SUBMITTED BY: **STEPHEN M. LANIER, PH.D., VICE PRESIDENT FOR RESEARCH**

UNIVERSITY SUBCONTRACT FOR LABORATORY SERVICES FROM A COMPANY OWNED BY A SCHOOL OF MEDICINE FACULTY

RECOMMENDATION

The Administration recommends that the Board of Governors authorize the President or his designee to contract with Mitovation, Inc., a Delaware corporation. The contract will be to perform research and laboratory services related to the development of a novel medical device, NeuroLUX, for treatment of neonatal hypoxic brain injury.

BACKGROUND

Dr. Maik Huttemann, Ph.D., professor, Center for Molecular Medicine and Genetics and Dr. Thomas Sanderson, formerly of the Department of Internal Medicine and the Department of Physiology at Wayne State (now at the University of Michigan) and colleagues Dr. Karin Pryzklenk, Department of Physiology, Dr. Lawrence Grossman, Center or Molecular Medicine and Genetics, Dr. Nantwi Kwaku (Toledo, Ohio), Dr. John Kamholz (Coraville, Iowa) and Dr. Icksoo Lee (Republic of Korea), have developed novel technology methods and devices for the treatment of ischemia-reperfusion injury.

Mitovation Inc. was founded to develop and commercialize the technology and methods embodied in the NeuroLux device for multiple medical applications associated with ischemia-reperfusion injury. Dr. Huttemann, Dr. Sanderson and Mark Morsefield are cofounders the company which was incorporated in Delaware in 2017.

Mitovation, Inc. is the recipient of a Fast Track STTR, "Infant NeuroLUX: a Novel, Non-invasive Therapeutic Device for Neonatal Hypoxic Brain Injury," from the National Institutes of Health. The grant includes a subcontract for services to Wayne State University.

Michigan Conflict of Interest law requires specific sunshine procedures in order for a Wayne State University employee, or a company owned by a Wayne State employee, to contract directly or indirectly with the university:

(A) The employee must disclose any pecuniary interest in the contract to the Board and the disclosure must be made a matter of record in the Board's proceedings.

(B) The contract must be approved by a vote of not less than two-thirds of the full membership of the Board in open session.

(C) The Board's minutes must report:

(i) The name of each party involved in the contract.

(ii) The terms of the contract, including duration, financial consideration between the parties, facilities or services of the public entity included in the contract, and the nature and degree of assignment of employees of the public entity for fulfillment of the contract.

(iii) The nature of any pecuniary interest.

If the Board approves this Recommendation, the minutes will report as follows:

The Board of Governors authorized the President, or his designee, to enter into a contract with Mitovation, Inc.

(i) The parties involved in the contract are Wayne State University and Mitovation, Inc.

(ii) The contract will provide that:

(a) Scope: The contract will encompass the preclinical assessment of the efficacy of the NeuroLUX device in animal models of neonatal hypoxic brain injury. The studies include biochemical and histological analyses of brain tissue from control and treated animals.

(b) Duration: The contract will be for three years, pending successful completion of the Phase I milestones during year one of the contract. The projected term of the contract is 04/01/2018 through 03/31/2021.

(c) Financial Consideration: The amount of the three year contract to Wayne State University is $555,642 which includes indirect costs at a rate of 54%.

(d) University Facilities to be Utilized: The research will be conducted in the laboratory of Dr. Maik Huttemann, located at 3240 Scott Hall.

(e) Employees associated with the contract include Drs. Huttemann, Dr. Christian Reynolds and a Research Associate (to be recruited).

Dr. Huttemann's pecuniary interest consists of a current 50% ownership of Mitovation, Inc. Dr. Huttemann will therefore have the potential to financially benefit from the commercial success of the company. Dr. Huttemann has filed a Financial Conflict of Interest with the Office of Research Integrity.