

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the
Regents
October 16, 2014

ACTION REQUEST

Subject: Regental Action Required Under the State of
Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to transact with Exo Dynamics (University of
Michigan Employee, Daniel Johnson, Stockholder)

Background:

The University of Michigan Business Engagement Center seeks approval to transact with Exo Dynamics for summer internship support. Exo Dynamics was selected based on their application to participate in the Michigan Corporate Relations Network (MCRN) internship program. This program promotes hiring of University of Michigan students and in turn helps the State of Michigan's economy and is funded through a grant from the State of Michigan.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Daniel Johnson is a University employee as a Lecturer I in Mechanical Engineering with the College of Engineering and would be party to the agreement as a stockholder of Exo Dynamics.

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.

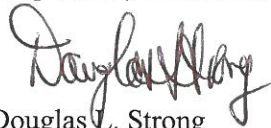
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Business Engagement Center and Exo Dynamics.
- ii) The agreement is for summer intern support at a total cost to the University of \$2,500.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Daniel Johnson, is a Stockholder of Exo Dynamics.

Daniel Johnson has met state law requirements with the disclosure of his pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable 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 Exo Dynamics subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Douglas L. Strong
Interim Executive Vice President
and Chief Financial Officer

October 2014