September 23-25, 2009

ITEM 144-2005-R0909

Authorize Request For Employee Participation In Company Under Regents Policy 407-Inskeep, Macur, Kozubal; Montana State University-Bozeman

THAT:

The Board of Regents of Higher Education approves MSU-Bozeman employees William Inskeep, Richard Macur, and Mark Kozubal's ownership of an equity interest, board of director position, and employment in Yellowstone Biotech LLC, a Bozeman, Montana company, in accordance with board policy, state law, and in accordance with a license agreement with MSU.

EXPLANATION

William Inskeep, Ph.D., is a Professor at MSU and Richard Macur, Ph.D. is an Assistant Research Professor at MSU, both in the Land Resources and Environmental Sciences Department. Mark Kozubal is a graduate student and potential part-time employee of MSU-Bozeman—it is expected he will be hired as a research employee, dependent upon grant funding. Inskeep, Macur, and Kozubal developed technology which Yellowstone Biotech, LLC is seeking to license from MSU for the purpose of commercializing the technology. Inskeep and Macur seek approval of their equity ownership in, and board membership position with Yellowstone Biotech, LLC. Mark Kozubal seeks approval of his employment, equity ownership in, and board membership position with Yellowstone Biotech, LLC. The intellectual property will be utilized in accordance with the license agreement to be negotiated with MSU. MSU will draft conflicts management plans to govern any potential for conflict resulting from their participation in the new company. Under Policy 407 and MCA 20-25-109, university employees must have board approval to serve as officers. employees, or members of a governing board, or to hold equity in a company 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.

MSU benefits from this approval. MSU-developed technology will be licensed with the intention of commercialization, providing the potential for resulting royalties; useful technology will be transferred to a Montana-based business which uses fungus to produce biofuels from waste straw; a new Montana-based business will have the use of new technology which may result in the company's growth; and the local economy may benefit, including jobs for Montana graduates and students.

ATTACHMENT: 407 Submission Form