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Frantz Medical Group Subsidiary, VasoStar, Awarded \$1 Million Research Grant

VasoStar develops a guidewire/catheter system for revascularization of completely occluded arteries as alternative to invasive surgical procedures

CLEVELAND, Ohio, July 20, 2011 – One of Frantz Medical Group’s (FMG) subsidiaries, VasoStar Inc., Mentor, Ohio today announced that it has been awarded an Ohio Third Frontier grant to further develop and commercialize a novel electromagnetic guidewire system for penetrating through vascular Chronic Total Occlusions (CTOs), in lieu of invasive open heart surgery such as Coronary Artery Bypass Graft (CABG).

VasoStar’s primary clinical development partner is the Cleveland Clinic’s Lerner Research Institute. The VasoStar advisory team consists of world renowned cardiovascular clinicians including Dr. Patrick Whitlow, Director of Interventional Cardiology, Cleveland Clinic; Dr. Kiyo Fukamachi, Director of the Cardiovascular Dynamics Laboratory, Lerner Research Institute, Cleveland Clinic; Dr. Marc Penn, Director of Research, Summa Cardiovascular Institute; and Dr. Peter Fitzgerald, Director of the Center for Cardiovascular Technology and Director of the Cardiovascular Core Analysis Laboratory (CCAL), Stanford University Medical School. VasoStar has also received grant support and technical and commercial counsel from the Global Cardiovascular Innovation Center (GCIC), an Ohio based product commercialization consortium led by the Cleveland Clinic.

This \$1,000,000 grant, in addition to FMG’s financial and engineering support, will allow VasoStar to complete development of and collect additional safety data for the guidewire and catheter system in preparation for FDA and CE regulatory submissions. The VasoStar technology has been demonstrated to be safe in an animal study performed at the Lerner Research Institute. A number of preeminent interventional cardiologists have provided positive feedback regarding the VasoStar system’s usability and potential effectiveness following hands-on experience with prototype devices in arterial pathway models with simulated blockages. With the assistance of the Ohio Third Frontier grant, VasoStar will develop the first guidewire system that offers the clinician on-demand CTO-crossing assistance from the guidewire’s embedded miniaturized electromagnetic engines. Product launch is targeted for 2013.

“We are delighted and grateful to have the support of the State of Ohio,” said Stephanie Harrington, Chief Operating Officer of VasoStar. “The Ohio Third Frontier grant will allow us to further the development of an effective solution to crossing CTOs with a guidewire which will improve patient outcome without altering the clinician’s guidewire technique. In addition, this grant offers VasoStar the ability to build and expand Northeast Ohio’s cardiovascular medical device engineering and manufacturing competency in partnership with the Cleveland Clinic and Interplex Medical.”

About VasoStar Inc.

VasoStar Inc. was established to develop and commercialize a solution to the unmet need for a CTO crossing percutaneously: a miniaturized electromagnetic solenoid that produces longitudinal vibration at the guidewire tip for safely penetrating CTOs without significantly changing the clinician's guidewire technique and feel. VasoStar has exclusively licensed this technology from EYoCa Medical Ltd., an Israeli company founded by three Israeli scientists, including VasoStar's Chief Technology Officer, Mr. Ran Carmeli, and two leading U.S. interventional cardiovascular clinicians and researchers, the late Dr. Donald Baim, Chief Scientific and Medical Officer, Boston Scientific (previously Professor, Harvard Medical School) and Professor Peter Fitzgerald, Stanford University School of Medicine. Frantz Medical Group (www.FrantzGroup.com), established in 1979, is an Ohio-based consortium of companies specializing in the development and manufacturing of medical devices and diagnostics. FMG has majority ownership of VasoStar Inc. and has incubated VasoStar's initial development efforts.

About Ohio Third Frontier

The Ohio Third Frontier targets its investments to support technology areas that represent Ohio's key competitive opportunities. The Ohio Third Frontier was created in 2002 and is an unprecedented commitment to create new technology-based products, companies, industries and jobs. Their programs accelerate the growth and development of the biomedical, medical imaging, and sensors industries and their supply chains in Ohio.