

Consideration of Contract with Remcho, Johansen & Purcell, LLP

Remcho, Johansen & Purcell, LLP (“Remcho”), has represented governmental and private clients in the governmental arena for 30 years. James Harrison, the managing partner in the firm, was one of the lawyers who assisted in researching and drafting Proposition 71 (“Prop 71”), passed by California voters in November 2004.

At the beginning of 2005, it was determined that given the specialized nature of CIRM and the extraordinary legal research that had gone into the development of the Prop. 71 initiative, the agency was justified in hiring James Harrison as counsel to the Governing Board. This was also authorized and confirmed by the California Attorney General’s Office.

The Remcho firm has represented CIRM since the agency’s inception in 2005 as counsel to the Governing Board. In this capacity, the firm has been involved in several aspects of the agency’s operations, working with the Chairman, the Governing Board, and the CIRM management and staff, in defending the agency in litigation, drafting and reviewing agency policies, advising the agency on conflict of interest issues, and interfacing with constitutional officers and legislators on matters ranging from financing to proposed legislation. Among the matters in which the firm is involved are the following: (1) the Governing Board and its subcommittees; (2) agency programs and policies; (3) inter-governmental relations; (4) implementation of IOM recommendations; (5) CIRM’s loan program; (6) financial structure and bond program; (7) the regulatory process; and (8) conflicts and statutory compliance. James Harrison also participates in the President’s executive committee meetings and internal meetings involving the Chair’s office and the agency’s staff.

As a result of the firm’s extensive involvement in the research and drafting of Proposition 71 and the establishment of CIRM and its policies, the firm is uniquely positioned to assist CIRM without incurring significant research time, involving the foundational research supporting all of the work of the Governing Board and the agency. CIRM relies on board counsel for a wide range of legal expertise. By relying on a primary firm for this expertise, the agency avoids the duplication of cost and effort that would ensue from using multiple firms.

Since 2007, the firm has charged CIRM a significantly discounted public agency rate that is significantly lower than the market rates for firms with similar expertise. For Fiscal Year 2013-2014, Remcho’s rates for CIRM are \$375 per hour for partners and \$275 for associates.

During **Fiscal Year 2013-2014**, the firm provided a variety of services in addition to those described above. These services included, for example:

- Extensive work related to the Governing Board transition/succession planning.

- Work relating to CIRM's loan program, including participating in the drafting and negotiation of loan agreements;
- Work relating to CIRM's financial structure and bond program, including the use of tax-exempt bonds;
- Work related to the hiring of a new CIRM President;
- Work relating to legislation, including providing legal analysis and support;
- Work relating to continued sustainability efforts for CIRM;
- Assisting the Board, all of its Subcommittees and the Chair's Office; and
- Assisting the Chair's Office and the CIRM Executive Staff on all Request For Applications ("RFAs") and all issues of general state law and the Initiative.

For **Fiscal Year 2014-2015**, in addition to ongoing responsibilities above, we anticipate that the firm will continue to be significantly involved in the following areas, among others:

- Assisting the Board, all of its Subcommittees and the Chair's office;
- Assisting with Governing Board with the transition when new members and alternates are appointed;
- Assisting with the transition of a new President at CIRM;
- Assisting with CIRM's response to legislation;
- Assisting with CIRM's sustainability efforts;
- Assisting with legal issues relating to CIRM's finances and cash flow management;
- Assisting with implementation of CIRM's Loan Program as needed and with CIRM's Intellectual Property regulations;
- Assisting with legal issues and work relating to CIRM's financial condition, including interactions with the California Stem Cell Research and Cures Finance Committee, State Treasurer, State Controller, Department of Finance, and Attorney General relating to bond sales and proceeds;
- Assisting with CIRM's policies and program reviews of tax-exempt bond objectives; and

- Assisting the Chair's Office and the CIRM Executive Staff on all RFAs and all issues of general state law, including conflict of interest, open meeting and public records laws, and the initiative.

Proposal:

- Execute new contract for Fiscal Year 2014-2015, beginning July 1, 2014, at a contract amount of \$500,000.