



# THE PLAIN DEALER

## **Cleveland BioLabs raises \$30 million**

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Cleveland BioLabs Inc. has raised \$30 million from accredited investors in a private placement of 4.3 million shares of Series B convertible preferred stock. The company, which is developing drugs to protect people from radiation sickness as well as drugs to treat cancer, also sold 2.1 million warrants to purchase shares of the company's common stock. Warrants are the company's promises to sell its stock in the future at a stated price.

"This private placement provides us with two years of working capital" and enables the company to fulfill defense-related drug development commitments, as well as to develop other drugs in its pipeline, said Michael Fonstein, Cleveland BioLabs chief executive, in a written statement.

Fonstein also said his company plans to respond to a request for proposal from the Defense Department for a drug that treats the gastrointestinal effects of radiation sickness following exposure.

Cleveland BioLabs announced in December that it would move much of its operations to Buffalo, N.Y., later this year. The company is a 2003 spin-off from the Cleveland Clinic.