

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

February 19, 2009

ACTION REQUEST

Subject: Material Transfer Agreement between the University of Michigan and Hygieia, Inc.

Action Requested: Approval of Material Transfer Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement that then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by this Board and agreed to by the parties involved in this plan.

This proposed material transfer agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Israel Hodish and Mr. Eran Bashan are both employees of the University of Michigan ("University") and partial owners of Hygieia, Inc. ("Company"). The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents of the University of Michigan.

Background:

Dr. Israel Hodish, a Professor in the Division of Metabolism, Endocrinology & Diabetes, along with current graduate student Eran Bashan formed a company, Hygieia, Inc., to commercialize technology related to providing automated feedback on glucose levels in diabetic patients. Hygieia wishes to receive de-identified information from patient log sheets regarding patient glucose reading, insulin administration in addition to medication dosage from the laboratory of Dr. William Herman who maintains the specimens.

The Office of Technology Transfer selected the Company as a University partner and negotiated the terms of the proposed Agreement in accordance with University policy and its accepted principles for transfer of human samples and data.

Parties to the Agreement:

The Regents of the University of Michigan and Hygieia, Inc.

Agreement Terms Include:

Agreement terms include granting the Company the right to use the materials solely for the purposes of validating and making improvements to the Company's algorithm, and for presentation in graph and/or chart format to third parties ("Purpose"). No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the Agreement. Standard disclaimers of warranties and indemnification apply, and the Agreement may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Dr. Hodish arise from his ownership interest in Hygieia, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a material transfer agreement to enable the transfer of certain materials to the Company for the above-referenced purpose.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. In light of this disclosure and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve the Agreement between the University and Hygieia, Inc.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Stephen R. Forrest
Vice President for Research

February 2009