

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: SHERATON GATEWAY HOTEL
6101 WEST CENTURY BOULEVARD
LOS ANGELES, CALIFORNIA

DATE: OCTOBER 23, 2014
9 A.M.

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

BRS FILE NO.: 95379

BARRISTERS' REPORTING SERVICE

I N D E X

ITEM DESCRIPTION	PAGE NO.
REPORTS & DISCUSSION ITEMS:	
1. CALL TO ORDER.	3
2. PLEDGE OF ALLEGIANCE.	3
3. ROLL CALL.	3
4. CHAIRMAN'S REPORT.	5
5. PRESIDENT'S REPORT.	9
6. FINANCE UPDATE.	54
ACTION ITEMS:	
7. CONSIDERATION OF AUDIT RESULTS FROM MACIAS GINI & O'CONNELL LLP.	60
8. CONSIDERATION OF APPLICATIONS FOR RFA 13-06: CIRM ALPHA STEM CELL CLINICS NETWORK: ALPHA STEM CELL CLINICS.	65
9. CONSIDERATION OF EXTENSION OF THE CREATIVITY AWARDS PROGRAM.	97
10. CONSIDERATION OF EXTENSION OF THE BRIDGES TO STEM CELL RESEARCH AWARDS PROGRAM.	109
11. CONSIDERATION OF APPLICATION FOR BRIDGING FUNDING SUPPLEMENT AWARD.	
12. CONSIDERATION OF AMENDMENTS TO THE GRANTS ADMINISTRATION POLICY.	122
13. CLOSED SESSION	NONE
DISCUSSION ITEMS	
14. SPOTLIGHT ON DISEASE.	NOT REPORTED
15. PUBLIC COMMENT.	124

BARRISTERS' REPORTING SERVICE

1 LOS ANGELES, CALIFORNIA; OCTOBER 23, 2014

2 9 A.M.

3 CHAIRMAN THOMAS: EVERYBODY PLEASE TAKE
4 THEIR SEATS. GOOD MORNING, EVERYBODY. I'D LIKE TO
5 WELCOME TO YOU TO DODGER TERRITORY. UNFORTUNATELY
6 THAT'S ABOUT AS MUCH AS I CAN SAY ON THE SUBJECT.
7 SO I GUESS I COULD ADD THAT THE GUYS IN BLUE AND
8 WHITE WON LAST NIGHT. SO THAT'S AS CLOSE AS WE'RE
9 GOING TO GET FOR THE MOMENT.

10 SO, MARIA, WILL YOU LEAD US IN THE PLEDGE
11 OF ALLEGIANCE, PLEASE.

12 (THE PLEDGE OF ALLEGIANCE.)

13 CHAIRMAN THOMAS: MARIA, PLEASE CALL THE
14 ROLL.

15 MS. BONNEVILLE: LINDA BOXER.

16 DR. BOXER: PRESENT.

17 MS. BONNEVILLE: KEN BURTIS.

18 DR. BURTIS: PRESENT.

19 MS. BONNEVILLE: ANNE-MARIE DULIEGE.

20 DR. DULIEGE: PRESENT.

21 MS. BONNEVILLE: SHLOMO MELMED.

22 DR. MELMED: PRESENT.

23 MS. BONNEVILLE: ELIZABETH FINI. JUDY
24 GASSON.

25 DR. GASSON: PRESENT.

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1 MS. BONNEVILLE: SAM HAWGOOD. DAVID
2 HIGGINS.

3 DR. HIGGINS: PRESENT.

4 MS. BONNEVILLE: STEPHEN JUELSGAARD.
5 SHERRY LANSING.

6 MS. LANSING: HERE.

7 MS. BONNEVILLE: JACOB LEVIN.

8 DR. LEVIN: HERE.

9 MS. BONNEVILLE: BERT LUBIN.

10 DR. LUBIN: HERE.

11 MS. BONNEVILLE: LAUREN MILLER.

12 MS. MILLER: HERE.

13 MS. BONNEVILLE: JOE PANETTA. FRANCISCO
14 PRIETO.

15 DR. PRIETO: HERE.

16 MS. BONNEVILLE: ROBERT QUINT.

17 DR. QUINT: HERE.

18 MS. BONNEVILLE: AL ROWLETT. JEFF SHEEHY.

19 MR. SHEEHY: HERE.

20 MS. BONNEVILLE: OSWALD STEWARD.

21 DR. STEWARD: HERE.

22 MS. BONNEVILLE: JONATHAN THOMAS.

23 CHAIRMAN THOMAS: HERE.

24 MS. BONNEVILLE: ART TORRES.

25 MR. TORRES: HERE.

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1 MS. BONNEVILLE: KRISTINA VUORI. DIANE
2 WINOKUR.

3 MS. WINOKUR: HERE.

4 CHAIRMAN THOMAS: THANK YOU, MARIA. WE'LL
5 NOW PROCEED TO THE CHAIRMAN'S REPORT, WHICH I WILL
6 MAKE A BIT BRIEF BECAUSE OUR PRESIDENT'S REPORT IS
7 QUITE EXTENSIVE AND SUBSTANTIVE THIS MORNING.

8 BEFORE I GET INTO THE REPORT, MARIA HAS
9 ADMONISHED ME TO MAKE SURE THAT YOU NOTICE THE SHEET
10 YOU HAVE AT ALL OF YOUR SEATS ON THE 2015 BOARD
11 MEETING DATES. YOU WILL NOTICE THERE ARE SIX
12 MEETINGS INSTEAD OF SEVEN. THE CHANGE IS
13 INEXTRICABLY TIED TO CIRM 2.0, WHICH RANDY IS GOING
14 TO GO INTO IN THE PRESIDENT'S REPORT, BUT EVERYBODY
15 PLEASE TAKE NOTE OF THAT AND PUT ON YOUR CALENDARS
16 ACCORDINGLY.

17 I'D LIKE TO TELL ABOUT A COUPLE OF THINGS.
18 WE HAD EARLIER THIS MONTH THE ANNUAL STEM CELLS
19 MEETING ON THE MESA, WHICH WAS HELD, AS IT ALWAYS
20 IS, DOWN IN LA JOLLA AT THE ESTANCIA HOTEL. THIS IS
21 THE MEETING WHERE CIRM AND ARM COME TOGETHER TO
22 CONVENE DIFFERENT COMPANIES AND DIFFERENT INVESTORS
23 IN AN EFFORT TO GET NETWORKING AND POTENTIAL
24 STRATEGIC ALLIANCES FORMED AMONGST THOSE TWO GROUPS.

25 IT'S A VERY INTERESTING EVENT BECAUSE IT

BARRISTERS' REPORTING SERVICE

1 IS A REAL GAUGE ON THE STATE OF THE INDUSTRY AND THE
2 STATE OF STEM CELL SCIENCE IN GENERAL AS MANY
3 COMPANIES REPORT YEAR TO YEAR ON THE PROGRESS THEY
4 HAVE MADE. I SHOULD NOTE THAT MANY OF THE REPORTING
5 COMPANIES ARE CONNECTED TO CIRM IN ONE FASHION OR
6 ANOTHER, WHICH WAS VERY GRATIFYING. BUT THE GENERAL
7 MESSAGE AND TAKEAWAY FROM THIS MEETING, AS IT ALWAYS
8 IS, IS THAT SCIENCE IS MARCHING INEXORABLY ALONG.

9 THE COMPANIES THAT WERE REPORTING WERE
10 FURTHER ALONG AND SHOWING MORE PROMISE THAN THEY HAD
11 THE YEAR BEFORE. OBVIOUSLY THEY VARY IN THE DEGREES
12 OF WHERE THEY ARE IN THE STATE OF THEIR RESEARCH AND
13 TRIALS, ETC., BUT IT IS A VERY INTERESTING MEETING.
14 AND FOR THOSE OF YOU WHO HAVE NEVER ATTENDED ONE OF
15 THESE, IT REALLY IS THE BEST KIND OF MEETING OF ITS
16 KIND, DRAWS PEOPLE FROM ALL OVER THE WORLD. AND
17 NEXT OCTOBER YOU MIGHT PUT THIS ON YOUR CALENDAR AND
18 ACTUALLY COME LISTEN TO THIS EVENT BECAUSE IT'S VERY
19 INSTRUCTIVE AS TO WHERE THINGS HAVE GOTTEN, WHERE
20 THINGS ARE HEADING, ETC.

21 THERE'S ALSO, AS THERE ALWAYS IS, A
22 SCIENTIFIC SYMPOSIUM ON THE THIRD OF THE THREE-DAY
23 EVENT WHICH IS FEATURING LECTURES GIVEN OR PANELS
24 GIVEN BY VARIOUS FOLKS IN THE SCIENCE. AND THAT, AS
25 WELL, IS VERY INTERESTING. IT'S A VERY GOOD EVENT.

BARRISTERS' REPORTING SERVICE

1 I'D RECOMMEND IT TO YOU FOR THOSE WHO WOULD LIKE TO
2 REALLY GET A GAUGE ON WHAT INDUSTRY IS DOING IN THE
3 FIELD.

4 SECONDLY, I HAD A SERIES OF MEETINGS UP IN
5 SACRAMENTO WHERE WE WENT TO MEET WITH THE DIRECTOR
6 OF FINANCE IN THE GOVERNOR'S OFFICE WHO IS THE PARTY
7 THAT WE DEAL WITH ON A SEMIANNUAL BASIS TO TELL WHAT
8 OUR NEEDS ARE FOR THE COMING SIX MONTHS. AND HAD A
9 VERY GOOD DISCUSSION WITH HIM ABOUT SORT OF THE
10 CURRENT STATE OF PLAY AT CIRM. THE PROCESS IS WE,
11 AND WE IS REALLY AMY LEWIS IN OUR OFFICES DEALS WITH
12 THEM WITH THE HELP OF CHILA SILVA-MARTIN, AND ONCE
13 THEY DETERMINE HOW MUCH MONEY WE NEED FOR THE
14 FOLLOWING SIX-MONTH PERIOD, THEY THEN TELL THE
15 TREASURER WHO ISSUES EITHER BONDS ON OUR BEHALF FOR
16 THE SIX-MONTH PERIOD OR COMMERCIAL PAPER DEPENDING
17 ON WHAT PARTICULAR MODE OF ISSUANCE IS IN VOGUE AT
18 THAT POINT IN TIME.

19 SO THIS IS A VERY IMPORTANT MEETING, VERY
20 KEY THAT WE MAINTAIN OUR EXCELLENT RELATIONS WITH
21 THEM, WHICH WE DID.

22 ALSO MET WITH THE TREASURER'S OFFICE, MET
23 TWO SEPARATE MEETINGS, ONE WITH THE TREASURER
24 HIMSELF AND ONE WITH HIS DEPUTY, AND HAD VERY GOOD
25 MEETINGS JUST TO BRING THEM UP TO SPEED ON WHAT

BARRISTERS' REPORTING SERVICE

1 WE'RE DOING. SO ALL PART AND PARCEL OF MAINTAINING
2 OUR RELATIONSHIPS IN SACRAMENTO.

3 ALSO HAD, SINCE OUR LAST BOARD MEETING, AN
4 OPPORTUNITY FOR ME TO GIVE A NUMBER OF SPEECHES.
5 WE'RE TRYING IN AN INCREASING FASHION TO GET OUT TO
6 DIFFERENT STAKEHOLDER GROUPS TO LET THEM KNOW WHERE
7 WE STAND AT THE MOMENT AND WHAT OUR MOST EXCITING
8 RESEARCH IS. AND WE HAD SEVERAL OF THOSE EVENTS.
9 ONE, FOR EXAMPLE, WAS STEM CELL AWARENESS DAY HOSTED
10 BY THE DEAN OF THE UC DAVIS MEDICAL SCHOOL UP AT UC
11 DAVIS, WHICH I SPOKE. AND SORT OF THE OTHER END OF
12 THE SPECTRUM, A VERY NICE GROUP CALLED THE LOS
13 ANGELES FOUNDATION, WHICH IS A NUMBER OF INTERESTED
14 PEOPLE IN LOS ANGELES THAT COME TOGETHER ON REGULAR
15 INTERVALS TO HEAR SPEECHES ON DIFFERENT THINGS OF
16 INTEREST. AND WE WERE INVITED TO GO SPEAK AT THAT,
17 WHICH I DID, AND THAT GENERATED, I THINK, SOME VERY
18 GOOD INTEREST FROM THOSE IN ATTENDANCE.

19 AND THAT SORT OF THING, I THINK, WE WANT
20 TO INCREASE BECAUSE IT ONLY HELPS TO GET THE MESSAGE
21 ACROSS AS TO WHAT WE'RE DOING AND TO REPORT IN TO
22 THE VARIOUS STAKEHOLDERS AND TO THE TAXPAYERS AT
23 LARGE ON THE PROGRESS THAT CIRM IS MAKING.

24 SO IN ADDITION -- WELL, I THINK I'M GOING
25 TO JUST -- IN THE INTEREST OF TIME, I'VE GOT SEVERAL

BARRISTERS' REPORTING SERVICE

1 OTHER THINGS, BUT I THINK THAT WHAT WE REALLY WANT
2 TO DO IS GET TO RANDY. WE SPENT A LOT OF TIME WITH
3 RANDY OVER THE COURSE OF THE LAST NUMBER OF WEEKS ON
4 THIS ISSUE OF CIRM 2.0, WHICH HE IS ROLLING OUT
5 TODAY. AND I THINK WITHOUT FURTHER ADO, LET'S GO TO
6 THE PRESIDENT'S REPORT. DR. MILLS.

7 DR. MILLS: MR. CHAIRMAN, MEMBERS OF THE
8 BOARD, THANK YOU VERY MUCH FOR SPENDING THE TIME
9 WITH ME TODAY AND GOING THROUGH THIS. NORMALLY I
10 LIKE TO KEEP MY REMARKS FAIRLY BRIEF, BUT TODAY WE
11 ACTUALLY HAVE A FAIR AMOUNT OF MATERIAL TO GO
12 THROUGH, AND SO WE'LL DO THAT TODAY. IF DURING ANY
13 PART OF MY PRESENTATION YOU HAVE ANY QUESTIONS, FEEL
14 FREE TO ASK AND INTERRUPT ME. I HAVE NO ISSUE WITH
15 THAT.

16 SO JUST TO TALK ABOUT THE FOUR THINGS THAT
17 I WANT TO COVER TODAY. FIRST IS, AS ALWAYS, START
18 WITH AN OVERVIEW OF CIRM. I WANT TO PROVIDE A
19 LITTLE BIT MORE COMMENTARY CENTERING AROUND OUR
20 BUDGET AND CONTINUE TO PEEL BACK THIS ONION SO WE
21 ALL HAVE A BETTER UNDERSTANDING WHAT IT IS AND HOW
22 IT WORKS.

23 THEN WHAT I REALLY WANT TO SPEND A FAIR
24 AMOUNT OF TIME ON IS TALKING ABOUT CIRM 2.0 AND THE
25 EFFORTS THAT ARE GOING ON RIGHT NOW AT THE STEM CELL

BARRISTERS' REPORTING SERVICE

1 AGENCY TO ESSENTIALLY REINVENT OURSELVES AND CREATE
2 AN ORGANIZATION THAT IS MORE RESPONSIVE TO OUR NEEDS
3 AND MORE RESPONSIVE TO OUR MISSION.

4 THE LAST THING IS I ACTUALLY HAVE A
5 QUESTION FOR THE BOARD, AND THIS IS A RELEVANT
6 QUESTION INSIDE CIRM THAT WE NEED YOUR GUIDANCE ON
7 WITH RESPECT TO WHAT SHOULD BE IN SCOPE AND OUT OF
8 SCOPE ON FUTURE AWARDS.

9 SO LET'S JUMP IN. I PROMISED WHEN I TOOK
10 THE POSITION I WOULD ALWAYS MAKE SURE THAT OUR
11 MISSION STAYED TOP OF MIND IN EVERYTHING WE DO, AND
12 THAT'S A PROMISE I INTEND TO UPHOLD. AND SO OUR
13 MISSION IS TO ACCELERATE STEM CELL TREATMENTS TO
14 PATIENTS WITH UNMET MEDICAL NEEDS. IT REALLY IS
15 THAT SIMPLE. IT REALLY IS ALL ABOUT THE PATIENTS.
16 WE REALLY ALWAYS HAVE TO KEEP THAT IN MIND.

17 TO DO THAT, WE'VE DEVELOPED AT CIRM A
18 FOUR-PART TEST THAT WE USE TO DECIDE WHETHER OR NOT
19 THE ACTIONS WE'RE TAKING ARE RESPONSIVE TO OUR
20 MISSION. AND THE FOUR PARTS ARE: ONE, IS WHAT
21 WE'RE DOING GOING TO SPEED UP THE DEVELOPMENT OF A
22 STEM CELL THERAPY? TWO, IS IT GOING TO INCREASE THE
23 LIKELIHOOD OF SUCCESS OF THAT REACHING A PATIENT?
24 THREE, IS IT GOING TO FILL AN UNMET MEDICAL NEED?
25 AND THEN LASTLY, IS THIS AN EFFICIENT WAY OF DOING

BARRISTERS' REPORTING SERVICE

1 BUSINESS? AND SO I JUST REMIND YOU OF THOSE FOUR
2 THINGS.

3 NEXT THING I'D LIKE TO DO IS JUST DESCRIBE
4 A LITTLE BIT ABOUT WHAT CIRM IS TODAY. AS I'VE COME
5 IN THE POSITION AND SORT OF BEGAN TO UNDERSTAND AND
6 KNOW THE AGENCY, I JUST WANT TO PUT OUT JUST NUMBERS
7 IN AS CLEAR A WAY AS I CAN THAT GIVES YOU AN
8 OVERVIEW OF THE AGENCY AS IT STANDS TODAY.

9 SINCE OUR INCEPTION, WE HAVE MADE 668
10 AWARDS TOTALING ABOUT \$2 BILLION. THEY ARE IN FIVE
11 BROAD CATEGORIES: FACILITIES, EDUCATION, BASIC
12 BIOLOGY, TRANSLATIONAL RESEARCH, AND CLINICAL, WITH
13 THE AMOUNT OF MONEY WE'VE SPENT IN CLINICAL
14 REPRESENTING THE MOST. SO YOU CAN SEE ON THE GRAPH
15 OUR GENERAL AWARDS SINCE INCEPTION.

16 WE CURRENTLY HAVE 80 ACTIVE PROGRAMS IN
17 TRANSLATIONAL AND CLINICAL. SO THIS IS ONLY LOOKING
18 AT THOSE PROGRAMS WHERE WE'VE IDENTIFIED A
19 PARTICULAR PRODUCT TO ATTACK A PARTICULAR DISEASE.
20 WE COVER OVER 40 DIFFERENT DISEASES. WE HAVE \$627
21 MILLION OF FUNDING IN THIS STAGE OF RESEARCH. THE
22 THREE LARGEST CATEGORIES WE FUND ARE NEUROLOGIC
23 INJURIES AND DISEASES AT 23 PERCENT OF OUR FUNDING,
24 MALIGNANCIES AND CANCERS, 19 PERCENT, AND
25 CARDIOVASCULAR DISEASE AT 13 PERCENT. YOU CAN SEE

BARRISTERS' REPORTING SERVICE

1 THE REMAINING ONES. EVERYTHING UNDER 5 PERCENT IS
2 REPRESENTED IN THE OTHER CATEGORY, WHICH INCLUDES
3 SKIN DISORDERS, LIVER, KIDNEY, AND URINARY, AND
4 THERE'S ONE MORE I CAN'T QUITE REMEMBER.

5 WE HAVE 14 ACTIVE PROGRAMS FOR PEDIATRIC
6 INDICATIONS, TOTALING \$64 MILLION, WHICH I THINK IS
7 RELATIVELY IMPRESSIVE GIVEN THAT KIDS TEND TO BE
8 FAIRLY HEALTHY AND DON'T HAVE AS MANY OPPORTUNITIES
9 FOR STEM CELLS TO BE ABLE TO CORRECT.

10 WITH REGARDS TO WHERE THE MONEY IS GOING
11 BETWEEN INDUSTRY AND ACADEMIA, THIS IS
12 OVERWHELMINGLY TO ACADEMIA. SO OF OUR TOTAL AWARDS,
13 OVER \$1.8 BILLION HAVE GONE TO ACADEMIA. IN TOTAL,
14 194 MILLION HAVE GONE TO INDUSTRY. AND THAT'S ABOUT
15 91 PERCENT OVERALL OF OUR FUNDING.

16 THE OTHER POINT TO NOTE HERE, THOUGH, IS
17 THAT 20 PERCENT OF OUR CLINICAL STAGE, SO EITHER THE
18 TRANSLATIONAL AND THE CLINICAL AWARDS, HAVE ACTUALLY
19 GONE TO INDUSTRY. SO THE FURTHER TOWARDS PRODUCT
20 DEVELOPMENT AND COMMERCIALIZATION A PRODUCT BECOMES,
21 THE MORE LIKELY IT IS TO RECEIVE INDUSTRY FUNDING,
22 WHICH SEEMS ABOUT RIGHT IN MY MIND. THAT'S JUST A
23 SNAPSHOT OF CIRM AS IT STANDS TODAY.

24 THE NEXT THING I WANT TO GO THROUGH
25 BRIEFLY IS OUR BUDGET REVIEW AGAIN, AND SOME OF THIS

BARRISTERS' REPORTING SERVICE

1 IS GOING TO SEEM A LITTLE BIT REDUNDANT, BUT IT WILL
2 BE UPDATED. BUT I ALSO WANT TO JUST KEEP THIS IN
3 MIND FOR CLARITY SAKE.

4 SO THE WAY CIRM, FROM A BUDGET STANDPOINT,
5 EXISTS, IT REALLY EXISTS WITH TWO SEPARATE AND
6 DISTINCT BUDGETS. SO OUT OF THE \$3 BILLION, IT
7 DIVIDES UP ROUGHLY LIKE THIS. WE HAVE WHAT WE CALL
8 THE SMALL BUCKET, WHICH IS AN ADMINISTRATIVE BUDGET.
9 THAT'S THE FUNDS WE USE TO OPERATE CIRM ON A
10 DAY-TO-DAY BASIS. AND IN THAT WE STARTED OUT WITH
11 \$180 MILLION FOR THE LIFE OF THE ORGANIZATION. WE
12 ALSO THEN HAVE A \$2.75 BILLION BUDGET WE USE TO
13 GRANT AWARDS. AND SO WHEN WE MAKE DECISIONS AS A
14 BOARD OR THE BOARD MAKES DECISION ON FUNDING, THOSE
15 FUNDING DOLLARS COME OUT OF THE AWARD BUDGET. AND
16 THAT WAS ALSO SET UP FOR THE LIFE OF CIRM.

17 AND SO AS WE'VE TALKED ABOUT BEFORE, AND
18 THESE ARE UNDATED NUMBERS, AS OF OCTOBER 1ST WE HAVE
19 SPENT \$92 MILLION OUT OF THE ADMINISTRATION BUDGET.
20 THAT LEAVES \$88 MILLION LEFT. WE'RE SPENDING AT
21 JUST UNDER \$13 MILLION A YEAR. IF YOU'RE WONDERING
22 HOW YOU RECONCILE THE \$13 MILLION ADMINISTRATION
23 BUDGET WITH THE OVERALL BUDGET FOR CIRM'S ANNUAL
24 BUDGET, WHICH IS ABOUT 17 MILLION, THERE ARE CERTAIN
25 COSTS OUT OF THE \$17 MILLION BUDGET WHICH DON'T COME

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1 OUT OF THIS FUND PRIMARILY RELATED TO LEGAL AND
2 OTHER THINGS LIKE THAT. SO OUR SPENDING OUT OF THIS
3 BUDGET IS ABOUT \$13 MILLION A YEAR, WHICH AT THAT
4 RATE FUNDS US FAIRLY EASILY INTO THE MIDDLE OF 2021.

5 THE AWARD BUDGET IS THE LARGER OF THE TWO.
6 THAT'S THE \$2.75 BILLION. TO DATE WE HAVE \$1.9
7 BILLION OF NET AWARDS. SO YOU WILL NOTICE THIS
8 NUMBER IS A LITTLE DIFFERENT THAN THE NUMBER I JUST
9 PUT UP WHERE IT SAID WE MADE \$2 BILLION OF AWARDS.
10 WE HAVE. WE'VE MADE \$2 BILLION OF AWARDS. A
11 HUNDRED MILLION OF THAT HAS COME BACK EITHER THROUGH
12 REDUCTIONS OR CANCELLATIONS OF THOSE AWARDS. SO NET
13 WE HAVE \$1.9 BILLION OF AWARDS THAT HAVE BEEN MADE.
14 WE ESTIMATE THAT WE WILL RECOVER ABOUT \$100 MILLION
15 MORE OF THAT. WE HAVE \$873 MILLION WHICH HAS NOT
16 BEEN AWARDED. SO THAT GIVES US ABOUT A BILLION
17 DOLLARS AVAILABLE FOR FUTURE AWARDS, WHICH AT OUR
18 CURRENT AWARD RATE OF ABOUT \$190 MILLION A YEAR,
19 TAKES US TO UP 2020 FOR MAKING AWARDS CONSISTENTLY
20 THROUGH THERE.

21 THIS IS SORT OF THE NEW PIECE THAT I WANT
22 TO SHOW YOU. THIS IS A DIVE DOWN INTO THE ACTUAL
23 ACTIVITY ON A QUARTERLY BASIS OF HOW THE MONEY MOVES
24 WITHIN THAT AWARD BUDGET. SO THIS IS FOR OUR FIRST
25 QUARTER, SO THIS FISCAL YEAR, THE QUARTER JUST

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1 ENDING. THIS IS HOW THE MONEY MOVED. AND SO
2 STARTING AT THE TOP, THAT'S OUR UNCOMMITTED MONEY.
3 THAT'S MONEY THAT THE BOARD HAS NOT MADE A FUNDING
4 DECISION ON. WE HAVE \$873 MILLION THERE. AWARDED
5 BUT NOT SPENT IS IN THE ORANGE BUCKET IN THE MIDDLE.
6 WE HAVE \$461 MILLION OF ACTIVE AWARDS WHERE THE
7 CHECKS HAVEN'T BEEN WRITTEN. AND THEN LASTLY IS
8 MONEY THAT'S BEEN SPENT. WE'VE AWARDED IT AND WE'VE
9 LITERALLY WRITTEN THE CHECKS OUT. \$1.41 BILLION OF
10 THAT. SO WHEN YOU ADD ALL OF THOSE UP, THAT GETS TO
11 2.75 BILLION.

12 SO I THOUGHT IT MIGHT BE INTERESTING FOR
13 YOU TO SEE IN A GIVEN QUARTER HOW THESE FUNDS MOVE
14 BETWEEN THINGS. SO THE FIRST THING THAT HAPPENS IS
15 WE'VE MADE AWARDS TO RECIPIENTS, AND THEY MAKE
16 PROGRESS ON THEIR AWARDS, AND WE PAY THAT OUT. AND
17 SO THAT'S THE \$65 MILLION YOU SEE IN THE LOWER LEFT
18 MOVING FROM THE ORANGE TO THE AWARDED BUCKET TO THE
19 SPENT BUCKET.

20 WE ALSO MADE NEW AWARDS. SO WE MADE \$17
21 MILLION OF NEW AWARDS THIS QUARTER. SO THAT MOVED
22 \$17 MILLION FROM THE UNCOMMITTED TO THE AWARDED
23 BUCKET. BUT DURING THE SAME QUARTER, WE ALSO HAD
24 \$14 MILLION OF REDUCTIONS AND CANCELATIONS IN
25 AWARDS. THAT TOOK MONEY OUT OF THE AWARDED COLUMN

BARRISTERS' REPORTING SERVICE

1 AND ACTUALLY PUT IT BACK INTO THE UNCOMMITTED. SO
2 FOR THE QUARTER, WE ONLY HAD A NET REDUCTION OF \$3
3 MILLION IN THE UNCOMMITTED BUDGET EVEN THOUGH WE
4 MADE \$17 MILLION IN NEW AWARDS.

5 LASTLY, IT DIDN'T HAPPEN THIS QUARTER, BUT
6 IT HAS HAPPENED AND PROBABLY WILL HAPPEN AGAIN WHERE
7 WE ACTUALLY WILL GET AWARD REPAYMENTS. SO
8 PARTICULARLY ON A LOAN, FOR EXAMPLE, WE CAN ACTUALLY
9 HAVE MONEY COME OUT OF THE SPENT BUCKET AND MOVE UP
10 INTO THE UNCOMMITTED. SO THAT JUST GIVES YOU AN
11 IDEA, AS WE DIVE IN AND PEEL THE ONION A LITTLE BIT
12 DEEPER, HOW MONEY GETS MOVED AROUND AT CIRM AND WHY
13 ON A QUARTERLY BASIS YOU'LL SEE MOVEMENT BETWEEN
14 THESE.

15 ANY QUESTIONS ON BUDGET?

16 SO NOW I WANT TO GET INTO WHAT CIRM 2.0
17 IS. THIS IS SOMETHING WE'RE VERY EXCITED ABOUT AT
18 CIRM. IT'S BASICALLY US SITTING DOWN AFTER TEN
19 YEARS OF BEING IN BUSINESS TAKING A FRESH LOOK AT
20 THE ORGANIZATION AND, WITHOUT ANY PREJUDICE, SAYING
21 WHAT CAN WE DO TO MAKE THIS ORGANIZATION PERFORM AS
22 WELL AS IT CAN KNOWING WHAT WE KNOW TODAY. AND WE
23 REALLY DID START -- IT'S BEEN AN EFFORT FROM THE
24 ENTIRE AGENCY AS WELL AS PEOPLE OUTSIDE OF THE
25 AGENCY, BOARD MEMBERS, REVIEWERS, STAKEHOLDERS, AND

BARRISTERS' REPORTING SERVICE

1 IT REALLY WAS A FRESH LOOK RIGHT FROM THE START.
2 AND I'M VERY PLEASED WITH WHAT THE TEAM HAS PULLED
3 TOGETHER HERE.

4 SO THE PURPOSE OF THIS WAS TO CREATE A
5 PROCESS AT CIRM FOR ATTRACTING, AWARDED, AND
6 ADMINISTERING GRANTS THAT BETTER SERVE OUR MISSION.
7 SO THAT'S WHAT OUR MISSION IS, AND OUR PROCESS
8 ENABLES US TO ACCOMPLISH THAT BETTER, NOT BE AN
9 OBVIOUS OBSTACLE FOR US. SO IF WE'RE SUCCESSFUL
10 WITH THIS, WE'RE GOING TO HAVE A HIGHER NUMBER OF
11 HIGH QUALITY APPLICATIONS COMING THROUGH THE SYSTEM
12 BECAUSE WE'RE GOING TO FRANKLY MAKE A BETTER PRODUCT
13 THAT PEOPLE ARE GOING TO WANT TO USE.

14 WE HOPE TO REDUCE CYCLE TIME. OUR JOB AT
15 CIRM IS TO ACCELERATE THE DEVELOPMENT OF STEM CELL
16 THERAPIES. THAT SHOULD START WITH US. WE TALKED
17 ABOUT LAST TIME THE CYCLE TIME BEING FAIRLY LONG FOR
18 CLINICAL PROGRAMS, ON AVERAGE ABOUT 22 MONTHS. WE
19 WANT TO GET THAT DOWN BECAUSE THAT'S A REAL IMPACT
20 WE CAN HAVE THAT ULTIMATELY WILL AFFECT PATIENTS.

21 WE WANT TO ACCELERATE THE PROGRESSION OF
22 FUNDED PROJECTS. JUST BECAUSE WE HAVE A PROGRAM
23 THAT WE FUNDED, THAT'S NOT SOMETHING WE WANT TO HAVE
24 ON AUTOPILOT. WE WANT TO BE ACTIVE PARTICIPANTS AND
25 PARTNERS DOING AS MUCH AS WE POSSIBLY CAN TO MOVE

BARRISTERS' REPORTING SERVICE

1 THESE THINGS ALONG. WE'RE NOT UNBIASED SPECTATORS
2 HERE. WE HAVE A STAKE IN THIS GAME. WE WANT THIS
3 TECHNOLOGY TO SUCCEED, AND WE WANT TO DO, AS AN
4 ORGANIZATION, EVERYTHING WE CAN TO HAVE THAT COME
5 TRUE.

6 AND THEN LASTLY IS CLARITY. WE WANT A
7 PROCESS THAT IS EASY TO UNDERSTAND, THAT IS
8 WELL-KNOWN BY ALL POTENTIAL APPLICANTS, AND THAT WE
9 UNDERSTAND INTERNALLY AND AS A BOARD. IF WE ARE
10 SUCCESSFUL WITH THIS, I THINK WE'RE GOING TO HAVE
11 THAT.

12 SO TAKING A LOOK AT THE CURRENT PROCESS
13 FROM 30,000 FEET, YOU MAY OR MAY NOT HAVE SEEN THIS
14 DIAGRAM. THIS IS THE WAY OUR PROCESS IS TODAY. SO
15 WE HAVE FUNDING OPPORTUNITIES IN BASIC RESEARCH,
16 CANDIDATE DISCOVERY, PRECLINICAL RESEARCH,
17 PRECLINICAL DEVELOPMENT, PHASE I CLINICAL RESEARCH,
18 AND PHASE II CLINICAL RESEARCH. AND THERE'S TWO
19 THINGS ABOUT THIS THAT STRUCK ME AS I LOOKED AT IT.

20 THE FIRST IS, IF YOU TAKE ALL OF OUR
21 FUNDING OPPORTUNITIES IN THIS CONTINUUM AND YOU PUT
22 THEM END TO END, IT'S 21 YEARS TO GO FROM AN IDEA TO
23 A PHASE II CLINICAL TRIAL, NOT TO APPROVAL, NOT TO
24 ON THE MARKET, JUST TO A PHASE II CLINICAL TRIAL.
25 IT SHOULDN'T TAKE 21 YEARS. WE'VE GOT TO DEMAND

BARRISTERS' REPORTING SERVICE

1 FASTER. WE'VE GOT TO DEMAND BETTER THAN THAT.

2 THE SECOND ASPECT OF THIS, WHICH IS VERY
3 TROUBLING FOR NOT ONLY OUR APPLICANTS, BUT CREATES
4 PROBLEMS WITH OUR BOARD, IS THE OPPORTUNITIES WE
5 HAVE OPEN SPORADICALLY. AND SO IT'S -- AT ANY GIVEN
6 TIME A FUNDING OPPORTUNITY MAY POP UP, BE OPEN FOR A
7 SHORT PERIOD OF TIME, AND THEN CLOSE WITHOUT ANY
8 REPRESENTATION OR WARRANTY THAT THAT OPPORTUNITY IS
9 GOING TO COME AROUND AGAIN. AND SO IT CREATES A
10 SITUATION WHERE, WHEN PEOPLE APPLY FOR GRANTS, THEY
11 APPLY FOR A GRANT WHEN IT'S OPEN, NOT WHEN THEY'RE
12 READY BECAUSE THEY DON'T KNOW THE NEXT TIME THAT
13 THAT FUNDING OPPORTUNITY IS GOING TO COME AROUND.
14 AND THAT, I THINK, WAS A REAL CORE ISSUE THAT WE
15 NEEDED TO LOOK AT WHEN COMING UP WITH CIRM 2.0.

16 IF WE LIKE GENERALLY THESE PROGRAMS,
17 DISCOVERY, TRANSLATIONAL RESEARCH, AND CLINICAL
18 RESEARCH, IF WE LIKE THE THREE THINGS THAT
19 ULTIMATELY TAKE US FROM DISCOVERY TO CURES, THEN WE
20 SHOULD HAVE THOSE OPEN AND THAT SHOULD BE KNOWN, AND
21 THAT SHOULD BE CONSISTENT, AND OUR COLLABORATORS
22 SHOULD KNOW THAT WE'RE HERE AND WE'RE IN BUSINESS
23 FOR THAT.

24 SO WHAT DO WE WANT OUT OF THE PROCESS? WE
25 WANT THIS TO WORK QUICKLY. WE WANT RAPID PROGRESS

BARRISTERS' REPORTING SERVICE

1 THROUGH THIS. WE DON'T WANT LOITERING. AND SO AS
2 PART OF THAT, WE ALSO NEED THIS CLARITY AROUND THESE
3 THREE AREAS: DISCOVERY, TRANSLATION, AND CLINIC.
4 SO WHAT WE'RE GOING TO BE PROPOSING TODAY, AND WE'LL
5 LAUNCH, BOARD WILLING, JANUARY 1ST, WILL BE THE
6 FIRST PHASE OF IMPLEMENTATION OF THIS CONCEPT.
7 WE'RE STARTING WITH CLINICAL. BY THE END OF THE
8 FIRST HALF OF '15, WE'LL HAVE ADOPTED, WE HOPE,
9 SIMILAR PROGRAMS FOR TRANSLATION AND DISCOVERY. IT
10 IS MY RECOMMENDATION AND IT IS MY INTENT THAT WE
11 HAVE THE PROCESS THAT I'M ABOUT TO SHOW YOU BE OPEN
12 IN SIMILAR FASHION FOR ALL THREE STAGES OF RESEARCH:
13 DISCOVERY, TRANSLATIONAL RESEARCH, AND CLINICAL
14 RESEARCH.

15 SO IF WE TAKE A LOOK AT OUR CURRENT
16 PROCESSES, AND THIS IS WHAT I SHOWED THE BOARD IN
17 MORE DETAIL LAST MEETING, WE HAVE BASICALLY FOUR
18 PHASES IN OUR CURRENT PROCESS. WE HAVE AN
19 APPLICATION PHASE, WHICH RIGHT NOW OUR APPLICATIONS
20 ON THE CLINICAL SIDE POP UP EVERY 9 TO 15 MONTHS; WE
21 HAVE A REVIEW PHASE, WHICH TAKES ANOTHER FIVE TO
22 SEVEN MONTHS; WE HAVE A CONTRACTING PHASE, WHICH
23 TAKES ANOTHER FIVE TO SEVEN MONTHS, WHICH GIVES YOU
24 ABOUT ON AVERAGE 22 MONTHS IF YOU HAVE AN IDEA TO
25 WHEN WE WILL GIVE YOU -- WE'LL MAKE FUNDING

BARRISTERS' REPORTING SERVICE

1 AVAILABLE TO YOU, 22 MONTHS. AND THAT'S 22 MONTHS
2 THAT IS HOLDING UP RESEARCH FROM BEING CONDUCTED.

3 SO IF THAT CANDIDATE ENDS UP BEING
4 SUCCESSFUL, IT COMES TO MARKET 22 MONTHS LATER THAN
5 IT WOULD HAVE IF THEY WOULD HAVE BEEN ABLE TO START
6 RIGHT AWAY. NOW, THAT NUMBER CAN'T GET DOWN TO
7 ZERO, SO WE CAN'T ELIMINATE IT TO ZERO, WE CAN'T
8 ELIMINATE IT COMPLETELY, BUT WE CERTAINLY CAN DO
9 BETTER THAN 22 MONTHS.

10 THE LAST PART OF IT IS ADMINISTRATION. SO
11 FOR CLINICAL TRIALS, BASICALLY WE OFFER THREE- OR
12 FOUR-YEAR AWARDS FOR CONDUCTING A CLINICAL TRIAL,
13 BUT A TYPICAL PHASE I TRIAL SHOULD ONLY TAKE ABOUT
14 19 MONTHS ON AVERAGE TO CONDUCT. SO WE ALSO WANT TO
15 GET TO A FUNDING DECISION QUICKER, BUT WE ALSO WANT
16 YOU TO CONDUCT THE RESEARCH WITH A SENSE OF URGENCY.
17 AND I THINK THAT'S ONE THING WE NEED TO KEEP IN
18 MIND. WE'RE IN THE BUSINESS OF TRYING TO SAVE
19 PEOPLE'S LIVES. WE'RE ATTACKING SOME OF THE MOST
20 SERIOUS DISEASES KNOWN TO MAN. WE HAVE TO BEHAVE
21 WITH THE APPROPRIATE SENSE OF URGENCY.

22 SO THAT'S A COMMON THREAD THAT YOU'RE
23 GOING TO SEE WOVEN THROUGHOUT CIRM 2.0, AND
24 THROUGHOUT THE ORGANIZATION GOING FORWARD, IS A VERY
25 SERIOUS SENSE OF URGENCY.

BARRISTERS' REPORTING SERVICE

1 SO WHAT IS CIRM 2.0 AND HOW DO WE GET IT
2 DONE? THE FIRST THING WE DO IS FROM THE APPLICATION
3 STANDPOINT. INSTEAD OF HAVING APPLICATIONS POP OPEN
4 EVERY 9 TO 15 MONTHS, WE KNOW WE ALWAYS WANT HIGH
5 QUALITY CLINICAL TRIALS IN STEM CELLS THAT AFFECT
6 UNMET MEDICAL NEEDS. SO WE ARE GOING TO OPEN THAT
7 UP AND HAVE THAT BE AN ONGOING, STANDING PROGRAM.
8 SIMILAR TO THE WAY THE FDA ISSUES IND'S, THE FDA
9 DOESN'T SAY, WE'LL BE ACCEPTING IND'S NEXT JULY.
10 YOU CAN ALWAYS SUBMIT AN IND TO THE FDA. THE FDA
11 WILL ALWAYS REVIEW IT. THAT WILL CUT 9 TO 15 MONTHS
12 OF DELAY OUT RIGHT THERE BY DOING THAT.

13 BUT THE OTHER REALLY IMPORTANT PART ABOUT
14 HAVING AN OPEN APPLICATION PROCESS IS THIS ISN'T
15 JUST THAT WE WANT TO GET APPLICATIONS THROUGH. WE
16 WANT TO GET HIGH QUALITY APPLICATIONS THROUGH. THE
17 GOAL IS ULTIMATELY TO DEVELOP TREATMENTS FOR
18 PATIENTS, NOT SEE HOW MUCH STUFF WE CAN RUN THROUGH
19 THE SYSTEM. SO RIGHT NOW WHAT OFTEN HAPPENS IS AN
20 APPLICANT WILL PREMATURELY SUBMIT A PROGRAM TO BE
21 REVIEWED BECAUSE THE WINDOW POPS UP AND THEN IT
22 CLOSES AND STAYS CLOSED FOR SOMETIMES OVER A YEAR.
23 AND SO THEY PREMATURELY APPLY.

24 THIS SYSTEM WILL ALLOW AN APPLICANT TO
25 APPLY WHEN THEIR PROGRAM IS ACTUALLY READY, NOT WHEN

BARRISTERS' REPORTING SERVICE

1 THEY HAVE TO DO IT BECAUSE WE HAVE AN ARTIFICIAL
2 WINDOW THAT WE'VE CREATED. AND WE'RE VERY HOPEFUL
3 THAT THIS IS GOING TO LEAD TO MORE THOUGHTFUL
4 APPLICATIONS AND HIGHER QUALITY APPLICATIONS.

5 THE SECOND ASPECT OF CIRM 2.0, AND THIS I
6 WOULD SAY OUT OF ANYTHING THIS IS REALLY THE ENGINE
7 OF WHAT MAKES CIRM 2.0, I THINK, BETTER AND UNIQUE
8 IS THAT WE'RE GOING TO TAKE THIS REVIEW PROCESS DOWN
9 TO 81 DAYS. AND WE'RE GOING TO DO THAT BECAUSE THE
10 CONCEPT OF HAVING AN OPEN RFA ALSO SAYS WE'RE GOING
11 TO HAVE FEWER APPLICATIONS PER REVIEW CYCLE.

12 SO THE WAY IT STANDS RIGHT NOW, IF WE
13 BATCH EVERY 12, 13, 15 MONTHS, WE END UP WITH A
14 LARGE NUMBER OF PROGRAMS TO REVIEW AND, THEREFORE,
15 IT BECOMES A RATHER LARGE PRODUCTION AND IT TAKES US
16 A WHILE TO DO. BUT SINCE WE'RE GOING TO BE TAKING
17 THESE THINGS IN REAL-TIME, AS THEY COME IN, WE'RE
18 GOING TO EVALUATE THEM, ADJUDICATE THEM, AND MOVE
19 THEM ALONG, IT WILL GIVE US OPPORTUNITY TO DO THAT
20 ON A MUCH FASTER BASIS BECAUSE THE NUMBER OF
21 APPLICATIONS WE'LL BE DEALING WITH AT ANY ONE TIME
22 WILL BE FAR FEWER.

23 SO WHAT I WANT TO DO, BECAUSE THIS PART IS
24 SO IMPORTANT, IS I WANT TO DIVE IN JUST ON THIS
25 SECTOR HERE. SO JUST THIS REVIEW WE'RE GOING TO

BARRISTERS' REPORTING SERVICE

1 TAKE A CLOSER LOOK HERE.

2 SO THIS IS THE REVIEW PROCESS, JUST THAT
3 ONE SEGMENT THAT WE WERE LOOKING AT ON THE PREVIOUS
4 SLIDE. AND THIS IS THE WAY IT WORKS. SO WE WILL
5 ACCEPT APPLICATIONS BASICALLY NOW ON A MONTHLY
6 CYCLE. SO THE LAST DAY OF EVERY MONTH, IF YOU WANT
7 TO HAVE AN APPLICATION REVIEW, IF YOU WANT TO HAVE
8 APPLICATION REVIEWED, IT'S DUE BY THAT DATE. IF YOU
9 MISS THAT DATE, IT JUST GOES ON TO THE NEXT MONTH'S
10 CYCLE, SO IT'S NOT A HUGE DELAY.

11 THE FIRST STEP IN REVIEW CENTERS AROUND
12 GOING THROUGH CONFLICT OF INTEREST CHECKS TO MAKE
13 SURE EVERYONE THAT'S GOING TO BE INVOLVED IN THE
14 REVIEW IS FREE AND CLEAR AND TO MAKE SURE THAT THE
15 APPLICATION IS TECHNICALLY RESPONSIVE TO THE PROGRAM
16 ANNOUNCEMENT.

17 BUT THE NEXT THING WE'RE GOING TO DO IS
18 REALLY IMPORTANT. AND THAT IS WE'RE GOING TO DO AN
19 EXTERNAL BUDGET REVIEW. AND THAT COMES FROM
20 COMMENTS THAT THE GRANTS WORKING GROUP HAS MADE ON
21 NUMEROUS OCCASIONS WHERE, AND I'LL TELL YOU AS A
22 GRANTS WORKING GROUP MEMBER, WE WOULD ROUTINELY
23 REVIEW PROJECTS, THAT WE THOUGHT THE PROJECTS WERE
24 INTERESTING AND THE SCIENCE SUBSTANTIVE, SO IT WAS
25 GOING TO GET A GOOD SCORE, BUT WE WOULD ALSO COME

BARRISTERS' REPORTING SERVICE

1 BACK AND SAY THE BUDGET IS NOT APPROPRIATE FOR THIS,
2 BUT IT'S REALLY GOOD, SO WE'RE GOING TO APPROVE IT.
3 WHAT WE'RE GOING TO DO HERE IS CHANGE THAT AROUND.

4 AND SO WE'RE GOING TO BE USING EXTERNAL
5 ORGANIZATIONS THAT, IN ESSENCE, WOULD BE ABLE TO
6 GIVE US A VERY ACCURATE AND VALID OPINION OF THE
7 SCOPE OF WORK AND HOW MUCH THAT SHOULD COST, AND
8 WE'RE GOING TO DO THAT ON THE FRONT END. AND THE
9 PURPOSE HERE ISN'T TO GET INTO TOO FINE OF A DETAIL
10 TO SAY THAT THIS INSTITUTION SUBMITTED AN
11 APPLICATION FOR 13.6 MILLION AND WE THINK IT'S 13.4
12 MILLION. THIS IS REALLY TO DEAL WITH THE APPLICANT
13 SUBMITTED A \$20 MILLION APPLICATION AND WE THINK
14 IT'S \$13 MILLION, THAT KIND OF DISCREPANCY.

15 SO WE DO THE EXTERNAL BUDGET REVIEW. WE
16 GET THAT FEEDBACK BACK FROM THEM AND THEN WE PROVIDE
17 THAT. IT'S EITHER WITHIN RANGE AND IT'S AN
18 APPROPRIATE BUDGET OR IT'S NOT WITHIN RANGE IN WHICH
19 CASE WE ASK THE APPLICANT -- SO BEFORE IT GOES FOR
20 FURTHER REVIEW, WE ASK THE APPLICANT TO AMEND THEIR
21 BUDGET AND TAKE A LOOK AT THE CONSIDERATIONS AND
22 REVISE THEM.

23 ONCE WE HAVE A SOUND BUDGET, WE WILL THEN
24 SEND IT TO A STANDING GRANTS WORKING GROUP. AND SO,
25 AGAIN, AS A FORMER MEMBER OF THE GRANTS WORKING

BARRISTERS' REPORTING SERVICE

1 GROUP, WE WOULD GET CALLED AND ASKED TO COME OUT TO
2 CALIFORNIA FOR THREE OR FOUR DAYS ON AVERAGE FROM
3 THE EAST COAST, A DAY FLYING HERE, TWO DAYS OF
4 REVIEW, AND A DAY FLYING BACK, AND DO THAT A COUPLE
5 TIMES A YEAR IS ACTUALLY A FAIRLY BURDENSOME THING
6 TO DO. HERE, THOUGH, WHAT WE'RE GOING TO BE DOING
7 IS WE'RE GOING TO SET A STANDING GRANTS WORKING
8 GROUP UP THAT MEETS VIA TELECONFERENCE ON THE SAME
9 DAY EVERY MONTH. I'M MAKING THE DAY UP, AND I KNOW
10 GIL ACTUALLY KNOWS WHAT THE DAYS ARE, BUT, FOR
11 EXAMPLE, THE FIRST TUESDAY OF EVERY MONTH IS THE
12 GRANTS WORKING GROUP TELECONFERENCE. AND THEY WILL
13 ADJUDICATE WHATEVER APPLICATIONS THEY HAVE BEFORE
14 THEM.

15 NOW, BECAUSE THIS IS OPEN AND BECAUSE
16 WE'RE TAKING APPLICATIONS EVERY MONTH, THE NUMBER OF
17 APPLICATIONS THEY'RE REVIEWING IS SMALL. THEY'RE
18 NOT BATCHED. THEY DON'T HAVE TO REVIEW 15. IT WILL
19 REALLY LITERALLY BE SOMETHING LIKE ONE APPLICATION
20 OR NO APPLICATIONS, BUT IT WILL ALLOW US TO THEN GET
21 THESE APPLICATIONS ADJUDICATED BY THE GWG VERY
22 QUICKLY. WE WILL THEN SUMMARIZE THE INFORMATION AND
23 THE SCORE FROM THE GRANTS WORKING GROUP AND THEN
24 MAKE A RECOMMENDATION.

25 HERE'S A PRETTY SIGNIFICANT PART TO THIS.

BARRISTERS' REPORTING SERVICE

1 IF THE APPLICANT DOESN'T SCORE WELL IN TIER I, OUR
2 RECOMMENDATION TO THE APPLICANT WILL BE TAKE THE
3 COMMENTS FROM THE GRANTS WORKING GROUP, AMEND YOUR
4 APPLICATION, DON'T REAPPLY, JUST AMEND YOUR
5 APPLICATION, AND SEND IT RIGHT BACK AND IN, AND IN
6 30 DAYS WE'LL HAVE AN AMENDED APPLICATION REVIEWED
7 AND ADJUDICATED.

8 THE PURPOSE FOR THAT IS TO PREVENT THE
9 BOARD FROM HAVING TO MAKE FUNDING DECISIONS ON
10 SUBPAR APPLICATIONS. AND SO HISTORICALLY IF AN
11 APPLICATION CAME AND, LET'S SAY, IT WAS A 72, THE
12 DECISION THE BOARD HAD TO MAKE WAS FUND A REALLY
13 IMPORTANT BUT NOT OPTIMIZED PROGRAM NOW AND HAVE IT
14 BE A PROBLEM DOWN THE ROAD, OR ESSENTIALLY KILL THE
15 PROGRAM BECAUSE IF YOU DON'T AGREE TO FUND IT, THE
16 CYCLE TAKES SO LONG, THAT ITS NEXT FUNDING
17 OPPORTUNITY ISN'T GOING TO BE FOR ANOTHER YEAR AND A
18 HALF.

19 AND SO WHAT WE WANT TO DO IS NOT PUT THE
20 BOARD IN THAT POSITION. AND, AGAIN, THE GOAL ISN'T
21 TO SEE HOW MANY THINGS WE FUND. WE'RE NOT LOOKING
22 TO SEE HOW MANY 75S WE CAN GET ACROSS THIS. WE WANT
23 TO SEE HOW MANY 95S WE CAN GET ACROSS THIS BECAUSE
24 ULTIMATELY THAT WILL GIVE IT A BETTER SHOT OF
25 BECOMING SUCCESSFUL. AND, AGAIN, THE END GAME IS A

BARRISTERS' REPORTING SERVICE

1 SUCCESSFUL TREATMENT FOR THE PATIENTS.

2 SO GIVING APPLICANTS THE OPPORTUNITY TO
3 LISTEN TO THE COMMENTS FROM THE GWG, AMEND THEIR
4 APPLICATION, RESUBMIT IN A TIMELY FASHION, WHICH
5 DOESN'T PENALIZE THEM BUT DAYS, AND HAVE A HIGHER
6 QUALITY APPLICATION WE THINK IS A REALLY CENTRAL
7 POINT TO THE REVIEW PROCESS.

8 AND THEN EITHER IT GOT A GOOD SCORE FROM
9 THE BEGINNING OR THEY HAVE TO AMEND THEIR
10 APPLICATION AND IT GETS A GREAT SCORE, THEN WE SEND
11 IT EITHER TO THE BOARD OF DIRECTORS, DEPENDING ON
12 THE MONTH IT IS, OR THE APPLICATION REVIEW
13 SUBCOMMITTEE OF THE BOARD OF DIRECTORS, WHICH WILL
14 ALSO HOLD ESSENTIALLY A STANDING MEETING EVERY
15 MONTH, WHICH WILL OCCUR 21 DAYS AFTER THE GWG. AND
16 THAT WILL GIVE US A FINAL FUNDING DECISION. YOU
17 TAKE ALL OF THAT TOGETHER, A SEVEN-MONTH PROCESS
18 BECOMES 81 DAYS. BUT MORE IMPORTANTLY, THE ABILITY
19 TO AMEND AND PERFECT AN APPLICATION BEFORE WE HAVE
20 TO MAKE A FUNDING DECISION ON IT, NOT THAT JUST WE
21 HAVE A FASTER PROCESS, BUT WE HAVE A PROCESS THAT
22 WILL DELIVER US A BETTER QUALITY PRODUCT. MAKE
23 SENSE?

24 OKAY. THE NEXT PART OF IT IS CONTRACTING.
25 THIS IS ANOTHER FIVE- TO SEVEN-MONTH ISSUE. THE

BARRISTERS' REPORTING SERVICE

1 INTERESTING THING ABOUT WHY THIS CONTRACTING IS FIVE
2 TO SEVEN MONTHS, A LOT OF IT CENTERS AROUND THE
3 OTHER TWO PARTS. BECAUSE IT TAKES SO LONG TO
4 DEVELOP AND REVIEW AN APPLICATION, BY THE TIME WE GO
5 TO DO THE CONTRACTING WORK ON IT, MUCH OF THE
6 INFORMATION THAT'S BEEN PROVIDED TO US IS ALREADY
7 OUT OF DATE. SO WE HAVE TO GO BACK TO THE APPLICANT
8 AND ASK FOR BASICALLY UPDATED BUDGETS AND UPDATED
9 INFORMATION. BECAUSE WE ARE GETTING THE REVIEW
10 CYCLE DOWN SO QUICKLY, WE WON'T HAVE TO DO THAT
11 HERE. SO WE'RE GOING TO HAVE A MORE STANDARDIZED
12 CONTRACTING PROCESS. WE'RE GOING TO HAVE MUCH MORE
13 OF THAT INFORMATION REQUIRED ON THE FRONT END OF IT,
14 AND ULTIMATELY WE'LL BE ABLE TO DO CONTRACTING,
15 INSTEAD OF SEVEN MONTHS, WE'LL BE ABLE TO DO IT IN
16 45 DAYS. AND THEN ONCE THE CONTRACTING STARTS, THEY
17 ARE READY TO GO, AND THAT'S ACTUALLY WHERE THEY
18 START OPERATIONALIZING THEIR PROGRAM.

19 ANOTHER PART OF THIS WHERE THIS TIES IN IS
20 AS A REQUIREMENT TO APPLY, YOU HAVE TO BE READY TO
21 GO. THERE'S NO LONGER BASICALLY AN EXCUSE TO APPLY
22 BEFORE YOU'RE READY BECAUSE THE PROGRAM IS OPEN NOW.
23 SO IT'S APPLY WHEN YOU'RE READY; BUT WHEN YOU APPLY,
24 YOU HAVE TO KNOW, YOU HAVE TO BE READY TO GO BECAUSE
25 WE'RE LOOKING TO TAKE AN APPLICATION AND GET IT INTO

BARRISTERS' REPORTING SERVICE

1 OPERATION AS QUICKLY AS POSSIBLE.

2 HERE'S ANOTHER CHANGE THAT WE'RE PROPOSING
3 WITH REGARDS TO THE CONTRACTING PROCESS. AND SO
4 MANY OF US TALK ABOUT THE CONCEPT OF MILESTONE-BASED
5 CONTRACTS. AND WE HAVE MILESTONES IN OUR CONTRACTS
6 RIGHT NOW. THAT IS TRUE. THE PROBLEM THAT WE HAVE
7 THAT'S CREATED FOR US, THOUGH, THE MILESTONES AREN'T
8 ACTUALLY DIRECTLY TIED TO OUR FUNDING. WE FUND
9 APPLICANTS ON TIME. AND SO AS TIME GOES BY, LET'S
10 SAY, IF IT'S QUARTERLY DISBURSEMENTS, EVERY TIME A
11 QUARTER PASSES, WE WRITE A CHECK TO THE INSTITUTION
12 CONDUCTING THE RESEARCH IRRESPECTIVE FOR THE MOST
13 PART OF WHERE THEY ARE WITH THEIR PARTICULAR
14 MILESTONES.

15 WE ALSO THEN HAVE MILESTONES FOR THEM, BUT
16 THOSE MILESTONES, BASICALLY ALL THEY CAN DO IS FAIL
17 THEM. THEY DON'T GET ANY BENEFIT OR CREDIT FOR
18 ACHIEVING THEIR MILESTONES. AND SO IT CREATES A
19 STRANGE SITUATION WHERE IF A MILESTONE IS NOT GOING
20 WELL, YOU'RE BETTER TO HAVE THAT MILESTONE BE PUSHED
21 OFF, WHICH HAS AN UNUSUAL EFFECT OF ACTUALLY SLOWING
22 A PROGRAM DOWN. AND SO TO CORRECT THAT, WHAT WE'RE
23 PROPOSING IN CIRM 2.0 IS AN ACTUAL MILESTONE-BASED
24 SYSTEM. AND IT WOULD WORK LIKE THIS. THIS IS AN
25 EXAMPLE OF A CLINICAL TRIAL THAT'S A FAIRLY EASY

BARRISTERS' REPORTING SERVICE

1 PROGRAM TO PUT ON THESE MILESTONES.

2 THIS IS FOR EXAMPLE PURPOSES ONLY. DON'T
3 READ ANY MORE INTO IT OTHER THAN JUST IT'S AN
4 EXAMPLE. BUT WE WOULD TAKE, IN THIS CASE, THIS
5 CLINICAL TRIAL, AND WE WOULD SAY, OKAY, WE'RE GOING
6 TO HAVE FOUR MILESTONES, FPI'S, FIRST PATIENT IN,
7 FIRST PATIENT ENROLLED, A 50-PERCENT ENROLLMENT
8 NUMBER, LAST PATIENT IN, AND THEN THE FINISHED STUDY
9 REPORT. AND THOSE FOUR MILESTONES WOULD CONSTITUTE
10 OBJECTIVE, CLEAN WAYS OF US BEING ABLE TO
11 DEMONSTRATE PROGRESS OF THIS.

12 WHAT WE'LL DO IS ON THE OUTSET WE WILL
13 GIVE THE INSTITUTION SUFFICIENT FUNDING TO CARRY
14 THEM THROUGH THEIR FIRST MILESTONE. WE WILL NOT
15 GIVE THEM ADDITIONAL FUNDING UNTIL THEY REACH THAT
16 MILESTONE. ONCE THEY REACH THAT MILESTONE, WE WILL
17 GIVE THEM ENOUGH FUNDING TO GET TO THE NEXT
18 MILESTONE AND SO ON AND SO ON TILL THE PROGRAM IS
19 DONE. THE PURPOSE OF HAVING THIS SYSTEM IS IT
20 INCENTIVIZES THE ORGANIZATION TO MOVE AS QUICKLY AS
21 THEY CAN THROUGH THE PROCESS, NOT AS SLOWLY AS THEY
22 CAN THROUGH THE PROCESS. AND THAT'S, FOR ME, VERY,
23 VERY IMPORTANT.

24 JUST ON THE TOPIC OF HOW WE DEAL WITH
25 WHERE WE REQUIRE MATCHING FUNDS, WE WOULD BASICALLY

BARRISTERS' REPORTING SERVICE

1 JUST SCALE THE SIZE OF THE MILESTONE PAYMENT TO
2 REFLECT THE AMOUNT OF MATCHING THAT WOULD BE DONE.
3 SO EXAMPLE, THIS WOULD BE A ONE-TO-ONE MATCH, IF WE
4 WERE REQUIRING THAT, WE WOULD PROVIDE 50 PERCENT OF
5 THE PAYMENT AT EACH MILESTONE ACHIEVED.

6 AND THEN THE LAST THING I WANT TO TALK
7 ABOUT WITH REGARDS TO CIRM 2.0 IS THE ADMINISTRATION
8 PROCESS. THIS IS WE'VE MADE AN AWARD, WE'RE BEHIND
9 IT, WE LIKE THE PROGRAM, WE'VE OPTIMIZED IT THROUGH
10 THE REVIEW PROCESS, LET'S GET IT GOING, AND LET'S
11 GET IT GOING IN A WAY WHICH GIVES IT THE BEST SHOT
12 OF SUCCESS. AGAIN, WE ARE NOT DISINTERESTED PARTIES
13 HERE. WE WANT OUR PROGRAMS TO BE SUCCESSFUL. AND
14 WE NEED TO DO EVERYTHING WE CAN TO HELP THEM. SO
15 THAT'S WHAT WE'RE DOING HERE.

16 SO WITH REGARDS TO HOW DO WE ADVANCE THESE
17 PROGRAMS, WELL, THE FIRST THING IS WE HAVE THIS
18 CONCEPT SET UP NOW. IT'S NOT LIKE WE DON'T DO THIS.
19 WE HAVE WHAT'S CALLED CDAP, CLINICAL DEVELOPMENT
20 ADVISORY PANEL, WHICH FOR CLINICAL STAGE PROGRAMS
21 MEETS ABOUT ANNUALLY FOR EACH PROGRAM TO HELP ADVISE
22 THAT PROGRAM ON WHAT IT COULD BE DOING BETTER AND
23 HOW IT CAN ACHIEVE.

24 THE QUESTION WE HAVE IS WHAT CAN WE DO TO
25 HAVE THAT CDAP OR A CDAP-LIKE PROCESS WORK BETTER,

BARRISTERS' REPORTING SERVICE

1 ONE; AND, TWO, AS WAS PROPOSED AND VOTED UPON IN THE
2 LAST BOARD MEETING, WHAT CAN WE DO TO HAVE THE
3 CONCEPT OF THE ACCELERATED DEVELOPMENT PATHWAY WORK
4 BETTER? AND THAT'S AN IMPORTANT ONE TO ME BECAUSE
5 ON ONE HAND I LIKE THE IDEA OF THE ACCELERATED
6 DEVELOPMENT PATHWAY. ON THE OTHER HAND, I WAS
7 STRUCK WITH THE CONFLICT THAT IT CREATED, THAT
8 CERTAIN PROGRAMS WERE IN THE ACCELERATED DEVELOPMENT
9 PATHWAY. IN MY MIND CIRM IS THE ACCELERATED
10 DEVELOPMENT PATHWAY. AND IF WE DECIDE TO MAKE AN
11 INVESTMENT IN A PROGRAM, WE SHOULD ALSO DO
12 EVERYTHING WE CAN TO ACCELERATE THAT PROGRAM.

13 AND SO WE WERE THINKING ABOUT HOW DO WE
14 INTEGRATE THESE THINGS. AND ONE OF THE MOST
15 IMPORTANT THINGS IS MORE TIMELY FEEDBACK. SO WHILE
16 CDAP IS A GREAT PROGRAM, IT MEETS ANNUALLY. WELL,
17 FOR A TRIAL, THAT SHOULD ONLY TAKE, FOR EXAMPLE,
18 THREE YEARS. IF YOU MEET ONE YEAR INTO IT, YOU'RE
19 PRETTY FAR DOWN THE ROAD. AND SO YOU DON'T HAVE THE
20 OPPORTUNITY FOR REAL-TIME COURSE CORRECTION.

21 WE ALL NEED TO BE ON THE SAME TEAM WITH
22 REGARDS TO THIS, AND IT NEEDS TO BE CLEAR THAT THIS
23 IS NOT AN ADVERSARIAL RELATIONSHIP. THIS IS HOW CAN
24 WE HELP YOU. I LIKE THE IDEA OF CIRM PUSHING MORE
25 GATING OR EVALUATING. AND THEN LASTLY, I'D LIKE TO

BARRISTERS' REPORTING SERVICE

1 SEE SEAMLESS TRANSITIONS.

2 SO THIS IS WHAT WE CAME UP WITH. EVERY
3 TIME WE HAVE AT THIS STAGE A CLINICAL PROGRAM THAT
4 GETS LAUNCHED, WE WILL IMMEDIATELY ESTABLISH A
5 CLINICAL ADVISORY PANEL. THIS MIGHT BE AS SMALL AS
6 THREE MEMBERS; IT CAN BE LARGE. IT COULD BE LARGER
7 AS WELL. IT WILL BE SCALED TO MEET THE NEEDS OF THE
8 PROGRAM. THE POINT IS IT WILL BE DURABLE. SO IT
9 WILL STICK WITH THE PROGRAM FOR ITS LIFE. IMPORTANT
10 ON THIS IS ITS COMPOSITION. SO IT WILL HAVE
11 INTERNAL MEMBERS TO CIRM, SO ACTUAL CIRM EMPLOYEES
12 WILL BE ON THIS. THERE WILL BE EXPERT EXTERNAL
13 MEMBERS, AND THERE WILL HAVE TO BE A PATIENT ADVISOR
14 THAT HAS A RELEVANT, SIGNIFICANT STAKE IN THAT
15 DISEASE BECAUSE I THINK IT'S VERY, VERY IMPORTANT
16 THAT WE AT ALL TIMES LISTEN AND BRING THOSE THAT ARE
17 DEALING WITH THESE PROBLEMS INTO THE PROCESS OF
18 FINDING A SOLUTION. AND SO AT MINIMUM THERE WILL BE
19 THREE MEMBERS, AND IT WILL BE ONE OF EACH OF THESE;
20 BUT AS I SAID, IT CAN BE MORE.

21 THE OTHER THING WE'RE GOING TO DO WITH
22 THESE, INSTEAD OF MEETING ANNUALLY, THEY WILL MEET
23 FREQUENTLY, AT LEAST QUARTERLY, AND IF THE PROGRAM
24 IS HAVING A PROBLEM, MORE THAN THAT. THEY WILL BE
25 THERE AS A MEMBER OF THE PROGRAM TO HELP THEM

BARRISTERS' REPORTING SERVICE

1 THROUGH WHATEVER SITUATION THEY'RE IN. BECAUSE
2 THEY'RE DURABLE, BECAUSE THEY WON'T BE CHANGED OUT
3 EVERY MEETING, THEY WILL GET FAMILIAR WITH THE
4 PROGRAM. AND SO WE WON'T BE SPENDING EXTENSIVE
5 PERIODS OF TIME GETTING THE MEMBERS OF THE PANEL UP
6 TO SPEED. THEY WILL KNOW WHERE THE PROGRAM IS AND
7 WILL BE ABLE TO ADDRESS THE SPECIFIC ISSUES.

8 SO WE REALLY LIKE THIS CONCEPT. I THINK
9 IT ALSO PROVIDES MORE MEMBERS INSIDE CIRM AN
10 OPPORTUNITY TO DIRECTLY PARTICIPATE IN DRUG
11 DEVELOPMENT, WHICH FROM MY STANDPOINT WOULD BE A LOT
12 OF FUN TO BE ABLE TO SAY I WAS ON THE DEVELOPMENT
13 TEAM FOR THIS STEM CELL THERAPY THAT CURED X OR Y.

14 THE LAST PART OF THIS IS HOW THIS
15 STRUCTURE ENDS UP HAVING OVERSIGHT. AND THIS COMES
16 BACK AND COMPLETES THE CIRCLE TO WHAT THE GRANTS
17 WORKING GROUP IS. SO ONE OF THE THINGS I WAS ALWAYS
18 FRUSTRATED AS A GRANTS WORKING GROUP MEMBER WAS THAT
19 WE WOULD MAKE FUNDING DECISIONS ON PROGRAMS AND WE
20 WOULD NEVER EVER HERE WHAT HAPPENED TO THEM. WE
21 WOULD GO AND CAST A VOTE AND THAT WOULD BE THAT.
22 AND SO WE'RE GOING TO FIX THAT. AND THE WAY WE'RE
23 GOING TO FIX THAT IS WE'RE GOING TO HAVE THESE
24 ADVISORY PANELS ON A REGULAR BASIS REPORT BACK INTO
25 THE GRANTS WORKING GROUP AND ULTIMATELY HAVE THE

BARRISTERS' REPORTING SERVICE

1 GRANTS WORKING GROUP HAVE OVERSIGHT OF HOW THESE
2 PROGRAMS WORK.

3 THIS IS ACTUALLY A CONCEPT THAT'S
4 SPECIFICALLY CALLED OUT IN PROPOSITION 71 AND ONE
5 THAT WE WILL BE IMPLEMENTING HERE. THE IDEA IS WE
6 WILL HAVE OBJECTIVE OVERSIGHT OF THESE PROGRAMS, AND
7 WE WILL ALSO HAVE A LEARNING OPPORTUNITY FOR THE
8 GRANTS WORKING GROUP ON HOW THE DECISIONS ARE
9 ULTIMATELY PLAYING OUT DOWN THE ROAD.

10 THAT IN A NUTSHELL IS CIRM 2.0. THERE'S A
11 LOT MORE DETAILS TO IT. THERE'S A LOT OF
12 IMPLICATIONS TO THESE OVERRIDING STATEMENTS THAT I'M
13 MAKING, BUT WE HAVE A VERY GOOD TEAM AT CIRM THAT'S
14 WORKING THROUGH ALL THE DETAILS, AND YOU WILL SEE IT
15 ROLLED OUT. SO, AGAIN, THE CURRENT PROCESS, 19 TO
16 30 MONTHS RIGHT NOW TO A FUNDING DECISION CHANGES
17 UNDER CIRM 2.0 TO 120 DAYS. SO IN MY MIND THE
18 FASTER WE CAN GET STARTED ON THIS, THE BETTER IT IS
19 AND THE BETTER IT IS FOR PATIENTS.

20 SO HERE'S THE ROLLOUT PLAN. SO NOW
21 THROUGH DECEMBER, WE'RE PREPARING THE CONCEPT PLANS
22 THAT WILL NEED TO BE VOTED UPON BY THE BOARD. WE'RE
23 MEETING WITH THE SCIENCE SUBCOMMITTEE ABOUT THOSE
24 CONCEPT PLANS. THE CONCEPT PLANS WILL ACTUALLY COME
25 TO THE BOARD IN THE DECEMBER MEETING FOR

BARRISTERS' REPORTING SERVICE

1 CONSIDERATION. IF SUCCESSFUL, WE WILL LAUNCH THE
2 CLINICAL PHASE OF THIS PROGRAM ON JANUARY 1ST.
3 WE'LL HAVE OTHER POLICY THINGS TO ADDRESS AT THE
4 JANUARY BOARD MEETING, BUT DON'T NEED TO BE DONE
5 AHEAD OF TIME. THEY CAN WAIT TILL THE JANUARY
6 MEETING.

7 AND THEN IN THE FIRST HALF OF 2015, LAUNCH
8 THE DISCOVERY AND TRANSLATIONAL VERSIONS OF THESE
9 TWO. SO WE WOULD EFFECTIVELY HAVE ALL OF OUR
10 PROGRAMS AT CIRM, WHETHER IT BE EARLY STAGE
11 RESEARCH, TRANSLATIONAL, OR LATE STAGE RESEARCH, ON
12 THE SAME PREDICTABLE, EFFICIENT PROCESS. SO AN
13 APPLICANT OR RESEARCHER WILL KNOW CIRM IS OPEN AND
14 INTERESTED IN HIGH QUALITY PROGRAMS AND WE'RE READY
15 WHEN YOU ARE.

16 SO THAT IS CIRM 2.0. ANY QUESTIONS ABOUT
17 THAT? THAT'S A LOT. I'M SORRY. I FEEL LIKE I WAS
18 RAMBLING.

19 DR. LEVIN: OKAY. LOOKS GREAT, BUT CAN IT
20 FLY?

21 DR. MILLS: WE'LL SEE.

22 DR. LEVIN: IN PRIOR YEARS WE HEARD A LOT
23 ABOUT HOW THE BURDEN OF REVIEW ON THE GRANTS WORKING
24 GROUP IS SO MUCH THAT FOR SOME COMPETITIONS THE CIRM
25 STAFF HAD TO TRIAGE TWO-THIRDS OF THE APPLICATIONS

BARRISTERS' REPORTING SERVICE

1 JUST TO GET TO REVIEWS, AND NOW IS IT REALLY
2 FEASIBLE TO GO TO A MONTHLY REVIEW AND TO GET
3 COMMENTS BACK IN A MATTER OF DAYS TO THE APPLICANTS?

4 DR. MILLS: SO FOR THE NEW CLINICAL
5 PROGRAMS DEFINITELY. AND IT'S ONE OF THE REASONS
6 THAT -- WE'RE BASICALLY TIPTOEING INTO THE WATER
7 HERE. WE'RE TAKING THE EASIEST BUCKET TO DEAL WITH,
8 WHICH IS THE CLINICAL BECAUSE THAT'S OUR LOWEST
9 VOLUME POINT OF REVIEW.

10 ONE OF THE THINGS WHICH I THINK IS LARGELY
11 A MISCONCEPTION IS THAT BATCHING SOMEHOW CREATES AN
12 EFFICIENCY. IT ACTUALLY DOES THE OPPOSITE. IT
13 CREATES THE SORT OF PULSATILE FLOW OF WORK TO WHERE
14 WHEN YOU'RE IN A REVIEW CYCLE, YOU'RE OVERWHELMED
15 AND THEN AFTER A REVIEW CYCLE YOU'RE UNDERWHELMED.
16 BY HAVING MORE FREQUENT REVIEWS, YOU HAVE A MORE
17 STEADY STATE FLOW OF WORK THROUGH THE PROCESS.
18 BASICALLY TRIAGE STUFF, YOU GET IT EVALUATED AND
19 THEN YOU GET IT MOVED ON QUICKLY AS POSSIBLE. SO
20 FOR THE CLINICAL SIDE, ABSOLUTELY. WE'VE TALKED TO
21 GWG MEMBERS. THEY LOVE IT. IT'S FAR LESS
22 BURDENSOME. BY THE WAY, ONE OF THE THINGS I WILL
23 POINT OUT IS WHILE MOST OF THE GWG MEETINGS WILL BE
24 TELEPHONIC, AT LEAST TWICE A YEAR THE GWG WILL COME
25 BACK FOR AN IN-PERSON MEETING. AND THAT'S FOR TWO

BARRISTERS' REPORTING SERVICE

1 REASONS.

2 ONE IS WE WANT THEM TO PARTICIPATE IN
3 PERSON FOR ACTUALLY THE PORTFOLIO REVIEW WHERE THEY
4 HAVE TO SEE HOW THE PROGRAMS ARE GOING. THE OTHER
5 THING IS WE WANT TO MAKE SURE THEY HAVE THE
6 APPROPRIATE INTERACTION AND DYNAMIC BETWEEN GWG
7 MEMBERS. SO IT WILL WORK FOR CLINICAL. IT WILL BE
8 MODIFIED FOR THE OTHER ONES. SO WHERE WE HAVE
9 HIGHER VOLUMES OF APPLICATIONS, IT MAY NOT BE EVERY
10 MONTH. IT MAY BE THAT SAME CONCEPT, BUT QUARTERLY,
11 FOR EXAMPLE. AND SO IT WON'T BE EXACTLY THE SAME,
12 BUT IT WILL BE CONCEPTUALLY THE SAME.

13 DR. BOXER: I HAD A SIMILAR QUESTION, BUT
14 ALSO, FIRST, I JUST WANT TO SAY I THINK THIS SOUNDS
15 FANTASTIC AND RATHER ANTIGOVERNMENT. SORRY ABOUT
16 THAT. I APPLAUD IT.

17 SO ON THE ABILITY TO REVISE, IS THAT GOING
18 TO BE JUST FOR THE TIER II SCORES? ARE YOU
19 PROPOSING THAT ANY PROPOSAL HAVE THAT OPPORTUNITY?

20 AND THEN ALSO I GUESS SOMEWHAT JUST
21 RELATED TO THE AMOUNT OF WORK, SO THE EXTERNAL
22 BUDGET REVIEW, I'M ASSUMING THAT THAT WILL BE DONE
23 ON A LOT OF APPLICATIONS THAT WILL NEVER GET FUNDED.

24 DR. MILLS: IT MIGHT BE. THE EXTERNAL
25 BUDGET REVIEW WILL BE DONE BY A CONSULTING AGENCY.

BARRISTERS' REPORTING SERVICE

1 THE FEE FOR THAT IS SO NOMINAL, THAT THE SAVINGS FOR
2 THAT, IT'S DISPROPORTIONATELY -- IT'S CLEARLY A GOOD
3 DEAL FOR US.

4 WILL IT BE DONE? ONE OF THE THINGS, ONE
5 OF THE DETAILS I DIDN'T GET INTO IS THERE WILL BE A
6 FAIR AMOUNT OF FRONT-LOADED CERTIFICATIONS THAT WILL
7 NEED TO TAKE PLACE IN ORDER FOR US TO ACCEPT AN
8 APPLICATION AS COMPLETE AND READY TO BE REVIEWED.

9 RIGHT NOW WE BASICALLY DO A LOT OF
10 EXCEPTIONS AND, OKAY, GET THAT TO US LATER BECAUSE
11 WE HAVE TO, BECAUSE THEY'RE BATCHED AND THE TRAIN
12 DOESN'T COME BACK AROUND FOR ANOTHER 18 MONTHS. IN
13 THIS CASE IT'S WE'RE NOT GOING TO REVIEW YOUR
14 APPLICATION TILL YOUR APPLICATION IS ABSOLUTELY
15 COMPLETE. AND SO WE'RE HOPEFUL, AND WE'LL SEE, AND
16 PART OF THIS WILL BE TRIAL AND ERROR FOR SURE, BUT
17 WE'RE HOPEFUL THAT WE WOULD KICK OUT AN APPLICATION
18 THAT WAS JUST NOT RESPONSIVE AS PART OF THE PROCESS
19 AND NOT SEND THAT FOR BUDGET REVIEW.

20 YOUR FIRST QUESTION CENTERED AROUND WHAT
21 GETS THE OPPORTUNITY TO GET AMENDED? AND THAT'S
22 MORE DETAIL THAT WE HAVE CONTEMPLATED. IT BASICALLY
23 GOES LIKE THIS. ANYTHING COULD HAVE THE OPPORTUNITY
24 TO BE AMENDED, INCLUDING THE TIER I. AND SO
25 SOMETHING THAT GOT A 75 WITH SOME BULLET POINTS THAT

BARRISTERS' REPORTING SERVICE

1 WOULD SAY, BOY, AND IF YOU FIX THIS, THIS THING
2 WOULD BE A 95, THE BOARD NEEDS TO SERIOUSLY CONSIDER
3 WHETHER OR NOT THEY WANT TO NOT ACCEPT THE
4 APPLICATION AND ASK THAT IT BE AMENDED. I'M HOPEFUL
5 THE WAY IT WOULD TECHNICALLY WORK WOULD BE WE WOULD
6 JUST HAVE THAT CONVERSATION WITH THE APPLICANT AND
7 SAY YOU GOT A 75. THE BOARD MAY OR MAY NOT LIKE IT.
8 CONSIDER THESE CHANGES, MAKE THE ONES YOU THINK ARE
9 APPROPRIATE, IN 30 DAYS WE'RE GOING TO GIVE YOU A
10 DIFFERENT SCORE, AND WE THINK IT WILL BE GREAT AND
11 WE WORK IN PARTNERSHIP. THAT'S KIND OF AT A TIER I.

12 I WOULD NOT RECOMMENDED ANYTHING BELOW A
13 TIER I FROM US FOR FUNDING BECAUSE WE DON'T WANT TO
14 START A PROGRAM AND THEN HAVE TO TRY TO FIX IT WHILE
15 IT'S GOING. THAT'S LARGELY CDAP'S CHARGE RIGHT NOW
16 IS TO TRY TO AMEND PROGRAMS THAT LEFT THE GATE NOT
17 QUITE RIGHT. AND IT'S A VERY, VERY DIFFICULT TASK
18 FOR THEM TO DO.

19 THERE WILL BE A CASE, THOUGH, WHERE
20 SOMETHING COMES IN AND IT'S JUST NOT GOING TO
21 HAPPEN. IT GETS A 20. AND WE PROVIDE ITS COMMENTS
22 AND MAYBE THEY AMEND, AND WE EVENTUALLY GET TO A
23 POINT WHERE WE WILL ASK, AFTER A COUPLE OF TIMES
24 THROUGH THE CYCLE, WE WILL ASK THE BOARD TO MAKE A
25 DECISION ON IT. AND ONE OF THOSE DECISIONS IS

BARRISTERS' REPORTING SERVICE

1 REJECT IT, DO NOT REAPPLY. BUT WE WANT TO LEAVE
2 THAT TO THE BOARD, NOT TO US.

3 DR. LUBIN: RANDY, THIS IS CERTAINLY
4 INNOVATIVE, FITS INTO THE INNOVATIVE CATEGORY. I
5 HAVE SEVERAL QUESTIONS AND SOME CONCERNS.

6 FIRST OF ALL, SINCE I'M THE ONLY
7 PEDIATRICIAN, I THINK, ON THIS BOARD, I WANT TO
8 SPEAK UP FOR THE VALUE -- TWO PEDIATRICIANS. I
9 APOLOGIZE. YOU'RE RIGHT. WE'LL BOTH ADVOCATE FOR
10 CHILDREN'S HEALTH. EIGHTY PERCENT OF ALL THE COSTS
11 OF HEALTHCARE FOR CHILDREN LIE IN 10 TO 15 PERCENT
12 OF THE PATIENTS. THESE ARE THE PATIENTS THAT WOULD
13 BENEFIT FROM CELLULAR THERAPIES. I THINK THE
14 EMPHASIS -- YOU MIGHT CONSIDER IT A REASONABLE
15 PERCENTAGE, AND I DON'T KNOW WHO WAS PUT INTO THAT
16 BUCKET, BUT I HONESTLY THINK DIABETES, OBESITY, ALL
17 THE MAJOR HEALTH PROBLEMS THAT WE SEE IN THIS STATE
18 AND THE ECONOMIC COSTS REALLY START IN CHILDHOOD.
19 EVEN THOUGH THEY'RE SMALL, THEY ACTUALLY COULD
20 BENEFIT FROM A CELLULAR THERAPY THAT REQUIRES FEWER
21 CELLS. AND THAT'S BEEN DOCUMENTED WITH BONE MARROW
22 TRANSPLANT.

23 SO I WOULD LIKE TO BE SURE THAT THERE
24 ISN'T A FINAL DECISION THAT PEDIATRICS IS THAT
25 PERCENTAGE, BUT THAT REALLY GOOD SCIENCE REALLY

BARRISTERS' REPORTING SERVICE

1 DRIVES THINGS AND THAT THE CHILDREN, A NOTCH FOR
2 CHILDREN'S ATTENTION IN THIS CELLULAR THERAPY
3 EMPHASIS IS GIVEN BY THE BOARD. YOU CAN CONSIDER
4 THAT.

5 DR. MILLS: SO JUST AS A COMMENT, YOU'RE
6 PREACHING TO THE CHOIR.

7 DR. LUBIN: I'VE HEARD YOU SAY EVERY TIME
8 I'VE HEARD YOU TALK AND WHEN WE MET THE IMPORTANCE
9 OF THE HEALTH OF CHILDREN, AND YOU SHOW A PICTURE OF
10 A CHILD WHEN YOU SHOWED IT. I KNOW YOU'RE IN LINE
11 WITH IT. I'M NOT ARGUING IT. I'M JUST MAKING A
12 STATEMENT.

13 I'M CURIOUS HOW YOU'RE GOING TO
14 COMMUNICATE THESE CHANGES TO THE SCIENTIFIC
15 COMMUNITY BECAUSE THESE ARE BIG CHANGES. AND I
16 THINK THE ISSUE OF THE COMMITTEE ADVISING HOW AN
17 APPLICATION CAN BE IMPROVED IS SOMETHING THAT A
18 NUMBER OF US WHO HAVE BEEN ON STUDY SECTIONS AT THE
19 NATIONAL INSTITUTES OF HEALTH, WHEN WE START DOING
20 THAT, THEY SAY YOUR ROLE ISN'T TO REWRITE THE
21 APPLICATION. YOUR ROLE IS TO EVALUATE WHAT WAS
22 SUBMITTED. SO THAT GETS INTO A SOMEWHAT DANGEROUS
23 AREA, NOT TO SAY THAT THERE ISN'T VALUE TO THE
24 INVESTIGATOR AND TO THE SCIENCE, BUT I GUESS YOU
25 WILL SEE HOW THIS WORKS OUT AS YOU TRY IT. BUT I DO

BARRISTERS' REPORTING SERVICE

1 KNOW THAT'S A CHALLENGE.

2 THIS MEANS THAT THIS IS OUR NEW STRATEGIC
3 PLAN. IS THIS NOT A STRATEGIC PLAN?

4 DR. MILLS: NO. THIS IS AN OPERATING
5 PROCESS. BASICALLY THIS IS AN ENGINE, AND WHERE WE
6 TAKE THAT ENGINE WILL BE THE STRATEGIC PLAN.

7 DR. LUBIN: SOUNDS GOOD. AND THEN THE
8 LAST IS THAT WE'VE HAD A SERIES OVER THE YEARS OF
9 CONFERENCES, AND MAYBE THAT WAS PART OF THE PIE
10 CHART; BUT, FOR EXAMPLE, IN DIABETES NOW, BESIDES
11 THE VIACYTE WORK THAT'S DONE HERE, THERE'S WORK DONE
12 AT HARVARD, THERE'S WORK DONE AT COLUMBIA. THERE'S
13 A VARIETY OF STEM CELL-RELATED THINGS THAT WOULD
14 BENEFIT CIRM TO REALLY HAVE A FORMAT TO HEAR WHAT'S
15 GOING ON IN OTHER STATES THAT HAVE FOLLOWED OUR LEAD
16 TO REALLY INITIATE STEM CELL PROGRAMS. I DON'T KNOW
17 WHERE THAT FITS INTO THESE PIE CHARTS, BUT I WOULD
18 BE AN ADVOCATE FOR HAVING THOSE KINDS OF ACTIVITIES.

19 DR. MILLS: JUST GO BACK TO ONE OF THE
20 THINGS YOU SAID, YOU TALKED ABOUT COMMUNICATIONS.
21 SO WE HAVE, I CAN'T REMEMBER, LIKE SEVEN, SOMETHING
22 LIKE THAT, INDIVIDUAL TEAMS WORKING ON VARIOUS
23 PIECES OF ALL CIRM 2.0 BEHIND THE SCENES PUTTING IT
24 ALL TOGETHER AND MAKING IT WORK. ONE OF THOSE
25 PIECES IS COMMUNICATION. IT'S THAT IMPORTANT. WE

BARRISTERS' REPORTING SERVICE

1 MEET WEEKLY ABOUT THE COMMUNICATION AND THE ROLLOUT
2 PLAN BECAUSE IT'S NOT SUFFICIENT FOR US JUST TO
3 CREATE A GOOD ENGINE AND THEN NOT PUT ANYTHING
4 THROUGH IT.

5 THE IDEA IS WE WANT TO KNOW -- WE WANT TO
6 CREATE A BETTER PRODUCT, WHICH I THINK WE'RE GOING
7 TO DO FOR CIRM, PARTICULARLY FOR THE APPLICANTS, BUT
8 THEN WE NEED TO MARKET THAT PRODUCT SO WE GET THE
9 HIGHEST NUMBER OF HIGH QUALITY APPLICATIONS INTO THE
10 SYSTEM.

11 SO KEVIN IS WORKING ON ALL KINDS OF
12 ROLLOUT PLANS AND WEBSITE CHANGES AND EVERYTHING.
13 THE POINT IS WE DON'T WANT IT TO BE SUBTLE.

14 MORE QUESTIONS?

15 CHAIRMAN THOMAS: I'VE GOT ONE. SO COULD
16 YOU SPEAK A BIT, AS THIS DOES RADICALLY CHANGE
17 PROCEDURES, IN THE CURRENT FORMAT, THE BOARD HAS
18 CERTAIN PARTICIPATION IN VARIOUS ELEMENTS. THE
19 PATIENT ADVOCATES IN THE GRANTS WORKING GROUP, A
20 NUMBER OF US HAVE GONE TO CDAP TO AUDIT, IF YOU
21 WILL, WHAT HAPPENS THERE. COULD YOU SPEAK TO BOARD
22 INVOLVEMENT UNDER CIRM 2.0 GOING FORWARD?

23 DR. MILLS: YEAH. SO WE DON'T SEE A
24 DROP-OFF IN BOARD INVOLVEMENT. AND ACTUALLY ON A
25 NUMBER OF THINGS, WE ACTUALLY ARE LOOKING FOR WAYS

BARRISTERS' REPORTING SERVICE

1 OF IMPROVING BOARD INVOLVEMENT AND ENGAGEMENT ON IT.
2 THE NUMBER OF OPPORTUNITIES FOR BOARD INPUT WILL
3 ACTUALLY GO UP. AND THAT WILL CREATE SOME BURDEN
4 FOR THE BOARD, PARTICULARLY FOR THE APPLICATION
5 REVIEW SUBCOMMITTEE OF THE BOARD, BECAUSE WHAT WE'RE
6 SAYING IS WE DON'T WANT CIRM TO BE THE DELAY IN THIS
7 PROCESS. IN ORDER TO DO THAT, WE'VE GOT TO BE ABLE
8 TO MAKE TIMELY DECISIONS ON THINGS. AND SO ALL THE
9 BOARD MEMBERS WILL BE ABLE TO PARTICIPATE, AS THEY
10 ALWAYS DO, IN EACH OF THOSE MEETINGS, AND THERE WILL
11 BE SOMETHING LIKE 12 A YEAR OF THAT.

12 ALSO CDAP, WE ACTUALLY THINK, COULD BE
13 MORE OPEN. AND BY REPLACING CDAP WITH GRANTS
14 WORKING GROUP REVIEW, WE THINK, THEN, THAT WILL
15 ACTUALLY ALSO HELP INCREASE BOARD PARTICIPATION.

16 THERE ARE MORE ASPECTS OF THIS THAT ARE
17 COMING WITH REGARDS TO THE TRANSLATIONAL AND
18 DISCOVERY PROGRAMS WHICH I THINK ARE GOING TO HAVE
19 EVEN MORE DIRECT BOARD INVOLVEMENT. THAT'S NOT
20 QUITE READY FOR PRIME TIME YET. BUT, YEAH, AS WE'VE
21 GONE, YOU KNOW, THROUGH THIS, AS WE'VE GONE THROUGH
22 THIS PROCESS, WE ACTUALLY HAVE BEEN LOOKING FOR WAYS
23 TO STILL DEAL WITH AND ADHERE TO THE IOM
24 RECOMMENDATIONS, BUT ALSO FIND WAYS OF GETTING MORE
25 OF THE WHOLE BOARD INVOLVED.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: SO, RANDY, I THINK THIS IS
2 FANTASTIC. THANK YOU. I WAS JUST THINKING OF JOAN
3 SAMUELSON. AND THIS GOING BACK TO THE GRANTS
4 WORKING GROUP IS SOMETHING SHE'S BEEN ASKING FOR FOR
5 SEVERAL YEARS. AND IT REALLY IS SOMETHING THAT'S IN
6 PROP 71 TO REVIEW OUR PORTFOLIO. SO THANK YOU FOR
7 THAT ON BEHALF OF JOAN AND I THINK SOME OF THE OTHER
8 PATIENT ADVOCATES ON THE BOARD.

9 MS. LANSING: I'D LIKE TO ECHO THAT ON
10 BEHALF OF ALL US WHO HAVE BEEN PART OF THIS FOR A
11 VERY, VERY LONG TIME. I THINK THAT EVERYTHING THAT
12 YOU'VE OUTLINED IS EXTRAORDINARY. I THINK THE
13 THOROUGHNESS AND THE SPEED AND ALSO THE MANY
14 OPPORTUNITIES THAT PEOPLE WILL HAVE TO APPLY FOR
15 GRANTS SO THAT IT'S NOT JUST ON THIS ONE DAY,
16 GETTING BACK TO THE GRANTS WORKING GROUP, JUST
17 EVERYTHING. I COULD GO THROUGH THE WHOLE
18 PRESENTATION AND SAY I THINK IT'S JUST
19 EXTRAORDINARY, WELL THOUGHT OUT, AND REALLY THANK
20 YOU FOR EVERYTHING THAT YOU'VE DONE. YOU'VE BEEN AN
21 INCREDIBLE LEADER FOR US.

22 DR. MILLS: THANK YOU. I WOULD SAY,
23 THOUGH, DON'T TELL THEM, BUT THIS GROUP BEHIND ME,
24 EXTRAORDINARY.

25 MS. LANSING: WELL, THANK YOU TO THE WHOLE

BARRISTERS' REPORTING SERVICE

1 TEAM. AND EXCUSE ME FOR NOT SAYING THAT BECAUSE
2 THIS REALLY IS CIRM --

3 DR. MILLS: DON'T TELL THEM.

4 MS. LANSING: NO, I WANT TO TELL THEM
5 BECAUSE WE'RE ALL VERY, VERY GRATEFUL. AND I HAVE
6 NO DOUBT THAT SOME GREAT DISCOVERIES WILL COME FROM
7 THIS.

8 DR. MILLS: THEY'VE BEEN REMARKABLE.

9 MS. WINOKUR: I ECHO THE COMMENTS. I DO
10 HAVE A QUESTION. AND THAT REFERS TO THE MEMBERS OF
11 THE BOARD WHO ARE MEMBERS OF THE GRANTS WORKING
12 GROUP. I THINK MOST OF YOUR COMMENTS, AND I MAY
13 HAVE MISUNDERSTOOD, HAVE BEEN DIRECTED TO THE
14 OUTSIDE SCIENTIFIC MEMBERS OF THE GRANTS WORKING
15 GROUP. THE BOARD MEMBERS WHO ARE MEMBERS OF THE
16 GRANTS WORKING GROUP, UNDER OUR NEW POLICY OF WHO
17 CAN VOTE AND WHO CAN'T, REPRESENT A VERY SMALL
18 NUMBER, COMPARATIVELY SPEAKING, OF THE BOARD AND OF
19 THE GRANTS WORKING GROUP. AND THAT FOR ME BECOMES
20 UNCOMFORTABLE WHEN WE ARE THE PEOPLE WHO NEED TO
21 BRING ALL OF THIS TO THE BOARD.

22 I WONDER IF IN YOUR DISCUSSIONS ABOUT THE
23 GWG YOU HAVE FACTORED THAT IN.

24 DR. MILLS: I MAY ACTUALLY ASK JAMES TO
25 COMMENT ON THIS BECAUSE MY UNDERSTANDING IS THE

BARRISTERS' REPORTING SERVICE

1 COMPOSITION OF GWG IS NOT FOR US TO BE ABLE TO
2 AMEND. BUT JAMES.

3 MR. HARRISON: THAT'S RIGHT. THE
4 COMPOSITION OF THE GWG IS ESTABLISHED BY PROP 71.
5 SO IT SPECIFIES THAT THERE HAVE TO BE 15 SCIENTIFIC
6 MEMBERS AND 7 MEMBERS OF THE BOARD FROM THE PATIENT
7 ADVOCATE APPOINTEES, AND THE CHAIR, OF COURSE,
8 SERVES ON AN EX OFFICIO BASIS. SO THERE'S NOTHING
9 WE CAN DO TO CHANGE THAT.

10 WITH RESPECT TO THE PARTICIPATION BY
11 MEMBERS OF THE BOARD, IN THE DISCUSSION ABOUT THE
12 APPROVAL OF GRANTS, AS YOU RECOGNIZE, THE CHANGE WE
13 MADE IN RESPONSE TO THE IOM'S RECOMMENDATIONS WAS TO
14 ALLOW THE MEMBERS WHO ARE APPOINTED FROM
15 INSTITUTIONS WHO ARE ELIGIBLE TO APPLY FOR FUNDS TO
16 PARTICIPATE IN THE DISCUSSION, BUT NOT TO VOTE. SO
17 THAT'S WHERE THINGS STAND PRESENTLY.

18 DR. MILLS: NO MORE QUESTIONS? OKAY. THE
19 LAST THING I HAVE, AND THEN I PROMISE I'LL STOP
20 TALKING, IS ACTUALLY A QUESTION FOR THE BOARD. AND
21 IT'S A VERY IMPORTANT QUESTION FOR US AT CIRM. AND
22 IT CENTERS AROUND SCOPE THAT WE ARE GOING TO
23 IMPLEMENT FOR THE UPCOMING CONCEPT PLANS FOR CIRM
24 2.0, SO THE PROPOSALS THAT WE PUT OUT. AND HERE'S
25 WHERE THE QUESTIONS GOES.

BARRISTERS' REPORTING SERVICE

1 SO RIGHT NOW NONCELL THERAPIES, THINGS
2 THAT AREN'T STEM CELLS, THINGS THAT AREN'T CELLS AT
3 ALL, COMPRISE 26 PERCENT OF OUR TRANSLATIONAL AND
4 CLINICAL PORTFOLIO. AND IT'S ALMOST EVENLY DIVIDED
5 BETWEEN SMALL MOLECULES AND BIOLOGICS. THESE ARE
6 THINGS THAT, FOR EXAMPLE, ARE SMALL MOLECULES THAT
7 TARGET CANCER STEM CELLS OR SMALL MOLECULES THAT
8 MODIFY OR ACTIVATE ENDOGENOUS STEM CELL POPULATIONS.
9 SAME THING WITH REGARDS TO BIOLOGICS. WE HAVE A
10 SMALL AMOUNT OF OTHER THERE WHICH IS ACTUALLY DIRECT
11 GENE THERAPY, WHICH IS THE INVESTIGATORS TAKING THE
12 GENES AND PUTTING IT DIRECTLY INTO CELLS.

13 QUESTION I HAVE -- SO THAT'S JUST FOR
14 BACKGROUND. THE QUESTION WE HAVE, AND THIS IS
15 INTERNALLY WE HAVEN'T BEEN ABLE TO COME TO
16 CONSENSUS, IS THERE A CONSENSUS OF THE BOARD TO
17 EITHER INCLUDE OR EXCLUDE NONCELL THERAPIES FROM
18 PARTICIPATING IN FUTURE FUNDING DECISIONS? AND I'LL
19 LEAVE THAT FOR YOUR DISCUSSION. ANYONE?

20 DR. BOXER: I GUESS MY INITIAL THOUGHT IS
21 THAT IF SMALL MOLECULES OR BIOLOGICS ARE HAVING AN
22 EFFECT ON STEM CELLS THAT CAN BE -- THAT IS DESIRED
23 THERAPEUTICALLY, WHY WOULD THAT BE NOT BE SOMETHING
24 THAT WE'D WANT TO PURSUE IF, AGAIN, WE'RE LOOKING AT
25 GETTING THERAPEUTICS INTO PATIENTS AS QUICKLY AS

BARRISTERS' REPORTING SERVICE

1 POSSIBLE?

2 DR. MILLS: SO THE COUNTER IS WHY DOES
3 CIRM EXIST TO THAT. AND IF IT IS TO FUND THINGS
4 WHICH WOULD OTHERWISE HAVE A DIFFICULT TIME BEING
5 FUNDED OR DISADVANTAGED, I'LL JUST TELL YOU, HAVING
6 DEVELOPED BOTH, IT'S FAR EASIER TO DEVELOP A SMALL
7 MOLECULE AND HAVE ITS TARGET BE CANCER THAN TO
8 DEVELOP A CELL THERAPY, BUT I'M NOT ACTUALLY
9 ADVOCATING A POSITION HERE. BUT THAT'S THE OTHER
10 SIDE OF THAT.

11 DR. MELMED: I APPLAUD YOUR INNOVATIVE
12 INITIATIVE AND ECHO THE PREVIOUS COMMENTS.

13 REGARDING THIS, ISN'T THERE LANGUAGE IN
14 THE PROPOSITION WHICH LIMITS US?

15 MR. HARRISON: YES. SO PROP 71 ALLOWS
16 CIRM TO FUND PLURIPOTENT AND PROGENITOR CELL
17 RESEARCH THAT IS NOT OTHERWISE RECEIVING TIMELY OR
18 ADEQUATE FUNDING FROM THE FEDERAL GOVERNMENT. IT
19 ALSO PERMITS THE BOARD TO FUND WHAT ARE CALLED VITAL
20 RESEARCH OPPORTUNITIES, THAT IS, STEM CELL
21 OPPORTUNITIES THAT FALL OUTSIDE OF THAT CATEGORY, IF
22 RECOMMENDED BY TWO-THIRDS OF THE GRANTS WORKING
23 GROUP.

24 DR. DULIEGE: SO IN THAT SITUATION I WOULD
25 ECHO WHAT LINDA SAID, WHICH IS THE END GOAL IS TO

BARRISTERS' REPORTING SERVICE

1 FIND NEW, BETTER OPTIONS FOR PATIENTS. AND IF IN
2 SOME CASES, IT MEANS (INAUDIBLE) THESE CELLS, BUT
3 INDIRECTLY, AND THIS TYPE OF RESEARCH HAS NOT BEEN
4 WELL FUNDED. AS LONG AS WE CAN JUSTIFY THAT THE END
5 POINT SERVED THE PURPOSE OF CIRM, I DON'T SEE THAT
6 WE'D HAVE ANY REASON TO EXCLUDE FUNDING OF THOSE.

7 MR. SHEEHY: I GUESS THAT KIND OF RAISES A
8 QUESTION FOR ME THOUGH. THERE'S SUCH A
9 WELL-DEVELOPED PATHWAY FOR SMALL MOLECULES AND
10 BIOLOGICS, THAT IF SOME OF THE PHARMACEUTICAL
11 COMPANIES HAVE NOT EXPLORED THOSE PATHWAYS, MAYBE
12 THOSE AREN'T NECESSARILY THE BEST PRODUCTS. IT DOES
13 FEEL LIKE THAT THERE IS A LARGER PROBLEM IN DOING
14 CELL THERAPY THAT THE PHARMACEUTICAL COMPANIES
15 HAVEN'T REALLY JUMPED ON THE BANDWAGON. THE
16 BUSINESS MODEL DOESN'T REALLY EXIST YET, AND PERHAPS
17 THAT'S A PLACE WHERE WE MIGHT HAVE A MORE DRAMATIC
18 IMPACT.

19 SO MYSELF I'M NOT REALLY SURE WHERE I AM
20 ON THIS, BUT IT'S A LITTLE MORE NUANCED BECAUSE, ON
21 THE OTHER HAND, IF WE'RE IDENTIFYING TARGETS THROUGH
22 DISEASE MODEL, DISEASE IN A DISH, WHICH WE'VE GOT A
23 STEM CELL BANK, AN IPS BANK, THAT'S WHERE I MIGHT
24 HAVE MORE INTEREST BECAUSE WE WILL HAVE PARTICIPATED
25 IN THE SCREENING AND THE IDENTIFICATION OF THOSE

BARRISTERS' REPORTING SERVICE

1 TARGETS. BUT IF IT'S JUST ANOTHER SMALL MOLECULE OR
2 BIOLOGIC THAT HAS AN EFFECT ON A CELL, ISN'T THAT
3 WHAT PHARMACEUTICAL COMPANIES DO AS A MATTER OF
4 BUSINESS, AND LITERALLY BILLIONS OF DOLLARS ARE
5 BEING SPENT ON THAT ALL THE TIME. AND WE'RE
6 PROBABLY NOT GOING TO GET THE BEST PRODUCTS OUT OF
7 THAT. WE'RE GOING TO GET KIND OF ALSO RANS, AND
8 MAYBE THAT'S NOT A GOOD USE OF OUR TIME AND ENERGY.

9 DR. GASSON: I WOULD RESPECTFULLY DISAGREE
10 WITH MY COLLEAGUE. BASED ON INFORMATION FROM MY OWN
11 INSTITUTION, I CAN TELL YOU THAT THERE ARE MANY,
12 MANY TARGETS THAT ARE NOT BEING PURSUED BY
13 PHARMACEUTICAL COMPANIES. THERE ARE ALSO MANY DRUGS
14 THAT HAVE FAILED CLINICAL TRIALS BECAUSE THE TRIALS
15 WERE NOT DESIGNED PROPERLY. AND AS A SCIENTIST, I
16 WOULD BE CONCERNED ABOUT NOT BEING ABLE TO EVEN
17 CONSIDER FUNDING OF RESEARCH THAT WOULD FIND WAYS TO
18 MANIPULATE EITHER NORMAL OR MALIGNANT STEM CELLS
19 WITHIN A PATIENT POPULATION.

20 DR. LEVIN: JUST IN TERMS OF AN ANSWER TO
21 THE QUESTION, EFFECTIVELY WE'VE BEEN MAKING THIS
22 DETERMINATION ALL ALONG ON A CASE-BY-CASE BASIS AND
23 26 PERCENT OF THE TIME DECIDED IT WAS FINE. I DON'T
24 SEE ANY REASON TO CHANGE THAT NECESSARILY. AND I
25 THINK THAT IF WE CHANGE POLICY NOW, IT'S MORE LIKELY

BARRISTERS' REPORTING SERVICE

1 TO IMPEDE PROGRESS RATHER THAN ACCELERATE IT. SO MY
2 FEELING WOULD BE TO JUST LEAVE THINGS AS THEY ARE.

3 DR. MILLS: ANY OTHERS? SO WE DON'T HAVE
4 TO TAKE A VOTE, BUT IT SOUNDS LIKE CONSENSUS IS
5 LEAVE IT IN. EXCELLENT. THANK YOU, GUYS, VERY
6 MUCH. I APPRECIATE YOUR TIME, AND ENJOY THE REST OF
7 THE MEETING.

8 CHAIRMAN THOMAS: THANK YOU, RANDY.

9 (APPLAUSE.)

10 MR. TORRES: WELL, THAT'S A FIRST AND WELL
11 DESERVED.

12 CHAIRMAN THOMAS: OKAY. WE'RE NOW GOING
13 TO MOVE ON TO THE ACTION -- OH, NO, WE'RE NOT.
14 SORRY. CHILA, VERY IMPORTANT. CHILA WILL GIVE US
15 THE FINANCIAL UPDATE.

16 MS. SILVA-MARTIN: GOOD MORNING, THANK
17 YOU. GOOD MORNING, MR. CHAIRMAN, MEMBERS OF THE
18 BOARD. I WILL BE PROVIDING YOU WITH A BRIEF UPDATE
19 ON CIRM'S FINANCES.

20 FIRST, I WANT TO START OFF WITH THE
21 FINANCIAL AUDIT. AS YOU ARE AWARE, PROPOSITION 71
22 REQUIRES AN ANNUAL INDEPENDENT FINANCIAL AUDIT. WE
23 CURRENTLY CONTRACT WITH MACIAS, GINI, AND O'CONNELL
24 TO PERFORM THAT AUDIT. AND ACTUALLY JAMES GODSEY IS
25 HERE FROM MACIAS, AND HE WILL BE PRESENTING THE

BARRISTERS' REPORTING SERVICE

1 RESULTS OF THE '13-'14 AUDIT SHORTLY.

2 BUT I JUST WANTED TO TAKE A COUPLE OF
3 SECONDS TO ACKNOWLEDGE THE CIRM TEAM THAT'S
4 RESPONSIBLE FOR FAVORABLE AUDIT RESULTS YEAR AFTER
5 YEAR. SO THE PROCESS REALLY STARTS WITH OUR
6 CONTRACT AND PROCUREMENT. WE ARE A STATE AGENCY,
7 AND AS SUCH WE'RE REQUIRED TO NOT ONLY ADHERE TO
8 CIRM'S POLICIES, BUT THE STATE'S MANY RULES AND
9 REGULATIONS.

10 WE HAVE A TEAM OF TWO INDIVIDUALS WHO
11 PERFORM THE MAJORITY OF THE CONTRACT AND
12 PROCUREMENT: CYNTHIA SCHAFFER, OUR CONTRACTS
13 MANAGER, ADMINISTERS THE MAJORITY OF OUR CONTRACTS.
14 AND SHE AND SHEILA TENNYSON ARE RESPONSIBLE FOR OUR
15 PURCHASE DOCUMENTS.

16 SO WE ALSO HAVE ANOTHER TEAM INTERNALLY
17 THAT'S RESPONSIBLE FOR PROCURING THE SERVICES THAT
18 WE NEED TO CONDUCT MEETINGS. SO LIKE OUR BOARD
19 MEETINGS, OUR GRANT WORK GROUP REVIEW MEETINGS, AS
20 WELL AS OUR WORKSHOPS. AND THAT TEAM CONSISTS OF
21 AMY CHEUNG, KIM WILLIAMS, PAUL FRECH, TRICIA
22 CHAVIRA, AND MANDA MORA.

23 SO, OF COURSE, AFTER WE'VE DONE ALL THE
24 PURCHASING AND CONTRACTING, WE GET INVOICES. SO WE
25 HAVE AN INTERNAL FINANCE TEAM THAT'S RESPONSIBLE FOR

BARRISTERS' REPORTING SERVICE

1 MAKING SURE THAT EVERY INVOICE THAT WE GET, EVERY
2 TRAVEL EXPENSE CLAIM, EVERY HONORARIA REQUEST THAT
3 WE GET GETS PROCESSED THAT MEETS, NOT ONLY CIRM'S
4 POLICIES, OF COURSE, THE STATE'S RULES AND
5 REGULATIONS, BUT THAT THEY ADHERE TO THE CONTRACT
6 TERMS AND CONDITIONS, THAT THEY'RE POSTED TO THE
7 CORRECT COST CENTER, AND, MOST IMPORTANTLY, PAID OUT
8 OF THE CORRECT BUCKET. AND THAT TEAM CONSISTS OF
9 CELESTE HEIDLER, SHEILA TENNYSON, AND ODELL BERRY.

10 AND, AS YOU MAY RECALL, WE DO CONTRACT FOR
11 OUR ACCOUNTING SERVICES WITH THE DEPARTMENT OF
12 GENERAL SERVICES, AND THEY ARE THE DEPARTMENT THAT'S
13 RESPONSIBLE FOR MAINTAINING OUR OFFICIAL FINANCIAL
14 RECORDS. AND THAT TEAM CONSISTS OF OLGA MIATLUSHKA
15 AND SUE JOHNSON.

16 SO I JUST WANTED TO THANK THEM FOR ALL OF
17 THEIR EFFORTS IN MAKING SURE THAT WE HAVE GREAT
18 AUDIT RESULTS YEAR AFTER YEAR.

19 SO MOVING ON TO OUR CURRENT FINANCES, FOR
20 THE FIRST QUARTER OF THIS FISCAL YEAR, OUR GRANT
21 DISBURSEMENTS WERE JUST UNDER \$66 MILLION, WHICH IS
22 SLIGHTLY HIGHER THAN WHAT WE DISBURSED DURING THE
23 SAME PERIOD IN THE '13-'14 FISCAL YEAR. WE CONTINUE
24 TO MAINTAIN A VERY HEALTHY CASH RESERVE. WE HAD AT
25 THE BEGINNING OF THE MONTH \$45 MILLION TO MEET OUR

BARRISTERS' REPORTING SERVICE

1 OPERATIONAL NEEDS.

2 AND AS CHAIRMAN THOMAS INDICATED AT THE
3 LAST MEETING, AT THIS MEETING EARLIER WHEN HE TALKED
4 ABOUT MEETING WITH THE VARIOUS CONTROL AGENCIES,
5 THESE NEXT TWO BULLETS ARE VERY SMALL, BUT THEY
6 REALLY DO REPRESENT A SIGNIFICANT EFFORT ON BEHALF
7 OF CIRM, SPECIFICALLY ON BEHALF OF AMY LEWIS.
8 BECAUSE WE ARE BOND FUNDED, OUR CASH ACCOUNTS ARE
9 CONTINUOUSLY MONITORED. AND ANY CHANGE, HOWEVER
10 SLIGHT, WE ARE REQUIRED TO CONSTANTLY HAVE DIALOGUE
11 WITH THESE CONTROL AGENCIES ABOUT THOSE CHANGES.
12 AND ON TOP OF THAT, WE'RE REQUIRED TO PREPARE
13 NUMEROUS DOCUMENTS AND SPREADSHEETS IN SUPPORT OF
14 OUR CASH REQUESTS. AND AMY LEWIS IS RESPONSIBLE FOR
15 DOING THAT, AND BECAUSE OF HER EFFORTS, WE HAVE BEEN
16 INCLUDED IN THE NOVEMBER BOND SALE. WE ARE EXPECTED
17 TO RECEIVE APPROXIMATELY \$80 MILLION FROM THAT SALE.
18 WE ALSO HAVE COMMERCIAL PAPER STILL AVAILABLE FOR
19 US, AND SHE'S BEEN WORKING WITH THE CONTROL AGENCIES
20 TO SECURE ADDITIONAL COMMERCIAL PAPER FOR THE MONTH
21 OF NOVEMBER. SO THAT WILL PUT US IN A VERY GOOD
22 CASH SITUATION.

23 AND THEN FINALLY, JUST LOOKING AT OUR
24 CURRENT YEAR EXPENDITURES. SO AS YOU MAY RECALL,
25 THIS BOARD ALLOTTED JUST UNDER \$17.3 MILLION FOR OUR

BARRISTERS' REPORTING SERVICE

1 CURRENT YEAR BUDGET. WE WERE ABLE TO BREAK OUT THAT
2 BUDGET FOR THE FIRST QUARTER. AS YOU CAN SEE ON
3 THIS CHART, THE BUDGET FOR THIS QUARTER, FIRST
4 QUARTER, IS JUST OVER \$4.1 MILLION. AND AS YOU CAN
5 SEE, WE ARE UNDERSPENDING THE BUDGET. WE'VE SPENT
6 ABOUT \$3.7 MILLION, SO WE UNDERSPENT BY ABOUT HALF A
7 MILLION DOLLARS.

8 IN LOOKING AT THE CATEGORY OF
9 EXPENDITURES, AS YOU CAN SEE, THE MAJORITY OF THE
10 UNDERSPEND IS IN EMPLOYEE EXPENSES. AND THAT'S
11 REALLY A RESULT OF VACANCIES THAT OCCURRED DURING
12 THE FIRST QUARTER OF THIS FISCAL YEAR.

13 OUR EXTERNAL SERVICES ARE UP SLIGHTLY OVER
14 BUDGET, BUT THAT'S BECAUSE WHEN WE INCURRED THESE
15 VACANCIES, WE NEEDED SOME TEMPORARY SUPPORT, AND SO
16 WE CONTRACTED FOR THOSE SERVICES.

17 AND THEN JUST GENERALLY OVERALL, ALL OF
18 OUR OTHER CATEGORIES, WE ARE SLIGHTLY UNDER BUDGET.

19 SO THAT CONCLUDES MY FINANCE PRESENTATION.
20 ARE THERE ANY QUESTIONS?

21 CHAIRMAN THOMAS: SO I JUST WANT TO
22 REITERATE THE IMPORTANCE TO CIRM, SOMETHING THAT'S
23 NOT APPRECIATED BECAUSE IT ALWAYS GOES ON BEHIND THE
24 SCENES, THE IMPORTANCE OF THE COMMUNICATION AND
25 TRUST ESTABLISHED WITH THE DEPARTMENT OF FINANCE AND

BARRISTERS' REPORTING SERVICE

1 THE GOVERNOR'S OFFICE, WHICH IS THE CENTRAL ELEMENT
2 OF OUR CONTINUED FUNDING GOING FORWARD HERE. AND
3 WOULD LIKE TO COMMEND CHILA. WHEN WE HAD OUR
4 MEETING UP THERE, CHILA, AMY LEWIS, AND I WENT AND
5 MET WITH THEM. AND THE RAPPORT THAT CHILA HAS
6 ESTABLISHED WITH THE STAFF IN THE DIRECTOR OF
7 FINANCE'S OFFICE AND THE HIGH LEVEL OF TRUST, THE
8 LEVEL OF INTEGRITY EVIDENT IN THE EXCHANGE BETWEEN
9 THE PEOPLE IN THE MEETING AND US IS A REAL TESTAMENT
10 TO CHILA'S HARD WORK.

11 AND AMY'S NOT HERE TODAY, BUT, AMY, I KNOW
12 YOU'RE LISTENING UP THERE -- FEEL BETTER, BY THE
13 WAY -- THE TWO OF THEM IN THEIR INTERACTIONS HAVE
14 PAVED THE WAY FOR THE WHOLE FUNDING PROCESS. AND
15 WITHOUT THAT, WE'D BE IN A WORLD OF HURT. SO I WANT
16 TO COMMEND CHILA AND AMY FOR THEIR HARD WORK.

17 JUST SO THE BOARD KNOWS, THIS ISN'T
18 SOMETHING THAT JUST SORT OF AS A MATTER OF COURSE
19 ROLLS OFF THE DECK AND FALLS INTO OUR LAPS. A LOT
20 OF HARD EFFORT. SO, CHILA, THANK YOU VERY MUCH.

21 MS. SILVA-MARTIN: THANK YOU VERY MUCH.

22 (APPLAUSE.)

23 CHAIRMAN THOMAS: OKAY. WE'RE GOING TO GO
24 ON TO THE FIRST ACTION ITEM, AND THAT IS THE
25 CONSIDERATION OF OUR AUDIT, WHICH WAS DONE BY

BARRISTERS' REPORTING SERVICE

1 MACIAS, GINI, AND O'CONNELL. PRESENTING FOR MGO IS
2 JIM GODSEY.

3 MR. GODSEY: THANK YOU. GOOD MORNING, MR.
4 CHAIRMAN, MEMBERS OF THE BOARD. I GUESS IT'S A
5 LITTLE DIFFICULT TO FOLLOW THE DYNAMIC PRESENTATION
6 YOU HAD FROM YOUR PRESIDENT. THIS ONE WON'T BE
7 QUITE AS EXCITING; BUT I THINK IN A FINANCIAL WORLD,
8 YOU DON'T WANT YOUR FINANCIAL STATEMENTS OR THE
9 AUDITOR TO BE TOO EXCITING.

10 THE COURT: THAT'S CORRECT. WE'RE HOPING
11 FOR PRECISELY THE OPPOSITE.

12 MR. GODSEY: AND I THINK YOU'RE GOING TO
13 GET IT.

14 WE HAVE CONDUCTED OUR AUDIT OF THE
15 FINANCIAL STATEMENTS OF CIRM FOR THE YEAR ENDING
16 JUNE 30, 2014. THESE FINANCIAL STATEMENTS ARE THE
17 REPRESENTATIONS OF MANAGEMENT. SO MANAGEMENT IS
18 RESPONSIBLE FOR THE PREPARATION AND THE FAIR
19 PRESENTATION OF THE FINANCIAL STATEMENTS IN
20 ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING
21 STANDARDS IN THE UNITED STATES.

22 OUR RESPONSIBILITY AS AUDITORS IS TO
23 EXPRESS AN OPINION ON THESE FINANCIAL STATEMENTS
24 BASED UPON OUR AUDIT. WE CONDUCTED OUR AUDIT IN
25 ACCORDANCE WITH GENERALLY ACCEPTED AUDITING

BARRISTERS' REPORTING SERVICE

1 STANDARDS IN THE UNITED STATES AND GOVERNMENTAL
2 AUDITING STANDARDS. WE BELIEVE THAT THE EVIDENCE WE
3 OBTAINED DURING THE COURSE OF OUR AUDIT WAS
4 APPROPRIATE AND ADEQUATELY SUPPORTS THE FINANCIAL
5 STATEMENTS.

6 BASED ON OUR AUDIT, IN OUR OPINION, THE
7 FINANCIAL STATEMENTS FAIRLY PRESENT IN ALL MATERIAL
8 RESPECTS THE RESPECTIVE FINANCIAL POSITION AND THE
9 CHANGES IN FINANCIAL POSITION OF CIRM AND THE
10 BUDGETARY COMPARISONS FOR THE YEAR THERE ENDED IN
11 ACCORDANCE WITH THE ACCOUNTING PRINCIPLES GENERALLY
12 ACCEPTED.

13 OUR REPORT ALSO ADDRESSES TWO OTHER AREAS.
14 ONE IS THE REQUIRED SUPPLEMENTAL INFORMATION. THE
15 STANDARDS REQUIRE THAT MANAGEMENT PREPARE WHAT WE
16 REFER TO AS MANAGEMENT'S DISCUSSION AND ANALYSIS,
17 MD&A. AND THIS IS A GREAT WAY, IF YOU'RE INTERESTED
18 IN THE FINANCIAL STATEMENTS AND THE CHANGES IN THE
19 FINANCIAL STATEMENTS AND UNDERSTANDING THEM IN A
20 LITTLE LESS TECHNICAL LANGUAGE, IT'S A GREAT WAY TO
21 COME THROUGH AND SEE ON A COMPARATIVE BASIS WHAT HAS
22 HAPPENED WITHIN THE ORGANIZATION AND SOME OF THESE
23 CRITICAL CHANGES.

24 THIS INFORMATION IS REVIEWED BY US AS FAR
25 AS ITS RELATIONSHIP TO THE FINANCIAL STATEMENTS

BARRISTERS' REPORTING SERVICE

1 TAKEN AS A WHOLE, BUT WE ARE NOT EXPRESSING, AND
2 IT'S NOT EXPECTED UNDER THE STANDARDS, THAT WE WOULD
3 EXPRESS AN OPINION ON THOSE FINANCIAL STATEMENTS.
4 WE DON'T DO THE SAME AMOUNT OF WORK ON THE MD&A AS
5 WE WOULD ON THE REST OF THE FINANCIAL STATEMENTS.

6 THERE'S ALSO OTHER INFORMATION, WHAT WE
7 REFER TO AS OTHER SUPPLEMENTAL INFORMATION, IN THE
8 FINANCIAL STATEMENTS. AGAIN, THIS IS THE
9 RESPONSIBILITY OF MANAGEMENT TO PUT THIS INFORMATION
10 TOGETHER. WE DO PROVIDE IN OUR OPINION WHAT WE
11 REFER TO AS "IN RELATION TO." SO WE BELIEVE THAT AS
12 IT REFLECTS UPON THE FINANCIAL STATEMENTS TAKEN AS A
13 WHOLE THE INFORMATION IN THAT ADDITIONAL
14 SUPPLEMENTAL INFORMATION DOES FAIRLY PRESENT.

15 BECAUSE THIS WAS DONE IN ACCORDANCE WITH
16 GOVERNMENTAL AUDIT STANDARDS, WE'RE REQUIRED TO
17 ISSUE A REPORT, WRITTEN REPORT, ON INTERNAL CONTROLS
18 AND COMPLIANCE WITH LAWS AND REGULATIONS. NOW, THE
19 STANDARDS REQUIRE THAT WE PLAN THE AUDIT AND WE
20 REVIEW THE INTERNAL CONTROLS AS PART OF OUR PLANNING
21 PROCESS. SO THAT'S A LITTLE BIT DIFFERENT THAN
22 EXPRESSING AN OPINION ON YOUR INTERNAL CONTROLS.

23 YOU'RE FAMILIAR WITH THE SEC REQUIREMENTS.
24 ABOUT 15 YEARS AGO THEY CHANGED THEIR PROCESS, AND
25 NOW THEY ACTUALLY RECEIVE, SEC COMPANIES, RECEIVE AN

BARRISTERS' REPORTING SERVICE

1 OPINION ON INTERNAL CONTROLS. THAT IS NOT
2 APPLICABLE OR REQUIRED BY GOVERNMENTAL
3 ORGANIZATIONS. BUT WE ARE REQUIRED, AS PART OF OUR
4 AUDIT, PLANNING OUR AUDIT, THAT WE UNDERSTAND --
5 REVIEW AND UNDERSTAND THOSE CRITICAL CONTROLS. AND
6 IF DURING THE PROCESS OF UNDERSTANDING THOSE
7 CONTROLS, IF WE SAW WEAKNESSES, WE'D BE REPORTING
8 THOSE BACK TO YOU TODAY.

9 OUR REPORT INDICATES THAT THERE WERE NO
10 IDENTIFIED MATERIAL WEAKNESSES IN INTERNAL CONTROLS
11 FOR THIS CURRENT PERIOD. LIKEWISE, WE DID GIVE YOU
12 AN OPINION ON COMPLIANCE WITH MATERIAL LAWS,
13 REGULATIONS. VERY IMPORTANT PART OF THIS. AND,
14 AGAIN, THERE WERE NO EXCEPTIONS NOTED DURING OUR
15 REVIEW OF THE AUDIT.

16 JUST A COUPLE OF OTHER QUICK ITEMS. THERE
17 WERE NO MATERIAL AUDIT ADJUSTMENTS IDENTIFIED DURING
18 THE YEAR. THERE WAS A COUPLE OF VERY SMALL ITEMS.
19 MANAGEMENT HAS INCLUDED ALL OF THOSE ITEMS IN THE
20 FINANCIAL STATEMENTS. THERE WERE NO DISAGREEMENTS
21 ON TECHNICAL ISSUES BETWEEN US AND THE MANAGEMENT
22 TEAM. SO AS FAR AS THE ACCOUNTING APPLICATIONS,
23 ACCOUNTING PRINCIPLES, THERE WAS NO SIGNIFICANT
24 CHALLENGES THERE OR QUESTIONS THERE. AND WE HAVE
25 RECEIVED WRITTEN COMMUNICATIONS FROM MANAGEMENT THAT

BARRISTERS' REPORTING SERVICE

1 THEY TAKE RESPONSIBILITY FOR THESE FINANCIAL
2 STATEMENTS. SO THEIR WRITTEN COMMUNICATIONS
3 BASICALLY TELL US THAT EVERYTHING IN THE FINANCIAL
4 STATEMENTS IS PROPERLY REPORTED AND, SECONDLY,
5 EVERYTHING THAT SHOULD BE IN THOSE FINANCIAL
6 STATEMENTS HAS BEEN INCLUDED. SO THAT'S AN
7 IMPORTANT ITEM. AGAIN, THAT'S MANAGEMENT TAKING
8 RESPONSIBILITY. WE BEYOND GO THAT. WE DO OUR OWN
9 VERIFICATIONS, BUT IT'S ALSO CRITICAL THAT
10 MANAGEMENT HAS TAKEN THAT POSITION.

11 AND THE LAST ITEM IS THERE WERE NO
12 PRECONDITIONS. THERE WAS NO DISCUSSIONS BETWEEN US
13 AND MANAGEMENT ABOUT HOW WE WOULD HANDLE A
14 PARTICULAR ACCOUNTING TREATMENT OR A PARTICULAR
15 ACCOUNTING PRINCIPLE. AND IF OUR ANSWER WOULD HAVE
16 ANY CONDITION ON OUR RESELECTION, OUR CONTINUING AS
17 AUDITORS, NONE OF THAT TOOK PLACE.

18 SO THOSE ARE THE HIGHLIGHTS OF THE AUDIT.
19 AND THAT'S MY FORMAL PRESENTATION. IF THERE'S ANY
20 QUESTIONS THAT I CAN ANSWER AT THIS TIME, I'D LIKE
21 TO DO THAT.

22 CHAIRMAN THOMAS: QUESTIONS OR COMMENTS
23 FROM MEMBERS OF THE BOARD? VERY HAPPY TO HEAR WE'RE
24 IN GREAT SHAPE. ALWAYS LOOK FORWARD TO THAT REPORT.
25 SO THANK YOU VERY MUCH.

BARRISTERS' REPORTING SERVICE

1 MR. GODSEY: MY PLEASURE. GOOD TO SEE
2 EVERYONE THIS MORNING. THANK YOU.

3 CHAIRMAN THOMAS: WE ARE NOW GOING TO TAKE
4 A FIVE-MINUTE BREAK BEFORE HEADING INTO THE NEXT
5 ITEM. SO WE WILL RECONVENE BACK HERE MOMENTARILY.

6 (A RECESS WAS TAKEN.)

7 CHAIRMAN THOMAS: EVERYBODY TAKE THEIR
8 SEATS, PLEASE. WE ARE NOW GOING TO RESUME WITH ITEM
9 NO. 8, CONSIDERATION OF APPLICATIONS FOR THE CIRM
10 ALPHA STEM CELL CLINICS NETWORK. AS YOU KNOW, WE'VE
11 HAD A LENGTHY PROCESS GETTING TO TODAY ON THIS
12 PARTICULAR TOPIC. AND THE PROCESS IS ONE THAT,
13 AMONG OTHER THINGS, ADHERED TO THE NEW PROCESSES PUT
14 IN PLACE AT THE TIME OF THE IOM REFORMS, AND THOSE
15 PROCESSES HAVE BEEN FOLLOWED IN A NUMBER OF GRANT
16 ROUNDS NOW AND HAVE WORKED VERY WELL AND WERE
17 EMPLOYED HERE, AS WE HAVE BEFORE, AND HAVE LED TO A
18 NUMBER OF RECOMMENDATIONS BY THE GRANTS WORKING
19 GROUP WHICH WE WILL NOW TAKE UP IN PROGRAMMATIC
20 REVIEW, AND I WILL TURN THIS OVER TO MR. SHEEHY.

21 MR. SHEEHY: I THINK THE THING WE'LL DO IS
22 WE'LL HEAR FROM DR. MILAN ABOUT THE ROUND.

23 DR. MILAN: GOOD MORNING, MR. CHAIRMAN,
24 MEMBERS OF THE BOARD, THE PUBLIC, AND CIRM
25 COLLEAGUES.

BARRISTERS' REPORTING SERVICE

1 TODAY I WILL BE REPORTING ON THE GRANTS
2 WORKING GROUP MEETING THAT TOOK PLACE ON SEPTEMBER
3 16TH AND 17TH TO REVIEW APPLICATIONS FOR THE CIRM
4 ALPHA STEM CELL CLINICS NETWORK, ALPHA CLINIC AWARD,
5 RFA 13-06.

6 AS YOU HEARD EARLIER TODAY, THE FOUR-PART
7 TEST FOR ALL CIRM INITIATIVES, INCLUDING THE CIRM
8 ALPHA STEM CELL CLINICS NETWORK, ARE LISTED. AND
9 JUST BRIEFLY, THE INITIATIVE SHOULD ACCELERATE THE
10 DEVELOPMENT OF STEM CELL TREATMENTS, INCREASE THE
11 LIKELIHOOD OF DEVELOPING SUCCESSFUL TREATMENT FOR
12 PATIENTS WITH UNMET MEDICAL NEEDS, AND HAVE BUILT-IN
13 EFFICIENCIES.

14 BASED ON THE CONCEPT APPROVAL BY THIS
15 BOARD IN JULY 2013, THESE GUIDELINES WERE PROVIDED
16 TO THE GRANTS WORKING GROUP DURING THE REVIEW, THAT
17 THE ICOC HAD APPROVED UP TO \$55 MILLION TO FUND UP
18 TO FIVE ALPHA CLINICS, AND THAT THERE IS NO
19 PREDETERMINED NUMBER OF APPLICATIONS THAT THE GRANTS
20 WORKING GROUP ARE REQUIRED TO RECOMMEND FOR FUNDING.

21 JUST TO STEP BACK, THE OVERALL GOAL OF THE
22 ALPHA STEM CELL CLINICS NETWORK IS TO ACCELERATE THE
23 DEVELOPMENT AND DELIVERY OF STEM CELL THERAPIES BY
24 LEVERAGING THE ALREADY EXISTING ASSETS AND STRENGTHS
25 RESIDENT WITHIN THE TOPNOTCH CENTERS OF EXCELLENCE

BARRISTERS' REPORTING SERVICE

1 HERE IN CALIFORNIA TO FORM AN EFFICIENT, SCALABLE,
2 AND SUSTAINABLE ALPHA STEM CELL CLINIC WELL
3 POSITIONED TO CONTRACT AND CONDUCT WITH HIGH RIGOR,
4 HIGH QUALITY STEM CELL CLINICAL TRIALS.

5 THE NETWORK IS COMPOSED OF ALPHA CLINICS
6 THROUGHOUT CALIFORNIA AND A COORDINATING AND
7 INFORMATION MANAGEMENT CENTER WHICH WOULD WORK
8 COORDINATELY AND IN AN INTEGRATED FASHION TO PROMOTE
9 ACCESS TO THE PATIENTS FOR THE EMERGING PIPELINE OF
10 STEM CELL THERAPY TRIALS.

11 THE ELIGIBILITY CRITERIA ARE LISTED HERE.
12 AND IMPORTANTLY, IN ORDER TO DECREASE THE LEAD-TIME
13 INTO ACTIVITY WITHIN THESE CENTERS, THE APPLICANTS
14 WERE REQUIRED TO PROVIDE A MINIMUM OF TWO LEAD
15 CLINICAL TRIALS OF SUFFICIENT MATURITY SO THAT
16 CLINICAL ACTIVITIES COULD BEGIN WITHIN THESE CLINICS
17 WITHIN ONE YEAR OF THE AWARD.

18 AND JUST TO REMIND THE BOARD, THAT THESE
19 ARE MINIMUM REQUIREMENTS. THE INTENT IS NOT TO
20 FUND -- SUPPORT ONLY FOR THESE TWO LEAD CLINICAL
21 TRIALS. THAT IS ACTUALLY THE STARTING POINT TO
22 BUILD THE ACCELERATING ENGINE.

23 IN REVIEWING THE APPLICATIONS, THE GRANTS
24 WORKING GROUP AND REVIEWERS WERE ASKED TO LOOK AT
25 REVIEW CRITERIA WHICH I'LL REVIEW SHORTLY -- WHICH

BARRISTERS' REPORTING SERVICE

1 I'LL GO OVER SHORTLY. BUT IN ADDITION, BASED ON THE
2 PRELIMINARY REVIEW OF THE FULL APPLICATIONS WHICH
3 WERE FIRST SUBMITTED IN MARCH, THE FOLLOWING
4 QUESTIONS WERE POSED TO THE APPLICANTS IN JULY AND
5 ARE HOW WILL THIS AWARD ACCELERATE AND IMPROVE YOUR
6 LEAD CLINICAL TRIALS? WHAT WOULD BE THE BENEFIT TO
7 SUBSEQUENT CLINICAL TRIALS CONDUCTED AT YOUR SITE?
8 HOW WILL YOUR ABILITY TO RECRUIT NEW TRIALS BE
9 IMPROVED? AND WHAT METRICS WILL BE USED TO MEASURE
10 SUCCESS?

11 NOW, ALL THESE COMPONENTS SHOULD HAVE BEEN
12 WITHIN THE ORIGINAL APPLICATION. THESE ARE ASKED
13 SPECIFICALLY OF THE APPLICATIONS TO ELUCIDATE THE
14 VALUE OF THEIR PROPOSALS. AND THE REVIEWERS WERE
15 INSTRUCTED TO TAKE THESE RESPONSES INTO
16 CONSIDERATION AND INTO ACCOUNT WHEN EVALUATING THE
17 APPLICATIONS.

18 THE SCOPE OF ACTIVITIES FUNDED BY RFA
19 13-06 FOR THE ALPHA CLINIC SITES INCLUDES CLINICAL
20 OPERATIONAL SUPPORT, WHICH INCLUDES PATIENT
21 RECRUITMENT, SCREENING, AND ENROLLMENT, CLINICAL
22 TRIAL MONITORING, PATIENT COORDINATION AND
23 SCHEDULING, SITE DATA MANAGEMENT, INTEGRATED AND
24 COORDINATED ACTIVITIES WITH THE OTHER ALPHA CLINIC
25 SITES AND COMPONENTS OF THE NETWORK TO SUPPORT THE

BARRISTERS' REPORTING SERVICE

1 CONDUCT OF THE LEAD CLINICAL TRIALS AND A PIPELINE
2 AND FUTURE TRIALS.

3 OUT-OF-SCOPE ACTIVITIES NOT FUNDED BY RFA
4 13-06 INCLUDE THE CONSTRUCTION OF NEW OR RENOVATED
5 FACILITIES, PRECLINICAL RESEARCH, INCLUDING
6 IND-ENABLING STUDIES, PROCESS DEVELOPMENT OR
7 MANUFACTURING, AND DIRECT PATIENT COSTS,
8 HOSPITALIZATION, PHARMACY, LABS, PROCEDURES,
9 SURGERIES.

10 THE REVIEW CRITERIA THAT WERE PROVIDED AS
11 GUIDANCE FOR THE GRANTS WORKING GROUP REVIEWERS ARE
12 LISTED. THE REVIEWERS ARE ASKED TO EVALUATE AND
13 MEASURE THE RESPONSIVENESS OF THE APPLICATIONS TO
14 THE RFA; NAMELY, TO THE GOALS AND OBJECTIVES OF THE
15 RFA, TAKING INTO CONSIDERATION ALSO THE RESPONSES TO
16 THE SUPPLEMENTAL QUESTIONS WHICH REALLY DRIVE AT
17 THAT RESPONSIVENESS. INSTITUTIONAL SUPPORT AND
18 SUSTAINABILITY PLAN, THE STRENGTH OF THE IN-KIND
19 SUPPORT, MATCHING CONTRIBUTIONS, HOW THEY PROPOSE TO
20 LEVERAGE EXISTING CORE RESOURCES AND ASSETS, AND A
21 CONVINCING SUPPORT FOR THE PROGRAM DIRECTOR'S ROLE
22 AND COMMITMENT TO MAINTAINING THE CLINIC DURING THE
23 FIVE YEARS OF FUNDING AND BEYOND.

24 THE STRENGTH OF THE ALPHA CLINIC STEM CELL
25 CLINIC TEAM WAS ALSO TAKEN INTO CONSIDERATION, AND

BARRISTERS' REPORTING SERVICE

1 THAT IS THEIR TRACK RECORD IN THE REGULATED SPACE IN
2 SUCCESSFULLY COMPLETING AND CONDUCTING CLINICAL
3 TRIALS, BUT ALSO THE FIT BETWEEN THAT TEAM AND THE
4 PROPOSED LEAD CLINICAL TRIALS AS WELL AS THE
5 PROPOSED PIPELINE TRIALS.

6 THE STRENGTH OF THE OPERATIONAL PLAN AS
7 WELL AS THE TIMELY IMPLEMENTATION AND FEASIBILITY OF
8 SUCCESS OF THAT OPERATIONAL PLAN WERE ALSO
9 CONSIDERED IN THE REVIEW. AND AS COMPONENTS OF
10 THIS, THE ACTIVITIES RELATED TO THE PLAN AS WELL AS
11 THE ALIGNMENT AND THE APPROPRIATENESS OF THE BUDGET
12 WITH RELATION TO THESE ACTIVITIES WERE CONSIDERED IN
13 THE EVALUATION OF THESE APPLICATIONS.

14 IN ADDITION, THE APPLICANTS PROPOSED A
15 PIPELINE OF FUTURE ACTIVITIES AND THE FEASIBILITY
16 AND THE STRENGTH OF THEIR PLANS TO SCALE CAPACITY
17 AND SUPPORT THE PIPELINE OF TRIALS IN GROWING
18 INDICATIONS AND DISEASE TARGETS WAS ALSO CONSIDERED.

19 AS STATED IN THE ELIGIBILITY CRITERIA, THE
20 APPLICANTS WERE ASKED TO COME IN WITH LEAD CLINICAL
21 TRIALS OF SUFFICIENT MATURITY. AND THOSE TRIALS
22 ACTUALLY HAVE COMMITTED SPONSORS AND FUNDERS, BUT
23 THE TRIALS WERE EVALUATED IN A WAY TO EVALUATE
24 WHETHER THEY WERE RELEVANT TO CIRM'S MISSION, THE
25 QUALITY OF THOSE TRIALS. DO THEY FIT WITHIN THE

BARRISTERS' REPORTING SERVICE

1 MISSION OF CIRM? DO THEY ADDRESS IMPORTANT UNMET
2 MEDICAL NEEDS? WHAT'S THE LIKELIHOOD OF SUCCESS?
3 AND ARE THEY FEASIBLY GOING TO BE ABLE TO EXECUTE ON
4 THE PLANNED TRIALS? AND IN ADDITION TO THE STRENGTH
5 OF THE TRIALS THEMSELVES, THE TRIALS WERE USED TO
6 EVALUATE THE TEAM IN TERMS OF THEIR ABILITY TO BRING
7 IN HIGH QUALITY TRIALS IN TERMS OF THEIR PLANS ON
8 EXECUTING ON THESE TRIALS, THE STRENGTH OF THAT, AND
9 ON THEIR JUDGMENT.

10 OVERALL SEVEN APPLICATIONS WERE REVIEWED
11 AT THAT GRANTS WORKING GROUP, EACH PROPOSING A
12 MINIMUM OF TWO LEAD CLINICAL TRIALS, AS WELL AS A
13 PIPELINE OF TRIALS IN A BROAD RANGE OF INDICATIONS
14 AND DISEASE AREAS AS LISTED HERE: THE NEUROLOGIC
15 DISEASES, METABOLIC DISORDERS, CARDIAC, PULMONARY,
16 VASCULAR DISEASE, HEMATOLOGIC DISORDERS, CANCER, AND
17 AIDS.

18 YOU'VE BEEN PROVIDED WITH A SUMMARY OF
19 SOME OF THE MAJOR POINTS OF DISCUSSION DURING THE
20 GRANTS WORKING GROUP MEETING. IN GENERAL, THE
21 GRANTS WORKING GROUP FELT THAT THERE WAS AN
22 INCREDIBLE AMOUNT OF STRONG INSTITUTIONAL COMMITMENT
23 AND ASSETS THAT ALL THE APPLICATIONS REALLY PUT
24 FORWARD THAT COULD REALLY BENEFIT THE CLINICAL TRIAL
25 NETWORK FOR THIS GOAL. THESE NOTWITHSTANDING, THE

BARRISTERS' REPORTING SERVICE

1 FOCUS OF THE REVIEW AND DISCUSSIONS WAS WHETHER THE
2 GIVEN PROJECT WOULD, IN FACT, ACCELERATE STEM CELL
3 THERAPEUTIC DEVELOPMENT AND WHETHER THE PROPOSED
4 PLANS AND RESOURCES WOULD ADD VALUE TO WHAT IS
5 ALREADY AVAILABLE.

6 THERE WAS SIGNIFICANT AMOUNT OF DISCUSSION
7 REGARDING ACCELERATING. WHAT REALLY IS BEING
8 ACCELERATED? AND WHAT'S OF VALUE OF WHAT'S BEING
9 PROPOSED WITH RESPECT TO THE LEAD CLINICAL TRIALS
10 AND WITH RESPECT TO FUTURE TRIALS? AND
11 SPECIFICALLY, IN MANY CASES, EVEN IF THE GRANTS
12 WORKING GROUP FELT THAT THE LEAD CLINICAL TRIALS,
13 WHICH ARE IN MANY CASES UNDER WAY OR ARE SMALL
14 TRIALS, MAY NOT NECESSARILY BE ACCELERATED ALTHOUGH
15 SUPPORT BY THE ALPHA CLINICS, THAT THIS WOULD BE THE
16 STARTING POINT TO BUILD RESOURCES AND ACCELERATING
17 RESOURCES AND VALUE THAT WOULD BENEFIT THE FUTURE
18 AND PIPELINE TRIALS.

19 IN ADDITION, THERE WAS A SIGNIFICANT
20 AMOUNT OF DISCUSSION REGARDING THE BUDGET.
21 SPECIFICALLY, THERE WAS CONCERN THAT SOME OF THE
22 PROPOSED BUDGETARY ITEMS MAY HAVE OVERLAP AND MAY
23 ALREADY BE COVERED BY THE SPONSOR AS CLINICAL
24 OPERATIONS-TYPE FUNCTIONS ARE ACTUALLY WITHIN
25 SPONSOR BUDGETS. SO THE GRANTS WORKING GROUP

BARRISTERS' REPORTING SERVICE

1 RECOMMENDED THERE THAT THERE BE A BUDGET REVIEW TO
2 DELINEATE THE NEW RESOURCES VERSUS THOSE THAT WOULD
3 ALREADY BE COVERED.

4 THE GRANTS WORKING GROUP MOTION, WHICH WAS
5 PASSED UNANIMOUSLY, IS SHOWN HERE. IN GENERAL, THE
6 GRANTS WORKING GROUP MOVED TO FORWARD TO THIS BOARD
7 THE FUNDING RECOMMENDATIONS WITH STIPULATIONS
8 REGARDING THE BUDGET AND TO BE RESPONSIVE TO THE
9 GRANTS WORKING GROUP MOTION OF REMOVING COORDINATING
10 AND INFORMATION MANAGEMENT CENTER COSTS, BECAUSE THE
11 COORDINATING CENTER RFA IS STILL UNDER DEVELOPMENT,
12 FROM THE BUDGET AND PREVENTING DUPLICATIVE CLINICAL
13 TRIAL SPENDING.

14 SO IN ANTICIPATION OF A CERTAIN AMOUNT OF
15 OVERLAP AND COSTS AND WITH THE REMOVAL OF THE CIMC
16 COSTS AND WITH A GOAL OF FUNDING CORE AND CRITICAL
17 PERSONNEL TO REALLY INITIATE AND OPERATIONALIZE
18 THESE ACCELERATING INFRASTRUCTURE AND SOURCES, CIRM
19 RECOMMENDS FUNDING THE TIER I APPLICATIONS WITH A
20 REQUIREMENT TO RECAST THE BUDGETS AND WITH A FUNDING
21 CAP OF \$8 MILLION PER AWARD.

22 SHOWN HERE ARE THE GRANTS WORKING GROUP
23 RECOMMENDATIONS. AS YOU CAN SEE, THERE ARE THREE
24 TIER I APPLICATIONS WHICH HAVE BEEN RECOMMENDED FOR
25 FUNDING, ONE TIER II APPLICATION, AND THREE TIER III

BARRISTERS' REPORTING SERVICE

1 APPLICATIONS WHERE THE RECOMMENDATION TO THE ICOC IS
2 NOT TO FUND THE TIER III.

3 MR. SHEEHY: THANK YOU, DR. MILAN. DR.
4 SAMBRANO.

5 DR. SAMBRANO: SO I WANTED TO JUST SIMPLY
6 INFORM THE BOARD THAT THIS MORNING THE APPLICANT FOR
7 APPLICATION AC1-07788 FILED AN APPEAL REQUEST BASED
8 ON A CONFLICT OF INTEREST. THEREFORE, WE'RE GOING
9 TO DEFER CONSIDERATION OF THAT APPLICATION UNTIL THE
10 NEXT BOARD MEETING IN ORDER FOR US TO EVALUATE THIS
11 REQUEST. SO THAT'S THE APPLICATION THAT'S ON TOP OF
12 TIER III, 7788.

13 MR. SHEEHY: THANK YOU, DR. SAMBRANO. ARE
14 THERE ANY QUESTIONS BEFORE WE START THE REVIEW?

15 DR. BRENNER: WHO CAN PARTICIPATE IN THIS
16 DISCUSSION?

17 MR. HARRISON: IT'S A VERY GOOD QUESTION,
18 DAVID. SO EVERY MEMBER OF THE BOARD CAN PARTICIPATE
19 IN THE DISCUSSION OF A SPECIFIC APPLICATION TO THE
20 EXTENT THAT YOU DON'T HAVE A CONFLICT WITH RESPECT
21 TO THAT APPLICATION. THE ONE IMPORTANT CAVEAT,
22 HOWEVER, IS THAT THE RECOMMENDATION FROM THE CIRM
23 TEAM WITH RESPECT TO THE \$8 MILLION BUDGET CAP
24 APPLIES TO ALL OF THE APPLICATIONS. SO IF YOU HAVE
25 AN INTEREST IN ANY APPLICATION, YOU WOULD BE

BARRISTERS' REPORTING SERVICE

1 PRECLUDED FROM ADDRESSING THAT ISSUE.

2 MR. SHEEHY: AS WE START, I THINK THE
3 FIRST MOTION THAT WE GENERALLY ENTERTAIN IN THIS
4 PROCESS, IS THERE A MOTION TO MOVE ANY APPLICATION
5 FROM TIER III TO TIER I?

6 THE SECOND WE USUALLY DO, ARE THERE ANY
7 MOTIONS TO MOVE AN APPLICATION FROM TIER I INTO TIER
8 III?

9 IS THERE A MOTION TO MOVE ANY APPLICATION
10 FROM TIER II TO TIER I?

11 SEEING NONE, IS THERE A MOTION TO FUND
12 APPLICATIONS IN TIER I AND NOT TO FUND THE REMAINING
13 APPLICATIONS?

14 DR. PRIETO: SO MOVED.

15 MR. SHEEHY: IS THERE A SECOND?

16 DR. PRIETO: I'M SORRY. I CAN'T MAKE THAT
17 MOTION.

18 MR. SHEEHY: I THINK WE NEED SOMEBODY
19 WITHOUT A CONFLICT.

20 DR. HIGGINS: SO MOVED.

21 MR. SHEEHY: I THINK IT'S MOVED BY MR.
22 HIGGINS AND SECONDED BY DR. DULIEGE.

23 ANY PUBLIC COMMENT? SHE HAS A CONFLICT.
24 SO DO WE HAVE A SECOND?

25 MS. MILLER: I'LL SECOND.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: THANK YOU, MS. MILLER. SO WE
2 HAVE THE MOTION BY MR. HIGGINS AND THE SECOND BY
3 MS. MILLER. ANY PUBLIC COMMENT? AND, JAMES, CAN,
4 YOU GIVE US -- ARE THERE ANY PARAMETERS FOR PUBLIC
5 COMMENT? IS THERE A TIME LIMIT?

6 MR. HARRISON: PUBLIC COMMENT IS LIMITED
7 TO THREE MINUTES PER SPEAKER.

8 MR. SHEEHY: THANK YOU.

9 MR. HENRY: SO MY NAME IS TIM HENRY, AND I
10 AM CHIEF OF CARDIOLOGY DIVISION AT CEDARS-SINAI AND
11 THE PROJECT DIRECTOR FOR THE CEDARS ALPHA CLINIC,
12 WHICH IS THE TIER II. I WANT TO THANK YOU FOR THIS
13 OPPORTUNITY TO SPEAK. AND I'D LIKE TO EMPHASIZE
14 FOUR KEY POINTS. FIRST, OUR APPLICATION IS, I
15 THINK, UNIQUE AND COMPLEMENTARY TO THE TIER I
16 APPLICATIONS. IN PARTICULAR, THE FOCUS ON
17 CARDIOVASCULAR DISEASE AND NEUROMUSCULAR DISEASE IS
18 UNIQUE AMONGST THE APPLICATIONS.

19 CARDIOVASCULAR DISEASE IS BY FAR THE NO. 1
20 CAUSE OF MORBIDITY AND MORTALITY IN THE UNITED
21 STATES AND IN CALIFORNIA. OVER 50 PERCENT OF THE
22 PEOPLE IN THE UNITED STATES WILL DIE FROM
23 CARDIOVASCULAR DISEASE. AND IN PARTICULAR, THAT
24 INCLUDES A LOT -- THE MAJORITY OF WHICH ARE FOCUSED
25 FOR REGENERATIVE DISEASES. HEART FAILURE,

BARRISTERS' REPORTING SERVICE

1 MYOCARDIAL INFARCTION, REFRACTORY ANGINA, PERIPHERAL
2 ARTERIAL DISEASE, AND STROKE ARE ALL KEY TARGETS FOR
3 REGENERATIVE MEDICINE. IN PARTICULAR, HEART FAILURE
4 IS ARGUABLY THE LARGEST BURDEN OF DISEASE IN THE
5 UNITED STATES. AND AT CEDARS WE HAVE REALLY THE
6 LARGEST ADVANCED HEART PROGRAM IN THE WORLD.

7 OUR SECOND FOCUS IS ON NEUROMUSCULAR
8 DISEASE, AND I'LL LET CLIVE SPECIFICALLY DEAL WITH
9 THAT.

10 THE SECOND POINT IS THAT IT'S
11 COMPLEMENTARY. WE HAVE AN EXTENSIVE EXPERIENCE
12 ACTUALLY WITH WORKING WITH OTHER NETWORKS, THE NIH
13 CELL THERAPY NETWORK, THE AHA MYOGENESIS GRANT, AND
14 IN PARTICULAR I'D LIKE TO FOCUS WE HAD A RECENT NIH
15 GRANT THAT ALLOWED US TO DEVELOP TRAINING MODULE FOR
16 RESEARCH COORDINATORS FOR CELL THERAPY. THAT
17 TRAINING MODULE IS NOW OPERATIONAL AND WE THINK
18 WOULD BE INVALUABLE FOR THE ALPHA CLINIC NETWORK.

19 THE SECOND KEY POINT IS OUR LEAD CLINICAL
20 TRIALS. BOTH OUR CIRM-FUNDED TRIALS, THE FIRST
21 ALLSTAR, ACTUALLY THE PHASE I HAS COMPLETED, AND
22 WITH POSITIVE RESULTS THAT WERE PRESENTED LAST
23 MONTH, AND THE PHASE II, WHICH IS CIRM-FUNDED, IS
24 ACTUALLY ENROLLING WELL.

25 AND FUNDING FOR THE ALPHA CLINIC IS

BARRISTERS' REPORTING SERVICE

1 ESSENTIAL TO ACCELERATE THE PROGRESS. ARGUABLY THAT
2 IS ACTUALLY THE TRIAL THAT'S FURTHEST ALONG IN THE
3 CIRM PIPELINE.

4 THE SECOND IS THE ALS TRIAL. I'LL, AGAIN,
5 LET CLIVE DEAL WITH THAT.

6 OUR THIRD KEY POINT IS THAT WE HAVE
7 EXTENSIVE EXPERIENCE, OVER 35 CLINICAL TRIALS, 12
8 DIFFERENT DISEASE TYPES, OVER 10 DISEASE PROCESSES,
9 SUCCESSFULLY OVERSEEING ENROLLMENT OF OVER 400
10 PATIENTS IN CLINICAL TRIALS THAT ARE SCIENTIFICALLY
11 SOUND AND WELL DESIGNED. WE THINK THAT THAT
12 EXPERIENCE WOULD BE INVALUABLE FOR THIS PROGRAM.

13 AND FOURTH, THE FUNDING IS CRITICAL. THE
14 FUNDING FOR US IS CRITICAL. WE ALREADY HAVE AN
15 OPERATIONAL REGENERATIVE MEDICINE CLINIC, AND WE
16 HAVE TWO LEAD TRIALS THAT ARE UNDER WAY, AND WE HAVE
17 AN EXTENSIVE PIPELINE. BUT THE FUNDING TO MEET THE
18 CURRENT DEMAND TO EXPAND OUR CURRENT PROGRAM AND TO
19 ACCELERATE THE PROGRESS, WE BELIEVE THE FUNDING IS
20 CRITICAL.

21 SO, IN SUMMARY, WE BELIEVE THAT OUR
22 APPLICATION IS UNIQUE AND COMPLEMENTARY. OUR LEAD
23 CLINICAL TRIALS ARE REALLY IMPORTANT TO THE SUCCESS
24 OF CIRM AND IMPORTANT FOR THE CITIZENS OF
25 CALIFORNIA. WE HAVE EXTENSIVE EXPERIENCE AND WE

BARRISTERS' REPORTING SERVICE

1 WILL SHARE IT.

2 FINALLY, THE FUNDING IS CRITICAL. WE WILL
3 BE GOOD STEWARDS OF THAT MONEY. AND WE THINK IT
4 WILL BE MONEY WELL SPENT FOR BOTH CITIZENS OF
5 CALIFORNIA AND FOR CIRM. SO THANK YOU VERY MUCH.

6 MR. SHEEHY: THANK YOU.

7 DR. MARBAN: I'M EDUARDO MARBAN. I'M THE
8 HEAD OF THE HEART INSTITUTE AT CEDARS-SINAI. I
9 DON'T HAVE A FIDUCIARY ROLE IN THIS APPLICATION, BUT
10 I'M VERY INVESTED IN ITS SUCCESS BECAUSE I THINK
11 IT'S VERY IMPORTANT THAT HEART DISEASE AND ADVANCED
12 NEUROLOGIC DISEASES, INCLUDING ALS, BE GIVEN AN
13 ABILITY TO BE REPRESENTED IN THIS IMPORTANT NETWORK.

14 THREE POINTS I WANT TO MAKE. ONE IS THAT
15 THE PI OF THIS APPLICATION IS RELATIVELY NEW TO
16 CALIFORNIA. HE'S BEEN HERE FOR A YEAR. HE CAME
17 LARGELY AS A RESULT OF THE PROMISE OF WHAT CIRM
18 MIGHT BE ABLE TO DO TO DELIVER STEM CELL TREATMENTS
19 AND ACCELERATE THE PROCESS. TIM CAN'T SAY THIS
20 ABOUT HIMSELF, BUT I CAN SAY THIS ABOUT HIM. HE'S
21 THE WORLD'S LEADING CLINICAL INVESTIGATOR IN
22 BIOLOGIC THERAPIES FOR HEART DISEASE. HE'S
23 RECRUITED MORE THAN 400 PATIENTS INTO ETHICAL,
24 RANDOMIZED, FDA-APPROVED CLINICAL TRIALS. HE IS OR
25 HAS BEEN ON OVER 20 -- HE IS THE PRINCIPAL

BARRISTERS' REPORTING SERVICE

1 INVESTIGATOR OR THE CO-PRINCIPAL INVESTIGATOR ON
2 OVER 20 BIOLOGIC THERAPY TRIALS FOR HEART DISEASE
3 AND IS SEEN AS REALLY THE ONLY PERSON IN HIS CLASS
4 IN CALIFORNIA. AND I THINK HE'S A WONDERFUL ASSET
5 THAT WOULD BE GREAT TO BRING INTO THE CIRM
6 PORTFOLIO.

7 SECONDLY, IF WE LOOK AT WHAT THE GRANTS
8 WORKING GROUP SAID ABOUT OUR PROGRAM, THE ONLY
9 SUBSTANTIVE CRITICISM IS THAT WE DIDN'T NEED THE
10 MONEY. I THINK IT'S UNFAIR TO JUDGE US BY A
11 STANDARD IN WHICH WE'VE MANAGED TO BE
12 ENTREPRENEURIAL AND SHEPHERD OUR EXISTING RESOURCES
13 BY SOMETIMES TAKING PEOPLE OFF ONE PROJECT AND
14 PUTTING THEM ONTO ANOTHER TO KICK START IT, AND TO
15 EQUATE THAT EARLY SUCCESS WITH SUSTAINABILITY AND
16 DEDICATED STAFF WHICH WOULD MAKE A HUGE DIFFERENCE
17 TO THE IMPACT OF OUR PROGRAM. I CAN GUARANTEE YOU
18 THAT THAT INVESTMENT WOULD ACTUALLY FULFILL CIRM'S
19 MISSION OF GETTING NEEDY PATIENTS INTO -- TO
20 ACCELERATING THE DEVELOPMENT OF STEM CELL TREATMENTS
21 FOR NEEDY PATIENTS. AND I DO THINK THAT WE DO SO IN
22 AN EFFICIENT MANNER.

23 AND FINALLY, I THINK THE REPRESENTATION OF
24 A VERY ACTIVE ALS PROGRAM BY AN INVESTIGATOR THAT
25 NOT ONLY HAS EXTENSIVE ALS EXPERIENCE, BUT VERY,

BARRISTERS' REPORTING SERVICE

1 VERY MEANINGFUL EXPERIENCE IN PARKINSON'S DISEASE
2 WOULD BE A HUGE ASSET TO THE NETWORK. IN THAT
3 SPIRIT, I'LL TURN IT OVER TO CLIVE SVENDSEN.

4 DR. SVENDSEN: THANKS VERY MUCH, EDUARDO.
5 I THINK FROM THAT WE'RE A VERY SUBSTANTIAL TEAM AT
6 CEDARS-SINAI. IT'S A LEADING HOSPITAL. IT HAS ALL
7 THE FACILITIES THAT WE NEED TO TAKE IT FORWARD, BUT
8 ONE OF THE KEYS IS INFRASTRUCTURE AND THE ABILITY TO
9 HAVE CONSISTENT STAFF IN PLACE TO ALLOW THESE MANY
10 TRIALS TO GO THROUGH.

11 WE HAVE A LOT OF PIPELINE TRIALS. SOME OF
12 YOU HEARD ABOUT A MACULAR DEGENERATION TRIAL THAT
13 WOULD VASTLY BENEFIT FROM THIS INFRASTRUCTURE. OUR
14 SKELETAL PROGRAM RUN BY DAN GAZIT HAS TWO EARLY
15 TRANSLATIONAL CIRM AWARDS WAITING TO GO INTO THAT
16 PIPELINE FOR BONE FRACTURES AND OSTEOPOROSIS.

17 I THINK THE POTENTIAL FOR NEUROLOGICAL
18 DISEASES IS VERY LARGE AT OUR INSTITUTION. WE
19 ALREADY HAVE A DISEASE TEAM GRANT FOR ALS. WE'RE
20 VERY HAPPY TO SAY WE HAVE A FANTASTIC CELL PRODUCT
21 NOW; AND BY THIS TIME NEXT YEAR, WE SHOULD BE GOING
22 INTO PATIENTS. IT'S GONE THROUGH THE CDAP LAST
23 WEEK. AT THE TIME OF THE GRANTS SUBMISSION, WE
24 DIDN'T HAVE THE CELLS READY, AND I THINK THAT
25 PROBABLY WOULD HAVE PROBABLY INFLUENCED PERHAPS

BARRISTERS' REPORTING SERVICE

1 SOMEWHAT THE DECISION THAT WAS MADE. SO WE NOW HAVE
2 A CELL PRODUCT.

3 THE ALS TRIAL IS A LEAD TRIAL. WE HAVE A
4 PLATFORM OF CELLS THAT WE WANT TO PUT INTO PATIENTS
5 WITH PARKINSON'S DISEASE. I HAVE A LOT OF
6 EXPERIENCE IN THAT AREA, AND IT WOULD BE A SIMPLE
7 NEXT STEP TO DO THAT. AND, AGAIN, THIS IS BUILDING,
8 THIS IS ACCELERATING MOVEMENT OF THESE CELLS INTO
9 PATIENTS, BUT WE NEED THE INFRASTRUCTURE OF THIS
10 ALPHA STEM CELL CLINIC. AND I THINK WE'RE ALL VERY
11 EXCITED ABOUT IT. WE'RE IN THAT GRAY ZONE IN THE
12 MIDDLE THAT I THINK SAID COULD BE PULLED OUT. I
13 THINK BEING IN THAT GRAY ZONE, I REALLY IMPLORE YOU
14 TO THINK CAREFULLY ABOUT THIS BECAUSE THE ABILITY TO
15 ACCELERATE MEANS NOT JUST ACCELERATE WITHIN A
16 DISEASE, BUT ACCELERATE ACROSS DISEASE.

17 WE'RE READY AND ABLE TO MOVE INTO
18 PARKINSON'S DISEASE AND HUNTINGTON'S DISEASE. WE'LL
19 UTILIZE THESE RESOURCES, BUT WE NEED THE ALPHA STEM
20 CELL CLINIC. WE'RE EXTREMELY EXCITED ABOUT THIS
21 CONCEPT. AND I THINK HAVING THAT CREW ON BOARD AT
22 CEDARS-SINAI IS GOING TO HELP US. THANK YOU.

23 MR. SHEEHY: THANK YOU, DR. SVENDSEN. ANY
24 OTHER PUBLIC COMMENT?

25 MR. TORRES: DR. MILLS, AS YOU KNOW, I'M

BARRISTERS' REPORTING SERVICE

1 VERY SUPPORTIVE OF YOUR 2.0 APPROACH. HOW WOULD
2 THIS PARTICULAR APPLICATION FIT INTO THE NEW
3 PROCESS? WOULD THEY BE ABLE TO COME BACK AND AMEND?
4 WOULD THEY ABLE TO HAVE ANOTHER OPPORTUNITY WHEN
5 MORE INFORMATION IS AVAILABLE? WHAT OPTIONS ARE
6 AVAILABLE IF WE REJECT TODAY, BUT TOMORROW?

7 DR. MILLS: SO THIS PROGRAM ISN'T UNDER
8 THE 2.0 PROGRAM BECAUSE IT'S -- WELL, 2.0 IS NOT
9 LAUNCHED YET, ONE. AND, TWO, THIS IS A SPECIFIC
10 RFA. AND SO IT WOULDN'T BE PART OF THAT PROCESS.

11 MR. SHEEHY: ADDITIONAL PUBLIC COMMENT?

12 DR. WUN: MY NAME IS TED WUN. I'M
13 ASSOCIATE DEAN FOR RESEARCH AT UC DAVIS AS WELL AS
14 CHIEF OF DIVISION -- MY NAME IS TED WUN. I'M THE
15 CHIEF OF HEMATOLOGY ONCOLOGY AT UC DAVIS AS WELL AS
16 ASSOCIATE DEAN FOR RESEARCH AND ASSOCIATE DIRECTOR
17 OF OUR CTSA. I APPRECIATE THE OPPORTUNITY TO
18 ADDRESS THE ICOC TODAY.

19 I'M REPRESENTING THE UC DAVIS HEALTH
20 SYSTEM ALONG WITH JAN NOLTA, WHO WILL ALSO MAKE A
21 FEW COMMENTS.

22 WE RESPECTFULLY ASK FOR RECONSIDERATION OF
23 OUR PROPOSAL. WE UNDERSTAND THE DIFFICULT TASK OF
24 REVIEWING GRANT PROPOSALS, APPRECIATE THE TIME
25 INVOLVED, AND ALSO RESPECT THE PEER REVIEW PROCESS.

BARRISTERS' REPORTING SERVICE

1 NONETHELESS, WE'RE CONCERNED WE DID NOT EFFECTIVELY
2 COMMUNICATE THE MAJOR ADVANTAGES OF UC DAVIS AND
3 TAKE THE OPPORTUNITY TO ADDRESS THE MAJOR CONCERNS.
4 THESE WERE LACK OF FOCUS IN OUR BROAD PORTFOLIO AND
5 LOW POTENTIAL, THEREFORE AT LEAST INTERPRETED, FOR
6 IMPACT. UNCERTAINTY AS TO THE ADVANTAGE GAINED FROM
7 ADDITIONAL PERSONNEL THAT WOULD BE ADDED BY THE
8 ALPHA CLINIC, A CONCERN THAT WE WERE MERELY MOVING
9 PEOPLE AROUND AT UC DAVIS WHO ARE ALREADY ENGAGED IN
10 OUR VERY ACTIVE PROGRAM. AND AN OVERCOMMITMENT BY
11 THE PROGRAM DIRECTOR WHICH WOULD BE ME.

12 WE FEEL THAT THE BREADTH AND DEPTH OF OUR
13 PORTFOLIO WITH LEAD CLINICAL TRIALS AND TO 28 TOTAL
14 PIPELINE TRIALS ONGOING WILL OPTIMIZE THE LIKELIHOOD
15 ACTUALLY OF SUCCESS AND IMPACT FOR CIRM.

16 OUR DIVERSE MIX OF CIRM INSTITUTIONAL
17 FOUNDATION AND INDUSTRY-SPONSORED STUDIES, WE FEEL,
18 LEADS TO THE MOST LIKELY POSSIBILITY OF A POSITIVE
19 CLINICAL TRIAL AND SUSTAINABILITY OF OUR CLINICAL
20 TRIAL PROGRAM.

21 AS PER THE AUGMENTED PERSONNEL, THE ALPHA
22 CLINIC WOULD ALLOW US TO ACCELERATE, A WORD USED
23 OFTEN TODAY, THE CLINICAL TRIAL CONDUCT. AS WE
24 KNOW, THE CHALLENGES TO CLINICAL STEM CELL TRIALS
25 ARE NOT JUST TECHNICAL AND SCIENTIFIC, BUT INCLUDE

BARRISTERS' REPORTING SERVICE

1 RECRUITMENT, ETHICAL, REGULATORY, AND CONTRACTUAL
2 ISSUES. WE PROPOSE TO REALLOCATE ALREADY
3 EXPERIENCED PERSONNEL SO THEY COULD DEVOTE 100
4 PERCENT OF THEIR EFFORT TO THE STEM CELL TRIALS.
5 NEW PERSONNEL WOULD ACTUALLY THEN BE BACKFILLED
6 RATHER THAN BEING REDUNDANT.

7 FINALLY, THERE'S THE ISSUE OF MY
8 COMMITMENT. I READILY ADMIT THAT IF WE HAD GOTTEN
9 THIS OR WE GET THIS GRANT, I WOULD BE OVERCOMMITTED.
10 AND WE HAD STATED THAT I WOULD GET RID OF SOME
11 RESPONSIBILITIES IF AWARDED, BUT APPARENTLY IT WAS
12 NOT SPECIFIC ENOUGH. SO I WILL SAY WITH REGARD TO
13 THE CTSA AWARD, I WILL ELIMINATE MY EFFORT THERE AND
14 ALSO LOWER MY VA COMMITMENT TO BE ABLE TO ALLOCATE
15 THE FULL COMMITMENT TO THE ALPHA CLINIC, WHICH WAS
16 30 PERCENT ON THE GRANT.

17 SO WE HOPE THAT THIS ADDS CLARITY TO WHAT
18 OUR VISION WAS, EMPHASIZES THE EXTREMELY STRONG
19 COMMITMENT OF UC DAVIS TO STEM CELL RESEARCH. AND,
20 ONCE AGAIN, I APPRECIATE THE OPPORTUNITY TO ADDRESS
21 THE OVERSIGHT COMMITTEE.

22 DR. NOLTA: I'M JAN NOLTA, AND I'M THE
23 DIRECTOR OF THE STEM CELL PROGRAM AT UC DAVIS. AND
24 ALTHOUGH I WOULD ONLY BE AN ADVISOR TO THIS GRANT,
25 IF WE WERE LUCKY ENOUGH TO BE AWARDED, I JUST WANTED

BARRISTERS' REPORTING SERVICE

1 TO SAY A COUPLE OF THINGS TODAY ABOUT THE
2 OUTSTANDING PROGRAM THAT WE HAVE AND TO ASK YOU TO
3 PLEASE RECONSIDER.

4 SO WE HAVE HAD SOME EXCITING NEWS SINCE WE
5 PUT IN EVEN THE UPDATES IN JULY THAT WE WANTED TO
6 BRING TO YOUR ATTENTION. WE HAD PROPOSED FIVE LEAD
7 CLINICAL TRIALS, AND I GUESS THE REVIEWERS WEREN'T
8 AS EXCITED ABOUT THOSE, EVEN THOUGH TWO OF THEM HAD
9 RANKED VERY HIGHLY AS CIRM PROJECTS. BUT SINCE THAT
10 TIME, WE HAVE HAD A VERY FAVORABLE FDA REVIEW OF OUR
11 HIV PROJECT. IT'S A STEM CELL GENE THERAPY PROJECT.
12 WE HAVE THREE VERY MINOR THINGS TO BE PUT BACK INTO
13 THE FDA THIS WEEK AND HOPE THAT THE TEMPORARY
14 CLINICAL HOLD WILL BE QUICKLY RESOLVED, AND THAT
15 MEANS THAT WE'LL BE TREATING PATIENTS IN EARLY 2015
16 WITH A VERY EXCITING SELECTABLE MARKER NOVEL GENE
17 THERAPY. AND WE'RE EXTREMELY EXCITED ABOUT THAT AND
18 HAVE IT PATENTED.

19 SO WE ALSO HAVE THE SECOND LARGEST GMP
20 FACILITY IN THE STATE. NOT ALL CLINICAL PRODUCTS
21 CAN BE FROZEN AND SHIPPED OUT. SOME HAVE TO BE
22 TRANSDUCED FRESH OR HANDLED FRESHLY. SO WITH OUR 33
23 COUNTY CATCHMENT AREA AT UC DAVIS, WE CAN BRING
24 THERAPIES TO A LOT OF PATIENTS THAT COME TO US,
25 ESPECIALLY THROUGH THIS STATE-OF-THE-ART GOOD

BARRISTERS' REPORTING SERVICE

1 MANUFACTURING PRACTICE FACILITY.

2 SO I'D LIKE TO JUST POINT OUT THAT FOR US
3 IT'S NOT THE MONEY THAT'S SO IMPORTANT. WELL, IT
4 IS. OUR DEANS WOULD SAY IT IS, BUT WE REALLY WANT
5 TO BE A PART OF THIS NETWORK. WE REALLY WANT TO
6 HAVE THE BRAND OF CIRM CENTER OF EXCELLENCE. WE'VE
7 BEEN DEVOTING OUR LIVES TO THIS SINCE CIRM STARTED.
8 WE HAVE A LIST IN YOUR BINDERS OF OUR TRIALS IN THE
9 PIPELINE. WE HAVE 28, TEN OF THEM CURRENTLY ONGOING
10 OR JUST COMPLETED, THE OTHERS IN THE PIPELINE. WE'D
11 LIKE TO BE A PART OF THIS. WE WOULD LIKE TO ASK YOU
12 TO PLEASE CONSIDER FUNDING US FOR AT LEAST THE
13 FISCAL YEAR AND SEE HOW WE DO AND IF WE MEET OUR
14 MILESTONES. THANK YOU.

15 MR. SHEEHY: THANK YOU, DR. NOLTA. IS
16 THERE ANY ADDITIONAL PUBLIC COMMENT?

17 MR. HARRISON: I JUST WANTED TO MAKE A
18 COMMENT BEFORE YOU GO ON TO THE MOTION, JUST A
19 CLARIFICATION. WE ASSUME THAT THE MOTION EXCLUDES
20 APPLICATION AC 1-07788, WHICH WAS DEFERRED PENDING
21 CONSIDERATION OF THE APPEAL.

22 MR. SHEEHY: OKAY. SO, MS. BONNEVILLE,
23 ARE YOU READY TO CALL THE ROLL?

24 PERHAPS COUNSEL CAN ADVISE US AS TO FORM
25 IN WHICH TO REPLY.

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: WITH ALL OUR OMNIBUS
2 MOTIONS, MEMBERS WHO HAVE AN INTEREST IN AN
3 APPLICATION WITHIN THE ALPHA CLINIC PROGRAM SHOULD
4 VOTE YES OR NO EXCEPT FOR THOSE APPLICATIONS IN
5 WHICH YOU HAVE A CONFLICT.

6 DR. DULIEGE: BEFORE WE GET TO VOTE, I'D
7 LIKE TO HEAR, RANDY, YOUR OPINION ABOUT THE --
8 BEFORE WE GET TO VOTE, I'D LIKE, RANDY, IF YOU WANT
9 TO COMMENT ON THE OUTCOME OF THE PROCESS AND SOME OF
10 THE COMMENTS THAT YOU HEARD FROM THE PUBLIC. THAT
11 WOULD BE VERY HELPFUL. THANK YOU.

12 DR. MILLS: SO JUST TO GET TO IT, I'M MORE
13 INTERESTED IN, FROM CIRM'S STANDPOINT, ARE WE
14 CONDUCTING A FAIR AND OPEN PROCESS? WE HELD A
15 GRANTS WORKING GROUP. THAT WORKING GROUP, THERE WAS
16 A ROBUST DISCUSSION. THERE WERE MANY MEMBERS OF THE
17 BOARD WHO WERE PRESENT AT IT. THE WORKING GROUP
18 MEMBERS CAME OUT WITH THESE RECOMMENDATIONS, AND THE
19 RECOMMENDATION FROM CIRM IS TO FOLLOW THE
20 RECOMMENDATIONS OF THE GWG AS IT WAS A VALID
21 PROCESS.

22 MS. BONNEVILLE: ANN MARIE DULIEGE.

23 DR. DULIEGE: YES, EXCEPT FOR THOSE WITH
24 WHICH I HAVE CONFLICTS.

25 MS. BONNEVILLE: DAVID HIGGINS.

BARRISTERS' REPORTING SERVICE

1 DR. HIGGINS: YES.

2 MS. BONNEVILLE: STEVE JUELSGAARD. SHERRY
3 LANSING.

4 MS. LANSING: YES, EXCEPT FOR THOSE WITH
5 WHICH I HAVE CONFLICTS.

6 MS. BONNEVILLE: LAUREN MILLER.

7 MS. MILLER: YES.

8 MS. BONNEVILLE: JOE PANETTA. FRANCISCO
9 PRIETO.

10 DR. PRIETO: YES, EXCEPT FOR THOSE WITH
11 WHICH I HAVE CONFLICTS.

12 MS. BONNEVILLE: ROBERT QUINT.

13 DR. QUINT: YES, AND I HAVE NOT CONFLICTS.

14 MS. BONNEVILLE: AL ROWLETT. JEFF SHEEHY.

15 MR. SHEEHY: YES, EXCEPT FOR THOSE WITH
16 WHICH I HAVE CONFLICTS.

17 MS. BONNEVILLE: OS STEWARD.

18 DR. STEWARD: YES, EXCEPT FOR THOSE WITH
19 WHICH I HAVE CONFLICTS.

20 MS. BONNEVILLE: JONATHAN THOMAS.

21 CHAIRMAN THOMAS: YES.

22 MS. BONNEVILLE: ART TORRES.

23 MR. TORRES: AYE. I NEVER HAVE A
24 CONFLICT.

25 MS. BONNEVILLE: DIANE WINOKUR.

BARRISTERS' REPORTING SERVICE

1 MS. WINOKUR: YES.

2 MR. HARRISON: MOTION CARRIES.

3 MR. SHEEHY: OKAY. THEN I THINK THE NEXT
4 STEP HERE WOULD BE IS THERE A MOTION TO ACCEPT THE
5 CIRM TEAM'S RECOMMENDATION TO CAP THE BUDGETS
6 APPROVED AWARDS AT \$8 MILLION PER AWARD AND TO
7 REQUIRE THE AWARDEES TO RECAST THEIR BUDGETS
8 ACCORDINGLY?

9 MR. TORRES: SO MOVED.

10 MS. SHEEHY: SENATOR TORRES HAS MADE THE
11 MOTION. DO I HAVE A SECOND?

12 DR. HIGGINS: I'LL SECOND.

13 MR. SHEEHY: MR. HIGGINS HAS MADE A
14 SECOND. NOW, ONLY THOSE WHO HAVE APPROVED
15 APPLICATIONS ARE IN CONFLICT HERE, MR. HARRISON.

16 MR. HARRISON: CORRECT.

17 MR. SHEEHY: SO IS THERE ANY DISCUSSION
18 AMONGST THE BOARD ON THIS ISSUE?

19 DR. DULIEGE: CAN YOU JUST CLARIFY THE
20 REASON, THE RATIONALE TO RECAST THE BUDGET?

21 DR. MILLS: THERE'S TWO ELEMENTS. ONE IS
22 THE ORIGINAL APPLICATION INCLUDED FUNDING FOR
23 WORKING WITH THE COORDINATING CENTER. THAT WAS
24 STRIPPED OUT OF THAT RFA SO THAT THE FUNDING ITEMS
25 IN THERE ARE NO LONGER VALID. SO THAT'S ONE REASON

BARRISTERS' REPORTING SERVICE

1 THERE ARE COSTS IN THERE THAT NEED TO COME OUT.

2 THE SECOND WAS AN OBSERVATION MADE BY THE
3 GWG AND ACTUALLY PUT INTO THE MOTION WHERE THEY
4 RECOGNIZED THAT THERE WAS A FAIRLY SIGNIFICANT
5 OPPORTUNITY FOR DUPLICATION OF COSTS. AND THE
6 ACTUAL MOTION IS, THE ACTUAL MOTION THAT THE GWG
7 MADE INSTRUCTED CIRM TO PULL OUT THOSE COSTS. AND
8 SO WHAT WE WANT TO DO IS WE WANT TO HAVE THEM RECAST
9 THEIR BUDGET, AND WE ALSO WANT TO HAVE A CAP, JUST
10 FOR LOGISTICAL PURPOSES, THAT APPROXIMATES WHAT WE
11 THINK THE DUPLICATION OF COSTS WOULD BE, BUT STILL
12 LEAVE A SUBSTANTIAL AMOUNT OF MONEY FOR ACCELERATING
13 ACTIVITIES.

14 I'LL ALSO NOTE THAT FOR ANY NEAR-TERM
15 ISSUES, WE'RE NOT SAYING THEY CAN'T HAVE THE FIRST
16 FEW YEARS OF THEIR BUDGET GO EXACTLY THE WAY THEY
17 THOUGHT IT WAS, BUT THAT'S SOMETHING THEY SHOULD
18 PLAN FOR OVER THE COURSE OF THE ENTIRE FIVE YEARS.

19 MS. WINOKUR: WOULD YOU PLEASE REPEAT THE
20 MOTION?

21 MR. SHEEHY: SURE. THE MOTION IS TO
22 ACCEPT THE CIRM TEAM'S RECOMMENDATION TO CAP THE
23 BUDGET FOR APPROVED AWARDS AT \$8 MILLION PER AWARD
24 AND TO REQUIRE THE AWARDEES TO RECAST THEIR BUDGETS
25 ACCORDINGLY.

BARRISTERS' REPORTING SERVICE

1 IS THERE ADDITIONAL BOARD COMMENT? IS
2 THERE ANY PUBLIC COMMENT?

3 MR. ADAMS: HI. I'M JOHN ADAMS. I'M THE
4 PRINCIPAL INVESTIGATOR ON THE CONSORTIUM ALPHA STEM
5 CELL CENTER FROM UCLA AND UC IRVINE. RATHER THAN
6 HAVING AN ARBITRARY CAP PLACED ON THESE, I'D LIKE TO
7 TAKE DR. MILLS' SUGGESTION, THAT WE EMBRACE THE 2.0
8 AND ACTUALLY ALLOW THOSE TIER I PROPOSALS TO WORK
9 WITH THE CIRM TO FIGURE OUT EXACTLY WHERE THE
10 OVERLAPS ARE AND WHERE WE SHOULD CUT OUR BUDGETS.
11 AND IF THERE'S DUPLICATIVE EXPENSES, THOSE SHOULD
12 GO. BUT I THINK WE SHOULD BE ABLE TO WORK WITH THE
13 GRANTS WORKING GROUP TO BE ABLE TO DETERMINE EXACTLY
14 WHAT THOSE ARE IN WHICH ONE OF THE FUNDED GRANTS,
15 AND THEN WE'LL GO FROM THERE. SO THANK YOU FOR YOUR
16 CONSIDERATION OF MY PLEA.

17 DR. GOLUB: THANK YOU FOR THIS
18 OPPORTUNITY. I'M SIDNEY GOLUB, THE INTERIM DIRECTOR
19 OF THE UC IRVINE SUE AND BILL GROSS STEM CELL
20 RESEARCH CENTER. AND I WANT TO REITERATE WHAT MY
21 COLLEAGUE JOHN ADAMS SAID REGARDING THE BUDGETING
22 ISSUE.

23 THE \$8 MILLION CAP SEEMS QUITE ARBITRARY,
24 DOES NOT ALLOW US A CHANCE TO REALLY RECAST A BUDGET
25 TO MEET THE ISSUES BEING PRESENTED ABOUT DUPLICATION

BARRISTERS' REPORTING SERVICE

1 AND A COORDINATING CENTER FOR ITEMS THAT WEREN'T
2 DUPLICATIVE AND MAY RESULT IN CUTTING OF ITEMS THAT
3 WERE NEITHER DUPLICATIVE NOR RELATING TO THE
4 COORDINATING CENTER AND WILL RESULT IN THE LONG TERM
5 FOR ADDITIONAL REQUESTS FOR SUPPLEMENTARY OR
6 BRIDGING FUNDING TO THIS BOARD THAT MAY END UP
7 COSTING MORE MONEY. SO WE URGE A CONSIDERATION OF A
8 RECAST BUDGET, WHICH WE'RE COMPLETELY IN SUPPORT OF,
9 WITHOUT AN ARBITRARY \$8 MILLION CAP PER APPLICATION.

10 DR. PECKMAN: I'M STEVE PECKMAN. I'M THE
11 ASSOCIATE DIRECTOR OF THE BROAD STEM CELL RESEARCH
12 CENTER AT UCLA. AND I WANT TO THANK THE ICOC FOR
13 ACCEPTING OUR GRANT APPLICATION FOR THE ALPHA STEM
14 CELL CLINIC. AND I WANT TO INFORM YOU THAT IT'S
15 GOING TO BE A GREAT OPPORTUNITY FOR EVERYONE.

16 WHAT I WOULD LIKE TO REITERATE, THOUGH, IS
17 WHAT DR. ADAMS AND DR. GOLUB SAID IS THAT AN
18 ARBITRARY CAP UP \$8 MILLION ACTUALLY DOESN'T ALLOW
19 US TO ACHIEVE THE GOALS THAT WERE INTENDED BY THE
20 GRANTS WORKING GROUP, WHICH WAS TO ACTUALLY GO BACK
21 INTO THE INDIVIDUAL BUDGETS AND FIGURE OUT WHERE
22 THERE IS OVERLAP AND WHERE THERE WERE BUDGETARY
23 ITEMS THAT WERE PUT FORWARD FOR THE COORDINATING
24 CENTER.

25 SO, FOR EXAMPLE, IN OUR GRANT THERE WERE

BARRISTERS' REPORTING SERVICE

1 NO BUDGET ITEMS FOR THE COORDINATING CENTER BECAUSE
2 THAT WAS PART OF THE RFA. HOWEVER, I THINK WE ALSO
3 NEED TO ACKNOWLEDGE THAT THIS WAS QUITE A COMPLEX
4 RFA THAT ACTUALLY WAS CHANGED MIDWAY WHEN THE
5 COORDINATING CENTERS WERE PULLED OUT AFTER THE
6 APPLICATIONS WERE SUBMITTED. SO I WOULD REITERATE
7 WHAT DR. ADAMS POSITED, WHICH IS THIS IS A GREAT
8 OPPORTUNITY FOR US TO ENGAGE THE SPIRIT AND
9 PRINCIPLE OF CIRM 2.0, WHICH IS TO NEGOTIATE WITH
10 CIRM STAFF EXACTLY WHERE THAT OVERLAP EXISTS AND
11 WHERE THERE ARE BUDGET ITEMS FOR THE CIMC'S AND
12 REMOVE THOSE IMMEDIATELY. WE HAVE NO QUALMS WITH
13 THAT. BUT TO ALLOW THE GRANTS WHICH WERE VERY
14 TIGHTLY BUDGETED TO MOVE FORWARD WITH THEIR INITIAL
15 BUDGETS AND THEN RETRACT FROM THERE RATHER THAN
16 START WITH AN ARBITRARY \$8 MILLION CAP WHICH MAY OR
17 MAY NOT BE BASED IN THE REALITY OF THE BUDGETS THAT
18 WERE SUBMITTED. THANK YOU.

19 MR. TORRES: DR. MILLS, THERE'S BEEN SOME
20 DISCUSSION IN THE AIR IN THIS GEOGRAPHIC AREA UP
21 HERE ABOUT HOW ARBITRARY IS THE CAP? CAN IT BE
22 DISCUSSIONS LATER THAT MAYBE IT'S JUSTIFIED TO GO
23 BEYOND THE EIGHT MILLION?

24 DR. MILLS: SO OUR INTENT BY PUTTING ON A
25 CAP WAS TO BASICALLY COME UP WITH A PRACTICAL

BARRISTERS' REPORTING SERVICE

1 SOLUTION TO THE GWG'S RECOMMENDATION, WHICH IS TO GO
2 AND TEASE OUT. THE WAY THE BUDGETS WERE ORIGINALLY
3 DONE DIDN'T ALLOW US TO ACTUALLY GO THROUGH AND LINE
4 BY LINE ITEM CROSS THESE THINGS OUT. I THINK IT'S
5 IMPORTANT TO UNDERSTAND THESE ARE ACCELERATING
6 ACTIVITIES. THIS ISN'T BINARY. THIS ISN'T THEY CAN
7 OR THEY CAN'T DO THESE TRIALS. THIS IS WE'RE GOING
8 TO DO THIS -- WE'RE GOING TO SUPPLY THEM ADDITIONAL
9 FUNDS TO ACCELERATE THESE ACTIVITIES. AND SO AT
10 \$1.6 MILLION A YEAR, MOST OF WHICH, BY THE WAY, IS
11 PERSONNEL COSTS. SO AT \$1.6 MILLION A YEAR ON
12 AVERAGE, 300,000 A PERSON, IT'S ADDING FIVE PEOPLE
13 OF PURELY ACCELERATING ACTIVITIES TO THAT. THAT IN
14 CONJUNCTION WITH THE REMOVAL OF THE CIMC COSTS, WE
15 THINK, EQUATED TO A PRACTICAL SOLUTION TO THIS AND
16 TO BE RESPONSIVE TO THE GWG.

17 MR. TORRES: THANK YOU.

18 MR. SHEEHY: ANY FURTHER BOARD COMMENT?
19 ANY FURTHER PUBLIC COMMENT? MS. BONNEVILLE, COULD
20 YOU CALL THE ROLL?

21 MS. BONNEVILLE: ANN MARIE DULIEGE.

22 DR. DULIEGE: YES.

23 MS. BONNEVILLE: DAVID HIGGINS.

24 DR. HIGGINS: YES.

25 MS. BONNEVILLE: SHERRY LANSING.

BARRISTERS' REPORTING SERVICE

1 MS. LANSING: YES, EXCEPT FOR THOSE WITH
2 WHICH I HAVE CONFLICTS.

3 MS. BONNEVILLE: LAUREN MILLER.

4 MS. MILLER: YES.

5 MS. BONNEVILLE: JOE PANETTA. FRANCISCO
6 PRIETO.

7 DR. PRIETO: AYE.

8 MS. BONNEVILLE: ROBERT QUINT.

9 DR. QUINT: NO.

10 MS. BONNEVILLE: AL ROWLETT. JEFF SHEEHY.

11 MR. SHEEHY: YES.

12 MS. BONNEVILLE: OS STEWARD.

13 DR. STEWARD: YES, EXCEPT FOR THOSE WITH
14 WHICH I HAVE CONFLICTS.

15 MS. BONNEVILLE: JONATHAN THOMAS.

16 CHAIRMAN THOMAS: YES.

17 MS. BONNEVILLE: ART TORRES.

18 MR. TORRES: AYE.

19 MS. BONNEVILLE: DIANE WINOKUR.

20 MS. WINOKUR: YES.

21 MR. HARRISON: MOTION PASSES BY A VOTE OF
22 TEN TO ONE.

23 MR. SHEEHY: BACK TO YOU, CHAIR THOMAS.

24 CHAIRMAN THOMAS: THANK YOU, MR. SHEEHY.

25 ON TO THE NEXT ITEM, WHICH IS ITEM NO. 9,

BARRISTERS' REPORTING SERVICE

1 CONSIDERATION OF EXTENSION OF THE CREATIVITY AWARDS
2 PROGRAM. GOING TO START HERE WITH DR. MILLS.

3 DR. MILLS: SO I JUST WANT TO MAKE A BRIEF
4 COMMENT ABOUT THIS ITEM, THE CREATIVITY. WE HAVE
5 SPECIFIC PRESENTERS COME IN. I UNDERSTAND, BUT WAS
6 NOT PRESENT AT A BOARD MEETING HELD LAST DECEMBER,
7 THAT THESE TWO PROGRAMS WERE BROUGHT UP AND THAT AT
8 THE TIME THERE WAS A REQUEST FOR FUNDING THOSE
9 PROGRAMS FOR AN ADDITIONAL THREE YEARS, EXTENDING
10 FUNDING FOR THOSE PROGRAMS FOR ADDITIONAL THREE
11 YEARS. I ALSO UNDERSTAND AT THAT MEETING THAT THERE
12 WAS A REQUEST MADE FOR THOSE TO BE RECONSIDERED AND
13 SEE WHETHER OR NOT THEY WERE ESSENTIALLY RESPONSIVE
14 TO THE MISSION AND WERE AN EFFICIENT UTILIZATION OF
15 OUR FUNDS.

16 SPECIFICALLY LOOKING INTO THESE TWO
17 PROGRAMS AT A HIGH LEVEL, THERE SEEMS TO BE A
18 SIGNIFICANT AMOUNT OF BENEFIT THAT THESE TWO
19 PROGRAMS PROVIDE US. I WILL ALSO SAY THERE SEEMS TO
20 BE A SIGNIFICANT OPPORTUNITY FOR THESE PROGRAMS TO
21 BE OPTIMIZED, TO BE BETTER IN LINE WITH THE
22 FOUR-PART TEST THAT WE HAVE DEVELOPED.

23 THE ISSUE WE HAVE IS ONE OF BANDWIDTH.
24 AND WITH THE IMPLEMENTATION, THE DEVELOPMENT OF THE
25 IMPLEMENTATION OF CIRM 2.0, INTERNALLY WE HAVE NOT

BARRISTERS' REPORTING SERVICE

1 HAD SUFFICIENT TIME AND WE DON'T HAVE SUFFICIENT
2 RESOURCES TO WORK WITH A NUMBER OF INDIVIDUALS
3 INTERNALLY AND EXTERNALLY TO OPTIMIZE THESE TWO
4 PROGRAMS. AND SO THE OVERALL REQUEST THAT WE'RE
5 MAKING IS THAT WE PROVIDE A FUNDING EXTENSION FOR
6 THESE TWO PROGRAMS FOR ONE YEAR WITH A TOTAL COST OF
7 ABOUT \$9.5 MILLION DURING WHICH TIME WE WILL CREATE
8 A NEW CONCEPT PLAN THAT CAN BE OPTIMIZED, BRING THAT
9 BACK TO THE BOARD FOR CONSIDERATION, AND THEN
10 RECOMPETE THE AWARDS.

11 MR. TORRES: I JUST WANT TO SAY I THINK
12 THAT'S AN EXCELLENT OPPORTUNITY FOR US TO REVIEW THE
13 PROGRAMS. I HAVE TO SAY TO YOU THAT THE
14 CONSTITUTIONAL OFFICERS, ESPECIALLY STATE CONTROLLER
15 JOHN CHIANG, WHO, GOD WILLING, WILL BE OUR NEXT
16 TREASURER, IS VERY SUPPORTIVE OF THE BRIDGES
17 PROGRAMS, AS ARE MANY MEMBERS OF THE LEGISLATURE
18 BECAUSE THEY SEE WHAT IT PROVIDES TO YOUNG PEOPLE,
19 WHICH IS OUR FUTURE HERE AS STEM CELL SCIENTISTS IN
20 CALIFORNIA, AND ALSO WHAT THIS PROGRAM HAS DONE TO
21 ELEVATE MANY OF THESE YOUNG PEOPLE INTO REAL
22 POSITIONS WITHIN STEM CELL LABS IN CALIFORNIA.

23 SO I THINK THE REVIEW WILL COME BACK VERY
24 POSITIVE, AND I THINK THAT IT HAS DONE AN INCREDIBLE
25 JOB. AND I PERSONALLY MEET WITH MANY OF THE

BARRISTERS' REPORTING SERVICE

1 DIRECTORS AND THE STUDENTS, AND I AM ALWAYS
2 IMPRESSED WITH THE CALIBER OF THE PROFESSORS THAT
3 ARE RUNNING THESE PROGRAMS IN THEIR LABS AND HOW
4 IMPRESSIVE THESE YOUNG PEOPLE ARE.

5 CHAIRMAN THOMAS: THANK YOU, MR. SENATOR.
6 DR. VESSAL WILL PRESENT HERE.

7 DR. VESSAL: MR. CHAIRMAN, MEMBERS OF THE
8 BOARD, I'D LIKE TO FOLLOW UP ON DR. MILLS' OPENING
9 ON THE CREATIVITY PROGRAM SPECIFICALLY AT THIS
10 POINT, PROVIDING YOU WITH AN UPDATE OVERVIEW FOR THE
11 PAST THREE YEARS ON JUST THE OVERALL BIG PICTURE.

12 FOR THOSE WHO MAY NOT BE FAMILIAR WITH THE
13 PROGRAM, THE RFA SPECIFICALLY ADDRESSES A SUMMER
14 INTERNSHIP PROGRAM FOR HIGH SCHOOL STUDENTS ENTERING
15 THEIR JUNIOR AND SENIOR YEARS FOR THE EXTENT OF THE
16 SUMMER THAT WOULD BE ENROLLED IN THE FUNDED
17 INSTITUTION. NINE INSTITUTIONS WERE GRANTED THE
18 THREE-YEAR REQUEST FOR FUNDS FOR THIS RFA. AND AS
19 WE HAVE HERE, UP TO TEN INTERNS PER INSTITUTION WERE
20 ALLOWED TO BE ENROLLED EACH SUMMER FROM 2012 THROUGH
21 THE PAST SUMMER, THIS YEAR.

22 \$1.7 MILLION WAS APPROVED BY THE BOARD IN
23 2012, OF WHICH \$1.6 MILLION HAS BEEN SPENT IN ACTUAL
24 EXPENDITURE ON THIS PROGRAM.

25 THE COST FOR THE ONE-YEAR EXTENSION ON

BARRISTERS' REPORTING SERVICE

1 THIS PROGRAM WOULD BE APPROXIMATELY \$550,000 FOR ONE
2 YEAR.

3 FOR THE THREE YEARS COMBINED, WE HAVE 200
4 STUDENTS THAT HAVE BEEN ENROLLED AND TRAINED
5 THROUGHOUT THE SUMMER FROM ABOUT 45 HIGH SCHOOLS
6 THROUGHOUT THE DIFFERENT REGIONS, SOME OF WHICH HAVE
7 BEEN THE INNER SCHOOL DISTRICTS. THE OTHER CAVEAT
8 THAT WAS PLACED IN THE RFA WAS THAT AT LEAST 50
9 PERCENT OF THE INTERNS HAD TO BE ENROLLED FROM THE
10 SOCIOECONOMICALLY DISADVANTAGED BACKGROUND. AND
11 EVERY PROGRAM HAS ADHERED TO THAT AND HAS
12 SUCCESSFULLY ENROLLED THAT QUOTA VERY NICELY.

13 AND EACH SUMMER WE HOLD A SUMMER POSTER
14 PRESENTATION DAY AT THE END OF THE SUMMER WHEREBY
15 ALL OF THE STUDENTS FROM ALL OF THE NINE
16 INSTITUTIONS COME TOGETHER IN SOME HOTEL SOMEWHERE
17 IN SAN FRANCISCO TO KEEP THE COSTS LOWER SINCE CIRM
18 STAFF PARTICIPATES AND THEY PRESENT THEIR SCIENTIFIC
19 POSTERS. AND SOME OF THE BOARD MEMBERS HAVE BEEN
20 PRESENT THROUGHOUT THESE EVENTS.

21 WITH THAT, I HAVE ASKED ONE -- ACTUALLY
22 JUST PUT A CALL OUT TO ALL NINE INSTITUTIONS AND
23 FIRST COME, FIRST SERVE TO ASK JUST ONE OF THE
24 ENROLLED INTERNS TO VOLUNTEER AND COME AND ACTUALLY
25 SPEAK TO YOU SO THAT THEY CAN PROVIDE YOU THEIR

BARRISTERS' REPORTING SERVICE

1 PERSPECTIVE ON THE PROGRAM, NOT JUST OURS FROM THE
2 METRICS SIDE, AND HOW SUCCESSFUL IT'S BEEN, BUT ALSO
3 FROM THEIR PERSPECTIVE. AND USC WAS THE FIRST TO
4 ACTUALLY RESPOND AND HAS WONDERFULLY COORDINATED
5 THEIR EFFORTS TO BRING ONE OF THEIR STARS PROGRAM
6 KIDS -- I SAY KIDS BECAUSE I JUST AGE MYSELF.
7 SORRY -- DANIEL LIM IS ONE OF THE INTERN -- CODY
8 LIM. SORRY. APOLOGIES -- WHO IS HERE NOW. AND
9 ACTUALLY CAN I ASK YOU TO COME UP HERE. HE IS GOING
10 TO GIVE YOU ABOUT A TEN-MINUTE PRESENTATION BOTH ON
11 THE SCIENTIFIC ASPECT OF WHAT HE DID, MAYBE HE'LL
12 CUT IT SHORTER A LITTLE BIT HOPEFULLY, AND HIS
13 PERSPECTIVE ON THE PROGRAM OVERALL. SO IF THERE ARE
14 NO MORE QUESTIONS, I'LL PASS ON THE PODIUM TO CODY.

15 MR. LIM: GOOD MORNING TO MEMBERS OF THE
16 BOARD. THANK YOU FOR THE OPPORTUNITY TO ALLOW ME TO
17 SPEAK HERE. MY NAME IS CODY LIM. I AM A SENIOR AT
18 BRAVO MEDICAL MAGNET HIGH SCHOOL AS WELL AS A
19 RESEARCHER IN DR. PAULA CANNON'S LAB AT THE KECK
20 SCHOOL OF MEDICINE OF USC.

21 SO I JUST WANTED TO WELCOME YOU ALL TO THE
22 WONDERFUL CITY OF LOS ANGELES. AND JUST TO GIVE US
23 SOME CONTEXT AS TO WHERE WE ARE, AS YOU CAN SEE ON
24 THE MAP, HERE WE ARE IN SANTA MONICA AT THE
25 BEAUTIFUL SHERATON GATEWAY HOTEL. AND ABOUT 30

BARRISTERS' REPORTING SERVICE

1 MILES EAST FROM HERE YOU WILL FIND THE USC HEALTH
2 SCIENCES CAMPUS, AND ALMOST RIGHT NEXT TO IT IS MY
3 HIGH SCHOOL, BRAVO MEDICAL MAGNET HIGH SCHOOL.

4 SO FROM THE OUTSIDE, IT MAY SEEM JUST LIKE
5 YOUR TYPICAL ORDINARY HIGH SCHOOL, BUT ON THE INSIDE
6 IT'S ANYTHING BUT, AS IT'S FILLED WITH A WONDERFULLY
7 DIVERSE STUDENT BODY THAT IS ALL UNIFIED BY ONE
8 GOAL, THE PROGRESSION OF BIOMEDICAL RESEARCH THROUGH
9 RESEARCH AND EDUCATION. HOWEVER, THERE'S ONE
10 SIGNIFICANT OBSTACLE THAT BLOCKS MANY OF THESE
11 STUDENTS FROM BEING ABLE TO ACHIEVE THEIR DREAMS IN
12 BIOMEDICAL RESEARCH, AND IT IS THE FACT THAT
13 APPROXIMATELY 82 PERCENT OF THE STUDENTS AT OUR
14 SCHOOL COME FROM SOCIOECONOMICALLY DISADVANTAGED
15 BACKGROUNDS, AND ABOUT 72 PERCENT DO NOT SPEAK
16 ENGLISH AT HOME. SO AS YOU CAN SEE, MANY OF THESE
17 STUDENTS FACE SIGNIFICANT SOCIOECONOMIC AND CULTURAL
18 BARRIERS.

19 THANKFULLY THIS IS WHERE THE USC STAR
20 PROGRAM COMES IN. THIS PROGRAM IS A COLLABORATIVE
21 EFFORT BETWEEN USC AND BRAVO MEDICAL MAGNET TO ALLOW
22 HIGH SCHOOL STUDENTS TYPICALLY FROM EITHER UNDER
23 REPRESENTED OR AT-RISK DEMOGRAPHICS TO BE ABLE TO DO
24 RESEARCH AT USC. AND BEGINNING IN 2012, WITH
25 GENEROUS DONATIONS FROM CIRM, THAT'S YOU, WE HAVE

BARRISTERS' REPORTING SERVICE

1 NOW BEEN ABLE TO ALLOW HIGH SCHOOL STUDENTS TO
2 PERFORM CUTTING-EDGE STEM CELL RESEARCH AT ONE OF
3 THE LEADING RESEARCH INSTITUTIONS IN THE WORLD.

4 SO WHAT DID I DO AS PART OF THIS PROGRAM?
5 FIRST, WE BEGAN WITH A ONE-WEEK FAIRLY INTENSE STEM
6 CELL TRAINING COURSE IN WHICH WE LEARNED ABOUT ALL
7 THE VARIOUS TECHNIQUES NEEDED TO CULTURE AND STUDY
8 STEM CELLS, INCLUDING STEM CELL CULTURING,
9 DIFFERENTIATION, AS WELL AS CANCER CELL EXTRACTIONS.
10 THEN WE ATTENDED WEEKLY SCIENCE FORUMS TO LEARN MORE
11 ABOUT THE ADMINISTRATIVE ASPECTS OF SCIENTIFIC
12 RESEARCH, INCLUDING LITERATURE SEARCHES, FUND
13 RAISING, AND ETHICS.

14 FOLLOWING THIS, WE PRESENT OUR EXPERIENCES
15 TO A WIDE ARRAY OF AUDIENCES FROM LOCAL HIGH SCHOOL
16 STUDENTS TO WORLD-CLASS STEM CELL RESEARCHERS IN A
17 SERIES OF SEVERAL PRESENTATIONS, INCLUDING CIRM
18 CREATIVITY DAY IN AUGUST, THE STAR SYMPOSIUM IN
19 SEPTEMBER, STEM CELL AWARENESS DAY IN OCTOBER AT
20 USC'S BROAD CENTER FOR REGENERATIVE MEDICINE, AND
21 HERE RIGHT NOW.

22 AND I'VE ALSO BEEN WORKING IN DR. PAULA
23 CANNON'S LAB AT USC, AS I MENTIONED, WHERE I'M
24 CURRENTLY STUDYING GENE THERAPY IN HEMATOPOIETIC
25 STEM CELLS. AND IN THE SUMMER I HAD THE OPPORTUNITY

BARRISTERS' REPORTING SERVICE

1 TO WORK FOR 40-PLUS HOURS A WEEK TO STUDY STEM
2 CELLS, AND NOW I'M STUDYING FOR ABOUT TEN HOURS A
3 WEEK DURING MY 5TH AND 6TH PERIODS.

4 SO WHAT MY PROJECT EXACTLY IS IS WHAT I'M
5 DOING IS I'M TAKING BLOOD STEM CELLS OR
6 HEMATOPOIETIC STEM CELLS USING TWO TOOLS KNOWN AS
7 DESIGNER NUCLEASES AND AAV DONORS IN ORDER TO,
8 FIRST, CUT OUT AN UNDESIRED SEQUENCE IN
9 HEMATOPOIETIC STEM CELLS AND THEN USE THESE AAV
10 DONORS TO ACTUALLY DELIVER A GOOD SEQUENCE INTO THE
11 STEM CELL. WHAT'S COOL ABOUT THIS IS THAT AS THE
12 STEM CELL DIFFERENTIATES INTO THESE VARIOUS BLOOD
13 AND IMMUNE CELLS, THIS MODIFICATION CAN BE
14 MAINTAINED. FOR EXAMPLE, WHAT WE'RE WORKING ON IS
15 POTENTIALLY CREATING ENTIRE IMMUNE SYSTEMS THAT ARE
16 IMMUNE TO AIDS.

17 SPECIFICALLY WHAT I'M WORKING ON IS THE
18 DNA DELIVERY ASPECT IN THE AAV DONORS BY MODIFYING
19 BOTH THE INSIDES AND THE OUTSIDES OF THE VIRUS. AND
20 IN JUST THE PERIOD OF EIGHT WEEKS, I'VE BEEN ABLE TO
21 SUCCESSFULLY CREATE DNA TEMPLATES FOR BOTH THE
22 INTERNAL AND EXTERNAL MODIFICATIONS TO THE AAV, AND
23 THEY WILL BE TESTED SOON.

24 SO WHERE DO I GO FROM HERE? RIGHT NOW, AS
25 A HIGH SCHOOL SENIOR, I'M APPLYING FOR COLLEGES

BARRISTERS' REPORTING SERVICE

1 RIGHT NOW. AND FINGERS CROSSED, I'M HOPING TO HEAR
2 BACK FROM CALTECH FOR THEIR EARLY ADMISSIONS
3 DECISION. IN COLLEGE WHAT I WANT TO DO IS MAJOR IN
4 BIOLOGY AND COMPUTER SCIENCE AND COMBINE THESE TWO
5 FIELDS IN BECOMING A RESEARCHER AND USING STEM CELLS
6 TO COMBAT CANCER WITH THE COMBINATION OF COMPUTER
7 ALGORITHMS IN AN EXCITING FIELD CALLED CANCER
8 SYSTEMS BIOLOGY.

9 HOW CIRM STAR HAS ACTUALLY INFLUENCED MY
10 DECISION IS THAT IT REVEALED TO ME THE AMAZING WORLD
11 OF STEM CELL RESEARCH. AND I NOW KNOW ABOUT THE
12 ALMOST LIMITLESS POTENTIAL THAT STEM CELL RESEARCH
13 HAS IN ORDER TO HELP AND SOLVE THE PROBLEMS THAT
14 MANKIND FACES. AND AS A WHOLE, I'VE JUST FALLEN IN
15 LOVE WITH THE FIELD OF SCIENTIFIC RESEARCH.

16 OF COURSE, NONE OF THIS WOULD BE POSSIBLE
17 WITHOUT THE GENEROUS CONTRIBUTIONS FROM CIRM AND THE
18 USC STAR PROGRAM, DR. PAULA CANNON AND THE ENTIRE
19 CANNON LAB, MS. CHRISTINA ZEITOUNTSYAN, THE CIRM
20 STAR PROGRAM COORDINATOR, DR. ROBERTA BRINTON, THE
21 FOUNDER AND DIRECTOR OF THE CIRM STAR PROGRAM, THE
22 STAR TEACHER IN MS. GLENDA RAMIREZ DE LA CRUZ, MY
23 FELLOW CIRM STAR STUDENTS, AND ALL OF YOU FOR
24 HELPING MAKE THIS DREAM A REALITY. THANK YOU.

25 (APPLAUSE.)

BARRISTERS' REPORTING SERVICE

1 MR. TORRES: I WANT TO THANK YOU AGAIN.
2 AND I'VE HEARD YOUR PRESENTATIONS BEFORE, AND WE'RE
3 VERY, VERY PROUD OF YOU.

4 I ALSO WANTED THE BOARD TO KNOW THAT DR.
5 FRANCISCO BRAVO WAS A YOUNG FARM WORKER IN VENTURA
6 WHO CAME TO LOS ANGELES WITH A DREAM OF BECOMING A
7 MEDICAL DOCTOR. AND HE ESTABLISHED FOR THE FIRST
8 TIME THE FIRST LATINO DOCTOR IN EAST LOS ANGELES IN
9 MY DISTRICT IN BOYLE HEIGHTS. AND AS A YOUNG
10 ASSEMBLYMAN OF AGE 28, HE WAS MY MENTOR WHEN I
11 BECAME CHAIRMAN OF THE ASSEMBLY HEALTH COMMITTEE.

12 HE WAS A REAGAN APPOINTEE, SO IT WAS A
13 VERY BIPARTISAN RELATIONSHIP. BUT MORE THAN THAT,
14 FRANCISCO ALSO ESTABLISHED SCHOLARSHIPS FOR YOUNG
15 PEOPLE IN EAST LOS ANGELES IN THE HOPE THAT THEY
16 WOULD GO INTO THE MEDICAL FIELD.

17 SO THE NAME BRAVO IS VERY IMPORTANT TO ME
18 AND VERY IMPORTANT TO LATINO YOUNG DOCTORS ACROSS
19 THE AREA BECAUSE OF HIS CONTRIBUTIONS AND HIS
20 UNFAILING COMMITMENT TO A COMMUNITY THAT WAS IN
21 NEGLECT OF PRIMARY CARE PHYSICIANS. AND DR.
22 FRANCISCO BRAVO, WHO YOU NOW CARRY AS YOUR HIGH
23 SCHOOL, HAS A TREMENDOUS HISTORY, AND YOU WILL MAKE
24 HIS LEGACY PROUD.

25 MR. LIM: THANK YOU.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: CODY, THANK YOU VERY
2 MUCH. I THINK THE BOARD WILL READILY AGREE WITH THE
3 STATEMENT THAT WE'RE NOT GOING TO BET AGAINST YOU IN
4 THAT EARLY ADMISSIONS APPLICATION. IT WAS A MOST
5 INTERESTING PRESENTATION. I HAVE ACTUALLY HAD THE
6 PRIVILEGE OF GOING TO A CREATIVITY FUNCTION AT USC
7 AND HEARING PRESENTATIONS BY A NUMBER OF THE
8 STUDENTS, AND IT'S ALWAYS UNFAILINGLY IMPRESSIVE AND
9 VERY INTERESTING. SO IT'S GREAT TO HEAR THAT YOU
10 FEEL YOU'VE GOTTEN A LOT OUT OF THIS. WE'RE ROOTING
11 FOR YOU, NOT JUST IN YOUR CURRENT PROJECT, BUT IN
12 THOSE THAT WILL COME DOWN THE LINE. AND THANK YOU
13 FOR YOUR INTEREST IN THE FIELD.

14 MR. LIM: THANK YOU.

15 CHAIRMAN THOMAS: OKAY. WITH THAT, WE
16 NEED A MOTION. MR. HARRISON, WHAT SHOULD THE MOTION
17 BE PRECISELY?

18 MR. HARRISON: TO APPROVE AN EXTENSION OF
19 FUNDING FOR THE EXISTING CREATIVITY AWARDS FOR ONE
20 ADDITIONAL YEAR. AND I WOULD ASK THAT A MEMBER OF
21 THE APPLICATION REVIEW SUBCOMMITTEE WHO IS NOT IN
22 CONFLICT WITH RESPECT TO ANY OF THE EXISTING AWARDS
23 MAKE THAT MOTION.

24 MR. TORRES: SO MOVED.

25 CHAIRMAN THOMAS: MOVED BY SENATOR TORRES.

BARRISTERS' REPORTING SERVICE

1 SECONDED BY --

2 MS. WINOKUR: SECOND.

3 CHAIRMAN THOMAS: SECONDED BY MS. WINOKUR.

4 PERFECT. ANY DISCUSSION BY MEMBERS OF THE BOARD?

5 FURTHER DISCUSSION BY MEMBERS OF THE PUBLIC? MR.

6 HARRISON, CAN WE DO THIS WITH A -- NO.

7 MR. HARRISON: NO. THIS IS SIMILAR TO AN
8 OMNIBUS MOTION BECAUSE THERE ARE MULTIPLE AWARDS AT
9 ISSUE. SO MEMBERS HAVE TO VOTE YES OR NO EXCEPT FOR
10 THOSE APPLICATIONS FOR WHICH THEY HAVE A CONFLICT.

11 CHAIRMAN THOMAS: THANK YOU. MARIA,
12 PLEASE CALL THE ROLL.

13 MS. BONNEVILLE: ANN MARIE DULIEGE.

14 DR. DULIEGE: YES, EXCEPT FOR THOSE WITH
15 WHICH I HAVE CONFLICTS.

16 MS. BONNEVILLE: DAVID HIGGINS.

17 DR. HIGGINS: YES.

18 MS. BONNEVILLE: STEVE JUELSGAARD. SHERRY
19 LANSING. LAUREN MILLER.

20 MS. MILLER: YES.

21 MS. BONNEVILLE: JOE PANETTA.

22 MR. PANETTA: YES.

23 MS. BONNEVILLE: FRANCISCO PRIETO.

24 DR. PRIETO: YES, EXCEPT FOR THOSE WITH
25 WHICH I HAVE CONFLICTS.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: ROBERT QUINT.

2 DR. QUINT: YES.

3 MS. BONNEVILLE: AL ROWLETT. JEFF SHEEHY.

4 MR. SHEEHY: YES, EXCEPT FOR THOSE WITH
5 WHICH I HAVE CONFLICTS.

6 MS. BONNEVILLE: OS STEWARD.

7 DR. STEWARD: YES, EXCEPT FOR THOSE WITH
8 WHICH I HAVE CONFLICTS.

9 MS. BONNEVILLE: JONATHAN THOMAS.

10 CHAIRMAN THOMAS: YES.

11 MS. BONNEVILLE: ART TORRES.

12 MR. TORRES: AYE.

13 MS. BONNEVILLE: DIANE WINOKUR.

14 MS. WINOKUR: YES.

15 MR. HARRISON: MOTION CARRIES.

16 CHAIRMAN THOMAS: THANK YOU. ON TO ITEM
17 NO. 10, CONSIDERATION OF EXTENSION OF THE BRIDGES
18 PROGRAM. DR. YAFFE.

19 DR. YAFFE: MR. CHAIRMAN, MEMBERS OF THE
20 BOARD, MEMBERS OF THE PUBLIC, AND TEAM CIRM, IN
21 SUPPORT OF PRESIDENT MILLS' PROPOSAL FOR A ONE-YEAR
22 EXTENSION OF THE BRIDGES PROGRAM, I'D LIKE TO
23 PROVIDE YOU WITH A BRIEF OVERVIEW OF THAT PROGRAM
24 AND REMIND YOU THAT THE PROGRAM'S GOALS ARE TO
25 EXPAND CALIFORNIA'S WORKFORCE IN STEM CELL SCIENCE

BARRISTERS' REPORTING SERVICE

1 AND REGENERATIVE MEDICINE AND PARTICULARLY IN THE
2 TRAINING OF TECHNICIANS AND OTHER LABORATORY
3 PERSONNEL, AND TO PROVIDE RESEARCH AND TRAINING
4 OPPORTUNITIES FOR UNDERGRADUATES AND MASTER'S LEVEL
5 STUDENTS REPRESENTING THE DIVERSITY OF CALIFORNIA'S
6 POPULATION.

7 THIS BRIDGES PROGRAM FEATURES STUDENT
8 RESEARCH INTERNSHIPS AT RESEARCH INSTITUTES,
9 RESEARCH UNIVERSITIES, AND AT COMPANIES OF FROM SIX
10 TO TWELVE MONTHS, INVOLVING FULL-TIME LABORATORY
11 WORK BY THE INTERNS.

12 IT ALSO INVOLVES A STEM CELL TECHNIQUES
13 LABORATORY COURSE, AN INTEGRATION OF THE INTERNSHIPS
14 WITH UNDERGRADUATE AND MASTER'S PROGRAMS AT THE HOME
15 INSTITUTIONS, AND AN ANNUAL BRIDGES TRAINING MEETING
16 IN WHICH TRAINEES COME TOGETHER, MEET EACH OTHER,
17 PRESENT THEIR WORK, AND INTERACT WITH CIRM STAFF.

18 CIRM CURRENTLY SUPPORTS 16 PROGRAMS, 13 AT
19 STATE UNIVERSITIES AND THREE AT COMMUNITY COLLEGES.
20 EACH AWARD SUPPORTS UP TO TEN INTERN TRAINEES PER
21 YEAR. THUS FAR 782 TRAINEES HAVE BEEN THROUGH THE
22 PROGRAM OR ARE CURRENTLY INVOLVED. TRAINEES HAVE
23 WORKED IN MORE THAN 300 DIFFERENT LABORATORIES AT 46
24 HOST INSTITUTIONS.

25 A VERY BRIEF SUMMARY OF OUTCOMES OF FORMER

BARRISTERS' REPORTING SERVICE

1 TRAINEES REVEALS THAT ABOUT HALF OF THEM ARE
2 CURRENTLY WORKING IN FULL-TIME LAB JOBS AT 20 MAJOR
3 CALIFORNIA UNIVERSITIES AND RESEARCH INSTITUTES, AND
4 ALTHOUGH IT SAYS HERE 50, I UNDERSTAND IT'S MORE
5 THAN 70 DIFFERENT BIOTECH AND PHARMACEUTICAL
6 COMPANIES, THE VAST MAJORITY HERE IN CALIFORNIA.

7 ADDITIONALLY, ABOUT 30 PERCENT OF THE
8 FORMER TRAINEES ARE ENROLLED IN GRADUATE OR
9 PROFESSIONAL SCHOOL PROGRAMS. AND MOST OF THE
10 REMAINING TRAINEES ARE EITHER COMPLETING THEIR
11 UNDERGRADUATE STUDIES OR IN THE PROCESS OF APPLYING
12 FOR GRADUATE SCHOOLS.

13 YOU'VE SUPPORTED THIS PROGRAM WITH A TOTAL
14 BUDGET COMMITMENT BETWEEN 2009 AND PRESENT OF \$50.6
15 MILLION, AND THE FUNDS REQUIRED FOR A ONE-YEAR
16 EXTENSION WOULD BE \$9 MILLION.

17 I'D BE HAPPY TO ANSWER ANY QUESTIONS YOU
18 HAVE ABOUT THE PROGRAM.

19 MR. TORRES: MOVE TO APPROVE.

20 CHAIRMAN THOMAS: MOVED BY SENATOR TORRES.
21 IS THERE A SECOND?

22 DR. HIGGINS: SECOND.

23 CHAIRMAN THOMAS: DISCUSSION MY MEMBERS OF
24 THE BOARD?

25 DR. HIGGINS: I THINK WE HAD A CONFLICT

BARRISTERS' REPORTING SERVICE

1 THERE. I SECONDED THE MOTION.

2 CHAIRMAN THOMAS: THANK YOU. SECONDED BY
3 MR. HIGGINS.

4 DO WE HAVE COMMENTS BY MEMBERS OF THE
5 PUBLIC?

6 DR. BAXTER: I KNOW WE'RE BETWEEN YOU AND
7 LUNCH. MY NAME IS SUSAN BAXTER. I'M THE EXECUTIVE
8 DIRECTOR OF THE CALSTATE PROGRAM FOR EDUCATION IN
9 RESEARCH IN BIOTECHNOLOGY.

10 FIRST, I'D LIKE TO THANK YOU FOR INCLUDING
11 THE BRIDGES PROGRAM IN YOUR ONGOING STRATEGY AND
12 YOUR VISION FOR CIRM AND CALIFORNIA. AS MICHAEL
13 SAID, THE PROGRAM HAS UNDENIABLY IMPACTED THE
14 RAMP-UP OF THE STEM CELL INDUSTRY IN CALIFORNIA. WE
15 NOW KNOW THAT 89 PERCENT OF THE BRIDGES SCHOLARS
16 FOUND EMPLOYMENT AFTER THEY COMPLETED THEIR BRIDGES
17 PROGRAM. THIS IS SIGNIFICANT BECAUSE THIS PROGRAM
18 HAS BEEN IN OPERATION THROUGHOUT THE GREAT RECESSION
19 WHERE 40 PERCENT OF LIFE SCIENCES GRADUATES, ONLY 40
20 PERCENT, FOUND JOBS DURING THIS TIME. SO THIS IS A
21 GREAT PROGRAM FOR PREPARATION.

22 FOR THOSE OF US KEENLY INTERESTED IN THE
23 TRANSLATION OF BIOTECHNOLOGY RESEARCH-BASED IDEAS
24 AND ECONOMIC DEVELOPMENT, THE LIST OF 74 COMPANIES
25 SMALL AND LARGE EMPLOYING BRIDGES GRADUATES IS

BARRISTERS' REPORTING SERVICE

1 FASCINATING. SOME OF YOU HAVE HEARD OF THEM LIKE
2 GENENTECH. OTHERS ARE NEW ON THE SCENE LIKE CARIBOU
3 BIOSCIENCES. SOME ARE IN CLINICAL TRIALS DEVELOPING
4 NEW PATIENT TREATMENTS. OTHERS ARE DEVELOPING NEW
5 REAGENTS, PLATFORMS, AND INSTRUMENTS TO SPEED STEM
6 CELL R&D.

7 IN ADDITION TO THE 39 NONPROFIT AND
8 ACADEMIC ORGANIZATIONS EMPLOYING BRIDGES GRADUATES,
9 THIS IS THE ECOSYSTEM THAT INCREASES THE LIKELIHOOD
10 SUCCESSFUL STEM CELL-RELATED TREATMENTS FOR PATIENTS
11 ARE DEVELOPED. WITH ITS INVESTMENTS TO DATE, YOU
12 CAN ARGUE CIRM BUILT THIS CONCENTRATED AND, YOU CAN
13 ARGUE, FLOURISHING KNOWLEDGE TRANSFER ECOSYSTEM.

14 SOME HAVE SAID THE TRAINING PROGRAMS LIKE
15 BRIDGES TRAIN THE STARS OF TOMORROW. INSTEAD, I'D
16 SAY THE BRIDGES PROGRAM HAS BEEN BUILT THE
17 PROFESSIONAL TEAMS OF TODAY'S ECOSYSTEM IN
18 CALIFORNIA. STEM CELL TREATMENTS ARE DEVELOPED BY
19 MATRICES OF SKILLED, CAPABLE SCIENTISTS, ENGINEERS,
20 CLINICIANS, AND REGULATORY PROFESSIONALS. IT IS
21 THEIR COMBINED EXPERIENCE THAT MAKES SAFE AND
22 EFFECTIVE TREATMENTS AVAILABLE TO PATIENTS.

23 DESPITE OUR NATION'S FASCINATION WITH
24 NOBEL PRIZES, CEO'S, AND STAR PI'S, THE DISCOVERY
25 PROCESS IS NOT SIMPLE OR INEVITABLE. CERTAINLY IT

BARRISTERS' REPORTING SERVICE

1 INVOLVES A CREATIVE SPARK, BUT IT ALSO DEMANDS
2 UNINTERRUPTED AND STEADFAST EFFORT THAT BUILDS ON
3 COLLECTIVE KNOWLEDGE COLLECTED OVER GENERATIONS.
4 THAT LAST SENTENCE WAS CREDITED TO STAR PI'S TOM
5 CHEK AND STEVEN CHU, WHO WROTE IN THE *WALL STREET*
6 *JOURNAL* LAST WEEK. THEY ALSO WRITE OUTSTANDING
7 PEOPLE ARE NEEDED TO -- WE NEED THEM TO BELIEVE THAT
8 THERE'S A STABLE CAREER IN SCIENCE FOR THEM.

9 THE LAST POINT IS SOMETHING CIRM CAN POINT
10 TO AS A TRANSFORMATIONAL OUTCOME OF THE BRIDGES
11 TRAINING PROGRAM. SUSAN FISHER AT UCSF WRITES, "TO
12 A PERSON SCHOLARS LEAVE WITH BALANCED ENTHUSIASM FOR
13 A CAREER DEDICATED TO ADVANCING THE GOALS OF THE
14 AGENDA, THE RESEARCH AGENDA AT CIRM." MAKING A
15 PLACE IN THE RESEARCH AND DEVELOPMENT ECOSYSTEM FOR
16 OUTSTANDING BRIDGES STUDENTS FROM THE CSU AND THE
17 COMMUNITY COLLEGES SHOULD BE A PART OF CIRM'S
18 STRATEGY GOING FORWARD. I HOPE YOU AGREE WITH ME.
19 I HOPE YOU WILL VOTE TO EXTEND AND CONTINUE THIS
20 GREAT PROGRAM.

21 CHAIRMAN THOMAS: THANK YOU. ADDITIONAL
22 COMMENTS BY MEMBERS OF THE PUBLIC?

23 MS. ADLER-MOORE: MY NAME IS JILL
24 ADLER-MOORE. I'M A PROFESSOR AT CAL POLY POMONA,
25 AND I'M HONORED TO BE ONE OF THE PROGRAM DIRECTORS

BARRISTERS' REPORTING SERVICE

1 FOR OUR BRIDGES PROGRAM BETWEEN CAL POLY POMONA AND
2 CAL STATE L.A. AND ALL I'M GOING TO SAY IS JUST TO
3 REITERATE WHAT SOME OTHER PEOPLE HAVE SAID AND JUST
4 A FEW OTHER HIGHLIGHTS. ONE OF THEM IS THAT WE'VE
5 HAD 54 OF OUR OWN STUDENTS GO THROUGH THIS PROGRAM.
6 AND THEY'VE BEEN AT ALL OF THESE DIFFERENT
7 INSTITUTIONS, CITY OF HOPE, CALTECH, SCRIPPS,
8 UNIVERSITY OF SOUTHERN CALIFORNIA, AND THE WESTERN
9 UNIVERSITY OF HEALTH SCIENCES.

10 AND TO DATE WE'VE HAD 11 OF OUR INTERNS
11 THAT ARE CURRENTLY WORKING IN PAID, FULL-TIME JOBS
12 IN STEM CELL RESEARCH IN COMPANIES. WE'VE HAD 20 OF
13 OUR STUDENTS GO ON TO GRADUATE WORK OR PROFESSIONAL
14 SCHOOL. AND WE STILL HAVE SOME OF OUR STUDENTS
15 COMPLETING THEIR PROGRAMS AT CAL POLY AND AT CAL
16 STATE L.A. AND ALL TOGETHER ABOUT 86 PERCENT OF OUR
17 INTERNS HAVE GOTTEN JOBS OR ENTERED A GRADUATE
18 SCHOOL WITHIN TWO YEARS AFTER COMPLETING THEIR CIRM
19 INTERNSHIPS.

20 I HAVE A WHOLE BUNCH OF HIGHLIGHTS OF
21 DIFFERENT PLACES THAT THE STUDENTS HAVE BEEN. I
22 WOULD JUST SAY THAT ONE OF OUR STUDENTS IS NOW WITH
23 CELLULAR DYNAMICS INTERNATIONAL, WHICH IS A
24 CIRM-FUNDED STEM CELL COMPANY. ANOTHER STUDENT WAS
25 HIRED BY CAPRICOR, AGAIN A CIRM-FUNDED COMPANY

BARRISTERS' REPORTING SERVICE

1 ASSOCIATED WITH CEDARS-SINAI MEDICAL CENTER. WE HAD
2 ANOTHER STUDENT WORKING WITH STEMCYTE, WHO IS NOW
3 GOING ON TO MEDICAL SCHOOL. WE HAVE ANOTHER STUDENT
4 WHO JUST STARTED AT UCSF MEDICAL SCHOOL, AND SHE'S
5 GOING TO FOCUS ALL OF HER EDUCATION AND HER
6 ACTIVITIES ON SERVING THE URBAN UNDERSERVED
7 COMMUNITIES. ANOTHER STUDENT DID HIS INTERNSHIP AT
8 CALTECH, AND NOW HE'S A PH.D. STUDENT AT CALTECH.
9 AND FINALLY, ONE OF OUR STUDENTS, WHEN SHE COMPLETED
10 HER INTERNSHIP, SHE GOT HIRED ON AT USC TO BE THE
11 TRAINING COORDINATOR FOR THE USC STEM CELL CORE.

12 BUT I HAVE TO SAY THAT NOT ONLY WERE THE
13 STUDENTS IMPACTED BY THIS PROGRAM, THE ONES WHO
14 PARTICIPATE AS INTERNS, BUT ALSO ALL THE FACULTY AND
15 THE STUDENTS AT BOTH CAL STATE L.A. AND CAL POLY
16 POMONA WERE REALLY IMPACTED. WE HAD A SERIES OF
17 SEMINAR PROGRAMS WHERE PEOPLE FROM ALL ACROSS THE
18 CAMPUS CAME. WE DEVELOPED THREE UPPER DIVISION STEM
19 CELL CLASSES. AND WITH THE FUNDING FROM CIRM, WE
20 WERE ABLE TO PROVIDE THE LAB SUPPLIES THEY NEEDED TO
21 DO THAT. AND WE'VE ALSO HAD THE INTERNS GO AND TALK
22 ON THE STEM CELL AWARENESS DAY. THEY'VE GONE TO THE
23 HIGH SCHOOLS NEARBY, AND THAT IS A WONDERFUL
24 EXPERIENCE FOR THEM AND ALSO FOR THE HIGH SCHOOL
25 STUDENTS TO SEE WHERE THEY'RE GOING TO BE GOING IN

BARRISTERS' REPORTING SERVICE

1 THE FUTURE.

2 SO FINALLY, THERE'S NO BETTER WAY FOR US
3 TO DEMONSTRATE HOW EFFECTIVE THIS PROGRAM HAS BEEN
4 THAN TO INTRODUCE ONE OF OUR FORMER INTERNS, WHICH
5 IS SARA DOWNEY.

6 MS. DOWNEY: HI. SO AS MENTIONED, MY NAME
7 IS SARA DOWNEY. I AM A HUMBOLDT STATE UNIVERSITY
8 ALUMNI, I AM A BRIDGES ALUMNI, AND I ALSO AM
9 CURRENTLY A SENIOR ASSOCIATE OF PROCESS DEVELOPMENT
10 ENGINEERING AT VIACYTE. SO I JUST WANT TO TAKE THIS
11 OPPORTUNITY TO THANK YOU FOR THE OPPORTUNITY TO BE
12 HERE, SPEAK WITH YOU, AND ALSO FOR PAYING MY BILLS
13 FOR ABOUT THE LAST FIVE YEARS AS WELL.

14 SO I'M GOING TO TAKE YOU ON A LITTLE WALK
15 DOWN MEMORY LANE. I'M GOING TO KEEP IT QUICK. IN
16 2004, THE PROPOSITION 71 BALLOT INITIATIVE THAT
17 CREATED CIRM WAS THE FIRST ELECTION I EVER VOTED ON
18 AS A CALIFORNIA CITIZEN. AND I WAS ATTENDING
19 HUMBOLDT STATE AT THE TIME.

20 IN 2007 I CLEARLY RECALL LISTENING TO THE
21 NOW FORMER PRESIDENT OF HSU, DR. ROLAND RICHMOND,
22 AND OTHERS AS HE APPEALED TO THE ICOC TO SUPPORT THE
23 INITIAL FUNDING OF THE BRIDGES STEM CELL PROGRAM AS
24 WELL.

25 IN 2009 I BECAME ONE OF THE FIRST STUDENTS

BARRISTERS' REPORTING SERVICE

1 ACCEPTED TO HSU'S BRIDGES PROGRAM UNDER THE SUPERB
2 MENTORSHIP OF DRs. JACOB VARKEY AND AMY SPROULS. I
3 WENT TO A ONE-YEAR STINT AT USCF IN THE NEUROSURGERY
4 DEPARTMENT STUDYING BRAIN CANCER WHERE MY HARD WORK
5 WAS AWARDED WITH THE INCLUSION IN TWO WELL-RESPECTED
6 PUBLICATIONS, ALONG WITH AN INVITATION TO REPRESENT
7 THE BRIDGES PROGRAM IN THE FORM OF A POSTER
8 PRESENTATION AT THE CIRM ANNUAL MEETING OF 2010.

9 IN 2010, AT THE END OF MY INTERNSHIP AT
10 UCSF, WITH CIRM BRIDGES SCHOLAR DISPLAYED PROUDLY AT
11 THE HEAD OF MY CV, I QUICKLY RECEIVED A
12 CORRESPONDENCE FROM DR. KEVIN D'AMOUR OF VIACYTE WHO
13 IS NOW OUR CHIEF SCIENTIFIC OFFICER. VIACYTE, AS
14 YOU ARE PROBABLY FAMILIAR, IS A COMPANY BASED OUT OF
15 SAN DIEGO, WHICH HAS BEEN FUNDED BY CIRM FOR MANY
16 YEARS AND IS DEDICATED TO DEVELOPING A STEM
17 CELL-DERIVED CELL THERAPY AND ENCAPSULATION DEVICE
18 FOR THE TREATMENT OF DIABETES.

19 2011 IS WHEN I BEGAN WORKING AS A RESEARCH
20 ASSOCIATE IN VIACYTE. VIACYTE ITSELF HAS ALSO
21 SUPPORTED THE BRIDGES PROGRAM, FIELDING SEVEN
22 INTERNS FROM CAL POLY SAN LUIS OBISPO IN THE FOUR
23 YEARS THAT I HAVE WORKED THERE, ALL OF WHICH HAVE
24 MADE MEANINGFUL, SOMETIMES CRITICAL CONTRIBUTIONS TO
25 VIACYTE'S EFFORTS.

BARRISTERS' REPORTING SERVICE

1 MOST RECENTLY AT VIACYTE I HAVE BECOME
2 PART OF THE PROCESS DEVELOPMENT ENGINEERING
3 DEPARTMENT, AND I HAVE SPENT THE LAST YEAR
4 DEVELOPING AN ASEPTIC PROCESS THAT IS REQUIRED FOR
5 US TO MANUFACTURE VCO-1 DRUG PRODUCT.

6 IN 2014 I'M HUMBLED TO SAY THAT I'M PART
7 OF A DEDICATED TEAM OF INDIVIDUALS THAT IS
8 RESPONSIBLE FOR MANUFACTURING VIACYTE'S FIRST
9 CLINICAL UNITS OF VCO-1 FOR OUR FIRST-IN-HUMAN
10 IMPLANT AS PART OF OUR APPROVED FDA CLINICAL TRIAL.

11 I'M ADMITTEDLY A BIT UNCOMFORTABLE
12 STANDING UP HERE TALKING ABOUT MYSELF. I AM HERE
13 BECAUSE I BELIEVE IN THE PROGRAM. I AM JUST ONE
14 EXAMPLE OF WHAT CIRM BRIDGES HAS ACCOMPLISHED AND
15 WILL CONTINUE TO ACCOMPLISH WITH YOUR HELP. I CAN
16 ASSURE THAT THERE ARE MANY, MANY MORE. I AM THE
17 FACE OF HOW THIS PROGRAM HAS SUCCESSFULLY INVESTED
18 IN OUR GREAT STATE'S FUTURE AS THE LEADER IN
19 BIOTECHNOLOGY AND TRANSLATIONAL STEM CELL THERAPIES.
20 PLEASE CONTINUE TO SUPPORT THIS PROGRAM BY PLEDGING
21 TO EXTEND IT. GIVE MORE STUDENTS THE CHANCE TO
22 SUPPORT THE STATE OF CALIFORNIA, CIRM'S MISSION, AND
23 THE ACCELERATION OF WHAT WE KNOW CAN BE LIFE
24 ALTERING AND LIFESAVING TREATMENTS BY SUPPORTING
25 THEIR EARLY CAREER DEVELOPMENT. THANK YOU.

BARRISTERS' REPORTING SERVICE

1 SUZANNE: HI. I'M SUZANNE FROM SCRIPPS.
2 AND I'VE BEEN WORKING WITH THE BRIDGES INTERNS AND
3 TRAINING THEM FOR, LIKE, I GUESS, FIVE YEARS NOW.
4 WHAT'S REALLY STRUCK ME ABOUT THESE INTERNS IS HOW
5 MANY OF THEM SAY THAT THEY WOULD NEVER BE IN SCIENCE
6 HAD THEY NOT GOTTEN INTO THIS PROGRAM. THEY JUST
7 CAN'T AFFORD IT. THEY HAVE TO WORK. SO PROVIDING
8 THIS FELLOWSHIP FOR THEM IS REALLY CRUCIAL. AND I
9 THINK IT PROVIDES A DIVERSITY IN THE STEM CELL FIELD
10 THAT WE WOULDN'T GET OTHERWISE.

11 MR. SMITH: GOOD MORNING. MY NAME IS
12 EPHRAM SMITH. I'M THE EXECUTIVE VICE CHANCELLOR AND
13 CHIEF ACADEMIC OFFICER OF THE CALIFORNIA STATE
14 UNIVERSITY. ON BEHALF OF CHANCELLOR TIMOTHY WHITE,
15 I WANT TO THANK CIRM, AND WE LOOK FORWARD TO
16 CONTINUE IN THE BRIDGES PROGRAM. AND AS STATED BY
17 THE PREVIOUS SPEAKERS, THE MOST RECENT SPEAKER, THIS
18 PROVIDES AN OPPORTUNITY FOR OUR STUDENTS.

19 WE HAVE ONE OF THE MOST RACIALLY DIVERSE
20 SYSTEMS IN THE UNITED STATES. OUR CAMPUSES
21 REPRESENT THE FACE OF CALIFORNIA. AND WHAT IS
22 NEEDED IS OPPORTUNITIES FOR OUR STUDENTS. AND YOU
23 PROVIDE THE OPPORTUNITIES TO BRING STUDENTS INTO THE
24 SCIENCES. WE COULD NOT DO IT JUST IN OUR OWN
25 RESEARCH LABS. WE NEED EXPERIENCES IN THE REAL

BARRISTERS' REPORTING SERVICE

1 WORLD FOR OUR STUDENTS. SO THANK YOU FOR YOUR
2 SUPPORT, AND WE LOOK FORWARD TO WORKING WITH YOU IN
3 THE FUTURE.

4 CHAIRMAN THOMAS: OKAY. WITH THAT,
5 MARIA -- WE DO HAVE A MOTION, CORRECT? YES.
6 PROPERLY SECONDED BY MR. HIGGINS. MARIA, PLEASE
7 CALL THE ROLL.

8 MS. BONNEVILLE: ANN MARIE DULIEGE.

9 DR. DULIEGE: YES, EXCEPT FOR THOSE WITH
10 WHICH I HAVE CONFLICTS.

11 MS. BONNEVILLE: DAVID HIGGINS.

12 DR. HIGGINS: YES.

13 MS. BONNEVILLE: STEVE JUELSGAARD. SHERRY
14 LANSING.

15 MS. LANSING: YES, EXCEPT FOR THOSE WITH
16 WHICH I HAVE A CONFLICT. IT'S AN ENTHUSIASTIC YES.
17 AND I'D ALSO LIKE TO BE INCLUDED AS AN ENTHUSIASTIC
18 YES FOR THE CREATIVITY AWARDS -- UNFORTUNATELY I WAS
19 OUT OF THE ROOM -- EXCEPT FOR WHAT I HAVE A CONFLICT
20 IN. I'M STILL ENTHUSIASTIC.

21 MS. BONNEVILLE: LAUREN MILLER.

22 MS. MILLER: YES.

23 MS. BONNEVILLE: JOE PANETTA.

24 MR. PANETTA: YES.

25 MS. BONNEVILLE: FRANCISCO PRIETO.

BARRISTERS' REPORTING SERVICE

1 DR. PRIETO: AYE, EXCEPT FOR THOSE WITH
2 WHICH I HAVE CONFLICTS.

3 MS. BONNEVILLE: ROBERT QUINT. AL
4 ROWLETT. JEFF SHEEHY.

5 MR. SHEEHY: YES, EXCEPT FOR THOSE WITH
6 WHICH I HAVE CONFLICTS.

7 MS. BONNEVILLE: OS STEWARD.

8 DR. STEWARD: YES, EXCEPT FOR THOSE WITH
9 WHICH I HAVE CONFLICTS.

10 MS. BONNEVILLE: JONATHAN THOMAS.

11 CHAIRMAN THOMAS: YES.

12 MS. BONNEVILLE: ART TORRES.

13 MR. TORRES: AYE.

14 MS. BONNEVILLE: DIANE WINOKUR.

15 MS. WINOKUR: YES.

16 MR. HARRISON: MOTION CARRIES.

17 CHAIRMAN THOMAS: WE'RE GOING TO HAVE
18 SCOTT GO QUICKLY. DON'T GIVE ME THAT LOOK, MARIA.
19 I KNOW THAT LOOK. ITEM 12, CONSIDERATION OF
20 AMENDMENTS TO THE GRANTS ADMINISTRATION POLICY.

21 MR. TOCHER: THANK YOU, J.T. AND MEMBERS
22 OF THE BOARD. TODAY WE'RE JUST CLOSING THE LOOP ON
23 THE PROCESS THAT WE BEGAN HERE AT THE BOARD AT THE
24 LAST MEETING, OR I SHOULD SAY AT THE MEETING IN MAY
25 EARLIER THIS YEAR TO MAKE A FEW TECHNICAL AND

BARRISTERS' REPORTING SERVICE

1 CLARIFYING AMENDMENTS TO OUR GRANTS ADMINISTRATION
2 POLICY.

3 AS YOU MAY BE AWARE, BECAUSE THIS POLICY
4 IS ACTUALLY EMBODIED IN A REGULATION, IT IS
5 THEREFORE NECESSARY FOR US TO ABIDE BY THE RULES
6 ESTABLISHED THE ADMINISTRATIVE PROCEDURES ACT WHEN
7 WE WISH TO AMEND AND IMPROVE THE GRANTS
8 ADMINISTRATION POLICY.

9 SO AS I SAID, THAT PROCESS BEGAN IN MAY
10 WHEN WE BROUGHT THE DRAFT AMENDMENTS BEFORE THE
11 BOARD. AND PURSUANT TO THE APA, FOLLOWING YOUR
12 APPROVAL TO START THE PROCESS, WE PUBLISHED THOSE
13 AMENDMENTS, WE RECEIVED FEEDBACK, AND FURTHER
14 CLARIFIED THE IMPROVEMENTS THAT WE'RE MAKING, AND WE
15 ARE NOW READY TO CLOSE OUT THIS PROCESS WITH FINAL
16 APPROVAL FROM THE BOARD.

17 THE CHANGES ARE REALLY ESSENTIALLY
18 UNCHANGED FROM WHEN THEY CAME BEFORE YOU IN MAY WITH
19 THE EXCEPTION THAT WE DECIDED TO INCORPORATE THE
20 EXISTING BOARD POLICY THAT WAS ADOPTED IN 2013,
21 WHICH ADDRESSES THE APPEAL OF SCIENTIFIC REVIEW, AND
22 INCORPORATED THAT INTO THE GRANTS ADMINISTRATION
23 POLICY UNCHANGED, BUT JUST INCORPORATED IT INTO OUR
24 GAP.

25 AND I'M HAPPY TO ANSWER SPECIFIC QUESTIONS

BARRISTERS' REPORTING SERVICE

1 ABOUT THE PROVISIONS, BUT OTHERWISE WOULD ASK FOR A
2 MOTION TO SEND THIS TO OAL FOR FINAL APPROVAL.

3 MR. TORRES: SO MOVED.

4 DR. PRIETO: SECOND.

5 CHAIRMAN THOMAS: SO MOVED BY SENATOR
6 TORRES, SECONDED BY DR. PRIETO. JAMES, I ASSUME HE
7 CAN ACTUALLY SECOND THIS ONE. NEVER KNOW ON THESE
8 THINGS. OKAY. CAN THIS BE A VOICE VOTE?

9 MR. HARRISON: EXCEPT FOR THE MEMBERS WHO
10 ARE ON THE PHONE. ALL THOSE IN FAVOR OF THIS MOTION
11 PLEASE SAY AYE. OPPOSED? MEMBERS ON THE PHONE, AYE
12 OR NAY?

13 MR. PANETTA: AYE.

14 CHAIRMAN THOMAS: THANK YOU, MR. PANETTA.
15 THE MOTION CARRIES.

16 LAST THING BEFORE -- WE HAVE A NUMBER OF
17 FOLKS HERE WITH DR. LORING WHO WOULD LIKE TO MAKE A
18 PUBLIC COMMENT. AND THEY'VE COME A LONG WAY, AND WE
19 WOULD LIKE TO HAVE THEM SPEAK, AND THEN WE WILL
20 PROCEED TO GET LUNCH AND COME BACK IMMEDIATELY TO
21 HAVE THE SPOTLIGHT.

22 DR. LORING: THANK YOU SO MUCH FOR LETTING
23 US DO THIS A FEW HOURS EARLIER. WE HAVE A NUMBER OF
24 REPRESENTATIVES FROM OUR PARKINSON'S DISEASE
25 ADVOCACY GROUP. WE ARE GOING TO ASK THEM TO STAND

BARRISTERS' REPORTING SERVICE

1 UP. WE WILL HAVE ONE OF THEM SPEAK FOR JUST THREE
2 MINUTES, WE PROMISE.

3 SO I'M JEANNE LORING FROM SCRIPPS RESEARCH
4 INSTITUTE. WOULD YOU ALL STAND UP RIGHT NOW? THANK
5 YOU. THEY'VE ALL COME BECAUSE THEY'RE VERY
6 INTERESTED IN THE PROCESS OF STEM CELL THERAPY FOR
7 THEIR DISEASE. SO I'D LIKE TO INTRODUCE ANDRES
8 BRATT-LEAL, WHO IS GOING TO INTRODUCE THE PATIENT
9 WHO WILL SPEAK.

10 DR. BRATT-LEAL: MAY NAME IS ANDRES. I
11 WORK WITH JEANNE. WE ALSO WANTED TO WELCOME DR.
12 DAVID HIGGINS AS THE PARKINSON'S ADVOCATE. SO THANK
13 YOU TO THE BOARD FOR ACTING SPEEDILY ON APPOINTING
14 DR. HIGGINS, AND WE LOOK FORWARD TO WORKING WITH HIM
15 IN FUTURE. AND NOW MICHEAL REDONSKY.

16 MR. REDONSKY: I RECOGNIZE THAT WE ARE
17 HOLDING YOU UP, AND I APPRECIATE VERY MUCH YOUR
18 WAITING FOR US.

19 I AM MICHAEL REDONSKY. I'M ONE OF THE
20 EIGHT PATIENTS THAT IS GOING TO PARTICIPATE IN THIS
21 STUDY IF WE GET THIS OFF THE GROUND. AND SO I WANT
22 TO THANK DR. LORING AND DR. HOUSER, WHO IS NOT HERE
23 TODAY, AS WELL AS SHERRIE GOULD AND THE MEMBERS OF
24 THE TEAM, THE FOLKS THAT ARE BRAVE ENOUGH TO DO
25 THIS, AND I WANT TO THANK YOU FOR HEARING OUR STORY.

BARRISTERS' REPORTING SERVICE

1 US IT'S WONDERFUL TO SEE THE PATIENTS BECAUSE THAT'S
2 REALLY WHAT THIS IS ALL ABOUT. AND YOU INSPIRE US
3 BY COMING HERE. I'M SORRY THAT YOU HAD TO WAIT, BUT
4 HONESTLY WE LEAVE AFTER SEEING YOU MORE COMMITTED TO
5 THE MISSION AND MORE ENERGIZED. I JUST CAN'T THANK
6 YOU ENOUGH. YOU ARE REALLY ALL OF OUR INSPIRATION,
7 SO THANK YOU TO ALL OF YOU.

8 CHAIRMAN THOMAS: THANK YOU, SHERRY. THAT
9 CONCLUDES THE AGENDA BUT FOR THE SPOTLIGHT ON
10 DISEASE. CORRECT? I'M GETTING THE EVIL EYE AGAIN
11 OVER THERE. SO IF EVERYBODY WOULD PLEASE GO GET
12 YOUR LUNCH, WHICH IS IN THE LUNCHROOM. PLEASE BRING
13 YOUR LUNCH BACK IMMEDIATELY AND WE'LL PROCEED
14 DIRECTLY TO TODAY'S SPOTLIGHT.

15 (A RECESS WAS TAKEN AT 12:12 P.M.,
16 FOLLOWED BY THE SPOTLIGHT ON DISEASE, NOT REPORTED
17 NOR HEREIN TRANSCRIBED. AT THE CONCLUSION OF THE
18 SPOTLIGHT, THE MEETING WAS THEN DULY ADJOURNED.)

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BARRISTERS' REPORTING SERVICE

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REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE 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

SHERATON GATEWAY HOTEL
6101 WEST CENTURY BOULEVARD
LOS ANGELES, CALIFORNIA
ON
OCTOBER 23, 2014

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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