

FFF Enterprises Celebrates 20 Counterfeit-Free Years

The nation's largest distributor of critical care biopharmaceuticals and industry leader in pharmaceutical supply chain safety is most proud of the nearly one-hundred million lives it's protected.

July 8, 2008

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Patrick M. Schmidt, co-founder and chief executive officer of FFF Enterprises, Inc., didn't start out 20 years ago to build a billion dollar company or to change an industry. After a career as a pro football player, Schmidt just wanted to make a little extra money while at UCLA prior to beginning his planned career as a football coach. But destiny stepped in when the latex gloves he had tried to sell could not find a buyer. When Schmidt asked what product the hospital he was calling on could use, the administrator mentioned albumin, a life-saving critical care blood plasma protein that is often in short supply.

That was 1988, when qualifying as a distributor of critical care biopharmaceuticals was relatively easy, with minimal requirements and almost no regulation. "My initial intention was to find a product with a strong demand and make a little profit," says Schmidt. "But I realized very quickly that the products I stumbled upon needed special care to ensure they arrived safely to their intended recipient – a patient in need."

What also became readily apparent was that there were some hazardous practices rampant in the industry. "My original plan was to quickly move on to coaching, but as I became entrenched in the industry I realized that there was some clean-up that needed to happen," continues Schmidt. Putting his coaching career on the sidelines, Schmidt rolled up his sleeves to see what he could do to make the pharmaceutical supply chain a little safer.

Coincidentally, on April 12 of that same year, the Prescription Drug and Marketing Act (PDMA) was signed into law to mandate that prescription drug products purchased by consumers would be safe and effective and to prohibit the unacceptable risk

of counterfeit, adulterated, misbranded, sub-potent or expired drugs being sold to the American public.

Now more than 20 years later, the pharmaceutical industry still has not fully implemented the PDMA's pedigree requirement of recording a pharmaceutical product's path through the distribution supply chain. In contrast, FFF, with its proprietary technology, Verified Electronic Pedigree™ (VEP), that electronically displays the chain of custody for every product, has incorporated from the bottom-up what the pharmaceutical industry struggles to enact from the top-down—a secure pharmaceutical supply chain.

Inspired by the notion that it is the strength of purpose and strength of character that beget good fortune, FFF was named after the Latin phrase; 'fortuna favet fortibus,' or 'fortune favors fortitude.' Two decades later, these strengths are apparent in the founder, the company and the people of FFF. "I spent the first 15 years of my career on the manufacturing side," says Chris Ground, senior vice president of national accounts. "I didn't have a high regard for most secondary distributors. The majority of the practices I saw were inappropriate with products moving through unsafe secondary channels, and a blatant disregard for the safety of patients, the efficacy of the products and fair pricing in a volatile industry," continues Ground.

The extent of the industry-wide problems was documented by investigative journalist Katherine Eban in her 2005 book, *Dangerous Doses*, "Since 2000, an increasing number of Americans who went to their pharmacies got counterfeit medicine instead." ➤



Eban goes on to say that, "The counterfeits were not a one-time fluke but rather a consequence of America's distribution system."

Impacting America's distribution system is precisely what FFF has set as its mission, and is what attracted Chris Ground to the FFF team. "When I met Patrick Schmidt, I realized he was very serious about doing something concerning these issues, and when he asked me to join him in this crusade 10 years ago, I realized that there would be no greater contribution I could make then to help reshape this industry, and make the supply chain safer for patients everywhere," says Ground. "At FFF, there is a 'patients first' philosophy that is never compromised. I am very proud of what we've accomplished. I know we're making a difference."

Bill Lewis, FFF's senior vice president of strategic accounts concurs. "We've experienced tremendous growth since I first joined FFF more than 10 years ago," Lewis says. "Now as we enter our 21st year, I can say that patients have always been our primary focus. I have seen profits compromised many times over the years, but our values and the safety of patients is something that has never been compromised," continues Lewis.

Mission before margin is the way Whitney Stuart, vice president of sales and national accounts, characterizes FFF's unique business practices. Having come from the Red Cross, one of the leading manufacturers of plasma products at the time, FFF was initially a customer of Stuart's. "I knew FFF was special. They were the only distributor I trusted to ensure that once the products left our plant they would be given the level of care and attention needed to guarantee their safety and efficacy," she says. "It is an honor to be a part of this high integrity company that really does what they say they are going to do. We have pioneered the technologies and built the best practices to guarantee channel integrity," Stuart continues.

The 8 Critical Steps to Guaranteed Channel Integrity are the technologies and practices that Stuart refers to. Purchasing only from manufacturers and shipping only to healthcare providers, is just the beginning of FFF's commitment to protecting the supply channel. Six additional critical steps are taken 24/7/365 to ensure that the products FFF distributes are not

compromised anywhere in the supply chain. Now celebrating 20 years and 7,170 counterfeit-free days, these steps seem to be working.

Where does FFF go from here? "It's about continuous improvement and ongoing innovation," says Schmidt. "There is still a lot to do, and while it is unrealistic to think that all pharmaceutical products can be distributed through FFF, we are creating a standard for safety and excellence that we hope will continue to have a positive influence on the industry as a whole."

Expansion does seem to be in FFF's future, with an east coast warehouse facility slated for 2009.

About FFF Enterprises, Inc.

FFF Enterprises, Inc., a privately held corporation, is the largest and most trusted distributor of plasma products, vaccines and other biopharmaceuticals in the U.S. Founded in 1988, FFF is celebrating its 20th year with more than a billion dollars in annual sales and a flawless safety track record. FFF's Guaranteed Channel Integrity™ ensures that products are purchased only from the manufacturer and shipped only to healthcare providers, protecting patients and manufacturers from counterfeit risks and pricing irregularities inherent in secondary and gray market channels. FFF's proprietary technologies, Verified Electronic Pedigree™ and Lot-Track™, provide verification of this secure channel. FFF's MyFluVaccine (www.MyFluVaccine.com) has revolutionized the flu marketplace, offering a dedicated flu vaccine supply, delivered to customers on the date of their choosing, and offering certainty in a volatile market segment. FFF's ability to move rapidly in a dynamically changing marketplace allows the creation of new opportunities for customers through innovative vehicles for distribution.

