

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

VOLUME II

LOCATION: STANFORD UNIVERSITY
ARRILLAGA ALUMNI CENTER
MC GAW HALL, 326 GALVEZ STREET
STANFORD, CALIFORNIA

DATE: AUGUST 13, 2008
9:41 A.M.

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

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BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 STANFORD, CALI FORNIA; WEDNESDAY, AUGUST 13, 2008

2 09: 41 A. M.

3
4 CHAIRMAN KLEIN: GOOD MORNING. IF WE CAN
5 BRING THE MEETING TO ORDER. WE HAD A WONDERFUL
6 PRESENTATION THIS MORNING ON BATTEN'S DISEASE, AND I
7 RECOMMEND IT STRONGLY TO THE BOARD AS THE FILM IS
8 DEVELOPED AND THE VIDEO IS INTEGRATED TO PLEASE TAKE
9 A LOOK AT IT. IT'S A WONDERFUL EXAMPLE OF
10 EXTRAORDINARY SCIENCE AND CLINICAL WORK COMBINED TO
11 DEAL WITH A TRAGIC DISEASE, KILLING MOST CHILDREN
12 AFFLICTED WITH IT BY THE TIME THEY'RE 12.

13 IF YOU HAVE A CHANCE AND HE'S STILL HERE,
14 TONY FARRANDINO CAME ALL THE WAY FROM PENNSYLVANIA.
15 HE'S THE FATHER OF A YOUNG BOY DREW WHO IS AFFLICTED
16 WITH THE DISEASE. IT IS AN EXTRAORDINARY EFFORT
17 THAT IS A MODEL OF HOW WE NEED TO PROCEED WITH
18 REPLACEMENT CELL THERAPIES. AND I RECOMMEND THE
19 FILM THAT WE'LL BE PRODUCING TO EACH OF THE BOARD
20 MEMBERS.

21 I'D LIKE TO OPEN --

22 DR. POMEROY: BOB, BEFORE YOU GO ON, COULD
23 I MAKE A COMMENT?

24 CHAIRMAN KLEIN: YES. DR. CLAIRE POMEROY.

25 DR. POMEROY: I WOULD JUST LIKE TO THANK

BARRISTERS' REPORTING SERVICE

1 MR. FARRANDINO FOR TAKING THIS LONG TRIP. AS A
2 BOARD MEMBER, WE COME TO THESE MEETINGS. AND WHEN
3 WE HEAR THE STORIES LIKE DREW'S STORY, IT REMINDS US
4 ALL WHY WE'RE WORKING SO HARD. SO ON BEHALF OF MY
5 INSTITUTION, ON BEHALF OF ICOC, I'D LIKE TO REALLY
6 THANK MR. FARRANDINO AGAIN FOR TELLING US DREW'S
7 STORY AND FOR MOTIVATING US AND INSPIRING US TO KEEP
8 WORKING SO HARD IN THIS IMPORTANT FIELD. SO THANK
9 YOU VERY MUCH.

10 (APPLAUSE.)

11 CHAIRMAN KLEIN: CLEARLY OUR GREAT
12 ADMIRATION AND THANKS GOES OUT TO STEM CELL, INC.
13 AND THEIR TREMENDOUS STAFF AND LEADERSHIP IN MOVING
14 FORWARD COURAGEOUSLY, SAFELY WITH THE DEVELOPMENT OF
15 THIS THERAPY. IT'S A GREAT MODEL FOR ALL OF US TO
16 STUDY.

17 WITH THAT, I'D LIKE TO MOVE FORWARD INTO
18 THE FORMAL MEETING. MELISSA IS NOT HERE AT THE
19 MOMENT BECAUSE I THINK SHE'S TRYING TO WORK WITH A
20 BOARD MEMBER. BUT IF, JAMES HARRISON, MAYBE YOU
21 COULD CALL THE ROLL, AND THEN WE WILL HAVE THE
22 PLEDGE OF ALLEGIANCE FOLLOW THAT.

23 MR. HARRISON: WE ARE STILL SHY OF A
24 QUORUM BY ONE. SO PERHAPS WE SHOULD BEGIN WITH THE
25 PLEDGE OF ALLEGIANCE AND THEN MOVE ON AND TAKE THE

BARRISTERS' REPORTING SERVICE

1 ROLL ONCE WE HAVE A QUORUM ESTABLISHED.

2 CHAIRMAN KLEIN: THAT'S FINE. MR.
3 HARRISON, WOULD YOU LIKE TO SPECIFICALLY INTRODUCE
4 THE NEW ALTERNATE THAT WE HAVE THIS MORNING?

5 MR. HARRISON: YES. DR. NANCY MILLIKEN
6 FROM UCSF HAS JOINED US AS DR. HAWGOOD'S ALTERNATE,
7 AND WE ARE EXTREMELY GRATEFUL TO HER GIVEN OUR
8 QUORUM CHALLENGES.

9 (APPLAUSE.)

10 MR. HARRISON: WE NOW HAVE A QUORUM.

11 CHAIRMAN KLEIN: YES. GREAT. SO AT THIS
12 POINT IF WE COULD CALL THE ROLL. WE WILL CALL THE
13 ROLL AND THEN DO THE PLEDGE OF ALLEGIANCE.

14 MS. KING: ABSOLUTELY.

15 DONALD DAFOE.

16 DR. DAFOE: HERE.

17 MS. KING: ROBERT PRICE.

18 DR. PRICE: HERE.

19 MS. KING: FLOYD BLOOM.

20 DR. BLOOM: HERE.

21 MS. KING: DAVID BRENNER.

22 DR. BRENNER: HERE.

23 MS. KING: JACOB LEVIN.

24 DR. LEVIN: HERE.

25 MS. KING: MARSHA CHANDLER. MARCY FEIT.

BARRISTERS' REPORTING SERVICE

1 MI CHAEL FRI EDMAN.
2 DR. FRI EDMAN: HERE.
3 MS. KING: LEEZA GI BBONS. MI CHAEL
4 GOLDBERG.
5 MR. GOLDBERG: HERE.
6 MS. KING: NANCY MI LLI KEN.
7 DR. MI LLI KEN: HERE.
8 MS. KING: BOB KLEIN.
9 CHAI RMAN KLEIN: HERE.
10 MS. KING: SHERRY LANSI NG.
11 MS. LANSI NG: HERE.
12 MS. KING: GERALD LEVEY. TED LOVE.
13 DR. LOVE: HERE.
14 MS. KING: TINA NOVA. ED PENHOET.
15 DR. PENHOET: HERE.
16 MS. KING: PHI L PI ZZO.
17 DR. PI ZZO: HERE.
18 MS. KING: CLAI RE POMEROY.
19 DR. POMEROY: HERE.
20 MS. KING: FRANCI SCO PRI ETO. ROBERT
21 QUI NT.
22 DR. QUI NT: HERE.
23 MS. KING: JOHN REED. DUANE ROTH.
24 MR. ROTH: HERE.
25 MS. KING: JOAN SAMUELSON.

BARRISTERS' REPORTING SERVICE

1 MS. SAMUELSON: HERE.

2 MS. KING: DAVID SERRANO-SEWELL. JEFF
3 SHEEHY.

4 MR. SHEEHY: HERE.

5 MS. KING: JON SHESTACK. OSWALD STEWARD.

6 DR. STEWARD: HERE.

7 MS. KING: AND WE HAVE A QUORUM. PLEASE
8 STAND IF YOU ARE ABLE.

9 (THE PLEDGE OF ALLEGIANCE.)

10 CHAIRMAN KLEIN: TO MAKE CERTAIN WE HAVE A
11 FULLY INFORMED QUORUM THIS MORNING, MIKE YAFFE,
12 COULD YOU GO BACK THROUGH THE BASIC CRITERIA UNDER
13 WHICH WE ARE TO JUDGE THIS GRANT BY THE TERMS OF THE
14 RFA THAT WAS SENT OUT AND AUTHORIZED BY THE BOARD
15 AND IMPLEMENTED BY THE STAFF?

16 DR. YAFFE: JUST GO STRAIGHT TO THE
17 CRITERIA THAT WERE USED BY THE GRANTS WORKING GROUP
18 TO JUDGE THIS SET OF APPLICATIONS. AND THE
19 APPLICATIONS WERE JUDGED IN THREE KEY AREAS. EACH
20 OF THESE THREE CRITERIA WAS VIEWED AS EQUALLY
21 IMPORTANT.

22 FIRST, RESEARCH PLAN. THESE ARE RESEARCH
23 GRANTS. THE REVIEWERS JUDGED THE RESEARCH PLAN FOR
24 THE SIGNIFICANCE AND INNOVATION OF THE PROPOSED
25 PROJECT AS WELL AS THE DESIGN AND THE FEASIBILITY OF

BARRISTERS' REPORTING SERVICE

1 THE EXPERIMENTS.

2 SECOND AREA OF CONSIDERATION WAS THE
3 PRINCIPAL INVESTIGATOR, THE APPLICANT. HERE THE
4 REVIEWERS ASSESSED THE QUALIFICATIONS AS WELL AS THE
5 POTENTIAL FOR LEADERSHIP IN THE STEM CELL AND
6 REGENERATIVE MEDICINE FIELDS. ADDITIONALLY, THEY
7 EXAMINED PLANS FOR MENTORING AND CAREER DEVELOPMENT.

8 AND THE THIRD KEY AREA WAS THE
9 INSTITUTION, THE APPLICANT'S INSTITUTION. HERE THE
10 REVIEWERS ANALYZED THE COMMITMENT OF THE INSTITUTION
11 TO THE INVESTIGATOR, THE TRACK RECORD OF THE
12 INSTITUTION IN THE PROMOTION AND SUPPORT OF YOUNG
13 FACULTY, AS WELL AS THE FUTURE PLANS OF THE
14 INSTITUTION FOR FURTHER GROWTH IN STEM CELL SCIENCE.

15 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND
16 I'M GOING TO TURN THIS OVER TO JEFF SHEEHY AS WE GO
17 THROUGH LOOKING AT THESE GRANTS. I WOULD LIKE TO
18 SAY AS A MACRO ISSUE THAT WE NEED TO REMEMBER THAT
19 WHEN WE'RE LOOKING AT THE PERCENTAGE OF THESE GRANTS
20 THAT WE FUND, THEY HAVE ALREADY BEEN TRIAGED DEEPLY
21 AT THE INSTITUTIONS, WHO ARE LIMITED IN THE NUMBER
22 OF NOMINATIONS. AND UNLIKE MORE NARROWLY DEFINED
23 GRANT REQUESTS THAT MAY HAVE A VERY SPECIFIC FOCUSED
24 TOPIC AS NEW CELL LINES OR TOOLS, THIS IS A VERY
25 LARGE UNIVERSE THAT THESE APPLICATIONS CAME FROM

BARRISTERS' REPORTING SERVICE

1 BECAUSE IT'S THE ENTIRE SPECTRUM OF EMBRYONIC AND
2 ADULT, OF ALL CELL TYPES, FETAL CELL, ETC. SO WE
3 HAVE A LARGE UNIVERSE THAT WAS DEEPLY TRIAGED
4 INSTITUTIONALLY BEFORE IT GOT TO THIS LEVEL.

5 SO WHEN WE LOOK AT THESE, WE NEED TO
6 UNDERSTAND THE RELATIVE SCORING OF THESE WITH THAT
7 MACRO PICTURE AND HOPEFULLY LOOK AT THE SCIENCE AND
8 THE QUALITY OF THE CANDIDATE AND THE INSTITUTIONAL
9 COMMITMENT, INDEPENDENTLY MAKING DECISIONS WITHOUT
10 BEING AS CONSTRAINED AS WE OTHERWISE MIGHT BE IN A
11 NORMAL GRANT CYCLE BY THE PERCENTAGE OF THOSE GRANTS
12 WHICH ARE FUNDED. JEFF SHEEHY.

13 MR. SHEEHY: THANK YOU, BOB. JUST TO
14 RECAP WHAT WE DID LAST NIGHT, WE HAVE APPROVED
15 PROVISIONALLY ALL THE APPLICATIONS THAT THE WORKING
16 GROUP HAD RECOMMENDED FOR TIER 1. SO IF WE COULD
17 PUT UP TIER 3, I THINK OUR NEXT STEP WILL BE TO LOOK
18 AT THE APPLICATIONS THAT ARE IN TIER 3 AND SEE IF
19 THERE ARE ANY OF THOSE APPLICATIONS WE WOULD LIKE TO
20 MOVE UP TO TIER 1 OR HAVE SOME OTHER DISPOSITION
21 WITH.

22 CHAIRMAN KLEIN: YOU ARE GOING TO TIER 3
23 FIRST?

24 MR. SHEEHY: AND THEN AFTER THIS, WE'LL GO
25 TO TIER 2, AND THOSE APPLICATIONS WE WILL EITHER

BARRISTERS' REPORTING SERVICE

1 MOVE INTO TIER 1 OR INTO TIER 3. THEY' LL EITHER GET
2 FUNDED OR NOT, BUT I THINK PROBABLY BEST RIGHT NOW
3 TO DISPOSE OF TIER 3.

4 SO IF BOARD MEMBERS WILL TAKE A MINUTE TO
5 LOOK AT THE APPLICATIONS IN TIER 3, WHICH ARE YELLOW
6 IN YOUR BOOK, AND SEE IF -- THEN I WOULD TAKE A
7 MOTION TO MOVE ANY OF THOSE APPLICATIONS INTO TIER 1
8 IF THERE IS SUCH A MOTION.

9 MR. ROTH: JEFF, COULD I JUST ASK. DURING
10 THE REVIEW OF THE TIER 3, WERE THERE ANY
11 APPLICATIONS IN THERE THAT RESULTED IN LENGTHY
12 DISCUSSIONS PRO OR CON?

13 MR. SHEEHY: NO. TIER 3, IT WAS -- I'M
14 GLAD THAT BOB MADE HIS INTRODUCTORY REMARKS. IF YOU
15 TAKE THE LARGER VIEW OF THIS APPLICATION CYCLE, WE
16 REALLY HAD A LOT OF VERY GOOD SCIENCE, A LOT OF VERY
17 GOOD SCIENTISTS IN THIS PROCESS. SO WE STARTED OFF
18 ABOVE THE PAYLINE IN TIER 1. AND THEN IN TIER 2 WE
19 HAD AN ENORMOUS NUMBER OF GOOD APPLICATIONS TOO.
20 AND SO REALLY GOING INTO TIER 3 WAS NOT SOMETHING
21 THAT GOT MUCH ATTENTION BECAUSE WE HAD ALMOST AN
22 ABUNDANCE, OVERABUNDANCE OF GOOD SCIENCE. WE WERE
23 WAY BEYOND WHAT WE HAD BUDGET AUTHORITY FOR TO BEGIN
24 WITH, SO OUR CHALLENGE WAS REALLY TRYING TO WINNOW
25 IT DOWN.

BARRISTERS' REPORTING SERVICE

1 I THINK THAT'S A FAIR REPRESENTATION OF
2 WHAT HAPPENED.

3 CHAIRMAN KLEIN: AND JEFF.

4 MR. SHEEHY: TIER 3 DID NOT REALLY GET
5 MAYBE THE SAME EXAMINATION IT MIGHT HAVE HAD IN
6 DIFFERENT ROUNDS.

7 MR. ROTH: THAT'S WHY I RAISED THE
8 QUESTION JUST GIVEN THE EXPERIENCE WE HAVE, THAT
9 SOMETIMES THERE'S CONTROVERSY AND WE GET IT WRONG.
10 BEFORE WE JUST WIPE THESE ALL OUT --

11 CHAIRMAN KLEIN: IN TERMS OF DUANE'S
12 QUESTION, JEFF, THERE'S NO APPLICATION IN TIER 3
13 THAT I WANT TO MOVE, WHICH WAS YOUR INITIAL
14 QUESTION; BUT IN TERMS OF THE CONTEXT OF DUANE'S
15 QUESTION, THERE IS AN APPLICATION IN TIER 3 THAT I
16 DON'T THINK THAT I HAVE ADEQUATE INFORMATION TO DEAL
17 WITH A DECISION ON. AND I'D LIKE TO ACTUALLY ASK IF
18 WE CAN BRING IT BACK AT A LATER MEETING WITH MORE
19 INFORMATION BECAUSE IT'S APPLICATION NO. 937. AND I
20 DON'T WANT GO INTO AN EXAMINATION OF IT AT THIS
21 POINT BECAUSE I'M NOT -- I'M LACKING BASIC
22 INFORMATION, WHICH I THINK THE PEER GROUP LACKED,
23 AND THAT THERE WAS A QUESTION THAT AROSE AS TO
24 WHETHER THERE WAS SUFFICIENT TISSUE OF A VERY
25 SPECIFIC TYPE TO DO THE SCIENCE PROPOSED.

BARRISTERS' REPORTING SERVICE

1 AND I RECALL THAT THE SCIENCE WAS
2 DOWNGRADED ON THAT, AND THE SCORE IS REFLECTIVE OF
3 THAT DOWNGRADING, WHICH MAY BE VERY APPROPRIATE, BUT
4 THERE WASN' T INFORMATION AT THE PEER REVIEW
5 SUFFICIENT TO DETERMINE WHETHER THERE WAS SUFFICIENT
6 TISSUE OF THIS TYPE TO DO -- AVAILABLE TO THIS
7 INSTITUTION TO DO THE RESEARCH. SO I WOULD JUST ASK
8 THAT 937 BE LOOKED AT BY THE STAFF, BE BROUGHT BACK
9 IN SEPTEMBER SO WE HAVE ENOUGH INFORMATION. AND THE
10 STAFF MAY COME BACK AND SAY WE DON' T THINK, FROM OUR
11 CONSIDERATION, THERE WOULD BE ANY CHANGES. FINE.
12 BUT JUST INFORMATIONALLY, I THINK WE' D BE BETTER
13 SERVED ON THAT APPLICATION GETTING ADDITIONAL
14 INFORMATION.

15 MR. SHEEHY: WELL, LET ME JUST DO ONE
16 THING FIRST. CAN WE GET THE CONFLICTS SO THAT --
17 JAMES, I THINK IF WE' RE GOING TO HAVE ANY
18 DISCUSSION, AND I WANT TO MAKE SURE I' M NOT
19 CONFLICTED.

20 MR. HARRISON: YOU' RE NOT. IT' S DR.
21 FRIEDMAN.

22 MR. SHEEHY: BOB, IF YOU WANT TO MAKE A
23 MOTION TO THAT, IT SEEMS VERY REASONABLE. I DON' T
24 THINK THE APPLICANT WILL BE HURT BY THIS BECAUSE THE
25 APPLICANT IS CLEARLY IN TIER 3. SO I SUSPECT THAT

BARRISTERS' REPORTING SERVICE

1 IT'S NOT GOING TO GO ANYWHERE, SO IF YOU WANT TO A
2 MAKE MOTION.

3 CHAIRMAN KLEIN: I'D MAKE A MOTION THAT WE
4 DEFER ACTION ON 937 UNTIL SEPTEMBER AND ASK THE
5 STAFF JUST TO GIVE US AN EVALUATION IN SEPTEMBER
6 WHETHER THERE'S SIGNIFICANT INFORMATION THAT WOULD
7 POTENTIALLY CHANGE THE EVALUATION OF WHETHER THE
8 TISSUE MATERIAL THAT WAS IN QUESTION WOULD BE
9 AVAILABLE AND WOULD, THEREFORE, IMPACT THE
10 SCIENTIFIC EVALUATION OF THE ABILITY TO COMPLETE THE
11 EXPERIMENT AS WELL AS THE OTHER CONSIDERATION OF THE
12 APPLICATION.

13 BASICALLY THE MOTION IS DEFER ACTION ON
14 937 UNTIL SEPTEMBER, ASK THE STAFF TO REPORT BACK TO
15 US WITH THEIR RECOMMENDATION AT THAT TIME.

16 MR. SHEEHY: IS THERE A SECOND TO THAT
17 MOTION?

18 MS. SAMUELSON: I'LL SECOND IT.

19 MR. SHEEHY: WE HAVE A SECOND FROM JOAN
20 SAMUELSON.

21 DR. PENHOET: I JUST HAVE A QUESTION. ON
22 WHAT BASIS DO WE MAKE THIS JUDGMENT? YOU HAVE SOME
23 INFORMATION THAT THE REST OF US DON'T HAVE ABOUT
24 937.

25 CHAIRMAN KLEIN: AS A MEMBER OF THE PEER

BARRISTERS' REPORTING SERVICE

1 REVIEW GROUP, I'M RESPONDING TO DUANE'S POINT. I'M
2 JUST POINTING OUT THAT I THINK WE NEED MORE
3 INFORMATION. I DON'T THINK IT'S APPROPRIATE TO
4 BRING THIS INTO A DISCUSSION UNTIL WE HAVE THAT
5 INFORMATION. AND AT THAT TIME, BASED UPON THE
6 ADVICE OF THE SCIENTIFIC STAFF, THE WHOLE BOARD
7 COULD DECIDE TO DISCUSS IT OR NOT DISCUSS IT. SO IN
8 SEPTEMBER THE WHOLE BOARD WOULD HAVE THE INFORMATION
9 AVAILABLE TO IT TO MAKE A DECISION.

10 DR. PENHOET: I UNDERSTAND WHAT YOU JUST
11 SAID. YOU HAVE INFORMATION I DON'T HAVE, SO I'M
12 JUST TRYING TO FIGURE OUT HOW I MAKE AN INFORMED
13 VOTE WHETHER WE SHOULD DELAY 937 OR NOT BECAUSE I'M
14 SURE THE REST OF THE PEOPLE AROUND THE TABLE ARE IN
15 THE SAME POSITION I'M IN. I DON'T KNOW WHAT YOU'RE
16 TALKING ABOUT.

17 CHAIRMAN KLEIN: IN PLAIN LANGUAGE, IT'S
18 JUST -- IT'S A REQUEST THAT WE OBTAIN INFORMATION,
19 WHICH SHOULDN'T BE A DIFFICULT ISSUE. I'M JUST
20 ASKING THAT SO THAT WE MAKE SURE WE'RE THOUGHTFULLY
21 LOOKING AT EVERY GRANT. I DON'T BELIEVE THAT
22 THERE'S ENOUGH INFORMATION OUT THERE TO PRESENT IT
23 AT THIS POINT, AND SO I THINK THAT WE SHOULD HAVE
24 THE ABILITY FOR THE STAFF, WHEN WE LACK INFORMATION,
25 TO EXAMINE IT AND COME BACK AT A SUBSEQUENT MEETING.

BARRISTERS' REPORTING SERVICE

1 DR. PRICE: I JUST WONDER ISN'T THERE AN
2 EQUITY ISSUE INVOLVED? THERE MAY BE OTHERS OF THESE
3 GRANTS IN THIS CATEGORY WHERE MORE INFORMATION --

4 CHAIRMAN KLEIN: SO, DR. PRICE, IF YOU
5 THINK THAT THERE IS ANOTHER APPLICATION THAT NEEDS
6 INFORMATION FOR US TO MAKE A DECISION, I WOULD
7 SUGGEST THAT YOU ASK FOR IT.

8 DR. PRICE: I DON'T WANT US TO HAVE TO GO
9 BACK INTO EXECUTIVE SESSION WHILE WE EXAMINE EVERY
10 ONE OF THESE.

11 MR. SHEEHY: LET ME JUST PUT A CONTEXT
12 TOO. WE'RE IN KIND IF A MIDDLE PERIOD, SO I THINK
13 THIS IS KIND OF AN INTERESTING PLACE TO BE IN. WE
14 HAVE LATER ON THE AGENDA A FORMAL PROCESS FOR AN
15 APPLICANT TO ASK FOR A RE-REVIEW.

16 THE LAST MEETING WE HAD A LOT OF RATHER --
17 I DON'T KNOW IF IT WAS REALLY EQUITABLE. WHOEVER
18 HAPPENED TO HAVE GOTTEN THEIR TEN CENTS IN SEEMED TO
19 HAVE GOTTEN ANOTHER BITE AT THE APPLE. SO WE'RE IN
20 BETWEEN WHAT HAPPENED LAST MEETING AND WHAT'S GOING
21 TO HAPPEN FOLLOWING. IN THAT CONTEXT, I HAVE DUANE
22 AND THEN I HAVE SHERRY.

23 CHAIRMAN KLEIN: I WOULD SAY IN THIS
24 CONTEXT, JEFF, THE APPLICANT DID NOT CONTACT ME. SO
25 I HAVE NO INFORMATION FROM THE APPLICANT.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: IF I COULD JUST CLARIFY AGAIN.
2 THAT'S EXACTLY WHY I ASKED THE QUESTION, THAT I HOPE
3 WE'RE GOING TO ADDRESS THIS, BUT AT THE LAST
4 MEETING, THERE WERE SOME GRANTS THAT WERE SCORED LOW
5 BECAUSE THE REVIEWERS DIDN'T BELIEVE THAT THERE WERE
6 ENOUGH OOCYTES AVAILABLE. I DON'T REMEMBER THE
7 DETAIL; BUT IF THERE WERE ANY OF THOSE IN THE REVIEW
8 WHERE THERE WAS SOMETHING MATERIAL THAT WAS
9 DISBELIEVED, BECAUSE WE DON'T HAVE THE NEW PROCESS
10 IN PLACE, JUST TELL US WHICH GRANTS THOSE WERE AND
11 LET'S HAVE A LOOK AT THEM LIKE THIS ONE.

12 MS. LANSING: WELL, I'M VERY RESPECTFUL OF
13 AN APPLICANT OR A MEMBER OF THE BOARD COMING IN AND
14 ASKING FOR A REVIEW OF SOMETHING. AND I BELIEVE
15 THAT LATER IN THE DAY, WE ALL HAVE IT IN OUR BOOKS,
16 WE'RE GOING TO PRESENT, OR JEFF IS, A PROCESS. SO I
17 RESPECTFULLY THINK THAT WE SHOULD PRESENT THE
18 PROCESS, AND ANYBODY, INCLUDING THE BOARD MEMBER,
19 THAT HAS A PROBLEM SHOULD DO THE PROCESS. AND I
20 THINK, THEREFORE, CHAIRMAN KLEIN, IF THAT'S
21 COMFORTABLE WITH YOU AT THAT TIME, WE COULD BRING
22 THIS ONE UP.

23 CHAIRMAN KLEIN: SURE. THE PROCESS IS FOR
24 A PETITION FROM THE APPLICANT.

25 MS. LANSING: CAN'T IT ALSO BE A

BARRISTERS' REPORTING SERVICE

1 PROCESS -- SHOULDN' T WE WHEN WE GET TO IT A PROCESS
2 THAT WE WOULD ALSO DO AS WELL BECAUSE WHAT I THINK
3 EVERYBODY IS FEELING, AND I' M VERY RESPECTFUL OF
4 WHAT YOU' RE SAYING, I DON' T KNOW WHAT THIS SPECIFIC
5 APPLICANT, WHY WE' RE DOING IT. THEREFORE, IT MAKES
6 ME FEEL WHAT BOB SAID, WELL, MAYBE WE THEN SHOULD
7 LOOK AT ALL OF THEM. WE DON' T WANT TO DO THAT. SO
8 THE QUESTION IS --

9 CHAIRMAN KLEIN: BRINGING IT UP IN THE
10 CONTEXT OF THIS --

11 MS. LANSING: OF THIS NEW PROCESS. I
12 THINK THAT WOULD BE -- MAKE EVERYBODY FEEL GOOD
13 ABOUT IT. THEN IT WOULD GO THROUGH THE PROCESS AND
14 COME BACK TO US.

15 CHAIRMAN KLEIN: ABSOLUTELY FINE.

16 MR. SHEEHY: TED.

17 DR. LOVE: I THINK I WAS GOING TO
18 EMPHASIZE THE POINT THAT ED WAS MAKING, WHICH I' M A
19 LITTLE BIT UNCOMFORTABLE IN PULLING THIS GRANT OUT
20 UNLESS I KNOW MORE. THE LAST SENTENCE OF THE REVIEW
21 SAYS, "IN SUMMARY, REVIEWERS FELT THAT THIS WAS A
22 WEAK PROPOSAL FROM A MODERATELY PROMISING
23 CANDIDATE." WHEN IT ENDS THAT WAY, I HAVE A HARD
24 TIME FEELING LIKE THIS IS ONE THAT WE SHOULD PULL
25 OUT FOR SPECIAL ATTENTION UNLESS THERE' S A BASIS

BARRISTERS' REPORTING SERVICE

1 THAT YOU CAN ARTICULATE.

2 CHAIRMAN KLEIN: IN TERMS OF THAT
3 TERMINOLOGY, TOO, ONE THING THAT WE'VE UNDERUTILIZED
4 IN THE SYSTEM IS MINORITY REPORTS. MY RECOLLECTION
5 IS THERE WAS A GREAT DEAL OF DISCREPANCY AMONG THE
6 REVIEWERS SO THAT WE HAD CADRES WHO WERE STRONGLY
7 SUPPORTIVE AND CADRES THAT WERE NOT. AND IF WE HAVE
8 A MORE -- AS WE GAIN REFINEMENT AND HAVE MINORITY
9 REPORTS, WE WILL GET INSIGHT INTO THESE OPTIONS.
10 NEVERTHELESS, I THINK WE'VE POSTPONED THIS AS SHERRY
11 INDICATED.

12 MR. SHEEHY: SO DOES THAT MEAN YOU'RE
13 TAKING YOUR MOTION --

14 CHAIRMAN KLEIN: I'M WITHDRAWING THE
15 MOTION.

16 MR. SHEEHY: THAT'S OKAY WITH THE SECOND?

17 MS. SAMUELSON: SURE.

18 MR. SHEEHY: SO DO WE HAVE ANY OTHER
19 MOTIONS RELATED TO APPLICATIONS IN TIER 3?

20 DR. PENHOET: I JUST WANTED TO MAKE A
21 POINT FOR THE AUDIENCE, THAT ALL OF THE GRANTS,
22 INCLUDING THOSE IN TIER 3, RECEIVED THE SAME LEVEL
23 OF THOUGHTFUL, THOROUGH REVIEW IN THE PROCESS BEFORE
24 ANY RANKING OCCURRED. YOUR COMMENT MIGHT BE TAKEN
25 BY SOME, JEFF, THAT THOSE IN TIER 3 DIDN'T GET A

BARRISTERS' REPORTING SERVICE

1 HARD LOOK BECAUSE --

2 MR. SHEEHY: I THINK MAYBE I SHOULD HAVE
3 BEEN CLEAR WHEN I WAS ANSWERING DUANE. THAT WAS
4 SOLELY IN THE CONTEXT OF PROGRAMMATIC REVIEW. EVERY
5 APPLICATION GOT FULL REVIEW; BUT IN PROGRAMMATIC
6 REVIEW IS WHEN WE ASSIGN APPLICATIONS TO THEIR
7 TIERS. AND THERE IS A TENDENCY TO REALLY FOCUS ON
8 THOSE THAT SCORED VERY WELL OR NEARLY VERY WELL.
9 AND ESPECIALLY WHEN WE HAVE A LIMITED AMOUNT OF
10 MONEY TO WORK WITH, I THINK THAT'S WHERE MOST OF THE
11 ATTENTION IS GOING TO BE FOCUSED IN PROGRAMMATIC
12 REVIEW, AND WE WERE WELL OVER OUR STATED BUDGET OR
13 STATED PAYLINE WHEN WE GOT THROUGH WITH TIER 1. SO
14 THAT DID KIND OF IMPACT HOW MUCH WE FELT WE COULD
15 INTRODUCE PROGRAMMATIC CONSIDERATIONS INTO THE
16 REVIEW AT THAT POINT FOR SOME OF THOSE APPLICATIONS
17 IN TIER 3.

18 SO, AGAIN, IF THERE'S NO MOTION TO MOVE
19 ANYTHING IN TIER 3, THEN PERHAPS WE COULD LOOK AT
20 TIER 2, WHICH IS THE GRAY AREA IN YOUR BOOKS.

21 PUBLIC COMMENT NOW IS FINE, IF YOU'D LIKE.

22 MR. SIMPSON: JOHN SIMPSON FROM CONSUMER
23 WATCHDOG. I JUST WANTED TO SECOND WHAT DR. LOVE
24 SAID IN THIS PARTICULAR REGARD. I'VE BEEN READING
25 THE PUBLIC REVIEW HERE. IT SEEMS TO ME THAT, BASED

BARRISTERS' REPORTING SERVICE

1 ON WHAT IS IN THE PUBLIC REVIEW OF THE THING YOU'RE
2 TALKING ABOUT, THERE'S NO WAY THAT THIS SHOULD EVEN
3 BE HELD OVER. PUBLICATION RECORD IS POOR, ETC.,
4 ETC. AND I JUST -- I THINK YOU NEED TO MAINTAIN
5 SOME HIGH STANDARDS.

6 MR. SHEEHY: THANK YOU. SO, AGAIN,
7 LOOKING NOW AT TIER 2, WHICH IS THE GRAY AREAS IN
8 YOUR BOOKS, AND MAYBE WE COULD PUT TIER 2. WE GOT
9 TIER 2 UP YET?

10 MS. LANSING: I THINK I CAN SPEAK EVEN
11 THOUGH I MAY OR MAY NOT BE CONFLICTED ON TIER 2 AS A
12 GROUP; IS THAT CORRECT?

13 MR. HARRISON: IF YOU'RE MAKING A VERY
14 GENERAL COMMENT.

15 MS. LANSING: I'M MAKING A VERY GENERAL
16 COMMENT. OKAY. SO SINCE WE ALL BELIEVE THAT
17 THESE -- THAT THIS PARTICULAR SERIES OF GRANTS IS
18 EXTREMELY IMPORTANT, AND SINCE WE ALSO HAVE SOME
19 CARRY-FORWARD MONEY, I WOULD LIKE TO SUGGEST -- I
20 WANT TO MAKE SURE I'M DOING THIS CORRECTLY -- THAT
21 WE LOOK --

22 MR. HARRISON: I THINK THAT YOU NEED TO
23 REFRAIN FROM MAKING ANY COMMENTS OR SUGGESTIONS WITH
24 RESPECT TO HOW THE BOARD TREATS THE APPLICATIONS IN
25 TIER 2. I'M SORRY.

BARRISTERS' REPORTING SERVICE

1 MS. LANSING: SO WHO CAN TALK ON THIS? I
2 DON'T KNOW. AM I CONFLICTED ON 71, 72, AND 76? I
3 HAVE NO IDEA. I'M SORRY. I DIDN'T MEAN THAT. 05,
4 52, 02.

5 MR. SHEEHY: WELL, I THINK DUANE IS NOT
6 CONFLICTED. MAYBE HE MIGHT BE ABLE TO MAKE SOME OF
7 THE POINTS YOU WANT TO MAKE.

8 MS. LANSING: SORRY.

9 MR. HARRISON: IT MIGHT, JEFF, BEFORE WE
10 PROCEED, MAKE SENSE FOR ME TO JUST READ THE
11 CONFLICTS ON THOSE APPLICATIONS SO THAT WE ALL KNOW
12 WHO CAN.

13 MR. SHEEHY: ON THOSE THREE?

14 MR. HARRISON: YES. 905, 952, AND 902 THE
15 CONFLICTS ARE AS FOLLOWS: BRENNER, MILLIKEN,
16 SHEEHY, DAFOE, LANSING. THOSE ARE THE CONFLICTS.

17 MR. SHEEHY: OKAY. NOW, I DON'T THINK
18 THAT WE'RE AT A POINT WE'RE ACTUALLY DISCUSSING
19 THOSE APPLICATIONS RIGHT NOW, SO I THINK IT'S OKAY
20 IF I GO AHEAD AND CONTINUE TO CHAIR AND LET DUANE
21 MAKE HIS COMMENTS.

22 MR. ROTH: THANK YOU. SO GIVEN THE
23 IMPORTANCE OF YOUNG NEW INVESTIGATORS TO THE STATE
24 OF CALIFORNIA IN THIS PARTICULAR AREA, ESPECIALLY IN
25 TERMS OF RETENTION OF TALENT AND THE SIGNAL IT WILL

BARRISTERS' REPORTING SERVICE

1 SEND TO RECRUITMENT OF NEW TALENT TO COME INTO THE
2 STATE, I WOULD RECOMMEND THAT WE BE FAIRLY GENEROUS
3 IN FOLLOWING THE RECOMMENDATIONS TO FUND AS MANY OF
4 THESE PROGRAMS AS WE FEEL APPROPRIATE. AND THE FACT
5 THAT WE DO HAVE EXTRA FUNDS THAT WE'VE CARRIED
6 FORWARD, I CAN'T THINK OF A BETTER AREA AND A TIMELY
7 AREA TO GET WHAT WE REALLY WANTED OUT OF THE
8 TALENTED PEOPLE LOCATING IN THE STATE OF CALIFORNIA
9 AND STAYING HERE.

10 AND, FURTHERMORE, AND, ALAN, I WOULD LIKE
11 TO PICK UP ON OUR CONVERSATION AT THE END OF THE
12 EVENING. I WOULD BE EVEN MORE ENTHUSIASTIC IN
13 FUNDING THESE IF I KNEW THAT WE DIDN'T HAVE TO FUND
14 THEM TO THE MAX OR THAT THERE WAS SOME INTERACTION
15 BEFORE THAT WAS DONE BECAUSE I DO HAVE A PROBLEM
16 WITH A SCORE THAT IS 20 POINTS UNDER ASKING FOR \$3
17 MILLION VERSUS SOMETHING IN THE TOP TIER IS ONE AND
18 A HALF TO TWO MILLION.

19 I DON'T THINK I WOULD BE AS ENTHUSIASTIC
20 TO GIVE A FULL REWARD FOR SOMETHING THAT'S WELL DOWN
21 THE LIST. ON THE OTHER HAND, I WOULD LIKE TO
22 ENCOURAGE THEM TO GO FORWARD AND PERHAPS COME BACK
23 FOR ANOTHER GRANT DOWN THE ROAD, BUT NOT TO DO THE
24 FULL AMOUNT. AND THAT CAN BE DISCUSSED. WE CAN SAY
25 THAT'S NOT A GOOD IDEA, VOTE ON THEM UP OR DOWN, BUT

BARRISTERS' REPORTING SERVICE

1 I'D BE MORE ENTHUSIASTIC TO GO DEEPER IF WE DID
2 THAT.

3 DR. PIZZO: I WANT TO JUST FOLLOW UP ON
4 THAT. I THINK THAT IS A VERY IMPORTANT DISCUSSION.
5 AND I APPRECIATE THE POINT YOU ARE MAKING ABOUT
6 EMPHASIZING QUALITY. BUT AT THE SAME TIME, I THINK
7 WE WANT TO PROVIDE AWARDS THAT WILL ALSO DO AS MUCH
8 AS WE CAN TO ASSURE SUCCESS. SO PARTICULARLY FOR
9 NEW INVESTIGATORS, THIS IS AN IMPORTANT OPPORTUNITY
10 TO BRIDGE THAT PERIOD OF TIME. AND SO IF WE
11 INADVERTENTLY TRUNCATE THE AWARDS, WE MIGHT ACTUALLY
12 NEGATIVELY IMPACT THEIR PROGRESSION. SO I THINK WE
13 JUST NEED TO BE MINDFUL OF THAT TRADE-OFF.

14 FOR MYSELF, I WOULD RATHER PROVIDE FEWER
15 GRANTS AT THE HIGHER AWARD LEVEL THAN REDUCE
16 AWARDS -- REDUCE THE AMOUNTS OF AWARDS AND
17 POTENTIALLY HAVE A NEGATIVE IMPACT ON OUTCOME.

18 DR. TROUNSON: THERE'S ONE MATTER THAT
19 MIGHT HELP THE DISCUSSIONS, CHAIR, THAT BUILT INTO
20 OUR ASSESSMENT OF THE PROJECTS IS UNSATISFACTORY
21 PERFORMANCE, FOR WHICH WE CAN TERMINATE THE PROJECT.

22 NOW, UNSATISFACTORY PERFORMANCE, WE'VE
23 ONLY JUST GOT INTO RECEIVING THE ANNUAL REPORTS AND
24 SETTING UP A PROCESS. BUT IT'S IN THE GAP, AND IF
25 NEEDS TO BE, WE CAN HAVE TAMAR, YOU KNOW, DESCRIBE

BARRISTERS' REPORTING SERVICE

1 THAT SPECIFICALLY FOR YOU, BUT IT'S THERE. AND IT'S
2 INTENDED TO IDENTIFY THAT WE'RE SERIOUS ABOUT OUR
3 MONEY BEING SPENT IN THE WAYS THAT WE'VE
4 ANTICIPATED.

5 SO I HAVE SOME SYMPATHY, DUANE, THAT IF
6 THINGS ARE NOT GOING RIGHT, WE SHOULDN'T WASTE THE
7 MONEY. THIS IS VERY IMPORTANT MONEY, AND WE SHOULD
8 SAY, "OKAY. LET'S STOP THIS. AND YOU COME BACK AT
9 ANOTHER TIME." AND I THINK THAT'S A REASONABLE
10 PROCESS. IT'S ALREADY BUILT IN.

11 NOW, WHETHER THAT HELPS THE ARGUMENT OR
12 NOT, CHAIR, I THINK IT DOES SAY THAT WE CAN, IF
13 THINGS ARE NOT GOING WELL, THAT WE CAN DRAW BACK ON
14 THEM.

15 MR. ROTH: COULD I FOLLOW UP ON THAT,
16 ALAN? LET'S JUST HYPOTHETICALLY SAY THAT WE WOULD
17 APPROVE IT CONDITIONALLY, SO THE FIRST THREE YEARS
18 ARE LOCKED IN, BUT THERE WOULD BE SOMEONE WHO WOULD
19 APPROVE THE LAST TWO. SO WE DO THE FULL FIVE YEARS;
20 BUT INSTEAD OF JUST SAYING YOU'RE IN --

21 DR. TROUNSON: WE DO THAT ANNUALLY ANYWAY.
22 THAT'S PART OF WHAT OUR GAP REQUIRES US TO DO. BUT
23 IF YOU FEEL THAT IT'S, YOU KNOW, IN THIS GRAY
24 AREA --

25 MR. ROTH: IT'S A FAIRNESS ISSUE TO ME

BARRISTERS' REPORTING SERVICE

1 THAT GIVES A SIGNAL TO THE PEOPLE WHO SCORED
2 EXTREMELY WELL THAT THEY'RE NOT TREATED -- THE OTHER
3 GROUP IS GOING TO BE TREATED A LITTLE BIT DIFFERENT.
4 IT'S JUST A SIGNAL THAT SAYS THAT'S A CONDITIONAL
5 APPROVAL. AND IT MEANS THE SAME THING. THREE
6 YEARS, IT'S GOING TO BE LOOKED AT VERY THOROUGHLY
7 BEFORE YOU GET THE LAST TWO.

8 DR. PIZZO: I WAS GOING TO MAKE A SIMILAR
9 ALTERNATE SUGGESTION, SO I AGREE WITH YOU. I THINK
10 WHAT I WOULD LIKE NOT TO SEE WOULD BE A REDUCTION
11 DURING THOSE EARLY YEARS, BUT IT IS PERFECTLY FINE
12 TO HAVE FULL FUNDING WITH THE EXPECTATION THAT THERE
13 WILL BE A CRITICAL REVIEW. AND IF PROGRESS ISN'T
14 BEING MADE, YOU KNOW, THEN SO BE IT. AT LEAST THAT
15 OPTIMIZES THE CONDITIONS AND ALLOWS CIRM TO MANAGE
16 THE GRANT AND THE FACULTY MEMBER AS WELL. GREAT.

17 MR. SHEEHY: MAYBE A GOOD PROCESS GOING
18 FORWARD, THEN, IS JUST TO TAKE MOTIONS ON INDIVIDUAL
19 GRANTS. AND THOSE GRANTS THAT, AS DUANE HAS SAID,
20 THERE IS SOME CONCERN, BUT YOU STILL WANT TO DO
21 SOMETHING WITH, MAKE THE MOTION THAT'S APPROPRIATE,
22 WHICH WOULD PROBABLY BE SOMETHING ALONG THE LINES TO
23 FUND FOR THREE YEARS.

24 MR. ROTH: THREE PLUS TWO.

25 MR. SHEEHY: THAT SOUNDS -- IT'S UP TO THE

BARRISTERS' REPORTING SERVICE

1 REST OF US WHETHER WE VOTE YES OR NO ON THAT, AND
2 THEN WE DON'T HAVE TO REALLY SOLVE THE WHOLE POLICY
3 ISSUE. WE'RE GOING TO TAKE IT ON A CASE-BY-CASE
4 BASIS BECAUSE THAT'S HOW WE HAVE TO DO IT ANYWAY.

5 CHAIRMAN KLEIN: COULD I ASK A QUESTION
6 HERE? DUANE, DO YOU DIFFERENTIATE THE TOP THREE IN
7 THE SECOND CATEGORY WHO WERE MOVED DOWN FOR PURPOSES
8 OF PROGRAMMATIC PRIORITY? THEY HAVE SCORES THAT ARE
9 HIGHER THAN THE BOTTOM OF THE FIRST CATEGORY, SO
10 MAYBE THEY MIGHT BE TREATED THE SAME WAY AS THE TOP
11 CATEGORY.

12 MR. ROTH: SO I THINK WE WOULD DO OUR
13 NORMAL PROCESS AND MOVE THINGS UP THAT WOULD BE
14 FULLY FUNDED, IF IT'S APPROPRIATE. AND THEN THERE
15 MAY BE A GROUP WHICH WE COME TO THAT WE SAY THREE
16 PLUS TWO.

17 MR. SHEEHY: SO I THINK, BECAUSE THESE MAY
18 BE MORE COMPLICATED MOTIONS, A LITTLE MORE
19 TIME-CONSUMING THAN USUAL, CAN WE GO AHEAD AND START
20 TAKING MOTIONS BECAUSE I THINK WE MAY WANT TO GO
21 THROUGH THE BULK OF THESE TWELVE ONE BY ONE.

22 MS. SAMUELSON: JEFF, I HAVE A SUGGESTION
23 FOR A WAY TO DO IT. SINCE I'M NOT CONFLICTED AT
24 ALL, AND ALL THE SECOND TIER WAS RECOMMENDED BY THE
25 WORKING GROUP TO BE FUNDED IF FUNDS ARE AVAILABLE,

BARRISTERS' REPORTING SERVICE

1 WE HAVE THAT RECOMMENDATION, I WOULD MOVE THAT WE
2 FUND ALL OF THOSE IN TIER 2 WITH THAT PROCEDURAL
3 CHECK.

4 DR. PIZZO: IS THE PROCEDURAL CHECK THE
5 THREE PLUS TWO?

6 MS. SAMUELSON: YES.

7 MR. SHEEHY: FIRST OF ALL, I THINK WE NEED
8 TO HEAR FROM COUNSEL JUST ON WHETHER IT'S REALLY
9 FEASIBLE TO TRY TO DEAL WITH THAT MANY APPLICATIONS
10 AT ONCE GIVEN CONFLICT ISSUES. AND THEN I WOULD
11 LIKE TO LET CLAIRE HAVE HER COMMENT RIGHT AFTER
12 THAT. WHILE YOU HAVE INSERTED YOUR MOTION, I HAVE A
13 FEELING WE'RE GOING TO HEAR IT'S VERY DIFFICULT TO
14 HANDLE IT IN THAT FASHION.

15 MS. SAMUELSON: IT WILL BE EASIER.

16 MR. HARRISON: IT DOES PRESENT SOME
17 CHALLENGES BECAUSE TYPICALLY WE'VE CONSIDERED
18 APPLICATIONS IN TIER 2 ON AN INDIVIDUAL BASIS. BUT
19 AS YOU KNOW, ULTIMATELY, ONCE ALL MOTIONS HAVE BEEN
20 EXHAUSTED, WE THEN CONSIDER THE ULTIMATE ARRAY OF
21 APPLICATIONS EN BLOC SO THAT THE PREFERENCE
22 GENERALLY IS TO CONSIDER THE APPLICATIONS ON AN
23 INDIVIDUALIZED BASIS SO THAT ANY DISCUSSION CAN
24 OCCUR, AND WE CAN ENSURE THAT THOSE WHO HAVE AN
25 INTEREST IN THE APPLICATION DON'T PARTICIPATE.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: LET ME DO TWO THINGS. JOAN,
2 SINCE YOU MADE A MOTION, CAN WE REALLY CLARIFY YOUR
3 MOTION, SEEK A SECOND, AND THEN WE'LL GO DIRECTLY TO
4 CLAIRE FOR HER COMMENT IF WE HAVE OTHER COMMENTS
5 BECAUSE I DON'T WANT TO KEEP CLAIRE WAITING.

6 MS. SAMUELSON: IT'S MADE IN LIGHT OF ALL
7 OF DUANE'S COMMENTS AND PHIL'S AND NOW I'M
8 FORGETTING WHO ELSE, THAT THE FUNDS ARE AVAILABLE,
9 THAT THIS IS AN IMPORTANT THING TO BE FUNDING
10 BECAUSE OF THE NIH SITUATION AND BECAUSE WE WANT OUR
11 OWN RESEARCH PORTFOLIO TO GET GOING WITH GUSTO. AND
12 THAT IN DEFERENCE TO THE RECOMMENDATIONS OF THE
13 WORKING GROUP, WHICH RECOMMENDED THAT IF FUNDS WERE
14 AVAILABLE, THEY BE CONSIDERED FOR FUNDING, AND THE
15 FACT THAT WE HAVE THE FUNDS, FOR ALL THOSE REASONS,
16 IT FEELS APPROPRIATE TO GO AHEAD AND TAKE THE
17 WORKING GROUP'S RECOMMENDATION AND DECIDE TO FUND
18 ALL OF THOSE IN TIER 2.

19 MR. SHEEHY: IS THERE A SECOND FROM A
20 NONCONFLICTING --

21 MS. SAMUELSON: SO IT'S NOT THAT THEY
22 HAVEN'T BEEN REVIEWED. WE'RE DOING THIS ON THE
23 BASIS OF THE WORKING GROUP'S RECOMMENDATION.

24 MR. ROTH: JOAN, COULD I OFFER A
25 MODIFICATION? AND INSTEAD OF TAKING THEM ALL AS A

BARRISTERS' REPORTING SERVICE

1 BLOCK, MAYBE TAKE THREE BLOCKS. THE FIRST THREE
2 GRANTS, 905, 952, 902, AND RECOMMEND THOSE BE MOVED
3 TO TIER 1. THEN DEAL WITH 36 THROUGH 18, AND THEN
4 DECIDE IF THE ONES THAT ARE UNSCORED SHOULD BE DONE
5 SO THAT WE DON'T TRY TO MOVE THE ENTIRE THING UP?
6 START WITH THE THREE AT THE STOP AND MOVE THOSE TO
7 TIER 1 AND SEE THERE'S IF ANY DISCUSSION.

8 MS. SAMUELSON: OKAY. IT'S THE WISH OF
9 THE GROUP. I DON'T SEE DISTINCTIONS BETWEEN THEM
10 THAT CONCERN ME.

11 MR. SHEEHY: IT'S REALLY A MECHANICAL
12 ISSUE. IF YOU WANT TO GO AHEAD AND MAKE THAT -- YOU
13 HAVE A SECOND IN THAT CASE FOR THE FIRST THREE. AND
14 THAT WOULD ALLOW US TO KIND OF MOVE FORWARD. I
15 THINK IT WOULD BE A LITTLE EASIER. TAKING THEM ALL
16 IN ONE CHUNK MAKES IT VERY DIFFICULT TO HAVE A
17 CONVERSATION BECAUSE OF THE CONFLICTS.

18 IF THAT'S ACCEPTABLE, DUANE HAS MADE THE
19 SECOND. I WANT TO GO AHEAD AND GIVE CLAIRE HER
20 OPPORTUNITY.

21 MR. HARRISON: IF WE COULD JUST CHECK.
22 THERE'S A MOTION ON THE TABLE. AGAIN, LET ME
23 REITERATE THE CONFLICTS AS TO THIS MOTION, AND,
24 AGAIN, THIS MOTION WOULD JUST GO TO APPLICATIONS
25 905, 952, AND 902, ARE BRENNER, MILLIKEN, SHEEHY,

BARRISTERS' REPORTING SERVICE

1 DAFOE, AND LANSING.

2 MR. SHEEHY: SINCE WE'RE IN THE CONTEXT OF
3 A MOTION, I THINK YOU SHOULD REALLY TAKE OVER.

4 CHAIRMAN KLEIN: ALL RIGHT. SO AS TO THIS
5 MOTION, AS I UNDERSTAND PRECISELY, THIS MOTION IS TO
6 MOVE THOSE THREE WITHOUT ANY CONDITION ON A
7 REEXAMINATION OF A MILESTONE TEST, ALTHOUGH THERE IS
8 GENERAL OVERSIGHT IN THE ADMINISTRATION OF GRANTS
9 REGARDLESS. RIGHT?

10 SO AS TO THIS MOTION, WITH KNOWLEDGE OF
11 WHO IS IN CONFLICT, DEBATE AS TO THIS MOTION?

12 DR. STEWARD: I REALLY THINK IT'S GOING TO
13 BE EASIER AND QUICKER TO DO THESE ONE AT A TIME
14 BECAUSE THESE THREE HAVE DIFFERENT ISSUES ASSOCIATED
15 WITH THEM, AND WE ACTUALLY COULD HAVE ALREADY DONE
16 TWO OF THEM IN THE TIME THAT WE'VE DISCUSSED THIS
17 BATCHING.

18 CHAIRMAN KLEIN: OKAY. ANY ADDITIONAL
19 OPINION?

20 DR. POMEROY: BOB, THIS IS THE GENERAL
21 POINT THAT I'VE BEEN TRYING TO MAKE. THINGS GOT
22 MOVED FOR TWO BASIC REASONS THAT I COULD ASCERTAIN.
23 ONE WAS A FEELING THAT THERE WAS LACK OF
24 QUALIFICATION AS A NEW FACULTY INVESTIGATOR, AND THE
25 SECOND WAS MORE SCIENTIFIC CONCERNS.

BARRISTERS' REPORTING SERVICE

1 AND I THINK THAT THE DECISIONS FOR THE
2 PEOPLE WHO DON'T FALL CLEARLY INTO THE CATEGORY AS A
3 NEW FACULTY ARE VERY DIFFERENT DECISIONS THAN THE
4 ONES WHERE THERE WERE SCIENTIFIC QUESTIONS. SO
5 SINCE THIS FIRST MOTION FOR WHICH I AM NOT
6 CONFLICTED CONTAINS BOTH OF THOSE ISSUES, I WOULD
7 NOT BE ABLE TO VOTE EN BLOC ABOUT THESE THREE.

8 CHAIRMAN KLEIN: ALL RIGHT. ADDITIONAL
9 POINTS OF VIEW?

10 MR. HARRISON: DR. DAFOE, YOU HAVE AN
11 INTEREST IN THE MOTION.

12 DR. DAFOE: I KNOW I DO.

13 CHAIRMAN KLEIN: YOU CAN'T ADDRESS IT.

14 DR. CSETE: IN ANSWER TO DR. POMEROY'S
15 COMMENT, THERE IS A PROCEDURE IN OUR GAP WHERE WE GO
16 BACK AND CHECK FACULTY ELIGIBILITY FOR THE SPECIFIC
17 RFA AFTER YOU'VE ALL VOTED ON IT. AND IF THERE IS
18 AN ACTUAL ISSUE WITH ELIGIBILITY, WE HAVE THAT AS A
19 BACKUP CHECK.

20 DR. POMEROY: WELL, I APPRECIATE THAT, BUT
21 THERE ARE INSTANCES IN WHICH THERE'S NOT A TECHNICAL
22 VIOLATION, BUT IT IS NOT FELT THAT THERE'S AN
23 APPROPRIATE NEED FOR MENTORING, FOR EXAMPLE. SO
24 TECHNICALLY THIS PERSON MIGHT QUALIFY, AND I DON'T
25 KNOW IF THEY DO, BUT THERE WERE CONCERNS BY THE

BARRISTERS' REPORTING SERVICE

1 REVIEWERS THAT IT WASN' T APPROPRIATE TO HAVE THEM
2 MENTORING RELATIONSHIPS.

3 DR. CSETE: WE CAN' T CHECK THE SPIRIT
4 EXCEPT AGAINST THE REVIEWS, BUT THERE ARE TECHNICAL
5 CHECKS.

6 DR. POMEROY: SO THAT WOULD BE OUR JOB TO
7 LISTEN TO THE REVIEWERS ABOUT WHETHER THIS WAS AN
8 APPROPRIATELY DESIGNED MENTORING PLAN.

9 CHAIRMAN KLEIN: ALL RIGHT. ADDITIONAL
10 POINTS OF VIEW?

11 DR. STEWARD: JUST IN THE INTEREST OF
12 GETTING THINGS GOING, I WONDER IF THE BOARD WOULD
13 ACCEPT A FRIENDLY AMENDMENT WHICH IS TO CONSIDER
14 THINGS ONE AT A TIME STARTING WITH 905 ON WHICH I AM
15 NOT IN CONFLICT.

16 CHAIRMAN KLEIN: THE REQUEST IS MADE, SO
17 ASK THE MAKER OF THE MOTION, DO YOU WISH TO HAVE A
18 VOTE ON YOUR MOTION AS STATED, OR DO YOU WISH TO
19 ACCEPT AN AMENDMENT?

20 MS. SAMUELSON: I PREFER TO DO IT THE WAY
21 I SUGGESTED FOR SEVERAL REASONS. ONE IS I DON' T SEE
22 HOW WE CAN COMPLETELY RECONSIDER ALL OF THE PROS AND
23 CONS AND DIFFERENT ISSUES INVOLVED THAT THE WORKING
24 GROUP INCLUDED, WHICH INVOLVED THE THINGS THAT YOU
25 TALKED ABOUT, CLAIRE, BUT ALSO OTHER ISSUES OF HOW

BARRISTERS' REPORTING SERVICE

1 INNOVATIVE THE GRANT WAS, HOW COMPELLING, AND
2 IMPORTANT THAT ADVANCE WOULD BE RELATIVE TO OTHERS.
3 THERE WERE A VARIETY OF THINGS, AND THEY WERE WELL
4 CONSIDERED. SO I WOULD LEAN TOWARD JUST TAKING THAT
5 ON ITS FACE. I ALSO THINK THIS IS GOING TO TAKE A
6 VERY LONG TIME.

7 CHAIRMAN KLEIN: ALL RIGHT.

8 MS. SAMUELSON: JUST PRACTICALLY SPEAKING,
9 BUT I'M A PRAGMATIST. I DON'T THINK I GOT THE VOTE.
10 SO I'M NOT INCLINED TO PUSH IT. SO I JUST WANT TO
11 DO THIS IN A WAY THAT WILL WORK.

12 CHAIRMAN KLEIN: YES. SO IT HAS BEEN
13 SUGGESTED BY THE MAKER OF THE MOTION THAT SHE'D LIKE
14 A VOTE ON THE MOTION. IS THERE COMMENTS ON THAT,
15 DR. PRICE?

16 DR. PRICE: JUST A POINT OF INFORMATION.
17 IF THIS MOTION IS VOTED DOWN, WE CAN GO BACK AND
18 TAKE THEM ONE AT A TIME.

19 CHAIRMAN KLEIN: THAT'S RIGHT. PUBLIC
20 COMMENT? OKAY. PUBLIC COMMENT? SEEING NO PUBLIC
21 COMMENT, MR. HARRISON, I BELIEVE WE'RE GOING TO NEED
22 A ROLL CALL VOTE, AND ALL OF THOSE WHO HAVE A
23 CONFLICT WILL NEED TO INDICATE THEY'RE VOTING YEA OR
24 NAY EXCEPT FOR THOSE FOR WHICH THEY HAVE A CONFLICT.
25 ANY ADDITIONAL INSTRUCTIONS?

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: THAT'S CORRECT. ONE -- I
2 HESITATE TO MAKE THIS MORE COMPLICATED, BUT GIVEN
3 OUR QUORUM SITUATION, AS YOU KNOW, THE BOARD
4 CONDITIONALLY APPROVED ALL THE APPLICATIONS IN TIER
5 1 YESTERDAY. SO IN THE EVENT THAT WE LOSE A QUORUM,
6 ONE WAY TO ENSURE THAT, IF THERE'S A POSITIVE VOTE
7 ON THIS MOTION, THAT IT WOULD BE SUSTAINED WOULD BE
8 TO FUND THESE APPLICATIONS RATHER THAN SIMPLY TO
9 MOVE THEM TO TIER 1, WHICH WOULD THEN REQUIRE
10 ANOTHER VOTE.

11 CHAIRMAN KLEIN: SO YOU'RE BEGINNING TO
12 LIKE MY CONDITIONAL APPROVAL. SO WE ARE
13 CONDITIONALLY FUNDING UNLESS WE LATER ACT TO AMEND
14 THAT.

15 AND I WOULD LIKE TO POINT OUT TO THE BOARD
16 THAT I'VE JUST BEEN INFORMED THAT THERE'S AN
17 INTERNATIONAL FLIGHT THAT HAS HAD TO BE RESCHEDULED
18 FOR ONE OF OUR BOARD MEMBERS. SO WE'RE GOING TO
19 LOSE A QUORUM POTENTIALLY, UNLESS I CAN NEGOTIATE
20 SOMETHING SEPARATELY WITH THE AIRLINES OR SOMEONE
21 ELSE, IN ABOUT 25 MINUTES. SO PLEASE BEAR IN MIND
22 WHAT WE HAVE HERE IS SOME VERY IMPORTANT DECISIONS
23 TO MAKE. LET'S TRY AND DO IT EFFICIENTLY. ALL
24 RIGHT. CALL THE ROLL, PLEASE.

25 MS. KING: DONALD DAFOE. SO SORRY.

BARRISTERS' REPORTING SERVICE

1 ROBERT PRICE.

2 MR. HARRISON: YOU CAN VOTE YES OR NO
3 EXCEPT AS TO THOSE IN WHICH YOU HAVE AN INTEREST.

4 MS. LANSING: WE'RE VERY CONFUSED.

5 CHAIRMAN KLEIN: LET'S RESTATE THE MOTION.

6 MS. LANSING: I LEFT THE ROOM BECAUSE I
7 THOUGHT LISTENING TO THIS WAS GOING TO BE A PROBLEM.
8 WILL YOU JUST TELL US WHAT THE MOTION IS?

9 CHAIRMAN KLEIN: THE MOTION IS TO --
10 JOAN'S MOTION, SECONDED BY DUANE, I BELIEVE, IS THAT
11 CORRECT, IS TO MOVE THE TOP THREE UP TO FUND,
12 CONDITIONALLY APPROVING THEM UNLESS WE LATER CHANGE
13 IT, INTO THE FUNDING CATEGORY, JUST THE TOP THREE IN
14 THE MIDDLE CATEGORY.

15 MS. LANSING: SO I HAVE A QUESTION.

16 CHAIRMAN KLEIN: AND YOU CAN -- YOU'RE
17 MOVING THEM UP TO TIER 1. AND WHAT IS YOUR
18 QUESTION?

19 MS. LANSING: THE MOTION IS TO MOVE THE
20 TOP THREE UP TO TIER 1. I HAVE A QUESTION. WHAT IF
21 WE WANT TO EVALUATE EACH AND EVERY ONE OF THE TOP
22 THREE? WHAT WOULD WE VOTE THEN?

23 MR. HARRISON: NO, EXCEPT AS TO THOSE IN
24 WHICH YOU HAVE AN INTEREST.

25 CHAIRMAN KLEIN: MY UNDERSTANDING, JAMES,

BARRISTERS' REPORTING SERVICE

1 IS WE' RE AUGMENTING TIER 1. WE ARE NOT CHANGING ANY
2 OF THE PRIOR APPROVALS ON TIER 1.

3 MR. HARRISON: THAT' S CORRECT.

4 DR. DAFOE: I HAVE A QUESTION. IT' S MORE
5 OF A PROCEDURAL ONE. I' M VOTING ON THIS, YET I' M
6 NOT ALLOWED TO COMMENT. I' M MUZZLED IN THE COMMENT
7 PERIOD, YET I CAN VOTE ON IT. IT JUST SEEMS TO BE
8 KIND OF CONTRADI CTORY.

9 CHAIRMAN KLEIN: FOR PURPOSES OF A QUORUM,
10 TO THE EXTENT THAT YOU' RE NOT IN CONFLICT WITH ALL
11 THREE AND YOU WISH TO CAST A VOTE, YOU CAN VOTE YEA
12 OR NAY EXCEPT FOR THOSE WITH WHICH YOU ARE IN
13 CONFLICT. SO THAT GIVES YOUR VOTE AN IMPACT. OKAY.

14 MS. KING: DONALD DAFOE.

15 CHAIRMAN KLEIN: MR. HARRISON, ARE WE
16 APPROPRIATELY INFORMED?

17 MR. HARRISON: YES.

18 CHAIRMAN KLEIN: THANK YOU, SIR. MELI SSA,
19 CALL THE ROLL.

20 MS. KING: DONALD DAFOE.

21 DR. DAFOE: APPROVE EXCEPT FOR THOSE WITH
22 WHI CH I HAVE A CONFLI CT.

23 MS. KING: ROBERT PRI CE.

24 DR. PRI CE: NO.

25 MS. KING: FLOYD BLOOM.

BARRISTERS' REPORTING SERVICE

1 DR. BLOOM: APPROVE EXCEPT FOR THOSE WITH
2 WHICH I HAVE A CONFLICT.

3 MS. KING: DAVID BRENNER.

4 DR. BRENNER: APPROVE EXCEPT FOR THOSE
5 WITH WHICH I HAVE A CONFLICT.

6 MS. KING: MICHAEL FRIEDMAN.

7 DR. FRIEDMAN: NO, EXCEPT FOR THOSE WITH
8 WHICH I HAVE A CONFLICT.

9 MS. KING: MICHAEL GOLDBERG.

10 MR. GOLDBERG: YES, EXCEPT FOR THOSE WITH
11 WHICH I HAVE A CONFLICT.

12 MS. KING: NANCY MILLIKEN.

13 DR. MILLIKEN: NO, EXCEPT FOR THOSE FOR
14 WHICH I MIGHT HAVE A CONFLICT.

15 MS. KING: BOB KLEIN.

16 CHAIRMAN KLEIN: YES.

17 MS. KING: SHERRY LANSING.

18 MS. LANSING: CAN I ABSTAIN? I'M SO
19 CONFUSED.

20 MS. KING: TED LOVE.

21 DR. LOVE: YES.

22 MS. KING: ED PENHOET.

23 DR. PENHOET: YES.

24 MS. LANSING: OKAY. I KNOW MY VOTE. NO.

25 MR. HARRISON: EXCEPT FOR THE

BARRISTERS' REPORTING SERVICE

1 APPLI CATION --

2 MS. LANSING: EXCEPT FOR THOSE FOR WHICH I
3 HAVE A CONFLICT. I WANT TO TALK ABOUT, SO I'M
4 ADDING THAT.

5 MS. KING: PHIL PIZZO.

6 DR. PIZZO: YES.

7 MS. KING: CLAIRE POMEROY.

8 DR. POMEROY: NO.

9 MS. KING: ROBERT QUINT.

10 DR. QUINT: YES.

11 MS. KING: DUANE ROTH.

12 MR. ROTH: YES.

13 MS. KING: JOAN SAMUELSON.

14 MS. SAMUELSON: YES.

15 MS. KING: JEFF SHEEHY.

16 MR. SHEEHY: YES, EXCEPT FOR THOSE WITH
17 WHICH I HAVE A CONFLICT.

18 MS. KING: OSWALD STEWARD.

19 DR. STEWARD: NO.

20 CHAIRMAN KLEIN: WHILE THEY'RE TALLYING
21 THEM, DOES ANYONE HAVE A MOTION THAT GOES BEYOND
22 THESE THREE?

23 MR. HARRISON: MR. CHAIR, COULD I
24 INTERRUPT FOR ONE MOMENT. WE NEGLECTED TO CALL
25 MEMBER LEVIN IN THE ROLL CALL. MEMBER LEVIN.

BARRISTERS' REPORTING SERVICE

1 DR. LEVIN: NO.

2 CHAIRMAN KLEIN: IF WE CAN HAVE DISCUSSION
3 WHILE THEY'RE TALLYING THE VOTE, IS THERE --

4 MS. LANSING: I WOULD LIKE TO SAY
5 SOMETHING.

6 CHAIRMAN KLEIN: SHERRY LANSING, YOU HAVE
7 THE FLOOR.

8 MS. LANSING: I ACTUALLY WANT TO SAY THAT
9 WHATEVER THE VOTE IS I'M COMFORTABLE WITH IT, BUT
10 WHAT I REALLY WANT TO SAY IS THAT IT'S FRUSTRATING
11 TO ME THAT IN 25 MINUTES WE WON'T HAVE A QUORUM.
12 AND I THINK THAT WE REALLY HAVE TO EITHER IN THE
13 GOVERNANCE COMMITTEE HAVE TO ADDRESS THESE ISSUES
14 BECAUSE WE SHOULDN'T BE VOTING BECAUSE THERE'S ONLY
15 25 MINUTES LEFT TO MAKE A DECISION. AND THAT'S
16 WHAT'S FRUSTRATING TO ME. AND I'M NOT IN ANY WAY
17 CRITICIZING ANY MEMBERS OF THE BOARD. WE'VE ALL
18 WORKED VERY, VERY, VERY HARD, BUT I THINK WE HAVE A
19 RESPONSIBILITY EITHER TO HAVE AN ALTERNATE OR MAYBE
20 WE HAVE TO LOOK AT GOVERNANCE IN SOME WAY SO THAT WE
21 NEVER ARE VOTING BECAUSE WE ONLY HAVE 25 MINUTES
22 LEFT.

23 CHAIRMAN KLEIN: SHERRY, I WOULD AGREE
24 WITH THAT. AND, IN FACT, DR. FRIEDMAN HAS MADE SOME
25 IMPORTANT INNOVATIVE SUGGESTIONS OF HOW

BARRISTERS' REPORTING SERVICE

1 TELEPHONICALLY WE CAN CREATE SOME BACKUPS THAT WOULD
2 BE VERY HELPFUL. AS CHAIR OF GOVERNANCE, I WOULD
3 HOPE THAT YOU WILL TAKE THIS ON YOUR NEXT GOVERNANCE
4 MEETING.

5 MS. LANSING: SO, MELISSA, I'D LIKE YOU TO
6 SCHEDULE A MEETING BECAUSE IN THE WORLD TODAY WITH
7 VISUAL CONFERENCING, AND WE'VE TALKED ABOUT THIS AS
8 WELL, WITH VISUAL CONFERENCING, WE COULD ACTUALLY
9 LOOK AT EACH OTHER AND WE COULD BE ON THE PHONE, AND
10 I THINK REALLY, REALLY DO A REAL SERVICE TO OUR
11 COMMITTEE AND REALLY GET FULL ATTENDANCE THAT WAY
12 BECAUSE IT IS HARD, YOU KNOW, TO TAKE TWO TO
13 SOMETIMES THREE DAYS TO ATTEND A MEETING AS
14 FREQUENTLY AS WE DO MEET. IF YOU WILL SCHEDULE THAT
15 RATHER SOON.

16 CHAIRMAN KLEIN: THANK YOU VERY MUCH FOR
17 THAT LEADERSHIP. AND REMEMBER OUR CHALLENGE IS
18 GOING TO BE THAT THOSE WHO ARE ON A PHONE PROBABLY
19 NEED TO BE AN EXCEPTION BECAUSE WE CAN'T HAVE AN
20 EXECUTIVE SESSION WHERE WE SEND STAFF ALL AROUND THE
21 STATE TO DEAL WITH THE PROPRIETARY SCIENTIFIC
22 ISSUES, BUT IT WOULD BE A HUGE BENEFIT TO HAVE SOME
23 BACKUP WHO CAN BE THERE TELEPHONICALLY SO THAT WE
24 CAN HAVE A VERY STABLE QUORUM, PARTICULARLY IN TIMES
25 OF THE YEAR WHERE WE HAVE MANY PEOPLE OUTSIDE THE

BARRISTERS' REPORTING SERVICE

1 STATE OR OUTSIDE THE COUNTRY.

2 MR. HARRISON: SO THE MOTION TO
3 CONDITIONALLY FUND APPLICATIONS 905, 952, AND 902
4 CARRIES WITH A VOTE OF 12 TO 7.

5 CHAIRMAN KLEIN: THANK YOU VERY MUCH. IS
6 THERE A MOTION THAT GOES BEYOND THOSE THREE?

7 MR. ROTH: SO I WOULD MOVE THAT APPLICANTS
8 936 THROUGH 918 BE APPROVED ON A THREE/TWO
9 CONDITIONAL APPROVAL.

10 CHAIRMAN KLEIN: SO RECONSTITUTE THAT
11 STATEMENT, MY UNDERSTANDING IS THEY'D BE APPROVED
12 FOR THE FULL FIVE YEARS, BUT THERE WOULD BE A
13 SPECIFIC MILESTONE ANALYSIS OF PROGRESS AT THREE
14 YEARS. AND THIS IS IN ADDITION TO THE NORMAL
15 OVERSIGHT OF THE STAFF TO LOOK AT THE ANNUAL REPORTS
16 AND MAKE SURE THAT REASONABLE PROGRESS IS BEING
17 MADE; IS THAT CORRECT?

18 MR. ROTH: YES.

19 CHAIRMAN KLEIN: ALL RIGHT. SO THE MOTION
20 THAT IS BEING MADE HERE, LET ME ASK WHO THE
21 CONFLICTS WOULD BE.

22 MR. HARRISON: THE CONFLICTS WOULD BE
23 BLOOM, PRICE, LANSING, AND POMEROY. LET ME JUST
24 POINT OUT ONE OF THE CHALLENGES MOTIONS LIKE THIS
25 PRESENT IS THAT THOSE MEMBERS WHO ARE CONFLICTED

BARRISTERS' REPORTING SERVICE

1 CAN' T SPEAK TO THE MOTION AT ALL EVEN IF THEY HAVE A
2 COMMENT AS TO AN APPLICATION IN WHICH THEY DON' T
3 HAVE AN INTEREST. SO IT DOES PRESENT CHALLENGES.

4 CHAIRMAN KLEIN: CAN I ASK THE MAKER OF
5 THE MOTION, TO PROMOTE DISCUSSION, IS IT POSSIBLE TO
6 BREAK THIS GROUP INTO HALF?

7 MR. ROTH: I WOULD BE HAPPY TO ACCEPT
8 THAT.

9 CHAIRMAN KLEIN: SO POTENTIALLY --

10 MR. ROTH: THERE ARE FIVE GRANTS.

11 CHAIRMAN KLEIN: WANT TO TAKE THE FIRST
12 THREE? WOULD THAT SUBSTANTIALLY REDUCE CONFLICTS,
13 MR. HARRISON AND SCOTT TOCHER?

14 MR. TOCHER: IF YOU TOOK THE FIRST THREE,
15 THAT WOULD REDUCE THE -- LANSING AND POMEROY COULD
16 PARTICIPATE. OTHERWISE, IT WOULD STILL BE BLOOM AND
17 PRICE.

18 CHAIRMAN KLEIN: OKAY. COULD WE DO THAT?

19 MR. ROTH: YES.

20 CHAIRMAN KLEIN: CAN WE TAKE THE FIRST
21 THREE? THIS WOULD SAY 936, 914, 943 ARE UNDER
22 CONSIDERATION. THE MOTION IS MADE BY DUANE ROTH.
23 IS THERE A SECOND?

24 MS. SAMUELSON: I' LL SECOND.

25 CHAIRMAN KLEIN: JOAN IS THE SECOND.

BARRISTERS' REPORTING SERVICE

1 THOSE THREE ARE UNDER DISCUSSION. YES, DR. LEVIN.

2 DR. LEVIN: I'D JUST LIKE TO ASK -- I
3 THINK I'M ALLOWED TO ASK -- ON WHAT BASIS THESE
4 GRANTS ARE BEING SINGLED OUT FROM THE OTHER ONES IF
5 MERELY THE SCIENTIFIC SCORES, NOT ANY OF THE
6 DISCUSSIONS THAT HAVE BEEN HAD, SO IT'S A SCORE THAT
7 TO SOME EXTENT IS ARBITRARY IN THAT DIFFERENT
8 WORKING GROUPS HAVE DIFFERENT -- SLIGHTLY DIFFERENT
9 SCORING SYSTEMS, SO TO HAVE ONE OR TWO OR THREE
10 POINTS --

11 CHAIRMAN KLEIN: SURE. IT IS ONE WORKING
12 GROUP THAT SCORED ALL OF THESE, SO WE HAVE A
13 CONSISTENCY OF THE SAME WORKING GROUP SCORING THEM
14 ALL. BUT I THINK YOUR POINT IS THAT THERE'S VERY
15 LITTLE GRADIENT DIFFERENCES IN THESE SCORES. AND
16 THE ONLY REASON THAT THEY'RE BEING TAKEN IN A
17 SMALLER GROUP IS SO THAT WE CAN HAVE VOTES WITH
18 FEWER CONFLICTS. BUT THE INTENT OF THE PARTIES IS
19 TO ADDRESS THE ONES THAT FOLLOW THIS AS WELL, AND
20 THE QUESTION IS AT WHAT POINT IS THERE A CUTOFF ON
21 SCIENTIFIC SCORES OR BASED UPON ANY OTHER DISCUSSION
22 OF THE BOARD.

23 DR. LEVIN: AND WE'RE DOING THEM IN GROUPS
24 LIKE THIS RATHER THAN LOOKING AT THE MERITS AND
25 SHORTCOMINGS OF INDIVIDUAL GRANTS, JUST BASED ON OUR

BARRISTERS' REPORTING SERVICE

1 TIME?

2 CHAIRMAN KLEIN: NO. WE CAN -- IF YOU
3 FEEL THAT THERE IS A PARTICULAR GRANT IN HERE THAT
4 SHOULD BE EXCLUDED FROM THIS MOTION BASED UPON
5 MERITS, YOU SHOULD CALL OUT THAT GRANT, AND WE
6 SHOULD DISCUSS THAT GRANT. THAT IS A POINT OF
7 DISCUSSION, AND IT MAY INFLUENCE THE BOARD TO DEFEAT
8 THE MOTION BECAUSE THEY DON'T WANT TO BLOCK APPROVE
9 THE THREE.

10 DR. LEVIN: I DON'T HAVE ENOUGH
11 INFORMATION ON THE INDIVIDUAL GRANTS, BUT IT JUST
12 SEEMS LIKE A BETTER WAY TO ADDRESS THAT A LOT OF
13 WORK WENT INTO EVALUATING THE GRANTS AND ALL OF THE
14 DIFFERENT STRENGTHS AND PROBLEMS.

15 CHAIRMAN KLEIN: VERY SPECIFICALLY, THE
16 BOARD BY PRACTICE, IF THERE IS A GRANT IN THE GROUP
17 THAT SOMEONE HAS A SPECIFIC ISSUE WITH, THEY
18 EFFECTIVELY TAKE THE POSITION OF CALLING THAT TO THE
19 ATTENTION OF ALL THE MEMBERS AND ASKING THAT IT BE
20 TAKEN OUT OF THE GROUP.

21 MS. PACTER: BECAUSE THIS MOTION REQUIRES
22 STAFF TO DO CERTAIN THINGS DIFFERENTLY, I WOULD JUST
23 ASK THAT THE MOTION BE RESTATED SO THAT STAFF WILL
24 UNDERSTAND EXACTLY WHAT'S GOING TO BE REQUIRED IN
25 TERMS OF FUNDING, THE CONDITIONAL PART OF IT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: IN TERMS OF A SUMMARY,
2 DUANE, WOULD YOU LIKE TO RESTATE YOUR MOTION?

3 MR. ROTH: I DON'T HAVE THE EXACT WORDS,
4 BUT THE INTENT IS THAT IT WOULD BE APPROVED ON A
5 THREE-YEAR WITH A REVIEW BY STAFF BEFORE THE FINAL
6 TWO YEARS ARE FUNDED. WHILE THIS EXISTS ALREADY,
7 IT'S A MORE FORMAL REVIEW AT THE END OF THREE YEARS.

8 CHAIRMAN KLEIN: DUANE, I THINK YOU'RE
9 APPROVING FOR FIVE YEARS WITH A STOP AT THREE YEARS
10 IF, IN FACT, THE STAFF DOES NOT BELIEVE THAT
11 ADEQUATE PROGRESS IS BEING MADE.

12 MS. PACTER: STAFF COULD JUST STOP THE
13 FUNDING AT THREE YEARS, OR COULD IT STOP IT EARLIER?

14 MR. ROTH: CAN STOP IT -- WELL, UNDER ANY
15 PROCEDURE, IT CAN STOP, EXISTING PROCEDURES. BUT
16 THIS ONE WE'RE ASKING FOR A SPECIFIC REVIEW AT THREE
17 YEARS AS TO THE PROGRESS AND PERHAPS A REPORT BACK
18 TO THE ICOC ON THE PROGRESS ON THESE GRANTS.

19 MS. PACTER: THEN THE ICOC WILL DECIDE
20 WHETHER TO CONTINUE FOR THE NEXT TWO YEARS?

21 MR. ROTH: NO. I THINK THAT CAN BE THE
22 JUDGMENT OF STAFF THAT THEY'RE MAKING PROGRESS. I'M
23 SIMPLY TRYING TO MAKE SURE WE GIVE A MESSAGE TO
24 THOSE APPLICANTS THAT THERE HAS TO BE REAL PROGRESS
25 HERE. THIS ISN'T GOING TO BE SORT OF AN AUTOMATIC

BARRISTERS' REPORTING SERVICE

1 ANNUAL REVIEW, YOU SEND IN YOUR PAPER.

2 CHAIRMAN KLEIN: SINCE THIS WAS ORIGINALLY
3 RAISED WITH A COMMENT OF DR. PIZZO, DR. PIZZO, IS
4 THAT CONSISTENT WITH YOUR --

5 DR. PIZZO: YES, IT'S CONSISTENT.

6 DR. PENHOET: I DON'T WANT TO BELABOR THE
7 POINT. I'D BE MORE COMFORTABLE IF IT WAS A
8 THREE-YEAR GRANT WITH A POSSIBILITY OF A TWO-YEAR
9 EXTENSION SO THERE'S AN AFFIRMATIVE REQUIREMENT THAT
10 THEY QUALIFY FOR AN ADDITIONAL TWO YEARS RATHER THAN
11 STAFF HAVE TO TAKE AWAY SOMETHING FROM THEM THAT
12 THEY THOUGHT THEY HAD IN A FIVE-YEAR GRANT. SO I'M
13 NOT SURE --

14 MR. ROTH: I WOULD ACCEPT THAT.

15 CHAIRMAN KLEIN: WHAT WOULD BE THE
16 CRITERIA FOR THE EXTENSION AND WHO WOULD MAKE THE
17 DECISION?

18 DR. PENHOET: I'M PERFECTLY HAPPY TO HAVE
19 STAFF MAKE THE DECISION, BUT THAT THE COMMUNICATION
20 IS THAT THE LAST TWO YEARS ARE ESSENTIALLY AN ADD-ON
21 TO THE FIRST THREE YEARS, RATHER THAN SAYING, LOOK,
22 YOU HAVE A FIVE-YEAR GRANT, BUT WE'RE GOING TO RENEW
23 YOUR THREE YEARS. WE'RE NOT HAPPY WITH WHAT YOU'RE
24 DOING. WE'RE GOING TO TAKE AWAY THE LAST TWO YEARS.

25 CHAIRMAN KLEIN: DR. TROUNSON, COULD YOU

BARRISTERS' REPORTING SERVICE

1 COMMENT ON YOUR PERSPECTIVE, PLEASE?

2 DR. TROUNSON: WELL, I UNDERSTAND THAT
3 THEY' RE PUTTING A CONDITIONAL PROCESS IN HERE THAT
4 WOULD BRING A MORE INTENSIVE LOOK AT THE AIMS AND
5 THE PROGRESS THAT' S BEING MADE. WE WILL BE DOING
6 THIS WITH ALL GRANTS, BUT IN THIS CASE IT WOULD BE
7 INTENTIONALLY MILESTONE DRIVEN, WELL, WE DON' T HAVE
8 MILESTONE, BUT WE HAVE AIMS, BUT IF WE' RE NOT MOVING
9 FORWARD IN ACHIEVING THE AIMS, THEN WE WOULD SAY,
10 LOOK, YOU KNOW, I DON' T THINK THIS IS PROGRESSING AT
11 THE RATE THAT' S APPROPRIATE. AND WE' RE GOING TO
12 MAKE A RECOMMENDATION TO NOT CONTINUE THE FUNDING
13 FOR THE OTHER TWO YEARS.

14 WE CAN DO THIS, AS EVERYONE HAS NOTED, YOU
15 KNOW, IF PROGRESS WAS INSUFFICIENT ANYWAY, BUT I
16 THINK THIS IS PUTTING IN AN ADDED LEVEL OF MARK, IF
17 YOU LIKE. IF YOU DO THIS, WE WOULD NOT -- WE WOULD
18 BASE IT ON PROBABLY A REPORT, BUT ALSO PERHAPS AN
19 INTERVIEW, A VISIT JUST TO SEE -- WE VISIT
20 FREQUENTLY ANYWAY, AND WE CAN INCLUDE THAT IN OUR
21 TERMS OF LOOKING AT THESE PARTICULAR PROJECTS.

22 DR. PENHOET: IT BOILS DOWN TO DO YOU HAVE
23 A THREE-YEAR GRANT WITH A POSSIBILITY OF A TWO-YEAR
24 EXTENSION, OR DO YOU HAVE FIVE-YEAR GRANT OF WHICH
25 THE LAST TWO YEARS MIGHT BE TAKEN AWAY? I' M ASKING

BARRISTERS' REPORTING SERVICE

1 HOW YOU COMMUNICATE THIS.

2 MR. ROTH: THREE AND TWO.

3 DR. TROUNSON: I UNDERSTOOD IT WAS A
4 FIVE-YEAR GRANT, BUT IT WAS CONDITIONAL ON
5 APPROPRIATE PROGRESS AT THE THREE YEARS.

6 MR. ROTH: I WOULD THINK ED'S APPROACH IS
7 EVEN BETTER. A THREE-YEAR GRANT WITH A TWO-YEAR
8 EXTENSION FOLLOWING A REVIEW.

9 CHAIRMAN KLEIN: SO TO BE CLEAR, WE'RE
10 APPROVING UP TO FIVE YEARS, BUT IT'S THREE YEARS AND
11 THEN WITH THE APPROVAL OF STAFF IT EXTENDS THE OTHER
12 TWO YEARS. IS THAT THE POSITION, DR. PENHOET? IS
13 THAT ACCEPTABLE ADMINISTRATIVELY, DR. TROUNSON?

14 DR. TROUNSON: YES, IT IS. IT'S SOMETHING
15 THAT WE'LL HAVE TO WORK OUR WAY THROUGH, MAKE SURE
16 THAT WE'VE GOT THINGS SUITABLY SET OUT FOR DOING
17 THIS, BUT IT'S NOTHING THAT PREVENTS US FROM GETTING
18 THAT DONE.

19 CHAIRMAN KLEIN: OKAY. THANK YOU VERY
20 MUCH.

21 DR. LOVE: I JUST HAVE A QUESTION ABOUT
22 WHETHER OR NOT THERE IS ANY UNINTENDED CONSEQUENCE
23 THAT WE'RE COMMUNICATING TO THE OTHER GROUP, THAT
24 SOMEHOW THEIR ANNUAL REVIEW IS NOT AS IMPORTANT AS
25 IT IS FOR THIS GROUP. MAYBE THAT'S WHAT WE WANT TO

BARRISTERS' REPORTING SERVICE

1 DO, BUT I'M JUST TRYING TO MAKE SURE THAT WE DON'T
2 DO SOMETHING AROUND A VERY SMALL NUMBER OF GRANTS
3 THAT COULD HAVE UNINTENDED INTERPRETATIONS FOR KIND
4 OF THE WHOLE SET OF GRANTS THAT WE MAKE ON A BROADER
5 LEVEL.

6 DR. TROUNSON: DR. LOVE, IF IT'S AN
7 ALTERNATIVE BETWEEN GETTING NO FUNDING OR GETTING
8 FUNDING THAT WAS CONDITIONAL, I THINK ACTUALLY THE
9 APPLICANTS WOULD -- IT DEPENDS HOW IT'S PUT TO THEM.
10 I SUGGEST THAT IT WOULD BE A CHOICE BETWEEN EITHER
11 NO FUNDING OR A CONDITIONAL FUNDING EXTENDING, YOU
12 KNOW, CIRM'S ABILITY TO GET ACROSS THE WHOLE SPACE.

13 DR. POMEROY: BUT THE MESSAGE --

14 CHAIRMAN KLEIN: YES. WE HAVE DR. PIZZO
15 AND THEN DR. POMEROY.

16 DR. PIZZO: SO I THINK PERHAPS THIS HAS
17 BEEN ADDRESSED, ALAN, BY YOU, BUT IT SOUNDS LIKE
18 YOU'RE GOING TO BE COMING UP WITH POLICIES FOR
19 REGULAR REVIEWS OF GRANTS, OBVIOUSLY TAKING INTO
20 ACCOUNT STAFF TIME AND RELATED ACTIVITIES.
21 PRESUMABLY THAT'S GOING TO REQUIRE SOME KIND OF
22 ANNUAL REPORT AND THAT GOES ON. SO THAT BECOMES THE
23 LANGUAGE FOR ALL GRANTS.

24 AND I THINK, TO THE POINT OF THE
25 DISCUSSION TODAY, I THINK WHAT WE WANT TO DO IS

BARRISTERS' REPORTING SERVICE

1 SIGNAL -- I THINK THIS IS WHAT DUANE WAS INITIALLY
2 MOTIVATED BY -- THAT THERE WERE A VARIETY OF GRANTS
3 THAT WERE UNEQUIVOCALLY JUSTIFIABLE FOR WHAT THE RFA
4 WAS ABOUT, FIVE YEARS. AND THEY'RE GOING TO BE
5 ANNUALLY REVIEWED, BUT THEY'RE IN A HIGHER TIER.
6 AND THEN THERE WERE A GROUP OF GRANTS THAT, QUOTE,
7 DIDN'T HAVE THAT SAME LEVEL OF SCIENTIFIC RIGOR AND
8 QUALITY, BUT THE ICOC AND CIRM IS APPROVING THEM FOR
9 THREE YEARS, AND THERE'S A POTENTIAL FOR FULL
10 FUNDING.

11 I THINK IF WE STATE IT THAT WAY AND GIVE
12 THAT MESSAGE, WE'RE BEING TRUE TO TWO THINGS. ONE
13 IS WE'RE BEING CLEAR IN OUR LANGUAGE WITH RECIPIENTS
14 OF THE GRANT; AND, SECONDLY, WE'RE NOT COMPROMISING
15 ON QUALITY.

16 ONE OF THE THINGS THAT I'M WORRIED ABOUT
17 THAT OUR PRACTICE HAS BEEN OVER AND OVER AGAIN THAT
18 WE OFTENTIMES COME TO THE SECOND TIER, AND WE DO
19 APPROVE THEM. AND, YOU KNOW, I THINK IT'S A GREAT
20 THING BECAUSE WE'RE TRYING TO INFUSE FUNDING. I'M
21 MUCH MORE, AS I THINK OTHERS ARE, LENIENT ABOUT THAT
22 FOR NEW INVESTIGATORS, BUT I THINK WE WANT TO KEEP
23 THAT MESSAGE VERY CLEAR, THAT QUALITY IS IMPORTANT
24 AND THAT WE'RE SETTING A PRECEDENT THAT WILL ALLOW
25 US TO DEVIATE FROM THAT IN THE FUTURE.

BARRISTERS' REPORTING SERVICE

1 DR. TROUNSON: MR. CHAIR, I TOTALLY
2 ENDORSE WHAT YOU'RE SAYING, DR. PIZZO. IT'S VERY
3 IMPORTANT THAT THE MESSAGE GOES BACK TO THE ENTIRE
4 COMMUNITY, THAT WE'RE AFTER THE TOP GRADE SCIENCE
5 AND THE COMMITMENT. AT TIMES PERHAPS THE GRANTS
6 COULD HAVE BEEN BETTER WRITTEN WHEN THEY'RE FALLING
7 DOWN IN THESE LEVELS. IT MIGHT INDICATE THAT IF YOU
8 GAVE A BIGGER COMMITMENT OR YOU ACTUALLY HAD MORE
9 DATA, THAT YOU WOULD BE MORE SUCCESSFUL. I THINK
10 WE'VE GOT TO MAINTAIN AS MUCH OF THE STANDARD AS IS
11 POSSIBLE WHILE BEING SENSITIVE TO WHAT WE CAN
12 ACHIEVE. SO I TOTALLY AGREE WITH WHAT YOU'RE
13 SAYING.

14 DR. FRIEDMAN: MR. CHAIRMAN, IF I COULD
15 ASK A QUESTION, PLEASE.

16 CHAIRMAN KLEIN: DR. POMEROY AND THEN DR.
17 FRIEDMAN.

18 DR. POMEROY: THANK YOU. I WANT TO JUST
19 REITERATE AND REMIND EVERYBODY THAT IT'S REALLY
20 IMPORTANT THAT WE SEND A MESSAGE THAT THIS FUNDING
21 IS CONDITIONAL EVERY YEAR ON EVERY GRANT.

22 AND THAT I HAVE TO ENDORSE WHAT TED SAID.
23 IT WOULD BE UNFORTUNATE TO MAKE, IN MY OPINION,
24 DIFFERENTIATION BETWEEN LEVELS OF CONDITIONALITY
25 BECAUSE IT MAY SEND A MESSAGE TO EVERYBODY THAT WE

BARRISTERS' REPORTING SERVICE

1 DON' T TAKE THE ONE-YEAR REVIEWS SERIOUSLY. SO SINCE
2 QUALITY IS THE GOAL HERE, I PERSONALLY THINK THAT
3 EVERY ANNUAL REVIEW IS IMPORTANT, EVERY ANNUAL
4 REVIEW SHOULD HAVE APPROPRIATE PROGRESS; AND WHILE
5 THESE IN THE SECOND TIER MAY BE HIGHER RISK FOR NOT
6 MAKING ADEQUATE PROGRESS, WE HAVE A PROCESS IN PLACE
7 TO DETERMINE -- FOR STAFF TO DETERMINE IF ADEQUATE
8 PROGRESS HAS BEEN MADE.

9 SO I WOULD PERSONALLY PREFER, IT'S NOT A
10 SWORD I'LL DIE ON, BUT I WOULD PERSONALLY PREFER
11 THAT WE USE THE EXISTING PROCESS.

12 AND THEN MY FINAL COMMENT IS THIS MIDDLE
13 CATEGORY WAS VERY SPECIFICALLY RECOMMENDED FOR
14 FUNDING IF FUNDS ARE AVAILABLE. AND BY DEFINITION,
15 NEW FACULTY GRANTS ARE HIGHER RISK THAN ESTABLISHED
16 INVESTIGATORS. AND THAT'S EXACTLY WHAT THIS RFA WAS
17 FOR AND ACTUALLY THE FIELD THAT WE'RE IN. SO I AM
18 GOING TO, IF I HAD MY IDEAL SITUATION, VOTE
19 AFFIRMATIVELY ON THESE WITH USING THE EXISTING
20 PROCESS FOR AN ANNUAL EVALUATION.

21 CHAIRMAN KLEIN: OKAY. THE EXISTING
22 MOTION IS FOR FIVE YEARS APPROVAL WITH THE STAFF
23 HAVING THE, AS I UNDERSTAND, THE AMENDED MOTION AT
24 THIS POINT FROM JOAN SAMUELSON AND DUANE ROTH --
25 EXCUSE ME -- DUANE ROTH AND JOAN SAMUELSON IS THAT

BARRISTERS' REPORTING SERVICE

1 IT IS A FIVE-YEAR APPROVAL. AT THREE YEARS THE
2 STAFF WILL MAKE A DECISION ON WHETHER TO CONTINUE IT
3 FOR THE LAST TWO YEARS.

4 MR. ROTH: OKAY.

5 CHAIRMAN KLEIN: BECAUSE WE HAVE TO
6 AUTHORIZE IT FOR FIVE, BUT IT'S A THREE-YEAR GRANT,
7 THAT IF THE STAFF APPROVES IT, THEY CAN EXTEND IT
8 FOR TWO; IS THAT CORRECT?

9 MR. ROTH: WHAT PHIL SAID AND OTHERS, IT'S
10 THE MESSAGE --

11 CHAIRMAN KLEIN: OKAY.

12 MR. ROTH: -- I'M MORE CONCERNED ABOUT,
13 NOT THE PROCESS.

14 CHAIRMAN KLEIN: SO DR. POMEROY HAS MADE
15 SOME VERY GOOD COMMENTS. YOU NEED TO KEEP THOSE IN
16 MIND, BUT WE NEED TO CALL THE QUESTION HERE IF WE
17 CAN. DR. FRIEDMAN.

18 DR. FRIEDMAN: THIS WILL TAKE JUST ONE
19 SECOND. CAN STAFF PLEASE TELL ME IF WE APPROVE FOR
20 FUNDING THESE THREE ADDITIONAL GRANTS, WHAT IS THE
21 TOTAL?

22 DR. TROUNSON: TOTAL MONEY. AMY.

23 DR. FRIEDMAN: WHAT YOU TOLD US LAST NIGHT
24 WAS THAT WE HAD SET ASIDE SOME \$40 MILLION; AND IF
25 WE FUNDED ALL THE ONES THAT WERE APPROVED FOR

BARRISTERS' REPORTING SERVICE

1 FUNDING, IT WOULD BE ABOUT \$51 MILLION, AS I RECALL.

2 DR. TROUNSON: THAT'S CORRECT.

3 DR. FRIEDMAN: WHAT IS THE ADDITIONAL
4 INCREMENT, PLEASE?

5 DR. TROUNSON: YOU'VE AGREED TO THREE
6 ADDITIONAL.

7 DR. FRIEDMAN: THREE ADDITIONAL, YES.

8 CHAIRMAN KLEIN: 67.3 MILLION.

9 DR. FRIEDMAN: 67.3 MILLION. I'M SORRY.
10 I'M LOOKING AT THE SCREEN. I JUST DON'T SEE IT.

11 THANK YOU. NOW I DO. THANK YOU. 67.3.

12 MY POINT, MR. CHAIRMAN, IS THE FOLLOWING:

13 I STRONGLY, STRONGLY URGE THAT WE CONSIDER THE
14 FUTURE GRANTS INDIVIDUALLY. THE REASON I SAY THIS
15 IS I HAD THE OPPORTUNITY TO REVIEW ONE OF THE GRANTS
16 IN THE FIRST THREE, AND I THINK THERE ARE VERY
17 SUBSTANTIAL PROBLEMS WITH IT. I CAN'T SPEAK TO THE
18 OTHER TWO, AND I'M NOT MAKING CRITICISMS OF THOSE.
19 BUT I THINK IT'S A CRUDE MECHANISM FOR APPROVING
20 THEM AS BATCHES, NO. 1.

21 NO. 2, I REALLY WANT TO WARN MYSELF AND MY
22 COLLEAGUES. THERE IS GOING TO COME A TIME A YEAR OR
23 TWO FROM NOW WHEN WE'RE GOING TO WANT MORE MONEY FOR
24 BETTER IDEAS. AND I PROMISE YOU WHAT LOOKS LIKE
25 EXCESS CAPACITY TODAY, AND WE'RE GOING 27 MILLION

BARRISTERS' REPORTING SERVICE

1 OVER WHAT WE ANTICIPATED, LET'S NOT FOLLOW THE SAME
2 PATHWAY AT THE NIH WHERE YOU FUND EVERYTHING UP
3 FRONT, AND THEN SUDDENLY WHEN ALL THE GOOD IDEAS
4 BEGIN TO COME FORTH, YOU HAVE INSUFFICIENT RESOURCES
5 TO SUPPORT IT.

6 I'M VERY SUPPORTIVE OF YOUNG
7 INVESTIGATORS. I THINK IT'S A LEGITIMATE CONCERN
8 ABOUT THE PHYSICIAN/SCIENTIST. I AGREE WITH THE
9 POINTS THAT HAVE BEEN MADE. I'M JUST TRYING TO
10 STRIKE A BALANCE. WE DO NOT HAVE LIMITLESS FUNDS,
11 AND THERE'S GOING TO COME A TIME WHEN WE'RE GOING TO
12 BE SHORT OF MONEY.

13 CHAIRMAN KLEIN: I THINK THAT THERE'S
14 PROBABLY BROAD AGREEMENT ON THE BOARD, DR. FRIEDMAN.
15 THERE'S AN ATTEMPT TO DISTINGUISH THE GRANTS HERE
16 BECAUSE THEY ARE YOUNG INVESTIGATORS, BECAUSE IT'S
17 THE BUILDING BLOCKS OF THE SYSTEM, AND BECAUSE OF
18 THE LEAD-TIME IN THE SYSTEM. BUT WE TAKE YOUR POINT
19 VERY ACUTELY WITH GREAT ACUTE FOCUS. SHERRY.

20 MS. LANSING: AM I ALLOWED TO SPEAK ON
21 THIS? I JUST WANT TO KIND OF SECOND WHAT DR.
22 FRIEDMAN SAID. I THINK THAT WE HAVE A
23 RESPONSIBILITY WHETHER WE CAN MOVE MONEY FORWARD OR
24 NOT MOVE MONEY FORWARD TO USE THE FUNDS WISELY AND
25 NOT JUST TO SPEND IT. SO I WANT TO SECOND YOUR

BARRISTERS' REPORTING SERVICE

1 COMMENT.

2 CHAIRMAN KLEIN: OKAY. THANK YOU VERY
3 MUCH. WE HAVE A MOTION ON THE FLOOR HERE. PUBLIC
4 COMMENT ON THIS MOTION? SEEING NO PUBLIC COMMENT,
5 CAN WE CALL THE ROLL ON THIS MOTION.

6 MS. KING: DONALD DAFOE.

7 DR. DAFOE: NO.

8 MS. KING: ROBERT PRICE.

9 DR. PRICE: ABSTAIN.

10 MS. KING: DAVID BRENNER.

11 DR. BRENNER: NO.

12 MS. KING: JACOB LEVIN.

13 DR. LEVIN: NO.

14 MS. KING: MICHAEL FRIEDMAN.

15 DR. FRIEDMAN: NO.

16 MS. KING: MICHAEL GOLDBERG.

17 MR. GOLDBERG: NO.

18 MS. KING: NANCY MILLIKEN.

19 DR. MILLIKEN: NO.

20 MS. KING: BOB KLEIN.

21 CHAIRMAN KLEIN: YES.

22 MS. KING: SHERRY LANSING.

23 MS. LANSING: NO.

24 MS. KING: TED LOVE.

25 DR. LOVE: NO.

BARRISTERS' REPORTING SERVICE

1 MS. KING: ED PENHOET.

2 DR. PENHOET: NO.

3 MS. KING: PHIL PIZZO.

4 DR. PIZZO: NO.

5 MS. KING: CLAIRE POMEROY.

6 DR. POMEROY: YES.

7 MS. KING: ROBERT QUINT.

8 DR. QUINT: NO.

9 MS. KING: DUANE ROTH.

10 MR. ROTH: YES.

11 MS. KING: JOAN SAMUELSON.

12 MS. SAMUELSON: YES.

13 MS. KING: JEFF SHEEHY.

14 MR. SHEEHY: YES.

15 MS. KING: OSWALD STEWARD.

16 DR. STEWARD: NO.

17 CHAIRMAN KLEIN: WHILE THIS IS BEING
18 TABULATED, MAY I SUGGEST, IN THIS CATEGORY IN
19 PARTICULAR, I'M A VERY STRONG PROPONENT OF WHAT HAS
20 BEEN VOICED BY MANY MEMBERS OF THIS BOARD, WHICH IS
21 WE NEED INDIVIDUAL ANALYSIS. WHAT I'D LIKE TO DO IS
22 TAKE A POLL OF THE BOARD WITH A SUGGESTION, BECAUSE
23 I DON'T THINK THIS MOTION PASSES, THAT WE TAKE THESE
24 THAT WERE PART OF THIS MOTION, THE SUGGESTION WAS WE
25 LOOK AT THEM INDIVIDUALLY, AND THE REST OF THEM, AND

BARRISTERS' REPORTING SERVICE

1 IF WE'RE GOING TO LOSE OUR QUORUM, WE DON'T DRIVE
2 OURSELVES BY THE QUORUM. WE PUT OVER THESE AND THE
3 BALANCE OF THEM UNTIL SEPTEMBER TO GO OVER THESE
4 INDIVIDUALLY SO THAT WE CAN GIVE THEM ADEQUATE
5 CONSIDERATION ON THEIR MERITS INDIVIDUALLY.

6 MS. LANSING: BOB, I THINK WE'RE GOING --
7 I JUST THINK -- I THINK WE'RE GOING TO HAVE A
8 PROCESS THAT WE'RE GOING TO HEAR ABOUT TO REEVALUATE
9 GRANTS THAT PEOPLE CAN BRING FORWARD, AND THAT MAYBE
10 WE'RE GOING TO ADOPT IT SO THE BOARD CAN BRING IT
11 FORWARD. I THINK WE HAVE TO FOLLOW THAT PROCEDURE.
12 I THINK THAT'S GOING TO BE PART OF OUR AGENDA. MY
13 SUGGESTION IS, YOU KNOW, PEOPLE BRING FORWARD
14 INDIVIDUAL THINGS IN THE PROCESS THAT WE'RE GOING TO
15 GET TO IN A COUPLE OF HOURS OR MAYBE THE NEXT ITEM.

16 CHAIRMAN KLEIN: THE ISSUE HERE IS WE HAVE
17 A GROUP OF GRANTS THAT ARE IN THIS CATEGORY.
18 BECAUSE WE'VE HAD FIVE DIFFERENT PEOPLE THAT HAVE
19 HAD REALLY SUBSTANTIAL PROBLEMS, INDIVIDUAL PROBLEMS
20 THEY'VE HAD TO MEET, WE HAVE A BOARD MEMBER WHO JUST
21 HAD TO LEAVE FOR AN INTERNATIONAL FLIGHT THAT IS, OF
22 COURSE, INFLEXIBLE, BUT WE HAVE AN OBLIGATION TO TRY
23 AND INDIVIDUALLY LOOK AT THESE GRANTS AND CONSIDER
24 THEM. SO THIS IS NOT A QUESTION OF AN APPEAL, WHICH
25 IS WHAT WE'RE GOING TO ADDRESS LATER. THIS IS A

BARRISTERS' REPORTING SERVICE

1 DIFFERENT QUESTION. THIS IS A QUESTION OF GIVING
2 THESE GRANTS THAT ARE IN THE CATEGORY OF FUND IF
3 AVAILABLE A REASONABLE REVIEW.

4 MS. LANSING: WHY WOULDN'T WE DO IT WITH
5 THE TOP THREE AS WELL? I THINK -- I DON'T
6 UNDERSTAND OUR PROCESS. AND THAT'S -- I'M NOT EVEN
7 REFERRING TO THE INDIVIDUAL GRANTS. I'M REFERRING
8 TO A PROCESS. AND --

9 CHAIRMAN KLEIN: I THINK THAT YOU'RE GOING
10 TO HELP OUR PROCESS GREATLY BECAUSE, AS CHAIR OF
11 GOVERNANCE, YOU'RE GOING TO COME UP WITH A PROGRAM
12 WHERE WE'RE NOT ARTIFICIALLY PUT UNDER THESE
13 PRESSURES.

14 BUT GIVEN THE SITUATION WE'RE IN IN
15 REAL-TIME, MY QUESTION TO THIS BOARD IS DO YOU
16 WANT -- WE'RE EFFECTIVELY IN A POSITION, I BELIEVE,
17 THAT WITH THE REST OF THE PENDING GRANTS, IF WE'RE
18 GOING TO GIVE THEM PROPER ATTENTION, DR. PRICE HAS
19 SUGGESTED AND DR. FRIEDMAN IN INDIVIDUAL
20 PRESENTATIONS THAT THEY DESERVE INDIVIDUAL
21 EXAMINATION. MY QUESTION IS DOES THE BOARD WANT TO
22 INDIVIDUALLY EXAMINE THESE IN SEPTEMBER ON THE ONES
23 WE HAVE NOT ACTED ON.

24 MS. LANSING: AND MY QUESTION IS WHY
25 WOULDN'T THE PROCESS THAT WE'RE GOING TO PUT IN

BARRISTERS' REPORTING SERVICE

1 PLACE WORK AS WELL FOR THAT, AND WHY DON'T WE ADJUST
2 THE PROCESS SO IT DOES BECAUSE I CAN GO BACK TO
3 OTHER ONES WHEN WE HAD TO VOTE BECAUSE WE HAD A
4 QUORUM.

5 DR. STEWARD: DOING WHAT YOU'RE SUGGESTING
6 REQUIRES AN AFFIRMATIVE ACTION BY THIS BOARD?

7 CHAIRMAN KLEIN: WELL, AT THIS POINT IT
8 DOESN'T REQUIRE AN AFFIRMATIVE ACTION BECAUSE --

9 DR. STEWARD: BECAUSE WE CAN'T. SO IT'S A
10 MOOT DISCUSSION IS WHAT I'M SAYING. LET'S MOVE ON.

11 CHAIRMAN KLEIN: BECAUSE DURING THE
12 DISCUSSION, THE VOTE LEFT. BUT AS A PROCESS, AS A
13 PROCESS QUESTION, I'D LIKE TO ADDRESS THIS IN THAT
14 CONTEXT, THAT I WOULD HOPE WE'VE LEARNED FROM THIS
15 PARTICULAR EXPERIENCE. AND I'D LIKE DIRECTION FROM
16 THE BOARD THAT IF WE FACE THIS EXPERIENCE, I THINK
17 IT'S BEST TO JUST PUT THEM OVER TO THE NEXT MEETING,
18 SO WE CAN GET REALLY THOUGHTFUL CONSIDERATION.

19 DR. LOVE: BOB, I THINK I UNDERSTAND WHAT
20 YOU'RE TRYING TO DO. THE THING THAT I GET
21 UNCOMFORTABLE WITH IS THE SUGGESTION THAT THESE HAVE
22 NOT GOTTEN AN ADEQUATE PROCESS ALREADY. IN FACT, I
23 THINK WHAT WE'VE DEMONSTRATED OVER AND OVER AGAIN IS
24 WE DO HAVE A VERY GOOD PROCESS. THESE GRANTS HAVE
25 BEEN THOROUGHLY VETTED AND REVIEWED. THEY WERE

BARRISTERS' REPORTING SERVICE

1 RANKED AS THEY WERE RANKED FOR REASONS THAT I THINK
2 WE'VE HAD A CHANCE TO COMPREHEND. AND THE REALITY
3 IS THEY DID NOT DO AS WELL.

4 SO I'M JUST -- I'M A LITTLE BIT
5 UNCOMFORTABLE WITH THE SUGGESTION THAT WE HAVEN'T
6 GIVEN ADEQUATE PROCESS AND WE NOW SOMEHOW NEED TO.

7 CHAIRMAN KLEIN: WE HAVEN'T HAD THE
8 OPPORTUNITY TO DISCUSS THE ONES BELOW, WHICH THERE
9 HAVE BEEN MOTIONS. THAT'S THE ONLY THING I'M
10 FOCUSING MY DISCUSSION ON.

11 DR. PIZZO: I DO VALUE THE MOTION THAT WAS
12 MADE, BUT I'M ALSO HAVING SORT OF ADDITIONAL
13 CONCERNS ALONG THE SAME LINES THAT TED AND MIKE
14 COMMENTED ON, WHICH IS THE THREE THAT WE NOW HAVE,
15 AND THIS IS THE REASON WHY I VOTED NO, ARE JUST
16 THREE THAT WERE ARBITRARY. AND THEY WERE DRIVEN BY
17 THE FACT THAT WE HAD SOME CONFLICTS BECAUSE WE COULD
18 HAVE EITHER DRAWN THE NUMBER DOWN OR DONE EACH ONE
19 INDIVIDUALLY. AND I FEAR THAT -- LET ME JUST MAKE
20 MY POINT -- THAT IF WE FOLLOW YOUR GUIDANCE, BOB,
21 AND REVIEW EACH OF THESE INDIVIDUALLY AT THE NEXT
22 MEETING IN SEPTEMBER, THAT THERE'S NO BASIS TO
23 NECESSARILY STOP WITH THE ONES IN GRAY BECAUSE WE
24 CAN THEN EASILY SAY LET'S EXTEND THAT TO INDIVIDUAL
25 REVIEWS OF ALL THE OTHERS THAT ARE IN TIER 3.

BARRISTERS' REPORTING SERVICE

1 AND I THINK IF WE START GOING DOWN THAT
2 PATHWAY, WE'RE REALLY OPENING A CAN OF WORMS THAT'S
3 GOING TO BE VERY HARD FOR US TO BE ABLE TO
4 RECONCILE.

5 SO IT IS A MATTER OF SORT OF FINDING SOME
6 BALANCE AROUND THIS. I WAS PARTICULARLY WORRIED IN
7 THIS GROUP -- I WOULD HAVE EXPRESSED IT IN THE NEXT
8 ROUND WHEN WE GOT TO THE UNSCORED ONES -- BECAUSE
9 THERE I THINK IS REALLY UNCHARTERED TERRITORY. SO I
10 THINK THAT WE'RE SORT OF RE-RAISING THE ISSUE OF
11 WHETHER THE PATH THAT WE WERE ON JUST A FEW MINUTES
12 AGO IS A PRUDENT ONE FOR US TO CONTINUE FOLLOWING.

13 CHAIRMAN KLEIN: ALL RIGHT. LET'S DO THIS
14 SEQUENTIALLY. JEFF SHEEHY.

15 MR. SHEEHY: I'D LIKE TO MAKE A NUMBER OF
16 POINTS, AND I DO -- FUNDAMENTALLY I THINK I'M COMING
17 FROM TED'S POINT. FIRST OF ALL, IF YOU LOOK AT
18 WHERE WE ARE AND YOU GO TO WHERE WE WERE IN
19 PROGRAMMATIC REVIEW, THE THREE ONES WE MOVED UP WERE
20 MOVED OUT, WERE MOVED DOWN INTO A LOWER TIER IN
21 PROGRAMMATIC REVIEW. THAT WAS AS MUCH AS ANYTHING A
22 FINANCIAL CONSIDERATION. WHEN YOU'RE HAVING, YOU
23 KNOW, TRIAGE, YOU ARE GOING TO TAKE -- SO THOSE
24 PROBABLY WERE THE LEGITIMATE NEXT THREE THAT SHOULD
25 GO UP. THEY STARTED OFF IN THE TOP TIER AND WERE

BARRISTERS' REPORTING SERVICE

1 MOVED DOWN. SO JUST IN TERMS OF CONTEXT.

2 SO IF YOU LOOK AT WHAT WE'VE ACCOMPLISHED
3 SO FAR, WE HAVE TAKEN EVERYTHING THAT THE WORKING
4 GROUP PUT IN TIER 1, BOTH ORIGINALLY AND FOLLOWING
5 PROGRAMMATIC REVIEW.

6 THE SECOND THING I WOULD NOTE IS THAT WE
7 ARE FUNDING 23 OUT OF 54, AND WE ALREADY HAVE HAD A
8 ROUND OF YOUNG INVESTIGATORS OR NEW INVESTIGATORS.
9 SO I DON'T KNOW. IT SEEMS TO ME WE MAY HAVE REALLY
10 COVERED THE AREA, AND I DON'T KNOW -- WE WILL HAVE
11 TO DISPOSE OF THESE GRANTS NO MATTER WHAT. WE ARE
12 MISSING A FUNDAMENTAL MOTION, WHICH IS TO ASSIGN
13 EVERYTHING THAT IS NOT FUNDED TO A NONFUNDABLE
14 CATEGORY. SO THEY WILL COME UP AGAIN.

15 I WOULD CAUTION AGAINST ANY ADDITIONAL
16 SCRUTINY. AS HAS BEEN SAID, THEY HAVE BEEN WELL
17 REVIEWED LABORIOUSLY. THEY HAVE RECEIVED
18 PROGRAMMATIC REVIEW. EVERYTHING THAT WAS
19 RECOMMENDED EITHER BY REVIEW, BY SCORE, OR
20 PROGRAMMATICALLY WE HAVE NOW FUNDED. SO WE REALLY
21 ARE TRULY IN A CATEGORY THAT IS GRAY NOW. AND SO I
22 WOULD NOT ENCOURAGE STAFF TO COLLECT ANY ADDITIONAL
23 INFORMATION. I THINK WE ARE -- YOU KNOW, WE CAN
24 DECIDE WHAT WE DO NEXT MEETING, BUT I THINK WE'VE
25 DONE A GOOD JOB SO FAR. I'M READY TO MOVE ON

BARRISTERS' REPORTING SERVICE

1 PERSONALLY.

2 CHAIRMAN KLEIN: I WOULD JUST PUT IT IN
3 CONTEXT. A, IT IS IMPORTANT TO NOTE THAT WE HAVE
4 COMMUNICATIONS THAT HAVE BEEN RECEIVED, WHICH AS A
5 MATTER OF BAGLEY-KEENE ACT ARE PUBLIC RECORD, ON
6 SOME OF THESE APPLICATIONS IN THIS CATEGORY. WHEN
7 THOSE COME UP IN THE NEXT SESSION, PEOPLE WILL HAVE
8 A RIGHT TO INDIVIDUALLY ADDRESS THEM.

9 SO I'M TRYING TO WORK WITHIN SEVERAL
10 LAYERS OF COMPLEXITY HERE. NOW, IF THE BOARD AT THE
11 NEXT SESSION WISHES TO MOVE ALL OF THESE REMAINING
12 GRANTS INTO A NONFUNDED CATEGORY, THAT CAN BE A
13 MOTION. BUT REALIZE THAT YOU DO HAVE SOME
14 INDIVIDUAL RECORDS THAT HAVE BEEN ON FILE PUBLICLY
15 ADDRESSING SOME OF THESE GRANTS. WE ARE GOING TO,
16 AS SHERRY SAID, DISCUSS AN EXTRAORDINARY PETITION,
17 WHICH WE CAN DISCUSS IN THIS MEETING AND HOPEFULLY
18 PROGRESS THAT BECAUSE WE NEED SOME PROCESS. WE ARE
19 DEVELOPING AN APPROACH HERE TO DEAL WITH PETITIONS
20 AND REVIEWS THAT WILL BE VERY HELPFUL TO US.

21 JAMES HARRISON, DID YOU HAVE A COMMENT?

22 MR. HARRISON: I JUST WANTED TO STATE FOR
23 THE RECORD, BEFORE WE GET TOO FAR ALONG, THAT THE
24 LAST MOTION FAILED BY A VOTE OF 12 NOES, FIVE YESES,
25 AND ONE ABSTENTION.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THANK YOU VERY MUCH. ALL
2 RIGHT. SO DR. PENHOET.

3 DR. PENHOET: TWO ISSUES. THE LAST VOTE
4 WAS ON A COMPOUND PROPOSAL, ONE PIECE OF WHICH WAS
5 THREE PLUS TWO, THE OTHER THREE PIECE WAS THESE
6 THREE GRANTS TO MOVE UP. I VOTED NO BECAUSE I
7 DIDN'T WANT TO MOVE THE THREE UP EN BLOC. I WOULD
8 HAVE VOTED YES IF THEY HAD BEEN SEPARATED ON A -- IF
9 WE AGREED TO FUND ANY OF THESE, THAT THEY WOULD HAVE
10 BEEN FUNDED UNDER THE THREE PLUS TWO PROPOSAL THAT
11 DUANE MADE.

12 I DO AGREE WITH MICHAEL FRIEDMAN. I THINK
13 WE HAVE A LONG-STANDING TRADITION OF LOOKING AT EACH
14 OF THESE GRANTS IN THIS CATEGORY ONE BY ONE,
15 ASSESSING THEIR VALUE, AND MAKING A DECISION TO
16 EITHER MOVE THEM UP OR MOVE THEM DOWN ESSENTIALLY.
17 WE DON'T -- UNFORTUNATELY WE SEEM NOT TO HAVE A
18 PROSCRIBED LIMIT OF WHAT AVAILABLE FUNDING MEANS;
19 AND, THEREFORE, WE'RE WORKING WITH A TO SOME DEGREE
20 ARTIFICIAL CONSTRUCT. WE DON'T KNOW -- IT SAYS FUND
21 THESE IF FUNDS ARE AVAILABLE. WE'RE HEARING, WELL,
22 EITHER THEY'RE AVAILABLE OR WE'VE ALREADY SPENT TOO
23 MUCH MONEY. I'M NOT SURE WHICH, BUT WE HAVEN'T
24 DEFINED WHAT'S AVAILABLE FOR THIS CATEGORY.

25 SO, YOU KNOW, I THINK IN FAIRNESS TO THE

BARRISTERS' REPORTING SERVICE

1 INDIVIDUALS WHO WROTE THESE GRANTS WHO DID WELL
2 ENOUGH TO GET THEMSELVES IN THIS CATEGORY, THAT WE
3 OWE IT TO THEM TO REVIEW THEM ONE BY ONE AT THE
4 APPROPRIATE TIME.

5 BUT I THINK, SHERRY, IT'S A DIFFERENT
6 ISSUE THAN THE APPEAL PROCESS. THIS IS OUR STANDARD
7 OPERATING PROCEDURE FOR DEALING WITH GRANTS. WE'VE
8 DONE IT OVER AND OVER AND OVER AGAIN. TO BE FRANK,
9 IN THE INTEREST OF TIME, TODAY I THINK WE DID LUMP
10 SOME OF THESE TOGETHER, BUT I DON'T DISAGREE WITH
11 YOU, JEFF, THAT PRIOR TO THIS MEETING, A LOT OF
12 THOUGHTFUL WORK HAS GONE INTO CREATING THESE
13 RANKINGS, ETC., BUT I THINK WE OWE IT TO THE
14 APPLICANTS TO REVIEW THESE ONE AT A TIME. THERE
15 AREN'T THAT MANY, AND WE HAVE A LONG-STANDING
16 TRADITION OF DOING THAT. I DON'T SEE ANY REASON TO
17 CHANGE THAT.

18 CHAIRMAN KLEIN: THAT WAS MY POINT
19 EARLIER. EVERY ONE OF US WILL MAKE A DECISION, AND
20 WE'RE GOING TO HAVE AN OPPORTUNITY WHEN WE RECONVENE
21 IN SEPTEMBER TO REACH INDIVIDUAL DECISIONS IN THAT
22 VOTE.

23 SO, DUANE, WOULD YOU LIKE TO MAKE COMMENT?

24 MR. ROTH: I WAS TRYING TO BE EFFICIENT
25 HERE AND MADE THE RECOMMENDATION ON THE BASIS OF

BARRISTERS' REPORTING SERVICE

1 THAT. I AM PERFECTLY WILLING TO GO THROUGH EACH
2 INDIVIDUAL GRANT. THERE IS NO INTENTION --

3 CHAIRMAN KLEIN: I THINK EVERYONE
4 UNDERSTOOD IT WAS IN THAT CONTEXT YOU MADE THE
5 MOTION.

6 MR. ROTH: BOB, IF YOU COULD SHED A LITTLE
7 LIGHT. WE HAVE OVERFUNDED AND UNDERFUNDED IN THE
8 PAST BASED ON WHAT OUR BUDGET WAS. WHAT DO WE HAVE
9 AVAILABLE IN TERMS OF FUNDING?

10 CHAIRMAN KLEIN: WHAT I'D LIKE TO DO, IF
11 POSSIBLE, IS ANSWER THAT HOPEFULLY WITH SOME
12 THOUGHTFUL INTERACTION WITH THE PRESIDENT BY
13 BRINGING BACK AT THE NEXT MEETING A QUICK LOOK
14 DIAGRAMMATICALLY AT OUR OVERALL STRATEGIC PLAN AS IT
15 SITS TODAY -- IT'S UNDER REVISION -- AND SHOW YOU
16 WHERE WE ARE IN TERMS OF OUR FUNDING RELATED TO THE
17 STRATEGIC PLAN SO THAT EVERYONE IN REAL-TIME CAN BE
18 MAKING ADJUSTMENTS AND UNDERSTANDING WHAT THE
19 INTERPLAY IS BETWEEN DIFFERENT CATEGORIES OF
20 FUNDING. RATHER THAN JUST SUMMARIZING, WE'LL GIVE
21 YOU THE SUMMARY DATA IN THE NEXT SESSION.

22 I WOULD ALSO SUGGEST IF IT IS -- I'D LIKE
23 TO KNOW FROM THE BOARD'S PERSPECTIVE, BUT I ACTUALLY
24 THINK THAT WE CAN SAVE SOME MONEY IN THE FUTURE BY
25 HAVING SOME DISCUSSIONS WITH THE INSTITUTIONS ON A

BARRISTERS' REPORTING SERVICE

1 DYNAMIC FUNDING MODEL THAT CHANGES THE PARADIGM OF
2 HOW THEY HANDLE FUNDING WHERE THE INSTITUTIONS ON A
3 NET BASIS ARE BETTER OFF AND WE SAVE MONEY ON OUR
4 FUNDING. IT'S A PERATO-OPTIMAL APPROACH TO FUNDING.
5 I, FRANKLY, THINK HISTORICAL FUNDING PATTERNS AND
6 HOW MONEY IS DELIVERED TO INSTITUTIONS IS MEDIEVAL,
7 BUT I WOULD HOPE THAT --

8 DR. TROUNSON: CHAIR, SORRY. BEFORE WE DO
9 THAT, WE PROBABLY NEED TO LOOK AT ALL THE
10 CIRCUMSTANCES AROUND THAT, PARTICULARLY IF WE'RE
11 GOING YEAR BY YEAR AND ENSURING THAT THEY ARE DOING
12 WHAT WE WANT.

13 CHAIRMAN KLEIN: OH, NO. I'M NOT TALKING
14 ABOUT CHANGING OUR RFA POLICY. I'M TALKING ABOUT
15 THE MANNER OF DELIVERING FUNDS. SO I'M NOT CHANGING
16 ANYTHING IN THE STRATEGIC PLAN OR ANYTHING IN
17 PROCESS, MERELY LOOKING AT THE STRUCTURING OF HOW
18 FUNDING OCCURS BECAUSE I THINK THERE'S WAYS TO SAVE
19 MONEY AND PROVIDE MORE FUNDING FOR MORE PROGRAMS.

20 OKAY. I'D LIKE TO -- FOR DISCUSSION, WE
21 HAVE A VERY IMPORTANT ITEM, AS SHERRY LANSING HAS
22 MENTIONED, THAT WE NEED TO GET TO TO MOVE THE
23 EXTRAORDINARY PETITION ISSUES. AND SINCE THAT'S
24 BEEN RAISED HERE IN CONTEXT, I'M WONDERING IF WE CAN
25 MOVE TO THAT ITEM ON THE AGENDA.

BARRISTERS' REPORTING SERVICE

1 MS. SAMUELSON: POINT OF ORDER OR PROCESS
2 OR SOMETHING, BOB. I'M WONDERING HOW WE CAN PROCEED
3 WITHOUT A QUORUM.

4 CHAIRMAN KLEIN: BECAUSE WE CAN PROCEED
5 WITH DISCUSSIONS OF ITEMS SO THAT, YOU KNOW, WE HAVE
6 THIS IMPORTANT ITEM THAT WE HAVE RAISED HERE, THAT
7 SHERRY HAS BEEN REFERENCING. AND I THINK IT'S VERY
8 IMPORTANT WE ALSO HAVE THE LOAN POLICY TO DISCUSS SO
9 THAT THE BOARD IS FULLY ADVISED ON THE LOAN POLICY.
10 WE CAN'T TAKE AN ACTION ON THE LOAN POLICY, BUT WE
11 CAN HAVE A BRIEFING ON THE LOAN POLICY SO WE CAN
12 TAKE A FINAL ACTION IN SEPTEMBER.

13 BUT ITEM 17 IS THE CONSIDERATION OF POLICY
14 REGARDING EXTRAORDINARY PETITIONS FOR ICOC
15 APPLICATIONS FOR FUNDING. AND I'D LIKE TO KNOW IS
16 IT ACCEPTABLE TO THE BOARD, SINCE IT SEEMS TO BE
17 PERTINENT TO THE DISCUSSIONS WE'VE BEEN HAVING, IF
18 WE PROCEED TO THAT ITEM FOR DISCUSSION.

19 SEEING NO DISAGREEMENT, IF WE COULD GO TO
20 ITEM 17. FIVE-MINUTE BREAK IS REQUESTED. SO WE
21 WILL TAKE A FIVE-MINUTE BREAK FOR THE BENEFIT OF
22 STAFF. MR. PENHOET HAS REQUESTED WE MAKE THAT A
23 TEN-MINUTE BREAK, SO WE WILL RECONVENE IN TEN
24 MINUTES.

25 (A RECESS WAS THEN TAKEN.)

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: ALL RIGHT. IF WE CAN
2 RECONVENE PLEASE. ALL RIGHT. THANK YOU VERY MUCH.
3 SO IF WE COULD RETRIEVE OUR OTHER MEMBERS. IF STAFF
4 COULD HELP, IT WOULD BE BENEFICIAL. JENNA, LYNN,
5 COULD YOU PLEASE RETRIEVE MEMBERS THAT ARE OUT IN
6 THE LOBBY? THANK YOU VERY MUCH.

7 SO FOR THE BENEFIT OF THE PUBLIC AND STAFF
8 AND THE REST OF THE BOARD, WHILE WE'RE REASSEMBLING,
9 THE REASON I MOVED TO ITEM 17 IS DR. PENHOET HAS
10 JUST DONE A VERY GOOD OF JOB DIFFERENTIATING BETWEEN
11 PETITIONS FOR -- EXTRAORDINARY PETITIONS FOR
12 APPLICANTS AS A PROCESS AS CONTRASTED WITH OUR
13 PROCESS IN REVIEWING RECOMMENDATIONS THAT COME
14 BEFORE THIS BOARD FROM THE PEER REVIEW COMMITTEE.

15 SO WITH THAT FRESH IN OUR MINDS, IT
16 APPEARS APPROPRIATE NOT TO LOSE THAT BRAIN POWER AND
17 CONTRIBUTION. THANK YOU, DR. PENHOET. AND WE WOULD
18 HOPEFULLY MOVE FORWARD TO ITEM 17.

19 I'D ALSO SAY THAT CHALLENGE IS THE MOTHER
20 OF INVENTION, SO SHERRY LANSING, WHO I KNOW IS VERY
21 INNOVATIVE, IN WORKING WITH DR. FRIEDMAN AND OTHERS,
22 WILL COME BACK TO US WITH A PROCESS THAT WILL
23 INSULATE US FROM THESE UNEXPECTED DEMANDS THAT ARE
24 MADE ON EXTRAORDINARILY IMPORTANT INDIVIDUALS WHO
25 SERVE THEIR INSTITUTIONS THAT ARE ON THIS PANEL. WE

BARRISTERS' REPORTING SERVICE

1 HAVEN' T BEEN FACED IN THE PAST WITH THE KIND OF
2 EXTRAORDINARY SITUATIONS AFFECTING THE QUORUMS. AND
3 WITH THE INNOVATION OF SHERRY LANSING, THE
4 GOVERNANCE COMMITTEE, I KNOW WE WON' T BE FACED WITH
5 THIS SAME CHALLENGE IN THE FUTURE. SO THIS IS GOING
6 TO BE THE BEGINNING OF THE NEW ERA.

7 AS ITEM 17, I' D LIKE BOARD COUNSEL, JAMES
8 HARRISON, THE PRESIDENT, DR. ALAN TROUNSON, ASKED TO
9 TAKE THE LEAD TO LEAD IN DEVELOPING THIS PROCESS TO
10 LEAD US THROUGH THIS ITEM. AND THEN I' D LIKE TO ASK
11 FOR DR. TROUNSON' S COMMENTS AND THEN GO INTO BOARD
12 DISCUSSION OF THIS ITEM.

13 AND THIS IS -- DR. TROUNSON INITIATED THIS
14 AT THE SPECIFIC REQUEST OF SEVERAL BOARD MEMBERS WHO
15 IN THE LAST MEETING ASKED THAT WE CREATE A PROCESS
16 SO WE COULD CREATE SOME PREDICTABILITY FOR THE BOARD
17 AND ENOUGH THOUGHTFUL EVALUATION TO HAVE A
18 MEANINGFUL RESPONSE WHEN THERE WAS AN EXTRAORDINARY
19 PETITION. EXTRAORDINARY MEANING NOT IN THE ORDINARY
20 COURSE, ONLY IF THERE IS A VERY HIGH PREPONDERANCE
21 OF PROOF CARRIED BY THE APPLICANT. MR. HARRISON.

22 MR. HARRISON: AS THE CHAIR SAID, THIS IS
23 ITEM 17, AND THE DRAFT POLICY SHOULD BE IN YOUR
24 BINDER UNDER TAB 17. AS YOU WILL RECALL AT THE LAST
25 MEETING, THE BOARD RECEIVED WRITTEN COMMUNICATION

BARRISTERS' REPORTING SERVICE

1 FROM ONE APPLICANT IN ADDITION TO PUBLIC COMMENT BY
2 ANOTHER APPLICANT RELATING TO THE APPLICATIONS THAT
3 WERE THEN UNDER CONSIDERATION. AND WE DID HAVE SOME
4 DISCUSSION OF THE AD HOC NATURE OF THOSE
5 COMMUNICATIONS AT THE TIME OF THE LAST MEETING AND
6 THE NEED TO TRY TO ESTABLISH SOME GUIDELINES AROUND
7 COMMUNICATIONS WITH THE BOARD REGARDING APPLICATIONS
8 CONSISTENT WITH THE BAGLEY-KEENE OPEN MEETING ACT.

9 SO WITH DR. TROUNSON AND THE CIRM
10 EXECUTIVE COMMITTEE, WE HAVE TRIED TO DEVELOP A
11 POLICY THAT STRIKES A BALANCE BETWEEN THE RIGHT OF
12 APPLICANTS TO COMMUNICATE WITH THE BOARD AND THE
13 NECESSITY FOR THOROUGH, FAIR, AND THOUGHTFUL
14 CONSIDERATION OF APPLICATIONS.

15 AS YOU ALL KNOW, APPLICANTS DO HAVE THE
16 RIGHT TO COMMUNICATE WITH YOU AS MEMBERS OF THE
17 BOARD IN WRITING OR BY MAKING PUBLIC COMMENT HERE AT
18 THE MEETING UNDER THE BAGLEY-KEENE OPEN MEETING ACT.
19 BUT WE WANT TO ENSURE THAT WE HAVE A PROCESS THAT
20 PROVIDES FOR ORDERLY CONSIDERATION OF THESE
21 COMMUNICATIONS AND THAT ENSURES FAIRNESS TO ALL
22 APPLICANTS.

23 SO WITH THAT, LET ME WALK YOU THROUGH THE
24 GUIDELINES THEMSELVES THAT WE'VE PROPOSED. FIRST,
25 WE WOULD ASK APPLICANTS OR ENCOURAGE APPLICANTS TO

BARRISTERS' REPORTING SERVICE

1 SUBMIT A PETITION TO THE ICOC ONLY UNDER
2 EXTRAORDINARY CIRCUMSTANCES, AS THE CHAIR SAID, FOR
3 EXAMPLE, WHERE A DEMONSTRABLE ERROR OF FACT AFFECTED
4 THE OUTCOME OF THE REVIEW.

5 NEXT WE WOULD REQUIRE THAT PETITIONS BE
6 SUBMITTED IN WRITING TO THE BOARD AT LEAST FIVE DAYS
7 BEFORE THE BOARD MEETING AT WHICH THE APPLICATION
8 WILL BE CONSIDERED. THE PURPOSE OF THIS IS TO
9 PROVIDE TIME FOR STAFF TO DISTRIBUTE THE PETITION TO
10 THE MEMBERS OF THE BOARD AND ALSO FOR THE SCIENTIFIC
11 STAFF TO CONSIDER AND ANALYZE THE SUBSTANCE OF THE
12 COMMUNICATION. FOR THAT REASON AND, AGAIN TO ENSURE
13 AN ORDERLY AND FAIR PROCESS, WE WOULD NOT CONSIDER
14 PETITIONS SUBMITTED AFTER THAT DATE.

15 THE PETITIONS WOULD BE REQUIRED TO
16 SUCCINCTLY SET FORTH THE BASIS FOR THE REQUEST FOR
17 SPECIAL CONSIDERATION BECAUSE, OF COURSE, THE BOARD
18 DOES CONSIDER ALL APPLICATIONS AND MAKES A FINAL
19 DECISION ON THEM. AND WE WOULD REQUIRE THAT THE
20 APPLICANTS DO THAT IN FIVE PAGES OR LESS.

21 THE STAFF WOULD THEN DISTRIBUTE THE
22 PETITIONS TO EACH OF YOU AND POST THEM ON CIRM'S
23 WEBSITE WITH THE UNDERSTANDING THAT IT MAY BE
24 NECESSARY UNDER CERTAIN CIRCUMSTANCES TO REDACT
25 INFORMATION THAT IS EITHER PROPRIETARY IN NATURE OR

BARRISTERS' REPORTING SERVICE

1 TO PROTECT REVIEWERS UNDER CERTAIN CIRCUMSTANCES.

2 STAFF WOULD THEN REVIEW THE PETITIONS AND
3 WOULD, IF THE BOARD REQUESTS, MAKE A RECOMMENDATION
4 REGARDING THE PETITION DURING THE BOARD'S
5 CONSIDERATION OF THE APPLICATION. IN OTHER WORDS,
6 THE BOARD WOULD NOT ROUTINELY HAVE A DISCUSSION OF
7 THESE PETITIONS. IF, HOWEVER, A MEMBER OF THE ICOC
8 BELIEVES THAT THE LETTER OR PETITION RAISES A POINT
9 THAT MERITS CONSIDERATION AND DISCUSSION, THE MEMBER
10 COULD THEN REQUEST BOARD CONSIDERATION OF THE
11 PETITION, AND STAFF WOULD THEN MAKE A RECOMMENDATION
12 REGARDING ITS VIEW OF THE MERITS OF THE PETITION.

13 THE BOARD, OF COURSE, WOULD RETAIN FULL
14 DISCRETION TO CONSIDER OR NOT CONSIDER APPLICATIONS
15 BEFORE MAKING ITS FINAL FUNDING DECISIONS.

16 THAT'S A SUMMARY OF THE GUIDELINES THAT WE
17 WOULD PROPOSE TO THE BOARD.

18 CHAIRMAN KLEIN: AND TO BE CLEAR HERE,
19 UNDER BAGLEY-KEENE SOMEONE HAS THE ABILITY TO APPEAR
20 BEFORE THIS BOARD AND MAKE A THREE-MINUTE
21 PRESENTATION. THAT'S A MATTER OF LAW. HOWEVER,
22 IT'S IMPORTANT FOR THE BOARD TO HAVE A PROCESS
23 WHEREBY WE CAN MEANINGFULLY DECIDE WHETHER THERE'S
24 SUBSTANCE TO IT. SO BY CREATING A PROCESS,
25 HOPEFULLY WE'LL COMMUNICATE THIS IS NOT A FORUM JUST

BARRISTERS' REPORTING SERVICE

1 TO BRING CASUAL ARGUMENTS TO US TO TRY AND
2 CONTRADICT A VERY SERIOUS PEER REVIEW.

3 IF WE'RE GOING TO LOOK TO SUBSTANCE OF
4 THESE ARGUMENTS, WE'RE CREATING A PROCESS WHERE
5 SOMEONE COULD SUBMIT SOMETHING, AND BY THE WAY,
6 THREE PAGES IS AN ALTERNATIVE THAT I THINK IS BEING
7 DISCUSSED ALONG WITH FIVE BECAUSE WE HAVE
8 ADMINISTRATIVE CONSTRAINTS ON HOW MUCH TIME WE HAVE
9 AND STAFF WE HAVE TO REVIEW THESE. BUT IT'S
10 IMPORTANT TO NOTE THAT THERE WOULD BE UNDER THIS
11 PROCESS A VERY HIGH BURDEN OF PROOF ON THE
12 APPLICANTS. AND IT'S GOING TO BE UP TO THE BOARD'S
13 BEHAVIOR TO DEMONSTRATE THAT WE'RE SERIOUS ABOUT THE
14 REAL DRIVING SUBSTANCE AND BURDEN OF PROOF BEING
15 MET, OR WE'RE GOING TO OVERWHELM THE STAFF AND THE
16 BOARD WITH PETITIONS.

17 DR. PIZZO: WELL, ON THIS NOTE, WHICH IS
18 THE OBVIOUS POINT TO DISCUSS, I THINK, FIRST, I
19 UNDERSTAND THE REASON FOR PROCESS AND AGREE THAT
20 THERE NEEDS TO BE AN ORGANIZED APPROACH TO THIS. MY
21 IMMEDIATE CONCERN IS THE DEFINITION OF FACT AND
22 FACTUAL DISAGREEMENT BECAUSE I COULD ENVISION
23 SOMEONE LOOKING AT A DISAGREEMENT OVER WHAT MAY BE
24 TO THEM AN IMPORTANT FACT, BUT IN REALITY A TRIVIAL
25 ONE SO THAT THE NUMBERS OF FACT-BASED REVIEWS

BARRISTERS' REPORTING SERVICE

1 WITHOUT SOME DEFINITION OF WHAT THAT REALLY MEANS
2 COULD OPEN UP ANYONE WHO'S NOT APPROVED TO APPLY.
3 SO THAT'S NO. 1.

4 NO. 2 IS I WONDER WHETHER IT IS
5 APPROPRIATE, AND THIS IS A QUESTION TO YOU, JAMES,
6 TO HAVE THESE EXPRESSED CONCERNS COME TO THE ICOC
7 DIRECTLY OR WHETHER THEY SHOULD ACTUALLY GO TO CIRM
8 AND CIRM STAFF FOR REVIEW SINCE WE'RE ASKING THEM TO
9 DO A FACT-BASED ASSESSMENT. AND THEN IF THERE'S A
10 FACT-BASED ISSUE THAT REQUIRES THE ICOC TO BE
11 INVOLVED, THAT THAT WOULD TAKE PLACE. I'M GRAPPLING
12 WITH THE BALANCE OF THE RIGHT OF SOMEONE WHO FEELS
13 THAT THEIR -- HIS OR HER APPLICATION WAS NOT
14 ADEQUATELY REVIEWED TO GO TO, AND GIVEN THE
15 BAGLEY-KEENE ACT, TO GO TO THE ICOC.

16 CHAIRMAN KLEIN: DR. PIZZO, MAYBE DR.
17 TROUNSON COULD ADDRESS THIS BECAUSE THIS POLICY
18 ASSUMES THAT AS THE APPLICATIONS COME IN, THEY, IN
19 FACT, THEN GO TO STAFF AND STAFF ACTS AS A SCREEN.

20 DR. PIZZO: I UNDERSTOOD THAT, BUT I'M
21 TRYING TO THINK OF HOW WE SIGNAL THIS TO THOSE WHO
22 ARE OFFERING THEIR CONCERN. SO RATHER THAN THE
23 LETTER BEING ADDRESSED TO THE ICOC, IS IT
24 APPROPRIATE FOR THE LETTER TO BE ADDRESSED TO CIRM
25 AND FOR CIRM TO INFORM THE ICOC THAT THESE LETTERS

BARRISTERS' REPORTING SERVICE

1 HAVE COME IN? THIS IS THE FACT-BASED REVIEW. AND
2 THEN FOR THE ICOC TO MAKE A JUDGMENT ABOUT WHETHER
3 OR NOT IT NEEDS TO DISCUSS THEM. I'M TRYING -- I'M
4 THINKING OF THE SIGNALING THAT GOES ON AND THE WAY
5 WE CREATE THE RIGHT BALANCE.

6 CHAIRMAN KLEIN: IN THE ADDRESSING THIS
7 PETITION, WHAT THEY TRIED TO CAPTURE IS BY
8 ADDRESSING IT NOT TO INDIVIDUAL MEMBERS, BUT TO THE
9 CHAIRMAN AND THE PRESIDENT, IT'S INTENDED TO FUNNEL,
10 WHETHER THEY WANT TO WRITE TO THE STAFF OR THE
11 BOARD, THERE'S ONE FUNNEL, AND ALL OF THOSE GO, ONCE
12 RECEIVED, IMMEDIATELY THEN TO THE PRESIDENT TO DEAL
13 WITH.

14 DR. PIZZO: WHY NOT HAVE IT GO TO THE
15 PRESIDENT TO START WITH?

16 CHAIRMAN KLEIN: IT DOES.

17 DR. TROUNSON: I THINK MOST OF THEM DO.
18 WHAT WE'RE A LITTLE -- WHAT WE, I THINK, ALL A
19 LITTLE CONCERNED WITH IS YOU'RE GOING TO BE DELUGED,
20 THE ICOC MEMBERS; AND WHILE THERE'S A RIGHT FOR THE
21 PUBLIC TO COMMUNICATE WITH THE ICOC MEMBERS, WE
22 WANTED THE ICOC MEMBERS TO LET US HAVE FIVE DAYS TO
23 HAVE A LOOK AT WHAT THE ISSUES WERE.

24 GENERALLY THE ISSUES OF DISAGREEMENT HAVE
25 BEEN DISCUSSED. AND SO, YOU KNOW, WE HAVE THAT IN

BARRISTERS' REPORTING SERVICE

1 OUR NOTES, PLUS MEMORY. AND IF IT'S BEEN DISCUSSED,
2 IT'S JUST A MATTER OF DISAGREEMENT AMONGST
3 SCIENTISTS. THAT'S THE PROCESS THAT'S USED IN
4 SCIENCE ALL THE TIME, AND WE SHOULDN'T EXPECT THEM
5 TO BE DIFFERENT.

6 WHERE THERE ARE OTHER MATTERS, WE LOOK
7 INTO IT IN A WAY WHICH SOMETIMES CAN REASSURE THE
8 APPLICANT CONCERNED THAT THERE'S BEEN NO BIAS
9 BECAUSE THERE WASN'T ANY ALTERATION TO THE MARKING
10 ANYWAY IN OR OUT OF THAT PARTICULAR PERSON. WHAT WE
11 DON'T WANT TO DO IS HAVE A RAFT OF COMPLAINTS THAT
12 MIGHT TOPPLE CONTINUOUSLY INTO THE PRESS, WHICH
13 WOULD BE VERY DAMAGING, I THINK, FOR THE REVIEWERS,
14 MIGHT BE DAMAGING FOR PARTICULAR REVIEWERS, MIGHT BE
15 DAMAGING FOR THE APPLICANT WHO'S WRITING BECAUSE IT
16 COULD BECOME AN ARGUMENT AS WELL, PLUS THE
17 INSTITUTE, PLUS US.

18 SO WHAT I'M TRYING TO DO IS GET A TIME FOR
19 US -- ENOUGH TIME FOR US TO HAVE A CONSIDERED VIEW
20 OF IT, AND THEN COME BACK TO YOU AND SAY THERE'S
21 EITHER NO MERIT OR IF YOU WISH MORE DETAILS, WE CAN
22 GO INTO WHAT THE REASON IS THAT THERE'S NO MERIT IN
23 THE COMPLAINTS.

24 WE GENERALLY GET A LOT OF THEM. AND GIL
25 SAMBRANO AND OTHER STAFF DEAL WITH THIS

BARRISTERS' REPORTING SERVICE

1 CONTINUOUSLY. THERE IS A -- SCIENTISTS, LIKE OTHER
2 PEOPLE, KIND OF BELIEVE THEY LIVE IN CALIFORNIA
3 SHOULD GET A GRANT. CIRM WAS SET UP TO GIVE THEM
4 GRANTS. BUT IT'S CERTAINLY SET UP TO PUSH THE FIELD
5 IN THIS AREA, BUT NOT NECESSARILY TO GIVE THEM
6 SPECIFICALLY GRANTS NO MATTER WHAT THEIR REPUTATIONS
7 ARE.

8 SO IT'S MORE ON THE BASIS OF WHATEVER
9 THEY'VE SUBMITTED IN RESPONSE TO AN RFA. IF WE
10 THINK IT'S BEEN FAIRLY DEALT WITH GIVEN EVEN THEIR
11 ISSUES, PLUS MAKING SURE THAT THERE HAS BEEN NO REAL
12 CASE OF BIAS, THEN I THINK WE COULD MAKE THAT
13 CONCLUSION. AND IF YOU WANT TO INTERROGATE, THAT'S
14 FINE WITH US. WE'VE HAD A CHANCE TO DO THAT.

15 I THINK THERE ARE VERY OCCASIONALLY SOME
16 OBVIOUS THINGS THAT WERE NOT OBVIOUS, BUT BROUGHT TO
17 OUR ATTENTION THAT WE MIGHT WANT TO DEAL WITH EITHER
18 IN-HOUSE AND TRY AND GET A RESOLUTION THAT WE THEN
19 ADVISE YOU ABOUT; OR IF IT'S A LETTER THAT'S COME TO
20 AN ICOC MEMBER, TO REASSURE THEM THAT IF THERE IS
21 SOME FACT HERE THAT NEEDS TO BE FURTHER EXPLORED OR
22 TEASED OUT OR AGREED TO AS A RE-REVIEW, THAT WE DO
23 THAT.

24 DR. PIZZO: MAY I FOLLOW? I THINK ALL OF
25 THOSE THINGS MAKE SENSE, BUT I STILL WANT TO PRESS

BARRISTERS' REPORTING SERVICE

1 MY POINT JUST A BIT, WHICH IS IT STILL SEEMS TO ME,
2 UNLESS IT'S IN VIOLATION OF --

3 CHAIRMAN KLEIN: THAT'S THE PROBLEM.

4 DR. PIZZO: LET ME MAKE THE POINT, AND
5 THEN YOU CAN TELL ME WHERE THE VIOLATION IS. THAT
6 IT WOULD BE -- WHAT I WOULD PREFER IS FOR THESE TO
7 COME TO CIRM AND FOR CIRM TO DO THE EVALUATION AND
8 TO NOTIFY THE ICOC WHEN THERE IS AN EXCEPTIONAL CASE
9 THAT NEEDS TO BE REVIEWED.

10 CHAIRMAN KLEIN: THE KEY HERE IS THAT THEY
11 HAVE A LEGAL RIGHT TO WRITE TO THE CHAIRMAN, AND WE
12 WANT TO PUT THEM ON NOTICE THAT WHETHER THEY WRITE
13 TO THE CHAIRMAN OR THE PRESIDENT, THEY'RE ALL GOING
14 TO GO TO THE PRESIDENT AND THE STAFF.

15 DR. PIZZO: MAYBE THAT'S THE NUANCE THAT
16 WILL WORK.

17 CHAIRMAN KLEIN: SO THE KEY HERE IS THEY
18 NEED TO UNDERSTAND THAT BY WRITING TO THE CHAIRMAN,
19 WHICH IS THEIR LEGAL RIGHT, IT DOESN'T DO AN END
20 AROUND ON THE PRESIDENT.

21 DR. STEWARD: SO I THINK MAYBE THE
22 CLARIFICATION IS THAT THIS DOESN'T CHANGE THE RIGHT
23 OF ANYONE TO WRITE TO THIS BOARD AT ANY TIME. IT,
24 RATHER, SORT OF SETS THE STAGE OF WHAT WE WOULD BE
25 WILLING TO CONSIDER IN A FORMAL WAY AT THE MEETING.

BARRISTERS' REPORTING SERVICE

1 IS THAT REALLY THE WAY TO SAY THIS?

2 CHAIRMAN KLEIN: THEY STILL WILL HAVE THE
3 ABILITY TO MAKE A THREE-MINUTE PRESENTATION.

4 DR. STEWARD: OR TO WRITE.

5 CHAIRMAN KLEIN: BUT THE POINT IS FOR
6 SUBSTANTIVE CONSIDERATION BY THIS BOARD, THE BOARD'S
7 SAYING WE NEED TO HAVE A PROCESS HERE. TAMAR, WOULD
8 YOU LIKE TO COMMENT ON THIS, PLEASE?

9 MS. PACTER: I JUST WANT TO TRY TO
10 CLARIFY FOR THE BOARD SOME OF THE DIFFERENT ISSUES
11 THAT WE DEAL WITH IN TERMS OF THE APPLICATION. WHAT
12 WE'RE DEALING WITH NOW IS HOW APPLICANTS COMMUNICATE
13 WITH THE BOARD PRIOR TO APPROVAL OR DISAPPROVAL, BUT
14 PRIOR TO YOUR FUNDING DETERMINATIONS. THERE'S A
15 SEPARATE PROCESS THAT EXISTS IN THE GAP FOR APPEALS
16 WHICH MAY OCCUR AFTER THE FACT OF GRANTS WORKING
17 GROUP DETERMINATIONS. THOSE ARE STRICTLY LIMITED TO
18 CONFLICTS OF INTEREST.

19 SO WHAT WE'RE TALKING ABOUT HERE IN THIS
20 PARTICULAR AGENDA ITEM IS LIMITED TO TRYING TO
21 CREATE AN ORDERLY PROCESS FOR TAKING PUBLIC COMMENT
22 FROM APPLICANTS WHO COME TO MAKE A PLEA TO THE ICOC,
23 WHICH THEY'RE ENTITLED TO DO BECAUSE YOU'RE A PUBLIC
24 BODY, TO APPROVE THEIR GRANT IN ADDITION TO WHAT
25 WENT INTO THEIR APPLICATION, IN ADDITION TO WHAT

BARRISTERS' REPORTING SERVICE

1 YOU'VE READ IN THE SUMMARIES OF THE REVIEW OF THE
2 GRANTS WORKING GROUP.

3 SO THAT'S WHAT THIS IS ABOUT. IT'S NOT AN
4 ATTEMPT TO LIMIT THAT. IT IS AN ATTEMPT TO PUT IT
5 IN SOME ORDERLY PROCESS SO THAT YOU GET SOME READ ON
6 IT FROM STAFF IN ADVANCE OF THE MEETING. THEN YOU
7 MAKE YOUR OWN DETERMINATION.

8 DR. STEWARD: COULD I JUST FOLLOW UP? I
9 WANT ACTUALLY TO BUILD A LITTLE BIT ON DR. PIZZO'S
10 COMMENT OF THE CONCERN ABOUT FACT. AS A BOARD,
11 WE'RE RATHER POORLY SITUATED TO MAKE JUDGMENTS ABOUT
12 SCIENTIFIC FACT. THAT'S WHAT THE GRANTS REVIEW
13 COMMITTEE IS REALLY ALL ABOUT. AND SO IT CONCERNS
14 ME A BIT THAT WE WOULD BE GETTING THESE APPEALS WITH
15 SOMETHING ON THE ORDER OF FIVE DAYS FOR STAFF TO DO
16 ANYTHING WITH THEM IN A MEANINGFUL WAY. AND
17 MEANINGFUL MEANS, I THINK, THAT YOU WOULD REALLY
18 ALMOST HAVE TO GO BACK TO THE ORIGINAL REVIEWERS AND
19 DISCUSS THESE ISSUES WITH THEM BECAUSE THEY'RE
20 ISSUES OF SCIENTIFIC FACT MAINLY.

21 SO AS AN ALTERNATIVE POSSIBILITY, THE WAY
22 THAT WE MIGHT BE ABLE TO GET AROUND THIS IS TO HAVE
23 THIS AVAILABLE AS A REQUEST FOR DEFERRAL OF
24 CONSIDERATION. BY THAT I MEAN EVERYTHING ELSE IS IN
25 PLACE EXACTLY AS IT IS, BUT WHAT THE APPLICANT WOULD

BARRISTERS' REPORTING SERVICE

1 DO IS REQUEST THAT THEIR APPLICATION NOT BE
2 CONSIDERED ALONG WITH THE REST OF THE APPLICATIONS
3 AND BE CARRIED OVER TO THE SUBSEQUENT ICOC MEETING
4 DURING WHICH TIME CIRM STAFF WOULD HAVE THE
5 OPPORTUNITY TO GO BACK TO THE GRANTS REVIEW GROUP
6 AND REVIEW THESE ISSUES OF FACT.

7 CHAIRMAN KLEIN: STEWARD, WHAT ABOUT THE
8 SCIENTIFIC STAFF? IN TERMS OF ECONOMY OF TIME,
9 THEY'VE DONE VERY THOROUGH REVIEWS OF THESE AT THE
10 TIME AND THEY'VE DONE WRITE-UPS OF THE REVIEWS, SO
11 THEY HAVE A LOT OF THIS. MANY OF THESE THEY CAN
12 HANDLE IMMEDIATELY.

13 WHAT WE MIGHT WANT TO DO, BASED ON YOUR
14 SUGGESTION, AND I'D LIKE TO ASK DR. TROUNSON, IS TO
15 GIVE THE STAFF THE OPTION, IF THEY THINK THEY NEED
16 ADDITIONAL TIME, OF DEFERRING A PARTICULAR ITEM THAT
17 REQUIRES MORE REVIEW.

18 DR. STEWARD: I WOULD DEFER TO STAFF'S
19 JUDGMENT ON THE TIMING ISSUE. I JUST HAVE A HARD
20 TIME BELIEVING THAT YOU COULD REALLY ESTABLISH ANY
21 CONTROVERSY OF FACT IN FIVE DAYS, ESPECIALLY --

22 CHAIRMAN KLEIN: IF SOMEONE PRESENTS AN
23 ARTICLE AND THE PEER REVIEW WAS THAT THIS HAS NEVER
24 BEEN SHOWN TO BE EFFECTIVE, AND THE ARTICLE
25 SPECIFICALLY IS PUBLISHED IN A HIGHLY RECOGNIZED

BARRISTERS' REPORTING SERVICE

1 JOURNAL, THAT MIGHT BE MATERIAL.

2 DR. STEWARD: I'M JUST ASKING -- ACTUALLY
3 I'M ASKING CIRM WHAT THEIR OPINION IS ON THIS.

4 DR. TROUNSON: I THINK, DR. STEWARD, MOST
5 OF THE ISSUES THAT ARE BROUGHT UP HAVE ACTUALLY BEEN
6 CANVASSED IN THE REVIEW AMONGST THE SCIENTISTS.
7 WHILE THE APPLICANT MAY HAVE A VIEW, THE REVIEW AS A
8 WHOLE, THE WHOLE GROUP PLUS THE PATIENT ADVOCATES,
9 HAD THE CHANCE OF BEING INVOLVED IN THE DISCUSSION
10 ABOUT WHATEVER THOSE ISSUES ARE. AND THEN A MARK IS
11 GENERATED BY 15 OF THEM.

12 I THINK IF IT'S BEEN DISCUSSED, AND
13 GENERALLY THOSE ISSUES ARE, YOU KNOW, I THINK WE
14 SHOULD ACCEPT THE REFEREE'S POINT OF VIEW, AND
15 THAT'S WHAT WE'D SAY. IT'S BEEN DISCUSSED. IT'S A
16 DIFFERENCE OF OPINION. AND THERE ARE PLENTY OF
17 THOSE IN SCIENCE. THERE MIGHT BE SOMETHING YOU
18 COULDN'T HAVE THOUGHT OF. SO UNDER CIRCUMSTANCES
19 WHERE A DEFERMENT FOR ADVICE FROM A SPECIALIST OF
20 SOME KIND OR THE SPECIALISTS THAT MIGHT HAVE BEEN
21 INVOLVED, FOR EXAMPLE, THAT IS NOT BASICALLY IN OUR
22 KNOWLEDGE FRAMEWORK COULD BE HELPFUL, AND THAT WE
23 WOULD APPRECIATE. AND WE WOULD HAVE PROBABLY PUT
24 THAT TO THE ICOC, THAT WE NEEDED MORE TIME TO LOOK
25 AT THIS.

BARRISTERS' REPORTING SERVICE

1 SO WHILE I THINK WE CAN REALLY DEAL WITH
2 THE MAJORITY OF THEM, THERE MAY BE ON OCCASION
3 SOMETHING THAT WE HAVEN'T THOUGHT OF, OR IT'S IN A
4 SPECIALTY AREA THAT WE WOULD NEED TO TAKE SOME
5 FURTHER ADVICE TO REASSURE THE ICOC THAT IT'S BEEN A
6 FAIR PROCESS THAT'S BEEN UNDERGONE.

7 CHAIRMAN KLEIN: SO JOAN, AND THEN I'M
8 GOING TO GO TO DUANE AND JEFF.

9 MS. SAMUELSON: MY GUT INSTINCT IS IF WE
10 ESTABLISH ANY SORT OF PROCEDURE, WE'RE GOING TO
11 DROWN IN THE FLOOD OF LETTERS THAT WILL USE THIS
12 PROCEDURE TO GET ONE MORE SHOT BY SIMPLY WRITING A
13 LETTER.

14 HAVING SAID THAT, LET ME MAKE THIS POINT,
15 AND IT MAY SUGGEST AN ALTERNATIVE. THE GRANTS
16 WORKING GROUP, WHICH IS REALLY CALLED THE RESEARCH
17 FUNDING WORKING GROUP, ACTUALLY HAS SIX FUNCTIONS IN
18 PROP 71. ONE OF THEM IS PEER REVIEW, BUT THE OTHERS
19 ARE THE WHOLE SOUP-TO-NUTS PROCESS OF DEVELOPING
20 CRITERIA AND THEN APPLYING THEM TO A PEER REVIEW
21 PROCESS, AND THEN GRANTS MANAGEMENT, AND SO ON. SO
22 THEY'RE A SEAMLESS PART OF THIS PROCESS, AND WE USE
23 THE WISDOM THAT THEY'RE DEVELOPING IN THE SCIENTISTS
24 AND WITH THE PATIENT ADVOCATES IN THE PEER REVIEW
25 PROCESS AND RECOMMENDING AWARDS OF GRANTS TO THEN

BARRISTERS' REPORTING SERVICE

1 INFORM THE REST OF THAT SYSTEM.

2 AND THEY' RE THE ONES WHO ARE GOING TO KNOW
3 THE BEST, I THINK, WHETHER A LETTER THAT COMES IN IS
4 REALLY AN EXTRAORDINARY SITUATION, OR IS THE
5 COMPLAINT A STRUCTURAL COMPLAINT ABOUT A PROCESS
6 THAT REALLY COULD BE BETTER, BUT DOESN' T NECESSARILY
7 MEAN THAT THERE SHOULD BE A RE-REVIEW OF THAT
8 PARTICULAR SITUATION.

9 SO IF PEOPLE ARE SENDING IN LETTERS AND
10 IT' S GOING TO GO INTO THAT SYSTEM, NOW, HOW THEY
11 HAVE THE TIME TO DO THAT I' D PUT ASIDE FOR THE
12 MOMENT. I THINK WE HAVE TO CONSIDER THIS BECAUSE
13 THIS IS WHAT THE LAW SAYS. IF PEOPLE KNOW THAT
14 THEIR LETTER IS MAYBE IN VERY EXTREME SITUATIONS
15 GOING TO TRIGGER SOME KIND OF RELIEF, BUT MORE
16 LIKELY IT' S JUST GOING TO INFORM THE PROCESS, AND
17 MAYBE RESULT IN STRUCTURAL IMPROVEMENTS IN THE
18 FUTURE, BUT NOT NECESSARILY CHANGE THE OUTCOME, I
19 THINK IT WILL DRAMATICALLY REDUCE THE NUMBER OF
20 LETTERS THAT COME IN, FIRST OF ALL. SO IT WON' T BE
21 JUST LET' S TAKE A SHOT. WE WERE TURNED DOWN. AND
22 EVERY GRANT APPLICANT IS GOING TO THINK THAT THEIR
23 GRANT DESERVED FUNDING, RIGHT? THEY' RE GOING TO
24 HAVE SOME REASONS, SOME FACTUAL REASON.

25 SO MY HOPE IS THAT IF THERE IS SUCH A

BARRISTERS' REPORTING SERVICE

1 PROCESS, IT ENABLES THAT INFORMATION TO COME IN AND
2 INFORM OUR PROCESS, BUT NOT AS LIKELY CREATE THE
3 FLOOD.

4 CHAIRMAN KLEIN: OKAY. AND, JOAN, REALIZE
5 I THINK MR. HARRISON CREATED THIS PROCESS WITH THE
6 STATUTORY ISSUE IN MIND, THAT THIS BOARD, AS
7 INFORMED BY THE SCIENTIFIC STAFF, HAS TO BE THE
8 BOARD OF FINAL DECISION AS VERSUS THE PEER REVIEW
9 COMMITTEE. SO THIS IS A PROCESS THAT REINFORCES OUR
10 STATUTORY POINT, THAT WITH THE ADVICE OF THE
11 SCIENTIFIC STAFF, WE HAVE -- THIS IS THE BOARD OF
12 FINAL DECISION TO PROTECT THE CONFIDENTIALITY AND
13 ADVISORY ROLE OF THE PEER REVIEW SYSTEM.

14 MS. SAMUELSON: UNDERSTOOD. AND
15 PRESUMABLY THESE PROVISIONS HAVE SOME MEANING IN
16 THAT CONTEXT.

17 CHAIRMAN KLEIN: OKAY. WE HAD DUANE.

18 MR. ROTH: I THINK THIS IS A VERY
19 IMPORTANT POLICY. AND I'M REALLY PLEASED WITH THE
20 WAY IT'S BEEN LAID OUT. WE DON'T HAVE AN OPEN
21 SYSTEM SO THAT PEOPLE CAN REAPPLY FOR A GRANT. SO
22 IF YOU MISS AND YOU MAKE A MISTAKE, THAT'S IT. YOU
23 ARE GOING TO BE PROBABLY A COUPLE OF YEARS UNTIL YOU
24 CAN GET BACK INTO IT. SO I THINK HAVING A WAY TO
25 ADDRESS A MATERIAL DEFECT IN THE REVIEW IS PROBABLY

BARRISTERS' REPORTING SERVICE

1 VERY IMPORTANT.

2 A COUPLE OF SUGGESTIONS, AND YOU ALLUDED
3 TO THIS. IT WOULD BE -- I THINK FIVE PAGES IS AN
4 AWFUL LOT FOR MATERIALITY, AND IT COULD BE LIMITED
5 TO, I THINK, ONE TO TWO PAGES.

6 SECOND, I THINK IT WOULD BE VERY USEFUL
7 FOR US, WHEN WE'RE REVIEWING THESE GRANTS, LIKE THAT
8 GRAY AREA TODAY, TO HAVE A COPY OF WHAT WAS SENT BY
9 THE APPLICANT, BUT, BUT COMPLETELY BLIND. SO WE
10 KEEP THE BLIND INTEGRITY. I DON'T WANT TO KNOW WHO
11 THE APPLICANT IS OR WHAT INSTITUTION, BUT I'D LIKE
12 TO SEE WHAT THEY WROTE SO I CAN COMPARE THAT
13 DIRECTLY. SO THAT WOULD BE A FURTHER REQUEST THAT,
14 IN ADDITION TO STAFF GIVING US THEIR OPINION ABOUT
15 THAT, LET US LOOK, AND THAT TELLS THE APPLICANTS WE
16 ALL HAD A CHANCE TO READ WHAT YOU SAID VERBATIM.

17 DR. TROUNSON: YOU COULD -- DUANE, WE'RE
18 PROPOSING THAT YOU COULD ASK FOR THAT, AND WE WOULD
19 CERTAINLY GIVE IT TO YOU. WE WOULD SORT OF SAY THAT
20 IN OUR VIEW THAT THESE HAVE NO MERIT; BUT IF YOU
21 WISH TO LOOK AT THAT, THAT WOULD CERTAINLY BE
22 AVAILABLE. THAT IS WHAT WE PROPOSED, JAMES.

23 MR. ROTH: SO THAT WOULD BE MY REQUEST,
24 THAT IT BE INCLUDED RIGHT IN THE BOOK. WE CAN READ
25 IT IF WE WANT TO OR NOT, BUT NOT, YOU KNOW, IT'S THE

BARRISTERS' REPORTING SERVICE

1 SALK INSTITUTE. AND THAT'S KIND OF WHERE THIS ALL
2 GOT STARTED, BUT JUST WHAT DID THE APPLICANT SAY IN
3 DEFENSE OF IT, AND WE CAN READ THEM BOTH SIDE BY
4 SIDE, AND HEAR FROM STAFF.

5 CHAIRMAN KLEIN: JEFF AND THEN DR. CSETE.

6 MR. SHEEHY: I THINK THERE'S A COUPLE OF
7 POINTS. FIRST, I REALLY WANT TO SUPPORT THE RIGOR
8 OF THE PEER REVIEW SYSTEM AND ACKNOWLEDGE THAT, LIKE
9 ANY SYSTEM, IT'S GOING TO BE IMPERFECT. AND SO I
10 WANT US TO BE VERY CAREFUL ABOUT SUGGESTING THAT
11 WE'RE GOING TO RE-REVIEW THE GRANTS AT THE BOARD,
12 WE'RE GOING TO DEFER THE GRANTS FOR RE-REVIEW. I
13 THINK THAT WILL DESTROY OUR PEER REVIEW SYSTEM.

14 AND ACTUALLY I WOULD -- I DO THINK, AND
15 JAMES AND TAMAR MAY HAVE AN OPINION ON THIS, BUT I
16 THINK DUANE IS CORRECT, THAT WE SHOULD GET THE
17 ACTUAL APPLICANT LETTER IF THEY WANT TO SEND IT TO
18 US. THAT'S THEIR RIGHT. WE SHOULD HAVE THE OPINION
19 FROM STAFF ABOUT THE MERITS, BUT THAT SHOULD COME TO
20 US.

21 HOWEVER, I DISAGREE ABOUT THE BLINDING
22 BECAUSE I THINK THAT ONCE SOMEONE COMES TO THE ICOC,
23 YOUR SCORE, YOUR NAME, YOUR INSTITUTION, PERSONALLY
24 I WOULD RELEASE WHATEVER STAFF FEELS APPROPRIATE
25 ABOUT THE FULL CRITIQUE SO THAT PEOPLE DON'T ABUSE

BARRISTERS' REPORTING SERVICE

1 THE SYSTEM BECAUSE IT CAN JUST BE GAMED. WHY
2 WOULDN'T YOU SEND IN AN APPEAL? THE ODDS -- YOU
3 KNOW, WHY WOULDN'T YOU? AND SO I WOULD SAY, YOU
4 KNOW, SOMEBODY WROTE SOMETHING FAIRLY SCATHING ABOUT
5 YOU IN A CRITIQUE THAT HASN'T REALLY SEEN THE LIGHT
6 OF DAY. YOU GOT A TWENTY. YOU MAY NOT WANT YOUR
7 COLLEAGUES TO KNOW YOU GOT A 20. THAT'S THE COST OF
8 DOING AN APPEAL.

9 SO THERE SHOULD BE -- AND AGAIN, I'VE SEEN
10 THE SCIENTISTS IN THE PEER REVIEW. THEY ARE
11 INCREDIBLY DILIGENT, AND WE SHOULD PUT OURSELVES IN
12 THE POSITION OF RE-REVIEW. WE ARE THE FINAL
13 DECISION MAKERS, AND WE SHOULD HAVE ALL THE
14 INFORMATION THAT AN APPLICANT FEELS LIKE THEY HAVE
15 THE RIGHT TO PUT IN FRONT OF US. BUT THEY SHOULD
16 KNOW THAT IF THEY'RE GOING TO CONTEST WHAT IS A
17 WELL-REGARDED SYSTEM WITHIN THE WHOLE FIELD OF
18 SCIENTIFIC ENDEAVOR FOR EVALUATING SCIENCE, THAT
19 IT'S NOT A FREEBIE. YOU DON'T JUST THROW A LETTER
20 IN AND CROSS YOUR FINGERS.

21 SO I DO THINK THAT THE REVELATION OF THE
22 SCORE, THE NAME, WHATEVER CRITICAL INFORMATION FROM
23 THE FULL CRITIQUE THAT IS NECESSARY FOR US TO
24 EVALUATE THAT STAFF FEELS APPROPRIATE SHOULD BE
25 INCLUDED SHOULD GO IN THERE.

BARRISTERS' REPORTING SERVICE

1 BUT THE OTHER POINT I WANT TO MAKE IS THE
2 REAL STANDARD SETTING AND BULWARK FOR THIS WHOLE
3 PROCESS WILL BE EACH INDIVIDUAL MEMBER OF THIS
4 BOARD. IF WE FRIVOLOUSLY PULL APPLICATIONS UP
5 BECAUSE WE'LL SIT THERE -- THIS WILL BE IN OUR
6 BINDER. IT CAN SIT IN OUR BINDER AND HAVE NO IMPACT
7 AT ALL AND SHOULD HAVE NO IMPACT UNLESS AN
8 INDIVIDUAL MEMBER FEELS SO MOVED BY WHAT THEY HAVE
9 READ TO INTRODUCE THIS INFORMATION INTO THE PUBLIC
10 RECORD AND TO HAVE THIS DISCUSSION. BUT I WOULD
11 CAUTION US TO BE VERY, VERY CAREFUL ABOUT HOW WE DO
12 THAT BECAUSE THAT WILL ULTIMATELY UNDERMINE THE
13 INTEGRITY OF OUR PEER REVIEW PROCESS, AND WE SHOULD
14 SET OURSELVES PERSONALLY A VERY HIGH STANDARD BEFORE
15 WE START PICKING THESE UP.

16 CHAIRMAN KLEIN: JEFF, RECOGNIZING THAT --
17 AND I'M GOING TO CALL ON DR. CSETE. BUT RECOGNIZING
18 THAT WE HAVE TO PROTECT PROPRIETARY INFORMATION,
19 JEFF, RECOGNIZING WE HAVE TO PROTECT PROPRIETARY
20 INFORMATION, TO THE EXTENT THERE'S A MATERIAL
21 MISTAKE AS TO PROPRIETARY INFORMATION, POTENTIALLY
22 THAT PROPRIETARY INFORMATION HAS ALWAYS BEEN TREATED
23 IN EXECUTIVE SESSION SO IT CAN BE PROTECTED. THE
24 PENALTY, IF YOU'RE TRYING TO CORRECT A MATERIAL
25 ERROR OF FACT, SHOULD NOT BE THAT YOUR PROPRIETARY

BARRISTERS' REPORTING SERVICE

1 INFORMATION BECOMES PUBLIC.

2 THE OTHER ISSUE IS TO THE EXTENT THAT THEY
3 ARE CRITICIZING PEER REVIEWERS, WHICH IS SOMETIMES
4 COMMON, WE'RE GOING TO LOSE OUR PEER REVIEWERS TO
5 HAVE ALL OF THAT BE PUBLIC. SO THE ISSUE HERE IS IF
6 THEY'RE GOING TO CRITICIZE A PEER REVIEWER OVER
7 PROPRIETARY INFORMATION, I THINK THAT THAT'S A
8 DIFFERENT TYPE OF AN ISSUE. AND WE NEED TO BE
9 CAREFUL IN OUR CONSIDERATION OF HOW THAT WILL BE
10 TREATED BECAUSE WE DON'T WANT TO LOSE ALL OF OUR
11 PEER REVIEWERS, AND WE DON'T WANT TO VIOLATE
12 PROPRIETARY INFORMATION. PLEASE JUST CONSIDER THOSE
13 IN YOUR THOUGHTS.

14 MR. SHEEHY: I AGREE. I THINK REDACTING
15 APPROPRIATE INFORMATION RELATED TO PEOPLE INVOLVED
16 IN THE PROCESS. WHERE PROPRIETARY INFORMATION IS
17 INVOLVED, I'M A LITTLE BIT -- I DON'T WANT PEOPLE --
18 YOU KNOW, I THINK PEOPLE NEED TO THINK CAREFULLY
19 BEFORE THEY APPEAL. SO THAT MAY BE A RISK THAT THE
20 APPLICANT MAY HAVE TO TAKE. WE HAVE TO TRUST OUR
21 PEER REVIEW SYSTEM. WE ARE NEVER GOING TO HAVE A
22 PERFECT PEER REVIEW SYSTEM. NOBODY DOES. AND, YOU
23 KNOW, SOMEONE WANTS TO HAVE THIS VERY INTENSE
24 PROPRIETARY INFORMATION DISCUSSION, NOBODY REALLY
25 KNOWS IT EVER TOOK PLACE AND THEY'RE ABLE TO DO

BARRISTERS' REPORTING SERVICE

1 THAT, I DON'T THINK -- I STILL THINK WE'RE
2 UNDERMINING OUR PEER REVIEW SESSION, BUT I DO
3 BELIEVE IN REDACTING THAT INFORMATION THAT MIGHT GO
4 TO THIRD PARTIES, INCLUDING REVIEWERS, NOT
5 APPROPRIATE. BUT I THINK THE APPLICANT SHOULD STAND
6 UP AND SAY I DON'T AGREE WITH THIS REVIEW. THEY
7 WANT TO DO IT, THEY SHOULD TAKE SOME HEAT.

8 CHAIRMAN KLEIN: I RECOGNIZE DR. CSETE, IF
9 I COULD PLEASE, AND THEN WE'LL RETURN TO THE BOARD.

10 DR. CSETE: THANK YOU. I JUST WANT TO
11 SPEAK FOR PEOPLE WHO DON'T HAVE A VOICE IN THIS
12 ROOM, AND THAT IS OUR REVIEW PANEL. AND I CAN SPEAK
13 TO THAT BECAUSE I WAS A REVIEW PANEL AS LONG AS
14 YOU'VE HAD -- I WAS ON THE REVIEW PANEL AS LONG AS
15 YOU'VE HAD REVIEW PANELS.

16 WHEN YOU SIGN ON TO BE A GRANTS WORKING
17 GROUP MEMBER, AND WE GO THROUGH AN ENORMOUS
18 INFORMATION PROCESS WITH THEM SO THEY KNOW WHAT
19 THEY'RE SIGNING ON FOR, IT'S A HUGE AMOUNT OF WORK.
20 AND ONE OF THE POSITIVE THINGS THAT'S WRITTEN INTO
21 THE PROCESS IS THE PROGRAMMATIC REVIEW WITH PATIENT
22 ADVOCATES AFTERWARDS. IT'S A REMINDER JUST AS THIS
23 MORNING WAS A REMINDER OF WHY THEY'RE DOING THIS
24 WORK. AND WE DON'T HAVE, AS PART OF OUR PROCESS, A
25 SYSTEM WHERE THERE'S FACTUAL RE-REVIEW. WE HAVE

BARRISTERS' REPORTING SERVICE

1 PROGRAMMATIC REVIEW.

2 AND IF THERE BECOMES A SYSTEMATIC FACTUAL
3 RE-REVIEW, WE WILL COMPLETELY DEGRADE THIS SYSTEM.

4 AND THE DIFFICULTY WE HAVE GETTING HIGH QUALITY
5 REVIEWERS WILL BECOME AN IMPOSSIBILITY.

6 SO I THINK THE OPERANT WORD IN THIS IS
7 EXTRAORDINARY. AND ON AVERAGE I THINK WE GET
8 ABSOLUTELY SPECTACULAR BALANCED REVIEWS. EVERY
9 PROCESS ISN'T PERFECT, AS MENTIONED; BUT IF YOU
10 START DEALING ONE ON ONE WITH LEGITIMATE SCIENTIFIC
11 INTERESTS, YOU WILL COMPLETELY UNDERMINE THE GRANTS
12 WORKING GROUP PROCESS. AND THAT IS AN ENGINE THAT
13 FUELS THIS IN A VERY IMPORTANT WAY.

14 CHAIRMAN KLEIN: OKAY. I'D LIKE TO --
15 DR. PRICE AND THEN STU HAD A POINT AND THEN DR.
16 PENHOET HAD A POINT. SO DR. PRICE.

17 DR. PRICE: WELL, I'D LIKE TO JUST RESPOND
18 AND ASK A QUESTION. HOW WOULD YOU OPERATIONALLY
19 DEFINE EXTRAORDINARY? I THINK YOUR POINT IS WELL
20 TAKEN. BUT SHORT OF SAYING WE HAVE NO APPEAL
21 PROCESS, HOW WOULD WE DIFFERENTIATE AN APPEAL OF
22 FACT FROM AN EXTRAORDINARY APPEAL OF FACT?

23 CHAIRMAN KLEIN: WELL, THERE'S TWO THINGS,
24 DR. PRICE. ONE IS YOU CAN HAVE A MISTAKE OF FACT IS
25 IN ISSUE, BUT MAKING IT CLEAR YOU HAVE AN EXTREMELY

BARRISTERS' REPORTING SERVICE

1 HIGH BURDEN OF PROOF ON THE APPLICANT BECAUSE IF
2 THEY UNDERSTAND COMING INTO THE SYSTEM THAT THE
3 COMPLETE BURDEN OF PROOF IS ON THEM AND IT'S A VERY
4 HIGH BURDEN OF PROOF, THEY'RE GOING TO UNDERSTAND
5 THAT THEY'RE GOING TO HAVE TO HAVE AN
6 EXTRAORDINARILY PERSUASIVE PIECE OF EVIDENCE TO MAKE
7 AN IMPACT HERE.

8 DR. CSETE, ANY ADDITIONAL?

9 DR. CSETE: YOU ARE LEAVING IT TO OUR
10 JUDGMENT. AND REMEMBER THAT WE'RE IN THE ROOM FOR
11 THE REVIEW PROCESS, ALAN AND I, PAT, THE WHOLE
12 SCIENCE STAFF IS IN THE ROOM. SO THERE ARE
13 OPPORTUNITIES FOR US WHEN WE HEAR THINGS THAT ARE
14 JUST NOT QUITE RIGHT OR AMBIGUOUS OR SEEM TO BE HUGE
15 DIFFERENCES OF OPINION IN THE ROOM FOR US TO
16 INTERVENE IN THAT CONVERSATION. SO I THINK THE
17 NUMBER OF TIMES WHERE WE HAVE, BASED ON THE KINDS OF
18 LETTERS THAT WE RECEIVE, AN EXTRAORDINARY DIFFERENCE
19 IN WHAT WAS IN THE REVIEW AND WHAT ACTUALLY SHOULD
20 HAVE BEEN THE OUTCOME OF THE REVIEW PROCESS IS VERY,
21 VERY SMALL.

22 DR. PRICE: I UNDERSTAND. I THOUGHT YOU
23 WERE ARGUING AGAINST ADOPTING THIS, SAYING IT WOULD
24 UNDERMINE THE WHOLE SYSTEM.

25 DR. CSETE: I AGREE THAT THE PROCESS HAS

BARRISTERS' REPORTING SERVICE

1 TO BE MORE ORDERLY, BUT I THINK THAT THE RESPONSE
2 HAS TO BE THAT ONLY EXTRAORDINARY THINGS WILL MERIT
3 A RELOOK AT THE APPLICATION. AND EVERY APPLICANT IS
4 SO IMPASSIONED ABOUT WHAT THEY THINK IS AN IMPORTANT
5 FACT OR AN IMPORTANT MISSTATEMENT IN THE REVIEW,
6 THAT YOU WILL BE QUITE INFLUENCED TO TAKE ALL OF
7 THEM VERY SERIOUSLY. AND I WOULD REALLY ENCOURAGE
8 YOU TO THINK CAREFULLY ABOUT TAKING THEM ALL VERY
9 SERIOUSLY.

10 CHAIRMAN KLEIN: THANK YOU.

11 DR. PRICE: I WAS JUST RESPONDING. I HAVE
12 ONE COMMENT WHICH RELATES TO WHAT JEFF WAS TALKING
13 ABOUT IN A TERMS OF WHETHER THESE -- WHETHER THE
14 INDIVIDUAL PI MAKING THE APPEAL DOES THIS PUBLICLY
15 AND, THEREFORE, OPENS UP THE ENTIRE PROCESS TO US,
16 TO THE PUBLIC. THESE PEOPLE ARE ALLOWED -- BY LAW
17 ARE PERMITTED TO COME AND SPEAK TO US IN PUBLIC. SO
18 SHOULD WE PROVIDE A SECOND AVENUE TO DO SO WHERE
19 THEY DON'T HAVE TO SPEAK TO US IN PUBLIC, THEY CAN
20 DO IT SORT OF ON THE SIDE? I THINK NOT. IF THE
21 APPEAL PROCESS IS A PUBLIC PROCESS, THEN I THINK THE
22 APPEAL THEY MAKE TO US IS A PUBLIC PROCESS. AND
23 THAT IS -- AND THEY HAVE TO DEAL WITH WHETHER OR NOT
24 THEY WANT THE DOWNSIDE CONSEQUENCES OF MAKING ALL
25 THIS INFORMATION PUBLIC. IT'S A NICE DISINCENTIVE,

BARRISTERS' REPORTING SERVICE

1 BY THE WAY, WHEN YOU SAY SO MUCH FRIVOLOUS OR
2 NONEXTRAORDINARY APPEALS BEING MADE.

3 CHAIRMAN KLEIN: OKAY.

4 DR. STEWARD: JUST TO BUILD ON THAT, AS I
5 UNDERSTAND IT, NO MATTER WHAT WE SAY HERE, THE
6 PUBLIC IS STILL PERMITTED TO WRITE US LETTERS OF ANY
7 SORT, RIGHT? WE HAVE TO KEEP THAT IN MIND. SO IN A
8 SENSE WE'RE ALMOST TALKING ABOUT APPLES AND ORANGES
9 HERE. WE CAN MAKE A POLICY FOR CIRM'S REVIEW. WE
10 CAN MAKE A POLICY THAT IS ADVISORY TO US ABOUT WHAT
11 WE WILL CONSIDER; BUT AT THE END OF THE DAY, ANYBODY
12 CAN SEND IN ANYTHING THEY WANT, LETTER OR STAND UP
13 HERE AND TALK. SO THAT'S ONE THING.

14 I JUST WANT TO BUILD ON JEFF'S POINT
15 THOUGH. I THINK THAT WHATEVER POLICY WE MAKE REALLY
16 SHOULD SET A VERY HIGH BAR AND MAKE IT A DIFFICULT
17 THING OR AT LEAST A CHALLENGING THING FOR AN
18 INVESTIGATOR TO DO. AND SO I THINK THAT THERE
19 SHOULD BE A SITUATION WHERE IF A PERSON WRITES TO
20 THE ICOC, THAT LETTER IS A PUBLIC DOCUMENT. THE
21 INSTITUTION HAS TO BE NAMED, THE PERSON HAS TO BE
22 NAMED. IT IS OUT OF THE BOUNDS OF CONFIDENTIALITY
23 ONCE THEY DO THAT. IT ALMOST HAS TO BE BECAUSE, IN
24 FACT, IT'S AN OPEN LETTER TO THE BOARD.

25 CHAIRMAN KLEIN: WELL, THE NAME AND THE

BARRISTERS' REPORTING SERVICE

1 INSTITUTION IS ONE THING. THE INITIATIVE PROTECTS
2 PROPRIETARY INFORMATION. IT IS INTENDED TO PROTECT
3 IT. IT IS INTENDED TO PRESERVE THAT AS A RIGHT. SO
4 IN TERMS OF JEFF'S COMMENTS ABOUT REDACTING
5 PROPRIETARY INFORMATION, AND CRITICISM OF REVIEWERS
6 RELATED TO THAT PROPRIETARY INFORMATION BECAUSE
7 OTHERWISE WE'RE GOING TO LOSE OUR REVIEWERS.

8 DR. STEWARD: AGAIN, YOU CAN'T STOP PEOPLE
9 FROM WRITING ANYTHING THEY WANT IN AN OPEN LETTER TO
10 THE BOARD.

11 CHAIRMAN KLEIN: THEY CAN DO THAT. IT IS
12 IMPORTANT TO THE PRESERVATION OF THE ABILITY TO GET
13 REVIEWERS THAT WE TRY AND SET A STANDARD.

14 WE HAVE DR. PENHOET AND THEN SHERRY
15 LANSING.

16 DR. PENHOET: TWO POINTS. IN MY VIEW, THE
17 OPERATIVE TERM SHOULD BE -- SHOULD BE FACT AND NOT
18 EXTRAORDINARY. I THINK BY INVITING PEOPLE TO FILL
19 UP FIVE PAGES, IT'S HARD TO IMAGINE THERE ARE FIVE
20 PAGES WORTH OF FACT. SO I THINK WE SHOULD DO
21 EVERYTHING WE CAN TO DISCOURAGE ANY DISCOURSE ABOUT
22 THE DEBATE ON THE SCIENTIFIC MERITS OF A PROPOSAL.
23 THAT'S WHAT OUR SCIENTIFIC REVIEW GROUP IS THERE TO
24 DO, ETC. AND I THINK THAT, YOU KNOW, THESE TWO
25 RELATED ISSUES, THE LENGTH AND STICK TO THE FACTS,

BARRISTERS' REPORTING SERVICE

1 IF YOU ALLOW FIVE PAGES AND YOU SORT OF ALLOW A
2 DISCOURSE ON THE REVIEW ITSELF, THEN I THINK WE
3 REALLY DO OPEN OURSELVES UP TO EXACTLY JEFF'S POINT.

4 SO I PERSONALLY THINK WE SHOULD ONLY
5 ACCEPT OR WE SHOULD ONLY PROCESS LETTERS WHICH ARE
6 TRULY BASED ON FACT, DEMONSTRABLE FACT, AND NOT
7 ENCOURAGE THE DEBATE. BUT I THINK, AS OS POINTED
8 OUT, THE LETTERS ARE COMING IN NOW, SO I THINK WE DO
9 NEED SOME ORDERLY PROCESS.

10 I DO HAVE ONE SUGGESTION ABOUT THE WORDING
11 HERE, WHICH IS PERSONALLY I WOULD DROP UNDER NO. 3
12 EVERYTHING THAT FOLLOWS THE ICOC. YOU KNOW, I THINK
13 STAFF SHOULD GIVE US A PERSPECTIVE ON THIS. WHETHER
14 IT'S MERITORIOUS OR NOT IN THE END PROBABLY HAS TO
15 BE DECIDED BY US, SO I THINK THEY CAN SAY WE DON'T
16 THINK IT'S VERY GOOD OR HAVE A FACT BASIS OF WHAT IT
17 IS. AGAIN, I THINK IF WE STICK TO THE FACTS, IT
18 MAKES IT A LOT EASIER FOR YOU TO SAY THIS IS
19 FACTUALLY CORRECT OR IT'S FACTUALLY INCORRECT.

20 DR. TROUNSON: SOME OF THOSE CAN'T BE
21 PROVEN. WHAT SOMEBODY BELIEVES IS A WHOLE LOT OF
22 OTHER PEOPLE DON'T, SO THAT'S WHY THE REVIEW GOES
23 ON. SOME THINGS TENDERED AS FACT ARE, IN FACT,
24 DISAGREEMENTS OF FACT. THAT, YOU KNOW, THAT FACTS
25 ARE NOT ESTABLISHED, YOU KNOW, UNDER THE PREMISE OF

BARRISTERS' REPORTING SERVICE

1 ABSOLUTE PROOF.

2 DR. PENHOET: IF THAT WERE THE CASE, I'D
3 LOVE TO HEAR FROM YOU GUYS ABOUT WHAT YOUR HOMEWORK
4 WAS TO DETERMINE THE BALANCE OF THE FACTS.

5 CHAIRMAN KLEIN: DR. PENHOET, BEFORE WE DO
6 THAT, SO THAT WE CONTINUE, SHERRY LANSING HAS A
7 POINT. BUT JAMES HARRISON HAS, I THINK, A LEGAL
8 POINT HE WANTS TO MAKE IN EXPLANATION OF AND IN
9 RESPONSE TO SOME OF THE POINTS ALREADY MADE BY THE
10 BOARD.

11 MR. HARRISON: I'D JUST LIKE TO CLARIFY
12 THREE POINTS. FIRST, THE POLICY AS WRITTEN REQUIRES
13 THAT LETTERS LIKE THIS THAT ARE SUBMITTED TO THE
14 PRESIDENT BE DISTRIBUTED TO THE BOARD.

15 SECONDLY, THE POINT ABOUT REDACTION WAS
16 INTENDED TO GO ONLY TO PROPRIETARY INFORMATION OR,
17 FOR EXAMPLE, ATTACKS ON REVIEWERS WHERE WE MAKE A
18 DETERMINATION THAT THE PUBLIC INTEREST AND
19 DISCLOSURE OF THAT INFORMATION IS OUTWEIGHED BY OUR
20 INTEREST IN REDACTING IT TO PROTECT THE REVIEWERS
21 PERSONALLY.

22 AND FINALLY, THE POLICY WAS NOT INTENDED
23 TO SUGGEST THAT EVERYONE WHO SUBMITS A LETTER TO THE
24 BOARD WILL HAVE THAT LETTER DISCUSSED AT A MEETING
25 LIKE THIS, BUT RATHER TO GIVE YOU DISCRETION TO SEE

BARRISTERS' REPORTING SERVICE

1 THE LETTERS. AND IF YOU THINK A LETTER RAISES AN
2 INTEREST THAT YOU' D LIKE TO DISCUSS, TO RAISE A
3 QUESTION ABOUT IT. IT' S NOT MEANT TO SUGGEST THAT
4 WE HAVE A ROUTINE REVIEW IN CONSIDERATION OF EACH
5 LETTER THAT' S SUBMITTED.

6 CHAIRMAN KLEIN: SHERRY HAS THE FLOOR.

7 MS. LANSING: I JUST WANT TO SAY THAT I
8 REALLY BELIEVE STRONGLY -- I' M ALL FOR THIS. I
9 REALLY BELIEVE STRONGLY THAT WE NEED A POLICY.
10 WHETHER YOU WANT TO USE THE WORD "FACTS," WHETHER
11 YOU WANT TO USE EXTRAORDINARY, HOW ABOUT JUST
12 EXCEPTIONS, DO YOU KNOW. WE HAVE A POLICY FOR
13 POSSIBLE EXCEPTIONS.

14 I GET THESE LETTERS, EVERYONE GETS THESE
15 LETTERS. I THINK REPRESENTING THE PUBLIC WE HAVE A
16 RESPONSIBILITY TO RESPOND. HOW THE SCIENTISTS
17 CHOOSE TO RESPOND, YOU' RE GOING TO ADVISE US. AND
18 IT' S A FINE LINE BECAUSE WE DO NOT WANT TO INTERFERE
19 WITH THE PROCESS THAT IS WORKING.

20 SO MY FEELING IS THAT WE JUST -- THIS IS
21 JUST A PROCESS FOR US TO RESPOND TO PEOPLE THAT ARE
22 LOOKING FOR EXCEPTIONS.

23 CHAIRMAN KLEIN: SO I THINK DR. PIZZO AND
24 THEN GO BACK TO -- IF I COULD, STU, GO TO DR.
25 POMEROY WHO HASN' T HAD A CHANCE TO SPEAK TO THIS

BARRISTERS' REPORTING SERVICE

1 AFTER DR. PIZZO.

2 DR. PIZZO: SO I'M BACK TO WHERE I WAS AT
3 THE VERY BEGINNING, WHICH IS HOW WE'RE DEFINING FACT
4 AND THE ISSUE AROUND EXCEPTION. I THINK THAT PART
5 OF WHAT WE'RE DEALING WITH IS TWOFOLD. ONE IS THE
6 EXPECTATIONS OF INVESTIGATORS MAKING PROPOSALS WHO
7 GET A NONFUNDED REVIEW WHO HAVE SOME BASIS FOR
8 WANTING TO CONTEST THAT, FACT-BASED OR OTHERWISE.
9 AND I THINK PART OF WHAT WE NEED OR WHAT WE'RE
10 STRUGGLING WITH IS IS THERE A PROCESS FOR THAT TO
11 HAPPEN?

12 SO INDEPENDENT OF EXCEPTION, I THINK WE
13 MAY WANT TO COMMUNICATE THAT IF YOU HAVE SOME BASIS
14 FOR DISAGREEMENT, IT'S APPROPRIATE TO DIRECT YOUR
15 COMMENTS TO CIRM FOR A FACT-BASED CONTENTION, IF YOU
16 WILL, ABOUT THE PROCESS.

17 COUPLED WITH THAT COULD BE, THEN, IF YOU
18 FEEL THAT, ON THE BASIS OF THAT APPEAL, THAT YOU
19 WANT TO TAKE YOUR CASE TO THE ICOC, SO IT'S LIKE
20 GOING FROM STUDY SECTION TO COUNCIL, YOU KNOW, THAT
21 CAN HAPPEN, BUT IT WILL GO THROUGH A PROCESS THAT
22 IS, IN ESSENCE, CAPTURED IN THIS. SO I'M PUTTING
23 FORWARD A KIND OF TIERED APPROACH. ONE OF THEM IS
24 THE GENERAL INFORMATION IS THAT IF YOU HAVE A
25 FACT-BASED OR CONTENT DISAGREEMENT, YOU HAVE A RIGHT

BARRISTERS' REPORTING SERVICE

1 TO BRING THAT TO CIRM.

2 IF YOU WANT TO FLAG THAT, BECAUSE OF THE
3 LACK OF RESPONSIVENESS THAT YOU FEEL STILL OBTAINS
4 FROM CIRM, YOU CAN MAKE YOUR APPEAL TO THE ICOC.
5 AND THAT WILL TAKE PLACE WITH, AGAIN, THE ICOC BEING
6 INFORMED OF THE FACT-BASED REVIEW. SO THAT WOULD
7 CREATE A GREATER ONUS. SO IT SORT OF TAKES ME BACK
8 TO WHERE I WAS AT THE BEGINNING, BUT MAYBE
9 ARTICULATES THIS A LITTLE BIT MORE CRISPLY IN TERMS
10 OF HOW IT MIGHT BE CAPTURED.

11 CHAIRMAN KLEIN: I THINK THAT THAT IS THE
12 INTENTION OF THIS PROCESS. AND SO NARRATIVELY, IT
13 COULD BE DESCRIBED BY THE PRESIDENT IN DESCRIBING
14 THE PROCESS, WHICH IS EVERYONE IS INTENDED TO DEAL
15 WITH SCIENTIFIC STAFF FIRST; AND, IN FACT, IF THE
16 SCIENTIFIC STAFF GIVES THEM A STRONG INDICATION THAT
17 THEY DON'T BELIEVE THERE IS A DIFFERENCE OF MATERIAL
18 FACT, THEN HOPEFULLY THEY WILL UNDERSTAND THAT THIS
19 EXTRAORDINARY PETITION IS NOT LIKELY TO HAVE A
20 YIELD. BECAUSE I THINK THE MOOD OF THIS BOARD, AS
21 EXPRESSED HERE, IS THAT IT WILL TAKE A MAJOR
22 PERSUASIVE SHOWING OF VERY HIGH BURDEN OF PROOF ON
23 THE APPLICANT'S PART BEFORE A BOARD MEMBER IS GOING
24 TO ASK FOR THIS TO BE BROUGHT INTO THE DEBATE.

25 DR. TROUNSON: I THINK, CHAIR, IT IS AS IT

BARRISTERS' REPORTING SERVICE

1 IS, PHILIP, THAT THEY DO CONTACT US IN LARGE
2 NUMBERS. AND SO MAYBE WE OUGHT TO SORT OF RECOGNIZE
3 THAT IT STILL EXISTS THE TWO TIERS. IT'S MORE OUR
4 CONCERN THAT YOU ARE GOING TO BE INUNDATED AND BE
5 FORCED TO TRY AND MAKE DECISIONS ON A DAY'S NOTICE
6 YOURSELVES WITHOUT US BEING ABLE TO INFORM YOU.

7 DR. PIZZO: SO I'M SUGGESTING THAT WE, IN
8 ESSENCE, CODIFY THE PROCESS TO HAVE AN ORGANIZED
9 APPROACH SO THAT IF YOU HAVE A DISAGREEMENT ABOUT
10 YOUR GRANT, YOU HAVE A RIGHT TO MAKE AN APPEAL, IF
11 YOU WILL, TO CIRM. AND IF YOU FEEL THAT THE ANSWER
12 IS STILL UNSATISFACTORY, AND YOU WANT TO, FOR
13 EXCEPTIONAL REASONS, BRING THAT TO THE ATTENTION OF
14 THE ICOC, YOU HAVE A RIGHT TO DO THAT, BUT, YOU
15 KNOW, YOU NEED TO KNOW THAT IT'S GOING TO COME WITH
16 A FACT-BASED ASSESSMENT. SO THAT IN A SENSE WE'RE
17 REALLY TRYING TO SET EXPECTATIONS THAT WE'RE BROAD,
18 WE'RE TRANSPARENT, WE'RE BEING FAIR, BUT WE'RE ALSO
19 IN A SENSE HELPING TO DEFINE OR MOVE PEOPLE TOWARD A
20 DEFINITION OF WHAT REALLY IS THE WEIGHT OF
21 EXCEPTION.

22 CHAIRMAN KLEIN: SO, DR. PIZZO, NOT TO
23 OVERBURDEN STAFF WITH THE -- I'M THINKING THAT YOUR
24 USE OF THE WORD "APPEAL TO CIRM STAFF" IS YOU CAN
25 HAVE A DISCUSSION WITH THE STAFF ABOUT YOUR ISSUE AS

BARRISTERS' REPORTING SERVICE

1 A SCREENING MECHANISM THAT WILL GIVE YOU SOME
2 IMMEDIATE FEEDBACK SO THAT THEY DON'T IMMEDIATELY
3 LAUNCH INTO A WRITTEN APPEAL OF SOME KIND.

4 DR. PIZZO: EXACTLY. I'M NOT SUGGESTING
5 THAT THESE GO BACK FOR RE-REVIEW TO THE REVIEW
6 GROUPS. I THINK THAT WOULD BE A MISTAKE. I THINK
7 WHAT WE'RE DOING IS SETTING THRESHOLD EXPECTATIONS.

8 CHAIRMAN KLEIN: CAN I DO THIS? WE CAN'T
9 TAKE A FORMAL ACTION TODAY. WE'VE HAD A LOT OF GOOD
10 INPUT. WE HAVE TO GO THROUGH A LOAN POLICY AND SOME
11 OTHER ITEMS. I'D LIKE TO ASK FOR SOME PUBLIC INPUT
12 VERY QUICKLY WITH THE THOUGHT THAT PERHAPS WITH THE
13 BENEFIT OF THIS IN THE SEPTEMBER MEETING, WE CAN
14 HAVE A FORMAL PRESENTATION INTEGRATING THIS
15 INFORMATION, PERHAPS LIMITING DOWN THE PAGES MORE,
16 HAVING THE DEFERRAL OPTION FOR THE STAFF THAT STU
17 MENTIONED BECAUSE WE NEED TO MOVE FORWARD IN OUR
18 AGENDA.

19 DR. STEWARD: JUST BEFORE WE DO, CAN I
20 JUST MAKE ONE POINT BECAUSE I THINK THIS IS REALLY
21 CRITICAL? I'M CONFUSED NOW. I REALLY AM BECAUSE I
22 THINK THAT WHAT WE'RE TALKING ABOUT HERE, WHAT DR.
23 PIZZO IS TALKING ABOUT, REALLY IS A FUNDAMENTAL
24 AMENDMENT TO THE GAP. I DON'T THINK WE WANT TO DO
25 THAT. THE GAP STATES RIGHT NOW FORMAL APPEAL OF

BARRISTERS' REPORTING SERVICE

1 SCIENTIFIC REVIEW IS LIMITED TO INSTANCES WHERE A
2 DEMONSTRABLE FINANCIAL OR SCIENTIFIC CONFLICT OF
3 INTEREST HAD A NEGATIVE IMPACT ON THE REVIEW PROCESS
4 AND RESULTED IN A FLAWED REVIEW. I THINK THAT'S THE
5 ONLY REASON THAT THERE SHOULD BE AN APPEAL TO CIRM.

6 WE'RE TALKING HERE ABOUT SOMETHING ELSE.
7 WE'RE TALKING ABOUT THESE LETTERS THAT ARE COMING
8 INTO US AS THE ICOC. AND I THINK THAT WHAT YOU'RE
9 TALKING ABOUT REALLY THEN WOULD CAUSE US TO MODIFY
10 THAT FUNDAMENTAL GAP PROCESS.

11 SO I WOULD JUST LIKE TO RAISE THE POINT
12 THAT WE FOCUS ON THESE LETTERS THAT COME TO THE ICOC
13 ONLY AND TALK ABOUT THE ISSUES UNDER -- THE
14 CIRCUMSTANCES UNDER WHICH WE WOULD CONSIDER IT.
15 THAT'S REALLY WHAT WE'RE TALKING ABOUT. AND LIMIT
16 IT TO THAT.

17 DR. PIZZO: I TAKE YOUR POINT, BUT I DON'T
18 AGREE BECAUSE I DO THINK THAT THE DETERMINATION OF
19 WHETHER THERE'S A FUNDAMENTAL PROBLEM WITH THE
20 SCIENTIFIC REVIEW IS IN A SENSE IN THE EYES OF THE
21 BEHOLDER. WE'VE ALL BEEN ON BOTH ENDS OF THAT
22 EQUATION, RIGHT? AND SO I THINK THAT I'M NOT
23 SUGGESTING ANYTHING THAT WOULD CHANGE THE GAP. I
24 THINK THAT WHAT I'M SUGGESTING IS THAT WE'RE SIMPLY,
25 AS WE ANNOUNCE THIS, WE'RE CODIFYING THIS, THAT WE

BARRISTERS' REPORTING SERVICE

1 COULD REFER TO THE GAP AND SAY IF YOU HAVE A
2 CONCERN, THIS IS THE PROCESS YOU FOLLOW.

3 BUT WHAT I'M ALSO TRYING TO DO IS, AS
4 OTHERS HAVE DURING THE DISCUSSION, IS RAISE THE BAR
5 OF EXPECTATION AROUND WHAT SHOULD COME TO THE ICOC
6 BECAUSE THESE CAN ALSO BE, AS THEY HAVE BEEN, QUITE
7 HONESTLY, POLITICIZED VIEWS, SUBJECT TO INDIVIDUALS.
8 AND WE'LL WIND UP GETTING CAUGHT IN A QUAGMIRE OF
9 INTERNAL DEBATE.

10 CHAIRMAN KLEIN: IF I COULD TAKE PUBLIC
11 COMMENT BECAUSE I'VE ALREADY CALLED FOR THAT, JOAN,
12 IF WE CAN DO THAT. DR. POMEROY.

13 DR. POMEROY: YOU SAID I WAS NEXT.

14 CHAIRMAN KLEIN: THAT IS EXACTLY RIGHT.
15 MY APOLOGIES TO THE PUBLIC BECAUSE I HAD
16 SPECIFICALLY RECOGNIZED DR. POMEROY, WHO HAS NOT HAD
17 A CHANCE TO SPEAK.

18 DR. POMEROY: I JUST WANT TO URGE MY
19 COLLEAGUES ON THIS BOARD TO KEEP IN MIND WHAT OUR
20 ROLE IS VERSUS WHAT THE CIRM STAFF'S ROLE IS. AND I
21 THINK THAT SOME OF THE SEMANTICS THAT WE'VE USED ARE
22 UNFORTUNATE BECAUSE THIS SHOULD NOT BE ABOUT AN
23 APPEAL TO US ON THE SCIENTIFIC GROUNDS. WE ARE NOT
24 THE SCIENTIFIC REVIEWERS. WE HAVE A REVIEW PANEL
25 THAT DOES THAT. WE AS A BOARD, OUR ROLE IS -- ALL

BARRISTERS' REPORTING SERVICE

1 OF US ARE SCIENTIFIC REVIEWERS IN OTHER LIVES. WE
2 HAVE TO LET THAT GO. AND OUR ROLE ON THIS BOARD IS
3 TO THINK ABOUT THE PROGRAMMATIC AND THE PUBLIC AND
4 ALL THOSE PERSPECTIVES. AND I THINK IT IS VERY
5 IMPORTANT THAT WHEN WE SEE THIS AGAIN IN SEPTEMBER,
6 IT IS MADE QUITE CLEAR WHAT THE APPROPRIATE THINGS
7 TO BRING TO THE ICOC WOULD BE.

8 I THINK THOSE ARE NOT APPEALS BECAUSE
9 THERE'S NOTHING TO APPEAL. THERE'S NOT BEEN A
10 DECISION YET. AND THEY'RE NOT SCIENTIFIC
11 EXCEPTIONS. THEY'RE ADDITIONAL INFORMATION THAT IS
12 PERTINENT TO OUR ROLE AS BOARD MEMBERS. AND THAT
13 PROBABLY IS MOSTLY ABOUT THE MIDDLE TIER OF
14 APPLICATIONS BECAUSE THOSE ARE THE ONES THE REVIEW
15 PANEL HAS ASKED US TO HAVE A SAY ABOUT AND TO
16 CONSIDER.

17 SO AS WRITTEN THIS IS BASICALLY AN APPEAL
18 PROCESS THAT COULD INCLUDE SCIENTIFIC MERIT AND ALL
19 SORTS OF THINGS, SO IT NEEDS TO BE MUCH MORE
20 SPECIFIC BEFORE I CAN SUPPORT IT.

21 CHAIRMAN KLEIN: OKAY. SO I'D LIKE TO
22 EMPHASIZE THAT ON A STATUTORY BASIS THE REASON FOR
23 EXECUTIVE SESSION FOR PROPRIETARY REVIEWS HERE AT
24 THIS BOARD AND FOR DISCUSSIONS THAT CAN COVER
25 SCIENCE HERE IS ON A STATUTORY BASIS, WE HAVE TO BE

BARRISTERS' REPORTING SERVICE

1 THE FINAL DECISION MAKER ON SCIENCE AS WELL AS
2 PROGRAMMATIC BASIS. WE RESPECT THE INPUT OF THE
3 PEER REVIEW PROCESS, AND WE HAVE A GREAT COMMITMENT
4 TO THE INTEGRITY OF THAT PROCESS. BUT, IN FACT, ON
5 THIS BOARD WE HAVE A GREAT DEAL OF SCIENTIFIC AND
6 CLINICAL KNOWLEDGE, AND THROUGH THE PATIENT
7 ADVOCATES EXPOSURE TO SCIENTIFIC KNOWLEDGE OR
8 THROUGH THE INDUSTRY REPRESENTATIVES EXPOSURE TO
9 SCIENTIFIC KNOWLEDGE THAT IS PERTINENT. SO IT'S A
10 BALANCE.

11 BUT I HEAR YOU. AND I WOULD LIKE TO SAY
12 THAT STATUTORILY WE HAVE TO BE THE FINAL DECISION
13 MAKER ON A SCIENTIFIC BASIS. WITH DUE RESPECT, WE
14 TAKE GREAT WEIGHT AND LISTEN CAREFULLY TO THE PEER
15 REVIEW SYSTEM AND THE ADVICE WE GET THROUGH IT AS
16 WELL AS GREAT WEIGHT FROM THE SCIENTIFIC STAFF WE
17 HAVE AS AN AGENCY AND THEIR POSITION.

18 DR. POMEROY: MY FINAL QUESTION IS
19 ACTUALLY A QUESTION FOR JAMES, WHICH IS, IS IT
20 LEGALLY ALLOWABLE FOR US TO SAY THAT IF YOU SUBMIT A
21 WRITTEN ADDITIONAL INFORMATION, THAT YOU WAIVE YOUR
22 RIGHT TO PUBLIC HEARING BECAUSE PART OF THIS IS TO
23 MOVE OUR PROCESS ALONG. WHAT PREVENTS EVERYONE FROM
24 BOTH SENDING US THE LETTER AND COMING TO READ THE
25 LETTER TO US?

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: TO ANSWER YOUR FIRST
2 QUESTION, NO. WE CAN'T ASK SOMEONE TO WAIVE THEIR
3 RIGHT TO SPEAK PUBLICLY AT A MEETING. HOWEVER, THE
4 INTENT OF THE POLICY IS TO ADVISE APPLICANTS THAT IF
5 THEY DON'T SUBMIT SOMETHING IN WRITING FIVE DAYS IN
6 ADVANCE OF THE MEETING, WE'RE NOT GOING TO CONSIDER
7 THEIR COMMENTS OR TAKE ANY ACTION ON THEM AT THE
8 MEETING.

9 DR. POMEROY: SO WE'RE GOING TO LET THEM
10 SPEAK AND THEN IGNORE THEM. IS THAT WHAT THIS
11 PROPOSED POLICY SAYS?

12 MR. HARRISON: CORRECT.

13 MS. SAMUELSON: FOLLOW-UP QUESTION FOR
14 JAMES.

15 CHAIRMAN KLEIN: LET'S DO THIS. WE'VE HAD
16 A VERY GOOD AND VERY THOUGHTFUL INPUT FROM A NUMBER
17 OF PEOPLE, BUT THE PUBLIC NEEDS TO HAVE INPUT HERE.

18 MR. SIMPSON: JOHN SIMPSON FROM CONSUMER
19 WATCHDOG. IT SEEMS TO ME YOU'RE CONFUSING A COUPLE
20 OF ISSUES HERE. I UNDERSTOOD THIS. YOU HAVE, IN
21 FACT, AT SEVERAL MEETINGS RECEIVED LETTERS AND
22 RECEIVED PUBLIC COMMENT THAT I THINK ACTUALLY SWAYED
23 YOU. AT THE TIME THAT THOSE THINGS HAPPENED, PEOPLE
24 SAID, WAIT A MINUTE. WE NEED A LEVEL PLAYING FIELD.
25 I SEE THIS ESSENTIALLY AS A WAY NOT TO INSTITUTE AN

BARRISTERS' REPORTING SERVICE

1 APPEAL PROCESS, BUT IT IS A WAY TO BRING ORDER TO
2 THE CHAOS OF PEOPLE WHO DECIDE TO, IN FACT, LOBBY
3 THE BOARD, WHICH AS PUBLIC OFFICIALS PEOPLE ARE
4 ENTITLED TO DO.

5 SO WHAT YOU'RE TRYING TO DO IS COME UP
6 WITH AN ORDERLY PROCESS TO DEAL WITH LOBBYING. AND
7 SO I THINK THIS GOES THAT WAY. AND I THINK IF YOU
8 LOBBY A BOARD, YOU HAVE TO UNDERSTAND THAT WHEN YOU
9 DO IT, ANYTHING YOU PUT IN WRITING IS PART OF THE
10 PUBLIC RECORD, AND IT THEN THEREFORE -- IT'S A
11 PUBLIC DOCUMENT. I CAN ASK FOR IT. I SOMETIMES
12 FILE REQUESTS FOR ALL THOSE KINDS OF THINGS.
13 SOMETIMES PEOPLE GET EMBARRASSED WHEN I ASK FOR
14 THEM. SO YOU FACILITATE THE PROCEDURE BY SIMPLY
15 POSTING THEM BEFORE THE MEETING, AND, YOU KNOW,
16 PROBABLY PEOPLE'S SCORES BECOME PUBLIC THEN TOO.
17 AND I SUSPECT THAT IT WON'T BE AS HORRIBLE AS SOME
18 OF YOU THINK. IT'S NOT AN APPEAL PROCESS. IT IS
19 A -- HOW WE'RE GOING TO HANDLE LOBBYING. AND THAT'S
20 PERFECTLY APPROPRIATE. THANK YOU.

21 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
22 SHERRY, IF I COULD JUST TAKE ONE MORE PUBLIC COMMENT
23 AND THEN --

24 MS. LANSING: JOHN, I JUST WANT TO SAY
25 ONCE AGAIN THANK YOU. I THINK, AT LEAST FOR THOSE

BARRISTERS' REPORTING SERVICE

1 OF US THAT ARE SUPPORTING THIS, YOU WERE FAR MORE
2 ARTICULATE THAN I PERSONALLY WAS, AND IT'S ALWAYS
3 GREAT TO REALIZE WHAT A PARTNERSHIP IT IS WITH ALL
4 OF THE MEMBERS OF THE PUBLIC. AND ONCE AGAIN, THANK
5 YOU BECAUSE YOU WERE INCREDIBLY CLEAR. AT LEAST
6 FROM MY POINT OF VIEW, YOU SAID WHAT I WAS
7 STRUGGLING TO SAY, SO I THANK YOU.

8 MR. SIMPSON: I WAS ONLY ABLE TO SAY THAT
9 BECAUSE I LISTENED TO THE WHOLE DEBATE AND
10 SUMMARIZED IT AND ENCAPSULATED WHAT I THOUGHT
11 EVERYONE ONE WAS SAYING.

12 CHAIRMAN KLEIN: THANK YOU VERY MUCH,
13 JOHN.

14 MR. REED: I WONDER IF IT MIGHT NOT BE
15 USEFUL TO HAVE A PERSON, HAVE AN OMBUDSMAN TO WHERE
16 IF YOU GOT LETTERS, YOU COULD SEND THANK YOU FOR
17 YOUR COMMENTS. I APPRECIATE YOUR CONCERNS. THEY'RE
18 BEING FORWARDED TO OUR OMBUDSMAN, WHO WILL BE
19 ADVISING YOU OF WHATEVER. THAT PERSON COULD HAVE
20 WHATEVER POWERS YOU DECIDE HIM OR HER COULD BE, BUT
21 IT WOULD BE A POLICY, IT WOULD BE A PUBLIC FORUM, IT
22 WOULD BE A WAY TO TAKE PRESSURE OFF YOU. I JUST
23 THINK JUST HAVING AN OMBUDSMAN, HAVING A SPECIFIC
24 INDIVIDUAL MIGHT BE HELPFUL.

25 CHAIRMAN KLEIN: WELL, WE HAVE A PRESIDENT

BARRISTERS' REPORTING SERVICE

1 WHO HAS THE EXECUTIVE CAPACITY AND THE STAFF TO
2 SCIENTIFICALLY REVIEW THE SUBSTANCE AND MAKE
3 DETERMINATIONS ON THE VALUE OF THE CONTRIBUTION. SO
4 THAT'S WHAT WE'RE TRYING TO DO HERE.

5 MR. ADAMS: BILL ADAMS, INTERNATIONAL STEM
6 CELL. THERE WAS COMMENTS MADE ABOUT, LET'S CALL IT,
7 TICKING OFF REVIEWERS, BUT I WOULD ALSO SAY YOU NEED
8 TO THINK ABOUT APPLICANTS. I HAVE PERSONALLY HAD
9 EXPERIENCE WITH NIH WHERE WE'VE HAD REVIEWERS THAT
10 WERE EITHER OFF BASE OR HAD CONFLICTS THAT WE
11 FINALLY UNEARTHED AND DID GET OUR GRANT.

12 THE -- WHAT -- I'VE WRITTEN THREE LETTERS,
13 TWO TO DR. SAMBRANO AND ONE TO OUR PRESIDENT, AND
14 NEVER HAD A RESPONSE. SO I'M A LITTLE CONFUSED AS
15 TO WHAT THE POLICY IS. I DON'T KNOW WHETHER MY
16 LETTERS GOT, YOU KNOW, SENT ALONG WITH THE REST OF
17 YOU OR NOT.

18 BUT WHAT THE FOR-PROFIT COMPANIES, AND I
19 SAY I CAN SPEAK FOR AT LEAST THREE OF THEM, WOULD
20 STRONGLY RECOMMEND IS A VERY BRIEF, CONCISE POLICY.
21 AND I DON'T AGREE WITH JOHN ON THE LOBBYING SIDE,
22 AND I PROBABLY WON'T GET APPLAUSE FOR THIS, THAT WE
23 COULD COME IN AND SAY, PLEASE LOOK AT THIS, WHICH I
24 THINK IS WHAT I DID IN MY LETTERS, AND HAVE AN
25 OPPORTUNITY TO PRESENT IT. I'M NOT A BIG FAN OF

BARRISTERS' REPORTING SERVICE

1 WRITING A LETTER OR A PETITION TO THE ICOC. I
2 WOULD, QUITE FRANKLY, RATHER SEE THINGS RESOLVED
3 HERE AT THIS LEVEL FROM OUR PERSPECTIVE. THANK YOU.

4 CHAIRMAN KLEIN: THANK YOU.

5 DR. TROUNSON: MR. CHAIR, JUST TO CORRECT
6 THE RECORD. THERE HAS BEEN LENGTHY PHONE
7 CONVERSATIONS WITH THE GROUP, SO WE HAVE RESPONDED.

8 CHAIRMAN KLEIN: WHAT DR. TROUNSON JUST
9 SAID IS THEY HAD PHONE RESPONSES TO THESE LETTERS,
10 AT LEAST TO THE BEST OF HIS KNOWLEDGE, BUT THANK
11 YOU.

12 MR. KESSLER: MY NAME IS STEVEN KESSLER.
13 I'M WITH ANOTHER FOR-PROFIT ORGANIZATION, ADVANCE
14 CELL TECHNOLOGY. WE PUT IN A NUMBER OF GRANT
15 PROPOSALS WHEN WE WERE FINALLY ALLOWED TO SUBMIT
16 PROPOSALS. AND, OF COURSE, THEY WERE NOT
17 RECOMMENDED FOR FUNDING.

18 I'D LIKE TO POINT OUT TO THE BOARD THAT
19 IT'S MY UNDERSTANDING THAT FOR THE NEW CELL LINES
20 AWARDS, THAT THERE WERE 58 PROPOSALS OVERALL, THAT
21 12 CAME FROM FOR-PROFIT ORGANIZATIONS, NONE OF THOSE
22 WERE RECOMMENDED FOR FUNDING, COMPARED TO PRESUMABLY
23 18 OF 38 FROM NOT-FOR-PROFIT ORGANIZATIONS. TO ME,
24 THAT'S CLEAR EVIDENCE OF BIAS. I'VE HAD -- WE
25 FORMALLY APPEALED THIS ON JUNE 26TH. THE APPEAL, I

BARRISTERS' REPORTING SERVICE

1 WAS THE PI ON ONE OF THEM, WAS TWO AND A HALF PAGES
2 DESCRIBING FOR CIRM WHAT A CONFLICT OF INTEREST IS
3 FROM A BUSINESS PERSPECTIVE, AND ANOTHER SEVEN AND A
4 HALF PAGES SPECIFICALLY REBUTTING POINT BY POINT ALL
5 THE REVIEWERS' CRITICISMS.

6 I DON'T SEE HOW WE CAN DO THIS. WE CAN
7 CERTAINLY CONDENSE THE LETTER, BUT WHAT WE DID WAS
8 CITE THE REVIEWERS' COMMENTS AND WHAT OUR PROPOSAL
9 ACTUALLY STATED THAT FACTUALLY CONTRADICTED THAT.
10 YOU KNOW, IT WOULD BE MORE DIFFICULT, I THINK, FOR
11 THE BOARD TO UNDERSTAND WHAT ACTUALLY TOOK PLACE IF
12 WE DIDN'T DO IT IN THAT TYPE OF A SEQUENCE.

13 BUT JUST TO COME BACK TO THE CONFLICT OF
14 INTEREST ISSUES, I'VE HAD DISCUSSIONS WITH CIRM
15 STAFF JUST THIS WEEK FOLLOWING UP CITING CIRM'S OWN
16 CONFLICT OF INTEREST POLICY TO THEM ON SPECIFIC
17 ISSUES. ONE ISSUE WAS, YOU KNOW, IF A GRANT
18 REVIEWER HAS A FINANCIAL RELATIONSHIP WITH COMPANY
19 X, YOU KNOW, THAT IS, HE'S RECEIVING FUNDING FROM
20 THAT ORGANIZATION OR HE'S EXPECTING ROYALTY INCOME
21 FROM SOME COMPANY BY VIRTUE OF HAVING LICENSED
22 TECHNOLOGY TO THAT COMPANY. AND THAT REVIEWER IS
23 SITTING IN ON REVIEWS FROM OTHER FOR-PROFIT
24 ORGANIZATIONS, COMPANIES A, B, OR C, AND DOESN'T
25 RECOMMEND THOSE FOR FUNDING. TO US, FROM A BUSINESS

BARRISTERS' REPORTING SERVICE

1 PERSPECTIVE, THAT'S A CONFLICT OF INTEREST.

2 THIS IS A BIT DIFFERENT FROM THE SITUATION
3 IN ACADEMIA WHERE PEOPLE QUIBBLE ABOUT
4 TECHNICALITIES ON PAPERS. YOU KNOW, FOR-PROFIT
5 ORGANIZATIONS, THEY INVEST MILLIONS OF DOLLARS
6 BUILDING UP THEIR PATENT ESTATE BECAUSE THEY WON'T
7 PROCEED DOWN THE DEVELOPMENT PATH, WHICH INCURS, YOU
8 KNOW, TENS OF MILLIONS OF DOLLARS IN EXPENSES,
9 UNLESS THEY HAVE A CLEAR PATENT PATH.

10 SO IT IS REALLY A SERIOUS ISSUE IF, YOU
11 KNOW, SOMEBODY, SOME REVIEWER WITH CONFLICTS, AND WE
12 CITED NUMEROUS INSTANCES, IN OUR VIEW THERE'S NO
13 REASON TO RECITE THOSE RIGHT NOW, WHERE, YOU KNOW, A
14 REVIEWER WOULD HAVE EVERY INCENTIVE TO HELP IMPEDE
15 THE COMPETITION FOR THE COMPANY THAT HE HAS A
16 RELATIONSHIP WITH.

17 CHAIRMAN KLEIN: WELL, I VERY MUCH
18 APPRECIATE THOSE COMMENTS. WE DO HAVE AN EXISTING
19 SEPARATE POLICY FOR CONFLICTS. WE TREAT THEM VERY
20 SERIOUSLY. WE HAVE A SEPARATE POLICY IN PLACE FOR
21 RE-REVIEW IN THE EVENT OF CONFLICTS. AND THE STAFF
22 DOES A THOUGHTFUL ANALYSIS. THEY HAVE GONE THROUGH
23 AND FOUND A CONFLICT IN A PARTICULAR -- POTENTIAL --
24 EVEN IF THEY FIND A POTENTIAL FOR A CONFLICT, THEY
25 LOOK AT POTENTIALLY RE-REVIEWING IT. THEY'RE TRYING

BARRISTERS' REPORTING SERVICE

1 TO ERR ON THE SIDE OF EQUITY AND JUSTICE HERE.

2 MR. KESSLER: I REALIZE THAT. AND I WAS
3 TOLD THAT THE WAY CIRM INTERPRETS ITS OWN CONFLICT
4 OF INTEREST POLICY, THE EXAMPLE I GAVE YOU WAS NOT A
5 CONFLICT OF INTEREST. SO --

6 CHAIRMAN KLEIN: OKAY. SO WE'LL HAVE THE
7 OPPORTUNITY BETWEEN NOW AND THE NEXT SESSION TO LOOK
8 AT THAT AS WELL, BUT WE APPRECIATE YOUR COMMENTS.
9 THANK YOU VERY MUCH.

10 I'D LIKE TO, WITH THE BENEFIT OF VERY
11 THOUGHTFUL DISCUSSION HERE, TO MOVE TO THE NEXT
12 ITEM, IF WE COULD. AND WE'RE GOING TO GO TO LUNCH
13 IN JUST A MINUTE, BUT THERE'S AN ITEM THAT I'D LIKE
14 TO TOUCH ON VERY QUICKLY, ITEM 15. AND I'M HANDLING
15 THESE IN THE HIERARCHY OF PRIORITIES RELATED TO
16 TIMING OF DIFFERENT EXTERNAL EVENTS. IN THIS CASE,
17 THERE'S GOING TO BE SOME GROUNDBREAKINGS POTENTIALLY
18 OCCURRING BEFORE THE NEXT BOARD MEETING, AND THEY'D
19 LIKE SOME SENSE OF THIS BOARD AS TO THE NAMES
20 THEY'RE USING.

21 ON ITEM 15 I BELIEVE THAT DON GIBBONS IS
22 GOING TO MAKE A PRESENTATION ON THE NAMES OF THE
23 FACILITIES BEING SUGGESTED.

24 MR. GIBBONS: THANK YOU, MR. CHAIRMAN,
25 MEMBERS OF THE BOARD. WE'VE BEEN IN CONTACT WITH

BARRISTERS' REPORTING SERVICE

1 THE VARIOUS INSTITUTIONS WHO RECEIVED MAJOR
2 FACILITIES GRANTS BECAUSE THOSE GRANTS COME WITH A
3 STIPULATION THAT THE ICOC NEEDS TO APPROVE THOSE
4 NAMES, AND THE NAMES NEED TO IN SOME FASHION
5 ACKNOWLEDGE CIRM AND ITS CONTRIBUTION.

6 THERE ARE TWO INSTITUTIONS GOING TO
7 GROUNDBREAKING NEXT MONTH PRIOR TO YOUR NEXT
8 MEETING. SO WE WOULD LIKE SOME SENSE OF THE BOARD
9 WHETHER OR NOT THEY CAN START TO TALK ABOUT THAT
10 NAME AT THAT EVENT. OBVIOUSLY IT CAN'T BE LOCKED IN
11 STONE UNTIL YOU'VE OFFICIALLY VOTED ON IT WITH A
12 QUORUM IN SEPTEMBER.

13 THERE ARE TWO DIFFERENT STYLES OF NAMES
14 THAT HAVE BEEN PROPOSED. I WANT TO READ THEM TO
15 YOU. THEY'RE IN YOUR BINDERS. FROM THE UNIVERSITY
16 OF CALIFORNIA AT DAVIS, THEY ARE PROPOSING THE UC
17 DAVIS INSTITUTE FOR REGENERATIVE CURES WITH A
18 SMALLER TYPED TAG LINE THAT SAYS A FACILITY
19 SUPPORTED BY THE CALIFORNIA INSTITUTE FOR
20 REGENERATIVE MEDICINE. IT'S A CONFIGURATION THAT
21 ALLOWS OUR ENTIRE NAME TO BE SPELLED OUT FOR THE
22 VAST QUANTITY OF THE COMMUNITY WHO DOESN'T
23 UNDERSTAND WHAT OUR ACRONYM IS.

24 THE UNIVERSITY OF SOUTHERN CALIFORNIA HAS
25 CHOSEN A DIFFERENT CONFIGURATION, WHICH IS THE ELI

BARRISTERS' REPORTING SERVICE

1 AND EDYTHE BROAD CIRM CENTER FOR REGENERATIVE
2 MEDICINE AND STEM CELL RESEARCH AT USC. WE BROUGHT
3 BOTH THESE CONFIGURATIONS TO OUR EXECUTIVE COMMITTEE
4 INTERNALLY. WE WOULD LIKE TO PROPOSE THAT BOTH ARE
5 ACCEPTABLE, THAT WE WOULD LET THEM BOTH GO FORWARD
6 AS NAMES FOR THE BUILDING, EXTERIOR OF THE BUILDING.

7 WE WOULD LIKE TO GO FURTHER AND ADVISE AND
8 REQUEST THAT USC FIND SOME SPOT WITHIN THE BUILDING
9 ON A DONOR NAMING WALL OR SOMEWHERE WHERE THE CIRM
10 ACRONYM IS SPELLED OUT SO THAT GOING FORWARD IN THE
11 YEARS IN THE FUTURE, THAT THERE BE SOMEPLACE WHERE
12 THE ACRONYM WOULD HAVE ITS FULL WEIGHT.

13 CHAIRMAN KLEIN: SO IN USE OF THE TERM
14 "SPELLED OUT," I THINK YOU ARE REFERRING TO A FULL
15 STATEMENT OF THE NAME.

16 DR. GIBBONS: THE CALIFORNIA INSTITUTE FOR
17 REGENERATIVE MEDICINE, CORRECT.

18 CHAIRMAN KLEIN: SO IN A COMMUNICATIONS
19 ROLE, YOUR ADVICE, AS I UNDERSTAND IT, IS ON GOING
20 FORWARD, IF INSTITUTIONS WILL FIND SOMEPLACE,
21 HOPEFULLY CLOSE TO THE NAME, AS DAVIS DID, TO HAVE A
22 SUBSCRIPT SO PEOPLE CAN UNDERSTAND THAT THE
23 CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IS
24 THE INSTITUTION BECAUSE CIRM DOESN'T EXACTLY ROLL
25 OFF THE TONGUE. IT IS NOT IN COMMON USAGE.

BARRISTERS' REPORTING SERVICE

1 MR. GIBBONS: FOR THOSE OF US INSIDE THE
2 GAME, I WOULD LIKE TO THINK CIRM IS A VERY GOOD
3 BRAND, BUT FOR THOSE OUTSIDE OF THE GAME A LITTLE
4 BIT, IT'S NOT SUCH A GOOD BRAND.

5 CHAIRMAN KLEIN: DO WE HAVE A COMMENT?

6 DR. PIZZO: IT'S A COMMENT/QUESTION, I
7 GUESS, DON. NEEDLESS TO SAY, WE DON'T WANT TO DO
8 MICROMANAGING OF INDIVIDUAL INSTITUTIONS' WORDS THAT
9 THEY USE TO NAME THEIR BUILDINGS. BUT IT WOULD BE
10 HELPFUL TO HAVE SOME PRINCIPLES. I THINK PRINCIPLE
11 A IS THAT BY ALREADY STATUTE, WE KNOW THAT THE NAME
12 CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE NEEDS
13 TO BE ON THE BUILDING.

14 IN OUR INSTITUTION THERE ARE GUIDELINES
15 DEFINING NAMING OF BUILDINGS. SO WE WILL HAVE A
16 NAMED DONOR. THAT USUALLY NEEDS TO BE CLOSE TO 50
17 PERCENT OF THE OVERALL COST OF THE BUILDING. AND
18 THAT, IN A SENSE, TAKES -- ACTUALLY IT WILL TURN OUT
19 TO BE ALMOST TWICE THE AMOUNT THAT IS COMING FROM
20 CIRM. SO IT WILL TAKE MORE DOMINANCE, IF YOU WILL,
21 IN THE ACTUAL NAME. AND I THINK WE CAN --

22 MR. GIBBONS: THAT'S IN THE GAP ALREADY,
23 THAT THAT EXTRA DOMINANCE IS ABSOLUTELY ACKNOWLEDGED
24 IN THE GAP.

25 DR. PIZZO: SO WHAT I'M GETTING AT IS THAT

BARRISTERS' REPORTING SERVICE

1 I DON'T KNOW IN THE CASE OF DAVIS WHETHER THERE'S
2 ANOTHER NAMING DONOR. CLAIRE COULD SPEAK TO THAT.
3 NOR DO I KNOW WHERE THE BROAD NAME FITS IN TERMS OF
4 THE AMOUNT OF FUNDS THAT ARE GIVEN IN COMPARISON TO
5 THE AMOUNT RECEIVED FROM CIRM. I CAN ENVISION THAT
6 IF THEY'RE ABOUT THE SAME, THAT CREATES AN
7 INTERESTING QUESTION IN TERMS OF WHAT, IF YOU WILL,
8 THE DOMINANCE IS. SO I'M SUGGESTING THAT YOU COME
9 BACK TO US, NOT WITH JUST AN APPROVAL, BUT MAYBE
10 SOME GENERAL GUIDELINES THAT WE SHOULD THINK ABOUT.

11 CHAIRMAN KLEIN: IN THIS PARTICULAR CASE,
12 SINCE BOTH OF THESE ARE FAR DOWNSTREAM, WOULD IT BE
13 ACCEPTABLE TO YOU FOR US TO HAVE JUST A SENSE OF THE
14 COMMITTEE SO THEY CAN PROCEED?

15 DR. PIZZO: SURE. ABSOLUTELY. I HAVE NO
16 INTENTION OF WANTING TO MICROMANAGE THOSE NAMES. I
17 JUST WANTED TO -- WE'RE THINKING ABOUT THIS VERY
18 ACTIVELY RIGHT NOW OURSELVES, AND IT WOULD BE
19 INTERESTING TO KNOW WHAT THE BOUNDARY CONDITIONS
20 ARE.

21 MR. ROTH: I LIKE THE TAG LINE APPROACH
22 THAT IS BEING USED, BUT YOU MIGHT CONSIDER SOMETHING
23 CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
24 CENTER OF EXCELLENCE, SO IT CAN BE THE ELI BROAD OR
25 THE UC DAVIS, AND THEN UNDER IT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: OR INSTITUTE AS
2 APPROPRIATE.

3 MR. ROTH: AS APPROPRIATE BASED ON WHAT
4 THEY ARE. AND THEN THEY CAN USE IT AS A TAG LINE,
5 BUT DON'T HAVE TO USE ALL.

6 MS. SAMUELSON: COUPLE QUICK COMMENTS.
7 I'VE BEEN WAITING TO SAY THIS A LONG TIME. I HATE
8 THE BRAND CIRM. IN THE CAMPAIGN WE CALLED OURSELVES
9 CALIFORNIANS FOR CURES. AND NOW IT'S A WORD THAT
10 MEANS ABSOLUTELY NOTHING TO THE PUBLIC WHO ARE OUR
11 PARTNERS. IT SOUNDS LIKE SPERM. AND IT'S IN AN ERA
12 IN WHICH THE DIVISION OF FORESTRY HAS BECOME CAL
13 FIRE. MY LAW SCHOOL HAS GONE TO CAL-LAW. AND
14 THAT'S THE TREND, AND THAT'S THE PUBLIC THAT WE'RE
15 CONNECTED TO. CIRM JUST DOESN'T MEAN ANYTHING.

16 THE OTHER POINT IS I HAD AN IDEA THIS
17 MORNING, AND I DON'T KNOW IF THERE'S ANY OPPORTUNITY
18 FOR THIS. BUT IT WOULD BE LOVELY TO START NAMING
19 BUILDINGS THAT ARE GOING TRY TO GET CURES FOR PEOPLE
20 AFTER THE PEOPLE WHO ARE SUFFERING, LIKE THAT MAN
21 WHO JUST DIED OF ALS.

22 CHAIRMAN KLEIN: THANK YOU VERY MUCH. SO
23 COULD I HAVE A SHOW OF HANDS AS A SENSE OF THE
24 COMMITTEE TO SUPPORT THE TWO NAMES THAT HAVE BEEN
25 SUBMITTED? ALL IN FAVOR. THIS IS NOT A VOTE. THIS

BARRISTERS' REPORTING SERVICE

1 IS A SHOW OF SENSE OF SUPPORT. RAISE YOUR RIGHT
2 HAND IF YOU SUPPORT THE NAMES THAT HAVE BEEN
3 SUGGESTED. IT APPEARS TO ME THAT A SENSE OF THE
4 COMMITTEE IS STRONG SUPPORT FOR THESE TWO NAMES, SO
5 THEY CAN GO AHEAD IN CONFIDENCE WITH THIS.

6 I'D LIKE TO SEE -- IS THAT SUFFICIENT,
7 DON?

8 DR. GIBBONS: YES, IT IS.

9 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
10 AND, MELISSA, SHOULD WE ADJOURN FOR LUNCH? AND THIS
11 LUNCH, HOPEFULLY WE CAN KEEP SHORT. WE NEED TO COME
12 BACK. THE TRANSLATIONAL RFA, WE HAVE A POINT TO
13 DISCUSS JUST AS A REPORTING ISSUE AND DISCUSSION ON
14 THE CRITERIA THEY'RE GOING FORWARD WITH, RECONCILED
15 TO THE CRITERIA THAT HAVE BEEN PUT FORTH IN THE TASK
16 FORCE GUIDELINE APPLICATIONS THAT'S BEEN APPROVED.
17 AND WE HAVE THE LOAN POLICY. THE LOAN POLICY WILL
18 BE OUR HEADLINER RETURNING FROM LUNCH. IT'S A VERY
19 IMPORTANT PART OF OUR PROGRAM. AND DOES THE
20 COMMITTEE THINK WE COULD DO THIS IN 35 OR 40
21 MINUTES? 35 OR 40 MINUTES IS OUR GOAL. AND WE LOOK
22 FORWARD TO SEEING YOU SHORTLY. WE'RE ADJOURNED FOR
23 LUNCH.

24 (A RECESS WAS TAKEN.)

25 CHAIRMAN KLEIN: IF WE CAN RECONVENE,

BARRISTERS' REPORTING SERVICE

1 PLEASE. WE'RE GOING TO TRY AND MOVE EXPEDITIOUSLY.
2 WE HAVE TWO ITEMS OF SIGNIFICANT IMPORTANCE HERE
3 THAT WE'RE GOING TO COVER, LOAN POLICIES AND THEN
4 THE REPORT ON THE CRITERIA FOR THE UPCOMING
5 TRANSLATIONAL RFA. WE'RE ALSO GOING TO THEN FOLLOW
6 THAT BY A QUICK ITEM ON ASSEMBLYMAN MULLIN'S BILL ON
7 CONTROLLING TERRORISM RELATED TO ANIMAL RESEARCH.
8 AND THEN WE WILL HAVE A COUPLE OF REPORTS AT THE END
9 OF THE DAY, BUT THE HIERARCHY OF PRESENTATION IS, IN
10 FACT, SIGNIFICANT SO THAT WE MAKE SURE WE RETAIN AS
11 MANY BOARD MEMBERS AS POSSIBLE FOR THESE NEXT TWO
12 ITEMS.

13 FIRST ITEM, DUANE ROTH WILL LEAD TO THE
14 LOAN POLICY. AND DUANE HAS DONE A FABULOUS JOB ON
15 LEADING THAT LOAN TASK FORCE.

16 MR. ROTH: THANK YOU. SO LET ME JUST
17 QUICKLY MENTION THE NAMES OF THE TASK FORCE, ED
18 PENHOET, TED LOVE, JEFF SHEEHY, OSWALD STEWARD,
19 FLOYD BLOOM, BOB KLEIN, MARCY FEIT, MICHAEL
20 GOLDBERG.

21 THE LOAN TASK FORCE SET OUT TO DEVELOP A
22 POLICY THAT WOULD GOVERN OUR LOANS ONCE THEY ARE PUT
23 INTO EFFECT AND CAN, IN FACT, BE APPLIED FOR. LYNN
24 HARWELL STAFFED OUR COMMITTEE AND DID A FANTASTIC
25 JOB OF HELPING US ORGANIZE AND PULL TOGETHER ALL THE

BARRISTERS' REPORTING SERVICE

1 COMMENTS FROM THE VARIOUS STAKEHOLDERS THAT WE MET
2 WITH.

3 THERE WERE THREE MAJOR MEETINGS THAT WE
4 HELD. THE FIRST WITH THE FINANCIAL COMMUNITY TO
5 TALK ABOUT HOW THE LOAN PROGRAM SHOULD BE
6 STRUCTURED. THE SECOND WAS AN INDUSTRY MEETING TO
7 MEET WITH INDUSTRY AND TALK ABOUT ANY ISSUES OR
8 SUGGESTIONS THAT THEY MAY HAVE IN THE LOAN POLICY.
9 AND THEN BOB AND I SPENT A DAY WITH KEY LEGISLATORS
10 IN SACRAMENTO TRYING TO MAKE SURE THEY UNDERSTOOD
11 THE RATIONALE BEHIND THIS PARTICULAR LOAN POLICY.

12 SO IF YOU LOOK AT THE POLICY, AND IT'S IN
13 YOUR BOOKS. I THINK IT'S TAB 15 OR 16. I DON'T
14 REMEMBER. 14.

15 THE ONE THING I WANT TO MENTION IN THE
16 BACKGROUND ON THE FIRST PAGE THAT'S VERY IMPORTANT
17 IS THESE LOANS ARE GOING TO BE TARGETED WHERE THERE
18 ARE FUNDING GAPS, WHICH MEANS THAT FOR THESE
19 TRANSLATIONAL PRODUCTS TO MOVE FORWARD, WE WANT TO
20 IDENTIFY WHERE THERE'S VIRTUALLY NO ALTERNATIVE
21 CAPITAL AVAILABLE TO INVEST OR LIMITED CAPITAL
22 AVAILABLE. AND THAT WILL BE THE JOB OF THE CIRM
23 STAFF AND OTHERS TO IDENTIFY THOSE GAPS AND TO BRING
24 THOSE TO OUR ATTENTION.

25 THE SECOND PART OF THE BACKGROUND IS AN

BARRISTERS' REPORTING SERVICE

1 ADDITIONAL COMMENT SECTION ABOUT HOW WE WENT ABOUT
2 IDENTIFYING WHAT A PORTFOLIO MIGHT LOOK LIKE. AND I
3 ONLY BRING THAT TO YOUR ATTENTION BECAUSE THE
4 DECISIONS REGARDING HOW LARGE A PORTFOLIO THE LOAN
5 PROGRAM WILL ENCOMPASS WILL BE UP TO THE FINANCE
6 COMMITTEE AND TO MICHAEL GOLDBERG TO HELP DEFINE
7 THAT. AND THEN WHEN WE GET TO THE SPECIFIC RFA'S,
8 THE RANGE OF HOW MUCH AN INDIVIDUAL LOAN MIGHT BE
9 WOULD BE DEALT WITH.

10 SO WE DIDN'T, OTHER THAN FOR MODELING
11 PURPOSES, WHICH WE HIRED PRICEWATERHOUSECOOPERS TO
12 DO, WE DID NOT TRY TO DEAL WITH THE SCOPE OR THE
13 SIZE OF THE INDIVIDUAL RFA'S.

14 SO WITH THAT AS BACKGROUND, WHAT I WOULD
15 LIKE TO DO IS JUST BRIEFLY RUN THROUGH THE TERM
16 SHEET THAT IS ENCLOSED. SO IN TERMS OF
17 DISBURSEMENT, IT WILL BE MILESTONE DRIVEN. IN OTHER
18 WORDS, THERE CAN BE A CERTAIN TOTAL LOAN, BUT IT
19 WILL BE MILESTONE DRIVEN. NOT UNLIKE THE
20 CONVERSATION WE HAD EARLIER TODAY ABOUT PROGRESS,
21 THESE WILL BE MORE DEFINED IN GENERAL.

22 THE TERM OF THE LOAN WAS AN ISSUE THAT WE
23 ADDRESSED BY HAVING TWO OPTIONS, A SIX- OR TEN-YEAR
24 TERM. AND WITH THE SIX-YEAR TERM, THERE WOULD BE NO
25 EARLY PAYBACK. BUT WITH A TEN-YEAR TERM, IF THE

BARRISTERS' REPORTING SERVICE

1 APPLICANT SELECTED A TEN-YEAR TERM, THERE ARE
2 CERTAIN TRIGGERS THAT WOULD COME INTO PLAY WHERE
3 THEY WOULD BE REQUIRED TO REPAY, AND WE CAN GO
4 THROUGH THOSE IN JUST A MOMENT.

5 CHAIRMAN KLEIN: DUANE, WHEN YOU SAY IN
6 THE SIX-YEAR TERM, I THINK YOU SAID THERE'S LIMITED
7 EARLY TRIGGERS.

8 MR. ROTH: I SHOULD HAVE SAID LIMITED
9 BECAUSE THERE IS ONE. WE'LL GET TO THOSE. THEY'RE
10 ACTUALLY IN ACCELERATED TRIGGERS DOWN BELOW, THE SIX
11 AND THE TEN.

12 BUT ANOTHER VERY IMPORTANT ADDITION WE
13 MADE AFTER THESE STAKEHOLDER INPUTS WAS THAT WE HAVE
14 BOTH A RECOURSE LOAN AND NONRECOURSE LOAN. AND THE
15 RECOURSE LOAN WOULD SAY THAT THE ENTITY THAT MAKES
16 OR BORROWS THE MONEY IS OBLIGATED TO PAY IT BACK
17 REGARDLESS OF WHAT HAPPENS TO THE PRODUCT. SO IT'S
18 MORE OF A COMPANY OR INSTITUTIONAL LOAN, NOT A
19 PRODUCT LOAN. THE NONRECOURSE MEANS THAT THE LOAN
20 IS ON THE PRODUCT, AND IF THE PRODUCT FAILS, GOES
21 AWAY, THEN THE LOAN IS TERMINATED. IT'S NOT DUE.

22 NOW, TO COMPENSATE FOR THOSE TWO
23 DIFFERENCES, WE HAVE A DIFFERENT WARRANT COVERAGE
24 POLICY. SO ON THE RECOURSE LOAN, THE WARRANT
25 COVERAGE ON THE AMOUNT OF THE LOAN IS 10 PERCENT.

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1 SO 10 PERCENT OF A MILLION DOLLARS, IF THAT'S THE
2 CASE, WOULD BE THE WARRANT COVERAGE. AND IF IT'S A
3 NONRECOURSE LOAN, THEN THERE WOULD BE A MILLION
4 DOLLARS WORTH OF WARRANT COVERAGE. SO THAT'S HOW
5 THE FINANCIAL INTERACTIONS BETWEEN THESE TWO
6 RECOURSE AND NONRECOURSE AND HOW WE DEALT WITH RISK.

7 THE NEXT PART IS THE PART THAT WE STARTED
8 TO TALK ABOUT. THE SIX-YEAR LOAN HAS TWO CONDITIONS
9 FOR EARLY REPAYMENT. ONE IS CHANGE OF CONTROL,
10 WHICH WOULD INCLUDE A MERGER WITH A PUBLIC OR
11 PRIVATE COMPANY. IF THE COMBINED ENTERPRISE EXCEEDS
12 100 MILLION, THAT WOULD TRIGGER A REPAYMENT OF THE
13 LOAN IN THE SIX-YEAR CASE AND A SECOND ONE IF
14 THERE'S INITIAL PUBLIC OFFERING; IN OTHER WORDS, THE
15 COMPANY GOES PUBLIC, AND THERE'S IN EXCESS OF \$20
16 MILLION RAISED, THEN THE LOAN WOULD BECOME DUE.

17 IN THE TEN-YEAR THERE ARE BOTH OF THOSE,
18 AND THEN THERE ARE THREE OTHERS THAT ARE INCLUDED.
19 A 20-FOLD FINANCING; IN OTHER WORDS, IF YOU BORROWED
20 A MILLION AND YOUR FOLLOW-ON FUNDING EXCEEDS 20
21 MILLION, THEN THE LOAN BECOMES DUE.

22 NO. 4, IS IF THERE IS PROGRESS IN THE
23 CLINIC AND A COMPANY MOVES TO FILE WITH THE FOOD AND
24 DRUG ADMINISTRATION EITHER AN INVESTIGATIONAL DEVICE
25 APPLICATION, WITHIN 90 DAYS OF FILING THAT WITH THE

BARRISTERS' REPORTING SERVICE

1 FDA, THE LOAN WOULD BECOME DUE. IF IT'S A
2 THERAPEUTIC, WE ASK THAT THAT LOAN BE REPAID WITHIN
3 SIX MONTHS OF STARTING A PIVOTAL PHASE 3 OR EVEN IF
4 IT'S A PHASE 2. YOU HEARD THIS MORNING ABOUT A
5 PIVOTAL STUDY THAT MIGHT BE, IN FACT, VERY EARLY AND
6 INVOLVE VERY FEW PATIENTS, BUT WITHIN SIX MONTHS OF
7 THAT, THEN THE LOAN WOULD BECOME DUE ON THE TEN-YEAR
8 PROGRAM.

9 THERE ARE SOME OTHER THINGS THAT ARE JUST
10 FOR CLARITY. PREPAYMENT IS ALLOWED. THE LOAN IS
11 SUBORDINATED TO OTHER LOANS THAT THE COMPANY MAY
12 TAKE. SO WE WILL ALWAYS BE BEHIND ADDITIONAL LOANS
13 THAT ARE THERE. WE'D BE ON PAR WITH THE EQUITY.
14 THE MATCHING FUNDS REQUIREMENT IS AN INDIRECT
15 REQUIREMENT, AND SOMETHING THAT WILL NEED ADDITIONAL
16 DISCUSSION BECAUSE MATCHING FUNDS CAN MEAN MANY
17 THINGS. MATCHING FUNDS COULD BE WHAT ARE THE
18 FOLLOW-ON FINANCINGS THAT OUR LOAN ENABLED TO
19 HAPPEN. AND SO WE MAY LOAN SOMEBODY A MILLION
20 DOLLARS, THEY MAKE PROGRESS ON THAT MILLION, THEY
21 RAISE A \$10-MILLION ROUND TO FURTHER FUND IT, THOSE,
22 IN MY OPINION, WOULD BE MATCHING FUNDS AND CREATE
23 LEVERAGE.

24 CHAIRMAN KLEIN: SO, DUANE, UNDER MATCHING
25 FUNDS, WHEN THE FINANCE COMMITTEE ADDRESSES THE SIZE

BARRISTERS' REPORTING SERVICE

1 OF LOANS IN TERMS OF PORTFOLIO RISK, IT'S POSSIBLE
2 THAT THE FINANCE COMMITTEE MIGHT SAY FOR LOANS OVER
3 A CERTAIN DOLLAR AMOUNT, A SIGNIFICANT MATCH IS
4 NECESSARY BECAUSE OF THE RISK BECAUSE OF PORTFOLIO
5 CONCENTRATION. DO YOU EXPECT THOSE KINDS OF
6 TRADE-OFFS TO OCCUR?

7 MR. ROTH: I THINK THOSE KIND OF
8 TRADE-OFFS, I THINK WE WANT TO BE, ESPECIALLY IF
9 IT'S MILESTONE DRIVEN, BOB, WE MAY WANT TO BE IN A
10 POSITION WHERE WE DON'T REQUIRE THE TRADITIONAL
11 MATCHING FUNDS, WHICH MEANS WE'LL PUT UP A MILLION
12 IF YOU PUT UP A MILLION. BUT IT MAY BE THE PROGRAM
13 COSTS THREE MILLION. WE'LL PUT UP OUR MILLION. YOU
14 OBVIOUSLY HAVE TO RAISE TWO MILLION TO MAKE THIS
15 THING WORK. SO IT REALLY DEPENDS ON HOW WE CHOOSE
16 TO ADMINISTER THAT, BUT I THINK WE NEED TO HAVE A
17 FLEXIBLE DEFINITION THERE ABOUT MATCHING FUNDS.

18 CHAIRMAN KLEIN: FOR EXAMPLE, IF ANOTHER
19 APPROACH TO THAT IS IF THERE'S NO MONEY FOR A PHASE
20 2A TRIAL AND IT'S \$15 MILLION, WE MAY SAY, LOOK, TO
21 PUT UP SEVEN AND A HALF MILLION AS A CONCENTRATION
22 ISSUE, WE'RE GOING TO REQUIRE YOU TO HAVE ANOTHER
23 SEVEN AND A HALF MILLION BECAUSE THIS IS A LARGE
24 CONCENTRATION OF RISK IN A SINGLE COMMITMENT.

25 MR. ROTH: THAT WOULD BE MY BELIEF, THAT

BARRISTERS' REPORTING SERVICE

1 THAT'S HOW IT WOULD BE STRUCTURED. IT COULD BE THE
2 FACT THAT THERE'S A MULTIMILESTONE, AND THE THIRD
3 MILESTONE REQUIRES WHAT YOU'RE TALKING ABOUT. SO WE
4 NEED TO SEE -- WE WANT THE COMPANY TO USE THAT AS
5 LEVERAGE TO BRING IN THE REST OF THE MONEY AND MAKE
6 SURE THE MONEY IS SITTING. SO THERE IS A MATCHING
7 FUND REQUIREMENT, BUT I JUST WANT TO SPECIFY THAT
8 THAT'S A PRETTY LOOSE DEFINITION RIGHT NOW, AND
9 WE'LL HAVE TO DEAL WITH THAT DOWN THE ROAD.

10 DEFAULT, IN THE EVENT THAT WE DO HAVE
11 DEFAULTS AND THERE'S INTELLECTUAL PROPERTY, THERE'S
12 A REQUIREMENT ON THE COMPANY OR THE INSTITUTION THAT
13 RECEIVES THE LOAN TO TRY TO DISPOSE OF THE
14 INTELLECTUAL PROPERTY WORKING WITH US. BUT WE
15 REVIEWED THIS INTERNALLY. NANCY HELPED US DETERMINE
16 THAT WE REALLY SHOULDN'T OWN IP AT CIRM. SO WE'VE
17 DEALT WITH THAT IN THE WAY WE WORDED THE DEFAULT
18 PROVISION HERE.

19 THE LAST THING, BEFORE WE OPEN IT UP, ARE
20 THE COVENANTS. AND I WANT TO JUST STRESS THAT WE
21 WENT THROUGH THESE COVENANTS IN EACH OF THOSE
22 STAKEHOLDER MEETINGS PRETTY CAREFULLY. START WITH
23 THE PREMISE THAT THE MONEY WE'RE LOANING CANNOT BE
24 GOTTEN ANY OTHER PLACE. IN OTHER WORDS -- NO. 2,
25 THERE'S NO COLLATERAL. WE'RE NOT COLLATERALIZING.

BARRISTERS' REPORTING SERVICE

1 NO. 3, WE OFFER THEM THE OPPORTUNITY OF A
2 NONRECOURSE LOAN. IN OTHER WORDS, THE PRODUCT
3 FAILS, YOU DON'T HAVE TO REPAY US IF YOU CHOOSE THAT
4 OPTION. SO KEEP IN MIND THESE ARE VERY, VERY OPEN
5 TERMS THAT NO BANK OR NO VENTURE CAPITALIST WOULD
6 OFFER TO THAT. BUT THAT'S PART OF FULFILLING OUR
7 MISSION, TO FUND THOSE THINGS THAT ARE VERY
8 DIFFICULT AND MAKE IT EASY.

9 SO IN EXCHANGE, WE ASK FOR THE FOLLOWING
10 COVENANTS: THAT AT THE TIME OF COMMERCIALIZATION,
11 THE COMPANY WILL ABIDE BY WHATEVER THE GOING LAWS
12 ARE AROUND CALIFORNIA RX, MEDICARE, MEDICAID, ANY OF
13 THE OTHER GOVERNING POLICIES THAT ARE IN PLACE. AND
14 NO. 2, THAT THEY'LL PROVIDE AT THE TIME OF LAUNCH AN
15 INDUSTRY STANDARD ACCESS PROGRAM FOR ALL THOSE
16 PATIENTS THAT NEED THIS THERAPY, BUT HAVE ABSOLUTELY
17 NO OTHER WAY TO PAY FOR IT OR TO GET IT.

18 SO IF I DESCRIBE TODAY'S INDUSTRY
19 STANDARD, IT IS THAT MOST COMPANIES MAKE THIS
20 AVAILABLE AS A LAST RESORT. AND, IN FACT, IF YOU GO
21 TO THE CALIFORNIA RX WEBSITE, YOU WILL FIND THAT
22 THERE'S WAYS FOR PATIENTS TO UNDERSTAND THAT. YOU
23 SEE IT ADVERTISED ON TELEVISION AND SO ON. THAT
24 HAPPENS TO BE WHAT'S TODAY. I DON'T KNOW WHAT IT
25 WILL BE OR WE DON'T KNOW WHAT IT WILL BE TEN YEARS

BARRISTERS' REPORTING SERVICE

1 FROM NOW, BUT WE'RE ASKING THE COMPANIES AT THAT
2 POINT IN TIME, WHATEVER IS THE STANDARD POLICY FOR A
3 COMPANY OF YOUR SIZE, SO WE DON'T ASK NECESSARILY
4 FOR A PFIZER PATIENT ACCESS PROGRAM, BUT ONE FOR
5 YOUR SIZE AND FOR THE SCOPE OF YOUR PRODUCT. IF
6 IT'S YOUR FIRST PRODUCT AND YOU DON'T HAVE ENOUGH
7 RESOURCES TO PROVIDE FREE, MAYBE IT'S PROVIDED AT
8 SOME ADDITIONAL DISCOUNT. BUT THOSE ARE THE THINGS
9 THAT WILL HAVE TO BE DEALT WITH AT THAT TIME.

10 AND THERE'S ONE OTHER VERY IMPORTANT POINT
11 I WANT TO MAKE HERE, THAT THIS HAS TO BE AT THE TIME
12 OF COMMERCIALIZATION, MEANING THE COMPANY IS NOW FDA
13 APPROVED AND READY TO LAUNCH THE PRODUCT. TO ASK
14 THE COMPANIES TO DO THIS IN ADVANCE OF THAT COULD,
15 A, IN SOME WAY JEOPARDIZE THEIR APPROVAL; B, COULD
16 INTERFERE WITH THEIR ABILITY TO COMPETE IN THE
17 MARKETPLACE BY MAKING THAT WIDELY AVAILABLE TO
18 THEIR, QUOTE, COMPETITORS OR OTHER ISSUES THAT I
19 THINK WOULD COME IN IN TERMS OF CONFIDENTIALITY,
20 WHAT THE COMPANY IS TRYING TO DO. SO I THINK THAT
21 HAS TO BE HANDLED VERY CAREFULLY AND SHOULD COME
22 PRIOR TO SALES, BUT NOT IN SOME FORM PRIOR TO THE
23 APPROVALS THAT THEY WOULD GO THROUGH.

24 DR. PENHOET: JUST TO EXPAND ON THAT A
25 LITTLE BIT. FOLLOWING UP ON THE PRESENTATION WE HAD

BARRISTERS' REPORTING SERVICE

1 THIS MORNING, WE HAVE CLARIFIED IN THE IP POLICIES
2 GENERALLY ON THIS ISSUE THAT THE COMPANIES ARE ONLY
3 RESPONSIBLE FOR THE THERAPEUTIC ENTITY THAT THEY
4 PRODUCE. SO IF YOU GO BACK TO THIS MORNING'S
5 PRESENTATION, YOU SAW A SUBSTANTIAL NEUROSURGERY
6 PROCEDURE TAKING PLACE ON THESE PATIENTS. WE WOULD
7 NOT EXPECT THE COMPANY TO PAY FOR THE NEUROSURGERY
8 AND PAY FOR WHAT THEY PRODUCE.

9 SO WE DON'T KNOW WHAT THAT WILL BE IN ALL
10 CASES, BUT THE SURGERY WOULD BE A SEPARATE ITEM THAT
11 HAS TO BE DEALT WITH. BUT THAT WOULD BE AN
12 OUT-OF-POCKET EXPENSE FOR THE COMPANY, SO WE DIDN'T
13 ANTICIPATE THE COMPANIES TAKING RESPONSIBILITY FOR
14 THE WHOLE THERAPY, BUT TAKING RESPONSIBILITY FOR THE
15 PIECE OF THE THERAPY THAT THEY PRODUCED.

16 SECOND ISSUE IS THERE'S BEEN SOME
17 CONTROVERSY AROUND THIS FINAL ISSUE THAT DUANE
18 MENTIONED, WHICH IS WHEN SHOULD THE PROGRAM BE
19 PROSCRIBED FOR THE ACCESS PROGRAM. SHOULD IT BE NOW
20 OR SHOULD IT BE AT THE TIME OF COMMERCIALIZATION?
21 STEM CELLS, INC. HAS A POINT OF VIEW, WHICH IS IT
22 SHOULD BE NOW. BUT AT LEAST TEN COMPANIES HAVE
23 RESPONDED THAT THE RIGHT ANSWER IS AT THE TIME OF
24 COMMERCIALIZATION. SO THERE'S A PREPONDERANCE OF
25 COMPANY FEEDBACK SAYING IT SHOULD BE AT THE TIME OF

BARRISTERS' REPORTING SERVICE

1 COMMERCIALIZATION, BUT THERE ARE COMPANIES WHO
2 BELIEVE WE SHOULD DEFINE IT TODAY. I JUST WANTED TO
3 MAKE SURE PEOPLE KNEW.

4 CHAIRMAN KLEIN: ED, I THINK WOULD SAY,
5 DUANE, THAT MY DISCUSSIONS ARE IF WE DO OUR WORDING
6 NOT LATER THAN THE COMMERCIALIZATION AFTER FDA
7 APPROVAL, THEN IT HANDLES BOTH. COMPANY GROUPS CAN
8 BE SATISFIED AND YET WE CAN ACHIEVE OUR ULTIMATE
9 MISSION.

10 DR. PENHOET: THAT'S CORRECT.

11 MR. ROTH: SO, AGAIN, I THINK THIS IS VERY
12 IMPORTANT. IF THIS IS -- WE HAD SO MUCH INPUT
13 BEGINNING WITH THE INTELLECTUAL PROPERTY POLICY,
14 WHICH WE ADAPTED THIS FROM, THAT THIS IS THE ONE
15 THAT INDUSTRY WOULD, I THINK, PULL IN AND SAY WE'RE
16 NOT SURE WHAT THAT MEANS. THE ONE WE HAVE NOW, THIS
17 DEFINITION, I THINK, IS UNDERSTANDABLE. INDUSTRY
18 STANDARD AT THE TIME YOU LAUNCH THE PRODUCT. AND
19 THAT'S WHY IT'S WORDED THAT WAY.

20 WE DID NOT CONTEMPLATE A PUBLIC HEARING.
21 I THINK THAT WOULD BE HAVE TO BE CAREFULLY
22 ORCHESTRATED BECAUSE THERE WOULD BE PROPRIETARY
23 QUESTIONS COMING OUT THAT I THINK MAY DISADVANTAGE
24 THE COMPANIES FROM DOING THAT. I THINK SENDING IT
25 TO US AND HAVING US AN OPPORTUNITY TO REVIEW THAT

BARRISTERS' REPORTING SERVICE

1 THAT IT IS, IN FACT, MEETING INDUSTRY STANDARD IS
2 PROBABLY APPROPRIATE, BUT WE CAN DISCUSS THAT LATER.

3 THE FINAL THREE, JUST QUICKLY.

4 PUBLICATION-RELATED BIOMEDICAL MATERIAL SHARING,
5 THAT'S A REQUIREMENT IN THE IP POLICY. IT SAYS IF
6 YOU PUBLISH, YOU HAVE TO DECIDE FIRST YOU WANT TO
7 PUBLISH THE INFORMATION. SECOND, IF IT'S NOT
8 COMMERCIALLY AVAILABLE, SOME OF THE REAGENTS OR
9 THINGS YOU'RE USING IN YOUR STUDIES, THEN YOU WOULD
10 AGREE TO MAKE THOSE AVAILABLE TO OTHER ORGANIZATIONS
11 AS A RESEARCH TOOL.

12 AND THEN THE NEXT ONE IS PRESS RELEASE.
13 WE WOULD LIKE YOU TO NOTIFY US IF YOU ARE GOING TO
14 MAKE A PRESS RELEASE REFERRING TO CIRM-FUNDED
15 RESEARCH. AND FUNDING FOR CALIFORNIA OPERATIONS,
16 THE FAMOUS CALIFORNIA SUPPLIER DEFINITION WOULD
17 APPLY.

18 SO WITH THAT, THOSE ARE MY COMMENTS.
19 MICHAEL OR SOME OF THE OTHERS THAT WERE ON THE TASK
20 FORCE MAY HAVE ADDITIONAL COMMENTS. ED, BOB.

21 CHAIRMAN KLEIN: AND ON THE PRESS RELEASE
22 REQUIREMENTS, YOU NOTICE NOTIFICATION TO CIRM. I
23 THINK THAT CONJUNCTIVELY WE HAD REFERENCED THERE
24 WOULD BE CREDIT TO CIRM, BUT SUBJECT TO CIRM
25 APPROVAL. SO OUR COMMUNICATIONS DEPARTMENT WOULDN'T

BARRISTERS' REPORTING SERVICE

1 GET SOME ATTRIBUTION FOR A PRODUCT THAT THEY DIDN'T
2 THINK HAD BEEN PROPERLY SIGNED OFF ON BY FDA OR
3 THERE WERE PROBLEMS, REAL PROBLEMS WITH. AT LEAST
4 WE HAVE SOME NOTIFICATION AND ABILITY TO HAVE INPUT
5 ON WHAT WE'RE GETTING CREDITED WITH.

6 MR. ROTH: SCOTT TOCHER ALSO HAS SPENT A
7 LOT OF TIME WORKING ON THIS AND THE IP POLICY. SO
8 IF YOU HAVE QUESTIONS ABOUT THE ACTUAL WORDING OF
9 THOSE COVENANTS.

10 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
11 IT'S AN EXCELLENT REPORT. BOARD COMMENTS HERE?

12 DR. POMEROY: SO, DUANE, I'M TRYING TO
13 UNDERSTAND WHEN A COMPANY WOULD GET A LOAN VERSUS
14 WHEN A COMPANY WOULD GET A GRANT FROM CIRM. SO CAN
15 YOU BRIEFLY ADDRESS THAT, SORT OF THE MISSION OF THE
16 LOAN PROGRAM. AND THEN ALSO WHAT ARE THE
17 DIFFERENCES IN BOTH THE IP AND THE ACCESS BRIEFLY
18 BECAUSE I KNOW IT'S A COMPLEX QUESTION IF YOU HAVE A
19 LOAN VERSUS A GRANT FROM THE CIRM.

20 MR. ROTH: ON THE FIRST ONE, WHETHER IT'S
21 A GRANT OR A LOAN, WE AGAIN DECIDED THAT SHOULD BE
22 RFA DRIVEN. BUT IN GENERAL, THE THINKING IS THAT
23 MOST OF THE TRANSLATIONAL PROGRAMS THAT WE PUT OUT
24 WOULD BE THE LOAN PROGRAM PRIMARILY. THERE CAN BE
25 TIMES WHEN IT BECOMES BOTH LOANS AND GRANTS. AND

BARRISTERS' REPORTING SERVICE

1 ADDITIONALLY, WE FELT THAT INSTITUTIONS SHOULD BE
2 ABLE TO FORM CORPORATIONS AND APPLY FOR THE LOANS IF
3 THEY WANT TO DO MORE TRANSLATIONAL WORK WITHIN THE
4 INSTITUTION, WHICH IS BECOMING MORE AND MORE
5 NECESSARY BECAUSE FUNDING FOR VERY EARLY STAGES IS
6 BECOMING MORE DIFFICULT.

7 IT WOULD REALLY BE UP TO STAFF TO
8 RECOMMEND, WORKING WITH MICHAEL ON THE ALLOCATION,
9 ABOUT WHETHER A GIVEN RFA WOULD BE LOANS ONLY, LOAN
10 OR GRANT, OR A COMBINATION OF THE TWO.

11 IN TERMS OF THE ACCESS PROGRAM, THEY'RE
12 IDENTICAL, AND THAT'S BY DEFINITION. SO WE JUST
13 PICKED IT, SAID WE'D DONE THE WORK THERE. AND,
14 AGAIN, FROM THE COMPANY SIDE, GIVEN ALL THE
15 ADVANTAGES WE GIVE THEM IN THIS FINANCING PACKAGE, I
16 THINK THE FACT THAT THEY WOULD ACCEPT AN ACCESS
17 PROGRAM IS REASONABLE.

18 CHAIRMAN KLEIN: AND, CLAIRE, THERE MAY BE
19 IN THE FINANCE COMMITTEE'S HEARINGS AND THE BOARD
20 HEARINGS RELATED TO THIS, THERE MIGHT BE, FOR
21 EXAMPLE, A SIZE THRESHOLD, THAT AT \$25 MILLION, FOR
22 EXAMPLE, A LOAN MAY BE SOMETHING THAT GIVES US THE
23 CAPACITY TO SERVICE MORE PROGRAMMATIC OBJECTIVES.
24 PRICEWATERHOUSECOOPERS DID A STUDY THAT SHOWED EVEN
25 WITH A 40-PERCENT OR A 50-PERCENT DEFAULT RATE IN

BARRISTERS' REPORTING SERVICE

1 CERTAIN CATEGORIES OF THESE LOANS, THAT WITH THE
2 WARRANTS ATTACHED, WE COULD HAVE BETTER THAN CAPITAL
3 PRESERVATION AS AN OUTCOME ON A SIX- OR SEVEN-YEAR
4 TURN POTENTIALLY OR A TEN-YEAR TURN DEPENDING UPON
5 THE PORTFOLIO LENGTH.

6 SO THAT THE LOAN PROGRAM HAS THE
7 POTENTIAL, NOT ONLY TO GIVE US THE ABILITY TO REACH
8 TO HIGHER LEVELS OF SUPPORT, AND GIVEN THE DEARTH OF
9 CAPITAL IN THE CLINICAL TRIAL PHASE OF DEVELOPMENT,
10 IT APPEARS WE MAY HAVE TO CONTEMPLATE DEALING WITH
11 SOME LARGER SIZE LOANS OR FINANCIAL SUPPORT OF SOME
12 KIND TO REALLY MOVE THINGS DOWNSTREAM TO THE CLINIC
13 AND COMMERCIALIZATION. BUT, AGAIN, THIS IS GOING TO
14 BE A SEPARATE POLICY DISCUSSION THAT WILL COME
15 BEFORE THE BOARD.

16 MR. ROTH: I DIDN'T MENTION INTEREST RATES
17 AT ALL, SO IT WOULD BE SET ON A PER RFA BASIS. THAT
18 WAY WE CAN STAY RELEVANT. ANYTHING -- THE POLICY
19 THAT'S IN FRONT OF US IS REALLY DESIGNED TO STAND
20 ALONE AND STAND LONG TERM, AND THEN THE FLEXIBILITY
21 COMES IN FROM LOOKING AT THE TOTAL PORTFOLIO,
22 LOOKING AT THE INDIVIDUAL RFA'S, AND, AS BOB JUST
23 TALKED ABOUT, THE SIZE. AND THAT ALL NEEDS SEPARATE
24 DISCUSSION PROBABLY ON A CASE-BY-CASE BASIS OF RFA.

25 CHAIRMAN KLEIN: OKAY.

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1 DR. TROUNSON: JUST FOR YOU. I'M STILL
2 NOT QUITE CLEAR WHAT'S THE INDUCEMENT TO TAKE A LOAN
3 RATHER THAN A GRANT IF THE IP IS THE SAME.

4 MR. ROTH: THE IP POLICY IS THE SAME ONLY
5 IN TERMS OF THE REQUIREMENTS, THE COVENANTS. IT'S
6 NOT THE SAME. THERE'S AN INTEREST, THERE'S ROYALTY,
7 AND OTHER THINGS INVOLVED IN IP.

8 DR. TROUNSON: SO NOW I BETTER UNDERSTAND
9 IT.

10 DR. POMEROY: SO THE ACCESS PROGRAM IS THE
11 SAME.

12 MR. ROTH: THE ACCESS IS THE SAME.

13 DR. POMEROY: BUT IF YOU GET BLOCKBUSTER,
14 THE RETURN TO THE STATE IS DIFFERENT DEPENDING UPON
15 WHETHER IT'S A LOAN OR A GRANT.

16 MR. ROTH: THAT'S CORRECT. THE IP POLICY
17 COMES WITH ITS OWN SET OF REQUIREMENTS FOR ROYALTY
18 RATES AND PAYBACK TO THE STATE, ETC.

19 CHAIRMAN KLEIN: SO AS AN ILLUSTRATION,
20 BESIDES THE ROYALTIES DIFFERENCE, IN TERMS OF OUR
21 MISSION, WHICH IS IN THE GREATEST BENEFIT TO THE
22 STATE, WHICH IS TO DRIVE THERAPIES, WE HAVE MORE
23 RECOVERY OF MONEY TO FUND MORE THERAPIES. SO THE
24 STATE IS BEING SERVED IN THAT MANNER AS VERSUS
25 ROYALTIES, WHICH ARE LIKE 5 PERCENT OF THE TOTAL

BARRISTERS' REPORTING SERVICE

1 RETURN TO THE STATE. AND IN TERMS OF THE LOAN SIZE,
2 IT VERY -- AS A POLICY MATTER, WE MAY DECIDE NOT TO
3 FUND A \$30-MILLION GRANT. THAT AT THOSE SCALES,
4 THAT WE REALLY HAVE TO DEAL WITH IT ON A LOAN BASIS,
5 SO WE CAN HAVE A CAPITAL RECOVERY PROGRAM AND BE
6 ABLE TO DO LARGE LOANS, BUT BE ABLE TO HAVE THE
7 PROGRAM BREADTH THAT WE NEED AS WELL.

8 OKAY. ADDITIONAL MEMBER COMMENT?

9 MR. SHEEHY: SO MY INTEREST IS REALLY IN
10 THE COVENANTS. THE FINANCIAL STUFF IS GOING TO GO
11 BY ME A LOT. I'M GLAD WE CALLED THEM COVENANTS
12 BECAUSE I REALLY THINK THE ORIGIN OF THESE
13 PROVISIONS, I SPECIFICALLY SPEAK TO THE FIRST TWO,
14 REALLY CAME OUT OF A COMMITMENT THAT LED IN THE
15 IP TASK FORCE TO THE PEOPLE OF CALIFORNIA FOR GIVING
16 US THIS MONEY. WE'RE JUST GOING TO SET A CERTAIN
17 BASELINE STANDARD IN TERMS OF PRICING FOR CALIFORNIA
18 PUBLIC ENTITIES AND ALSO ACCESS FOR CALIFORNIANS WHO
19 DON'T HAVE INSURANCE OR THE WORKING POOR, SO TO
20 SPEAK.

21 MY CONCERN IS THE STICKINESS OF THESE
22 COVENANTS GIVEN WE HAVE REALLY TWO DIFFERENT
23 POSTURES PUBLICLY ON THESE VERY ITEMS. SO IF YOU
24 LOOK AT THE LOAN TASK FORCE, WE'VE GONE THROUGH, AND
25 THE IP TASK FORCE, WE'VE GONE THROUGH VERY ELABORATE

BARRISTERS' REPORTING SERVICE

1 PUBLIC PROCESSES, TAKEN TESTIMONY, HEARD OBJECTIONS
2 TO THIS, BUT REALLY KIND OF SET A LINE IN THE SAND
3 AND SAID WE'RE GOING TO DO THIS. THIS IS IMPORTANT.
4 THIS IS A PROMISE WE'RE MAKING TO THE PEOPLE WHO ARE
5 GIVING US THE MONEY TO DO THIS RESEARCH.

6 1565, AS OFFERED BY SENATOR KUEHL, WHICH
7 WE CONTINUE TO OPPOSE, AT THIS POINT HAS WHAT -- AND
8 I THINK THERE HAVE BEEN SOME PROBLEMS UP TO THIS
9 POINT, BUT IF YOU LOOK SIMPLY AT THE IP PROVISIONS,
10 THEY ARE SOLELY THESE TWO ITEMS, AND THEY'RE REALLY
11 MUCH WEAKER THAN WHAT WE HAVE HERE. AND I WONDER
12 ABOUT THE DURABILITY OF THE COMMITMENT TO THESE
13 PROVISIONS, WHICH MATTER MORE TO ME. I WON'T SPEAK
14 FOR THE OTHER MEMBERS OF THE BOARD, BUT IT MATTERS
15 VERY MUCH TO ME PERSONALLY AS SOMEONE WHO WAS
16 UNINSURED, WHO ACCESSED MY THERAPIES FIRST THROUGH A
17 STATE-FUNDED PROGRAM, WHO WENT TO A PUBLIC CLINIC.
18 IF I LIVED IN A DIFFERENT STATE, I MIGHT NOT EVEN BE
19 HERE.

20 WHEN WE COME TO 1565, AND I DON'T KNOW
21 WHAT WE WILL DO, BUT IF WE CONTINUE TO REITERATE OUR
22 OPPOSITION TO MOSTLY THESE SAME PROVISIONS, I WONDER
23 HOW I CAN COUNT ON US FULFILLING OUR COVENANTS WITH
24 THE PEOPLE OF CALIFORNIA IF WE HAVE A MAJORITY OF
25 THE BOARD THAT DOESN'T WANT TO SUPPORT THESE BEING

BARRISTERS' REPORTING SERVICE

1 STATUTORY. YOU KNOW, IT MEANS THAT THEY'RE NOT
2 REALLY SET VERY STRONG, AND I'M NOT COMFORTABLE,
3 ESPECIALLY IN THE NUMBERS OF -- THE MILLIONS OF
4 DOLLARS WE'RE TALKING ABOUT GIVING MONEY AWAY AND
5 THE TERMS, WHICH I THINK DUANE HAS RIGHTLY SAID
6 THEY'RE VERY GENEROUS, BUT THIS IS OUR ROLE. SO I'M
7 COMFORTABLE WITH US DOING ALL OF THIS, BUT THESE
8 COVENANTS HAVE TO REALLY BE COVENANTS.

9 AND FOR ME, AT LEAST PERSONALLY, TO FEEL
10 COMFORTABLE GOING FORWARD, I HAVE TO FEEL LIKE WE
11 ARE GOING TO MAKE THIS PART OF EVERY LOAN THAT WE
12 DO. AND SO, YOU KNOW, THERE'S A CIRCLE THAT'S NOT
13 SQUARED HERE, AND I DON'T REALLY KNOW HOW TO RESOLVE
14 IT. MAYBE IT WILL HAPPEN WHEN WE GET INTO A
15 DISCUSSION OF 1565, BUT IT'S HARD FOR ME TO BE
16 OPPOSED TO 1565 AND TO BE FOR THIS.

17 CHAIRMAN KLEIN: JEFF, LET ME ASK YOU THIS
18 QUESTION. FIRST OF ALL, AS TO TAKING AWAY THE
19 PRIORITY FOR EMBRYONIC STEM CELL RESEARCH IN THE
20 VOTING STRUCTURE OF 1565, THAT'S A SEPARATE ISSUE.
21 AND BUT AS TO THE APPLICATION HERE, HOW WOULD YOU
22 DEAL WITH THE SITUATION, WHICH BY REGULATION WE CAN
23 DEAL WITH, BUT NOT IF IT'S STATUTORY AND UNDER 1565
24 SAYS THERE'S A SINGLE PRICE THAT YOU CAN ASSIGN. AS
25 LONG AS THERE IS A COMMERCIAL PRICE, YOU CAN ONLY

BARRISTERS' REPORTING SERVICE

1 HAVE A SINGLE PRICE FOR STATE ENTITIES WHEN YOU KNOW
2 THAT WITH ALZHEIMER' S, YOU HAVE A MAJORITY OF THE
3 PERSONS HAVE LATE ONSET, AND THEY' LL BE COVERED BY
4 MEDICARE OR SOME RELATED PROGRAM.

5 WHEREAS, YOU HAVE A SUBSET, WHICH IS AN
6 EARLY ONSET GROUP, AND FOR THAT EARLY ONSET GROUP,
7 WE MIGHT LOOK AT IT AND SAY TO REALLY REACH OUR
8 PUBLIC PURPOSE, WE MAY WANT TO SAY WE' RE GOING TO
9 SET A HIGHER PRICE FOR THOSE COVERED BY MEDICARE
10 THAT ARE WORKING -- THOSE COVERED BY MEDICARE, AND
11 WE WANT TO SET A LOWER PRICE. ESSENTIALLY WE WANT
12 THE COMPANY TO TAKE THAT HIGHER PRICE AND
13 CONTRACTUALLY AGREE THAT THEY' LL TAKE THAT SUBSIDY
14 AND SUBSIDIZE DOWN THAT EARLY ONSET GROUP WHO MAY
15 GET ALZHEIMER' S IN THEIR 40S OR 50S AND NEED
16 IMMEDIATE ATTENTION TO STOP THAT FROM BECOMING
17 PROGRESSIVELY WORSE. AND YET THERE' S TWO YEARS
18 BEFORE THEY CAN QUALIFY FOR MEDICARE EVEN UNDER AN
19 EXCEPTION.

20 SO THE POINT IS HERE, IN ORDER TO SERVE
21 THE PUBLIC PURPOSE, THE 1565 DOESN' T ALLOW US THE
22 ABILITY TO DIFFERENTIATE THOSE PRICES EVEN THOUGH
23 THEY' RE FACTUALLY DIFFERENT CONSTRAINTS WE HAVE.
24 AND WE REALLY WANT TO MAKE SURE THAT WE GET TO THAT
25 GROUP THAT HAS THE GREATEST PUBLIC DISTRESS AND

BARRISTERS' REPORTING SERVICE

1 NEEDS THE GREATEST ASSISTANCE. HOW UNDER 1565 WOULD
2 YOU REACH THAT SUBSET?

3 MR. SHEEHY: I THINK MY POINT WOULD BE,
4 AND WE TALKED ABOUT THIS IN THE IP TASK FORCE, I
5 DON'T THINK WE'RE GOING TO BE SETTING PRICES. THAT
6 WAS NOT MY UNDERSTANDING, THAT THAT WAS GOING TO BE
7 CIRM'S ROLE.

8 CHAIRMAN KLEIN: THAT'S PART OF 1565.

9 MR. SHEEHY: 1565 STIPULATES FOR THESE
10 CALIFORNIA PUBLIC PURCHASERS, AND THIS IS ALL WITHIN
11 THE CONTEXT OF CALRX, WHICH I DON'T THINK IS A
12 COMMUNIST PROGRAM. I MEAN THE GOVERNOR PUT THIS
13 TOGETHER. SO CALRX IS A BENCHMARK. AND I JUST --
14 I'M NOT ACCEPTING THIS EXCEPTIONAL -- SEE, THIS IS
15 EXACTLY WHY I START GETTING CONCERNED ABOUT GOING
16 FORWARD WITH THIS PROGRAM IF THE COVENANTS ARE GOING
17 TO BE -- ARE ON SHAKY GROUND BECAUSE OF
18 HYPOTHETICALS IN AREAS IN WHICH WE DECIDED WE
19 WEREN'T GOING TO DELVE IN. WE WEREN'T GOING TO
20 PRICE PRODUCTS. GOVERNMENTS GET SPECIAL PRICING
21 ANYWAY, YOU KNOW. AND I DON'T THINK IT'S OUTRAGEOUS
22 TO SUGGEST THAT THERE BE A SPECIAL PRICE FOR
23 CALIFORNIA PUBLIC ENTITIES PURCHASING THESE
24 THERAPIES BECAUSE WE'VE GIVEN THE MONEY FOR THOSE.
25 SO I DON'T SEE 1565 -- I MEAN I JUST -- I

BARRISTERS' REPORTING SERVICE

1 GOT TO SAY I NEITHER UNDERSTAND NOR ACCEPT YOUR
2 ARGUMENT. AND I THINK --

3 CHAIRMAN KLEIN: JEFF, I'M TRYING TO SAY
4 THE PURPOSE WOULD BE TO GIVE A LOWER PRICE TO STATE
5 AND LOCAL GOVERNMENT FOR THE EARLY ONSET GROUP. SO
6 WE'RE TRYING TO SET TWO DIFFERENT PRICES, BUT A
7 LOWER PRICE FOR STATE AND LOCAL GOVERNMENT FOR THAT
8 GROUP THAT HAS GOT GREATER ECONOMIC DISTRESS AND NO
9 MEDICARE SUPPORT.

10 MR. SHEEHY: HOW WOULD 1565 KEEP US FROM
11 DOING THAT? THAT I DON'T UNDERSTAND.

12 MR. GOLDBERG: MIGHT I SUGGEST, WITH
13 PERMISSION OF MY FELLOW BOARD MEMBERS, THAT WE DEFER
14 THE DISCUSSION OF 1565 TO --

15 MR. SHEEHY: WE'RE NOT GOING TO TAKE
16 ACTION ON THIS. I WAS JUST EXPRESSING MY BASIC --
17 I'VE BEEN VERY SUPPORTIVE OF THIS PROCESS, AND I
18 THINK DUANE HAS DONE A PHENOMENAL JOB. AND I HAVE
19 BEEN PUSHING THIS FORWARD, BUT I REALLY DO HAVE --
20 YOU KNOW, THIS IS WHERE -- THIS IS MY MAIN CONCERN.
21 THE FINANCIAL ARRANGEMENTS ON THIS ARE BRILLIANT,
22 AND I APPLAUD STAFF, I APPLAUD PRICEWATERHOUSE, BUT
23 I WANT TO BE CLEAR THAT IF I START TO FLOAT AWAY, I
24 DON'T WANT MY COLLEAGUES TO THINK THAT I'M DOING THE
25 BIG DOUBLE CROSS. JUST THIS INCONSISTENCY IS

BARRISTERS' REPORTING SERVICE

1 BOTHERING ME, AND I REALLY THINK THAT THESE ARE
2 REASONABLE THINGS TO ASK FROM INDUSTRY IF THEY' RE
3 GOING TO GET OUR MONEY. I JUST DO. I WANT TO FEEL
4 LIKE THAT WE' RE DIGGING IN ON THIS AS KIND OF IT' S
5 BEEN UP TO THIS POINT. IT' S JUST THIS REALLY KIND
6 OF WIGGLY ROOM WE' RE SEEKING IN THE CONTEXT OF 1565
7 THAT' S ALARMING ME.

8 CHAIRMAN KLEIN: DR. PENHOET.

9 DR. PENHOET: IF I COULD MAKE A POINT. I
10 BELIEVE THAT THESE COVENANTS ARE REAL. MAYBE AS
11 SOMEONE ONCE SAID ABOUT THE POPE, MOVES FROM ONE
12 STATE OF CERTAINTY TO ANOTHER STATE OF CERTAINTY. I
13 BELIEVE WE WOULD ONLY MOVE AWAY FROM THIS STATE OF
14 CERTAINTY IF WE HAD A COMPELLING SET OF REASONS TO
15 DO SOMETHING DIFFERENT.

16 SO I' VE INTERPRETED THESE COVENANTS IN THE
17 LOAN PROGRAM AND THE IP POLICY AS OUR POLICIES AS
18 THEY EXIST TODAY. WE HAVE NO EVIDENCE IN FRONT OF
19 US, IN MY VIEW, TO SAY THAT WE SHOULD CHANGE THEM
20 TODAY. I THINK THE QUESTION THAT BOB BRINGS UP IS
21 COULD THERE BE CIRCUMSTANCES IN THE FUTURE WHERE WE
22 WOULD WISH TO CHANGE SOME OF THESE THINGS BASED ON
23 NEW KNOWLEDGE, BASED ON FACTS WE DON' T HAVE TODAY,
24 ETC. SO I THINK I CERTAINLY DON' T TAKE WHAT' S IN
25 FRONT OF US HERE IN THE LOAN POLICY AS WE' RE SOFT ON

BARRISTERS' REPORTING SERVICE

1 THESE THINGS. IT SAYS IN PLAIN ENGLISH WHAT WE
2 INTEND TO DO HERE. I THINK THIS IS OUR POLICY IF WE
3 ADOPT THIS. AND IF WE CHOOSE TO MAKE CHANGES IN THE
4 FUTURE FOR SOME GOOD REASON, I THINK WE COULD HAVE
5 THE FLEXIBILITY TO DO THAT UNDER REGULATIONS. I
6 DON'T WANT TO GET INTO 1565, BUT I NEVER VIEWED
7 THESE AS TENTATIVE MYSELF. I DON'T KNOW HOW THE
8 REST OF YOU FEEL ABOUT THIS. I THINK THIS IS THE
9 CERTAINTY THAT WE HAVE IN FRONT OF US TODAY.

10 CHAIRMAN KLEIN: AND I WOULD REITERATE DR.
11 PENHOET'S POSITION. I THINK THIS IS ABSOLUTELY OUR
12 POLICY. AND THE MODIFICATION THAT I'M SUGGESTING WE
13 WANT FLEXIBILITY FOR IS TO ACHIEVE OUR POLICY
14 OBJECTIVELY. BUT THERE'S FACT PATTERNS THAT WOULD
15 MEAN THAT YOU WANT TO HAVE TWO PRICES FOR THE STATE
16 TO GET TO THE PEOPLE IN GREATEST NEED, NOT A SINGLE
17 PRICE AS DICTATED BY 1565.

18 SO IT'S ONLY TO ACHIEVE OUR REAL POLICY TO
19 GET TO THE PEOPLE WITH GREATEST NEED THAT WE NEED
20 THE FLEXIBILITY.

21 MR. ROTH: MAYBE I CAN JUST CLARIFY AGAIN
22 THE GOAL. AND THIS REALLY CAME OUT OF ED'S TASK
23 FORCE ON IP AND CARRIED OVER. THE GOAL THAT WE
24 FINALLY SETTLED ON IS THAT NO CALIFORNIAN SHOULD GO
25 WITHOUT ACCESS TO THESE THERAPIES, AND TO THE BEST

BARRISTERS' REPORTING SERVICE

1 OF OUR ABILITY COLLECTIVELY, INSURANCE COMPANIES,
2 STATE OF CALIFORNIA, PATIENT ADVOCACY GROUPS, AND,
3 FINALLY, THE COMPANIES THAT PRODUCE THEM, LET'S BE
4 SURE EVERYBODY GETS THE PRODUCT. AND THAT'S WHAT --
5 THAT'S WHAT'S EMBEDDED HERE. I, FOR ONE, WILL STAY
6 WITH THAT BECAUSE I THINK THAT IS THE ABSOLUTE
7 FUNDAMENTAL KEY TO WHAT WE'RE TRYING TO ACCOMPLISH.

8 CHAIRMAN KLEIN: OKAY. SO I THINK WE'RE
9 IN HEATED AGREEMENT ON OUR GOALS AND OUR POLICIES.
10 LET'S ASK FOR PUBLIC COMMENT, PLEASE.

11 MR. SIMPSON: JOHN SIMPSON, CONSUMER
12 WATCHDOG. I JUST WANTED TO REITERATE WHAT JEFF
13 SAID. I THINK THAT THE IP ACCESS POLICIES AND THE
14 COVENANTS HERE ARE MINIMAL POLICIES THAT ABSOLUTELY
15 MUST BE REQUIRED OF ANY COMPANY THAT WANTS TO TAKE
16 THE STATE OF CALIFORNIA'S MONEY. THERE HAVE BEEN
17 RUMBLINGS THAT SOME COMPANIES DON'T LIKE IT. AND I
18 SEE PUSHBACK COMING FROM THE COMPANIES, AND I'M
19 CONCERNED THAT I'VE SEEN, READING BETWEEN THE LINES
20 OF SOME OF THE LETTERS THAT HAVE BEEN WRITTEN TO
21 SENATOR KUEHL, SORT OF A NOTION WE NEED FLEXIBILITY,
22 WE NEED TO LISTEN TO THESE COMPANIES, OR THEY'RE NOT
23 GOING TO BE WILLING TO TAKE LOANS FROM US. AND MY
24 ANSWER TO THOSE COMPANIES IS THEN FINE. DON'T TAKE
25 IT.

BARRISTERS' REPORTING SERVICE

1 AND I THINK THAT THIS IS THE BOTTOM LINE.
2 I'M DELIGHTED TO HAVE HEARD WHAT I WAS HEARING NOW
3 IS STRONG COMMITMENTS TO THE COVENANTS AND TO THE IP
4 POLICY, BUT I WOULD ENCOURAGE ALL THE BOARD MEMBERS
5 TO READ VERY CLOSELY THE LETTERS THAT HAVE COME FROM
6 CIRM MANAGEMENT TEAM TO THE SENATOR'S OFFICE IN THE
7 1665 CONTEXT. AND TO SOMEONE WHO FOLLOWS THIS, BUT
8 WHO'S NOT BEEN PRIVY TO THE CONVERSATIONS, THE PLEA
9 FOR FLEXIBILITY COMES ACROSS TO ME AS, WELL, WHEN
10 PUSH COMES TO SHOVE, WE'RE GOING TO CAVE AND GIVE IN
11 TO BIOTECH. THANK YOU.

12 MR. REED: I'VE ALWAYS LOVED THE ICOC'S
13 ABILITY TO THINK CREATIVELY AND COME UP WITH WAYS TO
14 GET MORE BANG FOR THE BUCK. THE FACILITIES WHERE
15 \$271 MILLION WAS LEVERAGED TO 1.5 BILLION WAS
16 MAGNIFICENT.

17 I WONDER IF THERE MIGHT BE A WAY TO DO
18 SOMETHING LIKE THAT WITH THE LOAN REQUESTS. FOR
19 INSTANCE, SOME OF THE EQUIPMENT USED IS SO
20 EXPENSIVE. A MICROSCOPE CAN COST \$250,000. I
21 WONDER IF THERE'S A WAY WE CAN ASK PEOPLE THAT ARE
22 ASKING LOANS FROM US TO SAY, ALL RIGHT, IS THERE ANY
23 PART OF YOUR EQUIPMENT THAT YOU'D BE WILLING TO LET
24 OTHER CIRM GRANTEES USE, HAVE ACCESS TO? AND THEY
25 COULD LIST THIS, AND IT MIGHT GIVE THEM LEVERAGE FOR

BARRISTERS' REPORTING SERVICE

1 PREFERENCE FOR POSSIBLE LOANS. OR THEY MIGHT SAY,
2 WELL, WE'VE GOT EXPERTISE MANY YEARS IN THIS FIELD,
3 AND WE WOULD BE WILLING TO DO TRAINING SESSIONS TO
4 HELP SHARE OUR EXPERTISE. SO THEY WOULD BRING MORE
5 THINGS TO THE TABLE AS TO HELP THEM GET A BETTER
6 CHANCE FOR THEIR LOANS.

7 CHAIRMAN KLEIN: OKAY. THANK YOU. ALL
8 RIGHT.

9 MR. ADAMS: I WAS ON THE PANEL FOR THE
10 PROFIT COMPANIES DUANE AND YOU ALL PUT TOGETHER.
11 AND I MUST SAY THAT THIS THING HAS EVOLVED VERY
12 NICELY. A YEAR AGO I WAS SHAKING MY HEAD TO THINK
13 HOW YOU WERE EVER GOING TO GET TO THIS POINT. I
14 THINK IT ABSOLUTELY IS TERRIFIC.

15 I REALLY DISAGREE WITH MY COLLEAGUE JOHN.
16 IT'S NOT A QUESTION OF -- IN MY MIND IT'S A QUESTION
17 FOR US FOR-PROFITS OF HOW DO WE APPLY FOR A LOAN?
18 HOW DO WE GET THROUGH THE PROCESS AND GET APPROVED?
19 AND AT THIS MOMENT IN TIME, I DON'T SEE IT. AND I
20 KNOW YOU'RE WORKING ON NEW PROCEDURES AND NEW
21 PROCESSES TO HELP US WITH THAT, BUT I THINK YOU GUYS
22 HAVE DONE A GREAT JOB.

23 CHAIRMAN KLEIN: THANK YOU. ADDITIONAL
24 PUBLIC COMMENT? ALL RIGHT. ON THE POLICY AS
25 PRESENTED, CAN I HAVE A SENSE OF THE COMMITTEE IN

BARRISTERS' REPORTING SERVICE

1 TERMS OF JUST A SHOW OF HANDS WHO WOULD BE
2 SUPPORTIVE. THANK YOU VERY MUCH.

3 LIKE TO MOVE FORWARD. AND, MR. HARRISON,
4 IN TERMS OF THE DISCUSSION WE NEED RELATED TO
5 CRITERIA FOR THE TRANSLATIONAL GRANT RFA THAT WILL
6 COME OUT SOON, COULD YOU GIVE US THE CONTEXT IN
7 WHICH THAT SHOULD BE BROUGHT BEFORE US?

8 MR. HARRISON: YES. AT THE LAST MEETING
9 STAFF PRESENTED THE CONCEPT PLAN FOR THE
10 TRANSLATIONAL I RFA FOR APPROVAL, AND THE BOARD
11 APPROVED THE CONCEPT PLAN WITH THE UNDERSTANDING
12 THAT IT WOULD BE RECONCILED BY STAFF TO THE RFA
13 REQUIREMENTS WHICH YOU ADOPTED YESTERDAY.

14 SO NO BOARD ACTION IS REQUIRED ON THE RFA,
15 ALTHOUGH I DON'T KNOW WHETHER STAFF WANTS TO MAKE
16 ANY PRESENTATION. I WOULD DEFER TO --

17 CHAIRMAN KLEIN: I THINK WE HAVE A STAFF
18 PRESENTATION AS A DISCUSSION ITEM. AND, DR.
19 TROUNSON, WOULD YOU LIKE TO DIRECT THAT.

20 DR. TROUNSON: I UNDERSTAND ROSA IS GOING
21 TO PRESENT THAT TO YOU.

22 DR. CANET-AVILES: SO, MR. CHAIRMAN,
23 MEMBERS OF THE BOARD AND GUESTS, AS MR. HARRISON
24 MENTIONED, AT OUR PREVIOUS ICOC MEETING, THE BOARD
25 ASKED US TO COME BACK TO ADDRESS THE ELIGIBILITY

BARRISTERS' REPORTING SERVICE

1 PROVISIONS FOR THE TRANSLATIONAL RFA AND RECONCILE
2 WITH THE TASK FORCE RECOMMENDATIONS. YOU APPROVED
3 THOSE RECOMMENDATIONS LAST NIGHT. AND JUST AS A
4 REMINDER, THIS ITEM DOES NOT REQUIRE A VOTE AND IS
5 JUST POINT OF INFORMATION.

6 WITH THIS DIAGRAM, WHICH YOU'VE ALL SEEN
7 SEVERAL TIMES, WE WOULD LIKE TO REMIND YOU THAT CIRM
8 HAS A SET OF INITIATIVES DESIGNED TO MOVE STEM CELL
9 RESEARCH INTO THE CLINIC. TRANSLATIONAL I IS THE
10 EARLIEST OF THE INITIATIVES AND SHARES SOME OVERLAP
11 IN SCOPE WITH THE DISEASE TEAMS.

12 IN A COUPLE OF SLIDES, THIS DIAGRAM WILL
13 BE REFERRED WHEN TALKING ABOUT THE RATIONALE THAT
14 CIRM HAS ADOPTED FOR THE NUMBER OF APPLICATIONS PER
15 INSTITUTION.

16 SO IN TERMS OF ELIGIBILITY FOR THE
17 PRINCIPAL INVESTIGATOR, ALTHOUGH NOT ALL IS LISTED
18 HERE, IT IS, IN FACT, THE DEFINITION OF THE
19 ELIGIBILITY CRITERIA THAT WAS DISCUSSED BY THE TASK
20 FORCE AND AGREED TO BY THE ICOC BOARD YESTERDAY. IN
21 ESSENCE, THE PRINCIPAL INVESTIGATOR MUST HOLD AN
22 M.D. OR A PH.D. OR EQUIVALENT DEGREE AND BE
23 AUTHORIZED BY THE APPLICANT INSTITUTION TO CONDUCT
24 THE PROPOSED RESEARCH IN THE STATE OF CALIFORNIA.

25 CIRM HAS ALSO AGREED THAT A MINIMUM OF A

BARRISTERS' REPORTING SERVICE

1 10-PERCENT EFFORT COMMITMENT FOR THE PRINCIPAL
2 INVESTIGATOR IS REQUIRED IN THIS PRESENT RFA.
3 HOWEVER, AS RECOMMENDED BY THE TASK FORCE, WE ARE
4 ALLOWING THE EXCEPTION THAT EXTRAORDINARY
5 CIRCUMSTANCES MAY BE APPLIED BY CIRM AT THE
6 DISCRETION OF THE PRESIDENT TO ALLOW SENIOR RESEARCH
7 SCIENTISTS TO HAVE REDUCED PERCENT EFFORT
8 COMMITMENT. AGAIN, THIS WAS AGREED BY THE TASK
9 FORCE YESTERDAY.

10 WE ALSO WANTED TO BRING TO YOUR ATTENTION
11 THE PRESENT ADDITIONAL CONSIDERATION. IN ORDER TO
12 BROADEN THE POOL OF APPLICANTS AND ENCOURAGE A WIDE
13 GROUP OF INVESTIGATORS IN OUR OVERALL TRANSLATIONAL
14 RESEARCH PROGRAM, NOT THE SAME PEOPLE ARE APPLYING
15 FOR BOTH RFA'S, CIRM WILL INCLUDE IN THE
16 TRANSLATIONAL I RFA THE ADDITIONAL CONSIDERATION
17 THAT THE PRINCIPAL INVESTIGATORS MAY APPLY FOR
18 EITHER A TRANSLATIONAL I AWARD OR A DISEASE TEAM
19 RESEARCH AWARD.

20 THIS HAS BEEN ALSO DETERMINED AS THERE IS
21 OVERLAP IN SCOPE BETWEEN BOTH RFA'S. FOR EXAMPLE, A
22 DEVELOPMENT CANDIDATE IS A GOAL IN BOTH PROGRAMS,
23 ALBEIT AN INTERIM GOAL FOR THIS ESTEEMED RESEARCH
24 AWARD.

25 CHAIRMAN KLEIN: AND ON THAT POINT IS A

BARRISTERS' REPORTING SERVICE

1 QUESTION, DR. TROUNSON. IF SOMEONE'S A CO-PI ON A
2 DISEASE TEAM GRANT, COULD THEY ALSO BE A CO-PI ON A
3 TRANSLATIONAL GRANT? I'M TRYING TO UNDERSTAND
4 BECAUSE THE SIZE OF THESE TEAMS AND THE
5 INCORPORATION OF EXPERTISE HOW THAT WOULD APPLY.

6 DR. TROUNSON: I HAVEN'T THOUGHT
7 SPECIFICALLY ABOUT THAT, BUT IT IS A POSSIBILITY.
8 THE ISSUE IS THAT I THINK WE'RE ONLY THINKING ABOUT
9 TEN TRANSLATIONAL GRANTS AND, OF COURSE, ABOUT SIX
10 DISEASE TEAMS WITH WHAT WE'RE BRINGING FORWARD, SO
11 THAT'S NOT VERY MANY. I WOULD HAVE THOUGHT, IF THIS
12 FOCUSED REALLY ON THE PRIMARY PI, RATHER, TO SORT OF
13 TRY AND MAINTAIN SOME DIVERSITY IN A VERY TIGHT
14 SELECTION PROCESS HERE WITHOUT TRYING TO SEEK ALL OF
15 THE INPUTS LEFT AND RIGHT HERE.

16 CHAIRMAN KLEIN: SO A CO-PI WHO IS NOT THE
17 PRIMARY MIGHT NOT BE DISQUALIFIED BY THIS PROCESS?

18 DR. CANET-AVILES: CAN I JUST SAY
19 SOMETHING? IN TERMS OF THE TRANSLATIONAL I RFA, DUE
20 TO IMPLEMENTATION ISSUES, WE DO NOT ALLOW CO-PI'S.

21 CHAIRMAN KLEIN: BUT THE PRINCIPAL ON A
22 TRANSLATIONAL GRANT COULD BECOME A COOPERATING CO-PI
23 ON A DISEASE TEAM GRANT.

24 DR. OLSON: YES, THAT'S CORRECT. I THINK
25 PART OF THE GOAL HERE TOO IS WE REALLY DON'T WANT

BARRISTERS' REPORTING SERVICE

1 THE SAME PROGRAM PRINCIPAL INVESTIGATOR COMING WITH
2 THE SAME GRANT TO BOTH BECAUSE THERE IS OVERLAPPING
3 IN THE TIMEFRAME. AND NO DECISIONS WILL BE MADE ON
4 THE ONE BEFORE THE OTHER. SO I THINK WE'D LIKE TO
5 ENCOURAGE PEOPLE JUST SO WE CAN HAVE A BROADER SCOPE
6 OF APPLICATIONS.

7 DR. STEWARD: I'M SORRY. COULD YOU
8 CLARIFY WHY YOU'RE NOT ALLOWING CO-PI'S ON THIS
9 AGAIN?

10 DR. OLSON: IT'S SIMPLY AN IMPLEMENTATION
11 ISSUE. WE CANNOT HAVE THAT READY FOR TRANSLATIONAL.
12 WE CAN HAVE COLLABORATORS THAT WE HAD BEFORE. WE
13 SIMPLY CANNOT DO THE IMPLEMENTATION FOR CO-PI'S ON
14 THE TRANSLATIONAL I.

15 DR. PRICE: BECAUSE OF YOUR SOFTWARE?

16 DR. OLSON: BECAUSE OF THE WAY -- YES.
17 BECAUSE OF BASICALLY WHAT THE INSTITUTE'S ABLE TO DO
18 RIGHT NOW. I THINK, AS I INDICATED, WE ARE TRYING
19 IMPLEMENT OUR GRANTIUM PROGRAM. WE ARE HOPING TO
20 HAVE CO-PI'S BY THE TIME OF DISEASE TEAMS. THAT'S
21 OUR GOAL.

22 DR. STEWARD: I WOULD JUST SAY THAT I
23 THINK THAT IS VERY UNFORTUNATE BECAUSE ONE COULD
24 EASILY IMAGINE THAT CO-PI'S WOULD BE A CRITICAL PART
25 OF THE TRANSLATIONAL AWARD IN THE SAME WAY THAT IT

BARRISTERS' REPORTING SERVICE

1 IS CRITICAL FOR THE DISEASE TEAM.

2 DR. OLSON: THIS IS AN EARLY TRANSLATIONAL
3 AWARD. I DON'T DISAGREE WITH YOU ON THAT. I THINK
4 WE ARE JUST DEALING WITH THE REALITY OF WHAT WE ARE
5 ABLE TO DO AND THE STAFF THAT WE HAVE WHO COULD
6 HANDLE THAT.

7 CHAIRMAN KLEIN: DR. PIZZO HAS A COMMENT.

8 DR. PIZZO: THE COMMENT IS I CERTAINLY
9 AGREE WITH THE TWO POINTS THAT ARE HERE, BUT I WANT
10 TO MAKE A SUGGESTION. SO I THINK OF THE TWO.
11 BROADEN THE POOL OF APPLICANTS TO ME IS A STRONG
12 ONE. HAVING BEEN INVOLVED MYSELF AT LEAST IN EARLY
13 TRANSLATIONAL AND THEN SORT OF DISEASE-BASED
14 RESEARCH AT ONE PART OF MY CAREER AND HAVING RUN
15 BOTH OF THOSE WITHIN MY OWN LAB GROUP, I CAN
16 ENVISION SCENARIOS WHERE THERE IS SYNERGISTIC
17 OVERLAP RATHER THAN ANTAGONISTIC OVERLAP.

18 SO MY SUGGESTION IS JUST AS IN THE PRIOR
19 SLIDE WHERE YOU HAD AN EXCEPTION BASED UPON THE
20 PRESIDENT OF CIRM, SORT OF THE SAME EXTRAORDINARY
21 CIRCUMSTANCES MAY BE APPLIED, I WONDER IF YOU WOULD
22 BE WILLING TO ENTERTAIN THAT SO THAT WE DON'T
23 PRECLUDE SOMETHING THAT MIGHT BE REALLY EXCEPTIONAL.

24 DR. TROUNSON: ABSOLUTELY. ABSOLUTELY.
25 WITHIN THE SPIRIT OF THINGS. I CAN SEE THAT MAKES

BARRISTERS' REPORTING SERVICE

1 SENSE.

2 DR. OLSON: I CAN SEE WHERE THAT MIGHT
3 SHOW UP IN THE GOALS OF EACH PROJECT. WE'RE
4 STRIVING FOR IN THESE EARLY TRANSLATIONAL I AWARDS
5 TO GET DEVELOPMENT CANDIDATES; WHEREAS --

6 DR. PIZZO: THINKING ABOUT IT, AGAIN, WHEN
7 I WAS INVOLVED IN A DIFFERENT PART OF MY LIFE, THERE
8 WAS ACTUAL SYNERGY RATHER THAN ANTAGONISM BETWEEN
9 THOSE TWO FACETS OF THE SPECTRUM. SO WE WERE ALWAYS
10 THINKING ABOUT HOW TO BE INVOLVED IN MULTIPLE PARTS
11 OF THAT. IF YOU CAN JUST BE OPEN TO THAT, THAT
12 WOULD BE GREAT.

13 CHAIRMAN KLEIN: DR. PIZZO, AS I
14 UNDERSTAND IT, WHAT THEY WERE TRYING TO AVOID IS
15 HAVING THE PRINCIPAL PI ON BOTH OF THEM BE THE SAME.
16 AND REALLY I THINK THAT WHAT YOU'RE ADDRESSING IS
17 WHAT I WAS ADDRESSING WHERE YOU MIGHT HAVE A
18 PRINCIPAL PI ON THE TRANSLATIONAL WHO'S A CO-PI ON
19 THE DISEASE TEAM; IS THAT CORRECT?

20 DR. PIZZO: I WASN'T ACTUALLY. I WAS OPEN
21 TO THE POSSIBILITY THAT IT MIGHT BE PI-PI. CO-PI S
22 ARE ANOTHER WAY OF LOOKING AT IT. BUT I'M JUST
23 SAYING WITHIN -- DEPENDS ON THE SIZE AND SCOPE OF
24 THE RESEARCH GROUP AND THE DIMENSIONS THAT ARE GOING
25 ON THERE. I THINK I'M JUST -- THIS MAY NOT COME UP,

BARRISTERS' REPORTING SERVICE

1 SO IT MAY BE A MINOR ISSUE. BUT ON THE OTHER HAND,
2 IF SOMEONE DOES COME UP WITH SOMETHING THAT REALLY
3 IS QUITE EXCITING AND COMPELLING, I WOULD HATE TO
4 SEE US MISS THAT SYNERGY BETWEEN EARLY TRANSLATION
5 AND DISEASE BASED.

6 CHAIRMAN KLEIN: SO YOU'RE ASKING THAT
7 THERE BE AN EXCEPTION THAT THE PRESIDENT --

8 DR. PIZZO: CARRY THAT SAME ASTERISK OVER.

9 DR. TROUNSON: IN THE SAME PRINCIPAL, YES.

10 CHAIRMAN KLEIN: ALL RIGHT. ANY
11 ADDITIONAL BOARD COMMENTS? ANY ADDITIONAL --

12 DR. CANET-AVILES: YES.

13 CHAIRMAN KLEIN: I THINK YOU MAY HAVE SOME
14 MORE TO PRESENT.

15 DR. PENHOET: CAN I ASK A PRACTICAL
16 QUESTION? HOW DO YOU WRITE THE RFA TO INCLUDE DR.
17 PIZZO'S? PUT AN ASTERISK IN?

18 CHAIRMAN KLEIN: THIS ONE RIGHT HERE,
19 THAT'S WHAT DR. PIZZO IS SUGGESTING.

20 DR. OLSON: IT DOES OFFER SOME CHALLENGES,
21 I THINK, BECAUSE BASICALLY AT THE LEVEL OF THE LOI,
22 I THINK THERE'D HAVE TO BE A DETERMINATION MADE.
23 AND, YOU KNOW, IF -- SO ONE WILL HAVE TO THINK ABOUT
24 THAT A BIT.

25 CHAIRMAN KLEIN: SO, ROSA, YOU HAD MORE TO

BARRISTERS' REPORTING SERVICE

1 PRESENT?

2 DR. CANET-AVILES: SO IN TERMS OF NUMBER
3 OF APPLICATIONS, CIRM ADHERES TO THE PRINCIPLES THAT
4 THE NUMBER OF APPLICATIONS CAN BE LIMITED, AND THIS
5 WAS AGREED BY THE TASK FORCE YESTERDAY AND APPROVED.

6 SO THIS IS MY LAST SLIDE. AND CIRM HAS
7 DETERMINED THAT NONPROFIT INSTITUTIONS WITH
8 ACCREDITED MEDICAL SCHOOLS WILL BE ELIGIBLE TO
9 SUBMIT UP TO THREE APPLICATIONS PER INSTITUTION.
10 NONPROFIT INSTITUTIONS, FOR-PROFIT INSTITUTIONS WITH
11 MORE THAN OR EQUAL TO 250 EMPLOYEES MAY SUBMIT UP TO
12 TWO APPLICATIONS PER INSTITUTION. AND THE REST,
13 NONPROFIT AND FOR-PROFIT INSTITUTIONS, WITH LESS
14 THAN 250 EMPLOYEE MAY SUBMIT UP TO ONE APPLICATION.

15 IN THIS CONTEXT, I WOULD LIKE TO REMIND
16 YOU THAT THE PI'S INSTITUTION IS DETERMINANT OF
17 WHICH CATEGORY THEY WILL FALL INTO. THIS FACT DOES
18 NOT PRECLUDE COLLABORATION AMONG INVESTIGATORS AT
19 DIFFERENT INSTITUTIONS, INCLUDING PUBLIC AND PRIVATE
20 PARTNERSHIPS. AND, IN FACT, CIRM STRONGLY
21 ENCOURAGES THEM. ALL THESE CRITERIA HAVE BEEN
22 DETERMINED BASED ON A SERIES OF CRUCIAL FACTORS THAT
23 DIFFERENTIATE THE PRESENT RFA'S FROM PREVIOUS RFA'S,
24 AND ALSO THE FACT THAT THE TASK FORCE RECOGNIZE THE
25 NEED TO SET LIMITS ON THE WORKLOAD FOR THE GRANTS

BARRISTERS' REPORTING SERVICE

1 WORKING GROUP MEMBERS.

2 SO IF YOU HAVE ANY QUESTIONS, I WILL BE
3 HAPPY TO ANSWER THEM.

4 CHAIRMAN KLEIN: THANK YOU, DOCTOR. I
5 DON'T SEE ANY ADDITIONAL COMMENTS. BUT PUBLIC
6 COMMENTS ON THIS ITEM?

7 MR. ROTH: VERY QUICKLY, I'M A LITTLE
8 CONCERNED ABOUT THAT LAST ONE IN TERMS OF THE
9 FOR-PROFIT COMPANIES. THERE AREN'T A LOT OF STEM
10 CELL COMPANIES WITH GREATER THAN 250 EMPLOYEES.

11 CHAIRMAN KLEIN: OKAY.

12 MR. ROTH: SO I WOULD LIKE TO SEE THAT
13 BUMPED AND NOT BE A RESTRICTION ON THE COMPANIES.

14 DR. CANET-AVILES: YOU WANT TO RAISE THE
15 NUMBER?

16 MR. ROTH: I WOULD LIKE TO SEE IT BE TWO
17 BECAUSE I THINK YOU GREATLY RESTRICT. IN FACT,
18 ALMOST ALL THE STEM CELL COMPANIES I'M FAMILIAR WITH
19 ARE FAR UNDER 250 EMPLOYEES. IT WOULD BE NICE IF
20 THEY COULD SUBMIT TWO.

21 DR. OLSON: I JUST WANTED YOU TO KNOW A
22 LITTLE BIT HOW WE GOT TO THIS. FIRST, LET ME REMIND
23 YOU THAT THERE WILL ONLY BE TEN OF THESE AWARDED, AT
24 LEAST THAT IS AT LEAST WHAT THE BOARD APPROVED AT
25 OUR PREVIOUS MEETING ON THE CONCEPT. WE HAVE TAKEN

BARRISTERS' REPORTING SERVICE

1 THE INSTITUTIONS THAT HAVE APPLIED TO US IN THE
2 PAST, ONES THAT WE THOUGHT MIGHT BE INTERESTED IN
3 THIS. WE HAVE ACTUALLY MODELED THIS AS TO WHAT WE
4 THINK. WE COULD HAVE AS MANY AS A HUNDRED. SHOULD
5 WE HAVE A HUNDRED APPLICATIONS, WE ARE RIGHT OFF THE
6 BAT IN A DOUBLE REVIEW AGAIN. WE ARE HOPING THAT
7 PEOPLE WOULD BE MORE CONSERVATIVE.

8 I AGREE WITH DUANE. IT IS LIKELY THAT
9 MOST OF THE STEM CELL COMPANIES ARE SMALLER THAN 250
10 EMPLOYEES. WE WOULD POINT OUT THAT THIS IS A
11 SUBSTANTIAL GRANT THAT WE'RE TALKING ABOUT, AND WE
12 WOULD SUGGEST THAT PERHAPS HAVING ONE OF THEM IS
13 PERHAPS NOT INAPPROPRIATE. AND EVERYBODY GETS TO
14 GET THE BEST SHOT. WE HAVE BEEN CONSISTENT IN AT
15 LEAST ALLOWING BOTH THE FOR-PROFIT AND THE NONPROFIT
16 TO HAVE THE SAME NUMBER ON THAT. SO THAT AT LEAST
17 WAS OUR THINKING THERE.

18 IF WE WERE TO RAISE THAT NUMBER TO TWO,
19 THAT WOULD SUBSTANTIALLY INCREASE THE NUMBER OF
20 POTENTIAL APPLICATIONS WE COULD RECEIVE. AND THESE
21 ARE LIKELY TO BE SOMEWHAT BIG APPLICATIONS TOO
22 BECAUSE, AS YOU RECALL, ONE OF THE PRIMARY GOALS
23 HERE IS A DEVELOPMENT CANDIDATE. SO, AGAIN, WHEN
24 YOU HAVE LARGER APPLICATIONS, IT'S MORE OF A
25 WORKLOAD ON YOUR GRANTS WORKING GROUP. SO THESE ARE

BARRISTERS' REPORTING SERVICE

1 THE KINDS OF THINGS WE TOOK INTO CONSIDERATION, AND
2 I APPRECIATE DUANE'S COMMENT, BUT THAT WAS THE
3 RATIONALE.

4 MR. ROTH: JUST THIS IS ABOUT
5 TRANSLATIONAL, AND YOU WANT THE COMPANIES.

6 CHAIRMAN KLEIN: JEFF.

7 MR. SHEEHY: I AGREE WITH DUANE. I MEAN
8 IT'S ABOUT COMPANIES, AND I DO THINK THERE'S AN
9 EQUITY ISSUE. YOU KNOW, WHY -- AND WE WEREN'T
10 OVERWHELMED BY COMPANIES IN THE TOOLS AND
11 TECHNOLOGY. WE WERE OVERWHELMED BY THE ACADEMIC
12 RESEARCH INSTITUTIONS. SO, YOU KNOW, IF WE
13 EFFECTIVELY SAY THAT FOR COMPANIES IN THIS FIELD,
14 YOU GET ONE APPLICATION, THAT'S IT, BUT IF YOU'RE A
15 NONPROFIT ACADEMIC RESEARCH INSTITUTION, YOU GET
16 THREE, THAT DOESN'T SEEM FAIR. IT JUST DOESN'T.

17 DR. PIZZO: IT DOESN'T SEEM FAIR IN THE
18 OTHER DIRECTION EITHER, TO BE HONEST WITH YOU,
19 BECAUSE THE SIZE OF THE ACADEMIC INSTITUTIONS COULD
20 HAVE LOTS OF PI'S. AND LIMITING THEM TO THREE MAY
21 WELL PRECLUDE SOME OF THE BEST IDEAS COMING FORWARD
22 FOR EARLY TRANSLATION.

23 CHAIRMAN KLEIN: SO A LIVELY DIFFERENCE OF
24 OPINION. WHAT WOULD THE OTHER BOARD MEMBERS THINK
25 OF THESE COMPETING IDEAS? HOW SHOULD WE BALANCE

BARRISTERS' REPORTING SERVICE

1 THEM?

2 DR. POMEROY: I THINK THAT MY PRINCIPLE
3 HERE IS THAT THE STAFF HAS PUT A LOT OF EFFORT INTO
4 THINKING ABOUT THESE RECOMMENDATIONS, AND THAT THERE
5 ARE ARGUMENTS ON ALL SIDES. AND SO I THINK I WOULD
6 BE SUPPORTIVE OF ACCEPTING THE STAFF'S
7 RECOMMENDATIONS.

8 CHAIRMAN KLEIN: OKAY. ADDITIONAL
9 COMMENTS FROM THE BOARD MEMBERS?

10 DR. PENHOET: AS A PRACTICAL MATTER, MOST
11 TRANSLATION GOES ON IN COMPANIES, NOT IN ACADEMIA.
12 AND I THINK TO FACE THE REALITY THAT THERE MAY NOT
13 BE ANY STEM CELL COMPANIES IN CALIFORNIA THAT HAVE
14 MORE THAN 250 EMPLOYEES, I'M NOT SURE THERE ARE ANY
15 STEM CELL COMPANIES IN CALIFORNIA THAT HAVE MORE
16 THAN 250 EMPLOYEES, WELL, MAYBE ONE OR TWO AT THE
17 MOST.

18 SO I DO THINK -- I AGREE WITH DUANE. I
19 THINK IT'S AN ARTIFICIAL CONSTRAINT AGAINST THE VERY
20 GROUP THAT WE'RE HOPING TO ENLIST IN TRANSLATIONAL
21 WORK. SO I WOULD MOVE TO WIPE OUT THE BOTTOM
22 CATEGORY AND SIMPLY HAVE TWO CATEGORIES.

23 CHAIRMAN KLEIN: LET ME ASK THIS QUESTION.
24 I KNOW THAT THERE'S BEEN A DISCUSSION THAT THERE ARE
25 START-UP FOR-PROFIT COMPANIES THAT MAY HAVE TEN

BARRISTERS' REPORTING SERVICE

1 EMPLOYEES. DO YOU WANT TO TREAT THEM THE SAME AS
2 SOMEONE THAT HAS A HUNDRED EMPLOYEES? DO YOU WANT
3 TO PAINT THIS WITH A LITTLE FINER BRUSH? WOULD YOU
4 LIKE TO SAY IF THEY HAVE OVER 75 EMPLOYEES, THAT
5 THEY GET TWO?

6 THE ISSUE HERE IS DO WE WANT TO REALLY
7 TREAT A TRUE START-UP WITH FIVE OR TEN EMPLOYEES THE
8 SAME AS A NONPROFIT ENTITY THAT HAS, YOU KNOW, 150
9 PEOPLE WITH 50 PI'S AMONG THEM? THE ISSUE HERE IS
10 BALANCE. MAYBE AN ALL OR NONE IS NOT NECESSARILY
11 THE ONLY OPTION WE HAVE BEFORE US.

12 DR. PENHOET: I'M JUST ARGUING FOR TWO.
13 I'M NOT ARGUING ALL OR NONE.

14 CHAIRMAN KLEIN: YOU'RE ARGUING FOR TWO IS
15 FOR THE 10-PERSON COMPANY AS WELL AS THE
16 HUNDRED-PERSON COMPANY.

17 DR. PENHOET: I WOULDN'T DISTINGUISH ON
18 THE BASIS OF SIZE.

19 DR. OLSON: I JUST WANT TO RAISE THIS
20 CONCERN, AND DUANE AND MAYBE ED COULD ADDRESS IT
21 BECAUSE THEY HAVE SOME EXPERIENCE WITH IT AS WELL.
22 IT'S OUR -- I AM CONCERNED THAT YOU HAVE A COMPANY
23 WHO MAYBE HAS A PI, BUT DOESN'T HAVE EVERYBODY IN
24 PLACE TO DO THIS, AND THEY DON'T HAVE THE FINANCIAL
25 CONCERNS AND EVERYTHING. HOW ARE THEY GOING TO

BARRISTERS' REPORTING SERVICE

1 START OFF, AND YOU' RE GOING TO GIVE THEM \$2 MILLION
2 A YEAR OR UP TO \$2 MILLION A YEAR TO MOVE FORWARD.

3 AGAIN, WITH RESPONSE TO YOUR POINT OF TWO,
4 DO YOU WANT OUR PROJECTS TO BE THEIR ONLY PROJECTS,
5 TO BE ESSENTIALLY THE BULK OF THEIR WORK? I GUESS
6 THAT WAS ALSO PART OF THE ISSUE ABOUT THE ONE. THIS
7 WOULD BE A MAJOR COMPONENT OF THEIR WORK, BUT DO YOU
8 WANT IT TO BE THE SOLE FOCUS? IS THAT WHAT THEY' RE
9 DOING? ARE WE THE REASON -- ARE WE -- IN THE WORDS
10 OF A VENTURE CAPITALIST, ARE WE A HUNDRED PERCENT OF
11 THEIR FUNDING? ARE WE THE SOLE PROVIDER? THESE ARE
12 CONSIDERATIONS.

13 DR. PENHOET: YOU' RE MAKING THAT DECISION
14 BEFORE YOU SEE WHAT THEY PROPOSE.

15 DR. OLSON: I GUESS I' M ALSO TRYING TO
16 ADDRESS HOW MUCH WILL THE REVIEWERS HAVE TO LOOK AT.

17 MR. ROTH: I THINK THE ANSWER, PAT, TO
18 YOUR QUESTION IS THEY SELF-SELECT. I DON' T THINK --
19 ALL RIGHT. YOU KNOW BETTER.

20 CHAIRMAN KLEIN: WE HAVE DR. POMEROY AND
21 THEN JEFF.

22 DR. POMEROY: I JUST WANT TO REMIND
23 EVERYONE THAT THESE ARE FOR WHO THE PI IS. AND SO A
24 SMALL COMPANY COULD BE INVOLVED WITH THREE
25 APPLICATIONS. AND THIS IS A LOT OF WORK TO PUT ONE

BARRISTERS' REPORTING SERVICE

1 OF THESE HUGE GRANTS, AND HOW REALISTIC IS IT FOR A
2 SMALL TEN-PERSON COMPANY TO PUT TOGETHER TWO MAJOR
3 GRANTS IN THIS TIME PERIOD AS THE PI'S? IT'S
4 DIFFERENT THAN ENCOURAGING THEM TO BE INVOLVED IN
5 OTHER APPLICATIONS THROUGH PARTNERSHIPS.

6 DR. TROUNSON: MR. CHAIRMAN, I TAKE THE
7 TENOR OF THE DISCUSSIONS. WE THINK THAT WE'RE ONLY
8 GOING TO GIVE TEN OF THESE AWARDS. WE BETTER BE
9 CAREFUL THAT WE DON'T INVOLVE 60 OR 80 PEOPLE IN
10 WRITING GRANTS. I THINK THEY OUGHT TO PUT THEIR
11 BEST FOOT FORWARD. I'D BE REALLY SURPRISED IF MANY
12 OF THESE COMPANIES WILL REALLY HAVE A HIGHLY ARGUED
13 CASE FOR MORE THAN ONE. IF THEY DO, THEY'LL BE
14 ASTONISHINGLY -- IT WILL BE SURPRISING.

15 THIS IS NOT THE ONLY TIME WE'RE GOING TO
16 DO IT, AND I THINK WE DON'T -- A, WE DON'T WANT TO
17 OVERWHELM THE REVIEWERS; BUT, B, WE DON'T WANT TO
18 TAKE ALL THE TIME FROM ALL THESE PEOPLE TO WRITE
19 NUMEROUS NUMBERS OF VERY COMPLEX GRANTS. AND SO I
20 THINK IT'S TIME ON BOTH SIDES.

21 I LISTENED TO THE DISCUSSIONS OF THE STAFF
22 ON THIS MATTER. I FELT IT WAS FAIR AND REASONABLE
23 THIS TIME. I THINK THERE'S SOME TOE-IN-THE-WATER
24 FEELINGS THAT WE'VE GOT TO GET FROM INDUSTRY. AND I
25 THINK WE'VE ALSO GOT TO BE FAIR TO THE GREAT MEDICAL

BARRISTERS' REPORTING SERVICE

1 INSTITUTES THAT ARE HERE AND WE'VE DRAWN INTO MAJOR
2 FACILITIES. THEY OFFER A VERY WIDE COMPENDIUM OF
3 OPPORTUNITY. I THINK MAKING THEM THREE IN MANY
4 INSTANCES IS A VERY HARD TASK FOR THOSE
5 INSTITUTIONS.

6 CHAIRMAN KLEIN: WE ALSO WOULD EXPECT, I
7 WOULD THINK, IN THE TRANSLATIONAL AREA TO HAVE SOME
8 OF THE COMPANIES COLLABORATING WITH THE ACADEMIC
9 INSTITUTIONS ON SOME OF THESE GRANTS. SO THERE'S
10 MORE THAN ONE DOOR FOR PRIVATE PARTICIPATION, BUT --

11 MR. ROTH: JUST TO BE CLEAR, IT SAYS
12 MAXIMUM NUMBER OF APPLICATIONS PER INSTITUTION.
13 DOESN'T SAY PER PI. THAT'S MAYBE PART OF THE
14 CONFUSION HERE. CAN THEY APPLY THROUGH MULTIPLE
15 SOURCES HERE?

16 CHAIRMAN KLEIN: MY UNDERSTANDING, PLEASE
17 CORRECT ME, DR. TROUNSON, IF I'M INCORRECT ON THIS,
18 IS THAT A FOR-PROFIT ENTITY COULD BE COLLABORATING
19 WITH A MEDICAL SCHOOL IN AN APPLICATION. THEY COULD
20 BE ONE OF THE COLLABORATING PARTIES.

21 DR. TROUNSON: IN THIS OCCASION, THE PI
22 AND THE INSTITUTE ARE ESSENTIALLY THE SAME BECAUSE
23 THERE'S ONLY ONE PI. SO LET'S TAKE IT -- THAT'S
24 WHAT THE INTENTION OF THIS WAS. SO THAT -- BUT THE
25 PI COULD BE AN ASSOCIATE IN OTHER GRANTS BECAUSE

BARRISTERS' REPORTING SERVICE

1 WE'RE ONLY HAVING ONE PI THIS TIME.

2 BY THE TIME WE GET TO DISEASE TEAMS AND
3 THEREAFTER, WE'LL HAVE MULTIPLE PI'S, IMPORTANT, I
4 THINK, IMPORTANT TRANSITIONS TO TEAM PROCESSES FOR
5 WHICH, YEAH, I THINK FURTHER CONSIDERATION WOULD BE
6 NECESSARY. BUT FOR THIS PARTICULAR ONE, WE'RE
7 TALKING ABOUT ONE PI, ONE INSTITUTE LEADER.

8 CHAIRMAN KLEIN: ONE INSTITUTE LEADER, BUT
9 DOESN'T RULE OUT COLLABORATIONS BETWEEN THE
10 FOR-PROFIT SECTOR AND THE NONPROFIT SECTOR.

11 MR. ROTH: IF THAT'S CLEAR, THEN IT'S
12 PROBABLY OKAY.

13 DR. OLSON: PI IS DETERMINATIVE OF WHAT
14 CATEGORY THEY FALL IN.

15 CHAIRMAN KLEIN: JEFF SHEEHY.

16 MR. SHEEHY: I JUST WANT TO GO BACK TO THE
17 PRINCIPLE, AND THE PRINCIPLE IS TO LIMIT THE NUMBER
18 OF APPLICATIONS. IT SEEMS TO ME IF WE WERE STILL TO
19 MAINTAIN OUR THREE CATEGORIES BECAUSE I DO THINK
20 NONPROFIT INSTITUTIONS UNDER 250 WOULD SEND IN AN
21 APPLICATION. BUT IT'S NOT -- I'M NOT CONVINCED THAT
22 IF WE ALLOWED -- JUST HAD ONE FOR-PROFIT CATEGORY
23 AND ALLOWED THEM TWO THAT THE SMALL COMPANIES WOULD
24 TAKE ADVANTAGE OF THAT AND ABUSE THAT, AND THAT THEY
25 WOULD SEND IN -- I THINK AS PEOPLE HAVE DESCRIBED,

BARRISTERS' REPORTING SERVICE

1 FOR THE SMALL COMPANIES, IT WILL BE ENOUGH WORK JUST
2 TO GET ONE IN. BUT RATHER THAN -- BUT I ALSO THINK
3 FOR ONES ON THE LARGER SIDE, THEY MAY HAVE -- THIS
4 IS WHAT THEY DO. THEY MAY HAVE TWO PROJECTS THAT
5 ARE WORTHY OF OUR CONSIDERATION. AND I DON'T THINK
6 THAT THEY'RE GOING TO OVERWHELM -- I'M NOT SURE THAT
7 THEY'RE GOING TO OVERWHELM US. WE HAVEN'T BEEN
8 OVERWHELMED BY INDUSTRY SO FAR. I MAY BE WRONG.
9 MAYBE IF WE TELL COMPANIES THEY CAN HAVE TWO,
10 EVERYBODY IS GOING TO SEND IN TWO, BUT IT'S NOT
11 GOING TO HELP THEM.

12 CHAIRMAN KLEIN: THE PRIOR GRANTS HAVE NOT
13 BEEN OF THIS SCALE.

14 DR. OLSON: WE HAVE HAD 40 -- OVER 40
15 FOR-PROFIT COMPANIES SUBMITTING TO US. 40, OVER 40,
16 AND MOST OF THEM ARE PROBABLY SMALLER.

17 CHAIRMAN KLEIN: WHAT PERCENTAGE OF THOSE
18 WERE IN THE TOOLS?

19 DR. OLSON: MANY.

20 CHAIRMAN KLEIN: WITH \$6 MILLION AT PLAY,
21 YOU COULD HAVE --

22 DR. OLSON: MORE INTEREST.

23 DR. TROUNSON: I THINK IT'S A PRETTY BIG
24 INDUCEMENT TO BE AN APPLICANT.

25 CHAIRMAN KLEIN: SO --

BARRISTERS' REPORTING SERVICE

1 DR. PIZZO: SO THE BOTTOM LINE IS, I THINK
2 CLAIRE STATED IT, THIS IS A RECOMMENDATION. WE CAN
3 MODIFY THESE THINGS GOING FORWARD. I WOULD PREFER
4 THERE NOT TO BE A LIMIT ON THE NUMBER OF
5 APPLICATIONS AT ALL. I'VE STATED THAT BEFORE. I
6 WOULD PREFER TO HAVE MORE PER NONPROFIT MEDICAL
7 SCHOOL-BASED INSTITUTION. I THINK THAT WOULD BE A
8 GOOD THING, BUT I UNDERSTAND WHY YOU'VE DONE IT THIS
9 WAY. SO I WOULD ADVISE THAT WE TRY THIS AND SEE
10 WHAT HAPPENS. WE CAN COME BACK AND REVISE IT
11 OBVIOUSLY FOR SUBSEQUENT AWARDS.

12 CHAIRMAN KLEIN: ALL RIGHT. IS THERE
13 PUBLIC COMMENT ON THIS ITEM? SEEING NO PUBLIC
14 COMMENT, WE HAVE A NUMBER --

15 DR. PIZZO: I HAVE TO SAY, JOHN, WHAT'S
16 HAPPENED? THIS IS THE FIRST TIME.

17 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AT
18 THIS POINT I WOULD SAY I'M JUST GOING TO CARRY OVER
19 TO THE NEXT MEETING ANY ADDITIONAL ITEMS. WE'VE
20 LOST SO MUCH OF OUR BOARD, WE'LL NO LONGER BE
21 REPRESENTATIVE IN OUR DISCUSSIONS.

22 THERE'S A LIVER PATIENT HERE FROM UC DAVIS
23 WHO CAME TO MAKE A PUBLIC COMMENT, AND LET'S TRY AND
24 RESPECT THE FACT THEY'VE COME THIS FAR. IF YOU
25 WOULD PLEASE COME FORWARD. THANK YOU VERY MUCH,

BARRISTERS' REPORTING SERVICE

1 MELISSA KING.

2 AGAIN, THANK YOU FOR THE STAFF FOR THEIR
3 TREMENDOUS DEDICATION. THANK YOU FOR THE BOARD
4 MEMBERS. IT'S SUCH AN EXTRAORDINARY EVENT TO HAVE
5 ILLNESS AND EXIGENT CIRCUMSTANCES AFFECT SO MANY OF
6 OUR BOARD MEMBERS AT ONE TIME. BUT, AGAIN, IT
7 RAISES A GREAT CHALLENGE THAT I'M SURE THAT CHAIR OF
8 OUR GOVERNANCE COMMITTEE IS UP TO.

9 MS. LANSING: I'M INTO THIS.

10 CHAIRMAN KLEIN: SO THANK YOU ALL OF YOU
11 FOR YOUR UNDERSTANDING AS WE'VE HAD IN REAL-TIME TO
12 ADJUST, BUT IT'S BEEN A VERY PRODUCTIVE SESSION, A
13 LOT OF GOOD SUBSTANTIVE DECISIONS, AND THE FACULTY
14 PROGRAM HAS MOVED -- FACULTY II PROGRAM IS MOVING
15 FORWARD WITH SOME MAJOR APPROVALS WE'VE ALREADY
16 MADE, AND, OF COURSE, WE HAVE SOME DEFERRED
17 DISCUSSIONS FOR THE NEXT SESSION ON THE REMAINING
18 OUTSTANDING APPLICANTS.

19 JENNA, COULD YOU GIVE ME A READ FROM
20 MELISSA IF THERE'S GOING TO BE ANY DELAY IN HELPING
21 THE LIVER PATIENT TO COME IN, PLEASE? CERTAINLY WE
22 SHOULD PROBABLY TAKE THIS MOMENT TO GIVE A ROUND OF
23 APPLAUSE TO THE MANAGEMENT AND STAFF WHO ALWAYS PUT
24 TOGETHER THIS REMARKABLE EFFORT. AND TO MELISSA
25 KING AND JENNA FOR PULLING THIS TOGETHER WITH HELP

BARRISTERS' REPORTING SERVICE

1 FROM EVERYONE, BUT COULD WE GIVE A GREAT ROUND OF
2 APPLAUSE TO THE MANAGEMENT AND STAFF.

3 (APPLAUSE.)

4 MS. TAKAHASHI: GOOD AFTERNOON. MY NAME
5 IS JODY TAKAHASHI. ABOUT 14 MONTHS AGO I HAD A
6 LIVER TRANSPLANT. IT WAS FULMINANT LIVER FAILURE.
7 THEY DON'T KNOW WHAT HAPPENED TO ME, WHY MY LIVER
8 FAILED. I CAME VERY CLOSE TO DYING, ABOUT SIX HOURS
9 BEFORE THEY FOUND AN ORGAN FOR ME.

10 I GOT A CALL NOT TOO LONG AGO STATING THAT
11 THERE WAS SOME RESEARCH THAT WAS ONGOING ON STEM
12 CELL RESEARCH FOR REGENERATION OF LIVERS. AND WOULD
13 I COME UP SPEAK WITH YOU FOLKS AND KIND OF GIVE MY
14 STORY. AND EXCUSE ME. I'M REALLY, REALLY NERVOUS.
15 IT'S KIND OF HARD TO TALK ABOUT AS FAR AS WHAT
16 HAPPENED. BUT I WAS VERY HEALTHY. I WAS PROBABLY
17 THE HEALTHIEST I HAD EVER BEEN IN MY WHOLE LIFE, AND
18 I GOT JAUNDICED ONE DAY. AND IT KIND OF WENT
19 DOWNHILL FROM THERE. I ENDED UP IN THE HOSPITAL AND
20 TWO DAYS LATER I WAS IN A COMA. IT CAME VERY CLOSE,
21 LIKE I SAID, ABOUT SIX TO 12 HOURS THAT THEY WERE
22 MAKING THE DECISION WHETHER OR NOT I SHOULD BE
23 TRANSPLANTED. THEY WEREN'T SURE IF THE DAMAGE TO MY
24 BRAIN WAS TOO SIGNIFICANT AND THEY WERE JUST GOING
25 TO LET ME DIE OR NOT.

BARRISTERS' REPORTING SERVICE

1 AND THE REASON I'M UP HERE IS I THINK, IN
2 ESSENCE, IF STEM CELL RESEARCH CAN HELP TO PROLONG
3 SOMEONE'S LIFE WHO HAS LIVER DISEASE, WHETHER IT'S
4 FULMINANT OR HEPATITIS C OR CIRRHOSIS OF THE LIVER,
5 IT CAN GIVE US THREE MONTHS, A MONTH IN ORDER TO TRY
6 AND HELP OUR LIVERS REGENERATE AND GET HEALTHY AGAIN
7 OR FIND A DONOR BECAUSE THERE ARE SO FEW, I THINK
8 IT'S SOMETHING THAT WE NEED TO CONTINUE RESEARCHING.

9 IT PROBABLY WOULDN'T HAVE HELPED ME
10 BECAUSE I GOT SICK SO QUICKLY, BUT IT COULD HELP
11 THOSE WHO KNOW THAT THEY'RE SICK AND CAN HAVE THAT
12 TIME TO GET ANOTHER MONTH FOR A DONOR TO BE FOUND OR
13 A LIVER TO BE GROWN, I GUESS. IT'S AMAZING
14 TECHNOLOGY.

15 SO THAT'S ABOUT IT. THANK YOU SO MUCH. I
16 APPRECIATE YOUR TIME.

17 CHAIRMAN KLEIN: THANK YOU.

18 (APPLAUSE.)

19 CHAIRMAN KLEIN: AND JUST TO DOUBLE
20 UNDERLINE MY REFERENCE TO THE STAFF AND THE
21 MANAGEMENT WAS VERY FUNDAMENTALLY FOCUSED ON THE
22 TREMENDOUS CONTRIBUTIONS AND EFFORTS OF THE
23 SCIENTIFIC STAFF PUTS TOGETHER TO MAKE EVERY ONE OF
24 THESE REVIEW SESSIONS WORK BECAUSE REGARDLESS OF
25 WHATEVER INDIVIDUAL DIFFERENCES AND PERSPECTIVE, THE

BARRISTERS' REPORTING SERVICE

1 SCIENTIFIC STAFF JUST DOES A REMARKABLE JOB.

2 AND MELISSA KING, WHILE YOU WERE OUT, I
3 ALSO THANKED YOU AND JENNA FOR THE LOGISTICS AND THE
4 HEROIC EFFORTS TO TRY AND MAINTAIN, AGAINST ALL
5 ODDS, A FUNCTIONAL QUORUM. BUT HOPEFULLY YOUR JOB
6 WILL BECOME EASIER WITH THE LEADERSHIP OF SHERRY
7 LANSING.

8 MS. LANSING: WE CAN'T FAIL, MELISSA.

9 CHAIRMAN KLEIN: AGAIN, THANK THE
10 SCIENTIFIC STAFF, THANK THE PUBLIC, THANK THE BOARD,
11 THANK YOU FOR A PRODUCTIVE SESSION. WE ARE
12 ADJOURNED.

13 (THE MEETING WAS THEN ADJOURNED AT
14 02:47 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

STANFORD UNIVERSITY
ARRILLAGA ALUMNI CENTER
MC GAW HALL, 326 GALVEZ STREET
STANFORD, CALIFORNIA
ON
AUGUST 13, 2008

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

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