

Company developing replacement for heparin gets \$2.4 million

Posted by Mary Vanac May 04, 2008 10:36AM

A Beachwood company developing a unique solution that keeps vein catheters clear has landed \$2.4 million in an investment round led by North Coast Angel Fund in Cleveland.

Great Lakes Pharmaceuticals Inc. will use the money to finish pre-clinical development and to begin clinical trials of its catheter lock solution, B-Lock.

B-Lock works in a different way from heparin, the current standard for keeping blood clots from forming in vein catheters, often used to feed or medicate patients.

Heparin has limited ability to fight bacteria and fungus in catheters that are in the body for a long time. B-Lock fights both microbes, as well as blood clots, by eliminating and preventing the formation of biofilms that could lead to bloodstream infections.

B-Lock could replace heparin, which also is used to prevent blood clots in patients who have heart conditions or surgery.

In January, Baxter International Inc. began a massive recall of heparin. A fake ingredient in the heparin that came from China may have caused severe allergic reactions and deaths, Baxter and the Food and Drug Administration concluded.

"The equity funding will help us to clinically develop a highly needed product, particularly in view of recently publicized safety problems associated with heparin, the current standard of care for catheter maintenance," said Krzysztof Appelt, president and chief executive of Great Lakes Pharmaceuticals, in a written statement.

If all goes well, Great Lakes Pharmaceuticals expects to file a marketing application with the FDA in late 2009 or early 2010, said Tom Bradshaw, the company's chairman and co-founder. Once approved, Great Lakes Pharmaceuticals could start selling its solution, he said.

"Things are moving along," said Bradshaw, who is former chief executive of Ricerca Biosciences LLC in Concord Township. Ricerca helped form Great Lakes Pharmaceuticals in 2006.

Several investors participated in the company's investment:

- North Coast Angel Fund: \$200,000.
- Individual members of North Coast Angel Fund: \$370,000.
- Everett Partners Ltd., the venture investing arm of the Kanfer family, owner of GoJo Industries Inc. in Akron: \$400,000.
- JumpStart Inc., Northeast Ohio's venture development organization, and an affiliated fund: \$300,000.
- Ohio TechAngel Fund in Columbus: \$200,000
- Individual angel investors: more than \$900,000.

The investment round enabled JumpStart and Case Technology Ventures, a venture capital fund at Case Western Reserve University, to convert their previous debt investments in Great Lakes Pharmaceuticals to equity.

It also was the first time that North Coast Angel Fund used an investor "treaty" -- a detailed document about Great Lakes Pharmaceuticals -- to quickly share information among prospective investors, said Todd Federman, the fund's executive director.

It was the local angel fund's fifth investment.