

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Alluvium Biosciences, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form which then triggered a review by UMOR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by the Committee and agreed to by the parties involved.

This proposed agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor David H. Sherman and Dr. Jeffrey Kittendorf are employees of the University of Michigan (“University”), and are partial owners with leadership roles in Alluvium Biosciences, Inc. (“Alluvium”). The law permits such an Agreement provided it is disclosed to the Board of Regents (“Regents”) of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Dr. Sherman, a Professor and Research Associate Dean in the College of Pharmacy and Research Professor in the Life Sciences Institute, and Dr. Kittendorf, an Assistant Research Scientist in the Life Sciences Institute, are the partial owners with leadership roles at the for-profit company called Alluvium (the “Company”). The Company wishes to fund a Department of Defense (prime) SBIR Phase I project entitled “Discovery of Natural Product Antibiotics from the Antibiotics from Marine Microbiome” (ORSP# 15-PAF07539) in the Life Sciences Institute under the direction of Dr. Sherman. The purpose of the project is to identify natural product extracts, generated by microorganisms isolated from the marine microbiome that possess antibacterial activity.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately nine (9) months. The amount of funding support will not exceed \$14,594. Since research projects are often amended, this agreement includes provisions for changes in time, amount, and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

### Impact of the Agreement

The Agreement will support an effort by Dr. Sherman to use his expertise and University laboratory, as well as other University resources to pursue the identification of naturally occurring substances that may be of value in generating antibacterial substances.

### Recommendations:

This matter has been reviewed and approved by the UMOR Conflict of Interest Review Committee. 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 University's entering into this Agreement with Alluvium Biosciences, Inc.

Respectfully submitted,



S. Jack Hu  
Interim Vice President for Research

September 2015