

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
July 15, 2010

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and Civionics LLC

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research, Development and Administration while reviewing the proposal approval form that then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by this Committee and agreed to by the parties involved in this plan.

This proposed research agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Drs. Jerome Lynch and Andrew Zimmerman are both employees of University of Michigan ("University") and partial owners and officers of Civionics, LLC. 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. Jerome Lynch is Associate Professor in the Departments of Civil and Environmental Engineering and Electrical Engineering and Computer Science and a part-owner and CTO of Civionics, LLC. Dr. Andrew Zimmerman is a post-doctoral researcher in the Department of Civil and Environmental Engineering and a part-owner and CEO of Civionics, LLC. Civionics, LLC ("Company") has applied for a National Science Foundation SBIR Phase I project that if funded, wishes to subcontract a portion of the work into the University under the direction of Dr. Dennis Sylvester, Associate Professor of Electrical Engineering and Computer Science. Dr. Sylvester has no financial or management interests in the Company and Drs. Lynch and Zimmerman will not be involved in this project in their capacities as employees of the University. This proposed project will be between the Company and the Regents of the University of Michigan (UM) to fund a research project at the University.

Agreement Terms:

The Agreement is to be funded for a one year period with the total costs not to exceed thirty three thousand two hundred fifty dollars. The Agreement includes a provision for extensions of the time period and scope of work. University

procedures will be followed for approval of these changes and additional conflict of interest review will be done as appropriate.

Impact of the Agreement:

The agreement enables research to be performed involving a hierarchical wireless system for distributed strain monitoring in naval structures.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee and by the Dean's Office of the College of Engineering. In light of the disclosure made in this document and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with Civionics, LLC.

Respectfully submitted,

Marvin A. Palmer
for

Stephen R. Forrest
Vice President for Research

July 2010