

CONFLICTS OF INTEREST?

MID-AMERICA'S COMPLICATED RELATIONSHIPS & INVESTMENTS



Mid-America Transplant Services

The St. Louis nonprofit serves as a go-between for donors and recipients of human organs in Missouri, Southern Illinois, and northeastern Arkansas. The charity and some of its top officials also have invested in or have ties to biotechnology, real estate and other ventures.



ISTO Technologies Inc.

An Olivette for-profit biotechnology company, founded in 1997 with backing from Mid-America.

- ▶ Mid-America has invested \$3 million in ISTO. Mid-America CEO Dean Kappel is an ISTO board member.
- ▶ Mid-America supplies ISTO with juvenile cartilage, which it uses for research and product development.
- ▶ Kappel has invested \$10,000 in ISTO. Mid-America's chairman, the Rev. Richard Ellerbrake, has invested \$22,500 in ISTO. Dr. Keith Hruska, who heads Mid-America's tissue program, has invested \$2,500 in ISTO. Dr. Robert Saylor, Mid-America's vice chairman, also has invested personal funds.
- ▶ Mid-America owns about 14.5 percent of ISTO.



AlloSource

A Denver nonprofit tissue bank, co-founded in Missouri in 1994 by Mid-America and two other organ procurement organizations.

- ▶ Mid-America sends adult bone and soft tissue to AlloSource, which makes surgical products that are distributed globally.
- ▶ Mid-America has invested \$12.4 million in AlloSource and owns about 26 percent of firm.
- ▶ Mid-America CEO Dean Kappel, an AlloSource board member, served as board chair in 2005 and 2006. The Rev. Richard Ellerbrake also has served as an AlloSource director and board chair.
- ▶ AlloSource operates Labs Inc., a for-profit company that does testing for organ procurement organizations.



Highlands at Forest Park

A 26-acre mixed-use complex where Mid-America is headquartered.

- ▶ Mid-America and Balke Brown Associates are partners in Highlands Plaza Three LLC, where Mid-America leases two floors. Mid-America also has a 12% interest in a related Balke Brown partnership, Balke Brown Associates Highlands Plaza Three LLC.
- ▶ Mid-America plans to buy out Balke Brown's interest in Highlands Plaza Three in December 2013 for \$17.4 million, and also to rent 12 apartments in a nearby Balke Brown residential building.
- ▶ Through MTS Partners LLC, Mid-America invested about \$375,000 in Highlands Plaza Two, an office/retail building where the transplant organization rents additional office space.
- ▶ The Rev. Richard Ellerbrake invested \$100,000 in Highlands Plaza Two. Dean Kappel invested \$75,000 in the building. Mid-America's vice chairman, Dr. Robert Saylor, also invested personal funds in the building.