibit “D”**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

In re:

GRACEWAY PHARMACEUTICALS, LLC,  
et al.,

Debtors.

Chapter 11

Case No. 11-13036 (PJW)

Jointly Administered

**CERTIFICATION OF COUNSEL**

S. Jason Teele, Esq., pursuant to 28 U.S.C. § 1746, states as follows:

1. I am a member of the law firm of Lowenstein Sandler PC, counsel to the Official Committee of Unsecured Creditors in the above-captioned matter. I submit this Certification in connection with Lowenstein Sandler PC's first monthly application for allowance of compensation and reimbursement of expenses for the period of October 11, 2011 through October 31, 2011.

2. In accordance with 18 U.S.C. § 155 and the Rules of this Court, neither I nor any attorney of my firm has entered into any agreement, written or oral, express or implied, with the Debtors, any creditor, or any other party in interest, or any attorney of such person, for the purpose of fixing the amount of any of the fees or other compensation to be allowed out of or paid from the assets of the Debtors.

3. In accordance with section 504 of the Bankruptcy Code, no agreement or understanding exists between me, my firm or any attorney thereof, on the one hand, and any other person, on the other hand, for the division of such compensation as my firm may receive from the Court herein, nor will any division of fees prohibited by section 504 of the Bankruptcy Code be made by me, or any partner or associate of my firm.

4. I have reviewed the requirements of Local Rule 2016-2 of the United States Bankruptcy Court for the District of Delaware and certify to the best of my knowledge and belief that this application complies with Local Rule 2016-2.

I certify, under penalty of perjury, that the foregoing statements made by me are true to the best of my knowledge, information, and belief.

Dated: December 1, 2011

/s/ S. Jason Teele  
S. Jason Teele, Esq.