

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

October 23, 2008

ACTION REQUEST

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

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 Proposal Approval Form. This triggered a review of the project by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed by this Committee and agreed to by the parties involved.

The proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. Kamal Sarabandi is both an employee of the University of Michigan ("University") and an owner of EMAG Technologies, Inc. ("EMAG"). 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. Kamal Sarabandi, the Director of the Radiation Laboratory and Professor of Electrical Engineering and Computer Science, College of Engineering, is an employee of the University and an owner of EMAG. EMAG desires to fund a project in the College of Engineering, under the direction of Dr. Eric Michielssen, a Professor in the Radiation Laboratory of the Department of Electrical Engineering and Computer Science.

Nature of the Agreement:

The Company has applied for and received a Phase I award from the Naval Sea Systems Command (NAVSEA) under the Small Business Technology Transfer (STTR) Program for the purpose of developing a novel method for implementing fast solvers for constructing numerical Green's Functions and the implementation of GA-based antenna placement algorithms. The Company wishes to enter into a subcontract with the University to enable Dr. Michielssen to assist in the performance of this funded research.

Agreement Terms:

The terms of the Agreement will be negotiated as to conform to University policy. The period of performance for the project is ten (10) months and the amount of funding support is \$50,000. The contract includes a provision allowing extension and modification of the project upon mutual agreement of the parties (collectively "Agreements"). University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

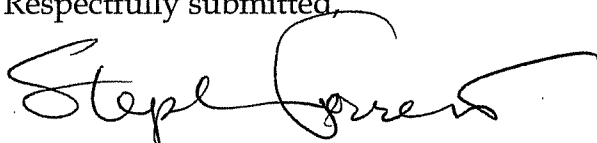
Impact of the Agreement:

The Agreement will support an effort by Dr. Michielssen to use his expertise and his University of Michigan laboratory, as well as other University resources, to use fast frequency and time domain integral equation solvers to populate databases of numerical Green's functions describing antenna properties as a function of their platform placement in order to, among other things, develop a Pareto GA antenna placement tool.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. 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 EMAG Technologies, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Stephen R. Forrest
Vice President for Research

October 2008