

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 to transact with CubeWorks, Inc. (University of Michigan Employees, David Blaauw, Consultant and Stockholder; Dennis Sylvester, David Wentzloff, Hun-Seok Kim, Stockholders; Seok Hyeon Jeong, Gyouho Kim, Yejoong Kim, ZhiYoon Foo, Mark Adam Davis, Employees and Stockholders; Gordon Carichner Employee).

Background:

The University of Michigan Department of Electrical Engineering and Computer Science seeks approval to transact with CubeWorks, Inc. for integrated circuit and chip fabrication services. CubeWorks, Inc. was selected to fabricate an integrated circuit with certain functionality, requiring a specific technology and to provide chip fabrication services to demonstrate the feasibility of a low-power radio frequency receiver integrated circuit solution.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as the following are University employees with Electrical Engineering and Computer Science and would be parties to the agreement with CubeWorks, Inc.

David Blaauw, Professor

Dennis Sylvester, Professor

David Wentzloff, Professor

Hun-Seok Kim, Associate Professor

Seok Hyeon Jeong, Assistant Research Scientist

Gyouho Kim, Assistant Research Scientist

Yejoong Kim, Senior Research Engineer

ZhiYoong Foo, Senior Research Engineer

Mark Adam Davis, Software Engineer Intermediate

Gordon Carichner, Senior Research Engineer

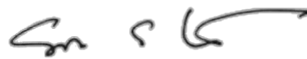
However, the Statute allows the University to enter into such agreements if the following conditions are met:

- a) 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.
- b) 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.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the contract.
 - ii) 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.
 - 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 contract are the Regents of the University of Michigan and its Department of Electrical Engineering and Computer Science and CubeWorks, Inc.
 - ii) The total agreement is for a duration of four years at a total cost not to exceed \$1,144,183 for proprietary products and services needed to support the ongoing research utilizing this unique technology. CubeWorks, Inc. will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical of those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
 - iii) The pecuniary interest arises from the fact that University of Michigan employee David Blauuw is stockholder and consultant; Dennis Sylvester, David Wentzloff, and Hun-Seok Kim are stockholders; Seok Hyeon Jeong, Gyouho Kim, Yejoong Kim, ZhiYoong Foo, and Mark Adam Davis are employees and stockholders; and Gordon Caricher is employee of CubeWorks, Inc.

David Blaauw, Dennis Sylvester, David Wentzloff, Hun-Seok Kim, Seok Hyeon Jeong, Gyouho Kim, Yejoong Kim, ZhiYoong Foo, Mark Adam Davis, and Gordon Carichner 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 David Blaauw, Dennis Sylvester, David Wentzloff, Hun-Seok Kim, Seokhyeon Jeong, Gyouho Kim, Yejoong Kim, ZhiYoong Foo, Mark Adam Davis, and Gordon Carichner, 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 CubeWorks, Inc. subject to requirements, if any, that the supervisors of David Blaauw, Dennis Sylvester, David Wentzloff, Hun-Seok Kim, Seokhyeon Jeong, Gyouho Kim, Yejoong Kim, ZhiYoong Foo, Mark Adam Davis, and Gordon Carichner or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'G. S. Chatas', with a long horizontal stroke extending to the right.

Geoffrey S. Chatas
Executive Vice President and Chief Financial Officer

July 2024