

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

February 18, 2010

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Wolverine Energy Solutions and Technology Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research, Development and Administration while reviewing a Proposal Approval Form. This then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was developed by this Committee and agreed to by the parties involved.

This proposed subcontract agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Theodore Goodson is an employee of the University of Michigan ("University") and a part-owner and officer of Wolverine Energy Solutions and Technology, Inc. ("Company"); and Dr. Stephanie Goodson, Dr. Theodore Goodson's spouse, is an employee of the University and a part-owner and officer of the 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. Theodore Goodson, Professor of Chemistry, College of LS&A, and Professor of Macromolecular Science & Engineering, College of Engineering, is both an employee of the University and a founder, part-owner, officer, and member of the scientific advisory board of the Company. Dr. Stephanie Goodson is an Instructor in the University's Pediatrics & Communicable Diseases Department, President of the Company, and would act as the Principal Investigator for the Company. The Company has applied for and received an Air Force STTR Phase I project and wishes to subcontract a portion of the work into the University under the direction of Dr. T. Goodson.

Nature of the Agreement:

The Company has applied for and received a Small Business Technology Transfer (STTR) Phase I Program award from the Department of Defense (Air Force), for the purpose of supporting research entitled "Development of Strategic Organic Energy Storage Capacitor Devices." The Company wishes to enter into an

Agreement with the University to enable Dr. T. Goodson to assist in the performance of this funded research.

Agreement Terms:

The total subcontract to the University will be \$40,000 for a one-year period (approximately January 1, 2010 through December 31, 2010). Since research agreements are often amended, the Agreement includes provisions for changes in time, amount, and scope. University procedures for approval of these changes will be followed and additional review by the Conflict of Interest Committee will be done as appropriate.

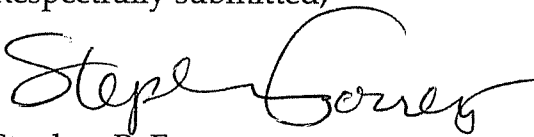
Impact of the Agreement:

The Agreement will support the efforts of Dr. T. Goodson to research high energy density and high power capacitors operating at a high frequency, to make large yields of particular pthalocyanine dendrimer systems, test the temperature and long term stability of the capacitance effect at high frequency, model the mechanism of polaron delocalization, and test prototype devices for real energy storage capacitor applications.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Committee. In light of the disclosure made in this document, and our finding that the agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with Wolverine Energy Solutions & Technology Inc.

Respectfully submitted,

A handwritten signature in cursive script that reads "Stephen R. Forrest". The signature is written in black ink and is positioned above the printed name and title.

Stephen R. Forrest
Vice President for Research

February 2010