

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and PhasiQ, 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 UMOR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed and approved 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 Professor Shuichi Takayama is an employee of the University of Michigan (“University”), and a partial owner of PhasiQ, Inc. 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. Shuichi Takayama, a Professor in the Department of Biomedical Engineering, is the partial owner of a for-profit company called PhasiQ, Inc. (the “Company”). The Company wishes to fund a National Institutes of Health (prime) STTR Phase I project entitled “STTR Phase I: DNA Histone Nanostructures that Mimic Neutrophil Extracellular Traps (NETs)” (ORSP# 16-PAF00868) in the Department of Biomedical Engineering under the direction of Dr. Takayama. The purpose of this project is to develop artificial neutrophil extracellular traps (NETs) that mimic endogenous NETs implicated in numerous human pathologies; this will enable high-throughput screening of immunotherapeutics against NETs.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support will not exceed \$125,000. Since research projects are often amended, this agreement includes provisions for changes in time and scope. 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. Takayama to use his expertise and University laboratory, as well as other University resources to continue to develop new materials for drug delivery applications.

Recommendations:

This matter has been reviewed and approved by the UMOR 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 the University's entering into this Agreement with PhasiQ, Inc.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'S. Jack Hu', is positioned above the printed name.

S. Jack Hu
Interim Vice President for Research

October 2015