

Synapse expands business in Oberlin Biomedical firm lands \$4M in extra funding

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OBERLIN — Synapse Biomedical, developer of an implantable device that allows paralyzed individuals to breathe on their own, has obtained an additional \$4 million from investors to enable the company to expand its clinical trials and to begin marketing the device.

The latest investment brings Synapse's total investor contribution to \$6.5 million. Anthony Ignani, president of Synapse, said the company employs six full-time workers but plans to hire additional workers to expand manufacturing of the device later in the year. He said the number of additional workers has not yet been determined. Synapse developed the device with Case Western University and University Hospitals of Cleveland, where initial clinical trials were conducted in patients suffering from amyotrophic lateral sclerosis (also known as Lou Gehrig's disease). Clinical studies will now be expanded to include patients at Stanford University, Methodist Hospital in Houston and hospitals in Vancouver, British Columbia, and Paris, Ignani said. Synapse expects to get FDA approval by midyear to sell the device for implantation in spinal-cord injury patients, he said.

The first spinal cord-injury patient to receive the device was Thomas Conlan of Lorain County in 2000, followed by the late actor Christopher Reeve.

The newest investor in Synapse is Vivo Ventures of Palo Alto, Calif., which said it was impressed with the work Synapse has accomplished and its potential in helping people with spinal-cord injuries and ALS.

The additional money also includes funds from some anonymous "angel investors," Ignani said.

Another California venture capital firm offered to invest a large amount in Synapse, but Ignani said the company rejected the offer because it was conditional on relocating Synapse to California.

Those investors felt the West Coast provided a better climate for start-up companies because it had a better networking community and Synapse would have a better chance to fully staff the company with the appropriate talent than it would in Northeast Ohio, Ignani said.

“They put an offer on the table, and we turned it down,” he said.

Ignani declined to say how much the investors offered, but did say it amounted to more than the \$4 million received from the other group.

“We do not need that much at this point and we felt it was important to stay put,” he said. “Case Western and University Hospitals and others have fully supported what we’re going through and we’re able to accelerate our efforts because of those relationships,” he said. “Also, electrical stimulation, which is the basis of our technology, is really the strength of this region. The engineering and manufacturing talent is here, and people knowledgeable in the devices are here.”

Synapse was formed with more than \$1.3 million from JumpStart, a Northeast Ohio regional entrepreneurial development and funding organization and angel investors, Ignani said.

A California venture capital firm also invested \$1.25 million in Synapse in its earliest days.

In the recent round of funding, JumpStart chose not to invest more money in Synapse, Ignani said.

“It was the appropriate decision,” Ignani said. “JumpStart’s money is geared toward helping new, novel technologies coming out of this region. They’ve done their job helping us and it’s time for them to help someone else.”