

Biotech Stock Skyrockets 108 percent

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No Comments

Shares for PlasmaTech jumped 108.74 percent, after it was reported that George Soros bought a 5.17 percent stake in the biotech company.

Although we have seen a great deal of investor excitement about biotech stocks for companies which develop prospective cancer treatments, the situation involving PlasmaTech Biopharmaceuticals (NASDAQ:PTBI) is a bit different. PlasmaTech had an FDA-approved product on the market called, MuGuard for the treatment of oral mucositis, which involves inflammation of the mucous membranes as a result of chemotherapy or radiation therapy.

At the suggestion of oncologists who had been prescribing MuGuard for their patients, PlasmaTech filed paperwork with the FDA in early 2014, seeking marketing approval for a similar product, intended for the treatment of radiation proctitis and rectal mucositis. Those two conditions are side-effects, which afflict patients who receive radiation treatments for prostate, cervical, rectal or colon cancers. Ninety days after the application was filed, the FDA granted marketing clearance for the product, which is now called ProctiGuard. In case you were hoping to use that name as the trademark for a protective device to be worn by recently-convicted prison inmates, you are out of luck.

On Tuesday, it was reported that George Soros had purchased over one million shares of PlasmaTech stock on April 22. On Monday, Soros Fund Management filed a 13G form with the Securities Exchange Commission, indicating that the Soros Fund, which had already owned 250,000 PlasmaTech shares, purchased another 1,166,667 shares and thereby increased its stake in the company to 5.17 percent of the outstanding shares.

Dallas-based PlasmaTech was formerly known as Access Pharmaceuticals until October, 2014. As recently as September 29 of 2011, this stock was trading at \$100 per share. In July of 2009, it climbed as high as \$225 per share.

The last word: We have seen how the star power of certain investors can send a stock price soaring, when such an individual buys a significant stake in a particular company. One recent example was when Carl Icahn [increased his stake in Voltari \(NASDAQ:VLTC\)](#) to 52.3 percent. On Tuesday, reports that George Soros had increased his stake in PlasmaTech to just 5.17 percent caused the stock to skyrocket more than 108 percent.

