

DECEMBER MEETING, 2015

*The University of Michigan
Ann Arbor
December 17, 2015*

The regents met at 3:00 p.m. in the Anderson Room, Michigan Union. Present were President Schlissel and Regents Behm, Bernstein, Deitch, Ilitch, Newman, Richner, Ryder Diggs and White. Also present were Chancellor Borrego, Vice President Churchill, Vice President Harper, Executive Vice President Hegarty, Interim Vice President Hu, Chancellor Little, Vice President Lynch, Vice President May, Provost Pollack, Vice President Rudgers, Executive Vice President Runge and Vice President Wilbanks.

Call to Order and President's Opening Remarks

President Schlissel thanked all the generous donors for their participation on Giving Blueday during which 7,000 donors made gifts totaling more than \$4.36 million. The majority of these gifts ranged from \$5 to \$200 and more than 100 student organizations participated.

President Schlissel said that this Sunday marks the celebration of Winter Commencement at the Crisler Center where about 900 degrees will be conferred. Also recognized will be the four distinguished honorary degrees recipients. He continued with reference to a supplemental agenda personnel item recommending the appointment of Jack Hu as the vice president for research, effective Jan. 1, 2016, through Dec. 31, 2018. Dr. Hu launched several important interdisciplinary initiatives as the interim vice president and has been a member of the university community since 1985.

Presentation: Interprofessional Education

Provost Pollack introduced Frank Ascione, who served as dean of the College of Pharmacy from 2004-14. He is currently the director of the Center for Interprofessional Education, an innovative program, involving all seven of the health science schools (dentistry, kinesiology, pharmacy, social work, public health, nursing and medicine.)

Professor Ascione said that interprofessional education is based on innovation and change in the health sciences culture and how students are educated. The current health care delivery system is not optimal. This program is centered on learning to provide more integrated care as students learn with, from, and about each other to provide care differently. Students develop a menu of experiences, work as teams, and influence the delivery of care to become leaders and innovators creating a positive impact on patients.

Committee Reports

Finance, Audit and Investment Committee. Committee Chair Regent Bernstein met with committee member Regent White and Kevin Hegarty, executive vice president and chief financial officer, and Jeff Moelich, executive director for university audits, to review audit reports completed during the last year and those that are still open.

The committee also met with Nancy Hobbs, interim associate vice president for finance, John Sullivan, university treasurer, and Cindy Corridore assistant treasurer, for an analysis of debt structure and strategy and a review of the December debt issuance of bonds.

Health Affairs Committee. Committee Chair Regent Ryder Diggs reported that she, committee member Regent Behm, Executive Vice President Runge, and President Schlissel met with David Spahlinger, senior associate dean for clinical affairs, Medical School, who gave an update on the clinical strategies. Tony Denton, acting executive director University Hospitals and chief operating officer UM Hospitals and Health Centers (UMHHC), provided an update on the November UMHHC executive board meeting. Paul Castillo, chief financial officer, presented the November financial report.

Personnel, Compensation and Governance Committee. Committee Chair Regent Richner reported that he and committee member Regent Newman met with Vice President Churchill and received an institution quality report on the College of Pharmacy from Dean James Dalton. Provost Pollack provided an update on the current searches, and Chancellors Little and Borrego provided updates on the Dearborn and Flint campuses, respectively.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of November 19, 2015.

Reports. Executive Vice President Hegarty submitted the Monthly Investment Report, and the Plant Extension Report.

Litigation Report. Vice President Lynch submitted the Litigation Report.

Research Report. Interim Vice President Hu submitted the Report of Projects Established, July 1 – November 30, 2015. He thanked President Schlissel for recommending his appointment as the vice president of research.

University of Michigan Health System. Executive Vice President Runge had no report.

Student Life. Vice President Harper thanked the board and President Schlissel for the time and commitment to listening to and meeting with students. She thanked Central Student Government (CSG) President Cooper Charlton for his leadership.

University of Michigan-Dearborn. Chancellor Little said that commencement will be held on Saturday during which the 50,000th degree will be granted. The speakers include Michigan Supreme Court Justice Richard Bernstein in the morning and in the afternoon, Gene Gargaro, chair of the Board of Directors of the Detroit Institute of Arts, who will also receive the Distinguished Leader Award.

Chancellor Little commented on diversity and inclusion on campus that includes a large Muslim population. Special efforts have been made on campus to reaffirm a commitment to providing a welcoming environment, including a thoughtful letter from Associate Professor of Philosophy Elias Baumgarten on the exemplary inclusiveness and deep understanding of vibrancy and peacefulness that exists on the Dearborn campus.

University of Michigan-Flint. Chancellor Borrego said there will be 667 graduates on the Flint campus this week. Dr. Alexa Canady, the first African-American

neurosurgeon and a University of Michigan graduate, will be the commencement speaker.

She said that the Flint water crisis remains in the news and Marla Seever, public health student, is completing her capstone project on this timely topic.

Chancellor Borrego also noted that the Flint neurological residency program was recently credentialed.

Central Student Government Report. Central Student Government (CSG) President Cooper Charlton reviewed accomplishments of the last year and expressed his appreciation of the leadership of Interim Athletic Director Jim Hackett. CSG will continue to play a role in the search for a new athletic director through student forums and input sessions. CSG will also co-sponsor the Golden Apple Award. He noted progress on the sexual misconduct policy and the student rights and responsibilities policy and efforts to make students aware of these changes, as well as the resources provided to students by Sexual Assault Prevention Awareness Center (SAPAC). During the fall semester CSG awarded \$200,000 to 200 student organizations. He thanked the regents for their support in increasing fees and said that the funding process is moving online. He thanked the administration for its support, and in particular Vice President Harper for her unrelenting commitment to students to assure student success.

Voluntary Support. Vice President May reported that of the 7,000 donors on Giving Blue Day included 1,550 new student donors which is phenomenal.

Personnel Actions/Personnel Reports. Provost Pollack submitted a number of personnel actions and reports. She spoke to the appointment of Amy K. Dittmar as vice

provost for academic and budgetary affairs, effective January 1, 2016 through December 31, 2020.

Retirement Memoirs. Vice President Churchill submitted 19 faculty retirement memoirs.

Memorials. Vice President Churchill submitted memorial statements for John H. Holland, Ph.D., professor of psychology, and Donald F. Rossin, Ph.D., UM-Dearborn associate professor of operations management.

Degrees. There was no action with respect to degrees this month.

Approval of Consent Agenda. On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the consent agenda as presented, including the supplemental personnel item.

Sale of Gifted Real Estate, Grosse Ile Township, Wayne County, Michigan

Executive Vice President Hegarty reported on the sale of gifted real estate, in Grosse Ile Township, Wayne County, Michigan, in accordance with the Regents' Bylaws. The net proceeds of the sale will benefit the Specific Investments-General Gifts Unrestricted Fund.

University Real Estate Policy Annual Report on Leases exceeding 50,000 Square Feet

Executive Vice President Hegarty submitted the annual report on leases exceeding 50,000 square feet, as required by the University's real estate policy.

Fiscal Year 2017 Capital Outlay Submission All Campuses

Executive Vice President Hegarty reported on the fiscal year 2017 capital outlay submission for all campuses to the State of Michigan.

Alternative Asset Commitments

Executive Vice President Hegarty reported on a commitment of \$30 million to Deerfield Healthcare Innovations Fund, L.P.; a commitment of \$40 million to Graham Partners IV, L.P.; a commitment of \$15 million to GSR Ventures V, L.P.; a commitment of €30 million (~\$31.7 million) to Patron Capital L.P., V; and a commitment of \$20 million to White Rock Oil and Gas Partners II, L.P.

Absolute Return

On a motion by Regent White, seconded by Regent Behm, the regents unanimously approved an investment of \$50 million from the University's Long Term Portfolio to Calmwater Real Estate Credit Fund III, L.P.

Absolute Return

On a motion by Regent White, seconded by Regent Behm, the regents unanimously approved an investment of €50 million (~\$53 million) from the University's Long Term Portfolio to Black Toro Capital Fund II.

Absolute Return

On a motion by Regent White, seconded by Regent Behm, the regents unanimously approved an investment of \$25 million from the University's Long Term Portfolio to Warlander Asset Management.

Absolute Return

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved an investment of \$40 million from the University's Long Term Portfolio to Abax Asian Structured Credit Fund II.

State Building Authority Financing of University of Michigan Project on the Dearborn Campus

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the UM-Dearborn Science and Computer Information Science Building renovation project to be financed by the State Building Authority and the following Resolution (Appendix, page 225) and authorized the appropriate officers to:

1. On or prior to the SBA's issuance of commercial paper notes, execute the Construction and Completion Assurance Agreement and Bill of Sale;
2. At or near completion of the project and prior to the issuance of the SBA's bonds, execute the respective Lease, convey title to the property, and execute any necessary easement agreements required for the financing of the project;
3. Execute any other documentation required for financing of the projects by the SBA.

Stephen M. Ross Athletic Campus Athletics South Competition and Performance Project

On a motion by Regent Behm, seconded by Regent White, the regents unanimously authorized issuing the Stephen M. Ross Athletic Campus athletics south competition and performance project for bids and awarding construction contracts provided that bids are within the approved budget.

Transportation Operations and Maintenance Facility

On a motion by Regent White, seconded by Regent Behm, the regents unanimously authorized issuing the Transportation Operations and Maintenance Facility project for bids and awarding construction contracts provided that bids are within the approved budget.

Utility Tunnel Reinforcement Dental Building Area

On a motion by Regent Newman, seconded by Regent White, the regents unanimously approved the utility tunnel reinforcement dental building area project, and authorized issuing the project for bids and awarding construction contracts provided that bids are within the approved budget.

North Campus Research Complex Building 550 University Collections Relocation Renovations

On a motion by Regent White, seconded by Regent Behm, the regents unanimously approved the North Campus Research Complex Building 550 university collections relocation renovations project as described, and authorized issuing the project for bids and awarding construction contracts provided that bids are within the approved budget.

Central Power Plant Campus Switching Station Switchgear Upgrade

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the Central Power Plant campus switching station switchgear upgrade project as described, and authorized issuing the project for bids and awarding construction contracts provided that bids are within the approved budget.

University of Michigan Hospitals and Health Centers North Campus Research Complex Buildings 30, 35, 36 and 60, University Hospital, and University Hospital South Clinical Pathology Laboratories Relocation and Renovation

Jocelyn Frederick, principal, Tsoi/Kobus & Associates, presented the schematic design for the University of Michigan Hospitals and Health Centers North Campus Research Complex Buildings 30, 35, 36 and 60, University Hospital, and University Hospital South Clinical Pathology Laboratories relocation and renovation. The renovation of approximately 186,000 gross square feet was guided by the following principles: collaboration, enhancing operations, providing flexibility for future technology, and addressing future growth.

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the schematic design for the University of Michigan Hospitals

and Health Centers North Campus Research Complex Buildings 30, 35, 36 and 60, University Hospital, and University Hospital South Clinical Pathology Laboratories relocation and renovation project as presented.

Conflicts of Interest Items

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the following conflict of interest items that fall under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

Authorization for the University to enter into a Lease Agreement with Venture Accelerator Firm at the North Campus Research Complex

A lease agreement for space in the North Campus Research Complex Venture Accelerator, located at 1600 Huron Parkway, Ann Arbor, with Diapin Therapeutics, LLC (the “Company”) was approved.

1. The parties to the lease agreements are the Regents of the University of Michigan and Diapin Therapeutics, LLC.
2. The service to be provided is the lease of space in the North Campus Research Complex Venture Accelerator located at 1600 Huron Parkway, Ann Arbor, Michigan with access to common area space within the building for an additional year in the program. The one-year lease duration including all options for renewal is outlined in the spreadsheet. The lease will use the standard University of Michigan Venture Accelerator lease template. Tenants will pay the rates as stipulated in the attached spreadsheet for the current term and option years as indicated with a monthly rate for the current term as follows: 1) \$4,160/month from February 1, 2016 – January 31, 2017. The tenant will be responsible for providing monthly updates concerning their business progress to the University of Michigan's Office of Technology Transfer, and will have access to Office of Technology Transfer personnel for advice concerning obtaining technology assessment, business consulting, technical assistance, capital raising, or other business services.
3. The pecuniary interest arises from the fact that the University of Michigan employee Yuqing Chen is an owner and/or officer of Diapin Therapeutics, LLC

Authorize Execution of Investment Agreements Under the MINTS Program for Invenio Imaging, Inc.

An investment agreement with Invenio Imaging, Inc. (the “Company”) for a total of \$2.5 million in potential investment (through one or more rounds of financing) under MINTS was approved.

1. Parties to the agreement are the Regents of the University of Michigan and Invenio Imaging, Inc.
2. The University will receive an equity interest in the entity in return for its investment(s). No use of University services or facilities, nor any assignment of University employees is obligated or contemplated under the agreement. Under MINTS, the University must co-invest in a financing round together with at least one Qualifying Venture Capital Investment Firm. Agreement standard for venture capital investing will be executed. The Investment Office may execute finance agreements up to a total of \$2.5 million in potential investments (through one or more rounds of financing) under MINTS.
3. The pecuniary interest arises from the fact that University of Michigan employee Daniel A. Orringer is a part owner of Invenio Imaging, Inc.

Authorization for the University to enter into an agreement with Cube Works, Inc.

An agreement with Cube Works, Inc. (the “Company”) to purchase design and prototype services was approved.

1. Parties to the agreement are the Regents of the University of Michigan and its Department of Electrical Engineering and Computer Science and Cube Works, Inc.
2. The agreement is for the supply of design and prototype services from December 18, 2015 through June 30, 2016 at a total cost not to exceed \$75,000.
3. The pecuniary interests arise from the fact that University of Michigan employees Dennis Sylvester, David Blaauw, David Wentzloff, Prabal Dutta and Zhiyoong Foo are part owners, partners and stockholders of Cube Works, Inc.

Authorization for the University to transact with miLEAD Consulting Group

An agreement with miLEAD Consulting Group (the “Company”) for market assessment services for their digital learning tools was approved.

1. Parties to the agreement are the Regents of the University of Michigan and its Fast Forward Medical Innovation, a unit of the Medical School Office of Research and miLEAD Consulting Group.
2. The agreement is for market assessment services not to exceed three weeks or \$1,150 in fees.
3. The pecuniary interest arises from the fact that University of Michigan employee Egon Ranghini is the president of miLEAD Consulting Group.

Authorization for the University to enter into an agreement with Mountain Pass Solutions

An agreement with Mountain Pass Solutions (the “Company”) to purchase consulting and training services to assist in the implementation and use of software was approved.

1. Parties to the agreement are the Regents of the University of Michigan and Mountain Pass Solutions.
2. The agreement is for consulting software training services for approximately 96 hours at a total cost of \$9,600.
3. The pecuniary interest arises from the fact that University of Michigan employee Debra Komorowski is a stockholder, owner, partner, employee and consultant of Mountain Pass Solutions.

Subcontract Agreement between the University of Michigan and BlazeMedical Devices, LLC

A subcontract agreement with BlazeMedical Devices, LLC (the “Company”) to fund a FDA (prime) SBIR Phase I project entitled: “RBC Mechanical Fragility and VAD Blood Damage” (ORSP #15-PAF00454) was approved.

1. Parties to the agreement are the Regents of the University of Michigan and its Department of Cardiac Surgery and BlazeMedical Devices, LLC
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately six (6) months. The amount of funding support will not exceed \$48,704. Since research projects are often amended, this agreement includes provisions for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employee Kenneth Alfano is part owner of BlazeMedical Devices, LLC.

Research Agreement between the University of Michigan and Eli Lilly and Company

A research agreement with Eli Lilly and Company (the “Company”) entitled: “Bioengineering of natural product biosynthesis” (ORSP #15-PAF07459) was approved.

1. Parties to the agreement are the Regents of the University of Michigan and its Life Sciences Institute, and Eli Lilly and Company.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately two (2) years. The amount of funding support will not exceed \$265,000. Since research projects are often amended, this agreement includes a provision for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

3. The pecuniary interest arises from the fact that University of Michigan employee Marshall Runge is a paid member of the Board of Directors of Eli Lilly and Company.

Research Agreement between the University of Michigan and IFM Therapeutics, Inc.

A research agreement with IFM Therapeutics, Inc. (the “Company”) to fund a project entitled: “Mechanistic Studies of NLRP1 Protein Function” (ORSP# 16-PAF02237) was approved.

1. Parties to the agreement are the Regents of the University of Michigan and its Department of Obstetrics and Gynecology, and IFM Therapeutics, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately six (6) months. The amount of funding support will not exceed \$97,751. Since research projects are often amended, this agreement includes provisions for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests arise from the fact that University of Michigan employees Anthony Opipari, Jr. and Gary Glick are part owners of IFM Therapeutics, Inc.

Option Agreement between the University of Michigan and Invenio Imaging Inc.

An option agreement with Invenio Imaging Inc. (the “Company”) to option from the University of Michigan the University’s rights associated with the following technology: UM OTT File No. 6720, entitled: “Biopsy Device for Coherent Raman Imaging” was approved.

1. Parties to the agreement are the Regents of the University of Michigan and Invenio Imaging Inc.
2. Agreement terms include granting the Company an exclusive option with the right to negotiate an exclusive license. Under such option, the Company will reimburse patent costs and will evaluate the technology. The University will retain ownership of the optioned technology and may continue to further develop it and use it internally. 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, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employee Daniel Orringer is part owner of Invenio Imaging Inc.

License Agreement between the University of Michigan and Metagenix Bio

A license agreement with Metagenix Bio (the “Company”) to license from the University of Michigan the University’s rights associated with the UM OTT File No:

3276, entitled: “Mutant Plasminogen Activator-Inhibitor Type 1 (PAI-1) and Uses Thereof” was approved.

1. Parties to the agreement are the Regents of the University of Michigan and Metagenix Bio.
2. Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company will pay a royalty on sales and reimburse patent costs. The University may receive equity in the Company, along with the right to purchase more equity. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. 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, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests arise from the fact that University of Michigan employees Drs. Daniel Lawrence and Enming Joseph Su are part owners of Metagenix Bio.

License Agreement between the University of Michigan and MoxyTech, LLC

A license agreement with MoxyTech, LLC (the “Company”) to license from the University of Michigan the University’s rights associated with the following UM OTT File No. 5575, entitled: “Pain Tracking and Analysis Tool for Mobile Platforms” was approved.

1. Parties to the agreement are the Regents of the University of Michigan and MoxyTech, LLC
2. Agreement terms include granting the Company an exclusive license to obtain a royalty bearing exclusive license. The Company will pay a license fee and develop the technology for the commercial marketplace. The University may receive equity in the Company, along with the right to purchase more equity. The University will retain ownership of the licensed technology. The University will retain the right to further develop it internally. 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, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests arise from the fact that University of Michigan employees Alexandre DaSilva and Eric Maslowski are part owners of MoxyTech, LLC.

Option Agreement between the University of Michigan and Taza Aya LLC

An option agreement with Taza Aya LLC (the “Company”) to option from the University of Michigan the University’s rights associated with the following technologies: UM OTT File No. 6170, entitled: “Electro-Hydrodynamically Enhanced

Bioaerosol Inactivation”]; and UM OTT File No. 6520, entitled: “Electro-Hydrodynamically Enhanced Destruction of Chemical Air Contaminants and Airborne Inactivation of Biological Agents” was approved.

1. Parties to the agreement are the Regents of the University of Michigan and Taza Aya LLC.
2. Agreement terms include granting the Company an option to further evaluate the subject technologies and, upon meeting specific milestones, the ability to negotiate an exclusive license with the right to grant sublicenses. The Company will pay an option fee to the University. The University will retain ownership of the optioned technologies and may continue to further develop them and use them internally. 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, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest reviews will be done as appropriate.
3. The pecuniary interests arise from the fact that University of Michigan employees Herek L. Clack and Michael A. Drake are part owners of Taza Aya LLC.

Changes to the UM-Dearborn Winter 2016 Academic Calendar

On a motion by Regent White, seconded by Regent Behm, the regents unanimously approved changes to the UM-Dearborn Winter 2016 academic calendar.

President Schlissel said that there are two supplemental agenda items.

Multicultural Center

Vice President Harper said that she was thrilled to bring forward the Multicultural Center project to be built on a vacant site on State Street. She said that a comprehensive process to get to this point included town halls, focus groups, online surveys, visits to other centers, and leadership from students, and has resulted in a 20,000 sq. feet center that will help leverage and enhance efforts on diversity, equity and inclusion and include classroom space and a large multipurpose space. She thanked the regents for their leadership on this.

Regent Bernstein recused himself from voting. Regent White moved approval of the project, and Regent Newman seconded the motion.

Regent Ilitch expressed her excitement about this project and applauded Vice President Harper for her leadership. She thanked the students for helping to educate the regents on the need for this wonderful project.

The regents approved the Multicultural Center project as described, the State Street site, and authorized commissioning Hanbury Evans Wright Vlattas + Company for its design.

1 Riverfront Center West, Flint, Genesee County, Michigan

Executive Vice President Hegarty announced the authorization to accept a real estate gift on the Flint campus. Chancellor Borrego said that Uptown Reinvestment Corporation (URC) in Flint is making one of the largest donations in history in the form of 1 Riverfront Center West, a 16-story, 340,000 square foot building with academic space and 500 beds for student housing. The facility also includes the only large conference center in Flint. She said it will generate revenue, provide more classroom space, and is a real game changer for the Flint campus.

Regent Behm moved acceptance and Regent White seconded the motion.

Regent Richner said that this is a wonderful and generous gift from the Mott Foundation. He questioned the notice period of 60 years. Executive Vice President Hegarty said that the notice is simply that the University is going to use the building for a different purpose.

The regents unanimously accepted the gift of property described as 1 Riverfront Center West in Flint, Genesee County, Michigan, subject to the University satisfying itself of the environmental condition of the site and completing due diligence, and

authorized the executive vice president and chief financial officer to take all appropriate and necessary steps to complete the donation transaction described and to execute a lease of the roof to URC at \$1 per year for ten years, with the possibility of two five-year extensions as outlined. Net proceeds from the lease will be applied to Flint resources.

Public Comment

The regents heard public comments from Max Lubell, student, on a fossil fuel divestment public meeting.

Regent Deitch responded saying that during this past week in Paris, France, 188 nations agreed on protocols to address climate change. He is in agreement with the speakers that climate change is a profound problem that needs to be dealt with and that energy should be focused on supporting these agreed upon protocols. He said, "As much as I think climate change is a profound problem, I'm against divestment. I was here and voted for divestment from tobacco stocks and I actually regret that now. Not because I think tobacco is anything other than heinous and kills people. But at that time, three of my colleagues, including Regent Newman, abstained and their theory was that they hated smoking as much as anyone voting positively did, but they recognized that the endowment is here for the purposes of supporting this great University into perpetuity and it needs to be guided by principles of sound non-political investment management theories. Let's join hands, shoulder to shoulder, and focus on climate change. I have served with a number of presidents and President Schlissel is tireless in listening to and meeting with members of the community. He will tell you what he thinks, he will tell the truth, and he will listen and learn and engage in a dialogue. This

is why I'm responding. I'm trying to tell you what I agree with and disagree with, honestly and directly."

Ellen Loubert, student, spoke on a fossil fuel divestment public meeting.

Regent Bernstein said that he appreciated her engagement and passion. To correct the record, he has met twice with student boycotting groups about divesting. He has met with students who are passionate about divesting while he was campaigning, and had interacted with students since then. This is not consistent with his opinion of "blatant disregard." Since 2005 the University has had a policy with criteria that needs to be met in order to proceed with consideration for divestment. The third criteria says that the industry being singled out must be 'uniquely responsible' for the problems identified, uniquely defined as, 'the only one of its kind or unlike anything else.' He asked, "So how do fossil fuel companies differ from manufacturing, transportation, industrial agriculture, or others with equal or greater impact in this arena?"

Ms. Loubert said there are other companies involved, but fossil fuel industries perpetuate misinformation that has prevented progress on this issue.

The final speaker was Nicholas Jansen, student, who spoke on a public meeting to discuss divestment from fossil fuels.

Regent Deitch said, "I don't believe in divestment. It runs counter to our fiduciary responsibilities regarding the endowment."

Regent Ilitch said, "I would not assume that because there are regents who don't agree with you that means that we are uninformed or don't read about the topic. I would ask for the same respect that we are showing you. Because we haven't read an

email or are not responding now does not mean we are uninformed or don't take this issue seriously. We can agree to disagree and be respectful about it and not call our president names. Respect that we are coming from an informed position.”

Regent Newman said, “This group has sent a lot of emails and there has been a lot of interest in this. What you are seeing and hearing indicates that members of the board know enough to have an opinion on this. It's not as if this is a dialogue that has a middle ground. There is the opinion of the group that wants divestment. There is the opinion of members of the Board of Regents who may disagree. To argue that we are not informed, which I believe we all are, is detrimental. You have a particular position and you are hearing today in a very public forum that there is disagreement with your position.”

Adjournment

The meeting was adjourned at 4:15 p.m. The next meeting will take place on February 18, 2016 in Ann Arbor.