

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and Arbor Medical Innovations, LLC

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 proposed agreement which then triggered a review by the Medical School Conflict of Interest Board and the UMOR Conflict of Interest Review Committee. Plans for management of the possible risks associated with the conflicts of interest were then developed by the Board and Committee and agreed to by the parties involved.

This proposed Agreement falls under the State of Michigan Conflict of Interest Statute because Drs. Steven Harte and Grant Kruger are employees of the University of Michigan ("University") and partial owners of a for-profit company, Arbor Medical Innovations, LLC (the "Company"). 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. Harte, an Assistant Research Scientist in the Departments of Anesthesiology and Internal Medicine-Rheumatology at the Medical School, and Dr. Kruger, an Assistant Research Scientist in Mechanical Engineering at the College of Engineering, are partial owners of the Company. The Company was formed to commercialize novel pain testing devices.

The Company wishes to support a research project directed by Dr. Harte in the University's Department of Anesthesiology entitled *Automated MRI pressure stimulator for quantitative low back pain assessment* (University ID 14-PAF03170), which requires the use of facilities and resources of the University.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is expected to be one (1) year and the amount of funding support is anticipated at \$93,033.

Impact of the Agreement:

The Agreement will support an effort by Drs. Harte and Kruger to use their expertise and University laboratories, as well as other University resources, to develop a novel, fully automated, state-of-the-art system that will allow the further expansion of clinical pain assessment and research by developing a novel, MRI-compatible, fully

automated, high-performance mechanical pressure-type back stimulator device. This device would be expected to meet the rapidly growing point-of-care clinical and research needs for advanced technologies supporting the study of chronic pain.

Recommendation:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board and the UMOR Conflict of Interest Review Committee. In light of the disclosures made in this document and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve the Agreement between the University and Arbor Medical Innovations, 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, sweeping underline that extends to the right.

Stephen R. Forrest
Vice President for Research

December 2013