

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

April 19, 2007

ACTION REQUEST

Subject: Amended and Restated License Agreement between the University of Michigan, Cincinnati Children's Hospital Medical Center and OncoImmune Inc.

Action Requested: Approval of Amended and Restated License 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 by the Board and agreed to by the parties involved.

This proposed amendment to license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Kun-Liang Guan, Professor Yang Liu, and Associate Professor Pan Zheng, who recently became employees of the University of Michigan ("University"), are all partial owners of OncoImmune Inc. ("OncoImmune"). Dr. Guan serves on the Scientific Advisory Board of OncoImmune. Dr. Liu is President, Chief Scientific Officer and Chair of the Board of Directors of OncoImmune, and Dr. Zheng is an Officer for OncoImmune. 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. Kun-Liang Guan, Professor of Biological Chemistry and the Life Sciences Institute, is a co-founder and Scientific Advisory Board member of an Ohio based Corporation, OncoImmune. Dr. Yang Liu, Professor of Surgery, and Dr. Pan Zheng, Associate Professor of Surgery and Pathology, are also partial owners of OncoImmune. Dr. Liu is President, Chief Scientific Officer and Chair of the Board of Directors of OncoImmune, and Dr. Zheng is an Officer for OncoImmune.

In August 2003, OncoImmune obtained a license from University to a technology titled, "The Mammalian Target of Tapamycin (mTOR) and S6K as Targets for Tuberous Sclerosis." Recently Dr. Guan disclosed two improvements to the original technology, one in which the University of Michigan is a joint owner with Cincinnati Children's Hospital Medical Center ("Children's"), for which the company would like to obtain license rights. The files are:

UM OTT File No. 3480, entitled: "Therapeutic Effect of Rampamycin in Obesity and Diabetic Nephropathy" (Guan, Ken Inoki, and Hiyoyuki Mori)

UM OTT File No. 3553, entitled: "Methods of Treating Epilepsy" (Kun-Liang Guan)

Parties to the Agreement:

The Regents of the University of Michigan, Cincinnati Children's Hospital Medical Center and OncoImmune Inc.

Agreement Terms Include:

Agreement terms include adding the new technologies to the existing exclusive license with the right to grant sublicenses and amending and restating other terms including revising certain diligence milestones. OncoImmune will pay a royalty on sales and reimburse patent costs. The University will retain ownership of the licensed 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 Dr. Guan arises from his ownership interest in OncoImmune. He has waived any personal participation in the sharing of revenue received by the University.

Net Effect:

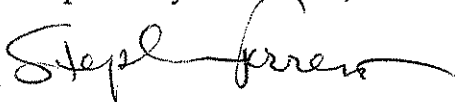
The Office of Technology Transfer has negotiated and finalized the terms of an amended and restated license agreement including patents related to UM OTT Files No. 3480 and 3553.

OncoImmune will obtain use and commercialization rights to the above listed University technology.

Recommendation:

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 Amendment to License Agreement between the University and OncoImmune Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

April 2007