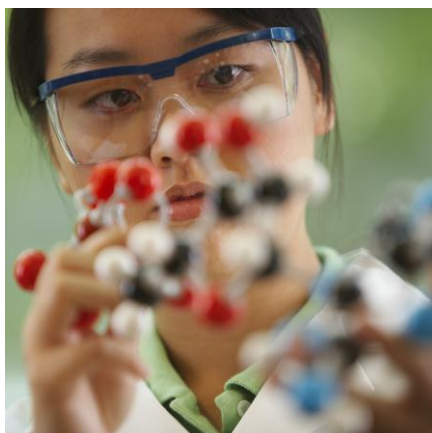


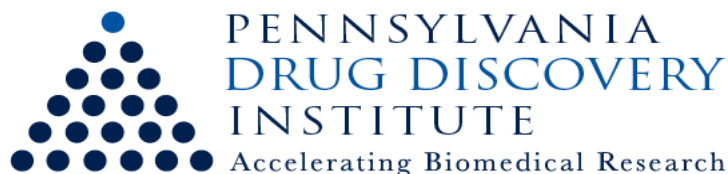
Annual Report

2011

This report reviews the 2011 activities and accomplishments of the Pennsylvania Drug Discovery Institute (www.padrugdiscovery.org), a 501(c)3 non-profit corporation based in Doylestown, Pennsylvania



Tomorrow's
Innovations,
Today



Letter from the President



The Pennsylvania Drug Discovery Institute is a nonprofit organization that provides services, performs community outreach, and conducts scientific research. The PDDI was created out of a need to enhance innovation in the biomedical sciences at a time when major pharmaceutical companies have been shedding tens of thousands of jobs employing highly trained R&D scientists, the impact of which has been hard felt in the PA/NJ/DE tristate area.

At the PDDI, we take advantage of this immense talent pool in our region, as there are many individuals with well-established industry experience who are floating about. The PDDI has created an expert's list of highly qualified reviewers and mentors, separated by discipline, to evaluate basic discoveries at academic and nonprofit institutions by using an industry-standard due diligence review process. We use this list to match experts in appropriate disciplines with others, as required, to create project teams that are more likely to succeed. Many professors and principal investigators are conducting important basic research, but do not have the expertise required for the applied value-added experiments and studies needed prior to generating commercial interest. We provide advice on project flowchart design and the interpretation of data. Finally, we may recommend the creation of one or more associated spin-off companies that could add value to the technology and create new jobs and expertise.

We have established an extensive list of faculty, with both full and adjunct appointments. PDDI faculty consists of qualified researchers with pharmaceutical company experience who share in the mission and objectives of the PDDI and have offered to assist the organization in some way. In addition, PDDI Associates are companies and institutions in the region who also share the mission of the PDDI and participate in at least some of the activities of the organization, such as benefiting from the in-kind donations program.

Each of the members of the Board of Directors has dedicated their time and energy to promote technology transfer, and assist individuals who have been displaced from the pharmaceutical industry. But we see our mission as having a broader focus that transcends workforce reentry activities, hosting seminar speakers, and studying technology transfer. For example, we are considering the initiation of onsite laboratory operations at the Pennsylvania Biotechnology Center, and plan to host a symposium on entrepreneurship at the fall meeting of the American Chemical Society in Philadelphia in 2012. Stay tuned!

Sincerely yours,

A handwritten signature in black ink that reads 'Allen B. Reitz'.

Allen B. Reitz, PhD.

Mission Statement and 2011 Summary of Activities

To conduct innovative, collaborative research to accelerate drug discovery and the translation of new discoveries into potential development candidates for human clinical trials.

To provide service to the scientific community, such as by workplace reentry activities.

PDDI activities in 2011 included:

- 18 Outreach Seminar Series presentations
- 7 research seminars of visiting faculty, including Prof. Phil Baran of The Scripps Research Institute
- Granted the inaugural PDDI Drug Discovery Award to Dr. William Greenlee, and the PDDI Distinguished Scientist Award to Prof. Pooja Jain of Drexel University College of Medicine,
- 1 symposium entitled “Regulatory and Toxicology Requirements for an IND” with six speakers, and well attended
- Met with ~50 researchers visiting for networking purposes, mainly laid-off from the pharmaceutical industry as part of the ForwardTrack™ Program
- Continued to process in-kind donations from the pharmaceutical industry, for distribution to promote biomedical research in the nonprofit and start-up biotechnology sector regionally
- Established a formal relationship with the Pennsylvania Biotechnology Center, involving a lease at the Center and shared spheres of influence in the area of technology transfer
- Obtained 501(c)3 status with the Internal Revenue Service, as a nonprofit organization
- Upgraded the PDDI website (www.padrugdiscovery.org) including creation of a PayPal donation function
- Published a paper in the *International Journal of Technology Transfer and Commercialisation* on best practices for the commercialization of university research, based on case studies of four premier research institutions





Financial Statement

ASSETS

	2011
ASSETS	
CASH	\$ 627
TOTAL ASSETS	\$ 627

LIABILITIES AND NET ASSETS

LIABILITIES	\$ -
NET ASSETS, UNRESTRICTED	\$ 627
TOTAL LIABILITIES AND NET ASSETS	\$ 627

Revenues

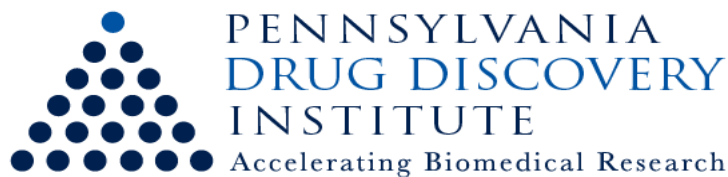
Consulting Income	\$ 1,000
Contributions	\$ 5,194
Total Revenue	\$ 6,194

Expenses

Program Services	\$ 3,100
Supporting Services - Management and General	\$ 2,467
Total Expenses	\$ 5,567

CHANGE IN NET ASSETS	\$ 627
NET ASSETS, BEGINNING OF THE YEAR	-
NET ASSETS, END OF THE YEAR	\$ 627

*Note: Financial Statements are pro forma and for information only. PDDI fiscal year end is June 30. Financial Statements ending June 30, 2012 will be prepared to reflect fiscal year results.



Directors and Officers

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Attorney at Law

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Dupont-Merck Pharmaceutical, Retired

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University of Pennsylvania

Gregory F. Krug

Lampire Biological Laboratories

Dennis C. Liotta, Ph.D.

Emory University

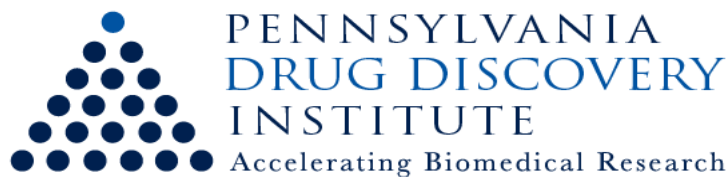
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Johnson & Johnson, Retired

Rhoda Weber Joseph, Recording Secretary

ALS Biopharma, LLC

rjoseph@padrugdiscovery.org



Scientific Advisory Board

Bruce E. Maryanoff, Ph.D. *Professor of Chemical Biology, Scientific Advisory Board Chair, Pennsylvania Drug Discovery Institute; Institute Distinguished Professor, Institute for Hepatitis and Virus Research; Investigator, The Scripps Research Institute; Associate Editor, ACS Med. Chem. Lett.*

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Christopher Ball, Ph.D. *Former CEO, PanLabs. Retired pharmaceutical executive.*

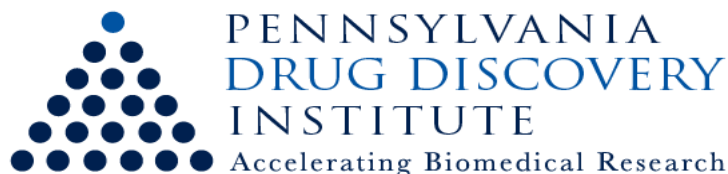
James E. Barrett, Ph.D. *Prof. and Chair Department of Pharmacology and Physiology, Drexel University College of Medicine*

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Patrick M. Dentinger, *Chief Executive Officer, Absorption Systems*

Kenneth A. Jacobsen, Ph.D. *Chief, Laboratory of Bioorganic Chemistry at NIDDK, National Institutes of Health*

Christopher A. Lipinski, Ph.D. *Independent Consultant; Pfizer (ret.)*



PDDI Faculty and Staff

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Douglas Pippin, Ph.D. *Adjunct Prof. of Medicinal Chemistry*

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Joseph M. Salvino, Ph.D. *Adjunct Prof. of Medicinal Chemistry*



PDDI Associates

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Artemis Solutions, Inc.

Bentham Science Publishers Ltd.

BioAdvance

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Episteme Biolabs, LLC

Fox Chase Chemical Diversity Center, Inc..

Immunotope, Inc.

Pennsylvania Bio Nano System, LLC

Pharmabridge, Inc.

PharmaCadence Analytical Services, LLC

Product and Educational Services, LLC

Russell Biotech, Inc.

Seneb Biosciences, Inc.

Serigene, LLC

Synergy Pharmaceuticals, Inc.

TherimuneX Pharmaceuticals, Inc.

TransSig, Inc.