



**Media Contact:**  
Nicole Osmer  
Tel: 650.454.0504  
nicole@nicoleosmer.com

**Paragon Intellectual Properties Restructures  
Company to Form Nexeon MedSystems, Inc.**

*Company Completes Equity Funding Round of \$24 Million;  
Restructuring Prepares Company for Product Commercialization*

CHARLESTON, W. Va. and CARLSBAD, Calif. – October 7, 2008 – Paragon Intellectual Properties, LLC, today announced that it has restructured the company, moving from a limited liability company with seven subsidiaries to a single C-corporation to form Nexeon MedSystems, Inc. This restructuring was undertaken to prepare for pending clinical trials and commercialization of the company's lead technologies.

In addition, the company announced that it has completed a Series A equity funding round of \$24 million with financing provided by SurModics, Inc. (Nasdaq: SRDX), Guidant Corporation (now Abbott Laboratories and Boston Scientific), and private investors.

Proceeds from the financing will be used to execute on development and clinical trial plans for the prohealing PROTEX™ Coronary Stent System. Additionally, Nexeon will use the funds to advance the development of its other lead technologies, including a family of innovative peripheral stents and nanotechnology-based medical devices.

“This show of support from investors reflects confidence in our team to execute on our core mission of improving lives through the development of breakthrough therapies for cardiovascular disease. It is also a testament to our strong intellectual property portfolio and our nimble approach to innovation,” said Mark C. Bates, M.D., Nexeon MedSystems founder and CEO. “We are pleased with the tremendous progress the Paragon team has made since the company's inception. The same passion, resolve and commitment to innovation that led to the early success of Paragon will fuel the forward momentum of Nexeon MedSystems.”

300 Capitol Street, Suite 1002  
Charleston, WV 25301  
OFFICE 304 / 720.2678  
FAX 304 / 720.2041

[www.nexeonmedsystems.com](http://www.nexeonmedsystems.com)

Separately, the company announced that it has initiated PROTEX I, a first-in-man trial designed to evaluate the safety of the PROTEX Coronary Stent System for the treatment of coronary artery disease.

Dr. Bates founded the company in 2004 to change how innovative ideas in the medical device industry move from concept to reality. Today Nexeon MedSystems has 25 employees working in conjunction with physicians, scientific advisors and business experts to advance Dr. Bates' founding medical device concepts into a diversified portfolio of products to benefit patients with cardiovascular disease and other medical conditions.

Key company milestones to date include:

- Expansion of the company's product portfolio from an initial list of six early-stage concepts to a broad portfolio of more than twenty products and technologies;
- Development of a world-class R&D infrastructure, including hiring a cross-functional R&D team and the opening of the company's Innovation Center in Carlsbad, Calif. in 2007;
- Forming corporate partnerships with SurModics, Inc. and Unidym, Inc. in the domains of coronary stenting and nanotechnology, respectively;
- Establishing the company's scientific advisory boards with active participation from leading physicians around the world;
- Acquisition of the Biflex bistable stent technology, the foundation of Nexeon's peripheral stent family;
- Development of a new type of coronary stent with a profile 20 percent lower than today's market-leading technology;
- Attainment of ISO 13485 quality system site certification to facilitate future commercialization in Europe and Canada;
- Initiation of a feasibility study of the company's prohealing PROTEX Coronary Stent System.

### **About Nexeon MedSystems**

Nexeon MedSystems, Inc. is committed to saving and improving lives through the development of breakthrough therapies for cardiovascular disease. With proven medical device industry engineering talent, a strong intellectual property portfolio and the leadership of a veteran interventional cardiologist, Nexeon has created an extensive pipeline of products that promise to bring physician-led innovation to common clinical problems. Privately held, the company is based in Charleston, W. Va., with a research and development innovation center in Carlsbad, Calif. For more information please visit [www.nexeonmedsystems.com](http://www.nexeonmedsystems.com).

###