

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and NOTA Laboratories, LLC

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form which then triggered a review by the UMOR Conflict of Interest Review Committee and the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by the Committee/Board and agreed to by the parties involved.

This proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Mark Meyerhoff, Mark Zacharek, Marc Hershenson and Umadevi Sajjan are all employees of the University of Michigan ("University"), and partial owners of NOTA Laboratories, LLC. The law permits such an Agreement provided it is disclosed to the Board of Regents ("Regents") of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Mark Meyerhoff, PhD, a Professor in the Department of Chemistry, Mark Zacharek, MD, an Associate Professor in the Department of Otolaryngology, Marc Hershenson, MD, a Professor in the Department of Pediatrics and Communicable Diseases, and Umadevi Sajjan, PhD, a Research Assistant Professor in the Department of Pediatrics and Communicable Diseases, are all partial owners of a for-profit company called NOTA Laboratories, LLC (the "Company"). The Company wishes to fund a National Institutes of Health STTR Phase I project entitled "Arginine-Rich Peptides Derived from Protamine as Agents to Increase Sinonasal Nitric Oxide Levels in Treatment/Prevention of Rhinosinusitis" (ORSP# 15-PAF00368) in the Department of Pediatrics-Pulmonary Medicine under the direction of Dr. Mark Meyerhoff. The purpose of this project is to investigate potential bacteriocidal and antiviral effects of nitric oxide producing peptides derived from protamine.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support will not exceed \$95,800. Since research projects are often amended, this agreement includes provisions for changes in time, amount, and scope. 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 will support an effort by Dr. Meyerhoff and Dr. Hershenson to use their expertise and University laboratories, as well as other University resources to investigate potential treatments for chronic rhinosinusitis due to bacterial colonization and viral infections.

Recommendations:

This matter has been reviewed and approved by the UMOR Conflict of Interest Committee and the 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 University's entering into this Agreement with NOTA Laboratories, LLC.

Respectfully submitted,



S. Jack Hu
Interim Vice President for Research

November 2014