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(FRI) 2/26/99 9:31/ST. 9:30/NO. 3760036806 P. 2

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MEMORANDUM

TO: The Marrow Foundation
Attn: Jill McGovern

FROM: Thomas Berg

RE: *Potential Conflict of Interest*

DATE: February 25, 1999

Admiral Zumwalt contacted me concerning a fact situation that he thought may be perceived to be a conflict of interest. Even though these matters are still preliminary, just to be on the safe side, he asked that I notify the appropriate personnel.

The facts relate to discussions currently underway concerning the Transplant Trials Group (TTG). As you may know, this group includes the NMDP. A company by the name of Cell Therapeutics, Inc. (cti) recently contacted Dr. Mary Horowitz by letter, (copy attached) and offered assistance, where appropriate, to TTG. The letter also outlines cti's involvement in efforts to initiate more clinical research in marrow transplantation.

Since Admiral Zumwalt is a former board member of cti and is currently a paid consultant to that company, he thought it best to bring all of this to your attention and for him to refrain from any involvement with TTG discussions or actions. He also plans to avoid any participation in any activities the Marrow Foundation may undertake regarding funding for TTG.

If any board members have any questions or wish any more information, please contact me or Admiral Zumwalt directly.

Tom
Sent