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Life Sciences Greenhouse Plants Medtech Seeds In Pittsburgh

by [Shawn M. Schmitt](#)

ALung CEO Pete DeComo says the start-up's novel *Hemolung* device might never have seen the light of day if it weren't for the support of the company's local community and, in particular, investment firm Pittsburgh Life Sciences Greenhouse. And ALung isn't the only Pittsburgh medtech firm the Greenhouse is aiding – there are currently 25 device and diagnostics start-ups in its portfolio.

[ALung Technologies Inc.](#) CEO Pete DeComo, whose novel *Hemolung* device has treated roughly 900 patients worldwide and is the subject of landmark clinical trials in the US and the UK, says the artificial lung might never have seen the light of day if it weren't for the support of the start-up's local community.

"I don't think ALung, or even my prior company [Renal Solutions Inc.] – which was another start-up company in the extracorporeal space, in kidney support – would have gotten off the ground and would have survived if it had not been for the support of the Pittsburgh region," DeComo told *Medtech Insight* Oct. 16 at ALung's headquarters in that city. (See lead story, "Breathing Easy: ALung CEO Talks Novel Hemolung Device, FDA's Breakthrough Pathway, Landmark US/UK Clinical Trials," below.)

DeComo founded kidney dialysis device-maker Renal Solutions in 2000 and served as that company's CEO until he left in December 2008 to join ALung. (Fresenius Medical Care AG & Co. acquired Renal Solutions in late 2007.) (Also see "[Fresenius Acquires Renal Solutions, Next-Gen Home Dialysis Technology](#)" - *Medtech Insight*, 3 Dec, 2007.)

"The universities, the economic development agencies, the angel investors, as well as some of the local venture capital firms – without them, we wouldn't be able to progress either company from bench through commercialization," he said.

Pittsburgh "is sometimes considered to be a flyover city as it relates to venture capital," ALung CEO Pete DeComo says.

But that doesn't mean there aren't challenges – especially when it comes to funding two massively expensive clinical trials for Hemolung.

Pittsburgh "is sometimes considered to be a flyover city as it relates to venture capital. We're between the big venture capital firms that are on the East Coast of the United States, and those that are on the West Coast," DeComo said.

"So, sometimes attracting venture capital can be difficult in this region of the country, but what's beneficial about being in Pittsburgh is the support of local organizations that are able to bridge us to a point that we are then able to attract venture capital money from outside the region, in addition to what's inside the region."

One group that has had the backs of several medical device start-ups in Western Pennsylvania is the [Pittsburgh Life Sciences Greenhouse](#), which helped fund both ALung and Renal Solutions. In fact, Renal Solutions was the very first firm to receive money from the Greenhouse, which was established in 2002 with funding from major foundations and the state.

The Greenhouse's goal is to establish life-sciences companies in the Pittsburgh region by leveraging the area's top schools – including the University of Pittsburgh and Carnegie Mellon University – and best-in-class medical facilities, such as the University of Pittsburgh Medical Center (UPMC). There are currently 25 device and diagnostics start-ups in its [portfolio](#).

Renal Solutions "was not only the first company funded by the Greenhouse, but it was also the first technology company recruited from outside the state of Pennsylvania to relocate to the state by the Greenhouse," DeComo said.

"At that time, one of the Greenhouse's objectives was to bring technology into Pennsylvania from outside, and to recruit executives in residence because we were lacking in seasoned entrepreneurs that

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In a deep-dive sit-down interview with

could take C-level positions within start-up companies," he added.

Renal Solutions "just happened to be at the right place at the right time in terms of a company that was available to relocate to Pittsburgh at the same time the Greenhouse was being formed in 2002," DeComo said. "Renal Solutions was a poster child for the Greenhouse for many, many years."

Before DeComo joined ALung, that firm was surviving on funding from the US National Institutes of Health and the Department of Defense, as well as research contracts from the Small Business Innovation Research (SBIR) program. It also accepted money from angel investors, and the Greenhouse had given the firm some seed money in the early 2000s.

"As ALung was developing, and I came to work here in early 2009, I went back to the Greenhouse for more funding," DeComo said. "Because we had success together at Renal Solutions, the Greenhouse determined that it was going to rekindle its investments into ALung."

The Greenhouse also has a venture capital fund called the Accelerator Fund, which also put money into ALung. The for-profit Accelerator Fund invests directly into Greenhouse portfolio companies located in Western Pennsylvania.

DeComo, who sits on the Greenhouse's [board of directors](#), pointed out that a Greenhouse investment automatically brings validity to a start-up.

"If you can say the Greenhouse is invested in you, then other organizations and even private individuals know that there has been due diligence done on that investment by an organization capable of assessing whether that technology is real and valid, and will have a place in the market," he said.

Medtech Insight, ALung Technologies CEO Pete DeComo dishes on US FDA's Breakthrough Devices Program and explains why his firm's novel artificial lung device, *Hemolung*, is worthy of traveling the expedited pathway to agency approval. DeComo also details two pivotal Hemolung clinical trials in the US and UK, and explains why Hemolung isn't...

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"There are a lot of assets we have that companies can take advantage of," Pittsburgh Life Sciences Greenhouse's Harold Safferstein says.

And the Greenhouse doesn't just offer funding – it also helps fill leadership roles at start-up companies.

"The other thing we've done besides make investments and provide capital, is to step in as an interim CEO or into interim board positions – anything that is required to help a company pivot from an academic finding to a commercial opportunity," said Harold Safferstein, an executive in residence for the Greenhouse.

"So, there is capital, there is management expertise, there is connectivity to other investors – and then there is information needs, market research, things along those lines," he told *Medtech Insight*. "There are a lot of assets we have that companies can take advantage of."

As part of the Greenhouse's Executive in Residence (EIR) program, Safferstein "leaves the Greenhouse to go help start a company, and then I come back to the Greenhouse. I've done that twice. I still keep my foot in the Greenhouse, but I've been the CEO of two start-up pharma companies."

In fact, "that's what brought me to Pittsburgh in the first place," Safferstein said. "C-level people who have started companies and sold companies before are part of the stable of people working at the Greenhouse so we're ready when an opportunity presents itself.

"The city has a lot of great technologies, but one of the things about Pittsburgh is, it doesn't have a lot of people to build stand-up companies around them," he added. "We help provide that nudge to get them to that next level."

From the editors of The Gray Sheet