

Anatomic Path Trends

RedPath Integrated Pathology Raises \$4 Million From Investors

Another anatomic pathology company taps equity investment company for growth funds

IN PITTSBURGH, PENNSYLVANIA, **RedPath Integrated Pathology, Inc.** is in the midst of raising money for expansion. On September 25, 2006, it announced a \$4 million equity financing commitment from **NewSpring Capital** of Philadelphia, Pennsylvania.

RedPath represents an interesting new business model in anatomic pathology. The company launched in June 2004. Its founder and Chief Medical Officer is Sidney Finkelstein, M.D., who, while at **University of Pittsburgh Medical Center (UPMC)**, developed a patent-protected technology called Topographic Genotyping. RedPath's President and CEO is Mary Del Brady, who was President of **TissueInformatics** in Pittsburgh. (See *TDR*, April 9, 2001.)

RedPath achieved \$1 million in revenues by the end of its first 12 months of operations. For 2006, the laboratory company is on track to hit almost \$5 million in revenues.

Dynamic Cancer Diagnosis

What makes RedPath an interesting new player in anatomic pathology is its business strategy. The company describes itself thusly: "We are one of the first commercial laboratories to integrate genomic analysis with everyday pathology practice. With our patented platform technology, PathFinderTG, we have changed the pathol-

ogy review and analysis process from a static, one-dimensional one into a dynamic process with quantitative, comprehensive and objective results, so that clinicians can render definitive diagnoses where none otherwise exist."

RedPath has organized its PathFinderTG to provide different tests that support both the diagnosis of cancer and the planning of treatment across multiple organ systems. The technology allows RedPath to work from a range of specimens, including traditional chemically-fixed slides, fluid aspirates, and cytology smears.

The company says that some of its highest volume test requests have centered around "definitive diagnosis of pancreatic cancer from pancreatic fluid cysts; treatment planning for brain tumors; and distinguishing between a new cancer and metastasis of a former cancer."

RedPath illustrates several characteristics about the anatomic pathology marketplace. First, new technologies are giving pathologists more sensitive tools for diagnosis, as well as helping clinicians with treatment options. Second, there is plenty of investor money ready to fund these types of pathology ventures. Third, with RedPath expecting to book yearly revenues of almost \$5 million by its 30th month of operations, it is a powerful example of how fast the clinical marketplace can respond to new diagnostic technologies. **TDR**