

The University of Michigan Regents Communication

Request for Action

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 IGYM LLC (University of Michigan Employees, Michael Nebeling and Roland Graf, co-founders and employees)

Background:

The University of Michigan College of Electrical Engineering and Computer Science seeks approval to enter into an agreement with IGYM LLC for the purpose of collaboration under a sponsored project.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Michael Nebeling, Associate Professor of Information, School of Information, and Associate Professor of Electrical Engineering and Computer Science, College of Engineering, and Roland Graf, Professor of Art and Design, Penny W Stamps School of Art and Design, are employees of the University and would be party to the agreement as co-founders and employees at IGYM LLC.

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

- 1) 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.
- 2) 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.
- 3) The official body discloses the following summary information in its official minutes:
 - a) The name of each party involved in the contract.
 - b) 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.
 - c) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (3) above:

- a) The parties to the agreement are the Regents of the University of Michigan and its College of Electrical Engineering and Computer Science and IGYM LLC.
- b) The agreement is for the purpose of collaboration under a sponsored project funded by the National Science Foundation titled "Ideas Lab: Breaking Low: End-to-End Delivery Technology for Interactive Multi-person XR Rehabilitation Activities." The agreement is for a duration of 1 year and 7 months at a total cost not to exceed \$181,300. IGYM LLC will be supplying all the necessary resources and personnel to fulfill this agreement. The remaining base agreement terms and conditions will comply with appropriate University requirements and are typical for other similar agreements entered into by the Regents. Since projects are often amended, the agreement will include provisions for changes in time, amount and scope.
- c) The pecuniary interest arises from the fact that University of Michigan employees, Michael Nebeling and Roland Graf, are co-founders and employees at IGYM LLC.

Michael Nebeling and Roland Graf have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable by the supervisors of Michael Nebeling and Roland Graf, 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 IGYM LLC subject to requirements, if any, that the supervisors of Michael Nebeling and Roland Graf or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Robert A. Hewlett III
Interim Executive Vice President
and Chief Financial Officer

May 2026