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OCT 30 2008



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Office of Legal Management
For Legal Review

CONTRACT APPROVAL FORM

RECEIVED

OCT 31 2008

**VICE PRESIDENT FOR
FINANCE TREASURER**

Date: 10/27/2008

Vendor Name: Cardinal Health/ King Pharmaceuticals

Requisition: P0409042

RECEIVED

Contract#: C09-225

NOV 04 2008

Bid/Waiver#:

UMDNJ
Office of Legal Management

Buyer: Edwing Canaca (ESC) – ph 5-9040, email:canacaes@umdnj.edu

Comments: Discount Program

Cost: \$353,425.06

Start Date: 01/01/2009

End Date: 12/31/2009

@V for Pmts to sign

wp 10/31/08

Office of Legal Management

COPY

DATE 11/5/08

- TO:
- Dan Young
 - Thomas Kenyon
 - Doug Dennis
 - Stan Makaveric
 - _____

FROM: Kathy Wannemacher
Contract Assistant

RE: Cardinal Health / King Pharmaceuticals
COA - 235

- _____ for your information
- _____ for your file
- _____ as requested
- _____ please hold pending more
- _____ remind me
- _____ for your approval
- _____ return with comments
- _____ note and return
- _____ for appropriate action
- _____ please sign and return to me

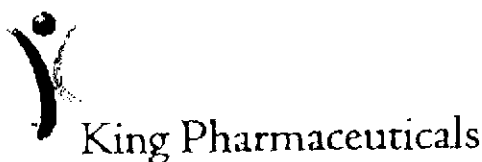
NOTE:

- THIS OFFICE HAS KEPT ONE FULLY EXECUTED ORIGINAL.
- PLEASE RETURN ONE FULLY EXECUTED ORIGINAL TO THIS OFFICE.
- SIGNED AS REQUESTED.
- PLEASE HAVE THE VENDOR INITIAL IN _____ LOCATIONS.
- SEE NOTE ON NEXT PAGE.

buckslip-purchasing
c/kw/12/18/07

K

*72
JIR
12/10/08*



King Pharmaceuticals, Inc.
 501 Fifth Street
 Bristol, TN 37620
 800.776.3637
 Fax 423.989.6137
 www.kingpharm.com
 NYSE:KO

October 13, 2008

Attn: Director of Pharmacy
 University of Medical & Dental
 160 Bergen Street, Suite UH-B134
 Newark, NJ 07103

Post-It® Fax Note	7871	Date	10/21/08	# of pages	4
To	EDWING CANADA	From	JOU		
Co/Dept.	PURCHASING	Co.	PHARMACY		
Phone #	5-9040	Phone #	2-6890		
Fax #	5-9766	Fax #	2-7550		

To: All Participants in Thrombin-JMI® Discount Program

Re: Increased Discounts and Choice of Alternative Discount Structures

Effective as of November 1, 2008, King Pharmaceuticals will increase your discount on the Thrombin-JMI® Family of Hemostatic Products to 16%. This increased discount will automatically be reflected on your invoices beginning November 1.

In addition, beginning January 1, 2009, King will implement further enhancements in the Thrombin-JMI® discount program. These enhancements enable you to choose the method under which you will continue to receive discounts on the Thrombin-JMI® Family of Products.

You may select either of the following two alternative discount programs. Please advise us of your choice by completing one or the other of the attached forms and by faxing the executed form (or by emailing a scanned copy) as directed. If we do not hear from you by November 10, 2008, you will default into the "Purchase Performance" alternative.

The two new alternative discount programs are as follows:

Alternative 1 – Formulary Exclusivity

If Thrombin JMI® is designated the exclusive brand of thrombin hemostat on formulary and throughout your hospital for its labeled indications from among the following competitive products: Thrombin-JMI®, Gelfoam® Plus, Evithrom™ and Recothrom™, your hospital will continue to receive 16% discount off-invoice on all purchases of the Thrombin-JMI® Family of Hemostatic Products. This includes the base discount of 1% your hospital receives under its GPO agreement.

Alternative 2 – Purchase Performance

Under the Purchase Performance alternative, your purchases of the Thrombin-JMI® Family of Hemostatic Products will be measured in the aggregate every six months beginning January 1, 2009. Aggregate purchases during each six month measurement period will be compared with aggregate purchases during the immediate preceding six-month period. Purchases are measured in terms of "Equivalent Units" according to the following schedule:

Product	Equivalent Units
Thrombin-JMI® 5,000 unit vial	1
Thrombin-JMI® 20,000 unit vial	4
Thrombin-JMI® Epletax® Kit	1
Thrombin-JMI® Pump Spray Kit 20,000 unit vial	4
Thrombin-JMI® Syringe Spray Kit 20,000 unit vial	4
Thrombi-Gel® 100* (per sponge)	1
Thrombi-Gel® 40* (per sponge)	0.5
Thrombi-Gel® 10* (per sponge)	0.5
Thrombi-Pad™ (per pad)	0.25

The discount for each succeeding six-month period will be dependent upon aggregate purchases compared to the prior six month period according to the following schedule:

If aggregate purchases during the measurement period (compared with the prior period) are:	Total discount during the next period will be:
90% or greater	16%
80% - 89.9%	13%
70-79.9%	10%
Less than 70%	6.5%

Because measurement of aggregate purchases and implementation of discounts takes considerable time after the end of any measurement period, there is a one quarter delay following the end of each period before a change in discount may be implemented. For purposes of illustration, if purchases during the first six months of 2009 entitle your hospital to only a 6% discount, this new discount would not become effective until October 1, 2009. Your aggregate purchases, however, would continue to be measured during the second half of 2009 and compared with your purchases during the first half of 2009. Any change in discount based upon purchases during the second half of 2009 would become effective April 1, 2010.

Please note that the following provisions apply to this offer irrespective of which discount structure is selected.

You or King Pharmaceuticals may terminate this discount at any time upon written notice.

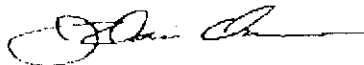
Products purchased under this agreement are purchased for the "own use" of your hospital as the term "own use" is defined in Abbott Laboratories et al vs. Portland Retail Druggist Association Inc. (425 U.S. 1, (1976)).

Products containing Thrombin-JMI® are not returnable.

Your hospital must fully and accurately account for, and report the total value of the discounts received in a way that complies with all applicable federal, state and local laws and regulations, including, but not limited to the Medicare and Medicaid anti-kickback laws and the implementing regulations which establish a "safe harbor" for discounts.

Please complete one or the other of the attached forms and fax it to us (or email a scanned copy) as directed before November 10, 2009.

If you have any questions concerning this offer please call your King Pharmaceuticals Hospital Sales Specialist, T. Ed Stonefield, or contact King at GPOContracts@kingpharm.com.



J. David Owens
 Senior Vice President, Sales & Marketing
 Hospital & Surgical Products Division
 King Pharmaceuticals, Inc
 400 Crossings Blvd.
 Bridgewater, NJ 08807

Letter of Participation

Formulary Exclusivity

Thrombin JMI® Family of Hemostatic Products

Monarch Pharmaceuticals, Inc (subsidiary of King Pharmaceuticals, Inc.)

Hospital: THE UNIVERSITY HOSPITAL – UMDNJ

Address: 150 BERGEN ST. B-134

City, State and Zip Code: NEWARK, NEW JERSEY 07103

DEA, HIN #* BU0604480

Preferred GPO PREMIER/GNYHA

Primary Wholesaler: CARDINAL - SWEDESBORO

Secondary Wholesaler: NONE

King Pharmaceuticals Hospital Sales Specialist as noted in letter.

Formulary Exclusivity.

On behalf of the hospital named above I choose the Formulary Exclusivity option. My signature confirms that Thrombin JMI® is the exclusive brand of thrombin hemostat on formulary and throughout the hospital named above for its labeled indications from among the following competitive products: Thrombin-JMI®, Gelfoam® Plus, Evithrom™ and Recothrom™.

Signature: 

Printed Name: Francis X. Colford

Title: Vice President for Finance and Treasurer


Email: _____

Telephone: _____

Date: 11-3-08

After completing and signing this form, please fax your signed copy to **423-990-0695** or send a scanned copy by email to GPOContracts@kingpharm.com. Please keep our letter and this form for your records.

If you have any questions please contact your King Hospital Sales Specialist or write to us at GPOContracts@kingpharm.com.


As To Legal Form

Market Share Report
 Item Group: THROMBIN
 Account Group: UMDNJ
 Summarize By: Vendor Name
 Cost Basis: Actual Sales
 Date Range: 10/01/2007-10/27/2008

Vendor Name	Generic Name	Trade Name	Strength	Form	Size	Vendor Abbr	Actual Sal	Units	Dollars
Account: All									
Vendor Name: MONARCH PHARMACEUTICALS									
	THROMBIN	THROMBIN-JMI SPRAY	20MU	KIT	1 EA	MON	\$274.16	25	\$6,854.00
	THROMBIN	THROMBIN-JMI SPRAY	20MU	KIT	1 EA	MON	\$270.36	190	\$51,368.40
	THROMBIN	THROMBIN-JMI SYRINGE SPRAY	20MU	KIT	1 EA	MON	\$274.16	325	\$89,102.00
	THROMBIN	THROMBIN-JMI SYRINGE SPRAY	20MU	KIT	1 EA	MON	\$272.43	614	\$167,272.02
	THROMBIN	THROMBIN-JMI	20MU	PWVL	1 EA	MON	\$261.10	24	\$6,266.40
	THROMBIN	THROMBIN-JMI	5MU	KIT	1 EA	MON	\$67.54	8	\$540.32
	THROMBIN	THROMBIN-JMI	5MU	PWVL	1 EA	MON	\$66.21	152	\$10,063.92
	THROMBIN	THROMBIN-JMI	5MU	PWVL	1 EA	MON	\$65.62	330	\$21,654.60
	THROMBIN	THROMBIN-JMI SYRINGE SPRAY	20MU	KIT	1 EA	MON	\$30.34	10	\$303.40
						Vendor Name	Totals:	1678	\$353,425.06
						Report	Totals:	1678	\$353,425.06