Subject: Subcontract Agreement between the University of Michigan and Therapeutic Systems Research Laboratories, Inc.

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 proposed subcontract agreement. This triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was then developed by the Committee and agreed to by the parties involved.

The proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Amidon is both an owner of Therapeutic Systems Research Laboratories, Inc. ("TSRL") and an employee of the University of Michigan ("University"). 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.

Background:

Dr. Gordon L. Amidon is a Professor in the College of Pharmacy and the owner of a for-profit company called Therapeutic Systems Research Laboratories, Inc. ("TSRL"). TSRL desires to fund a project in the School of Dentistry under the direction of Dr. John C. Drach, a Professor in the College of Pharmacy and School of Dentistry. Dr. Amidon will not be involved in the project in his capacity as a University employee or as a representative of TSRL.

Nature of the Agreement:

TSRL has applied for and received an award from the National Institutes of Health for the purpose of investigating activity of new, targeted antiviral drugs and prodrugs. TSRL wishes to enter into a subcontract with The Regents of the University of Michigan to enable Dr. Drach to assist in the performance of this funded research.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is two (2) years and the amount of funding support is $325,574.
Impact of the Agreement:

The Agreement will support an effort by Dr. Drach to determine the activity of new compounds and prodrugs against vaccinia virus, cow pox virus, human cytomegalovirus and herpes simplex virus type 1.

Recommendation:

This matter has been reviewed and approved the Office of the Dean for the Dental School and by the OVPR Conflict of Interest Review Committee. 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 TSRL.

Respectfully submitted,

[Signature]

Stephen R. Forrest
Vice President for Research

September 2007