

THE UNIVERSITY OF MICHIGAN

Approved by the Regents

REGENTS COMMUNICATION

April 21, 2006

ACTION REQUEST

Subject: Amendment to License Agreement among the University of Michigan, Princeton University, University of Southern California and Global Photonic Energy Corporation

Action Requested: Approval of Amendment

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement which then triggered a conflict of interest review.

This proposed amendment agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Stephen Forrest is both an employee of the University of Michigan ("University"), and a partial owner of Global Photonic Energy Corporation (GPEC). 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. Stephen Forrest, Vice President for Research, Professor of Electrical Engineering and Computer Science, and Professor of Physics, and formerly at Princeton University, is the partial owner of a for-profit company called GPEC. GPEC was formed to commercialize organic photovoltaic cells for solar energy conversion developed at Princeton University and the University of Southern California. GPEC wishes to fund research at the University and to add the University to its existing license with Princeton University and the University of Southern California such that new inventions made under research funding may be added into the existing license agreement.

Name(s) of Individual(s) Making Conflict of Interest Disclosure:

Stephen R. Forrest

Parties to the Agreement:

The Regents of the University of Michigan and GPEC.

Amendment Terms:

Amendment terms include adding the University as a party into the existing license which gives GPEC an exclusive license with the right to grant sublicenses to technology developed under their research funding. GPEC will pay a royalty on sales and

reimburse patent costs. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the contract may be amended by consent of the parties. Additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Dr. Forrest arise from his ownership interest in GPEC. He will waive any personal participation in the sharing of revenue received by the University.

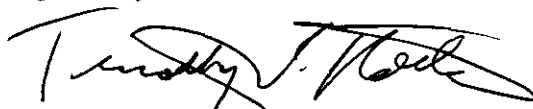
Net Effect:

The Office of Technology Transfer has negotiated the terms of the amendment. The agreement will allow new inventions made under research funding to be added into the existing license agreement.

Recommendations:

A detailed plan for management of the possible risks associated with the conflict of interest is under development and, because the individual with the conflict is an Executive Officer, the plan will be approved by an oversight committee advisory to me before the amendment to the license is finalized. In light of this disclosure, I recommend that the Board of Regents approve the Amendment between the University and GPEC.

Respectfully Submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

April 2006