

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
July 17, 2008

ACTION REQUEST

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

Action Requested: Authorization for the University to Purchase from Accuri Cytometers, Inc.
(University of Michigan Employees Thomas Kinnear, Board of Directors and
Stockholder, and Steve Skerlos, Co-Founder and Stockholder)

Background:

The University of Michigan Medical School's Department of Pediatrics and Communicable Diseases, Life Sciences Institute and School of Dentistry seek approval to purchase from Accuri Cytometers, Inc. (Accuri). Accuri provides a proprietary flow cytometer (measurement device of microscopic particles in fluid) that is both compact for portability and unmatched in affordability and cost.

The proposed contract falls under the State of Michigan Conflict of Interest Statute as Thomas Kinnear and Steve Skerlos are University employees and would be a party to the contract as stockholders and members of Accuri. However, 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 purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase 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 purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
 - 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 involved in the transaction are the Regents of the University of Michigan and its Medical School's Department of Pediatrics and Communicable Diseases, Life Sciences Institute and School of Dentistry and Accuri.
- ii) The purchase from Accuri includes two C6 Flow Cytometers, software and maintenance kits. Total cost is \$83,100.
- iii) The pecuniary interest arises from the fact that Thomas Kinnear, University of Michigan employee as Professor of Entrepreneurial Studies and Marketing in the Ross School of Business and Steve Skerlos, University of Michigan employee as Associate Professor in Mechanical Engineering, are members of Accuri.

Thomas Kinnear and Steve Skerlos have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable under the Medical School's or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the agreement between the University of Michigan and Accuri subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,


Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

July 2008