

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and Optimal Process Technologies, 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 OVPD Conflict of Interest Review Committee. A plan for management of the possible risks associated with any conflicts of interest was developed and approved by the Committee and agreed to by the parties involved.

The proposed agreement ("Agreements") fall under the State of Michigan Conflict of Interest Statute because Professor S. Jack Hu and Dr. Tae Hyung Kim are both employees of the University of Michigan ("University"), and owners of Optimal Process Technologies, LLC ("Optimal"). 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. Hu, a Professor in Mechanical Engineering and the Associate Dean for Academic Affairs in the College of Engineering, and Dr. Tae Hyung Kim, a Research Investigator in Mechanical Engineering, College of Engineering, are the partial owners of a for-profit company called Optimal (the "Company"). The Company wishes to fund a project entitled "STTR Phase I: Joining of Dissimilar Materials Using Rivet-Weld Technology" (ORSP# 13-PAF03849) in the College of Engineering under the direction of Dr. Kim, in which Dr. Hu shall also be involved. The purpose of this project is to support the Company in developing and demonstrating a new "rivet-weld" technology of joining dissimilar materials in manufacturing lightweight vehicle structures utilizing technology licensed to the Company. UM personnel will provide technical and material support for the development and demonstration including advanced process control of rivet-weld and evaluation of weld quality.

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 \$78,331.

Impact of the Agreement

The Agreement will support an effort by Drs. Hu and Kim to use their expertise and Dr. Hu's University laboratory, as well as other University resources to develop and

evaluate the technology further regarding the process control with measured sensor signals of the rivet-weld as well as the weld quality and behavior of the rivet-welded joint.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. 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 Optimal Process Technologies, LLC.

Respectfully submitted,

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

Stephen R. Forrest
Vice President for Research

March 2013