

A LETTER FROM OUR FOUNDER (2011)

It was a tough 2010 for every industry and the regenerative medicine universe is no exception.

In this rapidly changing world; the value of real-time intelligence and analysis has never been more important in providing an early advantage.

As we enter 2011; I believe the analyst research “role” is **shifting** to online content. Many institutional funds are “mining” online sources for research content.

Some of the best and timely research is **NOT** happening on Wall Street.

It's happening in blogs; investor decision-making is galvanized by social media applications as I-Bank's struggle to disseminate their offerings to the multiple investing communities.

Institutional research will continue to dominate the sell side but, there's a world out there of independent analysts and bloggers, many with considerable knowledge, insight and intimate knowledge of specific markets and micro universes.

Hamstrung by the SEC's rules and regulations, the traditional equity research providers are not able to participate in what I call this new portal of dissemination.

The old platforms will **no doubt** be around for a long time but slowly will be eclipsed as technology reshapes Wall Street augmented by these new channels of social media

The demographics of the online readership are more varied but it's clear that many “institutional” readers are actively moving to “open” online sources for their information retrieval and research content.

However, there are few rules and regulations in social media, which mean that most of the traditional equity research providers will not be able to participate in what I call the “open” model of research.

I upgraded our site to a financial portal to further commentary, update news flow and insightful opinions that are intelligent, fit to print and SEC compliant.

My new role as an “internet journalist” increases my transparency by placing a face on regenerative medicine with daily “updates” and “research notes” that are focused to articulate the effects of news flow upon valuation.

Valuation must be understood in terms of an objective quantitative model and a research note's qualitative tight “Bottom Line” treatise enlightens investors to expectation and potential versus just a price target.

Scientific platforms, competitive position and their investment opportunity need to be timelier researched for conviction ideas.

The number-crunchers on Wall Street are starting to aggregate something else: news flow - in now time!

Math lovers traders are using powerful computers to speed-read news reports, company websites, blog posts and even twitter messages – then letting the machines decide what it all means for the markets.

Skeptics abound but, up-to-the-minute news is catching on with traders. This development goes far beyond standard digital fare; in many cases computers are actually parsing blogs looking for e-news and trading on it.

Information is still the most valuable commodity; our e-news, blogs and immediate research notes help traders identify events first and interpret them.

Companies **MUST** be more aware of how the digital divide has skewed the playing field.

Funds are trading on news at a very high frequency. This new way of trading frequency goes hand in hand with all things being digitally driven.

In the past Scimitar's independent research was a primary source and blogs were a secondary platform. Now, e-news (blogs) and research notes will be the primary distribution mode. We still support the old distribution platforms but they will now be ‘downstream’.

Scimitar is where the news breaks and we have e-news, proven tweets and blogs as investors seek share price appreciation with a leg-up!

In conclusion, we reiterate our commitments to clients and long standing investment relationships. We maintain: the highest ethical standards in everything we do; avoid conflicts of interests; manage our quality versus quantity foundation of independence and categorically state our interests are aligned with those of our clients and the investing community.

Thus, our mission has evolved: providing value-added real-time intelligence and insightful investment conclusions on regenerative medicine companies demonstrating real progress while meeting quarterly expectation.

We are grateful to our subscribers, clients and institutional supporters. Let's hope 2011 is a good year.



Henry W. McCusker

E-News, Intelligence and Synthesis