

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
EDUCATIONAL POLICY COMMITTEE
June 1, 2002**

EDUCATIONAL POLICY COMMITTEE

Saturday, June 1, 2002

9:45 - 11:00 a.m.

Board Room, The Rotunda

AGENDA

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* For consideration in Executive Session	

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 1, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: I.A. Conflict of Interest Exemption
(Adenosine Therapeutics, LLC)

BACKGROUND: The University of Virginia is negotiating sponsored research contracts with Adenosine Therapeutics, LLC, a Virginia biotechnology company created in 1998 to pursue the use of various compounds to either activate or inhibit specific adenosine receptors found on various tissues. The biotech company has received awards from the National Institutes of Health to fund this research, and some research is currently in progress at the University of Virginia as a result of research contracts in the School of Medicine. The Board of Visitors gave their approval for the previous conflicts on October 16, 1999. Adenosine Therapeutics, LLC, is based on technology licensed to it by the University of Virginia Patent Foundation, which has a 5 percent equity interest in the company.

Six University faculty members own three percent or less of the equity in the company. Five faculty members own in excess of three percent. Under the Virginia Conflict of Interests Act, the University's contracting with Adenosine Therapeutics, LLC, would place its faculty who own in excess of 3 percent in violation of the Act, unless the Board of Visitors approves the conflict created by their equity interest. State law grants such approval authority to the Board in the case of sponsored research, in order to allow research furthering the public interest.

DISCUSSION: The research contracts would help fund research into synthetic compounds. It is believed that these compounds have great potential as agents to better detect coronary artery disease and to reduce the damaging effects of post-trauma tissue inflammation.

Virginia law and University of Virginia policy will require Dr. George A. Beller, Dr. Irving L. Kron, Mr. Joel M. Linden, Mr. Timothy L. MacDonald, and Ms. Gail W. Sullivan to file annual disclosure statements of economic interests in the company.

None of the faculty is involved in the University's negotiation, approval, or procurement of contract terms with Adenosine Therapeutics, LLC.

ACTION REQUIRED: Approval by the Educational Policy Committee and by the Board of Visitors

CONFLICT OF INTEREST EXEMPTION (ADENOSINE THERAPEUTICS, LLC)

WHEREAS, the University of Virginia wishes to enter into sponsored research contracts with Adenosine Therapeutics, LLC, a Virginia Corporation, for developing therapeutic agents; and

WHEREAS, George A. Beller, M.D., Irving L. Kron, M.D., Joel M. Linden, Ph.D., Timothy L. MacDonald, Ph.D., and Gail W. Sullivan, Ph.D., have disclosed in advance their equity interests of 4 percent, 6 percent, 25 percent, 8 percent and 4 percent, respectively, in Adenosine Therapeutics, LLC, and the University's entry into a research agreement with Adenosine Therapeutics, LLC, would thereby expose them to violation of the Conflict of Interests Act unless approved by the Board as permitted by §2.1-639.6(C)(7) of the *Code of Virginia*;

RESOLVED that waiver of conflict of interest of Dr. Beller, Dr. Kron, Mr. Linden, Mr. MacDonald, and Ms. Sullivan is approved by the Board of Visitors in order to permit the University to negotiate and enter into proposed contracts for developing therapeutic agents. This approval is granted provided, as required by the law, the faculty file the required annual disclosure statement of personal interests in Adenosine Therapeutics, LLC, the University files the required annual report concerning the contract with the Secretary of the Commonwealth, and the appropriate department chairs and deans vigilantly oversee application of University resources in the best interests of the University and in accordance with policy.

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve a conflict of interest exemption for Adenosine Therapeutics, LLC.

DESCRIPTION: The University of Virginia is negotiating sponsored research contracts with Adenosine Therapeutics, LLC, a Virginia biotechnology start-up company created in 1998. The founding members of Adenosine Therapeutics, LLC, include eleven University of Virginia faculty members. Five faculty members each own more than three percent of the equity in the company. In October 1999 the Board agreed to grant an initial conflict of interest exemption to allow the School of Medicine to enter into a contract with the company. The current conflict of interest exemption under consideration is for additional research contracts. As described in the proposed resolution, the University has put in place several safeguards to ensure that this contract, like the others before it, can be managed appropriately. Under the Virginia Conflict of Interests Act, the University may enter into a research contract with Adenosine Therapeutics, LLC, without placing these faculty members in violation of the Act, if the Board of Visitors approves the conflict created by their ownership in excess of three percent.

FISCAL IMPACT: The University has the potential to realize income from successful commercialization of this technology through its five percent equity ownership. Major breakthroughs could result in significant revenue gain for the University; however, a future value of these earnings is difficult to forecast and may, in fact, be nonexistent.

CONCLUSION: It is recommended that the Board of Visitors waive the conflict of interests of five faculty members with ownership interests in excess of three percent in Adenosine Therapeutics, LLC.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
June 1, 2002

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 1, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: I.B. Election of Miller Center Council
Members

BACKGROUND: By a recent majority vote, the Council of the White Burkett Miller Center of Public Affairs approved the nominations of Messrs. Michael R. Beschloss, Mortimer M. Caplin, John William Galbraith, and Ms. Glynn D. Key as Council members, and recommends to the Board of Visitors that Messrs. Beschloss, Caplin, Galbraith, and Ms. Key be elected to membership on the Council, each for a term of three years.

DISCUSSION: Mr. Michael R. Beschloss is an award-winning historian specializing in the U.S. Presidency and American Politics. His two books on Lyndon Johnson, *Reaching for Glory* and *Taking Charge*, helped pioneer the use of secret White House tapes in explaining the presidency. Mr. Beschloss is a regular contributor to *The NewsHour with Jim Lehrer*. He serves as a board member of both *Foreign Affairs* and the Woodrow Wilson International Center for Scholars Cold War History Project. He has held appointments in history at Oxford University, the Smithsonian Institution, and the Harvard University Russian Research Center. He has also served as Director of the Harry S. Truman Centennial Commission and the PEN/Faulkner Foundation. An alumnus of Williams College and Harvard University, Mr. Beschloss appeared as CNN analyst during the American-Russian summits, the August 1991 failed Soviet coup, and the Clinton inauguration.

Mr. Mortimer M. Caplin is a 1940 graduate of the University of Virginia School of Law who began his legal career in New York just as the United States became involved in World War II. Mr. Caplin's Navy battalion was part of the initial landing force on Omaha Beach during the Normandy invasion. After the war, Mr. Caplin practiced law by day and attended New York University at night, earning his doctorate from NYU. In 1961, President Kennedy appointed him Commissioner of the Internal Revenue Service.

Mr. Caplin resigned from the IRS in 1964 and founded Caplin & Drysdale, the Washington-based firm where he is still a senior partner and practices as a tax authority. He was a visiting professor of tax law at the University of Virginia for twenty-two years, retiring as professor emeritus in 1987. Mr. Caplin has served as trustee of many educational and charitable organizations: University of Virginia Board of Visitors; University of Virginia Law School Foundation; Honorary Trustee, George Washington University; Board of Overseers, University of the Virgin Islands; Peace Through Law Education Fund; Wolf Trap Foundation for the Performing Arts; and Arena Stage. Most recently, he was awarded the Thomas Jefferson Foundation Medal in Law, one of the University of Virginia's highest honors.

Mr. John William Galbraith graduated from the University of Missouri with a Bachelor of Science in Banking and Finance in 1941. He enlisted in the Navy in 1942, after the bombing of Pearl Harbor, transporting supplies and troops in the Pacific and piloting C-47's and DC-3's. In 1946 he joined the public accounting firm of Arthur Young & Company. After two years he interrupted this career to return to flying, first as a pilot for Mid-Continent Airlines, then for Braniff Airways. In 1974 Mr. Galbraith became President of Securities Fund Investors, Inc., (SFI), the distribution company for Templeton Growth Fund. In 1977 he acquired SFI from Sir John Templeton and began building the broker/dealer network that distributes Templeton funds throughout the United States. In 1986 Mr. Galbraith merged his own company with Templeton's. Mr. Galbraith retired when Templeton merged with Franklin Resources Inc. of California in 1992. Mr. Galbraith has been a councilman for the Borough of Saddle River, New Jersey, a trustee of Eckerd College in St. Petersburg, Governor of the Investment Company Institute, and Director Emeritus of both Gulf West Banks, Inc., and the Florida International Museum which he helped found. He has been called a pioneer in his field - credited with the foresight and vision to see that the ownership of common stock could provide a chance at personal wealth for many, and that most would need professional help to make wise financial choices.

Ms. Glynn D. Key is a partner in the law firm of Wilmer, Cutler & Pickering in Washington, D.C. A double graduate of the University of Virginia (B.A. 1986; J.D. 1989), she is a former Echols Scholar, Jefferson Scholar, Chairman of the Honor Committee, and served as the Student Member of the Board of Visitors in 1988-89.

Ms. Key is the outgoing President of the Board of Managers of the University's Alumni Association. She serves on the Board of Directors of the Southern Environmental Law Center, and the Board of Directors of the Washington Technology Council. Ms. Key has a broad corporate practice which includes mergers and acquisitions, joint ventures, strategic alliances, corporate governance, public and private financings, and government relations. She has been instrumental in the firm's representation of several major clients in various corporate matters, including The Walt Disney Company and the Educational Testing Service. From 1993-1996, Ms. Key served as Special Assistant and Counselor to Secretary Bruce Babbitt and as the Associate Solicitor of the U.S. Department of the Interior. In these capacities she established a record for innovative problem solving, notably as the lead negotiator of the historical \$700 million Everglades environmental settlement among the agricultural industry, environmentalists, and the federal and state governments in South Florida.

ACTION REQUIRED: Approval by the Educational Policy Committee and the Board of Visitors

APPROVAL OF MILLER CENTER COUNCIL MEMBERS

RESOLVED that Mr. Michael R. Beschloss, Mr. Mortimer M. Caplin, Mr. John William Galbraith, and Ms. Glynn D. Key be elected to the Council of the White Burkett Miller Center of Public Affairs, each for a term of three years.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

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COMMITTEE: Educational Policy

AGENDA ITEM: II.A. Vice President's Remarks

DISCUSSION: The Vice President and Provost will use this portion of the Educational Policy Committee meeting to inform the Committee of recent events of which the Board should be made aware.

ACTION REQUIRED: None

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 1, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: II.B. School of Architecture

DISCUSSION: The Vice President and Provost will introduce the Dean of the School of Architecture, Ms. Karen Van Lengen, who will give a report to the Board on the School's activities and accomplishments.

ACTION REQUIRED: None

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 1, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: II.C. Research

DISCUSSION: The Vice President and Provost will introduce the Interim Vice President for Research and Graduate Studies, Dr. R. Ariel Gomez, who will give a report to the Board on the University's research activities.

ACTION REQUIRED: None

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 1, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: II.D. Faculty Senate

DISCUSSION: The Vice President and Provost will introduce the Chair of the Faculty Senate, Mr. Robert M. Grainger, Professor of Biology, who will give a report to the Board on the Senate's accomplishments during the past academic year and its plans for the coming year.

ACTION REQUIRED: None