

BEFORE THE
SCIENCE SUBCOMMITTEE OF THE
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
TO THE
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

LOCATION: AS INDICATED ON THE AGENDA

DATE: WEDNESDAY, SEPTEMBER 14, 2016
10 A.M.

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

BRS FILE NO.: 98927

BARRISTERS' REPORTING SERVICE

I N D E X

ITEM DESCRIPTION	PAGE NO.
1. CALL TO ORDER.	3
2. ROLL CALL.	3
3. CONSIDERATION OF ADOPTION OF GRANTS NOT HEARD ADMINISTRATION POLICY FOR THE DISCOVERY, TRANSLATIONAL AND EDUCATION PROGRAMS.	
4. CONSIDERATION OF CHANGES TO THE GRANTS WORKING GROUP BYLAWS.	27
5. CONSIDERATION OF POLICY FOR CIRM RESEARCH BUDGET ALLOCATION.	20
6. CONSIDERATION OF ATP3 REVIEW PROCESS.	4
7. PUBLIC COMMENT	NONE
8. ADJOURNMENT	44

BARRISTERS' REPORTING SERVICE

1 WEDNESDAY, SEPTEMBER 14, 2016; 10 A.M.

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CHAIRMAN SHEEHY: THANK YOU. SO CAN WE
OPEN THE MEETING. CAN WE CALL THE ROLL.

MS. BONNEVILLE: MICHAEL FRIEDMAN. DAVID
HIGGINS.

DR. HIGGINS: HERE.

MS. BONNEVILLE: BERT LUBIN. SHLOMO
MELMED. JEFF SHEEHY.

CHAIRMAN SHEEHY: HERE.

MS. BONNEVILLE: OS STEWARD.

DR. STEWARD: HERE.

MS. BONNEVILLE: JONATHAN THOMAS.

CHAIRMAN THOMAS: HERE.

MS. BONNEVILLE: ART TORRES.

MR. TORRES: HERE.

MS. BONNEVILLE: KRISTINA VUORI.

CHAIRMAN SHEEHY: AND, OS, MARIA JUST TOLD
ME THINGS GET TIGHT FOR YOU KIND OF TOWARDS THE END?

DR. STEWARD: ACTUALLY THINGS GET
CONFLICTED FOR ME RIGHT AT 10:30 UNFORTUNATELY.
I'LL TRY TO HANG ON AS LONG AS I CAN AND POP BACK IN
IF I CAN, BUT, YEAH, THAT'S MY TIME FRAME. SORRY
ABOUT THAT.

CHAIRMAN SHEEHY: NO PROBLEM. SO LET'S

BARRISTERS' REPORTING SERVICE

1 KIND OF FLIP, THEN, HOW WE CONSIDER THESE. DOES
2 THAT WORK FOR YOU BECAUSE SOME OF THE MORE PRESSING
3 STUFF IS AT THE END, RIGHT? MAYBE WE COULD START
4 WITH CONSIDERATION OF THE ATP3 REVIEW PROCESS.

5 MR. TOCHER: THIS IS SCOTT TOCHER IN SAN
6 FRANCISCO. THIS PROCESS POLICY HERE DESCRIBES HOW
7 WE PROPOSE TO CONDUCT THE ATP3 REVIEW NEXT YEAR WHEN
8 WE CONSIDER WHO TO AWARD AS NEWCO AND HOW TO
9 SUBSEQUENTLY MAKE AWARDS FOR CIRM PROJECTS THAT
10 WOULD BE IN-LICENSED BY THE NEWCO.

11 OUR PROPOSAL IS THAT THIS BE CONDUCTED IN
12 A TWO-STEP PROCESS. STEP 1 WOULD BE, AND
13 ESSENTIALLY THE FIRST GRANT REVIEW, WOULD BE TO
14 CONSIDER ALL THE APPLICANTS FOR AND IDENTIFY WHO THE
15 NEWCO AWARDEE WOULD BE. THIS IS BECAUSE THE PRIMARY
16 FOCUS OF THIS PARTICULAR ASPECT OF THE REVIEW WILL
17 FOCUS SUBSTANTIALLY ON THE INDIVIDUAL QUALIFICATIONS
18 OF THE PARTICULAR TEAMS THAT APPLY. THE REVIEW WILL
19 FOCUS ON THE MANAGEMENT TEAM ITSELF, SUBJECT OF THE
20 PROPOSAL, EXPERIENCE AND QUALIFICATIONS THAT THEY
21 DESCRIBE IN THEIR BUSINESS PLAN. WE WILL EVALUATE
22 THE ORGANIZATIONAL STRUCTURE TO ENSURE THAT IT'S
23 APPROPRIATE TO CARRY OUT THE BUSINESS PLAN THAT IS
24 PROPOSED AND ALSO TO ACHIEVE THE SPECIFIC OBJECTIVES
25 OF THE RFA.

BARRISTERS' REPORTING SERVICE

1 WE WILL ALSO BE EVALUATING OR THE GRANTS
2 WORKING GROUP WILL BE EVALUATING WHETHER THE TEAM
3 WILL BE ABLE TO RAISE THE CAPITAL NECESSARY FROM
4 SOURCES OTHER THAN CIRM AND BE ABLE TO DEMONSTRATE
5 ITS SUSTAINABILITY AFTER CIRM FUNDING IS COMPLETE.

6 THE REVIEW WILL ALSO BE EVALUATING WHETHER
7 THE COMPANY IS LIKELY TO BE SUCCESSFUL IN
8 ACCELERATING THE DEVELOPMENT OF VARIOUS CIRM-FUNDED
9 TECHNOLOGIES TOWARD COMMERCIALIZATION AND WHETHER IT
10 HAS AN APPROPRIATE BUSINESS PLAN TO ACCOUNT FOR THE
11 PROJECT RISKS AND WHETHER THEY DEVELOPED APPROPRIATE
12 MITIGATION STRATEGIES.

13 AND, FINALLY, OF COURSE, WE'LL BE LOOKING
14 AT WHAT THEIR PROPOSED BUDGET IS TO ACHIEVE THE RFA
15 OBJECTIVES.

16 BECAUSE THIS IS SUCH A HEAVY FOCUS ON THE
17 TALENT AND THE VARIOUS ELEMENTS OF THE PROJECT TEAM
18 ITSELF, WE BELIEVE IT BEST TO BIFURCATE THE
19 EVALUATION OF THE TEAM FROM THE EVALUATION OF THE --
20 SCIENTIFIC EVALUATION OF THE PROJECTS THAT WOULD BE
21 IN-LICENSED AT A SUBSEQUENT TIME.

22 THE EVALUATION OF THE IN-LICENSING PROJECT
23 WOULD BE CONDUCTED AT A SUBSEQUENT GRANTS WORKING
24 GROUP REVIEW WITH NEWCO ALREADY IDENTIFIED AND
25 BRINGING TO US, TO THE GRANTS WORKING GROUP, THE

BARRISTERS' REPORTING SERVICE

1 PROJECTS IT PROPOSES TO IN-LICENSE FOR EVALUATION.
2 WE'VE IDENTIFIED, SORT OF TRIAGED, INTO
3 THREE DIFFERENT BUCKETS HOW THE REVIEW WILL GO
4 DEPENDING ON THE TYPE OF PROJECTS TO BE IN-LICENSED
5 BREAKS DOWN TO WHETHER OR NOT THE PROPOSED CIRM
6 PROJECT HAS BEEN TREATED TO A GRANTS WORKING GROUP
7 REVIEW WITHIN THE PRECEDING 12 MONTHS. IF IT HAS,
8 THEN WE PROPOSE THAT THERE BE NO ADDITIONAL GRANTS
9 WORKING GROUP REVIEW UNLESS CIRM HAS DETERMINED, DUE
10 TO KNOWLEDGE IT HAS ABOUT PROGRESS ON THE RESEARCH
11 TO DATE, THERE IS SOME REASON TO SUGGEST IT WOULD BE
12 BENEFICIAL TO HOLD A REVIEW. IF IT'S BEEN MORE THAN
13 12 MONTHS SINCE A GRANTS WORKING GROUP REVIEW OF
14 THAT PROPOSED IN-LICENSED PROJECT, THEN WE'LL
15 CONDUCT A GOOD-STANDING REVIEW AT THE GRANTS WORKING
16 GROUP FOCUSED PRIMARILY ON WHETHER THE PROJECT IS
17 MEETING ITS MILESTONES OR, IF IT HASN'T, THEN IT HAS
18 AN APPROPRIATE MITIGATION PLAN TO GET BACK ON TRACK.
19 OTHERWISE ALL OTHER PROJECTS WOULD UNDERGO A
20 STANDARD FULL GRANTS WORKING GROUP REVIEW.

21 AND THAT'S REALLY THE PLAN AND THROW IT
22 OUT FOR DISCUSSION.

23 CHAIRMAN SHEEHY: SO ANYONE ON THE PHONE
24 HAVE ANY QUESTIONS OR COMMENTS ABOUT THIS?

25 SO I ACTUALLY -- I WASN'T AWARE, I MEAN

BARRISTERS' REPORTING SERVICE

1 THIS DEVIATES PRETTY SHARPLY FROM THE CONCEPT PLAN
2 WHICH ANTICIPATED A VERY RIGOROUS SCIENTIFIC
3 EVALUATION. SO IT LOOKS LIKE WHAT WE'RE DOING IS
4 EVALUATING EACH TEAM SOLELY ON BUSINESS REASONS.
5 WHEN THE CONCEPT WAS APPROVED, THE CONCEPT REALLY
6 ANTICIPATED THE TEAMS BRINGING IN -- IDENTIFYING A
7 BASKET OF PROJECTS THAT THEY WERE CONSIDERING GOING
8 AFTER. SO THERE WAS SUPPOSED TO BE, EITHER BY
9 DISEASE INDICATION OR MAYBE TECHNOLOGY BEING USED,
10 BUT THE CONCEPT, BECAUSE I WENT BACK AND REREAD IT,
11 WAS PRETTY EXPLICIT. THERE WAS A SCIENTIFIC
12 COMPONENT, AND NOW THIS IS ALL BUSINESS AS I SEE IT.

13 MR. HARRISON: COULD I RESPOND? I THINK
14 IN PART WE LEFT OUT SOME OF THE NUANCE IN THE
15 SUMMARY. AS I UNDERSTAND IT, UNDER THIS PROPOSAL
16 THE GWG WOULD EVALUATE THE SCIENTIFIC STRENGTH OF
17 THE STRATEGY. IN OTHER WORDS, YOU CAN IMAGINE A
18 VARIETY OF DIFFERENT PROPOSALS FOCUSING ON A SINGLE
19 DISEASE INDICATION, A SINGLE TECHNOLOGY, AND THE
20 GRANTS WORKING GROUP WOULD WEIGH IN ON WHETHER THAT
21 WAS A SOUND STRATEGY FROM A SCIENTIFIC PERSPECTIVE
22 BUT DISTINCT FROM EVALUATING INDIVIDUAL PROJECTS.

23 AND PART OF THE REASON WE THOUGHT THIS
24 APPROACH WOULD BE BEST IS BASED ON THE EXPERIENCE WE
25 HAD WITH THE ALPHA CLINICS WHICH WERE REQUIRED TO

BARRISTERS' REPORTING SERVICE

1 DESCRIBE SOME OF THE CLINICAL TRIALS THAT THEY
2 PLANNED TO HOLD AT THE CLINIC IF AN AWARD WERE MADE.
3 AND WHAT SEEMED TO HAPPEN AT THE GWG MEETING WAS
4 THAT THE FOCUS SHIFTED TO THE SCIENTIFIC MERIT OF
5 THE PROJECT AND ALMOST A RE-REVIEW OF SOME PROJECTS
6 THAT HAD ALREADY BEEN FUNDED AS OPPOSED TO A FOCUS
7 ON THE STRENGTH OF THE CLINIC ITSELF, ITS TEAM, AND
8 ITS STRATEGY.

9 SO FOR THAT REASON WE THOUGHT IT WOULD BE
10 BEST TO FOCUS AT A HIGHER LEVEL ON THE SOUNDNESS OF
11 THEIR SCIENTIFIC STRATEGY RATHER THAN TO EVALUATE
12 INDIVIDUAL PROJECTS, BUT THEY WERE INTERESTED IN
13 IN-LICENSING.

14 AND THEN THE THIRD FACTOR IS REALLY JUST A
15 PRAGMATIC ONE. THAT IS, WE THINK IT WOULD BE
16 DIFFICULT FOR NEWCO APPLICANTS TO BE AT A FAR ENOUGH
17 POINT ALONG IN THEIR OWN DUE DILIGENCE, GIVEN THE
18 TIMELINE, TO BE ABLE TO PROPOSE SPECIFIC PROJECTS.
19 SO THAT GIVES YOU SOME SENSE OF OUR THINKING.

20 DR. MILLS: TO ADD ONTO THAT LAST POINT,
21 IT WOULD BE -- IT WOULD MAKE NEGOTIATING AN
22 IN-LICENSING AGREEMENT FOR NEWCO IMPRACTICAL TO THE
23 POINT OF ALMOST IMPOSSIBLE IF SPECIFIC PROGRAMS WERE
24 PART OF THE GWG REVIEW. THE LEVERAGE IN THAT
25 NEGOTIATION WOULD SWITCH SO MASSIVELY TOWARDS THE

BARRISTERS' REPORTING SERVICE

1 APPLICANT THAT IT WOULD BE VERY DIFFICULT FOR NEWCO
2 UNDER ANY REASONABLE TERMS TO GET THAT DONE.

3 CHAIRMAN SHEEHY: I GET THAT. THIS IS THE
4 FIRST I'VE HEARD OF THIS, SO I'M NOT REALLY OKAY
5 WITH THIS. I NEED TO THINK ABOUT THIS SOME MORE
6 BECAUSE WHAT WE'RE TALKING ABOUT, I THINK THIS
7 REALLY IMPACTS WHO THE REVIEWERS ARE BECAUSE YOU'RE
8 TALKING ABOUT PURELY A BUSINESS EVALUATION. SO I
9 DON'T KNOW THAT -- I JUST WANT TO TALK ABOUT THIS
10 MORE BECAUSE THE CONCEPT THAT I HAD INCLUDED A
11 SCIENTIFIC REVIEW THAT WE INITIALLY APPROVED AS A
12 BOARD A YEAR AGO. AND SO FOR ME THIS IS LIKE A NEW
13 THING. THAT DOESN'T MEAN I'M AGAINST IT, BUT THAT
14 DOESN'T MEAN I'M FOR IT.

15 I DON'T KNOW IF OTHER MEMBERS WANT TO
16 EXPRESS OPINIONS.

17 DR. MILLS: AGAIN, I WOULD THINK OF IT
18 MORE REALLY AS A TWO-STAGE REVIEW BECAUSE THE FIRST
19 PART OF IT IS, AND I WOULD SAY IT'S MORE THAN
20 BUSINESS, I WOULD SAY THAT THE SCIENTIFIC STRATEGY
21 AROUND WHAT TYPES OF TECHNOLOGIES YOU WANT TO BUNDLE
22 AND WHY. AND IT'S CERTAINLY SCIENTIFIC STRATEGY,
23 BUT THAT'S THE FIRST PART OF THE REVIEW.

24 AND THEN ONCE THAT CONCEPT IS RIGHT, THEN
25 WE GO THROUGH THE RE-REVIEW OF THE PROGRAMS ON AN

BARRISTERS' REPORTING SERVICE

1 INDIVIDUAL BASIS PROVIDED THEY HAVE ANY AGE ON THEM
2 AT ALL.

3 CHAIRMAN SHEEHY: LIKE I SAID, I DON'T
4 WANT TO TAKE UP A LOT OF TIME BECAUSE I DON'T HAVE A
5 LOT OF TIME WITH OS. AND SO FOR ME I'M NOT READY TO
6 TAKE A POSITION ON THIS. IT'S NOT SAYING THAT I
7 DON'T AGREE WITH YOU. I DON'T WANT TO WORK THROUGH
8 IT IN THIS MEETING WHEN I HAVE LIMITED TIME WITH
9 SOME MEMBERS, AND THIS IS SOMETHING I WAS NOT AWARE
10 OF. AND IT IS A DEVIATION FROM THE CONCEPT PLAN WE
11 APPROVED. SO JUST FROM A PROCESS POINT OF VIEW, I
12 WANT TO TAKE A STEP BACK AND BREATHE.

13 CHAIRMAN THOMAS: I WANT TO AMPLIFY ON
14 JAMES' THIRD POINT AS WELL, WHICH IS IN TALKING TO
15 VARIOUS POTENTIAL APPLICANTS, THE NOTION OF THEM
16 HAVING TO IDENTIFY SPECIFIC PROJECTS IN A WAY THAT
17 THEY FELT WOULD BE DUE DILIGENCE THOROUGHLY WAS
18 SOMETHING THAT WAS CAUSING PROBLEMS. WHAT WE WERE
19 HEARING IS THINGS LIKE, WELL, WE'RE INTERESTED, FOR
20 EXAMPLE, IN SOME OF THE OCULAR PROJECTS OR
21 INTERESTED IN SOME OF THE NEUROLOGICAL OR WHATEVER,
22 BUT WE WOULDN'T HAVE TIME FOR THEM TO GET DOWN ON A
23 GRANULAR BASIS BECAUSE IT INVOLVES NOT ONLY COMING
24 IN HERE AND GETTING WHAT INFORMATION WE HAVE,
25 MEETING NDA'S, MEETING WITH PI'S, ETC.

BARRISTERS' REPORTING SERVICE

1 SO I THINK THE PRACTICAL POINT OF VIEW,
2 THE BEST WAY TO GO, IN OUR OPINION, IS TO HAVE THEM
3 PROPOSE A STRATEGY WITH RESPECT TO A FIELD OR A TYPE
4 OR METHODOLOGY OR WHATEVER AND HAVE THAT AS THE
5 BASIS FOR THE BUSINESS PLAN AS OPPOSED TO INDIVIDUAL
6 PROJECTS WHICH WOULD BE SPECIFICALLY EVALUATED BY
7 THE GWG.

8 CHAIRMAN SHEEHY: LIKE I SAID, I'M NOT
9 GOING TO BE PERSUADED TODAY. SO IF YOU WANT TO
10 SPEND MORE TIME TRYING TO PERSUADE ME OR IF YOU WANT
11 TO HAVE A VOTE OF EVERYBODY ELSE, BUT THIS IS NOT
12 SOMETHING -- THIS DEVIATES FROM THE CONCEPT PLAN.
13 AND SO I DON'T KNOW -- MAYBE OTHER MEMBERS HAVE AN
14 OPINION, BUT I'M NOT AGAINST IT, BUT I'M NOT FOR IT,
15 AND I HAVEN'T HEARD OF IT BEFORE.

16 MR. TORRES: MY CONCERN IS THE TIMING. IF
17 WE DON'T DO THIS TODAY, HOW DOES THAT PUT US BACK?
18 DO WE HAVE ENOUGH TIME BEFORE 2017 WHEN THIS REVIEW
19 IS ANTICIPATED?

20 MR. HARRISON: THIS IS A MATTER THAT WILL
21 GO FROM THE SCIENCE SUBCOMMITTEE TO THE BOARD. SO
22 DEPENDING UPON WHETHER THE SUBCOMMITTEE IS
23 COMFORTABLE MOVING FORWARD TO THE BOARD OR NOT WILL
24 ANSWER THAT QUESTION.

25 WE HAD HOPED TO BE ABLE TO GIVE

BARRISTERS' REPORTING SERVICE

1 INFORMATION TO POTENTIAL APPLICANTS AS SOON AS
2 POSSIBLE SO THAT THEY CAN PLAN APPROPRIATELY FOR THE
3 SUBMISSION OF THEIR APPLICATIONS.

4 MR. TORRES: SO TO GIVE THE CHAIR MORE
5 TIME TO REVIEW, WHAT WOULD BE THE NEXT POTENTIAL
6 DATE TO HOLD A SUBCOMMITTEE MEETING SO THAT WE GET
7 TO THE BOARD IN OCTOBER WITH RECOMMENDATIONS BECAUSE
8 WE'RE NOT GOING TO GET THERE FOR SEPTEMBER'S.

9 CHAIRMAN SHEEHY: WELL, IT DOESN'T -- I'M
10 NOT SAYING IT CAN'T GO TO THE BOARD. ALL I'M SAYING
11 IS I'M NOT SUPPORTING IT RIGHT NOW. LIKE I SAID,
12 THIS IS DIFFERENT FROM THE CONCEPT PLAN. I DON'T
13 THINK THAT THIS PROPOSAL IS WRITTEN IN A WAY -- THE
14 THREE ELEMENTS DO NOT TALK ABOUT SCIENCE, RIGHT?
15 THEY JUST DON'T. SO THAT IS TOO AMBIGUOUS FOR ME AS
16 CRITERIA FOR THIS.

17 IF YOU ARE GOING TO HAVE SCIENTISTS
18 OPINING -- I JUST DON'T SEE HOW IT FITS. LIKE I
19 SAID, I DON'T WANT -- I DON'T HAVE OS FOREVER. AND
20 IF YOU GUYS WANT TO MAKE A MOTION AND TAKE THE STRAW
21 VOTE TO SEND TO THE BOARD OR SAY YOU LIKE IT, YOU'RE
22 PERFECTLY WELCOME TO DO SO. I WILL NOT SUPPORT
23 THAT. IS THERE A MOTION?

24 CHAIRMAN THOMAS: WE DON'T HAVE A QUORUM.

25 MR. TOCHER: JUST A SENSE OF THE

BARRISTERS' REPORTING SERVICE

1 COMMITTEE.

2 DR. STEWARD: I HAVE TO AGREE WITH JEFF
3 HERE BECAUSE I GUESS I DON'T -- IT'S JUST MY KIND OF
4 LACK OF WHATEVER, IMAGINATION, HERE. I DON'T QUITE
5 UNDERSTAND WHAT YOU'VE ENCOUNTERED IN TERMS OF THE
6 DIFFICULTIES. AND I DON'T UNDERSTAND HOW A
7 SCIENTIFIC REVIEW WOULD BE DONE WITHOUT SCIENCE
8 THERE, WITHOUT THE PROJECTS THERE. SO, AGAIN, I
9 JUST -- I NEED TO HEAR MORE, AND I JUST DON'T
10 UNDERSTAND THE WHOLE THING, HOW IT MIGHT WORK. I
11 DON'T KNOW HOW TO GET THAT INFORMATION. SO THAT
12 WOULD BE MY QUESTION. HOW COULD WE GET SOME
13 ADDITIONAL UNDERSTANDING ON THIS THAT OBVIOUSLY
14 MIGHT COME UP AT THE BOARD LEVEL AS WELL THAT WE
15 COULD SHARE IN AN OPEN MEETING SETTING?

16 DR. MILLS: I GUESS I WOULD JUST SORT OF
17 OFFER THAT WHAT WE'RE ATTEMPTING TO DO IS NOT
18 REVALIDATE PREVIOUS DECISIONS THE GWG HAS MADE ABOUT
19 THE SCIENTIFIC MERITS OF PROGRAMS, BUT INSTEAD START
20 A COMPANY. AND THAT COMPANY WILL BE -- THE SUCCESS
21 OF THAT COMPANY WILL IN LARGE PART DEPEND ON THEIR
22 STRATEGY ON HOW THEY PIECE TOGETHER VARIOUS CONCEPTS
23 OF SCIENCE. BASICALLY CAN THEY CREATE A MEANINGFUL
24 VALUE PROPOSITION BY CLEVERLY PIECING TOGETHER
25 CERTAIN PARTS OF STRATEGY? I DON'T -- I'LL JUST

BARRISTERS' REPORTING SERVICE

1 TELL YOU I DON'T VIEW IT AS A PURELY SCIENTIFIC
2 REVIEW.

3 WE'RE TRYING TO CREATE A COMPANY THAT'S
4 SUCCESSFUL, NOT REEVALUATE TECHNOLOGIES THAT WE'VE
5 ALREADY OPINED ON AND APPROVED.

6 CHAIRMAN SHEEHY: I GET THAT.

7 DR. STEWARD: I HEAR YOU, BUT I DON'T GET
8 THE SPECIFICS. I'M SORRY. I JUST DON'T SEE -- I
9 DON'T UNDERSTAND. THAT'S ALL.

10 CHAIRMAN SHEEHY: THAT'S WHERE I AM.
11 UNLESS PEOPLE WANT TO MAKE A MOTION, MAYBE WE CAN
12 JUST PUT THIS ON HOLD AND TRY TO --

13 MR. TORRES: WE CAN'T MAKE A MOTION
14 BECAUSE THERE ISN'T A QUORUM.

15 CHAIRMAN SHEEHY: JUST MAYBE -- WE HAVE
16 SOME TIME TO LIKE --

17 MS. BONNEVILLE: DO YOU WANT TO HAVE A
18 CONVERSATION PRIOR THE BOARD MEETING AND THEN BRING
19 IT UP AT THE BOARD MEETING, OR DO YOU NOT WANT THIS
20 TO GO TO THE BOARD MEETING AT ALL? THAT'S SORT OF
21 THE CLARITY I NEED.

22 CHAIRMAN SHEEHY: WHAT DO YOU THINK, OS?

23 DR. STEWARD: WELL, I THINK THAT MAYBE
24 WHAT WOULD BE HELPFUL HERE IS ALMOST A CASE STUDY IF
25 THAT'S AT ALL POSSIBLE JUST BECAUSE I DON'T GET IT.

BARRISTERS' REPORTING SERVICE

1 AND I'M VERY CONFUSED ABOUT IT -- (TRANSMISSION
2 BREAKING UP.)

3 MS. BONNEVILLE: OS, WE LOST YOU.

4 DR. STEWARD: CAN YOU HEAR ME NOW?
5 QUICKLY, JUST THE IDEA OF PERHAPS A CASE STUDY, IF
6 WE CAN DO THAT, JUST TO SEE THE DETAILS WE'LL BE
7 THINKING ABOUT.

8 CHAIRMAN THOMAS: OS, THERE'S A LITTLE BIT
9 OF A TIMING ISSUE HERE BECAUSE THE PROPOSALS ARE DUE
10 AT THE END OF OCTOBER. AND SO I THINK APPLICANTS
11 ARE GOING TO, TO THE EXTENT POSSIBLE, WANT TO GET
12 SOME CLARITY ON WHERE THE BOARD STANDS ON THINGS
13 LIKE THIS PROCEDURE AMONG OTHER THINGS AND TO STAFF
14 AS WELL. SO WHEN COULD THAT DISCUSSION TAKE PLACE
15 TO TRY TO GET YOU MORE COMFORTABLE?

16 CHAIRMAN SHEEHY: ONE OPTION, IF YOU WANT
17 TO ACCELERATE THIS -- AND I WANT TO HEAR WHAT YOU
18 THINK ABOUT THIS, OS -- IS BE A LITTLE BIT CREATIVE.
19 WE CAN DO WHAT WE'VE DONE IN THE PAST WHERE WE HAVE
20 A DISCUSSION AT THE BOARD. IN THE INTERIM BETWEEN
21 NOW AND THE BOARD, WE CAN GET SOMETHING THAT MAKES
22 IT A LITTLE MORE TRANSPARENT AND ACCESSIBLE TO SOME
23 OF US WHO DON'T REALLY GET IT YET. AND THEN WE CAN
24 HAVE THE BOARD -- IF WE'RE COMFORTABLE WITH WHAT'S
25 PRESENTED AT THE BOARD AND THE BOARD CAN APPROVE IT,

BARRISTERS' REPORTING SERVICE

1 IF THERE'S STILL SOME STUFF THAT NEEDS TO BE
2 RESOLVED, WE CAN DELEGATE THAT TO A SCIENCE
3 SUBCOMMITTEE TO BE THE CONCLUSIVE VOTE ON IT. DOES
4 THAT MAKE SENSE? WE DID THAT BEFORE WITH IP AND
5 INDUSTRY SUBCOMMITTEE ON SOME DETAILS. I DON'T
6 THINK OS GETS IT. I DON'T GET IT. YOU GUYS GET IT,
7 BUT YOU'VE HAD A LITTLE BIT MORE -- YOU GUYS HAVE
8 BEEN KICKING IT AROUND, BUT THIS IS LIKE NEW STUFF,
9 AND I'M JUST TRYING TO VISUALIZE HOW THIS IS GOING
10 TO WORK.

11 MR. TORRES: SO TECHNICALLY ALL WE CAN
12 PRESUME IS A CONSENSUS OF THE SUBCOMMITTEE TO TAKE
13 THIS ISSUE TO THE BOARD.

14 MR. HARRISON: A SENSE OF THE COMMITTEE.

15 MR. TORRES: YOU'RE OKAY WITH THAT?

16 CHAIRMAN SHEEHY: YEAH. WE'LL TAKE IT TO
17 THE BOARD. AND IF THERE ARE LOOSE THREADS, IT WILL
18 BE AN ACTION ITEM, BUT ONE OF THE ACTIONS THAT WE
19 CAN ANTICIPATE OFFERING THE BOARD, IF THERE'S STILL
20 LOOSE THREADS, IS TO REALLY NAIL THIS DOWN IN A
21 SUBSEQUENT SCIENCE SUBCOMMITTEE THAT OCCURS BEFORE
22 YOUR DEADLINE ON GETTING ALL THIS OUT.

23 MR. TORRES: ARE THERE PROBLEMS DEVELOPING
24 A CASE STUDY?

25 DR. MILLS: I DON'T KNOW WHAT THAT MEANS.

BARRISTERS' REPORTING SERVICE

1 I'M AS LOST AS YOU GUYS ARE ON THIS. I AM ON A CASE
2 STUDY OF SOMETHING THAT'S NEVER BEEN DONE BEFORE, SO
3 I DON'T KNOW WHAT WE WOULD POINT TO.

4 CHAIRMAN SHEEHY: I JUST THINK -- AND,
5 AGAIN, NOT TO BELABOR IT, BUT JUST A LITTLE MORE
6 TEXTURE, SOMETHING CONCRETE IN TERMS OF EXAMPLES,
7 SCENARIOS. IT DOESN'T HAVE TO BE A CASE STUDY, BUT
8 A SCENARIO THAT WE CAN -- DOES THAT SOUND OKAY, OS?
9 I FEEL LIKE I'M TALKING FOR YOU.

10 DR. STEWARD: THAT'S EXACTLY RIGHT. I
11 JUST DON'T HAVE ANY UNDERSTANDING OF THE KINDS OF
12 THINGS THAT THE GWG WOULD BE LOOKING AT IN THIS
13 FIRST-PASS REVIEW IF WE'RE NOT LOOKING AT KIND OF
14 THE DETAILS OF THE SCIENCE. IT JUST DOESN'T MAKE
15 SENSE TO ME. I JUST DON'T UNDERSTAND IT.

16 CHAIRMAN THOMAS: OS, ONE POINT TO MAKE IS
17 THAT THE CONTENT OF THE GWG IN THIS INSTANCE IS
18 GOING TO BE UNLIKE REALLY ANY OTHER THAT WE'VE HAD
19 BECAUSE THERE ARE SIGNIFICANT BUSINESS ELEMENTS TO
20 THIS, AND WE WANT TO HAVE SOMEBODY WHO'S BOTH
21 FAMILIAR WITH SCIENCE BUT ALSO WHO'S FAMILIAR WITH
22 BUSINESS. AND SO YOU HAVE AN APPLICATION THAT WOULD
23 GO IN THAT WOULD PROPOSE TO FORM NEWCO BASED ON THE
24 IN-LICENSING OF CERTAIN POOL OF PROJECTS IN A
25 PARTICULAR INDICATION OR INDICATIONS, WHICH

BARRISTERS' REPORTING SERVICE

1 INDICATIONS AND PROJECTS WOULD HAVE BEEN VETTED IN
2 ADVANCE BY THE GWG TO MAKE SURE THEY'RE PROPER FOR
3 IN-LICENSING AND THEY'RE MEETING AND PROCEEDING
4 ACCORDINGLY, ETC. AND THEN THE GWG WOULD EVALUATE
5 IN THE CONTEXT OF THOSE VETTED PROJECT TYPES THE
6 SOUNDNESS OF THE BUSINESS PLAN THAT IS BEING
7 PROPOSED TO SET UP THE COMPANY.

8 SO THE REVIEWERS WILL BOTH UNDERSTAND
9 FULLY THE SCIENCE, BUT THEY'LL ALSO UNDERSTAND THE
10 NUANCES OF SETTING UP A COMPANY. AND THEN YOU WOULD
11 HAVE BOTH THE SCIENTIFIC SOUNDNESS OF THE IDEA AND
12 THE PRUDENCE OF THE BUSINESS PLAN AND THE
13 AVAILABILITY OF FUNDING, ETC., ALL PROVEN TO THE
14 SATISFACTION OF THE GWG IN ORDER FOR THEM TO SAY
15 THAT ANY PARTICULAR APPLICATION WOULD BE APPROVED
16 FOR FUNDING. RANDY, IS THAT SORT OF A SUMMARY
17 STATEMENT OF THE WHOLE THING?

18 DR. MILLS: YES.

19 CHAIRMAN THOMAS: THAT'S THE IDEA. SO,
20 FOR EXAMPLE --

21 MR. TORRES: WAIT A MINUTE. LET'S END
22 THIS BECAUSE WE'RE GOING TO LOSE OS.

23 CHAIRMAN THOMAS: I'M JUST TRYING TO
24 ANSWER OS TO GIVE A LITTLE CLARITY TO OS.

25 CHAIRMAN SHEEHY: WHAT DO YOU THINK, OS?

BARRISTERS' REPORTING SERVICE

1 WHAT DO YOU THINK ABOUT THIS SOLUTION, SO TO SPEAK?
2 WE GO AHEAD AND SEND IT TO THE BOARD. HOPEFULLY IN
3 THE INTERIM WE CAN GET MORE INFORMATION, SCENARIOS,
4 TO MAKE THIS LESS OPAQUE. AND THEN IF THE BOARD --
5 IF THERE ARE ANY LOOSE THREADS, WE BRING IT BACK TO
6 THE SCIENCE SUBCOMMITTEE.

7 DR. STEWARD: YEAH, I THINK THAT'S FINE.
8 AGAIN, EVERYTHING YOU SAID, J.T., STILL SOUNDS TO ME
9 KIND OF LIKE WHAT JEFF SAID IN THE BEGINNING, WHICH
10 IS THAT THIS IS MAINLY A BUSINESS REVIEW, NOT A
11 SCIENCE REVIEW. THAT'S WHERE I'M STILL CONFUSED.
12 AGAIN, YOU SAID, WELL, YOU'RE GOING TO BE SORT OF
13 CONSIDERING THE SCIENTIFIC STRATEGY, AND I JUST
14 DON'T UNDERSTAND WHAT THAT MEANS. SO IF WE COULD
15 HAVE SOME KIND OF SPECIFIC EXAMPLE TO CHEW ON A
16 LITTLE BIT, THAT JUST WOULD BE VERY HELPFUL TO ME.

17 I'M FINE WITH IT GOING AHEAD TO THE BOARD.
18 I JUST ANTICIPATE THESE KINDS OF QUESTIONS COMING UP
19 THERE.

20 CHAIRMAN THOMAS: JEFF, IS IT POSSIBLE TO
21 SET A TIME, BECAUSE WE ARE KIND OF SHORT ON TIME,
22 FOR YOU GUYS TO TALK WITH SOMEBODY?

23 MS. BONNEVILLE: WE CAN DO THAT AFTER.

24 CHAIRMAN SHEEHY: I THINK THE NEXT THING,
25 IF EVERYBODY IS OKAY, WE'LL MOVE ON TO IS THE POLICY

BARRISTERS' REPORTING SERVICE

1 FOR CIRM RESEARCH BUDGET ALLOCATION.

2 MR. TOCHER: WITH THIS ITEM WE DESCRIBE IN
3 THE STEPS OUTLINED HOW WE WOULD PROPOSE TO HANDLE
4 THE BUDGET ALLOCATION PROCESS AND AN INTERACTION
5 BETWEEN THE BOARD SETTING THAT BUDGET AND THEN THE
6 APPLICATION REVIEW SUBCOMMITTEE'S CONSIDERATION AND
7 MAKING THOSE AWARDS WITHIN THAT BUDGET.

8 SO THE STEPS ARE DESCRIBED IN PRETTY MUCH
9 CHRONOLOGICAL ORDER, THAT ON AN ANNUAL BASIS THE
10 CIRM TEAM WILL PRESENT FOR THE ENTIRE BOARD'S
11 CONSIDERATION A CALENDAR-YEAR BUDGET FOR EACH
12 PARTICULAR PROGRAM FOR EACH OF ITS RESEARCH
13 PROGRAMS. AND THAT CALENDAR BUDGET FOR A PARTICULAR
14 PROGRAM WOULD INCLUDE ALL THE AWARDS THAT WOULD BE
15 APPROVED FOR FUNDING BY THE APPLICATION REVIEW
16 SUBCOMMITTEE DURING THAT CALENDAR YEAR.

17 NOW, THE PROPOSED BUDGET AT THE TIME WILL
18 ALSO INCLUDE A NUMBER OF CYCLES FOR EACH PARTICULAR
19 PROGRAM. SO, FOR INSTANCE, CLIN, AS YOU KNOW, IS ON
20 A MONTHLY ROTATION; AND TRAN, I BELIEVE, IS THREE
21 TIMES A YEAR. BUT ALL OF THAT WILL BE COVERED
22 WITHIN A PARTICULAR PROGRAM, AND AN ANNUAL BUDGET
23 WILL BE SET FOR THAT PROGRAM IN ITS ENTIRETY.

24 WHAT WE'VE DONE, THEN, IS DESCRIBE A
25 PROCESS BY WHICH WE'LL HANDLE THE CAP ON AN ANNUAL

BARRISTERS' REPORTING SERVICE

1 BASIS TO MAXIMIZE THE PARTICIPATION OF THE BOARD
2 MEMBERS AT THE APPLICATION REVIEW SUBCOMMITTEE SUCH
3 THAT THE APPLICATION REVIEW SUBCOMMITTEE WOULD
4 CONSIDER THE FUNDABLE PROJECTS THAT IT WISHES WITHIN
5 THE ANNUAL CAP. AND THEN WE DESCRIBE A CONFLICT
6 AVOIDANCE PROCEDURE TO ACCOMMODATE WHEN THERE ARE
7 APPLICATIONS CONSIDERED FOR FUNDING THAT WOULD GO
8 ABOVE THE CAP.

9 CHAIRMAN SHEEHY: OKAY. SO, OS, DO YOU
10 HAVE ANY QUESTIONS? I KNOW YOU'RE ON A CLOCK.

11 I THINK WE SHOULD BE CLEAR ABOUT THAT ONE
12 OF THE THINGS THAT'S HAPPENING HERE IS THAT, AND I
13 THINK WE SHOULD INCLUDE THIS WHEN WE DISCUSS THIS AT
14 THE BOARD, IS THAT IN THE PAST, BECAUSE THE FULL
15 BOARD WAS VOTING ON APPLICATIONS, THE LIMIT ON
16 FUNDING DIDN'T REALLY EXIST BECAUSE THE BOARD ALWAYS
17 HAS THE ABILITY TO GO OVER BUDGET OR UNDER BUDGET.

18 THE APPLICATION REVIEW SUBCOMMITTEE DOES
19 NOT HAVE THE ABILITY TO SPEND MORE MONEY THAN
20 ALLOCATED BY THE FULL BOARD. I THINK CLARIFYING
21 THAT WILL HELP. OH, WELL, IN THE OLD DAYS, WE GOT
22 GREAT PROJECTS, LET'S SPEND ANOTHER 20 MILLION OR
23 ANOTHER 5 MILLION, AND WE DON'T ACTUALLY HAVE THAT
24 ABILITY WITHIN THE CONSTRUCT OF THE APPLICATION
25 REVIEW SUBCOMMITTEE.

BARRISTERS' REPORTING SERVICE

1 AND, FURTHERMORE, BASED ON CONFLICTS, WE
2 REALLY CAN'T EVEN ASK THE BOARD TO RAISE THE BUDGET
3 BECAUSE WE HAVE TO FIGURE OUT WHO MIGHT HAVE
4 SOMETHING IN THERE, AND THAT BECOMES TOO COMPLEX.

5 SO FOR ME THERE'S A COUPLE OF POINTS THAT
6 ARE IMPORTANT TO ME THAT WE'RE REALLY CLEAR ON. SO
7 THE APPLICATION REVIEW SUBCOMMITTEE CAN SPEND UP TO
8 THE LIMIT IN ANY ROUND OR COMBINATION ROUND THAT IT
9 WANTS TO. IF WE SPEND, AND I'LL JUST USE AN
10 EXAMPLE, 45 MILLION FOR TRANSLATION IN THE FIRST
11 ROUND, THAT MEANS THERE ARE NO MORE ROUNDS UNLESS
12 THE BOARD AS A WHOLE WANTS TO DO THAT. I DON'T
13 THINK WE SHOULD START OFF -- WE SHOULD BE CLEAR
14 THERE ARE NOT GOING TO BE MORE ROUNDS IF WE
15 OVERSPEND. I THINK AS THE COMMITTEE, WE NEED TO GET
16 SOME -- WE NEED TO BE VERY CLEAR ABOUT BEING
17 SELF-DISCIPLINED AND THAT WE RECOGNIZE THAT THERE'S
18 OPPORTUNITY COST TO DECISIONS THAT WE MAKE IN TERMS
19 OF FUNDING.

20 SO IF WE DECIDE TO GO OVER BUDGET, SAY, IN
21 THE FIRST ROUND, THAT COULD IMPACT WHETHER WE
22 ACTUALLY HAVE A THIRD ROUND. I JUST WANT TO BE
23 CLEAR.

24 THE OTHER THING I THINK IS THAT WE
25 DON'T -- WHEN WE GO TO THE GRANTS WORKING GROUP, WE

BARRISTERS' REPORTING SERVICE

1 LOOK AT THE GRANTS WORKING GROUP TO PROVIDE
2 SCIENTIFIC SCORING. SO THEY SCORE ALL THE
3 APPLICATIONS THAT THEY THINK ARE SCIENTIFICALLY
4 MERITORIOUS. SO THE BUDGETING AND THE PROGRAMMATIC
5 REVIEW SHOULD REALLY BE AT THE APPLICATION REVIEW
6 SUBCOMMITTEE. WE SHOULDN'T ASK REVIEWERS TO DECIDE
7 BETWEEN AN 87 AND 88 OR AN 85 OR 86. THEY SHOULD
8 RATE AS MANY PROJECTS OVER 85 AS THEY BELIEVE ARE
9 WORTH THAT VALUE. THE APPLICATION REVIEW
10 SUBCOMMITTEE IS WHERE PROGRAMMATIC REVIEW NEEDS TO
11 TAKE PLACE, AND THAT GOES BACK TO THE ORIGINAL
12 AGREEMENT WHEN WE DID AWAY WITH PROGRAMMATIC REVIEW
13 AT THE WORKING GROUP.

14 SO DISCRIMINATING BETWEEN SCIENTIFICALLY
15 MERITORIOUS PROJECTS REALLY SHOULD COME TO THE
16 BOARD. SO WE SHOULDN'T SAY TO THE GRANTS WORKING
17 GROUP THERE'S ONLY \$8 MILLION LEFT, SO BE MINDFUL OF
18 THAT. I REALLY AM NOT SUPPORTIVE OF THAT. I THINK
19 THAT THAT UNDERMINES THE AGREEMENT THAT WE HAD WHEN
20 WE SET UP THE APPLICATION REVIEW SUBCOMMITTEE.

21 AND THEN THE OTHER THING --

22 DR. HIGGINS: WE DON'T DO THAT NOW, DO WE?

23 CHAIRMAN SHEEHY: NO. OS, ARE YOU BACK?

24 DR. STEWARD: YES, I AM BACK. THANK YOU.

25 NO, WE DON'T DO THAT NOW.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN SHEEHY: I KNOW WE DON'T HAVE YOU
2 FOR MUCH TIME, SO I'VE JUST BEEN HERE MONOLOGUING.

3 DR. STEWARD: I THINK, JEFF, EVERYTHING
4 YOU SAID IS SPOT ON. I THINK THAT IT'S VERY, VERY
5 DIFFICULT FOR THE GRANTS WORKING GROUP TO DO THOSE
6 KINDS OF EVALUATIONS. I DEFINITELY THINK THAT'S AT
7 THE BOARD LEVEL.

8 DR. MILLS: THIS IS RANDY. I HAVE A
9 QUESTION. HOW IS IT THAT AN APPLICATION REVIEW
10 SUBCOMMITTEE OF THE BOARD THAT HASN'T BEEN THROUGH
11 THE REVIEW AND HASN'T READ ALL OF THE
12 APPLICATIONS -- SOME OF YOU HAVE, BUT A LOT OF YOU
13 HAVEN'T -- HASN'T BEEN THROUGH THE REVIEW, HASN'T
14 HEARD ALL THE ARGUMENTS, THEY HAVE THE ABILITY TO
15 DELIBERATE BETWEEN AN 86 AND 87 AND PEOPLE THAT SAT
16 IN THE ROOM AND RANKED THEM 86 AND 87 DON'T?

17 CHAIRMAN SHEEHY: WE CAN GO BACK TO THE --
18 I MEAN WE TALKED ABOUT REVIEWING THE POLICY. WE CAN
19 GO BACK AND HAVE THE FULL BOARD CONSIDER ALL THE
20 APPLICATIONS AND REDO PROGRAMMATIC REVIEW AT THE
21 GRANTS WORKING GROUP. I'M FINE WITH THAT. WE CAN
22 GO BACK TO THE WAY WE USED TO DO THINGS.

23 DR. STEWARD: NOBODY CAN DISTINGUISH
24 BETWEEN AN 86 AND AN 87. THAT'S THE PROBLEM.

25 DR. MILLS: BUT WOULD YOU SAY THERE'S A

BARRISTERS' REPORTING SERVICE

1 DIFFERENCE BETWEEN AN 86 AND A 97?

2 DR. STEWARD: OH, SURE THAT'S FINE. AND,
3 AGAIN, I THINK THAT THAT FINAL DECISION WOULD HAVE
4 TO BE BASED ON WHAT THE PROJECT IS AND HOW IMPACTFUL
5 IT IS ON THE MISSION OF CIRM.

6 DR. HIGGINS: DON'T WE RELY ON STAFF TO
7 MAKE SOME OF THOSE RECOMMENDATIONS THAT KNOW THE
8 PROGRAMS VERY WELL?

9 DR. STEWARD: WELL, I DON'T THINK THAT
10 FINAL DECISION RESTS WITH STAFF. I THINK THAT FINAL
11 DECISION RESTS WITH THE BOARD.

12 DR. HIGGINS: ABSOLUTELY. MAKING
13 RECOMMENDATIONS AND HELPING TO DISTINGUISH BETWEEN
14 THE 86 AND 87, WE DO RELY ON STAFF TO GIVE US
15 FEEDBACK, RIGHT?

16 CHAIRMAN SHEEHY: DAVID, TO MY MIND THOSE
17 ARE PROGRAMMATIC DECISIONS. I AGREE WITH OS. I
18 HAVE GOTTEN ONTO THE AGENDA A DISCUSSION ABOUT
19 PROGRAMMATIC CONSIDERATIONS. WE USED TO MOVE STUFF
20 UP FOR PROGRAMMATIC CONSIDERATIONS. WE HAVE TO MAKE
21 CHOICES, AND I THINK THESE CHOICES ARE NOT GOING TO
22 BE BASED ON THE SCIENCE. THE SCIENCE IS GOING TO BE
23 ROUGHLY EQUIVALENT. WE'RE GOING TO HAVE TO SAY NO
24 TO PEOPLE WHO HAVE GOOD SCIENCE BECAUSE IT'S NOT --
25 WE DON'T HAVE -- AND IT'S OUR JOB. I DON'T EVEN

BARRISTERS' REPORTING SERVICE

1 KNOW IF IT'S REALLY FAIR TO PUT THE TEAM IN THAT
2 POSITION. IT'S BETTER TO HAVE THOSE TYPES OF
3 DECISIONS TAKE PLACE FULLY EXPLAINED IN THE FULL
4 LIGHT OF A PUBLIC MEETING SO THAT WE DON'T CREATE
5 ANTAGONISM BETWEEN POTENTIAL APPLICANTS AND THE
6 TEAM. THOSE ARE OUR CHOICES. THAT'S OUR JOB.

7 DR. HIGGINS: I AGREE.

8 DR. STEWARD: I TOTALLY AGREE. THE BUCK
9 STOPS WITH US. WE TAKE THE RESPONSIBILITY AND THE
10 HIT FOR BLAME WHEN PEOPLE GET ANGRY WITH US, BUT
11 THAT'S JUST THE WAY IT NEEDS TO BE.

12 CHAIRMAN SHEEHY: HAVE SOMEBODY WALK
13 AROUND THE TABLE THAT'S A MARTIAL ARTS WARRIOR,
14 WE'RE THE ONES WHO GET TO BE INTIMIDATED BY THAT.
15 IF SOMEBODY WANTS TO GET UP AND SCREAM AT US AND
16 TELL US HOW WE'RE NOT DOING OUR JOB, THAT'S WHY
17 WE'RE THERE WHEN PEOPLE DON'T GET WHAT THEY WANT.

18 SO ARE THERE ANY THOUGHTS OR COMMENTS?
19 ARE WE IN KIND OF A CONSENSUS ON THIS?

20 DR. HIGGINS: I AGREE WITH EVERYTHING YOU
21 LAID OUT, JEFF. IT'S A NO-BRAINER AS FAR AS TELLING
22 US WHAT WE NEED TO DO. I GUESS WHAT I WAS LOOKING
23 FOR IS WHAT WERE THE TOOLS AVAILABLE TO THE BOARD TO
24 HELP MAKE DECISIONS, AND I THINK YOU'VE DESCRIBED
25 THAT VERY WELL TOO. I DEFINITELY AGREE WITH YOU AND

BARRISTERS' REPORTING SERVICE

1 OS, THAT THE BUCK STOPS AT THE BOARD.

2 CHAIRMAN SHEEHY: OKAY. SO HAVE WE KIND
3 OF COVERED THAT? OKAY.

4 THEN THE NEXT ONE GOING DOWN IS THE
5 CHANGES TO THE GRANTS WORKING GROUP BYLAWS.

6 MR. HARRISON: AND WE DO HAVE A POWERPOINT
7 FOR THOSE OF YOU IN FRONT OF A COMPUTER. I CAN TAKE
8 YOU THROUGH THESE CHANGES PRETTY QUICKLY.

9 THERE ARE REALLY FOUR MAJOR AREAS WHERE WE
10 WOULD LIKE TO PROPOSE CHANGES. FIRST IS THE SCORING
11 OF THE DISC, TRAN, EDUC (DT&E) PROGRAMS. WE'D LIKE
12 TO PROPOSE SOME CHANGES TO SCORING FOR THE CLIN
13 APPLICATIONS, FOR THE INFR APPLICATIONS, AND ALSO
14 JUST MAKE SOME TECHNICAL CLEANUP.

15 SO LET ME START WITH DT&E SCORING. AS YOU
16 KNOW, CURRENTLY WE SCORE FROM 1 TO 100, AND AN
17 AVERAGE SCORE OF 85 OR ABOVE IS DEEMED TO BE
18 FUNDABLE IF FUNDS ARE AVAILABLE, AND AN AVERAGE
19 SCORE BELOW 85 IS NOT FUNDABLE.

20 WE'VE ENCOUNTERED AT LEAST TWO OCCASIONS
21 WHERE WE'VE HAD A MAJORITY OF SCIENTIFIC MEMBERS
22 SCORE AN APPLICATION IN THE FUNDABLE RANGE, THAT IS
23 THE ABOVE 85, BUT THE APPLICATION RECEIVED AN
24 AVERAGE SCORE OF UNDER 85 BECAUSE OF OUTLIER SCORES
25 OFTEN FROM ONE OR TWO REVIEWERS. WE THINK THAT THE

BARRISTERS' REPORTING SERVICE

1 MEDIAN SCORE BETTER REFLECTS THE SENSE OF THE
2 SCIENTIFIC MEMBERS OF THE GRANTS WORKING GROUP.

3 SO WHAT WE WOULD PROPOSE TO DO HERE IS TO
4 MODIFY THE SCORING PROTOCOL SO THAT A MEDIAN SCORE
5 OF 85 OR ABOVE PUTS AN APPLICATION IN THE FUNDABLE
6 RANGE. A MEDIAN SCORE BELOW 85 WOULD PUT AN
7 APPLICATION IN A NONFUNDABLE RANGE. WE WOULD,
8 HOWEVER, CONTINUE TO RANK APPLICATIONS WITHIN THOSE
9 TWO TIERS BASED ON THE AVERAGE SCORE SO MEMBERS HAVE
10 THE ABILITY TO SEE HOW ONE APPLICATION COMPARES TO
11 THE OTHER. AND, OF COURSE, WE'LL CONTINUE TO
12 PROVIDE THE APPLICATION REVIEW SUBCOMMITTEE WITH ALL
13 OF THE INFORMATION, BOTH MEDIAN, AVERAGE, STANDARD
14 DEVIATION, ETC.

15 SO UNLESS THERE ARE QUESTIONS ON THAT
16 ITEM, I'LL MOVE FORWARD.

17 CHAIRMAN SHEEHY: CAN I GET FEEDBACK ON
18 THAT? ARE THERE ANY THOUGHTS? PEOPLE GENERALLY
19 OKAY WITH THAT?

20 CHAIRMAN THOMAS: SEEMS FINE TO ME.

21 CHAIRMAN SHEEHY: THE ONLY THING I WOULD
22 SAY IS I THINK FOR THE PUBLIC IT'S CONFUSING. SO I
23 WOULD ACTUALLY HAVE THEM RANKED BASED ON MEDIAN
24 SCORE IF THAT'S HOW -- BECAUSE OTHERWISE, THE PUBLIC
25 IS GOING TO SAY BUT THIS ONE WAS RANKED HIGHER. SO

BARRISTERS' REPORTING SERVICE

1 WHY -- YOUR RANKING DOESN'T AGREE WITH THE POLICY.
2 I'M NOT SURE THAT'S HOW YOU WANT TO DO IT. I'M
3 TALKING FOR THE PUBLIC BECAUSE THIS IS GOING TO COME
4 TO THE BOARD, AND PEOPLE ARE GOING TO SAY, HOLD IT.
5 THIS ONE IS BELOW AND YOU'RE FUNDING THAT ONE, BUT
6 YOU'RE NOT FUNDING ME.

7 DR. SAMBRANO: THERE IS AN IMPORTANT
8 ASPECT TO WHY WE USE A MEAN, WHICH IS YOU CAN HAVE
9 TWO APPLICATIONS WITH THE EXACT SAME MEDIAN OF 85
10 THAT ARE STARKLY DIFFERENT. SO SOME COMPARE. EIGHT
11 GWG MEMBERS SCORED IT AS A 5, BUT THE OTHERS SCORED
12 IT A 20 IS, EVEN THOUGH A MEDIAN, DIFFERENT FROM
13 SOMETHING WHERE EVERYBODY SCORED IT AN 85. SO THOSE
14 ARE VERY DISTINCT IN TERMS OF THE QUALITY BASED ON
15 THE OVERALL GROUP. BUT THE MEDIAN WOULD SHOW UP AS
16 BEING IDENTICAL. SO IT'S IMPORTANT TO SHOW THE MEAN
17 IN ORDER TO DISTINGUISH THOSE TWO TYPES OF
18 APPLICATIONS. THERE ARE OTHER EXAMPLES, BUT THAT --

19 CHAIRMAN SHEEHY: I LIKE HAVING ALL THE
20 INFORMATION. I'M JUST TALKING ABOUT THE RANKING.
21 THE RANKING, AS PRESENTED PUBLICLY, SHOULD AGREE, TO
22 USE A GRAMMAR TERM, WITH THE RECOMMENDATION FOR
23 FUNDING. IF YOU RANK BASED ON AVERAGE SCORE AND YOU
24 HAVE ONE THAT'S RANKED ON AVERAGE SCORE THAT'S NOT
25 FUNDABLE AND THE ONE RIGHT BELOW IT IS FUNDABLE, THE

BARRISTERS' REPORTING SERVICE

1 PUBLIC IS NOT GOING TO GET IT. I MEAN THAT MAY BE
2 GOOD FOR OUR PURPOSES, BUT THE PUBLIC IS GOING TO
3 SAY WHY. THAT ONE'S RANKED HIGHER. WHY DOES THAT
4 ONE GET FUNDED? BELOW THAT --

5 DR. SAMBRANO: IT DISTINGUISHES TWO
6 APPLICATIONS THAT ACTUALLY DID SCORE DIFFERENTLY BY
7 THE GROUP AS A WHOLE. I THINK IN TERMS OF RANKING,
8 IT MEANS THAT TWO APPLICATIONS THAT ARE DIFFERENT
9 WOULD BE IDENTICAL IN THE RANKING. IF YOU PUT AN 85
10 NEXT TO AN 85, DOESN'T MEAN IT'S DIFFERENT. ARE
11 THEY THE SAME?

12 CHAIRMAN SHEEHY: I'M LOOKING AT A CHART
13 LIKE WE ALWAYS PUT UP, AND HERE'S THE GREEN, AND
14 HERE'S THE YELLOW, AND HERE'S WHITE OR WHATEVER
15 COLOR SCHEME YOU DECIDE. GREEN ALWAYS -- I SEE A
16 ROW OF EIGHT GREENS, A WHITE, A GREEN, A WHITE, A
17 GREEN, AND ALL THE GREENS GET VOTED UP.

18 MR. HARRISON: JUST TO BE CLEAR, I'M NOT
19 SURE IT MATTERS, BUT THE CONCEPT WAS THAT THEY WOULD
20 BE RANKED WITHIN THEIR TIERS ONLY BY AVERAGE SCORE,
21 NOT --

22 CHAIRMAN SHEEHY: OKAY. SO ONLY WITHIN
23 THE TIER. OKAY. THAT'S FINE. OKAY.

24 WE HAVE ANY OTHER COMMENTS ON THIS?

25 SO, JAMES.

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: SO NEXT WE'D LIKE TO
2 DISCUSS SOME CHANGES TO OUR CURRENT SCORING FOR CLIN
3 APPLICATIONS. AS YOU KNOW, WE USE A 1, 2, OR 3
4 SCORING SYSTEM. AND UNDER THE CURRENT BYLAWS, A
5 PLURALITY OF SCORES IS REQUIRED FOR A RECOMMENDATION
6 OF A 1 OR A 2; WHEREAS, A 3 REQUIRES A MAJORITY OF
7 SCORES. AND WHERE THERE'S NO PLURALITY OR MAJORITY,
8 IT GOES TO A MOTION OF THE GWG.

9 WE HAVE HAD, AGAIN, A COUPLE OF OCCASIONS
10 WHERE A MAJORITY OF THE SCIENTIFIC MEMBERS DID NOT
11 BELIEVE THAT AN APPLICATION, AT LEAST AS PRESENTED,
12 WARRANTED FUNDING; BUT BECAUSE THERE WERE A
13 PLURALITY OF 1S, THE APPLICATION WAS DEEMED TO BE
14 RECOMMENDED FOR FUNDING. AS WITH THE EARLIER
15 PROGRAM, WE BELIEVE THAT REQUIRING A MAJORITY OF
16 SCORES FOR 1, 2, OR 3 MORE ACCURATELY REFLECTS THE
17 SENSE OF THE SCIENTIFIC MEMBERS OF THE GRANTS
18 WORKING GROUP AND THAT THE DEFAULT SHOULD BE THAT AN
19 APPLICATION IS A 2 IF THERE IS NOT A MAJORITY OF
20 SCORES FOR A TIER I OR A TIER III.

21 SO OUR PROPOSAL IS TO MODIFY THE BYLAWS IN
22 ACCORDANCE WITH THIS PROPOSAL.

23 MR. TORRES: SO THERE'S NO MAJORITY
24 DISTINCTION ON MAJORITY. SO IT'S A MAJORITY OF ALL
25 THE MEMBERS INCLUDING THE PATIENT ADVOCATES?

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: NO. THIS IS A MAJORITY OF
2 THE SCIENTIFIC SCORES. CURRENTLY IT'S A PLURALITY
3 OR A MAJORITY OF THE SCIENTIFIC SCORES.

4 MR. TORRES: SO IT'S A DISTINCTION WE'RE
5 MAKING NOW?

6 MR. HARRISON: CORRECT. RATHER THAN
7 HAVING -- TWO SIGNIFICANT CHANGES WE'RE MAKING. ONE
8 IS TO ELIMINATE THE PLURALITY FOR A SCORE OF 1 OR 2
9 AND TO REQUIRE A MAJORITY. THE SECOND IS IF THERE
10 IS NO MAJORITY, TO HAVE IT AUTOMATICALLY BE DEEMED
11 TO BE A 2 FOR PURPOSES OF THE RECOMMENDATION TO THE
12 APPLICATION REVIEW SUBCOMMITTEE.

13 CHAIRMAN SHEEHY: AND THAT INCLUDES A TIE.

14 MR. HARRISON: CORRECT.

15 DR. HIGGINS: JAMES, THAT WOULD MEAN THAT
16 THE OLD SYSTEM OF GOING FOR A MOTION OF THE
17 COMMITTEE WOULD BE DISCONTINUED?

18 MR. HARRISON: CORRECT. IT WOULD BE
19 ELIMINATED.

20 DR. HIGGINS: OKAY. GOTCHA.

21 MR. HARRISON: AND THAT WOULD LEAVE THE
22 DECISION IN THE HANDS OF THE APPLICATION REVIEW
23 SUBCOMMITTEE.

24 CHAIRMAN SHEEHY: ANY OTHER COMMENTS? ARE
25 WE GENERALLY OKAY WITH THIS?

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: I THINK THIS IS A GOOD
2 MOVE BECAUSE IT GETS US BY THE ISSUES WE'VE HAD A
3 COUPLE TIMES NOW JUST OUT OF THE ANOMALIES WE HAVE
4 IN THE SCORING SYSTEM. SO IT SOUNDS LIKE A VERY
5 GOOD IDEA TO ME.

6 DR. HIGGINS: I AGREE COMPLETELY.

7 CHAIRMAN SHEEHY: NEXT, JAMES.

8 MR. HARRISON: NEXT IS THE SCORING FOR
9 INFRASTRUCTURE PROJECTS. AND BRIEFLY, THERE'S ONLY
10 ONE -- ONLY TWO OUTSTANDING INFRASTRUCTURE PROJECTS
11 CURRENTLY OUTSTANDING. FOR A TC, WE WOULD PROPOSE,
12 TRANSLATING CENTER, TO MODIFY THE SCORING SYSTEM
13 SIMILAR TO WHAT WE'VE DONE FOR DT&E. AND THAT IS TO
14 USE A MEDIAN SCORE RATHER THAN AN AVERAGE SCORE.
15 BOTH WOULD, OF COURSE, BE PRESENTED TO THE
16 APPLICATION REVIEW SUBCOMMITTEE.

17 WITH RESPECT TO ATP3, WE PROPOSE TO MODIFY
18 THAT AND ADOPT THE CLIN SCORING METHODOLOGY SO THAT
19 WE WOULD USE A SCORE OF 1, 2, OR 3 RATHER THAN THE 1
20 TO 100 SCALE. SO THAT IF WE WERE IN A SITUATION
21 WHERE THE APPLICATION REVIEW SUBCOMMITTEE DIDN'T
22 APPROVE ANY APPLICATIONS, THEN THOSE THAT RECEIVED A
23 SCORE OF 2 COULD RESUBMIT SIMILAR TO HOW WE OPERATE
24 THE CLIN PROGRAM CURRENTLY.

25 CHAIRMAN SHEEHY: SO I WOULD CHANGE -- I

BARRISTERS' REPORTING SERVICE

1 WOULD MAKE THIS SCORING SCHEME FOR APT3 APPLY TO ALL
2 INFRASTRUCTURE SCORING. ACTUALLY I'M NOT IN FAVOR
3 OF THE PREVIOUS SLIDE. I'M IN FAVOR OF THIS BEING
4 WHAT HAPPENS WITH ALL INFRASTRUCTURE.

5 I JUST THINK WE SPENT A TON OF MONEY ON
6 THOSE THINGS. AND I THINK BEING ABLE -- HAVING A
7 TWO-STAGE PROCESS FOR ANY, AND I'M NOT SAYING -- I
8 THINK WE SHOULD BE CLEAR THAT THIS DOESN'T --
9 BECAUSE IT'S CURRENTLY IN THE WORKS, THE TRANSLATING
10 CENTER, BUT GOING FORWARD ALL INFRASTRUCTURE SHOULD
11 HAVE A 1, 2, 3.

12 I DON'T KNOW IF OTHER PEOPLE HAVE AN
13 OPINION ON THAT. THESE ARE BIG PROJECTS, LOTS OF
14 TIMES THEY'RE NEW STUFF, AND IT GIVES US A CHANCE TO
15 REFINE THEM AND MAKE BETTER PROJECTS. AND THEY
16 ARE -- I JUST WOULD HAVE A MUCH GREATER COMFORT
17 LEVEL IF THIS APPLIED TO ALL CONSTRUCTION.

18 DR. HIGGINS: WHAT'S THE ARGUMENT FOR NOT
19 DOING WHAT JEFF JUST SUGGESTED?

20 MR. HARRISON: WELL, THE THEORY, DAVID, IS
21 THAT THE SCORE OF 1 TO 100 GIVES THE SCIENTIFIC
22 MEMBERS OF THE GRANTS WORKING GROUP AND THE PATIENT
23 ADVOCATES WHO ACT AS REVIEWERS A WIDER RANGE TO
24 INDICATE THEIR SCORE RATHER THAN JUST PUTTING THE
25 PROGRAMS INTO A PARTICULAR BUCKET.

BARRISTERS' REPORTING SERVICE

1 WE DEVELOPED THE 1-2-3 SCORING SYSTEM WHEN
2 WE WERE THINKING ABOUT THE CLIN PROGRAM AS KIND OF
3 REVIEWING ONE APPLICATION AT A TIME. WHERE THE
4 QUESTION WE WERE REALLY ASKING THE GWG TO ADDRESS IS
5 IS THIS APPLICATION WORTH FUNDING OR NOT AS OPPOSED
6 TO IS THIS APPLICATION WORTH FUNDING AND HOW DOES IT
7 COMPARE TO OTHER APPLICATIONS FOR THE SAME AWARD?
8 SO WE THOUGHT THE 1 TO 100 RANGE GAVE THE GWG
9 GREATER FLEXIBILITY AND SPECIFICITY WITH RESPECT TO
10 HOW THEY EVALUATE COMPETING APPLICATIONS.

11 MR. TORRES: GIL, HOW MANY INFRASTRUCTURE
12 PROPOSALS WILL BE FORTHCOMING AFTER THE TRANSLATION
13 CENTERS?

14 DR. SAMBRANO: HOW MANY REVIEWS?

15 MR. TORRES: AFTER THE TRANSLATION
16 CENTERS.

17 DR. SAMBRANO: WE ANTICIPATE MAYBE ONE
18 MORE AFTER ATP3.

19 MR. TORRES: SO YOU'RE REQUESTING THAT
20 THAT BE APPLIED TO --

21 CHAIRMAN SHEEHY: TO INFRASTRUCTURE GOING
22 FORWARD BECAUSE WE'VE TALKED ABOUT MORE ALPHA
23 CLINICS. I THINK A 1-2-3 SCORING -- FROM MY
24 PERSPECTIVE, I GET THE PROCESS ISSUE, BUT I'M MORE
25 FOCUSED ON GETTING THE BEST PROJECT. AND BY GIVING

BARRISTERS' REPORTING SERVICE

1 THEM A CHANCE TO RESPOND TO CRITICISM, WE SHOULDN'T
2 BE DOING 85 INFRASTRUCTURE PROJECTS, WE SHOULD TRY
3 TO MAKE THOSE ALL 95, IF WE CAN, BECAUSE IT'S A LOT
4 OF MONEY. A LOT OF THESE ARE GOING TO BE OUR
5 LEGACY, SO WE NEED TO GET THEM RIGHT. THAT'S MY
6 PERSPECTIVE.

7 DR. MILLS: I GUESS MY QUESTION IS HOW
8 WOULD YOU KNOW IF YOU'VE DONE AN 85 INFRASTRUCTURE
9 PROGRAM UNDER THAT SCORING SYSTEM BECAUSE AN 85 AND
10 A 97 ARE BOTH A 1? SO YOU DON'T KNOW. YOU JUST GOT
11 A ONE.

12 CHAIRMAN SHEEHY: THEN, YOU KNOW, THAT
13 BECOMES A DECISION. IF YOU WANT TO TAKE IT BACK AND
14 THINK ABOUT OTHER WAYS TO DO IT. I JUST LIKE TWO
15 BITES AT THE APPLE. PEOPLE HAVE CRITICISMS ABOUT A
16 PROJECT. AND I DON'T KNOW, ON INFRASTRUCTURE
17 PROJECTS, I DON'T REMEMBER A LOT OF 95S. I REMEMBER
18 A LOT OF HIGH 80S OR MID-80S, BUT I JUST DON'T KNOW
19 THAT THEY EMERGE FULLY FORMED. THAT'S MY PROBLEM.
20 THERE'S NO WAY TO REALLY REFINE THEM AND THE
21 DILIGENCE WITH WHICH THE REVIEW GROUPS LOOKED AT
22 THESE PROJECTS AND THE RECOMMENDATIONS THAT THEY
23 MADE. WHERE I HAVE TROUBLE AS A BOARD MEMBER,
24 HAVING HEARD CONCERNS THAT WARRANT ACTION, HAVING TO
25 VOTE THOSE THROUGH KNOWING THAT THERE ARE THINGS

BARRISTERS' REPORTING SERVICE

1 THAT COULD BE DONE BETTER AND JUST HOPING THAT THOSE
2 IMPROVEMENTS TAKE PLACE.

3 MR. TORRES: WE HAVE A PROCESS ALREADY TO
4 CURE THAT, RIGHT, IN TERMS OF THE TIMELINE AND
5 MILESTONES, AND IN TERMS OF MAKING SURE THE PROJECT
6 IS MOVING IN THE CORRECT DIRECTION? IS THAT WHAT
7 YOU'RE TALKING ABOUT OR SOMETHING ELSE?

8 CHAIRMAN SHEEHY: WELL, THE MILESTONES ARE
9 NEGOTIATED AFTER THE PROJECT'S BEEN APPROVED. THE
10 CONCERNS THAT PEOPLE HAVE RAISED, THE REVIEWERS
11 RAISED SERIOUS CONCERNS THAT NEED TO BE ADDRESSED.
12 WE REALLY HAVE GOTTEN AWAY FROM ATTACHING
13 CONDITIONS. I DON'T EVEN KNOW IF WE HAVE A
14 MECHANISM ANYMORE TO ATTACH A CONDITION TO A GRANTS
15 WORKING GROUP RECOMMENDATION. SO THOSE
16 CONSIDERATIONS WHICH ARE CONCERNS, THOSE CONCERNS
17 WHICH IN MANY INSTANCES ARE SERIOUS, BUT NOT FATAL,
18 THOSE KIND OF, AS A BOARD MEMBER, I HEAR THEM IN THE
19 REVIEW, THEN AT THE BOARD I'VE GOT TO VOTE IT
20 THROUGH EVEN THOUGH I'M TAKING ON FAITH THOSE
21 CONCERNS WILL BE ADDRESSED.

22 MR. TORRES: THAT'S WHAT EVERY MEMBER OF
23 CONGRESS DOES WITH THE BUDGET.

24 CHAIRMAN SHEEHY: YEAH. WE'RE NOT
25 CONGRESS, AND WE HAVE A 1-2-3 MECHANISM THAT WE

BARRISTERS' REPORTING SERVICE

1 CAN --

2 MR. TORRES: I GUESS I'M STILL CONFUSED.
3 IF IT GETS AN 85 OR IF IT GETS A 1, THEN WHAT ARE WE
4 TALKING ABOUT IN THAT FRAMEWORK?

5 CHAIRMAN SHEEHY: I'M FINE WITH 1S. I
6 THINK IF PEOPLE ARE GOING TO GIVE A 1, THEY ACTUALLY
7 THINK IT'S A GOOD PROPOSAL. I THINK, AS WE'VE
8 EXPERIENCED IN USING 1-2-3, THE DEFAULT IS USUALLY
9 TO A 2.

10 MR. TORRES: OKAY. I WAS CONFUSED. I
11 THOUGHT YOU SAID WITHIN THAT FRAMEWORK THAT THERE
12 MAY BE CONCERNS AND THERE HAVE BEEN. SO IF SOMEBODY
13 GETS A 1, LET'S SAY, DO WE STILL NEGOTIATE CONCERNS?

14 CHAIRMAN SHEEHY: NO, THEY'RE FINE. THEY
15 GO THROUGH.

16 MR. TORRES: OKAY.

17 DR. MILLS: WHAT HAPPENS WHEN YOU HAVE TWO
18 1S?

19 CHAIRMAN SHEEHY: THEN WE HAVE TWO 1S, AND
20 WE HAVE TO MAKE A CHOICE. YOU GUYS CAN LOOK AT IT
21 AND MAKE A RECOMMENDATION. THE TEAM CAN LOOK AT IT
22 AND MAKE A RECOMMENDATION. THEN IT COMES TO THE
23 BOARD.

24 DR. MILLS: I GUESS MY ISSUE ISN'T IF
25 NOTHING GETS -- IF THERE'S NOTHING MERITORIOUS AS A

BARRISTERS' REPORTING SERVICE

1 1, THAT IT GETS TREATED AS A 2 AND THERE ARE
2 QUESTIONS SUBMITTED AND TRY TO MAKE IT BETTER. MY
3 CONCERN IS WHAT HAPPENS WHEN YOU HAVE TWO 1S AND YOU
4 DON'T KNOW WHETHER OR NOT YOU HAVE AN 85 OR A 97
5 BECAUSE YOU JUST HAVE TWO 1S. YOU DON'T HAVE ANY
6 INFORMATION. SOME MEMBERS OF THE APPLICATION REVIEW
7 SUBCOMMITTEE WERE THERE AND HAVE SOME VIEW INTO IT.
8 EVERYONE ELSE IS GETTING A FAR MORE DISTANT SUMMARY
9 OF IT.

10 MY CONCERN ISN'T SENDING IT BACK FOR
11 RE-REVIEW AS A 2. MY CONCERN IS TWO OR MORE 1S.

12 CHAIRMAN SHEEHY: THAT'S WHY WE HAVE A
13 BOARD. THEY LOOK AT IT AND THEY MAKE THAT CHOICE.
14 IF THEY'RE 1S, IF THEY'RE CLEARLY MERITORIOUS
15 PROJECTS, IT'S NOT LIKE PEOPLE ARE GIVING OUT 1S FOR
16 85S. MY EXPERIENCE HAS BEEN THEY'RE NOT GIVING OUT
17 1S UNLESS IT'S A 95, AT LEAST MY PERCEPTION OF HOW
18 THE CLIN SERIES HAS WORKED.

19 CHAIRMAN THOMAS: HOW DO WE KNOW THAT?

20 CHAIRMAN SHEEHY: BECAUSE THE
21 PREPONDERANCE OF APPLICATIONS THAT HAVE GONE THROUGH
22 HAVE BEEN 2S. BUT THE OTHER THING TOO IS THE OTHER
23 METRIC WE HAVE IS PROPORTION OF MEMBERS WHO VOTED
24 1S. SO IF YOU HAVE AN APPLICATION WHERE EVERYBODY
25 VOTED A 1, 12 VOTED ONE, AND THE OTHER ONE HAS EIGHT

BARRISTERS' REPORTING SERVICE

1 OR NINE VOTING 1, THAT'S A DISTINCTION. SO YOU CAN
2 ACTUALLY COUNT THE NUMBER OF PEOPLE WHO THOUGHT IT
3 WAS A 1.

4 DR. MILLS: WHAT I DON'T UNDERSTAND IS I
5 DON'T UNDERSTAND WHAT THE DIFFERENCE IS BETWEEN THAT
6 OR USING A MEDIAN OF 85 BECAUSE WHEN WE DO THE 1 TO
7 100 REVIEWS AND WE ACTUALLY LOOK AT THE SCORES, THE
8 SCORES ARE -- THE SCORES TEND TO LINE UP VERY, VERY
9 HEAVILY AS 85S AND 84S. SO WE DIDN'T WANT TO FUND
10 IT, SO WE VOTED IT AN 84. WE DID WANT TO FUND IT,
11 WE VOTED 85. SO WHAT I DON'T UNDERSTAND IS WHAT
12 INFORMATION -- IT SEEMS TO ME YOU HAVE MORE
13 INFORMATION IF YOU SAY WE'RE GOING TO USE A MEDIAN
14 AS 85 TO SAY WHETHER OR NOT IT'S FUNDABLE OR NOT.
15 YOU ARE GOING TO KNOW OUT OF THAT WHETHER IT WAS 85
16 OR WHETHER IT WAS 97. AND IF THE MEDIAN IS 84, THEN
17 YOU KNOW THAT THAT WOULD HAVE BEEN TRANSLATED INTO A
18 2 AND SEND THEM BACK FOR MORE INFORMATION.

19 CHAIRMAN SHEEHY: BECAUSE IN THIS
20 STRUCTURE THERE'S NOT THE OPPORTUNITY FOR REFINING.

21 DR. MILLS: SO WHAT IF WE PUT ON THE
22 CAVEAT AS WE USE THE INFRASTRUCTURE SCORING, BUT
23 MEDIAN SCORE BELOW 85 FOR INFRASTRUCTURE PROGRAMS,
24 THE GWG HAS THE ABILITY TO ASK FOR REFINEMENT.

25 MR. HARRISON: CAN I JUST MAKE ONE THING

BARRISTERS' REPORTING SERVICE

1 CLEAR? UNDER THE CURRENT BYLAWS, IF NO APPLICATION
2 SCORES 85 OR ABOVE ON THE INFR PROGRAM, THEN THE
3 APPLICANTS ARE ALLOWED TO RESUBMIT.

4 DR. MILLS: THAT'S ALL APPLICANTS?

5 CHAIRMAN SHEEHY: YES, BUT THAT'S ALL
6 APPLICANTS. THEN WE HAVE TO DO THE WHOLE THING OVER
7 FOR APPLICATIONS THAT AREN'T -- THAT'S THE PROBLEM
8 WITH THAT IS THAT WE END UP JUST DOING IT ALL OVER
9 AGAIN. AND WE ALREADY -- THERE'S POTENTIAL THAT WE
10 ALREADY KNOW SOME APPLICANTS WE PROBABLY DON'T WANT
11 TO SEE AGAIN, RIGHT? SO THIS IS MY DILEMMA. I
12 DON'T WANT TO SPEND \$15 MILLION OR \$10 MILLION ON A
13 PROJECT THAT ISN'T REFINED. AND IF YOU WANT TO BUMP
14 THE NUMBER UP, IF YOU WANT MAKE THE THRESHOLD HIGHER
15 AND MAKE SOME DISTINCTION FOR WHO GETS -- IF YOU
16 WANT TO BUILD A 2 INTO THIS NUMERICAL SCORING, THEN
17 MOVE IT AT LEAST TO 90 OR SOMETHING HIGHER BECAUSE I
18 DON'T WANT TO SAY THAT AN 84 GETS A 2. IF YOU WANT
19 TO DO IT IN NUMBERS TO CREATE THOSE BUCKETS SO YOU
20 CAN HAVE SOME DISTINCTION, I WOULD MAKE THE NUMBERS
21 HIGHER.

22 CHAIRMAN THOMAS: WHAT ABOUT RANDY'S
23 SUGGESTION HE JUST MADE? WITH RESPECT TO PROJECTS
24 THAT MIGHT SCORE A 1, IF YOU ALLOW FOR THE GWG TO
25 REFINE THROUGH QUESTIONS BEFORE THEY TAKE A FINAL

BARRISTERS' REPORTING SERVICE

1 VOTE ON SOMETHING, SO THAT GETS TO YOUR ISSUE OF
2 BEING ABLE TO -- 85 TO WHATEVER. UNDER ANY SCORING
3 CIRCUMSTANCE, THEY HAVE THE ABILITY TO SEEK
4 REFINEMENTS BEFORE A FINAL VOTE.

5 CHAIRMAN SHEEHY: THAT'S NOT -- I'VE HEARD
6 THAT IDEA BEFORE. I THOUGHT THE PERSON WHO MADE
7 THAT IDEA WAS REALLY SMART. I WOULD BE WILLING TO
8 CONSIDER THAT. THAT'S NOT A BAD IDEA. WHAT DO YOU
9 THINK ABOUT THAT? SO IF THERE'S CONCERNS DELAYING
10 THE FINAL SCORING UNTIL GIVING ANOTHER BITE AT THE
11 APPLE TO THE REVIEW GROUP SO THAT IF THERE ARE
12 APPLICATIONS THAT THEY HAVE CONCERNS ABOUT, THEY'RE
13 SORT OF FAVORABLE SCORES, BUT THEY CAN DELAY
14 TAKING -- MAKING THE FINAL SCORING TO GET KEY
15 QUESTIONS ANSWERED.

16 DR. MILLS: I MEAN WE CAN DO THAT NOW.
17 THIS IS ALL FOR ONE REVIEW. SO IT'S -- SURE. ALL
18 OF THESE ARE SORT OF CUSTOM BECAUSE NOBODY HAD A 1.

19 CHAIRMAN SHEEHY: SO THE ATP STAYS. FOR
20 THIS ONE WE'LL DO THE CHANGE FOR THE REST OF
21 INFRASTRUCTURE.

22 MR. HARRISON: JUST TO BE CLEAR, ARE WE
23 GOING WITH THE 1 TO 100, BUT JUST CLARIFYING THAT IF
24 THE GWG HAS ADDITIONAL QUESTIONS, THEY CAN POSE THEM
25 AND HAVE THEM ANSWERED BEFORE FINAL SCORES ARE

BARRISTERS' REPORTING SERVICE

1 SUBMITTED?

2 CHAIRMAN SHEEHY: RIGHT, IF THEY HAVE
3 CONCERNS. AND WE SHOULD TALK TO OS ABOUT THIS
4 BECAUSE I KNOW OS HAD THIS. I KNOW OS FELT MORE
5 STRONGLY THAN I AM, THAT WE NEED TO HAVE THE ABILITY
6 TO REFINE THESE PROJECTS.

7 CHAIRMAN THOMAS: I THINK THAT WOULD DO
8 IT.

9 MR. HARRISON: OKAY.

10 THE LAST ITEM IS REALLY JUST TECHNICAL
11 CHANGES. I DON'T KNOW IF YOU'D LIKE ME TO GO
12 THROUGH ANY OF THEM. I THINK WITH JUST ONE
13 EXCEPTION, THEY'RE PRETTY STRAIGHTFORWARD. THE ONLY
14 ONE I WOULD POINT OUT, AND THIS IS JUST BY WAY OF
15 CLARIFICATION, THERE'S SOME CONFUSION, WE HAVE A
16 SORT OF STRANGE VOTING MECHANISM AT THE BOARD LEVEL.
17 THE GWG BYLAWS FOLLOW ROBERT'S RULES OF ORDER WHICH
18 PROVIDE THAT ACTION CAN ONLY BE TAKEN BY A MAJORITY
19 OF THOSE PRESENT AND VOTING. AT THE BOARD LEVEL, WE
20 HAVE AN ODD QUORUM RULE. ACTION CAN BE TAKEN ONLY
21 BY A MAJORITY OF A QUORUM, AND A QUORUM EXCLUDES
22 MEMBERS WHO ARE CONFLICTED. SO RATHER THAN
23 IMPORTING THAT RATHER CONFUSING BOARD STANDARD, WE
24 JUST WANTED TO CLARIFY THAT ROBERT'S RULES OF ORDER
25 APPLIES TO THE GRANTS WORKING GROUP.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN SHEEHY: IT DOES. SHOULD WE PUT
2 THAT IN THE GRANTS WORKING GROUP BYLAWS?

3 MR. HARRISON: YEAH, THAT'S WHAT WE DID.

4 CHAIRMAN SHEEHY: IT'S CLEAR THAT WE
5 FOLLOW ROBERT'S RULES.

6 MR. HARRISON: CORRECT. THAT'S ALREADY
7 CLEAR, AND WE JUST EXPRESSED THE RULE FROM ROBERT'S
8 TO AVOID CONFUSION BECAUSE OF THIS DIFFERENCE AT THE
9 BOARD.

10 CHAIRMAN SHEEHY: GREAT. I'M FINE WITH
11 THAT. DOES ANYBODY NEED TO SEE? SO BARRING
12 ANYTHING ELSE, ANY PUBLIC COMMENTS?

13 MR. HARRISON: IT'S THE GRANTS
14 ADMINISTRATION POLICY.

15 MR. SHEEHY: THAT'S JUST PERFUNCTORY,
16 RIGHT?

17 MR. HARRISON: YES, IT IS.

18 DR. MILLS: I THINK THAT'S A COMPLIMENT.

19 CHAIRMAN SHEEHY: OKAY. IT'S ELEVEN. WE
20 CAN ADJOURN NOW ESPECIALLY SINCE WE DON'T HAVE A
21 QUORUM. THANK YOU.

22 (THE MEETING WAS THEN CONCLUDED AT 11 A.M.)
23
24
25

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE TELEPHONIC PROCEEDINGS BEFORE THE SCIENCE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD ON SEPTEMBER 14, 2016, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

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