

BEFORE 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: ROBERTSON AUDITORIUM  
1675 OWENS STREET  
SAN FRANCISCO, CALIFORNIA

DATE: AUGUST 19 AND 20, 2009  
4:30 P.M. AND 9:30 A.M.

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

BRS FILE NO.: 82476

## BARRISTERS' REPORTING SERVICE

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**BARRISTERS' REPORTING SERVICE**

1 SAN FRANCISCO, CALIFORNIA; THURSDAY, AUGUST 20, 2009

2 9:50 A.M.

3

4 CHAIRMAN KLEIN: ALL RIGHT. WE'RE GOING  
5 TO START. WE HAVE A CHALLENGING AGENDA TODAY. AND  
6 MORNING.

7 (PAUSE IN PROCEEDINGS.)

8 CHAIRMAN KLEIN: WE ARE OFFICIALLY  
9 CONVENED. IF THE STAFF, NICK, IF YOU COULD PLEASE  
10 RESCUE BOARD MEMBERS FROM THE HALL. PAT BECKER,  
11 LYNN, THANK YOU VERY MUCH FOR THE HELP.

12 GOOD MORNING. WHILE A COUPLE MORE MEMBERS  
13 ARE COMING IN, I'D LIKE TO HAVE US ALL WELCOME  
14 DR. WILLIAM BRODY, FORMER PRESIDENT OF JOHNS HOPKINS  
15 UNIVERSITY AND NOW THE PRESIDENT OF THE SALK  
16 INSTITUTE, TO OUR BOARD.

17 (APPLAUSE.)

18 CHAIRMAN KLEIN: FOR THE BOARD MEMBERS WHO  
19 WERE NOT PRESENT YESTERDAY, WE HAVE FINISHED ALL OF  
20 THE INFORMATIONAL ITEMS ON THE AGENDA INCLUDING  
21 ITEMS 19, 20, AND 21. WE HAVE FINISHED THE  
22 CHAIRMAN'S REPORT, PRESIDENT'S REPORT, AND ITEM 7 A.  
23 WE ARE AT 7 B, AND I WOULD ASK ART TORRES, THE CHAIR  
24 OF THE LEGISLATIVE COMMITTEE, AS TO HIS DESIRE ON  
25 7 B. I'D ALSO LIKE TO UNDERSTAND, IN COMMENCING

**BARRISTERS' REPORTING SERVICE**

1 BEFORE WE DO THE ROLL CALL AND BEFORE WE DO THE  
2 PLEDGE OF ALLEGIANCE, WHERE ARE WE ON QUORUM? WE  
3 HAVE QUORUM. THANK YOU.

4 SO WITH THAT, GIVEN THAT WE HAVE QUORUM,  
5 I'D LIKE TO PROCEED, THEN, WITH THE PLEDGE AND  
6 FOLLOWED BY THE ROLL CALL. THANK YOU.

7 (THE PLEDGE OF ALLEGIANCE.)

8 MS. KING: DONALD DAFOE FOR RICARDO AZZIZ.

9 DR. DAFOE: HERE.

10 MS. KING: ROBERT PRICE FOR ROBERT  
11 BIRGENEAU. FLOYD BLOOM. DAVID BRENNER.

12 DR. BRENNER: HERE.

13 MS. KING: WILLIAM BRODY.

14 DR. BRODY: HERE.

15 MS. KING: JACOB LEVIN FOR SUSAN BRYANT.

16 DR. LEVIN: HERE.

17 MS. KING: MARCY FEIT.

18 MS. FEIT: HERE.

19 MS. KING: MICHAEL FRIEDMAN. LEEZA  
20 GIBBONS.

21 MS. GIBBONS: HERE.

22 MS. KING: MICHAEL GOLDBERG. SAM HAWGOOD.

23 DR. HAWGOOD: HERE.

24 MS. KING: BOB KLEIN.

25 CHAIRMAN KLEIN: HERE.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: SHERRY LANSING. GERALD LEVEY.  
2 TED LOVE.  
3 DR. LOVE: HERE.  
4 MS. KING: ED PENHOET.  
5 DR. PENHOET: HERE.  
6 MS. KING: PHIL PIZZO.  
7 DR. PIZZO: HERE.  
8 MS. KING: CLAIRE POMEROY.  
9 DR. POMEROY: HERE.  
10 MS. KING: FRANCISCO PRIETO.  
11 DR. PRIETO: HERE.  
12 MS. KING: ELIZABETH FINI FOR CARMEN  
13 PULIAFITO.  
14 DR. FINI: HERE.  
15 MS. KING: ROBERT QUINT. JEANNIE FONTANA  
16 FOR JOHN REED.  
17 DR. FONTANA: HERE.  
18 MS. KING: DUANE ROTH.  
19 MR. ROTH: HERE.  
20 MS. KING: JOAN SAMUELSON. DAVID  
21 SERRANO-SEWELL.  
22 MR. SERRANO-SEWELL: HERE.  
23 MS. KING: JEFF SHEEHY.  
24 MR. SHEEHY: HERE.  
25 MS. KING: JONATHAN SHESTACK. OSWALD

**BARRISTERS' REPORTING SERVICE**

1 STEWARD. AND ART TORRES.

2 MR. TORRES: HERE.

3 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

4 WE'LL MOVE TO ITEM 7 B. ART TORRES, AS CHAIR OF THE  
5 LEGISLATIVE COMMITTEE.

6 MR. TORRES: INTERIM CHAIR STILL.

7 CHAIRMAN KLEIN: INTERIM CHAIR. ACTING.

8 MR. TORRES: THANK YOU, MR. CHAIRMAN. I  
9 THINK WE CAN MOVE PRETTY QUICKLY ON THIS ISSUE. I  
10 THINK NO ONE HAS NOT UNDERSTOOD THE ISSUE OF THE  
11 PUBLIC OPTION AND THE PRESENT HEALTHCARE REFORM  
12 DEBATE. AND I WANTED TO DEFER TO A MEMBER OF OUR  
13 LEGISLATIVE COMMITTEE, MR. SHEEHY, TO MAKE THE  
14 PRESENTATION AND THEN GO TO A VOTE.

15 MR. SHEEHY: AND I HOPE WE CAN DO THIS  
16 RATHER QUICKLY. I SPOKE A LITTLE BIT ABOUT IT  
17 YESTERDAY. THE ONLY COUPLE OF NEW PIECES OF  
18 INFORMATION I'D LIKE TO PUT INTO THE RECORD IS THAT  
19 CALPERS HAS ANNOUNCED YESTERDAY THAT THE COST OF  
20 HEALTHCARE BENEFITS FOR STATE EMPLOYEES IS GOING TO  
21 BE UNSUSTAINABLE, AND ONLY THE FEDERAL GOVERNMENT  
22 BUYS MORE HEALTHCARE SERVICES THAN CALPERS. AND THE  
23 CEO OF CALPERS HAS EXPRESSED THE OPINION THAT HE  
24 HOPES THAT THE PUBLIC INSURANCE OPTION REMAINS IN  
25 THE HEALTHCARE REFORM ACT.

**BARRISTERS' REPORTING SERVICE**

1           AND I JUST WANT TO NOTE A COUPLE OF OTHER  
2           FACETS ABOUT IT. NO. 1, THIS IS NOT SOCIALIZED  
3           MEDICINE. THE CONGRESSIONAL BUDGET OFFICE DOESN'T  
4           ANTICIPATE MORE THAN 12 PERCENT OF THE NATION -- 12  
5           PERCENT OF UNINSURED SUBSCRIBING TO THE PUBLIC  
6           OPTION. IT IS A WAY TO KEEP PRIVATE INSURANCE  
7           COMPANIES HONEST. AND I WOULD NOTE THAT WE DO HAVE  
8           AN EXPERIENCE WITH THE PUBLIC OPTION HERE IN SAN  
9           FRANCISCO WHERE THE AMIANO NEWSOM SAN FRANCISCO  
10          HEALTHCARE PLAN IS ACTUALLY A PUBLICLY FUNDED HEALTH  
11          INSURANCE OPTION THAT HAS NOT LED TO A GREAT SHIFT  
12          OF PRIVATE INSURERS -- PEOPLE OUT OF PRIVATE  
13          INSURANCE INTO THE PUBLIC OPTION. I THINK THAT THIS  
14          IS JUST MERELY A SAFETY NET ISSUE. AND I THINK IT'S  
15          ESSENTIAL, IF WE'RE GOING TO HOLD DOWN COST FOR  
16          HEALTHCARE REFORM, AND WE'RE GOING TO ENSURE THAT A  
17          MINIMUM STANDARD OF HEALTHCARE IS AVAILABLE TO EVERY  
18          AMERICAN.

19                 MR. TORRES: THANK YOU, JEFF. IF YOU  
20                 RECALL, MEMBERS, THE ITEM 7 B OF YOUR BINDERS, I  
21                 TRIED TO PRESENT A NUMBER OF ARGUMENTS IN SUPPORT  
22                 AND OPPOSITION AND OTHER OPTIONS THAT ARE OCCURRING.  
23                 DR. PIZZO HAS A COMMENT.

24                 DR. PIZZO: I JUST WANT TO DO TWO THINGS.  
25                 ONE IS THANK JEFF FOR BRINGING UP THE PROPOSITION OF



**BARRISTERS' REPORTING SERVICE**

1 THE PROPOSAL AND TO ADD MY OWN SUPPORT FOR THIS. I  
2 THINK THAT IN THE ABSENCE OF A PUBLIC OPTION, THERE  
3 ISN'T HEALTHCARE REFORM AS BEST AS I CAN SEE. AND I  
4 THINK THIS IS A CRITICALLY IMPORTANT AREA, ONE THAT  
5 I'M, AS OTHERS, SADDENED TO SEE NOW COME UNDER SUCH  
6 POLITICAL DAMAGE. I THINK ALL OF US RECOGNIZE  
7 WHAT'S GOING ON IN WASHINGTON. AND I THINK, AS MANY  
8 OF US WHO CAN SPEAK FOR THIS TRANSITION AND CHANGE  
9 AND SPEAK FOR IT IN AN ENTHUSIASTIC WAY, ONLY ARE  
10 SERVING THE FUTURE OF OUR NATION WELL.

11 MR. TORRES: ANY OTHER COMMENT? MR.  
12 KLEIN.

13 CHAIRMAN KLEIN: I'D JUST LIKE TO SAY THAT  
14 IN TERMS OF THIS ITEM BEING APPROPRIATE FOR OUR  
15 AGENDA, IT IS A CRITICALLY RELEVANT OBJECTIVE OF OUR  
16 MISSION TO HAVE ACCESS FOR THESE NEW THERAPIES.  
17 THIS IS A VERY IMPORTANT ELEMENT IF EFFECTIVE ACCESS  
18 IS TO BE AVAILABLE.

19 MR. TORRES: ANY OTHER COMMENTS? MR.  
20 ROTH.

21 MR. ROTH: SO I'LL TAKE AN OPPOSING VIEW,  
22 AND I WANT TO MAKE MY THOUGHTS CLEAR. I ALSO  
23 BELIEVE IN REFORM. I THINK WE NEED MANY OF THE  
24 THINGS THAT ARE BEING DISCUSSED. I HAVE FAR LESS  
25 FAITH IN GOVERNMENT PROVIDING ACCESS HAVING HAD MANY

## BARRISTERS' REPORTING SERVICE

1 YEARS OF EXPERIENCE WITH SELLING AND TRYING TO GET  
2 NEW INNOVATION ACCEPTED BY GOVERNMENT AGENCIES,  
3 INCLUDING OUR OWN. SO I'LL BE VOTING AGAINST THIS,  
4 NOT BECAUSE I'M AGAINST REFORM AND MANY OF THE  
5 THINGS IN THE HEALTHCARE BILL THAT'S PENDING, BUT I  
6 DON'T THINK THIS IS AN APPROPRIATE ONE TO PURSUE.

7 MR. TORRES: THANK YOU. MR. KLEIN.

8 CHAIRMAN KLEIN: ONE VERY IMPORTANT THING  
9 TO CALL OUT THAT OCCURRED ON THE LEGISLATIVE  
10 COMMITTEE IS THAT THE HOUSE VERSION OF THE PUBLIC  
11 OPTION HERE THAT IS RECOMMENDED INCLUDES A  
12 SIGNIFICANT INCREASE IN PHYSICIAN'S REIMBURSEMENT  
13 RATES AND HOSPITAL REIMBURSEMENTS RATE. EFFECTIVE  
14 ACCESS DOES NOT OCCUR IF THE REIMBURSEMENT RATES ARE  
15 BELOW WHAT IS FEASIBLE TO PROVIDE SERVICES. WE HAVE  
16 TO HAVE REALISTIC REIMBURSEMENT RATES TO MAINTAIN  
17 HIGH PARTICIPATION RATES IN PHYSICIANS AND  
18 HOSPITALS. SO THAT IS SPECIFICALLY AN ELEMENT IN  
19 THIS LEGISLATION.

20 MR. TORRES: DR. LOVE.

21 DR. LOVE: I THINK DUANE MAKES SOME  
22 INTERESTING POINTS. I GUESS WHAT I WANT TO ASK OUT  
23 LOUD IS, JEFF, IS THERE AN URGENCY FOR US TO MOVE  
24 FORWARD? I ANTICIPATE THERE MAY BE, BUT I WANTED TO  
25 ASK THAT QUESTION.

**BARRISTERS' REPORTING SERVICE**

1 THE OTHER THING I'M JUST THINKING OUT LOUD  
2 IS IT MIGHT BE USEFUL FOR THE BOARD TO ACTUALLY HAVE  
3 A THOROUGH PROCESS TO GO THROUGH THE PROS AND CONS A  
4 LITTLE BIT BECAUSE AT THE END OF THE DAY, I THINK  
5 SOME OF US COULD IMAGINE THAT THIS IS NOT  
6 NECESSARILY AN ISSUE THAT THIS BOARD NEEDS TO TAKE  
7 ON. AND I THINK WE NEED TO DISCUSS THAT.

8 THE OTHER ISSUE IS THAT I THINK SOME US  
9 COULD POTENTIALLY IMAGINE WHERE DOWN THE ROAD A  
10 PUBLIC OPTION COULD PROVIDE LESS ACCESS MAYBE EVEN  
11 TO EVERYONE IF, IN FACT, THE INCENTIVES ARE NOT  
12 THERE. SO I DON'T WANT TO BE AGAINST IT BECAUSE  
13 THERE ARE A LOT OF ELEMENTS OF MY PERSONALITY THAT  
14 SUPPORT THE PUBLIC OPTION, BUT I AM ALSO RESPECTFUL  
15 THAT I THINK THAT THERE ARE A NUMBER OF CONCERNS  
16 ABOUT IT.

17 MR. SHEEHY: WELL, I THINK THERE IS AN  
18 URGENCY BECAUSE THIS IS A LIVE ISSUE. I THINK -- I  
19 DO WANT TO NOTE THAT WE DID ENDORSE A SPECIFIC -- WE  
20 ENDORSED THE PUBLIC INSURANCE OPTION AS PRESENTED IN  
21 THE HOUSE COMMERCE SCIENCE AND TECHNOLOGY BILL,  
22 WHICH IS WHAT BOB IS REFERENCING. THERE HAVE BEEN  
23 SOME CONCERNS ABOUT REIMBURSEMENTS, AND I THINK MAY  
24 RELATE TO THE UNFEASIBILITY.

25 BUT I WOULD LIKE TO MAKE A POINT. WE DID

**BARRISTERS' REPORTING SERVICE**

1 DO BIOSIMILARS AND THAT -- YOU KNOW, BIOSIMILARS  
2 WEREN'T SPECIFICALLY MENTIONED IN PROP 71; WHEREAS,  
3 ACCESS TO THERAPIES FOR CALIFORNIANS IS A SPECIFIC  
4 FEATURE OF THE PROPOSITION WHICH GOVERNS THIS BOARD.  
5 WE HAVE HAD SIGNIFICANT DISCUSSIONS ABOUT THE NEED  
6 FOR ACCESS IN OUR IP REGULATIONS, AND THAT'S BEEN A  
7 COMPONENT OF OUR IP REGULATIONS THAT HAVE BEEN  
8 CONTROVERSIAL.

9 AND ACTUALLY I WOULD HOPE THAT IN TERMS OF  
10 WHETHER OR NOT WE PROCEED WITH DEALING WITH THIS, I  
11 AM WORRIED ABOUT TIME TODAY. I DON'T WANT TO GET  
12 INTO A LARGE DISCUSSION. I HOPE WE CAN KIND OF  
13 RESPECT THE PROCESS, THE COMMITTEE PROCESS OF THE  
14 BOARD, AND THAT THIS WAS HEARD AND DISCUSSED AT  
15 LENGTH WITHIN THE LEGISLATIVE SUBCOMMITTEE. THIS IS  
16 NOT AN ISSUE ON WHICH PEOPLE ARE NOT WELL INFORMED.  
17 AT LEAST I'M FOLLOWING RATHER CLOSELY THE HEALTHCARE  
18 REFORM ACT DEBATE IN CONGRESS. I THINK MANY OF US  
19 ARE. IT'S GOING TO IMPACT EVERY ONE OF US, I  
20 SUSPECT. SO WE CAN HAVE A LONGER DISCUSSION, BUT  
21 REALLY THE COMMITTEE DID HAVE AN EXHAUSTIVE  
22 DISCUSSION ON THIS. I THINK IT REALLY -- IF WE  
23 COULD KIND OF MOVE FAIRLY QUICKLY TO A VOTE BECAUSE  
24 WE HAVE A LONG AGENDA. BUT I DO THINK THE MAIN  
25 THING IS IT'S A VERY LIVE ISSUE. AND LIKE DR.

**BARRISTERS' REPORTING SERVICE**

1 PIZZO, I BELIEVE THIS IS FUNDAMENTAL TO THE  
2 EFFECTIVENESS OF HEALTHCARE REFORM.

3 CHAIRMAN KLEIN: I BELIEVE THIS, DR. LOVE,  
4 WILL COME BACK TO US AGAIN BECAUSE THERE WILL BE A  
5 CONFERENCE COMMITTEE, WHICH IS EXPECTED TO HAVE  
6 SIGNIFICANT DIFFERENCES. AND SO I WILL PLEDGE TO  
7 YOU TO SCHEDULE WITH THE BOARD A SIGNIFICANT SESSION  
8 PRO-AND-CON DEBATE BEFORE WE TAKE A POSITION ON ANY  
9 FINAL LEGISLATION.

10 MR. TORRES: THE *WALL STREET JOURNAL* IS  
11 REPORTING THIS MORNING THAT THERE WILL BE A DIVISION  
12 OF THIS ISSUE, THAT THERE WILL BE A SEPARATE PUBLIC  
13 OPTION LEGISLATION AS WELL AS A SEPARATE HEALTH  
14 INSURANCE REFORM LEGISLATION. SO I JUST WANTED TO  
15 MAKE SURE THAT THE MEMBERS WERE AWARE OF THAT RECENT  
16 ALLEGED DEVELOPMENT IN THE *WALL STREET JOURNAL* THIS  
17 MORNING. YES, MS. FEIT.

18 MS. FEIT: IN LIGHT OF THAT, DOESN'T THIS  
19 SEEM A LITTLE PREMATURE? I MEAN IT JUST SEEMS LIKE  
20 SUCH A FLUID MOMENT IN TIME WITH ALL THESE DAILY  
21 CHANGES COMING DOWN. I'M A LITTLE -- I KIND OF  
22 AGREE WITH DR. LOVE. YOU KNOW, I THINK WE'RE  
23 RUSHING IT JUST A LITTLE BIT. IT JUST FEELS THAT  
24 WAY TO ME.

25 MR. TORRES: ALL RIGHT. ANY OTHER

**BARRISTERS' REPORTING SERVICE**

1 COMMENTS? YES, DR. POMEROY.

2 DR. POMEROY: SO WE HAD MANY OF THESE SAME  
3 CONVERSATIONS IN THE LEGISLATIVE SUBCOMMITTEE. AND  
4 I WAS SWAYED TO SUPPORT THIS MOTION BY THE FACT THAT  
5 WE'RE IN A VERY SPECIAL POSITION AS THE ICOC. WE  
6 HAVE A POWERFUL VOICE THAT WE USED TO MAKE A GOOD  
7 STEP FORWARD IN BIOSIMILARS. AND I THINK WE CAN USE  
8 THAT VOICE TO HELP THE PEOPLE OF CALIFORNIA THAT WE  
9 WANT TO SERVE AND ENSURE THAT THEY'LL HAVE ACCESS TO  
10 THE DISCOVERIES THAT WE'VE BEEN TALKING ABOUT. AND  
11 FOR THAT REASON I AM VERY MUCH IN SUPPORT OF NOT  
12 ASSUMING RESPONSIBILITY FOR HEALTHCARE REFORM, BUT  
13 IN TAKING A STANCE OF WHAT THE VALUES ARE THAT WE  
14 REPRESENT.

15 MR. TORRES: ANY OTHER COMMENTS? LET THE  
16 RECORD ALSO SHOW THAT THERE WERE THREE NO VOTES ON  
17 THE LEGISLATIVE SUBCOMMITTEE ON THIS PROPOSAL WHEN  
18 IT CAME BEFORE US. MELISSA, DO YOU RECALL THE  
19 NUMBER OF --

20 MS. KING: THREE NO VOTES, AND I DON'T  
21 HAVE --

22 CHAIRMAN KLEIN: I THINK JAMES MIGHT BE  
23 ABLE TO RETRIEVE THAT FOR US.

24 MR. TORRES: THANK YOU, JAMES.

25 MR. HARRISON: LOOKING FOR A RECORD.

**BARRISTERS' REPORTING SERVICE**

1 MR. SHEEHY: I BELIEVE IT WAS SIX THREE.

2 MR. TORRES: THERE ARE NINE MEMBERS OF THE  
3 COMMITTEE AS I RECALL. ALL RIGHT. ANY FURTHER  
4 COMMENTS OR QUESTIONS? PUBLIC COMMENT? NO PUBLIC  
5 COMMENT. THE CHAIR WILL ENTERTAIN A MOTION.

6 MR. SHEEHY: I MOVE TO ADOPT 7 B.

7 MR. TORRES: ALL RIGHT. THERE IS A MOTION  
8 TO ADOPT. IS THERE A SECOND?

9 DR. PIZZO: SECOND.

10 MR. TORRES: ALL RIGHT. MOVED AND SECOND.  
11 CALL THE ROLL, PLEASE.

12 MS. KING: DONALD DAFOE.

13 DR. DAFOE: YES.

14 MS. KING: DAVID BRENNER.

15 DR. BRENNER: YES.

16 MS. KING: WILLIAM BRODY.

17 DR. BRODY: YES.

18 MS. KING: JACOB LEVIN.

19 DR. LEVIN: YES.

20 MS. KING: MARCY FEIT.

21 MS. FEIT: NO.

22 MS. KING: MICHAEL FRIEDMAN, IN CASE  
23 YOU'RE ON THE LINE.

24 DR. FRIEDMAN: YES.

25 MS. KING: LEEZA GIBBONS.

## BARRISTERS' REPORTING SERVICE

1 MS. GIBBONS: YES.  
2 MS. KING: SAM HAWGOOD.  
3 DR. HAWGOOD: YES.  
4 MS. KING: BOB KLEIN.  
5 CHAIRMAN KLEIN: YES.  
6 MS. KING: TED LOVE.  
7 DR. LOVE: ABSTAIN.  
8 MS. KING: ED PENHOET.  
9 DR. PENHOET: YES.  
10 MS. KING: PHIL PIZZO.  
11 DR. PIZZO: YES.  
12 MS. KING: CLAIRE POMEROY.  
13 DR. POMEROY: YES.  
14 MS. KING: FRANCISCO PRIETO.  
15 DR. PRIETO: YES.  
16 MS. KING: ELIZABETH FINI.  
17 DR. FINI: YES.  
18 MS. KING: ROBERT QUINT.  
19 DR. QUINT: NO.  
20 MS. KING: JEANNIE FONTANA.  
21 DR. FONTANA: ABSTAIN.  
22 MS. KING: DUANE ROTH.  
23 MR. ROTH: NO.  
24 MS. KING: DAVID SERRANO-SEWELL.  
25 MR. SERRANO-SEWELL: YES.



**BARRISTERS' REPORTING SERVICE**

1 MS. KING: JEFF SHEEHY.

2 MR. SHEEHY: YES.

3 MS. KING: ART TORRES.

4 MR. TORRES: AYE.

5 THE MOTION CARRIES. AS THE CHAIRMAN SAID,  
6 WE WILL HAVE OBVIOUSLY FURTHER DISCUSSIONS AS THIS  
7 MOVES THROUGH THE CONGRESS, AND I'M SURE THOSE  
8 DISCUSSIONS WILL CONTINUE. THANK YOU VERY MUCH, MR.  
9 SHEEHY, FOR YOUR LEADERSHIP ON THIS ISSUE. DR.  
10 PIZZO.

11 DR. PIZZO: A QUESTION TO YOU, WHICH IS  
12 WHAT HAPPENS WITH THIS? WE'VE NOW ADOPTED THIS  
13 MOTION. WHAT'S THE COMMUNICATION PLAN?

14 MR. TORRES: THE COMMUNICATION PLAN WILL  
15 BE THE SAME AS WE DID WITH BIOSIMILARS, TO LET OUR  
16 CONGRESSIONAL DELEGATION KNOW WHERE WE STAND ON THIS  
17 ISSUE AS WELL AS THE RELEVANT CHAIRS OF THE SENATE  
18 AND THE HOUSE COMMITTEES. THANK YOU, MR. CHAIRMAN.

19 CHAIRMAN KLEIN: THANK YOU VERY MUCH, ART  
20 TORRES.

21 I'M GOING TO GO IMMEDIATELY TO ITEM 8.  
22 DR. TROUNSON, WHO WOULD YOU LIKE TO MAKE THAT  
23 PRESENTATION?

24 DR. SAMBRANO: WE DON'T HAVE ANY  
25 SCIENTIFIC MEMBERS OF THE WORKING GROUP TO PRESENT

**BARRISTERS' REPORTING SERVICE**

1 TODAY. WE WILL HAVE SOME FOR THE OCTOBER MEETING,  
2 BUT I THINK WE WANT TO PROPOSE DR. FRANCISCO PRIETO  
3 TO BE A PATIENT ADVOCATE MEMBER OF THE GRANTS  
4 WORKING GROUP.

5 CHAIRMAN KLEIN: THANK YOU. AND THERE IS  
6 A SUBPORTION OF THIS, DELEGATING AUTHORITY FOR  
7 APPROVAL OF WORKING GROUP CHAIRS. COULD WE PLEASE  
8 ADDRESS THAT?

9 MS. KING: WHICH WILL BE TAKEN UP AT THE  
10 OCTOBER MEETING OF THIS BOARD FOLLOWING ITS  
11 CONSIDERATION BY THE GRANTS WORKING GROUP AT ITS  
12 MEETING IN SEPTEMBER.

13 CHAIRMAN KLEIN: SO AS TO THE SEPTEMBER  
14 PEER REVIEW GROUP, WE DO NOT NEED TO ACT ON THIS  
15 ITEM AS TO THAT PORTION OF THE ITEM. IS THAT  
16 CORRECT, DR. TROUNSON?

17 DR. TROUNSON: THAT'S CORRECT, CHAIR. WE  
18 ALREADY HAVE A CHAIR OF THAT GRANTS WORKING GROUP  
19 BEEN CONFIRMED, AND WE WILL TAKE UP THE MATTER MORE  
20 BROADLY WITH YOU AT THE NEXT MEETING.

21 CHAIRMAN KLEIN: THANK YOU VERY MUCH. IS  
22 THERE A MOTION TO ADD DR. PRIETO TO THE GRANTS  
23 WORKING GROUP?

24 DR. LOVE: SO MOVED.

25 CHAIRMAN KLEIN: AND IS THERE A SECOND?

**BARRISTERS' REPORTING SERVICE**

1 MR. TORRES: SECOND.

2 CHAIRMAN KLEIN: IS THERE DISCUSSION? IS  
3 THERE PUBLIC COMMENT? ALL IN FAVOR? OPPOSED?  
4 ABSTAIN? ITEM PASSES. THANK YOU, DR. PRIETO, FOR  
5 YOUR, AGAIN, TREMENDOUS ADDITIONAL COMMITMENT OF  
6 TIME AND PASSION TO THIS MISSION.

7 ITEM NO. 9. DR. TROUNSON, WHO WOULD YOU  
8 LIKE. DR. GILL SAMBRANO IS APPROACHING THE MIC.  
9 ARE YOU AGAIN GOING TO PRESENT?

10 DR. SAMBRANO: MR. CHAIR, MEMBERS OF THE  
11 BOARD AND THE PUBLIC, SO I'M BRINGING FOR YOUR  
12 CONSIDERATION A PROPOSAL TO ADJUST THE POLICY FOR  
13 PROVIDING HONORARIA TO SCIENTIFIC REVIEWERS OF THE  
14 GRANTS WORKING GROUP. AND AS YOU ARE AWARE,  
15 SCIENTIFIC REVIEWERS PROVIDE A VERY INVALUABLE AND  
16 CRITICAL SERVICE TO CIRM BY PROVIDING EXPERT ADVICE  
17 ON THE SCIENTIFIC MERIT OF APPLICATIONS SUBMITTED  
18 FOR FUNDING AND ON WHICH YOU AND CIRM RELIES TO HELP  
19 YOU IN MAKING IMPORTANT FUNDING DECISIONS.

20 NOW, AS CIRM IS MOVING FORWARD, WE ARE  
21 EXPECTING TO EMBARK ON MANY NEW FUNDING INITIATIVES  
22 THAT WILL VARY QUITE BROADLY IN THEIR SCOPE,  
23 COMPLEXITY, AND THE TYPE OF EXPERTISE THAT WILL BE  
24 REQUIRED. ALREADY WE SEE SIGNIFICANT DIFFERENCES IN  
25 INITIATIVES THAT RANGE FROM TRAINING GRANTS TO BASIC

**BARRISTERS' REPORTING SERVICE**

1 BIOLOGY AWARDS TO THE DISEASE TEAMS.

2 FURTHERMORE, AT THIS MEETING YOU WILL BE  
3 CONSIDERING CONCEPT PROPOSALS FOR THINGS SUCH AS A  
4 RESEARCH LEADERSHIP AWARD AND TRANSPLANTATION  
5 IMMUNOLOGY AWARDS THAT WOULD ALSO ADD VARIETY TO THE  
6 TYPES OF INITIATIVES THAT CIRM OFFERS.

7 SO IN ORDER TO COMPENSATE OUR REVIEWERS  
8 APPROPRIATELY FOR THE LEVEL OF COMMITMENT AND THE  
9 WORK REQUIRED FOR THESE VARIED REVIEWS, WE REQUEST  
10 THAT THE CURRENT FLAT RATE HONORARIUM OF \$2,000 BE  
11 CHANGED TO A MORE FLEXIBLE AND ADJUSTABLE RATE OF  
12 750 PER DAY OF SERVICE. THIS RATE IS CONSISTENT  
13 WITH CONSULTING FEES THAT WOULD READILY BE PAID TO  
14 EXPERTS OF THIS CALIBER FOR THEIR EXPERT ADVICE.  
15 THIS CHANGE WOULD ALSO ALLOW CIRM TO COMPENSATE  
16 REVIEWERS ALONG A BROADER RANGE THAT IS ALIGNED WITH  
17 THE WORK EXPECTED AND REQUIRED FOR EACH OF THE  
18 DIFFERENT RFA'S.

19 TO ENSURE THAT THE HONORARIUM IS  
20 CONSISTENT ACROSS RFA'S, CIRM STAFF WOULD  
21 PREDETERMINE THE AMOUNT THAT IS APPROPRIATE FOR EACH  
22 RFA BY TAKING INTO ACCOUNT THE OVERALL LENGTH OF THE  
23 REVIEW, AVERAGE NUMBER OF APPLICATIONS THAT EACH  
24 REVIEWER WILL BE ASSIGNED, THE ROLE OF THE REVIEWER,  
25 FOR EXAMPLE, WHETHER THEY SERVE AS A CHAIR OR A

**BARRISTERS' REPORTING SERVICE**

1 SPECIALIST, AND THE COMPLEXITY OF THE APPLICATIONS  
2 TO BE REVIEWED.

3 IN DOING SO, WE ALSO RECOGNIZE THAT CIRM  
4 WOULD NOT NECESSARILY BE ABLE TO FULLY COMPENSATE  
5 REVIEWERS FOR THE ACTUAL TIME THEY SPEND ON REVIEW,  
6 BUT WE DO FEEL THAT THIS WILL PROVIDE SUFFICIENT  
7 INCENTIVE AND REASONABLE COMPENSATION TO THE  
8 REVIEWERS THAT PROVIDE THIS VERY CRITICAL SERVICE TO  
9 US.

10 CHAIRMAN KLEIN: THANK YOU VERY MUCH, DR.  
11 SAMBRANO. ARE THERE COMMENTS ON THIS?

12 MR. ROTH: I'LL MAKE A MOTION TO APPROVE  
13 AS RECOMMENDED.

14 DR. LOVE: SECOND.

15 MR. ROTH: JUST TO COMMENT, THIS WAS, I  
16 THINK, CAREFULLY CONSIDERED AND I THINK IS AN  
17 APPROPRIATE BALANCE BETWEEN THE ENTHUSIASM FOR  
18 PEOPLE TO REVIEW, BUT ALSO TO MAKE SURE THEY'RE  
19 FAIRLY COMPENSATED. YOU CAN'T FULLY COMPENSATE  
20 THEM, BUT REASONABLE COMPENSATION.

21 AND MY OWN EXPERIENCE, BASED ON WATCHING  
22 WHAT OTHERS ARE PAID TO DO REVIEWS, THIS IS NOT  
23 GENEROUS BY THOSE STANDARDS AT ALL.

24 CHAIRMAN KLEIN: I WOULD ALSO LIKE TO  
25 COMMENT THAT WE NEED TO REALLY DELEGATE TO THE STAFF

**BARRISTERS' REPORTING SERVICE**

1 THE ABILITY TO FLEXIBLY ADJUST THE COMPENSATION, AS  
2 DR. SAMBRANO HAS SAID, BY THE COMPLEXITY OF THE  
3 REVIEW. WE CAN'T TREAT IT AS IF EACH REVIEW HAS A  
4 SIMILAR LEVEL OF COMPLEXITY OR INVESTED WORK PRODUCT  
5 TO GET TO THE RIGHT LEVEL OF ADVICE.

6 AND THE CHAIRMEN HAVE SUBSTANTIALLY  
7 DIFFERENT LEVELS OF INVESTMENT BASED UPON THE  
8 CHARACTER OF THE REVIEW THAT THEY ARE LEADING. SO I  
9 THINK IT'S VERY APPROPRIATE, AND THE SCIENTIFIC  
10 STAFF IS THE RIGHT PLACE TO HOUSE THIS AUTHORITY SO  
11 THEY CAN MAKE JUDICIAL DECISIONS.

12 ANY ADDITIONAL COMMENTS?

13 MR. TORRES: ALTHOUGH I'M NOT IN THIS  
14 CATEGORY BECAUSE I DO NOT GET REIMBURSED AS A  
15 PATIENT ADVOCATE, I WOULD HOPE THAT AT SOME POINT WE  
16 GET TO THAT POINT WHERE WE THINK ABOUT HOW WE HELP  
17 PATIENT ADVOCATES IN TERMS OF THEIR TIME AND THEIR  
18 EXPENSE AND THEIR COMMITMENT ON HOW TO DEAL WITH  
19 SOME OF THE REIMBURSEMENT COSTS THAT THEY HAVE TO GO  
20 THROUGH. I KNOW WE'RE RESTRICTED IN MANY WAYS, BUT  
21 WE NEED TO FIND SOME WAY TO COMPENSATE THE PATIENT  
22 ADVOCATES WHO DO TAKE THEIR TIME ON THESE WORKING  
23 GROUPS AS WELL. AND I KNOW THE CHAIR IS VERY  
24 SUPPORTIVE OF LOOKING AT THIS AND REVIEWING IT. I  
25 JUST WANTED TO MAKE SURE THAT WE BROUGHT IT UP. AND

**BARRISTERS' REPORTING SERVICE**

1 I'M THE ONLY PATIENT ADVOCATE THAT CAN DO SO  
2 NEUTRALLY.

3 CHAIRMAN KLEIN: YES, DR. TROUNSON.

4 DR. TROUNSON: I KNOW THIS IS NOT THE  
5 POINT THAT WE'RE LOOKING AT, BUT I FULLY ENDORSE  
6 WHAT ART TORRES JUST SAID, DEPUTY CHAIR. AND I'VE  
7 ASKED THE GENERAL COUNSEL TO WORK TOGETHER WITH THE  
8 BOARD COUNSEL TO TRY AND FIND US A WAY FORWARD IN  
9 THIS MATTER. I KNOW IT'S COMPLICATED, BUT I THINK  
10 WE JUST HAVE TO DO SOMETHING ABOUT IT BECAUSE IT'S  
11 COMPLETELY UNREASONABLE AND UNFAIR AND MAKES ME VERY  
12 UNCOMFORTABLE. SO LET ME ASSURE YOU, CHAIR, THAT  
13 WE'RE GOING TO DO OUR BEST, OUR VERY BEST TO FIND A  
14 WAY IN WHICH TO ADDRESS THIS MATTER.

15 CHAIRMAN KLEIN: THANK YOU VERY MUCH.  
16 LEEZA GIBBONS.

17 MS. GIBBONS: WITH REGARD TO THE  
18 REVIEWERS, IS THERE A CAP AS TO HOW MANY DAYS  
19 BECAUSE WE'RE GOING FROM A FLAT RATE OF 2,000 TO 750  
20 A DAY, CORRECT?

21 CHAIRMAN KLEIN: THERE'S ACTUALLY NOT.  
22 AND THERE MAY ACTUALLY BE DIFFERENT NUMBER OF  
23 APPLICATIONS ASSIGNED TO REVIEWERS BASED UPON HOW  
24 MUCH TIME THEY HAVE AVAILABLE. SO SOMEONE MAY HAVE  
25 A HIGHLY DISPROPORTIONATE LOAD. WE HAVE A GREAT

**BARRISTERS' REPORTING SERVICE**

1 DEAL IN OUR GRANTS ADMINISTRATION POLICY OF  
2 DELEGATED AUTHORITY TO THE SCIENTIFIC STAFF TO KEEP  
3 THINGS APPROPRIATELY BALANCED, AND I THINK THAT THEY  
4 WILL BE ABLE TO ACCOMPLISH THAT.

5 ADDITIONAL COMMENTS? PUBLIC COMMENT?  
6 CALL THE QUESTION. ALL IN FAVOR? OPPOSED?  
7 ABSTAIN? MATTER PASSES. THANK YOU.

8 I'M GOING TO GO FIRST HERE SEQUENTIALLY TO  
9 ITEM NO. 11. I THINK WE MAY HAVE SOME PUBLIC  
10 COMMENT ON ITEM NO. 11. AND WHO WOULD YOU LIKE, DR.  
11 TROUNSON, TO PRESENT ON THE RFA FOR IMMUNOLOGY?

12 DR. TROUNSON: DR. TALIB WILL BE DOING  
13 THIS PRESENTATION.

14 DR. TALIB: THANK YOU, DR. TROUNSON. MR.  
15 CHAIRMAN, MEMBERS OF THE BOARD, I WOULD LIKE TO  
16 PRESENT FOR YOUR CONSIDERATION CONCEPT PLAN FOR THE  
17 STEM CELL TRANSPLANTATION IMMUNOLOGY AWARDS. IT IS  
18 ITEM NO. 11 IN YOUR FOLDERS.

19 SO THE SCIENTIFIC RATIONALE FOR THESE  
20 AWARDS IS BASED ON THE FACT THAT ONE OF THE MAJOR  
21 HURDLES IN TRANSLATING STEM CELL RESEARCH INTO THE  
22 CLINIC IS THE ISSUE OF HISTOCOMPATIBILITY AND GRAFT  
23 REJECTION BY THE RECIPIENT'S IMMUNE SYSTEM.  
24 MOREOVER, MANY PATIENTS WITH CONDITIONS FOR WHICH  
25 THE CELL REPLACEMENT THERAPY IS TARGETED WILL NOT



**BARRISTERS' REPORTING SERVICE**

1 TOLERATE MULTIDRUG SYSTEMIC IMMUNOSUPPRESSION.  
2 THEREFORE, THERE IS A NEED FOR NEW CELL-BASED  
3 TOLERANCE STRATEGIES.

4 AS YOU POINT OUT, BECAUSE OF THESE  
5 REASONS, CIRM ORGANIZED AN INTERNATIONAL IMMUNOLOGY  
6 WORKSHOP EARLIER THIS YEAR IN WHICH MANY THOUGHT  
7 LEADERS IN TRANSPLANTATION IMMUNOLOGY PARTICIPATED.  
8 AND THIS CONCEPT PLAN IS BASED ON THEIR  
9 RECOMMENDATIONS.

10 SO THE PURPOSE OF THESE AWARDS IS TO  
11 SUPPORT THE TRANSFORMATIVE RESEARCH LEADING TO THE  
12 DEVELOPMENT OF IMMUNE TOLERANCE OF PLURIPOTENT STEM  
13 CELL DERIVATIVES.

14 SPECIFICALLY THESE AWARDS WILL SUPPORT  
15 BASIC AND EARLY TRANSLATION RESEARCH IN THE  
16 FOLLOWING AREAS OF STEM CELL IMMUNOLOGY:  
17 DEVELOPMENT OF PREDICTIVE ANIMAL MODELS OF HUMAN  
18 IMMUNE RESPONSE TO CELL THERAPIES, DEVELOPMENT OF  
19 STEM CELL THERAPEUTICS AIMED AT CORRECTION OF  
20 AUTOIMMUNE AND OTHER IMMUNE DISORDERS, INCLUDING  
21 HIV/AIDS AND CANCER, IN ANIMAL MODELS OF HUMAN  
22 DISEASES, DEVELOPMENT OF CO-RECEPTOR BLOCKADE AND  
23 OTHER STRATEGIES TO REPROGRAM THE IMMUNE SYSTEM OF  
24 THE RECIPIENT TO ACCEPT THE STEM CELL GRAFTS, AN  
25 ASSESSMENT OF TOLERANCE INDUCTION BY HEMATOPOETIC

## BARRISTERS' REPORTING SERVICE

1 CHIMERISM.

2 I SHOULD POINT OUT THE LAST TWO  
3 STRATEGIES, THAT IS, CO-RECEPTOR BLOCKADE AND  
4 HEMATOPOIETIC CHIMERISM, IS ALREADY IN CLINICAL  
5 TESTING, BUT HAS NOT BEEN TESTED OR INVESTIGATED FOR  
6 STEM CELL-DERIVED GRAFTS.

7 SO IN TERMS OF THE ELIGIBILITY FOR THESE  
8 AWARDS, CIRM'S STANDARD INVESTIGATOR ELIGIBILITY  
9 CRITERIA WILL BE USED; THAT IS, PH.D. AND M.D.  
10 DEGREES AND FULL-TIME EMPLOYMENT IN ACADEMIC OR  
11 NOT-FOR-PROFIT OR FOR-PROFIT ORGANIZATIONS IN  
12 CALIFORNIA.

13 NOW, IN TERMS OF THE INSTITUTIONAL  
14 ELIGIBILITY, I SHOULD POINT OUT, SINCE THIS IS NOT A  
15 REPEATING CO-RFA AND DOES NOT QUALIFY FOR THE PREAPP  
16 REVIEW, AND MINDFUL OF THE CAPACITY OF OUR GRANTS  
17 WORKING GROUP TO REVIEW ALL APPLICATIONS,  
18 INSTITUTIONAL ELIGIBILITY CRITERIA IS BASED ON EARLY  
19 TRANSLATION AWARDS. AND IN THAT CAPACITY, WHAT  
20 WOULD BE THE NON-PROFIT INSTITUTIONS WITH ACCREDITED  
21 MEDICAL SCHOOLS MAY SUBMIT UP TO FOUR APPLICATIONS.  
22 OTHER NONPROFIT OR FOR-PROFIT INSTITUTIONS WITH 250  
23 OR MORE EMPLOYEES MAY SUBMIT UP TO TWO APPLICATIONS.  
24 NONPROFIT OR FOR-PROFIT INSTITUTIONS WITH LESS THAN  
25 250 EMPLOYEES MAY SUBMIT ONE APPLICATION.

**BARRISTERS' REPORTING SERVICE**

1           THESE AWARDS WILL BE OPEN FOR  
2           COLLABORATIVE FUNDING. JAPAN SCIENCE AND TECHNOLOGY  
3           AGENCY AND VICTORIA AND AUSTRALIA HAVE EXPRESSED  
4           INTEREST IN PARTICIPATING IN THESE AWARDS. SO THE  
5           CIRM WILL FUND ALL THE WORK WHICH WILL BE DONE OR  
6           THE PROJECTS THAT WILL BE IN THE STATE OF  
7           CALIFORNIA, AND FUNDING PARTNERS WILL FUND ALL THE  
8           PROJECTS WORK DONE IN THEIR COUNTRIES.

9           CIRM WOULD LIKE TO PROPOSE UP TO 20  
10          THREE-YEAR AWARDS WITH THE DIRECT PROJECT COST UP TO  
11          300,000 PER YEAR WITH ESTIMATED TOTAL COST UP TO 30  
12          MILLION. PROVISIONAL TIMELINES FOR THESE AWARDS IS  
13          THE RFA RELEASE BY NOVEMBER 2009, REVIEW  
14          APPLICATIONS IN APRIL 2010 BY THE GRANTS WORKING  
15          GROUP, AND ICOC APPROVAL FOR THE FUNDING IN JUNE OF  
16          2010.

17          SO, MR. CHAIRMAN, I WOULD LIKE TO REQUEST  
18          APPROVAL FOR THE CIRM STEM CELL TRANSPLANTATION  
19          IMMUNOLOGY AWARD CONCEPT WITH \$30 MILLION IN  
20          FUNDING. THIS CONCLUDES MY PRESENTATION, AND I'LL  
21          BE HAPPY TO ANSWER ANY QUESTIONS.

22          CHAIRMAN KLEIN: THANK YOU VERY MUCH. I  
23          HAVE, I THINK, THREE PENDING QUESTIONS OF BOARD  
24          MEMBERS, POTENTIALLY MORE. ONE, MR. SHEEHY, I THINK  
25          YOU RAISED THE QUESTION OF WHETHER INSTITUTIONS WITH

## BARRISTERS' REPORTING SERVICE

1 MEDICAL SCHOOLS OR BECAUSE OF TRANSPLANT ACTIVITIES  
2 MAY HAVE A CONCENTRATION OF THESE SCIENTISTS AND  
3 M.D.'S WITH THIS SPECIFIC KNOWLEDGE MIGHT  
4 APPROPRIATELY HAVE A HIGHER LIMIT TO MAKE SURE THAT  
5 WE'RE NOT ARTIFICIALLY CAPPING ACCESS TO THIS  
6 PROGRAM OF SOME OF THE REAL CONCENTRATIONS OF TALENT  
7 IN CALIFORNIA.

8 MR. SHEEHY: WELL, I WOULD HOPE WE  
9 WOULDN'T -- HONESTLY I WOULD HOPE WE WOULDN'T HAVE  
10 ANY LIMITS ON INSTITUTIONAL APPLICATIONS. I THINK  
11 WE HAVE AN EVIDENCE BASE FOR NOT HAVING LIMITS IN  
12 THAT WE'VE ASKED FOR MANY OF THESE THINGS WITHIN THE  
13 CONTEXT OF OTHER RFA'S. AND WE HAVEN'T RECEIVED  
14 VERY MANY, TO BE PERFECTLY HONEST. WE ASKED ABOUT  
15 IT IN EARLY TRANSLATION, WE ASKED TO SOME DEGREE  
16 ABOUT IT IN TOOLS AND TECHNOLOGY, WE ASKED FOR IT IN  
17 SEED GRANTS.

18 I JUST DON'T BELIEVE THAT THERE'S A BASIS  
19 FOR ASSUMING THAT WE'RE GOING TO BE OVERWHELMED WITH  
20 APPLICATIONS IF WE DON'T PUT A LIMIT, AND I DON'T  
21 THINK IT SHOULD BE A PRINCIPLE OF US AS -- FOR US AS  
22 AN AGENCY, THAT EVERY RFA WILL EITHER GET  
23 PRESCREENED, WE EITHER HAVE A PRESCREENING PROCESS  
24 OR THAT THE APPLICATIONS WILL HAVE SOME SORT OF  
25 INSTITUTIONAL LIMIT.

**BARRISTERS' REPORTING SERVICE**

1 I ALSO WANT TO SAY THAT ONE OF THE  
2 CONCERNS THAT LED TO THE PREAPPLICATION SCREENING  
3 PROCESS WAS THAT THERE WAS SOME CONCERN AMONGST  
4 JUNIOR FACULTY AT SOME INSTITUTIONS ABOUT BEING ABLE  
5 TO GET THEIR APPLICATION THROUGH THEIR OWN INTERNAL  
6 SCREENS WHEN YOU HAVE AN INSTITUTIONAL SCREEN. THIS  
7 IS ONE OF THE MAJOR ROADBLOCKS IN MOVING AHEAD WITH  
8 STEM CELL THERAPIES. FOR MANY OF THE THINGS THAT WE  
9 PROMISED THE PEOPLE OF CALIFORNIA WE'RE GOING TO  
10 ACCOMPLISH, IT REQUIRES USING EMBRYONIC STEM CELLS.  
11 AND IF WE CANNOT FIGURE OUT IMMUNE TOLERANCE, WE'RE  
12 NOT GOING TO BE ABLE TO USE THEM FOR MANY DISEASES.

13 SO I DON'T SEE THAT THERE'S ANY EVIDENCE  
14 BASIS FOR PUTTING ANY LIMITS ON THE NUMBER OF  
15 APPLICATIONS. I DO NOT BELIEVE WE WILL BE  
16 OVERWHELMED, AND I WOULD RATHER OPERATE FROM THE  
17 PRINCIPLE THAT WE CAN -- I MEAN I JUST DON'T SEE IT.  
18 I THINK WE'RE GOING TO BE FINE. I DON'T THINK THAT  
19 MANY PEOPLE -- HAVING SAT IN THE WORKSHOP FOR AN  
20 ENTIRE DAY WITH TRANSPLANT SCIENTISTS FROM AROUND  
21 THE STATE, MANY OF THEM ARE JUST NOT COMING INTO  
22 THIS FIELD. AND I THINK WE'LL STIMULATE SOME  
23 INTEREST WITH THIS RFA, BUT I DON'T THINK THAT  
24 SUDDENLY PEOPLE ARE GOING TO DROP EVERYTHING AND  
25 SAY, OH, I WANT TO DO THIS IN SUCH A MASSIVE WAY

## BARRISTERS' REPORTING SERVICE

1 THAT IT'S GOING OVERWHELM OUR CAPACITY TO EVALUATE  
2 GRANTS. I DON'T WANT TO LOSE THE ONE OR TWO OR  
3 THREE GRANTS THAT MIGHT NOT MAKE IT THROUGH ANY KIND  
4 OF SCREENING PROCESS THAT MIGHT ACTUALLY MAKE THE  
5 DIFFERENCE AND MOVE THIS FIELD FORWARD IN A DRAMATIC  
6 FASHION.

7 CHAIRMAN KLEIN: SO I'M GOING TO CALL ON  
8 DR. PIZZO, BUT FIRST I'D LIKE DR. TROUNSON TO  
9 ADDRESS OR DR. OLSON TO ADDRESS, AS APPROPRIATE. MY  
10 UNDERSTANDING IS THAT, DR. TROUNSON, WHILE YOU  
11 CONCEPTUALLY AGREE WITH THE REACH THAT MR. SHEEHY  
12 WANTS TO ACHIEVE IN MAKING CERTAIN WE GET EVERY  
13 POSSIBLE APPLICATION IN WORKING WITH THE SCIENTIFIC  
14 STAFF, I BELIEVE YOU HAVE A POINT ABOUT FUNCTIONAL  
15 CAPACITY.

16 DR. TROUNSON: WELL, YOU KNOW, I HAVE A  
17 LOT OF SYMPATHIES FOR WHAT JEFF IS TALKING ABOUT.  
18 AND I'M NOT SURE HOW MANY GRANTS WE'RE GOING TO GET,  
19 WHETHER WE WILL STIMULATE IT OR NOT. BUT, YOU KNOW,  
20 WE'RE GOING OUT THERE IN A VERY TARGETED WAY. WE'RE  
21 GOING TO GO TO THE TRANSPLANT ORGANIZATIONS. I'M  
22 GOING TO ACTUALLY SPEAK AT SOME OF THEIR MEETINGS.  
23 I'M ACTUALLY GOING TO WORK VERY HARD TO GET THEIR  
24 ATTENTION IN THIS AREA, THOSE PEOPLE WHO WOULD NOT  
25 NORMALLY BE LOOKING AT CIRM FOR SUPPORT,

**BARRISTERS' REPORTING SERVICE**

1 PARTICULARLY THE TRANSPLANTATION PART OF THE  
2 RESEARCH INDUSTRY.

3 SO IT MAY BE THAT MAYBE WE'LL GET MORE  
4 THAN WE THINK; BUT AS A BETTING MAN, I'M NOT SURE  
5 WHICH SIDE TO COME DOWN ON THAT. WHAT IT DOES MAKE,  
6 IT WILL MAKE IT VERY DIFFICULT, OF COURSE, IF WE GET  
7 A LARGE NUMBER TO DO AN APPROPRIATE AND ADEQUATE  
8 REVIEW. AND THAT REALLY DOES PUT A LOT OF STRESS,  
9 AS YOU KNOW, IN THE SYSTEM FOR THE STAFF,  
10 PARTICULARLY THE ANCILLARY WORK THAT THEY HAVE TO DO  
11 IN ORDER TO, YOU KNOW, WORK THROUGH ALL OF A VERY  
12 LARGE NUMBER OF APPLICATIONS. AND ALSO, OF COURSE,  
13 A LOT OF PRESSURE ON THE REVIEWERS.

14 SO I WONDERED IF YOU MIGHT BE OPEN TO  
15 INCREASING THE NUMBERS RATHER THAN SORT OF CARTE  
16 BLANCHE OPENING THE WHOLE LOT. AND I WOULD HAVE  
17 THOUGHT, IF YOU OPENED IT TO SEVEN OR EIGHT  
18 APPLICATIONS, PARTICULARLY FROM THOSE INSTITUTIONS  
19 THAT HAVE A MEDICAL SCHOOL, WHERE THIS IS LIKELY TO  
20 MOSTLY DERIVE FROM, THAT WE WOULD THEN BE PRETTY  
21 MUCH ACCOMMODATING THE NEED WHILE TRYING TO PROTECT  
22 THE STAFF AND THE REVIEWERS FROM, YOU KNOW, A  
23 PARTICULARLY DIFFICULT SITUATION IF WE GOT AN  
24 OVERRESPONSE.

25 CHAIRMAN KLEIN: DR. PIZZO AND I'M GOING

## BARRISTERS' REPORTING SERVICE

1 TO COME BACK, JEFF, TO YOU.

2 DR. PIZZO: I THINK ALAN TROUNSON AND  
3 OTHERS ARE WELL AWARE THAT I'VE SPOKEN ABOUT THIS  
4 ISSUE A NUMBER OF TIMES IN THE PAST. AND JUST FOR  
5 CONTEXT, THAT I HAVE HAD STRONG FEELINGS ABOUT NOT  
6 HAVING INSTITUTIONAL LIMITS. WE DID WORK WITH ALAN  
7 AND PAT AND OTHERS, WITH RICARDO AZZIZ ABOUT A YEAR  
8 AGO TO COME UP WITH SOME GUIDELINES. WE DID THAT  
9 LARGELY IN RECOGNITION OF REALLY A COUPLE OF THINGS.  
10 ONE WAS THE OPERATIONAL LIMITS OF BOTH THE REVIEW  
11 GROUPS AND THE STAFF IN TERMS OF CAPACITY ISSUES.  
12 AND I THINK WE WERE COGNIZANT OF THAT, BUT ALWAYS  
13 HAD AN EYE TOWARD EVENTUALLY GETTING TO THE POINT  
14 WHERE WE CAN ELIMINATE THE LIMITS.

15 I THINK I FELT MOST STRONGLY ABOUT THIS,  
16 AS I THINK YOU KNOW, WITH REGARD TO THE DISEASE  
17 PLANNING GRANTS WHERE SETTING A LIMIT BEFOREHAND  
18 WOULD ACTUALLY CONSPIRE POTENTIALLY AGAINST THE KIND  
19 OF COLLABORATIONS THAT WOULD BE ESTABLISHED. I DO  
20 FEEL THAT AS MUCH AS WE CAN POSSIBLY ELIMINATE  
21 INSTITUTIONAL LIMITS, WE BETTER SERVE THE  
22 MERITOCRACY OF SCIENCE IN CALIFORNIA. I THINK THAT  
23 IS THE BEST WAY TO BRING THE BEST IDEAS FORWARD.

24 AS I HAVE ILLUSTRATED IN THE PAST, THE  
25 HOWARD HUGHES MEDICAL RESEARCH INSTITUTE USED TO SET



## BARRISTERS' REPORTING SERVICE

1 LIMITS ON THE NUMBER OF APPLICATIONS. THEY USED TO  
2 ASK INSTITUTIONS TO SCREEN AND PRESERVE. THEY'VE  
3 ELIMINATED THAT. THEY DID GET A BOLUS OF  
4 APPLICATIONS, BUT THEY WEREN'T OVERWHELMING. AND IT  
5 ALLOWED PEOPLE WHO MIGHT NOT OTHERWISE HAVE HAD A  
6 CHANCE TO APPLY TO COME FORWARD. AND I THINK THIS  
7 ISSUE IS REALLY IMPORTANT. I THINK JEFF'S COMMENT  
8 ABOUT INSTITUTIONAL PRESERVEING DOES NEGATIVELY  
9 IMPACT PARTICULARLY YOUNG PEOPLE.

10 SO AS MUCH AS WE CAN DO IT, I WOULD BE  
11 SUPPORTIVE TO THAT. I THINK WE ARE GOING TO TRY TO  
12 NEED TO FIND A BALANCE BETWEEN WHAT YOU CAN HANDLE  
13 AND WHAT YOU CAN RECEIVE, AND I REALIZE WE'LL HAVE  
14 TO WORK TOWARD THAT, BUT THE ULTIMATE GOAL IS TO GET  
15 RID OF LIMITS.

16 CHAIRMAN KLEIN: SO DR. OLSON AND THEN I'M  
17 GOING TO GO TO DR. PENHOET. COULD YOU COMMENT ON --  
18 I KNOW THERE'S A BALANCE ALWAYS BETWEEN TRYING TO  
19 ACHIEVE THIS UNLIMITED GOAL AND FUNCTIONAL CAPACITY.  
20 WHAT IS YOUR PERSPECTIVE ON RAISING THE MEDICAL  
21 SCHOOLS WHERE THIS EXPERTISE IS APT TO BE  
22 CONCENTRATED TO SEVEN OR EIGHT IN TERMS OF GIVING  
23 YOU THE COMFORT TO KNOW THAT YOU CAN HANDLE THE  
24 VOLUME WITHIN THE STRUCTURE OF THE PEER REVIEW, HOW  
25 DO YOU BALANCE THESE GOALS?

**BARRISTERS' REPORTING SERVICE**

1 DR. OLSON: BEFORE I COMMENT ON THAT, I  
2 WOULD LIKE TO SAY ONE OTHER THING. FIRST, I RESPECT  
3 THE POSITIONS OF EVERYBODY HERE. I CAN UNDERSTAND  
4 WHY IT'S IMMEDIATELY DESIRABLE TO ALLOW ANYBODY WHO  
5 HAS ANY INTEREST TO APPLY. I WOULD ALSO POINT OUT  
6 TO YOU THAT IT'S NOT JUST A MATTER OF STAFF'S  
7 FUNCTIONAL CAPACITY. THIS IS REALLY A MATTER OF  
8 REVIEWERS' CAPACITY AND TIME THAT THEY ARE WILLING  
9 TO DEVOTE TO THIS AS WELL.

10 I MEAN, SO IN THE ONE CIRCUMSTANCE WHERE  
11 WE HAD IT FULLY OPEN EXCEPT FOR ONE REQUIREMENT,  
12 THEY HAD TO WORK ON HUMAN EMBRYONIC STEM CELLS, WE  
13 HAD 232 APPLICATIONS. UNLIKE MOST OF THE  
14 ORGANIZATIONS THAT HAVE BEEN CITED HERE, CIRM DOES  
15 NOT HAVE THE OPTION OF DOING A TRIAGE PROCESS AS  
16 PART OF THE GRANTS WORKING GROUP REVIEW. SO ANY  
17 APPLICATION THAT IS RECEIVED BY US MUST BE REVIEWED  
18 BY US, MUST BE DISCUSSED BY THE GRANTS WORKING GROUP  
19 MEMBERS. THIS IS IN MARKED CONTRAST TO THE NIH AND  
20 OTHERS.

21 SO, YOU KNOW, THE TOOLS AND TECHNOLOGIES  
22 WAS AN EXAMPLE WHERE I BELIEVE WE HAD, WHAT, 120,  
23 ROUGHLY 118 APPLICATIONS. WE ENDED UP DOING A  
24 DOUBLE REVIEW. WE WERE VERY FORTUNATE IN THAT CASE  
25 THAT WE HAD SOME REVIEWERS THAT WERE WILLING TO

**BARRISTERS' REPORTING SERVICE**

1 SPEND THE ENTIRE THREE-DAY TIME PERIOD, BUT WE WERE  
2 ALSO IN THE SITUATION WHERE WE HAD TO BRING IN NEW  
3 REVIEWERS. SO WE HAD TO DO OVERLAPPING REVIEW. SO  
4 I JUST WANTED TO REMIND THE BOARD OF THOSE  
5 PARTICULAR FACTORS.

6 HAVING SAID THAT, YOU KNOW, I WOULD BE  
7 DELIGHTED TO REACH SOME SORT OF COMPROMISE WHEREBY  
8 WE COULD PERHAPS TRY AND RAISE THE NUMBERS FOR THOSE  
9 INSTITUTIONS, I THINK, TYPICALLY THOSE WITH MEDICAL  
10 SCHOOLS, THAT WOULD BE EXPECTED TO HAVE THE HIGHER  
11 CONCENTRATION OF THE IMMUNOLOGISTS WHO WORK IN THIS  
12 TYPE OF AREA.

13 CHAIRMAN KLEIN: ALL RIGHT. I HAD DR.  
14 PENHOET, AND I'M GOING TO COME BACK TO JEFF SHEEHY.

15 DR. PENHOET: IN THE PAST, I'VE STRONGLY  
16 SUPPORTED LIMITS BECAUSE I THINK PROBABLY THE  
17 RATE-LIMITING RESOURCE IN OUR ENTIRE ORGANIZATION IS  
18 OUR OUTSIDE REVIEWERS. AND I THINK WE STILL RUN THE  
19 RISK OF LOSING THEM IF WE ABUSE THEM, SO I THINK  
20 THAT LIMITS HAVE BEEN APPROPRIATE.

21 BUT BEFORE JEFF MADE HIS COMMENT, I WAS  
22 GOING TO MAKE THE SAME COMMENT, WHICH IS WE HAVE NOT  
23 SEEN IN A NUMBER OF RFP'S IN THE PAST A LARGE NUMBER  
24 OF APPLICATIONS IN THIS FIELD, AND THEY COULD HAVE  
25 FIT THEMSELVES INTO, FOR EXAMPLE, BASIC BIOLOGY

**BARRISTERS' REPORTING SERVICE**

1 TODAY. WE DON'T SEE MANY HERE.

2 I SUSPECT THERE IS NOT A HUGE NUMBER OF  
3 PEOPLE THAT ACTUALLY HAVE SKILLS AND INTEREST IN  
4 THIS FIELD. SO I THINK IN THIS CASE WE SHOULD --  
5 FURTHER, I ACTUALLY THINK THEY'RE NOT EQUALLY  
6 DISTRIBUTED ACROSS THE STATE AMONG ALL THE MEDICAL  
7 SCHOOLS. SOME HAVE A HIGHER CONCENTRATION THAN  
8 OTHERS IN THIS FIELD. SO I WOULD EITHER SUPPORT  
9 REMOVING THE CAP ALTOGETHER FOR THIS RFA OR AT LEAST  
10 INCREASING THE CAP FOR THE MEDICAL SCHOOLS TO DOUBLE  
11 THAT NUMBER.

12 CHAIRMAN KLEIN: ALL RIGHT. JEFF SHEEHY.

13 MR. SHEEHY: I REALLY FEEL PRETTY STRONGLY  
14 ABOUT THIS, THAT WE SHOULD NOT HAVE A CAP. SO I'LL  
15 STIPULATE THAT. BUT I WONDER, DR. TALIB, YOU REALLY  
16 ARE THE IMMUNOLOGY EXPERT, I THINK. HOW MANY  
17 APPLICATIONS HAVE COME IN FOR IMMUNOLOGY ROUGHLY  
18 OVER THE ENTIRE COURSE OF THE WORK WE'VE DONE? HAVE  
19 WE EVEN HAD A HUNDRED APPLICATIONS SUBMITTED?

20 DR. TALIB: SO I THINK ONE OF THE -- I  
21 THINK YOU POINTED OUT VERY NICELY THAT WE ARE NOT  
22 RECEIVING IMMUNOLOGY APPLICATIONS IN BASIC BIOLOGY  
23 AS WELL AS IN TOOLS AND TECHNOLOGIES. AND ONE OF  
24 THE THINGS IS THAT WE ARE NOT REACHING TO THE PEOPLE  
25 WHO, IN FACT, WORK IN IMMUNOLOGY. SO THAT WAS ONE

## BARRISTERS' REPORTING SERVICE

1 OF THE REASONS THAT WE HAD THIS WORKSHOP IN ORDER TO  
2 REACH THE IMMUNOLOGISTS, SO MAKING AN RFA WHICH IS  
3 VERY SPECIFICALLY ON TRANSPLANTATION IMMUNOLOGY, WE  
4 WILL ATTRACT THOSE IMMUNOLOGISTS. AS DR. TROUNSON  
5 POINTED OUT, THAT WE, IN FACT, ARE MAKING OUTREACH  
6 EFFORTS TO REACH TO THE OTHER IMMUNOLOGISTS.

7 BUT IN ANSWER TO YOUR QUESTION, WE HAVE  
8 NOT SO FAR RECEIVED MANY APPLICATIONS. IN TOOLS AND  
9 TECHNOLOGIES, PROBABLY WE HAD THREE OR FOUR  
10 APPLICATIONS. IN OTHER BASIC BIOLOGY, WE HAVE ABOUT  
11 FOUR OR FIVE APPLICATIONS. SO WE ARE NOT  
12 OVERWHELMING GETTING THOSE APPLICATIONS ALTHOUGH WE  
13 HAD MENTIONED ABOUT IMMUNOLOGICAL ASPECTS ON THOSE  
14 RFA'S. BUT THIS PARTICULAR RFA, SINCE IT IS  
15 TARGETED TOWARDS IMMUNOLOGISTS, WE ARE HOPING THAT  
16 WE WILL ATTRACT MORE IMMUNOLOGISTS.

17 MR. SHEEHY: SO, AGAIN, I'D LIKE TO  
18 MOVE -- I THINK WE'RE A SCIENTIFIC ORGANIZATION AND  
19 WE SHOULD OPERATE ON AN EVIDENCE BASIS. AND THE  
20 EVIDENCE DOES NOT SUPPORT PUTTING IN PLACE ANY  
21 LIMITS, AND I WOULD REALLY STRONGLY URGE THAT WE  
22 NOT. AND ONE OF THE THINGS -- AND I WANT TO MAKE A  
23 DIRECT ANALOGY TO THE SEED GRANTS, WHICH WAS THE ONE  
24 IN WHICH WE WERE OVERWHELMED. THERE WERE PEOPLE WHO  
25 APPLIED BECAUSE THAT EXTRA HOOP OF HAVING TO GO

## BARRISTERS' REPORTING SERVICE

1 THROUGH YOUR INSTITUTION, YOU MAY HAVE A SENIOR  
2 PERSON WHO'S GOT MORE MONEY THAN GOD FROM NIH AND  
3 EVERYBODY ELSE IN THE WORLD AND THEY DON'T WANT TO  
4 PLAY GAMES TRYING TO GET THROUGH ALL THIS. THEY'RE  
5 NOT EVEN MAYBE INTERESTED IN STEM CELLS. SOME OF  
6 THOSE PEOPLE THREW SOME GREAT IDEAS OVER THE TRANSOM  
7 IN THE SEED GRANTS. ONE OF THEM WENT ON TO A  
8 TRANSLATIONAL -- HAS RECEIVED A TRANSLATIONAL GRANT.  
9 THOSE FOLKS ARE NOT GOING TO BE INTERESTED IN THIS.  
10 AND WE NEED -- THIS IS ONE OF THE MOST CRITICAL  
11 ROADBLOCKS WE'VE HEARD AGAIN AND AGAIN AND AGAIN TO  
12 SUCCESS IN THIS FIELD, AND WE SHOULD NOT PUT ANY  
13 OBSTACLE IN THE WAY.

14 TO BE PERFECTLY HONEST, IF WE GOT A  
15 HUNDRED APPLICATIONS, YOU KNOW, I'D BE DELIGHTED.  
16 FIRST OF ALL, I GOT TO TELL YOU FROM HAVING SAT ON  
17 THE REVIEW GROUP, THEY BELL CURVE US. SO IF YOU'RE  
18 TALKING ABOUT 20 APPLICATIONS TO BE FUNDED, YOU ARE  
19 GOING TO NEED TO GET AT LEAST 60 GRANTS OVER THE  
20 DOOR BECAUSE THEY SELDOM -- YOU KNOW, THEY GENERALLY  
21 DO A 35-PERCENT LEVEL. I MEAN IT'S CONSISTENT.  
22 WHETHER WE PRESCREEN, WE PUT LIMITS, THERE'S  
23 GENERALLY ABOUT A THIRD OF THE GRANTS THAT GET ABOVE  
24 75 PERCENT, 75 ON THEIR SCORES.

25 SO I REALLY WOULD HOPE THAT WE WOULD HAVE

## BARRISTERS' REPORTING SERVICE

1 THE COURAGE AND AUDACITY AND THE URGENCY THAT HAS  
2 INFORMED THIS MISSION ALL ALONG TO TAKE A CHANCE  
3 HERE, REMOVE THE LIMITS, AND HOPE THAT SOMEBODY PUTS  
4 SOMETHING THROUGH THAT MAKES A DRAMATIC DIFFERENCE  
5 IN WHAT HAPPENS. YOU KNOW, WE'RE DOING FEWER  
6 REVIEWS NOW THAN WE DID WHEN WE FIRST STARTED. WE  
7 HAVE MORE STAFF, WE'RE DOING FEWER REVIEWS, WE HAVE  
8 MORE REVIEWERS AVAILABLE TO US. SO I'M NOT REALLY  
9 THAT MOTIVATED BY THIS CAPACITY ARGUMENT. WE HAVE  
10 MORE ABILITY TO REVIEW MORE GRANTS; WE'RE DOING  
11 FEWER GRANT REVIEWS. I THINK WE CAN HANDLE THIS,  
12 AND I THINK WE CAN OPEN IT UP, AND I DON'T THINK  
13 WE'RE GOING TO BE DELUGED WITH 250 GRANT  
14 APPLICATIONS.

15 DR. OLSON: FIRST, I JUST WANT TO SPEAK TO  
16 THE CAPACITY FIRST SINCE IT'S THE LAST THING. WE  
17 MAY BE DOING FEWER REVIEWS WITH THE GRANTS WORKING  
18 GROUP. IN SOME CASES WE ARE DOING PREAPP REVIEWS,  
19 WHICH ENTAILS A WHOLE REVIEW CYCLE WITH EXTERNAL  
20 SPECIALISTS. WE HAVE -- OVER THE LAST YEAR OR SO,  
21 PROGRESS REPORTS ARE BECOMING A VERY MAJOR PART.  
22 AND I THINK WE ALL APPRECIATE THAT, YOU KNOW, GIVEN  
23 THE URGENCY OF OUR MISSION AND MAKING, YOU KNOW,  
24 THAT IT'S A VERY IMPORTANT ROLE OF STAFF TO KEEP AN  
25 EYE ON WHAT THE REVIEWERS ARE DOING. THAT IS A

**BARRISTERS' REPORTING SERVICE**

1 LARGE PART OF THE CAPACITY ISSUE. SO I WOULD SAY  
2 THAT, YOU KNOW, CAPACITY IS STILL ALWAYS A  
3 CONSIDERATION.

4 ALSO, WITH RESPECT TO THE POINT THAT WE  
5 HAVE NOT SEEN THAT MANY IMMUNOLOGY GRANTS, I WOULD  
6 REMIND YOU THAT A LOT OF OUR RFA'S HAVE BEEN  
7 SPECIFICALLY TARGETED TO HUMAN EMBRYONIC OR HUMAN  
8 PLURIPOTENT STEM CELL WORK TO WORKING IN THOSE  
9 SYSTEMS. I THINK A LOT OF THE WORK THAT IS DONE IN  
10 THE TRANSPLANT IMMUNOLOGY, A LOT OF THE BASIC  
11 BIOLOGY IS DONE IN MODEL SYSTEMS, SO WE HAVE NOT  
12 ENCOURAGED IT THROUGH ESSENTIALLY THE FOCUS OF OUR  
13 CURRENT RFA'S.

14 CHAIRMAN KLEIN: AND DR. HAWGOOD.

15 DR. HAWGOOD: I PERSONALLY THINK THIS IS  
16 SUCH AN IMPORTANT AREA, THAT I'M VERY SUPPORTIVE OF  
17 JEFF'S SUGGESTION HERE. AND I ASK A QUESTION THAT I  
18 PROBABLY SHOULD KNOW THE ANSWER, BUT WHY DO OUR  
19 REGULATIONS NOT ACCOMMODATE TRIAGE? BECAUSE I THINK  
20 THAT WOULD MAKE A SIGNIFICANT DIFFERENCE. IS THAT  
21 INTERNAL TO US, OR IS THAT PART OF THE PROPOSITION?

22 CHAIRMAN KLEIN: I'M GOING TO -- I THINK  
23 THIS IS AN EXTREMELY IMPORTANT QUESTION, SO LET ME  
24 GIVE THREE LEVELS TO THIS ANSWER. FIRST OF ALL,  
25 UNDER STATE LAW, EVEN OUR PREAPPLICATION PROCESS IS



## BARRISTERS' REPORTING SERVICE

1 JUST THAT. IT IS TESTING THE MATURITY OF THE  
2 APPLICATION TO SEE WHETHER IT SHOULD BE DEFERRED TO  
3 A LATER PART OF THAT ROUND OR CONSIDERED AT THAT  
4 TIME.

5 UNDER STATE LAW ESSENTIALLY WE HAVE TO  
6 PROVIDE AN OPPORTUNITY FOR ALL APPLICATIONS, WHEN  
7 THEY ARE MATURE, FULLY RESPONSIVE TO THE RFA, GET TO  
8 A PEER REVIEW PROCESS. I'D LIKE TO GO TO DR.  
9 TROUNSON AND THEN TO MR. HARRISON.

10 DR. TROUNSON: WELL, I THINK, CHAIR, IT  
11 REALLY IS A MATTER FOR THE ICOC IN THAT REGARD. IN  
12 ANSWER DIRECTLY TO THE QUESTION THAT SAM PUT TO US,  
13 THE ICOC GAVE US APPROVAL FOR THREE RFA'S TO DO  
14 PREAPPLICATIONS, AND THEN WE WERE TO BRING BACK THE  
15 OUTCOMES IN A DISCUSSION WITH THE ICOC. SO WE HAVE  
16 NO APPROVAL FOR DOING MORE THAN THE THREE THAT WE  
17 CURRENTLY DO, SAM. SO THAT'S A MATTER FOR THE ICOC  
18 TO REFLECT ON.

19 I BELIEVE THAT, IN MY OWN VIEW, I BELIEVE  
20 THAT IF THE ICOC WISHES TO EXPAND THAT TO ANOTHER  
21 ONE, WE COULD DO THAT BECAUSE ORIGINALLY THE  
22 STRATEGIC PLAN HAD 60 MILLION IN THE AREA FOR  
23 IMMUNOLOGY. SO CLEARLY WE PROBABLY NEED TO DO IT  
24 AGAIN. AND SO WE AT LEAST ON THIS OCCASION HAVE THE  
25 OPPORTUNITY TO PUT OFF THOSE GRANTS TO ANOTHER TIME.

## BARRISTERS' REPORTING SERVICE

1 WE HAVEN'T DECIDED, OF COURSE, WHAT TIME THAT IS,  
2 BUT WE COULD DO THAT IN THE PREAPPLICATION.

3 SO UNDER THE RULES, IF YOU LIKE, THAT WERE  
4 SET UP BY THE ICOC FOR PREAPPLICATION, WE COULD ON  
5 THIS OCCASION DO IT IF THAT'S WHAT YOU WISHED US TO  
6 DO. SO IT'S, I BELIEVE, MY OWN VIEW, AND I HAVEN'T  
7 TESTED THIS WITH STAFF, IS THAT IT COULD BE  
8 APPROPRIATE IF THE ICOC MOVED TO DO SO.

9 CHAIRMAN KLEIN: SO ONE OF THE THINGS THAT  
10 WILL HAPPEN IF WE INCORPORATE THIS IN THE  
11 PREAPPLICATION PROCESS IS THAT IT PROVIDES -- IT  
12 PUTS ANOTHER TIME INCREMENT AND DEFERS US GETTING TO  
13 THE FIRST MAJOR ROUND OF IMMUNOLOGY.

14 I'M GOING TO CALL ON DR. OLSON TO EXPLAIN  
15 THAT, THEN GO BACK TO DR. HAWGOOD AND THEN GO TO  
16 JEFF SHEEHY.

17 DR. OLSON: I WANTED TO MAKE A POINT OF  
18 CLARIFICATION. THE TRIAGE PROCESS I WAS TALKING  
19 ABOUT WAS THE ONE DONE BY THE NIH WHERE THE  
20 ANALOGOUS SITUATION IN OUR SETTING WOULD BE THAT ANY  
21 APPLICATION THAT WE RECEIVE WE MUST SEND TO THE  
22 GRANTS WORKING GROUP, THE GRANTS WORKING GROUP MUST  
23 SCORE IT, THEY MUST WRITE A SUMMARY OF IT, WE MUST  
24 DISCUSS IT IN THE REVIEW MEETING. WHEREAS, AT NIH,  
25 THEIR TRIAGE PROCESS, THEY BASICALLY TAKE THE BOTTOM

## BARRISTERS' REPORTING SERVICE

1 30 PERCENT OR SO. AND UNLESS AT THE START OF THE  
2 MEETING IT IS SPECIFICALLY ASKED, DOES ANYBODY HAVE  
3 AN APPLICATION IN THIS LOWER THIRD THAT THEY WANT TO  
4 BRING FORTH; AND IF NOT, THOSE ARE GONE. THAT IS  
5 WHAT I MEAN BY THE NIH TRIAGE.

6 WHAT DR. TROUNSON WAS REFERRING TO WAS OUR  
7 PREAPPLICATION REVIEW PROCESS, WHICH WE ARE IN A  
8 PILOT PERIOD ON, AS THIS BOARD WELL KNOWS, AND WHICH  
9 IF WE -- CURRENTLY HAS BEEN PROPOSED FOR OUR  
10 SO-CALLED CORE REPEATING RFA'S, BUT WHICH DR.  
11 TROUNSON HAS ALLUDED, BECAUSE WE COULD COME BACK  
12 WITH ANOTHER IMMUNOLOGY RFA AT SOME POINT AND,  
13 THEREFORE, COULD DEFER AS IS REQUIRED UNDER OUR  
14 PREAPP PROCESS. THE ISSUE WITH THAT IS THAT WOULD  
15 CERTAINLY CHANGE THE TIMELINE OF THIS RFA.

16 CHAIRMAN KLEIN: OKAY. DR. HAWGOOD THEN  
17 TO MR. SHEEHY.

18 DR. HAWGOOD: I WAS NOT SUGGESTING THE  
19 PRESCREENING PROCESS, BUT I WAS REFERENCING WHY  
20 CAN'T WE USE THE NIH PROCESS? BECAUSE AS A REVIEWER  
21 MYSELF, IT TREMENDOUSLY DECREASES THE WORKLOAD, YET  
22 I THINK IT CAN BE QUITE APPROPRIATELY ASSIGNED AS  
23 TRUE PEER REVIEW.

24 DR. OLSON: I BELIEVE THERE ARE LEGAL  
25 REASONS, WHICH I BELIEVE MR. KLEIN WILL COMMENT ON.

**BARRISTERS' REPORTING SERVICE**

1 I BELIEVE WE'RE NOT ALLOWED TO UNDER PROPOSITION 71.

2 CHAIRMAN KLEIN: SO, MR. HARRISON, LEGALLY  
3 COULD YOU ADDRESS THE SUBJECT THAT I'VE FOCUSED ON  
4 HERE IN TERMS OF STATUTORY LIMITATIONS?

5 MR. HARRISON: PROP 71 DOES SET FORTH A  
6 PROCESS FOR THE REVIEW OF APPLICATIONS THAT  
7 INCORPORATES BOTH THE GRANTS WORKING GROUP REVIEW OF  
8 THE APPLICATIONS AND THEN THIS BOARD'S FINAL  
9 DECISION ON ALL GRANT AWARDS. THE PREAPPLICATION  
10 PROCESS PERMITS THE STAFF TO DEFER AN APPLICATION  
11 UNTIL SOMETIME IN THE FUTURE, AND NO FINAL DECISION  
12 IS MADE.

13 IN THE CONTEXT OF THE NIH PROCESS DR.  
14 OLSON DISCUSSED, THAT EFFECTIVELY IS A FINAL  
15 DECISION WITH RESPECT TO THAT APPLICATION, WHICH  
16 POSES SOME CHALLENGES FOR US.

17 CHAIRMAN KLEIN: SO IF -- THE PROBLEM AS  
18 WELL, IF THE PEER REVIEW GROUP EVEN PARTICIPATED IN  
19 TRIAGE, IF THEY MADE FINAL DECISIONS, THEN THEY  
20 WOULD BE SUBJECT TO FORM 700 FULL DISCLOSURE.  
21 BECAUSE THEY'RE AN ADVISORY GROUP, THEY'RE NOT UNDER  
22 CERTAIN STATUTORY LIMITATIONS BECAUSE ALL OF THE  
23 FINAL DECISIONS ARE MADE HERE. SO WE HAVE A VERY  
24 HIGHLY ARTICULATED APPROACH TO THIS TO TRY AND  
25 REMAIN TOTALLY CONSISTENT WITH STATE LAW AND THE

**BARRISTERS' REPORTING SERVICE**

1 INITIATIVE.

2 DR. HAWGOOD: THIS MAY BE MORE ARCAINE THAN  
3 I'M ABLE TO FOLLOW. BUT IF THE WORKING GROUP SIMPLY  
4 RECOMMENDED AS ANOTHER CATEGORY TO THE BOARD THAT  
5 THE GRANTS LISTED BE NOT SCORED OR TRIAGED, IT'S  
6 STILL THE BOARD'S DECISION TO ACCEPT THAT  
7 RECOMMENDATION. I MEAN ONE COULD SEND A GRANT BACK  
8 FOR REVIEW IF THE BOARD SO CHOSE; AND, THEREFORE, IT  
9 WOULD BE THE BOARD'S FINAL DISCUSSION. I MAY BE  
10 MISSING SOME SUBTLETY HERE AS TO WHY WE COULDN'T  
11 ACCOMMODATE BECAUSE IT WOULD UNQUESTIONABLY REDUCE  
12 THE WORKLOAD.

13 CHAIRMAN KLEIN: THERE ARE ADDITIONAL  
14 AVENUES THAT ARE MORE COMPLEX THAT WE CAN  
15 INVESTIGATE, AND I'LL TAKE IT UNDER ADVISEMENT THAT  
16 YOU WOULD LIKE US TO DO SO, AND WE'LL REPORT BACK AT  
17 THE NEXT BOARD MEETING ON THAT. I'M GOING TO GO TO  
18 MR. SHEEHY AND THEN DR. POMEROY.

19 MR. SHEEHY: FIRST, I DO THINK IT WOULD BE  
20 USEFUL, AND I ACTUALLY THINK IT WOULD BE GOOD TO  
21 HAVE A FULL SUBCOMMITTEE OF THE BOARD. LOOKING AT  
22 THIS ISSUE, WE'VE HAD A TASK FORCE, BUT ACTUALLY A  
23 FULL SUBCOMMITTEE MEETING IN PUBLIC ONCE WE GET THE  
24 DATA IN FROM THE PREAPPLICATION SCREENING AND TO  
25 COME TO A SERIES OF OPTIONS OR DECISIONS ON THIS.

## BARRISTERS' REPORTING SERVICE

1 I'M GOING TO MAKE THE MOTION TO APPROVE  
2 THIS AS WRITTEN WITHOUT LIMITS. I STILL THINK WE  
3 HAVE A STRONG EVIDENCE BASIS, WHICH IS HOW WE SHOULD  
4 BE MAKING THIS DECISION, THAT THERE WILL BE NOT AN  
5 OVERWHELMING NUMBER OF APPLICATION. I KNOW I'VE SAT  
6 THROUGH THESE. WHEN AN APPLICATION IS CLEARLY NOT  
7 MERITORIOUS, I WILL NOT -- THEY GET REVIEWED, BUT  
8 THERE IS NOT AN ENORMOUS AMOUNT OF TIME DISCUSSING  
9 SOMETHING THAT IS NOT WORTH DISCUSSING. I MEAN I  
10 DON'T WANT TO DENIGRATE PEOPLE'S WORK IN THAT WAY,  
11 BUT YOU JUST DON'T SPEND 20 MINUTES TALKING ABOUT  
12 SOMETHING THAT'S NOT A WELL-WRITTEN PROPOSED  
13 EXPERIMENT.

14 SO I DON'T THINK WE'RE GOING BE  
15 OVERWHELMED. I THINK THIS IS SOMETHING MANAGEABLE.  
16 YOU KNOW, IT REALLY POINTS TO WHO WE ARE AS AN  
17 AGENCY. ARE WE GOING TO PRESUPPOSE THAT WE'RE GOING  
18 TO BE CONSERVATIVE IN HOW WE'RE GOING TO APPROACH  
19 THIS? WE'RE STILL -- EVERY RFA WE DO IF WE DO IT  
20 FOR THE FIRST TIME AS AN EXPERIMENT, BECAUSE AN  
21 AGENCY SUCH AS US HAS NEVER PUT FORWARD ONE, I COME  
22 BACK TO THE POINT THIS IS A CRITICAL ROADBLOCK. I  
23 DO NOT THINK WE WILL BE OVERWHELMED. WE HAVE NOT  
24 RECEIVED THIS MANY APPLICATIONS FROM THE SPECIFIC  
25 AREA IN THE COURSE OF THE WORK WE'VE DONE. AND I

## BARRISTERS' REPORTING SERVICE

1 THINK WE SHOULD BE WILLING TO TAKE A CHANCE. AND I  
2 THINK THAT, BY THE GRACE OF GOD, WE MAY ACTUALLY GET  
3 SOMETHING THAT MAKES A TREMENDOUS DIFFERENCE IN HOW  
4 FAST WE MOVE TO THE CLINIC WITH SOME OF THESE  
5 APPROACHES.

6 SO I URGE YOU. I'M MAKING THE MOTION TO  
7 DO IT WITHOUT LIMITS. I THINK WE CAN MANAGE IT, AND  
8 I HOPE YOU WILL SUPPORT ME ON THIS.

9 MR. SERRANO-SEWELL: SECOND.

10 CHAIRMAN KLEIN: SECOND BY DAVID  
11 SERRANO-SEWELL AND A COMMENTARY BY MEMBER DR.  
12 POMEROY.

13 DR. POMEROY: I'M VERY SUPPORTIVE OF THE  
14 IMMUNOLOGY AWARD MECHANISM. I THINK IT'S VERY  
15 IMPORTANT. I THINK WE HAVE CONSENSUS ON THAT. BUT  
16 I ALSO LOOK AT WHAT I THINK THE APPROPRIATE ROLE OF  
17 OUR ROLE AS A BOARD IS. AND I THINK OUR ROLE IS TO  
18 HIRE THE VERY BEST STAFF AND GET FEEDBACK FROM THEM  
19 ABOUT WHAT IS FEASIBLE FOR THEM TO DO.

20 AND SO WHEN THE STAFF WHO WORK AS HARD AS  
21 THIS STAFF WORKS TELLS ME THAT THIS IS RISKY, I  
22 LISTEN TO THAT VERY CLOSELY. I WOULD ALSO POINT OUT  
23 THAT WE HAVE SAID WE WOULD LIKE TO BE GETTING AS  
24 MANY APPLICATIONS AS YOU CAN POSSIBLY HANDLE, AND WE  
25 ASKED THE STAFF TO GO BACK AND DO SOME TRIALS, SOME

**BARRISTERS' REPORTING SERVICE**

1 EXPERIMENTS TO TRY AND INCREASE THAT, AND THEY'RE IN  
2 THE MIDDLE OF ONE. AND I PERSONALLY THINK WE SHOULD  
3 LET THEM FINISH THAT EXPERIMENT, SEE HOW IT COMES  
4 OUT, AND LISTEN TO THEIR ADVICE ON THIS PARTICULAR  
5 MECHANISM.

6 CHAIRMAN KLEIN: I WOULD SUPPORT DR.  
7 POMEROY'S POINT, THAT THE STRESSES AT THE STAFF  
8 LEVEL OF HANDLING THIS AND ADDING ANOTHER REVIEW  
9 PANEL, IF NECESSARY, CREATING THAT UNCERTAINTY  
10 FACTOR AND THE WORKLOAD WE'RE ASKING THEM TO CARRY  
11 IS VERY SIGNIFICANT. I DO HEAR THEM BEING PREPARED  
12 TO SIGNIFICANTLY, MORE THAN, IN FACT, DOUBLING THE  
13 LEVEL OF APPLICATIONS FOR THE MEDICAL SCHOOLS TO TRY  
14 AND CREATE A FUNCTIONALLY UNLIMITED LEVEL WITHOUT,  
15 IN FACT, CREATING THE UNCERTAINTY FACTOR THAT WOULD  
16 LEAD THEM TO STAFFING UP POTENTIALLY FOR A SECOND  
17 PANEL.

18 BUT I THINK WE'VE HAD A GOOD DISCUSSION OF  
19 THIS. I COMPLETELY AGREE CONCEPTUALLY WITH JEFF'S  
20 PASSION AND MISSION PERSPECTIVE, AND I HOPE THAT, IN  
21 FACT, WE HAVE ANOTHER IMMUNOLOGY ROUND. I THINK  
22 IT'S CRITICALLY IMPORTANT. WE HAVE A MOTION ON THE  
23 FLOOR. IF SOMEONE FEELS COMPELLED, I THINK, TO MAKE  
24 ADDITIONAL COMMENTS, FINE. I'D LIKE TO GET PUBLIC  
25 COMMENT. ANY PUBLIC COMMENTS? DR. WEISSMAN.



**BARRISTERS' REPORTING SERVICE**

1 DR. WEISSMAN: I DON'T WANT ALL MY FRIENDS  
2 TO HATE ME, BUT WHEN YOU ASKED US BEFORE TO LIMIT  
3 THE NUMBER OF APPLICATIONS FROM OUR UNIVERSITY, WE  
4 FOUND THAT ALL OF THE EXPERTS IN THE FIELD WERE  
5 APPLYING. SO TO GET AN INTERNAL REVIEW PANEL THAT  
6 COULD WITH EXPERTISE DECIDE WHICH GRANTS WOULD GO  
7 FORWARD, WE FAILED, AND WE WILL ALWAYS FAIL.

8 WHEN WE TRIED TO GET NATIONAL REVIEWERS,  
9 YOU HAD ALREADY PICKED THE BEST. WE COULDN'T GET  
10 THEM. SO I ASKED MY FACULTY, SHOULD WE GO TO UCLA  
11 AND UCSF? AND THEY SAID NO. SO I HAVE TO SAY THAT  
12 YOU PUT A BURDEN ON US THAT I DON'T THINK WE CAN  
13 MATCH. YOU HAVE BY FAR A SYSTEM THAT IS MORE  
14 EFFICIENT, MORE KNOWLEDGEABLE THAN NIH PEER REVIEWS.

15 AND, JEFF, DON'T THINK THAT THE VERY BEST  
16 PEOPLE GET FUNDED BY NIH. UNDER THESE CONDITIONS,  
17 NIH IS A GAMBLE. YOU LOOK AT THE NAMES OF THE  
18 REVIEWERS ON THE STUDY SECTIONS, AT LEAST IN ALL OF  
19 MY AREAS, THEY'RE NOTHING COMPARED TO THE NAMES THAT  
20 YOU HAVE IN TERMS OF ACCOMPLISHMENTS. SO I WOULD  
21 MAKE THE ARGUMENT JUST THAT WHATEVER YOU DO, DON'T  
22 MAKE US REVIEW INTERNALLY BECAUSE WE'VE LOST OUR  
23 EXPERTS. AND I HOPE THAT YOU FIND A WAY TO REMEMBER  
24 THAT THE FUNCTION HERE IS TO ADVANCE MEDICAL SCIENCE  
25 THROUGH STEM CELL RESEARCH.

**BARRISTERS' REPORTING SERVICE**

1           CHAIRMAN KLEIN: DR. WEISSMAN, YOU MAKE A  
2           VERY COGENT AND IMPORTANT ARGUMENT. I'D ASK YOU A  
3           QUESTION. WOULD A LIMIT OF EIGHT FOR MEDICAL  
4           SCHOOLS, IS THAT AT A FUNCTIONAL LEVEL WHERE YOU  
5           WOULDN'T HAVE TO CREATE AN INTERNAL REVIEW? OR, IN  
6           FACT, DOES THE PENT-UP POTENTIAL FOR THIS CREATE  
7           SIGNIFICANTLY OR EXPECTED GREATER DEMAND THAN THAT  
8           LEVEL?

9           DR. WEISSMAN: I CAN'T SAY EXACTLY. AT  
10          OUR INSTITUTION I WOULD SAY IT WOULD BE PRETTY EASY  
11          TO GET EIGHT APPLICATIONS IN THE AREA OF  
12          IMMUNOLOGICAL TOLERANCE OR MORE THAN EIGHT.

13          CHAIRMAN KLEIN: OKAY. THANK YOU. ALL  
14          RIGHT. DAVID SERRANO-SEWELL AND THEN DR. LOVE.

15          MR. SERRANO-SEWELL: BEFORE WE GO TO A  
16          VOTE, IT'S MY UNDERSTANDING WITH JEFF'S MOTION THAT  
17          I SECONDED THAT THIS NO CAP WOULD JUST -- IT'S  
18          SPECIFIC TO THIS RFA?

19          CHAIRMAN KLEIN: THAT'S RIGHT.

20          MR. SERRANO-SEWELL: IT'S NOT GOING  
21          FORWARD. I WOULD PREFER TO ERR ON THE SIDE OF MORE  
22          THAN LESS AND LET'S SEE WHAT HAPPENS. WE'LL HAVE  
23          ACTUAL REAL EVIDENCE. WE'LL ACTUALLY REALLY KNOW  
24          AND WE COULD END THE SPECULATION. LET'S FIND OUT.

25          DR. LOVE: I THINK THAT ASPIRATIONALLY WE

**BARRISTERS' REPORTING SERVICE**

1 ALL WOULD AGREE WITH THE COMMENTS THAT JEFF HAS  
2 MADE. AND IN TERMS OF HEARING ANSWERS ABOUT WHY WE  
3 CAN'T HAVE THE LACK OF LIMITS, THE ANSWERS HAVE NOT  
4 BEEN TOTALLY CLEAR TO ME, TO BE HONEST WITH YOU, IN  
5 TERMS OF TRIAGE AND WHAT WE CAN DO. AND  
6 PHILOSOPHICALLY I THINK THAT WE OUGHT TO BE TRYING  
7 TO GET TO A POSITION WHERE THERE ARE NO LIMITS. DR.  
8 WEISSMAN'S POINT IS, I THINK, A POINT THAT I HADN'T  
9 EVEN THOUGHT ABOUT, BUT IT'S A VERY COMPELLING ONE  
10 TO ME THAT MAKES ME VERY SUPPORTIVE.

11 SO I DO THINK IT'S THE BOARD'S AUTHORITY  
12 TO AT LEAST ASPIRATIONALLY DIRECT STAFF AND THE  
13 ORGANIZATION ABOUT WHAT WE WOULD LIKE TO SEE HAPPEN.  
14 AND I THINK IT'S OUR JOB TO LISTEN TO EXACTLY WHY  
15 MAYBE WHAT WE WANT ASPIRATIONALLY CAN'T BE ACHIEVED,  
16 BUT I'M STILL NOT CONVINCED THAT WE CAN'T PUT IN A  
17 TRIAGE SYSTEM AND FOLLOW THE LAW. AND I REALLY  
18 WOULD LIKE TO SEE US PUSH THAT. AT LEAST FOR THIS  
19 GRANT, I WOULD SUPPORT JEFF'S MOTION.

20 CHAIRMAN KLEIN: CERTAINLY. I THINK DR.  
21 WEISSMAN BRINGS UP NEW INFORMATION THAT IS VERY  
22 COMPELLING THAT IS OUTSIDE THE SCOPE OF FACTS WE'VE  
23 REVIEWED BEFORE. IT'S VERY IMPORTANT. THANK YOU  
24 FOR YOUR CONTRIBUTION. ADDITIONAL PUBLIC COMMENT?

25 MR. SHEEHY: CALL THE QUESTION.

## BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: CALL THE QUESTION. DUANE  
2 WOULD LIKE TO MAKE A COMMENT.

3 MR. ROTH: JUST A QUESTION ON THE TIMING.  
4 COULD YOU GO BACK TO THE SLIDE? SO IF WE HAD AN  
5 OPEN EVERYBODY CAN APPLY, THEY WILL COME IN WHEN?  
6 WHAT I'M GETTING AT IS I THINK SAM'S SUGGESTION AND  
7 WHAT'S GOING TO BE TAKEN UNDER CONSIDERATION COULD  
8 BE IMPLEMENTED IN TIME, THAT SHOULD THERE BE 200  
9 APPLICATIONS HERE, IF WE COULD LOOK AT THIS AS AN  
10 OPTION THAT WOULD MEET WITH THE REQUIREMENTS, WE  
11 HAVE A CHANCE TO IMPLEMENT THAT, WHICH WOULD TAKE  
12 SOME HEAT OFF THE BOTTOM. MY OWN VIEW IS I SUPPORT  
13 THE BEST IN THE STATE. THAT'S THE MISSION,  
14 REGARDLESS OF WHERE THEY LIVE, AND THAT WE SHOULD  
15 NOT BE MANAGING ZIP CODES HERE.

16 CHAIRMAN KLEIN: I TAKE DUANE'S POINT IS  
17 THAT WE'RE GOING TO, MR. HARRISON, PUT THE EXQUISITE  
18 ANALYSIS OF OUR OPTIONS ON FAST TRACK HERE TO SEE  
19 WHAT WE CAN DO IN CASE THERE IS A MUCH HIGHER LEVEL  
20 OF APPLICATIONS THAN EXPECTED. DR. TROUNSON.

21 DR. TROUNSON: WELL, I'M KIND OF BETWIXT  
22 AND BETWEEN HERE BECAUSE I'M UNSURE OF THE NUMBER OF  
23 APPLICATIONS WE'RE GOING TO GET. BUT I THINK IF  
24 WE'RE ABLE TO CONSIDER A WAY OF TRIAGING OR ENABLING  
25 US TO DO A PREAPP REVIEW, IF THE NUMBER OF GRANTS

**BARRISTERS' REPORTING SERVICE**

1 EXCEEDS, SAY, 60, THEN I THINK I FEEL MORE  
2 COMFORTABLE ABOUT PROTECTING THE STAFF'S INTEREST  
3 AND THE REVIEWERS' INTEREST HERE. WE DON'T HAVE A  
4 LOT OF IMMUNOLOGY REVIEWERS. YOU KNOW, WE'RE GOING  
5 TO HAVE TO HAVE SOME VERY SPECIFIED PEOPLE. SO  
6 THAT'S NOT A HUGE CLAN OF PEOPLE THAT WE'VE GOT TO  
7 THIS POINT.

8 SO WE REALLY HAVE TO MAKE SURE THAT WE'VE  
9 GOT THE APPROPRIATE PEOPLE. SO WE DON'T WANT TO  
10 SORT OF REALLY FRIGHTEN THEM OFF AS WE GO TO THEM  
11 WITH A MASSIVE TASK. SO IF YOU GIVE US THE  
12 OPPORTUNITY TO DO SOMETHING IN A PREAPPLICATION OR  
13 PREAPP OR A TRIAGING PROCESS IF IT GOES ABOVE 60, I  
14 WOULD BE MUCH MORE COMFORTABLE IN PERSUADING THE  
15 STAFF TO GO WITH IT.

16 WE WILL ALSO HAVE TO PUT OUR PROGRAM BACK  
17 A LITTLE WHILE IN ORDER TO ACCOMMODATE THAT, BUT MY  
18 OWN FEELING IN THAT REGARD IS TO GET THE BEST  
19 APPLICATIONS, I'M WILLING TO ACCEPT THAT WE HAVE TO  
20 GIVE UP A COUPLE OF MONTHS TO DO THAT. I KNOW THAT  
21 THAT WILL CAUSE COMPLICATIONS IN THE PRETHINKING  
22 ABOUT OUR PROGRAM AND PARTICULARLY PAT'S, YOU KNOW,  
23 SYSTEM THAT SHE'S SET UP FOR CONSIDERING THE TIMING.  
24 BUT I'M VERY SYMPATHETIC TO SOME OF THE POINTS THAT  
25 HAVE BEEN MADE, PARTICULARLY SOME OF THE POINTS MADE

## BARRISTERS' REPORTING SERVICE

1 BY JEFF SHEEHY. AND I SIT VERY FIRMLY ON THE SIDE  
2 OF NO -- NOT HAVING ANY LIMITS, BUT WE NEED TO BE  
3 ABLE TO ACCOMMODATE THE ABILITY TO DO A SELECTION  
4 PROCESS IF IT GETS ABOVE A CERTAIN NUMBER.

5 AND SO MY SUGGESTION IS IF IT GOES ABOVE  
6 60, WE HAVE TO HAVE A SECONDARY PROCESS TO MAKE SURE  
7 IT STAYS WITHIN THAT FRAMEWORK.

8 CHAIRMAN KLEIN: SO I HEAR A REQUEST, AND  
9 I'M GOING TO GO TO DR. FONTANA AND THEN DR. PENHOET  
10 FOR ADDITIONAL COMMENTS, BUT I HEAR A REQUEST, JEFF,  
11 AS IF THERE IS ROOM IN YOUR MOTION FOR A FRIENDLY  
12 AMENDMENT THAT WOULD SAY THAT IF THERE IS AN  
13 EXCESSIVE -- LET'S NOT CALL IT EXCESSIVE BECAUSE IT  
14 WOULD BE WELCOME, BUT IF THERE IS A SIZABLE, GREATER  
15 THAN EXPECTED NUMBER OF APPLICATIONS, THAT OUR RFA  
16 WOULD INCLUDE AN AMENDMENT TO WHAT'S PROPOSED TO  
17 PERMIT EITHER A PREAPPLICATION OR TRIAGE ALL  
18 CONSISTENT WITH STATE LAW AS WE WILL LATER REPORT  
19 BACK AT THE OCTOBER BOARD MEETING, BUT ESSENTIALLY A  
20 SECONDARY DEFERMENT PROCESS OR SCREENING MECHANISM  
21 IF IT CAN BE ACCOMMODATED WITHIN STATE LAW IF THERE  
22 IS A MUCH GREATER LEVEL OF APPLICATIONS THAN THE  
23 STAFF THINK THEY CAN HANDLE WITH THE CURRENT  
24 SCHEDULE.

25 MR. SHEEHY: WHAT I WOULD ACCEPT IS STAFF

## BARRISTERS' REPORTING SERVICE

1 COMING BACK ONCE THE APPLICATIONS HAVE COME IN AND  
2 REPRESENTING THAT THEY WERE UNMANAGEABLE, YOU KNOW,  
3 IF WE HAD 65, BUT LET'S SEE WHAT WE GET. SO I'M  
4 COMFORTABLE WITH STAFF COMING BACK, BUT WE COULD  
5 ALSO DO TWO REVIEW PANELS. WE'VE DONE IN THE PAST.  
6 BUT I THINK I DON'T --

7 CHAIRMAN KLEIN: I THINK OUR LEGAL POINT,  
8 JEFF, IS THAT WE CAN HAVE IT COME BACK FOR APPROVAL  
9 OF WHATEVER THE PROCESS IS AT THE BOARD, BUT I THINK  
10 THEIR POINT IS UNLESS THE RFA GOES OUT WITH THAT  
11 PROVISION, YOU DON'T HAVE THE OPTION OF BRINGING IT  
12 BACK.

13 MR. SERRANO-SEWELL: CHAIRMAN, YOU RAISED  
14 A PROCESS QUESTION, SO DID JEFF ABOUT STAFF COMING  
15 BACK. COULD WE, WITH THIS IN MIND, HAVE A  
16 TELEPHONIC MEETING? OKAY. WE GOT 600 APPLICATIONS.  
17 AND THEN INSTITUTE A TRIAGE SYSTEM IN COMPLIANCE  
18 WITH STATE LAW?

19 CHAIRMAN KLEIN: THE KEY HERE IS --

20 MR. SERRANO-SEWELL: BUT NOT HAVING A  
21 LIMIT NOW, MOTION AS IS. IF WE GET A LOT, THEN WE  
22 CAN DO IT. I THINK WHAT I HEARD JEFF SAY IS WE WANT  
23 TO GET ALL THAT INFORMATION FIRST AND NOT  
24 PREDETERMINE 60, 65, 70.

25 CHAIRMAN KLEIN: AND I THINK THE FRIENDLY

**BARRISTERS' REPORTING SERVICE**

1 AMENDMENT IS WITHIN THE CONTEXT YOU JUST SPOKE OF,  
2 DAVID, WHICH IS NO LIMIT IS THE MOTION, BUT AMENDING  
3 THE MOTION TO PERMIT THAT IF THERE IS A MUCH GREATER  
4 THAN EXPECTED APPLICATION LEVEL, THAT THE RFA WOULD  
5 GO OUT WITH THE PROVISION THAT STAFF COULD COME BACK  
6 TO THE BOARD TO AMEND THE PROCESS WITH SOME  
7 DEFERRAL. DR. OLSON.

8 DR. OLSON: CAN I JUST MAKE A COUPLE  
9 POINTS THAT ARE RELEVANT? FIRST, THE RFA WITH THE  
10 PROCESS HAS TO GO OUT BEFORE WE RECEIVE ANYTHING.  
11 SO I JUST WANTED TO MAKE A COUPLE POINTS RELEVANT TO  
12 THAT.

13 FIRST, OUR SCHEDULE WILL ACCOMMODATE A  
14 PREAPPLICATION REVIEW IF THE BOARD SO DESIRES THAT.  
15 THAT WOULD MEAN WE WOULD BRING IT TO THE BOARD -- WE  
16 WOULD DO THE REVIEW IN JUNE. SO THAT'S ONE OPTION.

17 BUT THE OTHER THING IS WE COULD, TO  
18 ADDRESS THE TRIAGE OPTION, WHICH DOESN'T ENTAIL A  
19 PREAPP REVIEW, I MEAN I THINK WE COULD EXPLORE THAT  
20 AND COME BACK TO THE BOARD IN OCTOBER. I WILL TELL  
21 YOU WE ARE ON, BECAUSE OF EVERYTHING WE'RE DOING  
22 WITH DISEASE TEAMS AND WITH IMMUNOLOGY, WE'RE REALLY  
23 TRYING TO GET THIS RFA WRITTEN EARLY SO WE CAN GET  
24 IT OUT IN EARLY NOVEMBER. AND ACTUALLY THAT WOULD  
25 BE CHALLENGING TO US, TO COME BACK IN OCTOBER. SO



**BARRISTERS' REPORTING SERVICE**

1 WE WOULD NEED TO -- SO WE HAVE THE -- REALISTICALLY  
2 I THINK WE NEED TO DECIDE WHICH PROCESS WE'RE GOING  
3 WITH TODAY AS I'M JUST LETTING YOU KNOW -- YOU KNOW,  
4 TRULY I REALLY DON'T KNOW HOW MANY APPLICATIONS WE  
5 ARE GOING TO RECEIVE, AND I HOPE YOU ALL RECOGNIZE  
6 THAT IT IS MY JOB TO VERY MUCH TRY AND, YOU KNOW,  
7 WHILE MOVING THE SCIENCE FORWARD, TRY AND ENSURE  
8 THAT WE DO THE BEST BY OUR REVIEWERS AND BY US.

9 CHAIRMAN KLEIN: IS MY UNDERSTANDING OF  
10 YOUR STATEMENT THAT YOU COULD ACCOMMODATE A  
11 PREAPPLICATION WITHIN THIS SCHEDULE?

12 DR. OLSON: IF THE BOARD WERE WILLING TO  
13 DO THAT. AGAIN --

14 MR. SHEEHY: WE REALLY DON'T KNOW. CAN WE  
15 JUST HAVE A VOTE ON MY MOTION AS PROPOSED? I KEEP  
16 ASKING FOR THE VOTE, AND YOU KEEP DRAGGING THIS ON,  
17 BOB, AND YOU WON'T LET ME VOTE ON THIS.

18 CHAIRMAN KLEIN: I'M TRYING TO GET ALL THE  
19 FACTS ON THE TABLE. DR. FONTANA.

20 MR. SHEEHY: WE DON'T KNOW. THAT'S THE  
21 POINT. WE JUST DON'T KNOW WHAT WE'RE GOING TO GET.

22 CHAIRMAN KLEIN: DR. FONTANA HAS THE  
23 FLOOR.

24 DR. FONTANA: I'M JUST TRYING TO TAKE INTO  
25 ACCOUNT EVERYBODY'S OPINION HERE. I THINK WE ALL

## BARRISTERS' REPORTING SERVICE

1 AGREE WITH JEFF'S CONCERNS. WE WANT SCIENTISTS TO  
2 BE ABLE TO APPLY. AND OFTENTIMES WHEN YOU HAVE TO  
3 TRIAGE THROUGH THE UNIVERSITY THROUGH LIMITS, THE  
4 YOUNGER SCIENTISTS MAY NOT BE ABLE TO GET THROUGH.

5 ONE SUGGESTION IS, AND THE STAFF IS SAYING  
6 THEY'RE OVERWORKED AND THEY'RE OVERBURDENED, EVEN  
7 THOUGH YESTERDAY WE VOTED ON A PROVISION SAYING THAT  
8 THEY WEREN'T, I MIGHT ADD --

9 CHAIRMAN KLEIN: I DON'T THINK THAT'S  
10 CORRECT.

11 DR. FONTANA: WE'LL REMOVE THAT. BUT IS  
12 IT POSSIBLE? I'M HEARING THAT THERE'S A NUMBER THAT  
13 FEELS ACCEPTABLE OF 60, THAT WE WOULD PUT IN THE RFA  
14 THERE'S NO CAPS COMING FROM THE INDIVIDUAL  
15 INSTITUTIONS, BUT THAT WE WILL ACCEPT 60  
16 APPLICATIONS BY NOVEMBER, FIRST COME, FIRST SERVE,  
17 THE FIRST 60 THAT GET THERE IS ONE WAY AROUND THIS  
18 PROBLEM.

19 CHAIRMAN KLEIN: OKAY. I'M GOING TO DO  
20 THIS. I'M GOING TO TAKE DR. PENHOET'S SUGGESTION.  
21 IF THERE'S NO AMENDMENTS, I'M GOING TO ASK FOR  
22 PUBLIC COMMENT AND THEN CALL THE QUESTION.

23 DR. PENHOET: OKAY. MY POINT IS THAT  
24 WITHOUT SEEING THE RFA, IT'S A LITTLE HARD TO GUESS  
25 HOW MANY APPLICATIONS THERE WILL BE. IT DEPENDS A

**BARRISTERS' REPORTING SERVICE**

1 LOT ON HOW THE RFA IS WRITTEN. AND, DR. OLSON, YOU  
2 MENTIONED A WAY TO LIMIT IT IN THE PAST WAS IT HAD  
3 TO BE EMBRYONIC STEM CELLS IN THE PROPOSAL.  
4 SCIENTISTS ARE GOOD AT FIGURING OUT HOW ALMOST  
5 ANYTHING THEY WANT TO DO CAN FIT A BROADLY DESCRIBED  
6 RFA THAT HAS A TITLE OF STEM CELL TRANSPLANTATION.  
7 YOU KNOW, I THINK THE ACTUAL DESCRIPTION OF THE RFA  
8 AND A PROCESS NARROWLY DESCRIBING WHAT WE WANT,  
9 BECAUSE I THINK THERE IS A CONCEPT OF WHAT WE WANT,  
10 FOLLOWED BY A PROCESS WHICH WOULD ALLOW US TO  
11 ELIMINATE PROPOSALS WHICH ARE NOT RESPONSIVE TO THE  
12 RFA WOULD HELP LIMIT THE NUMBER.

13 BUT WITHOUT SEEING THE WORDING OF THE RFA  
14 AND WITHOUT CAREFULLY HAVING A PROCESS WHICH  
15 ACTUALLY WILL ALLOW YOU TO DETERMINE WHETHER ANY  
16 PROPOSAL IS RESPONSIVE TO THE RFA, I THINK, YOU  
17 KNOW, IT COULD BECOME A THOUSAND APPLICATIONS  
18 BECAUSE, AS I SAY, SCIENTISTS ARE REALLY INGENIOUS  
19 IN FIGURING OUT HOW ALMOST ANYTHING THEY WANT TO DO  
20 CAN FIT IN SOMEWHERE IN THIS THING.

21 JEANNIE, JUST A COMMENT. THIS STAFF NEVER  
22 COMPLAINS. AND SO I THINK THAT THEY'RE NOT  
23 COMPLAINING. THEY'RE EXPRESSING CONCERN.

24 DR. FONTANA: I DIDN'T MEAN COMPLAINING.

25 DR. PENHOET: ABUSE OF THE REVIEWERS --

## BARRISTERS' REPORTING SERVICE

1 DR. FONTANA: JUST LISTENING TO THEIR  
2 CONCERNS.

3 DR. PENHOET: -- WHO ARE NOT IN THE ROOM  
4 TODAY, THEY COME TO US FROM AROUND THE COUNTRY, AS  
5 YOU KNOW.

6 DR. FONTANA: I DIDN'T MEAN TO IMPLY THAT  
7 THEY'RE COMPLAINING, JUST TRYING TO HEAR THEIR  
8 CONCERNS. I DON'T SPEAK AS DIPLOMATICALLY AS MOST  
9 OF MY FELLOW BOARD MEMBERS. EXCUSE ME. I HAVE HIGH  
10 REGARD FOR EVERYBODY HERE.

11 CHAIRMAN KLEIN: DR. FONTANA, WE KNOW THAT  
12 YOU HAVE BEEN EXTRAORDINARILY COMPLIMENTARY TO THE  
13 STAFF, SO IT WASN'T INTENDED IN THAT CONTEXT.

14 SO I'D LIKE TO SEE PUBLIC COMMENT? AND  
15 I'D LIKE TO CALL THE QUESTION WITH A ROLL CALL VOTE.

16 DR. POMEROY: COULD YOU PLEASE REPEAT WHAT  
17 WE'RE VOTING ON?

18 MR. HARRISON: THE MOTION IS TO APPROVE  
19 THE CONCEPT PLAN FOR CIRM'S STEM CELL  
20 TRANSPLANTATION IMMUNOLOGY AWARDS, BUT WITHOUT  
21 INSTITUTIONAL LIMITS.

22 MS. KING: DONALD DAFOE.

23 DR. DAFOE: YES.

24 MS. KING: DAVID BRENNER.

25 DR. BRENNER: YES.

**BARRISTERS' REPORTING SERVICE**

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MS. KING: WILLIAM BRODY.  
DR. BRODY: YES.  
MS. KING: JACOB LEVIN.  
DR. LEVIN: YES.  
MS. KING: MARCY FEIT.  
MS. FEIT: YES.  
MS. KING: MICHAEL FRIEDMAN, IF YOU ARE  
WITH US.  
DR. FRIEDMAN: YES.  
MS. KING: LEEZA GIBBONS.  
MS. GIBBONS: YES.  
MS. KING: SAM HAWGOOD.  
DR. HAWGOOD: YES.  
MS. KING: BOB KLEIN.  
CHAIRMAN KLEIN: YES.  
MS. KING: TED LOVE.  
DR. LOVE: YES.  
MS. KING: ED PENHOET.  
DR. PENHOET: YES.  
MS. KING: PHIL PIZZO.  
DR. PIZZO: YES.  
MS. KING: CLAIRE POMEROY.  
DR. POMEROY: NO.  
MS. KING: FRANCISCO PRIETO.  
DR. PRIETO: YES.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: ELIZABETH FINI.

2 DR. FINI: YES.

3 MS. KING: ROBERT QUINT.

4 DR. QUINT: YES.

5 MS. KING: JEANNIE FONTANA.

6 DR. FONTANA: YES.

7 MS. KING: DUANE ROTH.

8 MR. ROTH: YES.

9 MS. KING: DAVID SERRANO-SEWELL.

10 MR. SERRANO-SEWELL: YES.

11 MS. KING: JEFF SHEEHY.

12 MR. SHEEHY: YES.

13 MS. KING: ART TORRES.

14 MR. TORRES: AYE.

15 CHAIRMAN KLEIN: MOTION PASSES. AND THANK  
16 YOU FOR ALL -- EVERYONE FOR THEIR CONTRIBUTIONS TO  
17 THIS THOUGHTFUL DISCUSSION. AND WE'RE LOOKING  
18 FORWARD TO THIS. AS JEFF SAID, THIS IS A CRITICAL  
19 LINK IN OUR ABILITY TO MOVE TO THERAPIES.

20 I'D LIKE TO MOVE TO ITEM NO. 10 --  
21 ACTUALLY I'M GOING TO DO ITEM 12 VERY QUICKLY. IS  
22 THERE A MOTION FOR THE DESIGNATION OF ART TORRES AS  
23 THE CHAIR OF THE LEGISLATIVE SUBCOMMITTEE?

24 MR. ROTH: SO MOVED.

25 CHAIRMAN KLEIN: IS THERE A SECOND?

**BARRISTERS' REPORTING SERVICE**

1 DR. HAWGOOD: SECOND.

2 CHAIRMAN KLEIN: SECOND IS DR. HAWGOOD.  
3 DISCUSSION? PUBLIC COMMENT? I'D LIKE TO CALL THE  
4 QUESTION. ALL IN FAVOR? OPPOSED? ABSTAIN?

5 MR. TORRES: ABSTAIN.

6 CHAIRMAN KLEIN: YOU SHOULD NOT ABSTAIN,  
7 SO IT'S JUST UNANIMOUS. MOTION CARRIES. THANK YOU  
8 VERY MUCH. AND THANK YOU FOR THE TREMENDOUS JOB  
9 YOU'VE DONE WITH THE LEGISLATIVE SUBCOMMITTEE IN  
10 YOUR ROLE OF ACTING CHAIR. THANK YOU.

11 OKAY. SO WE'RE GOING TO GO TO ITEM NO.  
12 10, AND IMMEDIATELY AFTER ITEM NO. 10, IN FACT, I'M  
13 GOING TO MAKE THIS A TIME-SPECIFIC ITEM, THAT AT  
14 11:45, IF REASONABLY POSSIBLE, IF WE HAVEN'T  
15 FINISHED THIS ITEM, WE WILL THEN SUSPEND THE  
16 DISCUSSION OF THIS ITEM UNTIL WE'VE GONE THROUGH THE  
17 BASIC SCIENCE DISCUSSION. ITEM NO. 10.

18 MS. KING: AND I JUST WANTED TO POINT OUT  
19 THAT YOU HAVE STAFF MEMBERS HANDING OUT A NEW  
20 VERSION OF THE DOCUMENT FOR THIS ITEM. THE ONE IN  
21 YOUR BINDER HAS BEEN UPDATED. SO PLEASE REFER TO  
22 THE ONE BEING HANDED TO YOU NOW.

23 DR. ROBSON: OKAY. MR. CHAIRMAN, THANK  
24 YOU. IT'S MY PLEASURE TO PRESENT FOR CONCEPT  
25 APPROVAL A PROGRAM FOR THE CIRM RESEARCH LEADERSHIP

**BARRISTERS' REPORTING SERVICE**

1 AWARDS. THIS IS A LITTLE DIFFERENT BACKGROUND.  
2 THIS IS A DIFFERENT KIND OF A PROGRAM THAN WHAT  
3 YOU'RE USUALLY PRESENTED WITH. MOST OF THE PROGRAMS  
4 THAT COME TO YOU FOR CONCEPT APPROVAL DEAL WITH A  
5 SCIENTIFIC RESEARCH NEED AND WITH MUCH LESS FOCUS OR  
6 NO FOCUS ON INDIVIDUALS.

7 THIS FLIPS AROUND. THE FOCUS OF THIS  
8 PROGRAM IS ON INDIVIDUALS, MUCH LESS SO ON SPECIFIC  
9 SCIENTIFIC QUESTIONS. SO WHERE DID THIS COME FROM?  
10 WHERE DID THIS IDEA, HOW DID IT ARISE WITH US? IT  
11 REALLY CAME FROM CONCERNS WE HAD WITH DISCUSSIONS  
12 FROM OUR UNIVERSITY MEDICAL RESEARCH AND RESEARCH  
13 INSTITUTES THROUGHOUT THE STATE, THAT THEY ARE EAGER  
14 TO EXPAND THEIR STEM CELL RESEARCH PROGRAMS. MANY  
15 OF THEM HAVE IDENTIFIED SOME REALLY OUTSTANDING  
16 CANDIDATES, YOUNG PEOPLE WHO ARE EARLY IN THEIR  
17 CAREERS WHO ARE INTERESTED IN COMING TO CALIFORNIA;  
18 BUT BECAUSE OF THE ECONOMIC SITUATIONS AND  
19 CHALLENGES THAT THEY'RE FACING RIGHT NOW, THEY'VE  
20 HAD DIFFICULTY MUSTERING UP THE RESOURCES THAT THEY  
21 NEED TO ATTRACT THESE PEOPLE AND CLOSE THE DEAL.

22 SO WE'VE BEEN WORKING ON DEVELOPING A  
23 PROGRAM WHEREBY WE COULD HELP YOU, THE INSTITUTIONS,  
24 IN THE STATE TO ATTRACT THESE KINDS OF PEOPLE. IT'S  
25 BEEN AN ONGOING PROCESS. AND AS MELISSA SAID, YOU



## BARRISTERS' REPORTING SERVICE

1 HAVE JUST RECEIVED A NEW DOCUMENT. IT'S VERY  
2 SIMILAR TO THE ONE THAT YOU HAD IN YOUR BINDER. IT  
3 JUST REFLECTS A FEW CHANGES THAT WE'VE MADE, MINOR  
4 CHANGES WHICH I'LL TRY TO HIGHLIGHT AS I GO THROUGH  
5 THAT HAVE COME UP WITH RECENT DISCUSSIONS WITH DR.  
6 TROUNSON AND STAFF MEMBERS THAT WE'VE HAD SINCE YOU  
7 RECEIVED THE ORIGINAL DOCUMENT.

8 SO, AGAIN, THE PURPOSE OF THIS PROGRAM IS  
9 TO TRY TO ATTRACT SOME OF THE WORLD'S LEADING  
10 MIDCAREER STEM CELL SCIENTISTS TO CALIFORNIA. THESE  
11 ARE PEOPLE WHO ARE ALREADY OUT ON THEIR OWN.  
12 THEY'RE NOT WORKING AS POSTDOCTORAL FELLOWS ANY  
13 LONGER. THEY ARE INDEPENDENT SCIENTISTS, BUT  
14 THEY'RE THE ONES WHO ARE CLEARLY THE RISING STARS.

15 WE ALSO WANTED TO PROVIDE THEM THE  
16 OPPORTUNITIES TO HAVE SOME FREEDOM IN THEIR  
17 LABORATORY WITH SOME PROLONGED FUNDING THAT WOULD  
18 NOT BE TIED TO SPECIFIC PROJECTS THAT WOULD ALLOW  
19 THEM TO PURSUE STEM CELL RESEARCH AS THEY SEE MOST  
20 FITTING.

21 AGAIN, I JUST WANT TO REMIND YOU THESE  
22 LEADERSHIP AWARDS WOULD ONLY BE OFFERED TO THE VERY  
23 TOP, TOP GROUP OF SCIENTISTS WHO ARE OUT THERE. IF  
24 WE CAN BRING THOSE KINDS OF PEOPLE IN, THESE ARE THE  
25 KINDS OF PEOPLE WHO WILL ATTRACT OTHERS, WHO WILL BE

## BARRISTERS' REPORTING SERVICE

1 LARGE GROUPS. THESE ARE THE FUTURE IRV WEISSMANS  
2 THAT WE'RE TRYING TO FIND.

3 SO WHAT KIND OF QUALIFICATIONS WOULD WE  
4 LOOK FOR? WELL, THESE ARE THE KINDS OF  
5 QUALIFICATIONS ARE LISTED HERE. WE WANT PEOPLE WHO  
6 ALREADY HAVE A HIGH PROFILE INTERNATIONAL REPUTATION  
7 IN THE STEM CELL FIELD EITHER AS BASIC SCIENTISTS,  
8 TRANSLATIONAL SCIENTISTS, OR CLINICAL SCIENTISTS.  
9 WE DON'T WANT TO REALLY FOCUS IN ANY ONE PARTICULAR  
10 AREA, AND WE WOULD HOPE WE WOULD GET SOME  
11 TRANSLATIONAL AND CLINICAL PEOPLE.

12 WE WANT PEOPLE WHO'S ALREADY SHOWN THEIR  
13 INDEPENDENCE, THAT THEY'RE PUBLISHING AS SENIOR  
14 AUTHORS IN HIGH-IMPACT JOURNALS, THEY'VE ATTRACTED  
15 SIGNIFICANT EXTRAMURAL RESEARCH FUNDS FOR THEIR  
16 LABORATORIES, THEY'RE INVITED TO SCIENTIFIC  
17 MEETINGS, THEY ALREADY ARE SHOWING LEADERSHIP WITHIN  
18 THE FIELD, AND THEY'VE RECEIVED SOME SORTS OF  
19 PROFESSIONAL AWARDS THAT WOULD BE APPROPRIATE FOR  
20 THEIR LEVELS.

21 WHAT WOULD BE THE COMPONENTS OF THIS  
22 AWARD? WE'VE MODELED THIS PROGRAM AFTER A NEW  
23 PROGRAM THAT THE HOWARD HUGHES MEDICAL INSTITUTE HAS  
24 DEVELOPED FOR EARLY CAREER SCIENTISTS. SO THE  
25 LENGTH OF THE AWARD WOULD BE SIX YEARS. WE WOULD

## BARRISTERS' REPORTING SERVICE

1 RECEIVE SALARY SUPPORT OF UP TO \$186,000 A YEAR.  
2 WHERE DID WE COME UP WITH THAT FIGURE? MAXIMUM  
3 WE'RE ALLOWED IS \$207,000 ACCORDING TO THE GAP, AND  
4 THIS IS 90 PERCENT OF THAT. SO WE ARE WILLING TO  
5 FUND UP TO 90 PERCENT OF THIS SALARY OF A BASE  
6 SALARY OF 207,000 IF THAT'S REQUIRED.

7 IN ADDITION, THEY WOULD RECEIVE FOR THAT  
8 SIX YEARS \$300,000 A YEAR FOR OPERATING THEIR  
9 LABORATORY FOR SUPPLIES, SO FORTH, PERSONNEL.  
10 25,000 ONE-TIME ALLOTMENT FOR MOVING EQUIPMENT,  
11 SCIENTIFIC EQUIPMENT, WHEN THEY RELOCATE TO  
12 CALIFORNIA. THIS WOULD BE A MONEY SAVER FOR US IF  
13 WE DIDN'T HAVE TO REPLACE ALL THE EQUIPMENT IF THEY  
14 COULD MOVE SOME OF THE STUFF THAT THEY HAD.  
15 LABORATORY RENOVATIONS AND EQUIPMENT, THAT WOULD BE  
16 UP TO A MILLION DOLLARS, BUT THAT WOULD BE A  
17 MATCHING PROGRAM WITH THE PARENT INSTITUTION. THAT  
18 IS A ONE-TO-ONE MATCH, BUT CIRM'S CONTRIBUTION COULD  
19 BE AS HIGH AS \$1 MILLION. AND ON TOP OF THAT, THERE  
20 WOULD BE INDIRECT COSTS. INDIRECT COSTS ARE A  
21 LITTLE BIT DIFFICULT TO CALCULATE. I'LL TALK ABOUT  
22 THAT A LITTLE BIT LATER, BUT IT VARIES FROM  
23 INSTITUTION TO INSTITUTION. AND IT ALSO WOULD  
24 DEPEND ON WHETHER OR NOT THIS PERSON WAS LOCATED IN  
25 A CIRM FACILITY, A CIRM MAJOR FACILITY. THAT WOULD

## BARRISTERS' REPORTING SERVICE

1 ALSO HAVE AN IMPACT ON INDIRECT COST.  
2 SO ELIGIBILITY AND TIMELINES WOULD  
3 REQUIRE -- APPLICATION WOULD REQUIRE NOMINATION BY A  
4 CALIFORNIA UNIVERSITY, A RESEARCH INSTITUTE, OR A  
5 MEDICAL CENTER. WE HAVE TO LIMIT THE PROGRAM, SO WE  
6 WOULD LIMIT IT AT ONE NOMINATION PER YEAR PER  
7 INSTITUTION. WE WOULD ALSO LIMIT THE AWARDS TO ONE  
8 AWARD PER INSTITUTION. CANDIDATES MUST BE FROM  
9 OUTSIDE CALIFORNIA. THEY MUST ALREADY LEAD  
10 INDEPENDENT RESEARCH PROGRAMS AND BE AT LEAST THREE  
11 YEARS PAST THEIR POSTDOCTORAL FELLOWSHIP. NOW, THIS  
12 IS ONE OF THE AREAS THAT'S CHANGED IN THE NEW  
13 DOCUMENT. WE HAD SAID THEY HAD TO BE WITHIN THREE  
14 TO TEN YEARS. WE DECIDED THAT HAVING THAT UPPER  
15 LIMIT WAS NOT PARTICULARLY HELPFUL, SO WE JUST SAY  
16 THEY HAVE TO SHOW THAT THEY'RE INDEPENDENT, BUT WE  
17 DON'T -- WE'RE NOT GOING -- IF SOMEONE HAS BEEN AT  
18 THEIR INSTITUTION TEN AND A HALF YEARS, IT DOESN'T  
19 SEEM REASONABLE TO ELIMINATE THAT PERSON. SO THAT'S  
20 ONE OF THE THINGS WE MADE.

21 NUMBER OF AWARDS THAT WE'RE TARGETING  
22 WOULD BE FOUR PER YEAR FOR TWO YEARS, SO THAT'S A  
23 GRAND TOTAL OF EIGHT. AND THEN PART OF THIS, SINCE  
24 IT HAS INVOLVED THE RECRUITMENT, WE HAVE TO BE ABLE  
25 TO TURN THINGS AROUND VERY QUICKLY. NOW, IN THE

**BARRISTERS' REPORTING SERVICE**

1 FIRST DOCUMENT YOU GOT, WE SAID WE THOUGHT WE COULD  
2 DO THE REVIEW WITHIN THREE MONTHS FROM THE TIME WE  
3 RECEIVE THE APPLICATION. WE'VE CHANGED THAT NOW.  
4 WE THINK WE CAN DO IT IN TWO MONTHS. SO THAT'S A  
5 SECOND CHANGE.

6 THE THIRD CHANGE THAT WAS MADE HERE THAT  
7 WAS IN THE FIRST DOCUMENT IS THAT WE HAD INDICATED  
8 THERE WOULD BE THREE SUBMISSIONS DEADLINES A YEAR.  
9 WE'D LIKE A CHANCE TO REVIEW THAT SOME MORE, AND  
10 THEN WE'LL MAKE THAT CLEAR IN THE RFA HOW WE'RE  
11 GOING TO DO THAT. SO THOSE ARE THE THREE CHANGES IN  
12 THE DOCUMENT.

13 CHAIRMAN KLEIN: QUESTIONS FOR YOU JUST TO  
14 REFINE THAT. FIRST OF ALL, THIS 186,000 IS PLUS  
15 FRINGE BENEFITS?

16 DR. ROBSON: THAT DOES NOT INCLUDE FRINGE  
17 BENEFITS.

18 CHAIRMAN KLEIN: AND MIDCAREER IS NOT A  
19 REQUIREMENT, OR IS IT A REQUIREMENT?

20 DR. ROBSON: IT'S NOT A REQUIREMENT, BUT  
21 THAT'S OUR FOCUS.

22 CHAIRMAN KLEIN: THAT'S YOUR FOCUS. ALL  
23 RIGHT. AND THE QUESTION IS WITH THE MAJOR  
24 FACILITIES COMING ONLINE ACROSS CALIFORNIA, AND  
25 THOSE FACILITIES LARGELY COMING ONLINE IN 2010, WHY

## BARRISTERS' REPORTING SERVICE

1     LIMIT IT TO FOUR PER YEAR? IF WE HAVE EIGHT GREAT  
2     APPLICANTS IN THE FIRST YEAR, IS THE FOUR PER YEAR A  
3     BASIC STRUCTURING CONCEPT, BUT NOT A LIMITATION? IF  
4     YOU HAD EIGHT GREAT CANDIDATES IN THE FIRST YEAR,  
5     ARE YOU INTENDING TO NOT PERMIT THE APPROVAL OF  
6     EIGHT IN THE FIRST YEAR?

7             DR. ROBSON: THAT'S AN INTERESTING POINT.  
8     WE HADN'T REALLY DISCUSSED THAT. I THINK MOST OF US  
9     WHO HAVE BEEN INVOLVED WITH PLANNING THIS WOULD NOT  
10    ANTICIPATE HAVING THAT MANY CANDIDATES. IN FACT, WE  
11    SUSPECT WE MIGHT NOT EVEN GET EIGHT OVER TWO YEARS,  
12    BUT THAT'S AN INTERESTING POINT WHICH WE DID NOT  
13    REALLY ADDRESS. WE COULD CONCEIVABLY DO ALL EIGHT  
14    IN THE FIRST YEAR.

15            CHAIRMAN KLEIN: LET ME ASK DR. TROUNSON.  
16    IN A CONCURRENT TIME PATH, AS THIS HAS BEEN  
17    DEVELOPED, THERE'S BEEN FREEZES PUT ON HIRING AT UC  
18    CAMPUSES AND AT THE PRIVATE UNIVERSITIES IN  
19    CALIFORNIA, BOTH BECAUSE OF ENDOWMENT ISSUES AND  
20    STATE BUDGET ISSUES. WHAT IS YOUR VIEW ABOUT THIS  
21    ISSUE GIVEN THAT THERE MAY BE A HIGHER DEMAND NOW  
22    BECAUSE ALTERNATIVE AVENUES HAVE BEEN SHUT OFF FOR  
23    NEW HIRING? WHAT'S YOUR VIEW ABOUT PERMITTING THE  
24    QUALITY OF THE APPLICANTS TO DETERMINE THE SPEED AT  
25    WHICH THIS PROGRAM IS USED AS VERSUS CREATING A

## BARRISTERS' REPORTING SERVICE

1 FIXED LIMIT OF FOUR IN THE FIRST YEAR?

2 DR. TROUNSON: CHAIR, IT'S ALWAYS A LITTLE  
3 HARD TO KNOW HOW TO FOCUS AN ANSWER TO THE QUESTION  
4 YOU POSE. BUT MY OWN FEELING WAS THAT IF WE HAD  
5 FOUR OF THESE INDIVIDUALS WHO ARE MOBILE IN A YEAR,  
6 THAT WOULD BE A TREMENDOUS OPPORTUNITY. EIGHT, I  
7 WOULD THINK THERE WAS SOMETHING GOING WRONG IN THE  
8 SYSTEM, SERIOUSLY WRONG. SO I WOULD LIKE TO SORT OF  
9 HAVE IT OVER TWO YEARS. THE ONLY WAY TO DO THAT IS  
10 TO LIMIT IT TO FOUR AND FOUR BECAUSE I THINK IT  
11 ALLOWS YOU TO SORT OF PROVIDE THAT OPPORTUNITY OVER  
12 TWO YEARS AND DOESN'T SORT OF CONTRACT YOU  
13 PREMATURELY INTO ONE YEAR.

14 SO I THINK YOU WOULD PROBABLY DO BETTER TO  
15 HAVE IT IN THAT WAY BECAUSE THESE PEOPLE ARE MOBILE,  
16 BUT THEY'RE NOT NECESSARILY MOBILE THIS YEAR, BUT  
17 THEY COULD BE MOBILE NEXT YEAR. YOU KNOW WHAT I  
18 MEAN? BUT THIS IS MORE ABOUT THE WAY IN WHICH I  
19 THINK IT HAPPENS RATHER THAN ANY VERY SPECIFIC RULE  
20 IN THIS RECRUITMENT GAME.

21 CHAIRMAN KLEIN: I THINK WHAT IS GOING  
22 WRONG IN THE SYSTEM IS THE STATE BUDGET AND THE  
23 INVESTMENT RECORD OF PORTFOLIOS, BUT I WANT TO OPEN  
24 THIS TO THE BOARD DISCUSSION WITH THOSE  
25 CLARIFICATIONS. DO YOU HAVE ADDITIONAL ITEMS IN THE

## BARRISTERS' REPORTING SERVICE

1 REPORT?

2 DR. ROBSON: I DO. WHY DON'T I FINISH AND  
3 THEN WE CAN COME BACK TO THAT.

4 CHAIRMAN KLEIN: I WASN'T AWARE THAT YOU  
5 COMMITTED.

6 DR. ROBSON: ONE POINT I MIGHT SAY, THAT  
7 IF WE WERE TO OPEN IT UP IN THE FIRST YEAR, THAT  
8 WOULD PROVIDE SOME SORT OF ADVANTAGE FOR  
9 INSTITUTIONS THAT ARE ALREADY TALKING TO PEOPLE.  
10 WHETHER OR NOT THAT'S RELEVANT OR NOT, BUT FOR THOSE  
11 WHO DON'T KNOW THE PROGRAM OR ARE NOT IN THE PROCESS  
12 OF RECRUITING, IT MIGHT BE A BIT OF A DISADVANTAGE.  
13 AGAIN, YOU CAN CONSIDER THAT.

14 SO LET ME JUST QUICKLY GO THROUGH HOW THE  
15 APPLICATION WOULD WORK. THE FOCUS HERE WOULD BE ON  
16 THE CANDIDATE'S TRAINING AND THEIR SUCCESS AS AN  
17 INDEPENDENT INVESTIGATOR, THEIR VISION, WHAT KIND OF  
18 GOALS THEY WOULD HAVE OVER THE NEXT SIX YEARS. THE  
19 EVALUATION WOULD BE BASED PRIMARILY ON THEIR RECORD,  
20 THE POTENTIAL IMPACT OF THEIR VISION ON CIRM AND  
21 CIRM'S MISSION AND ON REFERENCES THAT WE RECEIVED.

22 AND THEN ALSO THE JUDGMENT WOULD INVOLVE  
23 SOME COMMITMENT FROM THE NOMINATING INSTITUTION.  
24 CIRM CAN'T COMPLETELY REPLACE THE NOMINATING  
25 INSTITUTION IN THE RECRUITMENT PROCESS.



## BARRISTERS' REPORTING SERVICE

1           HOW THE PROCESS WORKED, WE HAD TO FIND A  
2           WAY TO REALLY COMPRESS IT DOWN IN TIME, BUT ALSO  
3           MEET THE REQUIREMENTS OF PROPOSITION 71 FOR DOING A  
4           REVIEW. SO WHAT WE WOULD PROPOSE TO DO IS SET UP A  
5           SPECIAL GRANTS WORKING GROUP WITH 15 DISTINGUISHED  
6           SCIENTISTS, RESEARCHERS FROM OUTSIDE OF CALIFORNIA  
7           REPRESENTING THE TRANSLATIONAL, CLINICAL, BASIC  
8           SCIENCE AREAS. THEY WOULD ALL RECEIVE THE  
9           APPLICATION. WE WOULD ONLY ANTICIPATE ONE OR TWO  
10          APPLICATIONS AT A TIME. THEY WOULD ALL RECEIVE THE  
11          APPLICATIONS. THEY WOULD ALL BE ASKED TO READ THEM,  
12          THEY WOULD BE SHORT APPLICATIONS, AND TO PROVIDE A  
13          BRIEF RESPONSE EVALUATION.

14                 WE WOULD THEN HAVE A PHONE MEETING, GRANTS  
15          WORKING GROUP WOULD MEET TELEPHONICALLY WITH THE  
16          PATIENT ADVOCATES PRESENT. SO IT WOULD BE  
17          ESSENTIALLY IDENTICAL TO WHAT WE DO NOW EXCEPT IT  
18          WOULD BE DONE TELEPHONICALLY. THE CHAIR OF THE  
19          GRANTS WORKING GROUP WOULD LEAD THE DISCUSSION.  
20          FOLLOWING THAT, THE SCORES WOULD BE SUBMITTED  
21          ELECTRONICALLY BY THE WORKING GROUP MEMBERS, TALLIED  
22          UP IMMEDIATELY WHILE STILL ON THE PHONE, AND THEN WE  
23          WOULD MOVE RIGHT ON TO THE PROGRAMMATIC REVIEW. AT  
24          THAT POINT WE WOULD FORWARD THE SUMMARY SOON  
25          THEREAFTER AS SOON AS POSSIBLE TO THE ICOC FOR YOU

**BARRISTERS' REPORTING SERVICE**

1 TO MAKE A FINAL DECISION. SO IT WOULD BE JUST THE  
2 SAME PROCESS WE NORMALLY DO, BUT VERY MUCH  
3 COMPRESSED IN TIME. WE THINK WE COULD GET THROUGH  
4 THAT IN A COUPLE OF MONTHS.

5 DR. TROUNSON: SORRY, CHAIR. JUST FOR THE  
6 RECORD, THERE WERE 15 SENIOR SCIENTISTS AND THE  
7 PATIENT ADVOCATES, JUST SO THAT THAT'S ON THE  
8 RECORD.

9 DR. ROBSON: OKAY. SO WHAT ARE THE  
10 BENEFITS OF THIS? WE THINK THESE ARE THE KINDS OF  
11 PEOPLE WHO WILL, AS WE SAY, BUILD PROGRAMS AT OUR  
12 UNIVERSITIES. THEY'LL BRING RESEARCH FUNDS OF THEIR  
13 OWN, SO THEY'LL ADD TO THE FINANCES GOING TOWARDS  
14 RESEARCH TO MEET CIRM'S MISSION. THEY'LL ATTRACT  
15 OTHER RESEARCHERS WHO WILL BRING THEIR OWN MONEY.  
16 THEY'LL BE TEAMS THAT WILL GO OUT AND FIND NEW  
17 FUNDS. WE WOULD EXPECT MANY OF THEM WILL ALSO SPIN  
18 OFF SOME OF THEIR FINDINGS INTO THE PRIVATE SECTOR.

19 WHAT'S THIS GOING TO COST US? TIMING, WE  
20 HOPE TO HAVE THE RFA IN DECEMBER WITH THE FIRST  
21 SUBMISSIONS BEING AVAILABLE IN FEBRUARY.

22 SO HOW MUCH WILL THIS COST? SO THIS IS A  
23 COST ESTIMATE PER AWARD. THIS IS A LITTLE DIFFERENT  
24 THAN THE WAY WE NORMALLY GIVE YOU COST REQUESTS. SO  
25 THIS IS -- AGAIN, THE COST OF EACH OF THESE WILL

## BARRISTERS' REPORTING SERVICE

1 VARY. THIS IS SORT OF AN UPPER LEVEL COST, I WOULD  
2 SAY. IT'S BASED ON A MAXIMUM SALARY, MAXIMUM  
3 RENOVATIONS AND EQUIPMENT, AND SORT OF A MEAN FOR  
4 INDIRECT COSTS. AND OVER SIX YEARS, THIS COULD  
5 AMOUNT TO ABOUT \$5.5 MILLION PER APPLICANT.

6 SO FOR THE ENTIRE PROGRAM, IF I COULD HAVE  
7 THE NEXT, THAT WOULD BE 44 MILLION OVER THE PERIOD  
8 OF SIX YEARS -- SEVEN YEARS ACTUALLY WITH A TWO-YEAR  
9 APPLICATION PERIOD. THAT COULD BE CONSIDERABLY LESS  
10 FOR EACH AWARD. IF THE SALARY IS LESS OR THE  
11 INDIRECT COSTS ARE LESS, IT COULD EASILY BE DOWN TO  
12 4 TO 4.5 MILLION FOR SOME OF THESE AWARDS.

13 I JUST WANTED TO -- ONE LAST THING, I JUST  
14 WANTED TO SHOW YOU THE IMPACT THAT THIS PROGRAM  
15 WOULD HAVE ON OUR CASH FLOW OVER THE NEXT TWO YEARS.  
16 SO THE LAST SLIDE JUST SHOWS WHAT THIS WOULD COST.  
17 THIS IS BASED ON ONE AWARD PER QUARTER STARTING IN  
18 APRIL 2010 AT THE AMOUNT OF 5.6 MILLION. SO I THINK  
19 THIS IS SORT OF AN UPPER EXPECTATION, THAT THE TOTAL  
20 COST IT WOULD ADD TO OUR CASH FLOW WOULD BE ABOUT  
21 4.2 MILLION BETWEEN NOW AND DECEMBER 31ST OF 2010,  
22 AND TO THE END OF THE FISCAL YEAR AT JUNE 30, 2011,  
23 THE TOTAL COST WOULD BE ABOUT EIGHT MILLION.

24 CHAIRMAN KLEIN: THANK YOU. AND WHEN  
25 YOU'RE USING THE WORD "ALL" AND SAYING THAT ALL

## BARRISTERS' REPORTING SERVICE

1 MEMBERS OF THE PEER REVIEW COMMITTEE WILL GET THIS  
2 APPLICATION, I WOULD ASSUME THAT YOU ARE  
3 CONDITIONING THAT AS NORMAL, THAT IF THE APPLICANT  
4 IS FROM A MEMBER OF THE PEER REVIEW'S OWN  
5 INSTITUTION, THEY WOULD BE RECUSED.

6 DR. ROBSON: OF COURSE. CONFLICT OF  
7 INTEREST WILL BE VERIFIED.

8 CHAIRMAN KLEIN: IF THERE WERE AN  
9 ALTERNATIVE -- IF THERE WERE A MEMBER OF THE PEER  
10 REVIEW COMMITTEE FROM AN INSTITUTION THAT HAD MADE  
11 AN ALTERNATIVE OFFER, THEY WOULD ALSO BE RECUSED.  
12 SO I JUST WANT THE WORD "ALL" TO BE IN CONTEXT. DR.  
13 PIZZO.

14 DR. PIZZO: A QUESTION AND THEN COMMENT.  
15 THE QUESTION IS, I THINK, PRETTY SELF-EVIDENT, BUT  
16 JUST TO BE CLEAR FOR THE RECORD. WHEN ONE OF THESE  
17 INDIVIDUALS IS SUCCESSFULLY RECRUITED, SHE OR HE CAN  
18 APPLY FOR ANY CIRM GRANTS IN ADDITION. SO THE  
19 GUARANTEE IS ALREADY IN PLACE. THIS BECOMES A  
20 SYNERGISTIC, COMPLEMENTARY EVENT, RIGHT?

21 DR. ROBSON: YES.

22 DR. PIZZO: SO THE OTHER COMMENT IS  
23 OBVIOUSLY THIS IS -- THE GOAL OF THIS IS TO TRY AND  
24 USE THE MOMENT TO ATTRACT THE VERY BEST SCIENTISTS  
25 THAT WE CAN FIND TO CALIFORNIA AT THIS CAREER LEVEL.

## BARRISTERS' REPORTING SERVICE

1 I THINK THE CHALLENGE WHICH WE'LL HAVE TO WORK ON,  
2 JUST FOR THE RECORD, AS INSTITUTIONS IS HOW TO IN  
3 SOME WAYS CONFLATE THIS PROCESS WITH OUR  
4 INSTITUTIONAL PROCESSES FOR THE RECRUITMENT OF  
5 FACULTY BECAUSE THERE'S A TIMELINE FOR BRINGING  
6 SOMEONE FORWARD, WHICH YOU CAN ACT ON IN TWO OR  
7 THREE MONTHS, BUT THERE'S A LONG TAIL POTENTIALLY  
8 THAT ANTEDATES THAT AS WE WOULD GO THROUGH AS AN  
9 INSTITUTION A NATIONAL SEARCH FOR SOMEONE. AND THEN  
10 IT BECOMES OBVIOUSLY SORT OF A BALANCE SHEET, WHICH  
11 I THINK EACH INSTITUTION IS GOING TO HAVE TO TAKE  
12 ON.

13 IF YOU'VE GONE DOWN THE LINE WITH SOMEONE  
14 AND YOU DON'T SUCCEED IN GETTING THE CIRM FUNDING,  
15 THEN INSTITUTIONS ARE POTENTIALLY, AT LEAST THEY  
16 HAVE AN ETHICAL RESPONSIBILITY, TO ENGAGE IN THE  
17 CONTINUED RECRUITMENT OF THAT PERSON. EACH ONE WILL  
18 APPROACH THIS IN DIFFERENT WAYS. SO I THINK THE  
19 ONLY NEGATIVE THAT I SEE IS THAT FOR THOSE  
20 INSTITUTIONS THAT CAN'T COMMIT THAT EARLY FUNDING  
21 PHASE, THEY POTENTIALLY GO OUT ON A LIMB THAT THEY  
22 CAN'T BRING TO POTENTIAL CONCLUSION. I THINK THAT,  
23 AGAIN, IT'S GOING TO BE VERY INSTITUTIONALLY  
24 DEFINED.

25 RARE MOMENT WHEN BOB KLEIN IS UNWIRED.

## BARRISTERS' REPORTING SERVICE

1           CHAIRMAN KLEIN: I'M UNWIRED HERE. DR.  
2           BRENNER, YOU HAD A COMMENT, AND THEN I'M GOING TO GO  
3           TO DAVID SERRANO-SEWELL AND DR. FONTANA AND DR.  
4           LEVIN.

5           DR. BRENNER: THANK YOU. SO I AGREE WITH  
6           EXACTLY WHAT DR. PIZZO SAYS, THAT THE EXECUTION IS  
7           GOING TO BE MORE DIFFICULT THAN THE OTHER GRANTS  
8           BECAUSE IT'S QUITE DIFFERENT THAN THE OTHER FORMAT  
9           FOR OTHER GRANTS. I WANT TO EMPHASIZE I REALLY  
10          THINK THIS FULFILLS A MISSING COMPONENT OF OUR  
11          PORTFOLIO, THAT YOU CAN BUILD BEAUTIFUL FACILITIES  
12          AND REALLY ENCOURAGE THE PEOPLE WHO ARE ON-SITE TO  
13          BE VERY SUCCESSFUL IN THEIR RESEARCH PROGRAMS FOR  
14          STEM CELLS, BUT WE DON'T HAVE ANYTHING THAT WOULD  
15          ALLOW US TO FACILITATE BRINGING THE MISSING PEOPLE  
16          TO CALIFORNIA. AND THIS REALLY WILL DO THAT. I  
17          REALLY THINK WE SHOULD WORK VERY HARD TO CORRECT THE  
18          ADMINISTRATIVE AREAS THAT DR. PIZZO POINTED OUT, BUT  
19          GO AHEAD AND EMBRACE THIS.

20          CHAIRMAN KLEIN: THANK YOU VERY MUCH.  
21          DAVID SERRANO-SEWELL.

22          MR. SERRANO-SEWELL: THANK YOU, BOB. I'VE  
23          GIVEN THIS PROPOSAL A LOT OF THOUGHT, AS I DO  
24          EVERYTHING, BUT THIS ONE IN PARTICULAR. BUT I DO  
25          HAVE SOME CONCERNS, AND I GUESS I'M GOING TO MAKE A

## BARRISTERS' REPORTING SERVICE

1 LOT OF COMMENTS. I'LL START WITH THE CONCLUSION  
2 FIRST. AND MY CONCLUSION IS IS THIS THE HIGHEST AND  
3 BEST USE OF OUR LIMITED RESOURCES? AND I KNOW WHAT  
4 THE ANSWER TO THAT QUESTION IS. IT'S SORT OF BEEN  
5 HINTED ON BY THE PREVIOUS COMMENTS. OF COURSE, IT  
6 IS BECAUSE WE WANT TO RECRUIT THE BEST AND THE  
7 BRIGHTEST, AND THAT'S IN KEEPING WITH CIRM'S  
8 MISSION, AND THAT'S WHAT WE DO HERE.

9 MY RESPONSE IS WE'RE ALREADY DOING THAT.  
10 WE ARE RECRUITING PEOPLE TO CALIFORNIA. WE ARE  
11 BUILDING THESE INSTITUTIONS BY BEING SUCH AN AWESOME  
12 AND SIGNIFICANT PRESENCE IN CALIFORNIA, HIGH  
13 CONCENTRATION OF DOLLARS AND TALENT, THAT  
14 RECRUITMENT'S ALREADY HAPPENING. SO I WOULD RATHER  
15 SEE THESE LIMITED DOLLARS, COLLEAGUES, SPENT  
16 ELSEWHERE.

17 I DID A TOUR OF SOME OF THE FACILITIES IN  
18 THE SAN DIEGO AREA. I HEARD FROM THOSE LAB  
19 TECHNICIANS AND SCIENTISTS. THEY SAID, YOU KNOW, WE  
20 SORT OF NEED SOME MORE LAB FUNDING. HERE'S WHERE WE  
21 DIDN'T GET FUNDING, OR WE'D LIKE TO SEE A  
22 CONTINUATION IN THESE AREAS. I KNOW WE'RE NOT  
23 PRECLUDED FROM RESPONDING TO THAT. WE COULD ALWAYS  
24 DO ANOTHER RFA. BUT WE'RE IN A VERY PRECARIOUS  
25 FINANCIAL SITUATION AND WE'RE COMMITTING \$44 MILLION

**BARRISTERS' REPORTING SERVICE**

1 OVER THE COURSE OF SOME YEARS. I WOULD RATHER SEE  
2 THAT MONEY GO ELSEWHERE. THAT'S IN GENERAL HOW I  
3 FEEL.

4 NOW, SPECIFICALLY, I THINK THE CRITERIA --  
5 I DON'T KNOW IF THE CRITERIA IS, WELL, YOU SORT OF  
6 KNOW IT WHEN YOU SEE IT. I LOOK AT IT AND IT'S TOO  
7 SUBJECTIVE FOR ME. THE WORDS USED IN OUR MEMO, HIGH  
8 PROFILE, INTERNATIONAL REPUTATION, HIGH-IMPACT  
9 JOURNALS, SIGNIFICANT INDEPENDENT WITH FUNDING,  
10 PROFESSIONAL AWARDS, THAT MEANS SOMETHING VERY  
11 DIFFERENT TO ME THAN IT PROBABLY DOES TO JACOB OR  
12 ROBERT OR ANYBODY ELSE. I JUST DON'T KNOW. I MEAN  
13 DOES ONE -- IF YOU SAY A HIGH-IMPACT JOURNAL, I  
14 ASSUME THERE'S A LOW-IMPACT JOURNAL AND THERE'S A  
15 MEDIUM-IMPACT. SO IF YOU HAD A PUBLICATION IN TWO  
16 MEDIUM-IMPACT JOURNALS, DOES THAT EQUATE TO ONE  
17 HIGH-IMPACT JOURNAL? I REALLY DON'T KNOW.

18 DR. BRENNER: NO.

19 MR. SERRANO-SEWELL: THANK YOU. IF THERE  
20 ARE HIGH-IMPACT JOURNALS, THEN WHY DON'T WE JUST  
21 LIST THEM IN HERE? LET'S JUST SAY IF WE ALL KNOW  
22 WHAT IT IS WHEN WE SEE IT, WHY DON'T WE JUST BE  
23 HONEST WITH OUR APPLICANTS AND OUR UNIVERSITIES  
24 INSTEAD OF SPEAKING IN THIS CODE? SO I THINK IT'S A  
25 LITTLE TOO SUBJECTIVE. AND BECAUSE IF WE'RE GOING



**BARRISTERS' REPORTING SERVICE**

1 TO STICK WITH THIS SUBJECTIVELY WHEN IT -- WHICH,  
2 AGAIN, IT'S SORT OF LIKE YOU KNOW IT WHEN YOU SEE IT  
3 AND THIS PERSON IS GOING TO BE SO SPECTACULAR,  
4 THEY'RE JUST GOING TO BLOW YOUR SOCKS OFF AND NOT TO  
5 WORRY ABOUT IT, THEN IN TERMS OF THE PROCESS, I  
6 THINK ALL THE WORKING GROUP MEMBERS, AND THAT WOULD  
7 INCLUDE THE PATIENT ADVOCATES, THE EIGHT PATIENT  
8 ADVOCATES THAT SERVE ON THE WORKING GROUP, OUGHT TO  
9 SCORE THE APPLICATIONS AS WELL BECAUSE IF YOU LOOK  
10 AT HOW IT'S DIVIDED AND THE PERCENTAGES, YOU DON'T  
11 NECESSARILY -- I FEEL -- I'M NOT TOOTING MY OWN  
12 HORN, BUT HAVING BEEN ON THIS COMMISSION FOR ALMOST  
13 FIVE YEARS, I THINK I CAN PROBABLY EVALUATE AND  
14 APPLY A SCORE BECAUSE IT'S THE VISION STATEMENT,  
15 RIGHT, THAT'S LIKE HOW MUCH IS THAT, 45 PERCENT OR  
16 SOMETHING? I'VE READ OUR SCIENTIFIC PLAN, I KNOW  
17 WHAT THE VISION IS OF PROPOSITION 71, AND I CAN  
18 ARTICULATE IN AN INTELLIGENT MANNER WHETHER THE  
19 APPLICANT MEETS THAT PERCENTAGE OR NOT.

20 MY POINT IS YOU DON'T NECESSARILY NEED TO  
21 BE A SCIENTIST; WHEREAS, WITH OUR PREVIOUS  
22 APPLICATIONS YOU DO OBVIOUSLY NEED TO BE A SCIENTIST  
23 BECAUSE WE WERE FUNDING, AS YOU SAY, SPECIFIC  
24 SCIENTIFIC GRANTS, NOT INDIVIDUALS.

25 SO AND THEN I HAVE ISSUES WITH THE

## BARRISTERS' REPORTING SERVICE

1 TELEPHONIC MEETING. YOU KNOW, I ENVISION A DYNAMIC  
2 DISCUSSION ABOUT THE SPONSORING INSTITUTION, WHETHER  
3 THEY HAVE THE CAPACITY, WHAT DO WE KNOW ABOUT THAT  
4 SPONSORING INSTITUTION. I ENVISION A ROBUST  
5 DISCUSSION ABOUT THE PARTICULAR INDIVIDUAL. I WOULD  
6 HAVE QUESTIONS ABOUT THAT INDIVIDUAL'S CV, WHAT  
7 PEOPLE KNOW ABOUT THAT INDIVIDUAL, WHAT THEIR  
8 RELATIONSHIPS ARE WITH PATIENT ADVOCACY GROUPS, DO  
9 THEY HAVE ANY HISTORY WITH THAT. THAT GOES INTO THE  
10 VISION OBVIOUSLY BECAUSE THAT'S IN OUR VISION. DO  
11 THEY SPEAK TO IT? I WOULD WANT TO HAVE A MORE  
12 ROBUST DISCUSSION, AND I DON'T THINK YOU CAN  
13 ACCOMPLISH THAT BY PHONE.

14 AND THEN LASTLY, I'VE ALWAYS BEEN VERY  
15 COMFORTABLE WITH FUNDING THE SCIENCE. LET THE BEST  
16 SCIENCE LEAD US. THAT'S WHAT WE ALWAYS SAY, AND  
17 WE'VE DONE THAT VERY WELL. I DON'T WANT -- I  
18 PERSONALLY DON'T WANT TO GET INTO PERSONNEL  
19 DECISIONS AT A PARTICULAR UNIVERSITY. IF STANFORD  
20 OR UC IRVINE OR UCLA, IF THEY WANT TO HIRE AND  
21 RECRUIT SOMEONE, GREAT. LET THEM. I DON'T WANT TO  
22 BE PUT IN A POSITION WHERE I HAVE TO DECIDE, WELL,  
23 THE DAVIS PERSON WAS GOOD, BUT THE UCI, THEY WEREN'T  
24 AS GOOD BECAUSE THEY DIDN'T HAVE THE HIGH IMPACT. I  
25 JUST DON'T WANT TO GET IN THE MIDDLE OF THAT FIGHT.

## BARRISTERS' REPORTING SERVICE

1 AND THAT'S HOW I VIEW THAT'S WHAT I'LL BE DOING.  
2 AND IT BECOMES SOMETHING THAT I THINK IS OUTSIDE OF  
3 THE SCOPE OF OUR MISSION. OUR MISSION IS TO FUND  
4 THE BEST SCIENCE, NOT INDIVIDUALS. AND YOU CAN'T  
5 ALWAYS SEPARATE THOSE TWO IN A CLEAN MANNER. I CAN  
6 APPRECIATE THAT, BUT THIS IS SOLELY FOCUSED ON A  
7 PERSON.

8 DR. ROBSON: YOU'VE BEEN LOOKING AT ME. I  
9 DON'T KNOW IF YOU WANT ME TO RESPOND.

10 CHAIRMAN KLEIN: LET'S DO THIS. WE HAVE A  
11 TREMENDOUS AMOUNT OF EXPERTISE AROUND THE BOARD  
12 HERE. AND IF WE COULD, I'M GOING TO GO TO DR.  
13 FONTANA AND THEN DR. LEVIN.

14 I WOULD SAY THAT THE SCORING PROCESS,  
15 DAVID, IS IN THE INITIATIVE, SO WE CAN'T CHANGE THAT  
16 LEGALLY.

17 MR. SERRANO-SEWELL: WE CAN MODIFY IT.

18 CHAIRMAN KLEIN: NO, WE CANNOT CHANGE THAT  
19 LEGALLY. IT IS, IN FACT, ONE OF THOSE THINGS THAT  
20 IS CONSTITUTIONALLY PROTECTED.

21 MR. SERRANO-SEWELL: THERE'S NO DISCUSSION  
22 HERE ABOUT THE PROGRAMMATIC REVIEW.

23 CHAIRMAN KLEIN: THERE IS A FULL  
24 PROGRAMMATIC REVIEW AS A PART OF THIS. AND, IN  
25 FACT, IT CAN BE A VERY MAJOR PART OF THIS DECISION

## BARRISTERS' REPORTING SERVICE

1 PROCESS, SO I THINK CAN ACCOMMODATE THE FACT THAT  
2 PATIENT ADVOCATES MAY HAVE A GREATER CONTRIBUTION IN  
3 THAT PART OF THE PROCESS THAN THEY MIGHT IN OTHER  
4 GRANT REVIEWS.

5 BUT IF IN THIS DISCUSSION SOME OF THE  
6 MEMBERS ON THIS COMMITTEE CAN COMMENT, MY  
7 UNDERSTANDING IS INSTITUTIONS ARE FROZEN OUT OF THE  
8 MARKET AT THIS TIME BECAUSE OF UC SALARY FREEZES AND  
9 INSTITUTIONAL FREEZES. SO AS WE GO THROUGH THE  
10 COMMENTS, INSTEAD OF HAVING ASSUMPTIONS ON THAT, IF  
11 INDIVIDUALS CAN PROVIDE INFORMATION, IT WOULD BE  
12 VERY HELPFUL BECAUSE THAT IS A MAJOR FACTUAL CHANGE  
13 THAT FREEZES US OUT OF THE MARKET EXACTLY AT THE  
14 TIME OUR INSTITUTIONS ARE TRYING TO STAFF UP FOR THE  
15 MAJOR INSTITUTIONS THAT THE MAJOR FACILITIES  
16 COMMITTEE, THAT YOU CHAIRED, DAVID, HAS DONE SUCH AN  
17 EXTRAORDINARY JOB ON FUNDING. DR. FONTANA.

18 DR. FONTANA: ALSO ON BEHALF OF THE  
19 BURNHAM, WE'RE IN HIRING FREEZE. I THINK I WON'T  
20 SPEAK FOR EVERYBODY ELSE, BUT I THINK THERE'S A LOT  
21 OF NODDING HEADS.

22 I WAS CURIOUS AS WHAT LED TO THE TOTAL  
23 NUMBER AMOUNT. I WAS SORT OF LOOKING AT THE SALARY  
24 PROMISE AND THE AMOUNTS. WHEN WE RECRUIT SOMEBODY  
25 TO THE BURNHAM, ASSOCIATE PROFESSOR OR FULL

## BARRISTERS' REPORTING SERVICE

1 PROFESSOR, KIND OF A BIG NAME PERSON, WE'LL ALLOCATE  
2 ABOUT \$2 MILLION AND SOMEBODY SLIGHTLY LOWER THAN  
3 THAT, IN BETWEEN 1 TO \$2 MILLION. SO THIS SOUNDED  
4 REALLY GENEROUS TO ME. I MEAN IF I WERE APPLYING  
5 FOR THIS KIND OF MONEY, I'D BE VERY HAPPY. I'M  
6 WONDERING WHY YOU ARRIVED AT A VERY GENEROUS  
7 SOUNDING NUMBER.

8 DR. ROBSON: SO THE NUMBERS THAT WE CAME,  
9 AGAIN, WE WERE BASING THIS PROGRAM ON THE HOWARD  
10 HUGHES PROGRAM. SO THEY GUIDED ON US MANY OF THESE  
11 NUMBERS. AS FAR AS THE SALARY GOES, WE JUST TRIED  
12 TO PUT IN HERE SOMETHING THAT WOULD ALLOW MAXIMUM  
13 SUPPORT AND FLEXIBILITY FOR THE INSTITUTIONS. WE'RE  
14 NOT REQUIRING THAT YOU PAY THE PERSON \$207,000 AND  
15 WE'RE GOING TO GIVE YOU 186. IF YOU WERE GOING TO  
16 HIRE SOMEBODY AT A HUNDRED FIFTY THOUSAND, WE'LL PAY  
17 90 PERCENT OF THAT. WE JUST DIDN'T WANT TO RESTRICT  
18 THE RECRUITMENT. WE WERE TRYING TO BE AS HELPFUL AS  
19 WE CAN.

20 CHAIRMAN KLEIN: ALL RIGHT. DR. LEVIN AND  
21 THEN I'M GOING TO GO TO DR. DAFOE AND THEN TO MARCY  
22 FEIT. ON THIS SIDE I'M GOING TO GO TO DUANE ROTH  
23 AND DR. HAWGOOD AND DR. BRODY.

24 DR. LEVIN: I THINK THIS IS A FANTASTIC  
25 PROGRAM AND COULDN'T COME AT A BETTER TIME. IT

**BARRISTERS' REPORTING SERVICE**

1 REALLY HAS THE OPPORTUNITY TO HAVE A BIG IMPACT ON  
2 THE FIELD. AND IN PARTICULAR, BECAUSE OF THE  
3 CURRENT FINANCIAL CRISIS, I THINK ALL OF OUR  
4 UNIVERSITIES HAVE DONE TWO THINGS. ONE IS TO HALT  
5 BUILDING CONSTRUCTION, AND WE'VE ENABLED BUILDING  
6 CONSTRUCTION THROUGH THE MAJOR FACILITIES PROGRAM.  
7 AND THE OTHER IS TO DO ALMOST SYSTEMWIDE HIRING  
8 FREEZE. BECAUSE OF THAT, HOWEVER, AS CURRENTLY  
9 ENVISIONED HERE, ESPECIALLY THE CASH POOR  
10 UNIVERSITIES, WHICH IS MOST OF THE UC SCHOOLS, WILL  
11 BE EFFECTIVELY PLACED OUT OF THIS COMPETITION.  
12 BECAUSE AS PHIL BROUGHT UP, YOU REALLY CAN'T ENGAGE  
13 IN THIS PROCESS UNLESS YOU HAVE ALREADY STARTED A  
14 SEARCH AND ARE COMMITTED TO HIRING SOMEBODY AND ARE  
15 ABLE TO PUT INSTITUTIONAL RESOURCES INTO IT.

16 AND THAT SPEAKING FOR MY INSTITUTION, WE  
17 JUST CAN'T DO THAT. WITHOUT SOME SORT OF GUARANTEE  
18 OF ADDITIONAL SUPPORT FROM A PROGRAM LIKE THIS, WE  
19 WOULDN'T IN GOOD FAITH BE ABLE TO EVEN BEGIN THE  
20 PROCESS. SO YOU ARE GOING TO PLACE A LOT OF PEOPLE  
21 JUST OUT OF COMPETITION ALTOGETHER WITH THIS IF IT'S  
22 DONE NOW DURING THIS FINANCIAL CRISIS AND WITH THE  
23 HIRING FREEZES THAT ALL THE CAMPUSES HAVE.

24 IF THERE WERE SOME WAY TO AUTHORIZE THE  
25 INSTITUTIONS TO ENABLE THEM TO BE APPROVED TO GO

## BARRISTERS' REPORTING SERVICE

1 FORWARD WITH THIS, KNOWING THAT THEY HAD THIS  
2 IMPETUS, SOME AMOUNT OF MONEY THAT THEY COULD PUT --  
3 USE TO AUGMENT THEIR OWN FUNDS TO ATTRACT PEOPLE  
4 THAT MEET ALL THESE QUALIFICATIONS, THEN I THINK  
5 THAT WOULD BE REALLY EFFECTIVE AND STIMULATING  
6 PEOPLE TO COME HERE AND REOPENING CLOSED HIRING  
7 SEARCHES AND GETTING PEOPLE MOVING, WHICH IS, I  
8 THINK, REALLY THE INTENT OF THIS RFA.

9 DR. DAFOE: JUST A COUPLE OF QUICK  
10 COMMENTS. I THINK THERE ARE FRANCHISE PLAYERS, IF  
11 YOU WILL, IN SCIENCE. SO IN SPEAKING TO DAVID'S  
12 POINT OF WANTING TO FUND SCIENCE, BUT NOT  
13 NECESSARILY INDIVIDUALS, I'M A GREAT BELIEVER IN THE  
14 IMPACT THAT A HIGH-POWERED INDIVIDUAL PERSON CAN  
15 HAVE. SO I'LL USE THE SPORTS ANALOGY OF A KOBE  
16 BRYANT.

17 THE SECOND IS TO GET THAT MULTIPLIER  
18 EFFECT, REMEMBER GRANTS GO WITH THE PI. SO IF WE  
19 ATTRACT A GOOD PI WHO'S WELL FUNDED, THEN WE  
20 MULTIPLY OUR INVESTMENT.

21 CHAIRMAN KLEIN: I THINK THAT'S A VERY  
22 IMPORTANT POINT THE STAFF IN THEIR WRITTEN MATERIAL  
23 HAS ALLUDED TO, WHICH IS A RECRUITMENT OF A STAR  
24 WILL BRING WITH THEM OVER TIME 12 TO 15 RESEARCHERS,  
25 INCLUDING A GREAT DEAL OF GRANTS WILL BE BROUGHT

**BARRISTERS' REPORTING SERVICE**

1 INTO CALIFORNIA THAT WE DON'T FUND, SO WE GET  
2 SCIENTIFIC LEVERAGE ON THIS FUNDING.

3 I THINK MARCY FEIT.

4 MS. FEIT: I JUST WANT TO SPEAK TO THE  
5 WHOLE PROGRAMMATIC ISSUE THAT'S SORT OF ABSENT HERE.  
6 IS IT BETTER TO APPROACH THIS ON THE BASIS OF IS  
7 THERE A ROLE FOR CIRM IN ATTRACTING SCIENTIFIC  
8 LEADERSHIP IN THE WORLD TO COME HERE RATHER THAN  
9 DEPENDING ON INDIVIDUAL INSTITUTIONS TO COME FORWARD  
10 BECAUSE THAT PUTS THEM IN A FINANCIAL BIND RIGHT  
11 NOW? SO IS THERE A DIFFERENT WAY TO LOOK AT THIS,  
12 NOT THROWING THE WHOLE PROGRAM OUT? BUT WHAT'S  
13 MISSING FOR ME IS IS THIS WHOLE PROGRAMMATIC -- WHAT  
14 DOES OUR CURRENT PORTFOLIO LOOK LIKE RIGHT NOW THAT  
15 WE'VE ALREADY SUPPORTED IN SCIENCE, AND WHAT COULD  
16 BE MISSING OR NEEDED IN TERMS OF LEADERSHIP IN A  
17 SPECIFIC FIELD?

18 AND WE TALKED A LITTLE BIT ABOUT  
19 IMMUNOLOGY AND HOW THERE REALLY ISN'T A LOT OF  
20 IMMUNOLOGY AROUND. AND SHOULD CIRM THEN MAYBE BE  
21 SETTING TARGETS BECAUSE WE'VE LOOKED AT OUR  
22 PORTFOLIO AND WE'VE SAID, LOOK, WE'RE MISSING SOME  
23 THINGS HERE. AND THERE ARE WORLD RENOWN LEADERS IN  
24 THIS AND WE SHOULD THEN GO OUT AND TRY TO ATTRACT  
25 THEM HERE. SO I JUST WANT TO FOCUS ON THAT AND MAKE



**BARRISTERS' REPORTING SERVICE**

1 SURE THAT'S PART OF THE RECORD.

2 CHAIRMAN KLEIN: MARCY, IN ADDRESSING YOUR  
3 QUESTION, I'D LIKE TO SPLIT THAT INTO TWO PARTS IF  
4 WE CAN. FIRST, DR. BRENNER, FROM YOUR EXPERIENCE,  
5 COULD YOU INDICATE HOW AN INSTITUTION MIGHT ELECT,  
6 WITH THE SALARY CONSTRAINTS THAT THEY HAVE, OF DOING  
7 A CONDITIONAL RECRUITMENT UNDER THIS?

8 DR. BRENNER: FIRST, I WANT TO ADDRESS AN  
9 ISSUE DAVID RAISED BECAUSE HE'S ABSOLUTELY RIGHT.  
10 IT'S A DIFFERENT TYPE OF REVIEW. THERE'S A LONG  
11 HISTORY BOTH AT THE NIH AND AT THE STATE LEVEL OF  
12 RESEARCH CAREER DEVELOPMENT AWARDS. AND THEY USE  
13 DIFFERENT CRITERIA. THEY LOOK AT YOUR PEDIGREE,  
14 THEY LOOK AT YOUR PUBLICATION RECORD, THEY LOOK AT  
15 YOUR INSTITUTIONAL COMMITMENTS AND WHAT YOU'VE DONE  
16 IN THE FIELD. BUT IT STILL WORKED OUT, SO I WOULD  
17 FEEL VERY COMFORTABLE HAVING OUR EXPERTS REVIEW  
18 THESE TYPE OF AWARDS JUST AS THEY REVIEW THE OTHER  
19 TYPES OF GRANTS. SO I DON'T THINK THAT'S A PROBLEM.

20 THE NEXT ISSUE THAT BOB RAISED IS HOW THIS  
21 WOULD FIT IN. I THINK THAT IT'S VERY SIMILAR TO  
22 WHAT OTHER PEOPLE RAISE IN THAT YOU ALREADY HAVE TO  
23 HAVE AN IDEA WHAT TYPE OF PERSON YOU WANT RECRUIT.  
24 YOU ALREADY HAVE TO HAVE THE RESOURCES TO DO PART OF  
25 IT, THE FACILITIES, THE INFRASTRUCTURE, IN OUR CASE

## BARRISTERS' REPORTING SERVICE

1 IN THE UNIVERSITY OF CALIFORNIA, A STATE FTE. YOU  
2 ALREADY HAVE TO HAVE SOME THINGS, BUT I THINK I  
3 REALLY BELIEVE THAT THIS WOULD PUSH US OVER, THAT  
4 PEOPLE WHO WOULD NOT COME WITH THE CURRENT RESOURCES  
5 WE HAVE, WE COULD BRING AMAZING PEOPLE WITH THESE  
6 ADDITIONAL RESOURCES.

7 CHAIRMAN KLEIN: I THINK YOU'RE AWARE OF  
8 PRIOR STATE PROGRAMS IN OTHER PARTS OF THE UNITED  
9 STATES THAT HAVE SPECIFICALLY INSTITUTIONS, REALLY  
10 EMINENT INSTITUTIONS HAVE CREATED CONDITIONAL  
11 RECRUITMENT PROGRAMS WHERE THEY HAVEN'T OTHERWISE  
12 HAD THE FUNDS. IF YOU COULD PROVIDE THAT  
13 INFORMATION.

14 DR. BRENNER: SO THE EXAMPLE, THE REASON I  
15 FEEL VERY COMFORTABLE WITH THIS PROGRAM IS THAT 15  
16 YEARS AGO WHEN I WAS AT THE UNIVERSITY OF NORTH  
17 CAROLINA, THE STATE HAD MADE A COMMITMENT JUST TO  
18 PROVIDE ON THE ORDER OF \$10 MILLION A YEAR EVERY  
19 YEAR TO GET PEOPLE OUT OF PLACES LIKE STANFORD AND  
20 LA JOLLA AND COME TO NORTH CAROLINA TO CHANGE THE  
21 QUALITY OF RESEARCH IN THE RESEARCH TRIANGLE PARK  
22 AND ELSEWHERE. SO IT WAS NOT ENOUGH TO RECRUIT  
23 PEOPLE BY ITSELF, BUT IT WAS ENOUGH TO ADD TO THE  
24 PROGRAMS OF DUKE, CAROLINA, AND DAVIDSON AND ALL THE  
25 INSTITUTIONS THAT WANTED TO RECRUIT PEOPLE.

## BARRISTERS' REPORTING SERVICE

1 SO THEY LOOKED AT THIS AS A FANTASTIC  
2 INVESTMENT FOR THE WHOLE STATE, AND THEY DID IT VERY  
3 QUICKLY. THEY WOULD EVALUATE AS PEOPLE BECAME  
4 AVAILABLE. THEY WOULD EVALUATE THEM. THEY WOULD  
5 USE A COUPLE MILLION DOLLARS PER RECRUIT, AND THAT  
6 MADE A DIFFERENCE TO GET PEOPLE TO MOVE ACROSS THE  
7 COUNTRY. AND I SORT OF VIEW THIS AS MORE FOCUSED.  
8 IT'S STEM CELLS, BUT WITH THE SAME CONCEPT TO BRING  
9 AMAZING PEOPLE TO CALIFORNIA TO CONTINUE OUR  
10 PROGRAMS.

11 CHAIRMAN KLEIN: IT WAS A CONDITIONAL  
12 RECRUITMENT. AND ONE OF THE DIFFERENCES IS RIGHT  
13 NOW WE HAVE A FULL SALARY FREEZE, AS I UNDERSTAND,  
14 AT THE UC SYSTEM WHERE THE PROBLEM IS WE MAY HAVE TO  
15 PAY THE BULK, IF NOT ALL OF SOME OF THESE SALARIES  
16 BECAUSE THERE IS JUST NO MONEY IN THE UC SYSTEM OR  
17 AT LEAST EXTREMELY LIMITED FUNDS.

18 DR. BRENNER: RIGHT. BUT I STILL THINK  
19 THAT THIS PROGRAM WOULD MAKE AN ENORMOUS DIFFERENCE,  
20 AND WE SHOULD ENCOURAGE THE INSTITUTIONS TO  
21 CONTRIBUTE AS MUCH AS THEY CAN TO MAKE IT AS BEST  
22 POSSIBLE RECRUITMENT PACKAGE WE CAN, BUT WE SHOULD  
23 RECOGNIZE THAT WE HAVE LIMITATIONS THIS YEAR THAT WE  
24 DIDN'T HAVE TWO YEARS AGO WHEN WE FIRST THOUGHT OF  
25 THIS.

**BARRISTERS' REPORTING SERVICE**

1           CHAIRMAN KLEIN: DUANE ROTH AND THEN DR.  
2           HAWGOOD.

3           DR. HAWGOOD: I WOULD JUST LIKE TO COMMENT  
4           THAT I'M VERY STRONGLY IN FAVOR OF THIS. I THINK  
5           THERE ARE SOME SORT OF ADMINISTRATIVE HURDLES THAT  
6           WILL HAVE TO BE WORKED OUT GIVEN EACH INSTITUTION'S  
7           RULES, BUT I THINK THEY'RE SOLVABLE. AND I THINK  
8           WHAT WE'RE AFTER HERE ARE REAL THOUGHT LEADERS AND  
9           PARADIGM SHIFTERS. AND I WOULD TAKE US BACK TO THE  
10          SPOTLIGHT THIS MORNING. WE'RE LOOKING FOR PEOPLE  
11          HERE THAT WILL DO THINGS THAT WE DON'T EXPECT. WE  
12          WON'T KNOW WHAT THEY'RE GOING TO ACHIEVE. IT'S  
13          REALLY THE FRANCHISE PLAYER.

14                 I WOULD AGREE WITH DON'S CONCEPTION. AND  
15          HOWARD HUGHES HAS BEEN ENORMOUSLY SUCCESSFUL. THIS  
16          IS NOT A STANDARD AID TO A RECRUITMENT. THIS IS  
17          LOOKING FOR REAL PEOPLE WHO ARE GOING TO CHANGE WHAT  
18          WE'RE CURRENTLY DOING. AND I THINK IT'S COMING JUST  
19          AT THE RIGHT TIME AS WE OPEN THE BUILDINGS AND WE  
20          HAVE SPACE. WE NEED TO PUT SOME REAL STARS IN THOSE  
21          BUILDINGS.

22                 AND THE FINAL POINT IS THAT I THINK RULES  
23          HAVE CHANGED ACROSS THE STATES NOW. CALIFORNIA DOES  
24          NOT HAVE ITS PRIVILEGED POSITION VIS-A-VIS OUR  
25          ABILITY TO FUND STEM CELL RESEARCH. AND SO WE NEED

## BARRISTERS' REPORTING SERVICE

1 TO UP THE COMPETITIVE FACTOR TO BRING PEOPLE FROM  
2 MASSACHUSETTS AND WISCONSIN AND OTHER PLACES THAT  
3 DIDN'T EXIST AS LITTLE AS LAST YEAR. AND SO I THINK  
4 THIS IS A CRITICAL PROGRAM AT A CRITICAL TIME.

5 MR. ROTH: I'LL NOT REPEAT WHAT'S BEEN  
6 SAID. I THINK TALENT IS EVERYTHING. I CAN TELL YOU  
7 WHEN CRAIG VENTER CAME TO SAN DIEGO RECENTLY, IT  
8 CHANGED THE SCOPE OF SAN DIEGO. HE'S ON EVERY  
9 SINGLE MAJOR PROGRAM THAT'S GOING ON THERE. IT'S  
10 THAT KIND OF GAME-CHANGING PERSON THAT I THINK WE  
11 SHOULD BE LOOKING FOR.

12 THE CONCERN I HAVE ABOUT THIS PROGRAM, AND  
13 I'M EXTREMELY SUPPORTIVE, THE CONCERN IS IT'S TOO  
14 REACTIVE AND NOT AS SUPPORTIVE AS OPPOSED TO  
15 PROACTIVE. I WOULD BE EXTREMELY DISAPPOINTED IF WE  
16 DON'T RECRUIT THE FULL EIGHT AND DO THEM AS SOON AS  
17 WE CAN.

18 SO IN THAT REGARD, I THINK PART OF THE  
19 CHALLENGE, AND YOU'VE HEARD SOME OF IT HERE TODAY,  
20 WITHOUT A PREAPPROVAL, I THINK IT'S VERY DIFFICULT  
21 TO IMPLEMENT WHAT WE'D LIKE TO DO, WHICH IS TO GO  
22 AFTER THESE PEOPLE. SO I WOULD ENCOURAGE US TO ASK  
23 THAT THIS BE LOOKED AT AGGRESSIVELY IN A PREAPPROVAL  
24 MANNER SO THAT WE CAN GET THE TYPES OF POSITIONS IN  
25 THOSE INSTITUTIONS THAT CAN, IN FACT, DO IT AND MAKE

## BARRISTERS' REPORTING SERVICE

1 IT OPEN TO EVERYBODY SO THAT YOU DON'T RESTRICT THE  
2 PEOPLE WHO DON'T HAVE A MATCHING PACKAGE RIGHT NOW.  
3 IF THEY'RE SUCCESSFUL IN THEIR RECRUIT, LET'S GET  
4 THEM.

5 THIS TO ME IS ABSOLUTELY FUNDAMENTAL TO  
6 THE MISSION OF CIRM. AND WITH NIH MONEY COMING DOWN  
7 OVER THE NEXT SEVERAL YEARS, WE WANT TO HAVE THOSE  
8 PEOPLE LIVING HERE AND NOT GETTING IT FROM THAT  
9 POINT.

10 SO WITH THAT, ONE OTHER APPROACH HERE I  
11 HEARD ABOUT LAST NIGHT FOR THE FIRST TIME IS THE  
12 NIH'S NEW EXPERIMENT, WHAT ARE THEY CALLED, P 31S --  
13 P 30S. SO MAYBE WE SHOULD TAKE A HARD LOOK AT THAT.

14 DR. BRODY: I THINK MUCH OF WHAT I WAS  
15 GOING TO SAY HAS BEEN SAID. I'LL JUST MAKE TWO  
16 COMMENTS. ONE IS WHEN PROP 71 WAS PASSED AND I WAS  
17 SITTING IN BALTIMORE, THE BIG CONCERN IS THAT THERE  
18 WOULD BE THIS BIG SUCKING SOUND FOR THE SENIOR  
19 PEOPLE. AND THAT BY AND LARGE I DON'T THINK HAS  
20 HAPPENED BECAUSE THERE'S NOT BEEN AN APPROPRIATE  
21 MECHANISM TO BRING THEM, AND I THINK THIS WOULD DO  
22 THAT.

23 YOU KNOW, IT'S BEEN SAID THAT THE BEST  
24 VEHICLE FOR TECHNOLOGY TRANSFER IS THE MOVING VAN.  
25 AND I ARRIVED AT STANFORD AS A STUDENT NOT LONG

## BARRISTERS' REPORTING SERVICE

1 AFTER STANFORD HAD RECRUITED TWO PEOPLE IN VEHICLES.  
2 ONE WAS WILLIAM SHOCKLEY, WHO BASICALLY CREATED,  
3 PARTLY THROUGH HIS BUSINESS INEPTITUDE, BUT HIS  
4 BRILLIANCE TO ATTRACT PEOPLE TO THE SILICON VALLEY,  
5 AND ARTHUR KORNBERG AND JOSH LEDERBERG, WHO BROUGHT  
6 TOGETHER AND RECRUITED MANY OF THE SCIENTISTS THAT  
7 MAKE STANFORD WHAT IT IS AND HAVE SPUN OFF  
8 COMPANIES.

9 I THINK THIS IS ONE OF THE BEST  
10 INVESTMENTS WE CAN MAKE. STRUCTURING HOW YOU DO IT,  
11 I'M NOT AN EXPERT AT THAT, BUT I THINK THIS IS  
12 REALLY CRITICALLY IMPORTANT, AND WE'RE AT THE RIGHT  
13 JUNCTURE, HAVING MADE INVESTMENTS IN FACILITIES, TO  
14 REALLY ATTRACT THESE PEOPLE.

15 CHAIRMAN KLEIN: THANK YOU VERY MUCH. DR.  
16 TROUNSON.

17 DR. TROUNSON: SO, CHAIR, THIS WAS REALLY  
18 DEVELOPED IN RESPONSE TO SOME OF WHO I REGARD AS  
19 SOME OF THE BEST CANDIDATES FOR THE NEXT ROUND OF  
20 LEADERSHIP IN STEM CELLS WANTING TO KNOW WHAT CIRM  
21 COULD DO FOR THEM IN ENABLING THEM TO JOIN A  
22 CALIFORNIA INSTITUTE RATHER THAN GOING TO THE  
23 ROCKEFELLER OR SOMEWHERE ELSE.

24 WE HAVE WITH US THE NO. 1 STEM CELL  
25 RESEARCHER IN THE WORLD. THERE'S NO DOUBT ABOUT IT.

**BARRISTERS' REPORTING SERVICE**

1 EVERY LIST IRV WEISSMAN IS NO. 1 BY A LONG DISTANCE.  
2 AND WE HAD THE NO. 6 RESEARCHER. AND THE REASON I  
3 KNOW THIS IS BECAUSE THE RANKING ON PRODUCTIVITY IS  
4 OUT THERE. YOU CAN SEE IT. IT'S ENLISTED AND YOU  
5 CAN SEE THE RISING STARS. I DON'T THINK THERE'S ANY  
6 DOUBT ABOUT IDENTIFYING THOSE RAPIDLY RISING STARS  
7 THAT ARE IN THE FRAMEWORK.

8 NOW, THESE PEOPLE IN THEIR -- THEY MAY  
9 HAVE COME FROM IRV'S LAB IN THE FIRST, BUT THEY'VE  
10 GONE OUT THERE TO MAKE THEIR WAY IN THE WORLD, AND  
11 NOW THEY'RE LOOKING FOR THE NEXT STEP WHERE THEY  
12 WANT TO GO TO A PLACE TO CREATE THE LEADERSHIP THAT  
13 THEIR POTENTIAL HAS SHOWN. WE NEED TO BE THERE. WE  
14 NEED TO OFFER THEM THE CHANCE OF COMING TO  
15 CALIFORNIA BECAUSE THIS IS THE LEADERSHIP IN STEM  
16 CELLS AND REGENERATIVE MEDICINE IN THE WORLD. YOU  
17 BROUGHT ME HERE TO DO THAT. YOU'RE HERE BECAUSE OF  
18 THAT. THE WHOLE ORGANIZATION IS ABOUT THAT. AND WE  
19 WANT THE NEXT SET OF LEADERSHIP PEOPLE TO FIT IN IN  
20 REPLACING, HEAVEN FORBID, IRV WEISSMAN AND THE GREAT  
21 STARS THAT WE HAVE HERE IN CALIFORNIA. WE NEED THEM  
22 HERE. WE NEED TO BRING THEM, AND WE NEED TO BE --  
23 CIRM NEEDS TO BE ABLE TO DO SOMETHING TO HELP THE  
24 INSTITUTIONS WHO ARE IDENTIFYING THESE PEOPLE, AND  
25 THOSE PEOPLE HAVE IDENTIFIED THE INSTITUTIONS WHERE



**BARRISTERS' REPORTING SERVICE**

1 THEY PREFER TO GO. I MEAN THESE PEOPLE HAVE STRONG  
2 ATTITUDE ABOUT WHERE THEY WANT TO GO.

3 AND SO WE NEED TO HELP. THIS IS ABOUT  
4 PRODUCTIVITY. THIS IS ABOUT MAKING IT HAPPEN. THIS  
5 IS ABOUT LEADERSHIP. THIS IS ABOUT DOING IT HARD  
6 BECAUSE THAT'S WHAT WE'RE MEANT TO BE DOING. SO I  
7 ENDORSE ALL OF THE COMMENTS THAT HAVE MADE BY  
8 EVERYBODY HERE SAYING THAT THIS IS OUR BUSINESS.  
9 THIS IS OUR BUSINESS. THIS IS ONE OF THE KEY THINGS  
10 THAT WE MUST DO. WE WOULD BE -- IT WOULD BE  
11 ERRONEOUS AND WRONG TO GIVE UP ON AN OPPORTUNITY  
12 LIKE THIS.

13 MR. TORRES: MR. PRESIDENT AND MR.  
14 CHAIRMAN, I JUST WANT TO MAKE SURE. DR. BRODY, I  
15 RESPECT YOU TREMENDOUSLY, BUT I DON'T WANT TO  
16 ASSOCIATE OUR VOTE ON THIS IN ANY WAY TO DO WITH  
17 MR. SHOCKLEY.

18 CHAIRMAN KLEIN: HE WAS MAKING ONLY A  
19 SCIENTIFIC COMMENT. DAVID SERRANO-SEWELL AND THEN  
20 DR. PIZZO.

21 MR. SERRANO-SEWELL: SO I'M LISTENING, I'M  
22 HEARING, AND I'M TOTALLY CONVINCED. I HAVE  
23 QUESTIONS, BUT I GET IT. THIS IS A NEED THAT NEEDS  
24 TO BE ADDRESSED, AND WE SHOULD BE AGGRESSIVE IN THIS  
25 AREA LIKE WE'VE BEEN AGGRESSIVE IN ALL THE OTHER

## BARRISTERS' REPORTING SERVICE

1 AREAS. SO IT'S ENTIRELY CONSISTENT WITH OUR  
2 PREVIOUS ACTIONS. I THINK IT'S THE RIGHT THING TO  
3 DO. SO WE OUGHT TO DO IT.

4 SO I DON'T KNOW IF NOW IS THE RIGHT TIME  
5 TO SHIFT THE DISCUSSION AROUND DOING IT THE BEST WAY  
6 POSSIBLE. I DON'T WANT TO GET MIRED IN THE PROCESS,  
7 BUT THIS IS SUCH A DEVIATION FROM OUR PREVIOUS WAY  
8 OF DOING THINGS, THAT I THINK IT DOES WARRANT A  
9 DISCUSSION. ISSUES OF PREAPPROVAL GOT BROUGHT UP.  
10 AND HOW DO WE DO IT THE RIGHT WAY? IF WE'RE GOING  
11 TO DO THIS, AND I THINK WE OUGHT TO, THEN LET'S DO  
12 IT THE RIGHT WAY. IF WE CAN'T COME TO CLOSURE ON  
13 THAT ISSUE TODAY, I THINK THAT'S OKAY. WE CAN, IF  
14 THE CHAIRMAN AND THE VICE CHAIRMAN AGREE, PUT  
15 TOGETHER A PANEL OF YOUR SELECTION AND JUST HASH OUT  
16 SOME OF THESE DETAILS IF THERE ISN'T THE TIME TODAY  
17 BECAUSE I KNOW WE HAVE TO GET TO THE GRANTS AND  
18 OTHER MATTERS.

19 DR. PIZZO: JUST WANT TO MAKE A COMMENT  
20 THAT'S MORE OF AN EXTENSION OF THOSE THAT HAVE  
21 ALREADY BEEN MADE. WE'VE TALKED ABOUT THIS AS  
22 FILLING A VITAL NEED OF ATTRACTING THE VERY BEST  
23 PEOPLE HERE. BUT I THINK THE THING THAT IS MOST TO  
24 ME UNIQUE ABOUT THIS, THIS IS NOT JUST A RECRUITMENT  
25 TOOL. WHEN YOU PROVIDE SIX YEARS OF SALARY SUPPORT

## BARRISTERS' REPORTING SERVICE

1 AND RESEARCH SUPPORT FOR AN INVESTIGATOR, WHAT  
2 THAT'S ABOUT IS ALLOWING THAT VERY BEST PERSON TO DO  
3 THE MOST CREATIVE WORK. ONE OF THE THINGS THAT  
4 HAPPENS, AS WE ALL RECOGNIZE, IN SCIENCE IS,  
5 PARTICULARLY WITH THE DEMANDS AND CHALLENGES OF  
6 GRANT ACQUISITION, IS THAT PEOPLE GET CONSERVATIVE.  
7 THEY ASK SMALLER QUESTIONS. I THINK WHAT'S REALLY  
8 GOOD ABOUT THIS, AND I THINK WE OUGHT TO MARKET IT  
9 THAT WAY, IS THIS TAKES SOMEONE AND SAYS ASK THE BIG  
10 QUESTIONS. REALLY, AS SAM STATED, LOOK FOR PARADIGM  
11 SHIFTING KINDS OF RESEARCH. AND THAT'S WHAT THIS  
12 OUGHT TO BE ABOUT. AND I THINK THAT -- THIS IS  
13 BEYOND RECRUITMENT. THIS IS REALLY ABOUT CHANGING  
14 THE NATURE OF HOW WE DO RESEARCH.

15 CHAIRMAN KLEIN: THANK YOU VERY MUCH.  
16 WHAT I'D LIKE TO DO, IN FOLLOWING UP ON DAVID  
17 SERRANO-SEWELL'S COMMENT, IS ASK DR. TROUNSON AND  
18 THE SCIENTIFIC STAFF TO UTILIZE THE RESOURCES ON THE  
19 BOARD TO INQUIRE WITH VARIOUS BOARD MEMBERS IN  
20 REFINING THIS RATHER THAN AS A COMMITTEE OF THE  
21 WHOLE TO TRY AND PROVIDE THOSE REFINEMENTS.

22 I WOULD ASK IS THERE SOMEONE WHO'D LIKE TO  
23 MAKE A MOTION ON THIS FOR APPROVAL AT THIS POINT.  
24 AND I WILL SAY TWO THINGS. ONE IS THAT WHAT I'D  
25 LIKE TO DO, IF IT'S ACCEPTABLE TO THE BOARD, IS SEE

**BARRISTERS' REPORTING SERVICE**

1 IF WE CAN GET THIS APPROVED, AND I WILL KEEP THIS  
2 ITEM OPEN AFTER BASIC SCIENCE FOR AMENDMENTS TO IT  
3 IF, IN FACT, BOARD MEMBERS WANT TO PROVIDE  
4 ADDITIONAL AMENDMENTS OR REFINEMENTS ON A FORMAL  
5 BASIS IN ADDITION TO HAVING AN INFORMAL FOLLOW-UP  
6 PROCESS. IS THERE A MOTION TO APPROVE?

7 DR. FONTANA: I'LL MAKE A MOTION. AND  
8 AFTER HEARING ALL THE COMMENTS, I FULLY SUPPORT THIS  
9 PROGRAM. I THINK WE NEED TO DO IT NOW AND LET'S GO.

10 CHAIRMAN KLEIN: IS THERE A SECOND?

11 MR. ROTH: SECOND.

12 CHAIRMAN KLEIN: SECOND IS DUANE ROTH.  
13 I'D LIKE ANY PUBLIC COMMENT HERE. DR. LEVIN.

14 DR. LEVIN: I JUST WANT TO CLARIFY. ARE  
15 WE VOTING TO APPROVE IT AS WRITTEN NOW OR VOTING TO  
16 APPROVE THE CONCEPT GOING BACK TO STAFF TO --

17 CHAIRMAN KLEIN: THIS WOULD BE A VOTE AT  
18 THIS POINT TO APPROVE IT AS IT IS. BUT I'M GOING  
19 TO, AS I SAID, AFTER BASIC SCIENCE CONTINUE TO HAVE  
20 THIS ITEM OPEN SO THAT WE CAN, IN FACT, AMEND IT IF  
21 THE BOARD WOULD LIKE TO DO SO.

22 I WOULD LIKE TO ASK AS A FRIENDLY  
23 AMENDMENT TO DR. FONTANA, WOULD YOU BE WILLING TO  
24 CONSIDER A MOTION FOR APPROVAL WITHOUT MAKING A HARD  
25 LIMIT OF FOUR PER YEAR SO THAT QUALITY WOULD CONTROL

**BARRISTERS' REPORTING SERVICE**

1 THE SPEED OF APPROVAL?

2 DR. FONTANA: YES.

3 MR. ROTH: I WOULD ACCEPT THAT, BUT I  
4 WOULD RATHER WE APPROVE THE CONCEPT. IT'S A CONCEPT  
5 APPROVAL. AND THEN WE CAN DEAL WITH SPECIFICS  
6 BECAUSE I DON'T THINK WE'RE ALL IN AGREEMENT ON THE  
7 SPECIFICS.

8 CHAIRMAN KLEIN: WE HAVE AN AMENDMENT.  
9 WE'RE GOING -- THIS IS A CONCEPT APPROVAL. WE'RE  
10 GOING TO COME BACK AFTER BASIC SCIENCE TO LOOK AT  
11 ADDITIONAL SPECIFICS.

12 MR. SERRANO-SEWELL: JUST SO I UNDERSTAND  
13 COMPLETELY AS A POINT OF ORDER TO THE MAKERS OF THE  
14 MOTION. THIS IS CONCEPT ONLY; THEREFORE, NO RFA  
15 WILL BE ISSUED UNTIL SUCH TIME AS THE BOARD HAS HAD  
16 AN OPPORTUNITY TO FURTHER COMMENT ON THE DETAILS.  
17 YES OR NO?

18 CHAIRMAN KLEIN: THIS IS A CONCEPT  
19 APPROVAL. NORMALLY IT WOULD AUTHORIZE AN RFA TO BE  
20 ISSUED, BUT I'M SPECIFICALLY INDICATING WE'RE GOING  
21 TO COME BACK TO THE ITEM AFTER BASIC SCIENCE TO LOOK  
22 AT ADDITIONAL AMENDMENTS THAT MAY CONTROL THAT RFA.

23 MR. SERRANO-SEWELL: SO WE WOULD HAVE AN  
24 RFA OUT ON THE STREET, AND THEN WE WOULD ISSUE AN  
25 ADDENDUM TO THAT?

**BARRISTERS' REPORTING SERVICE**

1           CHAIRMAN KLEIN: NO. TODAY WE'RE GOING TO  
2 COME BACK. TODAY WE'RE GOING TO COME BACK FOR  
3 AMENDMENTS TO THIS RFA.

4           MR. SERRANO-SEWELL: I'M SORRY, BUT I'M  
5 CONFUSED.

6           CHAIRMAN KLEIN: I'D LIKE TO PROCEED IN  
7 THIS MATTER SO THAT WE CAN SEE IF THE BASIC CONCEPT  
8 IS ACCEPTABLE. AND THEN IF THERE ARE AMENDMENTS TO  
9 THIS BASIC CONCEPT, I WILL KEEP THIS ITEM OPEN FOR  
10 AMENDMENTS TO IT. WE HAVE A TIMING ISSUE HERE, SO  
11 WE CAN'T CONTINUE AT THIS POINT. I'D LIKE TO ASK  
12 ARE THERE PUBLIC COMMENTS? SEEING NO PUBLIC  
13 COMMENTS --

14           MR. TORRES: I'M SORRY, MR. CHAIRMAN. I  
15 HAVE TO RAISE A POINT OF ORDER HERE. IF YOU HAVE A  
16 MOTION AND YOU VOTE ON IT AND THERE ARE MANY MEMBERS  
17 UP HERE WHO WANT TO AMEND IT LATER, I DON'T THINK IT  
18 IS APPROPRIATE TO VOTE ON A MOTION AND THEN AMEND IT  
19 LATER UNLESS A WHOLE NEW MOTION IS MADE WITH  
20 AMENDMENTS AT THAT TIME, WHICH IS WHY WE OUGHT TO  
21 DELAY A TOTAL VOTE ON THIS UNTIL WE GET A BETTER  
22 IDEA FROM THE MEMBERS THAT ARE HERE LATER TODAY.

23           MR. SERRANO-SEWELL: BOB, ONE OF THE  
24 ISSUES THAT I HEARD, AND I DIDN'T EVEN RAISE IT, I  
25 THINK IT WAS JACOB DID, THE ISSUE OF PREAPPROVAL.

**BARRISTERS' REPORTING SERVICE**

1 THAT'S LIKE A FUNDAMENTAL COMPONENT OF THIS. DUANE  
2 RAISED IT. THANK YOU. TO ME THAT'S LIKE A  
3 FUNDAMENTAL KEY COMPONENT OF THIS THAT IS WORTHY OF  
4 DISCUSSION, AND HOW ARE WE GOING TO GET DOWN ON  
5 THIS. I HAVE OTHER MINOR ISSUES LIKE WHETHER IT  
6 SHOULD BE OVER THE PHONE. I DON'T THINK IT SHOULD  
7 BE, BUT --

8 CHAIRMAN KLEIN: OKAY.

9 MR. SERRANO-SEWELL: BY GIVING -- AS I  
10 UNDERSTOOD YOUR EXPLANATION, BOB, BY SAYING WE GIVE  
11 CONCEPT APPROVAL, STAFF CAN PROCEED AS IT'S DRAFTED  
12 IN FRONT OF US WITHOUT ANY AMENDMENTS SO FAR ARE  
13 INTRODUCED, THAT THEY CAN DO THAT. WE CAN COME BACK  
14 AT A LATER TIME AND ISSUE AN ADDENDUM TO THE  
15 EXISTING RFA. IT'S VERY CONFUSING.

16 CHAIRMAN KLEIN: LET ME BE CLEAR. THERE'S  
17 A BASIC MOTION ON APPROVAL OF THE CONCEPT. I'M  
18 GOING TO KEEP THIS ITEM OPEN SO THAT THIS ITEM HAS  
19 NOT BEEN CLOSED FOR TODAY. WE'RE COMING BACK AFTER  
20 BASIC SCIENCE IN ORDER TO LOOK AT AMENDMENTS TO THIS  
21 MOTION. WE HAVE -- SO TODAY WE WOULD LOOK AT THE  
22 ISSUE OF AMENDING THIS CONCEPT APPROVAL. IF WE RUN  
23 OUT OF TIME TODAY, WE WOULD HAVE TO PUT THIS ITEM  
24 OVER. SO THE QUESTION IS -- DR. PIZZO, IF YOU COULD  
25 SPEAK INTO THE MIC.

**BARRISTERS' REPORTING SERVICE**

1 DR. PIZZO: KNOWING OUR VERY CAUTIOUS AND  
2 CAREFUL BEHAVIOR, I'M WORRIED ABOUT RUNNING OUT OF  
3 TIME OR PEOPLE AS WE MOVE INTO THE AFTERNOON. AND  
4 THAT LEADS ME TO WORRY A LOT ABOUT POSTPONING THIS  
5 UNTIL, YOU KNOW, OCTOBER OR SOME LATER TIME BECAUSE  
6 THESE THINGS ARE GOING TO TAKE A LONG TIME TO  
7 EXECUTE.

8 CHAIRMAN KLEIN: ALL RIGHT. LET US DO  
9 THIS. ARE THERE AMENDMENTS THAT WOULD BE PUT ON THE  
10 TABLE AT THIS TIME? WOULD ANYONE LIKE TO CONSIDER  
11 AN AMENDMENT TO THIS MOTION? WOULD YOU LIKE TO  
12 CONSIDER AN AMENDMENT TO THIS MOTION AT THIS TIME?  
13 WE WILL CONSIDER IT IN ORDER TO MAKE AN AMENDMENT TO  
14 THIS MOTION AT THIS TIME. DR. PIZZO HAS MADE A VERY  
15 IMPORTANT POINT IN TERMS OF, WHILE I THINK THERE  
16 WILL BE SUFFICIENT TIME TO RETURN TO IT, THAT'S NOT  
17 NECESSARILY CLEAR, SO AMENDMENTS WOULD BE IN ORDER  
18 AT THIS TIME.

19 MR. SERRANO-SEWELL: OKAY. I THINK THE  
20 MEETING SHOULD BE IN PERSON. I UNDERSTAND THAT  
21 THERE'S FLEXIBILITY AND WE HAVE TO WORK ON A LOT OF  
22 DIFFERENT TIMELINES; BUT GIVEN THE IMPORTANCE OF  
23 THIS FUNDING AND THE AMOUNT, A TOTAL OF \$44 MILLION,  
24 IT WARRANTS GETTING PEOPLE TOGETHER. AND I THINK WE  
25 CAN -- I KNOW WE'LL PROBABLY HEAR WE CAN'T DO THAT.



## BARRISTERS' REPORTING SERVICE

1 I CAN DO THAT BY FOLDING THIS INTO OUR EXISTING  
2 GRANTS WORKING GROUP MEETINGS. THAT'S ONE ISSUE.

3 THE SECOND ISSUE WE HAVE IS WITH THE  
4 EVALUATION PROCESS. WE HAVE TO COMPLY WITH  
5 PROPOSITION 71. I GET THAT. THAT MEANS THE  
6 SCIENTISTS TAKE THE FIRST CUT. CAN WE THEN -- AND  
7 SHOULD FOLLOW THAT. CAN WE DECIDE THAT IN TERMS OF  
8 THE WEIGHTING OF THE PROPOSALS, THAT THEY BE EQUAL,  
9 MEANING SCIENCE AND PROGRAMMATIC, THAT WE HAVE SOME  
10 RECONCILIATION PROCESS WITHIN THE GRANTS WORKING  
11 GROUP BECAUSE I DO THINK THE PROGRAMMATIC PIECE OF  
12 THIS IS VERY IMPORTANT BECAUSE WHAT IF WE HAD TWO  
13 GAME-CHANGING FRANCHISE INDIVIDUALS IN THE MS FIELD  
14 OR IN THE DIABETES FIELD AND THE CANCER FIELD?  
15 WE'RE GOING TO HAVE TO PICK POSSIBLY ONE OR TWO OF  
16 THEM. MY POINT IS WE HAVE TO MAKE THAT DECISION.  
17 THAT'S A PROGRAMMATIC DECISION.

18 CHAIRMAN KLEIN: SO WHILE THE INITIATIVE  
19 SETS THE PROCESS IN PEER REVIEW, IT IS POSSIBLE TO  
20 HAVE A COMMENTARY THAT COMES FORWARD WITH THE  
21 RECOMMENDATION TO THE BOARD ON THE IMPORTANCE OF  
22 CERTAIN PROGRAMMATIC CONSIDERATIONS SO THAT THE FULL  
23 BOARD CAN ADJUST THE WEIGHTING APPROPRIATELY IN ITS  
24 EXECUTIVE SESSION AND IN ITS FULL PUBLIC SESSION.  
25 SO THAT CAN BE DONE BY A COMMENTARY, BUT WE DON'T

## BARRISTERS' REPORTING SERVICE

1 HAVE THE ABILITY TO AMEND OUR ACTUAL PROCESS AT THIS  
2 TIME.

3 DR. ROBSON: IF I COULD COMMENT. WE HAD A  
4 LOT OF DISCUSSIONS ABOUT THE GRANT WORKING GROUP AND  
5 HOW IT SHOULD OPERATE. AND THE CONSTRAINTS WE WERE  
6 WORKING WITH WAS THE NECESSITY TO DO THIS QUICKLY.  
7 WE HAVE TO BE ABLE TO TURN THIS AROUND IN A VERY  
8 SHORT TIMELINE SO THAT THE RECRUITERS CAN DO THEIR  
9 PROCESS AND RECRUIT THESE INDIVIDUALS AND CLOSE THE  
10 DEALS. IF WE DRAG IT OUT OVER MONTHS, PEOPLE WILL  
11 BE LOST.

12 THE SECOND POINT THAT YOU SUGGESTED IS  
13 FEEDING IT INTO THE NEXT GRANTS WORKING GROUP. WE  
14 DISCUSSED THAT AS WELL. THE PROBLEM WITH THAT IS,  
15 ONE, THE TIMELINE BECOMES STRETCHED OR CAN BECOME  
16 STRETCHED BECAUSE WE ONLY HAVE FOUR TO FIVE GRANT  
17 WORKING GROUPS A YEAR. THE TIMING COULD BE A  
18 PROBLEM. BUT PROBABLY THE MORE IMPORTANT ISSUE WAS  
19 THAT WE DIDN'T FEEL THAT THOSE GRANT WORKING GROUPS  
20 WOULD NECESSARILY BE CONSTRUCTED WITH THE RIGHT  
21 INDIVIDUALS TO MAKE THE DECISIONS THAT WE'RE TALKING  
22 ABOUT HERE. WE WANT TO GET PEOPLE ON THE GRANTS  
23 WORKING GROUP WHO ARE VERY EXPERIENCED AT  
24 RECOGNIZING TALENT, NOT NECESSARILY EVALUATING  
25 INDIVIDUAL EXPERIMENTS. AND SO WE NEED THE MORE

**BARRISTERS' REPORTING SERVICE**

1 SENIOR PEOPLE. AND TO TRY TO BRING THEM IN FOR ONE  
2 OR TWO GRANTS, I THINK, JUST IT'S IMPOSSIBLE. IT  
3 WOULD BE IMPOSSIBLE.

4 CHAIRMAN KLEIN: SO, DUANE, I'M GOING TO  
5 BEGIN WITH DR. PIZZO AND THEN DR. LEVIN AND THEN  
6 DUANE ROTH.

7 DR. PIZZO: I CERTAINLY BOTH UNDERSTAND  
8 AND RESPECT THE COMMENTS THAT DAVID AND MARCY HAVE  
9 MADE WITH REGARD TO PROGRAMMATIC FIT, BUT I'D LIKE  
10 TO PRESENT AN ALTERNATIVE WAY OF THINKING ABOUT  
11 THIS. IF WE'RE LOOKING FOR THE VERY BEST TALENT,  
12 NONE OF US KNOW HOW THAT IS GOING TO BE SUSTAINED  
13 OVER TIME IN TERMS OF PROGRAMMATIC FIT. PEOPLE'S  
14 CAREERS SHIFT. THE QUESTIONS THEY RAISE ALTER. AND  
15 IF WE GO INTO A TIGHT PROGRAMMATIC FIT, IT MAY SEEM  
16 RELEVANT TODAY, BUT IT MAY NOT BE OUR BEST  
17 INVESTMENT FOR THE FUTURE.

18 I'LL BE BOLD ENOUGH TO ILLUSTRATE IT JUST  
19 FROM WHAT WE HEARD THIS MORNING FROM IRV WHO STARTED  
20 OUT AS AN IMMUNOLOGIST AND THEN WHOSE CAREER SHIFTED  
21 AND CHANGED INTO STEM CELL RESEARCH. HE WOULDN'T  
22 HAVE PREDICTED THAT PERHAPS AT THE VERY BEGINNING,  
23 BUT IT FOLLOWED WHAT TURNED OUT TO BE THE BEST LEADS  
24 GOING FORWARD. AND I THINK THAT WE OUGHT TO, FROM  
25 MY POINT OF VIEW, I'M NOT SAYING THAT WE DON'T THINK

**BARRISTERS' REPORTING SERVICE**

1 ABOUT PROGRAMMATIC AREAS AT ALL, BUT I WOULD GIVE  
2 THE LEAN TOWARD GETTING THE VERY BEST PERSON BECAUSE  
3 THAT, I THINK, IS GOING TO MAKE OUR BIGGEST CHANGE  
4 GOING FORWARD.

5 CHAIRMAN KLEIN: YES. THANK YOU. DR.  
6 LEVIN AND THEN DUANE ROTH AND THEN DR. POMEROY.

7 DR. LEVIN: I DON'T KNOW IF THIS COULD  
8 QUALIFY EVEN AS AN AMENDMENT, BUT TO CONSIDER THE  
9 POSSIBILITY OF PREAUTHORIZATION FOR INSTITUTIONS. I  
10 THINK WE AT LEAST HAVE TO CONSIDER THAT IT'S VERY  
11 IMPORTANT, AND THAT MAY CHANGE THE STRUCTURE OF THIS  
12 RFA COMPLETELY. I DON'T KNOW IF THAT CAN BE  
13 SUGGESTED AS AN AMENDMENT. AND I DON'T KNOW HOW IT  
14 COULD BE IMPLEMENTED RIGHT IN THIS FORUM IMMEDIATELY  
15 TODAY. LIKE DO WE DO IT LIKE THE NIH P 30? COULD  
16 IT BE TIED TO THE MAJOR FACILITIES SOMEHOW? BUT  
17 CERTAINLY THIS SEEMS LIKE SOMETHING THAT NEEDS  
18 FURTHER CONSIDERATION AND DISCUSSION, AND I'M  
19 CONCERNED THAT IF WE VOTE ON CONCEPT APPROVAL HERE,  
20 THAT WE WOULD PRECLUDE DOING THAT.

21 CHAIRMAN KLEIN: PART OF THE PRIOR  
22 DISCUSSION OF THAT ITEM IS THAT IF YOU'RE  
23 PREAUTHORIZING AN INSTITUTION, WHAT ARE THE CRITERIA  
24 THAT WOULD DIFFERENTIATE INSTITUTIONS? THE PROBLEM  
25 IS THAT IN THE DISCUSSIONS OF THE SCIENTIFIC STAFF

## BARRISTERS' REPORTING SERVICE

1 AND THEIR OUTREACH TO OTHERS, THEY COULDN'T GET A  
2 SET OF CRITERIA THAT WOULD OTHERWISE -- EVERYONE  
3 WOULD ESSENTIALLY ASSERT THE SAME CRITERIA ON AN  
4 INSTITUTIONAL TO INSTITUTION COMPETITION. SO THAT'S  
5 WHY THEY CAME DOWN TO THIS POINT.

6 IT IS APPROPRIATE, IF YOU WANT TO MAKE  
7 THAT AS A MOTION AND IF THERE'S A SECOND, IT CAN BE  
8 AN AMENDMENT.

9 MR. ROTH: I THINK THIS IS AN EXTREMELY  
10 HIGH PRIORITY. YOU'VE LISTENED TO EVERYBODY'S  
11 COMMENTS, AND IT'S IMPORTANT WE GET IT RIGHT. I  
12 FEEL I WOULD LOVE TO DO IT TODAY AND MOVE ON, BUT I  
13 WOULD THINK THAT WE COULD PUT A GROUP TOGETHER TO  
14 CONSIDER ALL THIS INPUT AND COME BACK, A TASK FORCE  
15 SOMEBODY SUGGESTED, WITHIN 30 DAYS AND THEN DO A  
16 TELEPHONIC FOLLOW-UP, BUT WE'RE NOT READY TO LAY OUT  
17 THE CRITERIA. I'M FINE WITH VOTING ON THE TOTAL  
18 DOLLAR AMOUNTS. I'M FINE ON THE INDIVIDUAL DOLLAR  
19 AMOUNTS, BUT I THINK THERE'S MORE WORK TO BE DONE.  
20 IF WE RUSH THIS AND GET IT WRONG, IT'S NOT GOING TO  
21 GET US WHERE WE WANT TO BE.

22 CHAIRMAN KLEIN: ALL RIGHT. WE'VE HAD  
23 DISCUSSION.

24 DR. PIZZO: I THINK IF WE COULD SET THAT  
25 LIMIT. I MEAN I THINK DUANE'S COMMENT IS

## BARRISTERS' REPORTING SERVICE

1 APPROPRIATE. I'M JUST WORRIED ABOUT IT LINGERING  
2 ON. SO IF THERE WAS A FIXED AMOUNT OF TIME,  
3 WHATEVER IT WAS, 15, 30 DAYS, THAT WOULD BE OKAY.

4 DR. POMEROY: SO WHEN I FIRST SAW THIS, I  
5 HAD SIGNIFICANT CONCERNS ABOUT THE LOGISTICS. BUT  
6 AFTER LISTENING CAREFULLY, YOU KNOW, WE ALL KEEP  
7 COMING UP WITH WHY THIS WILL POTENTIALLY HAVE  
8 PROBLEMS. THE CIRM STAFF WHO CREATED THIS HAVE BEEN  
9 THROUGH THIS THOUGHT PROCESS. THEY HAVE THOUGHT  
10 ABOUT THESE THINGS. IT IS IMPOSSIBLE TO CREATE A  
11 PERFECT PROGRAM.

12 THIS IS A NEW FIELD THAT INVOLVES RISK.  
13 AND AFTER THIS LONG CONVERSATION, WHICH HAS EXCEEDED  
14 OUR TIME LIMIT, I APPRECIATE THAT, I THINK WE HAVE  
15 TO TAKE SOME RISKS. AND SO I WOULD BE IN FAVOR OF  
16 SAYING LET'S GO WITH THIS. WE'RE NOT GOING TO GET  
17 TO PERFECT. AND IF WE TRY AND GET TO PERFECT, WE  
18 MAY NOT ACCOMPLISH THIS. THERE IS A TIME LIMIT OF  
19 GETTING THESE KIND OF PEOPLE TO COME TO CALIFORNIA.  
20 AND EVEN, YOU KNOW, A SHORT ADDITIONAL PERIOD OF  
21 TIME COULD MAKE A DIFFERENCE.

22 SO I'VE COME AROUND TO THE POINT OF SAYING  
23 THAT I WOULD BE READY TO SUPPORT THIS AS WRITTEN,  
24 TAKE SOME RISKS, AND RECOGNIZE THAT IT MAY NOT BE  
25 PERFECT, BUT IT WILL BE BETTER THAN NOT DOING

**BARRISTERS' REPORTING SERVICE**

1 SOMETHING.

2 CHAIRMAN KLEIN: DR. TROUNSON.

3 DR. TROUNSON: I'M INCREDIBLY IN SUPPORT  
4 OF WHAT CLAIRE JUST SAID. WE'VE HAD DR. PIZZO AND  
5 DR. BRENNER ADVISING US IN THIS MATTER. WE'VE BEEN  
6 AT THE EXECUTIVE. WE'VE ACTUALLY DONE A LOT OF  
7 DRAFTS OF THIS. IT'S COME AND IT'S GONE. AND THIS  
8 IS PROBABLY OUR BEST SHOT AT THE MOMENT, BUT WE  
9 WOULD BE FLEXIBLE ENOUGH TO ENABLE THIS TO HAPPEN TO  
10 BE ABLE TO FIT IN WITH THE INSTITUTIONS AS POSSIBLE.  
11 AND IF IT'S IMPOSSIBLE, IF THERE'S SOME RULING  
12 THAT'S IMPOSSIBLE, THAT'S -- YOU KNOW, AND OUR  
13 LAWYERS CAN'T FIGURE A WAY AROUND IT, WELL, SO BE  
14 IT. BUT I DO BELIEVE THAT WE'VE GIVEN THIS AN  
15 ENORMOUS AMOUNT OF THOUGHT.

16 I HAD, IT WASN'T A LONG CONVERSATION WITH  
17 JEFF SHEEHY, BUT WE HAD A CONVERSATION WITH JEFF ON  
18 THE MATTER OF THE ADVOCATE'S ROLE IN THIS. I FEEL  
19 VERY COMFORTABLE THAT WE'VE BEEN OVER A LOT OF ROAD,  
20 AND I DON'T LIKE THE IDEA OF PREAPPROVING AN  
21 INSTITUTION. THIS IS ABOUT -- THESE ARE ABOUT  
22 INDIVIDUALS. THEY'RE REALLY HIGH PRODUCTIVITY  
23 INDIVIDUALS.

24 AND ONE OF THE REASONS THAT WE SPLIT IT  
25 FOUR AND FOUR WAS THAT I ACTUALLY DIDN'T CARE IF TWO

**BARRISTERS' REPORTING SERVICE**

1 OF THEM WENT TO UCSF BECAUSE, YOU KNOW, YOU COULD  
2 ONLY APPLY FOR ONE PER YEAR; BUT IF THERE WAS TWO  
3 THAT WENT THERE, THAT DIDN'T BOTHER ME TOO MUCH. I  
4 THINK JOHN'S GOT IN THERE THAT WE ONLY WANT IT TO GO  
5 TO ONE INSTITUTION. I'M OKAY WITH THAT AS WELL.  
6 BUT THAT ONE OF THE REASONS WHY WE HAD IT OVER TWO  
7 YEARS WAS TO ENABLE ALL THE INSTITUTIONS. NOW, I'M  
8 CONCERNED ABOUT SOME OF OUR INSTITUTIONS THAT HAVE  
9 GOT MAJOR FACILITIES THAT DO NOT HAVE HIGH PROFILE  
10 STEM CELL RESEARCHERS AT THEM. AND I STILL AM A  
11 LITTLE CONCERNED ABOUT THAT. SO THIS IS ALSO ONE OF  
12 THE THINGS IN THE BACK OF MY MIND, THAT SOME OF  
13 THOSE INSTITUTIONS MIGHT BE ATTRACTIVE TO SOMEBODY  
14 WHO IS GOING TO BE A LEADER WHO WOULD THEN DO  
15 SOMETHING VERY SPECIAL FROM ONE OF THOSE INSTITUTES  
16 THAT WE'VE AGREED TO BUILD. AND, YOU KNOW, YOU  
17 DON'T HAVE TO THINK TOO FAR IN KNOWING THAT THERE IS  
18 A NEED IN SOME OF THE INSTITUTIONS TO HAVE REALLY  
19 GOOD LEADERSHIP, AND WE COULD DO SOMETHING IN THAT  
20 AREA.

21 SO I'M VERY MUCH IN SUPPORT OF WHAT CLAIRE  
22 SAYS. I THINK YOU OUGHT TO GIVE US A CHANCE TO DO  
23 THIS. I THINK IT'S A BIT OF A LEARNING. WE WILL BE  
24 FLEXIBLE. WE WILL DO IT IN THE BEST POSSIBLE WAY,  
25 BUT I THINK YOU NEED TO GIVE US A CHANCE TO SORT OF



**BARRISTERS' REPORTING SERVICE**

1 HAVE A CRACK AT THIS NOW BECAUSE WE'VE BEEN THROUGH  
2 SO MANY REVISIONS, AND I THINK ANOTHER SET OF  
3 REVISIONS, AS CLAIRE SAID, WILL BRING ANOTHER SET  
4 OF, WELL, I DON'T KNOWS.

5 CHAIRMAN KLEIN: ALL RIGHT. SO DAVID  
6 SERRANO-SEWELL.

7 MR. SERRANO-SEWELL: THANKS, BOB. IF I  
8 GET A REPUTATION AS BELABORING THINGS, I DON'T WANT  
9 TO, BUT, YOU KNOW, I WAS APPOINTED TO THIS  
10 COMMISSION. I'M GOING TO KEEP ASKING QUESTIONS  
11 UNTIL I'M HAPPY. I'M NOT GOING TO VOTE ON SOMETHING  
12 UNTIL I HAVE A COMFORT LEVEL. AND I DON'T THINK ANY  
13 OF YOU WANT ME TO DO THAT. I DON'T FEEL PRESSURE TO  
14 DO THAT, BUT I GET THE IMPORTANCE OF THIS PROJECT.  
15 I ALSO GET THAT I DON'T ALWAYS AGREE WITH THINGS I  
16 VOTE ON, BUT I DO IT BECAUSE I KNOW IT'S THE GREATER  
17 GOOD AND I DEFER TO THE WISDOM OF THE GROUP. BUT IF  
18 THERE'S THINGS THAT I DON'T UNDERSTAND, I'M JUST  
19 GOING TO KEEP ASKING THE QUESTIONS UNTIL I  
20 UNDERSTAND THEM.

21 SO THE REASON WHY I HAD ASKED THOSE  
22 QUESTIONS ABOUT THE PROCESS, AND THANK YOU FOR THE  
23 EXPLANATION, JOHN, BECAUSE IN MY VIEW IT WASN'T  
24 DISCUSSED IN THE MEMO. YOU COULD HAVE SAID WE'VE  
25 CONSIDERED HAVING IN-PERSON MEETINGS, BUT FOR THE

## BARRISTERS' REPORTING SERVICE

1 FOLLOWING REASONS WE DON'T THINK IT'S A GOOD IDEA.  
2 WE CONSIDERED ROLLING THESE MEETINGS INTO OUR  
3 EXISTING WORKING GROUP, BUT WE DON'T THINK THAT'S A  
4 GOOD IDEA BECAUSE THE TIMING AND THE COMPOSITION OF  
5 OUR WORKING GROUPS WOULDN'T REALLY HELP US WITH THIS  
6 PARTICULAR RFA. SO IF THERE WERE THOSE KINDS OF  
7 EXPLANATIONS OR IF THE CONCLUSIONS HAD AN  
8 EXPLANATION WITH IT, THEN I WOULDN'T HAVE ASKED  
9 CERTAIN QUESTIONS.

10 SO SHORT OF CONTINUING TO DRILL DOWN, BOB,  
11 AND I'VE HEARD FROM OUR PRESIDENT, I DON'T WANT TO  
12 DISADVANTAGE ANY OF THE QUALIFYING INSTITUTIONS.  
13 AND I FEEL LIKE THIS IS DOING THAT BECAUSE OF THIS  
14 PREAPPROVAL ISSUE THAT, FOR ME, DOESN'T FEEL  
15 RESOLVED TO MY SATISFACTION. THAT IF THERE'S AN  
16 INSTITUTION THAT FOR FINANCIAL CONSTRAINTS CAN'T PUT  
17 TOGETHER THEIR PACKAGE, OR AS THEY GO THROUGH THAT  
18 RECRUITMENT PROCESS, THEY DON'T HAVE THE GUARANTEE  
19 THAT THEY MAY BE SUCCESSFUL IN THIS CIRM PROCESS --

20 CHAIRMAN KLEIN: LET ME ASK FOR A  
21 CLARIFICATION ON THAT. MY UNDERSTANDING OF THE WAY  
22 THIS IS SET UP IS IF YOU HAVE A STAR AT AN  
23 INSTITUTION, IF THEY CAN'T COME UP WITH THE RIGHT  
24 MONEY, BUT THEY HAVE THE RIGHT PERSON, THAT THEY  
25 COULD USE OUR FUNDS TO COVER THAT RECRUITMENT; IS

## BARRISTERS' REPORTING SERVICE

1 THAT CORRECT? THEY DON'T HAVE TO HAVE A MATCHING  
2 FUND; IS THAT CORRECT?

3 DR. ROBSON: THE ONLY MATCH WE WERE  
4 REQUIRING WAS FOR RENOVATIONS AND EQUIPMENT. THAT  
5 WAS -- THAT'S IN THE PROPOSAL.

6 CHAIRMAN KLEIN: IF THEY NEEDED IT. BUT  
7 SINCE MANY OF THEM ARE BUILDING NEW FACILITIES,  
8 THOSE FACILITIES HAVE ALREADY BEEN COVERED. SO THEY  
9 WOULDN'T HAVE TO HAVE A MATCH.

10 DR. ROBSON: WELL, THE ISSUE WOULD COME UP  
11 IF SOMEONE, FOR EXAMPLE, WANTED TO BUY A CONFOCAL  
12 MICROSCOPE FOR \$600,000.

13 CHAIRMAN KLEIN: I UNDERSTAND, BUT THAT'S  
14 NOT A REQUIREMENT OF THIS PROGRAM. WE'RE NOT  
15 TELLING THEM THEY HAVE TO HAVE AN EQUIPMENT MATCH.

16 DR. TROUNSON: NO. WE'RE NOT TELLING THEM  
17 ANYTHING ABOUT IT. AND, DAVID, I DON'T THINK  
18 THERE'S ANY PREAPPROVAL HERE AT ALL. I THINK WE  
19 NEED TO SORT OF CONSIDER THE INDIVIDUAL AND THE  
20 INSTITUTION AS BEING COMPATIBLE AND TERRIFIC. AND  
21 THE SORT OF PERSON AND THE KIND OF AREA THEY'RE  
22 WORKING IN IS IN OUR MISSION. IS IT GOING TO DO OUR  
23 MISSION BEST? THAT'S WHAT THE ADVOCATES REALLY NEED  
24 TO BRING ON BECAUSE THESE HIGH-POWER PEOPLE WON'T  
25 KNOW AS MUCH AS ABOUT OUR MISSION AS THE ADVOCATES

## BARRISTERS' REPORTING SERVICE

1 DO, SO THAT'S IMPORTANT BECAUSE WE DON'T INPUT THAT  
2 IN. SO I THINK THEY NEED TO LOOK AFTER OUR MISSION,  
3 WHATEVER IT HAPPENS TO BE.

4 I'M STILL PRETTY COMFORTABLE THAT WE'RE IN  
5 YOUR FRAMEWORK. AND WE APOLOGIZE FOR NOT ADDRESSING  
6 ALL YOUR COMMENTS. YOU HAD QUITE A FEW OF THEM. IF  
7 WE HAD A LOT OF TIME, WE'D BE ABLE TO DO THAT ONE ON  
8 ONE. WE'VE BEEN THROUGH A WHOLE LOT OF ARGUMENT  
9 INTERNALLY AS TO WHAT MIGHT BE BETTER HERE, AND  
10 THAT'S WHERE WE CAME DOWN ON IT. THAT WOULD WORK  
11 FOR US AND I THINK WORK FOR MOST OF THE  
12 INSTITUTIONS.

13 CHAIRMAN KLEIN: SO NO ONE IS GOING TO BE  
14 DISQUALIFIED IF THEY HAVE A STAR RECRUIT BECAUSE OF  
15 LACK OF -- WELL, WHAT DR. BRENNER IS SAYING IS THAT  
16 THERE IS A WAY TO DO A CONDITIONAL RECRUITMENT. SO,  
17 IN FACT, MY UNDERSTANDING IS THAT NORTH CAROLINA, HE  
18 PERSONALLY WENT THROUGH A STATE-FUNDED CONDITIONAL  
19 RECRUITMENT WHERE THE INSTITUTION DIDN'T HAVE TO PUT  
20 UP THE FRONT MONEY. THEY ESSENTIALLY SAID WE ARE  
21 MAKING YOU AN OFFER CONTINGENT UPON US GETTING THE  
22 FUNDS FROM CIRM, FOR EXAMPLE. HE ACTUALLY WENT  
23 THROUGH THE PROCESS PERSONALLY.

24 DR. BRENNER: THE ONLY REASON IT WORKS IS  
25 YOU HAVE TO TURN IT AROUND VERY QUICKLY. THAT'S

## BARRISTERS' REPORTING SERVICE

1 WHERE I THINK WE'RE GOING TO RELY ON ALAN ON A  
2 CONTINUOUS BASIS TO APPROVE THESE PEOPLE. OTHERWISE  
3 IT WILL BREAK DOWN. I THINK YOUR POINT IS WELL  
4 TAKEN.

5 CHAIRMAN KLEIN: OKAY. DR. LOVE. AND IF  
6 WE COULD END THE POINTS WITH YOUR COMMENT, DR. LOVE,  
7 AND THEN I'M GOING TO CALL THE QUESTION UNLESS  
8 SOMEONE HAS A BURNING DESIRE.

9 DR. LOVE: IT MAY BE OPTIMISTIC TO THINK  
10 THAT MY COMMENTS WILL BE THE FINAL ONE. BUT I WAS  
11 JUST GOING TO SAY I LISTENED VERY CAREFULLY TO WHAT  
12 ALAN SAID. AND I DO THINK THAT IT'S IMPORTANT THAT  
13 WE GO AHEAD AND MOVE FORWARD, TRUST THAT THE STAFF  
14 WILL BE IN COMMUNICATION WITH INSTITUTIONS, AND  
15 WE'LL TRY TO WORK THROUGH SOME OF THESE ISSUES THAT  
16 WE ARTICULATE AND NOT TRY TO SOLVE THEM ALL TODAY.

17 I REALLY THINK THAT WE'VE HEARD OVER AND  
18 OVER AND OVER AGAIN THIS IS A GREAT PROCESS TO BRING  
19 TALENT, TO FILL THE INSTITUTIONS THAT WE HAVE  
20 STARTED TO BUILD. AND I WOULD STRONGLY SUPPORT THAT  
21 WE MOVE FORWARD WITH THE UNDERSTANDING THAT ALAN AND  
22 THE STAFF WILL SOLVE THE ISSUES THAT WE'RE CONCERNED  
23 ABOUT.

24 CHAIRMAN KLEIN: THANK YOU VERY MUCH. I'D  
25 LIKE TO CALL THE QUESTION. I'VE PREVIOUSLY CALLED

**BARRISTERS' REPORTING SERVICE**

1 FOR PUBLIC COMMENT. I DON'T SEE ANY ADDITIONAL  
2 PUBLIC COMMENT. I CALL THE QUESTION. COULD WE HAVE  
3 A ROLL CALL VOTE, PLEASE.

4 MR. HARRISON: SO JUST SO THAT EVERYONE IS  
5 CLEAR WHAT THEY'RE VOTING ON, MR. CHAIR, ARE NOW  
6 DROPPING YOUR PROPOSED ADDITION OF KEEPING THIS ITEM  
7 OPEN FOR SUBSEQUENT AMENDMENT THIS AFTERNOON?

8 CHAIRMAN KLEIN: WE ARE NOT KEEPING IT  
9 OPEN. WE HAVE CONSOLIDATED THE DISCUSSION. AND THE  
10 MOTION AS ORIGINALLY MADE WITH THE CHANGE THAT  
11 THERE'S NO HARD LIMIT ON FOUR IN THE FIRST YEAR.

12 MR. HARRISON: SO THEN THE MOTION IS TO  
13 APPROVE THE CONCEPT PLAN FOR THE CIRM RESEARCH  
14 LEADERSHIP AWARD EXCEPT TO LIFT THE LIMIT OF FOUR  
15 AWARDS PER YEAR.

16 MR. TORRES: NOT IN THIS FASHION.

17 MR. HARRISON: IT'S ALREADY BEEN MOVED AND  
18 SECONDED.

19 CHAIRMAN KLEIN: JEANNIE, MY UNDERSTANDING  
20 IS YOU ACCEPTED THAT AS A FRIENDLY AMENDMENT; IS  
21 THAT CORRECT?

22 DR. FONTANA: I DO.

23 MR. ROTH: I'LL ACCEPT.

24 CHAIRMAN KLEIN: THAT WAS MY  
25 UNDERSTANDING. MOTION HAS BEEN READ AND CLARIFIED.

**BARRISTERS' REPORTING SERVICE**

1 IF WE COULD CALL THE ROLL.

2 MS. KING: FOR THE RECORD, JOAN SAMUELSON  
3 HAS JOINED THE MEETING.

4 DONALD DAFOE.

5 DR. DAFOE: YES.

6 MS. KING: DAVID BRENNER.

7 DR. BRENNER: YES.

8 MS. KING: WILLIAM BRODY.

9 DR. BRODY: YES.

10 MS. KING: JACOB LEVIN.

11 DR. LEVIN: NO.

12 MS. KING: MARCY FEIT.

13 MS. FEIT: YES.

14 MS. KING: MICHAEL FRIEDMAN, IF YOU'RE  
15 WITH US. LEEZA GIBBONS.

16 MS. GIBBONS: YES.

17 MS. KING: SAM HAWGOOD.

18 DR. HAWGOOD: YES.

19 MS. KING: BOB KLEIN.

20 CHAIRMAN KLEIN: YES.

21 MS. KING: TED LOVE.

22 DR. LOVE: YES.

23 MS. KING: ED PENHOET.

24 DR. PENHOET: YES.

25 MS. KING: PHIL PIZZO.

**BARRISTERS' REPORTING SERVICE**

1 DR. PIZZO: YES.  
2 MS. KING: CLAIRE POMEROY.  
3 DR. POMEROY: YES.  
4 MS. KING: FRANCISCO PRIETO.  
5 DR. PRIETO: YES.  
6 MS. KING: ELIZABETH FINI.  
7 DR. FINI: YES.  
8 MS. KING: ROBERT QUINT.  
9 DR. QUINT: YES.  
10 MS. KING: JEANNIE FONTANA.  
11 DR. FONTANA: YES.  
12 MS. KING: DUANE ROTH.  
13 MR. ROTH: YES.  
14 MS. KING: JOAN SAMUELSON.  
15 MS. SAMUELSON: YES.  
16 MS. KING: DAVID SERRANO-SEWELL.  
17 MR. SERRANO-SEWELL: NO.  
18 MS. KING: JEFF SHEEHY HAS STEPPED OUT.  
19 WE HAVE A QUORUM WITHOUT HIM.  
20 CHAIRMAN KLEIN: OKAY. THANK YOU.  
21 MR. TORRES: I WASN'T CALLED.  
22 MS. KING: ART TORRES.  
23 MR. TORRES: THANK YOU. AYE.  
24 CHAIRMAN KLEIN: AND I'D LIKE TO SAY,  
25 DAVID, I THINK YOUR QUESTIONS WERE VERY HELPFUL IN



**BARRISTERS' REPORTING SERVICE**

1 DRAWING A LOT OF THE POINTS AND HELPED EVERYONE,  
2 INCLUDING THE PUBLIC, UNDERSTAND SOME OF THE  
3 CRITICAL DETAILS ON THIS. IT WAS VERY EFFECTIVE,  
4 AND I THANK THE BOARD FOR THE DISCUSSION.

5 THE BOARD AT THIS POINT IS GOING TO MOVE  
6 TO ITEM 13. WE'RE GOING TO JUST INTRODUCE THIS  
7 ITEM, PUT SOME OF THE BASIC FACTS UP FOR THE PUBLIC  
8 AND THE BOARD, THEN WE ARE GOING TO ADJOURN TO LUNCH  
9 AND AN EXECUTIVE SESSION ON THIS. IF THE STAFF  
10 COULD INTRODUCE ITEM 13.

11 DR. YAFFE: MR. CHAIRMAN, MEMBERS OF THE  
12 BOARD, I BRING FOR YOUR CONSIDERATION THE  
13 RECOMMENDATIONS OF THE GRANTS WORKING GROUP ON THE  
14 BASIC BIOLOGY I AWARDS, AGENDA ITEM NO. 13.

15 I'M MICHAEL YAFFE. I'M A SCIENCE OFFICER  
16 HERE AT CIRM.

17 BASIC BIOLOGY AWARDS I SUPPORTS STUDIES  
18 TACKLING SIGNIFICANT UNRESOLVED ISSUES PERTINENT TO  
19 THE CONTROL OF STEM CELL FATE AND, IN PARTICULAR,  
20 WILL FOSTER CUTTING-EDGE RESEARCH TO UNDERSTAND  
21 MECHANISMS OF PLURIPOTENCY, DIFFERENTIATION, AND  
22 CELLULAR REPROGRAMMING. AND THESE AWARDS WILL  
23 SUPPORT STUDIES FOCUSED PRIMARILY ON HUMAN CELLS.

24 PROJECTS WILL BE FUNDED FOR UP TO THREE  
25 YEARS WITH DIRECT PROJECT COSTS OF UP TO \$300,000

**BARRISTERS' REPORTING SERVICE**

1 PER YEAR. AS APPROVED BY YOU IN THE CONCEPT  
2 PROPOSAL LAST NOVEMBER, THE PROGRAM HAS AN OVERALL  
3 COST OF EXPENDITURE OF UP TO \$30 MILLION.

4 I WANT TO NOTE THAT THIS BASIC BIOLOGY  
5 AWARDS I IS THE FIRST HALF OF A TWO-PART BASIC  
6 BIOLOGY INITIATIVE THAT WE'RE LAUNCHING IN THIS  
7 YEAR, IN 2009, AND THAT RFA 0902, BASIC BIOLOGY  
8 AWARDS II, IS THE SECOND PHASE OF THIS INITIATIVE.  
9 THE PREAPPLICATIONS FOR BASIC BIOLOGY AWARDS II ARE  
10 DUE SEPTEMBER 3D.

11 BASIC BIOLOGY AWARDS I IS THE FIRST RFA IN  
12 WHICH WE'RE USING A TWO-STEP APPLICATION PROCESS IN  
13 WHICH APPLICANTS SUBMIT A SHORT, FOUR-PAGE  
14 PRELIMINARY APPLICATION OR PREAPP. THERE WERE NO  
15 INSTITUTIONAL LIMITS ON THE NUMBER OF PREAPPS, AND  
16 THE PREAPPS RECEIVED WERE REVIEWED BY OUTSIDE  
17 SCIENTIFIC SPECIALISTS AND BY CIRM STAFF SCIENTISTS.

18 THOSE APPLICANTS WHO SUBMITTED PROPOSALS  
19 THAT WERE JUDGED AS MOST PROMISING, COMPETITIVE, AND  
20 RESPONSIVE TO THE SCOPE OF THE RFA AND THE REVIEW  
21 CRITERIA WERE INVITED TO SUBMIT FULL APPLICATIONS.  
22 THE FULL APPLICATIONS WERE REVIEWED BY THE GRANTS  
23 WORKING GROUP AT THEIR JUNE MEETING. OVERALL WE  
24 RECEIVED 135 PREAPPLICATIONS. THERE WERE 43  
25 INVITATIONS SENT FOR SUBMISSION OF THE FULL

## BARRISTERS' REPORTING SERVICE

1 APPLICATION, AND 40 FULL APPLICATIONS WERE RECEIVED  
2 AND REVIEWED BY THE GRANTS WORKING GROUP.

3 THESE APPLICATIONS WERE REVIEWED WITH  
4 CRITERIA FOCUSED IN THREE MAJOR AREAS. FIRST,  
5 SIGNIFICANCE AND INNOVATION. HERE THE GRANTS  
6 WORKING GROUP MEMBERS CONSIDERED WHETHER THE  
7 PROPOSAL FOCUSED ON A MAJOR PROBLEM, FOCUSED ON  
8 MECHANISTIC STUDIES AT THE CELLULAR OR MOLECULAR  
9 LEVELS, ENCOMPASSED AN INNOVATIVE PROJECT, FOLLOWED  
10 A LOGICAL RATIONALE, WERE THOUGHT TO BE ABLE TO  
11 PROVIDE A MAJOR IMPACT ON THE FIELD, AND REPRESENTED  
12 A CREATIVE APPROACH.

13 THE SECOND MAJOR AREA OF CRITERIA WAS  
14 FEASIBILITY AND EXPERIMENTAL DESIGN. HERE REVIEWERS  
15 CONSIDERED WHETHER IT WAS A SOUND APPROACH, WHETHER  
16 THERE WERE ACHIEVABLE AIMS, WHETHER ALTERNATIVE  
17 APPROACHES WERE CONSIDERED SHOULD EXPERIMENTAL  
18 PROBLEMS BE ENCOUNTERED. THEY ALSO CONSIDERED THE  
19 APPROPRIATENESS AND ADEQUACY OF THE RESEARCH  
20 FACILITIES, AND PARTICULARLY WHETHER THE PROPOSAL  
21 WAS SUPPORTED BY COMPELLING PRELIMINARY DATA.

22 AND FINALLY, THE THIRD AREA WAS THE  
23 PRINCIPAL INVESTIGATOR AND RESEARCH TEAM. HERE  
24 REVIEWERS CONSIDERED THE TRACK RECORD OF THE PI, THE  
25 PRINCIPAL INVESTIGATOR'S COMMITMENT TO THE PROJECT,

## BARRISTERS' REPORTING SERVICE

1 AND THE OVERALL COMPOSITION AND APPROPRIATENESS OF  
2 THE RESEARCH TEAM.

3 NOW, REVIEWERS SCORED AND VOTED ON THESE  
4 APPLICATIONS ON A SCALE OF ZERO TO 100, WITH 100  
5 BEING MOST MERITORIOUS. THIS SHOWS THE DISTRIBUTION  
6 OF SCORES. INITIALLY THE GRANTS WORKING GROUP DREW  
7 LINES, AN UPPER LINE AT 80 AND A LOWER LINE AT 67,  
8 DEFINING TIERS I, II, AND III.

9 IN SUBSEQUENT DISCUSSION, AND MR. SHEEHY  
10 MAY WANT TO ELABORATE ON THIS OR PROVIDE MORE  
11 DETAILS, ALL OF THE APPLICATIONS IN TIER II WERE  
12 MOVED EITHER INTO TIER I, RECOMMENDED FOR FUNDING,  
13 OR INTO TIER III, NOT RECOMMENDED FOR FUNDING.

14 SO THE FINAL RECOMMENDATION OF THE GRANTS  
15 WORKING GROUP, WHICH IS SHOWN IN THE NEXT SLIDE, IS  
16 THAT 12 APPLICATIONS ARE IN TIER I, RECOMMENDED FOR  
17 FUNDING, WITH A RECOMMENDED BUDGET TOTALING 16.3  
18 MILLION. THERE ARE NO APPLICATIONS IN THE  
19 RECOMMENDED IF FUNDS ARE AVAILABLE. AND THERE ARE  
20 28 APPLICATIONS IN TIER III, NOT RECOMMENDED FOR  
21 FUNDING.

22 SO I WOULD BE HAPPY TO ANSWER ANY  
23 QUESTIONS, OR PERHAPS MR. SHEEHY WOULD LIKE TO TAKE  
24 IT FROM HERE.

25 CHAIRMAN KLEIN: IF I COULD HAVE MR.

**BARRISTERS' REPORTING SERVICE**

1 SHEEHY SPECIFICALLY ADDRESS THIS, AND SPECIFICALLY  
2 THE ISSUE OF THE FACT THAT THIS PARTICULAR ROUND IS  
3 RECOMMENDING AN AWARD BELOW BUDGET AND HOW THAT  
4 AFFECTS THE OVERALL STRATEGY ON THE BASIC BIOLOGY  
5 ROUNDS.

6 MR. SHEEHY: WELL, LET ME MAKE A COUPLE  
7 POINTS. FIRST OF ALL, LET ME CLARIFY THE  
8 DESCRIPTION OF THE HISTOGRAM. THOSE TWO LINES WERE  
9 DRAWN BLINDLY. AND SO THAT RED LINE WAS JUST VERY  
10 ARBITRARILY DRAWN LOOKING AT SCORES. WE DO THIS IN  
11 EVERY PROGRAMMATIC REVIEW. THERE'S A LINE BELOW  
12 WHICH NO ONE -- NO MEMBER OF THE WORKING GROUP FEELS  
13 COMFORTABLE DEALING WITH AGAIN. THE SCORES ARE AT A  
14 POINT THAT THEY COLLECTIVELY FEEL LIKE THAT THEY'VE  
15 EXPRESSED A VERY STRONG OPINION, AND THERE'S NO NEED  
16 TO HAVE A FURTHER DISCUSSION. THIS IS DONE BLINDLY  
17 SO THAT WE DON'T HAVE TO IN PROGRAMMATIC REVIEW TALK  
18 ABOUT ALL THE APPLICATIONS. WE ALSO DRAW A GREEN  
19 LINE, AGAIN, IT'S AN EXCELLENCE LINE. IT'S PRETTY  
20 CLEAR TO FOLKS, BASED ON THE SCORE ALONE, THAT THESE  
21 APPLICATIONS SHOULD GO FORWARD. WE JUST SPENT TWO  
22 DAYS BASICALLY TALKING OR A DAY AND A HALF USUALLY  
23 TALKING ABOUT THESE APPLICATIONS.

24 SO WE USUALLY DON'T REFER TO THEM  
25 ACTUALLY, TO BE PERFECTLY HONEST, IN THIS PROCESS

## BARRISTERS' REPORTING SERVICE

1 BECAUSE THEY'RE REALLY JUST TO HELP THE WORKING  
2 GROUP SPEND THE TIME IN THE CONTEXT OF THE WORKING  
3 GROUP OF THE PROGRAMMATIC REVIEW ON THOSE  
4 APPLICATIONS ON WHICH THERE COULD BE SOME DISCUSSION  
5 AND SOME DEBATE ON WHETHER THEY MERIT FUNDING OR  
6 NOT.

7 SO WHAT HAPPENED, IF WE COULD GO TO THE  
8 NEXT SLIDE BECAUSE I DON'T WANT TO SPEND TIME ON  
9 THIS, IS THAT WHEN WE WENT THROUGH THE PROGRAMMATIC  
10 REVIEW, WHICH BASICALLY LOOKED AT EVERYTHING FROM  
11 THE 60 SOME ODD POINT AND ABOVE, WHEN THEY LOOKED AT  
12 THIS, IT WAS CLEAR THAT WE WERE NOT GOING TO REACH  
13 OUR FUNDING LIMIT. THERE IS NOT IN PROGRAMMATIC  
14 REVIEW ENOUGH ENTHUSIASM FOR FUNDING TO THE \$30  
15 MILLION LIMIT WE HAD. SO THERE WAS ABSOLUTELY -- IT  
16 WAS COUNTERINTUITIVE TO HAVE FUND IF FUNDS ARE  
17 AVAILABLE BECAUSE, BASED ON THE IMPRESSIONS OF THE  
18 REVIEWERS AND ACTUALLY LOOKING AT THOSE SPECIFIC  
19 GRANTS IN THAT MIDDLE AREA, I THINK HERE WE STILL  
20 HAVE IT MARKED ON THE THING, 73 DOWN TO LOW 60S.  
21 HAVING LOOKED AT THAT, THERE WAS A SENSE THAT THOSE  
22 APPLICATIONS, NOTHING REALLY JUSTIFIED TRYING TO  
23 MOVE THEM INTO A FUNDABLE CATEGORY.

24 THERE WERE CERTAIN CHARACTERISTICS THAT I  
25 THINK WERE INFLUENTIAL IN THIS ROUND. NO. 1, NOW,

## BARRISTERS' REPORTING SERVICE

1 AND COMMEND SCIENTIFIC STAFF AND THE PRESIDENT FOR  
2 GETTING US ON THIS REGULAR ROUTINE OF REPEATING  
3 APPLICATIONS, WE HAD STARTED, THERE WAS KIND OF A  
4 BIAS TOWARDS FUNDING VERY AGGRESSIVELY. FRANKLY, IF  
5 THERE ARE CURABLE FLAWS IN APPLICATIONS WHERE PEOPLE  
6 CAN COME BACK NEXT YEAR, THERE'S AN OPPORTUNITY TO  
7 DO THAT. WE HAVEN'T HAD THAT OPPORTUNITY IN OUR  
8 FUNDING PROGRAMS. IT MAKES A LOT OF SENSE TO GET  
9 THE COMMENTS FROM THE REVIEWERS BACK TO THE  
10 SCIENTISTS, LET THEM IMPROVE THEIR EXPERIMENTS.  
11 WE'LL END UP FUNDING BETTER SCIENCE AND IT'S MORE  
12 FISCALLY RESPONSIBLE. THAT WAS ONE ELEMENT.

13 THE OTHER ELEMENT IS THAT THESE ARE A  
14 PACKAGE OF REALLY TWO RFA'S, ONE RFA SPLIT INTO TWO  
15 PIECES. SO WE DO HAVE BASIC BIOLOGY II, AND IT'S  
16 NOT COMPLETELY CLEAR THAT WE SAW THE FULL RANGE OF  
17 EXCELLENCE IN THIS FIRST ROUND. YOU COULD THINK OF  
18 SEVERAL MITIGATING FACTORS. OTHER RFA'S THAT WE  
19 HAVE OUT THERE SIMULTANEOUSLY THAT WAS DRAWING  
20 TALENT AWAY, LIKE DISEASE TEAMS, FEDERAL FUNDING  
21 PROGRAMS LIKE STIMULUS FUNDING THAT MAY HAVE ENTICED  
22 MORE PEOPLE TO MAYBE SPEND TIME WRITING THOSE GRANTS  
23 KNOWING THAT THEY COULD COME BANK AND APPLY FOR  
24 BASIC BIOLOGY II. BECAUSE THE STIPULATION HERE WAS  
25 THAT YOU COULD EITHER APPLY IN BASIC BIOLOGY I OR

## BARRISTERS' REPORTING SERVICE

1 BASIC BIOLOGY II, BUT YOU COULD NOT APPLY FOR BOTH.

2 SO RATHER THAN TRY TO DIVINE THE MOTIVES  
3 OF POTENTIAL APPLICANTS OF WHAT THEY REALLY FOCUSED  
4 ON, THE REVIEWERS' FOCUS WAS THE OVERALL EXCELLENCE.  
5 AND THE SCORES, AS YOU KNOW, ARE REALLY WITHIN THE  
6 RANGE OF WHAT WE TYPICALLY SCORE. WE VERY SELDOM  
7 APPROVE FOR FUNDING MUCH BELOW 70. IN MY EXPERIENCE  
8 HERE, THE REVIEWERS ARE NOT EXTREMELY ENTHUSIASTIC  
9 ABOUT ENCOURAGING -- RECOMMENDING THOSE FOR US TO  
10 FUND.

11 SO THAT'S THE CONTOURS OF THE DISCUSSION.  
12 I'M NOT SURE HOW YOU WANT TO DO THIS, BOB. DO YOU  
13 WANT TO GO AHEAD AND START THE APPROVAL THING, OR DO  
14 YOU WANT TO GO INTO CLOSED SESSION AND LUNCH AND  
15 LOOK AT ANY OF THESE APPLICATIONS? FOR ME  
16 PERSONALLY, JUST FROM A PURE FISCAL POINT OF VIEW,  
17 I'M KIND OF GLAD THAT WE'RE UNDER BUDGET, ESPECIALLY  
18 SINCE WE JUST APPROVED ANOTHER PROGRAM. SO WE WERE  
19 OVER BUDGET IN TRANSLATIONAL. WE PUT IN, THANKS TO  
20 JOHN FOR SHOWING US THE FISCAL IMPACT OF THAT  
21 BECAUSE WE ARE, I THINK, IN SOMEWHAT LIMITED FUNDS  
22 AT LEAST THROUGH THE END OF 2010. SO I WOULD  
23 CAUTION US, UNLESS YOU'RE REALLY MOTIVATED, AND  
24 MAYBE I SHOULDN'T BE PUTTING MY FINGER ON THE SCALE,  
25 BUT I DO THINK WE HAVE TO RECOGNIZE THAT WE HAVE



## BARRISTERS' REPORTING SERVICE

1 MONEY FAIRLY CLEARLY FOR OUR PROGRAM AS DESCRIBED  
2 PLUS THE ADDITIONAL PROGRAM THAT WE ADDED THIS  
3 MORNING THROUGH THE END OF 2010. AND SO MAYBE NOT  
4 SPENDING 30 MILLION HERE ENABLES US TO HAVE MORE FOR  
5 DISEASE TEAMS. IT ENABLES US TO HAVE MORE AVAILABLE  
6 IF WE DO GET AN ENORMOUS NUMBER OF REALLY  
7 OUTSTANDING APPLICATIONS IN BASIC BIOLOGY II.

8 CHAIRMAN KLEIN: I THINK THAT LAST POINT  
9 IS VERY IMPORTANT. THE CARRY-OVER AS TO THE WAY  
10 THIS WAS STRUCTURED THROUGH BASIC BIOLOGY II, SO IF  
11 WE HAD TREMENDOUS QUALITY IN BASIC BIOLOGY II  
12 BECAUSE IT WOULDN'T -- THOSE APPLICATIONS WOULDN'T  
13 COME IN THE SAME TIMEFRAME AS THOSE CONFLICTING  
14 APPLICATIONS OF THE NIH ROUND, FOR EXAMPLE, WE WOULD  
15 HAVE THE ABILITY TO RECOGNIZE THAT QUALITY.

16 AT THIS POINT, I THINK IF WE DO ADJOURN TO  
17 LUNCH AND AN EXECUTIVE SESSION, WE WOULD TRY AND  
18 HOLD THIS TO A FAIRLY SHORT TIME PERIOD. I WOULD  
19 ASK IF THERE'S ANY MEMBERS OF THE PUBLIC THAT WOULD  
20 LIKE TO MAKE A COMMENT ON THE APPLICATIONS BEFORE WE  
21 ADJOURN TO THE EXECUTIVE SESSION. LET ME RECOGNIZE  
22 YOU AT THIS TIME IF YOU ARE GOING TO NEED TO LEAVE  
23 BEFORE WE COME BACK. DR. TROUNSON.

24 DR. TROUNSON: JUST BRIEFLY. IN THIS  
25 PARTICULAR INSTANCE, THERE WAS ONE MINORITY REPORT,

**BARRISTERS' REPORTING SERVICE**

1 JEFF. PERHAPS YOU SHOULD JUST ALERT THE BOARD TO  
2 THAT.

3 MR. SHEEHY: THAT'S RIGHT. DO YOU HAVE  
4 THAT, MIKE?

5 DR. YAFFE: YES, I DO. WOULD YOU LIKE ME  
6 TO PRESENT THAT AT THIS TIME?

7 MR. SHEEHY: YEAH. DO YOU KNOW WHICH  
8 APPLICATION THAT IS?

9 DR. YAFFE: IT'S APPLICATION 1298.

10 MR. SHEEHY: I'M NOT CONFLICTED ON THAT,  
11 AM I? I JUST WANT TO MAKE SURE BEFORE I HAVE  
12 ANYTHING TO SAY ABOUT IT, BUT I DON'T THINK SO.  
13 OKAY. YEAH, IF YOU'D GO AHEAD AND PRESENT THAT.

14 I WILL NOTE THIS IS ONE IN WHICH I --  
15 CORRECT, MY MEMORY IS NOT WHAT IT USED TO BE, BUT  
16 THERE WAS SIGNIFICANT -- THERE WAS SOME DICHOTOMY IN  
17 SCORES ON THAT AS WELL, WEREN'T THERE?

18 DR. YAFFE: YES, THERE WERE.

19 MR. SHEEHY: SO WE HAD SOME VERY HIGH  
20 SCORES FROM REVIEWERS AND SOME VERY LOW SCORES.

21 DR. YAFFE: SO FIRST, ACTUALLY FOR THE  
22 RECORD, I JUST WANT TO CORRECT A MISSTATEMENT. I  
23 SAID THAT THE TOTAL REQUEST WAS 16.3 MILLION. IT'S  
24 16.4 MILLION. AND THE MINORITY REPORT IS ALSO  
25 INCLUDED IN YOUR BINDERS BEHIND TAB 13, APPLICATION

**BARRISTERS' REPORTING SERVICE**

1 1298.

2 THE TITLE OF THIS APPLICATION IS  
3 "RECREATING THE NUCLEAR REPROGRAMMING OF EMBRYONIC  
4 STEM CELLS IN VITRO." THE GOAL OF THIS STUDY IS TO  
5 CHARACTERIZE MOLECULAR EVENTS OCCURRING AT PROMOTERS  
6 OR CONTROL REGIONS OF GENES MEDIATING THE INDUCTION  
7 OF PLURIPOTENCY. THE APPROACH, EXPERIMENTAL  
8 APPROACH, IS TO RECONSTITUTE TRANSCRIPTIONAL  
9 MACHINERY ON DNA TEMPLATES IN VITRO, IN THE TEST  
10 TUBE, AND TO ANALYZE PROTEIN ROLES AND INTERACTIONS.

11 IN THE GRANTS WORKING GROUP REVIEWERS  
12 CRITIQUED, THEY CITED AS KEY STRENGTHS THE HIGHLY  
13 MECHANISTIC FOCUS OF THE STUDY AND THE EXCELLENT  
14 EXPERTISE OF THE APPLICANT.

15 WEAKNESSES THAT SOME GRANTS WORKING GROUP  
16 MEMBERS PERCEIVED WAS THE QUESTIONABLE PHYSIOLOGICAL  
17 RELEVANCE OF SOME OF THE RESULTS THAT WOULD BE  
18 YIELDED IN THIS INVESTIGATION AND SOME QUESTIONABLE  
19 ASSUMPTIONS UNDERLYING SOME OF THE EXPERIMENTAL  
20 APPROACHES.

21 THIS RECEIVED A SCORE OF 66. AS MR.  
22 SHEEHY INDICATED, THAT 66, UNLIKE THE OTHER GRANTS  
23 THAT SCORED AT A SIMILAR LEVEL, THIS 66 REPRESENTS  
24 THE AVERAGE OF SOME VERY HIGH SCORES AND SOME LOW  
25 SCORES.

**BARRISTERS' REPORTING SERVICE**

1           A MOTION TO ADVANCE THE PROPOSAL TO TIER I  
2 WAS MADE. THE VOTE ON THAT MOTION WAS EIGHT FOR,  
3 NINE AGAINST, WITH ONE ABSTENTION.

4           THE MINORITY OPINION, SUMMARIZED BY ONE  
5 MEMBER OF THE GRANTS WORKING GROUP AND CONCURRED BY  
6 OTHER MINORITY VOTERS, WAS THAT THE PI IS AN EXPERT  
7 IN THE FIELD AND WILL BRING EXTENSIVE KNOWLEDGE AND  
8 EXPERIENCE IN THE ANALYSIS OF TRANSCRIPTIONAL  
9 COMPLEXES TO STEM CELL BIOLOGY. SECOND, THAT THE  
10 PROPOSED RESEARCH COMPRISES A NOVEL REDUCTIONIST  
11 APPROACH TO STUDY REGULATION OF INDUCED  
12 PLURIPOTENCY. AND THIRD, THAT THE PROJECT HAS  
13 POTENTIAL TO PROVIDE A PROMISING DISCOVERY TOOL.  
14 THAT TOOL IS THE IN VITRO RECONSTITUTION SYSTEM FOR  
15 THE FIELD.

16           MR. SHEEHY: AND I'D BE CORRECT IN SAYING  
17 THAT THEY ACTUALLY FOR THE MINORITY REPORT HAD  
18 ALMOST A PORTFOLIO SENSE IN THAT WE DID HAVE A,  
19 MAYBE ALAN, WE DID HAVE MORE THAN ONE IPS APPROACH.  
20 AND THERE WAS A FEELING THAT THIS WAS A VERY  
21 STRONG -- THIS IS BEYOND MY -- GETTING REALLY BEYOND  
22 WHAT I CAN REALLY KEEP UP WITH IN A WAY, BUT THAT  
23 THERE WAS A FEELING THAT THIS KIND OF BALANCED A  
24 VARIETY OF APPROACHES OF LOOKING AT INDUCED  
25 PLURIPOTENCY AND THAT GOING AHEAD WITH THIS WOULD

**BARRISTERS' REPORTING SERVICE**

1 BALANCE THE WAY IN WHICH WE WERE LOOKING AT THIS  
2 WITHIN THIS PARTICULAR ROUND.

3 CHAIRMAN KLEIN: LET ME ASK YOU. WHERE IS  
4 THIS UNDER TAB 13 IN TERMS OF MINORITY REPORT?

5 DR. YAFFE: IT'S AT THE END OF THE  
6 SUMMARY.

7 MS. KING: IT'S AT THE END OF THE SUMMARY  
8 FOR APPLICATION 1298. SO THEY'RE IN ORDER BEHIND  
9 TAB NO. 13. AND BEHIND THAT COVER SHEET WITH THE  
10 DIFFERENT COLORS ON IT, THE APPLICATIONS ARE IN  
11 ORDER, THE SUMMARIES. THIS PARTICULAR ONE WAS  
12 SWAPPED IN WITH THE MINORITY REPORT, SO I HAPPEN TO  
13 KNOW IT'S STAPLED TOGETHER UNLIKE THE REST OF THEM.  
14 IF YOU LOOK AT THE SECOND PAGE, SO THE BACK SIDE OF  
15 THE FIRST PAGE, AT THE BOTTOM IT SAYS MINORITY  
16 REPORT. IT'S NOT A VERY LONG MINORITY REPORT, BUT  
17 IT IS THERE.

18 CHAIRMAN KLEIN: THANK YOU VERY MUCH.  
19 OKAY. ADDITIONAL QUESTIONS ON THIS ITEM BEFORE WE  
20 ADJOURN TO EXECUTIVE SESSION? WE'RE NOT TAKING A  
21 VOTE ON THIS AT THIS TIME. THIS IS JUST CALLING OUR  
22 ATTENTION TO THE FACT THAT THIS IS SOMETHING WE'LL  
23 WANT TO REVIEW SPECIFICALLY AT THE TIME WE COME BACK  
24 INTO SESSION.

25 SEEING NONE, IS THERE ANY PUBLIC COMMENT

## BARRISTERS' REPORTING SERVICE

1 OF ANY INDIVIDUAL THAT'S NOT GOING TO BE HERE WHEN  
2 WE RETURN? SEEING NONE, BEFORE ADJOURNING, I'M  
3 GOING TO WAIT. BUT, JAMES, COULD YOU GIVE US THE  
4 LEGAL CITATIONS? THIS IS AN EXECUTIVE SESSION JUST  
5 ON THE GRANTS. AND IF YOU COULD PLEASE PROVIDE US  
6 THE LEGAL CITATIONS.

7 MR. HARRISON: THE BOARD WILL BE CONVENING  
8 IN CLOSED SESSION TO DISCUSS CONFIDENTIAL  
9 INTELLECTUAL PROPERTY OR WORK PRODUCT RELATING TO  
10 THE BASIC BIOLOGY I AWARD APPLICATIONS PURSUANT TO  
11 HEALTH AND SAFETY CODE SECTIONS 125290.30(D).

12 CHAIRMAN KLEIN: WE WILL, THEREFORE, STAND  
13 ADJOURNED. AND MY UNDERSTANDING IS THAT WE WILL  
14 TAKE WITH US OUR BINDERS FOR THE EXECUTIVE SESSION.  
15 AND THE EXECUTIVE SESSION WILL BE HELD DOWNSTAIRS.  
16 YOU COME TO THE BOTTOM OF THE STAIRS, GO STRAIGHT  
17 ACROSS TO THE LARGE ROOM WHERE THE BREAKFAST WAS  
18 AVAILABLE. THE STAFF WILL PROVIDE GUIDANCE. THANK  
19 YOU. WE ARE ADJOURNED. AND WE WILL TRY AND MAKE  
20 THIS BETWEEN 40 MINUTES AND AN HOUR. PROBABLY ERR  
21 MORE TOWARDS THE HOUR. THANK YOU.

22 (A RECESS WAS TAKEN.)

23 CHAIRMAN KLEIN: WE ARE LIVE. AND, DR.  
24 TROUNSON, AS SOON AS YOU SIT DOWN, WE'LL TAKE A  
25 VOTE. CALL THE QUESTION.

## BARRISTERS' REPORTING SERVICE

1 ALL RIGHT. COULD STAFF PLEASE RESCUE  
2 MEMBERS FROM THE HALL RIGHT AWAY, PLEASE? THANK  
3 YOU. ALL RIGHT. DO WE HAVE A QUORUM? DAVID IS  
4 HERE. LYNN, REPORT ON THE FRONT LINES ON THE TIME  
5 TO ARRIVAL. ALL RIGHT. WHILE WE'RE WAITING, I'D  
6 LIKE TO SAY THAT LYNN HARWELL HAS PUT IN A  
7 TREMENDOUS EFFORT IN DRIVING THE LOAN PROGRAM, AND  
8 WE SHOULD GIVE HER A GREAT ROUND OF APPLAUSE.

9 (APPLAUSE.)

10 MS. KING: IS DR. FRIEDMAN ON THE LINE?

11 CHAIRMAN KLEIN: WHY DON'T WE TRY AND GIVE  
12 A CALL TO DR. FRIEDMAN.

13 SO I'M GOING TO CONVENE THIS FOR PURPOSES  
14 OF THE DISCUSSION SINCE WE WILL BE SOMETIME -- ALL  
15 RIGHT. WE ARE BACK IN SESSION OFFICIALLY. AND WHAT  
16 I'D LIKE TO DO IS FIRST ASK IF WE CAN DISPLAY THE  
17 CHART THAT SHOWS -- IS THAT THE FINAL CHART?

18 DR. YAFFE: YES, THAT IS.

19 CHAIRMAN KLEIN: OKAY. AND ON THAT FINAL  
20 CHART, ARE THERE ANY APPLICATIONS THAT ANY BOARD  
21 MEMBER WOULD LIKE TO BRING UP FOR INDIVIDUAL  
22 DISCUSSION AT THIS TIME ON ALL TIERS? LEEZA.

23 MS. GIBBONS: 1339, PLEASE.

24 CHAIRMAN KLEIN: ALL RIGHT. DR. YAFFE,  
25 COULD YOU GIVE US A PRESENTATION ON 1339 TO BRING

**BARRISTERS' REPORTING SERVICE**

1 THE AUDIENCE AND THE MEMBERS CONSISTENTLY UP TO THE  
2 SAME PLATFORM LEVEL?

3 DR. AVILES-CANET: MR. CHAIRMAN, MEMBERS  
4 OF THE BOARD, SO THE TITLE OF THIS APPLICATION IS  
5 "MECHANOBIOLOGICAL CONTROL OF HUMAN PLURIPOTENT STEM  
6 CELL NEUROGENESIS." AND AS YOU CAN SEE, THAT'S  
7 SCORE 73.

8 AND BASICALLY THE APPLICANT PROPOSES TO  
9 STUDY HOW THE MECHANOTRANSDUCTIVE SIGNALS FROM THE  
10 EXTRACELLULAR MATRIX AND OTHER SOLID STATE  
11 COMPONENTS OF THE STEM CELL MICROENVIRONMENT AFFECT  
12 NEURAL DIFFERENTIATION. HE HAS THREE AIMS. HE OR  
13 SHE HAS THREE AIMS.

14 ON THE FIRST AIM, HE OR SHE PROPOSES TO  
15 TEST THE EFFECTS OF THE MICROENVIRONMENT STIFFNESS  
16 ON THE DIFFERENTIATION OF THE ADULT NEURAL STEM  
17 CELLS AND NEURAL PROGENITOR CELLS DERIVED FROM BOTH  
18 HUMAN EMBRYONIC STEM CELLS AND INDUCED PLURIPOTENT  
19 STEM CELLS.

20 IN AIM TWO HE'S GOING TO USE THE  
21 INFORMATION FROM AIM ONE, AND HE PROPOSES TO  
22 INVESTIGATE THE ROLES OF THE SPECIFIC  
23 MECHANOTRANSDUCTIVE SIGNAL PROTEINS THAT THEY FOUND  
24 TO BE INVOLVED ON THE DIFFERENTIATION -- ON THE  
25 NEURAL DIFFERENTIATION USING VITAL VECTOR MEDIATED



**BARRISTERS' REPORTING SERVICE**

1 INDUCIBLE EXPRESSION OF THE CONSTITUTIVELY ACTIVE  
2 AND DOMINANT NEGATIVE FORMS OF THESE PROTEINS IN  
3 NEURAL PROGENITOR CELLS.

4 AND THEN FINALLY, IN AIM THREE THEY  
5 PROPOSE TO BRING THESE INTO ANIMALS AND TO EXAMINE  
6 IN VIVO THE ROLES OF THE PROTEINS STUDIED IN AIM TWO  
7 ON THE NEURAL DIFFERENTIATION BY TRANSPLANTING THOSE  
8 HESC'S DERIVED NEURAL PROGENITOR CELLS IN MICE AS  
9 WELL AS STUDYING THE EFFECT OF THE KNOCKOUT OF THOSE  
10 PROTEINS IN MICE.

11 THE STRENGTH OF THE APPLICATION MOSTLY WAS  
12 THE IMPACT. REVIEWERS -- THE IMPACT, THE REVIEWERS  
13 FOUND THAT, IF SUCCESSFUL, IT COULD HAVE AN IMPACT  
14 ON THE DEVELOPMENT OF REGENERATIVE MEDICINE  
15 THERAPIES. AND THE APPLICANT'S GROUP AS WELL, THEY  
16 FOUND THAT THE CO-INVESTIGATOR WAS A STRENGTH TO THE  
17 PROPOSAL, THAT THE PROPOSAL WAS WELL WRITTEN AND  
18 ORGANIZED, AND THERE WAS A VERY RICH WEALTH OF  
19 PRELIMINARY DATA PRESENTED, AND THAT AIM ONE, ALSO,  
20 THEY FOUND IT WAS STRONG.

21 AND IN TERMS OF WEAKNESSES, AIM TWO IN  
22 TERMS OF THE RESEARCH PLAN WAS THE WEAKEST ONE. AND  
23 AIM THREE, THEY FOUND THAT IT DID NOT MAKE THAT MUCH  
24 SENSE, AND THEY'D LIKE A CLEAR, TESTABLE HYPOTHESIS  
25 TO YIELD INCONCLUSIVE RESULTS.

**BARRISTERS' REPORTING SERVICE**

1           IN TERMS OF AIM TWO, WHAT THEY FOUND IS  
2           THAT MECHANOTRANSDUCTIVE SIGNALS, THOSE GENES OF  
3           INTEREST ARE PLEIOTROPHIC, THE GENES THAT THEY ARE  
4           PLANNING ON STUDYING. AND, THEREFORE, IT'S  
5           IMPOSSIBLE TO ASCRIBE ANY DIFFERENCES IN NEURAL  
6           DIFFERENTIATION IN VIVO TO THE EFFECTS OF  
7           MECHANOTRANSDUCTION BECAUSE OF THAT FACT, BECAUSE OF  
8           THE PLEIOTROPHIC EFFECTS OF THOSE GENES.

9           CHAIRMAN KLEIN: ALL RIGHT. LET ME ASK  
10          THE VALUE OF AIM ONE, IF ANSWERED BY THIS, HOW IS  
11          THAT JUDGED? WAS THAT -- IF THEY WERE TO ANSWER AIM  
12          ONE, WAS THAT JUDGED TO BE A VALUABLE CONTRIBUTION  
13          TO THE KNOWLEDGE?

14          DR. AVILES-CANET: YEAH. IT COULD HAVE --  
15          IT COULD JUST TEST THE EFFECTS OF MICROENVIRONMENT  
16          STIFFNESS ON THE DIFFERENTIATION OF THE NEURAL STEM  
17          CELLS DERIVED FROM HESC'S AND IPS'S, AND THAT'S  
18          INFORMATION THAT WE DON'T HAVE. IT COULD HAVE  
19          VALUE, BUT IT'S COMPARED TO KNOWING HOW IT COULD --  
20          WHAT COULD BE THE PROTEINS THAT WOULD BE INVOLVED IN  
21          PROCESS, WE COULD NOT HAVE THAT INFORMATION. THAT'S  
22          WHAT WE WOULD LIKE TO KNOW IN ORDER TO KNOW THE  
23          MECHANISMS.

24          CHAIRMAN KLEIN: OKAY. LEEZA.

25          MS. GIBBONS: THIS ONE OBVIOUSLY IS RIGHT

**BARRISTERS' REPORTING SERVICE**

1 ON THE CUSP OF THE SCORE FOR THE SCIENTIFIC REVIEW  
2 WITH A 73. THE REVIEWERS OBVIOUSLY DID FEEL THAT IT  
3 ADDRESSED AN IMPORTANT PROBLEM. THEY DID LIKE THIS  
4 TEAM. THEY THOUGHT IT WAS A VERY STRONG TEAM. AND  
5 WE DISCUSSED EARLIER HOW, YOU KNOW, IN CERTAIN  
6 INSTANCES, IN MANY RESPECTS, RATHER, WE'RE A  
7 TALENT-DRIVEN BUSINESS, SO I THINK THAT'S  
8 SIGNIFICANT.

9 WE HAVE NO BIOENGINEERING IN THE PORTFOLIO  
10 IN THIS ROUND IN THE TOP TIER. AND IT SEEMS THAT IF  
11 THIS DOES HAVE A LIKELIHOOD OF HAVING A MAJOR  
12 IMPACT, AS THE REVIEWERS DID THINK, ON REGENERATIVE  
13 MEDICAL THERAPIES, THEN MAY I MAKE A MOTION?

14 CHAIRMAN KLEIN: YOU MAY.

15 MS. GIBBONS: THAT WE MOVE NO. 1339 UP  
16 INTO TIER I FOR RECOMMENDED FUNDING.

17 MR. TORRES: SECOND.

18 CHAIRMAN KLEIN: THE MOTION AND A SECOND  
19 HAS BEEN MADE. AND IF NEITHER THE MAKER OF THE  
20 MOTION, NOR THE SECOND HAS A CONFLICT, EVERYONE WILL  
21 CHECK THEIR CONFLICTS BEFORE PARTICIPATING IN THE  
22 DISCUSSION. ALL RIGHT.

23 SO ADDITIONAL QUESTIONS? SEEING NO  
24 ADDITIONAL QUESTIONS, I'D LIKE TO ASK. IT SEEMS  
25 THAT THERE WAS, FROM THE WRITE-UP WE HAVE FOR THE

**BARRISTERS' REPORTING SERVICE**

1 PUBLIC SESSION, IT SEEMS THAT ON AIM NO. 2 THERE WAS  
2 INTERNAL DISAGREEMENT ABOUT WHETHER AIM NO. 2 WOULD  
3 BE EFFECTIVE. THERE WERE -- LOOKS LIKE THERE WAS A  
4 DISCUSSION THAT FELT IT WOULD BE EFFECTIVE. THERE  
5 WERE DISCUSSIONS OBVIOUSLY FELT IT WOULDN'T BE.  
6 COULD YOU GIVE US THE CONTRASTING POINTS OF VIEW  
7 THERE?

8 DR. AVILES-CANET: SO BECAUSE THE  
9 MECHANOTRANSDUCTIVE TARGETS ARE MULTIFACTORIAL  
10 PLEIOTROPHIC PROTEINS, ANY MODULATION OF THEIR  
11 FUNCTION MAY BE INDEPENDENT OF THEIR  
12 MECHANOTRANSDUCTIVE PROPERTIES, WHICH IS WHAT THEY  
13 ARE TRYING TO STUDY IN THIS GRANT. HOWEVER, ONE  
14 DISCUSSANT NOTED THAT ALTHOUGH THESE  
15 MECHANOTRANSDUCTIVE SIGNAL TARGETS ARE PLEIOTROPHIC,  
16 IT HAS BEEN POSSIBLE TO GET CLEAN ANSWERS IN OTHER  
17 SYSTEMS WHEN APPROPRIATELY CONSTRAINED. HOWEVER,  
18 THERE WAS ALSO THE FACT THAT THE REVIEWERS FOUND  
19 THAT THEY HAD ACKNOWLEDGED THIS FACT, BUT THEY HAD  
20 NOT PROPOSED EXPERIMENTS LIKE HOW TO APPROPRIATELY  
21 CONSTRAIN THESE AND WHAT KIND OF EXPERIMENTS COULD  
22 THEY DO. THAT'S WHAT I GET FROM THE SUMMARY AND  
23 WHAT THE REVIEWERS MENTIONED.

24 CHAIRMAN KLEIN: ALL RIGHT. ARE THERE  
25 ADDITIONAL -- YES, DR. PIZZO.

**BARRISTERS' REPORTING SERVICE**

1 DR. PIZZO: CAN I MAKE A COMMENT THAT'S  
2 GENERAL AND NOT SPECIFIC TO THIS GRANT?

3 CHAIRMAN KLEIN: YES.

4 DR. PIZZO: THE COMMENT THAT'S GENERAL IS  
5 NO MATTER WHERE A LINE ON A GRANT PORTFOLIO IS  
6 DRAWN, BY DEFINITION THERE'S ALWAYS GOING TO BE ONE  
7 BELOW IT. AND WHEN WE REDRAW THE LINE, THERE IS ONE  
8 BELOW THAT. AND IF WE LOOK AT THAT, THERE'S GOING  
9 TO BE ONE BELOW THAT AS WELL.

10 SO I THINK A PATTERN WHICH WE'VE HAD IS TO  
11 LOOK AT THOSE THAT ARE BELOW IT AND SORT OF MOVE UP  
12 USUALLY ONE FROM THAT. I QUESTION, FROM A  
13 METHODOLOGICAL POINT OF VIEW, IN GENERAL, NOT  
14 SPECIFIC TO THIS GRANT, WHETHER THAT'S A WISE OR  
15 APPROPRIATE PATH TO FOLLOW BECAUSE I THINK THIS IS A  
16 SLIPPERY SLOPE. THIS WAS 73. I WOULD IMAGINE, IN  
17 GENERAL SPEAK, THAT COULD BE 72 OR 70. AND SO I  
18 JUST WANT TO REGISTER THAT GENERAL OBSERVATION.

19 CHAIRMAN KLEIN: OKAY. IT'S TRUE, DR.  
20 PIZZO, AS AN OBSERVATION CLEARLY, BUT OUR ENTIRE  
21 CONSTITUTIONAL AND STATUTORY BASIS RESTS ON, IN  
22 FACT, NOT ACCEPTING THAT LINE PER SE, BUT, IN FACT,  
23 DIFFERENTIATING. AND OUR ABILITY TO CONTINUE TO  
24 OPERATE, IN FACT, RESTS ON OUR ABILITY TO  
25 DISCRIMINATE ON WHAT'S BELOW THAT LINE.

**BARRISTERS' REPORTING SERVICE**

1 DR. PIZZO: I ABSOLUTELY UNDERSTAND THAT.  
2 WE'VE HAD THIS DISCUSSION FROM THE INITIATION OF OUR  
3 REVIEWS IN ANY PUBLIC SETTING, AND I'M NOT  
4 DISAGREEING WITH THAT. AS A CONSTITUTIONAL  
5 REQUIREMENT OR REQUIREMENT OF PROP 71, I'M SIMPLY  
6 MAKING AN OBSERVATION ABOUT A PROCESS WITHOUT THE  
7 SPECIFICITY OF THIS GRANT OR THE SPECIFICITY OF  
8 LOOKING AT INDIVIDUAL ONES OTHER THAN THERE'S ALWAYS  
9 ONE THAT'S LEFT OUT.

10 CHAIRMAN KLEIN: IT WOULD ALSO BE  
11 IMPORTANT TO NOTE THAT ONE MORE OR ONE LESS MEMBER  
12 TO THAT PEER REVIEW GROUP WHO SPECIFICALLY LIKES  
13 THIS GRANT WHEN IT'S AT THE MARGIN COULD POTENTIALLY  
14 THROW IT SIGNIFICANTLY ABOVE THE LINE OR BELOW THE  
15 LINE.

16 DR. PIZZO: I UNDERSTAND THAT THAT'S A  
17 NORMAL PART OF ANY KIND OF GRANT REVIEW. I DON'T  
18 NEED TO SAY ANYTHING ELSE. I THINK I MADE THE  
19 POINT.

20 CHAIRMAN KLEIN: ARE THERE PUBLIC COMMENTS  
21 ON THIS GRANT?

22 MS. GIBBONS: MR. CHAIR, IF -- I'M SORRY.  
23 DO WE HAVE PUBLIC?

24 CHAIRMAN KLEIN: WE DO NOT APPEAR TO HAVE  
25 PUBLIC COMMENTS.

**BARRISTERS' REPORTING SERVICE**

1 MS. GIBBONS: I DO UNDERSTAND WHAT WE'RE  
2 TALKING ABOUT THE CUT-OFF LINE. I CERTAINLY  
3 APPRECIATE THAT. HOWEVER, WITH RESPECT TO THIS  
4 PARTICULAR ONE, IT DOES, I THINK, BALANCE OUT THE  
5 PORTFOLIO. AND IN MY PARTICULAR SLANT ON LOOKING AT  
6 WHAT WE HAVE IN THIS TIER, TRYING TO MAKE SURE THAT  
7 WE ARE REPRESENTING NEUROLOGICAL DISEASE, WAS  
8 WHAT -- IT JUST HAPPENED TO BE THAT IT WAS AT THAT  
9 SCIENTIFIC SCORE BECAUSE I DID CONSIDER ALL OF THE  
10 OTHER ONES IN THE OTHER TIERS. SO I JUST FEEL  
11 STRONGLY THAT, SINCE IT LOOKS LIKE WE DO HAVE SOME  
12 LATITUDE HERE, THAT I HOPE WE CAN VOTE ON THIS  
13 MOTION.

14 CHAIRMAN KLEIN: ALL RIGHT. ADDITIONAL  
15 MEMBER'S COMMENTS?

16 MR. TORRES: CALL FOR THE QUESTION.

17 CHAIRMAN KLEIN: QUESTION HAS BEEN CALLED  
18 FOR. ROLL CALL VOTE. MR. HARRISON, WOULD YOU LIKE  
19 TO REMIND US OF THE CONFLICTS SEPARATE FROM THE  
20 IDENTIFICATION OF THOSE CONFLICTS THAT SIT BEFORE  
21 EVERY MEMBER AT THIS TIME?

22 MR. HARRISON: NO. TO THE EXTENT THAT A  
23 MEMBER HAS A CONFLICT, HIS OR HER NAME WILL NOT BE  
24 CALLED IN THE ROLL CALL VOTE, BUT A RECORD OF THE  
25 CONFLICTS WILL BE MADE AVAILABLE AFTER THE MEETING

**BARRISTERS' REPORTING SERVICE**

1 AND AS PART OF THE MINUTES OF THE MEETING.

2 CHAIRMAN KLEIN: ALL RIGHT. THIS PRACTICE  
3 WILL DEPEND UPON THE CHARACTER OF THE RFA IN DISEASE  
4 TEAMS WITH NUMEROUS INSTITUTIONS THAT PARTICIPATE IN  
5 EACH SPECIFIC PROPOSAL. WE MAY, IN FACT, VARY FROM  
6 THIS PRACTICE BECAUSE IT MAY BE MORE DIFFICULT TO  
7 ENSURE THAT WE ARE SCRUPULOUSLY FOLLOWING THIS  
8 PROHIBITION. ROLL CALL VOTE, PLEASE.

9 MS. KING: DONALD DAFOE.

10 DR. DAFOE: NO.

11 MS. KING: DAVID BRENNER.

12 DR. BRENNER: NO.

13 MS. KING: WILLIAM BRODY.

14 DR. BRODY: NO.

15 MS. KING: JACOB LEVIN.

16 DR. LEVIN: NO.

17 MS. KING: MARCY FEIT.

18 MS. FEIT: ABSTAIN.

19 MS. KING: LEEZA GIBBONS.

20 MS. GIBBONS: YES.

21 MS. KING: SAM HAWGOOD.

22 DR. HAWGOOD: NO.

23 MS. KING: BOB KLEIN.

24 CHAIRMAN KLEIN: YES.

25 MS. KING: TED LOVE.



**BARRISTERS' REPORTING SERVICE**

1 DR. LOVE: YES.  
2 MS. KING: PHIL PIZZO.  
3 DR. PIZZO: NO.  
4 MS. KING: CLAIRE POMEROY.  
5 DR. POMEROY: NO.  
6 MS. KING: FRANCISCO PRIETO.  
7 DR. PRIETO: ABSTAIN.  
8 MS. KING: ELIZABETH FINI.  
9 DR. FINI: NO.  
10 MS. KING: ROBERT QUINT.  
11 DR. QUINT: NO.  
12 MS. KING: JEANNIE FONTANA.  
13 DR. FONTANA: YES.  
14 MS. KING: DUANE ROTH.  
15 MR. ROTH: YES.  
16 MS. KING: DAVID SERRANO-SEWELL.  
17 MR. SERRANO-SEWELL: YES.  
18 MS. KING: JEFF SHEEHY.  
19 MR. SHEEHY: NO.  
20 MS. KING: ART TORRES.  
21 MR. TORRES: AYE.  
22 CHAIRMAN KLEIN: WHAT IS THAT VOTE?  
23 MR. HARRISON: GIVE US ONE SECOND TO  
24 DOUBLE-CHECK OUR CALCULATIONS.  
25 CHAIRMAN KLEIN: ALL RIGHT.

**BARRISTERS' REPORTING SERVICE**

1 MR. HARRISON: THE MOTION FAILS TO PASS.  
2 SEVEN YES VOTES, TEN NO VOTES, AND TWO ABSTENTIONS.

3 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU.  
4 I'D LIKE TO ASK IF THERE IS ANY OTHER APPLICATION  
5 FOR WHICH A MEMBER WOULD LIKE TO MAKE AN INDIVIDUAL  
6 MOTION. TO GET A FULL DISCUSSION OF 1298, I'M  
7 PREPARED TO MAKE A MOTION, IF THERE IS A SECOND FOR  
8 THAT DISCUSSION. IS THERE A SECOND FOR THAT  
9 DISCUSSION?

10 DR. PRIETO: SECOND.

11 CHAIRMAN KLEIN: DR. PRIETO. SO THERE'S A  
12 MOTION AND A SECOND TO CONSIDER MOVING UP 1298, THE  
13 SUBJECT OF THE MINORITY REPORT.

14 DR. YAFFE: I'LL JUST PROVIDE YOU WITH THE  
15 ESSENTIAL FEATURES OF THIS PROPOSAL. THIS IS  
16 PROPOSAL 1298, TITLE OF "RECREATING THE NUCLEAR  
17 REPROGRAMMING OF EMBRYONIC STEM CELLS IN VITRO."

18 IN THIS PROPOSAL AN IN VITRO OR IN TEST  
19 TUBE SYSTEM WILL EXAMINE THE RECONSTITUTION OF THE  
20 STRUCTURE OF PROTEINS AND DNA BINDING AT THE CONTROL  
21 REGION OR PROMOTER REGION OF GENES CRITICAL TO THE  
22 REPROGRAMMING PROCESS.

23 AND THE KEY SPECIFIC AIMS ARE TO  
24 CHARACTERIZE HOW THE RECOMBINANT PROTEINS, AND THESE  
25 ARE SOX-2, KLF-4, MYC, AND NANOG, INTERACT AND

## BARRISTERS' REPORTING SERVICE

1 ASSEMBLE INTO FUNCTIONAL STRUCTURES TERMED BY THE  
2 APPLICANT "ENHANCEOSOMES" AT THESE PROMOTERS, AND  
3 THEN TO IDENTIFY, USING EXTRACTS FROM HUMAN  
4 EMBRYONIC STEM CELLS, ADDITIONAL FACTORS WHICH BIND  
5 TO THESE PROMOTER REGIONS.

6 AND FINALLY, IN AIM THREE TO USE THIS  
7 INFORMATION TO IMPROVE THE DERIVATION OF INDUCED  
8 PLURIPOTENT STEM CELLS.

9 KEY STRENGTHS CITED BY THE REVIEWERS WERE  
10 THE HIGHLY MECHANISTIC FOCUS, THE USE OF A SYSTEM  
11 THAT CAN BE MANIPULATED AND INTERROGATED THOROUGHLY  
12 AT THE MOLECULAR LEVEL, AND THE EXPERTISE OF THE  
13 APPLICANT, WHO HAS EXTENSIVE EXPERIENCE IN THESE  
14 APPROACHES APPLIED TO TRANSCRIPTION OR REGULATION OF  
15 GENES.

16 THE KEY WEAKNESSES PERCEIVED BY SOME OF  
17 THE REVIEWERS WERE ABOUT THE SIGNIFICANCE OF THE  
18 PROPOSED STUDIES, WHETHER THEY WOULD TRANSLATE TO  
19 PHYSIOLOGICALLY RELEVANT PHENOMENA INSIDE CELLS AND  
20 SEVERAL ASSUMPTIONS CONCERNING THE IN VITRO SYSTEM  
21 AND WHETHER THAT SYSTEM WOULD FAITHFULLY  
22 RECAPITULATE THE SITUATION GOING ON INSIDE OF A  
23 CELL.

24 AS YOU MENTIONED, MR. CHAIRMAN, THERE WAS  
25 A MINORITY REPORT. I THINK WE ALREADY DISCUSSED

## BARRISTERS' REPORTING SERVICE

1 SOME FEATURES THERE. THE MINORITY OPINION WAS,  
2 AGAIN, THAT THE PI IS AN EXPERT AND WOULD BE A  
3 VALUABLE ADDITION TO THE CADRE OF SCIENTISTS  
4 STUDYING STEM CELL BIOLOGY, THAT THE PROPOSAL IS  
5 NOVEL AND REDUCTIONIST, AND THIS WOULD BE AN  
6 IMPORTANT ADDITIONAL APPROACH. AND FURTHER, THAT  
7 THE PROJECT AND, IN FACT, THE RECONSTITUTION SYSTEM  
8 IN VITRO WOULD CONSTITUTE A VALUABLE TOOL FOR THE  
9 FIELD.

10 CHAIRMAN KLEIN: PLEASE TELL US THE  
11 STANDARD DEVIATION ON THIS.

12 DR. YAFFE: THE SCORE WAS 66. THE  
13 STANDARD DEVIATION WAS 16.

14 CHAIRMAN KLEIN: SO THE STANDARD DEVIATION  
15 OF 16 AND A VOTE ON MOVING IT UP, EIGHT FOR AND NINE  
16 AGAINST, THAT WOULD LEAD ONE NORMALLY TO CONCLUDE  
17 THAT THERE WERE A NUMBER OF SCORES THAT WERE  
18 SUBSTANTIALLY WITHIN THE SCORING RANGE?

19 DR. YAFFE: I BELIEVE THAT'S CORRECT.

20 CHAIRMAN KLEIN: WITHIN THE RECOMMENDED  
21 RANGE. SO COULD YOU TELL US WHAT THE BASIC CRITIQUE  
22 WAS IN TERMS OF WHAT ARE THE COUNTERVAILING SCHOOLS  
23 OF THOUGHT HERE ON THE VALUE OF THIS RESEARCH?

24 DR. YAFFE: I THINK THE SUPPORTIVE  
25 ATTITUDE AND SENTIMENTS WERE THAT A LEVEL OF

**BARRISTERS' REPORTING SERVICE**

1 MOLECULAR DETAIL WOULD BE REVEALED BY THESE STUDIES  
2 WHICH WOULD BE UNIQUE, NOVEL, AND USEFUL IN THE  
3 POSSIBLE IDENTIFICATION OF SMALL MOLECULES OR OTHER  
4 TECHNIQUES TO GENERATE INDUCED PLURIPOTENT STEM  
5 CELLS.

6 THE UNSUPPORTIVE OR NEGATIVE VIEW WAS THAT  
7 NOT ALL FEATURES OF THE GENE REGULATION WOULD BE  
8 RECREATED IN THE TEST TUBE, SO THIS APPROACH, IN  
9 FACT, MAY NOT BE SO COMPLETE IN REVEALING AND SO  
10 SUCCESSFUL IN REVEALING NOVEL REGULATORY OR  
11 MECHANISTIC FEATURES, AND ALSO A QUESTION OF WHETHER  
12 THIS APPROACH, AS OPPOSED TO OTHER APPROACHES WHICH  
13 ARE ONGOING IN THE PORTFOLIO AND IN LABORATORIES  
14 OUTSIDE CALIFORNIA, WOULD GET TO THE SAME PLACE  
15 FASTER; THAT IS, MECHANISMS AND APPROACHES FOR  
16 GENERATING INDUCED PLURIPOTENT STEM CELLS.

17 DR. PIZZO: HAS THIS INVESTIGATOR UTILIZED  
18 THIS TYPE METHODOLOGY, GENERALLY SPEAKING, IN OTHER  
19 SYSTEMS EVALUATING TRANSCRIPTION FACTORS, AND HAS  
20 THE TECHNOLOGY ITSELF BEEN CRITICALLY REVIEWED AND  
21 ASSESSED IN TERMS OF ITS PERCEIVED VALUE BY OTHER  
22 SCIENTIFIC PUBLICATIONS?

23 DR. YAFFE: COUNSEL, IS THAT -- YES. YES.  
24 THE APPLICANT HAS APPLIED MANY, IF NOT MOST, OF  
25 THESE TECHNIQUES PREVIOUSLY TO OTHER SYSTEMS

## BARRISTERS' REPORTING SERVICE

1 SUCCESSFULLY. AND THE APPROACH HAS BEEN USED TO  
2 CHARACTERIZE GENE EXPRESSION IN OTHER CONTEXTS. WAS  
3 THERE ADDITIONAL QUESTION THERE, DR. PIZZO?

4 DR. PIZZO: JUST AS AN EXTENSION OF THAT,  
5 I DON'T KNOW IF THIS IS APPROPRIATE, BUT I ASSUME  
6 THAT THOSE OTHER STUDIES HAVE BEEN CRITICALLY, THAT  
7 IS, PEER REVIEWED, IN OTHER SETTINGS AND ARE PART OF  
8 THE PUBLIC DOMAIN AND THAT THEY'RE PUBLISHED  
9 STUDIES?

10 DR. YAFFE: YES, THEY ARE. THEY HAVE BEEN  
11 PUBLISHED IN WHAT MIGHT BE CALLED HIGH-PROFILE  
12 JOURNALS. HIGH IMPACT.

13 CHAIRMAN KLEIN: HIGH-IMPACT JOURNALS.  
14 OKAY. ADDITIONAL QUESTIONS? ANY COMMENTS ON THE  
15 RELEVANCE HISTORICALLY WITH THIS TYPE OF LOOK AT  
16 TRANSCRIPTIONAL FACTORS? DR. PENHOET, DO YOU HAVE  
17 ANY COMMENT?

18 DR. PENHOET: NO.

19 CHAIRMAN KLEIN: DR. TROUNSON.

20 DR. TROUNSON: I'D JUST MAKE THE  
21 OBSERVATION THAT IT'S ALMOST SELF-EVIDENT THAT IF  
22 YOU MEASURE THE AMOUNT OF TRANSCRIPT THAT'S  
23 PRODUCED, YOU WILL GET A MEASURE OF THE ACTIVITY OF  
24 THE PROMOTER. AND IT SEEMS, IN A WAY, THIS COULD BE  
25 HELPFUL TO UNDERSTAND THE EPIGENETICS OF WHY A GENE

## BARRISTERS' REPORTING SERVICE

1 GETS TRANSCRIBED WITH A VOLUME, BUT IT'S OFTEN HARD  
2 TO SORT OF UTILIZE THAT INFORMATION IN A REALLY  
3 PRODUCTIVE MANNER AND TO TAKE IT ON FURTHER. AND I  
4 THINK THAT WAS REALLY ONE OF THE PRIMARY BASES OF  
5 THE PEOPLE WHO HAD SOME CONCERNS ABOUT THIS. IT'S  
6 KIND OF SO HOW YOU GOING TO UTILIZE THAT? YOU COULD  
7 HAVE MEASURED IT IN THE FIRST BY JUST MEASURING THE  
8 AMOUNT OF TRANSCRIPT AND HOW FAR HAS IT REALLY TAKEN  
9 US.

10 IN A SENSE YOU ALWAYS LEARN SOMETHING  
11 UNEXPECTED FROM LOOKING AT THAT, BUT IS IT REALLY  
12 WORTH -- IS IT WORTH IT TO US? I THINK THERE WERE  
13 PEOPLE SETTLED UNDER THE LINE PRETTY STRONGLY, THAT  
14 IT WAS HO-HUM, MAYBE, UNLIKELY TO REALLY MAKE AN  
15 IMPACT IN THE FIELD.

16 CHAIRMAN KLEIN: SO, DR. TROUNSON, THERE  
17 WAS CLEARLY SETTLED STRONGLY ABOVE THE LINE AS WELL.  
18 WE DON'T FREQUENTLY GET MINORITY REPORTS. AND FOR  
19 MEMBERS OF THE PEER REVIEW GROUP TO FILE A MINORITY  
20 REPORT, A SIGNIFICANT NUMBER OF THEM HAVING VOTED TO  
21 MOVE IT UP, IS AN ATYPICAL SHOW OF STRENGTH AND  
22 COMMITMENT TO THE VALUE OF THIS.

23 I THINK WE HAVE A UNIQUE ROLE IN LISTENING  
24 WHEN THERE ISN'T A CONSENSUS TO MINORITY POSITIONS  
25 WHERE THEY GO OUT OF THEIR WAY TO EXPRESS THE

**BARRISTERS' REPORTING SERVICE**

1 STRENGTH OF THEIR FEELING ABOUT IT. OTHERWISE WE'RE  
2 GOING TO BE IN A SITUATION WHERE WE'RE MORE LIMITED  
3 TO APPLICATIONS THAT FALL WITHIN THE GENERAL  
4 CONSENSUS RATHER THAN PICKING UP STRONG INDICATIONS,  
5 IN THIS CASE A FORMAL REPORT, OF OPPORTUNITIES THAT  
6 LIE OUTSIDE OF THE GENERAL CONSENSUS. DR. HAWGOOD.

7 DR. HAWGOOD: CAN I ASK IF APPROPRIATE?  
8 WAS THERE SPECIFIC EXPERTISE IN TRANSCRIPTION FACTOR  
9 BIOCHEMISTRY REPRESENTED ON THE REVIEW BOARD?

10 DR. YAFFE: ON THE REVIEW BOARD, YES,  
11 THERE WAS.

12 CHAIRMAN KLEIN: AND WE DON'T KNOW WHICH  
13 WAY THAT EXPERTISE VOTED IS A CHALLENGE TO US.

14 DR. TROUNSON: I'VE GIVEN YOU A VIEW OF  
15 WHAT IT WAS ON THAT SIDE OF IT. ON THE OTHER SIDE  
16 OF IT IS THE SENSE THAT, YOU KNOW, DISCOVERY REALLY  
17 COMES FROM EXAMINING REALLY THE MECHANISTIC  
18 PRINCIPLES OF WHAT'S HAPPENING. AND SO YOU MAY  
19 DISCOVER SOMETHING THAT'S REALLY IMPORTANT, BUT, YOU  
20 KNOW, YOU HAVE -- THAT'S A LEAP OF FAITH. THAT'S  
21 WHAT SCIENCE IS. IT'S A LOT ABOUT LEAPS OF FAITH,  
22 AND UNDERSTANDING MECHANISMS IS IMPORTANT. BUT IN  
23 THIS PARTICULAR POINT, THERE WAS A DIVERGENCE OF  
24 VIEW AND QUITE -- THAT'S NOT UNUSUAL IN SCIENCE,  
25 CHAIR. SO, YOU KNOW, YOU'LL PROBABLY NOT FURTHER



**BARRISTERS' REPORTING SERVICE**

1 HELP THAN THERE WOULD BE PEOPLE ON ONE SIDE OR OTHER  
2 IN THIS PARTICULAR CIRCUMSTANCE.

3 CHAIRMAN KLEIN: OKAY. SO I THINK WE'VE  
4 HAD A GOOD DISCUSSION. IS THERE PUBLIC COMMENT?  
5 SEEING NO PUBLIC COMMENT, I THINK IT'S APPROPRIATE  
6 TO HAVE A ROLL CALL. AND PLEASE LOOK AT YOUR SHEETS  
7 FOR CONFLICTS. AND REMEMBER YOU WILL NOT BE CALLED  
8 IF YOU HAVE A CONFLICT.

9 MS. KING: DAVID BRENNER.

10 DR. BRENNER: NO.

11 MS. KING: WILLIAM BRODY.

12 DR. BRODY: YES.

13 MS. KING: JACOB LEVIN.

14 DR. LEVIN: NO.

15 MS. KING: MARCY FEIT. LEEZA GIBBONS.

16 MS. GIBBONS: YES.

17 MS. KING: SAM HAWGOOD.

18 DR. HAWGOOD: NO.

19 MS. KING: BOB KLEIN.

20 CHAIRMAN KLEIN: YES.

21 MS. KING: TED LOVE.

22 DR. LOVE: NO.

23 MS. KING: ED PENHOET.

24 DR. PENHOET: NO.

25 MS. KING: PHIL PIZZO.

**BARRISTERS' REPORTING SERVICE**

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DR. PIZZO: NO.

MS. KING: CLAIRE POMEROY.

DR. POMEROY: NO.

MS. KING: FRANCISCO PRIETO.

DR. PRIETO: YES.

MS. KING: ELIZABETH FINI.

DR. FINI: NO.

MS. KING: ROBERT QUINT.

DR. QUINT: NO.

MS. KING: JEANNIE FONTANA.

DR. FONTANA: YES.

MS. KING: DUANE ROTH.

MR. ROTH: NO.

MS. KING: DAVID SERRANO-SEWELL.

MR. SERRANO-SEWELL: YES.

MS. KING: JEFF SHEEHY.

MR. SHEEHY: NO.

MS. KING: ART TORRES.

MR. TORRES: NO.

CHAIRMAN KLEIN: OKAY. I THINK THAT  
MOTION FAILED. I'D LIKE TO ASK IF WE CAN MOVE TO A  
CONSIDERATION OF -- JEFF, WOULD YOU LIKE TO FIRST  
LOOK AT ELIMINATING TIER II?

MR. SHEEHY: BOB, I THINK I HAVE CONFLICTS  
IN TIER II. I DON'T THINK I HAVE ANY CONFLICTS IN

**BARRISTERS' REPORTING SERVICE**

1 TIER I, THOUGH. YOU MIGHT WANT TO CHECK.

2 MR. ROTH: LET'S JUST BE SAFE. I'LL MAKE  
3 A MOTION TO NOT FUND TIER II.

4 MR. TORRES: SECOND.

5 DR. YAFFE: CORRECTION THERE. THERE'S NO  
6 TIER II. THAT'S TIER III.

7 MR. ROTH: THERE IS NO TIER II. TIER III.

8 CHAIRMAN KLEIN: ALL RIGHT. SO THE MOTION  
9 IS NOT TO FUND TIER II, AND THAT IS THE SECOND.

10 MR. TORRES: CORRECT.

11 DR. BRODY: POINT OF ORDER.

12 CHAIRMAN KLEIN: POINT OF ORDER, YES.

13 DR. BRODY: IF WE HAVE CONFLICT ON ONE OF  
14 THE GRANTS IN TIER II, CAN WE NOT --

15 CHAIRMAN KLEIN: LET'S GO THROUGH AN  
16 INSTRUCTION FROM OUR BOARD COUNSEL, JAMES HARRISON.

17 MR. HARRISON: WHEN WE HAVE OMNIBUS  
18 MOTIONS THAT ADDRESS ALL OF THE APPLICATIONS WITHIN  
19 A PARTICULAR TIER, AND IF YOU HAPPEN TO HAVE A  
20 CONFLICT OF INTEREST WITH RESPECT TO ONE OR MORE OF  
21 THOSE APPLICATIONS, WE ASK THAT YOU VOTE YES OR NO  
22 AS TO THE MOTION EXCEPT TO THOSE APPLICATIONS IN  
23 WHICH YOU HAVE AN INTEREST. WE THEN CALCULATE BASED  
24 ON THE NUMBER OF VOTES AND THE QUORUM REQUIREMENT.

25 DR. BRODY: SO YOU AUTOMATICALLY RECUSE

**BARRISTERS' REPORTING SERVICE**

1 US?

2 MR. HARRISON: YES.

3 CHAIRMAN KLEIN: YOU CHANGED THE WORDING,  
4 JAMES, TO SAY YES OR NO EXCEPT FOR THOSE IN WHICH  
5 YOU HAVE AN INTEREST. I THINK THE TRADITIONAL  
6 WORDING WE USE IS YES OR NO EXCEPT TO THOSE FOR  
7 WHICH I HAVE A CONFLICT.

8 MR. HARRISON: THAT'S CORRECT.

9 CHAIRMAN KLEIN: THAT'S FINE. THAT WOULD  
10 BE PREFERABLE. THANK YOU. ALL RIGHT. SO WE HAVE A  
11 MOTION. ROLL CALL IS IN ORDER. ARE THERE ANY  
12 PUBLIC COMMENTS ON THIS MOTION? SEEING NO PUBLIC  
13 COMMENTS ON THIS MOTION, COULD WE HAVE A ROLL CALL  
14 VOTE.

15 MS. KING: DONALD DAFOE.

16 DR. DAFOE: YES, EXCEPT FOR THOSE WITH  
17 WHICH I HAVE A CONFLICT.

18 MS. KING: DAVID BRENNER.

19 DR. BRENNER: YES, EXCEPT FOR THOSE WITH  
20 WHICH I HAVE A CONFLICT.

21 MS. KING: WILLIAM BRODY.

22 DR. BRODY: YES, EXCEPT FOR THOSE WITH  
23 WHICH I HAVE A CONFLICT.

24 MS. KING: JACOB LEVIN.

25 DR. LEVIN: YES.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: MICHAEL FRIEDMAN, IN CASE  
2 YOU'RE ON THE LINE. LEEZA GIBBONS.

3 MS. GIBBONS: YES.

4 MS. KING: SAM HAWGOOD.

5 DR. HAWGOOD: YES, EXCEPT FOR THOSE WITH  
6 WHICH I HAVE A CONFLICT.

7 MS. KING: BOB KLEIN.

8 CHAIRMAN KLEIN: YES.

9 MS. KING: TED LOVE.

10 DR. LOVE: YES.

11 MS. KING: ED PENHOET.

12 DR. PENHOET: YES, EXCEPT FOR THOSE WITH  
13 WHICH I HAVE A CONFLICT.

14 MS. KING: PHIL PIZZO.

15 DR. PIZZO: YES, EXCEPT FOR THOSE WITH  
16 WHICH I HAVE A CONFLICT.

17 MS. KING: CLAIRE POMEROY.

18 DR. POMEROY: YES.

19 MS. KING: FRANCISCO PRIETO.

20 DR. PRIETO: YES.

21 MS. KING: ELIZABETH FINI.

22 DR. FINI: YES, EXCEPT FOR THOSE WITH  
23 WHICH I HAVE A CONFLICT.

24 MS. KING: ROBERT QUINT.

25 DR. QUINT: YES.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: JEANNIE FONTANA.

2 DR. FONTANA: YES, EXCEPT FOR THOSE WITH  
3 WHICH I HAVE A CONFLICT.

4 MS. KING: DUANE ROTH.

5 MR. ROTH: YES.

6 MS. KING: DAVID SERRANO-SEWELL.

7 MR. SERRANO-SEWELL: YES.

8 MS. KING: JEFF SHEEHY.

9 MR. SHEEHY: YES, EXCEPT FOR THOSE WITH  
10 WHICH I HAVE A CONFLICT.

11 MS. KING: ART TORRES.

12 MR. TORRES: AYE.

13 MR. HARRISON: CHAIRMAN KLEIN, COULD WE  
14 LEAVE THE ROLL OPEN ON THIS MATTER UNTIL MEMBER FEIT  
15 RETURNS? THERE ARE SOME OF THE APPLICATIONS FOR  
16 WHICH WE NEED A FULL QUORUM.

17 CHAIRMAN KLEIN: YES. ROLL WILL BE OPEN  
18 ON THIS ITEM TILL MEMBER FEIT RETURNS. AND, LYNN,  
19 ARE YOU GOING TO -- THANK YOU. SO THERE'S IN ORDER  
20 FOR A MOTION AS TO TIER I.

21 MR. ROTH: I'LL MOVE THAT WE FUND THE TIER  
22 I APPLICATIONS.

23 MS. GIBBONS: SECOND.

24 CHAIRMAN KLEIN: SECONDED BY LEEZA  
25 GIBBONS. AND, AGAIN, SAME PRACTICE WOULD PREVAIL,

**BARRISTERS' REPORTING SERVICE**

1 NOTING THE VOTE EXCEPT FOR THOSE WITH WHICH ONE HAS  
2 A CONFLICT. IS THERE PUBLIC COMMENT ON TIER I?

3 MS. KING: BEFORE WE MOVE TO THIS VOTE,  
4 SINCE MEMBER MARCY FEIT HAS RETURNED, CAN WE ASK FOR  
5 HER VOTE ON THE PREVIOUS MOTION?

6 CHAIRMAN KLEIN: YES. THE PREVIOUS  
7 MOTION, MEMBER FEIT, WAS TO NOT FUND ANY APPLICATION  
8 IN TIER III. WHAT WOULD YOUR VOTE BE? TO NOT FUND  
9 ANY APPLICATION IN TIER III.

10 MS. FEIT: YES, EXCEPT FOR THOSE WITH  
11 WHICH I HAVE A CONFLICT.

12 CHAIRMAN KLEIN: HER VOTE IS YES. OKAY.  
13 THANK YOU. ROLL CALL ON THE MOTION AS TO TIER I.

14 MS. KING: DONALD DAFOE.

15 DR. DAFOE: YES, EXCEPT FOR THOSE WITH  
16 WHICH I HAVE A CONFLICT.

17 MS. KING: DAVID BRENNER.

18 DR. BRENNER: YES, EXCEPT FOR THOSE WITH  
19 WHICH I HAVE A CONFLICT.

20 MS. KING: WILLIAM BRODY.

21 DR. BRODY: YES, EXCEPT FOR THOSE WITH  
22 WHICH I HAVE A CONFLICT.

23 MS. KING: JACOB LEVIN.

24 DR. LEVIN: YES.

25 MS. KING: MARCY FEIT.

**BARRISTERS' REPORTING SERVICE**

1 MS. FEIT: YES, EXCEPT FOR THOSE WITH  
2 WHICH I HAVE A CONFLICT.

3 MS. KING: LEEZA GIBBONS.

4 MS. GIBBONS: YES.

5 MS. KING: SAM HAWGOOD.

6 DR. HAWGOOD: YES, EXCEPT FOR THOSE WITH  
7 WHICH I HAVE A CONFLICT.

8 MS. KING: BOB KLEIN.

9 CHAIRMAN KLEIN: YES.

10 MS. KING: TED LOVE.

11 DR. LOVE: YES.

12 MS. KING: ED PENHOET.

13 DR. PENHOET: YES, EXCEPT FOR THOSE WITH  
14 WHICH I HAVE A CONFLICT.

15 MS. KING: PHIL PIZZO.

16 DR. PIZZO: YES, EXCEPT FOR THOSE WITH  
17 WHICH I HAVE A CONFLICT.

18 MS. KING: CLAIRE POMEROY.

19 DR. POMEROY: YES, EXCEPT FOR THOSE WITH  
20 WHICH I HAVE A CONFLICT.

21 MS. KING: FRANCISCO PRIETO.

22 DR. PRIETO: YES, EXCEPT FOR THOSE WITH  
23 WHICH I HAVE A CONFLICT.

24 MS. KING: ELIZABETH FINI.

25 DR. FINI: YES, EXCEPT FOR THOSE WITH



**BARRISTERS' REPORTING SERVICE**

1 WHICH I HAVE A CONFLICT.

2 MS. KING: ROBERT QUINT.

3 DR. QUINT: YES.

4 MS. KING: JEANNIE FONTANA.

5 DR. FONTANA: YES, EXCEPT FOR THOSE WITH  
6 WHICH I HAVE A CONFLICT.

7 MS. KING: DUANE ROTH.

8 MR. ROTH: YES.

9 MS. KING: DAVID SERRANO-SEWELL.

10 MR. SERRANO-SEWELL: YES.

11 MS. KING: JEFF SHEEHY.

12 MR. SHEEHY: YES, EXCEPT FOR THOSE WITH  
13 WHICH I HAVE A CONFLICT.

14 MS. KING: ART TORRES.

15 MR. TORRES: AYE.

16 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

17 WHILE THEY'RE TABULATING THAT VOTE FOR A FINAL COUNT  
18 ANNOUNCEMENT, I'D LIKE TO MOVE TO CONSIDERATION OF  
19 ITEM 16. DR. TROUNSON, WHO WOULD YOU LIKE TO MAKE  
20 THE PRESENTATION?

21 DR. TROUNSON: I'LL ASK ELONA BAUM TO  
22 PRESENT THIS ITEM. SCOTT, IS IT?

23 CHAIRMAN KLEIN: I THINK YOU WERE MOVING  
24 ON TO ITEM 17.

25 DR. TROUNSON: I'M SORRY. YES.

**BARRISTERS' REPORTING SERVICE**

1 MR. TOCHER: YES. GOOD AFTERNOON, MEMBERS  
2 OF THE BOARD. THIS ITEM IS REALLY HOPEFULLY VERY  
3 QUICKLY DEALT WITH. YOU WILL BE CONSIDERING IN  
4 OCTOBER YOUR DISEASE TEAM RFA APPLICATIONS. AS A  
5 NEW COMPONENT OF THAT IS THE POSSIBILITY THAT SOME  
6 APPLICANTS MAY BE APPLYING FOR A LOAN INSTEAD OF A  
7 GRANT.

8 AS PART OF THE LOAN TASK FORCE THAT WAS  
9 CONVENED IN DECEMBER OF '07 AND MET IN JANUARY  
10 FORWARD OF '08, ONE OF THE POLICY QUESTIONS WAS  
11 WHICH INTELLECTUAL PROPERTY POLICY REGULATIONS WOULD  
12 APPLY IN THE CONTEXT OF A LOAN BECAUSE THOSE  
13 EXISTING REGULATIONS APPLY ONLY TO FOR-PROFIT OR  
14 NONPROFIT GRANTEES. THUS, IN THE DISEASE TEAM  
15 GRANT, WE MAY HAVE LOAN APPLICANTS. AND WE NEED TO  
16 MAKE SURE THAT THERE IS IN PLACE A REGULATORY SCHEME  
17 WHEN YOU CONSIDER THOSE GRANTS IN OCTOBER -- THOSE  
18 LOANS IN OCTOBER.

19 AND SO WHAT WE HAVE PROPOSED, CONSISTENT  
20 WITH THE POLICY CALL AND RECOMMENDATION OF THE LOAN  
21 TASK FORCE, IS TO INCORPORATE THE EXISTING IP  
22 REGULATIONS AND HAVE THEM APPLY TO LOAN RECIPIENTS  
23 WITH THE EXCEPTION OF THOSE REGULATIONS DEALING WITH  
24 REVENUE SHARING. BECAUSE OBVIOUSLY THE REVENUE  
25 SHARING, REVENUE COMPONENT HAS ALREADY BEEN DEALT IN

## BARRISTERS' REPORTING SERVICE

1 THE LOAN CONTEXT WITH WARRANT COVERAGE AND THE  
2 PAYBACK OF THE LOAN AND INTEREST.

3 SO WE PROPOSE AN INTERIM REGULATION, WHICH  
4 IS IN YOUR BINDERS BEHIND TAB 16, WHICH, AGAIN,  
5 INCORPORATES THE EXISTING IP REGULATIONS ONCE  
6 THEY'RE CONSOLIDATED WITH THE EXCEPTION OF THE  
7 REVENUE SHARING COMPONENTS. AND THOSE WILL BE IN  
8 EFFECT FOR 270 DAYS, AND WE WILL INITIATE THE FORMAL  
9 PROCESS TO MAKE THEM PERMANENT DURING THAT TIME.

10 AND SO WITH THAT, IF YOU HAVE ANY  
11 QUESTIONS.

12 CHAIRMAN KLEIN: ANY MEMBERS OF THE BOARD  
13 HAVE QUESTIONS? ANY PUBLIC QUESTIONS?

14 MR. SERRANO-SEWELL: I WANTED TO THANK  
15 MR. TOCHER FOR PROVIDING A MEMORANDUM. IT WAS VERY  
16 HELPFUL.

17 CHAIRMAN KLEIN: OKAY. THANK YOU. SO --

18 MR. TOCHER: WE WOULD JUST NEED A MOTION  
19 TO APPROVE.

20 CHAIRMAN KLEIN: WE NEED A MOTION. WE'RE  
21 ALSO MISSING ONE MEMBER AT THE MOMENT, BUT WE CAN  
22 TAKE A VOTE AND LEAVE THE ROLL OPEN. SO IS THERE A  
23 MOTION TO APPROVE?

24 MS. KING: WE NEED EITHER MEMBER TORRES OR  
25 MEMBER GIBBONS TO RETURN TO THE ROOM. THAT WILL

**BARRISTERS' REPORTING SERVICE**

1 PROBABLY HAPPEN MOMENTARILY.

2 CHAIRMAN KLEIN: SO LET'S PUT THE MOTION  
3 OUT THERE. WE CAN PROCEED WITH MAKING THE MOTION  
4 AND A SECOND.

5 MR. SHEEHY: SO MOVED.

6 DR. LOVE: SECOND.

7 CHAIRMAN KLEIN: MOVED AND SECONDED. IF  
8 WE DO A ROLL CALL VOTE, THEN WE CAN KEEP IT OPEN.  
9 WE CAN'T DO THIS WITH A VOICE VOTE WITH THE MEMBERS  
10 ABSENT. YES, PLEASE CALL THE ROLL. I ASKED FOR  
11 PUBLIC COMMENT A SECOND AGO. DIDN'T SEE ANY. ANY  
12 MORE PUBLIC COMMENT?

13 MS. KING: DONALD DAFOE.

14 DR. DAFOE: YES.

15 MS. KING: DAVID BRENNER.

16 DR. BRENNER: YES.

17 MS. KING: WILLIAM BRODY.

18 DR. BRODY: YES.

19 MS. KING: JACOB LEVIN.

20 DR. LEVIN: YES.

21 MS. KING: MARCY FEIT.

22 MS. FEIT: YES.

23 MS. KING: MICHAEL FRIEDMAN, ARE YOU ON  
24 THE LINE? LEEZA GIBBONS.

25 MS. GIBBONS: YES.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: SAM HAWGOOD.  
2 DR. HAWGOOD: YES.  
3 MS. KING: BOB KLEIN.  
4 CHAIRMAN KLEIN: YES.  
5 MS. KING: TED LOVE.  
6 DR. LOVE: YES.  
7 MS. KING: ED PENHOET.  
8 DR. PENHOET: YES.  
9 MS. KING: PHIL PIZZO.  
10 DR. PIZZO: YES.  
11 MS. KING: CLAIRE POMEROY.  
12 DR. POMEROY: YES.  
13 MS. KING: FRANCISCO PRIETO.  
14 DR. PRIETO: YES.  
15 MS. KING: ELIZABETH FINI.  
16 DR. FINI: YES.  
17 MS. KING: ROBERT QUINT.  
18 DR. QUINT: YES.  
19 MS. KING: JEANNIE FONTANA.  
20 DR. FONTANA: YES.  
21 MS. KING: DUANE ROTH.  
22 MR. ROTH: YES.  
23 MS. KING: DAVID SERRANO-SEWELL.  
24 MR. SERRANO-SEWELL: YES.  
25 MS. KING: JEFF SHEEHY.

**BARRISTERS' REPORTING SERVICE**

1 MR. SHEEHY: YES.

2 MS. KING: AND ART TORRES. NOT CURRENTLY  
3 PRESENT.

4 CHAIRMAN KLEIN: ALL RIGHT. THE ROLL WILL  
5 REMAIN OPEN ON THIS ITEM PENDING RETURN OF TWO  
6 MEMBERS -- ONE MEMBER. AS SOON AS LEEZA GIBBONS OR  
7 ONE OTHER MEMBER RETURNS.

8 LEEZA, THERE IS AN OPEN ROLL AT THIS POINT  
9 ON CONSIDERATION OF INTERIM REGULATIONS REGARDING  
10 INTELLECTUAL PROPERTY POLICY. IT WAS NOT AN ITEM OF  
11 DEBATE AMONG THE BOARD. THERE WERE NO PUBLIC  
12 COMMENTS.

13 IT IS AN INTERIM REGULATION FOR 270 DAYS,  
14 IN WHICH CASE -- IN WHICH TIME PERIOD WE CAN RECEIVE  
15 PUBLIC COMMENT AND GET SOME EXPERIENCE WITH THIS  
16 INTERIM REGULATION. WOULD YOU LIKE ADDITIONAL  
17 BACKGROUND, OR ARE YOU PREPARED TO VOTE?

18 MS. GIBBONS: I VOTE YES.

19 CHAIRMAN KLEIN: THE VOTE IS YES. ALL  
20 RIGHT.

21 WE'LL GO TO ITEM 17, CONSIDERATION OF  
22 CONSOLIDATION OF FOR-PROFIT AND NONPROFIT  
23 INTELLECTUAL PROPERTY REGULATIONS. AND GENERAL  
24 COUNSEL, ELONA BAUM, IS GOING TO PRESENT THIS ITEM.

25 MS. BAUM: ED, DID YOU WANT TO SAY ANY

**BARRISTERS' REPORTING SERVICE**

1 PREFACE REMARKS, OR DID YOU WANT ME TO JUST TAKE IT?

2 DR. PENHOET: ELONA AND THE ENTIRE STAFF  
3 OF ATTORNEYS HAVE BEEN WORKING ON THIS. THE EFFORT  
4 HAS BEEN TO COMBINE, CONSOLIDATE THE FOR-PROFIT AND  
5 NONPROFIT INTELLECTUAL PROPERTY REGULATIONS. IN  
6 ADDITION TO THE CONSOLIDATION, THE GROUP WORKED HARD  
7 TO FIND, TIGHTEN UP MANY OF THE DEFINITIONS, ETC.,  
8 SO THAT IT WAS IN SOME SENSES A SIMPLER AND MORE  
9 EXPLICIT DOCUMENT.

10 AS ELONA WILL POINT OUT TO YOU, WITH  
11 RESPECT TO ONE ISSUE, WHICH IS HOW FAR YOU FOLLOW  
12 THE INTELLECTUAL PROPERTY INTO THE MARKETPLACE TO  
13 ESSENTIALLY KEEP THE INTELLECTUAL PROPERTY  
14 REQUIREMENTS ALL THE WAY TO THE MARKETPLACE  
15 IRRESPECTIVE OF THE LICENSING PATH, THERE WAS AN  
16 ATTEMPT TO SIMPLIFY THAT. BUT AS JOHN SIMPSON  
17 POINTED OUT, AND I THINK WE RECENTLY HAVE AGREED  
18 WITH JOHN, THAT THAT PROVIDED AN ESCAPE MECHANISM  
19 FOR PEOPLE TO ACTUALLY AVOID OUR INTELLECTUAL  
20 PROPERTY POLICIES. SO AS ELONA WILL DESCRIBE TO  
21 YOU, SHE WILL RECOMMEND THAT WE ACTUALLY RETURN TO  
22 THE ORIGINAL LANGUAGE IN THIS REGARD SO THAT THE --  
23 BECAUSE THE ORIGINAL INTENT OF THE TASK FORCE AND OF  
24 THIS BOARD, I BELIEVE, WAS THAT THE POLICY  
25 REGULATIONS SPECIFICALLY AS THEY AFFECT ACCESS AND

## BARRISTERS' REPORTING SERVICE

1 PRICING IN CALIFORNIA WERE INTENDED TO FOLLOW THE  
2 TECHNOLOGY ALL THE WAY AS FAR AS THE TECHNOLOGY WENT  
3 FOR EXCLUSIVE LICENSEES. SO THAT'S WHAT ELONA WILL  
4 PRESENT TO YOU. SO THANK YOU, ELONA, FOR CHURNING  
5 THE WATER ON THIS PROJECT.

6 MS. BAUM: SURE. YOU STOLE MY THUNDER.  
7 IN ADDITION TO DESCRIBING THE ACCESS PROVISIONS AND  
8 WHAT THEY MEANT OR MEAN IN THE CURRENT DRAFT AND IN  
9 PRIOR DRAFTS, I FEEL THAT IT'S ALSO APPROPRIATE TO  
10 TALK ABOUT SOME OTHER ASPECTS OF THE PENDING  
11 REGULATIONS. AND BEFORE DOING THAT, I WANTED TO  
12 PROVIDE THE BOARD WITH SOME BACKGROUND BECAUSE I  
13 THINK IT WILL BE HELPFUL IN LIGHT OF THE FACT THAT  
14 IT'S BEEN ABOUT A YEAR SINCE THE BOARD FIRST  
15 APPROVED OF THE CONCEPT OF JOINING THE TWO.

16 I THINK IN TERMS OF TALKING ABOUT THE  
17 BACKGROUND, THERE ARE TWO IMPORTANT THINGS TO NOTE.  
18 THE FIRST ONE BEING THE PURPOSE OF THE CONSOLIDATION  
19 TO BEGIN WITH AND, TWO, TIMING. SO LET ME TALK  
20 ABOUT THE PURPOSE FIRST.

21 THE PURPOSE WAS TO CONSOLIDATE THESE TWO  
22 SETS OF REGULATIONS INTO ONE BECAUSE, AS WE ALL HAVE  
23 NOTED AND ALL DESIRE, THERE'S A GROWING TREND TO  
24 JOINING BOTH NONPROFIT AND FOR-PROFITS. AND I WANT  
25 TO STRESS THAT IT'S NOT THAT THE TWO SETS OF



**BARRISTERS' REPORTING SERVICE**

1 REGULATIONS WERE INHERENTLY DIFFERENT FROM A  
2 SUBSTANTIVE STANDPOINT. THEY BOTH HAD REVENUE  
3 SHARING, THEY BOTH HAD ACCESS, THEY BOTH HAD  
4 REPORTING. THEY HAD ALL OF THE KEY ELEMENTS THAT  
5 YOU WOULD WANT TO SEE IN BOTH SETS. THERE WAS SOME  
6 DIFFERENCES IN LANGUAGE. AND JUST FOR CLARITY SAKE  
7 AND ADMINISTRATION SAKE, IT SEEMED APPROPRIATE TO  
8 HAVE ONE SET OF REGULATIONS THAT WOULD GOVERN, FOR  
9 INSTANCE, DISEASE TEAMS WHERE YOU WILL SEE THESE  
10 JOINT FOR-PROFIT AND NONPROFIT ENTITIES UNDER ONE  
11 GRANT POSSIBLY.

12 SO WITH THAT IN MIND, I SORT OF SEGUE TO  
13 MY NEXT POINT IN TERMS OF THE BACKGROUND, AND THAT'S  
14 TIMING. WE HAVE BEFORE US A LITTLE URGENCY BECAUSE  
15 WE WANT TO MAKE SURE THAT THESE NEW SETS OF  
16 REGULATIONS, WHATEVER THEY ARE, ARE IN EFFECT AT THE  
17 TIME THAT OUR NOTICE OF GRANT AWARDS GO OUT TO THE  
18 APPLICABLE GRANTEES. NOW, THAT DOESN'T MEAN THAT WE  
19 HAVE TO DO AND HAVE FINAL SAY TODAY. THERE IS ROOM  
20 TO DO PERHAPS MAYBE A TELEPHONIC MEETING IN THE  
21 FUTURE IF THAT'S WHAT WE NEED TO DO, BUT I JUST WANT  
22 TO KEEP THE TIMING ELEMENTS BEFORE US.

23 I THOUGHT IT WOULD BE ALSO APPROPRIATE TO  
24 NOTE THAT ALTHOUGH A YEAR HAS PASSED SINCE THE TIME  
25 WHERE THE BOARD HAS THOUGHT IN CONCEPT THAT WE

## BARRISTERS' REPORTING SERVICE

1 SHOULD PROCEED WITH THIS INITIATIVE, THAT THAT  
2 DOESN'T MEAN THAT THERE HAS BEEN NO ACTIVITY.  
3 THREE'S BEEN QUITE A BIT OF ACTIVITY, AND I JUST  
4 WANTED TO ALLUDE TO SOME OF THE ACTIONS THAT HAVE  
5 ALREADY TAKEN PLACE.

6 SO FIRST AND FOREMOST, ON NOVEMBER 18TH  
7 THE INTELLECTUAL PROPERTY TASK FORCE MET AND THERE  
8 WAS AGREEMENT ON SORT OF THE KEY APPROACHES. THE  
9 ICOC WAS BRIEFED IN DECEMBER OF 2008. THERE WERE  
10 THREE ROUNDS OF REFINEMENT OF CONCEPTS THROUGH  
11 PUBLIC COMMENTS. SO WE DID RECEIVE QUITE A BIT OF  
12 PUBLIC COMMENTS IN THIS AREA, AND WE HAD INPUT FROM  
13 BOTH NONPROFIT AND FOR-PROFIT ENTITIES.

14 SO HERE'S SOME OF THE OTHER POINTS THAT I  
15 WANTED TO MAKE TO THE BOARD. I JUST WANTED TO GIVE  
16 A BRIEF OVERVIEW OF WHAT THE NATURE OF THE CHANGES  
17 HAVE BEEN. AND BY THE MAJORITY, ALL OF THEM HAVE  
18 BEEN TECHNICAL IN NATURE FOR THE MOST PART, BUT I DO  
19 WANT TO CALL OUT A FEW DIFFERENT ELEMENTS. THE  
20 FIRST ONE IS THE CONCEPT OF THE COLLABORATOR. THAT  
21 WAS ADDED. I'LL GO INTO THESE ONE BY ONE, BUT I  
22 WON'T BELABOR IT, I PROMISE.

23 THE NEXT CONCEPT THAT WAS ADDED WAS  
24 CIRM-FUNDED TECHNOLOGY. I WANT TO EMPHASIZE THAT  
25 THERE WERE NO CHANGES AT ALL, NO EDITS OF ANY

**BARRISTERS' REPORTING SERVICE**

1 SUBSTANTIVE RELEVANCE TO THE REVENUE SHARING  
2 PROVISIONS. I DO THINK IT'S APPROPRIATE TO BRING  
3 OUT THE FACT THAT A DEFINITION WAS RECENTLY CHANGED  
4 TO THE TERM "EXCLUSIVE LICENSEES." AND THAT HAS  
5 RELEVANCE IN THE FACT THAT THE ACCESS AND PRICING  
6 PROVISIONS APPLY TO NOT ONLY GRANTEES AND  
7 COLLABORATORS, BUT ALSO EXCLUSIVE LICENSEES. AND,  
8 THEREFORE, CHANGING THE DEFINITION HAS SOME  
9 IMPLICATIONS. SOME UNINTENTIONAL RESULTS CAN ARISE  
10 FROM CHANGING A DEFINITION WHICH MIGHT SEEM BENIGN  
11 IN AND OF ITSELF.

12 SO NOT TO BELABOR THE DIFFERENCES OF THIS  
13 DRAFT VERSUS THE ONES THAT HAVE ALREADY BEEN  
14 APPROVED, BUT I THOUGHT IT IMPORTANT TO MENTION A  
15 LITTLE BIT ABOUT THE NATURE OF THE TERM  
16 "COLLABORATOR." WE DID RECEIVE SOME COMMENTS ON  
17 THAT. SO LET ME JUST DEFINE WHAT IT IS, AND THEN  
18 WE'LL TALK A LITTLE BIT ABOUT WHY IT NOW APPEARS  
19 WITHIN THESE REGULATIONS.

20 IN ORDER TO BE A COLLABORATOR, TWO THINGS  
21 MUST OCCUR. FIRST, YOU MUST RECEIVE CIRM FUNDING  
22 AND, SECOND, YOU MUST HAVE OWNERSHIP OF A  
23 CIRM-FUNDED INVENTION OR CIRM-FUNDED PROJECT THAT  
24 ARISES, THE OWNERSHIP ARISING DURING THE PROJECT  
25 PERIOD. THAT'S OFTENTIMES WHEN YOU SEE SORT OF

## BARRISTERS' REPORTING SERVICE

1 OWNERSHIP TRANSFERRING OUTSIDE OF SORT OF AN  
2 EXCLUSIVE LICENSING OR NONEXCLUSIVE LICENSING  
3 ARRANGEMENT. IT HAPPENS IN THE CONTEXT OF A  
4 DEVELOPMENT PROJECT.

5 WHY DO WE INSERT THIS TERM? THE RATIONALE  
6 WAS, AGAIN, TO RECOGNIZE THE FACT THAT SCIENCE IS  
7 CONDUCTED IN MULTIPARTY GROUPS. IT'S JUST NOT ONE  
8 SCIENCE DOING ALL THE WORK, AND WE WANTED TO MAKE  
9 SURE THAT TO THE EXTENT THAT THERE WAS A NON-GRANTEE  
10 THAT ACTUALLY ENDED UP RECEIVING FUNDS AND  
11 CONTROLLING THE INVENTIONS, THAT THEY WOULD HAVE THE  
12 SAME OBLIGATIONS AS A GRANTEE WOULD. SO THAT'S WHY  
13 THAT CONCEPT WAS INTRODUCED.

14 ANOTHER CONCEPT THAT WAS INTRODUCED, WHICH  
15 I THINK WAS THE INTENT ALL ALONG, WAS TO ENSURE THAT  
16 EVEN INVENTIONS THAT WERE NOT PATENTED OR ARE NOT  
17 PATENTABLE ARE STILL OF VALUE TO CALIFORNIA IN THE  
18 EVENT THAT THERE'S ACTUALLY SOME SORT OF ROYALTY  
19 THAT RISES FROM THE LICENSING OF THOSE AND/OR TO THE  
20 EXTENT THAT THEY'RE EMBEDDED WITH SOME FURTHER  
21 INVENTION; I.E., A DRUG. AND, THEREFORE, IN ORDER  
22 TO CLARIFY THAT THESE TYPES OF INVENTIONS ALSO FELL  
23 WITHIN THE REGULATIONS, THIS TERM WAS INCLUDED.

24 SO FINALLY, LET ME GET TO THE DEFINITION  
25 OF EXCLUSIVE LICENSEE. AND WHAT YOU SEE BEFORE YOU

## BARRISTERS' REPORTING SERVICE

1 ARE THE TWO DEFINITIONS THAT ARE OF RELEVANCE TO  
2 THIS DISCUSSION. THE FIRST ONE I JUST TERMED THE  
3 PRE-AUGUST DEFINITION. THE SECOND ONE IS THE  
4 PENDING DEFINITION. AND YOU SEE IN BIG BOLD THE KEY  
5 DIFFERENCE, THE ONE THAT WE RECEIVED A LOT OF  
6 COMMENTS FROM, AND I MUST SAY BOTH POSITIVE AND  
7 NEGATIVE. BUT LET ME EXPLAIN A LITTLE BIT ABOUT THE  
8 CHANGE.

9 THE BOLD CHANGE, THE BOLDED LANGUAGE SAYS  
10 THAT ANY INDIVIDUAL OR ENTITY RECEIVING BY LICENSE  
11 DIRECTLY FROM A GRANTEE, GRANTEE PERSONNEL, OR  
12 COLLABORATOR ALL RIGHTS TO MAKE, USE, SELL A  
13 CIRM-FUNDED INVENTION IS DEEMED AN EXCLUSIVE  
14 LICENSEE, WHICH, IN TURN, TRIGGERS ACCESS AND  
15 PRICING REQUIREMENTS. THAT BOLDED LANGUAGE WAS NOT  
16 IN EXISTENCE BEFORE, AND THERE HAD BEEN A NUMBER OF  
17 QUESTIONS AS TO WHAT IS THE SCOPE, THEN, OF THE  
18 NATURE OF AN EXCLUSIVE LICENSE WHEN IT'S PACKAGED UP  
19 IS THE TERM I USE BECAUSE THERE'S OFTENTIMES A LOT  
20 OF SUBLICENSING THAT GOES WITH EARLY STAGE  
21 INVENTIONS THAT ARE THEN PACKAGED AND EMBEDDED ALONG  
22 THE RESEARCH PIPELINE AND EVENTUALLY ARE EMBEDDED  
23 WITHIN A DRUG.

24 IN THE INTEREST OF CLARITY, THE BOLDED  
25 LANGUAGE WAS INSERTED. IT'S BECOME EVIDENT THAT

**BARRISTERS' REPORTING SERVICE**

1 THERE'S A LOT OF CONCERN THAT THIS WOULD THEN CREATE  
2 AN EXCLUSION TO ACCESS AND PRICING REQUIREMENTS. I  
3 DO NOTE THAT, AS JOHN SIMPSON HAS BEEN RECOGNIZED AS  
4 SUBMITTING SOME COMMENTS TO THIS EFFECT, AND HAVING  
5 GREAT CONCERN ABOUT A PERCEIVED LOOPHOLE THAT'S BEEN  
6 CREATED, STANFORD YESTERDAY PROVIDED A COMMENT THAT  
7 SAID THAT THEY HAVE CONCERNS WITH SOME OF THE ACCESS  
8 AND PRICING PROVISIONS, AND THAT THEY HAVE, I THINK  
9 THEY SAID, 12 OR 13 PATENTS THAT THEY HAVE NOT BEEN  
10 ABLE TO LICENSE, AND THEY HAD CONCERNS ABOUT PERHAPS  
11 THE REASON BEING IS THESE ACCESS AND PRICING  
12 REQUIREMENTS. I JUST LEAVE IT AT THAT. I DON'T  
13 HAVE AN EXTENSIVE SET OF SLIDES ON ALL THE DIFFERENT  
14 COMMENTS RECEIVED, BUT I THOUGHT THOSE WERE  
15 REPRESENTATIVE OF TWO DIFFERENT VIEWPOINTS.

16 MR. SHEEHY: CAN WE GET THE STANFORD  
17 COMMENTS? IT'S VERY HARD. IF STANFORD HAS COMMENTS  
18 ABOUT OUR ACCESS -- AND ONE OF THE POINTS ON THIS IS  
19 THAT THIS WAS EXHAUSTIVELY DISCUSSED AT THE IP TASK  
20 FORCE. SO WE'RE INTRODUCING MORE -- YOU'RE  
21 INTRODUCING EVIDENCE IN SUPPORT OF THE PENDING  
22 DEFINITION. ARE WE DISCUSSING THE PENDING  
23 DEFINITION, OR ARE WE GOING BACK TO THE  
24 PRE-AUGUST --

25 MS. BAUM: MY NEXT SLIDE ANSWERS THAT

**BARRISTERS' REPORTING SERVICE**

1 QUESTION.

2 MR. SHEEHY: I'M NOT ASKING FOR THE NEXT  
3 SLIDE.

4 CHAIRMAN KLEIN: THEY'RE GOING BACK --

5 MR. SHEEHY: YOU JUST OFFERED EVIDENCE TO  
6 SUPPORT THE PENDING DEFINITION. AND THEN YOU  
7 HAVEN'T ACTUALLY PROVIDED THE MATERIAL. I MEAN YOU  
8 JUST SAID THAT STANFORD HAS NOW OFFERED COMMENTS  
9 SUPPORTING THE PENDING DEFINITION, WHICH I HAVEN'T  
10 SEEN.

11 MS. BAUM: WE ARE HAPPY TO PROVIDE THAT  
12 INFORMATION TO ANYBODY WHO DESIRES IT. WE JUST  
13 RECEIVED IT, I BELIEVE, YESTERDAY, AND THAT'S WHY  
14 I'M BRINGING IT TO YOUR ATTENTION TODAY. I THINK WE  
15 SHOULD GO TO THE NEXT SLIDE BECAUSE, IN LIGHT OF A  
16 LARGE AMOUNT OF HISTORY THAT UNDER -- THAT'S  
17 RELEVANT TO THIS ISSUE AND MANY OTHER FACTORS OF  
18 INTEREST, IT'S STAFF'S SUGGESTION THAT WE SEEK  
19 APPROVAL OR THAT THE ICOC DOES APPROVE THE PENDING  
20 REGULATIONS SAVE FOR THE DEFINITION OF EXCLUSIVE  
21 LICENSEE, IN WHICH WE WOULD SUGGEST THAT THE  
22 PRE-AUGUST 3D DEFINITION PREVAIL. AND THAT'S  
23 STAFF'S RECOMMENDATION AT THIS TIME.

24 CHAIRMAN KLEIN: OKAY. DR. PENHOET.

25 DR. PENHOET: IF I COULD COMMENT ON THIS.

## BARRISTERS' REPORTING SERVICE

1 I THINK THAT THE INTENT OF THE TASK FORCE HAS BEEN  
2 CLEAR ALL THE WAY ALONG, THAT THE OBLIGATION SHOULD  
3 FOLLOW THE TECHNOLOGY TO THE MARKETPLACE. A VERY  
4 COMMON PATH FOR TECHNOLOGY GENERATED IN UNIVERSITIES  
5 IS FOR THEM TO -- FOR UNIVERSITIES TO LICENSE IT TO  
6 BIOTECH COMPANIES WHICH TYPICALLY FURTHER DEVELOP  
7 THE TECHNOLOGY AND THEN IN TURN LICENSE IT TO PHARMA  
8 COMPANIES.

9 THE LANGUAGE THAT THE POST-AUGUST 3D  
10 LANGUAGE WOULD ALLOW THE PHARMA COMPANY TO AVOID THE  
11 PROVISIONS IN OUR IP DOCUMENT. SO THAT'S A FAIRLY  
12 STANDARD PATH FOR HOW TECHNOLOGY FINDS ITS PLACE  
13 FROM UNIVERSITY TO THE MARKETPLACE.

14 I THINK IT'S FAIR TO SAY, AND ELONA IS  
15 CORRECT, THERE IS A LOT OF CONCERN GENERALLY IN THE  
16 COMMUNITY OF THE BUSINESS COMMUNITY ABOUT BEING  
17 REQUIRED TO FOLLOW THESE REGULATIONS. AND I THINK  
18 IT HONESTLY WILL BE A BARRIER TO LICENSING FROM TIME  
19 TO TIME. NEVERTHELESS, IT'S BEEN THOROUGHLY  
20 DISCUSSED OVER THE LAST, BELIEVE IT OR NOT, FOUR  
21 YEARS OR THREE YEARS. AND I THINK WE DO -- IF THIS  
22 TURNS OUT TO BE A SIGNIFICANT BARRIER TO SEEING OUR  
23 TECHNOLOGY COME TO FRUITION, WE CAN REVISIT THESE  
24 ISSUES IN THE FUTURE. BUT I DO THINK THAT THE  
25 UNINTENDED CONSEQUENCE OF THE CLARIFICATION LANGUAGE



**BARRISTERS' REPORTING SERVICE**

1 WHICH WOULD ALLOW THE PHARMA COMPANY SUBLICENSEE IN  
2 THAT CASE TO ESCAPE THE REGULATIONS WAS NOT  
3 CONSISTENT WITH THE INTENT UP TO TODAY.

4 DR. LEVIN: I HAVE A QUESTION ABOUT IN THE  
5 PAST MONTH THE UNIVERSITY OF CALIFORNIA COUNSEL HAS  
6 COMMENTED -- I GUESS WE ALL GOT THIS, RIGHT? --  
7 SEVERAL TIMES WITH VERY SIGNIFICANT CONCERNS ABOUT A  
8 NUMBER OF DIFFERENT ASPECTS OF THIS POLICY, THINGS  
9 COVERING THE REACH-THROUGH TO THE PAST AND TO  
10 NON-CIRM-FUNDED INVESTIGATORS AND OTHER THINGS,  
11 DAY-TO-DAY REPORTING AND SOME TECHNICAL WORDING  
12 ABOUT, FOR EXAMPLE, THE FACT THAT INVENTIONS THAT  
13 ARE NOT PATENTABLE STILL ARE COVERED.

14 AND I'M WONDERING, AS I SAID, THE MOST  
15 RECENT OF THESE WAS TWO DAYS AGO, SO I DOUBT THAT  
16 ANY OF THOSE COMMENTS WERE INCORPORATED. AND WERE  
17 THE PREVIOUS COMMENTS INCORPORATED INTO THE POLICY  
18 WE'RE VOTING ON NOW? IF NOT, WHY NOT?

19 MS. BAUM: I'M GOING TO ASK SCOTT TOCHER  
20 TO ANSWER THOSE QUESTIONS. HE'S HAD THE HISTORY  
21 WITH RESPECT TO DISCUSSIONS WITH THE UC IN THIS  
22 MATTER.

23 MR. TOCHER: IT'S A GOOD QUESTION. UC HAS  
24 BEEN A REAL COLLABORATOR WITH THE DEVELOPMENT OF  
25 THESE POLICIES SINCE REALLY THE VERY BEGINNING. AND

**BARRISTERS' REPORTING SERVICE**

1 WENDY STREITZ SPECIFICALLY IN THEIR OFFICE OF TECH  
2 TRANSFER, THEIR DIRECTOR, HAS BEEN WORKING WITH US  
3 VERY CLOSELY, VISITS, INTERPERSONAL VISITS IN THE  
4 OFFICE TO SIT DOWN AND GO OVER THESE THINGS ONE BY  
5 ONE.

6 AND IT WAS REALLY HELPFUL BECAUSE, AS  
7 YOU'VE SEEN, UC HAS A LOT OF COMMENTS. THEY'RE  
8 PROBABLY ONE OF THE MOST SORT OF GRANULAR ANALYSTS  
9 THAT WE HAVE. AND THEY HAVE BEEN REALLY HELPFUL.  
10 AND BASICALLY WHAT WE DID TOGETHER WAS ESTABLISH  
11 WHAT WE THOUGHT WERE OUR SORT OF EACH RESPECTIVE  
12 GO/NO-GO POINTS AND TRIED TO WORK TOWARDS OUR COMMON  
13 INTERESTS ACCORDINGLY.

14 SO IDENTIFYING THOSE ISSUES OF THE  
15 GREATEST SIGNIFICANCE, WHICH I THINK WERE CENTERED,  
16 FOR INSTANCE, AROUND CERTAIN MARCH-IN PROVISIONS,  
17 ALSO THE USE OF OR THE REPORTING SURROUNDING  
18 NONPATENTABLE MATERIALS AS WELL AS OUR DEFINITION OF  
19 INVENTION. AND WHAT WE TRIED TO DO WAS GIVE THE  
20 ACCOMMODATION WHERE BEST WE COULD WHILE FOLLOWING,  
21 IN THE CASE OF PATENTED INVENTION, THE BAYH-DOLE  
22 FEDERAL APPROACH ON THE CONCEPTION AND REDUCTION TO  
23 PRACTICE, TRYING TO FOLLOW THE FEDERAL MODEL.

24 AND SO WHAT WE DID IS WE, THROUGH OUR  
25 SERIES OF REVISIONS DURING THIS PROCESS, REALLY

## BARRISTERS' REPORTING SERVICE

1 NARROWED DOWN THE SCOPE OF OUR, AND I THINK THAT IN  
2 THEIR LAST LETTER, UC WAS COMPLIMENTARY OF THOSE  
3 EFFORTS, ESPECIALLY ON REPORTING, SO THAT THEY  
4 WEREN'T REPORTING ALL DATA THAT THEY WERE CREATING  
5 ON A DAILY BASIS AND ALL FORMS OF NONPATENTABLE  
6 INFORMATION.

7 OUR GOAL WAS NOT TO BURDEN OBVIOUSLY  
8 UNNECESSARILY OUR GRANTEES, BUT WHAT WE NEEDED TO  
9 MAKE SURE WAS THAT THE COMPONENTS OF THEIR WORK  
10 WHICH MIGHT RESULT IN REVENUES TO THE STATE, WE  
11 NEEDED TO MAKE SURE THAT WE HAD AN ABILITY TO  
12 MONITOR THROUGH AN ANNUAL REPORT WHAT THOSE  
13 ACTIVITIES WERE SO THAT WE COULD MAKE SURE THAT  
14 THERE WAS COMPLIANCE WITH THE REGULATIONS. AND I  
15 THINK WE TOOK THEIR ADVICE, AND IN VIRTUALLY ALL OF  
16 THE REPORTING, WE TOOK OUT REPORTING FOR CIRM-FUNDED  
17 TECHNOLOGIES AND REALLY NARROWED IT DOWN TO THE  
18 PATENTED AND PATENTABLE INVENTION AND LEFT THE  
19 TECHNOLOGIES SORT OF DOWN THE ROAD FOR SORT OF A  
20 POSTGRANT. IF SOMETHING GENERATES REVENUE, THEN WE  
21 WANT YOU TO START FILLING US IN ON AN ANNUAL BASIS  
22 ABOUT HOW IT'S WORKING.

23 AND THEN, FOR INSTANCE, WITH THE MARCH-IN  
24 HAD A REAL STRONG REACTION THAT THE CONCEPT OF  
25 MARCH-IN, THAT WE COULD MARCH IN AND REQUIRE AN

**BARRISTERS' REPORTING SERVICE**

1 EXCLUSIVE LICENSE TO A COMPANY DURING A HEALTH  
2 EMERGENCY, LET'S SAY, MIGHT RUN AFOUL OF THE  
3 ACADEMIC FUNDAMENTAL PRECEPT THAT UC REALLY DIDN'T  
4 LIKE TO EXCLUSIVELY LICENSE, ESPECIALLY WHEN IT CAME  
5 TO NONPATENTED INFORMATION. SO INSTEAD OF HAVING AN  
6 ENTIRE CARVE-OUT, WE CAME TO A COMPROMISE WHERE THE  
7 ICOC, BEFORE IT EVER GOES DOWN THE PATH OF MARCHING  
8 IN, WILL EXPRESSLY TAKE INTO ACCOUNT THE ACADEMIC  
9 FREEDOM OF AN ACADEMIC INSTITUTION AND MAKE SURE  
10 THAT IT WEIGHS THAT AS A BALANCES AS TO WHETHER OR  
11 NOT TO MARCH IN AND EXERCISE ITS MARCH-IN RIGHTS.

12 SO I THINK THOSE ARE SORT OF THE THREE  
13 MOST CRITICAL AREAS. AND THERE HAVE BEEN MANY,  
14 MANY, MANY OTHER IMPROVEMENTS THAT UC OFFERED AND  
15 THAT WE WERE GLAD TO ACCEPT. I THINK THAT THERE ARE  
16 ALWAYS GOING TO BE SOME DIFFERENCES JUST AS THERE  
17 ARE IN THE FOR-PROFIT CONTEXT WHERE I THINK WE AGREE  
18 TO DISAGREE. BUT IF YOU ACCEPT THE MOTION TODAY,  
19 WE'RE GOING TO SET THIS OUT FOR ANOTHER COMMENT  
20 PERIOD ON, FOR INSTANCE, EXCLUSIVE LICENSEE. AND  
21 I'M SURE WE'LL CONTINUE TO GET GOOD FEEDBACK FROM  
22 WENDY AND UC, AND WE'RE HAPPY TO HAVE IT.

23 CHAIRMAN KLEIN: TWO POINTS. ONE, I'M  
24 GOING TO CALL ON DR. PENHOET AND THEN DR. PRIETO.  
25 BUT THE FIRST POINT IS, DR. PENHOET, ARE YOU

## BARRISTERS' REPORTING SERVICE

1 COMFORTABLE THAT WE'VE DONE WHATEVER WE CAN DO  
2 CONSISTENT WITH OUR TASK FORCE AND OUR GUIDELINES TO  
3 RECONCILE WITH THE UC SYSTEM?

4 DR. PENHOET: WELL, WE'VE DONE WHATEVER WE  
5 CAN. WE'VE WORKED HARD. I HAVE TO REFRESH PEOPLE'S  
6 MEMORIES. WE HAVE HAD PROBABLY A DOZEN OR MAYBE 15  
7 PUBLIC MEETINGS ON THIS ISSUE OVER THE LAST THREE  
8 YEARS. WE'VE HAD INTERIM REGULATIONS IN PLACE.  
9 WE'VE HAD FINAL REGULATIONS. IN THE CASE OF THE  
10 NONPROFIT, THE CHANGES THAT HAVE BEEN MADE, WITH THE  
11 EXCEPTION OF THIS CHANGE IN DEFINITION OF EXCLUSIVE  
12 LICENSEE, REALLY ARE MODEST. IN THE CASE OF  
13 TECHNOLOGY BROADLY, OUR INTERESTS ARE ONLY IF IT  
14 CREATES VALUE AND IS LICENSED. THERE'S A RARE  
15 OCCASION WHEN A UNIVERSITY LICENSES ANYTHING BUT  
16 PATENTED TECHNOLOGY IN MY OWN EXPERIENCE.

17 YOU KNOW, PEOPLE WILL CONTINUE TO HAVE  
18 ISSUES ASSOCIATED WITH OUR POLICY. AND I THINK IN  
19 THE FUTURE WE'LL HAVE TO MAYBE RETURN TO SOME OF  
20 THESE ISSUES, BUT I THINK IT'S REALLY CRITICAL THAT  
21 WE COMPLETE THIS TASK. WE'VE HEARD MOST OF THESE  
22 ARGUMENTS THAT HAVE BEEN THROWN AT US IN THE LAST  
23 TWO DAYS MANY TIMES BEFORE, AND WE HAVE DEALT WITH  
24 THEM BEFORE. I THINK WE NEED TO PUT A POLICY IN  
25 PLACE. WE NEED THE POLICY, BY THE WAY, FOR THE

**BARRISTERS' REPORTING SERVICE**

1 DISEASE TEAM THINGS WHICH ARE COMING FORWARD.

2 WE WILL NEVER MAKE -- TO BE SORT OF  
3 PRACTICAL ABOUT THIS, WE WILL NEVER SATISFY THE  
4 POWERS THAT BE IN SACRAMENTO WHO HAVE OVERSIGHT TO  
5 SOME DEGREE OVER US AND INDUSTRY IN COMPLETE  
6 AGREEMENT ON WHAT THESE POLICIES SHOULD BE. I THINK  
7 WE HAVE A PRETTY BROAD CONSENSUS ON THE TASK FORCE  
8 THAT WE HAVE REACHED A REASONABLE MIDDLE GROUND ON  
9 MOST OF THESE ISSUES, AND THAT'S WHAT WE'RE TRYING  
10 TO PUT FORWARD, BUT IT IS IMPORTANT THAT WE GO  
11 FORWARD.

12 CHAIRMAN KLEIN: THANK YOU. AS A CONTEXT  
13 AS WELL, DR. PRIETO, IF WE COULD FIRST GET -- SCOTT,  
14 COULD YOU BE VERY EXPLICIT. IF WE WERE TO APPROVE  
15 THIS TODAY AS TO THIS ITEM SPECIFICALLY, THERE WOULD  
16 BE A 15-DAY COMMENT PERIOD?

17 MR. TOCHER: RIGHT. WE WOULD TAKE THE  
18 LANGUAGE AND, AGAIN, ISSUE IT TO THE PUBLIC, POST IT  
19 FOR 15 DAYS TO ELICIT PUBLIC COMMENT. WE WOULD THEN  
20 BRING IT BACK TO THE BOARD AT A FUTURE MEETING.

21 CHAIRMAN KLEIN: A TELEPHONIC MEETING.

22 MR. TOCHER: THAT'S RIGHT. AND HAVE YOU  
23 SIGN OFF ON THAT, AND THEN IT WOULD ALL BE SHIPPED  
24 OFF TO OAL.

25 CHAIRMAN KLEIN: SO TO THE EXTENT THAT

**BARRISTERS' REPORTING SERVICE**

1 THERE'S ANY COMMENTS RELATED TO THIS SPECIFIC  
2 PROVISION THAT HAS GENERATED SOME SIGNIFICANT RECENT  
3 COMMENT, WE'RE RETURNING TO THE ORIGINAL LANGUAGE,  
4 BUT THERE WILL BE 15 DAYS FOR ADDITIONAL COMMENT,  
5 AND IT WILL BE BROUGHT BACK TO US WITH A REPORT,  
6 WHICH WE WILL VOTE IN A TELEPHONIC MEETING. DR.  
7 PRIETO.

8 DR. PRIETO: YES. WE VISITED MOST OF  
9 THESE ISSUES IN THE IP TASK FORCE AT GREAT LENGTH  
10 WITH AN OPPORTUNITY FOR PUBLIC COMMENT. THE  
11 INTERESTED PARTIES WERE NOT SHY ABOUT SHARING THEIR  
12 FEELINGS ON SOME OF THESE ISSUES, AND I THINK WE  
13 CAME TO A VERY REASONABLE COMPROMISE. I HAVE NO  
14 PROBLEM WITH MOST OF THESE RELATIVELY MINOR  
15 MODIFICATIONS, BUT I'M VERY CONCERNED ABOUT THIS  
16 CHANGE IN THE EXCLUSIVE LICENSEE BECAUSE, IF I  
17 UNDERSTAND THIS CORRECTLY, WHAT THIS MEANS IS THAT  
18 IF A CIRM-FUNDED INVENTION OR TECHNOLOGY OR  
19 TREATMENT ACTUALLY FOLLOWS THE COURSE OF MOST  
20 TREATMENTS AND TECHNOLOGIES TO THE MARKETPLACE, THEN  
21 THE ULTIMATE LICENSEE WILL HAVE COMPLETELY ESCAPED  
22 OUR IP POLICIES.

23 CHAIRMAN KLEIN: DR. PRIETO --

24 DR. PRIETO: CORRECT ME IF I'M WRONG.

25 CHAIRMAN KLEIN: -- THEY'RE ELIMINATING

**BARRISTERS' REPORTING SERVICE**

1 THE PROVISION THAT WOULD HAVE CREATED THAT  
2 UNANTICIPATED EVENT. SO THEY'RE GOING BACK TO THE  
3 ORIGINAL LANGUAGE WHICH DOES NOT ALLOW THAT TO  
4 HAPPEN.

5 DR. PRIETO: BUT THE PENDING -- WHICH  
6 DEFINITION WOULD HAVE ALLOWED THEM TO ESCAPE?

7 CHAIRMAN KLEIN: THE ONE THAT HAD BEEN  
8 PROPOSED, BUT HAS NOW BEEN ELIMINATED BY STAFF.

9 MR. SERRANO-SEWELL: POINT OF ORDER.  
10 FRANCISCO, THE ONE WE'RE APPROVING, AS I UNDERSTAND  
11 IT, IS THE ONE THAT THE TASK FORCE REVIEWED AND  
12 RECOMMENDED FOR US; IS THAT RIGHT?

13 CHAIRMAN KLEIN: THAT'S CORRECT.

14 DR. PRIETO: IS THAT PRE-AUGUST 3D?

15 CHAIRMAN KLEIN: I BELIEVE MR. SHEEHY HAD  
16 A COMMENT.

17 MR. SHEEHY: SO I'D LIKE TO -- CAN WE GO  
18 THE NEXT SLIDE, PLEASE? SO I WOULD LIKE TO TAKE THE  
19 STAFF -- TO MAKE A MOTION TO ADOPT THE STAFF  
20 RECOMMENDATION TO APPROVE THE PROPOSED REGULATIONS  
21 THAT WERE POSTED FOR PUBLIC COMMENT ON AUGUST 3D  
22 WITH THE PROVISO THAT THE DEFINITION OF EXCLUSIVE  
23 LICENSEE BE CHANGED TO THE VERSION PENDING JUST  
24 PRIOR TO AUGUST 3, 2009. SO I'D LIKE TO MAKE THAT  
25 MOTION.



**BARRISTERS' REPORTING SERVICE**

1           AND I ALSO THINK THAT, GIVEN THAT DR.  
2           PENHOET REFERENCED THE POWERS THAT BE IN SACRAMENTO,  
3           THAT THE BOARD HAS STRONGLY EXPRESSED ITS COMMITMENT  
4           TO ACCESS FOR ALL CALIFORNIANS BY SUPPORTING A  
5           STRONG PUBLIC INSURANCE PLAN THIS MORNING. AND SO  
6           WE HAVE SHOWN THAT WE DO TAKE THEIR CONCERNS  
7           SERIOUSLY BECAUSE, FRANKLY, OUR ACCESS -- ALL THE  
8           CONCERNS ABOUT ACCESS BECOME MOOT WITH THE  
9           SUCCESSFUL HEALTHCARE REFORM ACT WITH A STRONG  
10          PUBLIC INSURANCE COMPONENT.

11                 MR. TORRES: I SECOND THAT MOTION.

12                 CHAIRMAN KLEIN: MOTION HAS BEEN MADE AND  
13           SECONDED. ADDITIONAL COMMENT? ADDITIONAL COMMENT  
14           FROM THE PUBLIC? PUBLIC COMMENT. THREE MINUTES OF  
15           PUBLIC COMMENT. ANYONE ELSE THAT WISHES PUBLIC  
16           COMMENT, YES, WILL FOLLOW MR. JENSON.

17                 MR. JENSON: DAVE JENSON, CALIFORNIA STEM  
18           CELL REPORT. I HAVE A COMMENT HERE FROM JOHN  
19           SIMPSON, WHO IS UNFORTUNATELY IN SANTA MONICA  
20           LISTENING, I HOPE. BUT HE PASSED ALONG A COMMENT,  
21           TWO COMMENTS, ONE OF WHICH YOU ALREADY ANSWERED HOW  
22           THIS HAPPENED TO COME ABOUT WITH THE CHANGE IN THE  
23           INCLUSIVE LICENSING THING.

24                 HE SAID -- HE ASKED ME TO READ THIS, THE  
25           FOLLOWING PARAGRAPH TO YOU FOLKS. "I AM THANKFUL

**BARRISTERS' REPORTING SERVICE**

1 THAT THE PROPOSED DEFINITION OF EXCLUSIVE LICENSEE  
2 HAS BEEN DROPPED AND THAT THE ORIGINAL LANGUAGE  
3 DEVELOPED AS A RESULT OF A LENGTHY AND THOROUGH  
4 PUBLIC PROCESS WILL STAY.

5 "I HAVE THE FOLLOWING QUESTION. THAT'S  
6 SIMPSON. COULD YOU PLEASE PROVIDE COPIES OF ALL  
7 COMMENTS ON ROUND 1 AND ROUND 2 OF THE PROPOSED IP  
8 REGULATIONS AS WELL AS A WRITTEN SYNOPSIS OF ANY  
9 ORAL COMMENTS, INCLUDING THE IDENTITY OF WHO MADE  
10 THEM?"

11 I HAVE A FURTHER COMMENT ON THIS ITEM.  
12 AFFORDABLE ACCESS IS OBVIOUSLY ONE OF THE KEY  
13 MOTIVATIONS FOR PASSAGE OF PROPOSITION 71. IT'S  
14 SORT OF A BENCHMARK. IT'S THE SPINE OF THIS  
15 ORGANIZATION IN MANY WAYS. LAST YEAR 70 PERCENT OF  
16 BOTH HOUSES OF THE LEGISLATURE PASSED LEGISLATION  
17 DESIGNED TO ENSURE AFFORDABLE ACCESS, WHICH GIVES  
18 SOME INDICATION OF HOW STRONGLY THE SENTIMENT IS IN  
19 SACRAMENTO CERTAINLY, ALTHOUGH THE GOVERNOR DOES  
20 HAVE A DIFFERENT OPINION.

21 AND CHANGES IN DEFINITION LIKE THIS ARE --  
22 HAVE MAJOR IMPLICATIONS AND GO WELL BEYOND THE TERM  
23 "CONSOLIDATION," AND IT'S ENTIRELY APPROPRIATE, WHEN  
24 MAJOR CHANGES IN DEFINITION ARE PUT FORWARD, THAT  
25 THEY CAN BE CONSIDERED AMPLY ABOUT THE COMPLETE

**BARRISTERS' REPORTING SERVICE**

1 RANGE OF THEIR IMPLICATIONS.

2 CHAIRMAN KLEIN: THANK YOU. ANOTHER  
3 PUBLIC COMMENT.

4 MR. HALL: MEMBERS OF THE BOARD, I'M JEFF  
5 HALL. I'M HERE REPRESENTING THE UNIVERSITY OF  
6 CALIFORNIA SYSTEMWIDE OFFICE OF THE PRESIDENT AND  
7 SPECIFICALLY THEIR OFFICE OF RESEARCH AND GRADUATE  
8 STUDIES. I'M PINCH HITTING FOR WENDY STREITZ, WHO  
9 IS DEFINITELY OUR OFFICE EXPERT HERE WHO ASKED ME TO  
10 RELAY SOME OF THE COMMENTS THAT HAVE ALREADY BEEN  
11 DISCUSSED BY UC, SO I'LL KEEP THIS SHORT.

12 WE DO APPRECIATE THE MANY ACCOMMODATIONS  
13 THAT CIRM COUNSEL HAVE MADE IN GETTING TO A  
14 COMPROMISE POSITION ON A LOT OF THESE REGULATIONS,  
15 BUT HAVE TWO PARTICULAR CONCERNS THAT REMAIN. AND  
16 THE FIRST IS THEY ALL REVOLVE AROUND SECTION  
17 100601(C), AND WE FEEL THAT THEY WOULD DRAMATICALLY  
18 AND INAPPROPRIATELY EXPAND THE SCOPE OF CIRM-FUNDED  
19 INVENTIONS THAT ARE SUBJECT TO REGULATION.

20 THE LANGUAGE THERE THAT IS IN THE LANGUAGE  
21 BEFORE YOU WOULD INCLUDE INVENTIONS THAT ARE REDUCED  
22 TO PRACTICE IN THE 12-MONTH PERIOD AFTER THE END OF  
23 A CIRM GRANT. EVEN IF THEY'RE NOT CONCEIVED IN THE  
24 PERFORMANCE OF THE GRANT, THE CIRM PROPOSED  
25 AMENDMENTS TO SECTION 100601(C) WOULD CAST TOO WIDE

## BARRISTERS' REPORTING SERVICE

1 A NET AND IMPOSE THE OBLIGATIONS OF THESE  
2 REGULATIONS ON INVENTIONS THAT WERE NEITHER  
3 CONCEIVED NOR REDUCED TO PRACTICE WITH CIRM FUNDING.  
4 WE FEEL THIS IS INEQUITABLE, AND WE HOPE IT'S NOT  
5 WHAT CIRM INTENDS.

6 WE'RE ALSO CONCERNED THAT THE CIRM  
7 PROPOSED AMENDMENTS TO THE SAME REGULATION WOULD  
8 LIMIT CIRM -- WE'RE CONCERNED THAT THE PROPOSED  
9 AMENDMENT WOULD NOT LIMIT CIRM OBLIGATIONS ONLY TO  
10 THOSE RESEARCHERS WHO HAVE THE BENEFIT OF RECEIVING  
11 CIRM FUNDS. AS CURRENTLY PROPOSED, THE REGULATION  
12 WOULD ALSO IMPOSE CIRM OBLIGATIONS ON UNRELATED  
13 RESEARCHERS WHO ARE NOT CIRM-FUNDED. THESE  
14 UNRELATED RESEARCHERS WOULD BE RESEARCHERS WHO WOULD  
15 NOT EVEN BE AWARE OF THE REGULATION'S IMPACT ON  
16 THEIR RESEARCH RESULTS AND WOULD NOT HAVE THE  
17 OPPORTUNITY TO DECLINE THE CIRM FUNDS IF THEY CHOSE  
18 NOT TO INCUR THOSE CIRM OBLIGATIONS.

19 WE BELIEVE THE REGULATIONS SHOULD BE  
20 AMENDED TO SPECIFY TO WHOM THE CIRM OBLIGATIONS  
21 APPLY; THAT IS, THE GRANTEES, THE GRANTEE PERSONNEL,  
22 AND/OR ITS COLLABORATORS THE NEW DEFINITIONS HAVE  
23 OUTLINED IN THE PERFORMANCE OF CIRM-FUNDED PROJECT  
24 OR ACTIVITY WITHIN 12 MONTHS OF THE CLOSE OF THE  
25 GRANT.

## BARRISTERS' REPORTING SERVICE

1 SO I THINK WENDY AND THE OFFICE OF  
2 TECHNOLOGY TRANSFER HAVE TRANSMITTED OTHER MORE  
3 TECHNICAL AMENDMENTS BY OUR LETTER, I THINK, IT'S  
4 AUGUST 18TH, AND WOULD LIKE THOSE TO BE CONSIDERED  
5 AS WELL, BUT THE TWO THAT I STATED ARE THE MOST  
6 FUNDAMENTAL OBJECTIONS THAT WE HAVE REMAINING.

7 CHAIRMAN KLEIN: THANK YOU VERY MUCH. IF  
8 YOU COULD STAY AT THE PODIUM, I THINK THERE PROBABLY  
9 ARE SOME QUESTIONS RELATED TO IT.

10 MR. ROTH: I'M CURIOUS AS TO WHAT THE UC  
11 POLICY IS IF THERE IS AN INVENTION NOT REDUCED TO  
12 PRACTICE AND THE FACULTY MEMBER LEAVES THE  
13 UNIVERSITY. WHAT IS THE TIMEFRAME THAT YOU WOULD  
14 CLAIM THAT THAT WAS A UC INVENTION?

15 MR. HALL: I DON'T KNOW THE ANSWER TO  
16 THAT.

17 MR. ROTH: CAN YOU TELL ME WHAT THE NIH  
18 POLICY IS IN TERMS OF REDUCTION TO PRACTICE AND THE  
19 TIME AFTER THAT, IF THERE IS ONE?

20 MR. HALL: IF IT'S ALL RIGHT WITH THE  
21 BOARD, I CAN PROVIDE, AND MR. ROTH, I CAN PROVIDE A  
22 WRITTEN RESPONSE TO THAT AFTER THIS.

23 CHAIRMAN KLEIN: OKAY. LET ME BRING TO  
24 THE BOARD'S ATTENTION THAT LEEZA HAS A PLANE, WHICH  
25 WE'RE GOING TO LOSE OUR QUORUM HERE IN JUST A COUPLE

**BARRISTERS' REPORTING SERVICE**

1 OF MINUTES. IT'S PART OF THE PRICE OF BEING A  
2 CELEBRITY.

3 SO BUT COULD WE HAVE A -- SCOTT, COULD YOU  
4 ADDRESS TWO THINGS? ONE, VERY QUICKLY, WHAT IS THE  
5 POINT THAT'S BEING MADE ABOUT THIS REACHES THROUGH  
6 TO RESEARCHERS WHO MAY NOT BE AWARE OF OUR FUNDING  
7 OR NOT OTHERWISE INVOLVED IN OUR FUNDING? HOW DOES  
8 THAT HAPPEN?

9 MR. TOCHER: WELL, HONESTLY I'M NOT REALLY  
10 SURE BECAUSE I'VE HAD A CONVERSATION WITH WENDY  
11 STREITZ ON THE PHONE AND ASKED AND TRIED TO WALK  
12 THROUGH IT WITH HER, AND SHE WAS UNABLE TO  
13 RECONSTRUCT PRECISELY WHAT HYPOTHETICAL THAT WOULD  
14 HAPPEN. AND WHAT I TOLD HER WAS I POINTED OUT OUR  
15 LANGUAGE IN THE DEFINITION OF CIRM-FUNDED INVENTION  
16 THAT SAYS THAT IT IS REDUCED TO PRACTICE BY A  
17 GRANTEE, GRANTEE PERSONNEL, OR ITS COLLABORATOR  
18 DURING THE PERFORMANCE. SO I DIDN'T SEE HOW IT WAS  
19 REACHING THROUGH TO UNFUNDED, NON-CIRM-FUNDED  
20 GRANTEE. I SUSPECT, THOUGH DO NOT KNOW, AND SHE  
21 SAID SHE WOULD GET BACK TO ME AFTER SHE TALKED TO  
22 HER FOLKS, I SUSPECT THAT, BECAUSE SHE STARTED TO  
23 TALK ABOUT WHAT IF SOMETHING WAS DONE, WORK IN UCLA  
24 AND THEN A UC DAVIS RESEARCHER SEES SOMETHING THAT  
25 IS PUBLISHED FROM THE UCLA RESEARCHER AND USES THAT

**BARRISTERS' REPORTING SERVICE**

1 DATA TO CREATE SOMETHING.

2 AND I REMINDED HER THAT IN THE  
3 PROPOSITION, OF COURSE, THE UC CAMPUSES ARE  
4 DIFFERENT GRANTEES, SO THERE WOULDN'T BE ANY  
5 ATTACHMENT SIMPLY BECAUSE THEY WERE UC CAMPUSES,  
6 THAT THE DEFINITION OF OUR GRANTEE IS A SEPARATE  
7 INSTITUTION THERE. SO I ASKED HER TO -- I SHOWED  
8 HER THE WORDING, AND SHE SAID SHE WOULD GET BACK TO  
9 US TO TRY TO BETTER DEFINE WHAT THAT SITUATION WAS.

10 AND THEN FINALLY WITH REGARD TO THE  
11 12-MONTH WINDOW AFTER THE CLOSE OF THE GRANT, THAT  
12 WAS SIMPLY TO ENSURE THAT WE DIDN'T COME INTO A  
13 SITUATION WHERE WE HAD A GRANTEE CONCEIVE SOMETHING  
14 DURING THE GRANT AND HOLD OFF ON REDUCTION TO  
15 PRACTICE UNTIL THE DAY AFTER OUR GRANT ENDED AND  
16 THUS CUT OFF THE APPLICATION OF OUR REGULATIONS.  
17 AND SO INITIALLY WE HAD PROPOSED 24 MONTHS. UC CAME  
18 BACK AND WE COMPROMISED, CUT IT IN HALF TO 12  
19 MONTHS. WE THINK THAT NO ONE IS PROBABLY GOING TO  
20 SIT ON SOMETHING THAT'S COMMERCIALY VALUABLE FOR  
21 LONGER THAN 12 MONTHS, SO WE THOUGHT THAT WAS FAIR.

22 CHAIRMAN KLEIN: VERY QUICKLY, I'M GOING  
23 TO SEE IF DUANE CAN MAKE A COMMENT.

24 DR. PENHOET: JUST A QUICK COMMENT, TO  
25 REMIND PEOPLE THAT OUR DEFINITION OF COLLABORATOR

**BARRISTERS' REPORTING SERVICE**

1 NOW IS A PERSON WHO ACTUALLY RECEIVES CIRM FUNDING  
2 FROM A GRANTEE, SO THEY'RE ACTUALLY CIRM-FUNDED.

3 CHAIRMAN KLEIN: WE'RE GOING TO SEE IF --  
4 DUANE, IF YOU HAVE A MOTION.

5 MR. ROTH: I WOULD LIKE TO MAKE A MOTION  
6 WE APPROVE AS PRESENTED WITH THIS ONE EXCEPTION.

7 MR. HARRISON: WE HAVE A MOTION.

8 MR. ROTH: I'LL CALL THE QUESTION WITH THE  
9 COMMENT THAT WE -- SCOTT INDICATED AND ELONA THERE  
10 IS ANOTHER COMMENT PERIOD. AND ED, I'M SURE, WILL  
11 GET INVOLVED IN DEALING WITH THOSE COMMENTS.

12 CHAIRMAN KLEIN: OKAY. THANK YOU VERY  
13 MUCH. CERTAINLY WE'RE DEDICATED TO CONTINUING TO  
14 WORKING WITH THE UC SYSTEM, BUT IT IS A SIGNAL AND  
15 CRITICAL COMMENT THAT IT IS NOT TREATED AS A SYSTEM.  
16 IT'S TREATED AS INDEPENDENT GRANTEES.

17 CALL THE QUESTION. ALL IN FAVOR.  
18 OPPOSED? ABSTAIN? MOTION PASSES. THANK YOU.  
19 THANK YOU, LEEZA, FOR WAITING.

20 MR. SHEEHY: I JUST WANT TO ASK DR.  
21 PENHOET. NONE OF US ON THIS COMMITTEE WANT -- ON  
22 THE TASK FORCE EVER WANTED THESE RULES TO BE ONEROUS  
23 OR TO PREVENT COMMERCIALIZATION. WE WERE WORKING  
24 WITH THE BALANCE. SO IF THERE ARE -- I WOULD HOPE  
25 DR. PENHOET WOULD BE WILLING TO RECONVENE THE IP



## BARRISTERS' REPORTING SERVICE

1 TASK FORCE MUCH LIKE WE'VE SAID THE STANDARDS AND  
2 OTHER WORK THAT WE'VE DONE. THESE ARE LIVING  
3 ENTITIES. AND I'M MORE THAN HAPPY IF NEW  
4 INFORMATION IS PROVIDED AND WE CAN HAVE A NICE  
5 PUBLIC PROCESS AND HAVE A DISCUSSION TO MAKE CHANGES  
6 IN ORDER TO ACCOMMODATE LEGITIMATE CONCERNS. I  
7 THINK ALL OF US WENT INTO THIS PROCESS WITH THAT  
8 PERSPECTIVE. I THINK IT WOULD BE GREAT TO ASSURE  
9 THE PUBLIC THAT IF THERE ARE CONCERNS THAT ARE  
10 EXPRESSED, THAT WE WILL GO THROUGH THAT SAME PROCESS  
11 AND WE WILL MAKE CHANGES EVEN THOUGH THEY MAY NOT BE  
12 THE ONES SOME MEMBERS OF THE PUBLIC PARTICULARLY  
13 LIKE. WE'LL DO THIS IN A SERIOUS MANNER CONSISTENT  
14 WITH HOW WE'VE OPERATED IN THE PAST.

15 DR. PENHOET: YES, WITH, ONE CAVEAT. I  
16 WOULD ASK THAT AFTER WE ADOPT THESE, AND HOPEFULLY  
17 WE WILL DO THAT IN TWO WEEKS WITH A BRIEF MEETING TO  
18 TAKE INTO ACCOUNT WHATEVER WE HEAR AND MAKE A FINAL  
19 APPROVAL OF THIS, THAT WE ALLOW SOME PERIOD OF TIME  
20 TO GO BY WHERE WE ENGAGE ALL THE STAKEHOLDERS IN A  
21 MUCH MORE AMBITIOUS EDUCATION PROGRAM THAN PERHAPS  
22 WE HAVE DONE IN THE PAST BECAUSE I BELIEVE A LOT OF  
23 THE CONCERNS ABOUT THIS ARE DUE TO IGNORANCE OF THE  
24 WAY THESE POLICIES WILL ACTUALLY WORK IN PRACTICE.

25 SO I THINK WE NEED THAT OPPORTUNITY TO

**BARRISTERS' REPORTING SERVICE**

1 ENGAGE WITH THE VARIOUS CONSTITUENCIES. AND AFTER  
2 HAVING DONE THAT, SIX OR NINE MONTHS FROM NOW, I  
3 THINK, WOULD BE AN APPROPRIATE TIME FOR US TO  
4 REVISIT SOME OF THESE ISSUES.

5 CHAIRMAN KLEIN: DR. PENHOET, I THINK  
6 MAYBE IT WOULD BE APPROPRIATE TO TAKE THE LEADERSHIP  
7 ON THAT EFFORT.

8 QUESTION RELATED TO THESE. AS A  
9 TECHNICAL, LEGAL ITEM, IF WE APPROVE THE MOTION, WE  
10 HAVE APPROVED -- THE ONLY POINT THAT IS UP FOR  
11 COMMENT IN THE 15 DAYS IS THIS ONE ITEM; IS THAT  
12 CORRECT?

13 MR. TOCHER: THAT'S RIGHT.

14 CHAIRMAN KLEIN: SO THE REST OF THE  
15 MOTION, THE REST OF THE ITEMS WILL HAVE BEEN  
16 APPROVED?

17 MR. TOCHER: THAT'S RIGHT.

18 CHAIRMAN KLEIN: IS THAT CORRECT? SO WHEN  
19 WE HAVE A TELEPHONIC BOARD MEETING, IT IS ONLY AS TO  
20 THAT ONE ITEM?

21 MR. TOCHER: THAT'S RIGHT.

22 CHAIRMAN KLEIN: THANK YOU. WE HAVE  
23 APPROVED THIS. AND I JUST WANTED TO SET THE STAGE  
24 AND THE EXPECTATIONS FOR THE DISCUSSION WHICH WILL  
25 FOLLOW, WHICH WILL BE FOCUSED ON THAT ONE ITEM.

**BARRISTERS' REPORTING SERVICE**

1 AT THIS POINT, DR. TROUNSON, WOULD YOU  
2 PLEASE LEAD US IN THE INTRODUCTION OF THE SCIENTIFIC  
3 STRATEGIC PLAN.

4 DR. TROUNSON: THANK YOU, CHAIR. I KIND  
5 OF FEEL LIKE THE HORSE, THE LAST HORSE OUT OF THE  
6 GATE, HOLDING YOU UP FROM SOMETHING MORE MERITORIOUS  
7 AT THIS MOMENT. BUT AS IT IS, WE'VE BEEN WORKING  
8 PRETTY HARD ON A REVISION TO THE 2006 STRATEGIC  
9 PLAN. AND YOU'VE HAD A COPY OF THIS PLAN FOR TWO  
10 WEEKS. SO ESSENTIALLY YOU HAD A CHANCE TO LOOK IT.  
11 IT'S IN DRAFT FORM. WE WOULD APPRECIATE COMMENTS,  
12 SO WE'RE JUST GOING TO TREAT THE DRAFT AS A DRAFT  
13 AND RECEIVE ANY COMMENTS THAT THE BOARD WOULD LIKE  
14 TO PROVIDE US.

15 AND IF I CAN JUST QUICKLY GO THROUGH  
16 SEVERAL SLIDES AND ALSO RECOGNIZE CLAIRE POMEROY'S  
17 INTEREST IN GIVING ME SOME ADVICE AFTER WE PUT THAT  
18 DRAFT TO YOU. SO SHE TOOK A LOOK AT THAT DRAFT, AND  
19 I WANT TO COME BACK AND WE'VE TAKEN SOME OF HER  
20 SUGGESTIONS AND PUT IT IN A FINAL FIGURE FOR YOU TO  
21 LOOK AT THAT I HOPE IS HELPFUL. YOU'VE GOT A COPY  
22 OF THAT THAT WAS GIVEN TO YOU YESTERDAY, I THINK,  
23 BASED ON SUGGESTIONS FROM CLAIRE. I THANK CLAIRE  
24 FOR THAT INPUT.

25 SO THIS IS ABOUT ACCELERATING

## BARRISTERS' REPORTING SERVICE

1 OPPORTUNITIES TO CURES, AND WE'VE ENTITLED THAT  
2 BECAUSE THIS STRATEGIC PLAN THAT WAS MEANT TO BE A  
3 LIVING PLAN. CHANGES HAVE BEEN HAPPENING WITH  
4 DEVELOPMENTS IN THE FIELD AND AS NEW SENIOR  
5 PERSONNEL HAVE COME INTO THE AGENCY.

6 A FORMAL ASSESSMENT IS NEEDED AND REQUIRED  
7 BY AN OUTSIDE PANEL OF SCIENTISTS THAT WILL REVISE  
8 THIS PLAN RECOMMENDED AT YEARS 2010 AND YEAR SEVEN  
9 AFTER THE BEGINNING, WHICH IS 2014. SO IN THE  
10 SECOND HALF OF NEXT YEAR, WE WILL HAVE A PANEL OF  
11 SENIOR SCIENTISTS TAKE A FORMAL ASSESSMENT OF HOW  
12 WE'VE ACTUALLY OPERATED AND MAKE COMMENT AGAIN ON  
13 THE STRATEGIC PLAN. SO THIS IS A REVISION IN THE  
14 PATHWAY THROUGH THAT PROCESS.

15 SO WE HAD PUBLIC MEETINGS WITH THE  
16 INDUSTRY IN FEBRUARY LAST YEAR -- SORRY -- THIS YEAR  
17 AND ALSO PUBLIC MEETINGS WITH THE PUBLIC AND THE  
18 PATIENTS WITH A SCIENCE FOCUS IN MARCH THIS YEAR AT  
19 TWO SITES IN CALIFORNIA ON BOTH OCCASIONS. AND THEY  
20 WERE PARTICULARLY USEFUL, AND WE'VE INCORPORATED  
21 THEIR RECOMMENDATIONS THAT CAME FROM THE FLOOR AND  
22 THE CRITIQUES THAT CAME FROM THOSE PUBLIC MEETINGS.

23 SO ACCELERATING THE OPPORTUNITY TO CURES  
24 HERE IS WE ARE ABOUT REVIEWING OUR PRIORITIES AND  
25 ASSESSMENT OF OUR PROGRESS. IF YOU REMEMBER THE

## BARRISTERS' REPORTING SERVICE

1 LAST TIME WE BROUGHT IT TO YOU IN DRAFT, THERE WAS A  
2 VERY STRONG RECOMMENDATION FROM A NUMBER OF BOARD  
3 MEMBERS TO GIVE AN ASSESSMENT OF THE PROGRESS. AND  
4 IF YOU LOOK AT APPENDIX 1, I THINK YOU WILL FIND  
5 THAT IN SOME DETAIL AS AGAINST OUR FIVE- AND  
6 TEN-YEAR GOALS. AND ALSO IF YOU LOOK, WE'VE  
7 INCLUDED THE LIST OF PUBLICATIONS JUST FOR YOUR  
8 INFORMATION, AS WELL AS ANOTHER ACCOUNT OF OUR  
9 PRODUCTIVITY.

10 SO WHAT WE'RE ABOUT IS INCREASING THE  
11 TRANSLATIONAL PIPELINE TO THE CLINIC. WE WANT TO  
12 OPEN THIS UP TO MAKE -- TO TAKE THE DISCOVERIES AND  
13 REALLY DRAW THEM TO THE CLINIC. AND THIS IS AN  
14 IMPORTANT PART OF OUR CURRENT -- BASICALLY OUR  
15 CURRENT APPROACH TO THE PLAN. AND SO IT'S AN  
16 ACCELERATION OF THAT PARTICULAR COMPONENT.

17 WE'VE BEEN REORGANIZING MANAGEMENT  
18 ACTIVITIES TO BETTER CHAPERONE THE APPLICATION OF  
19 THERAPEUTICS BASED ON STEM CELLS AND, IMPORTANTLY,  
20 RECOGNIZING THE ROLE OF CANCER STEM CELLS. WE'VE  
21 BEEN CREATING GLOBAL SCIENCE PARTNERSHIPS TO  
22 LEVERAGE BOND FUNDS, ENHANCE THE DELIVERY OF OUR  
23 MISSION. WE THINK THAT'S VERY IMPORTANT, AND IT IS  
24 DIFFERENT TO WHAT WAS IN THE ORIGINAL PLAN, OR IT  
25 WAS SOMETHING SLIGHTLY DIFFERENT ANYWAY. AND WE'RE

## BARRISTERS' REPORTING SERVICE

1 ENGAGING THE CAPACITY TO ADDRESS MAJOR ROADBLOCKS.  
2 FOR EXAMPLE, THERE WAS PLENTY OF DISCUSSION ABOUT  
3 THIS EARLIER ON TRANSPLANTATION IMMUNOLOGY.

4 SO WE'RE ENGAGING THE BIOTECHNOLOGY,  
5 PHARMA, AND INVESTMENT SECTORS AS SIGNIFICANT  
6 PARTNERS. I'LL HAVE TO SAY THIS IS A VERY IMPORTANT  
7 SECTOR BECAUSE, WHILE WE'VE DONE FABULOUSLY WELL, I  
8 THINK, AT THE NOT-FOR-PROFIT SECTOR AND SUPPORT OF  
9 THE UNIVERSITIES AND MEDICAL CENTERS, THERE'S A  
10 CONSIDERABLE CRITIQUE THAT WE'VE NOT DONE THE SAME  
11 AS WELL WITH THE BIOTECHNOLOGY AND THE OTHER TWO  
12 SECTORS. IN FACT, WE REALLY HAVEN'T DONE VERY MUCH  
13 AT ALL WITH THE PARTICULAR INVESTMENT SECTOR. BUT  
14 PHARMA IS VERY MUCH NOW IN OUR INTEREST. THEY'RE  
15 VERY CLOSE TO US. THEY'RE WANTING TO BECOME  
16 PARTNERS. THEY'RE LOOKING AT WAYS TO ENHANCE THEIR  
17 RELATIONSHIP WITH US. AND THE BIOTECHNOLOGY  
18 INDUSTRY, WHILE DISAPPOINTED AT NOT GETTING THE  
19 ATTENTION AND THE REWARDS FOR THEIR GRANT  
20 APPLICATIONS, REMAIN STEADFASTLY INTERESTED IN BEING  
21 PART OF THE DELIVERY PROGRAM. AND WE NEED TO  
22 ENHANCE AND ENGAGE IN THAT SECTOR BETTER THAN WE'VE  
23 BEEN DOING.

24 WE NEED MENTORING OF TEAMS FROM THE PUBLIC  
25 AND PRIVATE SECTOR TO ENHANCE RESEARCH AND

**BARRISTERS' REPORTING SERVICE**

1 TRANSLATION. AND I HEAR THIS FROM OUR DEANS AS WELL  
2 AS MANY PEOPLE THROUGHOUT THE COMMUNITY, THAT IT IS  
3 GOING TO BE A PUBLIC AND PRIVATE SECTOR BUSINESS TO  
4 ENABLE THESE CLINICAL APPLICATIONS. IT'S VERY CLEAR  
5 THAT IT DOESN'T GET DONE THAT WELL BY EITHER ONE IN  
6 ISOLATION.

7 I WANT TO ENCOURAGE THE DEVELOPMENT OF A  
8 STEM CELL SCIENCE CULTURE IN CALIFORNIA. WE'RE  
9 GETTING THERE. PEOPLE UNDERSTAND CALIFORNIA'S  
10 LEADERSHIP IN THE WORLD, BUT WE WANT CALIFORNIANS TO  
11 FEEL THAT THIS IS ONE OF THE REAL THINGS TO BE PROUD  
12 OF. AND WE WANT THAT. WE WANT PEOPLE TO FEEL THAT  
13 WAY, AND WE'RE GETTING THERE.

14 WE WANT TO DEVELOP ROBUST SYSTEMS FOR  
15 CAPTURING, EVALUATING, AND SHARING RESULTS. THIS  
16 DOESN'T NORMALLY HAPPEN UNLESS YOU PUT A BIG EFFORT  
17 IN THERE, AND WE'VE REVISED THE WAY WE DO BUSINESS  
18 IN OUR SCIENCE OFFICE TO DO THAT, TO HELP AND TO  
19 PROTECT, BUT ALSO TO INFORM OTHERS AND SHORTEN THE  
20 LEAP-AROUND TIME THAT IT TAKES FOR THE DISCOVERIES  
21 TO ENTER INTO THE PIPELINE. AND SO THAT'S AN  
22 IMPORTANT COMPONENT PART OF OUR ACTIVITIES. WE NEED  
23 TO ASSESS PROGRESS AGAINST MILESTONES TO THE 2006  
24 STRATEGIC PLAN, WHICH WE'VE DONE IN THOSE  
25 APPENDICES.

## BARRISTERS' REPORTING SERVICE

1 WE'VE GIVEN YOU ALSO AN OPERATIONAL  
2 REVIEW, WHICH WAS ATTACHED TO THE PRESIDENT'S  
3 REPORT. WE WEREN'T ASKING FOR YOU TO MAKE COMMENT  
4 ON THAT PARTICULAR REVIEW; BUT BECAUSE SOME OF THE  
5 ITEMS THAT WE REFER TO ARE EMBEDDED IN THAT,  
6 PARTICULARLY, SAY, THE EDUCATION PROGRAM AND THE  
7 OPERATIONAL PARTS OF OUR ACTIVITIES, IT'S THERE.  
8 WE'RE MEASURING AND LEARNING FROM CIRM SUCCESSES AND  
9 SHORTCOMINGS. WE RECOGNIZE WE'VE GOT SHORTCOMINGS,  
10 AND WE'RE WANTING TO DO THINGS ABOUT THAT.

11 WE'RE IMPROVING ADMINISTRATIVE  
12 EFFICIENCIES, THE FINANCIAL ACCOUNTABILITY. I THINK  
13 JOHN ROBSON'S ENTRY INTO THAT AREA HAS BEEN A VERY  
14 STRONG POSITIVE, AND WE'RE BUILDING A BETTER  
15 FINANCIAL CAPACITY IN THE AGENCY.

16 COMMUNICATION, I THINK DON GIBBONS IS  
17 DOING A GREAT JOB THERE. WE CAN -- THERE ARE MANY  
18 OTHER THINGS THAT WE CAN DO, BUT HE'S GOT A SMALL  
19 TEAM AND IT'S GETTING VERY EFFECTIVE. JUST OPEN UP  
20 THE WEBSITE. IF YOU GET A CHANCE, GO TO THE  
21 WEBSITE. IT'S JUST NEW. IT'S BEING REVAMPED, IT'S  
22 RENEWED. I THINK YOU WILL ENJOY IT. I THINK IT'S A  
23 REALLY TERRIFIC EDUCATION PROGRAM FOR WHAT WE'RE  
24 DOING.

25 OVERALL WE WANT THE GROUP TO ACT AS A



## BARRISTERS' REPORTING SERVICE

1 COMPLETE TEAM, AND THAT'S NOW HAPPENING VERY  
2 EFFECTIVELY. WE'RE COLLECTING AND ANALYZING  
3 INFORMATION ON CIRM AS AN ECONOMIC ENGINE FOR  
4 SUSTAINING CIRM. WE NEED TO DO THAT. WE NEED TO  
5 FIGURE OUT WHAT WE SHOULD COLLECT, AND WE'RE  
6 STARTING TO DO THAT, TO BREAK INTO THE DATA POOL  
7 INFORMATION THAT WE CAN THEN GIVE BACK TO THE  
8 LEGISLATURE AND THE COMMUNITY TO SHOW THIS  
9 INVESTMENT HAS BEEN WORTHWHILE.

10 AND UNDERSTANDING PUBLIC -- EXPANDING  
11 PUBLIC UNDERSTANDING AND SUPPORT FOR CIRM'S RESEARCH  
12 AND DEVELOPMENT OPERATIONS, THAT IS REALLY CRUCIAL.  
13 THE COMMUNITY NEEDS TO UNDERSTAND BETTER WHAT WE'RE  
14 DOING, HOW WE'RE DOING IT, AND HOW EFFECTIVELY WE'RE  
15 DOING IT.

16 SO WE RESTRUCTURED THE AGENCY. WITH YOUR  
17 SUPPORT, WE'RE BRINGING ON A VICE PRESIDENT WHEN  
18 WE'VE IDENTIFIED THAT PERSON, THE RESEARCH AND  
19 DEVELOPMENT FOCUSED INTO THAT AREA, THE R & D  
20 COMPONENT, TO CREATE A SUPPORTIVE RELATIONSHIP WITH  
21 THE PRIVATE SECTOR, ENHANCED DELIVERY OF OUR  
22 MISSION. PAT OLSON IS THE EXECUTIVE DIRECTOR OF THE  
23 SCIENTIFIC ACTIVITIES AND IS HEADING A REVAMPED  
24 SCIENCE OFFICE TO DIRECT THE IN-HOUSE SCIENCE  
25 PROGRAM, A SPECIALIZATION OF THE SCIENCE OFFICES TO

**BARRISTERS' REPORTING SERVICE**

1 BASIC TRANSLATION, PRECLINICAL, AND CLINICAL  
2 PROGRAMS, AND GRANT REVIEW AND GRANTS MANAGEMENT.

3 THOSE PEOPLE YOU STARTED TO HEAR FROM OVER  
4 THIS LAST DAY AND A HALF, AND THEY ARE A VERY  
5 EFFECTIVE GROUP OF PEOPLE. THEY'VE NOW GOT SOME  
6 FOCUS ABOUT WHAT THEIR RESPONSIBILITIES ARE WITHIN  
7 THE SCIENCE OFFICE. AND I'M VERY, VERY SUPPORTIVE  
8 OF PAT IN MARSHALLING THAT WHOLE SCIENCE PROGRAM AT  
9 THE PRESENT TIME IN A VERY, VERY EFFECTIVE WAY. AND  
10 I KNOW THAT SHE'S GOING TO WORK CLOSELY WITH THE NEW  
11 VP R & D TO BE EFFECTIVE IN DELIVERING OUR MISSION  
12 IN THE WAY WE HAVE IT AS A VISION.

13 SO WE'RE EXPANDING AND SPECIALIZING THE  
14 CHAIRS AND MEMBERSHIP OF THE GRANTS WORKING GROUP.  
15 WE'RE COMING BACK TO YOU ON THAT. AS WE'RE NOW  
16 MOVING THIS PIPELINE OPEN, WE'VE GOT TO HAVE  
17 DIFFERENT TYPES OF PEOPLE EVALUATING THE RESEARCH  
18 APPLICATIONS THAT WE GET. WE ALSO THINK WE NEED  
19 APPROPRIATE CHAIRS, PEOPLE WHO ARE VERY WELL VERSED  
20 IN THIS AREA. AND, FOR EXAMPLE, SOMEONE WHO WOULD  
21 CHAIR THE TRANSPLANTATION AND IMMUNOLOGY RFA MAY BE  
22 A DIFFERENT PERSON TO THAT WHO WOULD LOOK AT, SAY,  
23 TRANSLATIONAL BASIC BIOLOGY. SO WE'RE GOING TO COME  
24 BACK TO YOU ON THAT, BUT WE THINK WE NEED MUCH MORE  
25 SPECIALIZATION AMONGST OUR REVIEWERS THAN WE'VE HAD.

**BARRISTERS' REPORTING SERVICE**

1           THIS IS A LITTLE HARD TO READ, BUT YOU'VE  
2           GOT A COPY OF IT. THIS IS ACCUMULATED FROM THE  
3           RECOMMENDATION THAT WE GOT FROM CLAIRE. AND IT'S A  
4           STRATEGIC CASCADE WHERE UP AT THE TOP IS THE  
5           MISSION. I KEEP REFERRING TO THE MISSION WHEN WE  
6           LOOK AT WHAT WE'RE DOING BECAUSE THAT IS WHAT WE  
7           NEED TO DELIVER. WE RECOGNIZE THAT. IT'S NOT GOING  
8           TO CHANGE. I THINK WE'RE ALL WEDDED TO THAT.

9           THE STRATEGIC OBJECTIVES HAVE BEEN  
10          REFORMATTED A LITTLE BIT INTO THOSE FIVE ELEMENTS,  
11          BUT THEY'RE IN THERE IN THE PIECES OF PAPER ATTACHED  
12          TO THIS PARTICULAR FILE. IN ONE SECTOR IT'S  
13          ACCELERATION OF THE THERAPEUTIC DISCOVERIES. THIS  
14          IS THE FOCAL POINT. THIS IS WHAT WE WANTED TO DO  
15          DIFFERENTLY. AND UNDERNEATH THAT YOU CAN READ THAT  
16          BETTER THAN I CAN READ IT AT THIS DISTANCE. AGE IS  
17          CATCHING UP. WHERE ARE THOSE STEM CELLS? I THINK  
18          YOU'LL DO BETTER AT THAT ON THE INITIATIVES AND THE  
19          METRICS THAN I CAN. THEY'RE NOT PERFECTLY GOOD  
20          COLORS TO READ AT THIS DISTANCE.

21          BUT THE OPERATIONAL EXCELLENCE, THE  
22          REGULATORY CERTAINTY THAT WE NEED TO HAVE, WHICH  
23          MEANS THAT WE'VE GOT TO COLLABORATE, WE'VE GOT TO  
24          GET INVOLVED WITH THE FDA, WE'VE GOT TO HAVE  
25          REGULATORY CERTAINTY ABOUT WHERE WE'RE GOING BECAUSE

## BARRISTERS' REPORTING SERVICE

1 OTHERWISE HOW DO WE KNOW WHAT WE WANT TO SUPPORT?  
2 WE NEED LEADERSHIP IN THE POLICY DEVELOPMENT, AND  
3 THAT REGULATORY CERTAINTY IS A REALLY IMPORTANT  
4 PART. AND I'VE ASKED ELONA BAUM TO GET REALLY  
5 INVOLVED AT THAT LEVEL, AND NOW WE'VE GOT THOSE  
6 ROUNDTABLES WITH THE FDA ON A QUARTERLY BASIS, AND  
7 THEY WILL BEGIN TO BE EXECUTED SHORTLY.

8 LEADERSHIP IN THE INTERNATIONAL AND NOW  
9 THE STATE POLICY, WE'LL BE MOVING THAT FORWARD AS A  
10 METRIC. WE WANT A HARMONIZATION OF THE CALIFORNIA  
11 AND US AND INTERNATIONAL REGULATIONS, SO WE'LL WORK  
12 TOWARDS ENABLING THAT TO HAPPEN. AND WE WANT  
13 PARTNERSHIPS FOR DEVELOPMENT OF CLINICAL TRIALS.  
14 THESE ARE THE METRICS BELOW THE REGULATORY  
15 CERTAINTIES, AND I HADN'T MENTIONED VERY MUCH IN MY  
16 PREVIOUS SLIDES.

17 PUBLIC EDUCATION IS EMBEDDED IN THE  
18 OPERATIONAL REPORT FOR YOU. VERY IMPORTANT  
19 COMPONENT. AND THE ECONOMIC BENEFIT TO CALIFORNIA  
20 IS SOMETHING WE'VE DEFINITELY GOT TO DEMONSTRATE,  
21 AND IT'S A REALLY IMPORTANT COMPONENT PART THAT WE  
22 NEED TO BE ABLE TO GET RELIABLE AND ROBUST DATA ON.  
23 AND WE'RE NOW SEEKING THAT THROUGH ECONOMIC IMPACT  
24 STUDIES. WE'LL HAVE A PILOT IMPACT STUDY AVAILABLE  
25 FOR YOU TO LOOK AT IN THE FIRST QUARTER OF 2011.

**BARRISTERS' REPORTING SERVICE**

1 WE'RE LOOKING AT MAJOR FACILITIES, OF  
2 COURSE, AS A BENEFIT, LEVERAGE FUNDING, RECRUITING  
3 TO CALIFORNIA THE TOP PEOPLE, AND COLLABORATIONS,  
4 AND REDUCING HEALTHCARE COST, WHICH, AGAIN, I THINK  
5 IS A REALLY IMPORTANT COMPONENT SET IN THAT ECONOMIC  
6 BENEFIT.

7 SO WE'RE GOING TO HAVE THIS AS A STRATEGIC  
8 CASCADE, WHICH WE'LL ATTACH TO THE STRATEGIC PLAN  
9 AND THEN WE'LL REFIT THAT, IF YOU ARE AGREEABLE, TO  
10 THE PLAN THAT YOU'VE GOT. AND, AGAIN, I THANK  
11 CLAIRE FOR LEADING US TO THAT. I THINK IT'S  
12 HELPFUL. I THINK IT HELPS PEOPLE SEE WHERE OUR  
13 MAJOR FOCUS IS. AND WHILE THERE'S MANY THINGS  
14 HAPPENING ON THE ACCELERATION OF THERAPEUTIC  
15 DISCOVERIES, THESE OTHER COMPONENT PARTS ARE REALLY  
16 ESSENTIAL IN HELPING US GET THERE.

17 SO I THINK AT THIS STAGE, YOU'VE HAD THE  
18 PLAN FOR A COUPLE OF WEEKS. I HOPE THAT YOU HAD THE  
19 TIME TO READ IT, IT HASN'T ANESTHETIZED YOU TOO MUCH  
20 WHILE YOU'RE READING IT. I READ THROUGH IT AGAIN  
21 THE OTHER NIGHT IN A JET LAG STATE. I'VE GOT A  
22 COMPUTER THAT NOW READS TO ME AND THAT'S HELPFUL.  
23 SOMETIMES READING THIS FOR THE 20TH TIME OR 30TH  
24 TIME, YOU STOP ACTUALLY READING. YOU CAN'T GET IT.  
25 BUT NOW THE COMPUTER SPEAKS TO ME, SO THAT'S

## BARRISTERS' REPORTING SERVICE

1 HELPFUL. I WENT THROUGH IT AGAIN. THERE WERE  
2 LITTLE THINGS I MIGHT REVISE, BUT ESSENTIALLY WE'VE  
3 HAD A LOT OF COMMUNICATION INTERNALLY. WE'VE TALKED  
4 EXTERNALLY. WE REALLY HAVEN'T HAD A WHOLESOME  
5 DISCUSSION WITH YOU APART FROM THE ONE TIME IT WAS  
6 BROUGHT UP AS A DRAFT EARLIER IN THE YEAR.

7 SO I HOPE IT IS USEFUL TO YOU. I HOPE YOU  
8 MIGHT ENDORSE IT GOING FORWARD, REMEMBERING THAT  
9 WE'VE GOT TO DO A REVISION WITH AN INDEPENDENT GROUP  
10 OF SCIENTISTS IN THE SECOND HALF OF NEXT YEAR.

11 CHAIRMAN KLEIN: THANK YOU VERY MUCH, DR.  
12 TROUNSON. NOW, MY UNDERSTANDING HERE IS THAT WE'RE  
13 IN A REVIEW STAGE OF A DRAFT, AND WE'LL BE BRINGING  
14 THIS UP FOR CONSIDERATION LATER. OF COURSE, WE  
15 DON'T HAVE A QUORUM TODAY IN ANY CASE. BUT MEMBERS  
16 OF THE BOARD, COMMENTS?

17 MR. ROTH: I'LL JUST COMPLIMENT THE PEOPLE  
18 THAT WORKED ON THIS. I THINK IT HIT THE TARGET. IF  
19 YOU LISTENED TO TODAY'S SPOTLIGHT, YOU START TO SEE  
20 SOME OF THE FRUSTRATION AND CHALLENGES OF THAT  
21 DISCOVERY INTO ACTUAL PROOF OF RELEVANCY. SO I FIND  
22 THE ACADEMIC RESEARCH CENTERS MOVING UP FURTHER THAN  
23 THEY EVER HAVE. AND YOU HEARD IRV WEISSMAN TALK  
24 ABOUT THE NEED FOR REGULATORY EXCELLENCE, CLINICAL  
25 TRIAL PLANNING, AND ALL THAT.

**BARRISTERS' REPORTING SERVICE**

1 TO THE PATIENT ADVOCATES, I, AGAIN, MUCH  
2 AS I SAID ABOUT REIMBURSEMENT AND THE VALUE, THE ONE  
3 MISSING LINK, WHEN A SPONSOR OF A PRODUCT IS SITTING  
4 ACROSS FROM A REGULATOR AT THE FDA, IS THERE IS NO  
5 PATIENT INPUT IN THAT CONVERSATION ABOUT RISKS THE  
6 PATIENT IS WILLING TO TAKE. IT IS A REGULATOR  
7 TRYING TO MAKE SURE THEY DON'T MAKE A MISTAKE AND A  
8 SPONSOR TRYING TO SEE THE UPSIDE OF THEIR PRODUCT  
9 HELP A PATIENT.

10 SO I WOULD ENCOURAGE US TO THINK ALSO  
11 ABOUT HOW TO GET THE PATIENT'S POINT OF VIEW IN THAT  
12 EARLY CONVERSATION. I HEARD IRV'S FRUSTRATION, AND  
13 HE TALKED ABOUT COMPANIES AND TRYING TO FIGURE OUT  
14 WHY BUSINESS PEOPLE, WELL, IT'S THAT CONVERSATION  
15 THAT WE FOCUS ON. AND IT WOULD BE SO HELPFUL TO  
16 HAVE THE PATIENT'S PERSPECTIVE IN THAT DISCUSSION.

17 DR. TROUNSON: THANK YOU. I THINK JOAN  
18 SAMUELSON REPRESENTS ONE OF THE SECTORS OR PERSONS  
19 WHO REALLY WANTS A MUCH MORE AGGRESSIVE APPROACH  
20 HERE. I THINK WE NEED A CERTAIN AMOUNT OF BALANCE,  
21 AND I'VE TRIED TO CREATE THAT BALANCE WITHIN THE  
22 REPORT. AND THANK YOU, DUANE, FOR YOUR GUIDANCE IN  
23 THESE AREAS.

24 I CLEARLY THINK WHAT WE'RE DOING IS  
25 HELPING PEOPLE LOOK UP THAT PIPELINE, PEOPLE WHO

**BARRISTERS' REPORTING SERVICE**

1 WOULD NORMALLY JUST LOOK AROUND FOR RE-FUNDING THEIR  
2 ROIS ALL THE TIME. AND I THINK IT'S A SLIGHTLY  
3 DIFFERENT PERSPECTIVE THEY HAVE IF THEY SEE THERE'S  
4 AN OPPORTUNITY TO BE PART OF A TEAM TO TAKE THEIR  
5 DISCOVERY THROUGH THE PIPELINE. EVEN THOUGH IT MAY  
6 BE A FRUSTRATING EFFORT FOR THEM IN THE BEGINNING, I  
7 THINK IT'S AN IMPORTANT DISTINCTION. AND I GET THIS  
8 FROM OUR GRANTEES WHO ACTUALLY FEEL VERY REWARDED  
9 WHEN THEY JOIN A TEAM THAT WILL TRY AND TAKE THAT  
10 THROUGH THE PIPELINE UP TO THE CLINIC.

11 DR. PIZZO: JUST TO -- I AGREE WITH THE  
12 POINTS THAT DUANE RAISED, AND I THINK IT'S VERY  
13 IMPORTANT TO HIGHLIGHT THE ISSUE ABOUT THE VOICE OF  
14 PATIENTS. I WOULD FURTHER, THOUGH, SAY THAT THERE  
15 WAS AN ERROR, AND IT'S SIMPLY A MATTER OF RECREATING  
16 IT WHEN THAT WAS THE CASE. DURING THE HEYDAY AND  
17 IMPORTANCE OF HIV AND AIDS, THERE WAS A STRONG VOICE  
18 AT THE FDA, AND I THINK WE OUGHT TO SIMPLY REMEMBER  
19 THAT AND ALLOW THAT TO HAPPEN AGAIN.

20 WE DO HAVE FDA LEADERSHIP THAT, IN PART,  
21 LIVED THROUGH SOME OF THAT IN PEGGY HAMBERG AND MY  
22 FORMER STUDENT AND TRAINEE JOSH WHO'S GOING TO BE  
23 THE ASSOCIATE DIRECTOR, I THINK, ARE GOING TO BE  
24 VERY RECEPTIVE TO THESE THINGS AS WELL.

25 MR. SHEEHY: I JUST WANTED TO RESPOND



**BARRISTERS' REPORTING SERVICE**

1 BECAUSE I THINK DR. PIZZO'S INSTITUTION DESERVES  
2 MAJOR KUDOS FOR ACTUALLY BRINGING A PATIENT ADVOCATE  
3 ON THE STAFF. WE SAW ROMAN HERE TODAY. I WENT TO  
4 AN EVENT FOR ROMAN THAT HE HAD IN THE CITY. AND I  
5 WAS SO PLEASED FOR ROMAN, AND I WAS SO PLEASED FOR  
6 THE WISDOM OF STANFORD IN REALLY SUPPORTING HIS  
7 WORK. MOST OF US DON'T GET THAT KIND OF SUPPORT,  
8 AND THAT KIND OF REALLY SOPHISTICATED THINKING ISN'T  
9 FOUND AT MOST INSTITUTIONS, I THINK, IN REALLY  
10 ENGAGING. THEY ALL WANT US TO SHOW UP WHEN THEY  
11 WANT TO GO TO THE FDA, BUT MOST OF THE TIME WE'RE  
12 STARVING OR TRYING TO HOLD ONTO THE JOBS WE HAVE OR  
13 COME TO THESE MEETINGS AND SURVIVE.

14 WHEN YOU HIRED ROMAN, I WAS SO IMPRESSED.  
15 AND THAT WAS AN AMAZING THING.

16 (APPLAUSE.)

17 CHAIRMAN KLEIN: ADDITIONAL COMMENTS FROM  
18 THE BOARD?

19 DR. LOVE: SINCE ALAN ASKED FOR SOME  
20 FEEDBACK, I THOUGHT I'D JUST POINT OUT A COUPLE OF  
21 THINGS. ONE IS THAT I DON'T HAVE THE BENEFIT OF A  
22 COMPUTER THAT READS TO ME, SO I HAD TO DO IT THE  
23 OLD-FASHIONED WAY, BUT I WAS STRUCK WITH SEVERAL  
24 THINGS. ONE IS THAT IT'S A VERY WELL-WRITTEN  
25 REPORT. I THINK IT DOES A BEAUTIFUL JOB OF

**BARRISTERS' REPORTING SERVICE**

1 OUTLINING THE SUCCESS AND THE ACCOMPLISHMENTS THAT  
2 WE'VE HAD THAT WE SHOULD BE VERY PROUD OF.

3 NO. 2, I THINK IT DOES A BEAUTIFUL JOB OF  
4 POINTING OUT MUCH OF THE COMMENT THAT WE GOT AS WE  
5 TRAVELED AROUND THE STATE AND SOLICITED FEEDBACK ON  
6 OUR STRATEGIC DIRECTION AND THEN THOUGHTFUL  
7 RESPONSES. SO I THOUGHT IT WAS A VERY WELL-DONE  
8 REPORT, AND I WANTED TO CONGRATULATE YOU AND YOUR  
9 TEAM FOR VERY FINE WORK.

10 CHAIRMAN KLEIN: I WOULD LIKE TO JUST ADD  
11 MY CONGRATULATIONS TO THE TREMENDOUS EFFORT AND  
12 TEAMWORK THAT WENT INTO THIS REPORT. THERE WAS AN  
13 OUTREACH TO MAKE SURE THAT EVERYONE HAD A CHANCE TO  
14 PARTICIPATE IN THIS, AND I THINK IT DID A VERY GOOD  
15 JOB OF GIVING A CHRONOLOGICAL HISTORY SO THE OUTSIDE  
16 MEMBERS OF THE LARGER COMMUNITY COULD SEE  
17 SPECIFICALLY HOW WE'VE RESPONDED TO THE FIRST  
18 STRATEGIC PLAN AND THE PROGRESS WE'VE MADE IN MOVING  
19 BEYOND THE FIRST STRATEGIC PLAN INTO POINTS THAT  
20 WERE ADOPTED IN THIS STRATEGIC PLAN. THAT CONTEXT  
21 AND LOOKING AT OUR MILESTONES AND HOW WE'RE DOING IS  
22 IMPORTANT TO CONTINUALLY REPORT.

23 ADDITIONAL BOARD MEMBER COMMENTS? ALL  
24 RIGHT. PUBLIC COMMENTS? I THINK IT IS A WONDERFUL  
25 WORKING DRAFT, SHOWS TREMENDOUS PROGRESS.

**BARRISTERS' REPORTING SERVICE**

1 I WOULD LIKE TO ASK IS THERE GENERAL  
2 PUBLIC COMMENT NOT RELATED TO THE STRATEGIC PLAN  
3 BEFORE WE ADJOURN. I THINK THERE'S A MEMBER OF THE  
4 PUBLIC THAT WOULD LIKE TO ADDRESS US. AND PLEASE  
5 REMEMBER WE'RE TRYING STAY WITHIN THREE MINUTES EACH  
6 IN TERMS OF COMMENTS.

7 MS. ROBERTSON: I AM JUDY ROBERTSON FROM  
8 SACRAMENTO, AND I'M A FAMILY ADVOCATE FOR  
9 HUNTINGTON'S DISEASE. AND I SUPPORT THE UC DAVIS  
10 INTERNATIONAL DISEASE TEAM GRANT, WHICH HAS AN  
11 APPLICATION PENDING FOR THE HUNTINGTON'S DISEASE  
12 CLINICAL TRIALS. I THINK IT'S COMING UP TO YOU FOR  
13 A VOTE IN OCTOBER. THAT'S WITH DR. JAN NOLTA'S LAB.

14 MY FAMILY HAS DONATED OVER A HALF MILLION  
15 DOLLARS TO SUPPORT THE HUNTINGTON'S DISEASE CLINIC  
16 NURSE AT UC DAVIS, AND SHE'LL BE PART OF THIS  
17 DISEASE TEAM. SO I KNOW HOW IMPORTANT THAT IS FOR  
18 YOU GUYS TO STRETCH YOUR DOLLARS, AND I FEEL LIKE  
19 THAT'S A PART OF THAT.

20 I ALSO HAVE SOMETHING FUN. CIRM IS ON  
21 FACEBOOK, AND THEY HAVE A POETRY CONTEST TO  
22 CELEBRATE THE SECOND STEM CELL AWARENESS DAY ON  
23 SEPTEMBER 23D, AND I'VE ALREADY SUBMITTED MY POEM TO  
24 DON. I HOPE I'M YOUR FIRST SUBMISSION. OH, SECOND.

25 AND I'LL BE THERE AT UC DAVIS ON SEPTEMBER

## BARRISTERS' REPORTING SERVICE

1 23D TO CELEBRATE WITH EVERYBODY. AND THE POEM HAS  
2 TO BE UNDER 250 WORDS AND IT HAS TO RHYME. SO  
3 HERE'S MY POEM.

### AN AWAKENING OF HOPE

4  
5 AN AWAKENING OF HOPE ENVELOPS ME WHEN I  
6 DARE TO BELIEVE THAT A CURE IS AT HAND.  
7 THAT HOPE COMES FROM THE STEM CELL  
8 RESEARCH IN OUR GOLDEN LAND.  
9 FUNDING COMES FROM PEOPLE WHOSE LOVED  
10 ONES ARE SICK BEYOND WHAT A TEXTBOOK CAN  
11 CONVEY. THE CARERS SUFFER TOO. I'M ONE  
12 OF THEM, I'M SAD TO SAY.  
13 OBITUARIES LISTED US AS SURVIVED BY, BUT  
14 WE BARELY DID. WE CARRY INVISIBLE SCARS,  
15 YET WE MUSTER THE COURAGE TO FIGHT FOR  
16 THE SICK ONES HID.  
17 TO ALL OF YOU AT CIRM, WORKING HARD  
18 WITHOUT MUCH PUBLIC RECOGNITION, WE KNOW  
19 THAT OTHERS DON'T YET REALIZE THAT THE  
20 CURES ARE A PROMISE, NOT A PREMONITION.  
21 THIS IS TRUE HOPE BORN OF SWEAT AND  
22 HUMANITY, AND WE UNDERSTAND THAT WITHOUT  
23 STEM CELLS, WE'LL NEVER UNDO ILLNESS'  
24 CALAMITY.  
25 YOU'RE ALL PIONEERS WITH THE SAME GUTS

**BARRISTERS' REPORTING SERVICE**

1 AND DRIVE THAT BROUGHT THE FIRST PIONEERS  
2 TO CALIFORNIA. YOU CARVE OUT NEW ROADS  
3 WITH YOUR TENACITY AND GRIT, AND YOU NEVER  
4 GIVE UP NO MATTER THE HITS. THE GOOD GUYS  
5 AND GALS WEAR WHITE COATS INSTEAD OF WHITE  
6 HATS, AND YOU BATTLE OLD IDEAS AND  
7 ATTITUDES, NOT WITH SIX GUNS, BUT FACTS.  
8 A DREAM OF CURES CAME TO BOB KLEIN AND HIS  
9 FRIENDS, A DREAM OF ALL DISEASES COMING TO  
10 AN END. FUTURE CITIZENS WILL STUDY WHAT  
11 YOU'VE ACCOMPLISHED AND MARVEL AT WHAT  
12 YOU'VE ACHIEVED. WE'RE THE LUCKY ONES  
13 WATCHING HISTORY HAPPEN. IT'S WHY WE  
14 BELIEVE. YOUR WORK IS THE HOPE THAT  
15 SUSTAINS OUR LIFE LIKE THE OXYGEN WE  
16 BREATHE.

17  
18 CONGRATULATIONS TO ALL OF US ON THE SECOND  
19 STEM CELL AWARENESS DAY. THANK YOU.

20 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

21 (APPLAUSE.)

22 MS. ROBERTSON: THIS IS A NEW HUNTINGTON'S  
23 DISEASE FAMILY. UNFORTUNATELY THAT WE'RE SAD WHEN  
24 WE ADD SOMEBODY TO OUR FAMILY. SO I'M GOING TO LET  
25 THEM INTRODUCE THEMSELVES.

**BARRISTERS' REPORTING SERVICE**

1           IRENE: I'M IRENE AND THIS IS ROBERT. AND  
2 FOUR YEARS AGO I VOTED FOR PROPOSITION 71. I DIDN'T  
3 THINK I'D BE IN THESE SHOES, BUT I VOTED FOR IT  
4 BECAUSE, AS YOU SAW IN HIS RIGHT-HAND COLUMN, IT WAS  
5 GOOD FOR THE CALIFORNIA ECONOMY. AND I HAVE  
6 MANUFACTURING BACKGROUND AND I KNEW THAT STEM CELL  
7 RESEARCH INVOLVED MANUFACTURING.

8           BUT MY HUSBAND WAS DIAGNOSED, TESTED  
9 POSITIVE SIX MONTHS AGO. I TRUST THAT THE ICOC  
10 SCIENTISTS AND GRANTS EXPERTS WILL ADVISE ON THE  
11 BEST WAY TO DISTRIBUTE THE FUNDS, BUT I'M HERE TO  
12 OFFER ANOTHER PERSPECTIVE. I SEE POTENTIAL BENEFITS  
13 TO FAMILIES LIKE MINE. AND WITH RESEARCH SUCH AS  
14 THAT GOING ON AT UC DAVIS WITH DR. NOLTA AND SIMILAR  
15 EFFORTS, I THINK THEY MAY ENABLE PEOPLE WITH  
16 COGNITIVE DEGENERATION TO DEFER ONSET.

17           AND MY HUSBAND HAS A PH.D. IN ELECTRICAL  
18 ENGINEERING AND HAS WORKED IN THE PAST IN THE BAY  
19 AREA. HE'S BEEN IN THE DISK DRIVE INDUSTRY IN SAN  
20 JOSE, AND I'M PROUD OF HIM. HE'S THE COINVENTOR OF  
21 SEVEN PATENTS IN MAGNETIC RECORDING. I'M SURE MANY  
22 OF YOU IN THIS ECONOMY HAVE EITHER DIRECTLY OR  
23 INDIRECTLY EXPERIENCED LOSING A JOB. SO AFTER 29  
24 YEARS, ROBERT CAN NO LONGER WORK BECAUSE HE'S LOSING  
25 HIS COGNITIVE FUNCTIONS. AND HUNTINGTON'S, THE

## BARRISTERS' REPORTING SERVICE

1 FIRST SYMPTOMS ARE NOT PHYSICAL, BUT THEY'RE OFTEN  
2 COGNITIVE IN THE AREAS OF EXECUTIVE FUNCTION. SO  
3 HE'S LARGELY FUNCTIONAL, BUT HE CAN'T BE AN ENGINEER  
4 ANYMORE.

5 WE MET IN GRADUATE SCHOOL IN ENGINEERING,  
6 AND WE CAME HERE 22 YEARS AGO. I'VE BEEN WITH  
7 HEWLETT PACKARD, AND I'M A SOFTWARE ENGINEER FOR  
8 PEROT SYSTEMS. THAT'S ROSS PEROT'S COMPANY. AND WE  
9 LIVE IN SUNNYVALE. WE'VE BEEN IN THE HD SUPPORT  
10 GROUP IN PALO ALTO. I SEE THAT OUR SITUATION IS NOT  
11 UNIQUE. THERE ARE OTHER FAMILIES EXACTLY LIKE US  
12 THAT I'VE MET ALREADY WITH A SPOUSE NO LONGER  
13 WORKING. AND I THINK THAT MECHANISMS THAT CAN DEFER  
14 THE ONSET OF THESE NEUROLOGICAL DISEASES MIGHT HELP  
15 A FAMILY LIKE OURS TO HAVE MORE PRODUCTIVE YEARS.  
16 AND IF THE DISEASE CAN BE HALTED, THEN CHILDREN OF  
17 FAMILIES LIKE OURS CAN BE RELIEVED OF THEIR GENETIC  
18 RISK. SO I TRUST IN YOUR DECISIONS, AND I THANK YOU  
19 FOR LISTENING TO ANOTHER PERSPECTIVE.

20 CHAIRMAN KLEIN: THANK YOU VERY MUCH. IT  
21 IS, IN FACT, FAMILIES THAT REALLY KEEP US IN TOUCH  
22 WITH THE IMPORTANCE OF THIS RESEARCH. SO THANK YOU  
23 VERY MUCH FOR COMING FORWARD, AND WE WILL HOPE WITH  
24 YOU FOR THE BEST. DR. POMEROY.

25 DR. POMEROY: I ALSO WANT TO THANK THE

**BARRISTERS' REPORTING SERVICE**

1 SPEAKERS FOR REMINDING US WHY WE COME HERE AND WORK  
2 VERY HARD TOWARDS OUR MISSION. AND I ALSO WANT TO  
3 REITERATE THE INVITATION TO COME TO SACRAMENTO AND  
4 UC DAVIS FOR STEM CELL AWARENESS DAY. WE HOPE  
5 YOU'LL ALL BE THERE TO JOIN US AND CELEBRATE.

6 CHAIRMAN KLEIN: THANK YOU. ANY  
7 ADDITIONAL COMMENTS BY BOARD MEMBERS? BY DR.  
8 TROUNSON? BY THE PUBLIC? WE WILL STAND ADJOURNED  
9 AS OF NOW. THANK YOU VERY MUCH.

10 (THE MEETING WAS THEN ADJOURNED AT  
11 3:45 P.M.)

12  
13  
14  
15  
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23  
24  
25



**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 PROCEEDINGS BEFORE THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD AT THE LOCATION INDICATED BELOW

ROBERTSON AUDITORIUM  
1675 OWENS STREET  
SAN FRANCISCO, CALIFORNIA  
ON  
AUGUST 20, 2009

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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