

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

February 19, 2009

ACTION REQUEST

Subject: Material Transfer Agreement between the University of Michigan and Armune BioScience, Inc.

Action Requested: Approval of Material Transfer 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 by this Board and agreed to by the parties involved.

The proposed material transfer agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors David Beer, Arul Chinnaiyan, Gilbert Omenn and Dr. Xiaoju Wang, are employees of the University of Michigan ("University") and partial owners of Armune BioScience, Inc. (formerly known as Immunomics, 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. David Beer, a Professor in Surgery, Dr. Arul Chinnaiyan, a Professor in Pathology and Urology, and Dr. Gilbert Omenn, a Professor of Molecular Medicine and Genetics, are the partial owners of a for-profit company called Armune BioScience, Inc. ("Armune"). Dr. Xiaoju Wang, a Research Investigator in Pathology, both owns stock options in Armune and is a consultant to Armune. Armune was formed to commercialize autoantibody signature biomarker technology and licensed foundation technology in May, 2008. Armune now wishes to obtain certain materials from the University to perform serum autoantibody quantification using bead technology for the further development and commercialization of the licensed technology.

The Office of Technology Transfer selected Armune 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 Armune BioScience, Inc.

Agreement Terms:

Agreement terms include granting Armune rights to use the materials for the above-referenced purpose. 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. 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 interest of Drs. Beer, Omenn, Wang and Chinnaiyan arise from their ownership interest in Armune.

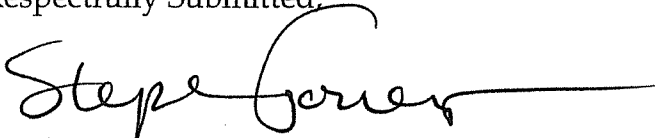
Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a material transfer agreement for certain human specimens.

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 Agreements were negotiated in conformance with standard University practices, I recommend that the Board of Regents approve the Agreement between the University and Armune BioScience, Inc.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest", with a long horizontal flourish extending to the right.

Stephen R. Forrest  
Vice President for Research

February 2009