

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 agreement with NanoBio  
(University of Michigan Employee James R. Baker Jr., M.D., Board Member)

Background:

The University of Michigan Nanotechnology Institute for Medicine and Biological Sciences ("MNIMBS") seeks approval to enter into an agreement with Nano Bio for small volumes of different concentrations of non-GMP nanoemulsion and placebo controls to support a research study regarding dose optimization.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as James R. Baker Jr., M.D. is a University employee as Director with Mary H. Weiser Food Allergy Center, Ruth Dow Doan Professor of Biologic Nanotechnology, Professor Emeritus of Internal Medicine, Medical School and Biomedical Engineering, College of Engineering and would be a party to the contract as Board Member of NanoBio.

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.

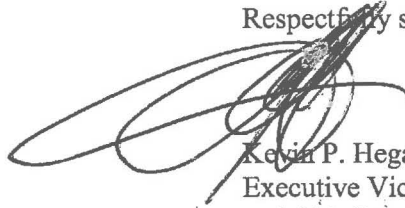
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its MNIMBS and NanoBio.
- ii) The agreement for the manufacture of the non-GMP NB-201 drug to support preclinical studies is for a one year period with an option to renew for one additional year at a total cost of \$34,000.
- iii) The pecuniary interest arises from the fact that University of Michigan employee James R. Baker Jr., M.D. would be party to the agreement as a Board Member of NanoBio.

James R. Baker Jr., M.D. has met state law requirements with the disclosure of his pecuniary interest and 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 agreement between the University of Michigan and NanoBio subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Kevin P. Hegarty  
Executive Vice President  
and Chief Financial Officer

November 2015