



ORIX Venture Finance LLC  
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June 5, 2009

California Institute for Regenerative Medicine  
Att: Cynthia Schaffer  
210 King Street  
San Francisco, CA 94107

Re: RFP# CIRM 2210

Enclosed per the RFP issued on May 15, 2009 and referenced above is a completed proposal from ORIX Venture Finance, LLC. As noted in the proposal, please direct questions or comments to:

Michael David  
Managing Director  
ORIX Venture Finance, LLC  
151 Lytton Avenue  
Palo Alto, CA 94301  
Tel: (650) 352-5000, x1

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael David".

Michael David

RESPONSE TO RFP# CIRM 2210

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Response to

**California Institute for Regenerative Medicine**

**RFP# CIRM 2210**

**Loan Program – Delegated Underwriter/Financial Services Provider**

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**ORIX Venture Finance**

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<b>Table of Contents</b>	
	<b>Page</b>
<b>I. EXECUTIVE SUMMARY.....</b>	<b>5</b>
<b>II. DEFINITIONS .....</b>	<b>6</b>
<b>III. SCOPE OF SERVICES .....</b>	<b>6</b>
Financial Due Diligence	
Assessment of Non-Scientific Risk Factors	
Financial Underwriting Review	
Structuring and Documentation of Loan	
Loan Administration	
Management of Warrants	
Disbursement and Collection	
<b>IV. CONTRACT FOR SERVICES .....</b>	<b>8</b>
Summary of Key Terms	
Fee Structure	
Expense Reimbursement	
Termination or Extension	
<b>V. THE PROCESS .....</b>	<b>10</b>
Commencement of Due Diligence	
Negotiation of Loan Terms	
Loan Recommendation	
Loan Documentation	
Closing and Funding the Loan	
Credit Monitoring and Information Flow	
Monitoring of Warrant Portfolio	
Violations of Loan Terms	
Loan Repayments	
<b>VI. ABOUT ORIX .....</b>	<b>14</b>
Overview	
Milestones and Achievements	
Our Competitive Edge	
Key Biographies	
<b>VII. CONFLICT MANAGEMENT.....</b>	<b>17</b>
<b>VIII. INSURANCE .....</b>	<b>18</b>
<b>IX. ADVANCING THE CIRM MISSION .....</b>	<b>18</b>
<b>X. MINIMUM QUALIFICATIONS .....</b>	<b>19</b>
<b>XI. GOING FORWARD .....</b>	<b>20</b>
<b>XII. EXHIBITS .....</b>	<b>21</b>
Illustration of proposed fee structure	
Underwriter Responsibilities and Timeline to Funding	
Proposed service providers	

RESPONSE TO RFP# CIRM 2210

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**XIII. ATTACHMENTS..... 25**

References  
Payee Data Record

Questions and requests for additional information should be directed to the following:

**ORIX Venture Finance**

Michael David  
151 Lytton Avenue  
Palo Alto, CA 94301  
Phone: (650) 352-5000  
Fax: (650) 617-0706

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**ORIX Venture Finance**

RESPONSE TO RFP# CIRM 2210

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<b>I. EXECUTIVE SUMMARY</b>
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This memorandum is in response to the Request for Proposal (RFP) entitled RFP #2210 for the California Institute for Regenerative Medicine ("CIRM").

The processes outlined herein have been modeled after the underwriting and management procedures that ORIX Venture Finance ("OVF") has successfully employed and refined in its deployment of over \$800 million in more than 70 venture debt transactions. Since 2001, OVF has been a trusted and successful resource for private equity and venture capital investors, as well as their growth portfolio companies. The team has assisted in the financing and success of such California-based companies as Superior Vision Services, Vantage Oncology and WageWorks.

ORIX Venture Finance is a wholly-owned subsidiary of ORIX USA Corporation – a diversified financial services company, an innovative investor and an experienced advisor, with total assets of over \$5.4 billion. ORIX's acquisition of leading investment banking firm Houlihan Lokey in 2006 added investment banking, restructuring and financial advisory services to the ORIX product line. Although we have a strong global footprint, ORIX is managed locally, and is committed to fostering entrepreneurship and innovation in California from our offices in Palo Alto, Los Angeles and San Francisco.

While OVF currently manages a \$350 million debt portfolio and a portfolio of warrant and equity investments in more than 50 companies, our present exposure to biotechnology and life science companies is negligible. This, coupled with our broad financial expertise, makes us an excellent choice for CIRM's Delegated Underwriter, with the likelihood of few conflicts of interest with the CIRM loan portfolio.

Seasoned OVF team members, led by Michael David and Ray Boone in Palo Alto, would be assigned to the CIRM contract, with each professional having an average of 12 plus years experience in underwriting, structuring, and managing venture debt transactions.

The dedicated CIRM response team currently serves out of ORIX's Northern and Southern California offices, providing the geographical coverage necessary to respond quickly to opportunities that meet CIRM's funding criteria.

OVF, as a Delegated Underwriter, would be interested in pursuing a program with federal guarantees on new loans initiated by CIRM. At the time that CIRM is able to provide greater clarity and detail about such a program, OVF will provide a more detailed response about its interest.

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**ORIX Venture Finance**

RESPONSE TO RFP# CIRM 2210

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**II. DEFINITIONS**

CIRM	California Institute of Regenerative Medicine
DU	Delegated Underwriter
Loan Award	The amount of funding being requested by the applicant, and/or granted by CIRM
ORIX	The ORIX companies
OVF	ORIX Venture Finance
PB	Prospective Borrower
PI	Principal Investigator
RFA	Request for Application
RFP	Request for Proposal (specifically RFP #CIRM 2210)

**III. SCOPE OF SERVICES**

ORIX, pursuant to the RFP, proposes to offer the following services to CIRM, which services are offered as a complete solution. The services offered are (i) delegated underwriting, (ii) portfolio management, and (iii) warrant management. Pricing for each of these services is discussed in Section IV. OVF intends its services to be offered for the life of all transactions accorded to it per CIRM. Additional discussions may be held for OVF to provide additional services, including, but not limited to, providing portfolio management or warrant management for transactions where OVF was not the DU.

A brief outline of the scope of services is provided here in Section III; a more detailed outline of services performed and timeline to completion for delegated underwriting responsibilities is provided in Section V and Exhibit 2: "Underwriter Responsibilities & Timeline to Funding."

**FINANCIAL DUE DILIGENCE**

OVF will conduct due diligence of PB's business plans and financial status according to the requirements of the RFP and any other parameters as adjusted from time to time by CIRM; this review will include, but is not limited to, reviewing PB business plans and current financial status, historical and forecast financial information, business review of any litigation for PB and principals, examination of key financial metrics, bank account verification and credit history review (e.g., D&B reports).

**ASSESSMENT OF NON-SCIENTIFIC RISK FACTORS**

In conjunction with CIRM assigning an award applicant to OVF as DU, OVF will identify the key non-scientific risk factors with regard to implement the product development plan as submitted to CIRM along with a review of information provide by the PB and conducting standard market based inquiries, all of which will include, but not be limited to: (i) the company's ability to manage its growth and ability to meet projected growth with capital and managerial resources in the plan based upon complete capitalization requirements and sources (beyond the CIRM loan request); (ii) key employee/consultants necessary to achieve the goals of the project with relevant analysis of

**RESPONSE TO RFP# CIRM 2210**

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approvals and timelines; iii) dependency upon government regulation; (iv) detailed product information, if any, inclusive of a competitor landscape, (v) changes in laws which could affect the company's future; (vi) dependency upon key executives, information systems and other internal factors and their adequacy to meet the business plan goals; and (vii) reliance upon third party vendors, strategic relationships and other external factors which could influence the success of the business plan. Included in this analysis will be an opinion rendered on the suitability of the plan, business executives and other factors as to likelihood the plan is successful and the likelihood PB can execute its development plan or any recommendations by OVF as DU on any risk that the PB cannot meet its product development plan with suggested methods for CIRM to reduce its loan risk (e.g., milestone fundings, delayed project initiation for further capital raising, etc.).

Key members of the PB will be required to submit a background authorization and information form to OVF. Background checks will be conducted by a third party (CIRM approved) and include results on education, court records, NASD investigations, credit reports, driving violations, UCC filings, and Internet searches. A background check summary would be provided in OVF's written report to CIRM, with the full background report made available to CIRM upon request. OVF will conduct management interviews, relevant third party interviews (e.g. suppliers, potential customers), management background checks, collateral audits and review of financial controls through a third party approved by CIRM, and financial modeling in order to prepare a written memorandum per the Financial Underwriting Review below recommending whether or not the CIRM Board should consider a Loan Award under the terms of the RFA or what alternate methods will make the transaction less risky in order to proceed.

Assuming OVF is assigned portfolio management duties and the Loan Award is granted, OVF will review and update this assessment, inclusive of the analysis on risk factors, during the loan term on a quarterly, if not monthly basis, and will apprise CIRM of any material changes in its opinion in writing, with special emphasis placed on any updated analysis as additional disbursements are made, if any.

**FINANCIAL UNDERWRITING REVIEW**

OVF will create a written financial underwriting review for submission to CIRM, inclusive, but not limited to, the foregoing sections on Financial Due Diligence, Assessment of Non-Scientific Risk Factors, status of the PB's current capitalization and plans for obtaining future capital, analysis of PB's cash flow plans and internal financial controls and confirmation of any material contingent liabilities (or lack thereof), liens or obligations against the PB. Furthermore, this review will contain business modeling, collateral reviews, management interviews, management background checks, and investment memorandum development appropriate to the time and scope of review approved by CIRM. It may also contain additional analysis based upon scientific peer review and include any special requests made by CIRM management.

The written review will contain OVF's and CIRM's identified risk factors, analysis thereof and any recommendations in order to attempt to limit such risks (e.g., milestone funding). OVF understands this may be an iterative process requiring communication between CIRM and OVF to finalize the financial underwriting review.

**STRUCTURING AND DOCUMENTATION OF LOAN**

Upon receipt of CIRM's Board approval for any particular PB, OVF will oversee the documenting of the loan with the assistance of approved third party counsel, to ensure that appropriate performance milestones are captured, and the relevant security agreements and protections are in place to safeguard the CIRM's investment, inclusive of, but not limited to, all necessary financial and legal recordings, security agreements and documentation, all under CIRM's oversight and final approval. The documentation will also include the reporting requirements of the borrowers, and



**RESPONSE TO RFP# CIRM 2210**

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reiterate the key terms of the Loan Award all with CIRM's final approval and decision making approval.

**LOAN ADMINISTRATION**

Throughout the term of the Loan, OVF will closely monitor, in close communication and cooperation with CIRM, the BP's progress towards its milestones, review capitalization requirements, and periodically (at least quarterly) provide written loan surveillance reports to the CIRM. Where applicable, recommendations for subsequent disbursements of funds will be included in these reports and such actions as are necessary, either disbursing new funds, modifying the loan documentation or simply updating CIRM, with any actions taken at the direction of CIRM based upon written recommendations from OVF, all of which remain subject to CIRM's sole and final approval.

**MANAGEMENT OF WARRANTS**

OVF will manage the portfolio of warrants issued to CIRM during the loan program, and is prepared to book these through its existing asset management system for tracking purposes, and in order to facilitate their exercise at the appropriate juncture. OVF has deep experience in the tracking and exercising of Warrants through its 8 years of generating warrants from transactions.

OVF has successfully exercised warrants at IPO's, acquisitions, subsequent funding rounds and warrant buy-outs. OVF's experience with such management extends to both actively managed portfolio companies and non-active companies (i.e., companies that have paid off their loans, but still have warrants outstanding).

OVF as DU is capable of holding the warrants on CIRM's behalf and selling the warrants at CIRM's direction.

**DISBURSEMENT AND COLLECTION**

OVF will oversee the funding of the initial loan for CIRM, and any subsequent disbursements according to wiring instructions provided by PB at closing, OVF has standard forms to use for this purpose, with the funds coming from one or more CIRM accounts. OVF will also collect any interest payments and/or loan repayments for the benefit of CIRM, from the beginning of the loan through termination of the loan.

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**IV. CONTRACT FOR SERVICES**

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**SUMMARY OF KEY TERMS**

<b>Initial Contract Period</b>	2 year initial contract with one year automatic renewals and 90-day notice periods for non-renewal. "Opt Out" clauses will be substantially similar for both parties.
<b>Upfront Fee:</b>	OVF will charge fees to perform DU duties in the following two ways for each transaction considered: first, upon selection of OVF to perform DU duties (i.e., to begin financial due diligence on a particular transaction), a fee equal to the greater of (i) \$25,000 or (ii) 0.5% of the total loan to be underwritten and second, only if funding occurs, a fee equal to the greater of (i) \$25,000 or (ii) 0.5% of the total Loan Award. For clarity, these fees are in addition to any out of pocket expenses incurred by the DU in its

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**ORIX Venture Finance**

**RESPONSE TO RFP# CIRM 2210**

	examination of the PB.
<b>Portfolio Management Fee:</b>	A portfolio management fee will be charged quarterly in arrears. The fee will be equal to the greater of (i) 1.0% of the portfolio outstanding under management (average dollar amount of the portfolio over the quarter current ending) or (ii) \$250,000 annually.
<b>Warrant Fee:</b>	No cash fees will be assessed to manage the warrant portfolio.  The Warrant Portfolio will be managed for the assignment of 20% of the warrants due lender at loan closing to OVF, with the remaining 80% of the warrants to be held by CIRM or other parties determined by CIRM.
<b>Out of pocket expenses</b>	Out of pocket expenses may include, without limitation, in the performing due diligence, customary travel expenses, collateral audit fees of \$950 per person per day, reasonable fees and disbursements of attorneys, appraisers and consultants. Any third parties selected by OVF will be approved in advance by CIRM. DU may require PB to advance a deposit to cover these costs, and may from time to time request that the deposit be increased, based upon revised estimates as to such out of pocket costs.

**FEE STRUCTURE**

We propose an annual fee of 1.0% to be charged quarterly in arrears for portfolio management. The fee will be equal to the greater of (i) 1.0% of the portfolio outstanding under management (average dollar amount of the portfolio over the current quarter ending) or (ii) \$250,000 annually (e.g., \$62,500 per quarter). Warrant management will be performed for 20% of the warrants issued as compensation for providing ongoing portfolio management through completion of the applicable warrant periods (i.e., 10 years), including tracking and execution of the CIRM warrant portfolio. The proposed portfolio management and underwriting compensation models have been structured to cover OVF's internal costs, and are consistent with those widely adopted in the management of venture related assets.

For DU responsibilities, pricing is either as outlined above or OVF is willing to consider an hourly, fee-for-service model for underwriting services rendered. The hourly rates, to be mutually agreed upon by OVF and CIRM, would vary based on the experience levels of the OVF professionals engaged in underwriting. Any hourly underwriting rates will be determined after further discussions between OVF and CIRM, if CIRM desires to pursue an hourly model, but are initially projected to be in the range \$400-\$500 per hour per person for the work of designated personnel (i.e., Michael David and Ray Boone as outlined below).

**EXPENSE REIMBURSEMENT**

Third party and ancillary costs would be incurred during the underwriting process and ongoing portfolio management. These costs are separate from and in addition to the fees paid to OVF, and include costs associated with travel, collateral audit fees, and legal fees incurred in loan documentation, legal analysis and modifications to loan documents after funding. It is customary for the PB to cover these costs, although any third parties will be pre-approved by CIRM as approved third parties and subject to all conflicts of interest provisions, confidentiality provisions and any other provisions as deemed appropriate by CIRM.

**TERMINATION OR EXTENSION**

The Delegated Underwriter contract has been proposed at an initial contract term of 2 years, with an option to renew thereafter on an annual basis. Both parties should be at liberty to terminate

**RESPONSE TO RFP# CIRM 2210**

the contract for "cause", and OVF expects any "opt out" clauses to apply equally to both CIRM and OVF.

**V. THE PROCESS**

OVF believes that a discussion should be conducted with CIRM prior to their issue of any RFA or other call to action with respect to Loan Awards, so that we can ensure that the financial review for applicants on any particular Award will be conducted in the most time- and cost- efficient way. It is also understood that OVF will maintain a continual dialogue with CIRM on any DU responsibility (be it delegated underwriting, portfolio management or warrant management), such that CIRM will be well informed of any material or germane information requiring their consent, decision making requirement, or relevant facts about PBs or Loan recipients.

The table below is a summarized form of the core process, to highlight the responsibilities of the CIRM, OVF and PB as well as the information flow between each party. This is followed by an overview of key parts of the process where further expansion is considered helpful. Reviewing this chart alongside the exhibit "Underwriter Responsibilities & Timeline to Funding," should provide a more complete picture of the process. OVF will through its interaction with CIRM provide an initial timeline to completion for any project, and continue to update CIRM on any shortening or lengthening of the timeline due to real world circumstances and compliance with CIRM guidelines.

Upon receipt of a formal loan application, CIRM will submit an initial package to OVF, which should include key contact information, copy of signed NDA (if applicable) and details of Loan Award being requested. Concurrently, the loan application will be forwarded to the scientific panel for peer review.	CIRM
OVF will review the materials provided, and initiate its conflict check procedure. Based on the results of the conflict check, OVF will confirm to CIRM whether it will commence its due diligence, or recuse itself from the loan review process.	OVF
Assuming no conflict exists, OVF will contact the applicant and request background materials, any audit reports and prior, current and projected year-end financials where available.	OVF, PB
After consultation with CIRM, OVF will propose an indicative term sheet, and proceed to fine tune the proposed terms with applicant, subject to CIRM approval.	OVF, CIRM, PB
Upon agreement of the proposed terms, PB should sign the term sheet and wire the initial portion of the Upfront fee to OVF.	PB
Once the Upfront fee portion has been received, OVF will commission background checks on key management personnel, an independent audit report, and any additional reports necessary to prepare its loan recommendation. During this process, OVF will consult with the peer review team regarding its scientific assessment, and perform all appropriate analyses and reviews per Section III of this RFP.	OVF
OVF prepares a formal loan recommendation to CIRM (i.e., the Financial Underwriting Review as described in Section III). This process may be interactive if CIRM and OVF perceive additional items to be investigated or if based upon analysis modification to original terms is required, all subject to final CIRM approval.	OVF
CIRM Board should review the loan recommendation and pass judgment. If the loan is approved, CIRM should set appropriate funding milestones and advise	CIRM

**RESPONSE TO RFP# CIRM 2210**

OVF to proceed with loan documentation.	
OVF will liaise with PB and the assigned legal counsel to document the financial terms, including targets and covenants.	OVF, PB
Once the final documents have been agreed to and approved by CIRM, the PB and CIRM will sign, and CIRM will wire the necessary funds to PB and fee to OVF.	CIRM, PB
During the course of the loan, OVF will track PB's progress towards its financial targets, ensuring that the appropriate milestones have been achieved, and advising CIRM of funding and modification needs. Periodically, OVF will meet with PB's management for project updates, and at a minimum on a quarterly basis, OVF will present its findings to CIRM as part of a formal portfolio review.	OVF

**COMMENCEMENT OF DUE DILIGENCE**

At CIRM's request, the financial due diligence process would commence concurrent with the CIRM scientific peer review. An authorized CIRM delegate would be required to provide written notification to OVF to initiate the due diligence process, and formally introduce the selected OVF project manager to one or more contacts at the PB.

Once OVF receives an information package and notification from CIRM to begin the underwriting process, OVF would distribute an initial financial/due diligence information request to PB. Information received would be quickly analyzed by OVF to identify the risk profile and growth prospects of the PB for purposes of drafting an "indicative proposal." Information requested will be specific to the PB's area of expertise and should include, but not necessarily be limited to the following: i.) historical and forecast financial information, ii.) detailed product information and results to date, iii.) description of on and off balance sheet liabilities and commitments, iv.) industry white papers, v.) industry research on market size and competition, vi.) strategic plans and resource requirements, and vii.) clinical roadmap and discussion of risks. OVF will try to strike a fair balance between requiring the Company to spend a lot of time preparing new materials versus getting the necessary information required to prepare the working financial model, if one is not immediately available.

The information request may occur in two phases depending on the availability of information and PB's willingness to share information prior to receipt of a term sheet. Generally, an indicative term sheet will be executed and a second, more detailed information request will follow. Estimated time to receive the initial information requested is highly dependent on quality and extent of previously compiled PB information and PB resources. The time from request to information receipt generally varies from 3 to 10 days. The minimum portfolio management fee has been set to compensate OVF for the time spent on this initial phase for any new PB. In the event CIRM requires a different compensation model, hourly pricing can be discussed.

**NEGOTIATION OF LOAN TERMS**

The negotiation of terms is a multi-step process, which begins with the indicative term sheet. This is a non-binding document which is used to assess whether there is a general agreement between CIRM and PB on the pricing and structure of the loan before parties expend significant time and effort on due diligence. The indicative term sheet would be developed after OVF performs a cursory review of the initial due diligence material and OVF would seek input and written approval from CIRM regarding targeted terms and milestones prior to distributing the indicative term sheet to PB. If CIRM wishes, OVF would draft a standard indicative term sheet for the Agency to include as part of its loan application to enable PBs to gain some comfort with the structure prior to submitting their formal application to CIRM.

**RESPONSE TO RFP# CIRM 2210**

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OVF would meet with the CIRM scientific team to review findings from their clinical analysis and to collectively gauge the likelihood that PB can execute according to its stated plan. Both PB and CIRM discussions are critical in determining the range of financial scenarios that PB may encounter and the probability that PB will remain financially viable, and CIRM will be responsible for setting financial milestones.

Final loan terms would be subject to change, but not materially, based on any new or unexpected findings from the due diligence process and/or feedback from the CIRM Governing Board during its approval process. The time to complete the indicative term sheet phase is highly dependent on receiving timely feedback from PB and its board.

Once all parties have formally accepted the proposed term sheet, the PB would be required to wire the 0.5% Loan Upfront Fee based on the total Loan Award as discussed in Section IV. The Upfront Fee would be non-refundable should PB elect, for whatever reason, to terminate discussions with CIRM/ORIX prior to loan closing. Receipt of this Fee marks the start of the financial/collateral audit/background checks and formal due diligence processes. The PB will be responsible for all ancillary costs, such as travel, legal and third-party audit expenses, with any third parties approved by CIRM in advance (see Exhibit 3).

**LOAN RECOMMENDATION**

OVF will compile a written report summarizing the business and key findings that are critical to making an investment decision consistent with the outline in Section III of this memo. This will include an overview of the company and management backgrounds, industry analysis, risks to the business and to CIRM's investment, financial performance to date and assessment of the company as a going concern, capitalization, adequacy of capitalization or required new capital, valuation analysis, a summary of the proposed transaction, proposed covenants and financial milestones, and a clear recommendation on whether the CIRM should proceed with the Loan Award. Financial schedules including management case and multiple scenarios will be provided as exhibits to the textual report.

While OVF has its own standard report, which will be modified slightly to incorporate all items as discussed in Section III and this Section, OVF recommends that it work closely with CIRM to actively continue to develop a deliverable that is most useful for CIRM's decision making purposes. OVF can collaborate with the CIRM scientific panel if a consolidated application is required.

**LOAN DOCUMENTATION**

OVF understands that it may take the CIRM Governing Board one month before it convenes to consider OVF's loan recommendation(s). OVF will work with CIRM to streamline any processes that OVF controls in an effort expedite the closing timeline. The timeline (Exhibit 2) contemplates that loan documentation will not commence until after the CIRM application and loan funding are approved by the CIRM Governing Board. CIRM could consider starting the loan documentation process prior to the Governing Board rendering its decision, recognizing that either CIRM or the PB would need to bear the legal expenses if the Governing Board does not approve the loan.

OVF would engage one of its preferred, California based law firms (see Exhibit 3), subject to approval by CIRM, to document loan and warrant agreements. These law firms have substantial experience documenting venture stage transactions. OVF would work closely with counsel to ensure that the loan documents reflect the formal approval provided by the Governing Board. Loan documentation is typically an iterative process (unless CIRM has a standard agreement that it decides will not be modified) that involves negotiation of both business and legal points, including security interests, collateral types, events of default, affirmative and negative covenants, and legal organization. The OVF team (Michael David and Ray Boone) selected for this contract are experienced in working with lender and borrower counsel to negotiate terms.

**RESPONSE TO RFP# CIRM 2210**

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The loan documents will also include CIRM required information of borrower publications, inventions, patent applications, licensing and invention utilization activities that result from CIRM funded research and other items as specified in CIRM's Intellectual Property and Revenue Sharing regulations.

It should be noted here that the loan documents are not "one size fits all", and that the corporate structure of the borrower, and the specific milestones will necessitate changes to the "standard" suite of loan documents. OVF understands that any material deviation from the Governing Board approval or the standard loan agreement should be directed to CIRM for approval. The standard OVF loan and warrant agreements will be shared with CIRM counsel for review and sign off prior to OVF underwriting its first loan. In any event, final loan documents remain subject to CRIM approval.

**CLOSING AND FUNDING THE LOAN**

This is a milestone event that occurs upon the completion of loan documentation. PB and CIRM will be required signatories to the loan agreement. OVF will not be a party to the loan agreement nor serve as a source of funding. The loan will be funded according to wiring instructions provided by PB at closing with the funds coming from one or more CIRM accounts. OVF may act as escrow agent to the funding on behalf of CIRM (e.g., CIRM wires money to ORIX, ORIX wires money to borrower), but the preferred method is to have OVF coordinate and prepare written instructions signed off by both the PB and CIRM, and then orchestrate action. The remaining portion (0.5%) of the Upfront Fee will be payable at closing, and should be deducted from the proceeds at funding.

**CREDIT MONITORING AND INFORMATION FLOW**

Credit monitoring is an ongoing function from loan closing through final maturity/payoff of the loan. OVF will be accountable for the following activities during the period it is engaged to manage the portfolio: i.) Collecting and reviewing borrower financial statements, ii.) Reconciling borrower's interest, fees, and principal payments, iii.) Funding activities and logistics (i.e., loan could be multiple draws), iv.) Amending loan agreement subject to CIRM approval, v.) Monitoring borrower compliance to all loan documentation, including achievement of milestones and financial benchmarks, vi.) Resolving events of default, subject to CIRM approval, vii) Reporting borrower performance and condition per all Section III of this documents provisions, and, if selected to do so, viii) Tracking and executing warrant positions per CIRM instructions; all this reporting will be summarized on a deal by deal basis with summary statistics to CIRM each quarter, or more frequently as a specific company situation may require. OVF will also include specific information as required by CIRM on all intellectual property, inclusive of collating and ensuring completeness of information required to be submitted at termination (i.e., payoff of the loan) by the borrower within 90 days of payoff.

OVF has developed and implemented the necessary financial systems and procedures to manage a loan portfolio for the benefit of CIRM and will be able to comply with all the RFP requirements.

**MONITORING OF WARRANT PORTFOLIO**

OVF will manage the portfolio of warrants issued to CIRM during the loan program, and recommends that these are booked through its existing asset management system for tracking purposes. OVF has a strong record of successful outcomes with warrants, having booked approximately \$20 million in warrant gains from its own portfolio during the course of the past several years. OVF has experience in multiple forms of exercise, both cash-based and cashless, including sales into IPOs, sales as a result of merger or acquisition, subsequent funding rounds and warrant buy-outs. In addition, OVF is familiar with share lock-up periods, holdback provisions, and coordinating with trustees to provide the most efficacious outcome for the warrant portfolio.

RESPONSE TO RFP# CIRM 2210

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**VIOLATIONS OF LOAN TERMS**

In the event any loan term is violated, OVF will inform CIRM management within one day of obtaining that information, and in connection with its discussions with CIRM commence a formal write-up of actions CIRM may take, which actions OVF will enact on CIRM's behalf. A timeline of such events is not describable, as each violation will be viewed through the expertise of OVF personnel, and recommendations that are market appropriate with timelines will be presented to CIRM in a written format, such that CIRM can effectively make decisions with all relevant information and have OVF, its portfolio manager effect CIRM's decisions.

**LOAN REPAYMENTS**

OVF will collect interest and/or principal payments when due according to the schedule established at the time the loan closes. OVF will then deduct any monies owed it from amounts collected and then forward with appropriate accountings of all monies, any monies remaining to an account of CIRM's as directed by CIRM. This will be performed at a minimum on a quarterly basis or monthly if CIRM requires.

<b>VI. ABOUT ORIX</b>
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**OVERVIEW**

ORIX Venture Finance is a wholly owned subsidiary of ORIX USA Corporation ("OUC") - an innovative investor and an experienced advisor. As of 3/31/09, OUC had a diversified portfolio with \$5.4 billion in total assets.

Our people are highly trained and deeply knowledgeable, and can adapt our products to changing opportunities and challenges in the financial markets. ORIX's acquisition of leading investment banking and advisory firm Houlihan Lokey in 2006 added investment banking, restructuring and financial advisory services to the ORIX product line and created an expanded geographical presence spanning 28 countries and regions.

Although we have a strong global footprint, ORIX is managed locally, and our Silicon Valley presence demonstrates our commitment to fostering entrepreneurship and innovation in California. From our offices in Palo Alto, Los Angeles and San Francisco, ORIX can tap into an enormous level of advisory expertise and industry knowledge, and place those resources at CIRM's disposal for the benefit of CIRM, the residents of California, and the scientific community worldwide.

ORIX USA Corporation is the U.S. subsidiary of ORIX Corporation (NYSE: IX), a publicly owned financial services company based in Japan.

RESPONSE TO RFP# CIRM 2210

**ORIX Milestones and Achievements**

<b>Date</b>	<b>Milestone</b>
1964	ORIX Corporation was established on April 17, 1964 in Osaka, Japan as Orient Leasing Co., Ltd. by three trading companies and five banks.
1971	The first overseas office was opened in Hong Kong in 1971.
1973	In February 1973, ORIX shares were listed on the first sections of the Tokyo and Nagoya Stock Exchanges and the Osaka Securities Exchange (TSE ticker: "8591")
1981	In August 1981, ORIX USA Corporation was formally created.
1989	The parent company's name was changed to ORIX Corporation.
1998	On September 16, 1998, ORIX was listed on the New York Stock Exchange (Ticker Symbol: IX)
2001	Established ORIX Venture Finance LLC, to provide debt financing to venture capital- and corporate-backed technology and life science companies.
2005	OVF expanded West Coast presence by opening a Southern California office.
2006	In January 2006, ORIX USA Corporation acquired Houlihan Lokey Howard and Zukin, a recognized leader in M&A, restructuring and financial opinion and advisory services.

**OUR COMPETITIVE EDGE**

ORIX Venture Finance ("OVF") pioneered venture-style lending to mid-to-late-stage technology and life science companies in 2001, and has been a leader in the field ever since. The OVF team is highly experienced, having booked over 80 separate loan transactions (commitments of over \$800 million) and managed a diverse loan and warrant portfolio. The team is particularly adept at negotiating and documenting flexible financing packages. OVF has closed a variety of debt structures and equity co-investments, and has taken pride in our ability to grow and modify those structures over time for our more successful portfolio companies. This has resulted in an overall loss ratio of less than 1% since inception.

As a subsidiary of ORIX USA Corporation, OVF has the experience and capacity to manage complicated financing structures and large scale loan servicing, as demonstrated by ORIX's current portfolio of over \$2.7 billion in loans across a variety of industries.

Industry Concentration	\$ MM	% Ttl
Healthcare, Education, and Childcare	433	15.8%
Real Estate	281	10.2%
Diversified/Conglomerate Services	221	8.1%
Banking	128	4.7%
Electronics	125	4.6%
Oil and Gas	115	4.2%
Telecommunications	107	3.9%
Insurance	106	3.9%
Hotels, Motels, Inns, and Gaming	102	3.7%
Finance	99	3.6%
Automobile	97	3.5%
<b>Top Ten Industries</b>	<b>1,814</b>	<b>66.1%</b>
<b>Total Installment Loans, net</b>	<b>2,744</b>	<b>100.0%</b>

**ORIX Venture Finance**



**RESPONSE TO RFP# CIRM 2210**

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We also have the capacity and experience to manage a large warrant and/or equity portfolio, having booked and managed over 50 positions in OVF alone.

OVF understands the unique challenges of growth companies that are trying to break into markets with new science and/or technologies. We have a stable team of executives with deep lending and management experience, and operate with a very "hands on" approach. We are adept at working with management teams in a variety of industries, and are viewed as experienced financial partners by our portfolio companies.

It is clear that our role, if selected to be a Delegated Underwriter, is not to direct CIRM's portfolio or its risk/return profile, but to advise CIRM on how best to implement and administer the loan program. As a partner, we would help to implement the goal of fostering development of cutting edge science, while protecting CIRM's investment.

It should be noted that OVF has not contracted with CIRM in the last 12 months.

**KEY BIOGRAPHIES**

**Michael David**

**Managing Director**

**ORIX Venture Finance Western Region**

Michael David joined ORIX Venture Finance in September 2001 to open and develop the Silicon Valley, California office and Western Region. He currently manages the California operations, including new business development and a portfolio of 25 lending relationships, ranging from \$3 to \$35 million.

Mr. David has more than 15 years of direct experience in venture finance, both as an entrepreneur and banking professional. Prior to ORIX, he was senior vice president and managing director of venture capital services for Imperial Bank (acquired by Comerica) in Menlo Park, California, focused on building nationwide strategic relationships with the venture capital community and their portfolio companies.

Prior to joining Imperial, Mr. David was a founding executive of Greater Bay Bank's Venture Banking Group (acquired by Wells Fargo in 2007), helping to build a team and a portfolio from the ground up of over \$100 million in venture debt. He has also been involved in the early stages of two technology startup companies, leading fundraising efforts. Mr. David is a participant in several industry-related groups, including the Western Association of Venture Capitalists and the Asia America MultiTechnology Association. He is also an active board member for the Menlo-Atherton High School Foundation for the Future.

Mr. David received his bachelor's degree in business administration from the University of Oregon, and studied international business and finance at Stichting Nijenrode in The Netherlands.

**Ray Boone**

**Principal**

**Director of Underwriting for the Western Region**

Ray Boone was a founding member of the ORIX Venture Finance team in 2001, with over 13 years direct experience in venture lending. Mr. Boone developed the underwriting and due diligence guidelines for ORIX and he has managed underwriting, document negotiation, and ongoing portfolio management for the Western portfolio, as well as participating in new business development.

**RESPONSE TO RFP# CIRM 2210**

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Prior to joining ORIX, Mr. Boone was a director for Greyrock Capital, the venture finance arm of Bank of America. During his three-year tenure at Greyrock, he was responsible for managing a team of underwriters for all new business, evaluating technology and business models, building and managing a portfolio of over \$300 million in venture debt.

Before Greyrock, Mr. Boone worked with Foothill Capital Corporation, an asset-based lender, in account management and underwriting capacities.

Mr. Boone is a graduate of the University of Southern California with a BA in economics.

<b>VII. CONFLICT MANAGEMENT</b>
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OVF understands that, as a public funded Agency, CIRM should not only avoid any conflict of interest, but must also be mindful of the appearance of a conflict of interest. OVF will thus work with the CIRM to develop a comprehensive written policy to ensure that a conflict check process is conducted prior to commencement of due diligence. This written policy will address personal conflicts of interest as well as financial conflicts of interest, and should encompass the PB, the PI, and any supporting firms that are listed in the RFA. OVF may use the policy to disclose its intention to enter into a financial relationship with a loan recipient in the future, or to reserve its right to do so on a case-by-case basis.

Once the policy is in place, CIRM should advise OVF of all applicants and interested parties at the earliest possible opportunity to enable OVF to commence conflict check verification. Should a conflict between the OVF staff and the parties requesting financing be determined, OVF will advise the CIRM within one business day to allow the agency to refer the financial due diligence for that RFA to an alternative Delegate Underwriter.

CIRM should note that, as part of a public company (ORIX, NYSE:IX), OVF currently has in place a policy and procedure on conflicts of interest and the avoidance of the appearance of conflicts of interest, renewed annually. The OVF policy will supplement the DU written policy; Further, OVF undertakes the following:

- A. OVF will not hire any officer or employee of CIRM to perform any service covered by an agreement between CIRM and OVF. If the work is to be performed in connection with a federal or state contract or grant, OVF will not hire any employee of the government concerned to perform any service covered by its agreement with CIRM.
- B. OVF affirms that to the best of its knowledge there exists no actual or potential conflict between OVF's principals' families, businesses or financial interests and the services provided under an agreement between CIRM and OVF, and in the event of a change in either private interests or service under such an agreement any question regarding a possible conflict of interest which may arise as a result of such change will be raised with CIRM.
- C. OVF employees Michael David and Ray Boone, the selected employees for performing with CIRM on its RFP, do not have any relatives working for CIRM, and would update any change in that status if and when such a change occurred.
- D. OVF shall report to CIRM staff if any employees of OVF contribute to the recommendation put together, if not Michael David and Ray Boone.

Notably, as ORIX has an existing portfolio of companies, ORIX internally maintains a list of all portfolio companies and a policy to avoid any conflicts of interest. OVF will continue to follow ORIX guidelines on conflicts of interest and notify CIRM in the event any conflicts arise out of ORIX's internal policy, why such conflict arose and CIRM will be the final determiner of whether the conflict would be waived, or the PB would be placed with a separate DU.

**RESPONSE TO RFP# CIRM 2210**

It should be noted here, that OVF's exposure to the Life Sciences industry is currently negligible. As a result, the CIRM should take comfort in the knowledge that the instances of actual conflict should be few, and the due diligence review process is likely to run more efficiently with OVF as the primary DU.

**VIII. INSURANCE**

OVF currently maintains insurance sufficient to meet or exceed the RFP's minimum insurance requirements. OVF will cause to have copies of insurance certificates evidencing such insurance to be forwarded to the appropriate CIRM representative upon selection, and will advance certificates evidencing its continuity of insurance to meet or better minimum standards annually.

For the purposes of clarity, OVF can confirm that it meets the minimum Independent Consultant Insurance Requirements as stated in the RFP, namely:

a. General Liability

i. Comprehensive of Commercial Form (minimum limits)

1. Each occurrence	\$2,000,000.00
2. Products/Completed Operations Aggregate	\$2,000,000.00
3. Personal and Advertising Injury	\$1,000,000.00
4. General Aggregate*	\$1,000,000.00

\*Not applicable to comprehensive form.

If the above insurance is written on a claims-made form, it shall continue for three years following termination of the agreement. The insurance shall provide for a retroactive date of placement prior to or coinciding with the effective date of the agreement.

b. Business Automobile Liability (minimum limits): For owned, scheduled, non-owned, or hired automobiles, with a combined single limit of not less than \$1,000,000 per occurrence.

c. Workers' Compensation: As required under California State Law.

d. Professional Liability Insurance (minimum limits):

i. Each Occurrence	\$2,000,000
ii. Project Aggregate	\$2,000,000

e. Other insurance in amounts which from time to time may reasonably be required by the mutual consent of CIRM and the Independent Consultant against other insurable hazards relating to performance. (Note: CIRM has requested none to date).

f. And other insurance customarily carried by financial institutions, per agreement with CIRM (Note: CIRM has requested none to date).

**IX. ADVANCING THE CIRM MISSION**

CIRM's mission to foster and promote stem cell research – with the ultimate goal of improving human health – aligns with OVF's capacity to provide guidance on the business viability of projects the institute funds. OVF is an experienced loan underwriter and investor in innovative technology and life science companies in California and across the nation, and we will utilize our expertise to the benefit of the CIRM loan program, as evidenced by our low loan losses over 8 years. By charter, CIRM is restricted in terms of staff hires, and OVF brings the unique asset of turn key

**RESPONSE TO RFP# CIRM 2210**

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outsourced services for the speedy implementation of the Loan Program without requiring staff additions at a reasonable cost.

The availability of loan fundings to for-profit and non-profit organizations will help to achieve the goal of commercializing stem cell research-related products; OVF's inclusion as a Delegated Underwriter will help to accelerate this process in an efficient manner as we are fully staffed in California and capable of quickly providing the necessary underwriting, documenting, funding, and monitoring of loans and warrants to potential CIRM borrowers. We are prepared, if awarded a Delegated Underwriter status, to immediately begin working with CIRM personnel to design and implement the systems and processes as described herein, with modification as necessary, to begin underwriting and assisting PB to be approved. In addition, ORIX's long track record of success in loan and warrant portfolio management will support the long term viability of the CIRM mission by consistently returning capital to the organization through experienced loan and warrant management.

**X. MINIMUM QUALIFICATIONS**

The RFP also requires that ORIX meet certain minimum qualifications for Proposers. ORIX warrants that it meets or exceeds all required minimum qualifications. ORIX also provides the following narrative to substantiate that claim:

1. OVF as delegated underwriter has significant experience in both financial services and underwriting matters, having completed fundings in excess of \$800 million over the past 8 years, which activities have included all the functions described in Section III Scope of Services, having completed transactions with companies such as Superior Vision Services, HealthTrans, Telekenex, WageWorks, Vantage Oncology and Lifemasters.
2. OVF has already begun a close working relationship with CIRM in providing CIRM with the most comprehensive analysis from any potential DU prior to the RFP process, describing work flow, timelines, work product and other necessary items to establish a DU process and procedure. OVF envisions continuing to have a close working relationship with CIRM via both telephonic conferences to discuss transactions and any issues as they may arise and provide written analysis, as we have already evidenced we are capable of doing, to discuss the same and keep CIRM updated about the underwriting activity, portfolio management and warrant management. The management at OVF has a long history of providing this same telephonic and written communication internally with its senior management of ORIX and is confident in its ability to provide the same level of professional service to the management of CIRM for this loan program.
3. As a DU, OVF has already evidenced to CIRM its ability to communicate both in writing and orally with CIRM to ensure that CIRM's goals are met. This has been accomplished by monthly update calls on CIRM's progress with senior management at OVF and in writing through e-mail correspondence and through OVF's initial written presentation to CIRM on its capabilities. OVF has also been an active participant in CIRM's public briefing calls and expects to continue being active at all these levels in both written and verbal communication with CIRM management.
4. OVF has an existing internal written policy on conflicts of interest. OVF will share this written policy with CIRM and modify it as necessary, assuming OVF is selected as a delegated underwriter, to satisfy any of CIRM's concerns around conflicts of interest, as OVF being a part of ORIX, a large public company, is always concerned about conflicts of interest and even the appearance of conflicts of interest. Our policy, to be established in concert with CIRM management will include at a minimum: disclosure by the DU of any preexisting financial or other relationship with a loan applicant and the manner in which DU would propose to address the potential for a conflict of interest. DU understands CIRM will reserve the right to reassign any PB to another DU for any reason, including if CIRM determines, in its sole discretion, that the advantage of the DU's

**RESPONSE TO RFP# CIRM 2210**

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familiarity with the PB is outweighed by the potential for a conflict of interest. The conflicts of interest policy will also require that the DU disclose its intention to enter into a financial relationship with the loan recipient, if applicable. OVF understands CIRM reserves the right to reassign the loan to another DU if CIRM determines that the benefit of additional financing is outweighed by the potential for a conflict of interest. OVF further acknowledges the conflicts policy must ensure that employees who have a financial interest in the loan applicant do not participate in any of the DU work with respect to that PB. For these purposes, a financial interest is defined as an investment of \$2,000 or more or the receipt of income of \$500 or more in a 12-month period. Furthermore the conflicts policy will include a requirement that DU disclose to CIRM and obtain CIRM's approval, if any employee would be entitled to performance-based compensation for their work on a CIRM loan.

5. The insurance requirements are detailed under the section addressing this requirement specifically and ORIX warrants that it meets or exceeds these requirements.

<b>XI. GOING FORWARD</b>
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ORIX is prepared to move forward in a timely manner. If awarded Delegated Underwriter status, we would like to quickly schedule meetings with CIRM to finalize a contract and any processes by which we would begin to implement the Loan Program. OVF understands that the CIRM has its inaugural program for Loan Awards in place, with the Disease Team RFA issued in March 2009. We would work with CIRM to facilitate the quick release of funds into the market, and would propose that an accelerated schedule of meetings take place within the next 4-6 weeks to discuss requirements, systems and processes, negotiate required contracts and complete any necessary state paperwork, and develop a suite of standard loan documents with a view to reviewing initial loan applications in early August.

RESPONSE TO RFP# CIRM 2210

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**XII. EXHIBITS**

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**ORIX Venture Finance**

RESPONSE TO RFP# CIRM 2210

**EXHIBIT 1) ILLUSTRATION OF PROPOSED FEE STRUCTURE**

We provide an Illustration of how our proposed fee structure would operate, and the total fees (in dollars) that would be assessed, in performing the requested services for a \$20 million, 6 year loan. We assume a fixed interest rate of 5% with disbursements that occur over a period of four years (i.e. \$5 million each year distributed on a quarterly basis). Our fees excepting the initial fee of \$100 thousand (i.e., 0.5% of \$20 million) would be drawn against quarterly interest payments, with net proceeds to be disbursed to CIRM by OVF. We assume that the warrants would be sold at the end of the loan term for a gain of \$1 million and that the loan was initiated on day 1 of the first quarter. It is assumed there are no material or adverse events during the life of the loan.

Assumptions (all numbers in thousands)	
Loan Size	\$20,000
Upfront fee*	1.00%
Servicing Fee	None
Portfolio Mgmt Fee	1.00%
Interest Rate	5.00%
Warrants (as a % of Loan Award)	20%

\* - the upfront fee is charged in two separate fees of 0.5% each, one at initial term sheet signing, one at funding. For simplicity this fee is assumed to be charged all in Q1 for the proposed loan.

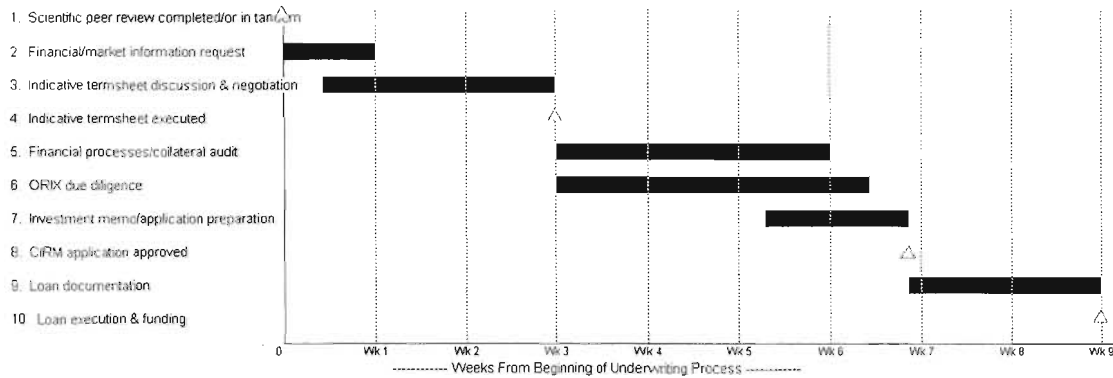
	Borrower											
	Year 1				Year 2				Year 3			
	At Close	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Opening Balance	-	1,250	2,500	3,750	5,000	6,250	7,500	8,750	10,000	11,250	12,500	13,750
Loan Disbursement	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Debt Repaid	-	-	-	-	-	-	-	-	-	-	-	-
Principal Outstanding	1,250	2,500	3,750	5,000	6,250	7,500	8,750	10,000	11,250	12,500	13,750	15,000
Cash Interest	15.63	31.25	46.88	62.50	78.13	93.75	109.38	125.00	140.63	156.25	171.88	187.50
<b>Fees to OVF</b>												
Upfront Fee	200.00	-	-	-	-	-	-	-	-	-	-	-
Portfolio Management Fee	3.13	6.25	9.38	12.50	15.63	18.75	21.88	25.00	28.13	31.25	34.38	37.50
Warrant Gains	-	-	-	-	-	-	-	-	-	-	-	-
<b>OVF Total</b>												
<b>Payments to CIRM</b>												
Cash Interest	12.50	25.00	37.50	50.00	62.50	75.00	87.50	100.00	112.50	125.00	137.50	150.00
Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-
Warrant Gains	-	-	-	-	-	-	-	-	-	-	-	-
<b>CIRM Total</b>												

	Borrower												Totals
	Year 4				Year 5				Year 6				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Opening Balance	15,000	16,250	17,500	18,750	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	NA
Loan Disbursement	1,250	1,250	1,250	1,250	-	-	-	-	-	-	-	-	20,000
Debt Repaid	-	-	-	-	-	-	-	-	-	-	-	-	20,000
Principal Outstanding	16,250	17,500	18,750	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	NA
Cash Interest	203.13	218.75	234.38	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	4,125
<b>Fees to OVF</b>													
Upfront Fee	-	-	-	-	-	-	-	-	-	-	-	-	200
Portfolio Management Fee	40.63	43.75	46.88	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	625
Warrant Gains	-	-	-	-	-	-	-	-	-	-	-	-	200
<b>OVF Total</b>													1,225
<b>Payments to CIRM</b>													
Cash Interest	162.50	175.00	187.50	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	3,300
Principal Payments	-	-	-	-	-	-	-	-	-	-	-	20,000	20,000
Warrant Gains	-	-	-	-	-	-	-	-	-	-	-	800	800
<b>CIRM Total</b>													24,100

RESPONSE TO RFP# CIRM 2210

**EXHIBIT 2) UNDERWRITER RESPONSIBILITIES AND TIMELINE TO FUNDING**

ORIX Venture Finance - Underwriter Responsibilities & Timeline To Funding  
California Institute For Regenerative Medicine ("CIRM") Loan Program



Process	Critical Precedent Process	Parties Involved	Variability In Time to Completion
1. Scientific peer review completed		CIRM Scientific Panel	?
2. Financial/market information request	1	ORIX, Prospective Borrower ("PB")	3-10 days, assumed 7 days
3. Indicative term sheet discussion and negotiation (A) Discuss pricing and structure (B) Craft term sheet (C) Negotiations & tentative PB board approval	1	ORIX, PB, CIRM	14-21 days, assumed 18 days
4. Indicative termsheet executed	1	PB	1 day
5. Financial processes/collateral audit	4	ORIX, PB, Independent Auditor	18-24 days, assumed 21 days
6. ORIX due diligence (A) Interviews with PB and CIRM (C) Analyze information and follow on questions (E) Management background checks (F) Financial scenarios and valuation support	4	ORIX, PB, CIRM ORIX, PB ORIX, 3rd party ORIX	21-27 days, assumed 24 days
7. Investment memo/application preparation (A) Drafting write-up (B) Financial schedule preparation & modeling	4	ORIX	10-16 days, assumed 13 days
8. CIRM application approved	7	CIRM	???? 30 days plus; assumed 0 in timeline to focus on underwriting tasks
9. Loan documentation	8	ORIX, PB, CIRM, Counsel	8-23 days, assumed 15 days
10. Loan execution & funding	9	ORIX, PB, CIRM, Counsel	1 day
Total Days/Weeks To Completion			Average 63 days/9 Weeks



RESPONSE TO RFP# CIRM 2210

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**EXHIBIT 3) PROPOSED SERVICE PROVIDERS**

**Preferred Legal Counsel:**

Levy, Small & Lallas  
815 Moraga Drive  
Los Angeles, CA 90049  
Tel: (310) 471-3000  
Fax: (310) 471-7990  
OVF Contact: Steve Small

Bingham McCutchen  
1900 University Avenue  
East Palo Alto, CA 94303  
Tel: 650.849.4876  
Fax: 650.849.4800  
OVF Contact: Pamela Martinson

**Preferred Auditor:**

De Computis  
1 Curtner Avenue, suite 70, San Jose, CA 95125  
Tel: 408-213-0350  
Fax: 888-879-1344

RESPONSE TO RFP# CIRM 2210

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**XIII. ATTACHMENTS**

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**ORIX Venture Finance**

RESPONSE TO RFP# CIRM 2210

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ATTACHMENT 1

Proposer References

Submission of this attachment is mandatory. Failure to complete and return this attachment with your bid may cause your bid to be rejected and deemed non-responsive.

List below three references for services performed within the last five years, which are similar to the scope of work to be performed in this contract.

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**REFERENCE 1**

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Name of Firm **ABS Capital Partners**

Street Address **1700 Montgomery St, Suite 440**      City **San Francisco**      State **CA**      Zip Code **94111**

Contact Person <b>Mark Anderson, General Partner</b>	Telephone Number <b>415-989-5100</b>
Dates of Service <b>January 2007</b>	Value or Cost of Service <b>\$25 million</b>

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Brief Description of Service Provided  
**ORIX Venture Finance, LLC assisted ABS Capital in the majority purchase of Superior Vision Services (a healthcare services company based in Rancho Cordova, Calif.) by providing \$25 million in acquisition financing in the form of term debt.**

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**REFERENCE 2**

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Name of Firm **Vantage Oncology**

Street Address **1500 Rosecrans Ave, Suite 400**      City **Manhattan Beach**      State **CA**      Zip Code **90266**

Contact Person <b>Michael Fiore, CEO</b>	Telephone Number <b>310-335-4000</b>
Dates of Service <b>July 2005</b>	Value or Cost of Service <b>\$20 million</b>

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Brief Description of Service Provided  
**ORIX Venture Finance, LLC provided \$20 million of acquisition financing directly to the company to enable them to acquire and expand existing radiation oncology centers throughout the US. The loan facility was expanded to \$50 million two years after the initial close.**

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**REFERENCE 3**

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Name of Firm **Comerica Bank**

Street Address **226 Airport Parkway, Suite 100**      City **San Jose**      State **CA**      Zip Code **95110**

Contact Person <b>Alan Jepson, SVP</b>	Telephone Number <b>408-451-8571</b>
Dates of Service <b>March 2005</b>	Value or Cost of Service <b>\$10 million</b>

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Brief Description of Service Provided  
**ORIX Venture Finance, LLC, partnered with Comerica Bank by inviting them into a loan syndicate whereby the bank provided a revolving line of credit alongside ORIX's term debt for HealthTrans, LLC (a healthcare services company located in Greenwood Village, CO). ORIX managed the entire document negotiation process, and continue to manage the shared warrant position.**

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**ORIX Venture Finance**

