

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

October 25, 2007

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and T/J Technologies, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by DRDA while reviewing the Proposal Approval Form that then triggered a review of the project by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was developed by the Committee and agreed to by the parties involved.

The proposed research agreement (Agreement) falls under the State of Michigan Conflict of Interest Statute because Professor Levi Thompson is both an owner of T/J Technologies and an employee of the University. The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents of the University of Michigan (Regents).

Background:

Dr. Levi Thompson, Jr., Professor of Chemical Engineering and Director of the Hydrogen Energy Technology Laboratory is a majority shareholder in a small for-profit company, T/J Technologies, Inc. ("T/J"), located here in Ann Arbor. His wife, Maria A. Thompson, is President and CEO of T/J and shareholder. T/J desires to fund a research project in the College of Engineering under the direction of Dr. Thompson.

Nature of the Project:

T/J has applied for and received an award from the Department of Agriculture for the purpose of investigating "Novel Catalysts for the Electrochemical Hydrogenation of Vegetable Oils" and wishes to enter into a subcontract with the Regents of the University to enable Dr. Thompson to assist in the performance of this funded research.

Agreement Terms:

The terms of the Agreement conform to University policy. Dr. Thompson will be Principal Investigator for the project at the University. The period of performance is one year at an estimated cost of \$155,000 with full indirect costs at the federal rate. The Agreement contains a provision allowing amendment by mutual agreement by the parties. University procedures for approval of these changes

will be followed and additional conflict of interest review will be done as appropriate.

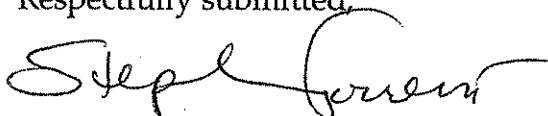
Impact of the Agreement:

The Agreement enables research to be performed to develop innovative electrocatalysts and membrane electrode assemblies that will increase the hydrogenation rate of edible oil with low trans fatty acid content and improve electrocatalyst and reactor durability.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee and by the Office of the Dean for the College of Engineering. In light of the disclosure made in this document 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 T/J Technologies, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a large initial "S" and "F".

Stephen R. Forrest
Vice President for Research

October 2007