

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: THE NEUROSCIENCES INSTITUTE
10640 JOHN JAY HOPKINS DRIVE
SAN DIEGO, CALIFORNIA

DATE: THURSDAY, FEBRUARY 3, 2005
10 A.M.

REPORTER: BETH C. DRAIN, CSR
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2
3 CHAIRMAN KLEIN: IF WE COULD BRING THE
4 MEETING TO ORDER, WE WILL BEGIN WITH THE PLEDGE OF
5 ALLEGIANCE TO THE FLAG. GREAT TO HAVE A FLAG. WE WILL
6 HAVE A VIRTUAL FLAG THAT'S IN THE UPPER LEFT-HAND
7 CORNER OF THIS AUDITORIUM. I THINK WE ALL HAVE A VERY
8 VIVID IMAGE IN OUR MIND. AND MELISSA KING WILL LEAD US
9 IN THE PLEDGE OF ALLEGIANCE.

10 (THE PLEDGE WAS THEN HAD.)

11 CHAIRMAN KLEIN: THANK YOU VERY MUCH,
12 MELISSA. IN CALLING THIS MEETING TO ORDER TODAY AT THE
13 NEUROSCIENCES INSTITUTE, I WOULD LIKE TO THANK THEM FOR
14 THEIR HOSPITALITY AND THE TREMENDOUS FACILITY THAT THEY
15 HAVE HERE THEY HAVE BEEN SO GRACIOUS TO PROVIDE US
16 WITH. I WISH TO PARTICULARLY THANK DR. EINAR GALL AND
17 ASK IF HE'D LIKE TO JUST SAY A COUPLE OF WORDS, MAYBE
18 AT THIS LEFT-HAND MIC.

19 DR. GALL: THANK YOU, MR. KLEIN. MY NAME IS
20 EINAR GALL, AND I'M THE RESEARCH DIRECTOR HERE AT THE
21 NEUROSCIENCES INSTITUTE. FOR THOSE OF WHO ARE NOT
22 FAMILIAR WITH THE INSTITUTE, LET ME JUST SAY THAT WE
23 ARE AN INDEPENDENT, NOT FOR PROFIT ORGANIZATION WHO
24 DOES BASIC RESEARCH ON THE BRAIN AND NERVOUS SYSTEM
25 FUNCTION RANGING FROM THE MOLECULAR LEVEL TO STUDIES OF

1 THE NEUROBASIS OF CONSCIOUSNESS.

2 IN THE LOGGIA OF THE AUDITORIUM, WE HAVE TWO
3 PUBLICATIONS. ONE IS OUR 2004 YEAR IN REVIEW AND
4 ANOTHER IS A MORE DETAILED SCIENTIFIC REPORT. AND IF
5 YOU ARE INTERESTED IN OUR ACTIVITIES, I WOULD ENCOURAGE
6 TO YOU TAKE ONE OF THESE WITH YOU.

7 I UNDERSTAND THIS MORNING THAT ONE OF THE
8 FOCI OF YOUR MEETING IS ALS, AND I JUST THOUGHT I WOULD
9 MENTION THAT SOME OF YOU MAY BE FAMILIAR WITH THE ALS
10 THERAPY DEVELOPMENT FOUNDATION AND ITS FOUNDER JAMIE
11 HAYWOOD. JAMIE WAS AN EMPLOYEE HERE. WE HIRED HIM FOR
12 A YEAR; AND TOWARD THE END OF THAT YEAR, HIS BROTHER
13 WAS DIAGNOSED WITH ALS. AND WORKING TOGETHER WITH TWO
14 OF OUR FELLOWS, JOE GALLEY AND RALPH GREENSPAN, HE
15 DECIDED TO FORM THE ALS THERAPY DEVELOPMENT FOUNDATION.
16 SO IN A SENSE THAT WORK IS A CONTRIBUTION TO THE PUBLIC
17 GOOD THAT IS MUCH MORE IMMEDIATE THAN SOME OF THE OTHER
18 BASIC RESEARCH STUDIES THAT WE CARRY OUT HERE.

19 I WELCOME YOU ALL. AND IF WE CAN HELP IN ANY
20 WAY DURING THE COURSE OF YOUR MEETING, WE SHALL BE
21 HAPPY TO. AND THANK YOU ALL FOR COMING.

22 CHAIRMAN KLEIN: THANK YOU VERY MUCH,
23 DR. GALL. I'D LIKE TO GO THROUGH A ROLL CALL AND,
24 AGAIN, THANK THE MEMBERS OF THIS TREMENDOUS BOARD FOR
25 THEIR INDIVIDUAL EFFORTS IN ATTENDING THESE SESSIONS.

1 MELISSA KING WILL CONDUCT THE ROLL CALL.
2 MS. KING: PAUL JENNINGS FOR DAVID BALTIMORE.
3 MR. JENNINGS: HERE.
4 MS. KING: ROBERT BIRGENEAU.
5 DR. BIRGENEAU: HERE.
6 MS. KING: KEITH BLACK.
7 DR. BLACK: HERE.
8 MS. KING: SUSAN BRYANT.
9 DR. BRYANT: HERE.
10 MS. KING: MICHAEL FRIEDMAN.
11 DR. FRIEDMAN: HERE.
12 MS. KING: MICHAEL GOLDBERG.
13 DR. GOLDBERG: HERE.
14 MS. KING: FRANCIS MARKLAND FOR BRIAN
15 HENDERSON.
16 DR. MARKLAND: HERE.
17 MS. KING: EDWARD HOLMES. DAVID KESSLER.
18 DR. KESSLER: HERE.
19 MS. KING: SHERRY LANSING.
20 MS. LANSING: HERE.
21 MS. KING: GERALD LEVEY.
22 DR. LEVEY: HERE.
23 MS. KING: TED LOVE.
24 DR. LOVE: HERE.
25 MS. KING: RICHARD MURPHY.

1 DR. MURPHY: HERE.
2 MS. KING: ROBERT KLEIN.
3 CHAIRMAN KLEIN: HERE.
4 MS. KING: TINA NOVA. ED PENHOET. PHILLIP
5 PIZZO.
6 DR. PIZZO: HERE.
7 MS. KING: CLAIRE POMEROY.
8 DR. POMEROY: HERE.
9 MS. KING: PHYLLIS PRECIADO.
10 DR. PRECIADO: HERE.
11 MS. KING: FRANCISCO PRIETO.
12 DR. PRIETO: HERE.
13 MS. KING: JOHN REED.
14 DR. REED: HERE.
15 MS. KING: JOAN SAMUELSON.
16 DR. SAMUELSON: HERE.
17 MS. KING: DAVID SERRANO SEWELL.
18 MR. SERRANO SEWELL: HERE.
19 MS. KING: JEFF SHEEHY.
20 MR. SHEEHY: HERE.
21 MS. KING: JONATHAN SHESTACK.
22 MR. SHESTACK: HERE.
23 MS. KING: OSWALD STEWARD.
24 DR. STEWARD: HERE.
25 MS. KING: LEON THAL.

1 DR. THAL: HERE. AND ED HOLMES IS ON HIS
2 WAY.

3 MS. KING: THANK YOU. GALE WILSON.

4 MS. WILSON: HERE.

5 MS. KING: JANET WRIGHT.

6 CHAIRMAN KLEIN: THANK YOU VERY MUCH,
7 MELISSA. MY UNDERSTANDING IS TINA NOVA IS ALSO ON HER
8 WAY. AND AT ANY APPROPRIATE BREAK, IF YOU NOTICE
9 THEY'RE PRESENT, IF YOU WILL JUST REMIND ME, AND WE
10 WILL OFFICIALLY PUT THEM ON THE ROLL. THANK YOU.

11 BEFORE WE BEGIN THE SESSION, I'D LIKE TO
12 REMIND MEMBERS OF THE PUBLIC THAT AT EACH ITEM WE WILL
13 ASK FOR PUBLIC INPUT. THE PUBLIC INPUT SHOULD BE THREE
14 MINUTES, NO MORE THAN THREE MINUTES IN LENGTH, SO THAT
15 THE VERY EXTENSIVE AGENDA CAN BE COVERED APPROPRIATELY
16 AND EVERYONE CAN HAVE A CHANCE TO EXPRESS THEIR
17 OPINIONS. THE PUBLIC IS INVITED TO SUBMIT ADDITIONAL
18 COMMENTS IN WRITING SO THAT IF THERE'S A COMPLEX
19 SUBJECT TO BE ADDRESSED, IT CAN BE DONE THOROUGHLY
20 THROUGH A WRITTEN SUPPLEMENTAL SUBMISSION.

21 I WOULD LIKE TO START ON ITEM NO. 4 AFTER WE
22 SEE IF THERE'S ANY INITIAL PUBLIC COMMENT. IS THERE
23 ANYONE IN THE PUBLIC THAT WOULD LIKE TO MAKE AN INITIAL
24 COMMENT BEFORE WE GO INTO THE NUMBERED AGENDA ITEMS?
25 SEEING NO ONE AND NOT HAVING ANY CARDS TO ADDRESS THAT,

1 I WILL BEGIN WITH ITEM 4.

2 YESTERDAY YOU RECEIVED VIA E-MAIL MINUTES
3 FROM OUR LAST ICOC MEETING. AS WE ARE CURRENTLY
4 ABSOLUTELY MAXED OUT ON THE STAFF FUNCTIONS FOR THE
5 STAFF THAT'S AVAILABLE, IT UNFORTUNATELY WAS NOT ABLE
6 TO BE COMPLETED AT AN EARLIER TIME. I WOULD SUGGEST
7 THAT OTHER STATE ENTITIES OFTEN HAVE A PROCEDURE
8 WHEREBY IF THE BOARD MEMBERS FEEL THEY DON'T HAVE
9 ADEQUATE TIME, THEY ARE ALLOWED UNTIL THE FOLLOWING
10 MEETING TO HAVE THE ACTUAL FORMAL APPROVAL OF THE
11 MINUTES, SO THE MINUTES ARE SUBMITTED AT THE MEETING,
12 AND THEY ARE CONSIDERED -- COMMENTS ARE TAKEN, BUT THEN
13 THEY'RE CONTINUED TO THE FOLLOWING MEETING FOR
14 APPROVAL.

15 IF THE BOARD FEELS THESE MINUTES ARE SUMMARY
16 ENOUGH AND HAVE HAD ENOUGH TIME TO REVIEW THEM, WE CAN
17 APPROVE THEM AT THIS MEETING. BUT GIVEN THE TIME
18 CONSTRAINTS, CLEARLY EITHER OPTION IS HIGHLY
19 APPROPRIATE.

20 AND I WOULD ALSO SAY AS A MATTER OF GENERAL
21 INTRODUCTION TO PROMOTE BAGLEY-KEENE AND THE MAXIMUM
22 NUMBER OF SITES OF THE BOARD FOR WHICH MEETINGS ARE
23 CONDUCTED ON THE SEARCH COMMITTEES THROUGH CONFERENCE
24 CALLS, THAT WE HAVE HAD A LIMITATION THROUGH THIS LAST
25 WEEK ON THE NUMBER OF SITES WE COULD ACTUALLY HAVE AS

1 REMOTE SITES BECAUSE THE BEST PRACTICES RECOMMENDED BY
2 THE ATTORNEY GENERAL'S OFFICE ARE TO HAVE A STAFF
3 MEMBER AT EACH REMOTE SITE IN ORDER TO FACILITATE
4 DOCUMENTATION, MAKE CERTAIN THE PUBLIC IS TAKEN CARE
5 OF, MAKE CERTAIN THAT THERE'S A RECORD THAT ALL THE
6 PROPER PROCEDURES ARE FOLLOWED.

7 THAT LIMITED OUR ACTUAL ABILITY ON THE
8 PRESIDENTIAL SEARCH COMMITTEE, FOR EXAMPLE, TO SIX
9 SITES BECAUSE IT USED EVERY SINGLE STAFF MEMBER WE HAD
10 AT A REMOTE SITE OTHER THAN SOMEONE TO ANSWER THE
11 PHONES AND OTHER THAN INDIVIDUALS THAT ARE ON LOAN FROM
12 AGENCIES THAT ARE LOCATED OUTSIDE OF THE OFFICES
13 THEMSELVES.

14 BUT I WOULD MAKE IT VERY CLEAR THAT WE DO
15 HAVE A FEW MORE STAFF MEMBERS. WE WILL ALWAYS DO
16 EVERYTHING WE CAN TO MAKE SURE WE ACCOMMODATE EVERY
17 BOARD MEMBER. WE FEEL EACH OF YOU HAS A TREMENDOUS
18 AMOUNT TO CONTRIBUTE, AND IT WILL BE A POLICY TO
19 ACCOMMODATE THOSE REMOTE SITES. AS WE GET MORE STAFF
20 MEMBERS, WE WILL HAVE ADDITIONAL FLEXIBILITY, BUT I
21 APPRECIATE THE PATIENCE OF THE BOARD MEMBERS IN THIS
22 REGARD.

23 SO AS TO THE MINUTES THEMSELVES, ARE THERE
24 ANY COMMENTS FROM THE BOARD ON THESE MINUTES? IS IT
25 THE BOARD'S DESIRE TO CONTINUE THESE MINUTES UNTIL THE

1 NEXT MEETING, OR IS IT THE DESIRE OF THE BOARD TO ACT
2 ON THESE MINUTES AT THIS TIME?

3 DR. THAL: MOVE APPROVAL.

4 CHAIRMAN KLEIN: THERE'S A MOVE FOR APPROVAL.
5 IS THERE A SECOND?

6 DR. LOVE: SECOND.

7 CHAIRMAN KLEIN: MOVED AND SECONDED. ARE
8 THERE ANY COMMENTS FROM THE PUBLIC ON THE MOTION BEFORE
9 US? I SEE NO COMMENTS FROM THE PUBLIC.

10 I WOULD CALL FOR THE QUESTION. I BELIEVE WE
11 CAN DO THIS WITHOUT A ROLL CALL VOTE.

12 ALL IN FAVOR? OPPOSED? THANK YOU VERY MUCH.

13 DR. POMEROY: BOB, POINT OF INFORMATION.
14 WHEN WE HAVE SUBSTITUTES, ARE THOSE PEOPLE VOTING
15 MEMBERS?

16 CHAIRMAN KLEIN: YES, LET'S ADDRESS THAT VERY
17 SPECIFICALLY. THERE IS A SPECIFIC PROCEDURE FOR
18 SUBSTITUTES TO BE VOTING MEMBERS. AND THERE IS A
19 SPECIFIC PROVISION WHERE THERE IS AN EXECUTIVE OF AN
20 INSTITUTION THAT FITS INTO ONE OF THE QUALIFIED
21 CATEGORIES FOR APPOINTMENT THAT IS AVAILABLE FOR
22 SUBSTITUTION.

23 IF I COULD HAVE JAMES HARRISON, OUR OUTSIDE
24 COUNSEL, ADDRESS SPECIFICALLY THIS ITEM.

25 MR. HARRISON: THE ACT AND HEALTH AND SAFETY

1 CODE SECTION 125290.20, SUBDIVISION (A)(2)(D) PROVIDES
2 THAT THE EXECUTIVE OFFICER OF A CALIFORNIA UNIVERSITY,
3 A NONPROFIT RESEARCH INSTITUTION, OR LIFE SCIENCE
4 COMMERCIAL ENTITY WHO IS APPOINTED AS A MEMBER MAY FROM
5 TIME TO TIME DELEGATE THOSE DUTIES TO AN EXECUTIVE
6 OFFICER OF THE ENTITY OR TO THE DEAN OF THE MEDICAL
7 SCHOOL, IF APPLICABLE.

8 CHAIRMAN KLEIN: IF YOU COULD GO INTO THE
9 PROCEDURES, THOUGH, THAT THEY HAVE TO FOLLOW FOR THAT
10 SUBSTITUTE TO BE QUALIFIED TO VOTE.

11 MR. HARRISON: CORRECT. IN ORDER FOR A
12 MEMBER TO DESIGNATE AN ALTERNATE UNDER THIS SECTION,
13 THE ALTERNATE, HIM OR HERSELF, WOULD HAVE TO BE SWORN
14 IN AND WOULD BE CONSIDERED A PUBLIC OFFICIAL SUBJECT TO
15 THE REQUIREMENTS APPLICABLE TO ALL OF YOU.

16 CHAIRMAN KLEIN: NOW, THAT IS, IF I'M TRYING
17 TO BE ACUTELY ACCURATE HERE, TO BE QUALIFIED TO VOTE,
18 THERE CAN BE A SUBSTITUTE WHO CAN ATTEND FOR
19 INFORMATIONAL PURPOSES WITHOUT VOTING, WITHOUT BEING
20 SWORN IN IF THAT HASN'T BEEN ACCOMMODATED PRIOR TO THE
21 MEETING; BUT TO VOTE, THE PERSON NEEDS TO BE SWORN IN.

22 MR. HARRISON: CORRECT. A MEMBER COULD SEND
23 A DESIGNEE TO AUDIT THE MEETING IF THE MEMBER IS UNABLE
24 TO ATTEND; BUT UNLESS THAT PERSON QUALIFIES UNDER THIS
25 SECTION, TAKES THE OATH OF OFFICE, AND IS SWORN IN,

1 THAT PERSON COULD NOT VOTE.

2 DR. POMEROY: AND COMPLETES A FORM 700, ETC.,
3 ETC.

4 MR. HARRISON: CORRECT.

5 CHAIRMAN KLEIN: YES. LET'S REPEAT
6 DR. POMEROY'S POINT. THAT A PERSON, THEN, WOULD HAVE
7 THE SAME TIME PERIOD AS THE BOARD HAS TO COMPLETE A
8 FORM 700 TO MEET ALL THE TRANSPARENCY REQUIREMENTS OF
9 THE BOARD ITSELF.

10 MR. HARRISON: THAT'S CORRECT.

11 DR. REED: ANOTHER QUESTION. WOULD THAT
12 PERSON WHO SERVES AS AN ALTERNATE ALSO BE PROHIBITED
13 FROM APPLYING FOR GRANTS TO THE CIRM, IF IT WERE AN
14 ACTIVE SCIENTIST?

15 MR. HARRISON: THAT PERSON WOULD CERTAINLY
16 HAVE TO RECUSE HIM OR HERSELF FROM ANY DECISION TO
17 AWARD A GRANT FROM ANY PARTICIPATION WHATSOEVER. AND
18 UNDER AN EXCEPTION TO GOVERNMENT CODE SECTION 1090, THE
19 BOARD COULD, PROVIDED THAT PERSON HAD NO PARTICIPATION
20 WHATSOEVER, NONETHELESS APPROVE A GRANT.

21 CHAIRMAN KLEIN: AND I BELIEVE THIS IS AN
22 ITEM THAT WILL BE ADDRESSED IN THE GENERAL CONFLICTS
23 PROVISIONS THAT THE BOARD WILL ADOPT AS TO ITS
24 PRACTICES. SO IT'S AN EXTREMELY IMPORTANT QUESTION.
25 THANK YOU, DR. REED. YES, DR. KESSLER.

1 DR. KESSLER: EITHER NOW OR IN THE FUTURE,
2 COULD YOU GIVE US A DEFINITION OF EXECUTIVE OFFICER?

3 MR. HARRISON: YES. WE'LL PROVIDE A
4 DEFINITION TO YOU IN THE FUTURE.

5 CHAIRMAN KLEIN: I WOULD ALSO ENCOURAGE THE
6 BOARD MEMBERS, IF THEY NEED A SUBSTITUTE, THAT
7 MR. HARRISON IS AVAILABLE TO REVIEW THE SPECIFIC FACTS
8 RELATED TO THE OFFICER TO MAKE CERTAIN THAT YOU HAVE
9 COMFORT THAT THERE IS, IN FACT, COMPLIANCE WITH THIS
10 REQUIREMENT.

11 SHERRY LANSING.

12 MS. LANSING: PATIENT ADVOCATES HAVE THE
13 SAME? WHAT ARE THEIR RULES?

14 MR. HARRISON: NO. THIS PROVISION APPLIES
15 EXCLUSIVELY TO MEMBERS WHO ARE APPOINTED FROM
16 UNIVERSITIES, NONPROFIT RESEARCH INSTITUTIONS, OR LIFE
17 SCIENCE COMMERCIAL ENTITIES.

18 MS. LANSING: SO WHAT ABOUT IF A PATIENT
19 ADVOCATE CAN'T ATTEND A MEETING?

20 MR. HARRISON: THE PATIENT ADVOCATE UNDER THE
21 ACT DOES NOT HAVE THE AUTHORITY TO APPOINT A VOTING
22 ALTERNATE; HOWEVER, THE PATIENT ADVOCATE COULD
23 DESIGNATE AN INDIVIDUAL TO ATTEND THE MEETING TO AUDIT.

24 MS. LANSING: GREAT. THANK YOU.

25 CHAIRMAN KLEIN: DOCTOR.

1 DR. STEWARD: ONE QUICK CLARIFICATION ON
2 THAT. DOES THAT ALTERNATE HAVE TO BE A CITIZEN OF THE
3 STATE OF CALIFORNIA?

4 CHAIRMAN KLEIN: IT'S NOT DESIGNATED IN THE
5 ACT. WHY DON'T WE GIVE OUR COUNSEL AN OPPORTUNITY TO
6 RESEARCH THAT.

7 MR. HARRISON: I'D LIKE A MOMENT TO REFLECT
8 UPON THAT IF THAT'S OKAY.

9 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

10 IF WE CAN GO TO THE NEXT ITEM, INTERIM OFFICE
11 SPACE, WE HAVE SOME EXCELLENT PROGRESS TO REPORT.
12 WE'RE PROUD TO ANNOUNCE THAT THE INSTITUTE HAS A HOME.
13 THE INSTITUTE STAFF WILL MOVE INTO A NEW TEMPORARY
14 SPACE ON FEBRUARY 11TH, A WEEK FROM TOMORROW. THIS IS,
15 OF COURSE, A CRITICAL FIRST STEP IN THE CONTINUING
16 DEVELOPMENT OF OUR STAFFING STRUCTURE AND OVERALL
17 FUNCTIONALITY AND EFFECTIVENESS. THE DEPARTMENT OF
18 GENERAL SERVICES PROVIDED FOUR SPECIALISTS TO ASSIST
19 US, A SPACE PLANNER, A PROJECT MANAGER, A REAL ESTATE
20 AGENT, AND THE ASSISTANT FOR THE DIVISION DEALING WITH
21 REAL ESTATE LEASING.

22 SO WE HAD A VERY EFFECTIVE TEAM WORKING WITH
23 THE CONTROLLER'S OFFICE. AT THE CONTROLLER'S OFFICE
24 WALTER BARNES WAS THE LEADER OF THAT TEAM, AND THEY
25 WORKED WITH THE ACTUAL STAFF OF THE INSTITUTE TO MAKE

1 CERTAIN THAT THE NEEDS WOULD BE MET.

2 THE TERMS ARE SUMMARIZED ON THE SHEET THAT
3 YOU HAVE. THESE TERMS WERE ARRIVED AT AFTER TOURING
4 SIX DIFFERENT SITES THAT HAVE BEEN SCREENED FROM ALL
5 THE PROPOSALS COMING INTO THE DEPARTMENT OF GENERAL
6 SERVICES. AND I'D LIKE TO NOT REPEAT ALL OF THE TERMS,
7 BUT HIT SOME OF THE HIGH POINTS.

8 FIRST OF ALL, THERE'S APPROXIMATELY 7400
9 SQUARE FEET READY FOR OCCUPANCY AS OF A WEEK FROM
10 FRIDAY. THEY HAVE NINE PRIVATE OFFICES AND ONE
11 CONFERENCE ROOM. THE REST OF THE OFFICE SPACE IS IN
12 OPEN FUNCTIONAL WORK AREA. IT'S EXTREMELY CLOSE TO TWO
13 AIRPORTS, AMTRAK, AND BART. THE AMTRAK AND BART
14 CONNECTIONS ARE WITHIN A HUNDRED YARDS. THERE IS
15 ADEQUATE STAFF SPACE TO EXPANSION TO 30 PLUS PERSONS.

16 GIVEN THAT THE INTENDED OCCUPANCY IS FOR LESS
17 THAN SIX MONTHS, THERE IS A SPECIFIC LEASE PROVISION
18 FOR FREE RENT FOR UP TO SEVEN MONTHS OF A 12-MONTH
19 PERIOD. IT CAN BE TERMINATED ANY TIME ON 30 DAYS'
20 NOTICE. IN ADDITION TO FREE RENT, THERE IS NO
21 OPERATING CHARGE, COST CHARGE TO THE FACILITY. THE
22 LANDLORD IS PROVIDING FREE TENANT IMPROVEMENTS AND
23 FURNISHINGS.

24 SO IT IS A VERY EFFECTIVE, MAY I SAY, A
25 HIGHLY EFFECTIVE, COST-EFFECTIVE START TO OUR

1 FACILITIES PROGRAM. AND WE GREATLY APPRECIATE THE
2 ASSISTANCE AND COOPERATION OF DEPARTMENT OF GENERAL
3 SERVICES AND THE CONTROLLER'S OFFICE WITH THE
4 LEADERSHIP OF WALTER BARNES.

5 THERE'S A SUBSTANTIAL AMOUNT OF STAFF TIME
6 GOING INTO MAKING SURE WE HAVE PHONES AND OTHER
7 OPERATIONAL SERVICES. THE COMPUTER CONSULTANTS TELL US
8 IT WILL TAKE US SOME TIME TO GET OUR NETWORKS UP AND
9 OPERATING. THE PROJECTION IS A WEEK. I WILL CROSS MY
10 FINGERS.

11 ARE THERE ANY COMMENTS FROM THE BOARD? THIS
12 WAS A DELEGATED RESPONSIBILITY TO ME AS CHAIRMAN, BUT I
13 DEFINITELY WOULD LIKE TO KNOW IF THERE'S ANY COMMENTS
14 AND INPUT RELATED TO THIS ITEM. DR. PIZZO.

15 DR. PIZZO: JUST A QUESTION. WILL THIS
16 FACILITY ACCOMMODATE THE ICOC MEETINGS AS WELL? I NOTE
17 THAT IT WILL ACCOMMODATE THE GROUP MEETINGS, BUT WHAT
18 ABOUT THIS FUNCTION?

19 CHAIRMAN KLEIN: NO. THE SPACE IS NOT
20 INTENDED TO ACCOMMODATE THE ICOC MEETINGS. NOW, THE --
21 AS TO THE PERMANENT SPACE, WE'RE LOOKING AT SPACE
22 THAT'S SUFFICIENT TO DEAL WITH REMOTE SITE COMMITTEE
23 MEETINGS WITH AN ABILITY TO HAVE UP TO 50 PEOPLE IN TWO
24 DIFFERENT ROOMS, SO WE CAN RUN TWO DIFFERENT COMMITTEE
25 MEETINGS AS REMOTE SITES FROM THE HEADQUARTERS AT ONE

1 TIME. WE HAVE ASKED THAT LOCAL GOVERNMENT ENTITIES
2 PROVIDE US WITH CONFERENCE SPACE AT NO CHARGE, IF
3 POSSIBLE -- WE'RE LOOKING FORWARD TO THEIR PROPOSALS --
4 AS A PART OF THE PARTNERSHIP IN PROPOSALS ON PERMANENT
5 SITES THAT WE WILL GET INTO LATER. AND THE INTENT IS
6 TO BE ABLE TO HAVE THAT CONFERENCE SPACE BE ABLE TO
7 ACCOMMODATE ICOC MEETINGS IF THE BOARD SO ELECTS TO
8 HAVE THE MEETING CLOSE TO THE STAFF HEADQUARTERS.

9 OTHER COMMENTS?

10 DR. PIZZO: JUST A DERIVATIVE OF THAT. THAT
11 MEANS THAT FOR THE NEXT SIX OR SEVEN MONTHS, THE ICOC
12 WILL BE MOVING FROM SITE TO SITE.

13 CHAIRMAN KLEIN: THAT IS WHAT IT MEANS, AND
14 ONE OF THE QUESTIONS FOR THE BOARD TO CONSIDER IS IS
15 THERE A BENEFIT, A CERTAIN EQUITY TO THE BOARD MEMBERS
16 TO CONTINUE TO ROTATE BETWEEN AREAS OF THE STATE SO
17 THAT IN EACH AREA OF THE STATE, THEY HAVE MEDIA
18 EXPOSURE WHERE THE PUBLIC CAN LEARN ABOUT THE
19 ACTIVITIES OF THE INSTITUTE THROUGH THE BOARD MEETINGS.

20 SHERRY LANSING.

21 MS. LANSING: I FEEL VERY STRONGLY THAT IT'S
22 ACTUALLY QUITE A GOOD IDEA TO DO IT, AT LEAST FOR THE
23 FIRST YEAR. I THINK THAT THE PERCEPTION WE WANT TO
24 MAINTAIN, WHICH IS TRUE, IS THAT THIS IS THE PUBLIC,
25 AND THAT WE ARE GOING THROUGHOUT THE WHOLE STATE OF

1 CALIFORNIA, AND THAT IT'S OPEN TO EVERYONE TO ATTEND.
2 AND THE MORE PLACES WE GO, THE MORE PEOPLE ARE
3 AVAILABLE TO ATTEND IT AND THE MORE PRESENTATIONS WE
4 CAN HEAR FROM SPECIFIC DISEASE GROUPS. SO I THINK THIS
5 IS A VERY, VERY POSITIVE THING TO DO.

6 CHAIRMAN KLEIN: THANK YOU. ARE THERE OTHER
7 COMMENTS?

8 DR. LEVEY: I'D LIKE TO JUST SUPPORT WHAT
9 SHERRY LANSING SAID. I THINK EVERYONE HAS A STAKE IN
10 PROPOSITION 71. I KNOW IN LOS ANGELES SOME OF THE
11 GREATEST SUPPORTERS CAME FROM THAT AREA. AND I THINK
12 CERTAINLY TO HAVE SOME MEETINGS IN LOS ANGELES WOULD BE
13 CRITICAL. I THINK THIS WAS IMPORTANT TO DO THIS IN SAN
14 DIEGO. AND SO I WOULD STRONGLY SUPPORT ROTATING THESE
15 MEETINGS AROUND.

16 CHAIRMAN KLEIN: OKAY. THANK YOU VERY MUCH.
17 DR. PRECIADO.

18 DR. PRECIADO: OKAY. ONE LAST COMMENT ABOUT
19 SUPPORT. I STRONGLY SUPPORT MOVING ACROSS CALIFORNIA,
20 INCLUDING FRESNO. SO FRESNO, I HOPE TO SEE THAT WE'RE
21 GOING TO ADD FRESNO TO ONE OF THESE DATES.

22 CHAIRMAN KLEIN: THANK YOU. ANY OTHER
23 COMMENTS? YES.

24 DR. BRYANT: I JUST HAVE TO ADD IRVINE TOO.

25 CHAIRMAN KLEIN: YES, DR. BRYANT. I WOULD

1 LIKE TO SAY THAT IT WAS, IN FACT, THE UNDERSTANDING OF
2 THE CHAIR AND THE STAFF THAT THAT WAS THE DESIRE OF THE
3 BOARD IN STRUCTURING THIS SO THAT, IN FACT, WE KEEP THE
4 FLEXIBILITY ON THE LOCATION OF THE MEETING IN THE
5 BOARD'S DISCRETION.

6 DR. PIZZO: AGREEING THAT THIS IS A REALLY
7 VERY IMPORTANT THING TO DO, CAN I PROPOSE THAT WE
8 FORMULATE AN ICOC BUS? JUST AN ASIDE.

9 DR. PRECIADO: YOU MEAN PLANE? PLANE,
10 PHILLIP.

11 DR. PIZZO: WE WANT TO STAY CLOSE TO THE
12 GROUND.

13 CHAIRMAN KLEIN: OKAY. WELL, THANK YOU.

14 DR. SAMUELSON: CHAIRMAN KLEIN, ONE LAST
15 THOUGHT. I AGREE WITH ALL OF THE PREVIOUS COMMENTS.
16 AND I'M FINDING THAT THERE'S AN ADDED BENEFIT, WHICH IS
17 INCREASING OUR FAMILIARITY WITH THE RESEARCH
18 INSTITUTIONS IN THE STATE. AND I THINK IT'S AN ADDED
19 BENEFIT THAT WE MEET AT PLACES LIKE WHERE WE ARE TODAY.

20 CHAIRMAN KLEIN: GREAT.

21 UNIDENTIFIED SPEAKER: I WAS WONDERING IF THE
22 MINUTES SHOULDN'T REFLECT THE NAME OF THE LEASING
23 COMPANY AND PERHAPS ITS PARENT. AGAIN, WHO ARE WE
24 DOING BUSINESS WITH? PERHAPS IT'S SOMETHING THAT
25 SHOULD BE OPEN TO THE PUBLIC.

1 CHAIRMAN KLEIN: YES. CAN I ASK AMY DUROSS
2 TO APPROACH THE MIC, PLEASE.

3 MS. DU ROSS: THE COMPANY IS CALLED WAREHAM,
4 W-A-R-E-H-A-M, DEVELOPMENT. THEY HAVE HOLDINGS IN THE
5 EAST BAY.

6 CHAIRMAN KLEIN: AS THE CHAIR, I WOULD TELL
7 YOU THAT THERE IS NO KNOWN CONNECTION BETWEEN THIS
8 COMPANY, ANY BENEFICIARY OF ANY POTENTIAL GRANT OR
9 LOAN. THERE IS NO KNOWN CONNECTION BETWEEN THIS
10 COMPANY. AND IT IS NOT A PHARMA COMPANY. IT IS NOT A
11 BIOTECH COMPANY. SO THE DUE DILIGENCE OF DGS AND OUR
12 STAFF INDICATE THAT WE HAVE GOT INSULATION HERE FROM
13 ANY OTHER GROUP. AND, OF COURSE, THERE IS NO
14 CONSIDERATION BEING GIVEN IN THE INTERIM LEASE FOR ANY
15 CONSIDERATION IN THE PERMANENT LOCATION. WE'RE
16 REQUIRING THAT IN THE LEASE ITSELF ON THE INTERIM LEASE
17 IT SPECIFICALLY STATES THAT THEY WILL NOT BE GIVEN
18 CONSIDERATION IF THEY APPLY TO PROVIDE PERMANENT LEASE
19 SPACE.

20 DR. PIZZO: MR. CHAIRMAN, JUST FOR THE SAKE
21 OF COMPLETENESS. CAN YOU ASSERT THAT THERE'S NO
22 CONNECTION TO KLEIN FINANCIAL GROUP OR ANY OTHER STAFF
23 MEMBERS THAT ARE ASSOCIATED WITH THIS?

24 CHAIRMAN KLEIN: I APPRECIATE THAT VERY MUCH.
25 WE MIGHT AS WELL GET THAT ON THE TABLE. THERE IS NO

1 CONNECTION BETWEEN KLEIN FINANCIAL CORPORATION AND THIS
2 ENTITY. IN FACT, I'VE NEVER MET THE PRINCIPALS. THE
3 PRINCIPAL OWNER, WE MET TWO OF THE JUNIOR PARTNERS WHO
4 SHOWED US THE SPACE. WE HAVE NEVER MET THEM BEFORE.
5 THERE IS NO CONNECTION AT ALL.

6 AND AS A STANDARD ITEM, WHEN WE COME TO THE
7 PERMANENT SPACE, WE'LL BE MAKING THE SAME CLEAR
8 REPRESENTATION FOR THE PUBLIC SO WE HAVE COMPLETE
9 TRANSPARENCY. THANK YOU VERY MUCH, DR. PIZZO.

10 DR. PIZZO: THANK YOU.

11 CHAIRMAN KLEIN: ANY ADDITIONAL COMMENTS?
12 YES, DR. LOVE.

13 DR. LOVE: I JUST WANTED TO SAY I THINK THE
14 TERMS HERE ARE OBVIOUSLY OUTSTANDING TERMS. I WANT TO
15 CONGRATULATE WHOEVER NEGOTIATED THEM.

16 CHAIRMAN KLEIN: YES. I'VE TRIED TO MAKE IT
17 VERY CLEAR THAT WE NEED THE MONEY FOR RESEARCH. AND
18 THAT'S OUR OBLIGATION AND OUR COMMITMENT TO THE
19 TAXPAYERS OF THIS STATE. AND I SHOULD SAY THAT THERE'S
20 A VERY STRAIGHTFORWARD REPRESENTATION BY THE OWNERS OF
21 THIS BUILDING, THAT THEY BELIEVE THAT THIS IS AN
22 EXTRAORDINARY COMMITMENT BY THE STATE OF CALIFORNIA TO
23 MEDICAL RESEARCH, AND THAT THEY ARE MAKING THIS
24 COMMITMENT OF FREE SPACE BECAUSE THEY ENDORSE THE
25 COMMITMENT OF THE STATE TO REALLY ADVANCE MEDICAL

1 RESEARCH AND ATTEMPT TO REDUCE HUMAN SUFFERING. AND WE
2 THANK THEM.

3 IF EVERYTHING IS IN ORDER, ARE THERE ANY
4 PUBLIC COMMENTS ON THIS ITEM? IF YOU WOULD APPROACH
5 THE MIC, PLEASE. AND I WOULD ALSO ASK IF THE BOARD
6 MEMBERS, TO HELP THE TRANSCRIPT, COULD --

7 MS. LORING: I'M JEAN LORING FROM THE BURNHAM
8 INSTITUTE.

9 CHAIRMAN KLEIN: THANK YOU VERY MUCH. JUST
10 ONE SECOND. IF THE BOARD MEMBERS, WHEN THEY SPEAK,
11 THEY COULD JUST STATE THEIR NAME, IT WILL HELP IN THE
12 TRANSCRIPT SIGNIFICANTLY. THANK YOU.

13 MS. LORING: IS THERE SOMEWHERE IN THIS MEMO
14 THAT SAYS ACTUALLY HOW MUCH YOU ARE PAYING FOR THE
15 LEASE FOR THE LAST FIVE MONTHS? YOU HAVE SEVEN MONTHS
16 FREE, SO HOW MUCH IS IT FOR THE NEXT FIVE MONTHS?

17 CHAIRMAN KLEIN: IF AMY DUROSS WOULD APPROACH
18 THE MIC, PLEASE.

19 MS. DU ROSS: WITH THE HELP OF DGS AND THE
20 CONTROLLER'S OFFICE, WE'RE STILL NEGOTIATING THOSE
21 TERMS, BUT THEY WILL BE MARKET RATE.

22 CHAIRMAN KLEIN: IT IS, IN FACT, AS COMPARED
23 TO OTHER PROPOSALS THAT WE RECEIVED, IT IS LESS THAN
24 THAT. AND I'D LIKE TO REMIND EVERYONE THAT WE HAVE A
25 30-DAY CANCELLATION CLAUSE. THE FIVE MONTHS IN

1 ADDITIONAL TIME IS A BUFFER OR A SAFETY BECAUSE WE
2 EXPECT TO BE RELOCATED WELL WITHIN A SIX-MONTH PERIOD.

3 THANK YOU.

4 MR. FIKES: WHAT IS THE EXACT ADDRESS?

5 CHAIRMAN KLEIN: IF YOU WOULD APPROACH THE
6 MIC, PLEASE.

7 MS. DU ROSS: IT'S 5858 HORTON STREET IN
8 EMERYVILLE OFF THE POWELL EXIT.

9 CHAIRMAN KLEIN: AND WE WOULD BE HAPPY -- WE
10 WILL POST ON THE WEBSITE THE RENT TERMS FOR THE BALANCE
11 OF THE TERM, SO WE CAN HAVE THE PUBLIC AWARE OF THE
12 EXACT TERMS FOR THE BALANCE OF THE TERM. THE DGS HAS,
13 I THINK, SOME VERY CLEAR INSTRUCTIONS, AND THEY'RE
14 WORKING RIGHT NOW ON TRYING TO GET THE LEASE IN
15 EXECUTABLE FORM AND GIVE US A REDUCTION THAT WE
16 REQUESTED IN THE BALANCE OF THE TERM'S RENT. WITHOUT
17 PREJUDICING WHERE THEY COME OUT, I THINK IT WILL BE
18 VIEWED VERY FAVORABLY.

19 YES, DR. PRECIADO.

20 DR. PRECIADO: DR. PRECIADO. WE DID NOT GET
21 THE NAME OF THAT LAST PERSON WHO CAME UP.

22 CHAIRMAN KLEIN: THE -- TECHNICALLY, DR.
23 PRECIADO, IF THE PERSON WOULD LIKE TO GIVE US THEIR
24 NAME, IT WOULD BE APPRECIATED FOR THE TRANSCRIPT, BUT
25 THEY ARE TECHNICALLY NOT REQUIRED TO GIVE US THEIR

1 NAME. WHAT IS THE DESIRE OF THE PERSON SPEAKING?

2 MR. FIKES: SORRY ABOUT THAT. MY NAME IS
3 BRADLEY FIKES, A WRITER AT THE NORTH COUNTY TIMES.

4 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

5 ALL RIGHT. THANK YOU VERY MUCH. WITH NO
6 ADDITIONAL COMMENTS, I'M GOING TO MOVE AGENDA ITEM 6 TO
7 UNTIL AFTER AGENDA ITEM 11, WHICH IS ANOTHER PERSONNEL-
8 RELATED ITEM.

9 AND I'D LIKE TO MOVE INTO ITEM 7, WHICH IS
10 CONSIDERATION OF THE SUMMARY MINUTE REPORT OF THE
11 PRESIDENTIAL SEARCH COMMITTEE.

12 ITEM 7 AND 8 ARE RELATED, BUT I WILL BEGIN BY
13 REPORTING BACK ON THE SUMMARY MINUTES OF THE
14 PRESIDENTIAL SEARCH COMMITTEE SINCE I SIT ON THAT
15 COMMITTEE AS CHAIR. AND THEN UNDER ITEM 8, WE WILL
16 ENTER A BROADER DISCUSSION WITH THE ADDED ADVANTAGE OF
17 HAVING THE CONTEXT OF THE FOLLOWING UPDATE.

18 AS YOU KNOW, THE PRIMARY UNDERTAKINGS OF THE
19 PRESIDENTIAL SEARCH COMMITTEE IS TO SUPERVISE THE
20 PROCESS FOR SELECTING CANDIDATES FOR PRESIDENT AND FOR
21 ACTING PRESIDENT OF THE CALIFORNIA INSTITUTE OF
22 REGENERATIVE MEDICINE.

23 THE GENERAL CRITERIA CATEGORIES FOR THE
24 SELECTION OF PRESIDENT WERE SUMMARIZED IN THE MEETING.
25 THE SUBCOMMITTEE APPROVED GENERAL CATEGORIES OF

1 CRITERIA FOR SELECTING THE PRESIDENT, OTHERWISE KNOWN
2 AS THE LANSING PROPOSAL. AND THOSE ITEMS INCLUDED, NO.
3 1, OUTSTANDING SCIENTIFIC AND BIOMEDICAL EXPERTISE;
4 TWO, PROVEN MANAGEMENT CAPACITY; SENSITIVITY TO
5 POLITICAL RAMIFICATIONS AND IMPLICATIONS, ALTHOUGH
6 POLITICAL ACUMEN WAS SUBORDINATE, AND SIGNIFICANTLY
7 SUBORDINATE, TO THE TOP TWO CRITERIA.

8 THE -- WITH REGARDS TO THE EXECUTIVE SEARCH
9 FIRMS, THE COMMITTEE SOLICITED PROPOSALS BY AN RFP TO
10 EXECUTIVE SEARCH FIRMS FOR ENGAGEMENT IN OUR SEARCH FOR
11 ELIGIBLE CANDIDATES FOR PRESIDENT. THE COMMITTEE
12 NARROWED DOWN THE FIVE PROPOSALS WE RECEIVED TO THE TOP
13 THREE MOST COMPETITIVE PROPOSALS. WE DO APPRECIATE ALL
14 FIVE PROPOSALS THAT WERE MADE. IT WAS BELIEVED THAT
15 THE THREE THAT WERE SELECTED HAD THE MORE DIRECTLY
16 RELEVANT EXPERIENCE.

17 THE AUTHORS OF THESE PROPOSALS ARE GATHERED
18 HERE TODAY TO MAKE INDIVIDUAL PRESENTATIONS BEFORE THE
19 BOARD AND ANSWER QUESTIONS DURING OUR NEXT AGENDA ITEM.
20 THE COMMITTEE APPROVED A LIST OF CRITERIA TO BE USED IN
21 ANALYZING PROPOSALS FROM THE EXECUTIVE SEARCH FIRMS.
22 AND I WOULD ASK THAT THE WHOLE BOARD KEEP THESE
23 CRITERIA IN MIND DURING THE PRESENTATIONS ON OUR NEXT
24 AGENDA ITEM.

25 NO. 1 WAS DEEP EXPERTISE IN LIFE SCIENCE FOR

1 NOT FOR PROFIT FIRMS AND DIVERSITY. NO. 2, THERE BE A
2 DEMONSTRATED UNDERSTANDING OF THE ASSIGNMENT AND THE
3 THOUGHTFULNESS OF THE SPECIFIC PROPOSAL; NO. 3, THERE
4 BE HIGH QUALITY REPUTATION OF THE FIRM; NO. 4,
5 EXPERTISE OF DESIGNATED TEAM; NO. 5, DEPTH OF THE FIRM;
6 NO. 6, COMMITMENT OF THE FIRM ITSELF AND WHO WOULD
7 SPECIFICALLY BE THE LEAD ON THE ACCOUNT THAT WOULD BE
8 ACCOUNTABLE AND THE RESPONSIBLE PARTY; NO. 7, WHAT THE
9 PRICING STRUCTURE WAS; NO. 8, ANY NONCOMPETE CLAUSES SO
10 THAT WE WOULD KNOW THAT THE FIRM WOULD NOT COME BACK TO
11 RECRUIT THE PEOPLE THAT HAD BEEN HIRED BY THE INSTITUTE
12 THROUGH THE EFFORTS OF THE FIRM ITSELF OR PEOPLE
13 DIRECTLY WORKING FOR THAT INDIVIDUAL; NO. 9, WHAT, IF
14 ANY, RELEVANT INSTITUTIONS MAY BE OFF LIMITS BECAUSE OF
15 PRIOR CLIENT RELATIONSHIPS. IN OTHER WORDS, IF THIS --
16 IF THEY HAD NONCOMPETE PROVISIONS OR PROVISIONS WHERE
17 THEY COULD NOT GO BACK TO A HUNDRED OUT OF 104 OF THE
18 INSTITUTIONS THAT WOULD HAVE OUR LIKELY CANDIDATES,
19 THIS COULD BE A REAL CONSTRAINT. AND NO. 10, DUAL
20 ADVISORY CAPABILITY OF THE FIRM SO THE COMMITTEE COULD
21 RECRUIT TALENT OUTSIDE THE FIRM'S REACH AS NECESSARY.
22 IF THERE WAS A FIRM THAT WAS OFF LIMITS TO THE SEARCH
23 FIRM, IT WOULD STILL PERMIT THE BOARD TO ACTUALLY
24 RECRUIT SOMEONE FROM THAT INSTITUTION.

25 ARE THERE ANY COMMENTS FROM THE BOARD ON

1 THESE CRITERIA BEFORE WE DISCUSS THE PROCESS? YES.

2 JOAN SAMUELSON.

3 DR. SAMUELSON: YEAH. I HAVE, I GUESS, AN
4 INTRODUCTORY QUESTION. I AM A MEMBER OF THE
5 SUBCOMMITTEE, BUT I WAS ABSENT BECAUSE IT WAS DEEMED
6 THAT BECAUSE OF LIMITED STAFF, MY OFFICE IN HEALDSBURG
7 COULDN'T BE USED AS A TELECONFERENCE SITE. FIRST, ON
8 THAT, I HAVE A QUESTION ABOUT WHETHER THE BROWN ACT IS
9 IDENTICAL ESSENTIALLY TO BAGLEY-KEENE BECAUSE I
10 UNDERSTAND THAT THAT'S NOT A LIMITATION, THAT AT LEAST
11 IT HAS BEEN REGARDED BY THE BROWN ACT'S INTERPRETATION
12 IN SONOMA COUNTY BY THE CITY ATTORNEY'S OFFICE.

13 CHAIRMAN KLEIN: LET ME TRY AND ADDRESS THAT.
14 AND IF WE NEED ADDITIONAL DETAIL, I WILL GO TO THE
15 ATTORNEY GENERAL'S REPRESENTATIVE.

16 IT IS A RECOMMENDED BEST PRACTICE THAT WE
17 HAVE STAFF AT THESE MEETINGS, PARTICULARLY BECAUSE THIS
18 ISSUE IS CONTROVERSIAL, TO ASSURE THE BOARD MEMBERS
19 THAT THERE IS SOMEONE THERE TO MAKE AN EVIDENTIARY
20 RECORD THAT ALL THE PROPER PROCEDURES WERE FOLLOWED AND
21 THAT THE BOARD MEMBERS ARE NOT PUT IN THE POSITION OF
22 NOT BEING ABLE TO VERIFY WITH AN INDEPENDENT PERSON
23 THAT THE BOARD MEMBER CARRIED OUT ALL THE PROCEDURES
24 NECESSARY. ADDITIONALLY, THAT INDIVIDUAL IS THERE TO
25 MAKE CERTAIN THAT THEY CAN HELP ACCOMMODATE THE PUBLIC.

1 THEY CAN BE THERE TO MAKE CERTAIN THAT THEY CAN RELATE
2 TO THE INSTITUTE THAT THERE WAS NO MEMBER OF THE PUBLIC
3 THAT WAS NOT ABLE TO ACCESS THE SITE, THAT THE ADA
4 REQUIREMENTS WERE, IN FACT, NOT OBSTRUCTED BY SOME
5 TEMPORARY CONSTRUCTION OR OTHER PROBLEM.

6 SO IT IS A BEST PRACTICES PROCEDURE THAT WAS
7 PREVENTING US FROM ACTING, NOT ACTUALLY THE
8 BAGLEY-KEENE LAW PER SE.

9 DR. SAMUELSON: OKAY. I'LL CONTINUE THAT
10 DISCUSSION OFF LINE. I DON'T WANT TO TAKE OUR TIME
11 WITH THAT ANY FURTHER. I'D JUST LIKE TO POINT OUT THAT
12 ONE MEMBER OF THE PUBLIC WAS PREVENTED FROM ACCESSING
13 THE MEETING, WHICH WAS ME, AND I WANTED VERY MUCH TO BE
14 THERE.

15 SO I GUESS MY OTHER QUESTION IS I SENT ALONG
16 AN E-MAIL TO THE SUBCOMMITTEE WITH SOME THOUGHTS AND
17 QUESTIONS. AND I DON'T SEE IT APPENDED TO THE MINUTES.
18 AND I JUST WONDERED WAS IT INCORPORATED? ESSENTIALLY
19 MY BASIC QUESTION PERTAINS TO THE PENDING DISCUSSION AS
20 WELL AS SOME OF THE OTHERS, WHICH IS GIVEN THAT THE
21 MISSION OF PROPOSITION 71 IS TO TRY AS HARD AS POSSIBLE
22 TO EFFECT EFFECTIVE TREATMENTS AND CURES, NOT JUST TO
23 CONDUCT BIOMEDICAL RESEARCH, WHERE IS THE EXPERTISE AND
24 BACKGROUND FOR THAT VERY DIFFICULT WORK REFLECTED IN
25 LOOKING AT THE CV'S OF THE SEARCH FIRMS AS WELL AS THE

1 OTHER DISCUSSION?

2 CHAIRMAN KLEIN: THANK YOU. I, IN FACT,
3 ASKED YESTERDAY TWICE ABOUT YOUR E-MAIL MYSELF TO MAKE
4 SURE THAT IT WAS INCORPORATED IN THE TEXT. AND WHAT
5 I'D LIKE TO DO IS, JUST TO MAKE CERTAIN THAT THE
6 SUMMARY CAUGHT ALL OF THE CONTEXT OF YOUR COMMENT, I'M
7 GOING TO ASK THAT THAT E-MAIL BE ADDED. AS WE GO
8 THROUGH THIS PROCESS, IT'S A VERY IMPORTANT CONCEPT FOR
9 EVERYONE TO BE AWARE OF.

10 YES, MICHAEL GOLDBERG.

11 MR. GOLDBERG: I JUST WANTED TO POINT OUT, IF
12 YOU WEREN'T AWARE, JOAN, THAT THE FIRST THING BOB DID
13 WHEN HE OPENED OUR SESSION AFTER THE PERFUNCTORY ITEMS
14 WAS TO ACTUALLY READ US YOUR LETTER. SO I APPRECIATED
15 IT VERY MUCH. I THOUGHT IT WAS VERY THOUGHTFUL.

16 DR. SAMUELSON: GOOD. THANK YOU.

17 CHAIRMAN KLEIN: I READ THE ENTIRE TEXT OF
18 IT, AND I THOUGHT THEY WERE VERY GOOD COMMENTS.
19 EXCELLENT.

20 DR. SAMUELSON: GOOD. THANK YOU.

21 MR. SERRANO SEWELL: CHAIRMAN KLEIN, IS NOW
22 THE APPROPRIATE TIME TO DISCUSS -- WE'RE AT ITEM NO. 7;
23 IS THAT RIGHT?

24 CHAIRMAN KLEIN: YES.

25 MR. SERRANO SEWELL: AND I'M GOING OVER THE

1 MINUTES, AND I WANT TO SAY IT SOUNDS AS THOUGH THE
2 MEETING OF THE 24TH WAS PRODUCTIVE AND A LOT GOT DONE.
3 AND THE LANSING PROPOSAL THAT WAS ADOPTED REALLY DOES
4 ENCAPSULATE, I THINK, WHAT WE'RE TRYING TO DO. AND
5 WHEN WE SEARCH FOR WHO THE PRESIDENT WILL ULTIMATELY
6 BE, THAT THEY HAVE THIS SCIENTIFIC EXPERTISE, THAT THEY
7 HAVE THIS EXPERIENCE IN MANAGEMENT, THAT THEY'RE
8 SENSITIVE TO SUBORDINATE CHARACTERISTICS. AS I
9 UNDERSTAND, THAT THEY HAVE A POLITICAL SENSITIVITY
10 BECAUSE WE HAVE LIVE IN A POLITICAL ENVIRONMENT, AND
11 ALL OF THOSE CHARACTERISTICS ARE WORTHY. AND I HOPE
12 THAT WHOEVER THE PRESIDENT IS POSSESSES THOSE
13 QUALITIES.

14 BUT THERE'S AN ADDITIONAL QUALITY THAT I
15 WOULD LIKE TO PROPOSE TO BE INCLUDED AS WELL. AND IF
16 IT WAS DISCUSSED AT THE COMMITTEE MEETING, THEN YOU CAN
17 SHARE THE THOUGHTS AND DIALOGUE AROUND THAT POINT. AND
18 THAT IS, THAT WHOMEVER THE CANDIDATE IS, IT WOULD BE A
19 DESIRABLE CHARACTERISTIC AND ADDITIONAL CRITERIA THAT
20 THEY HAVE A DEMONSTRATED COMMITMENT TO WORKING WITH
21 UNDER-REPRESENTED COMMUNITIES, THAT THEY HAVE A
22 DEMONSTRATED COMMITMENT TO PROVIDING EQUAL OPPORTUNITY.
23 AND THAT GOES BEYOND, IN MY MIND, JUST LIP SERVICE,
24 THAT IN THEIR CURRENT ROLE, WHATEVER THAT MAY BE OR
25 THEIR PREVIOUS ROLE, THAT THEY'VE TAKEN AFFIRMATIVE

1 STEPS TO INCLUDE PEOPLE, TO REACH OUT IN THE STAFFING
2 DECISIONS THAT THEY'VE MADE BECAUSE THE PRESIDENT HAS A
3 VERY IMPORTANT ROLE, A VERY VISIBLE ROLE, WILL HAVE TO
4 DEAL WITH ALL THE CONSTITUENCIES IN CALIFORNIA. AND
5 THE CONSTITUENCIES IN OUR TARGETED POPULATION IS
6 DIVERSE, THEY ARE BROWN, THEY ARE ALL STRIPES AND
7 COLORS.

8 AND SO I WOULD HOPE THAT THAT WOULD BE, IF IT
9 CAN BE INCLUDED IN THE AND AMENDED SOMEHOW TO THE
10 LANSING PROPOSAL BECAUSE I LIKE THE LANSING PROPOSAL.
11 I THINK IT'S CLEAR, IT'S CONCISE, AND IT'S TO THE
12 POINT, BUT I FEEL THAT THIS ISSUE SHOULD BE INCLUDED AS
13 WELL AS WE SEARCH FOR A PRESIDENT.

14 CHAIRMAN KLEIN: I THINK THAT THAT'S VERY
15 APPROPRIATE. LET ME ASK COUNSEL, IF I CAN, JAMES
16 HARRISON. IS IT APPROPRIATE AT THIS POINT TO INCLUDE
17 THAT ITEM AS AN INDIVIDUAL STANDALONE MOTION THAT
18 ADDRESSES THOSE MINUTES AS AN ITEM OF THE DIRECTION TO
19 THE PRESIDENTIAL SEARCH COMMITTEE? OR SHOULD WE TAKE A
20 TYPE OF JUDICIAL NOTICE OF THAT TO INCORPORATE IT?

21 THE REASON I'M ASKING THE QUESTION IS THE
22 CONSTRAINTS OF HOW THE ITEM IS LISTED ON THE AGENDA.

23 MR. HARRISON: I THINK THE APPROPRIATE WAY TO
24 HANDLE IT WOULD BE, WHEN A MOTION IS MADE TO APPROVE
25 THE REPORT, AT THAT POINT IN TIME TO SUGGEST THAT THAT

1 CRITERIA BE ADDED TO THE OTHERS THAT ARE IDENTIFIED IN
2 THE REPORT.

3 CHAIRMAN KLEIN: OKAY. THANK YOU VERY MUCH.
4 I PERSONALLY BELIEVE THAT THIS IS AN IMPORTANT POINT,
5 TO LOOK AT THE TRACK RECORD OF THE CANDIDATE. THESE
6 CANDIDATES HAVE LONG CAREERS IN SCIENCE AND MANAGEMENT,
7 AND WE SHOULD BE ABLE TO SEE FROM THEIR RECORD HOW THEY
8 REPRESENTED THEMSELVES IN TERMS OF DEALING WITH
9 OPPORTUNITIES FOR DIVERSITIES, KNOWING THAT IT'S A
10 CHALLENGE IN SOME AREAS, AND SEE HOW THEY RESPONDED TO
11 THOSE CHALLENGES.

12 I WOULD SAY THAT, SEPARATE FROM THE
13 PRESIDENCY, I HAVE MET WITH THE LEADERSHIP OF THE
14 GREENLINE INSTITUTE, AND I WOULD INVITE BOARD MEMBER
15 SEWELL TO MEET WITH ME, IF HE CARED TO, IN FUTURE
16 MEETINGS OR AT LEAST PARTICIPATE IN PHONE CALLS WITH
17 THEM BECAUSE I THINK THERE'S SOME GOOD SUBSTANTIVE
18 PROPOSALS THAT RESPECT THE FACT THAT WE NEED TO GET THE
19 BEST SCIENCE AS A RESULT, BUT ALSO RECOGNIZE THE
20 IMPORTANCE OF DIVERSITY.

21 DR. PIZZO.

22 DR. PIZZO: MR. CHAIRMAN, I HAVE A SEPARATE
23 ISSUE IF I MAY RAISE WHICH RELATES TO THE CRITERIA FOR
24 EVALUATING THE SEARCH FIRM. CAN I PROCEED TO THAT, OR
25 WOULD YOU LIKE TO HAVE THIS COME SUBSEQUENTLY?

1 CHAIRMAN KLEIN: IF I CAN JUST GO THROUGH THE
2 ADDITIONAL ITEMS ON TIME LINE FIRST, AND THEN WE'LL
3 REVISIT THIS ITEM.

4 DR. BRYANT: BEFORE WE LEAVE THAT, I WOULD
5 JUST LIKE TO SAY THAT I COMPLETELY AGREE WITH THAT
6 ADDITION, AND I THINK IT IS A SIGN OF GOOD LEADERSHIP
7 TO HAVE A TRACK RECORD IN THIS AREA.

8 CHAIRMAN KLEIN: THANK YOU. DR. PRECIADO.

9 DR. PRECIADO: PHYLLIS PRECIADO. I ALSO
10 AGREE AND APPRECIATE MR. SERRANO -- FORGOT YOUR FIRST
11 NAME -- DAVID'S COMMENTS. AND I'M WONDERING WHEN WE
12 LOOK AT CRITERIA FOR DECISION-MAKING PROCESS ON
13 EXECUTIVE SEARCH FIRM, IF WE CAN'T INCLUDE THAT IN ONE
14 OF THE CRITERIAS -- AS ONE OF THE CRITERIA.

15 CHAIRMAN KLEIN: WELL, WE'RE GOING TO HAVE
16 PRESENTATIONS TODAY. AND IN THOSE PRESENTATIONS, WHEN
17 WE COMMENT ON THEIR PRESENTATIONS THEMSELVES, I THINK
18 THEY'RE ON NOTICE NOW TO ADDRESS IT. AND I THINK YOU
19 CAN COMMENT ON HOW WELL THEY ADDRESS IT IN THE
20 DISCUSSION ON THEIR PRESENTATION.

21 MS. DU ROSS: I'M SORRY. IF I CAN INTERJECT.
22 JUST THE FIRST CRITERIA DOES INCLUDE DIVERSITY AND WAS
23 APPROVED BY THE SUBCOMMITTEE.

24 CHAIRMAN KLEIN: RIGHT. I THINK THIS IS AN
25 ATTEMPT TO REALLY DRAW THIS OUT AND MAKE IT MORE

1 EXPLICIT.

2 OKAY. IN THE TIMETABLE PROPOSED FOR THE
3 PROCESS, ONCE THE EXECUTIVE SEARCH FIRM IS SELECTED,
4 THE INTENT OF THE SUBCOMMITTEE IN THE DISCUSSION WAS TO
5 RECONVENE THE PRESIDENTIAL SUBCOMMITTEE IN FOUR WEEKS
6 FROM THE SELECTION OF THE FIRM TO REVIEW THE LONG LIST
7 OF CANDIDATES TO MAKE CERTAIN THAT THERE WEREN'T ANY
8 CANDIDATES THAT HAD BEEN OVERLOOKED, HAD NOT BEEN
9 INCORPORATED FROM THE PUBLIC LIST, OR FROM PROPOSALS
10 THAT WERE MADE AND OF WHICH THE MEMBERS OF THE BOARD
11 WERE AWARE OF.

12 THEN THERE WOULD BE A REVIEW BY A TWO-PERSON
13 TEAM INTERVIEWS OF THE LONG LIST OF CANDIDATES FROM THE
14 SUBCOMMITTEE TO CREATE A SHORT LIST OF CANDIDATES, AND
15 TAKE THAT LIST BACK TO THE FULL BOARD. WE FELT THAT
16 BEFORE WE PROCEEDED ON A SHORT LIST, THE FULL BOARD
17 SHOULD LOOK AT THAT LIST TO MAKE CERTAIN THAT THERE
18 WEREN'T CANDIDATES THAT HAD BEEN OVERLOOKED.

19 AT THAT BOARD MEETING WE WOULD ASK THE ICOC
20 TO DECIDE IF THE BOARD AS A WHOLE, COMMITTEE OF THE
21 WHOLE, WISHED AN EXECUTIVE SESSION TO INTERVIEW THE TOP
22 TWO OR THREE CANDIDATES THEMSELVES. WE FELT SINCE THIS
23 IS SUCH AN IMPORTANT DECISION OF THE BOARD, THE BOARD
24 WOULD PROBABLY WANT TO INTERVIEW THE TOP TWO OR THREE
25 CANDIDATES AND RANK THOSE CANDIDATES.

1 ONCE THE BOARD INTERVIEWS AND RANKS THE TOP
2 CANDIDATES, IT WOULD BE HOPEFUL THAT THE ICOC WOULD
3 AUTHORIZE THE SEARCH COMMITTEE TO MAKE AN OFFER TO THE
4 HIGHEST RANKED CANDIDATE AND TO PROCEED WITH THE SECOND
5 RANKED CANDIDATE, IF NECESSARY, BASED UPON PARAMETERS
6 DISCUSSED AND GUIDANCE GIVEN BY THE BOARD IN THE
7 EXECUTIVE SESSION.

8 THIS PROCESS WOULD BE SUBJECT TO AMENDMENT
9 FROM INPUT FROM THE EXECUTIVE SEARCH FIRM TO THE BOARD
10 AND/OR BY THE BOARD ITSELF AS IT PROCEEDED AS NEW
11 CONDITIONS OR PARAMETERS OR VARIABLES AROSE, BUT THIS
12 WOULD GIVE US A GUIDANCE AND THE PUBLIC A GUIDANCE ON
13 HOW THIS PROCESS WAS TO UNFOLD.

14 IT WAS SPECIFICALLY ADDRESSED THAT -- BY THE
15 SUBCOMMITTEE THAT IF THERE WAS ANY CANDIDATE FOR
16 PERMANENT PRESIDENT FROM AN INSTITUTION REPRESENTED ON
17 THE BOARD, THAT THE BOARD MEMBER WOULD RECUSE
18 THEMSELVES FROM VOTING. AND IT WAS -- THERE WAS A
19 SIGNIFICANT DISCUSSION ON THIS SUCH THAT THEY WANTED TO
20 MAKE IT VERY CLEAR THAT EVEN IF THE BOARD MEMBER ONLY
21 HELD A PART-TIME CLINICAL APPOINTMENT WITH THE
22 INSTITUTION FROM WHICH THE CANDIDATE CAME, THAT THE
23 CANDIDATE -- THAT THIS WOULD CAUSE THE BOARD MEMBER TO
24 RECUSE THEMSELVES. AND THIS IS PART OF THE MINUTES AND
25 THE RECOMMENDATION ITSELF.

1 THE ATTEMPT IS TO SHOW THE PUBLIC THAT THIS
2 IS CLEARLY OBJECTIVE AND THERE IS NO MOTIVATION BASED
3 UPON AN ASSOCIATION WITH AN INSTITUTION THAT'S
4 REPRESENTED ON THE BOARD.

5 ARE THERE ANY COMMENTS FROM THE BOARD ON THIS
6 SUMMARY? CLAIRE POMEROY.

7 DR. POMEROY: CLAIRE POMEROY. THANK YOU.
8 JUST TO REACT TO SOME OF THE QUESTIONS THAT YOU RAISE,
9 I PERSONALLY FEEL STRONGLY THAT WE SHOULD INTERVIEW AS
10 AN ENTIRE ICOC THE SHORT LIST. I WOULD ALSO, I THINK
11 IT WAS IMPLIED IN HERE, BUT NOT SPECIFICALLY STATED,
12 THAT IN ADDITION TO INTERVIEWS, I'M SURE THE EXECUTIVE
13 SEARCH FIRMS WOULD MAKE US DO THIS, BUT REFERENCE
14 CHECKS SHOULD PROBABLY BE MENTIONED AS ONE OF THE STEPS
15 IN THIS TIME LINE AS WELL.

16 AND THEN THE FINAL THING IS I WOULD LIKE TO
17 REQUEST, IN LIGHT OF OUR RECENT DISCUSSIONS UP HERE,
18 THAT WE SEE AN EEO REPORT ON THE LONG LIST OF
19 CANDIDATES THAT APPLIED SO THAT WE CAN ASCERTAIN THE
20 ENTIRE POOL AND HOW THEY GOT TO THE SHORT LIST.

21 CHAIRMAN KLEIN: ALL RIGHT. AND I WOULD
22 SPECIFICALLY MENTION THAT ALL OF THE SEARCH FIRM
23 PROPOSALS INCORPORATE REFERENCE CHECKS AND BACKGROUND
24 CHECKS AS A PART OF THE PROCESS BEFORE THE SHORT LIST
25 WOULD EVER GET TO THE BOARD AS A PRECLEARANCE

1 REQUIREMENT THAT'S MANDATORY.

2 ADDITIONAL COMMENTS? ARE THERE COMMENTS FROM
3 THE PUBLIC ON THE TIMETABLE IN THIS PROCESS AND THE
4 PROCESS ITSELF?

5 ALL RIGHT. SEEING NO COMMENTS, I'D LIKE TO
6 REINFORCE THE POINT WITH THE PUBLIC THAT THEY CAN
7 SUBMIT CANDIDATES THROUGH -- TO THE BOARD. THE
8 CANDIDATE SUBMISSION SHOULD BE DONE THROUGH E-MAIL AT
9 CIRM.CA.GOV. AND THAT IS A SITUATION WHERE THE EARLIER
10 CANDIDATES ARE SUBMITTED, THE BETTER THE OPPORTUNITY IS
11 TO PROVIDE THAT REVIEW.

12 THERE'S AN ADDITIONAL SEPARATE ANNOUNCEMENT
13 THAT IS ALREADY ON THE WEBSITE AT WWW.CIRM.CA.GOV
14 RELATED TO ACTING PRESIDENT AND THAT PROCESS, WHICH IS
15 FAIRLY FAR ALONG.

16 IS THERE A MOTION TO ACCEPT THESE MINUTES AS
17 PROPOSED? AND WITH THAT, I WOULD ASK IF THAT MOTION
18 WOULD INCORPORATE THE ADDITIONAL CLARIFICATION THAT WAS
19 PROPOSED BY DAVID.

20 DR. PIZZO: I HAVE A QUESTION BEFORE WE GET
21 TO THAT, WHICH IS JUST A CLARIFICATION THAT I HOPE THE
22 SEARCH FIRMS WILL ADDRESS DURING THEIR PRESENTATIONS.
23 SO IF I CAN JUST OFFER THAT COMMENT. AND THAT IS HOW
24 THEY WILL RESPOND TO, AND THIS SPEAKS TO ITEM NO. 10 ON
25 THE LIST OF CRITERIA, CANDIDATES WHO THEY MAY NOT BE

1 ABLE TO ORDINARILY SEEK ACCESS TO BECAUSE OF A PRIOR
2 RESTRICTION, BASED UPON THEIR RELATIONSHIPS WITH AN
3 ORGANIZATION, WHETHER IF SUCH A CANDIDATE ARISES, SAY,
4 FROM THE PUBLIC OR FROM THE COMMITTEE, THEY'LL BE ABLE
5 TO DO ALL THE DUE DILIGENCE EVALUATIONS OF THAT
6 CANDIDATE SO THAT WE'RE SURE WE'RE ACTUALLY BENEFITING
7 FROM THE CAPABILITIES OF THE SEARCH COMMITTEE.

8 CHAIRMAN KLEIN: AND IF THEY WILL NOT, WHAT'S
9 THEIR ACCOMMODATION TO US TO GET THIS ACCOMPLISHED.

10 IS THERE ANOTHER QUESTION? AND I THINK
11 DR. WILSON, GALE WILSON.

12 MS. WILSON: GALE. IT'S NOT A DOCTOR. I'D
13 LOVE IT TO BE.

14 THE QUESTION I HAD, WHEN YOU HAVE THE
15 CRITERIA AND YOU TALK ABOUT PRICING STRUCTURE, I ASSUME
16 THAT'S WHAT THE SEARCH FIRM WOULD CHARGE US.

17 CHAIRMAN KLEIN: THAT'S WHAT THE SEARCH FIRM
18 WOULD CHARGE US.

19 MS. WILSON: WHO THEN DECIDES WHAT THE SALARY
20 STRUCTURE IS FOR THE PRESIDENT?

21 CHAIRMAN KLEIN: THE BOARD WOULD DISCUSS IT
22 IN EXECUTIVE SESSION, BUT THE ACTUAL SALARY HAS TO BE
23 APPROVED IN PUBLIC SESSION. SO BACK IN THE OPEN
24 MEETING PORTION, WE WOULD ACTUALLY, WHEN THE SALARY IS
25 DECIDED ON, HAVE A FULL PUBLIC DISCUSSION OF THAT AND

1 APPROVAL OF THAT SALARY STRUCTURE.

2 CHAIRMAN KLEIN: YES, DR. PRECIADO.

3 DR. PRECIADO: PHYLLIS PRECIADO. I DON'T SEE
4 IN THE MINUTES -- I KNOW THAT I DID MAKE A COMMENT
5 ABOUT SENDING E-MAILS TO THE ORGANIZATIONS, SUCH AS
6 NATIONAL HISPANIC MEDICAL ORGANIZATION, NATIONAL
7 MEDICAL ORGANIZATION, ORGANIZATIONS THAT ARE REFLECTIVE
8 OF OTHER COMMUNITIES OF COLOR.

9 CHAIRMAN KLEIN: YES. THAT'S VERY CLEARLY
10 PART OF THE TRANSCRIPT. AND I WOULD SAY THAT THE STAFF
11 IS -- FIRST OF ALL, IT'S A VERY IMPORTANT POINT. AND
12 PROBABLY IN THAT CONTEXT --

13 MS. DU ROSS: IT'S ALSO BEING DONE.

14 CHAIRMAN KLEIN: AMY DUROSS, WOULD YOU
15 ADDRESS THIS, PLEASE.

16 MS. DU ROSS: SORRY, PHYLLIS, FOR THAT
17 OVERSIGHT. BUT WE DID DEFINITELY TAKE YOUR SUGGESTION,
18 AND WE HAVE SENT THAT PROPOSAL OUT TO THE ASSOCIATIONS
19 YOU ENUMERATED, BUT ALSO ADDITIONAL ONES. SO WE'LL
20 MAKE THAT AMENDMENT IN THE MINUTES.

21 CHAIRMAN KLEIN: ALL RIGHT. AMENDMENT TAKEN.
22 I WOULD SAY THAT IT'S ALWAYS A BALANCE ABOUT HOW MUCH
23 OF THE DETAIL TO PUT IN THERE, BUT I WOULD POINT OUT
24 THAT IT IS AVAILABLE TO THE PUBLIC AND TO THE PRESS,
25 THE FULL TRANSCRIPT. SO THIS IS A SUMMARY ONLY, BUT

1 THE FULL TRANSCRIPT IS AVAILABLE. SO, FOR EXAMPLE,
2 JOAN SAMUELSON'S COMMENTS ABOUT HER E-MAIL, WHICH I
3 READ INTO THE RECORD, ARE PART OF THE PERMANENT
4 TRANSCRIPT AND PART OF THE PERMANENT RECORD. BUT
5 PLEASE, AS WE GO THROUGH MINUTES, SINCE WE'RE ALWAYS
6 BALANCING SPACE AND TIME, IF THERE'S AN IMPORTANT POINT
7 THAT HAS NOT MADE IT INTO THE SUMMARY, AS DR. PRECIADO
8 JUST DID, PLEASE HIGHLIGHT IT SO THE PUBLIC IS AWARE
9 THAT WE'VE TAKEN THE ACTION. THANK YOU.

10 DR. PRIETO: JUST A POINT OF INFORMATION.
11 WHERE ARE THOSE FULL TRANSCRIPTS? ARE THEY ON THE
12 WEBSITE?

13 CHAIRMAN KLEIN: THE FULL TRANSCRIPTS ARE NOT
14 ON THE WEBSITE. THEY ARE AVAILABLE TO ANY MEMBER
15 THAT -- MEMBER OF THE PUBLIC THAT REQUESTS THEM AND CAN
16 BE SENT OUT FROM THE INSTITUTE OFFICE.

17 DR. POMEROY: CLAIRE POMEROY. ADDITIONAL
18 QUESTION. YOU MENTIONED THAT THERE'S A JOB
19 DESCRIPTION. IS THAT AVAILABLE? HAVE WE SEEN THE JOB
20 DESCRIPTION AND THE ADVERTISEMENT THAT ARE BEING USED?
21 IT WAS MENTIONED THAT SOMETHING WAS SENT OUT IN ANSWER.

22 CHAIRMAN KLEIN: THERE IS A DRAFT JOB
23 DESCRIPTION.

24 MS. DU ROSS: YES.

25 CHAIRMAN KLEIN: AMY DUROSS, WOULD YOU

1 ADDRESS THAT?

2 MS. DU ROSS: YES. IT IS ACTUALLY TAKEN
3 WHOLESALE FROM THE INITIATIVE ITSELF. SO IT'S WITHIN
4 THE TEXT. I THINK WE ACTUALLY -- WOULD YOU LIKE ME TO
5 READ IT TO YOU?

6 DR. PIZZO: IT'S IN THE DOCUMENTS.

7 CHAIRMAN KLEIN: IT IS IN THE DOCUMENT, BUT
8 TO CLARIFY THAT FOR DR. POMEROY, THE DISCUSSION OF THE
9 COMMITTEE WAS THAT THE SEARCH COMMITTEE WILL WORK WITH
10 THE -- WITH THE SEARCH FIRM IN FULLY AMPLIFYING THE JOB
11 DESCRIPTION SO THAT BEFORE WE GET TO THE SHORT LIST,
12 WHEN WE COME BACK TO THE BOARD TO GET TO THE SHORT
13 LIST, WE WILL HAVE A MORE FULLY DEVELOPED AND HIGHLY
14 ARTICULATED JOB DESCRIPTION WITH THE EXPERTISE OF THE
15 SEARCH FIRM ASSISTING US.

16 DR. PIZZO: I HAVE ONE PRACTICAL SUGGESTION.
17 IT FOLLOWS YOUR COMMENTS ABOUT WHERE WE MIGHT FIND THE
18 FULL TRANSCRIPT INFORMATION. AND THE SUGGESTION IS,
19 AND I GUESS LEGAL WOULD HAVE TO ASSIST US, IT SEEMED TO
20 ME THAT TO ENGAGE THE FULL SPIRIT OF TRANSPARENCY, IT
21 MIGHT BE HAVING THAT ACCESSIBLE ON THE WEBSITE FOR TWO
22 REASONS. ONE, BECAUSE IT'S THERE AND ANYONE CAN ACCESS
23 IT; AND, SECONDLY, THAT WOULD SEEM TO ME TO BE TO
24 MINIMIZE THE AMOUNT OF STAFF TIME THAT WOULD BE
25 INVOLVED IF INQUIRIES WERE COMING ABOUT SPECIFIC

1 DOCUMENTS BECAUSE IT WOULD BE AVAILABLE ANYWAY. SO IF
2 THAT IS LEGALLY PERMISSIBLE, I WOULD RECOMMEND THAT WE
3 DO THAT.

4 CHAIRMAN KLEIN: WE HAVE A NEW I.T.
5 CONSULTING FIRM THAT IS WORKING WITH US ON THE WEBSITE.
6 AND IT'S EXPECTED AS SOON AS WE MOVE IN AND GET OUR NEW
7 SERVER SET UP, THEN IT WILL BECOME A FAIRLY ROUTINE
8 ITEM, AND WE CAN PUT IT UP ON THE WEBSITE WITHOUT MUCH
9 PROBLEM.

10 DR. PIZZO: IT TECHNICALLY CAN BE DONE.
11 THERE'S NO QUESTION ABOUT THAT. IT'S REALLY JUST IF
12 THERE'S ANYTHING THAT WOULD PREVENT US. I CAN
13 UNDERSTAND THAT EXECUTIVE MINUTES WOULD NOT BE THERE,
14 BUT EVERYTHING ELSE, I THINK, SHOULD BE THERE. AND
15 THAT WAY, IF THERE ARE QUERIES THAT COME FROM ANYONE,
16 PUBLIC OR THIS COMMITTEE, THEY CAN BE DIRECTED TO THE
17 WEBSITE AND NOT HAVE TO ENGAGE STAFF TIME
18 UNNECESSARILY.

19 CHAIRMAN KLEIN: I THINK THAT'S AN EXCELLENT
20 SUGGESTION. STAFF WILL BE DIRECTED TO FOLLOW THAT
21 SUGGESTION.

22 ALL RIGHT. AT THIS POINT IS THERE ANY MOTION
23 TO MOVE THE MINUTES AS DISCUSSED WITH THE CLARIFICATION
24 OR AMPLIFICATION PROVIDED BY DAVID?

25 DR. WRIGHT: AND DR. PRECIADO. I SO MOVE.

1 DR. PIZZO: SECOND.
2 CHAIRMAN KLEIN: OKAY. SO IT'S BEEN MOVED
3 AND SECONDED WITH THE AMPLIFICATION FROM DAVID SEWELL
4 AND THE SPECIFIC DIRECTION FROM DEAN PIZZO.

5 ALL IN FAVOR? OPPOSED? MOTION PASSES.
6 WE WILL MOVE TO ITEM 8, CONSIDERATION OF
7 QUALIFICATIONS FOR PRESIDENT AND PROCEDURES FOR
8 APPOINTMENT, INCLUDING ROLE OF THE PRESIDENTIAL SEARCH
9 COMMITTEE.

10 UNDER THIS ITEM WE'VE JUST GONE THROUGH A
11 DISCUSSION OF THE QUALIFICATIONS AND THE PROCEDURES.
12 THE ONE ITEM THAT THIS AGENDA NO. 8 IS INTENDED TO
13 ADDRESS IS A PROCEDURAL ONE. DURING THE EXECUTIVE
14 SESSION TODAY, IT IS INTENDED THAT ONE OF THE THINGS
15 THAT'S DISCUSSED IS VARIOUS CANDIDATES FOR ACTING
16 PRESIDENT. IN ORDER TO ARRIVE AT A SALARY THAT SOMEONE
17 WILL ACCEPT, IT IS IMPORTANT THAT, IF SOMEONE WERE TO
18 BE SELECTED, THAT THERE BE A DISCUSSION WITH THEM ABOUT
19 THE SALARY AFTER THE BOARD HAS ACTED IN EXECUTIVE
20 SESSION TO SET THE RANGE.

21 SO I WOULD ASK FOR THE BOARD'S SUPPORT IN
22 DELEGATING TO THE CHAIR AND VICE CHAIR, THAT WITHIN THE
23 RANGE OF SALARIES SET WITHIN THE EXECUTIVE SESSION,
24 THAT THE CHAIR AND VICE CHAIR COULD THEN TALK WITH
25 ANYONE SELECTED, IF SOMEONE WE WERE TO BE SELECTED AS A

1 CANDIDATE FOR ACTING PRESIDENT, TO SEE WITHIN THAT
2 RANGE WHERE A SALARY COULD BE NEGOTIATED, WITH THE
3 INTENT, ONCE THAT IS DECIDED UPON, TO BRING IT BACK TO
4 THE FULL BOARD AT THE NEXT BOARD MEETING, SO IT CAN BE
5 THEN DISCUSSED AND ADOPTED IN PUBLIC IN A FULL PUBLIC
6 SESSION. BUT THERE HAS TO BE AN INTERIM STEP HERE THAT
7 SOMEONE HAS TO CARRY OUT.

8 AND SO I WOULD ASK IF THERE IS SUPPORT BY THE
9 BOARD FOR A MOTION TO SUPPORT THAT PROCESS?

10 DR. PIZZO: I APPROVE.

11 CHAIRMAN KLEIN: DEAN PIZZO SUPPORTS IT.

12 DR. WRIGHT: SECOND.

13 CHAIRMAN KLEIN: AND DR. WRIGHT IS A SECOND.

14 IS THERE DISCUSSION ON THE MOTION FROM THE
15 BOARD?

16 DR. POMEROY: CLAIRE POMEROY. QUESTION. ARE
17 WE TALKING ABOUT DOING THIS FOR THE ACTING PRESIDENT OR
18 THE PRESIDENT?

19 CHAIRMAN KLEIN: ACTING ONLY.

20 DR. POMEROY: OKAY.

21 CHAIRMAN KLEIN: ONLY ACTING. OKAY. THAT'S
22 DISCUSSION BY THE BOARD. IS THERE A DISCUSSION --

23 DR. PIZZO: COULD I JUST QUERY THAT FOR A
24 SECOND? I WOULD ASSUME, ALTHOUGH WE DON'T HAVE TO DO
25 IT RIGHT NOW, THE QUESTION THAT DR. POMEROY RAISED

1 COULD ALSO APPLY WHEN WE GET THERE TO THE PRESIDENT,
2 THE PROCEDURE OF SELECTING A SALARY AND THEN PERMITTING
3 THE CHAIR AND THE CO-CHAIR TO NEGOTIATE WITH THE
4 CANDIDATES. IT SEEMS TO ME TO BE PRUDENT UNDER BOTH
5 CIRCUMSTANCES.

6 CHAIRMAN KLEIN: IT DEFINITELY COULD. I'M
7 JUST -- THIS MOTION, THOUGH, IS ONLY TO ADDRESS THE
8 ACTING PRESIDENT, BUT THE PROCESS COULD BE
9 APPROPRIATELY PARALLEL FOR THE PRESIDENT.

10 IS THERE BOARD COMMENT BEFORE I ASK FOR
11 PUBLIC COMMENT ON THIS ITEM? NO BOARD COMMENT. IS
12 THERE PUBLIC COMMENT ON THIS ITEM? SEEING NO PUBLIC
13 COMMENT, I WOULD CALL FOR THE QUESTION. ALL IN FAVOR?
14 OPPOSED? MOTION PASSES UNANIMOUSLY.

15 THE NEXT ITEM, NO. 9, IS CONSIDERATION OF
16 SELECTION OF EXECUTIVE SEARCH FIRMS TO ASSIST IN THE
17 SEARCH FOR THE PRESIDENT, INCLUDING PRESENTATIONS FROM
18 THE THREE EXECUTIVE SEARCH FIRMS WHOSE PROPOSALS WERE
19 RECOMMENDED BY THE ICOC PRESIDENTIAL SEARCH COMMITTEE.
20 EACH OF THEM WILL GIVE US A TEN-MINUTE PRESENTATION,
21 FOLLOWED BY A BRIEF QUESTION-AND-ANSWER PERIOD FOR EACH
22 FIRM.

23 THE ORDER OF PRESENTATIONS WILL OCCUR AS THEY
24 APPEAR ON THE AGENDA, STARTING WITH A. T. KEARNEY,
25 GOING TO ISAACSON MILLER, AND THEN SPENCER STUART.

1 I WOULD LIKE TO PUT FORWARD A SUGGESTION FOR
2 PROCESS BY REQUESTING THAT THE ICOC MEMBERS, WHEN THEY
3 VOTE, THINK OF VOTING FOR THE NO. 1 CHOICE, AND THEN TO
4 HOLD A SUBSEQUENT VOTE FOR THE NO. 2 CHOICE. THE
5 INTENT IS THAT IN TRYING TO REACH FINAL TERMS WITH THE
6 SEARCH FIRM THAT IS SELECTED, THERE MAY BE AN
7 IMPEDIMENT THAT IS NOT EXPECTED. BY VOTING FOR BOTH A
8 NO. 1 AND A NO. 2 FIRM, IT WOULD PROVIDE THE
9 OPPORTUNITY, WITHOUT COMING BACK TO THE BOARD, TO
10 ACTUALLY MAKE A NEGOTIATED CONTRACT EFFECTIVE, IF THAT
11 IMPEDIMENT ARISES.

12 SO WITH THAT INFORMATION, I WOULD LIKE TO
13 BEGIN WITH A. T. KEARNEY.

14 DR. SAMUELSON: QUESTION AS THEY'RE
15 APPROACHING. IS THIS THE HIRING OF A FIRM OR OF A
16 SEARCH PROFESSIONAL?

17 CHAIRMAN KLEIN: WELL, IT'S AN EXCELLENT
18 POINT, JOAN. BECAUSE THE COMMITTEE DID FOCUS ON THE
19 FACT THAT WHILE WE'RE HIRING A FIRM, WE WANTED TO BE
20 VERY CLEAR WHO THE RESPONSIBLE PROFESSIONAL PRINCIPAL
21 WILL BE AND WHAT THE TIME COMMITMENT OF THAT
22 RESPONSIBLE PRINCIPAL WILL BE BECAUSE THE RESPONSIBLE
23 PRINCIPAL CAN HAVE A GREAT DEAL OF IMPACT ON THE
24 OUTCOME. AND IF THEY HAVE ONE, TWO, OR THREE TEAM
25 LEADERS WHO WILL ALL BE COMMITTING SUBSTANTIAL TIME, TO

1 PLEASE MAKE THAT CLEAR AS WELL.

2 ALL RIGHT. IS A. T. KEARNEY. THEY'RE JUST
3 PUTTING THEIR MICS ON FOR US. WE CAN DO SOME RESEARCH
4 IN THE MEANTIME.

5 DR. THAL: LEON THAL. CAN WE ASK A
6 MISCELLANEOUS QUESTION IN THE MEANTIME? I THINK THIS
7 MAY AFFECT SOME MEMBERS, AND THIS IS PROBABLY TO LEGAL
8 COUNSEL. AND THAT IS A QUESTION ABOUT WHETHER MEMBERS
9 OF THIS BOARD CAN APPLY FOR GRANTS, OR WHETHER WE ARE
10 PROHIBITED FROM APPLYING FOR GRANTS? IT'S UNCLEAR.

11 CHAIRMAN KLEIN: WELL, I THINK THAT IT'S A
12 VERY IMPORTANT QUESTION. AND THE GRANT COMMITTEE THAT
13 HAS BEEN DESIGNATED BY THE BOARD NEEDS TO GIVE US A
14 RECOMMENDATION. I WILL SAY THAT THERE IS AN EXTREMELY
15 HIGH STANDARD EXPECTED TO AVOID ANY APPEARANCE OF
16 CONFLICT OR ANY ACTUAL CONFLICT. BUT THE GRANTS
17 COMMITTEE WOULD NEED TO PROVIDE A POLICY RECOMMENDATION
18 WITH A FULL PRESENTATION BY THE BOARD.

19 OBVIOUSLY COMPLETE RECUSAL WOULD BE REQUIRED
20 LEGALLY, BUT IT'S THE INTENT OF THIS BOARD TO HAVE
21 EXTREMELY HIGH STANDARDS, AND WE'LL LOOK TO THE GRANTS
22 COMMITTEE FOR SOME DIRECTION TO BE ABLE TO DEVELOP
23 THAT.

24 DR. THAL: IS THERE LANGUAGE IN THE ACT?

25 CHAIRMAN KLEIN: NO.

1 DR. THAL: DOES NOT ADDRESS THAT ISSUE.
2 CHAIRMAN KLEIN: IT ADDRESSES THE FACT THAT
3 WE HAVE TO MEET THE NIH STANDARDS OF JANUARY 1, 2003,
4 AND ANY UPDATED STANDARDS THAT THE BOARD WISHES TO
5 ADOPT OR MODIFY. THE GRANTS COMMITTEE ALREADY HAS
6 EXCEEDED THE NIH STANDARDS IN ITS RECOMMENDATIONS THAT
7 WILL COME BEFORE US TODAY IN SUGGESTING WE HAVE
8 OUT-OF-STATE SCIENTISTS AND PHYSICIANS ON THE GRANTS
9 COMMITTEE, WHICH IS TO BE DISCUSSED AT THIS MEETING.
10 SO WE NEED TO WAIT FOR THE GRANTS COMMITTEE DIRECTION,
11 AND THE BOARD WILL THEN DISCUSS IT IN FULL.

12 IS A. T. KEARNEY READY? YOU COULD PLEASE
13 EACH, AS YOU SPEAK, ANNOUNCE YOUR NAMES, AND WE ARE
14 HONORED TO HAVE YOU HERE. IF YOU SPEAK, I THINK, AT
15 THAT MIC, IT WOULD BE VERY EFFECTIVE. I THINK WE CAN
16 SEE THEM VERY EFFECTIVELY FROM THERE.

17 MR. PIMENTEL: FIRST OF ALL, THANK YOU VERY
18 MUCH FOR THE OPPORTUNITY TO PRESENT TO YOU. MY NAME IS
19 ALBERTO PIMENTEL. I'M A VICE PRESIDENT WITH A. T.
20 KEARNEY EXECUTIVE SEARCH. I'M IN CHARGE OF THE WESTERN
21 REGION FOR THE EDUCATION NONPROFIT PRACTICE. OUR FIRM,
22 AS YOU MAY HAVE READ IN THE DOCUMENTATION, IS ONE OF
23 THE TOP TEN FIRMS IN THE COUNTRY.

24 OUR FIRM, LIKE MANY FIRMS, SPECIALIZES IN A
25 VARIETY OF DIFFERENT AREAS, INCLUDING TWO THAT ARE

1 PARTICULARLY IMPORTANT FOR THIS ASSIGNMENT. ONE IS THE
2 EDUCATION NONPROFIT ARENA, AND THE SECOND IS THE LIFE
3 SCIENCES ARENA. OUR FIRM, OF COURSE, HAS GLOBAL REACH.
4 WE HAVE OFFICES IN 30 COUNTRIES, AND WE HAVE A COUPLE
5 HUNDRED CONSULTANTS WORKING FOR US.

6 OUR EDUCATION PRACTICE AND THE PRACTICE I'M
7 GOING TO SPEAK OF DIRECTLY IS A PRACTICE THAT NOT ONLY
8 HAS OFFICES IN THE UNITED STATES, OUR EDUCATION
9 PRACTICE ALSO HAS OFFICES IN EUROPE AND IN ASIA. AND
10 AS A RESULT OF THAT, WE ARE ABLE TO PROVIDE A GLOBAL
11 REACH TO THE SEARCHES THAT WE CONDUCT.

12 EDUCATION PRACTICE IS ACTUALLY THE PREMIERE
13 EDUCATION PRACTICE IN THE SEARCH INDUSTRY. WE HAVE
14 DONE THE TOP SEARCHES FOR THE TOP UNIVERSITIES IN THE
15 COUNTRY. SOME THAT COME TO LIGHT, THOSE THAT I'VE
16 CONDUCTED MOST RECENTLY, HAVE BEEN FOR THE UNIVERSITY
17 OF CALIFORNIA SYSTEM, INCLUDING FINDING THE PRESIDENT
18 OF THE SYSTEM, PROVOST OF THE SYSTEM, AS WELL AS
19 DR. BIRGENEAU, THE CHANCELLOR OF UC BERKELEY, AND THE
20 CHANCELLOR OF UC SAN DIEGO, AS WELL AS CHANCELLOR OF UC
21 SANTA CRUZ.

22 IN THOSE SEARCHES I HAD THE OPPORTUNITY OF
23 LOOKING BROAD AND WIDE FOR THE SELECT CANDIDATE. THAT
24 MEANT THAT WE LOOKED AT INDIVIDUALS COMING OUT OF MANY
25 OF THE SAME AREAS THAT YOU ARE CURRENTLY INTERESTED IN

1 LOOKING AT. WE LOOKED AT INDIVIDUALS WHO ARE VICE
2 PRESIDENTS, VICE CHANCELLORS OF RESEARCH. WE LOOKED AT
3 INDIVIDUALS WHO ARE CURRENTLY SITTING PRESIDENTS. WE
4 LOOKED AT INDIVIDUALS WHO WERE COMING FROM LARGE
5 NONPROFIT ORGANIZATIONS, AS WELL AS THOSE INDIVIDUALS
6 COMING FROM MAJOR RESEARCH ORGANIZATIONS THAT HAD THE
7 RIGHT ADMINISTRATIVE AND EDUCATIONAL SKILLS NECESSARY
8 TO DO THE JOB.

9 AS A RESULT OF THAT OUTREACH, OVER THE LAST
10 SEVERAL SEARCHES IN PARTICULAR, WE WERE ABLE TO DEVELOP
11 A RATHER ROBUST DATABASE THAT FOCUSED SPECIFICALLY, NOT
12 ONLY ON INDIVIDUALS WHO HAD THE ACADEMIC CREDENTIALS,
13 BUT ALSO REPRESENTED MINORITY GROUPS THROUGHOUT THE
14 COUNTRY. WE HAVE PERHAPS THE MOST ROBUST SYSTEM IN
15 TERMS OF TRACKING WOMEN AND MINORITIES OF ANYONE ELSE
16 IN THE BUSINESS. IF YOU LOOK AT OUR PLACEMENTS ALONE
17 JUST IN THOSE SEARCHES, WE PLACED A WOMAN AT UC SAN
18 DIEGO, A WOMAN AT UC SANTA CRUZ, MARCY GREENWOOD BEING
19 THE FIRST WOMAN PROVOST FOR THE SYSTEM. AND IF YOU
20 LOOK AT THE OTHER INDIVIDUALS THAT WE PLACED, YOU WILL
21 FIND THAT THEY HAVE EXTENSIVE TRACK RECORDS, INCLUDING
22 DR. BIRGENEAU, EXTENSIVE TRACK RECORD IN TERMS OF
23 DIVERSITY AND SENSITIVITY TO DIVERSITY.

24 IN ADDITION TO WHAT WE WOULD BE ABLE TO
25 PROVIDE YOU IN TERMS OF THE EDUCATION PRACTICE, WE'D BE

1 ACCOMPANIED IN THIS PARTICULAR SEARCH WITH MY
2 COLLEAGUE, TERRY SCHERCK, WHO COMES FROM THE LIFE
3 SCIENCE PRACTICE. AND I'M GOING TO ASK THAT HE
4 INTRODUCE HIMSELF AND TALK A BIT ABOUT THE SEARCHES
5 WE'VE DONE AND OUR EXPERIENCE IN THE LIFE SCIENCES.

6 MR. SCHERCK: THANK YOU. THAT'S ABOUT AS
7 LOVELY AN INTRODUCTION AS I'VE HAD RECENTLY. I AM
8 KNOWN AS TERRY. MY REAL NAME IS HENRY, BUT I HAVE
9 COUNSELED MY FAMILY AND CHILDREN NEVER TO CALL ME
10 HENRY, SO PLEASE CALL ME TERRY.

11 JUST TO GIVE YOU A QUICK SNAPSHOT OUT OF OUR
12 LIFE SCIENCE PRACTICE, BY WAY OF EXPLANATION, I'M THE
13 GLOBAL LEADER OF THE A. T. KEARNEY HEALTHCARE LIFE
14 SCIENCE PRACTICE. IT'S A GLOBAL PRACTICE. WE LIKE TO
15 THINK OF OURSELVES AS A FIRM WITHIN A FIRM. WE HAVE
16 GLOBAL REACH. WE HAVE THE RESOURCES OF A LARGE FIRM,
17 BUT VERY, VERY DEFINITELY AND STRATEGICALLY WE LIKE
18 TO WORK FOR A RELATIVELY FEWER NUMBER OF CLIENTS IN
19 GREAT DEPTH, THEREBY LIMITING ANY OFF-LIMIT KINDS OF
20 STRICTURES OR IMPEDIMENTS WE MIGHT HAVE.

21 OUR BASIC ASSETS, SUPERIOR INTELLECTUAL
22 CAPITAL AND RESEARCH, VERY EXPERIENCED CONSULTANTS, AND
23 SUBSTANTIAL INTERFACE WITH OUR MANAGEMENT CONSULTING
24 FIRM, WHICH IS OUR PARENT, A \$1.2 BILLION MANAGEMENT
25 CONSULTING FORM, A. T. KEARNEY, INC., WITH A VERY WELL

1 DEVELOPED AND ROBUST PHARMACEUTICAL AND HEALTHCARE
2 PRACTICE.

3 SPEAK JUST A BIT ABOUT OUR CREDENTIALS, AND
4 I'M GOING TO KEEP THIS AS BRIEF AS POSSIBLE BECAUSE I
5 KNOW WE WANT TO INTERACT WITH THE COMMITTEE AND TAKE
6 YOUR QUESTIONS AND OBSERVATIONS. WE'VE DONE PLENTY OF
7 RELEVANT WORK IN THE LIFE SCIENCES AREA. THAT'S JUST
8 ONE REASON TO SELECT A SEARCH FIRM. IT'S A VERY
9 IMPORTANT REASON. OUR RFP INCLUDES A BRIEF LIST OF
10 ORGANIZATIONS, COMPANIES THAT WE'VE WORKED FOR.

11 I'D LIKE TO JUST GIVE YOU A FEW REAL WORLD
12 EXAMPLES AND THEN URGE YOU TO COME BACK TO US WITH ANY
13 SPECIFIC QUESTIONS YOU MIGHT HAVE. IN TERMS OF SENIOR
14 LEADERSHIP ROLES DEFINED AS CEO, COO SEARCHES FOR MAJOR
15 PHARMA COMPANIES, WE'VE WORKED FOR ABBOTT, BAXTER,
16 SCHERING-PLOUGH, ELAN, ROCHE, YAMANOUCHI, BRISTOL
17 MEYERS SQUIBB.

18 WE ALSO SPEND A LOT OF OUR TIME AND ENERGY
19 WITH EARLIER STAGE COMPANIES FOCUSED ON SPECIFIC
20 THERAPEUTIC SECTORS THAT MAY HAVE JUST GONE PUBLIC OR
21 IN THE PROCESS OF DEVELOPING THEIR SCIENCE. AND AGAIN,
22 IN TERMS OF SENIOR LEADERSHIP ASSIGNMENTS, THOSE WOULD
23 INCLUDE ADAMS RESPIRATORY THERAPY, PRESIS, ALLOS
24 THERAPEUTICS, ANESTA, RIBOZYME, HALOGENICS, QLT, AND
25 MANY, MANY MORE.

1 AND THEN WITH RESPECT TO SENIOR R& D
2 LEADERSHIP, WE'VE LED THE ASSIGNMENT TO FIND THE HEAD
3 OF R & D FOR BRISTOL MEYERS SQUIBB, FOR LIFE CELL,
4 WHICH, IN FACT, IS A REGENERATIVE MEDICINE COMPANY,
5 SCHERING-PLOUGH, LEADERS OF CLINICAL DEVELOPMENT IN
6 CARDIOVASCULAR ONCOLOGY AND INFECTIOUS DISEASE. THE
7 PRESIDENT OF CORNELL'S RESEARCH INSTITUTE, AND VERY
8 TOPICALLY THE MANAGING DIRECTOR OF THE UNIVERSITY OF
9 WISCONSIN'S RESEARCH FOUNDATION, KNOWN AS WARF, WHICH
10 IS RATHER THE HOME BASE OF STEM CELL RESEARCH.

11 IN TERMS OF VERY SPECIFIC EXPERIENCE IN THE
12 STEM CELL RESEARCH AREA, WE CONDUCTED AND I LED A
13 CONSULTING STUDY IN ENTITLED "THE IDENTIFICATION OF THE
14 ASSESSMENT OF IMPORTANT ISSUES TO CONSIDER IN THE
15 ESTABLISHMENT OF A STEM CELL SCIENCE PROGRAM." AND
16 THOSE COMPONENTS OF THAT STUDY INCLUDED THE
17 REQUIREMENTS TO ESTABLISH A LEADING PROGRAM, LEADERSHIP
18 COMPENSATION AND VARIABLES, FUNDING AND BUDGET
19 REQUIREMENTS, AND IDENTIFICATION OF POTENTIAL
20 CANDIDATES. THE PLUS OF THAT, OF COURSE, IS THAT
21 DOESN'T SOLVE THIS ISSUE, BUT WE INTERACTED WITH IN
22 GREAT DEPTH, AND I ACTUALLY LED THAT ASSIGNMENT, WITH
23 THOUGHT LEADERS IN STEM CELL RESEARCH, INCLUDING MANY
24 NAMES YOU MAY KNOW, SUCH AS ED BANDS AT HOPKINS, ERNEST
25 BEUTLER, WHO RETIRED FROM SCRIPPS, ROBERT LEWIS, WHO'S

1 THE PRESIDENT OF R & D AT AVENTIS, AND JAMES THOMPSON,
2 WHO REALLY IS, I'D LIKE TO SAY, SORT OF THE KEEPER OF
3 THE FLAME IN THE STEM CELL RESEARCH AREA, AND IN 1998
4 WAS THE INDIVIDUAL CREDITED JUSTIFIABLY WITH REALLY
5 COMMENCING THIS WHOLE ENTIRE PROCESS AND EXCITEMENT.

6 SO WE CERTAINLY CAN TALK IN SOME SPECIFICITY
7 AS TO WHY WE THINK WE WOULD BE AN EXCELLENT PARTNER FOR
8 THE COMMITTEE. AND AT THIS POINT, I'D JUST LIKE TO
9 TAKE A STEP BACK AND THROW IT OPEN TO THE GROUP AT
10 LARGE.

11 CHAIRMAN KLEIN: MEMBERS OF THE BOARD,
12 QUESTIONS ARE IN ORDER.

13 DR. BIRGENEAU: CAN YOU TELL US WHAT SEARCHES
14 YOU'RE CURRENTLY CARRYING OUT AND WHAT PERCENTAGE OF
15 YOUR TIME OF EITHER OR BOTH OF YOU YOU WOULD BE ABLE TO
16 DEVOTE TO THIS SEARCH?

17 MR. PIMENTEL: FROM OUR PERSPECTIVE, THIS IS
18 THE PREMIERE SEARCH TO CONDUCT. IT REALLY IS. IF YOU
19 LOOK ACROSS THE COUNTRY, THIS IS THE ONE. PART OF IT
20 IS BECAUSE IT'S GROUNDBREAKING. PART OF IT IS BECAUSE
21 IT IS GOING TO SET A TREND FOR THE REST OF THE UNITED
22 STATES AND THE REST OF THE WORLD TO FOLLOW.

23 TO THAT END, WHAT WE DECIDED TO DO, IF WE
24 WERE TO BE AWARDED THE SEARCH, IS SOMETHING SIMILAR TO
25 WHAT WE DID WHEN WE TOOK ON SEVERAL OF THE HIGH PROFILE

1 LARGE SEARCHES, SUCH AS THE UC PRESIDENCY, WHICH IS WE
2 ASSEMBLE A TEAM SPECIFICALLY TO DO THE SEARCH. IN THIS
3 CASE TERRY AND I WOULD BE THE TEAM. WE HAVE -- SO YOU
4 WILL HAVE TWO SENIOR VICE PRESIDENTS CONDUCTING THE
5 SEARCH. THAT WHAT MEANS SPECIFICALLY IS THAT WE ARE
6 NOT GOING TO GO BACK TO OUR OFFICE AND HAND IT OFF TO A
7 MORE JUNIOR LEVEL PERSON. WE'RE JUST NOT GOING TO DO
8 IT. THE TWO OF US ARE GOING TO BE CONDUCTING THE
9 ASSIGNMENT. THE TWO OF US ARE GOING TO BE RECRUITING.

10 SECOND THING THAT WE'VE DONE IS WE'VE
11 ASSEMBLED A TEAM THAT IS GOING TO BE DEDICATED DIRECTLY
12 AND SOLELY TO DOING THIS SEARCH. THIS IS A VERY, VERY
13 LARGE SEARCH IN TERMS OF THE REACH AND THE SCOPE THAT
14 ONE HAS TO UNDERTAKE. AND WE THINK THAT THE BEST WAY
15 TO ADDRESS IT IS TO HAVE A TEAM THAT DOES NOTHING ELSE
16 OTHER THAN THIS SEARCH FOR THE PERIOD OF TIME THAT THE
17 ASSIGNMENT IS GOING ON.

18 THE THIRD THING THAT THE TWO OF US HAVE
19 AGREED TO DO IS TO MAKE SURE THAT WE DON'T TAKE ON ANY
20 ADDITIONAL SEARCHES. TO ANSWER YOUR QUESTION DIRECTLY,
21 MOST FIRMS WILL CARRY ANYWHERE FROM 8 TO 12 OR 13
22 SEARCHES AT A TIME. IT'S OUR POLICY, PARTICULARLY WHEN
23 TAKING ON ASSIGNMENTS OF THIS MAGNITUDE, TO LIMIT THE
24 NUMBER OF SEARCHES THAT WE WORK ON TO NO MORE THAN FOUR
25 OR FIVE AT A TIME. SIMPLY NOT TAKE ANY MORE UNTIL THE

1 ASSIGNMENT IS DONE. THIS, TO US, IS SUCH AN IMPORTANT
2 ASSIGNMENT, NOT ONLY FOR THE STATE OF CALIFORNIA, BUT
3 FOR US AS A FIRM AND PERSONALLY, THAT IT REQUIRES THAT
4 KIND OF DEDICATION AND LEVEL OF COMMITMENT.

5 DR. LEVEY: DR. LEVEY. GIVEN YOUR EXPERIENCE
6 AND HAVING THOUGHT ABOUT THIS SEARCH, WHAT KIND OF A
7 TIME LINE COULD WE EXPECT BEFORE WE RECEIVED OUR SHORT
8 LIST?

9 MR. PIMENTEL: THAT DEPENDS ON A COUPLE OF
10 DIFFERENT THINGS. LET ME GIVE YOU THE SHORT ANSWER,
11 THEN I'LL GIVE YOU A LITTLE MORE ELABORATE ANSWER. THE
12 SHORT ANSWER IS I THINK THAT WE COULD PULL TOGETHER A
13 SHORT LIST RELATIVELY QUICKLY, MEANING WITHIN --
14 LITERALLY WITHIN EIGHT TO TEN WEEKS WE COULD HAVE A
15 LIST TOGETHER FOR YOU. NOW, HOW DOES THAT DIFFER FROM
16 THE LONGER ANSWER?

17 THE LONGER ANSWER IS IT REALLY IS GOING TO BE
18 DEPENDENT ON HOW BROAD YOU WANT TO GO. IF YOU'RE
19 LOOKING AT INTERNATIONAL SCOPE, IT MAY TAKE A LITTLE
20 BIT LONGER. IF YOU'RE LOOKING AT MAKING SURE THAT ALL
21 THE CANDIDATES ARE FULLY VETTED BEFORE THEY'RE
22 PRESENTED TO YOU, THAT WILL TAKE A LITTLE BIT LONGER
23 BECAUSE IN THIS PARTICULAR SEARCH, I THINK THAT WHAT
24 WE'RE GOING TO FIND IS THAT A LOT OF PEOPLE ARE
25 INTERESTED, BUT NOT ALL ARE QUALIFIED FOR THE JOB THAT

1 YOU WANT TO HAVE DONE. AS A RESULT OF THAT, I PREFER
2 TAKING A SLOWER APPROACH, MAKING SURE THAT WE FULLY VET
3 ALL THE CANDIDATES. GIVEN THE HIGH VISIBILITY OF THIS
4 SEARCH, PUBLIC VISIBILITY, I DO THINK THAT YOU HAVE AN
5 ADDED HURDLE. AND THE ADDED HURDLE IS THAT THE
6 INDIVIDUAL TRULY NEEDS TO PASS THE MUSTER TEST WHEN IT
7 COMES DOWN TO THEIR INTEGRITY SO THAT YOU DON'T GET
8 SURPRISED AS A BOARD BY SOME MISHAP SOMEWHERE IN THEIR
9 BACKGROUND.

10 AS A RESULT OF THAT, I WOULD SUGGEST THAT THE
11 BOARD TAKE THE TIME TO DO THE DUE DILIGENCE ON EACH
12 CANDIDATE BEFORE YOU EVEN CONSIDER THE LONG LIST. I DO
13 THINK THAT IT WOULD BE MORE BENEFICIAL TO YOU. THIS
14 WAY YOU'RE NOT STUCK WITH INDIVIDUALS THAT MAY CAUSE
15 SOME HARM TO YOU SOMEWHERE DOWN THE LINE.

16 WE COULD ALTER THE SCHEDULE DEPENDING ON YOUR
17 NEEDS.

18 DR. PIZZO: CAN YOU DESCRIBE --

19 CHAIRMAN KLEIN: THIS IS DEAN PIZZO.

20 DR. PIZZO: CAN YOU DESCRIBE A LITTLE BIT
21 ABOUT YOUR WORKING RELATIONSHIPS TOGETHER? HAVE YOU
22 ACTUALLY CARRIED OUT SEARCHES TOGETHER AS PART OF A
23 TEAM? AND IN THE VERY HIGH PROFILE SEARCHES THAT YOU
24 DELINEATED, WHAT ROLE DID EACH OF YOU PLAY IN THOSE?
25 AND THEN I HAVE A FOLLOW-UP QUESTION.

1 MR. PIMENTEL: ABSOLUTELY. WE'RE AN
2 INTERNATIONAL FIRM. WE ARE SOMEWHAT AGILE IN OUR
3 NATURE. AND ONE OF THE REQUIREMENTS THAT THE FIRM HAS
4 IS THAT INDIVIDUALS WITHIN THE FIRM, ESPECIALLY
5 PRACTICE AREAS THAT OVERLAP, AS OUR PRACTICE AREAS DO,
6 THAT WE WORK TOGETHER RATHER EXTENSIVELY. THE FIRST
7 ANSWER TO YOUR QUESTION IS YES. WE AS A GROUP HAVE
8 WORKED TOGETHER RATHER EXTENSIVELY.

9 DR. PIZZO: I'M TALKING ABOUT THE TWO OF YOU.

10 MR. PIMENTEL: THE TWO OF US, YES, WE HAVE.

11 IN TERMS OF THE SECOND ANSWER, THE ROLE IN
12 THE HIGH PROFILE SEARCHES, IN FACT, THERE'S A MEMBER OR
13 TWO HERE OF THE COMMITTEE THAT SERVED ON THOSE
14 SEARCHES. I WAS THE LEAD ROLE IN THE ONES THAT I
15 SUGGESTED, AND THAT MEANT, IF YOU WERE TO TALK TO THE
16 CANDIDATES, THE CANDIDATES SPOKE WITH ME DIRECTLY, I
17 ATTENDED EVERY MEETING. I WORK WITH THE COMMITTEE IN
18 EVERY ASPECT OF THE SEARCH PROCESS, DID EVERYTHING FROM
19 SOUP TO NUTS. I DID HAVE SOME ASSISTANCE, OF COURSE,
20 FROM MY CONSULTANTS AT THE OFFICE IN TAKING CARE OF
21 SOME OF THE LOGISTICS, BUT I WAS VERY HANDS-ON.

22 DR. PIZZO: MAY I ASK ONE FOLLOW-UP?

23 CHAIRMAN KLEIN: YES.

24 DR. PIZZO: WHICH IS THE QUESTION THAT I
25 POSED EARLIER ABOUT HOW YOUR FIRM WOULD HANDLE

1 CANDIDATES WHO MAY ARISE FROM INSTITUTIONS THAT YOU'VE
2 PREVIOUSLY PLACED INDIVIDUALS AT. WHAT -- HOW WOULD
3 YOU GO ABOUT SUPPORTING THE ICOC IF THERE WAS A COMPETE
4 CHALLENGE?

5 MR. PIMENTEL: FIRST, I THINK THAT THERE WILL
6 BE A LIMITED NUMBER OF THE OFF LIMITS THAT WOULD CAUSE
7 A PROBLEM HERE, AS TERRY SUGGESTED. BUT SECOND, AND
8 PERHAPS MORE DIRECT AND IMPORTANT, IS THAT WE WOULD
9 WORK WITH YOU HAND IN HAND, QUITE FRANKLY. I DON'T SEE
10 THIS AS A HANDOFF. WHEN YOU HIRE THE FIRM, THAT YOU
11 THEN HAND OFF THE RESPONSIBILITY. I REALLY DO SEE THIS
12 AS A PARTNERSHIP BETWEEN US AND THE COMMITTEE. AND,
13 THEREFORE, IF YOU WERE TO IDENTIFY INDIVIDUALS THAT WE
14 COULD NOT PURSUE BECAUSE OF OUR OBLIGATIONS TO OUR
15 CLIENTS, THEN WE WOULD, ONE, NOTIFY YOU OF THAT
16 IMMEDIATELY.

17 SECOND IS THAT WE WOULD INSTRUCT YOU TO
18 CONTACT THE INDIVIDUAL DIRECTLY. AND IF THE INDIVIDUAL
19 ELECTED TO PURSUE THIS OPPORTUNITY, THE MINUTE THEY
20 DECIDE THEY WANT TO PURSUE THIS OPPORTUNITY, WE COULD
21 THEN ASSIST YOU IN DOING ALL THE DUE DILIGENCE ON THAT
22 INDIVIDUAL.

23 CHAIRMAN KLEIN: YES, CLAIRE.

24 DR. POMEROY: FOR THIS PARTICULAR SEARCH,
25 WHAT ARE YOUR PROPOSED FEES?

1 MR. PIMENTEL: LOOKING AT THE FEES FOR THIS
2 SEARCH, I GUESS I WOULD SUGGEST A COUPLE OF THINGS.
3 ONE IS A FLAT FEE, A FIXED FEE, FOR THE SEARCH RATHER
4 THAN THE TRADITIONAL GRADUATED FEE. THAT'S THE FIRST
5 THING.

6 SECOND THING IS I'M KEEN ON ACCOUNTABILITY.
7 AND IF YOU WERE TO TALK TO THE FOLKS AT THE UC SYSTEM,
8 YOU WOULD FIND THAT I PREFER, RATHER THAN GETTING THE
9 ONE-THIRD, ONE-THIRD, ONE-THIRD OF THE PAYMENT OVER A
10 COURSE OF THREE MONTHS, THAT IT'S BASICALLY TIED TO
11 TIME ELAPSED. I SUGGEST DOING IT BASED ON MILESTONES.
12 SO THE FIRST PART OF THE PAYMENT, I WOULD SUGGEST,
13 RATHER THAN THREE PAYMENTS, MAKE IT A FOUR-PAYMENT
14 STRUCTURE. FIRST PAYMENT BEING AVAILABLE AT THE
15 INITIATION OF THE SEARCH, THE SECOND ONE AFTER YOU SEE
16 THE FIRST SLATE OF CANDIDATES. THAT'S WHEN YOU
17 GUARANTEE THAT YOU'RE HAPPY WITH THE QUALITY OF THE
18 CANDIDATE.

19 THE THIRD ONE IS AFTER YOU'RE SATISFIED WITH
20 INTERVIEWING THE CANDIDATES AND YOU'RE FINE WITH YOUR
21 FINALISTS, AND THEN THE LAST ONE, THE LAST PAYMENT,
22 ONCE THE SEARCH IS CONCLUDED AND YOU'RE HAPPY WITH THE
23 OUTCOME.

24 CHAIRMAN KLEIN: IF I COULD COMMENT ON THAT.
25 FOR THE BENEFIT OF THE PUBLIC, I THINK THE ISSUE ON THE

1 FEE STRUCTURE IS THAT IF THE TRADITIONAL METHOD IS A
2 PERCENTAGE OF COMPENSATION, THERE CAN BE THE APPEARANCE
3 THAT A CANDIDATE WITH A HIGHER SALARY MIGHT BE BIASED
4 IN FAVOR OF THE SEARCH FIRM BECAUSE THEY WOULD BE PAID
5 MORE. AND BY GOING TO A FIXED FEE, YOU ELIMINATE THAT
6 APPEARANCE OF BIAS, AND IT'S CLEAR THAT YOU ARE
7 CHOOSING BASED ON THE BEST CANDIDATE.

8 I'D ASK YOU WHAT WOULD YOUR PROPOSED FIX FEE
9 BE?

10 MR. PIMENTEL: FOR A SEARCH OF THIS NATURE,
11 IT WOULD 150,000 FLAT FEE.

12 MR. SCHERCK: ALSO TOO, AS AN ADDITIVE
13 REMARK, IN THE WORK WE'VE DONE IN THIS AREA THAT I
14 REFERENCED, IT'S VERY IMPORTANT THAT THERE NOT EVEN BE
15 A PERCEIVED CONFLICT OF INTEREST REGARDING THE
16 COMPENSATION LEVEL OF PARTICULAR CANDIDATES THAT ARE
17 PRESENTED IN THAT THE RANGE OF THE KINDS OF
18 INDIVIDUALS, I THINK, WE'RE GOING TO BE TALKING TO OR
19 YOU ARE COULD BE CURRENTLY FROM 250,000 TO OVER A
20 MILLION. SO WE WANT TO TAKE THAT POSSIBLE CONFLICT OF
21 INTEREST PERCEPTION OUT OF PLAY.

22 CHAIRMAN KLEIN: ALL RIGHT. 250,000 TO A
23 MILLION IS A BIG RANGE. WHAT'S YOUR AVERAGE NUMBER IN
24 THAT RANGE?

25 MR. SCHERCK: YOU KNOW, HONESTLY, IN TERMS OF

1 THE COMP LEVEL CURRENTLY OF THE CANDIDATE POPULATION,
2 IS THAT YOUR QUESTION?

3 CHAIRMAN KLEIN: ASSUMING THAT WE'RE TRYING
4 TO GET THE BEST AND THE BRIGHTEST, BUT GREAT VALUE FOR
5 THE STATE OF CALIFORNIA.

6 MR. SCHERCK: HAVING ENJOYED THE SUN THIS
7 MORNING, I CERTAINLY HEAR YOU. I WOULD SAY THAT IT'S
8 PROBABLY NORTH OF THE BASELINE I JUST REFERENCED. I'M
9 NOT TRYING TO DODGE. I REALLY FEEL MORE COMFORTABLE
10 ANSWERING THE QUESTION BY DOING SOME VERY FOCUSED AND
11 TARGETED RESEARCH. THE CANDIDATE POPULATION IS GOING
12 TO DEFINE THAT NUMBER FOR US VERY QUICKLY.

13 CHAIRMAN KLEIN: I THINK THAT'S A FAIR
14 COMMENT.

15 YES, DR. PRECIADO.

16 DR. PRECIADO: PHYLLIS PRECIADO. CAN YOU SAY
17 WHETHER OR NOT YOU'VE HAD ANY EXPERIENCE, WHEN YOU'VE
18 DONE YOUR SEARCHES, REACHING OUT TO LEADERS OF NATIONAL
19 ETHNIC PHYSICIAN ORGANIZATIONS?

20 MR. SCHERCK: AS A TARGETED STRATEGY, I
21 PERSONALLY HAVE NOT, ALTHOUGH WE DO HAVE A DIVERSITY
22 PRACTICE, AND WE HAVE AN EXCEPTIONAL DATABASE IN THAT
23 REGARD. IF THAT IS PART OF THE CHARTER FOR THIS
24 SEARCH, WE CERTAINLY CAN DO IT. THE IDENTIFICATION
25 PIECE IS NOT THE TOUGH PART OF A SEARCH OF THIS LEVEL.

1 IT'S THE EXPLANATION, ASSESSMENT, AND RECRUITMENT THAT
2 ARE WHAT YOU'RE RETAINING A SEARCH FIRM FOR.

3 MR. PIMENTEL: ON THE FLIP SIDE, THAT'S ON
4 THE LIFE SCIENCES SIDE, ON THE EDUCATION SIDE,
5 EDUCATION NONPROFIT SIDE, THE ANSWER IS YES. WHENEVER
6 WE DO A SENIOR LEVEL SEARCH, ESPECIALLY FOR A MAJOR
7 UNIVERSITY, WHETHER IT BE THE UC SYSTEM OR OHIO STATE
8 OF UNIVERSITY OF MICHIGAN, WE'RE ALWAYS ASKED TO TAKE A
9 LOOK AT THOSE CANDIDATES, NOT ONLY LOOK AT INDIVIDUALS
10 WHO ARE DEANS OF MEDICAL SCHOOLS, BUT THEN LOOK AT
11 THOSE INDIVIDUALS WHO ARE HEADING UP THE ASSOCIATIONS
12 AND EXTENDS BEYOND JUST THOSE THAT ARE SPECIFIC TO A
13 PARTICULAR MINORITY GROUP. THOSE ARE ABSOLUTELY
14 INCLUDED AS WE HAVE TO TRACK THOSE AS WELL.

15 DR. PRECIADO: IN THE EDUCATIONAL COMPONENT,
16 BUT NOT IN THE LIFE SCIENCE COMPONENT?

17 MR. PIMENTEL: RIGHT. THIS IS WHERE WE HAVE
18 ACTUAL EXPERIENCE WHERE I COULD ACTUALLY SAY, YES, THAT
19 WE'VE DONE THAT.

20 CHAIRMAN KLEIN: I'M GOING TO TAKE ONE MORE
21 QUESTION IN THE INTEREST OF TIME AND MAKING SURE WE
22 HAVE PLENTY OF TIME FOR THE OTHER FIRMS TO HAVE
23 EQUITABLE OR ROUGHLY EQUIVALENT TIME. DR. LOVE.

24 DR. LOVE: TED LOVE. I WANTED TO ASK IN
25 TERMS OF THE INSTALLMENTS, WOULD YOU PROPOSE THEY BE

1 EQUAL INSTALLMENTS OR DIFFERING AMOUNTS? AND ALSO, IN
2 TERMS OF THE COMMITMENT TO YOUR FIRM, IS THERE A TIME
3 COMMITMENT THAT WE'D BE EXCLUSIVELY COMMITTED TO YOUR
4 FIRM IF THE SEARCH WASN'T WORKING?

5 MR. PIMENTEL: LET ME START WITH THE FIRST
6 QUESTION. GENERALLY IT IS BROKEN DOWN IN EQUAL
7 INSTALLMENTS. IN TERMS OF TIME COMMITMENT, IF YOU WERE
8 TO CONDUCT SOME REFERENCES ON US, YOU WILL FIND THAT
9 YOU HIRE US TO DO A JOB. AND THAT MEANS UNTIL THE JOB
10 IS DONE AND YOU'RE SATISFIED. SO WE WOULD CERTAINLY
11 LOVE TO HAVE IT DONE IN 90 DAYS; BUT IF IT TAKES
12 LONGER, IF IT TAKES SIX MONTHS OR IT TAKES A YEAR, THEN
13 THAT'S WHAT WE DO. WE STICK WITH IT UNTIL IT'S DONE.

14 CHAIRMAN KLEIN: THANK YOU VERY MUCH. UNLESS
15 THERE'S A VERY IMPORTANT CRITICAL QUESTION, I'D LIKE TO
16 BE ABLE TO MOVE TO THE NEXT PARTY. I WOULD THANK YOU
17 FOR THE PRESENTATION. ISAACSON MILLER.

18 DR. SHURIN: GOOD MORNING.

19 CHAIRMAN KLEIN: YES. IS THE MIC BACK ON FOR
20 ISAACSON MILLER? I THINK IT SHOULD BE OPERATIONAL.

21 THANK YOU VERY MUCH.

22 DR. SHURIN: FIRST OF ALL, THANK YOU VERY
23 MUCH FOR INVITING US HERE TODAY. MY NAME IS SUSAN
24 SHURIN, AND THIS IS DAVID BELLSHAW. WE ARE PARTNERS,
25 VICE PRESIDENTS AND DIRECTORS AT ISAACSON MILLER. AND

1 WE APPRECIATE YOUR INVITATION. WE'D LIKE TO USE THIS
2 TIME TO TELL YOU A LITTLE BIT ABOUT OUR FIRM AND OUR
3 APPROACH AND OUR COMMITMENT PARTICULARLY TO NONPROFITS
4 AND TO RECRUITING STRONG LEADERSHIP TO DIVERSE -- FROM
5 A DIVERSE POOL TO CIVIC INSTITUTIONS.

6 MY BACKGROUND IS THAT I'M A PHYSICIAN. I'M A
7 PEDIATRIC ONCOLOGIST. I'VE SPENT 28 YEARS ON THE
8 FACULTY AT CASE WESTERN RESERVE UNIVERSITY WHERE I RAN
9 THE PEDIATRIC HEMATOLOGY AND ONCOLOGY DIVISION,
10 UMBILICAL CORD AND HEMATOPOETIC STEM CELL TRANSPLANT
11 ACTIVITY, ALL OF THE ONCOLOGY, HEMATOLOGY, INCLUDING
12 SICKLE CELL DISEASE AND HEMOPHILIA.

13 AND I'VE BEEN VERY ACTIVELY INVOLVED. I HAD
14 A PHAGOCYTE LABORATORY FOR A DECADE AND HAVE BEEN
15 FOCUSING REALLY ON CLINICAL RESEARCH SINCE THAT TIME,
16 BEEN VERY ACTIVELY INVOLVED AT THE NCI AND AT HEART,
17 LUNG AND BLOOD WHERE I STILL CHAIR A COUPLE OF DATA
18 SAFETY AND MONITORING COMMITTEES.

19 ABOUT FIVE YEARS AGO I GOT INVOLVED IN ISSUES
20 RELATED TO LEADERSHIP AT MY UNIVERSITY, AS WE HAD SOME
21 MAJOR CRISES, AND WAS INVOLVED IN RECRUITING A NEW
22 PRESIDENT TO THE UNIVERSITY, WORKING ACTUALLY WITH
23 ISAACSON MILLER. AND HE RECRUITED ME OVER TO BE HIS
24 VICE PRESIDENT AND SECRETARY OF THE CORPORATION, PUT IN
25 A BOARD GOVERNANCE REFORM, AND RECRUIT A WHOLE NEW

1 LEADERSHIP TEAM FOR HIM. SO FOR THIS LAST THREE AND A
2 HALF YEARS, I'M NOT NEW TO SEARCH, ALTHOUGH I'VE ONLY
3 RECENTLY JOINED ISAACSON MILLER, I'VE BEEN INVOLVED IN
4 OVER TWO DOZEN RECRUITMENTS TO THE UNIVERSITY AND
5 COMPLETELY TRANSFORMED THE INSTITUTION.

6 OF THE 27 RECRUITMENTS THAT I'VE EITHER LED
7 OR HAD A MAJOR INVOLVEMENT IN, WHICH INCLUDES THE
8 UNIVERSITY PRESIDENT, THE PROVOST, THREE OF THE EIGHT
9 DEANS, GENERAL COUNSEL, CHIEF FINANCIAL AND
10 ADMINISTRATIVE OFFICE AT UNIVERSITY RELATIONS, GO ON,
11 ABOUT ONE-THIRD OF THE RECRUITMENTS HAVE BEEN
12 MINORITIES AND 50 PERCENT HAVE BEEN WOMEN. AND THE
13 POOLS THAT WE HAVE DRAWN FROM HAVE BEEN VERY, VERY
14 HEAVILY DIVERSE.

15 I'VE REALLY GOTTEN A STRONG APPRECIATION OF
16 THE IMPORTANCE OF LEADERSHIP AND HAVE JOINED ISAACSON
17 MILLER TO CONTINUE THIS IN AREAS OF HEALTHCARE AND
18 HIGHER EDUCATION.

19 DAVID BELLSHAW IS GOING TO TELL YOU A LITTLE
20 BIT MORE ABOUT THE FIRM IN GENERAL. WE WOULD BE
21 WORKING TOGETHER CLOSELY AS PARTNERS IN THIS. IT'S A
22 SMALL FIRM. ALL OF THE PARTNERS WORK CLOSELY TOGETHER
23 AT ALL TIMES, BUT WE WOULD BE THE LEAD PEOPLE.

24 MR. BELLSHAW: MY NAME IS DAVID BELLSHAW.
25 I'M A CALIFORNIA NATIVE, A DYING BREED, I GUESS, AND A

1 PRODUCT OF THE INVESTMENT OF THE PEOPLE OF CALIFORNIA,
2 GIVEN THAT BOTH MY DEGREES ARE FROM THE UNIVERSITY OF
3 CALIFORNIA BERKELEY AND DAVIS. SO VERY HAPPY TO BE
4 HERE TODAY.

5 I'VE BEEN WITH ISAACSON MILLER SINCE 1992.
6 I'VE BEEN A SEARCH CONSULTANT AND A PARTNER SINCE THAT
7 TIME. AND I HAVE A PRACTICE WHERE I'VE BEEN WORKING
8 WITH ADVOCACY ORGANIZATIONS, FOUNDATIONS, HIGHER
9 EDUCATION ORGANIZATIONS ACROSS THE COUNTRY AND
10 CARRYING -- WORKING WITH SEARCH COMMITTEES AND WORKING
11 WITH VERY SMART PEOPLE, A LARGE GROUP OF SMART PEOPLE
12 TRYING TO GET THEM THROUGH A DECISION-MAKING PROCESS
13 AND GET THEM A GOOD RESULT.

14 THE FIRM WAS FOUNDED IN 1982. WE'RE BEST
15 KNOWN ON THE EAST COAST. WE ARE MAKING OUR WAY ACROSS
16 THE U.S. CURRENTLY WE'RE WORKING IN TEXAS, ARIZONA,
17 HAWAII, OREGON AT PUBLIC INSTITUTIONS. WE ARE VERY
18 FAMILIAR WORKING WITH PUBLIC ENTITIES AND WORKING WITH
19 SUNSHINE LAWS AND ALL THE OTHER THINGS THAT COME ALONG
20 WITH IT.

21 WE ARE, IF YOU THINK ABOUT WHAT OUR PRACTICE
22 IS, WE ARE COMPLETELY AND TOTALLY FOCUSED ON NOT FOR
23 PROFITS. WE'RE FOCUSED ON STRENGTHENING THE CIVIC
24 INFRASTRUCTURE. WE ARE NOT DISTRACTED WITH ANY OTHER
25 TYPES OF INSTITUTIONS. WE DEAL WITH FOUNDATIONS. WE

1 DEAL WITH RESEARCH INSTITUTES, HIGHER EDUCATION
2 ORGANIZATIONS, ADVOCACY GROUPS. AND IF YOU THINK ABOUT
3 WHAT YOU'RE DOING HERE TODAY, YOU'RE A LITTLE BIT OF
4 ALL THOSE THINGS. SO, IN FACT, OUR EXPERIENCE IS VERY
5 RELEVANT.

6 OUR PROCESS IS, AMONGST ALL OF OUR
7 COMPETITORS HERE, THERE ARE MANY SIMILARITIES, BUT LET
8 ME EMPHASIZE A FEW OF THE HALLMARK COMPONENTS OF OUR
9 SEARCHES. THE FIRST IS SCOPING. IT'S REALLY COMING
10 INTO AN INSTITUTION, MEETING WITH CONSTITUENTS, IN SOME
11 CASES HOLDING LOTS OF PUBLIC MEETINGS, REALLY
12 UNDERSTANDING WHAT THE CHALLENGES ARE THAT ARE FACING
13 THE NEXT DIRECTOR OR PRESIDENT OR CHIEF EXECUTIVE. AND
14 WHAT WE WANT TO UNDERSTAND IS WHAT ARE THE MEASURES OF
15 SUCCESS? THREE TO FIVE YEARS DOWN THE ROAD, HOW WILL
16 YOU KNOW THAT THIS PERSON DID THE RIGHT THING AT THE
17 RIGHT TIME AND TOOK THE INSTITUTION? THAT'S A GOOD
18 THING TO FIGURE OUT.

19 OFTEN AT THE BEGINNING OF SEARCH PROCESSES,
20 VARIOUS GROUPS, EVEN PEOPLE ON THE SEARCH COMMITTEE,
21 HAVE DIFFERENT IDEAS ABOUT WHO IT IS THAT THEY WANT.
22 AND EVERYBODY LIKES TO BE NICE TO EACH OTHER. AND SO,
23 IN FACT, PEOPLE SUSPEND THOSE DISCUSSIONS UNTIL THE END
24 OF THE SEARCH, AND IT PLAYS OUT ON A CANDIDATE POOL,
25 AND YOU END UP WITH AN ALL SET AND YOU START YOUR

1 SEARCH. SO, IN FACT, WE WANT TO MAKE CERTAIN THAT WE
2 ARE WORKING WITH YOU TO FIGURE OUT WHAT EXACTLY THE
3 CHALLENGES ARE. WE WRITE ON PROFILE, WHICH IS UNIQUE
4 IN THE INDUSTRY, IT WAS IN OUR PROPOSAL, THE ONE WE DID
5 FOR THE UNIVERSITY OF TEXAS, WHICH IS REALLY LAYING OUT
6 A CASE FOR A CANDIDATE TO SAY WHY SHOULD I LEAVE WHAT
7 IT IS THAT I'M DOING.

8 WE ARE VERY GOOD AT DISRUPTING PEOPLE'S LIVES
9 BECAUSE CHANCES ARE THAT THE CANDIDATE THAT WE'RE AFTER
10 IS NOT CURRENTLY LOOKING. AND SO WE NEED TO MAKE A
11 COMPELLING CASE TO THAT PERSON. WE ALSO NEED TO HAVE A
12 COMMON SET OF METRICS THAT WE'RE JUDGING THE CANDIDATES
13 AGAINST SO THAT WE'RE NOT ALL USING DIFFERENT CRITERIA
14 BECAUSE THAT'S A RECIPE FOR DISASTER.

15 WE RUN A VERY TRANSPARENT PROCESS IN THAT WE
16 WANT PEOPLE TO KNOW WHAT WE'RE DOING AND WHEN WE'RE
17 DOING IT, AND WE'RE ON A RIGOROUS TIME LINE, BUT THERE
18 IS ONE PART OF THE SEARCH THAT WE WOULD EMPHASIZE THE
19 COMMITTEE NEEDS TO REMAIN CONFIDENTIAL, WHICH IS
20 ASSESSMENT OF CANDIDATES, ESPECIALLY WITH THE SEARCH
21 COMMITTEE, BECAUSE, IN FACT, AS MANY OF YOU KNOW, IF,
22 IN FACT, YOU ARE KNOWN TO BE A CANDIDATE, IT CAN BE
23 CAREER LIMITING AND/OR PUT YOUR CURRENT POSITION IN
24 JEOPARDY. AND EVEN MESSAGES THAT WE SEND OUT OF THESE
25 PROCEEDINGS TODAY SIGNAL TO THE MARKET AS TO WHAT KIND

1 OF PROCESS THIS IS GOING TO BE, AND IS IT A SAFE
2 PROCESS TO ENTER INTO, OR IS IT GOING TO BE DANGEROUS.
3 SO WE WILL WORK WITH YOU ON THAT.

4 AND THEN REFERENCING IS VERY IMPORTANT TO US
5 BECAUSE WE LEARN A LOT ABOUT CANDIDATES THROUGH
6 INTERVIEWS, BUT YOU REALLY LEARN THE TRUTH IN
7 REFERENCING. TEN, 15, 20 CALLS AT THE END OF THE
8 SEARCH, UP, DOWN, SIDEWAYS, ON AND OFF THE LIST. WE
9 HAVE DEEP NETWORKS WITHIN THE RELEVANT COMMUNITIES,
10 HIGHER ED, RESEARCH, FOUNDATIONS WHERE, IN FACT, WE CAN
11 OBTAIN THE TRUTH ABOUT FINALIST CANDIDATES. SO THAT'S
12 A VERY IMPORTANT PART OF OUR PROCESS.

13 AND LET ME SAY THAT DIVERSITY IS A HALLMARK
14 OF OUR FIRM. WE PRACTICE WHAT WE PREACH. FORTY
15 PERCENT OF OUR PLACEMENTS ARE WOMEN OR PEOPLE OF COLOR.
16 WE VERY DELIBERATELY GO AFTER THOSE GROUPS. WHEN WE'RE
17 DOING A HIGHER ED SEARCH, FOR EXAMPLE, WE ARE GENERALLY
18 ADVERTISING IN WOMEN AND HIGHER EDUCATION, HISPANIC,
19 BLACKS, THE WHOLE SPECTRUM OF OUTREACH TO MAKE SURE
20 THAT WE'RE GETTING THE WORD OUT, AND THAT'S VERY
21 IMPORTANT TO US.

22 OUR FIRM IS ALSO REFLECTIVE. OVER 50 PERCENT
23 OF OUR PARTNERS AT THE PARTNER LEVEL ARE WOMEN, AND WE
24 DO HAVE A SIGNIFICANT NUMBER OF PEOPLE OF COLOR. SO IT
25 IS A VERY IMPORTANT PART OF OUR SEARCH MISSION AND OUR

1 MANDATE TO OUR SOCIETY.

2 I'D LIKE TO OPEN IT UP TO ANY QUESTIONS THAT
3 YOU MIGHT HAVE.

4 MS. SHURIN: LET ME JUST ADDRESS DEAN PIZZO'S
5 QUESTION RELATED TO OFF LIMITS. THE ENTIRE UC SYSTEM
6 IS ON LIMITS TO US, IF THAT HELPS. OUR POLICY IS THAT
7 WE DON'T APPROACH ANYONE WHO'S CURRENTLY IN A POSITION
8 IN WHICH WE HAVE PLACED THAT PERSON. AND AFTER WE'VE
9 PLACED SOMEONE, WE DON'T APPROACH EITHER THAT PERSON OR
10 ANY OF THAT PERSON'S DIRECT REPORTS FOR A YEAR. THAT
11 MEANS THAT WE DON'T APPROACH THEM. THAT DOESN'T MEAN
12 WE CAN'T TALK TO THEM IF THEY APPROACH US. SO IT'S
13 PERFECTLY POSSIBLE FOR US TO HANDLE PEOPLE WHO ARE IN
14 POSITIONS WHICH ARE IDENTIFIED AS OFF LIMITS IF WE'RE
15 NOT THE ONES GOING AFTER THEM.

16 THE OTHER THING IS THAT WE DO ASK THE PEOPLE
17 WHO ARE IN THAT POSITION TO NOTIFY THE PERSON TO WHOM
18 THEY REPORT. WE WOULD PREFER TO BE DEALING WITH PEOPLE
19 SO THAT IT'S NOT BEHIND SOMEBODY'S BACK SO THAT IF
20 WE'RE SPEAKING TO SOMEONE, WE ASK THAT THEY LET THE
21 PERSON TO WHOM THEY REPORT KNOW THAT WE'RE HAVING THIS
22 DISCUSSION. BUT WE ARE ABLE TO DO ALL OF THAT SUPPORT.
23 OUR ROLE IN WORKING WITH THE SEARCH COMMITTEE IS TO DO
24 THE HEAVY LIFTING AND TO DO MUCH OF THE BACKGROUND
25 WORK. YOU'RE VERY LEAN, YOU DON'T YET HAVE A FULL

1 STAFF. WE'RE SET UP TO DO THIS. WE HAVE ALL OF THE
2 SYSTEMS TO HANDLE INFORMATION AND TO BE ABLE TO DO THAT
3 KIND OF BACKGROUND CHECKING TO HANDLE THE REFERENCES.

4 THERE'S A LIMITED NUMBER OF PEOPLE WHO ARE
5 LIKELY TO BE APPROPRIATE FOR THIS KIND OF POSITION. I
6 THINK IT'S LIKELY THAT THE PERSON WHO'S GOING TO BE
7 COMING INTO THIS POSITION IS KNOWN EITHER DIRECTLY OR
8 ONE OR TWO PEOPLE REMOVED TO MANY OF THE PEOPLE WHO ARE
9 IN THIS ROOM. AND SO CERTAINLY CASTING A WIDE NET IS
10 HELPFUL, BUT I THINK THE BIGGEST ISSUES IS PROVIDING
11 PROTECTION AND SUPPORT FOR THE MEMBERS OF THIS
12 COMMITTEE SO THAT YOU DON'T END UP IN SITUATIONS IN
13 WHICH YOUR ROLE IS IN ANY WAY COMPROMISED. IF WE ARE
14 THE PEOPLE WHO ARE DOING THE INITIAL CONVERSATIONS, IT
15 KEEPS YOU OUT OF THE POSITION OF HAVING CONVERSATIONS
16 WHICH MIGHT THEN LATER BE AWKWARD FOR A COLLEAGUE OR
17 SOMEONE WITH WHOM YOU ARE WORKING IN SOME OTHER
18 CONTEXT. WE'D BE HAPPY TO TAKE QUESTIONS.

19 CHAIRMAN KLEIN: I THANK YOU VERY MUCH FOR
20 THAT RESPONSE. BOARD MEMBERS, I THINK, LET ME TAKE DR.
21 PRECIADO AND THEN DEAN PIZZO.

22 DR. PRECIADO: GO AHEAD. THAT'S FINE.

23 CHAIRMAN KLEIN: DR. PRECIADO YIELDS TO DEAN
24 PIZZO, AND THEN WE'RE GOING TO TAKE DR. LEVEY.

25 DR. PIZZO: I THINK, ARGUABLY, THIS IS

1 PROBABLY THE MOST EXCITING AND IMPORTANT SCIENCE
2 ADMINISTRATIVE POSITION IN THE COUNTRY. I CAN HARDLY
3 THINK OF ANY OTHER.

4 DR. POMEROY: YOU ALREADY HAVE A JOB.

5 DR. PIZZO: AND I LOVE MY JOB, AND I INTEND
6 TO STAY IN THAT JOB, UNLESS THERE'S SOMETHING YOU KNOW
7 THAT I DON'T.

8 I'M CURIOUS AS TO HOW, SINCE YOU ARE A NEW
9 TEAM WORKING TOGETHER, HOW THAT WOULD, IN FACT, BE
10 EFFECTED AND THE DEGREE OF COMMITMENT THAT YOU ARE
11 GOING TO BE ABLE TO OFFER TO THIS EFFORT.

12 MS. SHURIN: EACH OF US IS INVOLVED IN A FEW
13 OTHER SEARCHES. WE DO, IN FACT, HAVE THE FREEDOM TO
14 TAKE THIS ON AT THIS PARTICULAR POINT IN TIME OR WE
15 ACTUALLY WOULDN'T BE MAKING THIS PROPOSAL TO YOU. WE
16 WOULDN'T TAKE ON SOMETHING THAT WE DIDN'T FEEL THAT WE
17 COULD COMPLETE. WE HAVEN'T WORKED TOGETHER AS A TEAM
18 BEFORE. I'VE WORKED WITH MULTIPLE OTHER PARTNERS
19 WITHIN ISAACSON MILLER, BUT WE HAVEN'T WORKED ON A
20 SEARCH BEFORE, BUT THE COMMUNICATION SYSTEMS ARE VERY
21 GOOD.

22 AND MY EXPERIENCE HAS BEEN, BOTH -- I BRING
23 TO YOU ALSO THE PERSPECTIVE OF A CLIENT. I'VE WORKED
24 WITH ISAACSON MILLER AS A CLIENT. I'VE WORKED WITH
25 FOUR OTHER SEARCH FIRMS AS A CLIENT, AND I'VE ALSO RUN

1 SEARCHES WITHOUT SEARCH FIRMS, WHICH IS A LOT OF WORK.

2 AND THE SEAMLESSNESS OF THE COMMUNICATION IS
3 VERY GOOD. WE WOULD IDENTIFY A PRIMARY PERSON FOR YOU
4 TO BE IN TOUCH WITH, BUT I THINK YOU COULD COUNT ON THE
5 FACT THAT COMMUNICATING WITH ONE OF US WOULD BE
6 COMMUNICATING WITH BOTH OF US.

7 CHAIRMAN KLEIN: DR. LEVEY.

8 DR. LEVEY: SIMILAR TO WHAT I ASKED BEFORE,
9 WHAT WOULD BE YOUR ESTIMATE OF THE TIME FRAME WE'D BE
10 LOOKING AT TO GET TO A SHORT LIST? AND SINCE THE
11 QUESTION WAS ASKED BEFORE, I'D BE INTERESTED IN YOUR
12 FEES. AND GIVEN YOUR STAFFING THAT YOU INTEND TO PUT
13 ON THIS, IS THAT REASONABLE?

14 MR. BELLSHAW: IN TERMS OF THE TIME OF THE
15 SEARCH, OUR SENSE IS THAT THIS WOULD BE A SIX- TO
16 NINE-MONTH PROCESS. IT'S A FUNCTION OF HOW MUCH PUBLIC
17 OUTREACH WE NEED TO DO AT THE BEGINNING. IF THE
18 COMMITTEE CHOOSES TO COME UP WITH AN INITIAL LIST OF
19 CANDIDATES, THAT ACTUALLY TAKES A LOT OF TIME OUT.

20 THE FIRM WAS ACTUALLY INVOLVED IN A SEARCH
21 CALLED THE ARIZONA BIODESIGN INSTITUTE, WHICH IS A
22 FUNCTION OF PROP 301 IN ARIZONA, WHICH FUNNELED \$400
23 MILLION INTO ARIZONA STATE. WHAT WAS INTERESTING ABOUT
24 THAT COMMITTEE IS THAT THEY ACTUALLY KNEW THE BODY OF
25 CANDIDATES, IDENTIFIED THOSE CANDIDATES. WE DID DO ADS

1 BECAUSE IT IS A PUBLIC INSTITUTION AND CONSIDERED THOSE
2 FOLKS, BUT IT MADE FOR A MORE EFFICIENT PROCESS. SO
3 PART OF THIS IS GOING TO BE A FUNCTION OF THE
4 DISCUSSIONS THAT WE HAVE WITH THE SEARCH COMMITTEE IN
5 TERMS OF HOW IT IS THAT WE WANT TO MANAGE THIS TO MAKE
6 SURE THAT WE'RE GETTING PROPER FEEDBACK AND INPUT FROM
7 THE COMMUNITY. GENERALLY THESE ARE RELATIVELY LONG AND
8 COMPLICATED PROCESSES THAT TAKE SIX TO NINE MONTHS.

9 IN REGARDS TO OUR FEE STRUCTURE, INDUSTRY
10 STANDARD IS USUALLY A THIRD OF THE FIRST YEAR'S
11 COMPENSATION, CASH COMPENSATION. FROM THAT WE ARE
12 WILLING TO ENTERTAIN A FIXED FEE, AND THAT WOULD BE IN
13 NEGOTIATION WITH THE SEARCH COMMITTEE, AND IT'S
14 BASICALLY A FUNCTION OF WHAT DO WE THINK THE TARGET
15 SALARY IS GOING TO BE, AND THAT'S GOING TO TAKE SOME
16 RESEARCH TO FIGURE OUT EXACTLY WHERE WE ARE BECAUSE, AS
17 WAS PREVIOUSLY MENTIONED, WE'RE GOING TO BE LOOKING AT
18 A WIDE RANGE OF TYPES OF FOLKS THAT ARE COMING WITH
19 DIFFERENT COMPENSATION PACKAGES. ON THE OTHER HAND,
20 THIS IS A PUBLIC INSTITUTION AND A PUBLIC ENTITY, AND
21 WE CAN'T GET OUT OF HAND. SO I THINK THERE'S GOING TO
22 BE -- WE'RE GOING TO BE ABLE TO DETERMINE WHAT THE
23 LIMIT IS FAIRLY QUICK, AND THEN ASCERTAIN WHAT TARGET
24 SALARY WOULD BE.

25 CHAIRMAN KLEIN: AS A FOLLOW-ON QUESTION TO

1 THAT, THERE IS TREMENDOUS AWARENESS WITHIN THE
2 SCIENTIFIC COMMUNITY OF THIS POSITION, AS HAS BEEN
3 REFERENCED BY SEVERAL INDIVIDUALS. AND I BELIEVE DR.
4 LEVEY'S EXACT QUESTION WAS HOW LONG WOULD IT TAKE TO
5 GET TO A SHORT LIST. IF YOU WOULD ADDRESS THAT IN THE
6 CONTEXT OF HAVING A VERY HEIGHTENED AWARENESS WITHIN
7 THE SCIENTIFIC COMMUNITY AND EXTREME ATTRACTIVENESS OF
8 THIS POSITION.

9 MR. BELLSHAW: IN TERMS OF GETTING TO A SHORT
10 LIST, THERE'S A PART WHERE WE NEED TO UNDERSTAND THE
11 CHALLENGE, AND THAT WOULD TAKE US ABOUT A MONTH. THEN
12 I WOULD SAY IT WOULD TAKE A COUPLE MONTHS BEYOND THAT
13 TO DO THE MARKET ANALYSIS AND ASCERTAIN WHAT THE SHORT
14 LIST IS GOING TO LOOK LIKE SO THAT WE CAN MOVE ON. SO
15 THAT WOULD BE A THREE-MONTH PROCESS TO DO THE SHORT
16 LIST IDENTIFICATION.

17 CHAIRMAN KLEIN: TO GET TO THE SHORT LIST?

18 MR. BELLSHAW: SHORT LIST.

19 CHAIRMAN KLEIN: AND IN TERMS OF THE PAYMENT
20 OF THE FEE, THE PRIOR PRESENTER, AS YOU HEARD,
21 INDICATED THAT RATHER THAN SETTING THE FEE IN PAYMENT
22 INCREMENTS RELATED TO TIME, THAT THEY WOULD BE PAYMENT
23 INCREMENTS RELATED TO MILESTONES OF PERFORMANCE. HOW
24 DO YOU RELATE TO THOSE MILESTONES OF PERFORMANCE, AND
25 IS THAT APPROACH ACCEPTABLE?

1 MR. BELLSHAW: THAT APPROACH WOULD BE
2 ACCEPTABLE. IT WOULD BE SUBJECT TO NEGOTIATION WITH
3 THE SEARCH COMMITTEE AS TO WHAT THOSE MILESTONES ARE.
4 WE DO A VARIETY OF OPTIONS FOR VARIOUS CLIENTS.
5 GENERALLY IT IS THE FIRST THREE MONTHS, BUT, IN FACT,
6 WE'VE BEEN FINDING THAT MORE AND MORE PUBLIC ENTITIES
7 HAVE BEEN WANTING TO TIE THIS TO MILESTONES. WE'RE
8 VERY COMFORTABLE WITH THAT.

9 CHAIRMAN KLEIN: DR. MURPHY.

10 DR. MURPHY: I'M SORRY. I MAY HAVE MISSED
11 IT, BUT ARE YOU SAYING YOU WOULD NOT DO A FLAT FEE? IT
12 WOULD BE A SLIDING FEE DEPENDING ON SALARY?

13 MR. BELLSHAW: NO. WE WOULD ENTERTAIN A FLAT
14 FEE.

15 DR. MURPHY: DO YOU KNOW WHAT THAT WOULD BE
16 AT THIS POINT?

17 MR. BELLSHAW: DO NOT KNOW WHAT THAT WOULD BE
18 AT THIS POINT. IT WOULD BE SUBJECT TO NEGOTIATION WITH
19 THE SEARCH COMMITTEE.

20 CHAIRMAN KLEIN: ALL RIGHT. ARE THERE OTHER
21 BOARD QUESTIONS? YES, DR. PRECIADO.

22 DR. PRECIADO: IT SORT OF SLIPPED MY MIND
23 WHEN YOU TURNED TO ME THE FIRST TIME. THAT'S WHY I
24 COULDN'T RESPOND. I WANTED -- DR. SHURIN, YOU
25 MENTIONED THAT YOU SPENT THE -- PRIOR TO COMING ON

1 BOARD WITH ISAACSON AND MILLER, YOU SPENT SOME TIME ON
2 LEADERSHIP ISSUES. I WAS WONDERING IF YOU COULD JUST
3 ELABORATE ON THAT JUST A LITTLE BIT.

4 DR. SHURIN: WELL, OUR UNIVERSITY HAD SOME
5 MAJOR CHALLENGES WHICH REQUIRED RECRUITMENT OF ALL NEW
6 LEADERSHIP INTO THE INSTITUTION. AND THEN I'VE BEEN
7 INVOLVED IN --

8 DR. PRECIADO: I'M SORRY. I CAN'T HEAR YOU.

9 DR. SHURIN: OUR UNIVERSITY HAD SOME MAJOR
10 CHALLENGES WHICH HAVE REQUIRED THE RECRUITMENT OF AN
11 ENTIRE NEW LEADERSHIP TEAM AND REVAMPING OF OUR BOARD
12 OF TRUSTEES. IN ADDITION TO THAT, I'VE BEEN INVOLVED
13 WITH A NUMBER OF NATIONAL GROUPS, MOSTLY VOLUNTEER
14 ORGANIZATIONS OF ONE SORT OR ANOTHER, AS A MEMBER OF
15 THE BOARD OF TRUSTEES. AND THE ISSUES OF LEADERSHIP
16 AND HOW IMPORTANT LEADERSHIP IS TO MAKING SOMETHING
17 REALLY HAPPEN IS SOMETHING THAT I HAVE VERY INTENSE
18 APPRECIATION FOR, AS DOES THIS FIRM.

19 MR. BELLSHAW: IF I COULD JUST FOLLOW ON TO
20 THE PREVIOUS QUESTIONS. I CANNOT IMAGINE THAT OUR FEE
21 WOULD BE ABOVE \$150,000.

22 DR. PIZZO: ARE YOU SAYING HOW MUCH BELOW IT
23 WOULD BE?

24 CHAIRMAN KLEIN: WE DO APPRECIATE THAT
25 ANSWER. AS CLARIFICATION BEING IN ORDER, I WOULD HOPE,

1 FOR THE BENEFIT OF THE PUBLIC, WE COULD MAKE IT CLEAR
2 THAT WHILE NATIVE CALIFORNIANS MAY BE DIMINISHING AS A
3 PERCENTAGE OF THE POPULATION, THEY ARE NOT A DYING
4 BREED. YES, DR. KESSLER.

5 DR. KESSLER: WHY IS THE SEARCH IMPORTANT TO
6 YOU?

7 MR. BELLSHAW: THAT'S A VERY GOOD QUESTION.
8 I'LL ANSWER AS A CALIFORNIAN, AND THEN I'LL ANSWER AS A
9 SEARCH CONSULTANT, AND IT VERY MUCH GOES WITH OUR
10 MISSION.

11 AS A CALIFORNIAN, I THINK WE, AS A STATE,
12 HAVE A ROLE IN TERMS OF LEADING SCIENCE AND LEADING THE
13 NATION, AND THIS IS A UNIQUE OPPORTUNITY. AND BEING A
14 VOTER AND BEING SUPPORTIVE OF THIS, THIS IS AN EXCITING
15 OPPORTUNITY TO BE INVOLVED IN. AS A FIRM, THIS IS CORE
16 TO WHAT WE DO. WE ARE CONSTANTLY DEALING WITH VERY
17 COMPLICATED ISSUES, TRYING TO FIND LEADERSHIP, BRING
18 LEADERSHIP WHERE, IN FACT, YOU HAVE TO DEAL WITH A WIDE
19 VARIETY OF OBSTACLES, THAT THIS IS GOING TO BE A VERY
20 DIFFICULT SEARCH WITH THE PUBLIC SCRUTINY, AND THAT'S
21 THE KIND OF INVESTMENT THAT WE WANT TO PUT INTO THIS
22 BECAUSE, IN FACT, WE WANT TO SEE THIS MOVE FORWARD
23 SUCCESSFULLY, AND THIS IS PART AND PARCEL WITH OUR
24 MISSION.

25 DR. SHURIN: I'D LIKE TO ENDORSE THAT. I

1 THINK THAT REALLY THE BIG ISSUE IS THAT THIS IS AN
2 UNBELIEVABLE OPPORTUNITY. AND IF IT'S DONE RIGHT, IT
3 WILL BE AN ABSOLUTELY SPECTACULAR SUCCESS. AND IF IT
4 FALTERS, IT WILL BE A PROBLEM, NOT ONLY OVER BOTH THE
5 SHORT AND THE LONG TERM, AND GETTING IT DONE RIGHT IS
6 CRUCIALLY IMPORTANT.

7 DR. KESSLER: CAN I JUST FOLLOW UP ON THAT?

8 CHAIRMAN KLEIN: DR. KESSLER WITH A
9 SUPPLEMENTAL QUESTION.

10 DR. KESSLER: YOU'VE SEEN THE CRITERIA THAT
11 WAS WORKED ON BY THE SELECTION COMMITTEE. GIVE US A
12 LITTLE MORE DEPTH TO THE PROFILE THAT WE SHOULD BE
13 LOOKING FOR.

14 MR. BELLSHAW: THIS IS VERY SIMILAR TO SOME
15 OF THE DEAN SEARCHES THAT WE DO IN THAT WE ARE LOOKING
16 FOR SOMEBODY THAT IS GOING TO PUT MONEY ON WINNING
17 HORSES. THIS IS ABOUT MAKING GOOD BETS. AND FIGURING
18 OUT WHERE SCIENCE IS GOING, THEY'RE GOING TO HAVE THE
19 SCIENTIFIC ACUMEN TO UNDERSTAND WHERE THINGS ARE GOING.
20 THEY'RE GOING TO HAVE TO HAVE THE CREDIBILITY TO
21 ATTRACT THE WORKING GROUPS TO MAKE SURE THAT YOU HAVE A
22 FULL PARTICIPATION FROM THE SCIENTIFIC COMMUNITY. AND
23 THIS COMES DOWN TO TASTE AND INTEGRITY. AND THEN,
24 QUITE FRANKLY, IF WE READ THE NEWS, THIS IS A PERSON
25 THAT'S GOING TO HAVE TO BE SQUEAKY CLEAN AND RUN THIS

1 ORGANIZATION IN A WAY THAT WHEN THEY'RE DISCHARGING THE
2 DUTIES OF THE OFFICE, THAT NOBODY CAN IMPEACH THEIR
3 CREDIBILITY BECAUSE I BELIEVE THAT THIS ORGANIZATION
4 WILL BE SCRUTINIZED AT EVERY TURN.

5 CHAIRMAN KLEIN: THANK YOU. AND THE LAST
6 QUESTION.

7 DR. THAL: LEON THAL. CAN YOU GIVE US JUST A
8 FEW EXAMPLES OF HIGH LEVEL INDIVIDUALS YOU'VE PLACED IN
9 SIMILAR POSITIONS?

10 MR. BELLSHAW: WE HAVE PLACED -- WE DO A
11 NUMBER OF PRESIDENT SEARCHES. WE HAVE, IN TERMS OF
12 EXECUTIVE LEVEL, PRESIDENT OF OREGON STATE UNIVERSITY.
13 WE'RE DOING A NUMBER OF HIGH LEVEL DEAN SEARCHES. WE
14 DO PRESIDENTS OF LIBERAL ARTS COLLEGES.

15 IN REGARDS TO WORKING WITH FOUNDATIONS WHO
16 ARE EMBARKING ON NEW INITIATIVES, WHICH MEANS THAT
17 YOU'RE KIND OF IN A GRANTEE ROLE, WORKING WITH THE
18 KAUFMAN FOUNDATION AND THEIR NATIONAL COMMISSION FOR
19 ENTREPRENEURSHIP, WHICH, AS STRANGE AS THAT SOUNDS, IT
20 WAS A VERY COMPLICATED EVENT TO TRY AND GET
21 ENTREPRENEURS ON THE SAME PAGE IN TERMS OF MOVING
22 FORWARD WITH A NATIONAL AGENDA AND TRYING TO BRING
23 INVESTMENT. I THINK THOSE ARE SOME.

24 CHAIRMAN KLEIN: DR. PIZZO ASKED IF HE COULD
25 HAVE A SHORT FOLLOW-UP.

1 DR. PIZZO: JUST A SHORT FOLLOW-UP. OF THE
2 SEARCHES THAT YOU'VE DONE, SAY, IN THE PAST YEAR OR TWO
3 THAT MIGHT HAVE COMPARABILITY TO THIS, WHICH ONE IS THE
4 MOST OUTSTANDING?

5 MR. BELLSHAW: IN THE LAST FEW YEARS? I
6 THINK THE MOST RELEVANT SEARCH AT THIS POINT IN TIME IS
7 A SEARCH THAT I DID WITH KEN SHINE AND MARK UDOFF AT
8 THE UNIVERSITY OF TEXAS, WHICH WE REFERRED TO IN OUR
9 PROPOSAL. AS YOU MAY OR MAY NOT KNOW, THE UNIVERSITY
10 OF TEXAS SYSTEM IS -- WAS HIRING A VICE CHANCELLOR OF
11 RESEARCH, WHICH WAS BRINGING ABOUT BIG INITIATIVES,
12 BRINGING ABOUT INTANGIBLE INITIATIVES, SEEDING NEW
13 INITIATIVES, TRYING TO BRING CAMPUSES TOGETHER, DEALING
14 WITH THE PUBLIC, AND LOOKING AT FRONTIER OF SCIENCE
15 OPPORTUNITIES. AND WE JUST RECENTLY COMPLETED THAT
16 JUST A MONTH OR SO AGO, AND HE WOULD BE A GOOD
17 REFERENCE FOR US AS WELL.

18 CHAIRMAN KLEIN: DR. BLACK, IF WE CAN TRY AND
19 KEEP IT SHORT, BUT PLEASE TAKE THE FLOOR. YOU HAVEN'T
20 BEEN ASKING A LOT OF QUESTIONS, AND WE WANT TO MAKE
21 SURE YOUR VIEW IS HEARD.

22 DR. BLACK: I JUST WANTED TO AS A FOLLOW-UP
23 FOR THE LAST PRESENTERS, YOUR ESTIMATE FOR THE SALARY
24 RANGE FOR THIS POSITION.

25 MR. BELLSHAW: I THINK -- I DON'T KNOW ABOUT

1 THE MILLION DOLLARS. I THINK THAT'S A LITTLE HIGH. SO
2 MY SENSE IS WE'RE LOOKING AT SOMETHING THAT'S
3 COMPARABLE TO MEDICAL SCHOOL DEANS IN TERMS OF PROBABLY
4 THE THREE TO 600,000. I'M SURE THERE'S OUTLIERS TO
5 THAT, BUT THAT'S PROBABLY A GOOD ESTIMATE.

6 CHAIRMAN KLEIN: OKAY. THANK YOU VERY MUCH.
7 AND SPENCER STUART.

8 I'D LIKE TO, BEFORE WE BEGIN THE ITEM, TO
9 MAKE CERTAIN WE'VE NOTED ON THE ROLL CALL THAT TINA
10 NOVA IS HERE IN ATTENDANCE AND DR. WRIGHT IS HERE IN
11 ATTENDANCE AND DR. HOLMES IS HERE IN ATTENDANCE. THIS
12 IS A FABULOUS BOARD. WE THANK YOU ALL. OKAY.

13 SPENCER STUART IS UP.

14 DR. HANCOCK: YES, WE ARE. THANK YOU VERY
15 MUCH. MY NAME IS DR. MIMI HANCOCK. AND I THINK THE
16 LAST TIME I FELT LIKE THIS I WAS STANDING BEFORE MY
17 ORALS COMMITTEE. ANYWAY, IT'S INDEED A PLEASURE TO BE
18 HERE. WE WANT TO THANK THE COMMITTEE FOR INVITING US.
19 THIS IS MY PARTNER, DR. LISA PIEPER, WHO WILL ALSO BE
20 SPEAKING. THERE IS A THIRD KEY MEMBER OF OUR CORE
21 TEAM, DR. IRA ISAACSON, WHO UNFORTUNATELY IS AT A
22 SIMILAR COMMITTEE FOR AN ONGOING SEARCH TODAY, BUT HE
23 WILL JOIN US AS A CORE MEMBER OF OUR TEAM.

24 WE DID BRING YOU A PRESENTATION. YOU HAVE
25 COPIES OF IT, AND IT IS AVAILABLE FOR THE PUBLIC TO SEE

1 AS WE GO THROUGH, BUT WE ALSO INTEND FOR THIS TO BE
2 CONVERSATIONAL AND VERY OPEN TO DISCUSSION.

3 VERY BRIEFLY, SPENCER STUART IS A WORLD
4 RENOWN EXECUTIVE SEARCH FIRM ACROSS MANY, MANY SECTORS.
5 WE'VE BEEN IN BUSINESS FOR ALMOST HALF OF A CENTURY,
6 AND WE DO HAVE GLOBAL OFFICES, AND WE HAVE MANY, MANY
7 DIFFERENT INDUSTRY SECTORS.

8 PART OF THE APPROACH THAT WE CHOSE TO TAKE TO
9 THIS EXTREMELY IMPORTANT ASSIGNMENT WAS TO BRING IN THE
10 MULTIDISCIPLINARY PARTNERS FROM ACROSS OUR FIRM WHO
11 WORK IN SECTORS THAT ARE RELEVANT TO THIS SEARCH, NOT
12 ONLY LIFE SCIENCES AND NOT FOR PROFIT, BUT ACROSS
13 HIGHER EDUCATION, DIVERSITY, AND ACROSS INDUSTRY WITHIN
14 THE LIFE SCIENCES PRACTICE.

15 AS YOU CAN SEE, WE REALLY ARE HEAVILY
16 ORIENTED TOWARD THE HIGH LEVEL SEARCHES. OUR FIRM IS
17 RENOWN FOR BOARD OF DIRECTORS WORK AS WELL AS C LEVEL
18 SEARCHES ACROSS ALL INDUSTRIES. WE HAVE OVER 300
19 CONSULTANTS ON A GLOBAL BASIS, AND THIS SEARCH IS OF
20 THE LEVEL OF VISIBILITY WHERE WE WILL CALL OUT TO MANY
21 OF THOSE INDIVIDUALS GLOBALLY WHO MAY HAVE IDEAS AND BE
22 ABLE TO CONTRIBUTE TO IT.

23 WE HAVE OBVIOUSLY WANTED TO FOCUS YOUR
24 ATTENTION A LITTLE BIT ON OUR VERY RELEVANT EXPERTISE
25 WITHIN OUR LIFE SCIENCES PRACTICE. AND LIFE SCIENCES

1 WE BREAK OUT INTO OTHER COMPARTMENTS WHICH ARE ALSO
2 USEFUL TO THIS ORGANIZATION IN MEDICAL CENTERS, IN
3 HOSPITALS, IN UNIVERSITY SYSTEMS, IN PHARMACEUTICAL
4 COMPANIES, BIOTECHNOLOGY COMPANIES, AND MEDICAL
5 TECHNOLOGY COMPANIES. AND WE REALLY ARE VERY ACTIVE IN
6 THIS SECTOR CONSTANTLY. THAT'S THE PLACE WHERE LISA
7 AND I AND DR. ISAACSON SPEND THE MAJORITY OF OUR TIME.

8 WE ALSO HAVE ONE OF THE LARGEST NON FOR
9 PROFIT AND ITS HIGHER EDUCATION PRACTICES ACROSS THE
10 COUNTRY. AND ONE OF OUR PARTNERS, SALLY STERLING IN
11 WASHINGTON, D.C., HAS EXPLICITLY COMMITTED HER TIME TO
12 WORKING ON THIS. AND SHE'S BEEN VERY ACTIVE WITH A
13 NUMBER OF HIGH LEVEL SEARCHES OVER THE YEARS, INCLUDING
14 THE PRESIDENT OF THE ROCKEFELLER FOUNDATION, THE
15 NATIONAL MULTIPLE SCLEROSIS SOCIETY, AND OTHER
16 ORGANIZATIONS LIKE THAT.

17 WE ALSO HAVE A VERY ACTIVE DIVERSITY
18 PRACTICE, WHICH IS HEADED UP BY GINNY CLARK IN OUR
19 CHICAGO OFFICE. AND DIVERSITY IS INTEGRAL TO EVERY
20 SEARCH THAT WE DO, WHETHER IT'S IN PHARMA, WHETHER IT'S
21 IN ACADEMIC MEDICAL CENTERS, OR IN HIGHER ED
22 OPPORTUNITIES.

23 WE WANTED TO TELL YOU A LITTLE BIT ABOUT
24 OURSELVES AND THE TEAM THAT WE'RE GOING TO PUT ON THIS
25 PARTICULAR SEARCH. DR. ISAACSON IS AN M.D, MBA, AND HE

1 HAS HIS MEDICAL TRAINING FROM CHICAGO MEDICAL SCHOOL
2 AND HAS CONDUCTED MANY, MANY ASSIGNMENTS IN THE NON FOR
3 PROFIT AND HIGHER EDUCATION WORLD AND MEDICAL CENTERS.
4 JUST A COUPLE OF RECENT EXAMPLES THAT WE WANTED TO GIVE
5 YOU WAS THE PRESIDENT OF BAYLOR COLLEGE OF MEDICINE,
6 PRESIDENT OF THOMAS JEFFERSON UNIVERSITY AND MEDICAL
7 SCHOOL, BOTH THE CHIEF EXECUTIVE OFFICER AND CHIEF
8 SCIENTIFIC OFFICER OF JACKSON LABORATORY.

9 DR. PIEPER HAS A NUMBER OF YEARS OF SEARCH
10 EXPERIENCE, BUT SHE WAS TRAINED, THE TWO OF US ARE THE
11 CALIFORNIA GIRLS, SO SHE WAS TRAINED AT UCSF FOR HER
12 M.D. AND RESIDENCY, SERVED ON THE CLINICAL FACULTY AT
13 STANFORD, AND ALSO HAS AN MBA FROM UCLA. SOME OF
14 LISA'S RECENT ASSIGNMENTS INCLUDE THE CHIEF SCIENTIFIC
15 OFFICER FOR THE CHILDREN'S HOSPITAL AT UNIVERSITY OF
16 PENNSYLVANIA, CEO FOR THE SCIENCE CENTER IN
17 PHILADELPHIA. AND THEN LISA AND I TOGETHER WORKED VERY
18 RECENTLY ON THE SENIOR VICE PRESIDENT AND CHIEF
19 SCIENTIFIC OFFICER FOR VACCGEN, WHICH IS A COMPANY IN
20 THE SAN FRANCISCO BAY AREA THAT HAS RECEIVED A VERY,
21 VERY LARGE GOVERNMENT GRANT TO PRODUCE VACCINES FOR
22 BIOTERRORISM.

23 I MYSELF AM A PH.D. I OBTAINED MY PH.D. IN
24 GENETICS AND CELL BIOLOGY FROM UC BERKELEY, AND THEN I
25 WENT ON AND DID A COUPLE OF POSTDOCS AT STANFORD

1 INITIALLY WITH GEORGE STARK AND THEN WITH BOB SHIMKE IN
2 GENE AMPLIFICATION. AND I WAS IN THE BIOTECH INDUSTRY
3 FOR ABOUT TEN YEARS. HAD THE VERY FUN TIME OF DOING
4 SOME OF THE ORIGINAL RESEARCH ON WHAT BECAME PERCEPTIN,
5 WHICH WAS A VERY EXCITING AND FUN THING TO DO. BUT
6 I'VE BEEN IN SEARCH FOR OVER TEN YEARS NOW AND HAVE
7 COMPLETED A NUMBER OF ASSIGNMENTS IN OR AROUND BIOTECH
8 AS WELL AS R & D ACROSS BIOTECH OR INSTITUTIONS, SUCH
9 AS THE JDRF, AS WELL AS HIGH LEVEL PHARMACEUTICAL R & D
10 POSITIONS, SUCH AS THE SENIOR VICE PRESIDENT OF
11 DISCOVERY RESEARCH AT WYETH PHARMACEUTICALS.

12 SO WE FEEL THAT WE ARE CREDIBLE AS SCIENTISTS
13 AS WELL AS SEARCH PEOPLE, AND WE BRING THAT TO THIS
14 PARTICULAR ASSIGNMENT WITH A GREAT DEAL OF CONVICTION.

15 WE ALSO WANTED TO GIVE YOU A SENSE OF THE
16 COMMITMENT OF SPENCER STUART. WE HAVE DISCUSSED THIS
17 ACROSS THE FIRM AT THE HIGHEST LEVEL, AND EVERYBODY IS
18 TERRIFICALLY EXCITED ABOUT IT FOR ALL THE REASONS THAT
19 ALL OF YOU ARE HERE. THIS SLIDE IS SIMPLY MEANT TO
20 SHOW YOU THAT WE WILL AND HAVE ALREADY OBTAINED
21 COMMITMENT OF OUR PARTNERS. JOHN MITCHELL, WHO HEADS
22 UP THE NORTH AMERICAN LIFE SCIENCES PRACTICE, JACK
23 SCHLOSSER, WHO IS IN LOS ANGELES AND DOES A LOT OF
24 HOSPITAL MEDICAL CENTERS. MANY OF YOU KNOW HIM FOR HIS
25 WORK AT CITY OF HOPE, CEDARS-SINAI, AND OTHER PLACES,

1 UCLA. SALLY STERLING, WHO IS, AS I SAID EARLIER, IN
2 OUR WASHINGTON, D.C. OFFICE.

3 AND WE HAVE EVEN DECIDED, BECAUSE OF THE
4 IMPORTANCE OF THIS OPPORTUNITY, TO ADD AS A PROJECT
5 MANAGER ONE OF THE CONSULTANTS, NOT AN ASSOCIATE, NOT
6 AN ASSISTANT, BUT ONE OF OUR CONSULTANTS, BEN HOLZEMER,
7 IS REALLY GOING TO HELP COORDINATE ALL OF THE LOGISTICS
8 THAT ARE NECESSARY. OBVIOUSLY THE REST OF THIS SLIDE
9 JUST SHOWS THE DEEP, DEEP REACH WE HAVE ACROSS
10 PRACTICES, THE SIZE OF OUR DATABASE, AND OUR GLOBAL
11 REACH.

12 JUST VERY BRIEFLY, YOU'VE ASKED ABOUT
13 REPUTATION FOR QUALITY. WE'VE GIVEN YOU THREE QUOTES
14 THAT YOU CAN THUMB THROUGH, BUT QUALITY IS AN EXTREMELY
15 IMPORTANT PART OF OUR EVERYDAY LIFE. IT IS PART OF THE
16 BRAND OF SPENCER STUART. AND WHAT WE HAVE DONE IS
17 PROVIDED YOU IN OUR PROPOSAL A LIST OF AT LEAST 20
18 REFERENCES THAT YOU CAN CALL TO TALK ABOUT EACH OF US
19 AS INDIVIDUALS AND OUR FIRM TO REFERENCE OUR QUALITY.
20 JUST WE'VE GIVEN YOU THREE EXAMPLES SPECIFIC TO IRA.
21 THIS QUOTE SHOWS YOU SOME COMMENTS THAT ONE OF HIS
22 CLIENTS MADE ABOUT THE PROCESS AND THE REACH THAT IRA
23 HAD.

24 THE NEXT QUOTE IS ONE THAT CAME FROM ONE OF
25 MY CLIENTS ABOUT CREDIBILITY AS A SCIENTIST AND HOW

1 HELPFUL THAT IS IN GOING OUT TO THIS KIND OF COMMUNITY,
2 AS WELL THE QUALITY OF THE REPORTS AND THE WRITEUPS AND
3 THE ANALYSIS THAT WE DO.

4 AND THEN LISA HAS A COMMENT, A PERSONAL
5 COMMENT HERE, THAT DISCUSSES HER SIGNIFICANT IMPACT ON
6 A SEARCH BECAUSE OF THE TIME AND THE TIMELINESS OF IT,
7 AND SPEED, AMONG OTHER THINGS.

8 SO I'M GOING TO TURN IT OVER TO DR. PIEPER TO
9 TALK ABOUT OUR UNDERSTANDING OF THE SEARCH.

10 DR. PIEPER: AND WE WERE IN ATTENDANCE ON THE
11 24TH AND HEARD SOME OF THE DELIBERATIONS THAT TOOK
12 PLACE. AS YOU WILL MOVE INTO OUR NEXT SLIDE, IN
13 HEARING THE PRIORITIES THAT YOU ASSIGNED IN TERMS OF
14 IDENTIFYING THE LEADERSHIP FOR YOUR ORGANIZATION, WE
15 OBVIOUSLY HEARD LOUD AND CLEAR THAT SCIENTIFIC OR
16 MEDICAL CREDIBILITY WOULD BE LARGE IF WE'RE GOING TO
17 HIT THE BULLS-EYE, WHICH FACETIOUSLY HERE WE'VE PUT ON
18 THE PLOT.

19 WE OBVIOUSLY WILL NEED TO WORK VERY CAREFULLY
20 TO ELABORATE, BASED ON THE CRITERIA THAT YOU'VE
21 IDENTIFIED, WHAT IN OUR VERNACULAR IS CALLED THE
22 POSITION SPEC OR WHAT COMMONLY IS CALLED A JOB
23 DESCRIPTION. AND OBVIOUSLY IT WILL HAVE TO KEY IN ON
24 THESE VERY THREE ELEMENTS THAT YOU'VE ALREADY DISCUSSED
25 AGAIN THIS MORNING: SCIENTIFIC AND MEDICAL

1 CREDIBILITY, THE ABILITY TO LEAD AND MANAGE THE
2 ORGANIZATION; AND, FRANKLY, LAST BUT NOT LEAST, THE
3 FACT THAT THIS PERSON MUST POSSESS THE SORT OF
4 DIPLOMATIC SKILLS TO BE ABLE TO NOT ONLY MANAGE THE
5 ORGANIZATION, BUT LIAISE EFFECTIVELY WITH ALL THE VERY
6 VALUABLE STAKEHOLDERS THAT WOULD BE PART OF BEING
7 SUCCESSFUL IN THIS PROCESS.

8 IT IS THEN IN TAKING THOSE TO THE NEXT LEVEL
9 THAT WE WILL HELP YOU ELABORATE THAT JOB DESCRIPTION SO
10 THAT WHEN WE GO OUT AND BUILD THE LONG LIST, WE'RE
11 QUITE THOUGHTFUL ABOUT BEING SURE THAT WE HAVE
12 INDIVIDUALS ON THAT LIST WITH WHOM YOU WILL TAKE YOUR
13 TIME THAT MEET THESE VERY CRITERIA. AND WE'VE JUST
14 QUICKLY REPRESENTED HERE SOME OF THE THINGS THAT WOULD
15 ATTACH TO EACH OF THESE: SCIENTIFIC CREDIBILITY,
16 MEANING RECOGNITION IN SCIENCE AND MEDICINE, THE
17 BUSINESS AND LEADERSHIP SIDE, NOT ONLY BEING ON THE
18 ORGANIZATIONAL, BUT EVEN THE RELEVANT DIMENSIONS AROUND
19 THE LEGAL, THE IP, RESEARCH GRANTING PROCESSES THAT ARE
20 A DIMENSION TO THIS AS WELL, AND THEN LAST, BUT NOT
21 LEAST, PERSONAL INTEGRITY, PERSONAL REPUTATION,
22 PERSONAL STYLE.

23 IN TERMS OF THE DIVERSITY PIECE, WE DIDN'T
24 CALL THAT SPECIFICALLY ON THIS GRID BECAUSE IT
25 UNDERLAYS EVERYTHING WE DO. WE AFFIRMATIVELY ASSERT IN

1 EVERY CONTRACT WE SIGN WITH THE CLIENT THAT THIS LOOMS
2 LARGE IN WHAT WE DO AND THAT WE INTEND IN EVERY PERSON
3 WITH WHOM WE ENGAGE ON EVERY SEARCH WE DO TO FACTOR
4 THAT INTO OUR THINKING.

5 IN TERMS OF THE TIME LINE AND THE PROCESS,
6 WHICH OBVIOUSLY WAS A BIG PART OF THE DELIBERATIONS,
7 AND, CHAIRMAN KLEIN, WE HEARD LOUD AND CLEAR YOUR WISH
8 TO HAVE AS ACCELERATED A PROCESS AS POSSIBLE. WE
9 REALLY WOULD NEED TO TAKE THIS TO THE NEXT LEVEL WITH
10 ALL OF YOU; BUT IN TERMS OF A HIGH LEVEL, THE MESSAGE
11 WE TOOK IS THAT YOU WOULD LIKE THE MOST EXPEDIENT
12 PROCESS POSSIBLE. AND THE KEY FACTOR THERE WOULD BE
13 OUR ABILITY FROM THE TIME WE AGREE COLLECTIVELY ON A
14 FINAL SPEC OR ON THE JOB DESCRIPTION TO MEET AGAIN WITH
15 YOU FOUR WEEKS LATER WITH A LONG LIST. WE GENUINELY
16 BELIEVE WE CAN DO THAT.

17 THE REST OF THE TIME BEHIND THE SEARCH WILL
18 THEN DEPEND ON HOW ALL OF YOU WISH THE PROCESS TO GO.
19 AND IF ALL OF YOU WISH TO BE INVOLVED, A, WE NEED TO
20 GET ON YOUR CALENDARS NOW AND RUN IT OUT SOME MONTHS;
21 OR, B, YOU WOULD NEED TO DELEGATE A SUBSET OF YOU TO
22 WORK WITH US AND GET THAT ON THE CALENDAR. AND WE CAN
23 DO IT ANY WAY YOU WISH, BUT IT IS REALLY WHEN YOU TAKE
24 THE LONG LIST AND START TO THEN CALL OUT THAT SHORT
25 LIST AND NEED TO ENGAGE WITH THOSE PEOPLE AND EVALUATE

1 THEM TO COME UP WITH YOUR FIRST PICK AND YOUR BACKUP,
2 THAT THE TIME SYNC HAPPENS. AND IT REALLY WILL DEPEND
3 ON OUR COLLABORATION IN GETTING THE LOGISTICS PUT
4 TOGETHER. WE WILL PLAY THAT HOWEVER YOU WISH. WE JUST
5 WANTED TO CALL OUT THAT THERE IS A LAG BUILT INTO THE
6 PROCESS THE MORE PEOPLE THAT ARE ENGAGED ESPECIALLY IN
7 THAT SECOND PHASE.

8 OFF LIMITS. AGAIN, WE HAVE PROFESSIONAL
9 ETHICS THAT WE MUST ADHERE TO. OUR OFF LIMITS ARE, AS
10 EVERYONE ELSE DESCRIBED, THAT WHEN WE PLACE A
11 CANDIDATE, THEY'RE -- THAT INDIVIDUAL IS OFF LIMITS
12 ESSENTIALLY IN PERPETUITY. THE HIRING MANAGER AND
13 GENERALLY THAT PERSON'S DIRECT REPORTS ARE OFF LIMITS
14 GENERALLY FOR A YEAR.

15 NOW, AS WAS ALLUDED TO, WHEN AN INDIVIDUAL,
16 EVEN OUR PLACEMENT, CHOOSES TO COME FORWARD AND ASK TO
17 BE CONSIDERED FOR A POSITION, THAT'S STEP ONE IN OUR
18 BEING ABLE TO BE FREED OF THESE CONSTRAINTS BECAUSE,
19 AGAIN, AS THE OTHER FIRMS HAVE TALKED ABOUT, WE LIKE TO
20 TAKE THAT ETHICALLY A SECOND STEP AND BE GIVEN
21 PERMISSION TO HAVE CONFIDENCE THAT THE SUPERIOR, THE
22 SUPERVISOR, WHATEVER REPRESENTATIVE AT THAT INSTITUTION
23 WHOM THAT INDIVIDUAL REPORTS IS AWARE THAT THIS PERSON
24 IS MOVING FORWARD.

25 BECAUSE OF THE PUBLIC NATURE OF THIS

1 PARTICULAR SEARCH, WE ACTUALLY ENVISION THAT THIS MAY
2 BE LESS OF AN ISSUE THAN IN MANY CIRCUMSTANCES BECAUSE
3 FOR SOMEBODY TO RAISE THEIR HAND, AT SOME POINT THEY'RE
4 GOING TO HAVE TO BE AWARE THAT THEIR NAME IS IN THE
5 PUBLIC DOMAIN. BUT THIS IS, AGAIN, SOMETHING THAT WE
6 WOULD HAVE TO WORK THROUGH WITH YOU. OBVIOUSLY ANY OF
7 THE OFF LIMITS AND, AGAIN, SORT OF A QUICK GLANCE AT
8 THOSE IS IN OUR REFERENCES AND OUR RELEVANT SEARCH
9 EXPERIENCE THAT'S IN OUR ORIGINAL PROPOSAL, WILL GIVE
10 YOU A SENSE OF THAT LANDSCAPE.

11 IF THERE ARE RELEVANT CANDIDATES, OBVIOUSLY
12 THE COMMITTEE OR ANY MEMBER COULD APPROACH THEM, AND WE
13 WOULD DO EVERYTHING IN OUR POWER TO MAKE SURE WE COULD
14 BE AS INVOLVED IN THE PROCESS AS POSSIBLE.

15 FEES. FROM THE BEGINNING, IN OUR RESPONSE TO
16 THE RFP, WE OFFERED A FIXED FEE OF \$150,000. OUR USUAL
17 APPROACH IS A THIRD OF FIRST-YEAR CASH COMP. WHY DID
18 WE DO THIS? MIMI AND I AND IRA SPENT YEARS TRAINING IN
19 SCIENCE AND MEDICINE. MIMI SPENT YEARS AT THE BENCH.
20 IRA AND I EACH SPENT OVER A DECADE PRACTICING MEDICINE.
21 THIS IS SOMETHING THAT WE CARE ABOUT. YOU ARE DOING
22 SOMETHING GROUNDBREAKING. WE WOULD LIKE TO BE A PART
23 OF IT.

24 FROM THE DAY THE INITIATIVE PASSED, BEN
25 HOLZEMER HAS BEEN TRYING TO FIND A WAY FOR OUR FIRM TO

1 HELP YOU.

2 DR. HANCOCK: HE WROTE TO GOVERNOR
3 SCHWARZENEGGER.

4 DR. PIEPER: AS WE BROUGHT THIS FORWARD AS
5 OUR LITTLE SORT OF INNER CIRCLE, THE REST OF THE FIRM
6 HAS JUST BEEN THRILLED THAT WE ARE WILLING TO TAKE THIS
7 ON AND HAS BASICALLY OFFERED TO DO WHATEVER THEY CAN TO
8 UNENCUMBER US FROM SOME OF THE OTHER RESPONSIBILITIES
9 WE MIGHT SHARE WITH OTHER COLLEAGUES AND TO SUPPORT US
10 IN WHATEVER WAY WE CAN. AND WE'RE HERE BASICALLY
11 BECAUSE WE'RE THRILLED TO BE PART OF WHAT YOU'RE DOING.

12 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND
13 I'D LIKE TO SAY THAT IT CAME THROUGH VERY CLEAR IN YOUR
14 WRITTEN PRESENTATION THAT, WHILE YOU UNDERSTOOD THE
15 DESIRE TO HAVE THIS PROCESS PROCEED WITH A REASONABLY
16 EXPEDITIOUS SCHEDULE, THAT YOU WERE VERY FOCUSED ON THE
17 FACT THAT IT WAS SUBORDINATE TO GETTING THE HIGHEST,
18 MOST OUTSTANDING CANDIDATE FOR THIS POSITION.

19 IN YOUR PRESENTATION AND IN THE COMMENTS YOU
20 JUST MADE, YOU ALLUDE TO THE FACT THAT, AS SCIENTISTS
21 AND PHYSICIANS, YOU ARE COMMITTED TO THIS PERSONALLY.
22 AND I TAKE IT FROM THE LAST COMMENT YOU MADE THAT YOUR
23 FIRM HAS MADE A STATEMENT TO YOU THAT THEY WILL CLEAR
24 ANY CONFLICTS IN YOUR SCHEDULES TO ALLOW YOU TO FOCUS
25 ON THIS AS A NO. 1 PRIORITY; IS THAT CORRECT?

1 DR. PIEPER: ABSOLUTELY. AND WE ACTUALLY, TO
2 BE QUITE FORTHRIGHT, ARE TALKING THAT THROUGH AS WE
3 SPEAK. BEN'S WILLINGNESS AT A CONSULTANT LEVEL HAS
4 APPEARED TO US TO TAKE THIS ON AS A PROJECT MANAGEMENT
5 ASSIGNMENT IS CERTAINLY ONE OF THE GESTURES THAT WE'VE
6 ALREADY MADE IN TERMS OF MAKING SURE WE CAN DO THIS
7 WELL. OBVIOUSLY THERE ARE PIECES BEHIND IT, JUST AS
8 THERE WOULD BE FOR THE OTHER FIRMS, IN TERMS OF OUR
9 RESEARCH SUPPORT, OUR ADMINISTRATIVE SUPPORT, GETTING
10 DEDICATED PEOPLE. HAVE WE PICKED THOSE INDIVIDUALS
11 YET? NO. BUT WE'RE COGNIZANT OF THE FACT THAT THIS A
12 VERY UNIQUE ASSIGNMENT, AND WE NEED TO BE UNIQUELY
13 PREPARED TO DO AN EXCELLENT JOB. AND AT THE END OF THE
14 DAY, WE'RE VERY DRIVEN BY BEING SURE THAT WE EXCEL IN
15 ALL WE DO, AND THAT'S WHY WE'VE PROBABLY HAD THE CRAZY
16 CAREER PATHS WE HAVE TO DATE.

17 CHAIRMAN KLEIN: THANK YOU.

18 DR. PRIETO: FRANCISCO PRIETO. I JUST
19 WONDERED IF YOU COULD TELL US HOW MANY ACTIVE SEARCHES
20 YOU'RE CURRENTLY WORKING ON?

21 DR. PIEPER: ACTUALLY WE SHARE A NUMBER OF
22 THEM WITH IRA AS WELL.

23 DR. HANCOCK: THAT'S ACTUALLY ONE OF THE
24 POINTS THAT WE SHOULD MAKE, AND THAT'S LISA AND I HAVE
25 DONE SEARCHES TOGETHER. VACCGEN IS ONE OF THEM.

1 TRINITY CEO IS ANOTHER ONE. WE ARE ROUTINELY WORKING
2 TOGETHER. OUR OFFICES ARE RIGHT NEXT TO EACH OTHER.
3 AND I WILL ANSWER YOUR QUESTION.

4 DR. PIEPER: IRA AND I TEND TO SHARE THE
5 ACADEMIC SEARCHES.

6 DR. HANCOCK: I'VE DONE SEARCHES WITH IRA AS
7 WELL, SO WE ARE ACCUSTOMED TO WORKING TOGETHER.
8 CURRENTLY I'M ACTUALLY FINISHING A FEW, SO MY LOAD IS
9 DOWN A LITTLE BIT. AND I WOULD SAY THAT, IN TERMS OF
10 FULL-TIME SEARCHES ON WHICH I'M WORKING, IT'S PROBABLY
11 FIVE OR SIX AT THE MOMENT.

12 ONE OF THE OTHER VERY IMPORTANT QUESTIONS TO
13 ASK RELATED TO THAT, THOUGH, IS WHERE THEY ARE IN THEIR
14 STAGE OF PROCESS BECAUSE, FROM OUR PERSPECTIVE, THE
15 TIME THAT WE ARE MOST NEEDED TYPICALLY ON CERTAINLY AN
16 INDUSTRY-ORIENTED SEARCH, BUT ALSO ON ACADEMICALLY
17 ORIENTED SEARCHES IS VERY INTENSE AT THE BEGINNING,
18 VERY INTENSE AT THE END, AND THEN THE MIDDLE BECOMES
19 SORT OF MUCH MORE JUST SORT OF MANAGING THE PROCESS,
20 INTERVIEWING CANDIDATES, BUT THAT'S WHEN YOU ARE ALSO
21 MUCH MORE ACTIVE AS YOU'RE INTERVIEWING CANDIDATES AND
22 GOING THROUGH YOUR ANALYSIS.

23 IT'S IMPORTANT TO UNDERSTAND WHERE WE ARE.
24 AND I HAVE TO SAY IN TERMS OF BRAND NEW SEARCHES, I
25 JUST STARTED ONE RECENTLY SINCE THE FIRST OF THE YEAR.

1 DR. PIEPER: I THINK IRA AND I -- MIMI HAD
2 THE UNFORTUNATE EXPERIENCE OF LOSING HER FATHER A FEW
3 MONTHS AGO, AND THAT'S PARTLY WHY HER LOAD. SHE'S JUST
4 COMING BACK TO SORT OF FULL SPEED. IRA AND I PROBABLY
5 HAVE OUR MORE USUAL WORKLOAD OF EIGHT TO TEN SEARCHES.
6 BUT SPENCER STUART, AS YOU CAN SEE, BY THE FACT THAT
7 WE'RE HERE TOGETHER, ALWAYS TEAMS ON SEARCHES. SO FOR
8 EVERY SINGLE SEARCH WE HAVE, WE HAVE ANOTHER PEER
9 INVOLVED IN THAT PROCESS. AND ONE OF THE THINGS WE'VE
10 TALKED ABOUT IS THE WILLINGNESS OF EACH OF THOSE
11 COLLEAGUES TO STEP UP AND BASICALLY HAVE TO DRIVE MORE
12 OF THE REMAINING SEARCHES IF WE TAKE THIS ON.

13 CHAIRMAN KLEIN: SHERRY LANSING.

14 MS. LANSING: I JUST WANT TO GO BACK TO THE
15 FLAT FEE. AND I JUST WANT TO BE SURE THAT EVERYBODY IS
16 SAYING THE SAME THING. BECAUSE YOURS SAYS A HUNDRED
17 FIFTY, BUT IT ALSO SAYS AN OVERHEAD CHARGE OF 10
18 PERCENT, AND I DIDN'T KNOW IF THAT WAS COMPARABLE TO
19 EVERYBODY ELSE.

20 DR. PIEPER: I CAN'T SPEAK FOR THE OTHER
21 FIRMS, BUT THE 150 IS THE PROFESSIONAL FEE. WE
22 TYPICALLY INVOICE THAT OVER THREE MONTHS, BUT OBVIOUSLY
23 THIS IS A VERY SPECIAL ASSIGNMENT, AND IT CAN BE
24 DISCUSSED HOWEVER CREATIVELY WE WISH TO INVOICE THAT.
25 AND SEPARATE FROM THAT, WE HAVE A FEE THAT IS ASSIGNED

1 TO THE OVERHEAD AROUND BASICALLY ADMINISTRATIVE COSTS
2 OF FED EX'S AND VIDEOCONFERENCES AND TELEPHONES AND SO
3 ON IN SUPPORT OF THE SEARCH.

4 MS. LANSING: SO WHAT DO YOU ANTICIPATE PLUS
5 EXPENSES AND THE OVERHEAD TO BE?

6 DR. PIEPER: SO THE EXPENSES ARE REALLY MORE
7 CANDIDATE SPECIFIC. WE HAVE TO FLY TO MEET THEM, SO
8 THEY'RE SORT OF DIFFICULT TO DETERMINE. BUT IN TERMS
9 OF THE OTHER, THE 10 PERCENT, IT'S 10 PERCENT OF
10 \$150,000 TOTAL, SO IT WOULD BE A THIRD AND A THIRD AND
11 A THIRD OF THAT.

12 MS. LANSING: IS THERE ANY WAY WE CAN GET
13 CLARIFICATION IF THAT IS UNIQUE TO THEM OR TO THE OTHER
14 FIRMS?

15 CHAIRMAN KLEIN: YES. AT THE END OF THIS
16 PRESENTATION, I'LL ASK FOR FOLLOW-ON CLARIFICATION FROM
17 THE OTHER TWO FIRMS. DR. KESSLER.

18 DR. KESSLER: PROFILE.

19 DR. PIEPER: OF THE CANDIDATE? IT SORT OF
20 DERIVES FROM THE POSITION DESCRIPTION. SO THAT
21 SCIENTIFIC CREDIBILITY WITH THE MANAGEMENT AND THE
22 DIPLOMATIC SKILLS. THERE'S JUST AN ENORMOUS POOL OF
23 THESE PEOPLE WHO POSSESS ALL OF THESE QUALIFICATIONS,
24 DEMIGODS. OBVIOUSLY WHAT WE WANT TO DO IS LOOK
25 WHEREVER THOSE INDIVIDUALS MIGHT EXIST. THE LOUD AND

1 CLEAR FIRST PARTY IS SCIENTIFIC OR MEDICAL CREDIBILITY.
2 ACADEMIA AND INDUSTRY ARE THE PLACES WHERE THOSE EXIST.
3 WE WOULD LOOK ACTUALLY QUITE CREATIVELY IN BOTH, AND
4 THEN WE NEED TO CROSS REFERENCE THAT WITH PEOPLE WHO
5 HAVE SOME EVIDENCE THAT SUGGESTS THAT THEY POSSESS THE
6 BUSINESS ACUMEN, MANAGEMENT SKILLS, AND PERSONAL
7 CHARACTERISTICS TO LEAD THIS ROLE. SO FRANKLY, THE
8 LONG LIST IS INTENTIONALLY MEANT TO BE A DISPARATE
9 GROUP OF PEOPLE WHO TOUCH ON EACH OF THESE. OBVIOUSLY
10 THEY WILL BE WEIGHTED DIFFERENTLY WITH EACH INDIVIDUAL,
11 AND IT ALLOWS US ACTUALLY COLLECTIVELY TO CALIBRATE AND
12 COME UP WITH THE SHORT LIST OF THE BASICALLY FORCED
13 RANKING OF THOSE QUALITIES FROM YOUR PERSPECTIVE.

14 SO, AGAIN, THERE ARE ACADEMIC INSTITUTIONS,
15 RESEARCH INSTITUTES, PRIVATE OR FOR PROFIT, AND THEN
16 INDUSTRY.

17 CHAIRMAN KLEIN: DR. LEVEY.

18 DR. LEVEY: YES. I WANT TO ASK YOU, BASED ON
19 YOUR EXPERIENCE AND YOUR -- BOTH AS A SEARCH FIRM AND
20 IN ADDITION TO YOUR SCIENCE BACKGROUND, WE'RE MOVING
21 FORWARD VERY QUICKLY ON A NUMBER OF FRONTS BECAUSE WE
22 FEEL WE DO HAVE A TIME LINE. DO YOU FEEL IF WE
23 SOLIDIFY CERTAIN THINGS, SUCH AS PICKING GRANT
24 REVIEWERS FOR THE STUDY SECTION, DO YOU THINK THIS WILL
25 IMPAIR OR HAVE NO EFFECT ON OUR SEARCH IN BEING ABLE TO

1 ATTRACT SOMEONE TO THIS POSITION?

2 DR. PIEPER: I THINK OF THE DIMENSIONS THAT
3 WILL BE RELEVANT, AT LEAST BY THE TIME WE GO OUT TO THE
4 SHORT LIST, THE LOCATION AND THE COMPENSATION BAND WILL
5 BE CERTAINLY TWO RELEVANT FEATURES. IN TERMS OF THE
6 OTHER ASPECTS OF THIS, I THINK IT'S A TRADE-OFF. SOME
7 INDIVIDUALS WILL FIND IT ATTRACTIVE TO HAVE IT BUTTONED
8 UP. MANY OTHERS WOULD PREFER TO BE PART OF ELABORATING
9 THAT PROCESS.

10 DR. HANCOCK: YOU PROBABLY HAVE TO RUN IT IN
11 PARALLEL THOUGH BECAUSE OF THE TIMELY.

12 DR. LEVEY: RIGHT. THAT'S WHAT WE'VE BEEN
13 DOING.

14 DR. HANCOCK: IT CAN BE A DETRACTOR FOR SOME
15 PEERS. ON THE OTHER HAND, I THINK IT'S OUR ESTIMATION
16 THAT THIS INDIVIDUAL WILL STILL SEE THE MAGNIFICENT
17 OPPORTUNITY HERE AND COME PRIMARILY FOR THAT AND DO
18 THEIR BEST TO WORK WITH PEOPLE WHO MAY ALREADY BE IN
19 PLACE.

20 DR. PIEPER: AND FRANKLY, ANYONE WHO CAN'T
21 HANDLE SOME OF THE AMBIGUITY IS PROBABLY NOT GOING TO
22 BE A FIT.

23 DR. LEVEY: BUT IT, HOWEVER, DOES LEND SOME
24 URGENCY TO FINDING SOMEONE.

25 DR. PIEPER: ABSOLUTELY. HEARD LOUD AND

1 CLEAR.

2 CHAIRMAN KLEIN: DR. PIZZO.

3 DR. PIZZO: SO TWO QUESTIONS. THE FIRST IS
4 UNDERSTANDING, OF COURSE, THAT WHEN A CANDIDATE
5 DECLARES HER OR HIMSELF, THEN IT'S A MATTER OF PUBLIC
6 RECORD. BUT THERE IS A PERIOD OF TIME WHERE
7 INDIVIDUALS MAY WANT TO BE QUITE CONFIDENTIAL. AND SO
8 CLEARLY YOU WILL HANDLE THAT FOR CANDIDATES THAT YOU
9 NORMALLY HAVE ACCESS TO. BUT WHAT ABOUT THE INDIVIDUAL
10 WHO YOU MIGHT HAVE PLACED WHO INDICATES AN INTEREST?
11 WOULD YOU BE PRECLUDED FROM DISCUSSING THE OPPORTUNITY
12 WITH THEM IF THEY SAID THEY DIDN'T WANT TO BECOME
13 PUBLIC? I'M A LITTLE WORRIED ABOUT YOUR COMMENTS THAT
14 YOU HAVE TO INFORM THE HIERARCHY.

15 DR. PIEPER: YOU'RE RIGHT. THAT DESERVES
16 SOME FURTHER EXPLANATION. THE SIMPLE ANSWER IS YES
17 UNTIL SUCH A TIME AS THEY DECLARE THEMSELVES. BUT IF
18 THEY WERE TO APPROACH US IN ANY WAY, WE WOULD SIMPLY
19 SHARE WITH THEM WHAT WE DID WITH YOU, WHICH IS OUR
20 POLICY, AND HAVE TO HOOK THEM UP WITH AMONG YOU WHO
21 WOULD PROBABLY BE DEPUTIZED TO HANDLE THAT.

22 DR. PIZZO: IN THE INITIAL PHASE. THE SECOND
23 IS YOU CLEARLY HAVE ARTICULATED YOUR SKILLS AND YOUR
24 COMMITMENT AND ALSO HAVE BEEN VERY HONEST ABOUT THE
25 RANGE OF CURRENT ONGOING OBLIGATIONS THAT YOU HAVE.

1 IT'S A LITTLE UNFAIR, BUT I'D LIKE TO KNOW WHERE THIS
2 WILL FIT INTO THE PRIORITY SCALE.

3 DR. PIEPER: IT IS SUCH A UNIQUE SITUATION,
4 AND WE'VE SPENT REALLY WEEKS THINKING ABOUT THIS AND
5 TALKING ABOUT IT.

6 DR. HANCOCK: A LOT OF TIME HAS BEEN TAKEN
7 AWAY FROM OTHER THINGS THAT WE MIGHT BE DOING.

8 DR. PIZZO: SO IS THE ANSWER THAT THIS WOULD
9 BE THE NO. 1 PRIORITY?

10 DR. PIEPER: IN ASKING OURSELVES IF WE
11 TAKE --

12 DR. PIZZO: THIS IS A MATTER OF PUBLIC
13 RECORD, BY THE WAY. SOMETHING THAT ALL YOUR OTHERS ARE
14 GOING TO HEAR.

15 DR. PIEPER: YOU'RE RIGHT. ABSOLUTELY.
16 WE'VE ACTUALLY INDIVIDUALLY AND COLLECTIVELY ASKED IS
17 THIS SOMETHING THAT WE SHOULD AND COULD TAKE ON
18 BECAUSE, AS WE SAID, IF WE'RE GOING TO, WE WANT TO BE
19 SURE THAT IT HAS AN EXCELLENT OUTCOME. AND IT'S JUST
20 PART OF OUR PROFESSIONAL STANDARDS THAT WE HAVE ASKED
21 THOSE QUESTIONS.

22 CHAIRMAN KLEIN: DR. WRIGHT. AND HOPEFULLY
23 THAT WILL BE LAST QUESTION FOR THIS INCREMENT.

24 DR. WRIGHT: I'VE ENJOYED YOUR PRESENTATION.
25 AND I WONDER IF YOU WOULD SHARE WITH US YOUR

1 EXPERIENCE, PERHAPS FROM THE PAST, IN TERMS OF THE
2 OPTIONS ABOUT THE FULL COMMITTEE VERSUS THE
3 SUBCOMMITTEE? CAN YOU SORT OF COMPARE AND CONTRAST
4 WHAT THE -- THOSE TWO PROCESSES?

5 DR. PIEPER: AND IN SOME WAYS IT'S COMPARING
6 AND CONTRASTING THE TYPICAL ACADEMIC AND YOUR TYPICAL
7 INDUSTRY SEARCH. IT'S JUST A QUESTION OF TIME. AND
8 THE MORE PEOPLE IN THE PROCESS AND THE MORE DECISION
9 MAKERS AT EVERY NODE, THE LONGER IT TAKES. DOESN'T
10 MEAN WE CAN'T HELP YOU MAKE THAT AS EFFICIENT AS
11 POSSIBLE, BUT IT'S JUST REAL. AND THE ONE SORT OF
12 THING ALL OF YOU CAN DO TO MITIGATE THAT IS WHATEVER
13 PROCESS THAT YOU DO AGREE TO, THAT WE CALENDAR IT OUT
14 AS FAR AS POSSIBLE.

15 THE GOOD NEWS ABOUT SEARCHES LIKE THIS IS, IN
16 A FUNNY WAY, THEY CAN BE GANT CHARTED. YOU REALLY CAN
17 PLOT THE POINTS OF CONTACTS AND THE DELIVERABLES AND
18 THEY CAN GET ON EVERYBODY'S CALENDARS. BUT THAT SAID,
19 IF WE HAVE TO ACCOMMODATE THE SCHEDULES AND ALL THE
20 ATTENDANT LOGISTICS OF 20 PEOPLE AS OPPOSED TO FOUR,
21 IT'S A DECISION FOR ALL OF YOU.

22 CHAIRMAN KLEIN: NOW, IF THERE'S ANY BOARD
23 MEMBER THAT HAS A REALLY CRITICAL COMMENT, WE WILL
24 CERTAINLY TAKE THAT. BUT OTHERWISE, I THINK THAT WE'LL
25 THANK YOU VERY MUCH. AN EXCELLENT PRESENTATION.

1 LIKE TO FOLLOW UP ON THE QUESTION THAT WAS
2 POSED EARLIER TO THE ISAACSON FIRM. DO YOU ALSO HAVE
3 AN ADMINISTRATIVE OVERHEAD POLICY?

4 MR. BELLSHAW: WE DO. AS STATED IN OUR
5 PROPOSAL, IT'S 9 PERCENT.

6 CHAIRMAN KLEIN: AND FOR THE A. T. KEARNEY
7 FIRM, DO YOU HAVE A POLICY THAT'S SIMILAR?

8 MR. PIMENTEL: YES, WE DO.

9 CHAIRMAN KLEIN: AND WHAT IS THAT?

10 MR. PIMENTEL: IT'S 15 PERCENT.

11 CHAIRMAN KLEIN: THANK YOU VERY MUCH. I
12 WOULD SUGGEST HERE, BEFORE WE HAVE A BOARD DISCUSSION
13 OF THIS, SINCE THIS IS A VERY IMPORTANT ITEM AND WE
14 DON'T WANT IT TO BE OVERLY PRESSURED, TO GIVE THE BOARD
15 A FIVE-MINUTE BIOLOGICAL BREAK SO THAT WE HAVE DUE
16 CONCENTRATION ON THIS ITEM.

17 (A RECESS WAS TAKEN.)

18 CHAIRMAN KLEIN: COULD YOU TAKE YOUR SEATS,
19 PLEASE. IF WE COULD ALL RECONVENE NOW, IT WOULD BE
20 GREATLY APPRECIATED. IF THE -- LET'S SEE. WE ARE
21 STILL MISSING A COUPLE OF BOARD MEMBERS. I'D LIKE TO
22 RECONVENE THE DISCUSSION WITH EVERYONE PRESENT. IF
23 STAFF COULD TRY AND SEE IF THE OTHER BOARD MEMBERS ARE
24 OTHERWISE DETAINED FOR A MOMENT. ALL RIGHT.

25 WHAT I WOULD LIKE TO DO HERE IS CONVENE THE

1 MEETING, CALL THE MEETING BACK TO ORDER. THE MATTER
2 BEFORE US IS THE RANKING OF THE EXECUTIVE SEARCH FIRMS,
3 AND I'D LIKE TO OPEN IT TO THE BOARD COMMENTS. IT'S
4 BEEN SUGGESTED THAT IF THE BOARD WERE TO COALESCE ON
5 ONE FIRM, IT COULD EXPEDITE THE PROCESS. BUT LET'S TRY
6 AND START WITH THE GENERAL DISCUSSION. DR. LOVE.

7 DR. LOVE: WHILE I WOULD SUGGEST I THOUGHT
8 ALL THE FIRMS WERE EXCELLENT, I THOUGHT IT WAS AT LEAST
9 CLEAR TO ME, ANYWAY, THAT SPENCER STUART WAS
10 EXTRAORDINARILY WELL PREPARED AND DID AN EXCELLENT JOB
11 OF PRESENTING. AND ALSO, AT LEAST TO ME, INSPIRED
12 CONFIDENCE THEY REALLY WANT THE POSITION, SO I WOULD
13 LEAD WITH THAT, BUT WITH APPROPRIATE DUE RESPECT TO THE
14 QUALITY PRESENTATIONS BY THE OTHER TWO FIRMS.

15 CHAIRMAN KLEIN: ALL RIGHT. ADDITIONAL BOARD
16 COMMENTS ON INDIVIDUAL FIRMS? DR. LEVEY.

17 DR. LEVEY: YES. I ALSO WOULD LIKE TO SAY
18 THAT I WAS VERY IMPRESSED WITH THE FIRM SPENCER STUART
19 THAT PRESENTED THIRD. I THOUGHT ALL THE FIRMS WERE
20 GOOD. THE THING THAT I THINK IS PARTICULARLY IMPORTANT
21 IS THAT THIS IS A SEARCH THAT IS NOT ONLY COMPLICATED,
22 BUT IT'S GOING TO TAKE A GREAT DEAL OF PERSON POWER TO
23 GET IT ACCOMPLISHED. AND I THINK THE FIRM THAT
24 CONDUCTS THE SEARCH NEEDS TO HAVE THE BREADTH AND DEPTH
25 THAT THEY REALLY CAN PROBE THE SCIENTIFIC COMMUNITY AND

1 DO THAT FAIRLY QUICKLY AND HAVE A GOOD RESERVOIR OF
2 INFORMATION ABOUT THE CANDIDATES AND INSTITUTIONS. AND
3 I THINK THEY'RE, AMONGST THESE THREE, UNIQUELY EQUIPPED
4 TO DO THAT. SO I WAS VERY IMPRESSED WITH THEM, AND I
5 THINK THEY SHOULD BE OUR NOMINEE, EVEN THOUGH THE
6 OTHERS, I SAID, WERE ALSO GOOD.

7 CHAIRMAN KLEIN: YES, DR. HENDERSON. EXCUSE
8 ME. DR. BIRGENEAU.

9 DR. BIRGENEAU: I'VE BEEN -- I PERSONALLY
10 HAVE BEEN RECRUITED BY TWO OF THE FIRMS AND HIRED THE
11 THIRD, SO I HAVE FIRSTHAND EXPERIENCE WITH ALL OF THEM.
12 I HIRED SPENCER STUART WHEN I WAS PRESIDENT OF
13 UNIVERSITY OF TORONTO TO HELP ME FIND A VICE PRESIDENT
14 FOR BUSINESS ADMINISTRATION. AND THEY DID A TERRIFIC
15 JOB, SO I'VE ONLY POSITIVES TO SAY ABOUT THEM.

16 AND FOR A. T. KEARNEY, THEY ACTUALLY, AND
17 ALBERTO PIMENTEL SPECIFICALLY, WAS THE PERSON WHO
18 RECRUITED ME INTO MY CURRENT JOB AS CHANCELLOR OF
19 BERKELEY, AND I THOUGHT IT WAS PERHAPS -- FRANKLY, I'VE
20 BEEN RECRUITED TO A FAIR NUMBER OF JOBS, AND HE'S THE
21 SINGLE BEST RECRUITER THAT I EVER ENCOUNTERED IN TERMS
22 OF PERSUADING SOMEONE TO CHANGE COUNTRIES EVEN.

23 SO I THINK WE'RE BLESSED HERE WITH REALLY
24 SUPERB FIRMS. I DON'T WANT -- I'M NOT GOING TO SAY
25 ANYTHING NEGATIVE ABOUT SPENCER STUART BECAUSE MY

1 EXPERIENCES WITH THEM ARE ONLY POSITIVE. BUT JUST TO
2 GIVE SOME BALANCE, I WOULD JUST COMMENT THAT BECAUSE OF
3 ALL OF THE CHANCELLOR SEARCHES AND PRESIDENT SEARCHES
4 THAT A. T. KEARNEY HAVE BEEN CARRYING OUT FOR THE
5 CALIFORNIA SYSTEM, THAT THEY'RE EXTRAORDINARILY
6 FAMILIAR WITH REALLY MANY OF THE KINDS OF PEOPLE THAT
7 WE WILL BE INTERESTED IN WHO CURRENTLY RESIDE WITHIN
8 THE STATE OF CALIFORNIA AS WELL AS OUT FOR THIS
9 PARTICULAR POSITION.

10 CHAIRMAN KLEIN: SHERRY LANSING.

11 MS. LANSING: I HAVE A QUESTION OF
12 CLARIFICATION, BUT I WANT TO SAY THAT I THOUGHT ALL
13 THREE PRESENTATIONS WERE SUPERB. AND THIS IS REALLY
14 WHAT I WOULD REFER TO AS VERY HIGH CLASS PROBLEM AND
15 VERY DIFFICULT TO MAKE A DECISION.

16 I JUST WANT TO ASK ALBERTO, BECAUSE I
17 REMEMBER, I'VE BEEN ON SO MANY OF THE SEARCH COMMITTEES
18 FOR THE UC SYSTEM, JUST FOR CLARIFICATION, DID YOU DO
19 THE RIVERSIDE SEARCH ALSO?

20 MR. PIMENTEL: NO. I DID SANTA CRUZ,
21 BERKELEY, SAN DIEGO, AND PRESIDENTIAL.

22 MS. LANSING: NONE OF THE THREE FIRMS HERE
23 DID THE RIVERSIDE SEARCH, THOUGH. I THINK I'M
24 HALLUCINATING.

25 MR. PIMENTEL: I THINK KORN FERRY DID.

1 CHAIRMAN KLEIN: ADDITIONAL COMMENTS? GALE
2 WILSON.

3 MS. WILSON: I JUST WANT TO ADD MY COMMENTS
4 ABOUT WHAT THREE TERRIFIC PRESENTATIONS, BUT I WAS
5 PARTICULARLY IMPRESSED WITH SPENCER STUART. I'VE HAD
6 EXPERIENCE WITH SPENCER STUART MYSELF. YOU TWO YOUNG
7 WOMEN DID A TERRIFIC JOB AND WITH YOUR SCIENTIFIC
8 BACKGROUND MADE EVEN MORE OF AN IMPRESSION. SO I WOULD
9 THINK WE SHOULD HIRE YOU.

10 CHAIRMAN KLEIN. DR. PIZZO.

11 DR. PIZZO: I THINK WE'RE PROBABLY GETTING
12 CLOSE TO CALLING THE QUESTION ON THE BASIS OF WHERE WE
13 ARE IN OUR DISCUSSION ALREADY. BUT I WOULD ALSO AGREE
14 THAT EACH OF THE PRESENTATIONS WERE REALLY QUITE
15 STELLAR, BUT I THINK WHAT WAS MOST PERSUASIVE TO ME WAS
16 THE DEPTH OF EXPERTISE, BOTH IN THE TWO LEAD CANDIDATE
17 INDIVIDUALS FROM SPENCER STUART, AS WELL AS THE DEPTH
18 OF THE FIRM, AND THE FACT THAT THEY'RE WILLING TO PUT
19 THIS AS THE NO. 1 PRIORITY.

20 THIS HAS TO BE OUR NO. 1 PRIORITY, AND THE
21 FACT THAT IT'S THEIRS AND THEY'RE GOING TO DO IT, NOT
22 ONLY WITH ENTHUSIASM, BUT I HOPE QUICKLY IF THEY WERE
23 CHOSEN, IS TO ME THE REASON FOR CHOOSING THEM.

24 CHAIRMAN KLEIN: ALL RIGHT. ADDITIONAL
25 COMMENTS FROM THE BOARD? COMMENT FROM THE PUBLIC?

1 SEEING NO COMMENTS FROM THE PUBLIC, I'D LIKE
2 TO PROCEED HERE. AND IF WE COULD DO A MOTION, I THINK
3 IF WE PROCEEDED WITH A MOTION AS TO WHOM THE NO. 1 FIRM
4 SHOULD BE, TAKE A VOTE ON THAT, AND THEN WE WOULD TAKE
5 A VOTE ON A BACKUP FIRM. DR. LEVEY.

6 DR. LEVEY: JUST A POINT OF ORDER. SHOULD
7 THE FIRMS BE PRESENT WHILE WE VOTE?

8 CHAIRMAN KLEIN: IT IS A PUBLIC CONTRACT, AND
9 BAGLEY-KEENE WOULD DICTATE THAT ALL MEMBERS OF THE
10 PUBLIC, INCLUDING THE FIRMS, WOULD BE PRESENT.

11 MR. GOLDBERG: I'D LIKE TO MAKE A MOTION TO
12 PROCEED WITH NEGOTIATION TO CONCLUSION WITH SPENCER
13 STUART.

14 CHAIRMAN KLEIN: IS THERE A SECOND?

15 DR. PIZZO: SECOND.

16 CHAIRMAN KLEIN: DR. PIZZO, I THINK, IS THE
17 SECOND. WE WILL DO A ROLL CALL VOTE.

18 DR. HOLMES: WHAT ARE WE ACTUALLY VOTING FOR?
19 ONE, TWO, AND THREE, IS THAT THE WAY YOU WANTED TO DO
20 THIS?

21 CHAIRMAN KLEIN: WE'RE GOING TO VOTE ON WHO
22 SHOULD BE THE FIRM, AND THEN WE'RE GOING TO VOTE ON A
23 BACKUP.

24 DR. HOLMES: I SEE.

25 CHAIRMAN KLEIN: WE CAN -- COUNSEL, CAN WE

1 VOTE WITHOUT A ROLL CALL?

2 MR. HARRISON: YES.

3 CHAIRMAN KLEIN: ALL IN FAVOR OF THIS MOTION?
4 OPPOSED?

5 DR. HOLMES: OPPOSED.

6 CHAIRMAN KLEIN: OKAY. THAT MOTION PASSES.

7 WOULD SOMEONE LIKE TO MAKE A MOTION ON THE
8 BACKUP?

9 DR. HOLMES: I WOULD MOVE THAT A. T. KEARNEY
10 BE THE BACKUP FIRM.

11 DR. LOVE: SECOND.

12 CHAIRMAN KLEIN: AND THERE'S A SECOND BY DR.
13 LOVE. ANY DISCUSSION ON THAT MOTION? DISCUSSION BY
14 THE PUBLIC ON THAT MOTION? CALL THE QUESTION. ALL IN
15 FAVOR? OPPOSED?

16 DR. SAMUELSON: NO.

17 CHAIRMAN KLEIN: THE MOTION PASSES. SO WE
18 HAVE DESIGNATED START SPENCER AS THE SEARCH FIRM WITH A
19 BACKUP OF A. T. KEARNEY. WE DO THINK THAT ALL THREE
20 CANDIDATES MADE EXCELLENT PRESENTATIONS.

21 THE INTENT WOULD BE TO THEN DELEGATE TO THE
22 PRESIDENTIAL SEARCH COMMITTEE FOR THE ABILITY TO MOVE
23 TO A CONTRACT. AND AT THE PRESIDENTIAL SEARCH
24 COMMITTEE, IT IS IMPORTANT THAT I WILL NEED TO CHOOSE
25 AN ADDITIONAL MEMBER OF THAT COMMITTEE TO SIT DOWN AND

1 ACTUALLY GO THROUGH THE TERMS OF THAT BASED UPON WHAT
2 HAS BEEN PRESENTED.

3 I THINK THE COMPENSATION FIGURES ARE VERY
4 WELL ESTABLISHED, SO THE CONTRACT TERMS HAVE BEEN
5 DISCUSSED IN-DEPTH.

6 IS THERE ANYONE WHO WOULD BELIEVE THAT WE
7 NEED TO HAVE A FULL MEETING OF THE PRESIDENTIAL SEARCH
8 COMMITTEE TO CONCLUDE THE TERMS OF THAT CONTRACT?
9 SEEING NONE, WE WILL PROCEED IN THAT MANNER.

10 WE WILL THEN ADJOURN TO AN EXECUTIVE SESSION;
11 BUT BEFORE WE DO, THERE WAS A MATTER BROUGHT UP EARLIER
12 THAT I THINK I SHOULD FORMALLY REFER TO THE STANDARDS
13 COMMITTEE. AND THAT'S THE QUESTION THAT WAS ASKED THIS
14 MORNING OF WHETHER A MEMBER OF THE BOARD WOULD QUALIFY
15 FOR A RESEARCH GRANT. AND I'D LIKE TO REFER THAT
16 FORMALLY TO THE SEARCH COMMITTEE.

17 I WOULD LIKE -- I BELIEVE WE SHOULD PROVIDE
18 SOME GUIDANCE TO THAT SEARCH COMMITTEE -- THE STANDARDS
19 COMMITTEE. EXCUSE ME. AND I WOULD LIKE INDIVIDUALLY,
20 AS A BOARD MEMBER, TO STATE THAT IT WAS NOT ORIGINALLY
21 CONCEIVED THAT A MEMBER OF THIS BOARD WOULD QUALIFY FOR
22 A GRANT BECAUSE, EVEN THOUGH THEY WOULD RECUSE
23 THEMSELVES, THERE WOULD BE PERCEPTION PROBLEMS WITH THE
24 PUBLIC, THAT THIS COULD NOT BE AN ISOLATED DECISION.
25 WHILE WE ARE REACHING FOR THE HIGHEST STANDARDS IN THE

1 COUNTRY IN SETTING A MODEL, I WOULD PERSONALLY HOPE
2 THAT IT WOULD NOT HAVE A MEMBER OF THIS BOARD WHO WOULD
3 APPLY, ALTHOUGH I HAVE PHENOMENAL RESPECT FOR EVERY
4 MEMBER OF THIS BOARD AND THE SCIENTISTS THAT ARE ON
5 THIS BOARD AND THEIR RESEARCH AND DEDICATION AND
6 PASSION FOR WHAT WE'RE ALL COMMITTED TO.

7 NOW, IS THERE ADDITIONAL COMMENTS ON THE
8 BOARD THAT MIGHT BE GUIDANCE TO THE STANDARDS
9 COMMITTEE? DEAN PIZZO.

10 DR. PIZZO: I WOULD LIKE TO CERTAINLY SUPPORT
11 THE POSITION YOU'VE JUST TAKEN. I THINK THAT, GIVEN
12 THE NATURE OF OUR RESPONSIBILITIES, THE CONCERNS ABOUT
13 THE APPEARANCE AND CONFLICT OF INTEREST, IT'S
14 IMPERATIVE THAT CHOICE BE MADE. AND THAT EITHER ONE,
15 SERVED ON THE ICOC OR BECOME THE GRANT APPLICANT, I
16 VIEW THESE AND WOULD RECOMMEND THAT THE STANDARDS
17 COMMITTEE TAKE UNDER GUIDANCE THAT THESE ARE MUTUALLY
18 EXCLUSIVE SO THAT INDIVIDUALS SERVING ON THE ICOC WOULD
19 NOT BE GRANT APPLICANTS.

20 CHAIRMAN KLEIN: ANY OTHER COMMENTS? DR.
21 LEVEY.

22 DR. LEVEY: I WOULD CERTAINLY AGREE WITH
23 THAT. I DON'T THINK MEMBERS OF THE BOARD SHOULD BE
24 ACTIVELY APPLYING FOR GRANTS. AND I KNOW WE DISCUSSED
25 THE FORMATION OF OUR -- OF THE SCIENTIFIC POOL THAT

1 WOULD SERVE AS EVALUATORS OF THE GRANTS. THAT'S ONE OF
2 THE REASONS THAT WE HAVE RECOMMENDED THAT THE REVIEWERS
3 THEMSELVES, UNLESS THERE'S EXTRAORDINARY CIRCUMSTANCES,
4 BE FROM OUTSIDE THE STATE. I THINK WE HAVE -- WE MUST
5 BE VERY TRANSPARENT, AND I DON'T THINK WE CAN AFFORD
6 ANY CONFLICTS OF INTEREST.

7 CHAIRMAN KLEIN: SHERRY.

8 MS. LANSING: I JUST WANT TO AGREE WITH
9 EVERYTHING THAT EVERYBODY SAID. I DON'T NEED TO REPEAT
10 IT. I THINK IT WOULD BE A HORRENDOUS MISTAKE IF WE
11 DON'T FOLLOW THROUGH WITH THAT.

12 CHAIRMAN KLEIN: DR. REED.

13 DR. REED: I HAD A QUESTION OF THE BOARD, AND
14 THAT WOULD BE ON ALTERNATES. SO I CAN SEE OCCASIONS
15 WHERE OCCASIONALLY ONE OF US CANNOT BE HERE IN PERSON
16 AND WOULD LIKE TO DESIGNATE AN ALTERNATE TO SERVE.
17 WOULD -- I'D JUST LIKE TO HAVE THE BOARD'S OPINION AS
18 TO WHETHER THOSE ALTERNATES SHOULD BE OF A STATUS WHERE
19 THEY'RE NOT ACTIVE SCIENTISTS WHO MIGHT BE APPLYING FOR
20 THE GRANTS.

21 CHAIRMAN KLEIN: I CAN INDICATE ON A PERSONAL
22 BASIS THAT I THINK AN ALTERNATE FALLS INTO THE SAME
23 PROBLEM AREA HERE AND SHOULD NOT BE SOMEONE WHO WOULD
24 EVER APPLY FOR A GRANT.

25 CHAIRMAN KLEIN: DR. PIZZO.

1 DR. PIZZO: I WONDER IF I COULD QUALIFY YOUR
2 RECOMMENDATION, THAT WE PRESENT THE POSITION ON WHETHER
3 ONE CAN HOLD A GRANT OR NOT TO THE STANDARDS COMMITTEE
4 AND ACTUALLY ENGAGE THE ICOC DIRECTLY IN RESOLVING THAT
5 ISSUE NOW? I THINK THAT WE SHOULDN'T HAVE ANY
6 AMBIGUITY ABOUT THIS. AND IF YOU'RE COMFORTABLE WITH
7 THAT AS A PROPOSITION, I WOULD LIKE TO PUT FORWARD THE
8 PROPOSAL, THE RECOMMENDATION THAT MEMBERS OF THE ICOC
9 SHOULD NOT BE INDIVIDUALS WHO ARE APPLYING FOR GRANTS
10 TO THE INSTITUTE.

11 DR. LEVEY: I'LL SECOND THAT.

12 CHAIRMAN KLEIN: THERE IS A MOTION AND A
13 SECOND. IT WOULD BE OPEN FOR DISCUSSION. AND DR.
14 KESSLER.

15 DR. KESSLER: I THINK YOU ARE GOING TO HAVE
16 AN AGENDA.

17 MS. DU ROSS: MARCH 1ST.

18 CHAIRMAN KLEIN: WELL, LET'S -- LET ME ASK
19 COUNSEL. IF COUNSEL COULD APPROACH THE MICROPHONE,
20 PLEASE. I THINK THAT WHAT'S ARISING HERE IS A CONCERN
21 THAT WE GIVE IMMEDIATE DIRECTION.

22 DR. PIZZO: WE'RE TALKING ABOUT RESEARCH
23 GRANTS.

24 CHAIRMAN KLEIN: AND THE QUESTION IS I ASSUME
25 THAT THE POINT IS THAT SINCE WE DON'T HAVE AN AGENDIZED

1 ACTION ITEM, THERE'S A QUESTION THERE. AS AN -- CAN WE
2 INFORMATIONALLY POLL THE BOARD ON THE ISSUE?

3 MR. HARRISON: UNFORTUNATELY, BECAUSE OF THE
4 BAGLEY-KEENE ACT AND THE FACT THAT THIS ITEM IS NOT
5 INCLUDED ON THE AGENDA --

6 DR. PIZZO: I WITHDRAW MY --

7 MR. HARRISON: -- YOU HAVE STRONG CONFLICTING
8 GOALS THAT NEED TO REASSURE THE PUBLIC ABOUT YOUR
9 THOUGHTS, WHICH I THINK YOU'VE DONE.

10 DR. PIZZO: THERE'S NO NEED. SINCE I BROUGHT
11 IT FORWARD, THEN I WITHDRAW THE NEED FOR THE VOTE
12 TODAY. I THINK WHAT WE SHOULD BE DOING, WE ARE DOING
13 IS CERTAINLY AS INDIVIDUALS, THEN, OF THE MEMBERS OF
14 THE ICOC CONVEYING OUR PERSPECTIVE ABOUT THE QUESTION
15 THAT WAS RAISED IN OFFERING AN OPINION THAT COULD COME
16 BACK TO A FORMAL DELINEATION AT A SUBSEQUENT MEETING.

17 MR. HARRISON: YOU ARE FREE TO DO THAT, AND
18 THE MATTER COULD BE PLACED ON THE AGENDA FOR THE MARCH
19 1ST MEETING.

20 CHAIRMAN KLEIN: YES. AND BESIDES PLACING IT
21 FORMALLY ON THE MARCH 1ST AGENDA, THE DIRECTION TO THE
22 STANDARDS COMMITTEE, I TAKE IT, WOULD BE PROPERLY IN
23 ORDER?

24 MR. HARRISON: YES. YOU COULD MAKE
25 DIRECTIONS TO THE STANDARDS COMMITTEE, OR YOU COULD

1 MAKE A DECISION TO TAKE THE MATTER INTO THE ICOC'S OWN
2 HANDS BY PLACING THE MATTER ON THE AGENDA ON MARCH 1ST.

3 CHAIRMAN KLEIN: WE COULD ASK THE STANDARDS
4 COMMITTEE TO COME BACK ON MARCH 1ST. DR. KESSLER, WHAT
5 IS YOUR DESIRE? SHOULD WE JUST CONVENE IT DIRECTLY AT
6 THE ICOC, OR COME BACK WITH RECOMMENDATIONS?

7 DR. KESSLER: MY RECOMMENDATION, SINCE IT
8 WILL APPLY TO THE ICOC BOARD AND ALTERNATES, IS THAT IT
9 MAKES A LOT OF SENSE FOR THE ICOC TO DEAL DIRECTLY WITH
10 THIS MATTER.

11 CHAIRMAN KLEIN: GREAT. SO WE WILL AGENDIZE
12 THAT. I THINK THE STATEMENTS FROM THE BOARD MEMBERS
13 WHO HAVE SPOKEN ARE QUITE CLEAR.

14 IS THERE ANY OTHER BOARD MEMBER WHO WOULD
15 LIKE TO TAKE A DIFFERENT POSITION?

16 DR. BRYANT: NO, BUT I'D LIKE TO JUST ADD
17 ANOTHER THING THAT I THINK WE SHOULD CLARIFY PUBLICLY
18 IS THAT MANY OF US ARE IN LEADERSHIP ROLES IN OUR
19 INSTITUTIONS. AND AS SUCH, WE -- I FEEL I WOULD BE
20 IRRESPONSIBLE IF I DIDN'T ENCOURAGE PEOPLE TO BE
21 APPLYING FOR GRANTS. SO I JUST WANT TO MAKE THAT.

22 CHAIRMAN KLEIN: THAT'S VERY CLEAR. THERE'S
23 GREAT SCIENTISTS IN ALL OF THESE INSTITUTIONS, BUT WE
24 WANT TO MAKE CERTAIN THAT ON THE BOARD ITSELF WE RETAIN
25 THE NEUTRALITY AND OBJECTIVITY THAT IS TO BE A VERY

1 HIGH STANDARD FOR THE STATE AND THE NATION. DR.

2 MURPHY.

3 DR. MURPHY: I AGREE FULLY WITH EVERYTHING
4 THAT'S BEEN SAID, BUT JUST TO SPEAK TO SUSAN'S POINT, I
5 THINK WHEN WE DO PUT THIS ON THE AGENDA, ONE OF THE
6 ISSUES THAT WE SHOULD REALLY DEAL WITH IS THE
7 REACH-THROUGH, AND WHAT IS THE RELATIONSHIP OF WE -- OF
8 US AS LEADERS OF OUR ORGANIZATION RELATIVE TO THE
9 GRANTS THAT MAY COME OUT OF OUR ORGANIZATIONS AND TO
10 DEFINE PRECISELY HOW THAT SHOULD BE HANDLED TO AVOID
11 ANY PERCEPTION OF CONFLICT.

12 CHAIRMAN KLEIN: I POINT OUT THE INITIATIVE
13 ALREADY CALLS FOR THE FACT THAT IF A GRANT EVEN COMES
14 FROM YOUR INSTITUTION, YOU HAVE AN OBLIGATION TO RECUSE
15 YOURSELF FROM ANY VOTE. SO THAT INSULATION FACTOR IS
16 ALREADY IN PLACE. SO THERE'S BEEN A FAIRLY CLEAR
17 COMMUNICATION, I THINK, OF DIRECTION. BUT WE WILL TAKE
18 FORMAL ACTION ON MARCH 1ST, AND THERE IS ONLY ONE
19 CONSISTENT POINT OF VIEW BEING PUT FORTH BY THE BOARD.

20 THANK YOU. WE WILL NOW ADJOURN INTO
21 EXECUTIVE SESSION. THE -- FOLLOWING EXECUTIVE SESSION
22 WILL BE LUNCH. THE EXECUTIVE SESSION WILL BE 30 TO 40
23 MINUTES, FOLLOWED BY A LUNCH OF 45 MINUTES, AND THEN WE
24 WILL RECONVENE. SO IF ALL OF THE PARTIES IN THE ROOM
25 WOULD -- WHO ARE NOT MEMBERS OF THE BOARD OR STAFF OF

1 THE INSTITUTE WOULD ADJOURN. WE GREATLY APPRECIATE YOU
2 ALL BEING HERE. WE LOOK FORWARD TO SEEING YOU AFTER
3 LUNCH.

4 (THE MEETING WAS THEN ADJOURNED TO
5 EXECUTIVE SESSION FOLLOWED BY A LUNCH RECESS.)

6 CHAIRMAN KLEIN: ALL RIGHT. IF WE COULD COME
7 TO ORDER HERE, WE'RE GOING TO MOVE FORWARD. AND
8 THERE'S A REQUEST BY DR. KESSLER, BECAUSE OF SOME TIME
9 DEMANDS, THAT WE MOVE FORWARD TO ITEM 12. AND I'D LIKE
10 TO START WITH THE STANDARDS SUMMARY OF MINUTE REPORTS
11 IN ORDER TO MAKE SURE WE GET DR. KESSLER'S REPORTS.

12 DR. KESSLER: THANKS, MR. CHAIRMAN. EVERYONE
13 SHOULD HAVE IN THEIR PACKETS THE SUMMARY MINUTES OF THE
14 SCIENTIFIC AND MEDICAL ACCOUNTABILITY STANDARDS WORKING
15 GROUP SEARCH SUBCOMMITTEE. WE MET ON JANUARY 31ST.
16 THOSE MINUTES DETAIL THE WORK, AND I WILL TRY TO BE
17 BRIEF IN BRINGING THE RELEVANT ISSUES TO THE ENTIRE
18 ICOC COMMITTEE AND HOPE MY SUBCOMMITTEE MEMBERS CAN
19 AMPLIFY ANY POINTS THAT THEY THINK THAT I LEAVE OUT.

20 I REALLY -- WE MET, AND I'M VERY GRATEFUL FOR
21 OUR SUBCOMMITTEE MEMBERS. EVERYONE ATTENDED THAT
22 MEETING IN PERSON. FIRST, AS YOU CAN SEE FROM THE
23 AGENDA, ON THE PROCESS FOR SELECTION OF NOMINEES FOR
24 THE STANDARDS WORKING GROUP, THE COMMITTEE UNANIMOUSLY
25 APPROVED THE CRITERIA AND PROCESS FOR THE SELECTION AND

1 EVALUATION OF MEMBERS TO SERVE ON THIS WORKING GROUP.

2 THE CRITERIA AND THE PROCESS FLOW CHART CAN
3 BE FOUND IN YOUR HANDOUTS, ALSO ATTACHED TO THE
4 MINUTES, ALONG WITH THE TENTATIVE TIME LINE INFORMATION
5 FORM THAT WE WILL REQUEST FROM ALL NOMINEES, AND A JOB
6 DESCRIPTION TO SERVE ON THE WORKING GROUP. THE
7 DEADLINE FOR SUBMISSION OF COMPLETED INFORMATION FORM
8 BY NOMINEES IS MIDNIGHT FEBRUARY 22D. THE SUBCOMMITTEE
9 PLANS TO SELECT 13 NOMINEES AS A SLATE TO BE
10 RECOMMENDED TO THE ENTIRE ICOC FOR APPROVAL AT THE
11 APRIL MEETING.

12 THE PROCESS DESCRIBED IN THE HANDOUTS IS FOR
13 THE SELECTION OF THE MEDICAL ETHICIST AND SCIENTIST OR
14 CLINICIAN MEMBERS OF THE STANDARDS WORKING GROUP.

15 WE NEED TO DISCUSS TODAY, AGAIN, ONLY DISCUSS
16 IT BECAUSE WE ARE NOT PERMITTED TO REACH FINAL
17 DECISION, WHO WILL SERVE IN THE FIVE SPOTS ALLOTTED TO
18 MEMBERS OF THE ICOC. THERE ARE FIVE MEMBERS OF THE
19 ICOC BY STATUTE THAT WILL SERVE ON THE STANDARDS AND
20 ACCOUNTABILITY WORKING GROUP. THEY ARE ONLY -- YOU'RE
21 ONLY ELIGIBLE IF YOU ARE NOT ONLY AN ICOC MEMBER FOR
22 THESE FIVE, IF YOU ARE FROM ONE OF THE TEN
23 DISEASE-SPECIFIC AREAS. SO THE ACADEMIC, THE OTHER
24 SCIENTIFIC DO NOT QUALIFY. ONLY THE TEN
25 DISEASE-SPECIFIC AREA ICOC MEMBERS QUALIFY.

1 ALTHOUGH WE CAN'T TAKE ACTION ON THIS MATTER
2 TODAY, AT THE SUBCOMMITTEE SUGGESTION, I WOULD LIKE TO
3 ASK ICOC MEMBERS WHO ARE INTERESTED IN SERVING ON THE
4 SCIENTIFIC AND MEDICAL STANDARDS AND ACCOUNTABILITY
5 WORKING GROUP TO SO SIGNIFY TODAY. RATHER THAN A
6 SUBCOMMITTEE OF YOUR PEERS DECIDE WHO SHOULD SERVE, WE
7 THOUGHT IT WOULD BE BETTER IF YOU WOULD SOMEHOW
8 SELF-IDENTIFY. OBVIOUSLY IF THERE'S MORE THAN FIVE, WE
9 CAN ASK WHO FEELS STRONGLY ON SERVING.

10 SO I GUESS IF ANY MEMBERS OF THE ICC WHO
11 WOULD LIKE TO SERVE, WE WOULD CERTAINLY ENCOURAGE
12 SERVING ON THIS WORKING GROUP, WE WOULD LIKE TO KNOW
13 THAT TODAY. PERHAPS WE CAN -- IF YOU CAN JUST STATE
14 YOUR NAME FOR THE RECORD OF WHO, AND THEN WE CAN COUNT
15 HOW MANY THERE ARE. AND THEN IF THERE'S MORE THAN
16 FIVE, WE CAN THEN ASK THE QUESTION WHO FEELS STRONGLY
17 ON SERVING, AND SEE IF WE CAN GET TO FIVE. AND THEN
18 WE'LL COME BACK, AND IT HAS TO BE VOTED ON AT THE NEXT
19 ICOC MEETING.

20 SO CAN WE ASK WHO WOULD LIKE TO SERVE? AND
21 I'D BE HAPPY TO ANSWER ANY QUESTIONS.

22 DR. BRYANT: ONE OF THE -- I THOUGHT HE LEFT.

23 DR. PRECIADO: PHYLLIS PRECIADO. I WOULD
24 LIKE TO SERVE.

25 MR. SHESTACK: JON SHESTACK. I'D LIKE TO

1 SERVE ON THAT.

2 MR. SHEEHY: JOHN SHEEHY. I WOULD LIKE TO
3 SERVE ON THAT.

4 DR. KESSLER: THAT'S THREE.

5 DR. PRIETO: FRANCISCO PRIETO. I WOULD LIKE
6 TO SERVE.

7 DR. KESSLER: THAT'S FOUR.

8 DR. SAMUELSON: JOAN SAMUELSON. I WOULD LIKE
9 TO SERVE.

10 DR. KESSLER: THAT'S FIVE.

11 CHAIRMAN KLEIN: REMARKABLE.

12 DR. KESSLER: AGAIN, I WANTED PEOPLE TO --
13 THE COMMITTEE WANTED PEOPLE TO SELF-IDENTIFY. AND IF
14 WE'RE AT FIVE AGAIN, THE SUBCOMMITTEE WILL MAKE -- TAKE
15 THAT UNDER CONSIDERATION THAT THERE ARE FIVE AND COME
16 BACK WITH THE NAMES AT THE NEXT MEETING OF THOSE FIVE.

17 NO. 2, THE DEVELOPMENT OF CONFLICT OF
18 INTEREST STANDARDS. THE SUGGESTION OF THE
19 SUBCOMMITTEE, IT PASSED IN A MOTION, IS THAT THE ICOC
20 AUTHORIZE THE INSTITUTE TO HAVE AN INDEPENDENT, NON-NIH
21 CONSULTANT, BASICALLY RETAIN AN INDEPENDENT, NON-NIH
22 CONSULTANT WHO IS FAMILIAR WITH THE CURRENT NIH
23 STANDARDS TO HELP US TO ADVISE US TO DEVELOP SPECIFIC
24 CONFLICT OF INTEREST GUIDELINES GOVERNING WORKING GROUP
25 MEMBERS.

1 AS YOU MANY OF YOU KNOW, THE STATUTE SAYS
2 THAT WE SHOULD BASE OUR CONFLICT OF INTEREST
3 GUIDELINES, OUR REQUIREMENTS ON THE NIH MODEL FOR
4 SCIENTIFIC GROUP. IT SAYS BASED UPON. IT DOES NOT SAY
5 EXACTLY. SO THE RECOMMENDATION FROM THE SUBCOMMITTEE
6 IS THAT WE GET SOMEBODY WHO IS VERY FAMILIAR WITH
7 POLICY, THE NIH POLICY AND, WHO KNOWS THE ISSUES THAT
8 ARE RAISED BY THAT AND CAN RECOMMEND WHETHER THERE
9 NEEDS TO BE ANY FINE-TUNING, ANY ADDITIONS TO THOSE NIH
10 GUIDELINES THAT THEN COME BACK FOR OUR REVIEW.

11 SO WE NEED -- THE RECOMMENDATION IS WE GET
12 SOME EXPERTISE. WE'VE HAD SOME EXPERTISE IN THE PAST,
13 FOR EXAMPLE, BEFORE WE MET AT THE IRVINE, THERE WERE
14 SOME EXPERTS WHO CAME AND MADE CERTAIN RECOMMENDATIONS.
15 AND WE'D LIKE TO MAKE SURE WE DO THAT THOROUGHLY. SO
16 THAT IS A SUGGESTION OF THE SUBCOMMITTEE, TO RETAIN
17 SOME EXPERTISE ON HOW TO -- ON EXACTLY WHAT THE
18 CONFLICT OF INTEREST GUIDELINES THAT GOVERN WHO CAN
19 SERVE AND THE CONDUCT OF THE WORKING GROUP MEMBERS.

20 NO. 3, WITH REGARD TO THE DEVELOPMENT OF
21 INTELLECTUAL PROPERTY STANDARDS AND ICOC COOPERATION
22 WITH THE COMMITTEE ON INTELLECTUAL PROPERTY CREATED BY
23 ASSEMBLY CONCURRENT RESOLUTION 252, TWO SEPARATE
24 ISSUES. THE SUBCOMMITTEE REACHED CONSENSUS THAT THE
25 STANDARDS WORKING GROUP, AS SPECIFIED IN THE LANGUAGE

1 OF PROPOSITION 71, DOES NOT HAVE ALL THE TECHNICAL
2 EXPERTISE TO HANDLE INTELLECTUAL PROPERTY MATTERS
3 ALONE.

4 THE SUBCOMMITTEE DID FEEL STRONGLY, THOUGH,
5 THAT THE GROUP TO HANDLE IP SHOULD BE BROADLY BASED AND
6 HAVE EXPERTISE TO CONSIDER ETHICAL, PUBLIC INTEREST,
7 LEGAL, AND ECONOMICS ISSUES IN ADDITION TO INTELLECTUAL
8 PROPERTY EXPERTISE. CONSENSUS WAS REACHED THAT ANY IP
9 AD HOC GROUP SHOULD BE LINKED TO THE STANDARDS WORKING
10 GROUP IN SOME FASHION.

11 IF I CAN GO ON, AS CHAIRMAN KLEIN HAD SAID AT
12 A PREVIOUS MEETING, THERE HAS BEEN A REQUEST FOR
13 NOMINATIONS FROM TWO MEMBERS OF THE ICOC TO SERVE ON
14 THE STATE COMMITTEE CREATED BY ASSEMBLY CONCURRENT
15 RESOLUTION 252. THE SUBCOMMITTEE ALSO FEELS THAT IT IS
16 ADVISABLE, WHEN IT LOOKED AT THE KIND OF EXPERTISE
17 THAT'S REQUIRED BY 252, THIS IS IP, AGAIN, INTELLECTUAL
18 PROPERTY EXPERTISE, THERE WAS SOME DISCUSSION THAT IT
19 MAY BE WISE THAT THE MEMBERS OF THE ICOC THAT SERVE ON
20 THIS WHO WE NOMINATE, ONE PERSON HAVE SOME INDUSTRY IP
21 EXPERIENCE AND SOMEONE HAVE SOME ACADEMIC IP EXPERIENCE
22 TO FORM THE TWO-MEMBER TEAM REPRESENTING THE ICOC,
23 ALTHOUGH THAT DOES NOT HAVE TO BE FOLLOWED.

24 ALTHOUGH WE CANNOT TAKE ACTION ON THIS MATTER
25 TODAY, AT THE SUBCOMMITTEE'S SUGGESTION, I'D LIKE TO

1 ASK THE ICOC, AND I THINK WE DID THIS BY E-MAIL
2 YESTERDAY, WHO FEEL THEY HAVE EXPERTISE IN INTELLECTUAL
3 PROPERTY STANDARDS AND WHO ARE INTERESTED IN SERVING AS
4 REPRESENTATIVES OF THE ICOC ON ACR 252 COMMITTEE TO
5 ALSO SO INDICATE. AND IF THERE JUST HAPPENS TO BE TWO,
6 THREE -- I THINK WE GOT THREE NAMES YESTERDAY, AND IT
7 MAY BE WHEN PEOPLE UNDERSTAND IT REALLY IS IMPORTANT,
8 THAT THEY HAVE EXPERTISE ON IP ISSUES, RECOGNIZING THAT
9 THIS COMMITTEE, OUR SUBCOMMITTEE, FEELS VERY STRONGLY
10 THAT THAT'S A BROAD RANGE OF EXPERTISE, ETHICAL, PUBLIC
11 INTEREST, ECONOMICS, AND LEGAL.

12 SO AGAIN, WE'D LIKE THE ICOC, ALL OF YOU, IF
13 WE COULD COLLECTIVELY COME UP WITH TWO NOMINEES FROM
14 OUR RANKS RATHER THAN THE SUBCOMMITTEE SO DESIGNATE.
15 SO IF THERE ARE TWO OF YOU WHO BELIEVE YOU HAVE THE
16 EXPERTISE, WE WOULD VERY MUCH LIKE TO HEAR FROM YOU.

17 AND MICHAEL, SUSAN. YOU WANT TO JUST TALK A
18 LITTLE, A SENTENCE ABOUT THE EXPERTISE AND WHAT YOU
19 BRING TO BEAR?

20 MR. GOLDBERG: EXPERTISE MAY BE TOO STRONG A
21 WORD, BUT CERTAINLY A LOT OF EXPERIENCE, SCAR TISSUE
22 AND TIRE TRACKS ON MY BACK. FROM MY CAREER IN INDUSTRY
23 AS AN ENTREPRENEUR AND AS A CEO, I'VE BEEN INVOLVED IN
24 DEVELOPMENT OF A LOT OF IP WITH SCIENTISTS AND
25 PHYSICIANS. I'VE ALSO BEEN INVOLVED IN LICENSING AND

1 OUTLICENSING NEGOTIATIONS EXTENSIVELY. I'VE BEEN
2 INVOLVED IN NEGOTIATING PATENT DISPUTES WITH OTHER
3 PARTIES. AND THIS WHOLE AREA OF HOW TO COOPERATE WITH
4 THE EXISTING IP THAT'S OUT THERE IN THE EMBRYONIC STEM
5 CELL FIELD, AS WELL AS FERRETING THE ROLE THAT OUR
6 CONTRIBUTING IP WILL PLAY, AS WELL AS THE UNIQUE
7 SITUATION THAT WE HAVE AS A STATE INSTITUTE THAT'S
8 GOING TO PRINCIPALLY CONTRACT WITH STATE INSTITUTIONS,
9 BOTH PUBLIC AND PRIVATE, MANY OF WHOM HAVE THEIR OWN IP
10 INFRASTRUCTURES, IS AN INTELLECTUAL CHALLENGE THAT I
11 THINK I'D BE VERY INTERESTED IN SPENDING TIME ON.

12 DR. BRYANT: SO MY EXPERIENCE HAS JUST BEEN
13 IN MY ROLE AS DEAN. I HAVE NEVER ACTUALLY MADE AN
14 INVENTION AND A DISCLOSURE MYSELF, BUT I HAVE BEEN
15 INTERESTED IN MOVING THIS PROCESS AHEAD DURING -- AS
16 PART OF BEING DEAN AND TRYING TO ENCOURAGE FACULTY TO
17 REMEMBER THIS ASPECT OF THE COMMITMENT AND TO TRY AND
18 GET BETTER, CLOSER RELATIONSHIPS BETWEEN FACULTY AND
19 THE PEOPLE THAT WORK IN THE TECH TRANSFER OFFICE AND SO
20 FORTH, AND ALSO COMING TO GRIPS WITH UNDERSTANDING WHY
21 THE PROCEDURES ARE THE WAY THAT THEY ARE AND HOW WE GOT
22 THERE AND SO FORTH. SO I FEEL LIKE I HAVE THE
23 INTEREST, BUT NOT NECESSARILY DIRECT EXPERTISE AS AN
24 INDIVIDUAL WITH IP.

25 DR. KESSLER: THOSE ARE THE TWO NAMES. I

1 THINK WE RECEIVED A THIRD NAME IN RESPONSE TO --

2 DR. PRECIADO: I OBVIOUSLY DON'T FIT THE
3 TITLE, SO I WITHDRAW.

4 DR. KESSLER: ANYONE ELSE? WE HAVE TWO. WE
5 HAVE TO NOMINATE TWO. AGAIN, WE CAN'T TAKE OFFICIAL
6 ACTION TODAY. WE HAVE TO COME BACK WHEN IT'S
7 APPROPRIATELY AGENDAD, BUT THAT WOULD PUT US IN A GOOD
8 POSITION TO BE ABLE TO NOMINATE AT THE NEXT MEETING, IF
9 THAT IS WHERE WE STAND.

10 ON THE ISSUE OF -- FURTHER OPINION OF THE
11 STANDARDS WORKING GROUP SEARCH SUBCOMMITTEE, THAT THE
12 ICOC SHOULD NOT ONLY COOPERATE WITH THE ACR 252
13 COMMITTEE, BUT ALSO DEVELOP AN INDEPENDENT PROCESS FOR
14 GUIDANCE AND COUNSEL ON INTELLECTUAL PROPERTY ISSUES.
15 I KNOW THIS WILL BE DISCUSSED IN ITEM 14, BUT I JUST
16 WANTED TO STATE OUR SUBCOMMITTEE'S DESIRE, THAT WE NOT
17 RELY SOLELY ON THE ACR 252, BUT THERE BE SOME
18 INDEPENDENT PROCESS THAT WE DEVELOP.

19 WITH REGARD TO THE ICOC COOPERATION WITH THE
20 COMMITTEE ON STEM CELL RESEARCH GUIDELINES CREATED BY
21 SENATE BILL 322, THE MEMBERS OF THE COMMITTEE CREATED
22 BY THAT SENATE BILL HAVE NOT BEEN OFFICIALLY APPOINTED
23 AND, THEREFORE, THE PROCESS OF DEVELOPING GUIDELINES
24 HAS NOT BEGUN.

25 UNANIMOUS MOTION WAS MADE BY THE SUBCOMMITTEE

1 TO SEND A LETTER TO THE GOVERNOR STATING THAT THE ICOC
2 WOULD LIKE TO COOPERATE WITH THE SENATE BILL 322
3 PROCESS, BUT CANNOT DO SO UNTIL THE APPOINTMENTS ARE
4 MADE. THEREFORE, THE COMMITTEE IS REQUESTING SORT OF A
5 PROGRESS REPORT AND AN INDICATION TO THE GOVERNOR THAT
6 WE DO WANT TO COOPERATE WITH SENATE BILL 322 COMMITTEE
7 WHEN IT IS FORMED.

8 THOSE ARE -- THAT'S THE REPORT FROM THE
9 SUBCOMMITTEE. LET ME ASK MY COLLEAGUES ON IT IF THEY
10 HAVE ANYTHING ELSE THAT THEY WOULD LIKE TO ADD AT THIS
11 TIME? OR THEN ASK CERTAINLY ANY OTHER COMMENTS FROM
12 ANY MEMBERS OF THIS COMMITTEE REGARDING OUR
13 RECOMMENDATIONS AND THE PROCESS THAT WE'VE IDENTIFIED
14 TO SELECT MEMBERS OF THE WORKING GROUP?

15 CHAIRMAN KLEIN: DEAN KESSLER, I THINK THE
16 STATUS ON THAT SENATE BILL 322 COMMITTEE IS THAT THE
17 GOVERNOR'S OFFICE, THROUGH THE DEPARTMENT OF HEALTH,
18 HAS MADE ALL OF THEIR APPOINTMENTS. IT'S ONLY BEEN
19 HELD UP BY ONE SENATE APPOINTMENT WHERE THEY'RE -- TO
20 ACCOMMODATE THE SENATE, A PARTICULAR SENATOR HAS ASKED
21 THEM TO WAIT UNTIL THAT SENATOR CAN MAKE A NOMINATION,
22 BUT IT IS VERY IMPORTANT TO MOVE THIS FORWARD
23 IMMEDIATELY BECAUSE WE'D LIKE TO COOPERATE, AS YOU
24 SAID. BUT IT'S BEEN HELD UP AT THIS POINT FOR A NUMBER
25 OF MONTHS, AND IT'S URGENT THAT THAT WORK PROCEED.

1 DR. KESSLER: ANY OTHER COMMENTS FROM EITHER
2 MEMBERS OF THE SUBCOMMITTEE OR THE BOARD, THE ICOC
3 BOARD, WITH REGARD TO THIS REPORT AND OUR PROCESS?

4 DR. SAMUELSON: THERE WAS SOME DISCUSSION
5 ABOUT THE SCOPE OF THE JURISDICTION, IF YOU WILL, OF
6 THE WORKING GROUP THAT WE WERE SEARCHING -- IN THE
7 PROCESS OF SEARCHING FOR THE MEMBERS FOR. AND IN AND
8 OF ITSELF AND RELATIVE TO THE OTHER WORKING GROUPS AND
9 RELATIVE TO THE FUNCTIONS THAT IS THE ICOC IS GOING TO
10 HAVE TO PERFORM AND A CONCERN OR JUST AWARENESS, THAT
11 THERE'S SOME -- THAT THE WORKING GROUPS DON'T ON THEIR
12 FACE NECESSARILY ENCOMPASS ALL OF THE PRINCIPAL TASKS,
13 LIKE, FOR EXAMPLE, IP.

14 MR. SHESTACK: OR STRATEGIC PLANNING.

15 DR. SAMUELSON: OR STRATEGIC PLANNING. AND
16 SOME OF US, I EXPRESSED A DESIRE THAT THEY HAVE A HOME
17 IN ONE OF THE WORKING GROUPS BECAUSE IT SEEMED TO ME
18 THAT THAT IS A GOOD GOVERNING STRUCTURE FOR OUR WORK
19 AND SIMPLY THOUGHT THAT WE WOULD WANT TO CHEW ON THAT
20 AS A COMMITTEE AT SOME POINT.

21 CHAIRMAN KLEIN: SPEAKING AS THE CHAIR, I
22 WOULD TELL YOU THAT THERE'S A DESIRE NOT TO OVERBURDEN
23 BOARD MEMBERS AND TRY AND PRIORITIZE THE VARIOUS
24 COMMITTEES THAT THE BOARD MEMBERS ARE ASKED TO SERVE
25 ON. AND THE PRESIDENTIAL SEARCH COMMITTEE, THE SITE

1 SEARCH COMMITTEE, THE STANDARDS COMMITTEE, THE GRANTS
2 COMMITTEE ARE ALL ON THE FRONT END OF A CRITICAL PATH.
3 WE'RE VERY HOPEFUL THAT IF WE CAN MOVE DOWN THIS
4 PROCESS OF GETTING AN ACTING PRESIDENT, ONE OF THE
5 FIRST TASKS THERE IS TO BRING TOGETHER THAT CRITICAL
6 PATH CHART.

7 BUT STRATEGIC PLANNING IS CLEARLY AN AREA FOR
8 A COMMITTEE OF THE BOARD TO TRY AND HELP DEVELOP THOSE
9 IDEAS. AND INTELLECTUAL PROPERTY IS GOING TO BE
10 ANOTHER CHALLENGING AREA, PARTICULARLY BECAUSE OF THE
11 EXISTENCE OF THE WARF PATENTS AND COMPLICATED LEGAL
12 SITUATIONS, SUCH AS THE WARF PATENTS HAVE A DEFECT IN
13 THAT THEY WEREN'T FILED TIMELY TO COVER ASIA, PORTIONS
14 OF ASIA, THAT BECAUSE THERE'S THE 1984 WAXMAN BILL AND
15 WHAT THE IMPLICATIONS OF THAT ARE.

16 BUT IN THE INTELLECTUAL PROPERTY AREA, IN
17 ADDITION TO A BOARD WORKING GROUP, IT'S MY EXPECTATION,
18 AND IT'S AN ITEM TO BE DISCUSSED IN THIS AGENDA,
19 WHETHER WE CREATE A TECHNICAL COMMITTEE THAT
20 INCORPORATES THE EXPERIENCE OF SOME OF THE FINE LAWYERS
21 THAT ARE REPRESENTED AT NONPROFIT INSTITUTIONS ON THIS
22 BOARD, THAT GET US A BASE OF INFORMATION FROM WHICH OUR
23 BOARD COMMITTEE CAN THEN LAUNCH A VERY THOUGHTFUL
24 EXAMINATION OF THESE ISSUES. BECAUSE IN ADDITION, AS
25 DEAN KESSLER HAS MENTIONED, THERE'S ISSUES BEYOND THE

1 FINANCIAL ISSUES. THERE'S ETHICAL ISSUES AND POTENTIAL
2 FOR CONCESSIONARY PROGRAMS IN YOUR IP STRUCTURE TO DEAL
3 WITH PEOPLE OF LOW INCOME, AND THERE'S OTHER NEEDS TO
4 BE ADDRESSED LEGITIMATELY BY THIS WHOLE BOARD.

5 DR. KESSLER: OTHER COMMENTS FROM THE BOARD
6 MEMBERS ON OUR REPORT?

7 DR. MURPHY: DAVID, I'D LIKE TO JUST AGREE
8 STRONGLY WITH THE NOTION THAT WHEN WE'RE TALKING ABOUT
9 IP, WE REALLY HAVE TO TALK ABOUT TWO KINDS. ONE, IP
10 THAT'S GOING TO RELATE TO THE COMMERCIAL SECTOR AND IP
11 THAT'S GOING TO RELATE TO THE NONPROFIT SECTOR. I
12 THINK THERE'S, WHAT I'M HEARING, A GENERAL LEVEL OF
13 COMFORT THAT WE CAN WORK OUT THE NONPROFIT; BUT IN THE
14 BUSINESS COMMUNITY, I THINK THEY KNOW THAT IT'S GOING
15 TO BE A LONG HARD PULL.

16 I THINK THE OTHER THING, IT WOULD BE NICE,
17 ALL OF THE CALIFORNIA ORGANIZATIONS HAVE A VERY STRONG
18 IP COMPONENT. AND RATHER THAN REDESCRIBE OR REDISCOVER
19 THE WHEEL, IT WOULD BE NICE IF WE COULD USE THAT
20 EXPERTISE EFFECTIVELY, AND I THINK THAT WOULD MINIMIZE
21 THE EFFORTS OF THE BOARD.

22 DR. KESSLER: CHAIRMAN KLEIN, IF WE CAN ALSO,
23 THEN, ASK FOR PUBLIC COMMENT ON THE PROCESSES AND
24 RECOMMENDATIONS THAT HAVE BEEN SET OUT IN THE
25 SUBCOMMITTEE REPORT AT THIS TIME. IS THERE PUBLIC

1 COMMENT? IF THERE IS NO -- IF THERE ARE NO COMMENTS
2 FROM THE PUBLIC, I THINK WE NEED TO MOVE TO A MOTION TO
3 APPROVE THE REPORT AND PROCESS OF THE SUBCOMMITTEE TO
4 IDENTIFY MEMBERS OF THE WORKING GROUP ON THE SCIENTIFIC
5 AND MEDICAL ACCOUNTABILITY STANDARDS WORKING GROUP.

6 MR. REYNOLDS: MAY I MAKE A PUBLIC COMMENT?

7 CHAIRMAN KLEIN: YES, YOU CAN.

8 MR. REYNOLDS: THANK YOU. MY NAME IS JESSE
9 REYNOLDS. I'M WITH THE CENTER FOR GENETICS IN SOCIETY.
10 AS YOU MAY KNOW, WE'RE A PUBLIC INTEREST ADVOCACY
11 NONPROFIT ORGANIZATION THAT SUPPORTS THE PUBLIC FUNDING
12 OF EMBRYONIC STEM CELL RESEARCH, BUT HAS HAD A NUMBER
13 OF CONCERNS AND CRITICISMS OF BOTH PROPOSITION 71 AND
14 HOW IT'S BEEN CARRIED OUT.

15 AND IN AN ATMOSPHERE OF WHAT I HOPE IS
16 CONSTRUCTIVE, YET CRITICAL ENGAGEMENT, I SENT ALL OF
17 YOU A LETTER LATE YESTERDAY THAT I HOPE CAN BE ENTERED
18 INTO THE PERMANENT RECORD OF THIS MEETING.

19 AND I'D LIKE TO REITERATE ONE OF THE POINTS
20 THAT WAS MADE IN THIS LETTER. AND, YOU KNOW, A NUMBER
21 OF THE CRITICISMS AND CONCERNS THAT WE HAVE RAISED HAVE
22 BEEN REITERATED BY A NUMBER OF ORGANIZATIONS AND
23 INDIVIDUALS, MANY OF WHICH ACTUALLY SUPPORTED
24 PROPOSITION 71, FOR EXAMPLE, THE EDITORIAL BOARDS OF
25 THE SAN JOSE MERCURY NEWS, SAN FRANCISCO CHRONICLE, AND

1 THE OAKLAND TRIBUNE GROUP.

2 AND THE SPECIFIC POINT THAT I'D LIKE TO TALK
3 ABOUT NOW, I THINK THIS IS THE APPROPRIATE MOMENT TO
4 TALK ABOUT CONFLICTS OF INTEREST AND OPENNESS AND
5 TRANSPARENCY. THIS WEEK THE NIH, WHICH IS SORT OF A
6 FEDERAL ANALOGY OF WHAT WE'RE DOING HERE, TIGHTENED ITS
7 REGULATIONS ON A NUMBER OF ITS CONFLICTS OF INTEREST
8 STANDARDS. YET I FEEL THERE'S STILL SOMETHING OF A
9 DISCONNECT BETWEEN SOME OF THE POLICIES THAT REMAIN
10 HERE AT THE IRM AND THE SPIRIT THAT WAS CAPTURED IN THE
11 NIH POLICIES, WHICH REFLECT THE SERIOUSNESS OF
12 POTENTIAL CONFLICTS OF INTEREST WHEN YOU'RE TALKING
13 ABOUT DELIVERING \$3 BILLION IN RESEARCH GRANTS.

14 AND TO ME THOSE DISCONNECTS, THEY ARISE FROM
15 THE EXEMPTION OF THE WORKING GROUPS FROM A NUMBER OF
16 STATE LAWS, YOUR HURRY TO FILL THE WORKING GROUPS
17 BEFORE THE CONFLICT OF INTEREST REGULATIONS ARE IN
18 PLACE, AND SOME OF THE HEAVY INVESTMENTS AND INCOME
19 SOURCES FROM THE BIOTECHNOLOGY SECTOR THAT ARE REVEALED
20 IN THE FORM 700 SUPPLIED BY SOME MEMBERS OF THE ICOC.

21 TO THAT END, TO REMEDY THESE, I HAVE A FEW
22 RECOMMENDATIONS THAT I URGE YOU TO CONSIDER SERIOUSLY.
23 FIRST, WE'RE REALLY ENCOURAGED BY MR. KLEIN'S PROMISE
24 THAT HE MADE AT THE LAST MEETING TO DIVEST HIMSELF OF
25 ALL BIOMEDICAL STOCKS AND OTHER INVESTMENTS WHICH MAY

1 BENEFIT FROM THE ACTIVITIES OF THE IRM. WE ENCOURAGE
2 THAT THE ICOC ADOPT THIS AS A POLICY.

3 SECOND, HAVE THE CONFLICT OF INTEREST
4 STANDARDS IN PLACE BEFORE YOU START TO FILL THE WORKING
5 GROUP MEMBERSHIPS.

6 THIRD, CONSIDER BASING YOUR STANDARDS ON THE
7 NEW NIH STANDARDS, NOT THE OLD ONES.

8 AND FINALLY, AS A MATTER OF POLICY, HAVE THE
9 WORKING GROUP MEMBERS AND THEIR MEETINGS SUBJECT TO THE
10 BAGLEY-KEENE LAW, THE POLITICAL REFORM ACT, AND THE
11 PUBLIC RECORDS ACT WITH A FEW EXPLICIT AND
12 UNDERSTANDABLE EXCEPTIONS. THERE ARE OCCASIONS WHEN
13 MEETINGS CAN AND SHOULD BE HELD BEHIND CLOSED DOORS FOR
14 FRANK DISCUSSION, AND WE RECOGNIZE THAT. AS MATTER OF
15 POLICY, I RECOMMEND THAT YOU APPLY THOSE LAWS. THANK
16 YOU.

17 DR. KESSLER: THANK YOU FOR THOSE COMMENTS.
18 ONE OF THE GOALS AND THE THINGS WE DISCUSSED WAS HOW DO
19 WE ARRIVE AT THOSE CONFLICT OF INTEREST GUIDELINES.
20 AND THAT'S WHY WE ASKED FOR REAL EXPERTISE AND NOT JUST
21 TO ADOPT THE NIH GUIDELINES WITHOUT A THOROUGH REVIEW.

22 JUST FOR THE RECORD, ON THE INFORMATION SHEET
23 THAT IS GOING OUT TO ALL THE NOMINEES, THE SUBCOMMITTEE
24 WANTED TO MAKE SURE THAT EVERYBODY WOULD KNOW THAT WE
25 WOULD -- THEY WOULD HAVE TO LIVE BY THOSE CONFLICT OF

1 INTEREST GUIDELINES, AND THEY WOULD BE APPLICABLE, AND
2 THAT THOSE ARE IN THE PROCESS OF BEING DEVELOPED.

3 ANY OTHER COMMENTS FROM THE PUBLIC? THEN I
4 THINK IF WE CAN ASK IF THERE'S A MOTION TO APPROVE THE
5 REPORT AND THE RECOMMENDATIONS OF THE SUBCOMMITTEE.

6 DR. REED: SO MOVED.

7 DR. KESSLER: IS THERE A SECOND?

8 UNIDENTIFIED MEMBER: SECOND.

9 DR. KESSLER: ANY COMMENTS FROM THE BOARD?

10 ANY FURTHER COMMENTS FROM THE PUBLIC? MR. CHAIRMAN, IF
11 YOU CALL FOR A VOTE, THEN, ON THE MOTION.

12 CHAIRMAN KLEIN: CALLING THE QUESTION. ALL
13 IN FAVOR? OPPOSED? THANK YOU, DEAN KESSLER.
14 APPRECIATE THE GREAT WORK OF THAT COMMITTEE.

15 I WOULD ALSO CALL TO THE PUBLIC'S ATTENTION
16 THAT IN THE NEXT -- IN ONE OF THE NEXT REPORTS, THE
17 COMMITTEE RECOMMENDATION ON -- FROM GRANTS SUGGESTS A
18 STANDARD THAT EXCEEDS THE NIH STANDARDS, AND IT EXCEEDS
19 THE STATE OF CALIFORNIA STANDARDS IN THAT IT PROPOSES
20 IN ITS RECOMMENDATIONS TO LIMIT SCIENTIFIC AND
21 PHYSICIAN MEMBERSHIP ON THE GRANT REVIEW COMMITTEE TO
22 INDIVIDUALS FROM OUTSIDE THE STATE.

23 BUT BEFORE WE GO TO GRANTS, I THINK WE HAVE A
24 VERY SHORT REPORT FROM FACILITIES. DR. FRIEDMAN.

25 DR. FRIEDMAN: YES. THANK YOU. THE FACILITY

1 WORKING GROUP SUBCOMMITTEE HAS NOT HAD ITS FIRST
2 MEETING. THAT MEETING WILL BE APPROPRIATELY PUBLICLY
3 NOTICED. WE EXPECT TO HAVE THAT MEETING LATER IN
4 FEBRUARY AND LOOK FORWARD TO PRESENTING THAT REPORT TO
5 THIS BODY AT OUR NEXT REGULARLY SCHEDULED MEETING.
6 THANK YOU.

7 CHAIRMAN KLEIN: SHALL WE CALL A VOTE?
8 THAT'S -- WE APPRECIATE THOSE QUICK AGENDA ITEMS.

9 DR. HOLMES ON GRANTS.

10 DR. HOLMES: I APPRECIATE THE TIME FROM MY
11 COLLEAGUE.

12 DR. FRIEDMAN: YOU HAVE THE BULK OF MY TIME.

13 DR. HOLMES: WE HAD A STATEWIDE MEETING OF
14 THE SUBCOMMITTEE CHARGED WITH SELECTING AND IDENTIFYING
15 MEMBERS, IDENTIFYING MEMBERS TO BE ON THE MEDICAL AND
16 SCIENTIFIC RESEARCH FUNDING GROUP. WE MET ON JANUARY
17 THE 25TH. THE OFFICE THAT -- ONE OF THE OFFICES WAS
18 HERE IN SAN DIEGO WHERE A NUMBER OF US GATHERED, BUT
19 THERE WERE OTHERS IN LOS ANGELES, SAN FRANCISCO, AND
20 CHICO, I BELIEVE, WERE THE SITES THAT WERE INVOLVED IN
21 THIS.

22 THE PRIMARY UNDERTAKING OF THIS SEARCH
23 COMMITTEE AND THE FIRST ISSUE I WOULD LIKE TO DISCUSS
24 IS SELECTION CRITERIA FOR INDIVIDUALS TO BE ON THE
25 GRANTS REVIEW GROUP. TO THIS END, THE COMMITTEE

1 REACHED A CONSENSUS AT THE SUBCOMMITTEE MEETING IN THE
2 FOLLOWING CRITERIA FOR SELECTION AND EVALUATION OF
3 SCIENTIFIC REVIEWERS TO SERVE ON THIS WORKING GROUP.

4 THESE CRITERIA CAN BE FOUND IN YOUR HANDOUTS,
5 AND I WILL QUICKLY REVIEW THEM IN THE INTEREST OF TIME
6 SINCE THEY ARE AVAILABLE.

7 ITEM A INDICATES THAT WE WOULD SELECT
8 OUTSTANDING, HIGHLY RECOGNIZED EXPERTS IN THE FIELD OF
9 STEM CELL RESEARCH, AND INCLUDING BIOMEDICAL RESEARCH
10 THAT IS NECESSARY TO DEVELOP THERAPIES AND IMPLEMENT
11 STEM CELL RESEARCH.

12 B, MEMBERS OF THIS COMMITTEE SHOULD BE
13 BALANCED, THAT WE SHOULD HAVE A REPRESENTATION, A MIX
14 OF BASIC SCIENTISTS AND PHYSICIAN SCIENTISTS. AND AS
15 THE CHAIR JUST INDICATED, THE RECOMMENDATION WAS THAT
16 THESE INDIVIDUALS BE FROM OUTSIDE THE STATE OF
17 CALIFORNIA TO AVOID CONFLICT OF INTEREST.

18 THE SCIENTISTS WHO ARE NOT DOING STEM CELL
19 RESEARCH, BUT ARE CONSIDERED EXPERTS IN BIOMEDICAL
20 RESEARCH, SUBSUMED BY OR RELATED TO THE FIELD OF STEM
21 CELL RESEARCH, WOULD ALSO BE ELIGIBLE FOR MEMBERSHIP.
22 INDIVIDUALS MUST DEMONSTRATE THEIR EXPERTISE WITH A
23 SUBSTANTIAL PUBLICATION RECORD IN RESEARCH AREAS
24 RELEVANT TO STEM CELL RESEARCH.

25 WE DISCUSSED WHAT WOULD BE A MORE THOROUGHLY

1 DISCUSSED ITEM NO. 13, THAT THERE WOULD LIKELY BE THREE
2 CATEGORIES OF GRANTS IN THE FIRST ROUND: CENTER-BASED
3 GRANTS, SEED GRANTS, AND INTELLECTUAL INFRASTRUCTURE
4 GRANTS; AND, THEREFORE, THE CANDIDATES WOULD NEED BROAD
5 EXPERTISE TO BE ABLE TO REVIEW GRANTS IN ALL OF THESE
6 AREAS.

7 SUCCESSFUL NOMINEES MUST BE WILLING TO MAKE
8 THE TIME COMMITMENT TO PARTICIPATE, WHICH WOULD BE FOUR
9 MEETINGS PER YEAR, AS SPECIFIED IN THE LEGISLATION.
10 AND IT WAS CLEAR, AT LEAST WE DISCUSSED AND WOULD
11 RECOMMEND THAT IT'S NOT NECESSARY THAT EVERYONE BE
12 THERE IN PERSON FOR EACH MEETING AND THAT ATTEMPTS
13 WOULD BE MADE TO MINIMIZE TIME COMMITMENT BY REVIEWERS
14 AT CERTAIN REVIEW SESSIONS BY LIMITING THE SCOPE OF THE
15 GRANTS SO THAT SOME OF THE REVIEW CYCLES MIGHT BE A
16 LITTLE LESS BURDENSOME. AND THAT WE THOUGHT THAT THE
17 PROCESS WOULD EVOLVE SO THAT THE MEMBERS, WHILE THE
18 RECOMMENDED TERM OR THE OPTION IN THE FIRST TERM IS FOR
19 SIX YEARS OF SERVICE AND SUBSEQUENT TERMS, SOME
20 INDIVIDUALS WOULD CHOOSE NOT TO SERVE FOR THE FULL SIX
21 YEARS, PRESENTING AN OPPORTUNITY TO STAGGER, WHICH WE
22 THOUGHT WOULD BE VERY IMPORTANT GOING FORWARD TO
23 MEMBERS THERE.

24 AS WE DESCRIBED THE NEXT PHASE IN THE PROCESS
25 ABOUT SOLICITING NAMES AND TALKING WITH INDIVIDUALS, IT

1 WOULD BE IMPORTANT TO LET THEM KNOW THAT THERE WILL BE
2 AN HONORARIA FOR PARTICIPATING IN THIS PROCESS, THEY
3 WOULD RECEIVE FUNDS FOR SUPPORT STAFF, AND THAT THE
4 COMMITTEE WOULD HAVE THE OPPORTUNITY TO FLEX UP AND TO
5 ADD EXPERTISE BY BRINGING IN AD HOC REVIEWERS IN AREAS
6 WHERE THEY FELT THEY NEEDED A DIFFERENT EXPERTISE.

7 AND THEN WITH THE ISSUE OF CONFLICTS OF
8 INTEREST, WE FELT THAT THIS WAS AN ISSUE THAT WOULD
9 NEED TO BE DECIDED BY THE STANDARDS GROUP, WHICH IS
10 ALREADY WORKING ON THIS, BUT TO PROCEED UNDER THE
11 ASSUMPTION THAT EVERY MEMBER WOULD BE EXPECTED TO
12 DISCLOSE THEIR CONFLICTS OF INTEREST. AND IF THERE ARE
13 ANY, THAT THESE INDIVIDUALS WOULD RECUSE THEMSELVES
14 FROM ANY CONSIDERATION OF GRANTS AT AN INSTITUTION OR
15 PERSON WITH WHICH THEY HAD AN AFFILIATION.

16 WOULD YOU LIKE ME TO GO THROUGH THE ENTIRE
17 REPORT OR STOP AT THIS POINT AND ENTERTAIN COMMENTS ON
18 THIS PARTICULAR ISSUE?

19 CHAIRMAN KLEIN: WELL, I THINK THAT IN THE
20 INTEREST OF TIME AND SO THAT PEOPLE SEE THE ENTIRE
21 FRAMEWORK, MAYBE YOU SHOULD JUST COMPLETE THE REPORT,
22 AND WE'LL TAKE COMMENTS ON THE WHOLE THING.

23 DR. HOLMES: I'LL MOVE AHEAD THEN. WITH
24 REGARD TO THE NOMINATION PROCESS, THE SEARCH COMMITTEE
25 WOULD WANT TO SOLICIT AS BROADLY AS POSSIBLE TO OBTAIN

1 THE BEST POSSIBLE LIST OF NOMINEES OF INDIVIDUALS WHO
2 WOULD BE QUALIFIED TO SERVE AS CANDIDATES. THEREFORE,
3 WE HAD RECOMMENDED, BUT NOT EXCLUSIVELY TO THIS, THERE
4 WOULD BE NOMINATIONS BY PROFESSIONAL SOCIETIES,
5 INDIVIDUAL NOMINATIONS BY THE PUBLIC CERTAINLY, BY THE
6 MEMBERS OF THE INDEPENDENT CITIZENS OVERSIGHT
7 COMMITTEE, NOMINATIONS SUBMITTED BY THE NATIONAL
8 ACADEMY OF SCIENCES AND THE UNIVERSITY OF CALIFORNIA
9 PLANNING GROUP, AND THEN ALSO TO UTILIZE THE LIST OF
10 WHO'S WHO IN STEM CELL RESEARCH, WHICH IS A PUBLICLY
11 AVAILABLE DATABASE.

12 AGAIN, THESE ARE NOT INTENDED TO BE THE ONLY
13 WAY IN WHICH WE WOULD SOLICIT NAMES FOR THIS, BUT WE
14 WOULD WELCOME INPUT FROM THE PUBLIC.

15 WE RECOMMENDED FOR THIS GROUP TO CONSIDER
16 THAT THE DEADLINE FOR ALL NOMINATIONS BE SUBMITTED
17 WITHIN TEN DAYS FROM TODAY. THAT WOULD BE MONDAY,
18 FEBRUARY THE 14TH. THIS TIME LINE IS SUGGESTED IN THE
19 INTEREST OF EXPEDITING THIS IMPORTANT STEP OF FORMING A
20 STRONG AND REPRESENTATIVE GRANTS WORKING GROUP. AND
21 WHILE WE SHOULD BE ABLE TO IDENTIFY POTENTIAL
22 CANDIDATES RELATIVELY QUICKLY, THE EVALUATION OF THESE
23 CANDIDATES IS GOING TO TAKE CONSIDERABLE TIME, AND THE
24 WORK OF THE COMMITTEE WILL BEGIN IN EARNEST AT THAT
25 POINT.

1 NEXT WE DISCUSSED THE PROCESS BY WHICH OUR
2 SEARCH COMMITTEE WOULD WORK. RECOGNIZING THAT THERE
3 WILL BE HUNDREDS OF POTENTIAL CANDIDATES THAT NEED TO
4 BE SCREENED AND EVALUATED, WE THOUGHT IT WOULD BE
5 APPROPRIATE TO BREAK UP INTO WORK GROUPS TO HANDLE THIS
6 IN A MANAGEABLE WAY. IT WOULD BE LABORIOUS AND
7 INEFFICIENT, IN OUR OPINION, TO HAVE THE ENTIRE GROUP
8 REVIEW EACH POTENTIAL NOMINEE. BY USING THE PROCESS
9 PROPOSED IN THE FLOW SHEET IN YOUR HANDOUTS, EACH
10 CANDIDATE WE WOULD PROPOSE WOULD BE INITIALLY SCREENED,
11 AND THE SHORT LIST WOULD BE INTERVIEWED BY PHONE
12 PROBABLY BY TWO PEOPLE INSTEAD OF BY THE ENTIRE TEAM,
13 WHICH ALLOWS FOR A CRITICAL EVALUATION WITHOUT
14 UNNECESSARY TIME DELAYS.

15 AND WE WOULD INTEND TO PROCEED WITH THE
16 SCENARIO OUTLINED IN THE FLOW SHEET IN YOUR HANDOUTS,
17 AND I WILL BRIEFLY REVIEW THAT WITH YOU. WE ARE
18 RECOMMENDING THAT THE NOMINEES, ALL OF THE NOMINEES
19 THAT WE RECEIVE, AGAIN, WE ANTICIPATE WILL BE IN THE
20 HUNDREDS, WOULD BE EQUALLY DIVIDED AMONG SIX TWO-PERSON
21 INTERVIEW TEAMS. THE TEAMS WILL REVIEW THE NAMES BASED
22 ON THE ESTABLISHED CRITERIA, WHICH WE JUST DISCUSSED,
23 AND THEN INTERVIEW A SUBSET OF THE MOST OUTSTANDING
24 CANDIDATES, AND COME FORWARD WITH A RECOMMENDATION OF
25 FIVE TO BE CONSIDERED BY THE GRANTS SELECTION

1 COMMITTEE, AND 30 CANDIDATES WOULD THEN BE RECOMMENDED
2 IN THIS WAY BY THE SUBCOMMITTEE.

3 THE 30 CANDIDATES WOULD THEN BE REVIEWED BY
4 THE GRANTS -- BY OUR SUBCOMMITTEE IN AN OPEN MEETING.
5 THE PURPOSE OF THIS MEETING WOULD BE TO NOMINATE 15 OF
6 THESE 30 INDIVIDUALS TO SERVE AS FULL MEMBERS OF THE
7 REVIEW COMMITTEE. AND THE OTHER 15 TO SERVE AS AD HOC
8 MEMBERS OR EXPERTS AVAILABLE TO THE REVIEW COMMITTEE.
9 WE CERTAINLY RECOGNIZE THAT THESE 15 AD HOC MEMBERS
10 WOULD NOT BE -- THE COMMITTEE, THE REVIEW COMMITTEE,
11 WOULD NOT BE LIMITED TO JUST SEEKING THE EXPERTISE OF
12 THESE 15, BUT IT WOULD SERVE AS A POOL ON WHICH THEY
13 COULD CALL.

14 WE WOULD THEN RECOMMEND THAT THE 15 FULL
15 MEMBERS AND THE 15 AD HOC MEMBERS BE PRESENTED AS A
16 SLATE TO THE ICOC FOR THE CONSIDERATION BY THE FULL
17 GROUP. IT'S NOT OVERLOOKED IN THIS SCENARIO THAT THE
18 SELECTION OF THE SCIENTIFIC MEMBERS OF THE
19 SCIENTIFIC -- OF THE MEDICAL RESEARCH WORKING GROUP
20 WILL ALSO NEED TO HAVE SEVEN PATIENT ADVOCATE GROUPS
21 SELECTED BY THE ICOC, WHO WILL SERVE ON THIS COMMITTEE
22 AND PROVIDE CRITICAL INPUT TO THE GRANTS REVIEW PROCESS
23 AFTER THE SCIENTISTS ON THE COMMITTEE HAVE REVIEWED THE
24 GRANTS IN AN INITIAL ROUND FOR SCIENTIFIC MERIT.

25 FINALLY, WE HAD A VERY BRIEF DISCUSSION ONLY

1 OF THE THREE TYPES OF GRANTS THAT I MENTIONED, WHICH
2 WILL BE A MORE THOROUGH DISCUSSION TODAY IN ITEM 13.
3 AND SO I WON'T GO THROUGH THOSE AGAIN.

4 THAT CONCLUDES THE REPORT, MR. CHAIR, OF OUR
5 GROUP. AND AT THIS POINT WE WOULD BE HAPPY TO, AT
6 LEAST I WOULD BE HAPPY TO HAVE COMMENTS FROM ANY WHO
7 PARTICIPATED IN THE SUBCOMMITTEE DISCUSSIONS OR
8 CERTAINLY FROM OTHER MEMBERS OF THE ICOC ABOUT OUR
9 DELIBERATIONS.

10 MR. SERRANO SEWELL: THAT'S A VERY COMPLETE
11 REPORT. MY ONLY QUESTION --

12 CHAIRMAN KLEIN: DAVID, IF --

13 MR. SERRANO SEWELL: DAVID SERRANO SEWELL.
14 MY QUESTION IS THE MONDAY, FEBRUARY 14TH DEADLINE,
15 WHICH, AS YOU STATED, IS TEN DAYS FROM NOW, AND WHETHER
16 THAT'S A SUFFICIENT AMOUNT OF TIME TO SOLICIT QUALIFIED
17 SCIENTISTS BECAUSE THESE FOLKS HAVE TO BE OUT-OF-STATE,
18 TO THE CALIBER THAT WE'RE LOOKING FOR, AND WHETHER TEN
19 DAYS IS A SUFFICIENT AMOUNT OF TIME?

20 DR. HOLMES: THIS WAS AN ISSUE THAT WE
21 DISCUSSED AND HAD RECOMMENDED THAT THE PROCESS IS
22 ALREADY UNDERWAY TO BEGIN TO GET NAMES, AS YOU'RE
23 PROBABLY AWARE SOME OF THE GROUPS THAT WE IDENTIFIED,
24 THAT IS UNDERWAY. IT WAS A FEELING OF THE SUBCOMMITTEE
25 THAT IT WAS ADEQUATE TIME FOR TEN DAYS TO GET AN INPUT

1 FROM A WIDE GROUP OF PEOPLE IN THIS REGARD. THAT'S
2 OBVIOUSLY A MATTER FOR DISCUSSION.

3 CHAIRMAN KLEIN: DR. HOLMES, COULD YOU GIVE
4 THE BOARD AND THE PUBLIC SOME INSIGHT BECAUSE YOU'RE
5 STARTING WITH A LIST OF OVER 600 NAMES BEFORE YOU BRING
6 IN THE LISTS FROM THE DIFFERENT ASSOCIATIONS.

7 DR. HOLMES: YES. WE -- FROM THE ENTITIES
8 THAT -- I'LL MENTION THESE AGAIN -- THAT SOME
9 PRELIMINARY WORK THAT HAD BEEN DONE BY THE NATIONAL
10 ACADEMY OF SCIENCES, WHO HAD BEEN CONSULTED, ALSO A
11 GROUP FROM THE UNIVERSITY OF CALIFORNIA IN ANTICIPATION
12 OF THIS HAD COME FORWARD WITH A SUBSTANTIAL LIST OF,
13 I'M GOING TO SAY, 70 OR SO NAMES IN THAT LIST. AND
14 WHO'S WHO IN STEM CELL RESEARCH, I BELIEVE, HAS 545
15 NAMES, MAYBE A LITTLE MORE THAN THAT. SO WE ARE
16 ALREADY AT 600 NAMES NOW. AND AS RECENTLY AS TODAY,
17 MEMBERS OF THE ICOC HAVE STARTED TO GIVE NAMES TO US.

18 SO MY SENSE IS THAT WE'RE GOING TO HAVE A
19 VERY REPRESENTATIVE AND BROAD GROUP OF PEOPLE TO LOOK
20 AT. SO I FEEL CONFIDENT THAT WE'RE GOING TO HAVE A
21 LARGE AND ADEQUATE LIST.

22 MR. SERRANO SEWELL: THANK YOU.

23 CHAIRMAN KLEIN: AND, DR. HOLMES, I BELIEVE
24 THAT THE PATIENT ADVOCACY GROUPS HAVE ALSO BEEN
25 CONTACTED AND THAT SOME OF THEM HAVE SUBMITTED NAMES IN

1 THIS PROCESS.

2 DR. HOLMES: RIGHT. GOOD. AND AGAIN, I
3 THINK IT'S IMPORTANT THAT THE PUBLIC CERTAINLY WHO ARE
4 HERE AND OTHERWISE HAVE AN OPPORTUNITY TO SUBMIT NAMES,
5 AND WE WOULD LIKE TO FORWARD TO THOSE AS WELL.

6 MS. LANSING: THE MEETING WAS PUBLIC, SO
7 EVERYONE GOT THE INFORMATION ON THE DATE OF THE
8 MEETING. SO IT ACTUALLY IS A LONGER TIME, BUT THE REAL
9 QUESTION IS HOW WE'RE GOING TO GET THROUGH ALL THE
10 NAMES.

11 CHAIRMAN KLEIN: SO, DR. HOLMES, WOULD YOU
12 LIKE TO GET THE PUBLIC.

13 DR. HOLMES: IS THERE ANYONE ELSE ON THE
14 ICOC? I'M SORRY. WE WANTED TO --

15 DR. SAMUELSON: I HAVE A QUESTION. WAS THERE
16 ANY DISCUSSION OF WHETHER THERE'S A SEPARATE BODY OF
17 RESEARCH, WHETHER OR NOT IT'S SEPARATE, INVOLVED IN THE
18 TRANSLATION OF THE STEM CELL DISCOVERIES THAT COME FROM
19 ALL THIS WONDERFUL WORK INTO EFFECTIVE THERAPIES AND
20 CURES AND WHETHER THERE'S SEPARATE EXPERTISE NEEDED TO
21 EVALUATE THOSE?

22 DR. HOLMES: THERE WAS, AND I WOULD LOOK TO
23 OTHERS ON THE COMMITTEE, BUT WE FELT AN ESSENTIAL
24 COMPONENT OF THIS WAS TO HAVE A BALANCE BETWEEN BASIC
25 SCIENTISTS AND PHYSICIAN SCIENTISTS WHO SPECIFICALLY

1 WOULD BE ABLE, I THINK, TO OPINE ON THE ISSUE OF
2 TRANSLATION AND THE EFFECTIVENESS OF DOING THAT. SO WE
3 DID HAVE A DISCUSSION IN THIS REGARD.

4 THE ISSUE, I BELIEVE, ALSO CAME UP OF WHETHER
5 THERE SHOULD BE ETHICISTS ON THIS PARTICULAR COMMITTEE.
6 AND THE THOUGHT WAS IS THAT WOULD BE HANDLED BY THE
7 FORMER COMMITTEE, THE STANDARDS COMMITTEE, WOULD BE AN
8 OPPORTUNITY TO BRING THOSE PEOPLE INTO THE DIALOGUE.

9 I DON'T KNOW IF OTHERS ON THE SUBCOMMITTEE
10 WOULD WANT TO COMMENT ON THAT PARTICULAR POINT.

11 DR. REED: I JUST -- JOHN REED. JUST SAY
12 THAT I THINK YOU CHARACTERIZED IT PERFECTLY. WE
13 DISCUSSED IT. WE THOUGHT ABOUT THAT. WE RECOGNIZE
14 THAT WE'RE GOING TO NEED A DIVERSITY OF EXPERTISE TO
15 REVIEW THESE GRANT APPLICATIONS THAT HAS TO INCLUDE
16 BOTH BASIC SCIENTISTS AND CLINICIANS AT THE TABLE, SO
17 WE'RE PLANNING ON THAT.

18 DR. HOLMES: I SHOULD ADD THAT WE THINK AN
19 IMPORTANT THING THAT WILL BE UTILIZED IS AD HOC MEMBERS
20 OF THE COMMITTEE. THAT IF GRANTS COME IN WHERE THEY
21 FEEL LIKE THIS GROUP DOES NOT HAVE THE NECESSARY
22 EXPERTISE, THEY WOULD BE ENCOURAGED AND HAVE THE
23 RESOURCES TO GO OUT AND BRING THOSE PEOPLE IN TO HELP.

24 DR. PRECIADO: PHYLLIS PRECIADO. SO ARE YOU
25 SUGGESTING THAT THERE WILL BE A SEPARATE GROUP LOOKING

1 AT THE TRANSLATION OF RESEARCH?

2 DR. HOLMES: I DID NOT SUGGEST THAT. THAT, I
3 GUESS, WOULD BE AN OPTION FOR THIS. WE COULD OBVIOUSLY
4 INFORM THIS IN ANY WAY THAT WE WANTED. WE THOUGHT THAT
5 THE REVIEW PANEL COLLECTIVELY TOGETHER WOULD NEED BOTH
6 OF THOSE TYPES OF EXPERTISE. HOW THEY MIGHT DIVIDE
7 THEMSELVES TO CONDUCT THE WORK, WE DIDN'T TRY AND
8 PROSCRIBE THAT. WE DID DISCUSS THAT, THAT THEY MIGHT,
9 TO KEEP THE WORKLOAD MORE MANAGEABLE, THEY MIGHT DECIDE
10 TO BREAK INTO SUBGROUPS THEMSELVES IN WHICH YOU COULD
11 HAVE A COLLECTION OF PHYSICIAN SCIENTISTS OR BASIC
12 SCIENTISTS OR, QUITE FRANKLY, I THINK THERE WILL BE
13 PROPOSALS THAT SPAN THE ENTIRE GAMUT OF BASIC AND
14 TRANSLATIONAL SCIENCE IN WHICH YOU WILL NEED BOTH TYPES
15 OF EXPERTISE FOR A SINGLE PROPOSAL.

16 DR. PRECIADO: IT'S QUITE DIFFICULT TO WORK
17 UNDER ONE HAT TO DO BOTH. I MEAN IT REALLY -- MY
18 UNDERSTANDING OF TRANSLATIONAL RESEARCH, IT'S JUST
19 ANOTHER BALL GAME IN TERMS OF GOING OUT INTO THE
20 COMMUNITY AND GETTING THE INFORMATION OUT TO THE
21 COMMUNITY AND DOING THE RESEARCH.

22 DR. HOLMES: WELL, MAYBE A LONGER DISCUSSION.
23 TRANSLATIONAL RESEARCH MEANS DIFFERENT THINGS TO
24 DIFFERENT PEOPLE PROBABLY IN DOING THIS. BUT WE WOULD
25 CERTAINLY ANTICIPATE THAT THE PEOPLE ON THE PANEL OF

1 REVIEWERS, COLLECTIVELY WITH THEMSELVES AND WITH THEIR
2 AD HOC MEMBERS, WOULD HAVE THE BREADTH TO DISCUSS FROM
3 THE MOST FUNDAMENTAL SCIENCE TO THE POINT WHERE YOU ARE
4 ACTUALLY BRINGING IT INTO THE CLINIC AS PRACTICE WOULD
5 BE MY EXPECTATION.

6 CHAIRMAN KLEIN: THERE'S ALSO, DR. PRECIADO,
7 THE ABILITY OF THIS WORKING GROUP TO CREATE ADVISORY
8 GROUPS. WHETHER THAT ADVISORY GROUP ADDRESSES
9 STRATEGIC GAPS IN RESEARCH THAT NEED TO BE ADDRESSED,
10 OR THEY COULD ADDRESS TRANSLATIONAL MEDICINE
11 SPECIFICALLY. THIS BOARD, IN CREATING POLICY FOR THE
12 GRANT PROGRAM, COULD MAKE A RECOMMENDATION OR COULD
13 REQUEST THAT SUCH A GROUP WOULD BE SET UP ON
14 TRANSLATIONAL MEDICINE AS A SPECIFIC ADVISORY GROUP IF
15 THE BOARD FELT THAT WAS NECESSARY TO ACHIEVE THE
16 OBJECTIVES OF THE BOARD.

17 SO THERE ARE A NUMBER OF OPTIONS HERE
18 STRUCTURALLY TO ACHIEVE THE GOALS THAT ARE NECESSARY AS
19 LONG AS WE HAVE THE BEST AND THE BRIGHTEST PEOPLE ON
20 THE WORKING GROUP WITH THE SPLIT BETWEEN THE PHYSICIANS
21 AND THE BASIC SCIENTISTS.

22 DR. HOLMES: CORRECT. CLAIRE.

23 DR. POMEROY: CLAIRE POMEROY. I THINK THIS
24 IS A VERY IMPORTANT DISCUSSION BECAUSE IT DOES START TO
25 GET TO THE RANGE OF RESEARCH THAT'S GOING TO BE

1 SUPPORTED THROUGH THIS PROGRAM. AND IT SPECIFICALLY
2 RAISES QUESTIONS LIKE WILL ETHICAL RESEARCH, I MEAN
3 RESEARCH ABOUT THE ETHICS OF STEM CELLS, WILL
4 EDUCATIONAL RESEARCH, HOW YOU COMMUNICATE WITH THE
5 PUBLIC, WILL THAT BE INCLUDED IN THE RANGE OF STUDIES
6 THAT WE WANT TO SUPPORT? AND I THINK THE QUESTIONS
7 THAT HAVE COME UP KIND OF ACTUALLY ARE GETTING AT THAT
8 A BIT BECAUSE I THINK WE WOULD ALL HATE TO SEE
9 OURSELVES AUTOMATICALLY EXCLUDE THOSE MAYBE
10 NONTRADITIONAL AREAS OF RESEARCH BY VIRTUE OF THE
11 MEMBERSHIP OF THE COMMITTEE.

12 AND I JUST WONDER IF YOU TALKED ABOUT SHOULD
13 A COUPLE OF SLOTS BE LEFT UNSPECIFIED AS WE FURTHER
14 DEFINE THAT OR OTHER WAYS OF ACCOMMODATING THAT?

15 DR. HOLMES: WE DID HAVE SOME DISCUSSION
16 ABOUT THAT AT THE MEETING. AND I WOULD WANT THE OTHER
17 MEMBERS TO CHIME IN AS WELL. BUT I THINK THE DECISION
18 NOT TO BEGIN TO NARROW THIS DOWN TO SAY WE WANT TWO
19 PEOPLE WORKING IN THE ETHICS AREA OR TWO PEOPLE WORKING
20 IN THIS AREA, THAT AREA WOULD BE TOO PROSCRIPTIVE AT
21 THIS PARTICULAR POINT WAS THE RECOMMENDATION OF THE
22 COMMITTEE. MAYBE SOMEONE ELSE WOULD WANT TO SPEAK TO
23 THAT AS WELL. WE DID HAVE THAT DISCUSSION, AND WE
24 THOUGHT WHAT WOULD HAPPEN IS IF WE STARTED DOING THAT
25 RIGHT NOW, WE WOULD END UP PIGEON HOLING THINGS IN SUCH

1 A WAY THAT WE MIGHT NOT GET THE VERY BEST PEOPLE IN THE
2 COUNTRY OR IN THE WORLD TO PARTICIPATE.

3 MS. LANSING: I SECOND THAT. THAT WAS REALLY
4 THE DECISION OF THE GROUP WAS THAT WE WOULD BE
5 INCLUSIVE RATHER THAN EXCLUSIVE. WE WOULD NOT BE
6 SPECIFIC. WE WOULD LOOK FOR THE BEST SCIENTISTS AND
7 LEAVE IT TO THE COMMITTEE AT A CERTAIN TIME.

8 DR. POMEROY: SO HAVE WE SOLICITED
9 NOMINATIONS FROM GROUPS THAT DO ETHICS RESEARCH, THAT
10 DO EDUCATION RESEARCH, OR IS THAT REALLY FROM THE
11 TRADITIONAL STEM CELL BIOLOGY?

12 DR. HOLMES: IN FACT, IF YOU LOOK AT THE STEM
13 CELL'S WHO'S WHO LIST, WHICH I HAVE READ ALL OF THOSE
14 NAMES NOW, AND I CAN'T SAY I KNOW ALL 544 PERSONALLY,
15 BUT THERE ARE PEOPLE FROM A VERY WIDE SPECTRUM OF
16 INTEREST ON THAT PARTICULAR LIST, AND CERTAINLY WE
17 WOULD WELCOME INPUT FROM OTHER AREAS.

18 CHAIRMAN KLEIN: I WOULD JUST LIKE TO SAY
19 THAT STRUCTURALLY WE HAVE IN THE INITIATIVE
20 REQUIREMENT, WE HAVE FOUR MEDICAL ETHICISTS
21 SPECIFICALLY ON THE STANDARDS COMMITTEE. AND CERTAINLY
22 THIS BOARD AND THE PRESIDENT NEED TO WORK OUT WHAT THE
23 WORKING RELATIONSHIP IS BETWEEN THE STANDARDS COMMITTEE
24 AND THE GRANT COMMITTEE BECAUSE THERE'S INTENDED TO BE
25 AN ORGANIC RELATIONSHIP THERE SO THAT IF THE ETHICS

1 COMMITTEE FEELS THAT THERE IS A SPECIFIC AREA THAT
2 NEEDS TO BE ADDRESSED OR THE MANNER IN WHICH IT IS
3 BEING ADDRESSED IS AT ISSUE IS THE ABILITY TO HAVE AN
4 INTERCHANGE BETWEEN THOSE COMMITTEES.

5 BUT STRUCTURALLY WE'VE ASSURED OURSELVES WE
6 WILL AT LEAST HAVE FOUR SPECIFIC MEDICAL ETHICISTS WITH
7 CLINICAL BACKGROUND ON THE STANDARDS COMMITTEE.

8 DR. POMEROY: AND I APPRECIATE THAT. I WOULD
9 JUST POINT OUT THAT ETHICS RESEARCH IS DIFFERENT THAN
10 THE ETHICAL EVALUATION OF BIOLOGICAL RESEARCH.

11 DR. HOLMES: I THINK, CLAIRE, TO FOLLOW UP ON
12 THAT, AS WE HAD THE DISCUSSION, WHEN WE GET TO ITEM 13,
13 MY GUESS IS THAT THE TYPES OF GRANTS THAT ARE GOING TO
14 BE SOLICITED IN THE FUTURE, THAT THIS COMMITTEE WILL
15 CERTAINLY HAVE A VOICE IN. IF WE THINK THERE'S A
16 DEFICIENCY IN OUR PORTFOLIO, NOT ONLY WILL THE GRANT
17 SUBCOMMITTEE HAVE THE OPPORTUNITY TO TRY AND BRING
18 THOSE GRANTS FORWARD, BUT WE ALSO CAN INFORM THAT
19 SUBCOMMITTEE WE THINK THERE'S A DEFICIENCY IN OUR
20 PORTFOLIO AND WE NEED TO GO GET SOME GRANTS IN THAT
21 AREA.

22 DR. POMEROY: THANK YOU.

23 DR. MURPHY: ED, WHAT ABOUT THE FINAL
24 DECISION PROCESS? DID YOU DISCUSS THAT? IN OTHER
25 WORDS, THE SCIENTIFIC COMMITTEES MAKE A CERTAIN

1 RECOMMENDATION, THEY LIKE THESE NUMBERS OF GRANTS.
2 WHAT ROLE DOES THIS COMMITTEE HAVE? DO WE ACCEPT THAT
3 RECOMMENDATION AS A FINAL RECOMMENDATION?

4 DR. HOLMES: WE DIDN'T -- I THINK SOME OF
5 THIS IS PROSCRIBED, AND I MIGHT TURN TO BOB, BUT MY
6 UNDERSTANDING OF THE PROCESS, RICH, IS THAT THE 15
7 SCIENTIFIC MEMBERS, BASIC AND PHYSICIAN SCIENTISTS,
8 WOULD TAKE A FIRST RUN AT THESE PROPOSALS AND EVALUATE
9 THEM PURELY ON SCIENTIFIC MERIT. THEN THE FULL
10 SUBCOMMITTEE, INCLUDING THE SEVEN DISEASE ADVOCATES,
11 WOULD VOTE THE PROPOSALS. AND THEN THEY WOULD BE
12 BROUGHT TO US, AND WE'LL HAVE THE OPPORTUNITY TO
13 DISCUSS AND VOTE ON EACH PROPOSAL, IF WE WANT; IS THAT
14 NOT CORRECT?

15 CHAIRMAN KLEIN: THAT'S CORRECT. NO, IN
16 FACT, THERE ISN'T -- IT SPECIFICALLY REQUIRES THAT
17 EVERY GRANT BE BROUGHT HERE, DISCUSSED ON ITS MERITS,
18 WITH AN EXPLANATION OF THE JUSTIFICATION FOR THE GRANT
19 DEBATED HERE AND THEN APPROVED OR DENIED HERE. CAN BE
20 MODIFIED, CAN BE SENT BACK, THE PRIORITIES CAN BE
21 CHANGED. IT'S INTENDED THAT IN THE FULL PUBLIC VIEW,
22 WE HAVE COMPLETE DISCUSSION, THOROUGH ANALYSIS OF ALL
23 THE TRADE-OFFS, AND EVERY APPROVAL HAS TO BE IN PUBLIC
24 SESSION.

25 DR. STEWARD: I'M SURE THAT YOU DISCUSSED

1 THIS IN YOUR SUBCOMMITTEE, BUT I JUST WANT TO GO ON
2 RECORD. I'M GOING TO SAY THIS BASED ON, I GUESS, A
3 TOTAL OF TEN YEARS ON NIH STUDY SECTIONS AND CHAIR FOR
4 FOUR OF THOSE YEARS, AND THREE YEARS AS CHAIR OF THE
5 CHRISTOPHER REEVES PARALYSIS FOUNDATION.

6 DR. HOLMES: YOU'RE LONG SUFFERING.

7 DR. STEWARD: I'M LONG SUFFERING, OR I DON'T
8 SAY NO ENOUGH. THAT WOULD BE THE OTHER.

9 ONE OF THE THINGS THAT WE ALL KNOW, WHO HAVE
10 SERVED ON STUDY SECTIONS, IS THAT BEING A SUPERB
11 SCIENTIST DOES NOT NECESSARILY PREDICT THEIR ABILITY TO
12 REVIEW GRANTS IN AN EXCELLENT WAY AND A RIGOROUS WAY.
13 SO I WOULD JUST ENCOURAGE THE SUBCOMMITTEE TO LOOK
14 CAREFULLY AT THIS, AND PROBABLY THE BEST MEASURE OF
15 THAT IS REALLY EXPERIENCE ON NIH-LIKE STUDY SECTIONS.
16 BECAUSE, IN FACT, THE WAY NIH DOES IT IS THEY TRY YOU
17 OUT FOR A FEW ROUNDS.

18 DR. HOLMES: AS AN AD HOC BEFORE YOU MAKE IT.

19 DR. STEWARD: AS AN AD HOC. AND WE DON'T
20 REALLY HAVE THE OPPORTUNITY TO DO THAT. SO I THINK
21 EXPERIENCE IN THE GRANT REVIEW PROCESS IS REALLY GOING
22 TO BE --

23 DR. HOLMES: I THINK THAT'S AN EXCELLENT
24 PIECE OF ADVICE. SINCE ALL OF THE PEOPLE WHO ARE GOING
25 TO BE INVOLVED IN DOING THIS ARE IN THE ROOM AT THE

1 MOMENT, I THINK THAT THAT'S A GOOD PIECE OF ADVICE FOR
2 US TO TAKE INTO ACCOUNT.

3 DR. BRYANT: I JUST WANTED TO ASK WHETHER THE
4 COMMITTEE HAD CONSIDERED HAVING -- I KNOW THAT YOU'VE
5 GOT 30 MEMBERS; BUT SINCE THERE ARE FOUR SCHEDULED
6 REVIEWS A YEAR, YOU ARE GOING TO BURN OUT THE COMMITTEE
7 IN ONE YEAR UNLESS YOU HAVE OVERLAPPING COMMITTEES.
8 HAVE YOU THOUGHT ABOUT HAVING LIKE A DOUBLE SET, SO
9 PEOPLE ONLY HAVE TO SHOW UP TWICE A YEAR MAYBE?

10 DR. HOLMES: I THINK THAT IS A POTENTIAL
11 OPTION FOR, AS I UNDERSTAND IT, FOR THE WORKING
12 SUBCOMMITTEE TO DIVIDE THE WORK UP IN DIFFERENT WAYS SO
13 THAT THEY GET THE JOB DONE. OBVIOUSLY, I THINK IT
14 WOULD HAVE TO BE APPROVED BY THIS GROUP, I BELIEVE,
15 WHAT THEY DECIDE TO DO.

16 WE ACTUALLY SPENT A LOT OF TIME TALKING ABOUT
17 THE WORK OF THIS PARTICULAR COMMITTEE. AND IT WILL BE
18 AN EXTRAORDINARY HONOR TO SERVE ON THIS COMMITTEE, BUT
19 THE HONOR MAY ONLY GO SO FAR. AND I THINK THIS IS
20 GOING TO BE -- IT'S GOING TO TAKE A SPECIAL SORT OF
21 PERSON WHO WANTS TO DO THIS.

22 DR. PRECIADO: PHYLLIS PRECIADO. I AM STILL
23 KIND OF STUCK ON THIS TRANSLATIONAL RESEARCH IDEA. MY
24 EXPERIENCE AND MY BACKGROUND KNOWLEDGE IN IT IS THAT IT
25 TAKES TIME TO DO TRANSLATIONAL RESEARCH. IT'S VERY

1 DIFFERENT THAN BENCH RESEARCH. WE KEEP TALKING ABOUT
2 THE NIH AND THE PROPOSALS BASED ON THAT CRITERIA AND
3 THAT EVIDENCE, BUT THE CDC HAS WORKED VERY HARD IN THIS
4 ARENA. AND I'M WONDERING IF PUTTING IT ASIDE IS NOT A
5 GOOD IDEA, ESPECIALLY GIVEN THAT AS PATIENT ADVOCATES,
6 WE'RE REALLY HERE TO TRANSLATE THAT RESEARCH.

7 AS MUCH AS WE'RE WORKING QUICKLY TO ESTABLISH
8 THE BOARD AND GET THE SITE AND GET THE PRESIDENT, WE
9 SHOULD BE ALSO THINKING THAT WAY IN REGARDS TO THE
10 PUBLIC'S EDUCATION AND IN THAT MANNER LOOKING AT
11 TRANSLATIONAL RESEARCH.

12 DR. HOLMES: I APPRECIATE THAT. I GUESS THE
13 JOB I HAVE AT THE MOMENT IS ONE THAT MOST OF MY TIME
14 WHEN I'M NOT DOING THIS IS THINKING ABOUT TRANSLATIONAL
15 MEDICINE. AND I THINK YOUR POINTS ARE EXTREMELY WELL
16 TAKEN, THAT I PERSONALLY WOULD BE DISAPPOINTED IF THE
17 PHYSICIAN SCIENTISTS THAT WE BRING TO THIS DO NOT
18 REALLY UNDERSTAND THE PROCESS OF WHAT'S INVOLVED IN
19 TRANSLATION. AND I WOULD THINK THAT'S WHY THE AUTHORS
20 OF THIS SPECIFIED THAT IT'S NOT JUST BASIC SCIENCE.

21 IF I MIGHT, I WASN'T TRYING TO CURTAIL
22 CONVERSATION A MOMENT AGO. I THINK TRANSLATION
23 EMBRACES A BROAD SET OF EXPERTISE, THAT ONE TYPE OF
24 TRANSLATION IS TO GO, IF YOU WOULD, FROM MOUSE TO MAN.
25 AND SO THAT'S A TYPE OF TRANSITION THAT REQUIRES A TYPE

1 OF EXPERTISE.

2 THERE'S ANOTHER WHEN IT'S TIME TO DO
3 SOMETHING LIKE A PHASE II CLINICAL TRIAL OR PHASE I,
4 AND THEN YET ANOTHER SET OF EXPERTISE WHEN IT'S TIME TO
5 DO A PHASE III MULTICENTER TRIAL. SO I DON'T THINK
6 IT'S ONE PARTICULAR PERSON THAT WOULD BE DESCRIBED AS A
7 TRANSLATIONAL SCIENTIST IN MY PARTICULAR VIEW.

8 DR. PRECIADO: OKAY. LET ME SAY IT ANOTHER
9 WAY. I'M THINKING OF THE PUBLIC, AND I'M THINKING OF
10 GETTING THAT INFORMATION TO THE PUBLIC IN A MANNER THAT
11 THE PUBLIC CAN UNDERSTAND. AND AT THE SAME TIME,
12 BECAUSE IF YOU THINK TRANSLATIONAL RESEARCH, THAT PHASE
13 II, PHASE III, WE'RE DOWN THE ROAD NOW, AND NOW WE'RE
14 TAKING THIS EVIDENCE-BASED WHATEVER, AND WE'RE SAYING,
15 OKAY, WE'RE GOING TO TRY IT ON YOU, WE'RE GOING TO TRY
16 THIS ON YOU.

17 WELL, WITH TRANSLATIONAL RESEARCH, YOU CAN'T
18 JUST GO INTO THE COMMUNITY AND SAY I'M GOING TO TRY
19 THIS ON THERE. THERE HAS TO BE SOME SORT OF
20 ENVIRONMENT CREATED WITHIN THAT COMMUNITY TO GO IN AND
21 GIVE THAT TREATMENT.

22 DR. HOLMES: I'M SORRY I MISUNDERSTOOD YOUR
23 POINT, WHICH, AS I GRASP NOW, I THINK WOULD BE A VERY
24 IMPORTANT MISSION. I'M NOT SURE THAT'S THE GRANTS
25 REVIEW COMMITTEE'S PURVIEW TO DO THAT, BUT YOU'RE

1 ABSOLUTELY RIGHT. IF WE DON'T EDUCATE THE PUBLIC ON
2 WHAT WE ARE ATTEMPTING TO DO HERE AND WHAT'S INVOLVED
3 IN PARTICIPATING IN TRANSLATIONAL RESEARCH, WE
4 CERTAINLY WON'T BE SUCCESSFUL, BUT MAYBE I STILL DON'T
5 UNDERSTAND.

6 DR. PRECIADO: WELL, IF WE ARE GOING TO GIVE
7 GRANTS TO PEOPLE TO DO TRANSLATIONAL RESEARCH, THAT'S
8 WHAT I'M SAYING IS WE NEED TO BE ABLE TO AWARD PEOPLE
9 GRANTS TO DO THAT KIND OF RESEARCH. AND WHAT I'M
10 HEARING IS WE DON'T EVEN HAVE THAT IN OUR DOCUMENT.

11 DR. HOLMES: I THINK WE DO. I'M NOT SURE BUT
12 WHAT WE'RE SAYING -- WE'RE SAYING THE SAME THING, BUT
13 MAYBE SAYING IT IN A DIFFERENT WAY. WE WOULD, AT LEAST
14 I PERSONALLY, WOULD ABSOLUTELY THINK THIS GRANT
15 COMMITTEE IS GOING TO CONSIDER AND REVIEW GRANTS THAT
16 ARE TRANSLATIONAL TO THE POINT OF TAKING THIS INTO THE
17 CLINIC. ABSOLUTELY.

18 MS. LANSING: ABSOLUTELY.

19 CHAIRMAN KLEIN: I WOULD JUST POINT OUT
20 STRUCTURALLY ON THIS BOARD, YOU HAVE SIX MEDICAL SCHOOL
21 DEANS AND REPRESENTATIVES OF TWO DIFFERENT HOSPITAL
22 ORGANIZATIONS. SO IT'S VERY HEAVILY WEIGHTED TOWARDS
23 TRANSLATIONAL MEDICINE AND APPLICATION AND CLINICAL
24 VERSUS THE NUMBER OF BASIC SCIENTISTS ON THIS BOARD,
25 WHICH ARE VERY FEW.

1 BUT YOU'RE GOING FURTHER WITH THAT, AND
2 YOU'RE GOING TO MAKE SURE THAT IN OUR GRANT PROGRAMS,
3 WE ACTUALLY HAVE A GRANT PROGRAM THAT BUILDS THE PUBLIC
4 UNDERSTANDING OF WHAT WE'RE DOING. SO WHEN WE GET TO
5 THE CLINICAL APPLICATIONS, WE HAVE PUBLIC RECEPTIVITY
6 TO WHAT WE'RE DOING.

7 WHEN WE DISCUSS OUR GRANT PROGRAMS LATER ON
8 THIS AGENDA, BECAUSE IT'S A LEAD-TIME ISSUE, WHERE YOU
9 NEED TO REALLY DEVELOP THIS OVER TIME, YOU MAY WANT TO
10 ADDRESS THAT BEING AS A CATEGORY THAT YOU WANT
11 CONSIDERED FOR A PRIORITY IN TERMS OF TIME BEING AN
12 EARLY GRANT TYPE THAT WE CONSIDER.

13 MS. LANSING: MAYBE I'M GETTING SO CONFUSED.
14 BECAUSE I THINK WE'RE ALL SAYING THE SAME THING. I
15 THINK THAT WHAT WE'RE SAYING, AT LEAST WE WERE ON THE
16 GRANT COMMITTEE, IS OBVIOUSLY WHAT YOU WANT FOR THE
17 SCIENCE TO DO IS EVENTUALLY TO GET INTO VERY CLINICAL
18 TRIALS AND HOPEFULLY LEAD TO SOME CURES. I MEAN THAT'S
19 THE ULTIMATE DREAM. I'LL KEEP --

20 CHAIRMAN KLEIN: SHERRY, SHE'S FOCUSING
21 SPECIFICALLY ON GRANTS THAT WILL BUILD AN EDUCATIONAL
22 BASE AT THE CLINICAL LEVEL OF THIS TYPE OF RESEARCH
23 APPLICATION. SO WHEN WE GET DOWNSTREAM AND HAVE
24 SOMETHING TO GO INTO CLINICAL TRIALS, PEOPLE ACCEPT
25 STEM CELL RESEARCH AS A LEGITIMATE, IMPORTANT AREA,

1 JUST AS WITH LEUKEMIA TYPE WORK, STAGE 4 LEUKEMIA,
2 ADULT STEM CELLS IS A VERY EFFICACIOUS TREATMENT RIGHT
3 NOW. SHE'S SAYING THAT FUNDAMENTALLY SOME MONEY SHOULD
4 GO INTO THE EDUCATION SYSTEM.

5 MS. LANSING: THEN MY QUESTION IS THAT -- WE
6 WERE UNDERSTANDING THAT. MY QUESTION IS WHETHER THAT'S
7 GRANTS OR WHETHER THAT'S SOME SORT OF PUBLIC RELATIONS
8 THING THAT WE HAVE TO DEVISE. MAYBE THAT'S WHERE WE'RE
9 CONFUSED.

10 DR. PRECIADO: OKAY. IT IS GRANTS. AND I
11 THINK THE REASON IT'S DIFFICULT TO ARTICULATE RIGHT NOW
12 IS BECAUSE IN MEDICAL SCHOOL, I WASN'T TRAINED THAT
13 WAY, AND IN MY FELLOWSHIP, I WASN'T TRAINED THAT WAY.
14 I LEARNED ABOUT IT, AND IT MADE SENSE TO ME. AND I
15 THINK THAT TO LEAVE IT AS SOMETHING, OH, YEAH, WE'LL
16 FIND SOMEONE, IT'S NOT THAT EASY BECAUSE TRANSLATIONAL
17 RESEARCH REALLY IS ABOUT TIME. YOU TAKE A PERIOD OF
18 TIME AND YOU BUILD THE RELATIONSHIP SO THAT WHEN YOU GO
19 INTO THE COMMUNITY, THE COMMUNITY IS RECEPTIVE.

20 THERE NEEDS TO BE MONEY -- IT'S ALMOST LIKE
21 TURNING TO NOT A PHYSICIAN, BUT A MEDICAL
22 ANTHROPOLOGIST, AND SAYING, OKAY, THIS PERSON HAS THE
23 EXPERTISE TO GO IN SAY, OKAY, WHAT IS IT ABOUT YOUR
24 ILLNESS THAT YOU DO OR DO NOT UNDERSTAND? IT'S A
25 DIFFERENT KIND OF RESEARCH. AND ALL I'M SUGGESTING IS

1 THAT WE AT THE SAME TIME THAT WE'RE MOVING ALONG DOING
2 OUR BENCH RESEARCH, WE INSTITUTE THAT SAME KIND OF
3 COMMITTEE TO LOOK AT THE DISSEMINATION AND THE
4 TRANSLATION OF THIS INFORMATION.

5 DR. HOLMES: MIGHT I SUGGEST THAT, AS I'M
6 TRYING, AND I THINK I DO UNDERSTAND WHAT YOU ARE
7 SAYING, IS THAT THERE WOULD BE NOTHING THAT WOULD
8 PROHIBIT, AS I UNDERSTAND IT, THE ICOC TO SAY TO THE
9 GRANTS GROUP WE'RE GOING TO HAVE AN RFA TO SOLICIT
10 PROPOSALS IN A GIVEN AREA. AND WE WANT TO CALL FOR
11 GRANTS THAT WORK IN A CERTAIN AREA, AND THEN THE REVIEW
12 COMMITTEE WILL OBVIOUSLY, IF THEY NEED TO GET
13 ADDITIONAL EXPERTISE TO HELP THEM WITH THAT, BUT WE
14 HAVE, I BELIEVE, THE AUTHORITY TO INITIATE GRANTS IN
15 ANY AREA THAT WE THINK NEEDS TO BE DONE. IT COULD BE
16 ETHICS. IT COULD BE THE TYPE OF TRANSLATION, AS I
17 UNDERSTAND YOU'RE SAYING. AND I DON'T SEE IN ANY WAY
18 WHY WE'RE PROHIBITED FROM DOING THAT.

19 DR. PRECIADO: I SUGGEST -- I WOULD RECOMMEND
20 THAT WE START TODAY.

21 DR. HOLMES: GOOD.

22 DR. PRECIADO: I'M JUST SAYING THAT I THINK
23 THAT TRANSLATIONAL RESEARCH IS MORE DIFFICULT THAN IT
24 APPEARS. AND I THINK THAT IT'S IMPORTANT.

25 DR. HOLMES: I SPEND MY ENTIRE LIFE WORRYING

1 ABOUT EXACTLY THESE SAME ISSUES, AND I AGREE WITH YOU A
2 HUNDRED PERCENT. IT IS A VERY COMPLICATED THING TO DO
3 AND TO DO WELL. AND I THINK IT'S A CHALLENGE FOR ALL
4 OF US WHO WORK IN THIS AREA RIGHT AT THE MOMENT. I
5 SHARE YOUR BELIEF THAT IT'S HARD TO DO AND WE NEED TO
6 WORK AT IT.

7 WE HAVEN'T GOTTEN TO THE PUBLIC YET, BUT I
8 DON'T WANT TO CUT OFF PEOPLE ON THE ICOC. WE HAVEN'T
9 ASKED FOR PUBLIC DISCUSSION YET ON THIS TOPIC. IS
10 THERE OTHER ICOC COMMENT?

11 DR. SAMUELSON: YES, ONE QUICKLY. JOAN
12 SAMUELSON. MIGHT WE SUGGEST THAT THERE BE A DEFINITION
13 SOMEWHERE IN HERE THAT EXPANDS BEYOND STEM CELL
14 RESEARCHER, WHICH IS THE PHRASE THAT'S USED THE MOST,
15 AND SUGGEST THAT IT'S OUR INTENTION THAT THE ENTIRE
16 SCOPE OF EXPERTISE BE INCLUDED, INCLUDING ALL THE
17 PHASES OF WORK FROM THE BENCH TO DELIVERY AT THE
18 CLINIC, AND THAT THERE BE ALL OF THAT EXPERTISE ON THE
19 WORKING GROUP?

20 DR. HOLMES: WE DID, I THINK, TRY TO ADDRESS
21 THAT WITH A STATEMENT. MAYBE IT DOESN'T DO IT EXACTLY
22 THE WAY YOU WANT IT. BUT WE HAD SAID THAT THE BALANCE
23 OF THE WORKING GROUP UNDER B WOULD BE SCIENTISTS WHO
24 ARE NOT DOING STEM CELL RESEARCH, BUT ARE CONSIDERED
25 EXPERTS IN BIOMEDICAL RESEARCH, SUBSUMED BY AND RELATED

1 TO STEM CELL RESEARCH, ARE ELIGIBLE FOR MEMBERSHIP WITH
2 THE INTENT THAT WE COULD CAST THE NET BROADER IN
3 RECOGNITION, QUITE FRANKLY, OF THE FIELD BEING VERY
4 SMALL AND YOUNG AT THE MOMENT, AND THE NUMBER OF PEOPLE
5 OUT THERE, WE'RE PROBABLY GOING TO HAVE TO CONVERT
6 PEOPLE TO STEM CELLS, I THINK.

7 DR. PRECIADO: I SUGGEST THAT IF WE GO
8 ON-LINE, CDC JUST PUT OUR THEIR TRANSLATING CLINICAL
9 TRIALS BOOKLET THAT'S WONDERFUL READING. I THOUGHT IT
10 WAS WONDERFUL. WE MIGHT JUST BRING THAT ON BOARD AND
11 SHARE WITH THE ICOC BOARD.

12 MR. SHESTACK: THERE'S AN UNDERSTANDING THAT
13 THIS GROUP WILL HAVE TO RELY ON AD HOC REVIEWERS, I
14 THINK, HEAVILY. THERE WILL BE A BURDEN OF A LOT OF
15 GRANTS, AND THERE WILL BE AREAS WHERE THERE WILL NOT BE
16 SUFFICIENT EXPERTISE. AND INITIALLY EVEN CLINICAL
17 TRIALS THERE WILL BE SOMEONE WHO CAN COMMENT JUST LIKE
18 THERE ARE PUBLIC MEMBERS ON COUNCIL WHO HAVE SPECIFIC
19 KNOWLEDGE OF ETHICS OR COMMUNICATION TO THE PUBLIC.
20 AND I THINK THIS GROUP IS GOING TO HAVE TO RELY BECAUSE
21 IT CAN'T -- IT'S LIMITED BY STATUTE AS TO HOW LARGE IT
22 CAN BE FORMALLY. WE'LL JUST HAVE TO RELY ON AD HOC
23 REVIEWERS AND WE KNOW THAT.

24 DR. REED: IF I CAN JUST MAKE A POINT. JOHN
25 REED. I SERVED ON THE COMMITTEE AS WELL. I THINK WE

1 ALL HAVE TO REMEMBER, IF I REMEMBER CORRECTLY, IT'S A
2 15 PERSON --

3 DR. HOLMES: CORRECT.

4 DR. REED: -- BOARD. AND SO THAT NUMBER OF
5 PEOPLE IS NOT GOING TO BE SUFFICIENT TO COVER THE FULL
6 RANGE OF PROPOSALS AND IDEAS THAT'S GOING TO EMERGE IN
7 THE NEXT DECADE. SO I SEE THEM AS SIMPLY A GROUP THAT
8 CAN SERVE AS AN INITIAL NODAL POINT FOR REVIEW, BUT
9 THEY'RE GOING TO HAVE TO INVOLVE A LARGE CADRE OF
10 EXPERTISE.

11 I HAVE SOME STATISTICS HERE. IT'S
12 INTERESTING, IF YOU LOOK AT A COUPLE OF THE RESEARCH
13 GRANT PROGRAMS OF A MAGNITUDE ONLY HALF OF WHAT WE'RE
14 GOING TO BE SPENDING, THEY GET 20,000 PROPOSALS PER
15 YEAR FOR THAT AMOUNT OF MONEY. SO WE'RE GOING TO BE
16 TALKING ABOUT POTENTIALLY A LOT OF PROPOSALS, AND
17 THERE'S NO WAY 15 PEOPLE ARE GOING TO REVIEW ALL THOSE.
18 SO I THINK WE HAVE TO BEAR THAT IN MIND, THAT THIS IS
19 GOING TO BE A MUCH BROADER GROUP OF PARTICIPATION IN
20 THE END THAN 15 PEOPLE.

21 MR. SHESTACK: THE PROPOSALS ARE LIMITED BY
22 HAVING TO ORIGINATE IN CALIFORNIA.

23 DR. REED: TO BE PUT IN PERSPECTIVE, THERE'S
24 GOING TO BE THOUSANDS, IF NOT TENS OF THOUSANDS OF
25 PROPOSALS POTENTIALLY.

1 DR. HOLMES: JOHN, YOU MAKE ME FEEL MUCH
2 BETTER ABOUT THE SUBCOMMITTEES THAT ARE GOING TO DO THE
3 INITIAL REVIEWING TO FIND PEOPLE TO BE ON THIS.

4 SHOULD WE TURN TO THE PUBLIC, MR. CHAIR, AT
5 THIS POINT?

6 CHAIRMAN KLEIN: I THINK THAT IN THE
7 CONSIDERATION OF TIME, BUT THIS IS A VERY IMPORTANT
8 SUBJECT, WE'RE GOING TO COME BACK TO. WE'RE GOING TO
9 HAVE SEVERAL DISCUSSIONS ON GRANTS AND GRANT PROGRAMS
10 AT THIS BOARD IN THE NEXT COUPLE OF MONTHS. AND WE'LL
11 MAKE SURE WE CALENDAR THIS.

12 MR. POSNER: I HAVE A QUESTION THAT YOU WILL
13 PROBABLY ADDRESS IN THE NEXT ISSUE, BUT BECAUSE THE
14 TYPES OF GRANTS YOU ARE GOING TO BE GIVING OUT ARE
15 GOING TO BE MULTIYEAR GRANTS, NSF, NIH HAVE DIFFERENT
16 WAYS OF HANDLING REVIEW VERSUS GRANTS MANAGEMENT. AT
17 NSF ONE PERSON DOES THE REVIEW AND THE MANAGEMENT. AT
18 NIH ONE GROUP DOES THE REVIEW, ONE GROUP DOES THE
19 MANAGEMENT.

20 SINCE THESE ARE GOING TO BE MULTIYEAR GRANTS,
21 I WONDER IF YOU'VE THOUGHT ABOUT HOW YOU ARE GOING
22 HANDLE THE GRANTS MANAGEMENT SECOND, THIRD, FOURTH,
23 FIFTH YEAR.

24 DR. HOLMES: WE DID NOT VIEW THAT AS A CHARGE
25 TO OUR SUBCOMMITTEE, AND WE ARE VERY ANXIOUS FOR THE

1 NEW PRESIDENT TO BE ON BOARD WHO, I THINK, WILL TAKE
2 THAT TASK ON. IS THAT NOT RIGHT, THAT THAT'S NOT OUR
3 PURVIEW, PLEASE?

4 CHAIRMAN KLEIN: THAT'S NOT YOUR PURVIEW AT
5 THIS TIME.

6 MR. REYNOLDS: JESSE REYNOLDS FROM THE CENTER
7 FOR GENETICS IN SOCIETY AGAIN WITH JUST A BRIEF COMMENT
8 TO BUILD ON WHAT -- PRIMARILY WHAT DR. POMEROY BROUGHT
9 UP, BUT ALSO, IN A WAY, WHAT DR. PRECIADO SAID.
10 EARLIER I BROUGHT UP THE NIH AS AN ANALOGY. ANOTHER
11 ANALOGY YOU CAN LOOK TO FOR YOUR ENTERPRISE IS THAT OF
12 THE HUMAN GENOME PROJECT. IT HAD A SIMILAR BUDGET AND
13 A SIMILAR TIME SCALE, AND IT EARMARKED A SPECIFIC
14 PERCENTAGE OF ITS BUDGET. I THINK IT WAS 3 PERCENT OF
15 ITS RESEARCH BUDGET FOR THE ELSI PROGRAM, ETHICAL,
16 LEGAL, AND SOCIAL IMPLICATIONS OF THEIR WORK.

17 AND I THINK WHEN YOU'RE LOOKING -- YOU'RE
18 LOOKING AT A SIMILAR UNDERTAKING AS THE HUMAN GENOME
19 PROJECT. I MEAN THERE'S SIMILARITIES AND DIFFERENCES
20 AND SO FORTH, BUT THERE ARE CRITICAL ETHICAL, LEGAL,
21 SOCIAL, AND TRANSLATIONAL IMPLICATIONS. AND I THINK
22 IT'S IMPORTANT. I CERTAINLY URGE YOU TO CONSIDER THIS
23 AS A SPECIAL SECTION THAT HAVE A CERTAIN DEGREE OF
24 AUTONOMY, AN EARMARKED BUDGET SO THAT IT CAN REMAIN
25 RELATIVELY ISOLATED AND ASSURED OF ITS WORK FROM THE

1 LARGER BASIC BIOMEDICAL RESEARCH OPERATION.

2 DR. HOLMES: THANK YOU. I THINK THAT'S A
3 GOOD SUGGESTION FOR US TO CONSIDER AT FUTURE MEETINGS
4 AS WE LOOK AT THE GRANT PORTFOLIO.

5 MR. BURROWS: GEORGE BURROWS, REGENERATIVE
6 MEDICINE AWARENESS PROGRAM. SOMETHING THAT IRV
7 WEISSMAN AND THE ISSCR HAVE DONE BEAUTIFULLY IS TO
8 EMBED ETHICISTS INTO THEIR BOARD STRUCTURE, INTO THE
9 CONFERENCES. THEY HAVE, WHEN PAPERS ARE BEING
10 DELIVERED, ETHICISTS DELIVER FULL PAPERS SIDE BY SIDE.
11 SO I WOULD SUGGEST STRONGLY THAT PERHAPS CONSIDER -- I
12 HAD THE PRIVILEGE OF INTERVIEWING LAURIE ZOLOFF. A
13 MIND LIKE THAT THINKS DIFFERENTLY THAN YOU ALL, ASKS
14 QUESTIONS IN WAYS THAT MIGHT BE VERY -- MOVE THE PEANUT
15 DOWN THE FIELD A LOT. SO TWO OF THOSE 30 SLOTS MIGHT
16 VERY WELL BE CONSIDERED FOR ETHICISTS LIKE LAURIE.
17 THEY'RE WONDERFUL BRAINS THAT THINK DIFFERENTLY THAN WE
18 DO.

19 DR. HOLMES: THANK YOU. I THINK SOMETHING,
20 AT LEAST IN ONE INSTITUTION, THE ONE I'M IN AT THE
21 MOMENT, AS WE LOOK AT HOW WE'RE GOING TO PUT TOGETHER
22 PROPOSALS HERE, BRINGING OUR COLLEAGUES WHO ARE
23 ETHICISTS INTO THE INITIAL PHASE EVEN OF THE GRANT
24 PROPOSAL PROCESS, I THINK, HAS BEEN VERY VALUABLE TO
25 US. AND I WOULD PRESUME THAT'S PROBABLY GOING ON AT

1 OTHER PLACES AS WELL. BUT I TAKE YOUR POINT. THANK
2 YOU.

3 CHAIRMAN KLEIN: AND I WOULD SAY THAT LAURIE
4 ZOLOFF, ONE OF THE PEOPLE SHE RECOMMENDS AS AN
5 OUTSTANDING MIND IN THE COUNTRY ON THIS SUBJECT IS ALTA
6 CHARO. AND ALTA CHARO HAS SPECIFICALLY AGREED TO GIVE
7 US INTERIM CONSULTING ON THESE ISSUES TO HELP US
8 DEVELOP AS WE GO FORWARD AND MAKE SURE WE COVER THIS
9 TOPIC AREA THOUGHTFULLY.

10 DR. HOLMES: ARE THERE OTHER COMMENTS FROM
11 THE PUBLIC? LET ME JUST BE SURE THERE ARE NO MORE FROM
12 THE PUBLIC BEFORE WE COME BACK TO THE BOARD. I GATHER
13 THERE ARE NONE. EXCUSE ME. PLEASE GO AHEAD.

14 MR. SHESTACK: BOB, POINT OF INFORMATION.
15 THE WOMAN YOU JUST MENTIONED, WOULD THESE PEOPLE
16 ACTUALLY BE ELIGIBLE TO BE ETHICISTS ON THE STANDARDS
17 WORKING GROUP, OR WOULD THEY NOT BECAUSE OF THE TIGHT
18 RESTRICTIONS OF REQUIREMENTS THAT PEOPLE HAVE DIRECT
19 EXPERIENCE ON IRB OR HUMAN SUBJECT PROTOCOL BOARDS?

20 CHAIRMAN KLEIN: I BELIEVE THAT BOTH OF THE
21 PEOPLE THAT ARE MENTIONED WOULD BE QUALIFIED BASED ON
22 THEIR EXPERIENCE.

23 DR. HOLMES: MIGHT I THEN SUGGEST THAT WE ASK
24 FOR A MOTION TO APPROVE OUR RECOMMENDATION? IF WE NEED
25 FURTHER DISCUSSION, WE'LL HAVE THAT.

1 DR. REED: SO MOVED.

2 CHAIRMAN KLEIN: SECOND.

3 DR. HOLMES: IS THERE FURTHER DISCUSSION ON
4 THIS PARTICULAR RECOMMENDATION?

5 DR. PRECIADO: I JUST WOULD LIKE TO ASK IF WE
6 ARE GOING TO BRING THE TOPIC OF TRANSLATIONAL RESEARCH
7 UP AT THE NEXT MEETING? I WOULD LIKE TO CONTINUE THAT
8 DISCUSSION.

9 CHAIRMAN KLEIN: IF IT WILL HELP THE
10 DISCUSSION, I'D BE HAPPY TO SCHEDULE THAT ON THE AGENDA
11 AT THE NEXT MEETING.

12 DR. HOLMES: I WOULD BE DELIGHTED FOR US TO
13 TALK ABOUT IT AS OFTEN AS WE WANT TO.

14 DR. PRECIADO: SO CAN YOU TALK ABOUT IT AT
15 THE NEXT MEETING?

16 DR. HOLMES: IF THE COMMITTEE WANTED ME TO DO
17 SO, I WOULD HAPPY TO AS AN INDIVIDUAL, BUT THERE ARE
18 CERTAINLY OTHER PEOPLE ON THIS PANEL WHO ARE ALSO VERY
19 WELL QUALIFIED TO TALK ABOUT IT. MAYBE AN INTERESTING
20 TOPIC, IF I MIGHT, WOULD BE, SINCE YOU'RE HAVING
21 SEMINARS ASSOCIATED WITH THIS, MAYBE TAKING IT ONE
22 SESSION, AN HOUR SEMINAR BEFORE OR AFTER, HOWEVER YOU
23 ARE GOING TO DO THIS, AROUND TRANSLATIONAL MEDICINE AND
24 HOW IT WORKS AND HOW WE MAKE SURE WE DON'T OVERLOOK IT.

25 CHAIRMAN KLEIN: LET ME TRY AND WORK WITH

1 STAFF AND FOLLOW UP ON THAT SUGGESTION.

2 DR. HOLMES: I'D BE HAPPY TO HELP WITH THAT
3 IF YOU WANT.

4 CHAIRMAN KLEIN: OKAY. AND I'LL TALK WITH
5 DR. PRECIADO AS WELL.

6 DR. REED: JOHN REED. IF I CAN MAKE A
7 SUGGESTION. I THINK AN ELEMENT OF THAT SHOULD BE A
8 DISCUSSION OF THE INFRASTRUCTURE REQUIRED FOR EFFECTIVE
9 TRANSLATIONAL RESEARCH, WHICH IS SOMETHING THAT SEEMS
10 ALL TOO OFTEN TO BE LEFT OUT OF PLANNING. SIMPLE
11 THINGS LIKE CAN YOU DO GOP MANUFACTURING OF A NEW
12 THERAPY THAT YOU'RE GOING TO TAKE INTO THE CLINIC. DO
13 WE HAVE THE INFRASTRUCTURE TO DO THAT AT THE LEVEL WE
14 NEED, ETC., ETC. SO I THINK THAT THAT SHOULD BE AN
15 ELEMENT OF THE PRESENTATION.

16 DR. HOLMES: MR. CHAIRMAN, I SUGGEST THAT
17 THERE IS A COMMITTEE OF THE INSTITUTE OF MEDICINE THAT
18 I HAPPEN TO CO-CHAIR, FULL DISCLOSURE, THAT IS
19 ADDRESSING THIS VERY TOPIC, WHICH WE'LL BE HAVING A
20 ROUNDTABLE MEETING OF PROBABLY 25 STAKEHOLDERS FROM
21 ACADEMIA, THE NIH, FROM THE FDA, FROM INDUSTRY, ETC.
22 TO BEGIN TO TRY TO LOOK AT EXACTLY THESE TYPES OF
23 ISSUES. IT MIGHT BE GOOD AFTER THAT GROUP HAS MET IS
24 TO HAVE SOME SORT OF REPORT POSSIBLY ON WHAT THAT
25 COMMITTEE IS GOING TO COME FORWARD WITH RECOMMENDATIONS

1 THAT MIGHT OR MIGHT NOT HELP.

2 CHAIRMAN KLEIN: GIVEN THAT YOU ARE CO-CHAIR
3 OF THAT COMMITTEE, IS IT POSSIBLE THAT ONE OR MORE
4 MEMBERS OF OUR BOARD MIGHT ATTEND THOSE SESSIONS?

5 DR. HOLMES: ABSOLUTELY.

6 CHAIRMAN KLEIN: MY QUESTION WAS SINCE HE'S
7 CO-CHAIR OF THAT COMMITTEE, WHETHER ONE OR MORE MEMBERS
8 OF OUR BOARD MIGHT ATTEND THOSE SESSIONS TO OBSERVE AND
9 LEARN? AND I WOULD SUGGEST THAT CERTAINLY THERE'S A
10 GREAT DEAL OF KNOWLEDGE WE CAN ALL BENEFIT FROM, AND
11 THE INSTITUTE SHOULD SUPPORT A PROGRAM OF INSTITUTE
12 BOARD MEMBERS ATTENDING THESE VERY SPECIALIZED
13 EDUCATIONAL FORUMS SO THAT WE DO HAVE PROVISION IN OUR
14 BUDGET FOR THAT KIND OF ACTIVITY.

15 DR. HOLMES: IS THERE FURTHER DISCUSSION ON
16 THE MOTION AND THE SECONDED MOTION AT THIS POINT? THEN
17 I THINK WE'RE READY, MR. CHAIR, TO CALL.

18 CHAIRMAN KLEIN: WE'D CALL FOR THE QUESTION.
19 ALL IN FAVOR? OPPOSED? MOTION PASSES. THANK YOU VERY
20 MUCH.

21 IN THE INTEREST OF TIME, GIVEN THAT A NUMBER
22 OF PEOPLE HAVE PLANES AND THE ALS SOCIETY IS GOING TO
23 GIVE A PRESENTATION FOR US, I'M WONDERING IF WE CAN
24 COVER ONE MORE ITEM BEFORE THAT ALS PRESENTATION. BUT
25 I WOULD SUGGEST THAT ITEM 14, WHICH WE'VE DISCUSSED

1 SOME PART, BE TABLED FOR TODAY AND MOVED TO NEXT THE
2 MEETING. AND ITEM 11, I'D SUGGEST THAT WE TABLE THAT
3 ITEM AS WELL AND MOVE THAT TO THE NEXT MEETING.

4 I REALIZE THAT WE HAVE A, THROUGH THE
5 CONTROLLER'S OFFICE, THE LOAN OF WALTER BARNES,
6 ASSISTANT CONTROLLER. WE HAVE AN INDIVIDUAL
7 FUNCTIONING AS THE CONTROLLER AND ACTING CHIEF
8 ADMINISTRATIVE OFFICER WHO CAN FUNCTIONALLY COVER US ON
9 THE CHIEF OPERATING OFFICER AND CHIEF FINANCIAL OFFICER
10 IN THE SHORT RUN.

11 GENERAL COUNSEL, WE NEED TO MOVE FORWARD ON,
12 BUT WE COULD POTENTIALLY MOVE FORWARD ON RESEARCH ON
13 THAT IN THE INTERIM BETWEEN NOW AND THE NEXT MEETING.
14 SO I'D LIKE TO REAGENDIZE THAT FOR THE NEXT MEETING.

15 ON THE -- ON THE STAFFING UPDATE, THERE IS A
16 MEMO IN YOUR FILES AVAILABLE TO THE PUBLIC THAT COVERS
17 THE STAFFING PROCEDURES. WHAT WE HAVE DONE IS TO TRY
18 THROUGH INTERAGENCY AGREEMENTS TO GET KEY PERSONNEL AT
19 HIGHER LEVELS THAT ARE MORE IN THE DIRECT OPERATIONAL
20 LINE OF AUTHORITY THAT WE FEEL THE PRESIDENT NEEDS TO
21 REALLY DECIDE ON LONG TERM. SO THAT IN TERMS OF CHIEF
22 ADMINISTRATIVE OFFICER AND CONTROLLER, WALTER BARNES IS
23 ON A FIVE-MONTH LOAN FROM THE CONTROLLER'S OFFICE.
24 SALLY LEE, WHO'S FROM THE OFFICE OF THE COURTS, IS ON A
25 LOAN THROUGH APRIL, AND THAT COULD BE EXTENDED IF, IN

1 THE MINDS OF THE ACTING PRESIDENT OR THE PRESIDENT, IT
2 WAS APPROPRIATE TO DO SO.

3 WHERE IT IS POSSIBLE, WE CAN ADVANCE THE
4 ORGANIZATION AND USE EXISTING EXPERTISE THAT'S
5 AVAILABLE IN OTHER DEPARTMENTS.

6 ADDITIONALLY, ON THIS MEMO I THINK WE'VE MADE
7 IT CLEAR PREVIOUSLY THAT WHILE WE ARE DEALING WITH OUR
8 NEEDS FOR GENERAL COUNSEL IN THE LONG RUN, THAT IN THE
9 INTERMEDIATE TERM, THAT I'VE HIRED REMCHO, JOHANSEN &
10 PURCELL AND JIM HARRISON, WHO HAS BEEN PRESENT FOR THE
11 LAST TWO MEETINGS, IS SERVING AS OUR GENERAL COUNSEL
12 FOR ITEMS SEPARATE FROM THOSE COVERED BY THE ATTORNEY
13 GENERAL'S OFFICE.

14 IN COMMUNICATIONS WE NEED TO HAVE A VERY
15 STRONG COMMUNICATIONS PROGRAM THAT WE PUT TOGETHER.
16 AND REDGATE COMMUNICATIONS, REPRESENTED HERE TODAY BY
17 FIONA HUTTON AND JULIE BUCKNER, HAS BEEN BROUGHT ON ON
18 A CONTRACT BASIS.

19 I WOULD ALSO MENTION THAT TO TRY AND CREATE
20 AN OVERALL COMMUNICATIONS STRATEGY, I ASKED SHERRY
21 LANSING IF SHE WOULD WORK WITH ME TO PUT TOGETHER SOME
22 IDEAS AND BRING THEM BACK TO THE BOARD FOR DISCUSSION
23 BECAUSE WE HAVE A MAJOR EDUCATIONAL AND COMMUNICATION
24 TASK TO ACCOMPLISH, MAKING CERTAIN WE HAVE
25 SPOKESPERSONS FOR THE BOARD, WE HAVE CLEAR ABILITY TO

1 COMMUNICATE OR MESSAGES, AND WE HAVE METHODS OF
2 RESPONDING QUICKLY TO INACCURATE INFORMATION THAT IS
3 OFTEN CIRCULATED, SOMETIMES STRATEGICALLY, BY PEOPLE
4 WHO HAVE HISTORICALLY OPPOSED THE CAMPAIGN, KNOWING
5 THAT IT IS INACCURATE, AND IT'S OUR GOAL TO ALWAYS GET
6 TO THE PUBLIC IMMEDIATELY WITH ACCURATE INFORMATION.
7 WE NEED A SYSTEM IN PLACE TO MAKE SURE WE DO THAT.

8 IN TERMS OF THE INDIVIDUALS PRESENT, I WOULD
9 ALSO LIKE TO CALL ATTENTION TO THE FACT THAT MARY MAXON
10 IS HERE. MARY IS THE CHIEF DEPUTY FOR THE VICE CHAIR,
11 AND SHE HAS JUST COME BACK FROM SERVING AS THE
12 COORDINATING CHAIR OF A CONFERENCE IN INDIA CALLED BY
13 THE NATIONAL ACADEMIES OF SCIENCE ON DRUGS FOR THE
14 DEVELOPING WORLD, BUT SHE HAS AN EXTENSIVE CAREER IN
15 THERAPY DEVELOPMENT WITH SPECIALIZATION RECENTLY IN
16 INFECTIOUS DISEASE WITH A REAL LEADERSHIP ROLE THAT HAD
17 A TEAM OF SCIENTISTS ADVANCING INFECTIOUS DISEASE
18 THERAPIES WITH A NUMBER OF GREAT MILESTONES
19 ACCOMPLISHED IN HER MOST RECENT JOB. HER BIO
20 INFORMATION IS THERE, AND, OF COURSE, FULL COPIES OF
21 THE BIO ARE AVAILABLE.

22 IN TERMS OF THE --

23 DR. POMEROY: MAY I ASK A QUESTION ON THE
24 STAFF HIRES?

25 CHAIRMAN KLEIN: YES. I WAS GOING TO CALL

1 FOR BOARD COMMENTS, AND, CLAIRE POMEROY, WOULD YOU LIKE
2 TO LEAD.

3 DR. POMEROY: I THINK THAT I MET MANY OF
4 THESE PEOPLE, AND I'VE ENJOYED INTERACTING WITH THEM.
5 YOU MENTIONED THAT TWO OF THEM ARE ON LOAN, BUT THE
6 OTHERS WOULD BE LONGER-TERM HIRES THAN THE LOANS.

7 CHAIRMAN KLEIN: THAT'S CORRECT.

8 DR. POMEROY: CAN YOU TELL US THE PROCESS
9 THAT YOU USED TO CHOOSE THESE PEOPLE? JOB DESCRIPTIONS
10 WERE WRITTEN? JOBS WERE POSTED? INTERVIEWS WERE DONE?
11 THOSE KIND OF PROCESSES THAT WERE USED.

12 CHAIRMAN KLEIN: CERTAINLY. FIRST OF ALL, WE
13 HAVE APPROXIMATELY SEVEN PEOPLE THAT YOU ARE
14 ADDRESSING. AND GIVEN THE TIME FRAME THAT WAS
15 AVAILABLE HERE, WE HAVE RECEIVED A NUMBER OF
16 APPLICATIONS STARTING IMMEDIATELY UPON THE FORMATION OF
17 THIS ENTITY. THE APPLICATIONS HAVE BEEN RESUMES.
18 WE'VE INTERVIEWED INDIVIDUALS FROM AS FAR AWAY AS
19 PENNSYLVANIA. AND WE HAVE OBVIOUSLY HIRED SOME FROM
20 WASHINGTON, D.C., AS WELL AS FROM SAN FRANCISCO.

21 THERE'S TWO BASIC CATEGORIES HERE. THERE ARE
22 APPROXIMATELY FIVE OR SIX OF THESE POSITIONS THAT ARE
23 INDIVIDUALS THAT HAVE -- LET'S SEE, ON THIS LIST
24 THERE'S ONE, TWO, THREE, FOUR, FIVE INDIVIDUALS THAT
25 ARE INDIVIDUALS THAT OVER A PERIOD OF THE LAST TWO

1 YEARS DEVELOPED A GREAT DEAL OF EXPERTISE THROUGH,
2 FIRST, PROP 71 CAMPAIGN AND THEN THROUGH THE NONPROFIT
3 ENTITY THAT FOLLOWED IT IN THE STEM CELL AREA, BUT VERY
4 SPECIFICALLY, AS DISCUSSED AT THE PRIOR BOARD MEETING,
5 A TREMENDOUS NETWORK OF INDIVIDUALS THROUGH THE PATIENT
6 ADVOCACY GROUPS, THE MEDICAL ASSOCIATIONS, THE
7 NONPROFIT GROUPS, AND THE BUSINESS ORGANIZATIONS IN THE
8 STATE.

9 AND IN ORDER TO MAINTAIN THAT NETWORK AND
10 PROVIDE THE INFORMATION THAT SERVES A VAST NUMBER OF
11 FAMILIES IN THE STATE, THOSE PEOPLE, TO THE EXTENT THAT
12 THEY WERE APPROPRIATE TO THE JOB DESCRIPTION THAT WAS
13 WRITTEN, WERE RECRUITED BY ME AND HIRED. THERE ARE A
14 LARGE NUMBER OF INDIVIDUALS WHO WORKED FOR THE CAMPAIGN
15 WHO WERE NOT HIRED BECAUSE THEY DID NOT MEET THE JOB
16 DESCRIPTIONS, THEY DID NOT HAVE AN IRREPLACEABLE SET OF
17 SKILLS, AND THEY DIDN'T FIT WITHIN AN INSTITUTE
18 ORGANIZATIONAL CHART THAT WAS SPECIFICALLY IMPORTANT TO
19 THE MISSION OF THE INSTITUTE ITSELF.

20 AND SPECIFICALLY THE PEOPLE THAT ARE HIRED
21 THAT I JUST REFERENCED, YOU WILL NOTICE, DEAL WITH
22 BOARD SUPPORT AND DEAL SPECIFICALLY WITH SUPPORT
23 DIRECTLY TO THE CHAIRMAN OR THE VICE CHAIRMAN IN THEIR
24 SPECIFIC ROLES. SO THEY ARE NOT PEOPLE WITHIN THE
25 SCIENTIFIC AREA THAT WENT THROUGH THAT PROCESS BECAUSE

1 IT'S VERY CAREFUL TO MAKE CERTAIN WE PRESERVE ALL OF
2 THOSE SCIENTIFIC AND LONG-TERM DIRECT OPERATIONAL
3 OFFICES TO THE ACTING PRESIDENT AND THE PRESIDENT'S
4 REVIEW.

5 WE HAVE NOW POSTED ON THE WEBSITE A NUMBER OF
6 POSITIONS. AND GIVEN THAT WE NOW HAVE ENOUGH POSITIONS
7 TO MAN OUR CRITICAL, AT LEAST, OUR SEARCH COMMITTEES
8 AND THE BAGLEY-KEENE REQUIREMENTS, WE HAVE GONE TO A
9 POLICY WHERE WE'RE GOING THROUGH A PUBLIC NOTICE OF ALL
10 JOB POSITIONS WHERE THERE IS A SPECIFIC NOTICE PERIOD
11 WHERE WE'RE GOING TO TAKE APPLICATIONS AND WHERE THOSE
12 APPLICATIONS ARE REVIEWED WITH, HOPEFULLY IN THE NEAR
13 FUTURE, AN ACTING PRESIDENT BECAUSE THE NEXT POSITIONS
14 THAT ARE CRITICAL TO BE FILLED DIRECTLY RELATE TO
15 OPERATIONS. AND THE ACTING PRESIDENT OR THE PRESIDENT
16 WILL NEED TO BE THE ONE THAT MAKES THOSE DECISIONS
17 AND/OR RECOMMENDS THEM TO THE BOARD IF THEY'RE AT A
18 HIGH ENOUGH LEVEL THAT THEY NEED BOARD APPROVAL.

19 DR. HOLMES: IF I MIGHT JUST MAKE A COMMENT.
20 I'VE HAD THE OPPORTUNITY TO WORK WITH A NUMBER OF THESE
21 STAFF PEOPLE OVER THE LAST COUPLE OF WEEKS. I WON'T
22 EMBARRASS THEM BY NAMING THEIR NAMES, BUT IT'S AN
23 EXTRAORDINARY GROUP OF PEOPLE THAT YOU'VE PUT TOGETHER,
24 THAT I WOULD RECOMMEND THAT THEY STOP DOING E-MAIL
25 AFTER 11 O'CLOCK AT NIGHT. IT'S A LITTLE DISRUPTIVE.

1 SERIOUSLY, THERE ARE VERY, VERY COMMITTED, DEDICATED
2 PEOPLE WHO, AT LEAST IN THIS SUBCOMMITTEE I'VE BEEN
3 WORKING WITH, HAVE BEEN EXTRAORDINARILY HELPFUL. AND
4 I'M VERY PLEASED WITH THE SERVICE THAT'S BEEN PROVIDED,
5 AT LEAST TO THE ICOC I'VE BEEN INVOLVED WITH.

6 MS. LANSING: I SECOND THAT.

7 CHAIRMAN KLEIN: THANK YOU.

8 DR. SAMUELSON: DITTO.

9 CHAIRMAN KLEIN: THANK YOU. I WANT TO SAY
10 THAT THEY ARE VERY PASSIONATE INDIVIDUALS OF TREMENDOUS
11 COMMITMENT. I DON'T THINK EVER BEFORE IN MY LIFE HAVE
12 I EVER HAD STAFF THAT WAS UP LATER THAN I WAS WORKING
13 AND GOT UP EARLIER. AND WHEN I LOOK AT THE E-MAIL
14 TRAFFIC, IT APPEARS TO BE CONTINUOUSLY RUNNING AT 24
15 HOURS A DAY. IT IS, YES. A NUMBER OF THE BOARD
16 MEMBERS KNOW THAT BECAUSE THEY'VE CONFIRMED THEY
17 RECEIVED THOSE E-MAILS. BUT WHEN I GET UP AT 5:30 IN
18 THE MORNING TO DO AN INTERVIEW FOR THE EAST COAST, I
19 SEE E-MAIL TRAFFIC. IF I GO TO BED AT 1 O'CLOCK IN THE
20 NIGHT AFTER READING A LONG REPORT, THERE'S E-MAIL
21 TRAFFIC. I JUST WANT EVERYONE TO KNOW THAT THERE'S A
22 REAL NOBILITY OF CHARACTER AND PASSIONATE COMMITMENT OF
23 THESE INDIVIDUALS, AS WELL AS THE NEW HIRES, TO THE
24 MISSION OF THIS INSTITUTE. AND ALMOST ALL OF THEM COME
25 FROM FAMILIES AFFECTED BY CHRONIC DISEASE OR INJURY,

1 AND THEY'RE VERY DEDICATED INDIVIDUALS WE OWE A GREAT
2 DEAL TO.

3 MS. LANSING: I JUST WANT TO SAY THAT, YOU
4 KNOW, I'VE BEEN IN BUSINESS ALL MY LIFE, BUT I HAVE TO
5 ALSO CONGRATULATE CHAIRMAN KLEIN BECAUSE WHAT YOU HAVE
6 DONE IN THE MOST EFFICIENT WAY AND THE MOST PASSIONATE
7 WAY IN ASSEMBLING THE STAFF SINCE OUR LAST MEETING AND
8 PUTTING THIS ORGANIZATION TOGETHER, I THINK, IS
9 EXTRAORDINARY. SO I THANK YOU, I THINK, ON BEHALF OF
10 ALL OF US.

11 CHAIRMAN KLEIN: I THANK YOU VERY MUCH. IT'S
12 A PRIVILEGE TO BE WITH YOU.

13 IS THERE PUBLIC COMMENT ON THIS ITEM?

14 MR. REYNOLDS: TWO QUICK QUESTIONS
15 SPECIFICALLY REGARDING THE STAFFING MEMO AND THEN A
16 LONGER COMMENT AND SOME RECOMMENDATIONS. SPECIFICALLY
17 REGARDING THE STAFFING MEMO, ONE QUESTION IS HOW WERE
18 THE SALARIES DETERMINED RELATIVE TO OTHER STATE
19 AGENCIES AND SO FORTH?

20 AND SECOND, I LOOKED AT THE JOB APPLICATION
21 THAT WAS POSTED ON-LINE, AND I FOUND SOME QUESTIONS
22 THAT COULD BE CHARACTERIZED AS INTRUSIVE, I SUPPOSE,
23 ABOUT HAVE YOU EVER WRITTEN A POTENTIALLY CONTROVERSIAL
24 POLITICAL ARTICLE AND SO FORTH. AND I'M WONDERING IF
25 YOU COULD COMMENT ON THE NECESSITY OF THAT TYPE OF

1 QUESTIONS FOR ALL STAFF? SHOULD I LET YOU ANSWER, AND
2 I SHOULD I GO ON?

3 CHAIRMAN KLEIN: WELL, THE APPLICATION
4 ON-LINE CAME TO US FROM ANOTHER GOVERNMENTAL SOURCE.
5 AMY DUROSS, COULD YOU APPROACH THE MICROPHONE, PLEASE.

6 MR. SHEEHY: I COULD SPEAK TO THAT. I FILLED
7 OUT A VERY SIMILAR TO THAT, I'M SURE IT'S ALMOST
8 IDENTICAL, FOR MY APPOINTMENT BY THE STATE SENATE.
9 THAT'S WHAT THEY ASK.

10 MS. DU ROSS: THAT APPLICATION WAS TAKEN
11 DIRECTLY FROM THE GOVERNOR'S OFFICE. SO IT'S THE
12 STANDARD. WE DO HAVE -- COUNSEL HAS INFORMED US WE DO
13 HAVE THE LICENSE TO AMEND THAT APPLICATION, BUT WE WANT
14 TO START WITH THE GOVERNMENTAL STANDARDS.

15 CHAIRMAN KLEIN: WE WANTED TO BE AS STRICT AS
16 THE STANDARD SET BY THE GOVERNOR'S OFFICE, AND WE USED
17 THEIR APPLICATION TO START THE PROCESS.

18 MS. LANSING: JUST BECAUSE THEY WROTE
19 SOMETHING LIKE THAT DOESN'T MEAN YOU COULDN'T HIRE
20 THEM.

21 MR. REYNOLDS: NOW IF I CAN MAKE MY ORIGINAL,
22 SLIGHTLY LONGER COMMENT, WHICH IS DERIVED FROM THE
23 LETTER I SENT AROUND, WHICH I SHOULD MENTION, IF YOU
24 DON'T HAVE, IS AT OUR WEBSITE AT THE CENTER, WHICH IS
25 GENETICSANDSOCIETY.ORG.

1 A POINT WE BROUGHT UP AT THE LAST MEETING WAS
2 I THINK WE CALLED IT A CERTAIN DISTURBING BLENDING OF
3 INSTITUTIONS THAT WAS OCCURRING AT THE TIME. AND IT
4 WAS EXPLAINED HAVING TO DO WITH THE INITIAL START-UP
5 PERIOD OF THE IRM AND SO FORTH. THERE'S BEEN SOME
6 GREAT STEPS TAKEN IN THE RIGHT DIRECTION, ESPECIALLY
7 TODAY, I THINK, WITH THE ACQUISITION OF INTERIM SPACE
8 IS A BIG STEP IN THE RIGHT DIRECTION.

9 BUT, YOU KNOW, SOMETHING CAME UP THIS WEEK IN
10 AN ARTICLE IN THE LOS ANGELES TIMES ABOUT THE YES ON 71
11 CAMPAIGN. THAT'S A SITUATION WHEREIN IT WAS REPORTED
12 THAT THE YES ON 71 CAMPAIGN IS CURRENTLY \$6.5 MILLION
13 IN DEBT AND MUST DO SOME FUND-RAISING TO RECOUP THOSE
14 DEBTS. AND ACCORDING TO THIS ARTICLE, ONE MILLION
15 DOLLARS OF THE DEBT WAS OWED TO MR. KLEIN AS A PERSON,
16 WHO LOANED THAT MONEY TO THE YES ON 71 CAMPAIGN.

17 AND THE CENTER FEELS THAT THIS IS NOT ONLY
18 TROUBLING, BUT IT IS PERHAPS AN UNACCEPTABLE POSITION
19 FOR A PUBLIC OFFICIAL WHO IS CHAIR AND INTERIM
20 PRESIDENT OF THE AGENCY RESPONSIBLE FOR HANDING OUT
21 LARGE GRANTS WHERE HE IS SO CLOSE TO THE STAFF WHO
22 WOULD BE RESPONSIBLE FOR THAT FUND RAISING AND THAT
23 STAFF BLENDS OR BLEEDS RIGHT INTO CURRENTLY THE STAFF
24 OF THE IRM.

25 SO WE URGE YOU AS SOON AS POSSIBLE TO MAKE

1 THE ROLES, THE LEADERSHIP, THE STAFF, AND THE FINANCES
2 OF THE NEW INSTITUTE CLEAR AND SEPARATE FROM THOSE OF
3 THE CRCC NONPROFIT ADVOCACY ORGANIZATION, THE YES ON 71
4 CAMPAIGN, AND MR. KLEIN'S PERSONAL AND BUSINESS
5 FINANCES.

6 CHAIRMAN KLEIN: THANK YOU FOR YOUR COMMENTS.
7 I THINK YOU USED YOUR THREE MINUTES, SIR. THANK YOU.

8 TO RESPOND, THERE ARE VERY CLEAR LINES.
9 THERE IS NO INTERRELATIONSHIP BETWEEN THESE
10 INSTITUTIONS. AND AS THE PRESS KNOWS, AND I BELIEVE AS
11 YOU ALSO KNOW, THE AMOUNT OF DEBT REPORTED IN THAT
12 ARTICLE IS REFLECTIVE ONLY OF DEBT AND DOES NOT SHOW
13 THE COUNTERBALANCED ASSETS BECAUSE THERE ARE OFFSETTING
14 STOCK CONTRIBUTIONS RECEIVABLE FROM PEOPLE THAT NEEDED
15 TIME TO GET THEIR STOCK TRANSFERS TO OCCUR, SOME \$2
16 MILLION. ANOTHER MILLION DOLLARS OF THAT DEBT IS BEING
17 CONVERTED INTO CONTRIBUTIONS BY THE PEOPLE CONTRIBUTING
18 IT. THERE IS APPROXIMATELY \$2 MILLION OF LONG-TERM
19 DEBT, OF WHICH ONE MILLION IS DEBT ABOVE THE TWO
20 MILLION THAT I CONTRIBUTED TO THE CAMPAIGN.

21 THE ENTITY HAS \$1.3 MILLION OF TRADE PAYABLES
22 THAT ARE UNDER CREDIT TERMS THAT WERE ARRANGED DURING
23 THE CAMPAIGN, AND THEY'RE BEING PAID ACCORDING TO THOSE
24 CREDIT TERMS. THERE ARE OFFSETTING PLEDGES THAT EQUAL
25 THAT AMOUNT; HOWEVER, NOT ALL PLEDGES ARE ALWAYS

1 COLLECTED. I HAVE MADE RECENTLY, AND THERE'S BEEN A
2 LETTER THAT I HAVE SEEN RECENTLY, IN FACT TODAY, FROM A
3 MEMBER OF THE BOARD OF PROP 71 THAT MAKES IT VERY CLEAR
4 THERE IS A PUBLIC POSITION OF THAT CAMPAIGN, THAT IT
5 WILL NOT ACCEPT ANY CONTRIBUTION FROM ANY ENTITY THAT
6 WOULD BENEFIT FROM ANY GRANT, LOAN, OR ANY OTHER
7 FINANCIAL TRANSACTION OF THIS INSTITUTE. IF IT'S
8 GIVEN, IT WILL BE RETURNED.

9 IN ADDITION, THERE'S A PUBLIC RECORD OF THE
10 FACT THAT CONTRIBUTIONS FROM PHARMA COMPANIES DURING
11 THE CAMPAIGN WERE RETURNED WHEN MADE. AND THERE IS A
12 VERY CLEAR STATEMENT THAT I HAVE MADE, THAT I AM MAKING
13 NO EFFORTS TO RAISE ANY MONEY TO DEAL WITH MY LONG-TERM
14 DEBT TO THAT COMMITTEE. IN FACT, THAT COMMITTEE HAS A
15 GOAL OF RAISING FUNDS TO DEAL WITH WELDON BROWNBACK IN
16 WASHINGTON, AND IT HAS THOSE TRADE PAYABLES TO DEAL
17 WITH AS A PRIORITY.

18 NEVERTHELESS, WE WILL ALWAYS RECEIVE CRITICAL
19 REVIEW IN GOOD SPIRIT AND TRY AND MAKE SURE WE'RE
20 SENSITIVE TO THIS ISSUE. SO WE THANK YOU VERY MUCH.

21 MR. REYNOLDS: MAY I ASK A FOLLOW-UP
22 QUESTION?

23 CHAIRMAN KLEIN: I THINK EVERYONE IS LIMITED
24 IN TIME, AND WE'RE GOING TO GO TO THE NEXT PARTY. IS
25 THERE ANYONE ELSE IN THE AUDIENCE THAT HAS A QUESTION?

1 MS. BALLEU: DID YOU BLEND ITEM NO. 13 AND 12
2 B? THE AGENDA I HAVE, IT SEEMED LIKE ITEM NO. 13 GOT
3 BLENDED IN WITH 12(B)(3) WHEN WE WERE CONSIDERING THE
4 MINUTES AND GRANTS. ARE YOU STILL PLANNING ON
5 CONSIDERING ITEM 13 SEPARATELY?

6 CHAIRMAN KLEIN: ITEM 13 WILL STILL COME UP.
7 YES.

8 UNIDENTIFIED SPEAKER: ITEM 12(A), IS THAT
9 STILL COMING UP?

10 CHAIRMAN KLEIN: SITE SEARCH COMMITTEE IS
11 COMING UP. I MERELY CHANGED THE ORDER IN ORDER TO
12 ACCOMMODATE SCHEDULES OF INDIVIDUAL BOARD MEMBERS.

13 THANK YOU.

14 DR. MURPHY POINTS OUT THAT THE ALS
15 PRESENTATION IS VERY IMPORTANT TO ALL OF US. THIS IS A
16 CRITICAL DISEASE. WE'RE CONCERNED ABOUT TIME AND
17 MAKING SURE THAT THERE IS AN OPPORTUNITY FOR A FULL
18 PRESENTATION.

19 THE QUESTION IS WHAT IS YOUR PREFERENCE?
20 WOULD YOU RATHER BE GIVEN A SOLID BLOCK OF TIME AT THE
21 NEXT MEETING OR HAVE LESS TIME AT THIS MEETING? I KNOW
22 IT'S VERY DIFFICULT. YOU DID A BRILLIANT SET OF
23 PRESENTATIONS THIS MORNING, BUT WE WANT TO MAKE CERTAIN
24 THAT WE RESPECT THE CONTRIBUTION YOU HAVE AND THE
25 IMPORTANCE OF THIS DISEASE. SO WE WANT TO LET YOU HAVE

1 THE DECISION. OKAY.

2 WITH THE BOARD'S ALLOWANCE, IF WE COULD DO
3 THEIR TEN-MINUTE PRESENTATION BEFORE OTHER BOARD
4 MEMBERS LEAVE, IS THAT ACCEPTABLE?

5 DR. POMEROY: I FEEL STRONGLY THAT WE SHOULD
6 LISTEN TO THE ALS PRESENTATION. THEY HAVE BEEN
7 PATIENTLY WAITING THROUGH OUR BUSINESS, SO I WOULD BE
8 LOOKING FORWARD TO WHAT THEY HAD TO SAY.

9 CHAIRMAN KLEIN: THANK YOU FOR YOUR PATIENCE.

10 DR. PRECIADO: CAN I ASK, NO. 15, ARE WE
11 ENDING?

12 CHAIRMAN KLEIN: NO, WE'RE NOT.

13 DR. FONTANA: THANK YOU, FINALLY. I'D LIKE
14 TO APPLAUD THIS COMMITTEE FOR ITS IMPRESSIVE RESPONSE
15 TO THE ENORMOUS CHALLENGES OF IMPLEMENTING PROP 71, AND
16 THANKS TO BOB KLEIN FOR HIS CHAMPIONING OF THIS
17 HISTORICAL OPPORTUNITY. AND I'D LIKE TO GIVE A SPECIAL
18 THANKS TO DAVID SERRANO SEWELL, WHO'S REPRESENTING BOTH
19 M.S. AND ALS. HE'S EMBRACED THE ALS COMMUNITY WITH THE
20 BEST OF INTENTIONS.

21 I STAND PROUDLY BEFORE YOU REPRESENTING ALS
22 PATIENTS, THOSE WHO HAVE PASSED AWAY FROM IT, THOSE WHO
23 HAVE IT NOW, AND THOSE WHO WILL GET IT IN THE FUTURE.
24 MY GOAL TODAY IS TO MAKE YOU MORE AWARE OF ALS, WHAT IT
25 IS CLINICALLY, AND HOW STEM CELL RESEARCH MAY TRANSLATE

1 INTO POTENTIAL THERAPIES. WHILE THERE'RE APPROXIMATELY
2 30,000 PEOPLE IN THE UNITED STATES CURRENTLY WITH ALS,
3 EACH WITH THEIR OWN STORY, THERE ARE ENOUGH
4 SIMILARITIES BETWEEN THEM ALL, THAT I'D LIKE TO TEACH
5 YOU ABOUT THIS DISEASE THROUGH ONE PATIENT'S
6 PERSPECTIVE, ONE I KNOW WELL. THIS IS MY MOM.

7 IT ALL BEGAN WITH A PHONE CALL. ONE OF MY
8 MOTHER'S FRIENDS CALLED, WORRIED ABOUT HER, THOUGHT SHE
9 WAS DRINKING TOO MUCH BECAUSE SHE WAS SLURRING HER
10 WORDS AT A COCKTAIL PARTY. I WAS IMMEDIATELY ALARMED,
11 KNOWING MY MOTHER DIDN'T DRINK. I FIRST THOUGHT
12 STROKE, AND I WISHED I WAS RIGHT. SHE DIDN'T HAVE A
13 STROKE, AND AFTER MANY TESTS, MUSCLES AND NERVE
14 BIOPSIES, SPINAL TAPS, X RAYS, MRI'S, ECHOS, EMG'S, WE
15 WERE HANDED THE WORST DIAGNOSIS OF ALL, ALS.

16 ALS IS A NEURODEGENERATIVE DISEASE THAT TAKES
17 THE LIFE OF NEARLY ALL OF ITS VICTIMS WITHIN A FEW
18 YEARS OF DIAGNOSIS. THERE IS NO TREATMENT, ALTHOUGH
19 ONE FDA APPROVED DRUG PROLONGS LIFE A FEW MONTHS.
20 ALTHOUGH FIRST DESCRIBED 150 YEARS AGO BY A FRENCH
21 NEUROLOGIST, ALS WAS COINED LOU GEHRIG'S DISEASE WHEN
22 THE BASEBALL GREAT WAS DIAGNOSED IN 1937.

23 THIS DIAGNOSIS HAS NO RACIAL,
24 SOCIOECONOMICAL, NOR ETHNIC BOUNDARIES. IT CAN STRIKE
25 AT ANY AGE, BUT MOST COMMONLY IN THE FIFTH AND SIXTH

1 DECADE OF LIFE. MEN ARE TARGETED MORE FREQUENTLY THAN
2 WOMEN UNTIL MENOPAUSE WHEN THE RATES BECOME EQUAL.

3 THE ONLY KNOWN CAUSE OF ALS RESULTS FROM A
4 GENETIC MUTATION WHICH CAUSES AN AUTOSOMAL DOMINANT
5 PATTERN OF INHERITANCE. THE SOD-1 GENE LOCATED ON
6 CHROMOSOME 21 CODES FOR AN ENZYME CALLED SUPEROXIDE
7 DISMUTASE, WHOSE ACTION IS TO SCAVENGE AND PROTECT
8 NEURONS FROM FREE RADICALS. HOWEVER, ONLY 20 PERCENT
9 OF THE FAMILIAL ALS CASES ARE LINKED TO SOD MUTATIONS,
10 SO THERE MUST BE OTHER YET TO BE IDENTIFIED GENETIC
11 DEFECTS INVOLVED.

12 OTHER THAN THIS INHERITED FORM, THE MAJORITY
13 OF CASES HAVE NO KNOWN CAUSE. THERE ARE MANY THEORIES
14 BUILDING AROUND ENVIRONMENTAL INSULTS, HEAVY METALS,
15 NEUROTOXINS, AND IMMUNE SYSTEM ABNORMALITIES. TWO
16 NOTABLE OUTBREAKS OF ALS HAS SHED SOME LIGHT INTO THE
17 CAUSE OF THIS DISEASE. BACK DURING THE KOREAN WAR AN
18 INCREDIBLY HIGH AMOUNT OF ALS WAS NOTED ON THE ISLAND
19 OF GUAM, NEARLY 300 PERCENT HIGHER THAN IN THE AVERAGE
20 POPULATION. THIS RATE IS RETURNED TO NORMAL IN LARGE
21 PART BY REMOVING A NEUROTOXIN FOUND IN THE DIET. MORE
22 RECENTLY, THE GULF WAR VETS HAVE BEEN FOUND TO HAVE A
23 TWOFOLD INCREASED RISK AS COMPARED TO CIVILIANS. THE
24 DEPARTMENT OF DEFENSE HAS RECENTLY ALLOCATED
25 ALS-SPECIFIC FUNDING TO ADDRESS THIS ISSUE.

1 ALS PRESENTS IN ONE OF TWO WAYS. THE VAST
2 MAJORITY PRESENT WITH THE SKELETAL FORM WITH COMPLAINTS
3 OF MUSCLE FATIGUE, TWITCHING, AND CRAMPING, ONE
4 STUMBLES MORE FREQUENTLY, HAS DIFFICULTY CLIMBING
5 STAIRS, CAN'T WRITE AS WELL, NOR BUTTON THEIR SHIRTS.
6 THE OTHER 10 PERCENT PRESENT THE WITH BULBAR FORM,
7 WHICH ATTACKS THE MUSCLES INVOLVED WITH SPEECH,
8 SWALLOWING, AND BREATHING. PATIENTS COMPLAIN OF
9 SLURRED OR THICK SPEECH AND DIFFICULT BREATHING OR
10 SWALLOWING.

11 THE BULBAR FORM HAS A MORE RAPID COURSE.
12 THIS IS THE TYPE MY MOTHER HAD. WE HOPED THAT SHE
13 WOULD BE ONE OF THE RARE ONES, THE FEW PERCENT OF THOSE
14 WITH ALS, LIKE STEVE HAWKINGS (PHONETIC), IN WHICH THE
15 DISEASE PROGRESSES SLOWLY. WE PRAYED THAT SHE WOULD BE
16 SPARED FROM THE RAPID DESTRUCTION OF HER MOTOR NEURONS.
17 WITHIN THE YEAR OF BEING DIAGNOSED, SHE WENT FROM AN
18 INCREDIBLY ACTIVE, HEALTHY, SOCIAL, WORKING MEMBER OF
19 SOCIETY TO BEING UNABLE TO PARTICIPATE IN HER BELOVED
20 BIWEEKLY TENNIS MATCHES. WALKING BECAME EXHAUSTING.
21 SHE NEEDED A COMPUTER TO SPEAK FOR HER AND EATING
22 BECAUSE OF HER DIFFICULTY WITH SWALLOWING BECAME A LIFE
23 OR DEATH SITUATION. WATCHING YOUR MOTHER CHOKE TO
24 DEATH IS NOT PLEASANT.

25 THE FOLLOWING YEAR SHE WAS WHEELCHAIR BOUND,

1 HAD A FEEDING TUBE, AND REQUIRED FULL-TIME CARE. HER
2 LAST YEAR OF LIFE WAS EXTENDED WITH MECHANICAL
3 VENTILATION. SHE WAS SO HAPPY AS LONG AS SHE COULD
4 COMMUNICATE. ALTHOUGH THE COMPUTER BECAME MORE
5 DIFFICULT, AND THEN WHEN WE FINALLY HAD TO RESORT TO
6 EYE MOVEMENTS, A YES TO THE RIGHT, A NO TO THE LEFT,
7 ALL THE WHILE HER ACTIVE MIND REMAINED INTACT. SHE
8 PLAYED BRIDGE A WEEK BEFORE SHE DIED, AND SHE WON.
9 IMAGINE.

10 ALL ALS PATIENTS ARE CONFRONTED EARLY ON WITH
11 THE DECISION AS TO WHETHER OR NOT TO EXTEND THEIR LIVES
12 BY MECHANICAL VENTILATION. MOST ALS PATIENTS DO NOT
13 CHOOSE THIS COURSE AND ARE FACED WITH THE END OF THEIR
14 LIFE WITH THEIR MINDS FULLY INTACT, COMPLETELY
15 PARALYZED, AND IN RESPIRATORY FAILURE.

16 THOSE THAT DO CHOOSE MECHANICAL VENTILATION
17 DO SO AT AN ENORMOUS COST, BOTH FINANCIALLY AND
18 EMOTIONAL. IN THE ADVANCED STAGES, CARE OF THE ALS
19 PATIENT CAN COST UP TO 200,000 A YEAR, WHICH EQUATES TO
20 TWO TO \$6 BILLION A YEAR, A SIGNIFICANT CONTRIBUTOR TO
21 HEALTHCARE COSTS.

22 WHILE EXPLORING THE MARKET POTENTIAL FOR DRUG
23 DEVELOPMENT, I FOUND IT INTERESTING THAT THE INCIDENCE
24 OF ALS IS FIVE TIMES HIGHER THAN HUNTINGTON'S DISEASE,
25 SLIGHTLY LESS THAN PARKINSON'S DISEASE, AND ABOUT EQUAL

1 TO MULTIPLE SCLEROSIS. HOWEVER, THE NUMBER OF PEOPLE
2 LIVING WITH ALS IS SO MUCH LESS BECAUSE WE DIE.

3 IF A THERAPY WERE TO BE DEVELOPED FOR ALS,
4 THE FINANCIAL MARKET POTENTIAL RANGES BETWEEN \$500
5 MILLION TO A BILLION DOLLARS. MOREOVER, SINCE THE
6 MECHANISMS OF DISEASE IN ALS ARE MOST LIKELY SIMILAR TO
7 OTHER NEURODEGENERATIVE DISEASES, A CURE FOR ALS WILL
8 LIKELY CONTRIBUTE TO TREATMENT OR CURE FOR OTHER
9 DISEASES SUCH AS PARKINSON'S, ALZHEIMER'S, AND MUSCULAR
10 DYSTROPHY.

11 ONE MAJOR IMPEDIMENT TO THE ADVANCEMENT OF
12 DRUG DEVELOPMENT THUS FAR IS THE APPARENT COMPLEXITY
13 INVOLVED IN A MECHANISM IN NEURONAL CELL DEATH. ONE OF
14 THE BIGGEST PROBLEMS WE AND MANY OTHER DISEASES HAVE IS
15 THE LACK OF AN ACCURATE MODEL WITH WHICH TO STUDY THE
16 DISEASE. ALTHOUGH WE'VE BEEN AIDED BY THE DEVELOPMENT
17 OF A TRANSGENIC SOD-1 MOUSE AND RAT MODEL IN WHICH TO
18 STUDY ALS, IT'S QUITE LIMITED.

19 WHILE I JOIN THOSE WHO SHARE INCREDIBLE
20 ENTHUSIASM FOR THE POTENTIAL THERAPIES BORN OUT OF STEM
21 CELL RESEARCH, I THINK FOR OUR ALS RESEARCH, THERE ARE
22 FOUR AREAS IN WHICH WE COULD REALLY HAVE AN IMPACT.
23 USING STEM CELLS FROM DISEASED EMBRYOS OR FOLLOWING
24 NUCLEAR TRANSFER TO DEVELOP MODELS OF ALS. USING THIS
25 MODEL IN CONJUNCTION WITH HIGH THROUGHPUT SCREENING,

1 POTENTIAL PHARMACOLOGICAL THERAPIES MAY BE IDENTIFIED
2 MORE READILY AS WELL AS A BETTER UNDERSTANDING OF THE
3 FUNDAMENTAL MOLECULAR MECHANISMS UNDERLYING CELL DEATH.

4 STEM CELLS MAY ALSO BE USED EFFICIENTLY WITH
5 SITE DIRECTED DRUG AND/OR GENE THERAPY DELIVERY
6 SYSTEMS.

7 FINALLY, LONGER PROSPECTS ARE FOR REPLACEMENT
8 OF NEURONS AND THEIR CONNECTIONS IN THE DAMAGED NERVOUS
9 SYSTEM FOR HEALTHIER FUNCTIONING NEURONS.

10 IN CLOSING, I THINK THE ICOC IS PRESENTED
11 WITH SOME TERRIFIC OPPORTUNITIES TO IMPROVE UPON THE
12 WAY THINGS ARE DONE. SET UP A SYSTEM THAT REWARDS THE
13 BEHAVIOR YOU'RE INTERESTED IN. IN AN IDEAL WORLD THIS
14 PROJECT WOULD UNFOLD UNDER ONE ROOF WHERE THE BRIGHTEST
15 MINDS JOIN TOGETHER, ALL DISCIPLINES OF SCIENCE
16 PRESENT, ALL COLLABORATING, ALL WITH THE SAME GOAL OF
17 DEVELOPING TREATMENTS AND CURES.

18 ONE COULD VIEW THE STATE OF CALIFORNIA AS THE
19 BUILDING AND THE REQUIREMENTS SET FORTH BY THE ICOC
20 COMMITTEE AS THE GUIDELINES THAT DETERMINES BEHAVIOR.
21 TAKE THE BEST FROM THE NIH AND IMPROVE UPON IT WITH
22 SPECIAL ATTENTION TO TRANSPARENCY IN INTELLECTUAL
23 PROPERTY, MANDATE COLLABORATION LOCALLY, NATIONALLY,
24 AND INTERNATIONALLY, WHILE MAINTAINING A HEALTHY SENSE
25 OF COMPETITION, REWARD THOSE THAT DEVELOP PROGRAMS

1 INVOLVING INTERDISCIPLINARY TEAMS, REQUIRING THE
2 PUBLICATION OF BOTH POSITIVE AND NEGATIVE RESULTS, AND
3 STREAMLINING THE REVIEW PROCESS ARE JUST A FEW WAYS TO
4 IMPROVE THIS SYSTEM.

5 THERE ARE MANY OTHERS THAT I'M SURE YOU WILL
6 DISCUSS, AND I APPLAUD YOUR EFFORTS AND OFFER TO HELP
7 IN ANY WAYS YOU FIND USEFUL. SO ON BEHALF OF THOSE WHO
8 HAVE BEEN TOUCHED BY THE ALS, I THANK YOU.

9 (APPLAUSE.)

10 CHAIRMAN KLEIN: THANK YOU VERY MUCH. I'D
11 LIKE TO RECOGNIZE DAVID SEWELL.

12 MR. SERRANO SEWELL: THANK YOU, CHAIRMAN.
13 THIS MORNING WE HAD AN ICOC SPONSORED EVENT "SPOTLIGHT
14 ON DISEASE ALS." MANY OF THESE SUBJECTS WERE TOUCHED
15 UPON. THERE WAS A GOOD TURNOUT FROM THE PRESS. THE
16 ICOC AND MY COLLEAGUES THAT SHOWED UP, THANK YOU. THE
17 CHAIRMAN WAS THERE.

18 AND I DON'T WANT TO GO OVER WHAT WAS SAID AT
19 THAT MEETING BECAUSE I THINK DR. FONTANA DID A PERFECT
20 JOB, BUT I DO THINK ONE THING IS WORTH REPEATING; AND
21 THAT IS, THIS SPOTLIGHT CONCEPT WAS PUSHED FOR, LOBBIED
22 BY THE CHAIRMAN. AND HE THOUGHT IT WAS IMPORTANT THAT,
23 AS WE GO ABOUT OUR BUSINESS, AS WE MEET AS A WHOLE,
24 THAT WE HAVE THESE SPOTLIGHTS, SO WE CAN REMEMBER WHY
25 WE'RE HERE. IT'S ABOUT THE PATIENTS. THIS SCIENCE IS

1 GOING TO AFFECT PEOPLE ONE DAY. I THINK YOU FELT THE
2 POWER RIGHT NOW. SO THANK YOU, CHAIRMAN, AND THANK YOU
3 TO THE ALS PEOPLE FOR COMING IN TODAY AND SHARING THEIR
4 EXPERIENCES.

5 CHAIRMAN KLEIN: THANK YOU, DAVID. I'D ALSO
6 LIKE TO SAY THAT I THINK THAT THERE WERE EXCELLENT
7 PRESENTATIONS THIS MORNING, AND I'D LIKE TO BRING BACK
8 TO THE BOARD FOR CONSIDERATION ON OUR WEBSITE A PROGRAM
9 WHERE WE CAN TAKE THE PRESENTATIONS LIKE THOSE MADE
10 THIS MORNING, THE POWERPOINTS WITH NARRATIVE, AND LIKE
11 THE PRESENTATION THAT YOU JUST MADE, AND CREATE A
12 PATIENT ADVOCATE SPONSORED PORTION OF OUR WEBSITE SO
13 THAT INDIVIDUALS CAN GO FROM EVERY DISEASE TO THIS
14 WEBSITE AND UNDERSTAND THE RELATIONSHIP OF THE DISEASE
15 TO THE POTENTIAL IMPROVEMENTS THROUGH THIS RESEARCH.

16 CERTAINLY IT'S CRITICAL TO EDUCATE THE
17 PUBLIC. I WAS PARTICULARLY IMPRESSED THIS MORNING THAT
18 THERE WAS A STATEMENT THAT BECAUSE THIS DISEASE HAS
19 SUCH A FAST PACE TO IT, THAT IF THE PATIENTS LIVE
20 LONGER, THE POPULATION OF PEOPLE AFFECTED BY THIS
21 DISEASE WOULD RIVAL MANY OTHER DISEASES THAT ARE
22 CONSIDERED TO HAVE GREATER IMPACT ON THE SOCIETY.

23 SO I THINK THAT IT'S CRITICAL THAT WE GET
24 THAT OVER TO POLICY MAKERS, AND WE GET THAT TO THE
25 PUBLIC IN GENERAL, AND HOPEFULLY WE CAN ESTABLISH A

1 PATIENT ADVOCATE PORTION TO OUR WEBSITE FOR CONTINUING
2 TO PROVIDING THIS QUALITY INFORMATION TO THE PUBLIC.
3 THANK YOU, DR. FONTANA, AND EVERYONE WHO ATTENDED.

4 I'D LIKE TO MOVE EXPEDITIOUSLY TO THE BALANCE
5 OF THIS PROGRAM. AND I FAILED IN MY RESPONSE TO AN
6 EARLIER QUESTION ON THE STAFF TO RESPOND TO THE POINT
7 ABOUT THE SALARY STRUCTURE ON STAFF. AND THE SALARY
8 STRUCTURE ON STAFF IS SPECIFICALLY LAID OUT IN THE
9 INITIATIVE TO BE INDEXED TO THE UC SYSTEM AND OTHER
10 RESEARCH INSTITUTIONS OF THE STATE REPRESENTED ON THIS
11 BOARD. AND WE HAVE FILES WE'VE CREATED THAT CROSS
12 INDEX THE POSITIONS TO THAT SALARY STRUCTURE. SO THAT
13 IS THE SOURCE OF INFORMATION THAT WAS THE BASIS OF
14 THOSE DECISIONS.

15 I WANT TO --

16 MS. DU ROSS: WE HAVE TO JUST OFFER THE
17 PUBLIC AN OPPORTUNITY TO SPEAK AFTER THE ALS
18 PRESENTATION BEFORE WE MOVE TO ANY OTHER TOPIC.

19 CHAIRMAN KLEIN: LET ME ASK THE COUNSEL. ON
20 AN INFORMATIVE MATTER OF THIS KIND, IS IT POSSIBLE THAT
21 I COULD ASK THE PUBLIC TO WRAP THOSE COMMENTS INTO THE
22 GENERAL COMMENTS FOR THE SESSION?

23 MR. HARRISON: YES. YOU CAN ASK THEM IF THEY
24 HAVE ANY COMMENTS AT THE END OF THE SESSION.

25 CHAIRMAN KLEIN: COULD I SEE A NUMBER OF

1 HANDS THAT WOULD LIKE TO MAKE SPECIFIC COMMENTS ON THE
2 ALS PRESENTATION AT THIS TIME? SOME PEOPLE MIGHT HAVE
3 TO LEAVE. NOT HAVING ANY INDIVIDUALS THAT NEED TO MAKE
4 THEM AT THIS POINT, SO WE DON'T LOSE THOSE COMMENTS, WE
5 WILL WRAP THOSE COMMENTS INTO THE GENERAL PUBLIC
6 COMMENTS.

7 IF WE GO FORWARD ON OUR AGENDA HERE, WE'RE
8 DOWN TO A NUMBER OF ITEMS. ON A SUBSTANTIVE BASIS, WE
9 HAVE THE DISCUSSION OF THE CATEGORIES OF GRANTS AND
10 TYPES OF RECIPIENTS. THIS IS A CONSIDERATION OF
11 STRATEGY AND IS A GENERAL CONCEPTUAL DISCUSSION.

12 DR. HOLMES IS NOT PRESENT. AND WHAT I THINK
13 WE SHOULD DO IS PROBABLY CONTINUE THIS ITEM UNTIL DR.
14 HOLMES IS PRESENT UNLESS ANOTHER MEMBER OF THAT
15 COMMITTEE WOULD LIKE TO SPECIFICALLY RAISE ANY
16 DISCUSSION OF THOSE ITEMS AT THIS TIME.

17 MR. SERRANO SEWELL: I THINK IT MIGHT BE
18 ADVISABLE TO TAKE IT UP AT OUR NEXT MEETING.

19 MR. SHESTACK: MR. CHAIRMAN, I WOULD ASK,
20 THIS IS AN IMPORTANT ISSUE, AND MANY PEOPLE IN THE
21 PUBLIC, AS WELL AS ACTUALLY PEOPLE -- MEMBERS OF THE
22 ICOC HAVE QUESTIONS OF PROCEDURE, HAVE SUGGESTIONS,
23 HAVE THOUGHTS ABOUT HOW THIS WOULD INTEGRATE WITH
24 GENERAL STRATEGIC PLANNING FOR THE INSTITUTE. SO I
25 WOULD ASK THAT IT GO RELATIVELY EARLY ON THE AGENDA, IF

1 THAT IS POSSIBLE, FOR THE NEXT MEETING.

2 CHAIRMAN KLEIN: CERTAINLY WE WILL DO THAT.
3 AND ARE THERE INDIVIDUALS IN THE PUBLIC WHO WOULD LIKE
4 TO COMMENT ON THAT ITEM, ON THE FIRST CYCLE GRANT TYPES
5 DISCUSSION, WHO WOULD LIKE TO COMMENT AT THIS MEETING?
6 STEP TO THE MICROPHONE, PLEASE. THAT WOULD BE HELPFUL.

7 MS. BALLEU: I'D BE GLAD TO DO THE COMMENT,
8 MY COMMENT OR QUESTION, DURING THE PUBLIC COMMENT
9 SECTION RATHER THAN NOW. LYNNE BALLEU. IT DID HAVE TO
10 DO WITH ITEM 13, BUT IT WILL WORK IN THE PUBLIC COMMENT
11 SECTION, IF THAT'S EASIER.

12 CHAIRMAN KLEIN: WHY DON'T YOU ADDRESS IT
13 NOW.

14 MS. BALLEU: OKAY. I'D BE GLAD TO. MY NAME
15 IS LYNNE BALLEU. AS DR. FONTANA SAID, ALS IS A FATAL
16 DISEASE, WHICH I KNOW BECAUSE TWO WEEKS AGO I BURIED MY
17 KNIGHT IN SHINING ARMOR OF 21 YEARS. IT'S ALSO A
18 FAST-ACTING DISEASE. HE SUMMITED MOUNT WHITNEY TWICE
19 THE YEAR HE TURNED 50, WAS DIAGNOSED AT 51, IMPRISONED
20 IN HIS OWN BODY AT 53, AND WAS GONE AT 55.

21 GIVEN THAT ALS IS A FAST-ACTING AND FATAL
22 DISEASE, I'D LIKE TO KNOW IF THE ICOC CAN REQUIRE A
23 CLAUSE IN ALL GRANT REWARDS AGREEING TO SOME DEGREE OF
24 COLLABORATION, AS MENTIONED BY DR. FONTANA EARLIER,
25 WHILE STILL RESPECTING THE NECESSITY FOR PROPRIETARY

1 INFORMATION. THIS WILL HELP SPEED TECHNOLOGY TO OTHER
2 RESEARCHERS AND ULTIMATELY TO DYING PATIENTS.

3 PLEASE EXPLAIN TO ME NOW WHAT THE PROCEDURE
4 WILL BE SO THAT WE KNOW THAT YOU'VE CONSIDERED THIS
5 ISSUE AND REACHED A SPECIFIC CONCLUSION.

6 CHAIRMAN KLEIN: THE -- FIRST OF ALL, I THINK
7 IT'S EXTREMELY IMPORTANT, AND IT'S EMBEDDED IN THE
8 INTELLECTUAL PROPERTY DISCUSSION, AS WELL AS IN THE
9 PUBLICATION POLICY AND THE INCENTIVES TO PUBLISH EARLY
10 AND SHARE INFORMATION EARLY, THAT THIS COMMITTEE COULD
11 DECIDE TO INCORPORATE INTO ITS GRANTS POLICY. I
12 BELIEVE -- DOES JON SHESTACK HAVE A COMMENT
13 SPECIFICALLY?

14 MR. SHESTACK: I JUST WANTED TO THANK YOU FOR
15 YOUR COMMENTS. AND IT'S TRUE. IT IS -- FOR ALL OF US
16 WHO ARE THE ADVOCATES, IT'S NOT A COMPETITIVE SPORT.
17 THERE ISN'T ENOUGH TIME FOR US TO HELP THE PEOPLE WE
18 LOVE FAST ENOUGH.

19 I BELIEVE THAT SOME OF THE ISSUES YOU RAISED
20 WILL ALSO BE APPROPRIATE FOR THE STANDARDS WORKING
21 GROUP, WHICH I BELIEVE OR WILL URGE TO ISSUE ETHICAL
22 STANDARDS TO HELP INFORM GRANT MAKING AND
23 COLLABORATION. IT WOULD CERTAINLY BE SOMETHING THAT
24 WOULD BE VERY IMPORTANT.

25 CHAIRMAN KLEIN: DR. REED.

1 DR. REED: A VERY QUICK COMMENT. JOHN REED.
2 I THINK THAT THE MANDATE FOR THIS COMMITTEE IS GOING TO
3 BE TO REWARD THE TYPES OF BEHAVIORS WE'D LIKE TO SEE
4 INCORPORATED INTO THIS RESEARCH PROGRAM BY PUTTING THE
5 FINANCIAL REWARD WHERE YOU WANT THE BEHAVIORS REWARDED.
6 SO, FOR EXAMPLE, IF YOU WANT COLLABORATIVE RESEARCH,
7 THEN YOU SHOULD PROVIDE SUBSTANTIAL PROPORTIONS OF THE
8 BUDGET WE HAVE TO ALLOCATE EVERY YEAR TO COLLABORATIVE
9 RESEARCH. AND YOU COULD DO OTHER THINGS AS WELL TO
10 REWARD COLLABORATIVE RESEARCH, SUCH AS HANDICAPPING
11 SCORES AND ALL KINDS OF THINGS THAT COULD BE DONE TO
12 REWARD COLLABORATIVE RESEARCH. AND I APPLAUD
13 DR. FONTANA FOR ASKING US TO THINK OUT OF THE BOX AND
14 SEE CALIFORNIA AS A LAND OF OPPORTUNITY, A PLACE WHERE
15 WE CAN LOOK AT WHAT'S HAPPENED IN THE NIH ARENA ACROSS
16 THE NATION, AND ASK WHAT WE DO THAT'S DIFFERENT THAT'S
17 A REAL VALUE ADDED.

18 MS. BALLEU: SO IT SOUNDS LIKE THE POLICY IS
19 ALREADY EMBEDDED, AND IT JUST NEEDS TO BE CARRIED
20 FORWARD.

21 CHAIRMAN KLEIN: WELL, I THINK IT'S VERY
22 IMPORTANT THAT YOU CONTINUE TO REINFORCE THAT POINT
23 BECAUSE, I THINK, AS YOU CAN TELL, IT'S SOMETHING
24 THAT'S DEEPLY HELD BY A NUMBER OF THE BOARD MEMBERS.
25 BUT PARTICULARLY WITH A PRESENTATION FROM THE ALS

1 COMMUNITY, IT IS CRITICAL WE ALL -- WE SHOULD ALL
2 REMEMBER THAT A YEAR DELAY IN PUBLISHING OR SHARING
3 INFORMATION HAS REAL RAMIFICATIONS FOR PATIENTS. AND
4 WE NEED TO MAKE CERTAIN THAT WE ADDRESS THOSE ISSUES,
5 WHICH HAVEN'T GENERALLY BEEN ADDRESSED IN RESEARCH AT
6 THE NIH LEVEL.

7 MS. BALLEU: AND THERE'S CERTAINLY A HISTORY,
8 A CULTURE OF NOT COLLABORATING, WHICH WE HAVE TO FIGHT
9 AGAINST. THANK YOU.

10 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

11 DR. SAMUELSON: I'D LIKE TO RESPOND AS WELL.
12 THERE ARE MANY OF US WHO HAVE COME TO THE COMMITTEE WHO
13 SHARE THOSE INTENTIONS. IT DOESN'T MEAN IT'S GOING TO
14 BE EASY, SO WE'LL HAVE TO KEEP WORKING AT IT. AND
15 WE'LL NEED THE PUBLIC SCRUTINY TO CONTINUE AS WELL FROM
16 PEOPLE LIKE YOU. SO THANK YOU FOR BEING HERE.

17 CHAIRMAN KLEIN: YES, DOCTOR.

18 DR. STEWARD: MAY I MAKE JUST A REAL QUICK
19 COMMENT? SO I'M BOTH AN ADVOCATE ON THE ICOC AND ALSO
20 WORKING SCIENTIST. AND MANY WHO ARE NOT SCIENTISTS MAY
21 THINK THAT WE, IN FACT, DON'T LIKE TO COLLABORATE,
22 DON'T LIKE TO COOPERATE. POINT OF FACT IS IT'S TONS OF
23 FUN. AND MOREOVER, THE PROBLEMS NOW ARE THERE'S NO
24 REAL INCENTIVE OR STRUCTURE THAT FOSTERS COLLABORATION.
25 IN FACT, THE STRUCTURE THAT EXISTS IN OUR SCIENTIFIC

1 FUNDING AGENCIES FOSTERS THE OPPOSITE.

2 SO I THINK THAT WHEN AN APPROPRIATE STRUCTURE
3 IS SET UP, YOU WILL SEE BENCH SCIENTISTS NOT ONLY
4 EMBRACE, BUT REALLY FLOCK TO WORK TOGETHER.

5 MS. BALLEU: THREE WELL-KNOWN SCIENTISTS THAT
6 HAVE COLLABORATED HAVE SUGGESTED TO ME THAT IT WOULD BE
7 BENEFICIAL TO HAVE SMALL MEETINGS IN WHICH -- THAT ARE
8 INTIMATE IN WHICH SCIENTISTS LIKE TO COLLABORATE AND
9 FEEL MORE SAFE IN COLLABORATING, AND THAT'S SOMETHING
10 THAT ICOC COULD FACILITATE.

11 CHAIRMAN KLEIN: I THINK YOU'RE A FOUNTAIN OF
12 GOOD IDEAS. AND IF YOU COULD PLEASE DO AN E-MAIL TO
13 US, SO WE CAN FOLLOW UP ON EACH OF THOSE AND HAVE A
14 MARKER TO TEST OURSELVES AGAINST, THAT WOULD BE VERY
15 HELPFUL. ANOTHER PUBLIC COMMENT?

16 MS. LORING: I'M JEAN LORING FROM THE BURNHAM
17 INSTITUTE, AND I HAVE ONLY EIGHT YEARS OF EXPERIENCE ON
18 STUDY SECTIONS. SOMETHING THAT JOHN MENTIONED AND
19 OSSIE FOLLOWED UP ON, I THINK, IS REALLY CRITICAL.
20 THERE'S A VERY, VERY SPECIFIC SOLUTION TO THE WAY THE
21 NIH GRANTS ARE NOW STRUCTURED. AS ALL OF YOU PROBABLY
22 KNOW, NIH GRANTS HAVE ONLY ONE PI, ONE PRINCIPAL
23 INVESTIGATOR. AND MORE AND MORE IT IS INAPPROPRIATE TO
24 HAVE ONE PRINCIPAL INVESTIGATOR.

25 SO I WOULD PROPOSE THAT YOU CONSIDER A

1 STRUCTURE THAT HAS JOINT PRINCIPAL INVESTIGATORS OF
2 EQUAL STATUS AS A VERY SERIOUS CHANGE FROM THE NIH
3 POLICY.

4 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

5 DR. BRYANT: I'D LIKE TO JUST COMMENT ON
6 THAT. I ABSOLUTELY AGREE WITH THAT, AND I THINK THAT'S
7 ONE OF THE STRUCTURAL CHANGES THAT BY DOING IT THROUGH
8 THIS SOURCE OF FUNDING COULD ACTUALLY MAKE A DIFFERENCE
9 OUT IN THE WORLD. BECAUSE AS IT IS NOW, OUR
10 INSTITUTIONS SAY, WELL, NIH ONLY RECOGNIZES ONE PI, SO
11 WHY SHOULD WE BOTHER TO LIST ALL THE OTHERS. SO IT'S
12 REALLY A PROBLEM FOR PEOPLE TRYING TO DO COLLABORATIVE
13 RESEARCH, SO I LIKE THAT COMMENT A LOT.

14 CHAIRMAN KLEIN: I BELIEVE THERE'S ANOTHER
15 COMMENT FROM THE PUBLIC.

16 MR. SHATTO: I ACTUALLY PREPARED SOMETHING
17 FOR THE STANDARDS WORKING GROUP, BUT I CHICKENED OUT OF
18 IT, AND I'M REALLY GLAD THAT I DID BECAUSE I THINK THIS
19 FITS IN A LOT BETTER RIGHT HERE. MY NAME IS DAVID
20 SHATTO. I'M AN ORDINARY GUY WHO TOOK A DAY OFF WORK TO
21 COME TO THIS MEETING BECAUSE I REALLY THINK THAT WHAT
22 YOU ARE DOING HERE IS HISTORICALLY IMPORTANT. I'M GLAD
23 THAT THE PUBLIC HAS AN OPPORTUNITY TO PARTICIPATE.

24 I SUPPORTED PROPOSITION 71 BECAUSE -- AND I
25 BELIEVE IN ITS CAMPAIGN THEME, SAVE LIVES WITH STEM

1 CELLS. THE PUBLIC SENTIMENT IS A TINDERBOX OF HOPE AND
2 ALTRUISM FOR THE POSSIBILITIES OF STEM CELL RESEARCH.
3 WE MAY NOT HAVE ANOTHER CHANCE LIKE THIS IN OUR
4 LIFETIMES TO INFLUENCE DECISIONS OF THIS MAGNITUDE,
5 DECISIONS THAT WILL IMPACT MEDICINE, SCIENTIFIC
6 RESEARCH, AND HUMAN SOCIETY FOR YEARS TO COME.

7 I URGE YOU TO PUT THE PUBLIC INTEREST FIRST
8 IN ALL YOUR DECISION-MAKING, IN PARTICULAR AS YOU
9 CONSIDER MODELS FOR HANDLING INTELLECTUAL PROPERTY. I
10 KNOW EACH OF YOU ARE PROBABLY OVERWORKED AS IT IS, BUT
11 I DON'T THINK THE FORMATION OF AN AD HOC
12 SUBCOMMITTEE -- AN AD HOC COMMITTEE OF A SUBCOMMITTEE
13 ABSOLVES YOU OF YOUR RESPONSIBILITY TO DO SOME
14 INDEPENDENT CONSIDERATION OF THIS ISSUE.

15 THERE HAS BEEN A LOT OF TALK ALREADY ABOUT
16 THE CONSIDERATION OF OPEN SOURCE IP MODELS. OPEN
17 SOURCE MEANS DIFFERENT THINGS TO DIFFERENT PEOPLE.
18 ALTRUISTS STRESS THE NOBILITY THAT COMES FROM FREEING
19 ACCESS TO LIFESAVING DISCOVERIES. OTHER PUBLIC
20 INTEREST GROUPS PROMOTE THE RIGHT TAXPAYERS SHOULD HAVE
21 TO RESEARCH SUPPORTED BY PUBLIC FUNDS. TO SCIENTISTS,
22 UNIVERSITIES, AND INDUSTRY OPEN SOURCE MEANS OPENLY
23 SHARING DATA, KNOWLEDGE, AND SCIENTIFIC INTELLECTUAL
24 PROPERTY TO FOSTER CREATIVITY AND SPEED DISCOVERY.

25 I URGE YOU TO FIND AN IP MODEL THAT WILL BEST

1 SERVE PUBLIC, SCIENTIST, AND INDUSTRY INTERESTS
2 UNRESTRICTIVELY. YOU TRULY HAVE THE OPPORTUNITY TO
3 ESTABLISH A NEW SCIENTIFIC MODEL BY FINDING AND
4 ADOPTING A VIABLE OPEN SOURCE MODEL. YOU COULD SET AN
5 EXAMPLE AND ENCOURAGE COLLABORATIVE RELATIONSHIPS WITH
6 THE INITIATIVES IN OTHER STATES AND COUNTRIES. BECAUSE
7 IT'S CLEAR THAT YOUR PRIMARY INTEREST IS NOT ABOUT
8 STEALING ALL THE BEST SCIENTISTS FROM WISCONSIN OR
9 MASSACHUSETTS OR ILLINOIS, NOR IS IT TO SPARK THE NEXT
10 CALIFORNIA GOLD RUSH. YOUR INTENT IS TO SAVE LIVES
11 WITH STEM CELLS. THANK YOU.

12 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

13 (APPLAUSE.)

14 COACH CASEY: MS. LANSING, HOW YOU DOING?

15 COACH CASEY FROM THE SAN DIEGO CHAPTER HERE. I'M HERE
16 TO SEE THE GOOD DOCTOR AND THE BURNHAM PEOPLE. I JUST
17 WANT TO SAY QUICKLY THAT THIS IS VERY INTERESTING AS A
18 LAYMAN WHO'S BEEN AROUND THIS DISEASE SINCE 1969. MY
19 MOTHER DIED OF BULBAR, AND IT TOOK LIKE 15 DOCTORS TO
20 COME TO ANY TYPE OF CONCLUSION.

21 I GOT INVOLVED WITH ALS AGAIN ON A NATIONAL
22 LEVEL WHEN I WAS TOLD THAT THE ONLY THING THEY HAD WAS
23 Q ENZYME 10 AND CREATINE FOR A PATIENT. THIS IS IN
24 1992, WHICH TO ME WAS OBSCENE AND ABSURD.

25 MY SUGGESTION IS THIS. AS I WENT OUT FOR

1 JOHN KERRY ON THE STEM CELL ROUTE IS THAT THE ALS, AS I
2 AM TOLD BY THE BOB BROWNS OF THE WORLD, STUART LIPTONS
3 OF THE WORLD, AND PEOPLE AT DUKE AND SO FORTH, THERE'S
4 ALMOST AN ABSOLUTE RIPPLE EFFECT TO THE OTHER DISEASES
5 BECAUSE OF THE COMMON SYNAPSE WHERE THE DISEASES MOVE
6 THROUGH.

7 MICHAEL FOX HAS TIME. I DON'T SAY HE LIKES
8 WHAT HE HAS RIGHT NOW. THE ALS PATIENT HAS NO TIME.
9 IT'S LETHAL. AND I DON'T THINK IT'S GOING TO BE SOLVED
10 IN A FRAGMENT WAY. I DON'T THINK IT'S GOING TO BE
11 SOLVED A LITTLE BIT HERE, A LITTLE BIT THERE.

12 I AM A PROPONENT OF WHAT -- I WAS VICE CHAIR
13 OF THE PRESIDENT'S COUNCIL FOR PRESIDENT CLINTON. WE
14 MADE A PROPOSAL TO DONNA SHALALA AND TO THE SURGEON
15 GENERAL THAT ALS NEEDS A MANHATTAN PROJECT. IT DOESN'T
16 NEED JUST A NORMAL SCIENTIFIC PROJECT. I ARGUED THIS
17 WITH DON CLEVELAND. HE SAYS DON'T RUSH ACADEMIA. YOU
18 CANNOT SAY, THAT IF THERE IS A PORTION OF HOW THIS
19 THING IS GOING TO WORK, THERE'S GOT TO BE A HUGE
20 MOUNTING OF A MANHATTAN PROJECT FOR ALS.

21 THERE'S A DRUG COMING OUT FOR TRIALS. IT'S
22 THE FIRST TIME THEY HAD PEOPLE TO AGREE TO PLACEBO. IF
23 I WAS A PATIENT, I WOULDN'T WANT A PLACEBO. SO THE
24 FACT IS THAT THIS IS NOT ORDINARY. THESE PATIENTS, AS
25 YOUR MOTHER, THEY'RE FIGHTING FOR THEIR TIME. AND IT

1 STILL PUZZLES ME 30 SOME YEARS LATER FROM MY MOTHER'S
2 DISEASE THAT THEY'RE JUST STARTING TO SEE A LIGHT AT
3 THE END OF THE TUNNEL.

4 SO I ENCOURAGE YOU, SINCE THIS IS AN ORPHAN
5 DISEASE, AND SINCE -- IF YOU TALK TO THE PEOPLE FROM
6 THE PRESENT WAR WHO ARE SEEING PEOPLE OVER THERE -- MY
7 SEAL PEOPLE ARE TELLING ME THEY'RE SEEING PEOPLE
8 SHAKING ALREADY, NOT LIKE YOU SAW TOM HANKS WITH THE
9 FOXHOLE SHAKES, IS THAT WE HAVE PROBLEMS HERE, AND
10 THESE YOUNG MEN HAVE PROBLEMS. SO I ENCOURAGE THAT
11 SOMEHOW, WHEN THE PIE IS SLICED, THAT THOSE WHO SAY,
12 WELL, THEY'RE GONE IN THREE YEARS, SO WE DON'T HAVE
13 TIME.

14 FRANKLIN ROOSEVELT PUSHED THE BUTTON FOR
15 SABIN AND SALK WHEN HE PARADED THE KIDS AROUND WITH THE
16 BRACES, WHEN HE PUBLICLY PUT THEM IN IRON LUNGS, WHEN
17 HE HAD HIS ANNUAL THANKSGIVING DINNER DOWN AT WARM
18 SPRINGS AND THEY HAD THE KIDS SING DON'T DANCE -- I
19 CAN'T DANCE, DON'T ASK ME TO DANCE. HE DID ALL THIS
20 STUFF TO PUSH IT. MAYBE IF HE HAD ALS, THERE'D BE
21 SOMETHING GOING.

22 SO AS A LAYMAN, WHEN YOU SIT HERE AND SEE THE
23 BUDGET THAT GOES OUT, BECAUSE I TESTIFIED BEFORE
24 SPECTER'S COMMITTEE, AND YOU SEE FORTUNE MAGAZINE TALK
25 ABOUT 14 BILLION FOR CANCER IN ONE YEAR, AND YOU SAY TO

1 YOURSELF WITH ALL THIS PLUS, THE ONLY THING WE EVER
2 REALLY ERADICATED IS SMALLPOX AND POLIO, THAT'S HARD
3 FOR A LAYPERSON TO GET SICK. WE'VE EXTENDED LIFE.
4 WE'VE DONE THIS.

5 AND THEN YOU READ THAT AT ST. JUDE'S IN
6 MEMPHIS, EVERY SCIENTIST WANTS TO IMMEDIATELY REVEAL
7 HIS FINDINGS TO THE WORLD. AND WE'VE STILL GOT FOUR
8 NOBEL PRIZE WINNERS OUT OF THERE. I DON'T KNOW HOW
9 DANNY THOMAS WAS ABLE TO FIGURE THAT OUT, BUT THIS
10 LITTLE CULT OF COCOONISM OF KEEPING THE SCIENCE HERE,
11 IT'S NOT GOING TO WORK IN ALS. AND I THINK THERE'S
12 ENOUGH ROOM, THERE'S ENOUGH PROFIT, THERE'S ENOUGH
13 WANTING FOR THIS TYPE OF BEHAVIOR. SO I, AGAIN,
14 STRONGLY -- SHERRY, WHEN YOUR HUSBAND USED TO COME UP
15 TO THE CELTICS GAMES, YOU HAVE YOUR KEY PEOPLE.
16 PUTTING ALL YOUR EGGS IN ONE BASKET, AND THAT BASKET
17 WAS NAMED LARRY BIRD, AND HE KEPT ME EMPLOYED FOR FIVE,
18 SIX, SEVEN YEARS. SO I'M SAYING WE GOT TO PUT EGGS IN
19 THE BASKET, BIG EGGS IN THE BASKET FOR ALS AND WATCH
20 IT.

21 I DON'T THINK THIS OPPORTUNITY IS GOING TO
22 COME AROUND AGAIN THE WAY THE BURNHAM PEOPLE,
23 MASSACHUSETTS GENERAL, HOPKINS ARE ONTO THIS THING; AND
24 THEN IF YOU HAVE AN ABSOLUTE CORRELATION TO
25 ALZHEIMER'S, PARKINSON'S, AND THE POOR HUNTINGTON'S

1 PEOPLE, WE WOULD CERTAINLY APPRECIATE THAT THOUGHT.

2 THANK YOU.

3 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

4 DR. POMEROY: QUESTION. I THINK WE'VE JUST
5 HEARD VERY ELOQUENTLY THE NEED FOR URGENCY IN MOVING
6 FORWARD BALANCED WITH DOING IT RIGHT. AND IN THE DRAFT
7 DOCUMENT WHICH WE'RE TABLING AND NOT DISCUSSING, THERE
8 IS A PROPOSAL THAT MAY BE IN THE FIRST ROUND SOMETHING
9 LIKE 90 MILLION IN RESEARCH GRANTS MIGHT BE FUNDED.
10 YOU HAVE MADE SOME PUBLIC COMMENTS ABOUT TIMETABLES FOR
11 GRANT APPLICATIONS, BOTH FOR RESEARCH AND FACILITIES.
12 I KNOW THERE'S A LOT -- PEOPLE ARE TRYING TO WRITE IN
13 ANTICIPATION. THERE'S A LOT OF QUESTIONS.

14 COULD YOU MAKE ANY COMMENTS THAT WOULD
15 CLARIFY THAT FOR THE FOLKS THAT ARE STAYING UP LATE AT
16 NIGHT WRITING THEIR GRANT DRAFTS?

17 CHAIRMAN KLEIN: AND I APPRECIATE THEM
18 STAYING UP LATE AT NIGHT. YES. IN THE DISCUSSION
19 DRAFT YOU HAVE HERE TODAY, THERE'S THREE DIFFERENT
20 ITEMS THAT WILL BE DISCUSSED AT THE NEXT MEETING.
21 AMONG THOSE THREE ITEMS, THERE'S AN ITEM THAT ADDRESSES
22 AN AREA WHERE WE HAVE SIGNIFICANT LEAD-TIME ISSUES,
23 WHICH IS DEVELOPING THE INTELLECTUAL INFRASTRUCTURE IN
24 THIS FIELD SO THAT WE HAVE POSTDOCTORATE FELLOWS, THE
25 CLINICIANS, AND THE GRADUATE STUDENTS THAT WE CAN DRAW

1 INTO THIS AREA.

2 THAT IS A SPECIFIC AREA THAT WE MIGHT LEAD
3 WITH PRODUCTIVELY, IF THE WHOLE BOARD WERE TO DECIDE
4 IT'S AN APPROPRIATE LEAD-TIME ITEM. AND AS WE
5 ESTABLISH A GRANT AND FELLOWSHIP PROGRAM IN THIS STATE,
6 IT CAN ALSO HELP WITH DIVERSITY, WHICH IS AN AREA --
7 IT'S A PROBLEM IN THE RESEARCH AREA BECAUSE OF
8 UNDER-REPRESENTATION OF CERTAIN GROUPS THAT HAVE
9 TREMENDOUS CAPACITIES THAT HAVEN'T BEEN TAPPED.

10 SO IT'S POTENTIAL THAT IN LEADING OFF WITH
11 OUR PROGRAM OF GRANTS, WE MIGHT CONSIDER ADDRESSING IN
12 THE MAY TIMETABLE THIS ITEM, WHICH WOULD HELP CREATE
13 THE INTELLECTUAL INFRASTRUCTURE FOR THE INSTITUTIONS
14 THAT ARE GOING TO BE CREATING THE PIPELINE OF GRANTS
15 AND BRILLIANT IDEAS AND HELP. SINCE THEY NEED A LOT OF
16 LEAD-TIME TO MOVE ON THAT, HAVING THAT COME AT THE
17 BEGINNING IS EFFECTIVE. AND IT TAKES A DIFFERENT KIND
18 OF SPECIFICITY AND REVIEW BECAUSE POTENTIALLY YOU COULD
19 ASK FOR THE INSTITUTIONS IN THE STATE TO PUT -- RESPOND
20 TO AN RFP ON A COMPETITIVE BASIS THAT WOULD PROPOSE
21 FELLOWSHIPS AND CLINICAL FELLOWSHIPS AT THEIR
22 INSTITUTIONS OR GRADUATE GRANTS AT THEIR INSTITUTIONS
23 WHICH WOULD GIVE US A LITTLE BIT MORE TIME WITH SOME OF
24 THE STANDARDS THAT WOULD DEAL WITH, FOR EXAMPLE,
25 CLINICAL INVESTIGATIONS AND OTHER THINGS THAT WE

1 COULDN'T HANDLE QUITE THAT RAPIDLY.

2 SO IN TERMS OF THE MESSAGE TO CALIFORNIA FROM
3 ME, AS ONE INDIVIDUAL, IS THAT, YES, THERE IS AN
4 URGENCY, BUT WE HAVE TO HAVE THE BEST STANDARDS IN
5 PLACE BEFORE WE CAN SELECT THE BEST SCIENCE. BUT
6 PERHAPS THERE'S AN APPROPRIATE AREA WHERE WE CAN GET
7 STARTED IN A MATERIAL WAY, ADDRESSING A REAL
8 INFRASTRUCTURE PROBLEM WHERE WE FUND IT BECAUSE IT HAS
9 A LEAD-TIME ISSUE AT THE BEGINNING OF THE PROCESS.

10 DR. POMEROY: AND ARE WE STILL SHOOTING FOR
11 MAY OR JUNE FOR THESE, SOMEWHERE IN THERE, FOR THESE
12 INITIAL APPLICATIONS?

13 CHAIRMAN KLEIN: IN DEALING WITH THE
14 FELLOWSHIP AND CLINICAL PROGRAM, IF THE BOARD SO FELT
15 THAT WE COULD RECEIVE APPLICATIONS DEALING WITH AN RFP
16 DEALING WITH THAT PROGRAM, THE MAY TIMETABLE IS THE
17 THOUGHT THAT --

18 DR. POMEROY: AT LEAST STILL ON THE TABLE.

19 CHAIRMAN KLEIN: IS STILL ON THE TABLE. AND
20 CERTAINLY, AGAIN, WE HAVE TO CONSIDER ALL OF OUR
21 STANDARDS TO MAKE SURE WE HAVE QUALITY STANDARDS BEFORE
22 WE START ANY PROGRAM. BUT IF WE CAN AT LEAST GET THAT
23 UNDERWAY, IT WILL BE A MEANINGFUL CONTRIBUTION AT THE
24 FRONT END OF THIS PROCESS.

25 DR. POMEROY: THANK YOU.

1 CHAIRMAN KLEIN: ALL RIGHT. LET ME ASK
2 COUNSEL, IF I MAY, MR. HARRISON, WE DON'T HAVE A QUORUM
3 HERE. HOWEVER, IN TERMS OF THE PERMANENT SITE, THE
4 QUESTION IS WE HAVE A NUMBER OF PEOPLE HERE THAT ARE
5 NOT PART OF THE SITE SEARCH COMMITTEE, A LARGE NUMBER,
6 ON THIS BOARD. I'M WONDERING IF WE CAN PRODUCTIVELY
7 DISCUSS THE SITE SEARCH COMMITTEE REPORT. AND THE SITE
8 SEARCH COMMITTEE DOES NOT TECHNICALLY, AS I UNDERSTAND
9 IT, NEED THE FULL BOARD APPROVAL TO ISSUE REQUESTS FOR
10 PROPOSALS. IT'S PART OF THE ORIGINAL DELEGATION OF
11 RESPONSIBILITY WHEN THAT SEARCH COMMITTEE WAS SET UP.

12 NOW, THIS -- REGARDLESS OF WHETHER WE NEED IT
13 OR NOT, THE MEMBERS HERE, I'D LIKE TO GET THEIR
14 INFORMED OPINION OF WHETHER WE SHOULD WAIT A MONTH TO
15 SET OUT THOSE RFP'S. OR IF WE HAVE THE AUTHORITY
16 ALREADY VESTED IN THAT COMMITTEE, CAN WE DISCUSS THIS
17 ITEM AND THE COMMITTEE CAN USE AUTHORITY ALREADY
18 DELEGATED TO IT TO PROCEED WITH THE RFP'S?

19 MR. HARRISON: AT THE LAST MEETING OF THE
20 ICOC, THIS BOARD DELEGATED AUTHORITY TO THE SITE SEARCH
21 COMMITTEE TO ENGAGE IN A PROCESS TO COME BACK WITH A
22 RECOMMENDATION FOR A PERMANENT LOCATION FOR THE
23 HEADQUARTERS. PART OF THAT DELEGATION OBVIOUSLY
24 INCLUDES A DECISION ABOUT ISSUING AN RFP. SO THE SITE
25 SEARCH COMMITTEE ALREADY HAS THAT AUTHORITY.

1 BECAUSE YOU NO LONGER HAVE A QUORUM PRESENT,
2 YOU CAN'T TAKE ANY ACTION. YOU CAN CERTAINLY BRING THE
3 BOARD UP TO DATE ABOUT WHAT THE SITE SEARCH COMMITTEE
4 HAS DONE, BUT YOU MAY NOT TAKE ANY FORMAL ACTION. THE
5 SITE SEARCH COMMITTEE COULD ON ITS OWN, BASED ON THE
6 DELEGATION IT ALREADY HAS, APPROVE AN RFP.

7 CHAIRMAN KLEIN: BUT WE CAN DISCUSS IT AS A
8 MATTER OF INFORMATION AND GET INFORMATION FROM BOARD
9 MEMBERS THAT REPRESENT A MUCH BROADER SPECTRUM OF
10 INDIVIDUALS THAN THE ONES ON THE SITE SEARCH COMMITTEE.

11 MR. HARRISON: YES, YOU CAN DISCUSS IT.

12 CHAIRMAN KLEIN: JOAN.

13 DR. SAMUELSON: WELL, THE OPINION OF THIS
14 COMMITTEE MEMBER IS THAT IT'S LATE IN THE DAY, AND THAT
15 YOU SHOULDN'T READ OUR FAITHFUL ATTENDANCE HERE AT THE
16 MOMENT TO MEAN THAT WE ARE DYING TO ADDRESS ANY MORE
17 AGENDA ITEMS.

18 DR. PRECIADO: I SECOND THAT.

19 MS. LANSING: I WOULD MOVE ALONG WITH JOAN.
20 I HAVE GREAT STAMINA. I THINK THAT OUR DECISION-MAKING
21 PROCESS IS PERHAPS NOT WHAT IT SHOULD BE. AND PERHAPS
22 WE NEED TO SCHEDULE TWO DAYS FOR ICOC MEETINGS. IS
23 THAT POSSIBLE OR A DAY AND A HALF? I KNOW THAT
24 FRIGHTENS PEOPLE. I'M JUST SAYING THAT WE HAVE SO MUCH
25 TO DO, I THINK WE SHOULD PERHAPS JUST LOOK AT THE -- I

1 WOULD LIKE TO MOVE THAT WE JUST LOOK AT THE DATES.

2 CHAIRMAN KLEIN: OKAY.

3 DR. BRYANT: COULD I JUST ASK A POINT OF
4 CLARIFICATION?

5 CHAIRMAN KLEIN: YES.

6 DR. BRYANT: SO WHEN I READ OVER THIS, I SAW
7 THAT THERE WERE SEVERAL COMMENTS THAT WE SHOULD OPEN UP
8 THE SITE LOCATION, BUT IT WASN'T IN THE SUMMARY PART.
9 I WASN'T SURE WHETHER THAT WAS ADOPTED OR NOT.

10 MS. LANSING: WE RECOMMENDED, AS A MEMBER OF
11 THE SITE COMMITTEE, THAT IT BE OPENED UP TO ANYWHERE IN
12 THE STATE OF CALIFORNIA. AND WE LISTED CERTAIN
13 PREFERRED PRACTICES CRITERIA, BUT WE COULD WEIGHT THEM
14 ACCORDINGLY.

15 CHAIRMAN KLEIN: ALL RIGHT. WELL, THAT TAKEN
16 BY ADVICE OF THE BOARD, THE SITE SEARCH COMMITTEE WILL
17 SCHEDULE ANOTHER MEETING, BUT THE SITE SEARCH
18 COMMITTEE, SINCE THIS MATTER IS GOING TO COME BACK TO
19 THE BOARD FOR A DECISION ANYWAY, THE SITE SEARCH
20 COMMITTEE REALLY HAS THE AUTHORITY ALREADY TO MOVE
21 AHEAD WITH ITS RFP, BUT WE WILL SCHEDULE ANOTHER
22 MEETING.

23 THE -- COULD I -- I THINK THAT'S HOW WE WILL
24 PROCEED. THANK YOU.

25 WE WOULD LIKE TO VERY QUICKLY, AT THE

1 SUGGESTION OF THE BOARD MEMBERS, AT LEAST LOOK AT THE
2 SUGGESTED DATES THROUGH THE YEAR.

3 MS. LANSING: CAN I ASK A QUESTION?

4 CHAIRMAN KLEIN: YES. THIS IS SHERRY
5 LANSING.

6 MS. LANSING: YES, THIS IS SHERRY LANSING. I
7 DON'T WANT TO BE SELFISH, BUT I WOULD JUST LIKE TO ASK
8 A QUESTION TO THE BOARD. I'VE LOOKED AT ALL THE DATES,
9 AND I DON'T KNOW HOW YOU DO THIS. I DON'T WHETHER WE
10 SEND OUT A PIECE OF PAPER AND EVERYBODY X'S WHAT DATES
11 ARE GOOD. BUT I HAVE SOMETHING -- I DO WANT TO ATTEND
12 ALL THE MEETINGS, BUT I CANNOT ATTEND THE APRIL 7TH
13 MEETING. I JUST WONDERED IF APRIL 4TH, 5TH, OR 11TH,
14 AND I JUST CHOSE THOSE DATES BECAUSE THEY WERE AROUND
15 THAT, WERE AS GOOD. IF THEY AREN'T, THEN I CAN'T
16 ATTEND; BUT IF IT DIDN'T MAKE ANY DIFFERENCE TO
17 ANYBODY, I WOULD LIKE TO ASK INDULGENCE IN THAT DATE.

18 I DON'T KNOW HOW YOU DO IT. I DON'T KNOW
19 WHETHER WE ASK -- I'M LUCKY BECAUSE THERE ARE NOT A LOT
20 OF PEOPLE HERE.

21 CHAIRMAN KLEIN: YEAH. THERE'S A BENEFIT TO
22 STAYING. I WANT EVERYONE TO KNOW THAT. DAVID.

23 DR. THAL: I CAN'T DO APRIL 4TH, 5TH, OR
24 11TH.

25 CHAIRMAN KLEIN: DAVID.

1 MR. SERRANO SEWELL: JUST THE 4TH I'LL BE IN
2 SACRAMENTO. THAT'S ALL I WANTED TO SAY.

3 CHAIRMAN KLEIN: ARE THERE OTHERS --

4 MS. LANSING: IS THERE ANY DAY THAN APRIL --

5 CHAIRMAN KLEIN: -- THAT HAVE A CONFLICT WITH
6 APRIL 7TH?

7 DR. REED: I DO.

8 CHAIRMAN KLEIN: WE HAVE TWO BOARD MEMBERS
9 WITH A CONFLICT WITH APRIL 7TH, AND WE HAVE ONE --
10 DOCTOR.

11 DR. THAL: I HAVE A CONFLICT WITH THE OTHER
12 THREE DATES. APRIL 7TH IS OKAY.

13 CHAIRMAN KLEIN: YOU HAVE A CONFLICT WITH
14 4TH, 5TH, OR 11TH.

15 MR. SHESTACK: COULD WE DO THIS ON E-MAIL?

16 CHAIRMAN KLEIN: YES. LET'S DO THIS. WE
17 WILL TRY AND OPTIMIZE THIS BY E-MAIL, BUT WE'LL TAKE
18 THIS INTO CONSIDERATION NOW THAT WE KNOW THAT WE HAVE
19 AT LEAST TWO INDIVIDUALS WITH A CONFLICT.

20 MS. LANSING: GREAT.

21 DR. BRYANT: IN TERMS OF A SITE FOR THE
22 FUTURE MEETINGS, COULD WE WORK WITH STAFF TO TRY AND
23 IDENTIFY A SITE AT IRVINE BECAUSE WE HAVE TO WORK WAY
24 OUT ANYWAY BECAUSE OF AVAILABILITY OF ROOMS AND THINGS.

25 MS. LANSING: APRIL 14TH? I'M JUST LOOKING

1 AT OTHER DATES. IF WE CAN DO THIS NOW, WE WILL SAVE
2 EACH OTHER SO MUCH TIME.

3 DR. STEWARD: I'M SORRY. I DON'T HAVE MY
4 CALENDAR WITH ME.

5 CHAIRMAN KLEIN: LET'S DO IT BY E-MAIL. WE
6 UNDERSTAND THE CONSTRAINTS. WHAT WAS THE OTHER
7 STATEMENT BEING MADE?

8 DR. POMEROY: I THINK THE QUESTION IS ABOUT
9 CHOOSING THE ROTATING SITES. WHEN SOME OF US HAVE
10 CONTACTED STAFF, THEY SAID THAT'S SOMETHING THAT WE
11 NEEDED TO BRING UP AT THE LARGER ICOC MEETING. BUT IF
12 YOU'RE COMFORTABLE HAVING US DIRECTLY NEGOTIATE WITH
13 STAFF, THEN WE CAN DO THAT. BUT THEY JUST NEED TO BE
14 CLEAR ON IT.

15 CHAIRMAN KLEIN: JUST AS A POLL FROM THE
16 EARLIER DISCUSSION TODAY, I THOUGHT IT SEEMED LIKE THE
17 BOARD WAS OPEN TO ROTATING ADDITIONAL SITES INTO THE
18 MEETING SCHEDULE. SO WITH THAT CLARIFICATION, CLAIRE,
19 WHICH, I THINK, WAS THE ONLY ISSUE, THEN WE SHOULD DEAL
20 DIRECTLY WITH THE STAFF AND TRY AND MOVE SOME OF THOSE
21 OTHER LOCATIONS IN.

22 DR. PRECIADO: WHO IS THAT CONTACT PERSON?

23 CHAIRMAN KLEIN: THE CONTACT PERSON WILL BE
24 MELISSA KING.

25 MR. SHEEHY: MY QUESTION IS -- THIS HAS BEEN

1 BROUGHT UP BEFORE. PERHAPS COULD WE WEBCAST THESE
2 MEETINGS? AND MAYBE IF PEOPLE ARE EAGER TO HAVE US
3 COME TO THOSE SITES JUST TO MAKE IT MORE -- I MEAN I'M
4 WILLING TO GO ANYWHERE; BUT FOR THOSE FOLKS OF THE
5 PUBLIC OR THE MEDIA, WE CAN MAKE IT AS CONVENIENT FOR
6 THEM AS POSSIBLE BECAUSE THEY'RE GOING TO BE RUNNING
7 AROUND THE STATE. SOME OF THE MEDIA ORGANIZATIONS AND
8 SOME OF THE PUBLIC DON'T REALLY HAVE THE FACILITIES TO
9 BE GOING EVERYWHERE AND THE MEANS. AND IF WE COULD --
10 MAYBE IF SITES WANT US TO COME OR IF STAFF CAN FIGURE
11 OUT A WAY OF WEBCASTING, IT WOULD BE A GREAT HELP.

12 DR. PRECIADO: I THINK INITIALLY WE DO NEED
13 TO TRAVEL AROUND THE STATE. I TRAVEL ALL OVER.

14 MR. SHEEHY: I AGREE WITH TRAVELING, BUT
15 WEBCAST --

16 DR. PRECIADO: MAYBE AT A LATER POINT ONCE WE
17 GET TO ALL THE SITES. WE HAVEN'T BEEN TO THE CENTRAL
18 VALLEY, AND I REALLY AM GOING TO PUSH THAT.

19 CHAIRMAN KLEIN: YEAH. I THINK HIS POINT IS
20 THAT HE'S GOING TO COME TO THE MEETINGS WHEREVER IT'S
21 LOCATED, BUT WEBCAST SO THAT THE PUBLIC HAS BETTER
22 ACCESS.

23 DR. PRECIADO: OH, I SEE. OUTSIDE OF
24 WHEREVER WE ARE.

25 MR. SHEEHY: I'M HAPPY.

1 CHAIRMAN KLEIN: WE WILL HAVE AN IP
2 CONSULTANT IN ABOUT TEN DAYS THAT WILL BE BEYOND JUST
3 SETTING UP THE BASIC COMPUTERS, AND WE WILL TRY AND GET
4 THAT IP CONSULTANT TO ADDRESS AND BRING A REPORT BACK
5 AT A LATER MEETING.

6 DR. THAL: LEON THAL. JUST FOR EFFICIENCY OF
7 MEETINGS, I'M GOING TO MAKE A SUGGESTION PEOPLE MAY OR
8 MAY NOT LIKE, AND THAT IS WHOEVER SETS THE AGENDA PUTS
9 AN ASSOCIATED TIME BLOCK FOR DISCUSSION OF ITEMS. SO
10 THAT IF WE THINK AN ITEM SHOULD TAKE 20 MINUTES, PUT
11 DOWN 20 MINUTES, WE THINK IT SHOULD TAKE 30 MINUTES,
12 30, SHOULD TAKE FIVE, FIVE. I DO A LOT OF VERY LARGE
13 COMPLICATED MEETINGS, AND IT HELPS US TO GET THROUGH
14 SOMETIMES 15 TO 20 AGENDA ITEMS IN A SINGLE DAY AND
15 STILL HIT EVERY AGENDA ITEM AND GET THROUGH ALL OF
16 THEM. IT HELPS TO LIMIT PEOPLE'S DISCUSSION TO SALIENT
17 POINTS.

18 I DON'T KNOW IF PEOPLE LIKE THAT, BUT THAT'S
19 THE WAY I DO IT.

20 CHAIRMAN KLEIN: ANY COMMENTS BY THE BOARD?

21 MR. PRIMM: COULD I MAKE ONE COMMENT?

22 CHAIRMAN KLEIN: YES. TED PRIMM.

23 MR. PRIMM: IN DOING SOMETHING LIKE THAT, I
24 THINK THE CRITICAL THING IS THAT YOU HAVE TO BE CAREFUL
25 NOT TO LOCK YOURSELF INTO SOMETHING YOU DON'T WANT TO

1 BE LOCKED INTO. SO, FOR EXAMPLE, A LOT OF BOARDS PUT
2 THINGS LIKE DISCUSSION ITEM OR ACTION ITEM ON THEIR
3 AGENDAS. IF YOU PUT DISCUSSION ITEM ON YOUR AGENDA,
4 THEN OUR COUNSEL IS THAT YOU CAN'T TAKE ACTION ON IT
5 BECAUSE YOU'VE SIGNALLED TO THE PUBLIC THAT YOU ARE ONLY
6 GOING TO DISCUSS IT.

7 SO IF YOU ARE GOING TO PUT TIME ESTIMATES ON
8 THINGS, THAT'S FINE. IF YOU ARE GOING TO PUT THINGS ON
9 CERTAIN LOCATIONS WITH TIMES, THAT'S FINE. BUT YOU'RE
10 GOING TO BE BOUND BY SOME OF THOSE KIND OF THINGS
11 UNLESS YOU REALLY GO OUT OF YOUR WAY TO MAKE IT CLEAR
12 THAT THESE ARE SOMEHOW ADVISORY ONLY. SO -- AND THAT
13 YOU AS A BODY RESERVE THE RIGHT TO CHANGE THOSE TIMES,
14 TO DROP THINGS FROM THE AGENDA, AND THINGS LIKE THAT.
15 AND THEN YOU HAVE TO BE CAREFUL WHAT SIGNALS YOU SEND
16 TO THE PUBLIC, BECAUSE IF YOU PUT SOMETHING ON AT 2
17 O'CLOCK, YOU STILL RUN A RISK, EVEN IF YOU SAY AT THE
18 TOP OF THE AGENDA TIMES ARE ONLY AN ESTIMATE, AND THE
19 BOARD RESERVES THE RIGHT TO CHANGE THINGS, YOU STILL
20 MAY HAVE PEOPLE THAT DON'T GET THE MESSAGE, SHOW UP AT
21 2 O'CLOCK, YOU DID IT AT 10 O'CLOCK, AND NOW PEOPLE ARE
22 MAD.

23 SO YOU CAN DO A LOT OF THAT KIND OF STUFF,
24 BUT, YOU KNOW, YOU NEED TO BE REAL CAREFUL IN HOW YOU
25 SET THOSE THINGS UP SO YOU DON'T PUT YOURSELF IN A BOX

1 THAT CREATES A LEGAL JAM FOR YOU.

2 CHAIRMAN KLEIN: THANK YOU, TED. AND
3 BASICALLY, THOUGH, FOLLOWING THIS CONCEPT, WHAT WE
4 DISCUSSED AT THE STAFF LEVEL PREVIOUSLY IS SINCE YOU
5 CAN'T LIMIT THE AMOUNT OF TIME FOR THE TOTAL NUMBER OF
6 PUBLIC MEMBERS SPEAKING, WHILE YOU CAN SAY THREE
7 MINUTES EACH, YOU DON'T KNOW WHETHER YOU'RE GOING TO
8 HAVE FOUR OR TWELVE. BUT YOU CAN SET A TIME AMOUNT,
9 NOT A SCHEDULED TIME FOR DISCUSSION, BUT A TIME AMOUNT
10 FOR THE BOARD'S BASIC DISCUSSION, WHICH I THINK GOES TO
11 YOUR POINT OF HAVING US STRIVE TO THE SALIENT POINTS,
12 SO WE CAN DO THAT, AND THEN SEPARATELY SCHEDULE THE
13 TIME FOR THE BOARD ACTUALLY TO TAKE THE ACTION. AND
14 THEN WE ALWAYS KNOW THAT THERE'S THE FLOATING ISSUE OF
15 HOW MUCH PUBLIC COMMENT THERE'S GOING TO BE. WHY DON'T
16 WE TRY THAT, AND WE'LL APPRECIATE THE SUGGESTION.

17 OKAY. I THINK THAT IT WOULD BE THE CONSENSUS
18 AND SPIRIT OF THE BOARD TO ADJOURN. BOARD STANDS
19 ADJOURNED.

20 (THE MEETING WAS THEN ADJOURNED AT 05:44

21 P.M.)

22

23

24

25