

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 to transact with Citrimer, Inc. (University of Michigan Employees, Anthony Berardi, Owner, Ben Swanson, Stockholder).

Background:

The University of Michigan Zell Lurie Institute seeks approval to enter into an agreement with Citrimer, Inc. for the Zell Entrepreneurs program, Michigan Business Challenge.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Anthony Berardi is a University employee as Graduate Student Research Fellow with the Department of Macromolecular Science and Engineering and would be party to the contract as owner of Citrimer, Inc., and Ben Swanson is a University employee as Graduate Student with the School of Dentistry and would be party to the contract as stockholder of Citrimer, Inc.

However, the Statute allows the University to enter into such agreements 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.

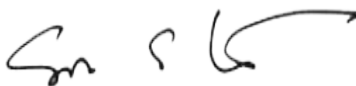
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Zell Lurie Institute and Citrimer, Inc.
- ii) The agreement is for a total cost not to exceed \$22,500. Citrimer, Inc. will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
- iii) The pecuniary interest arises from the fact that University of Michigan employees, Anthony Berardi, is owner and Ben Swanson, is stockholder of Citrimer, Inc.

Anthony Berardi and Ben Swanson 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 by the supervisors of Anthony Berardi and Ben Swanson, 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 Citrimer, Inc. subject to requirements, if any, that the supervisors of Anthony Berardi and Ben Swanson or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer

July 2023