

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Master Agreement between the University of Michigan and Cour Pharmaceuticals Development Co., Inc.

Action Requested: Authorization to enter into Master 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 agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor Lonnie Shea is an employee of the University of Michigan (“University”), and a partial owner of Cour Pharmaceuticals Development Co., 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. Lonnie Shea, a Professor and Chair in the Department of Biomedical Engineering, is the partial owner of a for-profit company called Cour Pharmaceuticals Development Co., Inc. (the “Company”). The Company was formed to commercialize nanoparticles for use in treating disease. The Company wishes to support research projects at the University and desires to use facilities of the University for projects related to research and development of these technologies. The role of Dr. Shea will be described in a project statement for each project and shall be subject to an approved conflict of interest management plan.

Agreement Terms:

The University will enter into an Agreement with the Company that will cover standard procedures for performance of projects as well as provisions implementing University and federal policies related to intellectual property and publication. The Agreement will cover an initial eight (8) year period, with a total authorization not to exceed \$2,000,000. The University will use standard sponsored project accounting procedures to determine the cost of each project under this Agreement. Budgets will be reviewed and approved by authorized representatives of the applicable department(s) and school(s)/college(s) where projects will be performed. The Agreement will allow the University and the Company to specify projects that the University will conduct under the terms of the Agreement. Since sponsored projects are often amended, the Agreement will include provisions for changes in the time and scope of each supported project. University procedures for approval of each

project will be followed and additional conflict of interest review will be done on a project-by-project basis.

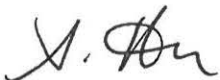
Impact of the Agreement

The Master Agreement will facilitate research and testing that will assist the University in developing and commercializing nanoparticles for the treatment of autoimmune conditions. It also provides for ongoing support and collaboration between the University and Cour Pharmaceuticals Development Co., Inc.

Recommendations:

These matters will be reviewed and approved by the UMOR Conflict of Interest Review Committee and a plan will be developed to manage the potential conflict of interest risks associated with each project that will be implemented under the terms of the Master Agreement prior to the University's approval of any individual project. In light of this disclosure and our finding that the Agreement will be negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University entering into this Agreement with Cour Pharmaceuticals Development Co., Inc.

Respectfully submitted,



S. Jack Hu
Vice President for Research

July 2016