

**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

Obj. Deadline: April 20, 2012 at 4:00 p.m. (ET)

Hearing Date: May 9, 2012 at 10:30 a.m. (ET)

NOTICE OF OBJECTION

TO: (A) THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (B) FINANCING COUNSEL TO THE ADMINISTRATIVE AGENT FOR THE LENDERS UNDER THE DEBTORS' FIRST LIEN FACILITY; (C) SPECIAL RESTRUCTURING AND BANKRUPTCY COUNSEL TO THE ADMINISTRATIVE AGENT FOR THE LENDERS UNDER THE DEBTORS' FIRST LIEN FACILITY; (D) COUNSEL TO THE ADMINISTRATIVE AGENT FOR THE LENDERS UNDER THE DEBTORS' SECOND LIEN FACILITY; (E) THE ADMINISTRATIVE AGENT FOR THE LENDERS UNDER THE DEBTORS' PREPETITION UNSECURED MEZZANINE CREDIT FACILITY; (F) COUNSEL TO THE CREDITORS' COMMITTEE; (G) THE CREDITORS LISTED ON THE DEBTORS' CONSOLIDATED LIST OF 30 LARGEST UNSECURED CREDITORS, AS FILED WITH THE DEBTORS' CHAPTER 11 PETITIONS; (H) THE FOOD AND DRUG ADMINISTRATION; (I) THE INTERNAL REVENUE SERVICE; (J) THE U.S. PUBLIC HEALTH SERVICE; (K) THE CENTERS FOR MEDICARE AND MEDICAID SERVICES; (L) COUNSEL TO, RECEIVER FOR, AND COUNSEL TO THE RECEIVER FOR GRACEWAY CANADA COMPANY (M) THE CLAIMANT TDOR, INCLUDING WILBUR E. HOOKS, THE DIRECTOR AT THE TENNESSEE DEPARTMENT OF REVENUE AND (N) 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 **Debtors' Objection to Claims Filed by Tennessee Department of Revenue** (the "**Objection**") with the United States Bankruptcy Court for the District of Delaware.

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.

PLEASE TAKE FURTHER NOTICE that responses to the Objection, if any, must be filed on or before **April 20, 2012 at 4:00 p.m. (ET)** (the “**Objection Deadline**”) with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801; and served upon the undersigned counsel to the Debtors so that the response is received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE that responses to the Objection **MUST**, at a minimum, contain the following:

- a. a caption setting forth the name of the Bankruptcy Court, the above-referenced case number and the title of the Objection to which the Response is directed; the name of the claimant and description of the basis for the amount of the claim;
- b. a concise statement setting forth the reasons why a particular claim should not be disallowed for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which the claimant will rely in opposing the Objection at the Hearing;
- c. all documentation or other evidence of the claim in question, to the extent not already included with the claimant’s proof of claim, upon which the claimant will rely in opposing the Objection at the Hearing;
- d. the name, address, telephone number, and fax number of the person(s) (who may be the claimant or a legal representative thereof) possessing ultimate authority to reconcile, settle, or otherwise resolve the claim on behalf of the claimant; and
- e. the name, address, telephone number, and fax number of the person(s) (who may be the claimant or a legal representative thereof) to whom the Debtors should serve any reply to the Response.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE OBJECTION WILL BE HELD ON MAY 9, 2012 AT 10:30 A.M. (ET), BEFORE THE HONORABLE PETER J. WALSH, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 6TH FLOOR, COURTROOM NO. 2, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT, IF YOU FAIL TO TIMELY FILE AND SERVE A RESPONSE IN ACCORDANCE WITH THE ABOVE REQUIREMENTS, YOU WILL BE DEEMED TO HAVE CONCURRED WITH AND CONSENTED TO THE OBJECTION AND THE RELIEF REQUESTED THEREIN, AND THE DEBTORS WILL PRESENT TO THE COURT, WITHOUT FURTHER NOTICE TO YOU, AN APPROPRIATE ORDER SUSTAINING THE OBJECTION.

Dated: April 6, 2012
Wilmington, Delaware

Respectfully Submitted,

/s/ Morgan L. Seward

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