

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

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In re: :
 : Chapter 11
 :
VION PHARMACEUTICALS, INC., : Case No. 09-14429 (CSS)
 :
 Debtor.¹ : Re: Docket No. 7
 :
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**FINAL ORDER PURSUANT TO §§ 105(a), 363(b), 507(a)(8),
AND 541 OF THE BANKRUPTCY CODE AUTHORIZING
THE DEBTOR TO REMIT AND PAY CERTAIN TAXES AND FEES**

Upon the motion dated December 17, 2009 (the "Motion")² of Vion Pharmaceuticals, Inc., as debtor-in-possession in the above-captioned case (the "Debtor"), for the entry of an order, pursuant to §§ 105(a), 363(b), 507(a)(8), and 541 of title 11 of the United States Code (the "Bankruptcy Code") and Rule 6003(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") [Docket No. 7], (i) authorizing, but not directing, the Debtor to remit and pay certain sales, use, income/franchise, real and personal property, business and occupation taxes, and other similar taxes as the Debtor deems necessary, as well as fees for licenses, and other similar charges and assessments; (ii) authorizing and directing banks and other financial institutions to receive, process, honor and pay checks presented for payment and electronic payment requests relating to the foregoing; and (iii) granting the Debtor such other and further relief as the Court deems just and proper; and upon consideration of the Declaration of Alan Kessman, the Debtor's Chief Executive Officer, in Support of Chapter 11 Petition and First

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 used but not defined herein shall have the meaning ascribed to them in the Motion.

Day Pleadings, filed concurrently with the Motion; and adequate notice of the Motion having been given as set forth in the Motion; and it appearing that no other or further notice is necessary; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having determined that consideration of the Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having determined that the legal and factual bases set forth in the Motion and the Declaration establish just cause for the relief requested in the Motion, and that such relief is in the best interests of the Debtor, its estate, its creditors and the parties in interest; and upon the record in these proceedings; and after due deliberation;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as provided herein.
2. The Debtor is authorized, but not directed, to remit and pay all undisputed prepetition Taxes and Fees consistent with its customary practices in the ordinary course of business in an aggregate amount not to exceed \$75,000.
3. The Debtor's banks and other financial institutions are authorized and directed to receive, process, honor and pay checks presented for payment and electronic payment requests relating to the Taxes and Fees.
4. Nothing in the Motion or this Order, nor the Debtor's payment of claims pursuant to this Order, shall be deemed or construed as: (i) an admission as to the validity of any Taxes or Fees allegedly owing to the various Authorities; (ii) a waiver of the Debtor's rights to dispute any such claim on any grounds; (iii) a promise to pay such a claim; or (iv) an implication or admission that any particular claim would constitute a claim for Taxes or Fees.

5. Notwithstanding any provision in the Federal Rules of Bankruptcy Procedure to the contrary, (i) the terms of this Order shall be immediately effective and enforceable upon its entry; (ii) the Debtor is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and (iii) the Debtor may, in its discretion and without further delay, take any action and perform any act authorized under this Order.

7. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: January 20, 2010
Wilmington, Delaware



THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE