



TAMPA BAY BANKRUPTCY CENTER, P.A.

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Carbon Nanoprobes in Bankruptcy

In a dramatic fall from being one of Business Week's 25 finalists for America's Best Young Entrepreneurs to filing for Chapter 7 liquidation bankruptcy, Brian Ruby has done it all. Barely a year and a half ago, Ruby was given an equity investment by Life Sciences Greenhouse of Central Pennsylvania allowing him to relocate his company, Carbon Nanoprobes from the Seattle area to the East Whiteland Township in Chester County. At that time, the company had 9 employees and was transitioning from research to equipment sales, expecting a turnover of \$1 million in 2010.

Carbon Nanoprobes is a company that makes probes for researchers to use at the tip of their atomic microscopes for molecular imaging. By December, it had sailed into financially troubled waters and at the end of that month, Carbon Nanoprobes filed for Chapter 7 bankruptcy protection in bankruptcy court in Philadelphia. It listed its assets to be worth only \$38,650 and liabilities amounted to \$1.59 million. Its biggest creditor is the Life Sciences Greenhouse, based in Harrisburg, to whom Carbon Nanoprobes owed \$531,749. Michele Washko, vice president of strategic

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services for the greenhouse, said that her organization, which was seeded with some of Pennsylvania's share of the national tobacco settlement, has written off the investment.

What brought about the bankruptcy was that Carbon Nanoprobes failed to raise sufficient funds for its operations. Although the company managed to obtain \$4 million from institutional and angel investors, its operating costs were far higher. In some ways, this is to be expected when investing in start-ups pursuing novel technologies.

Ruby, 26, said for now he is weighing his options.

On the other hand, Saladax Biomedical Inc, another company funded by Life Sciences Greenhouse, has been having much better fortunes. The company based in Bethlehem is developing medical diagnostics products and has been able to raise \$8 million in funding from institutional investors last March. Then Saladax teamed up with the much more established Bristol-Myers Squibb Co. in a development agreement signed in June.

Now Saladax has hired a Philadelphia-area life-sciences entrepreneur, Edward L. Erickson, as its president and chief executive officer. Erickson joined Saladax January 3 after working in a nanotechnology company, Nanomatrix Inc. based in the University City Science Center in West Philadelphia. He also ran his own company, Immunicon Corp., which was eventually sold Johnson & Johnson Veridex LLC.

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