

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Echo360, Inc.

Action Requested: Approval of License Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement that then triggered a review by the OVPR 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 this Committee and agreed to by the parties involved in this plan.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Perry Samson is both an employee of the University of Michigan ("University") and a partial owner of Echo360, Inc. 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. Samson, a Professor in Atmospheric, Oceanic and Space Sciences, is the partial owner of a for-profit company called Echo360, Inc. (the "Company"). Echo360, Inc. was formed recently to commercialize software related to alternative methods for delivering textbooks and lecture materials, incorporating student feedback and participation, and desires to license from the University the University's rights associated with the following technology:

UM File No. 3536, entitled: "Web-based Interactive Classroom System: LectureTools" (created by Perry Samson and Ben van der Pluijm, programmed by Bret Squire)

The Office of Technology Transfer negotiated the terms of the proposed Agreement in accordance with University policy and its accepted licensing principles.

Parties to the Agreement:

The Regents of the University of Michigan and Echo360.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive license to the software, including the rights to create derivatives. The University will retain ownership of the technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is

obligated or contemplated under the Agreement. Standard disclaimers of warranties and indemnification apply, and the Agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pursuant to the Michigan Investment in New Technology Startups program ("MINTS") approved by the Regents on December 15, 2011, the University may invest up to \$1,000,000 per qualifying financing round up to, for purposes of this approval, a total of \$2.5 million in this Company.

Pecuniary Interest:

The pecuniary interest of Dr. Samson arises from his ownership interest in Echo360, Inc.

Net Effect:

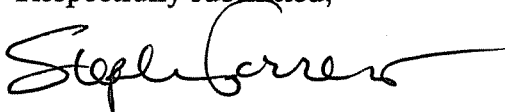
The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for software related to UM OTT File No. 3536 for all fields of use.

Echo360 will obtain use and commercialization rights, to the above listed University technology.

Recommendations:

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 the License Agreement between the University and Echo360, Inc.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

December 2012