

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 LOS ANGELES HOTEL  
6101 WEST CENTURY BOULEVARD  
LOS ANGELES, CALIFORNIA

DATE: DECEMBER 17, 2015  
9 A.M.

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

BRS FILE NO.: 98031

BARRISTERS' REPORTING SERVICE

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ITEM NO LONGER UNDER CONSIDERATION

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BARRISTERS' REPORTING SERVICE

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LOS ANGELES, CALIFORNIA  
THURSDAY, DECEMBER 17, 2015; 9 A.M.

CHAIRMAN THOMAS: GOOD MORNING, EVERYBODY,  
FROM THE SHERATON LAX. WELCOME TO THE DECEMBER  
BOARD MEETING FOR CIRM. IT HAS BEEN A NUMBER OF  
MONTHS SINCE WE HAD AN IN-PERSON MEETING. WE'VE  
HAD, AS YOU KNOW, MONTHLY MEETINGS TELEPHONICALLY,  
BUT IT'S GREAT TO SEE EVERYBODY AGAIN AND WELCOME.  
WE COULD START. MARIA, COULD YOU LEAD US IN THE  
PLEDGE OF ALLEGIANCE.

(THE PLEDGE OF ALLEGIANCE.)

CHAIRMAN THOMAS: MARIA, COULD YOU PLEASE  
CALL THE ROLL.

MS. BONNEVILLE: DAVID BRENNER. LINDA  
BOXER.

DR. BOXER: PRESENT.

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

DR. DULIEGE: YES.

MS. BONNEVILLE: MICHAEL FRIEDMAN.

DR. FRIEDMAN: HERE.

MS. BONNEVILLE: JUDY GASSON.

DR. GASSON: HERE.

MS. BONNEVILLE: SAM HAWGOOD. DAVID

BARRISTERS' REPORTING SERVICE

1 HIGGINS.  
2 DR. HIGGINS: HERE.  
3 MS. BONNEVILLE: STEPHEN JUELSGAARD.  
4 MR. JUELSGAARD: HERE.  
5 MS. BONNEVILLE: SHERRY LANSING.  
6 MS. LANSING: HERE.  
7 MS. BONNEVILLE: KATHY LAPORTE.  
8 DR. LAPORTE: HERE.  
9 MS. BONNEVILLE: BERT LUBIN. SHLOMO  
10 MELMED.  
11 DR. MELMED: HERE.  
12 MS. BONNEVILLE: LAUREN MILLER.  
13 MS. MILLER: HERE.  
14 MS. BONNEVILLE: ADRIANA PADILLA.  
15 DR. PADILLA: HERE.  
16 MS. BONNEVILLE: JOE PANETTA.  
17 MR. PANETTA: HERE.  
18 MS. BONNEVILLE: ROBERT PRICE.  
19 DR. PRICE: HERE.  
20 MS. BONNEVILLE: FRANCISCO PRIETO.  
21 DR. PRIETO: HERE.  
22 MS. BONNEVILLE: CARMEN PULIAFITO.  
23 DR. PULIAFITO: PRESENT.  
24 MS. BONNEVILLE: ROBERT QUINT. AL  
25 ROWLETT.

BARRISTERS' REPORTING SERVICE

1 MR. ROWLETT: HERE.

2 MS. BONNEVILLE: JEFF SHEEHY.

3 MR. SHEEHY: HERE.

4 MS. BONNEVILLE: OSWALD STEWARD. JONATHAN  
5 THOMAS.

6 CHAIRMAN THOMAS: HERE.

7 MS. BONNEVILLE: ART TORRES.

8 MR. TORRES: HERE.

9 MS. BONNEVILLE: KRISTINA VUORI.

10 DR. VUORI: HERE.

11 MS. BONNEVILLE: DIANE WINOKUR.

12 CHAIRMAN THOMAS: THANK YOU VERY MUCH.

13 WE'LL NOW PROCEED TO THE CHAIR'S REPORT. SINCE WE  
14 LAST MET IN PERSON, I'VE BEEN TO A NUMBER OF EVENTS  
15 OF SOME INTEREST AND NOTE REPRESENTING CIRM, AND I'D  
16 LIKE TO GIVE YOU A COUPLE THOUGHTS FROM THOSE IN NOT  
17 EXACTLY CHRONOLOGICAL ORDER. WE'RE GOING TO START  
18 WITH THE WORLD ALLIANCE FORUM, WHICH IS SOMETHING  
19 THAT BRINGS TOGETHER PRINCIPALLY UNITED STATES AND  
20 JAPANESE SCIENTISTS IN THE STEM CELL FIELD. IT WAS  
21 HELD IN GOLDEN GATE PARK, A COUPLE-DAY AFFAIR.

22 WE HAD A MOST INTERESTING PANEL ON THE  
23 SUBJECT, WHICH WAS SORT OF A TOUGH ONE, ENTITLED  
24 "REGENERATIVE MEDICINE 2020 AND 2030." AND WE HAD  
25 AMONGST OTHERS ON THE PANEL DR. SHINYA YAMANAKA,

BARRISTERS' REPORTING SERVICE

1 WHO, AS YOU KNOW, IS THE CREATOR OF THE IPS  
2 TECHNOLOGY FOR WHICH HE RECEIVED THE NOBEL PRIZE AND  
3 WHICH FORMS THE UNDERPINNINGS FOR A GREAT DEAL OF  
4 EXCITING RESEARCH GOING ON IN THE FIELD.

5 IN CONNECTION WITH THAT PANEL, I DID A  
6 LITTLE SAMPLING OF PEOPLE'S OPINIONS ON THE SUBJECT  
7 OF REGENERATIVE MEDICINE 2020 AND 2030. AND I HAVE  
8 A COUPLE RESPONSES HERE WHICH I THOUGHT YOU MIGHT  
9 FIND INTERESTING FROM PEOPLE THAT I SPOKE TO. AND  
10 IF YOU WILL BEAR WITH ME, I JUST WANT TO READ A  
11 COUPLE OF E-MAILS. ONE IS FROM DOUG MELTON, WHO YOU  
12 WILL RECOGNIZE AS ONE OF THE PREEMINENT STEM CELL  
13 SCIENTISTS IN THE TYPE 1 DIABETES FIELD. AND SO  
14 THIS WAS DOUG'S RESPONSE ON WHAT TO EXPECT IN THE  
15 NEXT FIVE TO FIFTEEN YEARS.

16 "HI, JON. THIS SOUNDS LIKE A FUN PUZZLE,  
17 AND YOU'RE KIND TO ASK MY OPINION. FACT IS I'VE NOT  
18 GIVEN IT ENOUGH THOUGHT, BUT I IMAGINE WE'LL SEE A  
19 DIFFERENT CONNECTION BETWEEN PATIENTS AND THEIR  
20 HEALTHCARE PROVIDERS (HOSPITALS). I THINK HOSPITALS  
21 AND DOCTORS WILL HAVE TO MOVE FROM TREATING PATIENTS  
22 WHEN THEY ARE SICK TO AN EARLIER INTERACTION, VERY  
23 EARLY, IN FACT. MAYBE A GOOD WAY TO DESCRIBE IT  
24 WOULD BE TO REIMAGINE THE PATIENT'S MEDICAL HISTORY.

25 "AT PRESENT THAT HISTORY IS TAKEN ON

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1 ADMISSION IN MOST CASES. IMAGINE INSTEAD THAT  
2 HOSPITALS FORM A LIFELONG RELATION WITH THE FAMILY,  
3 NOT UNLIKE A CHURCH OR SYNAGOGUE, FROM BIRTH TO  
4 DEATH. WHEN THE BABY IS BORN, DNA SEQUENCE IS  
5 DETERMINED AND COMPARED TO THE PARENTS' DNA AS WELL  
6 AS SOME CELLS TO MAKE IPS CELLS FOR LATER USE AND  
7 ANALYSIS. MAKING PATIENT-SPECIFIC CELLS AND TISSUES  
8 WILL BE EASIER BY THEN. SO, WHEN NEEDED, THEY'LL BE  
9 AT HAND, AT HAND FOR CELL TRANSPLANTATION, FOR DRUG  
10 TESTING PATIENT-SPECIFIC TOXICITY, AND  
11 SUSCEPTIBILITY OR INCLINATION TO WHAT WE NOW CALL A  
12 DISEASE.

13 "AS THE JUSTIFIABLE EXCITEMENT IN CANCER  
14 IMMUNOTHERAPY SHOWS US NOW, WE SHOULD IMAGINE A TIME  
15 WHEN WE MAKE A PATIENT'S THYMUS AND USE THAT TISSUE  
16 IN CONJUNCTION WITH THEIR HEMOPOIETIC STEM CELLS TO  
17 MAKE IMMUNE CELLS OF CHOICE. AMONG THE MANY USES  
18 WOULD BE IMMUNE CELLS TO SPEED HEALING AND/OR  
19 ELIMINATE INFECTIONS AND CANCER. THERE WILL BE A  
20 NEW MEANING TO IMMUNIZATIONS. LOOKING A BIT FARTHER  
21 AHEAD, I WON'T BE SURPRISED TO SEE THE PRODUCTION OF  
22 MINI BRAINS, LITTLE CUBES OF NEURONS THAT CAN GIVE  
23 CLUES ABOUT MENTAL HEALTH BASED ON THE PATIENT'S  
24 PREDISPOSITIONS. IT WILL BE EXCITING TIMES."

25 THAT'S FROM DOUG MELTON.



BARRISTERS' REPORTING SERVICE

1 CLOSER TO HOME, I ASKED OUR OWN DR. PAT  
2 OLSON WHAT SHE THOUGHT ON THE SUBJECT. SHE WAS KIND  
3 ENOUGH TO RESPOND. SO HERE IS PAT'S COMMENT.

4 "ADVANCES IN TECHNOLOGY MANUFACTURING AND  
5 REGULATION WILL RESULT IN ON-DEMAND, PERSONALIZED  
6 AUTOLOGOUS STEM CELL-DRIVEN REPLACEMENT THERAPIES TO  
7 TREAT, FOR EXAMPLE, HEART FAILURE, LIVER, LUNG, AND  
8 NEUROLOGIC DISEASE AND INJURY. SINGLE-CELL GENETIC  
9 DISEASES WILL BE A THING OF THE PAST DUE TO GENE  
10 CORRECTION IN STEM PROGENITOR CELLS. THIS WOULD  
11 NEED TO BE DONE DURING EARLY DEVELOPMENT.

12 "THE BEST DRUG FOR YOU AND YOUR DISEASE  
13 WILL BE DEVELOPED ON DEMAND USING AN ASSAY SYSTEM  
14 DEVELOPED FROM YOUR REPROGRAMMED CELLS, A TAILORED  
15 COMPOUND LIBRARY GENERATED FROM AN APP OF COMPOUNDS  
16 SHOWN TO HAVE PROMISE FOR YOUR DISEASE AND 3D  
17 PRINTED, AND ONCE THE BEST COMPOUND FOR YOU IS  
18 IDENTIFIED, MANUFACTURED ON YOUR 3D PRINTER.

19 "BANKS WILL EXIST, INCLUDING CELL SAMPLES  
20 FROM ALL NEWBORNS (WON'T HAVE THE MUTATION LOAD OF  
21 ADULTS) FOR FUTURE REPROGRAMMED STEM PROGENITOR CELL  
22 THERAPY DEVELOPMENT, SCREENING FOR PERSONALIZED  
23 DRUGS, AND FOR ORGAN OR ORGANOID GENERATION FOR  
24 ORGAN REPLACEMENT."

25 THANK YOU, PAT.

BARRISTERS' REPORTING SERVICE

1            THAT'S A LOOK. I THOUGHT YOU FOLKS WOULD  
2            APPRECIATE A LOOK INTO THE FUTURE OF REGENERATIVE  
3            MEDICINE 2020 AND 2030.

4            WE JUST GOT BACK FROM, A NUMBER OF US WENT  
5            TO WORLD STEM CELL SUMMIT IN ATLANTA, WHICH IS AN  
6            EVENT THAT'S HELD AROUND THE COUNTRY EVERY YEAR THAT  
7            IS DIFFERENT THAN MOST OF THE EVENTS WHICH TEND TO  
8            BE ENTIRELY SCIENTIFIC IN NATURE. THIS EVENT ALWAYS  
9            HAS A NUMBER OF PATIENTS AND PATIENT ADVOCATES. SO  
10           THERE IS A GENERAL ATTEMPT TO HAVE PANELS AND  
11           PRESENTATIONS THAT ARE A BIT MORE UNDERSTANDABLE  
12           THAN THOSE MEETINGS THAT ARE ENTIRELY IN SCIENCE.

13           I MODERATED A PANEL THERE. I SHOULD SAY,  
14           BY THE WAY, RANDY AND I BOTH WENT TO THIS. AND FOR  
15           THE LAST TWO YEARS, THEY'VE HAD RANDY AND I DO  
16           DUELING PANELS AT THE SAME TIME EVEN THOUGH IT'S A  
17           FOUR-DAY CONFERENCE. SO RANDY AND I DISCUSSED HOW  
18           OURS WENT. MINE, FOR YOUR INTEREST, HAPPENED TO BE  
19           ON THE SUBJECT OF INTERNAL AND EXTERNAL  
20           COLLABORATIONS AND HOW YOU CAN LEVERAGE WHAT YOU ARE  
21           DOING WITH OTHER FOLKS. IT WAS QUITE INTERESTING.

22           THE MILKEN INSTITUTE, AS YOU KNOW, PART OF  
23           THAT IS THE FASTER CURES ORGANIZATION IN WASHINGTON  
24           WHICH LOBBIES CONGRESS ON THE IMPORTANCE OF FUNDING  
25           FOR MEDICAL RESEARCH. THEY HAVE A SPECIFIC MEETING

BARRISTERS' REPORTING SERVICE

1 EVERY NOVEMBER IN NEW YORK CALLED "PARTNERING FOR  
2 CURES" AT WHICH YOU GET A HOST OF RESEARCHERS,  
3 FOUNDATIONS, PATIENTS, INVESTORS, ETC. AMY LEWIS,  
4 NEAL LITTMAN, AND I WENT ON BEHALF OF CIRM TO THAT  
5 THIS YEAR AND HAD A NUMBER OF MEETINGS WITH PEOPLE  
6 FROM DIFFERENT DISEASE FOUNDATIONS TOWARDS THE END  
7 OF GETTING THEM INTERESTED IN SPECIFIC PROJECTS THAT  
8 WE HAVE; FOR EXAMPLE, THE FOUNDATION FOR FIGHTING  
9 BLINDNESS, THE TYPE 1 DIABETES EXCHANGE, AND THE  
10 AMERICAN HEART ASSOCIATION, ALL OF WHICH WE'RE  
11 LOOKING TO BRING IN TO IN SOME CAPACITY HELP US WITH  
12 PROJECTS WE HAVE IN THOSE FIELDS.

13 MILKEN JUST HAD HIS SUMMIT ON CALIFORNIA  
14 WHERE YOU HAVE LEADERS FROM AROUND THE STATE OF ALL  
15 DIFFERENT INDUSTRIES COME AND SPEAK. SENATOR TORRES  
16 DID A TERRIFIC JOB ON A PANEL AT THAT CONFERENCE.  
17 AND WE WERE ABLE TO MEET WITH A NUMBER OF THOUGHT  
18 LEADERS THROUGHOUT THE STATE AND GIVE THEM UPDATES  
19 ON WHAT'S GOING ON WITH CIRM, WHICH CONTINUES TO BE  
20 A MATTER OF GREAT INTEREST.

21 WE HAD THE STEM CELL MEETING ON THE MESA,  
22 WHICH IS A TWO-DAY EVENT DOWN IN LA JOLLA, WHICH  
23 BRINGS INDUSTRY AND INVESTORS TOGETHER, AND THIS  
24 YEAR HAD ALMOST AN OVERFLOW CROWD REFLECTING THE  
25 DEVELOPMENT OF THE FIELD AND THE LEVEL OF INTEREST

BARRISTERS' REPORTING SERVICE

1 THAT YOU SEE IN IT FROM ALL PARTICIPANTS.

2 WE HAD OUR ANNUAL MEETING WITH THE STATE  
3 CONTROLLER, WHO, AS YOU MIGHT RECALL, IS THE  
4 CONSTITUTIONAL OFFICER WHO HAS OVERSIGHT OVER CIRM.  
5 THE BATON WAS PASSED SINCE OUR LAST MEETING FROM NOW  
6 STATE TREASURER JOHN CHIANG TO NOW STATE CONTROLLER  
7 BETTY YEE. WE WENT AND HAD, I THINK, A VERY  
8 PRODUCTIVE MEETING WITH HER AND HER STAFF, WHICH  
9 WAS, I WOULD SAY, ART, A HUNDRED PERCENT UPBEAT,  
10 HIGHLY SUPPORTIVE OF WHAT EVERYBODY IS DOING, HIGHLY  
11 SUPPORTIVE OF THE STATE OF PLAY HERE AT CIRM, WHICH  
12 IS A GOOD THING. SO WE WANT TO MAKE SURE THAT WE  
13 HAVE GREAT RELATIONS WITH THE FOLKS IN SACRAMENTO TO  
14 SHOW THEM WHAT GREAT STUFF WE'RE ALL DOING.

15 TOWARDS THAT END, I HAD A SEPARATE MEETING  
16 WITH THE STATE TREASURER, ABOUT AN HOUR AND A HALF  
17 WORTH, GAVE HIM CHAPTER AND VERSE ON ALL OF RANDY'S  
18 NEW PROGRAMS AND HOW THAT'S ADVANCED THINGS HERE TO  
19 EVEN GREATER HEIGHTS. HE WAS VERY ENTHUSIASTIC  
20 ABOUT THAT.

21 WE HAD, OF COURSE, THE ANNUAL BRIDGES AND  
22 CREATIVITY MEETINGS. THOSE ARE AMONGST ALL OF OUR  
23 FAVORITE EVENTS BECAUSE YOU GET THESE KIDS FROM HIGH  
24 SCHOOL ALL THE WAY UP TO POST DOCS WHO ARE  
25 UNBELIEVABLY IMPRESSIVE. YOU TALK TO THESE PEOPLE

BARRISTERS' REPORTING SERVICE

1 AND YOU THINK THEY'VE BEEN IN THIS FOR YEARS AND  
2 YEARS, EVEN THE HIGH SCHOOLERS. HAD A FRIEND, JUST  
3 THE CALIBER OF PEOPLE THAT GET TO PARTICIPATE IN  
4 SOME OF THESE PROGRAMS. HAD A COUPLE OF PEOPLE THAT  
5 I RECOGNIZED FROM LOS ANGELES AND GOT TO LISTEN TO  
6 THEIR POSTERS. WE HAD ONE GREAT ONE, LAUREN, ON  
7 ALZHEIMER'S. THIS KID HAD BEEN THERE FOR THREE  
8 MONTHS AND THIS POSTER, AND IT SOUNDED LIKE A  
9 POST-DOC. IT WAS JUST EXTRAORDINARY, HAVING GONE  
10 INTO IT WITH NO KNOWLEDGE OF THE VERNACULAR, THE  
11 SUBJECT, OR ANYTHING ELSE. SO IT'S A VERY  
12 SUCCESSFUL PROGRAM.

13 WE HAD SOME MEETINGS WITH BIG PHARMA  
14 TOWARDS FORGING A STRATEGIC ALLIANCE ON A NUMBER OF  
15 OUR PROJECTS GOING FORWARD WHICH ARE IN PROCESS AND  
16 WE'LL BE ABLE TO REPORT ON MORE AT A LATER DATE.

17 LOTS OF ACTIVITIES SURROUNDING WHAT YOU'LL  
18 BE HEARING LATER IN THE SESSION, OUR ACCELERATED  
19 THERAPIES PUBLIC PRIVATE PARTNERSHIP CONCEPT, A  
20 GREAT DEAL OF WORK ON THAT.

21 I WOULD LIKE TO MENTION -- I DON'T KNOW IF  
22 HE'S HERE, BUT IT WAS A REALLY NICE EVENT WE HAD IN  
23 THE OFFICE -- DON REED. IS DON HERE? I DON'T SEE  
24 DON. DON, AS YOU KNOW, IS A LONGTIME, ARDENT  
25 SUPPORTER OF CIRM, WROTE A BOOK ON PROP 71. AND WE

BARRISTERS' REPORTING SERVICE

1 HAD AN EVENT AT CIRM WHERE HE GOT UP AND TALKED  
2 ABOUT THE BOOK AND WHAT WENT INTO IT. AND IT WAS  
3 VERY HEARTFELT AND A WONDERFUL RECOUNTING OF  
4 EVERYTHING THAT LED UP TO THE PASSAGE AND WHAT'S  
5 HAPPENED AT CIRM SINCE. HE HAS COPIES OF THE BOOK,  
6 AND WE'LL SEE IF WE CAN GET COPIES FOR ALL OF YOU.  
7 I THINK IT'S SOMETHING THAT'S NICE TO HAVE GIVEN THE  
8 AMOUNT OF TIME YOU'VE PUT INTO THIS.

9 MS. LANSING: CAN WE BUY THE BOOK?

10 CHAIRMAN THOMAS: YES.

11 MS. LANSING: LIKE ON AMAZON?

12 CHAIRMAN THOMAS: WE WILL GET YOU  
13 INFORMATION ON THAT. IT'S REALLY -- IT'S A VERY  
14 EASY READ, AND HE PUT A TON OF TIME INTO THIS. AND,  
15 AGAIN, IT'S SOMETHING I THINK YOU'D ALL ENJOY  
16 HAVING.

17 SO ANOTHER THING, YOU MAY HAVE HEARD OUR  
18 TEN-YEAR FREE LEASE RAN OUT IN NOVEMBER. WE SPENT A  
19 LOT OF TIME WORKING ON THE SUBJECT OF WHERE WE WOULD  
20 PUT OUR NEW OFFICES BECAUSE THE SPOT WE WERE AT DOWN  
21 BY THE BALLPARK IS A WHITE HOT AREA THAT'S OFF THE  
22 CHARTS EXTRAORDINARILY EXPENSIVE. WE COULD NOT STAY  
23 THERE. LOOKED AT A NUMBER OF PLACES IN SAN  
24 FRANCISCO. THE CITY, THE REAL ESTATE MARKET IS  
25 HUMMING, AND IT JUST UNFORTUNATELY MADE IT SO THAT

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1 WE COULD NOT AS A PUBLIC AGENCY AFFORD TO STAY IN  
2 THE CITY. SO AFTER A GREAT DEAL OF TIME AND EFFORT,  
3 WE CHOSE A SPOT IN OAKLAND AT LAKE MERRITT.

4 WOULD LIKE TO SINGLE OUT SENATOR TORRES  
5 FOR HIS EXTRAORDINARY EFFORT THROUGHOUT THE PROCESS  
6 OF LOOKING FOR A NEW SPOT. IN OAKLAND HE WAS KEY TO  
7 INTRODUCING CIRM TO THE MAYOR, WHO WAS VERY HELPFUL  
8 IN A NUMBER OF WAYS IN CONNECTION WITH OUR NEW  
9 SPACE, INCLUDING PARKING AND OTHER THINGS. AND,  
10 ART, I KNOW THIS TOOK A LOT OF WORK ON YOUR PART.

11 IN HOUSE PRESIDENT MILLS HAS INSTITUTED  
12 WHAT HE CALLS THE GAME BALL IDEA FOR SOMEONE WHO PUT  
13 IN ABOVE AND BEYOND THE CALL OF DUTY ON SOMETHING.  
14 SO I WOULD LIKE, ON BEHALF OF CIRM AND THE BOARD, TO  
15 PRESENT TO ART A CIRM GAME BALL.

16 (APPLAUSE.)

17 MR. TORRES: OH, THAT'S GREAT. THANK YOU.

18 CHAIRMAN THOMAS: THANK YOU.

19 SO THE FIELD IS MAKING GREAT PROGRESS. WE  
20 HAD A PRESS RELEASE BY UCLA A FEW WEEKS AGO ON A  
21 PROJECT THAT EARLY CIRM FUNDING HAD HELPED TO HAVE  
22 AN IMPACT ON THAT'S IN THE FIELD OF SEVERE COMBINED  
23 IMMUNODEFICIENCY DISEASE OR SCID, BETTER KNOWN  
24 COLLOQUIALLY AS BUBBLE BABY DISEASE, WHERE DON KOHN,  
25 WHOM YOU'RE FAMILIAR WITH, HAD A PROCEDURE WHICH

BARRISTERS' REPORTING SERVICE

1 COMBINED STEM CELL AND GENE THERAPY FOR KIDS WITH  
2 THIS CONDITION, WHICH IS A TERRIBLE CONDITION. AND  
3 BASICALLY, WITHOUT GETTING INTO TOO MUCH DETAIL, THE  
4 COMBINED THERAPEUTIC TREATMENT A YEAR AGO RESULTED  
5 IN 18 KIDS WHO HAVE THIS CONDITION NO LONGER BEING  
6 ON ANY MEDICATION, NO LONGER BEING QUARANTINED, AND,  
7 IN FACT, BEING IN SCHOOL WITH KIDS JUST LIKE NORMAL  
8 CHILDREN AND WERE A YEAR AGO THOUGHT TO BE  
9 FUNCTIONALLY CURED.

10 SO A COUPLE OF WEEKS AGO THEY HAD ANOTHER  
11 PRESS RELEASE, MARKING THE ONE-YEAR ANNIVERSARY OF  
12 THE FIRST PRESS RELEASE AND THAT NOTED THEY'D HAD AN  
13 ADDITIONAL FIVE KIDS WHO WERE TREATED, WERE  
14 SIMILARLY DOING WELL. AND THEY LOOKED BACK AT THE  
15 FIRST 18, AND IN COMBINATION, ALL 23 OF THESE KIDS  
16 ARE FINE. AND IT LOOKS LIKE THEY ARE FUNCTIONALLY  
17 CURED USING STEM CELL AND GENE THERAPY.

18 I MENTION THIS FOR SEVERAL REASONS. ONE  
19 IS THAT IT'S EVIDENCE OF THE EXCITING DEVELOPMENTS  
20 IN THE FIELD. THIS IS A TRUE WIN.

21 SECONDLY, DON KOHN YOU MAY RECOGNIZE AS  
22 THE INVESTIGATOR IN OUR SICKLE CELL DISEASE TEAM  
23 PROJECT IN WHICH HE'S USING BASICALLY THE SAME IDEA  
24 TO TREAT THAT DISEASE. AND WE ARE, OF COURSE, MOST  
25 HOPEFUL THAT IT ACHIEVES SIMILAR RESULT.



BARRISTERS' REPORTING SERVICE

1 SO I THOUGHT THAT THE BOARD WOULD ENJOY  
2 SEEING A SHORT PIECE, VERY SHORT, CBS NEWS ON DON'S  
3 WORK THAT WENT PUBLIC NATIONALLY. AND WITHOUT  
4 FURTHER ADO, AMY, IF YOU COULD JUST SHOW THAT.

5 (VIDEO WAS SHOWN, BUT NOT REPORTED  
6 NOR HEREIN TRANSCRIBED.)

7 CHAIRMAN THOMAS: THANKS, AMY. SO I'D  
8 LIKE JUST TO CONCLUDE MY CHAIR'S REPORT WITH A  
9 SPECIAL SHOUT OUT TO MY DAUGHTER LIZZY WHO TURNS 20  
10 TODAY. SO HAPPY BIRTHDAY TO LIZZY.

11 (APPLAUSE.)

12 CHAIRMAN THOMAS: ON NOW TO THE  
13 PRESIDENT'S REPORT.

14 YES, ANNE-MARIE.

15 DR. DULIEGE: FIRST OF ALL, AMAZING REPORT  
16 ON THESE CHILDREN WITH SEVERE COMBINED  
17 IMMUNODEFICIENCY. AS A PEDIATRIC IMMUNOLOGIST,  
18 HAVING IN THE PAST SEEN KIDS AND TAKEN CARE OF KIDS  
19 IN THEIR BUBBLE, THIS IS ABSOLUTELY AMAZING.

20 WERE THERE ANY COLLABORATION WITH CIRM?  
21 DID CIRM FUND PART OF THIS PROJECT, OR IS IT JUST A  
22 MAJOR MILESTONE IN THE FIELD?

23 CHAIRMAN THOMAS: WE HAD VARIOUS EARLY  
24 GRANTS THAT WE HAD THAT IMPACTED WHAT THEY ARE DOING  
25 THROUGH TRAINING, THROUGH SHARED LABS, AND SOME

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1 OTHER THINGS. I BELIEVE THEY HAD NIH FUNDING FOR  
2 THE ACTUAL CLINICAL TRIAL ITSELF.

3 DR. DULIEGE: BUT CIRM CAN CLAIM TO HAVE  
4 CONTRIBUTED PARTIALLY TO THIS SUCCESS?

5 CHAIRMAN THOMAS: YES.

6 DR. DULIEGE: IT'S PHENOMENAL.

7 AND THE SECOND COMMENT IS ACTUALLY I WANT  
8 TO SAY WE REALLY APPRECIATE, AT LEAST I DO  
9 APPRECIATE, RECEIVING FROM CIRM ON A REGULAR BASIS  
10 SOME NEWS LIKE THIS AND WE'RE ON THE DISTRIBUTION  
11 LIST, WHICH IS GREAT. I WAS WONDERING IF WE COULD  
12 ALSO BE INFORMED ON SOME OF THE EVENTS THAT YOU  
13 MENTIONED; FOR INSTANCE, DON REED COMING TO CIRM,  
14 BECAUSE FOR THOSE OF US WHO ARE NEARBY, MAYBE WE  
15 COULD, IF WE CAN, ATTEND THOSE AS WELL. SO JUST LET  
16 US KNOW WHEN THAT HAPPENS WITH ADVANCE NOTICE.

17 CHAIRMAN THOMAS: THANK YOU.

18 MS. LANSING: SO THIS IS NOT TO BE VIEWED  
19 AS A CRITICISM. SO, PLEASE, I JUST WANT TO TAKE IT  
20 AS HOW CAN I AND OTHERS WHO MAYBE HAVE CONTACT IN  
21 THE MEDIA BE HELPFUL BECAUSE THIS IS WHAT WE'VE BEEN  
22 TALKING ABOUT, THESE BIG WINS THAT WE NEED TO GET TO  
23 THE PUBLIC. THEY'RE ALWAYS ON OUR SIDE, BUT LET'S  
24 SAY EVEN MORE ON OUR SIDE BECAUSE I WASN'T REALLY,  
25 AND I KIND OF FOLLOW THIS, I WASN'T REALLY AWARE OF

BARRISTERS' REPORTING SERVICE

1 THE EXTRAORDINARY IMPACT OF THIS. I HEARD A LITTLE  
2 BIT ABOUT IT. I DID NOT SEE THE NEWS PIECE, AND  
3 THAT'S PROBABLY MY FAULT. I'M SURE YOU SENT US  
4 SOMETHING TO LET US KNOW. BUT THIS SHOULD BE HUGE,  
5 JUST HUGE.

6 AGAIN, THIS IS NOT A CRITICISM. I'M SURE  
7 EVERYTHING HAS BEEN DONE. IT'S NOT TOO LATE, I  
8 GUESS, IS WHAT I'M SAYING. WHEN YOU HAVE SOMETHING  
9 LIKE THIS, LET'S SEE HOW WE CAN REALLY MAKE IT THE  
10 FRONT PAGE OF EVERY BLOG, EVERY *NEW YORK TIMES*, MORE  
11 NEWS PEOPLE CARRYING IT BECAUSE THIS IS WHAT WE  
12 NEED. IF WE WERE A SMALL PART OF IT, THAT'S FINE.  
13 THE POINT IS STEM CELLS ARE WORKING, AND WE HAVE TO  
14 MAKE THE PUBLIC UNDERSTAND THAT SO WE CAN CONTINUE  
15 TO GET THEIR SUPPORT.

16 THERE WAS A MOVIE DONE ON THE BUBBLE BABY  
17 WITH JOHN TRAVOLTA. THAT'S HOW OLD I AM THAT I  
18 REMEMBER THIS, BUT I NEVER FORGOT IT. I NEVER  
19 FORGOT IT. MOST OF THE JOURNALISTS WILL HAVE SEEN  
20 IT TOO. SO THIS IS INCREDIBLE.

21 CHAIRMAN THOMAS: THANKS, SHERRY. POINT  
22 WELL TAKEN. THE PRESS EFFORT ON THIS WAS, AS YOU  
23 WOULD IMAGINE, SPEARHEADED BY UCLA, BUT WE ALSO,  
24 YOU'RE RIGHT, COULD HELP IN THAT REGARD. AND  
25 TOWARDS THAT END, WE HAVE TWO AUGUST MEMBERS OF THE

BARRISTERS' REPORTING SERVICE

1 FOURTH ESTATE HERE IN THE AUDIENCE WHO ARE COVERING  
2 AND I THINK WOULD BE MORE THAN HAPPY TO TAKE NOTE OF  
3 THIS. AS I SAY, WE'RE VERY HOPEFUL THAT THE DISEASE  
4 TEAM THAT WE'RE FUNDING WITH DR. KOHN ON SICKLE CELL  
5 USING THE SAME TECHNOLOGY WILL BE ABLE TO REPORT  
6 BACK DOWN THE ROAD THAT THEY'RE GETTING VERY GOOD  
7 RESULTS AS WELL.

8 MS. LANSING: THIS IS NOT ABOUT CIRM  
9 GETTING CREDIT. THIS IS ABOUT, AS RANDY OFTEN SAYS,  
10 SAVING LIVES AND PROVING THAT THE WORK THAT IS GOING  
11 ON REALLY IS CHANGING THE WORLD. AND I HOPE THAT  
12 THERE WILL BE A LOT WRITTEN ABOUT IT.

13 CHAIRMAN THOMAS: THANK YOU. ANY OTHER  
14 COMMENTS FROM MEMBERS OF THE BOARD? DR. MILLS,  
15 PRESIDENT'S REPORT.

16 DR. MILLS: THANK YOU, CHAIRMAN THOMAS,  
17 MEMBERS OF THE BOARD. I WILL ATTEMPT TO KEEP MY  
18 PRESIDENT'S REPORT BRIEF TODAY BECAUSE I WANT TO  
19 RAMBLE ON ABOUT THE STRATEGIC PLAN WHEN I GET A  
20 CHANCE TO DO THAT. SO I DON'T WANT YOU TO GET SICK  
21 OF ME TOO SOON.

22 AS ALWAYS, WE'LL GO OVER THE MISSION. I  
23 WANT TO GIVE YOU AN UPDATE ON THE FISCAL YEAR FIRST  
24 QUARTER FINANCIAL UPDATE, WHICH, REMINDING FOR US,  
25 OUR FISCAL YEAR FOR 2016 BEGAN JULY 1ST. THEN TALK

BARRISTERS' REPORTING SERVICE

1 A LITTLE BIT ABOUT OUR NEW CLINICAL STAGE PROGRAM  
2 REVIEW PROCESS THAT WE IMPLEMENTED UNDER CIRM 2.0  
3 ALMOST A YEAR AGO. ACTUALLY WE ADOPTED A YEAR AGO  
4 AT THE LAST DECEMBER BOARD MEETING. AND THEN,  
5 LASTLY, JUST END ON A NOTE OF OUR NEW HOME.

6 SO, AS ALWAYS, I THINK IT'S IMPORTANT THAT  
7 WE NEVER LOSE SIGHT OF WHY WE'RE HERE. WE ARE AN  
8 AGENCY THAT WAS CREATED TO HELP PATIENTS, AND OUR  
9 MISSION IS TO ACCELERATE STEM CELL TREATMENTS TO  
10 THOSE PATIENTS WITH UNMET MEDICAL NEEDS.

11 NOW MOVING TO THE FINANCIAL UPDATE. SO I  
12 LIKE TO TALK ABOUT CIRM'S FUNDING IN TWO SEPARATE  
13 BUCKETS. WE HAVE A BIG BUCKET WHICH HOLDS THE MONEY  
14 THAT WE DISTRIBUTE OUT IN AWARDS. THAT IS INITIALLY  
15 A \$2.75 BILLION BUCKET. AND WE HAVE THE SMALLER  
16 ADMINISTRATIVE BUCKET WHICH IS CAPPED AT \$180  
17 MILLION FOR THE LIFE OF CIRM, WHICH AT THAT TIME WAS  
18 THOUGHT TO BE IN THE BALLPARK OF AROUND TEN YEARS.

19 SO FAR WE'VE SPENT 105 MILLION OF THAT.  
20 WE HAVE 75 MILLION OF THAT REMAINING, WHICH GIVES US  
21 OUT OF THIS SMALL BUCKET, AT THAT CURRENT SPEND  
22 RATE, THAT WOULD GIVE US APPROXIMATELY FIVE YEARS OF  
23 RUNWAY. WE OBVIOUSLY HAVE PLANS AND THE ABILITY TO  
24 SCALE THAT ONE WAY OR THE OTHER AS NECESSARY AS  
25 EVENTS UNFOLD.

BARRISTERS' REPORTING SERVICE

1 WITH REGARDS TO THE AWARD BUCKET, THAT WAS  
2 THE MUCH LARGER OF THE TWO, 2.75 BILLION TO START  
3 WITH IN THAT. WE HAVE TWO BILLION THAT'S EITHER  
4 BEEN COMMITTED, WHAT WE CALL AWARDED, OR THAT HAVE  
5 ALREADY BEEN SPENT. WE HAVE ANOTHER 759 MILLION  
6 THAT IS CURRENTLY UNCOMMITTED. SO WITH A PLANNED  
7 SPEND RATE OF ABOUT 190 MILLION IN NEW AWARDS, WE  
8 WOULD EXPECT A NET SPEND RATE OF ABOUT 170. AND  
9 THAT'S BECAUSE JUST BECAUSE WE COMMIT FUNDS WHEN WE  
10 MAKE AN AWARD DOESN'T MEAN ALL OF THOSE FUNDS GET  
11 USED. WHEN PROGRAMS DON'T WORK, THE AWARDS ARE  
12 TERMINATED, THE FUNDS COME BACK TO CIRM SO THEY CAN  
13 BE REISSUED.

14 I'VE SHOWN THIS SLIDE BEFORE, BUT THERE'S  
15 A POINT HERE THAT I WANT TO MAKE ON WHAT'S GOING ON.  
16 SO IN THE FIRST QUARTER OF 2016, SO EARLIER THIS  
17 YEAR, JULY, WE COMMITTED AN ADDITIONAL 38 MILLION IN  
18 NEW AWARDS. SO GWG MADE RECOMMENDATIONS AND THIS  
19 BOARD APPROVED \$38 MILLION IN NEW AWARDS. BUT IN  
20 THAT SAME PERIOD, WE HAD AWARD REDUCTIONS OF 16  
21 MILLION, AND WE HAD AWARD REPAYMENTS OF AN  
22 ADDITIONAL 5 MILLION. SO OUR ACTUAL NET COMMITMENT  
23 RATE FOR THE QUARTER WAS ONLY \$16 MILLION.

24 THIS IS INTERESTING BECAUSE THAT'S A VERY  
25 HIGH RETURN RATE FOR US ON AWARDS. AND SO WHAT WE

BARRISTERS' REPORTING SERVICE

1 DID WAS WE WENT BACK AND LOOKED AT HOW DID THE FULL  
2 YEAR FOR 2015'S FY GO. SO THIS IS THE WHOLE YEAR.  
3 WE MADE \$130 MILLION IN NEW AWARDS, AND WE HAD 29  
4 MILLION COME BACK, WHICH IS AN AWARD RETURN RATE OF  
5 ABOUT 22 PERCENT.

6 THE ONLY REASON I BRING THIS UP IS THE  
7 STRATEGIC PLAN THAT I'M GOING TO TALK ABOUT LATER  
8 ASSUMED A RETURN RATE OF ONLY 10 PERCENT. IF THE  
9 ACTUAL RETURN RATE ENDED UP BEING SOMETHING CLOSER  
10 TO 22 PERCENT, THAT WOULD MEAN WE WOULD HAVE AN  
11 ADDITIONAL \$150 MILLION IN AWARD MONEY THAT WOULD BE  
12 AVAILABLE TO BE RECOMMITTED UNDER NEW AWARDS. THE  
13 PROBLEM -- SO THAT SEEMS LIKE GOOD NEWS. THE  
14 PROBLEM WITH THAT IS WE DON'T GET ANY MORE  
15 CORRESPONDING ADMINISTRATIVE MONEY TO ADMINISTER  
16 THAT \$150 MILLION IN NEW AWARDS.

17 OBVIOUSLY CHAIRMAN THOMAS IS GOING TO TALK  
18 MORE ABOUT THIS AS THE MEETING CONCLUDES. BUT IT'S  
19 SOMETHING THAT WE'LL JUST HAVE TO WATCH AND SEE  
20 UNFOLD, BUT SO FAR RETURN RATE IS HIGHER THAN OUR  
21 CURRENT EXPECTATIONS. I THINK THAT'S ALSO A GOOD  
22 SIGN BECAUSE WE KNOW BIOTECH DOESN'T WORK AT A  
23 HUNDRED PERCENT, AND WE WOULD EXPECT PROGRAMS TO RUN  
24 INTO CHALLENGES AND SOME THINGS TO JUST NOT WORK.  
25 AND I THINK WE'RE BEING VERY GOOD STEWARDS OF THE

BARRISTERS' REPORTING SERVICE

1 TAXPAYERS' MONEY WHEN WE PROSPECTIVELY SET UP  
2 PROGRAMS AND WE HAVE AGREEMENTS GOING INTO THOSE  
3 THAT SAY IF THIS DOESN'T WORK, WE'RE NOT JUST GOING  
4 TO KEEP THROWING MONEY AT IT. WE'LL TERMINATE THE  
5 PROGRAM AND ALLOW THOSE REMAINING FUNDS TO BE  
6 REINVESTED.

7 I JUST WANT TO MAKE THE BOARD AWARE THAT  
8 RETURN RATE IS HIGHER THAN WE CALCULATED IN THE  
9 STRATEGIC PLAN. THAT COULD HAVE SOME UP SIDE TO IT.  
10 IT ALSO CREATES SOME FUNDING CHALLENGES FOR  
11 SUBSEQUENT ADMINISTRATION.

12 DOES ANYONE HAVE QUESTIONS ON THAT?

13 MR. PANETTA: THANKS. SO, RANDY, WHAT  
14 YOU'RE SAYING IS YOU'VE GOT FIVE YEARS OF  
15 ADMINISTRATIVE FUNDING LEFT, BUT YOU COULD  
16 POTENTIALLY HAVE IN EXCESS OF FIVE YEARS OF GRANT  
17 FUNDING. SO YOU COULD GET TO FIVE YEARS FROM NOW  
18 AND HAVE GRANT FUNDING, BUT NOT THE ABILITY TO  
19 ADMINISTER THE GRANT FUNDING?

20 DR. MILLS: THEORETICALLY, YES. AGAIN,  
21 THE FIVE YEARS OF ADMINISTRATIVE FUNDING DOESN'T  
22 QUITE WORK THAT WAY BECAUSE OUR ASSUMPTION IS WE'LL  
23 ACTUALLY GET DONE MAKING AWARDS SOONER THAN THAT BY  
24 ABOUT FOUR YEARS, AND THE EXPENSE LEVEL TAILS OFF.  
25 WE WOULDN'T KEEP BURNING OUT OF THAT ADMINISTRATIVE



BARRISTERS' REPORTING SERVICE

1 BUCKET. SO REALISTICALLY WE THINK WE'LL PROBABLY GO  
2 SEVEN YEARS ON THE ADMINISTRATIVE BUCKET AND FOUR  
3 AND A HALF ON AWARDS. BUT WITH \$150 MILLION NEW  
4 THROWN INTO THAT, IT WOULD CHANGE THE GAME.

5 OKAY. THE NEXT THING I'D LIKE TO TALK  
6 ABOUT IS JUST GIVE YOU A BRIEF, AND THIS IS A BRIEF,  
7 UPDATE ON OUR CLINICAL STAGE PORTFOLIO AND THEN TALK  
8 ABOUT HOW WE'RE GOING TO BE UPDATING OUR  
9 CLINICAL PORTFOLIO GOING FORWARD.

10 SO FIRST OF ALL, I THINK IT'S VERY  
11 IMPORTANT -- CIRM 2.0 FOR THE CLINICAL STAGE  
12 PROGRAMS WE PUT IN PLACE A YEAR AGO, SO I THINK IT'S  
13 IMPORTANT FOR US TO TAKE A ONE-YEAR SNAPSHOT AND  
14 LOOK AT THAT AND SEE HOW THAT'S BEEN GOING AND IF  
15 IT'S BEEN DOING WHAT WE INTENDED IT TO DO.

16 SO I THINK IN A NUTSHELL I CAN SAY WE'RE  
17 VERY, VERY PLEASED WITH HOW THE PROGRAM IS GOING.  
18 WE RECEIVED SO FAR ACTUALLY THIS YEAR 28  
19 APPLICATIONS. NINETEEN OF THOSE APPLICATIONS WENT  
20 ON TO PASS ELIGIBILITY. SIXTEEN OF THOSE 19 HAVE  
21 BEEN GIVEN FINAL DISPOSITIONS BY THE GRANTS WORKING  
22 GROUP. THREE ARE CURRENTLY UNDER REVIEW. AND THE  
23 APPLICATIONS THAT HAVE BEEN RECOMMENDED FOR FUNDING  
24 AND SUBSEQUENTLY FUNDED BY THIS BOARD IS SIX OR 38  
25 PERCENT OF ELIGIBLE APPLICATIONS.

BARRISTERS' REPORTING SERVICE

1 SO JUST FOR COMPARISON, ALL OF LAST YEAR  
2 WE HAD THREE APPLICATIONS, AND NONE OF THEM ENDED UP  
3 BEING ELIGIBLE AND WE MADE NO NEW AWARDS. SO THE  
4 AMOUNT OF INTEREST WE'VE SEEN IN CIRM'S CLINICAL  
5 STAGE PROGRAM HAS SHOT UP DRAMATICALLY. AND I THINK  
6 IT'S BECAUSE OF THE TREMENDOUS WORK OF THE GWG,  
7 WHICH INCLUDES MANY MEMBERS FROM THIS BOARD ON IT,  
8 WILLING TO MEET ON A MONTHLY BASIS, AND THEN THE  
9 CIRM TEAM WILLING -- NO. WILLING KIND OF LIKE COME  
10 ON, GUYS, YOU KNOW WE'RE GOING TO DO THIS WILLING,  
11 BUT WILLING AND, MOST IMPORTANTLY, ABLE TO CONDUCT  
12 MONTHLY REVIEWS. SO OUR CYCLE TIME HAS BEEN REDUCED  
13 PRACTICALLY FROM 22 MONTHS TO FOUR MONTHS FROM THE  
14 TIME THAT PEOPLE ACTUALLY HAVE THEIR FUNDING, AND  
15 IT'S 61 DAYS UNTIL THE TIME THEY KNOW THEY HAVE  
16 THEIR DECISION. AND SO THAT HAS BEEN A REAL GAME  
17 CHANGER FOR INTEREST INTO CIRM FOR OUR CLINICAL  
18 STAGE PROGRAMS, AND IT'S SHOWING UP IN THE VOLUME  
19 THAT WE'RE SEEING.

20 JUST TAKING A LOOK AT THE SCORING BECAUSE  
21 I THINK WE INTRODUCED SOME PRETTY INNOVATIVE THINGS  
22 HERE TOO. AS YOU WILL RECALL, WE USED TO DO SCORING  
23 1 TO A 100, AND WE WOULD BASICALLY APPROVE ANYTHING  
24 GREATER THAN 75 AND REJECT ANYTHING LESS THAN 65 AND  
25 SORT OF THROW IT TO THE BOARD ON WHAT YOU WANTED TO

BARRISTERS' REPORTING SERVICE

1 DO IN BETWEEN. WE CAME UP WITH THIS NEW SCORING  
2 SYSTEM THAT SAID WE'RE GOING TO EVALUATE THESE  
3 CLINICAL TRIALS. AND BECAUSE WE'RE HOLDING MONTHLY  
4 REVIEWS, WE DON'T HAVE TO BASICALLY DO THIS -- PUNT  
5 IT. IF IT'S NOT A GREAT APPLICATION, WE DON'T HAVE  
6 TO GIVE IT TO THE BOARD AND SAY FIGURE OUT WHAT YOU  
7 WANT TO DO. INSTEAD, WE CAME UP WITH AN OPPORTUNITY  
8 WHERE WE WOULD ALLOW THE APPLICANTS TO LISTEN TO THE  
9 FEEDBACK FROM THE GRANTS WORKING GROUP AND SEE IF  
10 THEY WOULD MODIFY THEIR APPLICATIONS TO IMPROVE  
11 THEM.

12 AGAIN, THE GOAL HERE WASN'T JUST TO GET  
13 MORE THINGS THROUGH FASTER, BUT IT WAS ALSO TO GET  
14 THINGS THROUGH BETTER. WE DIDN'T WANT TO PUT MORE  
15 75S THROUGH. WE WANTED TO PUT 95S THROUGH. SO  
16 HERE'S HOW THIS WORKS.

17 SO ON INITIAL SCORING OUT OF ALL OF THE  
18 THINGS THAT HAVE BEEN SCORED BY THE GWG, THREE WENT  
19 THROUGH FIRST TIME AS TIER I. THEY WERE GREAT  
20 PROGRAMS AND SHOULD BE FUNDED. EIGHT WENT THROUGH  
21 AS TIER III, WHICH IS THEY'RE FLAWED AND THE GWG  
22 BELIEVES THE FLAW IS BASICALLY A FATAL FLAW TO THE  
23 PROGRAM AND NOT REMEDIABLE. BUT SEVEN OF THOSE WERE  
24 GIVEN A TWO, WHICH IS HERE ARE OUR COMMENTS, SEE IF  
25 YOU CAN MAKE YOUR APPLICATION BETTER. TWO OF THOSE

BARRISTERS' REPORTING SERVICE

1 ARE STILL PENDING. SO IF YOU TAKE THEM OUT, THAT  
2 MEANS WE HAD FIVE APPLICATIONS THAT HAD THE  
3 OPPORTUNITY TO AMEND THEIR AWARDS AND SUBMIT. ONE  
4 REFUSED TO AMEND THEIR AWARD, AND SO IT DIDN'T GO  
5 ANY FURTHER. BUT OF THE FOUR THAT DID FIX THEIR  
6 APPLICATION, THREE OF THOSE WENT ON TO A 1, AND ONE  
7 OF THEM WENT ON TO A 3.

8 AND SO I THINK THE IDEA OF INSTEAD OF  
9 PUTTING YOU GUYS IN AN UNCOMFORTABLE POSITION ON  
10 WHAT DO YOU DO WITH A MEDIOCRE AWARD, THIS PROCESS  
11 WAS ABLE TO TAKE THAT AND AMEND THOSE. AND BY THE  
12 WAY, THE THREE WENT ON TO GO FROM 2S TO 1S, THAT  
13 WHOLE THING WAS DONE WITH ONLY 30 DAYS OF EXTRA  
14 WORK, INCLUDING OUR FEEDBACK TO THEM AND THEIR  
15 REVISION, BACK TO THE GWG AND THE GWG REREVIEW ALL  
16 TAKING PLACE WITHIN 30 DAYS. SO I THINK THIS  
17 PARTICULAR SCORING ASPECT OF IT HAS WORKED PRETTY  
18 WELL.

19 AND THEN THE LAST THING I JUST WANTED TO  
20 SHOW HERE IS WHAT WE'RE FUNDING BECAUSE IT'S A  
21 LITTLE DIFFERENT THAN WHAT IT USED TO BE. SO COMING  
22 INTO THIS, WE DIDN'T HAVE ANY PHASE III PROGRAMS,  
23 AND I THINK WE ONLY HAD ONE PHASE II PROGRAM IN OUR  
24 CLINICAL PORTFOLIO. SO TWO OF THE SIX THINGS THAT  
25 WE'VE FUNDED HAVE BEEN IN PHASE III, ONE IN PHASE

BARRISTERS' REPORTING SERVICE

1 II, ONE IN PHASE I, AND THEN TWO THAT ARE IN THE  
2 IND-ENABLING PHASE OF CLINICAL RESEARCH GETTING  
3 READY TO START.

4 SO THAT GIVES US A CLINICAL PROGRAM THAT  
5 LOOKS LIKE THIS TODAY. SOME OF THIS STUFF YOU CAN  
6 SEE, BUT IT'S BROKEN UP BY MAJOR DISEASE CATEGORIES.  
7 YOU CAN SEE NEUROLOGICAL IS THE LARGEST AT 31  
8 PERCENT OF OUR FUNDING FOLLOWED BY CANCER AND  
9 CARDIOVASCULAR. AND THEN YOU CAN SEE ON THE LEFT  
10 THAT'S JUST A LIST OF THE DIFFERENT CLINICAL TRIALS  
11 THAT WE CURRENTLY HAVE ACTIVE. AND I WANT TO SAY  
12 THESE ARE CLINICAL TRIALS THAT WE HAVE DIRECTLY,  
13 ONE, OPINED ON AS A GWG AND A BOARD, AND, TWO, ARE  
14 DIRECTLY FUNDING. SO WE HAVE SOMETHING LIKE ANOTHER  
15 13 TO 15 TRIALS THAT IN VARIOUS WAYS WE HAVE  
16 SUPPORTED PREVIOUSLY, BUT THESE ARE THE ONES THAT WE  
17 ARE ACTUALLY ACTIVELY FUNDING RIGHT NOW.

18 SO THE LAST THING IN THIS SECTION THAT I  
19 WANTED TO TALK ABOUT WAS A PROCESS FOR UPDATING.  
20 ONE OF THE THINGS THAT WE DO WITH THE GWG IS, EVEN  
21 THOUGH WE MEET MONTHLY TELEPHONICALLY, TWICE A YEAR  
22 WE GET THE GRANTS WORKING GROUP TOGETHER FOR LONGER  
23 SESSIONS SO WE CAN SYNC UP AND SO WE CAN HEAR IDEAS  
24 AND CHALLENGES AND HOW WE CAN MAKE THE PROCESS  
25 BETTER. AND OUT OF THAT LAST MEETING, ONE OF THE

BARRISTERS' REPORTING SERVICE

1 THINGS THAT CAME UP WAS HOW DO WE KEEP THE GWG  
2 INFORMED AND HOW DO WE BEST UTILIZE THE GWG FOR  
3 ACTIVE PROGRAMS IN OUR PORTFOLIO.

4 SO RIGHT NOW WE HAVE 26 CLINICAL STAGED  
5 PROGRAMS IN OUR PORTFOLIO. WHAT I MEAN IS WE HAVE  
6 26 PROGRAMS THAT AT THE IND -- THAT HAVE ALREADY HAD  
7 THEIR PRE-IND MEETING ONWARD. EITHER THEY HAVE  
8 THEIR IND OR THEY'RE IN PHASE I, THEY'RE IN PHASE  
9 II, THEY'RE IN PHASE III. SO WE HAVE 26 OF THOSE  
10 PROGRAMS. WHAT WE'RE DOING IS WE'RE BREAKING THOSE  
11 DOWN, THEN, BY DISEASE AREA AND WE'RE CREATING HIGH  
12 LEVEL SUMMARIES. WE WILL NOW BE REVIEWING, AND  
13 WE'RE GOING TO TEST THIS OUT COMING UP NEXT WEEK, WE  
14 WILL NOW BE REVIEWING ON A MONTHLY BASIS THESE  
15 PROGRAMS WITH THE GRANTS WORKING GROUP. AND WE WILL  
16 BRING TO THEM BECAUSE WE COULDN'T GO OVER ALL 26 IN  
17 A GWG MEETING AND STILL ACTUALLY CONDUCT OUR REVIEW  
18 BUSINESS, BUT INSTEAD BRING TO THEM ANY MATERIAL  
19 CHANGES THAT WE HAVE WITHIN THE LAST MONTH OR ANY  
20 PROBLEMS OR QUESTIONS THAT WE THINK MIGHT BE ON THE  
21 HORIZON FOR ANY PARTICULAR PROGRAMS, AND THEN  
22 OBVIOUSLY ANSWER ANY QUESTIONS ANYONE ELSE HAS.

23 SO BY HAVING MONTHLY REVIEW, WE'LL HAVE  
24 THE GWG MORE ON TOP OF IT. AND THEN WHERE  
25 APPROPRIATE WE'LL HAVE THE GWG MAKE RECOMMENDATIONS

BARRISTERS' REPORTING SERVICE

1 BACK TO CIRM ON WHAT WE SHOULD, COULD, MIGHT DO IN  
2 ORDER TO EITHER MAKE THE PROGRAM BETTER OR TO  
3 PERHAPS TERMINATE THE PROGRAM, WHATEVER IT MIGHT BE.  
4 AND THEN WE WILL TAKE ALL OF THAT AND THEN ON A  
5 QUARTERLY BASIS BRING THAT BACK TO THE BOARD AND  
6 CONDUCT QUARTERLY REVIEWS IN PERSON TO THE BOARD OF  
7 THAT PORTFOLIO.

8 SO WE'RE GOING TO TEST THIS OUT. IF YOU  
9 HAVE FEEDBACK ABOUT THAT, IF YOU HAVE COMMENTS, YOU  
10 WANT MORE OR LESS INFORMATION, LET US KNOW.  
11 OBVIOUSLY WE WANT TO HAVE THIS BE AS, ONE, AS  
12 HELPFUL A PROGRAM AS WE CAN TO OUR AWARDEES SO WE  
13 CAN GET THEM THE BEST INFORMATION THEY CAN TO MAKE  
14 THEIR PROGRAM SUCCESSFUL. AND THEN OBVIOUSLY WE  
15 WANT THIS PROGRAM TO BE AS INFORMATIVE FOR YOU ALL  
16 SO THAT YOU CAN MAKE THE BEST DECISIONS GOING  
17 FORWARD.

18 SO ANY QUESTIONS ON THAT?

19 DR. DULIEGE: ACTUALLY, FIRST OF ALL,  
20 CONGRATULATIONS. GREAT. IT'S EXACTLY THE MISSION.  
21 IT'S INSPIRING. AND IT'S THE RIGHT LEVEL OF  
22 INFORMATION THAT PERSONALLY I'M HAPPY WITH.

23 ONE QUESTION, YOU MAY HAVE SAID IT, YOU  
24 MENTIONED TWO PHASE III TRIALS. WHAT ARE THESE  
25 PHASE III TRIALS?

BARRISTERS' REPORTING SERVICE

1 DR. MILLS: WHAT ARE THEY? WE HAVE ONE  
2 IN -- THEY WERE BOTH APPROVED THIS YEAR. ONE OF  
3 THEM IS IN GLIOBLASTOMA AND THE OTHER ONE IS IN  
4 MALIGNANT METASTATIC MELANOMA.

5 DR. DULIEGE: PHENOMENAL. THANKS.

6 DR. MILLS: OTHER QUESTIONS?

7 THEN, LASTLY, I JUST WANT TO SAY A WORD  
8 ABOUT OUR NEW HOME. OVER THE THANKSGIVING WEEKEND,  
9 CIRM SUCCESSFULLY COMPLETED OUR MOVE FROM SAN  
10 FRANCISCO TO OAKLAND. WE'RE UP AND RUNNING. IT  
11 WORKED. THERE ARE A NUMBER OF PEOPLE THAT DID A  
12 PHENOMENAL JOB. AND THEN THERE WAS AMANDA MORA WHO  
13 BASICALLY HAS LIVED THIS MOVE AND HAS TAKEN  
14 OWNERSHIP OF MAKING IT BE SUCCESSFUL AND HAS DONE A  
15 PHENOMENAL JOB. AND I THANK HER FOR HER DEDICATION  
16 AND REALLY OWNERSHIP OF THAT PROGRAM.

17 WE ARE THERE. I WANT TO TELL THE BOARD  
18 WE'RE THERE AND WE'RE UP AND WE'RE RUNNING, BUT  
19 THIS, IN CONJUNCTION WITH YOU HAVE A NEW LEADER AND  
20 WE HAVE A NEW STRATEGIC PLAN AND WE HAVE A REFINED  
21 MISSION AND WE HAVE A NEW CULTURE, IS A TREMENDOUS  
22 AMOUNT OF CHANGE THAT THE ORGANIZATION IS DIGESTING.  
23 AND SO YOU'VE HEARD WHO MOVED MY CHEESE. WE DIDN'T  
24 MOVE THEIR CHEESE. WE PUNTED THEIR CHEESE OUT THE  
25 WINDOW AND ALL THE WAY ACROSS THE BAY. AND I JUST



BARRISTERS' REPORTING SERVICE

1 WANT TO TELL THE BOARD HOW SINCERELY I APPRECIATE  
2 THE FLEXIBILITY AND THE COMMITMENT AND THE  
3 DETERMINATION OF THIS GROUP OF PROFESSIONALS BEHIND  
4 ME AND THE REMAINDER OF THE GROUP THAT STAYED IN SAN  
5 FRANCISCO AND THEIR WILLINGNESS TO WALK WITH US ON  
6 THIS JOURNEY AND GO THROUGH THESE KINDS OF CHANGES.  
7 IT IS NOT EASY. IT'S TAXING. THERE'S ANXIETY  
8 ASSOCIATED WITH IT. AND I VERY MUCH WANT YOU TO  
9 KNOW HOW MUCH I APPRECIATE ALL THEY'RE DOING AND  
10 THEIR CONTINUED OUTSTANDING EFFORT AS WE'VE GONE  
11 THROUGH THIS. SO THANK YOU.

12 CHAIRMAN THOMAS: THANK YOU, DR. MILLS.

13 WE'RE GOING TO MOVE ON. WE HAVE THE  
14 CONSENT CALENDAR HERE. IS THERE ANYTHING ON THIS  
15 CONSENT ITEM THAT ANYBODY ON THE BOARD WOULD LIKE  
16 REMOVED? HEARING NOBODY, DO I HAVE A MOTION TO  
17 APPROVE?

18 MR. TORRES: MOVE TO ADOPT.

19 MS. LANSING: SECOND.

20 CHAIRMAN THOMAS: MOVED BY SENATOR TORRES.  
21 SECONDED BY MS. LANSING. ALL THOSE IN FAVOR PLEASE  
22 SAY AYE. THOSE ON THE PHONE?

23 MS. BONNEVILLE: LINDA BOXER.

24 DR. BOXER: YES.

25 MS. BONNEVILLE: KATHY LAPORTE.

BARRISTERS' REPORTING SERVICE

1 MS. LAPORTE: YES.

2 CHAIRMAN THOMAS: THANK YOU. WE'RE  
3 APPROVED.

4 ON TO THE ACTION ITEMS. THE FIRST ITEM,  
5 DR. MILLS, YOU'RE BACK UP WITH THE DISCUSSION OF THE  
6 CIRM STRATEGIC PLAN.

7 DR. MILLS: THANK YOU, CHAIRMAN THOMAS AND  
8 THE BOARD. IT'S BEEN AWHILE SINCE WE'VE SPOKEN. SO  
9 TODAY I WOULD LIKE TO TAKE YOU AND OBVIOUSLY MEMBERS  
10 OF THE PUBLIC THROUGH OUR PROPOSED AND WHAT WE HOPE  
11 IS THE FINAL VERSION OF OUR STRATEGIC PLAN. WE'VE  
12 GONE THROUGH OBVIOUSLY SEVERAL ITERATIONS AND  
13 REFINING AND DRIVING. WE'VE HAD COMMENT FROM THE  
14 PUBLIC; WE'VE HAD COMMENT FROM BOARD. WE HAD A  
15 DRAFT VERSION OBVIOUSLY THAT WE PUT OUT TO SCIENCE  
16 SUBCOMMITTEE AND EVERYONE ELSE, AND THEN WE'VE  
17 GOTTEN SOME GREAT COMMENTS AND GREAT FEEDBACK. I AM  
18 VERY EXCITED ABOUT THIS PLAN, AND I THINK WHAT WE  
19 WILL BE ABLE AS AN AGENCY TO DO GOING FORWARD, IF WE  
20 SO CHOOSE, YOU SO CHOOSE, TO ADOPT IT.

21 TO START PERHAPS, I COULD ASK JEFF SHEEHY,  
22 WHO IS CHAIR OF THE SCIENCE SUBCOMMITTEE, TO MAYBE  
23 GIVE A BRIEF INTRODUCTION AS THE PLAN WENT TO THE  
24 SCIENCE SUBCOMMITTEE FOR APPROVAL BEFORE COMING TO  
25 THE FULL BOARD.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: THANK YOU, RANDY. AND I ALSO  
2 JUST WANT TO FOLLOW UP ON YOUR REMARKS ABOUT THE  
3 INCREDIBLE EFFORTS OF THE TEAM OVER THE LAST YEAR.  
4 THEY REALLY HAVE GONE THROUGH A LOT OF CHANGES, AND  
5 WE REALLY OWE A LOT TO THESE INDIVIDUALS WHO HAVE  
6 STAYED WITH US AND HAVE CREATED SUCH -- I MEAN THE  
7 LEVEL OF INNOVATION WE'VE SEEN OVER THE LAST YEAR  
8 HAS JUST BEEN ASTONISHING FROM MY PERSPECTIVE. IT'S  
9 TAKEN A LOT OF REALLY, REALLY HARD WORK AND  
10 DEDICATION AND PASSION. AND HAVING SEEN A LOT OF  
11 THAT TAKE PLACE, I AM SO PROUD TO BE A MEMBER OF  
12 THIS ORGANIZATION.

13 AND THIS STRATEGIC PLAN, I THINK, IS JUST  
14 ONE MORE OUTCOME OF THIS INCREDIBLE WORK THAT WE'RE  
15 SEEING DONE BY OUR TEAM.

16 THE SCIENCE SUBCOMMITTEE LOOKED AT THIS  
17 EXHAUSTIVELY, ASKED VERY, VERY TOUGH QUESTIONS, AND  
18 I THINK THE RECEPTION WAS INCREDIBLY POSITIVE. AND,  
19 AGAIN, TALKING ABOUT THE TEAM AND DR. MILLS, THE  
20 INNOVATION THAT'S INCLUDED IN THIS PLAN IS SOMETHING  
21 I DON'T THINK WE'VE SEEN BEFORE OR A PUBLIC FUNDING  
22 AGENCY HASN'T DONE BEFORE. AND I THINK IT'S HIGH  
23 RISK, BUT IT'S ALSO HIGH REWARD. WE USE THOSE TERMS  
24 A LOT, BUT THIS REALLY IS TRUE IN THIS INSTANCE. I  
25 THINK IT HAS THE POTENTIAL TO REALLY, REALLY

BARRISTERS' REPORTING SERVICE

1 TRANSFORM THE WHOLE FIELD IF IT WORKS OUT.

2 BUT I ALSO -- I THINK ALL OF US ARE VERY  
3 REALISTIC THAT, LIKE EVERYTHING WE'VE DONE, IT'S  
4 ALWAYS A WORK IN PROGRESS. NOTHING SET IN STONE.  
5 AND I'M SURE THAT THEY'LL INNOVATE AS WE GO ALONG  
6 BASED ON THE OUTCOMES THAT THEY GET FROM THE  
7 IMPLEMENTATION OF THE PLAN.

8 I DON'T KNOW IF DR. STEWARD HAS ANYTHING  
9 OR ANY OTHER MEMBER OF THE SCIENCE SUBCOMMITTEE, BUT  
10 IT WAS TRULY EXCITING TO SEE THE PRODUCT THAT'S COME  
11 OUT. I REALLY PERSONALLY WANT TO SAY HOW MUCH I  
12 APPRECIATE THE METRICS THAT ARE INCLUDED IN THIS  
13 PLAN. THERE'S SOME VERY DEFINITIVE OUTCOME METRICS,  
14 IF YOU LOOK IN THE BACK, I THINK IT'S IN THE  
15 APPENDIX, THAT ARE VERY CLEAR. AND I ALWAYS  
16 APPRECIATE HAVING CLEAR METRICS. I THINK IF YOU  
17 CAN'T MEASURE IT, YOU DON'T KNOW IF YOU'RE DOING IT.

18 WHAT I ALSO THOUGHT WAS VERY INTERESTING  
19 IS THERE'S ACTUALLY PROCESS METRICS FOR EACH TEAM  
20 WITHIN THE LARGER CIRM TEAM THAT, AS I UNDERSTAND  
21 IT, THE TEAMS COLLABORATIVELY CAME UP WITH THESE  
22 METRICS IN ORDER TO MEASURE THEIR OWN PROGRESS  
23 TOWARDS ADVANCING THIS TOWARDS ACHIEVING THE LARGER  
24 OUTCOME METRICS OF THE STRATEGIC PLAN. I THINK  
25 THAT'S ALSO INCREDIBLY INNOVATIVE AND VERY HELPFUL

BARRISTERS' REPORTING SERVICE

1 IN TERMS OF GETTING TO ACHIEVE THE KIND OF SUCCESS  
2 WE HOPE TO ACHIEVE WITH THIS PLAN.

3 DR. MILLS: THANK YOU, JEFF.

4 MR. HIGGINS: I WOULD JUST LIKE TO ADD A  
5 COUPLE COMMENTS TO JEFF'S COMMENTS. EVERYBODY KNOWS  
6 THAT STRAT PLANS ARE BORING AND THAT THEY USUALLY  
7 GET DONE UNDER THE RECOMMENDATION OF A CONSULTANT  
8 AND THEY GO IN A DESK DRAWER AS SOON AS THE  
9 CONSULTANT LEAVES TOWN WITH THE CHECK. I WANT TO  
10 SAY THAT THIS STRAT PLAN IS NONE OF THAT. THIS IS  
11 AN EXCITING DOCUMENT. IT'S GOING TO BE A LIVING  
12 DOCUMENT THAT WE CAN FOLLOW AND USE FOR GUIDANCE.  
13 AND I WOULD ENCOURAGE EVERYONE TO STUDY IT, LOOK AT  
14 IT, AND APPRECIATE THE DIFFERENCE FROM ANY STRAT  
15 PLAN YOU'VE EVER BEEN INVOLVED IN.

16 SO IF YOU'VE BEEN INVOLVED IN STRAT PLAN  
17 DEVELOPMENT IN YOUR PAST LIVES OR YOUR CURRENT  
18 LIVES, THIS IS NOT THAT. THIS IS SOMETHING TOTALLY  
19 DIFFERENT. AND I THINK THE BOARD CANNOT JUST  
20 APPROVE THIS. I THINK THE BOARD CAN GET BEHIND IT  
21 WITH EXCITEMENT.

22 DR. MILLS: THANK YOU. SO LET'S GET INTO  
23 THIS. WE'VE SET THE BAR HIGH NOW, AND I FEEL A  
24 LITTLE INTIMIDATED TO DELIVER, BUT WE'RE GOING TO  
25 TRY.

BARRISTERS' REPORTING SERVICE

1 THE FIRST THING THAT I'D LIKE TO SAY IS AS  
2 WE GO THROUGH THE STRAT PLAN, YOU'LL SEE THERE'S A  
3 LOT OF USE OF METAPHOR, AND THERE'S A LOT OF  
4 DESCRIPTIONS AND CARTOONS AND TRUCKS AND THINGS LIKE  
5 THAT. AND THE PURPOSE OF THAT REALLY IS TO DRIVE  
6 HOME CLARITY OF WHAT WE'RE TRYING TO ACCOMPLISH AND  
7 HAVE THAT DIGESTIBLE. AND I WANT TO RECOGNIZE ONE  
8 BOARD MEMBER WHO REALLY TOOK US TO TASK ON THAT AND  
9 PUSHED US TO DO THAT. AND THAT IS ACTUALLY LAUREN  
10 MILLER, WHO WE SAT DOWN WITH AND SAID, "LOOK, YOU'RE  
11 NOT EFFECTIVELY COMMUNICATING ANYTHING IF EVERYONE  
12 CAN'T UNDERSTAND IT. AND WE NEED TO HAVE CLEAR  
13 COMMUNICATION THAT ALL OF OUR STAKEHOLDERS CAN  
14 UNDERSTAND AND PULL OUT THE COMPLEXITY." SO WE  
15 REALLY TRIED TO DO THAT.

16 I WAS ASKED ABOUT THE STRATEGIC PLAN. SO  
17 WHAT'S DIFFERENT ABOUT THIS STRATEGIC PLAN THAN THE  
18 LAST STRATEGIC PLAN? I SAID WHAT ARE THE THREE MOST  
19 IMPORTANT THINGS FROM THE LAST STRATEGIC PLAN? THE  
20 RESPONSE WAS I DON'T KNOW. I SAID THAT'S HOPEFULLY  
21 GOING TO BE THE DIFFERENCE. I DO HOPE AT THE END OF  
22 THIS YOU WILL KNOW AT LEAST THE THREE MOST IMPORTANT  
23 THINGS THAT WE'RE TRYING TO DO.

24 SO TO GET ON WITH IT, THIS IS THE TABLE OF  
25 CONTENTS FOR THE STRATEGIC PLAN. IT ENDED UP BEING

BARRISTERS' REPORTING SERVICE

1 A LITTLE LONGER THAN WE WANTED, ABOUT 50 PAGES. WE  
2 WERE AIMING FOR 30, BUT IT JUST HAPPENED THAT WAY.  
3 AND I'M GOING TO GO THROUGH THESE VARIOUS ELEMENTS  
4 TODAY. THE PLAN ITSELF REALLY CENTERS FROM PAGE 4  
5 OR SECTION 4 TO SECTION 10 WHERE WE TALK GOING  
6 FORWARD ABOUT WHAT WE'RE GOING TO DO TO ACCOMPLISH  
7 OUR MISSION.

8 SO, AGAIN, A LITTLE BIT ABOUT THE  
9 STRATEGIC PLANNING PROCESS THAT WE EMPLOYED. NO  
10 CONSULTANTS. WE DIDN'T MAKE IT OVERLY COMPLEX.  
11 REALLY SUCCESSFUL STRATEGIC PLANNING CAN BE  
12 ACCOMPLISHED IF YOU DO JUST THREE THINGS. ONE IS  
13 VERY, VERY HONESTLY ASSESS WHERE YOU ARE NOW, WHERE  
14 THE ENVIRONMENT IS NOW, ASK THE RIGHT QUESTIONS, ASK  
15 AS MANY PEOPLE AS YOU CAN, AND GET A GOOD SENSE OF  
16 WHERE YOU ARE.

17 THEN, TWO, FIGURE OUT ASPIRATIONALLY WHERE  
18 IT IS YOU WANT TO GO. WHAT DOES GOOD LOOK LIKE  
19 SOMETIMES I'LL REFER TO IT AS. AND THEN SIMPLY COME  
20 UP WITH A STRATEGY THAT CONNECTS THOSE DOTS.  
21 STRATEGIC PLANNING DOESN'T HAVE TO BE MORE  
22 COMPLICATED THAN THAT.

23 IF WE ARE SUCCESSFUL, WE SHOULD BE ABLE TO  
24 GET THESE THREE THINGS OUT OF THE STRATEGIC PLAN.  
25 FIRST IS SITUATIONAL AWARENESS. IT'S NOT A GOOD

BARRISTERS' REPORTING SERVICE

1 IDEA TO STRATEGIC PLAN CONTINUOUSLY BECAUSE YOU  
2 DON'T WANT TO KEEP CHANGING WHERE THE GOAL LINE IS.  
3 BUT EVERY ONCE IN A WHILE, IT IS A GOOD IDEA TO COME  
4 UP AND REASSESS THE WORLD. ONE OF THE THINGS THAT  
5 WE SAW IN THIS STRATEGIC PLAN WAS HOW MUCH THE WORLD  
6 HAS CHANGED SINCE 2004. AND I THINK HOW PROUD CIRM  
7 CAN BE FOR HAVING DRIVEN SUCH A SIGNIFICANT CHANGE  
8 IN THE WORLD AROUND STEM CELLS. THIS PLAN WOULD NOT  
9 HAVE TO BE SO DIFFERENT IF CIRM HAD NOT BEEN SO  
10 SUCCESSFUL IN ITS FIRST TEN YEARS OF LIFE.

11 SECONDLY, WHAT WE WERE TRYING TO DO WITH  
12 THIS PLAN IS CREATE ORGANIZATIONAL CLARITY. SO THE  
13 BOARD, THE LEADERSHIP TEAM, THE TEAM AT CIRM, CIRM  
14 STAKEHOLDERS, EVERYONE HAVING A CLEAR UNDERSTANDING  
15 AND BEING COMPLETELY ALIGNED ON WHAT WE'RE TRYING TO  
16 DO AND HOW WE'RE TRYING TO DO IT.

17 LASTLY, AS JEFF SAID, A STRATEGIC PLAN  
18 WITHOUT MEASURABLE GOALS MIGHT AS WELL BE PUT IN THE  
19 DESK DRAWER AND FORGOTTEN ABOUT BECAUSE YOU CAN'T  
20 COME BACK IN FIVE YEARS AND SAY I WONDER HOW THAT  
21 ALL WORKED OUT. THIS IS A DIFFICULT PLAN, AND IT IS  
22 GOING TO TAKE A TREMENDOUS COMMITMENT FOR US TO  
23 ACCOMPLISH. NOTHING IN THIS PLAN REQUIRES US TO  
24 BEND THIS TIME SPACE CONTINUUM. BUT IF WE DO NOT  
25 WORK VERY HARD, WE CERTAINLY WILL NOT ACCOMPLISH IT.



BARRISTERS' REPORTING SERVICE

1 THESE GOALS ARE NOT EASY-TO-ACCOMPLISH GOALS. EASY  
2 WAS NOT ALLOWED TO BE BROUGHT UP AS A GOAL OF THIS  
3 STRATEGIC PLAN. INSTEAD, WHAT WE WANTED TO FIGURE  
4 OUT WAS HOW COULD WE HAVE THE BIGGEST IMPACT  
5 POSSIBLE WITH OUR REMAINING FUNDS AND OUR REMAINING  
6 LIFE IN A WAY, AS JEFF SAID, THAT WOULD LITERALLY  
7 TRANSFORM REGENERATIVE MEDICINE OVER THE NEXT FIVE  
8 YEARS.

9 EVERYTHING BETWEEN US, WHERE WE WERE TODAY  
10 IN OUR GOAL, HAVING THESE THERAPIES AVAILABLE TO  
11 PATIENTS IN NEED WAS IN PLAY. EVERYTHING WE PUT ON  
12 THE TABLE, AND THAT'S THE PLAN THAT WE CAME UP WITH  
13 HERE TODAY.

14 SO FIRST THING, WE JUST TALKED ABOUT THIS  
15 A SECOND AGO, BUT THE FIRST THING, WE HAD TO ASSESS  
16 WHAT ACTUALLY WAS OUR RUNWAY AND HOW MUCH TIME AND  
17 MONEY ARE WE TALKING ABOUT. WE WENT OVER THIS  
18 PREVIOUSLY, SO I WON'T SPEND TOO MUCH TIME ON IT,  
19 BUT WE ARE ESTIMATING THAT WE HAVE ABOUT FIVE YEARS  
20 IF WE AIM FOR SOMEWHERE BETWEEN 190 TO \$200 MILLION  
21 IN NEW AWARDS EACH YEAR. AGAIN, THAT DOES ASSUME AN  
22 AWARD RECAPTURE RATE OF ABOUT 10 PERCENT. IT'S BEEN  
23 A LITTLE HIGHER OF LATE. THAT WOULD GIVE US A  
24 LITTLE EXTRA MONEY TOWARDS THE END OF THIS PROCESS  
25 TO REDISTRIBUTE.

BARRISTERS' REPORTING SERVICE

1 SO I WENT THROUGH THIS ON THE FIRST PASS  
2 OF PUTTING OUT THE STRATEGIC PLAN, SO I'M GOING TO  
3 CONDENSE A WHOLE BUNCH OF SLIDES JUST INTO SORT OF  
4 SUMMARIES OF THEM. GETTING A GOOD FEELING FOR WHERE  
5 WE WERE TODAY AND HOW THINGS HAVE CHANGED WAS  
6 IMPORTANT. SO THE FIRST THING, THE PUNCHLINE THAT  
7 JUMPED OFF THE TABLE WAS THAT CIRM INITIALLY EXISTED  
8 AS AN INITIATIVE-BASED AGENCY. AND THE REASON FOR  
9 THIS CENTERED AROUND, AGAIN, THIS HOW MUCH THE WORLD  
10 HAS CHANGED. IN 2004 THERE WASN'T ENOUGH DEMAND IN  
11 ALL OF THE DIFFERENT AREAS THAT CIRM FUNDS FOR US TO  
12 HAVE REGULARLY SCHEDULED PROGRAMS IN ALL OF THOSE  
13 DIFFERENT AREAS. THIS IS MORE ANALOGOUS TO CHARTER  
14 FLIGHT. IF YOU WANTED TO START GOING ACROSS THE  
15 COUNTRY, WHEN THERE WAS ENOUGH PEOPLE AT THE  
16 AIRPORT, WE'D CHARTER A FLIGHT AND WE WOULD TAKE YOU  
17 TO SALT LAKE CITY. AND THEN WHEN THERE WAS ENOUGH  
18 PEOPLE THERE, WE WOULD SCHEDULE THE NEXT FLIGHT OUT  
19 TO OKLAHOMA OR SOMETHING LIKE THAT. THAT WAS AN  
20 INITIATIVE-BASED APPROACH.

21 WE NOW HAVE SO MUCH DEMAND THAT WE CAN NOW  
22 HAVE REGULARLY SCHEDULED SERVICE BETWEEN THESE  
23 VARIOUS POINTS WHERE WE CONTINUOUSLY HAVE FLIGHTS  
24 GOING. WHEN YOU SHOW UP TO THE AIRPORT, YOU KNOW  
25 THERE'S A PLANE THAT'S GETTING READY TO LEAVE AND

BARRISTERS' REPORTING SERVICE

1 IT'S GOING TO TAKE YOU ON TO THE NEXT PLACE.

2 SYSTEMS-BASED VERSUS INITIATIVE IS A BIG CONCEPT  
3 THAT CAME OUT OF THIS.

4 THE SECOND WAS WE DID THESE SURVEYS AND  
5 POLLS AND WE ASKED A LOT OF PEOPLE. AND I THINK ONE  
6 OF THE MOST GRATIFYING THINGS THAT WE FOUND WAS ON  
7 ALMOST EVERY ISSUE ALL OF OUR STAKEHOLDERS WERE  
8 ALIGNED. WE ARE IN COMPLETE ALIGNMENT AROUND THE  
9 MOST IMPORTANT ISSUE, WHICH CENTERS AROUND WHY THE  
10 AGENCY EXISTS.

11 WE DID FIND THAT THERE WAS A PARTICULAR  
12 STAGE OF RESEARCH THAT NEEDED HELP. SO THIS  
13 TRANSLATIONAL STAGE, I'LL BE TALKING MORE ABOUT  
14 THIS. THAT IS FROM THE TIME WE DISCOVER A STEM CELL  
15 PRODUCT THAT LOOKS PROMISING TO THE TIME WE CAN  
16 ACTUALLY GET AN IND APPROVED BY THE FDA TO WHERE WE  
17 CAN START DOING CLINICAL TRIALS, THAT RIGHT NOW FOR  
18 STEM CELL THERAPIES IS TOO LONG. IT'S SOMEWHERE  
19 BETWEEN SIX TO EIGHT YEARS. THE INDUSTRY AVERAGE  
20 FOR ANYTHING THAT'S NOT A STEM CELL IS 3.2 YEARS.  
21 SO WE LOOK AT THAT AND WE SAY, OKAY, THAT'S A  
22 PROBLEM. WE CAN ALSO LOOK AT THAT AND SAY WHAT IF  
23 WE GOT IT BACK TO INDUSTRY AVERAGE? WE COULD  
24 ACTUALLY CUT IN HALF TRANSLATIONAL TIME. WOULDN'T  
25 THAT BE GREAT? SO THAT'S SOMETHING WE DUG IN DEEPER

BARRISTERS' REPORTING SERVICE

1 TO.

2 WE ALSO KNOW THAT STEM CELL THERAPIES FROM  
3 A COMMERCIAL STANDPOINT CLEARLY ARE DISADVANTAGED.  
4 SO BIG PHARMA COMPANIES WILL DISPROPORTIONATELY  
5 IN-LICENSE NON-CELL TECHNOLOGIES AT A MUCH GREATER  
6 RATE THAN CELL TECHNOLOGIES. ONLY 8 PERCENT OF  
7 CIRM'S ACADEMIC PROGRAMS ACTUALLY HAVE PARTNERS.  
8 AND WE NEED TO ADDRESS THE BACK END OF THIS PROBLEM  
9 IF WE'RE ACTUALLY GOING TO GET THERAPIES ALL THE WAY  
10 TO PATIENTS. WE NEED MORE COMMERCIAL INTEREST.

11 AND THEN THE LAST THING, AND THIS WAS  
12 FAIRLY SHOCKING, WAS THE REGULATORY ENVIRONMENT IS  
13 SEEN AS A MAJOR IMPEDIMENT. IN FACT, 70 PERCENT OF  
14 RESPONDENTS TO OUR SURVEYS LISTED FDA AS THE SINGLE  
15 BIGGEST IMPEDIMENT TO DEVELOPING STEM CELL  
16 THERAPIES. WE'RE GOING TO TALK MORE ABOUT THAT.

17 AS I SAID, THE MOST GRATIFYING THING WE  
18 HAD WAS AMONG THE BOARD COMPLETE AGREEMENT WHAT OUR  
19 MISSION SHOULD BE, AND WE DIDN'T HAVE TO GO THROUGH  
20 THE BURDENSOME EXERCISE OF TRYING TO FIGURE OUT WHAT  
21 A NEW MISSION FOR THE ORGANIZATION SHOULD BE. AND  
22 SO OUR MISSION TO ACCELERATE STEM CELL TREATMENTS TO  
23 PATIENTS WITH UNMET MEDICAL NEEDS WAS 100 PERCENT  
24 AGREED UPON BY THE BOARD AND BY ALL OTHER  
25 STAKEHOLDERS, ANOTHER 215 PEOPLE OR SO THAT LOOKED

BARRISTERS' REPORTING SERVICE

1 AT IT, 219, WAS 95.4 PERCENT. SO THAT'S WHERE WE  
2 STARTED. WE VIEW THAT, THEN, AS SORT OF OUR  
3 UNMOVABLE, IMMOVABLE POINT OF REFERENCE THAT WE WILL  
4 USE FOR EVERYTHING ELSE, AND WE'LL TEST OFF AGAINST  
5 IT TO MAKE SURE. IRRESPECTIVE OF WHAT STRATEGIES WE  
6 MIGHT USE OR METHODS WE MIGHT USE, WE'RE ALWAYS  
7 HEADING OR WORKING TOWARDS THAT DIRECTION.

8 SO THEN WE WORKED ON A VISION, WHICH IS TO  
9 EXPONENTIALLY ADVANCE CIRM'S MISSION BY LEADING A  
10 COORDINATED CAMPAIGN THAT HOLISTICALLY ATTACKS THE  
11 OBSTACLES MEANINGFULLY AFFECTING THE SPEED  
12 PROBABILITY AND SUSTAINABILITY OF STEM CELL  
13 TREATMENTS TO HELP PATIENTS IN NEED.

14 ONLY A COUPLE OF WORDS HERE THAT I WANT TO  
15 POINT OUT. ACTUALLY THE PLAN WE BREAK OUT LITERALLY  
16 EVERY WORD AND WHY EVERY WORD WAS CHOSEN. THE WORD  
17 "EXPONENTIALLY," THIS IS A THEME THROUGHOUT THIS  
18 PLAN. WE ARE NOT LOOKING TO DO A LITTLE BETTER. WE  
19 WEREN'T LOOKING TO DO THAT WHICH WAS EASILY  
20 ACCOMPLISHABLE. AS JEFF SAID, HIGH RISK, HIGH  
21 REWARD. THIS IS DOABLE, BUT IT IS GOING TO BE HARD.  
22 AND WHAT WE WANTED THE RESULT TO BE WAS, AS SHERRY  
23 LANSING SAID IN HER COMMENTS IN THE PRESS RELEASE,  
24 WE WANT IT TO BE WORTH DOING. IF WE PUT ALL THIS  
25 HARD WORK AND DEDICATION AND RESOURCE INTO IT, ALL

BARRISTERS' REPORTING SERVICE

1 OF THAT EFFORT IS WORTH THIS OUTCOME BECAUSE THE  
2 OUTCOME WILL BE TRANSFORMATIONAL. AND THAT'S  
3 IMPORTANT.

4 THE SECOND THING THAT'S A LITTLE DIFFERENT  
5 HERE IN STRATEGY IS THE WORD "HOLISTICALLY ATTACKS"  
6 OR THE PHRASE "HOLISTICALLY ATTACKS." BECAUSE, AS I  
7 SAID, WE VIEWED EVERYTHING BETWEEN US AND STEM CELL  
8 THERAPIES GETTING TO PATIENTS IN NEED AS FAIR GAME  
9 FOR CIRM. THAT'S WHY YOU SEE THINGS LIKE WE HAVE TO  
10 FIGURE OUT A WAY TO GET MORE INDUSTRY INVOLVEMENT OR  
11 WE HAVE TO FIND A WAY TO FACILITATE CLINICAL  
12 OPERATIONS OR WE NEED TO DEAL WITH REGULATORY  
13 PROBLEMS THAT ARE SLOWING US DOWN. EVERYTHING WAS  
14 FAIR GAME BETWEEN US AND THEM.

15 WITH THAT, WE CAME UP WITH THREE STRATEGIC  
16 THEMES. WE TALKED ABOUT THIS BEFORE. THE GIANT  
17 STEM CELL BOULDER OF LOVE AND HAPPINESS THAT WE'RE  
18 TRYING TO PUSH OVER THE MOUNTAIN TO THE VALLEY OF  
19 THE PATIENTS BELOW. BECAUSE WE'RE NOT GOING TO HURT  
20 THEM, WE'RE GOING TO CRUSH THEM WITH LOVE AND  
21 HAPPINESS AND JOY. THAT'S THE ONE PART OF THE  
22 METAPHOR THAT BREAKS DOWN, WHICH IS WHY I KEEP  
23 COUCHING IT IN THAT LIGHT. IT IS A STEM CELL  
24 BOULDER OF LOVE AND HAPPINESS, JUST TO BE CLEAR.

25 BUT WE ARE GOING TO DO THAT BY WHAT WE'VE

BARRISTERS' REPORTING SERVICE

1 DONE HISTORICALLY AS AN AGENCY, WHICH IS PUSH AND  
2 PUSH REALLY HARD BECAUSE THAT'S GOOD. AND WE'VE  
3 BEEN DOING IT. WE CAN GET BETTER AT IT. WE'RE  
4 GOING TO CONTINUE TO GET BETTER AT IT AND COORDINATE  
5 OUR EFFORTS SO WE GET MAXIMAL EFFECT THERE. BUT WE  
6 ALSO NEED TO ENGAGE DOWNSTREAM DEMAND IN THAT. WE  
7 NEED TO HAVE PULL COME INTO THIS. WE NEED TO HAVE  
8 OTHER PEOPLE HELPING US PULL THIS BOULDER WHILE  
9 WE'RE PUSHING ON IT.

10 AND THEN THE LAST THING IS WE NEED TO TAKE  
11 A LONG, HARD LOOK AT THIS MOUNTAIN THAT WE'RE GOING  
12 OVER FROM A REGULATORY PERSPECTIVE BECAUSE THIS  
13 PARADIGM HAS BEEN IN PLACE FOR 15 YEARS, AND IT  
14 STILL HAS A SCORE OF ZERO ON THE SCOREBOARD.  
15 NOTHING HAS BEEN APPROVED DESPITE 15 YEARS OF A  
16 REGULATORY PARADIGM BEING IN PLACE AND NOTHING'S  
17 CLOSE, AND WE NEED TO LOOK AT WHY THAT IS.

18 SO WITH THESE THREE THEMES IN PLACE, PUSH,  
19 PULL AND LEVEL, WE THEN ARE ABLE TO GO ON TO  
20 SPECIFIC ACTIONS. AND I WILL TALK ABOUT THESE. I  
21 HAVE SLIDES ON EACH OF THESE IN DETAIL.

22 SO THE FIRST PUSHING ACTION THAT WE HAVE,  
23 IT REALLY GOES TO THIS CONCEPT OF CREATING A  
24 SYSTEMS-BASED APPROACH VERSUS AN INITIATIVE-BASED  
25 APPROACH. WE'VE SPENT OVER THE FIRST TEN YEARS

BARRISTERS' REPORTING SERVICE

1 BUILDING THESE BEAUTIFUL PIECES OF THIS ENGINE, AND  
2 NOW WHAT WE'RE DOING IS WE'RE TAKING THOSE BEAUTIFUL  
3 PIECES AND WE'RE ASSEMBLING THEM INTO SOMETHING THAT  
4 WILL INTEGRATE THEM AND HAVE THEM WORK TOGETHER IN A  
5 WAY THAT PRODUCES THE MOST THRUST. IT'S A REALLY,  
6 REALLY IMPORTANT PART OF THIS STRATEGIC PLAN, THAT  
7 EVERY PROGRAM THAT CIRM HAS WORK TOGETHER AND PUSH  
8 IN THE SAME DIRECTION AS EVERY OTHER PROGRAM SO THAT  
9 THEY'RE ALL ALIGNED SO WE CAN CREATE THE MOST  
10 EFFECT.

11 THE SECOND THING WE'VE DONE IS WORK ON  
12 OPERATIONAL EXCELLENCE. NOW, WITH YOUR HELP  
13 THROUGHOUT THIS YEAR, WE HAVE NOW FULLY IMPLEMENTED  
14 CIRM 2.0 FOR EVERYTHING FROM THE EARLIEST STAGE  
15 RESEARCH IN DISCOVERY THROUGH TRANSLATIONAL AND  
16 CLINICAL RESEARCH. WE JUST HAD A REVIEW ON HOW THE  
17 CLINICAL PART OF IT HAS GONE. IT'S GOING VERY WELL.  
18 IT IS DEFINITELY FASTER; IT'S PREDICTABLE. WE HAVE  
19 INCENTIVIZED THE RIGHT THINGS, WHICH IS A VERY BOLD  
20 THING FOR US TO DO, AND WE HAVE INCREASED OUR LEVEL  
21 OF PARTNERSHIP, NOT JUST WITH THE AWARDEES THAT WE  
22 WORK WITH, BUT WITH THE PATIENT COMMUNITIES AS WELL.  
23 RECALL UNDER THE CIRM 2.0 CLINICAL PROGRAMS, EVERY  
24 CLINICAL PROGRAM THAT GETS LAUNCHED HAS A CLINICAL  
25 ADVISORY PANEL. EVERY ONE OF THOSE HAS TO HAVE AT



BARRISTERS' REPORTING SERVICE

1 LEAST ONE PATIENT REPRESENTATIVE ON IT THAT CAN HELP  
2 DRIVE THE PROGRAM.

3 THAT HAS HAPPENED. THAT IS IN PLACE. AND  
4 THE INPUT FROM THAT PARTNERSHIP OF CIRM, THE  
5 AWARDEES, AND THE PATIENTS HAS MADE VERY, VERY  
6 MEANINGFUL DIFFERENCES SO FAR. I THINK DR. DOYLE IS  
7 GOING TO TALK MORE ABOUT THAT COMING UP. BUT THIS  
8 DRIVE FOR OPERATIONAL EXCELLENCE WE HAVE STARTED.  
9 IT IS NOT SOMETHING WE FINISH. WE DON'T EVER GET  
10 THERE. WE CAN ALWAYS GET BETTER BASICALLY IN HOW WE  
11 PUSH THIS BOULDER UP THE HILL AND HOW WE MAKE THE  
12 ENGINE RUN FROM AN EFFICIENCY STANDPOINT. WE DO  
13 THAT BY MEASURING, MONITORING, BEING VERY  
14 SELF-EFFACED AND OPEN TO IDEAS ON HOW TO MAKE THINGS  
15 BETTER.

16 ANOTHER THING WE'RE DOING FROM A PUSH  
17 STANDPOINT IS WE CALL THIS THE CIRM PITCHING  
18 MACHINE. THIS GOES AROUND TO WE HAVE THIS UNUSUALLY  
19 LONG TRANSLATIONAL TIME FOR STEM CELL THERAPY THAT'S  
20 DIFFERENT THAN FOR THINGS THAT ARE SMALL MOLECULES.  
21 AND WE IDENTIFIED REALLY TWO AREAS WHERE WE COULD  
22 HAVE AN IMPACT ON THAT. FIRST IS THROUGH WHAT WE  
23 CALL A TRANSLATIONAL CENTER. I DON'T KNOW WHAT  
24 WE'RE ACTUALLY GOING TO CALL IT, BUT RIGHT NOW WE  
25 CALL IT A TRANSLATIONAL CENTER. AND THE

BARRISTERS' REPORTING SERVICE

1 TRANSLATIONAL CENTER IS FOCUSED ON DOING ALL OF  
2 THOSE KINDS OF REGULATORY STUDIES THAT TYPICAL  
3 ACADEMIC INVESTIGATORS, ONE, HAVE NO EXPERIENCE IN  
4 DOING, BUT, MOST IMPORTANTLY, TWO, HAVE NO INTEREST  
5 IN DOING. WE WENT AROUND TO, WITHOUT EXCEPTION,  
6 EVERY UNIVERSITY, EVERY MAJOR RESEARCH CENTER THAT  
7 WE WENT TO AND WE SAT DOWN AND WE TALKED TO SAID  
8 THEY WOULD LOVE HELP OR A PLACE WHERE THEY CAN GO  
9 DO, IN THEIR TERMS, THE UNINTERESTING, BUT NECESSARY  
10 REGULATORY STUDIES THAT ARE REQUIRED IN ORDER TO GET  
11 AN IND. THESE ARE THINGS LIKE DOING STABILITY  
12 STUDIES OR PRECLINICAL TOX STUDIES THAT ARE SORT OF  
13 CHECK-BOX THINGS THAT THE FDA REQUIRES, BUT THE FDA  
14 HAS VERY SPECIFIC WAYS IN WHICH THEY WANT THEM DONE.

15 SO THE IDEA OF CREATING THIS TRANSLATING  
16 CENTER THAT WOULD THEN WORK IN COORDINATION WITH  
17 WHAT WE CALL THE ACCELERATING CENTER. IT'S A FANCY  
18 WORD FOR A STEM CELL-SPECIFIC CRO THAT WOULD WORK  
19 WITH THE TRANSLATING CENTER, CAPTURE ALL OF THEIR  
20 IND-ENABLING STUDIES, AND COMPILE AN IND THAT WOULD  
21 HAVE THE BEST CHANCE OF GETTING APPROVAL BY THE FDA  
22 IN A TIMELY FASHION.

23 NOW, BECAUSE THESE TWO CENTERS WILL BE  
24 FOCUSED ONLY ON THIS, THEY WOULD BE GOOD AT IT, ONE.  
25 TWO, WHEN WE TALKED TO FDA ABOUT THIS IDEA, THEY

BARRISTERS' REPORTING SERVICE

1 LOVED IT. AND THE REASON THE FDA LOVED IT WAS  
2 BECAUSE RIGHT NOW THEY TALK TO A WIDE VARIETY OF  
3 RESEARCHERS, MANY OF WHICH ARE FUNDED BY CIRM, THAT  
4 HAVE VARYING LEVELS OF UNDERSTANDING OF HOW TO GET  
5 AN IND AND THE IND FILING PROCESS AND THE STUDIES  
6 THAT WOULD REQUIRE. AND THEY TOLD US IF THERE WAS A  
7 SINGLE POINT OF CONTACT THAT WE COULD WORK WITH, WE  
8 COULD SET UP WEEKLY CALLS, WE COULD DO A LOT OF  
9 DIFFERENT WAYS WHERE WE CAN PARTNER IN ORDER TO  
10 BASICALLY BUNDLE UP ALL OF THESE DIFFERENT THINGS  
11 AND VERY EFFICIENTLY MOVE THIS RESEARCH FORWARD.

12 AGAIN, THERE'S A LOT OF OPPORTUNITY IN  
13 THIS TRANSLATIONAL PHASE FOR US TO GO AFTER. WE CAN  
14 LITERALLY CUT THIS PHASE IN HALF. SO THE RESEARCH  
15 CENTERS ARE EXCITED ABOUT IT, AND THE FDA WAS  
16 EXCITED ABOUT IT, AND I WAS EXCITED ABOUT IT. AND  
17 THAT'S A VERY, VERY UNUSUAL TRINITY TO HAVE. AND SO  
18 THAT'S SOMETHING DR. MILLAN WILL BE TALKING MORE  
19 ABOUT IN THE CONCEPT PLAN.

20 IT ALSO GOES AND FITS, DOVETAILS VERY  
21 NICELY WITH THE ALPHA CLINICS. WE NOW HAVE JUST  
22 OVER A YEAR OF EXPERIENCE WITH THE ALPHA CLINICS UP  
23 AND RUNNING, AND WE ARE SEEING SOME VERY POSITIVE  
24 RESULTS. AND SO THE ACCELERATING CENTER, THE  
25 TRANSLATIONAL CENTER WOULD FIT, IN A PARTNERSHIP

BARRISTERS' REPORTING SERVICE

1 WITH FDA, WOULD FIT VERY NICELY INTO AN EXPANDED  
2 ALPHA CLINIC PROGRAM, AGAIN, IF WE ULTIMATELY DEEM  
3 IT'S WARRANTED. SO, AGAIN, DR. MILLAN WILL TALK  
4 MORE ABOUT THAT IN A SECOND.

5 THE OTHER THING WE HEARD, THIS IS  
6 SWITCHING GEARS NOW, TO PULL, BUT EVERY MAJOR  
7 RESEARCH CENTER WE TALKED TO TALKED ABOUT THESE  
8 LINKAGES THAT WE TALKED ABOUT WHERE RESEARCH A GOES  
9 TO B TO C TO D AND SO ON AND SO FORTH. WHAT WE  
10 FOUND IS DISCOVERY STAGE RESEARCHERS THAT WANT TO  
11 STAY IN THE LAND OF DISCOVERY DON'T KNOW WHO TO TALK  
12 TO AND DON'T KNOW HOW TO GET IN TOUCH WITH THE  
13 APPROPRIATE TRANSLATIONAL RESEARCHERS THAT ARE  
14 INTERESTED IN TAKING THEIR PROGRAMS FORWARD. AND,  
15 AGAIN, WITHOUT EXCEPTION EVERY MAJOR UNIVERSITY WE  
16 TALKED TO ASKED FOR HELP IN THIS PARTICULAR AREA.

17 SO WE CAME UP WITH THIS CONCEPT OF THE  
18 CIRM EXCHANGE WHERE WE CAN ACTUALLY LINK UP  
19 INTERESTED DOWNSTREAM RESEARCHERS WITH PEOPLE WHO  
20 HAVE PROMISING TECHNOLOGIES IN EARLIER STAGE. THIS  
21 WOULD GO ALL THE WAY THROUGH TO LINKING UP COMPANIES  
22 WITH RESEARCHERS AS WELL.

23 AND THEN LASTLY, IN THE PULL CATEGORY IS  
24 WHAT WE CALL ATP3. WE HAVE A LOT OF THINGS IN THIS  
25 PLAN THAT ARE NEW FOR A FUNDING AGENCY TO ATTEMPT,

BARRISTERS' REPORTING SERVICE

1 BUT THIS ONE STANDS OUT EVEN FOR THIS PLAN. HERE  
2 THE CONCEPT IS THAT WE HAVE A WHOLE BUNCH OF  
3 TECHNOLOGY. WE HAVE 300 OR SO DIFFERENT PROGRAMS AT  
4 CIRM. AS WE SAID, ONLY 8 PERCENT OF OUR ACADEMIC  
5 PROGRAMS CURRENTLY HAVE INDUSTRY PARTNERS. SO HOW  
6 DO WE FIX THAT? WE THOUGHT ABOUT A NUMBER OF  
7 DIFFERENT WAYS, BUT ONE OF THE WAYS IS JUST TO GO  
8 DIRECTLY AND DO IT. WE THOUGHT, WELL, WHAT WOULD  
9 HAPPEN IF WE PUT OUT A CALL FOR BASICALLY THE  
10 CREATION OF A NEW ENTITY OR A NEW COMPANY THAT WOULD  
11 BE A CALIFORNIA-BASED COMPANY THAT COULD TAKE THESE  
12 TECHNOLOGIES AND AGGREGATE THEM AND FOCUS ON  
13 DEVELOPING AND COMMERCIALIZING STEM CELL-SPECIFIC  
14 TECHNOLOGIES?

15 SO THE IDEA IS HERE WE WOULD PUT OUT A  
16 CALL THAT WOULD REQUIRE A SUCCESSFUL APPLICANT TO  
17 PUT TOGETHER A BUSINESS PLAN THAT WOULD DESCRIBE  
18 WHAT TYPES OF TECHNOLOGIES FROM OUR PORTFOLIO THAT  
19 THEY WOULD LIKE TO AGGREGATE AND THE SYNERGIES  
20 ASSOCIATED WITH THOSE, A GREAT MANAGEMENT TEAM THAT  
21 COULD ACTUALLY MAKE THAT HAPPEN IN A SUCCESSFUL WAY,  
22 AND THEN, VERY IMPORTANTLY, A TREMENDOUS AMOUNT OF  
23 UPFRONT CAPITAL THAT THEY'RE GOING TO COMMIT. I  
24 THINK WE HAD IN THIS CONCEPT \$75 MILLION IN UPFRONT  
25 CAPITAL THAT THEY'RE GOING TO COMMIT INTO TAKING

BARRISTERS' REPORTING SERVICE

1 THESE TECHNOLOGIES AND DRIVING THEM FORWARD. THEN  
2 WE WOULD THEN PARTNER WITH THEM ON ACTUALLY A VERY  
3 EFFICIENT BASIS TO HELP FUND SOME OF THAT RESEARCH  
4 GOING FORWARD.

5 AGAIN, THE IDEA BEING WHAT WE WOULD HAVE  
6 AT THE END IS AN ENTITY, BASICALLY A POWERHOUSE IN  
7 THE STATE OF CALIFORNIA THAT HAVE THESE TECHNOLOGIES  
8 THAT THEY'RE ACTIVELY COMMERCIALIZING. IT WOULD BE  
9 AN OUTFLOW FOR NEW TECHNOLOGIES THAT ARE COMING OUT  
10 OF CIRM THAT NEED AN INDUSTRY HOME AND OBVIOUSLY  
11 CREATE JOBS AND EXPAND THE TAX BASE FOR CALIFORNIA.  
12 AND THEN, LASTLY, BUT MOST IMPORTANTLY, BE A VEHICLE  
13 FOR GETTING THE FINAL SPAN OF THIS BRIDGE WHERE WE  
14 GO FROM LATE STAGE RESEARCH ACTUALLY THROUGH  
15 COMMERCIALIZATION SO PATIENTS CAN BENEFIT FROM THEM.

16 AGAIN, DR. MILLAN IS GOING TO TALK MORE  
17 ABOUT THIS. I DON'T WANT TO COMPLETELY STEAL HER  
18 THUNDER, BUT IT'S A COOL PART.

19 THE LAST PIECE OF THIS IS LEVEL. SO WE'RE  
20 PUSHING, WE'RE PULLING, AND THEN LEVELING. I WANT  
21 TO TALK A LITTLE BIT ABOUT WHY WE THINK THIS IS  
22 PARTICULARLY IMPORTANT. SO WHEN YOU LOOK AT THE  
23 CURRENT REGULATORY PARADIGM, THE FIRST THING THAT  
24 JUMPS OUT IS THERE'S AN EXCESSIVELY LONG  
25 TRANSITIONAL PERIOD FOR CELL THERAPIES TO GO FROM WE

BARRISTERS' REPORTING SERVICE

1 UNDERSTAND WE HAVE A CELL THERAPY INTO ACTUAL  
2 CLINICAL TRIALS. RIGHT NOW IT'S SOMEWHERE BETWEEN  
3 SIX TO EIGHT YEARS. IT'S IMPORTANT TO UNDERSTAND  
4 THIS IS NOT ALL FDA. WE'RE NOT SAYING THIS IS ALL  
5 FDA. THERE'S ACTUALLY A NUMBER OF REASONS FOR THIS,  
6 BUT IT IS AN OPPORTUNITY FOR US TO GET BETTER.

7 SECONDLY, THERE IS A CLEAR PERCEIVED BIAS  
8 AGAINST RARE DISEASES THAT WORKS OUT STATISTICALLY.  
9 IT IS VERY, VERY DIFFICULT TO MEET FDA STANDARDS AND  
10 DEVELOP A DRUG IN A FEASIBLE MANNER FOR A DISEASE  
11 THAT AFFECTS A SMALL POPULATION OF PEOPLE. AND  
12 THEN, LASTLY, THE SYSTEM THAT'S CURRENTLY IN PLACE,  
13 AND IT WAS FIRST PROPOSED IN 1997, IT WAS ADOPTED IN  
14 2001, CREATES A VERY ARBITRARY AND BINARY SYSTEM.  
15 AND SO CELL THERAPIES ARE EITHER ESSENTIALLY  
16 UNREGULATED BY FDA, AND I MEAN VERY LITTLE  
17 REGULATION. TAKE YOU LESS THAN \$100,000 AND TAKE  
18 YOU LESS THAN THREE MONTHS TO COMPLY. OR THEY ARE  
19 EXCESSIVELY REGULATED BY FDA WHERE IT COSTS GREATER  
20 THAN A BILLION DOLLARS AND TAKES LONGER THAN 12  
21 YEARS AND THERE'S NOTHING IN BETWEEN. ALL OF THE  
22 OTHER DISCIPLINES OF MEDICINE HAVE SOMETHING IN  
23 BETWEEN THOSE TWO PATHWAYS.

24 SO WHY DO WE WANT TO CHANGE? WHY DO WE  
25 THINK THIS NEEDS TO BE LOOKED AT? WELL, THE FIRST

BARRISTERS' REPORTING SERVICE

1     THING IS IT'S BEEN 15 YEARS SINCE THIS REGULATORY  
2     PARADIGM HAS BEEN IN PLACE.  STEM CELL RESEARCH HAS  
3     BEEN GOING ON LONG BEFORE THAT, AND THERE IS A ZERO  
4     ON THE SCOREBOARD.  NOTHING HAS BEEN -- NO STEM CELL  
5     THERAPY HAS BEEN APPROVED BY THE FDA SINCE  
6     IMPLEMENTING THIS REGULATORY PARADIGM 15 YEARS AGO.

7             SO IT'S IMPORTANT TO UNDERSTAND AS WE TALK  
8     ABOUT THIS WHAT CIRM ISN'T.  CIRM IS NOT  
9     ANTI-REGULATION.  WE ARE NOT ANTI-FDA.  WE'RE NOT  
10    SAYING GET RID OF THE RULES.  BUT THE SCOREBOARD  
11    ISN'T LYING HERE.  AND WHEN PEOPLE LOOK AT THE  
12    CURRENT REGULATORY SYSTEM AND SEE THAT IT'S BEEN IN  
13    PLACE FOR 15 YEARS AND NOTHING IS APPROVED, A VERY  
14    IMPORTANT EFFECT OF THAT IS PEOPLE DON'T ATTEMPT  
15    THAT TO WHICH THEY BELIEVE IS IMPOSSIBLE TO BEGIN.  
16    WE'RE NOT SAYING THAT IT'S NOT ACTUALLY FEASIBLE TO  
17    COMPLY WITH THE ENTIRE 15-YEAR, \$2.6 BILLION, WHICH  
18    IS THE CURRENT AVERAGE FOR DRUGS, REGULATORY  
19    PARADIGM, BUT IN A LOT OF CASES YOU CAN'T  
20    ECONOMICALLY JUSTIFY IT.

21            I WILL TELL YOU IN MY FORMER LIFE AT  
22    OSIRUS AS CEO OF OSIRIS, ROUTINELY PEOPLE WOULD COME  
23    UP TO US WITH NEW TECHNOLOGIES AND NEW IDEAS,  
24    INTERNALLY WE WOULD DEVELOP SOMETHING, AND WE WOULD  
25    LOOK AND EVALUATE IT, AND WE WOULD HAVE STRONG



BARRISTERS' REPORTING SERVICE

1 CONVICTION AROUND IT WAS POSSIBLE, AND THEN WE WOULD  
2 LOOK INTO THE REGULATORY PATHWAY. IF IT GOT PUT  
3 DOWN THIS PARTICULAR REGULATORY PATHWAY, WE'D HAVE  
4 TO ABANDON IT BECAUSE THERE IS NO WAY WE COULD EVER  
5 JUSTIFY THAT KIND OF INVESTMENT AND THAT KIND OF  
6 TIME WHEN YOU'RE GOING AFTER, AGAIN, PARTICULARLY  
7 SMALLER NUMBERS OF PATIENT POPULATIONS WHICH CELL  
8 THERAPIES TEND TO ADDRESS.

9 THE OTHER THING HERE, THERE'S A LOT OF  
10 TALK ABOUT THE COST OF HEALTHCARE AND THE COST OF  
11 NEW DRUGS. WELL, WHEN THE REGULATORY PARADIGM IS 15  
12 YEARS AND \$2.6 BILLION, DRUGS ARE GOING TO BE  
13 REALLY, REALLY EXPENSIVE. SO WE NEED TO LOOK AT  
14 THIS.

15 LASTLY, IT'S THE PATIENTS. SO WHILE WE  
16 SIT HERE AND WE THINK ABOUT THIS, AND THE FDA IS,  
17 RIGHTFULLY SO, VERY CONCERNED ABOUT PROTECTING  
18 PATIENTS FROM THEORETICAL RISKS OF A NEW THERAPY,  
19 OFTENTIMES THOSE PATIENT POPULATIONS ARE DYING OF  
20 THEIR VERY REAL DISEASES. AND SO WE ARE NOT  
21 PRESCRIPTIVE ON WHAT THE ANSWER FOR THIS IS. I WANT  
22 TO MAKE THAT CLEAR. WE'RE NOT SAYING HERE'S WHAT'S  
23 GOING TO HAVE TO HAPPEN, BUT WE ARE SAYING THE  
24 CURRENT SITUATION IS NOT ACCEPTABLE AND DOING  
25 NOTHING ABOUT IT IS NOT OKAY. SO WE'RE PROPOSING TO

BARRISTERS' REPORTING SERVICE

1 WORK WITH FDA, AS WE TALKED ABOUT ON A NUMBER OF  
2 DIFFERENT FRONTS, AND WORK WITH PATIENTS AND WORK  
3 WITH INDUSTRY AND WHOEVER WE HAVE TO WORK WITH IN  
4 ORDER TO GET SOMETHING HERE WORKED OUT SO WE CAN  
5 START HAVING SUCCESSES GO ON THAT SCOREBOARD.

6 SO THAT'S PUSH, PULL, LEVEL. IF WE'RE  
7 SUCCESSFUL WITH ALL OF THAT, WE HAVE SIX MAJOR  
8 OUTCOMES THAT WE THINK WE CAN ACHIEVE. FIRST IS WE  
9 START AT THE BEGINNING. ONE OF THE THINGS I WANT TO  
10 EMPHASIZE BECAUSE I GET ASKED THIS QUESTION  
11 SOMETIMES. WELL, IT SEEMS LIKE THIS HAS SHIFTED TO  
12 REALLY LATE STAGE RESEARCH. NO. WE ARE TRYING TO  
13 CREATE AN ENGINE THAT ACCELERATES EVERYTHING THROUGH  
14 IT. AND THAT STARTS WITH THE VERY EARLIEST STAGES  
15 OF RESEARCH. SO OUR FIRST EXPECTED RESULT, OUR  
16 FIRST METRIC IS 50 NEW DISCOVERY ENTITIES  
17 DISCOVERED, CANDIDATES DISCOVERED FOR EITHER  
18 THERAPEUTICS OR DEVICES.

19 SECONDLY, THEN WE WANT TO HAVE THE  
20 FREQUENCY IN WHICH THESE PROGRAMS MOVE FROM ONE  
21 STAGE OF DEVELOPMENT IMPROVE BY 50 PERCENT. WE WANT  
22 A NEW REGULATORY PARADIGM WITHIN THE NEXT FIVE  
23 YEARS. WE WANT TO REDUCE THE TIME IT TAKES  
24 TRANSLATION BY 50 PERCENT. THAT'S THIS SIX TO EIGHT  
25 YEARS DOWN TO THE INDUSTRY AVERAGE OF 3.2. WE WANT

BARRISTERS' REPORTING SERVICE

1 TO HAVE 50 NEW CLINICAL TRIALS GET INTRODUCED. AND  
2 THEN, LASTLY, PARTNER AT LEAST 50 PERCENT OF OUR  
3 ACADEMIC PROGRAMS SUCCESSFULLY WITH INDUSTRY  
4 PROGRAMS THAT CAN TAKE THOSE THINGS FORWARD AND  
5 BRING THEM TO THE PATIENTS WHO NEED THEM.

6 AGAIN, THIS IS NOT AN OPERATIONAL PLAN, SO  
7 THIS FINANCIAL SUMMARY IS ONLY HERE TO SHOW THAT  
8 THIS IS POSSIBLE. IT DOES ASSUME 890 MILLION IN NEW  
9 AWARDS. AS I SAID, THAT WAS PREDICATED ON AN  
10 ASSUMPTION OF A 10-PERCENT AWARD RECAPTURE RATE.  
11 THAT RIGHT NOW AS OF LAST YEAR WAS 22 PERCENT, SO WE  
12 MAY ACTUALLY HAVE MORE MONEY HERE TO DEPLOY.

13 ANOTHER THING I WANT TO SAY ABOUT THIS IS  
14 WE ARE NOT HOLDING BACK ON BUILDING AND STARTING  
15 THIS ENGINE. WE HAVE NOT TRIED TO SMOOTH THIS OUT  
16 LIKE PEANUT BUTTER. WE ARE TRYING TO GET THIS  
17 ENGINE UP AND RUNNING AT MAXIMUM POWER AS QUICKLY AS  
18 WE ARE CAPABLE OF DOING.

19 LASTLY, I WANT MAKE SURE WE UNDERSTAND, AS  
20 WE'VE TALKED ABOUT ALL ALONG, THIS IS A VERY  
21 AGGRESSIVE PLAN. IT HAS VERY AMBITIOUS GOALS. IT  
22 CLEARLY HAS RISK. IT HAS SOME RISKS THAT ARE VERY  
23 UNIQUE TO CIRM. AND SO WE HAVE FIVE OF THEM LISTED  
24 HERE. THERE'S MORE IN THE PLAN. THERE'S TWO,  
25 THOUGH, THAT I REALLY WANT TO POINT OUT. ONE IS ONE

BARRISTERS' REPORTING SERVICE

1 OF THE THINGS WE CAN'T DO IN TRYING TO OBTAIN THESE  
2 50 NEW CANDIDATES THAT HAVE BEEN DISCOVERED AND 50  
3 NEW PROGRAMS IN CLINICAL TRIALS, ONE OF THE THINGS  
4 WE CAN'T DO IS LOWER OUR STANDARDS FOR QUALITY.  
5 QUALITY HAS TO STAY HIGH. SO WE NEED TO BE  
6 INNOVATIVE. THESE GUYS NEED TO BE REALLY INNOVATIVE  
7 ON HOW THEY BRING THINGS INTO CIRM TO BE EVALUATED.  
8 BUT IF WE'RE NOT GOING TO LOWER OUR STANDARDS ON  
9 QUALITY, THERE IS A RISK THAT THERE MAY BE  
10 INSUFFICIENT NUMBERS OF MERITORIOUS PROGRAMS THAT  
11 COME TO CIRM THAT ACTUALLY JUSTIFY OUR FUNDING TO  
12 REACH OUR GOALS. WE HOPE THAT'S NOT THE CASE.  
13 WE'RE GOING TO DO EVERYTHING WE CAN TO MAKE SURE  
14 THAT'S NOT THE CASE. BUT THAT IS A UNIQUE RISK, NOT  
15 THAT WE DON'T HAVE THE FUNDING FOR IT, BUT THAT  
16 THERE SIMPLY AREN'T ENOUGH PROGRAMS OUT THERE THAT  
17 MEET OUR STANDARDS WITHOUT US HAVING TO LOWER THEM.

18 THE SECOND RISK THAT I WANT TO POINT OUT,  
19 WHICH IS THE THIRD BULLET ON HERE THAT'S, I THINK,  
20 UNIQUE TO CIRM IS THAT, AT LEAST RIGHT NOW IN THE  
21 CURRENT ENVIRONMENT, CIRM HAS A LIMITED LIFETIME  
22 ASSOCIATED WITH IT. THE THING THAT MAKES THIS  
23 ENGINE WORK, AND IF THIS IS AT ALL GOING TO BE  
24 POSSIBLE, IS THE TEAM THAT WE HAVE RUNNING AND  
25 OPERATING THAT ENGINE. WE NEED TO BE VERY COGNIZANT

BARRISTERS' REPORTING SERVICE

1 AS WE GET TOWARDS THE END OF OUR LIFE SPAN THAT IT  
2 WILL BECOME MORE DIFFICULT TO ATTRACT AND RETAIN THE  
3 HIGH QUALITY TALENT THAT WE NEED IN ORDER TO MAKE  
4 THIS WORK. NOW, WE KNOW THAT RISK, AND SO WE'RE  
5 GOING TO DO EVERYTHING WE CAN TO MITIGATE IT, BUT IT  
6 IS A UNIQUE RISK TO CIRM.

7 SO I WANT TO END ON THIS SLIDE HERE AND  
8 STOP TALKING, OBVIOUSLY TAKE ANY QUESTIONS THAT  
9 ANYONE ABOUT THIS MIGHT HAVE. BUT I PUT UP HERE THE  
10 PHRASE "ALL IN" BECAUSE WHAT I'M SURE OF, THIS IS A  
11 HARD PLAN AND I'M NOT POSITIVE WE WILL ACCOMPLISH  
12 IT, BUT I AM SURE THAT IF WE DON'T HAVE CONVICTION  
13 AROUND IT, WE WILL DEFINITELY NOT ACCOMPLISH IT. SO  
14 WE ARE ALL IN ON THIS. AND I THINK AS A GROUP WE  
15 NEED TO BE ALL IN ON THIS. IF WE ARE, PROBABILITY  
16 OF SUCCESS IS GREAT. AND IF WE ARE SUCCESSFUL, AS  
17 SHERRY SAID, IT WILL HAVE BEEN WORTH DOING. SO I  
18 WILL STOP TALKING AND TAKE QUESTIONS NOW.

19 DR. DULIEGE: SO A SET OF BRIEF COMMENTS.  
20 I JUST WANT TO SAY, AND I THINK I CAN SPEAK FOR ALL  
21 OF US, CERTAINLY MANY OF US, EXCELLENT. REALLY VERY  
22 INSPIRING. AND THANK YOU TO THE ENTIRE TEAM. I  
23 KNOW YOU ARE PRESENTING IT, BUT I KNOW YOU SPEAK ON  
24 BEHALF OF ALL OF YOU. SO GREAT WORK.

25 COUPLE OF COMMENTS OF WHAT I'D LIKE TO

BARRISTERS' REPORTING SERVICE

1 HEAR FURTHER DOWN, NOT RIGHT NOW, WHICH IS YOU  
2 MENTIONED YOU WILL DO ALL THE EFFORTS TO KEEP THE  
3 LIFE OF THIS EFFORT ONGOING AFTER CIRM 2.0, AND THAT  
4 WILL BE, I'M SURE, TOPIC OF FUTURE DISCUSSIONS,  
5 WHICH WILL BE GREAT.

6 THE SECOND, YOU ALLUDED ABOUT THE COST OF  
7 TREATMENT, AND I'D BE CURIOUS TO KNOW, AGAIN DOWN  
8 THE ROAD, WHICH IMPACT YOU THINK CIRM MIGHT HAVE ON  
9 COST OF TREATMENT, SOMETHING WHICH IS DEAR TO OUR  
10 HEARTS.

11 THE THIRD IS THAT I WAS QUITE INTERESTED  
12 TO SEE THE COLLABORATION THAT YOU'VE STARTED TO HAVE  
13 WITH FDA, AND THIS WILL HAVE IMMENSE IMPACT. DO YOU  
14 BELIEVE YOU ALSO WANT TO HAVE AN IMPACT ON HOW FDA  
15 REGULATES OR SO FAR THE LACK OF REGULATION OF NEW  
16 BOUTIQUE SHOPS ABOUT STEM CELLS THAT ARE DOING A  
17 DISSERVICE TO THE FIELD, TO THE RESEARCH, AND TO  
18 PATIENTS? A LITTLE BIT MAYBE BEYOND THE SCOPE OF  
19 CIRM, BUT WOULD BE INTERESTED TO KNOW THAT.

20 AND FINALLY, I'M SURE THIS EFFORT IS GOING  
21 TO BE A GREAT SOURCE OF INSPIRATION BEYOND  
22 CALIFORNIA IN THE U.S. AND OUTSIDE THE U.S. AND I  
23 WILL BE DOWN THE ROAD VERY INTERESTED TO KNOW WHAT  
24 KIND OF INTERNATIONAL COLLABORATIONS MIGHT BE EITHER  
25 ONGOING OR PLANNED FOR THE FUTURE. SO MORE FORWARD

BARRISTERS' REPORTING SERVICE

1       LOOKING DISCUSSIONS.

2                   CHAIRMAN THOMAS:   OTHER COMMENTS OR  
3       QUESTIONS?

4                   DR. PRIETO:   YES.   THANK YOU FOR THAT  
5       PRESENTATION.   I HAD SOME QUESTIONS ABOUT THE  
6       TRANSLATING CENTER AND THE ATP3 PORTION OF THIS.   IN  
7       BOTH OF THOSE YOU IMPLY OR MEASURE OR I SHOULD SAY  
8       THE PLAN DOES THAT THIS WILL HAVE MINIMAL CIRM  
9       FUNDING.   WITH ATP3 IT SAYS THAT NO CIRM FUNDS WILL  
10      BE USED FOR THE ESTABLISHMENT OR OPERATION OF THE  
11      ENTITY.   SO I WAS NOT CLEAR EXACTLY WHAT'S OUR ROLE  
12      IN SETTING THESE UP, AND THEN ARE THEY  
13      SELF-SUPPORTING, AND HOW?

14                  DR. MILLS:   DR. MILLAN WILL ACTUALLY BE  
15      BRINGING THESE CONCEPT PLANS WITH GREATER  
16      SPECIFICITY TO THE BOARD.   BUT WITH ATP3, THE IDEA  
17      IS THEY COME TO US WITH SIGNIFICANT UPFRONT, 75  
18      MILLION IN UPFRONT CAPITAL TO CREATE THE ACTUAL  
19      ENTITY AND THE BUSINESS.   AND WE DO A COUPLE OF  
20      THINGS.   ONE IS WE HELP THEM AGGREGATE THOSE  
21      TECHNOLOGIES, WORK OUT LICENSING ARRANGEMENTS WITH  
22      ALL THESE DIFFERENT UNIVERSITIES.   THESE ARE ALL  
23      CIRM-FUNDED PROGRAMS THAT WE'RE TALKING ABOUT.   SO  
24      THESE ARE -- WHAT WE'RE TALKING ABOUT ARE  
25      AGGREGATING CURRENT ACTIVE PROGRAMS WITH CIRM SO

BARRISTERS' REPORTING SERVICE

1 THEY WILL HAVE RESIDUAL FUNDING ASSOCIATED WITH THEM  
2 WHEN THEY GET AGGREGATED INTO THIS ENTITY.

3 AND THEN ON A PER-PROGRAM BASIS, THE GWG  
4 WILL REVIEW THE MERITS OF FUNDING THOSE PROGRAMS  
5 FORWARD AND PROVIDE A LINE OF CREDIT TO THE  
6 ORGANIZATION ONLY FOR THE CONTINUED FUNDING THAT  
7 CIRM WOULD OTHERWISE BE DOING.

8 DR. PRIETO: WON'T THAT INVOLVE SOME CIRM  
9 STAFF TIME, CIRM EFFORTS PULLING THESE ELEMENTS  
10 TOGETHER?

11 DR. MILLS: AROUND AS MUCH AS A NORMAL GWG  
12 REVIEW FOR THOSE PROGRAMS GETTING REUPPED WOULD  
13 OTHERWISE.

14 DR. STEWARD: RANDY, THANKS. AND JUST,  
15 AGAIN, CONGRATULATIONS TO THE GROUP FOR AN  
16 INCREDIBLE AMOUNT OF VERY HARD WORK TO BRING THIS  
17 FORWARD.

18 I WANTED TO ACTUALLY EMPHASIZE SOMETHING  
19 THAT'S INTRINSIC TO YOUR PRESENTATION, BUT REALLY  
20 SAY IT OUT LOUD JUST TO MAKE IT CLEAR. I THINK  
21 YOU'VE MADE IT VERY CLEAR THAT YOU'RE RECOGNIZING  
22 THE DIFFICULTIES AND ROADBLOCKS THAT HAVE BEEN IN  
23 PLACE THAT HAVE MADE IT DIFFICULT TO MOVE STEM CELL  
24 THERAPIES FORWARD THROUGH THE REGULATORY PROCESS,  
25 BUT I THINK THAT YOU'VE SAID IT AND I JUST WANT TO



BARRISTERS' REPORTING SERVICE

1 EMPHASIZE THAT I DON'T THINK YOU OR ANYONE HAS SEEN  
2 THE FDA AS AN OPPONENT IN THIS PROCESS, THAT REALLY  
3 CIRM IS LOOKING FORWARD TO TRYING TO LOWER SOME OF  
4 THESE BARRIERS IN COOPERATION AND COLLABORATION WITH  
5 THE FDA. I JUST WANT TO EMPHASIZE THAT.

6 DR. MILLS: ABSOLUTELY. AND JUST TO SORT  
7 OF TOUCH ON THAT POINT AND A COMMENT THAT ANNE-MARIE  
8 BROUGHT UP ABOUT WHAT CIRM COULD OR COULD NOT DO  
9 ABOUT THE BAD ACTORS OF THE UNREGULATED. I THINK  
10 THE REASON -- WE HAVE TO LOOK AT THAT. SO WHY IS  
11 THERE UNREGULATED CELL THERAPIES GOING ON IN THE  
12 UNITED STATES RIGHT NOW? BECAUSE THEY'RE LOOKING AT  
13 THE ONLY PATHWAY IN FRONT OF THEM AND SAYING, WELL,  
14 OUR OPTIONS ARE WE EITHER AVOID DETECTION OR WE  
15 DON'T DO IT. AND SO IF WE CAN CREATE BETTER  
16 REGULATORY PARADIGMS, WE CAN ACTUALLY BRING MORE  
17 THINGS INTO REGULATION THAN WOULD OTHERWISE EXIST  
18 RIGHT NOW.

19 DR. JUELSGAARD: RANDY, I JUST WANT TO SAY  
20 CONGRATULATIONS ON A VERY THOUGHTFUL, VERY THOROUGH,  
21 AND VERY BOLD STRATEGIC PLAN. I THINK WE ALL HAVE  
22 TO KEEP IN MIND THAT THIS PLAN IS FULL OF  
23 EXPERIMENTS, THINGS THAT I'VE NEVER SEEN DONE  
24 BEFORE, THE TRANSLATIONAL CENTER, THE ACCELERATING  
25 CENTER, ATP3. SO WE'RE GOING TO BE TRYING SOME

BARRISTERS' REPORTING SERVICE

1 THINGS OUT, ASSUMING WE GO FORWARD WITH THIS, THAT  
2 ARE GOING TO BE FIRST OF KIND, AND WE'LL HAVE TO SEE  
3 HOW THEY PLAY OUT.

4 BUT I THINK AT LEAST THIS IS A GREAT  
5 OUTLINE OF A DIRECTION TO GO WHERE WE HAVEN'T REALLY  
6 BEEN AS DIRECTIONALLY FOCUSED AS WE SHOULD HAVE  
7 BEEN. SO THANK YOU VERY MUCH, AND CONGRATULATIONS  
8 AT LEAST FROM MY POINT OF VIEW.

9 MS. LANSING: I WANT TO ECHO THIS AGAIN.  
10 WE'VE BEEN PART OF THIS AS YOU'VE GONE THROUGH ITS  
11 VARIOUS REITERATIONS. I JUST WANT TO REALLY  
12 COMPLIMENT YOU, RANDY, AND THE ENTIRE TEAM. AND I  
13 STILL REMEMBER WHEN WE FIRST MET YOU AND YOU WERE A  
14 CANDIDATE FOR THE JOB, AND GOD KNOWS WE CERTAINLY  
15 MADE THE RIGHT DECISION. I JUST WANT TO SAY I  
16 REMEMBER I WAS SO STRUCK BY THE SENSE OF URGENCY  
17 THAT YOU CONVEYED IN OUR FIRST MEETING AND HOW EVERY  
18 DAY THAT WENT BY, UNFORTUNATELY SOMEONE WAS STRUCK  
19 BY A DISEASE AND OFTEN DIDN'T SURVIVE IT AND THAT  
20 THIS WAS ALL ABOUT SAVING LIVES. I THINK YOU'VE  
21 BROUGHT THAT SAME SENSE OF URGENCY THROUGHOUT ALL  
22 THE TIME YOU'VE BEEN HERE.

23 I THINK WHAT'S MOST IMPRESSIVE TO ME AMONG  
24 THE MANY THINGS ABOUT THIS STRATEGIC PLAN IS THAT IT  
25 CONVEYS A SENSE OF URGENCY.

BARRISTERS' REPORTING SERVICE

1           LIKE ANY STRATEGIC PLAN, IT'S ALWAYS GOING  
2 TO BE A WORK IN PROGRESS, AS JEFF SAID. WE WILL  
3 TINKER WITH IT. YOU WILL SEE OPPORTUNITIES THAT NO  
4 ONE THOUGHT ABOUT, AND YOU WILL QUICKLY ADAPT TO  
5 THEM. SO I'M NOT WORRIED THAT EVERYTHING HASN'T  
6 BEEN COVERED BECAUSE IT WILL CHANGE. IT WILL BE  
7 FLEXIBLE. I URGE US TO -- I THINK THE FDA IS OUR  
8 FRIEND BECAUSE IT REALLY IS A SITUATION WHERE  
9 THEY'RE TRYING TO PROTECT PEOPLE FROM THINGS THAT  
10 HAVEN'T BEEN PROVEN. IT'S A FRUSTRATION LEVEL THAT  
11 I THINK ALMOST EVERY ADVOCACY GROUP AND EVERY  
12 DISEASE GROUP FEELS EVEN THOUGH THEY'RE GETTING  
13 THERE HALF THE TIME. I URGE US TO PARTNER BECAUSE I  
14 DO BELIEVE THAT THE FDA ALWAYS HAS OUR BEST INTEREST  
15 AT HEART. AND IF WE CAN EXPLAIN CERTAIN THINGS AND  
16 VIEW THEM THAT WAY WITH OTHER GROUPS, OBVIOUSLY WITH  
17 DRUG COMPANIES AS WELL, I THINK THAT'S REALLY GOOD.

18           I ALSO WANT TO SAY THAT THIS IS A  
19 FANTASTIC DOCUMENT. AND IT'S, THANKS TO YOU,  
20 LAUREN, VERY USER FRIENDLY. WHEN YOU LOOK AT IT,  
21 YOU WANT TO READ IT, BUT IT IS VERY LONG. I'M NOT  
22 SAYING FOR US AND FOR THE JOURNALISTS, WHATEVER, BUT  
23 I URGE US TO GET OUT A ONE- OR TWO-PAGE SHEET THAT  
24 JUST HAS THE BULLET POINTS AND REALLY, REALLY  
25 DISTRIBUTE THIS BECAUSE THE CITIZENS OF CALIFORNIA

BARRISTERS' REPORTING SERVICE

1 VOTED FOR THIS. THIS IS A SEISMIC SHIFT IN WHAT  
2 WE'RE DOING AND A GOOD SEISMIC SHIFT THAT COULD NOT  
3 HAVE HAPPENED HAD THE WORK NOT BEEN DONE ALL THOSE  
4 YEARS BEFORE AS YOU SO ACKNOWLEDGE, BUT LET'S GET  
5 THIS OUT. LET'S REALLY LET PEOPLE KNOW THAT.

6 WITH THAT SAID, I FULLY, FULLY SUPPORT  
7 THIS. I THANK THE ENTIRE TEAM WHO IS SITTING THERE  
8 AND THERE, AND I WON'T NAME EVERYBODY. AND I WOULD  
9 LIKE TO MOVE THE ITEM.

10 MR. TORRES: SECOND.

11 DR. PULIAFITO: YOU STOLE MY MOTION.

12 CHAIRMAN THOMAS: MOVED BY SHERRY,  
13 SECONDED BY SENATOR TORRES, THIRDED, THOUGH STOLEN  
14 BY SHERRY, BY DR. PULIAFITO.

15 DR. MILLS: TWO THINGS. ONE IS WITH  
16 REGARDS TO THE FDA, I WAS RECENTLY IN WASHINGTON.  
17 WE WERE TALKING ABOUT THIS. AND SOMEBODY FROM THE  
18 FDA WAS SAYING, WELL, THE EXPECTATION IS THAT WE  
19 PROTECT. AND, YES, THE EXPECTATION IS TO PROTECT,  
20 BUT IT HAS TO BE MORE THAN THAT. WE GET THE FDA.  
21 WE ASKED FOR IT. I DON'T MEAN US AS PEOPLE IN  
22 CALIFORNIA OR AT CIRM, BUT AS A COUNTRY WE ASKED FOR  
23 IT. WE HAVE TO THROW A LITTLE BIT MORE -- WE NEED  
24 STUFF THROUGH IT TOO. BECAUSE SAYING NO TO  
25 EVERYTHING WOULD KEEP EVERYONE SAFE, BUT WE NEED TO

BARRISTERS' REPORTING SERVICE

1 ALSO MAKE PROGRAMS. SO WE'RE GOING TO DO THAT. AND  
2 THERE ARE SO MANY OPPORTUNITIES FOR US TO ACTUALLY  
3 DIRECTLY, CIRM WITH FDA, PARTNER AND HAVE AND WE  
4 ARE.

5 YOUR POINT AND OS AND EVERYONE ELSE IS NOT  
6 JUST UNDERSTOOD, IT'S EMBRACED, AND IT IS WHAT WE  
7 WILL DO.

8 MS. LANSING: REACH OUT TO OTHER PEOPLE IN  
9 OTHER DISEASE PROGRAMS. EVERYONE KNOWS THIS.  
10 EVERYONE KNOWS THEY'RE ON THEIR SIDES, BUT WANTS TO  
11 HELP GET THE INFORMATION SO THEY CAN MAKE INFORMED  
12 DECISIONS.

13 DR. MILLS: WHAT I WANT TO DO IS JUST MAKE  
14 SURE WE TALK ABOUT IT, AND WE DON'T VIEW IT AS,  
15 WELL, THAT'S JUST WHAT IT IS. IT CAN'T BE JUST WHAT  
16 IT IS. WE HAVE TO TALK ABOUT IT.

17 MS. LANSING: I DON'T MEAN TO BELABOR  
18 THIS. AND THE BREAKTHROUGH THERAPY THINGS, AND SOME  
19 OF THE THINGS THAT THEY HAVE DONE, I THINK, SHOW  
20 THAT WE CAN MAKE A DIFFERENCE. AND PATIENT  
21 ADVOCATES, OUR BOARD, ALL THE OTHER DISEASE GROUPS,  
22 MAYBE THEY'RE SAYING TWO AND A HALF YEARS IS STILL  
23 TOO LONG. I THINK WE HAVE TO WORK TOGETHER.

24 DR. MILLS: A COMMENT. WHEN WE GOT THIS  
25 THING DONE, WE GOT IT BACK FROM THE PRINTER, IT WAS

BARRISTERS' REPORTING SERVICE

1 50 PAGES LONG, WE SAID, AH, CRAP. SO WE MADE THAT.  
2 IT'S JUST ONE PAGE.

3 CHAIRMAN THOMAS: OKAY. COMMENTS FROM  
4 MEMBERS OF THE BOARD? COMMENTS FROM MEMBERS OF THE  
5 PUBLIC? DR. LORING.

6 DR. LORING: I'M JEANNE LORING FROM THE  
7 SCRIPPS RESEARCH INSTITUTE. AND I WAS AT THE WORLD  
8 STEM CELL SUMMIT AS WERE MANY OF YOU LAST WEEK, AND  
9 WE HAD THE OPPORTUNITY TO MEET THE NEW FDA  
10 COMMISSIONER, ROBERT CALIFF, JUST BEFORE HE ACTUALLY  
11 GETS APPROVED. AND I THINK WE COULD LEVERAGE THE  
12 FACT THAT HE WAS AT THE WORLD STEM CELL SUMMIT AND  
13 TALKED WITH A LOT OF US ABOUT STEM CELL THERAPIES TO  
14 TRY TO CREATE SOME KIND OF CONVERSATION WITH THEM.

15 AS YOU KNOW, THERE ARE A NUMBER OF PATIENT  
16 ADVOCATES IN THE AUDIENCE TODAY, AND THE FDA REALLY  
17 WANTS TO LISTEN TO THEM. SO I'M REALLY CURIOUS  
18 ABOUT THE DETAILS OF THE PROGRAM TO APPROACH THE FDA  
19 AND HAVE THEM MORE FULLY UNDERSTAND WHAT THE ISSUES  
20 ARE. THAT'S A QUESTION.

21 CHAIRMAN THOMAS: I'M SORRY, DR. LORING.  
22 WOULD YOU REPEAT THE QUESTION?

23 DR. LORING: QUESTION WAS I'M ASKING FOR A  
24 BIT MORE DETAIL ABOUT HOW, AT LEAST IN BROAD  
25 STROKES, HOW CIRM IS PLANNING TO APPROACH THE FDA.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: I THINK, DR. MILLS,  
2 WOULD YOU LIKE TO COMMENT ON THAT?

3 DR. MILLS: SO, AGAIN, WITH REGARDS TO THE  
4 FDA, IT'S MULTIFACTORIAL. THERE ARE A NUMBER OF  
5 THINGS HERE WHERE THERE ARE OPPORTUNITIES TO HAVE  
6 ADVANCEMENTS. FIRST IS WORKING THROUGH THIS  
7 TRANSLATIONAL ISSUE THAT WE HAVE WHERE IT'S TAKING  
8 TOO LONG. THAT, WE'VE ALREADY STARTED DISCUSSIONS  
9 WITH FDA ABOUT THEY HAVE AN INTEREST IN PARTNERING.  
10 I'M NOT GOING TO GET INTO THE EXTENT OF THEM, THE  
11 AMOUNT OF DETAILS OF WHAT WE'RE GOING TO DO  
12 SPECIFICALLY OR WHAT WE'RE TALKING ABOUT DOING  
13 SPECIFICALLY, BUT THE GOAL OF THAT IS TO FIND A WAY,  
14 AND THERE SEEMS TO BE PLENTY OF GROUND, THAT WE CAN  
15 HAVE FUNCTIONALLY, AT LEAST CIRM PROGRAMS, GO FROM A  
16 PATHWAY THAT IS SOMEWHERE BETWEEN SIX TO EIGHT YEARS  
17 DOWN TO MORE THE INDUSTRY STANDARD.

18 THE OTHER CENTERS AROUND ACTUALLY THINKING  
19 ABOUT SHOULD THERE -- IS THERE REALLY JUST A ONE  
20 SIZE FITS ALL REGULATORY PARADIGM NO MATTER WHAT THE  
21 CELL, NO MATTER WHAT THE DISEASE, NO MATTER WHAT THE  
22 DELIVERY SYSTEM? IS IT REALLY ALL THIS MASSIVELY  
23 LONG, COMPLICATED, AND EXPENSIVE BLA AND TALK ABOUT  
24 THE FACT THAT SINCE THAT STANDARD HAS BEEN IN PLACE,  
25 NOTHING HAS GOTTEN THROUGH IT, AND SEE IF WE CAN'T

BARRISTERS' REPORTING SERVICE

1 FIGURE OUT SOMETHING ELSE. SO THAT'S WHAT WE'LL DO.

2 CHAIRMAN THOMAS: THANK YOU. ANOTHER  
3 COMMENT FROM A VERY FRIENDLY, FAMILIAR FACE.

4 DR. CHIU: ARLENE CHIU FROM THE CITY OF  
5 HOPE. I WANT TO CONGRATULATE CIRM ON SUCH AN  
6 AUDACIOUS AND EXCITING PLAN. I THINK WHAT STRUCK  
7 ME, LOOKING AT IT FOR THE FIRST TIME, IS THAT YOU'VE  
8 PINPOINTED THE AREAS, SELECT AREAS, THAT ARE TRUE  
9 BOTTLENECKS. IT'S NOT JUST RESEARCH, BUT THE  
10 BOTTLENECKS MOVING FORWARD. I'M A GREAT FRIEND OF  
11 THE FDA. AS YOU WERE AT THE WORLD ALLIANCE FORUM,  
12 AND I WAS TOO JUST RECENTLY AT GOLDEN GATE PARK,  
13 WE'VE NOTICED THAT IN JAPAN THE SCIENTISTS AND THE  
14 REGULATORS HAVE BEEN ABLE TO WORK TOGETHER TO CRAFT  
15 A PATHWAY FOR CLINICAL STUDIES FOR STEM CELL  
16 THERAPIES THAT HAS MADE THE PATHWAY MUCH SHORTER.  
17 AND, OF COURSE, INDIVIDUAL SCIENTISTS IN AMERICA  
18 HAVE A DIFFICULT TIME DEALING ONE ON ONE WITH THE  
19 FDA. BUT THE IDEA OF A TRANSLATIONAL CENTER AND AN  
20 ACCELERATING CENTER WHERE THESE ARE GROUPED TO TALK  
21 WITH THE FDA, I THINK IT'S A BRILLIANT IDEA. THE  
22 FDA NEEDS YOUR HELP TO UNDERSTAND WHAT ARE THE  
23 ISSUES, WHAT THE LEVEL OF SAFETY CONCERNS. AND ON  
24 THE OTHER HAND, ONCE THEY UNDERSTAND, THEY ARE IN A  
25 BETTER POSITION TO CRAFT NOVEL, NEW PATHWAYS TO US.



BARRISTERS' REPORTING SERVICE

1 SO I WANT TO THANK EVERYONE FOR SUCH A  
2 GREAT IDEA. OF COURSE, THE PROOF OF THE PUDDING IS  
3 IN THE TASTING, SO WE'RE ALL EXCITED TO SEE WHAT  
4 HAPPENS.

5 CHAIRMAN THOMAS: THANK YOU. ANY OTHER  
6 COMMENTS FROM MEMBERS OF THE PUBLIC? HEARING NONE,  
7 WE WILL PROCEED TO A ROLL CALL VOTE. BEFORE WE DO  
8 THAT, MARIA, I JUST WANT TO SAY, HAVING VIEWED THE  
9 DEVELOPMENT OF THE STRATEGIC PLAN FROM THE INSIDE, I  
10 WANT TO REITERATE THE ENORMOUS AMOUNT OF WORK THAT  
11 WENT INTO THIS BY RANDY, ALL MEMBERS OF THE TEAM,  
12 MANY, MANY STAKEHOLDERS OF ALL SORTS OF WALKS ON THE  
13 OUTSIDE WHO ADVISED MEMBERS OF THE BOARD, THIS WAS  
14 AN EXHAUSTIVE EFFORT THAT TOOK MONTHS AND MONTHS AND  
15 IS NOW BEFORE YOU ON A VOTE. SO I WANT TO ADD MY  
16 CONGRATULATIONS TO DR. MILLS AND THE TEAM FOR A JOB  
17 EXCEPTIONALLY WELL DONE. WITH THAT, MARIA, WILL YOU  
18 PLEASE CALL THE ROLL.

19 MS. BONNEVILLE: DAVID BRENNER. LINDA  
20 BOXER.

21 DR. BOXER: YES.

22 MS. BONNEVILLE: KEN BURTIS. ANNE-MARIE  
23 DULIEGE.

24 DR. DULIEGE: YES.

25 MS. BONNEVILLE: MICHAEL FRIEDMAN.

BARRISTERS' REPORTING SERVICE

1 DR. FRIEDMAN: YES.  
2 MS. BONNEVILLE: JUDY GASSON.  
3 DR. GASSON: YES.  
4 MS. BONNEVILLE: SAM HAWGOOD. DAVID  
5 HIGGINS.  
6 DR. HIGGINS: YES.  
7 MS. BONNEVILLE: STEPHEN JUELSGAARD.  
8 MR. JUELSGAARD: YES.  
9 MS. BONNEVILLE: SHERRY LANSING.  
10 MS. LANSING: YES.  
11 MS. BONNEVILLE: KATHY LAPORTE.  
12 DR. LAPORTE: ENTHUSIASTICALLY YES.  
13 MS. BONNEVILLE: BERT LUBIN. SHLOMO  
14 MELMED.  
15 DR. MELMED: YES.  
16 MS. BONNEVILLE: LAUREN MILLER.  
17 MS. MILLER: YES.  
18 MS. BONNEVILLE: ADRIANA PADILLA.  
19 DR. PADILLA: YES.  
20 MS. BONNEVILLE: JOE PANETTA.  
21 MR. PANETTA: YES.  
22 MS. BONNEVILLE: ROBERT PRICE.  
23 DR. PRICE: YES.  
24 MS. BONNEVILLE: FRANCISCO PRIETO.  
25 DR. PRIETO: AYE.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: CARMEN PULIAFITO.

2 DR. PULIAFITO: YES.

3 MS. BONNEVILLE: ROBERT QUINT. AL

4 ROWLETT.

5 MR. ROWLETT: YES.

6 MS. BONNEVILLE: JEFF SHEEHY.

7 MR. SHEEHY: YES.

8 MS. BONNEVILLE: OSWALD STEWARD.

9 DR. STEWARD: YES.

10 MS. BONNEVILLE: JONATHAN THOMAS.

11 CHAIRMAN THOMAS: YES.

12 MS. BONNEVILLE: ART TORRES.

13 MR. TORRES: AYE.

14 MS. BONNEVILLE: KRISTINA VUORI.

15 DR. VUORI: YES.

16 MS. BONNEVILLE: DIANE WINOKUR.

17 MS. WINOKUR: I JOIN SHERRY

18 ENTHUSIASTICALLY, YES.

19 CHAIRMAN THOMAS: UNANIMOUSLY AND  
20 ENTHUSIASTICALLY SUPPORTED. CONGRATULATIONS, DR.

21 MILLS AND TEAM.

22 (APPLAUSE.)

23 CHAIRMAN THOMAS: WE'RE GOING TAKE A  
24 TEN-MINUTE BREAK. BE BACK IN TEN.

25 (A RECESS WAS TAKEN.)

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: WE'RE GOING TO PICK UP  
2 NOW WITH THE NEXT AGENDA TOPIC. AS YOU HEARD FROM  
3 DR. MILLS, PART AND PARCEL OF THE STRATEGIC PLAN ARE  
4 THREE INITIATIVES WE'RE GOING TO CONSIDER IN  
5 SEQUENCE HERE, EACH TO BE PRESENTED BY DR. MILLAN.  
6 START FIRST WITH THE ACCELERATING CENTER CONCEPT  
7 PLAN.

8 DR. MILLAN: THANK YOU, CHAIRMAN THOMAS,  
9 MEMBERS OF THE BOARD, THE PUBLIC, AND CIRM  
10 COLLEAGUES. I'LL BE PRESENTING THE CONCEPT  
11 PROPOSALS FOR TWO STRATEGIC INFRASTRUCTURE PROGRAMS,  
12 THE ACCELERATING CENTER AND THE TRANSLATING CENTER.

13 DR. MILLS TOUCHED ON A LOT OF THIS JUST A  
14 LITTLE WHILE AGO, BUT I WANTED TO JUST SET THE TONE  
15 AND SET THE BACKGROUND FOR THE NEED FOR THESE  
16 INITIATIVES.

17 AS HE SUMMARIZED IN HIS REPORT, CIRM'S  
18 PIPELINE IS MATURING WITH GROWING NUMBERS OF LATE  
19 TRANSLATIONAL, PRECLINICAL, AND CLINICAL STAGE  
20 PROJECTS. AND OUR PLAN UNDER THE FIVE-YEAR  
21 STRATEGIC PLAN IS TO GROW THESE PROGRAMS TO EVEN  
22 MORE ROBUST PROPORTIONS, BUT WE DO IDENTIFY, THROUGH  
23 MANAGEMENT OF OUR PORTFOLIO GRANTS AND THROUGH  
24 EXTENSIVE DISCUSSIONS WITH STAKEHOLDERS, MULTIPLE  
25 CHALLENGES IN BRINGING THESE DEVELOPMENT PROJECTS

BARRISTERS' REPORTING SERVICE

1 FORWARD. BUT WE SEE THESE CHALLENGES AS AN  
2 OPPORTUNITY. WE SEE IT AS AN OPPORTUNITY TO  
3 SIGNIFICANTLY DECREASE THE TIME IT TAKES TO BRING  
4 PROJECTS FROM PRECLINICAL TRANSLATIONAL STAGE TO THE  
5 CLINICS. AND WE PROPOSE THAT STRATEGICALLY DEPLOYED  
6 INFRASTRUCTURE PROGRAMS COULD IDENTIFY AND ATTACK  
7 THE UNIQUE CHALLENGES THAT GET IN THE WAY OF  
8 BRINGING THESE DEVELOPMENT PROGRAMS FORWARD.

9 SO JUST TO IDENTIFY SOME CONCRETE  
10 CHALLENGES THAT WE HAVE NOTED, PROCESS DEVELOPMENT,  
11 CREATION OF ROBUST PROCESSES TO PRODUCE THESE CELL  
12 THERAPY PRODUCTS THAT WILL GO INTO CLINICAL TESTING  
13 AND TO THE PATIENTS IS A HUGE CHALLENGE AND CAN  
14 REALLY HOLD THAT PROJECT AND SOMETIMES UNNECESSARILY  
15 CAUSE UNDUE DELAY OR MAYBE CAUSE THOSE PROJECTS TO  
16 BE STOPPED PREMATURELY.

17 IN ADDITION, THERE'S SOME HUGE HURDLES  
18 THAT HAVE TO BE OVERCOME TO MEET THE REGULATORY  
19 REQUIREMENTS FOR FILING AND TO ENGAGE WITH THE FDA  
20 IN TERMS OF CRAFTING THE BEST PATH FORWARD TO  
21 GETTING A PRODUCT INTO CLINICAL TESTING.

22 IN ADDITION, THESE PRODUCTS ARE UNIQUE  
23 AND, THEREFORE, THE STEM CELL TRIALS AND DELIVERY OF  
24 THESE PRODUCTS REQUIRE SOME SPECIALIZED  
25 CONSIDERATIONS. WITH INFRASTRUCTURE PROGRAMS, WE'RE

BARRISTERS' REPORTING SERVICE

1 ABLE TO PUT IN PLACE FOCUSED EXPERTISE TO ADDRESS  
2 THESE CHALLENGES. AND IN ADDITION, AS THESE  
3 CHALLENGES ARE BEING ADDRESSED, THERE'S AN  
4 AGGREGATED AND SELF-FEEDING LOOP OF EXPERIENCE AND  
5 EXPERTISE THAT'S BUILT WITHIN THESE INFRASTRUCTURES  
6 AND CONTINUAL IMPROVEMENT SO THEY CAN BEST SERVE THE  
7 SPONSORS AND EVENTUALLY THE PATIENTS.

8 THE CONCEPT OF A ONE-STOP SHOP IS THERE'S  
9 A GO-TO PLACE TO HAVE CONVERSATIONS, TO BUILD  
10 RELATIONSHIPS SUCH AS CONVERSATIONS WITH THE FDA,  
11 FOR INSTANCE. SO THE ENTITIES COULD BRING IN THEIR  
12 AGGREGATED EXPERIENCE AND PRESENT ON BEHALF OF THE  
13 SPONSORS AND THE STAKEHOLDERS THE PRODUCTS IN THE  
14 BEST POSSIBLE WAY.

15 I PUT UP AGAIN THE SCHEMATIC DIAGRAM OF  
16 THE JET ENGINE TO REMIND US THAT INFRASTRUCTURE  
17 PROGRAMS AT CIRM, EITHER EXISTING OR THOSE THAT ARE  
18 BEING PROPOSED, WILL WORK COORDINATELY WITH ALL OF  
19 CIRM'S PROGRAMS TO BRING THEM THROUGH THE MACHINERY  
20 FROM DISCOVERY TO THE CLINICAL PHASES. AND I'LL  
21 FOCUS TODAY MAINLY ON THE CLINICAL AND LATE  
22 PRECLINICAL INFRASTRUCTURE PROGRAMS.

23 FIRST, I'D LIKE TO JUST TAKE THIS  
24 OPPORTUNITY TO UPDATE THE BOARD ON ONE OF THE  
25 INFRASTRUCTURE PROGRAMS ALREADY IN PLACE, THE ALPHA

BARRISTERS' REPORTING SERVICE

1 CLINICS NETWORK. ON THIS SLIDE ARE THE PROGRAM  
2 DIRECTORS OF THE ALPHA CLINICS NETWORK: DR. JOHN  
3 ADAMS, WHO'S ACTUALLY IN THE AUDIENCE, IS HERE FOR  
4 THE UCLA/UC IRVINE CONSORTIUM; DR. CATRIONA JAMIESON  
5 FROM UC SAN DIEGO; DR. JOHN ZAIA FROM THE CITY OF  
6 HOPE.

7 THE GOAL OF THE ALPHA CLINICS NETWORK,  
8 WHICH WAS JUST LAUNCHED ACTUALLY IN FEBRUARY OF THIS  
9 YEAR, THE FIRST CLINIC WAS OPENED IN FEBRUARY OF  
10 THIS YEAR, THE GOAL OF THIS NETWORK IS TO ACCELERATE  
11 STEM CELL THERAPY DEVELOPMENT BY PROVIDING  
12 EFFICIENT, SCALABLE, AND DURABLE INFRASTRUCTURE THAT  
13 DELIVERS HIGH QUALITY CLINICAL TRIALS WITH THE  
14 PATIENT EXPERIENCE AND PATIENT SAFETY AT THE  
15 FOREFRONT.

16 AS A SUMMARY OF WHAT'S OCCURRED THIS YEAR,  
17 THIS BOARD APPROVED FUNDING FOR THE ALPHA CLINICS  
18 NETWORK IN OCTOBER OF 2014. IMMEDIATELY AFTER THAT  
19 A PRELAUNCH MEETING WAS CONVENED WITH ALL OF THE  
20 TEAMS, AND SHORTLY THEREAFTER SITE VISITS WERE  
21 CONDUCTED. WE LAUNCHED THE CLINICS BETWEEN FEBRUARY  
22 AND APRIL OF THIS YEAR AND ESTABLISHED REGULAR  
23 STEERING COMMITTEE MEETINGS QUARTERLY ALONG WITH  
24 MONTHLY CALLS IN ADDITION TO THE WEEKLY MEETINGS AND  
25 DAILY COMMUNICATIONS THAT OCCUR AT ALL THESE

BARRISTERS' REPORTING SERVICE

1 CLINICS.

2 AND CURRENTLY THIS NETWORK SUPPORTS 14  
3 ACTIVE CLINICAL TRIALS, INCLUDING DR. KOHN'S TRIAL  
4 WHICH YOU HEARD ABOUT THIS MORNING FOR THE SEVERE  
5 COMBINED IMMUNODEFICIENCY SYNDROME, AS WELL AS  
6 SICKLE CELL ANEMIA, AND OTHER VERY IMPORTANT TRIALS  
7 IN HIV/AIDS WITH GENE-MODIFIED CELL THERAPIES, AND  
8 OTHER TRIALS THAT WERE JUST RECENTLY APPROVED FOR  
9 FUNDING BY THIS BOARD THROUGH THE CIRM 2.0 IN  
10 MULTICENTER TRIALS.

11 THESE CLINICS ARE ACTIVELY BUILDING A  
12 ROBUST PIPELINE, DEPLOYING WHAT WE CALL ACCELERATING  
13 AND VALUE-ADD RESOURCES WE CALL AVARS, AND THESE  
14 AVARS ARE MEANT TO BE TOOLS TO ACTUALLY CONTINUE TO  
15 BRING ABOUT EFFICIENCIES AND SHARE THESE  
16 EFFICIENCIES ACROSS THE NETWORK AND BEYOND.

17 SOME EXAMPLES OF THESE AVARS ARE LISTED  
18 HERE, AND THEY ARE TARGETED TOWARD SOME KEY GATING  
19 ITEMS AND KEY OBSTACLES IN THE DELIVERY OF CRITICAL  
20 STEM CELL TRIALS TO THE CLINICS AND TO PATIENTS.  
21 ONE OF THEM LEVERAGES THE IRB RELIANCE RESOURCE FROM  
22 THE UC BRAID AND BRINGS IT INTO THE NETWORK FOR THE  
23 STEM CELL CLINICAL TRIALS. WHAT THIS ALLOWS THE  
24 INVESTIGATORS TO DO IS TO GET SIMULTANEOUS AND  
25 RECIPROCAL IRB APPROVALS SO ONE COULD GET A REVIEW



BARRISTERS' REPORTING SERVICE

1 BY AN IRB AT ONE OF THE INSTITUTIONS AND IT WOULD  
2 TRIGGER AUTOMATIC APPROVAL AT THE OTHER  
3 INSTITUTIONS. AND THIS WOULD BRING ABOUT TIME AS  
4 WELL AS EFFICIENCY CONSIDERATIONS.

5 IN ADDITION, THE NETWORK IS CONTINUALLY  
6 BEING NIMBLE ADDRESSING PROBLEMS AS THEY ARISE,  
7 ADDRESSING NEEDS OF THE PATIENTS. AND ONE OF THOSE  
8 EXAMPLES IS ACTUALLY ACTIVELY IMPROVING THE PATIENT  
9 INFORMED CONSENT PROCESS. AND THIS IS VERY TIMELY  
10 GIVEN ALL OF THE NEW POLICIES AND APPROACHES TO  
11 INFORMED CONSENT.

12 IN ADDITION, THE NETWORK SHARES  
13 EXPERIENCES, KNOW-HOW, RESOURCES, AND ARE DOING THIS  
14 IN A SYSTEMATIC WAY AND CAPTURING IT IN SHARED  
15 DATABASES. ONE OF THE DATABASES WE'RE UTILIZING IS  
16 EXISTING WITHIN THE UC BRAID SYSTEM AS WELL.

17 WITH THE ACCELERATING CENTER, WHICH I'LL  
18 PRESENT SHORTLY, THESE AVARS WILL BE OPTIMIZED  
19 ACROSS THE NETWORK, BUT ALSO WILL BE MADE AVAILABLE  
20 TO ALL STEM CELL CLINICAL TRIALS AROUND CALIFORNIA.

21 SO I'LL MOVE ON, THEN, TO A NEW  
22 INFRASTRUCTURE PROGRAM WHICH WE'RE BRINGING TO YOU  
23 TODAY FOR CONSIDERATION AND APPROVAL OF THE CONCEPT,  
24 WHICH IS THE ACCELERATING CENTER, WHICH IS A  
25 STEM-CELL FOCUSED CLINICAL RESEARCH ORGANIZATION.

BARRISTERS' REPORTING SERVICE

1 THE GOAL OF THE ACCELERATING CENTER IS TO  
2 ASSIST SPONSORS IN THE REGULATORY PATH AND THE  
3 CLINICAL MANAGEMENT OF CLINICAL TRIALS IN A WAY THAT  
4 SPEEDS THE PROGRESSION OF THESE PROJECTS.

5 THE ACTIVITIES OF THE ACCELERATING CENTER  
6 ARE TO PROVIDE CUSTOMIZED SUPPORT FOR STEM CELL  
7 CLINICAL TRIALS IN THE AREAS OF REGULATORY AFFAIRS,  
8 CLINICAL TRIAL MANAGEMENT, AND DATA MANAGEMENT AND  
9 ANALYTICS.

10 THEY WILL WORK ACTIVELY IN PARTNERSHIP  
11 WITH THE FDA TO EFFICIENTLY MOVE STEM CELL PRODUCTS  
12 THROUGH THE REGULATORY PATH. THERE WAS A LOT OF  
13 DISCUSSION OF HOW THIS WOULD BE DONE, DATA DRIVES,  
14 DATA SHOULD DRIVE, AND THE FDA WANTS DATA. SO THE  
15 EXPERIENCES AND THE DATA THAT ARE BEING GATHERED AT  
16 A GO-TO PLACE SUCH AS THIS CENTER WOULD VERY MUCH GO  
17 A LONG WAY TOWARD THESE DISCUSSIONS AND TOWARD  
18 CRAFTING NEW APPROACHES THAT WOULD BRING US TO OUR  
19 GOAL.

20 IT ALSO WOULD COORDINATE WITH ALPHA  
21 CLINICS NETWORK TO SCALE UP AND SCALE OUT THE ADDED  
22 VALUE OF ACCELERATING RESOURCES, SOME OF WHICH WAS  
23 JUST DESCRIBED, TO SUPPORT STEM CELL CLINICAL TRIALS  
24 THROUGHOUT THE STATE AND BEYOND, AND THEY WOULD  
25 CREATE A SUSTAINABLE RESOURCE FOR THE GROWING

BARRISTERS' REPORTING SERVICE

1 PIPELINE OF STEM CELL TRIALS IN CALIFORNIA.

2 JUST TO GO INTO A LITTLE BIT MORE DETAIL  
3 ABOUT WHAT THE REGULATORY AFFAIRS ACTIVITIES WOULD  
4 BE OF THE ACCELERATING CENTER, THEY WOULD ACTUALLY  
5 PLAY AN ESSENTIAL ROLE FOR FDA INTERACTIONS. THEY  
6 WOULD BE WITH A SPONSOR IN ASSEMBLING THE IND, WOULD  
7 BE THERE FOR DISCUSSIONS, WOULD HAVE ACCESS TO THE  
8 KNOWLEDGE BASE OF THE AGGREGATED EXPERIENCE OF THE  
9 STEM CELL CLINICAL TRIALS IN CIRM'S PORTFOLIO, AND,  
10 THEREFORE, WOULD BE WELL POSITIONED TO DRIVE THESE  
11 DISCUSSIONS AND TO IMPLEMENT WHAT WE HOPE ARE SOME  
12 VERY NEEDED NEW APPROACHES TO BRINGING THESE  
13 DEVELOPMENT PROGRAMS THROUGH THE REGULATORY PATH.

14 IN TERMS OF CLINICAL TRIALS SUPPORT, THEY  
15 WOULD ASSIST THE SITES IN THEIR CLINICAL OPERATIONS  
16 MANAGEMENT AND PROVIDE LOGISTICAL SUPPORT WHERE  
17 REQUIRED. AND THIS SUPPORT WOULD BE SCALED  
18 ACCORDING TO THE NEEDS OF THE SPONSOR, THE NEEDS OF  
19 THE TRIALS.

20 IN ADDITION TO PROVIDING THE DATA  
21 MANAGEMENT AND ANALYTICS THAT ARE REQUIRED TO  
22 SUPPORT THE CLINICAL TRIALS, THE ACCELERATING CENTER  
23 WOULD ALSO PROVIDE A CENTRALIZED REPOSITORY FOR  
24 REALLY ESSENTIAL AND CRITICAL DATASETS AND KNOWLEDGE  
25 THAT WOULD SERVE IN THE DISCUSSIONS WITH THIRD-PARTY

BARRISTERS' REPORTING SERVICE

1 STAKEHOLDERS SUCH AS REGULATORS AND WITH  
2 REIMBURSEMENT PARTIES.

3 WE PROPOSE THE TIMELINE THAT'S POSTED  
4 HERE. EXPECT THAT WITH APPROVAL WE WOULD BE ABLE TO  
5 GET THIS ACCELERATING CENTER RFA OUT IN THE  
6 BEGINNING OF 2016, HAVE IT REVIEWED AND BROUGHT BACK  
7 TO YOU FOR APPROVAL IN THE SECOND HALF OF 2016,  
8 HOPEFULLY HAVING THE CENTER OPERATIONAL BY THE END  
9 OF 2016, WITH A PROPOSED BUDGET OF \$15 MILLION, UP  
10 TO \$15 MILLION IN FUNDING.

11 CHAIRMAN THOMAS: THANK YOU, DR. MILLAN.  
12 ARE THERE QUESTIONS ON THE ACCELERATING CENTER FROM  
13 MEMBERS OF THE BOARD?

14 DR. PRICE: WHAT SORT OF ENTITY OR  
15 ENTITIES DO YOU ANTICIPATE APPLYING TO BECOME  
16 ACCELERATING CENTERS?

17 MS. MILLAN: A CLASSIC CRO, BUT A CRO THAT  
18 HAS AN INTEREST IN THE REGENERATIVE MEDICINE STEM  
19 CELL SPACE. SO THEY WOULD ACTUALLY COME IN AND SET  
20 UP A SPECIALIZED UNIT FOR THAT. WE HAVE HAD  
21 DISCUSSIONS WITH A VARIETY OF KIND OF LARGER CRO'S.  
22 THERE IS INTEREST IN THIS. THIS WOULD BE AN  
23 INCENTIVE FOR THEM TO DO IT. TYPICALLY THEY SERVE  
24 VERY LARGE TRIALS. LATER STAGE MULTICENTER TRIALS  
25 ARE MORE ACCUSTOMED TO CANCER TRIALS OR SUCH. SO

BARRISTERS' REPORTING SERVICE

1 THESE SPECIALIZED TRIALS ARE TYPICALLY NOT WITHIN --  
2 THEY MAY SUPPORT THEM, BUT NOT IN ANY TYPE OF  
3 STRATEGIC MANNER.

4 THERE IS INTEREST OUT THERE IN CREATING  
5 UNITS FOR THIS BECAUSE THEY SEE THAT THE FIELD IS  
6 GOING THAT WAY, AND THEY WOULD LIKE TO BE ABLE TO  
7 START PROVIDING THAT TYPE OF SERVICE TO THE  
8 COMMUNITY.

9 MR. PANETTA: GREAT PRESENTATION. I WANT  
10 TO KIND OF BUILD ON THAT QUESTION AND ASK YOU IF YOU  
11 COULD FURTHER CLARIFY THE EXTENT TO WHICH THIS SORT  
12 OF CAPABILITY OR AT LEAST THE POTENTIAL TO EXPAND ON  
13 EXISTING CAPABILITY IS HERE IN CALIFORNIA. HOW BIG  
14 OF AN UNDERTAKING IS THIS GOING TO BE IN ADDITION TO  
15 WHAT ALREADY EXISTS OUT THERE IN THE WAY OF  
16 CAPABILITY, IF YOU KNOW? MAYBE WE DON'T KNOW TILL  
17 WE ASK.

18 MS. MILLAN: WITHIN CALIFORNIA THERE ARE  
19 VERY FEW CRO'S WITH THIS SPECIALIZATION. THAT WE  
20 KNOW. MANY OF OUR GRANTEES EITHER GO OUT OF STATE  
21 OR IN MANY CASES THEY TRY TO JUST WORK WITH WHAT  
22 THEY HAVE, AND PUT BITS AND PIECES TOGETHER. SO  
23 THERE IS NOTHING THAT WE KNOW OF THAT IS A  
24 SPECIALIZED STEM CELL CRO THAT EXISTS, PERIOD, AND  
25 DEFINITELY NOT IN CALIFORNIA.

BARRISTERS' REPORTING SERVICE

1           WHEN WE SPEAK TO OUR GRANTEES, THEY DO  
2 BELIEVE THAT THIS WOULD BE USEFUL BECAUSE EVEN JUST  
3 THE PROCESS OF IDENTIFYING THE RIGHT CRO WHO WOULD,  
4 FIRST OF ALL, TAKE ON THEIR STUDY FOR THE BUDGET  
5 THAT THEY HAVE AVAILABLE TO THEM FOR SUCH A SMALL  
6 STUDY, AS WELL AS THE SPECIALIZATION THAT ONE WOULD  
7 NEED TO KIND OF UNDERSTAND THE TYPES OF STUDIES,  
8 THAT DOESN'T CURRENTLY EXIST. SO WE DO BELIEVE  
9 WE'RE ADDRESSING SOMETHING THAT IS CRITICAL, BUT NOT  
10 CURRENTLY IN EXISTENCE.

11           MR. HIGGINS: THANK YOU. I'M AN  
12 ENTHUSIASTIC SUPPORTER OF THIS IDEA, BUT A QUESTION  
13 COMES TO MIND THAT YOUR SUCCESS MAY LEAD TO THIS  
14 PARTICULAR STRUCTURE SURVIVING BEYOND CIRM. HAVE  
15 YOU GIVEN THAT ANY THOUGHT?

16           MS. MILLAN: YES, WE HAVE. AND WHAT WE  
17 PLAN TO DO IN TERMS OF THE STRUCTURE OF THIS IS  
18 INITIALLY THIS ACCELERATING CENTER WOULD BE REQUIRED  
19 TO SUPPORT THE CIRM PROGRAMS FOR THE SETUP BECAUSE  
20 WE DO BELIEVE THAT THERE'S SOME JUST NEEDS THAT WE  
21 WANT FILLED, BUT ALSO WE BELIEVE THAT THERE ARE  
22 STANDARDS THAT WE WANT SET, AND THERE'S A CERTAIN  
23 LEVEL OF PRODUCT THAT THEY CAN CREATE DURING THAT  
24 INITIAL PERIOD OF TIME. THEN THEREAFTER THAT CENTER  
25 WOULD BE ABLE TO GO AFTER ADDITIONAL BUSINESS,

BARRISTERS' REPORTING SERVICE

1 LEVERAGING NOW THE PRODUCT THAT THEY'VE CREATED  
2 TOWARD A SPECIALIZED SERVICE. CIRM WOULDN'T PAY FOR  
3 THAT, BUT THEY WOULD USE THAT TO SUSTAIN THEIR  
4 BUSINESS FOR THE FUTURE.

5 CHAIRMAN THOMAS: OTHER COMMENTS,  
6 QUESTIONS FROM MEMBERS OF THE BOARD?

7 DR. PRICE: ARE THERE FUNCTIONS ENVISIONED  
8 HERE FOR THE ACCELERATING CENTERS THAT ARE REDUNDANT  
9 WITH WHAT THE ALPHA CLINICS ARE PROVIDING? IF SO,  
10 WOULD IT MAKE SENSE TO THINK ABOUT A FUTURE MERGING  
11 OF THIS?

12 MS. MILLAN: THANK YOU FOR THAT QUESTION.  
13 IN FACT, THE PROPOSED STRUCTURE OF THE ACCELERATING  
14 CENTER IS THAT IT WOULD ACTUALLY WORK  
15 SYNERGISTICALLY WITH THE ALPHA CLINIC NETWORKS.  
16 AND, IN FACT, THE ALPHA CLINICS NETWORK NEEDS ARE  
17 CONSIDERED AS WE HAVE CRAFTED THE CONCEPT, AND THEN  
18 WE'LL CRAFT THE RFA AND STRUCTURE.

19 AND IN ADDITION, THE ALPHA CLINICS NETWORK  
20 HAVE IDENTIFIED KEY ASSETS AND PRODUCTS THAT WE'RE  
21 NAMING AVAR. WE NAME IT AVAR SO THAT WE CAN HAVE  
22 CONCRETE THINGS THAT WE CAN POINT TO THAT ACTUALLY  
23 ENVISION THAT THE ACCELERATING CENTER WILL WANT TO  
24 BRING IN AND DEVELOP THOSE PRODUCTS SO THAT THEY CAN  
25 EITHER ASSIST THE ALPHA CLINICS IN OPTIMIZING THOSE

BARRISTERS' REPORTING SERVICE

1 RESOURCES, EXPAND THOSE ACTIVITIES, AS WELL AS OFFER  
2 IT TO ADDITIONAL SITES AND INVESTIGATORS, INITIALLY  
3 CIRM AND THEN OTHERWISE.

4 DR. FRIEDMAN: I TOO THINK IT'S A REALLY  
5 INTERESTING AND GOOD IDEA. IT SEEMS AS THOUGH IT'S  
6 MADE UP OF TWO COMPONENTS ROUGHLY. ONE IS THE  
7 SKILLFUL MANAGEMENT OF SOME CONVENTIONAL CRO TASKS,  
8 DATA MANAGEMENT, REPORTING, THINGS LIKE THAT. AND I  
9 THINK THAT'S REALLY VERY GOOD BECAUSE IT'S A  
10 VARIABLE QUALITY THROUGHOUT DIFFERENT GRANTEES AND  
11 EVEN INDUSTRIES IN CALIFORNIA. SO THAT MAKES A LOT  
12 OF SENSE.

13 THE SECOND COMPONENT IS SOMEWHAT MORE  
14 CREATIVE, AND I WONDER IF YOU CAN TALK TO US A  
15 LITTLE BIT ABOUT THAT, AGENCY INTERACTIONS, THINGS  
16 THAT LIKE THAT. AND THAT'S THE AREA THAT I THINK IS  
17 MORE CHALLENGING AND ALSO MORE INTRIGUING.

18 DR. MILLAN: THANK YOU. SO MANY OF OUR  
19 SITES, INCLUDING THE ALPHA CLINICS, HAVE REGULATORY  
20 TEAMS, FOR INSTANCE. AND THESE REGULATORY TEAMS IN  
21 THEIR OWN CENTERS HAVE DEVELOPED SOME RAPPORT AND  
22 EXPERTISE SURROUNDING THEIR PARTICULAR PROJECT. SO  
23 WE USED THAT AS A NICE EXAMPLE OF HOW IT'S  
24 ADVANTAGEOUS TO HAVE THAT ASSET. HOWEVER, THIS IS  
25 NOT AVAILABLE TO ALL, AND IT'S NOT AVAILABLE TO THE



BARRISTERS' REPORTING SERVICE

1 VARIETY OF DIFFERENT TECHNOLOGY PLATFORMS THAT WE  
2 HAVE IN OUR PORTFOLIO AND ARE ANTICIPATING COMING  
3 IN.

4 SO WHAT WE WILL ASK THE APPLICANT TO BE  
5 ABLE TO DEMONSTRATE IS THEY'LL HAVE THE CAPABILITY  
6 FOR REGULATORY SUPPORT FOR FILING AN IND FOR  
7 REGULATORY STRATEGY. AND TRADITIONAL CRO'S HAVE  
8 THAT, BUT THE DIFFERENCE WITH THIS CENTER IS NOW IT  
9 WILL BE FOCUSED ON CELL THERAPY, STEM CELL THERAPIES  
10 SO THEY WILL NOW REALLY PUT THEIR RESOURCES AND  
11 THEIR BRAIN POWER TO IT. AND AS THEY SUPPORT MORE  
12 AND MORE OF THESE TYPES OF TRIALS, THEY'LL LEARN  
13 MORE AND MORE AND BE ABLE TO BRING THAT AGGREGATED  
14 EXPERIENCE EACH TIME THEY REPRESENT THE NEXT  
15 SPONSOR.

16 DR. FRIEDMAN: I THINK THAT'S REALLY  
17 VALUABLE. IT STRIKES ME, SINCE THE REGULATORY  
18 SIMPLIFICATION AND EFFICIENCY IS SUCH A KEY  
19 COMPONENT OF OUR STRATEGIC PLAN, THAT IT'S POSSIBLE  
20 THAT THE CRO COULD HAVE A DIFFERENT POINT OF VIEW  
21 AND TAKE A DIFFERENT TACT THAN THE LEADERSHIP OF  
22 CIRM. AND WE JUST NEED -- I JUST ASK YOU TO THINK  
23 ABOUT HOW THAT WILL OCCUR. USUALLY A CRO IS VERY  
24 SKILLFUL AT A SET PATHWAY FOR BIOLOGICS, DEVICES, OR  
25 DRUGS BECAUSE THEY ALL WALK THE CLIENT THROUGH THAT

BARRISTERS' REPORTING SERVICE

1 PATH. HERE YOU ARE DISCOVERING NEW GROUND AND A LOT  
2 OF DIFFERENT WAYS OF APPROACHING EVEN DISAGREEMENT.  
3 WE SHOULD JUST THINK ABOUT HOW TO ADJUDICATE AND  
4 SIMPLIFY THOSE THINGS LATER.

5 DR. MILLAN: ABSOLUTELY. AND PART OF THE  
6 APPLICATION AND THE REVIEW WILL BE TO SORT THROUGH  
7 WHICH TYPES OF ORGANIZATIONS WOULD BE ABLE TO DO  
8 THAT. AND THERE WILL BE A STEERING COMMITTEE THAT'S  
9 SET UP AFTER THE AWARD AS PART OF THE TERMS OF THE  
10 AWARD WHICH INVOLVES CIRM AND PROBABLY THE  
11 TRANSLATING CENTER. AND THERE WILL BE AN  
12 ACCELERATING CENTER ALPHA CLINIC STEERING COMMITTEE  
13 AS WELL.

14 CHAIRMAN THOMAS: OTHER COMMENTS FROM  
15 MEMBERS OF THE BOARD? COMMENTS FROM MEMBERS OF THE  
16 PUBLIC?

17 DR. LORING: THIS IS JEANNE LORING FROM  
18 THE SCRIPPS RESEARCH INSTITUTE. WHEN I THINK ABOUT  
19 STEM CELL CRO'S, ONLY ONE NAME COMES TO MIND, AND  
20 THAT'S LONZA BECAUSE I KNOW THAT THEY'RE ALREADY  
21 ESTABLISHED. THEY'VE ACTUALLY DONE SOME WORK FOR  
22 SOME CIRM INVESTIGATORS. NOW, THEY'RE NOT LOCATED  
23 IN CALIFORNIA, BUT ARE YOU CONSIDERING TRYING TO  
24 ENCOURAGE OTHER EXISTING CRO'S TO ADOPT THEIR SORT  
25 OF BUSINESS PLAN, OR ARE YOU THINKING ABOUT

BARRISTERS' REPORTING SERVICE

1 BRAND-NEW CRO'S BEING INITIATED AS BUSINESSES IN  
2 CALIFORNIA?

3 DR. MILLAN: SO THE APPLICANT WE WOULD  
4 LIKE TO COME IN WOULD HAVE A BREADTH OF EXPERIENCE  
5 AND A TRACK RECORD FOR BEING ABLE TO EXECUTE ON THE  
6 TYPES OF ACTIVITIES. CERTAINLY CRO'S THAT HAVE  
7 EXPERIENCE IN THE ACTIVITIES WE LAID OUT IN TERMS OF  
8 THE REGULATORY FILINGS, CLINICAL OPERATIONS WOULD BE  
9 COMPETITIVE FOR THIS TYPE OF AWARD.

10 DR. LORING: THANK YOU.

11 DR. BRATT-LEAL: HI. ANDRES BRATT-LEAL  
12 FROM STEM CELL AND SCRIPPS RESEARCH INSTITUTE. I  
13 THINK IT'S GREAT. IT WOULD BE A GREAT RESOURCE. MY  
14 QUESTION IS CIRM IS GOING TO BE CREATING A HUGE  
15 DEMAND FOR CRO WORK WITH THE AMBITIOUS CIRM 2.0  
16 PROPOSALS WITH 30 AND 40 AND 45 TRANSLATIONAL AWARDS  
17 AND THEN A LOT OF TRANSLATIONAL AWARDS. DOES THIS  
18 MATCH THE AMOUNT OF DEMAND THAT YOU EXPECT THAT'S  
19 GOING TO BE COMING FOR CRO'S, ESPECIALLY FOR STEM  
20 CELL EXPERTISE? I GUESS MY QUESTION WAS DO YOU EVEN  
21 NEED MORE THAN THIS TO MATCH THAT DEMAND?

22 DR. MILLAN: WHAT WE HOPE FOR IS THAT  
23 WE'LL NEED MORE THAN THIS. THE WAY THIS WOULD BE  
24 SET UP -- HOW IT WILL BE SET UP IS THESE  
25 ORGANIZATIONS SHOULD BE SCALABLE AND BE ABLE TO MEET

BARRISTERS' REPORTING SERVICE

1 THE DEMANDS WITHIN CALIFORNIA AND EVENTUALLY FOR  
2 MULTICENTER AND INTERNATIONAL TRIALS INVOLVING  
3 CALIFORNIA.

4 DR. JUELSGAARD: SO THERE ARE SOME REALLY  
5 GREAT CRO'S THAT ARE OUT THERE THAT HAVE BEEN AROUND  
6 FOR A LONG TIME AND REALLY KNOW WHAT THEY'RE DOING,  
7 AND THEY MAY NOT HAVE A TREMENDOUS AMOUNT OF  
8 EXPERIENCE OF STEM CELL THERAPY, BUT THEY KNOW THE  
9 NUTS AND BOLTS OF EVERY OTHER PART OF THE PROCESS.  
10 SO BECAUSE THIS NEEDS TO BE A CALIFORNIA-BASED  
11 ORGANIZATION, MEANING GREATER THAN 50 PERCENT OF  
12 THEIR EMPLOYEES RESIDE HERE, ETC., IS IT POSSIBLE  
13 THAT A CRO BASED IN CHICAGO OR WHATEVER COULD CREATE  
14 A SUBSIDIARY HERE IN CALIFORNIA AND THAT SUBSIDIARY  
15 HAS TEN PEOPLE, AND SIX OF THEM LIVE IN CALIFORNIA  
16 AND THAT WOULD QUALIFY. DOESN'T HAVE TO BE THE  
17 PARENT CRO, RIGHT?

18 DR. MILLAN: ABSOLUTELY. THAT'S WHAT WE  
19 HAVE IN MIND AS WE'RE LOOKING AT THIS.

20 CHAIRMAN THOMAS: HEARING NO FURTHER  
21 DISCUSSION, DO WE HAVE A MOTION?

22 ANYBODY ON THE PHONE HAVE ANY QUESTIONS?

23 DR. LUBIN: NONE FOR ME.

24 CHAIRMAN THOMAS: HEARING NO QUESTIONS,  
25 IT'S BEEN MOVED BY MS. LANSING. IS THERE A SECOND?

BARRISTERS' REPORTING SERVICE

1 IS THERE A SECOND? SECOND BY SENATOR TORRES. ANY  
2 FURTHER DISCUSSION BY MEMBERS OF THE BOARD? HEARING  
3 NONE, MARIA, PLEASE TAKE THE ROLL.

4 MS. BONNEVILLE: DAVID BRENNER. LINDA  
5 BOXER.

6 DR. BOXER: YES.

7 MS. BONNEVILLE: KEN BURTIS. ANNE-MARIE  
8 DULIEGE.

9 DR. DULIEGE: YES.

10 MS. BONNEVILLE: MICHAEL FRIEDMAN.

11 DR. FRIEDMAN: YES.

12 MS. BONNEVILLE: JUDY GASSON.

13 DR. GASSON: YES.

14 MS. BONNEVILLE: SAM HAWGOOD. DAVID  
15 HIGGINS.

16 DR. HIGGINS: YES.

17 MS. BONNEVILLE: STEPHEN JUELSGAARD.

18 MR. JUELSGAARD: YES.

19 MS. BONNEVILLE: SHERRY LANSING.

20 MS. LANSING: YES.

21 MS. BONNEVILLE: KATHY LAPORTE.

22 DR. LAPORTE: YES.

23 MS. BONNEVILLE: BERT LUBIN.

24 DR. LUBIN: YES.

25 MS. BONNEVILLE: SHLOMO MELMED.

BARRISTERS' REPORTING SERVICE

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

BARRISTERS' REPORTING SERVICE

1 MS. WINOKUR: YES.

2 CHAIRMAN THOMAS: MOTION PASSES. THANK  
3 YOU. ON TO COMPONENT NO. 2, THE TRANSLATING CENTER  
4 CONCEPT PLAN.

5 DR. MILLAN: THANK YOU VERY MUCH. THE  
6 TRANSLATING CENTER IS THE PARTNER PROGRAM TO THE  
7 ACCELERATING CENTER, AND IT IS A PRECLINICAL  
8 RESEARCH ORGANIZATION THAT CIRM HOPES TO PUT IN  
9 PLACE AS ANOTHER KEY INFRASTRUCTURE PROGRAM TO  
10 ADDRESS THE CHALLENGES THAT I JUST RECENTLY  
11 SUMMARIZED.

12 AND THE MAJOR ACTIVITIES OF THIS  
13 TRANSLATING CENTER ARE TO EXECUTE ON WHAT WE CALL  
14 IND-ENABLING, MEANING THE WORK THAT NEEDS TO BE DONE  
15 IN ORDER TO FILE AN IND TO GAIN PERMISSION TO GO  
16 INTO CLINICAL TRIALS.

17 THE MAJOR ACTIVITIES OF THE TRANSLATING  
18 CENTER WOULD BE PROVIDE CORE SERVICES TO THE  
19 SPONSORS, TO THE INVESTIGATOR FOR CREATING PROCESSES  
20 THAT THEY CAN REPRODUCIBLY PRODUCE THEIR CELL  
21 PRODUCT. AND THIS IS A HUGE CHALLENGE ACTUALLY FROM  
22 GETTING DEVELOPMENT CANDIDATES TO THE CLINICS THAT  
23 IS A RECURRING CHALLENGE FOR MANY OF OUR  
24 INVESTIGATORS AND OTHERS. AND WE KNOW THAT THERE'S  
25 DEMAND FOR THIS EVEN WITHIN OUR OWN PORTFOLIO. WE

BARRISTERS' REPORTING SERVICE

1 KNOW THERE'S DEMAND FOR THIS FOR FOLKS WHO WANT TO  
2 COME INTO CIRM TO DEVELOP THEIR PROMISING  
3 CANDIDATES, BUT DON'T HAVE THE SKILL SET.

4 IN ADDITION, THIS TRANSLATING CENTER WOULD  
5 OVERSEE, MANAGE, ASSEMBLE THE NECESSARY PRECLINICAL  
6 STUDIES THAT WOULD GO INTO THE IND AND THEN WOULD  
7 ASSIST THE ACCELERATING CENTER, THE ACCELERATING  
8 CENTER BEING THE LEAD ON THE FDA INTERACTIONS, WOULD  
9 ASSIST THE ACCELERATING CENTER IN IND PREPARATION  
10 AND SUBMISSION.

11 AND, AGAIN, THE SAME IDEA THAT WITH THIS  
12 CONTINUAL FOCUSED EXPERIENCE, THAT THE PRODUCT  
13 BECOMES BETTER AND BETTER AND THEY CAN BRING THEIR  
14 AGGREGATED KNOWLEDGE TO THE TABLE.

15 SO SOME OF THE ACTIVITIES ARE LISTED HERE,  
16 AGAIN, RELATED TO WHAT NEEDS TO HAPPEN TO GET A  
17 DEVELOPMENT CANDIDATE TO BE A PRODUCT.  
18 REPRODUCIBLE, ROBUST PROCESSES, ALL THE THINGS THAT  
19 GO INTO THAT, AS WELL AS QUALITY SYSTEMS AND ASSAYS  
20 THAT NEED TO BE VALIDATED OR AT LEAST INITIALLY  
21 VALIDATED, AS WELL AS LOOKING AT FORWARD PLANNING  
22 FOR SUCCESS IN TERMS OF WHAT TYPES OF PROCESSES AND  
23 WHAT SYSTEMS AND DOCUMENTATION NEED TO BE IN PLACE  
24 IN ORDER TO BE ABLE TO TRANSFER THIS TECHNOLOGY TO A  
25 MANUFACTURER, AND WHAT CONSIDERATIONS NEED TO BE



BARRISTERS' REPORTING SERVICE

1 INCORPORATED EARLIER ON IN A QUALITY-BY-DESIGN  
2 MANNER SO THAT THESE PROCESSES CAN BE SCALED UP AND  
3 SCALED OUT WHEN APPROPRIATE SHOULD THE PRODUCT GO  
4 THROUGH A SUCCESSFUL PATH IN DEVELOPMENT.

5 THE TRANSLATING CENTER WOULD ALSO ASSEMBLE  
6 THE PRECLINICAL DATASETS, THEY WOULD INTERACT WITH  
7 THE SPONSOR, INVESTIGATORS WHO HAVE THE PRECLINICAL  
8 STUDIES IN TERMS OF THE SCIENCE, THE EFFICACY-TYPE  
9 DATASETS, CHARACTERIZATION DATASETS FROM THE SPONSOR  
10 AS WELL AS FROM THE INTERNAL WORK DURING PROCESS  
11 DEVELOPMENT, AND WITH EXTERNAL CRO'S OR INTERNAL, IF  
12 THEY HAVE IT, BUT MOST LIKELY EXTERNAL CRO'S TO DO  
13 WHAT DR. MILLS HAD REFERRED TO EARLIER AS WHAT MAY  
14 BE PERCEIVED AS UNINTERESTING BUT NECESSARY SAFETY,  
15 TOXICITY, DISTRIBUTION STUDIES, THINGS THAT ARE  
16 REQUIRED FOR A CELL THERAPY IND. AND THEY WOULD  
17 COORDINATE, AGAIN, WITH THE ACCELERATING CENTER TO  
18 COMPILE THIS DATASET INTO AN IND.

19 SO FOR THIS CENTER WE ARE PROPOSING AN UP  
20 TO \$15 MILLION BUDGET. WE WILL PUT OUT THE RFA FOR  
21 THIS IN 2016, AGAIN, HOPE TO BRING, AFTER THE REVIEW  
22 PROCESS, RECOMMENDATIONS TO THIS BOARD FOR APPROVAL  
23 BY THE END OF 2016.

24 CHAIRMAN THOMAS: THANK YOU, DR. MILLAN.  
25 QUESTIONS, COMMENTS FROM MEMBERS OF THE BOARD?

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: I MOVE ADOPTION OF THIS FOR  
2 APPROVAL.

3 DR. PRICE: SECOND.

4 CHAIRMAN THOMAS: MOVED BY MR. SHEEHY.  
5 SECONDED BY DR. PRICE. OKAY. DISCUSSION? COMMENTS  
6 FROM MEMBERS OF THE PUBLIC? ANY COMMENTS FROM  
7 MEMBERS ON THE PHONE? HEARING NONE, MARIA, PLEASE  
8 CALL THE ROLL.

9 MS. BONNEVILLE: DAVID BRENNER. LINDA  
10 BOXER. KEN BURTIS. ANNE-MARIE DULIEGE.

11 DR. DULIEGE: YES.

12 MS. BONNEVILLE: MICHAEL FRIEDMAN.

13 DR. FRIEDMAN: YES.

14 MS. BONNEVILLE: JUDY GASSON.

15 DR. GASSON: YES.

16 MS. BONNEVILLE: SAM HAWGOOD. DAVID  
17 HIGGINS.

18 DR. HIGGINS: YES.

19 MS. BONNEVILLE: STEPHEN JUELSGAARD.

20 MR. JUELSGAARD: YES.

21 MS. BONNEVILLE: SHERRY LANSING.

22 MS. LANSING: YES.

23 MS. BONNEVILLE: KATHY LAPORTE. BERT  
24 LUBIN. SHLOMO MELMED.

25 DR. MELMED: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: LAUREN MILLER.  
2 MS. MILLER: YES.  
3 MS. BONNEVILLE: ADRIANA PADILLA.  
4 DR. PADILLA: YES.  
5 MS. BONNEVILLE: JOE PANETTA.  
6 MR. PANETTA: YES.  
7 MS. BONNEVILLE: ROBERT PRICE.  
8 DR. PRICE: YES.  
9 MS. BONNEVILLE: FRANCISCO PRIETO.  
10 DR. PRIETO: AYE.  
11 MS. BONNEVILLE: CARMEN PULIAFITO. ROBERT  
12 QUINT. AL ROWLETT.  
13 MR. ROWLETT: YES.  
14 MS. BONNEVILLE: JEFF SHEEHY.  
15 MR. SHEEHY: YES.  
16 MS. BONNEVILLE: OSWALD STEWARD.  
17 DR. STEWARD: YES.  
18 MS. BONNEVILLE: JONATHAN THOMAS.  
19 CHAIRMAN THOMAS: YES.  
20 MS. BONNEVILLE: ART TORRES.  
21 MR. TORRES: AYE.  
22 MS. BONNEVILLE: KRISTINA VUORI.  
23 DR. VUORI: YES.  
24 MS. BONNEVILLE: DIANE WINOKUR.  
25 WE'RE GOING TO CHECK THE PHONE LINES. I

BARRISTERS' REPORTING SERVICE

1 DON'T THINK WE CAN HEAR THEM.

2 CHAIRMAN THOMAS: THOSE OF YOU ON THE  
3 PHONE, I THINK WE LOST YOU FOR A SECOND. MARIA WAS  
4 IN THE PROCESS OF CALLING THE ROLL ON THIS ITEM.  
5 LET'S TRY ONE MORE TIME.

6 MS. BONNEVILLE: LINDA BOXER.

7 DR. BOXER: YES.

8 CHAIRMAN THOMAS: ARE THOSE ON THE LINE --

9 MS. BONNEVILLE: WE'RE GOING TO HOLD THE  
10 ROLL OPEN AND MOVE ON TO THE NEXT ITEM UNTIL WE GET  
11 THE AUDIO TAKEN CARE OF.

12 CHAIRMAN THOMAS: THANK YOU. WE'RE GOING  
13 TO GO ON TO THE NEXT ITEM. I MIGHT GIVE, BY WAY OF  
14 PRELUDE, THE COMMENT THAT OVER A YEAR AGO DR. MILLS  
15 AND I WERE SITTING AROUND TALKING ABOUT A VARIETY OF  
16 THINGS. AND WE HAD SORT OF INDEPENDENTLY COME TO  
17 THE NOTION THAT IT WOULD BE AN IDEA TO CONSIDER AN  
18 ARM'S LENGTH, ADJUNCT ENTITY THAT COULD DRAW  
19 INDUSTRY IN TO HELP WITH THE ACCELERATION AND  
20 COMMERCIALIZATION OF SOME OF OUR MOST PROMISING  
21 TECHNOLOGIES. AND WE TALKED ABOUT IT AT THAT POINT,  
22 AND FROM THAT CONVERSATION CAME WHAT TURNED OUT TO  
23 BE ABOUT 15 MONTHS OF VERY HARD WORK BY MANY PEOPLE  
24 THAT HAS ENDED WITH THE NOTION OF ACCELERATING  
25 THERAPIES PUBLIC PRIVATE PARTNERSHIP OR ATP3 THAT'S

BARRISTERS' REPORTING SERVICE

1 GOING TO BE PRESENTED TO YOU TODAY.

2 SO LET'S TURN NOW TO THAT THIRD COMPONENT  
3 OF THE STRATEGIC PLAN, ATP3. DR. MILLAN.

4 DR. MILLAN: CAN EVERYBODY SEE THE SCREEN.  
5 THE PRESENTATION IS ALSO ON THE AGENDA AND MAY BE  
6 PRINTED OUT. I'LL NOW PRESENT THE ACCELERATING  
7 THERAPIES THROUGH A PUBLIC PRIVATE PARTNERSHIP WHICH  
8 I'LL REFER TO AS ATP3.

9 BY WAY OF BACKGROUND, AGAIN, THIS IS A  
10 LITTLE BIT REPETITIVE FROM WHAT DR. MILLS HAD  
11 ALREADY LAID OUT. WE HAVE IDENTIFIED AND WE KNOW AS  
12 A FIELD THAT THERE IS A LACK OF INDUSTRY PULL FOR  
13 STEM CELL THERAPEUTICS. THOUGH CIRM HAS INVESTED  
14 APPROXIMATELY \$2 BILLION SO FAR IN DEVELOPING A  
15 PORTFOLIO OF APPROXIMATELY 300 TECHNOLOGIES, WE KNOW  
16 THAT ONLY 6 PERCENT OF CIRM'S ACADEMIC PROJECTS HAVE  
17 BEEN LICENSED BY INDUSTRY. AND IN DISCUSSIONS WITH  
18 THE UNIVERSITY OF CALIFORNIA SYSTEM, WE KNOW THAT OF  
19 THE 3400 TECHNOLOGIES BEING MARKETED, WE'RE NOT EVEN  
20 TALKING ABOUT ALL TECHNOLOGIES, BUT JUST THOSE THAT  
21 ARE BEING ACTIVELY MARKETED, LESS THAN 2 PERCENT OF  
22 THOSE ARE STEM CELL PROGRAMS.

23 SO WE ARE PROPOSING TO THE BOARD TODAY AN  
24 INITIATIVE, THE ATP3 INITIATIVE, AS A MEANS OF  
25 ENGAGING INDUSTRY BY CREATING AN OPPORTUNITY FOR TOP

BARRISTERS' REPORTING SERVICE

1 TIERED LEADERSHIP AND MANAGEMENT TEAMS TO COME IN,  
2 AND COMPETITIVELY BE EVALUATED IN THEIR ABILITY TO  
3 FORM AN ENTITY WHICH WOULD AGGREGATE CIRM'S MOST  
4 PROMISING TECHNOLOGIES. BY AGGREGATION, IT WOULD  
5 OFFER MULTIPLE SHOTS ON GOAL ON THESE PRODUCT  
6 DEVELOPMENT CANDIDATES WHICH INCREASES THE  
7 PROBABILITY OF SUCCESS, SO CALLED DERISKING THE  
8 PROPOSITION. AND WHAT WE ANTICIPATE IS THIS WOULD  
9 MAKE IT MORE SIGNIFICANTLY PALATABLE AND ACTUALLY  
10 INCENTIVIZE INDUSTRY TO COME IN IN PARTNERSHIP.

11 IN ADDITION, WHAT'S BAKED INTO THIS  
12 INITIATIVE IS THAT CIRM WOULD LEVERAGE ITS  
13 CAPACITIES IN TERMS OF ADMINISTRATIVE REVIEW  
14 STRUCTURE AND ADVISORS TO HELP THIS ENTITY COME UP  
15 WITH THE BEST POSSIBLE PORTFOLIO. AND CIRM WOULD  
16 CONTINUE TO BE INVOLVED BY FUNDING THE DEVELOPMENT  
17 OF THESE IN-LICENSED TECHNOLOGIES.

18 SO AS A GENERAL STRUCTURE, THE  
19 ACCELERATING THERAPIES TO PUBLIC PRIVATE  
20 PARTNERSHIP, ATP3, THE MAJOR GOAL OF THIS IS TO GET  
21 THE CIRM-FUNDED STEM CELL TECHNOLOGY CANDIDATES TO  
22 THE PATIENTS, GET THE TECHNOLOGIES TO THE PATIENTS.  
23 AND HOW DO WE DO THAT? WE PULL INDUSTRY IN, WE GET  
24 A PRIVATE PARTNER THROUGH THIS COMPETITIVE PROCESS  
25 WHO WILL IN-LICENSE, DEVELOP, AND DRIVE TOWARD

BARRISTERS' REPORTING SERVICE

1 COMMERCIALIZATION THE AGGREGATED PORTFOLIO. AND AS  
2 I JUST STATED, CIRM WILL BE ACTIVELY INVOLVED IN  
3 THIS AND CHOOSING AND ENABLING THE LICENSING AND IN  
4 HELPING TO FUND THESE PROGRAM'S DEVELOPMENTS.

5 IN ADDITION, THE RESEARCHERS WOULD HAVE  
6 CONTINUED FUNDING FOR THE ADVANCEMENTS OF THEIR  
7 PROJECT. JUST TO BACK UP A BIT, WHEN THESE  
8 IN-LICENSED PROGRAMS COME IN, THEY COME IN WITH  
9 CURRENT FUNDING FOR THESE PROGRAMS TO GO TO A  
10 CERTAIN VALUE INFLECTION POINT. IF THEY'RE CHOSEN  
11 BY CIRM AND BY THE ATP3 AWARDEE TO COME INTO THEIR  
12 PORTFOLIO, THEN THE PROJECT WOULD GET ADDITIONAL  
13 FUNDING. FOR UNIVERSITIES, BY DESIGN OF THIS  
14 INITIATIVE, THERE WOULD BE A DEMAND CREATION FOR  
15 OUT-LICENSING CIRM-FUNDED TECHNOLOGIES AND,  
16 THEREFORE, A GREATER OPPORTUNITY FOR FINANCIAL  
17 RETURN WHICH THEN COULD GO ON TO FUND FUTURE  
18 PROJECTS AND EFFORTS.

19 AND FOR CITIZENS OF CALIFORNIA, AS DR.  
20 MILLS STATED, THIS IS AN OPPORTUNITY TO CREATE A  
21 THERAPEUTIC POWERHOUSE THAT INCREASES THE LIKELIHOOD  
22 OF GETTING STEM CELL THERAPEUTICS TO THE PATIENTS.

23 THE PRIVATE PARTNER OR THE AWARDEE, THE  
24 APPLICANT, COULD BE AN ESTABLISHED COMPANY, A  
25 SPIN-OFF, OR A NEW COMPANY ALTOGETHER THAT'S FORMED

BARRISTERS' REPORTING SERVICE

1 BY A TEAM OF PROFESSIONALS THAT HAVE COME OUT OF  
2 EITHER PHARMA, BIOTECH, OR COULD BE INVESTORS. THEY  
3 WILL BE JUDGED ON AND WILL PROPOSE AN EXCEPTIONAL  
4 BUSINESS PLAN TO AGGREGATE THESE TECHNOLOGIES, GIVE  
5 THE RATIONALE FOR THIS, PROPOSE HOW THIS WILL CREATE  
6 VALUE AND BRING RETURN TO THE STAKEHOLDERS. AND  
7 THEY WOULD COME IN WITH A LEADERSHIP TEAM THAT WOULD  
8 BE JUDGED ON THEIR TRACK RECORD AND THEIR STRENGTH  
9 THAT THEY BRING TO THE INITIATIVE AND THE LIKELIHOOD  
10 THEY'LL BE ABLE TO EXECUTE ON THE BUSINESS PLAN AND  
11 BRING ABOUT THE GOALS OF THIS INITIATIVE.

12 THE ENTITY WILL BE REQUIRED TO COME IN  
13 WITH SIGNIFICANT INVESTMENT UPFRONT AND UTILIZE THIS  
14 TO EXECUTE ON THE BUSINESS PLAN WHILE CIRM WILL FUND  
15 THE SUPPORT OF THE DEVELOPMENT OF THE IN-LICENSED  
16 PROJECTS.

17 THE CIRM AWARD IS ANTICIPATED TO BE  
18 APPROXIMATELY \$75 MILLION OF FUNDING OVER A  
19 FIVE-YEAR PERIOD. IT COULD BE IN THE FORM OF A  
20 LOAN, BUT THE APPLICANT, THE AWARDEE, WOULD BE  
21 REQUIRED TO MATCH THE TOTAL AWARD AMOUNT, REGARDLESS  
22 OF HOW MUCH OF THE LOAN THEY TAKE ON, DOLLAR FOR  
23 DOLLAR UPFRONT. THE AWARDEE WOULD ALSO BE REQUIRED  
24 TO COMPLY WITH THE PRICING ACCESS AND MARCH-IN  
25 PROVISIONS OF CIRM'S IP REGULATIONS AND TO PROVIDE



BARRISTERS' REPORTING SERVICE

1 THE LICENSOR OF THE CIRM PROJECTS WITH THE RIGHT OF  
2 FIRST REFUSAL SHOULD THEY DECIDE TO SHELF OR CEASE  
3 DEVELOPMENT OF THAT PARTICULAR TECHNOLOGY.

4 CHAIRMAN THOMAS: THANK YOU, DR. MILLAN.  
5 ARE THERE QUESTIONS, COMMENTS FROM MEMBERS OF THE  
6 BOARD?

7 MR. JUELSGAARD: SO THE PRESUMPTION  
8 UNDERNEATH ALL OF THIS IS THAT THE ENTITY THAT GETS  
9 FORMED WILL HAVE ACCESS TO CERTAIN PROJECTS AND THAT  
10 THEY WILL BE AVAILABLE AND THEY WILL BE PROVIDED BY  
11 THE ORGANIZATIONS THAT ARE CURRENTLY CONDUCTING  
12 CLINICAL TRIALS. SO BEFORE ONE GOES TO THE EFFORT  
13 OF PUTTING TOGETHER RAISING \$75 MILLION AND A  
14 BUSINESS PLAN, ETC., ETC., ETC., BECAUSE THAT'S A  
15 FAIR AMOUNT WORK, FAIR AMOUNT OF TIME INVOLVED, IT  
16 WOULD SEEM TO ME THAT THAT ORGANIZATION WOULD WANT  
17 TO KNOW WHAT'S ON THE TABLE FROM CIRM'S POINT OF  
18 VIEW. WHAT PROJECTS ARE GOING TO BE THE ONES THAT  
19 WOULD BE AVAILABLE TO THEM TO IN-LICENSE IN TERMS OF  
20 THEIR BUSINESS PLAN.

21 SO WHAT IS THE GAME PLAN -- IS THERE A  
22 GAME PLAN FOR DOING THAT? AND IF SO, WHAT IS THAT  
23 GAME PLAN, AND HOW DOES IT GET EFFECTED?

24 DR. MILLAN: SO WE CURRENTLY HAVE A  
25 PROGRAM -- NEAL LITTMAN IS HERE TODAY -- FOR

BARRISTERS' REPORTING SERVICE

1 INFORMING POTENTIAL PARTNERS, INDUSTRY, OF WHAT'S IN  
2 OUR PORTFOLIO. AND WE WOULD JUST MAKE SURE THAT WE  
3 DEPLOY THAT PROGRAM IN A MORE EXTENSIVE WAY SO THAT  
4 THAT INFORMATION COULD BE PROVIDED TO THE POTENTIAL  
5 APPLICANTS. AND THE APPLICANTS THEMSELVES CAN  
6 CONTACT THE INSTITUTIONS OR THE PI'S DIRECTLY EVEN  
7 DURING THE APPLICATION PROCESS TO DO THEIR OWN DUE  
8 DILIGENCE OF WHETHER THEY'D COME IN FOR THIS.

9 CURRENTLY THE INFORMATION IS WE DO HAVE  
10 PUBLICLY AVAILABLE INFORMATION ON THE PROJECTS, AND  
11 WHAT WE'LL PLAN TO DO IS TAKE THAT AND CREATE, I  
12 WOULD SAY, AN APPENDIX-TYPE THING SO IT'S ACTUALLY  
13 PROVIDED TO THE APPLICANTS IN TERMS OF WHAT OUR  
14 PORTFOLIO LOOKS LIKE. WE ALSO EXPECT TO PROVIDE AT  
15 LEAST LINKS TO OUR INFORMATION ABOUT WHAT STANDARD  
16 LICENSING TERMS CURRENTLY EXIST WITHIN OUR FUNDED  
17 INSTITUTIONS SO THAT THEY KNOW THEIR BASE WHEN THEY  
18 NEGOTIATE THESE LICENSES.

19 DR. JUELSGAARD: IF I CAN JUST ASK A  
20 FOLLOW-UP QUESTION, AND I'LL USE MY GOOD FRIEND  
21 MICHAEL FRIEDMAN AS AN EXAMPLE. SO THE CITY OF HOPE  
22 HAS CERTAIN PROJECTS IN DEVELOPMENT. SO WHAT IS IT  
23 THAT YOU WOULD EXPECT THE CITY OF HOPE TO AGREE TO  
24 UPFRONT SO THAT SOME PERSON WHO'S GOING TO FILE AN  
25 APPLICATION TO BE THIS ATP3 WILL KNOW WHICH, IF ANY,

BARRISTERS' REPORTING SERVICE

1 OF THE CITY OF HOPE'S PROJECTS ARE GOING TO BE IN  
2 THE BAG, SO TO SPEAK, THAT THEY'LL HAVE ACCESS TO IF  
3 THEY WERE SUCCESSFULLY SELECTED?

4 DR. MILLAN: AT THIS TIME WE DON'T EXPECT  
5 TO HAVE THOSE TYPE OF COMMITMENTS FROM THE  
6 INSTITUTIONS THEMSELVES. WHAT WE DO PLAN TO DO IS  
7 CONTINUE TO HAVE CONVERSATIONS BECAUSE WE HAVE HAD  
8 CONVERSATIONS WITH THE TECHNOLOGY AND LICENSING  
9 OFFICES ABOUT WHAT THE GENERAL TERMS COULD LOOK LIKE  
10 IN TERMS OF THESE LICENSE AGREEMENTS. THE  
11 MANAGEMENT TEAM OF THIS ENTITY ATP3 WOULD NEGOTIATE  
12 DIRECTLY WITH THOSE TECHNOLOGY AND LICENSING  
13 OFFICES.

14 MR. PANETTA: THANK YOU. FIRST OF ALL,  
15 ALL OF THESE INITIATIVES ARE EXCITING AND  
16 AGGRESSIVE. AND TO REITERATE WHAT SHERRY SAID, THE  
17 SENSE OF URGENCY IS OBVIOUS IN ALL THE PROGRAMS THAT  
18 YOU'RE LOOKING TO IMPLEMENT HERE.

19 FIRST OF ALL, TWO QUESTIONS. ON THIS  
20 AGGREGATION STRATEGY, I'M A LITTLE BIT UNCLEAR AS TO  
21 WHETHER THIS MEANS THAT YOU WOULD AGGREGATE SIMILAR  
22 PROJECTS AND THEN OFFER THEM INDIVIDUALLY TO  
23 INDUSTRY PARTNERS OR IF THE CONCEPT IS THAT THEY ARE  
24 AGGREGATED AND OFFERED TOGETHER POTENTIALLY TO  
25 INDUSTRY PARTNERS.

BARRISTERS' REPORTING SERVICE

1 AND THEN THE SECOND QUESTION THAT I HAVE  
2 GOES TO THE WHOLE TECHNOLOGY TRANSFER INTELLECTUAL  
3 PROPERTY ISSUE. AND THAT IS THE EXTENT TO WHICH  
4 THERE WOULD BE IN-HOUSE SERVICES WITHIN CIRM TO BE  
5 ABLE TO ASSIST IN THE TRANSFER OF THESE  
6 TECHNOLOGIES, OR IF THIS IS GOING TO BE THE  
7 RESPONSIBILITY OF THE LICENSOR AND THE LICENSEE.

8 DR. MILLAN: THE LICENSING WILL BE THE  
9 RESPONSIBILITY OF THE ENTITY THAT'S FUNDED BY CIRM.  
10 CIRM WILL ASSIST IN THE DUE DILIGENCE-TYPE  
11 ACTIVITIES BY WAY OF OUR GWG. SO IF THERE ARE  
12 POTENTIAL MPT'S THAT ARE OF INTEREST TO THE ENTITY,  
13 WE WOULD PUT IT THROUGH OUR REVIEW PROCESS TO GIVE A  
14 SENSE OF IS THIS READY FOR THEM TO TAKE UP. AND SO  
15 THOSE WHO WE'VE SPOKEN TO FELT THAT THIS KIND OF  
16 PREREVIEW OR INSIDE LOOK IS OF GREAT VALUE. SO  
17 THERE ARE ENTITIES OUT THERE WHO WANT TO MAKE A  
18 MEANINGFUL INVESTMENT INTO THIS SPACE AND DO VALUE  
19 WHAT CIRM COULD BRING IN TERMS OF ITS EXPERTISE AND  
20 SYSTEMS FOR EVALUATING THESE PROJECTS.

21 WE PROPOSE THROUGH THIS FUNDING TO FUND  
22 ONLY THE DEVELOPMENT COST FOR THE PROJECTS THAT ARE  
23 IN-LICENSED. THE OPERATIONAL COSTS FOR THIS ENTITY  
24 WILL BE PAID FOR BY THE ENTITY ITSELF AND, THUS, THE  
25 UPFRONT CAPITAL INVESTMENT.

BARRISTERS' REPORTING SERVICE

1 DR. MILLS: YOU HAD A FIRST PART TO THAT  
2 QUESTION AROUND AGGREGATION.

3 MR. PANETTA: ACTUALLY I HAVE ANOTHER  
4 QUESTION TO GO WITH THAT.

5 DR. MILLS: IN THE AGGREGATION, WE DON'T  
6 DO THE AGGREGATING. AND IT'S ONE OF THE, I THINK,  
7 REALLY IMPORTANT PARTS OF THE RFA. WHAT WE SAY IS  
8 COME LOOK AT THE PORTFOLIO OF PRODUCTS THAT CIRM  
9 HAS, AND YOU TELL US WHAT YOU WANT TO DRAW A LINE  
10 AROUND TO COME UP WITH YOUR OWN BASKET THAT'S  
11 SYNERGISTIC. THAT MIGHT BE WE WANT TO DO EVERYTHING  
12 CARDIOVASCULAR, BUT IT MIGHT BE WE WANT TO DO  
13 EVERYTHING IPS AND WE'RE DISEASE AGNOSTIC. IT'S FOR  
14 THEM TO PROPOSE A PLAN THAT MAKES THE MOST SENSE TO  
15 THE GWG ON HOW THEY ENVISION SYNERGIES IN SOMETHING  
16 BEING SUCCESSFUL.

17 MR. PANETTA: CAN I ASK A FOLLOW-UP?

18 CHAIRMAN THOMAS: CERTAINLY. ALTHOUGH  
19 BEFORE YOU DO, I'D JUST LIKE TO ADD THAT THE GWG  
20 WILL BE EVALUATING THESE PROPOSALS. THIS WILL NOT  
21 BE YOUR TYPICAL GWG. WE WON'T HAVE THE USUAL STEM  
22 CELL RESEARCH SCIENTISTS EVALUATING. THIS WILL BE  
23 MORE OF A BUSINESS ORIENTED GWG THAT WILL BE DRAWN  
24 TOGETHER SPECIFICALLY BECAUSE THEY ARE EQUIPPED TO  
25 EVALUATE THE BUSINESS ASPECTS OF THE PROPOSAL.

BARRISTERS' REPORTING SERVICE

1 MR. PANETTA: SO THAT'S A PERFECT LEAD-IN  
2 TO THIS BECAUSE ONE OF THE THINGS THAT I'VE HEARD  
3 FOR YEARS FROM THE VENTURE CAPITAL COMMUNITY IS THAT  
4 THEY'RE NOT READY TO INVEST YET IN STEM CELL  
5 TECHNOLOGIES. THIS MIGHT PROVIDE AN OPPORTUNITY AS  
6 WELL FOR VENTURE CAPITAL TO COME IN AND MAKE  
7 INVESTMENTS IN SOME OF THESE TECHNOLOGIES. COULD A  
8 VENTURE CAPITAL GROUP, FOR EXAMPLE, COME IN AND  
9 APPLY FOR THE OPPORTUNITY TO LICENSE SOME OF THESE  
10 TECHNOLOGIES AT LEAST OR LICENSE THEM TO THEIR  
11 COMPANIES?

12 DR. MILLS: I THINK FROM OUR STANDPOINT,  
13 THE MOST SUCCESSFUL APPLICANT, THE ONE THAT PUTS  
14 TOGETHER THE ENTIRETY OF THE PACKAGE THAT SAYS  
15 THEY'RE GOING TO BE ABLE TO TAKE THESE -- THEY HAVE  
16 AN AGGREGATION STRATEGY THAT MAKES SENSE, THEY HAVE  
17 A BUSINESS PLAN THAT MAKES SENSE, THEY HAVE A  
18 MANAGEMENT TEAM THAT'S TOPNOTCH, AND THEY HAVE THE  
19 CAPITAL TO PUT INTO IT, AND THEY CAN PULL IT OFF.  
20 WHOEVER THAT IS IS FINE.

21 CHAIRMAN THOMAS: I WOULD ALSO ADD TO  
22 THAT, MR. PANETTA, THAT IN THE COURSE OF MANY, MANY  
23 DISCUSSIONS ON THE ATP3 TOPIC, WE'VE VISITED WITH A  
24 NUMBER OF POTENTIAL APPLICANT TYPES TO SORT OF GAUGE  
25 THEIR LEVEL OF INTEREST TO SEE IF WE'RE ONTO

BARRISTERS' REPORTING SERVICE

1 SOMETHING HERE OR NOT AND GOTTEN VERY POSITIVE  
2 RESPONSES, INCLUDING FROM MEMBERS OF THE VENTURE  
3 CAPITAL COMMUNITY.

4 DR. FRIEDMAN: I SUSPECT THAT IT WILL BE  
5 WELL RECEIVED. COUPLE OF QUESTIONS PLEASE. ONE IS  
6 IF THIS IS AS SUCCESSFUL AS YOU WOULD LIKE IT TO BE,  
7 THERE ARE GOING TO BE MULTIPLE COMPETITORS FOR THE  
8 SAME PROJECT. THAT'S A DIFFERENT SITUATION THAN  
9 WHAT WE USUALLY ENCOUNTER. AND I WONDER HOW YOU  
10 THOUGHT ABOUT HOW YOU WILL COMPARE AND CONTRAST  
11 DIFFERENT OFFERS THAT ARE MADE. THAT'S PART A. I'M  
12 LEARNING ABOUT HOW TO ASK TWO-PART QUESTIONS.

13 PART B IS, WHEREAS MOST OF THE TIME WHEN  
14 SOMEONE SUBMITS SOMETHING, WE DECIDE YES OR NO AND  
15 THEN MOVE ON, AND THEY GET A CHANCE TO REVISE IT.  
16 HERE'S A SITUATION WHERE YOU MIGHT WANT TO DO IT  
17 RATHER DIFFERENTLY, WHICH IS INSTEAD OF SAYING YES  
18 OR NO, YOU WANT TO HAVE A COMPETITIVE, ONGOING  
19 DYNAMIC PROCESS, AND YOU WILL THEN SOLICIT THE BEST  
20 APPLICATION FROM VC OR WHOEVER BECAUSE THEY GET A  
21 CHANCE TO REITERATE AND TO COMPARE AND, IF YOU WILL,  
22 HAVE A BIDDING PROCESS, BUT IT'S GOT TO BE FAIR AND  
23 IT'S GOT TO BE TRANSPARENT. AND THAT'S A DIFFERENT  
24 WAY OF ACTING THAN WE'VE DONE IN THE PAST. PLEASE  
25 SHARE WITH US HOW YOU THOUGHT ABOUT THAT.

BARRISTERS' REPORTING SERVICE

1 DR. MILLAN: SO FOR THIS ROUND, FOR THE  
2 CONCEPT WE'RE BRINGING FORWARD TO YOU TODAY, IT WILL  
3 BE DIFFERENT IN TERMS OF THE COMPOSITION PERHAPS OF  
4 THE REVIEWERS, BUT WHAT WE ARE CURRENTLY PLANNING IS  
5 THAT IT WILL BE A COMPETITIVE PROCESS WHERE THEY  
6 BRING THEIR BEST BUSINESS PLAN FORWARD TO LOOK AT.  
7 WE UNDERSTAND THAT WHEN THEY ACTUALLY START, WHEN  
8 THEY ACTUALLY START OPERATIONS AND THEY START TRYING  
9 TO LICENSE, THERE ARE GOING TO BE THINGS THAT  
10 HAPPEN, THAT IT MAY NOT BE EXACTLY AS THEY PLANNED.  
11 BUT THE IDEA IS THAT THE REVIEWERS WHO WILL HAVE  
12 EXPERTISE IN TERMS OF THIS WORLD WILL BE ABLE LOOK  
13 AT THIS BUSINESS PLAN, LOOK AT WHAT THEY PROPOSE TO  
14 DO, LOOK AT THEIR MITIGATION STRATEGY, AND DETERMINE  
15 IS THIS A RATIONAL APPROACH GIVEN THAT NOT  
16 EVERYTHING IS KNOWN AT THAT POINT.

17 DR. FRIEDMAN: HERE'S THE THING. WHAT YOU  
18 ASKED FOR IS A BEST AND FINAL OFFER THAT THEN WILL  
19 BE REVIEWED AND UNDERSTOOD THAT IT MIGHT CHANGE AND  
20 SO ON AND SO FORTH. I JUST ASK YOU TO THINK ABOUT  
21 WHETHER YOU'D WANT TO, SINCE WE'RE DOING SO MANY  
22 EXPERIMENTS, WHETHER WE WANT TO EXPERIMENT AND SEE  
23 ABOUT HAVING A COMPETITIVE BIDDING PROCESS WHICH  
24 WOULD BE TO THE BENEFIT OF THE GRANTEE BECAUSE HE OR  
25 SHE WOULD BE GETTING MORE RESOURCES OR BETTER



BARRISTERS' REPORTING SERVICE

1 EXPERTISE OR WHATEVER AND TO THE BENEFIT OF THE  
2 CITIZENS OF CALIFORNIA. IT'S JUST A LITTLE BIT  
3 DIFFERENT WAY OF DOING IT, AND MUCH MORE  
4 COMPLICATED, MAYBE NOT WORTH THE TROUBLE, BUT I ASK  
5 YOU JUST TO CONSIDER IT.

6 DR. MILLAN: OKAY. WE WILL. THANK YOU.

7 CHAIRMAN THOMAS: OTHER COMMENTS,  
8 QUESTIONS FROM MEMBERS OF THE BOARD?

9 MR. SHEEHY: I'D LIKE TO MOVE APPROVAL OF  
10 THE CONCEPT.

11 MS. LANSING: I'LL SECOND IT.

12 CHAIRMAN THOMAS: MOVED BY MR. SHEEHY.  
13 SECONDED BY MS. LANSING. ARE THERE ANY COMMENTS  
14 FROM MEMBERS ON THE PHONE?

15 MS. LAPORTE: COULD YOU JUST CLARIFY. IS  
16 THIS A ONE-TIME COMPETITIVE PROCESS THEN, OR IS  
17 THERE AN OPPORTUNITY TO DO MULTIPLE DEALS HERE? NOT  
18 EVERY DEAL IS GOING TO MAKE \$75 MILLION OF SENSE TO  
19 INVESTORS. I'M JUST WONDERING HOW YOU KIND OF  
20 OPTIMIZE.

21 DR. MILLS: SO THE ORIGINAL VERSION IS  
22 INTENDED TO BE ONE TIME. AND DEPENDING ON THE  
23 TECHNOLOGIES THAT ARE PUT INTO THE BUNDLE AND HOW  
24 MANY AND OF WHAT SCOPE AND WHAT'S REMAINING, WE HAVE  
25 CONTEMPLATED DOING IT AGAIN. THAT WOULD BE

BARRISTERS' REPORTING SERVICE

1 SOMETHING WE WOULD COME BACK TO THE BOARD FOR  
2 OBVIOUSLY AFTER WE LEARNED LESSONS LEARNED FROM THE  
3 FIRST GO OF IT IF WE THOUGHT IT WOULD BE A GOOD  
4 THING TO TRY AGAIN. OUT OF THE GATE, IT'S INTENDED  
5 TO BE FOR THE FIRST TIME JUST ONE AWARD.

6 CHAIRMAN THOMAS: OTHER QUESTIONS FROM  
7 MEMBERS ON THE PHONE? HEARING NONE, COMMENTS FROM  
8 MEMBERS OF THE PUBLIC?

9 MS. MC CLAREN: SO I HAVE A STATEMENT  
10 PREPARED THAT I'D LIKE TO READ TO YOU GUYS.

11 CHAIRMAN THOMAS: PLEASE STATE YOUR NAME.

12 MS. MC CLAREN: MY NAME IS MALLORY  
13 MCCLAREN. SO I'M HERE BECAUSE I MUST EXPRESS MY  
14 CONCERN THAT THE CURRENT ATP3 PROPOSAL FOR A CIRM  
15 PUBLIC PRIVATE INVESTMENT PARTNERSHIP IS LIKELY TO  
16 STIFLE NEW BANKING AND FINANCE INNOVATIONS WHICH  
17 CARRY POTENTIAL TO EXPONENTIALLY ACCELERATE THE  
18 GROWTH OF THE REGENERATIVE MEDICINE FIELD.

19 THE PROPOSAL UNDER DISCUSSION TODAY WILL  
20 FUND UP TO \$75 MILLION, ONE, A CALIFORNIA COMPANY;  
21 TWO, WHICH HAS A DEMONSTRATED TRACK RECORD OF  
22 INVESTING IN BIOTECHNOLOGY; AND, THREE, THAT ALREADY  
23 HAS THE CAPITAL OR CAN ACCESS THE CAPITAL TO MATCH  
24 THE CIRM GRANT. THIS GRANT WILL NOT FUND EITHER  
25 FORMATION, OPERATION, OR MANAGEMENT COSTS OF THE

BARRISTERS' REPORTING SERVICE

1 APPLICANT ENTITY AS HAS BEEN DISCUSSED.

2 THESE CRITERIA EFFECTIVELY EXCLUDE NEARLY  
3 ALL OTHERS BUT ESTABLISHED VENTURE CAPITAL FIRMS IN  
4 CALIFORNIA. THE HIGH RISK, HIGH RETURN STRUCTURE OF  
5 VC, WHICH GENERALLY REQUIRES THE LIKELIHOOD OF A 30  
6 TO 100 X RETURN, AND WHICH FAILS TO PROCURE THE  
7 CAPITAL TO MAKE A SUFFICIENT NUMBER OF INVESTMENTS  
8 TO DERISK A BIOTECHNOLOGY PORTFOLIO, HAS A DUBIOUS  
9 TRACK RECORD WITH BRINGING ENOUGH BIOTECH IDEAS TO  
10 FRUITION TO MAKE A DIFFERENCE.

11 REGENERATIVE MEDICINE'S GOALS ARE SIMPLY  
12 TOO IMPORTANT FOR OUR STATE TO DEPEND UPON ENTITIES  
13 THAT ARE TOO FIRMLY ENTRENCHED IN STRATEGIES THAT  
14 ARE NOT APPROPRIATE FOR BIOTECHNOLOGY TO ACCOMPLISH  
15 THE RELEVANT GOALS. BEFORE CIRM INVESTS AROUND 8  
16 PERCENT OF ITS REMAINING FUNDS INTO JUST ONE  
17 COMPANY, BE IT VC OR OTHERWISE, THE COMMITTEE SHOULD  
18 HOLD OFF ON APPROVING THE ATP3 PROPOSAL TODAY AND  
19 COMMIT TO UNDERTAKING FURTHER INQUIRY ON HOW CIRM  
20 CAN SPONSOR INVESTMENT IN A MANNER THAT WILL BOTH  
21 CULTIVATE THE DEVELOPMENT OF FRESH BANKING AND  
22 FINANCE INNOVATIONS FOR REGENERATIVE MEDICINE AND  
23 SUPPORT IDEAS WHICH DO NOT NECESSARILY EMERGE FROM  
24 ESTABLISHED INVESTMENT OUTFITS.

25 ETERNA BIOCAPITAL, OF WHICH I AM THE

BARRISTERS' REPORTING SERVICE

1 FOUNDER, IS ONE SUCH COMPANY. WE ARE BASED IN  
2 CALIFORNIA AND ARE PROPOSING TO BUILD A SECURITIZED  
3 LOWER RISK AND LOWER RETURN MEGA FUND DESIGNED TO  
4 ATTRACT INSTITUTIONAL CAPITAL AND TO SPUR  
5 REGENERATIVE MEDICINE RESEARCH GLOBALLY. OUR  
6 COMPANY IS BUILT UPON IDEAS ADAPTED FROM AN MIT  
7 WHITEPAPER ON HOW TO BUILD SUCH AN INVESTMENT  
8 VEHICLE. ETERNA BIOCAPITAL'S PLAN CAN RESPONSIBLY  
9 AND SUSTAINABLY SUPPORT TRANSLATIONAL R&D OVER THE  
10 LONG TERM. OURS IS AN IDEA AMONG OTHER IDEAS, SUCH  
11 AS CROWD FUNDING, THAT ARE AT LEAST AS WORTHY AS  
12 VENTURE CAPITAL OF CIRM'S CONSIDERATION AND SUPPORT.

13 I RESPECTFULLY IMPLORE THE COMMITTEE TO  
14 FURTHER CONSIDER HOW THESE PROPOSALS PUT FORTH TODAY  
15 HAVE THE POWER TO EITHER MAKE OR BREAK FLEDGLING  
16 CALIFORNIA COMPANIES LIKE ETERNA BIOCAPITAL WHICH  
17 AIM TO IMPLEMENT NEW AND USEFUL INVESTMENT PLATFORMS  
18 FOR REGENERATIVE MEDICINE. I APPRECIATE YOUR  
19 CONSIDERATION.

20 CHAIRMAN THOMAS: THANK YOU. OTHER  
21 COMMENTS BY MEMBERS OF THE PUBLIC?

22 MR. BONDY: GOOD MORNING. MY NAME IS KEN  
23 BONDY. I'VE BEEN A RESIDENT OF CALIFORNIA FOR MORE  
24 THAN 70 YEARS NOW. I GREW UP IN NORTH HOLLYWOOD.  
25 I'M A RETIRED STRUCTURAL ENGINEER. I HAD A LONG 50

BARRISTERS' REPORTING SERVICE

1 PLUS YEAR CAREER SPECIALIZING IN THE DESIGN OF  
2 CONCRETE BUILDING STRUCTURES, ONE OF WHICH,  
3 COINCIDENTALLY, WAS THE VERY FIRST PARKING STRUCTURE  
4 THAT WAS EVER BUILT NEXT DOOR AT LAX. IT'S AT 501  
5 WORLD WAY. IT WAS COMPLETED IN 1965, AND IT'S IN  
6 DAILY USE TODAY.

7 I ALSO HAVE A LONG HISTORY WITH UCLA. I  
8 WENT TO SCHOOL THERE IN THE LATE '50S. AND FOR A  
9 LITTLE MORE THAN 20 YEARS NOW, I'VE TAUGHT SENIOR  
10 UNDERGRADUATE STRUCTURAL ENGINEERING DESIGN CLASSES.  
11 I'M OBVIOUSLY NOT A BIOTECHNOLOGY PROFESSIONAL, BUT  
12 I AM INTENSELY INTERESTED IN THE ACTIVITIES OF YOUR  
13 AGENCY.

14 CANCER HAS TOUCHED MY LIFE WAY TOO OFTEN.  
15 I'VE LOST CLOSE RELATIVES AND DEAR FRIENDS, EACH FAR  
16 TOO SOON. EVEN NOW MY WIFE IS BATTLING THYROID  
17 CANCER. IT HAS BECOME CLEAR TO ME THAT STEM CELL  
18 RESEARCH OFFERS OUR BEST CHANCE TO FINALLY DISCOVER  
19 CURES FOR THESE HORRIBLE DISEASES.

20 I'M HERE TO SPEAK TO THE ATP3 PROPOSAL. I  
21 STRONGLY AGREE WITH WHAT MS. MCCLAREN JUST SAID. AS  
22 A CALIFORNIA TAXPAYER, I STRONGLY SUPPORT CIRM'S  
23 DESIRE TO PROMOTE A WORKABLE AND SUSTAINABLE  
24 ENVIRONMENT FOR REGENERATIVE BIOMEDICAL TECHNOLOGY,  
25 BUT WHAT I CAN'T SUPPORT IS WHAT APPEARS TO BE A

BARRISTERS' REPORTING SERVICE

1 PLAN TO GIVE \$75 MILLION IN PUBLIC FUNDS TO JUST ONE  
2 VENTURE CAPITAL COMPANY. AND EVEN IF IT REQUIRES A  
3 MATCHING GRANT, THEN JUST HOPE THAT EVERYTHING TURNS  
4 OUT OKAY. IN MY OPINION, THAT WOULD RETARD OR  
5 PREVENT THE DEVELOPMENT OF OTHER NEW AND INNOVATIVE  
6 IDEAS FOR REGENERATIVE MEDICINE.

7 IF ATP3 IS APPROVED IN ITS PRESENT FORM,  
8 CIRM, I BELIEVE, WILL BE MARRYING ITSELF TO ONE  
9 INVESTMENT SCHEME AND REJECTING EVERY OTHER VALID  
10 INVESTMENT IDEA. TO SUMMARIZE, I THINK VENTURE  
11 CAPITAL IS SIMPLY NOT RIGHT FOR BIOTECHNOLOGY. I  
12 URGE CIRM TO REJECT THE ATP3 PROPOSAL TODAY AND  
13 REVISE IT TO MAKE IT FAIR TO ALL CALIFORNIA BANKING  
14 AND FINANCE INNOVATORS. THANK YOU VERY MUCH.

15 CHAIRMAN THOMAS: OTHER COMMENTS BY  
16 MEMBERS OF THE PUBLIC? BEFORE WE VOTE ON THIS, I DO  
17 WANT TO REMIND THE COMMITTEE FROM DR. MILLAN'S  
18 PRESENTATION, WE HAVE SPOKEN TO A NUMBER OF  
19 DIFFERENT STAKEHOLDERS REPRESENTING DIFFERENT  
20 POTENTIAL TYPES OF ENTITIES THAT CAN APPLY FOR THIS.  
21 WE ARE BY NO MEANS CONFINED TO VENTURE CAPITAL. SO  
22 WITH THAT, MARIA, WILL YOU PLEASE CALL THE ROLL.

23 DR. JUELSGAARD: I WOULD JUST LIKE TO  
24 EXPOUND ON THAT A LITTLE BIT. THAT GOES BACK TO THE  
25 QUESTIONS I WAS ASKING. YOU KNOW, IT'S NOT EASY

BARRISTERS' REPORTING SERVICE

1 WHEN YOU REALLY DON'T KNOW WHAT IT IS THAT YOU ARE  
2 GOING TO GET WITH ANY CERTAINTY TO PUT TOGETHER A  
3 FUNDING PLAN OR \$75 MILLION, THAT'S A FAIR AMOUNT OF  
4 MONEY, PUT TOGETHER A BUSINESS TEAM, AND GET ALL THE  
5 STUFF SET UP IN HOPES THAT YOU'LL GET AWARDED AN  
6 APPLICATION. SO THAT'S A TREMENDOUS HILL TO CLIMB  
7 OVER IF YOU'RE IN THE VENTURE CAPITAL INDUSTRY.  
8 HOWEVER, IF YOU'RE AN ESTABLISHED INDUSTRY, IT'S A  
9 LOT EASIER. YOU ALREADY HAVE ALL OF THOSE RESOURCES  
10 AVAILABLE. AND IF IT'S INTERESTING ENOUGH, YOU CAN  
11 ESTABLISH A SUBSIDIARY BASICALLY TO SERVE AS THE  
12 APPLICANT.

13 SO I THINK THERE'S AS MUCH LIKELIHOOD, IF  
14 THIS GOES FORWARD, THAT THE APPLICANTS MAY ACTUALLY  
15 COME FROM ESTABLISHED INDUSTRY AS THEY NECESSARILY  
16 WOULD FROM THE VENTURE CAPITAL COMMUNITY.

17 CHAIRMAN THOMAS: OKAY.

18 MS. BONNEVILLE: DAVID BRENNER. LINDA  
19 BOXER.

20 DR. BOXER: YES.

21 MS. BONNEVILLE: KEN BURTIS. ANNE-MARIE  
22 DULIEGE.

23 DR. DULIEGE: YES.

24 MS. BONNEVILLE: MICHAEL FRIEDMAN.

25 DR. FRIEDMAN: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: JUDY GASSON.  
2 DR. GASSON: YES.  
3 MS. BONNEVILLE: SAM HAWGOOD. DAVID  
4 HIGGINS.  
5 DR. HIGGINS: YES.  
6 MS. BONNEVILLE: STEPHEN JUELSGAARD.  
7 MR. JUELSGAARD: YES.  
8 MS. BONNEVILLE: SHERRY LANSING.  
9 MS. LANSING: YES.  
10 MS. BONNEVILLE: KATHY LAPORTE.  
11 DR. LAPORTE: YES.  
12 MS. BONNEVILLE: BERT LUBIN.  
13 DR. LUBIN: YES.  
14 MS. BONNEVILLE: SHLOMO MELMED.  
15 DR. MELMED: YES.  
16 MS. BONNEVILLE: LAUREN MILLER.  
17 MS. MILLER: YES.  
18 MS. BONNEVILLE: ADRIANA PADILLA.  
19 DR. PADILLA: YES.  
20 MS. BONNEVILLE: JOE PANETTA.  
21 MR. PANETTA: YES.  
22 MS. BONNEVILLE: ROBERT PRICE.  
23 DR. PRICE: YES.  
24 MS. BONNEVILLE: FRANCISCO PRIETO.  
25 DR. PRIETO: AYE.



BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: CARMEN PULIAFITO. ROBERT  
2 QUINT. AL ROWLETT.

3 MR. ROWLETT: YES.

4 MS. BONNEVILLE: JEFF SHEEHY.

5 MR. SHEEHY: YES.

6 MS. BONNEVILLE: OSWALD STEWARD.

7 DR. STEWARD: YES.

8 MS. BONNEVILLE: JONATHAN THOMAS.

9 CHAIRMAN THOMAS: YES.

10 MS. BONNEVILLE: ART TORRES.

11 MR. TORRES: AYE.

12 MS. BONNEVILLE: KRISTINA VUORI.

13 DR. VUORI: YES.

14 MS. BONNEVILLE: DIANE WINOKUR.

15 CHAIRMAN THOMAS: MOTION PASSES. THAT  
16 CONCLUDES THE SEGMENT.

17 MS. BONNEVILLE: I'D LIKE TO GO BACK TO  
18 THE TRANSLATING CENTER. WE HAVEN'T FINISHED THAT.  
19 AND MEMBERS ON THE PHONE, IF I COULD JUST CAPTURE  
20 THEIR VOTE.

21 MS. BONNEVILLE: LINDA BOXER.

22 DR. BOXER: YES.

23 MS. BONNEVILLE: DIANE WINOKUR. BERT  
24 LUBIN.

25 DR. LUBIN: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: KATHY LAPORTE.

2 MS. LAPORTE: YES.

3 CHAIRMAN THOMAS: THANK YOU, MARIA.

4 MR. HARRISON, I PRESUME BOTH MOTIONS  
5 PASSED. SO THAT CONCLUDES THE THREE MAJOR  
6 COMPONENTS TO BE VOTED ON FROM THE STRATEGIC PLAN.  
7 I WANT TO THANK DR. MILLS, DR. MILLAN, MR. LITTMAN,  
8 EVERYBODY WHO HAD A MAJOR HAND IN THIS. THIS HAS  
9 BEEN AN UNDERTAKING WITH A GREAT DEAL OF THOUGHT,  
10 AND I'M PERSONALLY VERY EXCITED TO MOVE FORWARD WITH  
11 THESE THREE COMPONENTS AS WELL AS THE REST OF THE  
12 STRATEGIC PLAN.

13 SO HAVING SAID THAT, LET'S NOW GO OUT AND  
14 BREAK TO GET OUR LUNCH. PLEASE BRING IT -- IT'S  
15 RIGHT OUTSIDE THE DOOR THERE. PLEASE BRING IT IN,  
16 AND WE WILL CONTINUE AS A WORKING LUNCH TO GO  
17 THROUGH THE BALANCE OF OUR AGENDA. THANK YOU.

18 (A RECESS WAS TAKEN.)

19 CHAIRMAN THOMAS: WE'RE GOING TO RESUME.  
20 THOSE OF YOU ON THE PHONE, WE'VE HAD A FINE  
21 FIVE-STAR CUISINE BREAK HERE. WE HOPE YOU'VE HAD  
22 THE SAME.

23 WE'RE GOING TO MOVE ON NOW TO ITEM NO. 12  
24 ON THE ACTION ITEM AGENDA, WHICH IS AMENDMENTS TO  
25 THE GOVERNING BOARD BYLAWS AND INTERNAL GOVERNANCE

BARRISTERS' REPORTING SERVICE

1 POLICY. MR. HARRISON.

2 MR. HARRISON: GOOD AFTERNOON. THIS IS  
3 WHEN THE MEETING REALLY STARTS TO GET EXCITING, SO  
4 HOLD ON TO YOUR SEATS. IT'S GOING TO BE A WILD  
5 RIDE.

6 SO AS YOU KNOW, WE SPENT A LOT OF TIME  
7 THINKING THROUGH AND REVISING THE PROCESSES BY WHICH  
8 CIRM AWARDS AND MANAGES GRANTS AND LOANS. AND THE  
9 RESULT OF THAT IS CIRM 2.0, BUT PRESIDENT MILLS WAS  
10 NOT SATISFIED WITH THAT. HE CHALLENGED US TO APPLY  
11 THE SAME LEVEL OF SCRUTINY TO OUR INTERNAL POLICIES  
12 AND PRACTICES, OUR ADMINISTRATIVE POLICIES AND  
13 PROCEDURES. SO AS PART OF THAT PROCESS, WE HAVE  
14 BEGUN A PROCESS THAT WE CALL CORE 2.0 IN WHICH WE  
15 ARE EVALUATING ALL OF THE INTERNAL OPERATING  
16 PRACTICES AND PROCEDURES, SOME OF WHICH HAVE BEEN IN  
17 EFFECT FOR A LONG TIME AND HAVE NOT BEEN REVISITED.

18 TODAY WE ARE BRINGING SIX POLICY CHANGES  
19 FOR YOUR CONSIDERATION. THEY INCLUDE THE BOARD  
20 BYLAWS, THE INTERNAL GOVERNANCE POLICY, THE EMPLOYEE  
21 CONFLICT OF INTEREST POLICY, THE COMPENSATION  
22 POLICY, THE RELOCATION POLICY, AND LAST, BUT NOT  
23 LEAST, THE GRANTS WORKING GROUP BYLAWS. WE'LL TRY  
24 TO MAKE THESE PRESENTATIONS BRIEF AND SUCCINCT  
25 BECAUSE THE WHOLE POINT OF OUR REVIEW OF CORE 2.0

BARRISTERS' REPORTING SERVICE

1 IS TO LOOK FOR OPPORTUNITIES TO MAKE OUR POLICIES  
2 AND PROCEDURES MORE EFFECTIVE AND MORE EFFICIENT.

3 SO FIRST I'D LIKE TO START WITH THE BOARD  
4 BYLAWS AND WITH AN ITEM THAT I WOULD LIKE THE BOARD  
5 TO TAKE UP SEPARATE FROM THE REMAINDER OF THE  
6 AMENDMENTS TO THE BYLAWS AND TO THE INTERNAL  
7 GOVERNANCE POLICY. THIS HAS TO DO WITH THE PER DIEM  
8 PAID TO PATIENT ADVOCATE MEMBERS OF THE BOARD WHO  
9 SERVE ON THE GRANTS WORKING GROUP.

10 WHEN THE LEGISLATURE ENACTED SB 1064, IT  
11 GAVE THE BOARD THE AUTHORITY TO SET A PER DIEM RATE  
12 FOR MEMBERS OF THE BOARD WHO SERVE AS PATIENT  
13 ADVOCATES ON THE GRANTS WORKING GROUP. AND THAT WAS  
14 IN 2009. AT THE TIME THE BOARD APPROVED A PER DIEM  
15 RATE OF 75 PERCENT OF WHAT IS PAID TO THE SCIENTIFIC  
16 MEMBERS OF THE GRANTS WORKING GROUP, BUT CAPPED IT  
17 AT \$15,000 PER YEAR.

18 NOW, FOR THOSE OF YOU WHO WERE MEMBERS OF  
19 THE BOARD BACK IN 2009 AND 2010, YOU WILL RECALL  
20 THAT ON AVERAGE THE GWG MET PERHAPS THREE OR FOUR  
21 TIMES A YEAR, AND THE PATIENT ADVOCATES WHO SERVED  
22 ON THE GRANTS WORKING GROUP WERE, I GUESS WHAT I  
23 WOULD CALL FROM TODAY'S PERSPECTIVE, PLAYING A MORE  
24 PASSIVE ROLE.

25 FAST FORWARD TO 2015 WITH THE

BARRISTERS' REPORTING SERVICE

1 IMPLEMENTATION OF CIRM 2.0, AND THE GRANTS WORKING  
2 GROUP HAS MET MORE THAN A DOZEN TIMES ALREADY THIS  
3 YEAR. FURTHERMORE, THE PATIENT ADVOCATE MEMBERS ARE  
4 NOW ACTIVELY ENGAGED IN THE GRANTS WORKING GROUP  
5 REVIEW. EACH APPLICATION IS ASSIGNED TO A PATIENT  
6 ADVOCATE REVIEWER WHO PROVIDES THE GWG WITH HIS OR  
7 HER INPUT DURING THE GWG'S EVALUATION OF THAT  
8 APPLICATION.

9 TO SAY THAT THE OBLIGATIONS AND  
10 RESPONSIBILITIES IMPOSED ON THE PATIENT ADVOCATE  
11 MEMBERS OF THE GWG HAS INCREASED WOULD BE AN  
12 UNDERSTATEMENT. TO USE A WORD DR. MILLS LIKES, IT'S  
13 INCREASED EXPONENTIALLY, AND YET THE PER DIEM CAP  
14 REMAINS AT \$15,000.

15 SO THE FIRST THING WE'D LIKE TO PROPOSE TO  
16 THE BOARD, IN RECOGNITION OF THE INCREASED  
17 RESPONSIBILITY AND TIME COMMITMENTS IMPOSED ON THE  
18 PATIENT ADVOCATE MEMBERS OF THE BOARD, IS TO  
19 INCREASE THE CAP TO \$30,000 PER YEAR AND TO APPLY  
20 THAT RETROACTIVELY TO JANUARY 1, 2015.

21 I'D BE HAPPY TO ANSWER ANY QUESTIONS ABOUT  
22 THAT ITEM.

23 CHAIRMAN THOMAS: ANY QUESTIONS FROM  
24 MEMBERS OF THE BOARD?

25 DR. PRICE: HOW MANY?

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: THERE ARE SEVEN PATIENT  
2 ADVOCATE MEMBERS OF THE GWG. BY THE WAY, I SHOULD  
3 POINT OUT THAT THE REASON WE ARE CONSIDERING THIS  
4 ITEM SEPARATELY FROM THE REMAINDER OF THE PROPOSED  
5 AMENDMENTS IS BECAUSE THE PATIENT ADVOCATES WHO ARE  
6 ELIGIBLE TO SERVE, WHO INCLUDE ALL THE PATIENT  
7 ADVOCATES ON THE BOARD WITH THE EXCEPTION OF THE  
8 CHAIR AND THE VICE CHAIR WHO DO NOT RECEIVE A PER  
9 DIEM, WILL RECUSE THEMSELVES FROM VOTING ON THIS  
10 PARTICULAR MATTER.

11 CHAIRMAN THOMAS: QUESTIONS FROM MEMBERS  
12 OF THE BOARD? THIS ONE WE NEED A MOTION AND A ROLL  
13 CALL VOTE. SO CAN I GET A MOTION FIRST PLEASE?

14 DR. VUORI: SO MOVED.

15 CHAIRMAN THOMAS: SO MOVED BY DR. VUORI,  
16 SECONDED BY --

17 DR. DULIEGE: I CAN SECOND IT, BUT I ALSO  
18 HAVE A QUESTION.

19 CHAIRMAN THOMAS: SECONDED BY DR. DULIEGE  
20 WITH A QUESTION.

21 DR. DULIEGE: MAYBE I MISSED THAT, BUT I'M  
22 CERTAINLY TOTALLY IN AGREEMENT WITH THIS CAP TO THE  
23 PER DIEM. WHAT I'M UNCLEAR, WHAT'S THE PER DIEM  
24 ITSELF?

25 MR. HARRISON: THE PER DIEM IS SET AT 75

BARRISTERS' REPORTING SERVICE

1 PERCENT OF THE RATE THAT IS PAID TO THE SCIENTIFIC  
2 MEMBERS OF THE GRANTS WORKING GROUP, WHICH VARIES  
3 DEPENDING UPON THE EXPECTATIONS OF THE NUMBER OF  
4 APPLICATIONS FOR ANY PARTICULAR REVIEW.

5 CHAIRMAN THOMAS: I'D JUST LIKE TO NOTE,  
6 JUST TO GIVE YOU MY PERSPECTIVE, TO ECHO WHAT JAMES  
7 IS SAYING, THE ROLE OF THE PATIENT ADVOCATE HAS  
8 TRULY INCREASED DRAMATICALLY THIS YEAR. AND I THINK  
9 THIS MOTION IS REFLECTIVE OF THAT AND ABSOLUTELY  
10 WARRANTED GIVEN THE GREAT TIME AND ENERGY PUT INTO  
11 IT. DR. MILLS.

12 DR. MILLS: I WOULD LIKE TO STRONGLY ECHO  
13 CHAIRMAN THOMAS' COMMENTS. WE CHANGED VERY  
14 SIGNIFICANTLY THE ROLE OF THE PATIENT ADVOCATES AT  
15 THE GRANTS WORKING GROUP, AND THE RESULTS OF THAT  
16 AREN'T DECORATIVE. THEY'RE VERY, VERY SUBSTANTIAL.  
17 IT'S WORKING THE WAY THAT WE HAD HOPED AND PLANNED  
18 IT WOULD WORK. THEY'RE BRINGING A VERY UNIQUE  
19 PERSPECTIVE TO THE GWG AND A VERY IMPORTANT  
20 PERSPECTIVE THAT NEEDS TO BE HEARD AND CONSIDERED.  
21 AND THEIR WORKLOAD HAS, AS JAMES SAID, IT HAS GONE  
22 UP EXPONENTIALLY BECAUSE WHEN WE SAID WE'RE GOING TO  
23 HOLD REVIEWS EVERY 30 DAYS SO WE CAN HAVE A  
24 TURNAROUND TIME THE WAY WE HAVE THE TURNAROUND TIME,  
25 THAT PLACED JUST TREMENDOUS DEMAND ON THE PATIENT

BARRISTERS' REPORTING SERVICE

1 ADVOCATES. THAT'S ALL.

2 CHAIRMAN THOMAS: ANY OTHER COMMENTS BY  
3 MEMBERS OF THE BOARD? COMMENTS BY MEMBERS ON THE  
4 PHONE? COMMENTS FROM MEMBERS OF THE PUBLIC?  
5 HEARING NONE, MARIA, PLEASE CALL THE ROLL.

6 MS. BONNEVILLE: DAVID BRENNER. LINDA  
7 BOXER.

8 DR. BOXER: YES.

9 MS. BONNEVILLE: KEN BURTIS. ANNE-MARIE  
10 DULIEGE.

11 DR. DULIEGE: YES.

12 MS. BONNEVILLE: MICHAEL FRIEDMAN.

13 DR. FRIEDMAN: YES.

14 MS. BONNEVILLE: JUDY GASSON.

15 DR. GASSON: YES.

16 MS. BONNEVILLE: SAM HAWGOOD. STEPHEN  
17 JUELSGAARD.

18 MR. JUELSGAARD: YES.

19 MS. BONNEVILLE: KATHY LAPORTE.

20 DR. LAPORTE: YES.

21 MS. BONNEVILLE: BERT LUBIN.

22 DR. LUBIN: YES.

23 MS. BONNEVILLE: SHLOMO MELMED.

24 DR. MELMED: YES.

25 MS. BONNEVILLE: JOE PANETTA.



BARRISTERS' REPORTING SERVICE

1 MR. PANETTA: YES.

2 MS. BONNEVILLE: ROBERT PRICE.

3 DR. PRICE: YES.

4 MS. BONNEVILLE: CARMEN PULIAFITO.

5 JONATHAN THOMAS.

6 CHAIRMAN THOMAS: YES.

7 MS. BONNEVILLE: ART TORRES.

8 MR. TORRES: AYE.

9 MS. BONNEVILLE: KRISTINA VUORI.

10 DR. VUORI: YES.

11 CHAIRMAN THOMAS: THANK YOU. THE MOTION

12 PASSES. ON TO THE NEXT ITEM, MR. HARRISON.

13 MR. HARRISON: THANK YOU. SO NOW I'D LIKE

14 TO TURN TO A SERIES OF OTHER AMENDMENTS THAT WE

15 WOULD PROPOSE TO MAKE BOTH TO THE BYLAWS AND THE

16 INTERNAL GOVERNANCE POLICY WHICH AT TIMES OVERLAP.

17 FIRST, AS SOME OF YOU MAY RECALL, IN 2009 THE BOARD

18 CREATED THE POSITION OF BYLAWS VICE CHAIR. THE

19 BOARD CREATED THIS POSITION IN LIGHT OF THE RATHER

20 UNIQUE SET OF CIRCUMSTANCES WHEN THE BOARD WAS

21 BLESSED WITH TWO VERY FINE AND DISTINGUISHED

22 CANDIDATES FOR VICE CHAIR, SENATOR TORRES AND THE

23 LATE DUANE ROTH, WHO WAS ALREADY SERVING AS A MEMBER

24 OF THE BOARD.

25 THE POSITION WAS CREATED REALLY IN

BARRISTERS' REPORTING SERVICE

1 RECOGNITION OF DUANE'S UNIQUE ROLE AND CONTRIBUTIONS  
2 TO THE BOARD. SINCE HIS UNTIMELY DEATH IN 2013, THE  
3 BOARD HAS NOT REPLACED DUANE IN THE POSITION OF  
4 BYLAWS VICE CHAIR. AS A RESULT, WE HAVE PROVISIONS  
5 IN BOTH THE INTERNAL GOVERNANCE POLICY AND THE  
6 BYLAWS THAT MAKE REFERENCE TO THIS POSITION. IN  
7 LIGHT OF THE UNIQUE SET OF CIRCUMSTANCES PURSUANT TO  
8 WHICH THE BOARD CREATED IT AND DUANE'S DEATH, WE  
9 WOULD REQUEST THAT THE BOARD ELIMINATE THAT  
10 POSITION.

11 THE NEXT ITEM RELATES TO TELEPHONIC  
12 MEETINGS. THOSE OF YOU WHO WERE HERE AT THE  
13 BEGINNING WILL REMEMBER THAT BOARD MEETINGS OFTEN  
14 LASTED TWO DAYS AND WERE HELD NEARLY ON A MONTHLY  
15 BASIS. AS A RESULT OF THE DEMANDS THAT WERE PLACED  
16 ON BOARD MEMBERS AT THAT TIME, THE BOARD CREATED A  
17 TELEPHONIC PARTICIPATION POLICY, WHICH CONTAINED A  
18 NUMBER OF RESTRICTIONS, A CAP ON THE NUMBER OF  
19 MEMBERS WHO COULD PARTICIPATE TELEPHONICALLY IN ANY  
20 ONE MEETING. AT TIMES THIS POSED CHALLENGES FOR US  
21 IN OBTAINING AND MAINTAINING A QUORUM.

22 IN LIGHT OF THE FACT THAT THE BOARD IS NOW  
23 MEETING LESS FREQUENTLY IN PERSON, FOUR TIMES PER  
24 YEAR, AND MORE FREQUENTLY VIA THE TELEPHONE, WE'D  
25 PROPOSE TO ENCOURAGE RATHER THAN REQUIRE MEMBERS TO

BARRISTERS' REPORTING SERVICE

1 ATTEND IN-PERSON MEETINGS IN PERSON AND LIFT THE  
2 RESTRICTIONS ON TELEPHONIC PARTICIPATION SO THAT WE  
3 CAN ENSURE THAT WE HAVE THE QUORUM NECESSARY TO TAKE  
4 ACTIONS.

5 NEXT, THERE IS A PROVISION RELATING TO  
6 SUBCOMMITTEES WHICH IS SUPERFLUOUS IN THAT IT  
7 REQUIRES THE APPROVAL OF THE CHAIR TO EXPAND THE  
8 SIZE OF A SUBCOMMITTEE, BUT THE POLICY ALREADY  
9 REQUIRES THE CHAIR TO CONCUR WITH THE APPOINTMENT OF  
10 THE MEMBERS TO A SUBCOMMITTEE. SO WE PROPOSE TO  
11 DELETE THAT AS SUPERFLUOUS.

12 LIKewise, THERE IS A PROVISION THAT  
13 SPECIFIES THE NUMBER OF MEETINGS AND NUMBER OF  
14 MEMBERS FOR THE GOVERNANCE AND LEGISLATIVE  
15 SUBCOMMITTEES WHICH WE BELIEVE IS UNNECESSARY.

16 NEXT ITEM RELATES TO THE ORGANIZATIONAL  
17 CHART. IN THE PAST WHEN CIRM WAS UNDERGOING, I'D  
18 SAY, MORE FREQUENT EVOLUTIONS IN TERMS OF ITS  
19 ORGANIZATIONAL STRUCTURE, THE INTERNAL GOVERNANCE  
20 POLICY AND THE BYLAWS REQUIRED THAT PROPOSED CHANGES  
21 TO THE ORGANIZATIONAL CHART BE PRESENTED FIRST TO  
22 THE GOVERNANCE SUBCOMMITTEE AND THEN TO THE BOARD.  
23 WE HAVE OBVIOUSLY COMPLETED A REORGANIZATION WITH  
24 THE APPOINTMENT OF DR. MILLS. WE HAVE ADOPTED A  
25 STRATEGIC PLAN, AND WE DON'T ANTICIPATE MAKING

BARRISTERS' REPORTING SERVICE

1 SIGNIFICANT CHANGES TO THE ORGANIZATIONAL CHART  
2 GOING FORWARD. BUT IF WE DO, WE PROPOSE TO TAKE  
3 THOSE DIRECTLY TO THE BOARD SO THAT WE CAN HANDLE  
4 ANY SUCH CHANGES MORE EFFICIENTLY.

5 FINALLY, THE BYLAWS SET FORTH THE  
6 FUNCTIONS OF THE WORKING GROUPS. THIS JUST REPEATS  
7 WHAT'S IN STATUTE, SO WE PROPOSE TO DELETE IT. THE  
8 INTERNAL GOVERNANCE POLICY SPECIFIES THE NUMBER OF  
9 EMPLOYEES IN THE OFFICE OF THE CHAIR. THIS  
10 PROVISION WAS ADOPTED BY THE BOARD AT A TIME WHEN  
11 THERE WAS A 50-EMPLOYEE CAP ON THE AGENCY, WHICH HAS  
12 SINCE BEEN LIFTED THROUGH THE LEGISLATURE'S ADOPTION  
13 OF SB 1064. SO WE BELIEVE IT'S NO LONGER NECESSARY  
14 TO SPECIFY THE NUMBER OF EMPLOYEES IN THE OFFICE OF  
15 THE CHAIR. WE ARE NOW FUNCTIONING VERY WELL AS A  
16 SINGLE TEAM. WE THINK THAT PROVISION IS NO LONGER  
17 NECESSARY.

18 FINALLY, WITH RESPECT TO THE COMPENSATION  
19 OF EMPLOYEES, THE INTERNAL GOVERNANCE POLICY  
20 CURRENTLY REQUIRES THAT CIRM LEADERSHIP TO SEEK THE  
21 APPROVAL OF THE GOVERNANCE SUBCOMMITTEE BEFORE  
22 APPOINTING AN EMPLOYEE AT A SALARY THAT EXCEEDS 80  
23 PERCENT OF THE RANGE.

24 IN LIGHT OF CIRM'S CURRENT SITUATION, THE  
25 LIMITED FUNDING THAT WE HAVE LEFT, RECRUITMENT, AS

BARRISTERS' REPORTING SERVICE

1 DR. MILLS MENTIONED EARLIER, IS ONE OF OUR  
2 CHALLENGES. AND WE NEED TO BE NIMBLE AND MOVE  
3 QUICKLY SOMETIMES IN ORDER TO CAPTURE THE BEST  
4 CANDIDATE. SO WE'D REQUEST THAT THE BOARD GIVE CIRM  
5 LEADERSHIP THE AUTHORITY TO SET SALARIES UP TO 100  
6 PERCENT OF THE RANGE APPROVED BY THE BOARD AND, OF  
7 COURSE, THE BOARD WOULD RETAIN AUTHORITY TO APPROVE  
8 ANY SALARIES THAT EXCEED THE RANGE.

9 WITH THAT, WE'D ASK FOR A MOTION APPROVING  
10 THESE PROPOSED AMENDMENTS. AND I'D BE HAPPY TO  
11 ANSWER ANY QUESTIONS.

12 DR. JUELSGAARD: SO MOVED.

13 DR. PRIETO: SECOND.

14 MR. PANETTA: SECOND.

15 CHAIRMAN THOMAS: MOVED BY MR. JUELSGAARD,  
16 SECONDED BY MR. PANETTA. ANY FURTHER DISCUSSION,  
17 QUESTIONS, COMMENTS? DR. PRICE, YOU LOOK  
18 PARTICULARLY PENSIVE.

19 DR. PRICE: THIS IS AN OMNIBUS.

20 CHAIRMAN THOMAS: THAT'S CORRECT. THIS IS  
21 AN OMNIBUS MOTION.

22 DR. PRICE: SO I'M ALLOWED TO COMMENT ON  
23 JUST A PART OF IT, I PRESUME.

24 CHAIRMAN THOMAS: ABSOLUTELY.

25 DR. PRICE: SO THE POINT I WANT TO TALK

BARRISTERS' REPORTING SERVICE

1 ABOUT IS THE TELEPHONIC, THE CHANGE IN THE  
2 TELEPHONIC, WHICH I GATHER LIFTS THE RESTRICTIONS.  
3 SO IN PRINCIPLE IF WE ADOPT THESE BYLAWS IN ANY OF  
4 THESE FOUR MEETINGS OR ALL OF THEM, WE COULD END UP  
5 WITH A MEETING WITH TWO PEOPLE SITTING HERE AND  
6 EVERYBODY ELSE ON THE PHONE. OKAY. SO WE'VE  
7 ALREADY ELIMINATED, AS FAR AS I CAN TELL, ALL OF THE  
8 MEETINGS OF THE BOARD EXCEPT FOR THESE FOUR. THOSE  
9 MEETINGS WILL BE TELEPHONIC.

10 MS. BONNEVILLE: THERE WILL BE MONTHLY  
11 MEETINGS.

12 DR. PRICE: THEY'LL BE TELEPHONIC.  
13 EXACTLY. WHAT THIS AMENDMENT SEEMS TO ME TO DO IS  
14 TO TURN THEM ALL OR POTENTIALLY TURN THEM ALL INTO  
15 TELEPHONIC MEETINGS BY LIFTING THAT RESTRICTION. I  
16 KIND OF -- I WON'T COMMENT ON THE COMPARATIVE VALUE  
17 OF TELEPHONIC VERSUS IN-PERSON MEETINGS. I'LL JUST  
18 LEAVE THAT ASIDE FOR THE MOMENT. BUT I JUST HAVE TO  
19 SAY, FRANKLY, THAT IF MEMBERS, IF PEOPLE ARE EITHER  
20 UNWILLING OR UNABLE TO MEET IN PERSON FOUR TIMES A  
21 YEAR, I QUESTION WHY ACCEPT MEMBERSHIP ON THE BOARD.  
22 SO THAT'S MY -- I THINK IN-PERSON MEETINGS ARE MUCH  
23 MORE VALUABLE THAN TELEPHONIC ONES. AND, THEREFORE,  
24 I'M OPPOSED TO THE IDEA OF INTRODUCING THIS NEW  
25 AMENDMENT WHICH WILL ALLOW ALL, IN PRINCIPLE OR

BARRISTERS' REPORTING SERVICE

1 HYPOTHETICALLY, ALL MEETINGS TO BECOME LARGELY, IF  
2 NOT ENTIRELY, TELEPHONIC.

3 CHAIRMAN THOMAS: I THINK THE IDEA IS  
4 ABSOLUTELY NOT TO END UP WITH THAT RESULT. THIS IS  
5 JUST A WAY OF TRYING TO MAKE IT WORK BECAUSE WE HAVE  
6 MORE BOARD MEETINGS NOW UNDER CIRM 2.0 THAN EVER.  
7 BOARD LITERALLY MEETS MONTHLY IF THERE ARE  
8 APPLICATIONS TO CONSIDER, AND SO WE DIDN'T WANT TO  
9 HAVE MONTHLY MEETINGS. SO WHAT WE'VE DONE IS WE'VE  
10 ACTUALLY INCREASED THE NUMBER OF TOTAL BOARD  
11 MEETINGS, BUT REDUCED THE NUMBER OF IN-PERSON, BUT  
12 WE BY NO MEANS ARE ANGLING TOWARDS NO IN-PERSON  
13 MEETINGS.

14 MR. HARRISON: I'LL JUST ADD THE INTENT,  
15 OUR HOPE AND EXPECTATION, IS THAT THE MEMBERS WILL  
16 ATTEND THE FOUR REGULAR MEETINGS IN PERSON. WHAT WE  
17 WERE LOOKING FOR WAS SOME ADDITIONAL FLEXIBILITY IN  
18 THE EVENT THAT AT THE LAST MINUTE A MEMBER CALLED  
19 MARIA BONNEVILLE AND SAID HE OR SHE WAS SICK OR  
20 DETAINED IN SOME OTHER WAY, AND WE THEN PERHAPS LOSE  
21 A QUORUM AND CAN'T MOVE FORWARD.

22 SO I DEFER TO YOU, BUT IT WAS IN THAT  
23 SPIRIT NOT TO DISCOURAGE PEOPLE FROM PARTICIPATING  
24 IN PERSON.

25 DR. PRICE: I UNDERSTAND THE SPIRIT. IT'S

BARRISTERS' REPORTING SERVICE

1 THE CONSEQUENCES THAT I'M CONCERNED ABOUT. YOU  
2 COULD EXPAND THE CAP WITHOUT LIFTING IT ENTIRELY.

3 CHAIRMAN THOMAS: APPRECIATE THAT. THANK  
4 YOU, DR. PRICE.

5 DR. DULIEGE: HAVING EXPERIENCED THAT  
6 SYSTEM FOR ABOUT SIX MONTHS, I THINK BY NOW, I LIKE  
7 IT A LOT BECAUSE IT ACTUALLY FORCES PEOPLE TO COME  
8 MORE TO THE IN-PERSON MEETING. IT WAS SORT OF EASY  
9 TO SKIP BEFORE BECAUSE YOU HAD SO MANY IN-PERSON  
10 MEETINGS. NOW THERE'S ONLY FOUR. YOU REALLY WANT  
11 TO BE THERE, NO. 1.

12 NO. 2, FOR THE PHONE MEETINGS, IT'S MOSTLY  
13 ABOUT GIVING OUR POSITION ON SPECIFIC GRANTS, WHICH  
14 IF PEOPLE PREPARE THEIR HOMEWORK, WE CAN DO IT VERY  
15 WELL OVER THE PHONE. SPECIFICALLY THE CIRM STAFF  
16 HAS MADE AN EFFORT TO MAKE ALL THE PREPARATION FOR  
17 THESE DECISIONS TO BE MADE MUCH MORE  
18 STRAIGHTFORWARD. SO IF YOU DO YOUR HOMEWORK, YOU  
19 CAN BE VERY ACTIVE MEMBER OVER THE PHONE WHILE  
20 WHAT'S DISCUSSED DURING THE IN-PERSON ARE THESE KIND  
21 OF THINGS, WHICH ARE THE OVERALL STRATEGIC  
22 DIRECTIONS OF CIRM TOGETHER.

23 SO OVERALL STRATEGIC DIRECTION, IN-PERSON  
24 MEETING. SPECIFIC APPLICATIONS, PHONE. AND I THINK  
25 THAT'S FINE. FOR ME THAT HAS WORKED EXTREMELY WELL.



BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: WHEN ARE THE FOUR BOARD  
2 MEETINGS IN PERSON ARE GOING TO BE HELD?

3 MS. BONNEVILLE: THEY'LL BE HELD  
4 QUARTERLY, MARCH, JUNE -- I'VE SENT THOSE OUT. I'LL  
5 SEND THEM OUT AGAIN, AND WE CAN HOPEFULLY GET THEM  
6 ON EVERYONE'S CALENDAR.

7 DR. DULIEGE: I JUST WANTED TO FINISH AND  
8 SAY I THINK THE ONLY DOWNSIDE OF THIS PLAN, ONLY  
9 ONE, IS I BELIEVE THAT IT MAY BE A LITTLE LESS EASY  
10 FOR THE MEMBERS OF THE PUBLIC TO INTERVENE OVER THE  
11 PHONE. AND SO IF THEY WANTED TO INTERVENE ABOUT A  
12 PARTICULAR APPLICATION, THAT'S A LITTLE BIT MORE  
13 DIFFICULT.

14 MS. LANSING: THE WAY I'M UNDERSTANDING  
15 THIS, AND I HOPE I'M UNDERSTANDING IT CORRECTLY, IS  
16 WE STILL HAVE TO ABIDE BY BAGLEY-KEENE. SO YOU  
17 STILL HAVE TO POST WHERE YOU ARE. AND SO I'VE BEEN  
18 ON THE PHONE, UNFORTUNATELY OR FORTUNATELY,  
19 WHATEVER, BUT IT HAS ALLOWED ME TO CONTINUE TO  
20 PARTICIPATE. BUT I ALWAYS HAVE TO POST IT, AND I  
21 ALWAYS HAVE TO OPEN IT TO THE PUBLIC AND HAVE THE  
22 PUBLIC MEMBERS THERE AND THEY COMMENT, AND YOU  
23 ACTUALLY END UP HAVING MORE TIME WITH THEM.

24 CHAIRMAN THOMAS: OTHER COMMENTS? OKAY.  
25 WE DID A HAVE A MOTION AND SECOND.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: JUST ONE COMMENT ON THE  
2 SUBCOMMITTEES. MAYBE YOU COULD JUST CLARIFY WHAT  
3 THE PROCESS IS FOR GETTING ON A SUBCOMMITTEE BECAUSE  
4 I KNOW WE HAVE SOME NEW MEMBERS. AND I THINK JUST  
5 TO MAKE SURE THAT WE'RE REALLY POROUS TO  
6 PARTICIPATION BY ANY MEMBER, HOW DO PEOPLE BECOME A  
7 MEMBER OF A SUBCOMMITTEE IF SOMEONE HAS AN INTEREST  
8 BECAUSE I PERSONALLY THINK THAT THEY SHOULD BE OPEN  
9 TO ANYONE WHO WANTS TO PARTICIPATE. AND THEN ALSO  
10 TO ENCOURAGE FOLKS IF THEY WANT TO BE ON A  
11 SUBCOMMITTEE, ONCE WE SAY WHAT THE PROCESS IS,  
12 PLEASE, IF YOU'D LIKE TO, FOLLOW THAT PROCESS.

13 MR. HARRISON: THE CHAIR OF EACH  
14 SUBCOMMITTEE HAS THE AUTHORITY TO APPOINT THE  
15 MEMBERS OF THE SUBCOMMITTEE WITH THE CONCURRENCE OF  
16 THE CHAIR OF THE BOARD. SO IT IS OPEN TO MEMBERS  
17 WHO'D LIKE TO JOIN. ONE OF THE THINGS WE'VE DONE IS  
18 TO LIFT THE SPECIFICITY WITH RESPECT TO THE NUMBER  
19 OF MEMBERS ON THE LEGISLATIVE AND GOVERNANCE  
20 SUBCOMMITTEES. SO IT'S UP TO THE DISCRETION OF THE  
21 CHAIR OF THE SUBCOMMITTEE AND THE BOARD, BUT I'M  
22 SURE THEY WOULD WELCOME PARTICIPATION.

23 CHAIRMAN THOMAS: I THINK YOU RAISE A  
24 POINT, MR. SHEEHY. I THINK WHAT WE WOULD LIKE TO  
25 DO, HEADING INTO A NEW YEAR, IS TO CIRCULATE TO

BARRISTERS' REPORTING SERVICE

1 EVERYBODY JUST SO YOU KNOW WHAT THE RANGE IS OF THE  
2 SUBCOMMITTEES THAT ARE AVAILABLE; AND IF YOU ARE  
3 INTERESTED IN ANY OF THEM, BY ALL MEANS PLEASE LET  
4 US KNOW BECAUSE THE MORE HELP WE CAN GET ON ALL  
5 TOPICS, THE BETTER. SO I WOULD ECHO WHAT MR. SHEEHY  
6 SAID, ACTIVELY ENCOURAGE PARTICIPATION, BECAUSE A  
7 LOT OF THINGS HAPPEN AT THESE SUBCOMMITTEES BEFORE  
8 THEY MAKE IT TO THE BOARD.

9 ANY OTHER COMMENTS? THIS IS A VOICE VOTE,  
10 MR. HARRISON, EXCEPT FOR THOSE ON THE PHONE. ALL  
11 THOSE IN FAVOR OF THE OMNIBUS MOTION SET FORTH,  
12 PLEASE SAY AYE. OPPOSED? ABSTENTIONS?

13 MARIA, WILL YOU PLEASE POLL THOSE ON THE  
14 PHONE?

15 MS. BONNEVILLE: LINDA BOXER.

16 DR. BOXER: YES.

17 MS. BONNEVILLE: KATHY LAPORTE.

18 MS. LAPORTE: YES.

19 MS. BONNEVILLE: BERT LUBIN.

20 DR. LUBIN: YES.

21 MS. BONNEVILLE: DIANE WINOKUR.

22 CHAIRMAN THOMAS: OKAY. THAT PASSES.

23 THANK YOU VERY MUCH.

24 SCOTT, ARE YOU TAKING THIS NEXT ITEM?

25 MR. TOCHER: THAT'S CORRECT. THE CIRM

BARRISTERS' REPORTING SERVICE

1 CONFLICT OF INTEREST POLICY FOR CIRM EMPLOYEES.

2 CHAIRMAN THOMAS: OKAY. WITHOUT FURTHER  
3 ADO, MR. TOCHER.

4 MR. TOCHER: THANK YOU. AS MENTIONED,  
5 THIS NEXT ITEM ON OUR CORE 2.0 REVIEW CONCERNS  
6 CIRM'S CONFLICT OF INTEREST POLICY FOR CIRM  
7 EMPLOYEES. UNDER EXISTING STATE LAW, ALL CIRM  
8 EMPLOYEES ARE PUBLIC OFFICIALS, JUST AS MEMBERS OF  
9 THIS BOARD, AND ARE GOVERNED BY SEPARATE STATE LAW  
10 BY THE POLITICAL REFORM ACT WHICH GOVERNS CONFLICTS  
11 OF INTEREST AND FINANCIAL DISCLOSURES. HOWEVER,  
12 BECAUSE OF CIRM'S UNIQUE MISSION AND PROFILE, EARLY  
13 IN THE AGENCY'S EXISTENCE, WE ADOPTED ADDITIONAL  
14 RULES TO AUGMENT THE STATE LAW TO IDENTIFY  
15 ADDITIONAL CIRCUMSTANCES WHERE EMPLOYEES MUST  
16 REFRAIN FROM PARTICIPATING. AND THERE ARE SIX  
17 CIRCUMSTANCES.

18 WE ARE PROPOSING IMPROVEMENTS TO ALL OF  
19 THOSE SIX. MEMBERS OF THE GOVERNANCE SUBCOMMITTEE  
20 MET EARLIER THIS MONTH AND RECOMMENDED UNANIMOUSLY  
21 THESE AMENDMENTS BEFORE YOU, AND I'LL ITEMIZE THEM  
22 NOW. THESE ARE ATTACHED IN YOUR BINDERS.

23 THE FIRST AND SECOND CIRCUMSTANCES GOVERN  
24 PARTICIPATION BY AN EMPLOYEE WHERE A FAMILY MEMBER  
25 MAY RECEIVE A FINANCIAL BENEFIT FROM A GRANT OR THE

BARRISTERS' REPORTING SERVICE

1 MEMBER IS AN EMPLOYEE OF THE APPLICANT INSTITUTION.  
2 AND THE AMENDMENTS THAT WE PROPOSE SIMPLY CONFORM  
3 WITH STATE LAW THE DEFINITION OF IMMEDIATE FAMILY  
4 MEMBER TO INCLUDE SPOUSE AND DEPENDENT CHILDREN.

5 IN THE THIRD CIRCUMSTANCE, IT CONSIDERS  
6 WHERE THE PI ON AN APPLICATION OR GRANT IS OR HAS  
7 BEEN A RECENT COLLABORATOR OF THE EMPLOYEE. AND  
8 HERE AGAIN WE ARE CONFORMING OUR DEFINITION OF  
9 RESEARCH COLLABORATOR WITH THE BOARD'S RECENT  
10 ADOPTION OF THE DEFINITION OF THAT TERM IN THE  
11 CONTEXT OF OUR GRANTS WORKING GROUP CONFLICT OF  
12 INTEREST POLICY. SO THIS SHOULD BE A MORE EFFICIENT  
13 AND EASIER TO FOLLOW DEFINITION ACROSS THE AGENCY'S  
14 COI POLICIES.

15 THE NEXT CIRCUMSTANCE PREVENTS CIRM  
16 EMPLOYEES FROM OWNING STOCK EXCEEDING A VALUE OF  
17 \$10,000 IN STEM CELL COMPANIES THAT HAVE A  
18 SUBSTANTIAL INTEREST IN CELL THERAPIES. THE  
19 EXISTING DEFINITION IN OUR POLICY DEFINES  
20 SUBSTANTIAL INTEREST AS ONE WHERE THE COMPANY  
21 DEVOTES 5 PERCENT, AT LEAST 5 PERCENT OF ITS  
22 RESEARCH BUDGET TO STEM CELL RESEARCH. IN PRACTICE,  
23 THIS HAS PROVEN SOMEWHAT DIFFICULT FOR EMPLOYEES TO  
24 DETERMINE BASED ON PUBLICLY AVAILABLE INFORMATION.

25 AS A RESULT, WE HAVE PROPOSED TO INCREASE

BARRISTERS' REPORTING SERVICE

1 THE THRESHOLD TO 20 PERCENT OF THE COMPANY'S  
2 RESEARCH BUDGET, WHICH THROUGH PUBLICLY AVAILABLE  
3 INFORMATION, WE BELIEVE, WILL BE EASIER TO ASCERTAIN  
4 AND, THUS, MAKE COMPLIANCE AND ADHERENCE MORE  
5 CONSISTENT.

6 AND FINALLY, THE LAST CIRCUMSTANCE IS ONE  
7 IN WHICH IT ADDRESSES EMPLOYEES WHO ARE PERFORMING  
8 CONSULTING, TEACHING, OR ADVISORY BOARD SERVICES FOR  
9 AWARDEES. AND HERE OUR AMENDMENTS PROPOSE TO  
10 CONFORM TO A RECENT INTERPRETATION OF STATE LAW BY  
11 THE FAIR POLITICAL PRACTICES COMMISSION IN THE  
12 CONTEXT WHERE SUCH SERVICE IS VOLUNTARY AND THE  
13 EMPLOYEE RECEIVES NO COMPENSATION OR FINANCIAL  
14 BENEFIT.

15 SO AS I MENTIONED, THESE AMENDMENTS WERE  
16 APPROVED AND RECOMMENDED TO YOUR APPROVAL BY THE  
17 GOVERNANCE SUBCOMMITTEE. AND I'M HAPPY TO TAKE ANY  
18 QUESTIONS ABOUT THE SPECIFICS.

19 CHAIRMAN THOMAS: QUESTIONS? DO I HEAR A  
20 MOTION?

21 MR. ROWLETT: SO MOVED.

22 CHAIRMAN THOMAS: SO MOVED BY MR. ROWLETT.

23 DR. GASSON: SECOND.

24 CHAIRMAN THOMAS: SECONDED BY DR. GASSON.

25 ANY COMMENTS? ANY COMMENTS BY MEMBERS ON THE PHONE?

BARRISTERS' REPORTING SERVICE

1 ANY COMMENTS BY MEMBERS OF THE PUBLIC? HEARING  
2 NONE, THIS IS ANOTHER VOICE VOTE ITEM. ALL THOSE IN  
3 FAVOR PLEASE SAY AYE. OPPOSED? ABSTENTIONS?  
4 MARIA, POLL THOSE ON THE PHONE PLEASE.

5 MS. BONNEVILLE: LINDA BOXER.

6 DR. BOXER: YES.

7 MS. BONNEVILLE: KATHY LAPORTE.

8 MS. LAPORTE: YES.

9 MS. BONNEVILLE: BERT LUBIN.

10 DR. LUBIN: YES.

11 MS. BONNEVILLE: DIANE WINOKUR.

12 CHAIRMAN THOMAS: MOTION IS APPROVED. MR.  
13 HARRISON, YOU'RE BACK UP FOR THE NEXT ITEM, WHICH I  
14 BELIEVE IS ON EMPLOYEE COMPENSATION.

15 MR. HARRISON: AS MR. TOCHER SAID, THE  
16 GOVERNANCE SUBCOMMITTEE REVIEWED ALL OF THESE  
17 POLICIES, INCLUDING WHAT I'D LIKE TO DISCUSS WITH  
18 YOU NOW, WHICH ARE PROPOSED AMENDMENTS TO THE  
19 EMPLOYEE COMPENSATION POLICY AND THE RELOCATION  
20 POLICY.

21 WITH RESPECT TO THE EMPLOYEE COMPENSATION  
22 POLICY, WHICH IS SET FORTH UNDER TAB 14, WE PROPOSE  
23 TO MAKE THREE CHANGES OF SIGNIFICANCE. ONE, WE  
24 PROPOSE TO DELETE THE PROVISION ALLOWING CIRM TO  
25 MAKE SPOT AWARDS. SPOT AWARDS WERE AWARDS OF \$75 OR

BARRISTERS' REPORTING SERVICE

1 LESS. THEY RAISE TAX ISSUES AND DID NOT PROVE TO BE  
2 PARTICULARLY EFFECTIVE IN TERMS OF EMPLOYEE MORALE,  
3 RETENTION, AND RECRUITMENT.

4 RATHER THAN USING SPOT AWARDS TO RECOGNIZE  
5 EXCEPTIONAL PERFORMANCE, WE WOULD PROPOSE TO EXPAND  
6 THE PROVISION PROVIDING FOR PERFORMANCE AWARDS.  
7 CURRENTLY PERFORMANCE AWARDS ARE LIMITED TO SALARY  
8 RANGES 1 THROUGH 6. WE WOULD PROPOSE TO ALLOW CIRM  
9 LEADERSHIP TO USE PERFORMANCE AWARDS FOR ALL  
10 EMPLOYEES UP TO SALARY RANGE LEVEL 9. SO THAT WOULD  
11 EXCLUDE EMPLOYEES IN SALARY RANGE 10, WHICH MEANS  
12 THE PRESIDENT, THE CHAIR, THE VICE CHAIR.

13 WE THINK THIS WILL HELP US ADDRESS ONE OF  
14 THE CHALLENGES DR. MILLS IDENTIFIED EARLIER, WHICH  
15 IS EMPLOYEE RETENTION. AND OBVIOUSLY, AS HAS BEEN  
16 NOTED EARLIER, WE'VE SEEN SOME EXCEPTIONAL  
17 PERFORMANCE AT CIRM OVER THE COURSE OF ITS EXISTENCE  
18 AND IN PARTICULAR OVER THE COURSE OF THE LAST YEAR.  
19 AND CIRM'S LEADERSHIP WOULD LIKE THE ABILITY TO  
20 RECOGNIZE THAT.

21 NEXT WE PROPOSE TO ELIMINATE THE REFERENCE  
22 TO PROFESSIONAL DEVELOPMENT IN THE COMPENSATION  
23 POLICY. DR. MILLS AND THE CIRM LEADERSHIP ARE VERY  
24 INTERESTED IN PROFESSIONAL DEVELOPMENT, BUT IT JUST  
25 DOESN'T APPEAR TO BELONG IN THE COMPENSATION POLICY.



BARRISTERS' REPORTING SERVICE

1 SO WE PROPOSE TO HANDLE PROFESSIONAL DEVELOPMENT  
2 SEPARATELY. IT IS A LINE ITEM IN THE BUDGET, AND WE  
3 PLAN TO ADDRESS IT IN THAT CONTEXT.

4 AND THEN, FINALLY, IN ALIGNMENT WITH THE  
5 CHANGES THE BOARD APPROVED WITH RESPECT TO  
6 GOVERNANCE SUBCOMMITTEE APPROVAL AT APPOINTMENTS  
7 OVER 80 PERCENT OF THE SALARY RANGE, WE PROPOSE TO  
8 ELIMINATE THAT PROVISION IN THE COMPENSATION POLICY  
9 AS WELL.

10 THERE'S ONLY ONE REAL SIGNIFICANT CHANGE  
11 IN THE RELOCATION POLICY WHICH ALLOWS CIRM TO  
12 PROVIDE A RELOCATION ALLOWANCE TO EMPLOYEES WHO MOVE  
13 FROM OUT OF STATE TO JOIN THE AGENCY, WHICH IS  
14 LIMITED TO THE LESSER OF 25 PERCENT OF THE  
15 EMPLOYEE'S SALARY OR \$75,000. CURRENTLY THAT AMOUNT  
16 WHICH IS PAID OUT OVER FOUR YEARS IS ADDED IN THE  
17 FIRST YEAR'S SALARY FOR PURPOSES OF DETERMINING  
18 WHETHER OR NOT BOARD APPROVAL IS REQUIRED. IN OTHER  
19 WORDS, IT'S ADDED TO THE BASE SALARY TO DETERMINE  
20 WHETHER OR NOT THE SALARY EXCEEDS 100 PERCENT OF THE  
21 RANGE, WHICH DOESN'T REALLY MAKE A LOT OF SENSE TO  
22 US. IT IS ESSENTIALLY A ONE-TIME PAYMENT REFLECTING  
23 THE COSTS ASSOCIATED WITH RELOCATING TO CALIFORNIA.

24 SO WE PROPOSE TO ELIMINATE THAT FROM THE  
25 CALCULATION OF THE EMPLOYEE'S BASE SALARY FOR

BARRISTERS' REPORTING SERVICE

1 PURPOSES OF DETERMINING WHEN WE HAVE TO BRING SALARY  
2 TO THE BOARD FOR ITS APPROVAL. SO THAT'S A QUICK  
3 SUMMARY OF THE SUBSTANTIVE CHANGES TO THE  
4 COMPENSATION AND RELOCATION POLICY. I'D BE HAPPY TO  
5 ANSWER ANY QUESTIONS.

6 CHAIRMAN THOMAS: QUESTIONS FROM MEMBERS  
7 OF THE BOARD? QUESTIONS, COMMENTS --

8 MR. SHEEHY: MOVE APPROVAL.

9 DR. STEWARD: SECOND.

10 CHAIRMAN THOMAS: MOVED BY MR. SHEEHY,  
11 SECONDED BY DR. STEWARD. ANY FURTHER COMMENTS FROM  
12 MEMBERS OF THE BOARD, INCLUDING THOSE ON THE PHONE?

13 DR. LUBIN: YOU DON'T HAVE ANY RELOCATION  
14 UPGRADING FROM SAN FRANCISCO TO OAKLAND, DO YOU?

15 MR. TORRES: YOU SHOULD HAVE GIVEN US  
16 SOME.

17 CHAIRMAN THOMAS: THAT'S AN EXCELLENT  
18 QUESTION, DR. LUBIN.

19 OKAY. THIS IS ANOTHER VOICE VOTE. ANY  
20 COMMENTS FROM MEMBERS OF THE PUBLIC? HEARING NONE,  
21 ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED?  
22 ABSTENTIONS? GLAD TO HEAR DR. LUBIN APPROVES.  
23 MARIA, DO YOU WANT TO POLL THOSE, EVEN THOUGH WE  
24 KNOW HIS RESPONSE?

25 MS. BONNEVILLE: LINDA BOXER.

BARRISTERS' REPORTING SERVICE

1 DR. BOXER: YES.

2 MS. BONNEVILLE: KATHY LAPORTE.

3 MS. LAPORTE: YES.

4 CHAIRMAN THOMAS: MOTION PASSES. OKAY.

5 JAMES, DO YOU HAVE ONE MORE UP HERE? IT'S ON THE  
6 GWG BYLAWS. NOW WE'RE REALLY GETTING INTO THE  
7 RIVETING SUBJECT MATTER.

8 MR. HARRISON: THANK YOU. THIS IS THE  
9 LAST ITEM IN THIS LINE OF VERY EXCITING ITEMS FOR  
10 YOUR CONSIDERATION. AS PART OF OUR REVIEW OF  
11 INTERNAL POLICIES, WE'VE ALSO TAKEN ANOTHER LOOK AT  
12 THE GWG BYLAWS TO DETERMINE WHETHER THERE ARE  
13 OPPORTUNITIES FOR IMPROVEMENT, CLARIFICATION, ETC.  
14 AND WE WANT TO BRING A COUPLE OF ITEMS TO YOUR  
15 ATTENTION TODAY.

16 FIRST, PROP 71 IMPOSES A TWO CONSECUTIVE  
17 TERM LIMIT ON MEMBERS OF THE GRANTS WORKING GROUP,  
18 AND IT ALSO SPECIFIES THAT AFTER THE INITIAL TERMS  
19 OF THE SCIENTIFIC MEMBERS OF THE GRANTS WORKING  
20 GROUP, THAT SCIENTIFIC MEMBERS ARE THEREAFTER  
21 APPOINTED ONE-THIRD TO TWO-YEAR TERMS, ONE-THIRD TO  
22 FOUR-YEAR TERMS, AND ONE-THIRD TO SIX-YEAR TERMS.

23 PROP 71 DOES NOT SPECIFY HOW LONG A PERSON  
24 WHO HAS SERVED TWO CONSECUTIVE TERMS MUST BE A  
25 NONMEMBER BEFORE HE OR SHE IS ELIGIBLE FOR

BARRISTERS' REPORTING SERVICE

1 REAPPOINTMENT. AS SOME OF YOU KNOW, WE'VE HAD THE  
2 BENEFIT OF THE SERVICE OF SOME REALLY WONDERFUL  
3 GRANTS WORKING GROUP MEMBERS WHO WE WOULD LIKE TO  
4 PERHAPS HAVE THE OPPORTUNITY TO APPOINT IN THE  
5 FUTURE. SO WE'D PROPOSE TO DEFINE THE GAP TERM, IF  
6 YOU WILL, TO THE SHORTEST TERM POSSIBLE, WHICH IN  
7 THIS CASE WOULD BE TWO YEARS. IN OTHER WORDS, A  
8 MEMBER OF THE GRANTS WORKING GROUP WHO SERVED TWO  
9 CONSECUTIVE TERMS WOULD BE ELIGIBLE FOR  
10 REAPPOINTMENT TWO YEARS AFTER HIS OR HER LAST TERM  
11 ENDS.

12 THE NEXT ITEM RELATES TO THE REVIEW OF THE  
13 APPLICATIONS FOR NONCLINICAL PROGRAMS. AS YOU WILL  
14 RECALL, WE DEVELOPED A NEW SCORING SYSTEM FOR THE  
15 CLINICAL PROGRAMS WHERE A SCORE OF ONE MEANS THE  
16 APPLICATION IS RECOMMENDED FOR FUNDING, A SCORE OF  
17 TWO INDICATES THAT THE APPLICATION HAS SOME MERIT,  
18 BUT HAS SOME FLAWS THAT COULD BE ADDRESSED, AND A  
19 SCORE OF THREE INDICATES THAT THE APPLICATION IS  
20 SUFFICIENTLY FLAWED THAT THE SAME APPLICATION OR  
21 SAME PROJECT, RATHER, SHOULD NOT BE SUBMITTED.

22 WE THINK THIS SCORING SYSTEM WORKS VERY  
23 WELL FOR THE PURPOSES OF THE CLINICAL PROGRAM  
24 BECAUSE WE HAVE A MONTHLY REVIEW CYCLE AND THE  
25 VOLUME OF APPLICATIONS IS RELATIVELY SMALL. WE

BARRISTERS' REPORTING SERVICE

1 DON'T THINK THAT THE SAME SCORING SYSTEM WOULD BE  
2 EFFECTIVE FOR PURPOSES OF THE NONCLINICAL PROGRAM,  
3 FOR EXAMPLE, THE TRANSLATION AND DISCOVERY PROGRAMS,  
4 AND THE PROGRAMS THAT DR. MILLAN PRESENTED TO YOU  
5 EARLIER TODAY.

6 SO AS TO THOSE PROGRAMS, WE PROPOSE TO  
7 REVERT TO A HYBRID OF OUR OLD SYSTEM. SO  
8 APPLICATIONS WOULD BE SCORED ON A SCALE OF 1 TO 100  
9 AS THEY HAVE TRADITIONALLY. A SCORE OF 85 OR ABOVE  
10 WOULD MEAN THE APPLICATION IS IN TIER I, WHICH  
11 SIGNIFIES THAT IT'S RECOMMENDED FOR FUNDING IF FUNDS  
12 ARE AVAILABLE. IF THE APPLICATION HAD AN AVERAGE  
13 SCIENTIFIC SCORE OF 84 OR BELOW, IT WOULD BE DEFINED  
14 TO BE IN TIER II, WHICH SIGNIFIES THAT IT'S NOT  
15 RECOMMENDED FOR FUNDING. IN PARTICULAR, FOR  
16 APPLICATIONS FOR WHICH WE ANTICIPATE ONLY ONE AWARD,  
17 NAMELY, THE THREE CONCEPT PLANS YOU APPROVED EARLIER  
18 TODAY, WE'D PROPOSE TO SPECIFY THAT THE APPLICATION  
19 THAT RECEIVES THE HIGHEST AVERAGE SCORE FROM THE GWG  
20 IS DEEMED TO BE THE GWG'S RECOMMENDATION FOR  
21 FUNDING.

22 THE LAST PROPOSAL WE'D LIKE YOU TO  
23 CONSIDER RELATES TO THE FINAL MOTION. AS THOSE OF  
24 YOU WHO HAVE OBSERVED GWG REVIEW MEETINGS KNOW, AT  
25 THE END OF THE REVIEW, THE GWG, INCLUDING THE

BARRISTERS' REPORTING SERVICE

1 PATIENT ADVOCATE MEMBERS, TAKES A VOTE TO FORWARD  
2 THE GROUP'S RECOMMENDATIONS ON TO THE BOARD.  
3 CURRENTLY THIS MOTION REALLY IS NOTHING MORE THAN AN  
4 INDICATION THAT THE SCORES THAT THEY ARE FORWARDING  
5 TO YOU ARE AN ACCURATE REFLECTION OF WHAT HAPPENED  
6 AT THE MEETING.

7 WE HAVE NOTICED OVER THE COURSE OF TIME  
8 THAT FREQUENTLY MEMBERS OF THE BOARD WILL ASK THEIR  
9 COLLEAGUES WHO SERVE ON THE WORKING GROUP ABOUT THE  
10 TENOR OF THE REVIEW, HOW RIGOROUS IT WAS, ETC.  
11 BECAUSE ONLY THE PATIENT ADVOCATE MEMBERS OF THE  
12 BOARD ARE ELIGIBLE TO SERVE ON THE GRANTS WORKING  
13 GROUP, THEY REALLY PLAY A SPECIAL ROLE IN THE SENSE  
14 THAT THEY ARE A BRIDGE BETWEEN THE GRANTS WORKING  
15 GROUP AND THE BOARD. AND TO REFLECT THAT, WE'D LIKE  
16 TO ENHANCE THAT FINAL MOTION THAT THE GWG CONSIDERS.

17 FIRST, WHAT WE PROPOSE IS THAT THE FULL  
18 GWG CONSIDER A MOTION THAT WOULD FORWARD THE  
19 RECOMMENDATIONS ALONG TO THE BOARD ALONG WITH THE  
20 DETERMINATION OF WHETHER THE REVIEW WAS  
21 SCIENTIFICALLY RIGOROUS, WHETHER THERE WAS  
22 SUFFICIENT TIME FOR ALL VIEWPOINTS TO BE HEARD, AND  
23 THAT THE SCORES ACCURATELY REFLECT WHAT HAPPENED.

24 WE'D PROPOSE A SECOND PART TO THAT MOTION,  
25 WHICH WOULD BE LIMITED TO THE PATIENT ADVOCATE

BARRISTERS' REPORTING SERVICE

1 MEMBERS OF THE GWG WHO REALLY IN SOME SENSE FUNCTION  
2 NOT ONLY AS A BRIDGE, BUT AS OBSERVERS OF THE BOARD  
3 TO THE CONDUCT OF THE MEETING, FOR THE PATIENT  
4 ADVOCATES TO CONSIDER WHETHER THE REVIEW WAS CARRIED  
5 OUT IN A FAIR MANNER THAT WAS FREE FROM UNDUE BIAS.  
6 SO WE PROPOSE TO FORMALIZE THIS IN THE BYLAWS AND  
7 MAKE THIS PART OF A STANDING MOTION THAT THE GWG  
8 WOULD CONSIDER AT THE CLOSE OF EACH REVIEW.

9 SO WE REQUEST THAT THE BOARD ADOPT THESE  
10 PROPOSED AMENDMENTS TO THE GRANTS WORKING GROUP  
11 BYLAWS, AND I'D BE HAPPY TO ANSWER ANY QUESTIONS.

12 DR. JUELSGAARD: LAST OF THESE, THE GWG  
13 MOTIONS, SO ARE THEY TO BE APPROVED UNANIMOUSLY OR  
14 SIMPLY BY A MAJORITY? SO IF THERE'S A STRONG  
15 DIVISION IN SCORES AND, SAY, IT'S, PICK A NUMBER, 8  
16 TO 7, SOMETHING LIKE THAT, IT WILL STILL REFLECT  
17 THAT THE REVIEW WAS SCIENTIFICALLY RIGOROUS, THERE  
18 WAS SUFFICIENT TIME FOR ALL VIEWPOINTS, THE SCORES  
19 REFLECT THE RECOMMENDATIONS, ETC.?

20 MR. HARRISON: YES. SO TO BE CLEAR,  
21 WHATEVER THE VOTE IS -- FIRST OF ALL, WE WOULD HOPE  
22 THAT IT'S UNANIMOUS; BUT IF IT'S NOT, WHATEVER THE  
23 VOTE IS WOULD BE BROUGHT TO THE BOARD FOR THE BOARD  
24 TO MAKE ITS JUDGMENT ON WHETHER OR NOT IT FELT THE  
25 REVIEW WAS SUFFICIENT OR WHETHER OR NOT A REREVIEW

BARRISTERS' REPORTING SERVICE

1 IS REQUIRED.

2 CHAIRMAN THOMAS: OTHER QUESTIONS?

3 DR. PRIETO: I GUESS I'M WONDERING ABOUT  
4 THE PREVIOUS SECTION THAT YOU MENTIONED. ARE WE  
5 ANTICIPATING THAT DOING IT THE WAY, THE ONE, TWO,  
6 THREE SCORING SYSTEM, WOULD REQUIRE US TO GO BACK  
7 AND REREVIEW AND THAT THAT WOULD BE AN UNDUE BURDEN?

8 MR. HARRISON: NO. SO FIRST OF ALL, LET  
9 ME JUST TAKE THE TRANSLATIONAL PROGRAM AS AN  
10 EXAMPLE. THE TRANSLATIONAL PROGRAM ANNOUNCEMENTS  
11 WILL NOW BE OFFERED EVERY SIX MONTHS. SO IF AN  
12 APPLICANT RECEIVES A SCORE OF 2, NOT RECOMMENDED FOR  
13 FUNDING, THAT APPLICANT WOULD BE FREE TO TRY TO  
14 IMPROVE THE APPLICATION AND RESUBMIT IT SIX MONTHS  
15 LATER.

16 WHAT WE WERE CONCERNED ABOUT WITH RESPECT  
17 TO THE IDEA OF APPLYING THE CLINICAL SYSTEM TO THE  
18 TRANSLATIONAL AND DISCOVERY PROGRAMS, GIVEN THE  
19 VOLUME OF APPLICATIONS, IS THAT IN ORDER TO  
20 DETERMINE WHETHER AN APPLICATION WAS A THREE RATHER  
21 THAN A TWO, MEANING IT'S SO FLAWED THAT IT SHOULDN'T  
22 COME BACK, WOULD REQUIRE THE GWG TO SPEND AN AWFUL  
23 LOT OF TIME ON APPLICATIONS THAT THE CONSENSUS IS  
24 SHOULD NOT BE FUNDED AT THAT TIME IN THAT STATE  
25 BECAUSE THE THREE, THE SAME APPLICATION OF THE SAME



BARRISTERS' REPORTING SERVICE

1 PROJECT SHOULD NOT BE RESUBMITTED.

2 SO WE WERE COGNIZANT OF THE ADDITIONAL  
3 TIME AND BURDEN THAT THAT SYSTEM WOULD IMPOSE ON THE  
4 GWG, AND THAT'S WHY WE PROPOSED TO HAVE ONLY TWO  
5 TIERS, A TIER I AND A TIER II.

6 CHAIRMAN THOMAS: NO OTHER COMMENTS.  
7 MEMBERS ON THE PHONE? MEMBERS OF THE PUBLIC?  
8 HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. WE  
9 DON'T HAVE A MOTION.

10 MS. LANSING: MOVE IT.

11 MR. SHEEHY: SECOND.

12 CHAIRMAN THOMAS: MOVED BY MS. LANSING.  
13 SECONDED BY MR. SHEEHY. ALL THOSE IN FAVOR PLEASE  
14 SAY AYE. OPPOSED? ABSTENTIONS? MARIA, PLEASE  
15 POLL.

16 MS. BONNEVILLE: LINDA BOXER.

17 DR. BOXER: YES.

18 MS. BONNEVILLE: KATHY LAPORTE.

19 MS. LAPORTE: YES.

20 MS. BONNEVILLE: BERT LUBIN.

21 DR. LUBIN: YES.

22 CHAIRMAN THOMAS: OKAY. WE HAVE APPROVAL.  
23 THAT CONCLUDES THE JAMES AND SCOTT SHOW. WE'VE NOW  
24 GOTTEN THROUGH ALL OF OUR AMENDMENTS. WE'RE GOING  
25 TO MOVE ON TO DR. SAMBRANO TO TALK ABOUT A NUMBER OF

BARRISTERS' REPORTING SERVICE

1 UPDATES TO THE 2.0 CONCEPT PLANS.

2 DR. SAMBRANO: THANK YOU, MR. CHAIRMAN.  
3 GOOD AFTERNOON, EVERYONE. I HOPE MY PRESENTATION IS  
4 AS EXCITING AS THE PREVIOUS ONES. SO LET ME JUST  
5 TELL YOU THAT ABOUT A YEAR AGO WE LAUNCHED CIRM 2.0  
6 WITH THREE NEW PROGRAM ANNOUNCEMENTS TO OFFER  
7 FUNDING OPPORTUNITIES FOR OUR CLINICAL STAGE  
8 PROGRAMS. AND OVER THE LAST SEVERAL MONTHS, WE HAVE  
9 LAUNCHED SEVERAL NEW PROGRAM ANNOUNCEMENTS INCLUDING  
10 OUR TRANSLATIONAL PROGRAM AND TWO OF OUR DISCOVERY  
11 PROGRAM ANNOUNCEMENTS.

12 NOW, UNLIKE OUR PREVIOUS RFA'S, THESE CIRM  
13 2.0 PROGRAM ANNOUNCEMENTS ARE ONGOING SOLICITATIONS  
14 THAT REMAIN OPEN. AND OUR EXPERIENCE WITH EACH  
15 ITERATION OF THESE WILL HIGHLIGHT IMPROVEMENTS AND  
16 ADJUSTMENTS THAT CAN BE MADE TO IMPROVE THEM AND TO  
17 ACHIEVE OUR INTENDED RESULTS. SO WE WILL BE  
18 BRINGING TO YOU ON OCCASION SUGGESTIONS FOR  
19 ADJUSTMENTS TO THESE CONCEPTS.

20 AND SO TODAY WE'RE GOING TO BRING FOR YOUR  
21 CONSIDERATION FOUR PROPOSED CHANGES THAT WOULD BE  
22 APPLIED TO ALL CIRM 2.0 CONCEPT PLANS, MEANING THOSE  
23 THAT WE'VE ALREADY ISSUED, THE CLINICAL PROGRAM, AND  
24 THOSE THAT ARE YET TO COME EXCEPT WHERE NOTED  
25 OTHERWISE. SO THERE'S ONE THAT APPLIES ONLY TO THE

BARRISTERS' REPORTING SERVICE

1 CLINICAL PROGRAM, AND I'LL HIGHLIGHT THAT.

2 SO LET ME GO THROUGH EACH ONE OF THEM SO  
3 THAT WE CAN PROVIDE A LITTLE CONTEXT AND  
4 UNDERSTANDING OF THEM. THE FIRST ONE, THE FIRST  
5 PROPOSAL IS TO MAKE AVAILABLE TO THE GRANTS WORKING  
6 GROUP OBJECTIVE INFORMATION FROM PREVIOUS CIRM  
7 AWARDS FOR CONSIDERATION IN THE EVALUATION OF A NEW  
8 AND RELATED APPLICATION.

9 SO OVER THE COURSE OF SUPPORTING AND  
10 MANAGING AWARDS OR FUNDED PROJECTS, CIRM HAS  
11 ACQUIRED EXPERIENCE AND INFORMATION ABOUT EACH OF  
12 THOSE PROJECTS AND ABOUT THE APPLICANTS WHO MAY NOW  
13 BE INTERESTED IN APPLYING FOR ADDITIONAL FUNDING IN  
14 MANY CASES TO CONTINUE A PROJECT AND MOVE IT  
15 FORWARD. AND QUITE OFTEN INFORMATION FROM THE  
16 PREVIOUS AWARDS IS KEY TO PROPERLY ASSESSING THE  
17 MERIT OF ANY NEW PROPOSAL THAT COMES OUR WAY.

18 SO, FOR EXAMPLE, DATA THAT WAS OBTAINED  
19 FROM A PREVIOUS AWARD THAT HELPS ESTABLISH A PROOF  
20 OF CONCEPT, THE ACHIEVEMENT OF A SPECIFIC MILESTONE,  
21 OR OTHER OUTCOMES FROM THAT AWARD MAY HELP REVIEWERS  
22 JUDGE THE RATIONALE AND FEASIBILITY THAT WE'RE  
23 ASKING THEM TO DO FOR US.

24 SIMILARLY, INFORMATION ON THE USE OR THE  
25 SUCCESS OR FAILURE OF THE SAME PRODUCT FROM THE

BARRISTERS' REPORTING SERVICE

1 PREVIOUS AWARD MAY ALSO HELP ADDRESS QUESTIONS OR  
2 CONCERNS OR HELP ADDRESS OR SATISFY A REVIEWER  
3 QUESTION OF A NEW PROPOSAL USING THAT SAME PRODUCT.

4 OVERALL THE GOAL HERE OF THIS PARTICULAR  
5 AMENDMENT OR CHANGE TO THE CONCEPT PROPOSALS IS TO  
6 PROVIDE REVIEWERS ALL OF THE INFORMATION THAT'S  
7 AVAILABLE TO CIRM TO EFFECTIVELY EVALUATE A  
8 PROPOSAL. IN DOING THIS, WE WANT TO DO IT IN A  
9 CONSISTENT WAY, AND WE WANT TO PROVIDE INFORMATION  
10 THAT IS OBJECTIVE. SO WE PROPOSE TO INCLUDE, IN  
11 QUOTES, PAST CIRM AWARD INFORMATION, IF APPLICABLE,  
12 AS A FORMAL COMPONENT THAT IS UTILIZED BY THE GRANTS  
13 WORKING GROUP TO EVALUATE A NEW PROPOSAL. THAT'S  
14 THE FIRST ONE.

15 THE SECOND ONE IS TO INCLUDE ACCURACY AND  
16 COMPLETENESS OF AN APPLICATION WITHIN THE  
17 ELIGIBILITY CRITERIA. SO WHEN SUBMITTING AN  
18 APPLICATION, WE NORMALLY ASK AN APPLICANT TO ATTEST  
19 TO THE ACCURACY AND COMPLETENESS OF THE INFORMATION  
20 THAT THEY SUBMITTED TO US. HOWEVER, THERE ARE CASES  
21 WHERE WE RECEIVE APPLICATIONS THAT MAY BE LESS THAN  
22 ACCURATE AND LESS THAN COMPLETE. SO WE WANT TO  
23 ESTABLISH A MECHANISM BY WHICH TO ADDRESS THIS.

24 SO, FOR EXAMPLE, PROPOSALS THAT WE GET MAY  
25 HAVE SECTIONS THAT ARE NOT APPROPRIATELY COMPLETED

BARRISTERS' REPORTING SERVICE

1 OR MAY BE MISSING REQUESTED DOCUMENTS THAT ARE NOT  
2 INCLUDED, SUCH AS LETTERS OF SUPPORT OR FDA  
3 CORRESPONDENCE AND SUCH. AND SO THESE, AT LEAST ON  
4 CIRM'S PART, ARE VERY OBJECTIVE DETERMINATIONS THAT  
5 WE CAN MAKE. AND THE INTENT IS TO INFORM THE  
6 APPLICANT THAT THEIR APPLICATION CANNOT BE REVIEWED  
7 AND IS, THEREFORE, INELIGIBLE DUE TO THIS  
8 DEFICIENCY.

9 WE WANT TO PROVIDE THE APPLICANT AN  
10 OPPORTUNITY TO REMEDY THE ISSUE. SO FOR A SIMPLE,  
11 MINOR OMISSION, WE MAY ALLOW THE APPLICANT A VERY  
12 SHORT TIME WINDOW TO PROVIDE THE MISSING INFORMATION  
13 IF IT'S READILY AVAILABLE. SO THEY FORGOT TO PUT IN  
14 THEIR FDA CORRESPONDENCE. WE CAN ASK THEM TO DO  
15 THAT WITHIN A 24-HOUR PERIOD AND WE MOVE FORWARD  
16 WITH THEIR APPLICATION. IN OTHER CASES THE  
17 APPLICANT WILL BE ASKED TO RESUBMIT AT THE NEXT  
18 DEADLINE FOR THE CLINICAL PROGRAM THAT OCCURS EVERY  
19 MONTH. THAT'S USUALLY NOT AN ISSUE, BUT CERTAINLY  
20 IF IT'S SUBSTANTIAL INFORMATION, WE WOULD JUST DEEM  
21 IT INELIGIBLE AND ASK THEM TO RESUBMIT AT THE NEXT  
22 OPPORTUNITY.

23 THE SAME WOULD APPLY IF WE IDENTIFY  
24 INFORMATION OR STATEMENTS THAT ARE NOT ACCURATE.  
25 SO, FOR EXAMPLE, AN APPLICANT PROVIDES AN ERRONEOUS

BARRISTERS' REPORTING SERVICE

1 BUDGET, MAKES A CLAIM THAT WE KNOW TO BE INCORRECT,  
2 OR WE FIND A MATERIAL OMISSION OF DATA. CIRM'S  
3 DETERMINATION ON SOME OF THESE MAY BE MORE  
4 SUBJECTIVE IN SOME OF THESE CASES.

5 SO IF THE APPLICANT'S ATTEMPT TO REMEDY  
6 THE PROBLEM IS NOT SATISFACTORY TO CIRM, THE  
7 APPLICATION WILL REMAIN INELIGIBLE, BUT THE  
8 APPLICANT MAY APPEAL THAT ELIGIBILITY DETERMINATION  
9 TO THE GRANTS WORKING GROUP. THIS IS CONSISTENT  
10 WITH OTHER SUBJECTIVE CRITERIA THAT WE'VE  
11 IMPLEMENTED IN THE CLINICAL PROGRAM WHERE THERE IS  
12 AN OPPORTUNITY FOR THEM TO APPEAL THAT  
13 DETERMINATION. WE ANTICIPATE THIS WOULD BE A VERY  
14 RARE OCCURRENCE.

15 THE THIRD ONE IS RELATED TO THE IND  
16 SPONSOR. WE WERE SILENT ON THIS WHEN WE IMPLEMENTED  
17 THE CLINICAL PROGRAM. AND THIS APPLIES ONLY TO THE  
18 CLINICAL PROGRAM; THAT IS, THE PROGRAM ANNOUNCEMENTS  
19 THAT WE NOW REFER TO AS CLIN 1, CLIN 2, AND CLIN 3.  
20 SO THESE ARE LATE STAGE PRECLINICAL THROUGH PHASE  
21 III CLINICAL PROJECTS. AND THE REQUIREMENT HERE IS  
22 THAT THE INTENDED OR CURRENT IND SPONSOR BE THE  
23 APPLICANT ORGANIZATION IF IT IS AN  
24 ORGANIZATION-SPONSORED IND OR THE PI IF IT'S AN  
25 INVESTIGATOR-INITIATED IND FOR APPLICATIONS IN THE

BARRISTERS' REPORTING SERVICE

1 CLINICAL PROGRAM.

2 SO THE REASON FOR THIS IS THAT IN MANY  
3 CASES WE HAVE THE ACCOUNTABILITY TO -- THE  
4 ACCOUNTABILITY THEY HAVE TO CIRM AND HAVING A DIRECT  
5 RELATIONSHIP WITH THE IND HOLDER HELPS US HAVE  
6 ACCESS TO FDA CORRESPONDENCE, INFORMATION THAT IS  
7 OFTEN NEEDED IN ORDER TO ASSESS MILESTONES, ENSURE  
8 THAT OUTCOMES ARE ACHIEVED, AND HAVE A PROPER  
9 OVERSIGHT OF THE WORK.

10 OVER THE COURSE OF THE YEAR THAT THE  
11 PROGRAM HAS LAUNCHED, THERE HAS NOT REALLY BEEN A  
12 CIRCUMSTANCE THAT WE'VE SEEN WHERE THE APPLICANT  
13 THAT IS MOST APPROPRIATE TO COME IN BEING THE IND  
14 HOLDER. SO IT IS SOMETHING THAT WE ENCOURAGE, AND  
15 SO WE FEEL THAT IT'S SOMETHING THAT WE WOULD LIKE TO  
16 HAVE IN ALL CASES TO HELP US WITH OVERSIGHT.

17 THE FOURTH PROPOSED CHANGE IS TO ALLOW  
18 INDIVIDUALS UNDER CONTRACT TO ACT ON BEHALF OF THE  
19 APPLICANT ORGANIZATION TO QUALIFY AS A PI. SO  
20 CURRENTLY TO BE ELIGIBLE TO SERVE AS A PI ON A CIRM  
21 AWARD, THE INDIVIDUAL MUST ACCOMPLISH THREE THINGS.  
22 ONE, BE AN EMPLOYEE OF THE APPLICANT ORGANIZATION,  
23 THEY MUST COMMIT THE MINIMUM REQUIRED EFFORT FOR  
24 THAT PROGRAM ANNOUNCEMENT, AND THEN BE AUTHORIZED BY  
25 THE APPLICANT ORGANIZATION TO CONDUCT THE RESEARCH

BARRISTERS' REPORTING SERVICE

1 AND ASSUME THE RESPONSIBILITIES OF THE PI.

2 THE REQUIREMENT FOR THE PI TO BE AN  
3 EMPLOYEE, THE UNDERLYING REASON FOR THAT, IT WAS  
4 ESTABLISHED TO ENSURE ACCOUNTABILITY OF THE PI TO  
5 THE APPLICANT ORGANIZATION WHICH, IN TURN, IS  
6 ACCOUNTABLE TO CIRM TO CONDUCT THE WORK. AND SO  
7 THAT WAS A SIMPLE WAY OF ENSURING THAT WE HAD THAT  
8 DIRECT RELATIONSHIP. HOWEVER, WE'VE ENCOUNTERED  
9 SITUATIONS AND CIRCUMSTANCES WHERE THE MOST  
10 APPROPRIATE PERSON TO LEAD A PROJECT IS NOT  
11 NECESSARILY AN EMPLOYEE OF THE APPLICANT  
12 ORGANIZATION, PARTICULARLY IF THE MAJORITY OF THE  
13 WORK IS TO BE CONDUCTED OFFSITE AT A COLLABORATING  
14 INSTITUTION.

15 SO AN EXAMPLE OF THIS MIGHT BE IF WE HAVE  
16 AN IND HOLDER APPLICANT ORGANIZATION THAT'S OUTSIDE  
17 OF CALIFORNIA, THEY INTEND TO DO WORK THAT IS IN  
18 CALIFORNIA, AND WE CAN ONLY COVER COSTS THAT OCCUR  
19 IN CALIFORNIA. THE BEST PERSON TO LEAD THAT STAGE  
20 OF WORK MIGHT BE SOMEONE WHO IS LOCATED IN  
21 CALIFORNIA, BUT MAY NOT NECESSARILY BE THE EMPLOYEE  
22 OF THAT ORGANIZATION.

23 SO WHAT WE'RE PROPOSING HERE IS TO EXTEND  
24 THE ELIGIBILITY AS A PI TO INDIVIDUALS WHO ARE  
25 ACCOUNTABLE TO THE APPLICANT ORGANIZATION IN ONE OF



BARRISTERS' REPORTING SERVICE

1 TWO WAYS. EITHER THEY ARE EMPLOYED BY THE APPLICANT  
2 ORGANIZATION OR THEY HAVE A CONTRACTUAL AGREEMENT TO  
3 ACT AS AN AGENT ON BEHALF OF THE ORGANIZATION IN  
4 THAT CAPACITY.

5 SO THOSE ARE THE FOUR PROPOSED CHANGES,  
6 AND SO WE'RE REQUESTING APPROVAL OF THOSE  
7 MODIFICATIONS. AND I AM HAPPY TO TAKE ANY  
8 QUESTIONS.

9 CHAIRMAN THOMAS: QUESTIONS FOR DR.  
10 SAMBRANO?

11 DR. MILLS: J.T., I WOULD JUST LIKE TO --  
12 I APPRECIATE THAT HIGH LEVEL REVIEW, GIL. I'D LIKE  
13 TO PROVIDE THE BOARD WITH ACTUALLY A LOT MORE DETAIL  
14 ON EACH OF THESE POINTS.

15 MR. TORRES: SECOND MR. MILLS' MOTION.

16 CHAIRMAN THOMAS: ANY COMMENTS BY MEMBERS  
17 ON THE PHONE? ANYBODY WHO FAINTED FROM DR. MILLS'  
18 COMMENT?

19 MR. SHEEHY: I'D LIKE TO MOVE ADOPTION.

20 DR. JUELSGAARD: SECOND.

21 CHAIRMAN THOMAS: MOVED BY MR. SHEEHY,  
22 SECONDED BY MR. JUELSGAARD. ANY FURTHER DISCUSSION,  
23 MEMBERS OF THE BOARD? MEMBERS OF THE PUBLIC?  
24 ANYBODY ELSE? OKAY.

25 ALL THOSE IN FAVOR PLEASE SAY AYE.

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1 OPPOSED? ABSTENTIONS?

2 MS. BONNEVILLE: LINDA BOXER.

3 DR. BOXER: YES.

4 MS. BONNEVILLE: KATHY LAPORTE.

5 MS. LAPORTE: YES.

6 MS. BONNEVILLE: BERT LUBIN.

7 DR. LUBIN: YES.

8 CHAIRMAN THOMAS: MOTION APPROVED. IN ALL  
9 SERIOUSNESS, THE REVIEWS UNDERTAKEN BY  
10 MESSRS. HARRISON, TOCHER, AND SAMBRANO WERE NOT  
11 EASY. THEY WERE CHARGED WITH A CRITICAL REVIEW OF  
12 THEIR RESPECTIVE TOPICS AND UNDERSTAND IT'S NOT A  
13 SIMPLE TASK AND CAME OUT WITH GOOD RECOMMENDATIONS  
14 TO BRING THEIR END OF CIRM 2.0 UP TO THE REST OF  
15 EVERYTHING. SO THANK YOU, GENTLEMEN, VERY MUCH.

16 OKAY. WE'RE GOING TO GO ON TO THE NEXT  
17 ITEM, WHICH I GUESS IS ME. THE ITEM IS LISTED ON  
18 THE AGENDA AS CONSIDERATION OF ACCEPTANCE OF DONOR  
19 FUNDS.

20 I'M GOING TO TAKE A BIT OF LIBERTY HERE TO  
21 EXPAND THAT TOPIC TO SAY SOME COMMENTS ABOUT  
22 SUSTAINABILITY. WE, AS YOU KNOW, FOR A WHILE  
23 BELIEVED, BASED ON OUR EXPENDITURE RATE, THAT WE  
24 WOULD RUN OUT OF FUNDS IN 2017. WE'VE NOW KNOWN FOR  
25 QUITE SOME TIME, BASED ON HISTORICAL DATA THE LAST

BARRISTERS' REPORTING SERVICE

1 TWO TO THREE YEARS, THAT WE BELIEVE OUR FUNDING WILL  
2 LAST UNTIL 2020. AND THEN THE ANSWER TO THAT IS  
3 WHAT THEN.

4 SO WE HAVE A FEW SLIDES HERE. YOU'VE SEEN  
5 THE FIRST FEW OF THESE THINGS BEFORE. THE 2.75  
6 BILLION FOR AWARDS, SECOND BUCKET, OUR  
7 ADMINISTRATIVE BUCKET, WHICH IS A 180 MILLION. WE  
8 ANTICIPATE WE HAVE AWARDS FOR FIVE YEARS THROUGH  
9 2020, FUNDING UP TO EIGHT YEARS. WHAT THAT MEANS,  
10 OF COURSE, IS WE HAVE MULTIYEAR AWARDS AND WE  
11 ANTICIPATE MAKING AWARDS ALL THE WAY UP THROUGH  
12 2020, SO THAT CARRIES US A BIT BEYOND. AT THIS  
13 POINT WE HAVE 760-ISH MILLION UNCOMMITTED. YOU CAN  
14 SEE UP THERE, SORT OF FOLLOW THAT ALONG, ALL OF  
15 WHICH ENDS UP, AFTER YOU'VE TAKEN BACK MONEY FROM  
16 PROJECTS THAT WE ANTICIPATE BEING TERMINATED ON AN  
17 ANNUAL BASIS, SPEND ABOUT 170 MILLION PER YEAR,  
18 WHICH IS HOW WE GET WITH WHAT WE HAVE LEFT THROUGH  
19 TO 2020.

20 THEN WE HAVE THE ADMINISTRATIVE BUCKET.  
21 AT OUR CURRENT STAFFING LEVELS, WE FIGURE WE HAVE  
22 FIVE MORE YEARS, ALSO THROUGH 2020, FOR OUR TEAM.  
23 AND THAT OBVIOUSLY IS A CRITICAL COMPONENT OF THE  
24 WHOLE PROGRAM. OUR CURRENT SPEND RATE IS 15 TO 16  
25 MILLION PER YEAR, AS WE ARE EXPERTLY ADVISED OF BY

BARRISTERS' REPORTING SERVICE

1 CHILA AT VARIOUS MEETINGS.

2 SO WE GET TO 2020, AND THE QUESTION IS  
3 WHAT ARE WE THINKING ABOUT? NOW, THIS IS FIVE YEARS  
4 IN ADVANCE OF THINGS. SO THIS IS KIND OF A LITTLE  
5 EARLY TO BE HAVING THIS, BUT IT'S NEVER TOO EARLY, I  
6 THINK. IF YOU LOOK AT 2020, ONE OF THE BIG GOALS  
7 AND A LOT OF THE THINGS WE'VE BEEN TALKING ABOUT,  
8 WHETHER IT'S ATP3 OR PARTNERING OR WHATEVER, IS  
9 TRYING TO GET OUR PROJECTS FAR ENOUGH ALONG THAT WE  
10 WILL HAVE PROOF OF CONCEPT IN AS MANY OF THOSE  
11 PROJECTS AS WE CAN WHICH IS WHAT'S GOING TO DRIVE  
12 THE INTEREST OF THE SO-CALLED BIG MONEY AT THE END  
13 OF THE TUNNEL, BE IT BIG PHARMA, BIG BIOTECH,  
14 VENTURE, OR WHATEVER.

15 WE GET TO 2020, THE FACTS ARE THAT, THOUGH  
16 WE'LL HAVE A VERY LARGE TRANSLATIONAL PORTFOLIO AT  
17 THAT STAGE, THE VAST MAJORITY OF PROJECTS WILL NOT  
18 HAVE HIT THE END OF PHASE II, AT WHICH TIME THEY  
19 HAVE ESTABLISHED PROOF OF CONCEPT. SO IF WE DON'T  
20 HAVE ADDITIONAL FUNDING AT THAT POINT, WE WILL HAVE  
21 ONLY PARTIALLY MET OUR OBLIGATION TO DEVELOP  
22 THERAPIES AND CURES FOR THE BENEFIT OF PATIENTS. SO  
23 WE AS A GROUP REALLY NEED TO FIGURE OUT A WAY TO  
24 SUSTAIN US BEYOND THAT.

25 SO LET'S TALK ABOUT THIS SLIDE. IT'S GOT

BARRISTERS' REPORTING SERVICE

1 THREE BULLET POINTS, BUT THERE ARE A NUMBER OF  
2 SUBSET TOPICS HERE. SO AS WE ALL KNOW, CIRM WAS  
3 FUNDED BY PROP 71 WHICH WAS AN INITIATIVE PUT ON THE  
4 BALLOT THROUGH SIGNATURE GATHERING. THERE ARE TWO  
5 WAYS TO GET ON THE BALLOT. THAT'S ONE WAY. THE  
6 OTHER IS FOR THE LEGISLATURE TO PUT A BALLOT MEASURE  
7 ON THE BALLOT ITSELF. AND THERE HAS CERTAINLY BEEN  
8 IN THE PRESS DISCUSSION ABOUT THE POTENTIAL FOR A  
9 BOND MEASURE TO PRODUCE INCREASED FUNDING IN 2018.  
10 WE'VE ALL SEEN THAT IN THE PRESS.

11 I THINK THAT CERTAINLY GOING FORWARD ANY  
12 SERIES OF OPTIONS THAT WE'RE LOOKING AT INVOLVING  
13 ONGOING FUNDING HAS TO CONTEMPLATE THE INITIATIVE  
14 PROCESS, WHETHER IT IS THROUGH SIGNATURE GATHERING  
15 OR THROUGH SOMETHING DEVELOPED BY THE LEGISLATURE.  
16 SO BOTH OF THOSE WILL REQUIRE CONSIDERATION AS WE GO  
17 FORWARD HERE.

18 I HAVE TO POINT OUT, WE, AS A PUBLIC  
19 AGENCY, CANNOT ENGAGE IN A POLITICAL CAMPAIGN.  
20 SO --

21 MR. SHEEHY: I GUESS WE'VE NOT REALLY  
22 THOUGHT SERIOUSLY ABOUT GOING BACK TO THE  
23 LEGISLATURE TO GET BACK ON THE BALLOT, BUT IT DOES  
24 SEEM TO ME THAT THAT'S SOMETHING THAT WE SHOULD  
25 ACTUALLY HAVE A WIDER DISCUSSION ABOUT AND A PLANNED

BARRISTERS' REPORTING SERVICE

1 DISCUSSION ABOUT IT. IT SEEMS VERY RATIONAL TO ME  
2 TO ENTERTAIN THAT. CERTAINLY I WOULDN'T BE LOOKING  
3 AT THE NEXT ELECTION, BUT MAYBE IN 2018. WE'RE AN  
4 EXISTING STATE AGENCY. I THINK TO HAVE SOMEBODY  
5 ELSE CONTROL OUR FATE BY GOING OUT AND COLLECTING  
6 SIGNATURES TO EXTEND US SEEMS UNUSUAL. AND I THINK  
7 BEING ACCOUNTABLE TO THE LEGISLATURE BY FORMALLY --  
8 I DON'T KNOW IF IT'S APPROPRIATE FOR US TO  
9 FORMALLY -- MAYBE MR. HARRISON HAS AN OPINION ON  
10 THAT -- TO GO TO THE LEGISLATURE AND SAY IN 2018  
11 THIS IS WHERE WE ARE, THESE ARE OUR SUCCESSES, THIS  
12 IS WHAT WE'RE DOING, AND FORMALLY ASK -- IT ONLY  
13 TAKES 50 PLUS ONE OF THE LEGISLATURE TO GET ON THE  
14 BALLOT AND ACTUALLY BE A NORMAL STATE AGENCY IN THAT  
15 WAY.

16 OTHERWISE, I THINK WE'RE LEAVING THE FATE  
17 OF THE AGENCY UP TO OTHER ACTORS. AND I JUST THINK,  
18 HAVING HEARD ALL WE'VE HEARD TODAY AND THE MOMENTUM  
19 AND PROGRESS OF THIS AGENCY, I THINK IT'S VERY  
20 REASONABLE TO TALK TO THE LEGISLATURE. I MEAN WHEN  
21 I TALK TO MY LEGISLATORS IN SAN FRANCISCO, THEY'RE  
22 ENTHUSIASTIC ABOUT THE WORK WE'RE DOING. THEY DON'T  
23 ALL KNOW ABOUT IT. SO WHEN I TALK TO THEM ABOUT IT,  
24 THEY'RE VERY POSITIVE. I DON'T KNOW WHAT OTHER  
25 FOLKS' EXPERIENCE IS, BUT THAT SEEMS TO ME TO BE A

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1 VERY CREDIBLE PATH FOR US TO ENGAGE IN. AND IF IT'S  
2 LEGAL, IT CERTAINLY IS DIFFERENT FROM HAVING SOME  
3 OTHER ENTITY NOT CONNECTED WITH THE AGENCY GO OUT  
4 AND COLLECT SIGNATURES TO EITHER KEEP US GOING OR TO  
5 HAVE SOME OTHER THING HAPPEN WITH WHAT WE'VE  
6 ACCOMPLISHED. THAT SEEMS WEIRD TO ME. SO...

7 CHAIRMAN THOMAS: THANK YOU, MR. SHEEHY.  
8 ANY OTHER COMMENTS?

9 MR. SHEEHY: THAT WASN'T A COMMENT. THAT  
10 WAS A QUESTION. I HOPE THAT THE QUESTION WAS --  
11 SHOULD I BE MORE EXPLICIT? WHAT ARE THE PLANS OF  
12 THE LEADERSHIP OF THE BOARD TO HAVE THIS DISCUSSION  
13 ABOUT THE POSSIBILITY OF GOING TO THE LEGISLATURE?  
14 AND IF IT IS INDEED -- MR. HARRISON, IS THAT  
15 SOMETHING THAT WE CAN DO? CAN WE SPEAK WITH  
16 LEGISLATORS AS A BOARD TO ASK THEM TO REVIEW OUR  
17 AGENCY AND CONSIDER PUTTING A MEASURE ON TO GET  
18 ADDITIONAL BOND FUNDS TO CONTINUE OUR EXISTENCE?

19 MR. HARRISON: YES. AS A STATE AGENCY,  
20 JUST TO CLARIFY ONE POINT CHAIRMAN THOMAS MADE, THE  
21 AGENCY DOES HAVE THE ABILITY TO INTERFACE WITH THE  
22 LEGISLATURE. THE AGENCY ALSO HAS THE ABILITY, NOT  
23 THAT I'M SUGGESTING IT, BUT JUST SO THAT THE LEGAL  
24 LINES ARE CLEAR, UNDER CALIFORNIA LAW PUBLIC  
25 AGENCIES CAN GO SO FAR AS TO USE PUBLIC FUNDS TO

BARRISTERS' REPORTING SERVICE

1 DRAFT A BALLOT MEASURE THAT CAN THEN BE CIRCULATED  
2 BY THE VOTERS FOR SIGNATURE. PUBLIC FUNDS CAN'T BE  
3 USED TO CIRCULATE IT, BUT THE DRAFTING IS A  
4 PERMISSIBLE PUBLIC EXPENDITURE.

5 MR. SHEEHY: AND THE COST OF CIRCULATING  
6 THE PETITION AND GETTING IT APPROVED IS ABOUT TWO  
7 AND A HALF MILLION THESE DAYS; AM I CORRECT?

8 MR. HARRISON: THAT'S RIGHT.

9 MR. SHEEHY: AND THEN THERE WILL HAVE TO  
10 BE A COMMITTEE ESTABLISHED INDEPENDENT OF THIS  
11 AGENCY IN ORDER TO COLLECT FUNDS AND DO THAT PLUS IN  
12 ORDER TO PAY FOR AN EVENTUAL CAMPAIGN.

13 MR. HARRISON: THAT'S TRUE. I DON'T KNOW  
14 WHAT YOU WERE REFERRING TO IN TERMS OF ADDITIONAL  
15 FUNDING BY THE LEGISLATURE. BUT IF THE LEGISLATURE  
16 WERE TO DO IT BY BOND FUNDING, IT WOULD BE A BOND  
17 MEASURE PLACED BY THE LEGISLATURE ON THE BALLOT.

18 MR. SHEEHY: I THINK THERE MIGHT BE A  
19 DIFFERENT FLAVOR, AT LEAST IN PUBLIC PERCEPTION, IF  
20 THIS WAS SOMETHING THAT WAS PUT ON THE BALLOT BY THE  
21 LEGISLATURE TO EXTEND OUR AGENCY AFTER A FULL AND  
22 PUBLIC DISCUSSION AT THE LEGISLATURE.

23 DR. FRIEDMAN: I THINK JEFF RAISES SOME  
24 GOOD QUESTIONS, BUT MAY I JUST ASK YOU. GIVE US A  
25 SENSE WHERE YOUR DISCUSSION IS GOING. IF YOU'RE



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1 RAISING IT TO SAY THIS IS SOMETHING WE SHOULD PAY  
2 ATTENTION TO, WE CAN THEN TALK ABOUT THE VARIOUS  
3 COMPONENTS THAT WE'D LIKE TO SEE EVALUATED IN  
4 GREATER DETAIL, ON WHAT TIME FRAME. THAT'S A  
5 PERFECTLY VALID DISCUSSION TO HAVE. IF YOU HAVE A  
6 PROPOSAL FOR US, PARTICULARLY SOMETHING THAT YOU  
7 WANT US TO VOTE ON TODAY, THAT'S A DIFFERENT SORT OF  
8 THING. I'M JUST TRYING TO GET A SENSE OF WHERE THIS  
9 IS GOING BECAUSE THESE ARE THREE VERY RICH,  
10 COMPLICATED TOPICS, EACH OF WHICH COULD TAKE,  
11 WITHOUT EXAGGERATION, A FULL BOARD MEETING. SO GIVE  
12 US YOUR GUIDANCE ABOUT HOW YOU'D LIKE TO SEE THIS  
13 DISCUSSION PROGRESS.

14 CHAIRMAN THOMAS: SO WHAT I'M TRYING TO DO  
15 HERE IS TO LAY OUT SORT OF A SERIES OF OPTIONS FOR  
16 US TO CONSIDER. I DON'T WANT ANYBODY TO VOTE ON  
17 ANYTHING BECAUSE EACH OF THESE HAVE THEIR  
18 COMPLEXITIES, SOME OF WHICH ARE SUITABLE FOR VOTING  
19 ON, SOME OF WHICH AREN'T. I JUST WANT THE BOARD TO  
20 UNDERSTAND KIND OF MY PERSPECTIVE OF THE PLAYING  
21 FIELD OF OPTIONS THAT WE SHOULD BE LOOKING AT TO  
22 DEVELOP AS WE GO ALONG.

23 DR. FRIEDMAN: I THINK THAT'S ENORMOUSLY  
24 HELPFUL. THANK YOU FOR DOING THAT. MY OWN  
25 SUGGESTION IS -- I GUESS WHAT I WOULD SUGGEST IS

BARRISTERS' REPORTING SERVICE

1 YOUR INPUT AND YOUR THOUGHTS ARE GOING TO BE VERY  
2 IMPORTANT, VERY FORMATIVE IN THIS. BUT THAT MY OWN  
3 PREFERENCE WOULD BE TO LAY OUT A PLAN FOR HOW WE  
4 WANT TO LOOK AT THESE. IF YOU WANT TO SET UP  
5 SUBCOMMITTEES, THAT'S FINE. IF YOU WANT TO DRAW UP  
6 DRAFT PROS AND CONS FOR EACH ONE THAT WE CAN  
7 CONSIDER AHEAD OF TIME. OTHERWISE, I'M AFRAID THAT  
8 THE DISCUSSION MAY BE A LITTLE MEANDERING IS MY ONLY  
9 CONCERN.

10 CHAIRMAN THOMAS: OKAY. SO, MR. SHEEHY,  
11 GETTING BACK TO YOUR QUESTION, I THINK THE ISSUE OF  
12 CONTEMPLATING THIS AS A PARTICULAR OPTION IS  
13 SOMETHING THAT WOULD REQUIRE FURTHER DISCUSSION. WE  
14 HAVE A LEGISLATIVE SUBCOMMITTEE THAT'S SET UP, IF WE  
15 SO CHOOSE TO TAKE IT TO THAT TO HAVE A DISCUSSION  
16 THERE, WHICH WOULD SEEM TO BE THE APPROPRIATE FORUM  
17 IN TERMS OF TRYING TO LAY OUT WHAT THE STEPS WOULD  
18 BE IF WE WERE TO DO THIS, THE ADVISABILITY OF IT,  
19 ALL THAT SORT OF THING. SO I THINK THAT THAT'S  
20 SOMETHING WE COULD ABSOLUTELY DO IF THAT WERE THE  
21 INTEREST OF THE BOARD HERE.

22 MR. SHEEHY: I KIND OF AGREE WITH DR.  
23 FRIEDMAN'S SUGGESTION. WE HAVE THREE OPTIONS THAT  
24 ARE LISTED HERE. MAYBE AN EXHAUSTIVE DISCUSSION  
25 STARTING AT A SUBCOMMITTEE LEVEL AND THEN BRINGING

BARRISTERS' REPORTING SERVICE

1 THAT INPUT FOR AN AGENDA ITEM AT THE BOARD SOMETIME  
2 IN THE NEAR FUTURE WOULD SEEM A VERY, VERY  
3 REASONABLE OPTION FOR US TO TAKE TO MOVE FORWARD. I  
4 ACTUALLY LIKE THAT IDEA BECAUSE I DO THINK THIS IS  
5 SOMETHING WE SHOULD DISCUSS AND WE SHOULD TAKE UP  
6 AND NOT KIND OF LEAVE TO THE FUTURE. A NICE,  
7 DETAILED DISCUSSION WITH THESE THREE OPTIONS WOULD  
8 BE GREAT.

9 CHAIRMAN THOMAS: BY THE WAY, I DON'T  
10 THINK THE THREE OPTIONS NECESSARILY ARE MUTUALLY  
11 EXCLUSIVE, AT LEAST SOME COMPONENT OF IT.

12 MR. TORRES: THE ISSUE IS COMPLEX. IT'S  
13 POLITICALLY COMPLEX, IT'S SUBSTANTIVELY COMPLEX, AND  
14 FROM A PUBLIC POLICY PERCEPTION, IT'S COMPLEX. THE  
15 REASON MOST LEGISLATORS SEEKING REELECTION CHOOSE  
16 NOT TO PAY THE FILING FEE TO COLLECT SIGNATURES IS  
17 TO CREATE A CAMPAIGN THEMSELVES AND TO CREATE A  
18 NETWORK. SO THE COLLECTION OF SIGNATURES HAS ALWAYS  
19 BEEN VIEWED AS A WAY TO ESTABLISH AND DEVELOP A  
20 NETWORK WHICH CAN THEN BE UTILIZED FOR A CAMPAIGN  
21 MORE EFFECTIVELY THAN JUST BY PAYING YOUR FILING  
22 FEE.

23 THE LEGISLATIVE PROCESS IS VERY COMPLEX  
24 SIMPLY BECAUSE OF WHAT WE'VE EXPERIENCED IN DEALING  
25 WITH THIS WHOLE ISSUE OF AN AUDIT OF US ON THE FETAL

BARRISTERS' REPORTING SERVICE

1 TISSUE ISSUE. THAT WAS NOT A PLEASANT EXPERIENCE  
2 FOR ME. AND IT WAS A VERY DIFFICULT ISSUE BECAUSE  
3 YOU ALSO HAVE A LOT OF PEOPLE THAT DON'T BELIEVE IN  
4 WHAT WE DO WHO ARE MEMBERS OF THE LEGISLATURE AND  
5 COULD INVARIABLY IMPACT ANY PROPOSAL THAT WOULD COME  
6 BEFORE THE LEGISLATURE.

7 I THINK WE NEED TO TAKE TIME TO EXAMINE  
8 ALL THESE VARIABLES. WE'RE LOOKING AT 2018  
9 BASICALLY AND A FILING DEADLINE, BUT ALSO KEEP IN  
10 MIND IT'S NOT REALLY -- JAMES, CORRECT ME IF I'M  
11 WRONG -- IT MAY NOT COST TWO AND A HALF OR THREE  
12 MILLION SIMPLY BECAUSE THE NUMBER OF SIGNATURES  
13 REQUIRED HAVE BEEN REDUCED BECAUSE OF THE VOTER  
14 TURNOUT IN THE LAST GUBERNATORIAL ELECTION, WHICH IS  
15 THE CRITERIA BY WHICH YOU DETERMINE THE NUMBER OF  
16 SIGNATURES THAT YOU NEED.

17 SO I GUESS I'M AGREEING WITH JEFF AND WITH  
18 MICHAEL, THAT WE NEED TO MOVE FORWARD ON AN  
19 EXHAUSTIVE REVIEW, AND LOT OF IT MAY NOT BE AS EASY  
20 AS WE WOULD THINK INITIALLY.

21 MS. LANSING: SO AS I'M LOOKING AT THIS, I  
22 THINK I AGREE WITH, I GUESS IT WAS, MICHAEL AND JEFF  
23 AND NOW ART, THAT WE NEED TO HAVE A REVIEW OF  
24 THINGS. I THINK THE PRIVATE FUNDING AND THE  
25 PARTICIPATE LEVERAGING CIRM'S FUNDS, THOSE ARE NOT

BARRISTERS' REPORTING SERVICE

1 MUTUALLY EXCLUSIVE. BUT I THINK IF YOU GO OUT TO  
2 GET ADDITIONAL FUNDING AS ANOTHER BOND ISSUE, YOU  
3 WILL FIND THAT PRIVATE FUNDERS OR PARTNERSHIPS WILL  
4 STAY AWAY BECAUSE THEY'LL SAY, WELL, YOU'RE GOING  
5 OUT FOR A PUBLIC THING. WHY SHOULD I GET INVOLVED?  
6 OR THEY'LL GIVE YOU MONEY TO HELP YOU WITH YOUR  
7 CAMPAIGN.

8 SO, J.T., IF YOU ESTABLISH A SUBCOMMITTEE  
9 REALLY TO LOOK AT THE FEASIBILITY, WHAT ARE THE  
10 CONSTITUENT'S FEELINGS, WHAT'S THE STATE'S FEELINGS  
11 TO SEE HOW REALISTIC IT IS TO DO ANOTHER BALLOT  
12 INITIATIVE. I DON'T KNOW THE ANSWER TO THAT. I DO  
13 BELIEVE THAT THE LAST TWO, THAT THERE ARE A LOT OF  
14 PEOPLE -- NOT A LOT, BUT SEVERAL OPPORTUNITIES WITH  
15 INDIVIDUALS AND PARTNERSHIPS WHO REALLY BELIEVE IN  
16 STEM CELL RESEARCH. AND I THINK THAT WE HAVE AN  
17 OPPORTUNITY TO RAISE SOME MONEY FROM THAT.

18 CHAIRMAN THOMAS: OKAY.

19 MR. SHEEHY: I JUST WANT TO MAKE A COUPLE  
20 OF COMMENTS ABOUT THE SIGNATURE ROUTE. ONE, THOSE  
21 NAMES WE COLLECT, SIGNATURES ARE COLLECTED BY  
22 PRIVATE ENTITIES BY PAID GATHERERS. SO THOSE REALLY  
23 IN A WAY DON'T NECESSARILY CREATE A CAMPAIGN. AND  
24 THE NAMES OF THOSE FOLKS ARE NOT AVAILABLE TO A  
25 CAMPAIGN FOR FURTHER CONTACT AFTER THEY'RE

BARRISTERS' REPORTING SERVICE

1 COLLECTED.

2 SECOND, IT IS BECOMING INCREASINGLY  
3 CHALLENGING TO COLLECT SIGNATURES BECAUSE THE  
4 LOCATIONS OF BIG BOX STORES, WHERE HISTORICALLY  
5 PEOPLE HAVE COLLECTED A LOT OF SIGNATURES, ARE NO  
6 LONGER ALLOWING SIGNATURE GATHERERS ON THE GROUND  
7 AND COURTS HAVE SUPPORTED THAT. SO I DO THINK THE  
8 WHOLE -- I HATE TO SAY I HAVE A BIT OF EXPERIENCE  
9 WITH SIGNATURE GATHERING AT MULTIPLE LEVELS, AND I  
10 DO THINK RELYING ON SIGNATURES MAY NOT BE A GOOD  
11 OPTION.

12 CHAIRMAN THOMAS: OKAY. LET ME, IF I  
13 MIGHT, KEEP GOING HERE. LET'S GO ON TO THE -- I  
14 UNDERSTAND THE SUBCOMMITTEE IDEA HAS BEEN PROPOSED  
15 AND SOUNDS LIKE IT'S SOMETHING OF INTEREST TO THE  
16 BOARD.

17 LET'S KEEP GOING ON THE PRIVATE FUNDING.  
18 THERE'S A LOT OF STUDIES THESE DAYS THAT SHOWS THAT  
19 WITH THE PROBLEMS IN FUNDING AT NIH, WHETHER IT WAS  
20 THROUGH SEQUESTRATION OR JUST GENERAL LACK OF WILL  
21 BY CONGRESS TO PUT AS MUCH MONEY AS NEEDED INTO  
22 DISEASE RESEARCH AND PREVENTION, THAT THE PRIVATE  
23 SECTOR HAS INCREASINGLY STEPPED INTO THE VOID TO  
24 FUND MEDICAL RESEARCH. YOU SEE STORIES ABOUT IT ALL  
25 THE TIME. AND YOU HAVE MORE AND MORE

BARRISTERS' REPORTING SERVICE

1 PHILANTHROPISTS WHO ARE INTERESTED IN THAT, EITHER  
2 ON A SPECIFIC BASIS WHERE THEY PUT MONEY INTO THE  
3 FUNDING FOR A TARGETED DISEASE OR CONDITION, OR ON  
4 AN UNRESTRICTED BASIS WHERE THEY ARE MORE INTERESTED  
5 IN A TECHNOLOGY REGARDLESS OF THE PARTICULAR  
6 APPLICATION OF THE DISEASE.

7 SO THERE ARE A NUMBER OF VERY  
8 MISSION-DRIVEN PHILANTHROPISTS OUT THERE THAT ARE  
9 TARGETING MEDICAL RESEARCH AS AN AREA THEY WANT TO  
10 PUT THEIR MONEY INTO. AND INCREASINGLY,  
11 INTERESTINGLY ENOUGH, WE'RE SEEING AN INTEREST IN  
12 REGENERATIVE MEDICINE SPECIFICALLY. SO AN OPTION  
13 THAT WE HAVE, AND IT'S SOMETHING THAT I AND AMY  
14 LEWIS AND MARIA HAVE TALKED ABOUT QUITE A BIT AND  
15 HAVE BEEN PURSUING, AN OPTION IS TO HAVE A  
16 SIGNIFICANT PRIVATE FUNDING ELEMENT TO THIS, WHETHER  
17 IT'S THROUGH LARGE GRANTS, WHETHER IT'S THROUGH  
18 CHALLENGE GRANTS, WHATEVER FORM THAT MAY TAKE,  
19 TOWARDS GENERATING ADDITIONAL RESEARCH DOLLARS  
20 EITHER GOING STRAIGHT TO CIRM OR TO A FOUNDATION  
21 THAT COULD BE ESTABLISHED AS AN ADJUNCT ENTITY THAT  
22 WOULD PUT MONEY IN PARI-PASSU WITH CIRM OR WHATEVER.

23 SO THAT IS A STRATEGY THAT WE'VE BEEN  
24 PURSUING NOW FOR A NUMBER OF MONTHS. AND AS YOU CAN  
25 APPRECIATE, I CAN'T GET INTO DETAILS ON THAT BECAUSE

BARRISTERS' REPORTING SERVICE

1 IT INVOLVES A LOT OF DISCUSSIONS WITH PEOPLE THAT  
2 AREN'T RIPE FOR PUBLIC DISCUSSION AT THIS POINT.

3 AT THE SAME TIME THERE ARE A NUMBER OF  
4 PHILANTHROPISTS WHO ARE QUITE INTERESTED IN SPECIFIC  
5 SUBJECT MATTER, AND WE'VE HAD A NUMBER OF  
6 DISCUSSIONS WITH DIFFERENT SUCH FOLK ON THE TOPIC OF  
7 TRYING TO GENERATE RESEARCH DOLLARS FOR SPECIFIC  
8 EITHER PROJECTS THAT WE HAVE OR FAMILIES OF  
9 PROJECTS. SO, FOR EXAMPLE, SOMEBODY WHO MIGHT BE  
10 INTERESTED IN OUR OCULAR PORTFOLIO OR OUR HEART  
11 PORTFOLIO OR WHATEVER. SO THAT AS AN ONGOING  
12 STRATEGY, I THINK, IS A VERY GOOD ONE. WE'RE  
13 INCREASING OUR VISIBILITY OUT THERE, NOT JUST IN  
14 CALIFORNIA, BUT NATIONALLY. INDEED, WE'VE HAD  
15 DISCUSSIONS WITH PHILANTHROPISTS AROUND THE COUNTRY.  
16 AND I DO THINK THERE IS THE OPPORTUNITY HERE FOR A  
17 BIG TICKET, SIGNIFICANT PRIVATE FUNDING COMPONENT OF  
18 WHATEVER WE DO GOING FORWARD AS PART OF OUR PLAN.

19 ON THE ISSUE OF PARTNERSHIP AND LEVERAGING  
20 CIRM FUNDS, HERE, WE ARE IN DISCUSSIONS WITH PHARMA,  
21 WITH DISEASE FOUNDATIONS. THERE ARE VARIOUS MODELS  
22 FLOATING AROUND OUT THERE ON THE DISEASE FOUNDATION  
23 SIDE. EVERYBODY KNOWS THE CYSTIC FIBROSIS MODEL  
24 WHERE FOUNDATIONS HAVE PUT MONEY INTO RESEARCH IN A  
25 VERY ENTREPRENEURIAL FASHION AND HAVE GENERATED



BARRISTERS' REPORTING SERVICE

1 SIGNIFICANT RETURNS FOR THEIR PARTICULAR FOUNDATION.  
2 THIS WOULD BE ON A SORT OF PROJECT OR  
3 CATEGORY-SPECIFIC BASIS, BUT IT'S SOMETHING THAT WE  
4 NEED TO DO BECAUSE IF WE HAPPEN TO GET TO THE END OF  
5 THE ROAD AND WE HAVEN'T SUCCEEDED IN GENERATING  
6 ADDITIONAL BOND FUNDS, WE HAVEN'T SUCCEEDED IN  
7 RAISING PRIVATE FUNDS, AND WE AT THAT POINT WILL  
8 WANT TO HAVE AS MANY OF OUR PROJECTS PARTNERED UP  
9 WITH PHARMA, WITH FOUNDATIONS, OR WHATEVER GOING  
10 BACK TO OUR STRATEGIC PLAN, WHICH HAS THE GOAL OF 50  
11 PERCENT OF OUR CURRENTLY NONPARTNERED PROJECTS,  
12 PARTNERED UP BY 2020. IT WOULD ALL BE PART AND  
13 PARCEL OF THAT.

14 UNDER THIS CATEGORY ALSO WOULD BE ATP3,  
15 WHICH, WITH CIRM PUTTING FUNDING INTO THAT  
16 PROJECT -- AND THE DETAILS OF THE STRUCTURE OF THAT,  
17 BY THE WAY, ARE GOING TO BE DISCUSSED IN JANUARY.  
18 WE ARE DOING A GREAT DEAL OF ANALYSIS ON THAT  
19 PARTICULAR TOPIC -- THERE IS THE POTENTIAL FOR A  
20 RETURN TO CIRM OF FUNDS INVESTED AT SOME MULTIPLE  
21 THAT WOULD GIVE US THE OPPORTUNITY TO HAVE FURTHER  
22 FUNDING FOR RESEARCH.

23 SO I THINK WHEN YOU SORT OF LUMP ALL THIS  
24 TOGETHER, WE HAVE A VARIETY OF OPTIONS THAT NEED TO  
25 BE CONSIDERED HERE AND A SORT OF COHESIVE PLAN

BARRISTERS' REPORTING SERVICE

1 DEVELOPED, A LOT OF WHICH IS ALREADY IN PROGRESS,  
2 AND SO WITH THAT, I'LL OPEN IT UP TO ADDITIONAL  
3 COMMENTS.

4 NO ADDITIONAL COMMENTS? PEOPLE ARE TIRED.  
5 OKAY. SO, AGAIN, THERE'S NO NEED FOR A MOTION HERE.  
6 I THINK ON THE ISSUE OF A SUBCOMMITTEE, WE CAN  
7 FIGURE OUT HOW WE WANT TO HANDLE THAT AND WHO MIGHT  
8 BE ON, ETC. WELL, LET ME ASK. JEFF WAS  
9 SPECIFICALLY TALKING ABOUT THE LEGISLATIVE ISSUES.  
10 MICHAEL WAS TALKING ABOUT SOMETHING, I THINK, BEYOND  
11 THAT. WHEN YOU WERE SAYING SUBCOMMITTEE, WE HAVE  
12 THE LEGISLATIVE SUBCOMMITTEE FOR THE BOND MATTER.  
13 MICHAEL, WERE YOU CONTEMPLATING ANOTHER SUBCOMMITTEE  
14 HERE?

15 DR. FRIEDMAN: NOT NECESSARILY. I THINK  
16 IT SHOULD BE A COMMITTEE OR IT SHOULD BE A GROUP  
17 THAT LOOKS AT ALL THE OPTIONS. THE POINT YOU MADE  
18 ABOUT THESE BEING NOT MUTUALLY EXCLUSIVE IS TRUE.  
19 THERE MAY EVEN BE A FOURTH OPTION THAT WE HAVEN'T  
20 CONSIDERED. AND SO PICK ANY COMMITTEE YOU WANT.  
21 JUST HAVING IT THOUGHTFULLY LAID OUT AND THEN HAVING  
22 ENOUGH TIME HERE FOR A GOOD, INTENSE DISCUSSION WAS  
23 ALL I WAS SUGGESTING.

24 CHAIRMAN THOMAS: WELL, THE PURPOSE OF  
25 THIS WAS JUST TO SORT OF PAINT A BROAD BRUSH OF

BARRISTERS' REPORTING SERVICE

1 OPTIONS JUST TO LET THE BOARD AND OTHERS KNOW THAT,  
2 EVEN THOUGH WE'RE FIVE YEARS OUT, IS A TOP PRIORITY,  
3 AND WE ARE ALREADY BUSILY AT WORK. MR. HARRISON, DO  
4 YOU HAVE A COMMENT?

5 MR. HARRISON: JUST ONE. THERE IS ONE  
6 ACTION WE WOULD LIKE THE BOARD TO TAKE, WHICH IS TO  
7 ACCEPT --

8 CHAIRMAN THOMAS: WAIT. WAIT. WAIT. I  
9 HAVEN'T GOTTEN TO THAT YET. I'M TRYING TO GET  
10 COMMENTS ON THIS. WE HAVEN'T HIT THAT YET.

11 MS. LANSING: I THINK WE GOT THE BOARD TO  
12 TAKE THE NEXT STEP AND OBVIOUSLY THE SOONER THE  
13 BETTER. SO WHATEVER KIND OF COMMITTEE, HAVE THE  
14 LEGISLATURE COMMITTEE, YOU WANT TO ADD PEOPLE TO IT,  
15 YOU WANT TO NOT ADD PEOPLE TO IT, I THINK THAT  
16 SHOULD BE UP TO YOU TO DECIDE.

17 CHAIRMAN THOMAS: EVERYBODY GOOD WITH  
18 THAT? OKAY. THAT WILL BE THE ORDER OF THE DAY.  
19 THANK YOU, SHERRY.

20 SO THE LAST ITEM HERE, SO WE GET TO THE  
21 QUESTION THAT WE HOPEFULLY DON'T HAVE TO DEAL WITH,  
22 WHICH IS WHAT HAPPENS IF WE DON'T GET ADDITIONAL  
23 BOND FUNDS OR RAISE MONEY IN ANY OF THE OTHER  
24 VARIOUS WAYS WE'VE DISCUSSED? WE HIT 2020, WE HAVE  
25 NO ADDITIONAL FUNDING, WE STILL HAVE ABOUT FOUR

BARRISTERS' REPORTING SERVICE

1 YEARS WORTH OF ADMINISTRATION TO GO TO ESSENTIALLY  
2 WIND DOWN CIRM AND ADMINISTER THE GRANTS THAT HAVE  
3 BEEN AWARDED ALL THE WAY UP UNTIL 2020 ITSELF.

4 SO WE'VE TAKEN A LOOK AT THIS, AND WE'VE  
5 DETERMINED THAT WE NEED TO HAVE -- AMY, CORRECT ME  
6 IF I'M WRONG ON THIS -- 30 MILLION. SO WE NEED TO  
7 HAVE \$30 MILLION OF FUNDS IN HAND TO MEET THE  
8 ADMINISTRATIVE GOAL. SO EVEN THOUGH WE'RE FIVE  
9 YEARS OUT ON THIS AS WELL, WE HAVE BEEN BUSILY AT  
10 WORK AND HAVE GONE OUT AND SORT OF DEVELOPED A LIST  
11 OF FOLKS WE FEEL WE CAN TALK TO WHO WE MIGHT BE ABLE  
12 TO GET A COMMITMENT FROM FOR ADMINISTRATIVE FUNDING.  
13 AND THE COMMENT TO THEM WAS THAT THAT FUNDING WOULD  
14 BE CONTINGENT ONLY IF AND WHEN WE DON'T HAVE THE  
15 FUNDING AS OF 2020, WOULD THEIR PLEDGE KICK IN? IT  
16 WOULD BE FOUR YEARS, ETC.

17 SO HAPPY TO REPORT TO THE BOARD THAT WE'VE  
18 HAD TWO DISCUSSIONS, ONE WITH BILL BOWES, ONE WITH  
19 PITCH JOHNSON. THOSE ARE TWO NAMES MOST OF YOU ARE  
20 VERY FAMILIAR WITH, BOTH LONGTIME SUPPORTERS OF  
21 CIRM, LONGTIME SUPPORTERS OF MEDICAL RESEARCH AND  
22 REGENERATIVE MEDICINE. MR. BOWES HAS GENEROUSLY  
23 AGREED TO A CONTINGENT GIFT OF \$5 MILLION.  
24 MR. JOHNSON, ACTUALLY PITCH AND KATHY JOHNSON HAVE  
25 COMMITTED TO A \$2 MILLION CONTINGENT GIFT. SO THE

BARRISTERS' REPORTING SERVICE

1 30 MILLION, WE ALREADY HAVE SEVEN TO KICK-START OUR  
2 ADMINISTRATIVE CAMPAIGN.

3 WE ARE REQUIRED, ACCORDING TO MR.  
4 HARRISON, TO VOTE TO ACCEPT DONOR FUNDING OF 3  
5 MILLION OR GREATER. SO WE HAVE BEFORE US A MOTION  
6 FOR APPROVAL TO ACCEPT THE BOWES GIFT OF 5 MILLION.  
7 DO I HAVE ANY QUESTIONS ON THIS, OR WOULD SOMEBODY  
8 LIKE TO MOVE THIS ITEM?

9 MR. SHEEHY: I'D LIKE TO MOVE. I WOULD  
10 JUST LIKE TO SAY CONGRATULATIONS, CHAIRMAN THOMAS.  
11 THIS IS TREMENDOUS. THANK YOU. IT'S WELL DESERVED.

12 MS. LANSING: SECOND.

13 (APPLAUSE.)

14 CHAIRMAN THOMAS: THANK YOU, MR. SHEEHY.  
15 SECONDED BY MS. LANSING.

16 DR. JUELSGAARD: SO JUST A QUESTION. SO I  
17 THOUGHT I UNDERSTOOD YOU TO SAY THAT, IN ESSENCE,  
18 THESE ARE PLEDGES. THEY'RE NOT REALLY AT THIS POINT  
19 DONATIONS AND THEY'RE DEPENDENT UPON DOWNSTREAM  
20 THINGS HAPPENING. SO WE'RE ACCEPTING A GIFT WHICH  
21 REALLY ISN'T BEING MADE AT THIS POINT. IS THAT  
22 OKAY, MR. HARRISON?

23 MR. HARRISON: YES, THAT'S OKAY.  
24 ESSENTIALLY THE BOARD IS APPROVING THE TERMS OF THE  
25 PLEDGE WHICH ARE SET FORTH IN A GIFT COMMITMENT

BARRISTERS' REPORTING SERVICE

1 SIGNED BY MR. BOWES AND DR. MILLS.

2 DR. JUELSGAARD: I HAVEN'T LOOKED AT THE  
3 FORM OF THE GIFT COMMITMENT, BUT MANY TIMES THE  
4 PLEDGES ARE NOT BINDING. IN OTHER WORDS, YOU COULD  
5 DECIDE TO WALK AWAY FROM IT AS THE DONOR DOWNSTREAM.  
6 IS THAT THE CASE IN THESE?

7 MR. HARRISON: NO. THESE ARE BINDING.  
8 THE TWO CONTINGENCIES, ONE IS THAT, IN THE CASE OF  
9 COMMITMENT FROM THE BOWES FOUNDATION, THAT CIRM  
10 RAISES AN ADDITIONAL 25 MILLION. AND SECOND, THAT  
11 IT DOES NOT HAVE ACCESS TO ADDITIONAL STATE FUNDING  
12 AS OF JUNE 30, 2019.

13 DR. JUELSGAARD: THANK YOU.

14 CHAIRMAN THOMAS: I WILL SAY THAT BOTH  
15 MR. BOWES AND PITCH AND KATHY JOHNSON ARE VERY  
16 ENTHUSIASTIC ABOUT THIS. THEY'RE HUGE BELIEVERS IN  
17 WHAT WE'RE DOING, AND WE'RE VERY HAPPY TO HAVE THEM  
18 CONTINUE THEIR INTEREST IN THIS FASHION. IT WAS  
19 VERY, VERY GENEROUS OF THEM. REALLY APPRECIATE IT.

20 DR. MILLS: IF WE'RE IN THE COMMENT  
21 PERIOD, MAY I?

22 CHAIRMAN THOMAS: YES.

23 DR. MILLS: THANK YOU. HOPEFULLY THEY'LL  
24 BE A LITTLE MIXED IN, BUT IT WON'T ALL BE HUMOR. IT  
25 NEVER IS.

BARRISTERS' REPORTING SERVICE

1 I'M A FIRST THINGS FIRST KIND OF GUY. AND  
2 WE LAID OUT A STRATEGIC PLAN THAT IS PRETTY COOL.  
3 YOU CAN READ ABOUT IT AT CIRM.CA.GOV IF YOU'RE  
4 INTERESTED IN IT. AS PART OF THAT STRATEGIC PLAN  
5 WAS THE SPENDING OF FUNDS, AND WE TALKED TODAY ABOUT  
6 WE'RE A 150 -- WE HAVE 150 MILLION MORE TO SPEND  
7 THAN WE ANTICIPATED, BUT THE LITTLE BUCKET, THE  
8 ADMINISTRATIVE FUNDS, DIDN'T GET ANY BIGGER JUST  
9 BECAUSE WE HAVE 150 MILLION MORE TO SPEND. AND WE  
10 LISTED SPECIFICALLY IN THIS PLAN AS A RISK FACTOR,  
11 AS WE GET CLOSER AND CLOSER TO THE END, WE MAY NOT  
12 BE ABLE TO ATTRACT THE TEAM.

13 WE TALKED TO J.T. ABOUT THAT AND SAID,  
14 J.T., YOU KNOW, \$30 MILLION WOULD GO A LONG WAY IN  
15 MAKING SURE WE COULD PROPERLY ADMINISTER, NOT JUST  
16 THE FUNDS WE HAVE, BUT POTENTIALLY THIS OTHER 150  
17 MILLION AND KEEPING THE TEAM TOGETHER. AND J.T.  
18 WENT, "GOT IT. I'LL GO OUT. I'LL DO IT." AND IN A  
19 VERY SHORT PERIOD OF TIME HAS ALREADY BROUGHT BACK  
20 SEVEN OF THOSE \$30 MILLION TO KEEP IT GOING.

21 SO YOU DO KNOW I LOVE THE GAME BALLS, AND  
22 SO, J.T., FOR THE \$7 MILLION, I'D LIKE TO GIVE YOU A  
23 GAME BALL, BUDDY.

24 (APPLAUSE.)

25 CHAIRMAN THOMAS: THANK YOU, DR. MILLS.

BARRISTERS' REPORTING SERVICE

1 IS THIS A DODGER OR A GIANT BALL? THAT'S WHAT I  
2 WANT TO KNOW. SO THANK YOU. I APPRECIATE THAT.  
3 AND THANK YOU, EVERYBODY.

4 SO DO WE HAVE A MOTION? WE DO, YES.  
5 WE'VE HAD SO MANY MOTIONS TODAY, I CAN'T REMEMBER  
6 WHAT'S MOTIONED AND NOT MOTIONED. SO THAT  
7 REQUIRES -- DO WE HAVE COMMENTS FROM MEMBERS OF THE  
8 PUBLIC? HEARING NONE, THIS IS A VOICE VOTE. ALL  
9 THOSE IN FAVOR PLEASE SAY AYE. OPPOSED?  
10 ABSTENTIONS? MARIA.

11 MS. BONNEVILLE: KATHY LAPORTE. LINDA  
12 BOXER.

13 DR. BOXER: YES.

14 MS. BONNEVILLE: DIANE, ARE YOU BACK?  
15 DIANE WINOKUR.

16 MS. WINOKUR: YES. THANK YOU.

17 CHAIRMAN THOMAS: OKAY. THANK YOU. THAT  
18 CONCLUDES THE ACTION ITEMS. WE'RE NOW --

19 MS. LANSING: I JUST HAVE A QUESTION  
20 BECAUSE I'M THRILLED THAT YOU RAISED THIS MONEY.  
21 BECAUSE OF THE NATURE OF US, I'M NOT ASKING LIKE FOR  
22 A DEBATE ABOUT THIS SO MUCH AS FOR THE SUBCOMMITTEE,  
23 WHO'S GOING TO DO THIS. IF WE CHOOSE TO CONTINUE  
24 RAISING MONEY FROM DONORS, ARE WE ALLOWED TO WHAT I  
25 WOULD REFER TO AS DONOR-DIRECTED FUNDS? IN OTHER



BARRISTERS' REPORTING SERVICE

1 WORDS, A DONOR CAN GIVE TO CIRM, THAT I KNOW, BUT  
2 CAN A DONOR SPECIFICALLY SAY, I'M GOING TO GIVE \$100  
3 MILLION AND I TRUST -- I'M MAKING THIS UP. I'M  
4 REALLY LIKE DOING IT FOR A REASON. BECAUSE WHAT  
5 WE'RE KNOWN FOR IS THE BEST SCIENCE IN THIS FIELD.  
6 BUT I WANT -- I'M NOT GOING TO INTERFERE WITH THE  
7 SCIENCE, I'M NOT GOING TO ASK YOU ANYTHING, BUT I  
8 WANT MY GRANT TO BE USED OR MY GIFT TO BE USED FOR  
9 ALZHEIMER'S. ARE WE ALLOWED TO DO THAT?

10 MR. HARRISON: I'M NOT SURE I UNDERSTAND  
11 ENTIRELY.

12 MS. LANSING: TO HAVE A DONOR-DIRECTED  
13 GRANT THAT ISN'T JUST TO CIRM, BUT IS TO A SPECIFIC  
14 DISEASE.

15 MR. HARRISON: SURE.

16 MS. LANSING: OKAY. WHEN YOU HAVE YOUR  
17 SUBCOMMITTEE, I'VE OFTEN FOUND THAT'S THE BEST  
18 WAY -- JUST TO END WITH THIS, DONORS ARE VERY  
19 SOPHISTICATED TODAY. AND GRATEFUL PATIENTS OR  
20 WHATEVER YOU WANT TO SAY -- IS USUALLY THE WAY YOU  
21 CAN RAISE MONEY. AND I BELIEVE THAT THE FOUNDATIONS  
22 OUT THERE ARE LOOKING AT THE WORK THAT'S BEING DONE  
23 BY THIS GROUP OF SCIENTISTS, AND WE CAN PROBABLY GET  
24 A LOT OF FOUNDATION SUPPORT, BUT IT MIGHT BE DISEASE  
25 SPECIFIC.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: ABSOLUTELY.

2 MS. MILLER: I WILL ADD THAT IT SHOULD BE.  
3 AS SOMEONE WHO RUNS A FOUNDATION, WHO DOES GIVE TO  
4 VERY SPECIFIC STUDIES, THAT IS THE WAY TO INSPIRE  
5 PEOPLE TO DO IT, MAKING IT SPECIFIC.

6 CHAIRMAN THOMAS: THAT'S ABSOLUTELY TRUE.  
7 THANK YOU. OTHER COMMENTS? OKAY.

8 MR. SHEEHY: IF WE GOT DONOR FUNDS, WOULD  
9 WE STILL HAVE THAT SAME -- LET'S SAY WE'VE GOT -- I  
10 THINK THIS IS A GREAT IDEA, DONOR-DIRECTED FUNDING.  
11 WOULD WE STILL BE UNDER THE LIMITATION TO HAVE THE  
12 SAME STATE-BASED LIMITATION TO DO THE WORK WITHIN  
13 THE STATE? MAYBE THAT'S PART OF THE ITEM AS WE  
14 START TO DISCUSS IT FOR THIS LARGER DISCUSSION.  
15 WOULD THAT KIND OF GIVE US A LITTLE MORE FREEDOM ON  
16 HOW AT LEAST THE DONOR-DIRECTED FUNDS ARE SPENT? NO  
17 ANSWER NECESSARY NOW.

18 MR. HARRISON: WE CAN EXPLORE THAT IN  
19 GREATER DETAIL.

20 CHAIRMAN THOMAS: OTHER COMMENTS? OKAY.  
21 THANK YOU, EVERYBODY.

22 NOW, WE'LL MOVE ON TO THE CLINICAL  
23 ADVISORY PANEL UPDATE, DR. DOYLE.

24 DR. DOYLE: THANK YOU. THANK YOU, MR.  
25 CHAIRMAN. THANK ALL OF YOU WHO HAVE REMAINED. I'LL

BARRISTERS' REPORTING SERVICE

1 MAKE THIS VERY BRIEF.

2 I JUST WANT TO, FIRST OF ALL, REVIEW THE  
3 RATIONALE FOR THE CAP PROGRAM WHICH WAS APPROVED BY  
4 THE BOARD IN THE BEGINNING OF 2015 BEFORE I ARRIVED.  
5 THE PURPOSE IS TO HELP ACCELERATE THE SUCCESSFUL  
6 DEVELOPMENT OF THE PROGRAMS THAT WE'VE ALREADY  
7 FUNDED. AND THE IDEA IS TO BRING ADDED EXPERTISE  
8 AND RESOURCES TO THE FUNDED CLINICAL PROJECTS.

9 HOPEFULLY THE BENEFITS ARE THAT WE IMPROVE  
10 THE LIKELIHOOD OF SUCCESS. WE ALSO KEEP REALLY  
11 CLOSE TABS ON THE PROJECTS AND HOW THEY'RE DOING AND  
12 HOW THEY'RE PROGRESSING OR WHAT CHALLENGES THEY'RE  
13 FACING. IT ALSO GIVES US ANOTHER AVENUE TO ENGAGE  
14 EXPERTS AS WELL AS PATIENT ADVOCATES IN THE AREAS  
15 WHERE WE ARE FUNDING.

16 BASICALLY THE PHILOSOPHY OF THE CAPS IS A  
17 STRATEGIC PARTNERSHIP. AND WHAT WE SAY WHEN WE MEET  
18 WITH OUR GRANTEES IS WE'RE IN, WE'RE INVESTED,  
19 CLEARLY WE'RE HERE TO HELP. AND THE IDEA, THE  
20 IDEAL, I WOULD SAY, CAP MEETING IS ONE WHICH IS AN  
21 OPEN, HONEST DISCUSSION. WE TRY TO IDENTIFY  
22 OPPORTUNITIES TO IMPROVE PROJECTS, HELP THEM BE MORE  
23 SUCCESSFUL, OR GO MORE QUICKLY. IMPORTANTLY, AGREE  
24 ON WHAT THE OPPORTUNITIES AND CHALLENGES ARE AND  
25 ACTUALLY WORK TOGETHER TO ADDRESS THEM. AND I THINK

BARRISTERS' REPORTING SERVICE

1       FUNDAMENTALLY WHAT THAT COMES DOWN TO IS AGREEING  
2       WHAT SUCCESS LOOKS LIKE IN THE TRIAL OR IN THE  
3       EXPERIMENT, RATHER, THAT WE'RE FUNDING.

4               THE WAY WE MEASURE SUCCESS IS GOOD  
5       SCIENCE, A WELL-CONDUCTED TRIAL, GOOD  
6       DECISION-MAKING WHICH IS DRIVEN BY SCIENCE AND BY  
7       THE DATA.  WHAT WE WANT FROM THE THINGS THAT WE  
8       FUND, OF COURSE, WE WANT THINGS TO BE YES AND WE GET  
9       THERAPIES TO PATIENTS, BUT A LOT OF TIMES A NEGATIVE  
10      RESULT FROM A TRIAL CAN HELP DRIVE THE FIELD FORWARD  
11      BY AVOIDING TIME SPENT DOWN AN AVENUE WHERE THINGS  
12      AREN'T LIKELY TO RESULT IN A THERAPY.  SO A CLEAR  
13      ANSWER IS REALLY HOW WE MEASURE SUCCESS IN THE  
14      CONDUCT OF THE TRIAL.

15              THE CAPS, EACH CAP HAS A STANDING GROUP OF  
16      REPRESENTATIVES, INCLUDING SOME FOLKS FROM CIRM.  WE  
17      ALWAYS HAVE AN EXTERNAL SCIENTIFIC ADVISOR OR TWO,  
18      DEPENDING ON THE NEEDS OF THE PROGRAM, AND WE ALWAYS  
19      HAVE A PATIENT REPRESENTATIVE.  I WOULD JUST SAY  
20      THAT THE PATIENTS AND PATIENT REPRESENTATIVES BRING  
21      AN IMPORTANT, UNIQUE, AND REALLY VALUABLE  
22      PERSPECTIVE, AND I'M NOT JUST SAYING THAT.  IN FACT,  
23      THE PATIENT'S POINT OF VIEW CAN HELP TRIALS RUN MORE  
24      EFFICIENTLY, CAN HELP ENROLLMENT, CAN HELP RAISE  
25      CONCERNS OR OPPORTUNITIES THAT OTHER PEOPLE MIGHT

BARRISTERS' REPORTING SERVICE

1 NOT HAVE THOUGHT OF.

2 WE ALSO CAN BRING IN AD HOC SPECIALISTS.  
3 SOME OF OUR GROUPS EXPERIENCE PROBLEMS WITH CMC OR  
4 MAY NEED SOME REGULATORY ADVICE OR PERHAPS NEED A  
5 SECOND STATISTICAL OPINION ON POWERING THEIR TRIALS.  
6 WE HAVE THE ABILITY TO BRING IN AD HOC SPECIALISTS  
7 AS WELL, WHICH HAS BEEN VERY HELPFUL WITH SEVERAL OF  
8 THE PROJECTS.

9 SO THE EXTERNAL MEMBERS ARE TYPICALLY, AS  
10 I MENTIONED, DISEASE AREA EXPERTS, PEOPLE WITH  
11 SPECIFIC EXPERTISE THAT WE AND THE GRANTEES HAVE  
12 IDENTIFIED AS AN AREA OF NEED FOR THAT PARTICULAR  
13 TRIAL, AND ALSO SOMETIMES A CLINICAL TRIAL  
14 SPECIALIST. AS YOU KNOW, WE FUND COMPANIES, BUT WE  
15 FUND A LOT OF ACADEMIC CENTERS. AND THIS ISN'T  
16 NECESSARILY THEIR AREA OF EXPERTISE. THEY DON'T DO  
17 HIGH VOLUME CLINICAL TRIALS A LOT OF THE TIME, AND  
18 THEY NEED JUST BASICALLY THE NUTS AND BOLTS OF HOW  
19 TO DO IT.

20 AND I MENTIONED ALREADY STATISTICIANS,  
21 REGULATORY SPECIALISTS, TOXICOLOGISTS, WHATEVER WE  
22 NEED, WHATEVER THEY NEED, AND WE AGREE THEY NEED TO  
23 ACTUALLY MOVE THINGS FORWARD.

24 BASICALLY THE LOGISTICS RIGHT NOW, WE MEET  
25 QUARTERLY. THE FIRST MEETING IS FACE TO FACE.

BARRISTERS' REPORTING SERVICE

1 AFTER THAT THEY OCCUR JUST BY TC, BUT WE CAN DO FACE  
2 TO FACE AGAIN IF WE DEEM THAT NECESSARY. WE TRY TO,  
3 IN THE SPIRIT OF TRYING TO BE EFFICIENT IN CIRM 2.0,  
4 THE MEETINGS OCCUR THREE TO FOUR WEEKS AFTER A  
5 PROGRESS REPORT IS DUE. AND SO WE USE THAT AS A  
6 BRIEFING DOCUMENT TO KIND OF INFORM THE DISCUSSION  
7 THAT WE'RE GOING TO HAVE.

8 JUST SO YOU KNOW WHERE WE ARE, THANKS TO  
9 YOU GUYS, WE'VE HAD SIX FACE-TO-FACE CAP KICKOFF  
10 MEETINGS WITH TRIALS RANGING FROM CALADRIUS  
11 BIOSCIENCE, WHICH IS A TRIAL FOR METASTATIC  
12 MELANOMA, TO DR. WANG, WHICH IS FOR A BLINDING EYE  
13 DISEASE, RETINITIS PIGMENTOSA. DR. KOHN, WHO, OF  
14 COURSE, WAS FEATURED IN THE VIDEO EARLIER ON, IS  
15 DOING TWO REALLY EXCITING PROJECTS, ONE IN SICKLE  
16 CELL DISEASE USING ZINC FINGER NUCLEASES TO ACTUALLY  
17 PRODUCE -- BASICALLY TO GENE EDIT BETA GLOBIN AND TO  
18 ALLOW PATIENTS WITH SICKLE CELL TO HAVE PRODUCTION  
19 OF SOME NORMAL BLOOD CELLS, AT LEAST TO THE POINT  
20 THAT THEY DON'T HAVE TO HAVE TRANSFUSIONS. THE  
21 OTHER TRIAL OF DR. KOHN THAT WE'RE SPONSORING IS FOR  
22 CHRONIC GRANULOMATOUS DISEASE, AN EXTREMELY RARE  
23 DISEASE, IN THAT INSTANCE IS USING LENTIVIRAL VECTOR  
24 GENE INSERTION.

25 I CAN SAY HONESTLY I DON'T THINK ANYBODY

BARRISTERS' REPORTING SERVICE

1 ELSE WOULD DO THAT TRIAL. IT'S AN EXTREMELY RARE  
2 DISEASE. NO COMPANY WOULD INVEST IN A DISEASE WHERE  
3 I THINK THERE MAY BE 500 PEOPLE PER YEAR IN THE  
4 UNITED STATES THAT HAVE IT. SO I'M REALLY PROUD OF  
5 THAT EFFORT. AND, OF COURSE, I THINK THE PROMISE  
6 THAT YOU SAW IN THE VIDEO, I THINK, HOPEFULLY CAN BE  
7 REALIZED IN THESE TWO OTHER DISEASES WITH GENE  
8 EDITING.

9 DR. ZAIA AT CITY OF HOPE IS DOING A TRIAL,  
10 AGAIN, WITH SOME ZINC FINGER NUCLEASE INSERTIONS IN  
11 CCR 5. THAT'S GOING -- RIGHT NOW WE DON'T HAVE ANY  
12 ENROLLMENT, BUT WE'RE PUSHING AND TRYING TO DO WHAT  
13 WE CAN TO HELP THEM OPTIMIZE ENROLLMENT.

14 AND FINALLY, VIACYTE, WHICH IS A COMPANY  
15 THAT'S DOING WORK IN DIABETES, MUCH OF WHICH YOU'RE  
16 FAMILIAR WITH. AND WE HAVE OTHER PROJECTS COMING UP  
17 PROBABLY IN THE FIRST QUARTER. IMMUNOCELLULAR  
18 THERAPEUTICS IS DOING A VACCINE TRIAL FOR  
19 GLIOBLASTOMA. I THINK THE PROMISE OF CHECKPOINT  
20 INHIBITORS PLUS CANCER VACCINES IS SOMETHING THAT  
21 WE'RE PRETTY EXCITED ABOUT.

22 ASTERIAS, OF COURSE, IS DOING THE STEM  
23 CELL TREATMENT FOR SPINAL CORD INJURY. DR. ABEDI IS  
24 DOING AN HIV LYMPHOMA TRIAL, AND DR. HUMAYAN IS  
25 ANOTHER PROJECT IN VISION WHERE THEY ACTUALLY ARE

BARRISTERS' REPORTING SERVICE

1 USING A SCAFFOLD TO DELIVER RETINAL PIGMENT  
2 EPITHELIAL CELLS.

3 SO THAT'S WHERE WE ARE. WE'VE HAD SIX  
4 MEETINGS, AND I THINK THEY'VE GONE WELL. I WANTED  
5 TO JUST SHARE A COUPLE OF COMMENTS FROM THE  
6 GRANTEES. THEY FOUND IT VERY PRODUCTIVE. WE WANT  
7 TO BE ALL IN WITH THEM AND HELPING THEM MOVE  
8 FORWARD. I THINK WE -- LIKE I SAID, WE CAN BRING  
9 ELEMENTS TO BEAR THAT THEY MIGHT NOT HAVE IN A SMALL  
10 START-UP OR EVEN IN A SMALL ACADEMIC COMMUNITY TO  
11 HELP MOVE THINGS FORWARD.

12 ACTUALLY SEVERAL OF THE PATIENT  
13 REPRESENTATIVES HAD SOME REALLY GOOD FEEDBACK, WHICH  
14 I WANTED TO SHARE WITH YOU. ONE WAS THE MOTHER OF A  
15 PATIENT WHO WAS HEARING ABOUT THE CONSENTING PROCESS  
16 AND SAID, "I'M AFRAID THAT THE WAY YOU'RE PRESENTING  
17 THIS IS CREATING FALSE HOPE FOR PATIENTS. WHEN THIS  
18 IS JUST A PROOF OF CONCEPT TRIAL, THEY'RE NOT  
19 SUPPOSED TO BE BENEFITING." THAT WAS ACTUALLY  
20 REALLY POWERFUL FOR THE GRANTEES TO HEAR THAT AND  
21 MADE AN ADJUSTMENT TO THE CONSENTING PROCESS.

22 ANOTHER TIME WE HAD A PATIENT ADVOCATE  
23 SAY, "THERE'S NO WAY I COULD DO ALL OF THIS IN A  
24 DAY. YOUR SCHEDULE OF ASSESSMENTS IS NOT REALISTIC,  
25 AND IT'S GOING TO WEAR ANYBODY OUT AND PEOPLE WON'T



BARRISTERS' REPORTING SERVICE

1 SIGN UP." THAT'S INCREDIBLY USEFUL INFORMATION FOR  
2 SOMEBODY DOING A CLINICAL TRIAL.

3 AND ALSO ANOTHER REALLY GOOD POINT WAS THE  
4 PATIENTS WHO FAIL SCREENING GETTING INTO A CLINICAL  
5 TRIAL WILL GET CURIOUS. WHY DID PEOPLE DECIDE NOT  
6 TO ENROLL IN THE TRIAL? WHAT WERE THEY WORRIED  
7 ABOUT? WHAT WERE THEY FEARFUL OF? HOW COULD WE  
8 HAVE MADE IT EASIER FOR THEM TO ENROLL? SO, AGAIN,  
9 THE VALUE OF THE PATIENT AND PATIENT REPRESENTATIVE  
10 FEEDBACK COMING TO BEAR RIGHT AWAY.

11 I THINK THE OPPORTUNITIES AND A LITTLE BIT  
12 OF MY ASK FROM THE BOARD IS THAT WE WOULD LIKE TO  
13 EXPAND OUR POOL OF EXPERT ADVISORS AND PATIENTS AND  
14 ENGAGE MORE WITH PATIENT COMMUNITIES. I KNOW MANY  
15 OF YOU HAVE CONNECTIONS TO THOSE ADVISORS. MANY OF  
16 YOU ARE THOSE ADVISORS, BUT YOU MAY HAVE FACULTY OR  
17 COLLEAGUES IN THE INSTITUTIONS THAT YOU REPRESENT.  
18 PLEASE LET ME KNOW IF THESE ARE PEOPLE THAT YOU  
19 THINK COULD HELP OUR PROCESS. WE'RE ALWAYS WORKING  
20 TO IMPROVE THE VALUE OF THE INTERACTION WITH THE  
21 GRANTEES. SO WE'RE OPEN FOR SUGGESTIONS.

22 I THINK THE OTHER IMPORTANT PIECE IS WE  
23 ARE TRYING TO EDUCATE FOLKS AS WE GO ALONG HOW TO  
24 ACTUALLY CONDUCT A CLINICAL TRIAL. THERE'S A RANGE  
25 OF EXPERIENCE AROUND THIS IN OUR GRANTEES, AND I

BARRISTERS' REPORTING SERVICE

1 THINK WE HAVE A TEAM THAT CAN OFFER A LOT OF  
2 EXPERTISE.

3 THE OTHER THING I'LL SAY IN THE SPIRIT OF  
4 CIRM 2.0, WE ARE DOING QUALTRICS QUESTIONNAIRES AND  
5 METRICS AFTER EACH MEETING. I'LL HAVE THOSE FOR  
6 YOU. WHEN WE HAVE A FEW MORE MEETINGS, WE'LL  
7 PRESENT THAT AT OUR NEXT OPPORTUNITY TO TALK. SO  
8 I'LL STOP THERE AND SEE IF YOU HAVE ANY QUESTIONS OR  
9 COMMENTS.

10 CHAIRMAN THOMAS: QUESTIONS, COMMENTS FROM  
11 MEMBERS OF THE BOARD? I THINK THE CAP STRUCTURE IS  
12 OBVIOUSLY A CRITICAL COMPONENT OF OUR ONGOING  
13 WORKING WITH ALL OF OUR GRANTEES IN THE CLINICAL  
14 TRIAL PROCESS, AND IT'S FURTHER EVIDENCE OF THE VERY  
15 PROACTIVE STANCE THAT WE'RE TAKING UNDER CIRM 2.0 TO  
16 HELP IMPROVE AND TWEAK AND DO WHATEVER WE CAN TO  
17 MAKE THE PROJECTS MORE SUCCESSFUL. SO I THINK WE  
18 SHOULD ALL BE VERY HAPPY WITH THIS AS A CENTRAL  
19 COMPONENT, AND MOST PARTICULARLY THE INVOLVEMENT OF  
20 THE PATIENT IN THE CAP ITSELF TO GIVE REAL-TIME AND  
21 REAL FEEDBACK ON WHATEVER IT IS THAT THE TRIAL IS  
22 ABOUT AND HOW IT CAN BE IMPROVED TO HELP THEM, WHICH  
23 IS, OF COURSE, WHAT IT'S ALL ABOUT. THANK YOU,  
24 DR. DOYLE.

25 WE HAVE AN ITEM 20 ON HERE, WHICH IS

BARRISTERS' REPORTING SERVICE

1 ANOTHER ONE OF THE REALLY RIVETING ITEMS, SUMMARY OF  
2 CONTRACTS. IT'S ACTUALLY NOT AN AGENDA ITEM. WE  
3 HAVE IT ONLINE AND INVITE ANYBODY WHO HAS ANY  
4 QUESTIONS TO GO LOOK AND TALK TO JAMES OR TO SCOTT,  
5 BUT IS NOT SOMETHING WE NEED TO DISCUSS HERE.

6 SO WE'VE NOW GOTTEN TO THE END OF THE  
7 AGENDA. WE'RE IN THE PUBLIC COMMENT, GENERAL PUBLIC  
8 COMMENT PHASE. IS THERE ANY MEMBER OF THE PUBLIC  
9 WHO WOULD LIKE TO SAY SOMETHING? MR. SENATOR.

10 MR. TORRES: I JUST WANT TO EXTEND MY  
11 THANKS TO PRESIDENT MILLS AND THE STAFF. WHAT WE  
12 ACHIEVED TODAY WAS ABSOLUTELY PHENOMENAL GIVEN WHAT  
13 WE HAD ON THE AGENDA AND HANDLED THROUGH OUR CHAIR  
14 IN SUCH AN EXPEDITIOUS AND EFFICIENT WAY. WE MADE  
15 SOME SUBSTANTIAL DECISIONS TODAY WHICH I THINK BODE  
16 WELL FOR THE FUTURE OF THIS AGENCY. I JUST WANT TO  
17 SAY THANK YOU.

18 CHAIRMAN THOMAS: VERY WELL SAID, MR.  
19 SENATOR. ON THAT VERY HIGH NOTE AND HAVING GOTTEN  
20 THROUGH A MOST SUBSTANTIVE AGENDA, I WANT TO WISH  
21 EVERYBODY HAPPY HOLIDAYS, AND WE WILL SEE YOU IN  
22 PERSON NEXT MARCH. EVERYBODY HAVE A GREAT HOLIDAY  
23 SEASON, AND THANK YOU VERY MUCH FOR COMING.

24 (APPLAUSE.)

25 (THE MEETING WAS THEN CONCLUDED AT 2:14 P.M.)

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 LOS ANGELES HOTEL  
6101 WEST CENTURY BOULEVARD  
LOS ANGELES, CALIFORNIA  
ON  
DECEMBER 17, 2015

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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