

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

October 23, 2008

ACTION REQUEST

Subject: Amendment to License Agreement between the University of Michigan and Pipex Therapeutics, Inc.

Action Requested: Approval of Amendment to License Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement that 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 and approved by this Board and agreed to by the parties involved in this plan.

This proposed amendment to the license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor George J. Brewer is both an employee of the University of Michigan ("University") and a partial owner of Pipex Therapeutics, Inc. 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. George J. Brewer, a professor in Internal Medicine and Human Genetics, is the partial owner of a for-profit company called Pipex Therapeutics, Inc. ("Company"). The Company desires to amend the license agreement to include the University's rights associated with the following technology:

UM File No. 3431, entitled: "Compositions with Anti-cancer and Anti-inflammatory Effects" (Inventor: George J. Brewer)

UM File No. 3683, entitled: "Compositions for the Treatment of Arthritis" (Inventor: George J. Brewer)

UM File No. 3684, entitled: "Compositions for the Treatment of Multiple Sclerosis" (Inventor: George J. Brewer)

UM File No. 3685, entitled: "Compositions for the Treatment of Lupus" (Inventor: George J. Brewer)

Parties to the Agreement:

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

Agreement Terms Include:

License 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 Dr. George J. Brewer arise from his ownership interest in Pipex Therapeutics, Inc.

Net Effect:

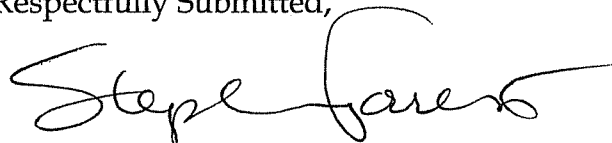
The Office of Technology Transfer has negotiated and finalized the terms of an amendment to the world-wide exclusive license agreement for patents related to UM OTT File Nos. 3431, 3683, 3684 and 3685 for all fields of use.

Pipex Therapeutics, Inc. will obtain use and commercialization rights to the above listed University technology.

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 Agreement between the University and Pipex Therapeutics, Inc.

Respectfully Submitted,



Stephen R. Forrest  
Vice President for Research

October 2008