

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
March 18, 2010

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan
Conflict of Interest Statute

Action Requested: Authorization for the University to Purchase Artwork by James A. Cogswell Jr.
(University of Michigan Employee James A. Cogswell Jr., Artist)

Background:

The University of Michigan Stephen M. Ross School of Business ("RSB") seeks approval to purchase a multi-media artwork, "SILENCE" by James A. Cogswell Jr., as part of their art collection on display in the newly constructed RSB. Mr. Cogswell is an internationally-renowned artist and Arthur F. Thurnau Professor. RSB selected Mr. Cogswell's artwork to add to the diversity of its existing art collection, obtained at a comparable cost to his other commissioned artworks.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as James A. Cogswell Jr. is a University employee and would be a party to the contract as the artist of this original piece. However, the Statute allows the University to enter into such contracts if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the contract.
 - ii) The terms of the purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
 - iii) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (c) above:

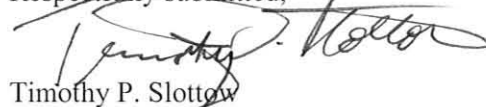
- i) The parties involved in the purchase are the Regents of the University of Michigan, RSB and James A. Cogswell Jr.

- ii) The purchase is a 94" x 217" artwork consisting of hand-cut adhesive shelf paper, rubber stamps and ink, acrylic paint, mulberry paper and BFK Rives for \$10,000.
- iii) The pecuniary interest arises from the fact that James A. Cogswell Jr., a University employee as an Arthur F. Thurnau Professor and Professor of Art in the School of Art & Design, is the artist of this original piece.

Mr. Cogswell has met state law requirements with the disclosure of his pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable under the Medical School's or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the purchase between the University of Michigan and James A. Cogswell Jr. subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

March 2010