

Acquisition Opportunity:

NuOrtho Surgical, Inc

NuOrtho Surgical, Inc.*Tissue Preservation®*

Energy-Based Medical Device IP Portfolio and Related Assets

INTRODUCTION

Hilco Streambank has been retained as the exclusive agent for purposes of marketing and selling the NuOrtho Surgical, Inc. (“NuOrtho” or the “Company”) asset portfolio. The Company filed for bankruptcy protection in the United States Bankruptcy Court of the District of Massachusetts on February 12, 2015. The Company’s Chapter 7 Trustee, Donald R. Lassman, retained Hilco Streambank to sell the Company’s intellectual property portfolio and certain related assets.

The NuOrtho assets relate to technology in the energy-based medical device sector and comprise a significant advance in surgical treatment. Called “Smart Tools,” NuOrtho’s technology is the only technology in the industry designed to mimic the human body’s physiologic mechanisms in order to improve patient care outcomes. As in biologic energy transfer pathways, energy is transferred through interfacing agents in which the energy is converted into the appropriate biologic form for tissue treatment. It is for this reason that NuOrtho can eliminate iatrogenic collateral damage while competitors cannot.

Almost two dozen peer-reviewed articles have been published describing NuOrtho’s technology and its beneficial surgical effects upon human tissue. The publications include participation by numerous researchers worldwide, including those affiliated with the Bioscience Division, the Theoretical Division, and the Center for Integrated Nanotechnologies of the Los Alamos National Laboratory, U.S. Department of Energy.

BACKGROUND

Founded in September 2008, NuOrtho was formed as a privately held medical biotechnology company incorporated in Delaware. Shortly after formation, the Company acquired “Smart Tools” intellectual property assets from MAP Technologies, LLC. Conceived through treatment site energy conversion science, the technology covers three broad surgical disciplines; Soft Tissue Treatment, Therapeutic Agent Delivery, and Bone Fusion.

After the acquisition, NuOrtho began fund-raising efforts to commercialize the technology in a step-wise fashion, seeking initially to produce the first-ever Physiochemical Scalpel able to achieve precision resection that unencumbers tissue wound healing behaviors. By establishing the scientific and clinical efficacy of the Physiochemical Scalpel in the marketplace, NuOrtho planned to expand its product line into the three broad surgical disciplines defined by the acquisition.

After obtaining FDA 510K clearance in July 2010 (K101711), NuOrtho launched its first commercial product, Ceruleau®, in early 2011 in selective U.S. markets containing key opinion leaders. Ceruleau is a single-use, disposable, physiochemical scalpel designed for precision resection of damaged or diseased tissue during arthroscopic surgical procedures. Although its 510K clearance allows treatment of many different tissue types in six joint cavities, the Ceruleau Medical Device System, on account of its resection precision, found rapid adoption for the treatment of articular cartilage due to the large disease burden of osteoarthritis and the unmet clinical need for non-palliative treatment of articular cartilage lesions. Ceruleau remains the only non-palliative, wound healing surgical treatment option for articular cartilage lesions and has been successfully used in over 1,500 surgical procedures with zero FDA-MDR adverse events.

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While NuOrtho has developed a strong intellectual property portfolio covering the Physiochemical Scalpel and several areas of downstream technology and product line expansion, further commercialization efforts were truncated.

Litigation unrelated to the Company's products and technology caused the Company to incur substantial legal expenses. The Company was unable to fund the resulting legal expenses and its product sales force simultaneously and, as a result, filed for bankruptcy.

Soft Tissue Treatment: NuCare[™]

The NuOrtho Soft Tissue Treatment technology discipline encompasses wound care technology that removes damaged or diseased tissue while preserving healthy tissue and encouraging the preserved tissue to naturally repair itself. Hence it is the only true tissue preservation technology in the industry.

Ceruleau[®] (or "blue water" named after azurophilic granules) mimics the behaviors of human neutrophils during the acute phase of wound healing. Neutrophils are white blood cells that discharge proton gradients from their secretory vesicles to disaggregate damaged or diseased tissue, preparing the unwanted tissue for removal so that a healthy wound bed can be created as the predicate for physiologic wound healing. Ceruleau delivers a proton gradient via magnetohydrodynamic propulsion directionalized to the treatment site by a plenum. Ceruleau has well-known CPT codes for all joint cavities and established reimbursement in the U.S. via the DRG payment system.

NuPolar[™] is a universal bipolar ablation medical device system that eliminates the need to amortize the cost of a dedicated electrosurgical generator. The use of blended generator waveforms, higher peak-to-peak voltage capabilities, and the lower power requirements of protected electrode geometries have been shown to improve functional performance and to produce less iatrogenic collateral damage than thermal and plasma ablation devices.

By utilizing NuOrtho's proprietary bridge circuitry, these devices are powered, without the need for a patient return pad, by non-dedicated standard electrosurgical generators already present in operating theaters so that no capital equipment is required for NuCare products. Eliminating extra generators from the operating room is part of NuOrtho's healthcare safety and cost-containment strategy.

Therapeutic Agent Delivery Engineered Irrigants[™]

The NuOrtho Therapeutic Agent Delivery technology discipline comprises irrigant-based therapeutic agents and the delivery systems necessary to deposit these agents at the surgical site. For example, Ceruleau utilizes the synovial fluid replacement media during arthroscopy as an interfacing agent for energy conversion with the water molecule as the energy transducer. The interfacing agent is locally converted to an Engineered Irrigant deploying a proton gradient in a process described as AquaChor[®]. The AquaChor Wave irrigates the tissue, producing wound healing charge movements at tissues surfaces.

In conjunction with preserving healthy tissue at the repair site, thereby allowing additional local tissue to participate in healing responses, agent delivery technology provides physiochemical, mechanical, and metabolic benefits to preserved healthy tissue in the wound bed. Expanding AquaChor embraces other charged pharmaceutical agents, like hyaluronan, that are naturally suited for delivery within an Engineered Irrigant for procedure-specific applications designed to enhance biologic healing responses.

Soft Tissue Treatment: NuCareTM

The NuOrtho Bone Fusion technology discipline expands energy interfacing agents into new formulations such as hydrogels, sol-gels, colloids, biopolymers, waxes, and scaffolds and matrices. By placing such interfacing agents between bone tissue segments or grafts, fixation can be achieved by using energy-based devices including laser, ultrasound, radiofrequency, infrared, chemical, and other configurations. In addition to serving as a fixation device, the interfacing agents serve as a means for targeted pharmaceutical delivery to surgical treatment sites.

This discipline represents a major advance in bone fixation by achieving actual molecular joining of bone tissue in vivo with minimal surface preparation while enabling targeted pharmaceutical delivery without the morbidity associated with geographic containment deficits common with other delivery systems. NuBone methods have applications in areas such as sports medicine, spine, maxillofacial, reconstruction, and trauma.

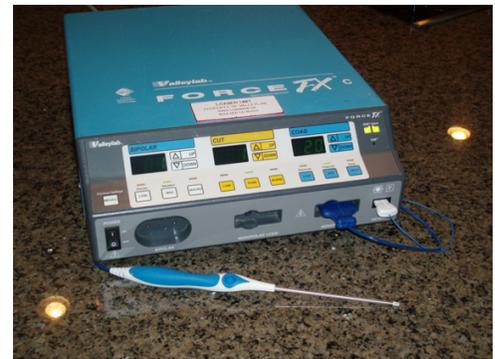
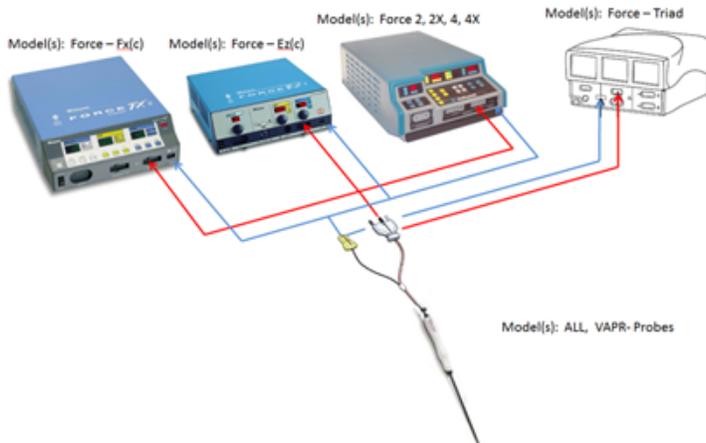
OPPORTUNITY

Buyers have the ability to purchase the assets of the Company including intellectual property and certain related assets.

Assets include:

- U.S. and International patents and patent applications
- Domain names (www.nuortho.com & www.nuorthosurgical.com)
- Technical designs and schematics
- Research data
- Testing and measurement records including design control and verification/validation (and test units)
- Manufacturing processes
- Prototype devices
- FDA clearance
- Sales training manuals
- Proof of concept models

There may also be available, certain finished goods inventory, unassembled parts inventory, testing equipment, surgical power generators, and a manufacturing and packaging line including fixtures, molds, equipment, and tools.



U.S. and International Patents

6,547,794	Method for Fusing Bone during Endoscopy Procedures
6,902,564	Methods and Devices for Electrosurgery
7,066,932	Biologically Enhanced Irrigants
7,105,011	Method for Achieving Tissue Changes in Bone or Bone-Derived Tissue
7,354,438	Devices for Electrosurgery
7,445,619	Devices for Electrosurgery
001141014-001	Medical Device Handle for Surgical Tool
7,549,989	Electrosurgery Devices
D600,808	Medical Device Handle for Surgical Tool
001190649-001	Medical Device Plug
001190649-002	Medical Device Plug
130,873	Medical Device Handle for Surgical Tool
D615,042	Medical Device Plug
7,713,269	Devices or Electrosurgery
7,771,422	Methods and Devices for Electrosurgery
133,789	Medical Device Plug
7,819,861	Methods for Electrosurgical Electrolysis
7,819,864	Electrosurgery Devices
001242549-0001	Medical Electrical Connector Assembly
001242549-0002	Medical Electrical Connector Assembly
001242549-0003	Medical Electrical Connector Assembly
7,955,296	Biologically Enhanced Irrigants
137,782	Medical Electrical Connector Assembly
D661,650	Medical Electrical Connector Assembly
8,235,979	Interfacing Media Manip w/Non-Ablation RF Energy System & Method
8,591,508	Electrosurgical Plenum
8,623,012	Electrosurgical Plenum
8,734,441	Interfacing Media Manip w/Non-Ablation RF Energy System & Method

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U.S. Patent Applications

12/486,616	Active Conversion of a Monopolar Circuit to a Bipolar Circuit Using Impedance Feedback Balancing
13/335,674	Connection of a Bipolar Electrosurgical Hand Piece to a Monopolar Output of an Electrosurgical Generator
13/405,044	System & Method for a Physiochemical Scalpel to Eliminate Biologic Tissue Over-resection and Induce Tissue Healing
13/736,016	Methods and Devices for Electrosurgery
14/106,351	Multifunction RF Probe with Dual Electrode Positioning
14/149,644	Electrosurgical Plenum
14/286,422	Interfacing Media Manip w/Non-Ablation RF Energy System & Method

U.S. Trademarks

NuOrtho	3,944,826
Tissue Preservation	4,026,492
Water Molecule Logo	4,210,313
Ceruleau	3,905,044
AquaChor	4,214,212

Other International Patents, Patent Applications, Trademarks

Information provided upon request

SALE PROCESS

Hilco Streambank is currently soliciting interest in this opportunity.

For further information about the sale process and access to diligence materials please contact the following Hilco Streambank representatives:

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About Hilco Streambank

Hilco Streambank is a market leading advisory firm specializing in [intellectual property disposition and valuation](#). Over the last three years Hilco Streambank has become a leader in the IP valuation and disposition market. Having completed numerous transactions including sales in publicly reported Chapter 11 bankruptcy cases as well as private transactions, Hilco Streambank has established itself in the [internet and telecom](#) community as a responsible and effective intermediary in the space.