

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
June 16, 2011

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and FlexDex LLC.

Action Requested: Approval of Option Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement that 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 and approved by this Board.

This proposed option agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors James Geiger and Shorya Awtar are both employees of the University of Michigan ("University") and partial owners of FlexDex LLC ("FlexDex"). 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:

Dr. Geiger, a professor in Surgery, and Dr. Shorya Awtar a professor in Mechanical Engineering, are the partial owners of a for-profit company called FlexDex (the "Company"). FlexDex was formed recently to commercialize minimally invasive surgical tool and desires to obtain an option for an exclusive license from the University of Michigan to the University's rights associated with the following technologies:

UM OTT File No. 3864, entitled: "Minimally Invasive Surgical Tool with Enhanced Dexterity" (Geiger, Awtar, Patrick Quigley, Andrew Mansfield)

The Office of Technology Transfer selected the Company as a University partner and negotiated the terms of the proposed Agreement in accordance with University policy and its accepted licensing principles.

Parties to the Agreement:

The Regents of the University of Michigan and FlexDex.

Agreement Terms Include:

Agreement terms include granting the Company an option to obtain an exclusive license with the right to grant sublicenses. The Company will pay an option fee and reimburse patent costs. The University will retain ownership of the optioned 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, such as adding related technology. 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. Geiger and Awtar arise from their ownership interest in FlexDex.

Net Effect:

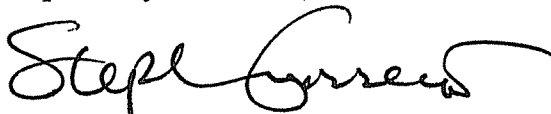
The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive option agreement for patents related to UM OTT File No. 3864.

FlexDex will obtain use and evaluation rights to the above listed University technology.

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 Option Agreement between the University and FlexDex.

Respectfully submitted,

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

Stephen R. Forrest
Vice President for Research

June 2011