

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

October 25, 2007

ACTION REQUEST

Subject: Master Agreement between the University of Michigan and Omni Sciences Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration while reviewing the current proposed project which then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest will be developed by the Committee and agreed to by the parties involved.

This proposed master agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. Mohammed N. Islam, Professor in the Department of Electrical Engineering and Computer Sciences (EECS), is sole owner of Omni Sciences Inc. (hereinafter "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:

Mohammed Islam, Professor, Department of Electrical Engineering and Computer Sciences (EECS), is sole owner of the Company. Company wishes to have the University participate in various projects that Company will support independently or from grants from federal or other agencies related to technology licensed or optioned to the Company by the University. The role of Dr. Islam in each project will be described in a project statement and a conflict of interest management plan.

Agreement Terms:

The University will enter into a master agreement with the Company that will cover standard procedures for performance of projects as well as provisions implementing University and federal policies related to intellectual property and publication. The master agreement will cover an initial five-year period with a total authorization not to exceed \$500,000. The University will use standard sponsored project accounting procedures to determine the cost of each project. Budgets will be reviewed and approved by authorized representatives of each department and school/college where projects are to be performed. The master agreement will allow the University and the Company to specify projects that the University will conduct under the terms of the master agreement. Since projects

are often amended, the master agreement includes provisions for changes in time, amount, and scope of each supported project. University procedures for approval of each project will be followed and additional review by the OVPR Conflict of Interest Review Committee will be done on a project-by-project basis.

Impact of the Agreement:

The master agreement will enable research to be performed in a timely manner to explore and further develop the follow-on research projects to be performed promoting understanding and application of mid-infrared fibers for homeland security as well as industrial and analytical chemistry applications. It also provides for collaboration between the University and a Michigan start-up company.

Recommendation:

These matters will be reviewed by the OVPR Conflict of Interest Review Committee and a plan will developed to manage the potential conflict of interest risks associated with each project that will be implemented under the terms of the master agreement prior to the University's acceptance of any individual project. In light of the disclosure made in this document and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this master Agreement with Omni Sciences, Inc.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

October 2007