

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and SharpMindSolutions LLC

Action Requested: Approval of Option 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 OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by this Committee and agreed to by the parties involved in this plan.

This proposed option agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Oscar Ybarra is both an employee of the University of Michigan ("University") and a partial owner of SharpMindSolutions LLC. 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:

Dr. Ybarra, a Professor in the Department of Psychology, is the partial owner of a for-profit company called SharpMindSolutions LLC (the "Company"). The Company was formed recently to commercialize a web-based platform to assess cognitive function and the six behavioral factors that predict brain fitness and desires to option from the University of Michigan the University's rights associated with the following technology:

UM OTT File No. 5586, entitled: "Sharp Mind Solutions: RealBrainAge Software" (Oscar Ybarra).

During the option period, the Company shall work to develop a commercial prototype and to validate its proposed business model.

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 SharpMindSolutions LLC.

Agreement Terms Include:

Agreement terms include granting the Company an option to further evaluate the subject technology and, upon meeting specific milestones, the ability to negotiate an exclusive license with the right to grant sublicenses. The Company will pay an option fee to the University.

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, such as adding related technology. 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. Ybarra arise from his ownership interest in SharpMindSolutions LLC.

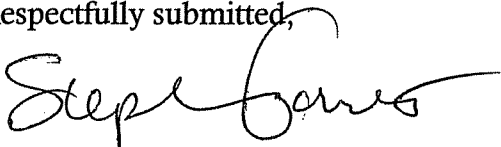
Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an option agreement for software related to UM OTT File No. 5586 for all fields of use. SharpMindSolutions LLC will obtain use rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. 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 SharpMindSolutions LLC.

Respectfully submitted,



Stephen R. Forrest  
Vice President for Research

May 2013