

ACTION REQUEST

Subject: Amendment to License Agreement between the University of Michigan and Cytopherx

Action Requested: Approval of Amendment to License Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement that then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by this Board and agreed to by the parties involved in this plan.

This proposed amendment to license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor David Humes is both an employee of the University of Michigan ("University") and a partial owner of Cytopherx (formerly known as Nephron). 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. Humes, a Professor in the Department of Internal Medicine, Division of Nephrology is the partial owner of a for-profit company called Cytopherx (the "Company"). The Company was formed to commercialize medical devices for treatment of end-stage renal disease and has licensed a number of technologies from the University of Michigan. The Company would like to add the following technology to its existing license:

UM OTT File No. 3123, entitled: "Use of renal tubule cells for treatment of cardiorenal syndrome" (Humes)

UM OTT File No. 3245, entitled: "Implantable Bioartificial hemofilter" (Humes and David Brown)

The Office of Technology Transfer selected the Company as a University partner and negotiated the terms of the proposed Agreement in accordance with University policy and its accepted licensing principles.

Parties to the Agreement:

The Regents of the University of Michigan and Cytopherx.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company 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 Agreement may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Dr. Humes arise from his ownership interest in Cytopherx.

Net Effect:

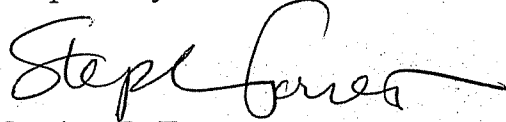
The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for patents related to UM OTT File No. 3123 and 3245 in all fields of use.

Cytopherx will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. In light of this disclosure and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve the Agreement between the University and Cytopherx.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

April 2011