

MODIFICATION REQUEST COVER SHEET

Name of Filer	LEWIS EDELHEIT
Reporting Period	<input checked="" type="checkbox"/> Annual report – calendar year 2016 <input type="checkbox"/> Appointee report:
Type of Request	<input type="checkbox"/> New <input checked="" type="checkbox"/> Renewal with No Change – Original granted on June 28, 2012 <input type="checkbox"/> Renewal with Change
Office Held & Term	Trustee, Life Sciences Discovery Fund Appointed term expires in 2017
Application Rule(s)	<input checked="" type="checkbox"/> Income & Ownership Interest: WAC 390-28-100(b) <input type="checkbox"/> Personal Residence: WAC 390-28-100(d) <input type="checkbox"/> Attorney: WAC 390-28-100(1)(e)(i) <input type="checkbox"/> Judge / Judicial Candidate: WAC 390-28-100(1)(e)(ii) <input type="checkbox"/> Spousal: WAC 390-28-100(1)(e)(iv) <input type="checkbox"/> Other: WAC 390-28-100(a)(c)
Explanation of Rule(s)	<p>Income and ownership interests. An applicant may be exempted from reporting the information otherwise required by RCW 42.17A.710 (1)(f) and (g), if:</p> <p>(i) Public disclosure would violate any legally recognized confidential relationship;</p> <p>(ii) The information does not relate to a business entity which would be subject to the regulatory authority of the office sought or held by the applicant in whole or in part;</p> <p>(iii) Such reporting would present a manifestly unreasonable hardship to the applicant including but not limited to adversely affecting the competitive position of an entity in which the applicant had an interest of ten percent or more as described in RCW 42.17A.120; and</p> <p>(iv) The interest in question would present no actual or potential conflict with the performance of the duties of the office sought or held.</p>
Supporting Documents (attached)	<input checked="" type="checkbox"/> Current F-1 <input checked="" type="checkbox"/> Letter <input checked="" type="checkbox"/> Modification Application <input checked="" type="checkbox"/> Prior order (if renewal) – March 15, 2016
Reason(s) for Modification (as stated by filer)	<ul style="list-style-type: none"> • Mr. Edelheit is requesting a reporting modification that would exempt him from disclosing the business customers that paid \$12,000 or more during the reporting period to Verity Solutions. • Mr. Edelheit is requesting a reporting modification that would exempt him from disclosing the business and other governmental customers that paid \$12,000 or more during the reporting period to Virginia Mason Health Systems. <p><u>Verity Solutions</u></p> <ul style="list-style-type: none"> • Mr. Edelheit serves on the Board of Directors for Verity Solutions. The company is based in Kirkland, has \$10 million in annual revenue, and approximately 25 employees. He said he is not involved in the day-to-day operations and does not have access to the entity's customer information.

- Mr. Edelheit stated that Verity operates in a very competitive industry and disclosing business customers would be very useful to the company's competitors who would go after the customers to take over the profitable recurring revenue of the business. He stated that several hundred of Verity's customers would be reportable.
- Mr. Edelheit provided a list of governmental customers of Verity Solutions.
- Mr. Edelheit stated that there were no payments received from the Life Sciences Discovery Fund during 2016.

Virginia Mason Health System

- Mr. Edelheit serves on the Board of Directors for Virginia Mason, a non-profit, complex health system which includes a large hospital in Seattle, multiple clinics, and the Benaroya Research Institute (BRI). Virginia Mason has \$1 billion in annual revenue. He said he is not involved in the day-to-day operations and does not have access to customer information with one exception (The Benaroya Institute) which he has disclosed.
- Mr. Edelheit stated that Virginia Mason has numerous reportable customers, including insurance companies, other health care organizations, pharmaceutical contracts, corporate business partners, etc. He said it would be very difficult to compile and disclose customer information because there are multiple categories of customers and multiple accounting systems which hold this data.
- Mr. Edelheit indicated that almost all of the payments are related to health care services and have no connection with the work of the LSDF board, with one exception, The Benaroya Institute (BRI). He disclosed that BRI, which is part of Virginia Mason, receives funds from LSDF. He stated that he fully disclosed (on the F-1 Supplement) that BRI received two LSDF grants to perform research. He stated that he will recuse himself from voting in matters related to BRI.

**Staff
Recommendations**

Approve renewal of the reporting modification with no change.