

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

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In re: : Chapter 11
:
Graceway Pharmaceuticals, LLC, *et al.*,¹ : Case No. 11-13036 (PJW)
:
Debtors. : (Jointly Administered)
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**NOTICE OF AGENDA OF MATTERS SCHEDULED
FOR HEARING ON SEPTEMBER 19, 2012 AT 10:30 A.M. (EDT)**

RESOLVED MATTERS:

1. Motion of Cardinal Health for (I) Relief from Automatic Stay Pursuant to 11 U.S.C. § 362(d) and (II) Approval of Setoff Under 11 U.S.C. § 533 [Docket No.684; Filed 04/10/12].

Response/Objection Deadline: May 2, 2012 at 4:00 p.m.; extended as to the Liquidation Trustee to a date to be agreed by the parties.

Related Documents:

- A. Motion of Cardinal Health Pursuant to 11 U.S.C. § 107(b), Bankruptcy Rule 9018, and Local Rule 9018-1(b) for Authority to File Under Seal Certain Exhibits to the Motion of Cardinal Health for (I) Relief from the Automatic Stay Pursuant to 11 U.S.C. § 362(d) and (II) Approval of Setoff Under 11 U.S.C. § 533 [Docket No. 685; Filed 04/10/12].

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.

- B. Certification of Counsel Regarding Order Granting Motion of Cardinal Health Pursuant to 11 U.S.C. § 107(b), Bankruptcy Rule 9018, and Local Rule 9018-1(b) for Authority to File Under Seal Certain Exhibits to the Motion of Cardinal Health for (I) Relief from the Automatic Stay Pursuant to 11 U.S.C. § 362(d) and (II) Approval of Setoff Under 11 U.S.C. § 553 [Docket No. 741; Filed 05/04/12].
- C. Order Granting Motion of Cardinal Health Pursuant to 11 U.S.C. § 107(b), Bankruptcy Rule 9018, and Local Rule 9018-1(b) for Authority to File Under Seal Certain Exhibits to the Motion of Cardinal Health for (I) Relief from the Automatic Stay Pursuant to 11 U.S.C. § 362(d) and (II) Approval of Setoff Under 11 U.S.C. § 553 [Docket No. 747; Entered 05/08/12].
- D. Filed Under Seal - Exhibit(s) E and F of the Motion of Cardinal Health for (I) Relief from the Automatic Stay and (II) Approval of Setoff [Docket No. 750; Filed 05/10/12].
- E. Re-Notice of Hearing Regarding Motion of Cardinal Health for (I) Relief from the Automatic Stay Pursuant to 11 U.S.C. § 362(d) and (II) Approval of Setoff Under 11 U.S.C. § 553 [Docket 777; Filed 6/8/12].

Objections/Responses Received:

- A. Liquidating Trustee's Objection to Motion of Cardinal Health for (I) Relief from the Automatic Stay Pursuant to 11 U.S.C. Sec 362 (d) and (II) Approval of Setoff Under 11 U.S.C. Sec 553 [Docket No. 766; Filed 05/31/12].

Status: Cardinal Health and the Liquidating Trustee have resolved this matter in principle and are in the process of finalizing the terms of the settlement agreement. The First Lien Lenders have consented to the settlement and therefore, court approval of this settlement is not necessary pursuant to the terms of the Liquidating Trust Agreement. However, the Debtors intend to file a certification of counsel seeking entry of an order approving the settlement agreement.

- 2. Motion of Cardinal Health for Allowance and Payment of Administrative Claim [Docket No. 781; filed 06/08/12].

Response/Objection Deadline: August 7, 2012 at 4:00 p.m. (EDT).

Related Documents: None.

Responses Received: None.

Status: Cardinal Health and the Liquidating Trustee have resolved this matter in principle and are in the process of finalizing the terms of the settlement agreement. The First Lien Lenders have consented to the settlement and therefore, court approval of this settlement is not necessary pursuant to the terms of the Liquidating Trust Agreement. However, the Debtors intend to file a certification of counsel seeking entry of an order approving the settlement agreement.

CONTINUED MATTERS:

3. Debtors' Objection to Claims Filed by Tennessee Department of Revenue [Docket No. 674; filed 04/06/12].

Response/Objection Deadline: April 20, 2012 at 4:00 p.m.

Related Documents:

- A. Proof of Claim No. 115 filed by Tennessee Department of Revenue on December 19, 2011 for \$53,971.81.
- B. Proof of Claim No. 116 filed by Tennessee Department of Revenue on December 19, 2011 for \$51,807.87.
- C. Proof of Claim No. 117 filed by Tennessee Department of Revenue on December 19, 2011 for \$14,634.48.
- D. Proof of Claim No. 238 filed by Tennessee Department of Revenue on March 26, 2012 for \$6,234,717.87.
- E. Proof of Claim No. 239 filed by Tennessee Department of Revenue on March 26, 2012 for \$ 733,949.83.
- F. Proof of Claim No. 240 filed by Tennessee Department of Revenue on March 26, 2012 for \$141.93
- G. Proof of Claim No. 241 filed by Tennessee Department of Revenue on March 26, 2012 for \$369.92
- H. Proof of Claim No. 242 filed by Tennessee Department of Revenue on March 26, 2012 for \$ 626.48.
- I. Proof of Claim No. 243 filed by Tennessee Department of Revenue on March 26, 2012 for \$ 67,509.83
- J. Proof of Claim No. 244 filed by Tennessee Department of Revenue on March 26, 2012 for \$ 54,621.07.
- K. Proof of Claim No. 245 filed by Tennessee Department of Revenue on March 26, 2012 for \$ 75,561.43.

Responses Received: No formal responses or objections have been filed as of the filing of this Agenda.

Status: The Tennessee Department of Revenue and the Liquidating Trustee are working towards a consensual resolution of this matter. The parties have agreed to hold the objection deadline in abeyance for the Liquidating Trustee and adjourn this matter to the next omnibus hearing on October 18, 2012 at 3:00 p.m. while negotiations continue.

4. TRC Valley Creek Associates-C, LP's Motion (I) for Relief from the Automatic Stay Pursuant to 11 U.S.C. § 362 to Allow Setoff of Security Deposit Held by Landlord Pursuant to a Lease of Non-Residential Real Property Against Rejection Damages Claim, (II) for Waiver of the Stay Imposed Pursuant to Bankruptcy Rule 4001(a)(3), and (III) for Related Relief [Docket No. 697; Filed 04/12/12].

Related Documents: None.

Objection Deadline: April 30, 2012 at 4:00 p.m; extended as to the Liquidating Trustee to October 11, 2012 by agreement of the Liquidating Trustee and counsel for TRC Valley Creek Associates-C LP.

Objection/Responses Received: None.

Status: This matter has been continued to the next omnibus hearing on October 18, 2012 at 3:00 p.m.

5. McKesson Corporation's Request for Administrative Expense Claim and Supplement to Proof of Claim [Docket No. 783; filed 06/08/12].

Response/Objection Deadline: August 7, 2012 at 4:00 p.m. (EDT). Extended by sixty days for the Liquidating Trustee.

Related Documents: None.

Responses Received: None.

Status: McKesson Corporation and the Liquidating Trustee are working towards a consensual resolution of this matter. The parties have agreed to extend the initial objection deadline by sixty days for the Liquidating Trustee. This matter is adjourned to next omnibus hearing on October 18, 2012 at 3:00 p.m.

UNCONTESTED MATTERS WITH CERTIFICATE OF NO OBJECTION (C.N.O.):

6. Motion of Liquidating Trustee for an Order Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rules 9006(b) and 9027 Extending Time to File Notices of Removal of Related Proceedings [Docket No. 832; Filed 8/23/12].

Response/Objection Deadline: September 12, 2012 at 4:00 p.m. (EDT).

Related Documents:

- A. Certificate of No Objection Regarding Motion of Liquidating Trustee for an Order Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rules 9006(b) and 9027 Extending Time to File Notices of Removal of Related Proceedings [Docket No. 836; Filed 9/14/12].

Responses Received: None.

Status: A Certificate of No Objection has been filed for this matter, therefore no hearing is necessary unless the Court has any questions.

Dated: September 17, 2012
Wilmington, Delaware

Respectfully submitted,

/s/ Stuart M. Brown
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