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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
Page 3

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

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

March 22, 1991

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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.

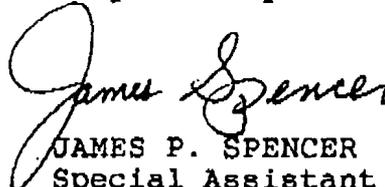
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The Honorable John F. Keenan, Jr.
March 22, 1991
Page 2

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



STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

March 22, 1991

HUBERT H. HUMPHREY, III
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STATE OF MINNESOTA
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TEL: 651-223-3000

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
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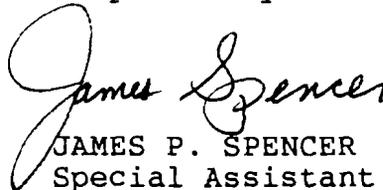
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cc: All counsel of record



STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

March 22, 1991

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

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

Re: In re Clozapine Antitrust Litigation
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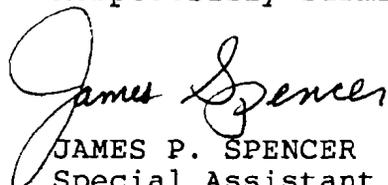
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Respectfully submitted,


JAMES P. SPENCER
Special Assistant
Attorney General

Antitrust Division
(612) 296-7575

cc: All counsel of record

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
-----X

In re: : 90 Civ. 8055, 8060, 8062-8065,
8067, 8071, 8073-8077, 8079-
Clozapine Antitrust : 8082, 8084, 8086-8087, 8089,
Litigation : 8092, 91 Civ. 244, 921, 1165,
: 1219, 1220 (JFK) (All Cases)
:
: STATES JOINT FIRST
DISCOVERY REQUESTS
-----X

Pursuant to Rules 36, 33, and 34 of the Federal Rules of Civil Procedure, plaintiffs: the States of Arizona, California, Colorado, Connecticut, Delaware, Florida, Idaho, Iowa, Kansas, Maine, Maryland, Minnesota, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, West Virginia, and Wisconsin; the Commonwealths of Massachusetts, Pennsylvania, and Virginia; and the District of Columbia (the "States") hereby propound requests for admissions, interrogatories, and requests for production of documents (collectively the "discovery requests") to the defendants: Sandoz Pharmaceuticals Corp. (Sandoz") or Caremark, Inc. ("Caremark"). The States request written answers and productions in response to the discovery requests by March 29, 1991.

DEFINITIONS

Pursuant to Rule 47 of the Civil Rules of the Southern District of New York, the full text of the definitions and rules of construction set forth in Rule 47 shall be deemed incorporated by reference into the discovery requests. The following additional definitions and rules of construction shall also apply:

1. "You," "your" or "yourself" means the defendant to whom

the request is addressed -- either Sandoz or Caremark. The definition includes any present or former officers, directors, employees, partners, corporate parent, subsidiaries, affiliates, other representatives, and all other persons purporting to act on behalf of Sandoz or Caremark.

2. "Agranulocytosis" means a medical condition resulting from acute suppression of the bone marrow's ability to produce white blood cells. Mild or non-acute suppression of white blood cell production is called "leukopenia."

3. "Blood drawing services" means those medical services that consist of taking a blood sample from a patient under controlled conditions for subsequent analysis. Blood drawing services are generally provided by a phlebotomist or nurse.

4. "Case administration services" means those services designed to generate and maintain records that track blood drawing, drug dispensing, and other medical services or treatments. Case administration services are generally provided by medical personnel as part of medical treatment.

5. "Clozapine" is an atypical antipsychotic neuroleptic drug that is a tricyclic dibenzodiazepine derivative used for the treatment of schizophrenia.

6. "Clozaril" means Sandoz's trade name for clozapine.

7. "CPMS" means Sandoz's program for monitoring patients for agranulocytosis before, during, and after administration of Clozaril. CPMS includes the sale of Clozaril. Sandoz has referred to CPMS as an acronym for "Clozaril Patient Management System,"

"Clozaril Patient Monitoring System," or "Clozaril Postmarket Surveillance."

8. "Data base services" mean computer services designed to collect and analyze patient medical history to track the incidence of therapeutic side effects of medical treatment.

9. "Dispensing services" means the services involved in filling a prescription for a drug. Dispensing services are generally provided by licensed pharmacists.

10. "FDA" means the Food and Drug Administration of the United States Department of Health and Human Services.

11. "Governmental entity" means each State, county, city, incorporated city or town, school district, and every other kind of district, instrumentality, agency, or political subdivision of the State organized pursuant to law.

12. "Laboratory services" means those services that consist of analyzing the composition of blood samples.

INSTRUCTIONS

The full text of Rule 46 of the Civil Rules of the Southern District of New York shall be deemed incorporated by reference into the discovery requests. The following additional instructions shall also apply:

1. Unless otherwise specifically indicated in a particular interrogatory, these interrogatories (i) cover the period of time from January 1, 1985 through the date of response hereto and (ii) are not limited to acts, communications, omissions, or statements within the United States of America.

2. If your answer to a particular discovery request is incomplete: (i) answer the discovery request to the fullest extent possible; (ii) specify in detail the reasons for your inability to respond completely; and (iii) state the date by which you will make a full response.

3. Wherever necessary in order to bring within the scope of these discovery requests any information which might otherwise be construed to be outside their scope, the present tense shall be interpreted as including the past tense and the past tense shall be interpreted as including the present tense.

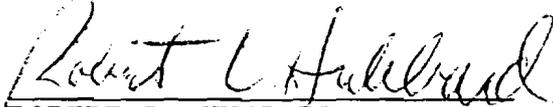
4. Each schedule is addressed only to the defendant listed at the beginning of the schedule. Schedule E, the Requests for Admissions, is addressed to both defendants: Sandoz and Caremark.

5. These discovery requests are continuing in nature; you are directed to supplement your responses hereto by providing in timely fashion such additional information called for herein as is obtained by you in the future.

Dated: New York, New York
February 25, 1991

ROBERT ABRAMS
Attorney General of the
State of New York
Attorney for Plaintiff
New York State and Local
Counsel for the Other States

By:


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RH - 3821
Assistant Attorney General
120 Broadway, Suite 2601
New York, New York 10271
(212) 341-2267

SCHEDULE A
SANDOZ SCHEDULE OF DOCUMENT REQUESTS

1. All documents concerning the discovery and development of Clozaril/clozapine, including documents concerning any patent applications and any U.S. Food and Drug Administration applications for approval.

2. All documents concerning projections for the further development and use of Clozaril/clozapine, including but not limited to its useful life, anticipated number of patients using the drug, anticipated developments in the uses for the drug.

3. All documents concerning the use of Clozaril for schizophrenic patients who are suffering severe side effects from other forms of treatment for schizophrenia.

4. All documents concerning recovery of research and development costs of Clozaril/clozapine.

5. All documents concerning the possible sale and distribution of clozapine by manufacturers of generic drug products upon the expiration of your period of exclusivity.

6. All patent applications or patents held for Clozaril/clozapine or the patient monitoring system, known as CPMS.

7. All documents concerning the formation, development, design, pricing and implementation of CPMS.

8. The Commercial Agreement dated October 2, 1989 between you and Caremark.

9. All documents concerning any modification of the Commercial Agreement dated October 2, 1989 between you and Caremark.

10. The Commercial Agreement dated April 2, 1990 between you and Roche Biomedical Laboratories.

11. All documents concerning any modification of the Commercial Agreement dated April 2, 1990 between you and Roche Biomedical Laboratories.

12. All documents concerning the incidence of clozapine-induced agranulocytosis.

13. All documents concerning any contention that safe distribution and dispensing of Clozaril requires a national database or patient registry.

14. All documents concerning any contention that the CPMS or

any other limitation on the distribution or dispensing of Clozaril is justified in order to protect you from possible tort liability.

15. All documents concerning payments by any governmental entity to you or to Caremark for purchases of Clozaril/clozapine, blood monitoring and CPMS services associated with dispensing of Clozaril/clozapine.

16. All documents concerning systems for distribution, marketing, or dispensing systems of Clozaril (including the pricing of such systems) that were proposed, developed or considered as alternatives to CPMS, prior to the Commercialization Date and the pricing of such alternative systems.

17. All documents concerning systems for distribution, marketing, or dispensing systems of Clozaril (including the pricing of such systems) that were proposed, developed or considered as alternatives to CPMS, subsequent to the Commercialization Date and the pricing of such alternative systems.

18. All documents concerning projected profits from the sale of Clozaril under any alternative to the CPMS.

19. All documents related to any current plans to provide Clozaril outside of the CPMS distribution system.

20. All documents concerning any proposed or adopted changes in the CPMS distribution system for Clozaril.

21. All documents concerning any proposed or adopted changes in pricing of Clozaril or CPMS.

22. All documents concerning any alternative monitoring programs presented by any governmental or private entity.

23. The package insert for Clozaril that have been approved by the FDA.

24. All documents concerning any informal or formal communications with the FDA, either before or during the approval process, concerning distribution systems (including CPMS and alternatives to CPMS) and safety concerns.

25. All documents concerning any formal or informal communications with the FDA concerning the package insert, after the Clozaril New Drug Application ("NDA") was approved.

26. All NDAs made to the FDA for approval of Clozaril/clozapine.

27. All documents concerning any requests to the FDA for approval of a blood monitoring system.

28. All documents which reflect total sales of Clozaril and CPMS on a weekly and annual basis, in the United States and in each state in the United States, since the Commercialization Date.

29. All documents which reflect the number of patients enrolled in CPMS in each state in the United States.

30. All documents concerning actual or projected profits to you from Clozaril as marketed with CPMS.

31. All documents concerning the pricing decisions (including, but not limited to, alternative pricing options) concerning the marketing of Clozaril in conjunction with CPMS.

32. All documents concerning the profits realized by or projected for Caremark through its participation in the CPMS or any alternative to CPMS.

33. All documents which reflect fees paid to Caremark pursuant to the Commercial Agreement dated October 2, 1989 between you and Caremark.

34. All documents concerning profits realized by or projected for Roche Biomedical Laboratories through its participation in CPMS or any alternative to CPMS.

35. All documents which reflect fees paid to Roche Biomedical Laboratories pursuant to its contract with you dated April 2, 1990.

36. All documents concerning profits made by you on services provided by either Caremark or Roche for CPMS.

37. All documents reflecting any breakdown in the price of CPMS which includes, but is not limited to, fees paid to Caremark and Roche, the cost of manufacturing the drug, development costs, promotional costs, overhead and profits on services and the sale of the drug.

38. All promotional and sales material and documents used in presentations to or otherwise provided to state mental health agencies, state medicaid agencies, professional associations, or health care providers (including but not limited to, psychiatric hospitals and psychiatrists) concerning Clozaril and CPMS.

39. All documents which reflect projections, estimates or actual figures on the number of schizophrenic patients in the United States who would be eligible, consistent with the FDA approved labeling, to use Clozaril.

40. All documents concerning any analysis of savings to any governmental or private entity to be realized from treating

patients with Clozaril.

41. All documents concerning the costs of treating schizophrenic patients with Clozaril and by other treatments.

42. A complete and current resume or curriculum vitae for each person you expect to call as an expert witness at any hearing in this matter.

43. Any written report prepared for or submitted to you by each person you expect to call as an expert witness at any hearing in this matter.

44. All documents which were identified in your answers to, or the identification of which was requested in, Plaintiffs' First Set of Interrogatories to you.

45. All documents used or reviewed in connection with the preparation of your responses to Plaintiffs' First Set of Interrogatories to you.

46. All documents upon which you rely to support each defense asserted in your answer to the Plaintiffs' Complaints, segregated according to the defense to which they relate.

47. All documents you intend to offer into evidence at any hearing in this matter.

SCHEDULE B

CAREMARK SCHEDULE OF DOCUMENT REQUESTS

1. All patent applications or patents held for CPMS.
2. All documents concerning the formation, development, design, pricing and implementation of CPMS.
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7. All documents related to any current plans to provide Clozaril outside of the CPMS distribution system.
8. All documents concerning any proposed or adopted changes in the CPMS distribution system for Clozaril.
9. All documents concerning any proposed or adopted changes in pricing of Clozaril or CPMS.
10. All documents concerning any alternative monitoring programs presented by any governmental or private entity.
11. All documents which reflect total sales of Clozaril and CPMS on a weekly and annual basis, in the United States and in each state in the United States, since the Commercialization Date.
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13. All documents concerning actual or projected profits to you from Clozaril as marketed with CPMS.
14. All documents concerning the pricing decisions (including, but not limited to, alternative pricing options) concerning the marketing of Clozaril in conjunction with CPMS.
15. All documents concerning the profits realized by or projected for Caremark through its participation in the CPMS or

any alternative to CPMS.

16. All documents which reflect fees paid to Caremark pursuant to the Commercial Agreement dated October 2, 1989 between you and Caremark.

17. All documents reflecting any breakdown in the price of CPMS which includes, but is not limited to, fees paid to Caremark and Roche, the cost of manufacturing the drug, development costs, promotional costs, overhead and profits on services and the sale of the drug.

18. All documents which reflect projections, estimates or actual figures on the number of schizophrenic patients in the United States who would be eligible, consistent with the FDA approved labeling, to use Clozaril.

19. All documents concerning any analysis of savings to any governmental or private entity to be realized from treating patients with Clozaril.

20. All documents concerning the costs of treating schizophrenic patients with Clozaril and by other treatments.

21. All documents concerning prices or fees charged by other entities for services you provide as part of CPMS.

21. All documents which were identified in your answers to, or the identification of which was requested in, Plaintiffs' First Set of Interrogatories to you.

22. All documents used or reviewed in connection with the preparation of your responses to Plaintiffs' First Set of Interrogatories to you.

23. All promotional and sales material and documents used in presentations to or otherwise provided to state mental health agencies, state medicaid agencies, professional associations, or health care providers (including, but not limited to, psychiatric hospitals and psychiatrists) concerning Clozaril and CPMS.

24. All documents you intend to offer into evidence at any hearing in this matter.

SCHEDULE C
SANDOZ SCHEDULE OF INTERROGATORIES

1. For each of the following interrogatories, document requests and requests for admissions identify: (a) each person who provided any information for or who was otherwise involved in the preparation of the response of that interrogatory, other than persons whose participation was solely of a clerical nature; (b) each document referred to, reviewed, utilized or relied upon by each person identified in your answer to subpart (a) in providing information for or being involved in the preparation of the response to that interrogatory; and (c) each person who is responsible for the completeness and accuracy of the response. If more than one person furnished information for or was otherwise involved in the preparation of the response to that interrogatory, indicate which information was supplied by or which portion of the response involved each person.

2. Identify each person you expect to call as an expert witness at any hearing or trial in this matter, the subject matter on which the expert is expected to testify, and state the substance of the facts and opinions to which the expert is expected to testify and a summary of the grounds for each opinion.

3. State all facts in support of your contention that the Court lacks subject matter jurisdiction over the Complaints of the Plaintiff States and each of the counts thereof and identify each person who has knowledge of such facts and may be called as a witness at the hearing on such contention.

4. State all facts upon which you base your fourth affirmative defense to each of the Complaints of the Plaintiff States, that "the plaintiff lacks standing and/or has not sustained sufficient antitrust injury to maintain the claims set forth in the complaint and each count thereof" and identify each person who has knowledge of such facts and may be called as a witness at any hearing on such contention.

5. State all facts upon which you rely to support your denial of Paragraph 9 of each of the Complaints of the Plaintiff States, which alleges, "The activities of defendants and the co-conspirators that are the subject of this complaint are within the flow of and substantially affect interstate commerce. A not insubstantial volume of trade and commerce is involved and affected by the violations alleged in this complaint" and identify each person who has knowledge of such facts and may be called as a witness at any hearing on such defense.

6. State all facts in support of your contention that the tying arrangement alleged in the Complaints of the Plaintiff States does not involve at least two products, but only one product and identify each person who has knowledge of such facts and may be

called as a witness at hearing on such contention.

7. State all facts in support of your contention that Sandoz has no financial interest in the alleged tied product and identify each person who has knowledge of such facts and may be called as a witness at any hearing on such contention.

8. State all facts in support of your contention that whatever restraints are imposed in the distribution of clozapine are justified by considerations of health and safety and identify each person who has knowledge of such facts and may be called as a witness at any hearing on such contention.

9. State the number of patients enrolled in the CPMS, who have, respectively, contracted either agranulocytosis or leukopenia since the Commercialization Date.

10. State whether you contend that Clozaril/clozapine cannot be safely distributed in the U.S. without the requirement of a national database or patient registry, and if so, state all facts in support of this contention.

11. State whether you contend that the CPMS is justified in order to protect you from possible tort liability, and if so, state all facts in support of this contention.

12. State whether you contend that any system, other than the CPMS, which requires blood monitoring in the distribution or dispensing of Clozaril/clozapine is justified in order to protect you from possible tort liability.

13. Identify all former and current employees who are responsible for or familiar with the discovery, development and future of Clozaril/clozapine (including, but not limited to, any patent and FDA applications, other potential uses for the drug, how long the drug will be marketable and plans for when the period of exclusivity ends).

14. What date was the Commercialization Date, as the term is used in Article 1.5 of the Commercial Agreement between Caremark and Sandoz dated October 2, 1989?

15. Has Clozaril/clozapine been available for purchase without the purchase of CPMS? If so, identify each and every instance in which you have sold or distributed Clozaril/clozapine in the United States separately from the package of services sold in conjunction with the drug and known as CPMS.

16. Identify any person employed or retained by you whose responsibilities included the formation, development, design, pricing, marketing or implementation of the CPMS.

17. State whether the Commercial Agreement between you and

Caremark, Inc. dated October 2, 1989 constitutes the entire agreement between you and Caremark relating to the sale and distribution of Clozaril/clozapine. If not, describe all modifications to said Commercial Agreement and state when such modifications were made, the reasons therefor, and identify the person(s) who made such modifications.

18. State whether the Commercial Agreement between you and Roche Biomedical Laboratories, Inc. dated April 2, 1990 constitutes the entire agreement between you and Roche relating to the services to be performed in conjunction with the sale and distribution of Clozaril/clozapine. If not, describe all modifications to said Commercial Agreement and state when such modifications were made, the reasons therefor, and identify the person(s) who made such modifications.

19. Identify any person employed or retained by you whose responsibilities include the development, design, pricing or analysis of any alternative to the CPMS.

20. Identify all former and current employees who are familiar with any plans, whether under consideration, adopted or rejected to distribute and to price clozapine separately from CPMS.

21. State whether prior to the Commercialization Date, you considered alternatives to the CPMS for the sale, pricing and distribution of Clozaril/clozapine, and if so, describe the alternatives considered and the reasons why they were rejected.

22. State whether subsequent to the Commercialization Date, you have considered alternatives to the CPMS for the sale, pricing and distribution of Clozaril/clozapine, and if so, describe the CPMS alternatives so considered and the status or results of your consideration.

23. For each of the CPMS alternatives listed in response to the preceding interrogatory, provide a brief summary of the substance of your considerations of said CPMS alternative and state the current status of it.

24. State whether you have received from any governmental entity any proposal regarding the purchase and dispensing of Clozaril/clozapine outside of CPMS, and if so, identify the governmental entity, the date you received the proposal, your response to the proposal and the reason for your response.

25. State whether you have received from any private entity, including but not limited to insurance companies, health maintenance organizations, medical and pharmaceutical professional organizations, and health care providers such as psychiatric hospitals, clinics or individual psychiatrists, any proposal

regarding the purchase and dispensing of Clozaril/clozapine outside the CPMS, and if so, identify the entity, the date you received the proposal, your response to the proposal and the reason for your response.

26. Identify any person employed or retained by you who is familiar with the fees paid to Caremark under the Commercial Agreement dated October 2, 1989, or any subsequent modification of said Agreement.

27. Identify any person employed or retained by you who is familiar with the fees paid to Roche Biomedical Laboratories pursuant to the Commercial Agreement dated April 2, 1990 or any subsequent modification of said Agreement.

28. Identify any person employed or retained by you who is familiar with revenues, expenses, costs, gross and net profits generated for Sandoz by CPMS.

29. State the number of patients currently enrolled in the CPMS in (a) the U.S. and (b) in each state.

30. For each state in which no patients are enrolled in CPMS, please state whether CPMS is available in that state.

31. State the number of Caremark Qualified Patients, as defined in the Commercial Agreement between Caremark and Sandoz dated October 2, 1989, who were enrolled in CPMS for each week since the Commercialization Date.

32. State the number of Continuing Patients, as the term is used in Article 4.3.4 of the Commercial Agreement dated October 2, 1989 between Caremark and Sandoz, who were enrolled in CPMS for each week since the Commercialization Date.

33. State whether the number of Continuing Patients in a single draw setting ever exceeded 5% of the total number of Continuing Patients to whom Clozaril/clozapine is dispensed in all treatment settings combined.

34. If the number of Continuing Patients in a single draw setting ever exceeded 5% of the total number of Continuing Patients, please state: (1) the week(s) for which it exceeded 5%; (2) the percentage of single nurse draws for that week; and (3) the percentage of single phlebotomist draws for that week.

35. State, for each dosage of Clozaril, the number of patients who are currently administered said dosage.

36. State the number of persons suffering from schizophrenia who you believe would be eligible to initiate treatment with Clozaril under FDA guidelines. Please include in your response

what percentages would be expected to be maintained at what dosage levels.

37. For each state in which Caremark provides services under the Commercial Agreement dated October 2, 1989, state whether the blood draw and drug delivery are performed by a nurse or a phlebotomist. If the services in any state are performed by both nurses and phlebotomists, please state what percentage of blood draws and drug deliveries are performed by each.

38. If, in any state in which Caremark provides services under the Commercial Agreement dated October 2, 1989, blood draws and drug deliveries are performed by both nurses and phlebotomists, please describe under what circumstances nurses would perform such services and under what circumstance phlebotomists would perform such services.

39. State the total dollar amount of sales of Clozaril (a) in the U.S. and (b) in each state since the Commercialization Date.

40. State total profits earned by Sandoz under the Commercial Agreement dated October 2, 1989 since the Commercialization Date.

41. State the total weekly gross revenues received from Caremark under the Commercial Agreement dated October 2, 1989 for each week since the Commercialization Date.

42. State the total amount of fees paid to (or billed by) Caremark under the Commercial Agreement dated October 2, 1989 or any subsequent modification of said agreement, for each week since the Commercialization Date.

43. For each week described in the preceding interrogatory, please state: (1) what percentage of the total fees for the week were based on the Fee Schedule in Article 4.3.3(a) of the Commercial Agreement dated October 2, 1989; (2) what percentage of the total fees for the week were based on each of the seven treatment settings enumerated in Article 4.3.3(a) of the Commercial Agreement dated October 2, 1989; (3) what percentage of the total fees for the week were based on the Fee Schedule in Article 4.3.3(b) of the Commercial Agreement dated October 2, 1989; and (4) what percentage of the total fees for the week were based on each of the seven treatment settings enumerated in Article 4.3.3(b) of the Commercial Agreement dated October 2, 1989.

44. State the total dollar amount paid by you to Roche Biomedical Laboratories, Inc. pursuant to the Commercial Agreement dated April 2, 1990 or any subsequent modification of said Agreement for CPMS services.

45. For each month that Roche Biomedical Laboratories, Inc. performed services pursuant to its contract with you dated April

2, 1990, state the number of tests per week that were performed under that contract.

46. Identify all state mental health agencies who are payees for patients enrolled in CPMS and, for each state agency identified, please provide the number of patients so enrolled for each week since the Commercialization Date.

47. Identify all local or county mental health agencies who are payees for patients enrolled in CPMS and, for each agency identified, please provide the number of patients so enrolled for each week since the Commercialization Date.

48. Identify all state Medicaid agencies who are financially responsible for patients enrolled in CPMS and, for each agency so identified, please provide the number of Medicaid beneficiaries so enrolled for each week since the Commercialization Date.

49. Describe whether you financially account for the research and development costs associated with Clozaril/clozapine, and if so, describe how such accounting is done.

50. Describe all communications, prior to approval of the NDA for Clozaril, with the FDA concerning distribution systems for or safety concerns about Clozaril/clozapine.

51. Describe all communications, subsequent to the Commercialization Date, with any official of the U.S. Food and Drug Administration relating to the sale and distribution of Clozaril.

52. Describe all communications, subsequent to approval of the NDA for Clozaril, with the FDA concerning the language on the package insert or labeling for Clozaril.

53. State to what extent you contend that the FDA requires blood monitoring in the marketing of Clozaril (including if appropriate the type of monitoring required) and set forth all facts upon which you rely to support that contention.

54. For each country outside the U.S. in which you sell Clozaril/clozapine, state:

- (a) the name of the country;
- (b) the prices (in U.S. dollars) at which the drug is sold;
- (c) the incidence of clozapine-induced agranulocytosis;
- (d) the number of individuals treated with the drug;
- (e) the year in which the drug was first sold;
- (f) the number of deaths resulting from clozapine-induced agranulocytosis; and
- (g) any restrictions on the sale, distribution or dispensing of the drug relating to safety concerns about

the incidence of clozapine-induced agranulocytosis.

55. Identify all current and former employees who are familiar with the sale, distribution or marketing of Clozaril/clozapine in countries outside of the United States.

56. State whether you have for any product sold or distributed in the United States, other than Clozaril, required that blood monitoring and case management services be provided in conjunction with the sale or distribution of the drug, and if so, identify each such drug.

57. State whether you sell, manufacture or distribute drugs that require monitoring under the supervision of a physician for side effects or negative reactions, and if so, identify each drug and the possible side effect or negative reaction.

SCHEDULE D
CAREMARK SCHEDULE OF INTERROGATORIES

1. Identify each person you expect to call as an expert witness at any hearing in this matter, the subject matter on which the expert is expected to testify, and state the substance of the facts and opinions to which the expert is expected to testify and a summary of the grounds for each opinion.

2. For each of the following interrogatories, document requests and requests for admission identify: (a) each person who provided any information for or who was otherwise involved in the preparation of the response to that interrogatory, other than those persons whose participation was solely of a clerical nature; (b) each document referred to, reviewed, utilized or relied upon by each person identified in your answer to subpart (a) in providing information for or being involved in the preparation of the response to that interrogatory; and (c) each person who is responsible for the completeness and accuracy of the response. If more than one person furnished information for or was otherwise involved in the preparation of the response to that interrogatory, indicate which information was supplied by or which portion of the response involved each person.

3. State the number of patients enrolled in the CPMS, who have, respectively, contracted either agranulocytosis or leukopenia since the Commercialization Date.

4. What date was the Commercialization Date, as the term is used in Article 1.5 of the Commercial Agreement between Caremark and Sandoz dated October 2, 1989?

5. Has Clozaril/clozapine been available for purchase without the purchase of CPMS? If so, identify each and every instance in which you have sold or distributed Clozaril/clozapine in the United States separately from the package of services sold in conjunction with the drug and known as CPMS.

6. Identify any person employed or retained by you whose responsibilities included the formation, development, design, pricing, marketing or implementation of the CPMS.

7. State whether the Commercial Agreement between you and Sandoz dated October 2, 1989 constitutes the entire agreement between you and Sandoz relating to the sale and distribution of Clozaril/clozapine. If not, describe all modifications to said Commercial Agreement and state when such modifications were made, the reasons therefor, and identify the person(s) who made such modifications.

8. Identify any person employed or retained by you who is familiar with the fees paid to Caremark under the Commercial

Agreement dated October 2, 1989, or any subsequent modification of said Agreement.

9. Identify any person employed or retained by you who is familiar with revenues, expenses, costs, gross and net profits generated for Caremark by CPMS.

10. State the number of patients currently enrolled in the CPMS in (a) the U.S. and (b) in each state.

11. For each state in which no patients are enrolled in CPMS, please state whether CPMS is available in that state.

12. State the number of Caremark Qualified Patients, as defined in the Commercial Agreement between Caremark and Sandoz dated October 2, 1989, who were enrolled in CPMS for each week since the Commercialization Date.

13. State the number of Continuing Patients, as the term is used in Article 4.3.4 of the Commercial Agreement dated October 2, 1989 between Caremark and Sandoz, who were enrolled in CPMS for each week since the Commercialization Date.

14. State whether the number of Continuing Patients in a single draw setting ever exceeded 5% of the total number of Continuing Patients to whom Clozaril/clozapine is dispensed in all treatment settings combined.

15. If the number of Continuing Patients in a single draw setting ever exceeded 5% of the total number of Continuing Patients, please state: (1) the week(s) for which it exceeded 5%; (2) the percentage of single nurse draws for that week; and (3) the percentage of single phlebotomist draws for that week.

16. State, for each dosage of Clozaril, the number of patients who are currently administered said dosage.

17. State the number of persons suffering from schizophrenia who you believe would be eligible to initiate treatment with Clozaril under FDA guidelines. Please include in your response what percentages would be expected to be maintained at what dosage levels.

18. For each state in which Caremark provides services under the Commercial Agreement dated October 2, 1989, state whether the blood draw and drug delivery are performed by a nurse or a phlebotomist. If the services in any state are performed by both nurses and phlebotomists, please state what percentage of blood draws and drug deliveries are performed by each.

19. If, in any state in which Caremark provides services under the Commercial Agreement dated October 2, 1989, blood draws

and drug deliveries are performed by both nurses and phlebotomists, please describe under what circumstances nurses would perform such services and under what circumstance phlebotomists would perform such services.

20. State the total dollar amount of sales of Clozaril (a) in the U.S. and (b) in each state since the Commercialization Date.

21. State the total weekly gross revenues received by Sandoz from Caremark under the Commercial Agreement dated October 2, 1989 for each week since the Commercialization Date.

22. State the total amount of fees paid to (or billed by) Caremark under the Commercial Agreement dated October 2, 1989 or any subsequent modification of said agreement, for each week since the Commercialization Date.

23. For each week described in the preceding interrogatory, please state: (1) what percentage of the total fees for the week were based on the Fee Schedule in Article 4.3.3(a) of the Commercial Agreement dated October 2, 1989; (2) what percentage of the total fees for the week were based on each of the seven treatment settings enumerated in Article 4.3.3(a) of the Commercial Agreement dated October 2, 1989; (3) what percentage of the total fees for the week were based on the Fee Schedule in Article 4.3.3(b) of the Commercial Agreement dated October 2, 1989; and (4) what percentage of the total fees for the week were based on each of the seven treatment settings enumerated in Article 4.3.3(b) of the Commercial Agreement dated October 2, 1989.

24. Identify all state mental health agencies who are payees for patients enrolled in CPMS and, for each state agency identified, please provide the number of patients so enrolled for each week since the Commercialization Date.

25. Identify all local or county mental health agencies who are payees for patients enrolled in CPMS and, for each agency identified, please provide the number of patients so enrolled for each week since the Commercialization Date.

26. Identify all state Medicaid agencies who are financially responsible for patients enrolled in CPMS and, for each agency so identified, please provide the number of Medicaid beneficiaries so enrolled for each week since the Commercialization Date.

SCHEDULE E
SANDOZ AND CAREMARK REQUESTS FOR ADMISSIONS

1. Approximately 1 percent of the population of the United States or 2.4 million people, suffer from schizophrenia.

2. Approximately 1.7 million schizophrenia patients are hospitalized annually for treatment.

3. Approximately 25 percent of all beds used for any medical treatment in the United States are used by schizophrenia patients.

4. Medical costs in the United States for the treatment of schizophrenia are approximately \$40 billion annually.

5. At least 80 percent of the institutionalized patients identified by Sandoz as suitable candidates for Clozaril treatment are treated at public expense.

6. The overwhelming majority of in-patients treated for schizophrenia are treated in state funded and operated institutions.

7. Agranulocytosis and leukopenia have been identified as side effects of other drugs, including standard neuroleptics, penicillin, ibuprofen, and many other commonly used drugs.

8. Pharmacists monitor for side effects and adverse interactions among drugs.

9. Even though schizophrenia patients receive a variety of treatments, including treatments with several drugs, CPMS focuses solely on one drug side effect (agranulocytosis) of one drug (Clozaril).

10. Because the services provided under CPMS do not include the monitoring of other potentially fatal side effects or conditions, schizophrenia patients receiving Clozaril must still be monitored by their primary care physicians.

11. Clozapine treatment is vastly superior to treatment with standard neuroleptics for many schizophrenia patients.

12. Clozapine relieves symptoms of schizophrenia that are not relieved by any other treatment.

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