

EXHIBIT B

2016 Statement

**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

**STATEMENT PURSUANT TO RULE 2016 OF THE
FEDERAL RULES OF BANKRUPTCY PROCEDURE
AND SECTION 329 OF THE BANKRUPTCY CODE**

1. Young Conaway Stargatt & Taylor, LLP ("**Young Conaway**"), pursuant to Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and section 329 of chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "**Bankruptcy Code**"), states that the undersigned is counsel for the above-captioned debtors and debtors-in-possession (each a "**Debtor**" and collectively, the "**Debtors**") in these cases.

2. Compensation agreed to be paid by the Debtors to Young Conaway is to be for legal services rendered in connection with these Chapter 11 Cases. The Debtors have agreed to pay Young Conaway for the legal services rendered or to be rendered by its various attorneys and paralegals in connection with these cases on the Debtors' behalf. The Debtors have also

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).

agreed to reimburse Young Conaway for its actual and necessary expenses incurred in connection with these cases.

3. Young Conaway was retained by the Debtors pursuant to an engagement agreement dated September 23, 2011 (the “**Engagement Agreement**”). Young Conaway received an initial retainer in the amount of \$50,000 on September 27, 2011 (the “**Initial Retainer**”) and an additional retainer amount of \$25,000 on September 29, 2011 (the “**Additional Retainer**”) together with the Initial Retainer, the “**Retainer**”) in connection with the planning and preparation of initial documents and its proposed postpetition representation of the Debtors (including anticipated filing fees). A portion of the Retainer has been applied to outstanding balances existing as of the Petition Date.² The remainder will constitute a general retainer for postpetition services and expenses.

4. Young Conaway will seek approval of payment of compensation upon Young Conaway’s filing of appropriate applications for allowance of interim or final compensation pursuant to Sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules of the Bankruptcy Court for the District of Delaware and Orders of this Court.

5. The entire filing fee in these cases has been paid.

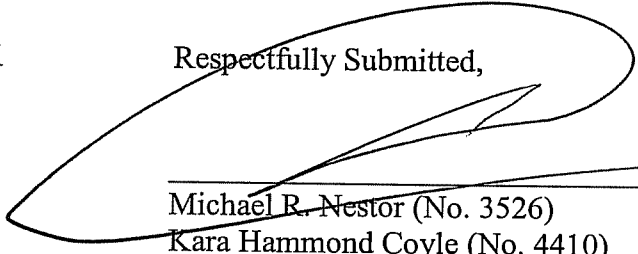
6. The services to be rendered include all those services set forth in the Application of the Debtors’ For an Order Authorizing the Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Attorneys for the Debtors *Nunc Pro Tunc* to the Petition Date.

² Young Conaway has not yet completed its final reconciliation of prepetition fees and expenses applied against its retainer. Details regarding such final reconciliation will be included in the Firm’s first application for interim compensation.

7. Young Conaway further states that it has not shared, nor agreed to share (a) any compensation it has received or may receive with another party or person, other than with the partners, counsel and associates of Young Conaway, or (b) any compensation another person or party has received or may receive.

Dated: September 30, 2011
Wilmington, Delaware

Respectfully Submitted,



Michael R. Nestor (No. 3526)
Kara Hammond Coyle (No. 4410)
YOUNG CONAWAY STARGATT & TAYLOR, LLP
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Telephone: (302) 576-3279
Facsimile: (302) 571-1253

PROPOSED ATTORNEYS FOR DEBTORS AND
DEBTORS-IN-POSSESSION