

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

LOCATION: TELEPHONIC

DATE: FEBRUARY 21, 2007
3 P.M.

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

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1 TELECONFERENCE, WEDNESDAY, FEBRUARY 21, 2007

2 3 P.M.

3

4 CHAIRPERSON LANSING: WELCOME TO THIS
5 IMPORTANT MEETING. AND, MELISSA, I'M GOING TO ASK YOU
6 TO LEAD US IN A ROLL CALL.

7 MS. KING: BRIAN HENDERSON.

8 DR. HENDERSON: HERE.

9 MS. KING: BOB KLEIN.

10 MR. KLEIN: HERE.

11 MS. KING: SHERRY LANSING.

12 CHAIRPERSON LANSING: HERE.

13 MS. KING: RICHARD MURPHY. TINA NOVA.

14 DR. NOVA: HERE.

15 MS. KING: PHIL PIZZO. CLAIRE POMEROY. JOHN
16 REED.

17 DR. REED: HERE.

18 MS. KING: DUANE ROTH.

19 MR. ROTH: HERE.

20 MS. KING: DAVID SERRANO-SEWELL.

21 MR. SERRANO-SEWELL: HERE.

22 MS. KING: OS STEWARD.

23 AND WHO JUST JOINED?

24 DR. POMEROY: CLAIRE POMEROY.

25 MS. KING: GREAT. HI, DR. POMEROY.

1 DR. POMEROY: GOOD AFTERNOON.

2 MS. KING: AND WHO JOINED AFTER DR. POMEROY?

3 DR. MURPHY: RICH MURPHY.

4 MS. KING: GREAT. HI, DR. MURPHY.

5 DR. MURPHY: HEY, MELISSA. HOW YOU DOING?

6 MS. KING: FINE, THANKS. ALL RIGHT. JUST IN

7 TIME FOR ROLL CALL. SO WE HAVE EVERYBODY BUT DR. PIZZO

8 AND DR. STEWARD. DR. STEWARD IS EXPECTED TO JOIN US

9 MOMENTARILY, AND DR. PIZZO PROBABLY NOT FOR A LITTLE

10 WHILE.

11 CHAIRPERSON LANSING: ALL RIGHT. WELL,

12 BEFORE WE GET INTO OUR AGENDA, I JUST WANT TO ASK IF

13 THERE'S ANY QUESTIONS OR COMMENTS FROM SUBCOMMITTEE

14 MEMBERS THAT ARE NOT DIRECTLY RELATED TO THE AGENDA.

15 SO I'LL JUST DO IN L.A.?

16 DR. HENDERSON: NO.

17 CHAIRPERSON LANSING: KECK? I ASSUME THAT'S

18 A NO. IRVINE? THAT'S A NO. CARLSBAD?

19 DR. NOVA: NO.

20 CHAIRPERSON LANSING: SALK?

21 DR. MURPHY: NO.

22 CHAIRPERSON LANSING: BURNHAM?

23 DR. REED: NO.

24 CHAIRPERSON LANSING: CONNECT?

25 MR. ROTH: NO.

1 CHAIRPERSON LANSING: STANFORD? CIRM?
2 DR. HALL: NO.
3 CHAIRPERSON LANSING: GUERRERO STREET?
4 MR. SERRANO-SEWELL: NO.
5 CHAIRPERSON LANSING: DAVIS?
6 DR. POMEROY: NONE.
7 CHAIRPERSON LANSING: NOW I'D LIKE TO INVITE
8 THE PUBLIC TO COMMENT IN THESE AREAS. L.A.?
9 MR. SIMPSON: JUST THAT JOHN SIMPSON IS HERE
10 TO TAKE PART IN THE MEETING.
11 CHAIRPERSON LANSING: ALL RIGHT. KECK?
12 DR. HENDERSON: NO.
13 CHAIRPERSON LANSING: IRVINE, ANY PUBLIC?
14 CARLSBAD?
15 DR. NOVA: NO.
16 CHAIRPERSON LANSING: SALK?
17 DR. MURPHY: NO.
18 CHAIRPERSON LANSING: BURNHAM?
19 DR. REED: NO.
20 CHAIRPERSON LANSING: CONNECT?
21 MR. ROTH: NO.
22 CHAIRPERSON LANSING: STANFORD? CIRM?
23 MS. KING: NO.
24 CHAIRPERSON LANSING: GUERRERO?
25 MR. SERRANO-SEWELL: NO.

1 CHAIRPERSON LANSING: DAVIS?

2 DR. POMEROY: NO.

3 CHAIRPERSON LANSING: OKAY. THEN I'D LIKE TO
4 MOVE APPROVAL OF THE MINUTES FROM THE DECEMBER 4TH,
5 2006, MEETING. ARE THERE ANY QUESTIONS OR COMMENTS
6 ABOUT THE MINUTES? RATHER THAN DOING THE ROLL CALL,
7 ARE THERE ANY QUESTIONS OR COMMENTS?

8 DR. NOVA: MELISSA, THIS IS TINA IN CARLSBAD.
9 COULD YOU PLEASE CHANGE THE GENOPTICS ADDRESS THAT'S IN
10 THE MINUTES FOR DECEMBER 4TH? IT'S THE OLD BUILDING
11 INSTEAD OF THE NEW ONE.

12 MS. KING: APOLOGIES.

13 DR. NOVA: IT'S NOT A PROBLEM. THANK YOU.

14 DR. POMEROY: SHERRY, THIS IS CLAIRE. ONE OF
15 THE ITEMS THAT WE HAD IN THE LAST MINUTES WAS THE
16 ADMINISTRATIVE SUPPORT FOR PATIENT ADVOCATES. DO WE
17 HAVE A REPORT ON THAT?

18 CHAIRPERSON LANSING: YES. WE'RE GOING TO
19 ASK ZACH WHAT'S HAPPENING WITH THAT WHEN WE GET TO
20 THAT.

21 DR. POMEROY: OKAY.

22 MS. KING: COULD I JUST ASK WHO JUST JOINED
23 THE CALL?

24 MR. REED: PUBLIC PARTICIPATION. DON REED AT
25 STANFORD.

1 MS. INGELS: SHERRY, OS IS HERE TOO NOW.

2 CHAIRPERSON LANSING: GREAT. WE GOT A FULL

3 GROUP. ANY OTHER QUESTIONS ON THE MINUTES? ALL RIGHT.

4 DO WE HAVE A MOTION TO APPROVE THE MINUTES?

5 DR. HENDERSON: SO MOVED.

6 CHAIRPERSON LANSING: DO WE HAVE A SECOND?

7 DR. REED: SECOND.

8 MS. KING: AND WHEN YOU MAKE THE MOTION AND

9 THE SECOND, COULD YOU PLEASE STATE YOUR NAME?

10 DR. HENDERSON: HENDERSON.

11 MS. KING: HENDERSON MOTION, AND WHO WAS THE

12 SECOND?

13 DR. REED: REED.

14 MS. KING: DR. REED. THANK YOU.

15 CHAIRPERSON LANSING: OKAY. JUST A REMINDER

16 THAT FOR ALL VOTES DURING THIS CALL, WE WILL DO A ROLL

17 CALL VOTE AS WE MUST SINCE THIS IS A TELECONFERENCE

18 MEETING. SO, MELISSA, PLEASE LEAD US IN THE ROLL CALL.

19 MS. KING: BRIAN HENDERSON.

20 DR. HENDERSON: APPROVED.

21 MS. KING: BOB KLEIN.

22 MR. KLEIN: YES.

23 MS. KING: SHERRY LANSING.

24 CHAIRPERSON LANSING: YES.

25 MS. KING: RICHARD MURPHY.

1 DR. MURPHY: YES.

2 MS. KING: TINA NOVA.

3 DR. NOVA: YES.

4 MS. KING: PHIL PIZZO. CLAIRE POMEROY.

5 DR. POMEROY: YES.

6 MS. KING: JOHN REED.

7 DR. REED: YES.

8 MS. KING: DUANE ROTH.

9 MR. ROTH: YES.

10 MS. KING: DAVID SERRANO-SEWELL.

11 MR. SERRANO-SEWELL: YES.

12 MS. KING: OS STEWARD.

13 DR. STEWARD: YES.

14 CHAIRPERSON LANSING: OKAY. NOW I'D LIKE TO
15 MOVE TO AGENDA ITEM 4, WHICH IS THE PRESIDENT'S REPORT,
16 AND I'D LIKE TO ASK OUR PRESIDENT, ZACH HALL, TO GIVE
17 US HIS REPORT.

18 MR. HARRISON: SHERRY, I'M SORRY. IT'S JAMES
19 HARRISON. I JUST STATE FOR THE RECORD THAT THAT MOTION
20 TO APPROVE THE MINUTES PASSED WITH TEN VOTES.

21 CHAIRPERSON LANSING: YOU SURE CAN, AND I
22 SHOULD HAVE ALLOWED YOU TO SAY THAT. I APOLOGIZE.

23 MR. HARRISON: THANK YOU.

24 DR. HALL: SO --

25 CHAIRPERSON LANSING: I'M SO MINDFUL OF ED

1 THAT HE HAS TO BE OUT OF HERE AT FOUR.

2 DR. HALL: SO I ACTUALLY HAVE, IN THAT SAME
3 SPIRIT IN HELPING ED GET AWAY QUICKLY, I HAVE VERY
4 LITTLE TO REPORT. I DO WANT TO GIVE YOU A PROGRESS
5 REPORT ON THE PATIENT ADVOCATE ADMINISTRATIVE SUPPORT.
6 I HAVE SPOKEN TO ALL THE PATIENT ADVOCATES AND HAVE
7 ASSESSED THEIR NEED. AND WE HAVE MADE CONSIDERABLE
8 PROGRESS ON MOST OF THEM.

9 TWO PATIENT ADVOCATES -- HELLO.

10 CHAIRPERSON LANSING: YES. WE'RE HERE.

11 DR. HALL: OKAY. TWO PATIENT ADVOCATES
12 REQUESTED THAT WE HAVE A SINGLE CONTACT PERSON AT CIRM
13 WHO WOULD MAKE RESERVATIONS, WHO WOULD CHOOSE DATES FOR
14 MEETINGS SO THAT THEY DIDN'T GET CAUGHT BETWEEN
15 CONFLICTING OR COMPETING AGENDAS FOR DIFFERENT WORKING
16 GROUPS OR ICOC MEETINGS, AND I THINK THAT'S NO PROBLEM,
17 THAT WE WILL EASILY BE ABLE TO ACCOMMODATE THAT.

18 TWO OF THE WORKING GROUP MEMBERS EXPRESSED
19 INTEREST IN HAVING SCIENTIFIC INPUT ON GRANTS, AND WE
20 SAID WE WOULD BE ABLE TO MAKE PERSONNEL FROM CIRM
21 AVAILABLE BEFORE MEETINGS IF GIVEN JUST A LITTLE NOTICE
22 AND WOULD BE HAPPY TO GO OVER GRANTS WITH THEM AND GIVE
23 ANY SORT OF TECHNICAL BACKGROUND OR INFORMATION THAT
24 THEY WOULD WISH; FOR EXAMPLE, BEFORE A GRANTS WORKING
25 GROUP MEETING.

1 WE ALSO HAD A REQUEST IN SEVERAL
2 CIRCUMSTANCES FOR PART-TIME CLERICAL SUPPORT FOR ONE,
3 POSSIBLY TWO. THAT WE CAN EASILY MEET. AND WE HAVE
4 SOME OTHER NEEDS THAT ARE STILL IN PROGRESS, AND I WILL
5 HAVE TO REPORT BACK TO YOU AT A LATER DATE ON WHAT
6 THOSE ARE AND HOW WE WILL MEET THEM. BUT WE HAVE AT
7 LEAST ASSESSED THE NEED AND I THINK ARE MAKING STRIDES
8 TOWARD FINDING SOLUTIONS FOR THEM.

9 CHAIRPERSON LANSING: SO, ZACH, THIS IS
10 SHERRY. SINCE I KNOW THIS IS EXTREMELY IMPORTANT AND
11 COMPLICATED --

12 DR. HALL: YES.

13 CHAIRPERSON LANSING: -- WHEN WOULD YOU
14 ANTICIPATE THAT YOU WOULD BE ABLE TO RECOMMEND TO THE
15 GOVERNANCE COMMITTEE HOW TO HANDLE THE NEEDS OF THE
16 PATIENT ADVOCATES?

17 DR. HALL: I THINK WE COULD DO IT EASILY AT
18 THE NEXT MEETING. I THINK WE'VE -- ONE OF THEM IS A
19 LITTLE BIT COMPLICATED, AND WE'RE HAVING TO DO SOME
20 BACKGROUND WORK ON IT, IN ESSENCE, AND I'M OPTIMISTIC
21 ABOUT HOW THAT WILL TURN OUT, BUT WE JUST HAVE TO WAIT
22 AND SEE. BUT I THINK THE OTHERS CAN ALL BE IMPLEMENTED
23 FAIRLY EASILY, AND WE WILL JUST GO AHEAD AND DO THAT
24 WITH YOUR PERMISSION BETWEEN NOW AND THEN.

25 MR. KLEIN: SHERRY, THIS IS BOB KLEIN. ON

1 THE ISSUE OF SCHEDULING, MELISSA KING SCHEDULES THE
2 BOARD MEETINGS AND THE BOARD SUBCOMMITTEE MEETINGS, AND
3 IT'S VERY IMPORTANT THAT THERE BE CLEARANCE THROUGH HER
4 BEFORE A WORKING GROUP MEETING OR OTHER MEETING IS
5 SCHEDULED IN CONFLICT WITH THE SUBCOMMITTEE OF THE
6 BOARD, FOR EXAMPLE. SO PROCEDURALLY WE JUST NEED AN
7 UNDERSTANDING THAT THAT'S GOING TO BE CLEARED THROUGH
8 MELISSA, AND THAT WOULD WORK FINE.

9 DR. HALL: I THINK THAT MAKES MOST SENSE.
10 WE'D BE HAPPY TO HAVE MELISSA DO IT. THAT'S WHO I HAD
11 IN MIND TO DO IT.

12 MR. KLEIN: OKAY.

13 CHAIRPERSON LANSING: YEAH. I THINK WHAT,
14 YOU KNOW, THE POINT, YOU KNOW, IS NOW WE ARE SO
15 WONDERFULLY UP AND RUNNING, A LOT OF THE THINGS THAT WE
16 WERE DOING BY FLY BY OUR SEAT OR IN GOODWILL, WE SORT
17 OF WANT TO HAVE MORE STRUCTURE TO DO. AND MELISSA, YOU
18 KNOW, ALWAYS HAS BEEN TERRIFIC ABOUT SCHEDULING THEM,
19 JUST MAKING SURE THAT WE DON'T HAVE CONFLICTS FOR
20 PEOPLE THAT ARE ON TWO OR THREE COMMITTEES. AND
21 I RECENTLY, THERE WAS A MISUNDERSTANDING, AND MELISSA
22 TOOK CARE OF IT INSTANTLY AND, YOU KNOW, I THINK IT'S
23 GREAT. SO I THINK WE ALL SHOULD GO THROUGH MELISSA. I
24 THINK THAT'S WONDERFUL.

25 AND I PERSONALLY AM COMFORTABLE WITH

1 IMPLEMENTING THE NEEDS THAT YOU STATED, ZACH, FOR THE
2 PATIENT ADVOCATES THAT CAN ALL BE IMPLEMENTED IN-HOUSE
3 AND CONTINUING TO WORK ON THE OTHER ISSUES THAT ARE
4 STILL OUT THERE WHICH MAY BE MORE COMPLICATED, AND
5 HAVING YOU REPORT BACK TO US AS TO HOW YOU FEEL ABOUT
6 IT. BUT IT IS THE PLEASURE OF THE GOVERNANCE COMMITTEE
7 IF THERE IS OTHER PEOPLE WHO FEEL DIFFERENTLY.

8 DR. POMEROY: THIS IS CLAIRE. ZACH, COULD
9 YOU JUST EXPLAIN TO US? ARE ALL OF THE PROPOSALS THAT
10 YOU'RE ASKING US TO APPROVE TODAY DONE WITH IN-HOUSE
11 PERSONNEL, OR ARE THERE ANY CONTRACTS OR FEES?

12 DR. HALL: WELL, THE ONE WOULD BE FOR ONE
13 PERSON, FOR EXAMPLE, WHO'S NOT LOCATED IN SAN
14 FRANCISCO, REQUESTED SOME PART-TIME CLERICAL HELP
15 BEFORE ICOC MEETINGS TO HELP WITH SCHEDULING AND
16 HANDLING PAPER. AND I THINK WE CAN ARRANGE THAT. THE
17 REQUEST IS RATHER MINIMAL, AND I THINK WE CAN HANDLE
18 THAT WITHOUT ANY DIFFICULTY.

19 CHAIRPERSON LANSING: HOW MUCH IS MINIMAL?
20 WHAT DO YOU THINK?

21 DR. POMEROY: YEAH. I THINK THAT'S MY
22 QUESTION, SHERRY, BECAUSE IT WAS MY IMPRESSION YOU WERE
23 TALKING ABOUT OUTSOURCING SOME OF THIS. AND I THINK
24 FOR US TO BE RESPONSIBLE, WE PROBABLY SHOULD GET, YOU
25 KNOW, A BUDGET.

1 CHAIRPERSON LANSING: SO MAYBE THEN THE BEST
2 THING TO DO IS, UNLESS YOU HAVE THESE NUMBERS AND CAN
3 PRESENT --

4 DR. HALL: I DON'T HAVE THEM WITH ME. WHAT
5 WE WOULD DO WOULD BE TO CONTACT A TEMP AGENCY IN THAT
6 LOCATION. WE WOULD FIND OUT WHAT THEIR RATES ARE. WE
7 WOULD COME TO SOME AGREEMENT WITH THE PERSON ABOUT WHAT
8 WOULD BE A REASONABLE AMOUNT OF TIME. AND MY SENSE IS
9 WE'RE TALKING ABOUT FOUR TO SIX HOURS OR SOMETHING
10 BEFORE A MEETING OR LESS, HALF A DAY MAYBE BEFORE AN
11 ICOC MEETING AND BEFORE A WORKING GROUP MEETING. IT
12 WOULD BE RELATIVELY SMALL, AND I THINK WE CAN
13 ACCOMMODATE THAT FAIRLY EASILY.

14 MR. KLEIN: I THINK, SHERRY, YOU PREVIOUSLY
15 INDICATED THAT DR. HALL WOULD FORMALIZE THESE. AND I'D
16 LIKE TO RESERVE MY COMMENTS ON THAT LAST ITEM UNTIL I
17 SEE THEM FORMALIZED BECAUSE FOR THE CONFIDENTIALITY OF
18 MATERIAL THAT BOARD MEMBERS DEAL WITH, INCLUDING THE
19 VICE CHAIR OF THE GRANTS WORKING GROUP, I HAVE
20 DIFFICULTY CONCEPTUALLY WITH A TEMP AGENCY AS VERSUS
21 HIRING SOMEONE PART TIME WHO CAN SIGN A CONFIDENTIALITY
22 STATEMENT AND BE SOMEONE WE CAN CLEAR AND KNOW THAT IS
23 CONSISTENTLY GOING TO PROVIDE THE SERVICE. BUT I WANT
24 TO WAIT AND RESERVE MY COMMENTS REALLY TO SEE. MAYBE
25 DR. HALL'S ANTICIPATING THE STRUCTURE THAT WILL DEAL

1 WITH THOSE ISSUES.

2 CHAIRPERSON LANSING: SO, ZACH, YOU COULD
3 HAVE THE FULL REPORT OF EVERYTHING AND, YOU KNOW,
4 PRESENT IT TO US AT THE NEXT GOVERNANCE MEETING?

5 DR. HALL: YES. THERE'S ONE INDETERMINATE
6 ITEM. AND WITH THAT ONE EXCEPTION, I CAN HAVE YOU A
7 FULL REPORT.

8 CHAIRPERSON LANSING: OKAY. AND YOU WOULD
9 TELL US WHAT THAT INDETERMINATE WAS?

10 DR. HALL: YES.

11 CHAIRPERSON LANSING: SO THEN DOES EVERYBODY
12 FEEL COMFORTABLE WAITING TO THE NEXT GOVERNANCE? I
13 JUST KNOW THAT THE PATIENT ADVOCATES ARE CHAMPING AT
14 THE BIT, AND I WONDER IF THERE'S ANYTHING WE CAN SAY,
15 THAT WE COULD VOTE ON TODAY TO RECOMMEND THAT IT'S DONE
16 IN-HOUSE?

17 DR. HALL: I THINK IT'S VERY EASY. THE
18 BUSINESS ABOUT HAVING A SINGLE CONTACT POINT, I THINK
19 WE'VE ESSENTIALLY IMPLEMENTED THAT. THAT'S NOT A
20 PROBLEM AS FAR AS I KNOW. THAT'S NOW WORKING.

21 MR. KLEIN: THAT'S MELISSA.

22 DR. HALL: WE HAVE MADE KNOWN TO THE TWO
23 BOARD MEMBERS WHO WANTED IT THAT WE WOULD BE HAPPY TO
24 MEET WITH THEM BEFORE TO ARRANGE FOR OUR SCIENTIFIC
25 STAFF TO MEET WITH THEM BEFORE A MEETING. THAT'S BEEN

1 IMPLEMENTED. WE HAVE NOT DEALT WITH THE TEMP SERVICE,
2 BUT WE CAN EASILY DO THAT. ACTUALLY THAT'S NOT A
3 PROBLEM, AND THE PERSON WHO I'M THINKING OF ACTUALLY,
4 IT WAS NOT AT ALL AN URGENT MATTER.

5 CHAIRPERSON LANSING: SO WE'RE GOING TO HOLD
6 ON THAT TILL BOB AND EVERYBODY HAS A CHANCE -- TILL WE
7 KNOW EXACTLY WHAT YOU'RE TALKING ABOUT? RIGHT?

8 DR. HALL: YES.

9 CHAIRPERSON LANSING: AND THEN THERE'S A
10 SPECIAL CONSIDERATION OF THE STUFF THAT YOU HAVE NOT
11 BEEN ABLE TO SOLVE YET.

12 DR. HALL: THERE ARE SOME PROBLEMS THAT WE
13 HAVE NOT BEEN ABLE TO SOLVE, AND I WILL BRING THOSE TO
14 THE BOARD. I THINK IT'S PREMATURE TO DISCUSS THOSE. I
15 HOPE WE CAN REACH RESOLUTION AND BRING THEM BY NEXT
16 TIME.

17 CHAIRPERSON LANSING: OKAY. SO, CLAIRE, ARE
18 YOU COMFORTABLE, THEN, WITH THE FIRST TWO AND LEAVING
19 THE TEMP TO THE NEXT MEETING AND THE SPECIAL
20 CONSIDERATIONS THAT WE DON'T KNOW WHAT THEY ARE TILL
21 THE NEXT MEETING?

22 DR. POMEROY: JUST TO CLARIFY THEN --

23 DR. HALL: WOULD YOU RATHER US NOT? IF WE
24 CAN MAKE AN ARRANGEMENT WITH A TEMP, IF WE CAN REACH
25 AGREEMENT WITH THE PATIENT ADVOCATE ABOUT HOW MUCH TIME

1 IS REQUIRED AND IF WE CAN GO AHEAD AND SCHEDULE THAT,
2 YOU WANT US NOT TO DO THAT UNTIL THE NEXT GOVERNANCE
3 MEETING?

4 DR. POMEROY: I THINK THAT'S WHAT I'M SAYING.
5 I GUESS IF I WERE TO MAKE A MOTION, IT WOULD BE THAT WE
6 WOULD APPROVE THE USE OF IN-HOUSE PERSONNEL AS YOU DEEM
7 APPROPRIATE TO SUPPORT THE PATIENT ADVOCATES AND
8 REQUEST THAT YOU COME BACK TO US WITH SPECIFIC
9 PROPOSALS FOR THE OUTSOURCING AT THE NEXT MEETING.

10 DR. HALL: OKAY.

11 CHAIRPERSON LANSING: I'M COMFORTABLE WITH
12 THAT. DOES ANYONE OPPOSE THAT?

13 MR. SERRANO-SEWELL: THIS IS DAVID SPEAKING.
14 ZACH, WITH THAT THEN, WOULD THIS MOTION THAT CLAIRE HAS
15 MADE, JUST SO I UNDERSTAND IT, WOULD THAT THEN PRECLUDE
16 YOU, ZACH, FROM PROVIDING SOME HELP AND ASSISTANCE TO
17 JOAN IF THAT'S WHOM WE'RE TALKING ABOUT?

18 DR. HALL: UM --

19 MR. SERRANO-SEWELL: I JUST WANT TO MAKE SURE
20 THAT JOAN IN HER CAPACITY --

21 DR. HALL: YES. WE ARE WORKING VERY HARD ON
22 THAT ISSUE, DAVID.

23 MR. SERRANO-SEWELL: -- AS VICE CHAIR OF THE
24 GRANTS WORKING GROUP --

25 DR. HALL: WE'RE WORKING VERY HARD ON THAT

1 ISSUE.

2 MR. SERRANO-SEWELL: I KNOW. I APPRECIATE
3 THAT. I'M NOT SAYING YOU AREN'T.

4 DR. HALL: THE PARTICULAR ONE I'M TALKING
5 ABOUT INVOLVES ANOTHER PATIENT ADVOCATE.

6 MR. SERRANO-SEWELL: OKAY. NEVER MIND. I
7 DON'T KNOW WHAT I'M TALKING ABOUT. YOU'RE WORKING ON
8 THE JOAN ISSUE.

9 MORE TO THE MOTION, WERE YOU PRECLUDED FROM
10 EXECUTING A CONTRACT WITH AN OUTSIDE INDEPENDENT PERSON
11 TO PROVIDE ASSISTANCE ON AN AS-NEEDED BASIS TO ANY
12 PATIENT ADVOCATE?

13 DR. HALL: IF IT'S UNDER \$200,000, MY
14 UNDERSTANDING IS I HAVE THE AUTHORITY TO DO THAT; IS
15 THAT CORRECT?

16 MR. KLEIN: WELL, I THINK CLAIRE WANTS A
17 BUDGET.

18 DR. HALL: BUT MAYBE CLAIRE FEELS THAT WE
19 SHOULD COME BACK BEFORE WE DO THIS.

20 MR. SERRANO-SEWELL: WAS THAT THE INTENTION
21 OF YOUR MOTION, CLAIRE?

22 DR. POMEROY: I GUESS WHAT I -- IT WAS THE
23 INTENTION OF MY MOTION THAT WE SEE IT BEFORE ZACH
24 AGREED TO A CONTRACT, AND I'LL JUST EXPLAIN WHY THAT
25 WAS THE INTENT OF MY MOTION. I'M CERTAINLY HAPPY TO

1 DISCUSS IT. BUT NORMALLY, OF COURSE, DR. HALL HAS THE
2 AUTHORITY TO GO OUT AND MAKE CONTRACTS, BUT I THINK
3 THAT BECAUSE OF THE ISSUES, YOU KNOW, SURROUNDING
4 CONFIDENTIALITY AND SUPPORT, ALL THE THINGS WE TALKED
5 ABOUT AT THE LAST MEETING, I WAS, FROM A GOVERNANCE
6 POINT OF VIEW, MORE COMFORTABLE HEARING THOSE SPECIFICS
7 BEFORE WE AGREED TO IT. I UNDERSTAND, THOUGH, THAT
8 THERE MAY BE SOME URGENCY; AND IF THAT'S THE CASE, WE
9 SHOULD DISCUSS IT.

10 DR. HALL: I STAND -- THE ISSUE THAT I
11 BROUGHT TO YOU, AS I UNDERSTAND IT, WAS NOT URGENT,
12 ALTHOUGH THE PATIENT ADVOCATE SAID THEY WOULD
13 APPRECIATE IT.

14 MR. KLEIN: CLAIRE --

15 DR. HALL: AND I WILL HAPPILY DEFER UNTIL
16 YOU -- IF YOU WISH TO SEE A FULL PLAN, WE WILL
17 CERTAINLY DO THAT.

18 MR. KLEIN: CLAIRE, WHAT IF -- THIS IS BOB
19 KLEIN. WHAT IS YOUR THOUGHT ABOUT ON AN INTERIM BASIS,
20 WE HAVE ABOUT A MONTH TO THE NEXT GOVERNANCE MEETING,
21 HAVING A \$1500 KIND OF WORKING BUDGET, SO IT'S A VERY
22 LIMITED PROGRAM THAT ZACH CAN USE IF THERE'S SOME
23 URGENT THINGS THAT COME UP IN THAT TIME PERIOD JUST TO
24 DEAL WITH --

25 DR. HALL: THIS IS, I HAVE TO SAY, I'M GOING

1 TO HAVE A FEW WORDS TO SAY ABOUT THIS LATER; BUT IF YOU
2 WANT TO DOLE OUT MONEY TO THE PRESIDENT \$1500 AT A
3 TIME, I THINK THIS IS JUST --

4 MR. KLEIN: I'M JUST TRYING TO GIVE CLAIRE A
5 SENSE THAT IT'S A VERY LIMITED TIME PERIOD, A VERY
6 LIMITED EXPENDITURE THAT WOULD HAPPEN. WHETHER
7 IT'S -- I'M PERFECTLY HAPPY IN SAYING THAT THERE WOULD
8 BE A REASONABLE ADVANCE OF FUNDS FOR AN INTERIM PERIOD
9 BETWEEN NOW AND THE NEXT GOVERNANCE MEETING, WHICH IS
10 ABOUT A MONTH AWAY, SO THAT IF SOMETHING COMES UP THAT
11 JOAN NEEDS THE ASSISTANCE OR ANOTHER PATIENT ADVOCATE
12 NEEDS IT, THEY CAN DO IT ON A TEMPORARY BASIS.

13 DR. MURPHY: SHERRY, RICH MURPHY. I MUST SAY
14 I THINK ZACH HAS TOUCHED UPON AN IMPORTANT ISSUE HERE.
15 WE ARE A BOARD. WE ARE NOT AN OPERATIONS COMMITTEE.

16 CHAIRPERSON LANSING: I AGREE.

17 DR. MURPHY: I THINK WE'RE TALKING ABOUT
18 REALLY STUFF THAT SHOULD BE WITHIN THE PURVIEW OF THE
19 PRESIDENT OF THE INSTITUTE TO MAKE HIS DECISIONS ON.
20 WE'VE ALREADY LONG AGO APPROVED BUDGETARY LIMITATIONS
21 UNDER WHICH ZACH HAS THE FREEDOM TO DO WHAT HE NEEDS TO
22 DO. AND WHY WE AS A GOVERNANCE COMMITTEE OF THE BOARD
23 ARE WORRIED ABOUT THIS MINOR STUFF, TO ME, IS JUST
24 WRONG. WE SHOULD LET THE PRESIDENT DO HIS JOB.

25 CHAIRPERSON LANSING: THAT IS WHY I WAS

1 COMFORTABLE, YOU KNOW, WITH SAYING LET'S APPROVE ALL
2 THIS, BUT I'M VERY MINDFUL OF WHAT CLAIRE AND BOB HAVE
3 BROUGHT UP, AND SO I WOULD JUST ADD SOMETHING THAT I
4 DON'T EVEN THINK I NEED TO ADD TO ZACH BECAUSE HE KNOWS
5 IT IS JUST OBVIOUSLY WHATEVER YOU DO, YOU WOULD HONOR
6 THE CONFIDENTIALITY OF WHATEVER THE MATERIAL IS THAT'S
7 BEING LOOKED AT.

8 DR. HALL: WE WOULD EXPLORE THAT. THE
9 PARTICULAR PERSON THAT REQUESTED THIS, MY SENSE IS IT'S
10 NOT A MATTER OF MUCH DEALING WITH THE MATERIALS
11 PARTICULARLY. IT IS REALLY A MATTER OF ARRANGING
12 SCHEDULES AND DOING SOME OTHER THINGS. I CAN CERTAINLY
13 CHECK THAT OUT; AND IF THOSE ISSUES ARE AT STAKE, WE
14 CAN HANDLE THEM. WE CAN ALSO ASK PEOPLE TO SIGN A
15 CONFIDENTIALITY AGREEMENT. WE CAN DEAL WITH THAT WITH
16 THE AGENCY. I MEAN I THINK ALL OF THESE, AS FAR AS I'M
17 CONCERNED, ARE ADMINISTRATIVE MATTERS. AND I GUESS THE
18 QUESTION IS WHETHER YOU FEEL THE PRESIDENT, NO. 1, HAS
19 THE FIDUCIARY AUTHORITY TO DO THIS; AND, NO. 2, WHETHER
20 YOU THINK THE PRESIDENT WILL MAKE THE RIGHT MOVES AS
21 FAR AS ISSUES REGARDING CONFIDENTIALITY.

22 AND IF THERE IS A PROBLEM, I GUESS I WOULD
23 BRING IT BACK BEFORE I ACTED.

24 MR. KLEIN: CLAIRE, THIS IS BOB. I HAVE --
25 I'M PERFECTLY HAPPY WITH -- I MEAN ZACH HAS ADDRESSED

1 THE CONFIDENTIALITY ISSUES. HE KNOWS IT'S A POINT OF
2 FOCUS, AND HE'S GOING TO COME BACK IN THE NEXT MEETING.
3 I THINK HE SHOULD JUST HAVE THE AUTHORITY TO MOVE ON AN
4 INTERIM BASIS IF HE NEEDS IT, AND IT'S A RELATIVELY
5 SHORT PERIOD OF TIME BEFORE WE'LL GET A REPORT BACK ON
6 HOW THOSE ISSUES ARE GOING TO BE ADDRESSED.

7 DR. POMEROY: IF I COULD JUST -- THIS IS
8 CLAIRE. IF I COULD JUST ADDRESS THIS. I THINK IT IS
9 INAPPROPRIATE FOR US TO DOLE OUT MONEY. I AGREE
10 COMPLETELY, AND I TRIED TO SAY THAT ZACH ALREADY HAS
11 THE AUTHORITY FOR CONTRACTS UP TO THAT 200,000 LIMIT.
12 I THINK OUR RESPONSIBILITY IS TO MAKE SURE THAT, SINCE
13 WE'RE REALLY EXTENDING THE AGENCY, TO MAKE SURE THAT
14 THE CONFIDENTIALITY AND ALL OF THE APPROPRIATE CONTROLS
15 ARE IN PLACE.

16 AND I HAVE TO SAY I'M PERFECTLY WILLING TO
17 AMEND THE MOTION TO SAY THAT ZACH HAS HEARD OUR
18 CONFIDENTIALITY CONCERNS, AND HE WILL ADDRESS THEM.
19 AND WE SHOULD APPROPRIATELY TRUST HIM TO DO THAT, AND I
20 DO. BUT I GUESS I MUST ADD THAT I WOULD HAVE BEEN
21 HAPPIER IF WE HAD HAD, YOU KNOW, A SPECIFIC PROPOSAL TO
22 DISCUSS SINCE THIS WAS ALL PRESENTED AT THE LAST
23 MEETING.

24 BUT I WILL AMEND MY MOTION TO THAT THE
25 IN-HOUSE PEOPLE BE APPROVED AND THAT ZACH USE HIS

1 AUTHORITY THAT HE ALREADY HAS TO EXECUTE A CONTRACT FOR
2 THE OTHER SUPPORT.

3 CHAIRPERSON LANSING: GREAT. I DON'T KNOW IF
4 WE HAVE TO VOTE ON THIS. DO WE HAVE TO VOTE ON THIS?

5 MR. KLEIN: IF THERE'S SOMEONE NOT MADE A
6 SECOND, I'LL MAKE A SECOND.

7 CHAIRPERSON LANSING: ALL RIGHT. SO LET'S
8 JUST DO A ROLL CALL VOTE, MELISSA. BUT I DON'T EVEN
9 KNOW IF WE NEED IT.

10 MS. KING: ALL RIGHT. BRIAN HENDERSON.

11 DR. HENDERSON: YES.

12 DR. HALL: COULD SOMEBODY READ THE MOTION?

13 CHAIRPERSON LANSING: YES. THAT ZACH HAS THE
14 AUTHORITY TO DO ALL THE IN-HOUSE STUFF THAT HE
15 RECOMMENDED FOR THE PATIENT ADVOCATES AS WELL AS THE
16 OUTSOURCING, MINDFUL OF THE CONFIDENTIALITY, THAT HE
17 WILL USE HIS DISCRETION.

18 DR. HALL: THANK YOU.

19 DR. REED: JOHN REED HERE AT BURNHAM. I'M
20 STILL UNCLEAR AS TO WHY THIS MOTION IS NECESSARY.

21 CHAIRPERSON LANSING: IT MAY NOT BE.
22 MELISSA, IS A MOTION NECESSARY, OR IS THIS JUST WE'RE
23 JUST SAYING GO AHEAD?

24 MS. KING: IT'S NOT REALLY. THIS ISN'T
25 SOMETHING THAT NEEDS TO BE --

1 DR. HALL: I THINK I GET THE SENSE OF THE
2 COMMITTEE.

3 DR. POMEROY: AND I WITHDRAW THE MOTION.

4 CHAIRPERSON LANSING: SO, ZACH, GO DO WHAT
5 YOU WANTED TO DO. OKAY.

6 DR. HALL: I THINK I UNDERSTAND.

7 CHAIRPERSON LANSING: NOW, MELISSA, DO I NEED
8 TO HAVE PUBLIC COMMENT ON THIS?

9 MS. KING: YES. ALTHOUGH WE'RE NOT HAVING A
10 VOTE ON IT, SO YOU DON'T HAVE TO. YOU'RE NOT BOUND TO.

11 CHAIRPERSON LANSING: I KNOW JOHN WANTS TO
12 SAY SOMETHING. SO JOHN AND THEN I'LL GO AROUND.

13 MR. SIMPSON: SIMPLY SAY THAT ZACH SHOULD DO
14 WHAT HE NEEDS TO DO. I MEAN I DON'T THINK YOU NEED TO
15 EVER WORRY ABOUT CONFIDENTIALITY WITH ZACH.

16 CHAIRPERSON LANSING: WELL, THERE'S A GREAT
17 PUBLIC COMMENT. I'M GLAD WE HAD IT. IS THERE ANYBODY
18 AT ANY OTHER PLACE THAT HAS PUBLIC COMMENT?

19 DR. HALL: SPOKEN FROM THE CHAMPION OF
20 TRANSPARENCY, JOHN SIMPSON. THANK YOU, JOHN. GOOD.

21 CHAIRPERSON LANSING: OKAY. THEN JUST FOR
22 CLARIFICATION, ZACH, YOU WILL NOW COME BACK TO US AT
23 THE NEXT MEETING --

24 DR. HALL: YES.

25 CHAIRPERSON LANSING: -- WITH THE ISSUES THAT

1 ARE STILL UNRESOLVED FOR THE PATIENT ADVOCATES AND
2 PRESENT YOUR RECOMMENDATION.

3 MR. SERRANO-SEWELL: SHERRY, THIS IS DAVID
4 SERRANO-SEWELL. THIS COMMENT IS DIRECTED TO YOU AND
5 TINA AS CO-CHAIRS OF THIS SUBCOMMITTEE. AND THAT IS
6 WHERE YOU DEEM APPROPRIATE AS CO-CHAIRS THAT THIS
7 COMMITTEE BE PROVIDED WITH A WRITTEN REPORT. I THINK
8 IT'S APPROPRIATE IN THIS INSTANCE -- THIS IS MY OPINION
9 AND I'LL LEAVE IT UP TO YOU AND TINA TO DECIDE WHETHER
10 YOU THINK A WRITTEN REPORT IS NECESSARY IN THIS
11 INSTANCE. IN MY OPINION IT IS BECAUSE WE'RE DEALING
12 WITH SENSITIVE ISSUES, AND I WOULD LIKE TO SEE
13 SOMETHING ON PAPER BEFORE WE TAKE -- WHEN WE TAKE
14 ACTION AT OUR NEXT GOVERNANCE COMMITTEE MEETING.

15 CHAIRPERSON LANSING: OKAY. THAT DOESN'T
16 BOTHER ME AT ALL. ZACH, WOULD YOU MIND PUTTING IT ALL
17 ON PAPER SO THAT WE CAN LOOK AT IT AHEAD OF THE
18 MEETING?

19 DR. HALL: I'D BE HAPPY TO DO THAT.

20 DR. NOVA: THANK YOU, DAVID.

21 MR. SERRANO-SEWELL: THANK YOU.

22 CHAIRPERSON LANSING: THANK YOU. ANY OTHER
23 COMMENTS ON THIS ISSUE? SO WE WILL BE ABLE TO GO BACK
24 TO THE PATIENT ADVOCATES WITH NOT ALL OF THEIR
25 CONCERNS, BUT A HUGE PERCENTAGE OF THEIR CONCERNS, AND

1 WE WILL BE ABLE TO TELL THEM THAT IT'S A WORK IN
2 PROGRESS AND THAT ZACH IS WORKING ON SOLVING THE OTHER
3 ISSUES WHICH WILL COME IN A WRITTEN FORM WITH THESE
4 ISSUES AS WELL TO US AT THE NEXT GOVERNANCE MEETING,
5 CORRECT?

6 DR. HENDERSON: CORRECT.

7 CHAIRPERSON LANSING: ALL RIGHT. NOW, I'M
8 GOING TO GO TO AGENDA ITEM 5, WHICH IS EXTREMELY
9 IMPORTANT, AND THIS IS, JUST TO REFRESH EVERYBODY'S
10 MEMORY, REALLY THE INTERNAL GOVERNANCE POLICY OF CIRM
11 AND OUR ORGANIZATIONAL STRUCTURE, WHICH WE HAVE BEEN
12 PROVIDED WITH A GREAT DEAL OF WRITTEN MATERIAL ON FROM
13 OUR VICE CHAIR, ED PENHOET. AND I'M GOING TO ASK ED TO
14 GIVE US SOME BACKGROUND INFORMATION ON THE DOCUMENT,
15 AND HE'S PREPARED AND HE'S UPDATED THEM FOR AGENDA ITEM
16 NO. 5.

17 AND AFTER WE'VE HEARD ALL OF THIS, THE REASON
18 FOR DOING THIS, NOT ONLY TO GIVE OURSELVES A BETTER
19 GOVERNANCE STRUCTURE, IS SO THAT WE CAN ACTUALLY DEFINE
20 TO OUR PRESIDENTIAL SEARCH COMMITTEE WHAT THE JOB ROLES
21 ARE. SO THIS IS EXTRAORDINARILY IMPORTANT. SO, ED,
22 I'M GOING TO TURN THIS OVER TO YOU TO GIVE US SOME
23 BACKGROUND AND UPDATE, AND WE'RE VERY, VERY ANXIOUS, SO
24 WE ALL HAVE THE PAPER TO READ IT, TO HEAR YOUR
25 RECOMMENDATIONS AND TO BE ABLE TO ASK YOU QUESTIONS.

1 DR. PENHOET: SO YOU DO HAVE THE PROPOSED
2 INTERNAL GOVERNANCE POLICY IN FRONT OF YOU. THE
3 DOCUMENT WAS WRITTEN ENTIRELY BY ME WITH SOME HELP FROM
4 JAMES, WHO WENT THROUGH ALL OF THIS TO MAKE SURE THAT
5 IT WAS CONSISTENT WITH PROPOSITION 71. BUT I ASSUME
6 RESPONSIBILITY FOR EVERY WORD THAT YOU SEE IN THIS
7 DOCUMENT.

8 I'VE DONE THIS WORK AFTER, WELL, NOW TWO
9 YEARS OF DISCUSSION AND MATURATION OF THE ORGANIZATION
10 TO THE POINT WHERE WE ARE TODAY. AND I WOULD SIMPLY
11 SAY THAT I WOULD SECOND SHERRY'S OPENING COMMENTS, THAT
12 ALTHOUGH SOME OF THIS HAS BEEN THE INTERACTIONS BETWEEN
13 OUR CURRENT CHAIR AND OUR CURRENT PRESIDENT, THAT I SEE
14 THE MOST IMPORTANT PART OF THIS EXERCISE TODAY IS TO
15 DEFINE AS PRECISELY AS WE CAN AND CAREFULLY AS WE CAN
16 THE SEGREGATION OF DUTIES BETWEEN THESE TWO POSITIONS
17 AT CIRM TO FORM THE FOUNDATION, REALLY, OF THE UPCOMING
18 PRESIDENTIAL SEARCH THAT WE'RE ENGAGED IN AT THE
19 MOMENT.

20 SO JUST TO GIVE YOU A LITTLE BACKGROUND OF
21 THE EVOLUTION, THE BOARD HAS DISCUSSED AT SEVERAL BOARD
22 MEETINGS WHAT THE OVERALL VIEW OF THE BOARD IS AS TO
23 ITS EXPECTATIONS OF THE CHAIR. AND AFTER A NUMBER OF
24 MEETINGS WHERE THIS WAS DISCUSSED, BOTH IN OPEN SESSION
25 AND, WHEN IT DEALT WITH SPECIFIC INDIVIDUALS, IN

1 PRIVATE SESSION, I BELIEVE THAT THE STRONG CONSENSUS OF
2 THE BOARD HAS BEEN THAT THE BOARD WOULD PREFER TO HAVE
3 A NONEXECUTIVE CHAIRMAN. IT'S THAT GENERAL GUIDANCE
4 THAT I'VE GONE FORWARD TO WORK ON THIS DOCUMENT.

5 HOWEVER, A NONEXECUTIVE CHAIRMAN IS A ROLE
6 WHICH IS NOT REALLY ANTICIPATED IN ITS ENTIRETY BY PROP
7 71. SO I THINK, AS YOU ALL KNOW, A TRADITIONAL
8 NONEXECUTIVE CHAIRMAN WOULD CHAIR BOARD MEETINGS, WOULD
9 BE INVOLVED IN OVERALL SUPERVISION OF THE ORGANIZATION,
10 ETC., BUT WOULD NOT HIMSELF OR HERSELF ENGAGE IN WHAT
11 WOULD TYPICALLY BE CONSIDERED AS MANAGEMENT ACTIVITIES.
12 HOWEVER, THE CURRENT CHAIR, AND I BELIEVE ANY CHAIR,
13 HAS CERTAIN DUTIES THAT ARE SPECIFIED UNDER PROP 71.
14 AND THERE IS A GENERAL UNDERSTANDING THAT, IRRESPECTIVE
15 OF THE DETAILS OF THOSE REQUIREMENTS, THAT THE CHAIR IS
16 RESPONSIBLE FOR TWO AREAS OF ACTIVITY FOR ICOC AND,
17 THEREFORE, CIRM. ONE OF THOSE IS FINANCING; THAT IS,
18 BRINGING MONEY INTO THE CIRM ORGANIZATION FROM THE
19 OUTSIDE, WHETHER THAT BE FROM PHILANTHROPIC SOURCES,
20 FROM THE STATE GOVERNMENT, ETC.

21 SO THE CHAIR HAS TAKEN RESPONSIBILITY FOR
22 THOSE ACTIVITIES, AND THE CHAIR HAS ALSO BEEN HEAVILY
23 ENGAGED IN AND EXPECTED TO BE SO IN LITIGATION MATTERS
24 AFFECTING ICOC AND CIRM GOING FORWARD.

25 IN ADDITION TO THAT, THERE ARE CERTAIN DUTIES

1 THAT ARE SPECIFIED FOR THE CHAIR WITHIN PROP 71, SORT
2 OF UNDER THIS BROADER UMBRELLA, BUT SOME NOT UNDER THE
3 BROADER UMBRELLA. SOME OF THESE CAN BE DELEGATED TO
4 OTHERS, SOME MAY NOT BE DELEGATED. FOR EXAMPLE, THE
5 CHAIRMAN HAS THE RESPONSIBILITY OF PRODUCING AN ANNUAL
6 REPORT. THAT LANGUAGE IS PRETTY CLEAR, THAT THE
7 CHAIRMAN HAS TO HAVE A SUPERVISORY, DIRECT SUPERVISORY
8 ROLE OVER THE ANNUAL REPORT, ETC. OTHER ASPECTS OF THE
9 CHAIR'S RESPONSIBILITIES CAN BE DELEGATED.

10 AND JAMES HAS GONE CAREFULLY THROUGH THIS
11 DOCUMENT, AND I HAVE TO SAY THE DOCUMENT YOU SEE IN
12 FRONT OF YOU TODAY IS A PRODUCT OF A NUMBER OF
13 ITERATIONS BETWEEN AND AMONG VARIOUS PEOPLE WHO HAVE
14 EXAMINED THIS SITUATION TO MAKE RECOMMENDATIONS TO ME
15 ABOUT WHAT SHOULD BE IN HERE. AND I BELIEVE AT THIS
16 POINT, JAMES, I'D LIKE TO ASK YOU TO REITERATE YOUR
17 VIEW THAT THE DOCUMENT AS STATED IS CONSISTENT WITH
18 PROP 71; IS THAT CORRECT?

19 MR. HARRISON: THAT'S CORRECT. AS ED SAID,
20 THERE ARE CERTAIN SPECIFIED DUTIES IN PROP 71 THAT ARE
21 ASSIGNED BOTH TO THE CHAIR AND TO THE PRESIDENT. SO
22 WHILE THERE ARE CERTAIN RESPONSIBILITIES THAT CAN BE
23 DELEGATED, OPERATIONAL AND FUNCTIONAL DUTIES, FOR
24 EXAMPLE, THERE ARE OTHERS THAT THE CHAIR SIMPLY CAN'T
25 DELEGATE AWAY ALL RESPONSIBILITY, FOR OVERSIGHT, FOR

1 EXAMPLE. BUT WE HAVE CAREFULLY TRIED TO DRAW THE LINE
2 BETWEEN THOSE IN WHICH THE CHAIR HAS A DIRECT
3 SUPERVISORIAL ROLE AND THOSE IN WHICH HE HAS AN
4 OVERSIGHT ROLE.

5 DR. PENHOET: THANK YOU. SO IN ADDITION TO
6 MY OWN WORK ON THE SUBJECT AND CONVERSATIONS WITH
7 VARIOUS PEOPLE, THREE BOARD MEMBERS AND ACTUALLY THREE
8 MEMBERS OF THIS COMMITTEE VOLUNTEERED TO HELP ME IN
9 THINKING THROUGH THIS RECOMMENDATION TO THE REST OF YOU
10 ABOUT THE MANAGEMENT OF CIRM. AND THOSE THREE PEOPLE
11 WERE TINA NOVA, RICH MURPHY, AND PHIL PIZZO, WHO
12 GRACIOUSLY GAVE A FULL DAY OF THEIR TIME, PLUS A LOT OF
13 ADDITIONAL -- A FULL DAY OF THEIR TIME AT CIRM
14 INTERVIEWING A LARGE NUMBER OF EMPLOYEES WHO WORK HERE,
15 PLUS A FAIR AMOUNT OF TIME OUTSIDE THAT MEETING, I
16 KNOW, TO SORT OF THINK ABOUT WHAT THEY HAD HEARD HERE
17 AND GIVE ME SOME FEEDBACK TO USE IN THIS DOCUMENT, SO I
18 TRIED TO REFLECT HERE THE FEEDBACK I'VE GOTTEN FROM
19 THOSE THREE PEOPLE WHO GRACIOUSLY, AS I SAID, SPENT A
20 FAIR AMOUNT OF TIME ON THE MANAGEMENT ISSUES OF CIRM.

21 SO WITH ALL THOSE THINGS THERE AS A
22 BACKGROUND, IT'S A SENTIMENT ON THE BOARD IN FAVOR OF A
23 RESTRICTED ROLE OF THE CHAIRMAN, A NONEXECUTIVE
24 CHAIRMAN. THE REALITY OF PROP 71, THE REALITY OF OUR
25 CURRENT CHAIRMAN'S EXPERTISE IN FINANCING AND IN

1 LITIGATION, WE'VE GONE FORWARD WITH THE DOCUMENT YOU
2 SEE IN FRONT OF YOU.

3 THE DOCUMENT, I BELIEVE, IS FAIRLY
4 SELF-EXPLANATORY, ALTHOUGH I'D BE HAPPY TO ANSWER ANY
5 QUESTIONS YOU HAVE.

6 ONE OF THE FIRST PRINCIPLES THAT WE DEVELOPED
7 AND DID DISCUSS IS THAT ALL EMPLOYEES OF THE INSTITUTE
8 SHOULD REPORT TO OR THROUGH OTHERS TO THE PRESIDENT
9 WITH THE EXCEPTION OF THE CHAIR AND THE VICE CHAIR.
10 AND THAT THE PRESIDENT AND HIS STAFF ARE CHARGED WITH
11 THE RESPONSIBILITY OF STAFFING APPROPRIATELY THE OFFICE
12 OF THE CHAIR AND THE VICE CHAIR.

13 AFTER A FAIR AMOUNT OF DISCUSSION OF WHAT
14 THAT STAFFING SHOULD CONSIST OF, I'VE MADE A
15 RECOMMENDATION HERE THAT THAT STAFFING SHOULD BE THREE
16 INDIVIDUALS ASSIGNED TO THE OFFICE OF THE CHAIR AND ONE
17 TO THE VICE CHAIR FOR A TOTAL OF FOUR CIRM EMPLOYEES
18 WHO ESSENTIALLY ARE ASSIGNED TO CARRY OUT THE DUTIES OF
19 THE -- HELP THE CHAIR AND THE VICE CHAIR CARRY OUT
20 THEIR DUTIES. SO IN THAT REGARD, THEY'LL ALL HAVE THE
21 SAME SALARY STRUCTURES, THEY'LL ALL REPORT THROUGH THE
22 SAME ORGANIZATION, SO THERE'S REAL CONSISTENCY
23 THROUGHOUT THE ORGANIZATION GOING FORWARD.

24 WITH RESPECT TO HIRING AND FIRING, THIS
25 DOCUMENT GIVES TO THE PRESIDENT FULL AUTHORITY FOR

1 HIRING AND FIRING ALL EMPLOYEES EXCEPT THE GENERAL
2 COUNSEL, WHICH I HAVE RECOMMENDED HERE SHOULD BE
3 SUBJECT TO THE CHAIR'S CONCURRENCE. BOB HAS EXPERTISE
4 IN THIS FIELD, AND WE HAVE DISCUSSED THIS BETWEEN JAMES
5 AND I AND BOB AND ZACH AND OTHERS HAVE DISCUSSED THIS.
6 THE REALITY IS THAT BOB WILL CONTINUE TO BE VERY ACTIVE
7 ON THE LITIGATION FRONT AND SHOULD HAVE CONCURRENCE ON
8 THE LEGAL COUNSEL, THE GENERAL COUNSEL OF THE CIRM,
9 BECAUSE THERE WILL BE A NUMBER OF NECESSARY
10 INTERACTIONS THERE ON A VERY FREQUENT BASIS, IF NOT
11 DAILY BASIS. SO THE THOUGHT THERE WAS THAT BOB SHOULD
12 CONCUR ON THAT APPOINTMENT.

13 ALL OTHER APPOINTMENTS WOULD BE SUBJECT TO
14 THE FINAL DECISION BY THE PRESIDENT ON THE HIRING. AND
15 IN THE CASE OF THE GENERAL COUNSEL, WE DON'T TALK ABOUT
16 FIRING IN THIS DOCUMENT, BUT I BELIEVE THAT HIRING IS
17 SUBJECT TO THE CHAIR'S APPROVAL ESSENTIALLY. I DON'T
18 THINK IT'S NECESSARY HERE TO DEAL WITH THE FIRING.

19 I THINK WITH RESPECT TO GENERAL COUNSEL, THE
20 EXPECTATION IS, AND IT'S NOT TOTALLY SPELLED OUT IN
21 HERE, AS MANY THINGS ARE NOT TOTALLY SPELLED OUT IN
22 HERE, OTHERWISE, YOU'D GET INTO THE LEVEL OF DETAIL,
23 THE EXPECTATION IS THAT WE WOULD CONTINUE TO -- WELL,
24 LET ME SAY I MYSELF INTERVIEWED THE CANDIDATES THAT WE
25 HAVE FOR THE GENERAL COUNSEL POSITION. THEIR

1 EXPECTATION IS THAT THEY WOULD STILL DRAW ON MANY
2 OUTSIDE SOURCES, INCLUDING JAMES, FOR EXAMPLE, AND WORK
3 WITH BOB AND JAMES AND OTHERS AS WE NEED SPECIALIZED
4 LEGAL HELP ON THE OUTSIDE TO DO THINGS TO BE INVOLVED
5 IN THAT.

6 SO THE BALANCE OF, YOU KNOW, HOW MUCH TIME IS
7 ALLOCATED TO JAMES, ETC., WOULD BE SUBJECT TO
8 DISCUSSION OF THE PRESIDENT AND THE CHAIRMAN TO SERVE
9 THEIR VARIOUS DIFFERENT NEEDS GOING FORWARD. SO THE
10 CHAIRMAN IN THIS DOCUMENT CAN CONCUR, MUST CONCUR ON
11 THE CHOICE OF A GENERAL COUNSEL.

12 THE ASSIGNMENTS, AS I SAID, OF THE
13 ORGANIZATION IN TERMS OF THE VARIOUS DIFFERENT OFFICES
14 ARE SPELLED OUT IN THIS DOCUMENT IN TERMS OF WHAT THEY
15 WOULD BE IN THE CIRM ORGANIZATION ITSELF. THIS IS THE
16 CURRENT ORGANIZATION THAT YOU SEE IN FRONT OF YOU.
17 IT'S SUBJECT TO CHANGE IN THE FUTURE DEPENDING ON THE
18 PEOPLE THAT GET HIRED HERE, ETC., BUT I THINK IT'S A
19 STRONG EXPECTATION THAT IT WILL BE LARGELY WHAT IS
20 PRESENT IN THIS DOCUMENT GOING FORWARD.

21 SO THIS IS WHERE WE COME TO WITH THIS. YOU
22 KNOW, I APPRECIATE ALL THE HELP I'VE GOTTEN FROM MANY
23 PEOPLE, PEOPLE WHO WORK HERE, FROM BOTH ZACH AND BOB,
24 THINKING THROUGH HOW THIS DOCUMENT SHOULD BE
25 STRUCTURED. A LOT OF HELP FROM JAMES. I'M ESPECIALLY

1 THANKFUL TO TINA, RICH, AND PHIL FOR THEIR GUIDANCE IN
2 DEVELOPING THIS DOCUMENT AND HELPING TO ANALYZE AND
3 UNDERSTAND THE WORKINGS OF CIRM AND HOW IT RELATES TO
4 THE ICOC GOING FORWARD.

5 SO WITH THAT, I WILL BE HAPPY TO TAKE
6 QUESTIONS FROM THE COMMITTEE, OF WHICH I AM NOT A
7 MEMBER, AS YOU KNOW.

8 MR. KLEIN: SHERRY, THIS IS BOB. I'D LIKE TO
9 FOLLOW UP ON ED'S COMMENTS.

10 CHAIRPERSON LANSING: SURE.

11 MR. KLEIN: FIRST OF ALL, IT'S VERY HELPFUL
12 TO HAVE SOME CERTAINTY AND PREDICTABILITY IN THE
13 GOVERNANCE, AND WITH SOME DETAILED STRUCTURES, WE CAN
14 HAVE A SMOOTH OPERATION. IT HAS, IN FACT, THOUGH, BEEN
15 AN INTERIM PROCEDURE IN THAT WE HAVE TO ATTRACT THE
16 BEST PRESIDENT, WHOSE ROLE WILL HAVE TO LOOK AT, AS THE
17 DOCUMENT ITSELF SUGGESTS, AT REOPTIMIZING THIS FOR A
18 NEW PRESIDENT SO WE GIVE THEM THE KIND OF STRUCTURE AND
19 MIX THAT WORKS OPTIMALLY TO SERVE THEIR NEEDS. BUT ON
20 AN INTERIM BASIS, THERE'S NOT GOING TO BE AN OPTIMAL
21 OUTCOME THAT MEETS THE THREE OBJECTIVES, BUT THIS IS
22 ONE THAT WORKS, I THINK.

23 THERE ARE SOME AREAS THAT I THINK NEED TO BE
24 EXPLORED IN TERMS OF WHETHER THE PERSONNEL IS
25 SUFFICIENT TO COVER THE RESPONSIBILITIES WITH THE HEAVY

1 BOARD AND SUBCOMMITTEE WORK AND FINANCING ISSUES OVER
2 THE NEXT SIX TO NINE MONTHS IN PARTICULAR. BUT THOSE
3 ARE SOMETHING WE CAN LOOK AT, AS IT SAYS, ON A PERIODIC
4 BASIS.

5 AND IN TERMS OF THE GENERAL COUNSEL, A VERY
6 IMPORTANT POINT WAS MADE BY ED IS THAT IN TERMS OF
7 GENERAL COUNSEL, THE BOARD HAS TREMENDOUS RELIANCE ON
8 THE GENERAL COUNSEL, OF JAMES' INPUT INTO THOSE BOARD
9 MEETINGS TO MAKE SURE THAT WE'RE WORKING DOWN THE
10 PATHWAYS THAT IN A VERY DETAILED WAY HAVE TO BE
11 FOLLOWED FOR TRANSPARENCY, FOR ACCOUNTABILITY, FOR
12 STATUTORY PURPOSES, AND FOR OUR OWN CONFLICTS
13 PROVISIONS. THAT'S A VERY INTRICATE RELATIONSHIP, AND
14 JAMES HAS A TREMENDOUS BODY OF KNOWLEDGE AND HISTORY
15 OPERATIONALLY THAT IS HELPFUL TO US IN MAKING SURE WE
16 REACH THE HIGHEST STANDARDS FOR THE STATE AND FOR OUR
17 MISSION.

18 SO HAVING THE CHAIR BEING ABLE TO, FOR THE
19 BOARD'S PURPOSES, ACCESS JAMES' TALENT AND EXPERIENCE
20 AS NEEDED TO SERVE THE BOARD AND SUBCOMMITTEES IS, IN
21 FACT, VERY IMPORTANT. I APPRECIATE THE RECOGNITION OF
22 THAT.

23 THE OTHER POINT HERE IS THAT IN TERMS OF THE
24 BOARD HAVING MANAGEMENT AND CONTROL AS THE CORE OF OUR
25 CONSTITUTIONAL RESPONSIBILITIES, THE OVERSIGHT FUNCTION

1 OF THE BOARD IS VERY IMPORTANT. AND I APPRECIATE THE
2 RECOGNITION IN HERE THAT THE CHAIR HAS TO BE ABLE TO
3 CONVEY TO THE BOARD THE OVERSIGHT MATERIALS, THE
4 OVERSIGHT FUNCTION. AS JAMES SAYS, THERE ARE CERTAIN
5 FUNCTIONS THAT IT IS HUGELY BENEFICIAL TO DELEGATE, BUT
6 I STILL HAVE OVERSIGHT RESPONSIBILITY, AND THE BOARD
7 HAS OVERSIGHT RESPONSIBILITY, WHICH WE WILL FULFILL
8 FULLY.

9 BUT BASICALLY WITH THOSE STATEMENTS, I THINK
10 THAT THIS DOCUMENT GETS US TO A GOOD WORKING DEFINITION
11 OF WHERE WE NEED TO BE AND ALLOWS US TO HAVE THE
12 ABILITY TO MOVE FORWARD SMOOTHLY.

13 CHAIRPERSON LANSING: THANK YOU. THANK YOU.
14 ANY OTHER COMMENTS FROM ANY OTHER MEMBERS OF THE BOARD?

15 MR. ROTH: SHERRY, IT'S DUANE ROTH. I WONDER
16 IF I COULD ASK ED, ON THE CONCURRENCE OF THE CHAIR FOR
17 THE REMOVAL OF THE GENERAL COUNSEL, DID YOU ALSO
18 CONSIDER THAT FOR THE CHIEF FINANCIAL OFFICER?

19 DR. PENHOET: NO. AND I DON'T THINK IT'S
20 APPROPRIATE. YOU KNOW, ALL OF THE SPENDING OF THIS
21 ORGANIZATION IS THE RESPONSIBILITY OF THE PRESIDENT
22 WITH GENERAL OVERSIGHT FROM THE BOARD AS A WHOLE AND
23 FROM THE CHAIR. BOB'S RESPONSIBILITY IS FOR BRINGING
24 MONEY INTO THE ORGANIZATION, AND HE IS, I THINK, FULLY
25 PREPARED TO TAKE THAT RESPONSIBILITY AND BE ACCOUNTABLE

1 FOR IT, BUT THE CHIEF FINANCIAL OFFICER HERE, THE JOB
2 IS ALMOST EXCLUSIVELY TO MANAGE THE OUTFLOWS OF MONEY
3 AND TO DO BUDGETS AND ALL THE OTHER THINGS ASSOCIATED
4 WITH THAT. SO I -- ACTUALLY IT WAS NOT PROPOSED HERE
5 BY ANYONE UNTIL YOU JUST PROPOSED IT THAT THAT WOULD BE
6 THE CASE FOR THE CHIEF FINANCIAL OFFICER AS WELL.

7 MR. ROTH: MY CONCERN IS SIMPLY IN THE
8 CORPORATE WORLD TODAY, AS YOU WELL KNOW, THAT'S A VERY
9 SENSITIVE POSITION, THAT THE CFO HAVE THE FREEDOM TO BE
10 ABLE TO EXPRESS CONCERNS THAT ARE DISCOVERED IN ANY
11 ASPECT OF THE FINANCIAL HANDLING OF AN ORGANIZATION
12 DIRECTLY TO THE BOARD.

13 DR. PENHOET: YES.

14 MR. ROTH: AND THAT'S WHY I RAISED IT, SIMPLY
15 TO SAY SHOULD WE MAYBE CONSIDER THAT AS ANOTHER AREA OF
16 SENSITIVITY WITH SPECIAL CONSIDERATION FOR TERMINATION?

17 DR. PENHOET: I THINK WE CAN ENSURE
18 TRANSPARENCY OF FINANCIALS TO THE BOARD WITHOUT HAVING
19 THE CHAIR HAVE TO CONCUR IN HIRING AND FIRING OF THE
20 CHIEF FINANCIAL OFFICER. IT WOULD BE -- YOU KNOW, IN
21 MY OWN EXPERIENCE ON BOARDS, VERY FEW BOARDS I KNOW GET
22 INVOLVED IN -- YOU KNOW, THEY MIGHT GET INVOLVED --
23 THEY HAVE TO APPROVE ALL OFFICERS OF THE CORPORATION.
24 I THINK IT WOULD BE -- I THINK IN THIS CASE, WITH THE
25 CURRENT SPLIT OF RESPONSIBILITIES, I THINK AS A BOARD

1 WE HAVE AN OBLIGATION TO ENSURE TRANSPARENCY. WE ARE
2 AUDITED BY A STATE AGENCY AS WELL AS BY OUR OWN
3 AUDITORS, SO I THINK WE'RE FAIRLY WELL COVERED ON THAT
4 FRONT.

5 DR. HENDERSON: BRIAN HENDERSON HERE. JUST
6 FOR MY INFORMATION, UNDER THE RESPONSIBILITIES, FOR
7 EXAMPLE, OF THE CHAIR OF THE ICOC, YOU HAVE NO. 2, TO
8 SUPERVISE THE ANNUAL REPORT. AND THAT'S BECAUSE THAT'S
9 THE WAY IT WAS WRITTEN IN PROP 71.

10 DR. PENHOET: MOST OF WHAT YOU SEE UNDER THE
11 CHAIR IS DIRECTLY FROM PROP 71.

12 DR. HENDERSON: AND HOW DOES ONE AMEND OR
13 CHANGE THAT DOCUMENT OR THAT RESPONSIBILITY IF IT
14 DOESN'T SEEM APPROPRIATE, YOU KNOW, IN RETHINKING GIVEN
15 THAT NO DOCUMENT IS PERFECT?

16 DR. PENHOET: I THINK THE ONLY WAY TO AMEND
17 PROP 71, IF I UNDERSTAND CORRECTLY, IS GO BACK TO THE
18 VOTERS; ISN'T THAT RIGHT, BOB?

19 MR. KLEIN: YEAH. WELL, THE LEGISLATURE HAS
20 THE ABILITY TO AMEND IT. BUT THE OTHER ISSUE IS, DR.
21 HENDERSON, THE ANNUAL REPORT --

22 DR. HENDERSON: NO. I'M JUST TALKING ABOUT
23 THAT AS AN EXAMPLE. NO, I DON'T WANT TO GET INTO, YOU
24 KNOW, A DETAILED DISCUSSION OF ANY PARTICULAR ISSUE,
25 BUT JUST IF THERE'S A RESPONSIBILITY OF THE CHAIR OR

1 NOT THAT DOESN'T SEEM APPROPRIATE IN RETHINKING OR WITH
2 EXPERIENCE, IS THERE A WAY TO CHANGE IT?

3 CHAIRPERSON LANSING: JAMES, YOU WANT TO
4 ANSWER THAT BECAUSE I THINK YOU CAN GO TO THE
5 LEGISLATURE TOO.

6 MR. HARRISON: THAT'S RIGHT. AS BOB WAS
7 STARTING TO EXPLAIN, THERE IS A PROVISION IN
8 PROPOSITION 71 THAT PERMITS AMENDMENT BY THE
9 LEGISLATURE TO ENHANCE THE PROVISIONS OF PROPOSITION
10 71, AND A VOTE OF 70 PERCENT OF EACH HOUSE IS REQUIRED
11 FOR PASSAGE.

12 DR. HENDERSON: EVEN AT THIS LEVEL OF DETAIL,
13 HUH?

14 MR. HARRISON: THAT'S CORRECT.

15 DR. HENDERSON: WOW.

16 DR. PENHOET: AND I MUST SAY IN MY OWN
17 APPROACH WITH THIS WAS TO ASK BOB TO DELEGATE ALL THE
18 THINGS THAT HE COULD DELEGATE. AND HE'S NODDING IN
19 AGREEMENT, THAT THAT'S WHAT I'VE ASKED HIM TO DO, AND
20 HE'S BEEN COOPERATIVE IN DOING THAT.

21 MR. KLEIN: YEAH. OTHER THAN THE AREAS OF
22 LITIGATION AND FINANCE WHERE WE AGREE. I THINK WE'VE
23 HAD A NUMBER OF DISCUSSIONS. BECAUSE OF MY PARTICULAR
24 BACKGROUND, THERE IS, PARTICULARLY IN THE NEXT COUPLE
25 OF YEARS WHILE WE CONTINUE TO SEE LITIGATION, LIKE THE

1 UC LITIGATION THAT'S GOING ON, IN ADDITION TO THE
2 CONSTITUTIONAL LITIGATION AND THE FINANCING CHALLENGES
3 OF INNOVATION THAT ARE UPON US EVERY WEEK, EVEN WITH
4 THE ABLE GUIDANCE OF LORI HOFFMAN, OUR CHIEF FINANCIAL
5 OFFICER WHO'S VERY GOOD, THERE ARE CONSTANT INNOVATIONS
6 WITH THE TREASURER, THE CONTROLLER, AND THE STATE
7 DIRECTOR OF FINANCE THAT REQUIRE, NOT JUST THE
8 INTERFACE BETWEEN BOND FINANCING AND INTERVENTION AND
9 DISCUSSION DIRECTLY AT THE CONSTITUTIONAL OFFICER
10 LEVEL, AND THAT IT APPEARS TO BE A VERY EFFECTIVE
11 COOPERATIVE RELATIONSHIP IN INTERFACING WITH THE CHIEF
12 ADMINISTRATIVE/FINANCIAL OFFICER IN THAT REGARD.

13 DR. POMEROY: SHERRY, THIS IS CLAIRE.

14 CHAIRPERSON LANSING: YES, CLAIRE.

15 DR. POMEROY: I'D LIKE TO CONGRATULATE ED ON
16 REALLY DOING A SUPERB JOB IN SUMMARIZING WHAT I THINK
17 WAS THE SENSE OF THIS COMMITTEE OF WHAT WE WANTED TO
18 HAVE HAPPEN. AND I THINK HE'S GOT IT EXACTLY RIGHT.

19 I HAVE JUST ONE MINOR, MINOR QUESTION OF
20 CLARIFICATION FOR ED. AND THAT'S UNDER SECTION 4 B.
21 THERE'S AN EXECUTIVE COMMITTEE OF THE INSTITUTE, AND
22 IT'S ONLY CONFUSING BECAUSE IT SAYS IT WILL BE
23 CONSTITUTED BY OTHER SENIOR OFFICERS OR STAFF WHOM THE
24 PRESIDENT WISHES TO INCLUDE, AND THEN IT SAYS AND STAFF
25 WHOM THE PRESIDENT AND VICE CHAIR UNANIMOUSLY AGREE

1 SHALL BE INCLUDED.

2 SO DOES INCLUSION OF OTHER STAFF REQUIRE
3 UNANIMOUS AGREEMENT, OR CAN THE PRESIDENT -- DOES THE
4 PRESIDENT HAVE THE AUTHORITY TO PUT STAFF ON IT? IT'S
5 JUST A CLARIFICATION.

6 DR. PENHOET: WELL, THE NOTION WAS THAT IT'S
7 THE PRESIDENT'S MEETING, SO HE CAN INVITE WHOEVER HE
8 WISHES. OUTSIDE WHAT HE WISHES, IF WE ALL AGREE
9 THERE'S SOMEBODY ELSE, WE WANT TO INVITE YOU TO THE
10 EXECUTIVE COMMITTEE, IF THE THREE OF US AGREE, WE CAN
11 INVITE YOU. I THINK THAT'S WHAT IT'S INTENDED TO SAY.

12 MR. KLEIN: IT'S NOT LIMITING THE PRESIDENT'S
13 ABILITY TO INVITE STAFF, BUT WE'RE TRYING TO KEEP THE
14 MEETING FAIRLY SMALL, SO THE THOUGHT WAS THAT
15 ADDITIONAL STAFF OUTSIDE WHO THE PRESIDENT WANTS, SINCE
16 THAT'S THE PRESIDENT'S MEETING, WOULD NEED A CONSENSUS.
17 THE EXECUTIVE --

18 DR. POMEROY: I GOT IT.

19 MR. KLEIN: OKAY. THE EXECUTIVE MEETING FOR
20 THE BOARD IS UNDER SUB A, TO SET THE BOARD AGENDA,
21 ETC., THAT'S A DIFFERENT MEETING.

22 DR. POMEROY: OKAY.

23 DR. PENHOET: JUST TO BE CLEAR, THE FIRST IN
24 A IS CHAIRED BY BOB, AND THAT'S FOR ICOC MATTERS, AND
25 THE SECOND, B, THE EXECUTIVE COMMITTEE IS AN EXECUTIVE

1 MEETING CHAIRED BY ZACH.

2 DR. POMEROY: AND HE CAN INVITE WHOEVER -- OR
3 WHOEVER THE PRESIDENT IS CAN INVITE WHOEVER THEY WANT?

4 MR. KLEIN: THAT'S RIGHT.

5 DR. POMEROY: THE SECOND ONE.

6 MR. KLEIN: THAT'S RIGHT.

7 DR. PENHOET: AMONG HIS STAFF.

8 DR. POMEROY: RIGHT. GOT IT.

9 DR. STEWARD: THIS IS OS AT IRVINE.

10 QUESTION. A COUPLE OF PLACES THIS DOCUMENT REFERS TO
11 AN ORG CHART AS ATTACHED. I GUESS AT SOME POINT WE'RE
12 GOING TO BE ASKED TO VOTE ON THIS, AND THIS IS MAINLY
13 PROCEDURAL. I WAS NOT ABLE TO FIND THE ORG CHART.

14 CHAIRPERSON LANSING: THAT WAS MY QUESTION.
15 YOU TOOK MY QUESTION AWAY.

16 DR. PENHOET: IT WAS NOT ATTACHED, AND THAT
17 WAS AN OVERSIGHT ON MY PART.

18 MR. KLEIN: IT'S JUST THAT ED'S NOT AS GOOD
19 AT DRAWING THINGS.

20 CHAIRPERSON LANSING: I ACTUALLY WAS WAITING
21 TILL EVERYBODY, AND I SAID EITHER I'M BLIND OR THERE'S
22 NO ORG CHART. SO WILL YOU SEND IT TO US JUST FOR
23 INFORMATION?

24 MR. KLEIN: HE SAID YES.

25 DR. PENHOET: OF COURSE.

1 DR. REED: THANK YOU.

2 MR. SIMPSON: WILL THAT ORG CHART BE POSTED
3 PUBLICLY TOO?

4 DR. PENHOET: SURE. WHY NOT?

5 DR. PENHOET: BUT YOU KNOW THE ORG CHART IS
6 AN EVOLVING DOCUMENT. I THINK THIS IS MEANT TO BE A
7 PERMANENT DOCUMENT UNTIL AMENDED. SO THE ORG CHART
8 SHOULD BE SEEN AS AN ATTACHMENT.

9 CHAIRPERSON LANSING: GREAT. AND YOU CAN SAY
10 THAT.

11 DR. POMEROY: SHERRY, THIS IS CLAIRE. I MOVE
12 APPROVAL.

13 MR. SERRANO-SEWELL: COULD YOU TAKE OTHER
14 COMMENTS?

15 MR. REED: PUBLIC COMMENT TOO.

16 CHAIRPERSON LANSING: YES. IS THERE A SECOND
17 FOR THE APPROVAL, AND THEN I'LL GO FOR OTHER COMMENTS?

18 DR. REED: SECOND.

19 DR. MURPHY: SECOND.

20 CHAIRPERSON LANSING: OKAY. THEN DAVID.

21 MR. SERRANO-SEWELL: YEAH. I'M OKAY WITH THE
22 DOCUMENT, THOUGH I DO WANT TO RECOGNIZE THAT IT IS --
23 IT'S BEEN AN EVOLVING PROCESS AND A DIFFICULT TASK THAT
24 THE ICOC DELEGATED TO ED, BUT HE STEPPED UP TO THE
25 PLATE AND DID HIS TASK AND IS TURNING IN A FINE WORK

1 PRODUCT. SO I DON'T WANT TO QUIBBLE WITH IT.

2 BUT I DO WANT TO MAKE THREE POINTS. ONE IS I
3 THINK IT'S A PRODUCT THAT'S RESULTING FROM THE CURRENT
4 RELATION BETWEEN THE CHAIR AND THE PRESIDENT. WE KNOW
5 THE PRESIDENT IS LEAVING, AND WE'RE GOING TO BE HIRING
6 A NEW PRESIDENT SOON. AND SO THIS IS AN INTERIM IN
7 THAT REGARD.

8 SECONDLY, THAT I THINK FOR THE OFFICE OF THE
9 CHAIR CURRENTLY, YOU KNOW, THERE'S THREE PEOPLE. I
10 THINK FOUR WOULD BE BETTER, BUT THAT'S PROBABLY GOING
11 TO BE A WORK IN PROGRESS AS WELL.

12 AND THEN, LASTLY, SORT OF A SPECIFIC COMMENT,
13 AND THAT IS TO SECTION 4 A, LEADERSHIP AND MANAGEMENT
14 OF THE COMMITTEE. 4 A, AS I UNDERSTAND IT, IS THE
15 COMMITTEE THAT THE CHAIR OF THE ICOC WILL PRESIDE OVER.

16 DR. PENHOET: THAT'S CORRECT.

17 MR. SERRANO-SEWELL: IT SAYS IN THE SECOND
18 SENTENCE, ED, THE ICOC EXECUTIVE COMMITTEE WILL MEET ON
19 ALL BOARD MATTERS. THE SECOND SENTENCE, THE ICOC
20 EXECUTIVE COMMITTEE WILL MEET ON ALL BOARD MATTERS, SO
21 I WANT THAT -- DID YOU ENVISION THAT THAT WOULD ALSO
22 INCLUDE THE AGENDA SETTING FOR THE ICOC ITSELF? WHAT I
23 WANT TO SAY IS THAT THE EXECUTIVE -- THIS EXECUTIVE
24 COMMITTEE WILL WORK THROUGH SETTING THE ICOC AGENDA.

25 DR. PENHOET: IT'S THE DUTY OF THE CHAIR.

1 MR. SERRANO-SEWELL: THAT IS THE DUTY OF THE
2 CHAIR?

3 DR. PENHOET: YES.

4 MR. KLEIN: IT ACTUALLY -- PROP 71 DESCRIBES
5 THAT AS THE DUTY OF THE CHAIR, BUT THIS GIVES AN
6 EXECUTIVE COMMITTEE SO I CAN HAVE THE INPUT AND DEALING
7 WITH THE CHAIRS OF THE SUBCOMMITTEES OF THE BOARD IN
8 TRYING TO BALANCE THE NEEDS FOR -- PRIORITIES ON
9 AGENDAS AND WORK FLOWS IN GETTING THERE.

10 MR. SERRANO-SEWELL: OKAY. JUST SO WE'RE
11 CLEAR. THANK YOU.

12 CHAIRPERSON LANSING: ZACH, YOU'VE BEEN
13 UNUSUALLY QUIET. DO YOU HAVE ANY COMMENT?

14 DR. HALL: I DO. I HAVE SOME SPECIFIC
15 COMMENTS AND I HAVE SOME GENERAL COMMENTS. SOME
16 SPECIFIC THINGS ON THE ISSUES OF CLARITY, ONE IS THE
17 QUESTION OF WHETHER THE DOCUMENT SHOULD OR SHOULD NOT
18 SPECIFY WHO THE MEMBERS OF THE ICOC EXECUTIVE COMMITTEE
19 ARE. AND I JUST LEAVE THAT -- LET ME JUST GO THROUGH
20 ALL THIS AS YOU WISH.

21 A SECOND ISSUE IS THAT 4 B, EXECUTIVE
22 COMMITTEE OF THE INSTITUTE, IT SAYS THAT THE CHIEF OF
23 STAFF TO THE CHAIR MAY ATTEND AS STAFF FOR THE CHAIR.
24 AS WE ALL KNOW, AMY DUROSS IS LEAVING, AND RIGHT NOW
25 THAT POSITION IS BEING REPLACED. THERE IS A JOB

1 LISTING FOR A SENIOR AIDE TO THE CHAIR, WHICH, AS I
2 UNDERSTAND, WILL REPLACE AMY. AND SO MAYBE IN THE
3 ABSENCE OF A CHIEF OF STAFF TO THE CHAIR, MAYBE ONE
4 SHOULD JUST SAY A MEMBER OF THE CHAIR'S STAFF ATTEND.
5 AND THAT WOULD BE UP TO THE CHAIR, WHOEVER THAT MIGHT
6 BE.

7 MR. KLEIN: THAT IS FINE WITH ME. I ACTUALLY
8 DON'T THINK THE SENIOR AIDE ACTUALLY WILL REPLACE AMY
9 DUROSS BECAUSE OF THE NEED FOR VERY ADVANCED LEGAL
10 AND/OR FINANCIAL CAPACITY, THAT AS BRILLIANT AS THE
11 SENIOR AIDE IS OR THE OTHER AIDE IS, THEY HAVE
12 CONTRIBUTIONS WITHOUT THE LEGAL BACKGROUND AND THE
13 FINANCIAL BACKGROUND THAT WE MAY NEED FOR THAT OTHER
14 POSITION. BUT I THINK THAT DR. HALL'S SUGGESTION IS A
15 GOOD ONE. JUST SAY A MEMBER OF THE CHAIR'S STAFF.

16 DR. PENHOET: OF HIS CHOOSING.

17 DR. HALL: WHO MAY BE A CHIEF OF THE STAFF IN
18 THE FUTURE.

19 MR. KLEIN: THAT'S RIGHT.

20 DR. HALL: BUT IF NOT, YOU CAN ALWAYS DO --

21 MR. KLEIN: OKAY.

22 DR. HALL: SPECIFIC POINTS. ONE, JUST AS A
23 MATTER OF TO BE ACCURATE ABOUT IT, THE 3 A SAYS THE
24 PRESIDENT SHALL RECOMMEND TO THE GOVERNANCE
25 SUBCOMMITTEE FOR ITS CONSIDERATION ORGANIZATIONAL

1 STRUCTURE OF THE INSTITUTE. THAT SEEMS, IN VIEW OF
2 TODAY'S PROCEEDINGS, SLIGHTLY DISINGENUOUS. AND I
3 WONDER IF IT SHOULDN'T JUST BE OMITTED. THIS WAS
4 ACTUALLY THE VICE CHAIR, AS WE HEARD, WHO PUT THIS
5 TOGETHER AND PRESENTED IT, AND I THINK WE ALL HAVE SAID
6 DID A COMMENDABLE JOB. BUT IT IS -- IT SEEMS FUNNY TO
7 HAVE IT, THEN, DESCRIBED AS SOMETHING THE PRESIDENT
8 DOES.

9 CHAIRPERSON LANSING: WELL, I THINK WE DID
10 THIS ON AN INTERIM BASIS UNTIL THERE IS A NEW
11 PRESIDENT, SO WE COULD ACTUALLY GO OUT AND FIND
12 SOMEBODY. SO I THINK IN THE FUTURE THAT IS SOMETHING
13 THAT WE WOULD WANT.

14 DR. HALL: OKAY. THAT'S FINE. THESE ARE
15 JUST MATTERS OF CLARITY.

16 AND THE OTHER THING I BRING UP, AND I DON'T
17 WANT TO NECESSARILY STOP AND GO INTO IT NOW, BUT THERE
18 IS THE ISSUE THAT THE PRESIDENT IS RESPONSIBLE FOR
19 BUDGET AND COST CONTROLS, AND THE CHAIR FOR THE ANNUAL
20 FINANCIAL STRATEGIC PLAN OF THE INSTITUTE. AND IT
21 MIGHT BE WORTH SPECIFYING, IN THE INTEREST OF CLARITY,
22 JUST EXACTLY WHAT THOSE TWO THINGS MEAN SO THAT IT WILL
23 BE CLEAR. AS ED SAID EARLIER, THAT ONE CAN DELINEATE
24 THE DUTIES OF THE TWO SEPARATELY. I LEAVE THAT FOR
25 YOUR CONSIDERATION. I DON'T HAVE A HORSE IN THE RACE.

1 MY OWN -- I WOULD PREFER ACTUALLY IF YOU'D COME BACK TO
2 THIS BECAUSE I DON'T -- MY OWN INVOLVEMENT, PERSONAL
3 INVOLVEMENT, IN THIS IS NOT VERY LARGE AT THIS POINT.

4 DR. PENHOET: ZACH, IF I COULD JUST INTERRUPT
5 YOU FOR A MOMENT BEFORE WE LOSE THAT THOUGHT. JAMES --

6 MR. HARRISON: YES.

7 DR. PENHOET: -- IS ANNUAL FINANCIAL
8 STRATEGIC PLAN OF THE INSTITUTE A DEFINED TERM IN PROP
9 71?

10 MR. HARRISON: IT IS NOT. ALTHOUGH ONE OF
11 THE FUNCTIONS OF THE ICOC IS DESCRIBED AS DEVELOPING AN
12 ANNUAL FINANCIAL PLAN FOR THE INSTITUTE. AND THAT'S
13 WHAT THE SPECIFIC REFERENCE UNDER THE CHAIR'S DUTIES
14 REFERS TO.

15 MR. KLEIN: YES. AND THIS IS NOT THE
16 SCIENTIFIC PROGRAMS. NO. THIS IS WHERE IS THE LARGE
17 CAPITAL FLOWS COMING FROM TO MEET THE STRATEGIC PLAN
18 NEEDS THE PRESIDENT SETS OUT IN THE PROGRAMMATIC PLAN.

19 DR. HALL: I THINK IT WOULD BE USEFUL JUST TO
20 STATE, IF IT WERE POSSIBLE, TO STATE MORE EXPLICITLY
21 WHAT THAT MEANS, I THINK IT WOULD BE HELPFUL.

22 DR. PENHOET: SURE. WE CAN MAKE IT A DEFINED
23 TERM AND DEFINE IT.

24 DR. HALL: THAT WOULD BE VERY HELPFUL BECAUSE
25 IT IS UNCLEAR, IF YOU LOOK AT IT, EXACTLY WHAT IT

1 MEANS. I DON'T --

2 MR. KLEIN: WE CAN COME BACK WITH SOMETHING.
3 I THINK IT'S A GOOD SUGGESTION.

4 DR. HALL: SO LET ME THEN MAKE SOME GENERAL
5 COMMENTS ON THIS. I, FIRST OF ALL, WANT TO START BY
6 CONGRATULATING THE SUBCOMMITTEE AND THE ICOC MEETING
7 AND ED ON THE WORK THAT YOU'VE DONE ON THIS AND ON
8 TAKING UP WHAT HAS BEEN FOR ALL OF US, I THINK, A
9 SENSITIVE AND DIFFICULT ISSUE IN TERMS OF INTERNAL
10 GOVERNANCE. AND I THINK HAVING THESE MATTERS WRITTEN
11 DOWN AND CODIFIED MAKES THE ALLOCATION OF
12 RESPONSIBILITIES AND THE PROCEDURES THAT WE USE MUCH
13 LESS AMBIGUOUS. IT MAKES, I THINK, IT PRETTY MUCH
14 EASIER TO RESOLVE, AND I THINK IT IS A VERY HELPFUL
15 DOCUMENT OVERALL FOR US, AND I'M VERY PLEASED THAT
16 YOU'VE TAKEN THIS STEP. AND I WISH YOU GOOD LUCK IN
17 DISCUSSING AND RESOLVING THE VARIOUS ISSUES.

18 SECOND THING IS IT'S NOT ONLY IMPORTANT THAT
19 YOU HAVE SUCH A DOCUMENT, BUT I THINK, AS SHERRY
20 POINTED OUT, THAT THE DOCUMENT AND WHAT IT SAYS WILL BE
21 VERY CRUCIAL IN THE RECRUITMENT OF A NEW PRESIDENT.
22 AND I THINK THE WAY IN WHICH YOU SHAPE THE DOCUMENT
23 SHOULD DEPEND VERY MUCH ON THE KIND OF PRESIDENT YOU
24 WANT. AND I THINK AS YOU LOOK AT IT, YOU SHOULD BE
25 THINKING HOW WOULD THIS LOOK TO A PROSPECTIVE

1 CANDIDATE.

2 AND I WOULD SAY THAT THE DOCUMENT, I BELIEVE,
3 IS MADE MORE IMPORTANT BY THE FACT THAT BY MANY
4 STANDARDS THE JOB OF CIRM PRESIDENT, AS DESCRIBED BY
5 PROPOSITION 71, DOES NOT GIVE A VERY HIGH DEGREE OF
6 AUTHORITY OR STATUS WITHIN THE ORGANIZATION TO THE
7 PRESIDENT. THE INSTITUTE HAS A VERY POWERFUL BOARD
8 THAT MAKES ALL FUNDING DECISIONS AND KEEPS THE
9 PRESIDENT AND STAFF ON A PRETTY SHORT STRING. AND I
10 WOULD REFER TO TODAY'S CONVERSATION IN SUPPORT OF THAT
11 STATEMENT. MOREOVER, YOUR CANDIDATES ARE LIKELY TO
12 COME FROM ACADEMIA, FROM PRIVATE COMPANIES, OR FROM THE
13 NIH. AND WITHIN THOSE CONTEXTS, IT SEEMS TO ME IT WILL
14 BE NOTED THAT THE PRESIDENT IS NOT A MEMBER OF THE
15 BOARD. THIS IS DIFFERENT FROM MOST COMPANIES WHERE THE
16 PRESIDENT IS A BOARD MEMBER AND SOMETIMES CHAIRS THE
17 BOARD. IT IS DIFFERENT FROM UNIVERSITIES. AT UC AND
18 USC, THE TWO UNIVERSITIES THAT I'M MOST FAMILIAR WITH,
19 THE PRESIDENTS ARE IN EACH CASE MEMBERS OF THE BOARD OF
20 THEIR RESPECTIVE INSTITUTIONS, AND IT'S DIFFERENT FROM
21 THE DIRECTOR OF AN NIH INSTITUTE, WHO'S NOT ONLY A
22 MEMBER OF THE ADVISORY COUNCIL, WHICH IS EQUIVALENT OF
23 THE BOARD, BUT ACTUALLY CHAIRS IT.

24 AND I THINK THIS IS, ALSO AS A FUNDING
25 AGENCY, THE PRESIDENT OF CIRM, IN CONTRAST TO MOST

1 OTHER AGENCIES THAT I'M FAMILIAR WITH, HAS NO SAY IN
2 WHAT GRANTS ARE FUNDED, NOR IS THERE, IN FACT, ANY
3 MECHANISM BY WHICH THE PRESIDENT AND STAFF CAN MAKE
4 SUGGESTIONS ABOUT FUNDING CHOICES.

5 AND, FINALLY, AS WE'VE DISCUSSED BEFORE, CIRM
6 HAS A DIVIDED LEADERSHIP WHICH IS A CHALLENGE. NOW,
7 NONE OF THOSE THINGS THAT I'VE MENTIONED ARE
8 SUSCEPTIBLE TO EASY CHANGE. THEY ARE THE GIVEN. THAT
9 IS THE SITUATIONS AS YOU HAVE THEM. BUT WITH THAT
10 BACKGROUND, I SUGGEST THAT ANY CANDIDATE THAT YOU MIGHT
11 CONSIDER WILL LOOK VERY, VERY CLOSELY AT THIS DOCUMENT
12 TO SEE EXACTLY WHERE THEY STAND AND WHAT THEIR
13 RESPONSIBILITIES MIGHT BE. AND I THINK THEY WILL THINK
14 OF IT IN EXACTLY THAT WAY.

15 SEVERAL OF THE CHANGES IN THE REVISED
16 DOCUMENT BEING CONSIDERED INCREASE THE AUTHORITY AND
17 REPORTING LINES AND RESOURCES AVAILABLE TO THE
18 PRESIDENT, AND FOR THIS REASON, I THINK WILL BE VERY
19 USEFUL.

20 THE REASONABLENESS OF SOME OF THE OTHER
21 CHANGES ARE LESS CLEAR TO ME. FOR EXAMPLE, THE
22 ADDITION OF THE SECTIONS DESCRIBING THE CHAIR'S AND THE
23 VICE CHAIR'S DUTY, I WOULD SAY, EMPHASIZES THAT WITHIN
24 CIRM, A 25-MEMBER ORGANIZATION, THAT, YES, WILL ONE DAY
25 HAVE 50 MEMBERS, BUT RIGHT NOW IS 25, THE PRESIDENT IS

1 THE THIRD-RANKING MEMBER. THE DOCUMENT ALSO INDICATES
2 THAT WITHIN CIRM, A 25-MEMBER ORGANIZATION, THERE ARE
3 TWO --

4 (INTERFERENCE ON THE LINE).

5 THE PRESIDENT IS A MEMBER OF ONE OF THEM AND
6 TO, QUOTE, BE AVAILABLE, UNQUOTE, TO THE OTHER. I
7 WOULD GUESS THAT THIS WOULD GIVE MANY CANDIDATES PAUSE.
8 NOW, THE PERSPECTIVE THAT I PRESENT TO YOU MAKES AN
9 ASSUMPTION THAT MAY BE WRONG. AND THAT IS THAT THE
10 BOARD WANTS A PRESIDENT THAT WILL EXERT STRONG
11 SCIENTIFIC AND ADMINISTRATIVE LEADERSHIP AND IT WILL BE
12 A SOURCE OF INNOVATIVE IDEAS. THIS ASSUMPTION MAY NOT
13 BE CORRECT. I THINK ONE COULD MAKE A PERFECTLY GOOD
14 CASE THAT CIRM WOULD BE BEST SERVED BY SOMEONE WHO'S A
15 GOOD MANAGER, A GOOD ADMINISTRATOR, A MEMBER OF THE
16 STAFF -- THE PRESIDENT IS OFTEN REFERRED TO AS STAFF IN
17 THIS CONTEXT -- WHOSE FUNCTION IS NOT TO BE A SOURCE OF
18 IDEAS ALONG WITH THE BOARD, BUT TO IMPLEMENT THE IDEAS
19 THAT THE BOARD GENERATES. I THINK IT'S A PERFECTLY
20 GOOD MODEL, AND I THINK IT'S ONE THAT MIGHT WORK VERY
21 WELL.

22 IN ANY CASE, WHATEVER THE ASPIRATION, I THINK
23 THERE NEEDS TO BE CONGRUENCE BETWEEN THE KIND OF PERSON
24 YOU WANT AND THE RESPONSIBILITIES THAT THIS PERSON IS
25 EXPECTED TO FULFILL WITHIN THE ORGANIZATION. IF YOU

1 HIRE A MANAGER AND HAVE A STRUCTURE THAT CALLS FOR A
2 LEADER, I THINK YOU'RE IN TROUBLE. CORRESPONDINGLY, IF
3 YOU HAVE A STRUCTURE THAT CALLS FOR A MANAGER AND
4 REQUIRE SOMEONE WHO IS A LEADER, I THINK YOU'RE ALSO
5 GOING TO BE IN TROUBLE. SO THOSE ARE GENERAL COMMENTS.
6 I LEAVE THEM WITH YOU. I DON'T HAVE SUGGESTIONS FOR
7 THEIR RESOLUTION; BUT AS I LOOKED AT THE DOCUMENT AND
8 THOUGHT ABOUT HOW IT MIGHT LOOK TO SOMEBODY WHO WAS
9 CONSIDERING THIS JOB, THOSE ARE THE THOUGHTS THAT
10 OCCURRED TO ME.

11 DR. MURPHY: SHERRY, RICH MURPHY. CAN I MAKE
12 A COMMENT?

13 CHAIRPERSON LANSING: SURE.

14 DR. MURPHY: I ALSO LOOK AT IT AS A CANDIDATE
15 MIGHT. AND I WANT TO ADD SOME THINGS THAT STRUCK ME AS
16 WELL.

17 NO. 1, I DO AGREE WITH ZACH, THAT THE
18 PRESIDENT SHOULD BE A MEMBER OF THE BOARD, PERHAPS EX
19 OFFICIO, AS THE PRESIDENT, THAT HE OR SHE DESERVES A
20 PLACE ON THE BOARD.

21 NO. 2, I CAN'T IMAGINE AN EXECUTIVE COMMITTEE
22 OF THE BOARD THAT WOULD FUNCTION WELL WITHOUT THE
23 PRESIDENT AS PART OF THE EXECUTIVE COMMITTEE. I MEAN
24 THE PRESIDENT IS THE MOST OPERATIONAL PERSON IN THE
25 ROOM. AND I CAN'T IMAGINE THAT AN EXECUTIVE COMMITTEE

1 WOULD DO WELL WITHOUT THE PRESIDENT'S INPUT FOR
2 INFORMATION, FOR PERSPECTIVE, FOR THE SUBTLETIES OF ANY
3 ISSUE THAT WOULD BE DISCUSSED.

4 NOW, THE EXECUTIVE COMMITTEE OF THE BOARD CAN
5 ALWAYS MEET IN EXECUTIVE SESSION IN THE ABSENCE OF THE
6 PRESIDENT FOR PERSONNEL MATTERS THAT RELATE TO THE
7 PRESIDENT OR OTHER ISSUES THAT THE CHAIRMAN OF THE
8 BOARD MIGHT DEEM AS WANTING TO DISCUSS WITHOUT THE
9 PRESIDENT THERE. BUT I THINK ZACH'S ABSOLUTELY RIGHT.
10 IF I WERE A CANDIDATE FOR THIS POSITION AND I KNEW I
11 WAS NOT GOING TO BE AT THE HIGHEST LEVEL OF THE
12 ORGANIZATION FOR DISCUSSIONS, I WOULD BE PROBABLY
13 PRETTY WARY OF THAT.

14 MR. KLEIN: DR. MURPHY, THE PRESIDENT IS A
15 MEMBER OF THE EXECUTIVE COMMITTEE.

16 CHAIRPERSON LANSING: THAT'S WHAT I WAS JUST
17 GOING TO SAY.

18 DR. MURPHY: EXECUTIVE COMMITTEE OF WHAT?

19 MR. KLEIN: OF THE BOARD.

20 CHAIRPERSON LANSING: OF THE BOARD. IT'S
21 4 B.

22 DR. MURPHY: I KNOW. THAT'S THE EXECUTIVE
23 COMMITTEE OF THE INSTITUTE.

24 MR. KLEIN: NO. 4 A, THE PRESIDENT IS A
25 MEMBER OF THE EXECUTIVE COMMITTEE OF THE BOARD.

1 DR. HALL: THAT'S NOT WHAT IT SAYS.

2 MR. KLEIN: IT SAYS THE PRESIDENT AND ANY
3 SENIOR OFFICER HE WISHES TO ATTEND WILL BE AVAILABLE
4 TWICE MONTHLY FOR AN EXECUTIVE COMMITTEE MEETING OF THE
5 BOARD.

6 CHAIRPERSON LANSING: THE ICOC.

7 MR. KLEIN: THE EXECUTIVE COMMITTEE OF THE
8 BOARD IS THE CHAIRPERSON, THE VICE CHAIR, AND THE
9 PRESIDENT.

10 DR. MURPHY: I'M SORRY. I DIDN'T REALIZE
11 THAT.

12 CHAIRPERSON LANSING: AND THEN HE'S ALSO ON
13 THE EXECUTIVE COMMITTEE --

14 DR. MURPHY: ZACH, DIDN'T YOU JUST SAY THAT
15 THE PRESIDENT -- YOU WANT THE PRESIDENT TO BE ON THE
16 BOARD, RIGHT?

17 DR. HALL: NO. I DON'T THINK THAT -- I CAN'T
18 DO THAT. THAT'S PART OF THE DNA. WHAT I'M SAYING IS,
19 GIVEN THE SITUATION IN WHICH I THINK THE PRESIDENT'S
20 POSITION, BY VIRTUE OF PROPOSITION 71, IS A RATHER
21 DEVALUED POSITION, I WOULD SAY. THAT GIVEN THAT, THEN
22 I THINK THE ONUS IS ON YOU TO TRY TO MAKE THIS DOCUMENT
23 AS ATTRACTIVE AS POSSIBLE TO A POSSIBLE CANDIDATE.

24 DR. MURPHY: OKAY. LET ME --

25 DR. HALL: THEY CAN'T BE ON THE BOARD. THEY

1 CANNOT PARTICIPATE IN FUNDING DECISIONS.

2 DR. MURPHY: WAIT A MINUTE. I'M HEARING TWO
3 DIFFERENT THINGS HERE. THEY CAN'T BE ON THE BOARD, BUT
4 YOU'RE ON THE EXECUTIVE COMMITTEE OF THE BOARD.
5 EXPLAIN THAT.

6 DR. HALL: THIS SAYS THAT I WILL BE AVAILABLE
7 OR THE PRESIDENT AND ANY SENIOR OFFICER THEY WISH TO
8 ATTEND WILL BE AVAILABLE TWICE A MONTH, WHICH I READ
9 THAT AS BEING ON CALL.

10 DR. HENDERSON: YEAH. THEY'RE NOT MEMBERS OF
11 THE EXECUTIVE COMMITTEE OF THE BOARD.

12 DR. HALL: NOT A MEMBER OF THE EXECUTIVE
13 COMMITTEE.

14 DR. HENDERSON: YOU'RE RIGHT, RICH. GO ON.

15 DR. MURPHY: SO I THINK IN MY VIEW THE
16 PRESIDENT SHOULD BE A MEMBER OF THE BOARD EX OFFICIO
17 BECAUSE THE BOARD NEEDS THAT INPUT. AND I ALWAYS WAS
18 UNCOMFORTABLE, FRANKLY, WHEN ZACH WAS NOT IN THE
19 MEETINGS OF THE ICOC EXCEPT FOR ISSUES THAT DEALT WITH
20 PERSONALITIES, ETC. WE CAN GO THROUGH THAT.

21 ON 4 B I THINK THAT FOR A CANDIDATE THIS
22 WOULD BE A RED FLAG BECAUSE IF I WERE A CANDIDATE FOR
23 THIS POSITION, I WOULD SAY, OKAY, THERE'S AN EXECUTIVE
24 COMMITTEE OF THE INSTITUTE, WHICH LOOKS AT THE
25 OPERATIONS OF THE INSTITUTE. AND IF I WERE THE

1 PRESIDENT AND THE OPERATIONS OF THE INSTITUTE WERE MY
2 RESPONSIBILITY, I WOULD NOT WANT AN EXECUTIVE COMMITTEE
3 WITH THE CHAIRMAN OF THE BOARD SITTING THERE. BECAUSE
4 WHAT THAT DOES IS IT TAKES MY AUTHORITY AS PRESIDENT OF
5 THE INSTITUTE AND IT DILUTES IT RIGHT FROM THE GIT-GO
6 BECAUSE THE CHAIRMAN OF THE BOARD IS SITTING THERE WITH
7 ME. AND YOU RUN INTO THE PROBLEM WITH WHO'S IN CHARGE.

8 AND I DON'T CARE WHO'S RUNNING THE MEETING,
9 AND IT SAYS THAT THE PRESIDENT RUNS THE MEETING. IF
10 THE CHAIRMAN OF THE BOARD IS SITTING THERE, IT'S A
11 WONDERFUL EXAMPLE OF SPLIT RESPONSIBILITY. TO ME THE
12 EXECUTIVE COMMITTEE OF THE ICOC SHOULD BE THE EXECUTIVE
13 COMMITTEE MADE UP OF THE PRESIDENT AND HIS OR HER
14 STAFF. THEY HAVE THE DISCUSSIONS, THEY MAKE THE
15 DECISIONS, THEY'RE RESPONSIBLE FOR THOSE DECISIONS, AND
16 THEN THEY SHOULD REPORT IN THE COURSE OF BUSINESS TO
17 THE ICOC AND TO THE CHAIRMAN OF THE BOARD OF THE ICOC.

18 AND IN MY VIEW, ANYWAY, THE CHAIRMAN OF THE
19 ICOC SHOULD NOT BE A MEMBER OF THE EXECUTIVE COMMITTEE
20 OF THE BOARD MEETING ON OPERATIONAL MATTERS. AND I
21 THINK, FRANKLY, THAT THIS IS WHERE SOME OF THE CONCERN
22 AND SOME OF THE AMBIGUITIES HAVE ARISEN. AND IF
23 THERE'S ANY POSSIBLE WAY OF WORKING AROUND THAT, AND,
24 JAMES, YOU WOULD HAVE TO LET US KNOW, BOY, I WOULD LIKE
25 TO CONSIDER THAT.

1 MR. KLEIN: ED HAS A COMMENT.

2 DR. PENHOET: JUST A COUPLE OF COMMENTS.

3 FIRST OF ALL, I DON'T BELIEVE THE BOARD HAS EVER
4 EMPOWERED ANY EXECUTIVE COMMITTEE OF THE BOARD. THIS
5 IS AN INFORMAL WORKING, INTERNAL WORKING ARRANGEMENT
6 THAT WAS ARRIVED AT.

7 MR. HARRISON: THAT'S CORRECT.

8 DR. PENHOET: IT'S REALLY THE EXECUTIVE
9 COMMITTEE. IT'S THE CHAIR'S EXECUTIVE COMMITTEE TO
10 DETERMINE THE KINDS OF THINGS THAT ARE BOARD-RELATED AS
11 OPPOSED TO CIRM-RELATED.

12 MR. KLEIN: AND THE PRESIDENT HAS ALWAYS BEEN
13 A PART OF THAT, AND THAT HAS ACTUALLY FUNCTIONED VERY
14 WELL.

15 DR. PENHOET: SO PRIOR TO THIS, WE HAD ONLY
16 ONE MEETING, WHICH BOB CHAIRED, AND THE PRESIDENT
17 DIDN'T HAVE AN EXECUTIVE COMMITTEE. OKAY. SO IN THE
18 PROCESS OF DEVELOPING THIS DOCUMENT, WE ALREADY
19 ANTICIPATED. WE NOW HAVE TWO COMMITTEES. ONE IS THE
20 EXECUTIVE COMMITTEE OF CIRM, WHICH ZACH CHAIRS WITH ALL
21 THE PEOPLE THERE ATTEND. NOT A BAD MEETING. WE
22 DISCUSS LOTS OF DIFFERENT THINGS, WE SHARE VIEWS, ETC.
23 AND, YOU KNOW, I SHOULDN'T SPEAK FOR ZACH, BUT I DON'T
24 THINK ZACH FEELS INTIMIDATED BY BOB IN THAT
25 ENVIRONMENT.

1 THAT OTHER MEETING IS A MEETING THAT'S BOB'S
2 MEETING TO DEAL SEPARATELY WITH THE ISSUES JUST
3 ICOC-RELATED. THAT MEETS LESS FREQUENTLY. AND IF THE
4 LANGUAGE HERE SORT OF SAYS, YOU KNOW, YOU GOT ZACH ON A
5 LEASH, SO HE HAS TO COME, I THINK MAYBE THAT'S NOT WHAT
6 WE INTENDED. IT WAS --

7 DR. HENDERSON: IS THE EXECUTIVE COMMITTEE OF
8 THE ICOC SPELLED OUT IN PROP 71?

9 DR. PENHOET: NO. THERE IS NO EXECUTIVE
10 COMMITTEE OF THE ICOC.

11 MR. KLEIN: THE PURPOSE OF THIS --

12 DR. PENHOET: THESE ARE -- NONE OF THESE
13 COMMITTEES ARE SPECIFIED.

14 MR. KLEIN: NONE OF THEM ARE SPECIFIED. THE
15 PURPOSE OF THIS IS TO MAKE SURE THAT WE HAVE A SEAMLESS
16 INTEGRATION BETWEEN THE BOARD AND WHAT IT'S DOING AND
17 THE INSTITUTE AND WHAT IT'S DOING. AND, IN FACT, IN
18 TERMS OF THE EXECUTIVE COMMITTEE OF THE INSTITUTE, WHEN
19 THEY'RE WORKING ON THEIR CASH FLOWS AND THEY NEED MONEY
20 RAISED, BASICALLY I NEED TO UNDERSTAND THEIR STRATEGY
21 AND GIVE THEM THE FEEDBACK OF WHAT THE CONTROLLER, THE
22 GOVERNOR, THE TREASURER THINK WHAT THE TIMING COULD BE
23 FROM THE CONSTITUTIONAL OFFICERS' VIEWPOINT, WHAT THE
24 FINANCE COMMITTEE, THAT I SIT ON WITH TWO OF THE OTHER
25 BOARD MEMBERS, THINKS IS POSSIBLE IN TERMS OF

1 INTERFACING WITH THE CASH FLOWS NEEDS, FOR EXAMPLE, OF
2 THE INSTITUTE, YOU KNOW, WHAT THE IMPLICATIONS ARE OF
3 ONGOING LITIGATION ARE TO OUR OPERATIONAL ISSUES.
4 THAT'S THE INTERFACE THAT WE'RE WORKING WITH.

5 BUT THIS SECOND COMMITTEE UNDER B IS
6 SOMETHING THAT ZACH HAS RECENTLY CREATED, WHICH I THINK
7 IS A GOOD ADDITION.

8 DR. HALL: I'M SORRY. I'M SORRY. ED CAME TO
9 ME AND SAID THIS IS THE WAY WE'RE GOING TO DO THE
10 EXECUTIVE COMMITTEE.

11 MR. KLEIN: OKAY. I THOUGHT IT WAS YOU,
12 ZACH.

13 DR. PENHOET: IT WAS I WHO DID IT THIS WAY.

14 DR. HALL: LET'S BE CLEAR.

15 DR. MURPHY: ZACH, COULD YOU GIVE US YOUR
16 COMMENT ON 4 B, PLEASE?

17 DR. HALL: THIS IS A -- THIS IS A VERY
18 BIZARRE DISCUSSION IN A CERTAIN WAY. AND I THINK THERE
19 ARE TWO ISSUES. IF THIS WERE A TRADITIONAL
20 ORGANIZATION, OKAY, THEN THE --

21 MR. SERRANO-SEWELL: IT'S NOT. FOR THE
22 RECORD IT'S NOT, ZACH.

23 DR. HALL: HELLO.

24 MR. SERRANO-SEWELL: THIS IS DAVID SPEAKING.
25 FOR THE RECORD IT'S NOT A TRADITIONAL ORGANIZATION.

1 THE ORGANIZATIONAL STRUCTURE IS OUTLINED IN PROPOSITION
2 71.

3 DR. HALL: SORRY. WE'RE TALKING ABOUT IT
4 BOTH WAYS. AND I'M TRYING TO DELINEATE THOSE, DAVID.
5 IF IT WERE A TRADITIONAL ORGANIZATION, IT WOULD BE
6 CRAZY TO HAVE THE BOARD SITTING HERE TRYING TO TELL THE
7 PRESIDENT OR THE CEO HOW THEY SHOULD ORGANIZE THE
8 INTERNAL WORKINGS OF THE ORGANIZATION. IN FACT, AS
9 DAVID JUST POINTED OUT, WE DON'T HAVE A TRADITIONAL
10 ORGANIZATION. AND WHAT WE HEARD FROM ED IS WHATEVER
11 THE WISH OR DESIRE, IN FACT, WE HAVE AN EXECUTIVE
12 CHAIR. WE HAVE A CHAIR THAT IS ACTIVE IN MANY OF THE
13 OPERATIONAL ASPECTS OF THE BOARD.

14 SO WITH THAT ARISES THE CHALLENGE HOW DO
15 THESE TWO LEADERS WITHIN A 25-MEMBER ORGANIZATION GET
16 TOGETHER, ED A THIRD, THREE LEADERS GET TOGETHER AND
17 RESOLVE THE ISSUES THAT NEED TO BE RESOLVED BECAUSE THE
18 CHAIR IS PART OF THE OPERATIONAL STRUCTURE. THERE IS
19 NO QUESTION ABOUT THAT.

20 THE COMMITTEE THAT YOU REFER TO, RICH, REALLY
21 CORRESPONDS TO THE SENIOR MANAGEMENT COMMITTEE. OKAY.
22 THAT IS THE PRESIDENT AND THOSE WHO REPORT TO THE
23 PRESIDENT WHO MEET AND TRY TO WORK OUT THE PROBLEMS
24 THERE. BUT THERE IS A NEED -- WE HAVE A CHAIR WHO IS
25 ACTIVE OPERATIONALLY, SO THERE IS A NEED TO HAVE SOME

1 FORUM WHERE THE PRESIDENT, THE CHAIR, AND THE VICE
2 CHAIR SIT DOWN AND SORT THESE THINGS OUT.

3 NOW, THE PROBLEM IS, HAS BEEN, WHO OWNS THAT
4 MEETING. AND IT HAS TRADITIONALLY BEEN OWNED PROBABLY
5 BY THE CHAIR. AND THE RESULT OF THE OTHER -- OF THE
6 MEETING THAT WAS HELD BEFORE ED CAME BACK AND SAID NOW
7 THIS IS GOING TO BE THE PRESIDENT'S MEETING, SO WE SET
8 UP THE SECOND MEETING, AND THEN THERE AROSE THE PROBLEM
9 THAT, SINCE THE CHAIR IS RESPONSIBLE FOR SETTING THE
10 AGENDA OF THE ICOC, THAT REALLY WAS NOT A PROPER TOPIC
11 FOR NO. 4 B. AND SO BOB SET UP A SEPARATE COMMITTEE TO
12 DEAL WITH BOARD AGENDA ITEMS. THAT REALLY IS A
13 COMMITTEE MEETING OF BOB AND HIS STAFF. AND PLUS I'M
14 HAPPY TO BE AVAILABLE FOR THAT MEETING OR TO BE
15 INVITED -- I WOULD PREFER TO HAVE THAT SAID -- TO THAT
16 MEETING WHENEVER I CAN BE USEFUL, BUT IT REALLY IS THE
17 CHAIR AND HIS STAFF MEETING TO SET THE AGENDA.

18 NOW, ALL I'M SAYING IS THAT THESE ARE
19 COMPLICATED MATTERS, BUT TO ANY CANDIDATE WHO LOOKS AT
20 THIS, THIS SOUNDS BIZARRE, THAT SUCH A SMALL
21 ORGANIZATION WOULD HAVE THREE LEADERSHIP COMMITTEES ALL
22 SORTING IT OUT. AND I DON'T KNOW WHAT THE ANSWER IS,
23 AND MAYBE THE IDEA OF HAVING A SEPARATE EXECUTIVE
24 COMMITTEE B, I DON'T KNOW WHAT IT IS.

25 THE POINT THAT WE'RE LEFT WITH, WHICH IS A

1 VERY, VERY DIFFICULT ONE, IS THAT WITHIN A VERY SMALL
2 ORGANIZATION, THERE ARE TWO LEADERS. AND I THINK THAT
3 IS A PROBLEM. AND I THINK INSOFAR AS THE PRESIDENT IS
4 A STRONG PERSON WHO WANTS TO DO THINGS THEIR OWN WAY
5 AND HAS IDEAS AND WANTS TO FEEL THEY HAVE SOME
6 AUTHORITY AND CONTROL, I THINK IT IS GOING TO BE A
7 PROBLEM TO FIT THAT PERSON INTO THIS STRUCTURE. I
8 CERTAINLY HAVE HAD PROBLEMS, AND I THINK OF MYSELF AS
9 IN THAT CATEGORY. I MAY BE DIFFERENT FROM OTHERS LIKE
10 THAT, BUT I THINK IT'S GENERIC.

11 AND WHAT I ACTUALLY WAS SUGGESTING TODAY IS
12 THAT IT MAY BE NOT A BAD IDEA TO THINK ABOUT GETTING
13 SOMEBODY WHO'S NOT BEING HIRED FOR THEIR IDEAS AND
14 THEIR INITIATIVE AND THEIR LEADERSHIP SO MUCH AS THEIR
15 ABILITY TO RUN AN ORGANIZATION. AND I THINK THEN YOU
16 CAN SAY VERY FRANKLY THERE'S A KIND OF SCHIZOPHRENIA
17 HERE. THERE'S A VERY POWERFUL BOARD AND THERE IS AN
18 INSTITUTE WHICH SOMETIMES IS TREATED LIKE THE STAFF,
19 THAT'S SUPPOSED TO STAFF THE BOARD; I.E., THE BOARD IS
20 THE IMPORTANT ORGANIZATION, AND THE INSTITUTE IS THE
21 STAFF. AND THAT IS OCCASIONALLY IT IS THAT THE
22 INSTITUTE IS THE IMPORTANT ORGANIZATION WITH A BOARD
23 THAT HAS OVERSIGHT. BUT THERE'S A REAL TENSION BETWEEN
24 THOSE TWO STRUCTURES AND THOSE TWO VISIONS OF WHAT IS,
25 AND I THINK -- I DON'T KNOW HOW TO RESOLVE IT. I'M

1 JUST HERE TO REPORT TO YOU THAT IT IS A MAJOR SOURCE OF
2 TENSION.

3 I THINK THE SOLUTION THAT'S IN THIS DOCUMENT,
4 WHILE ADMIRABLE IN MANY WAYS, LOOKS VERY COMPLICATED TO
5 ME. AND THE ADDITION, FOR EXAMPLE, OF THE JOB
6 DESCRIPTIONS OF THE CHAIR AND VICE CHAIR, I THINK,
7 EMPHASIZES THAT IN THIS SMALL GROUP THE PRESIDENT IS
8 NO. 3 IN THE ORGANIZATION. AND I HAVE TO SAY THAT'S
9 NOT A VERY ATTRACTIVE PROPOSITION, I WOULD SAY, GOING
10 FORWARD. SO I DON'T KNOW WHAT THE ANSWER IS. AND I
11 WISH YOU LUCK IN REACHING SOME SOLUTION ON THIS. MY
12 ONLY ROLE IS TO SIMPLY REPORT TO YOU MY OWN PERCEPTION
13 OF IT AND WHAT I SEE AS SOME OF THE PROBLEMS WITH THE
14 WAY IT IS NOW.

15 DR. PIZZO: SHERRY, THIS IS PHIL. WHEN
16 THERE'S A MOMENT, I'D LIKE TO MAKE A COMMENT.

17 CHAIRPERSON LANSING: YOU GO, PHIL, AND THEN
18 I'LL GO AFTER YOU.

19 DR. PIZZO: OKAY. THANK YOU. I HAVE TO
20 APOLOGIZE BECAUSE I WAS ONLY ABLE TO JOIN THE CALL
21 AFTER IT WAS IN PROGRESS, BUT I HEARD THE LAST PART OF
22 ZACH'S COMMENT. I JUST WANT TO MAKE A -- AT THE RISK
23 OF PUSHING THE DISCUSSION IN A DIFFERENT DIRECTION, I
24 JUST WANT TO MAKE AN OBSERVATION. FIRST OF ALL, I
25 THINK IT'S CLEAR THAT WE HAVE A CERTAIN STRUCTURE

1 THAT'S BEEN DELINEATED BY PROP 71 THAT DEFINES AN
2 ORGANIZATION. AND WHETHER WE THINK THAT ORGANIZATIONAL
3 STRUCTURE IS THE BEST OR NOT, THAT'S ONE OF THE THINGS
4 THAT WE HAVE.

5 I WANT TO MAKE AN ANALOGY FOR JUST A MOMENT,
6 AND IT'S AN IMPERFECT ONE, BUT I THINK IT IS STILL ONE
7 THAT HAS SOME VALUE. AND THAT IS THAT WHEREAS AN
8 ORDINARY BOARD OF DIRECTORS OVERSEEING A NONPROFIT
9 ORGANIZATION WOULD HAVE CLEAR DELINEATION BETWEEN THE
10 BOARD OF DIRECTORS AND THE STAFF, IF YOU WILL, WHO ARE
11 RUNNING THE ORGANIZATION, SO THE PRESIDENT AND CEO
12 WOULD BE EMPOWERED SEPARATELY FROM THE CHAIR OF THE
13 BOARD, WHO WOULD HAVE USUALLY FIDUCIARY OVERSIGHT OVER
14 THE NONPROFIT ORGANIZATION.

15 THERE IS AN ANALOGY TO A, QUOTE,
16 CO-LEADERSHIP MODEL THAT, FOR BETTER OR WORSE, DOES
17 EXIST IN VARIOUS FORMS IN ACADEMIC MEDICAL CENTERS.
18 AND, IN FACT, THE ONE THAT I LIVE WITH IS ONE IN WHICH
19 I HAVE TO CO-EXIST WITH CEO'S WHO WIELD BOTH AUTHORITY
20 AND DECISION-MAKING AT THEIR HOSPITALS. SO I HAVE A
21 ROLE AS THE DEAN. THE CEO'S HAVE A ROLE AS HOSPITAL
22 DIRECTORS. WE HAVE DIFFERENT REPORTING SORT OF
23 RELATIONSHIPS. THE BOTTOM LINE IS THAT WHEN YOU LOOK
24 AT THAT STRUCTURE, THIS DOESN'T LOOK AT PROP 71, WE CAN
25 SAY IT'S AN UNUSUAL ONE AND ONE THAT IS POTENTIALLY

1 FRAUGHT WITH DANGER THAT MAY NOT WORK.

2 AT THE END OF THE DAY, THE WORKINGS OF AN
3 ORGANIZATION THAT IS PERHAPS IMPERFECT BECAUSE OF THE
4 WAY IT'S STRUCTURED CAN SUCCEED ONLY IF YOU HAVE THE
5 RIGHT PEOPLE. AND I'M NOT MAKING A COMMENT NOW ABOUT
6 THE PEOPLE IN PLACE. SO I'M NOT MAKING A PERSONAL
7 COMMENT, BUT I AM MAKING A COMMENT ABOUT THE PERSONAL
8 CHEMISTRY THAT GETS DEVELOPED.

9 IF THE CHEMISTRY WORKS, THEN THAT CAN
10 OFTENTIMES OVERCOME ORGANIZATIONAL IMPERFECTIONS. IF
11 THE CHEMISTRY DOESN'T WORK, IT DOESN'T OVERCOME ALMOST
12 ANY KIND OF ORGANIZATIONAL IMPERFECTION. SO I THINK WE
13 HAVE TO BE COGNIZANT OF THAT TOO AS WE GO INTO A
14 SEARCH. WE'RE GOING TO NEED TO BE CLEAR IN TERMS OF
15 WHAT WE CAN ACHIEVE. WE COULD CERTAINLY PUT IN AN
16 ORGANIZATIONAL STRUCTURE THAT OPTIMIZES THE CONDITIONS;
17 BUT AT THE END OF THE DAY, IT'S GOING TO BE THE
18 CHEMISTRY OF THE INDIVIDUALS THAT WILL DEFINE WHETHER
19 OR NOT WE HAVE A SUCCESS.

20 CHAIRPERSON LANSING: THANK YOU.

21 DR. HENDERSON: BRIAN HENDERSON HERE. COULD
22 I JUST MAKE A COUPLE OF FOLLOW-UP COMMENTS?

23 CHAIRPERSON LANSING: SURE.

24 DR. HENDERSON: I'D LIKE TO SEE CLARIFICATION
25 UNDER A 2, TO SUPERVISE THE ANNUAL REPORT, WHICH, BY

1 THE WAY, I SEE REALLY AS THE ROLE OF THE PRESIDENT, BUT
2 HERE IT IS ANYWAY IN THE LAW. BUT THEN THE ANNUAL
3 FINANCIAL STRATEGIC PLAN, IT'S CLEAR THERE ARE TWO
4 PARTS OF THAT, AND THAT'S A DIVIDED RESPONSIBILITY.
5 AND THE WORD "STRATEGIC" IN IT MIGHT GET MIXED UP WITH
6 SCIENTIFIC STRATEGIC PLAN. CERTAINLY SCIENTIFIC AND
7 FINANCIAL ARE LINKED. IT SEEMS TO ME THAT OVERLAPS
8 PRETTY -- QUITE A BIT WITH THE PRESIDENT'S ROLE IN THE
9 SAME REGARD. AND WE TALKED ABOUT, WELL, INPUT VERSUS
10 OUTPUT, BUT WE NEED SOME CLARIFICATION OF THOSE WORDS.

11 SECONDLY, I'D LIKE TO SUGGEST THAT THE ENTIRE
12 SECTION 4 BE TAKEN OUT. I THINK IT'S DETAIL THAT'S
13 CONFUSING, AND IT SHOULD BE ALLOWED TO EVOLVE, THIS
14 PART OF THE STRUCTURE, SINCE IT'S NOT NECESSARY FROM
15 PROP 71, AS I UNDERSTAND IT. I WOULD TAKE THE ENTIRE
16 THING OUT BECAUSE I DON'T THINK IT NEEDS TO BE IN THIS
17 SORT OF A DOCUMENT.

18 CHAIRPERSON LANSING: SO I'M GOING TO
19 RESPECTFULLY DISAGREE WITH WHAT YOU'RE SAYING, BRIAN,
20 BUT THEN I GET THE SENSE OF THE BOARD. I GUESS FOR ME
21 I WANT TO CONGRATULATE ENORMOUSLY ED AND PHIL AND TINA
22 AND RICH AND EVERYBODY THAT WORKED ON THIS AND ALSO,
23 YOU KNOW, ZACH AND BOB, WHOSE INPUT WAS IN THIS.

24 I THINK THAT, YOU KNOW, I GUESS I'M A GLASS
25 IS HALF FULL KIND OF PERSON. I THINK THAT THIS IS AN

1 EXCELLENT DOCUMENT. NO ONE IS SAYING THAT IT CAN'T BE
2 MODIFIED AND WON'T BE MODIFIED WHEN WE FIND THE RIGHT
3 PRESIDENT. BUT I THINK THAT I'M MINDFUL OF HOW WE
4 PRESENT IT AND HOW WE WORD IT, YOU KNOW, TO THE
5 CANDIDATES, AND WE'RE GOING TO HAVE A LOT OF DIFFERENT
6 CHOICES, AND THEY'RE GOING TO BE IN MANY DIFFERENT
7 RANGES. I THINK THAT WE NEED SOMETHING THAT'S CODIFIED
8 TO START WITH, AND I THINK WE NEED TO DEFINE THE ROLES
9 AS MUCH AS WE POSSIBLY CAN, WHICH IS WHY I WOULDN'T
10 TAKE OUT SECTION 4.

11 I AGREE WITH PHIL. THIS IS ALL ABOUT FINDING
12 THE PERSON THAT IS COMFORTABLE WITH THIS ROLE AND A
13 PARTNERSHIP. MY WHOLE LIFE I'VE HAD A PARTNERSHIP, SO,
14 YOU KNOW, AND IT WORKS COMPLETELY WHETHER OR NOT YOU'RE
15 COMFORTABLE WITH THE ROLES.

16 THIS CAN BE MODIFIED. THIS IS WHAT WE'RE
17 GIVING TO A SEARCH COMMITTEE AND SAYING, HEY, WE NEED
18 TO GIVE YOU THE BOLD OUTLINES OF WHAT WE'RE TALKING
19 ABOUT. IF WE SEE A CANDIDATE AND THE CANDIDATE COMES
20 IN AND SAYS, LOOK, I'M REALLY UNCOMFORTABLE WITH THIS
21 AND, YOU KNOW, ED AND BOB TALK AND SAY, YOU KNOW, WE
22 THINK WE SHOULD CHANGE THIS, I DON'T THINK ANYONE IS
23 GOING TO OBJECT. BUT I ACTUALLY THINK THAT, GIVEN PROP
24 71, GIVEN EVERYBODY'S INPUT, FOR TODAY IT'S AN
25 EXCELLENT, EXCELLENT DOCUMENT TO START WITH, WHICH WILL

1 BE A CONTINUAL WORK IN PROGRESS WHEN WE FIND THE
2 PRESIDENT.

3 DR. PENHOET: THIS IS ED. IF I COULD SPEAK
4 TO REMOVING 4. THERE WAS A LOT OF DISCUSSION AMONG US.
5 MY REQUEST OF BOB AND ZACH, THAT WE CHANGE THE PRIOR
6 MEETINGS WHICH WERE ALL CHAIRED BY BOB TO ONE WHICH
7 EMPHASIZED THE PRESIDENT'S AUTHORITY OVER ALL EXECUTIVE
8 MATTERS, ETC., IS AN IMPORTANT PART OF THIS DOCUMENT.
9 IF YOU READ IT COLD, IT LOOKS LIKE IT'S EXTRANEIOUS, BUT
10 I CAN ASSURE YOU IT'S NOT FOR US. AND ALTHOUGH IT MAY
11 BE A LITTLE GOOFY TO HAVE THESE TWO DIFFERENT MEETINGS,
12 THEY'RE WORKING FOR US AT THE PRESENT TIME. WE GET
13 TOGETHER ONCE A WEEK, WE DISCUSS THINGS, WE MOVE FROM
14 ZACH'S OFFICE TO BOB'S OFFICE AND PUT ON A DIFFERENT
15 HAT AND HAVE A DIFFERENT MEETING.

16 SOME MIGHT THINK IT'S SILLY, BUT IT'S
17 ACTUALLY WORKING. IT COULD BE CHANGED SOMETIME IN THE
18 FUTURE AND COULD BE DELETED FROM WHAT WE SHOW TO THE
19 PRESIDENTIAL CANDIDATE, I SUPPOSE. AT LEAST FOR ME IT
20 WAS VERY IMPORTANT TO EMPHASIZE THAT ZACH IS THE
21 EXECUTIVE OF THIS ORGANIZATION AND THIS EXECUTIVE
22 COMMITTEE SHOULD BE RUN BY ZACH AS PRESIDENT.

23 MR. KLEIN: WHICH I THINK WAS APPROPRIATE,
24 AND I FULLY SUPPORT.

25 DR. MURPHY: SHERRY, CAN I JUST ADD ONE MORE

1 COMMENT?

2 CHAIRPERSON LANSING: SURE.

3 DR. MURPHY: I AGREE THAT 4 SHOULD BE LEFT IN
4 THERE BECAUSE I THINK THIS IS WHERE THE RUBBER HITS THE
5 ROAD IN TERMS OF GETTING A GOOD PRESIDENT. BUT ON 4 B,
6 I GUESS I WOULD BE JUST PHILOSOPHICALLY UNCOMFORTABLE
7 IF I WERE THE PRESIDENT OR I WAS ZACH AND I'VE GOT MY
8 REPORT SITTING IN THIS MEETING WHO ARE REPORTING TO ME
9 AND I'M DEBATING MY BOSS, THE CHAIRMAN OF THE ICOC AND
10 THE VICE CHAIR --

11 DR. PENHOET: IT DOESN'T WORK THAT WAY.

12 DR. HALL: RICH, JUST A POINT OF
13 CLARIFICATION. THE ONLY DIRECT REPORT I HAVE IN THE
14 MEETING IS LORI.

15 DR. MURPHY: THE CFO AND THE
16 ADMINISTRATIVE --

17 DR. HALL: AND I GUESS IF WE HAVE A CHIEF
18 LEGAL OFFICER, WE'LL HAVE THAT PERSON TOO. BUT THAT
19 MEETING B WOULD BE BOB, ED, MYSELF, LORI, THE LEGAL
20 PERSON, A STAFF PERSON TO BOB, AND I WOULD CHAIR THE
21 MEETING.

22 DR. MURPHY: YEAH. OKAY. ARE YOU
23 COMFORTABLE WITH THAT, ZACH?

24 DR. HALL: WELL, AS ED SAID, I THINK IT'S
25 WORKING. I THINK ON PAPER IT LOOKS LIKE A MESS.

1 DR. MURPHY: IT LOOKS LIKE A DOG'S BREAKFAST,
2 YEAH.

3 DR. HALL: WHAT I'M TRYING TO SAY IS THAT IF
4 I WERE LOOKING AT THIS, SAY WAIT A MINUTE. I'M GOING
5 TO BE OVER 25 PEOPLE. AND, MY GOD, WE'VE GOT TWO
6 EXECUTIVE COMMITTEES AND A SENIOR MANAGEMENT COMMITTEE.

7 DR. HENDERSON: IT'S RIDICULOUS.

8 DR. HALL: I DON'T GET THIS. WHAT'S GOING ON
9 HERE? AND SO I WOULD WONDER IF THERE WASN'T SOME MORE
10 CLEAR WAY TO SAY --

11 DR. HENDERSON: IS WHAT --

12 DR. HALL: ONE POSSIBILITY WOULD BE -- I
13 DON'T KNOW WHAT TO SAY. I GUESS --

14 MR. SERRANO-SEWELL: ZACH, SHERRY, THIS IS
15 DAVID. LET ME JUST MAKE A COMMENT ON 4 B. I AGREE
16 WITH ZACH AND I AGREE WITH RICH AND I THINK I AGREE
17 WITH BRIAN, IF I UNDERSTAND WHERE BRIAN IS COMING FROM.
18 AND THAT IS, WHEN WE FIRST WERE PRESENTED WITH THIS
19 DOCUMENT, I THINK, IN SAN DIEGO, I RAISED OBJECTIONS TO
20 IT. I WAS NOT THE ONLY ONE, ALTHOUGH THERE WAS A VOTE
21 AT THE TIME, BUT WHATEVER. MY POINT IS MY GUT TOLD ME
22 AT THAT MEETING THAT THAT INTERNAL MOU AS PRESENTED TO
23 US AT SAN DIEGO, THERE WAS JUST SOMETHING INHERENTLY
24 WRONG WITH IT, AND IT WASN'T GOING TO WORK.

25 I'M OKAY WITH THIS DOCUMENT, BUT I TOO HAVE A

1 PROBLEM WITH 4 -- I HAVE A PROBLEM WITH 4 B AND 4 C. I
2 THINK THEY BOTH OUGHT TO BE DELETED, AND WE JUST SHOULD
3 MAKE A GENERAL STATEMENT THAT THE PRESIDENT IS
4 RESPONSIBLE FOR THE INTERNAL AND OPERATIONAL MATTERS,
5 AND SHOULD HE OR SHE ELECT TO CONVENE A MEETING OF ANY
6 KIND, THAT THE CHAIR AND THE VICE CHAIR BE INCLUDED,
7 PERIOD. IT REALLY IS UP TO -- OR MAYBE NOT INCLUDED.
8 MAYBE IT'S UP TO THE ELECTION OF THE PRESIDENT BECAUSE
9 RICH IS RAISING ISSUES WITH THE CHAIR AND THE VICE
10 CHAIR BEING INVOLVED, WHICH I'M OPEN TO. I AM
11 SENSITIVE TO THAT.

12 BUT WE HAVE TO BE CLEAR. INTERNAL STRUCTURE
13 OF THE INSTITUTE IS THE RESPONSIBILITY OF THE
14 PRESIDENT, AND I KNOW IT'S WORKING OUT NOW, ED, AND
15 IT'S BECAUSE EVERYBODY HAS FINALLY BEEN TOLD, OKAY,
16 BEHAVE, BOYS. LET'S HAVE THESE MEETINGS, AND THEY'RE
17 WORKING OUT, AND I'M PLEASED ABOUT THAT. BUT AS WE GO
18 FORWARD, AS WE TRY TO FIND A PRESIDENT, AND AS WE JUST
19 MAKE THIS DOCUMENT EMBODY OUR PHILOSOPHICAL BELIEFS ON
20 HOW THE INSTITUTE OUGHT TO BE RUN, HAVING THIS
21 EXECUTIVE COMMITTEE, AS IT'S DRAFTED IN 4 B AND, I
22 THINK, 4 C TOO, IS UNNECESSARY. AND WE'RE GOING ON
23 RECORD SAYING THAT BOB CHAIRS THE MEETING, AND THEY SET
24 ICOC MATTERS, AGENDAS, AND THAT'S IMPORTANT. THAT HAS
25 TO HAPPEN. AND THE PRESIDENT OF THE INSTITUTE SHOULD

1 BE A MEMBER OF THAT WORKING GROUP -- THAT'S THE WRONG
2 WORD -- COMMITTEE. NOT AVAILABLE OR ON THE CALL OR AT
3 THE PLEASURE. NO. OUGHT TO BE INCLUDED AS A MEMBER OF
4 THE COMMITTEE, PERIOD.

5 BUT AS FAR AS THE PRESIDENT ORGANIZING THE
6 MEETINGS INTERNALLY, THAT'S A MATTER FOR THE PRESIDENT,
7 AND RIGHT NOW THE PRESIDENT IS ZACH HALL. AND ANY WAY
8 DR. HALL WANTS TO SET UP THOSE MEETINGS, THAT'S --

9 CHAIRPERSON LANSING: WELL, SHOULD WE TAKE A
10 VOTE ON YOUR -- YOU WANT TO MAKE A RECOMMENDATION TO
11 MOVE --

12 MR. REED: PUBLIC COMMENT.

13 MR. SERRANO-SEWELL: WE'LL GET TO PUBLIC
14 COMMENT, DON.

15 MR. REED: NOT AFTER THE VOTE'S BEEN TAKEN.

16 CHAIRPERSON LANSING: NO.

17 DR. HENDERSON: HE WANTS A MOTION. A MOTION.

18 MS. KING: JUST TO REMIND EVERYBODY, WE DO
19 HAVE A MOTION ALREADY ON THE TABLE FROM DR. --

20 CHAIRPERSON LANSING: SO DO YOU WANT TO MAKE
21 A FRIENDLY MOTION TO AMEND THE MOTION THAT'S ON THE
22 TABLE TO DELETE THESE OR TO CHANGE SECTION 4 AS YOU
23 HAVE STATED IT?

24 DR. PENHOET: WELL, IF I CAN JUST MAKE ONE
25 FINAL COMMENT ON THIS ISSUE, I BEG YOU NOT TO DO THIS.

1 I BELIEVE THAT THE WORDS THAT JUST CAME OUT OF DAVID'S
2 MOUTH WERE OPERATIONAL MATTERS, SHOULD BE RUN BY THE
3 PRESIDENT. I BELIEVE THE PRESIDENT'S AUTHORITY IS
4 STRATEGIC IN ADDITION TO OPERATIONAL. THERE ARE MANY
5 ISSUES WE DISCUSSED IN THAT MEETING OF BROAD
6 CONSEQUENCE TO THIS ORGANIZATION ABOUT MANY DIFFERENT
7 ISSUES RELATING TO THE LEGISLATURE, RELATING TO
8 STRATEGY FOR -- JUST TODAY WE DISCUSSED THE WHOLE ISSUE
9 OF THE RFA FOR THE FACILITIES WORKING GROUP THAT'S
10 COMING UP, THE FACILITIES GRANTS THAT ARE COMING UP.
11 SO TO CALL THIS AN OPERATIONAL MEETING, BASICALLY
12 DELETE B AND SAY, ZACH, YOU CAN MEET WITH YOUR OWN
13 PEOPLE ANY TIME YOU WANT TO, IT DOESN'T GET THE
14 CHARACTER.

15 THIS SAYS BOB AND I ARE GOING TO SHOW UP AT
16 THIS MEETING RUN BY ZACH. AND I BELIEVE IT EMPOWERS
17 THE PRESIDENT RATHER THAN DISCOURAGES POWER. AND THAT
18 WAS THE INTENT OF PUTTING IT IN HERE. WITH THAT, I'LL
19 SHUT UP.

20 CHAIRPERSON LANSING: CAN I JUST TRY AND
21 BRING SOME CLARITY TO THIS FOR A SECOND. WHEN WE MET
22 IN -- I CAN'T REMEMBER WHERE WE WERE -- WE ASKED ED TO
23 KIND OF MEET WITH ZACH AND WITH BOB AND TO ASSEMBLE A
24 TEAM, WHICH HE DID, AND TO COME BACK TO US. AND WE
25 GAVE THAT AUTHORITY TO ED TO COME BACK TO US WITH A

1 DOCUMENT THAT HE THOUGHT WAS AS GOOD AS HE COULD GET IT
2 TO BE, YOU KNOW, GIVEN THE CIRCUMSTANCES THAT WE ALL
3 ARE EXISTING IN WITH PROP 71, ETC., ETC., ETC. AND I
4 REALLY FEEL THAT, AGAIN, I REALLY FEEL THAT ED DID A
5 TERRIFIC JOB WITH THE HELP OF EVERYBODY THAT I JUST
6 NAMED. AND I THINK THAT IF WE START DILUTING THIS NOW,
7 I THINK WE'RE MAKING A BIG MISTAKE ALSO.

8 YOU KNOW, I'M ALWAYS TRYING TO COLLABORATE
9 AND FIND A SOLUTION, BUT I THINK THAT AT THIS
10 PARTICULAR TIME, AT THIS PARTICULAR MOMENT IN TIME,
11 KNOWING THAT THE PARTNERSHIP IS GOING TO DETERMINE A
12 LOT OF THESE ISSUES, AND THE CANDIDATES ARE GOING TO
13 SPEAK BACK TO US ABOUT A LOT OF THESE ISSUES, BUT THIS
14 IS SOMETHING THAT WE CAN CODIFY AND GO TO OUR SEARCH
15 COMMITTEE WITH. AND IT MAY HAVE MANY FLAWS THAT WE ARE
16 NOT EVEN AWARE OF. WE MAY FIND A CANDIDATE AND SAY,
17 OH, WE WANT TO CHANGE IT THIS WAY, OR WE WANT TO CHANGE
18 IT ANOTHER WAY, BUT I THINK THAT WE ALL STARTED OUT
19 THINKING THAT THIS WAS REALLY A GOOD DOCUMENT, AND I
20 THINK THAT IT'S NOT PERFECT, BUT WE DON'T KNOW WHO THE
21 CANDIDATES ARE.

22 AND WE DID ASK ED TO DO THIS, AND I THINK AT
23 SOME POINT I PERSONALLY, SINCE I DON'T WORK THERE EVERY
24 DAY, WILL REALLY TRUST THAT ED REALLY KILLED HIMSELF TO
25 GET THIS IN AS GOOD A SHAPE AS IT CAN BE WITH THE INPUT

1 OF ZACH AND WITH THE INPUT OF BOB AND OBVIOUSLY RICH
2 AND TINA AND PHIL. SO I'M CHANGING MY MIND AND WOULD
3 LIKE TO STICK WITH THE MOTION.

4 MR. KLEIN: THIS IS BOB. I'D LIKE TO SUPPORT
5 SHERRY'S POSITION. I THINK IT IS WORKING, AS ZACH
6 SAID, AND THERE'S VERY LEGITIMATE ISSUES THAT BRIAN HAS
7 BROUGHT UP AND DR. MURPHY HAS BROUGHT UP WHICH CAN BE
8 OPTIMIZED IN THE SELECTION OF A NEW PRESIDENT. WE NEED
9 TO WORK WITH IT TO MAKE SURE WE GET THE VERY BEST
10 CANDIDATE AND SEE WHAT THEIR NEEDS ARE. BUT ON AN
11 INTERIM BASIS AND AS A STARTING POINT, I THINK ED'S
12 PULLED TOGETHER A DOCUMENT THAT GIVES US A STRUCTURE
13 THAT IS WORKING, IS WORKING WELL, WE ARE PRODUCTIVE.
14 AND I THINK SHERRY HAS IT RIGHT. AND AS DEAN PIZZO
15 SAID, THE CHEMISTRY AND THE TALENTS OF THE PEOPLE WILL
16 DICTATE THE OPTIMAL STRUCTURE TO US, WHICH WE MAY HAVE
17 TO AMEND.

18 DR. PENHOET: I BELIEVE THAT WE HAVE HEARD
19 FROM YOU, ALTHOUGH, THAT THERE ARE SOME CLARIFICATIONS
20 YOU WOULD LIKE TO SEE IF YOU DON'T CHANGE THE
21 SUBSTANCE. ONE IS WHAT'S MEANT BY AN ANNUAL FINANCIAL
22 STRATEGIC PLAN.

23 MR. KLEIN: AND WE CERTAINLY -- THE
24 SCIENTIFIC STRATEGIC PLAN SHOULD BE EXCLUDED FROM THE
25 STRATEGIC FINANCIAL PLAN.

1 DR. PENHOET: AND SINCE THERE'S NO PROPERLY
2 CONSTITUTED EXECUTIVE COMMITTEE OF THE ICOC, AND NO ONE
3 HAS EVER SAID THEY WANTED ONE, THIS IS REALLY THE
4 CHAIR'S EXECUTIVE MEETING, AND WE'LL CLARIFY THAT. SO
5 THOSE ARE TWO CLARIFICATIONS I THINK ARE GOOD
6 SUGGESTIONS AND WE CAN INCORPORATE.

7 MR. KLEIN: OKAY.

8 CHAIRPERSON LANSING: ALL RIGHT. NOW, IS
9 THERE ANY MORE COMMENT FROM THE BOARD? I HAVE A
10 MOTION, SO NOW I WOULD LIKE TO HAVE PUBLIC COMMENT. I
11 KNOW JOHN WANTS TO COMMENT.

12 MR. SIMPSON: JOHN SIMPSON FROM THE
13 FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS. I
14 UNDERSTOOD THIS TO ESSENTIALLY ENACT THE BOARD'S DESIRE
15 TO MOVE COMPLETELY TOWARDS A NONEXECUTIVE CHAIRMAN,
16 WHICH I THINK IS THE RIGHT WAY TO BE GOING, AND IT DOES
17 SEEM TO BE MOVING IN THAT DIRECTION.

18 I WOULD SUGGEST THAT IN SECTION 4, THE WAY
19 THAT YOU ACCOMPLISH THAT THE MOST IS YOU, IN FACT,
20 ELIMINATE A BECAUSE THE CHAIRPERSON HAS THE
21 RESPONSIBILITY UNDER PROP 71 TO DRAW UP THE AGENDA.
22 HOW HE DECIDES TO DO THAT WOULD SEEM TO ME TO BE UP TO
23 HIM AND WHATEVER HE WORKS OUT, AND THE EXECUTIVE
24 COMMITTEE, THEN, OF THE CIRM WOULD BE CHAIRED BY THE
25 PRESIDENT, AND THAT WOULD ENHANCE THE PRESIDENT'S

1 POSITION EVEN FURTHER.

2 THE OTHER THING THAT I WOULD REALLY STRESS AT
3 THIS POINT IS THAT THERE ARE -- THIS IS THE TIME WHEN,
4 IF THERE ARE FLAWS IN PROP 71, AS THERE DO SEEM TO BE,
5 MY SENSE OF THE LEGISLATURE IS THAT THEY WOULD LOOK
6 WILLINGLY AND QUITE WITH PLEASURE IF THERE WAS A
7 REQUEST BY THE BOARD FOR CERTAIN KINDS OF AMENDMENTS.
8 THEY WOULD BE AMENABLE TO HEARING YOU SAY, "THIS IS
9 WHAT WE WOULD LIKE TO CHANGE," WHICH WOULD BE A BIG
10 DIFFERENCE FROM THE PAST SITUATION WHEN YOU ALL SEEMED
11 TO BE AT ODDS WITH THE LEGISLATURE. I THINK THERE
12 WOULD BE AN OPENNESS AND A WILLINGNESS IF THE BOARD
13 WERE TO GO THERE AND SAY, "WE WOULD LIKE TO MAKE SOME
14 OF THESE CHANGES." THANK YOU VERY MUCH.

15 CHAIRPERSON LANSING: THANK YOU, JOHN. ANY
16 OTHER PUBLIC COMMENT?

17 MR. REED: THIS IS DON REED. LOOKING AT THIS
18 FROM THE OUTSIDE, I'M A LITTLE CONCERNED THAT WE'RE
19 MESSING WITH SOMETHING WHICH IS A VERY TOTAL SUCCESS.
20 ZACH HALL IS LEAVING US. HE STATES THAT HE DOES NOT
21 HAVE A HORSE IN THIS RACE. I CANNOT IMAGINE A MORE
22 EFFECTIVE AND A MORE SUCCESSFUL PRESIDENCY THAN HE HAS
23 DONE. HE HAS ACCOMPLISHED EVERY TASK, AS FAR AS I
24 KNOW, BRILLIANTLY. HE HAS SUCCEEDED. YES, THERE IS
25 FRICTION BETWEEN TWO POWERFUL MEN, BUT CALIFORNIA HAS

1 BENEFITED FROM THIS. WE HAVE SOMETHING THAT IS
2 WONDERFUL.

3 I WORRY THAT WE'RE -- MAYBE I DON'T
4 UNDERSTAND EXECUTIVE THINGS. THAT'S SOMETHING YOU GUYS
5 KNOW BETTER THAN ME. YOU'RE ALL EXECUTIVES. BUT I
6 WORRY THAT WE'RE TAKING TOO MUCH POWER AWAY FROM ONE
7 AREA AND PUTTING IT IN ANOTHER WHEN THE CREATIVE
8 TENSION WAS WHAT WAS POWERFUL AND GAVE US OUR STRENGTHS
9 BEFORE. FOR ONE SMALL DETAIL, I REALLY THINK IT'S
10 CRUCIAL THAT THE CHAIR RETAINS THE POWER TO PICK WHO HE
11 OR SHE IS GOING TO WORK WITH. I DON'T THINK THAT YOU
12 WANT TO MAKE THEM BE TOTALLY UNDER THE CONTROL OF THE
13 PRESIDENCY ANY MORE THAN YOU WANT THE PRESIDENT'S STAFF
14 TO BE HIRED BY THE CHAIR.

15 SO I JUST MY GUT INSTINCT IS DON'T PUSH TOO
16 FAR ONE DIRECTION. MAYBE THERE'S SOME MODERATE
17 IMPROVEMENTS, BUT BE CAREFUL. YOU GOT SOMETHING THAT'S
18 WINNING HERE.

19 CHAIRPERSON LANSING: WELL SAID BECAUSE THIS
20 HAS BEEN, WITH FRICTION, ONE OF THE MOST SUCCESSFUL
21 PARTNERSHIPS WE CAN EVER ASK FOR BECAUSE WE HAVE DONE
22 AN EXTRAORDINARY JOB. SO THAT'S WELL SAID. ANY OTHER
23 COMMENTS?

24 DR. REED: JOHN REED. I HAVE ONE I DIDN'T
25 GET A CHANCE TO MAKE EARLIER. AND THAT WAS JUST ON 4 A

1 AND 4 B, WHERE IT SPECIFIES THE INTERVAL BETWEEN
2 MEETINGS, TWICE MONTHLY AND WEEKLY RESPECTIVELY. DO WE
3 FEEL THAT THAT KIND OF LEVEL OF DETAIL IS REQUIRED FOR
4 THIS SORT OF DOCUMENT? I ACTUALLY WORRY THAT IT MAY
5 BECOME RESTRICTIVE OR SOMETHING THAT COULD BE THEN
6 SUBSEQUENTLY CHALLENGED BY OUTSIDERS IF ONE, GOD
7 FORBID, SHOULD MISS ONE OF THE MEETINGS, AND WOULD
8 SUGGEST PERHAPS MORE GENERAL LANGUAGE OF MEETING
9 REGULARLY AS OPPOSED TO DEFINING SPECIFIC INTERVALS.

10 CHAIRPERSON LANSING: ED.

11 DR. PENHOET: I HAVE NO PROBLEM WITH
12 REGULARLY. IT'S FINE.

13 CHAIRPERSON LANSING: OKAY.

14 DR. PENHOET: IN BOTH CASES, A AND B.

15 CHAIRPERSON LANSING: THAT SAID, I THINK
16 WE'VE HEARD FROM EVERYBODY. SO WE HAVE A MOTION AND A
17 SECOND. SO I GUESS WE'RE SAYING WITH THESE MINOR
18 EDITS, CORRECT, CLAIRE?

19 DR. POMEROY: CORRECT.

20 CHAIRPERSON LANSING: SO THEN I THINK, UNLESS
21 I'M WRONG, MELISSA, WE'RE READY FOR A ROLL CALL VOTE.

22 MS. KING: RIGHT. BRIAN HENDERSON.

23 DR. HENDERSON: YES.

24 MS. KING: BOB KLEIN.

25 MR. KLEIN: YES.

1 MS. KING: SHERRY LANSING.
2 CHAIRPERSON LANSING: YES.
3 MS. KING: RICHARD MURPHY.
4 DR. MURPHY: YES.
5 MS. KING: TINA NOVA.
6 DR. NOVA: YES.
7 MS. KING: PHIL PIZZO.
8 DR. PIZZO: YES.
9 MS. KING: CLAIRE POMEROY.
10 DR. POMEROY: YES.
11 MS. KING: JOHN REED.
12 DR. REED: YES.
13 MS. KING: DUANE ROTH.
14 MR. ROTH: YES.
15 MS. KING: DAVID SERRANO-SEWELL.
16 MR. SERRANO-SEWELL: YES.
17 MS. KING: OS STEWARD.
18 DR. STEWARD: YES.
19 MS. KING: FOR THE RECORD THAT MOTION PASSES
20 UNANIMOUSLY.
21 CHAIRPERSON LANSING: THEN I JUST WANT TO
22 SAY, FOR THE RECORD, AGAIN, BECAUSE I THINK DON REED
23 SAID SOMETHING WHICH IS REALLY TRUE, WE'RE PUTTING THIS
24 IN PLACE TO GET A NEW PRESIDENT, BUT WE HAVE HAD A
25 WONDERFUL PRESIDENT AND WE HAVE A WONDERFUL CHAIRMAN,

1 AND THE WORK THAT HAS BEEN ACCOMPLISHED HAS BEEN
2 EXTRAORDINARY. AND AS I SAT THERE ON FRIDAY AND LOOKED
3 AT THE GRANTS BEING GIVEN OUT, I THINK I SPEAK FOR ALL
4 OF US WHO HAVE BEEN INVOLVED IN THIS, THAT WE HAVE AN
5 ENORMOUS AMOUNT TO BE PROUD OF. AND, AGAIN, I WANT TO
6 THANK ED AND ZACH AND BOB AND TINA AND RICH AND PHIL
7 FOR THEIR ENORMOUS -- I JUST SAID AND PHIL -- FOR THEIR
8 ENORMOUS HARD WORK IN MAKING THIS DOCUMENT AND
9 CODIFYING IT. AND THIS IS SOMETHING WE CAN GIVE TO THE
10 SEARCH COMMITTEE; AND, YES, WE WILL ADJUST IT, YOU
11 KNOW, AS NEEDED WHEN WE COME UP WITH CANDIDATES THAT WE
12 ARE SERIOUSLY CONSIDERING AND LISTEN TO THEIR NEEDS.
13 BUT I JUST REALLY WANT TO SAY, TO ME, THE GLASS IS WAY
14 MORE THAN HALF FULL TODAY, AND SO I WANT TO THANK YOU
15 ALL.

16 DR. HALL: LET ME SAY THANKS TO THE
17 SUBCOMMITTEE AND ITS MEMBERS AND TO ED FOR THE WORK
18 THEY PUT INTO THIS. WE'RE TALKING ABOUT CREATIVE
19 TENSION. I THINK WE HAVE SEEN HOURS OF PEOPLE'S WORK
20 ON THIS DOCUMENT, AND I THINK IT'S VERY IMPORTANT THAT
21 ED AND THE COMMITTEE HAS DONE IT, AND I THINK IT WILL
22 BE VERY USEFUL GOING FORWARD. SO I JUST WANT TO SAY
23 THANKS TO EVERYBODY FOR THEIR HARD WORK.

24 CHAIRPERSON LANSING: YES. AND AGAIN, THANK
25 YOU ESPECIALLY TO YOU, ED.

1 MR. KLEIN: AND THIS IS BOB. I WOULD LIKE TO
2 ECHO THOSE COMMENTS AND SAY THAT I THINK DEAN PIZZO HAS
3 PLACED A CHALLENGE. WE NEED TO -- THE CHEMISTRY WILL
4 DICTATE REALLY PART OF THE STRUCTURE AND POTENTIAL, BUT
5 I'D LIKE ALSO TO LIKE TO CELEBRATE THE PROGRESS WE'VE
6 MADE HERE, AND THANK ZACH FOR THE PARTNERSHIP THAT HAS
7 EFFECTIVELY CARRIED THIS FORWARD.

8 DR. HALL: LIKEWISE.

9 CHAIRPERSON LANSING: BRAVO TO BOTH OF YOU.
10 YOU'VE DONE REMARKABLE WORK, AND THERE ARE GRANTS THAT
11 ARE GOING OUT AND, YOU KNOW, SCIENCE IS CONTINUING
12 BECAUSE OF THE WORK OF EVERYBODY, BUT THE TWO OF YOU
13 DID EXTRAORDINARY WORK.

14 MS. KING: JUST SO THE MEMBERS OF THE
15 SUBCOMMITTEE KNOW, ED PENHOET IS NOW LEAVING US.

16 CHAIRPERSON LANSING: ONLY FOR THE MEETING.
17 HE'S NOT LEAVING US. HE'S LEAVING US TO GO TO HIS NEXT
18 MEETING.

19 MS. KING: WE DO HAVE OTHER ITEMS ON THE
20 AGENDA.

21 CHAIRPERSON LANSING: SO NOW WE HAVE ITEM NO.
22 6. SO I'D LIKE TO ASK OUR CHIEF FINANCE AND
23 ADMINISTRATIVE OFFICER, LORI HOFFMAN, TO LEAD US
24 THROUGH AGENDA ITEM 5, WHICH IS THE PROPOSED GOVERNANCE
25 SUBCOMMITTEE STANDING ORDERS, WHICH IS ON THE AGENDA AS

1 A DISCUSSION ITEM ONLY. LORI.

2 MS. HOFFMAN: WE BRING THIS FORWARD TO YOU
3 TODAY AS A FOLLOW-UP TO YOUR DECEMBER 4TH MEETING WHERE
4 AT THAT MEETING THERE WAS A RECOMMENDATION MADE TO THE
5 ICOC THAT A DELEGATION OF AUTHORITY FROM THE ICOC TO
6 THE GOVERNANCE SUBCOMMITTEE BE PRESENTED TO THEM SO
7 THAT THE GOVERNANCE SUBCOMMITTEE HAD AUTHORITY OVER
8 MONITORING AND APPROVING ALL FUTURE TRAVEL POLICIES.
9 THIS IS AN EFFORT TO REMOVE SOME OF THE DAILY BUSINESS
10 FROM THE ICOC AGENDA AND PUT IT IN A GOVERNANCE
11 SUBCOMMITTEE FOR FURTHER DISCUSSION.

12 WITH THAT, THERE WAS NO MECHANISM WITH WHICH
13 TO CODIFY THAT WITH THE EXCEPTION OF MODIFYING THE
14 MISSION STATEMENT. AT THAT POINT IN TIME, WE DECIDED
15 THAT WE WOULD PRESENT TO YOU STANDING ORDERS, WHICH
16 WOULD BE A SECOND TIER OF POLICY UNDER THE BYLAWS, FOR
17 YOUR INFORMATION, AND THAT IT IS OUR THOUGHT THAT WE
18 WOULD GO FORWARD TO THE ICOC'S APRIL MEETING TO ASK FOR
19 APPROVAL OF THIS.

20 SO I OPEN THAT UP FOR ANY COMMENTS THAT YOU
21 MAY HAVE OR QUESTIONS.

22 MR. KLEIN: SHERRY, THIS IS BOB.

23 CHAIRMAN KLEIN: YES, BOB.

24 MR. KLEIN: IF I COULD ASK LORI. LORI, IN
25 TERMS OF OUR INTERNAL PROCEDURES, WE HAVE AT THE BOARD

1 LEVEL A RESPONSIBILITY TO HAVE COST CONTROLS FOR TRAVEL
2 AND OTHER ARRANGEMENTS. DO THESE STANDING ORDERS
3 ENCOMPASS THE GOVERNANCE SUBCOMMITTEE SETTING THE
4 ISSUES DEALING WITH TRAVEL, PER DIEM, ETC., RELATED TO
5 THE -- (INTERFERENCE.)

6 DR. HENDERSON: THERE'S A LOT OF INTERFERENCE
7 ON THE LINE. I DON'T KNOW WHAT IT'S FROM.

8 DR. MURPHY: SOMEBODY HAS GOT THEIR
9 BLACKBERRY NEXT TO THE PHONE. THAT'S WHAT IT IS.

10 DR. HENDERSON: THANK YOU.

11 DR. MURPHY: I'VE BEEN IN TOO MANY MEETINGS.

12 MS. HOFFMAN: SO, BOB, LET ME REPEAT THAT
13 QUESTION AND MAKE SURE THAT I UNDERSTAND IT. WOULD
14 THIS STANDING ORDER ALLOW THE GOVERNANCE SUBCOMMITTEE
15 TO ADOPT TRAVEL POLICIES FOR THE ICOC BOARD MEMBERS?
16 AND THE ANSWER IS NO.

17 DR. HENDERSON: NO.

18 MS. HOFFMAN: UNDER C ALL IT WILL -- THE
19 DELEGATION WOULD BE SPECIFIC TO CIRM MEMBERS AND
20 WORKING GROUP MEMBERS.

21 MR. KLEIN: THAT'S WHAT I THOUGHT THAT THE
22 ANSWER WAS. WHAT I WAS SUGGESTING IS THAT I THINK THAT
23 WE NEED A SEPARATE STANDING ORDER TO BE CONSIDERED FOR
24 AUDIT AND OVERSIGHT PURPOSES. THE BOARD NEEDS TO HAVE
25 A GREATER DETAIL SPELLED OUT IN ITS OWN COST CONTROLS

1 FOR ITS OWN MEMBERS THAN WE CURRENTLY HAVE. AND THE
2 GOVERNANCE COMMITTEE WOULD APPEAR TO BE THE RIGHT PLACE
3 TO HOUSE THAT OVERSIGHT AND BUDGETARY CONTROL.

4 MS. HOFFMAN: OH, I SEE. SO WHAT WE WOULD DO
5 IS INCLUDE A STATEMENT OF REVIEW AND MONITORING TRAVEL
6 POLICIES FOR THE BOARD FOR THE ICOC.

7 MR. KLEIN: EXACTLY.

8 MS. HOFFMAN: I WILL DO THAT.

9 MR. KLEIN: SHERRY AND BOARD MEMBERS, HOW DO
10 YOU FEEL ABOUT THAT? I MEAN THIS APPEARS TO BE THE
11 RIGHT PLACE AND THE RIGHT AUTHORITY TO DEAL WITH THAT
12 DELEGATED RESPONSIBILITY.

13 CHAIRPERSON LANSING: I'M COMFORTABLE. HOW
14 DOES EVERYBODY ELSE FEEL?

15 DR. PIZZO: I'M FINE WITH THAT.

16 DR. NOVA: ME TOO.

17 MS. HOFFMAN: THANK YOU. ANY OTHER
18 DISCUSSION ON THIS OR QUESTIONS? OKAY.

19 CHAIRPERSON LANSING: ALL RIGHT. THEN WE CAN
20 MOVE ON TO THE LAST ITEM, WHICH IS AGAIN, LORI, I'M
21 GOING TO ASK YOU TO LEAD US THROUGH AGENDA ITEM 7,
22 WHICH IS A REPORT ON THE CIRM CONTRACTS AND THEIR
23 BALANCES. AGAIN, THIS IS NOT AN ACTION ITEM, ONLY A
24 DISCUSSION.

25 MS. HOFFMAN: THAT'S CORRECT. SO THIS IS THE

1 FIRST TIME THAT YOU HAVE SEEN THIS PARTICULAR FORMAT.
2 I'M HERE TODAY TO REPORT TO YOU THE ACTIVITIES FOR THE
3 FIRST SIX MONTHS OF '06-'07. YOU WILL NOTE THAT I HAVE
4 TAKEN THE ACTIVITIES AND DEFINED THEM AND CREATED
5 SEVERAL TABLES TO DISPLAY SOME OF THE DIVISIONS OF
6 CONTRACTS THAT WE ARE CURRENTLY ENGAGED IN AT THE
7 INSTITUTE.

8 SO I THINK THE IMPORTANT PIECE OF THIS IS TO
9 NOTE THAT WE HAVE EXTERNAL CONTRACTS AS WELL AS OUR
10 INTERAGENCY AGREEMENTS; AND THAT AS OF DECEMBER 31ST OF
11 '06, WE HAD OUTSTANDING LIABILITIES STILL OF \$1.8
12 MILLION, AND THAT WAS OUT OF AN ENCUMBERED AMOUNT FOR
13 THE ENTIRE YEAR OF \$2.757 MILLION.

14 I ALSO WOULD LIKE TO INFORM YOU THAT WE HAVE
15 TWO RFA'S OUT, ONE WAS THE EXECUTIVE SEARCH FIRM FOR
16 THE PRESIDENTIAL SEARCH, AND THE OTHER IS TO UPDATE OUR
17 SALARY SURVEY FOR ALL STAFF MEMBERS HERE AT CIRM.

18 SO I'M OPEN FOR DISCUSSION AS WELL AS
19 QUESTIONS.

20 DR. MURPHY: LORI, THIS IS RICH MURPHY. THIS
21 LOOKS LIKE A VERY CLEAR WAY OF DOING BUSINESS. THIS IS
22 VERY EASY TO READ. AND, BOY, I MIGHT STEAL THIS FROM
23 YOU FOR OUR PLACE.

24 MS. HOFFMAN: THANK YOU.

25 MR. KLEIN: THIS IS BOB. I HAD A QUESTION,

1 WHICH IS WE WILL GET THE RESPONSES TO THE REQUESTS FOR
2 PROPOSALS BACK THIS FRIDAY ON THE EXECUTIVE SEARCH.
3 ASSUMING THAT IT IS OVER 250,000, IN ORDER TO PROCEED
4 IN THE NEAR TERM, WHAT WOULD THE PLEASURE OF THE
5 GOVERNANCE COMMITTEE BE? SHOULD WE TAKE THAT -- THE
6 QUESTION IS TIMING. SHOULD WE ASK THEM TO BIFURCATE
7 THEIR RESPONSIBILITIES AND EXECUTE A CONTRACT WITH TWO
8 FIFTY WITH THE EXCESS TO GO TO THE BOARD FOR APPROVAL,
9 OR SHOULD -- IN ORDER TO ALLOW THEM TO GET STARTED
10 QUICKLY, OR SHOULD THE PRESIDENTIAL SEARCH FIRM, IF IT
11 ACCEPTS THE PROPOSAL, SHOULD IT ASK THEM NOT TO START
12 WORK UNTIL WE GET TO THE BOARD, THE NEXT BOARD MEETING?

13 WHAT WOULD THE DIRECTION BE BECAUSE IT
14 DOESN'T QUITE FALL WITHIN THE PARAMETERS OF WHAT WE
15 HAVE ESTABLISHED? MAYBE LORI HOFFMAN COULD COMMENT.

16 MS. HOFFMAN: WELL, BOB, I UNDERSTAND YOUR
17 TWO OPTIONS. IT'S DIFFICULT FOR ME TO SUGGEST THAT WE
18 WOULD WANT TO BIFURCATE A TOTAL CONTRACT, AND I WOULD
19 HOPE THAT EITHER THE GOVERNANCE SUBCOMMITTEE WOULD BE
20 WILLING TO DELEGATE AUTHORITY TO THE PRESIDENTIAL
21 SEARCH FIRM FOR ANY --

22 MR. KLEIN: TO THE PRESIDENTIAL SEARCH
23 COMMITTEE.

24 MS. HOFFMAN: COMMITTEE. EXCUSE ME.
25 PRESIDENTIAL SEARCH COMMITTEE. YES. -- FOR THE

1 APPROVAL OF A CONTRACT IF, INDEED, IT IS OVER 250,000.
2 THE SUBCOMMITTEE HAS THAT DELEGATED AUTHORITY, SO IT
3 WOULD NEVER HAVE TO GO TO THE BOARD LEVEL.

4 DR. PIZZO: THAT COMMITTEE IS MEETING NEXT
5 WEEK, ISN'T IT?

6 MR. KLEIN: MARCH 2D, I BELIEVE.

7 DR. PIZZO: SO WILL WE BE AT THAT MEETING
8 THEN REVIEWING THE PROPOSAL SUBMISSIONS AT THAT TIME?

9 MR. KLEIN: WE WILL. SO WE WILL BE IN A
10 POSITION TO MAKE A DECISION. AND THE QUESTION IS, DR.
11 PIZZO, WHETHER WE WILL NEED TO WAIT FOR THE NEXT
12 GOVERNANCE SUBCOMMITTEE MEETING TO BE SCHEDULED FOR
13 APPROVAL OF THE AMOUNT, OR WHAT THE RECOMMENDED
14 APPROACH WOULD BE.

15 DR. PIZZO: I SEE WHAT YOU'RE SAYING. YEAH.

16 CHAIRPERSON LANSING: DON'T WE HAVE THE RULES
17 THAT SAY IF IT GOES ABOVE A CERTAIN THING, IT HAS TO
18 COME BACK, DOESN'T IT?

19 MR. KLEIN: YEAH. LORI WAS SUGGESTING --

20 CHAIRPERSON LANSING: THAT WE DELEGATE IT. I
21 KNOW.

22 MR. KLEIN: IT'S UP TO THE COMMITTEE WHAT YOU
23 WANT TO DO. I'M JUST LOOKING FOR DIRECTION.

24 DR. PIZZO: I THINK THE ONE BOTTOM LINE IS
25 THAT WE WANT TO GET THE SEARCH STARTED.

1 CHAIRPERSON LANSING: I THINK WE SHOULD
2 DELEGATE IT.

3 DR. PIZZO: YEAH. THAT'S WHAT I THINK AS
4 WELL.

5 DR. HALL: FINAL AUTHORITY YOU'RE TALKING
6 ABOUT?

7 MS. HOFFMAN: ALLOW ME JUST TO OFFER THE
8 OPTIONS AVAILABLE AGAIN.

9 MR. KLEIN: LET ME ASK. COULD I ASK --
10 ANSWER DR. HALL'S. THE CONTRACT ITSELF SHOULD BE
11 SIGNED BY THE PRESIDENT REGARDLESS OF WHAT THE CONTRACT
12 AUTHORITY IS, BUT THE -- SO WE'RE TALKING ABOUT
13 AUTHORIZING THE DOLLAR AMOUNT, BUT THE CONTRACT ITSELF
14 AND THE TERMS NEED TO BE REVIEWED BY THE PRESIDENT AS
15 THEY NORMALLY WOULD BE. SO I THINK THAT'S THE --

16 DR. HALL: OKAY. FINE.

17 MR. KLEIN: OKAY. I THINK THAT ANSWERS YOUR
18 QUESTION, DR. HALL?

19 DR. HALL: YES.

20 MR. KLEIN: OKAY.

21 MS. HOFFMAN: SO I THINK THE OPTIONS
22 AVAILABLE TODAY WOULD BE, FIRST OF ALL, IF THE SELECTED
23 FIRM'S PRICE WAS UNDER TWO FIFTY, THEN, OF COURSE, THE
24 PRESIDENT HAS ALSO THE AUTHORITY TO APPROVE THAT
25 CONTRACT AS WELL AS SIGN IT. IF IT IS OVER TWO FIFTY,

1 THEN EITHER THIS SUBCOMMITTEE CAN DELEGATE THE
2 AUTHORITY TO THE PRESIDENTIAL SEARCH COMMITTEE, OR THEY
3 CAN HOLD AN EMERGENCY MEETING. SO THAT -- I DO WANT TO
4 OFFER THAT AS A THIRD.

5 CHAIRPERSON LANSING: IF WE HOLD AN EMERGENCY
6 MEETING, HOW LONG DO WE HAVE TO NOTICE THAT?

7 MS. HOFFMAN: IT'S A 72-HOUR NOTICE FOR AN
8 EMERGENCY MEETING.

9 CHAIRPERSON LANSING: YOU KNOW WHAT. THEN
10 I'M GOING TO AMEND WHAT I FEEL. JUST BECAUSE I DON'T
11 KNOW. I'M REALLY COMFORTABLE WITH THE PRESIDENT, BUT I
12 MEAN, ON THE OTHER HAND, IF WE HAVE THESE RULES AND
13 IT'S 72 HOURS, IS THAT GOING TO SCREW US UP? WHAT'S
14 THE SENSE OF THE BOARD? I CAN TALK MYSELF INTO EITHER
15 SIDE OF THIS.

16 DR. HENDERSON: LET'S STAY WITHIN OUR
17 REGULATIONS IF WE CAN WHENEVER POSSIBLE.

18 CHAIRPERSON LANSING: I THINK, YOU KNOW, IT'S
19 ONLY 72 HOURS. I MEAN I TRUST THE PRESIDENT TO MAKE
20 THE RIGHT DECISION, I REALLY DO, BUT WE SET THESE RULES
21 UP, AND IT'S ONLY 72 HOURS. IF IT WAS TEN DAYS, I
22 WOULD FEEL DIFFERENT. BUT, YOU KNOW, I THINK -- WHY
23 DON'T YOU JUST TAKE A ROLL CALL. I JUST WOULD LIKE TO
24 KNOW THE SENSE OF THE BOARD.

25 MR. KLEIN: OKAY. WELL, SHERRY, WHY DON'T

1 YOU MAKE A MOTION TO HAVE IT 72 HOURS SO THAT WE CAN
2 HAVE A VOTE.

3 CHAIRPERSON LANSING: AND THEN WE'LL SEE.
4 OKAY. I MOTION THAT, AS MUCH AS I TRUST THE PRESIDENT,
5 AND I DO A HUNDRED PERCENT, THAT WE HAVE THESE RULES
6 THERE FOR A REASON, AND IF IT'S ONLY 72 HOURS, IT'S
7 PROBABLY THE BETTER PART OF VALOR TO KEEP IT THAT WAY.
8 SO --

9 MR. KLEIN: I WILL SECOND THE MOTION.

10 CHAIRPERSON LANSING: OKAY. NOW TAKE A ROLL
11 CALL.

12 DR. MURPHY: SHERRY, MAY I ASK A QUESTION?
13 WHAT IS THE -- IN GENERAL, WHAT IS THE AGENDA FOR THE
14 SEARCH COMMITTEE NEXT FRIDAY? IS IT TO EVALUATE
15 PROPOSALS SUBMITTED TO US BY FIRMS?

16 MR. KLEIN: IT'S TO CONSIDER THE SELECTION OF
17 A FIRM THAT HAS SUBMITTED PROPOSALS UNDER THE RFQ
18 THAT'S GONE OUT, AND THE PURPOSE IS TO SELECT A FIRM,
19 AND THEN THERE IS AN AGENDA TO CONSIDER THE ITEM THAT
20 YOU JUST PASSED AS A BASIS FOR THE SEARCH FIRM TO LOOK
21 AT THE ROLES AND RESPONSIBILITIES THAT WILL BE
22 CONSIDERED IN THIS SEARCH.

23 DR. MURPHY: OKAY. SO WE ARE NOT GOING TO
24 INTERVIEW PERSONALLY SEARCH FIRMS THE WAY WE DID THE
25 FIRST TIME AROUND?

1 MR. KLEIN: THE SEARCH FIRMS WILL BE THERE
2 AND MAKE A PRESENTATION.

3 DR. MURPHY: THEY WILL BE THERE NEXT WEEK.
4 OKAY. SORRY.

5 MS. KING: NOT NEXT FRIDAY.

6 DR. MURPHY: ISN'T IT THE 2D OR 3D?

7 MS. KING: THEY WILL BE NOT BE THERE MARCH
8 2D.

9 DR. MURPHY: SO, MELISSA, WHAT IS MARCH 2D
10 THEN?

11 MS. KING: THAT IS THE PRESIDENTIAL SEARCH
12 SUBCOMMITTEE MEETING, BUT AS FAR AS I KNOW AS OF RIGHT
13 NOW, THE RFP DID NOT SPECIFY THAT THEY WOULD NEED TO BE
14 THERE FOR THAT.

15 MR. KLEIN: WE'RE GOING TO ACTUALLY ASK THEM
16 TO BE THERE. WHAT MELISSA IS SAYING IS THAT THE RFP
17 DID NOT REQUIRE THEM TO BE THERE AS OF NEXT FRIDAY, BUT
18 WE ACTUALLY INTEND TO ASK THEM TO PHYSICALLY BE THERE.

19 DR. MURPHY: OKAY. THANK YOU.

20 DR. PIZZO: HOW MANY WILL THERE BE?

21 MS. KING: THAT WILL DEPEND ON HOW MANY
22 RESPONSES WE GET. THOSE ARE DUE THIS FRIDAY.

23 DR. PIZZO: OKAY.

24 MS. KING: AND THAT ALSO, JUST SO EVERYONE
25 KNOWS, MANY OF YOU ARE ON THAT SUBCOMMITTEE, THAT'S THE

1 REASON FOR DOING THE MEETING IN PERSON. IT WAS THE
2 OPINION OF THE SUBCOMMITTEE THAT THAT'S THE WAY IT
3 SHOULD BE DONE, AND ALSO WITH THE HOPE THAT THE FIRMS
4 CAN COME AND PRESENT TO YOU.

5 CHAIRPERSON LANSING: UNFORTUNATELY I AM IN
6 CHICAGO.

7 DR. HENDERSON: I CAN'T ATTEND UNFORTUNATELY.
8 I COULD BY PHONE, BUT NOT IN PERSON.

9 MR. KLEIN: BASED UPON PRIOR PRECEDENT, EVEN
10 THOUGH THE COMMITTEE WANTED EVERYONE TO ATTEND IN
11 PERSON, WE HAVE PREVIOUSLY MADE AN EXCEPTION FOR
12 OUT-OF-STATE OR OUT-OF-THE-COUNTRY BECAUSE OF THE
13 BURDEN IT WOULD CREATE FOR A MEMBER AND BECAUSE IT
14 WOULD NOT ERODE AT THE EDGES ARBITRARILY, NOT LEADING
15 TO ARBITRARY EXCEPTIONS TO WHAT THE COMMITTEE HAD
16 REQUESTED.

17 CHAIRPERSON LANSING: WHAT IS THE TIME, THEN,
18 OF THAT MEETING?

19 MS. KING: IT IS 3 TO 6 P.M. PACIFIC TIME.

20 DR. MURPHY: MAY I JUST ASK A FOLLOW-UP. SO
21 IF THE SEARCH COMMITTEE DECIDES THAT ONE FIRM REALLY
22 STANDS OUT AND THE FEE FOR THAT FIRM IS UNDER \$250,000,
23 ARE YOU RECOMMENDING THAT THE PRESIDENTIAL SEARCH
24 COMMITTEE COULD THEN AUTHORIZE ZACH TO SIGN A CONTRACT
25 WITH THESE PEOPLE?

1 MS. HOFFMAN: ZACH WOULD HAVE AUTHORIZATION
2 ALREADY.

3 MR. KLEIN: IF IT'S UNDER 250,000, IT WOULD
4 GO DIRECTLY TO ZACH TO EXECUTE A CONTRACT.

5 DR. MURPHY: OKAY. AND IF IT'S MORE THAN,
6 THEN THE IDEA IS THAT IT WOULD HAVE TO CIRCULATE BACK
7 FOR THE 72 HOURS?

8 CHAIRPERSON LANSING: 72 HOURS TO THE
9 GOVERNANCE COMMITTEE.

10 DR. MURPHY: OKAY. SO IT LOOKS LIKE WE NEED
11 A COMPANY THAT DOES IT FOR \$249,000.

12 CHAIRPERSON LANSING: THAT WOULD BE GREAT.

13 DR. PIZZO: HOPEFULLY, ONE THAT CAN DO IT FOR
14 A HUNDRED.

15 DR. MURPHY: YEAH.

16 MR. KLEIN: AND I THINK WE HAVEN'T HAD PUBLIC
17 COMMENT YET.

18 CHAIRPERSON LANSING: PUBLIC COMMENT?

19 MR. SIMPSON: I AM ONE OF THOSE WHO WOULD SAY
20 THAT IT WOULD SEEM TO ME TO DELEGATE THIS AUTHORITY TO
21 THE PRESIDENTIAL SEARCH COMMITTEE. THAT WAS JOHN
22 SIMPSON.

23 CHAIRPERSON LANSING: OKAY. I THINK WE
24 SHOULD HAVE A ROLL CALL VOTE.

25 MS. KING: ALL RIGHT. BRIAN HENDERSON.

1 DR. HENDERSON: YEAH. I THINK I'M AGREEING
2 WITH SHERRY'S MOTION, I BELIEVE, IS WHAT WE'RE VOTING
3 ON.

4 MS. KING: CORRECT.

5 CHAIRPERSON LANSING: AND IT IF DOESN'T PASS,
6 THEN WE WILL --

7 DR. HENDERSON: YES.

8 CHAIRPERSON LANSING: -- MAKE A MOTION TO
9 DELEGATE.

10 MS. KING: A YES FROM DR. HENDERSON. BOB
11 KLEIN.

12 MR. KLEIN: YES.

13 MS. KING: SHERRY LANSING.

14 CHAIRPERSON LANSING: YES.

15 MS. KING: RICHARD MURPHY.

16 DR. MURPHY: MELISSA, JUST READ IT ONE MORE
17 TIME WHAT THE MOTION IS, PLEASE.

18 MS. KING: YEAH. THE MOTION IS IF THE
19 CONTRACT IS GOING TO BE FOR ABOVE \$250,000, FOR THE
20 GOVERNANCE SUBCOMMITTEE TO HAVE AN EMERGENCY MEETING IN
21 ORDER TO APPROVE THE DOLLAR AMOUNT OF THE CONTRACT.

22 DR. MURPHY: YES.

23 MS. KING: OKAY. TINA NOVA.

24 DR. NOVA: YES.

25 MS. KING: PHIL PIZZO.

1 DR. PIZZO: YES.

2 MS. KING: CLAIRE POMEROY.

3 DR. POMEROY: YES.

4 MS. KING: JOHN REED.

5 DR. REED: YES.

6 MS. KING: DUANE ROTH.

7 MR. ROTH: YES.

8 MS. KING: DAVID SERRANO-SEWELL.

9 MR. SERRANO-SEWELL: YES.

10 MS. KING: OS STEWARD.

11 DR. STEWARD: YES.

12 MS. KING: AND FOR THE RECORD, THAT VOTE

13 PASSES UNANIMOUSLY, THAT MOTION.

14 CHAIRPERSON LANSING: AND, AGAIN, I WANT TO

15 REITERATE IT'S NOT A LACK OF TRUST. IT'S JUST STAYING

16 BY THE RULES THAT WE WORKED SO HARD TO SET UP.

17 AND I THINK, WITH THAT, BELIEVE IT OR NOT,

18 OUR MEETING IS CONCLUDED. AND I WANT TO THANK ALL OF

19 YOU FOR YOUR ATTENDANCE. I THINK WE ACCOMPLISHED A

20 TREMENDOUS AMOUNT TODAY. AND I'M REALLY, REALLY GLAD

21 THAT WE HAVE SOMETHING TO GIVE TO THE PRESIDENTIAL

22 SEARCH. AND I THANK EVERYBODY AGAIN. I WON'T SAY ALL

23 OF YOUR NAMES WHO WORKED ON IT. I THANK YOU, LORI, FOR

24 POINTING OUT --

25 DR. PIZZO: COULD YOU GIVE THOSE NAMES AGAIN,

1 SHERRY, ONE MORE TIME? JUST KIDDING.

2 CHAIRPERSON LANSING: I WANT TO SAY RICH
3 MURPHY, I WANT TO SAY TINA NOVA, I WANT TO SAY BOB
4 KLEIN.

5 DR. MURPHY: WHAT A WOMAN SHE IS, ISN'T SHE?

6 DR. PIZZO: ALL RIGHT. THANK YOU, SHERRY.

7 CHAIRPERSON LANSING: YOU GUYS ARE REALLY
8 GREAT. THANKS AGAIN FOR YOUR TIME. AND, EVERYBODY, AS
9 WE GO THROUGH THESE MEETINGS, PLEASE REMEMBER THE JOY
10 WE ALL HAD ON FRIDAY. IT WAS WONDERFUL TO STAND THERE
11 AND THINK OF WHAT HAS HAPPENED IN THE LAST YEARS AND TO
12 SEE THAT THE WORK IS BEGINNING, AND THAT'S REALLY ALL
13 THAT'S IMPORTANT. AND I AM SO PROUD TO BE PART OF THIS
14 AND LOVE WORKING WITH ALL OF YOU. SO THANK YOU.

15 DR. PIZZO: GOOD LUCK, SHERRY, ON SUNDAY.

16 CHAIRPERSON LANSING: I HOPE I DON'T FALL.
17 THAT WOULD BE SO HUMILIATING. THANKS AGAIN, GUYS.

18 (THE MEETING WAS THEN CONCLUDED AT 5:04
19 P.M.)

20

21

22

23

24

25

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE TELEPHONIC PROCEEDINGS BEFORE THE GOVERNANCE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING ON FEBRUARY 21, 2007, WAS HELD AS HEREIN APPEARS, AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF, AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

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