

**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 an agreement with Ripple Science Corporation (University of Michigan Employee, Nestor Lopez-Duran, PhD, Founder, Director, and Owner).

Background:

The University of Michigan Department of Linguistics seeks approval to enter into an agreement with Ripple Science Corporation for managing human subject recruitment and data collection.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Nestor Lopez-Duran, PhD, is a University employee as Associate Professor with the Department of Psychology and would be party to the contract as founder, director, and owner of Ripple Science Corporation.

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 Department of Linguistics and Ripple Science Corporation.
- ii) The agreement is for a duration of two years at a total cost not to exceed \$1,800. Ripple Science Corporation will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Nestor Lopez-Duran, PhD, is founder, director, and owner of Ripple Science Corporation.

Nestor Lopez-Duran, PhD, 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 by the supervisor of Nestor Lopez-Duran, PhD, 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 Ripple Science Corporation subject to requirements, if any, that the supervisor of Nestor Lopez-Duran, PhD, or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Kevin P. Hegarty  
Executive Vice President and Chief Financial Officer

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