

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and Armune Bioscience, Inc.

Action Requested: Authorization to enter into the Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research, Development and Administration while reviewing the Proposal Approval Form 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 developed by the Board and agreed to by the parties involved in this plan.

This proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors David Beer and Arul Chinnaiyan are both employees of the University of Michigan ("University") and partial owners of Armune Bioscience, Inc. (formerly Immunomics). 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. Beer, a Professor in Surgery, and Dr. Chinnaiyan, a Professor in Pathology and Urology, are the partial owners of a for-profit company called Armune Bioscience, Inc (the "Company"). Dr. Xiaoju "George" Wang, Research Investigator, Pathology Department, serves as a paid consultant to the Company. The Company was formed recently to commercialize autoantibody signature biomarker technology and desires to support research at the University of Michigan related to the technology. The license for this technology was previously approved by the Regents under the Company's former name, Immunomics.

Agreement Terms:

The terms of the proposed Agreement conform to University policy. The project will be directed by Dr. Xiaoju "George" Wang, Research Investigator, Pathology Department, over an initial one-year period at an estimated cost of \$269,290. Since research projects are often amended, these agreements include provisions

for changes in time, amount, and scope of each supported project. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate. Medical School IRB approval has been obtained for this project.

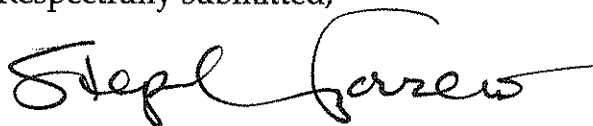
Impact of the Agreement:

This Agreement will enable further research that will assist the Company and the University in developing the licensed technology.

Recommendation:

This matter was reviewed and approved by the Medical School Conflict of Interest Board. In light of the disclosures made in this document and our finding that the Agreement will be in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with Armune Bioscience, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stephen R. Forrest
Vice President for Research

June 2008