

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

**Approved by the
Regents
November 21, 2013**

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 Maize Analytics,
LLC (University of Michigan Employee, Daniel Fabbri, Ph.D., Owner)

Background:

The University of Michigan Electrical Engineering and Computer Science Department in the College of Engineering seeks approval to enter into an agreement with Maize Analytics, LLC ("Maize") in support of the project entitled "1-Corps: Explanation-Based Auditing: Improving the Security of Electronic Medical Records". The Electrical Engineering and Computer Science Department received a National Science Foundation Innovation Corps Teams Program ("I-Corps Teams") grant for the purpose of commercializing technology developed by Daniel Fabbri, Ph.D. The proposed agreement with Maize is to provide reimbursement for the company's start-up activity costs.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Dr. Fabbri is a University employee as a Research Fellow in the Electrical Engineering and Computer Science Department and would be party to the agreement as Owner of Maize.

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 Electrical Engineering and Computer Science Department and Maize.
- ii) The Electrical Engineering and Computer Science Department received a National Science Foundation Innovation Corps Teams Program grant for the purpose of commercializing technology developed by Dr. Fabbri. The agreement is to provide reimbursement for the company's start-up activity costs totaling \$9,250.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Dr. Fabbri, is Owner of Maize.

Dr. Fabbri has met state law requirements with disclosure of his pecuniary interest and formal appointment arrangements 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 Maize 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 2013