

VERMILLION, INC.
Form DEFA14A
May 26, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No. ____)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

Vermillion, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Dear Fellow Stockholders:

Over the past several weeks we have had the pleasure of speaking with many of our investors, both large and small, and we would like to thank you for your words of encouragement and support. As a follow up to our last letter to stockholders, we are pleased to report the following recent positive developments:

- Ø **Two Peer Review Articles Published in the June 2011 Edition of Obstetrics & Gynecology that Discuss the Performance of OVA1®** - Two peer-reviewed manuscripts highlighting OVA1's sensitivity for ovarian cancer were published in the June issue of Obstetrics and Gynecology, which is published by the American College of Gynecologists and Oncologists (ACOG). The first manuscript, "Performance of the American College of Obstetricians and Gynecologists' Ovarian Tumor Referral Guidelines With a Multivariate Index Assay" demonstrated that OVA1 would improve detection of cancer if incorporated into standard of care recommended by ACOG. The second manuscript, "Effectiveness of a Multivariate Index Assay in the Preoperative Assessment of Ovarian Tumors" demonstrated that OVA1 would improve detection of cancer if incorporated into physician evaluation of women with ovarian masses. The publication of these manuscripts is an important milestone in our commercialization efforts for OVA1. First, they will be used as sales aids by our market development team to support medical education and marketing programs. Second, while we have made great progress in increasing coverage for OVA1, manuscripts such as these are often required by major payers as part of the process of coverage decision-making. We expect these two publications to have a significant impact on our test sales.

- Ø **Continued Progress in Expanding our Intellectual Property Portfolio** - We have received a notice of allowance from the United States Patent and Trademark Office (USPTO) for a patent entitled "Saposin D and Fam3C are Biomarkers for Alzheimer's Disease." Our expanding patent portfolio, not just for peripheral artery disease but also for our other diagnostic programs, plays a key role in creating stockholder value and protecting our diagnostic assets.

- Ø **Leading Proxy Advisory Firms Endorse Vermillion Board Nominees** - ISS Proxy Advisory Services (ISS), Glass Lewis & Co. LLC and Egan-Jones Proxy Services, the three leading and independent proxy advisory firms that advise institutional investors on proxy voting, have published recommendations that stockholders vote **FOR** all board nominees up for election, **FOR** the advisory vote on the compensation of our Named Executive Officers and **FOR** the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2011. Additionally, ISS and Glass Lewis have recommended an annual advisory vote on executive compensation and Egan-Jones has recommended a triennial advisory vote on executive compensation.

We are committed to the continued execution of our strategic plan to drive stockholder value. We will continue to communicate to the investment community our strategic vision and our progress in achieving that vision.

Your Board Unanimously Believes That the Continued Implementation of Our

Strategic Plan Offers the Greatest Value for ALL Vermillion Stockholders

The Vermillion Board unanimously believes that continued execution of your Company's strategic plan offers the greatest value for ALL Vermillion stockholders and urges you to vote **FOR** the election of James S. Burns, Peter S. Roddy and Carl Severinghaus as directors of our Company, **FOR** the approval of the compensation of our Named Executive Officers, **FOR** a frequency of **EVERY THREE YEARS** for future advisory votes on the compensation of our Named Executive Officers and **FOR** the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm.

Your vote is extremely important. Please sign, date and return the enclosed proxy card. If you have any questions or need assistance in voting your proxy, please feel free to call our proxy solicitor, D.F. King & Co., Inc., (800) 549-6650 (toll-free). Thank you for your continued support.

Sincerely,

Board of Directors
Vermillion, Inc.