

# VISION & STRENGTH

New Jersey Health Foundation | annual report | 2011





# MISSION STATEMENT

New Jersey Health Foundation is a not-for-profit corporation whose purpose is to support academic excellence in the state of New Jersey, including at the University of Medicine and Dentistry of New Jersey, in the areas of biomedical research, education and health and human services.

We use our resources to:

1. Award grants to faculty and researchers at UMDNJ through the Annual Grant Award program
2. Fund operating expenses at the Foundation of UMDNJ with investment income earned on a separate restricted endowment initially established by our founders, thereby allowing us to assure donors that no money is taken out of their gifts to support operations
3. Provide 20 percent matching funds on eligible endowments
4. Establish and support Foundation Venture Capital Group, LLC, founded to invest in new life science companies that license UMDNJ technology and support UMDNJ faculty

# MESSAGE FROM THE FOUNDATION



**l-r: Roger S. Fine; Dr. George F. Heinrich  
and James M. Golubieski**

It was the vision and strength of four College of Medicine and Dentistry of New Jersey trustees concerned about the vitality of this new institution and wanted better health care for the people of New Jersey that led to the incorporation of the Foundation of UMDNJ in 1974.

Nearly 30 years later, it was vision and strength that gave rise to New Jersey Health Foundation, Inc. (NJHF), established by the Foundation of UMDNJ Board of Trustees as a public charity to provide flexibility for a broader education and research mission and to assure donors that their gifts would continue to be used for the express purposes for which they were given.

And today, it is the same vision and strength that serve as the guiding forces behind New Jersey Health Foundation, which has opened the door for a number of innovative initiatives.

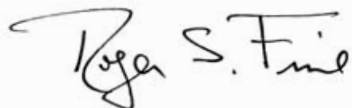
Initiatives such as the incorporation of Foundation Venture Capital Group, LLC and Stratford Holdings. Initiatives that allow private donors to establish endowment funds to support research, education or patient programs about which they are passionate. Initiatives that will fund health care in perpetuity.

A consistent financial philosophy focusing on a long-term strategy continues to keep us a strong, financially viable organization. And thanks to this prudent investment strategy and an astute Finance Committee to guide that strategy, NJHF is able to fund operations of the Foundation of UMDNJ so that we can continue to assure our donors that 100 percent of their restricted gifts will be used exactly as they designate.

Finally, through income earned on board-restricted investments, New Jersey Health Foundation has awarded \$50 million for research projects and education programs to UMDNJ faculty members since inception of the Annual Grants Program, which will provide \$2 million in 2011/2012 to advance research and education.

We are grateful to our past and current Board of Directors, all of whom made use of their vision and strength to help us achieve our goals.

We thank our donors for supporting extraordinary research, education and patient care programs and assure you that, through New Jersey Health Foundation, you can continue to fund the programs that mean the most to you. ■



Roger S. Fine  
Chair



George F. Heinrich, MD  
Vice Chair & CEO



James M. Golubieski  
President

# BOARD OF DIRECTORS

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Hyland & Perretti LLP



**Standing (l-r): Dr. Carmine LoMonaco; James M. Golubieski, Foundation President; Robert M. Pimienta; Dr. Megan Reilly; Joseph L. Muscarelle; Robert W. Parsons, Jr.; Dr. Tamara A. LaCouture; Andrew M. Grumet, Esq.; Bruce A. Harris, Esq.**

**Seated (l-r): Dr. Albert A. Talone; Dr. Anthony R. Volpe; Sandra Brown Sherman, Esq.; Susan J. Flynn-Hollander, Esq.; Dean Janeway; Dr. George F. Heinrich; Roger S. Fine**

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### Albert A. Talone, DO

New Jersey Association  
of Osteopathic Physicians  
and Surgeons

### Anthony R. Volpe, DDS

Vice President, Scientific Affairs  
Global Business Development  
Colgate-Palmolive Company

## BOARD TRANSITIONS

We are sincerely grateful for the dedication and time spent on our behalf by the members of our volunteer Board of Directors. We will miss the following members who left the Board this year:

**Robert J. Del Tufo, Esq.**  
**Anita Falla, MD**  
**Cary Mantell, DO**  
**Ira P. Monka, DO**  
**Nancy Sierra, MD**

And we welcome new Board members:

**Kevin Barry, MD**  
**Suzann B. Goldstein**  
**Christopher Gribbin, MD**  
**Andrew M. Grumet, Esq.**  
**Tamara A. LaCouture, MD**  
**Megan Reilly, DO**  
**Albert A. Talone, DO**

## STAFF DIRECTORY

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 Accounts Payable Specialist

# AFFILIATED ORGANIZATIONS

New Jersey Health Foundation has a number of affiliated organizations that work to benefit the University of Medicine and Dentistry of New Jersey.



## Foundation

University of Medicine &  
Dentistry of New Jersey

*A New Jersey Health Foundation Affiliate*

### Foundation of UMDNJ

The Foundation of UMDNJ solicits donations from businesses, individuals and foundations that want to work together to advance health care throughout the state. Donors to the University can support research, education, patient care or community service programs. For more information about the Foundation of UMDNJ, visit [www.foundationofumdnj.org](http://www.foundationofumdnj.org).



## Foundation Venture Capital Group LLC

*A New Jersey Health Foundation Affiliate*

### Foundation Venture Capital Group, LLC

New Jersey Health Foundation established Foundation Venture Capital Group, LLC, to invest in start-up companies affiliated with or founded by researchers at the University of Medicine and Dentistry of New Jersey.

Foundation Venture Capital Group collaborates with the Office of Technology Transfer and Business Development to identify promising research and provide greater support and opportunities for newly formed start-up companies. For more information about Foundation Venture Capital Group, visit [www.foundationventure.com](http://www.foundationventure.com).



## Stratford Holdings LLC

*A New Jersey Health Foundation Affiliate*

### Stratford Holdings, LLC

Stratford Holdings, LLC, is a real estate holding company that currently owns land in Stratford, NJ.

# NJHF NOTABLE ACTIVITY

## ENDOWMENTS EXCEED NATIONAL INVESTMENT RETURNS

Data released in the most recent 2010 NACUBO (National Association of College and University Business Officers)—Commonfund Study of Endowments® showed that 850 colleges, universities and affiliated foundations across the United States earned an average of 11.9 percent on investments for fiscal year ended June 30, 2010.

New Jersey Health Foundation and its affiliate, the Foundation of UMDNJ, are proud to announce that its endowment returns exceeded that with a 15.9 percent annual return on its investments during the same time period. NJHF manages an investment portfolio of approximately \$185 million, which includes board-restricted and 274 individual donor-restricted endowment funds.

“These positive returns are important for three reasons,” explained James M. Golubieski, president of New Jersey Health Foundation.

“First, these returns provide additional vital funding for the University activities that our donors have designated,” he said. “Second, income earned on our investments allows us to support the University by making our Annual Grants Program awards. And third, it allows New Jersey Health Foundation to fund operations at New Jersey Health Foundation and the Foundation of UMDNJ so that 100 percent of donor gifts—every dollar—are used exactly as they specify.”

# GRANT AWARDS

An important function for New Jersey Health Foundation is to provide grants for UMDNJ faculty through the Annual Grants Program, which has awarded \$50 million University-wide for research projects and education programs since inception of the program.

Sandra Brown Sherman, Esq., secretary of the Foundation's Board of Directors and a partner in the law firm Riker, Danzig, Scherer, Hyland & Perretti LLP, serves as chair of the Program Committee.

"These grants help further new and existing research and ideas that could lead to breakthrough medical discoveries," Ms. Sherman said. "Many of the researchers who receive our awards are then able to develop their projects to the point where they can qualify for much larger research grants from other organizations such as the National Institutes of Health."

According to statistics generated by the University, there is a 20 to 1 multiplier effect from the research awards, meaning that as a result of the Foundation grants, researchers at UMDNJ have garnered 20 times that amount in funding from other local, regional and national organizations.

For the 2011/2012 academic year, NJHF will award another \$2 million in grants through the program.

"A grant from the Program Committee gave me the jump-start I needed to pursue my work exploring the use of a bacterial protein as a novel targeted anti-cancer agent and led to a number of other state and federal grants to support my research."

**Dr. Scott C. Kachlany**  
Associate Professor of Oral Biology  
and Microbiology and Molecular Genetics  
New Jersey Dental School

"The award I received from the Foundation's Annual Grants Program many years ago helped me to establish my academic career in research, teaching and clinical work and paved the way for my receiving hundreds of thousands of dollars in grants from the American Heart Association, the National Institutes of Health and other organizations that led to a number of discoveries I made in my area of expertise—oxygen supply and demand related to cardiovascular function."

**Dr. Peter Scholz**  
Professor, Department of Surgery  
Robert Wood Johnson Medical School

## FVCG NOTABLE ACTIVITY

In March, 2006, Foundation Venture Capital Group, LLC, was established by New Jersey Health Foundation as a venture firm to invest in emerging medical research and technology being developed by new life science companies that license UMDNJ technology and support UMDNJ faculty. FY 2011 was an active one for Foundation Venture and the companies in which we have invested. In addition to new investments, we provided non-financial resources such as management support, accounting functions and office space to each of the companies.

### LEADERSHIP HONORS



**James M. Golubieski, president of Foundation Venture Capital Group, LLC,** was honored as a Financier of the Year by the New Jersey Technology Council.

The award is presented to a venture capitalist, investment merchant or commercial banker who has contributed to the economic development of New Jersey's technology community.

"The mission of FVCG allows us to strengthen the biotech industry in our state as we support groundbreaking research being conducted at the University. We are delighted that Jim has been recognized for his hard work in helping to advance New Jersey's technology community, which is so important to the long-term success of our state," noted Roger S. Fine, chair of the New Jersey Health and Foundation Venture Capital Group Boards of Directors.

## WE MADE TWO NEW INVESTMENTS OF UP TO \$500,000 EACH



### **Celvive, Inc.**

Hoping to improve the quality of life for patients with chronic spinal cord injuries (SCI) around the world, we invested in Celvive, Inc., a start-up company developing technology to treat patients with chronic SCI.

Dr. Hatem Sabaawy, founder of Celvive and an assistant professor of medicine in the division of medical oncology at UMDNJ-Robert Wood Johnson Medical School and the Cancer Institute of New Jersey, has a new method for treating patients with chronic SCI using adult stem cells that possess the ability to enhance regeneration of spinal nerves. Through Celvive, he has developed technology to deliver bone marrow cells from the hips of SCI patients by passing them through a sealed multiple-bag device and delivering the cells directly to the patient's injury site.



### **Affinetti Biologics, Inc.**

FVCG invested in Affinetti Biologics to advance its research in the development of therapeutic and diagnostic products based on new discoveries in oral biology and dental medicine.

Founder Dr. Daniel Fine, also a professor and chair, department of oral biology at UMDNJ-New Jersey Dental School, uses biological principals to create hybrid or fusion proteins that adhere to tissues with potent but non-toxic antimicrobial effects. He hopes to use these proteins to deliver effective substances locally, avoiding systemic complications. In the short term, Dr. Fine plans to use the proteins in treating conditions related to the oral cavity and then expand to include mucosal infections in other sites throughout the body.

## WE SOLD OUR EQUITY INTEREST IN LONGEVICA



**Foundation Venture Capital Group** sold its equity interest in Longevica Pharmaceuticals, Inc., to Rostock International Ltd., a subsidiary of Rostock Group, a Moscow (Russia) headquartered global investment firm.

Longevica is developing kinase inhibitors that may keep normal cells healthy during chemotherapy or radiation treatments. The company was founded by Alexey Ryazanov, PhD, a professor in the department of pharmacology at UMDNJ-Robert Wood Johnson Medical School and a member of The Cancer Institute of New Jersey.

The sale to Rostock International, Ltd, represented a substantial return on investment in less than 18 months, demonstrating the value of forming and developing companies around scientific activities of UMDNJ researchers.

## COMPANY ACTIVITIES



**Actinobac Biomed, Inc.**, founded by Dr. Scott Kachlany, associate professor at New Jersey Dental School, successfully demonstrated the *in vivo* efficacy of the company's drug candidate, Leukothera™, in treating psoriasis in a humanized mouse xenograft transplantation model as reported in an article published in the *Journal of Investigative Dermatology*. The studies performed at Aarhus University Hospital in Denmark showed Leukothera™ to be as effective as or better than Genentech's once marketed agent, efalizumab (Raptiva®), even when using significantly lower drug dosage levels.

Leukothera™ also showed synergistic anti-leukemia effects. Recent findings published in the scientific journal *Leukemia Research* showed that combining Leukothera™ with such widely employed drugs as etoposide, mitoxantrone, daunorubicin, busulfan and imatinib killed leukemia cells much more effectively than when the agents were used alone.

*Leukothera™ is a natural biologic agent that specifically targets malignant and/or inflammatory white blood cells involved in disease. Actinobac has exclusively licensed the rights to develop Leukothera™ as a therapeutic agent for the treatment of hematologic malignancies, autoimmune and inflammatory diseases and HIV infection.*

# FVCG INVESTMENTS TO DATE

- 
- **Actinobac Biomed Inc.**, developing a therapeutic agent targeting blood cells for the treatment of hematological malignancies; the same agent seems to help in the treatment of other autoimmune diseases like psoriasis
  - **Affinetti Biologics, Inc.**, advancing research in the development of therapeutic and diagnostic products based on new discoveries in oral biology and dental medicine
  - **CellXplore, Inc.**, engaged in the development of biomarker-based in vitro diagnostic assays for cancer; it has also developed technologies to diagnose mastitis
  - **Celvive, Inc.**, working to develop technology to treat patients with chronic spinal cord injuries with their own adult stem cells
- **Durin Technologies**, working to develop a blood test to diagnose Alzheimer's disease as well as several other neurodegenerative diseases
  - **Longevica Pharmaceuticals, Inc.**, developing a chemoprotective agent that may keep normal cells healthy during cancer treatments (FVCG's equity interest in Longevica was sold to Rostock International, LTD, a subsidiary of a Moscow (Russia) based global investment firm)
  - **Snowdon Pharmaceuticals**, a drug discovery company focused on several major therapeutic areas
-

Interested in our audited financial statements? Visit our website at [www.njhealthfoundation.org](http://www.njhealthfoundation.org) or call **(866) 448-6365** to request a copy.

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