

**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 transact with ZCorp Technology, Inc. (University of Michigan Employees David Adrian, Graduate Student Research Assistant, Electrical Engineering and Computer Science, College of Engineering – Stockholder, Zakir Durumeric, Graduate Student Research Assistant, Electrical Engineering and Computer Science, College of Engineering – Stockholder, Director, and Officer, J. Alex Halderman, Professor of Electrical Engineering and Computer Science, College of Engineering – Stockholder, Director, and Chief Scientist)

Background:

The University of Michigan Business Engagement Center seeks approval to transact with ZCorp Technology, Inc. for the summer 2018 summer internship support through the Michigan Corporate Relations Network (MCRN), Small Company Internship Award (SCIA). ZCorp Technology, Inc. was selected based on their application to participate in the Michigan Corporate Relations (MCRN) intern program.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as the following individuals are University employees and would be a party to the contract as David Adrian, Graduate Student Research Assistant, Electrical Engineering and Computer Science, College of Engineering – Stockholder of ZCorp Technology, Inc. Zakir Durumeric, Graduate Student Research Assistant, Electrical Engineering and Computer Science, College of Engineering – Stockholder, Director, and Officer of ZCorp Technology, Inc. J. Alex Halderman, Professor of Electrical Engineering and Computer Science, College of Engineering – Stockholder, Director, and Chief Scientist of ZCorp Technology, Inc.

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.

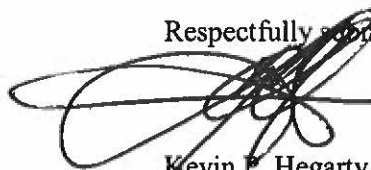
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Business Engagement Center and ZCorp Technology, Inc.
- ii) The agreement is to transact with ZCorp Technology, Inc. for the 2018 summer internship award. The internship program is from May 1 through August 31, 2018. The MCRN award pays for 50% of the intern's salary up to \$3,500 for the entire summer. The ZCorp Technology, Inc. will be supplying all the necessary resources and personnel to fulfill this contract.
- iii) The pecuniary interest arises from the fact that University of Michigan employees, identified above.

The three (3) University employees identified above have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable by the supervisor(s) of the University employees identified, 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 ZCorp Technology, Inc. subject to requirements, if any, that the supervisor(s) of the University employees identified or 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 2018