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Heart drug marketer wins funding

CincyTech brings $250,000 to deal

By James Pilcher

Usually, the firms that get funding from Ohio's Third Frontier program have come up with new ideas on their own.

But the latest local start-up company to be funded by the state's job creation and high-tech fund is developing a product that has been in the pipeline for years.

Blue Ash Therapeutics is receiving $250,000 from downtown-based CincyTech as part of a $2 million overall funding deal to finally get a new drug, proposed to help certain heart patients, out to market.

The company is the 13th to receive a grant from CincyTech, the public-private firm that is the main source for Third Frontier funding for startups in Southwest Ohio.

"We wouldn't be able to do what we want to do if not for this money," said Blue Ash Therapeutics chief executive officer and co-founder Greg Flexter, a veteran of several area pharmaceutical firms. "And the important thing is that about $1.5 million of this money is from Cincinnati. So we feel that we are really a home-grown company."

The deal includes $1.5 million in private equity from some New York investors as well as and Cincinnati's Queen City Angels, an early-stage investing organization.

The firm has previously received $440,000 from a different Third Frontier fund in conjunction with the Cleveland Clinic's ongoing research into heart disease and treatment.

Blue Ash is trying to finalize approval and then market the drug Azimilide, which was originally developed by Procter & Gamble's pharmaceuticals unit that was later purchased by New Jersey-based Warner Chilcott.

Co-founder Kevin Malloy was part of the P&G team that developed the drug, and he says it needs one more major clinical test to gain approval by the Food and Drug Administration – a process that could take a year or more. Blue Ash is licensing the patent from Warner Chilcott for an undisclosed amount and has the rights to market the drug once it is approved.

The drug is designed to work with heart patients who have artificial implanted defibrillators, devices that help shock a heart back into its proper rhythm. Malloy estimates that there are at least 700,000 such patients in the U.S. alone.

"This can help keep things steady so the device doesn't even come on ... and it will help keep people out of the emergency room, because the side effects of the device can be so debilitating," Malloy said. "We knew this drug was a great opportunity. But it isn't like anyone could have bought the rights and pulled this drug out.

"This was really a confluence of skill, circumstance and opportunity ... and we have an incredible extended network of people in this area to make sure this succeeds."