

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and FlexDex LLC.

Action Requested: Authorization to enter into Subcontract Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the proposed agreement which then triggered a review by the OVPR Conflict of Interest Review Committee and the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with any conflicts of interest was developed and approved by the Committee and Board and agreed to by the parties involved.

The proposed subcontract agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors James Geiger and Shorya Awtar are both employees of the University of Michigan ("University") and partial owners of FlexDex LLC. The law permits such an Agreement provided it is disclosed to the Board of Regents ("Regents") of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Dr. Geiger, a Professor in Surgery, Medical School, and Dr. Awtar, a Professor in Mechanical Engineering, College of Engineering, are the partial owners of a for-profit company called FlexDex LLC (the "Company"). The Company was formed recently to commercialize minimally invasive surgical tool and has obtained an option from the University of Michigan. The Company wishes to fund a NSF (prime) SBIR Phase I project entitled "Enhanced Dexterity Minimally Invasive Surgical Platform" (ORSP #13-PAF03040) in the Department of Radiology under the direction of Dr. Galban and with participation by Dr. Ross. The purpose of this project is the further developing and commercializing the above referenced UM optioned technology. University personnel will evaluate at least two alpha-prototypes to determine if they meet the technical specification and the targeted functionality for complex MIS procedures.

Agreement Terms:

The terms of the Agreement will conform to University policy. The period of performance for the project is expected to be six (6) months. The amount of funding support is anticipated at \$26,061. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported project. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

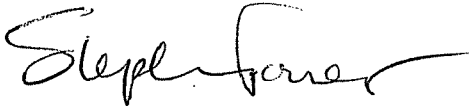
Impact of the Agreement:

The Agreement will support an effort by Dr. Awtar and Dr. Geiger to use their expertise and their respective University laboratories and other University resources to develop a new, low-cost laparoscopic surgery tool technology that provides the enhanced dexterity and intuitive control currently seen only in multi-million dollar surgical robots.

Recommendations:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee and the Medical School Conflict of Interest Board. In light of this disclosure and our findings 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 FlexDex LLC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stephen R. Forrest
Vice President for Research

July 2013