

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
November 15, 2007

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and UP Technologies, 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 Proposal Approval Form that then triggered a review of the project by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was developed and approved by the Committee and agreed to by the parties involved.

The proposed subcontract agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. Joerg Lahann is both a part-owner of UP Technologies and an employee of the University of Michigan ("University"). 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. Joerg Lahann, Professor of Chemical Engineering, holds stock and stock options in UP Technologies, Inc. ("UP"). UP desires to fund a research project in the College of Engineering under the direction of Dr. Lahann. Dr. Lahann's involvement in this project will only be in his capacity as a University employee.

Nature of the Agreement:

UP has applied for and received an STTR Phase I award from the National Institutes of Health for the purpose of investigating "Manufacturing of Multiphasic Particles" and wishes to enter into a subcontract agreement with the University to enable Dr. Lahann to assist in the performance of this funded research.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance is one year at an estimated cost of \$80,000. The Agreement contains a provision allowing amendment by mutual agreement by the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

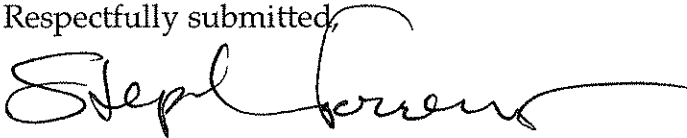
Impact of the Agreement:

The Agreement enables research to be performed to design and develop a robust manufacturing process that can deliver high quality particles for a range of different biomedical applications, such as long-circulating, systemic drug delivery, targeted cancer therapy, simultaneous imaging and therapy of vulnerable plaques, or topological delivery to chronic wounds.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee and by the Office of the Dean for the College of Engineering. 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 the University entering into this Agreement with UP Technologies, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stephen R. Forrest
Vice President for Research

November 2007