

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

April 19, 2007

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and Ascenta Therapeutics, Inc.

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 proposed research agreement that then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflicts of interest was then developed by the Board and agreed to by the parties involved.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute because Drs. Marc Lippman, Shaomeng Wang and Dajun Yang are both employees of the University of Michigan ("University") and partial owners of a for-profit start-up company called Ascenta Therapeutics, Inc. (the "Company"). Drs. Lippman and Wang are also Directors and members of the Company's Scientific Advisory Board. Dr. Yang is also an employee and Officer of the Company. The law permits such 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:

Drs. Marc Lippman, Professor and former Chair of Internal Medicine, Shaomeng Wang, Associate Professor of Internal Medicine and Assistant Professor of Pharmacy, and Dajun Yang, Associate Professor of Internal Medicine, have equity interests in the Company and other management positions in the Company. The Company wishes to support a research contract for further development of the inventions made by Drs. Lippman, Wang and Yang. A technology license agreement has been disclosed previously under separate Regental Action.

Nature of the Agreement:

The Company has received a license from the University that relates to the subject of the research project. The proposed project involves clinical research and testing to further develop promising small molecule inhibitors for use against various cancers. The proposed project is a multi-center clinical trial fully funded by the Company.

Agreement Terms:

The terms of the proposed agreement conforms to University policy regarding publication and intellectual property. Dr. Rebecca Elstrom, Department of Internal Medicine, who has no conflict of interest in this matter will direct the project. The contract includes a provision allowing extension and modification of the project upon mutual agreement of the parties (collectively "Agreements"). University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

This project involves the use of human subjects and IRB approval will be obtained prior to enrollment of any subjects.

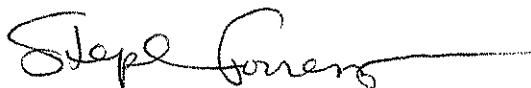
Impact of the Agreement:

This study will provide further information that will assist the Company in developing compounds, obtaining regulatory approvals, and commercializing small molecule technologies as therapeutic agents.

Recommendation:

This matter will be reviewed and approved by the Medical School Conflict of Interest Board before acceptance of the Agreement by the University. 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 Ascenta Therapeutics, Inc.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

April 2007