

# BUSINESS FIRST

## New CEO to help Neuronetrix raise money for research

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by [Ed Green](#)

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Neuronetrix Inc. has a new CEO who will help the company seek venture funding needed to continue its research and development of a system designed to provide early diagnosis of Alzheimer's disease.

The system, which originally was designed to detect dyslexia and other neurological disorders in children, is called COGNISION™, said K.C. Fadem, co-founder and chief operating officer.

Mike Reid started this week as president and CEO of the 3-year-old company. He has worked for the past 14 years in sales and development positions with pharmaceutical giant Pfizer Inc. Reid replaced Dr. John Barker, a University of Louisville researcher and company co-founder. Barker remains on its board of directors, "but it was just time for us to get a full-time CEO," Fadem said.

### Company seeks \$2 million in capital

Reid's first charge will be to raise about \$2 million needed to fund clinical trials to test whether the company's COGNISION™ device can predict accurately the early stages of Alzheimer's disease. Previously, the company has raised about \$1.3 million from angel investors and state and federal grants.

Fadem said the Louisville company soon will conduct a six-month clinical trial with researchers at the University of Kentucky's Sanders-Brown Center on Aging, which is designated as an Alzheimer's Disease Core Center by the National Institute on Aging. A second trial is planned later this year with the UK center and a researcher at the University of Pennsylvania.

If tests go well and the company receives approval from the U.S. Food and Drug Administration to market the device, the company could quickly grow, Reid said.

A likely scenario, he said, would be that a large, medical-device company might buy the technology. Another option, he said, would be to create a public company and develop other uses for the technology.

### No current diagnosis available

The market is wide open for a reliable tool used to diagnose Alzheimer's disease. Currently, there is no proven diagnostic test for Alzheimer's disease, so it can take several years for patients to be



The COGNISION™ device resembles a rubber hair net with plastic and metal probes attached. The probes track brain activity.

diagnosed based on clinical observations. During that time, they cannot get prescription drugs to slow progression of the disease, Fadem said.

As a result, their conditions worsen as their brains continue to deteriorate. They lose memory, cognitive functions and continence.

"The fact is, there is no drug to treat Alzheimer's ... (but) there are drugs and therapies that can slow or stop the progression of the disease," said Fadem, an engineer who is helping further develop the technology needed to take readings of brain waves, upload those signals to the Internet and analyze the readings to create a diagnosis.

The COGNISION™ device resembles a rubber hair net with plastic and metal probes attached. The probes track brain activity.

Another component that looks like a remote control is used to set programs and wirelessly upload data to the Internet so Neuronetrix can analyze the results.

The whole system is housed in a briefcase-size box and will cost the company only about \$500 to make, Fadem said.

**Size could make device available to many**

The low cost and compact size are advantages of the COGNISION™ system, Fadem said, because the device could be used by thousands of primary-care physicians who conduct routine annual screenings, which would be analyzed by Neuronetrix.

The charge for a diagnosis would be about \$200 per test, Reid said, adding that the technology could generate millions of dollars annually even if only a small percent of the nation's seniors are screened for Alzheimer's.

Dr. David Casey, vice chairman of the University of Louisville's Department of Psychiatry and Behavioral Sciences, said Neuronetrix is not the only company trying to find a way to diagnose the disease. Others are working on ways to diagnose Alzheimer's with genetic tests and expensive PET scans, but none have been proven to work, said Casey, who serves on the board of directors of the Greater Kentucky and Southern Indiana chapter of the Alzheimer's Association.

"There has been a desire forever, at least since the disease was discovered, to have a lab test that will make it simpler to make a diagnosis," he said. "There are a lot of tests that have been put forward. ... So far, I would say this is a promising technology. We are monitoring it. We are hopeful."

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