

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: SHERATON SAN DIEGO HOTEL AND MARINA
1380 HARBOR ISLAND DRIVE
SAN DIEGO, CALIFORNIA

DATE: THURSDAY, JUNE 23, 2011
9 A.M.

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

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BARRISTERS' REPORTING SERVICE

I N D E X

ITEM DESCRIPTION	PAGE NO.
1. CALL TO ORDER.	98
2. PLEDGE OF ALLEGIANCE.	99
3. ROLL CALL.	99
REPORTS & DISCUSSION ITEMS	
4. CHAIRMAN'S REPORT.	
5. PRESIDENT'S REPORT.	101
ACTION ITEMS	
6. CONSIDERATION OF CANDIDATES FOR CHAIR OF THE GOVERNING BOARD OF CIRM, INCLUDING ELECTION AND COMPENSATION OF NEW CHAIR.	
CLOSED SESSION (NOT REPORTED)	
PUBLIC REPORT OF ANY ACTION TAKEN DURING CLOSED SESSION.	
ACTION ITEMS	
8. CONSIDERATION OF MINUTES FROM PREVIOUS BOARD MEETING.	
9. CONSIDERATION OF STANDARDS WORKING GROUP RESOLUTION ON U.S. CLINICAL TRIALS.	135
10. CONSIDERATION OF REPORT REGARDING IOM STUDY.	
11. CONSIDERATION OF STAFF RECOMMENDATION TO CORRECT THE AMOUNT OF THE GRANT AWARD APPROVED BY THE BOARD FOR TR2-01794 UNDER THE EARLY TRANSLATIONAL II RFA.	146

BARRISTERS' REPORTING SERVICE

I N D E X (CONT'D.)

	PAGE NO.
12. CONSIDERATION OF RE-APPOINTMENT OF GRANTS WORKING GROUP MEMBERS WITH EXPIRING TERMS	149
13. CONSIDERATION OF PROCESS FOR OBTAINING SUPPLEMENTAL INFORMATION FROM APPLICANTS FOR DISEASE TEAM AND CLINICAL TRIAL AWARDS.	150
14. CONSIDERATION OF RECOMMENDATIONS FROM GOVERNANCE SUBCOMMITTEE REGARDING THE FOLLOWING: A. MEMO FROM BOARD COUNSEL SUMMARIZING AMENDMENTS TO INTERNAL GOVERNANCE POLICY - AMENDMENTS B. CODE OF CONDUCT C. CONSIDERATION OF CONTRACTS ABOVE \$250,000, BUT BELOW \$500,000, INCLUDING THE MITCHELL GROUP, KUTIR CORPORATION, AND NANCY KOCH.	151
15. CONSIDERATION OF PROPOSAL FOR FUNDING EXTENSION TO TRAINING II AWARDS.	
16. CONSIDERATION OF PROPOSAL FOR FUNDING EXTENSION TO BRIDGES TO STEM CELLS AWARDS.	
17. CONSIDERATION OF CONCEPT PROPOSAL FOR NEW FACULTY PHYSICIAN SCIENTIST TRANSLATIONAL RESEARCH AWARD.	
18. CONSIDERATION OF CONCEPT CLEARANCE FOR PROPOSED OPPORTUNITY FUND PROGRAM.	190
19. CONSIDERATION OF AUGMENTATION OF BUDGET OF THE OFFICE OF THE CHAIR TO FUND, AS NECESSARY, CONTRACT FOR FEDERAL GOVERNMENTAL RELATIONS SUPPORT.	253

BARRISTERS' REPORTING SERVICE

I N D E X (CONT'D)

PAGE NO.

20. CONSIDERATION OF RECOMMENDATIONS FROM LEGISLATIVE SUBCOMMITTEE REGARDING THE FOLLOWING:	257
A. POSITION ON US SENATE BILL 23 AND H.R. 1249.	
B. POSITION ON CALIFORNIA AB 190.	
C. AMENDMENT TO BOARD BYLAWS TO AUTHORIZE LEGISLATIVE SUBCOMMITTEE TO TAKE ACTION, BY A TWO-THIRDS VOTE, BETWEEN BOARD MEETINGS WITH RESPECT TO STATE AND FEDERAL LEGISLATION.	
D. PROPOSED ADDITIONAL AGENDA ITEM - CONSIDERATION OF H.R. 1862 (THE REGENERATIVE MEDICINE PROMOTION ACT OF 2011	
21. CONSIDERATION OF POSITION DESCRIPTIONS FOR CHIEF FINANCIAL OFFICER AND DIRECTOR OF PUBLIC COMMUNICATIONS.	252
22. SWEARING IN OF NEW CHAIR	286
23. CONSIDERATION OF RESOLUTION HONORING ROBERT N. KLEIN FOR HIS SERVICE TO CIRM, STEM CELL RESEARCH AND CALIFORNIA PATIENTS.	288
24. PROPOSED ADDITIONAL AGENDA ITEM - CONSIDERATION OF CREATION OF INTELLECTUAL PROPERTY SUBCOMMITTEE AND APPOINTMENT OF SUBCOMMITTEE LEADERSHIP AND MEMBERS.	160
DISCUSSION ITEMS	
25. PUBLIC COMMENT.	133 187

BARRISTERS' REPORTING SERVICE

BARRISTERS' REPORTING SERVICE

1 SAN DIEGO, CALIFORNIA; THURSDAY, JUNE 24, 2011

2 09:29 A.M.

3
4 CHAIRMAN KLEIN: WELCOME TO SAN DIEGO. IT
5 IS WITH GREAT APPRECIATION FOR THE PHENOMENAL
6 CONCENTRATION OF EXPERTISE IN SAN DIEGO THAT WE
7 CELEBRATE TODAY. THIS MEETING IS PERHAPS
8 APPROPRIATE THAT WE BEGAN A MEETING WITH THE
9 NATIONAL ACADEMY BEFORE THE BOARD WAS FORMED,
10 NATIONAL ACADEMY OF SCIENCE, AT UC IRVINE. WE HAVE
11 A HEADQUARTERS OFFICE IN SAN FRANCISCO, AND MY
12 ULTIMATE MEETING AS CHAIR IS IN SAN DIEGO WHERE
13 THERE ARE THREE GREAT CLUSTERS. AND THE LOS
14 ANGELES/ORANGE COUNTY AREA, THE SAN DIEGO AREA, THE
15 SAN FRANCISCO AREA ARE AUGMENTED NOW BY THE
16 PHENOMENAL DEVELOPMENT OF UC DAVIS AND ITS
17 TREMENDOUS STABLE OF RESEARCHERS. AND, OF COURSE,
18 WE REACH OUT INTO THE VALLEYS AROUND LOS ANGELES FOR
19 THE CITY OF HOPE AND UP THE COASTLINE TO UC SANTA
20 BARBARA WITH COURSES THAT PENETRATE THROUGH THE
21 BRIDGES PROGRAM INTO THE INTERIORS OF THE STATE.

22 BUT SAN DIEGO IS A PLACE OF GREAT
23 EXCITEMENT. AND AS WE HEARD THIS MORNING IN THE
24 SPOTLIGHT DELIVERED BY DR. XU, A PLACE THAT IS
25 CONTINUOUSLY ADDING TO THE NEW DISCOVERIES THAT

BARRISTERS' REPORTING SERVICE

1 CHALLENGE US EVERY DAY TO REFINE OUR UNDERSTANDINGS
2 OF THE BASIC SCIENCE THAT WILL BE FUNDAMENTAL TO
3 DEVELOPING THERAPIES.

4 IN OPENING THE MEETING THIS MORNING,
5 THOUGH, IT IS APPROPRIATE WITH HUGE APPRECIATION AND
6 REGRET TO SAY THAT MARGARET FERGUSON WILL BE
7 RETIRING, AND SHE WILL BE RETIRING AFTER I LEAVE THE
8 BOARD. SO MARGARET HAS BEEN A FUNDAMENTAL PILLAR OF
9 THIS ORGANIZATION IN THE ACCOUNTING AND CASH
10 MANAGEMENT AND FINANCIAL SERVICES AREA. I WOULD
11 LIKE US TO PLEASE GIVE A GREAT ROUND OF APPLAUSE TO
12 MARGARET FERGUSON.

13 (APPLAUSE.)

14 CHAIRMAN KLEIN: FORTY-TWO YEARS OF STATE
15 SERVICE. REMARKABLE. AND WE ARE VERY PRIVILEGED
16 THAT THE LAST AND THE BEST YEARS WERE WITH US.

17 WITH THAT, I'D LIKE TO GO IMMEDIATELY TO
18 THE ROLL CALL AFTER THE PLEDGE OF ALLEGIANCE. AND
19 THEN WE WILL GO INTO THE PRESIDENT'S REPORT. I'M
20 GOING TO SAVE MY COMMENTS FOR THE END OF THE DAY.
21 THANK YOU.

22 (THE PLEDGE OF ALLEGIANCE.)

23 MS. KING: ROBERT PRICE FOR ROBERT
24 BIRGENEAU.

25 DR. PRICE: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. KING: FLOYD BLOOM. DAVID BRENNER.
2 JACOB LEVIN FOR SUSAN BRYANT.
3 DR. LEVIN: HERE.
4 MS. KING: MARCY FEIT.
5 MS. FEIT: HERE.
6 MS. KING: MICHAEL FRIEDMAN.
7 DR. FRIEDMAN: HERE.
8 MS. KING: LEEZA GIBBONS. MICHAEL
9 GOLDBERG.
10 MR. GOLDBERG: HERE.
11 MS. KING: SAM HAWGOOD. STEPHEN
12 JUELSGAARD.
13 DR. JUELSGAARD: HERE.
14 MS. KING. BOB KLEIN.
15 CHAIRMAN KLEIN: HERE.
16 MS. KING: SHERRY LANSING.
17 MS. LANSING: HERE.
18 MS. KING: TED LOVE.
19 DR. LOVE: HERE.
20 MS. KING: BERTRAM LUBIN.
21 DR. LUBIN: HERE.
22 MS. KING: SHLOMO MELMED.
23 DR. MELMED: HERE.
24 MS. KING: PHIL PIZZO. CLAIRE POMEROY.
25 DR. POMEROY: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. KING: FRANCISCO PRIETO.
2 DR. PRIETO: HERE.
3 MS. KING: ELIZABETH FINI FOR CARMEN
4 PULIAFITO.
5 DR. FINI: HERE.
6 MS. KING: ROBERT QUINT.
7 DR. QUINT: PRESENT.
8 MS. KING: DUANE ROTH.
9 MR. ROTH: HERE.
10 MS. KING: JOAN SAMUELSON. DAVID
11 SERRANO-SEWELL. JEFF SHEEHY. JON SHESTACK.
12 MR. SHESTACK: HERE.
13 MS. KING: OSWALD STEWARD.
14 DR. STEWARD: HERE.
15 MS. KING: ART TORRES.
16 MR. TORRES: HERE.
17 MS. KING: KRISTINA VUORI.
18 DR. VUORI: HERE.
19 MS. KING: JAMES ECONOMOU FOR EUGENE
20 WASHINGTON.
21 DR. ECONOMOU: HERE.
22 MS. KING: AND WE DO HAVE A QUORUM IN THE
23 ROOM.
24 CHAIRMAN KLEIN: THANK YOU. DR. TROUNSON.
25 DR. TROUNSON: THANK YOU VERY MUCH, CHAIR.

BARRISTERS' REPORTING SERVICE

1 IT'S JUST ONE OF THOSE THINGS, MOMENTS THAT I FEEL
2 IS REALLY PASSING IN HISTORY IN A WAY. I CAME TO
3 JOIN THIS ORGANIZATION AT THE INVITATION OF BOB
4 KLEIN. I DIDN'T UNDERSTAND WHAT HE WAS ASKING ME
5 WHEN HE INVITED ME. YOU ALL KNOW THE STORY. I'VE
6 TOLD IT MANY TIMES. BUT I'VE APPRECIATED THE
7 PARTNERSHIP THAT I'VE HAD WITH BOB. IT'S BEEN A
8 REALLY INTERESTING TIME.

9 THERE HAVE BEEN STRESSES AND STRAINS, BUT
10 WE'VE ALWAYS BEEN FRIENDS, AND WE'VE ALWAYS BEEN
11 ABLE TO RESOLVE ANY DIFFERENCES WE HAD. I THINK WE
12 MADE THIS ORGANIZATION EXTRAORDINARILY STRONG. AND
13 I THINK THAT'S -- IT'S A TESTAMENT TO HIS ABILITY TO
14 WORK AROUND ISSUES, TO GET OUTCOMES, AND FIND A WAY,
15 AND TO LEARN ALL THE TIME. I THINK YOU'RE A REAL
16 HERO TO EVERYBODY IN THE WORLD, BOB. AND THAT'S
17 VERY CLEAR TO ME. YOU'RE SOMETHING VERY SPECIAL TO
18 ME. AND I'M SORRY THAT OUR PARTNERSHIP HERE IS
19 GOING TO END ALTHOUGH OUR FRIENDSHIP WILL GO ON
20 FOREVER.

21 AND I HAVE A NEW PARTNER. I'VE TALKED A
22 LITTLE BIT TO JON BEFORE THE ELECTIONS, AND WE'RE
23 GOING TO OBVIOUSLY NEED TO TALK A LOT MORE. I NEED
24 TO GET TO KNOW HIM AS I ACTUALLY DO WITH BOB. I'VE
25 APPRECIATED SO MUCH WORKING WITH YOU, BOB. I THINK

BARRISTERS' REPORTING SERVICE

1 I'M A BETTER PERSON.

2 AND I MADE A DECISION WHEN -- AND I THINK
3 EVERYBODY HERE PROBABLY KNOWS. MY PARTNER AND MY
4 CHILDREN ARE ALL BACK IN AUSTRALIA. AND I MADE A
5 DECISION THAT THIS WAS MORE IMPORTANT TO ME, TO THIS
6 ORGANIZATION TO DELIVER WHAT WE'VE GOT AND WHAT
7 WE'RE ABOUT TO DO WITHIN THE NEXT FEW YEARS AND TO
8 PUT UP WITH A LONG DISTANCE RELATIONSHIP. SOME
9 PEOPLE DO THAT. IT'S NOT IDEAL. IT'S JUST NOT
10 IDEAL, BUT I THINK THIS IS SO IMPORTANT. SO MY
11 COMMITMENT, WHICH HAS BEEN MADE BY THESE FOUR YEARS
12 BEING WITH YOU, BOB, I GAVE THAT COMMITMENT TO JON
13 THAT THIS WOULD BE -- THIS IS WHAT I'D BE DOING FOR
14 THE NEXT PERIOD OF TIME AS LONG AS THE BOARD FEELS
15 THAT I CAN DELIVER ON THE OPPORTUNITY.

16 SO I WANTED TO SAY THAT BECAUSE SOMETIMES
17 THESE BOIL AWAY IN SOME OTHER CONTEXT. BUT MY
18 CHILDREN HAVE UNDERSTOOD THIS COMMITMENT AS MY
19 PARTNER HAS, BUT SHE NEEDS TO RESTART A CAREER, AND
20 SHE CAN'T DO IT IN CALIFORNIA. AND WE HAVE A BOY
21 BACK IN AUSTRALIA WHO NEEDS HER.

22 CHAIRMAN KLEIN: THANK YOU FOR THE KIND
23 WORDS.

24 DR. TROUNSON: SO THIS SLIDE IS JUST GOING
25 TO LET YOU KNOW THAT WE'RE GOING TO -- I'M GOING TO

BARRISTERS' REPORTING SERVICE

1 BRING FORWARD SOME INFORMATION ON THE PORTFOLIO THAT
2 WE'VE GOT IN THE PROGRAM, THE CIRM PORTFOLIO. SO I
3 WANT TO DO THIS WITH THE HEART, AND YOU'LL PROBABLY
4 GET SOMETHING OUT OF THIS. NEXT TIME I STAND UP, I
5 THINK WE'LL BE TALKING ABOUT THE ACTUAL PORTFOLIO ON
6 THE HEART, AND THERE'S ENABLING TECHNOLOGY, BASIC
7 SCIENCE, CANDIDATE DISCOVERY, AND THE PRECLINICAL,
8 CLINICAL DEVELOPMENT, TO GIVE YOU SOME IDEA WHERE WE
9 ARE WITH SOME OF THESE DISEASES AND CONDITIONS.

10 I THINK THE BOARD HAS SAID TO ME THAT
11 THEY'D LIKE TO KNOW ACTUALLY WHERE WE ARE IN THESE
12 SPACES, WHAT I MIGHT THINK IS BLANK SPACES OR NEEDS,
13 AND WHERE REALLY WE'VE HAVEN'T -- WHERE WE'VE GOT A
14 FULL PORTFOLIO AND WHERE THINGS ARE REALLY DRIVING
15 HARD. SO I'M GOING TO DO THAT. AND PLEASE FEED
16 INTO ME AS WE GO FORWARD BECAUSE I'LL MAKE
17 ADJUSTMENTS TO ACCOMMODATE WHAT YOU PARTICULARLY
18 NEED. SO THIS WAS FOR THE NEXT TIME.

19 I ALSO WANT TO -- THERE'S A LOT OF WORDS
20 ON THERE. IF YOU LOOK AT THE HANDOUT, THERE'S A
21 VERY INTERESTING PAPER THAT WAS PUBLISHED IN *NATURE*
22 *BIOTECHNOLOGY* IN JUNE. I ENCOURAGE YOU TO READ IT
23 BECAUSE IT'S ABOUT U.S. ATTITUDES TO HUMAN EMBRYONIC
24 RESEARCH. AND TO READ JUST A COUPLE OF THESE PARTS,
25 BUT PLEASE READ THEM YOURSELF. PUBLIC SUPPORT IS

BARRISTERS' REPORTING SERVICE

1 REALLY VERY HIGH FOR WHAT WE DO.

2 AND THE SUPPORTERS OUTNUMBER OUR OPPONENTS
3 IN THIS AREA SIX TO ONE. IT'S SIX TO ONE IN FAVOR
4 OF WHAT WE DO, AND IT REALLY -- FOR TREATING THE
5 KIND OF DISEASES WITH EMBRYONIC STEM CELLS AND SCNT.
6 SO, SHERRY, WE'RE REALLY -- THE PEOPLE ARE REALLY
7 BEHIND US. ONE MIGHT THINK THAT THE CRITICISMS THAT
8 WE GET EMANATING OUT OF SOME STATES IS REALLY
9 BECAUSE THE PEOPLE DON'T SUPPORT US. THAT'S WRONG.
10 THIS IS A REALLY TOP SURVEY. IT'S DONE WITH OVER --
11 A VERY DEDICATED PROFESSIONAL SURVEY DONE WITH OVER
12 2,300 INTERVIEWS AND RIGHT ACROSS THE BOARD IN A
13 RANDOMIZED WAY. THIS IS A REALLY GOOD SYNC OF
14 ATTITUDES THERE.

15 SO THERE IS NO DIFFERENCE IN THE ATTITUDE
16 BETWEEN EMBRYONIC STEM CELLS AND THE ADULT STEM
17 CELLS AND THE IPS CELLS. THERE'S ACTUALLY NO
18 DIFFERENCE AT ALL IN THE PEOPLE'S ATTITUDE TO IT.
19 SO FEEL STRONG AND DON'T FEEL -- I THINK THERE ARE
20 TIMES WHEN WE GET WORN AWAY THROUGH SOME POLITICAL
21 PROCESSES AND BECAUSE THERE'S A STRONG VOICE
22 SOMETIME FROM THE NEGATIVE INTERESTS THAT MAKE US
23 FEEL THAT WE'RE ON EDGE. WE ARE NOT ON EDGE.

24 I HAVE A FEELING, DESPITE THE DREADFUL
25 ECONOMY, YOU MIGHT THINK I'M CRAZY, BUT I THINK WE'D

BARRISTERS' REPORTING SERVICE

1 WIN A PROPOSITION TODAY. THERE'S SIX TO ONE IN
2 SUPPORT OF US. THEY ACTUALLY CARE ABOUT US DOING
3 SOMETHING FOR PEOPLE. THEY CARE THAT WE'RE IN THERE
4 AND THAT WE'RE HAVING A GO AND WE'RE DELIVERING.
5 THEY CARE MORE ABOUT THAT THAN ANYTHING ELSE.
6 THAT'S WHAT THIS SURVEY SAYS. SO FEEL STRONG ABOUT
7 IT. YOU'VE GOT THE WHOLE OF THE U.S. BEHIND YOU.

8 I JUST CAME BACK FROM THE NIH, AND THEY
9 SAID YOU'RE A BREATH OF FRESH AIR TO US. AND WE
10 LIKE THE WAY YOU PRESENT GOING FORWARD AND TAKING
11 EMBRYONIC STEM CELLS, PLOWING THROUGH AND DELIVERING
12 ON THIS. IT'S SO REFRESHING TO US THAT WE WANT TO
13 JOIN YOU AS BEST WE CAN. AND I THINK THAT MESSAGE
14 NEEDS TO GO STRONGLY AROUND FROM US BECAUSE THE
15 PEOPLE OF THE U.S. ARE IN SUPPORT OF YOU, THEY'RE IN
16 SUPPORT OF US, AND HAVE NO DOUBT ABOUT IT.

17 THIS IS A GOOD SURVEY TO READ. AND EVEN
18 IF THEY'RE OFF BY A FEW POINTS, THIS IS A VERY
19 STRONG ENDORSEMENT OF WHAT WE'RE DOING. WELL WORTH
20 READING THAT ARTICLE. SO IF YOU NEED IT, I CAN GET
21 PAT BECKER TO SEND IT DIRECTLY TO YOU.

22 CHAIRMAN KLEIN: I THINK THAT WOULD BE A
23 GREAT SUGGESTION.

24 DR. TROUNSON: OKAY. WE'VE JUST BEEN AT
25 THE ISSCR. SO I AND THE STAFF PUT TOGETHER A FEW

BARRISTERS' REPORTING SERVICE

1 HIGHLIGHTS, AND WE PUT THEM ON THERE BECAUSE THIS IS
2 A GREAT MEETING. IT'S THE GREAT MEETING OF THE YEAR
3 APART FROM OUR OWN MEETING, OF COURSE, WHICH IS
4 RANKED PROBABLY AT THE SAME LEVEL OR OCCASIONALLY
5 EVEN HIGHER. THIS IS THE WORLD, THIS IS THE WORLD
6 DATA BEING DELIVERED.

7 SO I'VE ACTUALLY IDENTIFIED SOME OF THE
8 REAL KEY POINTS THERE, AND I'VE GONE THROUGH THEM.
9 IT'S WORTH READING THESE, AND I DON'T WANT TO READ
10 THEM ALL, SO I'LL ACTUALLY GO TO A FEW OF THEM. I
11 WANT TO PULL UP THE ONE ON LAURA NIKLASON FROM YALE
12 UNIVERSITY. SHE SPOKE TO WORK ON PULMONARY TISSUES,
13 THE LUNG. IT'S AN AREA WHICH I'VE ALWAYS LOVED, AND
14 THAT'S WHERE I CAME FROM BEFORE I CAME HERE. BUT
15 SHE GAVE A SYNOPSIS OF THESE CELLULARIZING LUNG
16 TISSUES.

17 SO YOU TAKE A LUNG, A WHOLE LUNG, AND YOU
18 DECELLULARIZE, YOU REMOVE ALL THE CELLS FROM IT.
19 SO, THEREFORE, YOU'VE GOT NOTHING THAT'S ANTIGENIC
20 IN WHAT'S LEFT. SO YOU'VE GOT THE STRUCTURE OF THE
21 LUNG, BUT THERE'S NO CELLS THERE. WHAT THEY'VE BEEN
22 ABLE TO DO IS TISSUE ENGINEERING WHERE THEY'RE
23 ACTUALLY ABLE TO PUT BACK THE PRINCIPAL STEM CELL
24 POPULATION AND ACTUALLY CREATE A WHOLE NEW LUNG.
25 THIS IS IN A MOUSE. AND A LUNG WHICH CAN ACTUALLY

BARRISTERS' REPORTING SERVICE

1 EXCHANGE GAS. IT PROVIDES A BARRIER TO BLOOD,
2 ALLOWS THE BLOOD SYSTEM TO COME IN, AND YOU GET A
3 WHOLE APPARENTLY FUNCTIONING LUNG. THIS IS TISSUE
4 ENGINEERING AT THE HIGHEST ORDER.

5 AND THIS IS SOMETHING, SOME OF THIS AREA
6 WE NEED HERE IN CALIFORNIA. I THINK WE'RE A LITTLE
7 BEHIND IN THE TISSUE ENGINEERING AREA, I JUDGE IT.
8 THIS IS A BEAUTIFUL PIECE OF WORK. IT'S OUT OF
9 YALE.

10 AND I TALKED TO AND BOB HAS TALKED TO
11 CONNECTICUT, I'VE TALKED TO PEOPLE IN CONNECTICUT
12 AGAIN AT THIS MEETING. I WANT TO SORT OF CREATE A
13 LINKAGE WITH YALE AND THE RESEARCHERS THERE BECAUSE
14 I THINK WE NEED TO CONNECT WITH THAT. WE'VE GOT
15 GREAT LUNG RESEARCHERS HERE IN CALIFORNIA, BUT
16 THEY'RE NOT REALLY HARD ON THIS AREA. SO THIS IS
17 GOING TO DEVELOP BEAUTIFULLY, AND YOU CAN IMAGINE
18 THAT WE MIGHT BE ABLE TO REPLACE SOME LUNG TISSUE IN
19 PATIENTS. THIS WOULD BE PHENOMENAL. THIS WOULD
20 OFFER SOMETHING THAT CURRENTLY THERE IS NO
21 OPPORTUNITY TO DO. SO I THINK THAT'S REALLY
22 CRITICAL.

23 I THINK THERE WAS ALSO SOME BEAUTIFUL WORK
24 BY THE RESEARCHERS IN ITALY, MICHELE DELUCA USING
25 LIMBAL STEM CELLS. BE SURE ABOUT LIMBAL STEM CELLS.

BARRISTERS' REPORTING SERVICE

1 THESE ARE THE CELLS IN THE EYE. THIS
2 TRANSPLANTATION SYSTEM WORKS. SO THIS IS ONE OF THE
3 BEST CELL THERAPIES, THE MOST ADVANCED CELL
4 THERAPIES THAT'S GOING. AND LIMBAL STEM CELL
5 TRANSPLANTATION IS EFFECTIVE, WORKS BEAUTIFULLY, AND
6 IT IS ONE OF THE LEADERS IN THE AREA.

7 AND I WOULD HOPE THAT IF WE PUSH ON INTO
8 SOME OF THE AREAS THAT I HOPE WE DO THIS YEAR IN
9 CREATING ALPHA STEM CELL CLINICS, THAT THE LIMBAL
10 STEM CELL WORK WILL BE PART OF THE AREA THAT WE
11 ADOPT HERE IN CALIFORNIA, PART OF THE STEM CELL
12 CLINIC THAT WE TAKE SOME OF THE LEADING WORK THERE
13 WITH OUR TERRIFIC EYE MEDICAL INSTITUTES AND TURN
14 THAT INTO A STEM CELL CLINIC THAT WOULD START
15 DELIVERING SOME OF THESE THINGS.

16 I THINK BOTH HANS CLEVERS AND CHRISTINE
17 MUMMERY, BOTH FROM THE NETHERLANDS, WE'VE BEEN
18 WORKING VERY HARD TO GET A CONNECTION WITH THESE TWO
19 SCIENTISTS. THESE ARE MAGNIFICENT SCIENTISTS.
20 CHRISTINE MUMMERY IS AN OLD FRIEND OF MINE. I'VE
21 WORKED WITH HER A LOT OVER THE MANY DECADES. SHE IS
22 JUST DOING WONDERFUL WORK IN THE HEART. AND THIS
23 SORT OF WORK WE OUGHT TO CONNECT TO OUR PORTFOLIO.

24 AND SO WE'RE WAITING TO GET THIS
25 ARRANGEMENT WITH THE NETHERLANDS WHERE WE CAN CLICK

BARRISTERS' REPORTING SERVICE

1 IN, HOPEFULLY, IF WE GET YOUR APPROVAL FOR THE
2 OPPORTUNITY FUND, TO WORK WITH BOTH CHRISTINE
3 MUMMERY AND HANS CLEVERS, WE'LL REALLY DRIVE A NEW
4 AREA IN OUR RESEARCH IN A REALLY TERRIFIC WAY. AND
5 I THINK THEY'RE REALLY KEEN TO DO IT. HERE'S A
6 GREAT OPPORTUNITY. THE WORK IS MAGNIFICENT,
7 CHRISTINE IN THE LUNG AND HANS IN THE INTESTINE.
8 THEY'RE MAKING CELLS THAT LOOK REALLY, REALLY
9 EFFECTIVE IN WHAT THEY DO. AND I THINK IT'S A GOOD
10 CONNECTION, A GOOD OPPORTUNITY TO MOVE TOGETHER.

11 I THINK SOME OF THE OTHER WORK FROM OUR
12 CIRM TRAINEES AND RESEARCHERS, GRANTEES, ERNESTO
13 LUJAN IN MARIUS WERNIG'S LAB AT STANFORD DOING
14 FANTASTIC WORK ON THE DIRECT REPROGRAMMING AREA AND
15 REALLY SORT OF LIGHTING THAT UP. I ACTUALLY FEEL
16 THIS IS A WAY TO RECHARGE AND RENEW ADULT SYSTEMS;
17 THAT IS, CHANGE A CELL IN THE TISSUES INTO A CELL
18 THAT WE NEED. SO WHEN WE'RE LOSING A CELL TYPE, WE
19 CAN PROBABLY RECHARGE THAT STEM CELL SYSTEM IF WE
20 ACTUALLY UNDERSTAND DIRECT REPROGRAMMING. SO
21 RENEWING A WHOLE SET OF TISSUES THAT WE CAN'T
22 ACTUALLY GET MOTIVATED AND MOBILIZED AT THE MOMENT
23 BECAUSE EITHER THEY'RE NOT THERE OR THERE'S A
24 BLOCKAGE THERE. WE CAN ACTUALLY CONVERT OTHER CELLS
25 TO THAT. AND THE HEART, I THINK, ALSO OFFERS THAT

BARRISTERS' REPORTING SERVICE

1 OPPORTUNITY FROM THE WORK THAT'S GOING ON IN THE
2 GLADSTONE.

3 THEA TISTY, WE WENT WITH THEA TO
4 AUSTRALIA. I MEAN SHE'S DOING SOME MAGICAL WORK ON
5 MAMMARY DUCTAL EPITHELIAL CELLS. THESE ARE CELL
6 POPULATIONS THAT THEY CAN MAKE IN AN EXTRAORDINARY
7 WAY FROM THE MAMMARY GLAND. ARE THEY REALLY
8 PLURIPOTENTIAL FROM THE MAMMARY GLAND? THESE CELLS
9 LOOK EXTRAORDINARY. THEY'RE MULTIPOTENTIAL.
10 THEY'RE RELATIVELY EASY TO OBTAIN THROUGH BIOPSY
11 PROCEDURES, AND THEY COULD WELL OFFER ANOTHER AVENUE
12 FOR OUR WORK. AND I THINK EVERYBODY WAS REALLY
13 QUITE SURPRISED THAT THIS TISSUE OFFERS SUCH A
14 RADICAL AND NEW OPPORTUNITY IN STEM CELLS.

15 AGAIN, I THINK, GOING BACK TO YALE, IN
16 ADDITION TO THE LUNG, THEY'RE DOING SOME OTHER
17 BEAUTIFUL WORK ON VASCULAR ENGINEERING USING
18 BIODEGRADABLE TUBES. NOW, THIS KIND OF ENGINEERING
19 THAT THEY'RE ABLE TO ACHIEVE HERE AT YALE LOOKS
20 TERRIFIC. IT ACTUALLY LOOKS LIKE IT WORKS. AND
21 THEY'VE HAD UP TO 25 PATIENTS WITH SIX OR SEVEN
22 YEARS FOLLOW-UP NOW. THIS WORK HAS BEEN HELD BACK
23 FROM A LOT OF PUBLICATION AND A LOT OF -- AND IT
24 LOOKS LIKE IT'S WORKING.

25 SO I ACTUALLY THINK WE DON'T HAVE ANY OF

BARRISTERS' REPORTING SERVICE

1 THIS KIND OF WORK IN OUR PORTFOLIO. SO, AGAIN,
2 THROUGH THE OPPORTUNITY GRANT OR THROUGH THE
3 CONNECTIONS WITH CONNECTICUT, WE OUGHT TO MAKE THAT.
4 THESE ARE REALLY A GOOD COUPLE OF OPPORTUNITIES FOR
5 DOING WHAT OUR EXTERNAL REVIEW RECOMMENDED THAT WE
6 DO. AND IT'S SOMETHING I TALKED A LITTLE BIT TO BOB
7 AND TO A COUPLE OF OTHER BOARD MEMBERS. I THINK
8 IT'S EXCITING. WHY NOT BRING THESE THINGS IN
9 BECAUSE THEY LOOK LIKE THEY'RE MOVING VERY WELL IN
10 OTHER PARTS OF THE WORLD, OTHER PARTS OF THE
11 COUNTRY, AND HERE'S A CHANCE TO LINK INTO OUR
12 TOP-LINE RESEARCHERS AND CLINICIANS AND DELIVER IT
13 INTO CALIFORNIA.

14 CHAIRMAN KLEIN: AND, DR. TROUNSON, WITH
15 THE EMPHASIS ON THE GREAT WORK BEING DONE AT YALE,
16 AND NOT BECAUSE WE HAVE A CHAIR THAT GRADUATED NOW
17 FROM YALE, I'D LIKE TO SAY THAT AT THE ISSCR
18 MEETING, THE HEAD OF THE CONNECTICUT STEM CELL
19 MOVEMENT ASKED THAT WE PROVIDE A LETTER OF SUPPORT
20 FROM OUR AGENCY TO THE GOVERNOR ASKING THAT THEY
21 INCREASE THEIR FUNDING IN CONNECTICUT SO THEY COULD
22 PARTNER WITH CALIFORNIA AND JOIN THE PLATFORM YOU
23 SET UP FOR MARYLAND AND YOU'RE SEEKING WITH OTHER
24 STATES.

25 DR. TROUNSON: RIGHT. SO I THINK THESE

BARRISTERS' REPORTING SERVICE

1 ARE BECOMING EFFECTIVE, THESE RELATIONSHIPS. AND
2 THEY'RE NOT VERY OLD, BUT THEY'RE VERY EFFECTIVE.
3 AND I SEE THESE COLLABORATIVE FUNDING PROJECTS
4 WORKING VERY WELL BECAUSE I KNOW IN THE UK OR
5 AUSTRALIA AND CALIFORNIA, THE LIGHT'S NEVER GOING
6 OFF IN THESE PROJECTS. THEY'RE WORKING 24 HOURS A
7 DAY. THAT'S PRETTY COOL FOR OUR PROJECTS.

8 ALSO, RUDY JAENISCH, WHO IS REALLY ONE OF
9 THE TOP-LINE RESEARCHERS IN THE WORLD, IS ACTUALLY
10 COMING TO DO A SABBATICAL WITH RUSTY GAGE. THAT
11 OUGHT TO SORT OF BLOW SOMETHING UP. THAT OUGHT TO
12 TURN SOME WHEELS SOMEWHERE. BUT HE ACTUALLY WAS --
13 IT WAS VERY INTERESTING BECAUSE HE SAID THAT THERE
14 ARE DIFFERENCES BETWEEN EMBRYONIC STEM CELLS AND IPS
15 CELLS, BUT THERE'S DIFFERENCE BETWEEN EMBRYONIC STEM
16 CELLS AND EMBRYONIC STEM CELLS AND IPS CELLS AND IPS
17 CELLS.

18 SO THIS IS DRIVING ME MORE VIGOROUSLY
19 TOWARDS GETTING US A BETTER CAPACITY IN GENOMICS
20 BECAUSE, AS YOU JUST HEARD FROM OUR SPOTLIGHT TODAY,
21 WE NEED TO KNOW BETTER, MORE AND IN A BETTER WAY,
22 ABOUT THE GENOMICS, WHAT'S GOING ON IN EPIGENOMICS
23 AND GENOMICS BECAUSE IF THERE ARE DIFFERENCES HERE
24 THAT WE CAN'T PREDICT, WHAT YOU'RE GOING TO GET IS
25 DIFFERENCES IN INTERPRETATION OF YOUR EXPERIMENTS,

BARRISTERS' REPORTING SERVICE

1 NO. 1. AND SECONDLY, YOU ARE GOING TO GET SURPRISES
2 WHEN YOU GO TO THE CLINIC.

3 SO LET'S -- I'M GOING TO TRY AND PUSH THIS
4 VERY HARD. IT IS SOMETHING THAT DUANE ROTH HAS BEEN
5 VERY KEEN ABOUT. WE DO AS WELL. I'LL HAVE SOME
6 INTERESTING ANNOUNCEMENTS COMING OUT VERY SHORTLY
7 ABOUT CONNECTIONS WITH INDUSTRY IN THIS REGARD. BUT
8 I THINK WE NEED TO DO SOMETHING SPECIAL. I'M GOING
9 TO BRING THAT TO THE BOARD IN THE TERM OF A WHITE
10 PAPER ON GENOMICS TO GIVE US MORE POWER, LIFT THAT
11 PLATFORM, LIFT STEM CELLS AND GENOMICS, AND GIVE US
12 THE CAPACITY TO REALLY DRIVE THROUGH THERE AT THE
13 TOP OF THE WORLD.

14 SO RUDY'S TALK, I THINK, WAS VERY SALIENT
15 IN RESPECT TO THIS. AND SINCE HE'S GOING TO BE, WE
16 OUGHT TO TAKE THE OPPORTUNITY WHEN HE'S IN
17 CALIFORNIA FOR SOME MONTHS ON SABBATICAL TO GIVE US
18 A TALK, I THINK, HERE. HE IS REALLY QUITE AN
19 EXCITING SCIENTIST.

20 DR. PRICE: MAYBE WE CAN RECRUIT HIM.

21 DR. TROUNSON: RUDY WOULD BE A VERY
22 EXPENSIVE RECRUIT. WE MIGHT EVEN BREAK THE BANK
23 HERE, BUT WE TRIED.

24 LASTLY, THERE WAS A TERRIFIC TALK FROM
25 CHARLES SABINE, WHO'S A FORMER NBC REPORTER. AND HE

BARRISTERS' REPORTING SERVICE

1 WAS AT THE PATIENT ADVOCATE SESSION. CHARLES IS A
2 PATIENT ADVOCATE WHO LOST HIS FATHER THROUGH
3 HUNTINGTON'S DISEASE AND WAS RECENTLY DIAGNOSED WITH
4 THE MUTATION FOR THE HUNTINGTON GENE. THIS IS VERY
5 BAD NEWS FOR HIM. BUT AS A WAR REPORTER, HE COVERED
6 TWO WARS, THE ONES IN IRAQ AND KOSOVO, AND WITNESSED
7 TERRIBLE, TERRIBLE THINGS, DEATH, BRUTAL KILLINGS,
8 TORTURES, AND TERRIBLE TRAGEDIES, BUT HE WAS STRUCK
9 WITH THE HUMANITY OF WHAT HE ALSO SAW IN THESE WARS.

10 HE SAW SOME OF THE OTHER SIDE AS WELL.
11 AND WITH THE INTERACTIVE VIDEOS, HE SHARED THOSE
12 RARE MOMENTS WITH A VERY CLEAR MESSAGE, THAT WITHOUT
13 DIGNITY AND HOPE, THERE IS NO HUMANITY. THERE IS NO
14 HUMANITY. I THINK THAT WAS A VERY, VERY SALIENT AND
15 HEARTFELT CONCLUSION REALLY.

16 SO SIMILARLY, HE'S WITNESSED HOW HIS
17 BRILLIANT FATHER SLOWLY LOST HIS MIND AND HIS
18 DIGNITY AS THE HUNTINGTON'S DISEASE PROGRESSED. HIS
19 MESSAGE WAS THAT WHILE WE HAVE HOPE FOR CURES, THIS
20 WILL KEEP US GOING. AND THIS IS EXACTLY WHAT
21 CHRISTOPHER REEVE USED TO TELL ME. SCIENCE AND
22 TECHNOLOGY PROVIDES A HOPE THAT WE'LL BE ABLE TO
23 INTRODUCE NEW THERAPIES AND PRESERVE THE DIGNITY TO
24 HUMANITY. I THINK IT WAS A TERRIFIC SET OF
25 MESSAGES. HE'S AN INSPIRATIONAL MAN. AND WITHOUT

BARRISTERS' REPORTING SERVICE

1 SOME TREATMENT, HE'S GOING TO GO THE SAME WAY AS HIS
2 FATHER. YOU CANNOT STOP THAT DISEASE AT THE PRESENT
3 TIME.

4 SO I THINK IT WAS A TERRIFIC MEETING. AND
5 YOU ENJOYED IT, BOB, AND I KNOW THAT OTHER PEOPLE,
6 THE SCIENCE OFFICERS, AND WE HAD A GREAT TIME THERE.
7 WE REJOICED IN THE SCIENCE. BUT I ACTUALLY WAS
8 WORKING PRETTY HARD ON ACHIEVING SOME THINGS FOR
9 CIRM AS WELL.

10 SO WE'RE GETTING SCOTLAND TO SIGN AN MOU
11 WITH US. SO THE BAGPIPES WILL BE PLAYING WITH CIRM,
12 AND THAT'S GOOD. NEW YORK STEM CELL FOUNDATION IS
13 GOING TO BOLT ONTO CIRM AWARDS. THEY'VE AGREED TO
14 DO THAT THE SAME WAY AS MARYLAND, SO THAT'S GOOD.
15 WE'VE BEEN TRYING TO GET THAT TO HAPPEN. THE
16 NETHERLANDS ARE GOING TO SIGN AN MOU. CONNECTICUT,
17 AS I JUST SAID, IS EXPLORING A COLLABORATIVE FUNDING
18 RELATIONSHIP. AND THERE'S ALSO A LINK PROPOSED TO
19 THE HARVARD STEM CELL INSTITUTE, AND THEY'RE A
20 TERRIFIC GROUP OF PEOPLE. THEY'RE A FIERCELY
21 COMPETITIVE SCIENCE GROUP. THEY ACTUALLY WANT TO
22 WORK WITH US. THEY REALLY WANT TO WORK WITH US.
23 AND WE SAID WHY DON'T WE GET A PROJECT TO
24 DEMONSTRATE THAT WE CAN REACH ACROSS CALIFORNIA TO
25 HARVARD. I THINK THAT'S REALLY WORTHWHILE. THAT

BARRISTERS' REPORTING SERVICE

1 WILL SAY SOMETHING. SO THAT'S ON.

2 AND CANADA IS GOING TO BROADEN THEIR
3 RELATIONSHIP WITH US BEYOND CANCER. WE'VE GOT A
4 MAJOR PHARMA AND CIRM APPROACHING A JOINT FUNDING
5 AGREEMENT. THEY'RE VERY, VERY POSITIVE ABOUT THIS.
6 WE'LL BE BRINGING THIS THROUGH YOUR SYSTEMS, THROUGH
7 THE NEW CHAIR FOR YOU TO CONSIDER THAT, BUT THIS
8 LOOKS REALLY, REALLY INTERESTING TO US.

9 THERE'S A POTENTIAL APPLICATION
10 OPPORTUNITY FOR CIRM TO ENTER INTO PHASE II B
11 STUDIES IN CLINICAL TRIALS. I THINK THIS IS A GOOD
12 THING, AND I'M VERY IMPRESSED. THESE ARE STEM CELL
13 STUDIES THAT NEED TO GO UNDER II B. AND I SAID I'M
14 REALLY ENCOURAGING FOR YOU TO COME INTO OUR NEXT
15 DISEASE TEAM. GIVE US A PRESENTATION. I'M STARTING
16 TO TALK TO THAT GROUP AND SEE IF THEY'RE PREPARED TO
17 DO THAT BECAUSE THAT WILL GET SOME OF OUR KEY PI'S.
18 IF THAT SHOWS EFFECTIVENESS FOR TREATMENT IN THE
19 NEURODEGENERATIVE AREA, THAT WILL BE GOOD. THAT'S
20 WHAT WE WANT, AND THAT'S WHAT I THINK WE CAN ALSO
21 DEMONSTRATE TO THE CALIFORNIA POPULATION, THAT WE'RE
22 HAVING SOME REALLY MAJOR EFFECTS. WITHOUT OUR
23 FUNDING, MAYBE THESE TRIALS WON'T GO AHEAD. BUT
24 THEY HAVE TO GO THROUGH THE REVIEW PROCESS, BUT THE
25 OPPORTUNITY IS THERE AND I THINK IT'S A GREAT ONE.

BARRISTERS' REPORTING SERVICE

1 ISSCR OFFERED US A REGIONAL TRANSLATION
2 MEETING IN CALIFORNIA IN 2014. IT MIGHT BE 2014
3 THAT WE WANT TO SEE IF WE CAN GO FOR REFUNDING OF
4 THE PROPOSITION. SO THEY'RE IN SUPPORT OF US TO DO
5 THAT. SO WE WILL TAKE UP THAT OFFER, I THINK, AND
6 GET IT INTO A POINT WHERE WE CAN DEMONSTRATE TO
7 CALIFORNIA WHAT WE'VE BEEN ABLE TO DO CLINICALLY.

8 CHAIRMAN KLEIN: AND, DR. TROUNSON, I'D
9 LIKE TO SAY AT THE ISSCR I MET WITH DR. TOM HUDSON,
10 WHO'S THE HEAD OF CANCER RESEARCH FUNDING FOR
11 ONTARIO. GIVEN CALIFORNIA'S FUNDING, DR. HUDSON, IN
12 COMMENTING ON THE CANADA-CALIFORNIA COLLABORATION,
13 AS HE CALLS IT, INSTEAD OF CALIFORNIA-CANADA
14 COLLABORATION, SAID THAT THE TWO MAJOR DISEASE TEAM
15 GRANTS THAT WE HAVE WITH CANADA, ONE THAT INVOLVES
16 DR. CARLSON AND DR. CATRIONA JAMIESON HERE IN SAN
17 DIEGO AT UC SAN DIEGO, ONE THAT INVOLVES DR. SLAMON
18 AT UCLA, IN LOOKING AND EVALUATING FROM THE POSITION
19 OF ONTARIO, HE SAID THESE ARE THE BEST TWO
20 INVESTMENTS IN THE HISTORY OF CANCER RESEARCH FOR
21 CANADA. THAT IS A PHENOMENAL STATEMENT.

22 THE CANADIAN GOVERNMENT OF ONTARIO JUST
23 APPROVED 442 MILLION FOR DR. HUDSON FOR THE NEXT
24 FIVE YEARS. SO THEY'RE GOING TO HAVE A MAJOR SOURCE
25 OF FUNDING IN NORTH AMERICA. IT IS CALIFORNIA, IT

BARRISTERS' REPORTING SERVICE

1 IS MASSACHUSETTS, AND GOES ON TO ONTARIO IN TERMS OF
2 THE DENSITY OF -- IT GOES TO ONTARIO AS A DENSITY OF
3 BIOMEDICAL RESEARCH AND PRODUCTIVITY AND
4 PUBLICATIONS IN BIOMEDICAL RESEARCH. SO THEY'RE A
5 STRATEGIC PARTNER. THEY ARE INCREDIBLY IMPRESSED.

6 AS DR. TROUNSON JUST SAID, IN THIS MEETING
7 THEY INDICATED THAT THE NETWORK IN CANADA IS GOING
8 TO BE EXPANDING BEYOND CANCER. THEY HAVE SOME
9 TREMENDOUS WORK THERE. GORDON KELLER IS IN CANCER.
10 AS WE KNOW, SAM WEISS OUT OF ALBERTA, NOW MOVED AND
11 IS IN MS. THEY HAVE TREMENDOUS WORK IN THE EDMONTON
12 PROTOCOL. SOME OF THOSE RESEARCHERS ARE NOW AT UC
13 IRVINE. BUT IN DIABETES, THEY'RE GREAT LEADERS. SO
14 WE HAVE A STRATEGIC PARTNER THAT HAS SEEN HUGE
15 VALUE. AND TOM INDICATED HE EXPECTS SOME MAJOR
16 PUBLICATIONS OUT SOON THAT WILL HAVE A SIGNIFICANT
17 IMPACT IN THE CANCER WORLD FROM THOSE TWO PROJECTS
18 ALONE.

19 DR. TROUNSON: GREAT. SO IT'S CONTINUALLY
20 A GOOD STORY, I THINK. WE'RE PROGRESSING
21 DISCUSSIONS WITH PROBABLY THE MAJOR STEM CELL
22 BIOTECH COMPANY IN THE WORLD, AT LEAST THE LARGEST
23 CAPITALLY SUPPORTED COMPANY IN THE WORLD, AND THAT'S
24 PROGRESSING. AND SO WE PROBABLY WILL COME FORWARD
25 AGAIN TO THE BOARD WITH SOME RECOMMENDATION, BUT IT

BARRISTERS' REPORTING SERVICE

1 LOOKS VERY POSITIVE.

2 OUR STEM CELL TRANSLATIONAL JOURNAL WAS
3 LAUNCHED WITH VERY, VERY STRONG INTEREST FROM ISSCR
4 MEMBERS TO CONTRIBUTE TO THE JOURNAL. THEY'RE
5 OVERWHELMED, ABSOLUTELY OVERWHELMED. SO THEY'RE
6 GOING TO GET OFF TO A ROARING START. AND I THINK I
7 ACTUALLY SAID, WELL, BOB KLEIN IS GOING TO HAVE A
8 LOT MORE TIME. SO HE CAN WRITE THE INTRODUCTION FOR
9 THE PROGRAM IN STEM CELLS WHERE THEY'RE GOING TO
10 TALK TO ALL THE FOUNDATIONS. SO I THINK THEY'VE
11 SENT YOU A LETTER, BUT THIS IS HOTTING UP. AND IT'S
12 A GREAT -- THEY LOOK LIKE THEY'RE OFF TO A FLYING
13 START IN THAT JOURNAL. SO THEY'RE PLEASED TO HAVE
14 DONE THAT AND SO THANKFUL TO US. IT'S GREAT.

15 I THINK THERE ARE SEVERAL POTENTIAL CIRM
16 LEADERSHIP CANDIDATES EXPRESSING INTEREST IN MOVING
17 TO CALIFORNIA. AND I'LL BE TRANSMITTING THEIR NAMES
18 TO THE APPROPRIATE PEOPLE. AND SO THAT WAS
19 INTERESTING. THERE'S MORE AND MORE INTEREST FROM
20 REALLY TOP-LINE PEOPLE IN COMING.

21 AND WE'VE IDENTIFIED SEVERAL NEW AREAS OF
22 VERY FAST MOVING RESEARCH THAT COULD BE CONNECTED TO
23 CALIFORNIA PARTNERS AND THESE OPPORTUNITY FUND
24 CANDIDATES. SO I MENTIONED A COUPLE OF THOSE IN MY
25 INTRODUCTION ON THE ISSCR. SO THINGS ARE -- IT WAS

BARRISTERS' REPORTING SERVICE

1 A BUSY TIME. I THINK WE ACHIEVED A LOT.

2 MY PRIORITIES, IMMEDIATE PRIORITIES, IS TO
3 GET THE STEM CELLS AND GENOMICS. I'M PUTTING IN
4 BRACKETS CENTERS OF EXCELLENCE, BUT A NEW EFFORT TO
5 LIFT GENOMICS AND STEM CELLS TOGETHER, PUT IT
6 TOGETHER. WE'VE GOT VERY, VERY STRONG SUPPORT IN
7 THIS. I'M GETTING SOMEBODY TO HELP ME BECAUSE I'M
8 OVERWHELMING MY COLLEAGUES IN THE SCIENCE OFFICE
9 TRYING TO GET THEM TO HELP ME DO THESE THINGS. BUT
10 THIS, AS YOU HEARD, THIS MORNING IS CRITICAL, BUT
11 IT'S A VERY WIDE SPECTRUM OF WHERE WE NEED TO GO.
12 WE NEED TO UNDERSTAND MANUFACTURING OF THESE CELLS.
13 IF YOU DON'T UNDERSTAND IT GENOMICALLY, IT'S NOT
14 GOING TO WORK.

15 WE'VE GOT SOME BIG INSTITUTIONAL
16 BIOINFORMATICS GROUPS REALLY WANTING TO CONNECT AS
17 WELL. YOU'VE GOT TO HAVE BIOINFORMATICS IF YOU'RE
18 GOING TO GO INTO GENOMICS AND STEM CELLS. SO WE'RE
19 GOING TO PUT A PACKAGE TOGETHER FOR YOU. IT'S ONE
20 OF MY PRIORITIES TO GET THAT DONE IN THE NEXT FEW
21 MONTHS.

22 ALSO, AS I SAID, TO SET UP THE ALPHA STEM
23 CELL CLINICS IN CALIFORNIA. SO I'VE ALREADY STARTED
24 TO HAVE SOME CONVERSATIONS WITH KEY PEOPLE IN
25 CALIFORNIA. I'D SUGGEST AT THE MOMENT IT'S A VERY,

BARRISTERS' REPORTING SERVICE

1 VERY POSITIVE RESPONSE I'M GETTING. BUT WE'VE GOT
2 TO FORMULATE A WHITE PAPER, BRING IT BACK TO THE
3 BOARD, GET YOUR ENDORSEMENT ON MOVING TO THIS
4 BECAUSE I THINK A FOOTPRINT IN STEM CELL CLINICS,
5 IT'S TIME NOW. IT'S TIME FOR US TO GET THOSE
6 CLINICS.

7 INSTEAD OF THOSE PEOPLE GOING ALL OVER THE
8 WORLD TO FIND TREATMENTS WHICH ARE NOT PARTICULARLY
9 GOOD, WHY NOT HAVE THEM HERE, GIVE THEM THE RIGHT
10 INFORMATION, BRING THEM INTO TREATMENTS WHICH ARE
11 ALREADY THROUGH THE REGULATORY PATHWAY, AND GIVE
12 THEM AN IDEA THAT MAYBE THEY CAN ENTER INTO SOME OF
13 THE CLINICAL TRIALS WHICH WILL BE EMERGING FROM THE
14 WORK THAT WE'RE PUBLISHING IN REALLY LARGE NUMBERS.
15 SO IT'S ABOUT TIME, I THINK. AND I'LL BE INTERESTED
16 IN YOUR RESPONSE TO THAT AS WELL.

17 JUST TO REMIND, WE'VE GOT SOME UPCOMING
18 RFA'S, THE ONE ON DISEASE TEAM THERAPY DEVELOPMENTS.
19 SO THIS IS THE ICOC REVIEW. THE PLANNING
20 APPLICATION IS GOING TO OCCUR IN AUGUST. SO THESE
21 ONES YOU NEED TO BE AROUND. THIS IS VERY IMPORTANT.
22 THIS IS WHERE IT'S ACTUALLY THE RUBBER IS ON THE
23 ROAD FOR THE PATIENTS. AND IT'S GOING TO BE -- THAT
24 RFA IS GOING TO BE POSTED IN NOVEMBER.

25 THERE'S EARLY TRANSLATIONAL III WHICH

BARRISTERS' REPORTING SERVICE

1 WE'RE POSTING IN JUNE. SO THERE'S A LOT OF
2 INTEREST. CHINA IS IN, AUSTRALIA IS IN. I CAN'T
3 REMEMBER ALL THE PARTNERS IN THERE. THERE'S ABOUT
4 FIVE. GERMANY IS IN. SO WE'VE GOT A LOT OF
5 COLLABORATIVE FUNDING PARTNERS IN. EVERYBODY IS
6 EXCITED. EVERYONE IS READING IT. EVERYONE WANTS TO
7 KNOW CAN WE GET ON? ARE YOU GOING TO BE SUPPORTIVE
8 OF THIS AND THAT? SO WE'RE GETTING A LOT OF INPUT
9 BACK INTO US. THERE'S A LOT OF INTEREST IN THAT
10 TRANSLATIONAL PROJECT RFA.

11 AND CIRM STEM CELL BIOLOGY IV, WE ARE
12 GOING TO BRING THE CONCEPT PROPOSAL TO YOU IN
13 OCTOBER.

14 THERE WAS A WORKSHOP THAT'S BEEN DONE AND
15 A REPORT FROM JAPAN. I WAS NOT AT THAT, BUT WE HAD
16 NINE CALIFORNIA SCIENTISTS AND 20 SCIENTISTS FROM
17 JAPAN THERE. MIKE YAFFE WAS THE PERSON WHO REALLY
18 SORT OF HELPED PUT THIS ONE TOGETHER. IT WAS
19 FOCUSED ON EARLY TRANSLATION. SHINYA YAMANAKA AND
20 SHINICI NISHIKAWA, THE TWO LEADING JAPANESE
21 SCIENTISTS, THE PRINCIPAL AND CRITICAL JAPANESE
22 SCIENTISTS, WERE AT THE WORKSHOP. AND THE
23 ACTIVITIES WERE ON RESEARCH PRESENTATIONS AND
24 NETWORKING FOR DISCUSSION OF POTENTIAL
25 COLLABORATIONS.

BARRISTERS' REPORTING SERVICE

1 WE ALSO HAD A WORKSHOP ON CEREBRAL PALSY.
2 MEMBERS OF THE BOARD ATTENDED. BERT LUBIN AND JON
3 SHESTACK WERE THERE. SO THEY SAT THROUGH THE WHOLE
4 MEETING. FANTASTIC EFFORT FROM BOTH OF THEM. BUT I
5 ACTUALLY THINK IT WAS GOOD. AND IT'S AN AREA WHERE
6 WE SHOULD BE HAVING AN IMPACT AND WE AREN'T. SO I
7 THINK WE HAD THE PRINCIPAL SCIENTISTS FROM AROUND
8 THE WORLD. IT WAS DESCRIBED TO ME AS IF SOMETHING
9 HAPPENED IN THIS ROOM, CEREBRAL PALSY RESEARCH JUST
10 WOULDN'T EXIST. SO WE HAD THE PEOPLE THERE. WE HAD
11 AGREEMENT THAT WE NEEDED TO GET SOME THINGS DONE.
12 NETWORKING, JOIN TOGETHER, MAKE THIS HAPPEN. SO NOW
13 WE'RE PREPARING THE WORKSHOP REPORT. SO PLEASE TALK
14 TO JON AND BERT IF YOU WANT TO GET THE FLAVOR OF
15 WHAT HAPPENED THERE.

16 CEREBRAL PALSY IS THE MOST COMMON BIRTH
17 DEFECT. I THINK I'M RIGHT ON THAT, BERT. IT IS
18 MOST COMMON. IT'S A DREADFUL BIRTH DEFECT. IT CAN
19 BE A TOTAL TRAGEDY FOR A FAMILY IT'S SO FREQUENT.
20 AND MAYBE THERE'S SOMETHING THAT WE CAN DO TO
21 INTERVENE AND IMPROVE ON THAT. I SUSPECT IT'S GOT
22 TO BE EARLY. I THINK I SEE JON NODDING. WE'VE GOT
23 TO GET IN THERE EARLY TO DO THAT, AND MAYBE WE HAVE
24 TO GET IN BEFORE BIRTH EVEN. BUT, HECK, WE HAD A
25 LOT OF KEY SCIENTISTS THERE, AND THEY'RE WILLING TO

BARRISTERS' REPORTING SERVICE

1 DRAW TOGETHER AND PUSH IN THIS AREA. SO WE WANT TO
2 CREATE SOME PRIORITY HERE BECAUSE IT'S A VERY
3 UNDERDONE AREA.

4 SO WE'RE GOING TO TRY AND CREATE A SHARPER
5 EDGE TO BRING SOME OF THOSE STUDIES FORWARD BECAUSE
6 IT NEEDS IT. IT NEEDS TO MATURE. I WAS RATHER
7 DISAPPOINTED AT WHAT HAD REALLY BEEN GOING ON. IT
8 REALLY HASN'T PROGRESSED IN A WAY THAT IT SHOULD
9 HAVE. IT'S A SERIOUS CONDITION AND SHOULD BE -- WE
10 SHOULD BE ABLE TO CONTRIBUTE.

11 THERE'S A BRIDGES TO STEM CELLS ANNUAL
12 TRAINEE MEETING IN JULY IN SAN FRANCISCO, 7TH TO THE
13 8TH. SO ANYONE INTERESTED IN THAT, PLEASE SEE THE
14 STAFF. SIXTEEN BRIDGES PROGRAMS ARE GOING TO
15 PARTICIPATE, UP 160 TRAINEES, MENTORS, AND
16 DIRECTORS. WE'VE GOT SOME GREAT SPEAKERS COMING IN.
17 WE'RE GOING TO POST THE PRESENTATIONS. CAREER
18 PANELS. AND THE MEETING WILL BRING ALL THE TRAINEES
19 TO PRESENT THEIR RESEARCH, MEET PEERS, AND INTERACT
20 WITH SCIENTISTS IN THE STEM CELL COMMUNITY. IT'S
21 ONE OF THE HIGHLIGHT MEETINGS FOR THOSE PEOPLE.
22 THEY'RE SO ENTHUSIASTIC, THOSE YOUNG PEOPLE, AS YOU
23 KNOW. IT'S A BUZZ TO BE AROUND. IF YOU WANT TO BE
24 ENLIVENED FOR A DAY OR PART OF A DAY, GO JOIN THIS
25 MEETING. IT'S WONDERFUL.

BARRISTERS' REPORTING SERVICE

1 THE BIG GRANTEE MEETING IS IN SEPTEMBER,
2 THE 14TH THROUGH THE 16TH. WE'RE JUST REMINDING YOU
3 BECAUSE WE ENJOY YOUR PARTICIPATION IF YOU CAN GET
4 THE TIME. BUT WE DO BRING ALL THE INVESTIGATORS AND
5 TRAINEES FUNDED BY CIRM TOGETHER. THEY RANK THIS AS
6 UP WITH THE ISSCR OR EVEN BETTER. SO PLEASE COME IF
7 YOU FEEL LIKE IT. WE'RE GETTING THE BEST SCIENTISTS
8 IN THE WORLD TO TALK AS WELL AS ALL OUR GRANTEES.

9 CHAIRMAN KLEIN: I'D LIKE TO REINFORCE
10 THAT WITH THE BOARD. IT WOULD BE GREAT TO GET A
11 NUMBER OF BOARD MEMBERS THERE. THIS IS THE GRANTEE
12 MEETING THAT BRINGS OUR GRANTEES FROM ACROSS THE
13 STATE AND BRINGS IN INTERNATIONAL SPEAKERS ON THE
14 SUBJECTS AS WELL. IT'S A FABULOUS AGGREGATION. AND
15 YOU MIGHT EVEN -- I KNOW, JON, THAT ALAN WAS TALKING
16 TO RUSTY GAGE, SEEING IF HE COULD PUSH HIS TEAM TO
17 FOCUS ON AUTISM AT THE ISSCR. BUT THIS IS AN
18 OPPORTUNITY TO TALK DIRECTLY WITH SOME OF THE
19 WORLD'S GREAT SCIENTISTS. AND OUR SUGGESTIONS ON
20 GETTING THEM TO FOCUS ON AREAS THAT ARE UNDERSERVED,
21 I THINK, REALLY DO MAKE A DIFFERENCE.

22 SO IF THE BOARD MEMBERS CAN ATTEND, IT'S A
23 GREAT PLACE TO ABSORB THE SCOPE AND DEPTH OF THE
24 EXTRAORDINARY RESEARCH OF CALIFORNIA SCIENTISTS THAT
25 WE FUND.

BARRISTERS' REPORTING SERVICE

1 DR. TROUNSON: IT'S DIFFERENT TO A LOT OF
2 OTHER MEETINGS BECAUSE THEY'RE NOT COMPETITIVE WITH
3 ONE ANOTHER. THEY'RE ACTUALLY JOINING TOGETHER AND
4 DOING THINGS TOGETHER. THE ISSCR IS A COMPETITIVE
5 ENVIRONMENT. THIS IS NOT. THAT'S WHY IT'S
6 DIFFERENT. AND THEY'RE WANTING CAN YOU DO THIS, CAN
7 YOU DO THIS? RUSTY, CAN YOU HELP WITH THAT? THIS
8 IS THE WAY IT'S BEING DONE. IT'S VERY INTERESTING.
9 IT'S A DIFFERENT KIND OF MEETING. THAT'S BECAUSE
10 WE'RE IN THE SPACE. THEY GOT GRANTS FROM US, SO
11 THEY'RE NOT TRYING TO COMPETE WITH SOMEONE ELSE FOR
12 THAT GRANT. THEY'VE ALREADY GOT THE FUNDING. SO
13 IT'S TERRIFIC. IT'S A GREAT MEETING TO GO.

14 JOHN SAYS GOOD DAY, GOODBYE, AU REVOIR. I
15 THOUGHT IT WAS A LOVELY PICTURE OF JOHN. HE'S
16 SITTING ON THE VERANDA HAVING A BEER SOMEWHERE, I
17 THINK. GOOD FOR HIM.

18 I DON'T KNOW IF YOU'D LIKE A VERY BRIEF
19 ONE-SLIDE UPDATE ON THE BUDGET, BOB.

20 CHAIRMAN KLEIN: IF WE CAN DO THIS, WE'VE
21 GOT SOME CRITICAL ISSUES WE'VE GOT TO GET COVERED.
22 LET'S DO THOSE FIRST. CHILA, YOU ARE PHENOMENALLY
23 PATIENT. I JUST REALLY APPRECIATE THAT. PLEASE
24 STAY WITH US THROUGH THE DAY.

25 THANK YOU, DR. TROUNSON, FOR THIS

BARRISTERS' REPORTING SERVICE

1 TREMENDOUS SCOPE OF THAT REPORT.

2 I WOULD, BEFORE WE GO INTO OUR NEXT ITEM,
3 LIKE TO COVER A COUPLE OF POINTS. ONE, MARCY FEIT,
4 WHO WAS NOT ABLE TO BE HERE FOR THE ELECTION LAST
5 NIGHT WOULD LIKE TO MAKE A SPECIFIC COMMENT ON THE
6 ELECTION. MARCY, YOU HAVE THE FLOOR.

7 MS. FEIT: THANK YOU, BOB. I'LL BE BRIEF.
8 BUT I WANT TO START BY FOCUSING ON YOU. I WANT TO
9 THANK YOU. IN OUR LIFETIME WE GET THE OPPORTUNITY
10 TO MEET RARE PEOPLE, AND YOU'RE ONE OF THEM. YOU'RE
11 ONE IN A TRILLION, AND I USE TRILLION BECAUSE THAT'S
12 THE LANGUAGE WE'RE USING TODAY. WE DIDN'T TALK
13 ABOUT MILLIONS OR BILLIONS. YOU'VE MADE A HUGE
14 DIFFERENCE IN THE WORLD. AND I'M PROUD TO HAVE
15 KNOWN YOU AND TO HAVE WORKED WITH YOU. AND I THINK
16 WHEN IT'S ALL SAID AND DONE, WE'RE ALL GOING TO
17 REFLECT BACK AND SAY WE KNEW HIM. WE WORKED WITH
18 HIM.

19 AND MY GOSH, WHAT A MOMENT IN TIME. AND
20 THANK YOU. THERE REALLY AREN'T ANY WORDS FOR US TO
21 EXPRESS HOW WE ALL FEEL ABOUT WHAT YOU'VE DONE HERE,
22 AND PROP 71 AND THE WORK AND WHAT YOU'VE
23 CONTRIBUTED. THERE JUST AREN'T ANY WORDS, BUT I
24 REALLY MEAN IT WHEN I SAY YOU ARE A VERY RARE
25 INDIVIDUAL. AND I JUST FEEL TO BLESSED TO HAVE BEEN

BARRISTERS' REPORTING SERVICE

1 ABLE BE A PART OF WHAT YOU HAVE DONE. SO THANK YOU.

2 (APPLAUSE.)

3 MS. FEIT: BUT WITH THAT, I HAVE EXPRESSED
4 MY FEELINGS TO SOME OF THE BOARD MEMBERS. BUT I WAS
5 AVAILABLE BY PHONE AND TRYING TO GET AN AIRPLANE AND
6 DIDN'T COME IN UNTIL ALMOST 10 O'CLOCK LAST NIGHT.
7 BUT I WANT TO PUBLICLY MAKE SURE THAT EVERYBODY
8 KNOWS MY VOTE AND SUPPORT IS FOR MR. THOMAS. I'M
9 LOOKING FORWARD TO WORKING WITH HIM ON THE FINANCE
10 COMMITTEE. AND I KNOW THAT WE CAN KEEP THIS
11 INSTITUTE GOING. JUST LISTENING TO ALAN'S REPORT,
12 IT JUST HAS TO. IT HAS TO. AND WE HAVE A BIG JOB
13 AHEAD OF US TO GET THE FUNDING. AND I'M LOOKING
14 FORWARD TO WORKING WITH YOU VERY CLOSELY IN MAKING
15 THAT HAPPEN. SO WELCOME. THANK YOU.

16 MR. THOMAS: THANK YOU VERY MUCH AND
17 LIKEWISE.

18 (APPLAUSE.)

19 MR. SHESTACK: I JUST WANTED TO COMMENT
20 FOR A MOMENT ON DR. TROUNSON'S REPORT, WHICH IS TO
21 SAY I THOUGHT THIS WAS A GREAT REPORT. I REALLY
22 APPRECIATED THE FORMAT OF IT. I HOPE THAT IT WILL
23 BE ON THE WEBSITE AND EASILY FINDABLE. AND THE
24 OTHER REPORTS WE'VE MADE IN THE PAST, WHICH
25 HIGHLIGHT ACCOMPLISHMENTS IN STEM CELLS, THE MORE

BARRISTERS' REPORTING SERVICE

1 READILY AVAILABLE THEY ARE TO US ON THE WEBSITE, THE
2 MORE EASY FOR US TO SPEAK WITH KNOWLEDGE ABOUT THE
3 PROGRESS STEM CELLS ARE MAKING. SO I WANTED TO
4 APPLAUD YOU ABOUT THAT.

5 I WANTED TO TELL EVERYBODY THAT THE
6 MEETING A COUPLE OF WEEKS AGO IN SAN FRANCISCO ON
7 CEREBRAL PALSY WAS, I THOUGHT, A GREAT MEETING. IT
8 WAS. AND AS THE ORGANIZATION IS MORE MATURE, LET'S
9 HOPE THAT THERE IS THE FOLLOW-UP THAT DID NOT REALLY
10 COME OUT OF THE AUTISM MEETING. BUT CP SEEMED LIKE
11 A VERY -- OF ALL THE PEDIATRIC DISORDERS, AND WE
12 HAVE NOT DONE ENOUGH FOR THEM, IT SEEMED LIKE A
13 POTENTIAL CANDIDATE FOR US AT CIRM TO REALLY MAKE A
14 DIFFERENCE OVER YEARS, BUT STILL TO MAKE A
15 DIFFERENCE.

16 SO I JUST URGE AS YOU ARE PUTTING
17 TOGETHER, I KNOW THE RFA'S HAVE GONE OUT, BUT
18 NONETHELESS, TO FIND A WAY TO URGE CP INVESTIGATORS
19 TO APPLY AND TO PUT COLLABORATIONS TOGETHER FOR THEM
20 AND HELP THEM BECAUSE REALLY THERE IS NOT MUCH
21 FUNDING THERE. WE'VE HAD ALMOST NO APPLICATIONS.
22 AND IF WE WERE PROACTIVE, WE CAN MAKE A GIANT
23 DIFFERENCE IN THAT FIELD. AND IT WOULD BE A
24 GREAT -- WE CAN SEE IT FROM START TO FINISH. IT
25 WOULD BE A GREAT THING TO DO.

BARRISTERS' REPORTING SERVICE

1 SO I JUST WANTED TO URGE THE SCIENTIFIC
2 TEAM TO THINK ABOUT THAT AND TO LET THE BOARD KNOW
3 THAT THAT WAS, I THOUGHT, AN EXCELLENT MEETING. AND
4 MANI, I THINK, WILL BE WRITING UP A REPORT SOON, AND
5 I HOPE WE'LL ALL GET TO READ IT AND LEARN A LOT FROM
6 IT. THANK YOU.

7 CHAIRMAN KLEIN: THANK YOU VERY MUCH, JON.

8 I'D LIKE TO ALSO EMPHASIZE TWO POINTS THAT
9 HAVE BEEN REFERENCED OVER TIME BY DR. TROUNSON. ONE
10 IS THAT WE HAVE A REALLY STRATEGIC OPPORTUNITY AS
11 DISEASES ARE BROKEN DOWN INTO THEIR SUBCLASSES
12 GENETICALLY TO UNDERSTAND THAT IN MANY DISEASES,
13 LIKE CP, WE HAVE A NUMBER OF DISEASES WITHIN THAT
14 TITLE. IN PARKINSON'S WE MAY HAVE A NUMBER OF
15 DISEASES. IN BREAST CANCER WE HAVE A NUMBER OF
16 DISEASES THERE. YEARS AGO DENNY SLAMON WITH
17 HERCEPTIN POINTED OUT AND CREATED A VERY SUCCESSFUL
18 THERAPY TARGETED AT THE HER2 GENE. BUT WITH THE
19 COMPUTING POWER WE NOW HAVE AND WITH THE FACT THAT
20 UC SANTA CRUZ WITH DR. HAUSER'S GROUP, WITH TIM
21 KELLY THERE, WE HAVE A REAL OPPORTUNITY TO FORM
22 PARTNERSHIPS THAT LOOK AT THE DNA LEVEL
23 DIFFERENTIATIONS. DR. HAUSER'S GROUP HAS AN NIH
24 GRANT. THEY'RE LOOKING AT THE DNA PROFILES RIGHT
25 NOW OF EIGHT TYPES OF SOLID CANCERS, ORGAN CANCERS.

BARRISTERS' REPORTING SERVICE

1 IT IS VITAL IN THIS AREA TO REALIZE THAT
2 WHEN A TRIAL FAILS, PERHAPS IN PARKINSON'S -- WE
3 HAVE THE PUBLICITY ABOUT AMGEN PULLING BACK A DRUG
4 IN PARKINSON'S THAT WAS VERY SUCCESSFUL FOR A
5 SUBCLASS OF PATIENTS, BUT WAS, IN FACT, TOXIC FOR
6 ANOTHER SUBSTANTIAL PORTION OF THE PATIENTS. THE
7 DRUG WAS PULLED OFF THE MARKET. WITH DNA PROFILING,
8 WE MAY FIND THAT THERE IS A COMPLETELY DIFFERENT
9 SUBCLASS. AND IF THE DRUG IS ONLY TARGETED AT THAT
10 SUBCLASS, YOU MAY HAVE A HIGH DEGREE OF EFFICACY.

11 SO IF WE HAVE THE SYSTEMS BIOLOGY
12 CAPACITY, WHICH WE KNOW THAT IN THE HUMAN GENOME
13 PROJECT, IT WAS THE UC SANTA CRUZ GROUP THAT MADE UP
14 THREE AND A HALF YEARS THAT THE PUBLIC SECTOR WAS
15 BEHIND THE PRIVATE SECTOR AND CAME IN THREE DAYS
16 AHEAD OF THE PRIVATE SECTOR IN THE HUMAN GENOME
17 PROJECT.

18 WE KNOW WE HAVE A HUGE ASSET HERE IN
19 CALIFORNIA. WE KNOW THAT CANADA HAS TREMENDOUS
20 GENOMIC CAPACITY. I SAT ON THE GENOME CANADA BOARD
21 FOR A TIME TO LEARN ABOUT THEIR PROCESSES. AND I
22 THINK THAT THE PRESIDENT HAS POINTED OUT THIS IS AN
23 AREA OF OPPORTUNITY, AND IT'S AN OPPORTUNITY I THINK
24 WE SHOULD TRY AND REACH OUT AND SEIZE AS A REAL
25 STRATEGIC ADVANTAGE IN CALIFORNIA.

BARRISTERS' REPORTING SERVICE

1 AND SECONDLY, I'D JUST LIKE TO REINFORCE
2 THE FACT THAT WITH DR. TROUNSON'S DEVELOPMENT OF IVF
3 TECHNOLOGY AND HIS UNDERSTANDING OF THE EXPANSION
4 AND CONTROLS THAT WENT INTO THE GLOBAL DEPLOYMENT OF
5 IVF CLINICS, THAT HE HAS THE STRATEGIC KNOWLEDGE TO
6 TAKE THAT MODEL AND CREATE THESE ALPHA CLINICS WHERE
7 WE CAN REALLY REACH OUT WITH THERAPIES TO PATIENTS
8 ON A NEW MODEL OF DELIVERY MUCH LIKE STEM CELL
9 TRANSPLANTS FOR LEUKEMIA WHERE WE MAY NOT BE ABLE TO
10 GET A PHARMA MODEL THAT MAKES SENSE AND IS EASILY
11 ADOPTED. SO THAT'S A STRATEGIC AREA WHICH I WOULD
12 HOPEFULLY ENCOURAGE YOU TO FOCUS ON.

13 FINALLY, WE HAVE A PERSON IN THE AUDIENCE,
14 I THINK, WANTS TO MAKE JUST A THREE-MINUTE COMMENT
15 BECAUSE SHE HAS TO LEAVE.

16 MR. TORRES: WE ALL HAVE TO LEAVE.

17 CHAIRMAN KLEIN: WE WILL BE EXPEDITIOUS
18 BECAUSE WE'VE HAD A GREAT DEAL OF VERY EFFECTIVE
19 SUBCOMMITTEE WORK. BUT SUSAN DAY REPRESENTS CHAD, A
20 GROUP OF 25 VOLUNTEERING HEALTH AGENCIES IN SAN
21 DIEGO. SUSAN, COULD YOU GIVE YOUR REMARKS TERSELY,
22 BUT VERY IMPORTANT.

23 MS. DAY: THANK YOU VERY MUCH. I AM SUSAN
24 DAY. I'M PRESIDENT OF COMBINED HEALTH AGENCIES.
25 AND YOU'RE QUITE CORRECT. WE ARE A FEDERATION OF

BARRISTERS' REPORTING SERVICE

1 25 NONPROFIT HEALTH CHARITIES HERE IN SAN DIEGO.
2 AND EACH OF THESE CHARITIES COMES TOGETHER TO
3 COLLABORATE AND TO JUST GET TOGETHER A NETWORK, AND
4 WE'VE BEEN DOING SO SINCE 1970.

5 COLLECTIVELY OUR AGENCIES ARE TOUCHING 1.6
6 MILLION PEOPLE HERE IN SAN DIEGO, AND THAT'S THROUGH
7 THEIR PROGRAMS AND SERVICES. THEY ALSO DO A
8 TREMENDOUS JOB IN INVESTING IN RESEARCH. IN THE
9 LAST FIVE YEARS, THOUGH IT SOUNDS MINIMAL COMPARED
10 TO THE CIRM, BUT IN THE LAST FIVE YEARS, OUR
11 AGENCIES HAVE INVESTED OVER \$150 MILLION IN LOCAL
12 RESEARCH HERE IN SAN DIEGO, WITH THE GOAL THAT THEY
13 ALL GO OUT OF BUSINESS.

14 EVERY ONE OF MY AGENCIES WOULD LOVE TO
15 JUST LOCK THE DOOR AND CLOSE IT UP FOR GOOD AND NOT
16 HAVE TO CONTINUE TO SERVE THE FAMILIES AND THE
17 INDIVIDUALS THAT ARE CHALLENGED BY THESE DIFFERENT
18 HEALTH CONDITIONS. THEY INCLUDE ALZHEIMER'S,
19 PARKINSON'S, ALS, MULTIPLE SCLEROSIS, EPILEPSY,
20 CROHN'S DISEASE, ARTHRITIS, LEUKEMIA/LYMPHOMA,
21 DIABETES, HIV/AIDS, AUTISM, EPILEPSY, ASTHMA, SICKLE
22 CELL. ALL OF THESE SOUND SO FAMILIAR TO YOU, AND
23 THESE ARE THE THINGS THAT OUR AGENCIES ARE REALLY
24 WORKING HARD, AS I KNOW YOU ARE, TO TRY TO OVERCOME.

25 WE ARE DELIGHTED TO BE PARTNERED WITH

BARRISTERS' REPORTING SERVICE

1 CIRM. WE WERE HONORED TO HAVE DUANE ROTH COME AND
2 SPEAK BEFORE OUR GROUP, AND WE WERE REALLY PLEASED
3 TO HAVE HIM EMPOWER OUR AGENCIES AND ENCOURAGE THEM
4 TO CONTINUE TO DO THEIR HARD WORK WHEN THEY TALK TO
5 THE ELECTED OFFICIALS AND TO THE LEGISLATORS TO MAKE
6 SURE THAT THIS IMPORTANT RESEARCH IS SUPPORTED AND
7 CONTINUES.

8 OUR PARTNERSHIP ALSO HAS PROVIDED US --
9 CIRM IS PROVIDING FACT SHEETS FOR OUR AGENCIES SO
10 THEY CAN DISTRIBUTE IT. THEY ALSO HAVE GIVEN US
11 ACCESS TO THE INCREDIBLE MINDS AND RESEARCHERS AND
12 CERTAINLY EDUCATIONAL OPPORTUNITIES.

13 I WANT TO THANK YOU FOR LETTING ME COME
14 BEFORE YOUR ESTEEMED GROUP. AND I WANT TO THANK YOU
15 VERY, VERY MUCH FOR THE HARD WORK YOU'RE DOING AND
16 BEING A PARTNER WITH COMBINED HEALTH AGENCIES.

17 CHAIRMAN KLEIN: THANK YOU FOR YOUR
18 LEADERSHIP.

19 (APPLAUSE.)

20 CHAIRMAN KLEIN: SO, DR. TROUNSON, IF WE
21 COULD MOVE POTENTIALLY TO ITEM 9 ON THE AGENDA.
22 AND, DR. LOMAX, THIS HAS BEEN THROUGH THE STANDARD
23 WORKING GROUP AND BEEN WELL DEVELOPED. I THINK WE
24 COULD MAKE A VERY SUCCINCT THREE- OR FOUR-MINUTE
25 SUMMARY. AND THEN WE'RE GOING TO LEAD OFF THIS BY

BARRISTERS' REPORTING SERVICE

1 ASKING SHERRY LANSING TO GIVE A CAPSULE OVERVIEW;
2 BUT AFTER HER OVERVIEW, IF YOU WILL MAKE IT SUCCINCT
3 AND WE'LL SEE WHAT QUESTIONS WOULD DRIVE ADDITIONAL
4 TIME. THANK YOU. SHERRY.

5 MS. LANSING: I WILL BE VERY BRIEF, JUST
6 TO SAY THAT THIS IS SOMETHING THAT WE SPENT OVER 90
7 MINUTES DISCUSSING THOROUGHLY AND HAD DISCUSSED IN
8 OTHER SUBCOMMITTEE MEETINGS AS WELL. WITH THAT
9 SAID, I HOPE YOU WILL ALL SUPPORT IT, BUT I WILL
10 TURN THE EVEN BRIEF OR LESS BRIEF OVERVIEW OVER TO
11 GEOFF LOMAX.

12 DR. LOMAX: THANK YOU VERY MUCH, MR.
13 CHAIRMAN, MEMBERS OF THE BOARD.

14 MS. LANSING: I ALSO JUST WANT TO ADD ONE
15 THING. ALSO, I WANT TO THANK BERNIE LO FOR ALL HIS
16 INPUT ON THIS.

17 DR. LOMAX: ABSOLUTELY. DR. LO WAS VERY
18 INSTRUMENTAL IN THIS PROCESS.

19 AS YOU MAY BE AWARE, PROPOSITION 71
20 DIRECTS THE STANDARDS WORKING GROUP TO MAKE
21 RECOMMENDATIONS FOR THE PERFORMANCE OF CLINICAL
22 TRIALS FUNDED BY THIS AGENCY. PURSUANT TO THIS
23 MANDATE, THE STANDARDS WORKING GROUP WAS ASKED TO
24 CONSIDER THE CURRENT TARGETED CLINICAL DEVELOPMENT
25 PROGRAM. AS YOU ARE AWARE, WE ARE CURRENTLY FUNDING

BARRISTERS' REPORTING SERVICE

1 A TRIAL. YOU HAVE APPROVED FUNDING FOR A TRIAL
2 UNDER THAT PROGRAM. SO IN JUNE THE WORKING GROUP
3 CONSIDERED A RESOLUTION THAT WOULD FULFILL ITS
4 MANDATE TO COMMENT ON CLINICAL TRIALS.

5 THE WORKING GROUP REVIEWED A DRAFT
6 RESOLUTION. AND AFTER REVIEWING THAT DRAFT FELT
7 THAT THE FINAL RESOLUTION SHOULD EMPHASIZE CIRM'S
8 ACTIVE OVERSIGHT OF AWARDS. THIS IS THE WORK OF OUR
9 SCIENCE OFFICE. THE REPORTING REQUIREMENTS WITHIN
10 OUR PROGRAMS EMPHASIZE THE TRANSPARENCY THAT CIRM
11 WILL BRING TO THESE TRIALS, PARTICULARLY THE TIMELY
12 PUBLICATION OF RESULTS, AND ALSO TO EMPHASIZE CIRM'S
13 COMMITMENT TO WORKING WITH THE SPONSORS OF TRIALS TO
14 PROMOTE SAFETY AND AUTONOMY AND SPECIFICALLY IN THE
15 AREA OF IMPROVING INFORMED CONSENT.

16 THESE RECOMMENDATIONS HAVE BEEN ADDRESSED
17 IN THE FINAL RESOLUTION, WHICH YOU HAVE IN YOUR
18 BINDER. AND THE RESOLUTION, AND I'LL MOVE THROUGH
19 THIS ONE VERY QUICKLY AND TRY NOT TO GET INTO THE
20 DETAILS HERE. IT EMPHASIZES THE ROLE OF THE IRB AND
21 INFORMED CONSENT, AND THAT THAT'S THE PATIENT
22 AUTONOMY PIECE. IT EMPHASIZES THE ROLE OF THE FOOD
23 AND DRUG ADMINISTRATION, AND THAT'S REALLY IN THE
24 AREA OF PRODUCT SAFETY AND SAFETY MONITORING. IN
25 ADDITION, IT EMPHASIZES CALIFORNIA REQUIREMENTS FOR

BARRISTERS' REPORTING SERVICE

1 SAFETY AND LICENSING.

2 AND THEN, AGAIN, THE EMPHASIS OF THE
3 WORKING GROUP REALLY EMPHASIZES SOME OF THE
4 ADDITIONAL MEASURES THAT CIRM HAS PUT IN PLACE ON
5 TOP OF EXISTING STATE AND FEDERAL REQUIREMENTS.
6 AGAIN, MEASURES FOR TRANSPARENCIES, THAT THE
7 CLINICAL TRIALS WILL BE REPORTED IN A PUBLIC
8 DATABASE, THE IRB OVERSEEING THE TRIAL WILL BE
9 REGISTERED WITH THE OFFICE OF HUMAN RESEARCH
10 PROTECTION.

11 AND THEN, FINALLY, EMPHASIZING A NUMBER OF
12 OUR CIRM-SPECIFIC REQUIREMENTS; FOR EXAMPLE, ACCESS
13 PLANS IN THE EVENT OF A SUCCESSFUL THERAPY. THAT
14 WAS AN INNOVATION THAT WAS A RESULT OF OUR
15 INTELLECTUAL PROPERTY POLICY. AND, AGAIN, HOW WE'RE
16 GOING TO ADVANCE THE FIELD THROUGH OUR VERY ACTIVE
17 PROGRAM OF OVERSIGHT, WHICH WILL INCLUDE REPORTING
18 OF RESULTS AND WORKING TO IMPROVE CONSENT, ETC.

19 SO WHAT I'VE SUMMARIZED HERE IS THE
20 RESOLUTION ITSELF. THIS IS THE FINAL PARAGRAPH OF
21 THE RESOLUTION. RATHER THAN TRYING TO REREAD IT,
22 WHAT IT ATTEMPTS TO DO IS ENCAPSULATE BOTH THE
23 ADEQUACY OF ESTABLISHED STATE AND FEDERAL POLICY AND
24 THEN HIGHLIGHT, AGAIN, THE SUBSTANTIAL MEASURES THAT
25 CIRM HAS PUT IN PLACE TO IMPROVE AND ENHANCE SAFETY,

BARRISTERS' REPORTING SERVICE

1 TRANSPARENCY, AND ACCESS.

2 WITH THAT, CIRM RECOMMENDS APPROVAL OF
3 THIS RESOLUTION BY THE ICOC SO THAT THE STANDARDS
4 WORKING GROUP MAY FULFILL ITS ROLE IN ADVISING ON
5 CLINICAL TRIALS.

6 MS. LANSING: SO I'D LIKE TO OPEN THE
7 FLOOR FOR QUESTIONS OF GEOFF.

8 DR. LUBIN: I HAVE ONE QUESTION, AND IT'S
9 PROBABLY INCORPORATED, GEOFF. AT THE DISEASE SAFETY
10 MONITORING BOARD, THERE'S NO COMMENT ABOUT THE DSMB
11 IN ANY OF THE SLIDES THAT YOU SHOWED ME. I THINK
12 THE BOARD SHOULD KNOW ABOUT DISEASE SAFETY AND
13 MONITORING BOARDS FOR CLINICAL TRIALS. SOMEHOW I
14 THINK A STATEMENT RELATED TO THAT SHOULD BE
15 INCORPORATED. MAYBE IT IS IN THE DOCUMENT, BUT I'D
16 LIKE TO SEE IT.

17 MS. LANSING: IT IS IN THE DOCUMENT. YOU
18 WANT TO COMMENT ON THAT, GEOFF?

19 DR. FEIGAL: IT IS A GOOD POINT. SO THE
20 SLIDES DON'T INCLUDE EVERY SINGLE THING, BUT YOU'RE
21 RIGHT. THAT IS IMPORTANT. AND WE CAN CHANGE THE
22 SLIDES TO INCLUDE THAT.

23 DR. LOMAX: SO YOU'RE AWARE, DR. LUBIN,
24 THE ROLE OF THE DSMB EMANATES FROM THE SPECIFIC
25 FEDERAL POLICY AND LEGISLATION WHICH WE'VE CITED.

BARRISTERS' REPORTING SERVICE

1 SO FROM A STANDPOINT OF EFFICIENCY, WE'VE CITED THE
2 OVERARCHING LAWS THAT DRIVE THAT REQUIREMENT, BUT WE
3 MAY NOT HAVE BROUGHT IT DOWN TO A LEVEL THAT IS
4 SATISFACTORY.

5 MS. LANSING: AS A POINT OF INFORMATION, I
6 DO IN MINE, DON'T WE HAVE THE WHOLE DOCUMENT IN THE
7 BOOK? YES, WE DO. THIS WAS JUST -- IT'S A VERY
8 GOOD POINT. I WANT TO SAY THAT IT'S A VERY GOOD
9 POINT, AND YOU'RE A HUNDRED PERCENT RIGHT. AND IT
10 IS IN THE DOCUMENT, AND WE'LL PUT IT ON THE SLIDES.
11 THE SLIDES ARE JUST A BRIEF SUMMARY IN TRYING TO BE
12 EFFICIENT; BUT IF YOU LOOK IN THE FULL DOCUMENT, I
13 THINK YOU WILL SEE IT WELL COVERED.

14 DR. POMEROY: CAN YOU POINT OUT WHERE IT
15 IS IN THE FULL DOCUMENT?

16 MS. LANSING: YES, WE WILL.

17 DR. POMEROY: I CAN'T FIND IT.

18 MS. BAUM: WHILE WE'RE ACTUALLY LOOKING
19 FOR THE VERBIAGE, I WANT TO MAKE IT CLEAR THAT THE
20 POINT OF THIS RESOLUTION WAS TO ACKNOWLEDGE EXISTING
21 REGULATORY REQUIREMENTS. DSMB'S ARE NOT ALWAYS
22 REQUIRED, BUT IT ACKNOWLEDGES THAT TO THE EXTENT
23 THEY ARE, THE MONITORING BOARD REQUIREMENTS. TO THE
24 EXTENT THEY ARE REQUIRED, WE'VE ACKNOWLEDGED THE
25 EXISTENCE OF THOSE. SO WE'RE NOT CREATING A

BARRISTERS' REPORTING SERVICE

1 SEPARATE REQUIREMENT THAT THEY ALWAYS BE IMPANELED.

2 CHAIRMAN KLEIN: DR. FEIGAL, HAVE YOU
3 IDENTIFIED WHERE IT IS IN THE DOCUMENT?

4 DR. FEIGAL: IT'S UNDER THE PARAGRAPH OF
5 MONITORING PLANS, AND SOME OF WHICH REQUIRE AN
6 INDEPENDENT DATA SAFETY MONITORING BOARD. AND SOME
7 OF THEM WILL HAVE DATA SAFETY MONITORING, SO WE
8 DIDN'T SPECIFICALLY USE THE TERM DATA SAFETY
9 MONITORING BOARD, WHICH HAS VERY SPECIFIC MEANING
10 FOR RANDOMIZED PHASE III CLINICAL TRIALS, BUT THEY
11 WILL ALL HAVE MONITORING PLANS APPROPRIATE TO THEIR
12 LEVEL OF WHERE THEY ARE IN THE CLINIC.

13 CHAIRMAN KLEIN: COULD YOU, JUST FOR THE
14 BENEFIT OF THE BOARD, RESTATE THE REAL-TIME
15 REQUIREMENT WE HAVE WITH OUR CLINICAL TRIALS FOR
16 REPORTING TO THIS AGENCY ANY ADVERSE EVENTS?

17 DR. FEIGAL: THEY WILL BE REPORTING AT THE
18 SAME TIME THAT IT IS REPORTED TO THE INSTITUTIONAL
19 REVIEW BOARD.

20 DR. MELMED: I THINK MOST OF THE HIGHEST
21 QUALITY JOURNALS REQUIRE ANYWAY THAT TRIALS BE
22 REGISTERED WITH THE GOVERNMENT. SO CAN WE HAVE SOME
23 COMMENT THAT WE EXPECT THAT OUR TRIALS ARE GOING TO
24 BE PUBLISHED IN THE HIGHEST QUALITY JOURNALS? IS
25 THERE SOME REFERENCE TO THAT BECAUSE THESE ARE

BARRISTERS' REPORTING SERVICE

1 REQUIREMENTS FOR EXTANT PUBLICATION ANYWAY?

2 DR. FEIGAL: WE ACTUALLY, AS YOU WILL SEE
3 IN THE DOCUMENT, I THINK WAS CONTAINED IN THE SLIDE,
4 THEY'RE ALL REGISTERED, AS YOU SAW, WITH THE
5 CLINICALTRIALS.GOV. WE DO HAVE VERBIAGE IN THE
6 DOCUMENT ABOUT THE SHARING OF RESULTS FOR THE
7 BENEFIT OF THE FIELD. AND WE DO HAVE TIMELY
8 SUBMISSION FOR PUBLICATION IN PEER REVIEWED
9 PUBLICATIONS AFTER COMPLETION OF THE STUDY.

10 I THINK YOU ALL REALIZE NOT ALL STUDIES
11 MAY ALWAYS COMPLETE THE STUDY. THERE MAY BE VARIOUS
12 REASONS. SO WE DIDN'T WANT TO PUT A REQUIREMENT IN
13 THERE THAT MIGHT NOT BE RELEVANT FOR THE SPECIFIC
14 INDICATION. BUT WHAT WE DO HAVE IS SHARING OF THE
15 RESULTS. IT MAY BE ABSTRACT, IT MAY BE CONFERENCES.
16 AND WHEN THEY DO COMPLETE THE STUDY, WE DO ASK THEM
17 TO SUBMIT IT FOR PUBLICATION IN A PEER REVIEW
18 JOURNAL.

19 DR. MELMED: I AGREE WITH YOU EXCEPT THAT
20 I WOULD CAUTION US NOT TO TRY AND SUPPRESS NEGATIVE
21 INFORMATION. A NEGATIVE OUTCOME SHOULD STILL BE
22 PUBLISHED.

23 MS. LANSING: WE ACTUALLY TALKED ABOUT
24 THAT QUITE A BIT AND ACTUALLY WANTED TO MAKE SURE
25 THAT THAT INFORMATION WAS SHARED SO THAT SOMEBODY

BARRISTERS' REPORTING SERVICE

1 WASN'T DUPLICATING SOMETHING THAT HAD ALREADY BEEN
2 DONE AND WASTING THEIR TIME PERHAPS.

3 CHAIRMAN KLEIN: DR. MELMED, IN OUR PRIOR
4 APPROVAL OF THE NEW JOURNAL, PART OF THE MANDATE
5 SPECIFICALLY THAT WENT WITH OUR FUNDS WAS A
6 DIRECTIVE TO AGGRESSIVELY TRY AND PUBLISH ADVERSE
7 EVENTS AND ADVERSE DATA, WHETHER IT WAS CLINICAL
8 TRIALS OR PRECLINICAL WORK, SO THAT THE FIELD COULD
9 BENEFIT AND MOVE FORWARD.

10 MS. LANSING: CAN I HAVE SOME MORE
11 QUESTIONS, PLEASE?

12 MR. SHESTACK: COULD I JUST ASK ONE
13 QUESTION?

14 CHAIRMAN KLEIN: CAN I GET ELONA'S COMMENT
15 AND JON SHESTACK.

16 MS. BAUM: I JUST WANTED TO CLARIFY THAT
17 TO THE EXTENT THAT WE HAVE INDUSTRY PARTICIPATING IN
18 OUR PROGRAMS, WE FELT, MY UNDERSTANDING WAS IS THE
19 NEED TO HIGHLY ENCOURAGE THEM TO SHARE SOME FORM OF
20 REPORTING SO THAT WE'RE NOT RECREATING THE WHEEL ALL
21 THE TIME. BUT I THINK WE CAME SHORT OF ACTUALLY
22 CREATING A MANDATE SO THAT WE COULD ENSURE THAT WE
23 CAN ATTRACT INDUSTRY, WHICH, AS WE HEARD YESTERDAY,
24 WAS ABSOLUTELY CRITICAL TO THE END MISSION OF THIS
25 AGENCY.

BARRISTERS' REPORTING SERVICE

1 MS. LANSING: THAT'S A VERY IMPORTANT
2 CLARIFICATION. THANK YOU. YOU'RE A HUNDRED PERCENT
3 RIGHT. THANK YOU.

4 MR. SHESTACK: I JUST WANTED TO ASK A
5 QUESTION. WOULD THAT MEETING WHERE YOU DISCUSSED
6 THIS HAVE BEEN AN APPROPRIATE PLACE TO DISCUSS
7 CIRM'S POLICY ON COMMUNITY ADVISORY BOARDS ON, SAY,
8 CIRM-FUNDED CLINICAL TRIALS? AND WAS THAT BROUGHT
9 UP? I KNOW IT'S SOMETHING THAT SOME OF THE BOARD
10 MEMBERS HAVE QUESTIONED.

11 DR. LOMAX: THAT PARTICULAR ITEM WAS NOT
12 RAISED AS A TOPIC OF DISCUSSION AT THIS MEETING.
13 NO. AGAIN, WHAT WE WERE -- THE GOAL OF THIS
14 MEETING, HOWEVER, MAY HAVE BEEN SLIGHTLY DIFFERENT,
15 WHICH WAS TO CAPTURE AT THIS MOMENT IN TIME THE
16 POLICY ENVIRONMENT IN WHICH THE CURRENT CLINICAL
17 TRIAL WOULD BE TAKING PLACE. AND REALLY WHAT THIS
18 RESOLUTION DOES IS PULL FROM A VARIETY OF PLACES,
19 AGAIN, STATE REGULATIONS, POLICY, THE APPLICATION
20 ITSELF, A WHOLE SERIES OF SELECTED AND RELEVANT
21 ITEMS THAT WERE OF INTEREST TO THE STANDARDS WORKING
22 GROUP AND SORT OF ARTICULATE THEM IN ONE PLACE.

23 SO THAT PARTICULAR ITEM WAS NOT SORT OF
24 BROUGHT IN IN THIS PARTICULAR CONVERSATION, BUT IT
25 WASN'T EXACTLY THE GOAL OF THE MEETING.

BARRISTERS' REPORTING SERVICE

1 MS. LANSING: THANK YOU, GEOFF. JON, DULY
2 NOTED. THIS COMMITTEE SERVES AT THE DISCRETION OF
3 THE BOARD. IF YOU WISH US TO, WE CAN HAVE A
4 SEPARATE MEETING TO DISCUSS THIS ISSUE AT ANY TIME
5 YOU WANT.

6 MR. SHESTACK: I DON'T KNOW WHAT THE STATE
7 OF THE ART IS ON THAT POLICY, BUT I WOULD URGE US TO
8 KNOW.

9 MS. LANSING: I THINK IT'S A VERY GOOD
10 POINT. I THINK, GEOFF AND JAMES, THAT'S ONE OF THE
11 ITEMS, WHEN WE HAVE OUR NEXT MEETING, IF THERE'S AN
12 URGENCY TO IT AND THE BOARD WISHES TO, WE CAN
13 CONVENE A MEETING TELEPHONICALLY AHEAD OF OUR NEXT
14 REGULARLY SCHEDULED MEETING, BUT I THINK WE CAN PUT
15 THAT ON THE AGENDA FOR SURE.

16 CHAIRMAN KLEIN: ALL RIGHT. WITH THE
17 AGENDA WE HAVE AND THE WORK THAT'S BEEN DONE VERY
18 THOROUGHLY BY THIS COMMITTEE, IS THERE A MOTION TO
19 APPROVE THIS ITEM?

20 MS. LANSING: IS THERE ANYONE ELSE? I
21 KNOW WE'RE IN A RUSH.

22 DR. PRICE: SO MOVED.

23 MR. TORRES: SECOND.

24 MS. LANSING: DO WE NEED A ROLL CALL VOTE?
25 ALL IN FAVOR. ANY OPPOSED? THE MOTION CARRIES

BARRISTERS' REPORTING SERVICE

1 UNANIMOUSLY.

2 THANK YOU, GEOFF. AND I WANT TO THANK THE
3 BOARD FOR THEIR VALUABLE INPUT, AND WE WILL ADDRESS
4 THESE OTHER ISSUES. AND THANK YOU FOR THE STAFF'S
5 HELPS ALWAYS.

6 CHAIRMAN KLEIN: SHERRY, THANK YOU FOR
7 YOUR LEADERSHIP OF THAT GROUP.

8 MS. LANSING: THANK BERNIE LO. HE'S AN
9 AMAZING CO-CHAIR.

10 CHAIRMAN KLEIN: IT'S BEEN A TREMENDOUS
11 CONTRIBUTION. AND DR. LOMAX HAS DONE AN EXCEPTIONAL
12 JOB THAT'S RECOGNIZED ALL OVER THIS COUNTRY, WITH A
13 NUMBER OF STATES COPYING ESSENTIALLY OUR MEDICAL AND
14 ETHICAL STANDARDS AND OUR OTHER GUIDELINES IN THE
15 DEVELOPMENT OF CLINICAL TRIALS AND THERAPIES.

16 DR. LOMAX: MR. KLEIN, IF I JUST MAY SAY
17 THANK YOU FOR THE OPPORTUNITY TO SERVE THIS BOARD
18 UNDER YOUR CHAIRMANSHIP. IT'S BEEN A TREMENDOUS
19 OPPORTUNITY.

20 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

21 I'D LIKE TO GO TO ITEM 11. HOPEFULLY WE
22 CAN MAKE THIS VERY QUICK. THIS IS JUST A CORRECTION
23 OF A GRANT AMOUNT BECAUSE OF A TYPOGRAPHICAL ERROR.
24 THE MATERIALS ARE IN OUR BOOK. UNLESS THERE'S SOME
25 CONTROVERSY THAT I'M NOT AWARE OF, I WOULD JUST LIKE

BARRISTERS' REPORTING SERVICE

1 A MOTION ON THIS ITEM BY INDIVIDUALS WHO CAN VOTE ON
2 THE ITEM. PLEASE CHECK YOUR LISTS BEFORE YOU. AND
3 IF SOMEONE WHO DOES NOT HAVE A CONFLICT --

4 MR. SHEEHY: SO MOVED.

5 DR. LOVE: SECOND.

6 CHAIRMAN KLEIN: DISCUSSIONS BY THE BOARD?
7 DISCUSSIONS BY THE AUDIENCE? I'D LIKE -- WE NEED A
8 ROLL CALL VOTE ON THIS, JAMES?

9 MR. HARRISON: YES.

10 CHAIRMAN KLEIN: WHILE THEY'RE LOOKING AT
11 THAT MATERIAL FOR THE ROLL CALL VOTE, BECAUSE THEY
12 NEED TO CONFIRM THE MEMBERS THAT MIGHT HAVE A
13 CONFLICT, I'D LIKE TO LOOK AT ITEM 12. THE
14 REAPPOINTMENT OF GRANTS WORKING GROUP MEMBERS ARE IN
15 YOUR BOOK.

16 DR. SAMBRANO, THESE ARE REAPPOINTMENTS OF
17 EXISTING WORKING GROUP MEMBERS. IS THERE A BOARD
18 MEMBER WHO'D LIKE TO RAISE A QUESTION ABOUT ANY OF
19 THESE IN THE BOOK? I DON'T SEE ANY QUESTIONS.
20 THESE PEOPLE ARE WELL KNOWN TO US.

21 WHAT WE'RE GOING TO DO IS ARE WE READY FOR
22 THE ROLL CALL? WE'LL HAVE A ROLL CALL ON ITEM 11,
23 AND THEN GO IMMEDIATELY TO 12 AND SEE IF I HAVE A
24 MOTION FOR ITEM 12.

25 MS. KING: ROBERT PRICE.

BARRISTERS' REPORTING SERVICE

1 DR. PRICE: YES.
2 MS. KING: MARCY FEIT.
3 MS. FEIT: YES.
4 MS. KING: MICHAEL FRIEDMAN.
5 DR. FRIEDMAN: YES.
6 MS. KING: MICHAEL GOLDBERG.
7 MR. GOLDBERG: YES.
8 MS. KING: STEPHEN JUELSGAARD.
9 DR. JUELSGAARD: YES.
10 MS. KING. BOB KLEIN.
11 CHAIRMAN KLEIN: YES.
12 MS. KING: TED LOVE.
13 DR. LOVE: YES.
14 MS. KING: BERTRAM LUBIN.
15 DR. LUBIN: YES.
16 MS. KING: SHLOMO MELMED.
17 DR. MELMED: YES.
18 MS. KING: CLAIRE POMEROY.
19 DR. POMEROY: YES.
20 MS. KING: FRANCISCO PRIETO.
21 DR. PRIETO: AYE.
22 MS. KING: ELIZABETH FINI.
23 DR. FINI: YES.
24 MS. KING: ROBERT QUINT.
25 DR. QUINT: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: DUANE ROTH.
2 MR. ROTH: YES.
3 MS. KING: JOAN SAMUELSON. DAVID
4 SERRANO-SEWELL. JEFF SHEEHY.
5 MR. SHEEHY: YES.
6 MS. KING: JONATHAN SHESTACK.
7 MR. SHESTACK: YES.
8 MS. KING: ART TORRES.
9 MR. TORRES: AYE.
10 MS. KING: KRISTINA VUORI.
11 DR. VUORI: YES.
12 MS. KING: JAMES ECONOMOU.
13 DR. ECONOMOU: YES.
14 MS. KING: THANK YOU. AND THE MOTION
15 CARRIES.
16 CHAIRMAN KLEIN: THANK YOU. IS THERE A
17 MOTION TO APPROVE ITEM 12?
18 DR. LOVE: SO MOVED.
19 MR. SHEEHY: SECOND.
20 CHAIRMAN KLEIN: ANY COMMENTS BY THE
21 BOARD? THESE PEOPLE ARE ALL KNOWN TO US. BY THE
22 PUBLIC? SEEING NONE, THERE'S NO CONFLICTS ON THIS
23 ITEM.
24 MR. HARRISON, I BELIEVE I CAN HAVE A VOICE
25 VOTE. ALL IN FAVOR. OPPOSED? ITEM PASSES.

BARRISTERS' REPORTING SERVICE

1 ITEM 13, CONSIDERATION OF OBTAINING
2 SUPPLEMENTAL INFORMATION FROM APPLICANTS FOR DISEASE
3 TEAM AND CLINICAL TRIAL AWARDS.

4 ELLEN, BEFORE YOU MAKE YOUR PRESENTATION,
5 I THINK IT WOULD BE HELPFUL IF JEFF SHEEHY, WHO IS
6 CHAIRMAN OF THE SCIENTIFIC COMMITTEE, WOULD JUST
7 GIVE THE BOARD AN OVERVIEW OF THE VALUE AND
8 IMPORTANCE OF THIS INNOVATION IN THE PROCESS. AND I
9 WOULD LIKE TO SAY WE'RE VERY APPRECIATIVE OF THE
10 STAFF WORKING WITH THESE SUGGESTIONS AND COMING TO A
11 CONSENSUS, I THINK, WHICH WILL SUBSTANTIALLY
12 CONTRIBUTE. AT LEAST IT'S A GREAT EXPERIMENT TO TRY
13 AND ENHANCE THAT VERY IMPORTANT PROCESS.

14 MR. SHEEHY: MR. CHAIR, I WOULD LIKE TO
15 PUT THIS OFF TO A FUTURE MEETING. STAFF AND THE
16 SCIENCE SUBCOMMITTEE LEADERSHIP WERE UNABLE TO COME
17 TO CONSENSUS ON THE FINAL DOCUMENT. SO I WOULD LIKE
18 TO SEND THIS BACK TO THE SCIENCE SUBCOMMITTEE UNTIL
19 WE CAN GET CONSENSUS.

20 CHAIRMAN KLEIN: ALL RIGHT. WE'VE HAD A
21 VERY GOOD HEARING ON THIS. I THINK IT'S SOME GREAT
22 CONCEPTS. THE REFINEMENTS ARE IMPORTANT. BUT GIVEN
23 TIME AND GIVEN THIS IS GOING TO COME BACK TO THE
24 BOARD, I'M GOING TO MOVE FORWARD TO THE NEXT ITEM.

25 I WOULD INDICATE THAT I BELIEVE THE

BARRISTERS' REPORTING SERVICE

1 CONCEPTS THAT ARE REPRESENTED IN HERE ARE VERY
2 IMPORTANT.

3 IF WE CAN GO TO ITEM 14, WHO IS GOING TO
4 MAKE THIS PRESENTATION?

5 MS. LANSING: THIS IS THE GOVERNANCE
6 COMMITTEE RECOMMENDATIONS. SOME OF THEM WE'VE BEEN
7 THROUGH MANY TIMES, AND THEY'RE REALLY JUST
8 CODIFYING THEM, BUT I'M GOING TO LET JAMES TAKE IT
9 FROM HERE.

10 MR. HARRISON: GOOD MORNING. AS YOU WILL
11 RECALL AT THE MEETING ON MAY 4TH, THE BOARD APPROVED
12 A REORGANIZATION POLICY AND DIRECTED STAFF TO
13 INCORPORATE THOSE CHANGES INTO THE INTERNAL
14 GOVERNANCE POLICY. WE HAVE DONE THAT. WE HAVE
15 PRESENTED THE INFORMATION TO THE GOVERNANCE
16 SUBCOMMITTEE. AND WE HAVE MADE A NUMBER OF CHANGES
17 THAT I JUST WANT TO BRIEFLY HIGHLIGHT FOR YOU.

18 FIRST, THE AMENDMENTS WOULD ACCOMPLISH THE
19 FOLLOWING: FIRST, WE'D INCORPORATE THE TERMS OF THE
20 REORGANIZATION POLICY INTO THE INTERNAL GOVERNANCE
21 POLICY. AND YOU MAY RECALL THOSE CHANGES RELATED TO
22 THE CREATION OF A CFO POSITION AND A DIRECTOR OF
23 PUBLIC COMMUNICATION POSITION AS WELL AS THE
24 TRANSFER OF RESPONSIBILITY FROM THE PRESIDENT TO THE
25 CHAIR TO MANAGE EMPLOYEES IN THE OFFICE OF THE CHAIR

BARRISTERS' REPORTING SERVICE

1 UNDER CIRM'S EXISTING HUMAN RESOURCES POLICIES.

2 THE REORGANIZATION POLICY ITSELF IS
3 ATTACHED AS EXHIBIT C TO THE INTERNAL GOVERNANCE
4 POLICY.

5 WE WOULD ALSO CLARIFY CERTAIN OPERATIONAL
6 ROLES. FOR EXAMPLE, VICE CHAIR TORRES HAS BEEN
7 RESPONSIBLE FOR THE LAST SEVERAL YEARS FOR
8 GOVERNMENTAL AFFAIRS. WE HAVE MADE THAT CHANGE TO
9 REFLECT THAT OPERATIONAL RESPONSIBILITY IN THE
10 INTERNAL GOVERNANCE POLICY.

11 WE'VE ALSO REVISED THEIR TERMS TO CURRENT
12 USAGE SUCH AS CHANGING INSTITUTE TO CIRM THROUGHOUT
13 THE DOCUMENT.

14 WE'VE ALSO UPDATED THE POLICY TO REFLECT
15 CERTAIN CURRENT PRACTICES. FOR EXAMPLE, THERE WAS A
16 REFERENCE TO AN INSTITUTE EXECUTIVE COMMITTEE THAT
17 NO LONGER EXISTS. PRESIDENT HOLDS A SEPARATE
18 ADVISORY COMMITTEE, SO WE'VE ELIMINATED THAT
19 REFERENCE.

20 WE HAVE INCREASED THE NUMBER OF AUTHORIZED
21 STAFF IN THE OFFICE OF THE CHAIR BY ONE TO REFLECT
22 THE NEW POSITION. AND WE'VE ADDED A FOOTNOTE 3 TO
23 ILLUSTRATE THE SALARY LEVEL APPROVAL. AND THERE IS
24 ONE CHANGE THERE THAT I WANT TO BRING TO THE BOARD'S
25 ATTENTION. THE REFERENCE ON PAGE 6 IN SUBDIVISION F

BARRISTERS' REPORTING SERVICE

1 HAD REFERRED TO THE APPROVAL LEVEL OF THE PRESIDENT
2 BEING 80 PERCENT OR HIGHER THAN THE -- EXCUSE ME --
3 UP TO 80 PERCENT OF THE MINIMUM SALARY RANGE FOR
4 THAT LEVEL. AND WHAT THAT SHOULD ACTUALLY SAY IS 80
5 PERCENT OF THE SALARY RANGE FOR THAT LEVEL.
6 OBVIOUSLY IF IT WAS 80 PERCENT OF THE MINIMUM SALARY
7 FOR THAT LEVEL, THE PRESIDENT WOULDN'T EVEN HAVE
8 AUTHORITY TO HIRE WITHIN THE RANGE ESTABLISHED BY
9 THE BOARD FOR THAT PARTICULAR POSITION. SO WE'VE
10 CORRECTED THAT ERROR IN THE DOCUMENT ITSELF.

11 I'M HAPPY TO ANSWER ANY QUESTIONS.

12 MS. LANSING: WE HAVE ANY QUESTIONS,
13 PLEASE?

14 DR. LUBIN: JUST A QUICK QUESTION ABOUT
15 COMMITTEES OF THE BOARD AND COMPOSITION AND
16 SELECTION AND HOW THE BOARD TAKES A LOOK AT THAT AND
17 HOW OFTEN THAT'S LOOKED AT. IS THAT IN THIS
18 DOCUMENT AS WELL?

19 MR. HARRISON: THAT'S ADDRESSED IN THE
20 BOARD'S BYLAWS. I KNOW THAT'S SOMETHING THAT THE
21 CHAIR OF THE BOARD AND THE CHAIR OF GOVERNANCE HAVE
22 DISCUSSED TAKING ANOTHER LOOK AT BECAUSE CERTAIN
23 MEMBERS HAVE BEEN SERVING IN THEIR POSITIONS FOR
24 MANY YEARS NOW. AND IT MIGHT BE AN OPPORTUNE TIME
25 WITH THE NEW CHAIR TO CONSIDER REPOPULATING THOSE

BARRISTERS' REPORTING SERVICE

1 COMMITTEES, CHANGING MEMBERSHIP IF MEMBERS WOULD
2 LIKE TO VOLUNTEER TO SERVE. SO THAT'S SOMETHING
3 THAT'S ADDRESSED IN THE BYLAWS AND I KNOW IS ON THE
4 AGENDA FOR A FUTURE MEETING.

5 DR. LUBIN: GOOD. BECAUSE I THINK WE
6 COMMENTED A LITTLE BIT YESTERDAY ABOUT THE STRENGTHS
7 OF THIS BOARD AND MAYBE NOT UTILIZING IT TO ITS
8 MAXIMUM. I THINK THIS WOULD BE A GOOD WAY TO LOOK
9 AT IT.

10 MS. LANSING: THANK YOU. CLAIRE.

11 DR. POMEROY: THAT BRINGS UP ANOTHER
12 ISSUE. AND I JUST WANT TO ASK MS. LANSING TO DO
13 THIS IN THE FUTURE, WHICH IS THAT I THINK IT WOULD
14 BE VERY HELPFUL FOR OUR NEW MEMBERS TO HAVE A BOARD
15 ORIENTATION. AND PERHAPS THAT IS AN ISSUE THAT WE
16 COULD PUT ON THE GOVERNANCE AGENDA FOR THE FUTURE SO
17 THAT THE INFORMATION THAT JAMES IS PRESENTING CAN
18 GET FORMALLY SHARED WITH EVERYONE.

19 MS. LANSING: I THINK THAT'S A GREAT,
20 GREAT IDEA. SO LET'S PUT THAT ON OUR AGENDA. IT
21 SHOULDN'T BE HARD, EITHER A BOARD ORIENTATION OR
22 EACH NEW BOARD MEMBER HAS A MENTOR OR SOMETHING.
23 SO, CLAIRE, WE'LL HANDLE THAT TOGETHER.

24 JAMES, WHEN YOU SCHEDULE OUR NEXT
25 GOVERNANCE MEETING, WILL YOU BE SURE THAT WE

BARRISTERS' REPORTING SERVICE

1 FORMALIZE THAT STRUCTURE?

2 MR. HARRISON: I WILL.

3 MS. LANSING: THAT'S A GREAT IDEA.

4 MR. ROTH: JAMES, I HAVE A QUESTION JUST
5 SO I'M CLEAR ON THIS. THIS DOES NOT ALTER WHAT'S
6 WRITTEN INTO PROP 71?

7 MR. HARRISON: IT DOESN'T ALTER IT. THERE
8 IS ONE -- UNDER PROP 71 THE PRESIDENT HAS
9 RESPONSIBILITY FOR HIRING AND FIRING DECISIONS.
10 UNDER THIS POLICY, AS THE BOARD APPROVED AT THE LAST
11 MEETING, THE CHAIR WILL NOW HAVE RESPONSIBILITY FOR
12 EMPLOYEES WITHIN THE OFFICE OF THE CHAIR TO MAKE
13 DECISIONS RELATED TO HIRING, FIRING, AND
14 COMPENSATION WITHIN THE PARAMETERS ESTABLISHED BY
15 THIS BOARD AND CIRM'S HUMAN RESOURCES POLICIES.

16 MR. ROTH: SO THAT REALLY SAYS THIS IS A
17 VOLUNTARY AGREEMENT ENTERED INTO. IT'S NOT PART OF
18 THE STATUTE. STATUTE IS CLEAR?

19 MR. HARRISON: YES. THE STATUTE IS CLEAR.
20 THE BOARD, AS PART OF THE REORGANIZATION POLICY,
21 APPROVED THAT TRANSFER OF RESPONSIBILITY.

22 MR. ROTH: BUT THAT'S STILL VOLUNTARY,
23 RIGHT, IS IT NOT?

24 MR. HARRISON: WELL, ULTIMATELY THE
25 PRESIDENT TAKES DIRECTION FROM THE BOARD. IF HE IS

BARRISTERS' REPORTING SERVICE

1 NOT WILLING TO ACCEPT THAT DIRECTION, THEN THAT'S
2 SOMETHING THE BOARD WOULD HAVE TO ADDRESS.

3 MR. ROTH: BOB, MAYBE YOU CAN CLARIFY THAT
4 FOR ME BECAUSE MY UNDERSTANDING IS THAT WAS ALL
5 WRITTEN INTO THE PROPOSITION ABOUT WHO HAD
6 RESPONSIBILITY. I UNDERSTAND IF IT'S VOLUNTARY, BUT
7 I'M TRYING TO FIGURE OUT IF WE'RE TRYING TO CHANGE
8 PROP 71.

9 CHAIRMAN KLEIN: OKAY. WE HAVE A NUMBER
10 OF CLARIFICATIONS OF PROP 71 BY THIS BOARD. THE
11 CHAIR'S OFFICE IS DIRECTED IN PROP 71 TO DEVELOP
12 LEVERAGE BOTH INTERNATIONALLY AND WITHIN THE UNITED
13 STATES OF OUR SCIENTIFIC KNOWLEDGE. BUT, IN FACT,
14 THE WAY THE BOARD AND THE OPERATIONS OF THIS AGENCY
15 HAVE COME ABOUT, THE SCIENTIFIC PART OF THAT
16 LEVERAGE IS LED BY THE PRESIDENT'S OFFICE AND THE
17 FINANCIAL SIDE HAS BEEN LED BOTH BY THE CHAIR'S
18 OFFICE AND THE PRESIDENT'S OFFICE DEPENDING UPON
19 WHERE THE CONTACTS WERE.

20 SO IN OPERATIONS YOU CAN FIND A NUMBER OF
21 REFINEMENTS THAT HAVE FUNCTIONALLY TRIED TO ENHANCE
22 THE PERFORMANCE OF THIS AGENCY. BUT IT IS A DIRECT
23 DELEGATION BY THIS BOARD OF THESE POWERS FOR THE
24 INDIVIDUALS WITHIN THE CHAIR'S OFFICE. HOWEVER, THE
25 SALARY RANGES ARE SET BY THE BOARD, AND

BARRISTERS' REPORTING SERVICE

1 RECLASSIFICATION WITHIN THE SALARY RANGE CAN ONLY
2 HAPPEN WITH THE PRESIDENT'S APPROVAL.

3 SO IT'S IMPORTANT TO RECOGNIZE THAT THERE
4 IS A BALANCED APPROACH HERE, BUT SOMETHING THAT THE
5 BOARD WENT THROUGH A NUMBER OF MONTHS IN EVALUATION.
6 AND THIS REFINEMENT, I THINK, IS VERY IMPORTANT TO
7 THE NEW CHAIR HAVING A FUNCTIONAL OFFICE.

8 MR. TORRES: MR. CHAIRMAN, I AM SO, NOT
9 FRUSTRATED, BUT WE HAVE REVIEWED THIS, WE HAVE VOTED
10 UPON IT, THE PRESIDENT HAS AGREED TO THIS. IS THERE
11 STILL A PROBLEM?

12 MR. ROTH: YES.

13 MR. TORRES: THERE IS. THEN I SUGGEST YOU
14 VOTE AGAINST IT.

15 MR. ROTH: ART, PLEASE.

16 MR. TORRES: NO. THAT'S YOUR PREROGATIVE.

17 CHAIRMAN KLEIN: I WOULD LIKE -- I THINK
18 SENATOR TORRES' POINT IS -- I'D LIKE TO MOVE -- I'D
19 LIKE TO MAKE A MOTION.

20 MS. LANSING: I JUST WANT TO REMIND
21 EVERYBODY FOR ONE SECOND. I RESPECT WHAT YOU ARE
22 SAYING. YOU ASKED THE GOVERNANCE EVALUATION
23 SUBCOMMITTEE TO DO CERTAIN THINGS. THAT MESSAGE WAS
24 DELIVERED. WE THEN HAD AT THE LAST MEETING, I DON'T
25 KNOW IF I'M WRONG, TWO HOURS OR WHATEVER DISCUSSION

BARRISTERS' REPORTING SERVICE

1 ABOUT IT. WE ALL VOTED ON THIS.

2 ALL THIS IS DOING IS CODIFYING WHAT WE
3 ALREADY AGREED TO VOTE ON, AND WE'RE BRINGING IT
4 BACK JUST SO YOU SEE THAT ALL WE'RE DOING IS
5 CODIFYING IT. THERE'S NOTHING NEW HERE BESIDES WHAT
6 WE'VE DISCUSSED ALREADY LIKE THREE TIMES. SO,
7 AGAIN, I'M OPEN FOR MORE DISCUSSION, BUT I DO WANT
8 TO REMIND US.

9 CHAIRMAN KLEIN: I'D LIKE TO MAKE A MOTION
10 TO MOVE THIS BECAUSE IT'S GONE THROUGH MONTHS OF
11 EVALUATION, IT'S GONE THROUGH VARIOUS HEARINGS. WE
12 HAVE -- WE CANNOT CONTINUE TO GO BACK. WE HAVE TO
13 HAVE SOLID POINTS. THERE WILL ALWAYS BE PEOPLE THAT
14 DISAGREE, BUT I'D LIKE TO MAKE A MOTION TO PASS IT
15 AND SEE IF THERE'S A SECOND.

16 MR. TORRES: SECOND.

17 MS. LANSING: SO DO I NEED A ROLL CALL?
18 ALL IN FAVOR.

19 (CHORUS OF AYES.)

20 MS. LANSING: ANY OPPOSED?

21 MR. ROTH: I'M OPPOSED.

22 MS. LANSING: I RESPECT THAT, DUANE. AND
23 THANK YOU. OKAY.

24 THAT'S THE END OF IT. WE HAD ANOTHER
25 AGENDA ITEM CALLED A CODE OF CONDUCT. THERE WAS A

BARRISTERS' REPORTING SERVICE

1 GREAT DEAL OF DISCUSSION ABOUT THAT, AND WE'RE STILL
2 WORKING ON IT. SO WE'LL BE COMING BACK TO YOU,
3 JEFF, DO YOU THINK BY THE NEXT BOARD MEETING BECAUSE
4 I KNOW YOU'RE IN THE PROCESS OF THAT?

5 MR. SHEEHY: I HAVE CONCERNS. I THINK WE
6 NEED TO HAVE -- I WOULD BE SURPRISED IF WE WERE
7 READY TO DO THIS BY THE NEXT BOARD MEETING.

8 MS. LANSING: IT IS A WORK IN PROGRESS,
9 AND WE WILL SOLVE IT. AND I KNOW JEFF IS VERY
10 INVOLVED IN IT. I BELIEVE THAT CONCLUDES THAT PART.
11 THANK YOU.

12 CHAIRMAN KLEIN: ON AN ORGANIZATIONAL
13 FRONT, WE HAVE AN ITEM THAT WE NEED TO CONSIDER TO
14 ADD TO THE AGENDA. IN THE FRONT OF YOUR BINDER, YOU
15 HAVE AN ITEM SAYING INTELLECTUAL PROPERTY
16 SUBCOMMITTEE.

17 MS. KING: BOB, IF I COULD, JUST TO
18 EXPLAIN. WE ACTUALLY HAVE TWO PROPOSED ADDITIONAL
19 AGENDA ITEMS, AND BOTH OF THEM SHOULD BE LOCATED IN
20 THE INSIDE POCKET OF YOUR BINDERS. THE ONE BOB
21 WOULD LIKE TO TAKE UP RIGHT NOW IS ABOUT THE
22 INTELLECTUAL PROPERTY SUBCOMMITTEE, BUT WE ALSO HAVE
23 ANOTHER ONE THAT WE'LL WILL HAVE TO GO THROUGH THE
24 SAME PROCESS FOR. I WANTED TO MAKE SURE YOU WERE
25 AWARE AS WELL.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: YES. I'M GOING TO LET
2 THE LEGISLATIVE COMMITTEE HANDLE THE ADDITIONAL ITEM
3 THAT IS GOING TO BE ADDED TO THE AGENDA BECAUSE IT
4 DEALS WITH LEGISLATION. SO I'M GOING TO JUST
5 ADDRESS FOR THE MOMENT THE CREATION OF AN
6 INTELLECTUAL PROPERTY SUBCOMMITTEE.

7 WITH THE TREMENDOUS CONTROVERSY IN
8 INTELLECTUAL PROPERTY THAT IS REALLY PUTTING EUROPE
9 IN ANGST WITH THE EUROPEAN COURT OF JUSTICE,
10 CONSIDERING WHETHER TO BAN PATENTS ON EMBRYONIC STEM
11 CELLS OR ANY DERIVATION CELLS OR PRODUCTS OF
12 EMBRYONIC STEM CELLS, WITH FRANCE CONSIDERING MOVING
13 ON A BAN ON EMBRYONIC STEM CELL RESEARCH
14 POTENTIALLY, WITH THE LEGISLATION IN THE CONGRESS
15 THAT'S LOOKING AT, WE'RE GOING TO DISCUSS LATER,
16 LOOKING AT TRANSITION, A RADICAL CHANGE FROM FIRST
17 TO INVENT TO FIRST TO FILE, WITH OUR THERAPIES
18 MOVING DOWN TOWARDS CLINICAL TRIALS, I THINK IT IS
19 URGENT THAT WE ADOPT AND CREATE A SUBCOMMITTEE ON
20 INTELLECTUAL PROPERTY SO WE CAN GET AHEAD OF THIS.

21 WE HAVE THE ADVANTAGE OF A NEW MEMBER OF
22 THE BOARD, STEPHEN JUELSGAARD, BRINGING TREMENDOUS
23 CAPACITY AND KNOWLEDGE IN THIS AREA. AND IT'S AN
24 OPPORTUNITY THAT I REVIEWED WITH BOTH OF THE
25 CANDIDATES FOR CHAIR. THEY BOTH SUPPORTED IT. I

BARRISTERS' REPORTING SERVICE

1 VETTED IT WITH VARIOUS MEMBERS OF THIS BOARD, AND
2 THEY THOUGHT THAT STEPHEN JUELSGAARD WOULD MAKE A
3 GREAT CHAIR.

4 SO I BRING THIS ITEM TO YOU TO CREATE AN
5 INTELLECTUAL PROPERTY SUBCOMMITTEE WITH THE
6 ENDORSEMENT AND SUPPORT OF THE NEW CHAIR WITH
7 STEPHEN JUELSGAARD BEING THE CHAIR. AND HE WOULD
8 THEN WORK WITH THE NEW CHAIRMAN TO DECIDE WHO HAS AN
9 INTEREST IN SERVING ON THIS COMMITTEE. SO I'D LIKE
10 TO, FIRST OF ALL, SEE IF THERE'S A MOTION AND THEN
11 WE'LL HAVE DISCUSSION.

12 MR. TORRES: SO MOVED.

13 MR. GOLDBERG: I'D LIKE TO MAKE A MOTION
14 TO ESTABLISH AN INTELLECTUAL PROPERTY SUBCOMMITTEE
15 AND TO APPOINT STEVE JUELSGAARD AS ITS CHAIR.

16 MR. HARRISON: THE BOARD FIRST NEEDS TO --

17 CHAIRMAN KLEIN: WE FIRST NEED TO HAVE A
18 MOTION TO ACCEPT IT AS A MATTER OF URGENCY. AND
19 THEN IF WE HAVE A TWO-THIRDS VOTE, WE CAN MAKE THE
20 OTHER MOTION. WOULD YOU MAKE A MOTION TO ACCEPT IT
21 AS A MATTER OF URGENCY?

22 MR. GOLDBERG: YES, I WOULD.

23 MR. TORRES: I SECOND THAT.

24 CHAIRMAN KLEIN: MADE AND SECONDED. IS
25 THERE DISCUSSION ON THAT MOTION? PUBLIC DISCUSSION?

BARRISTERS' REPORTING SERVICE

1 THE MOTION IS TO ACCEPT THIS FOR CONSIDERATION AS AN
2 ITEM FOR NEEDING URGENT ATTENTION.

3 DR. FRIEDMAN: I'D LIKE TO ASK A QUESTION
4 THEN IF I MAY BEFORE THE VOTE. I THINK THIS IS A
5 VERY IMPORTANT SUBJECT, AND I AGREE WITH YOU AND
6 OTHERS THAT IT IS WELL DESERVING OF OUR ATTENTION.

7 I MUST TELL YOU, THOUGH, I'M A LITTLE
8 CONCERNED ABOUT US AS I READ THIS --

9 CHAIRMAN KLEIN: THIS IS A MOTION RIGHT
10 NOW --

11 DR. FRIEDMAN: THAT'S WHY I WAS CONFUSED.
12 SO I'M PROBABLY TALKING ABOUT THE WRONG MOTION. I
13 APOLOGIZE.

14 CHAIRMAN KLEIN: THIS IS A MOTION, IS
15 THERE ENOUGH URGENCY IN THIS FIELD BECAUSE OF
16 PENDING LEGISLATION, BECAUSE OF CHANGES IN
17 INTERNATIONAL REGULATIONS RELATED TO PATENTS IN THE
18 EMBRYONIC STEM CELL AREA AND CLINICAL ISSUES THAT
19 WILL RISE THAT ARE RELATED TO INTELLECTUAL PROPERTY,
20 IS THERE ENOUGH URGENCY TO CONSIDER A DISCUSSION OF
21 THIS?

22 DR. FRIEDMAN: DISCUSSION SOUNDS LIKE A
23 GREAT IDEA.

24 MR. HARRISON: JUST TO BE CLEAR, THE
25 MOTION IS TO DETERMINE THAT THE NEED FOR THIS ACTION

BARRISTERS' REPORTING SERVICE

1 AROSE AFTER THE AGENDA WAS POSTED AND THAT IT'S
2 CRITICAL THAT THE BOARD TAKE ACTION NOW.

3 CHAIRMAN KLEIN: YES. THANK YOU.

4 DR. PRIETO: MR. CHAIR. QUESTION. WHAT
5 IS THE STATUS OF OUR PREEXISTING INTELLECTUAL
6 PROPERTY TASK FORCE?

7 CHAIRMAN KLEIN: ED PENHOET IS, OF COURSE,
8 GONE. AND SO WE NEED TO RECONSTITUTE THIS. AND
9 UNDER THE BYLAWS, ALL TASK FORCES AND ALL
10 SUBCOMMITTEES WILL EXPIRE AND HAVE TO BE
11 REAPPOINTED. SO THE INDIVIDUALS THAT SERVED ON
12 THAT, I'VE TALKED TO SEVERAL OF THEM BECAUSE I CAN'T
13 TALK TO ALL OF THEM UNDER OUR RULES, ABOUT AN
14 INTEREST IN SERVING ON THIS WITH STEVE JUELSGAARD AS
15 CHAIR.

16 SO THE POINT IS THERE SEEMS TO BE AN
17 INTEREST FROM A NUMBER OF THOSE MEMBERS TO GO
18 FORWARD, BUT I'M JUST ELEVATING IT FROM A TASK FORCE
19 TO A SUBCOMMITTEE.

20 DR. PRIETO: I GUESS I'M JUST CURIOUS WHAT
21 IS THE SPECIFIC DIFFERENCE?

22 CHAIRMAN KLEIN: RIGHT NOW WE'RE
23 DISCUSSING JUST THE QUESTION OF URGENCY.

24 DR. PRIETO: OKAY.

25 DR. POMEROY: SO CAN YOU CLARIFY FOR US

BARRISTERS' REPORTING SERVICE

1 WHAT HAPPENED IN THE LAST TEN DAYS THAT WAS NOT ON
2 THE AGENDA AND THAT NOW NEEDS TO BE ON THE AGENDA
3 URGENTLY?

4 CHAIRMAN KLEIN: YES. THE BACKGROUND
5 MUSIC, IT'S VERY ENHANCING.

6 WHAT WAS THE DATE OF OUR LEGISLATIVE
7 SUBCOMMITTEE MEETING?

8 MS. KING: JUNE 6TH.

9 CHAIRMAN KLEIN: IT WAS JUNE 6TH THERE WAS
10 A SUBCOMMITTEE MEETING THAT FOCUSED, FOR EXAMPLE, ON
11 THE ISSUE OF PATENTS AND GOING FROM FIRST TO INVENT
12 TO FIRST TO FILE. THAT IS MOVING FORWARD IN THE
13 CONGRESS. WE WILL HEAR LATER ABOUT LEGISLATIVE
14 POSITIONS. IT WAS SUBSEQUENT TO THAT MEETING A
15 NUMBER OF BOARD MEMBERS MADE IT VERY CLEAR THAT THEY
16 WOULD LIKE THIS BOARD TO HAVE A REALLY SYSTEMATIC
17 LOOK AT THESE ISSUES THAT WOULD BE DEVELOPED BY A
18 SUBCOMMITTEE AND INFORMED BECAUSE IN THE FIRST YEAR
19 OF THIS ACT, IF IT IS PASSED AND IT LOOKS LIKE IT'S
20 POTENTIALLY GOING TO BE PASSED IN THE NEXT WEEK OR
21 TWO, AND THEN WILL BE IN CONFERENCE COMMITTEE, BUT
22 IN THE FIRST WEEK THE FEEDBACK IS CRITICAL BECAUSE
23 THE ACT, IN FACT, INCLUDES A PROVISION FOR REPORTING
24 BACK ON THE IMPACT ON SCIENTIFIC RESEARCH AND
25 PATENTS FOR NONPROFIT INSTITUTIONS AND SMALL BIOTECH

BARRISTERS' REPORTING SERVICE

1 COMPANIES WHO HAVE CLAIMED THAT THEY WILL BE
2 NEGATIVELY IMPACTED BY THIS. AND THE ISSUE IS TO
3 GET SOMETHING UP IMMEDIATELY. SO THAT'S BEEN
4 IMPRESSED UPON ME.

5 SUBSEQUENTLY AT THE ISSCR MEETING, PEOPLE
6 FROM A NUMBER OF NATIONS INDICATED THAT THE PROBLEM
7 IN EUROPE IS GOING TO FACE THE INVESTIGATORS THERE,
8 INCLUDING SOME OF OUR COLLABORATING INVESTIGATORS.
9 IF EUROPE GOES FORWARD WITH THE BAR ON -- IF THE
10 EUROPEAN COURT OF JUSTICE GOES FORWARD WITH THIS BAR
11 ON PATENTS, THAT THEY WOULD LOOK TO FILING THEIR
12 PATENTS IN THE UNITED STATES AND CALIFORNIA. AND
13 THIS IS AN ISSUE THAT'S GOING TO COME TO US PRETTY
14 QUICKLY.

15 AND IF, IN FACT, WE GO TO FIRST TO FILE IN
16 THE UNITED STATES, WHAT IS THAT GOING TO DO? EUROPE
17 IS ALREADY FIRST TO FILE, AND IN SOME CASES
18 UNIVERSITIES AND BIOTECH COMPANIES IN EUROPE --

19 DR. POMEROY: BOB, I DO UNDERSTAND THE
20 ISSUE. THAT WASN'T REALLY THE QUESTION.

21 CHAIRMAN KLEIN: THE POINT IS AT THE ISSCR
22 WE HAD A NUMBER OF INDIVIDUAL SCIENTISTS WHO WERE ON
23 COLLABORATING TEAMS WITH US EMPHASIZE WITH US THE
24 IMPORTANCE OF REALLY UNDERSTANDING HOW CALIFORNIA IS
25 GOING TO DEAL WITH THESE INTELLECTUAL PROPERTY

BARRISTERS' REPORTING SERVICE

1 ISSUES. AND THAT WAS A CONFERENCE THAT TOOK PLACE
2 WITHIN THE TEN-DAY PERIOD. OKAY.

3 SO THERE IS A MOTION ON THE FLOOR AND A
4 SECOND. IS THERE PUBLIC COMMENT ON THE URGENCY
5 ISSUE, WHICH IS WHAT WE'RE ADDRESSING? NO.

6 I WOULD CALL THE QUESTION. ALL IN FAVOR
7 OF THE URGENCY MOTION.

8 (CHORUS OF AYES.)

9 CHAIRMAN KLEIN: OPPOSED?

10 DR. POMEROY: OPPOSED.

11 DR. STEWARD: I'M OPPOSED TOO.

12 JUST TO SAY THIS IS NOT ABOUT IMPORTANCE.
13 IT'S JUST THAT I THINK WE OUGHT TO RESERVE URGENCY
14 FOR THINGS THAT ARE REALLY, REALLY URGENT THAT WE
15 DEAL WITH IN A TIMELY WAY. THAT'S THE ONLY REASON.

16 CHAIRMAN KLEIN: THANK YOU VERY MUCH. THE
17 AMOUNT OF FEEDBACK THAT I'VE BEEN GETTING ON THIS
18 ISSUE, AND I FELT THAT IF YOU HAD BEEN ON THE
19 RECEIVING END OF THAT FEEDBACK, YOU MIGHT BE VERY
20 SUPPORTIVE.

21 IN ANY CASE, THE SECOND QUESTION IS NOW
22 ESTABLISHING THE SUBCOMMITTEE WITH A CHAIR, AND THEN
23 THE CHAIR WILL WORK WITH THE NEW BOARD CHAIR
24 INCORPORATING MEMBERS FROM THE PRIOR TASK FORCE WHO
25 ARE STILL HERE TO POPULATE THIS AS WELL AS ANY OTHER

BARRISTERS' REPORTING SERVICE

1 MEMBERS OF THE BOARD THAT WISH TO SERVE ON THIS
2 COMMITTEE. MICHAEL, YOU HAD A MOTION?

3 MR. GOLDBERG: YEAH. I'D LIKE TO MAKE A
4 MOTION TO APPOINT STEVE JUELSGAARD AS CHAIR OF THE
5 COMMITTEE. THE BACKGROUND ON THAT IS HAVING KNOWN
6 STEVE FOR OVER A DECADE PRIOR TO HIS SERVICE HERE,
7 HE HAS A DISTINGUISHED CAREER AS A PRACTICING
8 CORPORATE COUNSEL BOTH IN THE INTELLECTUAL PROPERTY
9 AREA AS WELL AS IN GENERAL SECURITIES LAW AND ALL
10 THE OTHER AREAS OF BOTH SMALL, MEDIUM, AND LARGE
11 COMPANY GENERAL COUNSEL FUNCTIONS. IN ADDITION, HE
12 HAS BEEN CONNECTED WITH US SINCE, I THINK, OUR
13 EARLIEST INTELLECTUAL PROPERTY TASK FORCE PUBLIC
14 HEARINGS.

15 I'VE BEEN PRIVILEGED TO SERVE ON THAT TASK
16 FORCE SINCE INCEPTION. AND STEVE WAS ONE OF THE
17 PEOPLE THAT WE HAD BROUGHT TO OUR PUBLIC HEARINGS TO
18 SERVE ON PANELS TO SOLICIT HIS VIEWS. HE'S ALWAYS
19 BEEN GENEROUS WITH HIS TIME AND SELFLESS WITH HIS
20 EXPECTATIONS, AND I THINK HAS A UNIQUE BOTH
21 FUNCTIONAL AS WELL AS TEMPERAMENT TO MAKE A STRONG
22 CONTRIBUTION AS A LEADER OF THIS SUBCOMMITTEE GOING
23 FORWARD TO DEAL WITH THE COMPLEX ISSUES THAT WE
24 FACE.

25 CHAIRMAN KLEIN: THANK YOU VERY MUCH,

BARRISTERS' REPORTING SERVICE

1 MICHAEL .

2 DR. LOVE: SECOND.

3 CHAIRMAN KLEIN: ADDITIONAL COMMENTS BY
4 THE BOARD ABOUT --

5 DR. LUBIN: SO I WAS JUST CURIOUS WHETHER
6 WE'VE CONSIDERED -- ALMOST EVERYBODY IN THIS ROOM
7 THAT'S PART OF A UNIVERSITY, ALMOST EVERY ONE OF THE
8 MEMBERS OF OUR BOARD AND ACADEMIC CENTER
9 REPRESENTATIVES IN THE STATE HAVE AN INTELLECTUAL
10 PROPERTY OFFICE IN THEIR UNIVERSITIES THAT ARE VERY
11 STRONG, WHETHER WE COULD HAVE A COUPLE PEOPLE
12 SELECTED FROM THOSE TO ALSO PARTICIPATE AS EXTERNAL
13 MEMBERS IN THIS WOULD BE A VALUE, I THINK.

14 CHAIRMAN KLEIN: SO LET ME HAVE MR.
15 HARRISON COMMENT ON THAT. IN TERMS OF STATE LAWS
16 ISSUES, HE'S ASKING IF NONMEMBERS OF THE BOARD CAN
17 SERVE ON OUR SUBCOMMITTEE. THIS IS AN ISSUE WE'VE
18 ADDRESSED BEFORE, AND I THINK YOU NEED TO PROVIDE
19 THAT INFORMATION.

20 MR. HARRISON: THEY CAN CERTAINLY
21 PARTICIPATE AS ADVISORS TO THE SUBCOMMITTEE, BUT IT
22 IS A SUBCOMMITTEE OF THE BOARD. SO ONLY MEMBERS OF
23 THE BOARD ARE ELIGIBLE TO SERVE ON SUCH A
24 SUBCOMMITTEE.

25 CHAIRMAN KLEIN: I WOULD POINT OUT THAT

BARRISTERS' REPORTING SERVICE

1 ANY DESIGNATED OR APPOINTED ADVISORS, IF THEY'RE
2 APPOINTED THROUGH MEMBERS OF THE BOARD OR
3 SUBCOMMITTEES OF THE BOARD, THEN BECOME PART OF A
4 PUBLIC COMMITTEE, AND THEY'RE CONTROLLED BY
5 BAGLEY-KEENE. SO WE WANT TO BE SENSITIVE TO THAT AS
6 WELL.

7 BUT THE INTENT CERTAINLY AND HISTORICALLY
8 WE'VE DRAWN ON ALL OF THE TECH TRANSFER OFFICES. AS
9 YOU WILL SEE, TECH TRANSFER WILL COME UP IN A
10 SUBSEQUENT DISCUSSION. ADDITIONAL COMMENTS?

11 DR. FRIEDMAN: THANK YOU. I TOO WOULD
12 LIKE TO SPEAK IN FAVOR OF STEVE'S CHAIRMANSHIP OF
13 THIS SUBCOMMITTEE.

14 WHAT I'D LIKE TO FOCUS ON -- AND I HAPPEN
15 TO AGREE THAT I DON'T SEE THIS AS AN URGENCY, BUT
16 THAT VOTE'S BEEN HAD. THE QUESTION I'D LIKE TO
17 RAISE, THOUGH, HAS TO DO WITH THE SCOPE AND THE
18 INTENT OF THE COMMITTEE.

19 I'D LIKE TO DISTINGUISH TWO THINGS, IF I
20 MAY, BOB. I UNDERSTAND I MAY BE IN THE MINORITY ON
21 THIS, AND THAT'S FINE. I JUST WANT TO EXPRESS MY
22 POSITION, WHICH IS THAT I THINK IT'S REALLY HIGHLY
23 RELEVANT FOR US TO HAVE AN UNDERSTANDING OF WHAT THE
24 IMPLICATIONS OF THE NATIONAL AND INTERNATIONAL
25 CHANGES IN INTELLECTUAL PROPERTY ARE AND HOW THEY

BARRISTERS' REPORTING SERVICE

1 AFFECT OUR INVESTIGATORS AND OUR RESEARCH AND OUR
2 COLLABORATORS. AND HAVING A COMMITTEE MADE OF UP
3 REALLY FINE PEOPLE TO HELP US DO THAT, TO HELP OUR
4 INVESTIGATORS UNDERSTAND THE MEANING OF THIS, I
5 THINK IS COMPLETELY APPROPRIATE. SO I'M STRONGLY IN
6 SUPPORT OF THAT.

7 I HAVE THE FEELING, THOUGH, AS I READ THIS
8 AND LINK TO ITEM NO. 19, WHICH WE'LL GET TO LATER, I
9 HAVE A FEELING THAT THERE'S A MORE ACTIVIST AGENDA,
10 WHICH IS TO TRY AND PROMULGATE SPECIFIC POSITIONS
11 AND FOR US TO EXPEND A LOT OF ENERGY AND TIME TRYING
12 TO DETERMINE AS A SINGLE ENTITY WHAT WE THINK IS THE
13 BEST WAY TO CRAFT THIS EXTREMELY COMPLICATED AND
14 IT'S GOING TO BE HIGHLY CONTENTIOUS AREA. AND THAT
15 I HAVE RESERVATIONS ABOUT.

16 WE LINK TO OTHER ORGANIZATIONS, SISTER
17 ORGANIZATIONS, WHERE WE SHARE CERTAIN POSITIONS.
18 AND I LIKE THE IDEA OF US PARTNERING WITH THEM.
19 THEY'RE BIGGER THAN WE ARE. THEY HAVE MORE LOBBYING
20 CAPABILITY. THEY HAVE MORE INTELLECTUAL RESOURCES
21 THAN WE DO. WE DON'T ALWAYS AGREE WITH THEM; BUT
22 WHEN WE DO, I'D LIKE TO USE THEIR STRENGTH AND THEIR
23 FINANCIAL RESOURCES AND THEIR CONNECTIONS TO HELP DO
24 THAT.

25 I WOULD HAVE THIS COMMITTEE SERVE MUCH

BARRISTERS' REPORTING SERVICE

1 MORE ANALYTIC AND INTERNALLY FOCUSED THAN EXTERNALLY
2 FOCUSED AND LOBBYING. AND I JUST WANT TO MAKE THAT
3 AS A SUGGESTION. AND IF I'VE MISINTERPRETED IT, I
4 APOLOGIZE.

5 CHAIRMAN KLEIN: SO THE EXTERNALLY FOCUSED
6 POSITIONS CAN ONLY BE TAKEN IF THE LEGISLATIVE
7 COMMITTEE AND THE BOARD TAKE ACTION BASED UPON A
8 SPECIFIC RECOMMENDATION. SO THE INTENT OF THIS
9 COMMITTEE IS TO INFORM US, ANALYZE THE OPTIONS, TELL
10 US THE TRADE-OFFS, REALLY EXPLAIN WHERE THE
11 OBSTACLES ARE GOING TO BE, HOW WE CAN WORK WITH
12 THOSE OBSTACLES, HOW WE CAN FACILITATE THE TECH
13 TRANSFER OFFICES IN THEIR JOB, BUT THEN THERE COULD
14 BE RECOMMENDATIONS THAT WOULD COME BACK TO THE
15 BOARD. THE BOARD WOULD THEN DISCUSS THEM. AND IF
16 THEY WERE AN ISSUE TO BE DISCUSSED IN LEGISLATION,
17 IT WOULD BE DEALT WITH THROUGH THE LEGISLATIVE
18 SUBCOMMITTEE AFTER A BOARD ACTION THAT SPECIFICALLY
19 AUTHORIZED A NARROW, SPECIFIC, TARGETED ACTION. SO
20 THIS IS NOT THE ADVOCACY COMMITTEE. THIS IS THE
21 ANALYSIS COMMITTEE.

22 DR. FRIEDMAN: I DO UNDERSTAND THAT. I
23 JUST -- I HAVE A CONCERN THAT THIS IS THE FIRST STEP
24 TOWARD A MORE ADVOCATE. I THINK WE ALL KNOW YOU AS
25 WE DO, AND IT'S NOT A COMPLETELY COO-COO HYPOTHESIS.

BARRISTERS' REPORTING SERVICE

1 MR. GOLDBERG: CAN I COMMENT ON THAT?
2 KNOWING STEVE JUELSGAARD AS I DO, I HAVE A HARD TIME
3 BELIEVING THAT WE WILL SEE MISSION CREEP, BUT I
4 THINK THAT'S A GOOD PRECAUTIONARY COMMENT.

5 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
6 AND, STEVE, ONE THING THAT'S CLEAR IN ALL THESE
7 DISCUSSIONS IS EVERYONE SUPPORTS YOU AS CHAIR. IT'S
8 A GREAT STARTING POINT.

9 BUT CERTAINLY IF THERE ARE
10 RECOMMENDATIONS, THEY WILL COME BACK TO THIS BOARD,
11 AND ACTION WON'T BE TAKEN UNLESS THIS BOARD DECIDES
12 AFTER DISCUSSION AND REVIEW.

13 SO ADDITIONAL DISCUSSION ON THIS ITEM?
14 PUBLIC DISCUSSION ON THIS ITEM? WE CAN HAVE A VOICE
15 VOTE ON THIS ITEM?

16 MR. HARRISON: WE CAN. AND JUST TO
17 RESTATE THE MOTION, IT'S TO ESTABLISH AN
18 INTELLECTUAL PROPERTY SUBCOMMITTEE WITH THE CHARGE
19 AS DESCRIBED IN THE DOCUMENTS PRESENTED TO THE BOARD
20 AND TO APPOINT STEVE JUELSGAARD AS CHAIR.

21 CHAIRMAN KLEIN: THAT'S CORRECT. ALL IN
22 FAVOR. OPPOSED? THANK YOU.

23 I'D LIKE TO GO TO ITEM 17, AND I'D LIKE TO
24 CREATE A CONTEXT FOR THIS ITEM. IN TERMS OF BEING
25 ABLE TO BRING FORWARD TO THE STATE FINANCE OFFICE

BARRISTERS' REPORTING SERVICE

1 AND THE TREASURER'S OFFICE OUR FINANCIAL NEEDS, EVEN
2 IF THOSE NEEDS ARE DOWNSTREAM IN THE NEXT FISCAL
3 YEAR, IT'S VERY HELPFUL IF WE CAN HAVE A CONCEPT
4 APPROVAL.

5 NOW, WITH THIS ITEM, DEALING WITH NEW
6 FACULTY PHYSICIAN SCIENTIST TRANSLATIONAL RESEARCH
7 AWARDS, THERE IS THE POTENTIAL THAT AS THE FINANCIAL
8 RESOURCES ARE VIEWED OVER THE NEXT NINE MONTHS, THAT
9 THIS ACTUAL RFA MIGHT BE DEFERRED BECAUSE OF CASH
10 FLOW OR STRATEGIC CONSIDERATIONS THAT YOU WILL BE
11 CONSIDERING UNDER THE NEW CHAIRMAN IN DISCUSSIONS
12 THAT WILL COME UP IN THE NEXT COUPLE OF MEETINGS.
13 BUT IN TERMS OF PROJECTING OUT FOR THE DEPARTMENT OF
14 FINANCE THE TOTAL POTENTIAL USE OF FUNDS, THIS HAS
15 BEEN BROUGHT UP TIME AND TIME AGAIN AS A VERY
16 IMPORTANT AND VALUABLE CONTRIBUTION.

17 AT ONE OF OUR LAST PEER REVIEWS, SEVERAL
18 OF OUR PEER REVIEWERS FROM OUT OF STATE CAME TO US
19 AND COMMENTED HOW HIGH IMPACT THE PHYSICIAN
20 SCIENTIST AWARDS HAD BEEN IN INFLUENCING THE CAREERS
21 OF SOME OF THE BEST PEOPLE THEY KNEW IN THE COUNTRY
22 WHO WOULD COME TO CALIFORNIA. AND THEY ACTUALLY
23 ENCOURAGED US MEMBERS OF THE BOARD TO ADVANCE THIS
24 DISCUSSION WITH THE STAFF.

25 THIS HAS GONE THROUGH THE SCIENTIFIC

BARRISTERS' REPORTING SERVICE

1 SUBCOMMITTEE OF THE BOARD. WE'RE GOING TO HEAR FROM
2 DR. OLSON AND THEN ASK JEFF SHEEHY TO PLEASE
3 COMMENT.

4 DR. OLSON: THANK YOU. MR. CHAIRMAN, MR.
5 CHAIRMAN-ELECT, MEMBERS OF THE BOARD, MEMBERS OF THE
6 PUBLIC, AND STAFF, SO I JUST WANTED TO FOLLOW UP
7 WITH WHAT OUR CHAIRMAN SAID, THAT THIS IS IN
8 RESPONSE TO COMMENTS MADE AT A RECENT GRANTS WORKING
9 GROUP MEETING, IN RESPONSE TO COMMENTS MADE AT A
10 PREVIOUS BOARD MEETING, AND RESPONSE TO A DISCUSSION
11 AT A RECENT SCIENCE SUBCOMMITTEE MEETING.

12 SO I BRING FOR YOUR APPROVAL TODAY A
13 CONCEPT PROPOSAL FOR A NEW FACULTY PHYSICIAN
14 SCIENTIST TRANSLATIONAL RESEARCH AWARD. AND LET ME
15 JUST REMIND YOU. SO THE GOAL OF THIS WOULD BE TO
16 FUND PROMISING PHYSICIAN SCIENTISTS IN THE CRITICAL
17 EARLY STAGES OF THEIR CAREER AS AN INDEPENDENT
18 INVESTIGATOR TO CONDUCT TRANSLATIONAL RESEARCH.

19 WHY PHYSICIAN SCIENTISTS PER SE? JUST TO
20 MAKE SURE WE'RE VERY CLEAR ON WHAT I MEAN BY
21 PHYSICIAN SCIENTISTS, I MEAN SCIENTISTS WHO HAVE AN
22 M.D. DEGREE OR AN M.D. DEGREE AND, SAY, FOR EXAMPLE,
23 A PH.D., BUT THERE IS AN M.D. DEGREE COMPONENT.

24 PHYSICIAN SCIENTISTS ARE AN ENDANGERED
25 SPECIES. I THINK WE'VE HEARD FROM DR. PIZZO AT A

BARRISTERS' REPORTING SERVICE

1 RECENT BOARD MEETING COMMENTING ON THIS. I WOULD
2 ACTUALLY -- I WANTED SOME ACTUAL DATA TO LOOK AT
3 THIS. SO I WENT ONTO THE WEB, AND I REFER YOU TO
4 ARTICLES BY DR. ANDREW SCHAFER OF THE WEILL CORNELL
5 SCHOOL OF MEDICINE, AND HE HAS WRITTEN EXTENSIVELY
6 ON THIS. AND HE REALLY DOES MAKE THE POINT THEY ARE
7 AN ENDANGERED SPECIES. WHY IS THAT?

8 THERE ARE FEWER PHYSICIAN SCIENTISTS WHO
9 ARE CHOOSING TO PURSUE CAREERS IN RESEARCH IN THE
10 CLINIC DUE TO PRESSURES OF ESSENTIALLY THAT COMBINED
11 STRATEGY AND ALSO THE INCREASING UNPREDICTABILITY OF
12 GRANT SUPPORT. SO FOR THESE INDIVIDUALS WHO HAVE
13 THE ALTERNATIVE OF PURSUING STRAIGHT CLINICAL
14 MEDICINE, THEY HAVE OTHER SOURCES OF INCOME. THEY
15 DO NOT NEED TO PURSUE A CAREER AS A RESEARCH
16 SCIENTIST.

17 WHY DO WE WANT TO FOCUS ON TRANSLATIONAL
18 RESEARCH FOR THESE PEOPLE? WHY DO WE WANT TO FOCUS
19 ON TRANSLATIONAL RESEARCH? WELL, IF YOU THINK ABOUT
20 IT, UNDERSTANDING THE ISSUES THAT ARISE IN THE
21 CLINIC IS ONE OF THE BEST WAYS TO INFORM THE KIND OF
22 RESEARCH THAT IS DONE IN THE LAB. SO WE REALLY
23 THINK THAT WE WOULD LIKE TO ENCOURAGE THESE PEOPLE,
24 AND WE WOULD LIKE TO ENCOURAGE THEM IN THE FIELD
25 WHERE THEY CAN BEST MAKE A DIFFERENCE IN

BARRISTERS' REPORTING SERVICE

1 TRANSLATIONAL RESEARCH.

2 WHAT WE NEED TO DO IS WE WOULD LIKE --
3 AGAIN, THIS IS JUST THE KIND OF ELIGIBILITY
4 PARAMETERS WE HAD BEFORE. SO I SAY M.D. OR
5 M.D./PH.D. THIS IS PEOPLE WHO ARE WITHIN THE FIRST
6 SIX YEARS OF THEIR FIRST INDEPENDENT FACULTY
7 POSITION. WE WOULD LIKE TO BUY THEIR TIME, SO WE
8 WOULD LIKE A 33-PERCENT EFFORT COMMITMENT FOR THEM
9 TO REALLY BE INVOLVED. THIS IS COMPARABLE TO OUR
10 PREVIOUS NEW FACULTY AWARDS. THIS WOULD BE OPEN TO
11 ALL ACADEMIC AND NONPROFIT RESEARCH INSTITUTIONS IN
12 THE STATE OF CALIFORNIA.

13 THE IDEA HERE IS WE WOULD REQUIRE
14 INSTITUTIONAL NOMINATION. THIS WOULD NOT GO THROUGH
15 OUR PREAPPLICATION PROCESS. SO WE WANT THE
16 INSTITUTIONS THEMSELVES TO NOMINATE THE PEOPLE
17 BECAUSE THEY ARE GOING TO HAVE TO MAKE A COMMITMENT
18 TO THESE PEOPLE IN TERMS OF MENTORING AND IN TERMS
19 OF FREEING THEM FROM CLINICAL RESEARCH
20 RESPONSIBILITIES.

21 SO WHAT WE WOULD SUGGEST IS THAT THOSE
22 APPLICANT INSTITUTIONS THAT HAVE AN ACCREDITED
23 MEDICAL SCHOOL WOULD BE ABLE TO NOMINATE UP TO FOUR
24 INDIVIDUALS. THE RATIONALE BEING THAT THERE'S
25 PROBABLY MORE OF THOSE TYPE OF PEOPLE AT THOSE

BARRISTERS' REPORTING SERVICE

1 INSTITUTIONS. THOSE INSTITUTIONS THAT DO NOT HAVE A
2 MEDICAL SCHOOL COULD NOMINATE UP TO TWO. THESE
3 KINDS OF NUMBERS GAVE US ROUGHLY 50 TO 60 APPLICANTS
4 IN PREVIOUS ROUNDS OF NEW FACULTY, WHICH IS A GOOD
5 NUMBER FOR OUR GRANTS WORKING GROUP TO REVIEW.

6 WE WOULD LIKE TO SUGGEST THAT ALL
7 PROPOSALS, IT WOULD BE VERY BROAD IN SCOPE FOR STEM
8 CELL RESEARCH, BUT IT WOULD HAVE A FOCUS ON HUMAN,
9 STEM, OR PROGENITOR CELLS, OR IT COULD TARGET
10 ENDOGENOUS STEM CELLS. IF YOU LOOK AT THE SCOPE
11 WHERE IN THE TRANSLATIONAL SPECTRUM, IT'S ACTUALLY
12 QUITE BROAD. ANYWHERE, THEY CAN COME IN ANYWHERE
13 FROM CANDIDATE DISCOVERY, DO PRECLINICAL RESEARCH,
14 PRECLINICAL DEVELOPMENT. THERE COULD BE THE BEDSIDE
15 TO BENCH IN THAT ONGOING TRIALS MAY HAVE
16 SUPPLEMENTAL STUDIES THAT REQUIRE RESEARCH STUDIES
17 TO BE CARRIED OUT. SO THOSE WOULD ALSO FALL INTO
18 THE SCOPE OF THE AWARDS THAT WE'RE TALKING ABOUT.

19 THE TERM WOULD BE UP TO FIVE YEARS. THE
20 IDEA IS REALLY TO GET PEOPLE STARTED IN THEIR
21 CAREERS WITHOUT HAVING TO GO THROUGH NEW GRANT
22 APPLICATIONS EVERY TIME YOU TURN AROUND. WE WOULD
23 SUGGEST TOTAL DIRECT PROJECT COSTS OF UP TO TWO
24 MILLION. THIS COULD BE ALLOCATED OVER THE COURSE OF
25 THE FIVE YEARS. IF THEY THOUGHT THEY COULD DO THE

BARRISTERS' REPORTING SERVICE

1 WORK IN FOUR YEARS, ALLOCATE TWO MILLION OVER THE
2 COURSE OF THE FOUR YEARS. IF THEY THOUGHT THEY
3 COULD ACHIEVE THE TRANSLATIONAL OBJECTIVE THAT THEY
4 SET IN THREE YEARS, MORE POWER TO THEM. BUT THE
5 POINT IS IT GIVES THEM FLEXIBILITY TO DO A
6 TRANSLATIONAL PROGRAM WITHIN THE TIME FRAME.

7 WE ARE TARGETING APPROXIMATELY 20 AWARDS
8 WITH AN ESTIMATED PROGRAM COST OF UP TO 80 MILLION.
9 OUR PROVISIONAL TIMETABLE, AND THIS VERY MUCH
10 DICTATED BY SORT OF REVIEW SLOTS WE HAVE AVAILABLE,
11 IS TO POST THE RFA IN THE SPRING OF NEXT YEAR, TO
12 REVIEW IT IN THE FALL OF NEXT YEAR, AND TO APPROVE
13 IT BY THE BOARD IN THE FOURTH QUARTER OF NEXT YEAR.

14 SO I WOULD, THEREFORE, LIKE TO REQUEST
15 YOUR APPROVAL OF THE CONCEPT PLAN FOR THE CIRM NEW
16 FACULTY PHYSICIAN SCIENTIST AWARD FOR TRANSLATIONAL
17 RESEARCH.

18 CHAIRMAN KLEIN: THANK YOU. JEFF, AS
19 CHAIR OF THE SCIENTIFIC SUBCOMMITTEE, COULD YOU
20 PLEASE PROVIDE THE BACKGROUND FRAMEWORK?

21 MR. SHEEHY: SURE. THANK YOU, DR. OLSON.
22 I THINK SHE DID A GREAT JOB OF SPEAKING ABOUT THE
23 NEED. AND I JUST REMIND, AS SHE MENTIONED, DR.
24 PIZZO'S COMMENTS AT OUR LAST BOARD MEETING. SO WE
25 HAVE DISCUSSED, I BELIEVE, TWICE IN THE SCIENCE

BARRISTERS' REPORTING SERVICE

1 SUBCOMMITTEE, AND WE'VE HAD AN EARLIER DISCUSSION
2 ABOUT THIS PROJECT AT THE BOARD.

3 ONE OF THE THINGS THAT WE HAD AT THE
4 SCIENCE SUBCOMMITTEE THAT I THINK IS IMPORTANT TO
5 NOTE IS THAT THIS IS A REPEAT OF OUR EARLIER NEW
6 FACULTY AWARDS. AND FOR THOSE 42 AWARDEES, WE HAVE
7 120 PUBLICATIONS. VERY NICE PRODUCTIVITY
8 INFORMATION WAS PRESENTED. I THINK, WHAT DID WE
9 HAVE, HALF A DOZEN PATENTS HAVE COME FROM THAT
10 PROGRAM. SOME OF THE NAMES WE'VE HEARD ABOUT OFTEN.
11 CATRIONA JAMIESON, ANTHONY RIVAS AT UCLA. I THINK
12 WE'RE REALLY GROOMING A CROP OF TRUE SUPERSTARS THAT
13 WILL NOT JUST BENEFIT OUR PROGRAM, BUT ACTUALLY MAKE
14 A DIFFERENCE GENERICALLY ACROSS THE FIELD.

15 SO I THINK THIS IS AN IMPORTANT PROJECT
16 FOR US.

17 DR. MELMED: UNLIKE THE NIH K AWARDS,
18 WHICH ARE VERY RESTRICTIVE IN TERMS OF THE CLINICAL
19 TIME THAT FACULTY ARE LIMITED TO, THERE'S NO MENTION
20 HERE OF HOW MUCH CLINICAL TIME. SO I THINK FOR TIME
21 AND EFFORT PURPOSES, THAT'S A VERY IMPORTANT
22 ADVANTAGE TO THE INSTITUTION, THAT WE ARE NOT
23 LIMITING THEM. MAYBE WE SHOULD HAVE A STATEMENT
24 HERE ABOUT THE FACT THAT THE TIME DEVOTED TO THIS
25 PROJECT SHOULD BE APPROPRIATE FOR ACHIEVING ITS

BARRISTERS' REPORTING SERVICE

1 GOALS RATHER THAN LIMITING A SPECIFIC CLINICAL TIME
2 BECAUSE MOST DEPARTMENT CHAIRS WILL INSIST ON SOME
3 CLINICAL TIME.

4 DR. OLSON: WE DID NOT SPECIFY CLINICAL
5 TIME AT ALL.

6 DR. MELMED: I KNOW THAT. I'M APPLAUDING
7 YOU FOR THAT. I'M SAYING WE SHOULD STATE THAT THE
8 TIME DEVOTED TO THIS PROJECT SHOULD BE SUFFICIENT
9 AND APPROPRIATE FOR THE PROPOSED SCIENCE.

10 DR. OLSON: SO ARE YOU SUGGESTING --

11 CHAIRMAN KLEIN: JUST INCORPORATING THAT
12 IN THIS APPROVAL IS WHAT HE'S SUGGESTING AS AN
13 AMENDMENT TO THE CONCEPT PLAN.

14 DR. MELMED: OTHERWISE WE'RE GOING TO GET
15 STUCK WITH SOMEBODY GETTING A GRANT, AND THEIR
16 CHAIRMAN SAYING THEY GOT TO SPEND 90 PERCENT TIME IN
17 THE CLINIC.

18 DR. OLSON: WE'RE REQUIRING A MINIMUM OF
19 33 PERCENT DEVOTED TO THIS AWARD, WHICH IS THE
20 TRANSLATIONAL RESEARCH COMPONENT OF IT AND NOT THE
21 CLINICAL TIME.

22 DR. MELMED: DOESN'T SAY SO HERE.

23 DR. OLSON: THAT IS THE INTENT, AND I WILL
24 MAKE IT CLEAR THAT THAT IS THE INTENT.

25 CHAIRMAN KLEIN: SO WE'RE GOING TO

BARRISTERS' REPORTING SERVICE

1 INCORPORATE THAT.

2 DR. OLSON: THE NOTION. YOU'RE RIGHT. I
3 DIDN'T HAVE THAT IN THE WRITTEN PROPOSAL. I HAVE
4 THAT IN THE SLIDES. THE NOTION IS --

5 DR. MELMED: K AWARDS ARE VERY
6 RESTRICTIVE, AND THEY HAVE TO HAVE 80 PERCENT OR 70
7 PERCENT RESEARCH TIME, WHICH MEANS IF SOMEBODY IS A
8 SURGEON AND THEY'RE WORKING ON A WEEKEND, THAT KILLS
9 THE GRANT FOR THE TIME AND EFFORT FOR THE WEEK.

10 DR. OLSON: I APPRECIATE THAT, WHICH IS
11 WHY WE CHOSE TO LIMIT IT TO 33 PERCENT OF THEIR TIME
12 ON THIS AWARD.

13 CHAIRMAN KLEIN: THAT IS IN THE SLIDES.

14 DR. OLSON: THAT IS IN THE SLIDE, CORRECT.

15 CHAIRMAN KLEIN: THE CONCEPT HERE TOO IS
16 ESSENTIALLY WE'RE PAYING --

17 DR. OLSON: FOR SOME OF THEIR TIME.

18 CHAIRMAN KLEIN: -- FOR PART OF THEIR
19 CLINIC TIME TO MAKE SURE THAT WE HAVE THE RIGHT
20 BALANCE.

21 DR. LUBIN: SO TO CONTINUE WHAT SHLOMO
22 SAID. I'VE BEEN A REVIEWER OF MANY OF THESE
23 APPLICATIONS AT NIH. AND ACTUALLY THE INSTITUTE HAS
24 TO MAKE A 75-PERCENT, THEY CALL IT, PROTECTED TIME
25 TO DO THE RESEARCH. IF YOU LEAVE IT UP TO THE

BARRISTERS' REPORTING SERVICE

1 INSTITUTION OF HOW MUCH DO YOU NEED TO DO TO
2 ACCOMPLISH THE GOAL, A PERSON COULD SAY, WELL, 10
3 PERCENT OF YOUR TIME SHOULD BE ABLE TO DO THAT. SO
4 IT SHOULD BE PROTECTED TIME FOR RESEARCH. AND THE
5 INSTITUTION HAS TO PUT A LETTER IN THE APPLICATION
6 SAYING THEY GUARANTEE THIS. AND IF THAT'S NOT IN AN
7 NIH ONE, THEN THAT APPLICATION DOESN'T GET A
8 PRIORITY.

9 CHAIRMAN KLEIN: WE BOTH HAVE THE MINIMUM,
10 AND THEY'RE REQUIRED TO HAVE DOCUMENTING LETTERS IN
11 THE APPLICATIONS. AS A PART OF THE COMPETITIVE
12 PROCESS, IT'S REVIEWED WHAT THE PERCENTAGE OF TIME
13 THEY'RE GOING TO HAVE AVAILABLE.

14 DR. OLSON: THERE IS A COMPONENT IN THE
15 PREVIOUS NEW FACULTY OF THE INSTITUTIONAL
16 COMMITMENT, AND THAT DOES STAND AS PROTECTED TIME
17 FOR THEM TO DO THE RESEARCH.

18 DR. LOVE: I JUST HAVE A SIMPLE
19 CLARIFICATION. IT SAYS 20 AWARDS UP TO \$2 MILLION
20 EACH, WHICH CALCULATES TO 40 MILLION TO ME, BUT IT
21 SAYS 80 MILLION THERE. I'M SURE I'M MISSING
22 SOMETHING.

23 DR. OLSON: IT'S APPROXIMATELY 20 AWARDS.
24 SO IT DEPENDS ON THE OVERHEAD ON THE FACILITIES AND
25 OVERHEAD RATE. IT'S GOING TO BE ANYWHERE PROBABLY

BARRISTERS' REPORTING SERVICE

1 FROM 22 TO 25 WOULD USE THE FULL 80 MILLION.

2 DR. TROUNSON: I'D STRONGLY RECOMMEND THIS
3 TO THE BOARD. THESE M.D./PH.D'S ARE AN ENDANGERED
4 SPECIES AROUND THE WORLD. AND THE DECAY IN THE
5 NUMBER IN RESEARCH IS VERY, VERY CONCERNING. AND IT
6 SHOULD BE CONCERNING TO US WITH THE STRONG
7 TRANSLATIONAL DRIVE. AND I THINK IT COULD -- IT
8 SAYS SOMETHING TO THE REST OF THE WORLD THAT WE'VE
9 RECOGNIZED THIS.

10 AND I'VE BEEN STRONGLY APPLAUDED ON THE
11 BASIS THAT WE'RE RECOMMENDING THIS TO THE BOARD FROM
12 A LARGE VARIETY OF ORGANIZATIONS AND INSTITUTIONS IN
13 RESEARCH ALL AROUND THE WORLD AND THROUGHOUT THE
14 U.S.A. AND IT'S ABOUT TIME SOMEBODY TOOK A REALLY
15 STRONG STAND ON THIS TO BRING THESE PEOPLE BACK INTO
16 THE FIELD. OTHERWISE THE DECAY IS A VERY BIG
17 CONCERN FOR US IN THE DELIVERY OF WHAT WE REALLY,
18 REALLY NEED TO DO.

19 CHAIRMAN KLEIN: DR. OS STEWARD IS THE
20 NEXT PERSON, THEN I'LL COME BACK.

21 DR. STEWARD: THANK YOU. ONE OF THE
22 THINGS I'M A LITTLE BIT WONDERING ABOUT, YOU'VE
23 RESTRICTED IT HERE TO M.D. APPLICANTS. I THINK
24 THAT'S FINE. BUT OUR RESEARCH WORKFORCE THESE DAYS
25 IS MADE UP OF MANY PEOPLE WHO HAVE RECEIVED, FOR

BARRISTERS' REPORTING SERVICE

1 EXAMPLE, FOREIGN MEDICAL DEGREES THAT ARE NOT
2 ELIGIBLE FOR CLINICAL PRACTICE HERE IN THE UNITED
3 STATES. I'M WONDERING WHETHER, IN FACT, YOU REALLY
4 WANT TO LIMIT IT TO PEOPLE WHO ARE ELIGIBLE FOR
5 MEDICAL LICENSURE HERE IN THE UNITED STATES.

6 I THINK, JUST TO SAY, FOREIGN MEDICAL
7 GRADUATES VERY OFTEN REALLY GET THAT M.D. AS A ROUTE
8 TO RESEARCH AND REALLY DON'T HAVE ANY TRANSLATIONAL
9 INTEREST. THEY'RE VERY IMPORTANT TO THE RESEARCH
10 RESOURCE, BUT WOULD NOT NECESSARILY REALLY MEET THE
11 NEEDS OF THIS TRANSLATIONAL NICHE THAT YOU'RE TRYING
12 TO SUPPORT HERE.

13 DR. OLSON: ARE YOU SUGGESTING THAT WE
14 SHOULD MAKE IT VERY CLEAR THAT THEY BE LICENSED TO
15 PRACTICE IN THE COUNTRY?

16 DR. STEWARD: YES.

17 DR. OLSON: POINT TAKEN.

18 CHAIRMAN KLEIN: I THINK THAT'S BEEN
19 ACCEPTED AND WILL BE INCORPORATED. ADDITIONAL
20 QUESTIONS?

21 MR. SHESTACK: I'M JUST TRYING TO -- I
22 THINK IT'S A GREAT IDEA TO SUPPORT THE PHYSICIAN
23 PH.D. I'M JUST TRYING TO UNDERSTAND THOUGH. THIS
24 HAS TO BE FOR AN ORIGINAL PROJECT, OR COULD THEY
25 GET -- OR IS THE GRANT IN SUPPORT, FOR INSTANCE, OF

BARRISTERS' REPORTING SERVICE

1 SOMEONE'S SALARY AND WORK ON AN ALREADY EXISTING
2 FUNDED LARGER GRANT?

3 DR. OLSON: I THINK THE NOTION IS IT WOULD
4 BE A PROPOSAL THAT THEY WOULD MAKE FOR SOME KIND OF
5 TRANSLATIONAL RESEARCH. NOW, IN MANY INSTANCES, AN
6 INDIVIDUAL MAY HAVE AWARDS FROM OTHER INSTITUTIONS
7 THAT CONTRIBUTE TO THEIR RESEARCH INTEREST. THIS
8 COULD BE FOR AN ASPECT OF IT. I DON'T KNOW THAT --
9 I MEAN THE NOTION IS A PROPOSAL AS WELL. WE'RE
10 FUNDING SOMEONE FOR FIVE YEARS TO DO SOME
11 TRANSLATIONAL WORK.

12 MR. SHESTACK: SO WE'RE FUNDING A PERSON
13 AND A SPECIFIC PROPOSAL PROBABLY ORIGINAL TO THEM?

14 DR. OLSON: THE IDEA WOULD BE A PROPOSAL
15 THAT THEY WOULD MAKE, YES.

16 MR. SHESTACK: OKAY.

17 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
18 JOAN SAMUELSON HAS A QUESTION.

19 MS. SAMUELSON: I THINK THIS IS A VERY
20 IMPORTANT PROGRAM. I'M JUST WONDERING, I WAS KIND
21 OF FOLLOWING ON WHAT OS WAS SAYING, BUT I THINK THE
22 OTHER SIDE OF IT, THERE ARE LOTS OF PH.D.
23 RESEARCHERS WHO ARE TRYING TO DEDICATE THEIR WORK TO
24 TRANSLATIONAL RESEARCH AND HAVING A TOUGH TIME OF
25 IT, GOING INTO THE VALLEY OF DEATH WITH AN IDEA AND

BARRISTERS' REPORTING SERVICE

1 IT JUST DIES THERE BECAUSE THEY CAN'T GET ENOUGH
2 INTEREST TO FUND THOSE COMPLICATED, DIFFICULT IDEAS
3 TO BRING THEM TO FRUITION.

4 SO OFTEN, INSTEAD OF GOING TO SURGERY,
5 LET'S SAY, THEY GO BACK TO BASIC RESEARCH. IS IT
6 APPROPRIATE TO INCLUDE THEM HERE? IS THAT JUST TOO
7 DIFFERENT A NICHE OF PROFESSIONALS? OR IT SEEMS
8 LIKE MANY OF THE SAME ISSUES ARE RAISED.

9 DR. OLSON: I THINK THE NOTION HERE IS
10 REALLY TO ENCOURAGE THAT GROUP OF PEOPLE WITH AN
11 M.D. DEGREE WHO ARE REALLY FAMILIAR WITH THE
12 TREATMENT AND THE PATIENT ISSUES TO WORK IN
13 RESEARCH. AS YOU WELL KNOW, AS THIS BOARD KNOWS, WE
14 HAVE OPPORTUNITIES FOR PH.D. SCIENTISTS TO
15 PARTICIPATE IN TRANSLATIONAL RESEARCH THROUGH OUR
16 EARLY TRANSLATIONAL RESEARCH PROGRAM, THROUGH OUR
17 DISEASE TEAM PROGRAM. SO THERE ARE MANY
18 OPPORTUNITIES FOR PH.D. SCIENTISTS. THIS IS
19 SPECIFICALLY TO ADDRESS A GAP THAT THERE APPEARS TO
20 BE IN THE FIELD THAT'S BEEN HIGHLIGHTED BY MANY THAT
21 IS A REAL NEED.

22 MS. SAMUELSON: DO WE HAVE AN EARLY
23 TRANSLATIONAL ROUND COMING UP?

24 DR. OLSON: THE EARLY TRANSLATIONAL RFA
25 WAS JUST RELEASED ON JUNE 16TH AND, YES, IS ACTIVE.

BARRISTERS' REPORTING SERVICE

1 SO WE'VE SENT OUT NOTIFICATIONS TO EVERYBODY WHO IS
2 SIGNED UP ON OUR WEBSITE, AND WE'RE LOOKING FORWARD
3 TO WHAT WE WILL SEE.

4 MS. SAMUELSON: GOOD. THANKS.

5 DR. POMEROY: BOB, I'D LIKE TO MOVE
6 APPROVAL.

7 DR. STEWARD: SECOND.

8 CHAIRMAN KLEIN: ADDITIONAL DISCUSSION BY
9 THE BOARD? IS THERE PUBLIC COMMENT? SO, MR.
10 HARRISON, AS A CONCEPT APPROVAL, WE CAN DO A VOICE
11 VOTE. ALL IN FAVOR. OPPOSED? THANK YOU.

12 WE HAVE A PATIENT ADVOCATE HERE THAT
13 MELISSA KING INDICATES HAS PUT A TREMENDOUS AMOUNT
14 OF ENERGY PERSONALLY IN BEING HERE TO MAKE A
15 STATEMENT. SO KATHERINE RODRIGUEZ, IF YOU COULD
16 MAKE A STATEMENT FOR US. AND THANK YOU FOR BEING
17 HERE TODAY.

18 MS. RODRIGUEZ: AGAIN, MY NAME IS
19 KATHERINE RODRIGUEZ, AND I HAVE PARKINSON'S. AND
20 THIS IS MY DOG. SHE'S A PARKINSON'S WALKING DOG.
21 HER NAME IS HONEY BEAR. SHE USUALLY STEALS THE
22 SHOW.

23 START OFF WITH A BRIEF DESCRIPTION OF WHAT
24 PARKINSON'S IS. I KNOW ALL OF YOU ARE QUITE AWARE
25 PROBABLY WHAT IT IS. IT'S A GRADUAL LOSS OF THE

BARRISTERS' REPORTING SERVICE

1 NERVE CELLS THAT PRODUCE DOPAMINE. AND MANY PEOPLE
2 THINK OF PARKINSON'S AS A PHYSICAL DISEASE BECAUSE
3 YOU SEE THE TREMORS, YOU SEE THE POSTURE, AND THE
4 DIFFICULTY IN ENUNCIATION AND WRITING, BUT IT IS
5 ACTUALLY A MENTAL. IT'S A NEUROLOGICAL DISEASE.
6 AND THAT IS GOING TO PLAY AN IMPORTANT ISSUE HERE
7 MOMENTARILY.

8 I JUST HAD DBS, WHICH IS DEEP BRAIN
9 STIMULATION. SO A LOT OF MY PHYSICAL ISSUES ARE NOT
10 AS PREVALENT AS THEY WERE, THOUGH THE OTHERS STILL
11 ARE THERE.

12 THERE IS NO CURE. WE HAVE NO CURE FOR
13 PARKINSON'S. WE KNOW THAT IT'S CAUSED BY LACK OF
14 DOPAMINE, BUT WE DON'T KNOW WHY PEOPLE ARE NO LONGER
15 PRODUCING DOPAMINE. SO THAT IS AN ANOTHER ISSUE.

16 THERE ARE NO STEM CELL-BASED THERAPIES FOR
17 PARKINSON'S YET. AND PART OF THAT IS BECAUSE WE
18 DON'T KNOW WHAT CAUSES PARKINSON'S AND WHY YOU HAVE
19 THE LOSS OF THE NERVE CELLS. BUT BECAUSE
20 PARKINSON'S IS CAUSED BY A SINGLE CELL -- LACK OF A
21 SINGLE CELL, DOPAMINE, IT IS A GOOD CANDIDATE FOR
22 STEM CELL RESEARCH IN THAT YOU ONLY HAVE THE ONE
23 CELL THAT YOU NEED TO FIGURE OUT HOW TO COME UP
24 WITH.

25 THE DOPAMINE CELLS CAN BE OBTAINED THROUGH

BARRISTERS' REPORTING SERVICE

1 THE EMBRYONIC STEM CELL OR FETAL BRAIN TISSUES. IN
2 EUROPE THERE HAVE BEEN CLINICAL TRIALS USING FETAL
3 BRAIN TISSUE AND TRANSPLANTED IN PARKINSON'S
4 PATIENTS; BUT THOUGH THEY SHOW THAT THE PROCESS IS
5 VIABLE, THERE ARE A LOT OF CONCERNS. ONE OF WHICH
6 IS YOU NEED TO BE ABLE TO PRODUCE LARGE AMOUNTS OF
7 VERY UNIFORM CELLS FOR THE TRANSPLANTATION PROCESS
8 TO WORK. ALSO, THE FETAL TRANSPLANTED CELLS TENDED
9 TO START GETTING PARKINSON'S. SO THE PROCESS
10 CONTINUES. SO UNTIL WE CAN FIGURE OUT WHAT CAUSES
11 PEOPLE TO LOSE THE DOPAMINE CELLS, YOU'RE COMING UP
12 WITH THE SAME ISSUE ALL OVER AGAIN.

13 THE BIGGEST USE, WE THINK, IN STEM CELLS
14 FOR PARKINSON'S PATIENTS IS GOING TO BE IN THE
15 DISCOVERY OF DRUGS AND DRUG USE, AND THAT WILL HAVE
16 A MUCH WIDER IMPACT.

17 THE REPROGRAMMING OF ADULT STEM CELLS INTO
18 EMBRYONIC STEM CELLS HAS BEEN DONE. AND THE INDUCED
19 PLURIPOTENT STEM CELLS ARE BEING USED TO MAKE
20 DOPAMINERGIC NEURONS. SCIENTISTS ARE NOW TRYING TO
21 FIGURE OUT HOW THESE ARE USED, AND THEY HAVE USED
22 THEM IN LABORATORIES MAINLY TO LEARN MORE ABOUT WHY
23 THE STEM CELLS DIE AND TO PRODUCE DRUGS IN A MUCH
24 MORE EFFICIENT MANNER. IT'S A LOT EASIER AND BETTER
25 TO TEST THE NEW DRUG ON STEM CELLS IN LABORATORY

BARRISTERS' REPORTING SERVICE

1 THAN IT IS ON ME.

2 WE HAVE ENOUGH ISSUES WITH PARKINSON'S IN
3 THAT THE ONLY WAY THEY CAN TELL FOR SURE THAT YOU
4 HAVE IT IS THROUGH AN AUTOPSY. SINCE I HAVEN'T
5 VOLUNTEERED FOR THAT YET, I'M NOT GOING TO VOLUNTEER
6 FOR THE DRUGS.

7 EVEN THOUGH WE'RE A LONG WAYS FROM USING
8 STEM CELLS TO FIND A CURE FOR PARKINSON'S, I DON'T
9 THINK WE'RE THAT FAR OFF FROM FINDING NEW
10 MEDICATIONS USING STEM CELLS. FOR THAT, I
11 APPRECIATE ALL THAT YOU DO IN THE FIELD. THANK YOU.

12 (APPLAUSE.)

13 CHAIRMAN KLEIN: ALL RIGHT. I THINK WE'RE
14 GOING TO GO ON TO ITEM 18. AND, DR. TROUNSON, WHO
15 WILL BE PRESENTING THIS ITEM?

16 DR. TROUNSON: DR. OLSON, IF WE MAY, AND
17 DR. FEIGAL AND ELONA BAUM WILL ADD TO THAT.

18 CHAIRMAN KLEIN: FOR, AGAIN, THIS ITEM,
19 LIKE THE LAST ITEM, FOR BUDGETING PURPOSES, I THINK
20 IT'S VERY IMPORTANT WE CONSIDER THIS CONCEPT AT THIS
21 TIME WITHIN THIS YEAR, SO FOR NEXT FISCAL YEAR WE
22 CAN GIVE A HEADS UP TO THE DEPARTMENT OF FINANCE
23 UPON POTENTIAL USES. IF ANY PORTION OF THIS NEEDS
24 ADDITIONAL REFINEMENT, WE CAN BRING THAT PORTION
25 BACK TO THE BOARD FOR ADDITIONAL DISCUSSION BEFORE

BARRISTERS' REPORTING SERVICE

1 IT IS IMPLEMENTED. BUT FOR CONCEPT APPROVAL AND FOR
2 APPROVING THE BUDGET, I THINK IT'S IMPORTANT TO LOOK
3 AT THIS ITEM.

4 OKAY. MELISSA KING INDICATES TO ME THAT
5 THIS WOULD BE, HOWEVER, BEFORE WE START THIS ITEM, A
6 GOOD TIME TO A BREAK BECAUSE PEOPLE NEED TO CHECK
7 OUT WITHOUT PENALTY. AND WE ALSO NEED LUNCH IN ANY
8 CASE. MAYBE WHAT WE'LL DO, LET PEOPLE CHECK OUT
9 VERY QUICKLY, THEY CAN SIT DOWN AND HAVE A SHORT
10 LUNCH. LET'S LIMIT THIS TO ABOUT HALF AN HOUR, AND
11 THEN WE'LL COME BACK.

12 (A RECESS WAS TAKEN.)

13 CHAIRMAN KLEIN: ALL RIGHT. THE MEETING
14 IS RECONVENED. CLEARLY SENATOR TORRES IS TRYING TO
15 INFLUENCE ME BECAUSE HE'S MOVED HIS APPLE OVER RIGHT
16 NEXT TO ME. I THINK IT'S AN OFFER, BUT I'M NOT SURE
17 WHAT THE BARTER IS OVER.

18 WHAT WE'D LIKE TO DO HERE IS GO ON TO ITEM
19 NO. 18. AND, AGAIN, IN THE BIGGER CONTEXT FOR
20 BUDGETING, SO WE CAN GIVE DEPARTMENT OF FINANCE A
21 DOWNSTREAM VIEW OF WHERE WE'RE GOING, THIS IS AN
22 ITEM AT \$30 MILLION THAT WE'D LIKE TO CONSIDER AT
23 THIS TIME.

24 I THINK THAT WE'RE GOING TO HAVE REQUESTS
25 MADE BY A MEMBER AS A PART OF THE DISCUSSION TO HAVE

BARRISTERS' REPORTING SERVICE

1 PART OF THE IMPLEMENTATION OF THIS ITEM GO TO THE
2 SCIENTIFIC SUBCOMMITTEE AND THEN BACK TO THE BOARD.
3 BUT FOR PURPOSES OF A CONCEPT AND FOR PURPOSES OF
4 DEFINING DOLLARS, THIS IS VERY IMPORTANT AS A TIMING
5 ISSUE IN GETTING OUR CASH PROJECTIONS OUT TO THE
6 DEPARTMENT OF FINANCE LOOKING DOWNSTREAM.

7 DR. OLSON.

8 DR. OLSON: MR. CHAIRMAN, MR.
9 CHAIRMAN-ELECT, MEMBERS OF THE BOARD, MEMBERS OF THE
10 PUBLIC, AND STAFF, I'D LIKE TO BRING FOR YOUR
11 CONSIDERATION FOR CONCEPT CLEARANCE A PROPOSED
12 OPPORTUNITY FUND PROGRAM. THIS IS ITEM NO. 18 IN
13 YOUR BOOK.

14 SO WHAT WE WOULD LIKE TO PROPOSE IS AN
15 OPPORTUNITY FUND THAT WOULD CATALYZE THE
16 ACCELERATION OF OUR RESEARCH PROGRAMS. AND IN
17 PARTICULAR IT WOULD -- WE BELIEVE THAT IT WOULD HELP
18 TO ACCELERATE THE DEVELOPMENT OF STEM CELL
19 THERAPIES, AND IT WOULD ADDRESS SEVERAL OF THE
20 RECOMMENDATIONS OF THE EXTERNAL REVIEW PANEL.

21 SO ONE OF THEM WOULD BE TO ESSENTIALLY
22 ACCELERATE TRANSLATIONAL RESEARCH. ANOTHER ONE
23 WOULD BE TO ENHANCE POROSITY; THAT IS, INTRODUCING
24 NEW RESEARCH EXTERNAL TO CALIFORNIA INTO CALIFORNIA,
25 AND IT COULD PROVIDE FUNDING MODELS MORE ALIGNED

BARRISTERS' REPORTING SERVICE

1 WITH INDUSTRY BEST PRACTICES.

2 SO HOW ARE WE PROPOSING TO DO THIS? WE
3 ARE PROPOSING A THREE-COMPONENT OPPORTUNITY FUND
4 THAT HAS ESSENTIALLY THREE PROGRAM ELEMENTS. A
5 BRIDGE FUNDING PROGRAM, WHICH I WILL DISCUSS WITH
6 YOU, AN EXTERNAL INNOVATION FUNDING PROGRAM, WHICH
7 DR. ELLEN FEIGAL WILL DISCUSS WITH YOU, AND A
8 STRATEGIC PARTNERSHIP PROGRAM, WHICH ELONA BAUM WILL
9 DISCUSS WITH YOU.

10 THE TOTAL FUNDING PROPOSED FOR ALL THREE
11 COMPONENTS OR THE TOTAL INITIAL FUNDING THAT WE
12 PROPOSE FOR ALL THREE COMPONENTS IS \$30 MILLION.
13 NOW, AGAIN, THIS WOULD ALWAYS BE SUBJECT TO
14 REPLENISHMENT WITH ICOC APPROVAL. SO WE'RE LOOKING
15 AT THIS AS AN ONGOING STRATEGY THAT WE WANT TO KEEP
16 GOING.

17 SO WHAT I'D LIKE TO TALK ABOUT NOW IS THE
18 BRIDGE FUNDING PROGRAM. AND THE OBJECTIVE HERE IS
19 TO PROVIDE SUPPLEMENTAL FUNDING FOR SELECTED
20 CIRM-FUNDED TRANSLATIONAL DEVELOPMENT PROJECTS TO
21 ENABLE THEIR UNINTERRUPTED CONTINUATION THROUGH
22 DEVELOPMENT UNTIL THE NEXT APPLICABLE PLANNED RFA
23 AND GRANTS WORKING GROUP REVIEW. SO THE OUTCOME OF
24 THIS, THE EFFECT OF IT ESSENTIALLY IS TO NOT STOP
25 PROJECTS, KEY PROJECTS. IT'S TO MOVE KEY PROJECTS

BARRISTERS' REPORTING SERVICE

1 FASTER INTO AND THROUGH DEVELOPMENT.

2 ONE OF THE WAYS THAT WE WOULD ALSO SAY
3 THAT THOSE PROJECTS THAT RECEIVED BRIDGE FUNDING
4 WOULD, FOR EXAMPLE, NOT BE REQUIRED TO SUBMIT A
5 PREAPPLICATION OR PARTICIPATE IN A PLANNING AWARD.
6 SO THEY COULD GO DIRECTLY INTO THE NEXT APPLICABLE
7 RFA. THOSE PROJECTS THAT WOULD BE ELIGIBLE ARE
8 ACTIVE CIRM TRANSLATIONAL AND DEVELOPMENT PROJECTS
9 THAT ARE PREVIOUSLY REVIEWED BY THE GRANTS WORKING
10 GROUP AND FUNDED BY THE ICOC. SO THESE ARE PROJECTS
11 THAT YOU HAVE SEEN.

12 AND EXAMPLES OF THEM WOULD BE EARLY
13 TRANSLATIONAL PROJECTS TARGETING A DEVELOPMENT
14 CANDIDATE, SOME OF OUR DISEASE TEAM PROJECTS, AND
15 POSSIBLY OUR TARGETED CLINICAL DEVELOPMENT. SO IN
16 GOING FORWARD, THIS IS WHAT WE WOULD SEE. AN EARLY
17 TRANSLATIONAL PROJECT THAT WE THOUGHT WAS
18 PARTICULARLY EXCITING, WE WOULD SUGGEST PROPOSING IT
19 FOR BRIDGE FUNDING.

20 HOW WOULD WE IMPLEMENT THAT OR WHAT ARE
21 SOME OF THE ELEMENTS OF IT? WE'RE SUGGESTING A
22 MAXIMUM BRIDGE FUNDING OF UP TO \$5 MILLION PER AWARD
23 FOR UP TO 18 MONTHS. WE THINK THAT THIS WOULD GET A
24 SUCCESSFUL CANDIDATE TO THE NEXT APPLICABLE RFA. WE
25 WOULD SUGGEST THAT A SCIENCE OFFICER RECOMMENDATION

BARRISTERS' REPORTING SERVICE

1 WOULD BE REQUIRED TO INITIATE THE PROCESS FOR
2 SUPPLEMENTAL BRIDGE FUNDING TO A PROJECT. AND THE
3 RECOMMENDATION WOULD BE BASED ON THE PROJECT'S
4 PERFORMANCE; THAT IS, THEIR ABILITY TO MEET
5 MILESTONES, PROJECT'S COMPETITIVENESS, AND TIMING.
6 WHEN I SAY TIMING HERE, IT'S WHERE THEY ARE WHEN
7 THEY'RE READY RELATIVE TO THE NEXT APPLICABLE RFA.
8 SO IF THEY'RE JUST THREE MONTHS AWAY FROM AN RFA, WE
9 MAY NOT NEED IT.

10 THE PROPOSED PROJECT FOR BRIDGE FUNDING
11 WOULD SUBMIT A DESCRIPTION OF THE WORK THEY PROPOSE
12 TO DO, THE BUDGET, A DETAILED SUPPLEMENTAL BUDGET,
13 MILESTONES ASSOCIATED WITH THAT WORK, AND TIMING
14 ASSOCIATED WITH IT.

15 WE COULD SUGGEST THAT IT COULD BE
16 CONSIDERED BY THE CLINICAL DEVELOPMENT ADVISORY
17 PANEL, WHICH I BELIEVE YOU'VE HEARD DR. FEIGAL SPEAK
18 ABOUT, IF SIGNIFICANT TIME, MONEY, AND/OR
19 DEVELOPMENT CONSIDERATIONS WERE INVOLVED. WE WOULD
20 PROPOSE THAT THE PRESIDENT WOULD MAKE THE DECISION
21 ON SUPPLEMENTAL BRIDGE FUNDING BASED ON ADVICE FROM
22 THE VP R & D, FROM THE SCIENCE OFFICER
23 RECOMMENDATIONS, AND ADVICE FROM THE CLINICAL
24 DEVELOPMENT ADVISORY PANEL, AND/OR EXPERT
25 CONSULTANTS THAT WE WOULD SPEAK WITH.

BARRISTERS' REPORTING SERVICE

1 THE PRESIDENT WOULD REPORT TO THE ICOC ON
2 BRIDGE FUNDING DISBURSEMENTS AND ON THE METRIC OF
3 PROJECT ACCELERATION. SO THE GOAL REALLY HERE IS
4 UNINTERRUPTED CONTINUATION OF ACTIVITIES, AND SO A
5 RELEVANT METRIC WOULD BE PROJECT ACCELERATION
6 RELATIVE TO WHAT IT WOULD BE OTHERWISE.

7 SO AT THIS POINT I WOULD LIKE TO TURN IT
8 OVER DR. FEIGAL TO DISCUSS THE NEXT COMPONENT OF THE
9 PROGRAM.

10 DR. PRIETO: DR. OLSON, BEFORE YOU LEAVE,
11 I HAD JUST ONE QUESTION. MAYBE THIS IS ASSUMED, BUT
12 I WOULD JUST LIKE TO HAVE IT BE CLEAR. THAT I
13 PRESUME THE SCIENCE OFFICER MAKING THAT EVALUATION
14 OR THAT RECOMMENDATION WOULD BE SUBJECT TO THE SAME
15 CONFLICTS, RECUSALS AS THEY WOULD BE IN THE INITIAL
16 REVIEW.

17 DR. OLSON: OF COURSE. YES.

18 MS. SAMUELSON: IF THIS IS THE TIME FOR
19 QUESTIONS, I'D LIKE TO DISCUSS HOW THIS WOULD
20 FUNCTION IN RELATION TO THE GRANTS WORKING GROUP.

21 DR. OLSON: THESE WOULD BE PROJECTS THAT
22 WERE ALREADY APPROVED BY THE GRANTS WORKING GROUP
23 AND FUNDED BY YOU, THE ICOC. THE IDEA IS WHEN THEY
24 REACH -- SAY, IF THEY -- LET'S JUST TAKE AN EARLY
25 TRANSLATIONAL PROJECT FOR AN EXAMPLE. LET US SAY

BARRISTERS' REPORTING SERVICE

1 THAT A PROJECT HAS -- THIS IS A REALLY EXCITING
2 PROJECT. IT'S ACHIEVED THE OBJECTIVE OF THAT
3 PROJECT, WHICH IS TO GET A DEVELOPMENT CANDIDATE,
4 AND WE ARE VERY EXCITED ABOUT IT, YET THERE ISN'T A
5 DISEASE TEAM AWARD COMING UP FOR A WHILE. SO WE
6 WOULD SUGGEST THAT THAT'S ONE, A TYPE OF PROJECT
7 THAT WOULD BE ELIGIBLE FOR SUPPLEMENTAL FUNDING
8 CONSIDERATION.

9 THIS DOES NOT MEAN FOR A MAXIMUM OF 18
10 MONTHS. THE IDEA IS THEY WOULD BE REQUIRED TO GO TO
11 SUBMIT AN APPLICATION TO THE NEXT APPLICABLE RFA
12 ROUND AND WOULD GO THROUGH A GRANTS WORKING GROUP
13 REVIEW AGAIN FOR THESE NEW ELEMENTS OF THE PROGRAM.
14 BUT THE IDEA IS TO BRIDGE THE FUNDING OF THAT
15 PROJECT FROM, SAY, THE EARLY -- THE COMPLETION OF
16 THE EARLY TRANSLATIONAL AWARD TO THE NEXT APPLICABLE
17 AWARD SO THAT THEY -- IN MANY CASES PROGRAMS DON'T
18 HAVE SUFFICIENT MONEY TO CONTINUE ON THEIR OWN
19 WITHOUT HELP, AND THE IDEA WOULD BE TO KEEP THE WORK
20 GOING.

21 MS. SAMUELSON: AND WHO MAKES THOSE
22 DETERMINATIONS, THAT IT'S AN EXCITING PROJECT, THAT
23 IT'S ELIGIBLE, THAT IT'S A PRIORITY?

24 DR. OLSON: SO THAT WOULD BE THE SCIENCE
25 OFFICE IN CONCERT WITH THE VICE PRESIDENT IN CONCERT

BARRISTERS' REPORTING SERVICE

1 WITH EXTERNAL CONSULTANTS, AND, IF REQUIRED, IN
2 CONSULTATION WITH THE CLINICAL DEVELOPMENT ADVISORY
3 PANEL.

4 MS. SAMUELSON: AND THE OUTSIDE
5 CONSULTANTS NOT BEING THE WORKING GROUP?

6 DR. OLSON: NO. IT WOULDN'T BE THE ENTIRE
7 WORKING GROUP.

8 MS. SAMUELSON: IT WOULD NOT BE THE
9 WORKING GROUP.

10 DR. OLSON: IT WOULD NOT BE THE ENTIRE
11 WORKING GROUP. THAT WOULD REQUIRE A SPECIALLY
12 SCHEDULED MEETING. THE IDEA IS TO BRIDGE TO THE
13 NEXT APPLICABLE RFA AND GRANTS WORKING GROUP
14 MEETING.

15 MS. SAMUELSON: BUT THERE ARE OUTSIDE
16 CONSULTANTS CONTEMPLATED; IN OTHER WORDS,
17 SCIENTISTS?

18 DR. OLSON: YES. WE DO NOT SPAN THE
19 ENTIRE ARRAY OF DISEASE EXPERTISE WITHIN THE OFFICE.
20 AND SO I THINK IT'S ALWAYS GOOD TO TALK TO THE
21 EXPERTS.

22 CHAIRMAN KLEIN: AND THE ADVISORY GROUP.

23 DR. OLSON: AND THE ADVISORY GROUP WOULD
24 BE ANOTHER RESOURCE THAT WE WOULD DRAW UPON.

25 CHAIRMAN KLEIN: LET ME ASK YOU THIS

BARRISTERS' REPORTING SERVICE

1 QUESTION BECAUSE IT'S COME UP. ON THE ADVISORY
2 GROUP ARE WE GOING TO HAVE PATIENT ADVOCATES ON THE
3 ADVISORY GROUP?

4 DR. FEIGAL: THE WAY THEY'RE CURRENTLY
5 CONFIGURED IS THESE ARE -- FOR THE ADVISORY GROUP,
6 THESE ARE TEAMS THAT HAVE ALREADY RECEIVED FUNDING
7 THAT ARE ONGOING AND WE'RE ASSESSING GO/NO GO
8 MILESTONES, SCIENTIFIC PROGRESS, WHETHER OR NOT
9 THEY'RE EXECUTING THE PLANS ON TIME AND ON MARK, OR
10 WHETHER THEY HAVE PARTICULAR CHALLENGES TO MEET
11 THEIR MILESTONES. SO WE HAVE SCIENTIFIC PEOPLE
12 COMING IN ON THOSE TEAMS, BUT THESE ARE ALREADY
13 APPROVED TEAMS. AND THE EXTERNAL ADVISORY BOARD IS
14 COMING IN TO HELP THEM MOVE THEIR PROGRAM FORWARD
15 THROUGH THE REGULATORY PATHWAY.

16 CHAIRMAN KLEIN: SO THE EXTERNAL ADVISORY
17 GROUP THAT COMES IN, DEVELOPMENT ADVISORY GROUP, IS
18 THERE A REASON THAT IT COULDN'T HAVE PATIENT
19 ADVOCATES ON IT?

20 DR. FEIGAL: YES. I COULD INVITE PATIENT
21 ADVOCATES FROM THE OUTSIDE TO COME IN AND PROVIDE
22 INPUT, AND THAT'S -- I DON'T KNOW IF THAT WAS IN THE
23 ORIGINAL PLAN, BUT I COULD CERTAINLY DO THAT.

24 CHAIRMAN KLEIN: OKAY. I WOULD JUST LIKE
25 TO FINISH THE COMMENT BY SAYING THAT I THINK THIS IS

BARRISTERS' REPORTING SERVICE

1 A GREAT THING FOR THE SCIENTIFIC COMMITTEE TO LOOK
2 AT, BUT IT WOULD BE GREAT AND WE REALLY APPRECIATE
3 YOUR RECEPTIVITY ON LOOKING AT THAT BECAUSE AS THESE
4 GROUPS GO DOWNSTREAM, IF THE PATIENT ADVOCATES ARE
5 WELL INFORMED, THEN AT THE FDA YOU HAVE AN INFORMED
6 GROUP THAT'S REALLY BEEN THROUGH THE WHOLE PROCESS
7 AND THOROUGHLY EDUCATED SO THEY CAN BE VERY
8 EFFECTIVE AS WELL WITH THE FDA AND REALLY BENEFIT
9 MOVING THERAPIES FORWARD.

10 JEFF, WOULD YOU LIKE TO MAKE A STATEMENT,
11 AND THEN I'LL GO TO --

12 MR. SHEEHY: AND I HOPE THAT DOESN'T
13 PRECLUDE MEMBERS OF THE BOARD WHO ARE PATIENT
14 ADVOCATES FROM BEING CONSIDERED. BUT I THINK THAT
15 THIS -- AGAIN, IF WE'RE GOING TO HAVE A PARTNERSHIP
16 BETWEEN PATIENT ADVOCATES, IT'S NOT JUST TO HAVE
17 PATIENT ADVOCATES GET UP IN THE MEDIA AND SAY GROOVY
18 OR COME TO THE MEETINGS, BUT TO ACTUALLY HAVE A TRUE
19 PARTNERSHIP.

20 AND I DO THINK THAT THEY COULD BE VALUE
21 ADDED. WE HAD THAT DISCUSSION IN BALTIMORE WITH
22 PEOPLE FROM THE NIH, ESTEEMED SCIENTISTS, ACTIVISTS
23 FROM ALL OVER, AIDS ACTIVISTS FROM ALL OVER THE
24 COUNTRY, AND THE FDA. AND WE BASICALLY OPENED THE
25 EYES OF THE FUNDER AND THE REGULATOR TO A CRITICAL

BARRISTERS' REPORTING SERVICE

1 COMPONENT FOR THAT RESEARCH GOING FORWARD, WHICH
2 WERE ANALYTIC TREATMENT INTERRUPTIONS, WHICH THEY
3 JUST DECIDED A PRIORI WERE NOT POSSIBLE, YET YOU
4 HAVE THE COMMUNITY TELL THEM THAT, YES, THESE WERE
5 POSSIBLE. YOU COULD RECRUIT PEOPLE. IT WOULD BE
6 ETHICAL TO DO THIS AND THAT, FRANKLY, THEY DIDN'T
7 HAVE THE RIGHT TO STOP THE SCIENCE BASED ON AN
8 ASSUMPTION THAT WASN'T FOUNDED IN ANY KIND OF
9 EVIDENCE BASIS AND THAT ACTUALLY THE TREATMENT
10 INTERRUPTIONS MIGHT MAKE THE RECRUITMENT EASIER
11 INSTEAD OF HARDER.

12 I JUST THINK THAT'S A REAL-TIME EXAMPLE OF
13 HOW HAVING PATIENTS IN THE MIX CAN MAKE A BIG
14 DIFFERENCE ON ACCELERATING THE RESEARCH.

15 DR. FEIGAL: JUST TO PUT A POINT ON IT,
16 ACTUALLY WE'RE VERY RECEPTIVE. AND ACTUALLY IN
17 ADDITION TO THE PATIENT ADVOCATES ON THE GWG, THERE
18 ARE OTHER GROUPS WITH DISEASE AREAS THAT WE COULD
19 ALSO DRAW UPON. SO I WOULD LIKE IT TO ENABLE
20 FLEXIBILITY IN TERMS OF WHO WE BRING IN FOR THE
21 ADVISORY PANEL.

22 CHAIRMAN KLEIN: SO THE OTHER -- FIRST OF
23 ALL, APPRECIATE YOUR RESPONSIVENESS TO THIS POINT.
24 IN ORDER TO ENABLE PATIENT ADVOCATES REALLY TO
25 PARTICIPATE, JUST AS THE PATIENT ADVOCATES ON THE

BARRISTERS' REPORTING SERVICE

1 GRANTS WORKING GROUP GET A STIPEND, I THINK IT WOULD
2 BE APPROPRIATE FOR THE SAME WORK ON THESE ADVISORY
3 GROUPS TO GET A SIMILAR STIPEND SO THEY CAN
4 MATERIALLY PARTICIPATE IN THIS WORK.

5 MARCY FEIT, YOU HAD A QUESTION AFTER DR.
6 LUBIN. THANK YOU.

7 DR. LUBIN: SO I WAS CURIOUS ABOUT THE
8 AMOUNT OF MONEY THAT IS HERE BECAUSE BRIDGE FUNDING
9 COMES UP TO DIRECTORS OF RESEARCH INSTITUTES ALL THE
10 TIME. I WAS CURIOUS ABOUT THE AMOUNT OF MONEY THAT
11 WAS PUT IN HERE, FIVE MILLION FOR BRIDGE FUNDING.
12 IS THE CONCEPT THAT ONCE YOU GET CIRM MONEY, YOU'RE
13 ALWAYS GOING TO HAVE CIRM MONEY AND NOT LOOK FOR
14 OTHER DOLLARS WHERE YOU GO? AND IF YOU'RE PLANNING
15 A PROJECT AND YOU REACH THE END OF IT, HAVEN'T
16 YOU -- YOU MUST HAVE THOUGHT ABOUT THIS BEFOREHAND.
17 AND SO PART OF THE CRITERIA SHOULD BE WHAT KIND OF
18 ADDITIONAL FUNDING HAVE YOU SOUGHT. AND IF YOU
19 DIDN'T GET IT, WHY DIDN'T YOU GET? THAT'S THE
20 CRITERIA OF A RESEARCH DIRECTOR WHEN I WAS THAT, HAD
21 TO HAVE WHEN PEOPLE REQUESTED BRIDGE FUNDING BECAUSE
22 YOU WANT TO FUND SOMETHING THAT'S LIKELY TO BE
23 SUCCESSFUL AND NOT FUND SOMETHING JUST TO KEEP
24 THINGS GOING.

25 CHAIRMAN KLEIN: I THINK THAT THIS

BARRISTERS' REPORTING SERVICE

1 PROPOSAL WAS BY EXCEPTION TO ISOLATE CRITICAL
2 BREAKTHROUGHS, THAT IT'S THE FIELD BENEFITS BY NOT
3 HAVING THEM GO THROUGH AN NIH GRANT CYCLE, BUT THEY
4 CAN REALLY DRIVE THE FIELD FORWARD. IF I COULD HAVE
5 DR. TROUNSON COMMENT ON THAT.

6 DR. TROUNSON: IT'S A BIT, A LOT ABOUT
7 TIMING BECAUSE WE HAVE OUR DISEASE TEAM PROGRAMS
8 SORT OF CYCLES OF 18 MONTHS, 19 MONTHS, SOMETHING
9 LIKE THAT. THE CHANCE THAT YOU FALL OUT OF SEQUENCE
10 WITH THAT, YES, YOU MAY HAVE RAISED FUNDS, AND YOU
11 PROBABLY WOULD HAVE, BUT THERE MAY BE INSUFFICIENT
12 FUNDS FOR YOU TO DO THE JOB APPROPRIATELY, AND A
13 DRAWBACK ON THAT WOULD HANDICAP THE DELIVERY
14 PROCESS. SO IT STILL HAS TO GO IN FRONT OF A
15 REVIEW. WHAT WE'RE TRYING TO DO IS BRIDGE ACROSS
16 SPACES WHERE YOU'RE FALLING IN BETWEEN
17 OPPORTUNITIES. AND SO THAT'S WHY IT'S CALLED A
18 BRIDGE PROGRAM.

19 CHAIRMAN KLEIN: IMPLICIT, DR. TROUNSON,
20 IN YOUR COMMENTS TOO IS YOU'RE FOCUSING ON THE
21 VALLEY OF DEATH OR AS THE CANADIANS CALL IT THE
22 BRIDGE OF LIFE. YOU'RE FOCUSING ON AN AREA WHERE
23 FOR CLINICAL TRIALS THERE JUST IS A REAL PAUCITY OF
24 FUNDING AVAILABLE, NOT MANY OPTIONS AVAILABLE. IT'S
25 A SCARCE AREA, AND YOU'RE ONLY WANTING TO FOCUS ON

BARRISTERS' REPORTING SERVICE

1 THOSE THAT ARE PIVOTAL PIECES OF WORK THAT ARE
2 CRITICAL TO THE FIELD THAT REALLY WILL ADVANCE THE
3 FIELD IN A SUBSTANTIAL WAY. SO VALLEY OF DEATH AND
4 PIVOTAL PIECES IS OUR TWO DISTINGUISHING
5 CHARACTERISTICS.

6 DR. OLSON, DR. POMEROY. MARCY AND THEN --
7 I'M GOING TO WRITE. WE'VE GOT A LIST HERE.

8 MS. SAMUELSON: I'D LIKE TO BE ON THE
9 LIST, PLEASE, MR. CHAIRMAN.

10 CHAIRMAN KLEIN: SO WE HAVE MARCY, DR.
11 POMEROY, AND THEN JOAN. ANY ADDITIONAL PEOPLE THAT
12 WANT TO BE ON THE LIST AT THE MOMENT?

13 MS. FEIT: YES. I KIND OF AGREE WITH DR.
14 LUBIN ON THE POINT HE WAS MAKING BECAUSE I SIT IN ON
15 THE GRANT REVIEWS. THE PROCESS IS INTENSE, THERE'S
16 EXPERTS FROM EVERYWHERE IN THEIR FIELD REVIEWING
17 THIS SCIENCE. AND HIS POINT ABOUT HERE'S THE
18 FUNDING, THE GOALS AND OBJECTIVES, AND AT SOME POINT
19 THEY REALIZE THEY EITHER MET THOSE GOALS AND
20 OBJECTIVES AND COMPLETED THAT PROCESS.

21 MY CONCERN IS THAT WE'RE BRIDGING -- AND
22 I'M NOT AGAINST IT CONCEPTUALLY AND THE INITIATIVE
23 OF WHAT YOU'RE TRYING TO ACCOMPLISH. I JUST HAVE
24 FIDUCIARY CONCERNS HERE. IS WE'RE BRIDGING SCIENCE
25 THAT HAS NOT GONE BACK TO THESE EXPERTS AT THE END

BARRISTERS' REPORTING SERVICE

1 OF THEIR FUNDING ROUND. AND THEN WE'RE GOING TO GO
2 BACK TO THEM, AND IF WE FUND IT AND THEY SAY, NO, WE
3 DON'T AGREE, GO BACK TO THE DRAWING BOARD, AND I'VE
4 SEEN THAT HAPPEN. THINGS I THOUGHT WERE
5 OUTSTANDING, THEY SAID ABSOLUTELY NOT AND COMPLETED
6 THEIR REVIEW. THEN WHERE DOES THAT PUT US? WHERE
7 DO WE STAND IF WE FUND IT AND WE BRIDGED AND NOW WE
8 HAVE A GROUP OF WORLD RENOWN SCIENTISTS THAT ARE
9 SAYING WE DON'T AGREE? THEY DIDN'T FINISH. THEY
10 DIDN'T COMPLETE IT. YOU DIDN'T HAVE A PROCESS OF
11 REVIEW.

12 SO I JUST WANT TO VOICE THAT CONCERN
13 BECAUSE I THINK WE'RE NOW CREATING ANOTHER PROCESS
14 ON TOP OF A PROCESS THAT I BELIEVE IS A VERY SOUND,
15 GREAT PROCESS THAT THIS INSTITUTE HAS CREATED FOR
16 SCIENCE REVIEW. I'M CONCERNED AS A BOARD MEMBER
17 ABOUT THAT KIND OF BRIDGE FUNDING.

18 I UNDERSTAND CONCEPTUALLY WHAT YOU'RE
19 TRYING TO ACHIEVE. I UNDERSTAND THE CRITICAL NATURE
20 SOMETIMES. BUT BEING IN THAT ROOM WITH THOSE
21 SCIENTISTS, I CAN TELL YOU WHAT FEELS LIKE A
22 BREAKTHROUGH TO ONE GETS TRASHED BY THE OTHER. I'VE
23 SEEN IT HAPPEN.

24 CHAIRMAN KLEIN: DR. POMEROY.

25 DR. POMEROY: SO NOW I'M A BIT CONFUSED

BARRISTERS' REPORTING SERVICE

1 BECAUSE YOU IMPLIED THAT THIS WAS TO HELP BRIDGE THE
2 VALLEY OF DEATH. SO IS THIS RESTRICTED TO SOME TYPE
3 OF GRANT, OR THIS COULD APPLY TO A BASIC SCIENCE
4 GRANT?

5 DR. OLSON: NO. THE INTENTION IS NOT TO
6 APPLY THIS TO A BASIC. THIS IS FOR TRANSLATIONAL
7 PROGRAMS. AND THE EXAMPLES I GAVE WERE SOMETHING
8 THAT HAD COMPLETED AN EARLY TRANSLATION FOR
9 DEVELOPMENT CANDIDATE MOVING INTO PRECLINICAL
10 DEVELOPMENT, WHICH IS TYPICALLY CALLED THE VALLEY OF
11 DEATH OR THE BRIDGE TO LIFE. ANOTHER EXAMPLE I GAVE
12 WAS PERHAPS A DISEASE TEAM I PROGRAM THAT HAD
13 ACTUALLY FILED AN IND, BUT NEEDED TO DO SOME MORE
14 MANUFACTURING, FOR EXAMPLE, TO GET INTO A PHASE I.

15 DR. POMEROY: SO CAN I SEE THE SLIDE WHERE
16 IT SAYS WHAT KIND OF PROJECTS QUALIFY? THANK YOU.

17 CHAIRMAN KLEIN: THANK YOU. SO WE HAVE
18 JOAN AND THEN JON SHESTACK.

19 MS. SAMUELSON: THE THING IS THERE ARE
20 SOMETIMES VERY BASIC SCIENTIFIC QUESTIONS PRESENTED
21 IN THE MIDST OF AN EFFORT TO TRANSLATE AN IDEA. SO
22 SOMETIMES THE BEST PLACE TO BE REVIEWING THE MERIT
23 OF THAT BASIC SCIENCE QUESTION IS IN THE CONTEXT OF
24 THE TRANSLATIONAL EFFORT. AND TO PIECE THEM OUT
25 INTO TWO PROCESSES, I HAVE TO WONDER ABOUT THAT.

BARRISTERS' REPORTING SERVICE

1 AND JUST HAVE TO POINT OUT PROP 71 PROVIDED FOR THE
2 WORKING GROUP TO BE A SEAMLESS PROCESS WITH A SET OF
3 EXPERTS WHO BECOME FAMILIAR WITH OUR AGENDA AND HAVE
4 THAT EXTRA LEVEL OF SOPHISTICATION THAT THEY
5 APPROACH THE GRANT PORTFOLIO WITH. AND IT LAYS OUT
6 A WHOLE PROCESS FOR DOING IT WITH PROGRAMMATIC
7 REVIEW AND ALL THE PIECES WE'VE BECOME FAMILIAR
8 WITH.

9 WHY WOULD WE SUBSTITUTE FOR A NEW ONE?
10 AND I HAVE TO WONDER IS IT LAWFUL TO DO IT BECAUSE
11 THAT'S IN THE CONSTITUTION.

12 CHAIRMAN KLEIN: DUANE. I'VE ADDED DUANE
13 TO THE LIST. JOAN, WE'RE GOING TO GO TO JON
14 SHESTACK AND ANSWER YOUR QUESTION.

15 THIS IS ONLY FOR GRANTS THAT HAVE GONE
16 THROUGH PEER REVIEW. MR. HARRISON, COULD YOU
17 ADDRESS JOAN'S QUESTION IN TERMS OF BEING ABLE TO
18 SUPPLEMENT FUNDS TO GRANTS THAT HAVE GONE THROUGH
19 PEER REVIEW UNDER THIS BRIDGE PROPOSAL?

20 MR. SHEEHY: COULD COUNSEL GIVE US,
21 BECAUSE WE ACTUALLY HAVE THREE PROPOSALS HERE, AND
22 THIS IS APPLICABLE, COULD YOU LET US KNOW NOT JUST
23 ABOUT THIS PROPOSAL, BUT IN TERMS OF THE OTHER TWO
24 THE ANSWER TO JOAN'S QUESTION. OKAY? IT'S NOT
25 JUST -- I THINK THAT THAT'S A VALID POINT. IS THIS

BARRISTERS' REPORTING SERVICE

1 PERMISSIBLE UNDER PROP 71?

2 CHAIRMAN KLEIN: I THINK THERE'S REALLY
3 MAYBE EVEN FOUR COMPONENTS, THE FOURTH BEING ONE
4 WE'VE ALSO DISCUSSED BEFORE AT THE BOARD MEETING IS
5 FOR PREVIOUSLY APPROVED GRANTS, SUPPLEMENTING THE
6 GRANT FOR TECH TRANSFER SO THAT PATENTS OR ENABLING
7 PATENT FILINGS AND WORK COULD BE DONE TO ENHANCE THE
8 ABILITY TO PROTECT THE STATE'S INTEREST IN THE
9 GRANT.

10 ELLEN, YOU HAD A COMMENT BEFORE MR.
11 HARRISON. TAKE YOUR COMMENT AND THEN MR. HARRISON
12 CAN COMMENT.

13 DR. FEIGAL: MY COMMENT IS SIMPLY THE
14 OTHER TWO COMPONENTS DO INCLUDE GRANT WORKING GROUP
15 REVIEW. I JUST WANTED TO MAKE THAT CLEAR.

16 MR. HARRISON: SO AS I UNDERSTAND THIS
17 PROPOSAL, IT'S APPLICABLE ONLY TO AWARDS, EXISTING
18 AWARDS, THAT HAVE UNDERGONE GRANTS WORKING GROUP
19 REVIEW. AND THE PROPOSAL IS TO AUTHORIZE THE
20 PRESIDENT, AFTER CONSULTING WITH SCIENTIFIC EXPERTS,
21 TO SUPPLEMENT THAT AWARD UNTIL AN RFA IS ISSUED AND
22 THE APPLICANT HAS AN OPPORTUNITY TO RESPOND TO IT.

23 I THINK THAT THAT IS WITHIN THE BOARD'S
24 DISCRETION TO APPROVE THE FUNDING BECAUSE THE AWARD
25 ITSELF WOULD HAVE ALREADY BEEN SUBJECT TO GRANTS

BARRISTERS' REPORTING SERVICE

1 WORKING GROUP REVIEW AND RECOMMENDATION FOR FUNDING.

2 CHAIRMAN KLEIN: THE RESEARCH SUBJECT HAS
3 GONE THROUGH PEER REVIEW, AND YOU'RE EXTENDING THE
4 NATURAL COURSE OF WHAT WAS APPROVED IN THE PEER
5 REVIEW. IS THAT YOUR STATEMENT?

6 MR. HARRISON: YES. THE PRESIDENT HAS
7 EXISTING AUTHORITY UNDER THE GRANTS ADMINISTRATION
8 POLICY TO APPROVE A CHANGE IN SCOPE FOR AN AWARD,
9 FOR EXAMPLE, AND THIS IS A SIMILAR GRANT OF
10 AUTHORITY.

11 CHAIRMAN KLEIN: SO, JEFF, WOULD YOU LIKE
12 TO SPEAK BEFORE DUANE AND JON SHESTACK?

13 MR. SHEEHY: I JUST WANT TO CLEAR UP THIS
14 BECAUSE IT IS AN IMPORTANT LEGAL QUESTION. AND
15 THERE ARE THREE DIFFERENT ELEMENTS. SO IN THE ONE
16 THAT WE'RE TALKING ABOUT RIGHT NOW, IT'S COME TO THE
17 BOARD, IT'S GONE THROUGH THE GRANTS REVIEW PROCESS,
18 IT'S COME TO THE BOARD, THE BOARD'S VOTED ON IT, IT
19 GETS TEMPORARY FUNDING UNTIL IT GOES BACK THROUGH
20 THE GRANTS REVIEW PROCESS, COMES BACK TO THE BOARD
21 IN A REGULAR COURSE. SO IT SEEMS THAT THAT'S VERY
22 CONSISTENT WITH THE PROCESS OUTLINED IN PROP 71,
23 WHICH IS GRANTS WORKING GROUP, THEN APPROVAL BY THE
24 BOARD.

25 SO THE OTHER ONES DON'T COME BACK TO THE

BARRISTERS' REPORTING SERVICE

1 BOARD FOR ANY APPROVAL PROCESS. THERE IS NOT THAT
2 SAME CONSISTENCY. AND PROP 71 SEEMS TO SUGGEST THAT
3 IT'S GRANTS WORKING GROUP RECOMMENDS, BOARD
4 APPROVES. AND THIS SEEMS TO KIND OF DO AWAY WITH
5 THAT. SO I JUST -- IS THAT LEGAL?

6 MR. HARRISON: THAT'S A POLICY DECISION
7 FOR THE BOARD TO MAKE. THE BOARD HAS AUTHORITY TO
8 MAKE ALL FINAL FUNDING DECISIONS. IN THIS CASE THE
9 BOARD WOULD BE GIVING A PRIORI AUTHORITY TO MAKE
10 THOSE FUNDING DECISIONS AND DELEGATE THAT FINAL
11 DECISION TO THE PRESIDENT.

12 SO YOU HAVE THE ABILITY TO DO THAT.
13 WHETHER YOU CHOOSE TO DO SO OR NOT IS A POLICY
14 QUESTION FOR YOU TO RESOLVE.

15 DR. OLSON: MAY I CLARIFY JUST ONE THING?
16 IT'S THE BRIDGE FUNDING ONLY WHERE YOU'RE DELEGATING
17 TO THE PRESIDENT THE AUTHORITY TO MAKE INTERIM
18 FUNDING. THE OTHER TWO PROPOSALS, AS YOU WILL HEAR
19 FROM DR. FEIGAL AND FROM MS. BAUM, ESSENTIALLY THE
20 OPPORTUNITY FUND CREATES A POOL OF FUND, BUT NO
21 FUNDING IN THOSE TWO CASES WOULD BE ALLOCATED
22 WITHOUT A GRANTS WORKING GROUP REVIEW AND BOARD
23 APPROVAL.

24 CHAIRMAN KLEIN: I THINK IT'S IMPORTANT
25 PERHAPS TO LET ELLEN FEIGAL DO HER PRESENTATION SO

BARRISTERS' REPORTING SERVICE

1 WE'RE NOT ANTICIPATING THESE POINTS. YOU'VE GOT THE
2 INFORMATION IN FRONT OF YOU TO DISCUSS THIS.

3 MR. SHESTACK: I'D LIKE TO SET THE STAGE
4 FOR IT.

5 MR. SHEEHY: EXCUSE ME, JON. BECAUSE
6 THAT'S NOT WHAT IT SAYS IN THE BOOK. THE BOOK DOES
7 NOT INCLUDE -- MY DOCUMENT ON THE OTHER TWO PROGRAMS
8 DO NOT INCLUDE AN ICOC APPROVAL OF THOSE GRANTS
9 AFTER GRANT REVIEW. IT'S NOT IN HERE.

10 DR. OLSON: I APPRECIATE IF THAT'S THE
11 CASE.

12 CHAIRMAN KLEIN: LET'S DO THIS.

13 MR. SHEEHY: GRANTS WORKING GROUP
14 APPROVES, BUT THIS DOESN'T COME BACK TO THE ICOC.

15 CHAIRMAN KLEIN: THIS DISCUSSION -- LET ME
16 PREEMPT THIS DISCUSSION, IF I COULD, PLEASE, BECAUSE
17 WHAT'S IMPORTANT IS WE BE ABLE TO HAVE DR. FEIGAL
18 PRESENT THE INTENT. THE DISCUSSION IS EXCELLENT TO
19 CLARIFY THESE CRITICAL POINTS. AND THIS IS -- AS
20 ALWAYS, WE HAVE A ROBUST AND VIBRANT PROCESS BY
21 WHICH WE BRING OUT THESE CRITICAL DETAILS AND
22 CLARIFY. SO WE THANK YOU VERY MUCH.

23 MR. SHESTACK: THE TOTAL AMOUNT FOR ALL
24 THREE PROPOSALS IS \$30 MILLION.

25 DR. OLSON: THAT IS CORRECT.

BARRISTERS' REPORTING SERVICE

1 MR. SHESTACK: SO I JUST WANTED PEOPLE TO
2 UNDERSTAND. IT'S A LITTLE BIT SCHIZOPHRENIC. MAYBE
3 I SHOULDN'T USE THAT WORD. IT'S TOO TECHNICAL. BUT
4 THERE'S A LOT OF US WHO ARE CONSTANTLY SAYING THAT
5 WE ARE TOO HIGH BOUND, THAT WE NEED TO BE ABLE TO
6 JUMP ON AN OPPORTUNITY WHEN WE SEE IT, WE NEED TO BE
7 ABLE TO BACK UP A BET OR CHASE A HUNCH, AND THAT'S
8 WHAT ALL THREE OF THESE TO SOME VARIETY DO. SOME
9 HAVE MORE GRANT CREEP OVERSIGHT, SOME HAVE LESS. I
10 WOULD JUST SAY LOOK AT THE TOTAL DOLLAR AMOUNT,
11 WHICH IS MODEST. LOOK AT THE PEOPLE WHO ARE GOING
12 TO BE BASICALLY MAKING THE DECISIONS, WHO ARE THE
13 PEOPLE YOU HAVE PAID TO DO THIS WHO HAVE GOTTEN TO
14 KNOW OUR APPLICANTS AND OUR PROCESS, AND THEY'RE NOT
15 TALKING ABOUT NOT FUNDING SOMETHING. THE DECISIONS
16 THEY'RE MAKING ARE ABOUT FUNDING SOMETHING.

17 SO IF EVER THERE'S A TIME WHERE I WANTED
18 AS A BOARD MEMBER SCIENTIFIC STAFF TO HAVE
19 DISCRETION IT'S IN THIS. IT'S TOTALLY DEFINED. AND
20 I AM PASSIONATELY INTERESTED IN FINDING OUT WHAT
21 THEIR HUNCH IS AND WHAT THEY WANT TO BACK AND WHERE
22 THEY THINK THE OPPORTUNITY IS, AND I WANT TO
23 ENCOURAGE THEM TO TAKE IT. AND I'VE WANTED TO
24 ENCOURAGE THAT AS A PHILOSOPHY FOR SOME OF OUR
25 PORTFOLIO FOR YEARS.

BARRISTERS' REPORTING SERVICE

1 SO I UNDERSTAND THERE ARE LOTS OF LITTLE
2 THINGS WE HAVE TO GET RIGHT, BUT THAT IS THE
3 PHILOSOPHY, I THINK, BEHIND THIS. AND I HOPE THAT
4 LISTENING TO WHATEVER ELLEN AND DR. TROUNSON HAS TO
5 SAY AFTERWARDS, WE UNDERSTAND THAT GOING AHEAD VERY
6 CLEARLY. AND IT'S A LIMITED AMOUNT OF MONEY, AND
7 IT'S A GOOD IDEA TO TAKE SOME CHANCES.

8 CHAIRMAN KLEIN: WELL STATED, JON. DUANE.

9 MR. ROTH: JUST A VERY QUICK SUGGESTION
10 THAT I THINK MIGHT BRING THIS ALTOGETHER. WHY DON'T
11 YOU THINK ABOUT ATTACHING A LOAN PROGRAM TO THIS, SO
12 IT'S A LOAN FUND, WHICH MEANS THERE'S SOMETHING THAT
13 COMES BACK TO THE AGENCY THAT'S BENEFICIAL. AND
14 JUST CONSIDER IT. YOU DON'T NEED TO ANSWER NOW.
15 BUT I THINK THAT MIGHT BE A NICE WAY TO DO IT. IT'S
16 A NONRECOURSE. SO IF THERE'S NO FUNDING, IT'S NOT
17 PAID BACK. BUT IF IT DOES GO ON AND BECOME A
18 PRODUCT AND IT'S LICENSED, THEN WE HAVE OUR STANDARD
19 LOAN PROGRAM. JUST GIVING A GRANT FOR FIVE MILLION,
20 YOU MIGHT WANT TO THINK --

21 DR. TROUNSON: DUANE, I DON'T THINK
22 INSTITUTIONS CAN TAKE LOANS.

23 MR. ROTH: THEY CAN. THEY CAN TAKE THIS
24 NONRECOURSE LOAN. IT'S JUST AN ATTACHMENT, THAT IF
25 THEY LICENSE IT TO SOMEBODY, THAT FOLLOWS THE LOAN

BARRISTERS' REPORTING SERVICE

1 PROGRAM. IT COULD BE CONSIDERED. AND I THINK IN
2 THESE KINDS OF SITUATIONS, THAT WOULD TO ME MAKE A
3 LOT MORE COMFORT. IT'S A LOAN PROGRAM FOR BRIDGING.

4 CHAIRMAN KLEIN: SO DUANE IS BEING
5 CREATIVE, AND I ALWAYS LOVE INNOVATION. HE'S REALLY
6 SUGGESTING A VIRTUAL LOAN OR A LOAN. IF IT'S A
7 PRIVATE COMPANY, IT CAN TAKE A LOAN. IF IT'S NOT,
8 IT'S ESSENTIALLY A CONDITION THAT IF IT'S LICENSED
9 OR COMMERCIALIZED, IT WILL BE PAID BACK. SO IT
10 WOULD BE A CONDITION FOR REIMBURSEMENT AS VERSUS A
11 LOAN IF IT'S A NONPROFIT INSTITUTION. VERY
12 INTERESTING CONCEPT, DUANE.

13 I'D LIKE, DR. FEIGAL, IF YOU COULD PRESENT
14 THESE NEXT TWO COMPONENTS.

15 WHILE SHE'S WALKING TO THE PODIUM, I'D
16 LIKE TO INDICATE THERE'S REALLY A FOURTH COMPONENT
17 HERE WHICH I'D LIKE TO REALLY STRESS, THAT IN THIS
18 TIME OF BUDGET TIGHTENING ALL ACROSS OUR
19 INSTITUTIONS, WHETHER PUBLIC OR PRIVATE, AND FACED
20 WITH AN INCIPIENT FIRST-TO-FILE LEGISLATION COMING
21 INTO BEING, OUR TECH TRANSFER OFFICES ARE APT TO BE
22 UNDERMANNED AND WITHOUT THE RESOURCES AVAILABLE TO
23 REALLY PROTECT THE IP OF THE STATE AND REALLY TO
24 PROTECT THE IP ON WHICH OUR ACCESS PROVISIONS AND
25 SPECIAL PRICING PROVISIONS FOR THE STATE ARE BASED,

BARRISTERS' REPORTING SERVICE

1 AND WITHOUT THE OPPORTUNITY TO PROTECT THE
2 SCIENTISTS AND THE INSTITUTIONS THAT ARE THE LEADERS
3 IN THE STATE IN STEM CELL RESEARCH.

4 SO THERE'S \$5 MILLION. IT'S A FOURTH
5 COMPONENT IN HERE WHERE THE PRESIDENT COULD AUGMENT
6 EXISTING GRANTS, ALREADY GONE THROUGH PEER REVIEW,
7 ALREADY THROUGH THIS BOARD, AND PROVIDE THEM WITH
8 TECH TRANSFER FUNDS TO AUGMENT WHAT THEY HAVE TO
9 MAKE CERTAIN THAT AS WE TRANSITION INTO A
10 FIRST-TO-FILE SOCIETY, THAT WE HAVE THE EARLY
11 PROTECTIONS. THAT WILL BE VERY HELPFUL BECAUSE
12 OTHERWISE WE'RE GOING TO SEE A HOLD BACK ON
13 PUBLICATIONS. WE'RE GOING TO SEE A RELUCTANCE TO
14 PARTICIPATE IN CONFERENCES WITH OPEN SHARING OF
15 INFORMATION AND DETAILED PRESENTATIONS OF
16 PROPRIETARY INFORMATION.

17 SOME TECH TRANSFER OFFICES, LIKE AT
18 STANFORD, EVEN BEFORE SOMEONE CAN GIVE A SPEECH OR A
19 FILING IN TODAY'S PRACTICE, BUT OTHERS JUST DON'T
20 HAVE THOSE RESOURCES. AND IF WE ARE GOING TO HAVE
21 AN OPEN FLOW AND EXCHANGE OF INFORMATION IN THE
22 STATE, WE NEED TO GET AHEAD OF THIS AND BE ABLE AS
23 AN INTERIM MEASURE -- WE ONLY FIVE MILLION VERSUS A
24 BILLION DOLLARS. WE HAVE INVESTMENT OUT. AS AN
25 INTERIM MEASURE, WHILE THE IP SUBCOMMITTEE CONSIDERS

BARRISTERS' REPORTING SERVICE

1 WHAT WE SHOULD BE DOING, TO HAVE SOME MONEY TO
2 MARSHAL SOME APPROVED CAPACITY TO PROTECT ALL THE
3 INTELLECTUAL PROPERTY THAT'S GOING TO DRIVE
4 THERAPIES FOR PATIENTS.

5 SO THAT'S A FOURTH COMPONENT THAT'S
6 SPECIFIED AT FIVE MILLION IN THIS.

7 DR. FEIGAL: THANK YOU. AND I THINK WHAT
8 WE'RE REALLY TRYING TO GET AT WITH ALL THREE OF
9 THESE COMPONENTS IS TO GET AT THE UNIQUE
10 OPPORTUNITY, WHETHER IT'S THE UNIQUE OPPORTUNITY TO
11 ALLOW A SUCCESSFUL PROJECT THAT'S DOING WELL TO BE
12 CONTINUED WITHOUT THE STOP IN TIME TO PREPARE GRANT
13 APPLICATION, NINE MONTHS LATER HAVE FUNDING.

14 THE SECOND PART, THE EXTERNAL GRABBING OF
15 GREAT INNOVATIVE IDEAS TO BRING IT INTO CIRM. AND
16 THE THIRD, TO FIGURE OUT A PLAN TO REALLY ENGAGE
17 INDUSTRY IN BEING INVOLVED EARLIER IN THE PROCESS SO
18 THAT THERE'S A SMOOTHER TRANSITION BECAUSE AT THE
19 END OF THE DAY, WE JUST DON'T WANT TO FUND THE
20 VALLEY OF DEATH AND THE BRIDGE TO CURES. WE WANT TO
21 MAKE SURE THERE'S A PATHWAY FOR IT TO GET INTO
22 PATIENTS AND INTO THE CLINIC.

23 SO THAT'S WHY WE THINK THESE THREE
24 DIFFERENT COMPONENTS ARE SO IMPORTANT. THEY ADDRESS
25 DIFFERENT ASPECTS. BUT CONSIDERED TOGETHER, THEY

BARRISTERS' REPORTING SERVICE

1 HELP US MOVE IN A MORE FACILE WAY. INSTEAD OF LIKE
2 A BATTLESHIP, MORE LIKE A MOTORBOAT TO BE ABLE TO GO
3 WHERE WE WANT TO GO.

4 SO THIS ASPECT OF THE OPPORTUNITY FUND IS
5 REALLY TO CATALYZE COLLABORATIONS WITH EXTERNAL
6 RESEARCHERS WHO ARE EXTERNAL TO CALIFORNIA BECAUSE
7 WE KNOW, ALTHOUGH WE'RE A GREAT STATE, THERE'S ALSO
8 A LOT OF VERY GREAT, IMPORTANT THINGS THAT ARE
9 HAPPENING OUTSIDE THE STATE, AND WE'RE TRYING TO
10 REALLY ENERGIZE THAT WITH OUR COLLABORATIVE FUNDING
11 PARTNERS. BUT THAT TYPE OF RESEARCH FOR THE
12 COLLABORATOR IS STILL DONE OUTSIDE OF CALIFORNIA.
13 WE REALLY STILL WANT TO BRING THIS INTO CALIFORNIA.

14 SO WE'VE GOT A COUPLE OF THINGS WE'RE
15 TRYING TO ACCOMPLISH HERE. WE WANT TO CATALYZE
16 THOSE EXTERNAL COLLABORATIONS OF RESEARCHERS WHO ARE
17 WORKING ON REALLY INNOVATIVE, POTENTIALLY HIGH
18 IMPACT, CUTTING-EDGE STEM CELL RESEARCH, AND THROUGH
19 FUNDING OF A RESEARCH FELLOWSHIP, BRING THEM INTO
20 CALIFORNIA.

21 THESE COLLABORATIONS WILL BE LINKED TO
22 CIRM-FUNDED INVESTIGATORS, AND THEY'RE LINKED TO
23 THEM BECAUSE THEY'RE OFFERING COMPLEMENTARY
24 EXPERTISE, OR THEY'RE OFFERING A VERY UNIQUE
25 SCIENTIFIC OR CLINICAL ENVIRONMENT IN CALIFORNIA.

BARRISTERS' REPORTING SERVICE

1 AND THAT BY WORKING TOGETHER, THEY'RE EITHER
2 EXPANDING, THEY'RE STRENGTHENING, OR THEY'RE
3 EXPLORING NEW AREAS. SO THESE ARE REALLY FOR THE
4 VERY GOOD IDEAS THAT WE'RE REALLY TRYING TO FOSTER
5 THESE TWO GROUPS TO WORK TOGETHER.

6 AND THIS TYPE OF EXTERNAL OPPORTUNITY MAY
7 BE IDENTIFIED THROUGH A VARIETY OF MEANS. IT MAY BE
8 EXCITING THINGS WE'VE HEARD IN CONFERENCES. IT MAY
9 BE SOMETHING THAT'S BEEN READ THROUGH PUBLICATION.
10 IT MAY BE NETWORKING. IT MAY BE THROUGH OUR
11 COLLABORATIVE FUNDING PARTNERS, AND ON AND ON. WE
12 DON'T KNOW WHERE IT WILL COME FROM, BUT THESE ARE
13 JUST EXAMPLES OF WHERE THE OPPORTUNITY MIGHT BE
14 IDENTIFIED.

15 CHAIRMAN KLEIN: AND, DR. FEIGAL, TO BE
16 CLEAR, IF THESE VISITING RESEARCHERS COME TO
17 CALIFORNIA, AND THESE ARE EMINENT PEOPLE WITH
18 BREAKTHROUGH IDEAS THAT ARE IDENTIFIED, AND THEY'RE
19 ASSOCIATING WITH ONE OF THE GREAT RESEARCH
20 INSTITUTIONS IN CALIFORNIA IS MY UNDERSTANDING, IT
21 HAS A SECONDARY BENEFIT THAT I WOULD UNDERSTAND IS
22 THAT BECAUSE THEY'D BE VISITING FACULTY AT ONE OF
23 THESE INSTITUTIONS, IT PROVIDES THE OPPORTUNITY,
24 THEY POTENTIALLY COULD BE RECRUITED LONG TERM INTO
25 CALIFORNIA IF IT'S HIGHLY PRODUCTIVE.

BARRISTERS' REPORTING SERVICE

1 DR. FEIGAL: YOU TOOK WORDS RIGHT OUT OF
2 MY MOUTH. SO AT ANY RATE, THE FOCUS HERE IS ON
3 CUTTING-EDGE TECHNOLOGIES, TRANSFER OF UNIQUE
4 METHODS, DEVELOPMENT OF PRELIMINARY DATA. THE
5 PROJECTS THAT ARE PROPOSED FOR THIS SUPPLEMENTAL
6 FUNDING COULD INCLUDE EARLY APPLIED RESEARCH AND
7 CUTTING-EDGE TECHNOLOGY, THE TRANSFER OF UNIQUE
8 METHODS OR TECHNIQUES THAT WILL REALLY ENABLE THAT
9 CIRM-FUNDED INVESTIGATOR TO REALLY EXPAND AND
10 STRENGTHEN, OR EXPLORE NEW AREAS, OR THE
11 PRECLINICAL, CLINICAL DEVELOPMENT STAGE PROGRAMS
12 THAT NEED THAT PRELIMINARY DATA TO ALLOW THE SUPPORT
13 OF A SUBMISSION OF A MORE COMPREHENSIVE GRANT.

14 IT'S A HIGH RISK. IT'S TAKING A BIT OF
15 FLIER, AND YOU'RE TRYING TO GET SOME IMPORTANT
16 PRELIMINARY DATA. SO IT'S RISKIER TYPE THINGS THAT
17 YOU MIGHT BE DOING. AND THESE EXTERNAL RESEARCHERS,
18 AS YOU SAID, COULD BE TAKING THE FIRST BITE OF THAT
19 APPLE IN CALIFORNIA WITH THEIR INNOVATIVE PROGRAMS
20 AND SUCCESSFUL COLLABORATIONS, AND THEY MIGHT
21 SUBSEQUENTLY INCREASE THE POOL OF CANDIDATES FOR
22 CIRM'S RESEARCH LEADERSHIP AWARD.

23 SO WE'RE HOPING BY ENTICING THEM INTO
24 CALIFORNIA, ALLOWING THEM TO BE SUCCESSFUL, THEY
25 MIGHT LIKE IT. AND THEN THEY MIGHT BE HOPEFULLY

BARRISTERS' REPORTING SERVICE

1 FUTURE CANDIDATES FOR THAT RESEARCH POOL.

2 MR. SHESTACK: DO THEY HAVE TO DO THEIR
3 WORK IN CALIFORNIA?

4 DR. FEIGAL: YES. I'LL GET IN MY NEXT
5 SLIDE ANOTHER CAVEAT TO THAT.

6 MR. SHESTACK: BECAUSE I JUST WANT, AS AN
7 EXAMPLE, FOR INSTANCE, AT THAT MEETING THE OTHER
8 DAY, THE CP MEETING, THERE WAS A SCIENTIST, THERE
9 WERE TWO SCIENTISTS WHO DO UNIQUE ANIMAL MODELS.
10 ONE WAS A PRIMATE, ONE WAS A RABBIT, I THINK.
11 NEITHER FROM CALIFORNIA. BOTH WOULD LOVE TO FIND
12 COLLABORATORS IN CALIFORNIA TO DO THIS KIND OF WORK
13 AND APPLY TO CIRM FOR FUNDING. BUT SO AS FAR AS I
14 KNOW, THERE'S NO MECHANISM THAT ALLOWS THEM TO DO IT
15 YET. BUT THEY PROVIDE A UNIQUE METHOD THAT NOBODY
16 HAS.

17 DOES THIS -- DO ANY OF THE THREE THINGS
18 YOU ARE TALKING ABOUT HERE SOLVE A PROBLEM LIKE
19 THAT, FOR INSTANCE?

20 DR. FEIGAL: I THINK IT WILL. I HAVE JUST
21 TWO MORE SLIDES THAT ARE GOING TO GET -- EXPLAIN
22 SOME PERMUTATIONS OF THIS. AND SO IF I COULD SORT
23 OF EXPLAIN THEM, THAT MIGHT ADDRESS SOME OF THE
24 ISSUES YOU'RE RAISING.

25 LET ME JUST FIRST TALK ABOUT THE

BARRISTERS' REPORTING SERVICE

1 ELIGIBILITY. THIS WOULD BE FOR THE EXTERNAL
2 INVESTIGATOR FOR WHOM A STIPEND, SALARY, RESEARCH
3 SUPPORT WOULD BE PROVIDED CONSISTENT WITH THE CIRM
4 RESEARCH LEADERSHIP AWARD JUST IN CASE THEY LIKE
5 THAT FIRST BITE OF THE APPLE. IT WOULD BE AN M.D.
6 OR PH.D. OR EQUIVALENT. THEY WERE PRIMARILY
7 EMPLOYED OUTSIDE OF CALIFORNIA, AND THEY HAD BEEN AN
8 INDEPENDENT INVESTIGATOR FOR AT LEAST THREE YEARS.
9 SO WE'RE NOT TALKING ABOUT A VERY JUNIOR LEVEL
10 PERSON. WE'RE NOT TALKING ABOUT SOMEBODY WHO'S
11 TRYING TO DO THEIR POST-DOC AND WOULD LIKE TO COME
12 TO CALIFORNIA. WE'RE ACTUALLY TALKING ABOUT A MORE
13 SENIOR, SEASONED INVESTIGATOR THAT ACTUALLY WOULD
14 COME OUT HERE.

15 AND FOR THE APPLICANT INSTITUTION, WHAT
16 WE'RE TALKING ABOUT IS A CIRM-FUNDED PROGRAM WHICH
17 WOULD RECEIVE THE FELLOWSHIP SUPPLEMENT, BUT IT MUST
18 HAVE AT LEAST ONE YEAR REMAINING ON THEIR
19 CIRM-FUNDED GRANT SO THAT THEY CAN RECEIVE THAT
20 SUPPLEMENT.

21 CIRM WOULD PROVIDE 12-MONTH FUNDING. THIS
22 IS SHORT TERM. THIS ISN'T A LONG-TERM ENGAGEMENT.
23 WE WANT THEM TO COME IN, FOSTER THAT COLLABORATION,
24 AND GET THE RESEARCH LAUNCHED. SO THEY HAVE TO BE
25 READY TO GO. AND THIS WOULD PROVIDE A 12-MONTH

BARRISTERS' REPORTING SERVICE

1 FUNDING SUPPLEMENT TO FOSTER THAT COLLABORATION AND
2 LAUNCH THE RESEARCH.

3 SO AS I SAID, IT WOULD PROVIDE A STIPEND
4 FOR TRAVEL, SALARY SUPPORT, AND FOR RESEARCH
5 EXPENSES FOR THAT EXTERNAL RESEARCHER WORKING IN
6 CALIFORNIA. FOUNDATION FUNDING COULD BE USED TO
7 FUND COMPONENTS OUTSIDE OF CALIFORNIA. AND WE'D
8 HAVE TO FOSTER THOSE KINDS OF PARTNERSHIPS. AND
9 RESEARCH THAT IS ALSO ANTICIPATED, MAYBE IT'S NOT
10 LIMITED TO 12 MONTHS, BUT IT'S STILL VERY NOVEL,
11 VERY INNOVATIVE, RESEARCH THAT IS ANTICIPATED TO
12 REQUIRE MORE THAN 12-MONTH COMMITMENT WOULD REQUIRE
13 THE APPLICANT AT THE TIME OF SUBMISSION TO PROVIDE
14 EVIDENCE OF OTHER POTENTIAL FUNDING SOURCES.

15 AND WE'RE PROPOSING FUNDING UP TO A
16 MAXIMUM OF 300,000 IN DIRECT COST. IT'S SLIGHTLY
17 DIFFERENT FROM YOUR WRITTEN COPY, WHICH SAYS, I
18 BELIEVE, 500 TO 750 BECAUSE THERE WE WERE THINKING
19 OF TOTAL COST. HERE I THOUGHT IT WOULD BE BETTER
20 JUST TO SAY WE'RE THINKING OF ABOUT 300,000 IN
21 DIRECT COST PER AWARD.

22 ONCE AGAIN, AS I WAS TRYING TO GO OVER,
23 THIS WOULD HAVE GRANT REVIEW GROUP REVIEW. BECAUSE
24 THIS IS A NEW RESEARCH PROPOSAL COMING IN, WE THINK
25 IT WARRANTS A REVIEW. WHAT WE'RE ASKING FOR YOUR

BARRISTERS' REPORTING SERVICE

1 CONSIDERATION AS A BACKUP PLAN IS TO CONSIDER A
2 REVIEW, IF IT'S A CLINICALLY APPLICABLE TYPE OF
3 RESEARCH PROGRAM, BY A CLINICAL DEVELOPMENT ADVISORY
4 PANEL. THAT'S THIS COMPONENT OF THE OPPORTUNITY
5 FUND.

6 CHAIRMAN KLEIN: ALL RIGHT. MY
7 UNDERSTANDING IS THE CLINICAL ADVISORY PANEL IS ONE
8 OF THOSE PANELS WE JUST ADDRESSED WHERE MEMBERS OF
9 PATIENT ADVOCATES FROM THIS BOARD WHO ARE ON PEER
10 REVIEW COULD PARTICIPATE ON THAT ADVISORY PANEL.

11 DR. FEIGAL: YES. ON AND ALSO EXTERNAL.
12 SO WHAT I'D LIKE TO DO, UNLESS YOU HAVE
13 SPECIFIC QUESTIONS FOR THIS COMPONENT, IS HAVE ELONA
14 TALK ABOUT THE STRATEGIC PARTNERSHIP PART OF THIS
15 OPPORTUNITY FUND.

16 DR. VUORI: CAN I HAVE ONE QUESTION
17 BECAUSE I THINK IT'S SPECIFIC FOR THIS COMPONENT?
18 JUST SORT OF PHILOSOPHICALLY, I'M CURIOUS.

19 CHAIRMAN KLEIN: KRISTINA, FOR THE RECORD,
20 IF YOU COULD JUST SAY YOUR NAME. THEY ALWAYS GET IT
21 DOWN IN THE TRANSCRIPT.

22 DR. VUORI: KRISTINA VUORI. I HAD A
23 QUESTION THAT'S SORT OF ALMOST PHILOSOPHICAL. I'M
24 JUST CURIOUS HOW YOU DECIDE WHETHER A FUNDING
25 OPPORTUNITY WOULD FALL INTO THIS OPPORTUNITY FUND

BARRISTERS' REPORTING SERVICE

1 CATEGORY, OR WHETHER IT WOULD CONSTITUTE A NEW TYPE
2 OF RFA THAT WOULD COME WITH A PEER REVIEW. IT SEEMS
3 IN MY MIND THAT THIS, FOR EXAMPLE, COULD FALL INTO
4 EITHER ONE OF THE BUCKETS, SORT OF A VISITING
5 PROFESSORSHIP, IF YOU WILL.

6 DR. FEIGAL: IT'S A GOOD QUESTION. WHAT
7 WE'RE TRYING TO DO, A LOT OF WHAT THE INSTITUTE
8 DOES, ALMOST EVERYTHING WE DO IS THROUGH RFA'S.
9 WHAT WE WERE TRYING TO DO IS TO THINK ABOUT DOING
10 THINGS A LITTLE BIT DIFFERENTLY. IT COULD BE,
11 BECAUSE OF THE DEMAND, IT WARRANTS PUTTING OUT AN
12 RFA AND HAVING A DEFINED TIMELINE AND ALL THE
13 PARAMETERS OF WHAT YOU WOULD NEED TO SATISFY AN RFA.
14 THIS, WE ENVISION, AS THE OPPORTUNITY COMES. WE
15 WOULD PUT OUT A PROGRAM ANNOUNCEMENT ABOUT WHAT WE
16 WERE ANTICIPATING.

17 I WAS ACTUALLY UNDER THE IMPRESSION WE
18 REALLY WEREN'T ALLOWED AT THIS MEETING TO TALK ABOUT
19 POTENTIAL REVIEW CRITERIA. SO THAT'S WHY I DIDN'T
20 GO INTO IT HERE.

21 MR. SHEEHY: BECAUSE THIS RELATES TO WHAT
22 DR. VUORI SAID. I THINK THIS RELATES ACTUALLY TO
23 BOTH OF THESE TWO ELEMENTS.

24 BOTH OF THESE LOOK LIKE THEY'D BE FINE
25 RFA'S, CONCEPT PLANS FOR RFA'S. NOW, I GET THE

BARRISTERS' REPORTING SERVICE

1 FIRST ONE, BRIDGE FUNDING, BECAUSE THERE'S A GAP
2 BETWEEN THE NEXT RFA. YOU FINISH YOUR RESEARCH, AND
3 THERE'S A GAP BEFORE YOU CAN COME BACK FOR MONEY.
4 WE'RE TRYING TO HELP PEOPLE GET TO THE NEXT RFA
5 POINT.

6 I GET YOUR TECH TRANSFER IDEA. THIS IS
7 JUST A LITTLE EXTRA MONEY SO WE MAKE SURE THE STUFF
8 THAT WE'RE FUNDING GETS PATENTED.

9 BUT THESE TWO COULD BE RFA'S ON A ROLLING
10 BASIS, NO DIFFERENT FROM THE CIRM LEADERSHIP AWARDS.
11 AND I WORRY THAT WE'RE GOING DOWN THE ROAD WHERE WE
12 START EACH YEAR AND SAY, WELL, HERE'S \$250 MILLION
13 AND SEE YOU AT THE END OF THE YEAR WITH A REPORT. I
14 BELIEVE VERY STRONGLY THAT THE PROCESS WE'VE SET UP
15 WHERE THERE'S A GRANTS WORKING GROUP REVIEW, AND WE
16 CAN COME BACK AND VOTE, WE MEET EVERY TWO MONTHS, IS
17 MORE THAN ADEQUATE TO DEAL WITH THESE TWO PROGRAMS,
18 THESE NEXT TWO ELEMENTS.

19 I AM EXTREMELY -- JUST TO BE CLEAR, I AM
20 SUPPORTIVE OF GOING AHEAD. I KNOW THAT FROM THE
21 CHAIR WE NEED TO APPROVE THE FUNDING TO GET THAT
22 MARKER IN AT LEAST FOR THE VERY FIRST ELEMENT AND
23 FOR WHAT YOU'RE TALKING ABOUT. I THINK ALL THREE OF
24 THESE NEED TO COME BACK BOTH TO THE SCIENCE
25 SUBCOMMITTEE BECAUSE SCIENCE SUBCOMMITTEE HASN'T

BARRISTERS' REPORTING SERVICE

1 EVEN LOOKED AT THIS. NOBODY HAS LOOKED AT THIS
2 BEFORE. NEEDS TO COME BACK TO THE BOARD FOR FURTHER
3 APPROVAL.

4 BUT THESE LAST TWO I'M EXTREMELY CONCERNED
5 THAT WE'VE DECIDED TO ALLOCATE MONEY IN ADVANCE,
6 SUBSTANTIAL AMOUNTS OF MONEY, AND WHAT COULD BE A
7 NORMAL RFA PROCESS. AND PHILOSOPHICALLY WE NEED TO
8 MAKE THE DECISION IS THIS WHAT WE WANT TO DO. ARE
9 WE GOING TO PULL BACK AND JUST ALLOCATE MONEY
10 BROADLY AND KIND OF LET IT GO AT THAT?

11 CHAIRMAN KLEIN: SO, JEFF, LET ME
12 UNDERSTAND YOUR CORE POINTS. ONE IS I HEARD YOU SAY
13 THERE'S DEFINED AMOUNTS OF MONEY IN THIS THAT RELATE
14 TO THE SHORT-TERM BRIDGE AND THE TECH TRANSFER. AND
15 YOU'RE NOT REALLY REFERRING TO THOSE TWO ISSUES, OR
16 ARE YOU?

17 MR. SHEEHY: WELL, IF I WERE TO MAKE A
18 MOTION RIGHT NOW, I WOULD MOVE TO APPROPRIATE -- TO
19 PUT OUT \$30 MILLION FOR AN OPPORTUNITY FUND. THAT
20 MOTION WOULD INCLUDE ENABLING THE \$5 MILLION, UP TO
21 \$5 MILLION TO SUPPLEMENT EXISTING GRANTS TO ASSIST
22 WITH TECH TRANSFER ISSUES.

23 THE OTHER THREE CONCEPTS I WOULD LIKE TO
24 HAVE MORE THOROUGHLY INVESTIGATED. MY OWN POSITION
25 IS I THINK THAT THE FIRST ONE THAT WE JUST HEARD IS

BARRISTERS' REPORTING SERVICE

1 PRETTY CLOSE. I THINK WE HEARD SOME CONCERNS ABOUT
2 DUANE'S LOAN IDEA, THE IDEA OF HAVING PATIENT
3 ADVOCATES ON THESE CLINICAL DEVELOPMENT ADVISORY
4 BOARDS. SO THERE'S SOME MINOR ISSUES ON THAT ONE
5 THAT I THINK THAT WE COULD WORK OUT WITH A LITTLE
6 COMMITTEE EXAMINATION AND COME BACK TO THE BOARD.

7 THESE OTHER TWO I HAVE SERIOUS CONCERNS
8 ABOUT UPENDING OUR ENTIRE PROCESS AND HAVING US VOTE
9 MONEY FOR PROJECTS, FOR CONCEPTS THAT COULD JUST AS
10 EASILY BE REGULAR RFA'S, AND THIS KIND OF RETREAT
11 AWAY FROM HAVING THE BOARD MAKE FINAL FUNDING
12 DECISIONS.

13 CHAIRMAN KLEIN: WHAT I HEARD YOU ALSO
14 SAYING IS THEY COULD BE RFA'S WITH A ROLLING
15 APPROVAL PROCESS --

16 MR. SHEEHY: I'M VERY SUPPORTIVE OF THAT.

17 CHAIRMAN KLEIN: -- WHICH DEALS WITH THE
18 RESPONSIVE ISSUE. BUT IN TERMS OF THE BUDGETING
19 PROGRAM FOR CONCEPT APPROVAL OF RESERVING 30 MILLION
20 FOR THIS SCOPE OF INITIATIVE IS SOMETHING THAT YOU
21 ARE RECEPTIVE TO APPROVING TODAY, AND THEN ASKING
22 THAT THESE THREE ELEMENTS COME BACK TO SCIENTIFIC
23 COMMITTEE AND THEN BACK TO THE BOARD.

24 MR. SHEEHY: MAYBE WE SHOULD JUST MAKE --
25 I KNOW TIME IS GETTING -- WE STILL HAVE AN AGENDA.

BARRISTERS' REPORTING SERVICE

1 I'D BE HAPPY TO JUST MAKE THAT A MOTION AND GET A
2 SECOND AND JUST KIND OF CUT TO THE CHASE BECAUSE I
3 DO THINK, AS WE GO THROUGH THIS ELEMENTS, WE'RE
4 GOING TO CONTINUE TO HAVE THIS DISCUSSION. AND I
5 THINK IT REALLY -- ONE OF THE REASONS WE HAVE
6 COMMITTEES IS THAT THAT GIVES US AN OPPORTUNITY TO
7 GET IN THE WEEDS WITH THIS, AND THEN BRING IT BACK
8 TO THE BOARD. WE'VE HAD SOME INITIAL CONCERNS.
9 THAT COULD BE A SUGGESTION FOR MOVING FORWARD A
10 LITTLE MORE EXPEDITIOUSLY.

11 DR. STEWARD: I SECOND THAT MOTION.

12 CHAIRMAN KLEIN: OS STEWARD IS SECONDING
13 THAT MOTION. DR. FEIGAL, LET ME HAVE JON SHESTACK'S
14 COMMENT, AND COME BACK TO YOU.

15 MR. SHESTACK: EXPLAIN THE MOTION, PLEASE.

16 MR. SHEEHY: THE MOTION WOULD BE TO
17 ALLOCATE \$30 MILLION FOR THE OPPORTUNITY FUND;
18 HOWEVER, WITH FIVE MILLION OF IT IMMEDIATELY
19 AVAILABLE TO SUPPLEMENT EXISTING GRANTS TO SUPPORT
20 TECHNOLOGY TRANSFER. SO PATENT OFFICES -- WE'VE
21 HEARD THIS. ESPECIALLY, FRANKLY, WITHIN THE UC
22 SYSTEM, THE BUDGET CONSTRAINTS ARE SO EXTREME, THAT
23 ACTUAL RESEARCH WE'RE FUNDING IS NOT GETTING
24 ATTACHED WITH ANY INTELLECTUAL PROPERTY. AND SO NOT
25 ONLY ARE WE LOSING VALUE FOR THE INSTITUTIONS, WE'RE

BARRISTERS' REPORTING SERVICE

1 ACTUALLY LOSING VALUE FOR THE STATE. SO I THINK
2 THAT IS A NECESSARY INVESTMENT TO PROTECT THE
3 INVESTMENTS WE'VE MADE ALREADY.

4 FOR THESE THREE ELEMENTS, THESE WOULD NOT
5 MOVE FORWARD UNTIL THERE HAD BEEN EXAMINATION AT THE
6 SCIENCE SUBCOMMITTEE, BROUGHT BACK TO THE BOARD FOR
7 FINAL APPROVAL. SO THAT WOULD BE MY MOTION.
8 HOWEVER, JUST AS AN ASIDE, I ACTUALLY THINK THAT
9 THESE LAST TWO ELEMENTS SHOULD BE BROUGHT BACK AS
10 SEPARATE RFA CONCEPTS.

11 CHAIRMAN KLEIN: OKAY. JON.

12 MR. SHESTACK: I RESPECTFULLY DISAGREE.
13 AND IF WE VOTE FOR THAT, THEN BASICALLY YOU ARE
14 SAYING THAT THE OPPORTUNITY FUND WILL EXIST FOR ONLY
15 THE BRIDGE GRANTS. AND IT WON'T BE WHAT IT'S
16 DEFINED TO BE, WHICH IS AN OPPORTUNITY FUND. IF THE
17 PROPOSAL BEFORE THIS GROUP HAD BEEN TO GIVE THE
18 PRESIDENT'S OFFICE \$30 MILLION OF DISCRETIONARY
19 FUNDING ON SCIENTIFIC PROJECTS, I WOULD HAVE VOTED
20 FOR THAT TOO.

21 I AM ACTUALLY TRYING -- I ACTUALLY FEEL
22 LIKE PHILOSOPHICALLY WE HAVE A VERY ROBUST RFA
23 PROCESS THAT KEEPS EVERYBODY, PARTICULARLY THE
24 ADVOCATES IF THEY WANT TO DO IT, IN MEETINGS 12
25 MONTHS A YEAR. I THINK THAT PHILOSOPHICALLY IT'S

BARRISTERS' REPORTING SERVICE

1 OKAY TO TAKE A PERCENTAGE OF OUR FUNDS, MAYBE THIS
2 IS THE WRONG PERCENTAGE, AND ALLOW PEOPLE WHO
3 HOPEFULLY HAVE EDUCATED INSTINCTS ON THIS TO PLACE
4 SOME BETS.

5 WE ALL TALK ABOUT THE NOTION OF THAT WHAT
6 CIRM NEEDS MORE THAN ANYTHING IS A HIT. THIS JUST
7 SEEMS LIKE ONE WAY TO MOVE IN THAT DIRECTION. AT
8 LEAST THAT'S MY UNDERSTANDING WHAT IT WAS MEANT TO
9 DO.

10 CHAIRMAN KLEIN: JON, WHAT YOU ARE
11 SUGGESTING IS THAT NET OF THE TECH TRANSFER MONEY,
12 THIS IS 25 MILLION OUT OF A BILLION. AND SO AS A
13 LIMITED AMOUNT, IT'S PROVIDING LIMITED DISCRETION.

14 MR. SHESTACK: WE HAVE \$30 MILLION IN THE
15 PROPOSAL FOR THE ENTIRE FOR ALL THREE. SO IF JEFF
16 PROPOSES JUST ONE, OR FOR FOUR, IF JEFF PROPOSES
17 THAT BASICALLY WE VOTE ON ONLY ONE --

18 CHAIRMAN KLEIN: NO. NO. HE'S SUGGESTING
19 RESERVE ALL 30 MILLION, IMMEDIATELY HAVE FIVE
20 MILLION FOR TECH TRANSFER AVAILABLE FOR UTILIZATION,
21 AND THEN TRY AND REFINE THE PROGRAMS RELATED TO THE
22 OTHER THREE. HE'S MADE THE STATEMENT THAT HE THINKS
23 THE FIRST PROGRAM IS VERY CLOSE TO IMPLEMENTATION,
24 BUT HE SEES POTENTIAL TO SEPARATELY STRUCTURE THE
25 OTHER TWO.

BARRISTERS' REPORTING SERVICE

1 MR. SHESTACK: OKAY. I UNDERSTAND. THANK
2 YOU.

3 CHAIRMAN KLEIN: ADDITIONAL? DR. PRICE
4 AND THEN DR. TROUNSON.

5 MS. SAMUELSON: I HAVE WHAT I HOPE WOULD
6 BE A FRIENDLY AMENDMENT.

7 DR. PRICE: I'M PARTICULARLY FOCUSED FOR
8 THE MOMENT ON THE BRIDGE FUNDING COMPONENT. I'M
9 INTERESTED IN THE TIMELINE. ARE WE FACING A
10 SITUATION IN WHICH WE HAVE GRANTS OUT THERE,
11 PROGRAMS OUT THERE THAT MIGHT BE IN NEED OF THIS
12 FUNDING IN THE NEXT COUPLE OF MONTHS?

13 DR. FEIGAL: NO.

14 DR. PRICE: IF WE GO THROUGH THE PROCESS
15 OF REFINING, KNOWING THE WAY THIS BOARD AND WE
16 OPERATE, WE HAVE THE SCIENCE COMMITTEE, THEN WE HAVE
17 TO COME BACK HERE, AND WE HAVE A DISCUSSION, IT WILL
18 BE SIX MONTHS BEFORE WE EVER GET A DECISION ON THAT.
19 SO I'M CURIOUS AS TO WHETHER IF WE DO THAT, ARE WE
20 GOING TO CREATE THE VALLEY OF DEATH FOR SOMETHING WE
21 KNOW IS ABOUT TO COME ON THE SCENE?

22 DR. FEIGAL: NOT IN THE NEXT TWO MONTHS.

23 MR. TORRES: SHE SAID NO.

24 DR. PRICE: HOW ABOUT SIX MONTHS?

25 CHAIRMAN KLEIN: MY UNDERSTANDING IS THAT

BARRISTERS' REPORTING SERVICE

1 DR. TROUNSON HAS A COMMENT.

2 DR. TROUNSON: SO I THINK JUST THE BOARD
3 NEEDS TO REFLECT AGAIN. THIS IS THE RESPONSE TO THE
4 EXTERNAL REVIEW COMMITTEE, WHO REQUIRED -- WHOSE
5 STRONG RECOMMENDATIONS WERE TO BE MORE RESPONSIVE TO
6 INDUSTRY AND TO BE MORE PROACTIVE. GO AND MAKE THIS
7 INSTITUTION THE MOST EFFECTIVE VEHICLE IN THE WORLD.

8 SO IT'S REALLY THE TWO ELEMENTS THAT YOU
9 ARE CONSIDERING IS REALLY WHERE THE CORE OF THIS
10 PROACTIVITY IN THE INDUSTRY IS. THE BRIDGING
11 PROGRAM IS ESSENTIALLY SOMETHING THAT WE'VE BEEN
12 TALKING ABOUT FOR SOME TIME, ENABLING -- MAKING SURE
13 COMPANIES AND INSTITUTIONS DON'T FALL IN A HOLE THAT
14 WILL ACTUALLY PUT THEIR PROJECT AT RISK. SO IN A
15 SENSE THAT'S PRETTY MUCH AS WE GO.

16 THE FELLOWSHIPS, WE ALREADY PROVIDE FOR
17 GRANTEES WHO ARE ABLE TO BRING FELLOWSHIPS FROM
18 WITHIN THE STATE. WHAT WE'RE TRYING TO DO IS BRING
19 THEM FROM OUTSIDE THE STATE IN ORDER TO ENHANCE OUR
20 CAPABILITIES. SO I THINK THIS DOES REQUIRE THAT WE
21 BE -- IN ORDER TO POSITIVELY ADDRESS THE EXTERNAL
22 REVIEW, TO BE MORE PROACTIVE AND MORE INDUSTRY
23 SENSITIVE IS TO ADDRESS PARTICULARLY THOSE LAST TWO.
24 I DO THINK IT'S IMPORTANT THAT WE DO. AND THE
25 CONTEXT COMES FROM A VERY STRONGLY WORDED REVIEW,

BARRISTERS' REPORTING SERVICE

1 EXTERNAL REVIEW, THAT RECOMMENDED THAT WE DO
2 SOMETHING IN THESE AREAS.

3 SO WE THOUGHT THAT THESE WERE THE BEST
4 OPPORTUNITIES TO TAKE THOSE RECOMMENDATIONS FORWARD.

5 CHAIRMAN KLEIN: I THINK JON SHESTACK'S
6 POINT IS ABSOLUTELY ACCURATE IN TERMS OF THE
7 EXTERNAL REVIEW, THAT THEY WERE EMPHASIZING THE
8 INDUSTRY IS NOT -- WHEN THERE'S CRITICAL
9 OPPORTUNITIES IS NOT GOING TO SIT THERE. THEY'RE
10 GOING TO RESPOND AND NOT GET OUT-POSITIONED BY
11 SOMEONE ELSE. SO IT IS VERY IMPORTANT IN TERMS OF
12 THE RESPONSIVENESS OF HOW QUICKLY WE PUT THIS INTO
13 PLACE.

14 I HAVE DR. STEWARD AND THEN JOAN
15 SAMUELSON.

16 DR. STEWARD: LET ME JUST EXPLAIN ONE OF
17 THE REASONS THAT I'M VERY STRONGLY IN SUPPORT OF
18 JEFF'S COMMENT HERE AND ALSO VERY STRONGLY IN
19 SUPPORT OF THIS CONCEPT. AS MANY OF YOU KNOW ON THE
20 BOARD, I HAVE AT VARIOUS TIMES EMPHASIZED WHAT I
21 THOUGHT WAS A CRITICAL NEED TO GET OUT OF THE BOX A
22 LITTLE BIT AND NOT RESTRICT OURSELVES TO THE
23 CONCEPTS THAT WE THINK ABOUT NECESSARILY. SO I
24 THINK IT'S REALLY GREAT THAT YOU GUYS HAVE DONE
25 THIS. IN FACT, IF ANYTHING, I MIGHT EVEN ENCOURAGE

BARRISTERS' REPORTING SERVICE

1 GREATER EXPANSION OF THIS IDEA OF THINKING BROADLY
2 ABOUT THINGS THAT WE MAY NOT COME UP WITH IN AN RFA.

3 I THINK, JUST TO SAY, WHERE YOU ARE SEEING
4 THE PUSHBACK HERE IS IN STEPPING AWAY FROM WHAT WE
5 HAVE AS OUR FOUNDATION OF REVIEW. THE IDEAS ARE
6 GREAT. I THINK THAT THERE ARE WONDERFUL
7 OPPORTUNITIES OUT THERE THAT THESE PARTIALLY MEET,
8 BUT WHAT WE SHOULD BE EXTREMELY CAUTIOUS ABOUT IS
9 STEPPING AWAY FROM THE CONCEPT THAT REVIEW IS DONE
10 BY THE GRANTS REVIEW COMMITTEE AND THE FINAL
11 DECISIONS ARE MADE BY THIS BOARD.

12 IT DOESN'T ADD THAT MUCH TIME TO PUT THAT
13 STEP IN THERE. AND ESPECIALLY IF YOU'RE TALKING
14 ABOUT BRIDGE FUNDING. PEOPLE KNOW THEIR GRANTS ARE
15 COMING TO AN END. THEY KNOW THEY'RE GOING TO NEED
16 BRIDGE FUNDING IF THEY DO. IT'S NOT SOMETHING THAT
17 IS GOING TO HAPPEN WHERE YOU NEED TO HAVE A DECISION
18 IN TWO WEEKS. IT CAN GO THROUGH THE USUAL PROCESS.

19 SO I LOVE THE CONCEPT, BUT I TOTALLY AGREE
20 WITH JEFF THAT WE NEED TO GET DOWN INTO THE WEEDS
21 AND THINK ABOUT THIS PROCESS OF APPROVAL AND NOT
22 STEP AWAY FROM OUR FUNDAMENTAL ORGANIZATIONAL
23 STRUCTURE.

24 CHAIRMAN KLEIN: OS, THERE'S TWO DIFFERENT
25 POINTS YOU'VE MADE. ONE IS THAT WE HAVE A PROCESS

BARRISTERS' REPORTING SERVICE

1 THAT'S BEEN EFFECTIVE HISTORICALLY WITH PEER REVIEW
2 THAT'S VERY FUNDAMENTAL TO OUR ANALYSIS OF VALUE.
3 BUT SECONDLY, THAT WE CAN STAY WITHIN THIS PROCESS
4 AND BE RESPONSIVE. I DON'T THINK THAT'S TRUE. I
5 WOULD SAY THIS IN THIS CONTEXT.

6 IF WE WENT TO A ROLLING RFA APPROACH,
7 MAYBE WE COULD STAY WITHIN THIS PROCESS, AS JEFF
8 REFERENCED AS AN OPTION, BECAUSE YOU CAN'T WAIT A
9 YEAR AND A HALF OR TWO YEARS FOR A DISEASE TEAM TO
10 BE REPEATED. SO WAITING FOR THE NORMAL RFA CYCLE IS
11 NOT GOING TO DO IT IN TERMS OF BEING RESPONSIVE AT
12 ALL.

13 DR. STEWARD: THAT'S NOT WHAT I'M SAYING.
14 I'M NOT TALKING ABOUT THE RFA CYCLE. I'M ACTUALLY
15 TALKING ABOUT STRICTLY THE REVIEW. GRANTS WORKING
16 GROUP, THIS BOARD.

17 CHAIRMAN KLEIN: SO IT ESSENTIALLY WOULD
18 BE ROLLING ACCESS TO PEER REVIEW AT THE NEXT
19 AVAILABLE REVIEW, AND THAT IS THE PROPOSAL; IS THAT
20 CORRECT?

21 DR. FEIGAL: IN MINE THAT IS THE PROPOSAL.

22 CHAIRMAN KLEIN: THAT IS THE PROPOSAL,
23 WHICH IS THAT IT WOULD GO -- IN THESE TWO ELEMENTS
24 YOU'RE TALKING ABOUT, IT WOULD GO TO THE IMMEDIATELY
25 NEXT PEER REVIEW.

BARRISTERS' REPORTING SERVICE

1 DR. FEIGAL: WE'D HAVE TO SCHEDULE A
2 GRANTS REVIEW GROUP FOR REVIEW OF THESE, FOR
3 COMPONENT 2, FOR THIS PART OF IT.

4 CHAIRMAN KLEIN: OR IT COULD BE AN ADD-ON
5 TO REVIEWS THAT ARE OTHERWISE SCHEDULED.

6 DR. STEWARD: OR IT COULD BE A SPECIAL.

7 DR. FEIGAL: WELL, IT DEPENDS IF THEY HAVE
8 THE APPROPRIATE EXPERTISE.

9 DR. STEWARD: IT COULD BE, FOR EXAMPLE, A
10 PHONE CONFERENCE OF THE ORIGINAL REVIEW TEAM. IT
11 DOESN'T NECESSARILY HAVE TO BE SOMETHING THAT GOES
12 TO THE NEXT SCHEDULED SCIENTIFIC REVIEW GROUP
13 MEETING.

14 THE POINT IS THAT THERE'S LOTS OF
15 DIFFERENT WAYS TO WORK AROUND THIS IN THE WEEDS. I
16 TOTALLY AGREE WITH JEFF THAT WE NEED THE TIME TO
17 WORK THOSE WEEDS.

18 CHAIRMAN KLEIN: WHAT'S IMPORTANT HERE IS
19 IT IS PART OF HER PROPOSAL, THAT IT WOULD GO TO --
20 BOTH OF THESE PROGRAMS WOULD GO THROUGH GRANT
21 REVIEW.

22 DR. LEVIN: NOT THE BRIDGE FUNDING.

23 DR. FEIGAL: THE BRIDGES, THE FIRST
24 COMPONENT YOU HEARD WOULD NOT GO. THE COMPONENT I
25 PRESENTED WOULD USE THE PROCESS, GRANTS REVIEW GROUP

BARRISTERS' REPORTING SERVICE

1 REVIEW.

2 CHAIRMAN KLEIN: THE BRIDGES IS MEANT TO
3 BE A QUICK RESPONSE, SMALL FUND, \$5 MILLION, AND THE
4 PRESIDENT, AS MR. HARRISON SAID, HAS THE CURRENT
5 ABILITY TO EXPAND SCOPE, BUT IT WOULD HAVE BEEN A
6 GRANT THAT ALREADY WENT THROUGH PEER REVIEW, CAME TO
7 THIS BOARD PREVIOUSLY. AND IT'S LIMITED TO FIVE
8 MILLION OUT OF OUR TOTAL PORTFOLIO TO SEE THE VALUE
9 OF THIS CONCEPT AS AN EXPERIMENT.

10 SO I THINK WE'VE HAD A REASONABLE
11 DISCUSSION OF THIS. JOAN.

12 MS. SAMUELSON: THANK YOU. I'M HEARING A
13 CONCERN THAT OUR GRANTS WORKING GROUP IN SOME OF ITS
14 RESPECTS MAY BE BECOMING A DINOSAUR AS WE TRY TO BE
15 AS AGILE AND AS QUICK AS WE CAN BE TO GET THESE
16 SCIENTIFIC OPPORTUNITIES FUNDED. AND SO I THINK
17 THAT'S A REASON TO SEND THE WHOLE THING TO THE
18 SCIENCE SUBCOMMITTEE WITH THAT QUESTION WITH PERHAPS
19 THE FIVE MILLION AVAILABLE TO BE USED AT THE
20 DISCRETION OF THE PRESIDENT SO THAT IF THERE ARE
21 IMMEDIATE OPPORTUNITIES AVAILABLE, WE WILL NOT MISS
22 THEM.

23 BUT I THINK WE SHOULD BE REFLECTING ON
24 WHETHER THERE'S A PROBLEM WITH THE GRANTS WORKING
25 GROUP SYSTEM THAT ISN'T AS RESPONSIVE AND AGILE AS

BARRISTERS' REPORTING SERVICE

1 WE WANT IT TO BE BECAUSE WE DON'T WANT PART OF OUR
2 PROCESS TO BECOME INSUFFICIENT AND THEN CREATE SOME
3 NEW EXTRA JURY-RIGGED PROCESS AROUND IT. BECAUSE
4 THE ESSENCE OF THE BUSINESS OF IT GOING TO THE ICOC,
5 WHICH IS WHERE OUR FIDUCIARIES ARE, AND HAVING
6 PATIENT ADVOCATE PARTICIPATION AT EVERY STEP ALONG
7 THE WAY, THAT'S WHAT'S BEEN SO SPECIAL AND UNIQUE
8 ABOUT THIS PROCESS AND HAS ALWAYS BEEN REGARDED AS
9 SOMETHING THAT WOULD BE THE SYSTEM THAT KEEPS IT
10 GOING, BUT KEEPS THE QUESTION OF IS THIS AS AGILE AS
11 IT SHOULD BE ALIVE.

12 CHAIRMAN KLEIN: SO, JOAN, WE HAVE A
13 MOTION ON THE FLOOR RIGHT NOW. AND, DR. FEIGAL, I'M
14 GOING TO GIVE YOU A COUPLE OF MINUTES, BUT --

15 MS. BAUM: I WOULD LIKE THE OPPORTUNITY,
16 SINCE MINE IS A ROLLING GRANTS REVIEW, TO HAVE -- TO
17 PRESENT IT.

18 CHAIRMAN KLEIN: I UNDERSTAND THAT. I'M
19 TRYING TO SEE IF WE CAN WRAP UP DR. FEIGAL'S,
20 PRESENT THE OTHER THING QUICKLY.

21 DR. FEIGAL: MY ONLY COMMENT, AS I JUST
22 WANT TO CLARIFY, WHEN DR. OLSON WAS PRESENTING, IT
23 WAS UP TO FIVE MILLION PER AWARD, NOT FOR THE ENTIRE
24 PROGRAM. I JUST WANT TO CLARIFY THAT BECAUSE I
25 DON'T THINK THAT'S GETTING ACROSS.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THANK YOU.

2 I THINK JOAN WAS MAKING A LITTLE DIFFERENT
3 PROPOSAL.

4 MS. SAMUELSON: I THOUGHT IT WOULD BE A
5 FRIENDLY AMENDMENT TO JEFF, WHICH WOULD KEEP THE
6 AVAILABILITY OF THE \$5 MILLION FOR THE OFFICE OF THE
7 PRESIDENT TO --

8 DR. LEVIN: FIVE MILLION FOR TECH
9 TRANSFER?

10 MS. SAMUELSON: YES. I THINK THAT'S WHAT
11 IT WAS. BUT HAVE THE ENTIRE CONCEPT GO TO THE
12 SCIENCE SUBCOMMITTEE FOR REVIEW RATHER THAN JUST
13 PART OF IT, NOT LEAVING OUT THE BRIDGE SECTION.

14 MR. SHEEHY: THE MOTION INCLUDES THE
15 BRIDGE PART GOING BACK. THE ONLY PART -- THE MOTION
16 ONLY APPROVES \$5 MILLION, MAKING \$5 MILLION
17 AVAILABLE TO ASSIST TECH TRANSFER OFFICES FOR
18 EXISTING GRANTS.

19 MR. ROTH: THAT'S NOT EVEN IN THE BOOK.

20 CHAIRMAN KLEIN: YES, IT IS.

21 MR. ROTH: WHERE?

22 CHAIRMAN KLEIN: IT SPECIFICALLY DISCUSSES
23 FIVE MILLION AVAILABLE FOR TECH TRANSFER OFFICES.

24 MR. ROTH: THAT'S HOW IT GOT FROM 25 TO 30
25 MILLION. SO THE THREE PROGRAMS THAT ARE BEING

BARRISTERS' REPORTING SERVICE

1 PRESENTED, YOU PRESENTED --

2 CHAIRMAN KLEIN: THE FOURTH ONE.

3 MR. ROTH: JUST AD LIB THOUGH. IS IT IN
4 HERE?

5 MS. BAUM: THERE'S A STATEMENT.

6 CHAIRMAN KLEIN: THERE'S A STATEMENT.

7 MR. ROTH: IT'S CONFUSING TO ME BECAUSE
8 WE'RE TALKING BRIDGES AND TECH TRANSFER. THERE'S
9 FOUR COMPONENTS.

10 CHAIRMAN KLEIN: EXACTLY. THERE ARE FOUR
11 COMPONENTS.

12 MR. ROTH: JOAN, THE ONLY THING THAT'S
13 BEING APPROVED IS TECH TRANSFER, WHICH IS IP.

14 CHAIRMAN KLEIN: AND THERE'S A CONCEPT
15 APPROVAL FOR BUDGETING PURPOSES OF \$30 MILLION; IS
16 THAT RIGHT, JEFF?

17 MR. SHEEHY: YEAH. THE BUDGET APPROVAL IS
18 FOR \$30 MILLION.

19 CHAIRMAN KLEIN: OKAY.

20 MR. TORRES: WHAT IS THE MOTION BEFORE US?

21 CHAIRMAN KLEIN: THE MOTION BEFORE US IS
22 TO APPROVE \$30 MILLION AS A BUDGET APPROVAL, TO
23 IMMEDIATELY MAKE FIVE MILLION AVAILABLE TO THE
24 PRESIDENT FOR TECH TRANSFER OFFICE SUPPLEMENTS TO
25 EXISTING GRANTS, TO BRING THE OTHER THREE PROGRAMS

BARRISTERS' REPORTING SERVICE

1 BACK TO THE SCIENTIFIC SUBCOMMITTEE, AND THEN BACK
2 TO THE BOARD FOR IMPLEMENTATION, APPROVALS, AND
3 MODIFICATIONS, WHICH MAY INCLUDE BREAKING OUT TWO OF
4 THE PROGRAMS FOR ROLLING BASIS RFA'S.

5 MR. TORRES: CALL FOR THE VOTE.

6 CHAIRMAN KLEIN: ELONA IS GOING TO MAKE A
7 QUICK PRESENTATION ON THE INDUSTRY PORTION YOU HAVE
8 NOT HEARD.

9 DR. TROUNSON: JUST ONE THING. THIS FINAL
10 ONE THAT YOU'RE ABOUT TO HEAR, I ACTUALLY THINK IT
11 WOULD BE VERY GOOD TO HAVE SOME INPUTS FROM THOSE
12 PEOPLE WHO ARE IN THE BUSINESS SECTOR OF THE BOARD
13 BECAUSE IT'S REALLY DIRECTLY ADDRESSING THE ISSUE OF
14 INDUSTRY. AND SO I THINK, YES, IT'S GOING TO BE A
15 SUBCOMMITTEE MEETING. THAT COMPONENT NEEDS TO
16 INCLUDE A REAL GOOD DISCUSSION FROM THOSE PEOPLE WHO
17 ARE IN THE BUSINESS SECTOR ON THE BOARD IF THAT'S AT
18 ALL POSSIBLE.

19 CHAIRMAN KLEIN: SO MAYBE WE COULD HAVE
20 JUST A JOINT MEETING ON THAT ITEM BETWEEN THE
21 FINANCE SUBCOMMITTEE AND THE SCIENTIFIC SUBCOMMITTEE
22 AS TO THE INDUSTRY PORTION THAT IS ABOUT TO BE
23 PRESENTED.

24 MR. GOLDBERG: WE WOULD BE HAPPY TO
25 PARTICIPATE.

BARRISTERS' REPORTING SERVICE

1 MS. BAUM: TERRIFIC. THANK YOU VERY MUCH
2 FOR YOUR TIME. AND I KNOW A LOT'S BEEN COVERED.
3 LET ME JUST REITERATE THREE VERY IMPORTANT PARTS
4 ABOUT THE WHOLE PROGRAM. WE'RE TRYING TO BE AGILE
5 SO THAT WE CAN SEIZE ON OPPORTUNITIES. I'VE GOTTEN
6 PHONE CALLS, OF COURSE, ALAN ALWAYS GETS PHONE CALLS
7 OF OPPORTUNITIES. AND WE HAVE FELT A LITTLE
8 CONSTRAINED. THIS IS SUPPOSED TO DELIVER ON OUR
9 MISSION. AND I WANT TO EMPHASIZE A VERY KEY PROBLEM
10 STATEMENT THAT WE HAVE FACING THIS AGENCY. AND THAT
11 IS THAT WE ARE NOT FUNDING PHASE III CLINICAL
12 TRIALS. WE'RE PUTTING A LOT OF MONEY INTO THE
13 EARLIER STAGES OF DEVELOPMENT, AND WE NEED TO MAKE
14 SURE THAT WE DELIVER THESE VERY IMPORTANT THERAPIES
15 TO THE BEDSIDE. AND HOW CAN WE DO THAT? HOW CAN WE
16 ENSURE THAT WE BEST POSITION THESE THERAPIES FOR THE
17 FOLLOW-ON FINANCING THAT THEY WILL NEED TO GO
18 THROUGH PHASE III?

19 WELL, THE ANSWER IS CONNECTING THEM
20 EARLIER ON WITH INDUSTRY AND VENTURE CAPITAL. SO
21 THAT'S ONE OBJECTIVE OF THIS LAST ELEMENT.

22 ANOTHER OBJECTIVE OF THIS LAST ELEMENT,
23 I.E., THE STRATEGIC PARTNERSHIP PROGRAM, IS TO TRY
24 TO LEVERAGE OUR FINANCES. AND MY BELIEF IS THAT WE
25 WILL BE ABLE TO STRUCTURE OR ASSIST IN STRUCTURE OR

BARRISTERS' REPORTING SERVICE

1 BROKER DEAL TERMS THAT WILL ALLOW US FINANCIAL
2 LEVERAGE.

3 AND FINALLY, WE WILL BE ABLE TO LEVERAGE
4 THE INTELLECTUAL CAPITAL THAT ALREADY EXISTS IN
5 PHARMA AND BIOTECH THROUGH THIS PROGRAM.

6 ON THE NEXT SLIDE, I HAVE SOME QUOTES FROM
7 THE EAP, THE EXTERNAL ADVISORY PANEL, WHICH TALKS
8 ABOUT THE CRITICAL NEED FOR CIRM TO ENGAGE INDUSTRY.
9 AND BASICALLY WHAT THEY RECOGNIZE IS THE CORE
10 COMPETENCIES OF INDUSTRY, THAT BEING THAT THEY HAVE
11 THIS DEEP RESERVOIR OF REGULATORY KNOWLEDGE. THEY
12 KNOW PROCESS DEVELOPMENT AND CAN HELP MANUFACTURE
13 THESE CRITICAL THERAPIES, AND THEY KNOW CLINICAL END
14 POINTS. SO WHY NOT TAP INTO THAT?

15 THE KEY HERE, AS YOU SEE ON THE BOTTOM OF
16 THE SLIDE, IS THAT WE NEED A MECHANISM THAT ATTRACTS
17 AND FOSTERS THEIR INVOLVEMENT. SO INDUSTRY TENDS TO
18 WANT TO PLAN LONGER TERM, AND THEY NEED QUICKER
19 RESPONSE TIME. SO IF SOMEONE CALLS US TODAY, THEY
20 DON'T WANT TO APPLY TO THE NEXT DISEASE TEAM THAT
21 MIGHT BE 18 MONTHS DOWN THE LINE. MAYBE BY
22 HAPPENSTANCE THEY'LL JUST HAPPEN TO TIME IT
23 APPROPRIATELY, BUT WE CAN'T BE GUARANTEED OF THAT.
24 WHY WALK AWAY FROM THE OPPORTUNITY TO SEIZE ON THIS
25 BY STRUCTURING A PROGRAM?

BARRISTERS' REPORTING SERVICE

1 SO LET ME TELL YOU A LITTLE BIT ABOUT WHAT
2 THE PROGRAM IS FROM A CONCEPTUAL STANDPOINT.
3 THERE'S A FEW ELEMENTS HERE. AS I SAID, IT WILL BE
4 A ROLLING GRANTS WORKING GROUP REVIEW. JUST WHAT
5 EVERYBODY WANTS. THE REVIEWS WILL HAPPEN TWO TIMES
6 A YEAR, SO WE DON'T HAVE TO WAIT 18 TO 24 MONTHS.
7 SO THIS CREATES SORT OF A STREAMLINE APPROACH.

8 THEN, IN TERMS OF WHAT IS ELIGIBLE, THERE
9 ARE EXISTING PROJECTS THAT ALREADY BEEN APPROVED, SO
10 THEY'VE ALREADY GONE THROUGH A VERY ROBUST
11 SCIENTIFIC REVIEW NOW, EXISTING NOW OR THROUGH SOME
12 OTHER GRANTS WORKING GROUP REVIEW; BUT IN ADDITION,
13 WE WANTED TO OPEN IT UP TO THE OPPORTUNITY IF
14 SOMETHING WALKS IN THE DOOR AND IS PARTNERED WITH A
15 CALIFORNIA RESEARCHER, TO TAKE ADVANTAGE OF THAT.
16 SO IT'S OPEN TO ALREADY APPROVED GRANTS WORKING
17 GROUP -- ALREADY APPROVED PROJECTS PLUS NEW
18 PROJECTS, BUT, AGAIN, IT WILL HAVE A GRANTS WORKING
19 GROUP REVIEW. OF COURSE, IT WILL BE IN THE
20 PRECLINICAL OR A LATER STAGE OF DEVELOPMENT. AND
21 ESSENTIALLY, THIS IS WHAT WE'RE TRYING TO TAP INTO,
22 IT WILL HAVE EITHER VENTURE CAPITAL OF SIGNIFICANT
23 AMOUNT OR A BIOPHARMA INDUSTRY PARTNERSHIP.

24 THE AMOUNT WE'RE SEEKING IS A MINIMUM OR
25 IT COULD BE UP TO \$15 MILLION. BUT IN ORDER TO

BARRISTERS' REPORTING SERVICE

1 STRUCTURE THE AGREEMENT, CIRM NEEDS TO COMMIT MORE
2 THAN THAT, THERE'S AN ASTERISK THERE THAT SAYS THERE
3 COULD BE A SUBPROCESS WHEREBY THE IP SUBCOMMITTEE,
4 WHICH IS NEWLY ESTABLISHED, CAN PROCEED TO RECOMMEND
5 THAT -- IN FACT, I WOULD LIKE TO GO AS FAR AS
6 SUGGESTING THAT THE IP TASK FORCE OR FINANCE
7 SUBCOMMITTEE COULD BE DELEGATED WITH THAT ABILITY.
8 THE ICOC WILL ALREADY BY VIRTUE OF A GRANTS WORKING
9 GROUP REVIEW APPROVE THESE PROJECTS, BUT THEN THERE
10 WILL BE A VERY LARGE AGREEMENT THAT MIGHT BE
11 REQUIRED, A THREE-WAY AGREEMENT, WITH OUR GRANTEES,
12 PERHAPS CIRM SO THE PARTNER UNDERSTANDS THAT THERE
13 WILL BE SOME LONG-TERM COMMITMENTS, WHICH, OF
14 COURSE, WILL BE SUBJECT TO THE TYPICAL AGREEMENT AND
15 ACHIEVEMENT OF MILESTONES AND OTHER TERMS THAT ARE
16 DEEMED APPROPRIATE.

17 BUT THIS SUBAGREEMENT, I THINK, WOULD NEED
18 TO HAVE SOME INPUTS FROM OUR TERRIFIC BOARD MEMBERS
19 HERE THAT HAVE A BREADTH OF EXPERIENCE IN THESE
20 TYPES OF AGREEMENTS. AND I WOULD SUGGEST THAT MAYBE
21 THEY COULD BE DELEGATED THE RESPONSIBILITY TO
22 APPROVE THE ACTUAL AGREEMENT. JUST AS THE ICOC
23 DOESN'T APPROVE THE ACTUAL LOAN AGREEMENTS, THEY
24 APPROVE THE PROJECT, I'M SUGGESTING A SIMILAR
25 APPROACH HERE.

BARRISTERS' REPORTING SERVICE

1 I HAVE JUST ONE LAST SLIDE HERE. THAT'S
2 JUST TO GIVE YOU AN EXAMPLE OF THE FACT THAT THERE
3 ARE GOVERNMENT OR QUASI GOVERNMENT AGENCIES THAT ARE
4 ENGAGING IN BROKERING TYPES OF PROJECTS JUST LIKE
5 THESE. I DON'T NEED TO GO THROUGH THE DEAL TERMS.
6 BUT YOU SEE MARS IS VERY ACTIVE IN THAT. AND EVERY
7 TIME AN ORGANIZATION LIKE MARS IS ABLE TO ATTRACT A
8 JOHNSON & JOHNSON OR A SONOFI, IT MEANS THERE'S LESS
9 FINANCES OR FUNDING AT THOSE COMPANIES TO PARTNER
10 WITH OUR PROGRAMS.

11 SO I WOULD REALLY LIKE TO EMPHASIZE THAT
12 THE TIME IS OF THE ESSENCE HERE, I THINK, TO MOVE
13 FORWARD AND TAKE ADVANTAGE OF THESE OPPORTUNITIES.

14 CHAIRMAN KLEIN: I HAVE IT. SO MARS IS
15 THE INNOVATION ENTITY THAT'S ATTACHED TO THE
16 UNIVERSITY OF TORONTO. IT'S EXTREMELY
17 WELL-RESPECTED AND VERY EFFECTIVE NEW INITIATIVES
18 THAT THEY'RE ADVANCING. I THINK IT'S A VERY GOOD
19 MODEL TO LOOK AT.

20 SO THERE'S GREAT BONES TO THESE PROPOSALS.
21 THEY'RE RESPONSIVE TO THE EVALUATION. THERE'S A
22 MOTION ON THE FLOOR. I'D LIKE TO -- JEFF, YOU HAVE
23 A COMMENT?

24 MR. SHEEHY: WELL, JUST ONE COMMENT THAT I
25 THINK, AGAIN, NOT TO GET INTO A LONG DEBATE, BUT I

BARRISTERS' REPORTING SERVICE

1 AM EXTREMELY UNCOMFORTABLE WITH THIS ENTITY ENTERING
2 INTO CLINICAL TRIALS WITHOUT THE BOARD HAVING
3 WEIGHED IN ON THAT BEFORE WE DO IT. I JUST SAY THAT
4 A PRIORI.

5 CHAIRMAN KLEIN: THERE WOULD NOT BE ANY
6 CLINICAL TRIALS WITHOUT GRANT REVIEW AND COMING TO
7 THE BOARD.

8 MR. SHEEHY: NO. THIS THIRD PROCESS
9 ACTUALLY EXPLICITLY STATES GOING INTO CLINICAL TRIAL
10 SPACE WITHOUT BOARD APPROVAL. JUST TO SAY THAT, BUT
11 I WOULD LIKE TO GO AHEAD AND CALL THE QUESTION.

12 CHAIRMAN KLEIN: ELONA.

13 MS. BAUM: I DON'T KNOW WHERE IT SAYS
14 THAT.

15 CHAIRMAN KLEIN: MY UNDERSTANDING, HAVING
16 SAT IN MEETINGS, WAS THAT WAS NOT THE INTENT. SO
17 WE'LL CORRECT THAT. WHAT WE HAVE IS A FULSOME
18 DISCUSSION. IS THERE COMMENT FROM THE FLOOR, FROM
19 THE PUBLIC?

20 DR. CHIU: ARLENE CHIU, CITY OF HOPE. I
21 AM SO ENTHUSIASTIC THAT THE BOARD MIGHT CONSIDER
22 DELEGATING MORE AUTHORITY FOR SPENDING CIRM MONEY TO
23 STAFF WHEN OPPORTUNITIES ARISE.

24 WITH THAT IN MIND, I WAS LOOKING QUITE
25 CAREFULLY AT LEAST AT THE THREE. I DO NOT KNOW

BARRISTERS' REPORTING SERVICE

1 ABOUT THE FOURTH ONE SINCE IT WASN'T PUBLISHED ON
2 THE WEB WHEN I WAS DOWNLOADING INFORMATION. I KNOW
3 THAT BRIDGE FUNDING IS CRITICALLY IMPORTANT TO MANY
4 PROJECTS, ESPECIALLY WHEN THERE'S A GAP. WHAT I
5 WANTED TO POINT OUT IS THAT \$5 MILLION PER PROPOSAL
6 AS A CAP IS A VERY LARGE AMOUNT OF MONEY. AND
7 NOTHING IN THE LANGUAGE SAYS ANYTHING ABOUT IT BEING
8 TIED TO THE PROJECT ITSELF.

9 SO AS SUGGESTED HERE, A PROJECT THAT IS
10 \$1.5 MILLION TOTAL COST COULD STILL BE ELIGIBLE FOR
11 A \$5 MILLION AWARD UNDER THE CURRENT CONDITIONS.
12 AND I WOULD LIKE TO SUGGEST, IF YOU MOVE FORWARD ON
13 SOMETHING LIKE THIS, THAT YOU MIGHT WANT TO CAP IT
14 TO ONE YEAR OF FUNDING MAXIMUM OF THE PROPOSED
15 PROJECT AS IT HAS BEEN AWARDED BY THE BOARD. SO
16 THERE IS SOME LIMITS TO IT, THAT IT WOULD NOT JUST
17 RUN AWAY AND SPEND ALL 30 MILLION VERY QUICKLY.

18 CHAIRMAN KLEIN: THIS IS A \$5-MILLION CAP
19 PER PROJECT.

20 DR. CHIU: EXACTLY.

21 CHAIRMAN KLEIN: THAT'S IN PLACE, BUT IT'S
22 ALSO THE PROJECT MAY BE GOING FROM EARLY TRANSLATION
23 THROUGH TO TRYING TO GET IN A POSITION FOR DISEASE
24 TEAM. SO IT MAY BE CHANGING THE LEVEL THAT IT'S
25 OPERATING AT OR ADDING MEMBERS OF THE TEAM LIKE

BARRISTERS' REPORTING SERVICE

1 REGULATORY MEMBERS. BUT THIS IS ALL GOING TO BE
2 DISCUSSED IN THE SCIENTIFIC SUBCOMMITTEE. AND WE
3 WOULD LIKE TO INVITE YOU TO THAT, AND I WOULD
4 SUGGEST -- DUANE HAS SUGGESTED AND I THINK MICHAEL
5 HAS CONCURRED THAT INSTEAD OF IT GOING IN THE
6 INDUSTRY SIDE, INSTEAD OF IT GOING JOINTLY TO
7 SCIENTIFIC SUBCOMMITTEE AND THE FINANCE COMMITTEE,
8 THAT WE HAVE A LOT OF INDUSTRY REPRESENTATION IN THE
9 IP COMMITTEE. SO IT WILL BE THE IP COMMITTEE AND
10 THE SCIENTIFIC SUBCOMMITTEE THAT LOOKS AT THE
11 INDUSTRY COMPONENT JOINTLY.

12 ARLENE, YOU ARE A GREAT, IRREPLACEABLE
13 ASSET, AND IT WOULD BE GREAT TO HAVE YOU IN THOSE
14 DISCUSSIONS.

15 DR. CHIU: BUT THERE ARE OTHER COMPONENTS
16 TO THIS PROPOSAL, AND IT SOUNDED LIKE FOUR CONCEPTS
17 ROLLED INTO ONE. AND FROM MYSELF READING IT, WITH A
18 CAP OF \$30 MILLION IN THE POT, AND THE THIRD
19 COMPONENT BEING NOW MORE THAN \$15 MILLION PER
20 PROJECT, I PERSONALLY WAS CONFUSED HOW THAT 30
21 MILLION COULD BE SPENT. SO I WAS JUST GOING TO
22 SUGGEST THAT THE AUTHORITY, YOU MIGHT REALLY WANT TO
23 EXAMINE EACH COMPONENT OF THESE ALL VERY WORTHY
24 CONCEPTS IN ORDER TO BEST EXPEDITE AND ACCELERATE
25 RESEARCH.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: I THINK THEY'RE ALL GOING
2 TO BE THOROUGHLY THOUGHT. THANK YOU.

3 DON REED, IF WE COULD MAKE IT VERY QUICK,
4 PLEASE.

5 MR. REED: YES. I THINK THAT WHILE THE
6 GENERAL POLICIES OF THE CIRM MONEY PROCEDURE IS
7 GOOD, I THINK THERE IS A NEED FOR A PRESIDENTIAL
8 DISCRETIONARY BUDGET OF SOME AMOUNT.

9 SECONDLY, I THINK THAT THE EXTERNAL PART
10 OF THIS IS VERY EXCITING AND IS THE KIND OF THING
11 THAT THE PUBLIC CAN CATCH ONTO AND WOULD BE USEFUL
12 AS WE MOVE TO OUR PROPOSITION 71, PART 2.

13 CHAIRMAN KLEIN: I WOULD ADD ROLLING RFA'S
14 WITH THE STAFF HAVING DISCRETION, I VERY MUCH ALIGN
15 MYSELF WITH JONATHAN SHESTACK'S COMMENTS, THAT WE
16 REALLY NEED TO PUT THE STAFF IN A POSITION TO BE
17 RESPONSIVE TO OPPORTUNITIES IF WE'RE GOING TO
18 SUCCEED. THIS CAN BE A REAL CRITICAL OPPORTUNITY,
19 AND WE'RE TALKING ABOUT TWO AND A HALF PERCENT OF
20 THE PORTFOLIO. IT'S VITAL TO UNDERSTAND THAT THEY
21 HAVE ROLLED INTO THIS GRANT REVIEWS AND RETURNING TO
22 THE BOARD.

23 SO I THINK WE PUT ALL THE ISSUES ON THE
24 TABLE. FOR BUDGETING PURPOSES, THIS IS IMPORTANT.
25 I'D LIKE TO CALL THE QUESTION. WE CAN DO A VOICE --

BARRISTERS' REPORTING SERVICE

1 MS. SAMUELSON: CHAIRMAN, I'VE JUST GOT
2 ONE ADDITION I WOULD LIKE TO MAKE AS WE CALL THE
3 QUESTION, WHICH IS THAT THE REVIEW BY THE SCIENCE
4 SUBCOMMITTEE AND THE OTHER EXPERTS LOOK AT THE
5 QUESTION OF -- I'VE LOST MY TRAIN OF THOUGHT. ALL
6 RIGHT. IT WILL COME BACK.

7 CHAIRMAN KLEIN: THOSE CHAIRS WILL BE
8 RESPONSIVE TO YOUR QUESTION WHEN YOU FOCUS ON IT.
9 JUST SUBMIT IT TO THEM, PLEASE.

10 WE CAN HAVE VOICE VOTE.

11 MR. HARRISON: THE MOTION IS TO APPROVE
12 THE CREATION OF AN OPPORTUNITY FUND OF \$30 MILLION
13 WITH UP TO \$5 MILLION AVAILABLE IMMEDIATELY FOR TECH
14 TRANSFER SUPPORT, BUT REFER THE THREE ADDITIONAL
15 COMPONENTS TO THE SCIENCE SUBCOMMITTEE AND THE
16 INTELLECTUAL PROPERTY SUBCOMMITTEE FOR FURTHER
17 DEVELOPMENT AND REVIEW.

18 CHAIRMAN KLEIN: WHICH WILL BE -- THE
19 INTENT IS TO RETURN THEM TO THE BOARD IN THE AUGUST
20 MEETING. I THINK IT'S BEEN EMPHASIZED THAT WE'RE
21 GOING TO TRY AND BE QUICKLY RESPONSIVE.

22 MR. SHEEHY: WELL, YES. AND THE MOTION
23 INCLUDES THE COMMITMENT TO COME BACK. THESE
24 PROGRAMS CANNOT GO FORWARD UNTIL THEY COME BACK TO
25 THE BOARD FOR FINAL APPROVAL.

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: FOR FURTHER REVIEW AND
2 RECOMMENDATION TO THE BOARD.

3 MS. SAMUELSON: AND THE ADDITIONAL THOUGHT
4 WAS THAT THE REVIEW INCLUDE LOOKING AT THE GRANTS
5 WORKING GROUP PROCESS TO SEE IF THERE'S WAYS IN
6 WHICH IT SHOULD BE MODIFIED.

7 MR. SHEEHY: I'LL PUT THAT ON THE AGENDA
8 FOR THE SCIENTIFIC SUBCOMMITTEE.

9 MS. SAMUELSON: THANKS. GREAT.

10 CHAIRMAN KLEIN: ALL IN FAVOR. OPPOSED?
11 I THINK THIS IS A VERY IMPORTANT INITIATIVE.

12 WE'RE GOING TO GO ON TO ITEM 21. ON ITEM
13 21, AS THE CHIEF FINANCIAL OFFICER, I'M GOING TO
14 TAKE THE CHAIR'S DISCRETION TO HAVE THE JOB
15 DESCRIPTION FOR THE CHIEF FINANCIAL OFFICER REFERRED
16 TO THE NEW CHAIR, WORKING WITH THE PRESIDENT, WITH
17 JAMES HARRISON, AND VICE CHAIR TORRES.

18 I THINK THAT BY HAVING THIS GROUP
19 ASSEMBLED QUICKLY, WE CAN MAKE THIS A ONE-STEP
20 PROCESS INSTEAD OF A TWO-STEP PROCESS. I'M THINKING
21 THAT ON AN AD HOC BASIS THEY CAN CALL UPON OTHER
22 CHAIRS LIKE THE CHAIR OF FINANCE, IF THEY CHOOSE TO,
23 BUT HAVING MORE THAN TWO MEMBERS OF THE BOARD
24 DESIGNATED WOULD CREATE A COMMITTEE. SO ON AN AD
25 HOC BASIS, IF THEY CAN CALL UPON ANY OTHER CHAIR

BARRISTERS' REPORTING SERVICE

1 THAT WOULD BE APPROPRIATE TO THIS PROCESS WOULD BE
2 GREAT, BUT WE NEED THIS TO HAPPEN QUICKLY. AND IT'S
3 IMPORTANT TO INTEGRATE THE NEW CHAIR'S THOUGHTS.

4 AS TO THE DIRECTOR OF PUBLIC
5 COMMUNICATION, WE HAVE, I THINK, A FULLY WORKED-OUT
6 AND APPROVED IN COMMITTEE JOB DESCRIPTION. SENATOR
7 TORRES, WOULD YOU LIKE TO DISCUSS THAT?

8 MR. TORRES: I'D LIKE TO ASK FOR AN AYE
9 VOTE.

10 CHAIRMAN KLEIN: THIS HAS PASSED THE
11 COMMITTEE UNANIMOUSLY IS MY UNDERSTANDING.

12 MR. TORRES: CORRECT, WHICH IS WHY I ASKED
13 FOR AN AYE VOTE.

14 CHAIRMAN KLEIN: OKAY. ARE THERE
15 ADDITIONAL COMMENTS ON THE DIRECTOR OF
16 COMMUNICATIONS? IS THERE A SECOND?

17 MS. FEIT: SECOND.

18 CHAIRMAN KLEIN: IS THERE PUBLIC COMMENT.
19 ALL IN FAVOR. OPPOSED? OKAY.

20 MR. TORRES: THANK YOU, MEMBERS.

21 CHAIRMAN KLEIN: CAN WE GO TO NO. 19,
22 WHICH IS YOUR REQUEST IN TERMS OF GOVERNMENTAL
23 AFFAIRS.

24 MR. TORRES: YES. THANK YOU VERY MUCH,
25 MR. CHAIRMAN. MR. HARRISON WILL GIVE US A QUICK

BARRISTERS' REPORTING SERVICE

1 OVERVIEW. HIS MEMO OF JUNE 15TH INCLUDED WITH YOUR
2 PACKET IS ILLUSTRATIVE OF THOSE ISSUES.

3 MR. HARRISON: THIS IS AN ITEM THAT WAS
4 BROUGHT TO THE FINANCE SUBCOMMITTEE FOR
5 CONSIDERATION ON JUNE 9TH, AND IT IS A REQUEST FROM
6 THE FINANCE SUBCOMMITTEE, ORIGINALLY FROM THE CHAIR
7 AND THE VICE CHAIR, TO AUGMENT THE BUDGET OF THE
8 OFFICE OF THE CHAIR BY \$180,000 FOR THE FISCAL YEAR
9 2011 AND 12 TO FUND, AS NECESSARY, A ONE-YEAR
10 CONTRACT FOR FEDERAL GOVERNMENTAL RELATIONS SUPPORT.

11 THE RATIONALE FOR THIS PROPOSAL, I THINK,
12 PERHAPS WILL BE GIVEN GREATER CONTEXT BY THE
13 DISCUSSION OF THE ACTIONS OF THE LEGISLATIVE
14 SUBCOMMITTEE, BUT IT'S CLEAR THAT THERE IS MUCH
15 GOING ON IN WASHINGTON THAT COULD HAVE AN IMPACT ON
16 CIRM RANGING FROM LITIGATION INVOLVING PATENTS,
17 FIRST TO FILE, A NEW REGENERATIVE MEDICINE BILL, AS
18 WELL AS THE OUTCOME OF THE SHIRLEY VS. SEBELIUS
19 CASE, WHICH IS LIKELY TO LEAD TO ADDITIONAL FEDERAL
20 LEGISLATION IN WHICH CIRM WOULD HAVE A SIGNIFICANT
21 INTEREST.

22 IN ORDER TO PROVIDE VICE CHAIR TORRES AND
23 VICE CHAIR ROTH WITH ADEQUATE SUPPORT, WE WOULD LIKE
24 TO REQUEST THAT THE BOARD AUTHORIZE AN AUGMENTATION
25 OF \$180,000 IN THE BUDGET OF THE OFFICE OF THE CHAIR

BARRISTERS' REPORTING SERVICE

1 TO FUND THIS CONTRACT AS NECESSARY. THIS WOULD ALL
2 BE DONE THROUGH A REQUEST FOR PROPOSAL WHICH WOULD
3 BE ISSUED AND WHICH WOULD BE DONE ON A COMPETITIVE
4 BASIS.

5 CHAIRMAN KLEIN: I'D LIKE TO MAKE A MOTION
6 TO APPROVE THIS. AND I WOULD LIKE TO STATE THAT
7 THESE FUNDS ARE TIGHTLY SUPERVISED. THE LAST
8 AUTHORIZATION WE USED LESS THAN HALF OF BECAUSE THE
9 OFFICE OF THE CHAIR, WORKING WITH SENATOR TORRES,
10 WAS VERY FOCUSED IN THE USE OF THESE FUNDS, BUT IT
11 IS CRITICAL AT THIS TIME.

12 IS THERE A SECOND?

13 MR. PRICE: SECOND.

14 CHAIRMAN KLEIN: AND MR. GOLDBERG.

15 MR. GOLDBERG: I JUST WANTED A MAKE A
16 COMMENT. THE FINANCE SUBCOMMITTEE DID HOLD A
17 MEETING TO DISCUSS THIS. THERE WAS NOT A QUORUM,
18 BUT IT WAS THE UNANIMOUS VIEW OF THE PARTICIPANTS ON
19 THE CALL FOR THAT MEETING THAT THIS BE APPROVED.

20 CHAIRMAN KLEIN: THANK YOU. PUBLIC
21 COMMENT? CAN I CALL THE QUESTION, COUNSEL? ALL IN
22 FAVOR.

23 (CHORUS OF AYES.)

24 CHAIRMAN KLEIN: OPPOSED?

25 DR. FRIEDMAN: NO.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: ALL RIGHT. THE RECORD
2 SHOULD SHOW WE HAD ALL IN FAVOR EXCEPT FOR DR.
3 FRIEDMAN.

4 HE'S BEEN IN WASHINGTON, DC TOO MANY
5 YEARS.

6 MR. TORRES: LET ME CLARIFY NOW THAT THE
7 VOTE IS OVER SO THAT YOU WOULD HAVE A LITTLE MORE
8 COMFORT LEVEL. DUANE AND I WILL WORK ON AN RFP TO
9 MAKE SURE THAT THE MONEY IS SPENT PROPERLY. THE
10 LAST CONTRACT WE HAD WE SPENT ONLY HALF OF IT.

11 ALSO, I WAS IN THE CONSULTATION WITH THE
12 GOVERNOR'S OFFICE TODAY TO ASSURE THEM THAT IN THIS
13 SITUATION, WE WOULD NOT EXCEED WHAT THE GOVERNOR'S
14 OFFICE SPENDS, NOR THE UC SPENDS FOR THEIR
15 REPRESENTATION IN WASHINGTON. AND MR. ROTH AND I
16 HAVE HAD CONVERSATIONS THAT PERHAPS WE SHOULD BE
17 MORE SPECIFIC AS TO INTENT RATHER THAN A ROLLING
18 RETAINER, WHICH I THINK YOUR CONCERNS WERE.

19 DR. FRIEDMAN: THANK YOU, ART. THOSE
20 REALLY ARE MY CONCERNS. I THINK WE DO HAVE VITAL
21 INTERESTS. I'M NOT SURE IT'S A GOOD USE OF OUR
22 MONEY COMPARED TO WAYS WE INTERACT WITH OTHER LARGER
23 ORGANIZATIONS. BUT WE HAVE A VITAL INTEREST IN
24 THIS, AND I'M COMFORTABLE WITH IT.

25 CHAIRMAN KLEIN: I'D LIKE TO INDICATE THAT

BARRISTERS' REPORTING SERVICE

1 LAST YEAR AT THE INTERNATIONAL BIO CONFERENCE, THEY
2 INDICATED OUR POSITION. OUR SINGLE LETTER ON THE
3 BIOSIMILAR BILLS WAS CRITICAL IN TURNING THE LEAD
4 SENATORS ON THAT ISSUE AND WAS DECISIVE IN THOSE AS
5 STATED BY THOSE SENATORS IN THEIR POSITION. THANK
6 YOU.

7 I'D LIKE TO GO TO ITEM 20.

8 MR. TORRES: MR. CHAIRMAN AND MEMBERS, I'D
9 LIKE TO HAVE COUNSEL TO THE CHAIR, SCOTT TOCHER.
10 ALSO FOR CONSIDERATION WITHIN THIS ITEM IS HR 1862,
11 WHICH IS THE REGENERATIVE MEDICINE PROMOTION ACT OF
12 2011. MR. TOCHER, IF YOU COULD GIVE A QUICK
13 OVERVIEW OF WHAT WE'RE PRESENTING TO THE BOARD.

14 MR. TOCHER: THANK YOU, SENATOR. THE
15 FIRST SUBPART ON THE AGENDA, SUBPART A, ARE U.S.
16 SENATE BILLS 23 AND HR 1249. THIS IS THE AMERICA
17 INVENTS ACT, WHICH IS THE FIRST SIGNIFICANT REVISION
18 OF THE U.S. PATENT SYSTEM IN SOME SAY DECADES,
19 OTHERS SINCE THE FOUNDING OF THE COUNTRY.

20 BASICALLY IN MARCH THE SENATE INTRODUCED A
21 VERSION TO AMEND THE WAY THAT THE U.S. PATENT OFFICE
22 FUNCTIONS. THE MOST SIGNIFICANT CHANGE WOULD BE TO
23 CHANGE THE U.S. PATENT SYSTEM FROM AN AWARD TO THE
24 FIRST INVENTOR TO A SYSTEM OF THE FIRST TO FILE THE
25 PATENT APPLICATION. THIS WOULD ALIGN THE PRACTICE

BARRISTERS' REPORTING SERVICE

1 OF THE UNITED STATES WITH MOST OTHER COUNTRIES.

2 IT'S NOT WITHOUT CONTROVERSY. AND THE
3 MEMO THAT IS IN YOUR BINDERS IDENTIFIES THE
4 POSITIONS OF SUPPORT AND OPPOSITION.

5 THE SENATE PASSED ITS VERSION OF THAT BILL
6 BACK IN MARCH BY A WIDE MARGIN. I BELIEVE 95 TO 3
7 OR 95 TO 5. THE HOUSE ALSO PASSED ITS VERSION, BUT
8 UNTIL THIS WEEK HAD NOT YET WEIGHED IN WITH ITS OWN
9 AMENDMENTS. SO THIS WEEK THE HOUSE MANAGER, LAMAR
10 SMITH, WHO CHAIRS THE HOUSE JUDICIARY COMMITTEE,
11 WHICH IS CHARGED WITH REVIEWING THIS LEGISLATION,
12 OFFERED ITS FIRST SET OF AMENDMENTS.

13 WHILE THE SIGNIFICANT ELEMENTS OF THE
14 ORIGINAL BILL ARE NOT CHANGED, SUCH AS THE FIRST TO
15 FILE AND SYSTEMS FOR THIRD PARTIES TO CHALLENGE
16 PATENTS, IT HAS TWEAKED PROVISIONS RELEVANT TO THE
17 WAY THAT THE PATENT OFFICE IS FUNDED. AND THE
18 RESULT OF THAT IS THAT SOME SUPPORTERS HAVE
19 INDICATED THAT THE REVISIONS CURRENTLY SUGGESTED BY
20 THE HOUSE MANAGER WOULD RENDER THE BILL INSUFFICIENT
21 AND NOT WORTHY OF THEIR SUPPORT.

22 SO IT REMAINS TO BE SEEN HOW ULTIMATELY
23 THAT ISSUE WILL WORK OUT. THE WHITE HOUSE OFFICE OF
24 MANAGEMENT AND BUDGET INDICATED YESTERDAY THAT WHILE
25 IT PREFERS THE SENATE VERSION TO THE FUNDING OF THE

BARRISTERS' REPORTING SERVICE

1 PATENT AND TRADE OFFICE, IT BELIEVES IT CAN WORK
2 WITH THE VERSION BEING PROPOSED AS A COMPROMISE IN
3 THE HOUSE. AND THE SAME WITH SENATOR LEAHY, WHO
4 CHAIRS THE SENATE JUDICIARY COMMITTEE.

5 CHAIRMAN KLEIN: COULD YOU CLARIFY WHETHER
6 THE HOUSE MANAGER'S VERSION THAT INCLUDES THE
7 PROHIBITION OF BIOTECH EFFORTS THAT PROHIBITS
8 PATENTS ON HUMAN ORGANS, DID THAT PROVISION SURVIVE
9 AT THIS MOMENT IN THE HOUSE MANAGER'S VERSION?

10 MR. TOCHER: THEY'RE STILL DEBATING THOSE
11 PROVISIONS, BUT THAT IS PART OF THE HOUSE MANAGER'S
12 REVISIONS.

13 CHAIRMAN KLEIN: SO IT'S VERY IMPORTANT
14 FOR US TO REALIZE THAT THAT'S REALLY A STALKING
15 HORSE TO PREVENT STEM CELL RESEARCH AND ORGANS THAT
16 ARE GENERATED OFF OF STEM CELLS. SO I THINK THAT'S
17 A FUNDAMENTAL ISSUE THAT WE NEED TO CALL OUT IN
18 TERMS OF OBJECTIONS SO IT DOESN'T SHOW UP HERE OR IN
19 A CONFERENCE COMMITTEE WITHOUT THE MEMBERS BEING
20 CALLED TO ATTENTION TO THIS ITEM.

21 MR. TORRES: THANK YOU, MR. KLEIN.

22 MR. JUELSGAARD, DID YOU WANT TO COMMENT ON
23 THIS?

24 DR. JUELSGAARD: SURE. I'D BE HAPPY TO
25 COMMENT ON THE LEGISLATION. THIS HAS BEEN GOING ON

BARRISTERS' REPORTING SERVICE

1 FOR A LONG, LONG TIME. THIS IS A WORK IN PROGRESS
2 FOR A NUMBER OF YEARS NOW. AND BATTLES HAVE BEEN
3 FOUGHT NOT JUST WITHIN THIS INDUSTRY, BUT BETWEEN
4 THE BIOTECH AND HIGH TECH INDUSTRIES WHO HAVE VERY
5 DIFFERENT VIEWS OF THE ROLE THAT PATENTS SHOULD PLAY
6 IN THE GRAND SCHEME OF THINGS. SO THIS IS LARGELY A
7 COMPROMISE IN A NUMBER OF AREAS BETWEEN THOSE TWO
8 INDUSTRIES.

9 SO WITHIN OUR INDUSTRY, THERE ARE SOME
10 CHANGES THAT SOME PEOPLE HAVE SOME ISSUES WITH; FOR
11 EXAMPLE, CHANGING FROM A FIRST TO INVENT TO A FIRST
12 TO INVENT OR TO FILE CIRCUMSTANCE. BUT I THINK IT
13 HAS BEEN NOTED THE REST OF THE WORLD HAS A
14 FIRST-TO-FILE APPROACH. AND FOR INSTITUTIONS THAT
15 ARE SERIOUS ABOUT TRYING, I THINK, TO PRESERVE
16 INTELLECTUAL PROPERTY, AS THIS INSTITUTION, I HOPE,
17 OVER TIME WILL HAVE A DESIRE TO DO AS WELL, THAT
18 IT'S COMMONPLACE AND IMPORTANT TO TRY AND PRESERVE
19 INTELLECTUAL PROPERTY AROUND THE WORLD WHERE THERE
20 ARE MAJOR COUNTRIES OR GEOGRAPHICAL LOCALES THAT ARE
21 LOCATED.

22 SO, FOR EXAMPLE, IN EUROPE AND IN JAPAN,
23 IT'S A FIRST-TO-FILE SYSTEM. AND THE U.S. IS SORT
24 OF VERY DIFFERENT FROM THOSE ORGANIZATIONS. SO MOST
25 ENTERPRISES WHEN THEY TRY AND PROTECT INTELLECTUAL

BARRISTERS' REPORTING SERVICE

1 PROPERTY BROADLY PLAY BY THE FIRST-TO-FILE RULES AS
2 OPPOSED TO THE FIRST-TO-INVENT RULES.

3 NOW, I REALIZE THAT FOR MANY UNIVERSITIES
4 THAT CAN BE DIFFICULT BECAUSE IN THE FIRST-TO-INVENT
5 SITUATION, ESSENTIALLY YOU HAVE SOME TIME IN WHICH
6 TO FILE AN APPLICATION, AND THEN YOU CAN SWEAR
7 BEHIND ANYBODY WHO'S SORT OF FILED SUBSEQUENT TO
8 YOUR INVENTION. BUT I BELIEVE IN A CIRCUMSTANCE
9 LIKE WE HAVE HERE, WE NEED TO FIND A WAY THAT WILL
10 ALLOW UNIVERSITIES WITH IMPORTANT INVENTIONS IN THIS
11 AREA TO FILE GLOBALLY AS A COMPANY WOULD.

12 AND I THINK THAT'S THE BEST WAY TO PROTECT
13 INTELLECTUAL PROPERTY. AND I THINK WE CAN FIGURE
14 OUT A WAY TO DO THAT AND HAVE UNIVERSITIES,
15 PARTICULARLY THOSE WITHOUT THE SOPHISTICATION TO DO
16 SOME OF THIS, TO BE ABLE TO PLUG INTO A SYSTEM THAT
17 WOULD HELP THEM BE ABLE TO ACCOMPLISH THAT GOAL.

18 SO I ACTUALLY THINK AT THE END OF THE DAY,
19 HAVING A FIRST-TO-FILE SYSTEM SIMPLIFIES A LOT OF
20 THINGS. UNDER THE FIRST-TO-INVENT SYSTEM THAT
21 CURRENTLY EXISTS, THERE ARE A NUMBER OF INSTANCES
22 THAT COME UP WHERE TWO PARTIES BOTH CLAIM THE SAME
23 INVENTION. THEY BOTH FILE WITH THE PATENT OFFICE.
24 AND HOPEFULLY THE PATENT OFFICE CATCHES THOSE WHEN
25 THEY COME IN THE DOOR AT THE VERY OUTSET, BUT THAT

BARRISTERS' REPORTING SERVICE

1 DOESN'T NECESSARILY HAPPEN. SOMETIMES TWO PATENTS
2 WILL GET ISSUED ON THE SAME SUBJECT MATTER.

3 BUT IN ANY EVENT, WHATEVER HAPPENS, THE
4 WAY OF RESOLVING THAT IS CALLED AN INTERFERENCE
5 PROCEEDING. THERE IS A METHOD FOR WHICH SORTING OUT
6 WHO REALLY IS THE FIRST INVENTOR. IT'S AN
7 AT-THE-END-OF-THE-ROAD KIND OF PROCESS. IT'S VERY
8 EXPENSIVE. THE AVERAGE COST TO GO THROUGH AN
9 INTERFERENCE FULSOMELY IS ABOUT A HALF A MILLION
10 DOLLARS. SO THERE'S A LOT INVOLVED. THIS WOULD
11 ESSENTIALLY DO AWAY WITH THE INTERFERENCE PRACTICE
12 AND ALLOW THESE DETERMINATIONS TO BE MADE UP FRONT.

13 THERE ARE A WHOLE HOST OF OTHER PROVISIONS
14 THAT ARE IN THIS PATENT REFORM LEGISLATION THAT HAVE
15 BEEN BROUGHT TO BEAR. AS I SAID, IT'S BEEN A
16 COMPROMISE. MANY OF THEM AREN'T DISCUSSED ANYWHERE
17 IN ANY OF THE MATERIAL THAT YOU'VE RECEIVED.
18 THEY'RE REALLY OTHER ASPECTS OF THIS. SO IT'S VERY,
19 VERY BROAD PATENT REFORM LEGISLATION.

20 I ACTUALLY THINK IT'S A HEALTHY CHANGE
21 ALTOGETHER BECAUSE I DO THINK, THEN, FOR PEOPLE WHO
22 WANT TO OPERATE ON A BROADER BASIS, THAT WE HAVE THE
23 SAME SET OF RULES BEING APPLIED, GENERALLY SPEAKING,
24 FROM JURISDICTION TO JURISDICTION. AND WE CAN JUST
25 MAKE A LOT MORE SENSE OUT OF IT AND WHAT TO DO ABOUT

BARRISTERS' REPORTING SERVICE

1 IT AS OPPOSED TO PLAYING BY ONE SET OF RULES HERE
2 AND ANOTHER SET OF RULES THERE, WHICH SOMETIMES WORK
3 VERY MUCH AT ODDS WITH EACH OTHER.

4 MR. TORRES: MR. KLEIN HAS A QUESTION.

5 CHAIRMAN KLEIN: IF THE HOUSE MANAGER'S
6 PROVISION IS INCLUDED IN WHAT IS VOTED ON IN THE
7 HOUSE VERSION, WOULD YOU THEN COUNSEL OPPOSING IT
8 BECAUSE OF THAT SINGULAR PROVISION?

9 DR. JUELSGAARD: I THINK YOU'RE REFERRING
10 TO THE INABILITY TO PATENT WHAT THE HOUSE REFERS TO
11 AS A HUMAN ORGANISM, WHATEVER THAT MEANS.

12 CHAIRMAN KLEIN: THAT'S EXACTLY RIGHT.

13 DR. JUELSGAARD: IF THAT PROVISION WERE IN
14 A BILL ON THAT GROUNDS ALONE, IT SHOULD BE OPPOSED.
15 I THINK THAT REALLY UNDERCUTS WHAT WE'RE TRYING TO
16 ACCOMPLISH HERE. IT WOULD BE A SIGNIFICANT
17 DEPARTURE FROM WHAT'S CURRENTLY HAPPENING IN THE
18 WHOLE BIOLOGICAL SCIENCES AREA. SO I THINK ON THAT
19 BASIS ALONE, I WOULD COMPLETELY CHANGE MY MIND AND
20 BE OPPOSED TO IT.

21 MR. TORRES: THANK YOU, MR. JUELSGAARD.

22 MR. ROTH.

23 MR. ROTH: JUST VERY QUICKLY, AND WE'RE
24 NOT GOING TO DEBATE THIS HERE. AND, AGAIN, I'M NOT
25 GOING TO GET INTO A DEBATE ABOUT FIRST TO INVENT

BARRISTERS' REPORTING SERVICE

1 VERSUS TO FIRST TO FILE. THAT'S ALMOST RELIGION ON
2 BOTH SIDES. SO I'VE BEEN -- I HAVE A LOT MORE GRAY
3 HAIR THAN I USED TO HAVE OVER THAT ONE ISSUE.

4 THE ONE THING THAT MY ORGANIZATION,
5 CONNECT, IS VERY CONCERNED ABOUT IS FEE DIVERSION,
6 THAT THE PATENT OFFICE HAS TO BE PROPERLY FUNDED.
7 AND IF THE FEE DIVERSION ISSUE DOESN'T GET SQUARED
8 AWAY SO THE MONEY PAID BY APPLICANTS STAYS AND FUNDS
9 MORE REVIEWERS AND GET RID OF SOME OF THE PENDENCY
10 ISSUES, THEN WE'RE GOING TO OPPOSE IT.

11 I AGREE THAT THERE ARE ARGUMENTS ON BOTH
12 SIDES OF THE FIRST TO FILE, FIRST TO INVENT. I'M
13 WORRIED FROM OUR STANDPOINT THAT RESEARCH INSTITUTES
14 NEED TIME TO COMPLETELY PLAY OUT WHAT THEIR
15 INVENTION REALLY IS BEFORE THEY FILE. THIS HAS A
16 TENDENCY TO GET THERE AS FAST AS YOU CAN. AND,
17 THEREFORE, MAYBE NOT HAVE AS COMPLETE A FILING AS
18 YOU MIGHT OTHERWISE HAVE.

19 MR. TORRES: THANK YOU, MR. ROTH. DR.
20 LOVE.

21 DR. LOVE: I WANTED TO ASK STEVE A
22 QUESTION ABOUT THE PROVISION YOU WERE TALKING ABOUT
23 IS THAT YOU COULD NOT PROTECT AN ORGANISM?

24 DR. JUELSGAARD: IT USES THE TERM "HUMAN
25 ORGANISM," THOSE TWO WORDS. IT'S A VERY SIMPLE

BARRISTERS' REPORTING SERVICE

1 SENTENCE. IT'S ACTUALLY ONLY ONE SENTENCE IN THIS
2 MANAGER'S AMENDMENT THAT SOMEBODY INSERTED, A MEMBER
3 OF THE HOUSE. I DON'T REMEMBER WHICH MEMBER NOW.
4 SO GOD KNOWS HOW THAT WILL BE INTERPRETED, BUT I
5 THINK THE FEAR IS IS THAT IT COULD BE INTERPRETED TO
6 MEAN HUMAN CELLS AS A HUMAN ORGANISM. AND WHAT
7 WE'RE FUNDAMENTALLY DEALING WITH ARE HUMAN CELLS.

8 DR. LOVE: THAT'S MY QUESTION. CLONING A
9 HUMAN ORGANISM SOUNDS LIKE CLONING A HUMAN TO ME,
10 BUT MAYBE I'M INTERPRETING IT TOO LITERALLY.

11 DR. JUELSGAARD: I DON'T THINK IT'S VERY
12 CLEAR. AND THE LAST THING WE NEED IN LEGISLATION IS
13 SOMETHING THAT'S CONFUSING. IT, IN ESSENCE, SAYS
14 THOU SHALT NOT PATENT HUMAN ORGANISMS.

15 MR. TORRES: ALMOST SOUNDS LIKE THE OLD
16 TESTAMENT. ANY OTHER COMMENTS FROM MEMBERS OF THE
17 BOARD?

18 DR. POMEROY: SO AS WE DISCUSSED THIS IN
19 THE SUBCOMMITTEE, I ABSTAINED FROM VOTING ON IT IN
20 THE SUBCOMMITTEE. AND WE HAD A DISCUSSION ABOUT THE
21 APPROPRIATENESS OF US WEIGHING IN ON THIS ISSUE.
22 AND AS I HEAR MORE, I ALSO HAVE A SECOND ISSUE,
23 WHICH IS THIS FEELS LIKE THIS IS STILL KIND OF A BIT
24 OF A MOVING TARGET. AND THERE'S A LOT OF DISCUSSION
25 GOING ON, AND SO IT FEELS A BIT PREMATURE TO ME.

BARRISTERS' REPORTING SERVICE

1 SO I JUST WANTED TO EXPLAIN HOW I'M GOING
2 TO SUBSEQUENTLY VOTE.

3 MR. TORRES: ARE YOU OFFERING A SUBSTITUTE
4 MOTION? NO.

5 DR. POMEROY: THERE IS A MOTION ON THE
6 FLOOR.

7 MR. TORRES: WE DO NOT HAVE A MOTION YET
8 ON THE FLOOR.

9 DR. POMEROY: SORRY. BUT I'M STILL NOT.

10 MR. TORRES: ALL RIGHT. MR. KLEIN.

11 MS. SAMUELSON: OF COURSE, THERE'S GREAT
12 EXPERTISE IN WASHINGTON, SO WE DON'T HAVE TO BE
13 SPECULATING ABOUT WHAT THE TERMS MEAN AND WHAT
14 STATUS IT'S AT. SO IF THIS IS INCLUDED IN THE JOB
15 DESCRIPTION OF THE ASSISTANCE WE'RE ASKING FOR IN
16 THE LAST MOTION, THAT CAN TAKE CARE IT. IF IT
17 DOESN'T INCLUDE IP, THEN PERHAPS WE NEED TO SPEND
18 SOME MONEY TO BE SURE WE'RE ON TOP OF WHAT THE
19 ISSUES ARE.

20 MR. TORRES: I JUST WANTED TO MAKE SURE
21 THAT THE MEMBERS HAD AS EXHAUSTIVE A LIST OF THOSE
22 IN SUPPORT AND THOSE IN OPPOSITION AND ALSO TO ALLOW
23 HEALTHY DISCUSSION HERE IN RESPECT TO WHETHER WE
24 SHOULD RECOMMEND THE RECOMMENDATION OF THE
25 SUBCOMMITTEE OR CHOOSE ANOTHER COURSE OF ACTION.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: I'D LIKE TO SEE IF WE CAN
2 TAKE A NARROWER POSITION THAN THE SUBCOMMITTEE. SO
3 I'M GOING TO SEE IF THERE'S A SECOND FOR A MOTION
4 THAT WOULD DELEGATE TO THE CHAIR AND VICE CHAIR OF
5 THE LEGISLATIVE SUBCOMMITTEE THE AUTHORITY TO DRAFT
6 A LETTER OPPOSING THIS BILL IF THEY CAN CONFIRM THAT
7 THE HOUSE MANAGER'S AMENDMENT IS INTENT ON BLOCKING
8 PATENTS FOR DEVELOPMENT OF HUMAN ORGANS BECAUSE THAT
9 GOES DIRECTLY TO OUR MISSION.

10 IF, IN FACT, IT'S JUST INARTFULLY DRAFTED
11 AND IS GOING TO BE CORRECTED SO IT IS INTENDED TO
12 PREVENT HUMAN CLONING, THEN CLEARLY WE WOULD APPROVE
13 IT. BUT IF, IN FACT, IT IS FOCUSED ON STOPPING
14 PATENTS ON DEVELOPMENT OF HUMAN ORGANS, THEN I WOULD
15 AUTHORIZE THEM TO DIRECTLY AND IMMEDIATELY ISSUE A
16 LETTER OPPOSING IT.

17 AND SECONDLY, WITH DUANE'S POINT, TO
18 INDICATE A STRONG POSITION, THAT IT IS VITAL TO THE
19 FUNCTIONING OF THE PATENT PROCESS IN THIS COUNTRY TO
20 HAVE ADEQUATE STAFFING IN THE PATENT OFFICES AND TO
21 OPPOSE AND INCORPORATE A PROVISION IN THIS BILL THAT
22 WOULD OPPOSE, WHETHER IT'S IN CONFERENCE COMMITTEE,
23 ANY DIVERSION OF FEES THAT ARE PAID SO THAT THE
24 PATENT OFFICE CAN BE PROPERLY FUNDED IN ITS
25 FUNCTION. IS THERE A SECOND?

BARRISTERS' REPORTING SERVICE

1 MR. TORRES: I'M CHAIRING. IS THERE A
2 SECOND? IS THERE A SECOND TO MR. KLEIN'S MOTION?

3 DR. LEVIN: SECOND.

4 MR. TORRES: COMMENTS? DR. PRIETO.

5 DR. PRIETO: YES. I GUESS I'M NOT SURE I
6 CAN SUPPORT THIS MOTION BECAUSE I THINK IT DOESN'T
7 CAPTURE THE RECOMMENDATION OF THE LEGISLATIVE
8 SUBCOMMITTEE, THAT THE OPPOSITION TO THIS WAS NOT
9 JUST ON THESE NARROW GROUNDS, BUT ALSO OPPOSITION TO
10 THE CONCEPT OF ADOPTING A FIRST TO FILE RATHER THAN
11 FIRST TO INVENT. FIRST TO INVENT IS FELT TO BE ONE
12 OF THE ENGINES OF INNOVATION IN THE UNITED STATES,
13 THE FACT THAT AN INVENTOR IS PROPERLY CREDITED HERE,
14 AND THAT'S NOT NECESSARILY THE CASE IN OTHER
15 COUNTRIES UNDER FIRST TO FILE.

16 MR. TORRES: DR. FRIEDMAN.

17 DR. FRIEDMAN: I APOLOGIZE FOR BEING, ONCE
18 AGAIN, EXPRESSING A NEGATIVE PERSPECTIVE. I THINK
19 THERE'S SOME VERY LEGITIMATE INTERESTS THAT WE HAVE
20 REPRESENTING STEM CELLS AND OUR ROLE FOR CIRM AND
21 THE ICOC. AND THAT'S ONE PART OF THIS BILL, AND
22 IT'S VERY IMPORTANT AND COMPLICATED.

23 THERE ARE OTHER LARGER ISSUES THAT HAVE TO
24 DO WITH PHARMACEUTICAL AND BIOTECH RESEARCH WHERE
25 THE IMPLICATIONS ARE DIFFERENT FOR DIFFERENT MEMBERS

BARRISTERS' REPORTING SERVICE

1 OF THE AUDIENCE DEPENDING UPON WHAT THEIR PARTICULAR
2 PERSPECTIVE IS. I'M UNCOMFORTABLE WITH US TRYING TO
3 CRAFT A SINGLE POSITION AS AN ORGANIZATION. I'M
4 EXTREMELY COMFORTABLE WITH PEOPLE EXPRESSING THEIR
5 OWN PERSONAL VIEWS OR A SUBGROUP OF THE ORGANIZATION
6 DOING SO.

7 I SHARE THE RESERVATION ABOUT -- AND IT'S
8 NOT THAT I HAVE ANY LACK OF CONFIDENCE IN THE
9 LEADERSHIP OF THE LEGISLATIVE COMMITTEE TO COME UP
10 WITH A POSITION THAT YOU ALL THINK IS RIGHT. I
11 THINK WE'RE TRYING TO OPTIMIZE THE INTERESTS OF A
12 GREAT MANY PEOPLE RIGHT NOW, AND THEY DON'T ALL FIT
13 TOGETHER. AND IF WE FOCUS VERY NARROWLY ON STEM
14 CELL ISSUES, I THINK WE COME TO ONE CONCLUSION. I'M
15 NOT SURE -- CITY OF HOPE HAS A LONG HISTORY OF
16 INTERACTIONS OVER THESE SORT OF INTELLECTUAL
17 PROPERTY ISSUES, AND WE HAVE WONDERFUL ADVISORS TO
18 US. AND IT'S JUST NOT CLEAR TO ME WHAT THE RIGHT
19 POLICY POSITION IS.

20 SO I APOLOGIZE THAT I CAN'T WHOLEHEARTEDLY
21 SUPPORT THIS BECAUSE I JUST FIND THIS REALLY
22 COMPLICATED. THIS MAY BE SOMETHING BEST WHERE WE AS
23 AN ORGANIZATION DON'T TAKE A STAND EXCEPT AS TO HOW
24 IT RELATES TO STEM CELLS. IF WE WANT TO WRITE A
25 LETTER THAT SAYS WE REALLY CARE ABOUT STEM CELLS AND

BARRISTERS' REPORTING SERVICE

1 THIS IS WHAT WE RECOMMEND IN THIS REGARD, IF YOUR
2 BILL CONFORMS TO THAT, WE THANK YOU AND ENDORSE IT.
3 THAT'S SLIGHTLY DIFFERENT THAN WHAT BOB SAID. AND
4 I'M NOT TRYING TO CHANGE AND MAKE A BUNCH OF
5 DIFFERENT MOTIONS. I'M EXPRESSING MY CONCERNS ABOUT
6 IT. THAT'S ALL. THANK YOU, ART.

7 MR. TORRES: MR. KLEIN.

8 CHAIRMAN KLEIN: TWO THINGS. DR. PRIETO,
9 I'M NOT OPPOSED TO A FOLLOW-ON MOTION. I'M TRYING
10 TO SEE IF I CAN GET A NARROW MOTION PASSED FIRST AND
11 THEN GO BROADER.

12 IN TERMS OF DR. FRIEDMAN, WHAT I'M ASKING
13 IS IF THE CHAIR AND VICE CHAIR OF THE LEGISLATIVE
14 COMMITTEE CONFIRM THAT THIS AMENDMENT IS TARGETED TO
15 STOPPING PATENTS ON THE DEVELOPMENT OF REPLACEMENT
16 ORGANS, IT DIRECTLY IMPACTS ONE OF THE MAIN GOALS OF
17 STEM CELLS, DEVELOPING CELLULAR THERAPIES THAT
18 REPAIR OR REPLACE ORGANS.

19 DR. FRIEDMAN: AND I AGREE WITH THAT, BOB.

20 CHAIRMAN KLEIN: SO THAT'S WHY I MADE THIS
21 NARROW BECAUSE I THOUGHT IT WAS A CORE FUNCTION.

22 THE ADDITIONAL ISSUE IS AS THE STEM CELL
23 RESEARCH, WE SHARE WITH ALL OTHER FORMS OF
24 BIOLOGICAL RESEARCH THE NEED FOR THE PATENT OFFICE
25 TO BE PROPERLY STAFFED, OR IT WILL JUST BECOME A

BARRISTERS' REPORTING SERVICE

1 BLOCKADE. SO I THOUGHT CONNECT'S POSITION ON MAKING
2 SURE THAT FEES ARE NOT DIVERTED AND THERE'S PROPER
3 STAFFING FOR THE PATENT OFFICE IS CENTRAL TO MAKING
4 SURE, PARTICULARLY WITH THE FIRST-TO-FILE SYSTEM,
5 THAT WE HAVE PROPER STAFFING IN A FIELD THAT'S
6 ADVANCING QUICKLY AND IS APT TO CREATE A WHOLE TIDAL
7 WAVE OF APPLICATIONS.

8 DR. VUORI: SO I WOULD LIKE TO ECHO WHAT
9 DR. FRIEDMAN JUST SAID. MY RECOMMENDATION WOULD BE
10 FOR OUR BOARD REALLY TO FOCUS ON DEALING WITH
11 MATTERS THAT POTENTIALLY PROHIBIT MOVING STEM CELL
12 THERAPIES TO THE CLINIC AND TO THE MARKETPLACE.
13 MAYBE SUCH LANGUAGE TO THAT ESSENTIALLY, RATHER THAN
14 SAYING CIRM SUPPORTS OR NOT CERTAIN LANGUAGE,
15 PROBABLY SAY THAT CIRM DOES NOT SUPPORT FOLLOWING
16 TEXT IF IT HAPPENS TO BE THE PIECE OF THIS LANGUAGE
17 OR --

18 MR. TORRES: YOU'RE IN AGREEMENT WITH MR.
19 KLEIN'S MOTION?

20 DR. VUORI: CORRECT.

21 MR. TORRES: ARE YOU A SECOND?

22 DR. VUORI: YES.

23 MR. TORRES: MOVED AND SECOND.

24 CHAIRMAN KLEIN: DR. LEVIN WAS ALSO A
25 SECOND.

BARRISTERS' REPORTING SERVICE

1 MR. TORRES: DR. LEVIN WAS A SECOND.

2 CHAIRMAN KLEIN: SO WE HAVE TWO SECONDS.

3 MR. TORRES: TWO SECONDS. ANY FURTHER
4 DISCUSSION?

5 MS. FEIT: CAN WE HAVE A REPEAT OF THE
6 MOTION?

7 MR. TORRES: WE ARE GOING TO REPEAT THE
8 MOTION. MR. HARRISON, IF YOU CAN, IF YOU WILL.

9 MR. HARRISON: THE MOTION IS TO DELEGATE
10 TO THE CHAIR AND THE VICE CHAIR OF THE LEGISLATIVE
11 SUBCOMMITTEE TO DRAFT A LETTER OPPOSING THE BILL IF
12 THE HOUSE MANAGER'S AMENDMENT REGARDING THE
13 PATENTING OF HUMAN ORGANS IS ADOPTED AND THEY
14 CONFIRM THAT IT WOULD BLOCK PATENTING FOR HUMAN
15 ORGANS AS OPPOSED TO PROHIBITING HUMAN CLONING, AND
16 INDICATE A STRONG POSITION THAT IT'S VITAL TO HAVE
17 ADEQUATE STAFF SUPPORT IN THE PATENT OFFICE AND TO
18 OPPOSE ANY DIVERSION OF FUNDS FROM THE PATENT
19 OFFICE.

20 CHAIRMAN KLEIN: FROM THE COLLECTION FEES
21 PAID TO THE PATENT OFFICE.

22 MR. TORRES: ALL RIGHT. MOTION IS BEFORE
23 US. DO WE NEED A ROLL CALL ON THIS? ANY PUBLIC
24 INPUT? ALL THOSE IN FAVOR SIGNIFY BY SAYING AYE.

25 (CHORUS OF AYES.)

BARRISTERS' REPORTING SERVICE

1 MR. TORRES: OPPOSED?

2 DR. POMEROY: OPPOSED.

3 MR. TORRES: ALL THOSE OPPOSED?

4 DR. PRICE: OPPOSED.

5 MR. TORRES: ALL RIGHT. THE AYES HAVE IT.

6 ALL RIGHT. THE NEXT ITEM IS HR 1862,

7 WHICH IS THE REGENERATIVE MEDICINE PROMOTION ACT OF

8 2011.

9 I THINK MR. ROTH WANTED TO MAKE AN OPENING
10 COMMENT ON THIS.

11 MS. KING: SENATOR TORRES, JUST BEFORE YOU
12 DO THAT, I JUST WANT TO MAKE SURE THE BOARD AND YOU
13 UNDERSTAND THAT THIS IS A PROPOSED ADDITIONAL AGENDA
14 ITEM. SO YOU ACTUALLY HAVE TO VOTE ON WHETHER OR
15 NOT TO TAKE IT UP FIRST.

16 MR. TORRES: WITHOUT OBJECTION, THAT SHALL
17 BE THE ORDER.

18 CHAIRMAN KLEIN: WE NEED A MOTION. THIS
19 IS A LATE ADDITION TO THE CALENDAR. IT'S MOVING
20 QUICKLY IN THE CONGRESS. WE'VE BEEN INFORMED THAT
21 UNLESS WE TAKE A POSITION IMMEDIATELY, OUR POSITION
22 WON'T BE REALLY RELEVANT. THE SPONSORS HAVE
23 SPECIFICALLY CONTACTED US ON THIS. SO I'D MAKE A
24 MOTION THAT AS A MATTER OF URGENCY THAT WE CONSIDER
25 THIS TODAY.

BARRISTERS' REPORTING SERVICE

1 MR. TORRES: IS THERE ANY OPPOSITION?

2 MR. GOLDBERG: SECOND.

3 MR. TORRES: THANK YOU. MOVED AND
4 SECONDED. ALL THOSE IN FAVOR SIGNIFY BY SAYING AYE.
5 (CHORUS OF AYES.)

6 MR. ROTH: I THINK IN YOUR INSIDE COVER,
7 IF YOU CAN'T FIND WHAT WE'RE TALKING ABOUT, THERE'S
8 A ONE-PAGER ON THIS. THIS IS A BILL TO ESSENTIALLY
9 GATHER TOGETHER ALL THE PARTIES THAT COULD BE
10 INVOLVED OR MAY WANT TO BE INVOLVED IN STEM CELL
11 RESEARCH AND HAVE THEM MORE OR LESS MAKE REPORTS TO
12 CONGRESS ON THE PROGRESS OF THIS.

13 THE TWO COSPONSORS ARE BILBRAY, WHO'S THE
14 CONGRESSMAN IN THIS DISTRICT THAT WE'RE SITTING IN,
15 AND DEGETTE, WHO WAS A BIG SUPPORTER OF STEM CELL
16 RESEARCH IN THE HOUSE. SHE'S FROM COLORADO. I
17 THINK WE SHOULD TAKE A POSITION OF SUPPORT OF THIS.

18 I WILL ADD THAT IN VERNACULAR IT'S KIND OF
19 MOTHERHOOD AND APPLE PIE, BUT IT'S SOMETHING I THINK
20 WE SHOULD BE SUPPORTIVE OF THESE TWO CONGRESSPEOPLE
21 WHO BELIEVE THAT THERE SHOULD BE SOME COORDINATION
22 LOOKING AT STEM CELL RESEARCH.

23 I THINK THIS BILL, IT PROBABLY WON'T MOVE,
24 BUT IT MAY IF THERE'S SOME COMPLICATIONS. IT MAY
25 PICK UP THE DICKIE-WICKER AMENDMENT AT SOME POINT IN

BARRISTERS' REPORTING SERVICE

1 TIME TO GET THAT ON THE HOUSE FLOOR.

2 MR. TORRES: ANY OTHER COMMENTS? ANY
3 PUBLIC COMMENTS? IS THERE A MOTION TO --

4 DR. LEVIN: THERE SEEMS TO BE SOME
5 ADMINISTRATIVE BURDEN BUILT INTO THIS. THIS IS IN
6 THE GOVERNMENT ACCOUNTABILITY OFFICE, NOT CIRM THAT
7 IS GOING TO BE TAKING ON AND ALL THE OTHER AGENCIES
8 THIS REPORTING BURDEN.

9 MR. ROTH: DOES THIS INVOLVE CIRM? NO.
10 THESE ARE FEDERAL AGENCIES.

11 DR. LEVIN: SO THEY'RE GOING TO BE DOING
12 ALL THE COLLECTING OF INFORMATION?

13 MR. ROTH: THIS IS A FEDERAL BILL, FEDERAL
14 AGENCIES.

15 MR. TORRES: MR. ROTH MOVES THAT WE
16 APPROVE. IS THERE A SECOND?

17 MR. SHEEHY: SECOND.

18 MR. TORRES: ANY PUBLIC INPUT? ALL THOSE
19 IN FAVOR SIGNIFY BY SAYING AYE. OPPOSED? AYES HAVE
20 IT.

21 MR. TOCHER, IF YOU WILL GO TO AB 190,
22 WHICH IS ON OUR AGENDA AS WELL.

23 MR. ROTH: WHILE HE'S DOING THAT, SENATOR,
24 WE SHOULD SEND A BILL OF SUPPORT -- WE SHOULD SEND A
25 LETTER SUPPORTING THAT.

BARRISTERS' REPORTING SERVICE

1 MR. TORRES: YES. WE WILL SEND A LETTER
2 SUPPORTING THAT IMMEDIATELY.

3 MS. KING: IF YOU LOOK BEHIND TAB 20 IN
4 YOUR BINDERS, THIS IS ITEM 20 B, IF YOU'RE LOOKING
5 FOR THE MEMO THAT WAS IN YOUR BINDERS FROM MR.
6 TOCHER.

7 MR. TORRES: MR. TOCHER. THIS LEGISLATION
8 WAS AB 190, INTRODUCED BY ASSEMBLYMAN WYKOWSKI FROM
9 FREMONT, CALIFORNIA, SPONSORED BY THE ROMAN REED
10 FOUNDATION. AND IT WOULD PROVIDE FOR AN EXTRA FINE
11 UPON MOVING VIOLATIONS TO BE THEN CONTRIBUTED
12 DIRECTLY TO THE ROMAN REED FOUNDATION, WHICH I THINK
13 IS UNDER THE JURISDICTION OF UC IRVINE, IF I'M NOT
14 MISTAKEN.

15 CHAIRMAN KLEIN: THE FUNDS HAVE BEEN
16 HISTORICALLY DISTRIBUTED THROUGH THE UC IRVINE
17 OFFICES, AND THAT'S BEEN A HIGHLY PRODUCTIVE
18 PROGRAM.

19 DR. STEWARD: YEAH. THANK YOU. I'M GOING
20 TO BE IN CONFLICT ON THIS. CAN I SAY SOMETHING WITH
21 REGARD JUST TO ORGANIZATION OF IT? WE'VE ACTUALLY
22 ADMINISTERED THESE FUNDS.

23 CHAIRMAN KLEIN: DON REED, I THINK, CAN
24 INFORMATIVELY ADDRESS THIS, SENATOR.

25 MR. TORRES: YES. THAT'S WHY I ASKED HIM

BARRISTERS' REPORTING SERVICE

1 TO COME TO THE PODIUM. MR. REED.

2 MR. REED: YES. IT'S BEEN HISTORICALLY
3 RUN THROUGH THE UNIVERSITY OF CALIFORNIA IRVINE AND
4 THE REEVE IRVINE RESEARCH CENTER.

5 THE BILL HAS BEEN -- THE FUNDING WAS
6 REMOVED. WE CAME BACK WITH A \$3 TRAFFIC TICKET
7 ADD-ON. IT PASSED OUR FIRST COMMITTEE. THE SECOND
8 COMMITTEE, THE CHAIR DID NOT CHOOSE TO ALLOW IT TO
9 BE VOTED ON. AND IT'S CURRENTLY GOING THROUGH
10 DIFFERENT PROCEDURES. WE'RE GOING TO TRY TO COME AT
11 IT FROM THE SENATE SIDE. SO WE WILL NEVER SURRENDER
12 ON IT. IT WILL COME BACK EVERY SIX MONTHS LIKE
13 CHRISTMAS TWICE A YEAR IF WE HAVE TO, BUT IT'S A
14 WONDERFUL THING. WE SPENT \$14 MILLION AND ATTRACTED
15 64 MILLION IN MATCHING GRANTS FROM THE FEDS, AND WE
16 HOPE FOR YOUR SUPPORT. THANK YOU.

17 MR. TORRES: SO THE MOTION IS TO SUPPORT
18 NOT ONLY THE LEGISLATION, BUT THE CONCEPT WITHIN IT
19 IN CASE IT TURNS INTO A DIFFERENT NUMBERED
20 LEGISLATION ON THE SENATE SIDE AS WE ARE TRYING TO
21 WORK OUT.

22 MR. REED: YES, SIR.

23 MR. HARRISON: WAS THAT YOUR MOTION,
24 SENATOR TORRES?

25 DR. PRIETO: I'LL SO MOVE.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: I'LL SECOND.

2 MR. TORRES: MOVED AND SECOND. THANK YOU.

3 MS. KING: SENATOR TORRES, I APOLOGIZE FOR
4 THE CONFUSION. THERE WAS NOT A MEMO ON THIS ITEM.
5 I MISSPOKE EARLIER. THERE WAS NO MEMO ON THIS ITEM.

6 MR. TORRES: THERE'S NO MEMO BECAUSE IT
7 WAS PRETTY SLAM DUNK.

8 ANY OTHER QUESTIONS REGARDING AB 190?
9 MOTION IS TO APPROVE AND SUPPORT. ANY FURTHER
10 PUBLIC INPUT? THERE BEING NONE, WE'LL GO TO A VOTE.
11 ALL THOSE IN FAVOR SIGNIFY BY SAYING AYE. ALL THOSE
12 OPPOSED. THE AYES HAVE IT. THANK YOU VERY MUCH,
13 MR. CHAIRMAN.

14 DR. STEWARD: JUST FOR THE RECORD, I WAS
15 IN CONFLICT AND DID NOT VOTE.

16 CHAIRMAN KLEIN: THANK YOU FOR THAT
17 CLARIFICATION.

18 MR. TORRES: ALTHOUGH DR. PRICE WANTED TO
19 MAKE SURE THAT ANYONE WITH A MOVING VIOLATION MAYBE
20 COULD NOT HAVE VOTED ON THIS.

21 CHAIRMAN KLEIN: DR. LEVIN ALSO INDICATED
22 THAT HE DID NOT VOTE.

23 WE GO TO THE NEXT ITEM, WHICH IS --

24 MR. TORRES: THE FINAL ITEM, MR. HARRISON.

25 MR. HARRISON: THE LEGISLATIVE

BARRISTERS' REPORTING SERVICE

1 SUBCOMMITTEE AT ITS MEETING ALSO DISCUSSED A
2 RECOMMENDATION TO DELEGATE AUTHORITY FROM THE BOARD
3 TO THE LEGISLATIVE SUBCOMMITTEE TO TAKE ACTION ON
4 LEGISLATION AND MATTERS OF POLICY IN BETWEEN BOARD
5 MEETINGS WHEN THE LEGISLATIVE SUBCOMMITTEE
6 DETERMINED THAT IT WAS NECESSARY TO ACT BEFORE THE
7 NEXT BOARD MEETING WAS SCHEDULED.

8 AFTER MUCH DISCUSSION, THE LEGISLATIVE
9 SUBCOMMITTEE RECOMMENDED THAT THE BOARD AUTHORIZE IT
10 TO TAKE ACTION BY A VOTE OF TWO-THIRDS OF THE
11 MEMBERS OF THE LEGISLATIVE SUBCOMMITTEE WHEN IT
12 DETERMINES THAT SUCH ACTION IS NECESSARY BEFORE THE
13 NEXT MEETING OF THE BOARD IS SCHEDULED.

14 MEMBER POMEROY ASKED THE BOARD TO CONSIDER
15 WHETHER OR NOT THAT POSITION SHOULD BE THE POSITION
16 OF THE LEGISLATIVE SUBCOMMITTEE OR THE POSITION OF
17 THE BOARD. VICE CHAIR TORRES, AFTER CONSIDERING
18 THAT MATTER, RECOMMENDS THAT IT BE CONSIDERED THE
19 POSITION OF THE BOARD, AGAIN, ASSUMING THAT
20 TWO-THIRDS OF THE MEMBERS OF THE LEGISLATIVE
21 SUBCOMMITTEE APPROVE OF THE POSITION.

22 THERE WAS ONE OTHER ITEM THAT WAS
23 DISCUSSED THAT THE LEGISLATIVE SUBCOMMITTEE DID NOT
24 TAKE ACTION ON. THAT RELATED TO A DELEGATION TO THE
25 CHAIR OF THE LEGISLATIVE SUBCOMMITTEE TO TAKE A

BARRISTERS' REPORTING SERVICE

1 POSITION AS CHAIR OF THE LEGISLATIVE SUBCOMMITTEE ON
2 LEGISLATION OR POLICY AFTER CONSULTING WITH THE
3 CHAIR OF THE BOARD AND THE PRESIDENT IF HE
4 DETERMINES THAT IT'S NECESSARY TO TAKE A POSITION
5 BEFORE A MEETING OF THE LEGISLATIVE SUBCOMMITTEE OR
6 THE BOARD CAN BE SCHEDULED, WITH THE UNDERSTANDING
7 THAT THE MATTER WOULD THEN BE REFERRED TO THE
8 LEGISLATIVE SUBCOMMITTEE OR THE BOARD AS APPROPRIATE
9 FOR OFFICIAL ACTION.

10 LEGISLATIVE SUBCOMMITTEE DID NOT MAKE A
11 RECOMMENDATION ON THAT ITEM, BUT WE HAVE INCLUDED
12 LANGUAGE IN THE PROPOSED BYLAWS IF YOU'RE INCLINED
13 TO CONSIDER IT. THAT IS ON PAGE 7 OF THE BYLAWS AND
14 IS ENCAPSULATED IN (C)(3).

15 MR. TORRES: THIS WHOLE CONCEPT RESULTED
16 FROM CONVERSATIONS THAT DUANE ROTH AND I HAVE HAD
17 OVER THE TWO YEARS I'VE BEEN ON THE BOARD OF TRYING
18 TO GIVE MORE FLEXIBILITY. BECAUSE OF BAGLEY-KEENE
19 TEN-DAY NOTICE REQUIREMENTS AND OTHER REQUIREMENTS,
20 SOMETIMES THE LEGISLATIVE PROCESS, I KNOW IT'S A
21 SURPRISE TO MANY OF YOU, SOMETIMES WORKS A LITTLE
22 MORE QUICKLY THAN WE ANTICIPATE AND, THEREFORE, MAY
23 BEG US TO TAKE A POSITION ON CERTAIN PIECES OF
24 LEGISLATION. I THOUGHT THAT WAS THE NATURE OF WHAT
25 WE WERE DISCUSSING.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH, DID YOU HAVE A COMMENT AS WELL?

2 MR. ROTH: YES. SO THIS TYPE OF ACTION
3 WOULD BE TAKEN ON THINGS THAT ARE GENERALLY
4 RECOGNIZED AS OUR POSITION. IT'S NOT ON SOMETHING
5 BRAND-NEW OR CONTROVERSIAL. IT'S ON SOMEBODY ASKS
6 FOR A LETTER OF SUPPORT ON SOMETHING WE'VE ALREADY
7 HAD DISCUSSIONS OR IT'S MAINSTREAM TO WHAT WE DO.
8 AND, AGAIN, THESE THINGS ARE NOT ITEMS THAT CAN WAIT
9 FOR A SUBCOMMITTEE AND THEN THE FULL BOARD IN ORDER
10 TO ACT.

11 AND SO IT'S WHAT I REFER TO IN MY
12 ORGANIZATION AS GENERAL AUTHORITY, AND IT'S
13 ENTRUSTED IN THE HEAD OF THE POLICY COMMITTEE AND
14 THE CHAIR AND MYSELF TO MAKE THAT DETERMINATION.
15 DOES IT MEET THE STANDARD? AND IF IT DOES, WE CAN
16 GO AHEAD. IF IT DOESN'T OR THERE'S A DIFFERENCE OF
17 OPINION, THEN IT HAS TO GO TO THE FULL COMMITTEE.

18 CHAIRMAN KLEIN: MY UNDERSTANDING -- AND
19 I'D LIKE TO MAKE A MOTION TO APPROVE THIS, BUT WITH
20 CLARIFICATION. MY UNDERSTANDING IS THAT THIS WOULD
21 BE A TWO-THIRDS VOTE OF THE MEMBERS AND WITH THE
22 CONCURRENCE OF THE CHAIRMAN OF THE BOARD. SO YOU
23 DID HAVE THE BOARD'S CHAIRMAN WEIGHING IN WITH THE
24 CHAIRMAN AND VICE CHAIR OF THE COMMITTEE, WHICH
25 WOULD GIVE YOU A VERY DIVERSIFIED BASE TO KNOW THAT

BARRISTERS' REPORTING SERVICE

1 YOU HAD A HIGH MAJORITY OF THE COMMITTEE AND THE
2 CHAIRMAN OF THE BOARD AND IT WAS FOCUSED ON AN ISSUE
3 THAT SPECIFICALLY WAS IN OUR CORE AREA OF OUR STEM
4 CELL MISSION OR A POSITION THAT WAS DIRECTLY RELATED
5 TO A POSITION WE HAD PREVIOUSLY TAKEN OR A KEY AREA
6 OF OUR RESEARCH AT RISK.

7 MR. TORRES: DR. POMEROY, DID YOU WANT TO
8 ADD ANYTHING?

9 DR. POMEROY: THANK YOU. AS BOB HAS
10 RECENTLY EMPHASIZED, WE'RE NOT A COMPLETE ONE WAY OF
11 THINKING KIND OF GROUP. AND I DO HAVE CONCERNS
12 ABOUT REPRESENTING A BOARD POSITION WHEN THE BOARD
13 HASN'T HAD A CHANCE TO WEIGH IN EVEN ON THE SORT OF
14 OBVIOUS THINGS. AND I DO THINK THAT BY SAYING THAT
15 THE LEGISLATIVE COMMITTEE TOOK THIS POSITION, THAT
16 THAT MEANS SOMETHING. AND THAT TO ME IS A MUCH MORE
17 HONEST REPRESENTATION OF WHAT ACTUALLY TAKES PLACE
18 PRIOR TO IT COMING TO THE BOARD.

19 SO I'M GOING TO STICK WITH MY
20 RECOMMENDATION THAT IT BE PRESENTED AS A LEGISLATIVE
21 SUBCOMMITTEE OPINION, BUT NOT AS A FULL BOARD
22 OPINION.

23 MR. TORRES: SO THAT'S A SUBSTITUTE MOTION
24 THEN.

25 DR. POMEROY: I'D BE GLAD TO MAKE THAT A

BARRISTERS' REPORTING SERVICE

1 SUBSTITUTION MOTION.

2 MR. TORRES: IS THERE A SECOND?

3 DR. PRICE: SECOND.

4 MR. HARRISON: CAN I JUST ASK ONE QUESTION
5 FOR CLARIFICATION? CURRENTLY WHEN THE LEGISLATIVE
6 SUBCOMMITTEE ACTS TO MAKE RECOMMENDATIONS TO THE
7 BOARD, IT ACTS BY MAJORITY VOTE. ITS
8 RECOMMENDATION, OF COURSE, IS JUST THAT, A
9 RECOMMENDATION, BUT IT IS A MATTER OF PUBLIC RECORD.
10 IN OTHER WORDS, IF SOMEONE IS INTERESTED IN KNOWING
11 WHAT THE POSITION OF THE LEGISLATIVE SUBCOMMITTEE
12 IS, ALL THEY HAVE TO DO IS TO LOOK ON CIRM'S WEBSITE
13 TO UNDERSTAND THAT THE LEGISLATIVE SUBCOMMITTEE
14 RECOMMENDED A POSITION BY A MAJORITY VOTE.

15 I JUST WANT TO MAKE SURE I UNDERSTAND THAT
16 IT WOULD REQUIRE A TWO-THIRDS VOTE FOR THE
17 LEGISLATIVE SUBCOMMITTEE TO AUTHORIZE SENDING A
18 LETTER UNDER THOSE CIRCUMSTANCES.

19 DR. POMEROY: YES. I WASN'T CHANGING THAT
20 PART OF IT.

21 MR. HARRISON: THANK YOU.

22 MR. TORRES: ALL RIGHT. WE HAVE A
23 SUBSTITUTE MOTION THAT HAS BEEN SECONDED BEFORE US.
24 ANY COMMENTS?

25 CHAIRMAN KLEIN: WOULD YOU REQUIRE

BARRISTERS' REPORTING SERVICE

1 CONCURRENCE WITH THE CHAIRMAN OF THE BOARD?

2 DR. POMEROY: I THINK THAT'S A REASONABLE
3 ADDITIONAL FRIENDLY AMENDMENT. THANK YOU, BOB.

4 CHAIRMAN KLEIN: ALL RIGHT.

5 MR. ROTH: CLAIRE, WOULD YOU GO FOR ONE
6 REPUBLICAN ON THAT?

7 DR. PRIETO: IF WE'RE GOING TO BRING UP
8 ISSUES OF DIVERSITY.

9 MR. TORRES: RESTATE THE MOTION, MR.
10 HARRISON.

11 MR. HARRISON: AS I UNDERSTAND IT, THE
12 MOTION IS TO APPROVE AN AMENDMENT TO THE BYLAWS TO
13 DELEGATE AUTHORITY TO THE LEGISLATIVE SUBCOMMITTEE
14 TO TAKE ACTION AS THE LEGISLATIVE SUBCOMMITTEE BY A
15 TWO-THIRDS VOTE AND WITH THE CONCURRENCE OF THE
16 CHAIRMAN OF THE BOARD ON LEGISLATION OR POLICY WHEN
17 IT DETERMINES IT'S NECESSARY TO ACT BEFORE THE NEXT
18 BOARD MEETING.

19 MS. SAMUELSON: IS THERE ANY SORT OF A
20 QUORUM REQUIREMENT FOR THE NUMBER OF MEMBERS OF THE
21 SUBCOMMITTEE WHO ARE VOTING? THAT COULD BE TWO OUT
22 OF THREE. I DON'T KNOW HOW MANY PEOPLE ARE ON THE
23 SUBCOMMITTEE.

24 MR. TORRES: WE HAVE TO HAVE A QUORUM
25 FIRST TO HAVE A VOTE.

BARRISTERS' REPORTING SERVICE

1 MS. SAMUELSON: OKAY.

2 MR. TORRES: SO THE CURRENT PRACTICE IS IF
3 ANY SUBCOMMITTEE TAKES AN ACTION, IT IS PUBLIC
4 NOTICED ON OUR WEBSITE. AND, THEREFORE, IT IS
5 VIEWED AS AN ACTION BY THAT SUBCOMMITTEE BY A
6 MAJORITY VOTE. WHAT THIS REQUIRES IS A TWO-THIRDS
7 VOTE BY THE SUBCOMMITTEE IN ORDER TO DO WHAT?

8 DR. POMEROY: IN ORDER FOR YOU, AS THE
9 CHAIR OF THAT COMMITTEE, AND ASSUMING YOU HAD
10 CONCURRENCE WITH THE BOARD CHAIR, TO PROACTIVELY
11 SEND A LETTER.

12 MR. TORRES: TO SEND LETTERS. OKAY. ALL
13 RIGHT. FURTHER DISCUSSION? ANY PUBLIC INPUT?
14 THERE BEING NONE, ALL THOSE IN FAVOR SIGNIFY BY
15 SAYING -- MR. KLEIN.

16 CHAIRMAN KLEIN: IT WOULD ALSO, I WOULD
17 TAKE IT, AUTHORIZE THE CHAIRMAN OF THE COMMITTEE,
18 THAT HE COULD REPRESENT, AS THE LEGISLATIVE
19 SUBCOMMITTEE, HE COULD PROVIDE TESTIMONY AT AN
20 ASSEMBLY OR STATE SENATE HEARING. IT'S NOT JUST
21 SENDING LETTERS. HE'D ACTUALLY BE ABLE TO REPRESENT
22 THAT THIS IS THE POSITION OF THE LEGISLATIVE
23 COMMITTEE IN BETWEEN MEETINGS.

24 DR. POMEROY: AGREED.

25 MR. TORRES: OKAY. ALL THOSE IN FAVOR,

BARRISTERS' REPORTING SERVICE

1 SIGNIFY BY SAYING AYE. ALL THOSE OPPOSED. MOTION
2 CARRIES.

3 MR. CHAIRMAN.

4 CHAIRMAN KLEIN: WE HAVE THE SWEARING IN
5 OF THE NEW CHAIR. AND THIS IS A GREAT PLEASURE. IF
6 WE COULD GO TO THE PODIUM, AND COULD MY WIFE
7 ACCOMPANY ME TO THE PODIUM AND JOINTLY DO THIS?

8 (APPLAUSE.)

9 CHAIRMAN KLEIN: JON, IF YOU COULD RAISE
10 YOUR RIGHT HAND FOR THE OATH OF OFFICE AND REPEAT
11 AFTER ME.

12 FOR THE OFFICE OF CHAIR OF THE BOARD OF
13 THE CALIFORNIA INSTITUTE OF REGENERATIVE MEDICINE.

14 MR. THOMAS: FOR THE OFFICE OF CHAIR OF
15 THE BOARD FOR THE CALIFORNIA INSTITUTE OF
16 REGENERATIVE MEDICINE.

17 CHAIRMAN KLEIN: I, AND REPEAT YOUR NAME.

18 MR. THOMAS: I, JONATHAN THOMAS.

19 CHAIRMAN KLEIN: DO SOLEMNLY SWEAR OR
20 AFFIRM THAT I WILL SUPPORT AND DEFEND THE
21 CONSTITUTION OF THE UNITED STATES AND THE
22 CONSTITUTION OF THE STATE OF CALIFORNIA.

23 MR. THOMAS: DO SOLEMNLY SWEAR OR AFFIRM
24 THAT I WILL SUPPORT AND DEFEND THE CONSTITUTION OF
25 THE UNITED STATES AND THE CONSTITUTION OF THE STATE

BARRISTERS' REPORTING SERVICE

1 OF CALIFORNIA.

2 CHAIRMAN KLEIN: AGAINST ALL ENEMIES
3 FOREIGN AND DOMESTIC.

4 MR. THOMAS: AGAINST ALL ENEMIES FOREIGN
5 AND DOMESTIC.

6 CHAIRMAN KLEIN: THAT I WILL BEAR TRUE
7 FAITH AND ALLEGIANCE TO THE CONSTITUTION OF THE
8 UNITED STATES AND THE CONSTITUTION OF THE STATE OF
9 CALIFORNIA.

10 CHAIRMAN KLEIN: THAT I WILL BEAR TRUE
11 FAITH AND ALLEGIANCE TO THE CONSTITUTION OF THE
12 UNITED STATES AND THE CONSTITUTION OF THE STATE OF
13 CALIFORNIA.

14 CHAIRMAN KLEIN: THAT I TAKE THIS
15 OBLIGATION FREELY.

16 MR. THOMAS: THAT I TAKE THIS OBLIGATION
17 FREELY.

18 CHAIRMAN KLEIN: WITHOUT ANY MENTAL
19 RESERVATION OR PURPOSE OF EVASION.

20 MR. THOMAS: WITHOUT ANY MENTAL
21 RESERVATION OR PURPOSE OF EVASION.

22 CHAIRMAN KLEIN: THAT I WILL WELL AND
23 FAITHFULLY DISCHARGE THE DUTIES UPON WHICH I'M ABOUT
24 TO ENTER.

25 MR. THOMAS: AND THAT I WILL WELL AND

BARRISTERS' REPORTING SERVICE

1 FAITHFULLY DISCHARGE THE DUTIES UPON WHICH I AM
2 ABOUT THE ENTER.

3 CHAIRMAN KLEIN: AND YOU ARE NOW THE NEW
4 CHAIRMAN. I CONGRATULATE YOU ON A JOURNEY YOU WILL
5 NEVER FORGET.

6 (APPLAUSE.)

7 CHAIRMAN THOMAS: THANK YOU. THANK YOU
8 VERY MUCH.

9 (APPLAUSE.)

10 MR. TORRES: WE HAVE ONE MORE ITEM,
11 MEMBERS. WE'LL BE VERY QUICK.

12 CHAIRMAN THOMAS: LET ME JUST FIRST SAY
13 BRIEFLY, AS I SAID LAST NIGHT IN MY OPENING
14 STATEMENT, THAT I VIEW THIS AS AN EXTRAORDINARY
15 OPPORTUNITY TO CONTRIBUTE TO THE CONTINUING QUEST
16 FOR FINDING CURES FOR PRESENTLY INCURABLE DISEASES
17 AND IN ENDING HUMAN SUFFERING. AND I AM HUMBLED AND
18 PRIVILEGED TO BE ABLE TO BE A PART OF YOUR GROUP AND
19 TO HELP LEAD IN THAT EFFORT.

20 THIS MOMENT, OF COURSE, SHOULD NOT BE
21 ABOUT ME. SO THAT'S THE LAST I'M GOING TO SAY. I
22 NOW WANT TO TURN TO A MOMENT OF GREAT IMPORTANCE.

23 WE HAVE A RESOLUTION FOR BOB. BEFORE I
24 READ THAT, I JUST WANT TO SAY ONE THING, WHICH IS AS
25 I ATTEMPT TO SUCCEED A TRUE COLOSSUS IN THE MEDICAL

BARRISTERS' REPORTING SERVICE

1 WORLD, SOMEBODY WHO HAS CONTRIBUTED IMMEASURABLY AND
2 CANNOT BE REPLACED, BUT MERELY SUCCEEDED, I AM
3 REMINDED OF ANOTHER SUCH COLOSSUS. AND IF YOU GIVE
4 ME TWO MINUTES, I WOULD LIKE TO JUST TELL A STORY
5 WHICH I BELIEVE CAPTURES THE ESSENCE OF WHAT BOB HAS
6 DONE HERE FOR CIRM, THE STATE OF CALIFORNIA, AND THE
7 WORLD.

8 THE OTHER COLOSSUS TO WHICH I REFER IS THE
9 RECENTLY DEPARTED JOHN WOODEN. JOHN WOODEN HAD A
10 GREAT-GRANDSON. SOME OF YOU MAY RECOGNIZE THIS
11 BECAUSE IT IS A STORY FROM EARLIER THIS YEAR, BUT I
12 THINK IT'S DIRECTLY RELEVANT. HE HAD A
13 GREAT-GRANDSON NAMED TYLER TRAPANI. TYLER WAS A
14 BASKETBALL PLAYER AND HE WENT TO UCLA TO HONOR HIS
15 GREAT-GRANDFATHER. HE WAS A WALK-ON AT UCLA, AND HE
16 WAS VERY PRACTICED IN THE FUNDAMENTALS. HE DID HIS
17 WORK, BUT HE WAS NOT ONE OF THE PLAYERS THAT EVER
18 GOT INTO A GAME.

19 AND IT CAME DOWN TO HIS SENIOR YEAR. HE
20 HAD SPENT THE ENTIRE YEAR ON -- THE FOUR YEARS ON
21 THE BENCH. AND THE LAST GAME AT PAULEY PAVILION
22 THIS SPRING BEFORE IT WAS TO BE DISMANTLED
23 INTERNALLY AND REDONE, AND THAT COURT, AS YOU MAY
24 KNOW, IS NAMED AFTER JOHN WOODEN AND HIS WIFE NELL.
25 THE VERY LAST GAME OF HIS COLLEGE CAREER, THEY PUT

BARRISTERS' REPORTING SERVICE

1 TYLER TRAPANI INTO THE GAME WITH ABOUT TWO MINUTES
2 LEFT. AND IT WAS A BLOWOUT WIN FOR UCLA. AND THE
3 WHOLE CROWD WAS CHANTING TO GET TYLER THE BALL
4 BECAUSE HE HAD NEVER SHOT IN HIS UCLA CAREER, LET
5 ALONE SCORED A BASKET.

6 IT CAME DOWN TO THE LAST POSSESSION.
7 TYLER WAS A GUARD. SO HE PLAYS OUT IN THE
8 PERIMETER. ANOTHER PLAYER HAD THE BALL, AND INSTEAD
9 OF GETTING IT TO TYLER, TOOK A THREE-POINT SHOT WITH
10 ABOUT TWO SECONDS LEFT. INEXPLICABLY TYLER HAD GONE
11 DOWN LOW IN CASE THERE WAS A REBOUND, AND THE BALL
12 TURNED OUT TO BE AN AIR BALL THAT FELL RIGHT INTO
13 TYLER'S HANDS. AND AS TIME EXPIRED, HE LAID THE
14 BALL UP AND IN.

15 ANYBODY WHO WAS IN PAULEY PAVILION THAT
16 DAY, THERE WAS NOT ONE PERSON WHO DIDN'T THINK THAT
17 JOHN WOODEN WAS SITTING UP THERE GUIDING THAT BALL
18 INTO HIS GREAT-GRANDSON'S HANDS TO SCORE THAT
19 BASKET AND END HIS CAREER IN SPECTACULAR FASHION.

20 LADIES AND GENTLEMEN, I SUBMIT TO YOU THAT
21 ALL OF THE GRANTEES AND LOAN RECIPIENTS OF CIRM ARE
22 ALL TYLER TRAPANIS OUT THERE DOING THE BASIC WORK,
23 UNDERSTANDING EXACTLY WHAT IT TAKES TO TRY TO GET
24 THE CURES THAT WE ALL DESPERATELY WANT. AND I
25 BELIEVE THAT THOUGH BOB IS NOW OFF THE BOARD, AND BY

BARRISTERS' REPORTING SERVICE

1 THE WAY HAS ANOTHER 50 YEARS TO LIVE, SO THE ANALOGY
2 BREAKS DOWN A LITTLE, THAT AT SOME POINT THE
3 RESEARCH BEING UNDERTAKEN, MUCH AS TYLER'S LAST
4 SECOND BASKET WENT IN, BOB WILL BE SITTING FROM AFAR
5 WILLING THIS RESEARCH TO COME TO FRUITION AND CREATE
6 A CURE OR CURES THAT WILL REVOLUTIONIZE THE WORLD.

7 SO ON THAT NOTE, I WOULD LIKE TO
8 CONGRATULATE BOB AND TO READ HIM THIS RESOLUTION.
9 LET'S SEE. NOT READ THIS RESOLUTION. I WOULD LIKE
10 TO ASK FOR A MOTION -- THE THING THAT BOB HAS DONE
11 SO MUCH, THIS RESOLUTION, LIKE, IS VERY EXTENSIVE,
12 VERY MEATY. AND SO DOES EVERYBODY HAVE A COPY OF
13 THIS MOTION?

14 MS. SAMUELSON: SO MOVED.

15 CHAIRMAN THOMAS: IT'S BEEN MOVED AND
16 SECONDED THAT WE ADOPT THIS RESOLUTION. AND PART OF
17 THE, I DIDN'T QUITE GET IT ALL OUT, IS TO HONOR BOB
18 BY NAMING HIM CHAIR EMERITUS. WHOEVER MADE THAT
19 MOTION, WOULD YOU EXCEPT THAT AS AN AMENDMENT? DR.
20 FRIEDMAN? THANK YOU.

21 AND WHOEVER SECONDED, WOULD YOU TAKE THAT
22 AS A FRIENDLY AMENDMENT? WHO SECONDED THE MOTION
23 OTHER THAN EVERYBODY? MR. SHEEHY.

24 LET THE RECORD REFLECT THAT IT WAS A
25 UNANIMOUS SECONDING OF THE MOTION FOR THE FIRST TIME

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1 IN CIRM'S HISTORY.

2 IS THERE ANY PUBLIC COMMENT ON THIS
3 MATTER? HEARING NONE, I ASK ALL THOSE IN FAVOR
4 PLEASE SAY AYE. OPPOSED? MOTION CARRIES.

5 BOB, CONGRATULATIONS.

6 (STANDING OVATION.)

7 CHAIRMAN KLEIN: I'D JUST LIKE TO REPEAT
8 SOMETHING THAT I --

9 DR. FRIEDMAN: WOULD YOU SAY YOUR NAME SO
10 THEY GET IT RIGHT?

11 CHAIRMAN KLEIN: I THINK I'LL ALWAYS HAVE
12 THE GUIDANCE OF THIS BOARD.

13 I WOULD JUST LIKE TO REPEAT SOMETHING I'VE
14 SAID MANY TIMES BEFORE, BUT DEEPLY BELIEVE. THAT
15 IS, IT'S A GREAT PRIVILEGE OF MY LIFE TO WORK WITH
16 THIS BOARD ON THIS MISSION FOR ALL OF OUR FAMILIES
17 AND TO KNOW THE DEDICATION OF THE STAFF, THE SUPPORT
18 OF THE CALIFORNIA PUBLIC, THE TREMENDOUS OUTPOURING
19 OF DEDICATION AND EFFORT OF THE PATIENT ADVOCACY
20 GROUPS. I DO BELIEVE THAT WE WILL BE SUCCESSFUL
21 BEYOND OUR WILDEST DREAMS.

22 BUT IT IS, IN FACT, THE DEDICATION OF THE
23 SMALL GROUP IN THIS ROOM AND THE STAFF THAT STAND
24 BEHIND US THAT EMPOWER THE SCIENTISTS OF CALIFORNIA
25 TO SEE THIS DREAM OF THE PEOPLE OF CALIFORNIA TO

BARRISTERS' REPORTING SERVICE

1 REDUCE HUMAN SUFFERING COME TO FRUITION. SO I THANK
2 YOU.

3 (APPLAUSE.)

4 CHAIRMAN THOMAS: DO I HEAR A MOTION THAT
5 WE ADJOURN?

6 MR. TORRES: SO MOVED.

7 CHAIRMAN THOMAS: ALL IN FAVOR. OPPOSED?
8 WE ARE ADJOURNED.

9 (THE MEETING WAS THEN CONCLUDED AT
10 02:38 P.M.)

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BARRISTERS' REPORTING SERVICE

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

SHERATON SAN DIEGO HOTEL AND MARINA
1380 HARBOR ISLAND DRIVE
SAN DIEGO, CALIFORNIA

ON

THURSDAY, JUNE 23, 2011

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
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