

ACTION REQUEST

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

The proposed agreement ("Agreements") falls under the State of Michigan Conflict of Interest Statute because Dr. Hao Chen is both an employee of the University of Michigan ("University") and a partial owner of Biocrede, 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:

Dr. Hao Chen, a Research Investigator in the Department of Biomedical Engineering, College of Engineering, is a partial owner of a for-profit company called Biocrede, Inc. (the "Company"). The Company wishes to fund a NIH (prime) SBIR Phase I project entitled "Bridging the Regenerative Medicine Gap via Accelerated Xeno-Free Stem Cell Expansion" (ORSP# 16-PAF00813) in the Department of Chemical Engineering under the direction of Dr. Joerg Lahann. The purpose of this project is to lead the translation of the AlfaStem human embryonic stem cell rapid incubation system and pursue commercial applications of the systems to be developed.

Agreement Terms:

The terms of the Agreement will conform to University policy. The period of performance for the project is approximately twelve (12) months. The amount of funding support from Company will not exceed \$35,800. 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 Dr. Lahann to use his expertise and University laboratory, as well as other University resources to develop the translation of the AlfaStem human embryonic stem cell rapid incubation system.

Recommendation:

This matter has been reviewed and approved by the UMOR Conflict of Interest Review Committee. 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 Biocrede, Inc.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'S. Jack Hu', is positioned above the printed name.

S. Jack Hu
Interim Vice President for Research

November 2015