

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: WESTIN SAN FRANCISCO AIRPORT  
1 OLD BAYSHORE HIGHWAY  
MILLBRAE, CALIFORNIA

DATE: JULY 24, 2014  
9 A.M.

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

BRS FILE NO.: 95377

BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 SAN FRANCISCO, CALIFORNIA; THURSDAY, JULY 24, 2014

2 9 A.M.

3

4 CHAIRMAN THOMAS: GOOD MORNING, EVERYBODY.

5 CAN FOLKS ON THE PHONE HEAR ME?

6 MS. LANSING: YES. I CAN HEAR YOU. THIS  
7 IS SHERRY.

8 DR. MELMED: YES.

9 CHAIRMAN THOMAS: HELLO, EVERYBODY. AND  
10 GOOD MORNING TO EVERYONE AND WELCOME TO SAN  
11 FRANCISCO FOR THE JULY ICOC MEETING. MARIA, WILL  
12 YOU PLEASE CALL THE ROLL?

13 MS. BONNEVILLE: ACTUALLY I'M GOING TO  
14 START WITH THE PLEDGE OF ALLEGIANCE.

15 (THE PLEDGE OF ALLEGIANCE.)

16 CHAIRMAN THOMAS: NOW PLEASE CALL THE  
17 ROLL.

18 MS. BONNEVILLE: DAVID BRENNER. SUE  
19 BRYANT.

20 DR. BRYANT: HERE.

21 MS. BONNEVILLE: KEN BURTIS.

22 DR. BURTIS: PRESENT.

23 MS. BONNEVILLE: ANNE-MARIE DULIEGE.  
24 ELIZABETH FINI.

25 DR. FINI: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: MICHAEL FRIEDMAN.  
2 DR. FRIEDMAN: HERE.  
3 MS. BONNEVILLE: JUDY GASSON.  
4 DR. GASSON: HERE.  
5 MS. BONNEVILLE: SAM HAWGOOD. STEVE  
6 JUELSGAARD. SHERRY LANSING.  
7 MS. LANSING: HERE.  
8 MS. BONNEVILLE: BURT LUBIN. SHLOMO  
9 MELMED.  
10 DR. MELMED: HERE.  
11 MS. BONNEVILLE: LAUREN MILLER.  
12 MS. MILLER: HERE.  
13 MS. BONNEVILLE: LLOYD MINOR.  
14 DR. MINOR: HERE.  
15 MS. BONNEVILLE: JOE PANETTA. FRANCISCO  
16 PRIETO. ROBERT QUINT. AL ROWLETT. JEFF SHEEHY.  
17 OS STEWARD. JONATHAN THOMAS.  
18 CHAIRMAN THOMAS: HERE.  
19 MS. BONNEVILLE: ART TORRES.  
20 MR. TORRES: HERE.  
21 MS. BONNEVILLE: CARL WARE.  
22 DR. WARE: HERE.  
23 MS. BONNEVILLE: DONNA WESTON. DIANE  
24 WINOKUR.  
25 MS. WINOKUR: HERE.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: OKAY. THANK YOU, MARIA.  
2 WE'RE GOING TO GO NOW TO THE CHAIR'S  
3 REPORT.

4 SO THERE'S BEEN A LOT OF DISCUSSION  
5 PARTICULARLY THE LAST COUPLE OF WEEKS ON THE ISSUE  
6 OF CONFLICT OF INTEREST. I WANT TO ADDRESS THAT  
7 HEAD-ON AS WILL RANDY IN THE PRESIDENT'S REPORT.

8 AS YOU KNOW, WE AT CIRM TAKE EVEN THE  
9 PERCEPTION OF CONFLICT OF INTEREST VERY SERIOUSLY.  
10 YOU WILL RECALL THAT IT WAS A CENTRAL FEATURE OF THE  
11 RECOMMENDATIONS OF THE IOM THAT WE VISITED EARLY  
12 LAST YEAR. WE WENT TO GREAT LENGTHS TAKING THOSE  
13 RECOMMENDATIONS VERY SERIOUSLY TO PUT IN PLACE A  
14 SLATE OF THE CHANGES THAT WOULD REMOVE NOT ONLY THE  
15 POSSIBILITY OF A REAL CONFLICT OF INTEREST, BUT EVEN  
16 THE PERCEPTION. AND YOU SHOULD KNOW THAT OVER THE  
17 YEARS SINCE INCEPTION CIRM HAD IN PLACE, EVEN PRIOR  
18 TO THOSE CHANGES RESPONDING TO THE IOM, A VERY  
19 STRINGENT SET OF CONFLICT OF INTEREST REGULATIONS  
20 THAT CIRM HAD IMPOSED ON ITSELF THAT WENT BEYOND  
21 STATE LAW. AND FROM THE DATE WE FIRST STARTED TILL  
22 TODAY, THERE'S NEVER, CAPITAL N, NEVER BEEN A GRANT  
23 APPROVED THAT AROSE FROM A CONFLICT OF INTEREST.

24 NEVERTHELESS, WE NEED TO BE VERY VIGILANT  
25 AND WATCH FOR ANY SORT OF THING THAT WOULD GIVE RISE

BARRISTERS' REPORTING SERVICE

1 TO EVEN A PERCEPTION OF CONFLICT OF INTEREST. AND  
2 WE ARE DOING THAT RIGHT NOW.

3 THE NEWS REGARDING DR. TROUNSON'S  
4 APPOINTMENT TO THE BOARD OF DIRECTORS OF STEM CELLS,  
5 INC. GENERATED SIGNIFICANT CONTROVERSY IN THE PRESS  
6 BECAUSE OF THE PERCEPTION OF CONFLICT OF INTEREST.  
7 I WANT TO BE CLEAR THAT UNDER STATE LAW IT IS  
8 PERMISSIBLE FOR DR. TROUNSON TO ACCEPT A POSITION  
9 WITH A CIRM-FUNDED INSTITUTION, BUT IT IS IMPORTANT  
10 TO NOTE THAT CIRM HAS TAKEN STEPS TO ENSURE THAT NO  
11 CONFLICT OF INTEREST ARISES, INCLUDING REMINDING DR.  
12 TROUNSON OF HIS OBLIGATIONS, ADVISING STEM CELLS,  
13 INC. OF THE STATE LAW RESTRICTIONS, AND ADVISING  
14 BOARD MEMBERS, CIRM TEAM MEMBERS, GWG MEMBERS, AND  
15 CDAP MEMBERS THAT THEY MUST REFRAIN FROM ENGAGING IN  
16 COMMUNICATIONS WITH DR. TROUNSON REGARDING STEM  
17 CELLS, INC.

18 WE BELIEVE THAT THESE STEPS, PLUS THE  
19 INVESTIGATION INTO THE CONFLICT OR POTENTIAL  
20 CONFLICT UNDERTAKEN THAT DR. MILLS WILL REPORT ON IN  
21 A MOMENT, WILL HELP US MAINTAIN THE PUBLIC'S TRUST  
22 IN THE WAY WE DO BUSINESS. THAT PUBLIC TRUST  
23 OBVIOUSLY IS PARAMOUNT. WITHOUT THAT, WE ARE  
24 SUBJECT TO GREAT CRITICISM AND SECOND-GUESSING, AND  
25 THAT PUBLIC TRUST MUST BE MAINTAINED ABOVE ALL ELSE.

BARRISTERS' REPORTING SERVICE

1 WE FEEL THAT IN THIS INSTANCE, AS YOU  
2 KNOW, WE LEARNED ABOUT THE ARRANGEMENT BETWEEN DR.  
3 TROUNSON AND STEM CELLS, INC. FROM THE PRESS. WE  
4 IMMEDIATELY TOOK STEPS TO APPROPRIATELY ADDRESS ALL  
5 ISSUES ARISING FROM THAT. AND I LOOK FORWARD TO YOU  
6 HEARING DR. MILLS' COMMENTARY ON THAT TO GIVE YOU A  
7 FULL FLAVOR FOR IT. BUT PLEASE UNDERSTAND,  
8 EVERYBODY HERE AND ALL MEMBERS OF THE PUBLIC, WE ARE  
9 VERY ATTUNED TO CONFLICT OF INTEREST PROBLEMS. WE  
10 DO NOT ABIDE BY THEM. WE MAKE SURE THAT WE DO  
11 EVERYTHING WE POSSIBLY CAN TO AVOID THEM AND FEEL  
12 THAT WE HAVE DONE JUST THAT.

13 SO IF ANYBODY HAS COMMENTS ON THAT,  
14 THEY'RE WELCOME TO STEP IN AND SAY, BUT THAT IS OUR  
15 POSITION. YOU HAVE A COMMENT, MR. SENATOR?

16 MR. TORRES: I HAVE MANY COMMENTS. THANK  
17 YOU, MR. CHAIRMAN. I JUST WANT TO APPLAUD YOU AND  
18 DR. MILLS' EFFORTS IN THIS WHOLE SITUATION.

19 I ALSO WANT TO SAY THAT WHEN I JOINED THIS  
20 BOARD IN 2009 AND UP UNTIL TODAY, NOT ONE BOARD  
21 MEMBER HAS EVER CROSSED THE LINE ON THE CONFLICT OF  
22 INTEREST ISSUE. WHETHER IT'S A BOARD MEMBER AS A  
23 PATIENT ADVOCATE, WHETHER IT'S A BOARD MEMBER FROM  
24 AN INSTITUTION, WHETHER IT'S A BOARD MEMBER FROM  
25 INDUSTRY, NEVER HAS ANY BOARD MEMBER COME TO ME AND



BARRISTERS' REPORTING SERVICE

1 ASKED TO INFLUENCE A DECISION ONE WAY OR ANOTHER ON  
2 ANY GRANT OR ANY ISSUE BEFORE THIS BOARD. AND I  
3 RESENT THE IMPLICATION THAT THERE'S CONFLICTS OF  
4 INTEREST JUST BECAUSE WE'RE SITTING ON THIS BOARD.

5 I JUST WANT THE PUBLIC TO KNOW THAT EVERY  
6 MEMBER OF THIS BOARD TAKES THEIR RESPONSIBILITIES,  
7 BOTH FIDUCIARY AND STATUTORILY, VERY SERIOUSLY IN  
8 OUR RESPONSE TO THE TAXPAYERS OF THIS STATE. AND I  
9 APPLAUD EACH AND EVERY BOARD MEMBER AND PAST BOARD  
10 MEMBERS BECAUSE THEY HAVE ALL HELD THAT LINE AND  
11 THAT INTEGRITY, WHICH I VERY MUCH RESPECT AND  
12 ADMIRE.

13 CHAIRMAN THOMAS: THANK YOU, MR. SENATOR.

14 ANY OTHER COMMENTS BY MEMBERS OF THE  
15 BOARD? OKAY. MORE TO COME ON THIS WITH DR. MILLS.

16 COUPLE OTHER POINTS I'D LIKE TO MAKE. DR.  
17 MILLS NOW IS A COUPLE MONTHS INTO HIS TENURE. WE  
18 HAVE HAD A NUMBER OF MEETINGS THROUGHOUT THE STATE  
19 SINCE OUR LAST BOARD MEETING TO INTRODUCE DR. MILLS  
20 TO ALL THE RELEVANT STAKEHOLDERS IN DIFFERENT PARTS  
21 OF THE STATE. THOSE MEETINGS HAVE BEEN ATTENDED  
22 VERY HEAVILY BY PATIENT ADVOCATE GROUPS, BY MEMBERS  
23 OF INDUSTRY, BY MEMBERS OF ACADEMIA, AND I'M VERY  
24 HAPPY TO REPORT THAT THEY'VE ALL GONE VERY WELL.  
25 HE'S BEEN VERY WELL RECEIVED, AND THEY HAVE ALL

BARRISTERS' REPORTING SERVICE

1 GOTTEN A CHANCE TO GET TO KNOW HIM AND WILL, OF  
2 COURSE, AS THINGS PLAY OUT OVER THE YEARS, CONTINUE  
3 TO DO SO. BUT AS A FIRST EFFORT TO GET EVERYBODY  
4 ACQUAINTED WITH HIM, THINGS HAVE GONE VERY WELL. SO  
5 WANTED THE BOARD TO BE AWARE OF THAT.

6 SINCE THE LAST BOARD MEETING, WE'VE HAD A  
7 COUPLE OF MAJOR INTERNATIONAL MEETINGS, ISSCR AND  
8 BIO. WE HAVE PLAYED, CIRM HAS PLAYED PROMINENT  
9 ROLES IN BOTH AS IS TYPICALLY THE CASE, PARTICULARLY  
10 SO IN BIO WHEN WE HAD A FULL DAY DEVOTED TO  
11 REGENERATIVE MEDICINE TOPICS AND A SLATE OF PANELS.  
12 I'D LIKE TO SHOUT OUT HERE TO DON GIBBONS AND KEVIN  
13 MCCORMACK FOR PUTTING TOGETHER THOSE PANELS. I  
14 THINK THEY WENT VERY WELL AND GENERATED A LOT OF  
15 INTEREST IN THE AREA OF REGENERATIVE MEDICINE,  
16 WHICH, OF COURSE, IF YOU SAT THROUGH ISSCR AND BIO,  
17 YOU WOULD READILY SEE THE MOMENTUM IN THE FIELD IS  
18 INCREASING AS IT DOES EVERY YEAR. THERE'S ALWAYS A  
19 PALPABLE SENSE THAT THE FIELD IS PROGRESSING, THAT  
20 THINGS WILL BE DEVELOPING THAT WILL HAVE TRUE IMPACT  
21 ON PATIENTS MORE AND MORE WITH EACH SUCCEEDING YEAR.

22 I THINK THAT SENTIMENT AND REALITY IS  
23 REFLECTED BY WHAT CIRM IS DOING IN ITS PORTFOLIO.  
24 AS YOU MAY RECALL, WE HAD 14 PROJECTS IN DISEASE  
25 TEAM I. AND OF THOSE 14 PROJECTS RIGHT NOW, VERY

BARRISTERS' REPORTING SERVICE

1 PROUD TO REPORT THAT SEVEN HAVE FILED FOR IND'S,  
2 FIVE HAVE BEEN APPROVED, AND THREE ARE ACTIVELY NOW  
3 ENGAGED IN ENROLLING PATIENTS AND CONDUCTING  
4 FIRST-IN-HUMAN CLINICAL TRIALS, THE LATTER THREE  
5 BEING CAPRICOR, CAL-IMMUNE, AND THE SLAMON TEAM FROM  
6 UCLA.

7 THIS IS A VERY EXCITING TIME. WE ARE WELL  
8 ON OUR WAY TO MEETING THE GOAL THAT WE HAD OF TEN OF  
9 OUR PROJECTS BEING IN -- ACTUALLY HAVING APPROVED  
10 IND'S BY THE END OF THIS CALENDAR YEAR. AND I THINK  
11 BY ANY ACCOUNT THAT IS A GREAT SIGN OF PROGRESS.  
12 OBVIOUSLY WE'RE VERY HOPEFUL WITH RESPECT TO NOT  
13 JUST THESE PROJECTS, BUT THE MANY THAT WILL FOLLOW  
14 SUIT IN COMING YEARS, BUT IT IS A CLEAR INDICATION  
15 THAT BOTH THE FIELD AND WHAT CIRM IS FUNDING, THAT  
16 THE PROJECTS WE'RE FUNDING ARE MATURING, AND SCIENCE  
17 MARCHES INEXORABLY ON TOWARDS WHAT WE HOPE TO BE A  
18 VERY TRANSFORMATIVE RESULT.

19 SO WITH THAT, I'D NOW LIKE TO TURN IT OVER  
20 TO DR. MILLS FOR THE PRESIDENT'S REPORT.

21 DR. MILLS: GOOD MORNING, MR. CHAIRMAN,  
22 MEMBERS OF THE BOARD OF DIRECTORS. THANK YOU VERY  
23 MUCH FOR THE OPPORTUNITY TO SPEAK ON BEHALF OF CIRM  
24 TO YOU TODAY.

25 I'M GOING TO COVER A NUMBER OF DIFFERENT

BARRISTERS' REPORTING SERVICE

1 TOPICS. FIRST ONE IS MY VIEW OF HOW WE KEEP CIRM  
2 FOCUSED ON OUR MISSION. WE'LL TALK A LITTLE BIT  
3 MORE ABOUT THAT.

4 THE SECOND THING IS I'M GOING TO GO OVER  
5 THE RECENT -- SECOND THING I'M GOING TO DO IS GO  
6 OVER THE REVIEW OF CIRM-RELATED TRANSACTIONS  
7 INVOLVING STEM CELLS, INC. THAT AROSE OUT OF STEM  
8 CELLS, INC. APPOINTING OUR PAST PRESIDENT TO ITS  
9 BOARD OF DIRECTORS AND MAKING THAT OFFER TO HIM  
10 WHILE HE WAS STILL AN EMPLOYEE OF CIRM.

11 THE THIRD THING THAT I WANT TO GO OVER ARE  
12 SOME VOLUNTARY CONFLICT OF INTEREST RESTRICTIONS  
13 THAT I'M IMPOSING UPON MYSELF.

14 AND THEN THE FOURTH WILL BE REVIEW OF OUR  
15 BUDGET AND THEN PERHAPS, MORE IMPORTANTLY,  
16 COMMENTARY ABOUT WHAT THAT BUDGET -- WHAT THE  
17 IMPLICATIONS OF THAT BUDGET ARE.

18 SO FIRST TO OUR MISSION, ACCELERATING STEM  
19 CELL TREATMENTS TO PATIENTS WITH UNMET MEDICAL  
20 NEEDS. I PROMISED THE BOARD THAT, IF I WERE ELECTED  
21 PRESIDENT, I WOULD MAKE SURE EVERY DAY THAT WE  
22 TALKED ABOUT OUR ROLE AND OUR MISSION. AND OUR ROLE  
23 AND OUR MISSION IS ALWAYS ALL ABOUT THE PATIENTS.  
24 IT IS YOUR JOB TO MAKE SURE THAT WHAT WE'RE DOING IS  
25 BRINGING STEM CELL TREATMENTS TO THE PATIENTS IN

BARRISTERS' REPORTING SERVICE

1 NEED. THAT WAS THE PROMISE THAT WE MADE TO THE  
2 PEOPLE OF CALIFORNIA. IT'S WHAT THE PEOPLE OF  
3 CALIFORNIA VOTED FOR.

4 I AM NOT KIDDING. IT IS ALL ABOUT THE  
5 PATIENTS, PERIOD. SO ONE OF THE CRITICAL ASPECTS IN  
6 ACHIEVING THIS GOAL IS FOCUS. AND FOCUS --  
7 EVERYBODY TENDS TO LIKE THE WORD "FOCUS." THEY LIKE  
8 TO USE IT. IT'S A BIT OF A BUZZ WORD. THE THING  
9 PEOPLE TEND TO NOT LIKE IS THE RECIPROCAL OF FOCUS,  
10 WHICH ARE ALL OF THE THINGS YOU DON'T DO BECAUSE  
11 YOU'RE ACTUALLY FOCUSED. BUT WITHOUT FOCUS, WHAT  
12 YOU DON'T HAVE TO EVER HAVE IS A DIFFICULT  
13 CONVERSATION. WITHOUT FOCUS, YOU DON'T HAVE TO SAY  
14 NO. BUT ALSO WITHOUT FOCUS, YOU TEND TO NOT GET  
15 THINGS DONE. AND SO ONE OF THE ELEMENTS THAT YOU  
16 WILL SEE THAT WILL FLOW THROUGH MY TENURE AT CIRM IS  
17 MAKING SURE WE REMAIN FOCUSED ON THE MISSION AT  
18 HAND.

19 SO I'VE DEVELOPED A FOUR-PART TEST TO HELP  
20 US DO THAT, SORT OF ACT AS GUIDING PRINCIPLES,  
21 SERIES OF GUIDING PRINCIPLES THAT WILL HELP US MAKE  
22 DECISIONS AND DETERMINE WHETHER OR NOT THE ACTIONS  
23 WE'RE TAKING ACTUALLY ARE IN ACCORDANCE WITH OUR  
24 OVERALL MISSION. IT'S A FAIRLY SIMPLE TEST. THE  
25 FIRST IS IS WHAT WE'RE DOING GOING TO ACTUALLY SPEED

BARRISTERS' REPORTING SERVICE

1 UP THE DEVELOPMENT OF STEM CELL THERAPIES TO  
2 PATIENTS? IF IT'S NOT, IT'S PROBABLY NOT PART OF  
3 WHAT WE WANT TO DO.

4 SECOND IS WILL IT INCREASE THE LIKELIHOOD  
5 THAT A STEM CELL THERAPY ACTUALLY REACHES A PATIENT?  
6 SO ONE OF THE THINGS THAT CIRM EXISTS FOR IS MAKING  
7 SURE STEM CELL THERAPIES DON'T GO THROUGH THE  
8 SO-CALLED VALLEY OF DEATH.

9 THE THIRD IS IS IT ACTUALLY -- ARE WE  
10 ACTUALLY ADDRESSING AN UNMET MEDICAL NEED? NOW,  
11 HERE, THIS COULD BE A DISEASE WHICH LITERALLY  
12 DOESN'T HAVE A TREATMENT. IT COULD BE A DISEASE  
13 THAT HAS A TREATMENT THAT IS INADEQUATE OR  
14 INTOLERABLE. IT COULD ALSO, HOWEVER, BE A CONDITION  
15 WHICH IS JUST SIMPLY UNDERSERVED. SO UNMET MEDICAL  
16 NEED.

17 AND THEN THE FOURTH PART IS IS IT  
18 EFFICIENT? THERE ARE A LOT OF WAYS IN WHICH WE  
19 COULD ACCOMPLISH ONE, TWO, AND THREE. AND I WILL  
20 SAY THIS FOURTH CRITERION IS SUBORDINATE TO THE  
21 FIRST THREE. BUT WE ALSO HAVE A RESPONSIBILITY TO  
22 THE TAXPAYERS OF THE STATE OF CALIFORNIA TO MAKE  
23 SURE THAT WE USE THE MONEY THEY HAVE ENTRUSTED US  
24 WITH WISELY. AND SO I'LL -- WHILE THERE ARE MANY  
25 DIFFERENT PATHWAYS TO GET THINGS DONE, WHAT I'LL BE

BARRISTERS' REPORTING SERVICE

1     LOOKING FOR AND WHAT THE TEAM WILL BE LOOKING FOR IS  
2     IS THIS THE MOST EFFICIENT PATHWAY IN ORDER TO GET  
3     SOMETHING DONE?

4             NOW, WHAT I'LL TELL YOU ABOUT THESE FOUR  
5     CRITERIA ARE THEY ARE A GOOD STARTING PLACE FOR A  
6     DISCUSSION. THEY IN THEMSELVES DO NOT RESOLVE OR  
7     REMOVE DEBATE. WHAT THEY TEND TO DO IS ANCHOR THE  
8     DEBATE AROUND WHAT I THINK ARE THE SALIENT POINTS,  
9     BUT THERE IS SUFFICIENT SUBJECTIVITY IN HERE THAT WE  
10    WILL, AND I THINK OFTEN, DEBATE AROUND THESE TOPICS  
11    ON WHETHER ANY PARTICULAR PROGRAM IS OR IS NOT  
12    ADDRESSING THESE POINTS. SO I'D JUST LIKE TO POINT  
13    THAT OUT.

14            SO MOVING ON TO THE REVIEW OF STEM CELLS,  
15    INC. AND THE TRANSACTION THAT OCCURRED. AS A RESULT  
16    OF A PRESS RELEASE WHICH WAS ISSUED ON JULY 7TH  
17    INDICATING THAT DR. TROUNSON HAD BEEN APPOINTED TO  
18    THE BOARD OF DIRECTORS OF STEM CELLS, INC., IT  
19    BECAME CLEAR, BASED ON CERTAIN CIRCUMSTANCES, THAT  
20    THE RESPONSIBLE THING TO DO AT CIRM WAS TO CONDUCT A  
21    REVIEW OF CERTAIN ACTIVITIES THAT TOOK PLACE WITHIN  
22    A RELEVANT TIME FRAME. IT'S ALSO IMPORTANT TO KNOW  
23    THAT WE WERE NOT -- WE DID NOT HAVE ADVANCE NOTICE  
24    FROM STEM CELLS, INC. PRIOR TO THE APPOINTMENT. AS  
25    A RESULT OF THAT, WE COULD NOT TAKE ANY PROACTIVE

BARRISTERS' REPORTING SERVICE

1 ACTION TO ENSURE THAT CONFLICTS OF INTEREST DID NOT  
2 OCCUR. AND THAT IS REALLY THE PRECIPITATING EVENT  
3 TO NECESSITATING THAT REVIEW.

4 SO THE REVIEW IS BASICALLY TO DETERMINE  
5 WHETHER DR. TROUNSON MADE OR PARTICIPATED IN MAKING  
6 OR ATTEMPTED TO INFLUENCE CIRM DECISIONS REGARDING  
7 STEM CELLS, INC. AFTER DISCUSSIONS BEGAN WITH SCI  
8 ABOUT HIS APPOINTMENT TO THEIR BOARD OF DIRECTORS.

9 NOW, I WANT TO LAY OUT A SEQUENCE OF  
10 EVENTS HERE. AND I THINK, AS YOU WILL SEE THROUGH  
11 THE SEQUENCE OF EVENTS, WHY THE ANNOUNCEMENT ON JULY  
12 7TH GAVE US SUCH SIGNIFICANT CONCERN ABOUT A  
13 POTENTIAL CONFLICT OF INTEREST. WE WERE NOT AWARE  
14 OF THE ORDER AND THE TIME OF THESE EVENTS UNTIL WE  
15 HAD CONDUCTED OUR INVESTIGATION.

16 FIRST, WE NOW KNOW THAT ON JUNE 9TH, 2014,  
17 STEM CELLS, INC. PROVIDED A WRITTEN OFFER OF  
18 EMPLOYMENT AS A MEMBER OF ITS BOARD OF DIRECTORS TO  
19 ALAN TROUNSON. ON JUNE 23, 2014, STEM CELLS, INC.  
20 CONTACTED CIRM REQUESTING CIRM SUBORDINATE A LOAN TO  
21 AN IMPENDING COMMERCIAL LOAN THAT THEY WERE TRYING  
22 TO CLOSE. ON JUNE 27TH STEM CELLS, INC. CONTACTED  
23 CIRM REQUESTING THAT CIRM MAKE A LOAN DISBURSEMENT  
24 TO THEM DESPITE STEM CELLS, INC. NOT MEETING A  
25 FINANCIAL MILESTONE. ON JUNE 30TH WAS ACTUALLY ALAN



BARRISTERS' REPORTING SERVICE

1 TROUNSON'S LAST OFFICIAL DAY OF EMPLOYMENT WITH  
2 CIRM. ON JULY 3D CIRM NOTIFIED STEM CELLS, INC.  
3 THAT WE HAD AGREED TO GRANT AN EXCEPTION AND MAKE A  
4 PARTIAL PAYMENT ON THE LOAN. AND THEN ON JULY 7TH  
5 STEM CELLS, INC. ISSUED A PRESS RELEASE ANNOUNCING  
6 THE APPOINTMENT OF DR. TROUNSON TO ITS BOARD OF  
7 DIRECTORS.

8 AS A RESULT OF THIS SEQUENCE OF EVENTS, WE  
9 IMMEDIATELY BECAME AWARE THAT THERE WAS A VERY  
10 SIGNIFICANT ASYMMETRY TO THE INFORMATION.  
11 SPECIFICALLY MEANING STEM CELLS, INC. WAS AWARE THAT  
12 THEY HAD MADE AN OFFER OF EMPLOYMENT TO ONE OF OUR  
13 EMPLOYEES. THEY THEN ENTERED INTO NEGOTIATIONS WITH  
14 US WHILE HE WAS STILL AN EMPLOYEE THAT WOULD RESULT  
15 IN MORE FAVORABLE TERMS FOR STEM CELLS, INC. IT  
16 WASN'T UNTIL AFTER WE HAD AGREED TO MAKE THE PARTIAL  
17 PAYMENT ON THE LOAN THAT WE WERE FINALLY MADE AWARE,  
18 ACTUALLY A FEW DAYS AFTER, THAT THE APPOINTMENT HAD  
19 BEEN MADE. AND SO THAT'S WHAT CREATED SIGNIFICANT  
20 CONCERN IN CIRM AND WHY THE VERY FIRST REACTION THAT  
21 CAME OUT OF US WAS WE NEED TO CONDUCT A THOROUGH  
22 REVIEW ABOUT THIS.

23 SO THE SCOPE OF THE REVIEW ACTUALLY  
24 INVOLVES THREE SEPARATE TRANSACTIONS THAT OCCURRED  
25 DURING THIS TIME PERIOD. THE FIRST WAS ACTUALLY

BARRISTERS' REPORTING SERVICE

1 INITIATED BY US, AND IT HAS TO DO WITH CHANGING A  
2 PROCESS IN WHICH WE MONITOR THE FINANCIAL STABILITY  
3 OF NOT JUST STEM CELLS, INC., BUT ALL OF OUR LOAN  
4 RECIPIENTS, SWITCHING FROM AN EXTERNAL CONTRACTOR TO  
5 BRINGING THAT FUNCTION IN-HOUSE FOR THE PURPOSES OF  
6 US BEING ABLE TO SAVE MONEY. IN THE SCHEME OF  
7 THINGS, IT'S ACTUALLY MINOR AND PROBABLY IRRELEVANT  
8 TO THIS; BUT FOR THE SAKE OF COMPLETENESS, WE WANTED  
9 TO MAKE YOU AWARE OF IT.

10 THE SECOND ISSUE WAS MORE SIGNIFICANT, AND  
11 THAT WAS THE REQUEST MADE BY STEM CELLS, INC. FOR  
12 THE DISBURSEMENT OF THE LOAN EVEN THOUGH THE  
13 FINANCIAL MILESTONE HAD NOT BEEN MET. AND THEN THE  
14 THIRD WAS THE REQUEST FOR CIRM TO CONSENT TO  
15 SUBORDINATING OUR LOAN TO A NEW LOAN THAT STEM  
16 CELLS, INC. WAS IN THE PROCESS OF OBTAINING.

17 BECAUSE MYSELF AND BECAUSE OUR GENERAL  
18 COUNSEL WERE INVOLVED IN THE DECISION-MAKING PROCESS  
19 THAT WAS TAKING PLACE AT THE TIME, WE ACTUALLY WENT  
20 AND USED OUR GENERAL COUNSEL'S EXTERNAL FIRM.  
21 SPECIFICALLY MARGARET PRINSENG (PHONETIC) CONDUCTED  
22 THE REVIEW. IT INCLUDED INTERVIEWS WITH ALL OF THE  
23 RELEVANT PEOPLE AT CIRM, ANYONE INVOLVED WITH THE  
24 SCI TRANSACTIONS, REVIEWS OF ALL THE DOCUMENTS WE  
25 HAD, INCLUDING EMAILS, WENT BACK TO MAY 1ST TO THE

BARRISTERS' REPORTING SERVICE

1 PRESENT AND ALSO INVOLVED THE BOARD MEMBERS. AS  
2 JUST A POINT OF NOTING THAT THIS REPORT WILL BE MADE  
3 AVAILABLE TO THE PUBLIC IN ITS ENTIRETY.

4 I WOULD LIKE TO POINT OUT HERE, THOUGH,  
5 WITH THIS PARTICULAR PART THAT THERE ARE ALSO VERY  
6 SERIOUS LIMITATIONS TO WHAT AN AGENCY LIKE CIRM CAN  
7 DO IN A REVIEW LIKE THIS. WE DON'T HAVE SUBPOENA  
8 POWER. WE DON'T HAVE THE ABILITY TO COMPEL  
9 DISCOVERY. AND SO BASICALLY WE WERE ABLE TO LOOK AT  
10 ALL OF THE RECORDS AND DOCUMENTS WE CONTROL, AND WE  
11 WERE ABLE TO TALK TO OUR PEOPLE AT CIRM, BUT THERE  
12 ARE INHERENT LIMITATIONS TO THAT. AND I JUST WANT  
13 TO MAKE EVERYBODY AWARE OF THAT.

14 SO THE FINDINGS ARE THIS: DR. TROUNSON  
15 AND STEM CELLS, INC. BEGAN DISCUSSIONS ABOUT A BOARD  
16 APPOINTMENT WHILE DR. TROUNSON WAS STILL AN EMPLOYEE  
17 OF CIRM. CIRM TEAM MEMBERS PARTICIPATED IN  
18 DISCUSSIONS REGARDING STEM CELLS, INC. OBVIOUSLY  
19 DURING THIS TIME PERIOD. HOWEVER, BASED ON ALL THE  
20 INFORMATION AVAILABLE, WE FOUND NO EVIDENCE THAT DR.  
21 TROUNSON MADE, PARTICIPATED IN MAKING, OR ATTEMPTED  
22 TO INFLUENCE ANY OF THESE DECISIONS DURING THE  
23 RELEVANT TIME PERIOD. AGAIN, WITH THE CAVEAT THAT  
24 THERE ARE LIMITATIONS TO WHAT WE WERE ABLE TO LOOK  
25 AT, BUT BASED ON EVERYTHING WE WERE ABLE TO SEE, WE

BARRISTERS' REPORTING SERVICE

1 DID NOT FIND ANY INFORMATION.

2 BEFORE I MOVE ON TO THE NEXT TOPIC, ARE  
3 THERE ANY QUESTIONS? JOE.

4 MR. PANETTA: RANDY, THANKS FOR A VERY  
5 CLEAR AND THOROUGH EXPLANATION. AND TO YOU AND THE  
6 STAFF, YOU'VE ADDRESSED THIS ISSUE BECAUSE OBVIOUSLY  
7 IT'S GOTTEN A LOT OF ATTENTION, AND IT'S IMPORTANT  
8 TO ALL OF US ON THE BOARD THAT IT BE ADDRESSED  
9 APPROPRIATELY.

10 COUPLE OF THINGS, THOUGHTS, OR FOLLOW-UP.  
11 FIRST OF ALL, IT SEEMS AS THOUGH THERE'S NOTHING  
12 REALLY ILLEGAL OR ILLICIT THAT TOOK PLACE. CORRECT?

13 DR. MILLS: YES. I'M GOING TO ASK JAMES  
14 ON SOME OF THE LEGAL STUFF TO GIVE THE MORE DIRECT  
15 ANSWERS.

16 MR. PANETTA: BUT AT THE SAME TIME, I  
17 WONDER IF THERE WERE ANY LESSONS LEARNED AND ANY  
18 BEHAVIOR GOING FORWARD THAT CAME OUT OF THIS THAT  
19 COULD BE DISCUSSED.

20 DR. MILLS: YES. THAT WILL BE THE NEXT  
21 POINT I GET TO.

22 QUESTIONS? OKAY.

23 WITH THAT, I'D LIKE TO MOVE ON TO --

24 MS. LANSING: I HAVE A QUESTION. THIS IS  
25 MY IGNORANCE, AND I'M LOOKING FOR THE DOCUMENTS.

BARRISTERS' REPORTING SERVICE

1 WHAT WAS THE AMOUNT OF THE LOAN THAT WE GAVE, AND IS  
2 THE LOAN SUPPOSED TO BE REPAYABLE?

3 DR. MILLS: THE LOAN IS A \$19.3 MILLION  
4 LOAN. IT IS REPAYABLE, BUT WITH CONDITIONS. ONE OF  
5 THEM BEING THAT ESSENTIALLY THE PROJECT IS  
6 SUCCESSFUL. IF THEY ABANDON THE PROJECT, THEN THE  
7 LOAN WOULD BECOME REPAYABLE.

8 MS. LANSING: THANK YOU.

9 DR. MILLS: OKAY. SO THE NEXT TOPIC I  
10 WOULD LIKE TO GET INTO CENTERS AROUND THIS CONCEPT  
11 OF PRESIDENTIAL CONFLICTS OF INTEREST AND LESSONS  
12 LEARNED OUT OF THIS. I THOUGHT I HAD A PRETTY GOOD  
13 UNDERSTANDING OF THE CONFLICT OF INTEREST RULES.  
14 WHEN I TOOK THE POSITION, I WAS SURPRISED, HOWEVER,  
15 TO FIND THAT THERE ARE LOOPHOLES IN THOSE RULES, AND  
16 I THINK THAT MIGHT PRESENT A PROBLEM. PARTICULARLY,  
17 AND I WILL SAY SPECIFICALLY, IN THE OFFICE OF THE  
18 PRESIDENT AND FOR THE PRESIDENT OF CIRM.

19 SO AS THE PRESIDENT OF CIRM, I'M  
20 RESPONSIBLE TO THE PEOPLE OF CALIFORNIA. THAT'S THE  
21 DEAL HERE. THEY ARE THE ONES WHO FUNDED US. THEY  
22 ARE THE ONES THAT PUT UP THE MONEY. AND SO IT IS TO  
23 THEM WE OWE OUR FULL ACCOUNTABILITY. SO CIRM  
24 OBVIOUSLY HAS ESTABLISHED POLICIES THAT ARE IN FULL  
25 COMPLIANCE WITH CALIFORNIA'S CONFLICT OF INTEREST

BARRISTERS' REPORTING SERVICE

1 LAWS. THEY HAVE ALWAYS BEEN AND THAT PART IS GOOD.  
2 EVEN BETTER THAN THAT, LAST YEAR UNDER J.T.'S  
3 LEADERSHIP, THE CIRM BOARD VOTED TO GO EVEN FURTHER  
4 WITH REGARDS TO CONFLICT OF INTEREST REQUIREMENTS  
5 AND IMPOSED EVEN MORE STRINGENT RULES UPON ITSELF.

6 BECAUSE PUBLIC TRUST IS ESSENTIAL, THIS  
7 DOES NOT WORK. CIRM DOES NOT WORK WITHOUT THE FULL  
8 TRUST OF THE PUBLIC. I HAVE DECIDED, AGAIN,  
9 SPECIFICALLY FOR MYSELF, VOLUNTARILY TO IMPOSE  
10 STRICTER STANDARDS OF CONDUCT WITH RESPECT TO  
11 POTENTIAL OR EVEN THE APPEARANCE OF CONFLICTS WHILE  
12 I'M AT CIRM. AND IN THREE MAJOR AREAS THAT CAME OUT  
13 DURING THIS REVIEW. ONE, POST-CIRM EMPLOYMENT.  
14 SECOND, THE ACCEPTANCE OF GIFTS. AND THIRD,  
15 ACCEPTANCE OF TRAVEL.

16 SO STATE LAW DOES NOT PROHIBIT AN EMPLOYEE  
17 FROM IMMEDIATELY ACCEPTING EMPLOYMENT WITH AN ENTITY  
18 WITH WHICH THEIR AGENCY HAS CONTRACTED OR FUNDED.  
19 WE ALL HAVE LEARNED THAT NOW THROUGH THIS INCIDENT.  
20 WHAT I AM TELLING YOU IS I WILL NOT ACCEPT  
21 EMPLOYMENT FROM ANY ENTITY THAT CIRM FUNDS OR IS  
22 ATTEMPTING TO RECEIVE FUNDS FROM CIRM FOR AT LEAST  
23 ONE YEAR FOLLOWING MY DEPARTURE. WE MODEL THAT  
24 AFTER THE CITY OF SAN FRANCISCO, WHO HAS, AS WE  
25 COULD FIND, THE TOUGHEST VERSION OF THIS LAW AROUND.

BARRISTERS' REPORTING SERVICE

1 WITH REGARDS TO GIFTS, STATE LAW PROHIBITS  
2 EMPLOYEES FROM ACCEPTING GIFTS FROM ENTITIES FOR  
3 WHICH IT DOES BUSINESS OR SEEKING TO DO BUSINESS  
4 ONLY WHEN IT COULD BE REASONABLY SUSTAINED THAT THE  
5 GIFT WAS INTENDED TO INFLUENCE THE EMPLOYEE'S FUTURE  
6 OFFICIAL ACTIVITIES OR REWARD THEM FOR PAST ONES. I  
7 VIEW THIS AS, IF YOU REMEMBER BACK SEVERAL YEARS  
8 WHEN YOU WOULD GO TO THE AIRPORT AND THE TSA AGENT  
9 WOULD ASK YOU WHETHER OR NOT YOU WERE CARRYING A  
10 BOMB, AND YOU WOULD SAY, WELL, NO, I'M NOT CARRYING  
11 A BOMB AND YOU WOULD BE ALLOWED ON THE PLANE. YOU  
12 ESSENTIALLY HAVE TO OPT INTO THIS. SO IT MAKES  
13 LITTLE SENSE TO ME.

14 ADDITIONALLY, THERE ARE -- THE STATE LAW  
15 SPECIFICALLY EXCLUDES CERTAIN TYPES OF PAYMENTS AND  
16 GIFTS SUCH AS THOSE THAT OCCUR UNDER HOME  
17 HOSPITALITY. SO I WANT TO REMOVE THE AMBIGUITY HERE  
18 AGAIN AND MAKE THIS CLEAR. I WILL NOT BE ACCEPTING  
19 GIFTS FROM ANYONE WHO HAS OR IS SEEKING A CONTRACT  
20 WITH CIRM REGARDLESS OF THEIR INTENT AND REGARDLESS  
21 OF THE NATURE OF THE GIFT OR WHERE IT OCCURS. JUST  
22 WANT TO BE CLEAR.

23 LAST CENTERS AROUND TRAVEL. STATE LAW  
24 INCLUDES EXCEPTIONS TO THE GIFT LIMITS FOR TRAVEL  
25 PAYMENT RECEIVED FROM CERTAIN SOURCES, SUCH AS

BARRISTERS' REPORTING SERVICE

1 UNIVERSITIES AND NON-PROFITS AND TRAVEL PAYMENTS  
2 RECEIVED IN CONJUNCTION WITH MAKING A SPEECH. THIS  
3 IS A MORE ROUNDABOUT THING, BUT IT CAN LEAD -- IT  
4 CERTAINLY CAN LEAD TO A CONFLICT IF ONE OF OUR  
5 RECIPIENTS OF A FUND IS SETTING UP CONFERENCES FOR  
6 THE PURPOSE OF BEING ABLE TO PAY FOR OUR TRAVEL, MY  
7 TRAVEL, TO GO SOMEWHERE. SO AS PRESIDENT OF CIRM, I  
8 WILL NOT ACCEPT TRAVEL PAYMENTS FROM ANYONE WHO IS  
9 SEEKING A CONTRACT WITH CIRM OR HAS A CONTRACT WITH  
10 CIRM REGARDLESS OF THE REASON OR TYPE OF PAYMENT.

11 THIS IS MY COMMITMENT TO THE PEOPLE OF  
12 CALIFORNIA. THIS IS MY EXECUTED CONTRACT WITH THE  
13 PEOPLE OF CALIFORNIA. THIS IS ALSO AVAILABLE. AND  
14 I WILL ADHERE TO IT. THAT'S WHAT I HAVE ON THAT.

15 I'D LIKE TO MOVE NOW TO THE, UNLESS THERE  
16 ARE ANY OTHER QUESTIONS, I'D LIKE TO MOVE NOW TO THE  
17 BUDGET REVIEW. ART.

18 MR. TORRES: NO. 1, AS A MEMBER OF THE  
19 PRESIDENTIAL SEARCH COMMITTEE, WE MADE A GREAT  
20 DECISION IN HIRING YOU. AND YOUR IMMEDIATE RESPONSE  
21 TO THIS SCANDAL IS MORE THAN APPROPRIATE AND QUITE  
22 ADMIRABLE. AS THE ONLY OTHER MEMBER OF THIS BODY  
23 THAT ALSO SERVES ON SAN FRANCISCO PUBLIC UTILITIES  
24 COMMISSION, I'M ACUTELY AWARE OF THE CONFLICT OF  
25 INTEREST LAWS WHICH ARE PROBABLY THE STRONGEST IN



BARRISTERS' REPORTING SERVICE

1 THE COUNTRY. AND THE FACT THAT YOU HAVE ADOPTED  
2 THEM AS YOUR OWN I EQUALLY APPLAUD. I'M ALSO THE  
3 ONLY BOARD MEMBER THAT HAS TO FILE TWO 700S BECAUSE  
4 OF THAT SERVICE, PRO BONO SERVICE, I MIGHT ADD.

5 BUT THIS HAS BEEN A DEBATE IN CALIFORNIA  
6 FOR YEARS. AND WHEN JERRY BROWN WROTE THE FAIR  
7 POLITICAL PRACTICES ACT AND PUT IT ON THE BALLOT AND  
8 THE PEOPLE OF CALIFORNIA APPROVED IT, IT CREATED  
9 JUST A QUAGMIRE OF CONFLICT OF INTEREST ISSUES. AND  
10 AS THE FIRST LEGISLATOR TO BE MARRIED UNDER  
11 PROPOSITION 9, FIRST LEGISLATOR TO HAVE A BABY UNDER  
12 PROPOSITION 9, I WAS RETURNING GIFTS OF DIAPERS,  
13 OTHER GIFTS THAT WE RECEIVED WHICH EXCEEDED THE  
14 LIMIT UNDER CALIFORNIA LAW. SO THE FACT THAT YOU  
15 ARE ADOPTING THIS VERY ONEROUS STANDARD FOR YOURSELF  
16 I FIND ABSOLUTELY ADMIRABLE.

17 LASTLY, AS WE WORK FORWARD, THE IMMEDIATE  
18 RESPONSE BY YOU, J.T., I WAS PART OF THAT TEAM AS  
19 WELL, AND JAMES HARRISON, AND KEVIN MCCORMACK, IT  
20 WAS A TEAM, AND MARIA, AND IT WAS A TEAM THAT REALLY  
21 CAME TOGETHER IMMEDIATELY. I THINK THE BOARD NEEDS  
22 TO RECOGNIZE THAT NOT A MOMENT WAS SPARED IN  
23 RESPONDING QUICKLY AND SERIOUSLY TO THIS ISSUE. AND  
24 I THINK THAT SAYS A LOT ABOUT OUR CHAIR, ABOUT OUR  
25 LEGAL COUNSEL OBVIOUSLY, AND CERTAINLY ABOUT YOU.

BARRISTERS' REPORTING SERVICE

1 SO I APPLAUD YOU.

2 MS. LANSING: I WOULD LIKE TO SECOND THAT.  
3 I WON'T REPEAT YOUR REMARKS, BUT I'D LIKE TO SECOND  
4 EVERYTHING YOU SAID.

5 MR. PANETTA: THE OTHER THING THAT  
6 CONCERNS ME, I GUESS, I DON'T KNOW IF THERE'S  
7 ANYTHING WE CAN DO ABOUT IT, IS THERE'S REALLY  
8 NOTHING FROM WHAT I'M HEARING, THERE'S NOTHING THAT  
9 PREVENTED A FIRM LIKE STEM CELLS, INC. TO ENGAGE AND  
10 TO HAVE ACTIVITY WITH (INAUDIBLE); IS THAT CORRECT?  
11 I THINK WE NEED TO BE AWARE OF THAT. THAT'S KIND OF  
12 THE OTHER SIDE OF THIS THAT MAKES IT DIFFICULT. AND  
13 WHAT YOU'VE DONE TO SET UP THIS PLEDGE IS EXEMPLARY,  
14 BUT I THINK WE HAVE TO UNDERSTAND THAT THERE'S  
15 NOTHING THAT CAN STOP THIS FROM HAPPENING, RIGHT?

16 DR. MILLS: THERE'S NOTHING THAT CAN STOP  
17 IT FROM HAPPENING, BUT NOW THERE'S ALSO NOTHING THAT  
18 CAN ENABLE IT TO HAPPEN WITH RESPECT TO THE  
19 PRESIDENT'S OFFICE AT CIRM.

20 MR. SHEEHY: WITH ALL DUE RESPECT TO MR.  
21 PANETTA'S COMMENT, THIS IS GOVERNMENT AND IT WOULD  
22 BE GREAT IF CALIFORNIA'S COMPANIES WITH WHOM WE  
23 CONTRACT DID SHOW A LITTLE RESPECT FOR PERCEPTIONS  
24 OF CONFLICT. I MEAN THEY GET MONEY FROM US. THIS  
25 IS BOND MONEY THAT COULD BE USED TO PAY FOR SCHOOLS

BARRISTERS' REPORTING SERVICE

1 AND HEALTHCARE, ETC. AND I THINK THIS A UNIQUE  
2 EXPERIMENT. AND IF INDUSTRY DOES NOT EXHIBIT SOME  
3 DISCRETION, IT MAKES IT (INAUDIBLE) FOR THIS  
4 EXPERIMENT TO BEGIN WITH. AND OTHER FOLKS ARE  
5 MAKING SACRIFICES BY MAKING THIS MONEY AVAILABLE.  
6 AND IT BEHOOVES ANYONE WHO RECEIVES THIS MONEY, I  
7 THINK IT WOULD BE WISE FOR THEM TO TREAT THE MONEY  
8 WITH THE RESPECT THAT THE TAXPAYERS AND CITIZENS OF  
9 CALIFORNIA DESERVE AND NOT JUST SAY, WELL, IT'S  
10 LEGAL SO IT'S OKAY, BUT TO REMEMBER WHOSE MONEY IT  
11 IS.

12 SECOND, I JUST WANT TO ECHO THE COMMENTS  
13 THAT EVERYBODY HAS MADE. I'M VERY GRATEFUL FOR THE  
14 STRONG RESPONSE.

15 MR. PANETTA: LET ME RESPOND TO THAT  
16 BECAUSE I THINK MAYBE JEFF MISINTERPRETED WHAT I WAS  
17 SAYING. I DID ASK IF THEY DID ANYTHING ILLEGAL OR  
18 ILLICIT, AND I EXPLAINED VERY CLEARLY THAT THE FUNDS  
19 THEY RECEIVED, THE (INAUDIBLE), THAT THEY DID  
20 NOTHING ILLEGAL OR ILLICIT. SO WHAT I WAS ASKING  
21 ABOUT WAS CAN THEY COME IN AND DO THIS KIND OF  
22 RECRUITMENT. AND, SURE, I THINK FROM AN ETHICAL  
23 STANDPOINT, I THINK IT'S IMPROPER, AND I THINK  
24 CERTAINLY THAT INDUSTRY SHOULD NOT ENGAGE IN THAT  
25 KIND OF PRACTICE. BUT IF THE ISSUE IS FUNDING, I

BARRISTERS' REPORTING SERVICE

1 DON'T THINK THERE WAS ANYTHING -- AND IT'S  
2 IMPORTANT. I THINK THAT'S AN IMPORTANT POINT, THAT  
3 THERE WAS NOTHING ILLEGAL ABOUT IT.

4 DR. MILLS: THAT'S ACTUALLY HOW I TOOK  
5 YOUR COMMENTS, BUT I DID LIKE JEFF'S COMMENTS AS  
6 WELL.

7 DR. FRIEDMAN: A MOMENT AGO WE HEARD  
8 SOMEONE SUGGEST THAT THIS MIGHT BE A TEACHABLE  
9 MOMENT FOR US ALL, AND I AGREE WITH THAT. AND MY  
10 QUESTION -- I DON'T FIND IT INAPPROPRIATE BECAUSE OF  
11 THE QUALITY OF OUR PRESIDENT OR OUR SCIENTIFIC STAFF  
12 OR EVEN OUR ADMINISTRATIVE STAFF THAT AT SOME POINT  
13 AN INDUSTRY, A COMPANY MIGHT WISH TO APPROACH THEM  
14 WITH AN OFFER OF EMPLOYMENT. I THINK PEOPLE WHO ARE  
15 THAT SKILLED AND THAT KNOWLEDGEABLE ARE OBVIOUSLY  
16 ATTRACTIVE. WHAT I DO THINK, THOUGH, IS THAT FULL  
17 DISCLOSURE AT THE EARLIEST MOMENT IS SOMETHING THAT  
18 I THINK WE CAN ALL LEARN FROM THIS. HAD THAT BEEN  
19 DONE WHEN THE OFFER WAS EVEN FIRST -- NOT WHEN IT  
20 WAS GIVEN, BUT WHEN IT WAS FIRST DISCUSSED, I THINK  
21 IT'S IMPORTANT. AND I DON'T KNOW WHAT OUR STAFF  
22 POLICIES ARE, AND WE DON'T NEED TO GET INTO THAT  
23 TODAY, BUT I ASK YOU PLEASE TO LOOK AT IT SO THAT  
24 PEOPLE CAN ENTERTAIN THESE IDEAS. BUT WHEN THEY DO  
25 SO, PEOPLE ARE PROPERLY INFORMED, THERE ARE CUTOUTS

BARRISTERS' REPORTING SERVICE

1 TO REMOVE THEIR OVERSIGHT OR ACTIVITIES ON CERTAIN  
2 KINDS OF GRANTS OR PROPOSALS, AND THEN THIS CAN BE  
3 HANDLED IN A VERY PROPER WAY.

4 THE GOVERNMENT DOES THIS ALL THE TIME, AT  
5 NIH, AT FDA. THERE ARE WAYS IN WHICH THIS CAN BE  
6 DONE AND CONTROLLED, AND THAT, I THINK, IS THE THING  
7 WE CAN ALL LEARN FROM THIS. HAD THIS BEEN DONE  
8 DIFFERENTLY, IT COULD HAVE BEEN DONE PROPERLY, BUT  
9 IT WASN'T DONE PROPERLY.

10 DR. MILLS: SO I AGREE. I ALSO WANT TO  
11 TAKE THIS OPPORTUNITY TO ACTUALLY TO SORT OF TAKE  
12 THAT POINT FURTHER WHEN I EMPHASIZE THIS IS WHAT I  
13 THINK THE PRESIDENT OF CIRM SHOULD DO. THIS IS NOT  
14 WHAT I THINK THE OUTSTANDING TEAM THAT WORKS AT CIRM  
15 SHOULD DO, BUT I WANT TO BE EXPLICIT ABOUT WHY. WE  
16 HAVE SOME OF THE WORLD'S BEST SCIENTISTS INSIDE  
17 CIRM, CALIFORNIA AGENCY, MANY OF WHICH WE RECRUITED  
18 FROM CALIFORNIA AGENCIES, MANY OF WHICH, AFTER CIRM  
19 IS NO LONGER AROUND OR AFTER THEY'VE JUST SPENT A  
20 GOOD CAREER AT CIRM, MAY WANT TO GO BACK TO THOSE  
21 UNIVERSITIES. I WOULD WANT TO DO NOTHING THAT WOULD  
22 PUT A CHILLING EFFECT ON THEIR ABILITY TO SEEK  
23 EMPLOYMENT APPROPRIATELY AT UNIVERSITIES, ALMOST ALL  
24 OF WHICH IN THE STATE OF CALIFORNIA WE FUND BECAUSE  
25 I ALSO WOULDN'T WANT TO DAMPEN OUR ABILITY TO GO AND

BARRISTERS' REPORTING SERVICE

1 RECRUIT SOME OF THOSE SAME PEOPLE OUT OF THOSE  
2 UNIVERSITIES.

3 SO I WANT TO JUST TAKE AN OPPORTUNITY TO  
4 MAKE THIS -- THIS IS A RANDY MILLS AS THE PRESIDENT  
5 OF CIRM INITIATIVE.

6 DR. FRIEDMAN: AND I AGREE WITH THAT. I'M  
7 SIMPLY SAYING DISCLOSURE IS THE VERY BEST WAY TO  
8 DEAL WITH IT.

9 DR. MILLS: IT WOULD HAVE MADE -- I DON'T  
10 KNOW IF IT WOULD HAVE MADE EVERYTHING GO AWAY HERE.  
11 IT WOULD HAVE BEEN MASSIVELY HELPFUL.

12 ANY OTHER COMMENTS? OKAY.

13 CHILA IS GOING TO DO THE FIRST PART OF THE  
14 BUDGET REVIEW, AND THEN I'M GOING TO DO SOME COLOR  
15 COMMENTARY AFTER THAT.

16 MS. SILVA-MARTIN: THANK YOU, DR. MILLS.  
17 GOOD MORNING. SO FIRST, I'M JUST GOING TO PROVIDE  
18 YOU WITH A VERY BRIEF FINANCIAL REPORT. I'M GOING  
19 TO GO -- PROVIDE YOU FIRST WITH AN OVERALL OF OUR  
20 FINANCIAL POSITION. SO AS YOU CAN SEE FROM THIS  
21 POWERPOINT PRESENTATION, WE RECEIVED \$235 MILLION IN  
22 FUNDING FOR THE '13-'14 FISCAL YEAR, WHICH IS  
23 BASICALLY ABOUT THE SAME LEVEL THAT WE RECEIVED  
24 DURING THE SAME PERIOD IN '12-'13, JUST ABOUT A \$6  
25 MILLION DIFFERENCE. I WANT TO REMIND YOU THAT OUR

BARRISTERS' REPORTING SERVICE

1 FUNDING BASICALLY COMES FROM TWO DIFFERENT SOURCES,  
2 BOND PROCEEDS, BUT IT CAN ALSO COME FROM INTERIM  
3 FUNDING SUCH AS COMMERCIAL PAPER.

4 SO FOR THE MAJORITY OF CIRM'S EXISTENCE,  
5 WE HAVE RECEIVED BOND PROCEEDS AS OUR MAIN SOURCE OF  
6 FUNDING. BUT AS YOU MAY RECALL, IN JULY OF 2012, WE  
7 WERE PLACED ON COMMERCIAL PAPER, AND WE CONTINUE TO  
8 RECEIVE COMMERCIAL PAPER UNTIL MARCH OF 2014. AND  
9 THEN IN APRIL THERE WAS A BOND SALE, AND WE WERE  
10 PART OF THAT BOND SALE WHEN WE RECEIVED \$80 MILLION.

11 NOW, THE DECISION AS TO THE TYPE OF  
12 FUNDING THAT WE RECEIVE IS REALLY LEFT TO THE  
13 STATE'S CONTROL AGENCIES, THE DEPARTMENT OF FINANCE  
14 AND THE STATE TREASURER'S OFFICE. AND THEY MAKE THE  
15 DECISION AS TO WHAT TYPE OF FUNDING WE'RE GOING TO  
16 RECEIVE BASED ON THE OUTSTANDING OBLIGATIONS AT THE  
17 TIME THAT THEY'RE ATTEMPTING TO PROVIDE FUNDING. SO  
18 BECAUSE WE DID RECEIVE BOND PROCEEDS IN MARCH, AS  
19 YOU CAN SEE, OUR CASH BALANCE HAS ACTUALLY  
20 INCREASED. SO AT THE END OF THIS FISCAL YEAR, WE  
21 HAD 93.4, WHICH IS ABOUT \$25 MILLION MORE THAN WE  
22 HAD LAST YEAR IN JUNE.

23 SO NOW LOOKING AT OUR '13-'14 OPERATIONAL  
24 EXPENDITURES, AGAIN, I WANT TO REMIND YOU THAT OUR  
25 FISCAL YEAR IS FROM JULY 1 THROUGH JUNE 30. SO WE

BARRISTERS' REPORTING SERVICE

1 ARE RIGHT IN THE MIDDLE OF YEAR-END. SO OUR  
2 FINANCIAL STATEMENTS ARE DUE TO THE STATE  
3 CONTROLLER'S OFFICE ON AUGUST 20TH. WE ARE ON  
4 SCHEDULE TO MEET THAT TIMELINE. I DON'T ANTICIPATE  
5 ANY PROBLEMS WITH MEETING THAT TIMELINE. WE DID RUN  
6 OUR FIRST SET OF FINANCIAL STATEMENTS AS OF JUNE  
7 30TH, AND WE HAVE POSTED \$14.6 MILLION OF  
8 EXPENDITURES; BUT, AGAIN, THAT DOESN'T INCLUDE  
9 ACCRUALS AND IT DOESN'T INCLUDE ANY OF THE INVOICES  
10 THAT WE RECEIVE AT THE END OF THE MONTH. SO WHEN WE  
11 COMPLETE THAT PROCESS, I'M ANTICIPATING THAT OUR  
12 YEAR-END FINANCIAL EXPENDITURES ARE GOING TO BE AT  
13 ABOUT \$15.5 MILLION OR ABOUT 90 PERCENT OF THE 17.4  
14 BUDGET THAT WAS ALLOCATED FOR THIS FISCAL YEAR.

15 SO BECAUSE WE ARE IN THE MIDDLE OF THE  
16 YEAR-END FINANCIAL STATEMENT PROCESS, THE YEAR-END  
17 CLOSE PROCESS, WE INTEND TO PROVIDE YOU WITH A FULL  
18 REPORT ON OUR '13-'14 FISCAL YEAR EXPENDITURES AT  
19 THE NEXT BOARD MEETING. SO AT THIS MEETING I'LL BE  
20 ABLE TO PROVIDE YOU WITH DEPARTMENTWIDE EXPENDITURES  
21 AS WELL AS COST CENTER-SPECIFIC DETAILS. AT THAT  
22 TIME I SHOULD ALSO BE ABLE TO PROVIDE YOU WITH AN  
23 UPDATE ON OUR 6-PERCENT CAP.

24 AND AS YOU MAY BE AWARE, WHENEVER WE  
25 FINALIZE AND CLOSE OUR YEAR-END STATEMENTS, WE DO



BARRISTERS' REPORTING SERVICE

1 UNDERGO A FINANCIAL AUDIT. SO WE HAVE A CONTRACT IN  
2 PLACE. I HAVE BEEN IN CONTACT WITH THOSE AUDITORS.  
3 THEY ARE SCHEDULED TO BEGIN THE FINANCIAL AUDIT ON  
4 SEPTEMBER 2D. SO AT THE NEXT BOARD MEETING, I WILL  
5 BE ABLE TO PROVIDE YOU WITH AN UPDATE AS TO THE  
6 STATUS OF THAT AUDIT.

7 AND THAT REALLY CONCLUDES THIS PART OF THE  
8 FINANCIAL REPORT. ARE THERE ANY QUESTIONS? THANK  
9 YOU.

10 DR. MILLS: THANK YOU, CHILA. OKAY. SO  
11 NOW FOR THE COLOR COMMENTARY ON OUR FINANCIAL  
12 STATUS. THE FIRST THING I'D LIKE TO START WITH IS  
13 THE RECENT MEDIA ATTENTION HAS HAD THIS OR A SIMILAR  
14 STATEMENT TO THIS SHOW UP IN ALMOST EVERY ARTICLE  
15 I'VE READ: THE AGENCY IS ON TRACK TO RUN OUT OF  
16 MONEY AS SOON AS 2017. WHILE THIS IS OFTEN WRITTEN,  
17 AND I GUESS WHY IT'S PROPAGATED, IT JUST ISN'T TRUE.  
18 AND SO WHAT I'D LIKE TO DO IS DO A HIGH LEVEL  
19 OVERVIEW OF ACTUALLY WHERE WE ARE FINANCIALLY AND  
20 WHY THIS STATEMENT IS NOT TRUE.

21 THE FIRST THING THAT'S IMPORTANT TO KNOW,  
22 THERE IS NO TEN-YEAR TIME FRAME ON CIRM. SO WE WERE  
23 GIVEN AN AMOUNT OF MONEY, BUT WE WERE NOT GIVEN A  
24 TIME LIMIT. SO THAT'S THE FIRST REASON WHY THE 2017  
25 ISN'T TRUE.

BARRISTERS' REPORTING SERVICE

1 BUT IF YOU LOOK, ACTUALLY THERE'S REALLY  
2 AT CIRM TWO SEPARATE FUNDS, EITHER OF WHICH GOING TO  
3 ZERO WOULD BE A PROBLEM FOR US. THE FIRST AND  
4 SMALLER FUND IS \$180 MILLION ALLOCATED FOR  
5 ADMINISTRATIVE PURPOSES. SO THIS IS THE MONEY THAT  
6 WE USE TO RUN THE CIRM OPERATIONS FOR THE SCIENTISTS  
7 THAT WORK AT CIRM, FOR THE ADMINISTRATORS THAT WORK  
8 AT CIRM TO CONDUCT THE GRANT REVIEWS. THE MUCH,  
9 MUCH LARGER POOL OF MONEY, THE 2.75 BILLION, IS THE  
10 MONEY THAT WE GIVE OUT TO OUR AWARD RECIPIENTS. AND  
11 THOSE TWO BUCKETS OF MONEY ARE SEPARATE. THERE'S NO  
12 COMMINGLING OF THOSE MONIES.

13 SO LET'S JUST LOOK AT THE FIRST ONE, THE  
14 GRANTS ADMINISTRATION BUDGET. \$180 MILLION WAS PUT  
15 INTO THAT INITIALLY. WE HAVE CURRENTLY SPENT \$89  
16 MILLION OF THAT. WE HAVE 91 MILLION REMAINING. OUR  
17 CURRENT SPEND RATE OUT OF THIS BUCKET IS ACTUALLY  
18 ABOUT \$14 MILLION A YEAR, AND THAT'S WITHOUT ANY  
19 EXTRAORDINARY EFFORTS TO OR, FRANKLY, NOT EVEN MINOR  
20 EFFORTS TO TRY -- TO PULL IN THAT SPENDING. SO WITH  
21 THAT SAID, THIS WOULD BE FUNDED UNTIL 2021 IF WE  
22 KEPT IT AT FULL SPEED.

23 THE SECOND BUCKET IS THE GRANT AWARD  
24 BUCKET, THE THINGS THAT WE SIT AROUND AND DECIDE  
25 THIS IS A GOOD PROJECT AND PUT OUT VERY LARGE CHUNKS

BARRISTERS' REPORTING SERVICE

1 OF MONEY IN HOPES OF SEEING RETURNS OF STEM CELL  
2 THERAPIES TO OUR PATIENTS. SO WE HAVE AWARDED \$1.87  
3 BILLION TO DATE. WE HAVE NOT SPENT ALL OF THAT. WE  
4 HAVE JUST AWARDED THAT. WE ESTIMATE SOMEWHERE  
5 BETWEEN 50 TO A HUNDRED MILLION OF THAT IS ACTUALLY  
6 GOING TO BE RECOVERED BECAUSE MANY OF OUR -- NOT  
7 MANY, ACTUALLY MOST OF OUR AWARDS ARE MILESTONE  
8 BASED, AND IT'S UNREALISTIC, IF YOU'RE FAIRLY  
9 ADJUDICATING A MILESTONE-BASED SYSTEM, THAT 100  
10 PERCENT OF YOUR AWARDED FUNDS WOULD ULTIMATELY GET  
11 PAID OUT. ON TOP OF THAT, WE HAVE ALMOST 900  
12 MILLION THAT HAS NOT BEEN AWARDED, WHICH LEAVES US  
13 APPROXIMATELY A BILLION DOLLARS LEFT TO AWARD.

14 THAT BILLION DOLLARS WOULD BE SUFFICIENT  
15 FOR US TO FUND AT \$190 MILLION PER YEAR OF NEW  
16 GRANTS ON TOP OF ALL THE OTHER ONES WE'RE PAYING OUT  
17 UNTIL 2020. SO WE COULD CONTINUE MAKING NEW GRANTS  
18 UNTIL 2020 AT \$190 MILLION RATE. WHY IS THE \$190  
19 MILLION RATE SIGNIFICANT? IT'S ACTUALLY THE RATE WE  
20 DO IT AT NOW. SO WE ARE IN A VERY SOLID FINANCIAL  
21 POSITION BOTH FROM THE ADMINISTRATIVE SIDE AS WELL  
22 AS THE AWARD SIDE TO BE ABLE TO CARRY CIRM FORWARD  
23 WELL, WELL BEYOND 2017 AND ACTUALLY WOULD BE ALMOST  
24 IMPOSSIBLE TO FIND A WAY TO HAVE US RUN OUT OF MONEY  
25 IN 2017.

BARRISTERS' REPORTING SERVICE

1 SO KEY POINTS I WANT TO MAKE HERE. THE  
2 FIRST THING IS SO I DON'T KNOW HOW MANY PEOPLE HAVE  
3 TRIED IT. BUT IF YOU'RE TO SUPPOSED TO BAKE A CAKE  
4 AT 400 DEGREES, TURNING THE OVEN UP TO 800 DEGREES  
5 DOESN'T GET IT DONE IN HALF THE TIME. AND IT  
6 DOESN'T. I TRIED. IT REALLY DOESN'T. AND THE SAME  
7 THING GOES FOR SPENDING MONEY IN CERTAIN ASPECTS OF  
8 R&D AND DEVELOPMENT. YOU CAN'T PRY OPEN A ROSE.  
9 SOME STUFF JUST ISN'T READY YET. AND, THEREFORE,  
10 SPENDING MONEY FASTER WON'T NECESSARILY SPEED UP OUR  
11 PROCESS. THERE ARE LOTS OF THINGS WE CAN DO TO  
12 SPEED UP THE PROCESS, BUT JUST SAYING WE'RE GOING TO  
13 GIVE TWICE AS MUCH MONEY TO THIS PROJECT WON'T  
14 NECESSARILY SPEED IT UP.

15 THE SECOND THING THAT'S IMPORTANT IS THAT  
16 WE HAVE SUCH A STRONG FINANCIAL POSITION THAT WE'D  
17 BE ABLE TO FUND ALMOST ANYTHING THAT MEETS OUR  
18 CRITERIA OVER THE NEXT FIVE YEARS. JUST FOR SORT OF  
19 BALLPARK PURPOSES, WE COULD FUND 60 PHASE I AND  
20 PHASE II CLINICAL TRIALS, NEW CLINICAL TRIALS.

21 THE THIRD THING I THINK IT'S IMPORTANT TO  
22 POINT OUT IS IF YOU LOOK UP AT OUR DEVELOPMENT  
23 PIPELINE ABOVE, THAT'S KIND OF HOW THINGS WORK AT  
24 CIRM, ALL THE WAY FROM BASIC RESEARCH TO GETTING  
25 PATIENTS TREATED IN CLINICAL TRIALS. WE ARE IN A

BARRISTERS' REPORTING SERVICE

1 REALLY FORTUNATE POSITION. WE HAVE SOME TRIALS IN  
2 OR ENTERING PHASE I CLINICAL TRIALS, SOMETHING LIKE  
3 16 RIGHT NOW, BUT WE HAVE A REAL BULGE BEHIND THAT  
4 THAT ARE IN THE PRECLINICAL R&D PHASE THAT ARE ABOUT  
5 TO ENTER CLINICAL TESTING. THIS LOOKS SO MUCH  
6 DIFFERENT SIX YEARS FROM NOW, AND THAT'S VERY  
7 DIFFERENT THAN IF IT WAS GOING TO END AT 2017. SIX  
8 YEARS FROM NOW ALL OF THE THINGS THAT ARE IN PHASE I  
9 CLINICAL TESTING ARE DONE AND ARE IN EITHER PHASE II  
10 OR PHASE III OR DIDN'T WORK, AND MOST OF THE THINGS  
11 THAT ARE IN PRECLINICAL ARE IN CLINICAL TRIALS. AND  
12 SO ONE OF THE REASONS IT'S SO IMPORTANT TO  
13 UNDERSTAND WHY 2017 ISN'T THE REAL DATE IS BECAUSE  
14 OF THE ENORMITY OF PROJECTS WE HAVE COMING DOWN THE  
15 PIPE THAT ARE ENTERING THE CLINICAL TRIALS WHICH IS  
16 WHERE WE'RE GOING TO BE ABLE TO DEMONSTRATE NOT ONLY  
17 SAFETY OF THE TECHNOLOGY, BUT MORE IMPORTANTLY ITS  
18 PROOF OF CONCEPT TO BE ABLE TO MODIFY OR CURE  
19 DISEASES.

20 AND SO THAT'S WHAT I WANTED TO LEAVE YOU  
21 HERE TODAY, NOT A DETAILED BUDGET, NOT REALLY  
22 SOPHISTICATED THIS IS WHERE EVERY DOLLAR IS GOING TO  
23 GO, BUT JUST LARGE, HIGH LEVEL BUCKETS OF THIS IS  
24 WHERE OUR MONEY IS, THESE ARE THE RATES AT WHICH WE  
25 SPEND IT, AND WE WILL -- WE HAVE PLENTY OF MONEY TO

BARRISTERS' REPORTING SERVICE

1 BE AROUND FOR QUITE A WHILE. THANK YOU. ANY  
2 QUESTIONS OR I CAN GLADLY BE DONE.

3 CHAIRMAN THOMAS: THANKS VERY MUCH, RANDY.  
4 ON THAT LAST POINT, I THINK IT'S VERY IMPORTANT FOR  
5 THE PUBLIC TO UNDERSTAND THAT THERE HAS BEEN THIS  
6 GIVEN AMOUNT AND GIVEN DOOMSDAY LOOMING OUT THERE  
7 THAT'S BEEN REPORTED ON REPEATEDLY. AND I THINK  
8 THAT DR. MILLS HAS DONE A GREAT JOB OF ADDRESSING  
9 THAT ISSUE AND DEMONSTRATING THAT THAT, IN FACT, IS  
10 NOT THE CASE.

11 SO FOR THOSE OF OUR WONDERFULLY ESTEEMED  
12 SCIENCE CORPS OUT THERE WHO'S DOING THE WORK THAT  
13 WE'RE FUNDING, I WANT YOU TO HEAR THIS LOUD AND  
14 CLEAR AND UNDERSTAND THAT THINGS LOOK GOOD ON THE  
15 FINANCIAL FRONT FOR MANY YEARS TO COME. SO, DR.  
16 MILLS, THANK YOU FOR UNDERTAKING THAT ANALYSIS.  
17 THAT'S SOMETHING THAT WAS NEEDED AND MUCH  
18 APPRECIATED.

19 BEFORE WE GO TO THE NEXT AGENDA ITEM, WE  
20 DO HAVE ONE VERY INTERESTING ANECDOTE AND STORY I'D  
21 LIKE TO CONVEY HERE, WHICH COMES COURTESY OF MR.  
22 SHEEHY WHO JUST ATTENDED A CONFERENCE THAT HE WILL  
23 TELL YOU ABOUT AND A STATISTIC THAT I THINK YOU WILL  
24 FIND MOST INTERESTING WITH RESPECT TO THE IMPACT  
25 THAT CIRM IS MAKING ON RESEARCH CERTAINLY WITH

BARRISTERS' REPORTING SERVICE

1 RESPECT TO HIV. MR. SHEEHY. WE'LL GET BACK TO  
2 MR. SHEEHY. I DIDN'T NOTICE HE WASN'T THERE. WE  
3 WILL GET BACK TO HIM WHEN HE COMES. OKAY. SO STAY  
4 TUNED FOR THAT ONE. IT'S REALLY QUITE SOMETHING.

5 SO LET'S GO ON TO ACTION ITEM NO. 7,  
6 CONSIDERATION OF APPLICATION FOR RFA 13-03A, WHICH  
7 IS THE STRATEGIC PARTNERSHIP III AWARDS APPLICATION.  
8 WITH RESPECT TO AN OVERVIEW OF SP III, WE'RE GOING  
9 TO GO TO DR. SAMBRANO FOLLOWED BY DR. KADYK WITH  
10 RESPECT TO THE SPECIFIC APPLICATION IN QUESTION.  
11 DR. SAMBRANO.

12 DR. SAMBRANO: THANK YOU VERY MUCH, MR.  
13 CHAIRMAN AND MEMBERS OF THE BOARD. SO WHAT I WANT  
14 TO PRESENT TO YOU IS BASICALLY A CONTINUATION OF  
15 WHAT HAPPENED ON MAY 29TH. THE ICOC ON THAT DAY  
16 CONSIDERED THE GRANTS WORKING GROUP RECOMMENDATIONS  
17 FOR THE STRATEGIC PARTNERSHIP III AWARD  
18 APPLICATIONS. YOU MAY RECALL THAT THE STRATEGIC  
19 PARTNERSHIP PROGRAM OVERALL SUPPORTS THE COMPLETION  
20 OF PROPOSED PHASE I OR PHASE II CLINICAL TRIALS AND  
21 IS ALSO INTENDED TO ATTRACT INDUSTRY ENGAGEMENT AND  
22 INVESTMENT IN CIRM-FUNDED RESEARCH.

23 SO AT THAT MAY 29TH MEETING, THE ICOC  
24 APPROVED FUNDING FOR THE TWO APPLICATIONS THAT ARE  
25 SHOWN -- I THINK YOU HAVE THIS TABLE ALSO IN YOUR

BARRISTERS' REPORTING SERVICE

1 BOOKS -- THAT WERE IN TIER I FOR A TOTAL OF ABOUT  
2 \$20 MILLION. THE APPLICATIONS THAT ARE SHOWN IN  
3 TIERS 2 AND 3 WERE NOT APPROVED. AND THEN MORE  
4 SPECIFICALLY, APPLICATION SP IIIA-07526 WAS AT THE  
5 TIME DEFERRED AS THE APPLICANT HAD SUBMITTED A  
6 REQUEST FOR RECONSIDERATION BASED ON MATERIAL NEW  
7 INFORMATION THAT THEY PROVIDED TO US.

8 THE REQUEST FOR RECONSIDERATION WAS  
9 GRANTED BY THE CIRM PRESIDENT, AND PER POLICY THE  
10 NEW INFORMATION WAS ASSESSED BY A SUBCOMMITTEE OF  
11 THE GRANTS WORKING GROUP THAT CONSISTED OF THREE  
12 SCIENTIFIC MEMBERS AND TWO PATIENT ADVOCATE MEMBERS.

13 THE TASK OF THIS GRANTS WORKING GROUP  
14 SUBCOMMITTEE WAS TO ASSESS WHETHER THE NEW  
15 INFORMATION, IF IT HAD BEEN AVAILABLE DURING THE  
16 ORIGINAL REVIEW, WOULD HAVE CHANGED THE GRANTS  
17 WORKING GROUP'S FUNDING RECOMMENDATION. THE NEW  
18 INFORMATION THAT WAS PROVIDED WAS RESPONDING TO A  
19 SPECIFIC CRITICISM THAT THE COMPOUND INTENDED FOR  
20 CLINICAL TRIAL SPECIFICALLY TARGETS CANCER STEM  
21 CELLS.

22 THIS INFORMATION WAS REVIEWED AND THEN  
23 SUBSEQUENTLY IT WAS DISCUSSED BY THE GRANTS WORKING  
24 GROUP SUBCOMMITTEE ON JULY 10TH VIA TELECONFERENCE  
25 MEETING.



BARRISTERS' REPORTING SERVICE

1           OVERALL THE REVIEWERS FELT THAT THE NEW  
2 INFORMATION WOULD NOT HAVE CHANGED THE  
3 RECOMMENDATION OF THE GRANTS WORKING GROUP. OF THE  
4 SCIENTIFIC MEMBERS, ONE FELT THAT THEIR SCORE WOULD  
5 NOT HAVE CHANGED, ONE FELT THAT THEIR SCORE MIGHT  
6 HAVE BEEN SLIGHTLY LOWER, AND ONE THEIR SCORE MIGHT  
7 HAVE BEEN SLIGHTLY HIGHER.

8           SO, THEREFORE, WE'RE BRINGING THE  
9 APPLICATION NOW FOR YOUR FINAL CONSIDERATION  
10 TOGETHER WITH THE OUTCOME OF THE SUBCOMMITTEE GRANTS  
11 WORKING GROUP INDICATING NO CHANGE IN THE WORKING  
12 GROUP RECOMMENDATION AND ALSO WITH A CIRM  
13 RECOMMENDATION NOT TO FUND ALSO UNCHANGED. THERE IS  
14 A MEMO THAT'S ATTACHED, I THINK, TO THIS ITEM THAT I  
15 THINK DETAILS THE POINTS FOR CONSIDERATION REGARDING  
16 THE CIRM STAFF RECOMMENDATION.

17           AND IF YOU HAVE ANY QUESTIONS ABOUT THE  
18 APPLICATION AND ITS REVIEW, DR. LISA KADYK IS HERE  
19 TO ADDRESS THOSE, AND DR. INGRID CARAS CAN ALSO  
20 ADDRESS QUESTIONS OVERALL ABOUT THE STRATEGIC  
21 PARTNERSHIP INITIATIVE.

22           CHAIRMAN THOMAS: THANK YOU, DR. SAMBRANO.  
23 COMMENTS, QUESTIONS FROM MEMBERS OF THE BOARD? DO  
24 WE HAVE ANY ADDITIONAL COMMENTS FROM MEMBERS OF THE  
25 TEAM? DR. MILLS, DO YOU WANT TO SAY ANYTHING?

BARRISTERS' REPORTING SERVICE

1 ANYBODY ELSE? WE HAVE COMMENTS FROM MEMBERS OF THE  
2 PUBLIC? HEARING NONE, IT IS RECOMMENDED THAT THIS  
3 ITEM NOT BE FUNDED. YES.

4 MS. BONNEVILLE: I THINK JEFF WANTED TO DO  
5 PROGRAMMATIC FOR THIS, DO PROGRAMMATIC REVIEW.

6 CHAIRMAN THOMAS: OH, YES. I'M SORRY.

7 MR. SHEEHY: BUT I THINK THIS IS THE  
8 SUBSET, THE APPLICATION REVIEW SUBCOMMITTEE.

9 CHAIRMAN THOMAS: YES, THAT'S CORRECT.

10 MR. SHEEHY: SO --

11 CHAIRMAN THOMAS: SORRY. TURN IT OVER TO  
12 MR. SHEEHY. THANK YOU.

13 MR. SHEEHY: SO ACTUALLY THE WAY WE'VE  
14 TYPICALLY DONE THIS IS THE FIRST QUESTION WOULD BE  
15 WHETHER ONE OF THE MEMBERS OF THE SUBCOMMITTEE WOULD  
16 LIKE TO MAKE A MOTION TO EITHER ACCEPT THE  
17 RECOMMENDATION AND PROCEED WITH NOT FUNDING, OR  
18 MOTION TO REJECT THE RECOMMENDATION AND FUND THIS.

19 MS. WINOKUR: I SO MOVE.

20 MR. SHEEHY: SO --

21 DR. PRIETO: I'LL SECOND.

22 MR. SHEEHY: AND WHAT'S THE MOTION? I WAS  
23 LAYING OUT THE OPTIONS.

24 MS. WINOKUR: THE MOTION IS TO ACCEPT THE  
25 ORIGINAL DECISION NOT TO FUND.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: OKAY. SO THE MOTION HAS BEEN  
2 MADE BY MS. WINOKUR AND SECONDED BY DR. PRIETO. DO  
3 WE HAVE ANY DISCUSSION? AND THEN ANY PUBLIC  
4 COMMENT? I THINK --

5 DR. PRIETO: BECAUSE THE PROGRAMMATIC  
6 ISSUE OR ONE OF THE PROGRAMMATIC ISSUES IS JUST  
7 PORTFOLIO. AND I WONDERED IF GIL COULD COMMENT ON  
8 WHAT, IF ANYTHING, WE FUNDED IN THE AREA OF BREAST  
9 CANCER.

10 DR. SAMBRANO: SO I THINK THE MEMO THAT WE  
11 PROVIDED HAS A LISTING OF SOME OF THE OTHER GRANTS  
12 THAT ARE IN THIS ARENA. SO THEY'RE LISTED THERE.  
13 SO THAT LISTS THREE DISEASE TEAM III GRANTS AND  
14 THREE EARLY TRANSLATIONAL GRANTS THAT ARE IN THE  
15 AREA OF CANCER STEM CELLS. AND THESE ARE IN VARIOUS  
16 TUMORS OR CANCERS. THEY'RE NOT SPECIFIC TO BREAST  
17 CANCER AS IS THIS PARTICULAR APPLICATION.

18 MR. SHEEHY: ANY OTHER COMMENTS? SO,  
19 MARIA, WILL YOU BE CALLING THE ROLL.

20 MS. BONNEVILLE: YES.

21 MR. SHEEHY: AND I THINK, JAMES, DO WE  
22 HAVE CONFLICTS IN THIS? DO WE HAVE ANY INSTRUCTIONS  
23 AS TO --

24 MR. HARRISON: NO. WE WILL ONLY CALL THE  
25 MEMBERS OF THE APPLICATION REVIEW SUBCOMMITTEE WHO

BARRISTERS' REPORTING SERVICE

1 ARE NOT IN CONFLICT.

2 MR. SHEEHY: OKAY. THANK YOU.

3 MS. BONNEVILLE: STEVE JUELSGAARD.

4 DR. JUELSGAARD: YES.

5 MR. HARRISON: LET ME JUST RESTATE THE  
6 MOTION TO MAKE SURE THAT EVERYONE IS CLEAR. THE  
7 MOTION IS TO ACCEPT THE RECOMMENDATION NOT TO FUND  
8 STRATEGIC PARTNERSHIP III APPLICATION SP 3A-07526.

9 DR. JUELSGAARD: YES, JAMES, I WAS NOT  
10 MISSPOKEN. YES.

11 MS. BONNEVILLE: LAUREN MILLER.

12 MS. MILLER: YES.

13 MS. BONNEVILLE: JOE PANETTA.

14 MR. PANETTA: YES.

15 MS. BONNEVILLE: FRANCIS PRIETO.

16 DR. PRIETO: AYE.

17 MS. BONNEVILLE: ROBERT QUINT.

18 DR. QUINT: YES.

19 MS. BONNEVILLE: AL ROWLETT.

20 MR. ROWLETT: YES.

21 MS. BONNEVILLE: JEFF SHEEHY.

22 MR. SHEEHY: YES.

23 MS. BONNEVILLE: OS STEWARD.

24 DR. STEWARD: YES.

25 MS. BONNEVILLE: JONATHAN THOMAS.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: YES.

2 MS. BONNEVILLE: ART TORRES.

3 MR. TORRES: AYE.

4 MS. BONNEVILLE: DIANE WINOKUR.

5 MS. WINOKUR: YES.

6 MR. HARRISON: THE MOTION CARRIES.

7 CHAIRMAN THOMAS: OKAY. THANK YOU, MR.

8 SHEEHY. THANK YOU, DR. SAMBRANO.

9 MR. SHEEHY, WHILE YOU STEPPED OUT, I GAVE  
10 A GLOWING INTRODUCTION OF THE COMMENTS THAT YOU WERE  
11 GOING TO MAKE ON THE NEWS FROM THE HIV CONFERENCE  
12 AND CIRM FUNDING. AND SO DIDN'T QUITE NOTE THAT YOU  
13 WERE OUT OF THE ROOM AT THE TIME, SO WITHOUT FURTHER  
14 ADO, SINCE YOU HAVE THE FLOOR UNDER PROGRAMMATIC,  
15 COULD YOU JUST GIVE A REPORT BECAUSE I THINK THE  
16 BOARD WILL FIND IT VERY INTERESTING.

17 MR. SHEEHY: SURE. AND I APOLOGIZE. I  
18 GOT A TEXT FROM HOME FROM MY HUSBAND, SO WHENEVER  
19 THAT HAPPENS, THOUGH NOTHING SERIOUS.

20 SO I JUST CAME BACK FROM MELBOURNE WHERE  
21 THE INTERNATIONAL AIDS CONFERENCE IS BEING HELD.  
22 AND ONE THING, IT WAS A BIT OF A REMINDER OF THE  
23 SACRIFICES THAT THE INCREDIBLE RESEARCH COMMUNITY  
24 MAKES ESPECIALLY IN THE FIELD OF GLOBAL HEALTH. WE  
25 LOST JEB LANG, WHO WAS A TRUE HERO. AND AT ALL OF

BARRISTERS' REPORTING SERVICE

1 YOUR INSTITUTIONS, YOU HAVE PEOPLE EVERY DAY WHO ARE  
2 FLYING ALL OVER THE WORLD IN PLACES THAT ARE NOT  
3 ALWAYS REALLY SAFE, TAKING THE GREAT SCIENCE THAT WE  
4 DEVELOPED IN THIS COUNTRY TO THOSE COUNTRIES WHERE  
5 IT'S DESPERATELY NEEDED. AND IT'S VERY MUCH A  
6 TRAGEDY FOR US TO HAVE THIS HAPPEN, BUT IT REALLY IS  
7 A REMINDER OF THE HEROIC SACRIFICES A LOT OF  
8 SCIENTISTS AND RESEARCHERS AND CLINICIANS ARE MAKING  
9 TO ADVANCE GLOBAL HEALTH.

10 AND, FRANKLY, THE UNIVERSITY OF CALIFORNIA  
11 HAS BEEN A TREMENDOUS LEADER AND STANFORD HAS A  
12 GREAT PROGRAM. I THINK ALMOST EVERY INSTITUTION  
13 REPRESENTED ON THIS BOARD HAS REALLY GONE ABOVE AND  
14 BEYOND TO WORK AROUND THE WORLD.

15 SO ONE OF THE REASONS I WAS ATTENDING WAS  
16 TO GO TO THE INTERNATIONAL AIDS SOCIETY MEETING,  
17 SYMPOSIUM, ON WORK TOWARDS A CURE FOR HIV. AND ONE  
18 OF THE THINGS THAT I FOUND VERY INTERESTING IS THAT  
19 WE WERE THE SECOND LARGEST FUNDER, EXCLUDING  
20 INDUSTRY, BUT IN TERMS OF NONPROFITS AND AGENCIES,  
21 ETC. IN THE WORLD. NIH IS FIRST AND WE ARE SECOND.  
22 SO WE'RE AHEAD OF THE FRENCH, WE'RE AHEAD OF THE EC,  
23 WE'RE AHEAD OF GREAT BRITAIN. SO I THINK THAT IS  
24 JUST REALLY INDICATIVE OF THE LEADERSHIP CALIFORNIA  
25 AND CALIFORNIA CITIZENS HAVE EXHIBITED IN FUNDING

BARRISTERS' REPORTING SERVICE

1 THIS AGENCY AND THE TREMENDOUS WORK THAT EVERYBODY  
2 INVOLVED WITH THIS ENTERPRISE HAS BEEN DOING OVER  
3 THE LAST TEN YEARS.

4 SO BUT I OPEN IT UP -- I HAVE ACTUALLY THE  
5 THING HERE THAT THEY WERE DISTRIBUTING. AND THEY  
6 PULL IT UP AND WE'RE SECOND. IT'S JUST ASTONISHING.  
7 SO AMAZING WORK BEING DONE.

8 CHAIRMAN THOMAS: THANK YOU FOR THAT  
9 REPORT, MR. SHEEHY.

10 NOW GO ON TO ITEM 8, CONSIDERATION OF  
11 APPOINTMENT OF NEW SCIENTIFIC MEMBERS OF THE GRANTS  
12 WORKING GROUP. DR. SAMBRANO.

13 DR. SAMBRANO: THANK YOU, MR. CHAIRMAN.  
14 SO TODAY WE'RE BRINGING FOR YOUR CONSIDERATION ONE  
15 NOMINEE FOR CANDIDACY INTO THE GRANTS WORKING GROUP.  
16 THIS IS DR. ROBERT MASSON WHO IS AT THE UNIVERSITY  
17 OF FLORIDA. HE'S AN INTERNATIONALLY RECOGNIZED  
18 NEUROSURGEON WHO SPECIALIZES IN SPINAL CORD INJURY  
19 AND SPORTS SPINE MEDICINE. HIS BIOGRAPHY IS IN YOUR  
20 BOOKS. AND WE ARE SEEKING HIS APPROVAL INTO THE  
21 GRANTS WORKING GROUP.

22 CHAIRMAN THOMAS: ANY QUESTIONS, COMMENTS,  
23 MEMBERS OF THE BOARD? DO WE NEED TO SEEK PUBLIC  
24 COMMENT ON THIS? WE DO. ANY COMMENTS FROM MEMBERS  
25 OF THE PUBLIC? ANYBODY ON THE PHONE WHO WOULD LIKE

BARRISTERS' REPORTING SERVICE

1 TO COMMENT? I THINK WE CAN DO THIS ON A VOICE VOTE.  
2 SO ALL THOSE IN FAVOR PLEASE -- NO. WE CAN'T.  
3 EXCEPT FOR THOSE ON THE PHONE? NO, NOT EVEN THAT.  
4 JAMES IS WILDLY WAGGING HIS FINGER. NEVER A GOOD  
5 SIGN.

6 MR. HARRISON: WE NEED A MAKER AND A  
7 SECOND FOR THE MOTION, AND THEN WE DO NEED TO POLL  
8 THE MEMBERS WHO ARE ON THE PHONE.

9 MR. TORRES: SO MOVED.

10 CHAIRMAN THOMAS: MOVED BY SENATOR TORRES.

11 MR. SHEEHY: SECOND.

12 CHAIRMAN THOMAS: OKAY. SO VOICE VOTE  
13 PLUS POLLING. OKAY. ALL THOSE IN FAVOR IN THE ROOM  
14 PLEASE SIGNIFY BY SAYING AYE. OPPOSED? OKAY.  
15 MARIA, CAN YOU POLL THOSE ON THE PHONE, PLEASE?

16 MS. BONNEVILLE: LAUREN MILLER.

17 MS. MILLER: AYE.

18 MS. BONNEVILLE: SHLOMO MELMED.

19 DR. MELMED: AYE.

20 MS. BONNEVILLE: CARL WARE.

21 DR. WARE: AYE.

22 MS. BONNEVILLE: SHERRY LANSING.

23 MS. LANSING: WAIT. AYE.

24 MS. BONNEVILLE: THANK YOU.

25 MR. HARRISON: THE MOTION CARRIES.



BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: OKAY. THANK YOU, MR.  
2 HARRISON.

3 NOW, WE'RE GOING ON TO ITEMS 9 AND 10,  
4 WHICH HAVE TO DO WITH THE ALPHA CLINICS,  
5 SPECIFICALLY HAVING TO DO WITH A SUBSET OF THE ALPHA  
6 CLINICS PROGRAM, THE SO-CALLED CIMC PORTION. WHAT  
7 WILL BE DISCUSSED IN ITEMS 9 AND 10 ARE SPECIFICALLY  
8 THOSE ASPECTS OF THE CIMC THAT DR. MILLS WOULD LIKE  
9 TO ENTERTAIN DISCUSSION AND VOTE ON. WHAT WILL NOT  
10 BE DISCUSSED IS THE ALPHA CLINIC PROGRAM ITSELF AS  
11 IT IS NOT SUBJECT TO ANY MODIFICATION FURTHER TO  
12 THESE TWO AGENDA ITEMS.

13 SO I JUST WANT TO POINT THAT OUT TO  
14 MEMBERS OF THE BOARD. THERE NEED NOT BE ANY  
15 DISCUSSION ON THE CLINICS THEMSELVES. IN FACT, THE  
16 SEQUENCE IS GOING TO BE THE PROPOSALS ARE IN.  
17 THEY'RE GOING TO GO TO THE GRANTS WORKING GROUP IN  
18 SEPTEMBER. WE WILL HAVE THEM -- THE RESULTS AND  
19 RECOMMENDATIONS OF THE GRANTS WORKING GROUP BROUGHT  
20 BACK TO THE BOARD POTENTIALLY IN THE OCTOBER TIME  
21 FRAME. AND AT THAT POINT THERE WILL BE DISCUSSION  
22 ON THE ALPHA CLINIC CONCEPT ITSELF. TODAY STRICTLY  
23 DISCUSSION ON THE CIMC, AND I THINK WITH THAT,  
24 SENATOR TORRES, DID YOU HAVE A COMMENT YOU WANTED TO  
25 MAKE? NO. OKAY.

BARRISTERS' REPORTING SERVICE

1 SO I WOULD LIKE JUST TO REMIND EVERYBODY  
2 HERE WHEN WE GET INTO THE DISCUSSION WITH RESPECT TO  
3 THE CIMC, THAT WE ARE ALL HERE REPRESENTING THE  
4 MEMBERS OF THE PUBLIC, PATIENTS EVERYWHERE AND TO  
5 VIEW THIS AS SOMETHING THAT IS A UNIVERSAL CONCEPT  
6 AND NOT SOMETHING THAT SPECIFICALLY APPLIES TO ANY  
7 PARTICULAR INSTITUTION OR ADVOCACY GROUP. SO WITH  
8 THAT, MR. HARRISON.

9 MR. HARRISON: JUST A QUICK WORD ABOUT OUR  
10 CONFLICT SCREENING PROCESS. THIS IS A SOMEWHAT  
11 UNUSUAL SET OF CIRCUMSTANCES BECAUSE ITEM 9 IS A  
12 REQUEST FOR RECONSIDERATION OF A CONCEPT PROPOSAL  
13 APPROVED BY THE BOARD WHICH RESULTED IN THE ISSUANCE  
14 OF AN RFA, AND INSTITUTIONS HAVE IN RESPONSE TO THAT  
15 RFA ALREADY SUBMITTED APPLICATIONS. AS A RESULT,  
16 THE MEMBERS OF THE BOARD WHO ARE ASSOCIATED WITH  
17 INSTITUTIONS THAT HAVE SUBMITTED APPLICATIONS ARE  
18 PRECLUDED FROM PARTICIPATING BOTH IN THE DISCUSSION  
19 AND THE VOTE ON THE MOTION FOR RECONSIDERATION.  
20 THAT'S ITEM 9.

21 IF THE BOARD APPROVES THE MOTION FOR A  
22 RECONSIDERATION AND RESCINDS ITS PRIOR APPROVAL OF  
23 THE CIMC CONCEPT PROPOSAL, THAT WOULD AFFECT -- THAT  
24 WOULD HAVE THE EFFECT OF RENDERING THE CIMC RFA AND  
25 THE APPLICATIONS SUBMITTED IN RESPONSE TO IT NULL

BARRISTERS' REPORTING SERVICE

1 AND VOID. AND AT THAT POINT IN TIME, ALL MEMBERS OF  
2 THE BOARD COULD PARTICIPATE IN THE DISCUSSION OF  
3 ITEM 10, WHICH IS A PROPOSAL BY DR. MILLS FOR A MORE  
4 NARROWLY FOCUSED CIMC CONCEPT PLAN.

5 CHAIRMAN THOMAS: THANK YOU, MR. HARRISON.  
6 DR. MILLS.

7 DR. MILLS: THANK YOU, GUYS. SO THE FIRST  
8 THING I'D LIKE TO SAY BEFORE WE GET STARTED WITH  
9 THIS RECONSIDERATION PROCESS CENTERS AROUND WHAT I  
10 HOPE ENDS UP EMERGING OUT OF A RELATIONSHIP BETWEEN  
11 CIRM, BETWEEN MYSELF, AND BETWEEN THE BOARD OF  
12 DIRECTORS WHERE WE HAVE HONEST, OPEN COMMUNICATIONS  
13 ABOUT THINGS. ONE OF THE THINGS I WANT TO MAKE SURE  
14 THE BOARD UNDERSTANDS IS THAT I WILL BRING TO YOU MY  
15 HONEST ASSESSMENT. IF I REVIEW SOMETHING AND I LOOK  
16 AT IT AND IT'S NOT GOOD, I WILL TELL YOU THAT. IF I  
17 LOOK AT SOMETHING AND IT'S GOOD, I WILL TELL YOU  
18 THAT. THAT I PROMISE. IT WILL BE HONEST AND IT  
19 WILL BE AUTHENTIC.

20 WHAT I DON'T WANT THE BOARD TO TAKE AWAY  
21 WAS ACTUALLY WRITTEN AND WHY I'M BRINGING IT UP,  
22 THAT IF THE BOARD DOESN'T GO ALONG WITH RANDY, RANDY  
23 SHOULD RESIGN. NO. THAT'S NOT THE WAY THIS WORKS.  
24 I WILL PUT FORTH MY ARGUMENTS IN THE BEST INTEREST  
25 OF CIRM. YOU GUYS ARE HIGHLY ACCOMPLISHED, HIGHLY

BARRISTERS' REPORTING SERVICE

1 SKILLED, SUCCESSFUL PEOPLE AND HAVE A LOT OF TALENTS  
2 AND ABILITIES AND WILL MAKE DECISIONS SOMETIMES THAT  
3 WILL AGREE WITH ME, SOMETIMES THAT WILL NOT AGREE  
4 WITH ME. THAT'S THE WAY IT'S SUPPOSED TO WORK. I  
5 AM FINE WITH THAT. I WANT YOU TO KNOW THAT BEFORE  
6 WE GET STARTED.

7 SECOND IS AROUND TIMING OF THIS. THE  
8 TIMING OF THIS IS NOT OPTIMAL. I COMPLETELY  
9 UNDERSTAND THAT. THIS WAS A CONCEPT PLAN THAT WAS  
10 DRAWN UP. IT WAS AN RFA THAT WAS SENT OUT. THESE  
11 WERE RESPONSES THAT CAME IN BEFORE I WAS APPOINTED  
12 PRESIDENT OF CIRM. IT'S ALSO A TREMENDOUS AMOUNT OF  
13 MONEY. IT \$70 MILLION THAT WE'RE TALKING ABOUT.  
14 AND SO MY OPTIONS WERE BASICALLY TO COME IN AND SAY  
15 HERE'S THIS \$70 MILLION THING. POLITICALLY THE  
16 EASIEST THING TO DO WOULD BE JUST NOT SAY ANYTHING  
17 AND LET THE PROGRAM ROLL THROUGH. BUT I CAN'T DO  
18 THAT. THAT'S NOT WHO I AM. AND SO UNFORTUNATELY,  
19 FROM A TIMING STANDPOINT, I NEED TO GIVE YOU MY  
20 HONEST ASSESSMENT ABOUT THIS PROGRAM AND A CRITICAL  
21 ASSESSMENT ABOUT THIS PROGRAM AND WHAT I THINK ARE A  
22 FEW POINTS OF WEAKNESS WHICH JUST NOT ONLY COULD  
23 LEAD TO DUPLICATION OF COST, BUT MORE SPECIFICALLY  
24 FOR ME COULD ACTUALLY HURT THE SUCCESS OF THE  
25 PROGRAM, WHICH IS THE MORE IMPORTANT ASPECT FROM MY

BARRISTERS' REPORTING SERVICE

1 STANDPOINT.

2 SO WITH THAT BACKGROUND, LET'S GET INTO  
3 THIS. SO THE OVERALL MISSION OF THE CURRENT  
4 PROPOSAL IS TO ACCELERATE THERAPEUTIC DEVELOPMENT  
5 AND DELIVERY OF STEM CELL THERAPIES. THAT'S A  
6 PRETTY BROAD GOAL TO HAVE. IT'S ACTUALLY SO BROAD,  
7 IT'S FAIRLY SIMILAR TO THAT OF CIRM IN ITS ENTIRETY.  
8 AND THAT WAS ONE OF THE FIRST ALARM BELLS THAT WENT  
9 OFF IN MY MIND ABOUT THIS.

10 THIS, HOWEVER, OR ACTUALLY THE SPECIFIC  
11 STATED GOALS OF THE PROGRAM, ONLY THE FIRST OF WHICH  
12 IS CLINICAL TRIALS, AND SO THE CONCEPT ABOUT THE  
13 CLINICS IN MY MIND MEANT WE'RE GOING TO BE CREATING  
14 A CLINICAL TRIAL INFRASTRUCTURE THAT WOULD ENABLE  
15 RAPID CONDUCT OF CLINICAL TRIALS, PARTICULARLY THOSE  
16 IN EARLY STAGES WHICH OTHERWISE WOULDN'T BE ABLE TO  
17 GET DONE BECAUSE EARLY STAGE CLINICAL TRIALS OFTEN  
18 LACK THAT KIND OF INFRASTRUCTURE. BUT BEHIND THERE  
19 ARE THINGS LIKE DELIVERY OF APPROVED STEM CELL  
20 THERAPEUTICS. WELL, THIS IS A FIVE-YEAR RFA. THAT  
21 WOULD BE GOOD NEWS. DATA INFORMATION, PATIENT  
22 EDUCATION INCLUDING TACKLING MEDICAL TOURISM,  
23 HEALTHCARE ECONOMICS, DEVELOPING SUSTAINABLE  
24 BUSINESS MODELS, AND WORKING ON REIMBURSEMENT. IT'S  
25 NOT THAT I THINK THESE CONCEPTS IN AND OF THEMSELVES

BARRISTERS' REPORTING SERVICE

1 ARE PARTICULARLY BAD. IT'S THAT WHEN THEY'RE  
2 BUNDLED ALL INTO ONE GIANT PROPOSAL, I THINK IT  
3 SIGNIFICANTLY AS A CURRENT THEME LACKS FOCUS. AND  
4 WHEN SOMETHING LACKS FOCUS, THERE'S A CHANCE THAT IT  
5 WON'T GET ACCOMPLISHED.

6 SO IT'S A TWO-PART CONCEPT PLAN. THE  
7 FIRST ARE THE ALPHA CLINIC SITES. SO WE HAVE  
8 FUNDING FOR UP TO FIVE SITES FOR FIVE YEARS. THIS  
9 DOES NOT -- THIS IS IMPORTANT TO UNDERSTAND. THIS  
10 DOES NOT BUILD ANY PHYSICAL INFRASTRUCTURE, NOR DOES  
11 IT DIRECTLY FUND ANY CLINICAL TRIALS THAT ARE  
12 PROPOSED IN THIS APPLICATION. MOST OF THE FUNDING  
13 COVERS PERSONNEL COSTS. IT'S APPROXIMATELY \$11  
14 MILLION PER AWARD FOR FIVE YEARS FOR A TOTAL OF \$55  
15 MILLION.

16 THE SECOND PART OF THE CONCEPT PLAN DEALS  
17 WITH THE CIMC OR THIS COORDINATING CENTER. IT'S  
18 FUNDED FOR FIVE YEARS, ONE SITE FOR FIVE YEARS, AT A  
19 TOTAL COST OF \$15 MILLION. THE OVERALL COST OF THE  
20 PROJECT BEING \$70 MILLION.

21 SO HERE'S MY ATTEMPTING TO NOT GET INTO  
22 TOO MUCH DETAIL, FRANKLY, BECAUSE I DON'T THINK MY  
23 CONCERN ABOUT THIS ACTUALLY IS AT THE DETAIL LEVEL.  
24 IT'S AT THE HIGH LEVEL. THE CONCEPT PLAN, AS I SAID  
25 BEFORE, CONTAINS MANY LAUDABLE ACTIVITIES. IT

BARRISTERS' REPORTING SERVICE

1 REALLY DOES. SO AS WE TALK THROUGH THIS, DON'T TAKE  
2 MY COMMENTS TO MEAN I DON'T THINK WE SHOULD BE DOING  
3 PATIENT EDUCATION OR SIMILAR THINGS. I JUST DON'T  
4 WANT THEM ALL BUNDLED INTO ONE GIANT CONCEPT PLAN.

5           HOWEVER, I DO BELIEVE, AS I MENTIONED, THE  
6 PLAN LACKS FOCUS AND ATTEMPTS TO TACKLE TOO MANY  
7 ISSUES AT THE SAME TIME. BECAUSE OF THAT, THERE IS  
8 A VERY REAL, AND I MEAN A VERY REAL POSSIBILITY OF  
9 DUPLICATION OF COSTS. AND THEN BECAUSE OF THAT, THE  
10 \$70 MILLION PRICE TAG IS NOT CLEARLY JUSTIFIED IN  
11 TERMS OF THE BENEFITS IT WILL DELIVER TO THE PEOPLE  
12 OF CALIFORNIA. IT'S A LOT OF MONEY, \$70 MILLION  
13 OVER FIVE YEARS, AND IT'S NOT CLEAR THAT WE'RE GOING  
14 TO GET \$70 MILLION OF BENEFIT OUT OF THE PROGRAM AS  
15 IT'S CURRENTLY CONSTRUCTED. AND JUST SORT OF IN A  
16 NUTSHELL, PROGRAMS THAT TRY TO FIX EVERYTHING  
17 USUALLY TEND TO FIX NOTHING.

18           SO MY PROPOSED APPROACH HERE, AGAIN, WHICH  
19 FEEL FREE TO DISAGREE WITH, IS TO NOT THROW THE GOOD  
20 OUT WITH THE BAD BECAUSE I DO THINK THERE'S MERIT TO  
21 THIS CONCEPT IN GENERAL. BUT INSTEAD, FOCUS THE  
22 ALPHA CLINICS DOWN TO THOSE ACTIVITIES THAT  
23 SPECIFICALLY ACCELERATE PATIENT PARTICIPATION IN  
24 CLINICAL TRIALS. OVER A FIVE-YEAR TIME PERIOD IS  
25 WHAT THIS RFA IS FOR. SO THOSE REALLY ARE THE

BARRISTERS' REPORTING SERVICE

1 ACTIVITIES WE SHOULD BE FOCUSING ON.

2 SO I WOULD RECOMMEND, AND THIS IS THE PART  
3 THEY WERE TALKING ABOUT IN PREVIOUS THAT WE'LL TAKE  
4 UP A PROGRAMMATIC REVIEW AT A LATER MEETING. BUT  
5 JUST SO YOU UNDERSTAND, THE OVERALL PLAN WOULD BE  
6 CONTINUE WITH THE CLINICS PORTION OF THE CONCEPT  
7 PLAN. SO THIS IS THE ACTUAL ALPHA CLINIC SITES.  
8 THAT REVIEW OF THE APPLICATIONS THAT ARE IN WILL  
9 TAKE PLACE IN SEPTEMBER. I WILL BE RECOMMENDING A  
10 LIMITED NUMBER OF CENTERS FOR INITIAL FUNDING WITH  
11 THE THOUGHT OF OBJECTIVELY EVALUATING THEIR PROCESS  
12 OVER SOME PILOT PERIOD OF TIME TO FIGURE OUT WHETHER  
13 OR NOT THESE THINGS ARE WORKING GREAT AND WE SHOULD  
14 ACCELERATE THEM FASTER THAN WE THOUGHT. THERE ARE  
15 SOME ISSUES WITH THEM THAT WE NEED TO FIX BEFORE WE  
16 EXPAND OR THEY'RE NOT MEETING OUR NEEDS AND WE  
17 SHOULD STOP THEM. AGAIN, THAT IS A TOPIC NOT FOR  
18 TODAY. THAT IS A TOPIC FOR PROGRAMMATIC WHEN IT  
19 COMES BACK AT A LATER MEETING. THE TOPIC FOR THE  
20 DAY, THOUGH, IS TO REVISE THE CIMC PORTION OF THE  
21 CONCEPT PLAN, NARROW THE FOCUS TO CLINICAL  
22 OPERATIONS. AS I SAID, THE OTHER TOPICS  
23 PARTICULARLY THAT THE BOARD FINDS COMPELLING WE CAN  
24 ISSUE ADDITIONAL CONCEPT PLANS AND SPECIFIC RFA'S  
25 FOR, AND THEN REISSUE AN RFA FOR A FOCUSED CIMC.



BARRISTERS' REPORTING SERVICE

1 SO THE FIRST THING WE WOULD NEED TO DO  
2 TODAY WOULD BE TO DECIDE WHETHER OR NOT THAT THERE'S  
3 SUFFICIENT CONVICTION AMONG THE MEMBERS OF THE BOARD  
4 TO RESCIND THE CIMC PORTION OF THE CONCEPT PLAN.

5 CHAIRMAN THOMAS: OKAY. THANK YOU, DR.  
6 MILLS. ARE THERE QUESTIONS ON THE PRESENTATION THUS  
7 FAR WITH RESPECT TO ITEM NO. 9, WHICH IS THE  
8 RESCINDING OF THE CIMC CONCEPT PLAN? QUESTIONS OR  
9 COMMENTS FROM MEMBERS OF THE BOARD?

10 DR. JUELSGAARD: I MOVE THAT WE RESCIND  
11 THE CIMC CONCEPT PLAN AS PREVIOUSLY APPROVED.

12 MR. ROWLETT: SECOND.

13 CHAIRMAN THOMAS: MOVED BY MR. JUELSGAARD,  
14 SECONDED BY MR. ROWLETT. NO. JAMES, AGAIN, WAGGING  
15 HIS FINGERS. AL IS CONFLICTED.

16 MR. TORRES: I SECOND IT. I'M NEVER IN A  
17 CONFLICT.

18 CHAIRMAN THOMAS: THANK YOU, SENATOR  
19 TORRES. SO FURTHER DISCUSSION? ANY COMMENTS BY  
20 FOLKS ON THE PHONE? COMMENTS BY MEMBERS OF THE  
21 PUBLIC? YES. WE HAVE A COMMENT. DON, PLEASE.

22 MR. REED: I AM SWAYED BY YOUR ARGUMENTS.

23 CHAIRMAN THOMAS: PLEASE, DON, JUST FOR  
24 THOSE ON THE PHONE, EVEN THOUGH WE ARE WELL FAMILIAR  
25 WITH YOUR VOICE AND YOUR WONDERFUL PARTICIPATION FOR

BARRISTERS' REPORTING SERVICE

1 MANY YEARS, COULD YOU PLEASE JUST IDENTIFY YOURSELF  
2 FOR THOSE ON THE PHONE.

3 MR. REED: THIS IS DON REED, A PATIENT  
4 ADVOCATE. I'M SWAYED BY THE ARGUMENTS, BUT I CAN'T  
5 HELP BUT REMEMBER THE REASONS FOR MAKING A COMBINED  
6 SITUATION. THERE'S SO MUCH OF THE STEM CELL TOURISM  
7 GOING ON, AND IT SEEMS SO LOGICAL TO ME THAT THE  
8 PLACE TO COMBAT IT WOULD BE THE CENTER OF WHAT IS  
9 DECENT AND HONORABLE AND RESPECTABLE SCIENCE THAT IS  
10 THE ALPHA CLINICS HEADQUARTERS THEMSELVES. I ALSO  
11 REALLY THINK IT'S IMPORTANT THAT WE SHARE THE  
12 INFORMATION THAT IS GATHERED, PAID FOR BY CALIFORNIA  
13 WITH OTHER SCIENTISTS. AND, AGAIN, I SEE NO BETTER  
14 PLACE TO PUT THAT REPOSITORY OF KNOWLEDGE THAN AT  
15 THE CIMC.

16 SO I THINK THAT WE NEED TO THINK CAREFULLY  
17 BEFORE WE TAKE A CONCEPT THAT WAS VERY SOUND AND  
18 VALID AND, TO MY MIND, WORKABLE AND TO SAY, WELL,  
19 LET'S DON'T DO IT. I THINK WE SHOULD THINK  
20 CAREFULLY ABOUT THIS.

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

23 MS. BRAZWELL: THANK YOU VERY MUCH. MY  
24 NAME IS JENNIFER BRAZWELL. I'M FROM THE UNIVERSITY  
25 OF CALIFORNIA SAN DIEGO. I'M PRESENTING A LETTER

BARRISTERS' REPORTING SERVICE

1 FROM SANDRA A BROWN, VICE CHANCELLOR FOR RESEARCH AT  
2 THE UNIVERSITY OF CALIFORNIA SAN DIEGO.

3 "CHAIRMAN THOMAS AND MEMBERS OF THE CIRM  
4 INDEPENDENT CITIZENS OVERSIGHT COMMITTEE, ON BEHALF  
5 OF THE UNIVERSITY OF CALIFORNIA SAN DIEGO, I WOULD  
6 LIKE TO EXPRESS CONCERN ABOUT THE PLAN TO RECONSIDER  
7 THE RFA 13-07 AS ORIGINALLY APPROVED AND ITS  
8 RESCINDING THE COORDINATING AND INFORMATION  
9 MANAGEMENT CENTER.

10 "WE BELIEVE THAT THE COMPLEXITIES OF  
11 ORGANIZING AND COORDINATING MULTIPLE CENTERS WITH  
12 ACTIVE CLINICAL TRIALS HAVE BEEN UNDERESTIMATED.  
13 THIS IS AN AREA WHERE WE HAVE CONSIDERABLE EXPERTISE  
14 THROUGH THE CLINICAL AND TRANSLATIONAL SCIENCE  
15 AWARDS, THE IMMUNE TOLERANCE NETWORK, COMPREHENSIVE  
16 CANCER CENTERS, AND MANY OTHER COLLABORATIVE  
17 NETWORKS.

18 "IF THE ALPHA CLINICS EACH HAVE FIVE TO  
19 TEN TRIALS PER YEAR, THEN THE NETWORK WILL MANAGE UP  
20 TO 250 CLINICAL TRIALS OVER FIVE YEARS. WITHOUT  
21 CENTRAL, EXPERT, ETHICAL, AND REGULATORY SUPPORT, A  
22 CONSISTENT AND INTEROPERABLE INFORMATICS PLATFORM,  
23 CORES FOR BIOSTATISTICS REVIEW, AND ADEQUATE  
24 OVERSIGHT OF SITE ACCRUAL AND PERFORMANCE, THE ALPHA  
25 CLINICS WILL SIMPLY BE A GROUP OF INDEPENDENT SILOS

BARRISTERS' REPORTING SERVICE

1 THAT DUPLICATE EFFORTS. MULTIPLE CENTER STUDIES  
2 USING VARYING PLATFORMS WILL BE PROBLEMATIC. THE  
3 PROPOSED FUNDS REQUIRED TO MANAGE THIS NETWORK ARE  
4 RELATIVELY MODEST COMPARED TO OTHER SIMILAR  
5 NETWORKS, ESPECIALLY IF ONE CONSIDERS EXTRAMURAL  
6 FUNDS THAT WOULD SUPPORT THE INDIVIDUAL TRIALS. THE  
7 ADVANTAGES OF COORDINATION ARE MANIFEST. IT IS A  
8 MODEST INVESTMENT TO ASSURE THAT THE FINAL CRITICAL  
9 STEP IN THE \$3 BILLION ALLOCATION TO TEST STEM CELL  
10 THERAPIES IN PEOPLE MEETS STANDARDS FOR CLINICAL  
11 TRIAL PERFORMANCE.

12 "THERE ARE SOME COMPONENTS OF THE RFA THAT  
13 COULD POTENTIALLY BE RECONSIDERED, SUCH AS BUSINESS  
14 DEVELOPMENT. RATHER THAN ELIMINATE THE ENTIRE  
15 PROGRAM AND THEN UNDERRESOURCE COORDINATING CENTERS  
16 IN A WAY THAT WILL PROVIDE LITTLE OR NO BENEFIT,  
17 PERHAPS CIRM MIGHT CONSIDER REBUDGETING AFTER  
18 REVIEWING THE PROPOSALS AND ELIMINATING SOME  
19 ELEMENTS CONSIDERED LESS BENEFICIAL. THIS SORT OF  
20 POSTAWARD ACTIVITY IS COMMON. EXPERIENCED MINDS IN  
21 THE STATE HAVE GIVEN DETAILED AND THOUGHTFUL  
22 CONSIDERATION TO THE QUESTION OF A COORDINATING  
23 CENTER AND A NETWORKED APPROACH. TO RESCIND THE  
24 CONCEPT PLAN AND NOT REVIEW THE PROPOSALS MEANS THAT  
25 THE GRANTS WORKING GROUP, THE CALIFORNIA INSTITUTE

BARRISTERS' REPORTING SERVICE

1 FOR REGENERATIVE MEDICINE, AND THE BOARD WILL NOT  
2 RECEIVE THE BENEFIT OF THE IDEAS EXPRESSED IN THE  
3 PROPOSALS.

4 "WE ARE ALSO CONCERNED THAT THE REVIEW  
5 PROCESS AND THE DISCUSSION WILL NOT INCLUDE MANY  
6 STAKEHOLDERS BECAUSE OF PERCEIVED CONFLICTS OF  
7 INTEREST. WITHOUT A FULL AND OPEN DISCUSSION, THE  
8 RAMIFICATIONS OF RESCINDING THE COORDINATING AND  
9 INFORMATION MANAGEMENT CENTER MIGHT NOT BE FULLY  
10 UNDERSTOOD BY INDIVIDUALS WHO ARE NOT CONTENT  
11 EXPERTS.

12 "THANK YOU VERY MUCH FOR YOUR  
13 CONSIDERATION." AND THIS LETTER, ALL OF THE  
14 FOREGOING IS SIGNED BY SANDRA A. BROWN, PH.D., THE  
15 VICE CHANCELLOR FOR RESEARCH, UNIVERSITY OF  
16 CALIFORNIA SAN DIEGO. THANK YOU VERY MUCH.

17 CHAIRMAN THOMAS: THANK YOU, JENNIFER.  
18 AND THANK YOU, DON. OTHER COMMENTS FROM MEMBERS OF  
19 THE PUBLIC?

20 DR. NYLAND: YES. THANK YOU. I'M DR.  
21 JOYCE NYLAND, CHIEF RESEARCH INFORMATION OFFICER AND  
22 DEPARTMENT CHAIR OF INFORMATION SCIENCES, AND  
23 PROFESSOR AT CITY OF HOPE CANCER CENTER. WE WERE  
24 ONE OF THE FIVE APPLICANTS FOR THE CIMC. I JUST  
25 WANT TO BE SURE I'M ALLOWED TO COMMENT ON THIS

BARRISTERS' REPORTING SERVICE

1 MOTION. I SUBMITTED THE PROPOSAL THAT WENT IN AS  
2 THE PRINCIPAL INVESTIGATOR.

3 WE REMAIN VERY EXCITED ABOUT THE ALPHA  
4 CLINIC NETWORK, AND WE THINK IT WILL BRING GREAT  
5 PROMISE FOR STEM CELL THERAPY TO COME TO FRUITION IN  
6 THE MOST EFFICIENT, RAPID MANNER. AND I THINK IT  
7 MEETS ALL FOUR OF DR. MILLS' CRITERIA FOR AN  
8 EFFECTIVE PROGRAM THAT HE WENT OVER THIS MORNING.

9 I HAVE OVER 25 YEARS EXPERIENCE IN RUNNING  
10 NATIONAL, INTERNATIONAL DATA COORDINATING CENTERS  
11 FOR PHASE I-II TRIALS IN CANCER, FOR DIABETES, AND  
12 FOR STEM CELL THERAPY. I THINK THE USE OF THE WORD  
13 "RESCIND" MAY HAVE BEEN AN UNFORTUNATE CHOICE OF  
14 WORDS. MY UNDERSTANDING FROM THE PROPOSAL IS THAT  
15 THE CIMC WILL REMAIN A CRITICAL COMPONENT OF THE  
16 ALPHA CLINICS NETWORK, BUT IT WILL BE REVISED AND  
17 FOCUSED AS A MORE TRADITIONAL, ROBUST DCC. AND SO I  
18 AGREE WITH A MUCH MORE FOCUSED CIMC CONCEPT PLAN  
19 THAT DR. MILLS HAS PROPOSED.

20 THAT WAS ONE OF OUR CONCERNS WHEN WE  
21 APPLIED FOR THIS APPLICATION WAS THAT IT WAS QUITE  
22 DIFFUSE, REQUIRED EXPERTISE FROM MANY DIFFERENT  
23 AREAS THAT USUALLY ARE OUTSIDE OF A DATA  
24 COORDINATING CENTER. I THINK THIS FOCUSED PROPOSAL  
25 WILL ALLOW THE GROUP THAT IS SELECTED TO SUCCEED AS

BARRISTERS' REPORTING SERVICE

1 A MORE TRADITIONAL, ROBUST DATA COORDINATING CENTER  
2 AND ASSIST THE ALPHA CLINICS CONDUCT SAFE,  
3 SCIENTIFICALLY VALID TRIALS.

4 AND THE OTHER AIMS THAT DR. MILLS PROPOSES  
5 TO ELIMINATE ARE IMPORTANT, AS MR. REED SAYS, BUT I  
6 AGREE THAT IT'S CRITICAL TO NOT DIVERT THE PRIMARY  
7 FUNCTION OF A DATA COORDINATING CENTER BY ALSO  
8 TRYING TO BE AN INFORMATION CLEARINGHOUSE AND  
9 BUSINESS MODELING FOR FUTURE SUSTAINABILITY. I  
10 THINK THE ALPHA CLINICS AND THE CIMC SHOULD  
11 PARTICIPATE IN THESE IMPORTANT ACTIVITIES, AND THERE  
12 SHOULD PERHAPS BE OTHER GROUPS WITH THAT EFFORT, BUT  
13 I AGREE WITH A MORE FOCUSED EFFORT THAT WILL HELP  
14 SUCCEED AND ALLOW THE TRIALS TO SUCCEED. THANK YOU.

15 CHAIRMAN THOMAS: THANK YOU. ANY OTHER  
16 COMMENTS FROM MEMBERS OF THE PUBLIC? HEARING NONE,  
17 MARIA -- NOTHING FURTHER FROM MEMBERS OF THE BOARD?  
18 HEARING NONE, MARIA, WILL YOU PLEASE CALL THE ROLL.

19 MR. HARRISON: JUST TO BRIEFLY RESTATE THE  
20 MOTION, IT IS TO RESCIND THE CIMC CONCEPT PROPOSAL  
21 PREVIOUSLY APPROVED BY THE BOARD.

22 MS. BONNEVILLE: STEVE JUELSGAARD.

23 DR. JUELSGAARD: YES.

24 MS. BONNEVILLE: LAUREN MILLER.

25 MS. MILLER: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: JOE PANETTA.  
2 MR. PANETTA: YES.  
3 MS. BONNEVILLE: ROBERT QUINT.  
4 DR. QUINT: NO.  
5 MS. BONNEVILLE: JONATHAN THOMAS.  
6 CHAIRMAN THOMAS: YES.  
7 MS. BONNEVILLE: ART TORRES.  
8 MR. TORRES: AYE.  
9 MS. BONNEVILLE: CARL WARE.  
10 DR. WARE: AYE.  
11 MS. BONNEVILLE: DIANE WINOKUR.  
12 MS. WINOKUR: ABSTAIN.  
13 MR. HARRISON: THE MOTION CARRIES WITH SIX  
14 YES VOTES, ONE ABSTENTION, AND ONE NO VOTE.  
15 CHAIRMAN THOMAS: OKAY. LET'S MOVE ON TO  
16 ITEM NO. 10, DR. MILLS.  
17 DR. MILLS: OKAY. SO THE REVISED CONCEPT  
18 PLAN WHICH YOU WERE PROVIDED IN DETAIL, AND I  
19 ACTUALLY PROVIDED IT IN TWO FORMS, ONE IN THE CLEAN  
20 FORM WHICH IS SIMPLY THE PREVIOUS CONCEPT PLAN WITH  
21 ESSENTIALLY DELETIONS OF THE THINGS WHICH WERE LESS  
22 FOCUSED ON THE PROGRAM CENTERED AROUND CLINICAL  
23 OPERATIONS ASPECTS OF THE CIMC. SO FOR A VERY  
24 DETAILED VERSION OF WHAT THE CONCEPT PLAN IS, YOU  
25 CAN REFER TO THAT IN YOUR MATERIALS.



BARRISTERS' REPORTING SERVICE

1 SO WHAT I'M GOING TO GO OVER HERE IS  
2 FAIRLY HIGH LEVEL. THE FIRST THING IS REFINING DOWN  
3 THE OBJECTIVE TO THE DEVELOPMENT OF CLINICAL  
4 CAPACITY AND ASSOCIATED RESOURCES DESIGNED TO  
5 SUPPORT THE EFFECTIVE IMPLEMENTATION AND EXECUTION  
6 OF CLINICAL TRIALS. THAT IS, I THINK, AT LEAST A  
7 GOOD FIRST STEP ON SOMETHING THAT WE COULD  
8 ACCOMPLISH AND ADD THE APPROPRIATE INFRASTRUCTURE  
9 INTO THE STATE OF CALIFORNIA FOR CONDUCTING THESE  
10 HIGHLY COMPLEX CLINICAL TRIALS AND PROVIDE THEM THE  
11 CLINICAL OPERATIONS AND REGULATORY SUPPORT THAT  
12 THEY'LL NEED TO GET THEM DONE IN AN EFFICIENT  
13 MANNER.

14 SPECIFICALLY, WHAT I'VE ATTEMPTED TO DO  
15 WITH THIS REVISION, THE SPECIFIC THINGS BEING  
16 REMOVED, OUTREACH, EDUCATION AND TRAINING,  
17 INFORMATION MANAGEMENT CENTER, AND BUSINESS  
18 DEVELOPMENT ACTIVITIES. AGAIN, NOT THAT ANY OF  
19 THESE ARE PROBLEMATIC, BUT THAT THEIR INCLUSION IN  
20 HERE WOULD LEAD TO THE DILUTION OF THE OVERRIDING  
21 PREMISE OF THE CIMC AND, MORE IMPORTANTLY, WHAT  
22 WE'RE TRYING TO GET DONE WITH ALPHA CLINICS AND, MY  
23 FEAR, COULD LEAD TO DUPLICATIVE COSTS, BUT, MORE  
24 IMPORTANTLY, COULD ACTUALLY SLOW THE PROGRAM DOWN,  
25 WHICH INVOLVES GETTING STEM CELL TREATMENTS TO

BARRISTERS' REPORTING SERVICE

1 PATIENTS. WHAT REMAINS LEFT ARE SERVICES FOR  
2 CLINICAL TRIAL DESIGN AND EXECUTION, SPECIFICALLY  
3 THOSE FOR EARLY STAGE CLINICAL OPERATIONS BECAUSE  
4 THAT'S WHERE WE ARE IN THE FIELD OF STEM CELLS, AND  
5 THOSE DIRECTLY RELATED TO HIGH QUALITY -- CONDUCTING  
6 HIGH QUALITY STEM CELL CLINICAL TRIALS.

7 THE IMPACT OF THE BUDGET ON THE CIMC WOULD  
8 BE A REDUCTION FROM \$15 MILLION PROPOSED IN THE  
9 ORIGINAL TO 10 MILLION, AGAIN, OVER THE SAME  
10 FIVE-YEAR PERIOD. THANK YOU.

11 CHAIRMAN THOMAS: DO I HEAR A MOTION TO  
12 APPROVE THE NEW CIMC PROPOSAL AS SET FORTH?

13 MR. TORRES: SO MOVED.

14 CHAIRMAN THOMAS: MOVED BY SENATOR TORRES.

15 DR. JUELSGAARD: SECOND.

16 CHAIRMAN THOMAS: SECONDED BY MR.  
17 JUELSGAARD. COMMENTS, QUESTIONS FROM MEMBERS OF THE  
18 BOARD? MR. PANETTA.

19 MR. PANETTA: THANK YOU, MR. CHAIRMAN.  
20 DR. MILLS, I CAN APPRECIATE WHAT WE'RE TRYING TO DO  
21 HERE WITH REGARD TO FOCUS. AND I KNOW WHAT I'M  
22 GOING TO ASK YOU PROBABLY APPRECIATE MORE THAN MOST.  
23 BUT IN THE HISTORY OF CONDUCTING CLINICAL TRIALS IN  
24 THE BIOPHARMACEUTICAL INDUSTRY, ONE OF THE GREATEST  
25 CHALLENGES WE FACE IS RECRUITMENT OF PATIENTS, AS

BARRISTERS' REPORTING SERVICE

1 YOU KNOW. AND MY QUESTION IS REALLY WITH THE  
2 REMOVAL OF THESE OTHER TWO ELEMENTS, DO YOU FEEL  
3 CONFIDENT THAT WE WILL BE ABLE TO RECRUIT PATIENTS  
4 INTO THE TRIALS THAT ARE BEING CONDUCTED AT THESE  
5 ALPHA CLINICS BECAUSE, A, OBVIOUSLY WE WANT TO GET  
6 THE TREATMENTS TO THE PATIENTS, AS YOU SAID; AND, B,  
7 WE WANT TO MAKE SURE THAT WE CREATE A LEVEL OF  
8 VISIBILITY AND KNOWLEDGE FOR WHAT'S BEING DONE OUT  
9 HERE IN THE PUBLIC, AS YOU ALSO TALKED ABOUT IN THE  
10 PAST.

11 SO I JUST WOULD LIKE TO BE SATISFIED THAT  
12 YOU GOING FORWARD ARE GOING TO BE ABLE TO DO THAT.

13 DR. MILLS: SO ABSOLUTELY. HAVING  
14 ENROLLED MYSELF 1700 PATIENTS IN STEM CELL CLINICAL  
15 TRIALS OVER THE LAST TEN YEARS, A MAJOR LIMITING  
16 FACTOR IS THE RECRUITMENT OF PATIENTS INTO CLINICAL  
17 TRIALS. I THINK IT'S IMPORTANT TO KNOW THAT THE  
18 CLINICAL SITE ASPECT OF THE ALPHA CLINICS CONTAINS  
19 FUNDING TO ENHANCE PATIENT RECRUITMENT, AND THE  
20 CLINICAL OPERATIONS ACTIVITIES WHICH REMAIN IN HERE  
21 ALREADY CENTER AROUND PATIENT RECRUITMENT. SO THE  
22 PATIENT RECRUITMENT ASPECT OF THIS, I AGREE, IS  
23 CRITICAL, AND I WOULD ALSO SAY REMAINS.

24 CHAIRMAN THOMAS: OTHER COMMENTS,  
25 QUESTIONS FROM MEMBERS OF THE BOARD? ANY COMMENTS

BARRISTERS' REPORTING SERVICE

1 FROM THOSE ON THE PHONE? COMMENTS FROM MEMBERS OF  
2 THE PUBLIC?

3 MR. REED: THE INFORMATION MANAGEMENT  
4 SEEMS TO ME COULD BE A SMALL BUT IMPORTANT PART THAT  
5 COULD BE KEPT. THERE'S GOING TO BE A LOT OF  
6 INTEREST IN WHAT GOES ON AT THESE PLACES, AND THEY  
7 ARE THE CENTER. AS A PERSON WHO SUPPORTS SPINAL  
8 CORD INJURY RESEARCH VERY MUCH, I KNOW I'M GOING TO  
9 BE FASCINATED WITH WHAT, IF THAT IS CHOSEN, WHAT  
10 THAT AREA COMES UP WITH. I THINK IT VERY LOGICAL  
11 THAT AT LEAST A SMALL EFFORT BE MADE TO MANAGE THE  
12 INFORMATION WHICH IS GATHERED AND PRODUCED BY THESE  
13 SITUATIONS. I DON'T THINK THEY'LL COST A GREAT DEAL  
14 OF MONEY. I DON'T SEE WHAT THE OBJECTION WOULD BE.

15 DR. NYLAND: JOYCE NYLAND, CITY OF HOPE.  
16 I HAVE FOUR RECOMMENDATIONS. I APPLAUD THIS NEW  
17 PROPOSAL AS I SAID EARLIER.

18 ONE RELATES TO WHAT MR. REED JUST SAID. I  
19 THINK THE INFORMATION MANAGEMENT CENTER AS DESCRIBED  
20 IN THE ORIGINAL PROPOSAL WAS PERHAPS TOO BROAD AND  
21 TOO MUCH OF AN ACTIVITY, STEM CELL TOURISM, ALL  
22 RESEARCH IN STEM CELLS. I DO THINK WE SHOULD HAVE A  
23 HIGHLY ROBUST INFORMATICS PLATFORM, AS OUR UCSD  
24 REPRESENTATIVE SAID, AND I THINK THE CONCEPT PLAN  
25 COULD BE AUGMENTED BY EMPHASIZING THE DEVELOPMENT

BARRISTERS' REPORTING SERVICE

1 AND DEPLOYMENT OF A ROBUST DATA MANAGEMENT  
2 INFRASTRUCTURE FOR THE ALPHA CLINIC NETWORKS AS HIGH  
3 QUALITY DATA ARE AT THE ESSENCE OF DETERMINING  
4 EFFICACY AND EFFECTIVENESS OF CLINICAL TRIALS. AND  
5 THAT COULD INCLUDE A WEB SITE THAT SUPPORTS  
6 RECRUITMENT, DISSEMINATION OF INFORMATION. WE  
7 FREQUENTLY DO THAT IN OUR DATA COORDINATING CENTERS,  
8 BUT PERHAPS JUST ON A MORE LIMITED SCALE.

9 ANOTHER RECOMMENDATION IS SEMANTIC. I  
10 WOULD RECOMMEND CHANGING WHEREVER IT SAYS CLINICAL  
11 OPERATIONS OR CLINICAL CAPACITIES TO CLINICAL  
12 RESEARCH OPERATIONS JUST FOR CLARITY. I THINK THE  
13 DATA COORDINATING CENTER WILL BE SUPPORTING THE  
14 CLINICAL RESEARCH OPERATIONS. IT'S JUST A LITTLE  
15 BIT MORE SPECIFIC AND I THINK ACCURATE AND FOCUSED  
16 AS WE'RE TRYING TO BE.

17 ONE OTHER RECOMMENDATION WOULD BE TO  
18 MODIFY THE CONCEPT PLAN AS THE ORIGINAL RFA WAS  
19 STRUCTURED WITH REGARD TO THE PERCENT EFFORT OF THE  
20 PI. THIS CONCEPT PLAN RETURNS TO THE IDEA THAT HAD  
21 BEEN CHANGED, THAT THE PI MUST HAVE A HUNDRED  
22 PERCENT EFFORT IN THIS PROJECT. THE REASON I SAY  
23 THIS IS THIS COULD POSSIBLY ELIMINATE EXPERIENCED  
24 ACADEMIC CENTERS FROM APPLYING WHERE THE PI IS  
25 LIKELY TO HOLD AN ACADEMIC POST AND HAVE MULTIPLE

BARRISTERS' REPORTING SERVICE

1 RELATED ACTIVITIES AND RESPONSIBILITIES THAT WOULD  
2 ACTUALLY BENEFIT THE ALPHA CLINIC NETWORKS. SO  
3 MAKING IT LESS THAN A HUNDRED PERCENT, ALTHOUGH  
4 STILL A VERY STRONG COMMITMENT AND SCALING OVER TIME  
5 PERHAPS AS IT WAS BEFORE AS THE ALPHA CLINICS SCALE.

6 AND THEN LET'S SEE. THE LAST THING WOULD  
7 BE I FOUND IT VERY CONFUSING IN THE TWO RFA'S FOR  
8 THE ALPHA CLINICS VERSUS THE CIMC WITH REGARD TO THE  
9 FUNDING STRUCTURE. IN THE CIMC RFA IT DESCRIBED THE  
10 SLATE OF NONFEE-BASED AND FEE-BASED ACTIVITIES AND  
11 WHICH TRIALS WERE GOING TO BE SUPPORTED IN THE ALPHA  
12 CLINICS, BUT THAT LANGUAGE WAS NOT REFLECTED OR  
13 SYNCHRONIZED WITH THE ALPHA CLINICS. SO I'M  
14 CONCERNED THERE MAY BE CONFUSION ABOUT HOW THE  
15 BUDGETS ARE GOING TO FLOW AND HOW THE ACTIVITIES ARE  
16 GOING TO BE FUNDED.

17 LASTLY, A QUESTION. I ASSUME THAT THIS IS  
18 GOING TO REQUIRE, I DO UNDERSTAND NOW, A NEW  
19 APPLICATION FROM CIC GROUPS THAT WOULD LIKE TO  
20 APPLY. BUT THEN THE TIMING IS REALLY IMPORTANT. I  
21 KNOW DR. MILLS MENTIONED THE TIMING IS UNFORTUNATE,  
22 BUT I THINK IT'S CRITICAL THAT THE CIMC BE IN PLACE  
23 FROM THE INCEPTION OF THE ALPHA CLINICS IF AT ALL  
24 POSSIBLE. SO TO GET THIS MOVING AS QUICKLY AS  
25 POSSIBLE SO THAT THERE IS THAT SUPPORT,

BARRISTERS' REPORTING SERVICE

1 INFRASTRUCTURE, AND TEAMWORK RIGHT FROM THE  
2 BEGINNING OF BUILDING THIS NETWORK. THANK YOU.

3 CHAIRMAN THOMAS: WE HAVE AN ADDITIONAL  
4 COMMENT HERE FROM A MEMBER OF THE PUBLIC.

5 DR. CREASEY: MY NAME IS GRAHAM CREASEY.  
6 I'M A PROFESSOR OF SPINAL CORD INJURY MEDICINE AT  
7 STANFORD. AND IN WORKING WITH PATIENTS SUCH AS  
8 PEOPLE WITH WHEELCHAIRS WHO ARE VERY CONCERNED ABOUT  
9 THE POTENTIAL FOR STEM CELLS FOR PARALYSIS, I THINK  
10 IT'S VERY EVIDENT HOW MUCH MISINFORMATION CAN GET  
11 AROUND AND HOW CRUCIAL IT IS THAT WE SHOULD HAVE A  
12 STRONG EDUCATION OUTREACH COMPONENT DEALING WITH NOT  
13 ONLY STEM CELL TOURISM, BUT STEERING A REALISTIC  
14 COURSE BETWEEN THE HYPE THAT IS SOMETIMES THERE AND  
15 THE PESSIMISM THAT IS ALSO THERE.

16 SO I'M A VERY FIRM BELIEVER IN THE  
17 IMPORTANCE OF THIS OUTREACH AND EDUCATION, NOT ONLY  
18 FOR INDIVIDUAL PATIENTS, BUT ALSO FOR THE ACCURATE  
19 INFORMATION ABOUT CIRM AND ABOUT CALIFORNIA THAT'S  
20 PRESENTED TO THE WORLD.

21 SECONDLY, ON THE HEALTH AND ECONOMICS  
22 ISSUE, I THINK WE'RE AWARE THAT THE NUMBER OF  
23 SIGNIFICANT TRIALS, AND I KNOW OF SOME IN MY OWN  
24 AREA, THAT HAVE FOUNDERED NOT FOR LACK OF SCIENCE,  
25 BUT FOR LACK OF WELL-THOUGHT THROUGH ECONOMICS. AND

BARRISTERS' REPORTING SERVICE

1 THE ISSUES WE'RE DEALING WITH ARE HIGH RISK, HIGH  
2 RETURN WHERE THE WORK IS EXPENSIVE, BUT THE  
3 POTENTIAL FOR COST SAVINGS ARE ALSO SUBSTANTIAL.  
4 AND I THINK THAT SOMETIMES WE MAY BE IN DANGER OF  
5 THIS WORK FOUNDERING FOR LACK OF COORDINATED AND  
6 INTEGRATED APPROACH TO THE ECONOMIC SUPPORT OF  
7 CLINICAL TRIALS. AND THAT LOOKING AT THIS FROM THE  
8 GET-GO AND TYING THIS INTO THE CLINICAL TRIAL  
9 MANAGEMENT AND THE OTHER ASPECTS WOULD BE VERY  
10 CRUCIAL IF WE AREN'T TO SEE SOME OF THE FAILURES  
11 THAT WE'VE SEEN IN THE PAST.

12 CHAIRMAN THOMAS: THANK YOU. OTHER  
13 COMMENTS FROM MEMBERS OF THE PUBLIC? DR. MILLS,  
14 WOULD YOU LIKE TO ADDRESS ANY OF THOSE TOPICS JUST  
15 BROUGHT UP THERE?

16 DR. MILLS: IT JUST GOES BACK TO SORT OF  
17 AN OVERRIDING POINT I HAD, WHICH IS I'M NOT  
18 SUGGESTING ANY OF THOSE TOPICS ARE NOT WORTHY. I'M  
19 JUST SUGGESTING THAT THOSE ARE THINGS THAT COULD AND  
20 SHOULD BE HANDLED UNDER DIFFERENT CONCEPT PLANS AND  
21 DIFFERENT RFA'S.

22 CHAIRMAN THOMAS: THANK YOU. AND COULD  
23 YOU, SOMEBODY SPEAK TO THE QUESTION AS TO PROCESS ON  
24 THE NEW RFA AND TIMETABLE AND ALL THAT SORT OF THE  
25 THING?



BARRISTERS' REPORTING SERVICE

1 DR. MILLS: WELL, DEPENDING ON WHAT'S  
2 DECIDED HERE, IF WE HAVE A NEW CONCEPT PLAN, THEN  
3 WE'LL GO BACK TO WORK ON AN RFA. I WOULD IMAGINE WE  
4 WOULD BE ABLE TO DO THAT IN AN ABBREVIATED TIME  
5 FRAME SINCE WE HAVE A DOCUMENT THAT WE'RE BEGINNING  
6 OR STARTING WITH THAT WILL BE JUST NARROWING IN  
7 FOCUS AS OPPOSED TO CREATING FROM WHOLE CLOTH.  
8 SPECIFICALLY WHAT THAT TIME WOULD BE I CAN'T TELL  
9 YOU EXACTLY, BUT WE WOULD DO IT AS QUICKLY AS WE  
10 COULD.

11 CHAIRMAN THOMAS: THANK YOU. MS. WINOKUR.

12 MS. WINOKUR: I'M A BIT UNCOMFORTABLE WITH  
13 ADDRESSING THESE TWO PARTS OF THE ALPHA CLINICS  
14 SEPARATELY BECAUSE WE'RE GOING TO MAKE SOME CHANGES  
15 IN THE BASIC ALPHA CLINIC PROPOSAL DESCRIPTION,  
16 ANATOMY, AND THE CIMC IS REALLY A SUPPORT EFFORT IN  
17 REGARD TO THE ALPHA CLINIC. SO UNTIL WE DECIDE ON  
18 THE NEW PURPOSE, PROGRAMS, ETC., OF THE ALPHA  
19 CLINICS, IT'S HARD FOR ME TO DESCRIBE WHAT THE CIMC  
20 WOULD BE DOING.

21 CHAIRMAN THOMAS: MR. JUELSGAARD.

22 DR. JUELSGAARD: TO JUST SHIFT TOPICS JUST  
23 REAL QUICKLY, ONE OF THE COMMENTS THAT WAS MADE THAT  
24 I THOUGHT MIGHT BE USEFUL JUST TO GET YOUR REACTION  
25 TO, DR. MILLS, IS THE IDEA THAT THE PRINCIPAL

BARRISTERS' REPORTING SERVICE

1 INVESTIGATOR, THE PI, FOR THE CIMC SHOULD DEVOTE 100  
2 PERCENT OF THEIR TIME TO THIS EFFORT. AND I DO  
3 APPRECIATE THE COMMENT THAT REALLY GREAT PI'S CAN  
4 HAVE OTHER ACTIVITIES GOING ON, AND I JUST WONDER  
5 HOW REALISTIC IT MIGHT BE TO HAVE THAT REQUIREMENT  
6 AS PART OF THIS CONCEPT.

7 DR. MILLS: I AGREE. THAT WAS A LEGACY  
8 THAT JUST DIDN'T COME OUT. BUT I THINK IT'S A FAIR  
9 COMMENT.

10 CHAIRMAN THOMAS: DR. MILLS, CAN YOU JUST  
11 RESPOND TO MS. WINOKUR'S QUESTION?

12 DR. MILLS: RIGHT. SO I GUESS I'M A  
13 LITTLE CONFUSED BY THE QUESTION. WHAT YOU'RE SAYING  
14 IS YOU WANT TO SEE HOW THE ALPHA CLINIC REVIEW COMES  
15 OUT TO DETERMINE WHAT THE CIMC SHOULD DO?

16 MS. WINOKUR: WELL, WE'RE GOING TO  
17 ESSENTIALLY RESTRUCTURE THE ALPHA CLINICS, ELIMINATE  
18 SOME ACTIVITIES, ETC., AND I THINK THE WORK OF THE  
19 CIMC IS DIRECTLY RELATED TO THAT. AND SINCE WE  
20 HAVEN'T FIRMED UP THAT FIRST PART, IT'S DIFFICULT  
21 FOR ME TO ELIMINATE OR ADD OR CHANGE THE CIMC.

22 DR. MILLS: SO THE WAY THE PROPOSALS CAME  
23 IN ARE TWO DIFFERENT RFA'S. THE ALPHA CLINICS,  
24 WHICH ARE THE SITES THAT ACTUALLY ARE RUNNING THE  
25 CLINICAL TRIALS, ARE SEPARATE, INDEPENDENT SITES TO

BARRISTERS' REPORTING SERVICE

1 BEGIN WITH. THEY COME IN WITH THEIR OWN CLINICAL  
2 TRIALS TO START WITH. SO THE KINDS OF ACTIVITIES  
3 THAT WE'RE TALKING ABOUT THE CIMC, THE COORDINATING  
4 CENTER, ULTIMATELY TAKING ON AND AUGMENTING ARE  
5 ALREADY IN PLACE FOR THESE INITIAL TRIALS.

6 SO THOSE ACTIVITIES ARE ALREADY IN PLACE.  
7 IT'S AS THEY GET UP AND RUNNING AND HAVE ADDITIONAL  
8 NEW CLINICAL TRIALS THAT THE CIMC IS ABLE TO  
9 DIRECTLY AUGMENT. SO I THINK THE SECOND THING IS  
10 IMPORTANT. WE'RE NOT CHANGING ANYTHING ABOUT THE  
11 ALPHA CLINICS. WE'RE JUST NARROWING THE FOCUS OF  
12 THE CIMC TO DIRECTLY SUPPORT THE ALPHA CLINICS AND  
13 ONLY SUPPORT THE ALPHA CLINICS IN THEIR ABILITY TO  
14 CONDUCT THOSE CLINICAL TRIALS. BUT THE INITIAL  
15 TRIALS COMING IN HAVE MOST OF THAT WORK ALREADY  
16 TAKEN CARE OF.

17 CHAIRMAN THOMAS: DR. PRIETO.

18 DR. PRIETO: I'D JUST LIKE TO SPEAK IN  
19 SUPPORT OF THESE CHANGES BECAUSE I LOOK AT THE  
20 ACTIVITIES THAT ARE BEING REMOVED FROM THE CIMC, AND  
21 IT SEEMS TO ME THAT THESE ARE ALL CAPABILITIES THAT  
22 SHOULD HAVE A GREAT DEAL OF IMPORTANCE FOR ANY  
23 RESEARCH INSTITUTION FAR BEYOND THE ACTIVITIES, THE  
24 STEM CELL-RELATED ACTIVITIES, THAT CIRM IS FUNDING.  
25 AND THEY'RE GOING TO BE, IF THEY'RE SMART,

BARRISTERS' REPORTING SERVICE

1 DEVELOPING THESE ACTIVITIES AS RAPIDLY AND AS  
2 GREATLY AS THEY CAN. THAT DOES NOT HAVE TO BE CIRM  
3 FUNDED. IT'S GOING TO HAPPEN ANYWAYS.

4 CHAIRMAN THOMAS: MR. JUELSGAARD.

5 DR. JUELSGAARD: I WOULD JUST ECHO WHAT  
6 FRANCISCO JUST SAID. I CONSIDER THESE ADDITIONAL  
7 ACTIVITIES SORT OF BOLT-ON ACTIVITIES. THAT IS,  
8 DOWN THE ROAD IF WE THINK THAT IT'S IMPORTANT THAT  
9 WE DO ONE OF THE THINGS THAT WE'RE EXCLUDING RIGHT  
10 NOW, WE CAN ALWAYS ADD THEM ON EITHER AS PART OF THE  
11 CIMC OR AS A SEPARATE GROUP BASICALLY TAKING  
12 RESPONSIBILITY FOR THAT. BUT JUST OUT OF THE GATE,  
13 I REALLY AM NOT CLEAR ON WHAT VALUE THESE THREE  
14 ACTIVITIES THAT WE'RE ELIMINATING REALLY DO BRING TO  
15 GETTING THESE TRIALS UP AND UNDER WAY AND GETTING  
16 DATA MONITORING GOING ON.

17 THE SECOND THING I'D LIKE DO IS, SINCE IT  
18 WAS SENATOR TORRES THAT MADE THE MOTION, AS A  
19 SECOND, JAMES, AM I ALLOWED TO AMEND THE MOTION?  
20 THEN I MOVE TO AMEND THE MOTION TO DROP THE  
21 REQUIREMENT FOR 100 PERCENT PARTICIPATION BY A PI TO  
22 A SIGNIFICANT PARTICIPATION BY THE PI.

23 MR. HARRISON: DOES THE MAKER OF THE  
24 MOTION ACCEPT THE FRIENDLY AMENDMENT?

25 MR. TORRES: CAN YOU REPEAT IT AGAIN?

BARRISTERS' REPORTING SERVICE

1 DR. JUELSGAARD: I WANT TO ELIMINATE OR TO  
2 MODIFY THE REQUIREMENT OF A HUNDRED PERCENT  
3 PARTICIPATION BY A PRINCIPAL INVESTIGATOR IN THE  
4 CIMC TO A SIGNIFICANT PARTICIPATION, THEREBY LEAVING  
5 THE EXACT OBJECTIVE NUMBER OUT OF THIS AND INSTEAD  
6 HAVING A MORE SUBJECTIVE MEASUREMENT.

7 MR. TORRES: SIGNIFICANT IS VERY  
8 SUBJECTIVE. I DON'T KNOW IF I'M COMFORTABLE WITH  
9 THAT. I WOULD DEFER TO DR. MILLS. DOES HE HAVE A  
10 COMMENT?

11 DR. MILLS: I WOULD THINK THERE SHOULD BE  
12 SOME MINIMUM REQUIREMENT OF TIME IF THEY'RE REALLY  
13 GOING TO -- I DON'T KNOW IF 50 PERCENT IS  
14 SUFFICIENT.

15 MR. TORRES: SO YOU'RE COMFORTABLE WITH  
16 HIS AMENDMENT?

17 DR. MILLS: YES.

18 MR. TORRES: OKAY. I'M FINE THEN.

19 CHAIRMAN THOMAS: OKAY. ANY COMMENTS ON  
20 THE --

21 MS. LANSING: WE NEED -- I HAVE A  
22 QUESTION. THIS IS SHERRY. IF DR. MILLS SAID 50  
23 PERCENT -- CAN YOU HEAR ME?

24 CHAIRMAN THOMAS: YES.

25 MS. LANSING: DO WE NEED TO SAY NO LESS

BARRISTERS' REPORTING SERVICE

1 THAN 50 PERCENT IN THE FRIENDLY AMENDMENT TO  
2 DETERMINE WHAT SIGNIFICANT IS BECAUSE I FIND THAT A  
3 VAGUE WORD.

4 DR. JUELSGAARD: I ACCEPT ADDING THAT  
5 LANGUAGE, SIGNIFICANT PARTICIPATION, BUT NO LESS  
6 THAN 50 PERCENT.

7 MS. LANSING: THAT WOULD MAKE ME VERY  
8 COMFORTABLE. THANK YOU.

9 CHAIRMAN THOMAS: MR. SENATOR AGREES TO  
10 THAT. YOU'RE JUST AN AMENABLE KIND OF GUY,  
11 MR. SENATOR. ANY OTHER --

12 DR. FRIEDMAN: NO LESS THAN 50 PERCENT OF  
13 THE TIME HE'S AGREEABLE.

14 CHAIRMAN THOMAS: THANK YOU FOR  
15 CLARIFYING, DR. FRIEDMAN. ANY OTHER COMMENTS ON  
16 SENATOR TORRES -- NEVER MIND.

17 SO ANY COMMENTS ON THE AMENDED AMENDED  
18 VERSION HERE? DR. FEIGAL.

19 DR. FEIGAL: I HATE TO BRING IT UP, BUT IN  
20 WHAT WE THOUGHT WE PUBLISHED, MAYBE WE WERE WRONG,  
21 WE THOUGHT THE MINIMUM WAS 30 PERCENT. SO I  
22 WOULD SAY IT'S JUST SOMETHING WE GO BACK AND CHECK.  
23 I DON'T RECALL IT SAYING REQUIRES A HUNDRED PERCENT  
24 EFFORT BY THE PI. I'M JUST WONDERING WHAT WE  
25 ACTUALLY PUT OUT. I'LL GO BACK AND LOOK.

BARRISTERS' REPORTING SERVICE

1 DR. JUELSGAARD: YOU LOOK UNDER THE SECOND  
2 PARAGRAPH UNDER ELIGIBILITY, AND IT'S THE VERY LAST  
3 SENTENCE IN THE SECOND PARAGRAPH. I'LL READ IT.

4 DR. MILLS: SO IT'S THE DIFFERENCE  
5 BETWEEN -- IT'S THE DIFFERENCE BETWEEN THE CONCEPT  
6 PLAN AND THE RFA, I THINK.

7 DR. JUELSGAARD: IT JUST SAID THE PI MUST  
8 DEVOTE 100 PERCENT EFFORT TO ADMINISTRATION OF THE  
9 CIMC.

10 DR. MILLS: IT SAYS 30 FOR THE ALPHA  
11 CLINICS, BUT IT'S A HUNDRED FOR THE CIMC. THAT'S  
12 WHERE THE CONFUSION IS.

13 DR. FEIGAL: FINE.

14 DR. MILLS: I DON'T KNOW HOW IT HAPPENED,  
15 BUT THE CONCEPT PLAN REALLY SHOULD BE THE GUIDING  
16 FOR IT. AND IT WAS A HUNDRED AND THE CONCEPT PLAN  
17 WAS CHANGED TO 30. SO IF IT SHOULD BE LOWER, WE  
18 SHOULD HAVE IT LOWER IN THE CONCEPT PLAN BECAUSE  
19 THAT REALLY SHOULD BE THE GUIDING DOCUMENT.

20 CHAIRMAN THOMAS: HAVE A COMMENT FROM THE  
21 PUBLIC.

22 DR. NYLAND: THANK YOU. JOYCE NYLAND,  
23 CITY OF HOPE. I THINK IT WAS 30 IN THE LAST RFA.  
24 AND IN MY MIND THAT WOULD BE THE MOST REASONABLE  
25 FIGURE TO PUT AS A MINIMUM. YOU CERTAINLY COULD

BARRISTERS' REPORTING SERVICE

1 COME IN WITH MORE, AND YOU MAY WANT IT TO SCALE OVER  
2 TIME, BUT I THINK 30 PERCENT IS A GOOD MINIMUM  
3 STARTING POINT FOR PEOPLE WHO ALREADY HAVE  
4 ACTIVITIES. THEY WOULD NEED TO BEGIN TO SLOWLY  
5 MERGE AND BECOME MORE FOCUSED ON THIS INITIATIVE  
6 OVER TIME.

7 CHAIRMAN THOMAS: THANK YOU. DR. MILLS,  
8 DO YOU HAVE THOUGHTS ON THAT LAST COMMENT?

9 DR. MILLS: MY BIGGEST ISSUE IS THAT THE  
10 CONCEPT PLAN AND THE RFA END UP BEING CONSISTENT. I  
11 DON'T LIKE IT WHEN THE BOARD APPROVES SOMETHING AND  
12 THE RFA IS DIFFERENT.

13 CHAIRMAN THOMAS: OKAY. WITH SPECIFIC  
14 RESPECT TO THE COMMENT THERE OF A 30-PERCENT NUMBER,  
15 WHAT IS YOUR COMMENT?

16 DR. MILLS: IF THAT'S WORKABLE. IF THAT'S  
17 MORE WORKABLE AND IT OPENS -- IT'S A FAIRLY  
18 SIGNIFICANT AMOUNT OF TIME FOR A BUSY PI. THAT IS  
19 FOR SURE.

20 CHAIRMAN THOMAS: SENATOR TORRES.

21 MR. TORRES: YOU KNOW, IN MANY OF THE  
22 GRANT REVIEWS, SOME OF WHICH YOU WERE PRESENT AS A  
23 REVIEWER, PEOPLE WOULD FUDGE ON THEIR APPLICATIONS,  
24 AND THEN THAT FUDGING WAS CAUGHT BY ONE OR TWO OF  
25 THE REVIEWERS SAYING THERE'S NO WAY THAT THIS PI CAN



BARRISTERS' REPORTING SERVICE

1 SPEND THIS AMOUNT OF TIME BECAUSE I KNOW HE OR SHE  
2 HAS OTHER PROJECTS THAT THEY'RE WORKING ON. SO I'M  
3 REALLY CONCERNED ABOUT MAKING SURE THAT THE LEVEL IS  
4 HIGHER THAN 30 PERCENT BECAUSE OF THAT ISSUE. AND  
5 MANY TIMES WE'LL HAVE SOME OF THESE PI'S WHO PUT  
6 TEAMS TOGETHER THAT IT'S INCONCEIVABLE HOW THEY  
7 COULD SPEND EVEN 1 PERCENT OF THEIR TIME ON THIS  
8 PARTICULAR GRANT THAT WAS UNDER REVIEW.

9 SO I'M JUST CONCERNED THAT WE HAVE THE  
10 HIGHEST STANDARD POSSIBLE IN COMPLIANCE WITH STEVE  
11 AND OTHER COMMENTS. AND I HOPE THAT WORKS. I AGREE  
12 WITH THE CONSISTENCY IN ALL OF THE PLANS, BUT I DO  
13 THINK THAT LEVEL OF COMMITMENT HAS TO BE HIGHER.

14 DR. MILLS: ELLEN, DO YOU HAVE A THOUGHT  
15 ON 30 VERSUS 50?

16 DR. FEIGAL: WELL, I JUST WANT TO SAY THE  
17 SAME DISCUSSION CAME UP DURING THE ORIGINAL CONCEPT  
18 DISCUSSION, AND A QUESTION -- THE EXACT QUESTION WAS  
19 RAISED. WE DID DISCUSS IT. PERHAPS IT WASN'T  
20 CAPTURED IN THE MINUTES. I DON'T KNOW. BUT IT WAS  
21 AGREED TO STAY AT LEAST A MINIMUM OF 30. 30 PERCENT  
22 IS A REQUIREMENT WE HAVE FOR ALL OF OUR OTHER  
23 AWARDS. I JUST WANT TO LET PEOPLE KNOW THAT IS  
24 INCONSISTENT WITH OTHER REQUIREMENTS IN OTHER AWARDS  
25 FOR PI. SO I THINK SETTING A MINIMUM IS CRUCIAL.

BARRISTERS' REPORTING SERVICE

1 I DO AGREE YOU COULD SET IT HIGHER IF YOU  
2 WANT, BUT 30 PERCENT HAS BEEN THE GENERAL MINIMUM  
3 THAT WE REQUIRE FOR PRINCIPAL INVESTIGATORS.

4 CHAIRMAN THOMAS: MR. SHEEHY.

5 MR. SHEEHY: I ACTUALLY AM IN CONCERT WITH  
6 SENATOR TORRES. AND I'VE HAD THIS SAME EXPERIENCE  
7 IN THE WORKING GROUP. AND I THINK \$10 MILLION, I  
8 WANT A HALF-TIME PARTICIPATION BY THE LEADER OF THAT  
9 GROUP. I MEAN THAT'S NOT UNREASONABLE FOR A \$10  
10 MILLION BUDGET. AND IF THIS IS AS SIGNIFICANT OF A  
11 PROJECT AS EVERYBODY SUGGESTS THAT IT IS, THEN I  
12 THINK SOMEONE BEING WILLING TO MAKE THAT KIND OF  
13 COMMITMENT IS AN IMPORTANT FACET OF IT. SO I WOULD  
14 BE SUPPORTIVE OF THE 50 PERCENT.

15 CHAIRMAN THOMAS: ANY OTHER COMMENTS FROM  
16 MEMBERS OF THE BOARD? DR. BRYANT.

17 DR. BRYANT: I WOULD BE A LITTLE CONCERNED  
18 ABOUT MAKING IT 50 PERCENT IF YOU ARE TALKING ABOUT  
19 ACADEMICS BECAUSE THEY HAVE A VERY DIVIDED LIFE.  
20 THEY HAVE TO TEACH, THEY HAVE TO DO OTHER THINGS.  
21 AND 30 PERCENT TURNS OUT TO BE A PRETTY BIG  
22 COMMITMENT FOR A RESEARCH PROGRAM. AND IT'S NOT  
23 THAT THEY DO EVERYTHING THEMSELVES, BUT THEY OVERSEE  
24 RESEARCH PROGRAMS. SO I THINK 30 PERCENT AS A BASE,  
25 BOTTOM, NO LESS THAN WOULD BE OKAY WITH ME. SO I'M

BARRISTERS' REPORTING SERVICE

1 JUST RAISING THAT AS AN ISSUE.

2 CHAIRMAN THOMAS: MR. JUELSGAARD.

3 DR. JUELSGAARD: A QUESTION OF MR.  
4 HARRISON. SO, MR. HARRISON, CAN I MODIFY MY  
5 PROPOSED AMENDMENT?

6 MR. HARRISON: YOU MAY IF SENATOR TORRES  
7 ACCEPTS A FRIENDLY AMENDMENT AND IF --

8 MR. TORRES: I PUT MY POSITION OUT THERE,  
9 SO I'D RATHER HAVE THAT VOTED UP OR DOWN GIVEN THE  
10 DISCUSSION, AND EVERYBODY IS FREE TO VOTE THE WAY  
11 THEY WANT TO. I JUST FEEL THAT WAS THE EXPERIENCE  
12 THAT I'VE HAD OVER THE LAST FIVE YEARS, AND I AGREE  
13 WITH JEFF BECAUSE HE'S HAD THE SAME EXPERIENCE.

14 MR. HARRISON: SO, MR. JUELSGAARD, THERE  
15 ARE TWO OPTIONS. ONE IS THE FRIENDLY AMENDMENT.  
16 FAILING THAT, YOU HAVE THE OPPORTUNITY TO MAKE A  
17 MOTION TO AMEND THE MOTION THAT'S ON THE TABLE, AND  
18 THAT MOTION WILL TAKE PRECEDENCE OVER THE PENDING  
19 MOTION.

20 MR. TORRES: RIGHT. HIS MOTION IS UP  
21 FIRST.

22 DR. JUELSGAARD: I'M CONFUSED. SO REPEAT  
23 THE SECOND PART. ALL RIGHT. SO WHAT I'VE GOT IS  
24 SENATOR TORRES DOESN'T LIKE THE FACT THAT I GO ANY  
25 LOWER THAN 50 PERCENT, AND SO HE WON'T ACCEPT A

BARRISTERS' REPORTING SERVICE

1 REVISION OF MY FRIENDLY AMENDMENT.

2 CHAIRMAN THOMAS: HIS AMENABILITY ONLY  
3 GOES SO FAR.

4 MR. HARRISON: SO YOUR SECOND OPTION --

5 DR. JUELSGAARD: THE LINES ARE DRAWN. SO  
6 WHAT'S THE SECOND ALTERNATIVE?

7 MR. HARRISON: YOUR SECOND OPTION IS TO  
8 MAKE A MOTION TO AMEND THE PENDING MOTION. AND IF  
9 YOU OBTAIN A SECOND FOR THAT MOTION, IT WILL TAKE  
10 PRECEDENCE. THAT IS, THE BOARD WILL VOTE FIRST ON  
11 THE AMENDMENT BEFORE VOTING ON THE MAIN MOTION.

12 DR. JUELSGAARD: ALL RIGHT. SO I DON'T  
13 NEED SENATOR TORRES'S --

14 MR. HARRISON: YOU DO NOT.

15 DR. JUELSGAARD: OKAY. GREAT. I SO MOVE,  
16 THEN, THAT WE AMEND THE MOTION TO REQUIRE A MINIMUM  
17 OF 30 PERCENT OF A PI'S PARTICIPATION IN THE CIMC.

18 DR. FRIEDMAN: I SECOND IT.

19 MS. LANSING: I AM SO CONFUSED. SOMEBODY  
20 HAS TO EXPLAIN TO ME WHAT WE'RE DOING. ARE WE THEN  
21 NOT GOING WITH WHAT CHAIRMAN MILLS ASKED FOR, WHICH  
22 IS NO LESS THAN 50 PERCENT, OR IS THIS A WHOLE OTHER  
23 THING?

24 DR. MILLS: IS THAT SHERRY?

25 MS. LANSING: YEAH. PLEASE EXPLAIN.

BARRISTERS' REPORTING SERVICE

1 DR. MILLS: FIRST OF ALL, SHERRY, THANK  
2 YOU FOR THE PROMOTION. J.T. IS A LITTLE CONCERNED.

3 MS. LANSING: SORRY. PRESIDENT. I'M  
4 SORRY. I APOLOGIZE.

5 DR. MILLS: I AM -- I DON'T HAVE A STRONG  
6 OPINION ON 30 VERSUS 50. I WOULD HAVE -- I WOULD BE  
7 AGAINST ANYTHING LOWER THAN 30, I THINK, AT THAT  
8 POINT.

9 MS. LANSING: BUT INITIALLY YOU SAID 50.

10 DR. MILLS: I SAID ABOUT 50, BUT IT'S --  
11 IT IS A LOT OF TIME PARTICULARLY FOR A PHYSICIAN PI  
12 WHO ALSO HAS TO TEACH.

13 MS. LANSING: I GUESS WHAT I'M LOOKING FOR  
14 AS A PATIENT ADVOCATE, BECAUSE I SO RESPECT YOU, IS  
15 WHAT -- THE WORD "SIGNIFICANT" BOTHERS ME BECAUSE  
16 IT'S NOT SPECIFIC, AND I DON'T LIKE THE SUBJECTIVITY  
17 OF IT. SO WHAT IS THE NUMBER THAT YOU ARE  
18 COMFORTABLE WITH SO THAT I CAN SUPPORT THE MOTION  
19 BECAUSE I SUPPORT THE CONCEPT. I'M JUST LOOKING FOR  
20 THE NUMBER THAT YOU FEEL COMFORTABLE WITH.

21 DR. MILLS: A MINIMUM OF 30 PERCENT.

22 MS. LANSING: OKAY. THEN I WITHDRAW MY  
23 FRIENDLY AMENDMENT IF THAT MAKES IT EASIER FOR  
24 EVERYBODY.

25 MR. TORRES: I WITHDRAW MY MOTION.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: OKAY. SO WE HAVE A  
2 MOTION FROM MR. JUELSGAARD WITH NO LESS THAN A  
3 MINIMUM OF 30 PERCENT. SENATOR TORRES WITHDRAWS HIS  
4 MOTION. MR. JUELSGAARD'S MOTION WAS SECONDED IN A  
5 TIE VOTE BY DR. BURTIS AND DR. FRIEDMAN. DO WE HAVE  
6 OTHER COMMENTS ON MR. JUELSGAARD'S MOTION FROM  
7 MEMBERS OF THE BOARD EITHER IN THE ROOM OR ON THE  
8 PHONE?

9 DR. PRIETO.

10 DR. PRIETO: SO JUST TO CLARIFY, THEN THIS  
11 BECOMES THE ONLY MOTION ON THE TABLE AND THE ONLY  
12 MINIMUM THAT WE WOULD BE SETTING, OR WE COULD  
13 LATER -- IF THIS FAILS, WE COULD THEN MAKE ANOTHER  
14 MOTION.

15 CHAIRMAN THOMAS: YOU ARE ALWAYS FREE, IF  
16 THIS FAILS, TO COME BACK WITH ANOTHER MOTION. AT  
17 THE MOMENT THIS IS THE ONLY MOTION. THERE ARE NO  
18 SUBMOTIONS, NO SUB, SUBAMENDED MOTIONS. THERE'S ONE  
19 MOTION, MR. JUELSGAARD'S.

20 COMMENTS FROM MEMBERS OF THE PUBLIC?  
21 HEARING NONE, MR. HARRISON, WILL YOU PLEASE TELL US  
22 WHAT THE MOTION IS?

23 MR. HARRISON: OKAY. THE MOTION IS TO  
24 AMEND THE MAIN MOTION, AND JUST TO RESTATE THE MAIN  
25 MOTION WAS TO APPROVE THE REVISED CIMC CONCEPT

BARRISTERS' REPORTING SERVICE

1 PROPOSAL WITH A MODIFICATION OF THE REQUIREMENT FOR  
2 100 PERCENT EFFORT BY THE PI TO SIGNIFICANT  
3 PARTICIPATION BY THE PI, BUT NO LESS THAN 50 PERCENT  
4 EFFORT. THE AMENDMENT PROPOSED BY MR. JUELSGAARD IS  
5 TO REQUIRE A MINIMUM OF 30 PERCENT EFFORT BY THE PI  
6 FOR THE CIMC PROPOSAL.

7 MS. LANSING: AND I'VE WITHDRAWN THE 50  
8 PERCENT. SO THERE'S REALLY ONLY ONE MOTION ON THE  
9 TABLE, AT THE ADVICE OF PRESIDENT MILLS.

10 CHAIRMAN THOMAS: THANK YOU, SHERRY.

11 MR. HARRISON: SO JUST TO BE CLEAR, A YES  
12 VOTE MEANS THAT YOU SUPPORT A 30-PERCENT MINIMUM  
13 EFFORT BY THE PI FOR THE CIMC PROPOSAL.

14 CHAIRMAN THOMAS: OKAY. MARIA, WILL YOU  
15 PLEASE TAKE THE ROLL?

16 MS. BONNEVILLE: SUE BRYANT.

17 DR. BRYANT: YES.

18 MS. BONNEVILLE: KEN BURTIS.

19 DR. BURTIS: YES.

20 MS. BONNEVILLE: ELIZABETH FINI.

21 DR. FINI: YES.

22 MS. BONNEVILLE: MICHAEL FRIEDMAN.

23 DR. FRIEDMAN: YES.

24 MS. BONNEVILLE: JUDY GASSON.

25 DR. GASSON: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: STEVE JUELSGAARD.  
2 DR. JUELSGAARD: YES.  
3 MS. BONNEVILLE: SHERRY LANSING.  
4 MS. LANSING: YES.  
5 MS. BONNEVILLE: SHLOMO MELMED.  
6 DR. MELMED: YES.  
7 MS. BONNEVILLE: LAUREN MILLER.  
8 MS. MILLER: YES.  
9 MS. BONNEVILLE: LLOYD MINOR.  
10 DR. MINOR: YES.  
11 MS. BONNEVILLE: JOE PANETTA.  
12 MR. PANETTA: YES.  
13 MS. BONNEVILLE: FRANCISCO PRIETO.  
14 DR. PRIETO: AYE.  
15 MS. BONNEVILLE: ROBERT QUINT.  
16 DR. QUINT: YES.  
17 MS. BONNEVILLE: AL ROWLETT.  
18 MR. ROWLETT: YES.  
19 MS. BONNEVILLE: JEFF SHEEHY.  
20 MR. SHEEHY: YES.  
21 MS. BONNEVILLE: OS STEWARD.  
22 DR. STEWARD: YES.  
23 MS. BONNEVILLE: JONATHAN THOMAS.  
24 CHAIRMAN THOMAS: YES.  
25 MS. BONNEVILLE: ART TORRES.



BARRISTERS' REPORTING SERVICE

1 MR. TORRES: NO.

2 MS. BONNEVILLE: CARL WARE.

3 DR. WARE: YES.

4 MS. BONNEVILLE: DIANE WINOKUR.

5 MS. WINOKUR: YES.

6 MR. HARRISON: THAT MOTION CARRIES.

7 CHAIRMAN THOMAS: OKAY. THANK YOU. AND,  
8 DR. MILLS, THANK YOU. THE BOARD SHOULD UNDERSTAND  
9 THAT DR. MILLS HAS SPENT A TREMENDOUS AMOUNT OF TIME  
10 TALKING TO FOLKS, CONTEMPLATING WHAT THE RIGHT THING  
11 IS TO DO HERE WITH RESPECT TO THIS ISSUE. AND  
12 THOUGH IT CULMINATES IN -- I'M GETTING THE HEAD  
13 WAGON HERE. WE HAVE ANOTHER MOTION, MR. HARRISON?

14 MR. HARRISON: WE NEED TO TAKE UP THE MAIN  
15 MOTION NOW, WHICH IS WITH THE APPROVED AMENDMENT.  
16 SO THE MOTION THAT IS CURRENTLY ON THE TABLE IS TO  
17 APPROVE THE CIMC CONCEPT PROPOSAL WITH A  
18 MODIFICATION OF THE REQUIREMENT FOR 100 PERCENT BY  
19 THE PI TO NO LESS THAN 30-PERCENT EFFORT.

20 CHAIRMAN THOMAS: OKAY. AND JUST TO BE  
21 CLEAR, WHO MADE THAT ORIGINAL MOTION?

22 MR. HARRISON: ORIGINAL MOTION WAS MADE BY  
23 SENATOR TORRES AND MR. JUELGAARD.

24 CHAIRMAN THOMAS: OKAY. IS EVERYBODY  
25 CLEAR ON THAT?

BARRISTERS' REPORTING SERVICE

1 MS. LANSING: YES.  
2 CHAIRMAN THOMAS: OKAY. MARIA.  
3 MS. BONNEVILLE: SUE BRYANT.  
4 DR. BRYANT: YES.  
5 MS. BONNEVILLE: KEN BURTIS.  
6 DR. BURTIS: YES.  
7 MS. BONNEVILLE: ELIZABETH FINI.  
8 DR. FINI: YES.  
9 MS. BONNEVILLE: MICHAEL FRIEDMAN.  
10 DR. FRIEDMAN: YES.  
11 MS. BONNEVILLE: JUDY GASSON.  
12 DR. GASSON: YES.  
13 MS. BONNEVILLE: STEVE JUELSGAARD.  
14 DR. JUELSGAARD: YES.  
15 MS. BONNEVILLE: SHERRY LANSING.  
16 MS. LANSING: YES.  
17 MS. BONNEVILLE: SHLOMO MELMED.  
18 DR. MELMED: YES.  
19 MS. BONNEVILLE: LAUREN MILLER.  
20 MS. MILLER: YES.  
21 MS. BONNEVILLE: LLOYD MINOR.  
22 DR. MINOR: YES.  
23 MS. BONNEVILLE: JOE PANETTA.  
24 MR. PANETTA: YES.  
25 MS. BONNEVILLE: FRANCISCO PRIETO.

BARRISTERS' REPORTING SERVICE

1 DR. PRIETO: AYE.  
2 MS. BONNEVILLE: ROBERT QUINT.  
3 DR. QUINT: YES.  
4 MS. BONNEVILLE: AL ROWLETT.  
5 MR. ROWLETT: YES.  
6 MS. BONNEVILLE: JEFF SHEEHY.  
7 MR. SHEEHY: YES.  
8 MS. BONNEVILLE: OS 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: CARL WARE.  
15 DR. WARE: YES.  
16 MS. BONNEVILLE: DIANE WINOKUR.  
17 MS. WINOKUR: YES.  
18 MR. HARRISON: THE MOTION CARRIES  
19 UNANIMOUSLY.  
20 CHAIRMAN THOMAS: OKAY. NOW, WE SURE  
21 THERE'S NOTHING ELSE? THERE ARE NO OTHER MOTIONS;  
22 THEY'RE NO -- OKAY. SO. AGAIN, DR. MILLS, THANK  
23 YOU FOR YOUR IN-DEPTH ANALYSIS OF THIS ISSUE AND  
24 YOUR WILLINGNESS TO TAKE THE TIME TO SPEAK TO A  
25 GREAT MANY PEOPLE ON THE SUBJECT TO INFORM YOUR

BARRISTERS' REPORTING SERVICE

1 CONCLUSIONS. WE APPRECIATE IT, AND WE WILL MOVE  
2 FORWARD ACCORDINGLY AS VOTED ON HERE BY THE BOARD.

3 LET'S TAKE A FIVE-MINUTE BREAK. LINDA'S  
4 FINGERS ARE ABOUT TO FALL OFF. WE'LL RECONVENE  
5 SHORTLY.

6 (A RECESS WAS TAKEN.)

7 CHAIRMAN THOMAS: SO GOING TO RECONVENE.  
8 HOPEFULLY MEMBERS ON THE PHONE HAVE ENJOYED AN EARLY  
9 LUNCH AS WELL. IT WAS QUITE TASTY ON THIS END.

10 DR. WARE: NO. BUT I'M HUNGRY LISTENING  
11 TO Y'ALL.

12 CHAIRMAN THOMAS: WE'RE GOING TO  
13 PROCEED -- WE'RE GOING TO CONTINUE NOW WITH ITEM 11,  
14 CONSIDERATION OF BRIDGE FUNDING FOR RFA 10-01, CIRM  
15 EARLY TRANSLATIONAL II RESEARCH AWARD APPLICATION  
16 NO. 01768. DR. OLSON.

17 DR. OLSON: THANK YOU, MR. CHAIRMAN. WHAT  
18 I'M GOING TO DO IS GIVE YOU AN OVERVIEW OF THE  
19 BRIDGING FUNDING PROGRAM BECAUSE IT'S ACTUALLY  
20 APPLICABLE TO BOTH AGENDA ITEMS 11 AND 12.

21 I WILL VERY BRIEFLY INTRODUCE EACH OF THE  
22 TWO APPLICATIONS THAT ARE UP FOR YOUR CONSIDERATION  
23 TODAY, AND THEN IF YOU HAVE FURTHER QUESTIONS ABOUT  
24 ANY OF THEM, I'M HERE TO ANSWER ABOUT THE ONE AND  
25 DR. KATHERINE PRIEST WILL ANSWER ABOUT THE OTHER.

BARRISTERS' REPORTING SERVICE

1 SO, AGAIN, FIRST, I'M JUST GOING TO START  
2 WITH AN INTRODUCTION. WHAT THE BRIDGING SUPPLEMENT  
3 AWARDS WAS ALL ABOUT WAS TRYING TO KEEP OUR MOST  
4 PROMISING PROGRAMS MOVING. AND IN DECEMBER OF 2001,  
5 THE BOARD APPROVED THIS CONCEPT AND A TOTAL OF \$12  
6 MILLION FOR THE SUPPLEMENTS. SO THE PROGRAM GOAL IS  
7 REALLY TO ACCELERATE THE DEVELOPMENT OF THESE STEM  
8 CELL THERAPIES BY PROVIDING A FUNDING MECHANISM THAT  
9 ALLOWS FOR REALLY THE SEAMLESS ADVANCEMENT OF  
10 PROMISING CIRM-FUNDED TRANSLATIONAL AND DEVELOPMENT  
11 PROJECTS TO AND THROUGH CLINICAL DEVELOPMENT.

12 AS YOU KNOW, WE OFFER RFA'S ON A FAIRLY  
13 PERIODIC BASIS, BUT MANY TIMES THEY ARE NOT TIMED  
14 SUCH THAT THEY PRECISELY OVERLAP WITH THE PRECEDING  
15 AWARD. AND WHEN YOU HAVE REALLY PROMISING RESEARCH,  
16 YOU WOULD LIKE TO KEEP IT MOVING, YOU WOULD LIKE TO  
17 KEEP THE TEAM TOGETHER, YOU WOULD LIKE TO KEEP  
18 ACTIVITIES GOING. SO THAT WAS THE POINT OF IT. AND  
19 IT'S A BRIDGE TO FUTURE FUNDING, WHETHER IT'S  
20 ACTUALLY CIRM FUNDING, WHETHER IT'S VENTURE CAPITAL  
21 FUNDING, WHETHER IT'S OTHER FOUNDATIONS OR NIH  
22 FUNDING. SO REALLY THE GOAL WAS TO TRY AND KEEP IT  
23 GOING.

24 THE PROJECT ELIGIBILITY AND SCOPE, IT IS  
25 OPEN TO PROMISING PROJECTS FROM CIRM TRANSLATIONAL

BARRISTERS' REPORTING SERVICE

1 AND DEVELOPMENT AWARD PROGRAMS THAT SHOW GOOD  
2 PROGRESS ON THE PROJECT, THAT ARE ACTIVE AT THE TIME  
3 OF CIRM APPROVAL FOR SUBMISSION OF A FULL  
4 APPLICATION, AND WE'RE PARTICULARLY INTERESTED IN  
5 THOSE PROJECTS THAT ADDRESS AN UNMET MEDICAL NEED.

6 THE FUNDING IS UP TO \$3 MILLION FOR  
7 INDIVIDUAL TOTAL PROJECT COST IN EXCEPTIONAL  
8 CIRCUMSTANCES. I WOULD EXPECT MORE ROUTINELY, SINCE  
9 THESE AWARDS ARE REALLY ONLY FOR 12 MONTHS OR SO,  
10 THAT IT TO BE LESS THAN A MILLION DOLLARS. AND AS I  
11 ALREADY NOTED, \$12 MILLION WAS ALLOCATED TO THE  
12 PROGRAM.

13 THE APPLICATION AND REVIEW PROCESS THAT  
14 WAS OUTLINED AT THE TIME OF THE CONCEPT IS THE PI  
15 SUBMITS A BRIEF PROPOSAL THAT SUMMARIZES THE  
16 PROPOSED RESEARCH, ADDRESS HOW IT MEETS THE GOAL OF  
17 THE BRIDGING FUNDING PROGRAM. THE PROPOSAL IS  
18 ASSESSED INTERNALLY BY OUR CIRM TEAM FOR ELIGIBILITY  
19 AND RESPONSIVENESS. THE CIRM PRESIDENT ACTUALLY  
20 MAKES THE DECISION TO INVITE SUBMISSION OF A FULL  
21 APPLICATION UPON REVIEW OF THE PROPOSAL AND WITH  
22 INPUT FROM TEAM MEMBERS.

23 IF INVITED, THE PI SUBMITS A FULL  
24 APPLICATION. THE FULL APPLICATION IS REVIEWED BY  
25 EXTERNAL EXPERTS IF THE PROPOSED ACTIVITIES ARE

BARRISTERS' REPORTING SERVICE

1     WITHIN THE SCOPE OF THE ORIGINAL AWARD OR RFA AND BY  
2     THE GRANTS WORKING GROUP, IF THE PROPOSED ACTIVITIES  
3     ARE OUTSIDE THE SCOPE OF THE ORIGINAL AWARD OR RFA,  
4     OR IF THE FUNDING IS HIGHER THAN A MILLION DOLLARS.

5             THE ICOC APPLICATION REVIEW SUBCOMMITTEE  
6     DOES MAKE ALL FUNDING DECISIONS IN ALL INSTANCES.

7             THE REVIEW CRITERIA RECAPITULATES OUR  
8     FAIRLY STANDARD REVIEW CRITERIA. IT IS MADE MORE  
9     SPECIFIC FOR THE PARTICULAR TYPE OF APPLICATION. IF  
10    IT'S A TRANSLATIONAL TYPE OF APPLICATION VERSUS  
11    DEVELOPMENT, IT MAY HAVE MORE SPECIFICS. BUT  
12    IMPACT, SIGNIFICANCE, AND RESPONSIVENESS,  
13    FEASIBILITY, WHICH ADDRESS THE WORK THAT WAS DONE ON  
14    THE PARENT AWARD AND THE PROGRESS ON THE PARENT  
15    AWARD, DESIGN OF THE PROPOSED STUDIES, AND WHAT THEY  
16    ARE THAT WILL BE CONTEMPLATED IN THE SUPPLEMENT.  
17    WHO IS GOING TO WORK ON THIS PROGRAM? ARE THERE  
18    NECESSARY COLLABORATIONS IN PLACE AND THE RESOURCES  
19    AND ENVIRONMENT? AS I NOTED, ADDITIONAL SPECIFIC  
20    CRITERIA MAY APPLY DEPENDING ON THE NATURE OF THE  
21    PROPOSAL.

22             SO NOW I'D LIKE TO ADDRESS, I BELIEVE,  
23    AGENDA ITEM NO. 11, AND ALL I'M GOING TO DO IS JUST  
24    GIVE YOU A VERY BRIEF HIGHLIGHT OF WHAT IT IS. IF  
25    YOU WANT MORE INFORMATION, I'M HAPPY TO ADDRESS THE

BARRISTERS' REPORTING SERVICE

1 REVIEW SUMMARY. BUT THE PARENT AWARD WAS TO DEVELOP  
2 AN ANIMAL COMPONENT FREE AND FEEDER FREE CULTURE  
3 SYSTEM FOR THE EXPANSION OF AUTOLOGOUS LIMBAL STEM  
4 CELLS TO TREAT LIMBAL CELL DEFICIENCY, STEM CELL  
5 DEFICIENCY. AND THIS IS A BLINDING DISORDER THAT'S  
6 CAUSED BY CHEMICAL OR BY CORNEAL INJURY OFTEN IN  
7 RESPONSE TO CHEMICAL ACCIDENTS, BUT IT CAN ALSO BE  
8 ACTUALLY IN SOME SITUATIONS OF CONJUNCTITIS, SEVERE  
9 CONJUNCTITIS. SO IT DOES HAPPEN.

10 THERE'S A REQUEST FOR BRIDGING FUNDING TO  
11 CONDUCT STUDIES TO FURTHER ASSESS AND OPTIMIZE THE  
12 REPRODUCIBILITY OF THE KEY COMPONENTS THAT WERE  
13 IDENTIFIED IN THE PARENT APPLICATION. THE REQUESTED  
14 FUNDING IS ESSENTIALLY \$700,000. IT WAS REVIEWED BY  
15 THREE EXTERNAL EXPERTS. AND AFTER DISCUSSION WITH  
16 THEM, THE AVERAGE SCORE WAS 80. IT'S A TIER I.

17 CIRM ALSO RECOMMENDS THAT WE FUND THIS  
18 APPLICATION. I WILL REMIND YOU THAT ACTUALLY LIMBAL  
19 STEM CELL EXPANSION IS PERFORMED IN ITALY. DR.  
20 PELEGRINI AND DELUCA HAVE ACTUALLY NOW PUBLISHED  
21 TEN-YEAR FOLLOW-UP STUDIES OF THIS, AND IT IS  
22 REMARKABLY SUCCESSFUL WITH CERTAIN CONDITIONS WHICH  
23 ESSENTIALLY THE PI OF THIS AWARD HAS USED, NOT THEIR  
24 CONDITIONS, BUT THE FACT THAT IF YOU HAVE GREATER  
25 THAN 3 PERCENT OF THIS PARTICULAR MARKER, THEN IT



BARRISTERS' REPORTING SERVICE

1 ENGRAFTS. SO OUR PI HAS USED THAT AS AN ASSAY TO  
2 ESSENTIALLY DEVELOP THE CONDITIONS FOR DOING THE  
3 ANIMAL COMPONENT FREE. BUT IT IS CLINICALLY  
4 VALIDATED, SO YOU HAVE SOMETHING THAT, IF IT'S SAFE  
5 ENOUGH TO MEET THE FDA'S REQUIREMENTS, IT IS A WAY  
6 TO MOVE FORWARD QUICKLY TO BRING THIS TO PATIENTS IN  
7 THE U.S. WHO HAVE NO ACCESS TO IT.

8 SO THAT IS, I BELIEVE, AGENDA ITEM 11, THE  
9 ONE THAT'S UP FOR CONSIDERATION. MR. CHAIRMAN,  
10 WOULD YOU LIKE ME TO JUST GIVE A HIGH LEVEL SUMMARY  
11 OF THE NEXT APPLICATION, OR WOULD YOU PREFER TO ACT  
12 ON THIS ONE FIRST?

13 CHAIRMAN THOMAS: I THINK WE NEED TO TAKE  
14 THESE ONE AT A TIME. DO I HAVE A MOTION TO APPROVE  
15 THIS ITEM?

16 MR. SHEEHY: I KNOW IT'S BECAUSE THE  
17 DODGERS ARE IN SECOND PLACE RIGHT NOW. THAT'S GOT  
18 TO BE IT.

19 CHAIRMAN THOMAS: THAT'S A REALLY CHEAP  
20 SHOT. AND I KNOW THAT MR. JUELSGAARD SECONDS THAT  
21 SENTIMENT, WHICH TROUBLES ME EQUALLY AS DEEPLY.  
22 MR. SHEEHY.

23 MR. SHEEHY: WE'LL SEE HOW THE WEEKEND  
24 GOES, BY THE WAY. I'M A LITTLE NERVOUS. WE'VE GOT  
25 YOUR THREE BEST PITCHERS COMING TO TOWN.

BARRISTERS' REPORTING SERVICE

1 SO AS USUAL, THE FIRST ORDER OF BUSINESS  
2 WOULD BE TO SEE IF THERE'S A MOTION TO ACCEPT THE  
3 RECOMMENDATION. COULD I JUST CONFIRM WITH THE  
4 PRESIDENT, YOU'RE SUPPORTIVE OF THIS MOVING FORWARD?

5 DR. MILLS: ABSOLUTELY.

6 MR. SHEEHY: SO DO WE HAVE A MOTION?

7 MR. TORRES: SO MOVED.

8 MR. SHEEHY: DO WE HAVE A SECOND?

9 DR. FRIEDMAN: SECOND.

10 MR. SHEEHY: DO WE HAVE ANY PUBLIC  
11 COMMENT? COULD WE CALL THE -- CALL THE ROLL,  
12 PLEASE.

13 MS. BONNEVILLE: STEVE JUELSGAARD. LAUREN  
14 MILLER.

15 MS. MILLER: YES.

16 MS. BONNEVILLE: JOE PANETTA.

17 MR. PANETTA: YES.

18 MS. BONNEVILLE: FRANCISCO PRIETO.

19 DR. PRIETO: AYE.

20 MS. BONNEVILLE: ROBERT QUINT.

21 DR. QUINT: YES.

22 MS. BONNEVILLE: AL ROWLETT.

23 MR. ROWLETT: YES.

24 MS. BONNEVILLE: JEFF SHEEHY.

25 MR. SHEEHY: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: OS STEWARD. JONATHAN  
2 THOMAS.

3 CHAIRMAN THOMAS: YES.

4 MS. BONNEVILLE: ART TORRES.

5 MR. TORRES: AYE.

6 MS. BONNEVILLE: DIANE WINOKUR.

7 MS. WINOKUR: YES.

8 MR. HARRISON: MOTION CARRIES.

9 MR. SHEEHY: DR. OLSON, ARE YOU GOING TO  
10 PRESENT THE NEXT ONE?

11 DR. OLSON: THANK YOU. SO, AGAIN, I WOULD  
12 LIKE TO JUST GIVE A VERY HIGH LEVEL OUTLINE OF THE  
13 NEXT ONE. AND IF YOU WANT MORE SPECIFIC DISCUSSION  
14 ABOUT THE REVIEW SUMMARY, DR. PRIEST IS AVAILABLE TO  
15 DO THAT.

16 SO THIS IS AWARD 1841. THE PARENT AWARD  
17 WAS TO -- AND THIS WAS AN EARLY TRANSLATIONAL  
18 AWARD -- WAS TO IDENTIFY AN HESC-DERIVED NEURAL STEM  
19 CELL OR PROGENITOR CELL DEVELOPMENT CANDIDATE TO  
20 TREAT HUNTINGTON'S DISEASE. AND I THINK AS WE ALL  
21 KNOW, THIS IS A NEURAL DEGENERATIVE DISEASE FOR  
22 WHICH THERE ARE NO DISEASE MODIFYING TREATMENTS.

23 THE REQUEST FOR BRIDGING FUNDING IS TO  
24 TEST THE CANDIDATE HESC, MSC DEVELOPMENT CANDIDATE  
25 TO FURTHER ESTABLISH DOSE RANGE. AND IN MODELS OF

BARRISTERS' REPORTING SERVICE

1 HUNTINGTON'S DISEASE THAT HAVE A SLOWER ONSET THAN  
2 THE VERY AGGRESSIVE R6/2 MODEL, IN ORDER TO ASSESS  
3 OVER TIME AND IN PERHAPS A SOMEWHAT MORE RELEVANT  
4 SETTING -- NOW IT'S IN A MOUSE. A YEAR IN A MOUSE  
5 IS MORE THAN -- IS LIKE PROBABLY MORE RELEVANT  
6 BECAUSE IT'S HALF OF A MOUSE LIFETIME -- SO ASSESS  
7 OVER TIME SELF-SURVIVAL AND FUNCTIONAL OUTCOMES.

8 THE REQUESTED FUNDING IS FOR \$505,000. IT  
9 WAS REVIEWED BY EXTERNAL EXPERTS, FOUR OF THEM. THE  
10 AVERAGE SCORE IS 72, WHICH PLACES THIS IN TIER II.  
11 THERE IS A CIRM RECOMMENDATION ON THIS ONE AS WELL,  
12 WHICH IS TO FUND. AND THE RATIONALE FOR THIS IS IT  
13 FURTHER STRENGTHENS THE ENCOURAGING RESULTS THAT  
14 WERE ACHIEVED TO DATE, AND IT IS ACTUALLY ONE OF  
15 THREE PORTFOLIO PROJECTS THAT TARGET HUNTINGTON'S  
16 DISEASE, BUT THE APPROACH AND MECHANISM ARE VERY  
17 DISTINCT FROM THE OTHER PROJECTS.

18 MR. SHEEHY: THANK YOU, DR. OLSON. AND,  
19 DR. MILLS, YOU'RE IN SUPPORT OF THIS?

20 DR. MILLS: AFFIRMATIVE.

21 MR. SHEEHY: SO DO I HAVE A MOTION TO  
22 ACCEPT THE RECOMMENDATION?

23 MR. TORRES: SO MOVED.

24 MR. SHEEHY: SECOND?

25 UNIDENTIFIED SPEAKER: (INAUDIBLE).

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: ANY BOARD COMMENT? ANY  
2 PUBLIC COMMENT?

3 MR. REED: I'D JUST LIKE TO POINT OUT THAT  
4 I'M DELIGHTED TO SEE AN EMBRYONIC STEM CELL APPROACH  
5 TO HUNTINGTON'S AS THE OTHER TWO WERE ADULT STEM  
6 CELL. SO I'M VERY MUCH IN FAVOR.

7 MS. ROBERSON: HELLO. JUDY ROBERSON  
8 FROM -- PATIENT ADVOCATE FOR HUNTINGTON'S DISEASE  
9 FROM SACRAMENTO. HD IS TECHNICALLY CLASSIFIED AS A  
10 RARE DISEASE, BUT IT IS AS COMMON OR MORE COMMON  
11 THAN ALS AND CYSTIC FIBROSIS. AND FOR FAMILIES LIKE  
12 MINE, THIS SINGLE DOMINANT GENE GUARANTEES THAT THE  
13 PERSON INHERITING THIS GENE WILL ONE DAY DEVELOP  
14 HUNTINGTON'S DISEASE AND WILL CERTAINLY DIE FROM IT  
15 WITHOUT ONE INTERVENTION AVAILABLE TODAY.

16 AT ONE TIME WE THOUGHT BLUEBERRIES MIGHT  
17 HELP. THINK OF THAT, BLUEBERRIES. AND THAT'S BEEN  
18 DISCOUNTED.

19 HD HAS DEVASTATED MY FAMILY WITH FOUR  
20 LOVED ONES WHO HAVE PASSED AWAY, ONE SICK RIGHT NOW,  
21 AND THERE'S 17 LOVED ONES, MY CHILDREN AND  
22 GRANDCHILDREN INCLUDED, LIVING AT RISK, YET THEY'RE  
23 LIVING POSITIVELY AND WAITING HOPEFULLY. WE LIVE  
24 WITH HOPE BECAUSE OF RESEARCHERS LIKE DR. LESLIE  
25 THOMPSON AND HER GROUP AND DR. JAN NOLTA AT UC

BARRISTERS' REPORTING SERVICE

1 DAVIS. BUT THIS BRIDGE GRANT TODAY IS FOR  
2 DR. LESLIE THOMPSON AND HER CONSORTIUM. AND WE'RE  
3 HOPING THAT YOU WILL SEE HOW IMPORTANT THIS IS, THIS  
4 FUNDING IS, AND WILL APPROVE HER GRANT.

5 SO EVEN TODAY, 21 YEARS AFTER THE GENE FOR  
6 HUNTINGTON'S DISEASE WAS FOUND, THERE'S STILL NO  
7 TREATMENT FOR HUNTINGTON'S. REGENERATIVE MEDICINE  
8 THROUGH CIRM IS OUR BIG HOPE. SO PLEASE SUPPORT  
9 DR. LESLIE THOMPSON. THANK YOU.

10 MR. SHEEHY: THANK YOU, JUDY. SO READY TO  
11 CALL THE ROLL?

12 MS. BONNEVILLE: STEVE JUELSGAARD. LAUREN  
13 MILLER.

14 MS. MILLER: YES.

15 MS. BONNEVILLE: JOE PANETTA.

16 MR. PANETTA: YES.

17 MS. BONNEVILLE: FRANCISCO PRIETO.

18 DR. PRIETO: AYE.

19 MS. BONNEVILLE: ROBERT QUINT.

20 DR. QUINT: YES.

21 MS. BONNEVILLE: AL ROWLETT.

22 MR. ROWLETT: YES.

23 MS. BONNEVILLE: JEFF SHEEHY.

24 MR. SHEEHY: YES.

25 MS. BONNEVILLE: JONATHAN THOMAS.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: YES.

2 MS. BONNEVILLE: ART TORRES.

3 MR. TORRES: AYE.

4 MS. BONNEVILLE: DIANE WINOKUR.

5 MS. WINOKUR: YES.

6 MR. HARRISON: MOTION CARRIES.

7 CHAIRMAN THOMAS: THANK YOU. MR. SHEEHY,  
8 CLAYTON KERSHAW IS NOT ELIGIBLE TO VOTE, BUT I'M  
9 CONFIDENT WERE HE TO, HE WOULD BE SUPPORTIVE AS  
10 WELL. BEST OF LUCK THIS WEEKEND.

11 OKAY. SO WE NOW PROCEED -- THERE ARE NO  
12 CLOSED SESSION ITEMS. WE PROCEED TO DISCUSSION ITEM  
13 14 AND A COMMUNICATIONS UPDATE FROM KEVIN AND ANN.

14 MR. MC CORMACK: CHAIRMAN THOMAS, MEMBERS  
15 OF THE BOARD, COLLEAGUES, MEMBERS OF THE PUBLIC, I  
16 FIGURED OUT EARLIER TODAY WHY PEOPLE LIKE IT WHEN I  
17 COME UP HERE, BECAUSE I'M THE FAT LADY AND I'M ABOUT  
18 TO SING. AS SOON AS YOU SEE ME COMING UP, YOU  
19 REALIZE, OH, GOOD, WE CAN GO HOME SOON.

20 SO WANTED TO UPDATE YOU ON A NUMBER OF  
21 THINGS. OBVIOUSLY THE FIRST ONE IS THE OBVIOUS  
22 THING, THE ELEPHANT IN THE ROOM, THAT BOTH CHAIRMAN  
23 THOMAS AND DR. MILLS TALKED ABOUT EARLIER, THE NEWS  
24 THAT DR. TROUNSON WAS JOINING THE BOARD OF STEM  
25 CELLS, INC. AND IT CREATED, FOR WANT OF A BETTER

BARRISTERS' REPORTING SERVICE

1 PHRASE, A BIT OF A STINK AND GOT A LOT OF COVERAGE,  
2 SOME GOOD, SOME NOT SO GOOD.

3 IT WAS VERY INTERESTING TO LOOK AT KIND OF  
4 THE RANGE OF STORIES THAT WERE OUT THERE. SOME OF  
5 THE ARTICLES WERE VERY BALANCED, POINTING OUT THAT  
6 THIS HAPPENED, THAT WE HAD NO IDEA ABOUT IT, AND  
7 THAT REALLY THERE WAS NOTHING THAT WE COULD DO ABOUT  
8 IT. SOME OF THEM WERE A BIT MORE POINTED AND USED  
9 THEM AS AN OPPORTUNITY TO CRITICIZE US FOR SOME  
10 FAIRLY FAMILIAR CHARGES.

11 FROM A MEDIA AND COMMUNICATIONS  
12 PERSPECTIVE, IT WAS INTERESTING JUST TO KIND OF SEE  
13 THE DIFFERENT RANGE OF STORIES AND THEN KIND OF  
14 FIGURE OUT WHERE -- WHAT LESSONS WE NEEDED TO LEARN  
15 FROM THIS. AND SO HOPEFULLY WE'VE LEARNED SOME  
16 LESSONS ABOUT HOW TO BE MORE EFFECTIVE AT GETTING  
17 OUR MESSAGE OUT AND MOVING ON.

18 AND THERE WAS A LOT OF GOOD COVERAGE  
19 ACTUALLY LATELY. IN FACT, *SAN FRANCISCO CHRONICLE*  
20 HAD A FINE ARTICLE YESTERDAY ON THE WORK THAT WE'RE  
21 FUNDING IN HIV AND AIDS. THEY INTERVIEWED PEOPLE AT  
22 BOTH CAL-IMMUNE AND DR. ZAIA FOR THE WORK WE'RE  
23 DOING. AND IT WAS REALLY A GOOD IN-DEPTH PIECE, AND  
24 THEY GAVE US A NICE SHOUT-OUT, OF COURSE, FOR OUR  
25 SUPPORT FOR ALL THIS.



BARRISTERS' REPORTING SERVICE

1 THE *SAN DIEGO UNION TRIBUNE* HAD A GOOD  
2 PIECE LAST WEEK AS WELL ON THE NEWS THAT VIACYTE HAD  
3 SUBMITTED ITS APPLICATION FOR AN IND WITH THE FDA.  
4 OBVIOUSLY IN SAN DIEGO THIS IS BIG NEWS AND  
5 IMPORTANT NEWS. AND SO IT WAS GOOD TO SEE THAT A  
6 LOCAL NEWSPAPER WAS PICKING UP THIS AND REPORTING  
7 SOMETHING LIKE THIS. THESE ARE RELATIVELY SMALL  
8 STEPS, IN MANY CASES, IN THE APPROVAL PROCESS; BUT  
9 FOR TREATMENTS LIKE THIS AND FOR PARTICULARLY PEOPLE  
10 WITH TYPE 1 DIABETES, THESE ARE IMPORTANT STEPS.  
11 THESE ARE BIG STEPS ALONG THE WAY TO HAVING A  
12 THERAPY. AND SO IT WAS GOOD TO SEE THE LOCAL MEDIA  
13 PICK UP ON THAT AND REFLECT THAT. AND CERTAINLY  
14 WE'LL BE WORKING WITH REPORTERS TO TRY AND GET MORE  
15 OF THAT.

16 *NATURE* HAD A GOOD PIECE, A KIND OF A LOOK  
17 BACK ON WHERE WE'VE BEEN AND WHERE WE'RE GOING, AND  
18 THAT WAS A REALLY LONG, IN-DEPTH PIECE. THE  
19 *HUFFINGTON POST* HAD A PROFILE OF DR. MILLS. IT WAS  
20 A QUESTION AND ANSWER PIECE, SO IT WAS A GOOD  
21 OPPORTUNITY FOR HIM TO TALK ABOUT HIS VISION FOR THE  
22 AGENCY, THE THING THAT HE WANTS TO DO, AND JUST SOME  
23 OF THE REASONS WHY HE TOOK THE JOB.

24 AND THE LAST ONE IS THE *WASHINGTON POST*,  
25 WE ACTUALLY GOT A SURPRISE PICKUP THERE FOR ONE OF

BARRISTERS' REPORTING SERVICE

1 THE BLOGS THAT WE WROTE ABOUT THE WORLD CUP AND THE  
2 FACT THAT ONE OF THE ARGENTINE STARS WAS INJURED  
3 BEFORE THE FINAL AND WAS TAKING A NUMBER OF  
4 THERAPIES, INCLUDING A STEM CELL THERAPY, TO TRY AND  
5 GET READY FOR THE FINAL AGAINST GERMANY. THE  
6 *WASHINGTON POST* SAW OUR BLOG AND PICKED UP THE PIECE  
7 AND THEN DID A PIECE OF THEIR OWN ABOUT IT AND  
8 QUOTED US. SO THAT WAS REALLY NICE.

9 AND AS AN UPDATE, THE ARGENTINE STAR  
10 DIDN'T MAKE THE WORLD CUP FINAL AND THEY LOST. SO  
11 GO GERMANY. THAT WAS THAT. AND YOU'LL HAVE MY  
12 RESIGNATION TOMORROW.

13 AT THE LAST BOARD MEETING, I TALKED ABOUT  
14 THE MEET THE PRESIDENT EVENTS THAT WE WERE GOING TO  
15 HOLD IN SAN FRANCISCO, L.A., AND SAN DIEGO. AND  
16 THEY WENT OFF REALLY WELL. I THINK WE GOT BETWEEN  
17 25 AND 40 AT SOME OF THE DIFFERENT EVENTS. IT WAS A  
18 REALLY INTERESTING MIXTURE OF BOTH GRANTEES AND  
19 RESEARCHERS AND PATIENT ADVOCATES. IT WAS A GREAT  
20 OPPORTUNITY FOR DR. MILLS TO INTRODUCE HIMSELF TO  
21 THEM AND TO GET TO KNOW THEM AND THEM TO GET TO KNOW  
22 HIM, I THINK, AND GET A GOOD FEEL FOR WHAT HE'S  
23 DOING.

24 THE THIRD ONE IN SAN DIEGO WAS ACTUALLY  
25 PART OF A MEETING DOWN AT BIO 2014. AND CHAIRMAN

BARRISTERS' REPORTING SERVICE

1 THOMAS SAID EARLIER, BUT I'D LIKE TO COMPLIMENT MY  
2 COLLEAGUE DON GIBBONS FOR DOING A MARVELOUS JOB ON  
3 HELPING ORGANIZE A FULL-DAY TRACK ON REGENERATIVE  
4 MEDICINE. THIS WAS THE FIRST TIME THAT THEY'D HAD  
5 SOMETHING LIKE THIS AT BIO, WHICH IS ONE OF THE  
6 LARGEST LIFE SCIENCES CONFERENCES IN THE COUNTRY.  
7 AND SO TO GET A FULL DAY DEVOTED TO REGENERATIVE  
8 MEDICINE WAS A GREAT FEAT. IN PART, OF COURSE, IT  
9 WAS DUE TO THE EFFORTS OF OUR LATE AND LAMENTED  
10 COLLEAGUE DUANE ROTH, WHO REALLY KIND OF PUSHED US  
11 TO BE A PART OF THIS EVENT.

12 BUT THE REGENERATIVE MEDICINE PANELS WERE  
13 REALLY WELL RECEIVED. THERE WERE -- I THINK  
14 PROBABLY ALMOST ALL OF THEM WERE ALMOST FULL ALL THE  
15 TIME, WHICH FOR A FIRST EVENT LIKE THIS WAS VERY  
16 IMPRESSIVE, PARTICULARLY ON THE DAY WHEN THERE WERE  
17 A NUMBER OF REALLY BIG WORLD CUP GAMES GOING ON, AND  
18 THEY HAD A MASSIVE TV SCREEN SET UP IN THE  
19 AUDITORIUM TO WATCH THOSE.

20 WE ALSO USED THE EVENT TO HOLD A NEWS  
21 CONFERENCE WITH CAL-IMMUNE, WHO WERE ANNOUNCING THE  
22 FACT THAT THEIR FIRST COHORT OF PATIENTS FOR THEIR  
23 HIV THERAPIES, STEM CELL GENE MODIFICATION THERAPY,  
24 HAD BEEN CLEARED AND THAT THE SAFETY DATA LOOKED  
25 GOOD. AND SO THEY WERE GIVEN PERMISSION TO RECRUIT

BARRISTERS' REPORTING SERVICE

1 THE SECOND OR TO BEGIN TREATING THE SECOND COHORT OF  
2 PATIENTS. AGAIN, IN THE GENERAL SCHEME OF THINGS,  
3 THIS IS QUITE A SMALL STEP, BUT FOR A NEW THERAPY  
4 LIKE THIS, IT'S REALLY IMPORTANT TO KIND OF  
5 CELEBRATE THESE MILESTONES BECAUSE THEY ARE  
6 IMPORTANT AND THEY REFLECT THE KIND OF PROGRESS  
7 THAT'S BEING MADE. AND HOPEFULLY WE'LL HAVE MANY,  
8 MANY MORE OF THESE IN THE COMING MONTHS.

9 AND I ALSO TOOK THE OPPORTUNITY TO GO AND  
10 MEET SOME COLLEAGUES AT THE REUBEN H. FLEET SCIENCE  
11 CENTER, WHICH IS THE MAIN SCIENCE MUSEUM IN SAN  
12 DIEGO. WE'RE HOLDING SIMILAR MEETINGS WITH THE  
13 FOLKS AT THE CALIFORNIA SCIENCE CENTER IN L.A. AND  
14 THE EXPLORATORIUM IN SAN FRANCISCO AND THE TECH  
15 MUSEUM IN SAN JOSE.

16 THESE ARE GREAT OPPORTUNITIES FOR US TO  
17 PARTNER WITH THESE. THEY HAVE A GREAT AUDIENCE, A  
18 REAL MIX. IN SAN FRANCISCO'S CASE, TOURISTS AND  
19 LOCALS; BUT IN MOST OF THE OTHER CASES, A LOT OF  
20 KIND OF SCHOOL KIDS, FAMILIES. SO IT'S A GREAT  
21 OPPORTUNITY FOR US TO USE THESE AS A WAY TO REACH  
22 OUT AND EDUCATE PEOPLE ABOUT THE PROGRESS THAT'S  
23 BEING MADE IN STEM CELL RESEARCH, BUT ALSO THE  
24 INFLUENCE AND THE IMPORTANCE THAT THE PEOPLE OF  
25 CALIFORNIA ARE HAVING IN SUPPORTING THIS. SO I

BARRISTERS' REPORTING SERVICE

1 THINK THOSE ARE THINGS THAT WE'RE CERTAINLY GOING TO  
2 BE EXPLORING AND DOING A LOT MORE OF IN THE FUTURE.

3 AND NOW I'D LIKE TO INTRODUCE YOU TO THE  
4 NEWEST MEMBER OF OUR TEAM, DR. ANN HOLDEN, WHO  
5 JOINED US NOT SO LONG AGO, BUT HAS ALREADY HAD QUITE  
6 A BIG IMPACT. AND SHE'S GOING TO TALK ABOUT SOME OF  
7 THE THINGS THAT SHE'S BEEN DOING.

8 DR. HOLDEN: THANK YOU. SO I'VE BEEN  
9 ASKED TO TALK BRIEFLY ABOUT SOME EXCITING CHANGES  
10 WE'VE MADE TO THE OFFICIAL CIRM BLOG, ONE OF OUR KEY  
11 TOOLS FOR COMMUNICATING STEM CELL SCIENCE TO THE  
12 PUBLIC. SO ON THE SCREEN RIGHT NOW IS, AS YOU MIGHT  
13 REMEMBER, THE OLD BLOG WITH A GREAT PHOTO OF MR.  
14 SHEEHY RIGHT THERE FROM AN OLD POST FROM LAST YEAR.

15 SO, BRIEFLY, THE BLOG'S ORIGINAL PURPOSE  
16 WAS TO BE THE ENGINE THAT DRIVES ALL OF OUR ONLINE  
17 ACTIVITIES, PROVIDE A WAY FOR CIRM TO CONTRIBUTE TO  
18 THE DAILY STEM CELL CONVERSATION IN THE NEWS. IT  
19 ALSO SERVES TO DRIVE FACEBOOK CONTENT AND TWITTER  
20 CONTENT. ALONE THE BLOG IS ONE OF THE MOST  
21 SIGNIFICANT DRIVERS OF TRAFFIC TO OUR CIRM WEBSITE.  
22 AND GIVEN THAT THE BLOG UNDERLIES BOTH TWITTER AND  
23 FACEBOOK, IT ACCOUNTS FOR A SIGNIFICANT SOURCE OF  
24 WEBSITE TRAFFIC WHICH GOOGLE USES AS AN INDICATOR TO  
25 DETERMINE THE SITE'S RELEVANCE.

BARRISTERS' REPORTING SERVICE

1 SO ULTIMATELY THE GOAL OF THE BLOG WAS  
2 THEN TO HELP CIRM BECOME AND BE ONE OF THE TOP  
3 RESOURCES FOR OUR AUDIENCES ABOUT STEM CELL BIOLOGY  
4 AND REGENERATIVE MEDICINE. SO FOUR YEARS AND MORE  
5 THAN 1100 BLOG POSTS LATER, WE DECIDED THAT IT WAS  
6 TIME FOR A LITTLE FACE-LIFT. SO IT'S INCREASINGLY  
7 IMPORTANT TO USE NEW, INNOVATIVE WAYS TO SHARE OUR  
8 CONTENT, INCLUDING A HEAVY RELEVANCE ON MULTIMEDIA,  
9 AND THE PREVIOUS PLATFORM THAT WE HAD, I FELT, WAS  
10 VERY RESTRICTIVE AND NOT ABLE TO SORT OF REALLY DO  
11 WHAT I WANTED TO DO WITH IT.

12 IT'S ALSO IMPORTANT, I FELT, TO BRING THE  
13 BLOG INTO THE FOLD OF THE LARGER CIRM WEBSITE. SO  
14 WE'VE CREATED A NEW URL, AS YOU CAN SEE BELOW,  
15 BLOG.CIRM.CA.GOV. ALSO, OUR OLD BLOG NAME WAS  
16 CALLED "CIRM STEM CELL RESEARCH UPDATES," WHICH,  
17 WHILE FINE FOR SCO PURPOSES, WAS NOT MEMORABLE.  
18 ALSO, WE COULDN'T REALLY SHARE IT EASILY. FOR  
19 EXAMPLE, STANFORD HAS THE "SCOPE," SANFORD-BURNHAM  
20 HAS THE "BEAKER," AND NOW WE HAVE THE "STEM CELLAR."

21 SO BRIEFLY I'LL JUST GO TO THE BLOG ITSELF  
22 AND YOU CAN SEE. IN A FUNNY STORY, WE SUBMITTED --  
23 THERE ARE PROBABLY ABOUT 20 OR 30 OPTIONS, AND THE  
24 "STEM CELLAR" WAS ACTUALLY MY FATHER'S IDEA. SO HE  
25 WON.

BARRISTERS' REPORTING SERVICE

1 MR. MC CORMACK: THE VOTING WAS DONE  
2 ANONYMOUSLY, SO WE HAD NO IDEA.

3 DR. MILLS: I ASSURE YOU, SENATOR, WE'RE  
4 LOOKING INTO IT. WE'LL CONDUCT A THOROUGH REVIEW  
5 AND WE'LL REPORT BACK AT THE NEXT MEETING.

6 CHAIRMAN THOMAS: MR. HARRISON, WHAT ARE  
7 RULES ON NEPOTISM ANYWAY?

8 DR. HOLDEN: SO WHAT YOU SEE HERE IS OUR  
9 NEW BLOG, THE "STEM CELLAR." AND YOU CAN FIND IT  
10 AGAIN AT BLOG.CIRM.CA.GOV. AS YOU WILL SEE, WE'VE  
11 CREATED A NEW HEADER IMAGE THAT HIGHLIGHTS SOME OF  
12 OUR PATIENT ADVOCATES. AND I BELIEVE THIS SHOULD BE  
13 A FLUID, REGULARLY ROTATING HEADER WITH BOTH  
14 SCIENTIFIC IMAGES AND ADVOCATES AND OTHER SORT OF  
15 VISUAL WAYS TO REPRESENT WHO WE ARE AND WHAT OUR  
16 GOALS ARE.

17 YOU CAN ALSO SEE THAT THERE ARE -- IT'S  
18 NOT SHOWING UP, BUT ACTUALLY ARE DIFFERENT  
19 CATEGORIES. ALL OF OUR ARTICLES FALL INTO DIFFERENT  
20 CATEGORIES, INCLUDING CIRM NEWS, INDUSTRY NEWS,  
21 RESEARCH NEWS, ALSO EVENTS INCLUDING THE ISSCR  
22 MEETINGS, OTHER EVENTS INCLUDING THESE ICOC BOARD  
23 MEETINGS. WE ALSO HAVE ANOTHER SEPARATE CATEGORY  
24 FOR OUR EVER POPULAR STORIES, STEM CELL STORIES,  
25 THAT CAUGHT OUR EYE, OUR WEEKLY ROUNDUP SERIES.

BARRISTERS' REPORTING SERVICE

1           IN THE COMING WEEKS AND MONTHS, WE'LL ALSO  
2           BE ADDING NEW SECTIONS INCLUDING LONG-FORM FEATURE  
3           PIECES AND ENHANCED MULTIMEDIA. AND IN CASE YOU  
4           WONDERED WHERE ALL THE OLD ARTICLES WENT, ALL 1100  
5           PLUS ARTICLES WERE TRANSPORTED OVER AND FORMATTED,  
6           SO ALL OF THE POSTS, IN CASE YOU WANT TO GO BACK  
7           SEVERAL YEARS, ARE THERE IF YOU'D LIKE TO.

8           AND JUST TO FINISH UP, YOU CAN, AGAIN,  
9           FIND ALL OF OUR STORIES VIA OUR FACEBOOK AND TWITTER  
10          PAGES. SO PLEASE DO CHECK THOSE OUT. WE UPDATE THE  
11          BLOG AT LEAST ONCE A DAY WITH NEW AND FRESH CONTENT.

12          AND FINALLY, I'D LIKE TO THANK EVERYONE  
13          WHO HELPED ME IN THIS VERY LARGE PROJECT, LARGER  
14          THAN I ORIGINALLY INTENDED, INCLUDING THE  
15          COMMUNICATIONS TEAM, I.T., ESPECIALLY NICHOLAS  
16          ROBERTS WHO HELPED WITH THE PORT AND THE TRANSPORT  
17          AND THE FORMATTING OF ALL 1100 ARTICLES, AND ALSO  
18          ALL THE CIRM STAFF WHO HELPED WITH TROUBLESHOOTING  
19          AT THE BEGINNING.

20          SO I THANK YOU FOR YOUR TIME, AND ANY  
21          QUESTIONS I'M HAPPY TO ANSWER NOW OR AFTERWARDS.  
22          THANK YOU.

23          DR. PRIETO: I HAVE ONE QUESTION. I'M NOT  
24          SURE IT'S A QUESTION, OBSERVATION. AFTER I SAW THE  
25          NEW TITLE, I ENTERED INTO A GOOGLE SEARCH AND IT



BARRISTERS' REPORTING SERVICE

1 DOES NOT COME UP ON THE FRONT PAGE. IF YOU ADD  
2 CIRM, IF YOU TYPE IN THE "STEM CELLAR" CIRM, IT  
3 COMES UP, BUT THE "STEM CELLAR" GETS YOU A LOT OF  
4 STUFF ABOUT ROOT CELLARS. I DON'T KNOW WHAT YOU CAN  
5 DO ABOUT THAT.

6 DR. HOLDEN: RIGHT. SO I'M WORKING WITH  
7 NICHOLAS. ACTUALLY HE ACTUALLY E-MAILED ME JUST  
8 BEFORE I CAME UP HERE SAYING THAT IT IS GETTING  
9 HIGHER ON THE SCO. SO BASICALLY WE'RE GOING TO HAVE  
10 TO CONTINUE TO WORK WITH SCO PRACTICES TO MOVE IT  
11 HIGHER UP THERE, BUT WE'RE VERY OPTIMISTIC THAT IT  
12 WILL BE UP ON THE TOP. IT'S ON THE TOP NOW. GREAT.  
13 THANKS.

14 CHAIRMAN THOMAS: WE ALWAYS ATTEMPT TO  
15 RESPOND AS QUICKLY AS POSSIBLE TO SUGGESTION AND  
16 CRITICISM. SO, ANN, THANK YOU. I NOTED IN A NOTE  
17 BACK TO HER AFTER LOOKING AT THIS, WHEN YOU GET A  
18 CHANCE TO LOOK AT IT, IT IS A GREAT AGGREGATION OF  
19 ALL OF THE SUBSTANCE THAT WE LIKE TO HAVE IN ONE  
20 SITE AND VERY EASY TO FOLLOW, VERY EASY TO READ. I  
21 THINK IT IS A REAL UPGRADE. SO THANK YOU FOR ALL  
22 YOUR HARD WORK. I KNOW THAT TOOK A LOT.

23 KEVIN, ARE YOU FINISHED WITH YOUR  
24 COMMUNICATIONS PRESENTATION?

25 MR. MC CORMACK: YES.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: OKAY. WELL, I THINK  
2 WITHOUT FURTHER ADO THEN, WE'VE REACHED THE END OF  
3 THE AGENDA IN WORLD RECORD TIME.

4 MS. BONNEVILLE: PUBLIC COMMENT.

5 CHAIRMAN THOMAS: NOW WE HAVE PUBLIC  
6 COMMENT. HEARING NO PUBLIC COMMENT --

7 DR. LORING: I APPRECIATE THAT. THIS IS  
8 JEANNE LORING, AND I USUALLY COMMENT AT THESE  
9 MEETINGS. SO APPARENTLY I'VE BEEN NOMINATED AS THE  
10 CLOSING PUBLIC COMMENT. I THINK THAT THE MOST  
11 IMPORTANT THING THAT CIRM CAN DO RIGHT NOW IS TO LET  
12 PEOPLE KNOW ABOUT THE GOOD WORK THAT THEY'VE BEEN  
13 DOING. TO EDUCATE THE PUBLIC IS OUR HIGHEST GOAL,  
14 AND I VERY MUCH APPRECIATE THE WORK OF THESE GUYS,  
15 WHATEVER YOUR NAME IS. SORRY. NO. I TALK TO KEVIN  
16 QUITE A BIT. THEY ARE REALLY GRABBING PEOPLE'S  
17 ATTENTION, AND I THINK THAT'S THE MOST IMPORTANT  
18 THING WE CAN BE DOING RIGHT NOW BECAUSE THE SCIENCE  
19 IS REALLY GOOD. WE JUST HAVE TO LET PEOPLE KNOW  
20 ABOUT IT. THANKS.

21 CHAIRMAN THOMAS: THANK YOU, DR. LORING.  
22 ANY OTHER PUBLIC COMMENT? HEARING NONE, WE STAND  
23 ADJOURNED AT 12:10 P.M. AND WE WILL SEE YOU IN  
24 SEPTEMBER. THANK YOU.

25 (THE MEETING WAS THEN CONCLUDED AT

BARRISTERS' REPORTING SERVICE

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12:10 P.M.)

BARRISTERS' REPORTING SERVICE

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD AT THE LOCATION INDICATED BELOW

WESTIN SAN FRANCISCO AIRPORT  
1 OLD BAYSHORE HIGHWAY  
MILLBRAE, CALIFORNIA  
ON  
JULY 24, 2014

WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152  
BARRISTERS' REPORTING SERVICE  
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SUITE 270  
ANAHEIM, CALIFORNIA  
(714) 444-4100