

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and ONL Therapeutics, LLC

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 David Zacks is both an employee of the University of Michigan ("University") and a partial owner of ONL Therapeutics, LLC. 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. David Zacks, an Associate Professor in Ophthalmology and Visual Sciences, is a partial owner of a for-profit company called ONL Therapeutics, LLC (the "Company"). The Company was formed recently to commercialize potential therapeutics for macular degeneration and retinal detachment. The Company has obtained an option 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. Thomas Gardner, Professor of Ophthalmology and Visual Sciences, Professor of Molecular and Integrative Physiology and Professor of Internal Medicine will direct the project over an initial six-month period at an estimated cost of \$67,500. Since research projects are often amended, this agreement includes 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.

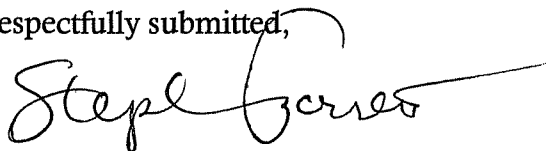
Impact of the Agreement:

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

Recommendation:

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Stephen R. Forrest
Vice President for Research

December 2011