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VC Lightstone lands \$172M with an eye on biotech startups

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Lightstone Ventures, the life sciences-focused progeny of two VC stalwarts, has wrapped up a fund of its own, setting out with \$172 million to back early-stage drug and med tech companies.

The firm, launched by Morgenthaler Ventures and Advanced Technology Ventures in 2012, manages the biopharma assets of its two parents, led by veterans of both firms and dividing its operation between Palo Alto, CA, Boulder, CO, and Boston. Lightstone's inherited portfolio includes [GlobeImmune](#), [Calithera Biosciences](#) and [Portola](#), and the firm's big exits include [Plexxikon](#), acquired by [Daiichi Sankyo](#) for about \$805 million; [Proteolix](#), snatched up by [Onyx](#) for \$851 million; and [Ardian](#), which Medtronic ([SMDT](#)) picked up for \$800 million.



*Lightstone Ventures General Partner
Mike Carusi*

Now Lightstone is ready to set out on its own, and the firm says its \$172 million haul is the largest first-time biotech fund raised in more than two years. ATV veteran Mike Carusi is on board as general partner, alongside Chris Christofferson, Jean George and Hank Plain.

"Our strategy is to invest in life science companies with novel, disruptive technologies led by exceptional entrepreneurs," Carusi said in a statement. "We see tremendous opportunity in our focus areas thanks to a reinvigorated biotech and device IPO market, improvements at the FDA, greater clarity with the Affordable Care Act and interest from the large corporate players to invest in and acquire innovative venture-backed companies."

The firm has already made three bets with its newfound cash, playing a lead role in [Catabasis](#)' \$32.4 million Series B and pitching in on rounds for med tech startups FIRE1 and EarLens.

Meanwhile, there's some cautious optimism in the biotech venture space after a solid showing in the first quarter. Drug developers raised \$1.1 billion on 112 deals last quarter, a 26% jump over the same period last year. That total didn't stack up to 2014's bullish fourth quarter, but despite persistent ebbs and flows, many biotech VCs believe the sector is on the upswing after a protracted post-2008 slump.

Lightstone's disclosure follows the debut of sizable new funds from biotech venture outfits including [Abingworth](#), [OrbiMed](#) and [5AM Ventures](#) over the past few months, and VC mainstays [Frazier Healthcare](#), [NovaQuest](#), [Third Rock](#) and [Atlas](#) unveiled funds in 2013, totaling more than \$1 billion.

- read the [announcement](#)

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