

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

Approved by the Regents
December 15, 2006

ACTION REQUEST

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

Action

Requested: Authorization for the University to Approve a Payment for Soar Technology, Inc. (University of Michigan Employee John Laird, Board Member and Stockholder)

Background:

The University of Michigan's Division of Computer Science Engineering wishes to receive approval to make payment to Soar Technology, Inc. The department wishes to make this payment for a workshop that was attended by students and faculty, and was chosen because the content is specific to the research of the attendees. This type of workshop is not offered elsewhere.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as John Laird is a University employee and is a party to the purchase by virtue of his position as Stockholder and Board Member of Soar Technology, Inc. However, 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 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 Division of Computer Science Engineering and Soar Technology, Inc.
- ii) The service provided was a workshop attended by faculty and students. The cost for the service is \$1,700.00.
- iii) The pecuniary interest arises from the fact that John Laird, a University of Michigan employee, is a Stockholder and Board Member in Soar Technology, Inc.

John Laird has met state law requirements with the disclosure of his pecuniary interest, and his 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 payment between the University of Michigan and Soar Technology, Inc., subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President & Chief Financial Officer

December 2006