

3 ISRAELI MEDICAL DEVICE COMPANIES RECEIVE \$1 MILLION, OPEN U.S. OFFICES

May 25, 2009 by Chris Seper, MedCity News

CLEVELAND, Ohio — Three Israeli heart companies will develop their products in Ohio as part of new investments from the Cleveland Clinic-backed Global Cardiovascular Innovation Center.

The center invested a total of \$1 million in **Cardiostar Ltd.**, Sensible Medical Innovations Ltd. and **Vasostar Ltd.** Cardiostar is developing a non-invasive way to monitor blood-pressure, beat-to-beat. Sensible Medical's device works during congestive heart failure to, among other things, quickly detect fluid in the lungs. And Vasostar's catheter would better break up artery blockages known as total chronic occlusion.

“What we believe is that within the next year, all three will go to [clinical] trials,” said Tom Sudow, director of business development at the innovation center.

Cardiostar and Vasostar have formed joint ventures with the **Frantz Group** in Mentor, Ohio, to further develop their products. Sudow said the two companies initially will hire three-to-five workers. If their products are successful, each could employ 20 to 30 employees, he said.

Sensible Medical likely will locate in Columbus because it plans to work primarily with Dr. William Abraham of Ohio State University, Sudow said. The company should begin operations in the state by the end of the summer.

The innovation center's funding typically makes up about one-third of the first investment rounds for startups. Private equity deals could follow for each of these companies.

Sudow said Sensible Medical already has received a terms sheet from a “large venture fund.” The joint venture with Frantz counts toward additional investment for Cardiostar and Vasostar, but each may also seek even more funding soon, Sudow said.

In addition to the Israeli companies, the innovation center used \$500,000 to re-invest in Navis Medical, which is developing a steerable guide wire to cut down on the need for multiple catheters during invasive peripheral vascular procedures, and EXCMR, which is developing a treadmill to work alongside MRI machines.

The innovation center, started in late 2006 with a \$60 million grant from Ohio's Third Frontier project, does not disclose the amount of individual investments, Sudow said.

“We believe the companies that we funded this time around are real game-changers,” Sudow said.

On May 8, the GCIC started its latest round of requests for investment proposals.