

press release

Tuesday, February 20, 2007 – Albuquerque, New Mexico

Avanca Medical Devices Acquired by International firm, Global Medical Solutions—another STC Technology Transfer Success Story

Avanca Medical Devices, Inc. (Avanca), a spin-out company in the medical products area, is a grand example of the commercialization process facilitated by the Science and Technology Corporation @ UNM's (STC) Lobo VentureLab (LVL), the venture capital and start-up arm of STC. STC is a nonprofit organization wholly owned by the University of New Mexico (UNM). The mission of STC is to assist in connecting the business community with UNM—to protect and transfer intellectual property and faculty inventions to the commercial marketplace and to help companies who want to access UNM facilities, expertise, and research conducted at the University.

Avanca, founded in 2004 by Dr. Wilmer L. Sibbitt, Jr., a physician at UNM's Health Sciences Center (HSC), has developed several technologies for small medical devices. Dr. Sibbitt approached STC with a prototype of a syringe-like device, lately to be known and trademarked as the world's first RPD (reciprocating procedure device). After the invention disclosure, STC pursued patent protection, and as a result, Avanca became the newest member of the STC family of start-up companies.

Dr. Sibbitt's medical device invention was developed out of frustrations during his years of practice as a rheumatologist and internist at UNM HSC. "The problem with a traditional syringe is that it requires two hands to operate," he says. What makes the RPD unique is the ability to conduct procedures with a single hand: comfortable to the user, stable control because of less needle movement, and 50% less pain to the patient.

Dr. Sibbitt was interested in developing a business around the new RPD and STC encouraged him to do so with the help of an experienced entrepreneur. After developing prototypes, packaging, and gaining U.S. Food and Drug Administration (FDA) approval in January 2005, the introduction of the RPD successfully made its way into the marketplace as the Procedur™-10.

Avanca has had a strong and successful history thus far; however, in a recent letter to Avanca stockholders, Dr. Sibbitt wrote "that in order for Avanca to meet its potential and objectives, the company will need a full-range of RPD sizes, an infusion of funds, professional management and leadership, and international distribution capabilities." Next step: an alliance.

With a suggestion by Mr. Monty Fu, Dr. Sibbitt began exploring an alliance with HSB Holdings subsidiary, Global Medical Solutions, Ltd. (GMS). Monty Fu is Chairman of Duopross Meditech, manufacturer of syringes and commodity medical products and manufacturer of the Procedure™-10. Mr. Fu is also an alumnus of UNM's College of Pharmacy and Radio Pharmacy, generous supporter of UNM, renowned for development of international radiopharmacies and manufacturing, and long-time friend to Dr. Sibbitt.

SCIENCE & TECHNOLOGY corporation @ unm
Connecting the marketplace and the University of New Mexico



Contact:
Karol-Lynn Reed
Communication Specialist
801 University Blvd., SE
Suite 101
Albuquerque, NM 87110
t • 505 . 272 . 7346
f • 505 . 272 . 7300
w • stc.unm.edu
e • klreed@unm.edu

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GMS is a leading-edge provider of nuclear medicine, diagnostic imaging products, and services, and operates on an international game board including Australia, Brazil, China, and Hong Kong. GMS provides a wide range of products and services, including the latest imaging agents and radiopharmaceuticals, to specialty manufacturing, to owner-operated medical diagnostic imaging centers. GMS offers everything needed for safe, efficient service to patients. GMS compounds and dispenses the latest imaging and therapy agents from manufacturer's worldwide for use in radiopharmacies, oncology, cardiology, PET imaging and medical imaging centers. GMS also provides specialty-manufacturing services.

After successful negotiations amongst a "circle of friends," as all involved fondly call it, GMS has acquired Avanca to the tune of \$1 million dollars and the 51% controlling interest. Avanca will remain as its own entity. The negotiated ink was penned and dried on August 2, 2006. GMS brings with it a seasoned and experienced group of management professionals. Dr. Sibbitt, former CEO, will continue with Avanca as Chief Scientific Officer and Secretary. Dr. Sibbitt says, "I have been very pleased with the process and feel that GMS has a vested interest in the company and is not just a *hired gun*."

Joining the circle, Haig Bagerdjian, will take over the helm as CEO. Mr. Bagerdjian is also Chairman, President, and Chief Executive Officer of Point.360, a full-service audio-visual asset management company servicing the post-production and broadcast distribution needs of entertainment studios, advertising agencies, corporations, and independent producers.

Jay Simon, current COO of GMS, shall become President and Chief Operating Officer. Mr. Simon is a trained nuclear pharmacist who has served on the International Advisory Committee and Presidents Advisory Committee of the Society of Nuclear Medicine. Mr. Simon, UNM alum, holds a B.S. degree in Nuclear Pharmacy from the University of New Mexico. He is a registered pharmacist in Arizona and Ohio.

Dr. Randy Sibbitt shall become the Chief Development Officer. Randy is brother to Wilmer and co-inventor of the RPD. Dr. Randy Sibbitt is notably known for his collaborative work on the widely used intravascular PALMAZ[®] stent developed at the University of Texas, San Antonio.

Neal Cannon, Chief Financial Officer for HSB Holdings, shall be the Chief Financial Officer. He holds A.B. and M.B.A. degrees from the University of Chicago. Mr. Cannon is a director of the Chicago Challenge.

Monty Fu will also sit on the Board of Directors.

This completes the circle. There is comfort in the circle, as all principals have known each other for a number of years. Board members have close ties to New Mexico, creating a "win-win" situation for all parties. Avanca will stay in Albuquerque—keeping its close ties to UNM, STC, and continued inclusion in New Mexico's economy. An alternative acquisition meant moving Avanca to Israel. Dr. Sibbitt says, "Avanca remaining here in New Mexico keeps the product connection



to UNM, both physically and in spirit.”

Jay Simon, new President and COO of Avanca, lives in Albuquerque with wife and child these past 3 years, another “win” in the “win-win” situation for the circle. “Of all the mergers and acquisitions I have dealt with over the years, this has been the nicest and most open—literally a deal amongst friends,” says Jay Simon.

Avanca is quickly moving onto the international scene. The new management team has identified over 12 specialties for the RPD and at least 60 practical uses—a worldwide market and bright future for the RPD—and the major reason for investment by GMS. The future emphasis will be on the RPD, although Avanca has a product line of medical devices including IV Bags, scalpels, butterfly syringes, medical tubing, and infusion sets.

GMS believes the 1cc and 3cc RPDs to have the greatest potential for use when introduced to the international community in a multitude of applications in industries beside the obvious medical applications. New versions in the design process will focus on drug delivery applications, including medical cosmetics and Botox injections. Molds for the new sizes of the RPD are already in development and prototypes are soon expected.

Originally, the RPD was a more functional design for the commodity syringe. Recent modifications have evolved the initial RPD into an improved product with a wide range in size selection (from 1 ml through 20 ml fulfilling industry demand) appropriate for a slue of medical procedures such as tissue biopsies. “The improved design results in a more compact feel and better user satisfaction; sleeker and more streamlined, which reduces hand-fatigue; it is less bulky for a “lighter” feel; and has more functionality while rotating, allowing for fit into tighter spots,” says Dr. Sibbitt.

Out of the seven clinical trials performed at the UNM HSC, all studies concluded that the Procedur™-10 RPD was more effective in applications, easier to use, and much less pain to the patient (as much as 50% on the pain scale.) Medical professionals have much greater control, therefore improving stability and it is superior to all other syringe-like procedure devices.

Congratulations are in order for Avanca and GMS. The future of the RPD line is very bright and STC is proud to play a roll in Avanca’s contribution to the medical sciences. STC President and Chief Executive Officer, Lisa Kuuttila, says, “We believe that Avanca has excellent prospects for substantially impacting physician-to-patient care as well as creating economic growth for New Mexico.”

For more information on Avanca Medication Devices, please visit: www.avancamedical.com
For more information on Global Medical Solutions, please visit: www.globalmedicalsolutions.com
For more information regarding Science & Technology Corporation @ UNM, please visit:
<http://stc.unm.edu>

