

SBU drug discovery director Iwao Ojima, left, and startup TargaGenix CEO James E. Egan aim to market a cancer drug.

sum has attracted an additional \$7 million from venture capitalists and others. The fund has \$2.4 million from Empire State Development, the state's primary business-aid agency, to invest by the end of next year.

The Accelerate New York fund is the successor to the Accelerate Long Island Seed Fund, which put \$500,000 from the state into 10 local startups and is now closed to new investments.

Third fund planned

"We think the model is working. . . . We're drawing stronger entrepreneurs and investors" to early-stage tech businesses, said Donnelly, who also directs technology commercialization for Stony Brook.

"We plan to raise money for a third fund," he said, "to make the pitch for more state funds, and private capital, because this region is underdeveloped" in terms of resources for young startups.

The proposed Accelerate New York Seed Fund II would probably begin making investments in 2020. The new fund, like its sister fund, would serve Long Island, New York City and the lower Hudson Valley, and focus on aiding startups in health care, energy and advanced materials, according to Donnelly.

TargaGenix, housed at the Long Island High Technology Incubator at Stony Brook, is the kind of startup that Accelerate New York was designed to help. It has what experts are calling a promising technology, based on Stony Brook research, but lacks the money to get to the point where venture capitalists will invest on their own.

Accelerate New York and Stony Brook "have been a positive force in opening doors to both investors and feedback" from scientific and business experts, TargaGenix CEO James E. Egan said earlier this month. "We wouldn't have made it to this stage, preparing for clinical trials in humans to test our cancer drug, if it wasn't for them."

He said the Accelerate New York money paid for experiments showing that drugs used to stimulate the human immune system, when combined with the TargaGenix drug, are effective in treating pancreatic cancer. The results were the basis of a U.S. patent

application and could help convince a pharmaceutical giant to invest in TargaGenix.

Egan started TargaGenix in 2013 after working for drug developer IRX Therapeutics in Manhattan. He reviewed about a dozen of Stony Brook's technologies with an eye toward building a company around one of them.

He selected a cancer drug developed by chemistry professor Iwao Ojima, director of the university's Institute of Chemical Biology and Drug Discovery. Ojima's research data "was so striking," recalled Egan. "I had never seen anything that could eliminate tumors in multiple cancers. . . . That means there is an enormous market for this drug."

Stony Brook agreed to license the technology, and Ojima signed on as a scientific collaborator to TargaGenix. Egan raised about \$150,000, including some of his own money, to start the business. In 2015 he secured a \$2.3 million grant from the National Cancer Institute.

TargaGenix has six employees but like most startups has no revenue.

New fundraising goal: \$5M

Earlier this month Egan began meeting with venture capitalists in Boston and Manhattan, hoping to raise \$5 million to pay for clinical trials over the next few years. Some of the trials could take place at Stony Brook, he said.

"The Accelerate money provided a bridge for us to get to the next round of investor funding," Egan said.

The case of TargaGenix offers further proof that inventions from Stony Brook, Brookhaven National Laboratory, Cold Spring Harbor Laboratory and other institutions can beget companies, said Mark Lesko, who proposed the Accelerate Long Island fund when he was Brookhaven Town supervisor.

Accelerate Long Island invested exclusively in startups in Nassau and Suffolk counties, while Accelerate New York invests in startups in 14 downstate counties.

TargaGenix's becoming Accelerate New York's first local investment "is exciting because it means Long Island is upping its game," said Lesko, now a Hofstra University vice president and co-chair of the Accelerate investment-review committee. "It shows Long Island startups can compete in a bigger arena."



Lindsey Calderone of Westbury paints during a recent class at Painting with a Twist in Selden.

FLOCKING TO STUDIOS TO PAINT AND SIP



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Paint is popping. You've likely seen or maybe visited a "paint and sip" studio, where groups of customers paint together while getting their drink on.

The biggest player in the industry, Louisiana-based Painting with a Twist, with some 350 locations nationwide, entered the Long Island market a few months ago.

The company's first Long Island franchise opened in Selden Plaza at 331 Middle Country Rd. in April. Its second local franchise will open at 855 Merrick Rd. in Baldwin in the first quarter of 2019, said Joanne Bove, who will co-own the studio.

At each studio, an artist stands on a platform in front of customers, giving lighthearted instructions on how to paint their own versions of the painting on display.

At Painting with a Twist in Selden, the fee is \$35 for a two-hour class or \$45 for a three-hour class. Beer, wine, soda and water are sold separately.

But customers aren't there to learn how to paint, said Nancy Cohen of Ridge, who co-owns the Selden franchise with her husband, Kevin. Both work full-time in the medical field.

"You're here to have a good time," said Cohen, whose daughter, Racquel Simpson, 24, man-

ages the studio on weekdays.

Cohen's inspiration for opening the shop was creating a career path for her son, Craig Simpson, 27, who has hydrocephalus, which is a build-up of fluid within the brain that causes impairment, she said.

"Ultimately, it's really for my son, so he has a place and something to do," said Cohen, who said her son is an assistant who helps with inventory, running the bar and other tasks.

Paint and sip studios tend to draw mostly women, and they sell alcohol or allow BYOB.

The outings provide customers with a "digital detox" from cellphones, said Cathy Deano, Painting with a Twist's co-founder.

On Thursday night, Westbury resident Lindsey Calderone, 26, was among 14 women painting sunflowers on wood pallets in the Selden franchise.

"It's a different type of girls' night out. . . . I like making fun of how bad my painting looks compared to everyone else's," said Calderone before taking a sip of Moscato.

Other paint and sip chains have been on Long Island for several years:

RETAIL ROUNDUP is a column about major retail news on Long Island — store openings, closings, expansions, acquisitions, etc. — that is published online and in the Monday paper. If you have news to share, please send an email to Newsday reporter Tory N. Parrish at tory.parrish@newsday.com.

■ Pinot's Palette, with 140 franchises, has two in East Meadow and Bay Shore, which opened in 2015 and 2016 respectively. The East Meadow location is shifting from a mobile studio to a brick-and-mortar location that will open at 2557 Hempstead Tpke. in November, said Doug Van Tassel, development director for the Houston-based chain.

■ North Carolina-based Wine & Design has 86 studios, including two in Rockville Centre and Syosset.

■ Manhattan-based Muse Paintbar, with 30 studios, arrived on Long Island in 2015 and now has four shops here — in Garden City, Great Neck, Port Jefferson and Woodbury.

Deano said she's not worried about competition as long as it's good competition. A bad outing will send customers packing to never return to any studio, she said during an August visit to the Selden studio.

Painting with a Twist, founded in 2007, plans to expand to 500 locations within three years, Deano said.

What's helping with expansion is the so-called "retail apocalypse," she said.

An unprecedented number of store closings in recent years has led shopping center landlords to seek more tenants that offer customers experiences, such as gyms, restaurants, movie theaters and paint and sip studios. And those tenants have more bargaining power with leases.

"People do want us. We're different. We're experiential," Deano said.