

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 (PJW)

Jointly Administered

Docket Ref. No. 467

**ORDER SUSTAINING DEBTORS' FIRST OMNIBUS (NON-SUBSTANTIVE)
OBJECTION TO CLAIMS PURSUANT TO § 502(b) OF THE BANKRUPTCY
CODE, BANKRUPTCY RULES 3003 AND 3007, AND LOCAL RULE 3007-1**

Upon the Debtors' First Omnibus (Non-Substantive) Objection to Claims Pursuant to § 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Local Rule 3007-1 (the "**Objection**"),² and it appearing that notice of the Objection was good and sufficient upon the particular circumstances and that no other or further notice need be given; and the Court having considered the Objection, the claims listed on Exhibit A attached hereto, and any responses thereto; and upon the record herein; and after due deliberation thereon and good and sufficient cause appearing therefore; it is hereby ORDERED that:

1. The Objection is GRANTED.
2. The Disputed Claims listed on Exhibit A in the column titled "Claims to be Disallowed" are disallowed.

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 (PJW); Graceway Holdings, LLC, a Delaware limited liability company (2502), Case No. 11-13038 (PJW); Graceway Pharmaceuticals, LLC, a Delaware limited liability company (5385), Case No. 11-13036 (PJW); Chester Valley Holdings, LLC, a Delaware limited liability company (9457), Case No. 11-13039 (PJW); Chester Valley Pharmaceuticals, LLC, a Delaware limited liability company (3713), Case No. 11-13041 (PJW); Graceway Canada Holdings, Inc., a Delaware corporation (6663), Case No. 11-13042 (PJW); and Graceway International, Inc., a Delaware corporation (2399), Case No. 11-13043 (PJW). The mailing address for Graceway Pharmaceuticals, LLC is 340 Martin Luther King Jr. Blvd., Suite 500, Bristol, TN 37620 (Attn: John Bellamy). On October 4, 2011, Graceway Canada Company filed an application in the Ontario Superior Court of Justice (Commercial List) pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C. 43.

² Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Objection.

3. The Debtors' objection to each Disputed Claim addressed in the Objection constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014. This Order shall be deemed a separate Order with respect to each claim. Any stay of this Order pending appeal by any of the claimants subject to this Order shall only apply to the contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to the other contested matters covered hereby.

4. The Debtors shall retain and shall have the right to object in the future to any of the Proofs of Claims listed on Exhibit A hereto on any additional grounds. Additionally, the Debtors shall retain and shall have the right to seek to amend, modify and/or supplement this Order as may be necessary.

5. In addition, the Debtors' rights are reserved to file future objections to claims asserted in Proofs of Claim that have been or may subsequently be filed in these cases, or claims that may be listed on the Debtors' Schedules and Statements, on the same grounds as those set forth in the Objection or any other appropriate grounds that bankruptcy and non-bankruptcy law permits.

6. The Debtors are authorized and empowered to take all steps necessary and appropriate to carry out and otherwise effectuate the terms conditions and provisions of this Order.

7. The Debtors' Voting and Claims Agent is authorized to cause the claims register to be amended to reflect the terms of this Order.

8. This Court shall retain jurisdiction over the Debtors and the claimants whose Disputed Claims are subject to the Objection with respect to any matters related to or arising from the Objection or the implementation of this Order.

Dated: March, 2012



PETER J. WALSH
UNITED STATES BANKRUPTCY JUDGE