

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and ATGC, 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 Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by the Board and agreed to by the parties involved.

This proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Yuqing (Eugene) Chen and Jie Xu are employees of the University of Michigan ("University"), and partial owners of ATGC, 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:

Yuqing Chen, MD, PhD, a Professor in the Department of Internal Medicine, and Jie Xu, PhD, a Research Assistant Professor in the Department of Internal Medicine, are partial owners of a for-profit company called ATGC, Inc. (the "Company"). The Company wishes to fund a NIH (prime) STTR Phase I project entitled "A Nanoparticle Delivery System for CRISPR/Cas9 Based Therapeutics" (ORSP# 17-PAF01051) in the Department of Biologic and Materials Sciences under the direction of Dr. Peter Ma. The purpose of this project is to focus on hyperbranched polymer synthesis, polyplex self-assembly, nano-/micro-delivery system fabrication, characterization, and optimization of a delivery system for CRISPR/Cas9 therapeutics.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support will not exceed \$90,000. Since research projects are often amended, this agreement includes provisions for changes in time and scope. 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 Drs. Ma, Zhang, and Chen to use their expertise and University laboratories, as well as other University resources, to

understand and improve the efficacy of therapies based on CRISPR/Cas9 targeted genome editing.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. 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 the University's entering into this Agreement with ATGC, Inc.

Respectfully submitted,



S. Jack Hu
Vice President for Research

October 2016