

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

In re:)	Chapter 11
)	
GRACEWAY PHARMACEUTICALS, LLC <i>et al.</i>)	Case No. 11-13036 (PJW)
Debtors.)	Jointly Administered

**MCKESSON CORPORATION’S REQUEST FOR ADMINISTRATIVE EXPENSE
CLAIM AND SUPPLEMENT TO PROOF OF CLAIM**

McKesson Corporation, on behalf of itself and its divisions, subsidiaries and affiliates, including McKesson Specialty Arizona, Inc. (collectively, “McKesson”), by and through its undersigned counsel, hereby submits this request for administrative expense claim and supplement to proof of claim (“Request”), and represents as follows:

1. The Court has jurisdiction over this Request per 28 U.S.C. §§ 157 and 1334.
2. This matter is a core proceeding per 28 U.S.C. § 157(b)(2)(A).
3. Venue is proper in this district per 28 U.S.C. §§ 1408 and 1409.
4. On September 29, 2011 (the “Petition Date”), Graceway Pharmaceuticals, LLC (“Debtor”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).
5. On the Petition Date, Debtor filed a motion for orders authorizing it to honor certain prepetition obligations to McKesson and two other wholesalers [Docket #14] (“Wholesaler Motion”).¹ In the Wholesaler Motion, Debtor explained the wholesalers’ claims in detail and estimated outstanding liabilities as of the Petition Date as follows: (1) \$2.5 million for

¹ The Wholesaler Motion was also filed by affiliated debtor companies in the jointly administered case number 11-13036. Under the confirmed Plan of Reorganization, the debtors’ estates were substantively consolidated. As a result, McKesson assert its administrative claim, as set forth herein, against all of the substantively-consolidated debtors.

wholesale charge-backs and channel management commissions; (2) \$10 million for product returns and (3) \$2.9 million for McKesson's co-pay coupons.

6. As discussed in the Wholesaler Motion, McKesson and Debtor are parties to at least two interrelated and interconnected contracts for pharmaceutical supplies and services (the "Agreements").

7. The Bankruptcy Court entered interim [Docket #51] and final [Docket #121] orders approving the Wholesaler Motion (the "Wholesaler Orders"), which allow Debtor to settle by credit memo the pre-petition balances owed McKesson through a wholesaler support agreement ("Wholesaler Agreement").

8. Per the Wholesaler Orders, McKesson and Debtor were negotiating the final version of the Wholesaler Agreement to pay all pre-petition balances to McKesson in full. Although McKesson believes the parties reached an agreement to satisfy all McKesson's pre-petition balances, Debtor ultimately delayed its signature and performance until after the sale of substantially all its asset to Medicis Pharmaceutical Corporation ("Medicis") on or about November 22, 2011.

9. Medicis did not ask for the Agreements to be assumed and assigned as part of the sale and Debtor now refuses to formally execute and perform the Wholesaler Agreement.

10. On December 30, 2011, McKesson timely filed its proof of claim [Claim # 186] ("Claim"). As set forth in the Claim, Debtor owes McKesson approximately \$2,645,183, through December 29, 2011, *net* of all amounts McKesson: (a) is entitled to recoup under the Agreements; (b) certain "equitable adjustments" for "providing or winding down services" as allowed by the Agreements; and (c) indemnification for any and all claims that arise, "or are alleged to arise," under the Agreements.

11. Included in that amount is \$1,069,297.66 (“Post-Petition Claim”) incurred under the Agreements *after* the Petition Date.

12. McKesson specifically reserves the right to recoup and/or setoff all amounts asserted in the Claim and Post-Petition Claim against any amounts McKesson may owe to the Debtor. If the Court determines that McKesson cannot recoup and/or setoff all, or any part of, these amounts owed by Debtor then McKesson reserves the right to seek allowance and payment of the Post-Petition Claim, plus accrued interest as provided for in the underlying Agreements, from the Debtor as an administrative expense claim under 11 U.S.C. § 503(b)(1).

DATED: June 8, 2012

BUCHALTER NEMER
A Professional Corporation

By: /s/ Bernard D. Bollinger, Jr.
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(Admitted *Pro Hac Vice*)

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that one (1) copy of **McKesson Corporation's Request for Administrative Expense Claim and Supplement to Proof of Claim** was served on the following parties this 8th day of June, 2012, via U.S. Mail.

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