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Frost buys another biotech

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Miami billionaire Dr. Phillip Frost and his investment team have done it again, purchasing a large stake in another publicly traded biotech company through a merger.

A company official said the new company may consider moving to Miami, which would put it near several other companies in which Frost has recently invested.

In the most recent deal, which closed Tuesday, Vienna, Va.-based **Modigene** closed a \$9.6 million private placement, merging with Modigene Delaware. Frost and Dr. Jane Hsiao, who worked with Frost at Miami-based Ivax Corp. until Frost sold the company, joined the company's board of directors.

Frost and Hsiao, plus two other former Ivax executives, made a \$2 million private placement in Modigene. In exchange, they received 5.4 million shares of common stock and warrants to purchase 333,333 more shares or enough to maintain at least a 15 percent stake in the company.

Investors in the \$9.6 million private placement received 6.4 million shares at \$1.50 each and warrants to purchase 1.6 million more shares at \$2.50 each.

"We are excited about the Modigene opportunity and believe in the management team, products, and underlying technology," Frost said. "We look forward to working together with the board of directors and management in building Modigene into a significant player in the therapeutic proteins market."

Modigene's technology is based on a short amino acid sequence called carboxyl terminal peptide discovered at Washington University in St. Louis. The sequence is being testing to see if it can treat multiple sclerosis, anemia and growth failure in children and adults.

Since **selling Ivax** to Israel-based **Teva Pharmaceutical** for \$7.4 billion at the beginning of last year, Frost has been busy acquiring interests in companies and has moved many of them to Miami. For example, he **moved investment bank Ladenburg Thalmann & Co.** from New York and **Opko Corp. from Philadelphia** after getting a controlling interest.

"We will consider this option, as well, although nothing has been decided yet," Modigene President Shai Novik said.

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