

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

LOCATION: USC KECK SCHOOL OF MEDICINE  
MAYER AUDITORIUM  
1975 ZONAL AVENUE  
LOS ANGELES, CA

DATE: APRIL 29, 2009  
9:31 A.M.

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

BRS FILE NO.: 82461

## BARRISTERS' REPORTING SERVICE

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**BARRISTERS' REPORTING SERVICE**

1 LOS ANGELES, CALIFORNIA; WEDNESDAY, APRIL 29, 2009

2 09:31 A.M.

3  
4 CHAIRMAN KLEIN: ALL RIGHT. IF YOU CAN  
5 HEAR ON THESE MICS, FOR THE BOARD MEMBERS, YOU HAVE  
6 TO PUSH TO GET THESE MICS ON. RIGHT NOW THEY'RE ALL  
7 ON GREEN. SO IF YOU DON'T WANT CONVERSATIONS ABOUT  
8 BREAKFAST TO BE PROJECTED THROUGH THE AUDITORIUM,  
9 PUSH THE BUTTON AND TURN YOUR MICS OFF. SO IT WOULD  
10 BE BEST IF EVERYONE, WHEN THEY'RE GOING TO SPEAK  
11 THIS MORNING, TURN THE MIC ON AT THAT TIME.

12 WHILE WE ARE COLLECTING THE LAST FEW BOARD  
13 MEMBERS, I'D LIKE TO RECOGNIZE THAT DR. ARLENE CHIU  
14 IS IN THE AUDIENCE.

15 (APPLAUSE.)

16 CHAIRMAN KLEIN: ONE OF OUR GREAT AND  
17 DISTINGUISHED ALUMS FOR THIS ORGANIZATION. AND  
18 THANK YOU, DR. CHIU, FOR LEADING US IN THE EARLY  
19 DAYS.

20 I WOULD LIKE TO SAY OUR FORMAT FOR THIS  
21 MORNING HERE, AS SOON AS WE CAN GET SHERRY LANSING  
22 AND A COUPLE OF OTHERS UP, IS TO OPEN THE PUBLIC  
23 MEETING. WE'LL OPEN IT JUST FOR A FEW MINUTES. WE  
24 HAVE AN ITEM THAT'S TIME SENSITIVE BECAUSE SENATOR  
25 ROMERO HAS A HEARING AT 10:30. THERE IS A BILL THAT

## BARRISTERS' REPORTING SERVICE

1 SHE HAS WHICH HAS NOW BEEN MODIFIED TO BE PART OF  
2 THE EDUCATION CODE. SO IT'S NOT MODIFYING OUR BASIC  
3 CHARTER OR OUR BASIC LEGISLATION. IT'S ISOLATED  
4 FROM THAT. DOESN'T REQUIRE A 70-PERCENT VOTE IN  
5 THAT MANNER. AND VERY CLEARLY IS INTENDED TO  
6 STIMULATE STEM CELL EDUCATION IN THE STATE WITHOUT  
7 MODIFYING OUR BASIC LEGISLATION.

8 SO WITH EVERYONE SEATED, QUESTION FOR  
9 MELISSA. DO WE HAVE A QUORUM?

10 MS. KING: WELL, WHEN DR. FONTANA JOINS  
11 US.

12 CHAIRMAN KLEIN: IF STAFF COULD SEND OUT A  
13 SEARCH PARTY. WHAT I'M GOING TO DO IS OPEN THE  
14 SESSION WHILE WE'RE WAITING FOR HER RETURN. AND I'D  
15 LIKE TO AGAIN THANK DR. PULIAFITO AND THE SCIENTISTS  
16 AT USC FOR THEIR FABULOUS PRESENTATION THIS MORNING.

17 (APPLAUSE.)

18 CHAIRMAN KLEIN: CERTAINLY DRY MACULAR  
19 DEGENERATION AND THE GENERATION OF RETINAL PIGMENT  
20 EPITHELIAL CELLS IS ON THE LEADING EDGE OF THE  
21 FRONTIER, AND IT WAS A TREMENDOUS BRIEFING. YOU MAY  
22 HAVE NOTICED WE'VE GONE TO A TWO-CAMERA FORMAT SO WE  
23 GET HIGHER QUALITY VIDEOS SO THAT WE CAN PUT IT ON  
24 OUR WEBSITE, AND IT CAN GO ON YOUTUBE TO EDUCATE  
25 GENERALLY. IT ALSO CAN BE USED BY HIGH SCHOOL AND

## BARRISTERS' REPORTING SERVICE

1 COLLEGE SCIENCE CLASSES AS AN ILLUSTRATION OF THE  
2 POTENTIAL APPLICATIONS. TRYING TO GET THROUGH DON'S  
3 LEADERSHIP, DON GIBBONS' LEADERSHIP, MULTIPLE  
4 APPLICATIONS FOR EVERY EXPENDITURE. AND BY STEPPING  
5 UP THE QUALITY SLIGHTLY, WE GET A LOT GREATER VALUE  
6 OUT OF OUR SPOTLIGHTS.

7 SO IN OPENING THIS MORNING, MELISSA, COULD  
8 YOU LEAD US IN THE FLAG SALUTE, AND THEN WE'LL GO  
9 THROUGH AND DO THE ROLL CALL.

10 (THE PLEDGE OF ALLEGIANCE.)

11 MS. KING: RICARDO AZZIZ. ROBERT PRICE  
12 FOR ROBERT BIRGENEAU.

13 DR. PRICE: HERE.

14 MS. KING: FLOYD BLOOM. DAVID BRENNER.

15 DR. BRENNER: HERE.

16 MS. KING: JACOB LEVIN FOR SUSAN BRYANT.

17 DR. LEVIN: HERE.

18 MS. KING: MARSHA CHANDLER. MARCY FEIT.  
19 MICHAEL FRIEDMAN.

20 DR. FRIEDMAN: HERE.

21 MS. KING: LEEZA GIBBONS.

22 MS. GIBBONS: HERE.

23 MS. KING: MICHAEL GOLDBERG. SAM HAWGOOD.  
24 BOB KLEIN.

25 CHAIRMAN KLEIN: HERE.

## BARRISTERS' REPORTING SERVICE

1 MS. KING: SHERRY LANSING.  
2 MS. LANSING: HERE.  
3 MS. KING: GERALD LEVEY.  
4 DR. LEVEY: HERE.  
5 MS. KING: TED LOVE.  
6 DR. LOVE: HERE.  
7 MS. KING: ED PENHOET.  
8 DR. PENHOET: HERE.  
9 MS. KING: PHIL PIZZO. CLAIRE POMEROY.  
10 FRANCISCO PRIETO.  
11 DR. PRIETO: HERE.  
12 MS. KING: CARMEN PULIAFITO.  
13 DR. PULIAFITO: HERE.  
14 MS. KING: ROBERT QUINT.  
15 DR. QUINT: HERE.  
16 MS. KING: JEANNIE FONTANA FOR JOHN REED.  
17 DR. FONTANA: HERE.  
18 MS. KING: DUANE ROTH.  
19 MR. ROTH: HERE.  
20 MS. KING: JOAN SAMUELSON.  
21 MS. SAMUELSON: HERE.  
22 MS. KING: DAVID SERRANO-SEWELL.  
23 MR. SERRANO-SEWELL: HERE.  
24 MS. KING: JEFF SHEEHY.  
25 MR. SHEEHY: HERE.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: JON SHESTACK. OSWALD STEWARD.  
2 AND ART TORRES.

3 MR. TORRES: HERE.

4 MS. KING: WE DO HAVE A QUORUM.

5 CHAIRMAN KLEIN: THANK YOU, MELISSA. AND  
6 THANK YOU, MELISSA AND JENNA, WHEREVER SHE IS, FOR  
7 ORGANIZING ANOTHER GREAT MEETING WITH A TREMENDOUS  
8 AMOUNT OF COORDINATION THAT NEEDS TO HAPPEN TO GET  
9 US ALL HERE.

10 I'D LIKE TO GO IMMEDIATELY TO A QUICK  
11 PRESENTATION BY DON GIBBONS ON A BILL PENDING IN THE  
12 STATE LEGISLATURE THAT IS UP FOR A HEARING IN ABOUT  
13 AN HOUR OR 50 MINUTES FROM NOW.

14 MR. GIBBONS: WHILE MELISSA PULLS UP MY  
15 ONE SLIDE, I'M GOING TO TELL YOU A 30-SECOND HISTORY  
16 OF THIS BILL. LATE LAST FALL WHEN THE CALIFORNIA  
17 BUDGET WAS IN COMPLETE MELTDOWN, PRESIDENT PRO TEM  
18 STEINBERG'S STAFF CALLED ME AND SAID HE IS VERY  
19 CONCERNED ABOUT EDUCATION GETTING THE SHORT END OF  
20 THE STICK. IS THERE ANY WAY WE CAN TIE EDUCATION TO  
21 THE NEW BUDDING ECONOMIES IN CALIFORNIA INCLUDING  
22 STEM CELLS?

23 SO I TOLD HIM ABOUT THE INITIATIVES I HAD  
24 PLANNED. THEY IMMEDIATELY FELT THAT THOSE WERE VERY  
25 GOOD IDEAS, AND THEY WANT TO SUPPORT THEM THROUGH

## BARRISTERS' REPORTING SERVICE

1 LEGISLATION. SO WE'VE BEEN BACK AND FORTH WITH  
2 THEM. ART TORRES CAME ON AT A VERY GOOD TIME TO  
3 HELP MOVE THIS IN THE RIGHT DIRECTION TO WHERE IT'S  
4 A STRONG VOTE OF SUPPORT WITH NO UNFUNDED MANDATES  
5 FOR THE PEOPLE INVOLVED, RELYING VERY HEAVILY ON  
6 EXISTING PROGRAMS.

7 SO SENATOR ROMERO IS HEAD OF THE EDUCATION  
8 COMMITTEE, HAS BEEN CARRYING THE BALL FOR SENATOR  
9 STEINBERG ON THIS, AND SHE'S BEEN VERY, VERY  
10 SUPPORTIVE AS HAS HER STAFF.

11 THEY'LL BE HEARING THREE BILLS THIS  
12 MORNING IN SACRAMENTO DEALING WITH DIFFERENT ASPECTS  
13 OF TYING EDUCATION TO NEW PARTS OF THE CALIFORNIA  
14 ECONOMY.

15 SO BIO DOES SUPPORT THIS BILL NOW. THEY  
16 ORIGINALLY DID NOT. THEY DO SUPPORT IT IN ITS  
17 CURRENT FORM. SO, AGAIN, AS I MENTIONED LAST NIGHT,  
18 THE 2006 STRATEGIC PLAN CALLED FOR CREATING  
19 EDUCATION MATERIALS. I HAVE A CONTRACT IN PLACE  
20 WITH LAUREL BARCHAS, WHO I MENTIONED YESTERDAY  
21 EVENING, TO DO SOME INVESTIGATIVE PHASES OF WHAT  
22 WOULD BE DOABLE. I MENTIONED SENATOR STEINBERG AND  
23 ROMERO HAVE REALLY BEEN INCREDIBLY SUPPORTIVE IN  
24 THIS. AND THE STEM CELL BILL ITSELF WOULD DO VERY  
25 SPECIFIC THINGS: PROMOTE LINKAGES BETWEEN CIRM --



## BARRISTERS' REPORTING SERVICE

1 THE RELATED BIOTECH INITIATIVES, THE INDUSTRY IS  
2 VERY GOOD IN THIS FIELD, HAVE A LOT OF INITIATIVES  
3 IN VARIOUS PARTS OF THE STATE TO LINK WITH HIGH  
4 SCHOOLS, SO LINK WITH THEM AND THEN BRING IN THE  
5 STATE SCHOOLS.

6 IT WILL MANDATE STEM CELL SCIENCE IN THE  
7 HIGH SCHOOL CURRICULUM. AGAIN, THE BOARD OF  
8 EDUCATION VOTED TO DO THAT MARCH 11TH. THIS PUTS IT  
9 IN STATUTE, WHICH IS REALLY IMPORTANT FOR SOME OF  
10 THE MORE CONSERVATIVE PARTS OF THE STATE. THE STATE  
11 BOARD OF EDUCATION CAN DICTATE CURRICULUM IN ONE  
12 THROUGH EIGHT. THEY CANNOT IN THE HIGH SCHOOLS. SO  
13 HAVING THIS IN LEGISLATION IS IMPORTANT, SO IT  
14 DOESN'T GET BUMPED OUT IN MORE CONSERVATIVE  
15 DISTRICTS.

16 IT FOCUSES ON WORKING WITH EXISTING  
17 PROGRAMS. AGAIN, IT WANTS TO STRENGTHEN EXISTING  
18 PROGRAMS WITH THE NEW SCIENCE OF STEM CELLS AND  
19 OTHER ASPECTS OF BIOTECHNOLOGY, NOT ADDING NEW  
20 LAYERS. AND THE ONE THING THAT IMPACTS US IN A VERY  
21 REMOTE FASHION, IT ASKS THE ICOC TO CONSIDER  
22 EDUCATION AND WORKFORCE ISSUES IN THE ALLOCATION OF  
23 FUNDS. IT'S SOMETHING YOU ALREADY DO. OBVIOUSLY  
24 THE BRITISH PROGRAM DID THAT IN SPAIN, SO IT'S  
25 NOTHING NEW FOR YOU. IT'S MORE OF A REMINDER TO DO

## BARRISTERS' REPORTING SERVICE

1 WHAT YOU ALREADY HAVE A PENCHANT FOR DOING.

2 I HAVE A COLLEAGUE IN SACRAMENTO STANDING  
3 BY. THEY WOULD LOVE TO HAVE A LETTER OF SUPPORT FOR  
4 US WHICH WE HAVE DRAFTED. IT'S VERY SIMPLE. THE  
5 CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE AND  
6 ITS GOVERNING BOARD WOULD LIKE TO EXPRESS THEIR  
7 SUPPORT FOR THE CALIFORNIA STEM CELL AND  
8 BIOTECHNOLOGY EDUCATION AND WORKFORCE DEVELOPMENT  
9 ACT. THE BURGEONING FIELD OF REGENERATIVE MEDICINE  
10 WILL REQUIRE AN EDUCATED PUBLIC AND A WELL-TRAINED  
11 WORKFORCE IN ORDER TO REACH ITS FULL POTENTIAL.  
12 THIS BILL HAS THE POTENTIAL TO HAVE A SIGNIFICANT  
13 POSITIVE IMPACT ON THOSE GOALS.

14 SO, ART, I'D ASK YOU TO RUN THIS THROUGH A  
15 MOTION OR --

16 CHAIRMAN KLEIN: ART, WHY DON'T YOU GO  
17 STRAIGHT INTO A QUICK DISCUSSION OF THIS BILL. IT  
18 MIGHT BE GOOD TO PUT A MOTION ON THE TABLE AS A  
19 BASIS OF DISCUSSION.

20 MR. TORRES: SO MOVED.

21 MR. HARRISON: ONE PROCEDURAL MATTER. THE  
22 FACT THAT THE SENATE EDUCATION COMMITTEE WAS GOING  
23 TO BE MEETING TODAY CAME TO OUR ATTENTION AFTER THE  
24 AGENDA WAS POSTED. SO WE'VE ADDED THIS ITEM TO THE  
25 AGENDA MORE THAN 48 HOURS AGO. UNDER BAGLEY-KEENE,

## BARRISTERS' REPORTING SERVICE

1 IN ORDER FOR THE BOARD TO CONSIDER IT, THE BOARD HAS  
2 TO MAKE A DETERMINATION BY TWO-THIRDS OF THE MEMBERS  
3 OF THE BOARD THAT THE MATTER CAME TO THE BOARD'S  
4 ATTENTION AFTER THE AGENDA WAS POSTED, AND THAT IT'S  
5 NECESSARY FOR THE BOARD TO TAKE ACTION ON IT NOW,  
6 WHICH, GIVEN THE PENDENCY OF THE EDUCATION COMMITTEE  
7 HEARING THIS MORNING, IS RATHER OBVIOUS; BUT  
8 NONETHELESS, WE NEED TO GO THROUGH THAT FORMALITY.

9 MR. TORRES: WELL, THAT'S THE FIRST MOTION  
10 THEN. SO MOVED.

11 MS. LANSING: SECOND.

12 CHAIRMAN KLEIN: SHERRY LANSING WAS THE  
13 SECOND. AND DISCUSSION ON PUTTING THIS ON THE  
14 AGENDA? I CAN ATTEST FROM THE EXECUTIVE COMMITTEE  
15 THAT WE HAD REALLY NO NOTICE THIS WAS GOING TO BE ON  
16 A HEARING. ANY ADDITIONAL DISCUSSION ON THAT? ANY  
17 DISCUSSION FROM THE PUBLIC ON THAT? SEEING NONE,  
18 CALL THE QUESTION. ALL IN FAVOR? OPPOSED? THAT  
19 MATTER PASSES.

20 MS. KING: I WILL CALL MEMBERS WHO ARE ON  
21 THE PHONE.

22 MARCY FEIT.

23 MS. FEIT: YES.

24 MS. KING: CLAIRE POMEROY.

25 DR. POMEROY: YES.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: PHIL PIZZO.

2 DR. PIZZO: YES.

3 MS. KING: I UNDERSTAND MICHAEL GOLDBERG  
4 IS WITH YOU. MICHAEL GOLDBERG.

5 MR. GOLDBERG: YES.

6 MS. KING: THANK YOU. THAT MOTION  
7 CARRIES.

8 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

9 MR. TORRES: MR. CHAIRMAN, MY SECOND  
10 MOTION IS TO APPROVE A POSITION OF THIS BOARD OF  
11 SENATE 471 BY SENATORS ROMERO AND STEINBERG.

12 CHAIRMAN KLEIN: POSITION IN SUPPORT.

13 MR. TORRES: YES.

14 CHAIRMAN KLEIN: IS THERE A SECOND?

15 MS. LANSING: SECOND.

16 CHAIRMAN KLEIN: IS THERE DISCUSSION?

17 MR. TORRES: YES. I JUST WANT TO THANK  
18 THIS INCREDIBLE STAFF. IN MY 20 YEARS IN THE  
19 LEGISLATURE, I HAD GREAT STAFF. BUT, BOY, COMING  
20 INTO THIS INSTITUTION, IT'S BEEN PHENOMENAL. AND IT  
21 IS A TEAM EFFORT. THERE ARE NO TAKING CREDIT FOR  
22 SOMETHING. IT'S A TEAM EFFORT. AND I JUST REALLY,  
23 REALLY RESPECT THAT.

24 DON, THANK YOU FOR YOUR HELP IN THIS.

25 IAN, IN TERMS OF TALKING WITH THE STAFF.

**BARRISTERS' REPORTING SERVICE**

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(APPLAUSE. )

MR. TORRES: LET ME TELL YOU IT MAKES LIFE SO MUCH EASIER AND SO MUCH MORE EFFICIENT WHEN WE'RE ALL ON THE SAME PAGE, NOT LOOKING OVER OUR SHOULDERS, BUT LOOKING FORWARD. SO I WANT TO THANK YOU.

I ALSO WANT TO THANK SENATOR ROMERO FOR WORKING WITH US ON THIS AND MAKING SURE THAT THE AMENDMENTS WERE APPROPRIATE SO THAT IT WAS CONSISTENT WITH OUR VISION AND OUR MESSAGE. I ALSO WANT ALSO THANK SENATOR ALQUIST, THE NEW CHAIR OF THE HEALTH COMMITTEE, FOR DROPPING HER LEGISLATION, IN SHORT, BECAUSE OF CONCERNS WE HAD WITH IT.

SO I INVITED HER TO COME TO THE SAN FRANCISCO HEADQUARTERS TO GET A BRIEFING, AND SHE'S ALL EXCITED ABOUT DOING THAT, SO SHE'LL BE COMING SHORTLY WITH HER STAFF. IT'S PART OF THE COMMUNICATIONS WITH THE POLICYMAKERS IN THIS STATE AND OBVIOUSLY AT THE FEDERAL LEVEL, WHICH WE'LL DISCUSS LATER AS WELL, THAT IS SO IMPORTANT TO ENSURE THE CONSISTENCY OF MESSAGE AND ENSURE OUR SUCCESS FOR AT THE END OF THE DAY, IT'S ALL ABOUT THE PATIENTS.

CHAIRMAN KLEIN: THANK YOU VERY MUCH, ART. I'D LIKE TO SECOND THAT. SENATOR GLORIA ROMERO WAS

## BARRISTERS' REPORTING SERVICE

1 EXTREMELY RESPONSIVE WHEN WE POINTED OUT THE  
2 PROBLEMS OF TRYING TO AMEND OUR STATUTE TO INCLUDE  
3 ISSUES LIKE THIS THAT ARE VALUABLE TO THE STATE, BUT  
4 NOT CRITICALLY INTEGRATED INTO OUR LEGISLATION,  
5 WHICH HAS, OF COURSE, PROBLEMS IN THAT PROCESS IN  
6 THAT YOU'VE GOT TO GET A 70-PERCENT VOTE, AND THERE  
7 CAN BE OTHER FORCES THAT WANT TO PUT SOME NONRELATED  
8 AMENDMENTS INTO OUR LEGISLATION. SO SHE IMMEDIATELY  
9 RESPONDED, PUT THIS IN THE EDUCATION CODE WHERE IT'S  
10 TOTALLY APPROPRIATE. AND WE THANK HER FOR BEING SO  
11 RESPONSIVE.

12 ANY OTHER DISCUSSION? ANY PUBLIC COMMENT?

13 DR. LOVE: I HAVE ONE QUESTION. WHAT FORM  
14 DOES MANDATED STEM CELL SCIENCE IN THE HIGH SCHOOL  
15 CURRICULUM TAKE? I MEAN I CAN SEE IF THERE AREN'T  
16 MATERIALS PROVIDED WHERE A MANDATE WITHOUT RESOURCES  
17 COULD BE A CHALLENGE. SO IS THERE A PLAN TO  
18 ULTIMATELY PROVIDE THE RESOURCES SO THAT THE SCHOOL  
19 SYSTEMS HAVE THOSE AVAILABLE?

20 MR. GIBBONS: THE AMENDMENT IN THE CODE  
21 THE BOARD OF EDUCATION VOTED ON MARCH 11TH JUST SAYS  
22 THAT BURGEONING FIELDS OF SCIENCE, INCLUDING STEM  
23 CELLS, SHOULD BE IN THE CURRICULUM. IT DOESN'T TALK  
24 ABOUT LAB COMPONENTS. WE KNOW THAT WOULD BE VERY  
25 DIFFICULT TO CELL CULTURE ISSUES. AND IT IS THE

## BARRISTERS' REPORTING SERVICE

1 ULTIMATE GOAL OF CIRM TO HELP DEVELOP CURRICULA  
2 PIECES THAT WILL BE PLUG AND PLAY FOR THE TEACHERS.  
3 OUR GOAL IS TO LOOK AT HOW DEVELOPMENTAL BIOLOGY IS  
4 CURRENTLY TAUGHT. WE GUESS IT'S PROBABLY FAIRLY  
5 PEDANTIC AND SOMEWHAT BORING. WE THINK WE CAN USE  
6 CASE EXAMPLES OF STEM CELL BIOLOGY, LIKE THE ONE  
7 THIS MORNING, AND TEACH DEVELOPMENTAL BIOLOGY IN A  
8 MUCH MORE COMPELLING FASHION.

9           THERE WAS A HIGH SCHOOL MEMBER ADDED TO  
10 THE BOARD AT THE MARCH 11TH BOARD MEETING. HER  
11 FIRST MEETING, VERY EXCITED. AND WHEN I MENTIONED  
12 WE MIGHT WANT TO DO THIS IN A MORE EXCITING FASHION  
13 WITH STEM CELLS, SHE'S NODDING HER HEAD YES, YES,  
14 YES. I THINK WE CAN DO THAT.

15           THE ULTIMATE RFP, I MENTIONED IT LAST  
16 NIGHT, FOR CURRICULUM DEVELOPMENT WOULD POTENTIALLY  
17 DO THAT. THE GROUP WE WERE INTRODUCED TO THROUGH  
18 THE MEETING THAT DUANE LED OFF WITH LAST SATURDAY IN  
19 SAN DIEGO, BIO BRIDGE, WE DID PUT A GRANT  
20 APPLICATION OR A LETTER OF INTENT INTO THE  
21 DEPARTMENT OF EDUCATION MONDAY NIGHT. SO WE MIGHT  
22 BE ABLE TO TAKE IT OUT OF CIRM'S BUDGET AND PUT IT  
23 IN THE FEDERAL BUDGET.

24           DR. LOVE: I WAS JUST GOING TO POINT OUT I  
25 DO THINK THAT THERE ARE A LOT OF COMPLEXITIES AND

**BARRISTERS' REPORTING SERVICE**

1 CONTROVERSIES IN STEM CELL RESEARCH, AND I THINK  
2 THAT MAKING SURE THAT IT'S DONE PROPERLY AND  
3 CONSISTENTLY WOULD BE AN OBJECTIVE, AT LEAST I WOULD  
4 THINK, WOULD BE IMPORTANT TO MAKE SURE THAT THE  
5 MANDATE IS ACTUALLY HAVING THE APPROPRIATE EFFECT.

6 MR. GIBBONS: WE WOULD EXPECT TO PILOT  
7 TEST ANYTHING FIRST.

8 CHAIRMAN KLEIN: OKAY. ADDITIONAL  
9 QUESTIONS? ADDITIONAL COMMENTS? I'D LIKE TO CALL  
10 THE QUESTION. BECAUSE WE HAVE MEMBERS ON THE PHONE,  
11 IT HAS TO BE A ROLL CALL VOTE; IS THAT CORRECT?

12 MR. HARRISON: NO. IT CAN BE A VOICE VOTE  
13 OF THE MEMBERS PRESENT, BUT THOSE ON THE PHONE HAVE  
14 TO BE POLLED INDIVIDUALLY.

15 CHAIRMAN KLEIN: THANK YOU, COUNSEL. ALL  
16 IN FAVOR? OPPOSED? AND, MELISSA, PLEASE CALL THE  
17 ROLL ON THOSE ON THE PHONE.

18 MS. KING: MARCY FEIT.

19 MS. FEIT: YES.

20 MS. KING: MICHAEL GOLDBERG.

21 MR. GOLDBERG: YES.

22 MS. KING: PHIL PIZZO.

23 DR. PIZZO: YES.

24 MS. KING: CLAIRE POMEROY.

25 DR. POMEROY: YES.



**BARRISTERS' REPORTING SERVICE**

1 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

2 MS. KING: MOTION CARRIES.

3 CHAIRMAN KLEIN: AT THIS POINT I'D LIKE TO  
4 VERY QUICKLY, BEFORE WE GO INTO EXECUTIVE SESSION ON  
5 THE TRANSLATIONAL GRANTS, CALL THE ATTENTION OF THE  
6 BOARD THROUGH THE ABBREVIATED CHAIRMAN'S REPORT THAT  
7 THE STAFF, AS ART SAYS, IS PHENOMENAL. AND IN THE  
8 CASE OF THE FINANCINGS THAT WERE JUST COMPLETED,  
9 JAMES HARRISON AND LYNN HARWELL WERE AT THE CORE OF  
10 THAT EFFORT. MELISSA DID A PHENOMENAL JOB OF  
11 COORDINATING ALL OF US AND KEEPING US INTEGRATED AND  
12 MOVING ON THIS. ART IS WORKING ON A THIRD PHASE TO  
13 THIS INITIATIVE.

14 WE ESSENTIALLY HAVE ABOUT EIGHT DIFFERENT  
15 CONCURRENT FINANCING INITIATIVES MOVING. WHAT WE'VE  
16 DONE IN THIS FINANCING THAT JUST CLOSED OR SERIES OF  
17 DIFFERENT SEGMENTS OF FINANCING THAT JUST CLOSED IS  
18 ADDRESSED FOUR OF THOSE OPTIONS OF THE EIGHT  
19 CONCURRENT PATHS WE'RE FOLLOWING.

20 I WOULD LIKE, THOUGH, TO TAKE A MOMENT AND  
21 GIVE JAMES HARRISON, LYNN HARWELL, AND MELISSA A  
22 HAND OF APPLAUSE.

23 (APPLAUSE.)

24 DR. PENHOET: AND A MOMENT TO GIVE OUR  
25 CHAIR A HAND OF APPLAUSE. THANK YOU, BOB.

**BARRISTERS' REPORTING SERVICE**

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(APPLAUSE. )

CHAIRMAN KLEIN: HOWEVER DEDICATED OUR STAFF IS, WE KNOW WE WOULDN'T BE SUCCESSFUL EXCEPT FOR THE LEADERSHIP OF THE GOVERNOR'S OFFICE, THE GOVERNOR'S DEPARTMENT OF FINANCE, THE TREASURER'S OFFICE ALL WORKING IN UNISON. IT'S GREAT TO HAVE A CONSENSUS POSITION BECAUSE IN TIMES OF SCARCE RESOURCES, IF THERE'S ANY TURBULENCE IN THE POSITIONS, IT KNOCKS OUT ANY REQUEST THAT YOU HAVE. SO TO HAVE CONSENSUS ACROSS THOSE STAFFS IS EXTREMELY IMPORTANT, AND THEY WORKED WITH US AT EVERY LEVEL.

ADDITIONALLY, CHAS CARDALL AT ORRICK WAS VERY HELPFUL TO US IN PROVIDING BACKUP LEGAL SUPPORT FOR OUR POSITION, THAT 195 MILLION OF THE FUNDS THAT WERE PREVIOUSLY COMMITTED THROUGH OUR POOLED MONEY INVESTMENT FUND PROGRAM OF 250 MILLION PUT INTO THE BUILD AMERICA BOND PROGRAM FOR WHICH THE STATE GOT A 35-PERCENT FEDERAL SUBSIDY. MOVING THAT 195 MILLION OPENED UP \$200 MILLION IN DISCRETIONARY FUNDS IN THE TAXABLE PART OF THE PROGRAM THAT DOESN'T QUALIFY FOR THE BUILD AMERICA PROGRAM. AND, OF COURSE, WE'RE VERY THANKFUL TO GET 200 MILLION OUT OF THAT SEGMENT FOR OUR GRANTS AND LOANS.

SO IT'S BEEN A TREMENDOUS TEAM EFFORT AND

## BARRISTERS' REPORTING SERVICE

1 IT WILL CONTINUE TO BE. I WOULD EMPHASIZE FOR THE  
2 BOARD AND THE PUBLIC THAT THERE WILL MOST PROBABLY  
3 BE A PERIOD OF CONTINUED TURBULENCE IN CALIFORNIA'S  
4 PUBLIC BOND MARKETS HERE FOR THE NEXT THREE YEARS OR  
5 SO. PART OF IT BECAUSE OF NATIONAL ECONOMIC ISSUES,  
6 PART OF IT BECAUSE OF STATE ECONOMIC ISSUES, PART OF  
7 IT BECAUSE OF RESTRUCTURING THAT'S TAKING PLACE IN  
8 THE STATE BUDGET PROCESS. AND PROBABLY UNTIL 2011  
9 THAT RESTRUCTURING IN THE STATE BUDGET PROCESS AND  
10 THE VOTING PERCENTAGES IT TAKES TO GET A BUDGET  
11 PASSED WILL NOT CHANGE.

12 SO IT WILL CONTINUE TO BE IMPORTANT AS THE  
13 STRESSES MOUNT FOR US TO EXECUTE ON OUR PRIVATE  
14 PLACEMENT AUTHORITY UNLESS WE CAN BENEFIT FURTHER  
15 FROM ADDITIONAL FEDERAL SUBSIDIES AND FEDERAL  
16 GUARANTEES OF STATE PUBLIC ISSUANCES, ALL OF WHICH  
17 WE'RE ALSO WORKING ON.

18 BUT CERTAINLY ART TORRES HAS BEEN  
19 TREMENDOUS IN HELPING ADVANCE OUR PRIVATE PLACEMENT  
20 OPPORTUNITIES AND LOOKING AT PENSION FUNDS AS  
21 PRIVATE PLACEMENT PURCHASERS. NORMALLY THEY'RE  
22 PURCHASERS OF STATE BONDS BECAUSE THEY'RE IN THE  
23 TAXABLE MARKET. THIS MOVEMENT OF THE TREASURER'S  
24 OFFICE AND THE STATE INTO THE TAXABLE MARKET IS VERY  
25 BENEFICIAL TO US AND PROVIDES A GREAT DEAL MORE

**BARRISTERS' REPORTING SERVICE**

1 DEPTH THAN THE TAX-EXEMPT MARKET.

2 AS WE GO FORWARD AND GET AN IRS TAX  
3 OPINION ON OUR GRANTS AS BEING QUALIFIED FOR  
4 TAX-EXEMPT BONDS, ALL OF THE FUNDS THAT WE PUT OUT  
5 IN GRANTS CAN MOVE INTO THE BUILD AMERICA BOND  
6 PROGRAM WITH A FEDERAL SUBSIDY. SO THIS IS GOING TO  
7 BE A DYNAMIC, EVOLVING PROCESS, BUT WE'LL CONTINUE  
8 TO MOVE FORWARD ON THE PRIVATE PLACEMENT SIDE TO  
9 AUGMENT THE FUNDS WE'VE BEEN SO FORTUNATE TO BENEFIT  
10 BY.

11 WITH THAT, I'D LIKE TO MOVE TO AN  
12 EXECUTIVE SESSION. I'D LIKE JAMES HARRISON TO READ  
13 THE PROPER STATUTORY AUTHORITY FOR THE EXECUTIVE  
14 SESSION ON THE TRANSLATIONAL GRANTS. JAMES.

15 MR. HARRISON: THE BOARD WILL NOW BE  
16 CONVENING IN CLOSED SESSION TO CONSIDER CONFIDENTIAL  
17 AND INTELLECTUAL PROPERTY OR WORK PRODUCT AND  
18 PREPUBLICATION CONFIDENTIAL SCIENTIFIC RESEARCH OR  
19 DATA RELATING TO THE EARLY TRANSLATIONAL AWARDS  
20 APPLICATIONS UNDER HEALTH AND CODE SECTION  
21 125290.30(D).

22 MS. KING: I WOULD JUST LIKE TO LET THE  
23 MEMBERS WHO ARE JOINING THE MEETING KNOW OR TO  
24 REMIND YOU THAT FOR CLOSED SESSIONS DURING GRANT  
25 REVIEW, YOU CANNOT JOIN BY PHONE AS PER OUR POLICY.

## BARRISTERS' REPORTING SERVICE

1 SO THOSE OF YOU WHO ARE ON THE PHONE, I WILL LOOK TO  
2 THE CHAIR TO LET US KNOW APPROXIMATELY HOW LONG THE  
3 CLOSED SESSION WILL TAKE SO THAT YOU CAN HANG UP  
4 NOW, TAKE A LITTLE FREE TIME, SORRY ABOUT THAT, AND  
5 REJOIN US WHEN WE RECONVENE IN OPEN SESSION.

6 CHAIRMAN KLEIN: SO I'D LIKE CONCURRENCE  
7 HERE OF JEFF SHEEHY, AS THE VICE CHAIR OF THE GRANTS  
8 WORKING GROUP. JEFF, DO YOU THINK WE COULD AIM FOR  
9 AN HOUR?

10 MR. SHEEHY: SOUNDS LIKE A PLAN TO ME.

11 CHAIRMAN KLEIN: ALL RIGHT. SO WE WILL  
12 AIM FOR AN HOUR. WE WILL CONTINUE TO KEEP THOSE  
13 MEMBERS ON THE PHONE UPDATED. WE THANK THEM FOR  
14 THEIR PARTICIPATION, AND WE PROMISE THEM AN EXCITING  
15 SESSION TO RETURN TO.

16 WITH THAT, IF THE STAFF WOULD SHOW US  
17 WHERE WE ARE ADJOURNING TO. WE'RE GOING TO FOLLOW  
18 JENNA AT THE TOP OF THE STAIRS. BRING YOUR FILES  
19 WITH YOU, PLEASE.

20 (THE BOARD THEN WENT INTO CLOSED  
21 SESSION, NOT REPORTED, NOR HEREIN TRANSCRIBED. THE  
22 FOLLOWING PROCEEDINGS WERE THEN HAD IN OPEN  
23 SESSION: )

24 CHAIRMAN KLEIN: THANK YOU FOR YOUR  
25 PATIENCE. WE'RE RECONVENING THIS MEETING. THE

## BARRISTERS' REPORTING SERVICE

1 CHAIR OF THE GOVERNANCE COMMITTEE WITH CONCURRENCE  
2 OF THE ACTING VICE CHAIR OF THE GRANTS WORKING  
3 GROUP, WHO WAS PRESENT AT THIS PARTICULAR SESSION,  
4 HAVE REQUESTED THAT WE HANDLE ONE QUICK ITEM BEFORE  
5 WE GO INTO THE GRANT REVIEW BECAUSE SHERRY LANSING  
6 HAS TO LEAVE AT A TIME SPECIFIC. SO, SHERRY, IF I  
7 COULD ASK YOU PLEASE TO INTRODUCE THIS ITEM, AND I  
8 WOULD SAY I HOPE THAT IT'S A SHORT TIMEFRAME BECAUSE  
9 OF THE INDIVIDUALS THAT WORKED ON IT, I DON'T KNOW  
10 OF ANY DISAGREEMENT, BUT WE CERTAINLY STAND TO BE  
11 INFORMED BY THE WHOLE BOARD.

12 MS. KING: BEFORE SHE DOES, I WOULD JUST  
13 LIKE TO CHECK AND SEE WHO WE HAVE ON THE PHONE.  
14 MARCY FEIT, ARE YOU ON THE LINE? MICHAEL GOLDBERG.

15 MR. GOLDBERG: HERE.

16 MS. KING: PHIL PIZZO.

17 DR. PIZZO: HERE.

18 MS. KING: AND CLAIRE POMEROY.

19 DR. POMEROY: HERE.

20 CHAIRMAN KLEIN: SO, SHERRY, WOULD YOU  
21 LIKE CLAIRE TO LEAD ON THIS ITEM?

22 MS. LANSING: YES. I THINK, CLAIRE, AS  
23 LONG AS YOU'RE ON THE PHONE AND PUT SO MUCH HARD  
24 WORK IN THIS, I WOULD LOVE YOU TO EXPLAIN THE ITEM.  
25 AND WE ARE GOING TO TURN IT OVER TO JAMES HARRISON.

**BARRISTERS' REPORTING SERVICE**

1 AND I THANK YOU, CLAIRE, FOR YOUR HARD WORK.

2 DR. POMEROY: THANK YOU VERY MUCH. THE  
3 GOVERNANCE SUBCOMMITTEE HAS BEEN WORKING HARD TO  
4 COME UP WITH A PROCESS BY WHICH WE CAN GIVE FEEDBACK  
5 TO THE CHAIR, THE VICE CHAIRS, AND THE PRESIDENT  
6 SINCE THAT IS ONE OF THE RESPONSIBILITIES OF THE  
7 BOARD.

8 THIS WAS A PROCESS THAT INVOLVED INPUT  
9 FROM LOTS OF PEOPLE. I THINK WE HAVE INCORPORATED  
10 THAT INPUT IN A VERY PRODUCTIVE WAY. I HAVE TO SAY  
11 THAT IT'S A LEARNING PROCESS FOR ME, AND I THINK WE  
12 GOT TO THE RIGHT PLACE. AND I'D LIKE TO ASK JAMES  
13 HARRISON TO SUMMARIZE THE RECOMMENDATIONS FOR THE  
14 EVALUATION PROCEDURE.

15 MR. HARRISON: I'D BE HAPPY TO. AS CLAIRE  
16 SAID, THE GOVERNANCE SUBCOMMITTEE MET TO DISCUSS A  
17 PROPOSED PROCEDURE, WHICH THEY HAD IN DRAFT FORM  
18 BEFORE THEM ON DECEMBER 22D. SINCE THEN, BASED ON  
19 THE COMMENTS WE'VE RECEIVED, WE'VE MODIFIED THE  
20 PROPOSAL THAT YOU NOW HAVE BEFORE YOU IN TAB 13.

21 SO LET ME BRIEFLY REVIEW IT. WE ENVISION  
22 A FIVE-STEP PROCESS. THE FIRST STEP OF THE PROCESS  
23 WOULD BE TO ESTABLISH AN EVALUATION SUBCOMMITTEE,  
24 WHICH WE PROPOSE WOULD BE COMPRISED OF THE CHAIR AND  
25 VICE CHAIRS OF THE THREE STANDING COMMITTEES OF THE

## BARRISTERS' REPORTING SERVICE

1 BOARD: THE GOVERNANCE, FINANCE, AND LEGISLATIVE  
2 SUBCOMMITTEES, THE CHAIRS OF THE TWO TASK FORCES,  
3 THE INTELLECTUAL PROPERTY TASK FORCE AND THE BIOTECH  
4 LOAN TASK FORCE, AND THE VICE CHAIRS OR ACTING VICE  
5 CHAIR OF THE THREE WORKING GROUPS; THAT IS, THE  
6 STANDARDS, FACILITIES, AND GRANTS WORKING GROUP, IN  
7 ADDITION TO TWO MEMBERS AT LARGE OF THE BOARD  
8 APPOINTED BY THE BOARD AND THE CHAIR AND THE VICE  
9 CHAIRS OF THE BOARD, OF COURSE, PROVIDED THAT THEY  
10 WOULD NOT PARTICIPATE IN THE SUBCOMMITTEE'S  
11 EVALUATION OF THEMSELVES.

12 THE SECOND STEP OF THE PROCESS WOULD BE  
13 FOR THE SUBCOMMITTEE TO DEVELOP WRITTEN PERFORMANCE  
14 OBJECTIVES AND DELIVERABLES FOR THE CHAIR, THE VICE  
15 CHAIRS, AND THE PRESIDENT, WITH INPUT FROM THE  
16 SUBJECT OF THE EVALUATION. THE SUBCOMMITTEE WOULD  
17 THEN TAKE THE DRAFT PERFORMANCE OBJECTIVES AND  
18 DELIVERABLES AND PRESENT THEM TO THE BOARD FOR ITS  
19 EVALUATION AND APPROVAL.

20 BASED ON THOSE APPROVED PERFORMANCE  
21 OBJECTIVES AND DELIVERABLES, THE THIRD STEP WOULD BE  
22 FOR THE SUBCOMMITTEE TO CONDUCT AN ANNUAL EVALUATION  
23 OF THE CHAIR, THE VICE CHAIRS, AND THE PRESIDENT AND  
24 PREPARE A DRAFT REPORT SUMMARIZING ITS EVALUATION.  
25 THE SUBJECT OF THE EVALUATION WOULD HAVE AN



## BARRISTERS' REPORTING SERVICE

1 OPPORTUNITY TO REVIEW THE DRAFT REPORT AND SUBMIT  
2 ANY WRITTEN COMMENTS AND WOULD HAVE AN OPPORTUNITY  
3 TO MEET WITH THE SUBCOMMITTEE IN CLOSED SESSION TO  
4 DISCUSS HIS OR HER PERFORMANCE AS WELL.

5 THE FOURTH STEP WOULD ENTAIL A MEETING OF  
6 THE BOARD, WHICH WOULD, FIRST, INCLUDE A MEETING  
7 WITH THE SUBJECT OF THE EVALUATION IN CLOSED SESSION  
8 TO DISCUSS THE CHAIR, THE VICE CHAIRS', OR THE  
9 PRESIDENT'S, RESPECTIVELY, PERFORMANCE AND  
10 OBJECTIVES FOR THE NEXT YEAR. THE BOARD WOULD THEN,  
11 AFTER EXCUSING THE INDIVIDUAL, ASK THE SUBCOMMITTEE  
12 TO PRESENT ITS DRAFT REPORT ALONG WITH ANY WRITTEN  
13 COMMENTS SUPPLIED BY THE INDIVIDUAL WHO'S THE  
14 SUBJECT OF THE REPORT. THE BOARD WOULD THEN  
15 DELIBERATE AND COME UP WITH ITS FINAL CONCLUSION,  
16 WHICH WOULD THEN BE TRANSMITTED TO THE INDIVIDUAL  
17 WHO'S THE SUBJECT OF THE EVALUATION IN THE FOLLOWING  
18 MANNER.

19 FOR THE CHAIR, THE CHAIR OF THE GOVERNANCE  
20 SUBCOMMITTEE AND ANOTHER MEMBER OF THE BOARD  
21 DESIGNATED BY THE BOARD WOULD REPORT TO THE CHAIR ON  
22 THE BOARD'S CONCLUSION WITH RESPECT TO HIS OR HER  
23 PERFORMANCE. FOR THE VICE CHAIR, THE TEAM WOULD BE  
24 COMPRISED OF THE CHAIR OF THE ICOC AND THE CHAIR OF  
25 THE GOVERNANCE SUBCOMMITTEE. AND FOR THE PRESIDENT,

## BARRISTERS' REPORTING SERVICE

1 THE CHAIR OF THE ICOC AND ANOTHER MEMBER DESIGNATED  
2 BY THE BOARD WOULD COMMUNICATE THE RESULTS OF THE  
3 BOARD'S PERFORMANCE EVALUATION TO THE PRESIDENT.

4 THAT'S THE BRIEF SUMMARY OF THE PROPOSAL  
5 BEFORE YOU. I'D BE HAPPY TO ANSWER ANY QUESTIONS.

6 MS. LANSING: ARE THERE ANY QUESTIONS?

7 DR. AZZIZ: I HAVE JUST ONE QUESTION.

8 REGARDING THE AT LARGE MEMBERS, THOSE ARE ICOC  
9 MEMBERS?

10 MR. HARRISON: CORRECT.

11 MS. LANSING: YES, OF COURSE. THANK YOU  
12 FOR THAT CLARIFICATION.

13 DR. LEVEY: WHO'S GOING TO PUT TOGETHER  
14 SORT OF THE TEMPLATE FOR PERFORMANCE EVALUATION?

15 MR. HARRISON: THE TEMPLATE WOULD BE  
16 DEVELOPED BY THE EVALUATION SUBCOMMITTEE WITH THE  
17 ASSISTANCE OF STAFF. CIRM ALREADY HAS AN EXISTING  
18 EMPLOYEE EVALUATION FORM, WHICH IS MODELED ON UC'S,  
19 WHICH WOULD PROBABLY FORM THE BASIS FROM WHICH WE  
20 WOULD START.

21 DR. LEVEY: THE HOSPITALS IN THE UC SYSTEM  
22 HAVE A VERY GOOD ONE.

23 MR. HARRISON: WE WOULD BE HAPPY TO REVIEW  
24 OTHER MODELS.

25 MS. LANSING: WE WERE TAKING IT OFF THE

**BARRISTERS' REPORTING SERVICE**

1 UC. I DON'T KNOW IF WE TOOK IT OFF SPECIFICALLY OF  
2 THE HOSPITALS, BUT WE'D LOVE IT IF YOU COULD GIVE US  
3 THAT.

4 DR. LEVEY: WE CAN GET THAT FOR YOU.

5 MS. LANSING: THANK YOU VERY MUCH.

6 DR. PENHOET: IT SEEMS TO BE A VERY LARGE  
7 SUBCOMMITTEE. CAN SOMEONE ILLUMINATE FOR ME AND THE  
8 REST OF THE BOARD THE THINKING BEHIND THIS SIZE OF A  
9 SUBCOMMITTEE TO DO THIS TASK?

10 DR. POMEROY: YES. MAY I ADDRESS THAT,  
11 PLEASE. THIS WAS, OF COURSE, THE SUBJECT OF  
12 SIGNIFICANT DISCUSSION, AND WE UNDERSTOOD THAT IT  
13 WAS IMPORTANT TO GET DIVERSE PERSPECTIVES. AND THE  
14 RESPONSIBILITIES OF INDIVIDUALS REALLY SPAN SUCH A  
15 LARGE NUMBER OF GROUPS, FINANCE TO SCIENCE, ETC. ;  
16 AND IN ORDER TO GET ALL OF THOSE PERSPECTIVES, IT  
17 WAS FELT THAT THIS WOULD BE REPRESENTATIVE. I THINK  
18 OTHERWISE WE WOULD RUN THE RISK OF NOT HAVING THE  
19 FULL UNDERSTANDING OF ALL THE CONTRIBUTIONS THAT  
20 THESE PEOPLE ARE MAKING TO CIRM.

21 MR. HARRISON: I'D LIKE TO ADD ONE POINT  
22 TO DR. POMEROY'S POINT, WHICH IS THAT THE  
23 SUBCOMMITTEE DOES HAVE THE ABILITY, OF COURSE, TO  
24 CREATE TWO-PERSON TEAMS WHICH COULD, FOR EXAMPLE,  
25 ENGAGE IN INTERVIEWS OR GATHER OTHER INFORMATION AT

## BARRISTERS' REPORTING SERVICE

1 THE SUBCOMMITTEE'S REQUEST.

2 CHAIRMAN KLEIN: I'D JUST LIKE TO SAY I'M  
3 VERY SUPPORTIVE OF THIS. I THINK IT'S VALUABLE, NOT  
4 JUST FOR OUR CURRENT PROCESS AND TO LEARN FROM THE  
5 INPUT THROUGH A VERY ORGANIZED PROCESS, AS CLAIRE  
6 SAYS, THAT SPANS THE SPECTRUM OF ALL OF THE INPUTS  
7 AND INTERFACES OF EACH OF THESE INDIVIDUALS. I'VE  
8 TALKED TO DR. TROUNSON ABOUT IT. DR. TROUNSON MAY  
9 WANT TO ADDRESS THIS SPECIFICALLY. I THINK IT  
10 APPROPRIATELY BRINGS THE EXPERTISE FROM EACH OF  
11 THOSE AREAS TOGETHER IN AN ORGANIZED WAY.

12 OVER TIME THERE MAY BE COMMITTEES THAT ARE  
13 DROPPED AND COMMITTEES THAT ARE ADDED THAT COULD BE  
14 INSTITUTED IN AND OUT OF THIS PROCESS TO MAKE SURE  
15 WE CONTINUE TO COVER THE WHOLE SCOPE OF AFFAIRS.  
16 BUT IT SEEMS TO ME TO BE A VERY SOUND PROCESS, AND  
17 IT WILL HELP WITH SUCCESSION BECAUSE IT MEANS THAT  
18 PEOPLE, THAT AN INDIVIDUAL THAT WOULD BECOME THE  
19 NEXT CHAIR WILL, FOR EXAMPLE, UNDERSTAND HOW THEY  
20 WILL BE JUDGED IN PERFORMANCE, AND THAT THEY WILL  
21 HAVE THE ASSURANCE THAT EACH OF THEIR AREAS OF  
22 CONTRIBUTION, WHICH MAY BE STRONGER IN SOME AREAS  
23 AND WEAKER IN OTHERS, WILL BE GIVEN RECOGNITION.

24 MS. LANSING: IT WAS, AS CLAIRE SAID, AN  
25 ATTEMPT FOR US TO MAKE SURE THAT WE GOT THE FULL

## BARRISTERS' REPORTING SERVICE

1 BREADTH AND SCOPE OF WHAT THE PEOPLE WERE DOING AND  
2 THAT THERE WAS NO BIAS THAT ENTERED INTO IT.

3 DR. AZZIZ: JUST TO MAKE SURE. ARE WE IN  
4 THE DISCUSSION SECTION NOW OR JUST QUESTIONS?

5 MS. LANSING: QUESTIONS AND DISCUSSION.

6 DR. AZZIZ: I DID HAVE A QUESTION ABOUT  
7 THE INCLUSION OF THE CURRENT CHAIR AND VICE CHAIRS  
8 IN THE COMMITTEE. IT SEEMS LIKE, A, THE COMMITTEE,  
9 IS QUITE LARGE; B, THERE IS A POTENTIAL FOR THE  
10 PERCEPTION OF CONFLICT OF INTEREST. WHILE I THINK  
11 IT IS CRUCIAL THAT WE OBTAIN FEEDBACK FROM THE CHAIR  
12 AND VICE CHAIRS REGARDING THE OTHER MEMBERS OF THAT  
13 GROUP PERFORMANCE, I THINK THAT HAVING THEM AS A  
14 MEMBER OF THE GROUP RAISES A SIGNIFICANT RISK OF  
15 CONFLICT OF INTEREST.

16 AND I'M UNAWARE OF ANY OTHER EVALUATION  
17 TEAM, FOR EXAMPLE, A FINANCIAL OVERSIGHT COMMITTEE,  
18 THAT WOULD INCLUDE THE CFO THAT IS COMPOSED  
19 SIMILARLY. SO MY QUESTION REALLY IS IS THAT  
20 NECESSARY AS OPPOSED TO SIMPLY GATHERING INFORMATION  
21 IN A 360 FASHION?

22 DR. POMEROY: SO WE DISCUSSED THIS, AND IT  
23 WAS FELT THAT -- EACH OF THE SCENARIOS, OF COURSE,  
24 IS DIFFERENT SO THAT THE CHAIR WAS VERY  
25 APPROPRIATELY INCLUDED BECAUSE THEY ARE ON THE VICE

## BARRISTERS' REPORTING SERVICE

1 CHAIR EVALUATIONS SINCE THAT'S A REPORTING  
2 RELATIONSHIP. AND IN DISCUSSIONS WITH JAMES  
3 HARRISON, WE TALKED ABOUT THE FACT THAT HE WOULD  
4 ADVISE IF THERE WAS ANY CONFLICT OF INTEREST, AND  
5 THOSE PEOPLE WOULD BE EXPECTED TO RECUSE THEMSELVES.

6 I ALSO JUST WANT TO POINT OUT THAT SOME  
7 PEOPLE SERVE DUAL ROLES ON THESE -- SOME OF THE ICOC  
8 MEMBERS SERVE DUAL ROLES. AND SO THE COMMITTEE WILL  
9 NOT END UP BEING AS MANY PEOPLE AS IT MIGHT  
10 INITIALLY APPEAR BECAUSE ONE PERSON COULD REPRESENT  
11 TWO SLOTS.

12 CHAIRMAN KLEIN: TO MAKE IT CLEAR, SO IF  
13 THE CHAIR IS BEING EVALUATED, THE CHAIR IS RECUSED  
14 FROM THAT PORTION OF THE EVALUATION. IF THE VICE  
15 CHAIR IS BEING EVALUATED, THE VICE CHAIR IS RECUSED  
16 FROM THAT PORTION OF THE EVALUATION.

17 MS. LANSING: IT WAS FELT THAT THE VICE  
18 CHAIR COULD PARTICIPATE IN THE EVALUATION OF THE  
19 CHAIR BECAUSE HE WORKED SO CLOSELY WITH HIM AND VICE  
20 VERSA.

21 DR. AZZIZ: I AGREE, BUT I DO THINK THAT  
22 THE BOARD NEEDS TO RECOGNIZE THE POTENTIAL FOR  
23 CONFLICT -- PERCEPTION OF CONFLICT OF INTEREST SO  
24 THAT WHEN THE VICE CHAIRS ARE BEING EVALUATED, THE  
25 CHAIR WILL BE ON IT; AND THEN WHEN THE CHAIR IS

## BARRISTERS' REPORTING SERVICE

1 BEING EVALUATED, THE VICE CHAIRS ARE ON THE  
2 COMMITTEE. THAT'S JUST A LITTLE BIT DIFFERENT THAN  
3 MOST STRUCTURES FOR EVALUATION COMMITTEES THAT ARE  
4 INDEPENDENT.

5 MS. LANSING: I AGREE. AND, YOU KNOW, WE  
6 WENT THROUGH THIS QUITE A BIT, BUT IT'S ALSO A BIG  
7 ENOUGH COMMITTEE AND WE'RE GOING TO GET A LOT OF  
8 DIFFERENT INPUT, AND NOT EVERYBODY WILL BE AT EVERY  
9 MEETING. SO WE'LL BE ABLE TO BALANCE IT HOPEFULLY.

10 MR. SHEEHY: I DO THINK DR. AZZIZ RAISES  
11 AN INTERESTING POINT. IT'S NOT SIMPLY BEING IN ON  
12 THE EVALUATION, BUT THE MATERIALS THAT ARE USED FOR  
13 THE EVALUATION. LIKE, I DON'T GET TO DESIGN MY  
14 EVALUATION FORM. SO I THINK THAT IF WE DO GO WITH  
15 THIS MODEL, WE'RE GOING TO HAVE TO BE VERY SENSITIVE  
16 IN THAT THE ROLE -- AND THIS PERHAPS GOES TO WHAT  
17 DR. AZZIZ IS TALKING ABOUT. IT'S NOT JUST SIMPLY  
18 BEING ON THE COMMITTEE THAT ACTUALLY DOES THE  
19 EVALUATION, BUT THERE'S A LOT OF WORK THAT GOES INTO  
20 THE EVALUATION, THAT THAT PROCESS ISN'T CONTAMINATED  
21 BY PARTICIPATION.

22 FOR INSTANCE, JUST ADOPTING A FORM, IF THE  
23 EVALUEES HAVE A ROLE IN ADOPTING THE FORM FOR WHICH  
24 THEY'RE EVALUATED FOR, THAT'S NOT -- THAT RAISES  
25 THAT ISSUE.

## BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: JEFF, I DON'T THINK  
2 YOU'RE GOING TO GET ANYONE TO SERVE AS PRESIDENT,  
3 VICE CHAIR, OR CHAIR OF THIS ORGANIZATION IF THEY  
4 CAN'T LEGITIMATELY PROPOSE ITEMS FOR EVALUATION.  
5 THE COMMITTEE WITH THEM RECUSED IS GOING TO DECIDE  
6 WHAT'S IN THE FORM. BUT TO TRY AND ISOLATE THEM AND  
7 NOT HAVE THE EVALUATION COMMITTEE ASK THEM THE  
8 QUESTION OF -- FOR SUGGESTIONS ON THINGS TO CONSIDER  
9 IN THAT FORM WOULD BE INCONSISTENT WITH EVALUATIONS  
10 IN MAJOR COMPANIES THAT I'VE WORKED WITH AND/OR EVEN  
11 THE MILITARY.

12 MS. LANSING: YOU DON'T HAVE TO ACCEPT  
13 WHAT THEY SAY.

14 CHAIRMAN KLEIN: THAT'S RIGHT.

15 MR. SHEEHY: AGAIN, I THINK PERHAPS DR.  
16 AZZIZ HAS STEPPED INTO A MINE FIELD HERE. BUT THIS  
17 IS KIND OF GETTING TO THE POINT BECAUSE WE'RE  
18 ACTUALLY TALKING ABOUT TWO DIFFERENT THINGS. IN  
19 COMMITTEE WE DID TALK ABOUT THE EVALUEES, HAVING  
20 THAT DIALOGUE WITH EVALUEES ON DELIVERABLES. AND  
21 THAT IS SOMETHING WHICH WE WOULD EXPECT THE EVALUEES  
22 TO HAVE AN ENORMOUS AMOUNT OF INPUT. AND TO HAVE --  
23 BUT THEN IF YOU'RE TALKING ABOUT A MORE STRUCTURED,  
24 WHAT DOES THE FORM LOOK LIKE? DO WE USE THE UC MED  
25 CENTER FORM? WHAT DIFFERENT TYPE OF FORM WE USE,



## BARRISTERS' REPORTING SERVICE

1 WHICH IS A MORE GENERIC TYPE OF ISSUE. I DON'T KNOW  
2 THAT -- OR IF WE TALK ABOUT PROCESS, I DON'T KNOW IF  
3 THE EVALUEE OUGHT TO BE INVOLVED AT THAT POINT. DO  
4 YOU SEE? AND, AGAIN, WE'RE ALREADY KIND OF IN THE  
5 MINE FIELD, SO I DO THINK IT'S AN INTERESTING POINT  
6 TO RAISE.

7 MS. LANSING: WELL, IT IS. DR. AZZIZ.

8 DR. AZZIZ: I HAVE TO AGREE WITH BOB, THAT  
9 I THINK THAT GETTING -- IT WOULD BE IMPRUDENT TO NOT  
10 GET INPUT FROM THE INDIVIDUALS BEING EVALUATED  
11 REGARDING OBVIOUSLY THE FACTORS THAT SHOULD BE  
12 CONSIDERED. AND SO THAT'S ACTUALLY NOT WHAT I'M  
13 ACTUALLY QUESTIONING. I THINK THE INPUT IS  
14 CRITICAL.

15 I WILL GIVE YOU AN EXAMPLE, I THINK, JUST  
16 TO FOLLOW UP ON JEFF'S QUESTION, AN EXAMPLE OF WHERE  
17 A POTENTIAL ISSUE. IF WE ARE GOING TO BE GETTING  
18 CONFIDENTIAL 360 EVALUATIONS WHICH MAY ALLUDE TO THE  
19 FACT THAT THE CHAIR, THE LEADERSHIP OF THE ICOC, IN  
20 GENERAL IS FLAWED. LET'S ASSUME, OF COURSE, IT IS  
21 NOT. HOW ARE WE GOING TO BE ABLE TO DO THAT? ARE  
22 PEOPLE REALLY GOING TO BE ABLE TO DISSECT AND SAY  
23 THIS VICE CHAIR IS THIS FLAWED, BUT THIS CHAIR IS  
24 NOT? USUALLY PEOPLE WILL REFER TO TEAMS. I'M  
25 SIMPLY BRINGING THIS UP BECAUSE I HAVE BEEN INVOLVED

## BARRISTERS' REPORTING SERVICE

1 IN OTHER --

2 MS. LANSING: IF YOU HAD -- LET'S JUST  
3 SAY -- I DON'T WANT TO SAY CHAIR, VICE CHAIR,  
4 WHATEVER. IF YOU ARE EVALUATING, FIRST YOU NEED THE  
5 MEMBERS WHO ARE BEING EVALUATED TO GIVE YOU INPUT.  
6 AND YOU NEED TO MAKE SURE THAT YOU'RE HAVING DUE  
7 CONSIDERATION OF THE THINGS THAT THEY FEEL ARE PART  
8 OF THEIR JOB DESCRIPTION. NOW, YOU CAN RECUSE --  
9 YOU CAN SAY, NO, WE DON'T AGREE WITH YOU, BUT AT  
10 LEAST YOU'VE HAD THE DIALOGUE.

11 NOW, WHEN YOU DO THE EVALUATION, THE 360  
12 OF THAT HUMAN BEING, THEY'RE NOT THERE. THEY CAN'T  
13 BE PART OF THAT. THAT HAS TO BE A SEALED DOCUMENT  
14 THAT THEY CAN NEVER SEE.

15 DR. AZZIZ: I UNDERSTAND. I JUST WANT TO  
16 MAKE SURE THAT, FOR THE RECORD, THE ISSUE REALLY HAS  
17 TO DO WITH WHO COMPOSES THE COMMITTEE. USUALLY MOST  
18 EVALUATION COMMITTEES ARE INDEPENDENT UNITS WHICH  
19 GATHER AND ARE MANDATED TO GATHER INPUT FROM ALL  
20 SOURCES, CHAIRS, VICE CHAIRS, PEOPLE WHO WORK WITH  
21 THEM, AND SO ON AND SO FORTH. SO THE GETTING INPUT,  
22 I THINK, IS CRITICAL.

23 THE ISSUE IS SIMPLY THE POTENTIAL FOR THE  
24 PERCEPTION OF A CONFLICT OF INTEREST BY THE PUBLIC  
25 REGARDING THIS ISSUE. I JUST THINK IT'S SOMETHING

## BARRISTERS' REPORTING SERVICE

1 THAT I WOULD LIKE TO MAKE SURE WE THINK ABOUT. I'M  
2 NOT NECESSARILY OPPOSING THE MOTION. I'M JUST  
3 SIMPLY BRINGING IT UP BECAUSE IT DOES BRING UP THE  
4 ISSUE OF WHETHER INDIVIDUALS WILL BE CANDID ENOUGH,  
5 WE'LL BE ABLE TO FUNCTION FREELY ENOUGH IN THE  
6 ABSENCE OF ANYBODY -- IN THE PRESENCE OF SOMEBODY  
7 WHO IS ACTUALLY PART OF THE LEADERSHIP TEAM.

8 MS. LANSING: SO I HEAR WHAT YOU ARE  
9 SAYING. SO I THINK WHAT IS EXTREMELY, AND JAMES AND  
10 CLAIRE JUMP IN, NO ONE'S OBJECTING TO INPUT FROM THE  
11 PEOPLE THAT ARE BEING EVALUATED. NO ONE IS  
12 OBJECTING TO LISTENING TO EVERYTHING THAT THEY SAY,  
13 THEN GOING OFF WITH ALL THAT INPUT FROM OTHER PEOPLE  
14 AS WELL AND COMING UP WITH, QUOTE, THE DELIVERABLES.

15 THEN NO ONE IS OBJECTING TO EVALUATION OF  
16 THE PEOPLE THAT YOU WORK WITH, THE VICE CHAIR  
17 EVALUATING THE CHAIR, THE PRESIDENT EVALUATING THE  
18 VICE CHAIR, AND THE CHAIR EVALUATING BOTH OF THEM.  
19 THE ONLY WAY THIS WILL WORK IS WHEN WE DO A 360 ON  
20 ANY INDIVIDUAL, ON A BOARD MEMBER, ON ANY INDIVIDUAL  
21 IS IF WE HAVE THE HIGHEST, HIGHEST CONFIDENTIALITY.  
22 AND IF THAT IS EVER LEAKED, THE WHOLE PROCESS FALLS  
23 APART BECAUSE OTHERWISE NO ONE WILL SAY ANYTHING.

24 DR. POMEROY: SHERRY, CAN I ALSO JUST ADD  
25 SOMETHING TO THAT, WHICH IS I WANT TO ASSURE MY

## BARRISTERS' REPORTING SERVICE

1 COLLEAGUES AS A GROUP, AND THERE REALLY IS THE  
2 BALANCE HERE BETWEEN GETTING ADEQUATE INPUT AND THE  
3 CHALLENGES OF MAINTAINING APPROPRIATE  
4 CONFIDENTIALITY. AND I THINK MY PERSONAL  
5 RECOMMENDATION IS THAT WE NEED TO TRUST OUR LEGAL  
6 COUNSEL TO GIVE THE COMMITTEE VERY CLEAR DIRECTION  
7 ABOUT CONFLICT OF INTEREST AND WHAT MATERIALS ARE  
8 SHARED AND WHEN PEOPLE NEED TO RECUSE THEMSELVES.

9 AND I, AFTER TALKING WITH JAMES, HAVE  
10 CONFIDENCE THAT WE CAN GET THAT DIRECTION.

11 MS. LANSING: THANK YOU. I DO TOO.

12 MR. SHEEHY: DID WE IDENTIFY THE CHAIRS OR  
13 THE CHAIR OR CO-CHAIRS OF THE EVALUATION COMMITTEE?  
14 DID WE SAY THAT IN THE SLIDE? THAT MIGHT BE HELPFUL  
15 TOO.

16 MR. HARRISON: WE HAVE NOT IDENTIFIED WHO  
17 THE CHAIR OR VICE CHAIR OF THE EVALUATION COMMITTEE  
18 WOULD BE, AND YOU HAVE THE OPTION EITHER OF  
19 DESIGNATING THEM AS A BOARD.

20 MR. SHEEHY: COULD I PERHAPS MAKE -- I  
21 KNOW WE DON'T HAVE A MOTION, MAYBE A MOTION TO ADOPT  
22 WOULD BE IN ORDER AND PERHAPS SUGGEST THAT THE  
23 CO-CHAIRS OF THE GOVERNANCE COMMITTEE SERVE AS THE  
24 CHAIRS OF THE EVALUATION COMMITTEE SINCE IT IS -- IT  
25 DOES SEEM NATURAL TO FLOW FROM GOVERNANCE INTO

## BARRISTERS' REPORTING SERVICE

1 EVALUATION, AND THE EVALUATION STARTED IN  
2 GOVERNANCE. AND I THINK IDENTIFYING LEADERSHIP FOR  
3 THE COMMITTEE, ESPECIALLY GIVEN ALL THE WORK THAT'S  
4 BEEN DONE AT GOVERNANCE IN THIS PROCESS AND THE  
5 RELATIONSHIP WITH COUNSEL VIS-A-VIS THIS CONFLICT OF  
6 INTEREST ISSUE, I PERSONALLY WOULD MOVE TO ADOPT IT  
7 WITH THE CO-CHAIRS OF THE GOVERNANCE COMMITTEE AS  
8 THE CO-CHAIRS OF THIS COMMITTEE.

9 CHAIRMAN KLEIN: I WOULD OPPOSE THAT  
10 RESOLUTION. I THINK THE EVALUATION COMMITTEE NEEDS  
11 TO DECIDE WHO ITS CHAIRS ARE. FROM TIME TO TIME  
12 THOSE MAY CHANGE, AND PARTICULARLY TAKING TWO PEOPLE  
13 OFF OF ONE COMMITTEE THAT REPRESENTS ONE PORTION OF  
14 THE WORK OF THIS AGENCY. IF YOU HAVE SEVEN  
15 DIFFERENT SECTORS OF WORK OF THIS AGENCY, TO TAKE  
16 BOTH OF THE CO-CHAIRS FROM ONE SECTOR JUST DOESN'T  
17 SEEM TO MAKE SENSE TO ME.

18 MR. SHEEHY: THEN WE'RE ON THIS SLIPPERY  
19 SLOPE THAT I IDENTIFIED. THEN THE EVALUEES PICK THE  
20 CHAIRS OF THE COMMITTEE THAT EVALUATE THEM.

21 CHAIRMAN KLEIN: YOU'VE GOT A LARGE ENOUGH  
22 GROUP, JEFF, THAT --

23 MR. SHEEHY: AND TYPICALLY WE HAVEN'T  
24 ELECTED CHAIRS OF COMMITTEES FROM COMMITTEES.  
25 THEY'VE BEEN APPOINTED. GIVEN THAT THIS IS A BOARD

## BARRISTERS' REPORTING SERVICE

1 FUNCTION, I THINK THE BOARD SHOULD APPOINT THE  
2 CHAIRS.

3 MR. SERRANO-SEWELL: I DO SUPPORT IN  
4 SPIRIT WHAT BOB IS SAYING, SHERRY. I WOULD PREFER  
5 FOR THE EVALUATION COMMITTEE TO CONVENE FIRST AND  
6 TAKE UP THIS ISSUE AND MAKE A DECISION. I HAVE  
7 EVERY CONFIDENCE THAT WHOMEVER THEY SELECT WILL BE  
8 OF THE HIGHEST INTEGRITY AND STANDARDS AND SENSITIVE  
9 TO ALL THE ISSUES, BUT TO PREORDAIN THAT AT THIS  
10 TIME AS A MOTION I COULDN'T SUPPORT.

11 MS. LANSING: I THINK WE WERE AWARE THAT  
12 THERE WASN'T SUPPORT FOR THAT, WHICH IS WHY WE  
13 DIDN'T BRING IT FORWARD. SO WHY DON'T WE -- MORE  
14 DISCUSSION?

15 DR. LOVE: I WOULD JUST ECHO THAT. GOING  
16 IN THAT DIRECTION, WE MIGHT AS WELL DELEGATE ALL  
17 THIS TO THE GOVERNANCE COMMITTEE. SINCE WE'RE NOT  
18 DELEGATING IT TO THE GOVERNANCE COMMITTEE, I WOULD  
19 THINK THAT IT MAKES SENSE TO CONSTITUTE THE  
20 COMMITTEE AND HAVE THE COMMITTEE USE ITS OWN  
21 JUDGMENT ABOUT ITS LEADERSHIP.

22 MS. LANSING: MORE DISCUSSION?

23 MR. SHEEHY: THERE IS A MOTION ON THE  
24 FLOOR THAT'S BEEN SECONDED.

25 MS. LANSING: I NEED A ROLL CALL VOTE.

**BARRISTERS' REPORTING SERVICE**

1 DR. PRIETO: CAN WE RESTATE THE MOTION?

2 MR. HARRISON: THE MOTION IS TO ADOPT THE  
3 PROCEDURE SET FORTH IN THE SLIDES IN TAB 13 WITH ONE  
4 MODIFICATION, WHICH IS TO DESIGNATE THE CHAIR AND  
5 CO-CHAIRS OF THE GOVERNANCE SUBCOMMITTEE AS THE  
6 CHAIR AND CO-CHAIR OF THE EVALUATION SUBCOMMITTEE.

7 CHAIRMAN KLEIN: WAS THAT SECONDED?

8 MR. HARRISON: DR. POMEROY SECONDED IT.

9 MR. SERRANO-SEWELL: POINT OF ORDER,  
10 SHERRY, OR WHOEVER IS CHAIRING THIS PORTION OF THE  
11 MEETING. IN LIGHT OF THE COMMENTS THAT A COUPLE OF  
12 MEMBERS HAVE MADE, WILL THE MAKER OF THE MOTION  
13 CONSIDER WITHDRAWING THE ASPECT OF --

14 MR. SHEEHY: NO.

15 MS. LANSING: ART, DID YOU HAVE SOMETHING?

16 MR. TORRES: YES. I'M JUST GRATEFUL FOR  
17 THE FIRST TIME IN MY LIFE TO BE JUDGED AND EVALUATED  
18 BY THE SMALLEST GROUP OF PEOPLE EVER IN MY CAREER.

19 MR. ROTH: I'M TRYING TO FIGURE OUT HOW TO  
20 GET OUT OF THIS.

21 DR. PIZZO: WE WON'T TAKE A VOTE ON THAT.

22 MS. KING: SHERRY, BEFORE WE TAKE PUBLIC  
23 PEOPLE, YOU MIGHT JUST WANT TO ASK IF THE PEOPLE ON  
24 THE PHONE HAVE ANY COMMENTS.

25 MS. LANSING: PEOPLE ON THE PHONE, DO YOU

**BARRISTERS' REPORTING SERVICE**

1 HAVE ANY COMMENT?

2 MS. FEIT: I'M A LITTLE CONFUSED. DO WE  
3 HAVE TWO MOTIONS AVAILABLE TO US OR JUST ONE?

4 MS. LANSING: JEFF, MAY I MAKE A FRIENDLY  
5 AMENDMENT? WHY DON'T WE TAKE THE FIRST PART?

6 MR. SHEEHY: NO.

7 CHAIRMAN KLEIN: DO WE HAVE TWO MOTIONS?

8 MR. HARRISON: NO. WE HAVE ONLY --

9 DR. STEWARD: COULD SOMEBODY CLARIFY WHAT  
10 THE MOTION IS?

11 MR. HARRISON: YES. WE HAVE ONLY ONE  
12 MOTION PENDING, AND IT'S A MOTION TO APPROVE THE  
13 EVALUATION PROCEDURES SET FORTH IN TAB 13 WITH ONE  
14 AMENDMENT, AND THAT IS TO DESIGNATE THE CHAIR AND  
15 VICE CHAIR OF THE GOVERNANCE SUBCOMMITTEE AS THE  
16 CHAIR AND VICE CHAIR OF THE EVALUATION SUBCOMMITTEE.

17 DR. POMEROY: JAMES, JUST CLARIFY IF THIS  
18 MOTION WERE TO FAIL, A NEW MOTION COULD BE  
19 INTRODUCED TO GO WITH THE ORIGINAL.

20 MR. HARRISON: THAT'S CORRECT.

21 MR. SERRANO-SEWELL: SO LET ME SEE IF I  
22 UNDERSTAND WHAT YOU SAID, SHERRY. YOU SAID EARLIER  
23 THAT YOU DIDN'T BRING UP THIS PARTICULAR ISSUE OF  
24 LEADING THE EVALUATION COMMITTEE.

25 MS. LANSING: I KNEW THAT BOB OBJECTED TO



## BARRISTERS' REPORTING SERVICE

1 IT. IT'S FINE. I DON'T TAKE IT PERSONALLY.

2 DR. PULIAFITO: I'VE GOT TO ECHO DR.  
3 AZZIZ' CONCERN AND BOB'S CONCERNS ABOUT THIS. I  
4 THINK THIS IS AN EXTRAORDINARILY CONVOLUTED,  
5 INTERLOCKING DIRECTORATE STRUCTURE FOR EVALUATING  
6 PEOPLE. IT WOULD BE FAR BETTER TO HAVE FOUR OR FIVE  
7 MEMBERS OF THE ICOC ELECTED AND THEN HAVE A CHAIR OF  
8 THAT GROUP TO EVALUATE THESE PEOPLE. BECAUSE I  
9 THINK THAT HAVING THE CHAIR EVALUATE THE VICE CHAIR  
10 AND THE VICE CHAIRS, IT LOOKS BAD. IT'S  
11 COMPLICATED. AND THEN TO SAY SOMEONE SAID, WELL,  
12 WE'RE GOING TO HAVE -- IT WON'T BE SUCH A LARGE  
13 NUMBER OF PEOPLE BECAUSE ONE PERSON CAN DO TWO  
14 FUNCTIONS MAKES NO SENSE TO ME, SO I'M GOING TO VOTE  
15 AGAINST THIS.

16 DR. POMEROY: CAN I JUST ADDRESS THAT? IT  
17 IS (TELEPHONE TRANSMISSION GARBLED AND  
18 UNINTELLIGIBLE).

19 MR. HARRISON: DR. POMEROY, UNFORTUNATELY  
20 YOU CUT OFF DURING YOUR COMMENTS, BUT I THINK I  
21 UNDERSTOOD YOUR POINT. AND THAT IS THAT THERE ARE  
22 CERTAIN MEMBERS OF THE BOARD WHO HOLD TWO POSITIONS  
23 LISTED. FOR EXAMPLE, MEMBER LANSING IS CHAIR OF THE  
24 GOVERNANCE SUBCOMMITTEE AND ALSO VICE CHAIR OF THE  
25 STANDARDS WORKING GROUP. SO THAT WOULD ELIMINATE

## BARRISTERS' REPORTING SERVICE

1 THE SIZE -- REDUCE THE SIZE OF THE COMMITTEE BY ONE  
2 MEMBER. LIKewise, CHAIRMAN KLEIN WOULD BE COUNTED  
3 TWICE UP THERE IF YOU LOOKED. OF COURSE, HE'S ONLY  
4 ONE INDIVIDUAL. AND SAME WITH DUANE ROTH.

5 MS. SAMUELSON: I WANT TO MAKE TWO  
6 OBSERVATIONS QUICKLY BECAUSE I DON'T WANT TO DELAY  
7 THIS. BUT THIS IS NOT SERVING OUR IMAGE WELL. AND  
8 IT SEEMS TO ME THAT IS BEGINNING TO SAY SOMETHING  
9 ABOUT WHAT WE'RE DOING AND HOW WE'RE DOING IT. AND  
10 I AM NOT AN EXPERT IN THIS FIELD OF EVALUATION, SO I  
11 AM RELUCTANT TO SAY ANYTHING. IT SEEMS TO ME WE'RE  
12 A SMALL ORGANIZATION. AND IF WE ARE AGGRESSIVELY  
13 PURSUING OUR MISSION, IN THAT CONTEXT WE WILL BE  
14 FOCUSING WITH LASER VISION ON OUR LEADERSHIP TO SEE  
15 IF THEY'RE LEADING US IN A WAY THAT'S ENABLING US TO  
16 DO THIS QUICKLY AND WITH THE RIGHT RESULTS, AND THAT  
17 WE'LL ALL KNOW WHAT SORT OF PERFORMANCE WE'RE  
18 GETTING OUT OF THESE VARIOUS PEOPLE.

19 MAYBE THAT'S JUST NAIVE OF ME OR I'M JUST  
20 NOT UNDERSTANDING THE PURPOSE FOR THIS. BUT IT DOES  
21 CONCERN ME THAT THIS IS NOW TRAILING OFF INTO  
22 CONFLICT OF INTEREST AND SO ON, AND WE NEVER LOOK  
23 GOOD IN THAT CONTEXT WHEN THERE'S THIS KIND OF  
24 DEBATE.

25 DR. POMEROY: I JUST WANT TO SAY WE'VE HAD

**BARRISTERS' REPORTING SERVICE**

1 PEOPLE WORKING IN THESE POSITIONS INFORMALLY WITHOUT  
2 FULLY DOCUMENTED WRITTEN EXPECTATIONS. AND I DON'T  
3 CARE FOR THOSE. THIS WAS AN ATTEMPT TO (TELEPHONE  
4 TRANSMISSION GARBLED) TO DO THAT JOB BETTER.

5 DR. PIZZO: MAY I SPEAK AS WELL?

6 MS. LANSING: YES, OF COURSE.

7 DR. PIZZO: I JUST WANT TO AGREE WITH THE  
8 COMMENTS THAT I JUST HEARD FROM CLAIRE. I THINK  
9 THAT FOR AN ORGANIZATION OF THIS SIZE AND SCOPE,  
10 IT'S VERY IMPORTANT THAT THERE BE AN ORGANIZED  
11 PROCESS FOR REGULAR EVALUATIONS AND FEEDBACK. I  
12 DON'T THINK THAT WE SHOULD CONFUSE THAT PROCESS WITH  
13 CONFLICTS OF INTEREST. I THINK THAT THEY SHOULD  
14 REALLY BE FOCUSED ON PERFORMANCE. AND NOT DOING SO,  
15 I THINK, WOULD BE LACKING OUR OWN DUE DILIGENCE.

16 MS. LANSING: THERE WAS A FEELING -- BOB,  
17 PERHAPS YOU CAN ARTICULATE BECAUSE I KNOW HOW  
18 STRONGLY YOU FEEL ABOUT THIS, THAT IF YOU HAD, AND I  
19 UNDERSTAND EVERYTHING THAT YOU'RE SAYING, AND I'VE  
20 BEEN ON CORPORATE BOARDS, WHATEVER. I UNDERSTAND  
21 HOW THIS LOOKS VERY COMPLICATED. AND IT TOOK US A  
22 LONG TIME TO GET TO THIS. IT'S A LOT OF INPUT.

23 BOB, I'D LOVE YOU TO SPEAK, IF YOU DON'T  
24 MIND. THERE WAS A FEELING THAT IF WE JUST HAD FOUR  
25 OF US, SOUNDS REASONABLE, THAT THOSE FOUR BOARD

## BARRISTERS' REPORTING SERVICE

1 MEMBERS WOULD NOT REMOTELY TO BE ABLE TO UNDERSTAND  
2 THE DAY-TO-DAY OPERATIONS BECAUSE WE'RE NOT THERE.  
3 AND THAT IF WE DIDN'T HAVE SOMEBODY WHO WORKED WITH  
4 ONE OF THE THREE PEOPLE BEING EVALUATED ON A  
5 DAY-TO-DAY BASIS, THAT WE COULD PERHAPS MAKE SOME  
6 MISTAKES IN OUR EVALUATION POSITIVELY OR NEGATIVELY.

7 AND SO THE FEELING WAS THAT THOUGH THIS  
8 WAS CUMBERSOME, I UNDERSTAND IT, THAT IT WAS THE  
9 ONLY WAY TO GET A REALLY IN-DEPTH EVALUATION. AND  
10 WE HAD A MUCH SIMPLER FORMULA IN THE BEGINNING, AND  
11 RIGHTFULLY SO. THERE WAS RESISTANCE FROM THE  
12 PEOPLE, I'M SAYING RIGHTFULLY SO, THAT WERE BEING  
13 EVALUATED THAT IT WASN'T A FAIR EVALUATION. AND  
14 THAT IS NOT SOMETHING WE WANT BECAUSE, IRONICALLY,  
15 THIS EVALUATION PROCESS CAME FROM CHAIRMAN KLEIN.  
16 HE ASKED FOR IT. AND IT CAME ABOUT IN A VERY  
17 HEALTHY WAY.

18 SO I DON'T KNOW EVERYTHING THAT EVERYBODY  
19 DOES EVERY SINGLE DAY. I SIT ON THE STANDARDS  
20 COMMITTEE. I KNOW EVERYTHING THAT WE DO, BUT I  
21 DON'T KNOW EVERYTHING THAT ALL THE OTHER COMMITTEES  
22 DO IF I'M NOT THERE. SO THIS WAS THE ATTEMPT.

23 DR. AZZIZ: SO JUST TO BE CLEAR, I THINK  
24 WE'RE ACTUALLY SORT OF TALKING OF APPLES AND  
25 ORANGES. I STRONGLY AGREE WITH CLAIRE AND PHIL AND

## BARRISTERS' REPORTING SERVICE

1 ALL THE REST WHO FEEL THAT WE SHOULD HAVE A FORMAL  
2 EVALUATION. IN FACT, WE HAVE BEEN REMISS AND WE ARE  
3 NOW BACKTRACKING TO MAKE SURE THAT WE HAVE THIS. I  
4 THINK THAT BOB IS ASKING FOR IT. ALL OF US ARE IN  
5 GREAT SUPPORT OF THIS EVALUATION.

6 THE QUESTION IS ARE WE PRESENTING THE MOST  
7 TRANSPARENT, CLEAR METHOD THAT HAS THE LEAST  
8 POTENTIAL FOR THE PERCEPTION OF CONFLICT OF  
9 INTEREST? THAT'S MY QUESTION. IN FACT, WE SHOULD  
10 BE OBLIGED, WHETHER IT'S THREE MEMBERS OR 19  
11 MEMBERS, THEY SHOULD BE OBLIGED TO GATHER 360  
12 INFORMATION FROM MULTIPLE SOURCES THAT NEED TO BE  
13 CLEARLY DELINEATED. THE QUESTION ISN'T THE  
14 INFORMATION YOU'RE GATHERING. THE QUESTION ISN'T DO  
15 YOU GET INFORMATION FROM ALL THE SITTING WORKING  
16 GROUPS AND FROM THE COMMITTEES AND SO ON AND SO  
17 FORTH. THAT SHOULD BE MANDATORY.

18 THE QUESTION IS SHOULD THEY BE PART OF THE  
19 GROUP THAT DOES READ ALL THE CONFIDENTIAL COMMENTS  
20 AND MAKES THOSE JUDGMENTS? SO WE'RE TALKING  
21 DIFFERENT ISSUES.

22 MS. LANSING: NO. THEY CAN'T BE -- I  
23 THINK THERE'S A MISUNDERSTANDING UNLESS I'M NOT  
24 GETTING IT RIGHT, AND I THINK I AM.

25 DR. AZZIZ: EVEN --

**BARRISTERS' REPORTING SERVICE**

1 MS. LANSING: THEY ARE NOT PART OF THE  
2 CONFIDENTIAL --

3 DR. AZZIZ: WE UNDERSTAND THAT THEY WILL  
4 BE RECUSED, ETC. BUT MY POINT IS WE ARE PRESENTING  
5 A VERY CONVOLUTED SYSTEM FOR SOMETHING THAT MOST  
6 ORGANIZATIONS WILL HAVE FOUR BOARD MEMBERS FROM THE  
7 EXECUTIVE BOARD TO REVIEW THE CEO, WHO THEN ARE  
8 OBLIGED WITH STAFF TO GATHER CONFIDENTIAL INPUT FROM  
9 60 DIFFERENT PEOPLE. OF COURSE, ALL 60 ARE NOT PART  
10 OF THE COMMITTEE. I'M JUST SIMPLY STATING AGAIN FOR  
11 THE RECORD I AM FULLY IN SUPPORT OF THIS CONCEPT.  
12 I'M FULLY IN SUPPORT OF GATHERING AS MUCH  
13 INFORMATION AS POSSIBLE. WE SHOULD BE AS FAIR AS  
14 POSSIBLE. THE INDIVIDUALS WHO ARE BEING EVALUATED  
15 SHOULD BE ASKED FOR THEIR INPUT.

16 THE QUESTION IS IS THE COMMITTEE THAT  
17 REVIEWS THE CONFIDENTIAL STATEMENTS, SHOULD THAT  
18 INCLUDE THOSE SAME INDIVIDUALS OR IN THE GROUP OF  
19 INDIVIDUALS? THAT'S MY ONLY STATEMENT.

20 DR. PULIAFITO: I'VE GOT TO RESTATE THIS.  
21 I'M IN FAVOR OF EVALUATION, BUT I AM AGAINST THIS  
22 COMMITTEE BECAUSE IT GIVES THE APPEARANCE OF HAVING  
23 A RELATIVELY SMALL GROUP OF PEOPLE, AND THE  
24 PERCEPTION OF SELF-DEALING AND SELF-INTEREST IS  
25 THERE. I THINK IT WOULD BE A MISTAKE FOR US TO

## BARRISTERS' REPORTING SERVICE

1 APPROVE THIS COMMITTEE AS CONSTITUTED.

2 CHAIRMAN KLEIN: WELL, SO I ASKED FOR A  
3 FORMAL EVALUATION BECAUSE IT'S DIFFICULT AS CHAIR  
4 WHEN YOU'RE INTERFACING ACROSS THE BROAD SPECTRUM  
5 THAT GOES FROM FINANCE TO IP TO STANDARDS TO  
6 GOVERNANCE TO REALLY KNOW WHETHER YOU'RE PERFORMING  
7 ACROSS THE WHOLE SPECTRUM. AND I SPECIFICALLY ASKED  
8 TO HAVE EXPERTISE OF INDIVIDUALS WITHIN OUR BOARD  
9 WHO HEAD SUBCOMMITTEES THAT REPRESENT EACH OF THESE  
10 CONTENT AREAS SUBSTANTIVELY.

11 I MEAN WE HAVE TO DEAL WITH LOTS OF  
12 CONFLICTS ISSUES AND DO IT PROPERLY. ALL THE  
13 PATIENT ADVOCATES ON THIS BOARD, ALL THE  
14 INSTITUTIONS ON THIS BOARD, WE'VE PROPERLY ADDRESSED  
15 THOSE CONFLICTS AND WE DEAL WITH THEM. WE HAVE  
16 RECUSALS AND WE CAN DEAL WITH THEM HERE.

17 BUT I WOULD HAVE A VERY TOUGH TIME  
18 SUGGESTING SOMEONE TAKE THIS POSITION OF CHAIR WITH  
19 AN EVALUATION THAT DOESN'T INCLUDE THE INPUT FROM  
20 THE PEOPLE THAT HAVE TO HELP THIS BOARD ON WORKING  
21 GROUPS, WHETHER IT'S ON LEGISLATION, FINANCE, IP,  
22 GRANTS WORKING GROUPS, STANDARDS WORKING GROUPS.  
23 YOU NEED TO HAVE THE FULL SPECTRUM.

24 WHEN YOU HAVE ELEVEN BOARD MEMBERS ON  
25 THERE, YOU'RE GOING TO HAVE A SITUATION WHEREIN

## BARRISTERS' REPORTING SERVICE

1 DIVERSITY OF OPINION, ANY PARTICULAR ONE PERSON ON  
2 THAT BOARD, IF THEY DON'T REPRESENT A FAIR  
3 REPRESENTATION OF THE WHOLE GROUP, THEY'RE JUST  
4 GOING TO GET CANCELED OUT. ANY TWO OR THREE PEOPLE  
5 ARE GOING TO GET CANCELED OUT. SO YOU'RE GOING TO  
6 HAVE THROUGH THE DIVERSITY OF REPRESENTATION AN  
7 EFFECTIVE CONSENSUS. THAT'S REALLY WHAT YOU'RE  
8 LOOKING FOR. IN CONSENSUS WITH TEN OR ELEVEN  
9 PEOPLE, THE INDIVIDUAL -- THE BENEFIT OF HAVING A  
10 BIGGER GROUP RATHER THAN THREE OR FOUR PEOPLE IS  
11 THAT THE DIVERSITY CANCELS OUT ANY BIAS.

12 SHERRY, WE HAVE AN IMPORTANT GRANTS  
13 WORKING GROUP SESSION. IF THE COMMITTEE OR THE  
14 BOARD WOULD PREFER TO DEFER IT, I JUST AT SOME POINT  
15 WOULD LIKE A FORMAL --

16 MS. LANSING: I THINK CLAIRE AND I NEED TO  
17 GET A SENSE OF THE BOARD BECAUSE -- SO I'M GOING  
18 TO -- BECAUSE THIS IS REALLY A SIMPLE PROCESS THAT  
19 IS TAKING UP AN ENORMOUS AMOUNT OF TIME. AND I'M  
20 NOT IN ANY WAY RESENTING THE TIME. AND REALLY  
21 CLAIRE HAS BEEN LEADING THIS EFFORT IN JUST AN  
22 EXTRAORDINARY WAY WITH JAMES' HELP. SO I THINK WHAT  
23 WE SHOULD DO IS HEAR THE VOTE, AND THEN I'M GOING TO  
24 PROPOSE ANOTHER AMENDMENT. AND IF THEY BOTH  
25 SUCCEED, GREAT. IF THEY BOTH FAIL, GREAT. THEN



**BARRISTERS' REPORTING SERVICE**

1 WE' LL GO BACK TO THE DRAWING BOARD, BUT LET' S SEE  
2 WHERE WE ARE. I' D LIKE TO DO THAT.

3 DR. STEWARD: I' D JUST LIKE TO ASK THAT WE  
4 DECOUPLE THE ORIGINAL AMENDMENT. THE MAKER  
5 DECLINED.

6 MR. SHEEHY: I' LL SPEAK BRIEFLY TO THAT.  
7 THIS GOES TO THE INTEGRITY OF THE COMMITTEE. AND I  
8 THINK THERE WAS AT ONE POINT THE PROPOSAL TO HAVE  
9 GOVERNANCE DO THIS, WHICH TO ME SEEMED THE MOST  
10 NATURAL AND LOGICAL THING. I DO THINK IT' S A  
11 GOVERNANCE FUNCTION. I DO AGREE WITH THE CHAIR,  
12 THAT THE MORE DIVERSE COMMITTEE IS A BETTER WAY TO  
13 DEVELOP CONSENSUS AMONGST ALL THE STAKEHOLDERS, SO I  
14 SUPPORT THAT. BUT GIVEN THAT THE CHAIRS OF THE  
15 GOVERNANCE COMMITTEE HAVE REALLY BEEN DEALING WITH  
16 THIS ISSUE AND HAVE EXAMINED WITH COUNSEL SOME OF  
17 THE ISSUES OF CONFLICT OF INTEREST AND PROCESS, I  
18 FEEL CONFIDENT THAT IF THEY' RE CHAIRS OF THIS, THAT  
19 PROCESS WILL BE ADEQUATELY FIREWALLED AGAINST THOSE  
20 ISSUES.

21 IF THIS MOTION FAILS, I WILL NOT SUPPORT  
22 THE MOTION FOR A COMMITTEE WITHOUT THE CHAIRS NAMED.  
23 I JUST THINK -- I JUST DON' T THINK IT' S APPROPRIATE  
24 FOR PEOPLE BEING EVALUATED TO PICK THE CHAIRS OF THE  
25 COMMITTEE THAT IS EVALUATING THEM. SO I THINK THAT

**BARRISTERS' REPORTING SERVICE**

1 THAT SHOULD BE DONE.

2 MS. LANSING: ORIGINALLY THIS STARTED WITH  
3 JUST THE GOVERNANCE COMMITTEE DOING THE EVALUATION.

4 MR. SHEEHY: JUST AS A SUGGESTION, WE CAN  
5 DISCUSS THIS OFF, BUT LET'S JUST GO THROUGH SOME  
6 VOTES. IF EVERYTHING GOES DOWN, IT WILL BE BACK TO  
7 GOVERNANCE, BUT WE DO NEED TO GET TO THE GRANTS.

8 MS. LANSING: I THINK SO TOO.

9 MR. SHEEHY: I DON'T THINK WE'RE ADDING  
10 ANYTHING TO THE CONVERSATION AT THIS POINT.

11 MS. LANSING: SO CAN I HAVE --

12 DR. PRIETO: JUST ANOTHER SUGGESTION. I'M  
13 SORRY TO COMPLICATE THIS MORE, BUT FOR THOSE WHO  
14 THINK THAT THIS IS TOO LARGE AND CUMBERSOME, IF WE  
15 CHANGE THE WORDING OF 1(A) TO THE CHAIR OR VICE  
16 CHAIR OF THOSE COMMITTEES, IT WOULD REDUCE THE  
17 EVALUATIONS OF COMMITTEES BY THREE.

18 MS. LANSING: SO I WOULD LIKE -- ANY  
19 PUBLIC COMMENT? YES, JOHN SIMPSON.

20 DR. SIMPSON: JOHN SIMPSON FROM CONSUMER  
21 WATCHDOG. I SHARE WITH CHAIRMAN KLEIN A GREAT NEED  
22 OR SENSE OF NEED FOR SOME KIND OF FORMAL EVALUATION  
23 PROCESS. THIS SEEMS TO BE STEPS IN THE RIGHT  
24 DIRECTION. I'VE WATCHED IT UNFOLD IN GOVERNANCE AND  
25 SO ON. BUT I HAVE TO SAY THAT I SHARE, IF IT WERE

**BARRISTERS' REPORTING SERVICE**

1 TO BE VOTED RIGHT NOW, MEMBER SHEEHY' S POSITION,  
2 THAT IT WOULD BE COMPLETELY INAPPROPRIATE TO HAVE  
3 THE COMMITTEE THAT IS BEING -- SOME OF WHOSE MEMBERS  
4 ARE BEING REVIEWED PICKING THE CHAIRMAN OF THAT  
5 COMMITTEE.

6 I SUGGEST THAT MAYBE YOU NEED TO TAKE THIS  
7 BACK. THE WHOLE STRUCTURE IS A BIT LIKE A RUBE  
8 GOLDBERG MACHINE IN TERMS OF COMPLEXITY, AND IT DOES  
9 NOT LEND ITSELF TO TRANSPARENCY. SO I WOULD BE  
10 INCLINED TO VOTE NO ON EVERYTHING TODAY IF I HAD  
11 THAT OPPORTUNITY. THANK YOU.

12 CHAIRMAN KLEIN: WOULD THE MAKER OF THE  
13 MOTION AGREE TO A FRIENDLY AMENDMENT THAT THE BOARD  
14 SELECTS THE CHAIR AND VICE CHAIR OF THIS COMMITTEE?

15 MR. SHEEHY: NO. I THINK -- NO. I MEAN I  
16 HAVE A MOTION. YOU KNOW, THIS ENTIRE DISCUSSION HAS  
17 DISTURBED ME GOING BACK TO GOVERNANCE. THIS WAS A  
18 COMPROMISE THAT I KIND -- I'M SWALLOWING. I SHARE A  
19 LOT OF DR. AZZIZ' CONCERNS. BUT I GUESS I JUST  
20 DON'T KNOW WHY THERE IS THIS SENSE THAT -- I JUST --  
21 I REALLY DON'T UNDERSTAND WHAT THE ISSUE IS HERE ON  
22 THE DESIGNATING THE CHAIRS OF THE GOVERNANCE  
23 SUBCOMMITTEE SINCE THEY DO SO MUCH OF THIS TO BEGIN  
24 WITH.

25 NO. NO. SORRY.

**BARRISTERS' REPORTING SERVICE**

1 MS. LANSING: ALL RIGHT. LET'S SEE WHERE  
2 WE ARE. AND IF IT PASSES, GREAT. IF IT DOESN'T  
3 PASS, GREAT TOO. WE'LL COME BACK WITH SOMETHING  
4 ELSE. LET'S DO --

5 DR. AZZIZ: RESTATE THE MOTION, PLEASE.

6 MR. HARRISON: THE MOTION IS TO ADOPT THE  
7 EVALUATION PROCEDURES SET FORTH IN TAB 13 WITH THE  
8 MODIFICATION THAT THE CHAIR AND VICE CHAIR OF THE  
9 EVALUATION SUBCOMMITTEE WOULD BE THE CHAIR AND VICE  
10 CHAIR OF THE GOVERNANCE SUBCOMMITTEE.

11 DR. AZZIZ: I'M SORRY. TO CLARIFY, ARE WE  
12 JUST VOTING ON THE AMENDMENT OR ON THE WHOLE THING  
13 WITH THE AMENDMENT?

14 MR. HARRISON: YOU'RE VOTING ON THE WHOLE  
15 EVALUATION PROCEDURE WITH THE DESIGNATION OF THE  
16 CHAIR AND THE VICE CHAIR OF THE GOVERNANCE  
17 SUBCOMMITTEE AS CHAIR AND VICE CHAIR OF THE  
18 EVALUATION SUBCOMMITTEE.

19 MS. LANSING: DEPENDING ON WHAT HAPPENS,  
20 WE CAN VOTE JUST ON THE AMENDMENTS LATER, RIGHT?  
21 NOT ON THE AMENDMENT, JUST ON THE -- WE CAN VOTE  
22 WITHOUT THE AMENDMENT. THAT'S WHAT OS IS GOING TO  
23 SUGGEST.

24 MS. KING: RICARDO AZZIZ.

25 DR. AZZIZ: NO.

## BARRISTERS' REPORTING SERVICE

1 MS. KING: ROBERT PRICE.  
2 DR. PRICE: NO.  
3 MS. KING: DAVID BRENNER.  
4 DR. BRENNER: NO.  
5 MS. KING: JACOB LEVIN.  
6 DR. LEVIN: NO.  
7 MS. KING: MARCY FEIT.  
8 MS. FEIT: NO.  
9 MS. KING: MICHAEL FRIEDMAN.  
10 DR. FRIEDMAN: YES.  
11 MS. KING: LEEZA GIBBONS.  
12 MS. GIBBONS: NO.  
13 MS. KING: MICHAEL GOLDBERG.  
14 MR. GOLDBERG: YES.  
15 MS. KING: BOB KLEIN.  
16 CHAIRMAN KLEIN: NO.  
17 MS. KING: SHERRY LANSING.  
18 MS. LANSING: I THINK I HAVE TO RECUSE  
19 MYSELF. I CAN'T VOTE FOR MYSELF.  
20 MS. KING: GERALD LEVEY.  
21 DR. LEVEY: YES.  
22 MS. KING: TED LOVE.  
23 DR. LOVE: NO.  
24 MS. KING: ED PENHOET.  
25 DR. PENHOET: NO.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: PHIL PIZZO.  
2 DR. PIZZO: YES.  
3 MS. KING: CLAIRE POMEROY.  
4 DR. POMEROY: I THINK I ALSO SHOULD RECUSE  
5 MYSELF.  
6 MS. KING: FRANCISCO PRIETO.  
7 DR. PRIETO: NO.  
8 MS. KING: CARMEN PULIAFITO.  
9 DR. PULIAFITO: NO.  
10 MS. KING: ROBERT QUINT.  
11 DR. QUINT: NO.  
12 MS. KING: JEANNIE FONTANA.  
13 DR. FONTANA: NO.  
14 MS. KING: DUANE ROTH.  
15 MR. ROTH: ABSTAIN.  
16 MS. KING: JOAN SAMUELSON.  
17 MS. SAMUELSON: NO.  
18 MS. KING: DAVID SERRANO-SEWELL.  
19 MR. SERRANO-SEWALL: NO.  
20 MS. KING: JEFF SHEEHY.  
21 MR. SHEEHY: YES.  
22 MS. KING: JON SHESTACK.  
23 MR. SHESTACK: ABSTAIN.  
24 MS. KING: OSWALD STEWARD.  
25 DR. STEWARD: ABSTAIN.

## BARRISTERS' REPORTING SERVICE

1 MS. KING: ART TORRES.

2 MR. TORRES: I RECUSE.

3 MS. LANSING: IT DIDN'T CARRY. THAT'S  
4 PRETTY OBVIOUS. SO NOW WHAT I'D LIKE TO DO IS ASK  
5 FOR A MOTION JUST FOR THE PROPOSAL WITHOUT THE  
6 AMENDMENT JUST SO WE CAN GET A SENSE OF WHERE WE  
7 ARE.

8 DR. PRIETO: SO MOVED.

9 DR. STEWARD: I EITHER MOVE OR SECOND.

10 MS. LANSING: CAN I HAVE A MOTION -- THE  
11 MOTION IS TO ADOPT THE ORIGINAL PROPOSAL FOR THE  
12 EVALUATION WITHOUT DETERMINING WHO IS THE CHAIR OF  
13 THE COMMITTEE.

14 MS. KING: AND WHO MADE THE MOTION? DR.  
15 STEWARD. AND WHO WAS THE SECOND? DR. PRIETO.

16 RICARDO AZZIZ.

17 DR. AZZIZ: NO.

18 MS. KING: ROBERT PRICE.

19 DR. PRICE: YES.

20 MS. KING: DAVID BRENNER.

21 DR. BRENNER: YES.

22 MS. KING: JACOB LEVIN.

23 DR. LEVIN: NO.

24 MS. KING: MARCY FEIT.

25 MS. FEIT: YES.

## BARRISTERS' REPORTING SERVICE

1 MS. KING: MICHAEL FRIEDMAN.  
2 DR. FRIEDMAN: YES.  
3 MS. KING: LEEZA GIBBONS.  
4 MS. GIBBONS: YES.  
5 MS. KING: MICHAEL GOLDBERG.  
6 MR. GOLDBERG: YES.  
7 MS. KING: BOB KLEIN.  
8 CHAIRMAN KLEIN: YES.  
9 MS. KING: SHERRY LANSING.  
10 MS. LANSING: YES.  
11 MS. KING: GERALD LEVEY.  
12 DR. LEVEY: YES.  
13 MS. KING: TED LOVE.  
14 DR. LOVE: YES.  
15 MS. KING: ED PENHOET.  
16 DR. PENHOET: YES.  
17 MS. KING: PHIL PIZZO.  
18 DR. PIZZO: YES.  
19 MS. KING: CLAIRE POMEROY.  
20 DR. POMEROY: YES.  
21 MS. KING: FRANCISCO PRIETO.  
22 DR. PRIETO: YES.  
23 MS. KING: CARMEN PULI AFITO.  
24 DR. PULI AFITO: NO.  
25 MS. KING: ROBERT QUINT.



## BARRISTERS' REPORTING SERVICE

1 DR. QUINT: NO.  
2 MS. KING: JEANNIE FONTANA.  
3 DR. FONTANA: YES.  
4 MS. KING: DUANE ROTH.  
5 MR. ROTH: ABSTAIN.  
6 MS. KING: JOAN SAMUELSON.  
7 MS. SAMUELSON: YES.  
8 MS. KING: DAVID SERRANO-SEWELL.  
9 MR. SERRANO-SEWALL: YES.  
10 MS. KING: JEFF SHEEHY.  
11 MR. SHEEHY: NO.  
12 MS. KING: JON SHESTACK.  
13 MR. SHESTACK: ABSTAIN.  
14 MS. KING: OS STEWARD.  
15 DR. STEWARD: YES.  
16 MS. KING: ART TORRES.  
17 MR. TORRES: RECUSE.  
18 MS. KING: THAT MOTION DOES CARRY.  
19 MS. LANSING: SO WHAT WE HAVE TO DO, THEN,  
20 IS DETERMINE WHO THE CHAIR AND THE VICE CHAIR ARE,  
21 RIGHT?  
22 MR. SHEEHY: WHY DON'T WE HAVE THE CHAIR  
23 AND THE VICE CHAIRS NOMINATE THE CHAIRS AND THE VICE  
24 CHAIRS OF THE COMMITTEE.  
25 MS. LANSING: SOMEONE ASKED THE QUESTION

**BARRISTERS' REPORTING SERVICE**

1 WHAT DO WE HAVE LEFT TO DO?

2 MR. SHEEHY: I'M NOT BEING FACETIOUS.

3 LET'S HAVE THE CHAIR AND THE VICE CHAIRS NOMINATE  
4 THE CHAIRS OF THE COMMITTEE THAT WILL EVALUATE THEM.

5 CHAIRMAN KLEIN: I'D LIKE TO MAKE A MOTION  
6 THAT THIS BOARD ELECT THE CHAIR AND VICE CHAIR FROM  
7 AMONG THE MEMBERS OF THE COMMITTEE.

8 MR. SERRANO-SEWELL: DON'T YOU THINK WE  
9 SHOULD FIRST ELECT THE TWO AT LARGE MEMBERS?

10 MS. LANSING: I'M CONFUSED NOW MYSELF. SO  
11 WHAT DO WE HAVE LEFT TO DO, JAMES?

12 MR. HARRISON: IF THE BOARD WISHES, IT CAN  
13 AT THIS POINT IN TIME APPOINT THE TWO AT LARGE  
14 MEMBERS. AND IF IT SO WISHES, IT CAN APPOINT THE  
15 CHAIR AND THE VICE CHAIR OF THE EVALUATION  
16 SUBCOMMITTEE, OR IT CAN LEAVE THAT ACTION TO THE  
17 EVALUATION SUBCOMMITTEE ITSELF.

18 CHAIRMAN KLEIN: COULD I ASK THIS  
19 QUESTION? SINCE WE HAVE A GRANT -- A VERY CRITICAL  
20 GRANT ROUND, CAN WE JUST -- WE HAVE THE BASIC  
21 STRUCTURE, AND WE'LL GIVE PEOPLE TIME TO THINK ABOUT  
22 OPTIONS, AND WE CAN DEAL WITH TWO MEMBERS AND THE  
23 CHAIRS LATER. THANK YOU. THANK YOU FOR ALL THE  
24 WORK THAT WENT INTO THIS.

25 AND AS WE DO HAVE ROBUST DISCUSSION, I DID

## BARRISTERS' REPORTING SERVICE

1 NOTE THAT, SHERRY, YOU GOT THIS DONE WITHIN YOUR  
2 DESIGNATED TIME, BUT IT DID TAKE A LOT OF ROBUST  
3 DISCUSSION. CERTAINLY I RESPECT THE OPINIONS  
4 EXPRESSED HERE. AND I PERSONALLY AND I'M SURE THE  
5 REST OF THE MEMBERS ON THIS COMMITTEE WILL TRY AND  
6 FOLLOW THE SPIRIT AND INTENT OF ALL THE COMMENTS  
7 MADE TO MAKE SURE WE HAVE THE BEST PROCESS POSSIBLE.  
8 AND CERTAINLY LEGAL COUNSEL IS AWARE OF THIS. WE  
9 HAVE A GOOD RECORD TO GUIDE US. AND WE'LL DO OUR  
10 BEST, AS WE DO IN GRANTS WORKING GROUP, AS WE DO IN  
11 THIS BOARD TO MAKE SURE THE RECUSALS ARE APPROPRIATE  
12 AND CONFIDENTIALITY IS STRICT.

13 WE NEED TO MOVE ON TO THE GRANTS  
14 CONSIDERATION IMMEDIATELY. AND, JEFF, I THINK IT  
15 WOULD BE HELPFUL IF YOU COULD JUST REVIEW THE GRANT  
16 CATEGORIES AND LEAD US THROUGH THIS PROCESS STARTING  
17 WITH THE TIER 1.

18 MR. SHEEHY: JUST LOOKING, WE HAVE 15  
19 APPLICATIONS IN TIER 1 RANGING FROM 94 TO 77. AND  
20 JUST TO GIVE YOU A SENSE OF THE PROCESS WE GO  
21 THROUGH, THE FIRST THING I'LL DO IS TAKE MOTIONS TO  
22 MOVE APPLICATIONS OUT OF TIER 1, AND THE SECOND  
23 PROCESS WE'LL GO THROUGH IS TO MOVE ANY APPLICATIONS  
24 INTO TIER 1, AND THEN WE'LL DISPOSE OF THE REMAINING  
25 APPLICATIONS BY VOTING THROUGH TIER 1 AND THEN

## BARRISTERS' REPORTING SERVICE

1 VOTING THE REST OF THE APPLICATIONS NOT FUNDABLE AT  
2 THIS TIME.

3 SO I THINK THE FIRST MOTION I WOULD  
4 ENTERTAIN IS A MOTION TO MOVE ANY APPLICATION  
5 CURRENTLY IN TIER 1 OUT OF TIER 1. AND I WOULD ASK  
6 THAT THE MAKER OF THE MOTION AND THE SECOND REFRAIN  
7 FROM DISCUSSION TILL WE HAVE CONFLICTS OF INTEREST  
8 IDENTIFIED BY COUNSEL.

9 DR. PENHOET: MAYBE FOR THE SAKE OF PEOPLE  
10 LOOKING AT THIS, WE'RE NOW TALKING ABOUT TIER 1 PART  
11 A AND PART B BECAUSE IT SAYS FUNDING LINE THERE  
12 UNDER TIER 1, PART A.

13 MR. SHEEHY: I DESCRIBED IT IN THE RANGE  
14 FROM 94 TO 77.

15 MR. SHESTACK: SO WHAT, JEFF, IS THIS  
16 DESIGNATION OF THE DIFFERENCE BETWEEN WHITE AND  
17 LIGHT BLUE? JUST TO HELP US UNDERSTAND THE  
18 DIFFERENCE BETWEEN 81 AND 77?

19 CHAIRMAN KLEIN: JEFF, YOU MIGHT GIVE THEM  
20 THE HISTORY OF THE GRANTS WORKING GROUP. AT THE  
21 TIME THAT THE GRANTS WORKING GROUP WAS GOING THROUGH  
22 THIS, THERE WAS CONCERN OF HOW MUCH FUNDS WE WOULD  
23 HAVE AVAILABLE. JEFF, MAYBE YOU COULD GIVE THEM  
24 THAT HISTORY SO IN THE CONTEXT THEY NOW UNDERSTAND  
25 THE FACTUAL CHANGES THAT LED TO THAT.

**BARRISTERS' REPORTING SERVICE**

1 MR. SHEEHY: SO ANTICIPATING A SHORTFALL  
2 IN FUNDING, THE GRANTS WORKING GROUP BASICALLY  
3 DIVIDED THE TIER 1 INTO TWO, ANTICIPATING WE  
4 WOULDN'T HAVE FUNDS AVAILABLE TO FUND ALL OF TIER 1.  
5 THEY, AS YOU CAN SEE, FOLLOWED THE NUMERICAL SCORES  
6 AND DREW A LINE ROUGHLY HALFWAY BETWEEN THE TWO  
7 GROUPS. SO THAT IS THE MEANING OF THAT.

8 MR. SHESTACK: SINCE THAT EVENTUALITY DID  
9 NOT HAPPEN, THIS IS NOT AN IMPORTANT DESIGNATION FOR  
10 US NOW?

11 MR. SHEEHY: ONLY IN THAT IT SEPARATES THE  
12 SCORES. SO THERE IS A DIFFERENCE BETWEEN AN 84 AND  
13 AN 81, SO THAT'S THE DISTINCTION THAT IS RELEVANT.

14 DR. PRIETO: I THINK I MADE THIS POINT  
15 BEFORE, BUT I THINK THE DISTINCTION -- THE POINT  
16 SCORES THAT ARE THREE POINTS APART ARE REALLY NOT  
17 SIGNIFICANTLY DIFFERENT. AND GIVEN OUR CURRENT  
18 FUNDING SITUATION, I WOULD LIKE TO JUST DISREGARD  
19 THAT DIVISION BETWEEN 1(A) AND 1(B).

20 SO MOVED.

21 DR. LEVEY: SECOND.

22 MR. SHEEHY: I DON'T THINK THAT MOTION IS  
23 APPROPRIATE OR NECESSARY. WE HAD THE CATEGORY AS  
24 EXPRESSED AS TIER 1, WHICH IS RECOMMENDED FOR  
25 FUNDING. THESE WERE NOT DIVIDED INTO RECOMMENDED

## BARRISTERS' REPORTING SERVICE

1 FOR FUNDING IF FUNDING WERE AVAIL ABLE. THEY WERE  
2 ALL RECOMMENDED FOR FUNDING.

3 WHAT WE ASKED THE WORKING GROUP TO DO IS  
4 IF WE WERE IN THE MOST DIRE SITUATION, WHICH WAS  
5 EXTREMELY LIMITED FUNDS, DRAW A LINE. AND WE  
6 ANTICIPATED PERHAPS THE LINE WOULD BE HALFWAY. BUT  
7 WE ACTUALLY ASKED THEM TO RANK THEM, AND THEY KEPT  
8 THEM ALL IN NUMERICAL ORDER. THE ONLY RERANKS THAT  
9 OCCURRED WERE BETWEEN APPLICATIONS THAT HAD  
10 IDENTICAL SCORES, AND I DON'T BELIEVE THAT HAPPENED  
11 MORE THAN ONCE, IF AT ALL.

12 MR. SHESTACK: NOT AT ALL IN TIER 1.

13 MR. SHEEHY: NO. REMEMBER, THE WORKING  
14 GROUP WAS LOOKING AT -- REMEMBER WHERE WE WERE A  
15 WEEK AGO. AND WE WERE NOT ANTICIPATING HAVING  
16 SUFFICIENT FUNDS TO FUND THIS PROGRAM. SO WE DID  
17 SPEND A LOT OF TIME IN PROGRAMMATIC REVIEW ASKING  
18 THE SCIENTISTS TO RANK THESE. THEY LEFT THEM  
19 FUNDAMENTALLY IN NUMERICAL ORDER. THE ONLY  
20 SIGNIFICANT CHANGES -- THE ONLY CHANGES AT ALL, AND,  
21 AGAIN, I THINK MIGHT HAVE BEEN BETWEEN ONES THAT HAD  
22 IDENTICAL NUMBERS; BUT AS YOU CAN SEE, THEY DID NOT  
23 CHANGE THE ORDER BY NUMBER, BY THE NUMERICAL SCORE  
24 IN ANY OF THESE. THAT WAS SIMPLY TO PROVIDE  
25 GUIDANCE.

## BARRISTERS' REPORTING SERVICE

1 WE DID NOT KNOW, FOR INSTANCE, AT THE  
2 WORKING GROUP, WE WERE ANTICIPATING A SITUATION  
3 WHERE WE WOULD START WITH THE TOP GRANT, THE 94, AND  
4 DECIDE -- WE WERE ANTICIPATING NOT KNOWING WHERE OUR  
5 FUNDING LINE WAS GIVEN THAT WE DIDN'T KNOW WHAT  
6 FUNDS WOULD REALLY BE AVAILABLE. BUT THEY DID  
7 RECOMMEND ALL OF TIER 1 FOR FUNDING.

8 MR. SHESTACK: NOW WE KNOW WHAT FUNDS ARE  
9 AVAILABLE.

10 MR. SHEEHY: I DON'T THINK WE NEED ANOTHER  
11 MOTION BECAUSE THIS CATEGORY IS STILL RECOMMENDED  
12 FOR FUNDING.

13 DR. PRIETO: I'LL WITHDRAW THE MOTION.

14 DR. FONTANA: IS IT APPROPRIATE NOW TO  
15 DISCUSS WHAT FUNDS WE ARE GOING TO ALLOCATE TO THIS  
16 ROUND OF GRANTS? IN OTHER WORDS, CAN WE DECIDE AS A  
17 GROUP THAT WE'RE GOING TO ALLOCATE MORE THAN WHAT  
18 WAS BUDGETED TO FUND MORE OF THE TIER 2 GRANTS AS  
19 OPPOSED TO PICKING ONE OR TWO?

20 MR. SHEEHY: NO. I MEAN I TRUST THAT  
21 BOARD MEMBERS ARE AWARE OF OUR FINANCIAL SITUATION.  
22 WE TYPICALLY DON'T CHANGE THE FUNDS AVAILABLE FOR A  
23 GRANT ROUND IN THE MIDDLE OF A GRANT ROUND. I THINK  
24 IT'S INCUMBENT ON US AS STEWARDS OF OUR FUNDS TO  
25 LOOK AT TIER 1, RECOGNIZE THAT IT IS OVER BUDGET.

## BARRISTERS' REPORTING SERVICE

1 IF WE WANT TO PROCEED WITH APPROVING EVERYTHING IN  
2 TIER 1, THEN THAT'S WHAT WE DO. AND THEN IF WE DO  
3 MOVE GRANTS UP FROM TIER 2, TO RECOGNIZE THAT WE ARE  
4 SPENDING MONEY. BUT, YOU KNOW, THIS HAS TO BE  
5 CONSISTENT WITH OUR MISSION.

6 SO I HAVE OS AND THEN BOB.

7 DR. STEWARD: JUST FOR THE RECORD, COULD  
8 WE STATE THE BUDGET FOR THIS GRANT ROUND AND EXACTLY  
9 WHAT THE TOTAL OF THE GRANTS IN TIER 1 IS RIGHT NOW?

10 MR. SHEEHY: THE 60 MILLION IS UP THERE.  
11 AGAIN, WE'RE RECAPITULATING SOME OF THE DISCUSSION  
12 THAT WENT ON LAST NIGHT. I WOULD AGAIN NOTE THAT  
13 REVIEWERS DID OBSERVE THAT SEVERAL GRANTS SEEMED  
14 EXCESSIVE. WE CAN'T PUT A DOLLAR VALUE. MAYBE -- I  
15 DON'T THINK IT'S APPROPRIATE FOR US TO ASSIGN THAT  
16 OR TO LOOK AT ANY INDIVIDUAL GRANT, BUT THEY DID  
17 COMMENT ON SEVERAL GRANTS THAT THEY THOUGHT THAT THE  
18 BUDGETS WERE EXCESSIVE. STAFF HAS THE ABILITY TO  
19 COLLECT ADDITIONAL INFORMATION AND JUSTIFICATION FOR  
20 THOSE BUDGETS.

21 AND I SUSPECT -- MY ASSURANCE FROM STAFF,  
22 AND STAFF HAS ASSURED US HERE LAST NIGHT, THAT  
23 THEY'RE GOING TO DO THIS WITH ALL DUE DILIGENCE. SO  
24 I THINK THAT YOU MAY -- AGAIN, THIS IS A JUDGMENT WE  
25 EACH INDIVIDUALLY HAVE TO MAKE, WHETHER YOU THINK,



**BARRISTERS' REPORTING SERVICE**

1 HAVING READ THROUGH ALL YOUR INFORMATION, THAT THE  
2 POSSIBILITY IS THAT THESE MIGHT NOT ACTUALLY COME IN  
3 AT THE FULL 67.7 MILLION.

4 CHAIRMAN KLEIN: SO IN LOOKING AT THE  
5 BUDGET AND WHAT WE HAVE AVAILABLE, IF THE BOARD  
6 DECIDES THAT THERE ARE INDIVIDUAL GRANTS THAT ARE IN  
7 THE FUND IF AVAILABLE CATEGORY, FOR EXAMPLE, THAT  
8 WOULD MEET A CRITICAL OBJECTIVE, AND IN DISCUSSION  
9 HERE WE FIND THAT HAS MERIT AND THEY'RE INDIVIDUALLY  
10 LISTED, WE HAVE THE OPTION OF INCREASING WHAT WE'RE  
11 DOING IN THIS ROUND, AND/OR SEPARATELY I WOULD ALSO  
12 SUGGEST THAT IF THERE ARE THREE OR FOUR GRANTS THAT  
13 END UP IN THAT CATEGORY, TO THE EXTENT YOU DON'T  
14 WANT TO COMMIT TO INCREASING WHAT WE'RE DOING IN  
15 THIS ROUND AT THIS MOMENT, WE COULD DEFER THREE OR  
16 FOUR GRANTS TO THE JUNE MEETING. AND I COULD IN  
17 THAT TIME PERIOD HAVE ADDITIONAL TIME TO IDENTIFY  
18 ADDITIONAL RESOURCES.

19 SO THAT IS ANOTHER OPTION FOR THE BOARD.

20 MR. SHEEHY: I THINK --

21 MR. SHESTACK: I'M SORRY. THE BUDGET WE  
22 HAVE AVAILABLE FOR THIS RFA IS 67?

23 CHAIRMAN KLEIN: YES.

24 MR. SHESTACK: THAT'S -- 60. AND THE  
25 COMBINED -- ALL TIER 1, ALL 15 TIER 1 GRANTS ARE 67.

**BARRISTERS' REPORTING SERVICE**

1 CHAIRMAN KLEIN: ARE 67 MILLION.

2 MR. SHESTACK: OKAY.

3 CHAIRMAN KLEIN: ALMOST 68 MILLION.

4 DR. BRENNER: JEFF, IS IT APPROPRIATE NOW  
5 TO MAKE A PROPOSAL TO FUND THE TIER 1 GRANTS?

6 MR. SHEEHY: COUNSEL, IS THAT AN  
7 ACCEPTABLE MOTION? IT HAS TO COME FROM SOMEONE  
8 WHO'S NOT CONFLICTED.

9 MR. HARRISON: CORRECT.

10 MR. ROTH: I WILL MAKE A MOTION THAT WE  
11 FUND ALL OF TIER 1 GRANTS, 67.728767.

12 MS. GIBBONS: SECOND.

13 CHAIRMAN KLEIN: AND QUESTION, IS YOUR  
14 MOTION INTENDED TO EXCLUDE OTHER GRANTS FROM BEING  
15 APPROVED?

16 MR. ROTH: NO.

17 CHAIRMAN KLEIN: IT'S JUST TO FUND TIER 1.  
18 SO THAT LEAVES OPEN THE ISSUE OF WHETHER ADDITIONAL  
19 GRANTS ARE THEN ADDED TO IT.

20 MR. SHESTACK: OPEN ISSUE OF WHERE THIS \$7  
21 MILLION IS GOING TO COME FROM. OKAY.

22 DR. LOVE: IS THERE ANY THINKING IN THE  
23 RECOMMENDATION OR THE MOTION THAT THERE WILL BE SOME  
24 PROCESS THAT MAYBE THAT 67 ISN'T 67 WHEN THE FUNDING  
25 IS FINALLY -- I CAN'T DO THAT?

**BARRISTERS' REPORTING SERVICE**

1 MR. HARRISON: YOU CAN, AND I ACTUALLY  
2 WANTED TO ADD THAT. ALL OF YOUR GRANT APPROVALS  
3 ARE, BY DEFINITION, UNDER THE REGULATIONS SUBJECT TO  
4 PREFUNDING ADMINISTRATIVE REVIEW. AND WE SHOULD BE  
5 CLEAR THAT THIS MOTION WOULD BE AS WELL; THAT IS,  
6 IT'S APPROVAL OF THE GRANTS SUBJECT TO THE STAFF'S  
7 PREFUNDING ADMINISTRATIVE REVIEW AND INCLUDING THE  
8 REVIEW OF THE BUDGETS.

9 MR. ROTH: WHAT JAMES JUST SAID HAS ALWAYS  
10 BEEN TRUE, AND WE SHOULDN'T PROBABLY CONSIDER THAT  
11 NOW. WE SHOULD DO LIKE WE ALWAYS HAVE. BUT THAT'S  
12 THE ABSOLUTE MAXIMUM THAT WOULD BE SPENT IF  
13 EVERYTHING PASSES THROUGH THE GRANTS -- THE REVIEW  
14 OF THE GRANT FOR FEASIBILITY. IT WON'T BE HIGHER  
15 THAN THAT.

16 DR. LOVE: I SECOND.

17 MR. ROTH: I DO, IN MAKING THE MOTION,  
18 UNDERSTAND THAT WE'LL BE SPENDING AT THIS POINT \$8  
19 MILLION MORE THAN WE BUDGETED, BUT THEY WERE ALL IN  
20 THE TIER TO BE FUNDED. IF I REMEMBER THE NUMBERS  
21 FROM YESTERDAY, WE'RE STILL THROUGH THE TIME PERIOD  
22 THAT JOHN ROBSON DESCRIBED, WE HAD 14 MILLION, I  
23 THINK, OVER THE LINE.

24 DR. ROBSON: IT'S LESS THAN THAT. IF WE  
25 FUND -- THE TRAINING GRANTS COMES DOWN TO --

**BARRISTERS' REPORTING SERVICE**

1 MR. ROTH: HOW MUCH ARE THE TRAINING  
2 GRANTS?

3 DR. ROBSON: IF YOU WERE NEXT IN JUNE TO  
4 START THE TRAINING GRANT II EARLIER, IMMEDIATELY,  
5 FOR EXAMPLE, THAT WOULD ADD 13 MILLION TO OUR  
6 COMMITMENT TO THE END OF 2010, WHICH WOULD DROP OUR  
7 SORT OF CUSHION THERE TO ABOUT FOUR MILLION.

8 MS. SAMUELSON: DIDN'T WE VOTE TO DEFER  
9 THAT THOUGH?

10 DR. ROBSON: NO. I'M JUST -- DID NOT.

11 CHAIRMAN KLEIN: THE POINT THAT IS BEING  
12 MADE, JOAN, IS THAT I THINK THERE IS A POINT, GIVEN  
13 THE AMENDED BUDGET AND GIVEN AN IDENTIFICATION OF  
14 RESOURCES IN THE JUNE MEETING, TO RECONSIDER THIS  
15 ISSUE OF WHETHER WE CAN, IN FACT, GO AHEAD AT THIS  
16 TIME WITH FUNDING THE TRAINING GRANTS BECAUSE THERE  
17 ARE INSTITUTIONS THAT HAVE PROVED HIGHLY PRODUCTIVE.  
18 AT THE TIME WE DEFERRED IT, WE DIDN'T HAVE THE  
19 RESOURCES WE HAVE. SO IT'S A SEPARATE DECISION  
20 COMPLETELY SEPARATE FROM THIS DECISION.

21 AND IN THE JUNE MEETING, THERE WILL BE A  
22 RECONSIDERATION OF WHETHER WE SHOULD FUND THE  
23 TRAINING GRANTS ON A CASH FLOW BASIS BECAUSE WE WERE  
24 OBLIGATED TO FUND THEM IN ANY CASE, BUT ON A CASH  
25 FLOW BASIS, WHETHER WE WOULD FUND THEM NOW INSTEAD

## BARRISTERS' REPORTING SERVICE

1 OF HAVING OUR FUNDS START BEING DISTRIBUTED IN A  
2 YEAR FROM NOW. IN EITHER CASE, THE LIABILITY WOULD  
3 HAVE ACCRUED DURING THAT PERIOD.

4 MS. SAMUELSON: BUT THAT WOULDN'T  
5 CONSTRAIN US NOW FROM TAKING THIS STEP.

6 CHAIRMAN KLEIN: THAT'S A CORRECT  
7 STATEMENT.

8 DR. TROUNSON: CHAIR, I THINK AS PRESIDENT  
9 OF THE AGENCY, I WOULD PREDICT THAT WE WOULDN'T BE  
10 ABLE TO REMOVE \$8 MILLION FROM THE BUDGET. I'LL BE  
11 REALLY SURPRISED IF THAT'S POSSIBLE. SO I THINK WE  
12 NEED TO BE REFLECTIVE.

13 YOU AND I HAVE DISCUSSED THE POSSIBILITY  
14 OF IDENTIFYING A DIFFERENT SOURCE OF FUNDS TO ADD TO  
15 THIS, IF THE BOARD FEELS THAT THAT'S APPROPRIATE,  
16 AND I'D SUPPORT THAT. BUT THERE'S NO GUARANTEE, OF  
17 COURSE, IF YOU DID IDENTIFY THEM.

18 BUT BEING FISCALLY RESPONSIBLE, I THINK,  
19 IS STILL REQUIRED OF US. WE HAVE HAD A WONDERFUL  
20 RETURN OF MONEY FROM THE GOVERNMENT, BUT WE'RE STILL  
21 CLOSE HAULED. AND IF WE MOVE THE TRAINING GRANTS  
22 UP, AS I HOPE YOU MAY DO IN JUNE, WE'RE GOING TO BE  
23 VERY TIGHT HAULED ON THIS. I THINK SOME DEGREE OF  
24 FISCAL RESPONSIBILITY IS NECESSARY TO POINT OUT TO  
25 YOU, AND I HOPE YOU WILL BE RESPONSIVE BECAUSE IT'S

**BARRISTERS' REPORTING SERVICE**

1 REALLY QUITE STRESSFUL AND DIFFICULT TO TRY AND STAY  
2 WITHIN THE BUDGET FRAMEWORK UNDER THE PRESENT  
3 CIRCUMSTANCES.

4 MS. LANSING: WELL, I RESPECT VERY MUCH  
5 WHAT YOU'RE SAYING, BUT THIS IS TRANSLATIONAL  
6 RESEARCH, WHICH IS WHAT WE'VE REALLY ALL BEEN  
7 GEARING TO. AND I THINK THAT THESE GRANTS, AND I'M  
8 ACTUALLY GOING TO SUGGEST MOVING SOME UP THAT ARE IN  
9 TIER 2, ARE EXTREMELY IMPORTANT. AND THE WORLD  
10 CHANGED ON FRIDAY, AND WE FIND THAT WE ARE WELL  
11 FUNDED FOR THE NEXT YEAR. AND I THINK THAT'S A REAL  
12 COMMITMENT, THAT THE STATE, THE GOVERNOR, AND THE  
13 TREASURER'S OFFICE HAS MADE TO US. AND I THINK THAT  
14 THAT COMMITMENT, I'M HOPEFUL, WILL CONTINUE.

15 AND I THINK THAT THE PEOPLE OF CALIFORNIA  
16 WHO VOTED FOR THIS ARE LOOKING FOR THESE  
17 TRANSLATIONAL AND DISEASE TEAMS THAT ARE GOING TO  
18 COME. I THINK THIS IS ACTUALLY A TIME, IF THE  
19 SCIENCE JUSTIFIES IT, TO SPEND THE MONEY BECAUSE  
20 THESE OPPORTUNITIES ARE WHAT WE HAVE BEEN WAITING  
21 FOR.

22 DR. LOVE: I WAS JUST GOING TO SAY I THINK  
23 WHAT SHERRY IS SAYING IS QUITE IMPORTANT. THE ONE  
24 QUESTION I WANT TO RAISE, I'M NOT SURE HOW WE CAN  
25 GET AT THIS, IS THAT I HAVE HEARD A COUPLE OF TIMES

## BARRISTERS' REPORTING SERVICE

1 NOW PEOPLE TALK ABOUT POTENTIALLY THAT THE  
2 SCIENTIFIC INTEGRITY OF THIS COMPETITION ISN'T AS  
3 HIGH AS SOME OF THE OTHERS.

4 I GUESS THE THING I'M TRYING TO WORK  
5 THROUGH IN MY HEAD IS BALANCING SHERRY'S POINT ABOUT  
6 FUNDING THESE AND GETTING THIS GOING VERSUS  
7 COMMITTING TO THESE WHEN, IN FACT, IN SIX MONTHS OR  
8 EIGHT MONTHS THE QUALITY OF WHAT WE COULD FUND MIGHT  
9 ACTUALLY BE HIGHER. SO I DON'T KNOW WHO CAN TRY TO  
10 GET AT THAT POINT, BUT I THINK THAT'S A REAL ISSUE  
11 THAT WOULD HELP ME IN TERMS TRYING TO FIGURE OUT DO  
12 WE REALLY TRY TO MOVE THINGS UP.

13 MR. SHESTACK: THE FIRST PART OF YOUR  
14 COMMENT, YOU SAID THAT THERE WERE QUESTIONS ABOUT --

15 DR. LOVE: THE QUALITY OF THE GRANTS.

16 CHAIRMAN KLEIN: CAN I ASK AS A POINT OF  
17 ORDER --

18 MR. SHESTACK: I APOLOGIZE FOR MISSING  
19 THAT PART OF THE DISCUSSION.

20 CHAIRMAN KLEIN: WE HAVE A MOTION ON THE  
21 TABLE. WHAT IS IN ORDER IN TERMS OF WHO CAN DISCUSS  
22 THE CURRENT MOTION? I JUST WANT TO BE CAREFUL.

23 MR. HARRISON: IN TERMS OF THE MOTION  
24 THAT'S ON THE TABLE, WHICH IS TO APPROVE THOSE  
25 APPLICATIONS IN TIER 1, ONLY THOSE MEMBERS WHO DO

**BARRISTERS' REPORTING SERVICE**

1 NOT HAVE A CONFLICT OF INTEREST IN AN APPLICATION  
2 WITHIN TIER 1 CAN ADDRESS THE MOTION.

3 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

4 MR. SHEEHY: COULD WE GO TO DR. FRIEDMAN,  
5 WHO'S BEEN WAITING.

6 CHAIRMAN KLEIN: I'M ASKING THE QUESTION  
7 TO MAKE CERTAIN WE'RE CAREFUL.

8 DR. FRIEDMAN: THANK YOU.

9 CHAIRMAN KLEIN: AND DO WE KNOW THAT --  
10 DR. FRIEDMAN, ARE WE AWARE? DO YOU HAVE A CONFLICT?

11 DR. FRIEDMAN: NOTHING THAT I HAVE TOLD ME  
12 I'M IN CONFLICT UNLESS THERE'S ANYTHING THAT YOU  
13 HAVE.

14 MR. HARRISON: YOU DO NOT.

15 DR. FRIEDMAN: THANK YOU. THESE MEETINGS  
16 MAKE ME FEEL CONFLICTED, BUT THAT'S A DIFFERENT  
17 ISSUE.

18 I'D LIKE TO MAKE A GENERAL STATEMENT  
19 BEFORE WE GET INTO SOME OF THE VERY INTERESTING AND  
20 MERITORIOUS GRANTS THAT WILL BE TALKED ABOUT LATER.  
21 AND I WANT TO JUST SHARE WITH YOU MY SENSE THAT, AS  
22 WE HAVE SEEN GRANTS EVOLVE OVER THE LAST SEVERAL  
23 YEARS HERE, WE'VE SEEN INCREASING SOPHISTICATION AND  
24 INCREASING PROMISE. AND THAT AT EACH MOMENT WHEN  
25 WE'VE BEEN FORTUNATE ENOUGH TO REVIEW GRANTS, WE'VE



## BARRISTERS' REPORTING SERVICE

1 COMMENTED ON HOW EXCITING AND INTERESTING THEY WERE.  
2 I LOOK BACK AND WOULDN' T CHANGE ANY OF THOSE  
3 DECISIONS AT ALL.

4 I THINK RIGHT NOW WE'RE FACING A LARGE  
5 NUMBER OF TRULY ATTRACTIVE AND INTERESTING GRANTS  
6 THAT WE'RE GOING TO HAVE TO CONSIDER, NOT JUST IN  
7 THIS FIRST SET, WHICH EXCEEDS THE INITIAL AMOUNT  
8 THAT WE HAD BUDGETED FOR THIS. BUT THERE WILL BE  
9 MERITORIOUS GRANTS AND INTERESTING GRANTS THAT  
10 PEOPLE WILL NOMINATE TO MOVE UP DURING THIS TIME.

11 MY OWN FEELING IS, AS ATTRACTIVE AS THESE  
12 ARE, AS IMPORTANT CLINICALLY AS THESE PROBLEMS  
13 REPRESENT, AS ATTRACTIVE THE PROPOSITION THAT WE MAY  
14 BE ABLE TO MAKE AN IMPORTANT DISCOVERY, I REALLY  
15 FEEL IT'S IMPORTANT FOR US TO STAY WITHIN OUR BUDGET  
16 AT THIS TIME. AND I KNOW THAT SOUNDS ANTISCIENTIFIC  
17 OR CONSTRAINING OUR HOPES FOR THE FUTURE, BUT I  
18 REALLY THINK IT'S THE RIGHT POSITION FOR US RIGHT  
19 NOW.

20 I HAVE A FEELING, I DON'T KNOW WHAT THE  
21 NEXT ROUND OF PROPOSALS THAT WE'LL GET, BUT I HAVE A  
22 FEELING THEY'RE GOING TO BE SPLENDID. AND I CAN  
23 REASONABLY BET THAT THE ROUND AFTER THAT IS GOING TO  
24 BE EQUALLY GOOD OR BETTER, AND I HAVE NO PROBLEM  
25 WITH THOSE WHO SAY THERE'S SOME VERY ATTRACTIVE

## BARRISTERS' REPORTING SERVICE

1 GRANTS HERE THAT WE SHOULD PARK, PUT ASIDE, COME  
2 BACK AND LOOK AT AT A FUTURE TIME; AND SHOULD WE  
3 FIND OURSELVES IN A MORE FLEXIBLE, MORE COMFORTABLE  
4 FINANCIAL POSITION, REACH IN AND GRAB SOME OF THOSE.  
5 I WANT TO MAKE THAT COMMENT NOW SO THAT LATER IT'S  
6 NOT MISPERCEIVED THAT I'M AGAINST A CERTAIN GRANT OR  
7 THAT I DON'T THINK A CERTAIN DISEASE IS IMPORTANT  
8 ENOUGH OR I DON'T LIKE A TECHNOLOGY. THAT'S NOT  
9 WHAT I'M TALKING ABOUT AT ALL.

10 I'M MAKING THE GENERAL POINT THAT I THINK  
11 IT WOULD REALLY BE IMPORTANT FOR US TO PRESERVE THE  
12 FISCAL INTEGRITY OF THE ENTIRE SYSTEM. AND THESE  
13 ARE A GREAT BUNCH OF GRANTS. I WISH WE COULD HAVE  
14 COME IN AT \$60 MILLION. I'M NOT GOING TO PROPOSE  
15 THAT WE TRY AND DO THAT NOW BECAUSE THERE'S A  
16 NATURAL CLEAVAGE POINT AT 67 PLUS MILLION DOLLARS.  
17 BUT JUST PERSONALLY I WOULD URGE US ALL TO PLEASE  
18 RECONSIDER AND EITHER PICK SOME OUT OF THE FIRST  
19 RANK, IF YOU FEEL STRONGLY THAT THERE'S SOME THAT  
20 YOU'D LIKE TO MOVE UP, OR STICK WITH THESE. SORRY  
21 TO GO ON SO LONG. THANK YOU.

22 DR. CSETE: I'D LIKE TO ANSWER TED'S  
23 QUESTION WHICH HE RAISED AND ALSO THE QUESTION THAT  
24 DR. FRIEDMAN RAISED. SO WE WILL HAVE A SECOND ROUND  
25 OF EARLY TRANSLATION PROBABLY AT THE VERY END OF

**BARRISTERS' REPORTING SERVICE**

1 THIS YEAR. AND --

2 MS. SAMUELSON: I DIDN'T HEAR WHEN.

3 DR. CSETE: THE VERY END OF THIS YEAR IT  
4 WILL BE POSTED, SO A YEAR AFTER THE FIRST ROUND  
5 BASICALLY. SO THAT IS, I THINK, SOMETHING VERY  
6 IMPORTANT TO KEEP IN MIND.

7 AS REGARDS THE QUALITY, I THINK THAT THIS  
8 ROUND WAS A LEARNING EXPERIENCE IN A LOT OF WAYS.  
9 IN RETROSPECT, I SAW GRANTS THAT PROBABLY WERE MORE  
10 WELL-SUITED TO A BASIC SCIENCE ROUND. IN  
11 RETROSPECT, I SAW SOME GRANTS THAT WERE PROBABLY IN  
12 RETROSPECT MORE SUITED TO A DISEASE TEAM ROUND. SO  
13 I THINK THAT'S PART OF THE DISCOMFORT THAT PEOPLE  
14 WERE FEELING, OUR REVIEWERS, US, EVERYTHING. BUT  
15 THIS IS NEW. WE'LL LEARN FROM IT. AND I THINK  
16 THERE CERTAINLY ARE PROPOSALS HERE THAT ARE NOT  
17 QUITE READY FOR PRIME TIME THAT WILL BE IN THE  
18 SECOND ROUND. SO I THINK THAT HELPS IN YOUR  
19 DELIBERATIONS.

20 DR. STEWARD: I REALIZE I AM IN CONFLICT,  
21 AND I'M NOT SPEAKING TO THE MOTION EXACTLY. I'LL  
22 JUST -- THIS IS A POINT OF ORDER. IN TERMS OF OUR  
23 PAST, I THOUGHT THAT PRIOR TO VOTING TO APPROVE TIER  
24 1, WE FIRST CONSIDERED THE COMPOSITION OF TIER 1.  
25 IN OTHER WORDS, WENT THROUGH MOTIONS TO CONSIDER

## BARRISTERS' REPORTING SERVICE

1 MOVING OTHER GRANTS UP INTO TIER 1 BEFORE WE VOTED  
2 THAT APPROVAL. AM I MISSING THAT?

3 MR. HARRISON: WE'VE DONE IT A VARIETY OF  
4 WAYS. I BELIEVE THAT JEFF SHEEHY STARTED THIS  
5 DISCUSSION BY ASKING WHETHER ANY MEMBER WANTED TO  
6 MAKE A MOTION TO MOVE AN APPLICATION OUT OF TIER 1.  
7 AND THE APPROVAL OF THE APPLICATIONS WITHIN TIER 1  
8 DOES NOT EXCLUDE THE POSSIBILITY THAT OTHER  
9 APPLICATIONS COULD BE MOVED UP FOR FUNDING.

10 DR. STEWARD: I JUST WANTED TO CLARIFY  
11 THAT. THAT'S FINE. THANK YOU.

12 MR. SHEEHY: SO I THINK WE'VE HAD A VERY  
13 HEALTHY DISCUSSION. I WAS GOING TO ASK FOR PUBLIC  
14 COMMENT AND THEN A VOTE IF EVERYBODY IS COMFORTABLE  
15 WITH THAT. IS THERE PUBLIC COMMENT?

16 MS. PETERSON: IN REGARD TO THE FUNDING.

17 MR. SHEEHY: COULD YOU PLEASE -- I'M  
18 SORRY. COULD YOU PLEASE STATE YOUR NAME TO KEEP IT  
19 IN THE RECORD?

20 MS. PETERSON: OH, SORRY. I'M SUZANNE  
21 PETERSON. I'M FROM JEAN LORING'S LAB AT SCRIPPS. I  
22 JUST WANTED TO SAY, LIKE, THAT I THOUGHT WE WERE  
23 GOING TO HAVE SORT OF MILESTONES THAT WE HAD TO GET  
24 TO AT A CERTAIN POINT IN THE GRANT. AND SO PERHAPS  
25 A LOT OF THOSE PEOPLE WILL NOT GET TO THAT

**BARRISTERS' REPORTING SERVICE**

1 MILESTONE, AND SO IT WON'T BE \$7 MILLION OVER.

2 MR. SHEEHY: WE DID DISCUSS THAT A LITTLE  
3 BIT LAST NIGHT. THE TERM WE'RE USING IS SUCCESS  
4 CRITERIA. BUT THESE GRANTS -- THERE IS THAT, AS I  
5 UNDERSTAND FROM STAFF, AND I WANT TO RECAPITULATE  
6 THIS ACCURATELY, AND IT VARIES BECAUSE IT DIFFERS ON  
7 WHETHER YOU'RE ATTACKING A BOTTLENECK OR ATTACKING A  
8 DISEASE TARGET. BUT THAT THESE GRANTS -- THE STAFF  
9 DOES HAVE THE ABILITY TO SAY THAT SUCCESS IS NOT  
10 GOING TO HAPPEN, AND SO IT'S NOT NECESSARILY TRUE  
11 THAT ALL THESE GRANTS WILL GO FULL TERM.

12 MS. PETERSON: SO IT MAY NOT BE AS MUCH AS  
13 67 MILLION.

14 MR. SHEEHY: YEAH. THAT POINT WAS MADE A  
15 LOT LAST NIGHT. I APOLOGIZE FOR NOT MAKING IT  
16 TODAY. I THINK THAT'S A VALUABLE POINT.

17 MR. ROTH: THAT'S WHAT I SAID EARLIER.  
18 THAT'S TRUE OF ALL THE GRANTS WE'VE EVER GIVEN; AND,  
19 THEREFORE, THAT IS NOT A VALID CONSIDERATION TO TAKE  
20 A HAIRCUT ON THIS ONE. WE'VE NEVER DONE THAT  
21 BEFORE. THAT'S THE MAXIMUM NUMBER. WE ALL KNOW  
22 IT'S GOING TO BE SOMETHING LESS THAN THAT, BUT  
23 THAT'S BEEN TRUE OF ALL OUR GRANTS WITH THE  
24 EXCEPTION MAYBE OF THE FACILITIES.

25 MR. SHEEHY: I THINK WHAT SHE'S ALLUDING

## BARRISTERS' REPORTING SERVICE

1 TO IS THAT WE'RE GOING INTO ROUNDS NOW WHERE  
2 APPLICANTS ARE SUPPOSED TO PROVIDE SUCCESS CRITERIA  
3 SO THAT OVER THE COURSE OF THE GRANT -- THE EARLIER  
4 GRANTS, WE KIND OF PUT OUT THE MONEY, WE GET  
5 PROGRESS REPORTS. AND WE'LL HEAR FROM THAT, I  
6 THINK, AT SOME POINT IN THE FUTURE WHAT'S GOING ON  
7 WITH THAT.

8 THESE ACTUALLY HAVE A LITTLE BIT -- WHEN  
9 WE GET TO DISEASE TEAMS, THERE'S GOING TO BE MUCH  
10 HARDER LINES, BUT WE'RE MOVING TOWARDS A LITTLE BIT  
11 MORE AGGRESSIVE GRANT MANAGEMENT. THIS IS, CORRECT  
12 ME IF I'M WRONG, MAYBE MIDDLE OF THE ROAD AS OPPOSED  
13 TO WHERE WE'RE GOING TO BE ON DISEASE TEAMS. WE'RE  
14 GOING TO HAVE HARD AND FAST MILESTONES. YOU DON'T  
15 MAKE IT, FUNDING STOPS, IT'S RECYCLED BACK FOR MORE  
16 PEOPLE TO USE. IS THAT CORRECT? IS THAT ROUGHLY  
17 SOMEWHERE BETWEEN NO AND FULL HARD MILESTONES?  
18 WE'RE KIND OF IN THE MIDDLE HERE ON THIS PARTICULAR  
19 SET WHERE THAT MIGHT FALL?

20 DR. OLSON: I THINK THAT'S CORRECT. I  
21 THINK IT'S VERY -- YOU KNOW, IN DISEASE TEAMS  
22 THERE'S USUALLY -- YOU HAVE TO HAVE A CERTAIN  
23 PROFILE. IF YOU DON'T HAVE A PROFILE, YOU DON'T --  
24 IT'S NOT WORTH GOING FORWARD. THIS IS EARLIER.  
25 THERE ARE MILESTONES WHERE YOU THINK YOU'LL BE AT A

## BARRISTERS' REPORTING SERVICE

1 CERTAIN TIME. IF THE SCIENCE OFFICE JUDGES THAT THE  
2 PEOPLE ARE NOT MAKING PROGRESS, THAT IT'S NOT  
3 HAPPENING, AS WITH ALL OUR GRANTS, WE CAN CALL THEM  
4 TO TASK ON THAT. BUT I AGREE. I THINK I AGREE WITH  
5 DUANE'S STATEMENT. FIRST YOU ALWAYS -- YOU BUDGET  
6 FOR SUCCESS, AND THAT'S WHERE YOU HAVE TO START.

7 CHAIRMAN KLEIN: SO, DR. OLSON, MY  
8 UNDERSTANDING HERE AND, DR. TROUNSON, PLEASE  
9 COMMENT, IS THAT IF, IN FACT, THESE SUCCESS POINTS  
10 ARE NOT BEING MET, THE STAFF UNDER OUR GRANT  
11 MANAGEMENT PROCESS HAS THE ABILITY TO TERMINATE A  
12 GRANT. IT'S JUST NOT COMPLETING A CRITICAL STEP AND  
13 DOESN'T APPEAR THAT THEY HAVE A PLAN TO COMPLETE  
14 THAT CRITICAL STEP THAT THESE GRANTS CAN BE  
15 TERMINATED.

16 DR. TROUNSON: THAT'S CORRECT. THAT'S  
17 ABSOLUTELY CORRECT, CHAIR. AND AS OTHERS HAVE SAID,  
18 WE'VE HAD THAT ABILITY IN THE PAST. THESE ARE  
19 THREE-YEAR GRANTS. I PRESUME YOU WON'T CLICK IN IN  
20 THE FIRST, SO IT MAY CLICK IN IN THE SECOND OR THIRD  
21 YEAR, BUT IT'S -- WE'RE GOING TO BE MORE  
22 AGGRESSIVELY MANAGING THESE LARGER GRANTS TO ENSURE  
23 THAT THEY MEET THE PRODUCTIVITY THAT WE'RE  
24 ANTICIPATING.

25 BUT IT WOULD BE DIFFICULT FOR US TO GIVE

## BARRISTERS' REPORTING SERVICE

1 YOU ANY IDEA WHATSOEVER OF WHAT THAT SAVINGS MIGHT  
2 BE, IF ANY.

3 MR. SHEEHY: LEEZA GIBBONS HAD A COMMENT.

4 MS. GIBBONS: CAN YOU CLARIFY FOR ME WHAT  
5 HAPPENS, THE ONES THAT WE DON'T VOTE FOR TODAY OR  
6 THAT DON'T GET MOVED UP, AND I KNOW WE'RE READY TO  
7 VOTE ON THIS FIRST TIER THAT THE MOTION IS ON THE  
8 TABLE. DO WE GET A SECOND BITE OF THAT APPLE, AND  
9 DO -- THEY'RE GONE FOREVER. THEY CAN NEVER BE  
10 AMENDED AND RE-PRESENTED IN THE SAME FORM.

11 MR. SHEEHY: TYPICALLY WHAT WE DO IS OUR  
12 FINAL MOTION IS TO CONSIDER NOT FUNDING ALL THE  
13 REMAINING GRANTS, AND WE USUALLY HAVE A MOTION THAT  
14 WE PASS TO DO THAT.

15 DR. TROUNSON: JEFF, I THINK THE QUESTION  
16 MIGHT BE IT'S PERFECTLY OKAY TO COME BACK IN THE  
17 NEXT ROUND, FOR EXAMPLE, OF TRANSLATION.

18 MR. SHEEHY: GRANTS CAN RETURN. THAT'S  
19 PART OF THE VALUE OF THE EXTENSIVE REVIEWER COMMENTS  
20 THAT --

21 DR. TROUNSON: THAT'S ALSO -- I THINK IT  
22 ALSO NEEDS TO BE RECOGNIZED IT'S AN IMPORTANT PART  
23 OF THE MATURING PROCESS IN SOME OF THE GRANTS, THAT  
24 THEY'RE GIVEN EXTRA TIME TO REFLECT ON THE  
25 REVIEWERS' COMMENTS. IT'S A NORMAL PART OF THE



**BARRISTERS' REPORTING SERVICE**

1 SCIENTIFIC PROCESS AND ONE WHICH IS EXPECTED,  
2 ALTHOUGH NOT ALWAYS DELIGHTED ABOUT BY THE  
3 RESEARCHERS, BUT IT'S A COMMON -- IT'S A COMMON  
4 THING, VERY COMMON FOR THEM TO HAVE TO IMPROVE UPON  
5 THEIR GRANT FOR THE NEXT ROUND.

6 MS. GIBBONS: SO A ROUND FOR WHICH THEY  
7 MAY BE A BETTER FIT.

8 DR. TROUNSON: ABSOLUTELY.

9 MR. SHEEHY: CAN WE MAYBE JUST GO TO A  
10 VOTE AT THIS POINT UNLESS SOMEONE HAS SOMETHING?  
11 JEANNIE.

12 DR. FONTANA: AGAIN, I'M TALKING ABOUT THE  
13 PROCESS HERE. HAVE WE AGREED THAT WE ARE GOING TO  
14 VOTE OVER BUDGET? THAT'S ONE QUESTION.

15 MY SECOND QUESTION IS I WAS JUST LOOKING  
16 AT -- FIRST OF ALL, I'D LIKE TO FUND EVERYTHING. SO  
17 I WANT EVERYBODY TO KNOW THAT. BUT IF WE WERE TO  
18 LOOK AT THESE TOP 15 --

19 CHAIRMAN KLEIN: LET ME ASK IS THERE A  
20 CONFLICTS ISSUE HERE?

21 MR. HARRISON: YES. YOU CANNOT ADDRESS  
22 THIS SPECIFIC MOTION.

23 DR. FONTANA: I'M ADDRESSING THE PROCESS.  
24 I'M NOT ADDRESSING WHETHER THESE GRANTS --

25 CHAIRMAN KLEIN: LET ME ASK -- JEANNIE, IT

**BARRISTERS' REPORTING SERVICE**

1 MIGHT BE HELPFUL TO YOU TO KNOW THAT THIS VOTE DOES  
2 NOT ADDRESS THE ISSUE OF WHETHER ADDITIONAL  
3 GRANTS --

4 DR. FONTANA: THAT WAS NOT MY QUESTION.  
5 MY QUESTION IS REALLY IF WE'RE ALLOCATED \$60 MILLION  
6 AND NORMALLY -- AND IF YOU LOOK AT ALL THESE GRANTS  
7 HERE, WITH THE EXCEPTION OF THE BOTTOM TWO IN TIER  
8 1, THEY LOOK LIKE THEY'RE FUNDED THE SAME.

9 CHAIRMAN KLEIN: JEANNIE, I DON'T THINK  
10 YOU CAN ADDRESS THIS AT THIS POINT.

11 DR. FONTANA: EVEN THOUGH IT'S A PROCESS.

12 MR. SHESTACK: I FEEL LIKE WE'RE TRYING TO  
13 UNDERSTAND THE PROCESS. WE'RE ALL TRYING TO  
14 UNDERSTAND. THERE'S SEVERAL THINGS INVOLVED, WHICH  
15 IS THERE'S A CERTAIN AMOUNT OF MONEY.

16 DR. LOVE: MAYBE I CAN HELP.

17 MR. SHESTACK: THERE'S TIER 1, AND THEN  
18 THERE'S PEOPLE WHO WOULD LIKE TO MOVE THINGS UP FROM  
19 TIER 2 INTO TIER 1 EITHER BY JUST MOVING THEM UP OR  
20 BY DROPPING SOME THINGS OUT OF TIER 1. SO THERE'S  
21 LIKE FOUR DIFFERENT WAYS TO SKIN THIS CAT, AND THE  
22 MOTION ISN'T REALLY CLEAR IF IT MAKES THE OTHER  
23 POSSIBILITIES POSSIBLE AFTERWARDS. SO SOMEBODY HAS  
24 TO CLARIFY FOR JEANNIE OR ANY OF US.

25 MR. SHEEHY: LET ME CLARIFY THE PROCESS.

## BARRISTERS' REPORTING SERVICE

1 I DID ENTERTAIN MOTIONS TO TAKE APPLICATIONS OUT OF  
2 TIER 1. I DID NOT HEAR ANYONE MAKE A MOTION. SO  
3 THE NEXT THING, WE HAD A CHOICE. WE COULD EITHER  
4 ADOPT TIER 1 OR WE COULD START TO MOVE APPLICATIONS  
5 UP. I HAD A MOTION TO ADOPT TIER 1. THAT DOES NOT  
6 PRECLUDE US FOR CONSIDERING FUNDING OTHER  
7 APPLICATIONS IN TIER 2 OR TIER 3, BUT NO ONE MADE A  
8 MOTION TO MOVE ANYTHING OUT OF TIER 1. WE HAVE A  
9 MOTION ON THE FLOOR TO CONSIDER TIER 1, AND I THINK  
10 THAT WE SHOULD GO AHEAD AND DO THAT.

11 MR. TORRES: WHICH IMPLIES AN INCREASE OF  
12 SEVEN MILLION.

13 MR. SHEEHY: THANK YOU, MEMBER TORRES. IT  
14 DOES EXPLICITLY IMPLY THAT WE ARE INCREASING THE  
15 BUDGET OVER THE STATED BUDGET, AND WE HAVE HEARD TWO  
16 DIFFERENT EXPLANATIONS OF WHY WE MAY NOT REACH THAT  
17 BUDGET, BY THE WAY. WE DO THINK THAT THERE'S GOING  
18 TO BE SOME, AND WE DON'T WANT TO PUT A NUMBER, WE  
19 DON'T WANT TO PUT A PERCENT, BUT THERE WILL BE SOME  
20 EXAMINATION BETWEEN NOW AND THE GRANT AWARD OF THE  
21 BUDGETS WHICH WERE NOTED AS BEING EXCESSIVE IN MANY  
22 REVIEWS.

23 THESE ARE ALSO SUCCESS CRITERIA GRANTS,  
24 AND WE DO -- IT IS ABSOLUTELY POSSIBLE THAT ALL OF  
25 THESE GRANTS WILL NOT BE FUNDED TO THEIR FULL TERM.

**BARRISTERS' REPORTING SERVICE**

1 AGAIN, THIS IS NOT SOMETHING THAT WE CAN SIT HERE  
2 AND ASSIGN A PERCENTAGE OR A NUMBER TO AT THIS  
3 POINT. BUT STAFF IS VERY VIGOROUSLY GOING TO DO  
4 THEIR WORK, AS THEY ALWAYS DO. AND THAT'S WHERE WE  
5 ARE.

6 SO IF YOU DON'T WANT TO VOTE FOR THIS  
7 MOTION, THEN DON'T VOTE FOR IT.

8 MR. SHESTACK: I THINK IT WAS A QUESTION  
9 OF UNDERSTANDING ALL THE POSSIBILITIES DOWN THE  
10 DECISION CHAIN, SO I JUST WOULD HAVE ASKED, FOR  
11 INSTANCE, IS THAT THE RIGHT ORDER TO DO IT, OR WOULD  
12 IT HAVE MADE MORE SENSE TO SAY ANYONE WANTS TO MOVE  
13 SOMETHING UP TO TIER 2, FROM TIER 2 TO TIER 1,  
14 SUGGEST THAT NOW, AND THEN YOU HAVE ONE LOOK AT YOUR  
15 WHOLE SORT OF PIE, THE CONSENSUS OF WHAT THE GROUP  
16 WANTS TO --

17 MR. ROTH: JON, IT WAS MY MOTION, AND IT  
18 CAN BE DONE EITHER WAY, I THINK.

19 MS. SAMUELSON: MAY I CALL THE QUESTION?

20 MR. SHESTACK: WHAT'S THE EASIEST WAY FOR  
21 THE GROUP TO WRAP THEIR MIND AROUND IT.

22 MS. SAMUELSON: I'D LIKE TO CALL THE  
23 QUESTION.

24 MR. SHEEHY: CAN WE ALL TALK ONE AT A  
25 TIME? IT'S VERY DIFFICULT FOR ME -- I MEAN I'M NOT

## BARRISTERS' REPORTING SERVICE

1 TYPICALLY THE CHAIR, SO I HAVE SO MUCH SYMPATHY FOR  
2 BOB. BUT IT'S HELPFUL TO CONSIDER MOTIONS AS  
3 THEY'RE MADE. THAT'S KIND OF THE PROCEDURE. AND I  
4 CAN'T STATE WHETHER THIS IS A MOTION I WOULD HAVE  
5 MADE OR NOT MADE SINCE I CAN'T. JOAN HAS ASKED TO  
6 CALL THE QUESTION, WHICH I THINK IS REASONABLE.  
7 WE'VE HAD PUBLIC COMMENT. I DON'T SEE ANYONE ELSE  
8 WANTING PUBLIC COMMENT. AND SINCE I DO HAVE THE  
9 CHAIR, I'M GOING TO USE THE PRIORITY OF THE CHAIR  
10 AND ASK MELISSA TO CALL THE ROLL.

11 MR. HARRISON: THE MOTION IS TO APPROVE  
12 THOSE APPLICATIONS IN TIER 1 SUBJECT TO CIRM'S  
13 STANDARD PREADMINISTRATION -- PREFUNDING  
14 ADMINISTRATIVE REVIEW.

15 MS. KING: RICARDO AZZIZ.

16 MR. HARRISON: I'M SORRY. IF I COULD JUST  
17 REMIND MEMBERS WHO HAVE AN INTEREST IN AN  
18 APPLICATION WITHIN TIER, 1 TO SPECIFY THAT THEY'RE  
19 ONLY VOTING AS TO THOSE APPLICATIONS IN WHICH THEY  
20 DO NOT HAVE A CONFLICT.

21 DR. AZZIZ: I'LL FINISH MY VOTE AGAIN.  
22 YES, EXCEPT FOR THOSE APPLICATIONS WITH WHICH I HAVE  
23 A CONFLICT.

24 MS. KING: ROBERT PRICE.

25 DR. PRICE: YES. I DO NOT BELIEVE I HAVE

## BARRISTERS' REPORTING SERVICE

1 A CONFLICT; BUT IF I DO, THEN I'M NOT VOTING ON  
2 THOSE IN WHICH I HAVE A CONFLICT.

3 MS. KING: DAVID BRENNER.

4 DR. BRENNER: YES, EXCEPT FOR THOSE  
5 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

6 MS. KING: JACOB LEVIN.

7 DR. LEVIN: YES, EXCEPT FOR THOSE  
8 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

9 MS. KING: MARCY FEIT.

10 MS. FEIT: YES, EXCEPT FOR THOSE  
11 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

12 MS. KING: MICHAEL FRIEDMAN.

13 DR. FRIEDMAN: YES, EXCEPT FOR THOSE  
14 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

15 MS. KING: LEEZA GIBBONS.

16 MS. GIBBONS: YES.

17 MS. KING: MICHAEL GOLDBERG.

18 MR. GOLDBERG: YES, EXCEPT FOR THOSE  
19 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

20 MS. KING: BOB KLEIN.

21 CHAIRMAN KLEIN: YES.

22 MS. KING: GERALD LEVEY.

23 DR. LEVEY: YES, EXCEPT FOR THOSE  
24 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

25 MS. KING: TED LOVE.

**BARRISTERS' REPORTING SERVICE**

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DR. LOVE: YES.

MS. KING: ED PENHOET.

DR. PENHOET: YES.

MS. KING: PHIL PIZZO.

DR. PIZZO: YES, EXCEPT FOR THOSE  
APPLICATIONS WITH WHICH I HAVE A CONFLICT.

MS. KING: CLAIRE POMEROY. FRANCISCO  
PRIETO.

DR. PRIETO: YES, EXCEPT FOR THOSE  
APPLICATIONS WITH WHICH I HAVE A CONFLICT.

MS. KING: CARMEN PULIAFITO.

DR. PULIAFITO: YES, EXCEPT FOR THOSE  
APPLICATIONS WITH WHICH I HAVE A CONFLICT.

MS. KING: ROBERT QUINT.

DR. QUINT: YES.

MS. KING: JEANNIE FONTANA.

DR. FONTANA: YES, EXCEPT FOR THOSE  
APPLICATIONS WITH WHICH I HAVE A CONFLICT.

MS. KING: DUANE ROTH.

MR. ROTH: YES.

MS. KING: JOAN SAMUELSON.

MS. SAMUELSON: YES, AND I HAVE NO  
CONFLICTS.

MS. KING: JEFF SHEEHY.

MR. SHEEHY: YES, EXCEPT FOR THOSE

**BARRISTERS' REPORTING SERVICE**

1 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

2 MS. KING: JON SHESTACK.

3 MR. SHESTACK: YES.

4 MS. KING: OSWALD STEWARD.

5 DR. STEWARD: YES, EXCEPT FOR THOSE

6 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

7 MS. KING: ART TORRES.

8 MR. TORRES: NO CONFLICTS. AYE.

9 MS. KING: I'LL JUST CIRCLE BACK WITH  
10 CLAIRE POMEROY. ARE YOU THERE? OKAY. THAT MOTION  
11 CARRIES.

12 (APPLAUSE.)

13 MR. SHEEHY: I THINK, AS ART TORRES SAID  
14 VERY APPROPRIATELY, I THINK WE'VE JUST MADE HISTORY.  
15 WE ARE THE GAME FOR TRANSLATIONAL RESEARCH NOW. SO  
16 CONGRATULATIONS.

17 SO I THINK THE NEXT MOTIONS I'LL ENTERTAIN  
18 ARE ANY MOTION TO FUND ANY APPLICATION IN EITHER  
19 TIER 2 OR TIER 3. AND I WOULD NOTE THAT WE ARE OVER  
20 BUDGET JUST SO WE DON'T HAVE THAT DISCUSSION AGAIN,  
21 THAT IMPLICIT IN THESE MOTIONS ARE MOTIONS THAT WE  
22 ARE CLEARLY EXCEEDING THE BUDGET.

23 DR. LOVE: I'D LIKE TO MOVE THAT WE,  
24 CONSISTENT WITH OUR GROUP DISCUSSION, I DON'T KNOW  
25 HOW TO DESCRIBE THIS, BUT I'D LIKE FOR US TO TRY TO



**BARRISTERS' REPORTING SERVICE**

1 CREATE A PROCESS WHERE WE SEEK SOME FUNDING TO  
2 SUPPORT 1212 AND 1236.

3 MR. TORRES: SECOND.

4 CHAIRMAN KLEIN: LET'S STATE THE  
5 CONFLICTS, PLEASE.

6 MR. HARRISON: I WAS JUST GOING TO SUGGEST  
7 WE TAKE THE APPLICATIONS ONE AT A TIME SO THAT WE  
8 INCREASE PARTICIPATION. FOR APPLICATION 1212, THE  
9 CONFLICTS ARE GOLDBERG AND PIZZO. AND 1236, THE  
10 CONFLICT IS MEMBER PULIAFITO.

11 MR. SHEEHY: SO, COUNSEL, CAN WE TAKE  
12 THOSE AS ONE MOTION, OR DO WE NEED TO TAKE THOSE AS  
13 SEPARATE MOTIONS?

14 MR. HARRISON: IT'S OUR PRACTICE TO TAKE  
15 APPLICATIONS WHEN WE MOVE THEM ONE AT A TIME.

16 MR. SHEEHY: IS THAT -- DR. LOVE, ARE YOU  
17 COMFORTABLE WITH THAT?

18 DR. LOVE: THAT'S FINE.

19 MR. SHEEHY: AND WE HAVE A SECOND FOR  
20 THAT?

21 MR. TORRES: YES.

22 MR. SHEEHY: AND THE MOTION IS, CAN YOU  
23 RESTATE THAT? IT SEEMED TO BE --

24 DR. LOVE: I'D LIKE TO MOVE THAT THE BOARD  
25 SET UP A PROCESS TO SEEK TO FUND GRANT 1212.

## BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: SO I GUESS LET'S TRY TO GET  
2 SOME CLARITY ON THE PROCESS. SO THIS WOULD BE TO  
3 HOLD THIS GRANT, POTENTIALLY OTHER GRANTS, OVER TO  
4 THE NEXT MEETING. DURING THAT INTERIM WE WOULD SEE  
5 IF THERE ARE OTHER FUNDS AVAILABLE FOR THIS?

6 DR. LOVE: YES. AND THE REASON I'M  
7 RAISING IT IS THAT I KNOW THERE HAS BEEN SOME  
8 POTENTIAL DISCUSSION OF TRYING TO SEEK ADDITIONAL  
9 FUNDS THAT ARE NOT CURRENTLY AVAILABLE. SO IT'S  
10 REALLY A MOTION BEING MADE IN THE CONTEXT OF TRYING  
11 TO EXERCISE SOME BALANCE AROUND FINANCIAL PRUDENCE,  
12 BUT ALSO TO TRY TO HIGHLIGHT THESE AS SOMETHING THAT  
13 IF WE COULD REALIZE FUNDING, THAT WE WOULD FUND.

14 MR. SHEEHY: BOB AND THEN DR. STEWARD.

15 CHAIRMAN KLEIN: SO LET ME CREATE A  
16 FRAMEWORK FOR DISCUSSION HERE. IN THIS FISCAL YEAR  
17 WE'RE SUBSTANTIALLY BELOW 300 MILLION, THE AVERAGE  
18 ASSUMED BY THE VOTERS, IN TERMS OF OUR EXPENDITURES.  
19 WE'RE SIGNIFICANTLY BELOW THAT FIGURE. GOING INTO  
20 NEXT FISCAL YEAR, I DON'T THINK THAT WILL BE THE  
21 CASE, BUT THAT'S WHERE WE STAND TODAY.

22 IN MY DISCUSSIONS WITH THE TREASURER IN  
23 TERMS OF THE RECENT FUNDS THAT WERE RAISED, AND IN  
24 TERMS OF OUR SUBMISSIONS TO THE DEPARTMENT OF  
25 FINANCE, TO THE GOVERNOR'S OFFICE, TO THE TREASURER,

## BARRISTERS' REPORTING SERVICE

1 WE SHOWED A SIGNIFICANTLY HIGHER OPTIMIZED BUDGET  
2 THAN THE ONES WE'RE WORKING WITH NOW. UNDERSTANDING  
3 THE STATE'S CONSTRAINTS, WE HAVE, AS PART OF WORKING  
4 WITH THE BUDGET SITUATION IN THE STATE, WORKED TO  
5 OBTAIN THE CURRENT FUNDING, AND WE ALSO HAVE 125  
6 MILLION IN ADDITIONAL PRIVATE PLACEMENT AUTHORITY,  
7 POTENTIALLY 160 MILLION IN PRIVATE PLACEMENT  
8 AUTHORITY THAT WE'RE CONCURRENTLY WORKING ON.

9 IT IS IMPORTANT TO NOTE THAT IN THE  
10 PRIVATE PLACEMENT AUTHORITY CATEGORY THAT WE ARE  
11 SPECIFICALLY NOT PULLING DEMAND THAT WOULD BE  
12 AVAILABLE FOR OTHER STATE BOND ISSUES THAT ARE  
13 CRITICAL. WE'RE MOVING OUTSIDE OF DIRECT  
14 COMPETITION WITH THOSE SOURCES, TRYING TO HAVE THE  
15 FUNDS TO MOVE OUR MISSION CRITICAL OBJECTIVES  
16 FORWARD WITHOUT DETRACTING FROM OTHER PARTS OF THE  
17 STATE'S PRIORITIES.

18 IT'S ALSO IMPORTANT TO NOTE THAT IN  
19 OBTAINING THE EXISTING FUNDS THAT WE HAVE JUST  
20 CONFIRMED, THAT WE HAVE WORKED WITH THE TREASURER'S  
21 OFFICE AND THE DEPARTMENT OF FINANCE TO MOVE 195  
22 MILLION OF OUR PRIOR FUNDING INTO BUILD AMERICA  
23 BONDS UNDER WHICH THERE WAS A SUBSTANTIAL FEDERAL  
24 SUBSIDY AND ACCESSED TAXABLE BOND PURCHASERS AT A  
25 HIGHER RATE THAT WOULD NOT HAVE OTHERWISE BEEN

## BARRISTERS' REPORTING SERVICE

1 POSSIBLE.

2 SO WE'RE TRYING IN EVERY WAY POSSIBLE TO  
3 CONTRIBUTE TO AN ACUTELY FOCUSED FINANCIAL STRATEGY  
4 THAT ALLOWS US TO SIZE TO THE BEST SCIENCE, ASSUMING  
5 WE'RE ONLY GOING TO APPROVE THE BEST SCIENCE, BUT  
6 GIVING SOME FLEXIBILITY TO THE BOARD.

7 SO IN THAT CONTEXT, THE OPTION THAT YOU  
8 ARE SUGGESTING, I THINK, IS SOMETHING REASONABLE TO  
9 LOOK AT, AND CERTAINLY WE COULD CALENDAR IT FOR THE  
10 JUNE MEETING.

11 DR. STEWARD: I JUST ACTUALLY WANT TO GO  
12 BACK TO THE POINT THAT MICHAEL FRIEDMAN RAISED  
13 EARLIER ON. I THINK THAT FISCAL PRUDENCE AT THIS  
14 POINT IN TIME IS REALLY CRITICAL BECAUSE THIS IS THE  
15 FIRST ROUND OF TRANSLATION, BUT WE HAVE THE BIG ONE  
16 COMING UP, THE DISEASE TEAM GRANTS. I SUSPECT WE'RE  
17 GOING TO BE LOOKING AT THOSE AND SAYING, "OH, MY  
18 GOSH, WE'VE NEVER SEEN ANYTHING AS BEAUTIFUL AS  
19 THESE GRANTS."

20 SO I START WITH THAT BECAUSE I TOO WANT TO  
21 RAISE A GRANT FOR CONSIDERATION HERE, BUT I DON'T  
22 WANT TO BUST OUR BUDGET. AND SO IF WE CAN COME UP  
23 WITH SOME CONTINGENCY PLAN TO HAVE A SET OF GRANTS  
24 THAT WOULD BE CONSIDERED FOR FUNDING IF, FOR  
25 EXAMPLE, THE BUDGETS OF THESE GRANTS THAT WE'VE

**BARRISTERS' REPORTING SERVICE**

1 APPROVED WERE REDUCED SIGNIFICANTLY, AND I DON'T  
2 KNOW WHAT THE TIMEFRAME ON THAT, WHEN WE WOULD  
3 ACTUALLY KNOW IF WE COULD CONSIDER THAT AT THE JUNE  
4 MEETING. THAT MIGHT BE ONE POSSIBILITY. IF WE  
5 COULD HAVE A CONTINGENCY WHEREBY THIS SECOND TIER OF  
6 GRANTS WOULD BE FUNDED IF, AND ONLY IF, THERE WAS A  
7 SUCCESSFUL PRIVATE PLACEMENT, THAT MIGHT BE ANOTHER  
8 WAY TO PUT THESE IN A VERY DEFINITELY DIFFERENT  
9 CATEGORY THAN WHAT WE JUST APPROVED.

10 MR. SHEEHY: DR. STEWARD, MY UNDERSTANDING  
11 OF TED'S MOTION IS EXACTLY THAT, TO HOLD -- TO ALLOW  
12 PEOPLE TO HOLD A GRANT OVER BASICALLY UNTIL THE NEXT  
13 MEETING. AND AT THAT POINT, IF THERE'S BEEN A  
14 CHANGE IN OUR FISCAL SITUATION AND MORE FUNDS ARE  
15 AVAILABLE, THEN THOSE GRANTS COULD BE CONSIDERED  
16 AGAIN.

17 DR. STEWARD: WHAT I'M SAYING IS I'D JUST  
18 LIKE A LITTLE BIT MORE FLESH TO THOSE BONES, SO WE  
19 REALLY HAVE A CLEAR UNDERSTANDING OF WHAT THE  
20 CONTINGENCIES WOULD BE FOR THESE GRANTS THAT ARE IN  
21 THAT STOCKPILE TO BE CONSIDERED. IF WE COULD JUST  
22 STATE THAT, THAT WOULD BE GREAT.

23 MR. SHEEHY: AND JUST FROM MY PERSPECTIVE,  
24 I THINK IT'S BETTER NOT TO TRY TO DEFINE THAT  
25 BECAUSE WE DON'T KNOW. I MEAN LET'S SAY ART TORRES

## BARRISTERS' REPORTING SERVICE

1 AND BOB ARE SUCCESSFUL WITH A HUGE PRIVATE PLACEMENT  
2 WITH A PENSION FUND. I MEAN JUST TO PUT THESE OVER,  
3 WE'RE NOT SAYING WE'RE GOING TO FUND THEM. AND I  
4 WOULD BE RELUCTANT -- IN OTHER WORDS, I'M NOT SURE  
5 WHETHER I WOULD, JUST PERSONALLY SINCE I'M NOT  
6 CONFLICTED ON THIS GRANT, I'M NOT CERTAIN WHETHER --  
7 I'M NOT -- MY VOTE ON THIS MOTION IS NOT GOING TO BE  
8 BASED ON WHETHER I WANT TO APPROVE THIS GRANT.

9 IT'S GOING TO BE TO HOLD IT OVER BECAUSE I  
10 REALLY, LOOKING AT SOME OF THE TIER 2, PERSONALLY  
11 DON'T KNOW THAT I FEEL THAT COMFORTABLE EXCEEDING  
12 OUR BUDGET AT THIS TIME. AND I WOULD LIKE TO GIVE  
13 MEMBERS WHO HAVE AN INTEREST IN SOME OF THESE  
14 APPLICATIONS TO MAKE THEIR CASE IN A DIFFERENT  
15 FISCAL ENVIRONMENT IF THAT EXISTS. THAT'S HOW I  
16 PERCEIVE THIS MOTION IS TO ALLOW PEOPLE WHO HAVE  
17 INTEREST IN APPLICATIONS THAT REALLY -- I THINK TO  
18 BE FISCALLY PRUDENT, WE HAVE TO ACKNOWLEDGE WE ARE  
19 ALREADY OVER BUDGET -- TO GIVE THEM ANOTHER BITE AT  
20 THE APPLE IF OUR BUDGET SITUATION DOES CHANGE.

21 AND I DO THINK BOB MADE AN IMPORTANT  
22 POINT. WE ARE BELOW BUDGET PER PROP 71 FOR WHAT WE  
23 SHOULD BE SPENDING THIS YEAR OR COULD BE SPENDING.

24 THEN I HAVE DR. PRICE AND THEN DR. LEVEY.

25 MR. SHESTACK: BELOW BUDGET FOR WHAT?

**BARRISTERS' REPORTING SERVICE**

1 MR. SHEEHY: WE'RE UNDER BUDGET, SO WE CAN  
2 SPEND UP TO 300 MILLION A YEAR AND WE ARE NOT.

3 MR. SHESTACK: PER THE LEGISLATION.

4 DR. PRICE: SO I'D LIKE TO JUST PUT ON THE  
5 TABLE ANOTHER OPTION WITH RESPECT TO HOW YOU CAN  
6 PROCEED IF YOU WANT TO EXPAND THE NUMBER OF GRANTS  
7 THAT WE ARE GOING TO FUND.

8 WHAT WE'VE HEARD SO FAR, BASED EITHER ON  
9 OPTIMISTIC ASSUMPTIONS ABOUT OUR REVENUE STREAM OR  
10 ON THE HOPE, DEFER FOR THE HOPE, THERE'S ANOTHER  
11 OPTION IS THAT IF YOU WANT TO SPEND MORE MONEY HERE,  
12 YOU HAVE TO TRADE SOMETHING OFF ON THE OTHER SIDE.  
13 WE DO HAVE THE TRAINING GRANTS, WHICH HAVE BEEN  
14 DEFERRED. LAST NIGHT THERE WAS A LOT OF OPTIMISM  
15 ABOUT AT A JUNE MEETING WE WERE GOING TO TAKE THE  
16 DEFERMENT OFF, BUT WE DO HAVE THE POSSIBILITY OF  
17 DEFERRING THOSE EVEN FURTHER AND USING THAT REVENUE  
18 THAT WE WERE GOING TO PUT TO THE TRAINING GRANTS TO  
19 THE TRANSLATIONAL GRANTS IF IT IS THE BELIEF THAT  
20 TRANSLATIONAL RESEARCH IS SO IMPORTANT THAT THAT'S  
21 WHAT WE WANT TO DRIVE FORWARD RIGHT NOW.

22 DR. PIZZO: I'D LIKE TO SPEAK WHEN I CAN.

23 CHAIRMAN KLEIN: PHIL, ON THIS PARTICULAR  
24 DISCUSSION ON THESE GRANTS, I THINK COUNSEL  
25 BELIEVES -- IS HE IN CONFLICT ON THIS SPECIFIC

**BARRISTERS' REPORTING SERVICE**

1 GRANT?

2 DR. PIZZO: I WASN' T GOING TO COMMENT ON A  
3 SPECIFIC GRANT.

4 MR. HARRISON: DR. PIZZO HAS A CONFLICT  
5 WITH RESPECT TO THE MOTION WHICH IS ON THE TABLE,  
6 WHICH IS TO TRY TO IDENTIFY A PROCESS FOR  
7 POTENTIALLY IDENTIFYING FUNDING FOR APPLICATION  
8 1212.

9 DR. PIZZO: I' LL DEFER MY COMMENT AT THIS  
10 TIME, BUT PERHAPS YOU COULD RECOGNIZE ME WHEN WE' RE  
11 DONE WITH THE VOTE BECAUSE I HAVE A COMMENT THAT  
12 RELATES TO A MORE GENERAL PRINCIPLE.

13 MR. SHEEHY: AGAIN, JUST TO GET SOME  
14 CONTROL OVER THIS DIALOGUE, WHAT DR. PRICE HAS  
15 RAISED IS AN ISSUE THAT I THINK WE SHOULD CONSIDER  
16 AT THE NEXT MEETING IF WE GO AHEAD WITH THIS  
17 PROCESS. I DON' T THINK THIS IS SOMETHING WE NEED TO  
18 DECIDE NOW OR SHOULD DECIDE NOW. IT' S AGENDAD, BUT  
19 WE SHOULD ALWAYS BE THINKING ABOUT ALL OF OUR  
20 OBLIGATIONS WHENEVER WE VOTE TO FUND SOMETHING.

21 PER THIS PARTICULAR -- I WOULD NOTE THAT  
22 WHAT WE' RE TALKING ABOUT IS VERY SIMILAR TO WHAT WE  
23 DID WITH TOOLS AND TECHNOLOGIES EXCEPT WE BASICALLY  
24 PUNTED ON A WHOLE TIER. WHAT WE' RE DOING HERE IS  
25 THAT SOME MEMBERS ARE SAYING WE' D LIKE TO HAVE



## BARRISTERS' REPORTING SERVICE

1 ANOTHER CHANCE TO CONSIDER THIS IN A DIFFERENT  
2 FINANCIAL ENVIRONMENT AND NOT NECESSARILY LOOKING AT  
3 THE WHOLE TIER.

4 BUT I WILL REMIND FOLKS THAT WHAT WE'RE  
5 TALKING ABOUT IS EXACTLY WHAT WE DID WITH TOOLS AND  
6 TECHNOLOGIES. WE BASICALLY SAID WE NOTE THAT THE  
7 BUDGET SITUATION IS CHANGED, AND WE'RE PUTTING ALL  
8 OF TIER 2 OFF UNTIL THE NEXT MEETING TO SEE IF THE  
9 BUDGET SITUATION CHANGES. SO THAT'S REALLY ALL  
10 WE'RE TALKING ABOUT. IT'S NOT MAKING A DEFINITIVE  
11 DECISION ON SOME APPLICATIONS AT THIS TIME PENDING A  
12 BUDGET RESOLUTION OF SOME SORT OR FISCAL RESOLUTION.

13 DR. LEVEY: A FEW POINTS I WANT TO MAKE  
14 HERE. I DON'T THINK WE SHOULD BE PUT IN A POSITION  
15 OF MICROMANIPULATING TIER 2. OUR GRANTS WORKING  
16 GROUP SAID THESE SHOULD BE FUNDED IF MONEY IS  
17 AVAILABLE. AND IF YOU LOOK AT THE SCORES, THE  
18 SCORES ARE REALLY CLOSE WITH EACH OTHER. I DON'T  
19 EVEN KNOW THAT THEY WOULD STAND UP TO STATISTICAL  
20 EVALUATION IF YOU LOOKED AT THE DIFFERENCE BETWEEN  
21 THE TWO OF THEM.

22 I THINK OUR GOAL SHOULD BE NOT TO IDENTIFY  
23 IN A SUPERFICIAL WAY THAT DOES LACK SCIENTIFIC  
24 INTEGRITY ONE OR TWO OF THESE GRANTS THAT SHOULD BE  
25 MOVED UP AND ONE OR TWO OTHERS THAT SHOULD BE MOVED

## BARRISTERS' REPORTING SERVICE

1 DOWN, WHATEVER IT IS. I THINK WE SHOULD HAVE A GOAL  
2 OF FINDING A WAY TO FUND TIER 2. AND WHATEVER THAT  
3 GOAL IS, I THINK THAT'S WHAT WE SHOULD TRY TO DO.

4 NOW, WE'VE ELIMINATED APPARENTLY CUTTING  
5 DOLLARS FROM TIER 1, AND THAT MAY BE FINE. BUT I  
6 THINK THAT SHOULD BE OUR GOAL IS HOW TO FUND TIER 2  
7 EN BLOCK AND NOT MANIPULATE THIS PROCESS.

8 MS. SAMUELSON: I AGREE.

9 DR. PULIAFITO: I AGREE WITH DR. LEVEY. I  
10 THINK THAT'S -- I THINK THE ABILITY TO  
11 DISCRIMINATE --

12 CHAIRMAN KLEIN: DR. PULIAFITO, I THINK WE  
13 NEED TO BE VERY CAREFUL BECAUSE WHEN WE'RE  
14 ADDRESSING TIER 2, THERE'S A DIVERSITY OF  
15 APPLICATIONS IN TIER 2. SO WE NEED TO BE VERY  
16 CAREFUL IN THESE COMMENTS.

17 MR. SHEEHY: I WONDER, AND, COUNSEL, CAN  
18 YOU ADVISE ME ON THIS, IS IT POSSIBLE FOR THE BOARD  
19 TO NOT TAKE ACTION ON TIER 2, AND THAT DOESN'T  
20 PRESENT CONFLICT PROBLEMS? WE COULD JUST DEFER  
21 DISCUSSION OF TIER 2 EN BLOCK UNTIL THE NEXT  
22 MEETING, AND WOULD THAT RAISE ANY CONFLICT ISSUES?  
23 I THINK THAT'S HOW WE DID IT LAST TIME.

24 MR. HARRISON: YES. AS THE BOARD DID WITH  
25 THE TOOLS AND TECHNOLOGIES APPLICATIONS, THE BOARD

**BARRISTERS' REPORTING SERVICE**

1 COULD DEFER CONSIDERATION OF APPLICATIONS IN TIER 2  
2 UNTIL THE NEXT MEETING.

3 MR. SHESTACK: WHAT'S THE ADVANTAGE OF  
4 THAT?

5 MR. SHEEHY: I'M ONLY CHAIRING. I THINK  
6 MEMBERS HAVE -- THE ONLY THING THAT I WOULD NOTE IS,  
7 AM I CORRECT, WE DON'T HAVE A GRANT ROUND AT THE  
8 NEXT MEETING? ARE WE CONSIDERING GRANTS? I WOULD  
9 NOTE THAT WE AREN'T CONSIDERING GRANTS, AND THAT WAS  
10 A CONSIDERATION WITH TOOLS AND TECHNOLOGY.

11 SO I GUESS THE FIRST QUESTION IS FOR THE  
12 MAKER OF THE MOTION IF HE WANTS TO CONSIDER WHAT HIS  
13 COLLEAGUES HAVE SUGGESTED AND PERHAPS AMEND HIS  
14 MOTION TO JUST DEFER CONSIDERATION OF THE ENTIRE  
15 ROUND, WHICH WILL HAVE THE SAME EFFECT AS --

16 MR. HARRISON: I'M SORRY. COULD I JUST  
17 INTERRUPT. ANOTHER APPROACH, AND I BELIEVE THE  
18 APPROACH THE BOARD TOOK WITH RESPECT TO TOOLS AND  
19 TECHNOLOGIES SIMPLY WAS NOT TO TAKE ANY FINAL ACTION  
20 WITH RESPECT TO TIER 2. IN OTHER WORDS, WHAT YOU  
21 DID THE LAST TIME WAS TO CLOSE OUT FUNDING ON TIER 3  
22 AFTER CONSIDERING WHETHER ANY SHOULD HAVE MOVED.  
23 AND THEN THERE WAS NO MOTION ON TIER 2, WHICH BY  
24 DEFINITION MEANT IT HAD TO COME BACK FOR THE NEXT  
25 MEETING.

**BARRISTERS' REPORTING SERVICE**

1 DR. LOVE: I'M FINE WITH THAT. I THINK IT  
2 ACHIEVES THE SAME OBJECTIVE. IN FACT, IT ACHIEVES  
3 PROBABLY FOR SEVERAL PEOPLE WHO MIGHT NOMINATE  
4 INDIVIDUAL GRANTS.

5 CHAIRMAN KLEIN: LOGISTICALLY, SINCE WE'VE  
6 JUST GONE THROUGH EXECUTIVE SESSION AND WE'VE READ A  
7 LOT OF THESE, IF WE USE THE INTELLECTUAL LEARNING  
8 THAT WE'VE JUST GONE THROUGH TO AT LEAST CREATE A  
9 HIERARCHY IN TIER 2, I THINK IT WOULD THEN PUT US IN  
10 A PRODUCTIVE POSITION RATHER THAN HAVING TO GO BACK  
11 THROUGH IN EXECUTIVE SESSION IN THE NEXT MEETING AND  
12 BACK THROUGH ALL OF THE SCIENTIFIC PREPARATION THAT  
13 GOES INTO THAT. FOR CONSIDERATION, AT LEAST IF WE  
14 COULD RANK THEM.

15 MR. SHEEHY: AGAIN, I THINK PERSONALLY I  
16 WOULD BE MORE COMFORTABLE TAKING NO ACTION ON TIER 2  
17 AND JUST LETTING THAT -- AND JUST SENSE OF THE  
18 COMMITTEE, IF THE MAKER OF THE MOTION IS WITHDRAWING  
19 THE MOTION, AND --

20 MR. TORRES: SECOND WITHDRAWS.

21 MR. SHEEHY: -- THE SECOND WITHDRAWS AS  
22 WELL, ACTUALLY WHAT I MIGHT PREFER IS A MOTION TO  
23 DISPENSE WITH TIER 3, WHICH I DON'T THINK ANYONE HAS  
24 AN INTEREST IN BRINGING ANYTHING UP FROM TIER 3.  
25 AND WE HAVE -- IT'S 1 O'CLOCK. I'VE BEEN HERE SINCE

## BARRISTERS' REPORTING SERVICE

1 YESTERDAY. AND MAYBE WE CAN JUST MOVE FORWARD, AND  
2 WE CAN LOOK AT THIS NEW NEXT MONTH. I DON'T REALLY  
3 WANT TO GET INTO PLAYING INTO TIER 2. SOME OF THE  
4 MEMBERS WHO HAD INTEREST IN TIER 2 ARE NOT HERE NOW.  
5 I PERSONALLY DID NOT LOOK AT TIER 2 BECAUSE I DIDN'T  
6 THINK IT WOULD BE FUNDED. AND THERE IS AN HIV GRANT  
7 THERE, WHICH I'M NOT CONFLICTED ON, SO I CAN  
8 MENTION. AND, FRANKLY, IN THIS BUDGET ENVIRONMENT,  
9 I WOULDN'T HAVE FELT COMFORTABLE MOVING THAT UP.  
10 BUT I MIGHT TAKE A DIFFERENT VIEW ON THAT  
11 APPLICATION IF THERE WAS FULL FUNDING.

12 SO I THINK THE FAIREST THING IS JUST TO  
13 NOT ACT ON TIER 2. BUT ANY OTHER COMMENTS?

14 DR. LOVE: SO TO YOUR POINT, I'M HAPPY TO  
15 WITHDRAW THE MOTION, ASSUMING THAT ART AGREES, AND  
16 MOVE THAT WE SIMPLY VOTE TO NOT FUND TIER 3.

17 MR. SHEEHY: COULD I GET A SECOND?

18 MR. ROTH: I'LL SECOND.

19 MR. SHEEHY: DISCUSSION?

20 MR. SHESTACK: AGAIN, JUST TRYING TO  
21 UNDERSTAND THE MECHANICS. BY VOTING NOT TO FUND  
22 TIER 2 AND TIER 3, IS THERE --

23 MR. SHEEHY: WE'RE NOT TAKING ANY ACTION  
24 ON TIER 2 TODAY.

25 MR. SHESTACK: NOT FUNDING TIER 3.

**BARRISTERS' REPORTING SERVICE**

1 MR. SHEEHY: BASICALLY AT THE END OF THIS  
2 MOTION, ASSUMING THAT WE'RE DONE WITH THIS GRANT  
3 ROUND FOR THIS SESSION, WE WILL HAVE FUNDED TIER 1,  
4 WE WILL HAVE NOT FUNDED TIER 3, AND TIER 2 IS STILL  
5 OPEN FOR CONSIDERATION AT OUR NEXT MEETING.

6 MR. SHESTACK: DOES THAT MEAN THAT TIER 2  
7 WILL BE AGENDIZED FOR DISCUSSION AT OUR NEXT  
8 MEETING?

9 MR. SHEEHY: YES.

10 MS. GIBBONS: TO BOB'S POINT, DOES THAT  
11 MEAN THAT WE STILL HAVE THE OPPORTUNITY TO EXAMINE  
12 EACH OF THOSE INDIVIDUALLY ON THEIR MERITS?

13 MR. SHEEHY: YES.

14 MS. GIBBONS: WE'RE NOT COMMITTING TO  
15 BLOCKING ANYTHING?

16 MR. SHEEHY: NO. NO. AND, IN FACT, WE DO  
17 BLOCK VOTES OF APPLICATIONS ALMOST UNIVERSALLY IN  
18 TIER 2 BECAUSE OF BOTH CONFLICTS AND ALSO BECAUSE  
19 PEOPLE RECOGNIZE THAT THEY REQUIRE AN ADDITIONAL  
20 LEVEL OF SCRUTINY.

21 CHAIRMAN KLEIN: WITHOUT COMMENTING -- AS  
22 TO THIS PARTICULAR MOTION, I THINK WE CAN SAFELY  
23 VOTE ON IT. WE SHOULD ALSO CONSIDER THERE MAY BE  
24 SOME MEMBERS AT THIS MEETING THAT CAN'T BE AT THE  
25 NEXT MEETING WHO MAY WANT TO ADDRESS A SPECIFIC

**BARRISTERS' REPORTING SERVICE**

1 MOTION ON TIER 2. CERTAINLY WE CAN TAKE THE VOTE ON  
2 THIS ITEM AND THEN CONSIDER THAT AS A SEPARATE  
3 QUESTION.

4 MR. ROTH: JEFF, I WANT TO CALL THE  
5 QUESTION ON THE MOTION THAT'S ON THE TABLE. BUT I  
6 ALSO ASK A QUESTION JUST AS FOLLOW-UP TO SOMETHING  
7 YOU SAID. YOU SAID I REALLY DIDN'T LOOK AT THESE  
8 TIER 2 GRANTS. I WONDER IF THE PROGRAMMATIC REVIEW  
9 WAS ADEQUATE ON THESE TIER 2 GRANTS.

10 MR. SHEEHY: I WOULD SAY THAT THERE WAS  
11 NOT -- IT WAS NOT A GOOD USE OF ANYONE'S TIME  
12 PROGRAMMATICALLY TO LOOK AT TIER 2. THE ONLY -- AND  
13 PERHAPS STAFF CAN CORRECT ME IF I'M WRONG. I THINK  
14 THE ONLY PROGRAMMATIC -- THERE WAS ONLY ONE GRANT IN  
15 TIER 2 -- BECAUSE WE HAVE CONFLICTS, I DON'T THINK  
16 WE WANT TO DISCUSS THAT GRANT. THERE WAS ONE GRANT  
17 THAT WAS DISCUSSED PROGRAMMATICALLY. AM I CORRECT,  
18 MARIE? I DON'T THINK WE TALKED ABOUT ANYTHING ELSE  
19 OTHER THAN ONE IN WHICH THERE IS THE POTENTIAL OF A  
20 MINORITY REPORT. OH, TWO. THERE WERE TWO. WELL,  
21 ONE -- I KNOW I'M CONFLICTED ON ONE OF THEM.

22 MR. ROTH: JEFF, LET ME FINISH MY THOUGHT  
23 PROCESS.

24 MR. SHEEHY: THERE WASN'T A DEEP  
25 PROGRAMMATIC REVIEW OF TIER 2.

**BARRISTERS' REPORTING SERVICE**

1 MR. ROTH: CAN THAT BE DONE FOR THE NEXT  
2 MEETING AND BRING THAT FORWARD? IS THAT POSSIBLE  
3 WITHIN THE CONFINES OF THE SYSTEM TO HAVE THE PEOPLE  
4 THAT NORMALLY DO THE PROGRAMMATIC REVIEW RE-REVIEW  
5 PROGRAMATICALLY?

6 MR. SHEEHY: NO. NO. BECAUSE YOU'D HAVE  
7 TO RECONVENE THE WORKING GROUP, AND I DON'T THINK  
8 THAT WOULD BE APPROPRIATE.

9 MS. SAMUELSON: GIVEN THE WORKING GROUP'S  
10 RECOMMENDATION, WOULD THAT BE NECESSARY?

11 MR. SHEEHY: THAT'S THE OTHER POINT.  
12 THESE ARE RECOMMENDED FOR FUNDING IF FUNDS ARE  
13 AVAILABLE. WE DID DRAW OUR LINES.

14 MR. ROTH: LET'S VOTE.

15 MR. SHEEHY: PUBLIC COMMENT?

16 MS. SAMUELSON: RIGHT NOW WE'RE FOCUSED ON  
17 THE PENDING MOTION.

18 MR. SHEEHY: THIS IS A PUBLIC COMMENT ON  
19 VOTING TO NOT FUND TIER 3.

20 MR. KRILL: MY NAME IS TED KRILL. MY  
21 DAUGHTER HAS JUVENILE HUNTINGTON'S DISEASE. THAT'S  
22 WHY I'M HERE. SHE WAS -- SHE'S 20 NOW. DIAGNOSED  
23 AT 17, GOING DOWNHILL QUICKLY. SO THAT'S KIND OF  
24 WHAT I'M ADDRESSING RIGHT NOW.

25 IN PARTICULAR, THERE'S ONE OF THE



## BARRISTERS' REPORTING SERVICE

1 APPLICATIONS, WHICH IS IN TIER 3, 1271. AND FROM  
2 WHAT I UNDERSTAND, THE DESIGN TEAM WAS -- RESEARCH  
3 TEAM WAS PRAISED AS BEING VERY IMPRESSIVE. THE  
4 CRITICISM AGAINST THAT WAS THAT THEY WERE TRYING TO  
5 DO TOO MUCH. I DON'T UNDERSTAND TRYING TO DO TOO  
6 MUCH IF IT'S BEING -- IF YOU'RE WATCHING IT AND  
7 CHECKING OVER IT. I THOUGHT THAT WAS A GOOD THING  
8 TO GO AS FAR AS WE CAN AS FAST WE CAN AND GET AS  
9 MUCH AS POSSIBLE DONE AS WE CAN.

10 FOR PERSONAL REASON, WE'RE RUNNING OUT OF  
11 TIME. I'M TOLD SHE'S GOT, LIKE, FOUR TO FIVE YEARS.  
12 SO THE SOONER THE BETTER. SO I'D JUST LIKE TO KNOW  
13 IF THERE'S ANY POSSIBILITY THAT WE CAN POSSIBLY  
14 RECONSIDER SOME OF THOSE TIER 3, MOVE THEM UP TO  
15 TIER 2.

16 MR. SHEEHY: I THINK THE APPLICATION YOU  
17 WERE TALKING ABOUT IS ACTUALLY IN TIER 2.

18 MR. KRILL: 1271.

19 MR. SHEEHY: I'M SORRY. I'M GETTING  
20 DIZZY. I APOLOGIZE. ADDITIONAL PUBLIC COMMENT?

21 MR. HARRISON: I WOULD REMIND MEMBERS ONCE  
22 AGAIN THAT IF THEY HAVE A CONFLICT WITH RESPECT TO  
23 AN APPLICATION IN TIER 3 TO SPECIFY THAT THEY'RE  
24 ONLY VOTING FOR THE MOTION AS TO THOSE APPLICATIONS  
25 IN WHICH THEY DON'T HAVE A CONFLICT.

## BARRISTERS' REPORTING SERVICE

1 MS. KING: DR. AZZIZ.

2 DR. AZZIZ: FOR, EXCEPT FOR THOSE  
3 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

4 MS. KING: ROBERT PRICE.

5 DR. PRICE: FOR, EXCEPT FOR THOSE  
6 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

7 MS. KING: DAVID BRENNER.

8 DR. BRENNER: FOR, EXCEPT FOR THOSE  
9 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

10 MS. KING: JACOB LEVIN.

11 DR. LEVIN: YES, EXCEPT FOR THOSE  
12 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

13 MS. KING: MARCY FEIT.

14 MS. FEIT: YES, EXCEPT FOR THOSE  
15 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

16 MS. KING: MICHAEL FRIEDMAN.

17 DR. FRIEDMAN: YES, EXCEPT FOR THOSE  
18 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

19 MS. KING: LEEZA GIBBONS.

20 MS. GIBBONS: YES.

21 MS. KING: MICHAEL GOLDBERG.

22 MR. GOLDBERG: YES, EXCEPT FOR THOSE  
23 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

24 MS. KING: BOB KLEIN.

25 CHAIRMAN KLEIN: YES.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: GERALD LEVEY.

2 DR. LEVEY: YES, EXCEPT FOR THOSE  
3 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

4 MS. KING: TED LOVE.

5 DR. LOVE: YES.

6 MS. KING: ED PENHOET.

7 DR. PENHOET: YES, EXCEPT FOR THOSE  
8 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

9 MS. KING: FRANCISCO PRIETO.

10 DR. PRIETO: YES, EXCEPT FOR THOSE  
11 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

12 MS. KING: CARMEN PULIAFITO.

13 DR. PULIAFITO: YES, EXCEPT FOR THOSE  
14 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

15 MS. KING: ROBERT QUINT.

16 DR. QUINT: YES, I HAVE NO CONFLICTS.

17 MS. KING: JEANNIE FONTANA.

18 DR. FONTANA: YES, EXCEPT FOR THOSE  
19 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

20 MS. KING: DUANE ROTH.

21 MR. ROTH: YES.

22 MS. KING: JOAN SAMUELSON.

23 MS. SAMUELSON: YES.

24 MS. KING: JEFF SHEEHY.

25 MR. SHEEHY: YES, EXCEPT FOR THOSE

## BARRISTERS' REPORTING SERVICE

1 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

2 MS. KING: JON SHESTACK.

3 MR. SHESTACK: YES.

4 MS. KING: OSWALD STEWARD.

5 DR. STEWARD: YES, EXCEPT FOR THOSE

6 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

7 MS. KING: CLAIRE POMEROY. YOU'RE BACK.

8 I APOLOGIZE.

9 DR. POMEROY: YES, EXCEPT FOR THOSE

10 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

11 MS. KING: PHIL PIZZO.

12 DR. PIZZO: YES, EXCEPT FOR THOSE

13 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

14 MR. SHEEHY: I'LL TURN THE CHAIR -- ANY

15 OTHER MOTIONS RELATED TO THIS GRANT ROUND? I'M

16 GOING TO TURN THE CHAIR BACK OVER TO BOB. YOU

17 NOTICE I'M HURRYING TO RELINQUISH THOUGH I WILL NOTE

18 THAT DR. PIZZO DID HAVE A COMMENT. I DON'T KNOW IF

19 HE STILL HAS.

20 DR. PIZZO: YES. I'LL MAKE IT JUST VERY

21 QUICK. AND THAT IS THAT AS WE THINK ABOUT OUR

22 FUTURE FUNDING, I WOULD HOPE THAT WE WOULD NOT

23 SIMPLY SAY THAT BECAUSE WE HAVE \$300 MILLION A YEAR,

24 THAT WE NEED TO SPEND IT. RATHER, THAT WE WOULD

25 FOCUS ON ALWAYS LOOKING AT THE BEST SCIENCE AS WE

## BARRISTERS' REPORTING SERVICE

1 CAN. IF A MISSED OPPORTUNITY, IF THERE'S CARRY-OVER  
2 FUNDS, THEN WE'LL USE THOSE LATER ON AS BETTER  
3 PROJECTS COME FORWARD.

4 CHAIRMAN KLEIN: OKAY. THANK YOU. THANK  
5 YOU VERY MUCH. WE ARE IN A POSITION THAT ON OUR  
6 AGENDA, I BELIEVE WE HAVE ONE ITEM REMAINING, THAT'S  
7 CORRECT. AND IF WE COULD HAVE DR. ROBSON DO A  
8 PRESENTATION. THIS IS AN ITEM DEALING WITH THE  
9 ISSCR CONFERENCE. AND DO WE HAVE -- JEFF, ARE YOU  
10 LEAVING? SO WE CAN MAINTAIN OUR QUORUM HERE.

11 I WOULD POINT OUT THAT THIS IS AN ITEM ON  
12 WHICH IT HAS BEEN CRITICAL TO HAVE A SUBSTANTIAL  
13 CONTRIBUTION FROM THE HOST INSTITUTION, AND THERE'S  
14 A HISTORY WHERE IF THE HOST INSTITUTION COULDN'T  
15 COME UP WITH THE MONEY TO ASSURE THE FINANCIAL  
16 SOLVENCY OF THE CONFERENCE, THE CONFERENCE WAS  
17 CANCELED AT THAT LOCATION AND MOVED TO ANOTHER  
18 LOCATION.

19 I DO THINK, AS IT POINTS OUT IN THE  
20 PRESENTATION, THAT THERE ARE SUBSTANTIAL SCIENTIFIC  
21 BENEFITS TO OUR MISSION BY HAVING THIS CONFERENCE IN  
22 CALIFORNIA. THE SYNERGY OF BRINGING PEOPLE FROM ALL  
23 OVER THE WORLD WHO CAN, WHILE THEY'RE HERE, HAVE  
24 SIDE TRIPS TO OUR RESEARCH INSTITUTIONS, PUBLIC AND  
25 PRIVATE, IS TREMENDOUS IN TERMS OF OUR MISSION. AND

## BARRISTERS' REPORTING SERVICE

1 NOT HAVING TO FUND THE TREMENDOUS AMOUNT OF TRAVEL  
2 COST TO GET PEOPLE FROM CALIFORNIA TO ANOTHER  
3 LOCATION IN THE WORLD IS A VERY SUBSTANTIAL SAVINGS  
4 THAT OFFSETS, I THINK, THE COST OF THIS. AND I  
5 ACTUALLY BELIEVE THAT THE ESTIMATE IN THE WRITE-UP  
6 UNDERSTATES THAT SAVINGS SUBSTANTIALLY.

7 IN ADDITION TO THE COST IN TERMS OF CASH,  
8 IF PEOPLE HAVE TO TRAVEL TO ANOTHER PART OF THE  
9 WORLD FOR A CONFERENCE, THERE ARE DAYS LOST IN  
10 TRAVEL THAT ARE OTHERWISE PRODUCTIVELY GOING INTO  
11 RESEARCH ON OUR MISSION.

12 DR. ROBSON: LET ME JUST BACK UP A LITTLE.  
13 BOB, I'M SURE YOU REMEMBER THIS ISSUE. I BROUGHT  
14 THIS TO YOU IN JANUARY. AT THAT TIME WE DIDN'T HAVE  
15 A LOT OF DETAILS FROM THE ISSCR ABOUT WHAT WAS  
16 INVOLVED WITH COSPONSORSHIP, AND THEY HAD A REQUEST  
17 TO US FOR \$400,000. YOU ASKED FOR MORE INFORMATION  
18 ON THAT, MORE DETAILS ABOUT THE BUDGET, MORE DETAILS  
19 ABOUT THE BENEFITS THAT WOULD BE PROVIDED. AND I  
20 CERTAINLY WENT AWAY WITH A CLEAR SENSE THAT YOU  
21 THOUGHT \$400,000 WAS EXCESSIVE.

22 SO OVER THE LAST COUPLE OF MONTHS, DON  
23 GIBBONS AND I HAVE WORKED ON THIS. WE HAVE HAD A  
24 NUMBER OF CONVERSATIONS WITH NANCY WITTE, WHO'S THE  
25 EXECUTIVE DIRECTOR OF THE ISSCR, AND OTHER MEMBERS

## BARRISTERS' REPORTING SERVICE

1 OF HER STAFF. WE'VE NEGOTIATED BACK AND FORTH ON  
2 THIS, DISCUSSED WHAT THE BENEFITS WOULD BE. AND  
3 I'VE SORT OF SUMMARIZED THAT IN A DOCUMENT WHICH YOU  
4 HAVE UNDER TAB 15, I THINK, IN YOUR BOOKS.

5 AND SO I'D JUST LIKE TO KIND OF RUN  
6 THROUGH THE CASE A LITTLE BIT, REMIND YOU THAT THE  
7 ISSCR IS THE LARGEST ORGANIZATION IN THE WORLD  
8 THAT'S DEVOTED TO PLURIPOTENT HUMAN STEM CELLS.  
9 THEIR ANNUAL MEETING IS THE BIGGEST GATHERING OF THE  
10 SCIENTISTS AND RESEARCHERS IN THIS AREA. THEY HAVE  
11 A FOCUS ON EDUCATION OF THE PUBLIC AND FOR CREATING  
12 FORUMS FOR WHICH SCIENTISTS CAN GET TOGETHER AND  
13 EXCHANGE IDEAS.

14 SO THE LAST MEETING THAT THEY HAD WAS IN  
15 PHILADELPHIA IN 2008. AT THAT MEETING THEY HAD 1300  
16 ABSTRACTS AND 2800 ATTENDEES; 320 OF THOSE WERE FROM  
17 CALIFORNIA. NOW, THIS YEAR'S MEETING IS IN JULY.  
18 IT'S IN BARCELONA. WE DON'T KNOW WHAT THE  
19 ATTENDANCE WILL BE YET. WE DON'T KNOW HOW MANY  
20 CALIFORNIANS WILL BE GOING, BUT WE DO KNOW THAT  
21 THEY'VE HAD 1900 ABSTRACTS SUBMITTED. SO THERE'S  
22 BEEN A BIG JUMP IN INTEREST IN THIS MEETING. AND  
23 THE NEXT MEETING, THE ONE THAT WE'RE TALKING ABOUT  
24 WILL BE IN THE SUMMER OF 2010.

25 AND, AGAIN, WE DON'T REALLY KNOW HOW MANY

## BARRISTERS' REPORTING SERVICE

1 PEOPLE TO EXPECT TO ATTEND THAT MEETING. IT'S A  
2 LITTLE BIT EARLY. BUT WITH CHANGES IN FEDERAL  
3 POLICY AND THE INVESTMENTS THAT OTHER COUNTRIES ARE  
4 MAKING IN STEM CELL RESEARCH, THERE'S EVERY REASON  
5 TO BELIEVE THAT THIS WILL BE BY FAR THE LARGEST  
6 MEETING THAT THEY'VE HAD. WE MADE AN ESTIMATE, AS  
7 BOB SAID, THIS IS A VERY CONSERVATIVE ESTIMATE, THAT  
8 500 WILL GO FROM CALIFORNIA. I SUSPECT IT'S GOING  
9 TO BE CONSIDERABLY LARGER THAN THAT IN PART BECAUSE  
10 IT WILL BE IN SAN FRANCISCO, AND WILL BE RELATIVELY  
11 INEXPENSIVE FOR MANY OF OUR GRANTEEES AND OUR OTHER  
12 SCIENTISTS IN CALIFORNIA TO ATTEND.

13 BUT I WOULD POINT OUT THAT IF 500 PEOPLE  
14 ATTENDED, IF IT WAS HELD SOMEWHERE ELSE EVEN IN THE  
15 UNITED STATES, THAT COULD ADD FOUR TO \$500 PER  
16 PERSON JUST IN TRAVEL EXPENSES. 500 PEOPLE, THAT'S  
17 \$250,000. THAT MONEY COMES OUT OF OUR GRANT FUNDS  
18 THAT OUR GRANTEEES RECEIVE. SO WE'RE BASICALLY --  
19 THIS IS AN INVESTMENT THAT ALLOWS THEM TO HAVE MORE  
20 MONEY FOR RESEARCH AND THEIR OTHER ACTIVITIES.

21 THE TOTAL BUDGET FOR THE MEETING IS \$1.5  
22 MILLION, AND WE HAVE, LARGELY THROUGH DON GIBBONS'  
23 EFFORTS, WE'VE NEGOTIATED WITH THE CONTACT AT THE  
24 CITY OF SAN FRANCISCO. THEY HAVE DONATED IN-KIND  
25 CONTRIBUTIONS THE USE OF THE MOSCONE FOR FREE.



## BARRISTERS' REPORTING SERVICE

1 THAT' S VALUED AT ABOUT \$100,000. AND THE ROTUNDA AT  
2 CITY HALL, THEY SAID WE CAN USE FOR THE PRESIDENT' S  
3 SYMPOSIUM. AGAIN, THAT' S AT ABOUT 25,000. I THINK  
4 THIS AN INDICATION OF THE VALUE THAT SAN FRANCISCO  
5 SEES IN BEING ABLE TO SERVE AS THE CITY HOST FOR THE  
6 MEETING.

7 THE REQUEST FOR US NOW FOR COSPONSORSHIP  
8 IS AN ADDITIONAL \$200,000 IN CASH, AND THAT MONEY  
9 WOULD BE USED TO BRING IN SOME SPECIALIZED SPEAKERS  
10 AND ALSO FOR SOME OF THE PUBLICITY AND OTHER  
11 ACTIVITIES AT THE MEETING. SO WE' VE REDUCED -- THAT  
12 AMOUNT HAS BEEN REDUCED FROM 440,000 TO 200,000.  
13 AND OUR RECOMMENDATION TO THE BOARD WOULD BE THAT  
14 THIS MONEY SHOULD COME FROM DONATED FUNDS THAT WE  
15 HAVE AT CIRM, NOT FROM BOND-RAISED FUNDS. CURRENTLY  
16 THERE ARE ABOUT \$3.4 MILLION IN DONATIONS THAT WE  
17 HAVE AVAIL ABLE THAT WE COULD USE FOR THIS.

18 SO THIS IS A LIST. THERE ARE SOME  
19 SPECIFIC BENEFITS. I THINK THERE' S TWO WAYS TO LOOK  
20 AT THAT. WHAT ARE THE SORT OF SPECIFIC BENEFITS  
21 THAT ARE DERIVED FROM COSPONSORSHIP? WHAT LIST OF  
22 ITEMS DO WE GET? AND THEN THERE' S ANOTHER ISSUE.  
23 WHAT' S THE VALUE TO US OF THAT? AND THIS LISTS SOME  
24 OF THE SPECIFIC BENEFITS. AND THE ONE I JUST WENT  
25 THROUGH IS MORE GRANTEES AND TRAINEES CAN GO TO THE

## BARRISTERS' REPORTING SERVICE

1 MEETING. THEY CAN INTERACT WITH THE BEST STEM CELL  
2 SCIENTISTS IN THE WORLD. THEY CAN HEAR WHAT'S NEW  
3 IN TECHNOLOGY, WHAT'S NEW IN THE CONCEPT PHASE, SO  
4 FORTH AND SO ON.

5 FOR OUR STAFF, THEY WILL BE ABLE TO ATTEND  
6 FOR FREE AT NO REGISTRATION COST UP TO 25 OF OUR  
7 STAFF MEMBERS. AND THIS IS A VERY IMPORTANT MEETING  
8 FOR THEM. THIS IS WHERE THEY DO A LOT OF THEIR  
9 RECRUITING FOR THE GRANTS WORKING GROUP. THEY GET  
10 TO MEET POTENTIAL GRANT WORKING GROUP MEMBERS AND  
11 EVALUATE THEM ON A ONE-ON-ONE BASIS. MANY OF THEM  
12 GET TO INTERACT WITH SUBCOMMITTEES AT THE ISSCR FOR  
13 EDUCATION AND SO FORTH. AND THEY ALSO GET TO  
14 IMPROVE THEIR PRESENCE, TO JUST BE THERE AND BE  
15 ACKNOWLEDGED AND RECOGNIZED AS LEADERS IN THIS  
16 FIELD. IT'S PART OF THEIR DEVELOPMENT AS SCIENTIFIC  
17 OFFICERS AT THE INSTITUTE. WE THINK THAT'S AN  
18 IMPORTANT ASPECT.

19 WE GET TO ORGANIZE AS CO-SPONSORS A PUBLIC  
20 SYMPOSIUM. THIS IS ONE OF THE MAIN EVENTS AT THE  
21 MEETING, AND SO WE'RE THE ONES WHO WOULD BE PUT IN  
22 CHARGE OF THAT. SO DON GIBBONS WOULD TAKE A LEAD  
23 ROLE IN ORGANIZING THAT. WE GET ACKNOWLEDGED ON ALL  
24 THEIR PUBLICITY AS THE COSPONSORS. WE WOULD BE THE  
25 ONLY COSPONSORS OF THE MEETING. DR. TROUNSON WOULD

## BARRISTERS' REPORTING SERVICE

1 BE INVITED TO SPEAK AT THE OPENING CEREMONIES AND  
2 GIVE AN UPDATE ON WHERE CIRM IS AND WHAT CIRM'S  
3 ACCOMPLISHMENTS AND INFLUENCE IN THE FIELD IS. WE  
4 WOULD HOST AT AN ALL ATTENDEES MIXER THAT THEY HAVE,  
5 SO 3500 OR 5,000 OR HOWEVER MANY PEOPLE ARE THERE  
6 ARE ALL INVITED TO THAT. WE WOULD BE THE OFFICIAL  
7 HOST OF THAT. AND WE GET, THEN, TO SHOWCASE, ALL OF  
8 THESE THINGS WILL ALLOW US TO SHOWCASE OUR  
9 SCIENTISTS AND WHAT THEIR CONTRIBUTIONS ARE.

10 SO THE LAST POINT IS REALLY WHAT'S THE  
11 VALUE OF THAT TO US? I THINK THE WORLD IS CHANGING  
12 NOW IN STEM CELL RESEARCH. THERE'S A LOT OF NEW  
13 PLAYERS COMING IN. THERE'S NEW FUNDING  
14 OPPORTUNITIES. THERE'S NEW WAYS TO SORT OF  
15 CHALLENGE OUR LEADERSHIP IN THIS FIELD. AND BY  
16 BEING COSPONSORS OF THIS, IT WILL BE A CONSTANT  
17 REMINDER TO ALL OF THE ATTENDEES OF THE IMPORTANCE  
18 OF CIRM IN THIS FIELD. AND WE WANT TO KEEP POINTING  
19 OUT TO THEM THAT CALIFORNIA IS THE PLACE TO BE IF  
20 YOU WANT TO DO STEM CELL RESEARCH. SO IF YOU'RE A  
21 YOUNG SCIENTIST AND WANT TO DEVELOP A CAREER IN STEM  
22 CELLS, IF YOU'VE GOT A BIOTECH COMPANY AND YOU'RE IN  
23 THIS FIELD OR YOU WANT TO GET IN THIS FIELD, WE WANT  
24 TO BE ABLE TO KEEP REMINDING THEM THAT CALIFORNIA IS  
25 THE PLACE TO BE TO DO THIS.

**BARRISTERS' REPORTING SERVICE**

1 WE THINK THAT THAT VALUE IS REALLY WORTH  
2 QUITE A BIT TO US. SO I PRESENT THAT TO YOU WITH A  
3 REQUEST FOR \$200,000. OUR RECOMMENDATION WOULD BE  
4 THAT THIS COME FROM DONATED FUNDS. I'M OPEN TO ANY  
5 QUESTIONS.

6 DR. PULIAFITO: I'D LIKE TO MAKE A MOTION,  
7 MR. CHAIRMAN, THAT WE AUTHORIZE COSPONSORSHIP OF  
8 THIS CONFERENCE FROM DONATED FUNDS.

9 CHAIRMAN KLEIN: WITH THE \$200,000.

10 MR. ROTH: SECOND.

11 CHAIRMAN KLEIN: SECOND BY DUANE ROTH.

12 MR. ROTH: WITH ONE REQUEST, BOARD MEMBERS  
13 ALSO ATTEND FREE. THAT SHOULD HAPPEN. WE SHOULD BE  
14 ABLE TO GO FREE.

15 DR. ROBSON: I CAN'T GUARANTEE.

16 MR. ROTH: NEGOTIATE.

17 MR. SHEEHY: THAT'S CONDITIONAL. I ALSO  
18 WOULD LIKE TO OFFER ANOTHER CONDITION BECAUSE WHEN  
19 THIS MATTER FIRST CAME BEFORE US, I SPECIFICALLY  
20 MENTIONED A POLICY AT THE CONFERENCE ON RETROVIRUS  
21 AND OPPORTUNISTIC INFECTIONS, WHICH IS ONE OF THE  
22 MAIN SCIENTIFIC CONFERENCES FOR PEOPLE WITH HIV.  
23 AND WHAT THEY DO, WHICH I THINK IS EXTRAORDINARY AND  
24 WISE, IS THAT THEY MAKE A SPECIFIC SCHOLARSHIP  
25 STIPULATION FOR PATIENT ADVOCATES SO THEY CAN

## BARRISTERS' REPORTING SERVICE

1 ATTEND. WE WOULDN' T BE HERE TODAY WITHOUT PATIENT  
2 ADVOCATES, AND THE HEROIC WORK OF PATIENT ADVOCATES.  
3 WE' RE SPONSORING THIS CONFERENCE. THE FACT THAT  
4 THERE' S NO SCHOLARSHIPS FOR -- I THINK OF DON AND  
5 ROMAN REED FOR THEM TO BE ABLE AND GLORIA TO BE ABLE  
6 TO ATTEND.

7 BUT I WOULD, AT LEAST AS A CONDITION OF  
8 OUR ACCEPTANCE, IS GET REGISTRATIONS THAT WE CAN  
9 ALLOT TO PATIENT ADVOCATES. AND I WOULD LEAVE IT TO  
10 MY OTHER MEMBERS, BUT I WOULD THINK WE WOULD WANT TO  
11 HAVE AT LEAST TEN REGISTRATIONS THAT WE CAN GIVE OUT  
12 TO PATIENT ADVOCATES.

13 THIS IS A REAL OPPORTUNITY FOR US TO  
14 ACKNOWLEDGE THE PEOPLE THAT MADE THIS. WE WOULDN' T  
15 BE SITTING HERE. AND IT' S SHORTSIGHTED FOR STEM  
16 CELL SCIENCE TO NOT ENGAGE THE ADVOCATE COMMUNITY IN  
17 THEIR CONFERENCE FRAMEWORK.

18 CHAIRMAN KLEIN: TWO THINGS. I WOULD SAY  
19 THAT THIS IS A VERY GOOD IDEA. I THINK WE COULD  
20 FUND THESE SCHOLARSHIPS. THEY HAVE BEEN CUT DOWN TO  
21 A VERY MINIMUM BUDGET. THE SPONSORSHIP, I THINK, IN  
22 BARCELONA WAS \$500,000. SO WE' VE CUT THIS DOWN TO  
23 THE BONE WITH THEM. AND WHAT I WOULD LIKE TO  
24 SUGGEST IS THAT WE DO HAVE THE FUNDS AND THE ABILITY  
25 TO FOLLOW THROUGH ON JEFF' S SUGGESTION, WHICH IS A

## BARRISTERS' REPORTING SERVICE

1 VERY GOOD ONE.

2 MR. SHEEHY: ACTUALLY, BOB, THAT'S A  
3 BRILLIANT IDEA. SINCE IT'S IN CALIFORNIA, CIRM  
4 COULD ACTUALLY -- PERHAPS WE COULD -- \$200,000, WE  
5 COULD AUGMENT THAT BUDGET. THERE'S A GREAT TEMPLATE  
6 ON THE WEBPAGE, SO THERE'S STIPEND, THERE'S HOTEL  
7 ROOMS. OBVIOUSLY THESE ARE PEOPLE CAN AFFORD TO  
8 ATTEND. THEY SHOULD DO WHAT THEY CAN. BUT FOR  
9 THOSE PATIENT ADVOCATES, WE SHOULD -- PERHAPS WE CAN  
10 LEAVE STAFF TO DEVISE THE PROGRAM.

11 CHAIRMAN KLEIN: I THINK THAT'S EXCELLENT.  
12 I'M GOING TO ASK STAFF TO BRING BACK TO THE JUNE  
13 MEETING A SUGGESTION TO FOLLOW ON WHAT JEFF'S  
14 SUGGESTION IS AND DON'T LIMIT YOURSELF TO TEN. THIS  
15 IS AN IMPORTANT CONTRIBUTION.

16 MR. SHEEHY: I WOULD LEAVE IT TO STAFF AND  
17 BOB.

18 MR. GIBBONS: I DID TALK TO NANCY WITTE,  
19 THE HEAD OF THE ORGANIZATION, AFTER JEFF AND I FIRST  
20 DISCUSSED THIS. AND SHE WAS A LITTLE CONCERNED  
21 ABOUT THE PROCESS, BUT DID NOT CLOSE OUT THE OPTION.  
22 SO I THINK IT IS DEFINITELY SOMETHING WE CAN DISCUSS  
23 WITH HER AND MAKE IT HAPPEN.

24 CHAIRMAN KLEIN: AT THIS BUDGET, I DON'T  
25 THINK IT'S GOING TO HAPPEN. I THINK MORE BROADLY WE

## BARRISTERS' REPORTING SERVICE

1 SHOULD FOLLOW THROUGH ON JEFF'S SUGGESTION,  
2 INCLUDING SOME STIPENDS FOR SOME PEOPLE TO ATTEND IN  
3 OUR BUDGET.

4 MR. SHEEHY: I'M HAPPY OFFLINE TO TALK  
5 WITH BOTH OF YOU SO YOU CAN SEE KIND OF A TEMPLATE  
6 FOR DOING THIS. AND I THINK IT'S VERY VALUABLE FOR  
7 US TO SPONSOR THIS INDEPENDENTLY, TO BE HONEST. I  
8 THINK WHAT ISSCR COULD DO IS PERHAPS NOT -- ALLOW US  
9 THE REGISTRATION COST, BUT THE REST OF THE COST FOR  
10 HAVING PATIENT ADVOCATES ATTEND, WE COULD FIGURE OUT  
11 SOME FORMULA FOR THAT.

12 CHAIRMAN KLEIN: I THINK THE REGISTRATION  
13 COST TO US GETTING THIS PROGRAM WILL BE A SMALL  
14 INCREMENT. SO LET'S KEEP IT CLEAN ON THAT. BUT WE  
15 ALSO HAVE JOHN SIMPSON, I WANT TO GET HIS PUBLIC  
16 COMMENT, PLEASE.

17 DR. ROBSON: I WOULD ASK THAT WE GET A  
18 DECISION TODAY.

19 CHAIRMAN KLEIN: WE'RE GOING TO VOTE.

20 MR. SIMPSON: JOHN SIMPSON, CONSUMER  
21 WATCHDOG. BACK IN DECEMBER WHEN THIS WAS INITIALLY  
22 INTRODUCED, I WAS ONE OF THOSE WHO THOUGHT IT WAS  
23 EXCESSIVE AND AN INAPPROPRIATE USE OF FUNDS. I  
24 THOUGHT VERY LITTLE OF THE PROCESS THAT WAS RUSHING  
25 IT THROUGH. YOU THEN HAD A TELEPHONE CONFERENCE

## BARRISTERS' REPORTING SERVICE

1 WHERE YOU WERE GOING TO TRY TO PASS IT AND YOU  
2 DIDN'T GET A QUORUM. THIS IS EXACTLY THE WAY IT  
3 SHOULD HAVE BEEN DONE IN THE BEGINNING. IT'S A VERY  
4 PERSUASIVE ARGUMENT. I HIGHLY SUPPORT THIS AND  
5 ENDORSE THIS. IT MAKES PERFECT SENSE. I JUST WISH  
6 THAT IT WOULD HAVE BEEN DONE RIGHT THE FIRST TIME,  
7 BUT THIS IS A MODEL FOR HOW THINGS SHOULD BE  
8 PRESENTED TO THE BOARD. THIS IS A WONDERFUL THING  
9 TO DO, AND I ALSO THINK THAT THE IDEA OF STIPENDS IS  
10 SOMETHING THAT CIRM SHOULD LOOK INTO ON ITS OWN  
11 MERIT, NOT JUST THIS CONFERENCE, BUT FOR OTHER ONES.  
12 THANK YOU.

13 CHAIRMAN KLEIN: THANK YOU VERY MUCH.  
14 ADDITIONAL BOARD COMMENTS?

15 DR. AZZIZ: THERE'S -- JUST TO BE CLEAR ON  
16 THE MOTION, THE MOTION, OF COURSE, IS TO APPROVE THE  
17 200,000. HAS THAT BEEN AMENDED TO STATE FREE  
18 REGISTRATION FOR THE ICOC MEMBERS, OR IS THAT  
19 SOMETHING THAT WILL ALSO BE INCLUDED IN THE PACKAGE  
20 THAT WILL RETURN TO DISCUSS AT THE SUBSEQUENT  
21 MEETING? WE HAD THE SECOND, WHICH WAS THE PATIENT  
22 ADVOCATE SUPPORT.

23 CHAIRMAN KLEIN: I'D LIKE TO KEEP THIS  
24 CLEAN. THEY REALLY HAVE COLLABORATED WITH US, AND I  
25 THINK ICOC MEMBERS HAVE TO GO. WE NEED TO ALSO



**BARRISTERS' REPORTING SERVICE**

1 ADDRESS COVERING ICOC MEMBERS' COST TO ATTEND. SO I  
2 THINK WE SHOULD KEEP IT SEPARATE.

3 DR. AZZIZ: THAT'S RIGHT. I THINK WE NEED  
4 TO CLARIFY THE MOTION.

5 CHAIRMAN KLEIN: DUANE ROTH SAID IT IS NOT  
6 PART OF THE MOTION, SO WE'LL DO IT SEPARATELY.

7 SO WITH THAT, I'D LIKE TO CALL THE  
8 QUESTION. WE COULD DO A VOICE VOTE, AND THEN DO  
9 ROLL CALL ON THOSE ON THE PHONE. ALL IN FAVOR?  
10 OPPOSED?

11 MS. KING: MARCY FEIT.

12 MS. FEIT: YES.

13 MS. KING: MICHAEL GOLDBERG.

14 MR. GOLDBERG: YES.

15 MS. KING: PHIL PIZZO.

16 DR. PIZZO: YES.

17 MS. KING: CLAIRE POMEROY.

18 DR. POMEROY: YES.

19 MS. KING: SOUNDS LIKE THAT MOTION  
20 CARRIES.

21 CHAIRMAN KLEIN: THANK YOU VERY MUCH. WE  
22 ARE CLEAR ON OUR AGENDA?

23 DR. TROUNSON: THANK YOU, CHAIR. THE  
24 BOARD SHOULD KNOW THAT MY LACK OF INVOLVEMENT IN  
25 DISCUSSION OF THAT MATTER IS JUST BECAUSE I HAVE A

## BARRISTERS' REPORTING SERVICE

1 CONFLICT. SO IT'S GOOD TO HAVE SOMETHING FINISHED  
2 IN THAT AREA.

3 WHAT I'D LIKE TO DO, IF I MAY, CHAIR, IS  
4 MAKE A SPECIAL THANKS TO THE SCIENTISTS WHO HAVE  
5 BEEN WORKING WITH THE TRANSLATION PROGRAM. IT'S  
6 BEEN A REALLY TOUGH PROGRAM. AS JEFF KNOWS, WE'VE  
7 BEEN UP AND DOWN. WE'VE BEEN SORT OF FORCED TO THE  
8 WALL NOT KNOWING WHETHER WE'RE GOING TO FUND ANY,  
9 FUNDING SOME, WORKING WITH OUR SCIENTISTS WHO ARE  
10 OUT THERE TAKING SOME HARD BLOWS. I THINK IT'S BEEN  
11 QUITE A TRAUMATIC TIME THERE. I THINK THEY'VE DONE  
12 A WONDERFUL JOB, THE WHOLE SCIENCE GROUP, BUT I  
13 WANTED TO PARTICULARLY THANK A COUPLE OF PEOPLE,  
14 PARTICULARLY ROSA, WHO HAS PUT MOST OF HER WHOLE  
15 SORT OF LIFE INTO THIS PROGRAM IN THE LAST SIX  
16 MONTHS. SHE'S DONE A WONDERFUL JOB AND BEEN SO WELL  
17 SUPPORTED BY MARIE AND PAT OLSON AND THE OTHER  
18 SCIENCE MEMBERS.

19 I THINK YOU'VE GOT -- YOU'VE BEEN  
20 PRESENTED A VERY GOOD PROGRAM, AND WE'VE WORKED IT  
21 THROUGH. I'D JUST LIKE TO RECOGNIZE WHAT THEY'VE  
22 DONE. IT'S BEEN FABULOUS.

23 (APPLAUSE.)

24 CHAIRMAN KLEIN: WITHOUT ADDITIONAL  
25 COMMENT FROM THE BOARD, IS THERE ADDITIONAL ENDING

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1 PUBLIC COMMENT? SEEING NONE, THANK THE BOARD  
2 MEMBERS. THANK THE STAFF. MELISSA HAS AN  
3 ANNOUNCEMENT FOR US.

4 MS. KING: THERE IS LUNCH AVAILABLE  
5 DOWNSTAIRS. I INVITE YOU ALL TO JOIN US. I'D LIKE  
6 TO HAVE AS MANY OF YOU AS POSSIBLE JOIN US. I KNOW  
7 THERE'S PROBABLY A STRONG DESIRE TO LEAVE, BUT USC  
8 AND DR. PULIAFITO'S TEAM HAS SEEN TO IT THAT A  
9 WONDERFUL LUNCH HAS BEEN PREPARED. SO IF YOU'RE  
10 HUNGRY AND HAVE TIME TO COME ON DOWN, PLEASE JOIN US  
11 DOWNSTAIRS FOR LUNCH.

12 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND  
13 THANK YOU, USC. LET'S GIVE A HAND TO USC.

14 (APPLAUSE.)

15 (THE MEETING WAS THEN CONCLUDED AT  
16 01:24 P.M.)

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REPORTER' S CERTIFICATE

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

USC KECK SCHOOL OF MEDICINE  
MAYER AUDITORIUM  
1975 ZONAL AVENUE  
LOS ANGELES, CALIFORNIA  
ON  
APRIL 29, 2009

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 BRISTOL STREET  
SUITE 100  
COSTA MESA, CALIFORNIA  
(714) 444-4100