

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

November 17, 2006

ACTION REQUEST

Subject: Amendment to License Agreement between the University of Michigan and OncoImmune Inc.

Action Requested: Approval of Amendment

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement which then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed by the Board and agreed to by the parties involved.

This proposed amendment to license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Kun-Liang Guan, Professor Yang Liu, and Associate Professor Pan Zheng, who recently became employees of the University of Michigan ("University"), are all partial owners of OncoImmune Inc. ("OncoImmune"). Dr. Guan serves on the Scientific Advisory Board of OncoImmune. Dr. Liu is President, Chief Scientific Officer and Chair of the Board of Directors of OncoImmune, and Dr. Zheng is an Officer for OncoImmune. 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.

Background:

Dr. Kun-Liang Guan, Professor of Biological Chemistry and the Life Sciences Institute, is a co-founder and Scientific Advisory Board member of an Ohio based Corporation, OncoImmune. Dr. Yang Liu, Professor of Surgery, and Dr. Pan Zheng, Associate Professor of Surgery and Pathology, are also partial owners of OncoImmune. Dr. Liu is President, Chief Scientific Officer and Chair of the Board of Directors of OncoImmune, and Dr. Zheng is an Officer for OncoImmune.

In August 2003, OncoImmune obtained a license from the University to a technology titled, "The Mammalian Target of Tapamycin (mTOR) and S6K as Targets for Tuberous Sclerosis." Recently Dr. Guan disclosed an improvement to the original technology for which the company would like to obtain license rights. The file is:

UM OTT File No. 3480, entitled: "Therapeutic Effect of Rampamycin in Obesity and Diabetic Nephropathy" (Guan, Ken Inoki, Hiyoyuki Mori)

Parties to the Agreement:

The Regents of the University of Michigan and OncoImmune Inc.

Agreement Terms Include:

Agreement terms include adding the new technology to the existing exclusive license with the right to grant sublicenses. OncoImmune will pay a royalty on sales and reimburse patent costs. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the Agreement may be amended by consent of the parties.

Pecuniary Interest:

The pecuniary interests of Drs. Guan, Liu and Zheng arises from their ownership interest in OncoImmune. Dr. Guan has waived any personal participation in the sharing of revenue received by the University.

Net Effect:

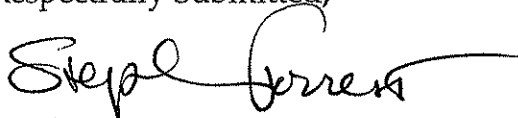
The Office of Technology Transfer has negotiated and finalized the terms of an amendment to the current exclusive license agreement for patents related to UM OTT File No. 3480.

OncoImmune will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by Medical School Conflict of Interest Board. 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 the Amendment to License Agreement between the University and OncoImmune Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

November 2006