

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

December 18, 2008

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Medigenix, LLC

Action Requested: Approval of Option Agreement

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 and approved by this Board and agreed to by the parties involved in this plan.

This proposed option agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Daniel Lawrence and Dr. Enming Joseph Su are both employees of the University of Michigan ("University") and partial owners of Medigenix, Inc. 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. Daniel Lawrence, a professor of cardiovascular medicine in Internal Medicine, and Dr. Enming Joseph Su, a research investigator in Internal Medicine, are partial owners of a for-profit company called Medigenix, Inc. (the "Company"). The Company was formed to commercialize the use of certain plasminogen activator inhibitors in a variety of applications and desires to option from the University of Michigan the University rights associated with the following technologies:

UM OTT File No: 3276, entitled: "Mutant Plasminogen Activator-Inhibitor Type 1 (PAI-1) and Uses Thereof" (Daniel Lawrence)

UM OTT File No: 3277, entitled: "Methods of Reducing Vascular Permeability in Tissue by Inhibition of Tissue Plasminogen Activator (tPA) and tPA Inhibitors Useful Therein (Lawrence)

UM OTT File No: 3278, entitled: "Novel Detection Assay for Serum Proteases Using PAI-1 Mutants as a Diagnostic" (Lawrence)

The Office of Technology Transfer selected the Company as a University partner and negotiated the terms of the proposed Agreement in accordance with University policy and its accepted licensing principles.

Parties to the Agreement:

The Regents of the University of Michigan and Medigenix, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an option to obtain an exclusive license with the right to grant sublicenses. The Company will pay an option fee and reimburse ongoing patent costs. The University will retain ownership of the optioned 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. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Drs. Lawrence and Su arise from their ownership interest in Medigenix, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an option to obtain a world-wide exclusive license agreement for patents related to UM OTT Files No. 3276, 3277, and 3278 in the therapeutics field of use.

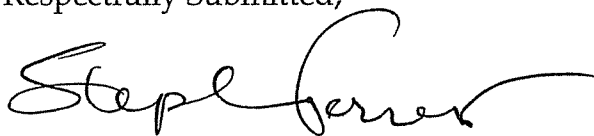
Medigenix, Inc. will obtain evaluation rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by 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 Agreement between the University and Medigenix, Inc.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stephen R. Forrest
Vice President for Research

December 2008

