

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and
JV Biolabs, LLC

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the proposed agreement which then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with any conflicts of interest was developed and approved by the Board and agreed to by the parties involved.

The proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor James Varani is both an employee of the University of Michigan ("University"), and a partial owner of JV Biolabs, LLC ("JVB"). 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. Varani, a Professor of Pathology, Medical School, and a partial owner and Chief Scientific Officer of a for-profit company called JVB (the "Company"). The Company wishes to support a research project directed by Dr. Varani in the University's Department of Pathology entitled "Proposal to evaluate two compounds for activity in cell culture and organ culture" (ORSP# 13-PAF04532). The purpose of this project is to support the Company in evaluating compounds for ability to modulate psoriatic skin features in human skin organ cultures. UM personnel will provide technical and material support for the evaluation.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support will not exceed \$72,500.

Impact of the Agreement

The Agreement will support an effort by Dr. Engel to use his expertise and his University laboratory, as well as other University resources to evaluate the testing of compounds on organ cultures of biopsies using technologies and methods published by Dr. Varani in 1998.

Recommendation:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. In light of the disclosure made in this document and our findings 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 JV Biolabs, LLC.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Step Forrest".

Stephen R. Forrest
Vice President for Research

March 2013