

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

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 In re: : Chapter 11
 :
 GRACEWAY PHARMACEUTICALS, LLC, *et* : Case No. 11-13036 (PJW)
*al.*¹ :
 : Jointly Administered
 Debtors. :
 X **Objection Deadline: June 28, 2012**

**FOURTH MONTHLY APPLICATION OF PRICEWATERHOUSECOOPERS LLP FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES AS TAX CONSULTANT TO THE DEBTORS FOR THE PERIOD OF
APRIL 1, 2012 THROUGH MAY 4, 2012**

AND

**FINAL FEE APPLICATION OF PRICEWATERHOUSECOOPERS LLP
FOR COMPENSATION FOR SERVICES RENDERED AND
OF EXPENSES AS TAX CONSULTANT TO THE DEBTORS FOR THE PERIOD OF
SEPTEMBER 29, 2011 THROUGH MAY 4, 2012**

Summary

Name of Applicant:	PricewaterhouseCoopers LLP (" PwC ") ²
Authorized to Provide Professional Services to:	Debtors
Date of Retention:	Effective <i>nunc pro tunc</i> to September 29, 2011 by order signed October 18, 2011

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); 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).

² Capitalized terms not otherwise defined herein have the meanings given to them in the applicable Motion, Order or other filing defined.

Period for which compensation and reimbursement is sought:	April 1, 2012 through May 4, 2012 (the " Fee Period ")
Amount of Compensation sought as actual, reasonable and necessary:	\$26,369.60 (80% of \$32,962.00)
Amount of Expense Reimbursement sought as actual, reasonable and necessary:	\$18.86
Final Period for which compensation and reimbursement is sought:	September 29, 2011 through May 4, 2012 (the " Final Fee Period ")
Amount of Compensation sought as actual, reasonable and necessary:	\$167,121.50
Amount of Expense Reimbursement sought as actual, reasonable and necessary:	\$18.86

This is a: X monthly interim X final application.

The total time expended for fee application preparation is approximately 13.80 hours and the corresponding compensation requested is approximately \$2,570.00.

This is the Fourth Monthly Fee Application filed by PwC.

Summary of Previously Filed Interim Fee Applications

App No	App Date	Filing Period	Fees Requested	Expenses Requested	CNO Date [Docket No.]	Fees Approved (100%)	Expenses Approved (100%)	Fees Pending
1	02/14/2012 [530]	09/29/2011 12/31/2011	\$11,546.50	\$0.00	03/15/2012 [614]	\$11,546.50	\$0.00	\$0.00
Totals			\$11,546.50	\$0.00		\$11,546.50	\$0.00	\$0.00

**Summary of Previously Filed Monthly Fee Applications
Not Included in Previously Filed Interim Fee Applications**

App No	App Date	Filing Period	Fees Requested	Expenses Requested	CNO Date [Docket No.]	Fees Approved (80%)	Expenses Approved (100%)	Fees Pending (20% Holdback)
2	04/06/2012 [675]	01/01/2012 02/29/2012	\$65,654.00	\$0.00	05/01/2012 [735]	\$52,523.20	\$0.00	\$13,130.80
3	04/27/2012 [731]	03/01/2012 03/31/2012	\$56,959.00	\$0.00	05/25/2012 [761]	\$45,567.20	\$0.00	\$11,391.80
Totals			\$122,613.00	\$0.00		\$98,090.40	\$0.00	\$24,522.60

Fee Period

Summary by Project

Project Category and Billing Category	Hours	Total Compensation
Fixed Fee Services		
<i>Tax Compliance Services</i>		
2011 Tax Return	77.10	\$10,000.00
<i>Subtotal - Hours and Compensation - Tax Compliance Services</i>	77.10	\$10,000.00
Subtotal - Hours and Compensation - Fixed Fee Services	77.10	\$10,000.00
Hourly Services		
<i>Tax Consulting Services</i>		
Recurring Tax Consulting Services	50.40	\$20,392.00
<i>Subtotal - Hours and Compensation - Tax Consulting Services</i>	50.40	\$20,392.00
Subtotal - Hours and Compensation - Hourly Services	50.40	\$20,392.00
Case Administration		
<i>Bankruptcy Requirements and Other Court Obligations</i>		
Monthly, Interim and Final Fee Applications	13.80	\$2,570.00
<i>Subtotal - Hours and Compensation - Bankruptcy Requirements and Other Court Obligations</i>	13.80	\$2,570.00
Subtotal - Hours and Compensation - Case Administration	13.80	\$2,570.00
Total - Hours and Compensation Sought for Reimbursement	141.30	\$32,962.00

Fixed Fee Services

Project Category and Professional Position	Hours	Total Compensation
Fixed Fee Services		
<i>Tax Compliance Services</i>		
Hours and Payments Previously Requested	186.90	\$80,000.00
Hours and Payments Requested during this Fee Period	77.10	\$10,000.00
Remaining Payments to be Requested in Future Fee Periods		\$00.00
<i>Total - Hours and Fixed Fee Payment for Services</i>	264.00	\$90,000.00
<i>Tax Compliance Services</i>		
Mark D. Yarbrough Partner	2.50	
Ann Rembach Director	14.00	
Timothy S Prateshler Director	1.00	
Brooks A Stewart Senior Associate	18.40	
Adam Charles Hill Associate	13.50	
Jason Timothy Gray Associate	25.60	
Patty Farrar Administrative	2.10	
<i>Subtotal - Hours and Compensation - Tax Compliance Services</i>	77.10	\$10,000.00
Total - Hours and Compensation - Fixed Fee Services	77.10	\$10,000.00

Hourly Services

Summary by Project and Professional

Project Category and Professional Position	Hours	Total Compensation
Hourly Services		
<i>Tax Consulting Services</i>		
Mark D. Yarbrough Partner	\$680 5.00	\$3,400.00
Kelly Wayne Smith Partner	\$680 1.60	\$1,088.00
J. Timothy Winks Senior Managing Director	\$425 4.30	\$1,827.50
Anthony J Grasso Director	\$425 0.50	\$212.50
Ann Rembach Director	\$425 26.90	\$11,432.50
Brooks A Stewart Senior Associate	\$240 5.80	\$1,392.00
Jason Timothy Gray Associate	\$165 6.30	\$1,039.50
<i>Subtotal - Hours and Compensation - Tax Consulting Services</i>	50.40	\$20,392.00
Subtotal - Hours and Compensation - Hourly Services	50.40	\$20,392.00
Case Administration		
<i>Bankruptcy Requirements and Other Court Obligations</i>		
Shonda M Finseth Manager (Bankruptcy)	\$400 2.00	\$800.00
Elizabeth R Froseth Paraprofessional (Bankruptcy)	\$150 11.80	\$1,770.00
<i>Subtotal - Hours and Compensation - Bankruptcy Requirements and Other Court Obligations</i>	13.80	\$2,570.00
Subtotal - Hours and Compensation - Case Administration	13.80	\$2,570.00
Total - Hours and Compensation - Hourly Services and Case	64.20	\$22,962.00

Expense Summary

Transaction Type by Project	Total Expenditures
Fixed Fee Services	
<i>Tax Compliance Services</i>	
Shipping	\$18.86
<i>Subtotal - Expenditures Sought for Tax Compliance Services</i>	\$18.86
Subtotal - Expenditures Sought for Fixed Fee Services	\$18.86
Total - Expenditures Sought for Reimbursement	\$18.86

Final Fee Period

Summary by Project

Project Category and Professional Position	Hours	Total Compensation
Fixed Fee Services		
<i>Tax Compliance Services</i>		
2011 Tax Return	264.00	\$90,000.00
<i>Subtotal - Hours and Compensation - Tax Compliance Services</i>	264.00	\$90,000.00
Subtotal - Hours and Compensation - Fixed Fee Services	264.00	\$90,000.00
Hourly Services		
<i>Tax Consulting Services</i>		
Restructuring Tax Consulting	67.20	\$31,240.50
Recurring Tax Consulting Services	96.00	\$37,031.00
<i>Subtotal - Hours and Compensation - Tax Consulting Services</i>	163.20	\$68,271.50
Subtotal - Hours and Compensation - Hourly Services	163.20	\$68,271.50
Case Administration		
<i>Bankruptcy Requirements and Other Court Obligations</i>		
Employment Applications and Other Court Filings	1.90	\$925.00
Monthly, Interim and Final Fee Applications	40.00	\$7,925.00
<i>Subtotal - Hours and Compensation - Bankruptcy Requirements and Other Court Obligations</i>	41.90	\$8,850.00
Subtotal - Hours and Compensation - Case Administration	41.90	\$8,850.00
Total - Hours and Compensation Sought for Reimbursement	469.10	\$167,121.50

Fixed Fee Services

Project Category and Professional Position	Hours	Total Compensation
Fixed Fee Services		
<i>Tax Compliance Services</i>		
Hours and Payments Previously Requested	0.00	\$0.00
Hours and Payments Requested during this Final Fee Period	264.00	\$90,000.00
Remaining Payments to be Requested in Future Fee Periods		\$0.00
<i>Total - Hours and Fixed Fee Payment for Services</i>	264.00	\$90,000.00
<i>Tax Compliance Services</i>		
Mark D. Yarbrough	2.50	
Mark D. Yarbrough	1.00	
Ann Rembach	14.00	
Ann Rembach	27.50	
Timothy S Pratschler	1.00	
Brooks A Stewart	18.40	

Project Category and Professional Position	Hours	Total Compensation
<i>Tax Compliance Services (continued)</i>		
Brooks A Stewart Senior Associate	50.30	
Adam Charles Hill Associate	30.00	
Jason Timothy Gray Associate	25.60	
Jason Timothy Gray Associate	81.70	
Patrick Glenn Wright Associate	5.40	
Allison R Gentry Administrative	0.20	
Patty Farrar Administrative	4.60	
Sherrill J Sexton Administrative	1.80	
Subtotal - Hours and Compensation - Tax Compliance Services	264.00	\$90,000.00
Total - Hours and Compensation - Fixed Fee Services	264.00	\$90,000.00

Hourly Services

Summary by Project and Professional

Project Category and Professional Position	Rate	Hours	Total Compensation
Hourly Services			
<i>Tax Consulting Services</i>			
Mark D. Yarbrough Partner	\$680	21.00	\$14,280.00
Kelly Wayne Smith Partner	\$680	1.60	\$1,088.00
Stephen J Burke Partner	\$680	9.50	\$6,460.00
J. Timothy Winks Senior Managing Director	\$425	6.30	\$2,677.50
Kathy Freeman Senior Managing Director	\$425	0.50	\$212.50
Ann Rembach Director	\$425	76.90	\$32,682.50
Anthony J Grasso Director	\$425	0.50	\$212.50
Jay R Shallenberger Director	\$425	2.00	\$850.00
Robert Piechota Director	\$425	1.50	\$637.50
Stephen Harris Sonenshine Manager	\$340	3.30	\$1,122.00
Brooks A Stewart Senior Associate	\$240	17.60	\$4,224.00
Ann Skierczynski Simon Senior Associate	\$240	1.50	\$360.00
Sara Knowles Associate	\$165	8.90	\$1,468.50
Jason Timothy Gray Associate	\$165	12.10	\$1,996.50
Subtotal - Hours and Compensation - Tax Consulting Services		163.20	\$68,271.50
Subtotal - Hours and Compensation - Hourly Services		163.20	\$68,271.50

Project Category and Professional Position	Rate	Hours	Total Compensation
Case Administration			
<i>Bankruptcy Requirements and Other Court Obligations</i>			
Andrea Clark Smith Director (Bankruptcy)	\$550	1.10	\$605.00
Shonda M Finseth Manager (Bankruptcy)	\$400	8.50	\$3,400.00
Elizabeth R Froseth Paraprofessional (Bankruptcy)	\$150	32.30	\$4,845.00
<i>Subtotal - Hours and Compensation - Bankruptcy Requirements and Other Court Obligations</i>		41.90	\$8,850.00
Subtotal - Hours and Compensation - Case Administration		41.90	\$8,850.00
Total - Hours and Compensation - Hourly Services and Case Administration		205.10	\$77,121.50

Expense Summary

Transaction Type by Project	Total Expenditures
Fixed Fee Services	
<i>Tax Compliance Services</i>	
Shipping	\$18.86
<i>Subtotal - Expenditures Sought for Tax Compliance Services</i>	\$18.86
Subtotal - Expenditures Sought for Fixed Fee Services	\$18.86
Total - Expenditures Sought for Reimbursement	\$18.86

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In re: : Chapter 11
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GRACEWAY PHARMACEUTICALS, LLC, *et* : Case No. 11-13036 (PJW)
al.,¹ : :
: Jointly Administered
Debtors. : :
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FOURTH MONTHLY APPLICATION OF PRICEWATERHOUSECOOPERS LLP FOR
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APRIL 1, 2012 THROUGH MAY 4, 2012

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FINAL FEE APPLICATION OF PRICEWATERHOUSECOOPERS LLP
FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES AS TAX CONSULTANT TO THE DEBTORS FOR THE PERIOD OF
SEPTEMBER 29, 2011 THROUGH MAY 4, 2012

PricewaterhouseCoopers LLP ("PwC")² hereby submits this *Fourth Monthly Fee Application of PricewaterhouseCoopers LLP for Compensation for Services Rendered and Reimbursement of Expenses as Tax Consultant to the Debtors for the Period April 1, 2012 through May 4, 2012* (the "Monthly Fee Application") and *Final Fee Application of*

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); 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).

² Capitalized terms not otherwise defined herein have the meanings given to them in the applicable Motion, Order or other filing defined.

PricewaterhouseCoopers LLP for Compensation for Services Rendered and Reimbursement of Expenses as Tax Consultant to the Debtors for the Period September 29, 2011 through May 4, 2012 (the "**Final Fee Application**", collectively with the Monthly Fee Application, the "**Application**") for (i) interim allowance and payment of compensation for tax consulting services performed and expenses incurred during the period commencing April 1, 2012 through May 4, 2012 (the "**Fee Period**"); (ii) reimbursement for the actual and necessary expenses PwC incurred during the Fee Period in the amount of \$18.86; and (iii) final allowance and approval of interim compensation for professional services rendered by PwC to the Debtors and for reimbursement of actual and necessary expenses incurred in connection with its tax consulting services from September 29, 2011 through May 4, 2012 (the "**Final Fee Period**"). In support of this Application, PwC respectfully represents as follows:

Jurisdiction

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

2. The statutory bases for the relief requested herein are Sections 327(a), 328(a) and 1107 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "**Bankruptcy Code**"), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rules 2014-1 and 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**").

Background

3. On September 29, 2011 (the "**Petition Date**"), each of the Debtors filed a petition with the Court under chapter 11 of the Bankruptcy Code (collectively, the "**Chapter 11 Cases**").

The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases, and no official statutory committees have been appointed or designated.

4. On September 29, 2011, the Debtors filed the Application of the Debtors to Retain and Employ PricewaterhouseCoopers LLP as Tax Consultant Nunc Pro Tunc to the Petition Date [Docket No. 28] (the "**Retention Application**").

5. On October 17, 2011, this Court approved the retention of PwC as tax consultant to the Debtors by entering the Order Authorizing the Debtors to Retain and Employ PricewaterhouseCoopers LLP as Tax Consultant Nunc Pro Tunc to the Petition Date [Docket No. 131] (the "**Retention Order**"). The Retention Order states, among other things, that the Debtors are authorized to retain and employ PwC as their tax consultant in accordance with the terms and conditions set forth in the Engagement Letter, effective nunc pro tunc to the Petition Date, subject to the modifications contained within the Retention Order.

6. On February 1, 2012, the Debtors filed the First Supplemental Application for an Order Authorizing Debtors to Expand the Scope of Retention and Employment of PricewaterhouseCoopers LLP to Include Tax Compliance Services Nunc Pro Tunc to January 16, 2012 [Docket No. 498] (the "**Supplemental Retention Application**", collectively with the Retention Application, the "**Retention Applications**").

7. On March 1, 2012, this Court approved the retention of PwC to include tax compliance services to the Debtors by entering the Order Authorizing Debtors to Expand the Scope of Debtors' Retention and Employment of PricewaterhouseCoopers LLP to Include Tax Compliance Services Nunc Pro Tunc to January 16, 2012 [Docket No. 575] (the "**Supplemental**

Retention Order", collectively with the Retention Order, the "**Retention Orders**").

8. The Court entered the Order Confirming First Amended Joint Plan of Liquidation of Graceway Pharmaceuticals, LLC, *et al.* (the "**Confirmation Order**") [Docket No. 722] and the First Amended Joint Plan of Liquidation of Graceway Pharmaceuticals, LLC, *et al.* (the "**Plan**") [Docket no. 740]. The Effective Date occurred, on May 4, 2012 (the "**Effective Date**").

Relief Requested

9. This Monthly Fee Application has been prepared in accordance with sections 327(a), 328 (a), 1107 of the United States Code, 11 U.S.C. §§101-1535 and the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, dated October 17, 2011 [Docket No. 127] (the "**Interim Compensation Order**"), and the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330*, effective January 30, 1996 (the "**UST Guidelines**"), collectively with the Local Rules, the Bankruptcy Rules and the Interim Compensation Order, the "**Compensation Guidelines**").

10. The Interim Compensation Order establishes certain procedures for all Professionals to file with the Court a Monthly Fee Application for interim compensation and reimbursement for expenses. The Interim Compensation Order provides, among other things, that each Professional will file with the Court and serve such Monthly Fee Application to various Notice Parties, identified in the Interim Compensation Order, and the Notice Parties may object to such requests. If no objections are raised prior to the expiration of the Objection Deadline, the Professional submitting the Monthly Fee Application shall file a certificate of no objection with the Court, after which the Debtors shall be authorized to pay such Professional an amount equal to 80% of the fees and 100% of the expenses requested in its Monthly Fee Application (the

"Maximum Interim Payment"). If an objection is properly filed, the Debtors shall be authorized to pay the Professional or 80% of the fees and 100% of the expenses not subject to an objection (the **"Actual Interim Payment"**).

- a. This is PwC's fourth Monthly Fee Application.
- b. On April 6, 2012, PwC submitted its second Monthly Fee Application for fees and expenses incurred from January 1, 2012 through February 29, 2012, requesting \$65,654.00 in fees and \$0.00 in expenses [Docket No. 675]. On May 1, 2012 the Court approved these fees and expenses [Docket No. 735].
- c. On April 27, 2012, PwC submitted its third Monthly Fee Application for fees and expenses incurred from March 1, 2012 through March 31, 2012, requesting \$56,959.00 in fees and \$0.00 in expenses [Docket No. 731]. On May 25, 2012 the Court approved these fees and expenditures [Docket No. 761].
- d. PwC has previously issued one Monthly Fee Application to the Debtors for interim payments which has been incorporated into an Interim Fee Application submission.

11. On a three-month period, the Interim Compensation Order provides that Professionals may file with the Court and serve on the Notice Parties an application (an **"Interim Fee Application"**) for interim allowance of compensation and reimbursement of expenses sought in the Monthly Fee Applications filed during such three-month period.

- a. On February 14, 2012, Debtors' Counsel submitted the first Interim Quarterly Fee Request for the Debtors' professionals requesting approval of their compensation and reimbursement of expenses incurred from September 29, 2011 through December 31, 2011 [Docket No. 530]. On March 15, 2012, the Court approved PwC's portion representing \$11,546.50 in fees and \$0.00 in expenses [Docket No. 614].

12. Other than as provided in Section 504(b) of the Bankruptcy Code, PwC has not shared, or agreed to share, any compensation received with respect to the Fee Period and Final Fee Period as a result of this case with any person, firm or entity. No agreement or understanding concerning compensation prohibited by 18 U.S.C. § 155 has been made to PwC by any firm,

person or entity. The sole and exclusive source of compensation shall be funds of the Debtors' estates.

13. This is PwC's fourth Monthly Fee Application. PwC submits this Monthly Fee Application for approval and allowance of interim compensation equal to 80% of the \$32,962.00 for actual, reasonable and necessary professional services rendered, and reimbursement of 100% of the \$18.86 for actual, reasonable and necessary expenses incurred during the Fee Period for a total request of \$26,388.46.

14. PwC is filing the attached Monthly Fee Application for compensation for professional services rendered and reimbursement of disbursements made in these Chapter 11 Cases during the Fee Period. The Monthly Fee Application contains detailed time logs describing the actual and necessary services provided by PwC during the Fee Period, as well as other detailed information required to be included in the fee applications. The Monthly Fee Application is comprised of several exhibits which are attached hereto as follows:

- Exhibit A, provides a summary of the hours and compensation by project;

Estimated "Fixed Fee" Services

- Exhibit B, provides a summary of the fixed fee hours and payment information for the Tax Compliance Services, including cumulative hours incurred by each professional, the payment associated with fixed fee services;
- Exhibit C, provides the daily time for each of the professionals within each of the project categories or subcategories (tracked in half-hour (0.5) increments) for the PwC Tax Compliance Engagement Letter;

Hourly and Case Administration Services

- Exhibit D, provides the summary of the hourly fees, including the name and position of each professional, cumulative hours worked by project, hourly billing rates for the hourly compensation, and the corresponding compensation requested;
- Exhibit E, provides the daily activity descriptions for the hourly compensation, including the activity description, time and billing rates associated with each activity;

Expenditures Incurred

- Exhibit F, provides the expenditures incurred by project by type; and

- Exhibit G, provides the details of the expenditures incurred by project and by date, including the vendor and description.

Summary of Professional Services Rendered

15. As described within the Retention Applications, PwC continues to provide tax consulting and compliance services pursuant to the Engagement Letters. A summary of the hours and compensation sought by type of service is shown below:

Type of Services	Hours	Total Compensation
Fixed Fee Services	77.10	\$10,000.00
Hourly Services	50.40	\$20,392.00
Case Administration Services	13.80	\$2,570.00
Total - Hours and Compensation Sought for Reimbursement	141.30	\$32,962.00

Fixed Fee Services - Tax Compliance Services

16. **2011 Tax Return** - During the Fee Period, PwC professionals assisted the Debtors to compile, calculate and file the applicable federal and state tax returns for the tax period ended December 31, 2011. PwC professionals tracked their daily hours within the various project categories and summary time records, annexed hereto as Exhibit B and Exhibit C.

Hourly Services

17. **Recurring Tax Consulting** - During the Fee Period, PwC professionals provided recurring tax consulting services to the Debtors to include, but are not limited to tax consulting work associated with helping the Debtors analyze and contest priority tax claims filed by the State of Tennessee as well as discussions relating to the tax implications associated with a tax distribution which occurred in 2010. The activities referenced in this category include, but are not limited to: (a) discussions with the Debtors and other representatives to discuss and determine appropriate tax treatment relating to State tax claims filed, (b) meetings/participating on calls with the Debtor and designated representatives to discuss information relating to tax distribution from

the Canadian disregarded entity to the US in 2010.

18. The hourly time records of PwC for the hourly services, annexed hereto as Exhibit D and Exhibit E, provide a summary and daily breakdown of the time spent by each PwC timekeeper.

Case Administration

19. During the Fee Period, PwC bankruptcy professionals worked with the various management professionals on the tax team. PwC bankruptcy professionals provided guidance and technical expertise associated with the Compensation Guidelines. Below are descriptions of each of these case administration requirements performed during the Fee Period:

20. ***Monthly, Interim and Final Fee Applications*** - These hours and corresponding fees represents the additional time incurred by PwC's bankruptcy retention and billing professionals to prepare the Monthly Fee Application in accordance with the Compensation Guidelines. All of these services are incremental to the normal billing procedures performed by PwC for its non-bankruptcy audit clients. One step within this process is to review the submitted time and expense entries received from the client-service professionals and provide feedback and guidance regarding revisions necessary to comply with the Compensation Guidelines prior to submission to the Notice Parties and the Court. The time incurred by the client-service professionals (original entries and revising entries) are not invoiced to the Debtors. During the Fee Period, PwC bankruptcy professionals worked with the various management professionals on the tax team. PwC bankruptcy professionals provided guidance and technical expertise with preparing and finalizing the third Monthly Fee Application and the first Interim Fee Application.

21. The hourly time records of PwC for case administration services, annexed hereto as Exhibit D and Exhibit E, provide a summary and daily breakdown of the time spent by each

PwC timekeeper.

22. The fees sought by this Monthly Fee Application reflect an aggregate of 141.30 hours of professional time spent and recorded in performing services for the Debtors and their estates during the Fee Period at a blended average hourly rate of \$233.28. PwC is only seeking compensation for services rendered to the Debtors and their estates in connection with these Chapter 11 Cases.

Summary of Expenditures Incurred

23. Based upon a review of PwC's internal billing records, PwC professionals incurred the following out-of-pocket expenditure during the Fee Period. The expense records of PwC, annexed hereto as Exhibit F and Exhibit G, provide a summary and daily breakout of the expenditures by each PwC timekeeper.

Transaction Type by Project	Total Expenditures
Fixed Fee Services	
<i>Tax Compliance Services</i>	
Shipping	\$18.86
<i>Subtotal - Expenditures Sought for Tax Compliance Services</i>	\$18.86
Subtotal - Expenditures Sought for Fixed Fee Services	\$18.86
Total - Expenditures Sought for Reimbursement	\$18.86

Reasonable and Necessary Services Rendered by PwC

24. This Monthly Fee Application includes details of the services provided by PwC to the Debtors, including, in each instance, the identity of the professionals involved in the provision of such services, the dates of service, the time expended, and a brief description of the services sought. PwC charged and now requests those fees that are reasonable and necessary in order for PwC to perform its duties and obligations to the Debtors and customary in this marketplace for similar Chapter 11 cases. The billing rates set forth in the various summaries of professionals and

paraprofessionals rendering services during the Fee Period represent customary rates that are routinely billed to PwC's many clients for similar services. The compensation requested in this Monthly Fee Application does not exceed the reasonable value of the services rendered.

Final Period Summary

25. By this Final Fee Application, PwC is requesting final approval of the Monthly Fee Applications filed with the Court. Accordingly, PwC is seeking final approval of fees in the amount of \$167,121.50 and expenses in the amount of \$18.86. The fees sought by this Final Fee Application reflect an aggregate of 469.10 hours of professional time spent and recorded in performing tax consulting services to the Debtors during the Final Fee Period at a blended average hourly rate of \$356.26.

26. Pursuant to the Interim Compensation Order, PwC has previously distributed three Monthly Fee Applications for compensation for professional services rendered and reimbursement of expenses made in these cases during the Final Fee Period:

- (a) On January 18, 2012, PwC submitted its first Monthly Fee Application for services rendered and reimbursement of expenses incurred from September 29, 2011 through December 31, 2011, requesting \$11,546.50.00 in fees and \$0.00 in expenditures [Docket No. 530].³
- (b) On April 06, 2012, PwC submitted its second Monthly Fee Application for services rendered and reimbursement of expenses incurred from January 1, 2012 through February 29, 2012, requesting \$65,654.00 in fees and \$0.00 in expenditures [Docket No. 675].
- (c) On April 27, 2012, PwC submitted its third Monthly Fee Application for services rendered and reimbursement of expenses incurred from March 1, 2012 through March 31, 2012, requesting \$56,959.00 in fees and \$0.00 in expenditures [Docket No. 731].
- (d) This is PwC's fourth Monthly Fee Application representing the remaining

³ On March 15, 2012, the Court approved these fees and expenses [Docket No. 614].

\$32,962.00 in fees and \$18.86 in expenses during the Final Fee Period.

Requested Compensation Should be Allowed

27. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of Section 330 of the Bankruptcy Code to govern the Court's award of such compensation. 11 U.S.C. § 331. Section 330 provides that a Court may award a professional employed under Section 327 of the Bankruptcy Code "reasonable compensation for actual, necessary services rendered and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court should consider the nature, extent, and the value of such services, taking into account all relevant factors, including --

- (a) the time spent on such services;
- (b) the rates charged for such services;
- (c) whether the services were necessary to the administration of, or beneficial at the time which the service was rendered toward the completion of, a case under this title;
- (d) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (e) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and expertise in the bankruptcy field, and;
- (f) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 .S.C. § 330.

28. In accordance with the factors enumerated in section 330 of the Bankruptcy Code,

it is respectfully submitted that the amount requested by PwC is fair and reasonable given (a) the complexity of the case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under the Bankruptcy Code.

29. In rendering these services, PwC made every effort to maximize the benefit to the Debtors and to work with other professionals employed in the case to avoid duplication of effort. PwC believes that the level of services rendered to achieve the results obtained for the benefit of the Debtors estate was reasonable in light of the number and complexity of the issues involved in this case at the time the services were rendered. PwC judiciously allocated responsibilities to minimize possible duplication of effort.

Certificate of Compliance and Waiver

30. To the best of its knowledge, PwC believes that this Application and the description of services set forth herein of work performed are in compliance with the requirements as outlined within the Compensation Guidelines, as well as its Retention Orders which granted a waiver of the information requirements relating to compensation requests set forth in Local Bankruptcy Rule 2016-2(d). To the extent that this Application does not comply in all respects with the requirements of the Compensation Guidelines, PwC believes that such deviations are not material and respectfully requests that such requirements be waived.

Notice

31. Notice of this Application has been provided to the Debtors and the Notice Parties (as defined within the Interim Compensation Order) and PwC believes that no other or further notice need be provided.

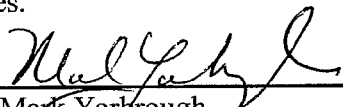
Conclusion

32. PwC respectfully submits that the amounts requested herein are reasonable compensation for the actual and necessary services rendered based upon the time, nature and value of such services. PwC further asserts that the costs of services rendered and expenses incurred are comparable to the cost of similar services and expenses in matters other than under the Bankruptcy Code and consistent with its Retention Applications.

33. In summary, by this Application, PwC respectfully requests approval and payment by the Debtors of (a) interim compensation for professional services rendered as tax consultant for the Debtors in the sum of \$26,369.60 representing 80% of \$32,962.00 incurred during the Fee Period, less a 20% holdback in the amount of \$6,592.40; (b) reimbursement of actual and necessary expenses incurred in the sum of \$18.86; (c) final compensation for professional services rendered for tax consulting services performed for the Debtors in the sum of \$167,121.50 incurred by the Debtors for reasonable and necessary tax consulting services performed by PwC; and \$18.86 for actual and necessary expenses during the Final Fee Period; and (d) such other further relief as is just and proper.

WHEREFORE, PwC requests that it be allowed reimbursement for its fees and expenses incurred during the Fee Period and Final Fee Period and that such fees and expenses be paid as administrative expenses of the Debtors' estates.

Dated: June 8, 2012
Greensboro, NC



Mark Yarbrough
Partner
PricewaterhouseCoopers LLP
800 Green Valley Road
Suite 500
Greensboro, NC 27408-7032
Tax Consultant to the Debtors

CERTIFICATION OF MONTHLY FEE APPLICATION

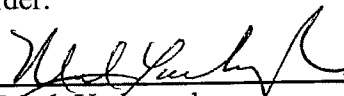
STATE OF NORTH CAROLINA)
) ss:
COUNTY OF GUILFORD)

Mark Yarbrough, hereby respectfully certifies and verifies as follows:

- 1. I am a Partner in the applicant firm, PricewaterhouseCoopers LLP ("**PwC**").

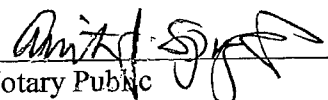
- 2. I have personally supervised many of the tax compliance and consulting services rendered by PwC to the Debtors and am familiar with all other work performed on behalf of the partners and professionals employed by PwC.

- 3. The facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Del.Bankr. LR 2016-2 and the Interim Compensation Order signed on October 26, 2011, and submit that the Application substantially complies with such Rule and Order.



Mark Yarbrough
Partner
PricewaterhouseCoopers LLP
800 Green Valley Road Suite 500
Greensboro, NC 27408-7032
Tax Consultant to the Debtors

SWORN TO AND SUBSCRIBED before
me this 8 day of June 2012.



Notary Public My Commission Expires September 4, 2013
My Commission Expires: _____



Graceway Pharmaceuticals, LLC, et al., Case 11-13036 (PJW)
PricewaterhouseCoopers LLP - Tax Consultant

Hours and Compensation Submission
For the Period April 1, 2012 through May 4, 2012

Enclosure:

PricewaterhouseCoopers invoice for professional fees rendered and expenses incurred

Fees, \$32,962.00

Expenses, \$18.86

Hours and Compensation:

Exhibits:

Summary by Project Category and Billing Category

A

Estimated "Fixed Fee" Services

Summary of Hours and Fees by Project and Professional

B

Professional Services by Project, Professional and Date

C

Hourly and Case Administration Services

Summary of Hours and Fees by Project and Professional

D

Professional Services by Project, Professional and Date

E

Expenditures Incurred and Reimbursement Sought

Summary of Expenditures Project and Type

F

Detail of Expenditures by Project, Professional and Date

G