

AcelleRX Therapeutics raises \$6.9 million from investors

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A Cleveland Clinic spinoff developing a biological therapy to repair damaged hearts has closed a \$6.9 million fundraising round.

AcelleRX Therapeutics Inc., launched by the Clinic in late 2007, plans to use the money to get its lead product through Phase I clinical trials. The trials generally assess for the first time a drug's effectiveness and safety in humans.

"We have some exciting pre-clinical data," said Rahul Aras, chief executive of AcelleRX. "We've had good discussions with the [Food and Drug Administration] on the product and the strategy to move it toward the clinic. We are anticipating starting a Phase I trial next year."

Stromal Derived Factor-1, SDF-1 for short, is considered a biopharmaceutical, Aras said. That means it's a drug derived from living organisms.

Dr. Marc Penn, AcelleRX founder and director of the Clinic's Skirball Laboratory for Cardiovascular Cellular Therapeutics and Center for Cardiovascular Cell Therapy, identified the factor as a protein produced by heart-attack victims. The protein recruited stem cells in the victim's body to help rebuild heart tissue damaged by the attack.

When this protein is delivered directly to a damaged heart as a therapy, "it acts as a beacon to recruit the body's own stem cells to repair the heart," Aras said. Stem cells are progenitor cells that can develop into many cell types.

Cincinnati venture capital firm Triathlon Medical Ventures led the recent AcelleRX investment round, which included Early Stage Partners, as well as venture development organization JumpStart Inc. and North Coast Angel Fund, all in Cleveland.

Fletcher Spaght Ventures, the Boston firm that recently opened a Columbus office, Reservoir Venture Partners in Columbus and Blue Chip Venture Co. in Cincinnati also participated in the round.

"Getting a deal done for a therapeutic company in this overall economic turmoil, it's truly remarkable," said Christopher Coburn, executive director of [Cleveland Clinic Innovations](#), the Clinic's commercialization unit that spun off AcelleRX.

"From our standpoint, it's a real vote of confidence in this team, the technology and the overall opportunities that are associated with the Clinic and the region," Coburn said.

AcelleRX has raised \$11 million in investments and grants since late last year. Some of that money came in the form of grants from [Ohio's Third Frontier Project](#).

"The State of Ohio government should take some pride in the growth of this company," Coburn said.

Most of the investors in AcelleRX are located in Ohio. Aras was recruited to work for Cleveland Clinic Innovations three years ago and left to lead AcelleRX late last year, Coburn said. And Dr. Penn is a native Clevelander. The company "is in every sense of the word, 'home-grown,'" he said.

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