

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Alluvium Biosciences, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form which then triggered a review by the UMOR Conflict of Interest Review Committee. A plan for management of the possible risks associated with any conflicts of interest was then developed and approved by the Committee and agreed to by the parties involved.

This proposed agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor David Sherman and Dr. Jeffrey Kittendorf are both employees of the University of Michigan (“University”), and co-founders with equity, in leadership roles of Alluvium Biosciences, Inc. 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. Sherman, a Research Professor in the Life Sciences Institute, and Dr. Kittendorf, Assistant Research Scientist in the Life Sciences Institute, are co-founders with equity, in leadership roles of a for-profit company called Alluvium Biosciences, Inc. (the “Company”). The Company wishes to fund an NSF (prime) SBIR Phase I project entitled “Biocatalytic production of novel macrolactone compounds for use in drug discovery” (ORSP #14-PAF06841) in the Life Sciences Institute under the direction of Dr. Sherman. Dr. Kittendorf will be the PI at Alluvium Biosciences. The purpose of this project is to support the Company with synthetic chemistry assistance in the development phase of the technology.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately six (6) months. The amount of funding support will not exceed \$22,500. Since research projects are often amended, this agreement includes provisions for changes in time, amount, and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Impact of the Agreement

The Agreement will support an effort by Dr. Sherman to use his expertise and University laboratory, as well as other University resources to provide structurally

diverse pentaketide substrates and other important chemical intermediates as necessary to be employed during the development of the macrolactone.

Recommendation:

This matter has been reviewed and approved by the UMOR 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 of the University's entering into this Agreement with Alluvium Biosciences, Inc.

Respectfully submitted,



S. Jack Hu  
Interim Vice President for Research

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