

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and ImBio, LLC

Action Requested: Authorization to enter into Subcontract Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the proposed agreement which then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with any conflicts of interest was developed and approved by the Board and agreed to by the parties involved.

The proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Brian Ross and Alnawaz Rehemtulla are both employees of the University of Michigan ("University") and partial owners of ImBio, LLC ("ImBio"). 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. Ross, a Professor of Radiological Sciences, Department of Radiology, and Biological Chemistry, Medical School, and Dr. Rehemtulla, a Research Professor of Radiation Oncology, Medical School, are the partial owners of a for-profit company called ImBio, LLC (the "Company"). In addition, Drs. Ross and Craig Galban, Assistant Professor of Radiology, Medical School and Assistant Professor of Biomedical Engineering, College of Engineering, are co-inventors of technology that has been licensed to the Company by the University, and may receive royalty payments as a result of the license agreement. The Company wishes to fund a NIH (prime) SBIR Phase I & II project entitled "Imaging Biomarker for Early Assessment of BOS" (ORSP #13-PAF05392) in the Department of Radiology under the direction of Dr. Galban and with participation by Dr. Ross. The purpose of this project is to develop a commercial software platform that will analyze CT data using a modified Parametric Response Mapping (PRM) technique and to validate PRM as an early biomarker of bronchiolitis obliterans syndrome (BOS). University personnel will provide technical and material support for the development of the software and validation of the biomarker.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately four and a half (4.5) years. The amount of funding support will not exceed \$1,014,955.

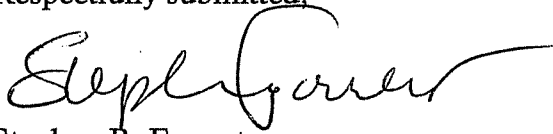
### Impact of the Agreement

The Agreement will support an effort by Drs. Galban and Ross to use their expertise and University laboratories, as well as other University resources to develop a commercial PRM diagnostic software application and validate PRM as a surrogate biomarker of prognostic metrics of BOS.

### Recommendation:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. In light of the disclosure made in this document and our findings 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 ImBio, LLC.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Stephen R. Forrest". The signature is written in black ink and is positioned above the printed name and title.

Stephen R. Forrest  
Vice President for Research

July 2013