

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Sarisa Therapeutics LLC

Action Requested: Approval of Option Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement that 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 and approved by this Board and agreed to by the parties involved in this plan.

This proposed option agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Brian Ross is both an employee of the University of Michigan ("University") and a partial owner of Sarisa Therapeutics LLC. 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:

Dr. Brian Ross, a Professor in Radiology and Biological Chemistry, is the partial owner of a for-profit company called Sarisa Therapeutics LLC (the "Company"). The Company was formed recently to commercialize certain anti-tumor type compounds and desires to option from the University of Michigan the University's rights associated with the following technologies:

UM OTT File No. 5651, entitled: "Anti-tumor compounds" (Marcian E. Van Dort, Christopher Whitehead and Brian Ross)

UM OTT File No. 6123, entitled: "Dual Inhibitor Anti-tumor Compounds" (Stephanie Galban, Alnawaz Rehemtulla, Marcian E. Van Dort and Brian Ross)

The Office of Technology Transfer selected the Company as a University partner and negotiated the terms of the proposed Agreement in accordance with University policy and its accepted licensing principles.

Parties to the Agreement:

The Regents of the University of Michigan and Sarisa Therapeutics LLC.

Agreement Terms Include:

Agreement terms include granting the Company an option to obtain an exclusive license with the right to grant sublicenses. The Company will pay an option fee and reimburse patent costs. The University may receive equity in the Company, along with the right to purchase more equity.

The University will retain ownership of the optioned 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 Agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Dr. Ross arise from his ownership interest in Sarisa Therapeutics LLC.

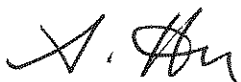
Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive option agreement for patents related to UM OTT File Nos. 5651 and 6123 for all fields of use. Sarisa Therapeutics LLC will obtain evaluation 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 Board of Regents approve the Agreement between the University and Sarisa Therapeutics LLC.

Respectfully submitted,



S. Jack Hu
Interim Vice President for Research

May 2015