

15244 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

2. Schedule II versus Schedule III.....basically Schedule II drugs are subject to tighter controls such as:

- (a.) no sampling
- (b.) prescriptions can not be refilled
- (c.) federal order form necessary for purchase
- (d.) greater security in manufacturing and storage (manufacturer, wholesaler, retailer)

The effect that such a change will have on the marketplace depends on two basic elements; (1) doctors' reactions and eventually prescribing actions, (2) the regulations regarding storage security for Schedule II drugs which have not yet been finalized. You can have a great effect on the doctors' actions and we will keep you and our wholesalers advised on the security regulations.

Biphetamine® and Biphetamine-T® are excellent therapeutic agents regardless of their classification under the Comprehensive Drug Abuse Prevention and Control Act of 1970. It is our opinion that many of the physicians who have depended upon these excellent products for many years will continue to do so if properly and effectively sold.

However, we do recognize the fact that many physicians have and possibly more will utilize more of the non-amphetamine anorectic agents. We also know that Ionamin® is an excellent non-amphetamine anorectic and when promoted effectively, sales increase dramatically.

WE ARE NOW GOING TO CAPTURE THE NON-AMPHETAMINE MARKET WITH IONAMIN®.

This program will begin July 1, 1971. Mr. Reason will be informing you of the particulars of the Ionamin® Program to make Ionamin® Number One.