

**The Multiple Myeloma Research Foundation, Inc.
and Affiliates**

Consolidated Financial Statements

December 31, 2014 and 2013

Independent Auditors' Report**The Board of Directors
The Multiple Myeloma Research Foundation, Inc. and Affiliates**

We have audited the accompanying consolidated financial statements of The Multiple Myeloma Research Foundation, Inc. and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2014 and 2013 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Multiple Myeloma Research Foundation, Inc. and Affiliates as of December 31, 2014 and 2013 and the changes in their consolidated net assets and their consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

O'Connor Davies, LLP

Stamford, Connecticut
March 31, 2015

O'CONNOR DAVIES, LLP
3001 Summer Street – 5th Floor, East, Stamford, CT 06905 | Tel: 203.323.2400 | Fax: 203.967.8733 | www.odpkf.com

The Multiple Myeloma Research Foundation, Inc. and Affiliates

Consolidated Statements of Financial Position

	December 31,	
	2014	2013
ASSETS		
Cash and cash equivalents	\$ 6,751,534	\$ 7,063,314
Investments	6,752,776	6,627,179
Contributions receivable, net	9,283,963	9,067,369
Prepaid expenses	470,805	575,820
Other assets	101,920	101,920
Property and equipment, net	862,760	350,874
	\$ 24,223,758	\$ 23,786,476
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,157,605	\$ 1,006,071
Research projects payable	17,495	17,495
Research awards payable, net	1,493,905	3,091,372
Research grants payable	1,385,000	1,090,000
Deferred revenue	1,406,035	469,104
Total Liabilities	5,460,040	5,674,042
Net Assets		
Unrestricted	8,553,621	9,151,686
Temporarily restricted	10,210,097	8,960,748
Total Net Assets	18,763,718	18,112,434
	\$ 24,223,758	\$ 23,786,476

See notes to consolidated financial statements

The Multiple Myeloma Research Foundation, Inc. and Affiliates

Consolidated Statements of Activities

	Year Ended December 31, 2014			Year Ended December 31, 2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE						
Contributions	\$ 4,885,580	\$ 5,330,500	\$ 10,216,080	\$ 5,545,550	\$ 3,727,968	\$ 9,273,518
Foundation grants	7,850,301	-	7,850,301	6,676,708	-	6,676,708
Fee for service	878,000	-	878,000	810,010	-	810,010
In-kind contributions	209,843	-	209,843	150,521	-	150,521
Miscellaneous income	157	-	157	902	-	902
Net assets released from restriction	4,081,151	(4,081,151)	-	5,890,885	(5,890,885)	-
	<u>17,905,032</u>	<u>1,249,349</u>	<u>19,154,381</u>	<u>19,074,576</u>	<u>(2,162,917)</u>	<u>16,911,659</u>
Special Events						
Special event support	10,261,158	-	10,261,158	8,960,970	-	8,960,970
Special event in-kind support	-	-	-	42,000	-	42,000
Net of direct donor benefit expenses	(2,927,000)	-	(2,927,000)	(2,609,606)	-	(2,609,606)
	<u>7,334,158</u>	<u>-</u>	<u>7,334,158</u>	<u>6,393,364</u>	<u>-</u>	<u>6,393,364</u>
Investment return	99,730	-	99,730	67,072	-	67,072
Total Public Support and Revenue	<u>25,338,920</u>	<u>1,249,349</u>	<u>26,588,269</u>	<u>25,535,012</u>	<u>(2,162,917)</u>	<u>23,372,095</u>
EXPENSES						
Program						
Research	16,657,964	-	16,657,964	16,515,659	-	16,515,659
Education	3,352,633	-	3,352,633	2,367,890	-	2,367,890
Awareness	2,323,773	-	2,323,773	1,472,244	-	1,472,244
Total Program Expenses	<u>22,334,370</u>	<u>-</u>	<u>22,334,370</u>	<u>20,355,793</u>	<u>-</u>	<u>20,355,793</u>
Supporting Services						
Management & general	707,470	-	707,470	607,106	-	607,106
Fundraising	2,895,145	-	2,895,145	2,354,842	-	2,354,842
Total Supporting Services	<u>3,602,615</u>	<u>-</u>	<u>3,602,615</u>	<u>2,961,948</u>	<u>-</u>	<u>2,961,948</u>
Total Expenses	<u>25,936,985</u>	<u>-</u>	<u>25,936,985</u>	<u>23,317,741</u>	<u>-</u>	<u>23,317,741</u>
Change in Net Assets	(598,065)	1,249,349	651,284	2,217,271	(2,162,917)	54,354
NET ASSETS						
Beginning of year	<u>9,151,686</u>	<u>8,960,748</u>	<u>18,112,434</u>	<u>6,934,415</u>	<u>11,123,665</u>	<u>18,058,080</u>
End of year	<u>\$ 8,553,621</u>	<u>\$ 10,210,097</u>	<u>\$ 18,763,718</u>	<u>\$ 9,151,686</u>	<u>\$ 8,960,748</u>	<u>\$ 18,112,434</u>

See notes to consolidated financial statements

The Multiple Myeloma Research Foundation, Inc. and Affiliates

Consolidated Statement of Functional Expenses
Year Ended December 31, 2014

	Program Services			Total Program Expenses	Management & General	Fundraising	Total
	Research	Education	Awareness				
EXPENSES							
Research grants	\$ 3,479,685	\$ -	\$ -	\$ 3,479,685	\$ -	\$ -	\$ 3,479,685
Genomics Flagship Project	166,203	-	-	166,203	-	-	166,203
Site investment grants	1,251,558	-	-	1,251,558	-	-	1,251,558
LS Study	7,519,431	-	-	7,519,431	-	-	7,519,431
Tissue banking	373,037	-	-	373,037	-	-	373,037
Clinical trials	1,177,029	-	-	1,177,029	-	-	1,177,029
Infrastructure/other programming	109,569	-	-	109,569	-	-	109,569
Tissue collection	14,660	-	-	14,660	-	-	14,660
Continuing medical education	-	662,892	-	662,892	-	-	662,892
Institutional educational programs	-	212,539	-	212,539	-	-	212,539
Newsletter	-	86,620	4,559	91,179	-	-	91,179
Patient and clinician outreach	-	1,478,090	-	1,478,090	-	-	1,478,090
Medical meetings and awareness	-	-	514,302	514,302	-	-	514,302
Communications	10,719	-	-	10,719	-	-	10,719
Public relations	-	-	349,774	349,774	-	-	349,774
Salaries and related expenses	1,744,100	521,093	781,640	3,046,833	493,731	1,246,904	4,787,468
Other fundraising expenses	-	-	-	-	-	118,000	118,000
Website expenses	-	-	-	-	-	133,290	133,290
Brochures, printing, design and mailing	-	130,469	245,693	376,162	-	654,528	1,030,690
Travel	-	2,522	71,205	73,727	-	79,140	152,867
Consulting	278,827	79,593	97,890	456,310	36,269	231,551	724,130
Occupancy	100,711	39,521	59,282	199,514	35,703	94,569	329,786
Travel and meals	2,387	1,714	2,571	6,672	1,469	4,101	12,242
Telephone	9,239	6,634	9,950	25,823	5,686	15,873	47,382
Office expenses	104,187	11,291	16,937	132,415	14,481	27,019	173,915
Professional fees	94,999	41,018	61,529	197,546	50,582	98,153	346,281
Recruiting costs	10,088	7,242	10,864	28,194	6,208	17,330	51,732
Temporary help	7,738	11,898	8,333	27,969	4,762	32,322	65,053
Board/committee meetings	44,795	754	1,130	46,679	4,243	1,802	52,724
Insurance	90,938	14,362	21,543	126,843	16,045	34,367	177,255
Miscellaneous	24,894	17,873	26,809	69,576	12,535	42,766	124,877
Depreciation	43,170	26,508	39,762	109,440	25,756	63,430	198,626
Total Expenses	\$ 16,657,964	\$ 3,352,633	\$ 2,323,773	\$ 22,334,370	\$ 707,470	\$ 2,895,145	\$ 25,936,985

See notes to consolidated financial statements

The Multiple Myeloma Research Foundation, Inc. and Affiliates

Consolidated Statement of Functional Expenses
Year Ended December 31, 2013

	Program Services			Total Program Expenses	Management & General	Fundraising	Total
	Research	Education	Awareness				
EXPENSES							
Research grants	\$ 3,045,275	\$ -	\$ -	\$ 3,045,275	\$ -	\$ -	\$ 3,045,275
Genomics Flagship Project	155,000	-	-	155,000	-	-	155,000
Site investment grants	1,005,006	-	-	1,005,006	-	-	1,005,006
LS Study	5,964,979	-	-	5,964,979	-	-	5,964,979
Onyx EAP	1,221,210	-	-	1,221,210	-	-	1,221,210
Tissue banking	394,308	-	-	394,308	-	-	394,308
Clinical trials	1,150,267	-	-	1,150,267	-	-	1,150,267
Infrastructure/other programming	114,784	-	-	114,784	-	-	114,784
Tissue collection	3,149	-	-	3,149	-	-	3,149
Continuing medical education	-	425,986	-	425,986	-	-	425,986
Institutional educational programs	-	159,382	-	159,382	-	-	159,382
Newsletter	-	201,776	10,620	212,396	-	-	212,396
Patient and clinician outreach	-	1,144,741	-	1,144,741	-	-	1,144,741
CDC expense	20,591	-	-	20,591	-	-	20,591
Medical meetings and awareness	-	-	831,219	831,219	-	-	831,219
Communications	32,162	-	-	32,162	-	-	32,162
Public relations	-	-	231,179	231,179	-	-	231,179
Salaries and related expenses	2,245,463	314,000	209,570	2,769,033	453,287	1,186,140	4,408,460
Other fundraising expenses	-	-	-	-	-	118,000	118,000
Website expense	-	-	-	-	-	1,419	1,419
Brochures, printing, design, and mailing	-	478	80,616	81,094	-	447,844	528,938
Travel	-	-	39,956	39,956	-	44,538	84,494
Consulting	290,250	41,836	30,816	362,902	46,559	322,422	731,883
Occupancy	150,380	20,894	13,929	185,203	30,189	78,889	294,281
Travel and meals	6,904	1,381	921	9,206	1,874	5,215	16,295
Telephone	22,239	4,447	2,966	29,652	6,035	16,794	52,481
Office expenses	160,797	7,350	4,900	173,047	16,708	27,751	217,506
Professional fees	223,029	3,268	2,178	228,475	18,984	12,339	259,798
Recruiting costs	9,200	1,840	1,227	12,267	2,497	6,947	21,711
Temporary help	2,657	3,451	355	6,463	721	11,468	18,652
Board/committee meetings	34,026	190	128	34,344	2,979	719	38,042
Insurance	95,732	6,574	4,384	106,690	11,438	24,824	142,952
Miscellaneous	46,321	9,264	6,177	61,762	12,571	34,983	109,316
Depreciation	121,930	21,032	1,103	144,065	3,264	14,550	161,879
Total Expenses	\$ 16,515,659	\$ 2,367,890	\$ 1,472,244	\$ 20,355,793	\$ 607,106	\$ 2,354,842	\$ 23,317,741

See notes to consolidated financial statements

The Multiple Myeloma Research Foundation, Inc. and Affiliates

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 651,284	\$ 54,354
Adjustments to reconcile change in net assets to net cash from operating activities		
Loss on investments	40,449	86,930
Depreciation	198,626	161,879
Changes in operating assets and liabilities		
Contributions receivable, net	(216,594)	2,047,016
Prepaid expenses	105,015	201,154
Accounts payable and accrued expenses	151,534	(1,170,336)
Research projects payable	-	(349,487)
Research awards payable, net	(1,597,467)	(1,556,628)
Research grants payable	295,000	50,000
Deferred revenue	936,931	21,213
Net Cash from Operating Activities	564,778	(453,905)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(710,512)	(231,053)
Proceeds from sale of investments	2,258,289	2,843,545
Purchase of investments	(2,424,335)	(3,000,000)
Net Cash from Investing Activities	(876,558)	(387,508)
Net Change in Cash and Cash Equivalents	(311,780)	(841,413)
CASH AND CASH EQUIVALENTS		
Beginning of year	7,063,314	7,904,727
End of year	\$ 6,751,534	\$ 7,063,314

See notes to consolidated financial statements

The Multiple Myeloma Research Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2014 and 2013

1. Organization

The Multiple Myeloma Research Foundation, Inc. (the "Foundation" or "MMRF") and MMRC, Inc. (the "Consortium" or "MMRC"); collectively (the "Organization") are not-for-profit organizations that share common facilities, personnel and board of directors. The Foundation has an economic interest in and is the sole member of the Consortium.

The Foundation's purpose is to fund research for accelerating the search for a cure for multiple myeloma. The Foundation distributes research awards worldwide, fosters collaboration through symposia and provides information to patients and family members. The Foundation was incorporated on January 13, 1998.

The Foundation's fundraising efforts focus on generating resources to fund current year operations and the associated long term commitments to find a cure for myeloma.

The Consortium's purpose is to integrate leading academic institutions to accelerate drug development for multiple myeloma and improve patient outcome. The Consortium was incorporated on September 30, 2003.

On June 10, 2014 the board of directors of the Consortium and MMRF elected to merge as of December 31, 2014 with MMRF as the surviving entity. The assets of the Consortium would help MMRF achieve its mission. Therefore, effective December 31, 2014 the Consortium merged their assets and liabilities with MMRF. The Consortium then ceased to exist. MMRF provided no consideration to acquire the assets and assume the liabilities of the Consortium. There was no contingent consideration or liabilities connected to the merger. Since the Consortium was previously a consolidated entity this merger had no impact on these financial statements.

During 2014 Multiple Myeloma Research Consortium, LLC and MMRF, LLC were formed as wholly owned single member limited liability companies. There was no activity for either of these companies during 2014.

The Foundation and Consortium are exempt from federal income taxes under Sections 501(c)(3) and 509(a) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Foundation and the Consortium. All material inter-organizational balances and transactions have been eliminated in consolidation.

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

The Multiple Myeloma Research Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2014 and 2013

2. Summary of Significant Accounting Policies *(continued)*

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with a maturity of three months or less at the time of purchase to be cash equivalents.

Allowance for Uncollectible Receivables

An allowance for uncollectible receivables is recorded based on a combination of write-off history, aging analysis and any specific known troubled accounts. At December 31, 2014 and 2013, management has concluded that an allowance is not required.

Property, Equipment and Depreciation

Property and equipment are recorded at cost, or if received by donation, at estimated fair value at the time such items are received. The cost of property and equipment purchased in excess of \$1,000 is capitalized. Depreciation is provided using the straight-line method over estimated useful lives of the assets which range from three to seven years.

Fair Value of Measurements

The Foundation follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments

Investments are reported at their fair value in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets.

The Organization invests in a diversified, no load, short term, investment grade corporate bond fund in an effort to generate a higher yield on its short-term liquid assets than its holdings in overnight and money market funds.

Deferred Revenue

Deferred revenue consists of fee for service revenue and special event revenue received but not earned.

The Multiple Myeloma Research Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2014 and 2013

2. Summary of Significant Accounting Policies (continued)

Contributions

Contributions are recorded in the consolidated statement of activities when promised. Unconditional promises to give that are due in future periods are reported at the present value of their net realizable value; using credit adjusted interest rates applicable to the years in which the promises are expected to be received. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are received. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires or is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets. The Organization had no permanently restricted net assets as of December 31, 2014 and 2013.

Contributed Services

For the years ended December 31, 2014 and 2013, donated services totaled \$209,843 and \$192,521. Such services are included in the consolidated financial statements as in-kind donations along with the corresponding expenses. Donated services consisted of legal, consulting, printing and promotional services, including support for special events. In addition, a substantial number of volunteers have contributed their time to the Organization's program and supporting services, none of which meet the requirements for financial statement recognition.

Functional Expenses

The Organization allocates its expenses on a functional basis among its program and supporting services. Expenses that can be specifically identified with a program or support service are allocated directly according to their natural classifications. Other expenses that are common to several functions are allocated based on estimates made by management.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2011.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 31, 2015.

The Multiple Myeloma Research Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2014 and 2013

3. Concentrations

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investment accounts, and accounts receivable. At times, cash and investment balances exceed the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurance limits.

At December 31, 2014 approximately \$2,500,000 or 27% of contributions was receivable from one donor. At December 31, 2013 approximately \$4,125,000 or 45% of contributions receivable were from two donors.

The Organization received approximately 25% in 2014 and 27% in 2013 of its total public support and revenue from its special events.

4. Investments

Investments consist of the following at December 31 and were valued using Level 1 inputs.

	2014		
	Cost	Fair Value	Unrealized Loss
Level 1 Inputs			
Short term corporate bond fund	<u>\$ 6,790,118</u>	<u>\$ 6,752,776</u>	<u>\$ (37,342)</u>
	2013		
	Cost	Fair Value	Unrealized Gain
Level 1 Inputs			
Short term corporate bond fund	<u>\$ 6,484,676</u>	<u>\$ 6,627,179</u>	<u>\$ 142,503</u>

Money market funds valued using Level 1 inputs included within cash and cash equivalents was as follows as of December 31:

	2014	2013
Money market funds	<u>\$ 1,479,415</u>	<u>\$ 1,478,616</u>

Investment return, including interest on cash accounts, for the years ended December 31 is summarized as follows:

	2014	2013
Interest and dividend income	\$ 140,179	\$ 154,002
Net realized and unrealized losses	<u>(40,449)</u>	<u>(86,930)</u>
	<u>\$ 99,730</u>	<u>\$ 67,072</u>

At December 31, 2014 and 2013, the issues in the short-term corporate bond fund had an average credit rating of A and A, according to Moody's Investor Services and Standard and Poor's, an average maturity of 3.0 and 3.2 years; an average duration of approximately 2.5 and 2.3 years, with an average yield of 1.57% and 1.69%.

The Multiple Myeloma Research Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2014 and 2013

5. Contributions Receivable

Contributions receivable at December 31 are due as follows:

	2014	2013
Receivable in less than one year	\$ 4,783,497	\$ 4,624,348
Receivable in one to five years	4,618,119	4,541,792
Receivable in more than five years	65,625	131,250
Total contributions receivable	9,467,241	9,297,390
Less discount to net present value	(183,278)	(230,021)
	\$ 9,283,963	\$ 9,067,369

Pledges receivable with due dates extending beyond one year are discounted using treasury bill rates for similar term investments. The applicable rates at December 31, 2014 and 2013 were between 2.0% and 3.0%.

6. Property and Equipment

At December 31, property and equipment, and related accumulated depreciation and their depreciable lives consisted of the following:

	Estimated useful lives	2014	2013
Equipment	1 - 3 years	\$ 411,206	\$ 385,565
Research equipment and software	1 - 4 years	-	860,903
Leasehold improvements	3 - 4 years	40,475	40,475
Furniture and fixtures	3 - 6 years	46,407	46,407
Software	2 - 4 years	1,291,673	606,802
		1,789,761	1,940,152
Less accumulated depreciation		(927,001)	(1,589,278)
		\$ 862,760	\$ 350,874

7. Line of Credit

On August 14, 2013, the Foundation obtained a line of credit with a bank for \$1,500,000. The line of credit expires on June 1, 2015, unless extended. Borrowings under the line of credit bear interest at the London Interbank Offered Rate ("LIBOR") Daily Floating Rate (0.096% at December 31, 2014) plus 2.5%. All borrowings are collateralized by the receivables, inventory, and equipment of the Foundation. As of December 31, 2014, the Foundation is in compliance with all covenants. There were no amounts outstanding under this line of credit at December 31, 2014 and 2013.

The Multiple Myeloma Research Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2014 and 2013

8. Related Party Transactions

For the years ended December 31, 2014 and 2013, MMRF received contributions from the members of the board of directors totaling approximately \$1,379,000 or 5% and \$243,000 or 1% of total contribution income, respectively. For the years ended December 31, 2014 and 2013, approximately \$3,000,000 or 32% and \$3,100,000 or 35% of contributions receivable included multi-year gifts from board members pledged before 2013, respectively.

During the years ended December 31, 2014 and 2013 MMRF held a minority interest in two for-profit companies. MMRF received ownership in these entities as part of the service agreement executed when MMRF hired them to perform services for MMRF. MMRF considered the payments under the services agreement to be solely for services rendered and did not allocate any portion to investment in the entities. Additionally, MMRF considers any cost that would have been allocated, based on the financial condition of the entities, to be immaterial to the consolidated financial statements. Accordingly, no investment in the entities has been recorded. MMRF owns a 2% interest in one of the companies and incurred expenses for bio lab and IT services totaling approximately \$173,000 and \$475,000 for 2014 and 2013, respectively. MMRF owns a 5% interest in the second company and incurred expenses totaling approximately \$0 and \$200,000 for research expenses in 2014 and 2013, respectively.

9. Research Awards

The Foundation awards research grants at the recommendation of its medical/scientific advisory board. For the year ended December 31, the Foundation made the following awards:

	<u>2014</u>	<u>2013</u>
Senior research awards	\$ 1,000,000	\$ 402,000
BIA grant	-	375,000
Fellows research award	475,000	375,000
Genomic Data Analysis	608,130	-
Multiple Myeloma Translational Initiative	150,000	1,096,000
Epigenomics	500,000	500,000
Protomomics	-	151,515
Program grants	37,800	-
Research administration	486,586	445,760
Research roundtables	122,171	-
Translational care	300,000	-
Rescinded grants	<u>(200,002)</u>	<u>(300,000)</u>
	<u>\$ 3,479,685</u>	<u>\$ 3,045,275</u>

Grants and awards authorized and payable of \$2,878,905 at December 31, 2014 are expected to be paid within the next 12 months.

The Multiple Myeloma Research Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2014 and 2013

10. LS Study (*unaudited*)

Longitudinal Study (LS)

The MMRF Longitudinal Study (CoMMpass) was started in 2011 and continues in 2014. MMRF is the sponsor of a personalized medicine initiative in which up to 1,000 newly diagnosed patients will be enrolled through several sites (i.e., hospitals, academic medical centers and other community health centers) across the country. No experimental drug is used in the study. Rather, blood and bone marrow samples are taken from the patients periodically over the course of their treatment. The standard of care (i.e., drugs and treatment) for each patient is determined by such patient's personal physician. The tissue samples collected are placed in a bio-bank. An unrelated, third party, not-for-profit biomedical research institute would then perform laboratory tests on a portion of each of the samples resulting in genomic data about each patient.

At the end of 2014, 803 patients were enrolled, 600 patients have been molecularly profiled and more than 84 medical sites participating in the study. Also, the study has been expanded to include patients in Spain.

11. Restrictions and Designation of Net Assets

Net assets released from restrictions and disbursed during the year ended December 31, consist of the following:

	2014	2013
Educational programs	\$ -	\$ 5,000
Subsequent years	2,132,894	1,592,199
Personalized medicine & epigenetics	500,000	-
Senior award	45,000	300,000
Onyx EAP project management	-	869,000
Multiple Myeloma Translational Initiative	1,000,000	1,000,000
CoMMpass Study	-	800,000
Website and related costs	75,000	25,000
Call Center	20,000	50,000
Teleconference	-	42,690
Institutional Insights	-	185,000
General Research	-	100,000
Newsletter and related costs	110,000	-
Drug development	50,000	1,000,000
Clinical insights	150,000	-
Other	45,000	-
Present value discount	(46,743)	(78,004)
	\$ 4,081,151	\$ 5,890,885

The Multiple Myeloma Research Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2014 and 2013

11. Restrictions and Designation of Net Assets (continued)

Temporarily restricted net assets as of December 31, were available for the following purpose:

	<u>2014</u>	<u>2013</u>
Educational programs	\$ -	\$ 45,000
Time restricted	5,739,875	6,069,769
Personalized medicine & epigenetics	-	500,000
Fellow award	100,000	-
Website and related costs	150,000	75,000
Call Center	25,000	20,000
Multiple Myeloma Translational Initiative	100,000	1,000,000
CoMMpass Study	5,000	-
Teleconference	10,000	-
Immunotherapy	2,175,000	-
Patient Databank	250,000	-
Institutional Insights	150,000	-
Roundtables	50,000	-
Newsletter and related costs	115,000	85,000
Drug development	267,500	505,000
Tissue study	35,000	-
Other	-	25,000
Online community	505,000	150,000
George Fabian Fund	716,000	716,000
Present value discount	<u>(183,278)</u>	<u>(230,021)</u>
	<u>\$ 10,210,097</u>	<u>\$ 8,960,748</u>

12. Lease Commitments

In March 2012, the Foundation extended their lease which, as extended, expires on July 31, 2020. Minimum annual rentals under the lease at December 31, 2014 are payable as follows:

<u>Years ending December 31,</u>	<u>Minimum Lease Commitment</u>
2015	\$ 262,967
2016	270,058
2017	277,150
2018	284,241
2019	291,332
Thereafter	<u>172,357</u>
	<u>\$ 1,558,105</u>

Rent expense amounted to \$280,897 and \$268,139 for December 31, 2014 and 2013.
