

BEFORE THE
GOVERNANCE SUBCOMMITTEE OF THE
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE TO THE
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

LOCATION: AS INDICATED ON THE AGENDA

DATE: SEPTEMBER 19, 2008
3:30 P.M.

REPORTER: BETH C. DRAIN, CSR
CSR. NO. 7152

BRS FILE NO.: 82630

BARRISTERS' REPORTING SERVICE

I N D E X

ITEM	PAGE NO.
CALL TO ORDER	3
ROLL CALL	6
CONSIDERATION OF KEY ICOC MEETING POLICIES, INCLUDING BUT NOT LIMITED TO, MODIFICATION OF THE ICOC BYLAWS TO PERMIT LIMITED PARTICIPATION IN BOARD MEETINGS BY TELEPHONE OR TELECONFERENCE	4
UPDATE REPORTS ON CONTRACTS AND INTERAGENCY AGREEMENTS	31
ADJOURNMENT	58

BARRISTERS' REPORTING SERVICE

1 GOVERNANCE SUBCOMMITTEE, FRIDAY, SEPTEMBER 19, 2008

2 3:30 P.M.

3
4 CHAIRPERSON LANSING: SO WITH THAT SAID
5 AND THANK YOU, BOB AND EVERYBODY ELSE. I WANT TO
6 WELCOME YOU TO THIS MEETING OF THE GOVERNANCE
7 SUBCOMMITTEE OF THE ICOC. AND WE MAY NOT HAVE
8 PARTICIPANTS IN ALL FIVE LOCATIONS AT THE MOMENT,
9 BUT WE'RE HERE IN L.A. AND I JUST WANT TO KNOW
10 OBVIOUSLY CIRM IN SAN FRANCISCO?

11 MS. KING: WE ARE HERE.

12 CHAIRPERSON LANSING: DAVIS?

13 DR. POMEROY: YES.

14 CHAIRPERSON LANSING: CONNECT?

15 MR. ROTH: I AM HERE.

16 CHAIRPERSON LANSING: THE FOUNDATION,
17 WE'RE HERE. STANFORD?

18 MS. KING: YOU KNOW WHAT. DR. PIZZO WON'T
19 BE JOINING TILL ABOUT 4:30, SO WE DON'T YET HAVE
20 STANFORD.

21 CHAIRPERSON LANSING: OKAY. I WANT TO
22 THANK YOU FOR PARTICIPATING IN THIS CALL. AND,
23 MELISSA, DO YOU WANT TO CALL THE ROLL OFFICIALLY
24 THEN?

25 MS. KING: YES. BOB KLEIN.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: YES.

2 MS. KING: SHERRY LANSING.

3 CHAIRPERSON LANSING: HERE.

4 MS. KING: PHIL PIZZO. CLAIRE POMEROY.

5 DR. POMEROY: HERE.

6 MS. KING: JOHN READ. DUANE ROTH.

7 MR. ROTH: HERE.

8 MS. KING: JEFF SHEEHY.

9 MR. SHEEHY: HERE.

10 MS. KING: OSWALD STEWARD.

11 AS YOU KNOW, SHERRY, WE DON'T HAVE A
12 QUORUM, BUT, LIKE YOU SAID, WE DON'T NECESSARILY
13 NEED ONE ANYWAY AS THIS IS A DISCUSSION MEETING
14 ONLY.

15 CHAIRPERSON LANSING: IT IS ONLY A
16 DISCUSSION MEETING, AND I THINK WE CAN PROCEED AHEAD
17 ONTO AGENDA ITEM NO. 3, WHICH IS A CONSIDERATION OF
18 THE POLICIES REGARDING OUR ICOC MEETINGS.

19 AND MANY OF US HAVE HAD THE OPPORTUNITY TO
20 TALK ABOUT THIS IN THE PAST AT THE LAST ICOC
21 MEETING. AND AT THAT TIME WE DECIDED TO HAVE THE
22 GOVERNANCE SUBCOMMITTEE ADDRESS THE NEED TO LOOK AT
23 OUR MEETING POLICIES, SPECIFICALLY FOR FULL ICOC
24 MEETINGS. AND WE WANTED TO SEE WHAT WE COULD DO TO
25 CONTINUE GETTING OUR JOB DONE WHILE TAKING PERHAPS

BARRISTERS' REPORTING SERVICE

1 SOME OF THE QUORUM PRESSURE OFF OF MEMBERS AND
2 STAFF.

3 AS MOST OF YOU KNOW, WE HAVE AN EXTREMELY
4 HIGH QUORUM THRESHOLD, WHICH HAS ITS MERIT, BUT IT
5 CONTINUES TO CHALLENGE US AS WE CONTINUE TO HAVE SO
6 MANY ONE- AND TWO-DAY-LONG BOARD MEETINGS. AND AT
7 THOSE MEETINGS A QUORUM MUST BE PRESENT IN PERSON IN
8 ORDER TO GET OUR BOARD MEETING DONE.

9 SO WITH THAT IN MIND, I ASKED JAMES
10 HARRISON TO DRAFT SOMETHING FOR US, AND YOU HAVE
11 THAT DRAFT IN FRONT OF YOU, AND IT'S LABELED ITEM
12 NO. 3. AND IF YOU CAN SEE IN THE DOCUMENT, AS ICOC
13 MEMBERS, WE HAVE HAD SINCE OUR VERY FIRST ICOC
14 MEETING IN DECEMBER 2004 A TOTAL OF 112 FULL ICOC
15 AND SUBCOMMITTEE MEETINGS WHICH WERE ALL HELD IN
16 PUBLIC.

17 AND I HAVE TO SAY AN EXTRAORDINARY THANK
18 YOU TO ALL OF MY COLLEAGUES BECAUSE I THINK THEY'VE
19 DONE AN EXTRAORDINARY JOB IN ATTENDING THESE
20 MEETINGS. AND I SPEAK, I THINK, FOR ALL OF US WHEN
21 I SAY HAPPILY AND WILLINGLY MANY OF US HAVE PUT
22 ASIDE OTHER WORK AND PARTS OF OUR LIVES TO SIT
23 THROUGH THESE MEETINGS. IT HAS BEEN A PLEASURE, SO
24 NOBODY IS COMPLAINING ABOUT THIS. WE'RE PROUD OF
25 THE WORK THAT WE'VE DONE, AND WE WILL CONTINUE TO DO

BARRISTERS' REPORTING SERVICE

1 SO; BUT I THINK, AS ANY ORGANIZATION, WE'RE AT A
2 DIFFERENT POINT IN OUR ORGANIZATIONAL HISTORY.

3 SO I THINK IT'S NOW TIME TO ADDRESS HOW
4 POSSIBLY TO MAKE THINGS WORK EVEN SMOOTHER WITH ALL
5 THE TIME DEMANDS ON OUR MEMBERS TO PARTICIPATE IN
6 THIS IN-PERSON SITUATION AT ICOC MEETINGS, WHICH,
7 UNLIKE SUBCOMMITTEE MEETINGS, MEMBERS HAVE NOT THUS
8 FAR BEEN ABLE TO JOIN BY PHONE. SO WE DO NOT HAVE
9 THE RIGHT TO JOIN BY PHONE.

10 AND SO AT OUR LAST BOARD MEETING, WE
11 DECIDED WE WOULD LOOK AT SOME OF THE OPTIONS THAT
12 MIGHT BE POSSIBLE FOR US. AND I'D LIKE TO ASK JAMES
13 TO WALK US THROUGH THE DOCUMENT THAT YOU HAVE IN
14 FRONT OF YOU. AND AFTER WE WALK THROUGH THE
15 DOCUMENT, I'M GOING TO OPEN IT UP TO WHAT I HOPE
16 WILL BE A HEALTHY DISCUSSION. AND AGAIN, WE ARE NOT
17 GOING TO REACH A CONCLUSION TODAY. WE'RE JUST GOING
18 TO GET EVERYBODY'S THOUGHTS, WE'RE GOING TO REVISIT
19 IT, AND CONTINUE TO WORK ON IT, AND BRING IT BACK TO
20 THE ICOC SHOULD WE DECIDE IN DECEMBER.

21 SO WITH THAT SAID, JAMES, I'D LIKE TO TURN
22 IT OVER TO YOU.

23 MR. HARRISON: THANKS, SHERRY. AS YOU SEE
24 IN THE DOCUMENT IN FRONT OF YOU, THE PROPOSED POLICY
25 RECOGNIZES THE IMPORTANCE OF MEMBERS ATTENDING AS

BARRISTERS' REPORTING SERVICE

1 MANY ICOC MEETINGS AND SUBCOMMITTEE MEETINGS AS
2 POSSIBLE. BUT AT THE SAME TIME WE RECOGNIZE THAT
3 THE MEMBERS OF THE ICOC ARE VERY BUSY INDIVIDUALS.
4 AND THAT FROM TIME TO TIME CIRCUMSTANCES BEYOND
5 THEIR CONTROL, PERSONAL OR OTHERWISE, WILL PREVENT
6 THEM FROM PARTICIPATING IN MEETINGS.

7 AND ONE OF THE THINGS THAT MEMBERS HAVE
8 DONE AND THAT WE WOULD CONTINUE TO REQUEST AND
9 INCORPORATE INTO THIS POLICY WOULD BE TO PROVIDE THE
10 EXECUTIVE DIRECTOR OF THE BOARD, MELISSA KING, WITH
11 NOTICE AS SOON AS IS POSSIBLE IF A MEMBER IS GOING
12 TO BE UNABLE TO ATTEND A MEETING SO THAT WE CAN MAKE
13 EFFORTS TO ENSURE THAT WE HAVE A QUORUM AT THE
14 MEETING IN ORDER TO GET THE WORK DONE.

15 WE WOULD ALSO ENCOURAGE MEMBERS THROUGH
16 THIS POLICY WHO HAVE THE POWER TO APPOINT AN
17 ALTERNATE TO DO SO. AND MELISSA AND I HAVE BEEN
18 WORKING WITH ALL OF THOSE MEMBERS IN AN EFFORT TO
19 ENSURE THAT EACH MEMBER WHO HAS THE POWER TO APPOINT
20 AN ALTERNATE HAS DONE SO.

21 AS SHERRY POINTED OUT, THE ICOC BYLAWS
22 TODAY REQUIRE THAT FULL ICOC MEETINGS BE ATTENDED BY
23 ALL MEMBERS IN PERSON. AS YOU KNOW, SUBCOMMITTEES
24 LIKE THIS ONE HAVE PERMITTED ATTENDANCE BY
25 TELECONFERENCE, BUT WE HAVE NOT DONE SO FOR THE

BARRISTERS' REPORTING SERVICE

1 PURPOSES OF ICOC MEETINGS, PARTICULARLY IN THE
2 START-UP PHASE OF THE ORGANIZATION BECAUSE OF THE
3 IMPORTANCE OF HAVING EVERYONE IN THE SAME ROOM,
4 PARTICULARLY WITH THE BOARD AS LARGE AS THIS ONE.

5 BUT IN RECOGNITION OF THE MEMBERS' VERY
6 BUSY SCHEDULES AND OUR HIGH QUORUM THRESHOLD, WE
7 BELIEVE IT'S TIME TO CONSIDER THE POSSIBILITY OF
8 AMENDING THE BYLAWS TO PERMIT LIMITED ATTENDANCE
9 EITHER BY TELECONFERENCE OR VIDEOCONFERENCE.

10 AND FOR DISCUSSION PURPOSES, SHERRY AND I
11 DISCUSSED A POLICY THAT WOULD PROVIDE AS FOLLOWS:
12 UP TO THREE MEMBERS PER MEETING COULD PARTICIPATE BY
13 TELECONFERENCE OR VIDEOCONFERENCE IF THE MEMBERS
14 OTHERWISE ARE UNABLE TO ATTEND THE MEETING AND IF
15 THEIR PARTICIPATION WAS NECESSARY IN ORDER TO
16 ESTABLISH OR MAINTAIN A QUORUM BECAUSE, AS MANY OF
17 YOU KNOW, SOME FOLKS OFTEN HAVE TO LEAVE MEETINGS
18 EARLY, AND IT CAN BE DIFFICULT TO MAINTAIN A QUORUM
19 FOR TWO-DAY LONG MEETINGS OFTENTIMES.

20 SO WE WOULD PROVIDE AN OPTION FOR
21 TELECONFERENCE PARTICIPATION FOR UP TO THREE
22 MEMBERS, AND WE WOULD ACCORD PRIORITY TO THOSE
23 WISHING TO PARTICIPATE BY TELECONFERENCE AS FOLLOWS:
24 FIRST TO MEMBERS WHO HAVE SIGNIFICANT MEDICAL NEEDS
25 THAT PREVENT THEM FROM ATTENDING A MEETING IN

BARRISTERS' REPORTING SERVICE

1 PERSON; SECOND, TO MEMBERS WHO DO NOT HAVE THE POWER
2 TO APPOINT AN ALTERNATE, MAINLY PATIENT ADVOCATES;
3 AND THEN TO MEMBERS WHO ARE TRAVELING OUT OF STATE
4 AT THE TIME OF THE MEETING; AND, FINALLY, TO ANY
5 OTHER MEMBERS.

6 AND WE WOULD PROPOSE TO LIMIT THE NUMBER
7 OF TELECONFERENCE MEETINGS THAT A MEMBER COULD
8 PARTICIPATE IN TO NO MORE THAN TWO MEETINGS PER
9 MEMBER PER YEAR.

10 AGAIN, THIS IS JUST A PROPOSAL AT THIS
11 POINT IN TIME, SO WE WOULD WELCOME YOUR DISCUSSION
12 AND INPUT.

13 CHAIRPERSON LANSING: HOW MANY MEETINGS --
14 I SHOULD KNOW THIS. WHAT'S THE EXACT NUMBER OF
15 MEETINGS WE HAVE EVERY YEAR?

16 MS. KING: ICOC MEETINGS WE TYPICALLY NOW
17 HAVE SEVEN, ONE OF WHICH IS THE HALF-DAY MEETING IN
18 SACRAMENTO AND THE OTHER SIX OF WHICH ARE ALL
19 POTENTIALLY DAY-AND-A-HALF TO TWO-DAY MEETINGS AT
20 WHICH WE DO GRANT REVIEWS.

21 CHAIRPERSON LANSING: OKAY. I JUST WANTED
22 EVERYONE TO KNOW THAT.

23 MR. ROTH: I THINK I'M SURPRISED THAT YOU
24 WANTED TO LIMIT IT TO THREE. YOU KNOW, I WOULD
25 THINK THAT WE'D WANT TO GIVE OURSELVES SOME ROOM IF

BARRISTERS' REPORTING SERVICE

1 WE'RE GOING TO ADJUST A NEW POLICY, THAT MAYBE
2 INSTEAD OF USING A NUMBER, WE SHOULD SAY 5 PERCENT
3 OF THE BOARD. AND I'M GOING TO THIS. YOU'RE GOING
4 TO HAVE VACANCIES, SO 5 PERCENT OF THE QUORUM THAT'S
5 REQUIRED OR SOMETHING LIKE THAT INSTEAD OF JUST
6 MAKING IT THREE. THERE WILL BE TIMES --

7 MR. KLEIN: I THINK YOU'RE THINKING MORE
8 LIKE 10 PERCENT OR 15 PERCENT.

9 MR. ROTH: I'M SORRY. I AM. I MEANT TO
10 SAY 20 PERCENT ACTUALLY. SO I WAS THINKING FIVE
11 MEMBERS, BUT YOU'RE NOT ALWAYS AT A FULL BOARD. BUT
12 I THINK IF YOU ARE GOING TO USE THIS POLICY, AND I
13 THINK WE SHOULD, I'M VERY MUCH IN FAVOR OF THIS, BUT
14 I THINK THAT WE SHOULD REALLY GIVE OURSELVES A
15 LITTLE MORE ROOM HERE.

16 CHAIRPERSON LANSING: WE DID THIS. AND,
17 JAMES, I MEAN WE'RE TRYING TO GET ALL THE INPUT
18 BECAUSE, AGAIN, THIS IS A WORK IN PROGRESS.

19 MR. SHEEHY: COULD I SPEAK TO THAT TOO,
20 SHERRY?

21 CHAIRPERSON LANSING: YES, PLEASE.
22 EVERYONE. THIS IS TO BE A HEALTHY DIALOGUE. I WANT
23 TO BE CLEAR. JAMES HAS DONE A TERRIFIC JOB, SO I
24 THANK YOU, JAMES. AND MELISSA WAS RIGHT ALONGSIDE
25 HIM, AND I'M JUST LUCKY THAT I WORK WITH THEM. BUT

BARRISTERS' REPORTING SERVICE

1 WHAT I WANT TO SAY IS THAT THIS IS A WORK IN
2 PROGRESS. SO THIS IS THE POINT OF THIS CONVERSATION
3 IS TO GET YOUR INPUT, GET THE SENSE OF THE
4 GOVERNANCE COMMITTEE, AND THEN TO ADJUST
5 ACCORDINGLY.

6 MR. SHEEHY: IF I COULD MAKE A COUPLE OF
7 COMMENTS. FIRST OF ALL, I DO AGREE WITH DUANE. I
8 ALSO JUST WANT TO JUST COMMEND YOU AND JAMES FOR THE
9 WORK ON THIS. I DO AGREE WITH DUANE. I'M WONDERING
10 IF WE'RE -- I'M NOT SURE WHAT THE RATE LIMITING
11 FACTOR IS. MIGHT IT BE SITES? BECAUSE DON'T YOU
12 NEED TO STAFF THE SITES WITH CIRM STAFF? SO MAYBE
13 THE THING MIGHT BE TO LIMIT IT TO THREE SITES, SIX
14 PEOPLE OR SOMETHING.

15 AND ALSO THE OTHER THING I MIGHT SAY IS I
16 MIGHT EXEMPT INDIVIDUALS WITH SIGNIFICANT MEDICAL
17 NEEDS FROM ANY KIND OF NUMBER LIMITS WE PUT.

18 CHAIRPERSON LANSING: I WAS ACTUALLY GOING
19 TO BRING THIS UP. THE QUESTION IS THAT THE PATIENT
20 ADVOCATES HAVE A UNIQUE SITUATION. I'M SORRY. I
21 DIDN'T MEAN TO INTERRUPT YOU. WE CAN'T PUT AN
22 ALTERNATE ON. DO YOU KNOW? YOU KNOW, I WAS
23 THINKING ABOUT THIS, JAMES, AND, YOU KNOW, I'M NOT
24 TRYING TO SANDBAG YOU, BUT IT WAS LIKE I WOKE UP
25 THIS MORNING AND I JUST THOUGHT, WELL, WAIT A

BARRISTERS' REPORTING SERVICE

1 MINUTE. DON'T WE NEED TO DO SOMETHING SPECIAL FOR
2 THE PATIENT ADVOCATES BECAUSE WE CAN'T PUT AN
3 ALTERNATE? DO YOU KNOW.

4 SO WE HAVE A UNIQUE PROBLEM. AND MAYBE
5 THERE SHOULD BE ONE SET OF RULES THAT GIVES THEM A
6 LITTLE MORE FLEXIBILITY.

7 MR. SHEEHY: THE OTHER THING IS PERHAPS,
8 IF WE ARE GOING TO DO THIS, I WOULD HATE TO THINK
9 THAT WE HAD A PATIENT ADVOCATE WHO, YOU KNOW,
10 PHYSICALLY MADE IT DIFFICULT FOR THEM TO ATTEND
11 MEETINGS, THAT WE EITHER -- YOU KNOW, THAT BECAME A
12 NEGATIVE FACTOR IN ANY WAY. I THINK THAT THAT'S ONE
13 OF THE STRONG THINGS ABOUT THIS PROJECT IS THAT WE
14 CAN HAVE COLLEAGUES WHO CAN REALLY BRING HOME TO US
15 THE IMPORTANCE OF THE WORK WE'RE DOING.

16 CHAIRPERSON LANSING: JAMES, ARE YOU
17 THERE?

18 MR. HARRISON: YES.

19 CHAIRPERSON LANSING: I ACTUALLY READ
20 THIS, YOU KNOW, AND IT JUST OCCURRED TO ME THIS
21 MORNING PRETTY MUCH -- I DIDN'T THINK OF THE QUORUM.
22 I DIDN'T THINK OF THE PERCENTAGE. THAT'S A VERY
23 VALID THING TO SAY.

24 MR. HARRISON: ONE OF THE THINGS WE COULD
25 DO, SHERRY, AS JEFF AND DUANE SUGGEST, WE COULD

BARRISTERS' REPORTING SERVICE

1 INCREASE THE LIMIT ON THE NUMBER OF MEMBERS WHO
2 COULD PARTICIPATE BY TELEPHONE, IMPOSE A LIMIT ON
3 THE NUMBER OF MEETINGS THAT A MEMBER CAN PARTICIPATE
4 IN BY TELEPHONE PER YEAR, BUT NOT TO PUT THAT LIMIT
5 ON PATIENT ADVOCATES, FOR EXAMPLE.

6 CHAIRPERSON LANSING: REMEMBER, EVERYBODY
7 ELSE CAN SEND AN ALTERNATE, RIGHT?

8 MR. HARRISON: CORRECT.

9 CHAIRPERSON LANSING: SO ONLY THE PATIENT
10 ADVOCATES CAN'T. AND AS WE KNOW, MANY OF OUR
11 PATIENT ADVOCATES ARE STRUGGLING WITH THE DISEASE
12 THEY REPRESENT THEMSELVES. SO, FOR EXAMPLE, SHOULD
13 SOMEONE HAVE PHYSICAL DISABILITIES, THEY MIGHT HAVE
14 EVEN, AS WE KNOW, MUCH MORE TROUBLE GETTING TO A
15 MEETING, BUT THEIR MIND IS A HUNDRED PERCENT ABLE TO
16 DEAL WITH ALL THE ISSUES. SO I'D LIKE US TO
17 CONSIDER THAT.

18 DR. POMEROY: IF I COULD MAKE ONE COMMENT
19 AND ASK ONE QUESTION OF CLARIFICATION.

20 CHAIRPERSON LANSING: OF COURSE. I WANT
21 EVERYBODY TO TALK.

22 DR. POMEROY: SO MY INITIAL THOUGHTS ABOUT
23 THIS IS THAT I THINK THAT WE SHOULD BE VERY FLEXIBLE
24 FOR ACCOMMODATING THE PATIENT ADVOCATES, EVEN MORE
25 FLEXIBLE THAN MAY BE SUGGESTED IN THIS FIRST DRAFT.

BARRISTERS' REPORTING SERVICE

1 BUT I PERSONALLY DON'T SEE A REASON THAT WE HAVE TO
2 EXTEND THIS BEYOND THE PATIENT ADVOCATES. GIVEN THE
3 ABILITY TO SEND AN ALTERNATE AND HAVE THAT ALTERNATE
4 THERE IN PERSON FOR ALL THE REST OF US, I'M NOT YET
5 CONVINCED THAT IT WOULD BE HELPFUL TO ALLOW THIS FOR
6 THE NONPATIENT ADVOCATES.

7 AND SO THAT'S JUST MY OPINION AT THIS
8 POINT. BUT MY QUESTION, AND I WANT TO REEMPHASIZE
9 THAT FOR THE PATIENT ADVOCATES, I THINK WE SHOULD BE
10 AS FLEXIBLE AS WE POSSIBLY CAN BECAUSE THEY DO HAVE
11 REAL REASONS WHY THEY CAN'T BE THERE SOMETIMES AND
12 DON'T HAVE ALTERNATIVES.

13 MY QUESTION IS, THOUGH, TO PICK UP ON
14 JEFF'S POINT AND ASK JAMES TO CLARIFY, IF, IN
15 FACT -- WHAT THE REQUIREMENTS ARE FOR STAFFING THE
16 OFFSITES.

17 MR. HARRISON: THERE IS NO, DR. POMEROY,
18 REQUIREMENT UNDER THE BAGLEY-KEENE OPEN MEETING ACT
19 TO HAVE STAFF PRESENT AT AN OFFSITE LOCATION. AS
20 YOU PROBABLY REMEMBER, AT THE VERY BEGINNING OF THE
21 ORGANIZATION'S HISTORY, WE ENDEAVORED TO ENSURE THAT
22 A CIRM STAFF MEMBER WAS PRESENT AT EACH OF THE
23 LOCATIONS TO TRY TO ENSURE CONTINUITY. AND WHILE
24 THAT IS A GOOD PRACTICE, IT'S NOT REQUIRED BY THE
25 BAGLEY-KEENE OPEN MEETING ACT. THE ONLY

BARRISTERS' REPORTING SERVICE

1 REQUIREMENTS ARE THAT THE MEMBER PARTICIPATE FROM A
2 LOCATION THAT'S ACCESSIBLE TO THE PUBLIC AND THAT
3 THE MATERIALS BE AVAILABLE AT THAT SITE.

4 DR. POMEROY: FOR INSTANCE, THIS
5 PARTICULAR MEETING RIGHT NOW?

6 MR. HARRISON: CORRECT.

7 MR. KLEIN: SO, CLAIRE, DR. POMEROY, THIS
8 IS BOB KLEIN. ONE THING TO CONSIDER IS THAT WITH
9 THOSE INDIVIDUALS APPOINTED FROM COMPANIES WHERE
10 THEY HAVE THERAPEUTIC EXPERIENCE AND DRUG
11 DEVELOPMENT, BEST TO CALL IT JUST DRUG DEVELOPMENT
12 EXPERIENCE RATHER THAN THERAPEUTIC, THEY MAY HAVE A
13 SITUATION -- IN FACT, WE HAVE THAT WITH ONE OF THOSE
14 REPRESENTATIVES NOW WHERE THERE IS NOT ANOTHER
15 MEMBER OF THEIR COMPANY THAT CAN BE DESIGNATED AS AN
16 ALTERNATE EITHER BECAUSE THEY ARE IN THE PROCESS OF
17 GETTING READY FOR A PUBLIC OFFERING AND THEIR BOARD
18 WON'T PERMIT AN ADDITIONAL MEMBER TO TAKE TIME AWAY
19 FROM BUSINESS OR BECAUSE AN ADDITIONAL MEMBER WHO IS
20 ON THE EXECUTIVE COMMITTEE MIGHT HAVE OTHER
21 CONFLICTS THAT DOESN'T MAKE IT APPROPRIATE.

22 SO THAT IS ANOTHER CATEGORY BECAUSE OF
23 SMALL ORGANIZATIONS WHERE THEY MAY HAVE COMPLICATED
24 FACT SITUATIONS.

25 DR. TROUNSON: I DON'T KNOW WHY YOU WOULD

BARRISTERS' REPORTING SERVICE

1 NECESSARILY WANT TO IDENTIFY SPECIFICALLY PATIENT
2 ADVOCATES HERE BECAUSE THERE ARE PEOPLE WHO COULD
3 HAVE HAD AN ACCIDENT WHO COULD BE SERIOUSLY ILL WHO
4 ARE PART OF THE REST OF THE PROGRAM. SO IN THE
5 SENSE THAT THERE'S PROBABLY MORE NEED AMONGST THE
6 PATIENT ADVOCATES, BUT IT SHOULDN'T EXCLUDE SERIOUS
7 MEDICAL PROBLEM THAT HAPPENS UNFORTUNATELY BY CHANCE
8 TO OTHER MEMBERS.

9 MR. KLEIN: ALAN, WHAT SHE'S TRYING TO
10 FOCUS ON IS THE OTHER MEMBERS BEING SHORT JUST IF
11 THEY HAVE MEDICAL PROBLEMS TO SEND AN ALTERNATE.
12 THAT'S WHAT SHE'S TRYING TO DO.

13 DR. TROUNSON: ALL I'M SAYING IS THAT
14 THERE'S MORE NEED IN THE CASE OF PATIENT ADVOCATES,
15 BUT THERE MAY BE SOME REASON WHY WE WOULD WANT
16 PREFERABLY TO HAVE A MEMBER WHO HAS LONG-STANDING
17 OVER A PARTICULAR ISSUE OR SET OF CIRCUMSTANCES WHO
18 COULD ALSO COME IN ON THIS BASICALLY BECAUSE THEY
19 ALSO HAVE MEDICAL PROBLEMS.

20 CHAIRPERSON LANSING: WE DO SAY, IF YOU
21 READ THE DOCUMENT, WE LIMITED IT TO THREE MEMBERS.
22 AND I'M PERFECTLY WILLING TO REOPEN THAT. AND THE
23 REASON WE DID THAT WAS WE DIDN'T WANT TO HAVE A
24 MEETING WHERE NOBODY WAS THERE. SO WHAT YOU WERE
25 REALLY SAYING IS THERE WAS A PRIORITY TO PARTICIPATE

BARRISTERS' REPORTING SERVICE

1 BY TELECONFERENCE, AND THE PRIORITY WAS MEDICAL
2 NEEDS, MEMBERS WHO DO NOT HAVE THE POWER TO APPOINT
3 AN ALTERNATE, SO THAT WOULD THAT FALL INTO THE
4 COMPANY YOU WERE TALKING ABOUT, TRAVELING
5 OUT-OF-STATE, SO YOU HAVE TO HAVE A REASON. YOU
6 CAN'T JUST SAY I CAN'T MAKE IT. YOU HAVE TO HAVE A
7 REASON.

8 MR. KLEIN: RIGHT. AND THE OTHER REASON,
9 SHERRY, TOO BEHIND, AND I THINK THIS IS A VERY GOOD
10 RECOMMENDATION -- THIS IS BOB -- IS THAT FOR
11 EXECUTIVE SESSIONS, IF WE'RE GOING TO HAVE
12 SCIENTIFIC PROPRIETARY INFORMATION, WE HAVE STAFF AT
13 THE EXECUTIVE SESSIONS, AND IT WOULD BE PRETTY
14 COMPLICATED FOR PEOPLE WHO WERE NOT AT THE EXECUTIVE
15 SESSION WHO ARE ON THE PHONE TO GET CONNECTED INTO A
16 GROUP WITH WHICH THEY DIDN'T HAVE A CONFLICT WITH A
17 SPEAKER PHONE WHERE IT WOULD NOT CREATE, BY
18 BROADCASTING THROUGH THE SPEAKER PHONE, CREATE
19 INFORMATION FLOW THAT WOULD BE HARD TO CONTROL AND
20 SEGREGATE FROM OTHER GROUPS THAT MIGHT HAVE
21 CONFLICTS.

22 CHAIRPERSON LANSING: YOU KNOW, I THINK
23 THE AREAS THAT WE HAVE TO CONCENTRATE ON, AS I'M
24 LISTENING TO THIS, AND I WANT EVERYONE TO TALK, IS
25 HOW MANY MEMBERS PER MEETING CAN PARTICIPATE BY

BARRISTERS' REPORTING SERVICE

1 TELECONFERENCE. AND SO YOU'RE SAYING 20 PERCENT OR
2 WHATEVER IT IS. WE HAVE TO LOOK AT WHAT THAT NUMBER
3 IS AND HOW MANY PEOPLE WOULD BE THERE THEN AND DO
4 THAT IN OUR HEADS.

5 MR. HARRISON: SHERRY, FOR A FULL QUORUM,
6 THAT WOULD BE FIVE MEMBERS.

7 CHAIRPERSON LANSING: SO THAT'S THE MOST,
8 BUT WE'RE SAYING THAT YOU HAVE A QUORUM -- WE'RE
9 SAYING YOU HAVE A QUORUM IF YOU ARE ON THE PHONE,
10 RIGHT?

11 MR. ROTH: THAT'S RIGHT. UP TO FIVE COULD
12 BE ON THE PHONE.

13 MR. HARRISON: IF WE HAVE A FULL BOARD OF
14 29 MEMBERS, UP TO FIVE MEMBERS COULD PARTICIPATE BY
15 PHONE.

16 CHAIRPERSON LANSING: IF THEY'RE
17 PARTICIPATING BY PHONE, YOU COUNT AS A QUORUM,
18 RIGHT?

19 MR. HARRISON: CORRECT.

20 CHAIRPERSON LANSING: SO MAYBE THAT'S THE
21 ANSWER.

22 AND THEN PARTICIPATION BY TELECONFERENCE
23 OR VIDEOCONFERENCE COULD BE LIMITED TO NO MORE THAN
24 TWO MEETINGS PER MEMBER PER YEAR WITH THE EXCEPTION
25 OF THE PATIENT ADVOCATES, YOU KNOW, WHERE WE WILL BE

BARRISTERS' REPORTING SERVICE

1 MORE FLEXIBLE OR SOMETHING. AGAIN, IT'S A
2 CASE-BY-CASE BASIS. YOU KNOW, WE'RE NOT -- I DON'T
3 KNOW.

4 MR. HARRISON: SHERRY, WE COULD MAKE AN
5 EXCEPTION BOTH FOR PATIENT ADVOCATES AND MEMBERS WHO
6 HAVE SIGNIFICANT MEDICAL NEEDS.

7 CHAIRPERSON LANSING: YES.

8 MR. ROTH: CLAIRE, CAN I JUST ANSWER MAYBE
9 BACK ON THE ALTERNATES. YOU KNOW, THERE'S A QUALITY
10 THING THAT I THINK WE LOSE ON THE BOARD WHEN WE HAVE
11 PEOPLE THAT ARE REALLY INVOLVED AND HAVE BEEN THERE
12 AND ARE PART OF IT. I FAVOR ALTERNATES WHERE THE
13 PRIMARY IS RARELY THERE, AND WE HAVE SOME OF THOSE
14 SITUATIONS, SO THAT WORKS. WHAT PROBABLY DOESN'T
15 WORK WELL IS SOMEBODY LIKE YOU WHO YOU'RE ALWAYS
16 THERE. AND THE FACT THAT YOU WOULDN'T BE AVAILABLE
17 TO HELP US, YOU KNOW, ON A PROJECT WHEN YOU NEED
18 ONCE IN A COUPLE OF YEARS AN ALTERNATE WHO NO WAY
19 CAN BE BROUGHT UP TO SPEED TO CONTRIBUTE TO THE
20 DISCUSSION.

21 DR. POMEROY: FLATTERY GETS YOU
22 EVERYWHERE.

23 MR. ROTH: I SEE THAT ON THE BOARD, THAT
24 WHEN WE'RE MISSING PEOPLE THAT ARE REALLY ACTIVELY
25 ENGAGED VERSUS LIKE WE HAD LAST TIME WITH THREE OR

BARRISTERS' REPORTING SERVICE

1 FOUR PEOPLE THEIR FIRST MEETING, SOME SERIOUS THINGS
2 TO BE DISCUSSED, AND WE MISSED THOSE VOICES.

3 CHAIRPERSON LANSING: THEN WE HAVE TO
4 BRING THE ALTERNATE UP TO DATE.

5 MR. ROTH: THAT'S HARD TO DO, SHERRY.

6 CHAIRPERSON LANSING: IT'S VERY HARD TO
7 DO, AND IT'S FRUSTRATING.

8 DR. POMEROY: I THINK THAT POINT, AS I
9 LISTEN AND THINK THIS THROUGH, IS VERY WELL MADE.
10 AND I REALLY LIKE THE SUGGESTION THEN, IF I BACK OFF
11 ON MY INITIAL ONE, I LIKE THE SUGGESTION OF LIMITING
12 THE NUMBER PER YEAR FOR THE PEOPLE WHO HAVE THE
13 OPTION OF ALTERNATES AND THE ABILITY TO GET THERE.
14 SO DOING THE THING THAT SHERRY SAID OF LIMITED TO NO
15 MORE THAN TWO MEETINGS PER MEMBER PER YEAR WITH THE
16 EXCEPTION OF THE PATIENT ADVOCATES AND SOMEONE WHO
17 HAD A SIGNIFICANT LONG-TERM MEDICAL NEED.

18 CHAIRPERSON LANSING: I LIKE THAT
19 PERSONALLY. THAT'S ME. I LIKE THAT.

20 MR. SHEEHY: CAN I ADD ONE OTHER WRINKLE?
21 WHEN YOU TALK ABOUT YOUR GLOBAL NUMBER OF FIVE,
22 WHICH I THINK SEEMS A REASONABLE NUMBER, I THINK I
23 MIGHT EXEMPT FROM COUNTING AGAINST THAT NUMBER ANY
24 MEMBER WHO WAS IN CATEGORY ONE AND TWO. SO WHEN IT
25 WAS A PATIENT ADVOCATE WITH A SIGNIFICANT MEDICAL,

BARRISTERS' REPORTING SERVICE

1 YOU KNOW, BECAUSE I DO THINK, YOU KNOW, YOU WANT
2 YOUR FIVE TO BE AVAILABLE; BUT GIVEN THAT YOU DO
3 HAVE PATIENT ADVOCATES WHO DO HAVE -- HOPEFULLY
4 WE'LL ALWAYS HAVE PATIENT ADVOCATES WHO ARE HAVING
5 DIRECT EXPERIENCE OF THE CONDITIONS THAT THEY'RE
6 THERE TO SPEAK ON BEHALF OF. YOU COULD IMAGINE IN
7 SOME SCENARIOS FILLING UP THAT FIVE FAIRLY QUICKLY
8 WITH THOSE INDIVIDUALS. WE WOULD NOT WANT THE REST
9 OF THE BOARD -- WE WOULDN'T WANT A PATIENT ADVOCATE
10 WHO HAD DISEASE WHO WAS NOT IN GOOD SHAPE AND NOT
11 GET THERE HAVING TO COMPETE WITH OTHER MEMBERS FOR
12 ONE OF THOSE FIVE SLOTS. AND I THINK IT'S VERY
13 REASONABLE TO NOT, YOU KNOW, IF THAT HAPPENS, TO
14 KIND OF NOT HAVE THAT COUNT AGAINST THE FIVE.

15 I DO AGREE WITH DUANE'S POINT THAT THERE
16 ARE MEMBERS WHO HAVE SPECIFIC INTEREST, AND EVEN
17 THOUGH THEY CAN APPOINT AN ALTERNATE, THAT IT'S GOOD
18 TO HAVE THEM PARTICIPATE AS OFTEN AND AS MUCH AS
19 POSSIBLE.

20 MR. KLEIN: BUT IF PATIENT ADVOCATES HAVE
21 A MEDICAL NEED, THEY GET FIRST PREFERENCE ON THE
22 FIVE SLOTS.

23 CHAIRPERSON LANSING: WHAT HE'S SAYING, I
24 THINK, IS, GOD FORBID, THEY COULD FILL UP THE FIVE
25 SLOTS.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: I THOUGHT HE WAS ADVOCATING
2 THAT ALL PATIENT ADVOCATES ARE EXEMPT.

3 MR. SHEEHY: I WOULD JUST SAY, YOU HAVE
4 YOUR FIVE SLOTS. I WAS ACTUALLY SAYING PATIENT
5 ADVOCATES WHO HAVE SIGNIFICANT MEDICAL NEEDS MAYBE
6 NOT COUNT, YOU KNOW.

7 CHAIRPERSON LANSING: NOT COUNT AS ONE OF
8 THE SLOTS BECAUSE WHAT YOU ARE SAYING IS THAT YOU
9 MIGHT NOT HAVE --

10 MR. SHEEHY: IF JOAN'S NOT FEELING WELL,
11 I'M NOT FEELING WELL, AND DAVID'S NOT FEELING WELL,
12 THERE GOES MOST OF YOUR SLOTS AND EVERYBODY ELSE IS
13 KIND OF IN BAD SHAPE.

14 MR. KLEIN: YOU'RE EXEMPTING THE PATIENT
15 ADVOCATES FROM HAVING TO -- ON THE NUMBER OF
16 MEETINGS PER YEAR.

17 CHAIRPERSON LANSING: HE'S ALSO SAYING
18 THAT IF YOU CAN ONLY HAVE FIVE MEMBERS PER MEETING
19 PARTICIPATE BY TELECONFERENCE, YOUR PATIENT
20 ADVOCATES MAY USE UP THE MAJORITY OF THOSE FIVE
21 SLOTS.

22 MR. SHEEHY: WHICH KIND OF WE'D BE BACK
23 HERE. HEAVEN FORBID, YOU KNOW, I'M SO PARANOID ALL
24 THE TIME EVERY TIME I GET A HANGNAIL, BUT --

25 CHAIRPERSON LANSING: HEAVEN FORBID.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: HEAVEN FORBID, BUT I JUST
2 THINK IT MIGHT MAKE IT -- I THINK THAT'S A
3 REASONABLE FLEXIBILITY THAT WILL MAKE THE POLICY
4 EASIER TO IMPLEMENT. WE SHOOT FOR FIVE. EVERY NOW
5 AND THEN YOU MIGHT HAVE ONE OR TWO OR THREE MORE,
6 BUT IN GENERAL YOU'LL HAVE FIVE MOST OF THE TIME.

7 CHAIRPERSON LANSING: WHY DON'T WE SAY --
8 MAYBE, JAMES, MAYBE THERE'S A WAY OF DRAFTING THIS.

9 MR. HARRISON: I THINK THERE IS A WAY TO
10 DRAFT IT, SHERRY. IF WE WANTED TO HAVE FIVE SLOTS,
11 BUT FOR THE PURPOSE OF COUNTING THOSE FIVE SLOTS, A
12 MEMBER WHO MEETS BOTH CATEGORY AND ONE AND TWO, THAT
13 IS, MEMBER IS BOTH A PATIENT ADVOCATE AND WHO IS
14 SUFFERING FROM SIGNIFICANT MEDICAL NEEDS, WOULD
15 NOT -- COULD PARTICIPATE BY TELEPHONE, BUT WOULD NOT
16 COUNT FOR THE PURPOSES OF FILLING UP THOSE FIVE
17 SLOTS.

18 MR. SHEEHY: IT'S VERY SIMPLE.

19 CHAIRPERSON LANSING: I THINK THAT'S FAIR.

20 MR. SHEEHY: THEN I THINK WE GOT A GREAT
21 POLICY.

22 CHAIRPERSON LANSING: CAN I GO AROUND, IF
23 I CAN FIND MY SHEET OF PAPER AND REMEMBER WHERE
24 EVERYBODY IS. CAN I GO AROUND AND SEE IF THERE'S
25 ANY MORE COMMENTS IN SAN FRANCISCO?

BARRISTERS' REPORTING SERVICE

1 DR. TROUNSON: I JUST WANTED TO CHECK
2 WHETHER WE HAVE TO STAFF ANY OF THESE SITES.

3 CHAIRPERSON LANSING: NO. I THINK WE HAVE
4 TO SAY THAT YOU DON'T HAVE TO. YOU HAVE TO -- I CAN
5 TELL YOU YOU HAVE TO, WHEREVER YOU ARE, YOU KNOW, AS
6 A PATIENT ADVOCATE, YOU HAVE TO HAVE IT OPEN TO THE
7 PUBLIC. I DON'T HAVE A STAFF HERE, FOR EXAMPLE.

8 MR. KLEIN: ON THE GRANTS --

9 CHAIRPERSON LANSING: THEY NEED A PHONE.

10 MR. KLEIN: ALAN'S POINT IS THAT WHEN
11 WE'RE IN GRANT REVIEW, THE INDIVIDUALS ON THE PHONE
12 JUST ARE NOT GOING TO ON A PRACTICAL BASIS BE ABLE
13 TO PARTICIPATE IN THE PROPRIETARY EXECUTIVE SESSION.

14 CHAIRPERSON LANSING: THAT'S CORRECT.
15 WE'RE NOT GOING TO BE ABLE TO DO EVERYTHING. I
16 THINK WHAT WE'RE GOING TO HAVE TO SAY IS, YOU KNOW,
17 AND I THINK YOU ACTUALLY SAID THIS, THESE ARE NOT --
18 THIS IS NOT SOMETHING WE'RE GOING TO DO CASUALLY.
19 AND, YOU KNOW, YOU AS THE CHAIRMAN, WHATEVER,
20 WHOEVER, CAN SAY TO SOMEONE, NO, I'M NOT GIVING YOU
21 THE RIGHT TO PARTICIPATE BY PHONE. YOU USED IT UP
22 TOO MUCH. DO YOU KNOW.

23 MR. KLEIN: THERE COULD BE AS WELL --
24 THERE COULD BE SITUATIONS WHERE WE HAVE A HIGHLY
25 CONTROVERSIAL ISSUE, AND WE DO NEED STAFF AT REMOTE

BARRISTERS' REPORTING SERVICE

1 LOCATIONS.

2 CHAIRPERSON LANSING: WE MIGHT SAY WE
3 CAN'T DO IT THIS TIME.

4 MR. KLEIN: I THINK THAT'S WHAT ALAN WAS
5 GETTING TO.

6 CHAIRPERSON LANSING: SO THEN WE WOULD
7 HAVE TO MAYBE SAY THIS TIME IT WON'T WORK.

8 MR. KLEIN: SO THERE WILL BE A GENERAL
9 PROVISION THAT SAYS THAT --

10 CHAIRPERSON LANSING: WE WILL TRY TO
11 ACCOMMODATE PEOPLE EXCEPT FOR A MEETING -- JAMES,
12 AGAIN, YOU CAN WRITE THIS -- TRY TO ACCOMMODATE
13 PEOPLE. THERE WILL BE SOME CASES WHERE WE'LL NOT BE
14 ABLE TO DO THIS BECAUSE WE WOULD HAVE TO HAVE STAFF
15 AT THOSE PLACES AND IN-PERSON WILL BE REQUIRED.

16 MR. KLEIN: OR THERE ARE OTHER SPECIAL
17 REQUIREMENTS OF THE PARTICULAR MEETING.

18 CHAIRPERSON LANSING: EXACTLY. EXACTLY.

19 MR. HARRISON: OKAY.

20 CHAIRPERSON LANSING: CLAIRE, ANY MORE
21 COMMENTS?

22 DR. POMEROY: OTHER THAN I JUST WANT TO
23 LET YOU KNOW, SHERRY, THAT WE DO HAVE MEMBERS OF THE
24 PUBLIC HERE SO WHEN YOU GO AROUND.

25 CHAIRPERSON LANSING: I'M GOING TO DO THAT

BARRISTERS' REPORTING SERVICE

1 NEXT, I SWEAR. THANK YOU THOUGH. AND CONNECT?

2 MR. ROTH: ONE OTHER THING, JAMES, YOU
3 MIGHT INCLUDE IS TO GIVE THE CHAIR SOME DISCRETION.

4 MR. HARRISON: RIGHT. FOR EXAMPLE, TO THE
5 LAST POINT THAT WAS MADE BY SHERRY, THE CHAIR COULD
6 MAKE A DETERMINATION THAT BASED ON THE CIRCUMSTANCES
7 OF THE PARTICULAR MEETING, THAT IT WAS NECESSARY FOR
8 MEMBERS TO ATTEND IN PERSON.

9 MR. ROTH: I WOULD LOVE TO SEE THAT JUST
10 BECAUSE IT'S SO FRUSTRATING WHEN ALL OF US ARE THERE
11 AND WE DON'T HAVE A QUORUM AND WE CANNOT TAKE
12 ACTION.

13 CHAIRPERSON LANSING: I THINK YOU'RE GOING
14 TO HAVE TO SAY NO. WE CAN AUTHORIZE UP TO FIVE
15 MEMBERS. IT DOESN'T MEAN YOU CAN DEFINITELY
16 AUTHORIZE FIVE. UP TO MEANS YOU MIGHT HAVE TO SAY,
17 GUYS, THIS TIME I COULDN'T DO THE FIVE BECAUSE I
18 DON'T HAVE A QUORUM. I NEEDED THIS PERSON THERE.
19 YOU HAVE THAT DISCRETION.

20 MR. HARRISON: OKAY.

21 CHAIRPERSON LANSING: AND PHIL PIZZO IS
22 NOT THERE YET, I ASSUME.

23 MS. KING: NOT YET.

24 CHAIRPERSON LANSING: SO NOW ANY OTHER
25 MEMBERS OF THE COMMITTEE HAVE ANYTHING ELSE TO ADD?

BARRISTERS' REPORTING SERVICE

1 THEN I'M GOING TO GO AROUND TO THE PUBLIC
2 NOW IN SAN FRANCISCO.

3 MS. KING: NONE HERE.

4 CHAIRPERSON LANSING: IN DAVIS?

5 DR. POMEROY: NO COMMENTS.

6 CHAIRPERSON LANSING: IN LA JOLLA?

7 MR. ROTH: NO COMMENTS.

8 CHAIRPERSON LANSING: THE SHERRY LANSING
9 FOUNDATION. DOUG, IS THERE ANY MEMBER OF THE PUBLIC
10 WHO WISHES TO SPEAK?

11 MR. SIMPSON: YES, THERE IS. THIS IS JOHN
12 SIMPSON WITH CONSUMER WATCHDOG. I THINK THAT THIS
13 IS MOVING TOWARDS A SENSIBLE SORT OF RESOLUTION TO
14 WHAT'S BEEN AN ONGOING PROBLEM. BUT I WONDER
15 WHETHER THERE ISN'T A MORE FUNDAMENTAL ISSUE AT THE
16 BOTTOM, WHICH IS THAT YOU HAVE THIS SUPER MAJORITY
17 REQUIREMENT AND YOU HAVE AN EXCEEDINGLY LARGE BOARD.
18 AND I WONDER WHETHER, AFTER YOU TAKE THESE WHAT
19 MIGHT BE INTERIM STEPS, WHETHER YOU WOULDN'T BE
20 BETTER OFF SERIOUSLY CONSIDERING REDUCING THE SIZE
21 OF THE BOARD AND REDUCING THE -- AND DOING AWAY WITH
22 THE REQUIREMENT FOR A SUPER MAJORITY AND LETTING IT
23 SIMPLY BE A MAJORITY CONSTITUTE A QUORUM.

24 FINALLY, I WOULD SUBMIT TO YOU THAT YOU DO
25 NOT HAVE ANY SORT OF DISCIPLINE IN PLACE FOR PEOPLE

BARRISTERS' REPORTING SERVICE

1 WHO FAIL TO ATTEND, AND THAT YOU SHOULD HAVE SOME
2 SORT OF PROVISION IN YOUR BYLAWS THAT HAS SOME
3 SPECIFIC SANCTION THAT GOES INTO EFFECT WHEN SOMEONE
4 MISSES MORE THAN A CERTAIN MINIMUM NUMBER OF
5 MEETINGS, WHICH COULD, I THINK, INCLUDE KICKING THEM
6 OFF THE BOARD. I'M NOT SURE WHETHER THAT'S
7 SOMETHING THAT CAN ONLY BE DONE WITH THE BYLAWS. IT
8 MIGHT REQUIRE FURTHER LEGISLATION, BUT YOU DO NEED
9 TO HAVE SOME PROVISION FOR REMOVAL, IT SEEMS TO ME,
10 FOR PEOPLE WHO FAIL TO SHOW UP.

11 AND THE FINAL THING IS I JUST WANTED TO
12 REITERATE. MY UNDERSTANDING IS IS THAT THERE IS
13 VERY SOLID COMMITMENT TO THE NOTION THAT ANY OF
14 THESE PHONE-IN LOCATIONS WOULD HAVE TO BE OPEN TO
15 THE PUBLIC. AND I THINK THAT WOULD MAKE IT AN
16 ACCEPTABLE KIND OF THING.

17 FINALLY, IN CLOSING, YOU COULD ALSO --
18 IT'S RELATED TO THIS -- YOU COULD ENHANCE THE SORT
19 OF TRANSPARENCY OF THE WHOLE OPERATION IF YOU MADE
20 ALL MEETINGS AVAILABLE TO BE BROADCAST OVER THE WEB
21 SO THAT EVERYBODY WHO WAS INTERESTED AROUND THE
22 STATE COULD PHONE IN AND WATCH. I KNOW ON YOUR STEM
23 CELL APPRECIATION DAY NEXT WEEK YOU ARE GOING TO
24 HAVE, I THINK, A VIDEO THING WITH SOME STEM CELL
25 SCIENTISTS. I THINK YOU SHOULD BE DOING THAT KIND

BARRISTERS' REPORTING SERVICE

1 OF COVERAGE OF ALL YOUR, AT LEAST THE ICOC MEETINGS,
2 MAYBE EVEN SOME OF THE SUBCOMMITTEE MEETINGS, MAKING
3 THEM AVAILABLE ON THE WEB. THANK YOU VERY MUCH.

4 MR. KLEIN: SHERRY, THIS IS BOB KLEIN. IF
5 I COULD JUST QUICKLY RESPOND SO WE DON'T LOSE THE
6 TRAIN OF HIS THOUGHTS.

7 CHAIRPERSON LANSING: PLEASE.

8 MR. KLEIN: WE ARE VERY COMMITTED THAT
9 EACH OF THESE LOCATIONS HAS TO BE AVAILABLE TO THE
10 PUBLIC. AS TO THE OTHER POINTS THAT WERE RAISED,
11 JAMES, COULD YOU TALK ABOUT THE INITIATIVE'S
12 CONSTRAINT ON THE CHANGES THAT WERE SUGGESTED ON
13 CHANGING THE NUMBER ON THE BOARD OR CHANGING THE
14 QUORUM REQUIREMENTS?

15 MR. HARRISON: BOTH OF THOSE PROVISIONS,
16 THE DESIGNATED MEMBERS ON THE BOARD AND THE SUPER
17 MAJORITY QUORUM REQUIREMENT, ARE STATUTORY
18 PROVISIONS, SO COULD NOT BE ALTERED BY BYLAWS. IT
19 WOULD REQUIRE EITHER A LEGISLATIVE AMENDMENT IF IT
20 FURTHERS THE PURPOSES OF THE ACT OR ANOTHER
21 INITIATIVE.

22 MR. KLEIN: AND BECAUSE OF THE FACT THAT
23 THERE'S A BALANCE ON THE BOARD OF PATIENT ADVOCATES
24 AND INDUSTRY REPRESENTATIVES AND RESEARCH
25 INSTITUTIONS OF DIFFERENT TYPES, AND THAT THAT IS AN

BARRISTERS' REPORTING SERVICE

1 ISSUE OF BALANCE IN THE OVERALL EXPERTISE NEEDED TO
2 ADDRESS THESE APPLICATIONS AND INCLUDE PATIENT
3 INPUT, IT WOULD BE -- I DON'T SEE HOW WE'D GET TO A
4 CONCLUSION THAT WAS ENHANCING THE PURPOSE OF THE
5 BOARD TO REDUCE THE PATIENT ADVOCATES OR REDUCE THE
6 MEDICAL EXPERTISE OR REDUCE THE THERAPY DEVELOPMENT
7 EXPERTISE THAT WE HAVE ON THE BOARD. THAT DIVERSITY
8 OF EXPERTISE AND BREADTH OF EXPERTISE HAS SOME VERY
9 MEANINGFUL, SUBSTANTIVE CONTRIBUTION TO OUR ABILITY
10 TO LOOK AT SO MANY AREAS OF CHRONIC DISEASE AND
11 INJURY, AND ALWAYS HAVE SOME MEMBERS OF THE BOARD
12 WHO HAVE DIRECT OR INDIRECT EXPERIENCE THAT'S
13 RELEVANT TO PROVIDE A SUBSTANTIVE DISCUSSION.

14 CHAIRPERSON LANSING: THANK YOU, BOB. AND
15 THANK YOU, JAMES. AND I BELIEVE THERE'S ANOTHER
16 MEMBER OF THE PUBLIC, DOUG. IS THERE ANYBODY WHO
17 WISHES TO SPEAK IN LOS ANGELES?

18 MR. SIMPSON: NO, THERE IS NOT.

19 CHAIRPERSON LANSING: THANK YOU, JOHN. I
20 THOUGHT THOSE WERE GREAT COMMENTS. I THINK THAT IS
21 ALL THE COMMENTS. AND SO I REALLY WANT TO THANK ALL
22 OF THE MEMBERS OF THE COMMITTEE AS WELL AS THE
23 PUBLIC FOR THEIR INPUT. AND I THINK IT WAS A REALLY
24 HEALTHY AND GOOD DISCUSSION. AND NOW I'LL WORK WITH
25 JAMES TO INCORPORATE YOUR THOUGHTS INTO ANOTHER

BARRISTERS' REPORTING SERVICE

1 DRAFT POLICY, AND WE WILL BRING IT BACK TO THE
2 SUBCOMMITTEE AS WELL AS THE PUBLIC ONE MORE TIME
3 CLOSER TO THE DECEMBER ICOC MEETING AND THEN
4 HOPEFULLY WE'LL HAVE AGREEMENT, AND WE WILL MAKE
5 RECOMMENDATIONS TO THE ICOC IN DECEMBER.

6 MR. KLEIN: SHERRY, AFTER THIS CALL, THIS
7 IS BOB KLEIN, IF YOU COULD JUST CALL ME FOR TWO
8 MINUTES.

9 CHAIRPERSON LANSING: SURE. I HAVE AGENDA
10 ITEM 4 THOUGH. I WILL. WE HAVE ONE MORE ITEM,
11 WHICH IS AN UPDATE REPORT ON THE CONTRACTS AND THE
12 INTERAGENCY AGREEMENTS. AND I'D LIKE TO ASK CIRM'S
13 CONTRACT MANAGER CYNTHIA SCHAFFER TO WALK THE
14 SUBCOMMITTEE THROUGH THIS ITEM.

15 AS YOU KNOW, THIS IS SOMETHING THAT WE'RE
16 GOING TO DO AT EACH MEETING GOING FORWARD. AND I IN
17 ADVANCE WANT TO THANK CYNTHIA FOR KEEPING US ON
18 TRACK. SO, CYNTHIA, I TURN IT OVER TO YOU.

19 MS. SCHAFFER: THANK YOU. THIS IS CYNTHIA
20 SCHAFFER. AT THE LAST GOVERNANCE SUBCOMMITTEE
21 MEETING, I PRESENTED A SUMMARY FOR THE FOURTH
22 QUARTER OF FISCAL YEAR '07-'08. AND AT THE LAST
23 ICOC MEETING, WE PROVIDED A SUMMARY FOR THE FULL
24 '07-'08 FISCAL YEAR. SO THIS ITEM IS A SUMMARY FOR
25 THE FIRST QUARTER OF THE FISCAL YEAR '08-'09, AND

BARRISTERS' REPORTING SERVICE

1 IT'S UP-TO-DATE AS OF THE BEGINNING OF THE WEEK OF
2 SEPTEMBER 15TH.

3 THE FIRST QUARTER DOES RUN FROM JULY 1ST
4 THROUGH SEPTEMBER 30TH, AND SO IT'S STILL AN OPEN
5 QUARTER. THIS SUMMARY ALSO TAKES INTO ACCOUNT
6 PURCHASE ORDERS FOR MORE \$5,000.

7 AS YOU CAN SEE, IT'S LAID OUT AS WE
8 TRADITIONALLY LAY IT OUT, TABLE 1, TABLE 2, TABLE 3.
9 IF THERE'S ANY QUESTIONS, I'D BE HAPPY TO ASSIST.

10 CHAIRPERSON LANSING: ARE THERE ANY
11 QUESTIONS OR COMMENTS FROM MEMBERS OF THE
12 SUBCOMMITTEE? I WILL ASK AGAIN IN SAN FRANCISCO?
13 NO COMMENTS?

14 MS. KING: DEEP IN THOUGHT. NO COMMENTS.

15 CHAIRPERSON LANSING: DAVIS?

16 DR. POMEROY: I WONDER IF IT'S APPROPRIATE
17 TO ASK WHERE WE ARE ON EXPENDING MONEY FOR GRANTIUM
18 AND GETTING THAT INSTALLED JUST BECAUSE IT'S SUCH A
19 BIG, IMPORTANT PROJECT.

20 MS. SCHAFFER: YES. I HAVE SOME
21 INFORMATION ABOUT THE GRANTIUM CONTRACT. I ACTUALLY
22 DON'T PAY THE BILLS. OUR FINANCE OFFICER, MARGARET
23 FERGUSON, IS NOT IN THE ROOM, SO SHE WOULD KNOW
24 EXACTLY THE AMOUNT THAT HAS BEEN REIMBURSED SO FAR
25 UNDER THAT AGREEMENT. I BELIEVE WE'VE MADE A COUPLE

BARRISTERS' REPORTING SERVICE

1 OF PAYMENTS NOW. WE JUST HAD A SIGNIFICANT TRAINING
2 THAT WAS HERE IN THE OFFICE WHICH HAD ANOTHER
3 MILESTONE PAYMENT ASSOCIATED WITH IT.

4 WERE THERE FURTHER QUESTIONS ABOUT THE
5 GRANTIUM?

6 DR. POMEROY: I GUESS THAT'S WHAT I WANTED
7 TO HEAR, THAT THE PAYMENTS ON GRANTIUM ARE
8 SPECIFICALLY LINKED TO MILESTONE ACHIEVEMENTS.

9 MS. SCHAFFER: ABSOLUTELY. THE NEXT THAT
10 WILL BE MOVING FORWARD IS THE DELIVERY OF PROGRAM
11 ONE, WHICH HAS TO DO WITH TRANSLATIONAL I RESEARCH
12 AND GETTING THAT ONLINE INTO THE GRANTIUM SYSTEM AND
13 POPULATING THE PROGRAMMING RELATED TO THAT.

14 DR. POMEROY: THANK YOU.

15 DR. TROUNSON: THERE IS A NECESSITY TO
16 RENEGOTIATE PART OF THAT CONTRACT BECAUSE WE'RE
17 ADDING A SIGNIFICANT NUMBER OF NEW ITEMS TO THE
18 TASK, INCLUDING CO-PI'S, THE LOAN AGREEMENTS COMING
19 IN. THERE IS ABOUT SIX OR SEVEN ITEMS WHICH ARE,
20 YOU KNOW, QUITE COMPLEX WITH RESPECT TO THE
21 PROGRAMMING. SO I'VE ASKED THE STAFF TO RENEGOTIATE
22 THAT CONTRACT, YOU KNOW, FOR THE OUTPUT. SO IT WAS
23 HEAVILY MILESTONED; BUT AS SUCH, IT NEEDS TO BE
24 ALTERED IN ORDER TO MAKE IT SUITABLE FOR OUR
25 REQUIREMENTS MOVING FORWARD.

BARRISTERS' REPORTING SERVICE

1 DR. POMEROY: THANK YOU.

2 CHAIRPERSON LANSING: THANKS, CLAIRE.

3 DUANE.

4 MR. ROTH: NO COMMENTS.

5 CHAIRPERSON LANSING: AND PHIL? I DON'T
6 THINK HE'S ON YET.

7 DR. PIZZO: I JUST JOINED ABOUT A MINUTE
8 AGO.

9 CHAIRPERSON LANSING: JUST AS WE'RE READY
10 TO END.

11 DR. PIZZO: GOSH. I'VE BEEN IN OTHER
12 BOARD MEETINGS.

13 CHAIRPERSON LANSING: WE HAD A REALLY GOOD
14 PRODUCTIVE MEETING.

15 DR. PIZZO: THAT'S BECAUSE I WASN'T THERE.

16 CHAIRPERSON LANSING: WE MISSED YOU, BUT I
17 THINK WE CAME TO SOME NICE ADDITIONS TO OUR POLICY.
18 WE'RE GOING TO HAVE ANOTHER MEETING AND COME BACK.

19 DR. PIZZO: GREAT. THANKS.

20 CHAIRPERSON LANSING: AND NOW FOR THE
21 PUBLIC, ANY COMMENTS AT THE SHERRY LANSING
22 FOUNDATION?

23 MR. ADAMS: THIS IS BILL ADAMS WITH
24 INTERNATIONAL STEM CELL. BOARD MEMBERS THAT DON'T
25 SHOW UP, IS THERE A POLICY AFTER TEN ABSENCES TO GET

BARRISTERS' REPORTING SERVICE

1 SUMMARILY EXECUTED? I DIDN'T HEAR AN ANSWER TO
2 THAT.

3 MR. HARRISON: NO, THERE IS NO POLICY
4 EITHER IN PROP 71 OR IN THE BYLAWS THAT PROVIDES FOR
5 SANCTION AGAINST A MEMBER FOR FAILURE TO ATTEND A
6 SPECIFIC NUMBER OF MEETINGS.

7 MR. ADAMS: NOTHING IN THE STATE LAW
8 THAT --

9 MR. KLEIN: BILL, THE BOARD MEMBERS ARE
10 APPOINTED BY CONSTITUTIONAL OFFICERS AND MEMBERS OF
11 THE LEGISLATURE. AND IN THE WRITING THE INITIATIVE,
12 IT WAS IMPORTANT TO REPRESENT -- TO RECOGNIZE THE
13 INTEGRITY OF THOSE APPOINTMENTS AND NOT HAVE REMOVAL
14 PROVISIONS THAT WOULD ALLOW ANY ONE BLOCK OF VOTES
15 TO REMOVE A CONSTITUTIONAL OFFICER OR A LEGISLATIVE
16 APPOINTMENT. WE NEEDED TO PROVIDE STABILITY AND
17 ASSURANCE TO THOSE CONSTITUTIONAL OFFICERS AND THE
18 LEGISLATURE THAT THEIR APPOINTMENTS WOULD BE THERE
19 DURING THE TERM.

20 SO IT WAS A BALANCING DECISION. THAT'S
21 WHY THE BALANCING DECISION WAS MADE, AND IT DOES NOT
22 HAVE A PROVISION FOR REMOVAL.

23 NOW, IF SOMEONE MOVES OUT-OF-STATE OR
24 OTHERWISE BECOMES UNQUALIFIED FOR THE POSITION, THEY
25 THEN CAN NO LONGER OCCUPY THE POSITION, AND THE

BARRISTERS' REPORTING SERVICE

1 POSITION HAS TO BE REAPPOINTED.

2 MR. ADAMS: THANK YOU.

3 CHAIRPERSON LANSING: OKAY.

4 MR. SIMPSON: JOHN SIMPSON, A COMMENT ON
5 THE CONTRACTS. THIS IS A QUESTION. THESE ARE
6 OBVIOUSLY THE FUNDS THAT ARE ENCUMBERED, BUT IS IT
7 THE CASE THAT BECAUSE OF THE STATE'S BUDGET CRISIS,
8 THE VENDORS HAVE NOT ACTUALLY GOTTEN PAID? DOES
9 THAT AFFECT THE CHECKS ACTUALLY BEING HANDED OVER?

10 MR. KLEIN: NO, IT DOESN'T. OUR FUNDS ARE
11 SEGREGATED FROM THE STATE BUDGET.

12 MR. SIMPSON: I WASN'T CLEAR ON THAT.
13 THANK YOU.

14 THEN I HAD TWO QUICK QUESTIONS. CAN WE
15 GET SOME SORT OF INDICATION OF WHAT'S INVOLVED IN
16 THE FLEISHMAN-HILLARD PUBLIC RELATIONS CONTRACT FOR
17 \$115,000?

18 MS. SCHAFFER: WE USED TO HAVE THE
19 CONTRACT WITH FEINSTEIN KEAN, WHICH WAS JUST THE
20 DAILY NEWS REPORT SERVICE. AND WE HAD AN RFP A
21 COUPLE OF MONTHS BACK WHICH ROLLED UP A NUMBER OF
22 DIFFERENT THINGS. IT INCLUDED THE DAILY NEWS REPORT
23 SERVICE AND INCLUDED SOME SPECIAL EVENTS LIKE WHAT
24 WE'RE HAVING, YOU KNOW, FOR THE STEM CELL AWARENESS
25 DAY. SO IT INCLUDED SOME EXTRA ASSISTANCE RELATED

BARRISTERS' REPORTING SERVICE

1 TO THOSE.

2 SO IT HAD THREE DIFFERENT ITEMS, BUT IT
3 WAS A PUBLIC RFP FROM A COUPLE MONTHS AGO.

4 MR. SIMPSON: THE OTHER QUESTION, THE
5 STRATEGIC CONSULTING WITH DR. MURPHY, IS THAT
6 ESSENTIALLY SURROUNDING REVISIONS OF THE STRATEGIC
7 PLAN? AND IF SO, WHAT IS THE STATUS OF UPDATING THE
8 STRATEGIC PLAN?

9 DR. TROUNSON: THERE'S NUMBER OF
10 ACTIVITIES THAT NEED DOING. PROBABLY THE ONE THAT'S
11 TAKEN THE MOST TIME IS THE STRATEGIC PLAN. IT'S
12 STILL IN DRAFT FORM, BUT IT'S GETTING THERE. WE
13 HAVE HAD A BIT OF A HOLDUP ON GETTING OUR SCIENCE
14 PROGRAM REDRAFTED REALLY BECAUSE THE SCIENCE
15 OFFICERS AND THE CSO HAVE BEEN SO BUSY WITH OTHER
16 DUTIES. BUT WE'RE CURRENTLY REDRAFTING AND DRAFTING
17 THAT AT THE PRESENT TIME, AND I'M HOPING IT WILL BE
18 AVAILABLE, YOU KNOW, FOR THE ICOC MEMBERS AND OTHER
19 STAKEHOLDERS WITHIN THE NEXT SIX WEEKS OR TWO
20 MONTHS.

21 HE DOES ALSO OTHER ACTIVITIES, ADVISES ME
22 ON OTHER MATTERS AS COME TO HAND. THESE ARE
23 ESPECIALLY USEFUL TO ME BECAUSE OF HIS LONG TRACK
24 RECORD IN THE U.S. ACADEMIC ENVIRONMENT, BUT ALSO
25 BECAUSE HE'S BEEN ON THE BOARD AND WAS PRESIDENT,

BARRISTERS' REPORTING SERVICE

1 INTERIM PRESIDENT. SO THOSE PARTICULAR ITEMS I
2 FOUND -- I FIND PARTICULARLY USEFUL FROM TIME TO
3 TIME.

4 MR. SIMPSON: THE CONCERN WITH THE
5 STRATEGIC PLAN WAS, IT SEEMED TO ME, THAT ONE OF THE
6 THINGS THAT MADE THE INITIAL PLAN SO SUCCESSFUL AND
7 WON SO MUCH BROAD SUPPORT FROM ALL THE STAKEHOLDERS
8 WAS THE FACT THAT IT, I THINK, THE EXACT NUMBER
9 ESCAPES ME, BUT I BELIEVE THERE WERE SIX OR EIGHT
10 PUBLIC HEARINGS OR PUBLIC MEETINGS AND SO ON AS THE
11 PLAN WAS DEVELOPED. AND THERE WAS A LOT OF INPUT
12 THAT WENT IN GENERALLY. AND I CERTAINLY HOPE THAT
13 THIS JUST DOESN'T GO OFF INTO SOME CLOSED ROOM
14 SOMEWHERE AND GET WRITTEN AND DROPPED ON THE PUBLIC
15 AND THE ICOC WITHOUT ANY OPPORTUNITY FOR PUBLIC
16 COMMENT, DISCUSSION, AND SO ON BECAUSE THE PLAN THAT
17 WAS -- CERTAINLY A NEW PLAN NEEDS TO BE TWEAKED.

18 AS SCIENCE HAS PROGRESSED, DIFFERENT
19 THINGS HAVE BEEN LEARNED AS THINGS HAVE BEEN DONE,
20 SUCH AS THE PACE AT WHICH YOU CAN ACTUALLY GET
21 GRANTS OUT THE DOOR, I THINK. BUT I REALLY JUST
22 WANT TO MAKE A VERY STRONG PITCH THAT WE'RE
23 ANTICIPATING, EXPECTING, AND HOPING THAT YOU WILL
24 HAVE THIS OUT FOR SOME SERIOUS PUBLIC DISCUSSION
25 BEFORE IT'S ADOPTED.

BARRISTERS' REPORTING SERVICE

1 DR. TROUNSON: PART OF THE PROGRAM IS TO
2 HAVE INPUTS FROM STAKEHOLDERS AS IS REQUIRED. SO WE
3 UNDERSTAND THAT, JOHN.

4 MR. SIMPSON: LAST TIME THERE WERE 200
5 INTERVIEWS DONE. BELIEVE IT OR NOT, I WAS ONE OF
6 THE PEOPLE WHO WAS INTERVIEWED, AND I HAVEN'T GOTTEN
7 ANY SENSE THAT THAT KIND OF INTERVIEW PROCESS IS
8 GOING ON THIS TIME AROUND.

9 DR. TROUNSON: AT THE MOMENT WE'RE TRYING
10 TO -- BASICALLY WE'VE ASKED VARIOUS PEOPLE ON THE
11 STAFF TO LOOK AT THEIR PARTICULAR AREAS AND THEN
12 FORWARD IT IN SO THAT AT LEAST WE'VE GOT A CONTEXT
13 FROM THE ORIGINAL STRATEGIC PLAN AND WHERE IT MIGHT
14 BE -- WHERE WE THINK IT MIGHT BE IMPROVED UPON. SO
15 THE INITIAL DRAFTING IS REALLY AT THAT POINT THAT
16 THE DRAFTS COME IN FROM VARIOUS PEOPLE, AND WE'RE
17 STILL AWAITING SOME OF THOSE. YOU KNOW, THAT WAS A
18 CONTEXT TO ENABLE THE DISCUSSION TO OCCUR.

19 MR. SIMPSON: CERTAINLY YOU ARE TALKING
20 ABOUT WORKING FROM -- THE PREVIOUS ENDEAVOR WAS
21 DOING SOMETHING FROM WHOLE CLOTH AND COMPLETELY
22 STARTING A NEW PLAN FROM SCRATCH. OBVIOUSLY I'M NOT
23 SUGGESTING THAT YOU WOULD HAVE THE SAME LEVEL OF
24 HEARINGS AND WIDESPREAD CONSULTATIONS, BUT I AM
25 WANTING TO GO ON RECORD AS SAYING THAT SOME ARE

BARRISTERS' REPORTING SERVICE

1 DEFINITELY NECESSARY.

2 DR. TROUNSON: SURE.

3 CHAIRPERSON LANSING: ALL RIGHT. THANK
4 YOU.

5 MR. SHEEHY: I WANTED TO ASK A QUESTION
6 ABOUT THE MURPHY CONTRACT. SO WILL THIS BE THE END
7 OF IT AT THE END OF -- BECAUSE I JUST LOOK AT
8 EXECUTIVE FUNCTION, AND WE'RE STAFFED OUT. WE HAVE
9 A PRESIDENT, WE HAVE A VICE PRESIDENT, WE HAVE A
10 CSO, AND WE'RE SPENDING, WHAT, 1.1, 1.2 MILLION ON
11 THOSE FUNCTIONS. IF I REMEMBER, MURPHY HAD 80,000
12 PRIOR TO THIS PARTICULAR ONE, SO WE'VE PAID HIM
13 ABOUT 235. I DON'T KNOW IF I FEEL THAT COMFORTABLE
14 SPENDING \$1.5 MILLION A YEAR ON EXECUTIVE FUNCTION.
15 I KIND OF FELT, WHEN WE HIRED A PRESIDENT, AND WE
16 HIRED A VICE PRESIDENT, AND HIRED A CSO, THAT WE
17 BROUGHT THE EXPERTISE IN HOUSE THAT WE NEEDED TO RUN
18 THE AGENCY. PLUS WE HAVE THIS BOARD, WHICH HAS BOTH
19 BIOTECH AND ACADEMIC RESEARCH EXPERIENCE, THAT OUGHT
20 TO BE ABLE TO PROVIDE THAT KIND OF STRATEGIC
21 CONSULTING.

22 I MEAN I TOTALLY UNDERSTAND IF YOU'RE
23 WANTING TO UPDATE THE STRATEGIC PLAN TRANSITION
24 PERIOD, BUT IT'S JUST I'M NOT COMFORTABLE WITH THE
25 BOARD MEMBER, FORMER BOARD MEMBER, HAVING A

BARRISTERS' REPORTING SERVICE

1 LONG-TERM, HIGH PAID CONSULTING POSITION WITH THE
2 AGENCY. THAT DOESN'T FEEL RIGHT TO ME.

3 MR. KLEIN: THIS IS BOB. I THINK HE'S A
4 CRITICAL ASSET. AMONG THE MISTAKES I PROBABLY MADE
5 IN WRITING THIS INITIATIVE IS WE PROBABLY CRITICALLY
6 NEED ABOUT TEN MORE STAFF THAN WE HAVE. THAT ASIDE,
7 WITH THE BACKGROUND AS A BOARD MEMBER AND THE
8 BACKGROUND AS INTERIM PRESIDENT, AS WE GO INTO THIS
9 NEXT YEAR, THERE MAY BE INCREDIBLE OPPORTUNITIES
10 AVAILABLE FOR THIS AGENCY IN WORKING WITH NIH ON
11 COLLABORATIVE FUNDING OF PROGRAMS AND COORDINATING
12 OUR FUNDING OF PROGRAMS WHICH IS NOT AVAILABLE NOW,
13 WHICH WILL TAKE A HUGE TRANSITION, A LOT OF STAFF
14 TIME. THERE MAY ALSO BE A NUMBER OF EFFORTS,
15 LEGISLATIVE EFFORTS, THAT HE COULD HELP US BEING A
16 WITNESS AT.

17 WE CAN'T HAVE ALAN RUNNING BACK AND FORTH
18 ACROSS THE COUNTRY CONSTANTLY. WE'LL JUST BURN HIM
19 OUT. BUT IN ADDITION, IN THE NEXT YEAR WE KNOW THAT
20 THERE'S A LITTLE -- THERE ARE LITTLE HOOVER
21 COMMISSION HEARINGS. THOSE ARE GOING TO BE A REAL
22 STRAIN ON OUR OPERATION, AND WE'RE GOING TO NEED
23 PEOPLE TO SHOW UP. AND THEY'RE TALKING ABOUT A
24 NUMBER OF THESE HEARINGS. WE'RE GOING TO HAVE AND
25 HAVE A HISTORY OF HAVING HUGE AMOUNT OF TOP LEVEL

BARRISTERS' REPORTING SERVICE

1 REPRESENTATION NEEDED IN THIS AGENCY. AND THE
2 LEVERAGE WE GET FROM HAVING THAT TOP LEVEL TALENT
3 AVAILABLE HAS CERTAINLY BEEN VERY HIGH.

4 WOULD ALSO POINT OUT THAT ALBERTA, CANADA,
5 AS A PROVINCE, HAS MAJOR FINANCIAL RESOURCES. DR.
6 MURPHY HAS A HISTORY AND INTERFACE WITH ALBERTA.
7 DR. TROUNSON MIGHT ELECT TO HAVE HIM SEE IF WE CAN
8 DO A COLLABORATIVE AGREEMENT FOR ALBERTA FOR FUNDING
9 THAT'S COMPLEMENTARY TO US IN SOME DISEASE AREA.

10 I THINK WE SHOULD LEAVE THIS DECISION TO
11 THE PRESIDENT BASED UPON HIS NEEDS AND THE
12 OPPORTUNITIES THAT ARE IN FRONT OF US. OBVIOUSLY
13 \$100 MILLION COLLABORATION WITH THE NIH PAYS BACK IN
14 HUGE AMOUNT ANY ADDITIONAL EFFORT THAT THE PRESIDENT
15 MAY -- ANY ADDITIONAL COST THE PRESIDENT MAY INCUR
16 BY ASSIGNING DR. MURPHY TO WORK ON SUCH AN
17 OPPORTUNITY. AND BELIEVE ME, TO DO A DE NOVO
18 COLLABORATION WITH THE NIH MAY TAKE MORE THAN ONE
19 PERSON. IT MAY TAKE FOUR OR FIVE PEOPLE TO
20 ACCOMPLISH THAT.

21 SO WHILE I DEEPLY RESPECT JEFF'S DESIRE
22 FOR US TO STEWARD OUR MONEY, I WOULD ASK THAT WE
23 CONSIDER THE COMPLEXITY OF DEMANDS ON THE PRESIDENT
24 AND THE VALUE OF DR. MURPHY IN THAT ROLE.

25 MR. SHEEHY: I JUST -- I GUESS I DO

BARRISTERS' REPORTING SERVICE

1 WONDER, FIRST OF ALL, ABOUT APPEARANCES. YOU KNOW,
2 I DON'T KNOW THAT I THINK THAT IT'S TYPICAL FOR A
3 MEMBER OF A STATE BOARD TO GO FROM THEIR APPOINTMENT
4 TO BEING A PAID CONSULTANT TO THE AGENCY THAT THEY
5 USED TO GOVERN. I ALSO THINK THAT THERE ARE
6 RELATIONSHIPS WITH GRANTEES THAT MAKE THIS A MORE
7 COMPLEX ENDEAVOR THAN SOMEONE THAT WAS UNRELATED.
8 YOU KNOW, HOW DID THIS WORK THAT A BOARD MEMBER
9 SUDDENLY GOES FROM BEING A BOARD MEMBER TO GETTING A
10 CHECK FROM THE AGENCY? I WASN'T COMFORTABLE WITH IT
11 WHEN WE APPOINTED -- I DIDN'T VOTE FOR HIM FOR
12 PRESIDENT PRECISELY FOR THAT REASON.

13 I JUST DON'T BELIEVE THAT IT'S APPROPRIATE
14 TO HAVE THAT PROCESS. IF THAT'S WHAT WE'RE GOING TO
15 DO AS A BOARD, THEN I THINK WE OUGHT TO TAKE IT UP
16 AS A POLICY MATTER AT THE BOARD AND FIGURE OUT WHAT
17 HAPPENS WHEN YOU LEAVE THE BOARD. IF YOU CAN LEAVE
18 THE BOARD AND THEN COME BACK AND GET \$250,000 A
19 YEAR, HOW CAN I SIGN UP?

20 MR. KLEIN: THE FUNDAMENTAL ISSUE IS DOES
21 IT SERVE THE MISSION? NOW THE --

22 MR. SHEEHY: THE FUNDAMENTAL ISSUE IS ARE
23 WE BEING GOOD STEWARDS OF THE PUBLIC'S MONEY, AND
24 ARE WE PROCEEDING WITH APPROPRIATE PROCESSES? I
25 DON'T BELIEVE THAT THIS ASSUMPTION OF UNIQUE

BARRISTERS' REPORTING SERVICE

1 ABILITIES, I'M HAVING TROUBLE WRAPPING MY HEAD
2 AROUND. WE HAVE PUT A LOT OF MONEY INTO EXECUTIVE
3 FUNCTION. AND, YOU KNOW, I JUST -- THE SALARIES AT
4 OUR AGENCY ARE HIGH. WE'RE AT A BUDGET CRISIS
5 STATEWIDE, AND WE CAN ACT LIKE WE'RE ON AN ISLAND
6 JUST BECAUSE OUR FUNDS ARE SEGREGATED. I DON'T
7 THINK THAT'S APPROPRIATE.

8 MR. KLEIN: JEFF, I TAKE OFFENCE AT THAT
9 COMMENT BECAUSE WE'VE BEEN OPERATING AT SOMETHING IN
10 THE RANGE OF A 4-PERCENT OVERHEAD, WHICH IS LESS
11 THAN WHAT WAS AUTHORIZED BY 50 PERCENT OR MORE, AND
12 INSTITUTIONS IN THE PRIVATE SECTOR THAT ARE HELD UP
13 AS MODELS, NONPROFIT INSTITUTIONS THAT ARE HELD UP
14 AS MODELS OF BEST PRACTICES WITH GRANT VOLUMES LIKE
15 OUR ARE OPERATING AT 12 OR 13 PERCENT. WE HAVE BEEN
16 EXTRAORDINARY STEWARDS OF THE MONEY, AND WE HAVE
17 ATTRACTED PRIVATE DONATIONS TO PAY FOR EVEN PART OF
18 THESE COSTS. PLEASE GIVE THE BOARD CREDIT FOR
19 OPERATING WITH EXTREME DILIGENCE. AND, IN FACT,
20 WHEN YOU LOOK AT OUR PRIVATE CONTRIBUTIONS APPLYING
21 TO OUR COST, WE'RE OPERATING BELOW, ON A COMPARABLE
22 BASIS, ANYONE ELSE.

23 MR. SHEEHY: FORGIVE ME. IT JUST SO
24 HAPPENS I HAPPEN TO KNOW PEOPLE WHO ARE FRIENDS OF
25 MINE WHO ARE SUFFERING FROM LOSS OF SERVICES THAT

BARRISTERS' REPORTING SERVICE

1 THEY NEED TO SUSTAIN THEMSELVES AND THEIR HEALTH IN
2 THIS BUDGET CRISIS. SO, YOU KNOW, IT JUST SO
3 HAPPENS THAT I ACTUALLY ASSOCIATE WITH SOME OF THE
4 PEOPLE THAT ARE GOING TO BE DIRECTLY IMPACTED IN A
5 VERY MEANINGFUL WAY BY THE BUDGET CUTS THAT WE HAVE
6 BEEN EXPERIENCING AND WILL EXPERIENCE FOR THE NEXT
7 YEAR. SO IT GIVES ME A LITTLE BIT DIFFERENT
8 PERSPECTIVE ON STATE SPENDING.

9 MS. KING: GENTLEMEN, I KNOW THAT CYNTHIA
10 JUST HAS ONE POINT OF CLARIFICATION ABOUT THIS
11 SPECIFIC CONTRACT THAT I THINK WE SHOULD LET HER
12 MAKE, JUST WE SO ALL HAVE THE --

13 CHAIRPERSON LANSING: I WAS GOING TO SAY
14 THAT. THANK YOU.

15 MS. SCHAFFER: I'M SORRY THAT THERE'S BEEN
16 SOME CONFUSION ABOUT HOW TO READ THE CHART. UNDER
17 THE COLUMN WHEN THERE IS AN AMENDMENT TO THE
18 AGREEMENT TO EXTEND THE CONTRACT PERIOD, I INCLUDE
19 THE NEW TOTAL CONTRACT AMOUNT. SO THE 155,000 IS
20 THE TOTAL. IT'S NOT 235,000. SO THERE WAS AN
21 ORIGINAL 80,000 AND THEN AN ADDITIONAL 75 WHEN THE
22 PERIOD GOT EXTENDED FOR A NEW TOTAL OF 155,000, NOT
23 235.

24 DR. TROUNSON: TO DEFEND MY DECISION HERE,
25 THE PRIMARY ACTIVITY THAT I NEEDED FROM HIM WAS TO

BARRISTERS' REPORTING SERVICE

1 HELP ME GET THE STRATEGIC PLAN REFORMATTED AND
2 REFORMED. THAT'S WHAT HE'S DOING, BUT I ALSO TAKE
3 THE OPPORTUNITY TO GET ADVICE FROM HIM ON SPECIFIC
4 MATTERS THAT I THINK ARE REALLY CRITICAL FOR THE
5 DELIVERY OF OUR MISSION. IT'S NOT CONTEMPLATED THAT
6 THIS WILL GO ON FOREVER. IT GOES ON AT THIS POINT
7 IN TIME BECAUSE I THINK IT'S AN IMPORTANT MATTER
8 THAT HE CAN MORE EFFICIENTLY HELP WITH THAT THAN
9 ANYBODY ELSE.

10 AND I THINK IT'S IMPORTANT FOR THE BOARD
11 TO HAVE A REDRAFTED PLAN WHICH IS UP-TO-DATE, AND I
12 THINK CURRENTLY, YOU KNOW, THAT THE ASSISTANCE HE'S
13 PROVIDING US IN THIS MATTER IS REASONABLE.

14 MR. SHEEHY: I DON'T WANT TO MICROMANAGE
15 THE AGENCY, BUT I THINK BOTH THE DEVELOPMENT OF THE
16 STRATEGIC PLAN AND THE DECISION WHICH HAS HAPPENED
17 NOT IN PUBLIC, AS IT DID WITH ZACH -- I THINK JOHN
18 MAKES A VERY VALID POINT -- THAT THAT WAS A MUCH
19 MORE INCLUSIVE PROCESS. AND A DECISION TO TAKE PR
20 ADVICE THROUGH COUNSEL SO THAT WOULDN'T HAVE TO BE
21 PUBLICLY DISCLOSED ARE BOTH PART OF THE SAME
22 CHARACTERISTIC OF NOT DOING THINGS IN A PUBLIC
23 AGENCY FASHION AND DOING THINGS. YOU KNOW, I DON'T
24 LIKE THAT TENDENCY, AND I THINK IT MAY BE ASSOCIATED
25 WITH THIS CONTRACT. AND IT MAKES ME VERY

BARRISTERS' REPORTING SERVICE

1 UNCOMFORTABLE.

2 I'M A BIG, OPEN GOVERNMENT PERSON, AND I
3 THINK THINGS SHOULD BE MORE TRANSPARENT. WE HAVE AN
4 ELEMENT THAT DOES NOT SUPPORT TRANSPARENCY, THEN IT
5 MAKES ME UNCOMFORTABLE.

6 DR. POMEROY: SHERRY, THIS IS CLAIRE. CAN
7 I ASK A QUESTION ON THIS ISSUE? I WONDER IF JAMES
8 COULD COMMENT ABOUT WHEN WE -- WHAT OUR POLICIES SAY
9 ABOUT WHEN WE HAVE TO USE AN RFP PROCESS AND WHEN WE
10 DON'T.

11 MR. HARRISON: SURE. FOR CONTRACTS OF
12 UNDER \$50,000, REQUESTS FOR PROPOSALS IS REQUIRED.
13 UNDER STATE LAW, HOWEVER, THERE IS AN EXCEPTION FOR
14 PERSONAL SERVICES CONTRACTS FROM THE REQUIREMENT TO
15 DO AN RFP.

16 MR. KLEIN: AND THE CONTRACT IS IT WOULD
17 COST US MASSIVE AMOUNTS OF MONEY TO BRING SOMEBODY
18 UP-TO-DATE ON ALL OF OUR REGULATIONS ON ALL OF OUR
19 PROCEDURES ON ALL OF OUR HISTORY IN ORDER TO GET THE
20 SAME EFFECTIVE RESULT THAT WE GET WITH DR. MURPHY
21 BECAUSE HE CONTRIBUTED SO MUCH TIME WITHOUT ANY COST
22 TO THE AGENCY AND BUILDING UP ALL THIS KNOWLEDGE TO
23 GIVE HIM A BASE.

24 AND I, FRANKLY, THINK JUST AS A VERY
25 SPECIFIC REQUEST THAT I WOULD HAVE IS THAT HE HELP

BARRISTERS' REPORTING SERVICE

1 WITH THE NIH AFTER THE FIRST OF THE YEAR, HOPING
2 THAT THERE'S A NEW ADMINISTRATION. HE MIGHT ALSO
3 NEED TO HELP WITH THE FDA, BUT THERE ARE SOME
4 MASSIVE CHALLENGES WITH THE FEDERAL GOVERNMENT THAT
5 WE WILL NEED THAT KIND OF EXPERT HELP ON THAT COULD
6 BE OF EXTRAORDINARY VALUE TO THIS AGENCY.

7 MR. SHEEHY: BUT THERE MIGHT SOMEONE
8 BETTER. WE DON'T EVEN KNOW WHO THOSE APPOINTMENTS
9 ARE GOING TO BE. WE DON'T KNOW WHO'S GOING TO BE IN
10 THE ADMINISTRATION. WE DON'T KNOW WHO'S GOING TO BE
11 THE HEAD OF THE FDA OR HEAD OF THE NIH, AND THERE'S
12 NO GUARANTEE THAT DR. MURPHY WOULD BE THE BEST
13 PERSON TO INTERACT. WE COULD HAVE EITHER A
14 REPUBLICAN OR A DEMOCRAT, AND THEY COULD EACH -- OR
15 WHAT IF DAVID KESSLER GOES BACK TO THE FDA? WE HAVE
16 NO IDEA WHO'S GOING TO GET THOSE APPOINTMENTS.

17 MR. KLEIN: I'M GOING TO LET THE PRESIDENT
18 MAKE THAT DECISION AT THAT TIME ON AN APPROPRIATE
19 BASIS. BUT YOU'RE NOT -- WHOEVER YOU ASSIGN TO
20 DEALING WITH THE FDA AND WHOEVER YOU ASSIGN TO
21 DEALING WITH THE NIH, THERE'S GOING TO BE MORE THAN
22 ONE PERSON INVOLVED. AND ONE OF THOSE PEOPLE THAT'S
23 INVOLVED HAS TO HAVE AN EXTRAORDINARY DEPTH OF
24 INFORMATION ON THIS AGENCY. SO THE PRESIDENT WILL
25 MAKE THAT DECISION.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: I WOULD DISAGREE WITH THE
2 FDA. THE FDA IS GOING TO REQUIRE EXPERIENCE WITH
3 THE SCIENCE AS IT'S BEING DONE. DR. MURPHY IS NOT A
4 STEM CELL SCIENTIST. SO IT'S GOING TO BE SOMEONE
5 WHO CAN GO THERE AND TALK CHAPTER AND VERSE ABOUT
6 WHAT THE SAFETY ISSUES THAT ARE HOLDING UP CLINICAL
7 TRIALS ARE AND NOT SOMEONE WHO HAPPENS TO KNOW THE
8 INNER WORKINGS OF CIRM.

9 MR. KLEIN: THAT'S FINE. SO MAYBE THE
10 PRESIDENT MAKES A DECISION THAT DR. MURPHY WORKS ON
11 THE NIH AND NOT ON THE FDA. DR. TROUNSON HAS
12 EXPERIENCE TO JUDGE WHEN IT'S EFFECTIVE AND WHEN
13 IT'S NOT.

14 MR. SHEEHY: DR. TROUNSON --

15 MR. KLEIN: YOU DON'T LIKE DR. MURPHY, AND
16 LET'S STICK TO THE MISSION HERE, JEFF. LET'S STICK
17 TO THE MISSION.

18 MR. SHEEHY: I RESENT YOU SAYING THAT MY
19 ATTEMPTS TO SAFEGUARD PUBLIC MONEY IS BASED ON
20 PERSONAL ANIMUS. I DEEPLY RESENT THAT. IT'S
21 INAPPROPRIATE FOR YOU TO SUGGEST THAT. I THINK IT'S
22 MORE INAPPROPRIATE FOR A FORMER BOARD MEMBER TO BE
23 RECEIVING MONEY FROM A BOARD THAT THEY USED TO SIT
24 ON THEIR COLLEAGUES ARE VOTING THROUGH AS MONEY. TO
25 ACCUSE ME OF PERSONAL ANIMUS FOR WANTING TO -- IS

BARRISTERS' REPORTING SERVICE

1 REALLY INAPPROPRIATE.

2 CHAIRPERSON LANSING: I THINK THAT WHAT
3 JEFF IS BRINGING UP IS A NEED TO HAVE A MORE OPEN
4 PROCESS, BUT AT THE SAME TIME WE ALSO AGREE, THIS IS
5 WHY IT'S A PARTICULARLY COMPLICATED ISSUE, THAT WE
6 WANTED DR. TROUNSON TO RUN THE INSTITUTION. AND
7 THAT WE WERE GOING TO LET HIM, YOU KNOW, HIRE WHO HE
8 WISHES TO, AND WE WEREN'T GOING TO TRY AND
9 MICROMANAGE IT.

10 DR. PIZZO: TO THAT REGARD, I AGREE WITH
11 THAT LAST STATEMENT. AND WHILE I THINK A FAIR AND
12 HONEST EXCHANGE IS IMPORTANT, I THINK NONE OF US
13 WANT TO BE IN A SITUATION WHERE WE'RE TRADING BARBS
14 OR ACCUSATIONS. I KNOW NO ONE REALLY WANTS TO DO
15 THAT.

16 IT SEEMS TO ME, FOLLOWING YOUR LINE OF
17 COMMENTARY, SHERRY, THAT I THINK PART OF THE
18 DISCUSSION DOES NEED TO BE TRANSPARENT AND THE OTHER
19 PART THERE SHOULD BE A DISCUSSION ABOUT WHAT'S THE
20 BUDGET THAT IS NEEDED TO RUN THE EXECUTIVE FUNCTIONS
21 AND TO ALLOW THE PRESIDENT TO HAVE LICENSE TO
22 OPERATE WITHIN SOME BUDGET SO THAT THERE'S SOME
23 COMFORT THAT THE EXECUTIVE FUNCTIONS WILL BE
24 ACCOMPLISHED, BUT NOT NECESSARILY EXCEEDED ON A
25 FINANCIAL BASIS.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: WE DO HAVE THAT
2 BUDGET, DO WE NOT?

3 DR. TROUNSON: THAT'S CORRECT, SHERRY. WE
4 PASSED --

5 DR. PIZZO: IF THAT'S THE CASE, I THINK,
6 FROM MY POINT OF VIEW, IF THINGS ARE STAYING WITHIN
7 BUDGET, AT LEAST I, FOR ONE, WANT TO ALLOW THE
8 PRESIDENT TO HAVE THE OPPORTUNITY OF FLEXIBILITY TO
9 MAKE THE DECISIONS.

10 NOW THAT STATEMENT BEING GIVEN, WHAT I
11 HEARD JEFF RAISING IS ANOTHER ISSUE THAT DOES
12 DESERVE SOME DISCUSSION. IT'S NOT REALLY A MATTER
13 OF WHO'S MOST QUALIFIED, BUT WHAT I HEARD JEFF
14 RAISING WAS AN ISSUE ABOUT APPEARANCES IN TERMS OF
15 SOMEONE WHO HAD BEEN ON THE BOARD WHO THEN BECOMES A
16 CONSULTANT. AND I THINK SOME DIALOGUE ABOUT THAT IS
17 APPROPRIATE BECAUSE OTHER AGENCIES OR ORGANIZATIONS
18 THAT HAVE THOSE KIND OF TURNKEY ARRANGEMENTS DO
19 RAISE CONCERN PARTICULARLY IN DIFFICULT FINANCIAL
20 TIMES. SO I WOULD SEPARATE THE TWO ISSUES.

21 I CERTAINLY THINK THAT THE PRESIDENT
22 SHOULD CHOOSE WHO HE WISHES TO WORK WITH WITHIN THE
23 BUDGETARY SETTINGS THAT HAVE BEEN ESTABLISHED, BUT
24 THERE SHOULD BE A GENERIC, NONSPECIFIC TO RICH
25 MURPHY, DISCUSSION ABOUT WHAT'S THE POLICY REGARDING

BARRISTERS' REPORTING SERVICE

1 MEMBERS WHO HAVE BEEN PART OF THE BOARD WHO GO OFF
2 THE BOARD IN TERMS OF THEIR SUBSEQUENT CONSULTING --
3 PAID CONSULTING ARRANGEMENTS AS COMPARED TO NONPAID
4 CONSULTANT ARRANGEMENTS.

5 CHAIRPERSON LANSING: MAYBE THAT IS
6 SOMETHING -- I THINK, PHIL, YOU SAID IT QUITE RIGHT.
7 SO WE HAVE A BUDGET. WITHIN THAT BUDGET WE'VE ALL
8 AGREED THAT DR. TROUNSON SHOULD HAVE THE RIGHT TO
9 HIRE THE PEOPLE THAT HE WISHES. NOW PERHAPS WE NEED
10 TO LOOK AT THIS ISSUE, AND THIS COULD BE A
11 GOVERNANCE MATTER, WHAT IS THE BEST PRACTICES, FOR
12 WANT OF A BETTER WORD, SITUATION THAT WE COULD HAVE
13 FOR PEOPLE WHO WERE ON THE BOARD, AND THIS BOARD IS
14 GOING TO GO ON A LONG TIME, AND SOME OF US ARE GOING
15 TO BE TERMED OUT, AND PROBABLY IT WILL STILL BE
16 GOING ON.

17 SO MAYBE WE CAN START TO DESIGN BEST
18 PRACTICES, JAMES, THAT YOU CAN KIND OF AND I CAN
19 THINK ABOUT WHAT THOSE BEST PRACTICES ARE, OBVIOUSLY
20 TAKING INTO ACCOUNT WHAT JEFF SAID. NO MATTER WHAT,
21 IT HAS TO BE A FULL AND TRANSPARENT DECISION.

22 DR. POMEROY: SHERRY, THIS IS CLAIRE. I
23 WOULD LIKE TO SECOND THAT SUGGESTION AND MAYBE JUST
24 ADD ONE ADDITIONAL PIECE. BECAUSE THIS RAISES THE
25 ISSUE, NOT ONLY OF FORMER BOARD MEMBERS, BUT FORMER

BARRISTERS' REPORTING SERVICE

1 CIRM STAFF.

2 CHAIRPERSON LANSING: ABSOLUTELY.

3 DR. POMEROY: AND, OF COURSE, DR. MURPHY
4 AS ONE EXAMPLE FALLS ACTUALLY INTO BOTH OF THOSE
5 CATEGORIES. AND SO I WOULD FEEL VERY REASSURED IF
6 ON A FUTURE AGENDA WE DID THINK THROUGH THIS,
7 PROACTIVELY SETTING SOME POLICIES ABOUT WHAT IS
8 APPROPRIATE IN ORDER TO HAVE THE PUBLIC TRUST.

9 CHAIRPERSON LANSING: I THINK THAT'S A
10 VERY GOOD THING. AND, JAMES, I'M GOING TO ASK, IN
11 ORDER OF PRIORITY, I'D LIKE TO FINISH THE WORK THAT
12 WE'RE DOING FOR OUR NEXT CALL IN TERMS OF, YOU KNOW,
13 HOW WE HANDLE THE TELEPHONE, TELECONFERENCE
14 MEETINGS, THE TELEPHONE MEETINGS. AND THEN FOR OUR
15 MEETING AFTER THAT, PERHAPS YOU AND I CAN START
16 COMING UP WITH SOME BEST PRACTICES AND GO THROUGH
17 THE SAME PROCEDURE THAT WE ARE GOING THROUGH WITH
18 THE TELECONFERENCING. TRY AND COME UP WITH A
19 DOCUMENT THAT WE ALL DISCUSS AND SEE HOW WE FEEL.

20 MR. HARRISON: SURE.

21 CHAIRPERSON LANSING: EVERYBODY
22 COMFORTABLE WITH THAT?

23 DR. PIZZO: YES.

24 CHAIRPERSON LANSING: JEFF, ARE YOU
25 COMFORTABLE?

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: YES.

2 CHAIRPERSON LANSING: GREAT. I THINK IT'S
3 A VALID POINT, AND I THINK WE ALL WANT TO HANDLE THE
4 PUBLIC TRUST IN THE MOST PROPER WAY. ON THE OTHER
5 HAND, DR. TROUNSON AND BOB, OBVIOUSLY WE WANT DR.
6 TROUNSON TO RUN THIS AS HE HAS BEEN DOING IN A FULL
7 AND TRANSPARENT BUT EFFICIENT WAY AND TO HAVE THE
8 RIGHT TO HIRE WHO HE FEELS COMFORTABLE WITH.

9 SO I'M GOING TO MAKE SURE THAT I HAVE
10 GIVEN EVERYBODY THE OPPORTUNITY TO TALK. LET'S SEE.
11 ANY OTHER COMMENTS AT STANFORD FROM THE COMMITTEE?

12 DR. PIZZO: NOPE.

13 CHAIRPERSON LANSING: ANY OTHER COMMENTS
14 IN LA JOLLA?

15 MR. ROTH: NO.

16 CHAIRPERSON LANSING: IN SACRAMENTO?

17 DR. POMEROY: NO.

18 CHAIRPERSON LANSING: SAN FRANCISCO?

19 MR. SHEEHY: NO.

20 CHAIRPERSON LANSING: NOW FROM THE PUBLIC.
21 SAN FRANCISCO?

22 MS. KING: NONE HERE.

23 CHAIRPERSON LANSING: SACRAMENTO? LA
24 JOLLA?

25 MR. ROTH: NONE.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: STANFORD?

2 DR. PIZZO: NONE.

3 CHAIRPERSON LANSING: AT THE FOUNDATION IN
4 L.A.?

5 MR. SIMPSON: THIS IS JOHN SIMPSON,
6 CONSUMER WATCHDOG. I JUST WANTED TO COMMEND YOU FOR
7 AGREEING TO LOOK INTO THIS WHOLE ISSUE. NOT HAVING
8 DONE SO, YOU WOULD HAVE BEEN RUNNING THE RISK OF
9 PEOPLE SUGGESTING THAT YOU'RE OPERATING WITH SORT OF
10 AN OLD BOY'S NETWORK, WHICH IS THE LAST THING YOU
11 WANT TO BE SEEN DOING. SO I THINK IT'S VERY
12 APPROPRIATE YOUR WRESTLING WITH THIS WHEN YOU ARE.

13 THE OTHER THING, THOUGH, THAT I DID WANT
14 TO SAY FOR THE RECORD, I THINK THERE WAS, IN FACT,
15 AN RFP THAT WENT OUT WHICH RESULTED IN THIS
16 CONSULTANCY BY DR. MURPHY, I BELIEVE.

17 MS. SCHAFFER: I CAN CONFIRM THAT.

18 MR. SIMPSON: I WAS PRETTY SURE. I DON'T
19 KNOW THAT THERE WAS ANYTHING WHEN THE CONTRACT WAS
20 EXTENDED, BUT INITIALLY THERE WAS INDEED ONE.

21 CHAIRPERSON LANSING: I THINK THERE WAS
22 BECAUSE, AS JEFF INDICATED, HE VOTED -- WE HAD AN
23 OPEN VOTE AND IT WAS TRANSPARENT, AND THAT MADE HIM
24 FEEL BETTER, BUT I THINK THE EXTENSION HAS BROUGHT
25 UP THIS QUESTION. I THINK IT'S A HEALTHY THING FOR

BARRISTERS' REPORTING SERVICE

1 US TO LOOK AT.

2 MR. SIMPSON: I AGREE. I THINK YOU ARE
3 DOING ABSOLUTELY THE RIGHT THING.

4 CHAIRPERSON LANSING: THANK YOU, JOHN. SO
5 WE HAD A CLOSED SESSION, BUT WE DON'T NEED ONE. SO
6 I'M GOING TO ASK IF THERE'S ANY FURTHER COMMENTS?
7 AND I ALSO I WANT TO THANK ALL OF YOU FOR WHAT I
8 THOUGHT WAS AN INCREDIBLY HEALTHY AND PRODUCTIVE
9 CONVERSATION ON OUR POSSIBLE NEW PROCEDURE FOR
10 ATTENDING MEETINGS BY PHONE. AND ALSO I WANT TO
11 THANK EVERYBODY FOR A HEALTHY DISCUSSION ON HOW TO
12 HANDLE EX-BOARD MEMBERS AND STAFF. AND WE'LL BE
13 COMING BACK IN BOTH CASES WITH SOME POSSIBLE
14 GUIDELINES FOR ALL OF US TO LOOK AT.

15 SO WITH THAT SAID, I WISH EVERYBODY A GOOD
16 MEETING -- A GOOD WEEKEND. AND I THOUGHT IT WAS A
17 GOOD MEETING, AND I THANK YOU FOR YOUR TIME. I
18 THINK THIS MEETING IS ADJOURNED.

19 DR. TROUNSON: SHERRY, JUST BEFORE YOU GO,
20 JUST TO REPORT TO YOU THAT YESTERDAY AND TODAY WE
21 HAD THE CIRM GRANTEES MEETING. AND I HAVE TO SAY
22 THE PHENOMENAL SCIENCE PROGRESSING GENUINELY TOWARDS
23 SOME TRANSLATION OF SCIENCE TO SOME VERY SERIOUS
24 DISEASES HAS BEEN EXTRAORDINARY. YOU WOULD HAVE
25 BEEN ABSOLUTELY PROUD. I WAS. I THINK IT WAS A

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1 FABULOUS COUPLE OF DAYS, AND THE PEOPLE WHO ARE
2 DOING THE WORK YOU WOULD HAVE BEEN ABSOLUTELY PROUD.

3 CHAIRPERSON LANSING: I CAN'T WAIT TO HEAR
4 ABOUT IT. I'M REGRETFULLY -- IT'S A PERFECT EXAMPLE
5 OF WHERE I WISH I COULD PARTICIPATE BY PHONE AT THE
6 LASKER PRIZE BOARD MEETING, AND WE GIVE OUT THE
7 PRIZE ON THE DAY OF THE NEXT ICOC MEETING. I HAD A
8 REAL CONFLICT.

9 DR. PIZZO: WE'RE VERY GLAD AT STANFORD
10 ABOUT YOUR SELECTION, SHERRY.

11 CHAIRPERSON LANSING: I WISH I COULD SAY
12 I'M THE ONE THAT CHOSE THEM, BUT I'M VERY PROUD TO
13 BE PART OF THE BOARD.

14 MR. KLEIN: SHERRY, JUST TO ADD TO WHAT
15 ALAN SAID, STU ORKIN AND TONY ATALLA, AND A NUMBER
16 OF NATIONAL LEADERS IN STEM CELL RESEARCH WHO WERE
17 THERE WERE EXTRAORDINARILY IMPRESSED. I WAS AWED BY
18 SOME OF THESE SESSIONS. IT WAS EXTRAORDINARY WHAT
19 OUR RESEARCHERS WERE DOING AND THE COMPLEMENTARY
20 RESEARCH BEING DONE AROUND THE COUNTRY AND AROUND
21 THE WORLD. BUT IT IS -- I THINK JEFF WAS VERY
22 PLEASED WITH IT AS WELL. IT WAS REALLY REMARKABLE.

23 MR. SHEEHY: ASTOUNDING.

24 CHAIRPERSON LANSING: I KNOW -- THE REASON
25 I BROUGHT UP THAT I WON'T BE AT THE BOARD MEETING IS

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1 THAT I KNOW YOU ARE GOING TO PROBABLY GIVE A REPORT
2 ON IT, SO I'LL BE PARTICULARLY FRUSTRATED NOT TO BE
3 ABLE TO HEAR IT. MELISSA, MAYBE YOU CAN FILL ME IN
4 AFTERWARDS.

5 MS. KING: ABSOLUTELY.

6 CHAIRPERSON LANSING: TO END ON THAT GREAT
7 NOTE IS WONDERFUL. AGAIN, I THANK EVERYBODY AND
8 WISH YOU A GOOD WEEKEND.

9 (THE MEETING WAS THEN CONCLUDED AT
10 04:48 P.M.)

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REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE TELEPHONIC PROCEEDINGS BEFORE THE GOVERNANCE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING ON FRIDAY, SEPTEMBER 19, 2008, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

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