

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents  
July 17, 2008

ACTION REQUEST

Subject: Subcontract Agreements between the University of Michigan and InmaTech, Inc.

Action Requested: Authorization to enter into the Agreements

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration while reviewing the Proposal Approval Form. This triggered a review of the projects by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was then developed by the Committee and agreed to by the parties involved.

The proposed agreements ("Agreement") fall under the State of Michigan Conflict of Interest Statute because Dr. Levi Thompson is both an employee of the University of Michigan ("University") and a co-owner of Inmatech, Inc. ("Company"). 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. Levi Thompson is a Professor of Chemical Engineering and Mechanical Engineering in the College of Engineering at the University and a co-owner of a small business called InmaTech, Inc. The Company desires to fund projects in the College of Engineering under the direction of Dr. Thompson. Dr. Thompson will only participate in these agreements in his capacity as an employee of the University.

Nature of the Agreement:

The Company has applied for and received awards from the Department of Defense under the Small Business Technology Transfer (STTR) Program for two projects: Project (a) for the purpose of providing support of research to develop nanostructure early transition metal carbide and nitride supported metal catalysts for use in hydrocarbon reforming reactions and assess the feasibility of using plasma reactors to efficiently crack hydrocarbons present in logistical fuels; and Project (b) to provide support of research to synthesize metal loaded early

transition metal carbides for use in sulfur tolerant liquid anode fuel cells. The Company wishes to enter into subcontracts with the University to enable Dr. Thompson to assist in the performance of these efforts.

Agreement Terms:

The terms of the Agreements conform to University policy. The period of performance for Project (a) is six (6) months and the amount of funding support is \$35,500 and the period of performance for Project (b) is six (6) months and the amount of funding support is \$31,500.

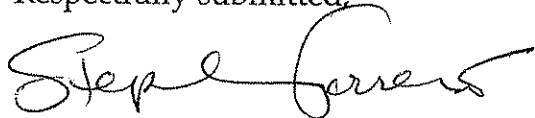
Impact of the Agreement:

The Agreement for Project (a) will support an effort by Dr. Thompson to utilize his expertise in exploring the use of early transition metal carbides and nitrides as catalysts for hydrocarbon reforming reactions and to investigate the energy efficiency of hydrogen production using a radio-frequency plasma source. The Agreement for Project (b) will support an effort by Dr. Thompson to utilize his expertise in the field of nanostructured carbides and nitrides to develop new sulfur tolerant fuel cells.

Recommendation:

These Agreements have been reviewed and approved by the OVPR Conflict of Interest Review Committee and by the Office of the Associate Dean for Research at the College of Engineering. In light of the disclosure made in this document and our finding that the agreements were negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into these Agreements with InmaTech, Inc.

Respectfully submitted,



Stephen R. Forrest  
Vice President for Research

July 2008