

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents  
April 21, 2011

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and Baker-Calling, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration while reviewing the Proposal Approval Form which then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was developed and approved by the Committee and agreed to by the parties involved.

This proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. Karl Grosh is both an employee of the University of Michigan ("University") and part owner of Baker-Calling, Inc. ("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.

Background:

Dr. Grosh, Professor and Associate Chair, Mechanical Engineering, and Professor, Biomedical Engineering, is a co-owner of the Company. Dr. Grosh, as the Principal Investigator at the University, will be responsible for the overall financial and scientific oversight of the portion of the work to be subcontracted to the University.

Nature of the Agreement:

The Company has submitted a proposal to the National Science Foundation (NSF) as an STTR Phase II Project. The Company would like to subcontract a portion of the work under this contract to the University, pursuant to University's Proposal No. 11-PAF03859 entitled "High Performance Piezoelectric MEMS Microphones". The University's conduct of this work will be under the direction of Dr. Grosh as Principal Investigator.

Agreement Terms:

The terms of the Agreement will conform to University policy. Under the project, a total subcontract of \$155,111 is anticipated to cover a period of twenty-three months. In the event of an amendment, University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

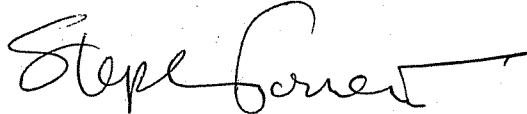
Impact of the Agreement:

The Agreement will enable the University to participate in important research efforts to explore and develop technologies for on-site, self-calibrating MEMS microphones ushering in a new age of instrument quality microphones with integrated sensing, actuation and adaptation.

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 finding that the Agreement will be negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with Baker-Calling, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is written in a cursive style with a long horizontal stroke at the end.

Stephen R. Forrest  
Vice President for Research

April 2011