

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the
Regents
March 19, 2015

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action

Requested: Authorization for the University of Michigan to Enter into a License Agreement with Competing Values LLC (University of Michigan Clinical Professor Jeffrey T. Degraff, owner)

Background:

The University of Michigan wishes to enter into a license agreement for the temporary use of property located at 601 East University Avenue, Ann Arbor, Michigan, to be licensed from Competing Values LLC. The space will be utilized as meeting space for participants in the Stephen M Ross School of Business Executive Education Program.

The proposed license agreement falls under the State of Michigan conflict of interest statute as Jeffrey T. Degraff is a University of Michigan employee and would be a party to the license agreement by virtue of his share of ownership of Competing Values LLC. However, the statute allows university employees to participate in such agreements if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the license agreement to the official body that has power to approve the license agreement, which disclosure shall be a matter of record in its official proceedings.
- b) The license agreement is approved by a vote of not less than two-thirds 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 license agreement.
 - ii) The terms of the license agreement, including duration, financial consideration between the parties, facilities or services of the public entity included in the license agreement, and the nature and degree of assignment of employees of the public entity for fulfillment of the license agreement.
 - iii) The nature of any pecuniary interest.

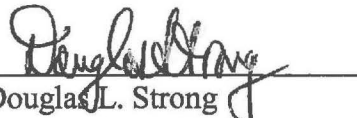
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the license agreement are the Regents of the University of Michigan and Competing Values LLC.
- ii) The service to be provided is the license for temporary use of second floor space in a building at 601 East University Avenue, Ann Arbor, Michigan for scheduled intermittent daily use, beginning April 1, 2015, through January 31, 2017, at a rate of \$500 per day per designated use period.
- iii) The pecuniary interest arises from the fact that Jeffrey T. Degraff, a University of Michigan employee, is a partial owner of Competing Values LLC.

Jeffrey T. Degraff has met state law requirements with the disclosure of his pecuniary interest and his formal appointment arrangements with the University of Michigan.

We recommend that the Board of Regents approve the license agreement between the University of Michigan and Competing Values LLC, subject to the requirements, if any, of a conflict management plan required by the respective employee's supervisor, and any requirements imposed by the conflict of interest committees of the Medical School or the Office of the Vice President for Research.

Respectfully submitted,



Douglas L. Strong
Interim Executive Vice President and
Chief Financial Officer

March 2015