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RCT and Zassi Medical Evolutions form Leto Medical, LLC

New company to develop technology to restore continence control to individuals with colostomies

Tucson, Ariz. – Jan. 19, 2010

Research Corporation Technologies (RCT) and Zassi Medical Evolutions, a Florida-based company, have entered into a partnership via the formation of Leto Medical, LLC, to develop a novel electrical stimulation technology designed to restore continence control to individuals with colostomies.

With capital from RCT and intellectual property from Zassi and University Technologies International, Leto's mission is to improve the quality of life of individuals with colostomies by developing a system of products that will free these individuals from constant dependence on an ostomy bag.

A colostomy is created when an individual's colon and/or rectum is partially or completely removed or bypassed and the remaining healthy portion of the intestine is brought through the abdominal wall, forming what is referred to as a stoma. Ostomy surgery leaves the individual incontinent and 100 percent reliant on ostomy bags.

Leto's Continence Ostomy System (COS) will employ an innovative electrical stimulation technology along with proprietary, single use disposables to restore continence control to individuals with colostomies for eight to 12 hours per day and in so doing, free these individuals from the burden of having to wear an ostomy pouch for these eight to 12 hours.

Leto Medical's use of electrical stimulation technology to treat colostomy related incontinence, although unique, is following one of the fastest moving trends in the medical device industry today – the use of electrical and neuro stimulation to treat a wide variety of chronic conditions. Having been used in cardiac pacing for decades, electrical stimulation is now being clinically tested as a treatment for ailments such as chronic pain, Parkinson's disease, epilepsy, gastroparesis and obesity.

“The market for ostomy supplies is estimated at nearly \$2 billion annually and growing at over 4 percent per annum, and we believe that this market of consumers is desperate for an elegant and more discrete alternative than having to wear bulky bags and/or belts 24 hours of the day,” said Peter M. von Dyck, chief executive officer of Zassi Medical Evolutions and a founding board member of Leto Medical. “We are proud to have partnered with RCT on this important new application as they are a seasoned technology investment firm with a longstanding and successful record of working with and funding new promising technologies that can materially evolve the life sciences.”

Chris Martin, senior vice president and chief financial officer at RCT, said, “We are pleased to be a part of this disruptive, game-changing technology to improve the lives of individuals with colostomies and to be working with such a talented group of people.”

RCT is a Tucson-based technology investment and management company that provides early-stage funding and development for promising biomedical companies and technologies with origins from universities and research institutions worldwide. To learn more, see www.rctech.com.

Zassi Medical Evolutions, LLC, is a medical device innovation company specializing in the development of breakthrough, patient-centric gastrointestinal products for waste management and continence control. To learn more, see www.zassimedical.com

For more information about Leto Medical, contact Jim Schneider at jschneider@letomedical.com