



HEALTHCARE
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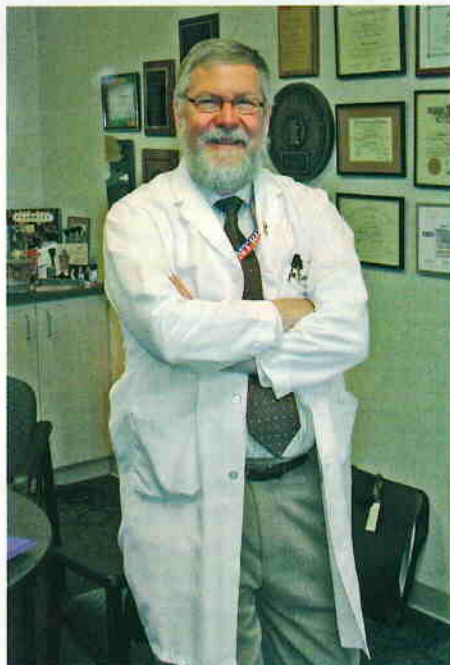
Medical research continues growth curve

By Rick Killion

Don't ever tell Jim Carlson he can't do something, because he'll just grit his teeth and do it anyway ... except probably bigger and better than anyone else.

That's been the story so far when it comes to the founder and president of PRACS Institute, based in south Fargo, ND. Since founding the pharmaceutical research company in 1983, Carlson has either organically, or through acquisition, built the world's largest single facility in Fargo, with a total of 255,000 square feet of space (including 260 new beds in a 140,000-square-foot addition currently coming on line).

"Since January, 2006, when I sold the majority of shares to a U.S. investment group, we've acquired Gateway Medical in St. Louis,



Dr. Jim Carlson, Founder/President, PRACS Institute, Fargo, ND

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adding to the firm we already had purchased in San Diego, making our partner company (Cetero Research), the single largest drug research unit in the world," he notes with pride. "Nobody has ever been this large in pharmaceutical research before. We're also working on another acquisition that would add more therapeutic and high-risk research capacity to the overall operation. Some of these drugs will be administered for the first time to a human being."

Originally dedicated to Phase I research in accordance with FDA regulations, the San Diego purchase enabled PRACS to enter the field of dermatology research. As more acquisitions come on line, and PRACS and Cetero move to completely computerized operations (including bioanalytical labs in Toronto and Houston), Carlson anticipates greater accuracy and higher market demand. He is shooting for an error rate of less than one percent.

"We'll have a group of marketing folks talking to pharmaceutical companies all over the world on behalf of both Cetero and PRACS," Carlson explains. "Currently, we perform about 60 percent of our studies on generic drugs. The goal is to reach 50/50 with major pharmaceutical firms and generic manufacturers. In 2006 we paid out about \$14 million in volunteer fees at our facilities in Fargo and East Grand Forks. With the addition of the 260 beds in Fargo this year, we expect



Suzanne Wentz, President, Odyssey Research, Bismarck, ND

those payments to go over \$17 million in 2007."

PRACS has become a major destination for many pharmacy executives according to Carlson, who says they often host 12-15 clients each week.

Other research companies in the region are also contributing to the growing reputation of the region as a biomedical research center. Nine-year-old Aldevron is now taking space in three buildings in south Fargo and employing 45 (including an office in Germany) President/CEO Michael Chambers and his partner, John Ballantyne, chief scientific officer, will have future announcements on new contracts and developments.

Aldevron is providing accelerated gene