

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to Enter into an Agreement with ImBio, LLC (University of Michigan Professor Brian Ross, Partial Owner).

Background:

The University of Michigan, Department of Radiology and Biological Chemistry seeks approval to enter into an agreement with ImBio, LLC ("ImBio) to jointly develop a fully automated software application for the purpose of providing a software solution for analysis of diffusion MRI breast cancer data sets. ImBio was selected because it retains both national and international patent licenses from the University of Michigan for the related underlying technology that will be used in the development of the software application.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Brian Ross is a University employee as Professor in the Department of Radiology and Biological Chemistry and would be a party to the agreement as a partial owner of ImBio. However, the Statute allows the University to enter into such agreements if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the contract.
 - ii) The terms of the purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
 - iii) The nature of any pecuniary interest.

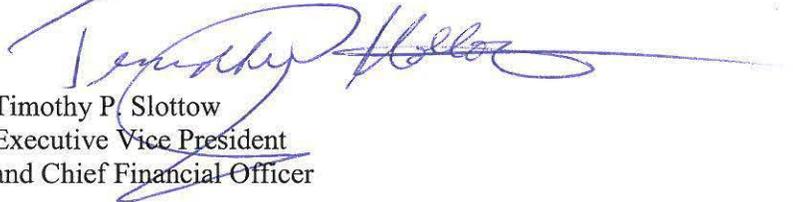
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Radiology and Biological Chemistry and ImBio.
- ii) The agreement is for development of a fully automated software application to provide a software solution for analysis of diffusion MRI breast cancer data sets. The duration of the agreement is thirty-six months with an estimated cost of \$217,968 plus a maximum change order contingency not to exceed \$59,446.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Brian Ross, is partial owner of ImBio.

Brian Ross has met state law requirements with the disclosure of his pecuniary interest and formal appointment arrangement with the University of Michigan. Requirements, if any, that may be applicable under the Medical School's or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the agreement between the University of Michigan and ImBio subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

November 2012