

February 28, 2003

The Honorable Thomas V. Mike Miller, Jr.
Co-Chair, Legislative Policy Committee
State House
Annapolis, MD 21401-1991

The Honorable Michael E. Busch
Co-Chair, Legislative Policy Committee
State House
Annapolis, MD 21401-1991

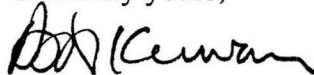
Dear Chairmen:

In accordance with State Government Article Sections 15-523c and 15-610(g) and (h) concerning the quarterly and annual reporting requirements, I am providing you our quarterly report. During the quarter ending December 31, 2002, exemptions were reported for the following USM institutions (supporting documentation enclosed):

University of Maryland, Baltimore
University of Maryland, College Park

These exceptions are in accord with the Board of Regents' Policy on Conflicts of Interest in Research or Development and procedures developed in accordance with the provisions of the Public/Private Partnership Act.

Sincerely yours,



William E. Kirwan
Chancellor

Enclosures

cc: The Honorable Robert L. Ehrlich, Jr.
Members of the Legislative Policy Committee
Members of the State Ethics Commission
Mr. John K. Anderson



UNIVERSITY OF MARYLAND

OFFICE OF RESEARCH ADMINISTRATION AND ADVANCEMENT

Lee Building
College Park, Maryland 20742-5141
301.405.6269 TEL 301.314.9569 FAX
www.inform.umd.edu/ORAA

RECEIVED

JAN 13 2003

OFFICE OF THE CHANCELLOR
UNIVERSITY SYSTEM OF MARYLAND

January 10, 2003

Katie Ryan
Office of the Chancellor
3300 Metzerot Road
Adelphi, MD 20783

Subject: Quarterly Report of Exemptions Granted Pursuant to
The Public-Private Partnership Act

Dear Ms. Ryan,:

A copy is enclosed of the exemption that was granted to a University of Maryland, College Park faculty member during the period October 1, 2002 through December 31, 2002, pursuant to the Public-Private Partnership Act. Please call me at 301-405-6278 if you have any questions or would like any additional information.

Sincerely,

George Turnbull
Compliance Administrator

cc: E. Kropp
T. Roach

Enclosures



UNIVERSITY OF MARYLAND

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MEMORANDUM

JAN 10 2003

TO: William E. Kirwan, Ph.D.
Chancellor

FROM: David J. Ramsay, D.M., D.Phil.
President, University of Maryland, Baltimore

DATE: January 8, 2003

RE: Second Quarter Report on Exemptions Granted Pursuant
To the Public-Private Partnership Act

OFFICE OF THE CHANCELLOR
UNIVERSITY SYSTEM OF MARYLAND

A handwritten signature in black ink, appearing to be "D. Ramsay", with a checkmark to the right.

There was one exemption granted to UMB personnel between October 1, 2002 and December 31, 2002, pursuant to the Public-Private Partnership Act.

EMPLOYEE	INTEREST	ENTITY	DATE OF EXEMPTION
Robert Schwarcz, Ph.D.	Equity Royalties License Agreement	Artemis Neuroscience	December 19, 2002

If any further information is required, please do not hesitate to contact Mr. Joe Giffels in the Office of the Vice President of Academic Affairs at (410) 706-1853.

PC: Dr. Renty Franklin
Mr. Joe Giffels
Dr. Malinda Orlin
State Ethics Commission

8/6/97

CONFIDENTIAL

EXEMPTION REQUEST FORM
DISCLOSING CONFLICT OF INTEREST
RELATED TO RESEARCH OR DEVELOPMENT

PART TWO:

DISCLOSURE AND EXEMPTION REQUEST

Print or type all information.

Section One. Directory Information. Supply the requested information about yourself, as the employee requesting the exemption, and about the entity with which your relationship is proposed:

A. About You

Name: Robert Schwarcz

University Title: Professor

Division/Department or Administrative Unit:
MPRC/Psychiatry

FTE: 1.0 Annual Salary: \$171,469

University Business Address: MPRC, Maple and Locust
Streets Baltimore, MD 21228

Phone Number: 410-402-7635

Facsimile: 410-747-2434

E-mail Address: rschwarc@mprc.umaryland.edu

A Contact Person: Give the name and title of an officer or other person at the entity or its parent who is informed about the proposed relationship:

Shawn K. Singh, J.D., President

Give the person's business address: Artemis Neuroscience, Inc., c/o Cato Research, 601 Gateway Blvd., Suite 1010, South San Francisco, CA 94080

Telephone Number: (650) 588-8256

Facsimile Number: (650) 871-0150

E-Mail Address: SSingh@cato.com

D. Additional Information

Is the entity an ongoing business concern? yes ___ no

If the entity is to be established, (a) when do you think it will be created? _____ (give month and year)

(b) What state will it be organized in?

Section Two. Your Conflict of Interest Concerns.

Supply information about the potential or actual conflict of interest and your proposal to mitigate it.

- A. Description of Conflict of Interest. Describe in your own words the potential or actual conflict of interest which you or others have identified which led you to file this exemption request. Use the space provided, or attach a statement. You may attach supporting documents as helpful.

A mechanism for independent scientific review of the related NIH research I conduct may be useful in preventing any unintentional bias on my part.

In addition, of course, I would follow whatever full disclosure procedures are required in cases such as this, and would meet regularly with my department chair to review the full range of my academic activities with respect to this conflict of interest.

Have you discussed these suggestions with the entity (y/n)? **Yes**

Is the entity prepared to pay the costs associated with implementing these suggestions (y/n)? **No costs anticipated**

Section Three. Research and Development Activities.

Explain how, in your view, the exemption will advance the research and development goals of the Public-Private Partnership Act. What are the research and development activities of the entity? In providing this information, remember that the UM Procedures Implementing Board of Regents Policy on Conflicts of Interest in Research or Development define "research" and "development" as basic or applied research or development, including (A) the development or marketing of university-owned technology or intellectual property; (B) the acquisition of services of an official or employee by an entity for research and development purposes; or (c) participation in State economic development programs. Research does not have to be sponsored research in order for relationships with entities to be eligible for Public-Private Partnership Act exemptions.

The exemption will enable the development and marketing of University-owned technology by Artemis while allowing me to continue related research at the University.

involving the lead compounds to be developed by the Company.

C. Entity Interest in Outcome. If, to your knowledge, the entity is interested in the outcome of your research or academic work, but is not a sponsor of your work, explain why the entity has such interest, in your opinion.

D. Gifts or Grants. If the entity has made gifts or grants to UM or the University of Maryland Foundation (UM Fund) in support of your work at UM, give information about the dates and amounts of the gifts or grants, including whether or not the funds were used for any purpose related to your proposed relationship with the entity.

None anticipated at this time

Section Five. Ownership Information. If you are requesting an exemption permitting you to have an ownership interest in an entity, provide the requested information, and attach a copy of any written proposal or offer covering the ownership interest.

A. What "units" you will or may own. (E.g., stock, warrants, limited partnership interest, LLC interest.)

I will own 10% of the company through an agreement between the company and the University

B. Ownership.

Individual X Joint _____

If joint, name of co-owner:

C. Value of your Ownership Interest. Current estimated dollar value 1.5 million shares of stock, currently

(including both traditional compensated employment and other relationships e.g., consulting, office or executive responsibility in the entity's operations, board membership, royalties, etc.), attach a copy of any written proposal or offer covering the employment relationship and provide the requested information:

A. What position will you hold? What duties will you have on behalf of the entity? Be as specific as possible. In particular, if you will be conducting any research or scientific work for the entity, address what you will be doing, where you will do it, and the relationship, if any, to your work at UM.

None

Title:

Responsibilities:

B. How much time per biweekly period _____, month _____, year _____ will you be providing to the entity?

C. What compensation, if any, do you expect from the entity?

D. Will you use annual and other paid leave time for the work for the entity? (Y/N) **No**. If no, please explain

E. Are you requesting a leave of absence or change in level of FTE at UM in order to make your time available to the entity? (Y/N) If available, attach a copy of the request you have made and the approval.

dependent child, or other dependent, or relationships between the entity and other organizations with which you or your spouse or dependent child have ownership or employment relationships. In describing ownership interests, give details, including percentage interest and value. In describing employment, give levels of effort and salary.

C. Statement of Division Head or Director

I have reviewed this exemption request and I support it, subject to the conditions, if any, set out here:

Signature of Division Head/Director

Date

D. Statement of Chairperson or Assistant/Associate Vice

President

I have reviewed this exemption request and I support it, subject to the conditions, if any, set out here:

NONE