

From: Roche, Robert [/O=CEPHALON/OU=US01 ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=RROCHE]
Sent: 10/11/2007 2:13:06 PM
To: Mulholland, Michael [mmulholl@cephalon.com]; Brookes, Lynne [lbrookes@cephalon.com]; Barrett, Liz [ebarrett@cephalon.com]; Jooste, LeRoux [ljooste@cephalon.com]; Caminiti, Joseph [jcaminit@cephalon.com]; Reilly, Jim [jreilly@cephalon.com]
CC: Coletta, Mary Lou [mcoletta@cephalon.com]
Subject: Message
Attachments: ExCom compliance.doc

I sent the attached to members of the Executive Committee yesterday and am having 1:1 discussions with each of them on ways that the commercial organization can improve on its performance and interactions with other departments. While I will provide you with feedback from these conversations, I believe that this is an important moment for all of us to reach out to our counterparts across the organization and seek input on two issues:

- 1) How can we optimize the working relations within Pharm. Ops and between Pharm. Ops and other departments with which we work on a daily basis, and
- 2) How can we enlist the aid of people from these other disciplines and departments to ensure that we NEVER AGAIN are faced with the issues of compliance and oversight that confront us today.

I will organize a meeting early next week can we can get together and discuss this.

Bob Roche
Cephalon, Inc.
610-738-6519

EXHIBIT07487

exhibitstick.com

PLAINTIFF TRIAL
EXHIBIT
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To: Cephalon Executive Committee Members

From: Bob Roche

CC: Mike Mulholland, Lynne Brookes, Jim Reilly, Joe Caminiti,
Liz Barrett, LeRoux Jooste

Date: October 10, 2007

To my colleagues on the Executive Committee

It is clear to me that the US commercial team, particularly elements of the sales force has let the company down. While I believe that the examples of off-label selling that were brought to our attention at the US Attorney's meeting in May were carried out by a small proportion of the reps in the field, it doesn't really matter. It was obviously too much and the repercussions to Cephalon will be severe. As you can well imagine, that is a cause for great personal disappointment for me and the members of my US management team. As the head of this group, I take full responsibility for the problem and for getting it fixed.

The purpose of this note is two fold. First, I want to apologize for the lapses in leadership or vigilance that allowed this situation to develop. I believe that we became complacent and were content to watch the business roll in. We talked the talk on compliance but obviously did not look closely enough at what was going on to know that there was a problem. We could have been doing more which, given the circumstances of selling multiple products with significant off-label use, we should have been doing. We are doing those things now but too late. We caused a problem which is going to cost the company dearly both financially and in terms of our reputation and good name. I only hope that the negative impact on you and your employees is low and tolerable.

The second purpose of this note is to enumerate the steps we are taking to solve the problem and to invite feedback from you on other things we might do or ways that we can do these things better or more effectively. I will organize a meeting later this week or early next when we can discuss this.

Steps taken include:

- Change in sales force leadership and structure
 - Jim Reilly is our new VP of US Sales and has reporting to him 6 regional CNS Directors and 1 Sr. Director Pain Care Sales. This structure differs from the earlier model which had 2 Sr. Regional Directors with responsibility for both CNS and Pain. These individuals reported to the previous VP Sales along with the Sr.

Directors of Training and Sales Operations. These functions have been stripped out of VP Sales' responsibility to ensure enhanced focus on pure field activity and to enhance vigilance and oversight.

- Creation of new group: Sales & Marketing Effectiveness
 - Joe Caminiti has taken on this role (along with maintaining responsibility for Healthcare Systems) which includes Sales Operations, an enhanced and strengthened Sales & Marketing Training function, and Sales Effectiveness group led by Chuck DeWildt. The purpose of this last function is to work alongside the office based trainers and provide in-field support to first line management with the objective of building management consistency and reinforcing company policy

- Call list restrictions imposed
 - Reps are now prohibited from calling on certain specialties of physician such as pediatricians and MS centers. In addition, prescriptions from physicians on the no-call list are not counted in their incentive compensation calculation
 - We are continuing to evaluate whether it makes sense to call on psychiatrists. Their patient bases are highly co-morbid and ES associated with treated OSA is a concern for them. The majority of their current usage of PROVIGIL, however, is in the management of ES in affective disorders and this is what they want to talk about. We will have a recommendation on our continuing interactions with this group in the next several weeks

- Incentive compensation element reduced
 - Historically, incentive comp was expected to be 40% of total comp, at 100% sales target attainment but could be much more. With the help of an external expert who performed an extensive benchmarking project, we followed a recommendation to change the split to 70/30% (base/incentive). We are continuing to evaluate this and may further reduce the incentive element.

- Cephalon Speakers Program (CSP) audit implemented
 - Peer: peer speaking programs are a valuable element of knowledge sharing around our products and there are strict guidelines governing their content and conduct. Despite these rules, physicians sometimes speak inappropriately about our products and until recently, we depended solely on the rep or other Cephalon personnel present to monitor the programs and police the rules. We recently contracted with an independent 3rd party organization to do the monitoring. Their presence will not be known to the presenting physician.

- Clear steps have been defined to ensure rapid feedback to the erring physician including removal from our speakers bureau and exclusion from future programs
- Cephalon Sales Rep audit implemented
 - Another independent 3rd party has been selected to solicit direct post-call feedback from physicians detailed by our reps. The questions asked address: what was discussed in the call, were safety issues dealt with, were specific indications mentioned, who initiated the discussions, how did the rep manage the discussion, and a variety of other topics designed to determine if the rep was in compliance with our “model sales call” (MSC).
 - All these “verbatim” are evaluated by Jim Reilly, Joe Caminiti and Jordan Cooper and categorized one of 3 ways: 1) consistent with MSC; 2) Requires further evaluation and; 3) Notification.
 - In the 2nd case, additional feedback is solicited from the physician and it is determined whether the call is acceptable or not. If not (Notification), the rep, his manager and the director are informed and simultaneously, a further investigation is made in the rep’s territory.
 - A single infraction may prove as grounds for termination of the rep but given that we are working through an intermediary and can never interact directly with the reporting physician, the issues may not be entirely cut and dried. In that case, the rep would be warned on his 1st offense, docked significant income on his 2nd offense, and fired on his 3rd offense.
 - We have received approximately 100 of these verbatims thus far and almost 90% meet the MSC. We are evaluating 5% more thoroughly and the rest will result in the first round of Notifications next week.

I am sure that these issues will get lots of air time at the upcoming ExCom and Board meetings and I welcome those exchanges. I invite your feedback on issues relating to the sale and marketing of our products and recognize my obligation to provide you with all the information you might like to see relating to our team’s activities. To that end, I will be providing you with a complete accounting of our external promotional expenses for 2008 that detail the amounts approved in the budget. Please let me know if you’d like to see more.

I understand that the US commercial organization has made serious errors in management and oversight which have allowed a situation to occur that has put the very company at risk. We have taken steps that I believe will ensure that we’re not back in this same place ever again.

I look forward to discussing these matters with you further.