

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Maize Analytics

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 OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by this Committee 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 Dr. Daniel Fabbri is both an employee of the University of Michigan ("University") and a partial owner of Maize Analytics. 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. Fabbri, a Research Fellow in Electrical Engineering and Computer Science, is the partial owner of a for-profit company called Maize Analytics (the "Company"). The Company was formed recently to commercialize software for explanation-based auditing of medical records and desires to option from the University of Michigan to the University's rights associated with the following technology:

UM OTT File No. 5060, entitled: Explanation-Based Auditing (Daniel Fabbri, Kristen Lefevre)

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 Maize Analytics.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive option to obtain an exclusive license. The Company will pay an option fee and reimburse patent costs, if any.

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. Fabbri arise from his ownership interest in Maize Analytics.

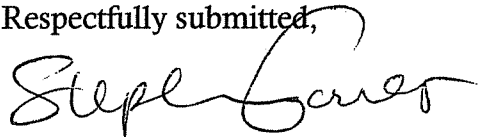
Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for patents and copyrights related to UM OTT File No. 5060 for all fields of use. Maize Analytics will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. 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 Maize Analytics.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Stephen R. Forrest".

Stephen R. Forrest
Vice President for Research

July 2013