

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

June 21, 2007

ACTION REQUEST

Subject: New License Agreement between the University of Michigan and Ascenta Therapeutics, Inc.

Action Requested: Approval of License Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement which then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed by the Board and agreed to by the parties involved.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Shaomeng Wang and Marc Lippman are both an employees of the University ("University") and partial owners of Ascenta Therapeutics, Inc. ("Ascenta"). Drs. Wang and Lippman also are Directors and members of Ascenta's Scientific Advisory Board. The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents of the University of Michigan.

Background:

Drs. Shaomeng Wang, Professor of Internal Medicine, Medical School, and Marc Lippman, an Adjunct Professor of Internal Medicine, are partial owners of a for-profit company called Ascenta. Drs. Wang and Lippman also are Directors and members of Ascenta's Scientific Advisory Board.

Ascenta entered into a license agreement with the University on September 29, 2003 to commercialize a variety of compounds with anti-cancer applications. Ascenta wishes to enter into a separate license agreement for the following technologies from the University:

- UM OTT File No. 2784 entitled: "Apogossypolone and the Method of Use of Treatment for Human Cancer," (Wang, Dajun Yang, Jiangyong Chen, Zaneta Nikolovska-Coleska)
- UM OTT File No. 2808 entitled: "Treatment of Cancer" (Wang and Jiangyong Chen)
- UM OTT File No. 2891 entitled: "Apoptosis Promoting Agents" (Wang, Haiying Sun, Nikolovska-Coleska, Chao-Yie Yang, Liang Xu, Naoyuki Saito, Jiangyong Chen)
- UM OTT File No. 3017 entitled: "A Novel Class of MDM2 Inhibitors" (Wang, Ke Ding, Nikolovska-Coleska, Su Qiu, Guoping Wang, Dongguang Qin, Sanjeev Kumar, Yipin Lu) UM OTT File No. 3063 entitled: "A Novel Class of STAT3 Inhibitors" (Wang, Renxiao Wang, Hui Song, Jiayuh Lin)

UM OTT File No. 3147 entitled: "New Classes of Inhibitors of the P53-MDM2 Interaction" (Wang, Guoping Wang, Ke Ding, Yipin Lu)
UM OTT File No. 3295 entitled: "Conformationally Constrained, Bivalent Small-molecule Smac Mimetics" (Wang, Haiying Sun, Zaneta Nikolovska-Coleska, Dongguang Qin, Jianfeng Lu, Su Qiu, Yuefeng Peng)
UM OTT File No. 3301 entitled: "Gossypol Analogs and the Uses Thereof" (Wang, Jianyong Chen)
UM OTT File No. 3414 entitled: "Non-Peptide Small Molecule Inhibitors of the MDM2-p53 Interaction" (Wang, Nikolovska-Coleska, Qin, Yipin Lu)
UM OTT File No. 3514 entitled: "New Small Molecule Inhibitors of MDM2" (Wang, Dongguang Qin, Jianyong Chen, Shanghai Yu)
UM OTT File No. 3721 entitled: "Diazobicyclic SMAC Mimetics" (Wang, Yuefeng Peng, Haiying Sun, Qian Cai, Nikolovska-Coleska, Jianfeng Lu, Su Qiu)

Parties to the Agreement:

The Regents of the University of Michigan and Ascenta Therapeutics, Inc.

Agreement Terms Include:

License terms include giving Ascenta an exclusive license with the right to grant sublicenses. Ascenta will pay a royalty on sales, certain milestone payments and reimburse patent costs. 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. Additional review by the Medical School Conflict of Interest Board will be done as appropriate. 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 Drs. Wang and Lippman arise from their ownership interests in Ascenta.

Net Effect:

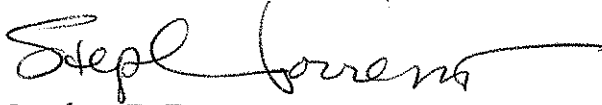
The Office of Technology Transfer has negotiated and finalized the terms of a new worldwide exclusive license agreement for patents related to the UM OTT File numbers listed above in the field of human therapeutics.

Ascenta will obtain use and commercialization rights to the above listed University technologies.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board and a plan has been developed to manage the potential risks associated with the conflict of interest. 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 License Agreement between the University and Ascenta Therapeutics, Inc.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Stephen R. Forrest
Vice President for Research

June 2007

