



Seattle Post-Intelligencer

BUSINESS

SECTION C

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LAWSUIT

Convicted exec wants benefits: Wal-Mart Stores Inc. hopes to avoid paying millions of dollars in a retirement package to former executive Tom Coughlin in a civil lawsuit trial to start Thursday. Wal-Mart sued its former vice chairman in 2005, saying it should not have to pay Coughlin because he embezzled hundreds of thousands of dollars. The benefits were estimated at between \$12 million and \$16 million. Coughlin pleaded guilty in 2006 to federal charges of wire fraud and tax evasion. In 2006, Circuit Judge Jay Finch dismissed Wal-Mart's lawsuit, but the Arkansas Supreme Court agreed last year with Wal-Mart that Coughlin was obligated to disclose during retirement negotiations that he was stealing from the retailer.



INFLATION JUMPS

↓ Dow Jones
130.84
11,348.55

↓ Nasdaq
32.62
2,384.36

↓ S&P 500
11.91
1,266.69

↓ Wash.100
39.84
2,015.88

Major markets: Wall Street fell sharply Tuesday after a hefty jump in wholesale inflation and a drop in new home construction gave investors more reason to believe an economic recovery is far off. A rebound in oil prices added to investors' anxiety.

The Harris Washington 100: Banner Corp. shares dropped 99 cents, or 8.6 percent, to \$10.49.

COMING UP

Catch the latest on the VC world with John Cook and get startup advice with Susan Schreter.

FRIDAY

CLASSIFIED ADS BEGIN ON C5

AltaRock wants to harvest Earth's heat for electricity

Google and Allen back geothermal startup

BY JOHN COOK
P-I reporter

AltaRock Energy believes it can harvest energy by fracturing rocks deep below the earth's surface, using the heat from those rocks to create electricity.

Some deep-pocketed investors — including Google, Paul Allen's Vulcan Ventures and emer Perkins Caufield & Byers — are big believers in the concept, too. They are among the investors leading a \$26.25 mil-

lion venture round in AltaRock, money that the 14-month-old company will use to test the concept at an undisclosed site next year.

Sausalito, Calif.-based AltaRock, which was founded in Seattle by Susan Petry and continues to maintain technical operations here, is one of a number of upstarts trying to harness the heat below our feet.

But AltaRock's system is different from other geothermal projects that attempt to discover existing reservoirs of heated water or steam below the Earth's surface. That's

the equivalent of oil exploration, not knowing if a well will produce or not, said AltaRock Chief Executive Don O'Shei.

AltaRock is attempting to take some of the risk out of finding the perfect drilling location. It does this by intentionally fracturing rocks, such as granite, two to three miles below the Earth's surface in order to release heat. At that point, the company introduces water to the heated rock, creating its own

SEE ALTAROCK, C4

Prescription slips 'mined' by drug makers

Some states seek to bar use of data

BY MATTHEW PERRONE
The Associated Press

tiny slip be worth?

Not much to the average consumer — but to the world's large drug makers, the information an invaluable sales tool that they use to track what drugs individual doctors are prescribing across the country.

WASHINGTON — When most patients go to the pharmacy to fill a new prescription, they don't think twice about turning over the note from their doctor.

After all, how much could the scrawled handwriting on that

SEE DRUGS, C4

Ground rules good for new graduates

WOMEN & MONEY
SUZE ORMAN

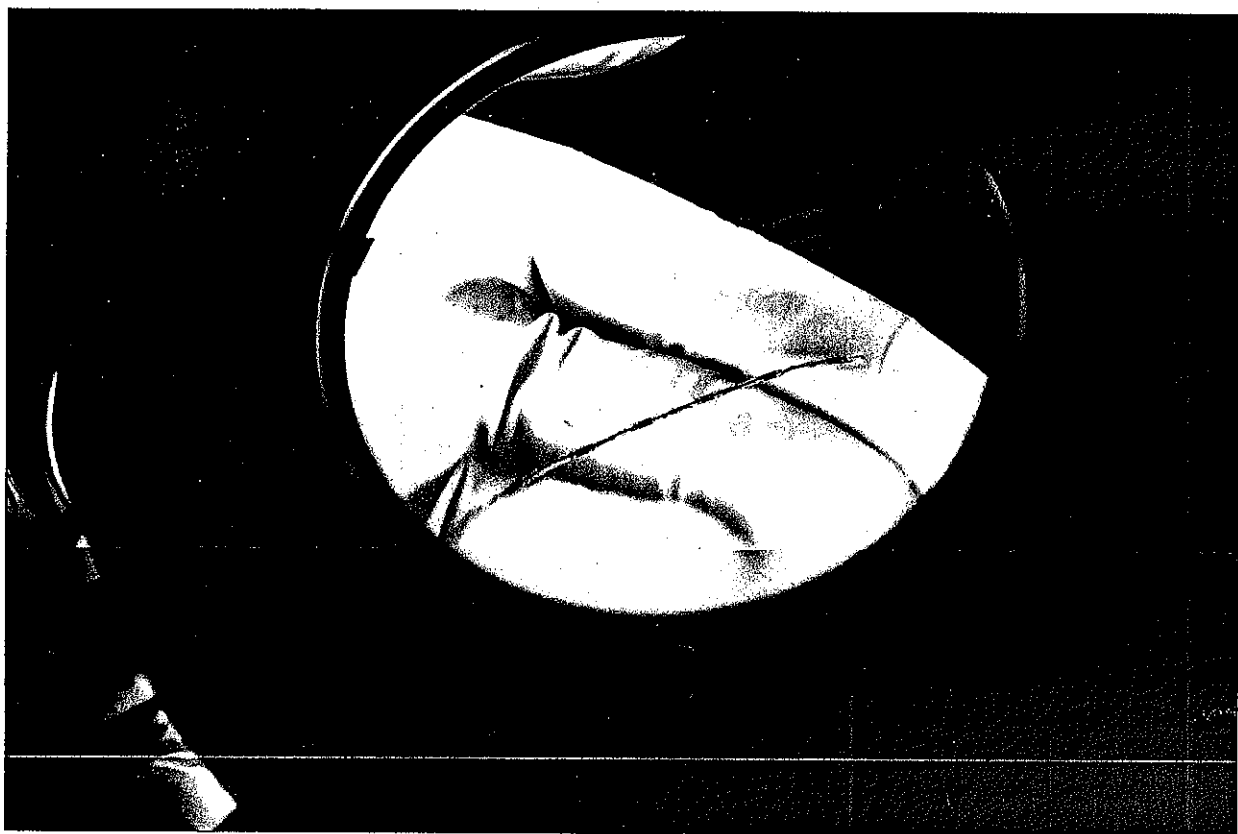


IF YOU'RE A PARENT with turning college grads settling back into the home nest, you need to set very clear financial rules from the get-go. There's no outright freeloading or even ticket for the kids to move back in without all of you agreeing to some very important ground rules. It's best for everyone.

For you, job No. 1 is to have a serious sit-down with them about their credit card debt and student loan debt.

Credit cards. If they're paying more than 8 percent interest, they need to make it a priority to get rid of that debt. If they can pay off the debt in just

SEE ORMAN, C4



JOSHUA TRUJILLO / P-I PHOTOS

Bothell's Ekos developed a device, shown under a magnifying light, that uses ultrasound technology to break up blood clots. The recommended treatment had been blood thinners to stop the clots' growth. Now, the American College of Chest Physicians endorses using catheter-delivered drugs that dissolve the clots.

Guideline change should help Ekos of Bothell make waves

Treatment speeds drugs to blood clots

BY JOSEPH TARTAKOFF
P-I reporter

For years, the standard treatment for patients with blood clots in veins deep in a limb has been blood thinners that stop the clots from getting bigger.

Last month, though, the American College of Chest Physicians revised its guidelines, endorsing the use of catheter-delivered drugs that can actually dissolve the clots.

At Ekos Corp. in Bothell, Chief

Executive Robert Hubert said his company, which has developed a method to quickly deliver clot-dissolving drugs using sound waves, is bound to benefit.

"The whole market is accelerating," Hubert said, noting that 600,000 Americans get the condition, known as deep vein thrombosis, each year. Of those, he said, only 30,000 to 60,000 are getting the more aggressive treatment.

Hubert said the need for the clot-dissolving drugs is clear: If patients

do not have their blood clots removed, there is a higher incidence of post-thrombotic syndrome, a debilitating condition that leads to long-term damage to veins and often makes it impossible for patients to work.

Still, the American College of Chest Physicians did not recommend the use of catheter-delivered drugs until now because their prolonged use has been linked to cases of sud-

SEE EKOS, C4



Workers such as Robb Lek use a microscope to laboriously assemble the small device, which consists of a series of tiny transducers within a catheter.

SnapIn sells to Nuance for \$180 million

Seven times the capital invested

BY JOHN COOK
P-I reporter

SNAPIN: Deal lets Nuance cut the costs of customer care

FROM CI

problems with phones before the customer notices and handles new promotions. Earlier this year, Snapin announced that it had won a deal to provide the SelfService product to Vodafone, one of the largest wireless companies in the world.

Snapin was founded in 2003 by Action Engine creator Brian Roundtree.

At \$180 million, the purchase price for Snapin appears to have returned more than seven times the capital invested.

And the price tag could grow higher if certain milestones are reached within the Snapin business. The deal is expected to close in October.

In a statement, Steve Chambers, president of the mobile and consumer services division at Nu-

ance, said that with Snapin it will now be able to "sharply reduce the costs of customer care and improve the quality of customer experience for mobile operators and large enterprises."

Publicly traded with a market value of \$3.6 billion, Nuance reported revenue of \$216 million for the quarter ended June 30. The company, with more than 2,000 employees, is the maker of the Dragon speech recognition software as well as image and document conversion products.

A Snapin spokeswoman referred questions to Nuance, which could not be reached Tuesday.

P-I reporter John Cook can be reached at 206-448-8075 or johncook@seattletpi.com. For more information on Seattle-area startups or venture capital firms, visit seattletpi.com/venture.

DRUGS: Pending U.S. appeals court decision on data mining could lead to more restrictions

FROM CI

Companies such as IMS Health Inc. have built an industry around gathering prescription data and selling the information to pharmaceutical companies for millions of dollars each year.

Pfizer Inc., Merck & Co. Inc. and nearly every other drug maker uses the data to identify which doctors are prescribing their drugs and which are prescribing the

data, protect the privacy of doctors and patients. But judges in both states rejected that argument, noting that all patient names are deleted from prescribing records.

They also said that restricting access to the information violates the First Amendment guarantee of free speech. Vermont delayed implementing its own law until 2009, after seeing the challenges its neighbors faced

EKOS: Device's ultrasound pulses open clot, allowing the drug to permeate it

FROM CI

den bleeding.

But because Ekos' device doesn't take as much time to break open a clot, Hubert said, physicians can use less of the drug and also cut back on the risk of bleeding, which is roughly the same risk as with a blood thinner.

"Less time, less drug, less side effect," he said.

Hubert said the change in guidelines, coupled with a new generation of his company's device (introduced in June), should drive Ekos to an initial public offering in 18 months "if Wall Street is in good shape" by then. The company already has raised more than \$80 million in venture funding.

Since 2006, Ekos has sold 7,600 of its devices (which sell on average for \$2,300 each) to treat patients with deep vein thrombosis, as well as a condition known as peripheral arterial occlusion, which represents a smaller market with around 100,000 patients a year.

Ekos' devices, laboriously put together by hand at the company's Bethell factory, consist roughly of a series of tiny ultrasound transducers placed within a catheter. Once placed in the body, the ultrasound pulses generated from the transducers open the clot, allowing the drug to permeate it.

Rivals - who are using various methods to also speed the delivery of drugs via a catheter - are also hoping to cash in on the new guidelines.

Indeed, the guidelines specifically

suggest the use of a method to speed delivery, rather than simply delivering the drug via a catheter alone, in order to "shorten treatment time."

One rival, Bacoche Vascular, which in part is using "mechanical agitation" to open up clots, owns a Web site, thenewguidelines.org, where it invites visitors to download the new guidelines.

But Hubert says the technology of rivals - which he said often involves "whipping and beating" the clot - can be linked to hemolysis, the fracture of red blood cells, leading to other problems.

The newest generation of Ekos' technology, which sends out the ultrasound pulses randomly rather than at regular intervals, works even more quickly, according to the company.

Since taking over as CEO last year, Hubert said, he has worked to boost the company's marketing, which he said was previously "very limited."

He said he had doubled the size of the company's sales force to 27 (Ekos has 124 employees) and launched an awareness campaign, complete with a new Web site and brochures.

"A lot of people don't know about Ekos' approach," said Doug Hansmann, Ekos' chief operating officer, who co-founded the company.

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Boeing releases details of worker incentive pay plan as contract talks intensify

AEROSPACE: Metcalfe earned wings in Navy; flew fighters in Vietnam

FROM CI

Pensacola, Fla., and flew fighters in