

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
July 15, 2010

ACTION REQUEST

Subject: Amendment to License Agreement between the University of Michigan and Armune BioScience, Inc.

Action Requested: Approval of Amendment 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.

The proposed Amendment falls under the State of Michigan Conflict of Interest Statute because Professors David Beer, Arul Chinnaiyan, and Gilbert Omenn are employees of the University of Michigan ("University") and partial owners of Armune BioScience, Inc., formerly known as Immunomics, 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. David Beer, a Professor in Surgery, Dr. Chinnaiyan, a Professor in Pathology and Urology, and Dr. Gilbert Omenn, a Professor of Molecular Medicine and Genetics are the partial owners of a for-profit company called Armune BioScience, Inc. (the "Armune"). Armune was formed to commercialize autoantibody signature biomarker technology and obtained a license from the University in 2008. Now Armune wishes to add an additional invention and related patent rights to its current license:

UM OTT File No. 4645, entitled: "Using Page Epitopes to Profile the Immune Response" (Chinnaiyan, Xiaoju Wang, Alex Tsodikov)

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 Armune BioScience, Inc.

Agreement Terms Include:

Agreement terms include adding the above referenced patent rights to the Company's existing exclusive license with the right to grant sublicenses. The Company will pay a royalty on sales and reimburse patent costs. The University will retain ownership of the licensed 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. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Drs. Beer, Chinnaiyan and Omenn arise from their ownership interest in Armune.

Net Effect:

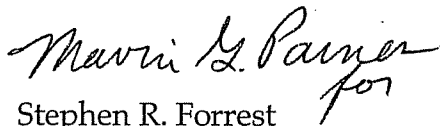
The Office of Technology Transfer has negotiated and finalized the terms of an amendment to the existing world-wide exclusive license agreement for patents related to UM OTT File No. 4645 for the fields of use of diagnostics.

Armune 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 Armune BioScience, Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

July 2010