

PRIOR APPLICATIONS

DATE FILED	PERIOD COVERED	REQUESTED FEES	REQUESTED EXPENSES	AMOUNTS PAID	REMAINING BALANCE
11/30/2011	10/13/11 - 10/31/11	\$ 189,395.50	\$ 26.31	\$ 151,542.71	\$ 37,879.10
12/20/2011	11/01/11 - 11/30/11	\$ 196,238.50	\$ 543.86	\$ 157,534.66	\$ 39,247.70
1/11/2012	12/01/11 - 12/31/11	\$ 16,302.00	\$ 81.66	\$ 13,123.26	\$ 3,260.40
2/14/2012	01/01/12 - 01/31/12	\$ 8,231.00	\$ -	\$ 6,584.80	\$ 1,646.20
TBD	02/01/12 - 02/29/12	\$ 2,943.00	\$ -	\$ -	\$ 2,943.00
TOTAL		\$ 413,110.00	\$ 651.83	\$ 328,785.43	\$ 84,976.40

SUMMARY OF PROFESSIONAL HOURS AND FEES

PROFESSIONAL	POSITION	BILLING	TOTAL HOURS	TOTAL FEES
Greenberg, Mark	Managing Director	\$ 745	2.4	\$ 1,788.00
Stewart, Paul	Paraprofessional	210	5.5	1,155.00
Grand Total			7.9	\$ 2,943.00

COMPENSATION BY PROJECT CATEGORY

PROJECT CATEGORY	TOTAL HOURS	TOTAL FEES
General Meetings with Committee & Committee Counsel	0.7	\$ 521.50
Preparation of Fee Application	7.2	2,421.50
TOTAL	7.9	\$ 2,943.00

EXPENSE SUMMARY

EXPENSE CATEGORY	AMOUNT
	\$ -
TOTAL	\$ -

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

In re:)	Chapter 11
)	Case No. 11-13036 (P JW)
Graceway Pharmaceuticals, LLC, <i>et al.</i> ²)	(Jointly Administered)
)	
Debtors.)	

**FIFTH MONTHLY APPLICATION OF FTI CONSULTING, INC.
FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES AS FINANCIAL ADVISOR
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR THE PERIOD FEBRUARY 1, 2012 THROUGH FEBRUARY 29, 2012**

FTI Consulting, Inc. (hereinafter referred to as “FTI Consulting”, “FTI” or the “Applicant”) as Financial Advisor for the Official Committee of Unsecured Creditors (the “Committee”) of the above-captioned debtors and debtors in possession. (collectively, the “Debtors”) files this Fourth Monthly Application for Compensation for Services Rendered and Reimbursement of Expenses (the “Application”) for the period of February 1, 2012 through February 29, 2012 (the “Application Period”). In support of this Application, the Applicant respectfully represents as follows:

Jurisdiction

1. The Court has jurisdiction over this matter under 28 U.S.C. § 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2). Venue of this chapter 11 case in this district is proper under 28 U.S.C. §§ 1408 and 1409.

² 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)

Background

2. On September 29, 2011 (the "Petition Date"), the Debtors filed a voluntary petition for relief pursuant to chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). Since that date, the Debtors have continued in possession of their business and property as debtors-in-possession in accordance with sections 1107(a) and 1108 of the Bankruptcy Code.

3. On October 11, 2011 the Office of the United States Trustee held a meeting to appoint the Committee pursuant to section 1102 of the Bankruptcy Code (the "Formation Meeting"). After the Formation Meeting, the Committee selected Lowenstein Sandler PC as its counsel, and on October 13, 2011, the Committee selected FTI Consulting as its financial advisor.

4. The Applicant's retention as Financial Advisor to the Committee was approved as of October 13, 2011 by this Court (the "Retention Order"). A copy of said order, dated November 7, 2011, is attached hereto as **Exhibit A** and incorporated herein by reference.

Relief Requested

5. FTI submits this Application pursuant to sections 330 and 331 of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the "Interim Compensation Order"), Del. Bankr. LR 2016-2 (the "Local Rules") and the Retention Order. By this Application, FTI seeks interim allowance of compensation for actual and necessary professional services rendered in the amount of \$2,354.40 for the Application Period (80% of total fees of \$2,943.00) in accordance with the terms of the Interim Compensation Order.

6. The Applicant is charging on an hourly basis for these services. The total number of hours expended by FTI professionals and paraprofessionals in performing professional services for the Committee during the Application Period was 7.9 hours. Pursuant to the Retention Order, FTI is entitled to monthly compensation for its services provided to the Committee at its current hourly

rates, plus reimbursement of necessary out of pocket expenses. The fees applied for herein are based on the hourly rates that reflect the usual and customary fees charged to all clients of the Applicant for similar services.

7. An itemization of services rendered within each project category by each professional and paraprofessional during the Application Period is attached hereto as **Exhibit B**.

Actual and Necessary Costs and Expenses Incurred

8. FTI did not incur any expenses during the Application Period.

Compliance with the Bankruptcy Code, the Bankruptcy Rules and Local Rules

9. In accordance with the Local Rules, a summary schedule of hours and fees for each professional, and a summary of hours and fees categorized by project code are attached at the front of the Application. The undersigned submits that this Application complies with the Local Rules and the Retention Order.

10. FTI submits that the services rendered and expenses incurred were actual and necessary and that the compensation sought is reasonable and in accordance with the standards of the Bankruptcy Code and Bankruptcy Rules.

11. No agreement or understanding exists between FTI and any other entity (other than shareholders or employees of FTI) for the sharing of compensation received or to be received for services rendered in or in connection with these cases.

Notice

12. As required by the Interim Compensation Order, a copy of this Application has been served upon: (a) Graceway Pharmaceuticals, LLC; (b) counsel for the Debtors (c) counsel for the Committee (d) the Office of the United States Trustee for the District of Delaware; and (e) special restructuring and bankruptcy counsel to the administrative agent for the lenders under the Debtors' prepetition first lien credit facility. Notice of this Application was served upon all parties requesting

notice pursuant to Bankruptcy Rule 2002.

WHEREFORE, FTI respectfully requests an award of compensation for professional services rendered as financial advisor for the Committee during the Application Period in the amount of \$2,354.40 (80% of total fees of \$2,943.00) pursuant to the Interim Compensation Order; and such other and further relief that the Court deems just and proper.

Dated: March 14, 2012

FTI CONSULTING, INC.

By: /s/ Samuel Star
Samuel Star
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New York, NY 10036
Telephone: 212.841.9368
E-mail: samuel.star@fticonsulting.com

Financial Advisor for the Official Committee of
Unsecured Creditors of Graceway Pharmaceuticals,
LLC, et al.

VERIFICATION PURSUANT TO DEL. BANKR.LR. 2016-2(f) AND 28 U.S.C. §1746(2)

I, Samuel Star, verify as follows:

1. I am a Senior Managing Director with FTI Consulting, Inc. (together with its wholly owned subsidiaries, agents, independent contractors and employees, "FTI"). FTI has rendered professional services to the Official Committee of Unsecured Creditors (the "Committee") in this Chapter 11 case.

2. I have read the foregoing application of FTI for compensation and reimbursement of expenses (the "Fee Application"). To the best of my knowledge, information and belief formed upon the basis of my participation in this case, as well as after reasonable inquiry, the facts set forth in the foregoing Fee Application are true and correct and materially comply with the applicable orders, rules, guidelines and requirements as set forth by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, Del.Bankr.LR 2016-2, and the Executive Office for the United States Trustee.

Executed on: March 14, 2012

FTI CONSULTING, INC.

By: /s/ Samuel Star
Samuel Star
Three Times Square
New York, NY 10036
Telephone: 212.841.9368
E-mail: samuel.star@fticonsulting.com

Financial Advisor for the Official Committee of
Unsecured Creditors of Graceway Pharmaceuticals,
LLC, et al.

Invoice No. 7288551 should be referenced when making payment. Check and wire transfer instructions are as follows:

By Check Remit to:

FTI Consulting Inc
P.O. Box 418178
Boston, MA 02241-8178
RE: Invoice: 7288551
Project No. 425619.0002

By Wire Transfer Remit to:

FTI Consulting
Bank of America, NA
Rockville, MD 20852
Account # 003939577164
ABA # 026009593
Tax ID #52-1261113
RE: Invoice: 7288551
Project No. 425619.0002

By ACH Transfer Remit to:

Bank of America, NA
Rockville, MD 20852
ABA: # 052001633
Account: # 003939577164
RE: Invoice: 7288551
Project No. 425619.0002