

BEFORE THE
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
GOVERNANCE SUBCOMMITTEE
OF THE INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
REGULAR MEETING

DATE: FRI DAY, JANUARY 27, 2006
8:01 A.M.

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

BRS FILE NO. : 74609

LOCATIONS: GENOPTIX, INC.
3398 CARMEL MOUNTAIN ROAD
SAN DIEGO, CALIFORNIA

UC DAVIS MEDICAL CENTER
CANCER BREAKOUT ROOM
SACRAMENTO, CALIFORNIA

CEDARS-SINAI MEDICAL CENTER
8700 BEVERLY BOULEVARD
DAVIS BLDG., ROOM G 146
LOS ANGELES, CALIFORNIA

USC, KECK SCHOOL OF MEDICINE
1975 ZONAL AVENUE
KAM 505
LOS ANGELES, CALIFORNIA

CIRM
210 KING STREET
SAN FRANCISCO, CALIFORNIA

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1 WE' RE GOING TO BE OFF THE CALL IN NO TIME, SO WE CAN GO
2 SEARCH FOR OUR DOCUMENTS, RIGHT?
3 DR. POMEROY: YEAH.
4 VICE CHAIR NOVA: THANK YOU ALL FOR
5 PARTICIPATING IN THIS IMPORTANT CALL. AMY, WOULD YOU
6 PLEASE LEAD US IN A ROLL CALL, PLEASE?
7 MS. DUROSS: SHERRY LANSING. KEITH BLACK.
8 BRIAN HENDERSON. BOB KLEIN.
9 MR. KLEIN: HERE.
10 MS. DUROSS: CLAIRE POMEROY.
11 DR. POMEROY: HERE.
12 MS. DUROSS: OS STEWARD. TINA NOVA.
13 VICE CHAIR NOVA: HERE.
14 MS. DUROSS: PHIL PIZZO. JOHN REED. RICHARD
15 MURPHY.
16 WHO JUST JOINED?
17 UNIDENTIFIED SPEAKER: CEDARS-SINAI MEDICAL
18 CENTER.
19 MS. DUROSS: WHO'S THERE?
20 UNIDENTIFIED SPEAKER: JUST PUBLIC. DAVID
21 MEYER IS NOT HERE TODAY.
22 MS. DUROSS: OKAY. GREAT.
23 VICE CHAIR NOVA: SO JUST MEMBERS OF THE
24 PUBLIC; IS THAT CORRECT?
25 MS. DUROSS: THAT'S CORRECT.

1 VICE CHAIR NOVA: ALL RIGHT. BEFORE WE GET
2 INTO OUR AGENDA, ARE THERE ANY QUESTIONS OR COMMENTS
3 FROM SUBCOMMITTEE MEMBERS? THERE ARE NO SUBCOMMITTEE
4 MEMBERS AT CEDARS-SINAI. UC DAVIS?

5 DR. POMEROY: NO COMMENTS.

6 VICE CHAIR NOVA: HAS USC JOINED US? CIRM?

7 MR. KLEIN: NO.

8 VICE CHAIR NOVA: I'D LIKE TO INVITE THE
9 PUBLIC TO COMMENT, AND PLEASE LIMIT YOUR COMMENTS TO
10 THREE MINUTES, PLEASE. IS THERE PUBLIC ON THE PHONE
11 ANYWHERE EXCEPT FOR CEDARS-SINAI?

12 MS. DUROSS: THERE IS AT CIRM.

13 VICE CHAIR NOVA: ALL RIGHT. FINE.
14 CEDARS-SINAI MEMBERS FROM THE PUBLIC, WOULD YOU LIKE TO
15 MAKE COMMENTS?

16 MR. SIMPSON: YES, I WOULD. THIS IS JOHN
17 SIMPSON FROM THE FOUNDATION FOR TAXPAYER AND CONSUMER
18 RIGHTS. I JUST WANTED TO LET YOU KNOW THAT I'M HERE
19 AND LOOKING FORWARD TO THE MEETING. THANK YOU.

20 VICE CHAIR NOVA: THANK YOU VERY MUCH. AND
21 MEMBERS OF THE PUBLIC THAT ARE LOCATED AT CIRM.

22 MR. REED: THIS IS DON REED. JUST WANTED --
23 IT'S ALWAYS A JOY TO HEAR THE HIGH ACCOMPLISHMENTS OF
24 THE BOARD. THE NEW BOOK BY DR. ROBERT LANS THAT JUST
25 CAME OUT, WHICH LOOKS LIKE A REAL WINNER, IT COMBINED

1 TWO VOLUMES INTO ONE SMALLER ONE TO MAKE IT MORE
2 ACCESSIBLE TO THE PUBLIC. I JUST BOUGHT IT. IT LOOKS
3 EXCELLENT.

4 VICE CHAIR NOVA: THANK YOU, MR. REED.
5 APPRECIATE YOUR COMMENTS AS ALWAYS. OKAY.

6 WE DO NOT HAVE A QUORUM OBVIOUSLY FOR THIS
7 MEETING. SO SOME OF THE AGENDA ITEMS ARE MODIFIED
8 ACCORDINGLY. WE WILL NOT BE ABLE TO APPROVE THE
9 MINUTES FROM THE LAST THREE MEETINGS BECAUSE WE DON'T
10 HAVE A QUORUM. IS THERE ANY COMMENT FROM SUBCOMMITTEE
11 MEMBERS AT ANY OF THE LOCATIONS IN REGARD TO THE
12 MINUTES? NO ONE AT CEDARS-SINAI. NO ONE AT BURNHAM.
13 THESE ARE SOME OF THE WRONG PLACES.

14 UC DAVIS, ANY COMMENTS ON THE MEETING
15 MINUTES?

16 DR. POMEROY: NO COMMENTS.

17 VICE CHAIR NOVA: CIRM?

18 MR. KLEIN: NO COMMENT.

19 VICE CHAIR NOVA: OKAY. AND NONE AT SAN
20 DIEGO. ARE THERE ANY COMMENTS FROM THE MEMBERS OF THE
21 PUBLIC AT CEDARS-SINAI ON THE MINUTES?

22 UNIDENTIFIED SPEAKER: NO.

23 VICE CHAIR NOVA: AT CIRM?

24 MR. KLEIN: NO.

25 VICE CHAIR NOVA: OKAY. THANK YOU. SO SINCE

1 THERE'S NO QUORUM, WE'LL WAIT TO REVIEW THE MINUTES AT
2 THE NEXT GOVERNANCE SUBCOMMITTEE MEETING.

3 I'D LIKE TO MOVE TO THE NEXT AGENDA ITEM,
4 CONSIDERATION OF POLICY FOR REMOVAL OF WORKING GROUP
5 MEMBERS. I'D LIKE TO ASK SCOTT IF HE WOULD WALK US
6 THROUGH THIS ITEM.

7 MR. TOCHER: IN PROP 71, THE ACT EMPOWERS THE
8 BOARD TO CREATE POLICIES, GOVERNING POLICIES, REGARDING
9 THE WORKING GROUPS. THERE IS -- THERE'S A DESCRIPTION
10 IN THE ACT FOR APPOINTMENT OF WORKING GROUP MEMBERS,
11 BUT AS YET THERE IS NO POLICY OR PROCEDURE SET UP IN
12 THE EVENT THAT WORKING GROUP MEMBERS SHOULD BE REMOVED.
13 THEREFORE, STAFF HAS PREPARED A DRAFT FOR THE
14 SUBCOMMITTEE'S CONSIDERATION AND FOR THE ICOC'S
15 ULTIMATE CONSIDERATION THAT ESTABLISHES A PROCESS FOR
16 REMOVING THE WORKING GROUP MEMBERS.

17 IT'S DIVIDED INTO FOUR SECTIONS. THE FIRST
18 OF WHICH PROVIDES THE GROUNDS FOR WHICH A MEMBER OF ANY
19 OF THE THREE WORKING GROUPS MAY BE REMOVED FOR CAUSE.
20 THESE SEVEN ITEMS ARE THE GROUNDS FOR THAT REMOVAL,
21 WHICH WOULD BE CONSIDERED BY THE PRESIDENT OF CIRM IN
22 SECTION II. THESE GROUNDS ARE COMPILED FROM VARIOUS
23 GOVERNMENT CODE PROVISIONS THAT APPLY TO GOVERNMENT
24 OFFICIALS AT VARIOUS LEVELS, FROM OTHER GOVERNING BOARD
25 DOCUMENTS, FROM ENTITIES WITHIN THE STATE SUCH AS THE

1 STATE BAR, AS WELL AS CONSIDERATION OF THE UNIQUE
2 CIRCUMSTANCES OF CIRM.

3 THE PROCEDURE FOR SUSPENSION IS DESCRIBED IN
4 THE SECOND SECTION. BASICALLY IF THE PRESIDENT
5 BELIEVES THAT ANY OF THE GROUNDS MAY BE AT ISSUE HERE
6 FOR A WORKING GROUP MEMBER, THE PRESIDENT MAY SUSPEND
7 THAT MEMBER OF THE WORKING GROUP, AND THAT SUSPENSION
8 SHALL REMAIN IN EFFECT UNTIL TERMINATED BY THE
9 PRESIDENT, THE MEMBER RESIGNS, OR UNTIL THE ICOC HAS
10 CONSIDERED THE PERMANENT REMOVAL OF THE INDIVIDUAL
11 PURSUANT TO PARAGRAPH 4.

12 IN PARAGRAPH 3 THERE IS A SPECIAL PROVISION
13 IN THE EVENT THAT THE WORKING GROUP MEMBER -- LET ME
14 INTERRUPT MYSELF. IS THERE SOMEONE NEW ON THE LINE?

15 UNIDENTIFIED SPEAKER: USC.

16 VICE CHAIR NOVA: WHO IS AT USC, PLEASE?

17 UNIDENTIFIED SPEAKER: NO PUBLIC YET.

18 MS. DUROSS: DR. HENDERSON THERE?

19 UNIDENTIFIED SPEAKER: NO, HE ISN'T.

20 MR. TOCHER: THIS IS SCOTT TOCHER. WE'RE IN
21 THE MIDDLE OF THE STAFF PRESENTATION OF REMOVAL OF THE
22 WORKING GROUP MEMBERS POLICY. AND I WAS JUST
23 DISCUSSING THAT WE'RE ON THE THIRD SECTION OF THAT
24 POLICY.

25 THE POLICY PROVIDES SORT OF AN EXEMPTION FROM

1 REMOVAL WHEN THE MEMBER IS ABSENT ON AN EXCUSED ABSENCE
2 THAT HAS BEEN -- I DON'T KNOW IF TENSION IS THE RIGHT
3 WORD, BUT PERMISSION GIVEN FROM THE PRESIDENT,
4 CHAIRPERSON FOR THE WORKING GROUP, AND IT LISTS THE
5 GROUNDS THERE, NOT TO EXCEED SIX MONTHS.

6 AND THEN FINALLY, THE PROCEDURE FOR ACTUAL
7 REMOVAL IS IN SECTION IV, WHICH ENTAILS THE
8 CONSIDERATION BY THE ICOC AFTER NOTICE TO THE WORKING
9 GROUP MEMBER. THE ICOC WILL CONSIDER THE GROUNDS AND
10 THE RECOMMENDATION OF THE PRESIDENT ON WHETHER TO
11 REMOVE THE WORKING GROUP MEMBER. AND THE ICOC AT THAT
12 POINT WILL VOTE AS TO WHETHER TO REMOVE THE WORKING
13 GROUP MEMBER.

14 AND THAT'S THE POLICY.

15 VICE CHAIR NOVA: GREAT. APPRECIATE THAT,
16 SCOTT. ARE THERE ANY COMMENTS FROM SUBCOMMITTEE
17 MEMBERS ON SCOTT'S PRESENTATION AT ANY OF THE FIVE
18 LOCATIONS? CEDARS-SINAI STILL DOES NOT HAVE ANY
19 COMMITTEE MEMBERS; IS THAT CORRECT? NONE AT GENOPTIX.
20 CLAIRE AT DAVIS?

21 DR. POMEROY: I JUST HAVE A COUPLE OF
22 QUESTIONS FOR CLARIFICATION. I UNDERSTAND THAT THIS IS
23 REMOVAL OF WORKING GROUP MEMBERS IF THERE'S A CONCERN.
24 DO WE HAVE ELSEWHERE DELINEATED HOW A WORKING GROUP
25 MEMBER MIGHT JUST CHOOSE TO PERMANENTLY RESIGN? YOU

1 HAVE THE LEAVE OF ABSENCE, BUT I GUESS I'M A LITTLE
2 UNCLEAR ON WHAT HAPPENS WHEN SOMEONE JUST STEPS DOWN
3 AND IN BOTH CASES, WHETHER THEY'RE REMOVED OR STEP
4 DOWN, WHAT THE PROCEDURE IS FOR APPOINTING A
5 REPLACEMENT. IS THAT DEALT WITH IN A SEPARATE POLICY?

6 MR. TOCHER: I DON'T BELIEVE WE HAVE A
7 SPECIFIC POLICY WHEN A MEMBER RESIGNS. I THINK IT'S
8 JUST BEEN -- I THINK IT'S HAPPENED MAYBE ONCE OR
9 PERHAPS --

10 MR. KLEIN: AMY DUROSS, YOU ARE AWARE OF THIS
11 PARTICULAR PROVISION THAT WENT INTO EFFECT BEFORE SCOTT
12 GOT HERE. WHY DON'T YOU DISCUSS THAT?

13 MS. DUROSS: IF THERE'S A RESIGNATION OF A
14 WORKING GROUP MEMBER, ESSENTIALLY THE WORKING GROUP
15 MEMBER COMMUNICATES THAT TO THE CHAIR OF THE WORKING
16 GROUP. AND THEN THE ORIGINAL SEARCH SUBCOMMITTEE OF
17 THE BOARD RECONVENES AND GOES THROUGH THE PROCESS OF
18 APPOINTING A REPLACEMENT MEMBER.

19 DR. POMEROY: DO WE HAVE THAT WRITTEN DOWN IN
20 A POLICY SOMEWHERE THAT WE'VE APPROVED?

21 MS. DUROSS: NOT TO MY KNOWLEDGE.

22 MR. KLEIN: THERE IS A BOARD RESOLUTION THAT
23 IDENTIFIED AND CREATED THE SEARCH SUBCOMMITTEE, AND
24 THERE ARE REPORTS TO THE BOARD ON THAT PROCEDURE. WE
25 NEED TO -- THE BOARD CONFIRMED THE PRIOR USE OF THAT

1 PROCEDURE BY THE SUBCOMMITTEE, BUT LET'S LOOK AT IT AND
2 SEE IF IT NEEDS TO BE FURTHER FORMALIZED OR WHETHER
3 THERE WAS A FORMAL VOTE ON CONTINUING THAT PROCEDURE IN
4 THE FUTURE.

5 DR. POMEROY: THAT WOULD BE GREAT.

6 VICE CHAIR NOVA: GREAT. THANK YOU, CLAIRE.
7 IS DR. HENDERSON AT USC?

8 UNIDENTIFIED SPEAKER: NO, HE IS NOT. HE IS
9 IN DEPOSITION THIS MORNING.

10 VICE CHAIR NOVA: THERE ARE NO MEMBERS FROM
11 THE PUBLIC THERE EITHER; IS THAT CORRECT?

12 UNIDENTIFIED SPEAKER: THAT'S CORRECT.

13 VICE CHAIR NOVA: THANK YOU. ANY COMMENTS
14 FROM CIRM?

15 MR. KLEIN: I WOULD JUST SAY THAT I THINK
16 THAT TO THE EXTENT WE ADDRESS ALL OF THESE PROCEDURES
17 PUBLICLY, AS WE ARE HERE IN THE GOVERNANCE SUBCOMMITTEE
18 AND AT THE BOARD, AND FORMALIZE EACH OF THESE
19 PROCESSES, AS WE HAVE THE STANDARDS, WE BUILD A BETTER
20 UNDERSTANDING FOR THE PUBLIC AND THE LEGISLATIVE
21 COMMUNITY, THE CONSTITUTIONAL OFFICERS OF OUR
22 PROCEDURES, THE OBJECTIVE BASIS OF OUR ACTIONS, AND IT
23 HELPS TO HAVE REALLY EFFECTIVE TRANSPARENCY IN OUR
24 OPERATIONS.

25 VICE CHAIR NOVA: TERRIFIC. I AGREE. ARE

1 THERE ANY COMMENTS FROM MEMBERS OF THE PUBLIC AT
2 CEDARS-SINAI ?

3 MR. SIMPSON: LET ME GET A LITTLE CLOSER TO
4 THE MICROPHONE. THIS IS JOHN SIMPSON FROM THE
5 FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS. THE
6 POLICIES LOOK VERY GOOD AS FAR AS THEY GO, BUT I DO
7 HAVE ONE QUESTION. AND THAT REVOLVES AROUND THE IDEA
8 OF WHETHER YOU OUGHT NOT INCLUDE IN THIS SOME SORT OF
9 PROVISION FOR A PRESS RELEASE WHEN SOMEONE RESIGNS OR
10 IS SUSPENDED. IN THE RECENT CASE OF JOSE CIBELLI , WHO
11 STEPPED DOWN VOLUNTARILY, THE ONLY MENTION OF THAT WAS
12 A FOOTNOTE ON THE PAGE. AND IT DOES SEEM THAT IF
13 SOMEONE DOES STEP DOWN, THERE SHOULD BE NOTIFICATION
14 ABOUT IT.

15 YOU DO PUT OUT VERY GOOD PRESS RELEASES. THE
16 RELEASE, FOR INSTANCE, THAT'S POSTED TODAY ABOUT THE
17 UPCOMING STANDARDS COMMITTEE IS EXCELLENT AND FULL OF
18 BACKGROUND AND TELLS EVERYBODY EVERYTHING THEY NEED TO
19 KNOW. WHEN A WORKING GROUP MEMBER VOLUNTARILY RECUSES
20 HIMSELF, TO MENTION THAT MERELY IN A FOOTNOTE ON THE
21 SITE SEEMS A LITTLE BIT INADEQUATE.

22 MR. KLEIN: TINA, IF I COULD -- THIS IS BOB
23 KLEIN. IF I COULD COMMENT.

24 VICE CHAIR NOVA: PLEASE, BOB.

25 MR. KLEIN: I THINK THAT THIS IS SOMETHING

1 THAT WE SHOULD RAISE WITH DR. HALL FOR HIS EVALUATION.
2 AND WHEN HE MAKES A PRESENTATION TO THE BOARD ON THIS
3 ITEM, HE COULD ADDRESS THAT ISSUE.

4 VICE CHAIR NOVA: OKAY. ANY COMMENTS FROM
5 THE PUBLIC AT CIRM?

6 MR. REED: DON REED. I WOULD JUST DISAGREE
7 WITH THE PREVIOUS CALLER. I THINK THAT THE MINOR
8 NOTIFICATION IS ALL THAT WAS REQUIRED. THE PERSON
9 REQUESTED A TEMPORARY INACTIVITY, AND THAT WAS
10 MENTIONED. ALL THAT NEEDS TO BE DONE, IN MY OPINION.

11 VICE CHAIR NOVA: THANK YOU, MR. REED. SO WE
12 WILL NOT BE VOTE ON THIS SINCE WE DON'T HAVE A QUORUM,
13 BUT I THINK FROM THE COMMENTS, I THINK THERE IS A
14 STRONG ENOUGH SENSE OF THE SUBCOMMITTEE TO RECOMMEND
15 THESE CHANGES TO THE ICOC.

16 ANY COMMENTS ON MAKING THAT RECOMMENDATION
17 FROM ANY SUBCOMMITTEE MEMBER?

18 MR. KLEIN: WHAT WE'RE TALKING ABOUT, TINA,
19 IS BASED UPON THE DISCUSSION, A GENERAL RECOMMENDATION
20 WITH SPECIFICALLY NOTING IT WAS WITHOUT A VOTE BECAUSE
21 WE LACK THE QUORUM.

22 VICE CHAIR NOVA: CORRECT.

23 MR. KLEIN: SO THIS IS A SENSE OF THE
24 COMMITTEE THAT YOU ARE CONVEYING.

25 VICE CHAIR NOVA: THAT'S CORRECT.

1 MR. KLEIN: I CERTAINLY AGREE WITH THE
2 CONCLUSION, AND I BELIEVE IT'S A VERY BENEFICIAL AND
3 EFFECTIVE ADDITION TO OUR PROCEDURES.

4 VICE CHAIR NOVA: THANK YOU FOR THE
5 CLARIFICATION, BOB. I COMPLETELY AGREE WITH YOU. DR.
6 POMEROY.

7 DR. POMEROY: I WOULD JUST ECHO THAT I
8 SUPPORT FORWARDING THIS TO THE ENTIRE ICOC. I WOULD
9 ALSO REQUEST THAT MY COMMENTS ABOUT CLARIFYING THE
10 PROCEDURES FOR RESIGNATION AND REAPPOINTMENT BE
11 INCLUDED AS A COMMENT AND THE CONCEPT OF DR. HALL
12 ADDRESSING THAT BE MENTIONED AS WELL.

13 VICE CHAIR NOVA: I AGREE. WE'LL MAKE SURE
14 THAT'S INCLUDED. THANK YOU. OKAY.

15 THE NEXT AGENDA ITEM, CONSIDERATION OF UPDATE
16 ON CONTRACTS. AND, ALEX, WILL YOU PLEASE WALK US
17 THROUGH THE FIFTH ITEM?

18 MS. DEGG-CAMPE: THIS IS ALEXANDRA. WE HAVE
19 PROVIDED YOU A CONTRACTS AND INTERAGENCY AGREEMENT
20 REPORT. IT IS A TYPICAL REPORT SUBMITTED TO THE
21 GOVERNANCE COMMITTEE IN THE PAST. THE INFORMATION ON
22 THE REPORT IS FOR INFORMATION PURPOSES ONLY. ALL NEW
23 AND AMENDED CONTRACTS LISTED ARE WITHIN THE DELEGATION
24 OF AUTHORITY GRANTED TO THE PRESIDENT OF CIRM BY THE
25 ICOC. AND AT THIS TIME THERE ARE NO CONTRACTS THAT

1 REQUIRE ICOC OR GOVERNANCE COMMITTEE APPROVAL.

2 WHAT I WILL DO IS I'LL WALK THROUGH THE
3 REPORT AND WILL ASK FOR WHATEVER ADDITIONAL QUESTIONS
4 WE HAVE ESSENTIALLY AT THE END.

5 STATUS OF EXECUTIVE CONTRACTS AND INTERAGENCY
6 AGREEMENTS. NEW AND AMENDED INTERAGENCY AGREEMENTS,
7 THERE'S A NO COST EXTENSION TO THE STATE CONTROLLER'S
8 OFFICE AGREEMENT WE HAVE THROUGH JUNE 30TH, 2006.

9 WITH REGARDS TO NEW OR AMENDED THIRD-PARTY
10 CONTRACTS THAT ARE LESS THAN 100,000, WHICH ARE SUBJECT
11 TO APPROVAL BY THE PRESIDENT, WE DO HAVE A CONTRACT
12 WITH NIELSEN MERKSAMER. IT IS A CONTRACT TO PROVIDE
13 LEGAL SERVICES AND REPRESENTATION OF CIRM WITH THE
14 CALIFORNIA STATE LEGISLATURE, ADMINISTRATION, AND
15 CONSTITUTIONAL OFFICERS TO PROTECT AND PROMOTE THE
16 INTERESTS OF CIRM.

17 THE CONTRACT FINANCIAL AGREEMENT IS \$7500 PER
18 MONTH FOR THREE MONTHS WITH THE POTENTIAL OF A
19 ONE-MONTH EXTENSION, AND IT BEGAN THIS PAST MONDAY ON
20 JANUARY 23D.

21 NEXT ONE IS THE LEXIS NEXIS CONTRACT. THIS
22 IS A CURRENT CONTRACT WHICH WILL EXPIRE 2/24. WE ARE
23 EXTENDING IT THROUGH JUNE 30, 2006. IT PROVIDES
24 ELECTRONIC LEGAL LIBRARY SERVICES FOR CIRM AND IS USED
25 ON A DAILY BASIS. THE TOTAL CONTRACT AMOUNT EXTENSION

1 THROUGH JUNE 30TH IS \$540. AND BY THE WAY, THIS
2 CONTRACT IS A MASTER SERVICE AGREEMENT WITH THE
3 DEPARTMENT OF GENERAL SERVICES.

4 NEXT CONTRACT IS A GRANTS MANAGEMENT. WE'RE
5 UPDATING YOU HERE. CIRM HAS EXTENDED NO-COST
6 EXTENSIONS THROUGH JUNE 30, 2006, FOR FOUR INDEPENDENT
7 CONTRACTORS: CONSTANCE ATWELL, LMI, DIANA WATSON, A
8 CORRECTION, IT SHOULD BE PATRICIA OLSON, NOT PAM OLSON.
9 IN ADDITION, CONSTANCE ATWELL CONTRACT MAXIMUM WAS
10 REDUCED BY \$40,000 TO A MAXIMUM OF 30,000 DUE TO
11 BUDGETARY ISSUES.

12 NEXT WE HAVE THE SCIENTIFIC CONFERENCE REPORT
13 PREPARATION. KELLY LAMARCO'S CONTRACT HAS BEEN
14 EXTENDED THROUGH JUNE 30, 2006, AND IN ADDITION HAS HAD
15 NO ADDITIONAL COST ADDED TO IT.

16 THE NEXT ONE IS AN INDEPENDENT CPA REQUEST.
17 WE HAVE GONE OUT FOR REQUESTS FOR PROPOSAL TO FIVE
18 CERTIFIED PUBLIC ACCOUNTING FIRMS REQUESTING BIDS TO
19 PROVIDE AN AUDIT OF THE FINANCIAL STATEMENTS OF CIRM.
20 THE AUDIT IS REQUIRED BY SECTION 125290.30 OF THE
21 HEALTH AND SAFETY CODE, WHICH STATES THE INSTITUTE
22 SHALL ANNUALLY COMMISSION AN INDEPENDENT FINANCIAL
23 AUDIT OF ITS ACTIVITIES FROM A CERTIFIED PUBLIC
24 ACCOUNTING FIRM, WHICH SHALL BE PROVIDED TO THE STATE
25 CONTROLLER, WHO SHALL REVIEW THE AUDIT AND ANNUALLY

1 ISSUE A REPORT OF THAT REVIEW.

2 THE BIDS WERE DUE ON JUNE 20TH -- I'M
3 SORRY -- ACTUALLY IT WAS JANUARY 24TH. THERE'S AN
4 ERROR THERE, RATHER THAN JANUARY 20TH, AND SERVICES ARE
5 EXPECTED TO BEGIN IN FEBRUARY. THE AMOUNT BUDGETED FOR
6 THIS IS APPROXIMATELY \$50,000.

7 VICE CHAIR NOVA: I'M SORRY. THE BIDS HAVE
8 BEEN RECEIVED?

9 MS. DEGG-CAMPE: CORRECT.

10 VICE CHAIR NOVA: THANK YOU.

11 MS. DEGG-CAMPE: AND IN ADDITION WE HAVE AN
12 ADDITIONAL CONTRACT FOR LITIGATION SUPPORT. DEPARTMENT
13 OF JUSTICE HAS REQUESTED THAT WE ENTER INTO A
14 THREE-PARTY AGREEMENT WITH DIANA WALKER AND THE
15 DEPARTMENT OF JUSTICE TO OBTAIN DIANA WALKER'S
16 EXPERTISE AND ASSISTANCE IN PREPARING FOR THE TRIAL
17 SCHEDULED FOR FEBRUARY 27, 2006. THE TERM OF THE
18 CONTRACT IS 12/20/05, DECEMBER 20TH, '05, THROUGH JUNE
19 30, 2006, AT A MAXIMUM AMOUNT OF \$45,000.

20 WE WANTED TO NOTE HERE THERE WILL BE AN
21 ADDITIONAL REQUEST THROUGH THE DEPARTMENT OF JUSTICE
22 FOR ANOTHER THREE-PARTY AGREEMENT CONTRACT INVOLVING
23 ORRICK HERRINGTON. AND WE WILL PROVIDE THAT
24 INFORMATION IN THE NEXT GOVERNANCE COMMITTEE MEETING.

25 MS. KLEIN: ALEX, SHOULD THAT READ THAT

1 THIRD-PARTY EXPERT INSTEAD OF THREE-PARTY?

2 MS. DEGG-CAMPE: YES. THANK YOU.

3 FINALLY, THERE ARE NO NEW CONTRACTS,
4 THIRD-PARTY CONTRACTS, EXCEEDING \$100,000, AND THERE
5 ARE NO NEW CONTRACTS EXCEEDING \$250,000.

6 SO AT THIS POINT THERE IS NO ITEMS -- ALL THE
7 REPORTS THAT WE PROVIDED ARE FOR INFORMATION PURPOSES.

8 THE SECOND DOCUMENT THAT WAS PROVIDED TO YOU
9 WAS AN EXCEL SPREADSHEET SIMILAR TO THE EXCEL
10 SPREADSHEETS WE PROVIDED IN THE PAST. THIS ACTUALLY
11 REPRESENTS OUR CURRENT CONTRACTS AND WHERE WE'RE AT
12 WITH REGARD TO FUNDING AND ETC. FOR THEM. THE
13 INFORMATION YOU SEE PROVIDED IS ACTUALLY INFORMATION
14 THROUGH DECEMBER 31, 2005. FOR THE ICOC MEETING IN
15 FEBRUARY, WE WILL HAVE THIS UPDATED THROUGH JANUARY 31,
16 2006.

17 ARE THERE ANY QUESTIONS AT THIS TIME
18 REGARDING THIS REPORT?

19 VICE CHAIR NOVA: ANY COMMENTS FROM
20 SUBCOMMITTEE MEMBERS AT UC DAVIS?

21 UNIDENTIFIED SPEAKER: JUST TO LET YOU KNOW,
22 THIS IS CEDARS-SINAI. DR. KEITH BLACK IS HERE.

23 VICE CHAIR NOVA: THANK YOU VERY MUCH. THANK
24 YOU, DR. BLACK.

25 DR. POMEROY: YES, TINA. THIS IS CLAIRE. I

1 HAVE JUST A COUPLE OF CLARIFICATION QUESTIONS. I
2 UNDERSTAND WE DON'T HAVE TO APPROVE THESE IN THIS
3 COMMITTEE, BUT ON THE NIELSEN CONTRACT, WHAT DO WE GET
4 FOR THAT \$7500 PER MONTH? ARE THERE HOURS SPECIFIED,
5 DELIVERABLES SPECIFIED?

6 MR. BARNES: THIS IS WALTER BARNES. THIS IS
7 A FLAT-RATE CONTRACT SIMILAR TO OTHER FLAT-RATE
8 CONTRACTS THAT NIELSEN MERKSAMER ENTERS INTO. AND
9 BASICALLY WE GET FULL RANGE OF SERVICES FOR THAT FEE.

10 DR. POMEROY: I GUESS WHAT I'M ASKING IS HOW
11 DO WE KNOW WHAT WE'VE GOTTEN?

12 MR. KLEIN: THIS IS BOB KLEIN. I CAN COMMENT
13 ON THAT. ON THE ANALYSIS FROM LAST YEAR, I BELIEVE IT
14 INVOLVED A DISCOUNT OF ABOUT 25 OR 30 PERCENT BASED
15 UPON THE CONTRACT AMOUNTS, AND THIS AMOUNT THIS YEAR IS
16 LESS THAN LAST YEAR; IS THAT CORRECT, WALTER?

17 MR. BARNES: THAT'S CORRECT.

18 MR. KLEIN: LAST YEAR IT WAS ABOUT 10,000 A
19 MONTH.

20 MR. BARNES: I THINK IT WAS 9,000 A MONTH.

21 MR. KLEIN: NINE THOUSAND A MONTH. SO ON A
22 COMPARATIVE BASIS IN TERMS OF BEING ABLE TO SERVICE THE
23 LEGISLATURE AND CONSTITUTIONAL OFFICERS, THIS IS A
24 20-PERCENT OR 17-PERCENT DISCOUNT FROM LAST YEAR, AND
25 LAST YEAR THE ACTUAL SERVICES COST TO THE FIRM ENDED UP

1 BEING AT THEIR NORMAL RATES ABOUT 20 PERCENT OR MORE
2 THAN WHAT THEY'RE BILLING AT THOSE HIGHER RETAINER
3 RATES.

4 DR. POMEROY: I APPRECIATE THAT WE'RE BEING
5 FISCALLY RESPONSIBLE. THAT'S A GOOD THING. BUT WHAT
6 I'M TRYING TO DO IS FIGURE OUT THE EFFICACY OF ANY
7 EXPENDITURE. AND IF WE DON'T HAVE DELIVERABLES, I'M
8 NOT SURE HOW WE'RE GOING TO ASSESS THAT.

9 MR. KLEIN: IN TERMS OF THE DELIVERABLES,
10 YOU'RE TALKING ABOUT THE DESIGN AND SCOPE OF SERVICES?

11 DR. POMEROY: YEAH. AND HOW WE MONITOR WHAT
12 WE'RE GETTING FOR OUR MONEY.

13 MR. KLEIN: IT'S MONITORED ACTUALLY MONTHLY
14 AND CAN BE CANCELED AT ANY TIME BASED UPON THE
15 PERFORMANCE LEVELS. BUT THE MEETINGS WITH THE
16 LEGISLATURE, REGULAR COMMUNICATIONS WITH THE
17 LEGISLATURE, REGULAR COMMUNICATIONS WITH THE EXECUTIVE
18 BRANCH, REGULAR COMMUNICATIONS WITH AGENCIES AND OTHER
19 COMMITTEES OF THE LEGISLATURE, SUCH AS SPECIFIC
20 COMMITTEES DEALING WITH HEALTH SERVICES THAT INTERFACE
21 WITH OUR NEEDS, AND THE ABILITY TO RESPOND IN
22 SACRAMENTO IMMEDIATELY, IF WE WERE LOCATED IN
23 SACRAMENTO, WE MIGHT NOT NEED THIS AS MUCH.

24 VICE CHAIR NOVA: DON'T SAY IT, CLAIRE.

25 DR. POMEROY: MY TONGUE IS BEING BITTEN.

1 MR. KLEIN: BUT IF THE LEGISLATURE NEEDS
2 SOMEONE QUICKLY TO COME BEFORE A COMMITTEE, YOU KNOW,
3 WE HAVE, AS YOU ARGUED SO ELOQUENTLY, A
4 THREE-AND-A-HALF TO FOUR-HOUR TIME TO GET UP THERE AND
5 BACK FOR A STAFF MEMBER FOR A TEN-MINUTE PRESENTATION
6 THAT MAY BE INFORMATIONAL. SO WE CAN ALSO REFER YOU TO
7 A NUMBER OF STAFF BRIEFINGS THAT ARE BEING PUT TOGETHER
8 FOR THE LEGISLATURE ON SCIENTIFIC MATTERS WHERE DR.
9 HALL AND KIRK KLEINSCHMIDT ARE MAKING THESE
10 PRESENTATIONS. THEY'VE ALREADY MADE ONE. THEY'RE
11 MAKING ANOTHER GENERAL STAFF PRESENTATION, AND THE
12 COMMUNICATION AND SUPPORT OF THE STAFF OF THE VARIOUS
13 COMMITTEES OF THE LEGISLATURE IS ALSO PART OF THE
14 SERVICES THAT THEY'RE TO BE COVERED.

15 DR. POMEROY: WELL, I WOULD JUST SAY THAT I
16 THINK ALL OF THOSE ARE VERY IMPORTANT THINGS BECAUSE
17 COMMUNICATION BETWEEN CIRM AND THE LEGISLATURE NEEDS TO
18 BE A HIGH PRIORITY FOR US. I WOULD REALLY APPRECIATE,
19 SINCE WE ALL GET ASKED QUESTIONS ABOUT THIS, IF WE
20 COULD AT SOME POINT JUST GET A HALF-PAGE SUMMARY OR
21 WHATEVER IS APPROPRIATE OF THE ACTIVITIES BECAUSE THEN
22 WE CAN TALK TO FOLKS ABOUT WHAT THIS CONTRACT REALLY IS
23 DELIVERING FOR US.

24 MR. KLEIN: OKAY. I WILL TALK WITH KIRK
25 ABOUT GETTING THAT DRAWN UP RIGHT AWAY.

1 DR. POMEROY: WONDERFUL.

2 MR. KLEIN: I THINK THAT WOULD BE VERY
3 USEFUL.

4 DR. POMEROY: THANK YOU.

5 VICE CHAIR NOVA: OKAY. ARE THERE ANY OTHER
6 COMMENTS FROM OTHER SUBCOMMITTEE MEMBERS? DR. BLACK?

7 DR. BLACK: NO COMMENT.

8 VICE CHAIR NOVA: ANYONE AT CIRM? OKAY.
9 WHAT ABOUT COMMENTS FROM MEMBERS OF THE PUBLIC AT
10 CEDARS-SINAI? AT CIRM? OKAY. THANK YOU.

11 ALL RIGHT. AMY, WHAT ELSE DO WE NEED TO DO?

12 MS. DUROSS: I THINK THAT'S IT.
13 UNFORTUNATELY WE DON'T HAVE A QUORUM, SO WE CAN'T ADD
14 ANY ADDITIONAL ITEMS.

15 VICE CHAIR NOVA: OKAY. DR. MURPHY JUST
16 WALKED IN. I GUESS I'M GOING TO HAVE TO GET HIM SOME
17 COFFEE AND BREAKFAST.

18 MS. DUROSS: COULD WE JUST QUICKLY RUN
19 THROUGH THE ROLL AND SEE IF WE'RE ANYWHERE NEAR A
20 QUORUM?

21 VICE CHAIR NOVA: LET'S DO THAT. THAT'S A
22 GOOD IDEA.

23 MS. DUROSS: KEITH BLACK.

24 DR. BLACK: PRESENT.

25 MS. DUROSS: BRIAN HENDERSON. BOB KLEIN.

1 MR. KLEIN: HERE.

2 MS. DUROSS: CLAIRE POMEROY.

3 DR. POMEROY: HERE.

4 MS. DUROSS: OS STEWARD. TINA NOVA.

5 VICE CHAIR NOVA: HERE.

6 MS. DUROSS: PHIL PIZZO. JOHN REED. RICHARD

7 MURPHY.

8 DR. MURPHY: HERE.

9 VICE CHAIR NOVA: WE'RE AT FIVE. SO WE'RE

10 SHORT ANYWAY. OKAY. ANYTHING ELSE, AMY?

11 MS. DUROSS: THAT'S IT.

12 VICE CHAIR NOVA: IS THERE ANY OTHER PUBLIC

13 COMMENTS FROM EITHER CEDARS-SINAI OR CIRM?

14 MR. SIMPSON: JOHN SIMPSON AGAIN FROM

15 FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS. JUST

16 WANTED TO THANK EVERYONE FOR YOUR TIME AND THE

17 CONVENIENCE WITH THE WAY YOU MADE THIS AVAILABLE TO THE

18 PUBLIC. THANK YOU.

19 VICE CHAIR NOVA: THANK YOU VERY MUCH FOR

20 YOUR COMMENTS, JOHN. THEY'RE APPRECIATED. OKAY.

21 WELL, IF THERE AREN'T ANY OTHER COMMENTS, I'D LIKE TO

22 OFFICIALLY CALL THIS MEETING ADJOURNED.

23 (THE MEETING WAS THEN CONCLUDED AT 08:31

24 A. M.)

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REPORTER'S CERTIFICATE

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

GENOPTIX, INC.
3398 CARMEL MOUNTAIN ROAD
SAN DIEGO, CALIFORNIA

UC DAVIS MEDICAL CENTER
CANCER BREAKOUT ROOM
SACRAMENTO, CALIFORNIA

CEDARS-SINAI MEDICAL CENTER
8700 BEVERLY BOULEVARD
DAVIS BLDG., ROOM G 146
LOS ANGELES, CALIFORNIA

USC, KECK SCHOOL OF MEDICINE
1975 ZONAL AVENUE
KAM 505
LOS ANGELES, CALIFORNIA

CIRM
210 KING STREET
SAN FRANCISCO, CALIFORNIA

ON FRIDAY, JANUARY 27, 2006, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152
BARRISTER'S REPORTING SERVICE
1072 S.E. BRISTOL STREET
SUITE 100
SANTA ANA HEIGHTS, CALIFORNIA
(714) 444-4100