

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

Approved by the Regents
March 15, 2007

ACTION REQUEST

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

Action Requested: Authorization for the University to Approve a Contract for The POM Group, Inc. (University of Michigan Employee Jyotirmoy Mazumder, Stockholder and Chief Executive Officer)

Background:

The University of Michigan-Dearborn's Department of Mechanical Engineering wishes to receive approval to purchase a 5-Axis Diode Laser System with associated training and upgrades. This laser system will be used to fabricate custom implants for patients. Jyotirmoy Mazumder, a University of Michigan Employee, is a Stockholder and Chief Executive Officer of The POM Group, Inc. The POM Group, Inc. was chosen to provide this laser system because of the unique features of the system, the superior quality of the product, and the availability of technical support.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Jyotirmoy Mazumder is a University employee and would be a party to the contract by virtue of his role as Stockholder and Chief Executive Officer in The POM Group, 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.

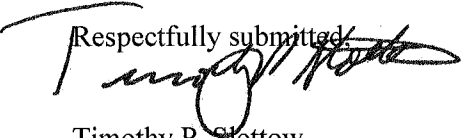
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Dearborn Department of Mechanical Engineering and The POM Group, Inc.
- ii) The product provided is a 5-Axis Diode Laser System, training, and upgrades. The total cost for the system is \$900,000.00.
- iii) The pecuniary interest arises from the fact that Jyotirmoy Mazumder, a University of Michigan employee, is the Stockholder and Chief Executive Officer of The POM Group, Inc.

Jyotirmoy Mazumder 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 The POM Group, 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

March 2007