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Cancer testing firm claims \$1.7 million more in funding **BioMarker Strategies gives credit to state grants**



Scott Allocco (left), president of BioMarker Strategies, and Karen Olson, CEO, are looking for "a chance to radically change the way cancer is diagnosed" by using live tumor cells instead of dead ones, which they hope will produce much faster diagnoses. (Baltimore Sun photo by Barbara Haddock Taylor / September 14, 2009)

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The four friends began meeting on Monday nights three years ago, sharing drinks around a dinner table and refining their dream of launching a biotechnology company that would revolutionize the way tumor cells are tested for [cancer](#).

They crafted a business plan and, with the help of a state tax credit program for biotech startups, they raised \$1 million from investors for their company, BioMarker Strategies LLC. Fast forward to 2009: BioMarker recently announced it has secured \$1.7 million more in funding, including a major infusion from one of the city's largest charitable foundations.

The company's early success is due in no small part to the generous tax credit that the state grants to biotechnology investors - and the company's leaders know it. Company officials said the technologies they're working on could change the way [tumors](#) have been tested - a process that hasn't changed much since the 19th century.

"We have a chance to radically change the way cancer is diagnosed," said Scott Allocco, BioMarker's president. "It's very exciting."

The five-employee company is working on a process for analyzing live solid tumor cells that could cut the diagnosis time to a matter of hours. Under current practice, most tumor cells sent to labs for analysis are dead samples, and the process can take weeks to yield results.

But with cancer care and drug therapy now being tailored to individuals, BioMarker officials say there's a need to be able to analyze the live tumor cells more quickly. The tests they're devising will be able to guide doctors on what drug therapies will work best for patients, given the molecular structure of the tumor they have.

BioMarker has progressively raised more money in its three years of existence, thanks to Maryland's Biotechnology Investment Incentive Tax Credit. The credit allows investors to recoup 50 percent of their investment in a Maryland biotech startup, up to \$250,000. Startup companies can qualify for up to \$1.8 million worth of the tax credits each year, meaning that BioMarker almost tapped the full amount this year.

The tax credit program is highly popular. This past summer, 20 companies waited in line for five days to ensure that they could apply for the credit, which is administered by the Maryland Department of Business and Economic Development. Per state law, the tax credits are doled out by the state on a first-come, first-served basis.

Karen Glenn Hood, a spokeswoman for the DBED, said state officials won't have an estimate of how much investment the companies were able to attract this year with the tax credit's help until later this month.

In its latest financing round, BioMarker received a six-figure investment from the Abell Foundation, which occasionally invests in Baltimore companies in an effort to create jobs. The foundation's president, Robert C. Embry, could not be reached for comment.

In the first year of their funding, in 2007, BioMarker was able to sign a lease with what was a soon-to-be-built lab at the Johns Hopkins biotechnology research park in East Baltimore. Last July, it became the first commercial company to occupy the newly built space in the 800 block of N. Wolfe St.

Around that same time, Allocco finally persuaded his friend Karen M. Olson, a former CEO of Adhesive Research Inc., a 500-person Pennsylvania company, to join BioMarker.

Their other two friends and co-founders - Dr. Douglas P. Clark and Dr. Kathleen M. Murphy - are also closely connected to BioMarker and Hopkins. Clark, the chief science officer for BioMarker, is also director of the cytopathology division at Hopkins, while Murphy, a scientific adviser, directs Hopkins' Molecular Diagnostics Laboratory.

BioMarker's plan for the next 18 months is to develop a testing tool, called SnapPath, that the company can give to a select group of academic hospitals and clinics as beta units, to test and collect data on how well its process works, according to Olson. Five years from now, BioMarker hopes to have received approval from the Food and Drug Administration for SnapPath. The first cancerous tumors it hopes to test for would be [breast cancer](#).

If the friends can raise more money, the company's timetable for developing SnapPath could move more quickly. "That's what investors and venture capitalists are looking for," said Olson. "Can we quickly take this company to the next level?"

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