

**MICHIGAN STATE
UNIVERSITY**

October 16, 2012

MEMORANDUM

To: Trustee Policy Committee
From: Kim A. Wilcox, Provost *KAW*
Re: Approval of Contract Terms: *Piezonix, LLC*

Recommendation:

BE IT RESOLVED that the Trustee Policy Committee recommends to the Board of Trustees that it approve the execution of an option agreement with *Piezonix, LLC*, consistent with earlier public notice given at a Board meeting and with the "Option Agreement Term Sheet" now presented to the Board for inclusion in its minutes.

Background:

In compliance with State law, public notice of the University's intent to negotiate contracts with *Piezonix, LLC*, a Maryland limited liability company based in Michigan, was given at the Board of Trustees' meeting on September 7, 2012. The terms of an option agreement are now being presented for approval.

Dr. Shantanu Chakrabarty, an Associate Professor in the Department of Electrical and Computer Engineering, and his family own or have options to buy an ownership interest of more than 1% of the company. Dr. Chakrabarty is also a member of *Piezonix, LLC*.

The attached "Option Agreement Term Sheet" summarizes the agreement that MSU has negotiated with *Piezonix, LLC*.

Cc: Trustee Finance Committee
President Lou Anna K. Simon
Vice President Fred Poston
Vice President J. Ian Gray
Vice President Robert A. Noto
Secretary Bill Beekman
Dr. Terry May
Deputy General Counsel Kristine Zayko
Assistant General Counsel Lee Bollinger



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OPTION AGREEMENT TERM SHEET

Party: Piezonix, LLC
License: Option on patent rights
Term: Two years from the effective date of the agreement
Technology: MSU Invention Disclosure Nos.:

MSU invention disclosure TEC2012-0029 entitled "Self-Powered Strain-Gauge based on Ultra-Linear Hot-Electron Injection on a Piezo-Floating-Gate Sensor";
MSU invention disclosure TEC2009-0014 entitled "Self-Powered Strain-Rate Monitors Using Piezo-Floating-Gate Injectors"; and
MSU invention disclosure TEC2006-0098 entitled "Method and Apparatus for Autonomous Self-Powered Integrated Piezo-Floating Gate Sensors".

U.S. Patents:

Provisional Patent Serial No. 61/602,247 filed Feb. 23, 2012 "Self-Powered Strain Gauge"; US 7,757,565 "Self-Powered Sensor" and US 8,056,420 "Self-Powered Sensor".

The parties may add or remove technologies under the agreement, including improvements, provided that the change does not affect the financial consideration of the parties or the nature or extent of any pecuniary interest of MSU personnel.

Technology's Potential Commercial Utilization:

Embedded strain monitoring.

Payment Terms:

\$2,000 option fee.

Services Provided:

By MSU to Piezonix, LLC: None.

By Piezonix, LLC to MSU: None.

Organization Type:

Maryland limited liability company based in Michigan.

Personnel interest:

Dr. Shantanu Chakrabarty, an Associate Professor in the Department of Electrical and Computer Engineering, and his family own or have options to buy an equity interest of more than 1% of the company. Dr. Chakrabarty is also a member in Piezonix, LLC.