

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

REQUEST FOR ACTION

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

**Action Requested:** Authorize Execution of Investment Agreements Under the MINTS Program for ONL Therapeutics, Inc.

**Background**

In December 2011, the Board of Regents approved guidelines for the MINTS ("Michigan Investment in New Technology Startup") program.

The proposed investment agreements (the "Agreements") fall under the State of Michigan Conflict of Interest Statute because the listed Interested Individual is both an employee of the University and has a sufficient pecuniary interest in the Agreements as partial owner of the company. 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 Board of Regents.

The parties to the Agreements include the University and the entity listed below. 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 Agreements.

Under MINTS, the University must co-invest in a financing round together with at least one Qualifying Venture Capital Investment Firm. Agreements standard for venture capital investing will be executed.

The Investment Office is seeking approval for financing agreements up to a total of \$2.5 million in potential investments (through one or more rounds of financing) under MINTS for the following startup:

- **ONL Therapeutics, Inc.**, founded in 2014, and headquartered in Ann Arbor, MI, is a biopharmaceutical company focused on the development of treatments for serious, vision-threatening retinal diseases, including retinal detachment and both the wet and dry forms of age-related macular degeneration.

**Interested Individual:**

David N. Zacks, M.D., Ph.D.

Medical School: Professor of Ophthalmology and Visual Sciences

We believe state law requirements have been met with the disclosure of the pecuniary interest and formal appointment arrangements with the University of Michigan.

**We recommend** that the Board of Regents authorize execution of agreements between the University of Michigan and ONL Therapeutics, Inc., as set forth above.

Respectfully submitted,



Kevin P. Hegarty  
Executive Vice President and  
Chief Financial Officer

March 2017