

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

In re:

GRACEWAY PHARMACEUTICALS, LLC,  
et al.,<sup>1</sup>

Debtors.

Chapter 11

Case No. 11-13036 (PJW)

Jointly Administered

**RE: Docket No. 27**

**Hearing Date: October 17, 2011 at 1:30 p.m. (ET)**

**Objection Deadline: October 14, 2011 at 9:00 a.m. (ET)  
(for the Committee)**

**RESPONSE OF THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS TO DEBTORS' APPLICATION TO EMPLOY/RETAIN  
LAZARD FRERES & CO. LLC AS INVESTMENT BANKER FOR  
THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE**

The Official Committee of Unsecured Creditors (the "Committee") appointed in the chapter 11 cases of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), by and through its proposed counsel, hereby submits this response (the "Response") to the *Debtors' Application to Employ/Retain Lazard Freres & Co. LLC as Investment Banker for the Debtors Nunc Pro Tunc to the Petition Date* [Docket No. 27] (the "Application").<sup>2</sup> In support of its Objection, the Committee respectfully represents as follows:

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<sup>1</sup> 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).

<sup>2</sup> Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Application.

## **RESPONSE**

1. By the Application, the Debtors seek authority to retain Lazard Freres & Co. LLC (“Lazard”) as investment banker *nunc pro tunc* to the Petition Date pursuant to and in accordance with a separate engagement letter between the Debtors and Lazard.

2. The Committee does not oppose the Debtors’ retention of Lazard as requested in the Application, but has filed this Response in order to reserve its rights. The Committee was formed on October 11, 2011 and has just retained counsel and a financial advisor. The Committee is still in the process of reviewing numerous pleadings and documents in connection with these cases and has requested additional time to review the Application with its advisors.

3. The Committee contacted counsel for the Debtors in order to request an adjournment of the Application until October 21, 2011 at 9:30 a.m. (ET) (the date of the final hearing on the Debtors’ *Motion for Interim and Final Orders (I) Authorizing Debtors to Utilize Cash Collateral Pursuant to Pursuant to 11 U.S.C. § 363; (II) Granting Adequate Protection to Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364; (III) Authorizing Debtors to Obtain Postpetition Financing Pursuant to 11 U.S.C. § 364 and (IV) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001*), which request was declined.

4. Accordingly, the Committee respectfully requests that the Court adjourn the hearing on the Application until October 21, 2011 at 9:30 a.m. (ET) in order to enable the Committee to thoroughly review the Application and attempt to resolve any issues it finds with the Application.

## **RESERVATION OF RIGHTS**

5. The Committee reserves the right to revise, amend, or supplement this Response at any time, including at the hearing on the Application.

**WHEREFORE**, the Committee respectfully requests that the Court adjourn the hearing on the Application until October 21, 2011 at 9:30 a.m. (ET) and grant the Committee such other and further relief as the Court deems just and appropriate.

Dated: October 11, 2011

**ELLIOTT GREENLEAF**

/s/ Shelley A. Kinsella

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