

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
December 13, 2007

ACTION REQUEST

Subject: Regental Action Required Under the State of
Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to Approve a Purchase for GoKnow Learning, Inc. (University of Michigan Employee Elliot Soloway, Founder and Stockholder)

Background:

The University of Michigan's School of Education requests approval to make payment to GoKnow Learning, Inc. for software development for cell phones used in their study of vocabulary and conceptual knowledge development for preschool children. GoKnow Learning, Inc. was selected as they had the expertise, the appropriate technology, and will be able to complete the work within the appropriate time frame required by the grant.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Elliot Soloway is a University employee and is a party to the purchase by virtue of his position as Founder and Stockholder of GoKnow Learning, Inc. However, the Statute allows the University to enter into such contracts if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the contract.
 - ii) The terms of the purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
 - iii) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its School of Education and GoKnow Learning, Inc.
- ii) The service provided is software development of a vocabulary and conceptual knowledge development test for preschool children using cell phones. The cost for the service is \$59,000.00.
- iii) The pecuniary interest arises from the fact that Elliot Soloway, a University of Michigan employee, is a Founder and Stockholder of GoKnow Learning, Inc.

Elliot Soloway has met state law requirements with the disclosure of his pecuniary interest and his formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable under the Medical School's or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the payment between the University of Michigan and GoKnow Learning, Inc. subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

December 2007