Karen Klause

Interview conducted by

Matthew Shindell, Historian

August 8, 2008

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Ms. Karen A. Klause is a Strategic Advisor to the life science industry. Ms. Klause served as Managing Director of Europe Middle East & Africa at Response Biomedical Corporation. She served as President of AuntMinnie.com at Lumisys, Inc. since August 1999. From 1995 to 1999, Ms. Klause served as President and Chief Executive Officer of Digirad Corporation, a developer of solid-state detector technology for use in medical and non-medical applications. Ms. Klause served as Chief Operating Officer and Executive Vice President for CMP's Medical Education division of CME, LLC., which was re-located to New Jersey in 2008. She held several key management positions from 1984 to 1995 of Hybritech Incorporated, a subsidiary of Eli Lilly and Company, including Vice President of Strategic Planning and Vice President of Sales and Marketing for the InVivo Imaging and Therapeutics division of Hybritech Inc. She has over 30 years of experience in the healthcare field. She began her career at Technicare Corporation (which was acquired by Johnson & Johnson), where she held a variety of senior positions. She has been Director of Adamis Pharmaceuticals Corp. since January 13, 2011. She serves as a Director of Ridge Diagnostics Inc.

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THE SAN DIEGO TECHNOLOGY ARCHIVE

INTERVIEWEE: **Karen Klause**

INTERVIEWER: **Matthew Shindell, Historian**

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SHINDELL: Today is August 8. This is an interview with Karen Klause, interviewed by Matthew Shindell. So, Karen, if you'll go back as far as you like, can you tell us how you got involved in San Diego biotech?

KLAUSE: It was the summer of 1984 and I was living in Cleveland, working for Technicare, which was a subsidiary of Johnson & Johnson. Technicare was the imaging company that invented CAT scanning, whole-body imaging, CAT scanning, and MRI scanning. My background is in radiology, medical imaging, and Technicare is the only company I had ever worked for. I had been there ten years, in a variety of roles, and the role that I was in, at that point, was the director of Magnetic Resonance Imaging. I was contacted by a recruiter regarding a position in San Diego for Hybritech, a biotech company. And, candidly, at the beginning I wasn't interested because I loved, absolutely loved my job. I had never looked for another position. I had been, tried to be recruited many times from the competitors, GE & Siemens, and the big imaging companies, but I had no interest in leaving again. I loved my position and I figured I would be there for the rest of my life. [Laugh] It was one of those great all-time jobs.

SHINDELL: Could you maybe give us some detail about what the ins and outs of that job entailed?

KLAUSE: Well, it's kind of a combination of the history, you know. Being in the right place at the right time, 1974, and starting when I was, that was my first job in corporate life after graduating from college. And, it was a combination of being in the right place at the right time, but kind of working hard but having the technology really explode. CAT scanning was introduced to the world in 1975 and it really

changed medicine, and I was working for the company that invented the whole-body scanner. So, I was in Marketing and the company just took off. That first year I thought maybe they would sell five and we sold like three hundred scanners. And so, the company exploded and we, everything went through the roof. And, in 1978 we were acquired by J&J, because of the explosive growth. And then MR was introduced, oh it was about 1980, '79, eighty-ish. I don't remember exactly. But, as part of this role I was moved into the International Division also. So, I lived overseas for a number of years. I'm running one of the – I lived in Italy, Rome. Rome, Italy, and running the subsidiary there and then was promoted to run all of Western Europe, Eastern Europe, Middle East, and Africa. So, I had a tremendous international exposure, traveled a lot. The technologies were growing considerably. So, that's my background, but it was always in imaging. So, when I was initially contacted in the summer of '84 by the recruiter about the position at Hybritech I candidly wasn't interested because I loved what I was doing. And after several phone calls, [Laugh] and the recruiter meeting me in a Red Carpet Club while I was traveling, because I didn't come out for an interview . . .

SHINDELL: A "Red Carpet Club" is that one of those airport clubs?

KLAUSE: Airport clubs for United Airlines. And, met me in the Red Carpet Club [Laugh] and basically persuaded me to at least come for an interview. I'd never been. You know, again, I wasn't interested and didn't have a resume or anything like that. So, long story short, I did end up coming out for an interview and flew out on a Thursday evening for an interview on Friday, and that night I was staying in the hotel and we had an earthquake [Laugh] and I didn't know what an earthquake was. [Laugh] It woke me up and I remember that very vividly. Anyway, on Friday I had a day of interviews with the key executives at Hybritech, and literally by the end of that day I was offered a job and I, it was, I don't know if it was a combination of not really looking for a position and therefore being able to, to come across very genuine and just what my strengths were, but anyway I was offered a position. So that weekend, it was a very long weekend because I was, my mind was very torn with what was going on. But, I'm a very decisive person and one of the things that, there were a number of things that attracted me to this. First, it was not a competitor to the imaging companies that I was working for. Hybritech had an In Vitro Diagnostics Division and was starting up an In Vivo Imaging and Therapeutics Division, and that was the group that I was being recruited for. So, it was using my background in imaging and nuclear medicine, which is what one of my degrees is in, nuclear medicine

technology. So, it was using that, but it was not going to a competitor. It was on, the competitor to the company that I worked for, it was a whole new field. It was very exciting. It was moving up to an executive level. The position was vice president of imaging and therapeutics, in vivo imaging and therapeutics. And, moving to California. Moving to San Diego and I lived in Cleveland. [Laughter] So, it was, there were a number of things, and my, what I considered was I could do this and I was willing to try it, and I knew that if I didn't like it for whatever reason that I could go back to where I came from, the job, because I left on very good terms and I just was very confident. So, I ended up accepting the position and actually didn't start until October. October of '84 I moved out here and within probably six weeks I knew that even if things didn't work out for me at Hybritech, in the position, that I would never go back because eyes had been opened to an entirely new world that I had had not exposure to before, the world of venture capital, the excitement in biotechnology, the excitement of San Diego, the growth potential that Hybritech was experiencing. And, I joined right at the time when things were really propelling forward for Hybritech and pretty, pretty much explosive growth. So, it was a combination of a lot of things and there were other biotech companies starting. So again, I knew in my heart that even if – I ended up staying at Hybritech for eleven years, but at that point [Laugh] even if what I said a moment ago, even if it hadn't worked out after, you know, a year or so, I knew that I wouldn't go back to the company that I came from and that life because this was really very exciting. So, that's how I ended up in San Diego and that was almost twenty-four years ago.

SHINDELL: Wow. Let me backtrack a little bit because you mentioned that one of your degrees is in nuclear medicine. Could you tell us what your, your, in detail what your educational background is?

KLAUSE: I went to University of Virginia and my undergraduate was in radiologic technology and my graduate work was in nuclear medicine technology.

SHINDELL: And what years did you get your degrees?

KLAUSE: I finished in '74.

SHINDELL: Okay. And, you went straight to Johnson & Johnson?

KLAUSE: I worked at Duke.

SHINDELL: Or, actually to the imaging?

KLAUSE: Technicare. I actually, I worked at Duke for a few months in the Department of Nuclear Medicine and then was recruited. I wrote a paper and presented it at a national meeting and was recruited to Technicare.

SHINDELL: And that, was that a pretty standard path for people going? No?

KLAUSE: No. You, basically you went in. So, it was, you worked in the hospital and that was, that was the role. So, moving into a corporate role I had no, I didn't take any business classes in school, and so it was very, it wasn't expected but it was very exciting. The opportunity.

SHINDELL: So, you basically learned that on the job at the, sorry, Technicare?

KLAUSE: Technicare. Uh huh.

SHINDELL: And then at Johnson & Johnson they were happy with your credentials as they were and you . . .

KLAUSE: Well, we were still, I was at Technicare the whole time. We were just owned by J&J.

SHINDELL: Oh, so they didn't change your corporate structure much?

KLAUSE: Huh uh.

SHINDELL: Oh, okay.

KLAUSE: Not at all. Didn't change it. So, it was just Technicare.

SHINDELL: Okay. Well, that fills in the gap about education and your career path. Now, at the time you, you moved to San Diego and into biotech, I guess was biotech then like say among people at Technicare or at Johnson & Johnson, do you think that there was recognition that biotech was an exciting new field?

KLAUSE: No. Absolutely not. Because, Johnson & Johnson being a major pharmaceutical company, I mean it's possible they were looking at biotech, but it was really new and emerging and it wasn't on the forefront. And, there was a lot of news locally but it certainly wasn't, and there were, it was the beginning of the time when

people were talking about monoclonal antibodies and the magic bullet, and how this was going to change cancer treatment, diagnosis, treatment, and everything else. But, a lot of it in the news media was hype, because it was, most of the biotech companies starting after, there was a lot – there were venture capital companies and firms associated with it. So, it was a different time in the economy. So, I don't, my sense is that J&J, the people, I didn't deal with the level in J&J that may have been looking at biotech in general, because again I was in the Imaging Division and they didn't have any knowledge of it. So it, you know, there wasn't any impact.

SHINDELL: Though the colleagues that you did have day-to-day contact with, how did they react to you leaving Johnson & Johnson and Technicare and moving over to a smaller company?

KLAUSE: Pretty surprised, because it was like, "Why would you leave what you have? You've got such a great thing going, and you don't know what you're getting into. That's nothing out there. It's not going to last. It's . . ." you know. And, I said, "Okay, well then if it doesn't I'm coming back, [Laugh] so hold my spot." So, I mean I left on, I'm still to this day on very good terms with the gentleman that was my boss and he was my mentor at the time, and I still am very, very much in contact with him all the time, so he's very supportive. Again he, he predicted I'd be back was the only difference, that it wouldn't last and I'd be back in less than a year. [Laugh]

SHINDELL: Can you tell me about Hybritech when you first got there? What were your impressions of that company in 1984?

KLAUSE: It was just exciting and it was a very different kind of culture. Part of it, I think, was California. Very different from Cleveland. I'm comparing it to where I'm coming from. So, I think the California environment was very laid back. It was science-driven versus the company I came from was engineering-driven. And yes, engineering is a science. I understand that. But, developing something in a lab is different than inventing something and building a piece of hardware. They're different types of sciences and so the, the atmosphere and the corporate cultures were different. Now, part of the cultures were different because of the management, and the leadership, and style. You had some very strong entrepreneurs starting the companies out here, the Hybritech, and so the style was very different. The management at Technicare didn't, they didn't start the company. Well, one of the gentlemen did, but for the most part it wasn't the same as the management. You're,

so you're talking about different kinds of executive management because of the building up of a company and its growth trajectory. Technicare was far more mature in the state of a company even though it was still growing significantly, versus the biotech side of Hybritech was kind of, you know, trying a lot of things to see what would, what would work, and involved in a lot of corporate deals, structures, partnerships, through the patents that Hybritech had, through licensing activity. So, those were the corporate relationships and deals that – so those didn't exist at Technicare. So, you had a very different environment and all of it was new to me. And so it was, that was very exciting. Coming here and seeing all the corporate partnerships that we at Hybritech had and were continuing to expand. And, I was actually, became involved in a lot of that. So, that was very exciting.

SHINDELL: Wow. And, who would, who would you say was responsible, any person or any particular group of people, for that culture at Hybritech, for that style?

KLAUSE: Oh, it started at, at the top with Ted Greene. He was very, he is very dynamic, very much like a kid in a candy store, kind of, you know, your eye. Everything is possible and Ted is very dynamic, very exuberant, and he just had visions for Hybritech being, you know, huge. And so, his, his style being very dynamic, and the corporate partners that he was able to attract. And when I say "corporate partners" I don't mean just companies, but I go back to the venture capital. We had, you know, the first-rate venture capital company as our investor, primary investor, before Hybritech went public, and on the Board, Kleiner Perkins Caufield & Byers, and Brook Byers was on the Board. So, here is the foremost venture capital firm in the world and, I mean, today certainly, but back at that point when venture capital was still growing, clearly. So, we were tied in with, you know, the A team and, and that had to do with Ted's style, his vision, his ability to pull this together.

SHINDELL: How do you think Ted's presence there might have changed the direction of Hybritech, maybe, as it would have gone, had say Howard Birndorf or Ivor Royston sort of still been running things?

KLAUSE: Well, Ivor was never an employee of Hybritech. Howard was, but for a relatively short time. Again, tons of respect to those two individuals. Ivor, as a physician, and certainly twenty-four years ago, and the idea, he, I'm guessing, I don't know exactly, but his education and training was purely on the science side, clearly

medical school. I don't believe, but I don't know for sure, that, that he didn't have business training. So Ivor, not being an employee, his level of excitement and energy about coming up with the idea of the monoclonal antibodies in the lab, that's where he generated, obviously, all the original ideas, he and Howard working for him in the lab. But Ivor, at that time, different from where he is today, his focus wasn't a business focus. So, he brought somebody in. So, so I think there was a tremendous compliment from, to Ivor and Ted, but Ivor wasn't an employee, and he wasn't there to kind of lead the day-to-day charge. He kind of handed that over to Ted. And Howard, again, was more, he wasn't a senior-level scientist like Tom Adams, who was our senior VP of Science, and then Dennis Carlo and David Kabakoff, they, you know, all the key-level scientists. Howard was a level below but he was really tied to Ivor. So, it, I don't quite know how to answer your question because those two weren't really there on a day-to-day basis in the company. However, if they were my sense is telling me Ted's style is still Ted's style and he's the one who would, he'd walk through the labs and he'd generate the enthusiasm. And I'm sure if you've interviewed people you've already heard about the TGs that we had on Fridays. And maybe you haven't heard?

SHINDELL: Actually, I haven't heard about them.

KLAUSE: Haven't heard? Well, this was, I don't know who originally started it, but Friday afternoon we were called, they were called TGs for TGIF, but we had beer and snacks like starting at four in the afternoon on a Friday for everybody to come together. So, it was really – I think that that – again, I don't know if Ted originated it but he certainly perpetuated it, because it was ongoing at the time that I started. And, you know, Howard and Ivor, if they were around, they'd certainly stop by and they were a part of this. So, I don't think if they had been employees and were there on a day-to-day basis that it would have necessarily been any different, because Ted's style was Ted's style and he didn't, you know, wasn't going to change that.

SHINDELL: Yeah. [Laugh] Well, actually that leads me to two other questions that we have here. Two of the, what you just mentioned sort of leads into two of them. First, you know, what we're sort of interested in is how you would characterize the relationship between science and the more corporate side of things in these, or maybe the more business side, of these biotech startups? Like, how does that marriage work and how do the two sides sort of interact with each other? And, how much of a dividing line is there between the business side and the science side in a, in

a biotech company on a day-to-day basis. And then the other question is maybe a little bit more general. You know, you mentioned these Friday TGs. How much of sort of undisciplined time in which people are interacting is really important to the day-to-day functioning of a biotech company, or do formalized meetings between scientists and engineers, and CEOs produce better results than informal meetings, or is it a combination of those things? So.

KLAUSE: Let me answer that first.

SHINDELL: Okay.

KLAUSE: You know, I can't speak today in a biotech company about that. I personally believe there is an important role for informal get-togethers, and it certainly was extremely valuable back then, and that was, I don't know if Ted really had the vision about what, how it was started, but that was the reality because people were working very hard, long hours in the lab, and you know, you get together and you kind of let your hair down and you share ideas, and somebody over here's like, "Oh, you did that. You're doing this." And when the company's growing as fast as it is and adding a tremendous number of employees it was a great way for people to bond and share experiences. So, back then it was extremely valuable. I, as I said, at the beginning of this statement I personally believe, you know, because I've been CEO of a company, run a business, that it is important to have that level of interaction. How you do it today versus how we did it then, there's, it depends on what the business is. Your first part of the question, you were asking about the dividing line between business and science. I think that there is a difference today than there was back then. The difference is, today the focus on business is, I believe, and maybe it's my personal growth over the years, but that people today have a better understanding even at the science level that business is in business to make a profit. So, whether you're a public company, whether you're owned by a company, whether you're not public and you've got venture money or private money, or whatever, I think people today have a little better, for the most part, understanding of that. Not every employee across the board understands the details, and those that are further down really stick to their tasks. The contrast that I would say, and so today, let me finish that – there is, ideally, a better blend between science and business because science knows they have to deliver something so the business can turn it into a product, or partner with somebody to generate revenue for the company at the end of the day. So I believe philosophically there is a tighter relationship today, in general, between

science and business. When I look back on the early years it was very understood, certainly at the executive level, why we were entering into corporate relationships and corporate partnerships. I don't, my sense is, down at the bench level there wasn't necessarily a full appreciation about why we had to do it, and perhaps I don't, I can't come up with a specific example, it's more just a gut feel, that scientists were, "Why are we licensing our patents to, you know, the ABC Company? That's our stuff." "Well it is, but we needed to generate revenue and we're a growing company, and you have to . . ." There are a lot of corporate plans when you get strategic development at a certain level that stair step into other things. So, my sense is in the mid to late '80s I don't believe that there was as much of a relationship between the bench level. At the executive level there were, because our VPs of R&D clearly worked with me in terms of doing corporate deals and they understood the reason why we needed to license some of our, our patent technology, Tandem patent, Icon patent, whatever we were doing, or partnering on the imaging side to be ultimately deliver product. So, you know, I don't know whether it really, down at the bench level, is, is different today, but my sense is that, that for the, it is.

SHINDELL: Okay. So, let me, let me see if you would agree with the way I would sort of summarize what, what you said. That maybe in the beginning, or at least in, in the mid '80s there were still two cultures trying to get along in biotech and that over the years, maybe because of the precedent that's been set by successful biotech companies, one culture of biotech has sort of emerged that the scientists and the people on the business side can all participate in together. Or, is that not, not a fair characteristic?

KLAUSE: Well, no, I think that's true. I don't know that it was one of that we didn't get along. I don't think that existed. Perhaps there wasn't a clear enough understanding in biotech in general on the reason why biotech did all these deals. It didn't exist in medical devices, in the pharmaceutical industry. It was a different industry, but it was requiring all these deals. Every time you turn around another company was doing a deal with another company, or licensing this, or giving away rights to this technology. Years in advance, you know, a biotech company might partner with a pharmaceutical company giving them rights to the marketing of this product that isn't even going to be approved for ten years, but it was a way to generate revenue for the biotech company, because the pharma company was willing to infuse, you know, capital in over a certain period of time if milestones were met. So, I don't feel that it was ever really necessarily at odds. I think on an individual

scientist level perhaps they might have not fully appreciated in the early years why these kinds of deals had to be done.

SHINDELL: Well, maybe they've become more savvy?

KLAUSE: I think so.

SHINDELL: Yeah.

KLAUSE: And, my sense is they realize at the end of the day, while they're a scientist and they certainly want to protect their invention, whether it's patented or not, or part of an important ultimate product, I think people today, the world's really changed in business over the last twenty years and what it takes to survive is, you know, it's very fast paced.

SHINDELL: I have a question for you about the changes that have occurred, but first let me ask you one more question about sort of Hybritech's position in, in 1984 and even, you know, a little bit later. A lot of people in, you know, newspaper and magazine articles, when asked about why biotech was successful here, why Hybritech was successful here, very often they list the universities, especially UCSD, and the different research institutions that are located nearby here, like Salk, and the Burnham Institute. From your standpoint at the corporate level – I keep saying "corporate." Maybe that's not exactly the right word.

KLAUSE: No, that's right.

SHINDELL: Okay. At the corporate level, how did you perceive that relationship between the universities and Hybritech?

KLAUSE: Well, it was great. We, on the corporate side there was UCSD CONNECT, and Hybritech was the founding company and most of the executives were involved at that. Obviously, we all knew Bill Otterson really well. I was the founding member of Athena, which was the subgroup within UCSD CONNECT, the women executives, and I was the first president of Athena. Barbara Bry was actually the founder. She isn't associated at all with Hybritech. She's just in the high-tech community. But, she was working at CONNECT and she came up with the idea and presented it to Bill Otterson, and I knew her through, through the growing biotech community. So, CONNECT was very important. We definitely recruited a ton of scientists whenever we could. We had some very prominent scientists from Salk, from UCSD. So, it was

an important relationship. We absolutely valued it and we tried to get postdocs from UCSD, Salk, whatever, to work. And so, it was a very positive attitude and relationship from Hybritech's perspective.

SHINDELL: Uhm-hmm. So, through organizations like CONNECT and individuals like Bill Otterson, it sounds like a lot of networks were being built in those early years of biotech here?

KLAUSE: They were, and they were, I think that obviously CONNECT, the idea of CONNECT was so novel and it's grown and it's done really well but it was a very novel idea and it could have conceptually just fizzled after a couple of years if it really, if the networking didn't continue. But, it was so strong and the benefit that people were getting out of it was significant. So, that enhanced the growth and the, the strength of CONNECT to continue. And then we had, you know, really strong leaders at Hybritech who participated. David Hale, who was the president, and he became a very significant component of CONNECT from a corporate perspective, on the Board, and there was just a number of things that kind of grew out, Biocom and everything else. So he, to this day, has remained a very active executive in the San Diego biotech networking community. I'll kind of categorize everything in that. But, I think everybody found value out of it. I mean, it wouldn't have perpetuated if, if there was no value coming back.

SHINDELL: Uhm-hmm. Okay. Then let me ask you about changes. How did Hybritech change in the years that you were there. You said you were there eleven years. And, also a lot, sort of the larger picture outside of Hybritech, how did San Diego biotech change in those eleven years? What would you say were maybe the major landmarks of change during that time period?

KLAUSE: For Hybritech the biggest change came when, when we were acquired by Eli Lilly in 1987. And, for the first year the change wasn't quite so dramatic but Lilly really, Lilly's based out of Indianapolis. Lilly really superimposed their management style. Some corporate giants run their acquisitions very decentralized. J&J does that. They let their, their acquisitions basically remain decentralized. Lilly's philosophy, at that time, was different and they really wanted to bring in their management. So, the bulk of the senior executives at Hybritech left and most of them pretty quickly. Ted Greene left. David Hale left. Tim Wollaeger, the CFO, left. Those were some of the first three. So, senior management left, and then within a relatively short period of

time the other senior executives left. And, on the positive side they, everyone that left, almost everyone that left, went on to be a CEO of a company, or Ted and Tim, for example, founded a venture capital group. And so, then they acquired, invested in companies that they're still involved with today. But, most of the rest of us, I happened to stay on [Laugh] but I assumed several additional roles with the departure of some of the other executives, and then I was recruited for a CEO role in a company that I did move to. So, the change, the biggest change started in '87 and it changed the first year or so with Lilly kind of superimposing itself. Then the change, after that, with the departure of the main Hybritech executives, original executives, the change kind of leveled itself out. I guess that's the best way. And, we were operating as a, as part of Eli Lilly. So, Hybritech wasn't independent anymore in the eyes of the biotech community. Those of us in San Diego, people still recognized Hybritech but the reality was we were part of Eli Lilly and so the growth was different. But also by that point, we're not getting into the late '80s and early '90s, you now have quite a few biotechs that have now started to, to grow, and expand. So, we weren't the only one out there. So, there were a lot growing.

SHINDELL: Would you say that the environment had become more stable for biotech startups? Was there less risk? Was there more because of the network that had been built? Was it easier now or was it . . .

KLAUSE: There was a period then when it was relatively easy for startups to generate venture capital money. It became harder in the – I don't know if my time frames are exactly accurate – but I'll say the late '90s, because now there had been ten years' worth of investment and the resulting products weren't coming out of the other end of the pipeline for all these startup companies that promised products in three, four, or five years. Everything took a lot longer and a lot are still struggling. So, I think in the early '90s venture capital dollars were relatively easy to generate.

SHINDELL: Okay. Yeah. I was interviewing earlier this week Ken Cohen and he was saying basically that around this period, once it became obvious that people weren't making their targets of having marketable products expectations sort of had to change.

KLAUSE: Uhm-hmm. Yup.

SHINDELL: Did that affect Hybritech?

KLAUSE: No, because we were part of Lilly. Well, to the extent that, I mean we weren't out trying to raise money.

SHINDELL: Uhm-hmm. That's true.

KLAUSE: Yes, expectations did change, because I, I think, and this is just an opinion. It's not fact, that Lilly was disappointed and we didn't come out with the imaging products on the imaging side. It took a lot longer. On the in vitro diagnostic side of Hybritech, the two sides, that was going well. Hybritech had PSA, which is the prostate-specific antigen, and PSA was, was great, still is, but had also some very significant patents, had won some significant litigation associated with the Tandem patent and the Icon patent. So, it was doing very well. On the imaging and therapeutic side, it was taking considerably longer. The clinical trials were taking a lot longer. So, that, I think Lilly was frustrated with the delays and so from that perspective expectations did change because their, they didn't recoup – and it's not, I don't know fact. I'm just stating, my sense is they didn't recoup their investment. Hybritech was purchased for a lot of money, $400 million back then was a ton of money. And, so at that point there were general, genuine expectations that products would be on the market by the early '90s, imaging products. And, they didn't, that didn't happen. So, I think they were disappointed.

SHINDELL: That's become one of, well, not that, but the idea of being acquired by a larger, say a large pharmaceutical company, has become one of the sort of favorable exit strategies for biotech companies. How do you feel that affects these companies in terms of innovation and ultimately being able to go from the process of innovation to putting a product on the market?

KLAUSE: You know, it depends on who the acquirer is and their corporate culture. If they're going to leave you alone or if they're going to, you know, put their own corporate – try to, to lay their corporate structure and influence over you. It's really hard. From Hybritech's perspective, I think that some of the genuine entrepreneurship and style certainly left when the key executives left and some of the Lilly executives that were brought in didn't come from that culture. They had been at Lilly for ten, fifteen, twenty years so they came from a different style of business. And so, when you're running something that does change the day-to-day. But Lilly, what was interesting is a lot of people may not appreciate, Lilly had its own challenges because of Prozac, and Prozac was a novel, very, still is to this day, but there have

been new classes of antidepressant drugs that have come out since. But, Prozac was a very new, novel class of drugs that was approved and was making huge, huge differences in people that needed help in mental health. The challenge is they were challenged by the Church of Scientology and Ron, L. Ron Hubbard, and all of that group, and caused a tremendous – I don't know the way to describe it because I wasn't at Lilly corporate – but, but it impacted Lilly significantly in terms of having to defend it. Ultimately, Lilly, and Lilly's a phenomenal pharmaceutical company but Lilly had to make some decisions about the business and decided to divest the entire medical devices division and we were, Hybritech was in that group. But it, so it included Hybritech, IVAC, which is another local company, a couple, a few companies in the Bay Area, Advanced Cardiovascular Systems, and thing, which formed Guidant. So, that was another change in Hybritech's path when this change came, but it wasn't as a result of just the delays at Hybritech. You were saying, "Were they disappointed?" Yes, they were disappointed but Lilly had its own challenges to deal with, even though it is an extremely successful pharmaceutical company, extremely profitable. Here you're dealing with a drug that was just very, very much breakthrough and being challenged in the public and media.

SHINDELL: All right, now a couple of times you've mentioned patenting and licensing, and so I'd like to ask you a couple of questions about that. When you were at Johnson & Johnson and working with CAT scans and MRI, you did talk a little bit at the beginning about sort of the change, the difference between technology and science. Obviously, the imaging technologies you were working with there were patented and licensed. When you started working with more biological projects, products that were also being licensed and patented did you perceive a difference between patenting science versus patenting technology or . . .

KLAUSE: No, not ultimately in the patent process. The patent process was the same.

SHINDELL: It's exactly the same.

KLAUSE: It's the same. It's just how you arrive at it there's a perceived difference, and ultimately it may not be. A scientist who has to think about how to invent or, or creatively come up with a solution on a reagent versus an engineer who's got to think of a novel approach to technology. At the end of the day they're both coming up with something novel that, that is thought through. So, in many ways they're the same.

But, I think it, because you physically see devices there's a perceived difference. But, you know, at the end of the day it may not be.

SHINDELL: It seemed for a while that legally there might be a difference, that, that some legislation might come down against patenting, you know, different genes, or things like that. Was Hybritech at all worried about these sorts of . . .?

KLAUSE: No.

SHINDELL: No?

KLAUSE: Because, that was years ago. I wasn't. Maybe our general counsel was, but I, you know, never heard any of that.

SHINDELL: Uhm-hmm. Okay. Then could you talk a little bit about sort of the role that patenting and licensing play in a successful biotech company?

KLAUSE: It's absolutely critical. It makes all the difference, because that forms the basis of a product. If a product is patented or there are elements within it it stands alone, and if it does something unique that isn't out there it's a win-win for everyone. If it's just another "me too," just a different way to do it, you know, just because it happens to be patented but it does the same thing that that widget does over there or that reagent, or that whatever, you know, then it becomes a marketing game, and so the patent isn't necessarily that valuable. But, when you have come up with a new invention, a real breakthrough in science it is so valuable and the first one getting it, I want to say you can almost control your destiny. Now obviously, that's not true, but you, you can, you know, whether it's, it depends on how big your company is, what you've come up with, whether you can partner with someone else, whether you can go it alone, and what role the product ultimately plays. So, patenting is extremely, extremely important.

SHINDELL: So, maybe there wouldn't be much business interest in biotech if it weren't, weren't possible?

KLAUSE: Right. That's right.

SHINDELL: Yeah.

KLAUSE: Yeah.

SHINDELL: Now, I'm trying to remember if this was before you got to Hybritech or after, but there was some legal dispute about Hybritech's patent for its in vitro stuff. Is that right?

KLAUSE: Uhm-hmm.

SHINDELL: Was that after you had gotten there?

KLAUSE: Yeah.

SHINDELL: Can you speak a little bit about that?

KLAUSE: Well, it was the Tandem patent and that was the first one, and Abbott was the, Hybritech ended up suing Abbot, well sued Monoclonal Antibodies first, which was another company, to test the patent in the legal system and Hybritech prevailed because they had copied it and claimed to produce monoclonal antibodies, but Hybritech really is the inventor in the Tandem patent and the way the science works. So, once we prevailed there we went after the big fish, which was Abbott, and ultimately prevailed in the court. So, it was very, very significant, and Abbott ended up paying substantial royalties for many, many years to Hybritech. And, Hybritech made the decision to allow certain of their products to remain on the market based on paying a royalty to Hybritech. So, it granted them a license as part of the terms of the settlement.

SHINDELL: And how, how do you suppose it would have – maybe this is sort of counter factual and difficult to answer, but how do you think it would have affected Hybritech had they not won one or both of those cases?

KLAUSE: We probably would not have been acquired by Lilly. Well, I'm trying to remember the timing. We probably didn't sue Abbott until after we'd already been acquired by Lilly. So, I think, I'm trying to remember the timing and I don't remember it exactly. I believe, and I could be wrong on the dates, that we had prevailed on the Monoclonal Antibody case prior to being acquired by Lilly. So, let's assume that's true. Not having a valid patent, if we had lost that, that, I was not involved in the negotiations with Lilly acquiring Hybritech. So, I don't know those details but I'm just speculating that if we had lost in that the value, the perceived value of Hybritech may not have been there. So, I don't know. I don't know if that

would have had an impact on Lilly acquiring Hybritech or not, because I don't remember the exact timing without looking it up.

SHINDELL: Okay. Now, how long do I have you for?

KLAUSE: Well, it depends on the – I'll have to put more quarters in the meter.

SHINDELL: Oh, okay.

KLAUSE: So, I've got another forty-five minutes now before the meter runs out.

SHINDELL: Oh, okay. Would you like to take a quick break?

KLAUSE: No, I'm fine.

SHINDELL: Could I take it?

KLAUSE: Unless you need a break?

SHINDELL: Yeah. I need it.

KLAUSE: Okay.

SHINDELL: Sorry.

KLAUSE: I'm fine.

SHINDELL: You ready to start?

KLAUSE: Uhm-hmm.

SHINDELL: Okay. Let me ask you another patenting question. Before you got to Hybritech, did you know much about the patenting process?

KLAUSE: A little bit, but I wasn't involved in it like I became involved at Hybritech. I mean, I knew that at Technicare we had some extremely valuable patents. GE sued Technicare and Technicare prevailed based on the patents. And, Technicare sued GE, and there was all this stuff [Laugh] and I was deposed, and relative to the actual, from a business side understanding the technology, but I wasn't involved in the strategy of it at that stage in my career. However, when I came to Hybritech one of the roles that I ended up assuming in addition to the role that I had was VP of business

development, and I was responsible for the licensing of the patents. And, so I worked very closely with our legal department and I knew what was going on with the patent prosecution and what was being written, and the planning stages, the executive team to determine who we would try to license, and how we would partner, and what we would do. So, I played a different role, so I knew a lot more about the patent process.

SHINDELL: And did you find it, I don't know, difficult to, to pick this up, or --

KLAUSE: No. For me, no.

SHINDELL: -- was it easy to learn?

KLAUSE: It was easy. I enjoyed it, because I enjoy the licensing aspect, and contracts, and negotiations, and doing deals.

SHINDELL: Oh, okay.

KLAUSE: Yeah, I like that.

SHINDELL: I think from the outside it seems very sort of, I don't know, confusing. [Laugh]

KLAUSE: Well, the actual patent process and prosecution is very complex, and keeping everything straight, and, you know, from the legal perspective it certainly is very valuable.

SHINDELL: Uhm-hmm. Okay. Let me ask you a couple more questions just about, about San Diego and what has come to become called Biotech Beach. [Laugh] You've witnessed a good deal of its development. How do you think it or the culture of it has changed during your time being involved with it?

KLAUSE: Oh gosh. I would say, in the early years, and when I say the early years I'll say from about the time Hybritech was acquired by Lilly, so the late '80s through the mid '90s that was probably really the development of the term "Biotech Beach" and the pretty rapid growth. Probably once we get into the 2000s, even though there are many, many, many more and hundreds of companies that have started up, and San Diego, throughout the country, is recognized as a, you know, a big biotech center, if you will. I don't know that the term "Biotech Beach" applies anymore.

SHINDELL: Oh really?

KLAUSE: And, I don't think any – well, and my sense is, I don't think people that are coming into it today that weren't here during the growth of San Diego becoming this biotech center really have an appreciation for it. If you moved to San Diego today where you're, and you're working for a biotech company it's just one of many companies, and yes you may realize that San Diego is a big, big center across the country, whether it's the Bay Area, or Boston, or Research Triangle Park, or San Diego, certainly big places, and "San Diego's a place I want to go and work because there's a lot of biotech job opportunities." But, I think you're coming from a different perspective than those of us that have lived through it. So today, while I know that Hybritech started it all and was really, you know, the genesis of everything growing and a lot of my colleagues from Hybritech are responsible for founding, myself included, many of the companies that, that fall into category, if you weren't here then you don't appreciate that. So, as someone coming. So, I don't think today someone coming into San Diego would refer to it as "Biotech Beach" or anything like that.

SHINDELL: Hmm. Would you say there's a difference in the biotech culture today than there was back then?

KLAUSE: Yes. Definitely. I mean today, again, it goes to what I was just saying about Biotech Beach. Biotech Beach was a different culture back then. Today it's starting up another company. So, I don't think it is the, my sense is that it, it's not that – I don't know how to explain this. It's not that – if there's a new company starting up here in San Diego as a biotech company, it's not necessarily unlike a biotech company starting up in Boston, or Research Triangle Park, because the industry today is very different. Biotechnology having been around now almost thirty years, it's not the same. It's much more advanced and it's much more successful, and now people do have shorter times to products because there have been so many products that have been approved, made it through the pipeline, have been approved and are successful in working out there. So, you're not on this, you know, the trajectory is not the same.

SHINDELL: Uhm-hmm. Interesting. So, is it not as exciting, do you think?

KLAUSE: Oh no. It's just as exciting and probably more in many respects, because there's many more opportunities now and it's not as risky, even though a ton of the companies starting up won't succeed ultimately, or they'll be acquired. I mean you're not, with the hundreds of companies starting you're not going to be producing the Amgens of the world, you know, every week. I mean, those are few and far between

Genentech, or Amgen, or Biogen Idec, you know. There's not many that are like that size that have grown. But it's, it's a different kind of a risk profile.

SHINDELL: You've mentioned a couple of people, like say Bill Otterson, Ted Greene, these sort of major players from that period. In your view, maybe including these men or in addition to them, who is responsible for making biotech one of the sort of top priorities of the city of San Diego during that time? It seems like the city took an interest in promoting biotech.

KLAUSE: Well, the Economic Development Corporation had a important relationship with CONNECT. Bill Otterson definitely reached out into the community. Going back to the mayors, several mayors ago, [Laugh] they were going back to Susan Golding, I remember, just having an interest in, because biotech was putting San Diego on the map it was in their best interest to kind of support biotech, so then Biocom grew out of it as an, as an association. Now we hold Biocom here in San Diego as this huge trade show. So, it's good for the city. So, it was kind of a combination of a lot of things. I can't really point to one person. I think it was – I give a lot of credit to Bill Otterson for his style and his outreach in the vision of CONNECT and how CONNECT grew, which I think really enhanced UCSD also.

SHINDELL: Uhm-hmm. Now, people I've interviewed seem to have sort of mixed feelings about whether or not the City of San Diego has helped the biotech sector or hindered it. What's your view from the corporate perspective of that?

KLAUSE: I think that's a great point. I don't know that they've gone out of their way to help by offering, you know, manufacturing incentives. I mean, there are companies that have moved away from San Diego. Now, I can't really sit here and say they should have done, San Diego, as a city, should have done this or that. It's hard to say. I think San Diego as a city benefited from biotech more than biotech benefited from San Diego. So, I think it may, biotech industry, because the defense industry had just really right about the time I moved here San Diego took a huge dive down, so biotech, I – I don't believe there was actual planning in the city that said, "Oh, let's just look at this new industry. And, let's see, since we're losing the whole defense industry, let's see if we can do something to build this up." I don't think that was on the agenda at all of San Diego. So, it's hard for me to say they hurt it, but I don't think they helped it.

SHINDELL: Uhm-hmm. Yeah. It does seem like around that time the economy transitioned?

KLAUSE: Totally transitioned. Yeah.

SHINDELL: Yeah. From government contracts to high-tech jobs, basically?

KLAUSE: Yeah.

SHINDELL: Yeah. Did you perceive a change in the city based on that? Like, did things seem to be changing in San Diego? Did San Diego seem to be struggling because of that change? Or, you know . . .

KLAUSE: Good question. It's hard for me to remember back to that. I'm trying to think about building restrictions and building moratoriums, and things like that. But, I don't know, I really don't have a recollection of that that I think would be valuable. Yeah, I'm not really remembering that.

SHINDELL: Now, you've already listed one major milestone in San Diego's biotech sector, which is the acquisition of Hybritech and, you know, what that meant in terms of people going out and founding new companies and also now there being a precedent set for how profitable a biotech company could be. What other major milestones would you say Biotech Beach had? I guess I shouldn't call it "Biotech Beach" if you wouldn't want to call it that anymore. [Laugh] But, the San Diego biotech sector, what other major milestones did it have while you were here?

KLAUSE: Well, I think because San Diego has some of the great research centers that we've already talked about between Salk, UCSD, Burnham, La Jolla Cancer Research, the places like that, it's certainly attracted young talent to move here, whether to go to school and then ultimately work here, or to come. So, I think the growth of all the biotech companies really helped. I also think that they helped grow Scripps, significantly, because of the biotech. I think that had a huge impact on that because Scripps is reaching out to the East Coast and the Florida area, and stuff like that. So, I think that's an influence that Biotech Beach or the biotech companies had in terms of growing some other big institutions in this, and it's a perception, because I don't have obviously any inside information on Scripps. [Laugh] But, I'm just saying I think they have changed a lot and become a major recognized medical research center in the

country, if not the world, but definitely in the country. So, that's kind of what I think Biotech Beach . . .

SHINDELL: Oh, they definitely seem to have benefited from it.

KLAUSE: I think they've benefited from the Biotech industry.

SHINDELL: Okay. Let's see. I think you've talked about most of this stuff I have in this category. But, let me ask you, actually, about this whole idea of, of the San Diego biotech sector being not just a hub of biotech activity but a tight cluster of biotech companies. Do you think the sort of close proximity, the very tight geography of San Diego biotech has contributed to the success of biotech?

KLAUSE: Yes, definitely. Being up here in Torrey Pines area with everything there, I mean, that, that's really contributed a lot. And, again, a lot of it has to do with the proximity to Salk, and UCSD, and Scripps, and all of that. But I, yeah, it really has, and into Sorrento Valley, and kind of forming an area that's ours.

SHINDELL: Uhm-hmm. Well, how do you . . .

KLAUSE: You know, obviously, we've got the telecommunications group that have kind of, you know, invaded that area. [Laugh] But, and I know they were, you know, you go back to [?] and the early days of Qualcomm, they were there at the same time. They were right down the street from Hybritech. But, I still feel it's Hybritech that really [Laugh] built up the area.

SHINDELL: Well how, how does a biotech company or a high-tech company, in general, benefit from being in a cluster? What are the things that you get out of that?

KLAUSE: Probably employment opportunities, recruitment opportunities. Because, if you were now somebody, if you were a company and you were going to open up your office, your biotech office, in Fallbrook, yeah you probably could do it but you're not where everybody is. So, the scientist having to drive that distance. If they're, if you're recruiting people who are going to school here or having, doing a postdoc in this area, to drive up to Fallbrook, you know. I would say employment and recruiting, and when people move here. Because, if a job doesn't work out then they can go to another one. And so, people look at that. I mean, they're going to move from someplace in the country to California. It's expensive to live here, and therefore you kind of want job, people always want job security and no jobs are secure. I mean,

nothing's for life like, you know, years ago. People would work for one or two companies their whole life. So, I think people would want something that, you know, "If that doesn't work out I know that there's forty other companies within a twenty-mile area that I could probably work for. So, it's okay if I live in Scripps Ranch because I know there's a bunch around here." So, I guess my first answer is really employment. That's the benefit. Other than that, I mean, and that's probably the most significant.

SHINDELL: Uhm-hmm. Hybritech probably didn't benefit from this as much as the later companies, but it seems like scientists at the bench level seem to move from company to company fairly regularly, and that perhaps companies benefit from the experience that these people bring from one company to another?

KLAUSE: Absolutely. They absolutely do.

SHINDELL: Seems like you can almost factor that into your success story?

KLAUSE: And again, that's part of the move and then being in the area, and it's just the reality of, you know, what happens.

SHINDELL: Okay. Then let me ask you about your life, your career since Hybritech. You've gone on to work in and help found several different companies haven't you? So, if you want to give us a brief sort of account of that, what you've done since Hybritech?

KLAUSE: Well, initially I stayed in the imaging side of things and was CEO of a medical device company in nuclear medicine imaging, new solid state technology, and then I was recruited at the height of the dot com [Laugh] to be the president of a portal, basically, a radiology portal that to this day, and that was in '95, '96, sorry, ninety – I'm screwed up on my years – '99, the height of dot com stuff and it's today still the largest portal in radiology.

SHINDELL: Hmm. And when you say "portal?"

KLAUSE: Meaning you can do broad, in, on a, on an Internet basis. It's like a one-stop destination for everything. Basically, you can do everything you want to do in imaging, other than image the patient through this portal. And then, we were actually in the process of going public, taking the company public, and when the dot com bottom just [Laugh] absolutely fell out we were lucky enough, and I was

president of the company, we were lucky enough to sell it to Kodak. So, Kodak acquired the company. And, I wasn't going to move to the East Coast. [Laugh] I wasn't going to move to Rochester. [Laugh] So, I ended up saying, "I'm not going to do that." So then, I moved on to the company that I've been with now for eight years, since then, and it's medical imaging. Sorry, medical education. So, it's, and actually it's still in healthcare, but it's the first time in my career that I'm not involved with imaging products from a hardware point of view, or the biotech side of it. But healthcare doctors have to get a certain number of CME credits every year in order to renew their license and so we're a provider of continuing medical education for physicians. So, that's what I do.

SHINDELL: And, if you were to pick, say, a highlight of your career, would it be back in Hybritech or since then? What do you think has been your most satisfying moments there?

KLAUSE: Well, they're kind of in two, two chunks. The first is back at Technicare when I was running the International Division, because I loved that. I loved the international travel, living overseas, and doing that. That was significant. Then making the move to Hybritech and being involved in biotech and venture capital was very significant. The timing of that was great and giving me the ability to do the licensing and the business development and negotiations and all of that with the patents, which was a good platform for me to be a CEO. So, I kind of look at this in three chunks, because as a CEO of a company you're either raising venture capital money, which I did, doing partnerships with companies, selling the company, taking it public, being acquired. So, it's another form of doing deals. It's a kind of look at things three, in three chunks like that.

SHINDELL: So, you think of your career in three distinct parts? That's . . .

KLAUSE: Yeah. Probably three distinct parts, and there was one part of Hybritech that I didn't even mention. Hybritech had two limited partnerships where Hybritech – this is before Lilly acquired Hybritech – that generated a significant amount of money from limited partners, and that money was used to fund the R&D development. I was made president of both of those partnerships at Hybritech. So, I managed the partnerships. I did the business development and ran the, the in vivo imaging and therapeutics on the business side. So, that experience gave me the background to then also move on and be CEO of companies.

SHINDELL: Okay. Let's see. So, in terms of evaluating your career I think we've just sort of, you've just sort of evaluated it for us. So, [Laugh] maybe we don't have to.

KLAUSE: It's kind of three, three steps.

SHINDELL: Yeah.

KLAUSE: Three chunks.

SHINDELL: Well, how do you think that this all, this whole career arc, the three different parts of your career have affected your life?

KLAUSE: Oh, they've made it wonderful. [Laughter] I mean, it has really shaped my life to the extent of living where I am now, doing what I'm doing now, being able to experience – I was, I've been very fortunate of working in areas that have been explosive growth, and that's very stimulating and it's very rewarding, starting with the imaging side of things and them moving to the biotech side. So, being in both of those places helped me and gave me the, the on-the-job training and the background to be able to be an executive and CEO of a company, and a leader, in a leadership role. It gave me the ability to, I'm involved in a business group called "Young Presidents Organization," which is a worldwide organization. I would never have been able to get into that if I hadn't had the experiences that got me to the point of being a CEO in a company. Because, you have to have a certain amount of experience, a certain size, in order to get there and do that. And that has given another whole set of things to my life. So, you know, it's the two, the two positions, the Technicare position and the Hybritech position that have really shaped my life.

SHINDELL: Uhm-hmm. This, this may seem like a weird question, but how does one become a good CEO? I mean, how, how do you acquire those skills? How, is it just through experience and moving your way up, or are there certain things that you're born with and if you're not born with them you'll never make a good CEO? Or, how does it work? [Laugh]

KLAUSE: I think that's part of it. You have to be willing to work hard. You, I, you know there's a lot of characteristics. You can have this room filled with twenty CEOs and they're all different characteristics and they all might be successful in their own right. But, I think having an understanding of the business, making sure the areas that you're not strong in you have surrounded yourself by people that do have a

strength in that. You don't, my personal view is you don't have to be strong in every area, but if you're not make sure somebody is. Like, if you don't have financial skills, make sure your CFO is a strong CFO. If you don't have the ability to understand things technically and you just can't do that, then make sure your head of R&D, or head of Engineering, is a strong person that can communicate to you so that your team is filled with talent that rounds everything out. I don't believe in one person doing everything. I think it's absolutely a team effort and I think you have to build a strong team in order to be successful. Those CEOs that don't, I think they're the ones that are not successful. So, you know, there's a give and take. And so, to me the most important thing is respecting the individual. You have to respect everybody for what strengths they bring, and look at the, the attributes that, you know, everyone brings, because we all have strengths, and we all have areas that we're not so strong in. So, it's how do you bring out the best in everyone? And, that's what you should focus on. Too many people don't do that. There's too much ego involved in the role and I think those are the ones that, that have challenges and are moved aside. I think if you can find the best in people and bring it out and have that attention to detail you'll be more successful.

SHINDELL: Uhm-hmm. Okay. Sounds like that's something you learn by doing and not . . .

KLAUSE: Well, part of it's my style, but yes I grew up on teams. When you're, when a company is growing really, really fast, going back to my Technicare days, you can't be doing everything and you can't be in charge of everything. You have to be able to delegate and you have to be able to rely on people. So, figuring out who can do what needs to get done and ensuring, bringing the leadership so it does get done does make you end up being successful then. So, if you can surround yourself by the right people or know how to motivate the right people then that becomes a win. So yeah, I did learn that through, or I feel like I did, learn that through my experiences.

SHINDELL: Okay. Let me ask you then basically – well, this is sort of a catch-all question. [Laugh] Is there anything I should have asked you that I didn't ask you or is there anything that you would like to say?

KLAUSE: Gosh, [Laugh] well I'm sure there are things you didn't ask, [Laugh] but they're not coming to mind right now. [Laugh] We talked a lot about it. I mean, the Hybritech experience was once in a lifetime. But, I can say that about Technicare also.

So, I've had it twice in my lifetime, [Laugh] which most people don't even get it once. And so, that's been, you know, really very special, being in very special places. Being able to make a difference in, in the world through the medical-related products. Because, it makes a difference in all of us, whether it goes back to the imaging side or whether it's the biotech side. I mean, you know, so to me working in healthcare, I can't imagine not working in healthcare. I just feel it's very strong. It helps humankind.

SHINDELL: Okay. Well, then the last question is, are there any scientists, people on the business side, who you think are important to be interviewed for this type of project? Who would you recommend that we interview?

KLAUSE: Oh, you mean, specific names of people? I thought, didn't Cole come up with the list of . . .

SHINDELL: Oh yeah. Yeah. But we, we ask everyone if there's anyone they would put on the list just in case there's someone who we've forgotten.

KLAUSE: I mean I can list all the executives at Hybritech, which I think we've covered most of them. And, Bill Otterson in the community. And, you cannot interview Bill, but I'm assuming you have some of the managing directors from the service providers, the Ernst & Young, E.M. Wyse, and those people that were the accounting groups, the law firms that were suppliers to the biotech industry?

SHINDELL: We do have some of them, yeah.

KLAUSE: Yeah. So, people that were in those key roles. Gosh, I mean no one comes to mind right now. I would expect between – you've got Tom Adams. You've got, you probably have all the original Hybritech executives on your list. I have to believe you do.

SHINDELL: Well, most of them. I mean, because this is a pilot project our list is short of the short list of, you know, the fifteen, twenty people who Cole felt were most important.

KLAUSE: Yeah, and Cole would, I'm sure he gave it very good thought, I would come up with, I would imagine, the same list.

SHINDELL: Okay.

KLAUSE: I can't, can't think of anyone not. I mean, I'm sure he gave Larry's name, Larry Respess, who's general counsel. Dennis . . .

SHINDELL: In fact I was supposed to interview him this morning but he cancelled on me.

KLAUSE: He cancelled and that's the reason that I [Laugh] got bumped to one o'clock. Larry owes me. [Laughter] I'll have to email him.

SHINDELL: Yeah.

KLAUSE: You've got the R&D folks, between Tom Adams, Dennis Carlo, David Kabakoff, you probably have them. David Hale, Ted Greene. You've got the key – Cam Garner. Do you have Cam or not down? Cam was . . .

SHINDELL: I don't think we have him.

KLAUSE: Cam was my counterpart on the in vitro side. Cam was, C-A-M, Garner, G-A-R-N-E-R, he was the VP of Sales and Marketing on the in vitro side. He went on and then was CEO of Dura Pharmaceuticals, and has run several other companies since then. He's involved in a lot. Very successful.

SHINDELL: Okay.

KLAUSE: That's probably all the key, key folks.

SHINDELL: Well, thank you for coming in and thank you for allowing us to interview you.

KLAUSE: Okay. That's it?

END INTERVIEW

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The San Diego Technology Archive (SDTA), an initiative of the UC San Diego Library, documents the history, formation, and evolution of the companies that formed the San Diego region's high-tech cluster, beginning in 1965. The SDTA captures the vision, strategic thinking, and recollections of key technology and business founders, entrepreneurs, academics, venture capitalists, early employees, and service providers, many of whom figured prominently in the development of San Diego's dynamic technology cluster. As these individuals articulate and comment on their contributions, innovations, and entrepreneurial trajectories, a rich living history emerges about the extraordinarily synergistic academic and commercial collaborations that distinguish the San Diego technology community.