

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

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

Action Requested: Authorization for the University to enter into a master agreement with CubeWorks, Inc. (University of Michigan employees David Blaauw, Zhiyoong Foo, Gyouho Kim, Yejoong Kim, Seok Hyeon Jeong, Dennis Sylvester, Adam Davis, and Gordy Carichner are partial owners and/or employees).

Background:

The University of Michigan (“University”), through its College of Electrical Engineering and Computer Science, seeks approval to enter into a master agreement with CubeWorks, Inc. for the purpose of collaboration on various future sponsored research activities.

This proposed master agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute as David Blaauw, Kensall D. Wise Collegiate Professor of Electrical Engineering and Computer Science, Zhiyoong Foo, Engineer in Research Senior, Dennis Sylvester, Edward S. Davidson Collegiate Professor in Electrical and Computer Engineering, Gyouho Kim, Assistant Research Scientist, are employees of the University and partial owners of CubeWorks, Inc.; Yejoong Kim, Senior Engineer in Research, Seok Hyeon Jeong, Assistant Research Scientist, Adam Davis, Embedded Software Engineer, and Gordy Carichner, ECE Senior Engineer in Research, are employees of the University and employees at CubeWorks, Inc.

The Statute allows the University to enter into such contracts if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the contract, which disclosure shall be a matter of record in its official proceedings.
- b) The contract is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the contract.
 - ii) The terms of the contract, including duration, financial consideration between the parties, facilities or services of the public entity included in the contract, and the nature and degree of assignment of employees of the public entity for fulfillment of the contract.
 - iii) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the Agreement are the Regents of the University of Michigan and CubeWorks, Inc.
- ii) The Agreement is for CubeWorks, Inc. to provide sponsored research services through various future projects. The University will use standard procedures for performance of sponsored projects as well as provisions implementing University and Federal policies related to intellectual property and publications. The Agreement will cover an initial five-year period (01/01/2024 – 12/31/2028) with a total authorization not to exceed \$10,000,000. The University will use standard sponsored project accounting procedures to determine the cost of each project under this Agreement. Budgets will be reviewed and approved by authorized representatives of the applicable University department and school/college. The proposed Agreement will allow the University and CubeWorks, Inc. to collaborate on various future sponsored research activities. Since sponsored projects are often amended, the Agreement will include provisions for changes in the time and scope of each supported project. University procedures for approval of each project will be followed and additional conflict of interest review will be done on a project-by-project basis.
- iii) The pecuniary interest arises from the fact that University employees David Blaauw, Zhiyoong Foo, Dennis Sylvester, and Gyouho Kim are partial owners of CubeWorks, Inc.; Zhiyoong Foo, Gyouho Kim, Yejoong Kim, Adam Davis, Seok Hyeon Jeong, and Gordy Carichner, are employees of the University and have employment relationships with CubeWorks, Inc.

David Blaauw, Zhiyoong Foo, Gyouho Kim, Yejoong Kim, Seok Hyeon Jeong, Dennis Sylvester, Adam Davis, and Gordy Carichner have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University. Requirements, if any, that may be applicable by their supervisors or UMOR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the University of Michigan enter into this Agreement with CubeWorks Inc., subject to requirements, if any, that the supervisors of David Blaauw, Zhiyoong Foo, Gyouho Kim, Yejoong Kim, Seok Hyeon Jeong, Dennis Sylvester, Adam Davis, and Gordy Carichner or UMOR's Conflict of Interest Committee may impose.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and Chief Financial Officer

March 2024