

CeeTox, Inc. -- "Stick Around" Campaign success

Start-up firm resulting from Kalamazoo's talent retention campaign hits the ground running

KALAMAZOO, Mich. – The first of several companies started by displaced Pfizer Inc scientists in the Southwest Michigan Innovation Center (SMIC) has started operations. CeeTox, Inc., founded by Jim McKim and a team of four other scientists, has completed customization of its 2,500-square-foot lab space in the Southwest Michigan Innovation Center and has begun working with eight clients.

The contract research organization is focused on in vitro toxicity screening of potential drug candidates. CeeTox was founded in July 2003 with the help of Southwest Michigan First's business services through the "Stick Around" talent retention campaign. The company quickly went to work generating funding to start operations while construction of their labs was being completed at the SMIC.

The "Stick Around" campaign was launched by Southwest Michigan First to retain scientific talent displaced by Pfizer's acquisition of Pharmacia. CeeTox is the first significant result of the campaign. With support from community and regional partners, the strategy included an

advertising campaign, a series of career forums, the creation of a state pharmaceutical R&D tax credit up to \$10 million, and the designation of a tax-free floating Renaissance Zone for pharmaceutical research and development facilities.

"Some very talented pharmaceutical scientists lost their jobs when Pfizer reduced research and development operations in Kalamazoo," said Southwest Michigan First CEO Barry Broome. "Fortunately, through the 'Stick Around' campaign, we have been able to save a lot of that talent to start new companies."

In July, CeeTox was awarded \$200,000 from the Michigan Economic Development Corporation (MEDC). Of 29 proposals submitted to the MEDC, CeeTox's was in the top four. The company also completed its first round of angel investing for \$275,000.

On September 17, Pfizer announced support for CeeTox. Of more than 50 proposals worldwide for support from Pfizer, only CeeTox and two other Kalamazoo start-ups were approved. Pfizer provided some of the equipment and technology

needed by CeeTox to start operations, and is looking into the possibility of a service contract with the start-up.

"The Innovation Center is very fortunate to have Pfizer's support in this talent retention effort," SMIC CEO Doug Morton said. "We are thankful for Pfizer's provision of lab equipment which is a generous contribution to these young companies."

CeeTox's team of five scientists has been working productively together for five years. They have a collective experience of more than 100 years in the area of cell culture, biochemistry, and toxicology. The team has analyzed more than 3,000 new chemical entities and has repeatedly demonstrated the value of early in vitro toxicity data.

"Having CeeTox at the Business Technology and Research Park will add to the momentum of the community's life science initiative and enhance the discovery and commercialization environment we've worked so hard to establish," said Dr. Judith I. Bailey, president of Western Michigan University. "This is a

company that has real growth potential and, like the other Innovation Center companies, one that will help generate a healthy exchange of ideas between the private sector and our faculty and students."

CeeTox expects employment to reach approximately 50 people within three to five years.

"The City of Kalamazoo and Southwest Michigan First have been working hard for over a year to ensure the pharmaceutical heritage of the region," said Kalamazoo Mayor Robert Jones. "CeeTox is a great example of how that work is paying off. I am sure they will have a very bright future here in Kalamazoo."

The Southwest Michigan Innovation Center is a 58,000-square-foot incubator/accelerator designed to provide wet-lab space, access to venture funding and business services to emerging companies in biosciences and high technology. Construction for the new facility, located at the Western Michigan University Business Technology and Research Park in Kalamazoo, a state-designated SmartZone, was completed in Spring '03. For more information, visit www.kazoosmic.com.