

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 of Michigan to enter into a License Agreement with Tuebor Energy, Inc. (University of Michigan Employees, Nicholas Kotov, Professor, Chemical Engineering and Ahme Emre, Research Fellow, Chemical Engineering, partial owners of Tuebor Energy, Inc.)

Background:

The University of Michigan seeks approval to transact with Tuebor Energy, Inc. (“Tuebor”) for a license agreement for use of laboratory space located at North Campus Research Complex, Building 20. The space will be utilized by Tuebor for product development for aramid nanofiber materials suitable for use as a battery separator, including fabricating and testing various separator designs, and producing prototype battery cells for testing and evaluation.

The proposed lease agreement falls under the State of Michigan conflict of interest statute as Nicholas Kotov and Ahme Emre are University of Michigan employees and would be a party to the license agreement by virtue of their being partial owners of Tuebor. However, the statute allows university employees to participate in such license agreements, if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the license agreement to the official body that has power to approve the license agreement, which disclosure shall be a matter of record in its official proceedings.
- b) The license agreement is approved by a vote of not less than two-thirds 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 license agreement.
  - ii) The terms of the license agreement, including duration, financial consideration between the parties, facilities or services of the public entity included in the license agreement, and the nature and degree of assignment of employees of the public entity for fulfillment of the license agreement.
  - iii) The nature of any pecuniary interest.

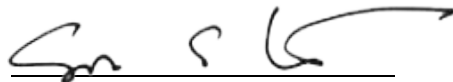
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the license agreement are the Regents of the University of Michigan and Tuebor Energy, Inc.
- ii) The service to be provided is the licensed use of approximately 240 square feet of laboratory bench space in North Campus Research Complex Building 20 for 1 year, beginning June 19, 2023 through June 18, 2024, at a monthly rate of \$1,950.00. The term of the license agreement may be renewed for one (1) additional term of one (1) year. The monthly rate shall increase approximately 10% each renewal term. Tuebor will be responsible for handling and removal of its laboratory waste. Improvements will be needed, to be constructed by the University and reimbursed by Tuebor, as required for installation of a MBRAUN glovebox system in the license area.
- iii) The pecuniary interest arises from the fact that Nicholas Kotov and Ahme Emre, University of Michigan employees, are partial owners of Tuebor Energy, Inc.

Nicholas Kotov and Ahme Emre have met state law requirements with the disclosure of their pecuniary interest and their formal appointment arrangements with the University of Michigan.

We recommend that the Board of Regents approve the license agreement between the University of Michigan and Tuebor Energy, Inc., subject to the requirements, if any, of a conflict management plan required by the respective employees' supervisor, and any requirements imposed by the conflict of interest committees of the College of Engineering or the Office of the Vice President for Research.

Respectfully submitted,



Geoffrey S. Chatas  
Executive Vice President and  
Chief Financial Officer

June 2023

**June 2023**

**MONTHLY LICENSE FEE SCHEDULE**

**LICENSE AREA CURRENT TERM**

COMPANY	UM EMPLOYEES	TERM	MONTHLY LICENSE FEE SCHEDULE							LICENSE AREA CURRENT TERM								
			CUBICLE	CUBICLE Half-Time	OFFICE	OFFICE Half-Time	LAB PER BENCH	LAB PER 20% of time	WHOLE LAB	CUBICLE	CUBICLE Half-Time	OFFICE	OFFICE Half-Time	LAB PER BENCH	LAB PER 20% of time	WHOLE LAB	MONTHLY FEE	SECURITY DEPOSIT
<b>Tuebor Energy</b>		June 19, 2023 - June 18, 2024	\$330	\$165	\$600	\$300	\$1,950	\$390	\$4,670	0	0	0	0	1	0	0	\$1,950	\$0
<b>Renewal Option:</b>																		
Names of any University employee who owns 5% or more of the equity of Licensee:	Nicholas Kotov Ahmet Emre	June 19, 2024 - June 18, 2025	\$360	\$180	\$660	\$330	\$2,140	\$430	\$5,140									
Names of any University employee who is a member of the Board or Directors of Licensee:	Nicholas Kotov Ahmet Emre	June 19, 2025 - June 18, 2026	\$400	\$200	\$720	\$360	\$2,360	\$475	\$5,650									
Names of any University employee who is the President, Chief Executive Officer, Vice President, Treasurer or Secretary of Licensee:	N/A																	

**NOTES:**

1. Renewal Options will be exercised only if acceptable to all parties and will be executed via amendment.