

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

March 17, 2006

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and EMAG Technologies, Inc.

Action Requested: Authorization to enter into 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 OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed by the Committee and agreed to by the parties involved.

This proposed subcontract agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Kamal Sarabandi is both an employee of the University of Michigan and a co-founder and co-owner of a small business called EMAG Technologies, Inc., a Michigan corporation. 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. Sarabandi is a Professor in the College of Engineering and a co-founder and co-owner of a small business called EMAG Technologies, Inc. (hereafter, Company). The Company desires to fund a project in the College of Engineering under the direction of Dr. Roger DeRoo, an Assistant Research Scientist in the Space Physics Research Laboratory in the College of Engineering.

Nature of the Agreement:

The Company has applied for and received a Phase I award from the National Aeronautics and Space Administration (NASA) under the Small Business Innovation Research (SBIR) Program for the purpose of providing continued support of research designed to develop and evaluate strategies for generating coherent signals on multiple channels. The Company wishes to enter into a subcontract with the University to enable Dr. DeRoo to assist in the performance of this Phase I effort.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is eight (8) months and the amount of funding support is \$33,219.

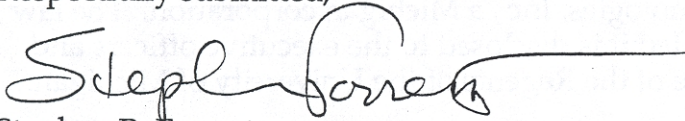
Impact of the Agreement:

The Agreement will support an effort by Dr. DeRoo to assist in the creation of new techniques for generating coherent signals on multiple channels that will be useful in the fabrication of a prototype testbed for characterizing ultra-band digital receivers. The testbed will be targeted toward developers of software radio systems.

Recommendation:

This Agreement has been reviewed and approved by the OVPR Conflict of Interest Review Committee and by the Office of the Dean for the College of Engineering. In light of the disclosure 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 of the University's entering into this Agreement with EMAG Technologies, Inc.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

March 2006