

Morrisville, N.C.

• **NContact Raises \$7.5M Series B For Trials**

By Staff Reporters



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NContact Surgical Inc., a surgical device company, has raised \$7.5 million in Series B financing to finance clinical trials of its tissue coagulation devices, after which it hopes to gain U.S. regulatory approval.

New investor Finistere Partners led the round, joined by new investor Hippo Ventures, a fund managed by Red Hat Inc. founder Bob Young, and existing investors Intersouth Partners, Massey Burch Capital Corp., Tall Oaks Capital and Village Ventures, said Jim Farinholt, managing director at Tall Oaks.

Based in Morrisville, N.C., nContact is developing tissue coagulation devices for surgical procedures. Farinholt said the financing will take them through their trials, which started a few months ago. "Basically, it's to carry them through clinicals," he said. "Clinicals have started in Europe and we hope to be in the U.S. within a year."

Farinholt said that the company will likely require a Series C round when the company receives regulatory approval and is ready to go to market.

NContact raised \$5.5 million in Series A financing in July 2005.

The intellectual property and the roots of many in management, including James G. Whyne, vice president of research and clinicals, and Sidney D. Fleishman, vice president of development and operations - in Boston Scientific Corp. made the company an appealing investment for Tall Oaks, according to Farinholt.

In addition, Farinholt said he and nContact Chief Executive John P. Funkhouser have been colleagues for more than 30 years, having worked together as bankers at Wheat First Securities Inc.

"It's a great scene," Farinholt said of the surgical space. "They're super guys that came out of Boston Scientific and they have about three-dozen patents in their own name."

NContact declined to comment on the financing.

<http://www.ncontact.us>