

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 of Michigan to Enter into a License Agreement GreenMark Biomedical Inc.

Background:

The University of Michigan wishes to enter into a license agreement for space in the Dental Building and W.K. Kellogg Foundation Institute located at 1011 North University Avenue, Ann Arbor, Michigan, with GreenMark Biomedical, Inc. The space will be utilized as space for research.

The proposed license falls under the State of Michigan conflict of interest statute as Brian Clarkson and Joerg Lahann are University of Michigan employees and party to the license by virtue of their share of the ownership of the licensee company, membership on licensee company board of directors, or acting as an officer in the licensee company. However, the statute allows university employees to participate in such license agreements if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the license agreement to the official body that has power to approve the license agreement, which disclosure shall be a matter of record in its official proceedings.
- b) The license agreement is approved by a vote of not less than two-thirds 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 license agreement.
 - ii) The terms of the license agreement, including duration, financial consideration between the parties, facilities or services of the public entity included in the license agreement, and the nature and degree of assignment of employees of the public entity for fulfillment of the license agreement.
 - 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 license agreement are the Regents of the University of Michigan and GreenMark Biomedical Inc.
- ii) The service to be provided is the license for use of space and equipment in rooms 1051, 1051B, 1051C and 1055 in the Dental Building and W.K. Kellogg Foundation Institute located at 1011 North University Avenue, Ann Arbor, Michigan with access to common area space within the building. The license duration shall be June 1, 2020 until December 31, 2021, and there is not an option to renew or extend the term. The license will use the standard University of Michigan license template. The licensee company will pay \$755.00 for the term.
- iii) The pecuniary interest arises from the fact that the individuals listed are University of Michigan employees and owners and/or officers of the licensee company.

All have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University of Michigan.

We recommend that the Board of Regents approve the license agreement between the University of Michigan and GreenMark Biomedical Inc. subject to the requirements of a conflict management plan required by the respective employees' supervisor, and any requirements imposed by the conflict of interest committees of the Medical School or the Office of Research.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

May 2020