

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

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

Action Requested: Authorize Execution of Investment Agreements for the Michigan Biomedical Venture Fund for Nitricap Medical.

Preamble:

In April 2016, the Board of Regents approved the Michigan Biomedical Venture Fund and its guidelines. The purpose of the Michigan Biomedical Venture Fund is to provide seed and pre-seed capital to biomedical start-up companies based on underlying technologies from the University of Michigan's College of Engineering and Medical School.

The proposed investment agreements (the "Agreements") fall under the State of Michigan Conflict of Interest Statute because the listed Interested Individual(s) is/are both an employee of the University of Michigan ("University") and a partial owner of Nitricap Medical (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:

Based on recommendations from the Michigan Biomedical Venture Fund Investment Advisory Board (IAB) and Program Manager, and in accordance with approved operational procedures and protocols, the Michigan Biomedical Venture Fund is seeking approval for financing agreements up to a total of \$300K in potential investments (through one or more rounds of financing) under the MBVF for the below-listed startup. It is understood that, upon approval of this item, MBVF will have no obligation to enter into the Agreements or proceed with any investment in the company.

Nitricap Medical founded in 2020, and headquartered in Ann Arbor, MI is a novel anti-microbial catheter insert device that results in a 10,000x reduction in bacteria count by slowing eluting NO upon exposure to light/humidity with an initial target market for hemodialysis. The Company was formed to commercialize the novel technology developed at the University.

Interested Individual(s):

Alex Yevzlin, M.D. has an appointment at the Michigan Medicine as an Assistant Professor

Mark Meyerhoff, Ph.D. has an appointment at the University of Michigan as the Professor in the Department of Chemical Engineering

Pecuniary Interest:

The pecuniary interests of Drs. Yevzlin and Meyerhoff arise from his ownership interest in the Company.

Parties to the Agreement:

The Regents of University of Michigan and Nitricap Medical.

Agreement Terms Include:

The Michigan Biomedical Venture Fund will execute applicable standard agreements for venture capital investing. The University will receive future equity in the Company, along with the right to purchase more equity.

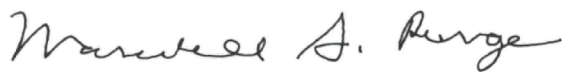
No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the Agreement. Standard disclaimers of warranties and indemnification apply, and the Agreement may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Recommendations:

We believe state law requirements have been met with the disclosure of the pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable by the supervisors or designated conflict managers under the Conflict of Interest Policy at the applicable school, college or administrative unit within the University must be analyzed and managed in addition to the foregoing approval process.

I recommend that the Board of Regents authorize execution of agreements between the University of Michigan and Nitricap Medical as set forth above.

Respectfully submitted,



Dr. Marshall S. Runge  
Executive Vice President for Medical Affairs

[Nov 19, 2020]

ACTION REQUEST SUPPLEMENT – MICHIGAN BIOMEDICAL VENTURE FUND

REQUEST FOR CONFLICT OF INTEREST APPROVAL

**TO: Dr. Marschall S. Runge**

**FROM: Michigan Biomedical Venture Fund Program Manager**

**DATE: November 17, 2020**

**SUBJECT: Request to Send Investment Approval to the Board of Regents for Conflict of Interest Approval**

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The Michigan Biomedical Venture Fund plans to make a capital investment in Nitricap., (the "Company") up to a maximum of \$300,000. University of Michigan employee(s) has (have) a relationship with the Company which requires that we seek approval from the Board of Regents. In order to assist Dr. Runge in requesting approval for this transaction we are providing the following information:

1. Name of the Company: Nitricap
2. Name of the Employee/Faculty Member whose relationship creates the conflict:  
Drs. Alex Yezvlin and Mark Meyerhoff
3. Type of relationship the employees have with the Michigan Biomedical Venture Fund  
  
 No relationship with the Michigan Biomedical Venture Fund  
  
 An employee of the Michigan Biomedical Venture Fund  
  
 No direct employment relationship with the Michigan Biomedical Venture Fund but works closely with the Fund as an employee of the University in the following manner: \_\_\_\_\_
4. Description of the nature of the investment: Equity purchase equivalents for a maximum of \$300,000.

THE COMPLETION OF THIS FORM DOES NOT CONSTITUTE CONFLICT OF INTEREST APPROVAL. THE UNIVERSITY OF MICHIGAN HAS THE DISCRETION TO DETERMINE WHETHER THE JUSTIFICATION PROVIDED IN THIS DOCUMENT IS SUFFICIENT TO SUBMIT THIS TRANSACTION FOR REGENTAL APPROVAL.

  
\_\_\_\_\_  
Signature of Michigan Biomedical Venture Fund Program Manager

ACTION REQUEST SUPPLEMENT – MICHIGAN BIOMEDICAL VENTURE  
FUND

PECUNIARY INTEREST DISCLOSURE STATEMENT

The State of Michigan statute, MCLA 15.322 et seq., in effect since 1984, states that the University may not enter into a contract with any of its employees (or a supplier in which an employee has an interest), without first disclosing certain information to the Board of Regents. One item of information requiring disclosure to the Board of Regents is the nature of the pecuniary (financial) interest of the University employee with the external contracting party.

The disclosure of a significant relationship does not suggest or condone bias in decision-making, but rather it provides the University with information that might be of importance to the disposition of a transaction.

Name of Company receiving investment capital Nitricap.  
Name of Employee/Faculty Member Dr. Alex Yevzlin, M.D.  
Employee's/Faculty Member's Department: Michigan Medicine  
Employee's/Faculty Member's Title: Assistant Professor

Relationship with Company:

- Stockholder  
 Owner  
 Partner  
 Director  
 Member  
 Employee  
 Other \_\_\_\_\_

Pecuniary Interest:

The pecuniary interests of Dr. Yevzlin arise from his relationship with the Company. Dr. Yevzlin has an ownership interest in the Company greater than 5%.

  
\_\_\_\_\_  
Employee/Faculty Member Signature

11/17/2020  
Date

ACTION REQUEST SUPPLEMENT – MICHIGAN BIOMEDICAL VENTURE  
FUND

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Name of Company receiving investment capital Nitricap.  
Name of Employee/Faculty Member Dr. Mark Meyerhoff, Ph.D.  
Employee's/Faculty Member's Department: College of Engineering  
Employee's/Faculty Member's Title: Professor

Relationship with Company:

- Stockholder  
 Owner  
 Partner  
 Director  
 Member  
 Employee  
 Other \_\_\_\_\_

Pecuniary Interest:

The pecuniary interests of Dr. Meyerhoff arise from his relationship with the Company. Dr. Meyerhoff has an ownership interest in the Company greater than 5%.

  
\_\_\_\_\_  
Employee/Faculty Member Signature

11/17/2020  
Date