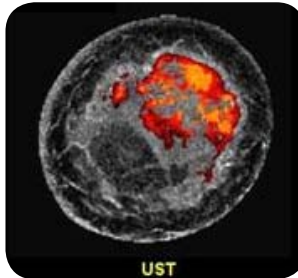


2010

newsmaker



“The Delphinus SoftVue system has the potential to eliminate up to two million unnecessary breast biopsies per year, which account for \$2 billion in annual health care expenditures worldwide.” - Michael Gross, Managing Director, Beringea





SoftVue: A New Breast Imaging Device

By Deena Centofanti

April 22, 2010

It is a little like auto engineers unveiling a concept car, expect the designers are doctors at Karmanos and their prototype runs on water.

It looks like one fancy fish tank, but it actually is a brand new way to find breast cancer.

"Ultrasound really travels well through water," said Karmanos Oncologist Peter Littrup, M.D.

The patient lays face down, the breast goes through a hole and into warm water. A ring then moves down capturing dozen of 3D images with ultrasound.

"The scan can actually go all the way up to the chest wall (and) get almost the entire areas of the breast," Littrup said.

It is called SoftVue. Gretchen Klass read about it online from her suburban Chicago home.

"Back in January when I was supposed to have my annual mammogram and ultrasound, I was looking on the internet for alternatives because, to me, they can not see anything on a mammogram with my breasts. They're very dense," she said.

So, Klass made the trip to Detroit. This prototype ten years in the making was conceptualized and created by doctors at the Karmanos Cancer Institute.

SoftVue is not yet on the market. It needs more testing and funding. The goal is to one day make it an option for many women.

The exam only takes about one minute. It does not involve radiation or compression and is a fraction of the cost of M.R.I., which is sometimes recommended for women with certain risk factors. So far, it has been tested on 300 women with about 90-percent accuracy.

Klass' SoftVue scan did confirm what her doctors at home had told her. She does have breast cancer. Now, she is getting that treated at Karmanos. In a future story, we will tell you about the cutting edge therapy that is going to freeze her tumor to death.

CRAIN'S DETROIT BUSINESS

Detroit and Southeast Michigan's premier business news and information website

People and companies breaking new ground

May 5, 2010

The automotive industry was built on innovation, but with global success came overreliance on a single industry, which for a time blunted metro Detroit's entrepreneurial edge. Following are examples of companies and institutions helping to restore a culture of innovation.

Delphinus Medical Technologies

Delphinus Medical Technologies L.L.C., a for-profit spinoff from the Karmanos Cancer Institute, followed a difficult road to where it is now: securing venture capital to bring to market its ultrasonic equipment for detecting breast cancer.

In the late 1990s, a former NASA astrophysicist, John Rather, who had been recruited to the Karmanos center as chief science officer, held a problem-solving conference in Detroit among scientists from around the country.

One of the ideas was: How about using ultrasound technology to improve breast-cancer detection?

By 2001, Rather had a design in hand — a ring that would fit around a breast, eliminating the need for the painful compression of mammography or the radiation of an MRI — and figured he'd have something on the market in two or three years.

After fits and starts, last November Karmanos officials announced that Delphinus had been formed and was seeking \$5.5 million in venture capital funding. Serious talks have been under way for months with area VCs, and William Greenway has been hired as CEO.

The company has a working prototype of an ultrasound device called SoftVue. It looks like a bed with a hole that a breast fits through when a woman lies on her stomach. The breast is immersed in warm water and surrounded by an ultrasound ring that collects 3-D images.

CRAIN'S DETROIT BUSINESS

Detroit and Southeast Michigan's premier business news and information website

Mammogram alternative wins funding, Delphinus moves closer to market

By Tom Henderson

May 23, 2010

The **Barbara Ann Karmanos Cancer Institute** is expected to announce today that it has closed on a funding round of \$8 million for **Delphinus Medical Technologies Inc.**, a nonprofit spinoff that has built a prototype machine for ultrasonic breast cancer detection.

The investment finally brings the company within sight of the medical marketplace after more than a decade of struggle and more than \$19 million in research and development funding.

About \$6 million of that was from private donors and the rest from a variety of state and national funding sources, including the **National Institutes of Health**, the **National Cancer Institute**, the **Michigan Economic Development Corp.** and the **Susan G. Komen Breast Cancer Foundation**.

When the spinoff of the company was announced last November after clinical studies of more than 300 women, Karmanos officials said they hoped to get \$5.5 million in VC funding to take the company from prototype to market.

Three area venture capital companies — Ann Arbor-based **North Coast Technology Partners L.L.C.**, Ann Arbor-based **Arboretum Ventures L.L.C.**, and Farmington Hills-based **Beringea L.L.C.** — and the **Wolverine Venture Fund**, a fund run by students at the **University of Michigan** business school, liked the promise of the technology and its potentially big worldwide market enough to exceed Karmanos' expectations.

Beringea's investment comes from the state of Michigan's \$175 million **InvestMichigan! Growth Capital Fund** it co-manages with **Credit Suisse**.

It is Beringea's eighth investment from the fund. Amounts committed by the individual VC funds are not being disclosed.

Karmanos officials can only hope Arboretum has the same kind of success with Delphinus that it had with two other portfolio companies.

Last October, Ann Arbor-based **HandyLab Inc.** was sold for \$275 million, and in 2008, Ann Arbor-based **HealthMedia Inc.** was sold for more than \$100 million.

The timing last November of the announcement of Delphinus' spinoff was particularly fortunate, and coincidental.

Earlier that week, the **U.S. Preventive Services Task Force** recommended against annual mammogram screenings for women between the ages of 40 and 49 because of the risks and costs associated with false positives. The task force said women of that age range should discuss with their doctors the option of screenings every other year.

Ultrasonic screening holds the promise of reducing false positives and, as a result, unnecessary biopsies, Karmanos researchers say.

Moreover, it eliminates the pain of compression for women and the risks of radiation in traditional mammography, and it is cheaper than magnetic resonance imaging.

Delphinus CEO William Greenway estimated the cost to a medical facility of an MRI image — not the fee it bills, which has to cover the cost of the machine, but the cost of just the image — at \$200 to \$250, about 15 times more than the cost of an ultrasound image.

MRI machines cost between \$1 million and \$3 million compared to his company's target price of about \$400,000 for its device, about the same price as a digital mammography system.

With Delphinus technology — “delphinus” is Latin for dolphin — a woman lies face down on a platform that has a hole cut in it for a breast to hang through. The breast is immersed in warm water and surrounded by an ultrasonic ring that sends sound waves through the breast.

Computer algorithms produce images by interpreting slight differences in the speed of sound waves as they pass through various forms of tissue, including cancer tissue. The key to possible commercialization has been advances in information technology that allowed for the massive amount of data acquisition and data processing that made that improved imaging possible.

“This is a big statement, because it's been decades of trying, but there's probably a market now for what Neb (Duric) is doing,” said Dr. Paul Carson, professor of radiology at the **University of Michigan Medical School**. “He's getting very good results. He's got a lot to offer and he's getting close to commercialization.”

Duric is the physicist who has been part of the Delphinus development team for 10 years and is the company's chief technical officer. Dr. Peter Littrup, director of imaging and radiological research at Karmanos, is Delphinus chief medical officer.

Carson also heads up a team at the **UM Comprehensive Cancer Center** that has developed its own ultrasonic breast imaging prototype.

Carson's team works with **General Electric Global Research** and is in the seventh year of a \$13 million, 10-year NIH grant.

He said his prototype is farther from the market than Delphinus' prototype. It does ultrasonic imaging in conjunction with traditional mammogram imaging, and Carson hopes to add optical imaging.

After the NIH grant expires, GE would have to decide whether to fund further commercialization or let UM seek VC funding for a spinoff company.

Greenway hopes to get approval from the **U.S. Food and Drug Administration** to allow commercial use in as soon as two years, pending further tests.

Greenway said the U.S. market for breast-imaging equipment is about \$2 billion, and the worldwide market is about \$10 billion. “We hope to be north of \$100 million in sales in five to seven years,” he said.

“We like investments that drive out costs and bring efficiencies to medical care,” said Michael Gross, a managing director at Beringea. “If the company continues to replicate its test results, they'll cut huge amounts of cost from health care. There are 2 million unnecessary breast biopsies worldwide, which is \$2 billion in unnecessary annual health care costs.

“The market for breast cancer diagnostics and screening is very large and ripe for change. The market is crying out for solutions, now.”

“Timing is everything — the timing of the market, the timing of the availability of good people, the timing of technological advancements and, in this case, the timing of competing technologies that showed promise but are struggling,” said Hugo Braun, a general partner at North Coast.

“The most important timing of all is having Bill Greenway able to join the company at a time it's ready to explode on the market, and you couldn't find someone better,” he said.

Greenway said the bulk of the \$8 million in funding will be used to “turn a scientific prototype into a commercial prototype ready to take to market. We've solved the scientific challenges, now it's a matter of solving engineering challenges. That's

not just making it cheaper, it's making it better. Better to look at, easier to use, cheaper, with more automated parts to speed things up and get faster imaging. It takes hours, today, to get an image. Our goal is to have an image in the clinician's hand in nine minutes. And we need rock solid reliability."

Greenway said FDA approval could come in three to four years for Delphinus to take on a second, even larger market — screening younger women to alert them if they are prone to breast cancer based on breast density and other physical factors, and, if they are, reduce lifestyle risk factors.

Greenway plans to hire nine or 10 employees in the next two or three months, including software engineers, and be at 50 to 100 in three years.

"I'm excited at the chance to make a lot of money and to make the world a better place," said Braun. "Delphinus is going to have a significant impact on the health of women. Karmanos had the vision to put a lot of money into it over the years, and it's going to pay off."



Karmanos doctors at work on new breast cancer screening tool

May 24, 2010



By Carolyn Clifford

(WXYZ) -- The mammogram is an essential screening tool to help detect breast cancer at the earliest, most treatable stage.

But now, doctors at Karmanos Cancer Institute are working on a new screening tool that may have several advantages over mammography.

Pamela Haddox believes in mammograms. In 2008, a mammogram helped confirm that a lump in her breast was indeed cancer.

But now she's a bigger fan of a new device called SoftVue which uses ultrasound to look for suspicious lesions.

She says, "A mammogram is like putting your breast in a vice, I would much rather put it in a tank full of water with no pain."

The patient lies on a bed with a hole that allows her breast to be suspended into a tank of warm water. An ultrasound ring is raised to surround the breast and provide detailed three-dimensional images using sound waves.

Dr. Peter John Littrup is one of the inventors. He says the mammogram is an extremely valuable tool, but the SoftVue has some real advantages, "It has no compression, so some women have a little bit of discomfort with the yearly exam and stay away from it, secondly you can actually see through dense breasts."

Which has been a problem with mammograms. And there is no radiation. That means patients like Pamela, who needed frequent screening during her treatment, can avoid a lot of radiation and a lot of the expense of an MRI

The SoftVue has been in development for ten years. This one is the only prototype. So far it has detected the same percentage of cancers as traditional screening devices – with one advantage.

According to Dr. Littrup, "It can do a much better job of discriminating whether a spot you find is cancer or not. That has big implications for reducing a lot of these unnecessary biopsies."

The next step is for a commercial version of the SoftVue to be made so it can go to the FDA for approval.

Dr. Littrup says he's anticipating FDA approval within a year to 18 months and then to go to multi-center trials to confirm the positive findings from the initial clinical studies involving 300 women here in Detroit.

The development process has been a long and expensive one with funding from a number of sources including the Susan G. Komen Race for the Cure.

For patients like Pamela, it's worth every penny. "If you gave me the option of coming to do this, I'm going to be the first one in line."



Karmanos Institute Spinoff Gets \$8 Million VC For Breast Cancer

Imaging Tool

By Matt Roush

May 25, 2010

The Barbara Ann Karmanos Cancer Institute announced today that its spin-off company Delphinus Medical Technologies, LLC, has secured \$8 million in venture capital to start the commercialization process of SoftVue, an alternative to mammography.

SoftVue is a tomographic ultrasound imaging and risk assessment device that examines women's breasts for the presence of benign and/or malignant masses. This innovative breast cancer screening tool was created at the Karmanos Cancer Institute and has undergone rigorous research and development over the past 10 years. The Karmanos Cancer Institute has the only SoftVue prototype.

Delphinus began the process of securing venture capital in fall 2009 in order to design and build the first 10 machines that will be used in clinical settings around the globe. This research will further validate the initial findings in order to obtain approval from the U.S. Food and Drug Administration. SoftVue's lead investor is Arboretum Ventures of Ann Arbor, Michigan. Beringea, LLC co-led the deal through its InvestMichigan! Growth Capital Fund and was joined by North Coast Technology Investors.

"We are very pleased to play a role in commercializing the Delphinus SoftVue system," said Paul McCreddie, Principal, Arboretum Ventures. "This diagnostic ultrasound technology presents a great opportunity to advance the current standards for early breast cancer detection without the risks and costs associated with other imaging modalities. Delphinus CEO Bill Greenway and his team of experts will be moving quickly to bring this life-saving technology to patients."

Delphinus, which is Latin for dolphin, symbolizes the use of underwater sound signals representative of SoftVue. Delphinus' leadership team includes Chief Executive Officer William C. Greenway; Chief Medical Officer Peter Littrup, M.D.; and Chief Technical Officer Neb Duric, Ph.D. Both Drs. Littrup and Duric of Karmanos are key co-inventors of the ultrasound tomography technology (UST.) Dr. Littrup designed the ultrasound clinical studies and Dr. Duric is the project director of UST.

SoftVue uses multi-parametric ultrasound and sophisticated computer algorithms rather than X-rays, which helps to accurately detect many early stages of breast cancer, even in women with dense breast tissue often not picked up by mammography. The SoftVue exam:

- takes about one minute
- does not involve radiation or compression used in mammography – the current gold standard for breast cancer screening, and
- is a fraction of the cost of breast MRI (magnetic resonance imaging)

With SoftVue, the breast is submerged in warm water and an ultrasound ring surrounds the breast and captures detailed, three-dimensional images through the use of sound waves.

The system is also able to perform repeated imaging, a necessary tool for biopsy, monitoring and treatment assessment.

Through its three-dimensional capabilities, SoftVue can accurately measure breast density, a known risk factor for developing breast cancer. The system provides enhanced image fusion incorporating optimized data from reflection, sound speed and attenuation imaging.

The detailed images generated allow the radiologist to make an accurate breast cancer diagnosis. It's believed that SoftVue will help reduce the number of false positives that can occur with mammography and thereby reduce unnecessary biopsies.

"We are highly interested in medical technologies that result in better patient care while removing costs from the health care system," said Michael Gross, managing director for Beringea. "The Delphinus SoftVue system achieves these objectives through superior accuracy and the potential to eliminate up to two million unnecessary breast biopsies per year, which account for \$2 billion in annual health care expenditures worldwide."

Up to now, funding for SoftVue has come from grants received from the Avon Foundation, Michigan Economic Development Corporation, National Cancer Institute, National Institutes of Health, the Susan G. Komen for the Cure, The Herrick Foundation Cancer Research Challenge; as well as from other anonymous donors.

Greenway added, "We're very grateful for this venture capital commitment. This will allow Delphinus to hire approximately 20 staff this year to fill highly technical engineering system and software positions to design a SoftVue system for commercialization, and eventually grow to 50 – 100 positions within the next three to five years."

More than 300 women were involved in the initial clinical studies which confirmed that SoftVue accurately and safely identifies breast cancer. Delphinus has received sale commitments for the SoftVue system from several health institutions nationally and internationally, who have agreed to be part of the ongoing clinical studies to support the findings to-date. The company will follow-up with the introduction of the product for screening women who are at high risk of breast cancer and eventually serve the entire spectrum of breast imaging needs.

"I commend the Delphinus team, their tireless commitment and research with SoftVue to prove its effectiveness in detecting breast cancer in its earliest stage, especially in women with dense breast tissue," said Gerold Bepler, M.D., Ph.D., president and chief executive officer, Barbara Ann Karmanos Cancer Institute. "This is an exciting milestone, 10 years in the making, and I am confident that Drs. Duric and Littrup, along with Bill Greenway, will continue their due diligence with the SoftVue system which shows great promise in the fight against breast cancer."

For more information on Delphinus visit www.delphinusmt.com or call 313-576-8666.



Ann Arbor venture capital firms team up to invest in Karmanos Cancer Institute spinoff

By Nathan Bomey

May 25, 2010

Three Ann Arbor venture capital firms and another southeast Michigan investment company pooled \$8 million to help a Detroit-based startup company commercialize its breast cancer screening technology.

Karmanos Cancer Institute spinoff Delphinus Medical Technologies received financing from four firms: Ann Arbor-based Arboretum Ventures, one of the Midwest's top health care technology investment firms; North Coast Technology Investors, which maintains offices in downtown Ann Arbor and Midland; the Wolverine Venture Fund, which is led by University of Michigan students; and Beringea, a global investment firm with an office in Farmington Hills and an active presence in the Ann Arbor community.

The deal marks an unusual moment in which a startup company received a major round of financing exclusively from venture capital firms with Michigan offices.

Delphinus is developing an alternative to mammography called SoftVue, which involves submersing the breast in water and using ultrasound technology to create 3D images, giving doctors a better chance at detecting cancer and identifying the difference between cancer and benign growths.

"This diagnostic ultrasound technology presents a great opportunity to advance the current standards for early breast cancer detection without the risks and costs associated with other imaging modalities," Arboretum Ventures principal Paul McCreadie said in a statement.

Delphinus plans to add 50 to 100 jobs within the next three to five years -- including technical engineering and software development positions.

The firm believes that improved breast cancer screening technologies could eliminate 2 million unnecessary biopsy procedures a year.



Local VC firms invest \$8M in Karmanos Cancer Center spin-off

By Jon Zemke

May 27, 2010

A handful of local venture capital firms both big and small have played a major part in helping Detroit-based start-up Delphinus Medical Technologies raise \$8 million in venture capital.

Farmington Hills-based Beringea, Michigan's largest venture capital firm, led the group of local VC firms, which included Arboretum Ventures, North Coast Technology Investors, and the University of Michigan-based Wolverine Venture Fund, which are all based out of Ann Arbor. Delphinus is a spin-off of the Karmanos Cancer Institute in Detroit. Its principal product is SoftVue, an alternative to mammography for breast cancer detection, risk evaluation, and treatment monitoring.

"It's a good example of a strong local firm, like Arboretum, teaming up with us to lead a group of local investors," says Michael Gross, managing director for Beringea.

The \$8 million will allow Delphinus to hire approximately 20 staff this year. The positions will be mostly focused on technical engineering systems and software development to push SoftVue toward commercialization. The firm hopes to grow to 50-100 employees within the next 3-5 years.

SoftVue submerges the breast in warm water while an ultrasound ring surrounds the breast and captures detailed, three-dimensional images with sound waves. The results are similar to MRI, but the procedure takes only a few minutes and costs much less.

SoftVue can effectively differentiate benign from malignant masses in breasts, helping eliminate false positives and reducing unnecessary biopsies. It can also accurately measure breast density, a known risk factor for developing breast cancer, as well as detect many early stages of cancer in women with dense breast tissue, which is often not picked up by mammography.

Source: Michael Gross, managing director for Beringea

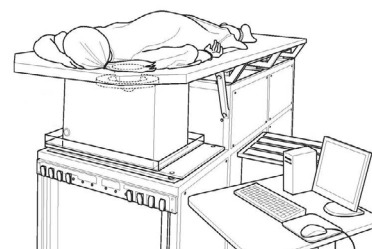
All-Michigan VC Team Helps Bring State-Grown Medical Imaging Technology to Market

Howard Lovy

June 3, 2010

There are three reasons Michigan can feel good about a recent \$8 million venture capital investment in Detroit-based medical imaging company **Delphinus Medical Technologies**.

1. It is an investment in a Michigan company;
2. The investment comes from an all-Michigan VC team;
3. It is an investment in Michigan-grown technology developed in one of the state's premier research institutions—one that deals with real-life cancer cases every day.



Delphinus Medical's breast-cancer-detection technology, SoftVue, has been undergoing development at the Barbara Ann Karmanos Cancer Institute in Detroit for the past 10 years. Unlike mammography, it does not use radiation or compression to image the breast to detect early stages of breast cancer.

Instead, the breast is submerged in warm water and surrounded by an ultrasound ring that emits sound waves, detects the waves that are reflected off the breast tissue, and measures the speed and attenuation of the waves that pass through the tissue. (Conventional ultrasound devices rely on reflected soundwaves alone.)

The Delphinus system then employs sophisticated computer algorithms to translate the ultrasound data into detailed, three-dimensional images of the tissue.

According to Delphinus CEO Bill Greenway, the system not only avoids the discomfort and radiation associated with traditional mammography but can also help differentiate between different types of cancers and avoid unnecessary biopsies.

"Detecting cancer earlier, particularly in breast cancer, is really not the Holy Grail anymore," Greenway says. "The thing that really is necessary today is to detect and be able to differentiate between those cancers which are aggressive and potentially will cause great harm to the woman versus those that really won't."



So, while the SoftVue's broader application could eventually be as a screening tool to replace mammograms, the most-compelling—and near-term—application is its boosting accuracy in the diagnostic phase, possibly helping women avoid unnecessary, painful, and costly biopsies.

It's what has Michael Gross, managing director for investor Beringea, excited about Delphinus. Beringea, with offices in Farmington Hills, MI, co-led the startup's financing last month.

“From a market perspective, that’s what gets us excited because you can see how you can cut significant costs out of the system with a more-accurate, noninvasive diagnostic technology,” Gross says. “And it’s better for the patients because nobody wants to have a biopsy when they don’t need one.”

What really sealed the deal for Gross, who did the due diligence for Beringea, was the wealth of actual patient data from Karmanos. Real patients signed waivers and helped test and refine the system.

“That’s the beauty of having the technology spun out of a busy center like that,” Gross says. “You really have that bench-to-bedside development potential.”

Also impressive, says Gross, was the leadership team—particularly CEO Greenway, a former engineer at General Electric who went on to hold leadership positions at imaging companies InfiMed, Lodox Systems, and Hologic. Greenway got involved with Delphinus a couple of years ago, when researchers at Karmanos were ready for a nonscientist to take the technology to the next level. What sold Greenway was the unique technology combined with its potential to fill an unmet need in the market.

The next step, Greenway says, is to use this \$8 million infusion to significantly refine the system’s design and then build 10 of them to send out to large medical research institutions. That in turn will help validate initial findings in order to win FDA approval.

Beringea co-led the Delphinus deal through its InvestMichigan! Growth Capital Fund, which provides expansion capital to promising Michigan businesses. Beringea co-manages \$100 million of the \$175 million fund, doing lead or co-lead investments in later-stage VC deals. Credit Suisse manages the other \$75 million, doing primarily co-investments.

Also leading the Delphinus investment was Arboretum Ventures of Ann Arbor, MI. And joining them was North Coast Technology Investors, with offices in Ann Arbor and Midland, MI.

The investment was significant for Michigan because all of them are Michigan-based VC groups. Is this a sign that the VC climate is improving here?

“I think it’s definitely a step in the right direction,” Gross says.

CRAIN'S DETROIT BUSINESS

Detroit and Southeast Michigan's premier business news and information website

State grants \$12.3 million in tax credits to 9 metro Detroit companies

By Daniel Duggan

July 20, 2010

Nine metro Detroit companies will get economic development tax incentives from the Michigan Economic Development Corp. through the approval of grants by the Michigan Economic Growth Authority this morning.

In the nine grants, the MEGA will allow \$12.3 million in tax credits over five years, creating or retaining 2,685 jobs.

Approved were the following projects:

- **Creative Breakthroughs Inc.:** A Troy-based company specializing in network security, integration and management plans to invest \$780,000 for an expansion that will increase its workforce and office space in Troy.

The project is expected to create up to 208 total jobs, including 100 directly at the company. The MEGA board approved a state tax credit valued at \$1 million over five years to convince the company to expand in Michigan over a competing site in Texas.

The city of Troy is considering local assistance in support of the project.

- **Detroit Diesel:** A state brownfield tax credit valued at \$7 million will support Detroit-based Detroit Diesel's renovation of its operations in Redford Township.

The manufacturer of heavy-duty diesel engines for the commercial truck market will upgrade equipment, make infrastructure improvements and purchase new machinery. The project will generate \$194 million in private investment and is expected to retain up to 1,900 jobs, which were previously announced in June 2010.

- **Delphinus Medical Technologies Inc.:** The spin-off of the **Barbara Ann Karmanos Cancer Institute** plans to invest \$5.9 million to expand to a new location in Plymouth Township to design, manufacture and market its 3-D, full-breast ultrasound imaging device.

The project is expected to create up to 645 total jobs, including 109 directly at the company. The MEGA board today approved a state tax credit valued at \$779,118 over five years to convince the company to expand in Michigan over competing sites in Illinois and Massachusetts. Plymouth Township is considering an abatement over 12 years in support of the project.

- **Genesis Corp. d/b/a Genesis10:** The New York-based business and technology firm with offices across the United States plans to invest \$2.2 million to open a new development center in Troy to service their clients' growing demand for domestic project delivery.

The project is expected to create up to 594 total jobs, including 296 directly at the company. Genesis10 will be hiring a variety of roles including project managers, software engineers, data experts and other technology professionals. The MEGA board today approved a state tax credit valued at \$2.1 million over five years to convince the company to expand in Michigan over a competing site in Missouri.

- **Inteva Products LLC:** The auto supplier — formerly **Delphi Interiors & Closures** — plans to invest \$4.9 million to expand and renovate its world headquarters and technical center in Troy.

The project is expected to create up to 67 total jobs, including 35 directly at the company. The MEGA board today approved a state tax credit valued at \$263,055 over five years to encourage the company to expand in Michigan over a competing site in Ohio. The city of Troy is considering an abatement to support the project.

- **Quantum Signal LLC:** The advanced engineering research and development company plans to invest \$1.3 million to expand in Saline to meet growing demand in both the military robotics and simulation/game sectors.

The project is expected to create up to 93 new jobs, including 47 directly at the company. The MEGA board today approved a state tax credit valued at \$206,083 over five years to help convince the company to expand in Michigan over a competing site in Virginia. The city of Saline is considering an abatement in support of the project.

- **Royal Oak Medical Devices LLC:** A leading supplier of precision-machined components for the marine, agricultural and automotive industries plans to invest \$2.6 million to diversify into the design, manufacture and distribution of medical devices at its facility in Oxford.

The company is expected to create up to 26 direct new jobs. The MEGA board today approved a state tax credit valued at \$195,181 over five years to convince the company to expand in Michigan over competing sites in the southeastern and west coast regions of the United States.

The village of Oxford is considering an abatement over 12 years in support of the project.

- **Waltonen Engineering Inc.:** The provider of engineering and design services to the aerospace, automotive, defense, medical and heavy equipment industries plans to invest \$9 million to expand its operations in Warren.

The project is expected to create up to 276 total jobs, including 145 directly at the company. The MEGA board today approved a state tax credit valued at \$538,770 over four years to encourage the company to expand in Michigan over competing sites in Washington, D.C. and Wisconsin.

The city of Warren is considering an abatement over 12 years in support of the project.

- **YourSource Management Group Inc.:** The provider of human resources services to small- and medium-sized businesses plans to invest \$1.5 million to expand in Auburn Hills.

The company is expected to create up to 65 total jobs, including 27 directly at the company. The MEGA board today approved a state tax credit valued at \$206,943 over five years to convince the company to consolidate in Michigan over a competing site in Tennessee.

The city of Auburn Hills is considering an abatement in support of the project.



Delphinus moves to Ann Arbor, invests \$6.4M, to create 107 jobs

By Jon Zemke

July 21, 2010

Delphinus Medical Solutions continues its rapid march from research spin-off to high-powered start-up. Last we heard, it had collected \$8 million in venture capital earlier this year. Within the last week, it scored six-figures' worth of state tax credits, enabling it to invest \$6.4 million and create 107 jobs over the next five years.

"We plan on hiring between 10-20 people in the first year," says Bill Greenway, CEO of Delphinus Medical Solutions.

The Michigan Economic Development Corp has agreed to grant the Karmanos Cancer Institute spin-off a five-year tax credit worth \$779,118 to move to the Michigan Life Science & Innovation Center in Plymouth. That gave the Ann Arbor SPARK-run wet lab incubator the edge over competing sites in Boston and Chicago.

Delphinus Medical Solutions' principal product is SoftVue, an alternative to mammography for breast cancer detection, risk evaluation, and treatment monitoring. SoftVue can effectively differentiate benign from malignant masses in breasts, helping eliminate false positives and reducing unnecessary biopsies. It can also accurately measure breast density, a known risk factor for developing breast cancer, as well as detect many early stages of cancer in women with dense breast tissue, which is often not picked up by mammography.

SoftVue works by surrounding a breast submerged in warm water with an ultrasound ring that captures detailed, three-dimensional images with sound waves. The results are similar to an MRI, but the procedure takes only a few minutes and costs much less. The procedure was the inspiration for the company's name, which is Latin for dolphins.

"Because our system uses sound waves and happens in water we thought it was a neat name," Greenway says.

Source: Bill Greenway, CEO of Delphinus Medical Technologies



Karmanos spinoff developing mammogram alternative

By Melissa Burden

November 27, 2010

A new commercial technology to help diagnose breast cancer could be in research offices by early 2012, if all goes well for a Karmanos Cancer Institute spinoff company behind SoftVue.

Developed initially at Karmanos of Detroit and now by Delphinus Medical Technologies LLC, SoftVue would give women an alternative to mammography and without compressions or radiation. The company, which officially got on its feet this year with \$9.5 million in venture capital, hopes to have a new prototype ready sometime in 2011.



The prototype looks like a large examination table with a circular hole cut over a tank of water. During a SoftVue exam, warm water surrounds the breast, while an ultrasound ring moves up, down and around it to generate 3-D images by using sound waves. And it all happens in a minute.

“What we’re doing is creating and engineering a new design ... incorporating a lot of the changes that have come in electronics,” said Bill Greenway, Delphinus CEO.

“We’re basically designing a new system which is much nicer and built for commercial standards.”

The hope eventually is that SoftVue can be used as a much lower-priced tool for breast cancer diagnosis and screening, said Dr. Peter Littrup, Delphinus’ chief medical officer. An MRI costs about \$2,000, an ultrasound \$200-\$400, while a mammogram about \$200 or less, he said.

“We provide quality pictures like MR (magnetic resonance) at the cost of mammography,” Littrup said.

Littrup said use of SoftVue technology over traditional mammography can help reduce false positives and reduce unnecessary biopsies.

He said SoftVue finds more than 90 percent of the cancers, higher than other detection methods. It can also help detect cancer in women with dense breast tissue that sometimes isn’t picked up during a mammogram.

SoftVue has scanned about 350 patients, though more than 500 breast exams have been completed with the machine, creating more than 100,000 images, said Neb Duric, Delphinus’ chief technical officer. Both Littrup and Duric also work for Karmanos and Wayne State University.

SoftVue’s development began more than 10 years ago at Karmanos.

“Now we actually get to say ‘Yeah, the Model T works, now we get to build a Ferrari,’” Littrup said.

Research institutions are expected as SoftVue’s first customers. And the product could eventually drop to about \$250,000 after manufacturing is well under way, substantially lower than other diagnostic equipment, Littrup said.

“We do have a number of people who are already interested in the product,” Greenway said, adding Delphinus has seven commitment letters.

Before it can sell the product, the company must receive U.S. Food and Drug Administration approval, Greenway said.

“At this point, we have a unique technology that was developed at Karmanos,” he said. “That technology coupled with the fact that current breast cancer imaging technologies have significant shortcomings, kind of set the playing field for someone to be successful. We think our technology has significant advantages.”

Delphinus does have a competitor, TechniScan Medical Systems Inc. of Utah, which also is working to commercialize a similar noninvasive breast imaging device.

Greenway said five venture capital investors — mostly from Michigan — are supporting the company’s future. Karmanos also retained a “substantive” stake in Delphinus, he said.

“We are highly interested in medical technologies that result in better patient care while removing costs from the health care system,” Michael Gross, managing director for one of the investors, Beringea of Farmington Hills, said in a statement.

Greenway expects Delphinus to have up to 18 employees early next year. Job growth could come in 2012 and it’s possible to reach 100 employees in five years, he said.

“We might actually hire another firm to actually produce the products for us,” Greenway said. “We’re looking at a couple local firms to actually do that for us.”

mburden@detnews.com

(313) 222-2319

Additional Facts

At a glance

What: Delphinus Medical Technologies LLC in Plymouth Township

Employees: 12, with hopes to have as many as 100 employees in five years.

Product: SoftVue, a 3-D ultrasound imaging device for the breast that serves as an alternative to mammography.

Tax break : Earlier this year, it secured a state tax credit valued at \$779,118 over five years from the Michigan Economic Growth Authority board. The company plans to invest \$5.9 million to design, manufacture and market the product.