

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

June 21, 2007

ACTION REQUEST

Subject: Amendment to License Agreement between the University of Michigan and ImBio, LLC

Action Requested: Approval of Amendment

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 this 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 Professors Brian Ross and Alnawaz Rehemtulla are both employees of the University of Michigan ("University") and are principal owners, directors and officers of ImBio, LLC.

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:

Drs. Brian D. Ross, Professor of Radiology and Biological Chemistry, Medical School, and Alnawaz Rehemtulla, Professor of Radiation Oncology, Medical School, are the principal owners, directors and officers of ImBio, LLC, a software start-up company incorporated in the state of Michigan that obtained a license from the University in March 2005. They now wish to add the following technology to their existing license:

UM OTT File No. 3676 entitled: "An Imaging Biomarker for Treatment Assessment in Focal and Multi-Focal Metastatic Bone Cancer and Multi-Focal Tumors of the Soft Tissues." Inventors: Brian Ross, Alnawaz Rehemtulla, Thomas Chenevert, Kenneth Pienta, Kuei Lee, Maha Hussain (all UM employees)

The Office of Technology Transfer selected the Company as a University partner and negotiated the terms of the proposed Agreement in accordance with University policy and its accepted licensing principles.

Parties to the Agreement:

The Regents of the University of Michigan and ImBio, LLC

License Terms:

Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company 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 Drs. Ross and Rehemtulla arise from their ownership in the company.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a world-wide exclusive license agreement for patents related to UM OTT File No. 3676 for the fields of use of magnetic resonance imaging data acquisition and modeling to identify tissue fat distribution and to identify changes in tumor cell density.

ImBio LLC will obtain use and commercialization rights to the above listed University technologies.

Recommendations:

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 ImBio, LLC.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

June 2007