

Gary Stroy Takes Helm At Neurostim Co. Neuralieve

By [Jonathan Matsey](#), March 23, 2006, **Venture Wire Life Sciences**

Neuralieve Inc., a neurostimulation company developing anti-migraine technology, said that it has named Gary H. Stroy as president and chief executive.

Stroy is a veteran executive, who has founded or managed a number of companies, including LifeScan Inc. Biotrack Inc., Abaxis Inc., ChemTrack Inc. and LXN Corp. and has held senior management positions of pharma giants Kline, American Hospital Supply Corp., Syntex Corp. and Bayer AG. He has also worked on the venture side, as a partner at MedVenture Associates and Walden International.

Most recently, Stroy served as CEO of Afmedica Inc., which was acquired last year by Angiotech Pharmaceuticals Inc.

Stroy said that he had the experience that Neuralieve was seeking in its first professional CEO. "They were looking for a CEO who had device experience and entrepreneurial experience," he said. Looking for his next company to manage, he tapped his industry contacts and contacts at MedVenture, the company's largest VC investor.

Previously, the company had been managed by founder Robert Fischell, a serial entrepreneur.

Recently moved to Sunnyvale, Calif., Neuralieve is a spin-out of NeuroPace Inc., a neurostim company combating epilepsy based in Mountain View, Calif. NeuroPace was also founded by Fischell and it retains just under 50% of the equity of Neuralieve, Stroy said. Neuralieve has an exclusive license to NeuroPace's intellectual property around the treatment of migraines.

Neuralieve is designing a device that the company says can disrupt migraine headaches. Stroy said that the device, which is called the Transcranial Magnetic Stimulator, sends a strong, short magnetic burst to the head of a chronic migraine sufferer during the "aura" - the visual or olfactory sensation that some people feel prior to the onset of headaches. An aura typically comes on 30-to-60 minutes before the migraine starts.

"It has a magnetic coil and two large capacitors," Stroy said. "It produces a very intense magnetic field, but it only fires for a fraction of a second." He said that the magnetic field is roughly one-tenth that produced in an MRI, albeit for a much shorter time. While the device has been described as resembling a gun, Stroy said that the device is more the size and shape of a hair dryer.

Fischell, who also founded IsoStent Inc., a developer of radioactive stents acquired by Cordis Corp. in 1998 and Pacesetter Systems Inc., a maker of cardiac pacemakers, developed the technology behind Neuralieve with his two sons, Scott and Doug.

The company has been working on pre-clinical proof-of-concept trials since 2002 but has spent some time developing a model that could be used at home by migraine sufferers. "They were using some off-the-shelf diagnostic equipment," Stroy said. "They decided they needed to make an instrument [the patients] could take home."

To help fund the effort, Stroy said that the company raised a \$1 million Series A round several years ago from MedVenture Associates, Domain Associates, InterWest Partners, New Enterprise Associates, Johnson & Johnson Development Corp. and Technology Partners and a larger \$5 million Series B round in October 2005 from the same group minus J&J, he said, declining to say why they did not participate.

Those investments have helped the company to develop a prototype for a double-blind clinical study that will formally begin later this year. Once the results are in, Stroy said that the company will look for a larger VC round to get the product to market. He said that Series C could happen late in 2006 or early in 2007 and that the dollar amount would be dependent on the success of the trial - at the low end it could be \$10 million-to-\$20 million and at the high end \$30 million-to-\$50 million.

Stroy has also tapped his former chief financial officer at Afmedica, Ting W. Lu, to serve as CFO of Neuralieve. Neuralieve has three full-time employees and six part-time consultants, Stroy said.

<http://www.neuralieve.com>