

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
January 25, 2007**

SUBJECT: Approval of creation of a subsidiary of the H. Lee Moffitt Cancer Center and Research Institute

PROPOSED BOARD ACTION

Approve the creation of a subsidiary ("Moffitt Genetics Corporation") of the H. Lee Moffitt Cancer Center and Research Institute (Cancer Center).

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Section 1004.43(1), Florida Statutes.

BACKGROUND INFORMATION

Section 1004.43(1), Florida Statutes, provides that the Cancer Center may, with the prior approval of the Board of Governors, create either for-profit or not-for-profit subsidiaries to fulfill its mission of research, education, treatment, prevention and the early detection of cancer. To fulfill its mission, the Cancer Center is requesting approval from the Board of Governors to create a for-profit subsidiary, as described in the attached Articles of Incorporation, to support the Cancer Center in the development of a delivery system for personalized cancer care. Through the for-profit subsidiary, the Cancer Center will be able to engage in activities that are not recognized by the IRS as charitable or exempt but which nonetheless fulfill the mission and goals of the Cancer Center. Specifically, the creation of the subsidiary will permit the Cancer Center to more easily partner with for-profit entities in collaborative research that may lead to the development of new forms of cancer treatment.

The new subsidiary corporation will be wholly owned by the Cancer Center. The Cancer Center will appoint the board of directors that will manage the affairs of the subsidiary and oversee the operations of the subsidiary, ensuring that the subsidiary contributes to the Cancer Center's mission. The Cancer Center must also approve any changes to the Articles of Incorporation and must approve the Bylaws of the subsidiary. Audited financial statements of the subsidiary will be prepared annually and submitted to the Auditor General and the Board of Governors. The Board of Governors, the Auditor General and the Office of Program

Policy Analysis and Government Accountability shall have the authority to request and receive supplemental information relative to the operation of the subsidiary.

Supporting Documentation Included: Articles of Incorporation of the Moffitt Genetics Corporation

Facilitators/Presenters: William S. Dalton, Ph.D., M.D., Center Director and CEO
L. David de la Parte, General Counsel for H. Lee Moffitt Cancer Center