

The Opportunity in Cancer: Goldberg's Variation

(A#1998900165)

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Issue: *Start-Up* Nov. 1998

Section: Venture Round (Short Article)

Article Type: Short Takes

Industry Segment: In Vitro Diagnostics; Pharmaceuticals; Supplies, Equipment and Devices

Subject/Market Dynamic: Venture Capital Firms; Venture Capital Investment Areas

Therapeutic Categories: Cancer; Cancer/Prostate Cancer

Companies: ATI Medical Inc.; Genaera Corp.; Johnson & Johnson/Alza Corp.

Summary: Prostate cancer will be the focus of ProQuest Investments LP, a new venture fund founded by Jeremy Goldberg. With investors the Ann and Robert H. Lurie Foundation of Chicago, Alza Corp., and high net worth individuals, including Michael Milken, ProQuest has raised \$40.5 million in its first closing.

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The billions in public and private money spent on cancer are beginning to generate novel, efficacious products, like *Rituxan*, a monoclonal antibody for non-Hodgkins's lymphoma developed by **Idec Pharmaceuticals Corp.**, and **Genentech Inc.**'s breast cancer drug *Herceptin*.

For the past year, Jeremy Goldberg, who has worked at **SmithKline Beecham** and **Becton Dickinson & Co.** and co-founded and/or invested in **Mitotix Inc.**, **Versicor Inc.** (a **Sepracor Inc.** spin-out) and **Centaur Pharmaceuticals Inc.**, has been positioning a new fund to take advantage of the commercial opportunities in cancer. ProQuest Investments LP raised \$40.5 million in its first closing in August. Investors included the Ann and Robert H. Lurie Foundation of Chicago, **Alza Corp.** and high profile individuals, including Michael Milken, whose charitable foundation CaP CURE (Cure of Cancer of the Prostate) has provided millions to the field of prostate cancer research.

In September, Jay Moorin joined Goldberg as a partner in the firm. Previously, he was CEO of **Magainin Pharmaceuticals Inc.** and a managing director in health care at Bear Stearns. **Prostate cancer will be a particular focus of ProQuest.** The disease kills 40,000 men per year and one million currently suffer from it, notes Goldberg. Within prostate cancer alone, ProQuest has identified over 180 drugs in development, more than 90 of which are in clinical trials.

Much research is aimed at device approaches as well. The fund has made its first investment in **Ablation Technologies**, a private company founded in 1996 with a device that enables the non-invasive local implantation of "seeds" that use heat to kill prostate cancer cells. It could be available in Europe in the next 18 months, thinks Goldberg. The fund can invest in any stage deal from seed to small cap public companies in cancer arenas, including biopharmaceuticals, medical devices and health care services. ProQuest may even invest in individual products and fold them into a portfolio company.

The new fund is sponsored as well as mentored by Domain Associates, which introduces ProQuest to deal flow, and whose partner, Jim Blair, sits on the fund's valuation committee. The two funds are in neighboring offices in Princeton. Domain recently closed on Domain Partners IV LP, which, together with side-by-side investments from other advised funds, provides Domain with \$300 million to invest in new life science companies. As a result, Domain is exposed to approximately 800 new investment opportunities yearly, of which about 100 are likely to be of interest to ProQuest.

"There are plenty of good, generic, balanced health care funds out there already" says Goldberg, who hopes the specialized fund will get name brand recognition as the fund to do cancer deals with. "In the cancer space, we hope to gain the same stature as Hummer Winblad did in software investing."

ProQuest aims to raise \$100 million. Current investors have committed to invest 25% of the remaining capital to reach the fund's target.