

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and Biodiscovery LLC.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration while reviewing the proposed agreement which then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was then developed 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 Erdogan Gulari and Dr. Jean Marie Rouillard are both employees of the University of Michigan ("University") and co-founders of a for profit company, Biodiscovery LLC (hereinafter "Company"). The Company wishes to enter into a research agreement. 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. Erdogan Gulari, Professor, Department of Chemical Engineering and Dr. Jean Marie Rouillard, Research Investigator, Department of Chemical Engineering, are co-founders of a for profit Company. The Company wishes to fund a research agreement in the Department of Chemical Engineering under the direction of Dr. Gulari who will serve as PI for the entire project including the Company and University portions as allowed by the terms of the NIH STTR Program.

Nature of the Agreement:

This proposed project will be a subcontract between the Company and the Regents of the University to perform research under a prime contract between the Company and the National Institutes of Health under the Small Business Technology Transfer Program Phase I.

Agreement Terms:

The terms of the proposed Agreement conform to University policy. Dr. Gulari, will be the Principal Investigator for the project at the University to be conducted

over a twelve-month period at an estimated total cost of \$84,900. The subcontract includes a provision for extensions of the time period and scope of work. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Impact of the Agreement:

The agreement enables follow-on research to be performed promoting low cost microarray synthesis. It also provides for collaboration between the College of Engineering and a Michigan start-up company.

Recommendation:

This project has been reviewed and approved by the OVPR Conflict of Interest Review Committee and by the Associate Dean for Research of the College of Engineering. In light of the disclosure made in this document and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with Biodiscovery, LLC.

Respectfully submitted,

A handwritten signature in black ink that reads "Stephen R. Forrest". The signature is written in a cursive style with a large, sweeping "S" at the beginning.

Stephen R. Forrest  
Vice President for Research

September 2006