OFFICERS AND TRUSTEES

Gail E. Lanphear ........................................................................... President
Lisa J. Gerstacker ...................................................... Vice President, Asst. Treasurer
*James A. Kendall ......................................................................... Secretary
**Mary M. Neely .......................................................................... Secretary
Alan W. Ott .................................................................................. Treasurer
W. James Allen ..................................................... Asst. Treasurer, Asst. Secretary
Laurie G. Bouwman ....................................................................... Trustee
***William C. Lauderbach .......................................................... Trustee
William D. Schuette ....................................................................... Trustee
Michael Woolhiser ......................................................................... Trustee

Lucille M. Dougherty, Staff Assistant

* Resigned as Secretary & Trustee, December 9, 2011
** Elected as Secretary, December 9, 2011
*** Elected as Trustee, December 9, 2011

THE MEDICAL COMMITTEE

Michael Woolhiser, Ph.D. (Chairman)
Darrell R. Boverhof, Ph.D.
Brian B. Gourlie, Ph.D.
Matthew J. LeBaron, Ph.D.
Patricia LoRusso, Ph.D.
*Cindy K. Miranti, Ph.D.
David H. Swenson, Ph.D.
Bing Yang, Ph.D.

* Resigned, November 8, 2011

PURPOSE OF THE FOUNDATION

The Elsa U. Pardee Foundation was established in 1944 under the terms of the will of its namesake, whose life was taken by cancer on October 2, 1944. Mrs. Pardee provided a $1,000,000 trust fund “for the promotion of the control and cure of cancer.” She directed that this bequest be used to support research in the field of cancer and to provide for others the advantages of knowledge and techniques still undiscovered in the treatment of cancer.

Cover Photo

Elsa U. Pardee with her husband, James T. Pardee, former board chairman of The Dow Chemical Company.
We offer a very special salute this year to James A. Kendall, who retired during the year after 40 years of service to the Foundation, serving most of those years as its secretary. Forty years is a very long time, and must set some kind of longevity record for a voluntary position of this kind. Jim’s service has always been exemplary, and we will miss his steadying influence and quiet leadership, more, I believe, than we realize. A special dinner was held to honor Jim’s outstanding contributions to the Foundation, and to bid him a fond farewell.

We are pleased, on the other hand, to welcome the newest addition to the board of trustees, William Lauderbach. Bill is the new president of the Midland/Gladwin Pardee Treatment Committee.

The Committee and the Foundation suffered a great loss during the year with the death of Sandra Schreiber, a 35-year employee of the Midland/Gladwin Pardee Treatment Committee. Her outstanding efforts will be long remembered.

Aside from these personnel changes, the Foundation continued faithfully its mission to fund cancer research and to provide assistance to victims of cancer in six counties of Michigan and Texas. Cancer research grants totaling $2,549,004 were awarded during the year. Cancer victims in Michigan received some $1,125,000 in aid from the Foundation during the year.

We are estimating our 2012 giving at $3,700,000, about the same level as a year ago.

I extend my gratitude for their efforts once again to our highly esteemed Medical Committee members, who recommend outreach choices, and to my devoted fellow trustees.

Sincerely,

Gail E. Lanphear
President
### Grants Made By The Foundation For the Year Ended December 31, 2011

<table>
<thead>
<tr>
<th>Recipient and Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Chicago — For the study of non-invasive delivery of stem cells as therapeutic vehicles to the brain tumors.</td>
<td>$125,000</td>
</tr>
<tr>
<td>Children’s Hospital Boston – For the study of the development of a short peptide therapeutic with anti-tumor and anti-metastatic activity.</td>
<td>162,500</td>
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<tr>
<td>University of Cincinnati – For the study of an efficient targeted strategy against endocrine-resistant and triple-negative breast cancer.</td>
<td>125,000</td>
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<tr>
<td>Florida State University – For the study of phosphoprotein signatures of human triple-negative breast cancer.</td>
<td>93,750</td>
</tr>
<tr>
<td>University of Kentucky – For the study of light-activated ruthenium complexes as a new class of selective and modular chemotherapeutic agents.</td>
<td>118,003</td>
</tr>
<tr>
<td>Michigan State University – For the study of elucidation and targeting of novel signaling pathways essential for breast cancer metastasis ($128,769); for the study of using bioinformatic methods to dissect tumor development and develop therapy ($138,431); for the study of oligo-deoxynucleotides (ODNs) directed against Fra1/Ap-1: multi stage tools again breast cancer ($114,186).</td>
<td>381,386</td>
</tr>
<tr>
<td>University of Michigan – For pilot studies on the anti-tumor capacity of novel catalytic nanoparticles ($137,376); for the study of TRPV3 Ca2+ channel as a novel target of epithelial cancers ($120,000); for the study of immunotherapy of melanoma utilizing cancer stem cell-based vaccines ($123,346); for support of a medical oncology fellowship training program ($100,000).</td>
<td>480,722</td>
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<tr>
<td>New York University School of Medicine – For the study of novel epigenetic regulators for melanoma therapy.</td>
<td>178,199</td>
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<tr>
<td>Penn State College of Medicine – For the study of targeting of cellular energy metabolism as novel anticancer therapy.</td>
<td>125,000</td>
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<tr>
<td>Pennsylvania State University – For the study of novel thiobarbituric acid compounds for drug resistant brain tumors.</td>
<td>125,000</td>
</tr>
<tr>
<td>University of Pittsburgh – For the study of therapeutic micro-needle patch vaccines against tumor blood cells.</td>
<td>100,000</td>
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<tr>
<td>Purdue University – For the study of Plk1 in chemoresistance of cancer.</td>
<td>125,000</td>
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<tr>
<td>Roswell Park Alliance – For the study of developing a high-throughput approach to making personalized therapeutic anticancer vaccines.</td>
<td>62,500</td>
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<tr>
<td>St. Mary’s of Michigan – For the study of the effects of exercise and donepezil on cognitive impairment during chemotherapy treatment: a pilot study.</td>
<td>15,000</td>
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<tr>
<td>The University of Texas, M.D. Anderson Cancer Center – For the study of understanding off-target effects of BRAF inhibitors in melanoma and epithelial cells.</td>
<td>157,288</td>
</tr>
<tr>
<td>Virginia Commonwealth University – For the study of the role of MDA-9/syntenin in head and neck squamous cell carcinoma progression.</td>
<td>125,000</td>
</tr>
<tr>
<td>University of Virginia – For the study of bivalent domains indentify novel cancer stem cell genes in neuroblastoma.</td>
<td>104,442</td>
</tr>
</tbody>
</table>
Wayne University – For the study of CXCR2 signaling complex in endothelial progenitor cell tumor neovascularization ($134,234); for the study toward high-sensitivity tumor detection with magnetic resonance imaging using new PARACEST agents ($149,312).

University of Wisconsin – For the study of novel combination therapy for prostate cancer.

Yale University – For the study of treating lymphoma by targeting microRNAs ($133,337); for the study of pre-clinical evaluation of 1GFBP7 as a lung cancer therapeutic ($100,000).

MidMichigan Medical Center – For continuation of the cancer registry ($58,000); for the memorial lectureship program ($6,500).

Pardee Cancer Treatment Association of Greater Brazosport, TX – For a program supporting the cure and control of cancer.

Pardee Cancer Treatment Fund of Midland/Gladwin – To assist in the cure and control of cancer through the program of the Pardee Cancer Treatment Fund.

Pardee Cancer Treatment Fund of Bay County – To assist in the cure and control of cancer through the program of the Pardee Cancer Treatment Committee of Bay County.

Pardee Cancer Treatment Fund of Clare County – To assist in the cure and control of cancer through the program of the Pardee Cancer Treatment Committee of Clare County.

Pardee Cancer Treatment Fund of Gratiot County – To assist in the cure and control of cancer through the program of the Pardee Cancer Treatment Committee of Gratiot County.

Pardee Cancer Treatment Fund of Isabella County – To assist in the cure and control of cancer through the program of the Pardee Cancer Treatment Committee of Isabella County.

Council of Michigan Foundations

| Total Grants | $4,472,823 |
| Decrease in grants authorized but unpaid | (798,819) |
| Grant funds returned | (221,022) |
| Administrative expenses | 221,418 |
| Federal Excise Tax | 47,000 |
| Other Taxes | 12,252 |
| TOTAL DISBURSEMENTS | $3,733,652 |
Statement of Assets, Liabilities and Net Assets – Modified Cash Basis
December 31, 2011

**Assets**

Cash and cash equivalents $ 5,320,731

Marketable securities (at fair market value):
- Dow Chemical Co. stock (500,000 shares) 14,380,000
- Chemical Financial Corp. stock (61,710 shares) 1,315,657
- Stocks - other 31,383,151
- Corporate bonds 8,451,259
- Foreign bonds 1,335,300
- Government bonds 11,011,516
- Certificates of deposit 240,068
- Mutual funds 1,978,407

Total marketable securities 70,095,358

Limited partnerships 147,027

Prepaid federal excise tax 73,193

Total assets $ 75,636,309

Unrestricted net assets $ 75,636,309

Total unrestricted net assets $ 75,636,309

Statement of Revenue, Expenses, and Changes in Net Assets – Modified Cash Basis
Year ended December 31, 2011

**Revenues and gains (losses)**

Interest $ 749,679

Dividends 1,467,426

Net realized gain on investments 2,602,873

Net unrealized loss on investments (8,546,825)

Loss from limited partnership (13,158)

Total revenue and gains (losses) (3,740,005)

**Grants**

Grants authorized:
- Grant payments made 4,472,823
- Grant funds returned (221,022)
- Decrease in grants authorized but unpaid (798,819)

Total grants 3,452,982

**Other expenses**

Administrative 221,418

Federal excise taxes 47,000

Other taxes 12,252

Total other expenses 280,670

Total grants and other expenses 3,733,652

Decrease in unrestricted net assets (7,473,657)

Unrestricted net assets at beginning of period 83,109,966

Unrestricted net assets at end of period $ 75,636,309
The Elsa U. Pardee Foundation operates under the laws of the State of Michigan, with headquarters in Midland, Michigan. Since its establishment (the Articles of Incorporation were filed December 28, 1944), the trustees have been responsible for allocating the funds to the best uses for which the late Mrs. Pardee intended them.

The Foundation does not directly administer the programs which it supports. The recipients are asked to submit yearly progress reports and a financial accounting concerning the expenditures of the research grant.

Grants are limited under the terms of the charter to the cure and control of cancer, and in general do not provide for building funds, equipment (except that used in a specific project), fellowships or fund-raising campaign contributions.

The Elsa U. Pardee Foundation provides support for research directed towards the detection, treatment, and cure of cancer. Priority is given to researchers at non-profit institutions in the United States who are new to the field of cancer research, or to established research investigators examining new approaches to cancer cure.

An attempt is made to initiate several new projects each year, as other projects are concluded. The Foundation particularly welcomes innovative, small-scale, short-term projects which may be difficult to fund elsewhere until some interesting results are obtained.

Elsa U. Pardee Foundation
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Midland, Michigan 48641-2767

Telephone: (989) 832-3691
Website: www.pardeefoundation.org