

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to enter into an agreement with Imbio, LLC (University of Michigan Employee, Brian Ross, Stockholder)

Background:

The University of Michigan Department of Radiology seeks approval to enter into an agreement with Imbio, LLC ("Imbio") for software development related to a PO1 grant. University investigators will upload image data files for processing and Imbio will generate parametric response maps to yield quantitative response output metrics from brain tumor studies.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Brian Ross is a University employee as a Roger A. Berg M.D. Research Professor, Professor of Radiology and Professor of Biological Chemistry with the Department of Radiology at the Medical School and would be a party to the contract as a Stockholder of Imbio.

However, the Statute allows the University to enter into such agreements if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the contract.
 - ii) The terms of the purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
 - iii) The nature of any pecuniary interest.

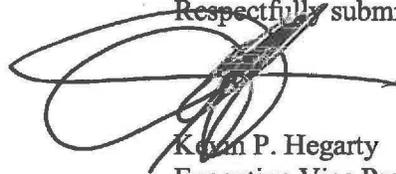
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Radiology and Imbio.
- ii) The agreement to provide software development related to a PO1 grant is for a one year duration with two one-year renewable options at a total value of \$70,000.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Brian Ross, is a Stockholder of Imbio.

Brian Ross has met state law requirements with the disclosure of his pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable under the Medical School's or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the agreement between the University of Michigan and Imbio subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kevin P. Hegarty', is written over a horizontal line. The signature is stylized with loops and a long horizontal stroke extending to the right.

Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

May 2016