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**To:** Epstein <jeevacation@gmail.com>

**Subject:** Fw: RYMED Inc. Patented, FDA approved Disruptive technology at the perfect inflection point in a multi billion dollar industry . CALL ME

**Date:** Fri, 27 Apr 2012 01:20:34 +0000

**Importance:** high

**Attachments:** U.S.\_8,096,525\_B2\_Zero\_Fluid\_Displacement[1].pdf;  
PRESS\_RELEASER\_FEB\_13\_2012[1].doc; Curry\_Resume.doc;  
RyMed\_Technologies\_Financial\_Investor\_Presentation\_-\_February\_2012.ppt

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Take a look at this. Mark martino runs Axiom. Perhaps this might be of interest to you. To me, nothing better than getting your money back and having 7 year warrant coverage.

Sent via BlackBerry from T-Mobile

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**From:** "Martino, Mark" <[REDACTED]>

**Date:** Tue, 24 Apr 2012 20:34:23 +0000

**To:** David Clarke<[REDACTED]>; Zelin, Barry<[REDACTED]>

**Subject:** FW: RYMED Inc. Patented, FDA approved Disruptive technology at the perfect inflection point in a multi billion dollar industry . CALL ME

Attached is the power point, most recent patent (Feb '12), and resumes of the most recent hire and potential board member. The most important fact is that the company has already negotiated the terms of the qualified financing with a PE fund that will close on or about June 30th of this year.

[www.galen.com](http://www.galen.com)<<http://www.galen.com>> The fund has approximately \$1 billion in assets that they manage in 5 separate funds and are focused solely on the healthcare/medical technology space. They have already spoken with most of the doctors and hospitals that have adopted RyMed's product. This fund is also the largest shareholder in a top 5 General Purchase Organization which does business with 80% of the hospitals in the US. That's the obvious leverage in the investment for the fund. This bridge note has a 6 month term but will probably be paid off within 90 days. You will have 40% warrant coverage, full ratchet anti-dilution protection, and 7 year term. You will be the senior secured lien holders secured by all the assets of the corporation. The PE fund has specifically increased the size of their commitment so that they can pay back all the bridge notes and own up to 40% of the company post their investment. I will send the term sheet and the deal docs on the next email. Call me to discuss this.

PLEASE READ AND UNDERSTAND ALL THE DISCLOSURES AND RISK FACTORS IN THE PPM AND OFFERING DOCUMENTS PRIOR TO CONSIDERING ANY INVESTMENT!

**RYMED INC The Company:** RyMed was founded in 1994 and is a developer of FDA approved, Patent Protected, Disruptive Healthcare Technology that is an unsurpassed clinically proven solution in combating and significantly reducing both CATHETER –RELATED BLOODSTREAM INFECTIONS (CR-BSI's) and THROMBOTIC CATHETER OCCLUSIONS (BLOOD CLOTS). These two market opportunities represent a \$3.5 billion dollar market opportunity in the U.S alone. CR-BSI's and Blood Clots are two of the most severe patient issues plaguing the Healthcare System today thus positioning RyMed perfectly in the Marketplace. Two additional patents were issued to the company in the last 60 days, the most critical patent, Patent # 8,096,525 for "Zero Fluid Displacement" was just issued January 17th, 2012 to RyMed Inc. (Included Above) This positions them as an industry leader with a solution that the competition claimed "does not exist."

The company is currently growing at over 40% per annum and is expecting growth to accelerate to a 100% per annum growth rate in the quarters ahead due to recent partnerships, new clients and the developing regulatory

and insurance environment. This current financing takes the company to cash flow positive. Prior to this offering, management has received multiple offers to either purchase majority control of the company and/or license the technology and manufacturing rights on an exclusive basis. Management has turned down those offers feeling that they can enhance shareholder value substantially in the medium term. Currently, the company has 53% Gross Margins that will improve to ~70% as volumes increase.

**THE PROBLEM:** Prior to RyMed's introduction of the InVision Plus technology (Zero Fluid Displacement) all current needleless I.V. Connector Systems were originally designed to protect the healthcare professional. Unknowingly, as a result these systems created a new Patient Safety Problem in that it increased Catheter-Related Bloodstream Infections and Blood Clots. Currently, there are between 250,000 and 500,000 CR-BSI's annually, costing each Hospital and/or Medicare/Insurance Company \$55,000 Per Infection. This does not even account for the litigation costs and/or the 12% to 25% mortality rate resulting from CR-BSI's. These costs are in addition to the \$3.5 billion a year in product sales mentioned above.

**FDA ALERT:** In July 2010, the FDA notified all Manufacturers of competing "Positive Displacement I.V. Connectors" that they had 3 years to comply with the new requirements and/or make changes to their equipment. This was 20 months ago. In 15 months a majority of RyMed's competition will be under assault by the FDA and Insurance companies to have a complying solution or risk being pulled from the market. Competitors or acquirers depending how one would look at it include; D. Braun, Becton Dickenson, ICU, CR Bard, JNJ, Baxter etc. One competitor in that notice has already been pulled off the market and an industry letter coming out in the near term will effect Baxter and CR Bard's products, and may result in having them pulled from the market as well. This will set the stage for RyMed's next leg up in valuation and asset attraction.

**INDEPENDENT CLINICAL STUDIES AND EXPERT AFFIRMATION:** Current independent clinical studies and or experts verifying the technology Include, but are not limited to Nelson Laboratories, Duke University Hospital, University of Texas MD Anderson Cancer Center, Methodist Healthcare Center, Dr. Wayne Jarvis former CDC Senior Director, Dr. Denise Macklin, Dr. Etc.

#### **MANAGEMENT:**

"They have been to the Rodeo before!" Been there...Done that.

The company was founded by and managed by former Fortune 500 Senior Management with backgrounds in Marketing and manufacturing including time at JNJ. The team had successfully built a prior start up company, that was V.C. Funded and it sold successfully. Management currently has had over 35 patents issued here and in other Healthcare initiatives. Recognizing this new problem, they put the team back together and endeavored to create RyMed.

**TIME AND MONEY:** Jim Kaiser and Dana Ryan, RyMed's founders have committed the last 15 years of their LIVES perfecting their vision, creating the Zero Fluid Displacement product, through design, patents. They have received multiple patents and FDA approvals as well as launching commercialization. To date, over \$22 million dollars has been invested into the company through a combination of individual investors, close friends and family. This is the founders Swan Song, it is their passion, their retirement plans and their legacy. These prior investors are all JUNIOR to our investment and the investors, founders and management will not receive a penny until we receive out principle and 12% interest and warrants.

**MANUFACTURING PARTNER:** Rather than recreate the wheel and incur substantial development and management costs of building and owning their own facility, RyMed entered into a manufacturing partnership with Accelent. Accelent Inc. is the largest independent Contract Manufacturer of Medical Devices in the World. It is a privately owned company whose lead investor is KKR. To date, they have collectively had a flawless relationship with the FDA reference its manufacturing process.

#### **FACTS AND MOVEMENTS CREATING THE "PERFECT STORM" FOR RYMED INC's PRODUCTS:**

1. **AWARENESS:** Hospital infections are now officially being associated with bloodstream infections created by

catheters and blood clots. Doctors, Hospitals, Insurance Companies, Boards of Directors and Patients are becoming all too aware of this issue and its personal and financial costs to all organizations

2. NEVER EVENTS & MORTALITY RATES: Increasingly, Medicare and insurance companies are NO longer reimbursing hospitals for hospital born infections or other additional medical issues created by or associated with the hospital. AKA "Never Events." On average, it costs the hospital an average of \$55 thousand per infection . In addition, catheter born infections are accompanied by a 12- 25% mortality rate at hospitals plus additional legal costs and liability. Medicare has already ceased reimbursing hospitals and insurance companies are beginning to follow suit.

3. PUBLIC REPORTING OF HOSPITAL INFECTIONS: Currently twenty some odd states require hospitals to report infections. Within the next year, it is expected that all 50 states will require this. This single report is what effects hospital reputations, insurance rates and physician liability. This will be the icing on the cake for hospitals to identify processes and solutions for reduction in infections as they and their physician teams will be held accountable.

4. HIGH PROFILE CLIENTS: Trend setting hospitals are switching regularly to Rymed's line of products to protect their patients, reduce their internal costs and limit their liability. Current supporters of RyMED's Invision-Plus technology include Duke University Medical Center, The Mayo Clinic, Johns Hopkins, Yale University, The Allegheny Healthcare System, The U.S. Army, CVS, Amerinet, Kaiser Permanente (California), The Partners Group (Boston), Sutter Medical Center (Roseville Ca), VA Hospitals (Atlanta, Miami), Danbury Hospital, Boston Medical, Lifespan of Rhode Island, Spaulding Hospital, Hospital Corp of America, Etc.

5. FDA APPROVAL AND PATENT DEVELOPMENTS: Recent FDA approval and two recent issued patents in February 2012 further insulate the company from knock offs. As discussed above, the "FDA Alert and Notification letter to competitors" has a 14 month time bomb ticking for those competitors to get a solution per the original 3 year FDA warning issued in July 2010. As a result, acquisition and partnership discussions have taken place and will only increase in occurrence as competitive need in the months and years ahead forces a search for a solution.

6. NO LONGER "IF": The wins and successes speak for themselves. The FDA warnings, Medicare and insurance companies non reimbursement, multi-year histories at key facilities that have been using the Rymed solution, clinical tests and industry experts confirming the results position RyMED to capitalize on the perfect storm developing in CR-BSI's.

7. SALES FORCE AND EXECUTIVES. The company has just recently hired new key employees, including Paul Blackburn, from industry leader CR Bard (resume attached). Mr. Blackburn represents a significant confirmation for Rymed's technology as he has left a multi decade career at a major competitor to join RyMed. Paul becomes the Chairman of the AVA (The American Vascular Association) later this year. The company will be using the proceeds of this funding on SG&A and building the sales force. The company also brought on as a new advisor, soon to be board member, Mr. Bob Curry (resume attached). Bob is a legendary venture capitalist in healthcare, and was a former president of one of Merrill Lynch's Venture Capital groups and launched the Sprout Group at Donaldson, Lufkin Jenrette. Currently Bob runs ATV (Alternative Technology Ventures). We expect many more key hires in the months ahead.

8. INSTITUTIONAL DISTRIBUTION: Rymed recently received acceptance by their first GPO, (General Purchasing Organization) Amerinet in the fall of 2011. Currently they are in advanced discussions with Premier and other GPO's as well as working on increasing their partnership with Kaiser Permanente. Unlike other medical device products, RyMed's products are sold to directly to hospitals, not to surgeons and/or doctors directly. Once approved at a hospital, they do not need to sell each doctor. They have the hospital!

9. CHANGES IN & INTELLIGENT HOSPITAL PURCHASING: With infections becoming a significant cost and liability for hospitals the purchasing behavior is changing drastically. Purchasing decisions are no longer up to the sole discretion of the "materials manager". These decisions are now made by a team, typically including

the NICU, ICU, Infection and Risk management. So a collective business decision is made in which a true COST/BENEFIT analysis of the RyMed solution is considered making for a substantially easier decision.

10. ICU AND PATENT ISSUES: With recent patent issues resolved and/or solutions found RyMed can now market itself confidently in the market place. (See Risk Disclosures). After years of false patent attacks by ICU on RyMed effectively slowing RyMed's growth, the results are in as demonstrated by its recent client wins. This competitive patent EXPIRED DEC 18, 2011.

11. NEW ACCOUNTS and PARTNERSHIPS: In the last few months , the company has SIGNED the U.S. Army, the Mayo Clinics, Yale, Johns Hopkins and others mentioned above. In the last few weeks, the company has begun discussing licensing deals or co-marketing with Arrow, J&J, Hibiclens, CareFusion that could be very big for the Company. The company is also negotiating a partnership with leading manufacturers of IV pumps and groups entering the infusion market. RyMed has 2012 revenues locked in by contract and with a few more GPO's and/or hospital groups RyMed could reach the \$17 to \$20 million sales level, or a 100% growth rate.

Click the link below for an article by Dr. William Jarvis on "Choosing the Best Design for Needleless IV Connectors". The preferred design described in the article matches RyMed's InVision-Plus® technology. While Dr. Jarvis never makes recommendations to protect his independence, he does feature a real world success story at the Sutter Roseville Medical Center which has completely eliminated CR-BSI's for the last 4 years! Sutter Roseville has implemented the use of RyMed Invision-Plus products.

<http://www.rymedtech.com/assets/files/Published%20Articles/INFECTION%20CONTROL%20TODAY%20-%20AUGUST%202010%20JARVIS.pdf>

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