

# **EXHIBIT C**

**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: 2/7/2012 @ 4:00 PM  
Hearing Date: Only if Objections are Filed

**NOTICE OF THIRD MONTHLY APPLICATION  
OF ELLIOTT GREENLEAF, CO-COUNSEL TO THE  
OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES  
FOR THE PERIOD DECEMBER 1, 2011 THROUGH DECEMBER 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 Elliott Greenleaf, Co-Counsel to the Official Committee of Unsecured Creditors in the above-captioned cases, has filed the **Third Monthly Application of Elliott Greenleaf, Co-Counsel to the Official Committee of Unsecured Creditors, for Compensation and Reimbursement of Expenses for the Period December 1, 2011 through December 31, 2011** (the "Application"). The Application seeks the allowance of fees in the amount of **\$21,601.50** (80%, \$17,281.20) and expenses in the amount of **\$1,064.80** for the period **December 1, 2011 through and including December 31, 2011** and payment of 80% of fees in the amount of **\$17,281.20** and 100% of the expenses in the amount of **\$1,064.80** pursuant to the Interim Compensation Order. The Application has been filed and served 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 of the Notice Parties, if any, to the relief requested in the Application must be filed with the United States Bankruptcy Court,

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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); 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).

824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801, on or **before February 7, 2012 at 4:00 p.m. (prevailing Eastern Time).**

**PLEASE TAKE FURTHER NOTICE** that the Notice Parties must also serve a copy of the objection upon the following parties so as to be **received no later than 4:00 p.m. (prevailing Eastern Time) on February 7, 2012:**

(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.

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: January 18, 2012  
Wilmington, Delaware

**ELLIOTT GREENLEAF**

/s/ Rafael X. Zahralddin-Aravena

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

Shelley A. Kinsella (DE Bar No. 4023)

1105 North Market Street, Suite 1700

Wilmington, Delaware 19801

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

**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: 2/7/2012 @ 4:00 PM

Hearing Date: Only if Objections are Filed

**THIRD MONTHLY APPLICATION OF ELLIOTT GREENLEAF,  
CO-COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS, FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES  
FOR THE PERIOD DECEMBER 1, 2011 THROUGH DECEMBER 31, 2011**

Name of Applicant: Elliott Greenleaf

Authorized to Provide  
Professional Services to: Official Committee of Unsecured Creditors

Date of Retention: Nunc Pro Tunc to October 11, 2011

Period for which compensation and  
reimbursement is sought: December 1, 2011 through December 31, 2011

Amount of Compensation sought as  
actual, reasonable and necessary: \$21,601.50 (80%, \$17,281.20)

Amount of Expense Reimbursement sought  
as actual, reasonable and necessary: \$1,064.80

This is a:   x   monthly:    interim    final application

The total time expended for fee application preparation is approximately 8.0 hours and the corresponding compensation requested is approximately \$2,100.00.

<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).

If this is not the first application filed, disclose the following for each prior application:

<b>Fee Application Date Filed, Doc. No.</b>	<b>Period Covered</b>	<b>Requested Fees</b>	<b>Requested Expenses</b>	<b>Certificate of No Objection Date Filed, Doc. No.</b>	<b>Approved Fees (80%)</b>	<b>Approved Expenses (100%)</b>	<b>Amount of Holdback Fees</b>
11/22/2011	10/11/2011-10/31/2011	\$73,787.00	\$1,098.94	12/14/2011 (Docket No. 363)	\$59,029.60	\$1,098.94	\$14,757.40
12/7/2011	11/1/2011-11/30/2011	\$103,565.00	\$2,893.24	12/29/2011 Docket No. 421	\$82,852.00	\$2,893.24	\$20,713.00
1/18/2012	12/1/2011-12/31/2011	\$21,601.50	\$1,064.80	TBD			

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COMPENSATION AND REIMBURSEMENT OF EXPENSES  
FOR THE PERIOD DECEMBER 1, 2011 THROUGH DECEMBER 31, 2011**

Elliott Greenleaf ("EG"), co-counsel to the Official Committee of Unsecured Creditors (the "Committee") of the above-captioned debtors (the "Debtors"), hereby submits this *Third Monthly Application of Elliott Greenleaf, Co-Counsel to the Official Committee of Unsecured Creditors, for Compensation and Reimbursement of Expenses for the period December 1, 2011 through December 31, 2011* (the "Application"). In support thereof, EG respectfully represents as follows:

**BACKGROUND**

1. On September 29, 2011 (the "Petition Date"), the Debtors commenced their bankruptcy cases (collectively, the "Bankruptcy Case") by filing voluntary petitions for relief

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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); 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).

under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Court”).

2. The Debtors continue to operate its business and manage its properties as a debtor-in-possession pursuant to Bankruptcy Code Sections 1107 and 1108.

3. On October 11, 2011, the United States Trustee appointed the Committee, which consisted of the following members: Value Recovery Fund LLC (Michael Iuliano), Metaphor Inc. (Dwayne Hann), and 3M Company (Maureen Harms). *See* Appointment of Official Committee of Unsecured Creditors (Docket No. 90).

4. On October 11, 2011 (the “Retention Date”), the Committee met and selected Lowenstein Sandler and Elliott Greenleaf (“EG”) as Counsel to the Committee. On October 12, 2011, the Committee selected FTI Consulting to serve as its Financial Advisors.

#### **JURISDICTION AND VENUE**

5. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of this proceeding and this Application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

6. The statutory predicates for this Application are 11 U.S.C. §§ 328, 1103(a) and 1103(b) and Federal Rules of Bankruptcy Procedure 2014(a), 2016, and 5002.

#### **TERMS AND CONDITIONS OF COMPENSATION OF EG**

7. Subject to Court approval, EG seeks payment for compensation on an hourly basis, plus reimbursement of actual, necessary expenses incurred by EG for the period commencing December 1, 2011 through and including December 31, 2011 (the “Application Period”). With the exception of copy charges (which are charged at a lower rate), the rates

charged by EG in this case do not materially differ from the rates charged to EG's non-bankruptcy clients and are lower in many cases.

8. A summary of the hours spent, the names of each professional and paraprofessional rendering services to the Committee during the Application Period, the regular customary billing rates and the total value of time incurred by each of the EG attorneys rendering services to the Committee is attached hereto as Exhibit A. A copy of the computer generated time entries reflecting the time recorded for these services, organized in project billing categories in accordance with the United States Trustee's Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (the "Guidelines"), is attached hereto as Exhibit B. A statement of expenses incurred by EG during the Application Period is also included in Exhibit C. All time entries and requested expenses are in compliance with Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules").<sup>2</sup>

9. On October 17, 2011, this Court entered the 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, EG and other professionals retained in this case are authorized to file and to serve upon the Debtors and the parties identified in the Interim Compensation Order monthly fee applications (the "Monthly Fee Applications") of their fees and expenses. After the expiration of a twenty (20) day objection period, the Debtors are authorized to promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses requested in the Monthly Fee Application,

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<sup>2</sup> EG has also attempted to ensure that this Application complies with the Guidelines. To the extent that the Guidelines conflict with the Local Rules, in particular, Local Rule 2016-2, EG has chosen to comply with such Local Rule. EG will supplement this Application with additional detail or information upon request.



unless an objection specifically objects to fees and/or expenses of a professional, or the Court orders otherwise.

9. In accordance with the Interim Compensation Order, EG has filed and served upon the Notice Parties identified in the Interim Compensation Order this Application with respect to fees and expenses incurred during the Application Period; in the amount of \$21,601.50 (80%, \$17,281.20) in fees and in the amount of \$1,064.80 in expenses.

10. All services and costs for which compensation is requested by EG in this Application were reasonable and necessary and were performed for and on behalf of the Committee during the Application Period.

#### **CASE STATUS**

11. To the best of EG's knowledge, the Debtors' monthly operating reports contain up-to-date information regarding the amount of cash on hand or on deposit in the Debtors' estate, the amount and nature of accrued unpaid administrative expenses, the Debtors' operating profits or losses, and the amount of unencumbered funds in the Debtors' estate.

12. To the best of EG's knowledge, the Debtors have paid to the UST its initial quarterly fees and has filed its initial monthly operating report.

#### **NARRATIVE SUMMARY OF SERVICES**

13. EG has rendered actual and necessary services on behalf of the Committee and is requesting reasonable compensation for their services for the Application Period. As noted above, a summary by project category is attached as Exhibit B, as are detailed time entries organized by category and chronology within the categories. EG has acted as the primary source for information and communication to and from the Committee and Court, including collecting and preserving, in an electronic database, all relevant pleadings for the Committee and the

Committee professionals. In addition, EG has provided summaries, calendaring, and periodically distributed a memorandum of all statutory and procedural deadlines to the Committee professionals and Chair of the Committee.

14. EG has filed with the Court and assisted in preparation of all documents filed on behalf of the Committee. In its capacity as Co-Counsel, EG has reviewed all relevant pleadings in the above captioned Debtors' bankruptcy cases for deadlines. EG has also assisted in substantive review, under the direction of the Committee, to support Co-Counsel, as needed. EG has reviewed all filings in the case to conform Committee filings to the requirements of local practice and the applicable local rules and chambers procedures. EG has also provided substantive review of all Delaware case law in Committee filings. EG has assisted the Committee professionals in other substantive areas in which it has specific expertise beyond Delaware law, including international and comparative law and coordination of efforts with Canadian Counsel retained by the Committee. At all times EG has coordinated its work with Co-Counsel to avoid all duplication of work, which has inured to the benefit of the Committee.

#### **COMPENSATION REQUESTED**

16. EG expended 54.0 hours during the Application Period in furtherance of its efforts on behalf of the Committee. EG requests allowance of compensation in amount of \$21,601.50 for legal services rendered during the Application Period at a blended hourly rate of \$400.03. Pursuant to the Interim Compensation Order, EG requests payment of 80% of the total fees requested, or \$17,281.20. None of the requested fees detailed herein have been paid.

#### **REIMBURSEMENT OF EXPENSES**

17. During the Application Period, EG incurred certain necessary expenses in rendering legal services to the Committee as set forth in Exhibit C. Exhibit C sets forth in

summary detail the expenses incurred during the Application Period (copies of invoices from EG's vendors are available for inspection upon request). Telecopying services completed in-house by EG were charged at \$1.00 per page for outgoing facsimiles only. EG represents that its rate for duplication is \$0.10 per page, consistent with the Local Rules and Guidelines. In order to more efficiently handle the voluminous copying of pleadings served and filed in this case, EG on occasion retained third-party duplication service providers. EG seeks reimbursement only for the actual expenses charged by such third-party service providers. Finally, EG seeks reimbursement for computer assisted research, which is the actual cost of such charges, if any.

18. EG seeks reimbursement for its reasonable, necessary and actual expenses incurred during the Application Period for the total amount of \$1,064.80.

#### **LEGAL STANDARD**

19. Section 330(a)(1) of the Bankruptcy Code allows the payment of:

(A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, professional person, or attorney and by any paraprofessional person employed by any such person; and

(B) reimbursement for actual, necessary expenses.

11 U.S.C. § 330(a)(1). Reasonableness of compensation is driven by the "market-driven approach" which considers the nature, extent and value of services provided by the professional and cost of comparable services in the non-bankruptcy contexts. *See Zolfo Cooper & Co. v. Sunbeam-Oster Co.*, 50 F.3d 253, 258 (3d Cir. 1995); *In re Busy Beaver Building Ctr., Inc.*, 19 F.3d 833, 849 (3d Cir. 1994). Thus, the "baseline rule is for firms to receive their customary rates." *Zolfo Cooper*, 50 F.3d at 259.

20. In accordance with its practices in non-bankruptcy matters, EG has calculated its compensation requested in their Application by applying the standard hourly rates. EG's

calculation is based upon hourly rates that are well within the range of rates that are charged by comparable firms in similar bankruptcy cases. Accordingly, EG's rates should be determined to be reasonable under Section 330 of the Bankruptcy Code.

21. EG's fees during the Application Period are also reasonable under the prevailing legal standard and should be allowed. The amount of these fees is not unusual given the complexity, accelerated deadlines, aggressive sale schedule, and size of the Debtors' Chapter 11 case. EG's fees are commensurate with fees that other attorneys of comparable experience and expertise have charged and been awarded in similar Chapter 11 cases. Accordingly, EG's fees are reasonable pursuant to Section 330 of the Bankruptcy Code.

22. Section 330(a)(1)(B) of the Bankruptcy Code permits reimbursement for actual, necessary expenses. EG's legal services and expenses incurred during the Application Period are set forth in this Application and constitute only those necessary expenses that were incurred for the benefit of the Committee. EG has properly requested reimbursement of only actual, necessary and appropriate legal expenses.

23. Except as permitted by Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), no agreement or understanding exists between EG and/or any third person for the sharing or division of compensation. All of the services for which compensation is requested in this Application were rendered at the request of and solely on behalf of the Committee.

24. Pursuant to the standards set forth in Sections 330 and 331 of the Bankruptcy Code, EG submits that the compensation requested is for actual and necessary services and expenses, and is reasonable, based upon the nature, extent and value of such services, the time spent thereon, and the costs of comparable services in a case under the Bankruptcy Code.

25. The time records annexed to this Application constitute only a general statement of the services rendered and time expended without description of the pressure and constraints under which EG actually rendered these services. The considerable challenges of this case have been attended to and managed by EG at all levels, promptly, expertly, and often to the exclusion of the other matters in EG's office. EG submits, therefore, that its fees and expenses were actually, necessary, reasonable and justified, and should be allowed in full.

#### **NOTICE AND NO PRIOR APPLICATION**

26. No trustee or examiner has been appointed in this Chapter 11 case. Notice and service of this Application has been given to the Debtors; counsel to the Debtors; the UST; and special restructuring and bankruptcy counsel to the administrative agent for the lenders under the Debtors' prepetition first lien credit facility pursuant to the Interim Compensation Order. Pursuant to the Bankruptcy Rule 2002(a)(6), Notice of this Application has also been given to all parties requesting notices. In light of the nature of the relief requested herein, EG submits that no further or other notice is required.

27. No previous application for the relief sought herein has made to this or any other Court.

#### **VERIFICATION**

28. I am familiar with the work performed on behalf of the Committee by the lawyers and paraprofessionals in the firm.

29. I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Local Rule 2016-2, and submit that the Application substantially complies with such Local Rule.

WHEREFORE, EG requests that its Application for fees in the amount of \$21,601.50 and

expenses in the amount of \$1,064.80 be allowed and that if no objections are filed, 80% of the requested fees in the amount of \$17,281.20 and 100% of the amount of \$1,064.80 be paid for reimbursement of actual and necessary costs and expenses incurred during the Application Period, and further requests such other and further relief as the court may deem just and proper.

Dated: January 18, 2012  
Wilmington, Delaware

**ELLIOTT GREENLEAF**

/s/ Rafael X. Zahralddin-Aravena

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

Shelley A. Kinsella (DE Bar No. 4023)

1105 North Market Street, Suite 1700

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and

Kenneth A. Rosen, Esquire

S. Jason Teele, Esquire

Nicole Stefanelli, Esquire

LOWENSTEIN SANDLER PC

65 Livingston Avenue

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Email: NStefanelli@lowenstein.com

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

# Exhibit A

**SUMMARY OF PROFESSIONAL AND PARAPROFESSIONALS  
RENDERING SERVICES FROM  
DECEMBER 1, 2011 THROUGH DECEMBER 31, 2011**

<b>Name of Professional</b>	<b>Position</b>	<b>Total Billed Hours</b>	<b>Hourly Billing Rate</b>	<b>Total Compensation</b>
Kristin McCloskey	Paralegal	16.2 Hrs	\$225/hr	\$3,645.00
Theresa M. Snow	Paralegal	8.3 Hrs	\$225/hr	\$1,867.50
Jonathan M. Stemerman	Associate	0.1 Hrs	\$350/hr	\$35.00
Shelley A. Kinsella	Counsel	9.4 Hrs	\$410/hr	\$3,854.00
Rafael X. Zahralddin	Shareholder	20.0 Hrs	\$610/hr	\$12,200.00

<b>Total:</b>	<b>54.0 Hrs</b>	<b>\$21,601.50</b>
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<b>Blended Rate:</b>	<b>\$400.03/hour</b>
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# Exhibit B

In re: Graceway Pharmaceuticals, LLC, *et al.*

**Task Billing Summary Page**

Re: In re Graceway Pharmaceuticals, LLC, *et al.* Case No. 11-13036

	<u>Previous Billed</u>	<u>Current Bill</u>	<u>Total</u>
Case Administration	3,309.00	188.00	3,497.00
Asset Analysis Recovery	9,247.00	0	9,247.00
Asset Disposition	57,466.00	514.00	57,980.00
Relief From Stay/Adequate Protection Pro	285.00	0	285.00
Meetings of and Communications with Cred.	9,839.00	387.00	10,226.00
Employment & Retention Application EGS	21,090.50	0	21,090.50
Employment & Retention Application Other	26,553.00	1,435.00	27,988.00
Fee/Applications and Invoices – EGS	3,724.00	2,375.50	6,099.50
Fee Objections EGS	0	869.50	869.00
Fee Applications and Invoices – Others	1,521.50	5,584.00	7,105.50
Fee Objections – Others	0	3,518.00	3,518.00
Lease and Contract-Assumption, Rejection	4,117.00	1,424.00	5,541.00
Non-Working Travel	2,897.50	0	2,897.50
Business Operations	3,166.00	205.00	3,371.00
Employee Benefits/Pensions	244.00	0	244.00
Financing/Cash Collections	15,294.00	122.00	15,416.00
Claims and Plan	366.00	0	366.00
Claims Administration and Objections	1,888.00	63.50	1,951.50
Plan and Disclosure Statement	305.00	1,326.50	1,631.50
Other	0	0	0
Court Hearings	13,377.50	1,947.50	15,325.00
Schedules and Statements	1,873.00	208.00	2,081.00
Litigation	789.00	1,129.00	1,918.00
 Total	 177,352.00	 21,601.50	 198,953.50

# Elliott Greenleaf

www.elliottgreenleaf.com

ELLIOTT GREENLEAF  
P.O. Box 3010  
Blue Bell, Pennsylvania 19422  
EIN #23-2617189

John Bellamy  
Graceway Pharmaceuticals, LLC  
340 Martin Luther King, Jr., Blvd, Suite 5800

Briston TN 37620  
United States of America

January 17, 2012  
Bill Number 106143  
File Number 60357-001

## FOR PROFESSIONAL SERVICES RENDERED

Re: In re Graceway Pharmaceuticals

## LEGAL SERVICES

Through January 13, 2012

### Case Administration

12/12/11	SAK	[B110-] Analyze Notice of Appearance filed by Franklin Pharma Servs; instructions to T. Snow re same	0.10 Hrs	
12/13/11	KAM	[B110-] Update 2002 service list	0.20 Hrs	
12/15/11	SAK	[B110-] Analyze PA Dept of Revenue's Notice of Appearance; instructions to T. Snow re same	0.10 Hrs	
12/21/11	RXZ	[B110-] E-mail to Theresa Snow re: 2002 list and updates	0.10 Hrs	
Totals			0.50 Hrs	\$188.00
Case Administration Totals			0.50 Hrs	\$188.00

### Asset Disposition

12/02/11	SAK	[B130-] Analyze Notice of Sale Closing	0.10 Hrs	
12/06/11	TMS	[B130-] Email to Committee Professionals regarding Notice of Filing - Amendment No. 1 to the Final DIP Order with summary and analysis	0.10 Hrs	
12/06/11	TMS	[B130-] Email to Committee Professionals forwarding the debtors' monthly operating report for 9/29/11-10/31/11	0.10 Hrs	
12/07/11	SAK	[B130-] Analyze Debtors' Motion to Abandon Certain Property	0.20 Hrs	
12/16/11	RXZ	[B130-] Analyze Abandonment Motion (.2) and related summary and recommendations from N. Stefanelli (.2)	0.40 Hrs	

Official Committee of Unsecured Creditors

12/28/11	SAK	[B130-] Analyze Order authorizing Debtors to abandon certain property	0.10 Hrs	
12/28/11	RXZ	[B130-] Analyze order authorizing the debtors to abandon the Poretta and Freeman expendable property and related e-mail from T. Snow	0.10 Hrs	

Totals			1.10 Hrs	\$514.00
Asset Disposition Totals			1.10 Hrs	\$514.00

Meetings of and Communications with Creditors

12/05/11	SAK	[B150-] Email from co-counsel re appointment of McKesson to the Creditors' Committee; review the same	0.10 Hrs	
12/05/11	RXZ	[B150-] Analyze appointment of committee member notice from UST	0.20 Hrs	
12/14/11	RXZ	[B150-] E-mails from N. Stefanelli to committee and committee professionals re: case update and related committee conference call	0.10 Hrs	
12/21/11	SAK	[B150-] Email from N. Stefanelli re case status	0.10 Hrs	
12/22/11	RXZ	[B150-] E-mails to and from UST re: status of ex officio members	0.20 Hrs	

Totals			0.70 Hrs	\$387.00
Meetings of and Communications with Creditors Totals			0.70 Hrs	\$387.00

Employment & Retention Application Other

12/06/11	RXZ	[B165-] Analyze Supplemental Declaration (Second) of Thomas E. Hill in Support of Debtors' Application for an Order Authorizing the Debtors to Retain and Employ Alvarez & Marsal North America, LLC as Restructuring Advisors for the Debtors Nunc Pro Tunc to the Petition Date	0.20 Hrs	
12/13/11	KAM	[B165-] Email from R. Zahralddin re: 2nd Supplement Declaration in Support of FTI Retention (.1); file same (.2); serve same (.5)	0.80 Hrs	
12/13/11	RXZ	[B165-] E-mails re: 2nd supplemental affidavit for FTI and replies	0.20 Hrs	
12/13/11	RXZ	[B165-] Finalize 2nd supplemental affidavit for FTI	0.20 Hrs	
12/13/11	RXZ	[B165-] Supervise filing and service for 2nd supplemental affidavit for FTI	0.30 Hrs	
12/14/11	KAM	[B165-] Prepare COS to Star 2nd Supplemental Affidavit	0.10 Hrs	
12/14/11	KAM	[B165-] File COS to Star 2nd Supplemental Affidavit	0.20 Hrs	
12/14/11	RXZ	[B165-] Analyze and finalize COS for FTI 2nd Supplemental Affidavit in Support of Retention	0.10 Hrs	
12/15/11	SAK	[B165-] Analyze Debtors' Motion to enter into Edwards Wildman Palmer agreement and Motion to Shorten re same	0.20 Hrs	
12/15/11	SAK	[B165-] Analyze Amended Notice to Shorten re EWP Motion	0.10 Hrs	
12/15/11	RXZ	[B165-] Analyze Edwards Wildman Palmer LLP Motion (.2) and related summary and recommendations from N. Stefanelli to committee and committee professionals (.1)	0.30 Hrs	
12/19/11	SAK	[B165-] Analyze Order shortening time for EWP Motion	0.10 Hrs	
12/20/11	TMS	[B165-] Emails to Committee Professionals regarding fourth notice of filing of OCP affidavit and deadlines	0.20 Hrs	
12/28/11	SAK	[B165-] Analyze Order authorizing Debtors to enter into agreement with EWP	0.10 Hrs	

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12/28/11	RXZ	[B165-] Analyze Order Authorizing the Debtors to Enter into an Agreement with Edwards Wildman Palmer LLP and related e-mails from T. Snow	0.20 Hrs	
12/28/11	TMS	[B165-] Email to Committee Professionals regarding Order Authorizing the Debtors to Enter into an Agreement with Edwards Wildman Palmer LLP with analysis	0.10 Hrs	
Totals			3.40 Hrs	\$1,435.00
Employment & Retention Application Other Totals			3.40 Hrs	\$1,435.00

EG Fee Applications

12/02/11	KAM	[B170-] Analyze Exhibit B to EG's November fee application	0.80 Hrs	
12/02/11	SAK	[B170-] Finalize Elliott Greenleaf's fee application exhibits (.9); instructions to K. McCloskey re revisions (.1); email exchange with R. Zahraiddin re same (.1)	1.10 Hrs	
12/04/11	KAM	[B170-] Supplement Exhibit B to EG's 2nd fee application	0.70 Hrs	
12/05/11	RXZ	[B170-] Update EG November fee application exhibits	1.20 Hrs	
12/07/11	KAM	[B170-] Supplement Exhibit B to EG 2nd fee application	0.30 Hrs	
12/07/11	KAM	[B170-] Prepare EG 2nd fee application	0.50 Hrs	
12/07/11	KAM	[B170-] Prepare Notice to EG 2nd fee application	0.20 Hrs	
12/07/11	KAM	[B170-] Prepare cover page to EG 2nd fee application	0.20 Hrs	
12/07/11	KAM	[B170-] Prepare Exhibits A and C to EG 2nd fee application	0.30 Hrs	
12/07/11	KAM	[B170-] Prepare COS to EG 2nd fee application	0.10 Hrs	
12/07/11	KAM	[B170-] Prepare task billing Exhibit to EG 2nd fee application	0.40 Hrs	
12/07/11	KAM	[B170-] File EG 2nd fee application	0.30 Hrs	
12/07/11	KAM	[B170-] Serve EG 2nd fee application	0.90 Hrs	
12/15/11	KAM	[B170-] Telephone call to Debtors' counsel re: contact for CNOs	0.10 Hrs	
12/29/11	TMS	[B170-] Finalize CNO re: EG's second monthly fee application (.1); prepare COS (.1); file and effectuate service (.2); conference with R. Zahraiddin and email to K. Coyle regarding wiring instructions (.1)	0.50 Hrs	
Totals			7.60 Hrs	\$2,375.50
EG Fee Applications Totals			7.60 Hrs	\$2,375.50

Fee Objections EGS

12/12/11	SAK	[B171-] Instructions from R. Zahraiddin re Stikeman fee application	0.10 Hrs	
12/14/11	SAK	[B171-] Finalize Certificate of No Objection re Elliott Greenleaf's 1st Monthly Fee Application and Certificate of Service	0.20 Hrs	
12/14/11	KAM	[B171-] Prepare CNO and COS re: EG's 1st fee application	0.40 Hrs	
12/14/11	KAM	[B171-] Analyze docket for objections to EG's 1st fee application	0.20 Hrs	
12/14/11	KAM	[B171-] File CNO to EG's 1st fee application	0.20 Hrs	
12/14/11	KAM	[B171-] Serve CNO to EG's 1st fee application	0.80 Hrs	

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12/22/11	KAM	[B171-] Telephone call with and email to K. Coyle re: EG CNO to 1st fee application	0.20 Hrs	
12/28/11	TMS	[B171-] Prepare CNO to EG's 2nd fee application for filing/service (.1); prepare COS (.1) update service list (.1); file and effectuate service (.4)	0.70 Hrs	
12/29/11	SAK	[B171-] Email exchange with K. McCloskey re preparation of Certificate of No Objection for Elliott Greenleaf's 2nd Monthly Fee Application	0.10 Hrs	
12/29/11	SAK	[B171-] Finalize Certificate of No Objection re Elliott Greenleaf's 2nd Monthly Fee Application and Certificate of Service	0.20 Hrs	
12/29/11	RXZ	[B171-] E-mail from T. Snow re: CNO for Elliott Greenleaf's 2nd fee application	0.10 Hrs	
Totals			3.20 Hrs	\$869.50
Fee Objections EGS Totals			3.20 Hrs	\$869.50

Fee Applications and Invoices - Other

12/02/11	KAM	[B175-] Telephone call and email from N. Stefanelli re: Lowenstein Sandler's 1st fee application	0.10 Hrs	
12/02/11	KAM	[B175-] Conform Lowenstein Sandler's 1st fee application	0.30 Hrs	
12/02/11	KAM	[B175-] Prepare Notice to Lowenstein Sandler's 1st fee application	0.30 Hrs	
12/02/11	KAM	[B175-] Prepare COS to Lowenstein Sandler's 1st fee application	0.10 Hrs	
12/02/11	KAM	[B175-] File Lowenstein Sandler's 1st fee application	0.30 Hrs	
12/02/11	KAM	[B175-] Serve Lowenstein Sandler's 1st fee application	0.70 Hrs	
12/02/11	KAM	[B175-] Email to counsel and committee members re: Lowenstein Sandler's 1st fee application	0.10 Hrs	
12/02/11	SAK	[B175-] Finalize Lowenstein Sandler's 1st Monthly Fee Application, Notice, multiple Exhibits and Certificate of Service (.4); instructions to K. McCloskey re revisions (.1)	0.50 Hrs	
12/05/11	SAK	[B175-] Email instructions from R. Zahraiddin re preparation of Stikeman fee app	0.10 Hrs	
12/06/11	TMS	[B175-] Email to Committee Professionals forwarding 1st fee application of Lowenstein Sandler, 1st fee application of FTI Consulting, 1st fee application of Alvarez & Marsal, and 2nd fee application of Young Conaway with summary and analysis	0.20 Hrs	
12/07/11	TMS	[B175-] Email to Committee Professionals regarding First Interim Fee and Expense Application for Latham & Watkins with summary	0.10 Hrs	
12/07/11	TMS	[B175-] Email to Committee Professionals regarding first and second monthly applications of Lazard Freres & Co. for compensation and reimbursement with analyses	0.20 Hrs	
12/08/11	TMS	[B175-] Email Committee Professionals Interim Compensation Order and deadlines to file fee applications	0.10 Hrs	
12/13/11	KAM	[B175-] Prepare fee application critical dates memo	0.70 Hrs	
12/15/11	RXZ	[B175-] E-mails from FTI re: second fee application (.1) and updates and comments to same (.2) related follow up with K. McCloskey (.2)	0.50 Hrs	
12/16/11	RXZ	[B175-] E-mails to and from T. Snow and S. Kinsella re: FTI fee application	0.20 Hrs	
12/17/11	RXZ	[B175-] E-mails to and from co-counsel re: FTI fee application	0.20 Hrs	

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12/19/11	KAM	[B175-] Email from R. Zahralddin re: Edwards Wildman fee applications	0.10 Hrs
12/19/11	KAM	[B175-] Analyze Edwards Wildman's 1st, 2nd and 3rd fee applications and email to R. Zahralddin re: same	0.20 Hrs
12/19/11	SAK	[B175-] Email from R. Zahralddin re upcoming FTI fee application filing	0.10 Hrs
12/19/11	TMS	[B175-] Email Committee Professionals Young Conaway Stargatt & Taylor's third fee application with summary and analysis	0.10 Hrs
12/20/11	KAM	[B175-] Conference with T. Snow re: filing of FTI fee application	0.10 Hrs
12/20/11	KAM	[B175-] Supplement Notice and COS to 2nd FTI fee application	0.20 Hrs
12/20/11	KAM	[B175-] File 2nd FTI fee application	0.30 Hrs
12/20/11	KAM	[B175-] Serve 2nd FTI fee application	0.80 Hrs
12/20/11	KAM	[B175-] Conference with T. Snow re: filing of Stikeman fee application	0.10 Hrs
12/20/11	SAK	[B175-] Finalize FTI's 2nd Monthly Fee Application, Notice, multiple Exhibits and Certificate of Service (.4); multiple email exchanges and instructions to K. McCloskey re same (.2)	0.60 Hrs
12/20/11	TMS	[B175-] Prepare Stikeman Elliott first monthly fee application	0.70 Hrs
12/20/11	TMS	[B175-] Prepare Notice of Application of FTI's Second Monthly Fee Application (.2); prepare COS (.1); emails regarding same (.1)	0.40 Hrs
12/20/11	TMS	[B175-] Emails to Committee Professionals regarding motion authorizing Debtors to enter into an agreement with Edwards Wildman Palmer (EWP) and the First Lien Agent with analysis and deadlines (.3); amended motion to shorten the time for notice of hearing regarding said motion (.2); and, EWP's first, second and third monthly fee applications with analyses and deadlines (.3)	0.80 Hrs
12/20/11	RXZ	[B175-] Analyze Order Shortening the Time for Notice of the Hearing to Consider the Debtors' Motion Pursuant to Sections 105 and 363 of the Bankruptcy Code and Bankruptcy Rule 9019, for an Order Authorizing the Debtors to Enter into an Agreement with Edwards Wildman Palmer LLP (.1) and forward with instructions to T. Snow re: same (.1)	0.20 Hrs
12/21/11	KAM	[B175-] Email from and conference with R. Zahralddin re: Stikeman fee application	0.10 Hrs
12/21/11	SAK	[B175-] Analyze Stikeman 1st and Final Fee Application and email exchange re same	0.20 Hrs
12/21/11	TMS	[B175-] Prepare notice of application of Stikeman Elliott's first monthly fee application (.3); prepare COS (.1); email and conference with R. Zahralddin regarding same (.1); email Committee Professionals with analysis (.1);	0.50 Hrs
12/21/11	RXZ	[B175-] Analyze and update Stikeman Elliott's first and final fee application (.5) e-mail to Stikeman Elliott re: fee application (.1) instructions to T. Snow re: same and e-mail summary to committee from T. Snow re; approval of fee application (.1)	0.70 Hrs
12/21/11	RXZ	[B175-] E-mails re: Wildman fee application and related motion	0.10 Hrs
12/21/11	RXZ	[B175-] E-mail to T. Snow re: Monthly Application for Compensation (Second) of FTI Consulting, Inc. for the period November 1, 2011 to November 30, 2011	0.10 Hrs
12/22/11	KAM	[B175-] Email to counsel with filed Stikeman First and Final Fee Application	0.10 Hrs
12/22/11	KAM	[B175-] Email to counsel with filed CNO to FTI First Fee Application	0.10 Hrs
12/22/11	KAM	[B175-] Update Notice and COS to Stikeman First and Final Application	0.20 Hrs

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12/22/11	KAM	[B175-] Update Stikeman First and Final Application	0.10 Hrs
12/22/11	KAM	[B175-] File Stikeman first and final fee application	0.30 Hrs
12/22/11	KAM	[B175-] Serve Stikeman first and final fee application	0.40 Hrs
12/22/11	RXZ	[B175-] E-mails and related follow up with K. Hammond Coyle and K. McCloskey re: FTI fee applications and protocol for payment with debtors	0.30 Hrs
12/22/11	RXZ	[B175-] E-mails to and from S. Star re: FTI fee applications	0.20 Hrs
12/22/11	RXZ	[B175-] Finalize Stikeman fee application (.3) notice (.2) and related COS (.1) e-mails and calls with Stikeman re: same (.3) supervise filing and service (.4)	1.30 Hrs
12/22/11	RXZ	[B175-] E-mails and related follow up with FTI fee applications and CNOs with S. Star and M. Greenberg	0.60 Hrs
12/27/11	RXZ	[B175-] E-mails from S. Kinsella re: status of fee applications (.2) and follow up calls to K. Hammond Coyle and S. Kinsella re: same (.2)	0.40 Hrs

12/27/11	RXZ	E-mails from S. Star re: UST comments to FTI fee application	0.10 Hrs
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Fee Applications and Invoices - Other Totals	15.20 Hrs	\$5,584.00
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Fee Objections - Others

12/01/11	RXZ	[B176-] Analyze YCST Second Application for Compensation and Reimbursement of Expenses for the period October 1, 2011 to October 31, 2011	0.30 Hrs
12/01/11	RXZ	[B176-] Analyze First Application for Compensation and Reimbursement of Expenses for the period September 29, 2011 to October 31, 2011 Filed by Alvarez & Marsal North America, LLC	0.30 Hrs
12/05/11	TMS	[B176-] Multiple emails to Committee professionals regarding upcoming critical dates and update memorandum regarding same	0.20 Hrs
12/06/11	SAK	[B176-] Multiple emails from T. Snow re upcoming fee application deadlines	0.10 Hrs
12/06/11	SAK	[B176-] Analyze Lazard's 1st Monthly Fee Application	0.20 Hrs
12/06/11	SAK	[B176-] Analyze Lazard's 2nd Monthly Fee Application	0.20 Hrs
12/06/11	TMS	[B176-] Email to Committee Professionals regarding fee application objection deadline for 1st fee application of Lowenstein Sandler	0.10 Hrs
12/06/11	TMS	[B176-] Email to Committee Professionals regarding fee application objection deadlines for 1st fee application of FTI Consulting and 2nd fee application of Young Conaway	0.10 Hrs
12/06/11	TMS	[B176-] Email to Committee Professionals regarding fee application objection deadline for 1st fee application of Alvarez & Marsal	0.10 Hrs
12/06/11	RXZ	[B176-] Analyze First Application for Compensation and Reimbursement of Expenses for the period September 29, 2011 to October 31, 2011 Filed by Latham & Watkins, LLP	0.30 Hrs



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12/06/11	RXZ	[B176-] Analyze First Application for Compensation and Reimbursement of Expenses for the period September 29, 2011 to October 31, 2011 Filed by Lazard Freres & Co., LLC	0.30 Hrs
12/06/11	RXZ	[B176-] Analyze Second Application for Compensation and Reimbursement of Expenses for the period November 1, 2011 to November 30, 2011 Filed by Lazard Freres & Co., LLC	0.30 Hrs
12/07/11	TMS	[B176-] Email to Committee Professionals regarding objection deadline for First Interim Fee and Expense Application for Latham & Watkins	0.10 Hrs
12/07/11	TMS	[B176-] Email to Committee Professionals regarding objection deadlines for first and second monthly applications of Lazard Freres & Co. for compensation and reimbursement	0.10 Hrs
12/16/11	KAM	[B176-] Prepare CNO and COS re: FTI's First Fee Application	0.40 Hrs
12/16/11	KAM	[B176-] Prepare CNO and COS re: Lowenstein Sandler's First Fee Application	0.40 Hrs
12/16/11	KAM	[B176-] Prepare CNO and COS re: Elliott Greenleaf's Second Fee Application	0.40 Hrs
12/17/11	RXZ	[B176-] Analyze three Wildman fee applications (.3) and forward instructions to K. McCloskey for summary and distribution to committee professionals (.1)	0.40 Hrs
12/17/11	RXZ	[B176-] Analyze Third Application for Compensation and Reimbursement of Expenses for the period November 1, 2011 to November 30, 2011 Filed by Young Conaway Stargatt & Taylor, LLP and forward to S. Kinsella and T. Snow with instructions for summary and distribution to committee professionals	0.20 Hrs
12/19/11	RXZ	[B176-] E-mails from K. McCloskey re: Wildman fee application summaries	0.20 Hrs
12/20/11	SAK	[B176-] Email from T. Snow re preparations of FTI Certificate of No Objection for 1st Monthly Fee Application	0.10 Hrs
12/20/11	RXZ	[B176-] Analyze summaries for distribution to Committee re: Edwards Wildman fee applications from T. Snow (.1) and related attachments (fee applications from Sept., Oct. and Nov.)(.5)	0.60 Hrs
12/21/11	RXZ	[B176-] E-mails to and from UST re: Lowenstein fee application	0.20 Hrs
12/22/11	SAK	[B176-] Finalize Certificate of No Objection re FTI's 1st Monthly Fee Application and Certificate of Service	0.20 Hrs
12/22/11	SAK	[B176-] Multiple emails from K. McCloskey re upcoming fee application deadlines	0.10 Hrs
12/22/11	KAM	[B176-] Conference with R. Zahraiddin re: contact for CNOs	0.10 Hrs
12/22/11	KAM	[B176-] Email to K. Coyle with filed CNO to FTI First Fee Application	0.10 Hrs
12/22/11	KAM	[B176-] Conference with R. Zahraiddin re: CNO to FTI First Fee Application	0.10 Hrs
12/22/11	KAM	[B176-] Analyze docket for objections to FTI First Fee Application	0.10 Hrs
12/22/11	KAM	[B176-] Emails to/from M. Greenberg and S. Star re: objections to FTI First Fee Application	0.10 Hrs
12/22/11	KAM	[B176-] File CNO to FTI First Fee Application	0.20 Hrs
12/22/11	KAM	[B176-] Serve CNO to FTI First Fee Application	0.40 Hrs
12/27/11	RXZ	[B176-] Follow up with UST re: FTI monthly fee application questions	0.20 Hrs

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12/27/11	RXZ	[B176-] Analyze Young Conaway Stargatt & Taylor's Third Application for Compensation and Reimbursement of Expenses for the Interim Period November 1, 2011 to November 30, 2011	0.40 Hrs	
12/28/11	SAK	[B176-] Finalize Certificate of Service re Lowenstein Sandler's 1st Monthly Fee Application and Certificate of Service re same; instructions to T. Snow re filing and service of same	0.20 Hrs	
12/28/11	TMS	[B176-] Prepare Lowenstein Sandler CNO re: first fee application for filing/service (.2); file and effectuate service (.4)	0.60 Hrs	
Totals			8.40 Hrs	\$3,518.00
Fee Objections - Others Totals			8.40 Hrs	\$3,518.00

Assumption/Rejections of Leases and Contracts

12/01/11	SAK	[B185-] Analyze Order shortening Notice for Assumption Motion	0.10 Hrs	
12/01/11	RXZ	[B185-] Analyze Order Shortening the Time for Notice of the Hearing to Consider the Notice of Assumption and Assignment of Executory Contracts	0.10 Hrs	
12/02/11	SAK	[B185-] Email from N. Stefanelli re Rejection Motion; review the same	0.20 Hrs	
12/05/11	RXZ	[B185-] Analyze Debtors' Motion for Entry of an Order Authorizing the Debtors to (I) Reject Certain Unexpired Leases of Residential Real Property, (II) Sell Certain Property Outside the Ordinary Course of Business, (III) Abandon Certain Expendable Property and (IV) Reject Certain Executory Contracts	0.30 Hrs	
12/07/11	TMS	[B185-] Emails to Committee Professionals regarding Debtors' motion to reject leases and contracts and objection deadline	0.10 Hrs	
12/09/11	TMS	[B185-] Emails to Committee Professionals regarding Debtors' Motion for Entry of an Order Authorizing Debtors to Abandon Certain Expendable Property with analysis and deadlines	0.20 Hrs	
12/13/11	SAK	[B185-] Analyze Motion to Reject Capital Returns contract	0.20 Hrs	
12/22/11	SAK	[B185-] Analyze Debtors' Motion to reject Konica lease	0.20 Hrs	
12/22/11	RXZ	[B185-] Analyze Debtors' Motion for Entry of an Order Authorizing Debtors to Reject an Unexpired Lease of Personal Property with Konica Minolta Premier Finance Nunc Pro Tunc to the Rejection Date and related e-mails to T. Snow re: same	0.50 Hrs	
12/28/11	SAK	[B185-] Analyze Order authorizing Debtors to reject certain leases	0.10 Hrs	
12/28/11	SAK	[B185-] Analyze Order authorizing Debtors to reject Capital Returns contract	0.10 Hrs	
12/28/11	RXZ	[B185-] Analyze order authorizing the debtors to reject an executory contract between the debtors and Capital Returns, Inc. and related e-mail from T. Snow	0.10 Hrs	
12/28/11	TMS	[B185-] Emails to Committee Professionals regarding Debtors' motion for entry of an order authorizing debtors to reject an unexpired lease of personal property with Konica Minolta Premier Finance nunc pro tunc to the rejection date with analysis and deadlines	0.20 Hrs	
12/28/11	TMS	[B185-] Email to Committee Professionals regarding order authorizing the debtors to reject an executory contract between the debtors and Capital Returns, Inc.	0.10 Hrs	

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12/28/11	TMS	[B185-] Email to Committee Professionals regarding order authorizing the debtors to abandon the Poretta and Freeman expendable property	0.10 Hrs	
12/28/11	TMS	[B185-] Email to Committee Professionals regarding order authorizing the debtors to reject certain leases, reject certain executory contracts, and sell, transfer, and/or abandon certain property (effective December 31, 2011)	0.10 Hrs	
12/29/11	SAK	[B185-] Analyze Debtors' Motion to extend time to assume or reject leases	0.20 Hrs	
12/29/11	RXZ	[B185-] Analyze Debtors' Motion for Order Extending Time to Assume or Reject Non-Residential Real Property Leases and forward to T. Snow with instructions	0.30 Hrs	
Totals			3.20 Hrs	\$1,424.00
Assumption/Rejections of Leases and Contracts Totals			3.20 Hrs	\$1,424.00

Operations

12/01/11	RXZ	[B200-] Analyze Debtor-In-Possession Monthly Operating Report for Filing Period September 29, 2011 through October 31, 2011	0.30 Hrs	
12/30/11	RXZ	[B200-] Analyze Debtor-In-Possession Monthly Operating Report for Filing Period November 2011 and send e-mail to T. Snow re: distribution to FTI and LS	0.20 Hrs	
Totals			0.50 Hrs	\$305.00
Operations Totals			0.50 Hrs	\$305.00

Business Operations

12/01/11	SAK	[B210-] Analyze October Monthly Operating Report	0.20 Hrs	
12/28/11	SAK	[B210-] Analyze Motion to Extend Time to Remove Actions	0.10 Hrs	
12/30/11	SAK	[B210-] Analyze Debtors' Monthly Operating Report for November 2011	0.20 Hrs	
Totals			0.50 Hrs	\$205.00
Business Operations Totals			0.50 Hrs	\$205.00

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Financing/Cash Collections

12/02/11	RXZ	[B230-] Analyze Notice of Filing of Amendment No. 1 (Amended DIP Budget)	0.20 Hrs	
Totals			0.20 Hrs	\$122.00
Financing/Cash Collections Totals			0.20 Hrs	\$122.00

Claims Administration and Objections

12/08/11	TMS	[B310-] Email Committee Professionals Notice of Governmental Bar Dates	0.10 Hrs	
12/27/11	SAK	[B310-] Email from N. Stefanelli re claim bar date	0.10 Hrs	

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Totals	0.20 Hrs	\$63.50
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Claims Administration and Objections Totals	0.20 Hrs	\$63.50
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Plan and Disclosure Statement

12/13/11	RXZ	[B320-] Case strategy meeting regarding critical dates and plan issues with EG legal team	0.10 Hrs
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12/13/11	TMS	[B320-] Case strategy meeting with R. Zahraiddin, S. Kinsella and J. Stemerman regarding critical dates and plan issues	0.10 Hrs
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12/20/11	RXZ	[B320-] Analyze proposed plan	1.50 Hrs
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12/20/11	SAK	[B320-] Analyze draft of Plan of Liquidation and email from co-counsel re same	0.80 Hrs
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Totals	2.50 Hrs	\$1,326.50
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Plan and Disclosure Statement Totals	2.50 Hrs	\$1,326.50
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Court Hearings

12/05/11	SAK	[B430-] Analyze Notice of Agenda for 12/07/11 hearing	0.10 Hrs
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12/05/11	SAK	[B430-] Multiple emails from T. Snow re upcoming hearing dates	0.10 Hrs
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12/05/11	TMS	[B430-] Email to Committee professionals regarding hearing 12/7/2011 and forwarding related documents; multiple emails to Committee professionals regarding upcoming hearing dates	0.20 Hrs
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12/06/11	SAK	[B430-] Analyze Amended Agenda; hearing cancelled	0.10 Hrs
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12/06/11	RXZ	[B430-] Analyze Certification of Counsel regarding Scheduling of Omnibus Hearing Dates and forward to T. Snow with instructions	0.20 Hrs
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12/08/11	TMS	[B430-] Numerous emails to Committee Professionals regarding omnibus hearing dates	0.10 Hrs
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12/08/11	TMS	[B430-] Update critical dates memorandum with omnibus hearing dates	0.10 Hrs
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12/13/11	JXS	[B430-] Analyze docket re: critical dates	0.10 Hrs
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12/20/11	TMS	[B430-] Update critical dates/deadlines and emails to Committee Professionals regarding same	0.20 Hrs
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12/21/11	RXZ	[B430-] E-mail summary and recommendation from N. Stefanelli to committee and committee professionals re: update on case (matters up for next omnibus hearing and other issues)	0.20 Hrs
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12/23/11	SAK	[B430-] Analyze Notice of Agenda for 12/28/11 hearing	0.10 Hrs
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12/23/11	KAM	[B430-] Emails to/from R. Zahraiddin and N. Stefanelli re: telephonic appearance (.1); schedule same (.2)	0.30 Hrs
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12/23/11	RXZ	[B430-] Analyze 12/28 agenda and summarize for committee professionals	0.30 Hrs
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12/23/11	RXZ	[B430-] E-mails to and from co-counsel re: hearing coverage (.1) and instructions to K. McCloskey and related follow up re: same (.1)	0.20 Hrs
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12/23/11	RXZ	[B430-] E-mails from N. Stefanelli re: hearing coverage and arrangements for telephonic hearing	0.20 Hrs
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12/27/11	SAK	[B430-] Analyze Notice of rescheduled 01/25/12 hearing	0.10 Hrs
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12/27/11	SAK	[B430-] Analyze Amended Agenda for 12/28/11 hearing; email to R. Zahraiddin re same	0.10 Hrs
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Official Committee of Unsecured Creditors

12/27/11	RXZ	[B430-] Analyze Amended Notice of Agenda of Matters Scheduled for Hearing (.1) related follow up and e-mail to committee and committee professionals re: same (.1)	0.20 Hrs	
12/27/11	RXZ	[B430-] Prepare for hearing	0.50 Hrs	
12/27/11	RXZ	[B430-] Analyze notice of rescheduled hearing and send e-mail to committee professionals re: same	0.10 Hrs	
12/28/11	RXZ	[B430-] Attend hearing and related follow up with Debtors	0.50 Hrs	
Totals			4.00 Hrs	\$1,947.50
Court Hearings Totals			4.00 Hrs	\$1,947.50

Schedules and Statements

12/21/11	SAK	[B440-] Analyze Debtors' Motion to Approve Redaction of Individual's Names/Addresses from Schedules & Statements	0.10 Hrs	
12/21/11	RXZ	[B440-] Analyze notice of Motion to Approve Debtors' Redaction of Private Individuals' Names and Addresses from the Schedules and Statements (.1) E-mail to T. Snow re: summarize same and related instructions and e-mail from T. Snow to committee professionals with related summary (.1)	0.20 Hrs	
12/21/11	TMS	[B440-] Emails to Committee Professionals Debtors' Motion to Approve Debtors' Redaction of Private Individuals' Names and Addresses from the Schedules and Statements with analysis and deadlines	0.20 Hrs	
Totals			0.50 Hrs	\$208.00
Schedules and Statements Totals			0.50 Hrs	\$208.00

Litigation

12/02/11	SAK	[B600-] Analyze Motion to Approve Metaphor settlement	0.20 Hrs	
12/06/11	TMS	[B600-] Email to Committee Professionals regarding deadline to file an objection to Motion to Approve Compromise under Rule 9019 to Enter into a Settlement Agreement with Metaphor, Inc.	0.10 Hrs	
12/06/11	RXZ	[B600-] Analyze Motion to Approve Compromise under Rule 9019 to Enter into a Settlement Agreement with Metaphor, Inc	0.40 Hrs	
12/16/11	SAK	[B600-] Analyze Debtors' Motion to extend deadline to respond to Metaphor's Complaint	0.10 Hrs	
12/17/11	RXZ	[B600-] Analyze Debtors' Motion for an Order Extending the Debtors' Deadline to Answer Metaphor's Complaint for Declaratory Judgment and Other Relief Relating to the Determination of Interest in Property and related order (.2) and forward with summary to committee and committee professionals (.1)	0.30 Hrs	
12/20/11	TMS	[B600-] Emails to Committee Professionals regarding motion to extend the deadline to answer Metaphor's complaint against the Debtors with analysis and deadlines	0.30 Hrs	
12/27/11	RXZ	[B600-] Analyze e-mail summary from T. Snow re: procedural motion to extend the deadline to answer Metaphor's complaint against the Debtors and related follow up	0.20 Hrs	
12/29/11	SAK	[B600-] Analyze Certification of Counsel re Order authorizing Debtors to enter into Metaphor settlement	0.20 Hrs	

Official Committee of Unsecured Creditors

12/29/11	RXZ	[B600-] Analyze Certification of Counsel Regarding Order Authorizing the Debtors to Enter Into a Settlement Agreement with Metaphor, Inc. and forward to T. Snow with instructions to look for Order and distribute same	0.20 Hrs	
12/30/11	SAK	[B600-] Analyze Order authorizing Debtors to enter into Metaphor settlement	0.10 Hrs	
12/30/11	RXZ	[B600-] Analyze Order Authorizing the Debtors to Enter Into a Settlement Agreement with Metaphor, Inc. and forward to T. Snow with instructions	0.20 Hrs	
Totals			2.30 Hrs	\$1,129.00
Litigation Totals			2.30 Hrs	\$1,129.00
TOTAL LEGAL SERVICES				\$21,601.50

LEGAL SERVICES SUMMARY

McCloskey, Kristin A.	16.20 Hrs	225 /hr	\$3,645.00
Snow, Theresa M	8.30 Hrs	225 /hr	\$1,867.50
Stemerman, Jonathan M.	0.10 Hrs	350 /hr	\$35.00
Kinsella, Shelley A.	9.40 Hrs	410 /hr	\$3,854.00
Zahraiddin-Aravena, Rafael X.	20.00 Hrs	610 /hr	\$12,200.00
	<u>54.00 Hrs</u>		<u>\$21,601.50</u>

Reimbursement for out of pocket expenses

COPYING

12/02/11	[] Device Cost	55.80
12/07/11	[] Device Cost	55.20
12/13/11	[] Device Cost	24.60
12/14/11	[] Device Cost	82.00
12/20/11	[] Device Cost	57.70
12/22/11	[] Device Cost	104.00
12/22/11	[] Device Cost	19.20
12/28/11	[] Device Cost	30.40
12/28/11	[] Device Cost	4.40
12/29/11	[] Device Cost	29.10
		\$462.40

DELIVERY/COURIER SERVICE

12/14/11	[] RELIABLE WILMINGTON—INV #WL030517 DTD 11/30/11: PROFESSIONAL SERVICE PERIOD: 11/16-11/30/11: 10 HD ON 11/22/11 FOR SAK	75.00
12/14/11	[] RELIABLE WILMINGTON—INV #WL030517 DTD 11/30/11: PROFESSIONAL SERVICE PERIOD: 11/16-11/30/11: 10 HD ON 11/29/11 FOR RXZ	75.00

Official Committee of Unsecured Creditors

12/14/11	[] RELIABLE WILMINGTON---INV #WL030517 DTD 11/30/11: PROFESSIONAL SERVICE PERIOD: 11/16-11/30/11: 10 HD ON 11/30/11 FOR RXZ	75.00	
12/14/11	[] RELIABLE WILMINGTON---INV #WL030517 DTD 11/30/11: PROFESSIONAL SERVICE PERIOD: 11/16-11/30/11: 2 HD ON 11/17/11 FOR RXZ	15.00	
12/14/11	[] RELIABLE WILMINGTON---INV #WL030517 DTD 11/30/11: PROFESSIONAL SERVICE PERIOD: 11/16-11/30/11: 8 HD ON 11/21/11 FOR RXZ	60.00	
			\$300.00

MEALS

12/02/11	[] SUGARFOOT FINE FOODS---INV#466658 DTD 11/07/11 FOOD FOR THOSE WHO WORKED ON GRACEWAY RXZ	36.40	
			\$36.40

PARKING

12/21/11	[] RXZ---INV #11/17/11 RXZ DTD 12/20/11: PARKING FOR AUCTION TRAVEL	12.00	
			\$12.00

TRAVEL - RAILROAD

12/21/11	[] RXZ---INV #11/16-11/17/11 RXZ DTD 12/20/11: TRAVEL TO/FROM NY FOR AUCTION	254.00	
			\$254.00

Total Reimbursement for out of pocket expenses	\$1,064.80
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TOTAL THIS BILL	<u>\$22,666.30</u>
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PREVIOUS BILLS OUTSTANDING

104958	11/21/11	14,757.40
105237	12/07/11	20,713.00

\$35,470.40

GRAND TOTAL DUE	<u>\$58,136.70</u>
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PREVIOUS BILLS OUTSTANDING

104958	11/21/11	14,757.40
105237	12/07/11	20,713.00
		<u>\$35,470.40</u>

TOTAL DUE	<u>\$58,136.70</u>
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**Task Billing Summary Page**

Re: In re Graceway Pharmaceuticals

	<u>Current Bill</u>
<u>Case Administration</u>	
	\$188.00
Subtotals	\$188.00
<u>Asset Disposition</u>	
	\$514.00
Subtotals	\$514.00
<u>Meetings of and Communications with Creditors</u>	
	\$387.00
Subtotals	\$387.00
<u>Employment &amp; Retention Application Other</u>	
	\$1,435.00
Subtotals	\$1,435.00
<u>EG Fee Applications</u>	
	\$2,375.50
Subtotals	\$2,375.50
<u>Fee Objections EGS</u>	
	\$869.50
Subtotals	\$869.50
<u>Fee Applications and Invoices - Other</u>	
	\$5,523.00
Research	\$61.00
Subtotals	\$5,584.00
<u>Fee Objections - Others</u>	
	\$3,518.00
Subtotals	\$3,518.00
<u>Assumption/Rejections of Leases and Contracts</u>	
	\$1,424.00
Subtotals	\$1,424.00
<u>Operations</u>	
	\$305.00
Subtotals	\$305.00
<u>Business Operations</u>	



Official Committee of Unsecured Creditors

	\$205.00
Subtotals	\$205.00
<u>Financing/Cash Collections</u>	
	\$122.00
Subtotals	\$122.00
<u>Claims Administration and Objections</u>	
	\$63.50
Subtotals	\$63.50
<u>Plan and Disclosure Statement</u>	
	\$1,326.50
Subtotals	\$1,326.50
<u>Court Hearings</u>	
	\$1,947.50
Subtotals	\$1,947.50
<u>Schedules and Statements</u>	
	\$208.00
Subtotals	\$208.00
<u>Litigation</u>	
	\$1,129.00
Subtotals	\$1,129.00
Totals	\$21,601.50

Amounts outstanding over 30 days are subject to 1 1/4% interest per month.  
Payments received after prior posting may not be reflected.

**\*\*WE NOW ACCEPT PAYMENT BY CREDIT CARD. IF INTERESTED  
PLEASE CONTACT PAT ROONEY AT (215) 977-1014\*\*\***

In re: Graceway Pharmaceuticals

**Task Billing Summary Page**

Re: In re Graceway Pharmaceuticals, Case No. 11-13036  
File Number 60357-001

	<u>Previous Billed</u>	<u>Current Bill</u>	<u>Total</u>
Case Administration	3,309.00	188.00	3,497.00
Asset Analysis Recovery	9,247.00	0	9,247.00
Asset Disposition	57,466.00	514.00	57,980.00
Relief From Stay/Adequate Protection Pro	285.00	0	285.00
Meetings of and Communications with Cred.	9,839.00	387.00	10,226.00
Employment & Retention Application EGS	21,090.50	0	21,090.50
Employment & Retention Application Other	26,553.00	1,435.00	27,988.00
Fee/Applications and Invoices – EGS	3,724.00	2,375.50	6,099.50
Fee Objections EGS	0	869.50	869.00
Fee Applications and Invoices – Others	1,521.50	5,584.00	7,105.50
Fee Objections – Others	0	3,518.00	3,518.00
Lease and Contract-Assumption, Rejection	4,117.00	1,424.00	5,541.00
Non-Working Travel	2,897.50	0	2,897.50
Business Operations	3,166.00	205.00	3,371.00
Employee Benefits/Pensions	244.00	0	244.00
Financing/Cash Collections	15,294.00	122.00	15,416.00
Claims and Plan	366.00	0	366.00
Claims Administration and Objections	1,888.00	63.50	1,951.50
Plan and Disclosure Statement	305.00	1,326.50	1,631.50
Other	0	0	0
Court Hearings	13,377.50	1,947.50	15,325.00
Schedules and Statements	1,873.00	208.00	2,081.00
Litigation	789.00	1,129.00	1,918.00
 Total	 177,352.00	 21,601.50	 198,953.50

# Exhibit C

**SUMMARY OF EXPENSES FOR THE PERIOD  
DECEMBER 1, 2011 THROUGH DECEMBER 31, 2011**

<b><u>Expense Category</u></b>	<b><u>Total Expenses</u></b>
Copying <sup>1</sup>	\$462.40
Delivery/Courier	\$300.00
Meals	\$36.40
Parking	\$12.00
Travel - Railroad	\$254.00
 <b>TOTAL THIS BILL:</b>	 <b>\$1,064.80</b>

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<sup>1</sup> EG represents that its rate for duplication is \$0.10 per page, consistent with the Local Rules and Guidelines. Detailed copy charges are listed in Exhibit B.