Background: letter from M. Reinstein, et al to D. Brennan, dated Oct. 23, 2001

This group does generate a very significant amount of SEROQUEL sales for us. They run several clinics in the city of Chicago and by all accounts have over 1,000 patients on SEROQUEL. While likely not "the largest prescribers of SEROQUEL in the world", they probably are in the top 5 in the US.

Because of their patient volume they are attempting to establish themselves as a research center.

This group, in particular John Sonneberg PhD, Director of Research has been extremely persistent in recent months with demanding research from AZ. Their comments to several AZ employees suggest since they use large volumes of SEROQUEL they should by default be doing research on our behalf. They have further implied that should they not get research funding that they would switch patients currently on SEROQUEL to competitive agent(s).

Our Clinical colleagues have significant and numerous issues in past with the quality of research that this group has produced in the past. Matters such as not getting informed consent from study participants, modification of protocols without permission, etc has made the business understandably reluctant to place studies with this group. There is little confidence that Good Clinical Practices can be adhered to. Their research is often criticized by peers in Psychiatry.

However, in attempts to have a "win-win" for all, we have offered funding for projects such as retrospective chart reviews (as opposed to well-controlled, double blinded trials) that could do little harm but still demonstrate commitment to the customer. The group has not accepted this and they continue to insist on funding to do a high dose SEROQUEL trial (>1600 mg/day) that is addressed in Point 2 of their letter.

Drs. Reinstein and Chasnov are prolific speakers on our behalf and are particularly influential with prescribers outside the Chicago regional area. They get numerous speaking engagements because of their own experience and belief in the brand. (Note: they are generally held in poor regard among their peers in the greater Chicago area).

Because of their importance to our business, they have had an extraordinary amount of attention given to them. A number of AZ personnel from numerous functions have had open, honest but collegial, cordial dialog with Drs. Reinstein and Sonneberg. Contact has been with Sales, Marketing, USDD, and Scientific Commercialization at several levels, including Leadership levels within our organization. All involved have had extremely good communication internally and with the customers to address their interests. Every discussion appeared to be well received at that time. However, actions like this letter and other persistent calls demanding research continue to occur despite our attention to their group, thus disappointment with the "time for new leadership" remark.

