

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: AS INDICATED ON THE AGENDA

DATE: APRIL 19. 2016  
11 A.M.

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

BRS FILE NO.: 98500

BARRISTERS' REPORTING SERVICE

I N D E X

ITEM DESCRIPTION	PAGE NO.
CALL TO ORDER	3
ROLL CALL	3
ACTION ITEMS:	
1. CONSIDERATION OF FINAL ADOPTION OF AMENDMENTS TO THE LOAN ADMINISTRATION POLICY	5
PUBLIC COMMENT	
2. PUBLIC COMMENT	NONE

BARRISTERS' REPORTING SERVICE

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

APRIL 19, 2016; 11 A.M.

CHAIRMAN THOMAS: WELCOME, EVERYBODY, TO  
THE APRIL 19TH APPLICATION REVIEW SUBCOMMITTEE.  
AMY, WILL YOU TAKE THE ROLL PLEASE.

MS. CHEUNG: DAVID BRENNER.

DR. BRENNER: HERE.

MS. CHEUNG: KEN BURTIS. ANNE-MARIE  
DULIEGE.

DR. BURTIS: SORRY. THIS IS KEN. I WAS  
ON MUTE.

MS. CHEUNG: ANNE-MARIE DULIEGE. HOWARD  
FEDEROFF.

DR. FEDEROFF: HERE.

MS. CHEUNG: MICHAEL FRIEDMAN.

DR. FRIEDMAN: HERE.

MS. CHEUNG: JUDY GASSON.

DR. GASSON: HERE.

MS. CHEUNG: DAVID HIGGINS.

MR. HIGGINS: HERE.

MS. CHEUNG: STEVE JUELSGAARD. SHERRY  
LANSING. KATHY LAPORTE.

MS. LAPORTE: HERE.

MS. CHEUNG: BERT LUBIN.

DR. LUBIN: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. CHEUNG: SHLOMO MELMED. LAUREN  
2 MILLER.  
3 MS. MILLER: HERE.  
4 MS. CHEUNG: ADRIANA PADILLA.  
5 DR. PADILLA: HERE.  
6 MS. CHEUNG: JOE PANETTA.  
7 MR. PANETTA: HERE.  
8 MS. CHEUNG: ROBERT PRICE. FRANCISCO  
9 PRIETO.  
10 DR. PRIETO: HERE.  
11 MS. CHEUNG: CARMEN PULIAFITO. ROBERT  
12 QUINT.  
13 DR. QUINT: HERE.  
14 MS. CHEUNG: AL ROWLETT. JEFF SHEEHY.  
15 MR. SHEEHY: HERE.  
16 MS. CHEUNG: OS STEWARD. JONATHAN THOMAS.  
17 CHAIRMAN THOMAS: HERE.  
18 MS. CHEUNG: ART TORRES.  
19 MR. TORRES: HERE.  
20 MS. CHEUNG: KRISTINA VUORI.  
21 DR. VUORI: HERE.  
22 MS. CHEUNG: BRUCE WINTRAUB.  
23 MR. WINTRAUB: HERE.  
24 MS. CHEUNG: DIANE WINOKUR.  
25 MS. WINOKUR: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. CHEUNG: OS, ARE YOU ON THE LINE?

2 MR. HARRISON: WE HAVE A QUORUM.

3 CHAIRMAN THOMAS: THANKS, JAMES.

4 JEFF, DO YOU WANT TO TAKE IT FROM HERE?

5 MR. SHEEHY: J.T., ISN'T THIS A REGULAR  
6 BOARD MEETING?

7 CHAIRMAN THOMAS: I THOUGHT THIS WAS  
8 APPLICATION. I'M SORRY. I THOUGHT THIS WAS JUST  
9 THE -- OKAY. --

10 MR. SHEEHY: I DON'T THINK WE HAVE ANY  
11 GRANTS TODAY.

12 CHAIRMAN THOMAS: WE DON'T. WE DON'T.  
13 SO, JAMES, I THINK WE HAVE ONE ITEM ON THE  
14 AGENDA. JAMES, COULD YOU PLEASE ADDRESS THE BOARD.

15 MR. HARRISON: I WILL. I PROMISE YOU THIS  
16 WILL BE VERY QUICK. THIS IS AN ITEM THAT HAS  
17 ALREADY BEEN BROUGHT BOTH TO THE IP AND INDUSTRY  
18 SUBCOMMITTEE AS WELL AS THE BOARD FOR THEIR  
19 CONSIDERATION AND APPROVAL. AND IT RELATES TO AN  
20 AMENDMENT TO THE LOAN ADMINISTRATION POLICY APPROVED  
21 BY THE BOARD LAST SEPTEMBER TO ALLOW A LOAN  
22 RECIPIENT WHOSE LOAN HAS BEEN FORGIVEN BY CIRM TO  
23 CONVERT THAT LOAN TO A GRANT.

24 FOLLOWING THE BOARD'S APPROVAL, WE  
25 PROCEEDED THROUGH THE PUBLIC REVIEW PROCESS MANDATED

BARRISTERS' REPORTING SERVICE

1 BY STATE LAW, THE ADMINISTRATIVE PROCEDURE ACT. WE  
2 RECEIVED NO PUBLIC COMMENTS AND HAVE MADE NO CHANGES  
3 TO THE AMENDMENT APPROVED BY THE BOARD; BUT UNDER  
4 THE ADMINISTRATIVE PROCEDURE ACT, WE'RE REQUIRED TO  
5 NONETHELESS BRING THE PROPOSED AMENDMENT BACK TO THE  
6 BOARD FOR ITS FINAL ADOPTION. AND THAT'S WHY WE'RE  
7 HERE TODAY.

8 JUST A BRIEF REMINDER ABOUT THE SUBSTANCE  
9 OF THE AMENDMENT. UNDER CIRM'S LOAN ADMINISTRATION  
10 POLICY, A PRODUCT-BACKED LOAN IS NOT REQUIRED TO BE  
11 REPAYED UNLESS THE PRODUCT ACTUALLY RESULTS IN  
12 COMMERCIAL REVENUES. TO THE EXTENT THAT THE PROJECT  
13 PROVES UNSUCCESSFUL, THE LOAN ADMINISTRATION POLICY  
14 PROVIDES FOR THE LOAN TO BE AUTOMATICALLY FORGIVEN.  
15 HOWEVER, IT ALSO INCLUDED A PROVISION WHICH PROVIDED  
16 THAT IF THE LOAN RECIPIENT ULTIMATELY RESURRECTED  
17 THE PROJECT AND PRODUCED COMMERCIAL REVENUES FROM  
18 ITS DEVELOPMENT, THE LOAN OBLIGATION WOULD SPRING  
19 BACK INTO LIFE.

20 THIS ENDED UP POSING A PROBLEM FOR SOME OF  
21 OUR LOAN RECIPIENTS BECAUSE THEIR ACCOUNTANTS  
22 ADVISED THEM THAT, AS A RESULT OF THE SPRINGING  
23 OBLIGATION, THEY WERE REQUIRED TO CONTINUE TO CARRY  
24 THE DEBT ON THEIR BOOKS EVEN THOUGH IT HAD BEEN  
25 FORGIVEN AND THE PROJECT HAD BEEN ABANDONED.

BARRISTERS' REPORTING SERVICE

1 SO WHAT WE'VE DONE THROUGH THIS AMENDMENT  
2 IS TO ALLOW A LOAN RECIPIENT WHOSE LOAN HAS BEEN  
3 FORGIVEN TO CONVERT IT TO A GRANT, WHICH MEANS THAT  
4 THE DEBT IS EXTINGUISHED. TO THE EXTENT THAT THE  
5 LOAN RECIPIENT EVER RESURRECTS THE PROJECT AND IT  
6 PRODUCES REVENUES, THOSE REVENUES WOULD BE SUBJECT  
7 TO CIRM'S REVENUE SHARING OBLIGATIONS UNDER THE  
8 INTELLECTUAL PROPERTY REGULATIONS THAT APPLY TO  
9 GRANTS.

10 SO THAT'S A BRIEF SUMMARY OF THE  
11 AMENDMENT. I'D BE HAPPY TO ANSWER ANY QUESTIONS.

12 CHAIRMAN THOMAS: HEARING NO QUESTIONS,  
13 DO WE HAVE A MOTION TO APPROVE?

14 MS. WINOKUR: I SO MOVE.

15 CHAIRMAN THOMAS: THANK YOU, DIANE.  
16 SECONDED BY?

17 DR. FRIEDMAN: SECOND.

18 CHAIRMAN THOMAS: MICHAEL, IS THAT YOU?

19 DR. FRIEDMAN: THAT'S ME.

20 CHAIRMAN THOMAS: THANK YOU VERY MUCH.  
21 OKAY. WE NEED A ROLL CALL VOTE ON THIS.

22 MR. HARRISON: J.T., WE JUST FIRST NEED TO  
23 SEE IF THERE'S ANY PUBLIC COMMENT.

24 CHAIRMAN THOMAS: YES. ANY PUBLIC  
25 COMMENT? HEARING NONE, AMY, WILL YOU PLEASE TAKE

BARRISTERS' REPORTING SERVICE

1 THE ROLL.

2 MS. CHEUNG: DAVID BRENNER.

3 DR. BRENNER: APPROVE.

4 MS. CHEUNG: KEN BURTIS.

5 DR. BURTIS: YES.

6 MS. CHEUNG: ANNE-MARIE DULIEGE. HOWARD

7 FEDEROFF.

8 DR. FEDEROFF: APPROVE.

9 MS. CHEUNG: MICHAEL FRIEDMAN.

10 DR. FRIEDMAN: APPROVE.

11 MS. CHEUNG: JUDY GASSON.

12 DR. GASSON: APPROVE.

13 MS. CHEUNG: DAVID GATES HIGGINS.

14 MR. HIGGINS: YES.

15 MS. CHEUNG: STEVE JUELSGAARD. SHERRY

16 LANSING. KATHY LAPORTE.

17 MS. LAPORTE: YES.

18 MS. CHEUNG: BERT LUBIN.

19 DR. LUBIN: YES.

20 MS. CHEUNG: SHLOMO MELMED. LAUREN

21 MILLER.

22 MS. MILLER: YES.

23 MS. CHEUNG: ADRIANA PADILLA.

24 DR. PADILLA: YES.

25 MS. CHEUNG: JOE PANETTA.



BARRISTERS' REPORTING SERVICE

1 MR. PANETTA: YES.  
2 MS. CHEUNG: ROBERT PRICE. FRANCISCO  
3 PRIETO.  
4 DR. PRIETO: AYE.  
5 MS. CHEUNG: CARMEN PULIAFITO. ROBERT  
6 QUINT.  
7 DR. QUINT: YES.  
8 MS. CHEUNG: AL ROWLETT. JEFF SHEEHY.  
9 MR. SHEEHY: YES.  
10 MS. CHEUNG: OS STEWARD.  
11 DR. STEWARD: YES.  
12 MS. CHEUNG: JONATHAN THOMAS.  
13 CHAIRMAN THOMAS: YES.  
14 MS. CHEUNG: ART TORRES.  
15 MR. TORRES: AYE.  
16 MS. CHEUNG: KRISTINA VUORI.  
17 DR. VUORI: YES.  
18 MS. CHEUNG: BRUCE WINTRAUB.  
19 MR. WINTRAUB: YES.  
20 MS. CHEUNG: DIANE WINOKUR.  
21 MS. WINOKUR: YES.  
22 MR. HARRISON: THE MOTION CARRIES. THANK  
23 YOU.  
24 CHAIRMAN THOMAS: THANK YOU. IS THERE  
25 ANY PUBLIC COMMENT IN GENERAL TO CLOSE OUT THE

BARRISTERS' REPORTING SERVICE

1 MEETING ON ANY TOPICS? HEARING NONE, I THINK WE ARE  
2 ADJOURNED. THANK YOU, EVERYBODY, AND HAVE A  
3 WONDERFUL REST OF APRIL.

4 (THE MEETING WAS THEN CONCLUDED AT  
5 11:11 A.M.)

6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

BARRISTERS' REPORTING SERVICE

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE TELEPHONIC PROCEEDINGS BEFORE THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD ON APRIL 19, 2016, 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  
BARRISTERS' REPORTING SERVICE  
160 S. OLD SPRINGS ROAD  
SUITE 270  
ANAHEIM, CALIFORNIA  
(714) 444-4100

BARRISTERS' REPORTING SERVICE

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

.