SafeStitch Medical Completes Merger with TransEnterix

Business Wire

SafeStitch Medical, Inc. and TransEnterix, Inc., a privately-held company, today announced that they have closed SafeStitch's previously announced acquisition of TransEnterix. The combined company is expected to be renamed TransEnterix, subject to stockholder approval, and headquartered in the Research Triangle, NC. The company will continue to trade under the name SafeStitch Medical, Inc. on the OTCBB under the symbol SFES until the anticipated name change is approved by stockholders, which is expected to occur in the fourth quarter of 2013.

Todd M. Pope, the Chief Executive Officer of TransEnterix, will serve as the Chief Executive Officer and a Director of the combined company. Paul A. LaViolette, a Partner at SV Life Sciences and Chairman of TransEnterix, will serve as the Chairman of the combined company's Board of Directors. Dr. Jane Hsiao, the former Chairperson of SafeStitch Medical will continue to serve as a Director of the combined company, and Dr. Phillip Frost, Chief Executive Officer and Chairman of OPKO Health and Chairman of Teva Pharmaceutical Industries has joined as a Director. The remaining Directors are Dr. Aftab R. Kherani, Principal of Aisling Capital; David B. Milne, Managing Partner at SV Life Sciences; Dennis J. Dougherty, Managing General Partner of Intersouth Partners; Richard C. Pfenniger, former Chief Executive Officer of Continucare Corporation and a member of the SafeStitch Board pre-merger; and William N. Starling, Managing Director of Synergy Life Science Partners, LP.

Mr. Pope commented, "We believe the business combination with SafeStitch will enhance our ability to bring flexible minimally invasive surgical technologies to market. This accompanying fundraising provides the company with the resources to advance the development of SurgiBot™, a novel patient side minimally invasive surgical robotic system." Merger Transaction and Financing Under the terms of the merger agreement with TransEnterix, SafeStitch Medical issued approximately 105.5 million shares of its common stock to stockholders of TransEnterix, has reserved approximately 17.0 million shares for exercise of TransEnterix options and warrants, and paid an aggregate of approximately $350,000 in cash to TransEnterix's former stockholders whose TransEnterix shares did not convert to SafeStitch shares.

Perella Weinberg Partners acted as exclusive financial advisor and Wilson Sonsini Goodrich & Rosati acted as legal counsel to TransEnterix. Greenberg Traurig, P.A. acted as legal counsel to SafeStitch Medical.

Concurrent with the closing of the merger, SafeStitch raised $30.2 million, before offering expenses, in a private placement of its equity securities. Existing TransEnterix investors contributed $19.7 million and Dr. Phillip Frost and Dr. Jane

Hsiao, either personally or through affiliated entities, along with other existing SafeStitch investors, contributed an additional $10.5 million in the financing.

Source URL (retrieved on *12/19/2013 - 10:41am*):
http://www.mdtmag.com/news/2013/09/safestitch-medical-completes-merger-transenterix