

TO:	CHAIR AND MEMBERS FINANCE AND ADMINISTRATION COMMITTEE MEETING OF NOVEMBER 16, 2011
FROM:	GRANT HOPCROFT, DIRECTOR OF INTERGOVERNMENTAL AND COMMUNITY LIAISON
SUBJECT	SENSODETECT AKTIEBOLAG MEMORANDUM OF AGREEMENT

RECOMMENDATION

That, on the recommendation of the Director of Intergovernmental and Community Liaison, the Mayor **BE AUTHORIZED** to sign the attached Memorandum of Understanding (MOU) with SensoDetect Aktiebolag.

PREVIOUS REPORTS PERTINENT TO THIS MATTER - none

BACKGROUND

At the invitation of St. Joseph's Health Care (St. Joseph's), the Southwest Ontario Angels Group (SWOAG), Canadian Surgical Technologies and Advanced Robotics (CSTAR), and the Mayor, SensoDetect Aktiebolag (SensoDetect) visited London October 22-27, 2011 to explore research and development, and export and manufacturing opportunities.

SensoDetect is a publicly traded company in the principal business of developing technology used in the diagnosis of mental illness. Based in Lund, Sweden, currently sells its products in Europe and is now investigating the North American market. The SensoDetect BERA (Brainstem Evoked Response Audiometry) system uses clicking sounds mixed with noise to measure brain waves. The resulting data may prove useful in confirming diagnosis of psychiatric conditions including Schizophrenia and Attention Deficit Hyperactive Disorder.

During their visit, the Chairman of the Board, the Chief Executive Officer, and other senior officials of SensoDetect expressed interest in considering London as a possible location for its North American headquarters for clinical validation and commercial headquarters. SensoDetect requested that Mayor Fontana sign an MOU with its company and St. Joseph's which sets out the parties' interests and potential activities. The proposed MOU establishes a framework for further discussion to that end. Under the MOU, the three parties would agree to work together to pursue the following activities, each of which would be formalized through contractual agreements: 1. Clinical trial formally validating the work conducted in Europe to date; 2. Identifying potential funding sources; and 3. Training Programs for clinicians throughout North America.

According to the Department of International Trade, Sweden was the 8th largest source of Foreign Direct Investment in Canada over the ten year period from 1998-2007. Furthermore, Sweden is a top research and development partner for Canada given that it is the second country in the world on the innovation index and spends close to 4% of its Gross Domestic Product on Research and Development. In 2010, Canada and Sweden signed an MOU on Science and Technology.

PREPARED BY:	RECOMMENDED BY:
JILL TANSLEY MUNICIPAL POLICY SPECIALIST	GRANT HOPCROFT DIRECTOR OF INTERGOVERNMENTAL AND COMMUNITY LIAISON

MEMORANDUM OF UNDERSTANDING

This memorandum of understanding (“MOU”) is made and entered into effective as of October 26, 2011, by and between SensoDetect Aktiebolag (“SensoDetect”), with principal offices at Kyrkogatan 19, SE-222 22 Lund, Sweden; St Joseph’s Health Care, London (“St. Joseph’s”), a corporation with principal offices at 268 Grosvenor Street London, Ontario; and The Corporation of the City of London (“City”) a Canadian municipal corporation with principal offices at 300 Dufferin Ave., London, Ontario, Canada.

RECITALS

- A. SensoDetect is a publicly traded company on Aktietorget trading under the symbol SDET and is in the principal business of developing technology used in the diagnosis of mental illness;
- B. St. Joseph’s is a hospital, in London, Canada which incorporates a centre specializing in mental health. St. Joseph’s has experience and capabilities in conducting clinical research;
- C. The Southwestern Ontario Angel Group (“SWOAG”) is a group of individual investors who work with start up organizations to fund and establish operations.
- D. SensoDetect currently sells its products in Europe and is investigating the North American market to identify research and development, export and manufacturing opportunities;
- E. Through the relationships established by SWOAG, SensoDetect has considered the City of London as a possible location for its North American clinical validation and commercial headquarters;
- F. SensoDetect, St. Joseph’s and the City desire to enter into this MOU to acknowledge and confirm each of SensoDetect, St. Joseph’s and the City’s desire to further discuss and explore collaborative initiatives.

The Parties acknowledge and confirm the following:

1. SensoDetect is contemplating establishing a clinical validation study and potentially new indication studies in conjunction with the Department of Psychiatry at the St. Joseph’s.

2. SensoDetect desires to pursue further discussions regarding the establishment of its North American headquarters in the City of London along with a sales, marketing and potentially manufacturing and/or a product research presence at a later date to cater to the North American market.

3. The City and SensoDetect desire to work together to facilitate SensoDetect working with St. Joseph's to potentially conduct the following activities, each to be formalized through contractual agreements:

- a. Clinical trial formally validating work conducted in Europe to date;
- b. Identifying potential funding sources; and,
- c. Training programs for clinicians throughout North America.

4. This MOU sets out the parties' intentions in conducting further discussions regarding potential investments and collaborative undertakings. The provisions of this MOU do not create any legal obligations between the parties or with any other person or entity referenced in this MOU.

Entered into at the City of London, Ontario, effective as of the 26th day of October, 2011:

SENSODETECT AKTIEBOLAG

Per: _____
Dr. Johan Kallstrand, Chief Executive Officer

ST JOSEPH'S HEALTH CARE, LONDON

Per: _____
Dr. Gillian Kernaghan, Chief Executive Officer

THE CITY OF LONDON

Per: _____
Mayor Joseph Fontana