

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 enter into an agreement with InheRET, Inc. (University of Michigan Employees, David F. Keren, MD, Lynn McCain, Employee, Director, Owner, Stockholder; Kara Milliron, MS, CGC, Owner, Stockholder; Lee Schroeder, MD, PhD, Employee, Owner, Stockholder; Sofia D. Merajver, MD, PhD, Consultant, Employee, Owner, Stockholder).

Background:

The University of Michigan Department of Psychiatry seeks approval to enter into an agreement with InheRET, Inc. for development of a CNS Disorders software module. The agreement is for one year at a total cost not to exceed \$9,900.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as David F. Keren, MD, is a University employee as Professor in the Department of Pathology and would be party to the contract as employee, director, owner, and stockholder of InheRET, Inc., Lynn McCain is a University employee as Senior Project Manager in the Department of Pathology and would be party to the contract as employee, director, owner, and stockholder of InheRET, Inc., Kara Milliron, MS, CGC, is a University employee as Genetic Counselor in the Department of Internal Medicine and would be party to the contract as owner and stockholder of InheRET, Inc., Sofia D. Merajver, MD, PhD, is a University employee as Professor in the Department of Internal Medicine and would be party to the contract as consultant, employee, owner, and stockholder of InheRET, Inc., and Lee Schroeder, MD, PhD, is a University employee as Associate Professor in the Department of Pathology and would be party to the contract as employee, owner, and stockholder of InheRET, Inc.

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.

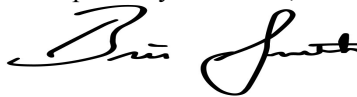
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Psychiatry and InheRET, Inc.
- ii) The agreement is for one year at a total cost not to exceed \$9,900. InheRET, Inc. will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to 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 employees, David F. Keren, MD, and Lynn McCain are employee, director, owner, and stockholder of InheRET, Inc.; Kara Milliron, MS, CGC, is owner and stockholder of InheRET, Inc.; Sofia D. Merajver, MD, PhD, is consultant, employee, owner, and stockholder of InheRET, Inc.; and Lee Schroeder, MD, PhD, is employee, owner, and stockholder of InheRET, Inc.

David F. Keren, MD, Lynn McCain, Kara Milliron, MS, CGC, Sofia D. Merajver, MD, PhD, and Lee Schroeder, MD, PhD, 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 F. Keren, MD, Lynn McCain, Kara Milliron, MS, CGC, Sofia D. Merajver, MD, PhD, and Lee Schroeder, MD, PhD, 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 InheRET, Inc. subject to requirements, if any, that the supervisors of David F. Keren, MD, Lynn McCain, Kara Milliron, MS, CGC, Sofia D. Merajver, MD, PhD, and Lee Schroeder, MD, PhD, or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Brian Smith
Interim Executive Vice President and Chief Financial Officer

September, 2021