

## CHELSEA THERAPEUTICS TO CUT UNKNOWN NUMBER OF WORKERS



There are a lot of companies out there that no one has really heard of, but that still quietly goes about the business of getting its business done. One of those companies is Chelsea Therapeutics. For those of you who are not familiar with the company here is a look at how the company has chose to **describe itself**, "Chelsea Therapeutics specializes in the acquisition and development of innovative products and technologies that address important unmet medical needs or offer alternatives to current methods of treatment. Founded in 2004 around its library of unique non-metabolized antifolate technology, Chelsea has since transitioned into a public company and further expanded its product development portfolio with early and late stage product candidates that leverage the company's development expertise and accelerate the company's drug commercialization efforts." Well, it looks like the company is hoping to be able to achieve all of this with a serious reduction in staff. The company put out a **release** about some serious staffing cuts that they are getting ready to make in order to help relieve the pressure on the bottom line. The release reads: "As part of the reorganization, Chelsea's Board of Directors expects to significantly reduce the company's headcount, retaining only those employees necessary to gain marketing authorization of Northera™ (droxidopa) in the U.S. for the treatment of symptomatic neurogenic orthostatic hypotension in patients with primary autonomic failure. As part of this effort, the Company plans to stop patient enrollment in its ongoing 306B study in July, which should result in data by year-end, and will evaluate additional study designs required to support marketing authorization. The reduction in force is expected to be completed in the third quarter of 2012 and result in salary reductions of at least \$3.5 million on an annualized basis, excluding any one-time restructuring charges." So while the company has not pegged any hard and fast numbers to the job cuts, we can expect them to be fairly significant when all is said and done. The company is also going through some major management juggling and Michael Weiser, M.D., Ph.D, who will be assuming the role of Chairman for the company had the following to **say** about the changes in the release, "Chelsea Therapeutics has faced tremendous challenges in moving Northera forward through the regulatory process, making these difficult decisions necessary to ensure stockholder value is preserved in the short term and can be built over the long-term. We believe that this reorganization should allow the Company's resources and capital to be laser-focused on efficient conclusion of the 306B study and the evaluation of next steps in the regulatory process. In tandem, the Board plans to explore and evaluate all available strategic options to determine the best path forward in the long-term strategic interests of the Company and its stockholders...We remain committed to Northera, a treatment which meets an important unmet need in patients and has a significant record of efficacy and safety in the clinic and in ex-US markets. We would like to thank those employees leaving the Company for their service. We would also like to recognize Dr. Pedder's years of dedication to Chelsea and his work in helping to advance the Company's innovative therapies." For now only time will tell how many workers will be getting the axe.

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