

THE UNIVERSITY OF MICHIGAN

Approved by the Regents
December 15, 2011

REGENTS COMMUNICATION

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and CytoPherx, Inc.

Action Requested: Authorization to enter into Research Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration 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 conflicts of interest was developed 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 Professor H. David Humes is both an employee of the University of Michigan ("University") and partial owner of CytoPherx, Inc. (formerly known as Nephron). 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. Humes, a Professor of Nephrology in the Department of Internal Medicine, is a partial owner of a for-profit company called CytoPherx (the "Company"). The Company was formed recently to commercialize medical devices for treatment of end-stage renal disease has obtained a license from the University of Michigan and now desires to support research at the University of Michigan related to that technology.

Agreement Terms:

The terms of the proposed Agreement conform to University policy. Lena Napolitano, Professor of Surgery, will direct the project over an initial two-year period at an estimated cost of \$249,800. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported project. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

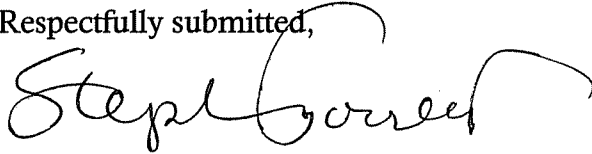
Impact of the Agreement:

This Agreement will enable further research that will assist the Company and Michigan in developing this process technology.

Recommendation:

This matter was reviewed and approved by the Medical School Conflict of Interest Board. In light of the disclosure made in this document and our finding that the Agreement will be negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with CytoPherx, Inc.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Stephen R. Forrest". The signature is written in black ink and is positioned above the printed name.

Stephen R. Forrest
Vice President for Research

December 2011