

July 10, 2019

**ITEM 184-1003-R0719**

**Approval of University System/Employee Equity Interest and/or Business Participation Under MUSP 407; The University of Montana**

---

**THAT**

The Board of Regents of Higher Education approves UM-Missoula employees Van Cybulski , Cassandra L. Buhl, Margaret Whitacre, Robert Child, Craig Johnson, George B. Ettenger, Laura Bess, Mark Livesay, Juhienah Khalaf, Lois Walsh, Roman Schoener, Shannon Miller and future non-management employees for having an equity interest in and to serve as non-management employees of Inimmune, Inc., a Delaware corporation, with offices located in Missoula, MT.

---

**EXPLANATION**

On May 20, 2016, the Board of Regents approved Agenda Item #171-1009-R0516 approving UM employees Jay Evans, David Burkhart, Helene-Bazin Lee and Kendal Ryter for having an equity interest in and to serve as officers, employees, and members of a governing board of Inimmune, Inc.. The Board of Regents further authorized the University of Montana to enter into licensing agreement and contractual arrangements with Inimmune, Inc. for use of University facilities, if needed. Inimmune is focused on the development of new immunomodulatory therapeutics for the treatment or prevention of allergy, autoimmunity, infectious disease and cancer.

The employees identified on Exhibit 1 seek approval to hold a significant financial interest (stock options) in and to serve as non-management employees of Inimmune, Inc. These employees are not current shareholders of Inimmune, nor do any serve as officers or on the board of directors. The employees listed on Exhibit 1 will work in accordance with conflict management plans developed by UM (see sample attached as Exhibit 2). Under BOR Policy 407 and MCA 20-25-109, university employees must have board approval to serve as officers, employees, or members of a governing board of a business entity, or to hold an equity interest in a business entity which has an agreement with, or shares ownership of intellectual property with, the university, relating to the development, licensing or commercial exploitation of that intellectual property.

Inimmune, Inc. has successfully partnered with the University of Montana on NIH grants and contracts while acting as the commercial partner of the University. This public/private partnership secured over \$20 M in new federal research grants and contracts in 2018 and is on track for another \$15 M in new funding for 2019. The University of Montana anticipates that Inimmune will continue to add non-management employees that will have split appointments between the University of Montana and Inimmune and will adjust the split appointments as needed to meet the needs of ongoing grants and contracts in partnership with the University of Montana. The employees on Exhibit 1 will vary their individual FTE time between the two entities, depending on whether the grant or contract activity is in the discovery phase or the development phase. If the discovery phase is fruitful, the University of Montana will own all intellectual property arising from the discovery work performed at UM.

Under a research collaboration agreement, Inimmune will have the first option to license the intellectual property. Once licensed, the development phase will shift primarily to Inimmune's development efforts. Inimmune, Inc. anticipates hiring an additional 5-10 non-management employees before the end of 2019 through new hires or the transition of current university employees to Inimmune. Additional non-

management employees may be added in 2020. Like the employees noted above and listed on Exhibit 1, these new employees may have split appointments between the University of Montana and Inimmune, Inc. and will be managed to devote time and effort to the University of Montana when grants and contracts are in the discovery phase, and shift time and effort to Inimmune when the grant or contract enters the development phase. The University of Montana requests that rather than submitting a BOR Agenda Item every time a new employee is hired that will have a split appointment between the University of Montana and Inimmune, Inc, that the University of Montana will maintain and annually update the list of employees that are simultaneously employed by the University of Montana and Inimmune, Inc. and approved by the Vice President for Research and Creative Scholarship. The time and effort on the grants or contracts will be managed by the Principal Investigators serving on the funded grants and contracts, with oversight from the Office of Research and Sponsored Programs.

UM benefits from this approval. By allowing this University-private sector relationship, intellectual property developed at The University of Montana can be used to grow a Montana-based company, will set an example for other entrepreneurs from the University looking for opportunities for commercialization of their innovations and creations, and will generate goodwill for University employees and the private sector. In addition, the public/private partnership between Inimmune and the university expands the educational opportunities for students through an active undergraduate internship program, graduate studies and postdoctoral fellowships spanning multiple colleges and departments across the university campus.

---

## **ATTACHMENTS**

Attachment #1: Exhibit 1 – UM Employees Seeking Approval of Employee Equity Interest

Attachment #2: Exhibit 2 – Sample COI Management Plan for UM Employees/Non-Management Inimmune Employees

Attachment #3: 407 Submission Form