

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

April 16, 2009

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and ElectroDynamic Applications, 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. This 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 and approved by this Committee and agreed to by the parties involved.

The proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Drs. Alec Gallimore and Brian Gilchrist are both employees of the University of Michigan ("University") and owners and officers of ElectroDynamic Applications, Inc. 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. Alec Gallimore is a Professor of Aerospace Engineering in the College of Engineering and Dr. Brian Gilchrist is a Professor in Atmospheric, Oceanic and Space Sciences and Electrical Engineering and Computer Science in the College of Engineering. Both are co-founders and co-owners of a small business called Electro-Dynamic Applications, Inc. ("EDA"). Dr. Gallimore is the Chief Executive Officer and Secretary, and Dr. Gilchrist is the President and Treasurer of EDA. In 2007, the University approved a subcontract with EDA under an STTR Phase 1 award from the United States Air Force to EDA. The Principal Investigator for the Phase 1 project was Dr. Joanna Mirecki-Millunchick, Associate Professor in the Department of Materials Science and Engineering. EDA wishes to subcontract to the University for Phase 2 of the STTR award, under Dr. Joanna Mirecki-Millunchick. Drs. Gallimore and Gilchrist served as co-investigators on the Phase 1 project and will continue to serve as co-investigators on the Phase 2 project.

Nature of the Agreement:

EDA previously received an STTR Phase 1 contract from the United States Air Force and subcontracted with the University to explore the dual-use counter-space utility of nanoFET (P/G F019351). Now, EDA has received a STTR Phase 2 contract from the Air Force to continue the project. As part of this project, EDA will subcontract with the University to build on the Phase 1 prototype design, develop a MES gate structure, and to develop a particle reservoir and delivery mechanism. EDA wishes to enter into an Agreement with the University to enable Dr. Mirecki-Millunchick to assist in the ongoing performance of this funded research. Drs. Gallimore and Gilchrist will only serve on this project in their capacity as representatives of the University.

Agreement Terms:

The total subcontract to the University for the Phase 2 research is for \$153,938 for the period November 15, 2008 through October 31, 2010. Since research agreements are often amended, the Agreement includes provisions for changes in time, amount, and scope. University procedures for approval of these changes will be followed and additional review by the Conflict of Interest Review Committee will be done as appropriate.

Impact of the Agreement:

The Agreement will support the effort by Dr. Mirecki-Millunchick to build on the Phase 1 prototype design, develop a MES gate structure, and to develop a particle reservoir and delivery mechanism.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. 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 ElectroDynamic Applications, Inc.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

April 2009