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September 7, 2007

VIA HAND DELIVERY/ECF FILED

Honorable Jack B. Weinstein
Senior United States District Judge
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

*Approved
J. Weinstein
9/7/07*

Re: *In Re Zyprexa Products Liability Litigation*
No. 04-MDL-1596 (JBW)
Injunction for Violation of CMO-3
Nos. 07-CV-0504 (JBW)

Dear Judge Weinstein:

We write to advise Your Honor of a settlement reached between David S. Egilman, M.D., M.P.H., and Eli Lilly and Company ("Lilly"). As the enclosed stipulation reflects, Dr. Egilman has acknowledged and accepted responsibility for his violation of the protective order in the Zyprexa litigation, and has agreed to the payment of a monetary penalty of \$100,000, which Lilly will donate to a charity it has selected. Dr. Egilman has also agreed to dismiss his appeal of Your Honor's February 13, 2007, Memorandum, Final Judgment, Order & Injunction and March 6, 2007, Judgment & Order, with prejudice, and abide by their terms. In exchange, Lilly has agreed to waive its rights to pursue further civil and/or criminal sanctions against Dr. Egilman. The parties agreed to submit this stipulation to the Court, and now respectfully request that Your Honor approve the proposed Order.

Mr. Gottstein's appeal is still pending before the Second Circuit.

Respectfully,

Nina M. Gussack

Nina M. Gussack

NMG/lis
Attachment

cc: Alexander A. Reinert, Esquire