ACTION REQUEST

Subject: License Agreement between the University of Michigan and Attercor, Inc.

Action Requested: Approval of License Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement that then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by this Board and agreed to by the parties involved in this plan.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Gary Hammer and Thomas Kerppola are both employees of the University of Michigan ("University") and partial owners of Attercor, Inc. 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. Gary Hammer, a Professor of Adrenal Cancer, Internal Medicine, Molecular and Integrative Physiology, Cell and Developmental Biology and Director of Center for Organogenesis, and Dr. Thomas Kerppola, a Professor of Biological Chemistry, are the partial owners of a for-profit company called Attercor, Inc. (the "Company"). The Company has elected to exercise its option to obtain an exclusive license from the University of Michigan to the University’s rights associated with the following technology:

UM OTT File No. 5104, entitled: "Methods and Compositions for the Treatment of Adrenal Disorders" (Inventors: Gary Hammer and Thomas Kerppola)

The Office of Technology Transfer selected the Company as a University partner and negotiated the terms of the proposed Agreement in accordance with University policy and its accepted licensing principles.

Parties to the Agreement:

The Regents of the University of Michigan and Attercor, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company will pay a royalty on sales, milestone payments
and reimburse patent costs. The University will receive equity in the Company, along with the right to purchase more equity. The University will retain ownership of the 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.

Pursuant to the Michigan Investment in New Technology Startups program ("MINTS") approved by the Regents on December 15, 2011, the University may invest up to $1,000,000 per qualifying financing round up to, for purposes of this approval, a total of $2.5 million in this Company.

Pecuniary Interest:

The pecuniary interests of Drs. Hammer and Kerppola arise from their ownership interest in Attercor, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a license agreement for patents related to UM OTT File No. 5104 in all fields of use.

Attercor, Inc. will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. 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 Agreement between the University and Attercor, Inc.

Respectfully submitted,

Stephen R. Forrest
Vice President for Research

March 2013