

## **Bender, Jill**

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**From:** Cheeks, Maurice  
**Sent:** Tuesday, October 20, 2015 4:01 PM  
**To:** Bender, Jill; Brist, Steven  
**Subject:** Prep for the October 28th Ethics Board meeting.

Steve,

Thank you for adding this item to the October 28th Ethics Board meeting.  
Steve, as you requested... here is the background for my requested opinion.

Exact Sciences is on the board of directors of the Wisconsin Technology Council, which is my full time employer. (specifically Scott Coward, SVP and General Counsel at Exact Science)

<http://www.wisconsintechcouncil.com/about/board/>

As a board member, Exact Science is a significant financial supporter of our non-profit organization.

I do not have a relationship with Mr. Scott Coward, nor do I have a relationship with our previous board member from Exact Science, Mr. Kevin Conroy.

Tom Still is the president of the Wisconsin Technology Council, and is my immediate supervisor.

As an opinion writer, he has a syndicated newspaper column (not an official function of his role as president of the Wisconsin Technology Council). In two separate columns, my supervisor has shared his opinion/advice on this project publicly.

[http://host.madison.com/wsj/business/tom-still-the-exact-science-stock-plunge-taking-the-long/article\\_0e13e4ff-ebfd-512a-9ac0-a93d112683e9.html](http://host.madison.com/wsj/business/tom-still-the-exact-science-stock-plunge-taking-the-long/article_0e13e4ff-ebfd-512a-9ac0-a93d112683e9.html)

[http://host.madison.com/business/tom-still-building-downtown-wisconsin-exact-sciences-plan-right-for/article\\_24f69038-3031-5b4c-9265-fccafcba515c.html](http://host.madison.com/business/tom-still-building-downtown-wisconsin-exact-sciences-plan-right-for/article_24f69038-3031-5b4c-9265-fccafcba515c.html)

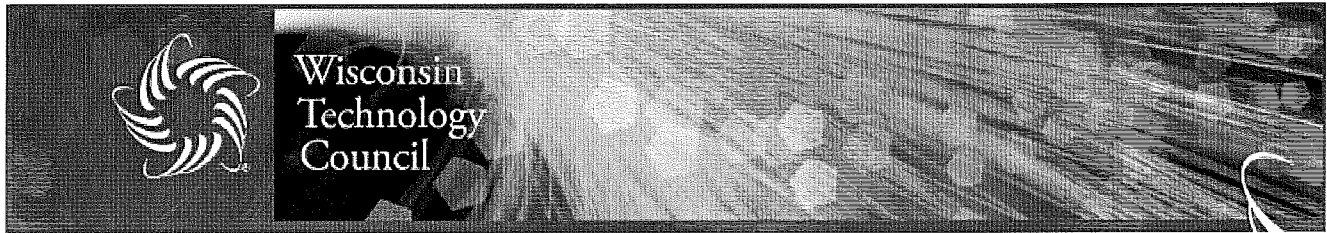
On September 29, 2015 - I chose to recuse myself from Council's vote regarding whether or not to proceed with JDS Development (including office space for Exact Science) for the Judge Doyle Square project. I judged it important to avoid the appearance of any conflict of interest between my official duties and work duties, where the public might expect my impartiality to be impaired.

Now that the Council has made its decision regarding proceeding with JDS Development as the development partner for this project, I am seeking an opinion from the Ethics Board regarding whether I can participate in future votes related to proceeding with the Judge Doyle Square project.

Thank you,

Alder Maurice Cheeks  
District 10  
President Pro Tem  
Madison Common Council  
608.620.1994

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## **Tom Still: The Exact Science stock plunge: Taking the long view**

- TOM STILL | Wisconsin Technology Council president
- Oct 11, 2015

Let's face it: If we knew precisely why stock markets surge up, down and sideways at the drop of a hat, we would all be a lot richer.

Such is the inexact science of trying to make sense of why the stock of Exact Sciences, a Madison-based cancer diagnostics company, took a nosedive Tuesday over a draft report from an independent health care review panel.

Stockholders and others who follow the company may want to take a deep breath before concluding the stock plunge is anything more than a speed bump in what has been an otherwise fast and smooth road for Exact Sciences.

The company's stock fell about 50 percent on Oct. 6 with the release of a report from the U.S. Preventative Services Task Force, which is a panel of national experts who make recommendations about clinical preventive services such as screenings and preventive medicines.

This panel is not the U.S. Food and Drug Administration, which approved Exact's flagship colorectal cancer test – Cologuard – almost exactly a year ago. Nor is it the Centers for Medicare and Medicaid Services, which issued its final “national coverage determination” for the noninvasive stool test at the same time. In fact, Cologuard was the first medical device to get FDA and CMMS clearance in one fell swoop.

Rather, the task force is a volunteer group that grades various products, devices and services to provide guidance to practitioners and patients alike. An influential group, yes; the final word on what those practitioners and patients choose to do, no.

In its draft statement, which is open for public comment through Nov. 2, the task force rated Cologuard as an “alternative test,” meaning it is useful in select clinical circumstances rather than being a main screening test. That was up from a previous grade of “I,” the equivalent to an incomplete on a school report card, which the task force issued before Cologuard passed muster with the FDA, CMMS and a host of peer-reviewed clinical trials.

To move from an “I” to an alternative test is progress by most standards, but some industry analysts didn't see it that way. Many stockholders – mostly institutional – exercised their right to bail out. That's capitalism and a better system has yet to be invented.

There is a difference, however, between what one analyst predicted will now be a “much shallower revenue ramp” for Exact and the long-term success of the company – not only from a commercial standpoint, but from the perspective of its core mission of saving lives.

For starters, Cologuard is selling. About 100,000 tests have been ordered in the past year by a total of 20,000 physicians. Thirty health care systems have adopted the test, which detects colon cancer and pre-cancer by analyzing both stool-based DNA and blood biomarkers. Also, more than 20 insurers cover Cologuard through reimbursement systems – as does Medicare itself.

The market for a better way to detect colon cancer is huge: 80 million Americans alone. Cologuard gets seven out of 10 people to complete the test, while only three out of 10 people who should have a highly invasive colonoscopy actually do so. Why? It's unpleasant, from the vile intestinal cleansing

solution patients must drink to the procedure itself. Colon cancer is slow-acting, which is fortunate, but it's also the nation's No. 2 cancer killer because too many people avoid getting tested.

The Exact Sciences test works. A study of 10,000 people, published last year in the New England Journal of Medicine, showed Cologuard found colorectal cancer in 92 percent of the cases and identified 69 percent of pre-cancers. That same study concluded Cologuard has a 10 percent rate of false positives, which became a factor in the Oct. 6 task force report.

Here's why: Although the American Cancer Society recommends using Cologuard every three years and Medicare reimbursement is tied to that same schedule, the task force report assumed an annual test – which drove up the false positive rate, and caused the task force to conclude that colonoscopies would need to be conducted to eliminate the false positives.

Exact Sciences went from two employees who took a chance on moving a nearly moribund research firm from Boston to Madison in 2009 to a thriving enterprise of 400-plus workers today. Stock markets aside, this company is poised to be around for the long haul.

Still is president of the Wisconsin Technology Council. He is the former associate editor of the Wisconsin State Journal.

INSIDE WISCONSIN

# Tom Still: Building Downtown Wisconsin: Exact Sciences plan right for the times

- TOM STILL | Wisconsin Technology Council president
- May 10, 2015

There was a time when Madison's nickname, and a well-deserved one, was "The city that can't put two bricks together."

Wisconsin's capital city was legendary – and ridiculed – for its ability to kill, delay and otherwise bureaucratize construction projects of all descriptions, often to the advantage of cities outside Wisconsin or even those communities close by in the Badger state.

The 60-year debate over Frank Lloyd Wright's Monona Terrace project, envisioned in the late 1930s as housing everything from a jail to a railroad station, but also a convention center, ended in the late 1990s when the current convention space opened. As predicted, it transformed the south side of Capitol Square.

Other projects that kept the development clock ticking much longer than expected were the Overture Center for the Arts, the State Street Mall and Capitol Concourse, the Madison Central Library and, most recently, the Edgewater Hotel renovation. The list includes other brick-and-mortar examples, large and small, that ultimately added to downtown Madison's character and vibrancy.

Plans to redevelop what's known as "Judge Doyle Square" south of Capitol Square, on land bounded roughly by Wilson and Doty streets, is the latest example of an opportunity that can't linger.

Four proposals were submitted to develop the area, which would include the Madison Municipal Building (what many natives call the old post office) and the aging Government East parking ramp. Each project brought a mix of hotel, restaurant, parking, housing and retail space, but only one comes with something Downtown Madison could truly use – an anchor company to define its future.

If the city embraces the proposal by JDS Development, it could bring up to 600 jobs to the Downtown as a part of the continued growth of Exact Sciences, the publicly held biotechnology company that is revolutionizing detection of colon cancer.

The Madison area already boasts several tech-sector success stories, not the least of which are Epic in Verona and Promega in Fitchburg. Exact is poised to join that club with its compelling story, which began in the mid-2000s when Kevin Conroy and Maneesh Arora moved a moribund molecular diagnostics company from Boston to Madison on the belief it could be revived here. They were Employees No. 1 and 2.

Today, Exact has more than 570 employees in University Research Park and the Novation campus south of Madison's Beltline Highway. It is expected to grow to more than 900 by late 2016 and 1,400 in the years ahead. The bulk of those jobs will require well-educated workers who will earn salaries averaging \$88,000 annually, which is roughly double the statewide average.

Hundreds of those jobs would wind up downtown, marking the first time that a major corporate headquarters put down roots there since 1975 (Verax, north of Capitol Square) and cementing the city's efforts to brand itself as a destination city for tech-based businesses.

Because Exact Sciences has earned the required federal approvals for its first signature product, the non-invasive Cologuard test, it can't afford to wait forever to grow. The market won't allow it to do so. Exact's leadership hopes to occupy about 250,000 square feet in Judge Doyle Square by the first quarter of 2017, which means the site selection and design process must proceed within a month or so.

That brings us back to Madison's history of delaying large-scale projects, a history driven in part by general resistance to change but also by a governance approach that has involved a host of local approval hoops. That's not to say this project shouldn't be carefully examined, but it cannot be studied to death. So far, it appears city leaders understand that.

The private portion of the JDS project doesn't request tax-incremental financing, which is sometimes a roadblock in Madison. The long-term gains beyond jobs, tax revenues and economic activity include a six-time return on public dollars, predominantly from the rebuilt city parking ramp.

Looking ahead: Exact Sciences could become the anchor for a larger "Tech Causeway" that extends to the south side of John Nolen Drive, where the Novation campus is located. It could spark redevelopment in the Nob Hill area and enhance the already attractive gateway to Downtown Madison.

The project is important for Wisconsin because a healthy capital city reinforces a state brand that should include cutting-edge companies in the tech space. We love our beer and brats – but biotech is a big part of the brand, too.

Let's put two bricks together and move ahead with bringing Exact Sciences to Downtown Madison.

Still is president of the Wisconsin Technology Council. He is the former associate editor of the Wisconsin State Journal.