



# THE PLAIN DEALER

## **Medtronic Inc., Arteriocyte Medical Systems of Cleveland strike deal**

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A Cleveland startup company developing stem cell therapies has struck a deal with medical technology giant Medtronic Inc. that could propel the business.

Arteriocyte Inc. had just announced a partnership with a private equity firm to create a spinoff company -- Arteriocyte Medical Systems -- to buy medical devices that could help deliver stem cell therapies. It followed with an announcement Tuesday that Arteriocyte Medical Systems formed a partnership with Medtronic that includes acquisition of a medical device that delivers concentrated platelets for surgical wound healing.

Arteriocyte was formed in 2004 to commercialize stem cell treatments with potential to repair blood vessels damaged by vascular disease. The company is developing therapies using adult stem cells, which are distinguished from stem cells derived from embryos.

The company was a spinoff of the Center for Stem Cell and Regenerative Medicine, a collaboration of Case Western Reserve University, University Hospitals Case Medical Center and the Cleveland Clinic.

The deal announced Tuesday also involves a distribution partnership with Minnesota-based Medtronic for the medical device, which separates platelets from a patient's blood to form a wound-healing gel.

Arteriocyte Medical Systems plans to expand the uses of the surgical sealant, including using the platform to introduce stem cells and other medical products, said Don Brown, chief executive.

Terms of the agreement were not disclosed. Baiju Shah, president of BioEnterprises, the health-care business developer in Northeast Ohio, said the deal helps create a strong foundation for Arteriocyte. "This is something they are selling today and are able to grow today while the stem cell technologies are still in development," Shah said.

He added that partnering with a big-name company is "enormous validation for this startup company." "This is a big win for Cleveland. It's a big win for University Hospitals and Case Western," he said.

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