

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

EXH	MOTION	<i>Newman</i>
	SECOND	<i>Maynard</i>
	APPROVED BY THE REGENTS	
NOTE:		OCT 21 2005

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to Approve a Payment to Media Farrago Studios, LLC (University of Michigan Employee Charles V. Brown, Partner)

Background:

The University of Michigan's School of Music wishes to pay Media Farrago Studios, LLC for the filming, editing and production of an educational DVD. Charles V. Brown is a Partner in Media Farrago Studios, LLC. Media Farrago Studios, LLC was chosen because of their availability and the significant cost discount they provided.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Charles V. Brown is a University employee and would be a party to the contract by virtue of his Partnership in Media Farrago Studios, LLC. However, the Statute allows University employees to participate in such purchases, 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.

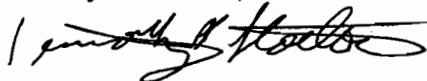
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its School of Music, and Media Farrago Studios, LLC.
- ii) The service provided is filming, editing and production of an educational DVD at a total cost of \$3,850.00
- iii) The pecuniary interest arises from the fact that Charles V. Brown, a University of Michigan employee, is a Partner in Media Farrago Studios, LLC.

Charles V. Brown has met state law requirements with the disclosure of his pecuniary interest, and his 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 contract between the University of Michigan and Media Farrago Studios, LLC, 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

October, 2005