

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

March 20, 2008

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Grizzly Moose, LLC

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest was identified by the Division of Research Development and Administration while reviewing the proposed research agreement. This triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflicts of interest was then developed by the Board and agreed to by the parties involved.

The proposed research agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Mr. Scott McCreadie is an employee of the University of Michigan ("University") and a co-founder and co-owner of a small business called Grizzly Moose, LLC ("Company"). 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:

The Company has applied for and received a Phase I award from the National Institutes of Health (NIH) under the Small Business Technology Transfer (STTR) Program for the purpose of providing continued support of research designed to develop software for stochastic musculoskeletal modeling.

Nature of the Agreement:

The Company wishes to enter into a subcontract with the University to enable Dr. Richard Hughes an Associate Professor in the Department of Orthopaedic Surgery in the Medical School to assist in the performance of this Phase II effort.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is twelve (12) months and the amount of funding support is \$45,972. Since research agreements are often amended, the subcontract includes provisions for changes in time, amount, and scope.

University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Impact of the Agreement:

The Agreement will support an effort by Dr. Hughes to utilize his expertise in developing and validating computational models of the shoulder, elbow and spine to assist in the creation of this software. He will also play a role in crafting the software architecture.

Recommendation:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board and by the Office of the Associate Dean for Research at the Medical School. In light of the disclosure made in this document and our finding that the agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with Grizzly Moose, LLC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stephen R. Forrest
Vice President for Research

March 2008