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Start-up tunes in on hearing devices

Melbourne's Audigence Inc. raises \$2M to develop devices

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Getting venture capital money these days is a tough task.

But Lee Krause, chief executive officer of Melbourne-based Audigence Inc., a start-up company that is researching and developing software technology for digital hearing devices, recently was able to raise \$2 million from investors.

The additional capital comes as Audigence announced an agreement with Audina Hearing Instruments Inc. of Longwood to integrate Audigence's patented Clarujust technology into Audina's family of custom digital hearing aids. Patient and clinical studies of Audina products incorporating that technology, which helps analyze hearing impairments and offer much quicker methods of adjusting hearing devices, will be conducted at the University of Florida during the first quarter of 2009. The companies expect to release products incorporating the technology to select audiologists in the second quarter.

Audigence, based at the Technological Research and Development Authority's Business Innovation Center near Melbourne International Airport, is developing technology to assist people with hearing problems. Audigence, with six employees in Melbourne and key collaborators from the University of Florida, has developed software technology allowing audiologists to help patients with cochlear implants and general hearing problems to better understand speech.

About 28 million Americans have a hearing impairment, according to the National Institute on Deafness and Other Communication Disorders. "Every time we present, or talk about, Audigence, it is very easy for the public to relate to the problem," Krause said. "Many know someone who is hearing-impaired and has been living with the frustration of their current instrument's tuning. The response is always an immediate interest in how to get their friends or parents involved in a future study or how to get their names onto an e-mail list for announcing product availability."



From left, software engineer Mel Ayala, senior scientist Bonny Banerjee, vice president engineer Tony Stirtzinger, and president Lee Krause of Audigence have developed Clarujust, a software diagnostic tool for optimizing digital hearing devices. (Christina Stuart, FLORIDA TODAY)



Frank Robilotta, executive vice president of Audina, said: "We are excited to be working with Audigence and the University of Florida on this new venture." Krause comes about his experience with hearing devices first-hand.

The former computer engineer for the Harris Corp. began losing his hearing in his early 30s because of a genetic defect. By 33, he no longer could carry on a phone conversation and managed to get by with lip reading and other measures. Now 47, he received a cochlear implant in 2002 and it restored about 80 percent of his hearing.

Some people thought 80 percent was great, but Krause said telephone conversations were still unnerving. Krause used himself as a guinea pig during his research and he can now hear and talk flawlessly on the telephone. For about seven years during his research, Krause honed in on cochlear implants and testing and eventually assembled engineers and specialists to look at the device's tuning process. The result was a joint U.S. patent with the University of Florida.

Initially, Audigence was able to raise \$750,000 in capital, enough to get the company through the product licensing process. Last month, the company announced it raised an additional \$2 million from investors, including Paul Suchoski, the company's chairman, and Harry Deffebach and William Troner, principals of Andre-Troner Limited Co., a patent licensing firm.

"In our business, we see many exciting new technologies," Deffebach said. "We're very enthusiastic about Audigence's potential." Audigence's initial target customers are manufacturers of hearing aids and cochlear implants. Like every other business sector, Audigence's has been hampered by the economic slow down. How fast a recovery proceeds will dictate the speed at which Audigence proceeds.

"As the economy recovers," Krause said, "we will be well positioned to expand beyond the hearing-impaired market and roll out our Clarujust product into cell phone and telephony-based applications."

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