

Foundation seeks 'investors' when it funds disease research



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Dr. Ilya Koltover (right) of Northwestern University is one of the researchers Goldman Philanthropic Partnerships has funded. George Goldman (center) created the foundation in hopes of finding a cure for multiple myeloma, which his wife, Judy (left) developed 14 years ago. JOHN H. WHITE / SUN-TIMES PHOTOS

Researchers with brilliant but unconventional ideas for treating diseases face a dilemma common in business: They need money for research, but investors want to see results first. A Deerfield-based foundation intent on solving that problem is launching a new business model that relies less on its founders' philanthropy and more on fund-raising.

The foundation, Goldman Philanthropic Partnerships, opened five years ago with millions of dollars in seed money from Lake Forest entrepreneur George Goldman and his wife, Judy. "Our purpose was to make sure that 100 percent of a donor's money goes to research," Goldman said.

Goldman, 71, founder of real estate investment firm Asset Partners Inc. in Lake Forest, created the foundation to find a cure for multiple myeloma, a blood-bone cancer, because his wife developed the incurable disease 14 years ago.

After beginning with a focus on one disease, the foundation now wants to fund the best research.

"We've gone on to learn that miraculous cures frequently are found serendipitously -- when someone is searching for a cure for a certain disease and suddenly discovers that it works for multiple diseases."

The foundation, though enamored of creative research, sticks to strict business rules when it funds projects. It investigates the researcher, determines

whether the research has adequate scientific support, and relies on an independent panel of experts to decide if the research has a chance of discovering a cure.

If the project is approved, the foundation requires the companies or universities spearheading the research to finance at least half the project's cost. Instead of relying on the initial kitty from the Goldmans, the foundation seeks the remaining funds from donors with an interest in finding a cure for a specific disease and then issues quarterly reports to donors, whom it considers investors.

"It's much like a venture capital process," said Bruce Bloom, the foundation's CEO. "We actively manage the projects, including approving reports from the researcher every 90 days."

The approach enabled the foundation, with six full-time workers and a 2003 operating

budget of about \$500,000, to fund \$1.5 million in research last year. The research funding is expected to nearly double in 2004, to \$2.8 million.

The foundation's equivalent of a Reuben Studdard-like "American Idol" is Vincent Rajkumar, a blood and cancer specialist at the Mayo Clinic who was unrecognized when the Goldman Foundation discovered him in 1999. The foundation provided \$300,000 to start work on Rajkumar's vision. Since then, he has published more than 70 articles about his myeloma research breakthroughs and received \$1.5 million in National Institutes of Health funding and international recognition for his research. The research includes using the highly controversial drug thalidomide to sustain the lives of myeloma sufferers.

The foundation also funds research for diseases outside of the medical mainstream, such as panic attacks. Research at Harvard Medical School showed that yoga

may be the best treatment for panic attacks, and workbooks are being published for yoga instructors and for doctors to treat people with the disorder. The foundation provided \$33,000, half the start-up costs of the project.

Locally, the foundation is working with Ilya Koltover, a researcher at Northwestern University, who has created a non-infectious virus particle that can be loaded with a drug and directed to a target cell, such as a cancer cell. The drug either heals or destroys its target. The foundation provided a \$25,000 pilot grant for the project.

The foundation also is creating a partnership with the University of Chicago in which it can call upon the Hyde Park school's experts to propose research and help decide whether research projects are viable.

Extending the research network is essential to the foundation's goal: using business tools to make a significant impact on finding cures for diseases, and furthering research that is easily dismissed or overlooked by bureaucratic agencies.