

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the
Regents
December 18, 2014

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Degradon Holding, LLC

Action Requested: Approval of Option 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 Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by this Board and agreed to by the parties involved in this plan.

This proposed option agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Theodore S. Lawrence, Mukesh Nyati, Christopher Whitehead, Dipankar Ray and Alnawaz Rehemtulla are all employees of the University of Michigan ("University") and partial owners of Degradon Holding, LLC. 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:

Theodore Lawrence, M.D, Ph.D., a Professor and Chair of Radiation Oncology, Mukesh Nyati, Ph.D., an Associate Professor of Radiation Oncology, Christopher Whitehead, Ph.D., Chemist Staff Specialist in the Department of Radiology, Dipankar Ray, an Assistant Professor of Radiation Oncology, and Alnawaz Rehemtulla, Ph.D., a Professor of Radiation Oncology, are partial owners of a for-profit company called Degradon Holding, LLC (the "Company"). The Company desires to obtain an option from the University of Michigan for the University's rights associated with the following technologies:

UM OTT File No. 4737, entitled: "Hsp90-EGFR Complex Disruption for Chemoradiosensitization of Solid Tumors" (Inventors: Lawrence and Nyati)

UM OTT File No. 5663, entitled: "A Mimetic to Degrade EGFR, ErbB2 and cMet for Treatment of Solid Tumors" (Inventors: Lawrence, Whitehead, Rehemtulla, and Nyati)

UM OTT File No. 5936, entitled: "Therapeutic targeting of Mutant KRAS" (Inventors: Lawrence, Nyati, Whitehead, and Ray)

The Office of Technology Transfer selected the Company as a University partner and 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 Degradon Holding, LLC.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive option to the technologies. The Company will reimburse ongoing patent costs, perform technical diligence, and provide a business plan that describes the Company's intention and ability to develop and commercialize the licensed technology. Terms of the subsequent license agreement would include a royalty on sales and reimbursement of patent costs.

The University will retain ownership of the licensed 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.

Pecuniary Interest:

The pecuniary interests of Drs. Lawrence, Nyati, Whitehead, Ray, and Rehemtulla arise from their ownership interest in Degradon Holding, LLC.

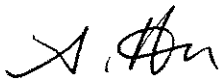
Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide option agreement for patents related to UM OTT File Nos. 4737, 5663, and 5936 for all fields of use. Degradon Holding, LLC will obtain evaluation rights to the above listed University technologies.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. 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 Agreement between the University and Degradon Holding, LLC.

Respectfully Submitted,



S. Jack Hu
Interim Vice President for Research

December 2014