

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

**ANDERSON ENGINEERING VENTURES INSTITUTE INVESTMENT  
IN GENESIS THERANOSTIX, INC.  
A COMPANY CO-OWNED BY A SCHOOL OF MEDICINE FACULTY**

**RECOMMENDATION:**

The Administration recommends that the Board of Governors authorize the President or his designee to contract and make a Simple Agreement for Future Equity (SAFE) investment in Genesis Theranostix, Inc., a Delaware C-Corporation company. In exchange for the investment by Wayne State University on behalf of its Anderson Engineering Ventures Institute, Genesis Theranostix, Inc. issues to Anderson Engineering Ventures Institute the right to certain shares of the Company's capital stock, subject to the terms set forth in the SAFE agreement.

**BACKGROUND:**

Adi L. Tarca, Ph.D., associate professor of Obstetrics and Gynecology in the School of Medicine, adjunct professor of Computer Sciences in the College of Engineering, and director of the Bioinformatics and Computational Biology Unit of the PRB/NICHD/NIH, in conjunction with his six fellow inventors, described early biomarkers for preeclampsia. The technology was disclosed to the University and it was described in a disclosure entitled "*Development of a multimolecular and multimodular biomarker panel for the early screening, molecular distinction and clinical follow-up of patients developing preeclampsia/HELLP syndrome and its preparation for preclinical testing*" (Wayne State File #12-1110) and for which a U.S. provisional patent application (Serial No. 61/699,193) and a PCT patent application (Serial No. PCT/US2013/045709) have been filed by Wayne State University.

Genesis Theranostix, Inc., incorporated in Delaware in 2017 and having the offices in San Diego, was founded to develop and commercialize the patented biomarker panel for the early prediction of preeclampsia. Dr. Adi L. Tarca is the cofounder of the company located at 13351 Tiverton Road, San Diego, CA 92130.

Michigan Conflict of Interest law requires specific sunshine procedures in order for a University employee, or a company owned by a University 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 an agreement with Genesis Theranostix, Inc. in exchange for future equity.

(i) The parties involved in the contract are Wayne State University through the James and Patricia Anderson Engineering Ventures Institute (henceforth Anderson Institute) and Genesis Theranostix, Inc.

(ii) The contract will provide that:

(a) In exchange for the payment by the Anderson Institute of fifty thousand US dollars (\$50,000), Genesis Theranostix, Inc. a Delaware corporation issues to Anderson Engineering Ventures Institute the right to certain shares of the Company's capital stock, subject to the terms set forth in the contract. The scope of the investment is to support biomarker validation for preeclampsia by Genesis Theranostix, Inc.

(b) Duration: The contract will be for an undefined duration with an effective start date when all the items required by Anderson Engineering Ventures Institute for investment have been completed by Genesis Theranostix, Inc.

(c) Financial Consideration: The amount of the investment is \$50,000.

(d) University Facilities to be Utilized: No University facilities will be utilized.

(e) Employees Assigned to the Services: No employees will be assigned to services.

(iii) Dr. Adi L. Tarca's pecuniary interest consists of a current 1% ownership of Genesis Theranostix, Inc., with co-inventors and colleagues holding the remaining 99% equity. Dr. Adi L. Tarca will therefore have the potential to financially benefit from the commercial success of the company. Dr. Adi L. Tarca has filed a Financial Conflict of Interest with the Office of Research Integrity.