

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and Elegus Technologies, 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 UMOR 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 the Committee and agreed to by the parties involved.

This proposed research agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor Nicholas Kotov and Mr. John Hennessy are employees of the University of Michigan (“University”), and partial owners of Elegus Technologies, 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:

Dr. Nicholas Kotov, a Professor in the Department of Chemical Engineering, and Mr. John Hennessy, an Intermittent Lecturer in the Center for Entrepreneurship at the College of Engineering, are the partial owners of the for-profit company called Elegus Technologies, Inc. (the “Company”). The Company wishes to fund a project entitled “Evaluation of the ANF separator for HF scavenging” (ORSP #18-PAF06620) in the Department of Chemical Engineering under the direction of Dr. Nicolas Kotov. The purpose of this project is to measure various HF scavenging capabilities.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately four (4) months. The amount of funding support will not exceed \$39,129. Since research projects are often amended, this agreement includes a provision 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. Kotov to use his expertise and University laboratory, as well as other University resources, to support the University’s participation in the research project.

Recommendations:

This matter has been reviewed and approved by the UMOR 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 University's entering into this Agreement with Elegus Technologies, Inc.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'S. Hu', written in a cursive style.

S. Jack Hu
Vice President for Research

May 2018