

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Regental Action Under the State of Michigan Conflict of Interest Statute

Action Requested: Authorize Execution of Investment Agreements Under the MINTS Program for FlexDex, Inc.

Background

In December 2011, the Board of Regents approved guidelines for the MINTS (“Michigan Investment in New Technology Startup”) program.

The proposed investment agreements (the “Agreements”) fall under the State of Michigan Conflict of Interest Statute because the listed Interested Individuals are employees of the University and have sufficient pecuniary interest in the Agreements as partial owners of the company, and/or undertake a board role. 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 Board of Regents.

No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the Agreements.

If the transaction proceeds, the parties to the Agreements would include the University and the entity listed below, and the University would receive an equity interest in the entity in return for its investment(s). The Agreements would reflect typical venture capital investing documentation.

The Investment Office is seeking approval for financing agreements up to a total of \$5 million in potential investments (through one or more rounds of financing) under MINTS for the below-listed startup. It is understood that, upon approval of this item, MINTS will have no obligation to enter into the Agreements or proceed with any investment in the company.

FlexDex, Inc., founded in 2014 and headquartered in Brighton, MI, is a medical device company developing a platform to provide surgeons with high performance and cost effective minimally invasive surgical instruments.

Interested Individuals:

James Duncan Geiger, MD, Professor of Surgery
Medical School

Shorya Awtar, Ph.D., Associate Professor
Department of Mechanical Engineering

We believe state law requirements have been met with the disclosure of the interest and formal appointment arrangements with the University of Michigan.

We recommend that the Board of Regents authorize execution of agreements between the University of Michigan and FlexDex, Inc., as set forth above.

Respectfully submitted,


Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer