

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

Rel. Doc. No. 495 **549**

**ORDER APPROVING (I) DEBTORS' MOTION FOR ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO REJECT AN EXECUTORY CONTRACT
BETWEEN DEBTORS AND MASERGY COMMUNICATIONS, INC. NUNC PRO
TUNC TO JANUARY 31, 2012, AND (II) STIPULATION AMONG THE
DEBTORS AND MASERGY COMMUNICATIONS, INC.**

Upon consideration of the motion (the "Motion")² of the Debtors for entry of an order authorizing the Debtors to reject an executory contract with Masergy Communications, Inc. (the "Masergy Contract") *nunc pro tunc* to January 31, 2012; and upon consideration of the Stipulation among the Debtors and Masergy Communications, Inc. resolving the Motion (the "Stipulation"); and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this Motion is a core proceeding pursuant to 28 U.S.C. § 157; and adequate notice of the Motion and

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 400, 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.

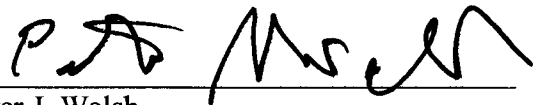
² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

opportunity for objection having been given, with no objections or requests for hearing having been filed, or all objections having been overruled or resolved, as the case may be; and it appearing that no other notice need be given; and after due deliberation and sufficient cause therefore, it is hereby ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is granted as provided herein.
2. The Stipulation attached hereto as Exhibit 1 is approved.
3. The Masergy Contract is hereby rejected *nunc pro tunc* to January 31, 2012.
4. Masergy shall be, and hereby is, allowed an administrative claim in the amount of \$14,272.56, which claim shall not be subject to disallowance, subordination, recharacterization, or the like, and the Debtors are hereby authorized, and shall, pay to Masergy such amount within five (5) business days of the Stipulation Effective Date (as defined in the Stipulation).
5. Masergy shall file a rejection damages claim, if any, relating to the rejection of the Masergy Contract within thirty (30) days after the entry of this Order.
6. Except as set forth in paragraph 5, all administrative claims of Masergy against the Debtors shall be, and hereby are, deemed withdrawn, expunged and denied.
7. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.
8. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

9. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order and the Stipulation.

Dated: March 1, 2012
Wilmington, Delaware



Peter J. Walsh
United States Bankruptcy Judge