

See Bylaws of the Cardiovascular Medical Research & Education Fund, Inc. at § 2.B (appended as Exhibit “B” to the Fifth Amendment approved by the Court in Pretrial Order No. 2677) (“Bylaws”). The original version of the Settlement Agreement provided \$25 million in funding for CMREF. *See* Settlement Agreement at §IV.A.3.a. The Tenth Amendment to the Settlement Agreement, approved by the Court on July 2, 2010, provided an additional \$12.5 million in funding for CMREF. *See In re Diet Drugs*, 2010 WL 2735414 at *3 (E.D.Pa. July 2, 2010). And, on July 16, 2015 this Court entered PTO 9428 authorizing a *cy pres* distribution to CMREF in the amount of \$739,603.61, representing the unused residue of the Supplement Class Settlement Fund created by the Seventh Amendment to the Settlement Agreement.

Under its Court-approved Bylaws, CMREF is required to furnish an annual report to the Court following the close of the Foundation’s fiscal year. *See* Bylaws at § 6.N(I). This is the Annual Report of the CMREF for the year ended December 31, 2015.

II. FINANCIAL REPORT

Attached as Exhibit “A” to this Annual Report are the compiled financial statements of the CMREF prepared by the Certified Public Accountants employed by the Fund. These financial statements show the assets and liabilities of the CMREF, the principal changes in assets and liabilities, the revenue and receipts of the Fund, and the expenses and disbursements made by the Fund for the fiscal year ended December 31, 2015.

III. GRANT ACTIVITIES

During the year ended December 31, 2015, CMREF engaged in the following grant making activities.

A. *PHBI.*

From its inception CMREF funded the creation and operation of the Pulmonary Hypertension Breakthrough Initiative (“PHBI”). PHBI is a consortium of thirteen highly distinguished, university-affiliated institutions that have collected explanted lungs and blood samples from PPH patients and controls, as well as phenotypic information on those patients for systematic pathological, cellular, proteomic and genetic analysis. The biological specimens generated by PHBI have been “banked” for use by researchers including independent physicians and scientists who are otherwise unaffiliated with PHBI. The quality of the PHBI effort was so impressive that the National Institute of Health (“NIH”) issued numerous grants to perform research using the biological materials and phenotypic information generated by PHBI. During 2014, the NIH assumed the obligation to provide nearly all of the funding necessary to continue the operation of PHBI for the ensuing five years. During 2015 CMREF provided funding to members of PHBI to supplement the funding provided by NIH and thereby assure that PHBI continues to operate at the highest level possible.

B. *PHA Association: The “PHA Patient Registry.”*

During 2015, CMREF funded a grant to support the development and implementation of the PHA Patient Registry that will serve as a resource to help find ways to prevent and cure pulmonary hypertension, with the following three aims: to

measure and improve quality of care; to understand risk factors for outcomes in PAH patients and to facilitate funded clinical research studies in PAH.

C. Pulmonary Circulation Journal

During 2015 CMREF provided a grant in support of the operation of PULMONARY CIRCULATION, the first peer reviewed scientific journal to publish original research articles, review articles, case report, and guidelines that are related to the pulmonary circulation, pulmonary vascular disease and lung injury.

D. Grover Conference

During 2015 CMREF funded a medical-scientific conference entitled “Adaptive and Maladaptive Coupling of the Right Ventricle and Pulmonary Circulation.” The conference examined the interaction between the right ventricle and the pulmonary circulation as it occurs during development, in normal physiology and in disease states, notably pulmonary hypertension and congenital heart disease. The goal of the conference was to bring together basic and translational scientists and physicians who deal with the pulmonary circulation and the right ventricle to discuss the normal and disordered mechanisms by which the right ventricle and pulmonary circulation are coupled.

E. Ghazwan Butrous

During 2015 CMREF funded a study by Dr. Ghazwan Butrous entitled “Immune and Inflammatory Cell Involvement in the Pathology Schistosomiasis induced

Pulmonary Arterial Hypertension.” The study involves a multi-faceted approach designed to unveil actual characteristics of granulomas in the lung and to systematically evaluate the number and cross-sectional distribution of inflammatory cells in different sizes of pulmonary arteries from the lungs of mice infected with schistosomiasis after eight and twelve weeks.

F. *Bradley Maron*

In 2015 CMREF funded a study by Dr. Bradley Maron entitled “Network Medicine and Vascular Fibrosis in Pulmonary Arterial Hypertension.” The study aims to identify treatment targets to abrogate pulmonary vascular fibrosis.

G. *Steven Kawut*

During 2015, CMREF funded a project by Dr. Steven Kawut entitled “The Establishment Of The Center For Clinical Data Integration.” The project involves the creation of a data repository and sharing platform for both past and future clinical trials in pulmonary hypertension. The long-term goal of this initiative is to accelerate the development of more effective treatments for PH by collecting and curating data from prior (and future) clinical trials of drugs, medical devices, management strategies, and biologics performed by academic investigators and industry.

CMREF is pleased with the progress made by its grantees. They have and will continue to produce research and provide education facilitating a better understanding of

PPH, which will, in turn, lead to improved treatments for those who suffer from this disease.

Respectfully submitted,

/s/ John Newman, M.D.

JOHN NEWMAN, M.D., PRESIDENT

/s/ Charles Samuelson

CHARLES SAMUELSON, SECRETARY

/s/ Michael D. Fishbein

MICHAEL D. FISHBEIN, TREASURER

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Annual Report of the Cardiovascular Medical Research and Education Fund, Inc. for the Year Ended December 31, 2015 was filed electronically this 21st day of September, 2016 and is available for viewing and downloading from the ECF System of the United States District Court for the Eastern District of Pennsylvania.

/s/ Michael D. Fishbein
MICHAEL D. FISHBEIN

Exhibit “A”