Subject: License Agreement between the University of Michigan and Ascenta Therapeutics, Inc.

Action Requested: Approval of License Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement, which 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 agreed to by the parties involved.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Shaomeng Wang and Marc Lippman are both employees of the University of Michigan ("University") and partial owners of Ascenta Therapeutics, Inc. ("Ascenta"). Drs. Wang and Lippman also are Directors and members of Ascenta's Scientific Advisory Board. 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:

Drs. Shaomeng Wang, Professor of Internal Medicine, Medical School, and Marc Lippman, an Adjunct Professor of Internal Medicine, are partial owners of a for-profit company called Ascenta. Drs. Wang and Lippman also are Directors and members of Ascenta's Scientific Advisory Board.

Ascenta entered into a license agreement with the University on September 29, 2003 to commercialize a variety of compounds with anti-cancer applications. Ascenta wishes to enter into a separate license agreement for the following technologies from the University:

UM OTT File No. 4028, entitled: “SMAC Mimetics” (Wang, Haiying Sun, Nikolovska-Coleska, Qiu Su)

UM OTT File No. 4097, entitled: “BioMarkers for gossypol chemotherapy and methods of treating disease” (Wang, Feng Jiang, Qiu Su, Longchuan Bai, Jianting Long)
Parties to the Agreement:

The Regents of the University of Michigan and Ascenta Therapeutics, Inc.

Agreement Terms Include:

License terms include giving Ascenta an exclusive license with the right to grant sublicenses. Ascenta will pay a royalty on sales, certain milestone payments 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 warrantees and indemnification apply, and the Agreement may be amended by consent of the parties. University procedures for approval of the changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Drs. Wang and Lippman arise from their ownership interests in Ascenta.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a new worldwide exclusive license agreement for patents related to the UM OTT File No. 4028 and 4097 for the field of human therapeutics.

Ascenta will obtain use and commercialization rights to the above listed University technologies.

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 License Agreement between the University and Ascenta Therapeutics, Inc.

Respectfully Submitted,

[Signature]

Stephen R. Forrest
Vice President for Research

September 2008