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Financings Roundup

Arno Gets \$18M Plus Market Access in Reverse Merger

From Staff Reports

Arno Therapeutics Inc. completed a reverse merger and then engineered an \$18 million private financing through the sales of its new shares, stocking its treasury for development of its pipeline of cancer candidates.

The Fairfield, N.J.-based company completed a merger with Laurier International Inc., an educational learning materials company, and will trade under its symbol, LRR1 on the Over the Counter Bulletin Board, until it receives a new symbol.

In March, Arno, Laurier and Laurier Acquisition Inc., a wholly owned subsidiary of Laurier, entered into a merger agreement in which Laurier Acquisition merged into Arno, with Arno becoming the wholly owned subsidiary of Laurier. That merger was completed June 3, and Arno immediately merged with and into Laurier, and the combined company changed its name to Arno Therapeutics Inc.

The officers and directors of the former Arno Therapeutics then became the officers and directors of the new company.

Arno also completed an \$18 million private financing through the sale of shares of common stock to a group of institutional investors. Riverbank Capital Securities Inc. acted as placement agent.

The merger and financing "leaves us in a strong position to advance our pipeline," said Scott Fields, president and chief medical officer of Arno. The company's oncology pipeline includes its lead compound, AR-67, now in a Phase I study, as well as AR-12 and AR-42, preclinical cancer therapies.

AR-67 is a third-generation camptothecin analogue

that showed potency in preclinical studies and improved pharmacokinetic properties by increasing the stability of the active lactone form of AR-67 in blood samples. Preclinical studies and preliminary Phase I data confirmed that AR-67 maintains a greater proportion of drug in the active lactone form compared with approved second-generation products.

Moreover, the potential for oral administration may increase patient convenience.

The Phase I study of AR-67 currently under way is in patients with advanced solid tumors. Several Phase II studies are planned to begin this year in a variety of cancers, including glioblastoma multiforme, a highly aggressive form of brain cancer.

In the preclinical stage, Arno has AR-12, a PDK-1 inhibitor that targets the Akt pathway and also has shown activity in the endoplasmic reticulum stress and other pathways targeting apoptosis. Preclinical data have showed AR-12 has activity in a wide range of tumor types and shows promising activity in combination with several widely used anti-cancer agents including Avastin, Herceptin, Gleevec, Tarceva and tamoxifen, the company said.

Another preclinical candidate, AR-42, is a targeted inhibitor of the Pan-DAC and Akt pathways. In preclinical studies, it showed greater potency and a competitive profile in tumors when compared with vorinostat, the leading marketed histone deacetylase inhibitor. Arno said it plans to initiate Phase I studies of AR-42 and AR-12 – both of which it licensed from Ohio State University in January – in early 2009. ■

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