

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

In re:

GRACEWAY PHARMACEUTICALS, LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 11-13036 (MFW)

Jointly Administered

Obj. Deadline: October 10, 2011 at 4:00 p.m. (ET)

Hearing Date: October 17, 2011 at 4:00 p.m. (ET)

NOTICE OF APPLICATION

TO: (A) THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (B) FINANCING COUNSEL TO THE ADMINISTRATIVE AGENT FOR THE LENDERS UNDER THE DEBTORS' PREPETITION FIRST LIEN CREDIT FACILITY; (C) SPECIAL RESTRUCTURING AND BANKRUPTCY COUNSEL TO THE ADMINISTRATIVE AGENT FOR THE LENDERS UNDER THE DEBTORS' PREPETITION FIRST LIEN CREDIT FACILITY; (D) COUNSEL TO THE ADMINISTRATIVE AGENT FOR THE LENDERS UNDER THE DEBTORS' PREPETITION SECOND LIEN CREDIT FACILITY; (E) COUNSEL TO THE ADMINISTRATIVE AGENT FOR THE LENDERS UNDER THE DEBTORS' PREPETITION UNSECURED MEZZANINE CREDIT FACILITY; (F) THE CREDITORS LISTED ON THE DEBTORS' CONSOLIDATED LIST OF 30 LARGEST UNSECURED CREDITORS, AS FILED WITH THE DEBTORS' CHAPTER 11 PETITIONS; (G) THE FOOD AND DRUG ADMINISTRATION; (H) THE INTERNAL REVENUE SERVICE; AND (I) ALL PARTIES REQUESTING NOTICE PURSUANT TO BANKRUPTCY RULE 2002.

PLEASE TAKE NOTICE that the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") have filed the attached **Application of the Debtors For an Order Authorizing the Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Attorneys for the Debtors, Nunc Pro Tunc to the Petition Date** (the "Application") with the United States Bankruptcy Court for the District of Delaware.

PLEASE TAKE FURTHER NOTICE that objections to the relief requested in the Application, if any, must be filed on or before **October 10, 2011 at 4:00 p.m. (ET)** (the "Objection Deadline") with the United States Bankruptcy Court for the District of Delaware, 824

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Graceway Pharma Holding Corp., a Delaware corporation (9175), Case No. 11-13037 (MFW); Graceway Holdings, LLC, a Delaware limited liability company (2502), Case No. 11-13038 (MFW); Graceway Pharmaceuticals, LLC, a Delaware limited liability company (5385), Case No. 11-13036 (MFW); Chester Valley Holdings, LLC, a Delaware limited liability company (9457), Case No. 11-13039 (MFW); Chester Valley Pharmaceuticals, LLC, a Delaware limited liability company (3713), Case No. 11-13041 (MFW); Graceway Canada Holdings, Inc., a Delaware corporation (6663), Case No. 11-13042 (MFW); and Graceway International, Inc., a Delaware corporation (2399), Case No. 11-13043 (MFW). The mailing address for Graceway Pharmaceuticals, LLC is 340 Martin Luther King Jr. Blvd., Suite 500, Bristol, TN 37620 (Attn: John Bellamy).

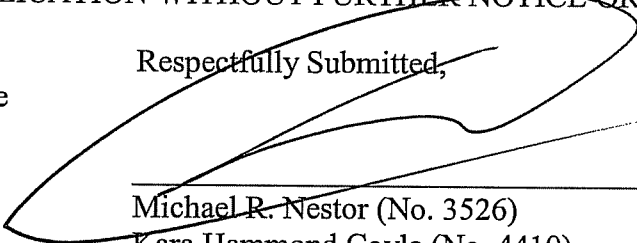
Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must also serve a copy of the response upon the undersigned counsel to the Debtors so that the response is received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE APPLICATION WILL BE HELD **OCTOBER 17, 2011 AT 4:00 P.M. (ET), BEFORE THE HONORABLE MARY F. WALRATH, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM NO. 4, WILMINGTON, DELAWARE 19801.**

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

Dated: September 30, 2011
Wilmington, Delaware

Respectfully Submitted,



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-and-

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**PROPOSED ATTORNEYS FOR DEBTORS AND
DEBTORS-IN-POSSESSION**