

THE UNIVERSITY OF MICHIGAN

February 17, 2006

REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Cielo MedSolutions, LLC

Action Requested: Approval of License Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement which then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed by the Board and agreed to by the parties involved.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because James Price is an employee of the University of Michigan ("University") and partial owner of Cielo MedSolutions, LLC ("Cielo") and Drs. Lee Green, Donald Nease and Michael Klinkman are employees of the University and serve on the Medical Advisory Board to Cielo. 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:

James Price, a Lecturer in the Stephen M. Ross School of Business is a partial owner of a for-profit company called Cielo. Cielo was formed recently to provide information technology services and products to the medical community, and to commercialize technology referred to as ClinfoTracker developed by Drs. Lee Green, Donald Nease and Michael Klinkman.

Cielo desires to license the following technology from the University:

UM File No. 2860, entitled: "ClinfoTracker" (Lee Green, Donald Nease, Michael Klinkman)

Parties to the Agreement:

The Regents of the University of Michigan and Cielo MedSolutions, LLC.

License Terms Include:

License terms include giving Cielo an exclusive license with the right to grant sublicenses. Cielo will pay a royalty on sales. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. 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 contract may be amended by consent of the parties. Additional review by the Conflict of Interest Board will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of James Price arise from his ownership interest in Cielo. As he is not an inventor of the licensed technology, he is not entitled to any personal participation in the sharing of revenue received by the University.

Net Effect:

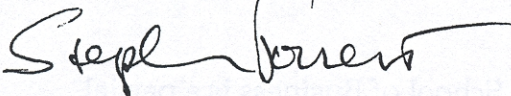
The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for the software related to UM File No. 2860 for all fields of use.

Cielo will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. In light of this disclosure and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Regents approve the License Agreement between the University and Cielo MedSolutions, LLC.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

February 2006