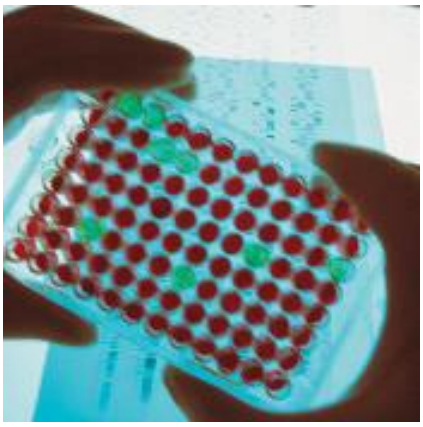
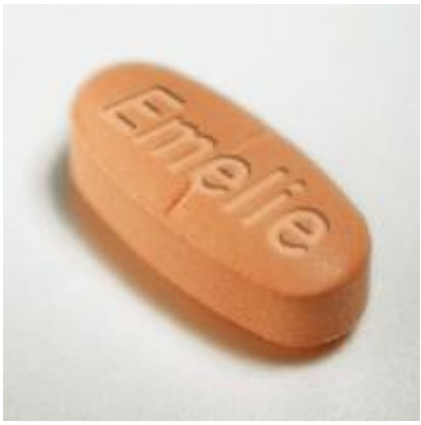


ACCELPharma

IPRO 353



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Statement of Confidentiality

The information contained in this business plan is highly confidential and highly proprietary to ***AccelPharma***. This proposal contains trade secrets and " know how " and it is submitted to the recipient solely for the use in evaluating the proposed business opportunities of ***AccelPharma***. It is hereby stated that this document cannot be copied or distributed, in whole or in part, without prior written consent of ***AccelPharma***. This information cannot be disseminated to third parties or used for any purpose other than evaluating the business opportunities of ***AccelPharma***.

AccelPharma is entrusting this document to the recipient with the expressed understanding that the recipient will honor and comply with this confidentiality requirement. If the recipient cannot comply with ***AccelPharma's*** requirement for confidentiality, promptly return this copy of the business plan to ***AccelPharma*** at the following address:

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II Executive Summary

AccelPharma intends to enable pharmaceutical and biotech companies to reintroduce withdrawn drugs to the market place through the development, validation, and deployment of personalized medicine models. It differentiates itself by being one of the only companies to correlate side effects of drugs to certain genetic mutations for a broad range of effects. ***AccelPharma*** expects to break even and begin to achieve positive revenues after only the second sale.

Overview

In 2004 the drug VIOXX® was pulled from the market by the FDA due to the severe side effects it produced in some patients, often leading to death. In a similar fashion, BAYCOL® was withdrawn from the market in 2000 due to its harmful side effects. The IPRO 353 team has skillfully developed the pharmacogenomic business, ***AccelPharma***, to not only test patients for their proneness to any adverse effect but also compile a large database through our customers that helps correlate that adverse effect to a single mutation in the DNA. This is a vital resource for the drug and pharmaceutical industries since they can administer specific medicines to patients without the predisposition to the adverse effect. Essentially, ***AccelPharma*** is breaking into the realm of personalized medicine – a revolutionary new field in the healthcare industries.

Market Opportunity

Costs for the development of new drugs in the pharmaceutical industry are becoming higher and higher each year, currently approaching $900 million per drug. There is a large need for a predictive model that can determine those who are at risk based on demographic, medical, and genetic data. This is exactly what ***AccelPharma*** intends to provide. By starting with drugs that were highly successful but eventually pulled due to side effects, such as Vioxx, ***AccelPharma*** can reintroduce the drug to a relatively smaller number of users. However, that number can still lead to tremendous sales since Vioxx once grossed over $2 billion. By personalizing this drug, patients feel more secure knowing the drug will work as intended, which leads to more faith in the drug and thus even higher sales.

Technological Advantages

AccelPharma utilizes real-time quantitative PCR to provide a molecular diagnostic kit to pharmaceutical companies, enabling them to detect 'at risk' sequences in the DNA from patient blood samples at a low per-test cost. In return, ***AccelPharma*** gathers the patient information collected by these companies to

enter into its database. By using SPSS Clementine®, it can than create a decision tree model that correlates any adverse effect to a specific mutation. Other statistical models like QUEST or CHAID can then identify variables that are most significant to the prediction of an adverse effect, as well as calculating the probability of this allele being a predictor. Thus ***AccelPharma*** can create a massive database that holds vital information all pharmaceutical companies will want to utilize.

Marketing Plan

AccelPharma will contact potential clients directly from our in-house sales force. It will also market from biotech trade shows and conferences, such as the conference for Predictive Intelligence for Pharmaceutical and Biotech Companies. After the name has been established, ***AccelPharma*** will continue to market through advertisements in magazines, journals, and online ads, like the Genetic Engineering News and Journal of Pharmaceutical and Biomedical Analysis, and Biocompare.com.

Financial Plan

AccelPharma is currently trying to raise $500,000 by equity financing in exchange for 20% of common stock. This seed money will be used to develop a molecular diagnostic real-time PCR kit, recruit sales people, and marketing its product. In the first year of operating, ***AccelPharma*** will lose $200,354, which reflects product development with no sale. However, company revenues from sales are forecasted to increase from $ 570,000 in year 2 to $ 950,000 in year 3. In addition, operating income will increase to $148,409 and $475,228 in year 2 and year 3, respectively. Profit margin will grow from 26% to 50% from year 2 to year 3. The projection is based on increased product awareness and sales of a high profit product line. A conservative scenario break-even point for the company is by the second sale of the product, and the company will have a positive cash flow right after its first sale.

Competition

Since the pharmacogenomic industry is in its infancy, there have been no actual breakthroughs; however, a considerable amount of research has been done. ***AccelPharma*** thus has few competitors, but there is still the possibility another company is working on a similar idea and will claim rights to it. This mainly pertains to other research-oriented universities. Larger companies, including Monogram Bioscience, IMS Health, NDC Health, Ovid, and Espicom, are imperfect competitors since their technical procedures are similar. However, ***AccelPharma*** provides a much broader final product that is applicable to many drugs, unlike these companies. ***AccelPharma*** thus describes its competitive advantage as having the tools and resources necessary for detecting a broader range of adverse effects in drugs than these other companies.

III General Company Description

AccelPharma develops and sells pharmacogenomic models and molecular diagnostic kits that predict adverse reaction to any medication. It distinguishes itself by its ability to predict side effects of a particular medication based on a genetic predisposition and then consults with the pharmaceutical company to introduce these drugs to the demographics that will have low probabilities of adverse reactions. The primary customer is the pharmaceutical industry. In the beginning, prediction of side effects for Vioxx and Baycol, both recalled drugs, will be tested and correlated to the demographic data in order to bring them back to the market. We do this by utilizing the latest modern technologies and results from the human genome project. As a pharmacogenomic company, ***AccelPharma*** has a tremendous opportunity for growth and development. Every year drugs are being recalled from the market and even larger amount do not pass the last phases of clinical trials. Profit will be generated in the first year of business. In the future, ***AccelPharma*** plans to expand its services to the healthcare and food industry. The company will try to expand personalized medicine into the health insurance industry and help eliminate allergic reactions in the food industry. ***AccelPharma*** will grow by providing our customers with quality products along with quick and courteous services.

AccelPharma belongs to the IPRO-353 Fall 2006 team. It was started on September 1, 2006 in order to return failed medications to the market that were pulled due to harmful and sometimes lethal side effects. Reentrance of the drugs on the markets will compensate for losses of pharmaceutical companies in law suites from recalled drugs and significantly reduce amount of money spent for new drug development.

IV Products and Services

AccelPharma's goal is to serve the pharmaceutical industry by facilitating their drug testing process and sales. Our company provides consulting services and offers a real-time PCR-based testing kit to pharmaceutical companies. Our product and services enhance drug development and sales. In addition, after FDA approval, our products and services will allow these companies to reintroduce drugs that were pulled from the market to specific populations.

Pharmacogenomics Testing as a Highly Valued Healthcare Service of the Future

In order to choose the most effective medicine without an adverse effect, an individual approach is needed. Genetic sequences that are responsible for the drug metabolism need to be "error free". The errors are often caused by single nucleotide polymorphisms. Pharmacogenomic testing allows the detection of "at risk" DNA-sequences that cause adverse events.

Owing to the completion of the human genome project, a large amount of genomic information is publicly available. As soon as major metabolic pathways are identified, genes of the most influential enzymes in this process can be easily accessed.

"No adverse effect" medication will change the outcome of drug therapy because the treatment duration will be shorter and more effective. Also, identified correlations between the DNA polymorphism and adverse effect will benefit research areas that deal with modification of protein conformation due to the DNA polymorphism. This also pertains to possible genotherapy research that focuses on the modification of mutant DNA back to the original, corrected strand through vector application

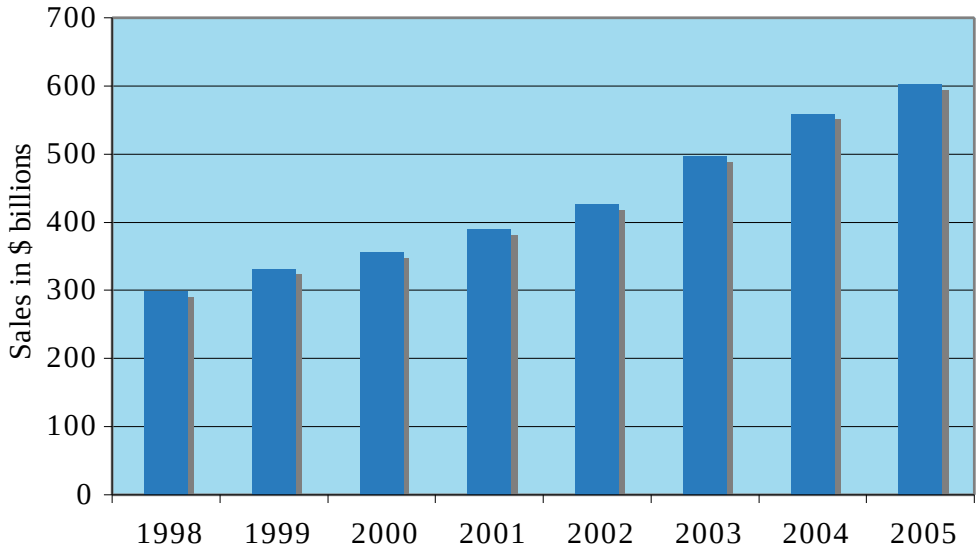
Ideally, genomic testing and modeling will allow the prediction of adverse effects from common modifications in the genome. However, due to this complex procedure, no company offers genomic testing for a range of adverse effects due to different drugs.

V Industry Overview and Competitive Analysis

Pharmacogenomic Industry: Overview

There is a great need to reduce the cost of developing new pharmaceuticals, now approaching $900 millions per drug. About 75% of this cost is attributed to failed drugs. The FDA estimates that a 10% improvement in predicting clinical trial failures could reduce the average cost of drug development by nearly $100 million. Pharma cites the lack of sufficient data on correlation between the drug and the adverse effect. Thus, there is a huge need in a prediction model and a test which determines such correlation. We build our pharmacogenomic model by manipulating genomic information, demographic databases and medical records. The pharmaceutical industry is one of the largest industries in the world with sales of drugs steadily increasing by an average rate of 9.5% per year for the last eight years (see Figure 1). At the same time, new discoveries in the field of genomics have led scientists to understand that the efficacy of medicine and its side effects are directly related to an individual's genetic characteristics. This has created the new field of pharmacogenomics, which is essentially personalized medicine.

Figure 1 - Global Pharmaceutical Sales, 1998 – 2005

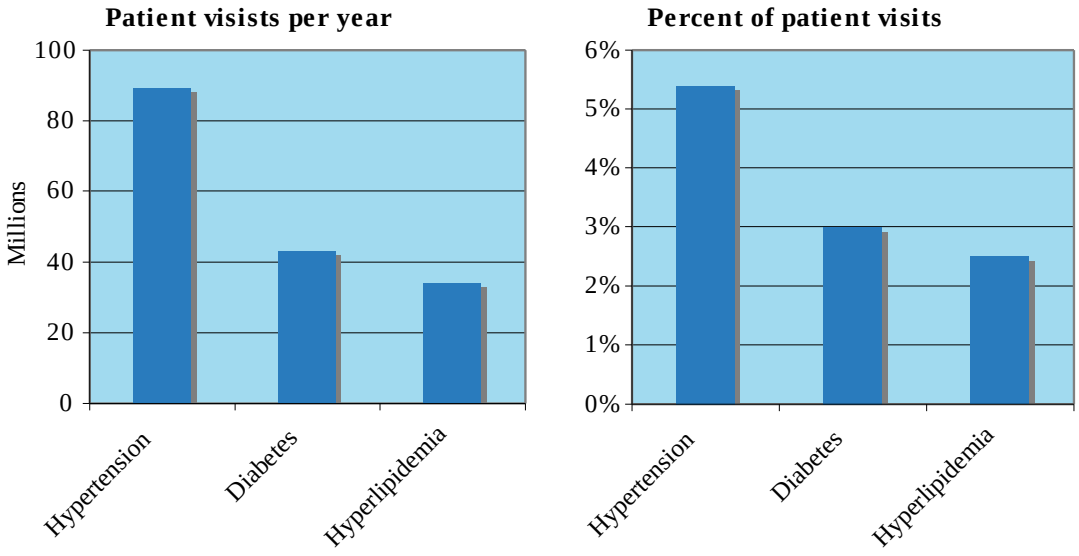


*Source: IMS Health Total Market Estimates and Global Pharma Forecasts (includes IMS Audited and Unaudited Markets)

The current challenge most researchers face is to approach a solution to personalized medicine. What we intend to do has no precedent. We are proposing to start from available data on widely used drugs. We will then use not only genetic data from individuals but also data on genetic mutations of certain demographics. This research, coupled with known mutations and their effects on metabolic pathways, is our plan to approach personalized medicine.

We will begin by starting with failed drugs because they will have a significant amount of research from all phases of testing, plus data from while they were on the market. We will also be more likely to get this data from a pharmaceutical company since the drug has already been pulled from the market. The two drugs we will be focusing on will be Vioxx and Baycol. Vioxx is a COX-2 inhibitor used to treat rheumatoid arthritis and chronic pain, and Baycol is a statin that reduces cholesterol levels. Medication for the mentioned conditions is needed; for example, high cholesterol is commonly diagnosed conditions in the U.S. and the number of medical diagnoses per year is growing (see Figure 2).

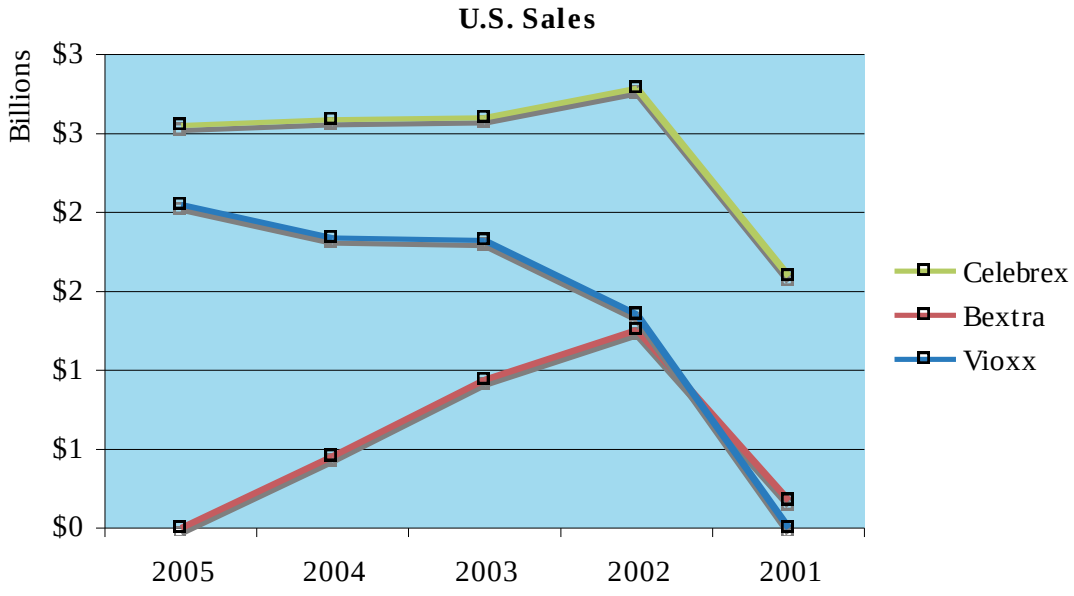
Figure 2 - Leading Diagnoses by Total U.S. Patient Visits, 2005



*Source: IMS Health, IMS National Sales Perspectives™, 2/2006

Not only is this one condition prominent, but sales of top drugs in these categories are well into the billions of dollars per year territory. Vioxx alone, before complications arose and it was pulled from the market, had grossed over $2 Billion (see Figure 3).

Figure 3 - Antiarthitics, Cox-2 Inhibitors - *Total U.S. Sales $ in Thousands(000)*



*Source: IMS Health, IMS National Sales Perspectives™, 2/2006

This means that reintroducing the drug even to a relatively small percentage of the original users could lead to tremendous sales. Not only could the drug be reintroduced, but it would now be personalized, carrying even greater reliability. The added security of knowing that the drug will work the way it is intended to could cause some users to switch from their current prescription. This, however, will depend on the marketing of the individual pharmaceutical company.

Market Segmentation

The industry is in the initial stages of the life cycle. At this point, there are no real breakthroughs in the industry, but there is a considerable amount of research being conducted, especially at universities. One of the biggest factors that hindered the development of pharmacogenomics to this point has been cost. While genetic research has typically been very expensive in the past, new technologies and falling costs will improve the cost to benefit ratio enough to make large spread research more lucrative.

Our market segment currently has few competitors. No one is currently working on anything that is in direct competition. However, there are some firms in the pharmaceutical intelligence industry that could begin to reproduce work we have completed. There are also many universities across the nation that are working in a similar area, but are more research focused rather than entrepreneurial focused. The

university itself will not be the threat. The real threat will come from anyone at the university who has rights to the idea and tries to sell it.

There are few rival firms with imperfect competition. We must establish a strong competitive advantage by establishing a firm product differentiation, utilizing vertical integration, and developing a strong relationship with our customers. Our current rivals will include Monogram Bioscience, IMS Health, NDC Health, Ovid, and Espicom. We must also be concerned with universities working in this area. Although no company that we can find is currently working in the same area as us, there is always the chance that they could begin to produce the same work. Many of these companies already have the information, but they currently lack the actual scientific process to replicate our work.

There are two kinds of market research: primary and secondary. Primary research implies gathering our own data. Professional market research can be very costly, but there are many books that show small business owners how to do effective research themselves. Secondary research means using published information such as industry profiles, trade journals, newspapers, magazines, census data, and demographic profiles. This type of information is available in public libraries, industry associations, chambers of commerce, from vendors who sell to the industry, and from government agencies.

We describe our model using the examples of two drugs: Vioxx and Baycol. For example, Vioxx was withdrawn from the market in 2004 due to major adverse reactions, like cardiovascular events. Full description of these two drugs and their adverse effects can be seen in Table 1.

Table 1 - Examples of Failed Drugs that We Can Bring Back to the Market

Name	**Vioxx (rofecoxib)**	**Baycol (cerivastin)**
Substrate	COX-2	HMG-CoA reductase
Disease	Rheumatoid Arthritis, Chronic Pain	Hypercholes-terolemia
Class of Drugs	Antiinflammatory	Hypolepidimic agents
Adverse Effect	Myocardial Infarction, Stroke	Rhabdomyolysis
Gene Responsive	UGT2B15, UGT2B7	CYP2C8
Approximate revenue before withdrawal	$2.5 billion (2003)	$248 million (2001)

Enzymes that are responsible for the major detoxifying reactions of the drugs are identified in scientific publications. For example, description of polymorphism identification for enzymes which are responsible for metabolizing VIOXX is available in appendix B.

Competitive Analysis

The competition for personalized medicine comes mainly from the ability to contribute the drug development. Several pharmaceutical intelligence companies and life science companies established reputation in the area, but we do not see them as our direct competitors, since they do not provide genetic focused data or diagnostic tool that ***AccelPharma*** can.

We have two types of competitors: pharmaceutical intelligence companies and life-science companies. Pharmaceutical intelligence companies provide data interpretation and analysis. In the consulting division, the company will often participate in the drug development stage. Because of its role in the R&D stage, a pharmaceutical intelligence company could compete against our start up. However, our product does not directly compete against the consulting services in a pharmaceutical intelligence company because we provide a different type of service; a service designed to pinpoint and correlate adverse effects of a drug with genomic information. Equipped with genetic focused drug failure data and a unique predictive modeling, we will provide a new type of service.

A number of life-science companies have already begun to provide diagnostic tools about certain diseases. For HIV testing products, Monogram Bioscience, Tibotec-Virco, a division of Johnson & Johnson, Specialty Laboratories, Applied Bio-systems Group and many commercial and academic laboratories provide tools. The idea is similar in the fact that they are developing a personalized medicine approach using genetic information. However, their product line is focused only on HIV and cancers. Ours is focused on finding a link between drugs and their side effects. This means that besides being focused in a different area, our service is also broader. We will be able to provide our service for all types of drugs. This difference allows our start up to have a competitive advantage over existing life-science companies. The comparison between ***AccelPharma*** and its competitors can be easily drawn from the table below (see Table 2).

Table 2 - *AccelPharma* and Major Competitors

	Product	Data Resource	Enable Drug Reintroduction	Genome Based	Application to Specific Field*	Range** of Application
IMH Health	Consulting Service	Yes	No	No	No	Broad
Monogram Biocience	Diagnostic Tool Kit	Yes	No	Yes	Yes	Narrow
ACCELPharma	Diagnostic Tool Kit	Yes	Yes	Yes	Yes	Broad

*The degree of accuracy for a specific type of disease or drug.
**The degree to which the data/model can be applied in testing various types of deseases or drugs.

Pharmaceutical intelligence companies provide collated and analyzed information to help a company define new long-term strategies. They also deal with a wide range of information about the pharmaceutical industry including pharmaceutical market research, trends, and drug research in world markets, generic markets, cancer drug news, and cardiovascular drug news.

Their central commitment is product development. They work with firms during the development process to help them deliver better products. They not only publish analysis report, but also provide tailored information that a client demands. Along with this, they provide information about different conferences being held in the pharmaceutical industry and which ones might hold opportunities for their customers. Some of their strengths include a strong network with customers, industry newsletters, global intranet, and internet information resources.

These companies gather information from multiple sources. For example, more than 200 continuously updating newswires, 1500 newspapers, 3200 trade journals, and industry publications (such as R & D Focus Drug News, Scrip World Pharmaceutical News, Drug Industry Daily and Pharma Business Week) are used by these companies to provide their customers with relevant data.

Although they have many strengths that could make them formidable competition, their one major weakness gives us a strong competitive advantage. There are no pharmaceutical intelligence companies that have the physical or technical resources to develop the molecular diagnostic test that we will be

capable of producing. To do this, they would need to invest in new resources and programs with which they are inexperienced. This key point is what will help us maintain a competitive edge.

Life science companies are developing molecular diagnostic products and laboratory services with an understanding of the genetics, biology, and pathology of particular diseases. These companies target two types of markets: the health care industry and the pharmaceutical industry.

In the health care industry, physicians will be able to manage infectious diseases and cancers by providing the critical information that helps them prescribe personalized treatments for patients. They do this by matching the underlying molecular features of an individual patient's disease to the drug expected to have maximal therapeutic benefit.

In the case of the pharmaceutical industry, they enable companies to develop new and improved anti-viral therapeutics and targeted cancer therapeutics both efficiently and cost effectively by providing enhanced patient selection and monitoring capabilities throughout the development process.

These companies have strengths in the following areas:

- They already developed the diagnostic tool market and have built a reputation in it
- They have few successful products which they can take advantage of when they launch a new diagnostic tool

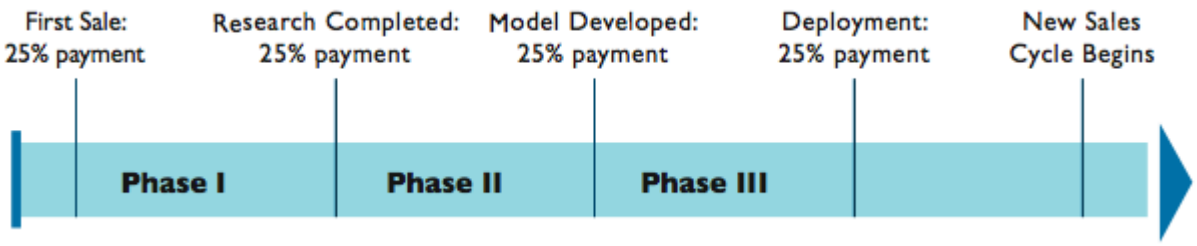
Although some life science companies have already started developing diagnostic tools, their scope of product is limited to single disease like cancers and HIV.

VI Operational Plan

Business Model

Our business will is designed around obtaining data from pharmaceutical companies. This model will be based only on a lump sum payment method, because we will not have a strong bargaining position with the pharmaceutical companies. This payment will be split into four installments, each equating to 25% of the total contract fee. The first payment will be made when the contract is made. This will give us a source of funding to begin conducting research. Contracts will be split into three phases, with the completion of each phase accounting for 25% of the payment total. The end of the first phase will be reached when research is completed. Completion of the second phase will occur when we have modeled the data. The third phase will be concluded when we deploy the final product/service for our client. At the end of Phase III we will begin a new sales cycle and look for a new drug/company to target.

Figure 4 – Business Model



Initial research and analysis

The initial step is to conduct pharmacogenomic meta-analysis focused on finding information on the gene or genes that are involved in the metabolic process of the drug as well as the known alleles for those genes. Our main sources for this data will be the National Institute of Health, RxList, GenBank, Medline and PubMed. Through these sources, studies will be identified for analysis. Most metabolic pathways of commercial drugs are already uncovered and exist in these databases. Having summed up involved enzymes and proteins, the genetic sequence of these can be acquired, also through these databases.

Chemical structure of any drug refers us to the type of drug degradation, which undergoes in the body. For example, Vioxx (rofecoxib) is non-steroidal derivative of phenyl-furanone. Rofecoxib is eliminated predominantly by hepatic metabolism with little (<1%) unchanged drug recovered in the urine1. Metabolism of other drug may be spread through various organs and tissues besides the liver. Once the main reactions and the products (metabolites) are identified, the enzymes of the degradation are found.

Several isoforms of the enzyme may be responsible for existence of one reaction. However, only one enzyme form usually dominates. For example, in Vioxx degradation, major enzyme UGT2B15 exhibits the highest metabolic rate while the next most active enzyme from eight isoforms list is able to carry on metabolism at the rate about four times slower than the first enzyme. The rest of the enzymes from the list are less active and should be disregarded. Thus, the dominating enzymes of the major metabolic reactions are the key points in identifying potential errors of the drug degradation.

Usually, it is very complicated to tell whether the present metabolic enzyme has an adequate structure or not. The error in the protein structure is easily identified through its gene structure. Sequence of c-DNA that encodes the studied enzyme of a person is read and compared to the standard. This procedure enables to find mutations, variations in DNA sequence. The variations then are analyzed in order to determine if they do change the amino acids residues sequence of the enzyme or not. Nucleotide sequences of standard DNA that code majority of the studied enzymes are available in such database as GenBank. If mutation changes significantly the enzyme structure or activity, then pharmacogenomics concludes that the drug would cause the side effect from inability to be excreted from the body. Thus, pharmacogenomic approach is able to choose the right drug for a person based on his/her genetic profile.

Our task is to find possible correlations between genes that code enzymes for the given drug degradation and demographics (distribution of the genes in various population groups). Unfortunately, there is no direct data available that includes genome of every ethnicity on the Earth. Therefore, we cannot do straight pharmacogenomic analysis of any given ethnicity and make any conclusions. Indirect approach is applied in the first stage of our project to find the correlation between genetic profiles of any demographic group and presence of the adverse effect.

Sample Acquisition

One of the central issues that have to be resolved to enable our model is the acquisition of blood samples from the adversely affected patient. The pharmacological companies, our customers, often have these samples stored and can as a part of the research deal is recovered from them. If such samples do not exist, they have to me manually collected. The patient contact information could be acquired from the customer and the patient would be contacted and compensated for their donation of the blood sample. A second way of acquiring patient information would be to contact law firms leading the class action lawsuits against our customer and set up a deal to get the contact information for their clients. This would be suitable for a business model where the results are discovered first and sold when fully researched.

Identification of key mutations using PCR

The basic function of Polymerase Chain Reaction (PCR) is that it provides a way to obtain large amounts of enzymatically replicated DNA, starting with a small amount that is exponentially replicated within a couple hours. There are many different uses for PCR, ranging from genetic fingerprinting to cloning genes to paternity testing. Allele-specific PCR can help our technical database by genotyping specific mutations. This process involves specific primers that can determine which mutation or polymorphism is present in a certain individual – we can benefit from this information by relating those polymorphisms to the genetic adverse effects of *Vioxx* or *Baycol*. The details about real time quantitative PCR procedure are located in Appendix A.

Before the PCR can be used to identify mutations in the blood samples from the patients suffering adverse events, a set of "primers" needs to be synthesized. These are specific for each mutation and will be developed based on the result of the information discovered in the pharmacogenomic meta-analysis in step one. Creating the PCR itself will be a one-time cost, after which the test can be used repeatedly, for each patient, with a relatively low per-test cost. Once constructed, the PCR process will be applied to each of the acquired blood samples to create a matrix containing the occurrence of each allele in each patient, as exemplified in Table 3.

Table 3 - Example matrix of PCR output.

	Allele 1	Allele 2	Allele 3	Allele 4	Allele 5
Patient 1		X			X
Patient 2	X			X	
Patient 3		X	X		
Patient 4		X			X
Patient 5	X			X	

Data Analysis

The data created in the PCR analysis will be merged into a database together with the patient information, containing the nature of adverse effects. A decision tree model constructed in SPSS Clementine® will then analyze this database to find correlation between the occurrence of an allele and observed adverse effects.

Table 4 – Simplified example of data correlation

	Allele 1	Allele 2	Allele 3	Allele 4	Adverse Effect A	Adverse Effect B
Patient 1		X			No	Yes
Patient 2	X			X	Yes	No
Patient 3		X	X		Yes	Yes
Patient 4		X			No	Yes
Patient 5	X			X	No	No

Using methods like QUEST (Quick, Unbiased and Efficient Statistical Tree) or CHAID (Chi-squared Automatic Interaction Detector) the model will identify variables that are most significant to the prediction of an adverse effect, as well as calculating the probability of this allele being a predictor.

Table 5 - Example of final output

Adverse Effect	Indicating Allele	Statistical Correlation
Headache	Allele 4	63%
Nausea	Allele 3	74%
Stroke	Allele 3 + 4	86%

Deployment

The final product of our development process is going to be information, the sequence of the specific mutation/mutations that are causing the observed adverse effect. This information is what we promise to deliver to the pharmaceutical company that signed a contract with us. To make this information more relevant and to add more value to our customer, some extra steps will be taken to help our customer benefit from the information.

First, research can be done to determine if the mutation has a higher prevalence rate in certain demographic groups. This could be done by comparing our results to existing research, as well as doing some tests on our own. The reason this data is relevant is that it can help identify target customer segments that can yield higher profitability than others. For example, this type of added research can show that the drug is completely safe for certain ethnic group, as was the case with BiDil that in 2004 was introduced as the first African American-only drug. Another type of added value this could create would be estimations of how many people in certain geographic markets can take the drug, so that the client can better approximate the profitability of a certain market before entering.

Second, specific instructions and a suggested procedure on how to use the real time PCR molecular diagnostic kit we provide could be supplied to the client. This would describe step by step how to use such a kit. When developed, this kit would be a very simple way to enable quick and accurate testing of the existence of the identified mutation in a blood sample. In the future, this kit could be distributed to administering doctors, who could test if their patients are predisposed to having adverse effects before prescribing the drug.

VII Marketing Plan

Marketing

Our contract services are for those pharmaceutical businesses looking to continue to earn revenue on drugs that have been recalled. We will provide information on whether a drug can be safely administered to a particular demographic group based on our research and modeling techniques. The final deliverable will be the information on how to make a testing kit for the specific drug we were contracted to work on. Marketing of the reintroduced drug will be handled solely by the pharmaceutical company.

Our services will be sold through our in-house sales-force. The board of directors will be responsible for the direction move and companies we pursue. Then our sales-force will be responsible for getting sales leads, setting up meetings with other companies, and selling directly to those companies.

Our main methods for marketing will be direct mail/telemarketing from our sales force, print ads in journals, and other publications, and trade shows. Should we become large enough, a national informative television ad could be feasible as well. We will also advertise online through Biocompare.com.

Table 6 - Possible Trade Show and Forum Opportunities

Name	Date	Place	Type
3rd Annual Predictive Intelligence for Pharmaceutical and Biotech Companies	January 22 - 23, 2007	Princeton, NJ	Conference
4th Annual Specialty Pharmaceuticals, Biotech Therapies and Injectables	January 25 - 26, 2007	Orlando, FL	Conference
3rd Annual Pharmaceutical Meeting Planners Forum	March 26 - 27, 2007	Philadelphia, PA	Forum
CBI's 3rd Annual Obesity Drug Development Summit	July 26 - 27, 2007	Washington, DC	Summit

Possible journals an magazines for advertising include:

- Genetic Engineering News
- The American Association of Pharmaceutical Scientists Journal (AAPS)
- The Journal of Pharmaceutical and Biomedical Analysis
- The Journal of Pharmacy and Pharmacology
- Advanced Drug Delivery Reviews
- The International Journal of Pharmaceutics
- The Journal of Controlled Release

To help maintain and grow customer relations, we should continue to monitor results from our services. If an update or similar service is needed for our diagnostic tool or model, we should provide it to the company at reduced costs or possibly at no charge. As technology changes, we must also update our diagnostic test to include these new advancements.

Pricing

Contracts negotiations will be based on former one year sales of the drug with which we will be working. A gradient scale will be used so that our product will be based on the potential value it offers the client. We will use the following scale to negotiate contracts:

Table 7 – Contract Negotiations Scale

Drug Sales	Contract price
< $10 million	$300,000
< $50 million	$500,000
< $500 million	$1,000,000
> $500 billion	$1,500,000

Discounts may be given for the commitment of future business. These discounts will be negotiated on at the time of the contract and will take into consideration the amount of future business and the likely

profitability of the drug.

VIII Legal Environment

It has been decided that the most suitable business structure in our case would be that of a Limited Liability Company, or LLC. This would be the most suitable decision for several reasons. First, an LLC is considered a separate entity, much like a corporation. This means that the members of the LLC cannot be held personally liable for any debt the LLC owes. Since we are to be doing business in a field of interest in which lawsuits are common, it will be important that individual members of the LLC cannot be held liable.

Second, an LLC is not required to keep formal minutes or make corporate decisions. Since we are working in a rapidly evolving field, it will be important for members at the top to be able to make decisions quickly - an LLC structure will not impair that ability.

Third, the structure of an LLC is such that not only people, but corporations and other LLCs may be members. This condition may allow us to do business with some large pharmaceutical companies and actually give them a stake in our company.

Finally, all LLCs retain a tax structure where all profits, losses, and expenses flow through the LLC to the members who control it. This will almost always represent a huge tax advantage since it means avoiding having to pay double taxes as most corporations do.

IX Risk Factors

Prospective investors should carefully consider the risk factors set forth below and described in this memorandum. Many of the statements constitute forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the company's or the industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements

The pharmacogenomics industry is a relatively new, rapidly developing, high-technology industry. Because of this there are many risks involved with investing in this company. These risks include, but are not limited to:

- Cost effectiveness of our product
- Technological advantage compared to competitors
- Speed of development
- Availability of proprietary data needed for modeling
- Accuracy of our model
- Ability to protect our proprietary modeling techniques/trade secrets
- Changes in governmental regulations of the industry
- Loss of key personnel
- Ability to hire needed personnel

X Personnel

Management Team

Chairman of the Board, Chief Executive Officer and Head of Creative Development: ***Gustaf Josefsson***

Gustaf will serve as the leader of ***AccelPharma*** in its critical years of early development. He will be the face of our company as well as its most devoted servant.

Board Member, Chief Financial Officer: ***Kerry Armes***

Kerry will serve as the company's CFO and will ensure that every vital dollar is put to its most effective use.

Board Member, Chief Science Officer: ***Natalia Ervin***

Natalia will serve as the company's CSO and will identify research strategies as well as assess all product development.

Board Member, Vice President in charge of Research and Development: ***Kristel Groth***

Kristel will be placed in charge of conducting company research and coordinating between ***AccelPharma*** and our outsourced work.

Vice President in charge of Medical Testing: ***Ravi Iyengar***

Ravi will be in charge of all medical testing, including coordinating our research goals with the phase testing already conducted by our pharmaceutical business partners, as well as designing additional trials.

Vice President in charge of Communications: ***Matt Holmes***

Matt will be our communications coordinator and head of IT department.

Vice President in charge of Legal: ***Hyun Lee***

Hyun will be in charge of the legal department and will guard against copyright and intellectual property infringements.

Vice President in charge of Sales: ***Brian Schiller***

Brian will oversee the sales department and be responsible for ensuring the satisfaction of all clients and business partners.

Vice President in charge of Marketing: ***Eung Lim***

Eung will be in charge of identifying the most profitable markets and finding the most efficient ways to infiltrate them.

Vice President in charge of Human Resources: ***Milagros Calizo***

Milagros will be the director of Human Resources and will ensure that productivity and happiness are found in all levels of our corporate culture.

Along with an in house staff of sales personnel and general managers, an outside lab will have to be subcontracted to handle individual's samples and perform the PCR.

XI Financial Plan

AccelPharma was initially funded by IIT student and faculty members. With the initial funding, the company has been developing statistics model. ***AccelPharma*** is currently raising $500,000 by equity financing in exchange for 20% of common stock. This seed money will be used to develop a molecular diagnostic real-time PCR kit and recruit sales person, and for marketing. We are offering this PCR kit for pharmaceutical companies to use in return for the correlation they acquire between adverse effect and patient information. The company will generate the first sale within 9 months of operation, and is expected to have positive cash flow after the initial sale. ***AccelPharma*** can accelerate sale after initial sale, and it will make sale every 6 months. The break even point is projected to be in 2 year of operation.

Equity Investment and Use of Proceeds

Series A funding of $500,000 will mainly be used to develop a statistical model and real-time PCR kit, while also employing sales people for the first 18 months. The revenues generated will be used to sustain and expand the company's operation. The proceeds will be used in the following 7 sub-categories:

- Payroll: $200,000
- R&D Capital and Chemical supplies: $25,000
- Marketing: $10,000
- Rent and administration: $10,000
- Outsourcing: $4,000
- Equipment and Miscellaneous: $3,000

Payroll. Until the company turns to positive cash flow, payroll will be kept as low as possible. Four employees – 1 statistical modeling engineer, 3 sales persons -- will be paid. Compensation for the rest of management member will be delayed. Overall, ***AccelPharma*** is expected to keep a lean structure for its Series A investment. After the first sale, the company intends to start paying its technical and business professionals – Dr. Reznik and Dr. Liao – as part time advisors.

Research and Development: Based on computer modeling and outsourcing kit development, the structure of ***AccelPharma*** will not be capital intensive. The total expenditure for this category is projected to be less than $ 2,000 for the 12 month period. In order to keep lower capital, developing the real-time PCR kit will be outsourced to a research lab, which is budgeted to be $ 25,000.

Marketing. In the first year of operation, marketing expenditures will not be paid until the real-time PCR kit is developed. After development, ***AccelPharma*** will outsource it to a professional marketing firm, budgeted to be $ 10,000, until its initial sale. At the same time, 3 hired sales people will have direct access to customers.

Sales Projection

Product Sales. At the early stage of product development, our targets will mainly focus on a drug under development, which aims for sales revenue of less than $ 10 million. The price of the product is $300,000, which is calculated based on cost and product value. The potential risk from withdrawal of the new drug is higher than $ 300,000. The market potentials of these tools have been validated by Monogram bioscience with potential annual sale of up to $40,000,000. As a first step, ***AccelPharma*** will create product awareness my collaborating with a professional marketing firm, and contact with customers directly through 3 sales people. Our next phase of growth will focus on large size drug development. Our projected revenue for the next two years after 2007 will be $570,000 and $950,000. This is under the pretense that the company will make a sale every 6 months after the initial sale, which is highly feasible.

Break-even Analysis

The conservative scenario break-even point for the company is by the second sale of the product. We felt this is a very conservative figure.

Balance Sheet

AccelPharma is designed to reflect a lean stature in the balance sheet (Appendix C). Account receivable payments do not represent a significant risk for the company. Most payments will be made with cash and checking deposits. Account receivables reflect a 75% of payment, which 25% of each will be paid at the end of the phase.

- 30 days terms on receivables and payables
- 100% consumables will be purchased by cash

Income Statement

Company revenues from sales are forecasted to increase from $ 570,000 in year 2 to $ 950,000 in year 3 (Appendix C). In the first year of operating, we will lose $200,354, which reflects product development with no sale. However, operating income will increase to $148,409 and $475,228 in year 2 and year 3, respectively. Profit margin will grow from 26% to 50% from year 2 to year 3. The projection is based on increased product awareness and sales of high profit product line.

Cash Flows

Equity capital raised at the start-up should be enough to finance ***AccelPharma's*** operation. The company expects a positive cash flow after 9 months of operation (AppendixC). However, month-to-month cash flows are subject to fluctuate due to the cost of producing the product.

Exit Strategy

AccelPharma has the potential to provide significant return on equity investment as soon as the end of 2009. The company will have been highly profitable with a strong cash flow, and the proprietary technologies to ensure long-term growth. Return on investment in ***AccelPharma*** can be realized in multiple forms: dividends, merger, acquisition and sales to a large company. According to our financial projection, the company shall start to distribute dividends to our shareholders by the end of third year operations.

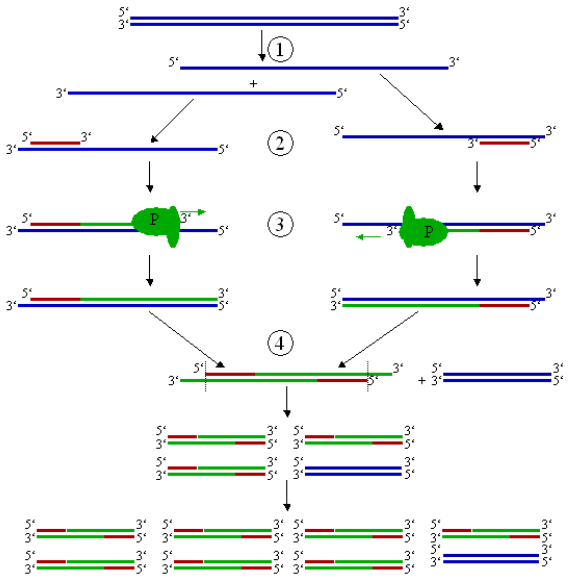
XII Appendices

APPENDIX A - Polymerase Chain Reaction (PCR)

In order to understand the PCR process, it is important to first understand primers. Primers are typically 15 to 40 nucleotides long and are used to amplify specific segments of the DNA strand. They are short, artificial segments of DNA that complement the beginning or ending of the specific DNA fragment to be amplified. Thus primers can be produced in a scientific lab for our purposes. Primers work by adhering to a denatured single DNA strand, and begin amplification when bound with DNA polymerase. Temperature must also be considered when dealing with primers, since extreme heat or cold cause ineffective results. The melting point of the primer is noted when half of the primer binding sites are occupied. Generally, primers work best between 55ºC and 65ºC.

In addition to primers, Taq polymerase is a DNA polymerase that is used for the start of amplification. The polymerase builds upon the deoxynucleotides-triphosphates in the DNA strand. A buffer is also used in order to maintain a certain chemical environment. This entire process takes place in a thermocycler that heats and cools the samples to the precise temperatures programmed in the machine.

The PCR procedure consists of approximately twenty to thirty-five cycles, each consisting of three different steps. First, the DNA is denatured (separated) by breaking apart the connective hydrogen bonds at high temperatures, usually between 94ºC and 96ºC. The cycle lasts about 1-2 minutes. In the second cycle, the temperature is significantly lowered such that primers can bind to the DNA, a process called annealing. The time for this cycle is also between 1 and 2 minutes, but the temperature depends on the melting point of the specific primer. Lastly, elongation occurs in the third cycle, where Taq polymerase is used at 72ºC, starting at the annealed primer. Generally it takes 1 minute per thousand base pairs. The cycle finishes with a final elongation, ensuring any remaining single stranded DNA has been copied. A basic flow chart can be seen below:



APENDIX B - Preliminary research on VIOXX and Baycol

VIOXX

Both UDP-glucuronosyltransferase 2B4 (UGT2B4) and UGT2B7 are expressed mainly in the human liver and have several overlapping substrates; e.g., catechol estrogens, bile acids, codeine, and carvedilol[1]. To identify novel single nucleotide polymorphisms (SNPs) and haplotypes in a Japanese population, the enhancer/promoter regions, all the exons, and the surrounding intronic regions of UGT2B4 and UGT2B7 were sequenced from 136 Japanese individuals. There are 16 and 21 polymorphisms, including 10 and 4 novel ones in UGT2B4 and UGT2B7, respectively. The novel nonsynonymous SNPs were 1364A>G (K455R) and 1531T>C (C511R) in UGT2B4 and 1192G> A (D398N) in UGT2B7. From linkage disequilibrium analysis, several SNPs in UGT2B7 were found to be highly linked with each other. No close linkage between the SNPs in UGT2B4 and UGT2B7 was observed, indicating that each gene is located within an independent haplotype block. Thus, haplotype analysis was separately performed for the two genes. In UGT2B4, there were unambiguously determined 8 haplotypes and inferred an additional 12 haplotypes using an expectation-maximization-based program. In UGT2B7, five haplotypes were unambiguously assigned and an additional eight haplotypes were inferred. The haplotype structure of UGT2B7 was more diverse than that of UGT2B4 in terms of the number of frequent SNPs. In addition, ethnic differences in the UGT2B4(*)2 and UGT2B7(*)2 haplotypes between the Japanese and the Caucasian and/or African populations were found. These findings provide fundamental and useful information for genotyping UGT2B4 and UGT2B7 in the Japanese, and probably other populations.[1]

Baycol

For baycol(cerivastatin, a drug for lowering the cholesterol level) the enzyme that is responsible for the primary metabolic pathway is CYP2C8, which is a polymorphic P450 enzyme involved in metabolizing therapeutic drugs and endogenous compounds and also has a role in metabolizing substrates found within the human body. This enzyme converts arachidonic acid to epoxeicosatrienoic acids, or EETs, which have significant physiological roles within the human body such as vascular inflammation, platelet aggregation and Na+ transport. Therefore, polymorphisms in CYP2C8 are capable of causing drastic changes in an individual by affecting the efficacy or toxicity of a drug. Four single nucleotide polymorphisms (SNPs) of CYP2C8: CYP2C8*2 (A805T), CYP2C8*3 (G416A; A1196G), and CYP2C8*4 (C792G), have been shown to affect metabolic activity. In addition, Dai et al. (2001) revealed ethnic associations between CYP2C8*2 in African Americans and CYP2C8*3 in Caucasians. Gentris Corporation reexamined the distribution of allelic frequencies of three CYP2C8 polymorphisms using a novel allelic discrimination assay based on the Sequence Detection System (Taqman®) platform technology. (refer to Figure 2). Sixty-nine subjects from four different ethnic groups (Caucasian, African American, Asian, and Hispanic) were tested for three clinically relevant polymorphisms. CYP2C8*2 (A805T), CYP2C8*3 (A1196G), and CYP2C8*4 (C792G) were examined using a novel allelic discrimination assay (TaqMan®). Predominant ethnic associations were observed for the African American population for CYP2C8*2 (allelic frequency =14.6%), and for the Hispanic population for CYP2C8*3, (allelic frequency =14.0%), while no ethnic associations were detected for CYP2C8*4. These data demonstrate ethnic associations with polymorphisms that may have clinical relevance to drug safety and efficacy. The allelic frequencies associated with each ethnic group may prove useful in determining drug safety and efficacy.

[1] Single nucleotide polymorphisms and haplotype frequencies of UGT2B4 and UGT2B7 in a Japanese population. *Project Team for Pharmacogenetics, National Institute of Health Sciences, 1-18-1, Kamiyoga, Setagaya-ku, Tokyo 158-8501, Japan.*

Table 7 - Table of demographic data for different allelic polymorphism for different ethnicity.

Polymorphism	African American N=24			Asian N=10			Caucasian N=11			Hispanic N=24		
	Gentris	Dai	Bahdur	Gentris	Dai	Bahdur	Gentris	Dai	Bahdur	Gentris	Dai	Bahdur
CYP2C8*2	14.6%	18%	ND	5%	0%	ND	4.5%	0%	0.4%	0%	ND	ND
CYP2C8*3	6.3%	2%	ND	0%	0%	ND	18.2%	13%	15%	14%	ND	ND
CYP2C8*4	0%	ND	ND	0%	ND	ND	4.5%	ND	7.5%	9.3%	ND	ND

Bahadur N., Leathart, JBS, Mutch, E., Steimel-Crespi, D., Dunn, S.A., Gilissen, R., Houdt, J.V., Hendrickx, J., Mannenes, G., Bohets, H., et al. CYP2C8 polymorphisms in Caucasian and their relationship with paclitaxel 6α-hydroxylase activity in human liver microsomes. Biochem. Pharmacol. 64: 1579-1589.

Dai, D., Zeldin, D.C., Blaisdell, J.A., Chanas, B., Coulter, S.J., Ghanayem, B. I., Goldstein, J.A. Polymorphisms in human CYP2C8 decrease metabolism of the anticancer drug paclitaxel and arachidonic acid. Pharmacogenetics 11:597-607 (2000).

DROHAN S.M., DUHON M.B., MURPHY M.P.and CLARK L.S. *ALLELIC FREQUENCIES AND ETHNIC ASSOCIATIONS WITH CYP2C8* GENTRIS CORPORATION,

Appendix C. Financial Statements

Accelpharma
Year-End
Income Statement (Preformed)

	2007	2008	2009
Net Sales (less returns & allowances)	-	570,000	950,000
Cost of Goods Sold	-	-	-
Gross Income	**$ -**	**$ 570,000**	**$ 950,000**
Operating Expenses			
Advertising	-	-	-
Bad Debt Expense	-	-	-
Bank Charges	360	360	360
Depreciation & Amortization	500	500	500
Dues & Subscriptions	-	-	-
Insurance	-	-	-
Licenses & Fees	1,338	-	-
Marketing & Promotion	7,200	30,000	36,000
Meals & Entertainment	-	-	-
Miscellaneous	1,200	1,200	1,200
Office Expense	600	600	600
Office Supplies	750	600	600
Outside Services	25,000	25,025	50,000
Payroll Expenses			
Salaries & Wages	131,200	321,000	343,200
Payroll Taxes	7,200	12,000	12,000
Benefits	7,200	12,000	12,000
Professional Fees	-	-	-
Property Taxes	-	-	-
Rent	6,306	6,306	6,312
Repairs & Maintenance	-	-	-
Shipping & Delivery	-	-	-
Telephone	-	-	-
Training & Development	-	-	-
Travel	6,000	12,000	12,000
Utilities	500	-	-
Vehicle	-	-	-
Other	-	-	-
Other	-	-	-
Other	5,000	-	-
Total Operating Expenses	**$ 200,354**	**$ 421,591**	**$ 474,772**
Operating Income	**$ (200,354)**	**$ 148,409**	**$ 475,228**
Interest Expense	-	-	-
Other Income (interest, royalties, etc.)	-	-	-
Income Before Taxes	**$ (200,354)**	**$ 148,409**	**$ 475,228**
Income Taxes (if C Corp)	-	-	-
Net Income	**$ (200,354)**	**$ 148,409**	**$ 475,228**

Accelpharma
Year-End
Balance Sheet (Preformed)

	2007	2008	2009
Assets			
Current Assets			
Cash & Equivalents	298,121	295,632	557,541
Accounts Receivable	-	106,875	178,125
Inventory	-	-	-
Security Deposits	526	526	526
Other Current Assets	-	-	-
Total Current Assets	**$ 298,646**	**$ 403,032**	**$ 736,192**
Fixed Assets			
Property, Plant & Equipment	1,500	1,500	1,500
Less: Accumulated Depreciation	(500)	(1,000)	(1,500)
Other Non-Current Assets	-	-	-
Total Non-Current Assets	**$ 1,000**	**$ 500**	**$ (0)**
Total Assets	**$ 299,646**	**$ 403,532**	**$ 736,192**
Liabilities			
Current Liabilities			
Accounts Payable	-	-	-
Line of Credit	-	-	-
Other Current Liabilities	-	-	-
Total Current Liabilities	**$ -**	**$ -**	**$ -**
Long-term Liabilities			
Loans	-	-	-
Mortgages	-	-	-
Other Non-Current Liabilities	-	-	-
Total Non-Current Liabilities	**$ -**	**$ -**	**$ -**
Total Liabilities	**$ -**	**$ -**	**$ -**
Equity			
Equity Investments	500,000	500,000	500,000
Retained Earnings	(200,354)	(51,945)	423,283
Less: Owner's & Investor's Draws	-	(44,523)	(187,091)
Total Equity	**$ 299,646**	**$ 403,532**	**$ 736,192**
Total Liabilities and Equity	**$ 299,646**	**$ 403,532**	**$ 736,192**

Note: To print individual years' data, see Print Settings Sheet

Accelpharma
Cash Flow Statement (Preformed)

2007	Pre Start-up	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Cash In														
Cash Sales		-	-	-	-	-	-	-	-	-	-	-	-	-
Collections from Accounts Receivables		-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Received	500,000	-	-	-	-	-	-	-	-	-	-	-	-	500,000
Loans Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (receipts from other assets)		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (interest, royalties etc.)		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash In	500,000	-	-	-	-	-	-	-	-	-	-	-	-	500,000
Total Cash Available	500,000	486,187	480,831	475,476	470,120	444,365	443,609	442,854	417,898	393,943	369,987	346,032	322,076	986,187
Cash Out														
Inventory Expenditures														
Inventory/Raw Material (Cash)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory/Raw Material (Paid on Account)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses														
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Charges	-	30	30	30	30	30	30	30	30	30	30	30	30	360
Dues & Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses & Fees	1,338	-	-	-	-	-	-	-	-	-	-	-	-	1,338
Marketing & Promotion	200	-	-	-	-	-	-	2,000	1,000	1,000	1,000	1,000	1,000	7,200
Meals & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Office Expense	-	50	50	50	50	50	50	50	50	50	50	50	50	600
Office Supplies	150	50	50	50	50	50	50	50	50	50	50	50	50	750
Outside Services	-	-	-	-	25,000	-	-	-	-	-	-	-	-	25,000
Payroll Expenses														
Salaries & Wages	4,000	4,000	4,000	4,000	-	-	-	19,200	19,200	19,200	19,200	19,200	19,200	131,200
Payroll Taxes	300	300	300	300	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000	7,200
Benefits	300	300	300	300	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000	7,200
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	526	526	526	526	526	526	526	526	526	526	526	526	6,306
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Utilities	500	-	-	-	-	-	-	-	-	-	-	-	-	500
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	5,000	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Paid on Account	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating Costs														
Capital Purchases	1,500	-	-	-	-	-	-	-	-	-	-	-	-	1,500
Estimated Income Tax Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Draw	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Out	526	-	-	-	-	-	-	-	-	-	-	-	-	526
Total Cash Out	13,814	5,356	5,356	5,356	25,756	756	756	24,956	23,956	23,956	23,956	23,956	23,956	201,880
Monthly Cash Flow (cash in - cash out)	486,187	(5,356)	(5,356)	(5,356)	(25,756)	(756)	(756)	(24,956)	(23,956)	(23,956)	(23,956)	(23,956)	(23,956)	298,121
Beginning Cash Balance	-	486,187	480,831	475,476	470,120	444,365	443,609	442,854	417,898	393,943	369,987	346,032	322,076	-
Ending Cash Balance	486,187	480,831	475,476	470,120	444,365	443,609	442,854	417,898	393,943	369,987	346,032	322,076	298,121	298,121

Accelpharma
Cash Flow Statement (Preformed)

2008	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Cash In													
Cash Sales	-	-	-	71,250	-	-	-	-	-	71,250	-	-	142,500
Collections from Accounts Receivables	-	-	-	35,625	35,625	35,625	35,625	35,625	35,625	35,625	35,625	35,625	320,625
Equity Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (receipts from other assets)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (interest, royalties etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash In	-	-	-	106,875	35,625	35,625	35,625	35,625	35,625	106,875	35,625	35,625	463,125
Total Cash Available	298,121	274,165	250,210	333,129	331,399	329,668	297,692	274,962	277,231	350,751	348,995	347,265	761,246
Cash Out													
Inventory Expenditures													
Inventory/Raw Material (Cash)	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory/Raw Material (Paid on Account)	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses													
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Charges	30	30	30	30	30	30	30	30	30	30	30	30	360
Dues & Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Promotion	1,000	1,000	1,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,000
Meals & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Office Expense	50	50	50	50	50	50	50	50	50	50	50	50	600
Office Supplies	50	50	50	50	50	50	50	50	50	50	50	50	600
Outside Services	-	-	-	-	-	-	25,000	-	-	25	-	-	25,025
Payroll Expenses													
Salaries & Wages	19,200	19,200	19,200	30,600	30,600	30,600	26,600	26,600	26,600	30,600	30,600	30,600	321,000
Payroll Taxes	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Benefits	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	526	526	526	526	526	526	526	526	526	526	526	526	6,306
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid on Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating Costs													
Capital Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated Income Tax Payments	-	-	-	-	-	30,245	-	-	-	-	-	14,278	44,523
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Draw	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Out	23,956	23,956	23,956	37,356	37,356	67,601	58,356	33,356	33,356	37,381	37,356	51,633	465,614
Monthly Cash Flow (cash in - cash out)	(23,956)	(23,956)	(23,956)	69,520	(1,731)	(31,976)	(22,731)	2,270	2,270	69,495	(1,731)	(16,008)	(2,489)
Beginning Cash Balance	298,121	274,165	250,210	226,254	295,774	294,043	262,067	239,337	241,606	243,876	313,370	311,640	298,121
Ending Cash Balance	274,165	250,210	226,254	295,774	294,043	262,067	239,337	241,606	243,876	313,370	311,640	295,632	295,632

Accelpharma
Cash Flow Statement (Preformed)

2009	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Cash In													
Cash Sales	-	-	-	118,750	-	-	-	-	-	118,750	-	-	237,500
Collections from Accounts Receivables	35,625	35,625	35,625	59,375	59,375	59,375	59,375	59,375	59,375	59,375	59,375	59,375	641,250
Equity Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (receipts from other assets)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (interest, royalties etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash In	35,625	35,625	35,625	178,125	59,375	59,375	59,375	59,375	59,375	178,125	59,375	59,375	878,750
Total Cash Available	331,257	308,526	310,795	455,564	477,583	499,602	450,337	451,356	477,375	659,702	681,721	703,740	1,174,382
Cash Out													
Inventory Expenditures													
Inventory/Raw Material (Cash)	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory/Raw Material (Paid on Account)	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses													
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Charges	30	30	30	30	30	30	30	30	30	30	30	30	360
Dues & Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Promotion	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Meals & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Office Expense	50	50	50	50	50	50	50	50	50	50	50	50	600
Office Supplies	50	50	50	50	50	50	50	50	50	50	50	50	600
Outside Services	25,000	-	-	-	-	-	25,000	-	-	-	-	-	50,000
Payroll Expenses													
Salaries & Wages	26,600	26,600	26,600	30,600	30,600	30,600	26,600	26,600	26,600	30,600	30,600	30,600	343,200
Payroll Taxes	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Benefits	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	526	526	526	526	526	526	526	526	526	526	526	526	6,312
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid on Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating Costs													
Capital Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated Income Tax Payments	-	-	-	-	-	71,284	-	-	(37,558)	-	-	108,842	142,568
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Draw	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Out	58,356	33,356	33,356	37,356	37,356	108,640	58,356	33,356	(4,202)	37,356	37,356	146,198	616,840
Monthly Cash Flow (cash in - cash out)	(22,731)	2,269	2,269	140,769	22,019	(49,265)	1,019	26,019	63,577	140,769	22,019	(86,823)	261,910
Beginning Cash Balance	295,632	272,901	275,170	277,439	418,208	440,227	390,962	391,981	418,000	481,577	622,346	644,365	295,632
Ending Cash Balance	272,901	275,170	277,439	418,208	440,227	390,962	391,981	418,000	481,577	622,346	644,365	557,541	557,541