

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

In re:

VION PHARMACEUTICALS, INC.,¹

Debtor.

Chapter 11

Case No. 09-14429 (CSS)

Hearing Date: October 12, 2010 at 2:00 p.m.

Objection Deadline: September 10, 2010 at 4:00 p.m.

**NOTICE OF LIQUIDATING TRUSTEE'S SECOND MOTION FOR ENTRY OF AN
ORDER EXTENDING TIME TO ASSUME OR REJECT EXECUTORY CONTRACTS**

PLEASE TAKE NOTICE that on August 23, 2010, U.S. Bank, N.A., as the Liquidating Trustee (the "Liquidating Trustee") to the Liquidating Trust of Vion Pharmaceuticals, Inc. (the "Liquidating Trust"), filed the attached *Liquidating Trustee's Second Motion for Entry of an Order Extending Time to Assume or Reject Executory Contracts* (the "Motion") with the United States Bankruptcy Court for the District of Delaware (the "Court").

PLEASE TAKE FURTHER NOTICE that responses to the Motion, if any, must be made in writing, filed with the Court, 824 North Market Street, Wilmington, DE 19801, and served upon, so as to actually be received by the undersigned counsel, on or before **September 10, 2010 at 4:00 p.m. (Prevailing Eastern Time)** (the "Objection Deadline").

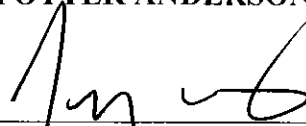
PLEASE TAKE FURTHER NOTICE that if no objections are timely filed in accordance with the above procedures, the Court may enter an order approving the Motion without further notice or hearing.

PLEASE TAKE FURTHER NOTICE that if a response is properly filed in accordance with the above procedure, a hearing on the Motion will be held before the Honorable Christopher

¹ The Debtor in this case, along with the last four digits of the federal tax identification number for the Debtor, is Vion Pharmaceuticals, Inc. (1221). The Debtor's corporate offices are located at 4 Science Park, New Haven, Connecticut 06511.

S. Sontchi on **October 12, 2010 at 2:00 p.m. (Prevailing Eastern Time)** in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801. Only those objections made in writing, timely filed, and served in accordance with the above procedures will be considered at such hearing.

POTTER ANDERSON & CORROON LLP



Dated: August 23, 2010
Wilmington, Delaware

Jeremy W. Ryan (DE Bar No. 4057)
Etta R. Wolfe (DE Bar No. 4164)
Hercules Plaza, 6th Floor
1313 N. Market Street
P.O. Box 951
Wilmington, DE 19899-0951
Telephone: (302) 984-6000
Facsimile: (302) 658-1192

and

**OLSHAN GRUNDMAN FROME
ROSENZWEIG & WOLOSKY LLP**

Adam H. Friedman, Esq.
Park Avenue Tower
65 East 55th Street
New York, NY 10022
Telephone: (212) 451-2300
Facsimile: (212) 451-2222

*Counsel for the Liquidating Trust of
Vion Pharmaceuticals, Inc.*

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

In re:

VION PHARMACEUTICALS, INC.,¹

Debtor.

Chapter 11

Case No. 09-14429 (CSS)

Hearing Date: October 12, 2010 at 2:00 p.m.

Objection Deadline: September 10, 2010 at 4:00 p.m.

**LIQUIDATING TRUSTEE'S SECOND MOTION FOR ENTRY OF AN ORDER
EXTENDING TIME TO ASSUME OR REJECT EXECUTORY CONTRACTS**

U.S. Bank, N.A., as the Liquidating Trustee (the "Liquidating Trustee") to the Liquidating Trust of Vion Pharmaceuticals, Inc. (the "Liquidating Trust"), by and through its undersigned counsel, hereby files this Motion (the "Motion"), for entry of an Order extending the Liquidating Trustee's time to assume or reject executory contracts. In support of this Motion, the Liquidating Trustee respectfully represents as follows:

Jurisdiction and Venue

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue is appropriate in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The legal basis for the relief requested herein is Rule 9006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

¹ The Debtor in this case, along with the last four digits of the federal tax identification number for the Debtor, is Vion Pharmaceuticals, Inc. (1221). The Debtor's corporate offices are located at 4 Science Park, New Haven, Connecticut 06511.

Background

4. On December 17, 2009 (the “Petition Date”), the above-captioned debtor and debtor in possession (the “Debtor”) filed a petition under chapter 11 of title 11 of the United States Code (11 U.S.C. §§ 101—1532, the “Bankruptcy Code”).

5. On April 1, 2010, the Debtor filed the *Debtor’s Second Amended Chapter 11 Plan of Liquidation* [D.I. 174] (the “Plan”).

6. On April 7, 2010, the Court entered its *Order Confirming the Debtor’s Second Amended Chapter 11 Plan of Liquidation* [D.I. 186] (the “Confirmation Order”).

7. On April 8, 2010 (the “Effective Date”), by its own terms, the Plan became effective.

8. Pursuant to the terms of the Plan, the Liquidating Trustee has the duty to sell and liquidate the assets of the Debtor’s estate and the Liquidating Trust. (Plan art. IV.D.). In addition, under the terms of the Plan, the Liquidating Trustee is deemed the representative of the Debtor’s estates in accordance with Bankruptcy Code section 1123 and has all powers, authority, and responsibilities of a trustee under Bankruptcy Code sections 704 and 1106. (Plan art. IV.D.).

9. The Confirmation Order set June 30, 2010 (the “Rejection Date”) as the date on which each executory contract that had not previously expired or terminated pursuant to its own terms, or was previously assumed or rejected by an Order of the Court, would be deemed rejected, subject to further extension by an Order of the Court. (Confirmation Order ¶ 7).

10. On June 4, 2010, the Liquidating Trustee filed the *Motion of the Liquidating Trustee for Entry of an Order Extending the Time to Assume or Reject Executory Contracts* [D.I. 222] (the “First Extension Motion”). In the First Extension Motion, the Liquidating

Trustee sought to extend the Rejection Date through and including August 30, 2010 (the “Extended Rejection Date”).

11. On June 24, 2010, pursuant to its *Order Extending the Time to Assume or Reject Executory Contracts* [D.I. 235] (the “First Extension Order”), the Court granted the First Extension Motion and approved the Extended Rejection Date.

Relief Requested

12. By this Motion, the Liquidating Trustee respectfully requests the entry of an order, pursuant to Bankruptcy Rule 9006, granting a fifty-six (56) day extension of the Extended Rejection Date, through and including October 25, 2010.

Basis for Relief Requested

13. Bankruptcy Rule 9006(b)(1) provides that “when an act is required or allowed to be done at or within a specified period by these rules or by a notice given thereunder or by order of court, the court for cause shown may at any time in its discretion . . . order the period enlarged if the request therefor is made before the expiration of the period originally prescribed or as extended by a previous order.” Fed. R. Bankr. P. 9006(b)(1).

14. Additionally, as discussed above, the Confirmation Order provides that the Rejection Date may be further extended by an Order of the Court upon motion by the Liquidating Trustee. (Confirmation Order ¶ 7).

15. Thus, pursuant to the terms of the Confirmation Order and Bankruptcy Rule 9006, the Court has the authority to extend the Extended Rejection Date for cause shown by the Liquidating Trustee. The Liquidating Trustee submits that cause exists for extending the Extended Rejection Date.

16. In accordance with its duties under the Plan and the Confirmation Order, the Liquidating Trustee has engaged in marketing certain of the estate's and the Liquidating Trust's assets to potential purchasers. Currently, the Liquidating Trustee is negotiating sales of certain of the estate's assets (the "Potential Sales"). The Potential Sales may require the assumption and assignment of certain executory contracts. Due to the complexity of certain Potential Sales, despite making significant progress toward consummating certain of the Potential Sales, the Liquidating Trustee is unlikely to be able to finalize negotiations and close the Potential Sales prior to the Extended Rejection Date.

17. To comply with its duties under the Confirmation Order and the Plan and to maximize the value of the Liquidating Trust for the beneficiaries, it is essential that the Liquidating Trustee maintain the ability to assume and assign executory contracts to facilitate Potential Sales.

18. The requested extension of time will enable the Liquidating Trustee to continue negotiating Potential Sales in an orderly fashion. The Liquidating Trustee believes that the requested extension will allow the Liquidating Trustee to complete any Potential Sales and assume and assign any executory contracts transferred pursuant to such sales.

19. The Court's failure to grant the extension will significantly prejudice the Liquidating Trustee's efforts to maximize the value of the Liquidating Trust. If the Court does not grant the extension requested herein and the executory contracts are deemed rejected, the Liquidating Trustee may be unable to consummate the Potential Sales or may realize significantly less value for the Potential Sales. Thus, the Liquidating Trustee believes that the requested extension is in the best interest of the Debtor's estate and its creditors.

20. Accordingly, the Liquidating Trustee respectfully submits that the Court should extend the time within which the Liquidating Trustee must assume or reject any executory contracts by fifty-six (56) days through and including October 25, 2010.

No Prior Request

21. The Liquidating Trustee has not previously sought the relief requested herein from this or any other Court.

Notice

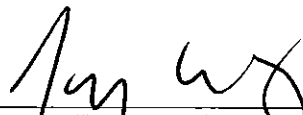
22. Notice of this Motion has been provided to (i) the Office of the United States Trustee for the District of Delaware, (ii) all parties that have timely filed requests for notice under Bankruptcy Rule 2002, and (iii) all parties affected by this Motion. In light of the nature of the relief requested, the Liquidating Trustee submits that no further notice need be given.

[Remainder of Page Intentionally Left Blank]

Conclusion

WHEREFORE, the Liquidating Trustee respectfully requests the entry of an order, substantially in the form attached hereto as **Attachment #1**, granting the relief requested herein and granting such other and further relief as the Court deems just and proper.

POTTER ANDERSON & CORROON LLP



Jeremy W. Ryan (DE Bar No. 4057)
Etta R. Wolfe (DE Bar No. 4164)
Hercules Plaza, 6th Floor
1313 N. Market Street
P.O. Box 951
Wilmington, DE 19899-0951
Telephone: (302) 984-6000
Facsimile: (302) 658-1192

Dated: August 23, 2010
Wilmington, Delaware

and

**OLSHAN GRUNDMAN FROME
ROSENZWEIG & WOLOSKY LLP**

Adam H. Friedman, Esq.
Park Avenue Tower
65 East 55th Street
New York, NY 10022
Telephone: (212) 451-2300
Facsimile: (212) 451-2222

*Counsel for the Liquidating Trust of
Vion Pharmaceuticals, Inc.*

Attachment #1

(Proposed Order)

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

In re:

VION PHARMACEUTICALS, INC.,¹

Debtor.

Chapter 11

Case No. 09-14429 (CSS)

Re: Docket No. _____

**ORDER FURTHER EXTENDING LIQUIDATING TRUSTEE'S
TIME TO ASSUME OR REJECT EXECUTORY CONTRACTS**

Upon consideration of the *Liquidating Trustee's Second Motion for Entry of an Order Extending Time to Assume or Reject Executory Contracts* (the "Motion")² pursuant to Bankruptcy Rule 9006; the Court finding that (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. § 1334, (ii) this is a core proceeding pursuant to 28 U.S.C. §157(b), (iii) venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409, (iv) notice of the Motion and the hearing on the Motion was sufficient under the circumstances, and (v) the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED in its entirety.
2. Any responses or objections to the Motion that have not been previously withdrawn or otherwise resolved are hereby overruled and denied.
3. The Rejection Date as set forth in the Confirmation Order, as extended by the First Extension Order, is hereby further extended through and including October 25, 2010 (the

¹ The Debtor in this case, along with the last four digits of the federal tax identification number for the Debtor, is Vion Pharmaceuticals, Inc. (1221). The Debtor's corporate offices are located at 4 Science Park, New Haven, Connecticut 06511.

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

“Second Extended Rejection Date”). Absent further Order of this Court, each executory contract that has not previously expired or terminated pursuant to its own terms, except for any executory contract that was previously assumed or rejected by an order of the Bankruptcy Court pursuant to Bankruptcy Code section 365 prior to the Second Extended Rejection Date, shall be deemed rejected pursuant to Bankruptcy Code sections 365 and 1123.

4. This Order shall not apply to any executory contracts, including any and all license agreements, by and between the Debtor and Yale University, and the time period within which the Debtor and/or the Liquidating Trustee may assume and assign or reject such contracts or agreements shall continue to be governed by the Yale Agreement attached to the Confirmation Order, as such agreement may be amended by the parties thereto.

5. Nothing in this Order shall prejudice the Liquidating Trustee’s rights to seek further extension of the Rejection Date.

6. This Court retains jurisdiction to interpret and enforce this Order.

Dated: September ____, 2010
Wilmington, Delaware

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

File a Motion:[09-14429-CSS Vion Pharmaceuticals, Inc.](#)

Type: bk

Chapter: 11 v

Office: 1 (Delaware)

Assets: y

Judge: CSS

Case Flag: CONFIRMED,
LeadSC, CLMSAGNT**U.S. Bankruptcy Court****District of Delaware**

Notice of Electronic Filing

The following transaction was received from Jeremy William Ryan entered on 8/23/2010 at 3:45 PM EDT and filed on 8/23/2010

Case Name: Vion Pharmaceuticals, Inc.**Case Number:** [09-14429-CSS](#)**Document Number:** [254](#)**Docket Text:**

Second Motion to Extend *Time to Assume or Reject Executory Contract* Filed by Liquidating Trustee of Vion Pharmaceuticals, Inc.. Hearing scheduled for 10/12/2010 at 02:00 PM at US Bankruptcy Court, 824 Market St., 5th Fl., Courtroom #6, Wilmington, Delaware. Objections due by 9/10/2010. (Attachments: # (1) Notice of Motion# (2) Attachment #1: Proposed Form of Order) (Ryan, Jeremy)

The following document(s) are associated with this transaction:

Document description:Main Document**Original filename:**J:\RAINEYN\2nd Motion to Assume or Reject Executory Contracts.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=8/23/2010] [FileNumber=8765494-0]
[8b6262207f943f534087f426eb1f59954358542081488473b2e06dd299885d1fc049
7ba39387bb86a5ad9451482bb7e5ecb6f4ea059cc924f9b81329083a5fef]]

Document description:Notice of Motion**Original filename:**J:\RAINEYN\2nd Motion to Assume or Reject Executory Contracts_Notice.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=8/23/2010] [FileNumber=8765494-1]
[99c17cb997744f2be26127ff5081b3b46411ab106fa86f249e5df2c515b8e6a6f3f6
0bde28ad742fdd389b55350dc5ba5001214172ea4441773835f3c5496078]]

Document description: Attachment #1: Proposed Form of Order**Original filename:**J:\RAINEYN\2nd Motion to Assume or Reject Executory Contracts_Attachment 1 (Order).pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=8/23/2010] [FileNumber=8765494-2]
[5ae1ed98b7392489e6ed84e23f77e3d1d03b69ffe3a63f3166de897e2a6224ac12c0
780836cd43ce892a6c17a9236f5aaab576c07ab69f985fcc1d907af3b7d8]]

09-14429-CSS Notice will be electronically mailed to:

Shawn M. Christianson on behalf of Creditor Oracle America, Inc.
schristianson@buchalter.com, cmcintire@buchalter.com

Traci L. Cotton on behalf of Creditor UT System obo UT M.D. Anderson Cancer Center
tcotton@utsystem.edu

Niclas A. Ferland on behalf of Creditor Science Park Development Corporation
niclas.ferland@leclairryan.com

Julie A Finocchiaro on behalf of Attorney Richards, Layton & Finger, P.A.
finocchiaro@rlf.com, rbgroup@rlf.com

Jeffrey M. Franklin II on behalf of Creditor Committee Official Committee of Unsecured Creditors of
Vion Pharmaceuticals, Inc.
jfranklin@potteranderson.com

John Henry Knight on behalf of Debtor Vion Pharmaceuticals, Inc.
knight@rlf.com, RBGroup@RLF.com

Scott J. Leonhardt on behalf of Creditor Yale University
sleonhardt@mrs-law.com

Frank F. McGinn on behalf of Creditor Iron Mountain Information Management, Inc.
ffm@bostonbusinesslaw.com

Patricia P. McGonigle on behalf of Creditor Science Park Development Corporation
pmcgonigle@svglaw.com, dclack@svglaw.com

R. Stephen McNeill on behalf of Creditor Committee Official Committee of Unsecured Creditors of
Vion Pharmaceuticals, Inc.
bankruptcy@potteranderson.com

Jeremy William Ryan on behalf of Creditor Committee Official Committee of Unsecured Creditors of
Vion Pharmaceuticals, Inc.
jryan@potteranderson.com, bankruptcy@potteranderson.com

Christopher M. Samis on behalf of Attorney Richards, Layton & Finger, P.A.
samis@rlf.com, rbgroup@rlf.com

Kristi S Schubert on behalf of Interested Party Liquidating Trustee of Vion Pharmaceuticals, Inc.
kschubert@potteranderson.com

United States Trustee
USTPREGION03.WL.ECF@USDOJ.GOV

Eric R. Wilson on behalf of Interested Party U.S. BANK NATIONAL ASSOCIATION
KDWBankruptcyDepartment@kelleydrye.com

Etta Ren Wolfe on behalf of Interested Party Liquidating Trustee of Vion Pharmaceuticals, Inc.

ewolfe@potteranderson.com, bankruptcy@potteranderson.com

09-14429-CSS Notice will not be electronically mailed to:

Jason J DeGoes
22 Apple Hill Drive
Prospect, CT 06712

Delaware Claims Agency, LLC
230 North Market Street
Wilmington, DE 19801

Duke University Medical Center
Attn Mark Gustafson
310 Blackwell Street 4th floor
Durham, NC 27701

Ernst & Young LLP

,

Fulbright & Jaworski L.L.P.

,

Karen M Wall on behalf of Interested Party INC Research Inc.

,

Weill Cornell Medical College

,