

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Biocrede, Inc.

Action Requested: Authorization to enter into 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 OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with any conflict of interest was developed and approved by the Committee and agreed to by the parties involved.

The proposed agreement ("Agreements") falls under the State of Michigan Conflict of Interest Statute because Professor Hao Chen is an employee of the University of Michigan ("University"), and in a leadership role, and a partial owner of Biocrede, 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. Chen, a Research Investigator in the Department of Biomedical Engineering, College of Engineering, is in a leadership role, and is a partial owner of a for-profit company called Biocrede, Inc. (the "Company"). The Company wishes to fund an NIH (prime) SBIR Phase I project entitled "Reduction of Tunneled Dialysis Catheter Dysfunction via Long Term Nitric Oxide (NO) Release Polymers" (ORSP# 13-PAF05560) in the Department of Chemistry, College of Literature, Science and the Arts, under the direction of Dr. Mark Meyerhoff. The purpose of this project is to support the Company in optimizing polymer formulations used in nitric oxide release from tunneled dialysis catheters, to enhance anti-microbial properties that reduce the risk of infections, thrombosis and hyperplasia currently experienced by patients using such catheters.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately eleven (11) months. The amount of funding support from the Company will not exceed \$67,500. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported project. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

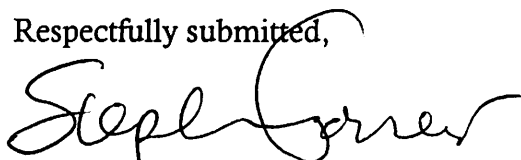
## Impact of the Agreement

The Agreement will support an effort by Dr. Meyerhoff to use his expertise and University laboratory, as well as other University resources to further study and optimize the electrochemical approach to generate NO within a lumen (access point or interface) of a urinary catheter, and to assess the asymmetry of the NO release using micro-electrochemical NO sensors.

## Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. 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 of the University's entering into this Agreement with Biocrede, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is written in a cursive style with a large, looping initial "S".

Stephen R. Forrest  
Vice President for Research

September 2013