

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

EXH	MOTION <i>Newman</i>
	SECOND <i>Maunord</i>
	ACTION APPROVED BY THE REGENTS
NOTE:	MAR 17 2005

ACTION REQUEST

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

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by DRDA while reviewing the Proposal Approval Form that then triggered a review of the project by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflicts of interest was developed and approved by the Medical School Conflict of Interest Board and agreed to by the parties involved in this project.

The proposed research agreement (Agreement) falls under the State of Michigan Conflict of Interest Statute because Dr. David M. Kurnit is both an owner, director and officer of SensiGen, LLC and an employee of the University. 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 (Regents).

Background:

Dr. Kurnit, Professor of Pediatrics and Communicable Diseases, is a part owner, officer, and director of a for-profit company, SensiGen, LLC. Kristine Kurnit, Dr. Kurnit's spouse, is part owner, Acting CEO and director of the Company. The Company has received an option to a license to commercialize University technology developed in part by Dr. Kurnit and now wishes to enter into a subcontract under a University research agreement. Dr. Kurnit is the Principal Investigator for the project at the University and will only participate in the project in his capacity as a University employee.

Nature of the Project:

The Company has applied for and received funding from the Michigan Technology Tri-Corridor Fund (MTTC). This proposed project will constitute a subcontract to the University in order to provide services under SensiGen's grant. Mrs. Kurnit is the Principal Investigator for the project at SensiGen, LLC.

Agreement Terms:

The terms of the Agreement conform to University policy. Dr. Kurnit will be the Principal Investigator for the project at the University to be conducted over an initial one-year period at an estimated total cost of \$496,000 including indirect

cost at 20% (the rate applicable to the MTTC). The Agreement contains a provision allowing amendment by mutual agreement of the parties.

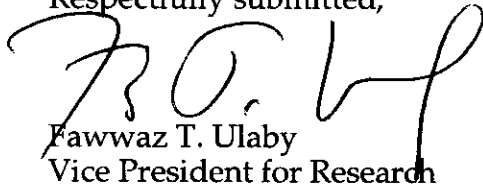
Impact of the Agreement:

The Agreement enables research to be performed to determine the potential for detection of kidney disease and human papillovirus infection by the mass array method. It also provides for ongoing support and collaboration between the Medical School and a University start-up company.

Recommendation:

This project and associated management plan was approved by the Senior Associate Dean for Research of the Medical School and the Medical School Conflict of Interest Review Board. 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 entering into this Agreement with SensiGen, LLC.

Respectfully submitted,



Fawwaz T. Ulaby
Vice President for Research

March 2005