

Bio venture gets gutsy personal investment

By David Blackwell

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Another American this week sprang to the defence of Aim. "If Aim is a casino, at least it's an honest casino," said Dan Montano, an entrepreneur who is bringing CardioVascular BioTherapeutics to market in April.

Mr Montano has a crusading passion for his company, which is developing a process to enable the human heart and other tissues to generate new blood vessels and accelerate self-healing processes. In the words of a report commissioned by the company from Objective Capital: "either he is misguided or a genius; only time will tell".

That refers to Mr Montano's personal guarantee of a recent \$20m (£10.2m) convertible loan to the company, which Objective Capital describes as "a gutsy move", both to get things moving and to underline his confidence in the future.

Progress so far has been slow but Mr Montano has to be admired for his ability to raise \$60m from private investors over a few years. The shares have been traded on US over-the-counter bulletin boards for two years.

However, the latest convertible loan appears to have attracted what is known in the US as naked short selling. Since the initial placement at \$10 a share, the shares have been savaged.

"It never entered my mind that the shares would be massacred by people who don't know us and are trying to suffocate the baby in the crib," said Mr Montano. "We thought the stock would trade by appointment among family and friends. Now we seek a safe harbour - and that is Aim."

He has appointed Zimmerman Adams International as a nominated adviser and will be seeking to raise up to \$30m next month.

According to Objective Capital the company needs at least \$80m to get its first products to market. For a company that has so far steered clear of venture capital to minimise dilution, Aim's institutional investors are a powerful attraction. Over the pond, there is not much institutional interest in the bulletin boards.

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