

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 transact with Health Patroller, LLC, dba Eebu Health (University of Michigan Employees, John M. Hollingsworth and Mark W. Newman, Co-Founders and Equity Stakeholders).

Background:

The University of Michigan Department of Urology seeks approval to transact with Health Patroller, LLC dba Eebu Health (Eebu Health), for the phase two development of an application to track prostate cancer patients.

The proposed Amendment falls under the State of Michigan Conflict of Interest Statute as John M. Hollingsworth is a University employee as Professor with the Department of Urology and would be party to the contract as co-founder and equity stakeholder of Eebu Health, and Mark W. Newman is a University employee as Professor with the School of Information and would be party to the contract as co-founder and equity stakeholder of Eebu Health.

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 Urology and Eebu Health.
- ii) The agreement is for a total cost not to exceed \$178,812. Eebu Health will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions were tailored to meet the particular needs of this contract and have been approved by Procurement Services after advice from the Office of General Counsel.
- iii) The pecuniary interest arises from the fact that University of Michigan employees, John M. Hollingsworth and Mark W. Newman, are co-founders and equity stakeholders of Eebu Health.

John M. Hollingsworth and Mark W. Newman have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable by the supervisors of John M. Hollingsworth and Mark W. Newman, 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 amendment between the University of Michigan and Eebu Health subject to requirements, if any, that the supervisors of John M. Hollingsworth and Mark W. Newman or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and Chief Financial Officer

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