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University of South Carolina

BOARD OF TRUSTEES

December 22, 2010

The University of South Carolina Board of Trustees met on Wednesday, December 22, 2010, at 10:30 a.m. in Room 206B of the Osborne Administration Building.

Members present were: Mr. Miles Loadholt, Board Chairman; Mr. Eugene P. Warr, Jr., Board Vice Chairman; Mr. Herbert C. Adams; Mr. Chuck Allen; Mr. W. Lee Bussell, Sr.; Mr. Mark W. Buyck, Jr.; Dr. C. Edward Floyd; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Ms. Leah B. Moody; Ms. Darla D. Moore; Dr. James H. Rex; Dr. C. Dorn Smith, III; Mr. John C. von Lehe, Jr.; and Mr. Mack I. Whittle, Jr.

Members absent were: Mr. J. Egerton Burroughs; Mr. Greg Gregory; Mr. Thad H. Westbrook; and Mr. Charles H. Williams.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Finance and Planning William T. Moore; Vice President for Research and Graduate Education Stephen Kresovich; Vice President for Communications Luanne M. Lawrence; General Counsel Walter (Terry) H. Parham; Associate Vice President for Resource Planning Edward L. Walton; Director of Intellectual Property Management, Division of Research and Graduate Education, Chad Hardaway; Special Assistant to the President J. Cantey Heath; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Director of the Office of Media Relations Margaret Lamb; Clay M. Grayson, Haynsworth Sinkler Boyd, P.A.; and Board staff members Terri Saxon and Vera Stone.

Chairman Loadholt called the meeting to order and stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated to the members; and a quorum was present to conduct business.

Chairman Loadholt asked Secretary Stepp to call the roll because of telephone participation. Mrs. Lamb stated that no members of the press were present.

Chairman Loadholt stated that there was a contractual matter which was appropriate for discussion in Executive Session.

Chairman Loadholt called for a motion to enter Executive Session. Mr. Jones so moved and Dr. Smith seconded the motion. The vote was taken and the motion carried.

Chairman Loadholt invited the following persons to remain: President Pastides, Secretary Stepp, Dr. Moore, Mr. Parham, Mr. Walton, Ms. Brunelli, Mr. Heath, Mr. Gregory, Ms. Mills, Mrs. Martin, and Ms. Lamb.

[Return to Open Session](#)

- Sale of Intellectual Property: Chairman Loadholt asked Mr. Parham to state the motion.

To authorize the University of South Carolina to sell, assign and transfer those certain patents, copyrights, and intellectual property listed on Schedules A and B and to license certain know-how related to the foregoing patents, copyrights, and intellectual property to Halliburton Energy Services, Inc. for the sum of \$2,110,000, subject to the following terms and conditions:

1. Payment by Halliburton to the South Carolina Research Foundation of the sum of \$640,000 representing payment of outstanding fees and costs owed by Ometric Corporation to the South Carolina Research Foundation.

2. Termination of those certain License Agreements by and between the South Carolina Research Foundation and Ometric Corporation dated September 30, 2004, as amended October 5, 2005, and that certain Facility Access Agreement dated February 2, 2005.

3. The receipt by the University of South Carolina from Halliburton of a royalty free, non-exclusive, world-wide right and license to utilize and license those certain patents, copyrights, and intellectual property listed on Schedules A, B and C for educational, research and academic purposes;

4. The receipt by the University of South Carolina from Halliburton of a royalty-free, exclusive, worldwide license to utilize and license those certain patents, copyrights, and intellectual property listed on Schedules A, B and C for use in the non-energy industry.

5. The University obtaining written confirmation from the inventors of the University patents and copyrights being sold, assigned and transferred to Halliburton that their interests have been adequately accounted for.

6. The University obtaining written consent from East Carolina University to the proposed transaction.

7. The University obtaining written consent from the Air Force, Navy, Army, and the National Science Foundation to the proposed transaction.

Further, the University is authorized to execute appropriate agreements with Ometric and Halliburton to effectuate the above terms.

Chairman Loadholt called for a motion to authorize the sale of intellectual property as stated in the motion read by Mr. Parham. Mr. Whittle so moved and Ms. Moody seconded the motion.

The roll call vote was taken. Mr. Adams, Mr. Allen, Mr. Buyck, Dr. Floyd, Mr. Jones, Mr. Lister, Ms. Moody, Dr. Smith, and Mr. Warr voted in favor of the motion. Mr. Bussell recused himself. Chairman Loadholt, Ms. Moore, Dr. Rex, and Mr. Whittle abstained from voting.

Mr. Hubbard and Mr. von Lehe had dropped off phone participation at the start of the Executive Session. Before doing so however; Mr. Hubbard had explained that he, Mr. von Lehe and Mr. Westbrook as employees of the Nelson Mullins Law Firm, which was listed as a creditor of Ometrics; would recuse themselves from discussion and voting.

Secretary Stepp stated that there were fifteen Board members present, and that with nine votes in favor of the motion; the motion carried.

Since there were no other matters to come before the Board, Chairman Loadholt declared the meeting adjourned at 11:20 a.m.

Respectfully submitted,

Thomas L. Stepp

Secretary