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In re:	:
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	:
Graceway Pharmaceuticals, LLC, <i>et al.</i> , <sup>1</sup>	:
	:
Debtors.	:
	:
	X

Chapter 11  
Case No. 11-13036 (PJW)  
(Jointly Administered)

Kip Horton (“Trustee”), the Liquidating Trustee, appointed under that certain Graceway Liquidating Trust (“Trust”) Liquidating Trust Agreement (“Trust Agreement”), dated May 4, 2012 and pursuant to the Debtors’ First Amended Joint Plan of Liquidation [D.I. 551], confirmed by entry of the confirmation order on April 20, 2012 [D.I. 722], hereby files the third quarterly report of cash and disbursements in accordance with section 4.14(d) of the Trust Agreement.

The Trustee affirms that bank statements for all open and active bank accounts are retained by the Trustee.

The Trustee affirms that no bank accounts were closed during the current reporting period.

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### Opened Bank Accounts

The Trustee affirms that no bank accounts were opened during the current reporting period.

### **General Depository Account Wells Fargo Bank Account xxx-6558**

Cash Receipts October 1, 2012 through December 31, 2012

<u>Source</u>	<u>Date</u>	<u>Amount</u>
Service Fee Refund	10/03/2012	\$2,099.56
Service Fee Refund	12/18/2012	\$1,708.27
Cardinal Health	11/07/2012	\$4,851,577.64*
Total Receipts		<u>\$4,855,385.47</u>

\* Cardinal Health overpaid the settlement amount of \$4,581,577.64 by \$270,000 by reversing two digits of the amount. The Trustee refunded the overpayment.

Cash Disbursements October 1, 2012 through December 31, 2012

<u>Recipient</u>	<u>Date</u>	<u>Amount</u>
Service Charge	10/09/2012	\$3,893.85
Payment of Admin. Claims	11/08/2012	\$1,072,354.15
Service Charge	11/13/2012	\$2,098.35
RPA Advisors	11/14/2012	\$55,937.50
Cardinal Health	11/14/2012	\$270,000.00*
First Lien Lenders	11/16/2012	\$4,525,640.14
Service Charge	12/11/2012	\$1,708.27
U.S. Trustee	12/17/2012	\$14,950.00
Marsh USA	12/17/2012	\$4,268.00
Service Charges	12/18/2012	\$715.53
DLA Piper	12/21/2012	\$65,874.78
Total Disbursements		<u>\$6,017,440.57</u>

### **Trust Administrative Account M&T Bank Account xxx-0880**

Cash Receipts October 1, 2012 through December 31, 2012

<u>Source</u>	<u>Date</u>	<u>Amount</u>
M&T Bank - Interest	10/31/2012	\$4.08
Transfer - Other Assets	10/18/2012	\$300,000.00
M&T Bank - Interest	11/30/2012	\$3.89
Alvarez & Marsal	12/07/2012	\$122,544.59
M&T Bank - Interest	12/31/2012	\$1.92
Total Receipts		<u>\$422,554.48</u>



Cash Disbursements October 1, 2012 through December 31, 2012

<u>Recipient</u>	<u>Date</u>	<u>Amount</u>
TCI Group	10/03/2012	\$1,770.00
Service Charge	10/09/2012	\$206.14
BTES	10/12/2012	\$1,738.00
RPA Advisors, LLC	10/18/2012	\$43,086.86
DLA Piper	10/18/2012	\$99,024.48
BMC Group	10/18/2012	\$5,726.85
RPA Advisors, LLC	10/18/2012	\$42,806.35
Atmos Energy	11/06/2012	\$29.53
BTES	11/06/2012	\$1,547.58
Service Charge	11/08/2012	\$196.11
RPA Advisors, LLC	11/14/2012	\$36,950.00
Cherie Whitson	11/19/2012	\$9,636.99
Johnson City Utilities	11/19/2012	\$59.75
RPA Advisors, LLC	11/26/2012	\$48,064.03
BMC Group	12/05/2012	\$4,235.72
Atmos Energy	12/05/2012	\$34.31
Service Charge	12/10/2012	\$181.17
BTES	12/11/2012	<u>\$1,549.75</u>
Total Disbursements		<u>\$296,843.62</u>

**First Lien Trust Administrative Account M&T Bank Account xxx-0948**

Cash Receipts October 1, 2012 through December 31, 2012

<u>Source</u>	<u>Date</u>	<u>Amount</u>
M&T Bank - Interest	10/31/2012	\$1.73
M&T Bank – Interest	11/30/2012	\$0.97
M&T Bank – Interest	12/31/2012	<u>\$0.48</u>
Total Receipts		<u>\$3.18</u>



Cash Disbursements October 1, 2012 through December 31, 2012

<u>Recipient</u>	<u>Date</u>	<u>Amount</u>
Service Charge	10/09/2012	\$178.94
DLA Piper	10/18/2012	\$24,307.00
Service Charge	11/18/2012	\$179.03
Service Charge	12/10/2012	<u>\$178.85</u>
Total Disbursements		<u>\$24,843.82</u>

Book Account Balances for All Accounts as of December 31, 2012

<u>Account</u>	<u>Balance</u>
CCR Account	\$16,717,377.16
General Depository Account	\$4,872,957.50
Holdback Account	\$4,184,649.72
Other Assets Account	\$1,000,520.79
Trust Administrative Account	\$149,321.66
First Lien Trust Administrative Account	<u>\$26,303.47</u>
Total Cash on Hand	<u>\$26,951,130.30</u>

CERTIFICATION

I, Kip Horton, the Liquidating Trustee, hereby certify as follows:

The foregoing report is a listing of the Trustee's bank accounts, by account number, and the closing balances for the reporting period. Such accounts were reconciled in accordance with the Trustee's ordinary course accounting practices during the reporting period.

Dated: New York, New York  
January 5<sup>th</sup>, 2013

  
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Kip Horton, Liquidating Trustee  
RPA Advisors  
45 Eisenhower Drive  
Paramus, NJ 07652  
(201) 527-6653