

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

June 28, 2024

SUBJECT: Approval of creation of subsidiaries of the H. Lee Moffitt Cancer Center and Research Institute, Inc.

PROPOSED BOARD ACTION

Approve creation of two new subsidiaries of the H. Lee Moffitt Cancer Center and Research Institute, Inc. (“Cancer Center”) to be utilized to expand access to immunotherapy cancer treatments

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution, Section 1004.43(1), Florida Statutes

BACKGROUND INFORMATION

Section 1004.43(1), Florida Statutes, provides that the Cancer Center may, with the prior authorization of the Board of Governors, create for-profit or not-for-profit subsidiaries to fulfill its mission of research, education, treatment, prevention, and the early detection of cancer. In furtherance of this statutory mission, in 2005 the State Board of Education approved and the Cancer Center established Moffitt Technologies Corporation as a wholly owned for-profit subsidiary of the Cancer Center to “manage, further develop and commercialize intellectual property and other inventions discovered at the Cancer Center.”¹ Moffitt now requests authority to form two additional subsidiaries under Moffitt Technologies Corporation to further pursue this mission.

To fulfill its mission, the Cancer Center is requesting approval by the Board of Governors to create two new wholly owned for-profit companies for the purpose of developing and commercializing Cancer Center intellectual property and know-how to expand patient access to new immunotherapy cancer treatments through training, education, and other support services to assist other health care providers to establish state-of-the art immunotherapy cancer treatment centers. The proposed new companies, ACT Partners I LLC and ACT Partners II LLC, each of which would be a wholly owned subsidiary of Moffitt Technologies Corporation, will establish platforms that will provide training, education, and other support services to healthcare providers that want to provide new immunotherapy cancer treatments, but do not have the institutional capacity to effectively provide these new cancer treatments. Through their services, the new subsidiaries will facilitate broader patient access to new, innovative, and highly complex immunotherapy cancer treatments.

¹ Resolution of the State Board of Education approving the creation of a subsidiary of the H. Lee Moffitt Cancer Center and Research Institute, Inc., March 15, 2005

Through these subsidiaries the Cancer Center will be able to engage in activities that are not recognized by the Internal Revenue Service as charitable or tax exempt, but which nonetheless fulfill the statutory mission and goals of the Cancer Center. More specifically, the creation of these for-profit subsidiaries will permit the Cancer Center to more efficiently manage, further develop, and commercialize intellectual property and other inventions discovered at the Cancer Center, as well as seek investments and partner with both non-profit and for-profit entities in collaborative initiatives to facilitate broader patient access to new immunotherapy cancer treatments.

As with its other wholly owned subsidiaries, the Cancer Center will initially appoint the directors (or their equivalents) to the governing bodies of each subsidiary, which will manage the affairs of the subsidiaries and oversee the operations of the subsidiaries, ensuring that the subsidiaries contribute to the Cancer Center's mission. The Cancer Center will also control and approve any changes to the governing documents of the subsidiaries.

Audited financial statements of the subsidiaries will be prepared annually, with the Cancer Center audited financial statements, 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 have the authority to request and receive supplemental information relative to the operations of the subsidiaries.

Supporting Documentation Included: Proposed Corporate Structure

Facilitators/Presenters:

Chip Fletcher, Deputy General Counsel for H. Lee Moffitt Cancer Center and Research Institute, Inc. and Xavier Avat, Chief Business Officer for H. Lee Moffitt Cancer Center and Research Institute, Inc.