

## Company Report

# CATALYST PHARMACEUTICAL PARTNERS, INC.

## Innovative Biotech Could Be Sitting On Two Blockbuster Drugs

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May 4, 2010

### CATALYST PHARMACEUTICAL PARTNERS, INC. (OTC – CPRX - \$1.41)

Price Target: \$5.00

Rating: Speculative Buy

#### COMPANY SNAPSHOT

Catalyst Pharmaceutical Partners, Inc. is a development-stage biopharmaceutical company focused on the development and commercialization of prescription drugs targeting diseases of the central nervous system with a focus on the treatment of drug addiction and epilepsy. Catalyst has two products in development, and is currently evaluating the lead product candidate, CPP-109 (vigabatrin, a GABA aminotransferase inhibitor) for the treatment of cocaine addiction. CPP-109 has been granted "Fast Track" status by the U.S. Food & Drug Administration (FDA) for the treatment of cocaine addiction. Catalyst is also in the early stages of developing CPP-115, another GABA aminotransferase inhibitor for several indications, including epilepsy, neuropathic pain and drug addiction.

#### KEY STATISTICS

Price as of 5/3/10	\$1.41
52 Wk High – Low	\$2.81 - 0.39
Est. FD Shares Out.	18.1M
Market Capitalization	\$25.5M
3 Mo Avg Vol	560,000
Exchange	NASDAQ:CM

#### COMPANY INFORMATION

**Catalyst Pharmaceutical Partners, Inc.**  
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#### INVESTMENT HIGHLIGHTS

**We believe that Catalyst's CPP-109 will emerge as the first FDA approved treatment for cocaine addiction and other stimulant dependence, an estimated billion dollar annual market.**

**The size of the cocaine dependence market and the related financial impact in the U.S. is staggering.** A 2009 report by the Office of National Drug Policy states that there are 3.6M chronic cocaine users in the U.S., with 663,000 receiving treatment. The National Institute on Drug Abuse (NIDA) estimates that substance abuse "costs" the U.S. \$484 billion annually.

**Catalyst's recently announced agreement with NIDA provides major validation for CPP-109.** NIDA and Catalyst are collaborating on a CPP-109 Phase IIb safety and efficacy trial, with NIDA and the VA contributing approximately \$7.2 million of the \$10M cost, and Catalyst contributing approximately \$2.8M in resources. Top-line results are expected in 4Q11.

**Vigabatrin, a novel GABA-AT inhibitor sold as Sabril, has a track record as an effective treatment for epilepsy worldwide.** Catalyst has obtained from Brookhaven National Laboratory an exclusive worldwide license for nine patents in the U.S. for all rights to use or sell vigabatrin for the treatment of addiction to cocaine, other addictive drugs and obsessive compulsive disorders such as obesity.

**Catalyst plans to leverage Sabril's success with a next generation vigabatrin analogue epilepsy and neuropathic pain treatment entering Phase I next year.** The current global market is \$17B and Catalyst is uniquely positioned to ultimately become a player in this market.

**In our view, CPRX presents a rare opportunity for investors to invest in a clinical drug firm at the current valuation of a pre-clinical firm.** In fact, we believe that Catalyst is sitting on two blockbusters. As CPRX achieves milestones over the next four quarters, the Company's GABA-AT inhibitor platform could be worth \$5.00 per share. Further validation in the form of a major 3<sup>rd</sup> party pharma development deal may occur, which would turn CPRX into a \$10.00 stock overnight. Thus, we rate CPRX a Speculative Buy.

# CATALYST PHARMACEUTICAL PARTNERS, INC. (OTC – CPRX)

Chart I. Recent Trading History For CPRX  
(Source: Stockta.com)



# CATALYST PHARMACEUTICAL PARTNERS, INC. (OTC – CPRX)

## Analyst: Robert Goldman

Rob Goldman has 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell-side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

## Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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