

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Arborsense, 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 Proposal Approval Form which then triggered a review by the Medical School Conflict of Interest Board and the UMOR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by the Committee and agreed to by the parties involved.

This proposed agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professors Xudong Fan, Zhaohui Zhong, Mark Ilgen, and Dr. Girish Kulkarni are employees of the University of Michigan (“University”), and partial owners of Arborsense, Inc. The law permits such an Agreement provided it is disclosed to the Board of Regents (“Regents”) of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Dr. Xudong Fan, a Professor of Biomedical Engineering, College of Engineering, Dr. Zhaohui Zhong, an Associate Professor of Electrical Engineering and Computer Science, College of Engineering, Mark Ilgen, MD, an Associate Professor in the Department of Psychiatry, Medical School, and Dr. Girish Kulkarni, a Research Fellow in Biomedical Engineering, College of Engineering, are partial owners of a for-profit company called Arborsense, Inc. (the Company”). The Company wishes to fund a NIH (prime) SBIR Phase II project entitled: “Wearable Nanobiosensor to monitor transdermal alcohol vapors” (ORSP# 17-PAF03018) in the Department of Biomedical Engineering under the direction of Dr. Fan. The purpose of this project is to design, fabricate, and analyze wearable vapor sensors for alcohol.

Agreement Terms:

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 \$402,177. 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.

### Impact of the Agreement

The Agreement will support an effort by Drs. Fan, Zhong, and Ilgen to use their expertise and University laboratories, as well as other University resources, to continue to develop this type of sensor.

### Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board and the UMOR Conflict of Interest Review Committee. 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 University's entering into this Agreement with Arborsense, Inc.

Respectfully submitted,



S. Jack Hu  
Vice President for Research

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