

US WorldMeds vows to retain roots: Local drug maker nears first product

By Patrick Howington
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Breck Jones' latest business, US WorldMeds, has yet to launch its first product, but he has a grand vision for the 6-year-old company.

"I want to create another Brown-Forman or another Humana," said Jones, 47, who is best known for his commercial real estate ventures.

He's not just talking about creating a big company -- the two he named are among America's 1,000 largest -- but one that stays in Louisville.

"I'm kind of mad at a whole generation of our corporate executives here that have sold (their) companies," he said. He didn't name those executives, but mentioned area banks, LG&E Energy and Hilliard Lyons as homegrown companies that were sold.

US WorldMeds is nearing two milestones that could propel it toward Jones' vision.

In May, it hopes to launch its first product. Jones would not identify it because it is a generic, meaning that a competitor could copy it. The product is awaiting Food and Drug Administration approval.

More significant, in terms of revenue potential, is the development of lofexidine, a drug to detoxify addicts of heroin and other opiates. US WorldMeds has U.S. rights to the drug, which is in use in Britain.

A final clinical trial of the drug is under way, and US WorldMeds expects to submit an application for FDA approval in early 2008.

Yesterday, US WorldMeds received funding to complete the lofexidine trial when the Kentucky Department of Commercialization and Innovation approved a \$1.3 million forgivable loan.

The company has other drugs in the pipeline, said Jones, its founder and chief executive.

US WorldMeds develops products for niche populations, such as opiate addicts. Its chief scientific officer is George Digenis, professor emeritus at the University of Kentucky College of Pharmacy.

The lofexidine trial and next year's expected launch of the initial product are prompting a growth spurt at US WorldMeds' office in St. Matthews.

The company has three employees, with other people working on a contract basis. But it is hiring for three other key positions, and will have 10 employees within a year.

In five years, Jones expects to have more than 150 employees -- half at corporate headquarters and half in the field.

That isn't Fortune 500 size, but "Humana started out with one nursing home," he said.

US WorldMeds started with Jones getting others to share his vision. The venture has raised \$12 million from about 50 "high-net-worth individuals."

It has no institutional investors and no venture-capital backers seeking a quick return.

That's an approach designed to keep the company closely held in local hands. Jones and two other investors put up about half of the \$12 million.

Jim Crain III, managing partner of Wynnehall Capital, which is one of those two investors, said he was attracted by the potential for a large return and "the opportunity to really build a very big and successful home-grown business."

Crain said he also was willing to bet on Jones, whose projects have included renovating the old Quartermaster Depot in Jeffersonville, Ind., and the former Algonquin Manor shopping center in western Louisville for new uses.

Even if it wins approval for lofexidine, US WorldMeds wouldn't become a Fortune 500 company anytime soon.

There are about 1 million U.S. heroin addicts and another 9 million people possibly addicted to prescription pain-killing opiates such as OxyContin, Jones said. But only a fraction might seek treatment with lofexidine -- perhaps 200,000 a year, he said.

Still, that would be a valuable service, Jones said. Many opiate addicts turn to methadone, which is addictive and can be dangerous. The FDA warned on Nov. 28 that rising methadone use has led to "reports of death and life-threatening side effects."

Unlike methadone and another opiate-withdrawal drug on the market, lofexidine is not narcotic or addictive. It could be prescribed by any physician and dispensed by any U.S. pharmacy, Jones said.

That could "provide discreet treatment" to addicts who otherwise might have to go to a detox center, he said.

In 10 years, Jones aims for \$200 million to \$400 million in sales. Then the company might be big enough to develop a large-market drug, he said.

"I wouldn't doubt Breck at this stage, because he's already reached a place that many people would have doubted he could have reached," said Mark Crane, senior vice president of enterprise development for Greater Louisville Inc. "I consider this an extremely promising company for Louisville."