

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the Regents  
June 21, 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 Payment for GoKnow Learning, Inc. (University of Michigan Employee Elliot Soloway, CEO and Stockholder)

Background:

The University of Michigan's Institute for Entrepreneurial Studies wishes to receive approval to make payment to GoKnow Learning, Inc. The department wishes to make this payment to fund a portion of the compensation for an MBA intern in the Marcel Gani Internship Program. GoKnow Learning, Inc. has chosen to participate in this program by selecting a student intern through the annual Internship Rush Recruitment Event. This payment will provide funds which will be matched by GoKnow Learning, Inc.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Elliot Soloway is a University employee and is a party to the purchase by virtue of his position as CEO and Stockholder of GoKnow Learning, 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 Institute for Entrepreneurial Studies and GoKnow Learning, Inc.
- ii) The service provided is placement of a student intern. The cost for the service is \$4,950.00.
- iii) The pecuniary interest arises from the fact that Elliot Soloway, a University of Michigan employee, is a CEO and Stockholder of GoKnow Learning, Inc.

Elliot Soloway 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 GoKnow Learning, 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  
and Chief Financial Officer

June 2007