

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

December 18, 2008

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Nico Technologies Corporation

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research, Development and Administration while reviewing the Proposal Approval Form. This then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed by this Committee and agreed to by the parties involved.

The proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. Nicholas Kotov is both an employee of the University of Michigan and partial owner and Board of Director of Nico Technologies Corporation. 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. Nicholas Kotov is an Associate Professor of Chemical Engineering, Biomedical Engineering, and Materials Science and Engineering in the College of Engineering. Dr. Kotov is also the partial owner and Board of Director of a for-profit company called Nico Technologies Corporation ("Company"). The Company desires to fund a project in the College of Engineering / Chemical Engineering.

Parties to the Agreement:

The Regents of the University of Michigan and Nico Technologies Corporation.

Nature of the Agreement:

The Company has received an award from the Defense Advanced Research Projects Agency (DARPA) under the Small Business Technology Transfer (STTR) Program for the purpose of developing a new method of manufacturing of deep brain stimulation devices. The Company wishes to enter into a subcontract with

the University to enable Dr. Kotov to assist in the performance of this funded research.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is twelve (12) months and the amount of funding support is \$49,027.

Impact of the Agreement:

The Agreement will support an effort by Dr. Kotov and two (2) graduate students to use his expertise and his University of Michigan laboratory as well as other University resources to process carbon nanotubes into ultra strong and highly conductive sheets to be integrated into a deep brain stimulation implant device.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. 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 Nico Technologies Corporation.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

December 2008