

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and Armune BioScience, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the proposed agreement which then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflicts of interest was developed by the Board and agreed to by the parties involved.

This proposed Agreement falls under the State of Michigan Conflict of Interest Statute because Professors David Beer, Arul Chinnaiyan, and Gilbert Omenn are employees of the University of Michigan ("University") and partial owners of Armune BioScience, Inc. ("Armune"). 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. David Beer, a Professor in Surgery, Dr. Arul Chinnaiyan, a Professor in Pathology and Urology, and Dr. Gilbert Omenn, a Professor of Molecular Medicine and Genetics, all in the Medical School, are partial owners of a for-profit company called Armune BioScience, Inc. (the "Company"). The Company was formed to commercialize autoantibody signature biomarker technology and obtained a license from the University in 2008.

The Company wishes to support a research project directed by Dr. Xiaoju Wang in the University's Department of Pathology entitled *Prostate Cancer Biomarker Transfer* (University ID 13-PAF03131), which requires the use of facilities and resources of the University.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is expected to be five (5) months and the amount of funding support is anticipated at \$20,771.

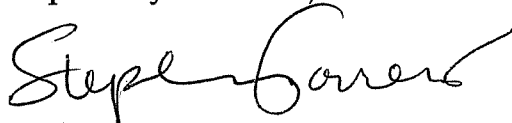
Impact of the Agreement:

The Agreement will support an effort by Dr. Wang to use his expertise and his University laboratory, as well as other University resources to amplify and replicate the phage library plates and perform ELISA for identification of cancer biomarkers.

Recommendation:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. 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 Armune BioSciences, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen Forrest". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Stephen R. Forrest
Vice President for Research

February 2013