

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

ACTION REQUEST

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

Action Requested: Authorization for the University to enter into an agreement with Michigan Aerospace Corporation (University of Michigan Employee, Lennard A. Fisk, Ph.D., Owner)

Background:

The University of Michigan Pediatric Surgery Department seeks approval to enter into an agreement with Michigan Aerospace Corporation to fund the development of a mobile platform for mild Traumatic Brain Injuries (“mTBIs”) diagnosis based on pupillary light reflex using a smartphone as the mobile device. This is the second of two requests for Regental approval for this vendor due to the uniquely different devices being purchased.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Lennard A. Fisk, Ph.D. is a University employee as a Thomas M. Donahue Distinguished University Professor of Space Science, Professor of Atmospheric, Oceanic and Space Sciences in the College of Engineering and Professor of Physics in the College of Literature, Science, and the Arts and would be a party to the agreement as Owner of Michigan Aerospace Corporation.

However, the Statute allows the University to enter into such agreements 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.

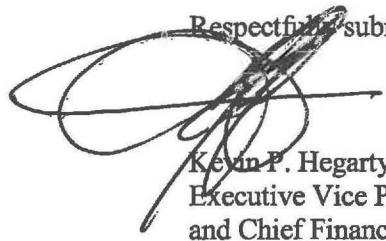
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Pediatric Surgery Department and Michigan Aerospace Corporation.
- ii) The agreement is to provide a \$50,000 grant from the Michigan Pediatric Device Consortium ("M-PED") which is an association operated by the University of Michigan and funded by the Food and Drug Administration P50 Grant program established for the purpose of the advancement and commercialization of new pediatric devices. The agreement period is estimated to cover the months September 1, 2015 through September 30, 2016 and will be used to cover the costs of the:
 - Algorithm refinement and smartphone application development;
 - Development of a Food and Drug Administration regulatory strategy;
 - Development of a customer discovery and business model; and,
 - Design of Neurodevelopmental Disorders and Autism at the University of Missouri
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Lennard A. Fisk, Ph.D. is the Owner of Michigan Aerospace Corporation.

Lennard A. Fisk, Ph.D. 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 agreement between the University of Michigan and Michigan Aerospace Corporation subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

May 2016