

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 Make a Payment to Ann Arbor SPARK (University of Michigan Employees Kenneth C. Fischer, Stephen Forrest and Kenneth Nisbet, Executive Committee Board Members)

Background:

The University of Michigan Office of Technology Transfer (OTT) and its TechStart intern program seek approval to make a payment to Ann Arbor SPARK (SPARK) for facility use and resources. TechStart provides business development services for OTT projects. SPARK was selected because of its central location, proximity to incubator clients, open layout, student accessibility, prior use and reduced cost.

The proposed payment falls under the State of Michigan Conflict of Interest Statute as Kenneth C. Fischer, Stephen Forrest and Kenneth Nisbet are University employees and would be a party to the payment as executive committee board members for SPARK. However, the Statute allows the University to make such payments 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.

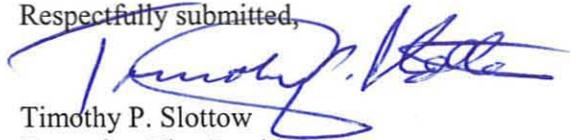
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the transaction are the Regents of the University of Michigan and its Office of Technology Transfer and Ann Arbor SPARK.
- ii) The payment is for facility use and services for the TechStart intern program from May 1, 2008 through April 30, 2010 for \$15,000 per year.
- iii) The pecuniary interest arises from the fact that Kenneth C. Fischer, Stephen Forrest and Kenneth Nisbet, University of Michigan employees, are executive committee board members of Ann Arbor SPARK.

Kenneth C. Fischer, Stephen Forrest and Kenneth Nisbet 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 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 payment by the University of Michigan to Ann Arbor SPARK subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

September 2008