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GRAY, PLANT, MOOTY, MOOTY & BENNETT, P.A.

INCLUDING THE FORMER FIRM OF HARSTAD & RAINBOW

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DIRECT DIAL 343-3902

March 14, 1991

The Honorable John F. Keenan
United States District Court
420 U.S. Courthouse
40 Foley Square
New York, NY 10007

Re: Clozapine Antitrust Litigation
90-CIV-7724, 8060, 8063, 8055, 8079, 8062,
8064, 8065, 8067, 8069, 8071, 8073, 8074,
8092, 8075, 8076, 8077, 8080, 8081, 8082,
8084, 8086, 8087, 8089, and 91-CIV-0244,
0921, 1043, 1165, 1219, 1220, 1392 (JFK)

Dear Judge Keenan:

Pursuant to the Court's instructions, this letter will formally set forth the request of defendant Sandoz Pharmaceuticals Corporation ("Sandoz") for a pre-motion conference as required by this Court's Rule 4. Sandoz intends to move the Court for an Order extending the time in which Sandoz may respond to recent discovery requests served by the plaintiff States in the above-referenced matters or, alternatively, staying further discovery pending resolution by the Judicial Panel on Multidistrict Litigation of a pending motion to consolidate these matters with a related matter previously filed in the Northern District of Illinois. I am advised that defendant Caremark will join in Sandoz' motion.

The background information relevant to this request is as follows: This matter was before the Court on a pre-trial

Honorable John F. Keenan
March 14, 1991
Page 2

conference held February 19, 1991. At that time, the only discovery pending in any of the above matters were document requests and interrogatories from plaintiff Newell. My understanding is that counsel for plaintiff Newell urged the Court to allow Newell to receive copies of the defendants' documents that had already been produced in the Illinois action, and were produced to the States in informal investigative proceedings several months earlier. My further understanding is that the Court instructed the defendants to produce to plaintiff Newell the documents requested in Newell's discovery. Sandoz promptly agreed to produce its documents, and Newell's counsel reviewed same on March 4, 1991. It is my understanding that Caremark also has made its documents available for inspection and that Newell's counsel has reviewed Caremark's documents. Pursuant to our understanding of the Court's instructions, no response has been made to Newell's interrogatories. In the meantime, some six days after the conference with this Court, counsel for the States served a document entitled "States' Joint First Discovery Requests" (copy attached). These requests include some 47 document requests to Sandoz and 24 to Caremark, 57 interrogatories to Sandoz and 26 to Caremark, and 12 requests for admission directed to both defendants. The States have requested written answers and production by March 29, 1991. The States have refused Sandoz' request for an extension of time in which to respond to this discovery.

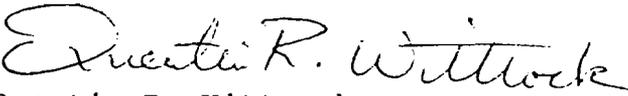
The Judicial Panel on Multidistrict Litigation has scheduled a March 22, 1991 hearing on Sandoz' motion under 28 U.S.C. § 1407 to consolidate these actions with the action pending in the Northern District of Illinois. All parties in this litigation agree that the actions should be consolidated, and the only issue contested before the Panel will be the location of the transferee court. Sandoz, Caremark, and the Illinois plaintiff, Dauer, have requested transfer to the Northern District of Illinois; the States and Newell have requested transfer to this Court. It is probable that the transferee court will promptly issue an Order coordinating discovery conducted by all plaintiffs, as one of the purposes of 28 U.S.C. § 1407 is to prevent duplicative and oppressive discovery created by a multiplicity of actions. Already, Sandoz has provided an enormous volume of documents to the States. Responding to other discovery, Sandoz has produced documents to Newell, the Illinois plaintiff, and to the Federal Trade Commission (pursuant to a pre-suit subpoena duces tecum). In addition, Sandoz has answered all Complaints that have been filed, and has engaged in settlement negotiations with each of the plaintiff groups.

Honorable John F. Keenan
March 14, 1991
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In light of the foregoing, Sandoz intends to ask the Court for a formal Order granting relief from the States' pending requests for further discovery. We suggest a pre-motion conference to be held at the Court's convenience, either in person or by telephone (which conference call could be arranged by us).

Very truly yours,

GRAY, PLANT, MOOTY,
MOOTY & BENNETT, P.A.


Quentin R. Wittrock

QRW:ctg
069079/46159/1581x
Enclosure

cc: ✓ Robert L. Hubbard, Esq.
James P. Spencer, Esq.
Howard J. Sedran, Esq.
Richard J. Kilsheimer, Esq.
Kathleen Mullen, Esq.
Jerry S. Cohen, Esq.
Michael Sennett, Esq.
Robert S. Smith, Esq.



STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

March 22, 1991

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STATE OF MINNESOTA

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

The Honorable John F. Keenan, Jr.
United States District Judge
United States Courthouse
40 Foley Square
New York, N.Y. 10007

Re: In re Clozapine Antitrust Litigation
90-Civ-8055, 8060, 8062-8065, 8067, 8069, 8071, 8073-
8077, 8079-8082, 8084, 8086-8087, 8089, 8092, and 91-
Civ-244, 921, 1043, 1165, 1219, 1220, 1392, 1673, 1813-
1814 (JFK)

Dear Judge Keenan:

On March 14, 1991, counsel for Sandoz Pharmaceuticals Corp. wrote you requesting a pre-motion conference prior to Sandoz' moving for a stay of the States' discovery in the above referenced actions. Because Sandoz' current request is nothing more than an attempt to relitigate the Court's prior denial of its application for a discovery stay, the States do not feel that the Court should reentertain this matter.

Prior to the February 19, 1991 status conference, the States submitted their States Joint Pre-trial Conference Memorandum which included a proposed Pre-Trial Order No. 2. If adopted, that Order would have called for accelerated discovery leading up to a relatively quick hearing of a motion for a preliminary injunction. The States sought accelerated discovery because individuals and agencies represented by the States are suffering irreparable harm caused by the defendants' continuing conduct. The States' discovery requests have been focused on additional information relevant to a motion for a preliminary injunction.

On February 19, the Court spent considerable time discussing what discovery the States could engage in. The Court explicitly rejected Sandoz' request for a stay of all discovery and held that the States could proceed with discovery other than depositions, which the Court stayed pending action by the Panel. Sandoz has not offered any additional reasons that make its current request for a discovery stay any more reasonable now.

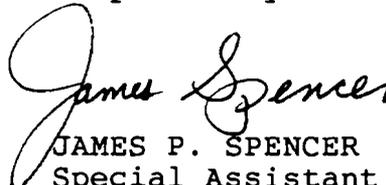
The States have offered to discuss with Sandoz a schedule extension, but Sandoz' counsel has indicated that it is again requesting a stay of all discovery pending action on their

The Honorable John F. Keenan, Jr.
March 22, 1991
Page 2

consolidation motion. Even if the Panel gives its decision within the next couple of weeks, substantial time will necessarily pass before a conference can be held by the transferee court to consider the schedule for consolidated discovery. A substantial delay would simply prolong the States' inability to obtain temporary relief for their citizens and agencies.

The States are more than willing to compromise on a reasonable staging of document production or an extension of time to answer interrogatories if that would help ease Sandoz' burden. The States are currently discussing just such a solution with the other defendant in these cases, Caremark, Inc., and have offered to do the same with Sandoz.

Respectfully submitted,


JAMES P. SPENCER
Special Assistant
Attorney General

Antitrust Division
(612) 296-7575

cc: All counsel of record



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April 1, 1991

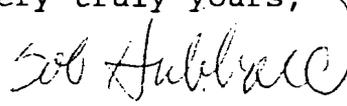
All Counsel

Re: In re Clozapine Antitrust Litigation, 90 Civ. 8055,
8060, 8062-8065, 8067, 8069, 8071, 8073-8077, 8079-
8082, 8084, 8086-8087, 8089, 8092; 91 Civ. 244, 921,
1043, 1165, 1219, 1220, 1392, 1673, 1813, 1814
(S.D.N.Y.) (JFK)

Dear Counsel:

This will confirm that on March 28, 1991, Judge Keenan ordered Sandoz Pharmaceuticals Corp. to respond in full to States Joint First Discovery Requests dated February 25, 1991 by April 19, 1991. Judge Keenan also denied Sandoz's request to make the order conditional on the decision of the MDL Panel.

Very truly yours,


Robert L. Hubbard
Assistant Attorney General

6:rlh\counsel8.let

cc: Howard Sedran, Esq.

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April 8, 1991

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Robert L. Hubbard
Assistant Attorney General
State of New York
Department of Law
120 Broadway
New York, NY 10271

Re: Clozapine Antitrust Litigation

Dear Mr. Hubbard:

I have received your letter of April 1, 1991. In response, let me say that my notes of the March 28, 1991 telephone conference with Judge Keenan reflect that on or before April 19, 1991, Sandoz is to produce to you all documents given to any plaintiffs or to the FTC. In addition, Sandoz is to provide answers to your interrogatories by the same date. The Court made no further order. The Court also stated that if the New York matters are transferred, as requested by Sandoz, then the transferee court can notify the Southern District of New York that the April 19 date no longer applies.

We intend to comply with the Court's Order. As I advised Mr. Spencer on April 4, 1991, the documents that we have been ordered to produce are available for inspection and copying by your representatives at your earliest convenience.

Very truly yours,

GRAY, PLANT, MOOTY,
MOOTY & BENNETT, P.A.



Quentin R. Wittrock

QRW:ctg

069079/46159/4081y

cc: James P. Spencer, Esq.
Michael A. Forti, Esq.
Howard J. Sedran, Esq.



STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

STATE OF MINNESOTA
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HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

April 9, 1991

Quentin R. Wittrock, Esq.
Gray, Plant, Mooty, Mooty & Bennett, P.A.
3400 City Center
Thirty Three South Sixth Street
Minneapolis, Minnesota 55402-3796

Re: In re Clozapine Antitrust Litigation, 90-Civ-8055, 8060,
8062-8065, 8067, 8069, 8071, 8073-8077, 8079-8082, 8084,
8086-8087, 8089, 8092, and 91-Civ-244, 921, 1043, 1165,
1219, 1220, 1392, 1673, 1813-1814

Dear Mr. Wittrock:

This letter is to confirm our telephone conversations of last Thursday and today regarding discovery in the above referenced actions.

I asked you when your client will respond to The States' Joint First Discovery Request. You told me that Sandoz will answer our Interrogatories by April 19 as directed by Judge Keenan. You also said Sandoz will produce only those documents that Sandoz has previously produced to other parties, including the Federal Trade Commission. You were uncertain whether you would answer our Requests for Admission. You claim Sandoz does not have to do so because Judge Keenan did not specifically order them to. I told you that our understanding of Judge Keenan's order, as confirmed in Bob Hubbard's letter to counsel dated April 1, 1991, was that Sandoz must respond fully to all of the States' discovery, including document requests, by April 19.

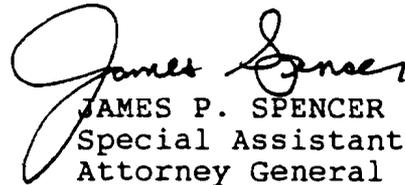
I then asked you when Sandoz would produce the balance of the documents requested. Despite Judge Keenan's denial of two Sandoz requests to stay document discovery pending consolidation, you stated that the balance of the document discovery was effectively stayed until the case is consolidated and therefore Sandoz would not agree to any date for turning over the remaining documents.

Quentin R. Wittrock, Esq.
Gray, Plant, Mooty, Mooty & Bennett, P.A.
April 9, 1991
Page 2

You also advised that Sandoz would never produce any additional pricing documents from the files of E. M. Kolassa, the Director of Pricing for Sandoz, because no such documents exist. Because Kolassa was copied on documents we have already received, I told you that we question your assertion that there are no relevant pricing documents in Kolassa's or Sandoz's possession.

We are allowing until the close of business on Thursday, April 12, 1991 for you to correct any misunderstandings we may have regarding your position. Please be advised that if Sandoz does not comply with our discovery request the States will seek an order compelling production and imposing sanctions. At the same time we will seek to depose Kolassa for the purpose of insuring that Sandoz produces all relevant pricing documents.

Sincerely yours,


JAMES P. SPENCER
Special Assistant
Attorney General

Antitrust Division
(612) 296-7575

JPS:bb1

cc: All counsel of record

GRAY, PLANT, MOOTY, MOOTY & BENNETT, P.A.

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April 10, 1991

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James P. Spencer
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St. Paul, MN 55155

Re: Clozapine Antitrust Litigation

Dear Mr. Spencer:

This letter is in response to yours of April 9, 1991.

We continue to evaluate the States' Joint First Discovery Requests. As stated in my letter of April 8, 1991, we intend to comply with the Court's instructions regarding same. As I have advised you repeatedly, our documents are and have been available for review at your convenience. Any delay in reviewing same is caused by you alone. As to the interrogatories, we are in the process of preparing responses. Finally, we will respond to the requests for admission, which were not mentioned in the conference with the Court, on or before April 19.

With regard to any documents that have been requested by the States beyond the voluminous productions previously made to you, to other plaintiffs, and to the FTC (all of which we have agreed to make available to you), it will take considerable time to sort through your recent requests, review the documents previously produced, and gather any additional documents. I am not able to give you a specific date as to when that could be accomplished. It has been our hope that the multidistrict panel will rule, so as to avoid or at least coordinate the various extensive requests, such as the unduly burdensome one we are facing from you now.

APR 11 1991

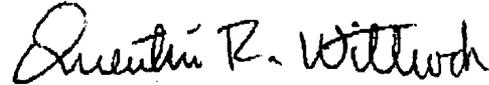
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ST. PAUL, MN 55155

James P. Spencer
April 10, 1991
Page 2

Should you need any further clarification on our position
in advance of April 19, 1991, please do not hesitate to call me.

Very truly yours,

GRAY, PLANT, MOOTY,
MOOTY & BENNETT, P.A.



Quentin R. Wittrock

QRW:ctg
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cc: Michael A. Forti, Esq.