

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents  
September 17, 2009

ACTION REQUEST

Subject: Research Agreement between the University of Michigan  
and Baker-Calling, 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. This then 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 and approved by this Committee and agreed to by the parties involved.

This proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Karl Grosh and Mr. Robert Litrell, are both employees of the University of Michigan ("University") and partial owners of Baker-Calling, LLC, ("Company"). 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. Karl Grosh, Professor and Associate Chair, Department of Mechanical Engineering, and Mr. Robert Litrell, a doctoral student and fellow in the Department of Mechanical Engineering, are the partial owners of a for-profit company called Baker-Calling, LLC. The Company was formed recently to optimize design of high performance piezoelectric MEMS microphones and desires to support research at the University related to that technology.

Agreement Terms:

The terms of the proposed Agreement conform to University policy. The project will be directed by Dr. Katsuo Korabayashi, Associate Professor of Mechanical Engineering, over an initial one-year period at an estimated cost of \$45,000. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported project. The University will use standard sponsored project accounting procedures in administering the project. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

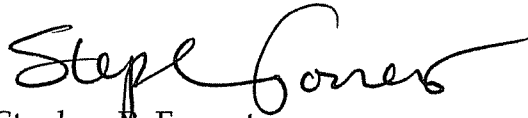
Impact of the Agreement:

This Agreement will enable further research that will assist the Company and the University in developing this microphone technology.

Recommendation:

This matter was reviewed and approved by the OVPR Conflict of Interest Review Committee. In light of the disclosures made in this document and our finding that the Agreement will be in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this research agreement with Baker-Calling, LLC.

Respectfully submitted,

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

Stephen R. Forrest  
Vice President for Research

September 2009