

A special thanks to the Mid Atlantic Venture Association for this template

OrthoSystem, Inc, Professor Philip N. Borer, CEO

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Web Address: Orthobiosystems.com

Management:

CEO Philip N. Borer

President Peter E. Kent

VP Sale/Mktg. Peter E. Kent

VP Product Dev'tment Bruce S Hudson

CTO Mark P. McPike

CFO Laura Borer

Industry: BioTech

Number of Employees: # 10

Bank: Key Bank

Future Auditor: Grimaldi & Assoc,
CPAs, PLLP

Law Firm(s): Hancock & Estabrook,
LLP

Amount of Financing Sought:
\$5M equity

Current Investors: (\$1,250,000)
NIH grants for \$850,000
DHS grant for \$100,000
NYIEQ grant for \$50,000
Personal Funds \$200,000
SU patent fees \$50,000

Use of Funds: Product development,
marketing/sales, distribution, etc

Business Description: OrthoSystems is a biotech with four patents pending methods to recognize minute quantities of biological targets in seconds. Our products will detect terrorist, vandal or environmental released organisms in drinking water, building air or food processing lines. Pharmaceutical companies can use these methods to screen for new drugs using their high throughput screening (HTS) systems.

Company Background: Spun out of Syracuse University Chemistry Department by Professors Borer and Hudson in March 2003 where it benefits for decades of NIH funded research in these areas.

Management: Peter E. Kent has his MBA from Rensselaer and has been involved in the management of 12 startups including President of #140 on the 1989 INC 500 and one that has sold millions of dollars of computerized diagnostic equipment to airlines in 56 countries.

Products/Services: Drinking water is currently monitored via a grab sample being processed in an onsite or contract lab with the results known after the water has been consumed. OrthoSystems intends to offer cities real-time monitoring at both the water source and numerous distribution system locations using a 24/7 national monitoring and response center. Same for large building air handling systems and food processing lines. Labs will not be able to compete.

Pending patents:

1. **Combigen™:** Design and manufacture of the chemical equivalent of antibodies for most targets, each patentable.
2. **OrthoSwitches™:** Fluorescent molecular switch that turns on when the "antibody" finds it target.
3. A method to increase detection **sensitivity by 1000.**
4. A method to increase detection **selectivity by 1000.**

Markets: First target market is the 11,000 water systems in the USA that serve over 10,000 customers motivated by new regulations plus a desire to provide pure water and monitor terrorist act. Second are food processing lines. Third are large building owners. Fourth are pharmaceutical HTS researchers

Distribution Channels: For water, air and food detection systems, we plan to partner with large equipment suppliers such as Hach, Carrier, etc.

Competition: Real time contamination detection is in its infancy. Competitors in water detection are our Syracuse friends, Source Sentinel, LLP and consulting engineering firm CH2M Hill plus several other startups funded by federal anti-terrorist grants.

Financial Projections (Unaudited) (dollars in thousands):

	2004	2005	2006	2007	2008
Revenue:	\$391	\$400	\$5000	\$20,000	\$50,000
EBIT:	\$2	\$0	\$100	\$2000	\$5000