

**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 enter into a contract with Cubeworks Inc. (University of Michigan employees David Blaauw, ZhiYoong Foo, Gyouho Kim, Yejoong Kim, Adam Davis, Seok Hyeon Jeong, and Gordy Carichner are partial owners and/or employees).

Background:

The University of Michigan (“University”) through its College of Electrical Engineering and Computer Science seeks approval to enter into a contract with Cubeworks Inc. for the purpose of research activities.

The proposed contract falls under the State of Michigan Conflict of Interest Statute because David Blaauw, Kensall D. Wise Collegiate Professor of Electrical Engineering and Computer Science, Zhiyoong Foo, Engineer in Research Senior, Gyouho Kim, Assistant Research Scientist, are employees of the University and partial owners of Cubeworks, Inc.; Yejoong Kim, Senior Engineer in Research, Adam Davis, Embedded Software Engineer, Seok Hyeon Jeong, Assistant Research Scientist, and Gordy Carichner, ECE Senior Engineer in Research, are employees of the University and employees at Cubeworks, Inc.

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 contract, which disclosure shall be a matter of record in its official proceedings.
- b) The contract 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 contract, 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 contract.
 - iii) The nature of any pecuniary interest.

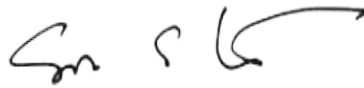
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and Cubeworks Inc.
- ii) The contract is for Cubeworks Inc. to provide sponsored research collaboration services under a sponsored project from City Labs, Inc. (Prime Sponsor: the Department of the Air Force) titled “Imaging Systems for Long Term Observation.” The performance period is anticipated to be March 1, 2023 through May 31, 2024, and estimated not to exceed \$299,000. The terms of the contract will comply with appropriate University requirements. Since projects are often amended, the contract will include provisions for changes in time, amount, and scope.
- iii) The pecuniary interest arises from the fact that University employees David Blaauw, Zhiyoong Foo, and Gyouho Kim are partial owners of Cubework, Inc.; Yejoong Kim, Adam Davis, Seok Hyeon Jeong, and Gordy Carichner, are employees of the University and have employment relationships with Cubeworks, Inc.

David Blaauw, Zhiyoong Foo, Gyouho Kim, Yejoong Kim, Adam Davis, Seok Hyeon Jeong, and Gordy Carichner have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University. Requirements, if any, that may be applicable by their supervisors or UMOR’s Conflict of Interest Committee’s procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the University enter into a contract with Cubeworks Inc., subject to requirements, if any, that the supervisors of David Blaauw, Zhiyoong Foo, Gyouho Kim, Yejoong Kim, Adam Davis, Seok Hyeon Jeong, and Gordy Carichner or UMOR’s Conflict of Interest Committee may impose.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President
and Chief Financial Officer

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