

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: MONDAY, OCTOBER 22, 2012
11:30 A.M.

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

BRS FILE NO.: 93058

BARRISTERS' REPORTING SERVICE

I N D E X

ITEM DESCRIPTION	PAGE NO.
OPEN SESSION:	
1. CALL TO ORDER.	3
2. ROLL CALL.	3
3. CONSIDERATION OF A PRESIDENTIAL SUCCESSION PLAN.	4
4. CONSIDERATION OF MANNER OF DISQUALIFICATION FOR BOARD MEMBERS WHEN AN APPLICANT SELF-IDENTIFIES.	11
5. CONSIDERATION OF AMENDMENTS TO THE INTERNAL GOVERNANCE POLICY.	17
6. PUBLIC COMMENT	NONE

BARRISTERS' REPORTING SERVICE

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MONDAY, OCTOBER 22, 2012

11:30 A.M.

CHAIRPERSON LANSING: WELL, I WANT TO HE
WILL COME EVERYONE TO THIS MEETING OF THE GOVERNANCE
SUBCOMMITTEE OF THE ICOC. AND WE HAVE MEMBERS
JOINING US FROM SEVERAL LOCATIONS. SO PLEASE LET ME
KNOW IF THERE ARE MEMBERS OF THE PUBLIC AT YOUR
LOCATION SO WE CAN ACKNOWLEDGE THEM DURING OUR
PUBLIC COMMENT PERIOD. AGAIN, I WANT TO THANK YOU
FOR TAKING TIME OUT OF YOUR SCHEDULES TO PARTICIPATE
IN THIS CALL.

MARIA, CAN YOU CALL THE ROLL.

MS. BONNEVILLE: SURE. SHERRY LANSING.

CHAIRPERSON LANSING: HERE.

MS. BONNEVILLE: CLAIRE POMEROY.

DR. POMEROY: HERE.

MS. BONNEVILLE: PHIL PIZZO. DUANE ROTH.
JEFF SHEEHY.

MR. SHEEHY: HERE.

MS. BONNEVILLE: ART TORRES.

MR. TORRES: HERE.

MS. BONNEVILLE: KRISTINA VUORI.

DR. VUORI: HERE.

MS. BONNEVILLE: OS STEWARD.

BARRISTERS' REPORTING SERVICE

1 DR. STEWARD: I'M HERE. SORRY.

2 MS. BONNEVILLE: J.T., JONATHAN THOMAS.

3 CHAIRMAN THOMAS: HERE.

4 MS. BONNEVILLE: AND, DUANE, DID YOU JOIN?

5 MR. ROTH: YES, I AM.

6 MS. BONNEVILLE: GREAT.

7 CHAIRPERSON LANSING: SO, MARIA, DO WE

8 HAVE A QUORUM?

9 MS. BONNEVILLE: YES, WE DO.

10 CHAIRPERSON LANSING: OH, GOOD. SO I'D

11 LIKE NOW TO MOVE TO AGENDA ITEM 3, WHICH IS

12 CONSIDERATION OF CHANGES TO THE CONFLICT OF INTEREST

13 POLICY. AND SO WE WILL NOW CONSIDER THE

14 PRESIDENTIAL SUCCESSION PLAN.

15 SENATE BILL NO. 1064 REQUIRES CIRM TO

16 ENGAGE IN LEADERSHIP SUCCESSION PLANNING FOR BOTH

17 THE BOARD AND THE AGENCY TO MINIMIZE THE IMPACT AND

18 THE DISRUPTION OF A CHANGE IN LEADERSHIP, AND

19 ACTUALLY TO ENSURE THE SUCCESSFUL TRANSFER OF

20 KNOWLEDGE.

21 SO, JAMES, WILL YOU TAKE US THROUGH THIS

22 ITEM, PLEASE.

23 MR. HARRISON: YES. THANK YOU, SHERRY.

24 GOOD MORNING, EVERYONE. AS SHERRY POINTED OUT,

25 SUCCESSION PLANNING WAS A REQUIREMENT OF SB 1064.

BARRISTERS' REPORTING SERVICE

1 THE BOARD HAS PREVIOUSLY ENGAGED IN SUCCESSION
2 PLANNING WITH RESPECT TO THE CHAIR AND THE VICE
3 CHAIRS. SO THIS IS TO BRING TO YOU A PLAN FOR
4 SUCCESSION OF THE PRESIDENT IF SUCH PLAN IS NEEDED.

5 THERE ARE FIVE ELEMENTS OF THE PLAN, AND
6 I'LL WALK YOU THROUGH EACH OF THEM BRIEFLY. AS MOST
7 OF YOU WILL RECALL, THE BOARD ESTABLISHED A
8 PRESIDENTIAL SEARCH SUBCOMMITTEE WHICH CONDUCTED ITS
9 PREVIOUS SEARCHES FOR PRESIDENT. THE PRESIDENTIAL
10 SEARCH SUBCOMMITTEE TOOK ON RESPONSIBILITY FOR,
11 FIRST, CONSIDERING AND RECOMMENDING CRITERIA AND
12 DESIRED QUALIFICATIONS FOR CANDIDATES FOR PRESIDENT,
13 EVALUATING, AND SELECTING AN EXECUTIVE SEARCH FIRM,
14 AND THEN INTERVIEWING CANDIDATES FOR PRESIDENT.

15 AT THIS POINT IN TIME, THERE'S NO CURRENT
16 NEED FOR A PRESIDENTIAL SEARCH SUBCOMMITTEE. AND
17 GIVEN THE FACT THAT THE COMPOSITION OF THE BOARD MAY
18 CHANGE BETWEEN NOW AND THE DATE SUCH A NEED ARISES,
19 WHAT WE WOULD RECOMMEND IS THAT THE GOVERNANCE
20 SUBCOMMITTEE CONSIDER RECOMMENDING TO THE BOARD THAT
21 IT DELEGATE AUTHORITY TO THE CHAIR, JONATHAN THOMAS,
22 TO ESTABLISH A PRESIDENTIAL SEARCH SUBCOMMITTEE AT
23 THE TIME A NEED SUCH COMMITTEE ARISES AND APPOINT
24 THE MEMBERSHIP OF THE COMMITTEE.

25 I'M HAPPY TO ANSWER QUESTIONS AS I GO

BARRISTERS' REPORTING SERVICE

1 THROUGH THIS OR CONTINUE THROUGH, WHATEVER YOUR
2 PLEASURE IS.

3 THE SECOND ELEMENT OF THE PLAN IS TO
4 ADDRESS THE NEED FOR AN EXECUTIVE SEARCH FIRM. WITH
5 RESPECT TO THE LAST TWO SEARCHES, THE BOARD HIRED AN
6 EXECUTIVE SEARCH FIRM TO ASSIST IT IN CARRYING OUT
7 THE SEARCH, DEVELOPING CANDIDATES, VETTING THEM, AND
8 BRINGING THEM TO THE BOARD, DEVELOPING AND ISSUING
9 AN RFP AND SELECTING A SEARCH SUBCOMMITTEE. AND
10 THEN BRINGING THE RECOMMENDATION TO THE BOARD FOR
11 ITS APPROVAL REQUIRES SOME LEAD-TIME IN ANTICIPATION
12 OF THAT.

13 WHAT WE WOULD RECOMMEND IS THAT YOU
14 CONSIDER ASKING STAFF TO DEVELOP A TEMPLATE FOR AN
15 RFP NOW SO THAT IT CAN BE ISSUED IMMEDIATELY WHEN
16 THE NEED ARISES. AND SECONDLY, DELEGATING TO THE
17 PRESIDENTIAL SEARCH SUBCOMMITTEE THE AUTHORITY TO
18 EVALUATE AND SELECT AND APPROVE A CONTRACT WITH A
19 SEARCH FIRM RATHER THAN HAVING TO BRING THAT BACK TO
20 THE BOARD.

21 THE THIRD ASPECT OF THE PLAN INVOLVES
22 CONSIDERATION OF CRITERIA AND DESIRED QUALIFICATIONS
23 FOR PRESIDENT. THIS IS AN ITEM THAT THE BOARD'S
24 SPENT A SUBSTANTIAL AMOUNT OF TIME ON IN CONNECTION
25 WITH ITS LAST TWO SEARCHES. THOSE CRITERIA AND

BARRISTERS' REPORTING SERVICE

1 QUALIFICATIONS ARE IN YOUR MATERIALS. OBVIOUSLY
2 CIRM IS A MUCH DIFFERENT AND MORE MATURE
3 ORGANIZATION NOW THAN IT WAS WHEN THE BOARD LAST
4 CONDUCTED A SEARCH FOR PRESIDENT OVER FIVE YEARS
5 AGO.

6 SO IT MAY BE THAT WHAT THE BOARD DESIRES
7 IN A CANDIDATE FOR PRESIDENT HAS CHANGED, AND IT MAY
8 BE THAT IT WILL CHANGE SOME MORE ONCE THE NEED
9 ARISES. SO RATHER THAN TRYING TO ANTICIPATE WHERE
10 CIRM WILL BE IN ITS EVOLUTION AND IDENTIFY CRITERIA
11 AT THIS POINT IN TIME, AGAIN, WHAT WE WOULD
12 RECOMMEND IS THAT THE BOARD DIRECT THE PRESIDENTIAL
13 SEARCH SUBCOMMITTEE TO CONSIDER AND RECOMMEND
14 CRITERIA AND QUALIFICATIONS FOR PRESIDENT AT THE
15 APPROPRIATE TIME.

16 THE NEXT ASPECT OF THE PLAN RELATES TO AN
17 INTERIM PRESIDENT. OVER CIRM'S LIFETIME, IT HAS
18 BEEN SERVED BY FOUR DIFFERENT INTERIM PRESIDENTS.
19 SO THERE ARE DIFFERENT MODELS FOR THE BOARD TO
20 CONSIDER. AGAIN, WHAT NEED AND QUALITIES WILL BE
21 DESIRED WILL TURN ON MANY FACTORS NOT KNOWN AT THIS
22 POINT IN TIME, SUCH AS THE LENGTH OF THE TRANSITION,
23 CIRM'S STATE OF MATURITY, AND OTHER FACTORS.

24 SO WITH RESPECT TO THIS ITEM AS WELL, WE
25 WOULD RECOMMEND THAT THE BOARD AGAIN DELEGATE -- OR

BARRISTERS' REPORTING SERVICE

1 EXCUSE ME -- CONSIDER THE CRITERIA AND THE PROCESS
2 FOR SELECTING AN INTERIM PRESIDENT AT THE TIME THE
3 NEED ARISES.

4 THE FINAL ASPECT OF THE PLAN RELATES TO A
5 POINT THAT SHERRY MADE, WHICH IS THE NEED TO ENSURE
6 A SMOOTH TRANSFER OF KNOWLEDGE. CIRM IS IN A VERY
7 DIFFERENT PLACE NOW THAN IT WAS FIVE YEARS AGO WHEN
8 IT HIRED PRESIDENT TROUNSON. THERE ARE MANY MEMBERS
9 OF THE BOARD AND THE STAFF WHO HAVE BEEN WITH AGENCY
10 FOR A LONG TIME, SO THERE'S A LOT OF INSTITUTIONAL
11 KNOWLEDGE IN THE AGENCY AROUND THIS TABLE AND AT THE
12 BOARD AND ON THE STAFF GENERALLY. THAT WILL
13 OBVIOUSLY HELP TO ENSURE A TRANSFER OF KNOWLEDGE TO
14 THE NEW PRESIDENT.

15 OBVIOUSLY, IF TIME PERMITS, IT WOULD BE
16 DESIRABLE TO HAVE A TRANSITION PERIOD WHERE THE
17 CURRENT PRESIDENT OVERLAPS WITH THE INCOMING
18 PRESIDENT AS OCCURRED WITH DR. RICH MURPHY WHO
19 SERVED AS INTERIM PRESIDENT AND DR. TROUNSON WHEN HE
20 FIRST TOOK THE HELM AT CIRM. THERE WAS AN OVERLAP
21 OF ABOUT THREE MONTHS, AND THAT CERTAINLY HELPED
22 ENSURING A TRANSFER OF KNOWLEDGE AND A SMOOTH
23 LEADERSHIP TRANSITION. SO TO THE EXTENT THAT THAT'S
24 POSSIBLE, THAT WOULD BE USEFUL. AS WITH THE OTHER
25 ISSUES, WHAT WILL BE MOST HELPFUL WILL BE DICTATED

BARRISTERS' REPORTING SERVICE

1 BY THE CIRCUMSTANCES WE SEE AT THE TIME.

2 SO WITH RESPECT TO THIS ITEM AS WELL, WE
3 RECOMMEND THAT THE BOARD CONSIDER WAYS IN WHICH IT
4 CAN ENSURE THAT TRANSFER OF KNOWLEDGE OCCURS AT THE
5 TIME AND UNDER THE CIRCUMSTANCES PRESENTED TO US.

6 SO THAT'S A BRIEF SUMMARY, SHERRY, OF THE
7 DRAFT PRESIDENTIAL SUCCESSION PLAN. I'D BE HAPPY TO
8 ANSWER ANY QUESTIONS.

9 CHAIRPERSON LANSING: WELL, GREAT. I
10 THINK IT'S EXTREMELY WELL THOUGHT OUT, BUT I'D LIKE
11 TO KNOW IF THERE ARE COMMENTS FROM THE MEMBERS OF
12 THE SUBCOMMITTEE REGARDING THIS PROPOSAL. OKAY.
13 JAMES, THAT'S BECAUSE YOU DID SUCH A GOOD JOB. ARE
14 THERE COMMENTS FROM MEMBERS OF THE PUBLIC? OKAY.

15 ARE THERE ANY MEMBERS OF THE PUBLIC JUST
16 SO I KNOW FOR FUTURE?

17 MS. BONNEVILLE: NOT HERE.

18 MR. ROTH: NO.

19 DR. POMEROY: NONE.

20 CHAIRPERSON LANSING: OKAY. THANK YOU.

21 SO NOW CAN I HAVE A MOTION TO --

22 MR. TORRES: SO MOVED.

23 CHAIRPERSON LANSING: -- RECOMMEND THAT
24 THE BOARD APPROVE THE PRESIDENTIAL SUCCESSION PLAN?

25 DR. POMEROY: SECOND.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: I NEED A MOTION
2 FIRST.

3 DR. POMEROY: ART DID IT.

4 CHAIRPERSON LANSING: OKAY. SORRY. I
5 DIDN'T HEAR THAT. SECOND FROM CLAIRE, I BELIEVE.
6 MARIA, WOULD YOU PLEASE CALL THE ROLL.

7 MS. BONNEVILLE: SURE. SHERRY LANSING.

8 CHAIRPERSON LANSING: YES.

9 MS. BONNEVILLE: CLAIM POMEROY.

10 DR. POMEROY: YES.

11 MS. BONNEVILLE: PHIL PIZZO. DUANE ROTH.

12 MR. ROTH: YES.

13 MS. BONNEVILLE: JEFF SHEEHY.

14 MR. SHEEHY: YES.

15 MS. BONNEVILLE: ART TORRES.

16 MR. TORRES: AYE.

17 MS. BONNEVILLE: KRISTINA VUORI.

18 DR. VUORI: YES.

19 MS. BONNEVILLE: OS STEWARD.

20 DR. STEWARD: YES.

21 MS. BONNEVILLE: JONATHAN THOMAS.

22 CHAIRMAN THOMAS: YES.

23 CHAIRPERSON LANSING: THANK YOU. NOW,
24 I'LL MOVE ON TO ITEM NO. 4, WHICH, AS YOU KNOW, IS
25 SOMETHING THAT I ASKED JAMES TO DRAFT A POLICY FOR

BARRISTERS' REPORTING SERVICE

1 OUR CONSIDERATION. AND THIS IS THE MANNER OF
2 DISQUALIFICATION FOR BOARD MEMBERS WHEN AN APPLICANT
3 SELF-IDENTIFIES. SO, JAMES, CAN YOU WALK US THROUGH
4 THIS ITEM.

5 MR. HARRISON: CERTAINLY. UNDER STATE LAW
6 MEMBERS OF THE BOARD ARE NOT REQUIRED TO LEAVE THE
7 ROOM EVEN WHEN THE DECISION BEFORE THE BOARD IS ONE
8 IN WHICH THEY HAVE A FINANCIAL INTEREST. GENERALLY
9 SPEAKING, THE BOARD'S REVIEW OF APPLICATIONS IS
10 BLIND. THAT IS, THE IDENTITY OF THE INSTITUTION AND
11 THE PRINCIPAL INVESTIGATOR IS NOT PRESENTED AS PART
12 OF THE INFORMATION THE BOARD RECEIVES IN EVALUATING
13 APPLICATIONS.

14 SO, FRANKLY, IT WOULDN'T MAKE SENSE FOR
15 THE BOARD MEMBERS TO LEAVE THE ROOM UNDER THOSE
16 CIRCUMSTANCES BECAUSE, IF ANYTHING, IT COULD TEND TO
17 IDENTIFY WHAT THE APPLICATION OR WHAT THE APPLICANT
18 INSTITUTION WAS.

19 THERE ARE CIRCUMSTANCES, HOWEVER, WHERE
20 APPLICANTS SELF-IDENTIFY EITHER BY FILING AN
21 EXTRAORDINARY PETITION IN SUPPORT OF AN APPLICATION
22 OR BY APPEARING AT A BOARD MEETING AND MAKING PUBLIC
23 COMMENT.

24 SO WHAT WE HAVE DONE IS TO DRAFT A
25 PROPOSAL THAT ADDRESSES THOSE UNIQUE CIRCUMSTANCES.

BARRISTERS' REPORTING SERVICE

1 AND UNDER THIS PROPOSAL, A MEMBER WOULD BE REQUIRED
2 TO LEAVE THE ROOM IF A MEMBER HAS A FINANCIAL
3 INTEREST IN AN APPLICATION WHERE THE APPLICANT HAS
4 SELF-IDENTIFIED EITHER BY FILING AN EXTRAORDINARY
5 PETITION OR BY MAKING PUBLIC COMMENTS IN FRONT OF
6 THE BOARD. AND THIS REQUIREMENT TO LEAVE THE ROOM
7 WOULD APPLY ONLY IF THE BOARD ACTUALLY TAKES UP THE
8 EXTRAORDINARY PETITION. IN OTHER WORDS, THERE ARE
9 INSTANCES WHERE EXTRAORDINARY PETITIONS ARE FILED
10 AND NOT DISCUSSED. THERE ARE INSTANCES WHERE AN
11 APPLICANT MAY MAKE PUBLIC COMMENT, BUT THE
12 APPLICATION IS NOT SUBJECT TO BOARD DISCUSSION OR
13 MOTION. AND UNDER THOSE CIRCUMSTANCES, WE WOULD NOT
14 ASK BOARD MEMBERS TO LEAVE THE ROOM. IT WOULD ONLY
15 BE WHEN A MEMBER OF THE BOARD IDENTIFIES AN
16 APPLICATION FOR DISCUSSION AND ANOTHER MEMBER OF THE
17 BOARD HAS AN INTEREST IN THAT APPLICATION.

18 SO THAT'S THE PROPOSAL FOR YOUR
19 CONSIDERATION. WE TRIED TO TAILOR IT FAIRLY
20 NARROWLY, UNDERSTANDING THE LOGISTICAL CHALLENGES
21 WITH A BOARD OF THIS SIZE AND ASKING MEMBERS TO
22 LEAVE THE ROOM IN THE MIDST OF THE DISCUSSION.

23 CHAIRPERSON LANSING: SO, JAMES, I HAVE A
24 QUESTION. I THINK YOU ANSWERED IT, BUT I JUST WANT
25 TO ASK IT. I FEEL THAT, YOU KNOW, THE INTEGRITY OF

BARRISTERS' REPORTING SERVICE

1 THE BOARD MEMBERS IS WITHOUT QUESTION. I DON'T
2 REALLY THINK THAT ANYONE IS BLINKING OR NODDING OR
3 SENDING NOTES AROUND OR E-MAILING, WHATEVER. BUT I
4 THINK IT'S ABOUT PERCEPTION. I JUST DON'T WANT
5 ANYONE TO THINK THAT WE IN ANY WAY INFLUENCE
6 SOMETHING THAT WE HAD A FINANCIAL INTEREST IN.

7 BUT I GUESS MY QUESTION IS, SINCE I ALWAYS
8 LEAVE THE ROOM WHEN THE APPLICANTS ARE UC RELATED,
9 WE KNOW IT AHEAD OF TIME BECAUSE YOU SEND US THE
10 THING THAT TELLS US WHAT WE CAN'T VOTE ON OR YOU
11 ANNOUNCE WHAT WE CAN'T VOTE ON.

12 MR. HARRISON: THAT'S RIGHT. EACH MEMBER
13 OF THE BOARD KNOWS WHAT APPLICATIONS SHE HAS A
14 CONFLICT WITH, BUT OTHER MEMBERS DO NOT KNOW UNLESS
15 THE APPLICANT SELF-IDENTIFIES.

16 CHAIRPERSON LANSING: SO WHAT YOU'RE
17 SAYING, JUST SO I'M CLEAR, WHAT YOU'RE SAYING IS IF
18 WE MADE THIS A BROADER POLICY, WHICH, OF COURSE, IS
19 WHAT MY NATURAL INSTINCT IS, THAT IF I GET UP,
20 THERE'S LIKE TEN CAMPUSES THAT COULD BE INVOLVED, SO
21 NO ONE REALLY KNOWS BECAUSE OF THE FACT THAT I CHAIR
22 THE REGENTS NOW. BUT IF YOU ARE THE CHANCELLOR OF
23 UC -- LET'S SAY PHIL PIZZO GOT UP. YOU WOULD KNOW
24 THEN IT WAS STANFORD.

25 MR. HARRISON: CORRECT.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: HE SELF-MONITORS
2 HIMSELF AND JUST DOESN'T TALK.

3 MR. HARRISON: THAT'S RIGHT. AND WE
4 REMIND MEMBERS OF THE BOARD BEFORE THE DISCUSSION
5 ENSUES TO CHECK THEIR LIST.

6 CHAIRPERSON LANSING: OKAY. I CAN ACCEPT
7 THAT THEN. WELL, THEN MY QUESTION IS -- I'LL TALK
8 TO YOU OFF LINE ABOUT WHETHER I SHOULD GET UP AND
9 LEAVE THE ROOM. WHETHER THAT IDENTIFIES ALL TEN
10 CAMPUSES, I GUESS IT REALLY DOESN'T -- THAT'S PRETTY
11 BROAD.

12 MR. HARRISON: THAT'S RIGHT. I THINK
13 YOU'RE IN A SLIGHTLY UNIQUE SITUATION.

14 CHAIRPERSON LANSING: EXACTLY. OKAY. ALL
15 RIGHT. WELL, SO I UNDERSTAND THIS. AND AGAIN, I
16 THINK ANYTHING WE CAN DO, I'M GOING TO SPEAK IN
17 FAVOR OF THIS, ANYTHING THAT WE CAN DO TO ENSURE
18 TRANSPARENCY AND TO JUST ENSURE INTEGRITY WHEN WE'RE
19 UNDER SUCH SCRUTINY, I THINK, IS WISE. SO I'D LIKE
20 TO HEAR COMMENTS FROM MEMBERS OF THE SUBCOMMITTEE
21 REGARDING THIS PROPOSAL IF THEY HAVE ANY.

22 DR. POMEROY: I WOULD ALSO SPEAK IN FAVOR
23 OF IT. I THINK IT'S A COMMON-SENSE SOLUTION TO
24 TRYING TO MAKE SURE THAT WE SEND THE MESSAGE OF
25 TRANSPARENCY WITHOUT BEING DISRUPTIVE OF THE

BARRISTERS' REPORTING SERVICE

1 PROCEEDINGS.

2 CHAIRPERSON LANSING: THANK YOU, CLAIRE.
3 ANY OTHER COMMENTS?

4 DR. VUORI: SHERRY, THIS IS KRISTINA. I
5 FULLY AGREE WITH WHAT YOU AND CLAIRE JUST SAID. AND
6 I THINK THIS POLICY IS VERY STRAIGHTFORWARD AND
7 NONDISRUPTIVELY, I THINK, TO IMPLEMENT WHAT'S VERY
8 IMPORTANT.

9 I WOULD MAYBE MAKE ONE COMMENT, THAT I
10 THINK THERE COULD BE SOME OTHER SCENARIOS WHERE
11 SOMEHOW WITHOUT SELF-IDENTIFICATION THE PUBLIC CAN
12 GUESS WHAT THE TOPIC IS. AND I THINK IT'S
13 COMPLETELY APPROPRIATE AT THAT POINT IN TIME, IF
14 THERE'S A BOARD MEMBER WHO FEELS THAT THEY SHOULD
15 NOT BE, THERE SIMPLY DISCREETLY COMMUNICATE MAYBE
16 WITH JAMES AND LEAVE THE ROOM. I THINK THAT'S ALSO
17 APPROPRIATE WITHOUT CODIFYING IT, BUT HAVING THAT
18 OPPORTUNITY AFFORDED TO A BOARD MEMBER.

19 CHAIRPERSON LANSING: GREAT.

20 CHAIRMAN THOMAS: SHERRY, IT'S J.T. I
21 AGREE WITH WHAT HAS BEEN SAID. I WANTED TO ADD WE
22 NOW HAVE A MEMBER OF THE PUBLIC IN ATTENDANCE. MR.
23 JENSEN HAS ARRIVED.

24 CHAIRPERSON LANSING: HI. WELL, WE'RE
25 GLAD YOU'RE HERE. OKAY.

BARRISTERS' REPORTING SERVICE

1 WELL, HEARING NO MORE FROM THE
2 SUBCOMMITTEE, ARE THERE COMMENTS FROM MEMBERS OF THE
3 PUBLIC? MR. JENSEN?

4 CHAIRMAN THOMAS: MR. JENSEN, DO YOU HAVE
5 A COMMENT?

6 CHAIRPERSON LANSING: YOU DON'T NEED TO.

7 CHAIRMAN THOMAS: NO, HE'S FINE, SHERRY.

8 CHAIRPERSON LANSING: ALL RIGHT. CAN I
9 THEN HAVE A MOTION TO RECOMMEND THAT THE BOARD
10 APPROVE THIS POLICY REGARDING THE MANNER OF
11 DISQUALIFICATION FOR BOARD MEMBERS WHEN AN APPLICANT
12 SELF-IDENTIFIES?

13 MR. TORRES: SO MOVED.

14 CHAIRPERSON LANSING: SECOND, PLEASE.

15 MR. ROTH: SECOND.

16 CHAIRPERSON LANSING: THANKS, DUANE. CAN
17 WE PLEASE CALL THE ROLL, MARIA.

18 MS. BONNEVILLE: SURE. SHERRY LANSING.

19 CHAIRPERSON LANSING: YES.

20 MS. BONNEVILLE: CLAIRE POMEROY.

21 DR. POMEROY: YES.

22 MS. BONNEVILLE: PHIL PIZZO. DUANE ROTH.

23 MR. ROTH: YES.

24 MS. BONNEVILLE: JEFF SHEEHY.

25 MR. SHEEHY: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: ART TORRES.

2 MR. TORRES: AYE.

3 MS. BONNEVILLE: KRISTINA VUORI.

4 DR. VUORI: YES.

5 MS. BONNEVILLE: OS STEWARD.

6 DR. STEWARD: YES.

7 MS. BONNEVILLE: JONATHAN THOMAS.

8 CHAIRMAN THOMAS: YES.

9 MS. BONNEVILLE: THANK YOU.

10 CHAIRPERSON LANSING: OKAY. NOW WE'LL
11 MOVE ON TO OUR FINAL AGENDA ITEM NO. 5, WHICH IS THE
12 CONSIDERATION OF AMENDMENTS TO THE INTERNAL
13 GOVERNANCE POLICY. TO REMIND YOU, THE BOARD
14 REQUESTED THAT STAFF CONFORM THE INTERNAL GOVERNANCE
15 POLICY TO THE CHANGES APPROVED BY THE BOARD RELATED
16 TO CIRM'S COMMUNICATIONS AND FINANCE OPERATIONS.

17 ONCE AGAIN, I'D LIKE TO ASK JAMES TO
18 PLEASE WALK US THROUGH THIS ITEM. JAMES.

19 MR. HARRISON: THANKS, SHERRY. THERE ARE
20 THREE PRIMARY CHANGES TO THE INTERNAL GOVERNANCE
21 POLICY THAT WE'RE PRESENTING TO YOU TODAY FOR YOUR
22 CONSIDERATION. AS YOU WILL RECALL, THE BOARD
23 ENGAGED IN SOME DELIBERATIONS REGARDING THE
24 ALLOCATION OF RESPONSIBILITIES BETWEEN THE CHAIR AND
25 THE PRESIDENT WITH RESPECT TO BOTH FINANCE AND

BARRISTERS' REPORTING SERVICE

1 COMMUNICATIONS AT ITS MEETING. ON JUNE 22D OF 2011
2 THE BOARD ADOPTED THOSE CHANGES.

3 WHAT WE'VE DONE HERE IS TO INCORPORATE
4 THEM DIRECTLY INTO THE INTERNAL GOVERNANCE POLICY IN
5 ORDER TO MORE CLEARLY DELINEATE THE ALLOCATION OF
6 THOSE SHARED RESPONSIBILITIES.

7 THE SECOND CHANGE IS TO REFLECT ANOTHER
8 ACTION THAT THE BOARD PREVIOUSLY TOOK, AGAIN ON JUNE
9 23D, 2011, AND THAT WAS TO DELEGATE TO THE CHAIR
10 AUTHORITY FOR EMPLOYMENT DECISIONS WITH RESPECT TO
11 CIRM STAFF WHO REPORT DIRECTLY TO HIM. THAT, AGAIN,
12 IS NOW INCORPORATED DIRECTLY INTO THE INTERNAL
13 GOVERNANCE POLICY.

14 AND THE FINAL SUBSTANTIVE CHANGE WAS TO
15 STREAMLINE THE POLICY TO ELIMINATE A DISCUSSION,
16 THAT THE INTERNAL OFFICES ESTABLISHED BY THE
17 PRESIDENT IN RECOGNITION OF THE FACT THAT THE NEEDS
18 OF THE AGENCY CHANGE FROM TIME TO TIME, AND WE FOUND
19 THAT THE INTERNAL GOVERNANCE POLICY WASN'T KEEPING
20 PACE WITH THOSE CHANGES.

21 SO RATHER THAN ENGAGE IN A DETAILED
22 DISCUSSION OF THE INTERNAL OFFICES ESTABLISHED BY
23 THE PRESIDENT, THAT WILL BE LEFT TO THE PRESIDENT'S
24 DISCRETION.

25 THE OTHER SIGNIFICANT CHANGE WAS TO

BARRISTERS' REPORTING SERVICE

1 ELIMINATE A REFERENCE TO AN INTERNAL EXECUTIVE
2 MEETING THAT OCCURS ON A REGULAR BASIS. AGAIN, WE
3 FELT THAT THAT LANGUAGE WAS SUPERFLUOUS, SO WE
4 STREAMLINED THE POLICY TO ELIMINATE IT.

5 THOSE ARE THE PRIMARY CHANGES TO THE
6 POLICY. I'D BE HAPPY TO ANSWER ANY QUESTIONS YOU
7 HAVE.

8 CHAIRPERSON LANSING: ALL RIGHT. CAN I
9 HAVE -- THANK YOU, JAMES. CAN I HAVE COMMENTS FROM
10 MEMBERS OF THE SUBCOMMITTEE REGARDING THIS PROPOSAL
11 IF THERE ARE ANY?

12 MR. SHEEHY: I JUST HAVE A QUESTION. THIS
13 IS JEFF SHEEHY. JUST TO BE CLEAR, SO THESE ARE
14 CHANGES THAT BOTH THE PRESIDENT AND THE CHAIR OF THE
15 BOARD ARE COMFORTABLE WITH?

16 MR. HARRISON: YES.

17 MR. SHEEHY: OKAY.

18 CHAIRMAN THOMAS: WE HAVE DISCUSSED THIS.
19 AND, YES, WE'RE BOTH COMFORTABLE WITH ALL THE
20 CHANGES.

21 CHAIRPERSON LANSING: ANY OTHER COMMENTS
22 FROM MEMBERS OF THE SUBCOMMITTEE? THANK YOU. ANY
23 COMMENTS FROM MEMBERS OF THE PUBLIC? JAMES, YOU
24 ALWAYS DO SUCH A GOOD --

25 CHAIRMAN THOMAS: MR. JENSEN IS RAISING

BARRISTERS' REPORTING SERVICE

1 HIS HAND. YOU NEED TO GET NEAR A MICROPHONE, DAVID.

2 MR. JENSEN: IT'S REALLY A QUESTION. AND
3 FROM LOOKING AT THE EXHIBITS, IT'S NOT ENTIRELY
4 CLEAR. THE ORGANIZATIONAL CHART SEEMS TO ELIMINATE
5 THE CFO POSITION.

6 MR. HARRISON: AS MOST OF YOU KNOW, THE
7 FORMER CFO HAS LEFT THE AGENCY, AND HIS
8 RESPONSIBILITIES ARE NOW BEING CARRIED OUT BY THE
9 DIRECTOR OF FINANCE, CHILA SILVA-MARTIN. AND AT
10 THIS POINT IN TIME, THE CHAIR AND THE PRESIDENT
11 DON'T FORESEE A NEED TO HIRE A NEW CFO GIVEN THE
12 FACT THAT MS. SILVA-MARTIN IS CAPABLY CARRYING OUT
13 THOSE DUTIES.

14 CHAIRPERSON LANSING: THANK YOU. ANY
15 OTHER QUESTIONS? THEN CAN I HAVE A MOTION TO
16 RECOMMEND THAT THE BOARD APPROVE THESE AMENDMENTS TO
17 THE INTERNAL GOVERNANCE POLICY?

18 DR. POMEROY: SO MOVED.

19 MR. TORRES: SECOND.

20 CHAIRMAN THOMAS: SECOND BY SENATOR
21 TORRES.

22 CHAIRPERSON LANSING: THANK YOU. MARIA,
23 CAN YOU PLEASE CALL THE ROLL.

24 MS. BONNEVILLE: SHERRY LANSING.

25 CHAIRPERSON LANSING: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: CLAIRE POMEROY.

2 DR. POMEROY: YES.

3 MS. BONNEVILLE: PHIL PIZZO FORM DUANE
4 ROTH. JEFF SHEEHY.

5 MR. SHEEHY: YES.

6 MR. ROTH: YES FOR DUANE.

7 MS. BONNEVILLE: ART TORRES.

8 MR. TORRES: AYE.

9 MS. BONNEVILLE: KRISTINA VUORI.

10 DR. VUORI: YES.

11 MS. BONNEVILLE: OS STEWARD.

12 DR. STEWARD: YES.

13 MS. BONNEVILLE: JONATHAN THOMAS.

14 CHAIRMAN THOMAS: YES.

15 CHAIRPERSON LANSING: GREAT. THE MOTION
16 CARRIES. SO ARE THERE ANY OTHER SUBCOMMITTEE
17 MEMBERS WHO WISH TO MAKE ANY COMMENTS?

18 MR. TORRES: YES, MADAM CHAIR. I JUST FOR
19 THE RECORD WANTED TO MAKE SURE THAT, I KNOW HE
20 PLANNED ON DOING IT PUBLICLY, THAT JAMES PREPARE AN
21 INTRODUCTORY LETTER LIKE IS SENT TO THE MEMBERS OF
22 THE LEGISLATURE SINCE WE ADOPTED A PROVISION
23 PURSUANT TO SB 1064. THANK YOU, JAMES.

24 MR. HARRISON: I'LL DO THAT.

25 CHAIRPERSON LANSING: GREAT. ANY OTHER

BARRISTERS' REPORTING SERVICE

1 COMMENTS? ANY FURTHER PUBLIC COMMENT? WELL, WE
2 THEN, THANK YOU FOR THE MEMBERS OF THE SUBCOMMITTEE
3 AS WELL AS MR. JENSEN. WE THANK YOU FOR ATTENDING
4 ON BEHALF OF THE PUBLIC. AND I THANK JAMES FOR HIS
5 EXTRAORDINARY REVIEW OF ALL OF THIS AND MAKES IT SO
6 CLEAR THAT WE DID THIS MEETING EXTREMELY
7 EFFICIENTLY. AND THANK YOU ALL FOR YOUR TIME. AND
8 THE MEETING IS ADJOURNED.

9 (THE MEETING WAS THEN CONCLUDED AT
10 11:55 A.M.)

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BARRISTERS' REPORTING SERVICE

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 OCTOBER 22, 2012, 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.

BETH C. DRAIN, CSR 7152
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