

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and ATGC, Inc.

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 Proposal Approval Form which 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 the Board and agreed to by the parties involved.

This proposed agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professors Yuqing (Eugene) Chen and Jie Xu are employees of the University of Michigan (“University”), and partial owners of ATGC, Inc. The law permits such an Agreement provided it is disclosed to the Board of Regents (“Regents”) of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Yuqing Chen, MD, PhD, a Professor in the Department of Internal Medicine – Cardiology, and Jie Xu, PhD, a Research Assistant Professor in the Department of Internal Medicine – Cardiology, are partial owners of a for-profit company called ATGC, Inc. (the “Company”). The Company wishes to fund a NIH (prime) STTR Phase I project entitled “Novel Methods to Improve Nuclease Mediated Homologous Recombination” (ORSP# 17-PAF01128) in the Department of Internal Medicine under the direction of Dr. Jifeng Zhang. The purpose of this project is to establish and validate a reporter cell line and screen small molecules that are candidates for nuclease mediated homologous recombination.

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 \$100,000. Since research projects are often amended, this agreement includes provisions for changes in time and scope. 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 support an effort by Dr. Zhang to use his expertise and University laboratory, as well as other University resources, to discover new molecules that may play a beneficial role in understanding and improving mechanisms related to cardiovascular disease.

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 University's entering into this Agreement with ATGC, Inc.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'S. Jack Hu', is positioned above the printed name.

S. Jack Hu
Vice President for Research

April 2017