

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 a Product Purchase Agreement with
Structured Microsystems LLC (University of Michigan Employee, Razi-UI
Haque, President and CEO of Structured Microsystems LLC.)

Background:

The University of Michigan Electrical Engineering and Computer Science department seeks approval to enter into a Product Purchase Agreement with Structured Microsystems LLC for custom made glass micro capsules. Structured Microsystems LLC was selected for the purpose of capturing images and harvesting energy using solar power and currently there is no other comparable method of manufacture available. The agreement is for custom made glass micro capsules for the m³ (3D computer device) function and testing.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Razi-UI Haque is a University employee as Research Fellow with Electrical Engineering and Computer Science and would be a party to the contract as President and CEO of Structured Microsystems LLC.

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.

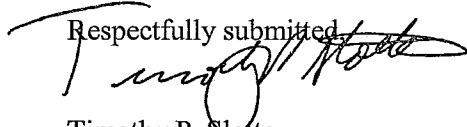
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Electrical Engineering and Computer Science department and Structured Microsystems LLC.
- ii) The agreement is for custom made glass micro capsules for the m³ (3D computer device) function and testing for 2 years beginning February 17, 2012 through February 16, 2014, not to exceed \$91,000.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Razi-UI Haque, is President and CEO of Structured Microsystems LLC.

Razi-UI Haque has met state law requirements with the 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 Structured Microsystems LLC 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

February 2012