

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
July 19, 2007

ACTION REQUEST

Subject: Non-Disclosure Agreement between the University of Michigan and Avidimer Therapeutics, Inc.

Action Requested: Approval of Non-Disclosure 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 will be developed by this Board and agreed to by the parties involved.

This proposed non-disclosure agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor James Baker, Jr. is an employee of the University and a partial owner, Chief Scientific Officer, and Chairman of the Board of Directors for Avidimer Therapeutics, Inc. ("Avidimer"). 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. James Baker, Director of the Michigan Nanotechnology Institute for Medicine and Biological Sciences, Professor of Internal Medicine and tenured faculty member, is the principle owner of three Ann Arbor start-up companies. These companies are: NanoBiologics LLC, NanoBio Corporation and Avidimer. Licenses with NanoBio and Avidimer have already been reviewed by the Medical School Conflict of Interest Board.

Avidimer, formerly known as NanoCure Corporation ("NanoCure"), is a wholly owned subsidiary of NanoBiologics LLC. In November 2003, the University entered into a license with NanoCure.

Avidimer is interested in reviewing a new disclosure from Dr. Baker's laboratory (UM OTT File No. 3781, entitled "Synthesis of Dendrimer-Based BH3 Conjugate That Induce Apoptosis in Cancer Cells") for possible licensing into their current patent portfolio.

Parties to the Agreement:

The Regents of the University of Michigan and Avidimer Therapeutics, Inc.

Non-Disclosure Agreement Terms:

The Agreement limits Avidimer to evaluation of the technology.

Pecuniary Interest:

The pecuniary interest of Dr. Baker arises from his ownership interest in Avidimer.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a non-disclosure agreement to share information related to UM OTT File No. 3781 with Avidimer.

Recommendations:

This matter will be reviewed and approved by the Medical School Conflict of Interest Board. In light of this disclosure and our finding that the Agreement will be negotiated in conformance with standard University practices, I recommend that the Board of Regents approve the Agreement between the University and Avidimer Therapeutics, Inc.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Stephen R. Forrest". The signature is written in black ink and includes a long horizontal flourish extending to the right.

Stephen R. Forrest
Vice President for Research

July 2007