

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Wolverine Energy Solutions and Technology, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form which 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 developed by the Committee and agreed to by the parties involved.

This proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Theodore Goodson III and Stephanie Goodson are both employees of the University of Michigan ("University") and co-founders of Wolverine Energy Solutions Technologies, Inc. (WEST). 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. T. Goodson III, Professor in Chemical Engineering in the College of Engineering and Dr. S. Goodson, Clinical Instructor in Pediatrics and Communicable Diseases at the Medical School, are co-founders of a for-profit company called WEST (the "Company"). The University wishes to enter into a Subcontract Agreement with the Company to perform research under a prime contract between the University and the University of Chicago under a DARPA award. Dr. T. Goodson will act as Principal Investigator for the work to be done at the University. Dr. S. Goodson, will act as the Project Director for the work to be performed by Company.

Agreement Terms:

The terms of the proposed Agreement will conform to University policies, including those related to intellectual property and publication. Under the Proposed Project, a total funding of \$433,443 is anticipated to cover a period of twelve months. Dr. Theodore Goodson III will serve as the PI for Proposed Project at the University. Dr. Stephanie Goodson will serve as Project Director at the Company.

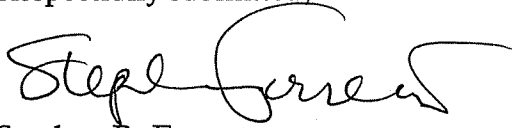
Impact of the Agreement:

This Agreement will enable the University to participate in important research in the area of biologically inspired quantum effects. It also provides for continuing collaboration between the College of Literature, Sciences and Arts and a Michigan start-up company.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. 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 of the University's entering into this Agreement with Wolverine Energy Solutions and Technology, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Stephen R. Forrest
Vice President for Research

September 2012