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Tucson Tech Firm Attracts Major Venture Support

By Philip S. Moore, Inside Tucson Business

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Tucson-based BioVigilant, developer of instantaneous microbial detection instruments, has received \$4 million in venture capital support for its move from the laboratory to the marketplace.

Announced last week, the investment will make it possible for the company to expand the manufacture and sale of the detectors, which are being offered as a fast and efficient way to identify contamination or bio-agent attack. Based on technology developed by Dr. Robert Hamburger, emeritus professor of pediatrics at the University of California in San Diego, BioVigilant's first detector, the IMD-A, is now being tested for use by the Department of Homeland Security and the pharmaceuticals development and manufacturing industry.

Leader of the investor group, with \$2.5 million in support, is Battelle Ventures, a limited partnership created by Battelle Memorial Institute to assist start-ups in transitioning from research and development to the marketplace. The rest of the \$4 million in financing came from Pearl Street Venture Funds, which invested \$1 million, and the Community Investment Corporation of Tucson, which contributed \$500,000.

Launched in 2002, BioVigilant is the ninth company in the Battelle Ventures investment portfolio, said General Partner Ralph Taylor-Smith. Focusing on information technology, life science, homeland security, nanotechnology and energy companies, he said, "We're interested in companies with products with good prospects for a financial return."

Calling the venture capital investment "interaction between a good management team, robust technology and a good market," he said it represents the fulfillment of Battelle Venture's strategy "to keep looking for opportunities in the obvious

places. Our meeting was an accident, but if you're looking in the right places, fortunate accidents will happen."

He said the fund's managers chose the Tucson start-up because, "it has a robust technology that's applicable in multiple markets." Using scattered light and the intrinsic fluorescence of particles, rather than the century-old culturing method, a process that took days, or even weeks, detection can be done in seconds. Taylor-Smith said that means the BioVigilant system provides both the immediate security sought by national defense contractors seeking early warning of bio-agents, such as anthrax, and the quality control needed by pharmaceutical and biotechnology companies.

"There's early market traction with Homeland Security and the Department of Defense, and opportunities for additional markets once the technology can be more widely deployed," he said. "There's also an opportunity to utilize the technology in different areas for continued product development."

For example, there are immediate applications for testing liquids for biological contamination, as well as further refinements which could allow identification of specific microbes. "There are a variety of positive alternatives," Taylor-Smith said.

Deward Manzer, former president of Moltech Corp. and Breault Research Organization, will be chief executive officer. Daniel Joseph, a 12-year veteran of technology based start-ups, including leadership of the Tempe-based Applied Tech Products, will continue to serve as president. Jianping Jiang, who hold six patents on optical detectors, will also continue as chief technology officer. Other managers for the company include Hamburger, chairman and chief medical officer; Vice President of Sales Chuck Bolotin, founder and former chief executive of Office Solutions; Manufacturing Director Mark Fink, a former assembly systems developer for Raytheon Missile Systems and Breault Research, and Chief Engineer John Babico, former design and systems integration analyst for analogue and digital systems at Motorola, AlliedSignal, and other electronics developers.

Commenting on the investment, one of the largest for a Tucson start-up company, Tucson Mayor Bob Walkup said it reinforces the city's leadership in optics. He said Battelle Venture's links to Battelle Memorial Institute, a leading technical and scientific research laboratory, will attract more venture capital. Joe Snell, president of Tucson Regional Economic Opportunities, agreed. He said the BioVigilant investments "are actualizing the Biosciences Roadmap in Southern Arizona. We believe this is just the beginning, as Arizona's roadmap and commitment to the biosciences will continue to attract capital investment to companies in the Tucson region."

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