

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

LOCATION: CROWNE PLAZA SFO  
1177 AIRPORT BOULEVARD  
BURLINGAME, CALIFORNIA

DATE: THURSDAY, JANUARY 27, 2011  
9 A.M.

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

BRS FILE NO.: 88078

## BARRISTERS' REPORTING SERVICE

### I N D E X

ITEM DESCRIPTION	PAGE NO.
1. CALL TO ORDER.	3
2. PLEDGE OF ALLEGIANCE.	5
3. ROLL CALL.	5
4. SWEARING IN OF NEW AND RETURNING BOARD MEMBERS.	12
REPORTS & DISCUSSION ITEMS	
5. CHAIRMAN'S REPORT.	WRITTEN
6. PRESIDENT'S REPORT. BUDGET REPORT/EXPENDITURE REPORT	182
CONSENT CALENDAR	
7. CONSIDERATION OF MINUTES FROM PREVIOUS BOARD MEETINGS: 7A. DECEMBER 8TH MEETING MINUTES 7B. DECEMBER 15H MEETING MINUTES	181
ACTION ITEMS	
8. CONSIDERATION OF RECOMMENDATIONS FROM GRANTS WORKING GROUP REGARDING APPLICATIONS SUBMITTED IN RESPONSE TO RFA 10-02: CIRM TOOLS AND TECHNOLOGY AWARDS II.	12, 92
EXTRAORDINARY PETITIONS:	
APPLICATION #1913	32
APPLICATION #1939	48
APPLICATION #1972	
APPLICATION #1985	39
APPLICATION #2054	
9. CONSIDERATION OF RECOMMENDATION REGARDING EARLY TRANSLATIONAL II RESEARCH APPLICATION 1778 SUBMITTED IN RESPONSE TO RFA 10-01: CIRM EARLY TRANSLATIONAL II RESEARCH AWARDS.	114

## BARRISTERS' REPORTING SERVICE

CLOSED SESSION (NOT REPORTED)	
PUBLIC REPORT OF ANY ACTION TAKEN, IF NECESSARY, DURING CLOSED SESSION.	91
OPEN SESSION	
11. CONSIDERATION OF PROPOSAL FOR CIRM VISITING FACULTY AWARDS.	155
12. CONSIDERATION OF DETERMINATION THAT SERVICE BY PATIENT ADVOCATE MEMBERS OF THE GRANTS WORKING GROUP, THE VICE CHAIR OF THE FACILITIES WORKING GROUP, AND THE CO-CHAIR OF THE STANDARDS WORKING GROUP REQUIRES AN EXTRAORDINARY COMMITMENT OF TIME AND ADOPTION OF ADMINISTRATIVE POLICY TO IMPLEMENT STIPEND FOR SUCH MEMBERS.	133
13. CONSIDERATION OF PROPOSED NEW SCIENTIFIC MEMBERS AND/OR ALTERNATES FOR GRANTS WORKING GROUP.	146
14. CONSIDERATION OF PLAN FOR CIRM SUPPORT FOR ATTENDANCE AT ISSCR ANNUAL MEETING BY PATIENT ADVOCATES, CIRM BRIDGES SCHOLARS AND OTHER CIRM-FUNDED EARLY CAREER SCIENTISTS.	174
15. CONSIDERATION OF PROPOSED REGULATORY LANGUAGE/PROCESS FOR MULTIPLE PAYBACK ALTERNATIVE TO WARRANT COVERAGE FOR LOANS.	148
16. CONSIDERATION OF REPORT AND RECOMMENDATIONS FROM GOVERNANCE SUBCOMMITTEE.	65
DISCUSSION ITEMS	
17. PUBLIC COMMENT.	223

**BARRISTERS' REPORTING SERVICE**

1 BURLINGAME, CALIFORNIA; THURSDAY, JANUARY 27, 2011

2 9 A.M.

3  
4 CHAIRMAN KLEIN: WELCOME, EVERYONE, THIS  
5 MORNING TO THE CROWNE PLAZA HOTEL IN SAN  
6 FRANCISCO -- IN THE GREATER SAN FRANCISCO BAY AREA.  
7 I WANT TO, AS PART OF OUR CALL TO ORDER, I JUST WANT  
8 TO THANK JENNA PRYNE, AMY CHIUNG, NICK WARSHAW, AND  
9 MELISSA KING FOR THE LOGISTICS OF GETTING TOGETHER  
10 THIS MEETING THIS MORNING. AS USUAL IT'S A FEAT.

11 WE HAD A GREAT GOVERNANCE SUBCOMMITTEE  
12 MEETING LAST NIGHT. AND WHAT I'D LIKE TO DO IS,  
13 AFTER WE HAVE THE ROLL CALL AND THE PLEDGE OF  
14 ALLEGIANCE AS WELL AS THE SWEARING IN OF RETURNING  
15 BOARD MEMBERS, I'D LIKE TO INTRODUCE TWO NEW BOARD  
16 MEMBERS AND CALL YOUR ATTENTION TO A NEW ALTERNATE.

17 SO IF WE COULD, FOR THE PURPOSES OF THE  
18 WEBCAST, MAKE SURE YOU SPEAK VERY CLOSE TO THE MIC  
19 SO THAT YOU CAN BE HEARD WELL, AND WE'VE BEEN ASKED  
20 TO MAKE CERTAIN THAT OUR PHONES ARE ON VIBRATE SO  
21 THAT WE DON'T BROADCAST IN THE MIDDLE OF SOMEONE'S  
22 PRESENTATION A RING TONE THAT MAY BE DEAR TO OUR  
23 HEARTS, BUT NOT EFFECTIVE.

24 WITH THAT, MELISSA, COULD YOU PLEASE LEAD  
25 US IN THE PLEDGE OF ALLEGIANCE AND THEN FOLLOW WITH

## BARRISTERS' REPORTING SERVICE

1 THE ROLL CALL.

2 (THE PLEDGE OF ALLEGIANCE.)

3 MS. KING: ROBERT BIRGENEAU.

4 DR. BIRGENEAU: HERE.

5 MS. KING: FLOYD BLOOM. DAVID BRENNER.

6 DR. BRENNER: HERE.

7 MS. KING: SUSAN BRYANT. MARCY FEIT.

8 MS. FEIT: HERE.

9 MS. KING: MICHAEL FRIEDMAN.

10 DR. FRIEDMAN: HERE.

11 MS. KING: LEEZA GIBBONS.

12 MS. GIBBONS: HERE.

13 MS. KING: MICHAEL GOLDBERG.

14 MR. GOLDBERG: HERE.

15 MS. KING: SAM HAWGOOD. BOB KLEIN.

16 CHAIRMAN KLEIN: HERE.

17 MS. KING: SHERRY LANSING.

18 MS. LANSING: HERE.

19 MS. KING: TED LOVE. BERTRAM LUBIN.

20 DR. LUBIN: HERE.

21 MS. KING: SHLOMO MELMED. ED PENHOET.

22 PHIL PIZZO.

23 DR. PIZZO: HERE.

24 MS. KING: CLAIRE POMEROY.

25 DR. POMEROY: HERE.

## BARRISTERS' REPORTING SERVICE

1 MS. KING: FRANCISCO PRIETO. ELIZABETH  
2 FOR CARMEN PULIAFITO.

3 DR. FINI: HERE.

4 MS. KING: ROBERT QUINT. DUANE ROTH.

5 MR. ROTH: HERE.

6 MS. KING: JOAN SAMUELSON.

7 MS. SAMUELSON: HERE.

8 MS. KING: DAVID SERRANO-SEWELL.

9 MR. SERRANO-SEWELL: HERE.

10 MS. KING: JEFF SHEEHY.

11 MR. SHEEHY: HERE.

12 MS. KING: JON SHESTACK. OSWALD STEWARD.  
13 ART TORRES.

14 MR. TORRES: HERE.

15 MS. KING: KRISTINA VUORI.

16 DR. VUORI: HERE.

17 MS. KING: JAMES ECONOMOU FOR EUGENE  
18 WASHINGTON.

19 CHAIRMAN KLEIN: THANK YOU VERY MUCH. IN  
20 OPENING THE MEETING TODAY, WE HAVE TWO NEW BOARD  
21 MEMBERS, AS I INDICATED EARLIER. DR. BERT LUBIN,  
22 SEATED TO MY IMMEDIATE LEFT, WE ALL KNOW FROM HIS  
23 LEADERSHIP AT CHILDREN'S HOSPITAL OAKLAND OF THEIR  
24 PEDIATRIC PROGRAM AS WELL AS THEIR SICKLE CELL  
25 PROGRAM.

## BARRISTERS' REPORTING SERVICE

1 HE DEVELOPED THE SICKLE CELL SCREENING  
2 COUNSELING EDUCATION PROGRAM AT CHILDREN'S HOSPITAL  
3 OAKLAND AND HAS, IN COLLABORATION WITH UCSF  
4 COLLEAGUES, STARTED THE NORTHERN CALIFORNIA  
5 COMPREHENSIVE SICKLE CELL CENTER. IF WE LOOK BACK  
6 TO DR. LUBIN'S HISTORY AS IT RELATES TO THE STEM  
7 CELL RESEARCH MOVEMENT IN CALIFORNIA, IT'S IMPORTANT  
8 TO NOTE THAT HE HAS SERVED AS VICE CHAIR OF THE  
9 STATE OF CALIFORNIA STANDARDS BOARD ALONG WITH A  
10 COLLEAGUE FROM STANFORD UNIVERSITY LAW SCHOOL.  
11 THOSE STANDARDS ADDRESS STANDARDS FOR STEM CELL  
12 RESEARCH OTHER THAN RESEARCH CONDUCTED THROUGH THIS  
13 AGENCY, BUT THEY HAVE BEEN HARMONIZED WITH OUR  
14 AGENCY'S STANDARDS DUE TO THE LEADERSHIP OF DR.  
15 LUBIN.

16 HE'S ALSO ON THE SECRETARY OF HEALTH  
17 ADVISORY COMMITTEE FOR STEM CELL THERAPIES FOR THE  
18 SECRETARY OF HEALTH OF CALIFORNIA. HE IS AN EAST  
19 COAST RECRUIT TO CALIFORNIA, HAVING ORIGINALLY  
20 STARTED HIS EDUCATION AT THE UNIVERSITY OF  
21 PENNSYLVANIA, THEN GOING ON TO THE MEDICAL SCHOOL AT  
22 THE UNIVERSITY OF PITTSBURGH WHERE HE REALLY BECAME  
23 A PEDIATRIC HEMATOLOGIST/ONCOLOGIST.

24 IT IS IMPORTANT TO UNDERSTAND THAT IN HIS  
25 APPLICATIONS HE HAS MADE A PRESENTATION TO US

## BARRISTERS' REPORTING SERVICE

1 PREVIOUSLY OF HIS CHILDREN'S HOSPITAL OAKLAND  
2 RELATED DONOR CORD BLOOD PROGRAM, AND HE IS PART OF  
3 THE UC BERKELEY PEDIATRIC ENVIRONMENTAL HEALTH  
4 PROGRAM. SO HE BRINGS A TREMENDOUS AMOUNT OF  
5 EXPERTISE TO OUR BOARD, AND HE BRINGS VERY SPECIAL  
6 EXPERIENCE IN AREAS LIKE MINORITY TRAINING PROGRAMS  
7 WHERE HE'S BEEN A LEADER IN THE STATE FOR SOME TIME.  
8 SO LET US GIVE A HAND OF APPLAUSE TO DR. LUBIN.

9 (APPLAUSE.)

10 CHAIRMAN KLEIN: SO DR. KRISTINA VUORI IS  
11 SECOND OVER FROM MY RIGHT. SHE IS THE DIRECTOR OF  
12 THE NATIONAL CANCER INSTITUTE, THE DESIGNATED CANCER  
13 CENTER AT SANFORD BURNHAM. THIS IS ONE OF ONLY  
14 SEVEN BASIC CANCER RESEARCH CENTERS DESIGNATED BY  
15 THE NATIONAL CANCER INSTITUTE. THEY HAVE BEEN  
16 DESIGNATED AS A CANCER CENTER SINCE 1976 AND  
17 RECENTLY UNDERWENT AN OUTSTANDING RATING REVIEW FOR  
18 FIVE-YEAR RENEWAL OF THAT CENTER. THERE ARE 400  
19 INDIVIDUALS WORKING THROUGH THAT PROGRAM IN A  
20 COLLABORATIVE MANNER.

21 SHE STARTED OUT IN FINLAND, EMPHASIZING,  
22 AGAIN, HOW GLOBAL DISEASE AND OUR REACH FOR GREAT  
23 TALENT IS. SHE RECEIVED HER POSTDOCTORAL TRAINING  
24 AT SANFORD BURNHAM IN 1992-95. IT IS AN IMPORTANT  
25 HISTORY OF LEADERSHIP THAT SHE HAS DEMONSTRATED AT



## BARRISTERS' REPORTING SERVICE

1 SANFORD BURNHAM, BECOMING PRESIDENT OF THE INSTITUTE  
2 SINCE APRIL 2010. SHE IS ALSO CO-DIRECTOR OF THE  
3 CONRAD PRESBYTERIAN CENTER FOR CHEMICAL GENOMICS AT  
4 SANFORD BURNHAM, WHICH IS ONE OF FOUR NATIONAL  
5 COMPREHENSIVE CENTERS OF EXCELLENCE ESTABLISHED BY  
6 THE NATIONAL INSTITUTE OF HEALTH.

7 IT'S VERY MUCH OUR PRIVILEGE TO HAVE  
8 SOMEONE THAT THE PUGH SCHOLAR BIOMEDICAL SCIENCE  
9 AWARD WAS GIVEN IN 1997, LISTING HER AS ONE OF THE  
10 20 MOST PROMISING SCIENTISTS IN AMERICA.  
11 ADDITIONALLY, SHE HAS CO-FOUNDED THREE BIOTECH  
12 COMPANIES, AND HER FIELD OF FOCUS STUDY IS CANCER  
13 METASTASIS. SO A HAND OF APPLAUSE, PLEASE, FOR  
14 DR. VUORI.

15 (APPLAUSE.)

16 MS. KING: FOR THE RECORD, DR. PRIETO HAS  
17 JOINED THE MEETING AND WE NOW HAVE A QUORUM.

18 CHAIRMAN KLEIN: THANK YOU VERY MUCH,  
19 MELISSA KING.

20 I WOULD ALSO LIKE TO POINT OUT THAT  
21 DR. MICHAEL FRIEDMAN HAS AN ALTERNATE VISITING WITH  
22 US TODAY, DR. TED KRONTRIS. AND, DR. FRIEDMAN,  
23 WOULD YOU LIKE TO INTRODUCE DR. KRONTRIS.

24 DR. FRIEDMAN: I WILL DO SO BRIEFLY JUST  
25 TO ALLOW OUR MEETING TO MOVE FORWARD FOR ALL THE

## BARRISTERS' REPORTING SERVICE

1     IMPORTANT THINGS WE HAVE, BUT HE DESERVES A MUCH  
2     LONGER INTRODUCTION. TED IS THE FORMER DIRECTOR OF  
3     OUR CANCER CENTER, DISTINGUISHED GENETICIST,  
4     PHYSICIAN/SCIENTIST, AND WONDERFUL COLLEAGUE FOR ALL  
5     SORTS OF COLLABORATIVE STUDIES. I'M VERY LUCKY TO  
6     HAVE HIM AS MY ALTERNATE, AND YOU ALL WILL QUICKLY  
7     DISCOVER THAT IT'S BETTER TO HAVE HIM HERE THAN ME.  
8     THANK YOU.

9             CHAIRMAN KLEIN: THANK YOU VERY MUCH.  
10     ALTHOUGH I'VE GOT TO TELL YOU, DR. FRIEDMAN, WE ARE  
11     EXTREMELY PRIVILEGED TO HAVE YOU HERE.

12             MS. LANSING: BOTH OF YOU.

13             CHAIRMAN KLEIN: WE SHOULD ALWAYS SEND  
14     SHERRY OUT TO NEGOTIATE FOR US.

15             IN THE INTEREST OF A VERY CRITICAL AGENDA  
16     TODAY, WHERE WE HAVE CONSTRAINTS ON A COUPLE OF  
17     BOARD MEMBERS WITH TIME DEADLINES WHO HAVE IMPORTANT  
18     ROLES IN SPECIFIC ITEMS, I WANTED TO LET EVERYONE  
19     KNOW THAT WE ARE GOING TO TEMPORARILY GO OVER THE  
20     CHAIRMAN'S AND PRESIDENT'S REPORT. WE'RE GOING TO  
21     START WITH ITEM NO. 8 AFTER WE COMPLETE THE SWEARING  
22     IN CEREMONY.

23             BUT LOOKING DOWN THE AGENDA, I WANTED YOU  
24     TO KNOW THAT ITEM 16 IS GOING TO BE HANDLED BY  
25     SHERRY LANSING RIGHT BEFORE AN EXECUTIVE SESSION

**BARRISTERS' REPORTING SERVICE**

1 THAT WE'RE HAVING ON THE EXECUTIVE SESSION ON  
2 PERSONNEL. AND THIS WILL OCCUR BEFORE THE END OF  
3 THE GRANTS REVIEW SESSION IF, IN FACT, WE HAVE NOT  
4 FINISHED THAT GRANTS REVIEW SESSION BY ABOUT 10:45  
5 THIS MORNING.

6 WHAT I'D LIKE TO DO AT THIS TIME IS HAND  
7 THE MEETING OVER FOR THE DIRECTION OF MELISSA KING  
8 AND JAMES HARRISON.

9 MS. KING: SO THE BOARD MEMBERS AND  
10 ALTERNATES THAT ARE PRESENT THAT DO NEED TO TAKE  
11 THEIR OATH TODAY EITHER FOR THE FIRST TIME IN THE  
12 CASE OF DR. LUBIN AND DR. VUORI OR RETURNING MEMBERS  
13 AND ALTERNATES, YOU SHOULD HAVE AN OATH IN FRONT OF  
14 YOU THAT WE'LL YOU NEED YOU TO SIGN. WHAT WE'LL DO  
15 IS HAVE BOB READ THE OATH WITH YOU REPEATING AFTER  
16 HIM IN SECTIONS AS WE NORMALLY DO WHEN YOU'RE SWORN  
17 IN WITH JAMES AS LEGAL COUNSEL TO THE BOARD AS THE  
18 WITNESS.

19 ONCE THAT'S DONE, IF YOU CAN SIGN IT AND  
20 OUR TEAM WILL COLLECT THEM FROM YOU, WE CAN PROCEED  
21 WITH THE MEETING. THANK YOU.

22 MS. SAMUELSON: MR. CHAIRMAN, I HAVE A  
23 QUESTION. AS I RECALL THE LAST TIME THAT I DID  
24 THIS, WE WERE SUED SHORTLY THEREAFTER INDIVIDUALLY.

25 CHAIRMAN KLEIN: I'M GOING TO MAKE A

## BARRISTERS' REPORTING SERVICE

1 PERSONAL GUARANTEE THAT YOU'RE NOT GOING TO GET SUED  
2 THIS TIME BECAUSE YOU'RE NOT GETTING SWORN IN THIS  
3 TIME.

4 MS. KING: THOSE BOARD MEMBERS THAT ARE  
5 BEING SWORN IN SHOULD STAND, AND MAYBE AS A SHOW OF  
6 SUPPORT, THE REST OF YOU MAY WANT TO STAND WITH THEM  
7 IF YOU ARE ABLE. THANK YOU.

8 CHAIRMAN KLEIN: IT'S UP TO YOUR  
9 INDIVIDUAL DECISION WHETHER YOU'RE GOING TO STAND  
10 WITH THE OTHER MEMBERS. IF YOU WILL RAISE YOUR  
11 RIGHT HAND, PLEASE.

12 (THE FOLLOWING RETURNING AND NEW  
13 MEMBERS AND ALTERNATES WERE THEN COLLECTIVELY SWORN  
14 IN: DR. PIZZO, DR. LUBIN, DR. VUORI, MR. GOLDBERG,  
15 MR. ROTH, DR. BIRGENEAU, DR. FRIEDMAN, DR.  
16 Krontiris.)

17 CHAIRMAN KLEIN: WELCOME BACK TO ANOTHER  
18 EXTRAORDINARY JOURNEY.

19 (APPLAUSE.)

20 MS. KING: BRIEFLY FOR THE RECORD, DR.  
21 JAMES ECONOMOU HAS JOINED THE MEETING.

22 CHAIRMAN KLEIN: ALL RIGHT. DR. TROUNSON,  
23 WITH THAT, I'D LIKE TO MOVE TO ITEM 8, AND HOW WOULD  
24 YOU LIKE TO BEGIN THAT ITEM?

25 DR. TROUNSON: DR. YAFFE IS GOING TO MAKE

## BARRISTERS' REPORTING SERVICE

1 THE PRESENTATION ON THIS.

2 DR. YAFFE: MR. CHAIRMAN, MEMBERS OF THE  
3 BOARD, I WOULD LIKE TO PRESENT FOR YOUR  
4 CONSIDERATION THE RECOMMENDATIONS OF THE GRANTS  
5 WORKING GROUP REVIEW ON THE TOOLS AND TECHNOLOGIES  
6 AWARDS II APPLICATIONS. THIS IS RFA 10-02. IT'S  
7 AGENDA ITEM NO. 8. AND THERE'S SOME MATERIALS IN  
8 YOUR BINDERS.

9 THE TOOLS AND TECHNOLOGIES AWARDS HAVE AS  
10 THEIR GOAL TO SUPPORT PROJECTS TO DEVELOP TOOLS AND  
11 TECHNIQUES THAT ADDRESS TECHNICAL BOTTLENECKS AND  
12 ENABLE NOVEL TRANSLATIONAL APPROACHES. THE  
13 PROPOSALS SHOULD BE FOCUSED ON TOOLS AND  
14 TECHNOLOGIES DIRECTLY APPLICABLE TO THE USE OF HUMAN  
15 CELLS AND THOSE TECHNIQUES AND TOOLS APPLIED TO THE  
16 TRANSLATION OF STEM CELL SCIENCE FOR THE DEVELOPMENT  
17 OF MEDICAL THERAPIES.

18 THESE AWARDS MAY ALSO SUPPORT THE  
19 DEVELOPMENT OF HUMAN STEM CELL-BASED DISEASE MODELS.  
20 SUCCESSFUL COMPLETION OF A PROPOSED PROJECT SHOULD  
21 YIELD A NEW TOOL OR TECHNIQUE WHICH SUBSTANTIALLY  
22 ADVANCES THE FIELD.

23 THE TERMS OF THIS AWARD -- OF THE AWARDS  
24 MADE IN THIS RFA ARE THE PROJECTS WILL BE FUNDED FOR  
25 UP TO THREE YEARS WITH DIRECT PROJECT COSTS OF UP TO

## BARRISTERS' REPORTING SERVICE

1 \$400,000 PER YEAR. THE OVERALL PROGRAM BUDGET,  
2 WHICH YOU APPROVED AT THE TIME OF CONCEPT PROPOSAL,  
3 WAS UP TO \$40 MILLION.

4 THE REVIEW OF THE APPLICATIONS AND THE  
5 APPLICATION PROCESS FOR THIS RFA INVOLVED A  
6 PRELIMINARY APPLICATION. THERE WERE NO  
7 INSTITUTIONAL LIMITS ON THE NUMBER OF PRELIMINARY  
8 APPLICATIONS OR PREAPPS. THE PREAPPS WERE REVIEWED  
9 BY OUTSIDE SPECIALISTS AND CIRM SCIENTISTS. THE  
10 APPLICANTS WHO HAD SUBMITTED APPLICATIONS JUDGED AS  
11 MOST PROMISING, COMPETITIVE, AND RESPONSIVE TO THE  
12 RFA WERE INVITED TO SUBMIT FULL APPLICATIONS. THE  
13 FULL APPLICATIONS WERE REVIEWED BY THE GRANTS  
14 WORKING GROUP AT THEIR NOVEMBER MEETING.

15 FOR THIS RFA WE RECEIVED 226  
16 PREAPPLICATIONS, 58 WERE INVITED FOR SUBMISSION OF A  
17 FULL APPLICATION, AND WE RECEIVED AND HAD REVIEWED  
18 56 FULL APPLICATIONS.

19 THESE APPLICATIONS WERE REVIEWED BY  
20 CRITERIA THAT FELL INTO THREE MAIN AREAS. FIRST,  
21 SIGNIFICANCE AND INNOVATION. HERE REVIEWERS  
22 CONSIDERED WHETHER THE PROPOSAL ADDRESSED A  
23 SIGNIFICANT BOTTLENECK, WHETHER AN INNOVATIVE  
24 APPROACH WAS USED OR PROPOSED, WHETHER THE PROJECT  
25 FOLLOWED A LOGICAL RATIONALE, AND WHETHER THE

## BARRISTERS' REPORTING SERVICE

1 PROJECT WOULD HAVE A MAJOR IMPACT IF SUCCESSFUL.

2 IN TERMS OF FEASIBILITY AND EXPERIMENTAL  
3 DESIGN, REVIEWERS CONSIDERED THE SOUNDNESS OF THE  
4 APPROACH, WHETHER IT HAD ACHIEVABLE AIMS. THEY  
5 CONSIDERED ALTERNATIVE PLANS THAT WERE PROPOSED, AN  
6 APPROPRIATE TIMETABLE. THEY LOOKED FOR SUCCESS  
7 CRITERIA, AND, PERHAPS MOST IMPORTANTLY, THEY LOOKED  
8 FOR COMPELLING PRELIMINARY DATA TO SUPPORT THE  
9 PROPOSAL.

10 IN EVALUATING THE PRINCIPAL INVESTIGATOR  
11 AND RESEARCH TEAM, REVIEWERS CONSIDERED THE  
12 TRAINING, EXPERIENCE, AND TRACK RECORD OF THE PI,  
13 THE PRINCIPAL INVESTIGATOR'S COMMITMENT TO THE  
14 PROJECT, WHETHER THERE WAS AN APPROPRIATE TEAM  
15 PROPOSED, WHETHER BENEFICIAL COLLABORATIONS WERE  
16 INVOLVED, AND THE APPROPRIATENESS OF THE BUDGET.

17 BECAUSE THERE ARE SEVERAL NEW MEMBERS OF  
18 THE ICOC HERE TODAY, I WANTED TO PROVIDE A BRIEF  
19 OVERVIEW OF OUR REVIEW PROCESS. AND THAT REVIEW  
20 PROCESS HAS TWO KEY PHASES. THE FIRST IS THE  
21 SCIENTIFIC REVIEW IN WHICH APPLICATIONS ARE SENT OUT  
22 TO MEMBERS OF THE GRANTS WORKING GROUP IN ADVANCE OF  
23 THE MEETING. EACH APPLICATION IS EVALUATED AND A  
24 WRITTEN CRITIQUE IS PREPARED BY THREE DIFFERENT  
25 SCIENTIFIC MEMBERS OF THE GRANTS WORKING GROUP.

## BARRISTERS' REPORTING SERVICE

1 THESE CRITIQUES ARE THEN MADE AVAILABLE TO ALL OF  
2 THE GRANTS WORKING GROUP MEMBERS.

3 AT THE GRANTS WORKING GROUP MEETING,  
4 THERE'S DISCUSSION OF EACH APPLICATION. THIS  
5 DISCUSSION TAKES PLACE WITH THE PARTICIPATION OF THE  
6 15 SCIENTIFIC MEMBERS OF THE GRANTS WORKING GROUP,  
7 THE UP TO SEVEN PATIENT ADVOCATE MEMBERS, AND THE  
8 CHAIRMAN OF THE ICOC. THESE ARE ALL THE MEMBERS OF  
9 THE GRANTS WORKING GROUP WHO PARTICIPATE IN THE  
10 ANALYSIS OF THESE GRANTS.

11 AT THE END OF THE DISCUSSION OF SCIENTIFIC  
12 REVIEW, THERE IS A VOTE ON THE SCIENTIFIC MERIT OF  
13 THE PROPOSAL. A SCORE IS ASSIGNED FROM 1 TO 100  
14 WITH 100 BEING MOST MERITORIOUS. THIS VOTE IS BY  
15 THE SCIENTIFIC MEMBERS OF THE GRANTS WORKING GROUP.

16 THE SECOND KEY PHASE OF THE REVIEW PROCESS  
17 IS THE PROGRAMMATIC REVIEW. HERE THE GRANTS WORKING  
18 GROUP CONSIDERS AN APPROPRIATE BALANCE AMONG  
19 APPLICATIONS -- IN THE CASE OF THIS RFA, A BALANCE  
20 AMONG APPLICATIONS ADDRESSING VARIOUS BOTTLENECKS IN  
21 TRANSLATIONAL RESEARCH, AN APPROPRIATE BALANCE  
22 BETWEEN RISK AND FEASIBILITY, AND THEN OTHER  
23 CONSIDERATIONS FROM THE PERSPECTIVE OF THE PATIENT  
24 ADVOCATES. THIS DISCUSSION INVOLVES ALL MEMBERS OF  
25 THE GRANTS WORKING GROUP, AND IT LEADS TO A VOTE ON



## BARRISTERS' REPORTING SERVICE

1 FUNDING RECOMMENDATIONS BY THE ENTIRE GRANTS WORKING  
2 GROUP MEMBERSHIP.

3 AT THE BEGINNING OF THE PROGRAMMATIC  
4 DISCUSSION, A SCORE DISTRIBUTION SHOWING THE  
5 SCIENTIFIC MERIT SCORES IS DISPLAYED, AND IT'S THE  
6 SCORE DISTRIBUTION YOU SEE HERE, THIS HISTOGRAM OF  
7 ALL OF THE SCIENTIFIC SCORES FROM THE TOOLS AND  
8 TECHNOLOGY AWARDS II COMPETITION. AND THE GRANTS  
9 WORKING GROUP THEN IDENTIFIES AND PLACES TWO LINES  
10 ON THIS GRAPH AND DEFINES THREE TIERS.

11 THE TOP TIER, TIER I, ARE THOSE VERY  
12 STRONG APPLICATIONS THAT CERTAINLY MERIT SUPPORT AND  
13 RECOMMENDATION FOR FUNDING. THE BOTTOM TIER, TIER  
14 III, ARE THOSE APPLICATIONS WHOSE SCIENTIFIC MERIT  
15 IS NOT LIKELY TO WARRANT SUPPORT AND RECOMMENDATION  
16 FOR FUNDING. AND THEN A TIER II. AND THEN THE  
17 GRANTS WORKING GROUP DISCUSSES ON PROGRAMMATIC  
18 GROUNDS INDIVIDUAL APPLICATIONS OR GROUPS OF  
19 APPLICATIONS AND BY VOTE CAN MOVE THOSE PROPOSALS  
20 FROM ONE TIER TO ANOTHER.

21 CHAIRMAN KLEIN: DR. YAFFE, AT THIS POINT,  
22 PARTICULARLY BECAUSE WE HAVE A MINORITY REPORT AS  
23 PART OF THE GRANTS BEFORE US TODAY, COULD YOU  
24 DESCRIBE THE PROCESS FOR A MINORITY REPORT FROM PEER  
25 REVIEW AND THE FACT THAT IT CAN COME FROM ANY TIER?

## BARRISTERS' REPORTING SERVICE

1 DR. YAFFE: YES. SO WHEN A GRANTS WORKING  
2 GROUP MEMBER WOULD LIKE TO SEE A PROPOSAL MOVED FROM  
3 ONE TIER TO ANOTHER, A MOTION IS MADE AND SECONDED,  
4 DISCUSSED, AND THEN VOTED ON BY THE GRANTS WORKING  
5 GROUP. IF THAT MOTION FAILS, BUT IS, IN FACT,  
6 SUPPORTED BY, I THINK IT'S, 35 PERCENT OF THE VOTING  
7 MEMBERS, THEN THE MINORITY HAS AN OPTION OF  
8 COMPOSING A MINORITY REPORT. WHEN THAT IS DONE, WE  
9 CONVEY THAT MINORITY REPORT TO YOU THAT SETS OUT THE  
10 RATIONALE FOR THE MINORITY MEMBERS SUPPORTING THE  
11 MOTION. AND I THINK WE HAVE ONE APPLICATION HERE  
12 THAT HAS A MINORITY REPORT. WE'LL POINT THAT OUT  
13 LATER.

14 SO THE FINAL RECOMMENDATION OF THE GRANTS  
15 WORKING GROUP FOR THE TOOLS AND TECHNOLOGIES AWARDS  
16 IS THAT ALL OF THE APPLICATIONS IN TIER II WERE  
17 MOVED EITHER INTO TIER I, RECOMMENDED FOR FUNDING,  
18 OR TIER III, NOT RECOMMENDED. AND IN YOUR BINDERS  
19 BEHIND TAB 8 IS A DESCRIPTION OF THE DISCUSSION AND  
20 PROGRAMMATIC REVIEW RESULTS FOR EACH OF THE  
21 APPLICATIONS THAT WERE ACTED ON DURING THE REVIEW  
22 MEETING.

23 THE FINAL RECOMMENDATION IS THAT 19  
24 APPLICATIONS OR PROPOSALS ARE RECOMMENDED FOR  
25 FUNDING WITH A TOTAL BUDGET OF 32.9 MILLION. THERE

## BARRISTERS' REPORTING SERVICE

1 ARE NO APPLICATIONS LEFT IN TIER II, PROVISIONALLY  
2 RECOMMENDED. THERE ARE 37 APPLICATIONS IN TIER III,  
3 NOT RECOMMENDED. AGAIN, FOR YOUR REFERENCE, THE  
4 BUDGET ORIGINALLY APPROVED BY YOU WAS UP TO \$40  
5 MILLION FOR THE SUPPORT OF UP TO 20 AWARDS.

6 AT THIS POINT, I WOULD LIKE TO TURN IT  
7 OVER TO MR. SHEEHY IF HE HAS ANY COMMENTS, OR I WILL  
8 BE HAPPY TO ENTERTAIN ANY QUESTIONS.

9 MR. SHEEHY: COULD YOU THROW UP THE  
10 HISTOGRAM FROM THIS ONE? I THINK THAT MAY BE --  
11 JUST TO GIVE PEOPLE A LITTLE SENSE OF CONTEXT. I  
12 THINK IT'S IMPORTANT IN THIS ONE. THERE'S A RATHER  
13 EXTENSIVE -- AND I REALLY WANT TO APPLAUD STAFF FOR  
14 THE JOB THEY'VE DONE IN PULLING TOGETHER THE  
15 PROGRAMMATIC REVIEW SUMMARIES ON THIS. I HOPE  
16 PEOPLE WILL LOOK AT THOSE. PART OF THE REASON IS  
17 THAT IF WE CAN GET -- THIS IS FOR THIS MEETING,  
18 RIGHT?

19 DR. YAFFE: THIS IS THE ACTUAL HISTOGRAM  
20 FROM THIS REVIEW.

21 MR. SHEEHY: IF YOU KIND OF LOOK AT THAT,  
22 WHAT PEOPLE GENERALLY DO, AND THIS IS FOR OUR  
23 CONFLICTS ISSUES, IS WE TRY TO LOOK FOR A NATURAL  
24 BREAK. AND THE TWO NATURAL BREAKS ON THIS ONE ARE  
25 RIGHT ABOUT 80, AND THE OTHER ONE'S ABOUT 60. SO

## BARRISTERS' REPORTING SERVICE

1 THEY TOOK THE HIGHER NATURAL BREAK. SO ALL THOSE IN  
2 BETWEEN WERE RATHER EXTENSIVELY REVIEWED BY THE  
3 WORKING GROUP, NOT RE-REVIEWED FOR SCIENTIFIC MERIT,  
4 BUT THEY DID TAKE A LOOK AT THEM PROBABLY MORE  
5 INTENSIVELY THAN THEY WOULD HAVE DONE IF THERE WAS A  
6 NATURAL BREAK AROUND 75.

7 TYPICALLY AND HISTORICALLY, AS A WORKING  
8 GROUP, GRANTS THAT FALL ABOVE 75 HAVE HISTORICALLY  
9 RECEIVED GOOD SCORES. IF YOU ACTUALLY LOOK, IF YOU  
10 WANT TO GO BACK TO THE LARGER, THE BIGGER GRAPH, THE  
11 REAL BREAK STARTS TO TAKE PLACE ABOUT 74 IN TERMS OF  
12 SCORES.

13 SO AS WE LOOK AT WHATEVER GRANTS WE MIGHT  
14 WANT TO EXAMINE THAT WERE NOT RECOMMENDED FOR  
15 FUNDING, I WOULD JUST NOTE THAT THERE WAS A REALLY  
16 GOOD AND EXTENSIVE AND DILIGENT PROGRAMMATIC REVIEW  
17 ON ALL THE GRANTS THAT FELL INTO TIER III THAT  
18 LOOKED LIKE -- BECAUSE YOU'VE GOT A VERY CHOPPY  
19 LOOKING CHART HERE, IF YOU NOTICE, WHICH USUALLY IS  
20 A LITTLE BIT MORE COHERENT, I THINK IT REFLECTS THE  
21 AMOUNT OF EFFORT THAT WENT INTO THE PROGRAMMATIC  
22 REVIEW.

23 CHAIRMAN KLEIN: THANK YOU, JEFF. AND THE  
24 OTHER POINT, DR. YAFFE, THAT PERHAPS YOU COULD GO  
25 THROUGH IS THE PROVISION OF STANDARD DEVIATION AND

## BARRISTERS' REPORTING SERVICE

1 OTHER DATA COMING FROM THE REVIEW SO THAT IT'S CLEAR  
2 WHAT INFORMATION THE BOARD HAS TO WORK WITH.

3 DR. YAFFE: WE SUPPLIED ON THIS GRAPH THIS  
4 DISPLAY. ALSO A VERSION OF THIS SHOULD BE IN YOUR  
5 BOOKS. THE MEAN, WHICH IS THE WAY WE RANK THEM, THE  
6 MEDIAN STANDARD DEVIATION, AND THEN HIGH AND LOW  
7 SCORES SO THAT YOU CAN GET A FEELING FOR WHETHER  
8 MOST OR ALL OF THE COMMITTEE FELT THE SAME WAY OR  
9 WHETHER THERE WAS, IN FACT, A DIVERGENCE OF OPINION  
10 WHICH REFLECTED IN A LARGE STANDARD DEVIATION.

11 CHAIRMAN KLEIN: SO IT'S ON THE CHART  
12 ITSELF. AND IT SHOWS UP, DUANE, RIGHT HERE, SO GIVE  
13 YOU ALL OF THOSE SCORES. THE KEY SIGNIFICANCE, OF  
14 COURSE, HERE IS THAT THERE'S SOME OF THE RESEARCHERS  
15 ON THIS PANEL WHICH IS SUPPLEMENTED FROM 50 TO 70  
16 OUTSIDE EXPERTS WHO CALL INTO THIS PROCESS. SO WE  
17 HAVE SOME OF THE BEST EXPERTISE IN THE WORLD  
18 CONSULTING WITH OUR PANEL.

19 THERE ARE INDIVIDUALS THERE WHO MAY FEEL  
20 EXTREMELY STRONGLY ABOUT AN INDIVIDUAL GRANT. THEY  
21 MAY HAVE PARTICULAR EXPERTISE IN THE AREA. SO THEY  
22 MAY HAVE -- YOU MAY HAVE A MEDIAN SCORE OF 73, BUT A  
23 HIGH OF 85. AND YOU WILL SEE THAT THE IMPORTANCE OF  
24 THAT INFORMATION IS THAT IT LED TO SOME OF THEM  
25 BEING PROGRAMMATICALLY LIFTED AS THERE WAS AN

## BARRISTERS' REPORTING SERVICE

1     ADVOCACY STATEMENT MADE AFTER THE SCIENTIFIC REVIEW  
2     IN TERMS OF THE IMPORTANCE OF THIS TO THE FIELD, HOW  
3     CRITICAL THIS SCIENCE IS TO FILL A GAP IN RESEARCH  
4     IN THE FIELD.

5             AND SO IT'S A VERY VALUABLE ADDITION TO  
6     THE INFORMATION FOR WHICH WE'RE VERY GRATEFUL TO DR.  
7     TROUNSON AND THE SCIENTIFIC STAFF FOR PROVIDING FOR  
8     THE REVIEWS.

9             WOULD YOU LIKE TO AT THIS TIME ALSO POINT  
10    OUT WHICH ONE OF THESE GRANTS HAS A MINORITY REPORT?

11            DR. YAFFE:  THE ONE WITH THE MINORITY  
12    REPORT IS 1917.

13            CHAIRMAN KLEIN:  AND SO THAT INDIVIDUALS  
14    CAN ISOLATE THE LOCATION OF THAT, THAT'S ON THE  
15    SECOND PAGE DOWN ABOUT EIGHT OR NINE, I BELIEVE.

16            DR. YAFFE:  YES, IT IS.  THE SCORE ON THAT  
17    IS 67, SO IN THE MIDDLE OF THE -- IT'S ACTUALLY  
18    THE --

19            CHAIRMAN KLEIN:  IT IS.  SO LET'S ASK THIS  
20    QUESTION.  JEFF.

21            MR. SHEEHY:  I THINK TWO OTHER POINTS  
22    MAYBE, DR. YAFFE.  IT'S IMPORTANT TO NOTE THAT TWO  
23    GRANTS WERE TAILORED IN THIS PARTICULAR ROUND, AND  
24    THAT'S AN IMPORTANT FEATURE IS THAT SPECIFIC AIMS  
25    WERE REMOVED.  RATHER I THINK IT'S MORE APPROPRIATE

## BARRISTERS' REPORTING SERVICE

1 TO SAY SPECIFIC AIMS THE REVIEWERS WERE VERY  
2 ENTHUSIASTIC ABOUT, AND SO THEY FELT THOSE WERE  
3 WORTHY OF FUNDING. OTHER SPECIFIC AIMS THEY DID NOT  
4 THINK WERE WORTHY OF FUNDING. SO THOSE GRANTS WERE  
5 APPROVED. I THINK THERE'S TWO. AND THAT EXPLAINS  
6 WHY ONE IS WAY DOWN, BUT THERE'S TWO GRANTS MORE  
7 TOWARDS THE LOWER EDGE OF OUR FUNDING LEVEL THAT  
8 BOTH HAD SPECIFIC AIMS REMOVED BY THE WORKING GROUP.

9 AND WHEN REVIEWERS REVIEW, THEY REVIEW THE  
10 ENTIRE GRANT. AND PROGRAMMATIC REVIEW DOES GIVE  
11 THEM THE OPPORTUNITY TO COME BACK AND SAY WE FELT  
12 VERY POSITIVE ABOUT ONE ASPECT OF THIS GRANT, AND WE  
13 DO THINK THAT THAT'S WORTHY OF BEING FUNDED, SO WE  
14 CAN RESCUE, ESPECIALLY IN THIS THAT'S A PRODUCT  
15 DEVELOPMENT ROUND, WE CAN RESCUE A VALUABLE PRODUCT.

16 CHAIRMAN KLEIN: COULD WE HAVE THE  
17 INFORMATION ON WHICH GRANTS THOSE WERE?

18 DR. YAFFE: ONE WAS 2060, WHICH IS OF  
19 THOSE TWO GREEN ONES, IT'S THE UPPER OF THE TWO  
20 GREEN ONES. AND THE SECOND WAS 1938, WHICH IS THE  
21 ONE LOW GREEN ONE. IT'S NOT SHOWN RIGHT NOW. THERE  
22 IT IS. WHICH ONE SPECIFIC AIM WAS NOT DEEMED WORTHY  
23 OF SUPPORT, BUT THE REST OF THE PROJECT WAS. I'M  
24 SORRY. I MISSTATED. ONE SPECIFIC AIM WAS DEEMED  
25 WORTHY OF SUPPORT; THE OTHER TWO WERE NOT.

## BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: AGAIN, IF FOLKS LOOK, IT'S  
2 JUST BEHIND. IT'S THE PROGRAMMATIC PAGE IN YOUR  
3 BOOKLET JUST AFTER THIS. THERE'S A REALLY GOOD  
4 DESCRIPTION OF ALL IN THE PROGRAM REVIEW THAT CAN  
5 KIND OF GIVE YOU THE NARRATIVE ON WHAT PEOPLE'S  
6 THINKING WAS, IF THAT HELPS.

7 CHAIRMAN KLEIN: ALL RIGHT. AND, DR.  
8 TROUNSON, WOULD YOU LIKE TO POINT OUT ANY GRANTS OF  
9 SPECIFIC INTEREST TO THE SCIENTIFIC STAFF WHERE  
10 YOU'D LIKE TO DIRECT US TO REVIEW THE INFORMATION WE  
11 HAVE BEFORE US OR ADDITIONAL INFORMATION THE  
12 SCIENTIFIC LEADERSHIP WOULD LIKE TO PROVIDE?

13 DR. TROUNSON: THANK YOU, CHAIR. THE TWO  
14 GRANTS THAT MANAGEMENT THINKS, YOU KNOW, ARE  
15 CERTAINLY WORTH FURTHER DISCUSSION, THE ONE 1917  
16 WHERE THERE WAS A MINORITY REPORT. THERE WAS  
17 SUPPORT FOR THE WHOLE GENOME SEQUENCING WORK FOR  
18 EMBRYONIC STEM CELLS, IPS CELLS, AND OTHER  
19 PROGENITORS, BUT THEY DIDN'T SAY WHAT THEY WERE  
20 GOING TO USE THIS INFORMATION FOR. LIKE IT WAS WE  
21 WANT TO DO IT, BUT FOR WHAT PURPOSE? AND I THINK  
22 THERE'S SOME MERIT IN DOING THAT DEEP SEQUENCING IN  
23 THESE CELLS, BUT IT REALLY NEEDS TO HAVE SOME  
24 APPLICATION BECAUSE SO WHAT? YOU CAN THINK OF A LOT  
25 OF THINGS YOU MIGHT DO WITH IT.



## BARRISTERS' REPORTING SERVICE

1 SO I THINK THERE'S A MISSING COMPONENT  
2 HERE WHICH SAYS, WELL, YOU ARE GOING TO DO, YES, BUT  
3 FOR WHAT PURPOSES? IS IT JUST SIMPLY COMMERCIAL  
4 PURPOSES, OR HAS IT GOT SOMETHING TO DO WITH  
5 FUNCTION OF THOSE CELLS OR SOME OTHER THING? SO WE  
6 THINK THAT IT IS WORTH SORT OF HAVING A THINK ABOUT,  
7 TALK ABOUT THAT PARTICULAR PROJECT IN THAT REGARD.

8 AND IT DOES COME FROM A FOR-PROFIT ENTITY,  
9 AND I DON'T KNOW IF THAT -- THAT DOESN'T IN MY MIND  
10 MAKE A DIFFERENCE, BUT IT IS ONE OF THE FOR-PROFITS  
11 THAT WAS IN THE CLOSE TO RANGE.

12 THE OTHER PROJECT WHICH I THINK MERITS  
13 SOME CONSIDERATION IS 1985. AND THIS IS A STUDY  
14 FROM THE UNIVERSITY OF CALIFORNIA LOS ANGELES. AND  
15 IT'S REALLY ABOUT MODELS THAT STUDY DIARRHEAL  
16 DISORDERS, SO ACUTE DIARRHEA IN PATIENTS AS A  
17 GENETIC INHERITED COMPONENT. SO A RARE DISEASE, BUT  
18 CHILDREN ARE VERY SICK WITH IT. AND ONE OF THE  
19 ISSUES THAT WAS WITH THIS PARTICULAR GRANT IS THAT  
20 THE PI IS A SURGEON AND A PERSON VERY MUCH RELATED  
21 TO THOSE DISORDERS, BUT DOESN'T REALLY HAVE A STRONG  
22 LABORATORY IN THE CELLULAR SENSE OF BEING ABLE TO  
23 GROW THESE CELLS INTO GUT CELLS. IN FACT, THE WHOLE  
24 FIELD HAS BEEN WAITING FOR WORK TO BE ABLE TO DRIVE  
25 PLURIPOTENTIAL STEM CELLS INTO GUT CELLS.

## BARRISTERS' REPORTING SERVICE

1 AND JUST IN THE LAST FEW DAYS, I THINK, OR  
2 THE LAST WEEK THERE IS A LETTER, AN ARTICLE IN  
3 *NATURE*, AND IT'S A VERY GOOD ARTICLE. AND IT'S BY  
4 JAMES WELLS AND HIS GROUP IN CINCINNATI. AND  
5 THEY'VE DONE A VERY NICE STUDY IN DIRECTING  
6 EMBRYONIC STEM CELLS INTO GUT CELLS. THEY  
7 DEMONSTRATE VERY MUCH THE KIND OF CRITERIA YOU NEED  
8 TO FEEL THAT THOSE CELLS HAVE GOT THE CRYPTS AND THE  
9 FUNCTIONAL ENDOCRINE PHENOTYPE THAT WOULD BE USEFUL  
10 FOR STUDY.

11 SO THAT WASN'T -- THAT DIDN'T EXIST WHEN  
12 THIS APPLICATION WAS EVALUATED, BUT THE APPLICANTS  
13 HAD INDICATED THEY WERE CONNECTED TO DR. WELLS'  
14 LABORATORY AND THAT HE WOULD TRAIN THEM IN THIS  
15 METHODOLOGY. AND THEY DID INDICATE THAT THERE WAS A  
16 PAPER BEING IN PRESS. THEY DIDN'T FORWARD US  
17 ANYTHING AT ALL UP UNTIL THIS TIME, BUT WE ACTUALLY  
18 GOT THIS PAPER. WE READ THIS PAPER. I FEEL IT'S A  
19 VERY STRONG PAPER. USUALLY YOU HAVE TO BE PRETTY  
20 GOOD TO GET INTO *NATURE*. IT'S NOT EASY TO GET INTO  
21 *NATURE*, PHIL, IS IT? IN OUR LIVES WE GET A FEW  
22 PAPERS THERE.

23 BUT I THINK IT'S WORTH RECONSIDERING THIS  
24 BECAUSE IF THIS TECHNOLOGY WOULD BE ABLE TO  
25 INTRODUCE INTO CALIFORNIA AND THIS LABORATORY WAS

## BARRISTERS' REPORTING SERVICE

1 ABLE TO START IN THIS WORK IN A SERIOUS WAY AND HAVE  
2 THE PATIENTS THAT THEY CAN DERIVE IPS CELLS, THAT IS  
3 A TECHNOLOGY THAT IS BROADLY AVAILABLE AND NEEDS TO  
4 BE IN THIS LABORATORY IF THEY'RE GOING TO WORK ON  
5 THIS AREA. BUT I THINK THAT THAT'S ALREADY IN  
6 CALIFORNIA, BUT THIS ABILITY TO DRIVE THE  
7 PLURIPOTENT STEM CELLS INTO GUT CELLS IS NOT, IN MY  
8 MIND OR NOT IN MY KNOWLEDGE, AVAILABLE CURRENTLY IN  
9 CALIFORNIA.

10 SO THIS COULD WELL BE AN IMPORTANT  
11 DEVELOPMENT IN THE FIELD, PARTICULARLY FOR PATIENTS  
12 WITH THIS DISORDER BECAUSE IF YOU ARE ABLE TO GET A  
13 DISEASE IN A DISH FROM THIS WORK, SO YOU CAN SHOW A  
14 DIFFERENCE BETWEEN THOSE PATIENTS THAT HAVE GOT  
15 THESE DISORDERS AND THOSE PATIENTS THAT DON'T, YOU  
16 HAVE A DISEASE-IN-A-DISH MODEL, YOU CAN START TO  
17 INTERROGATE THIS PARTICULAR DISEASE VERY THOROUGHLY.

18 NOW, IT COULD ALSO BE USED, I THINK, IN A  
19 MORE BROADER CONTEXT LATER ON, BUT THE APPLICATION  
20 WAS FOR GETTING A DISEASE IN A DISH WITH THIS MODEL.  
21 AND I THINK THIS PARTICULAR PAPER, IN MY MIND, AND I  
22 THINK IT'S BROADLY SUPPORTED BY SCIENTISTS IN THE  
23 INSTITUTE THAT THIS DOES MAKE A DIFFERENCE, AND WE  
24 WOULD BE SUPPORTIVE OF YOU CONSIDERING THIS PROJECT  
25 FURTHER.

**BARRISTERS' REPORTING SERVICE**

1 SO I HOPE THAT MIGHT CLARIFY THAT. I'VE  
2 ACTUALLY BEEN THROUGH IN GREAT DETAIL THE OTHER  
3 PROJECTS, AND I'M NOT PERSUADED THAT THOSE PROJECTS  
4 ARE REALLY, REALLY COMPETITIVE. SO BUT THESE TWO  
5 PROJECTS I BROUGHT TO YOUR ATTENTION I BELIEVE AND  
6 MANAGEMENT BELIEVES MIGHT BE WORTHY OF YOU TAKING A  
7 CLOSER LOOK.

8 CHAIRMAN KLEIN: SO IT'S ALSO, I THINK,  
9 IMPORTANT TO NOTE THAT IN THE WELLS PAPER THEY MAKE  
10 THE POINT THAT, GIVEN THE ACHIEVEMENTS THEY'VE MADE  
11 IN GROWING INTESTINAL TISSUE, THAT THE APPLICATIONS  
12 OF THIS RESEARCH COULD BE QUITE BROAD, MUCH BROADER  
13 THAN THE FOCUS OF THIS INDIVIDUAL GRANT THAT THIS  
14 WENT THROUGH, THE DEVELOPMENT OF THIS GRANT FOR  
15 INTESTINAL DIARRHEA, WHICH IS AN ORPHAN DISEASE, WE  
16 COULD LEARN A GREAT DEAL FOR THE ENTIRE INTESTINAL  
17 FIELD, INCLUDING IRRITABLE BOWEL SYNDROME AND OTHER  
18 CONDITIONS THAT ARE QUITE PREVALENT IN THE  
19 POPULATION.

20 SO THE IMPACT SUGGESTED BY THE RESEARCH IN  
21 *NATURE* AND THE FEASIBILITY OF IT AND THEIR  
22 WILLINGNESS TO CONSULT AND WORK WITH THE CALIFORNIA  
23 INVESTIGATOR GIVES US THE ABILITY TO JUMP FORWARD  
24 LEVERAGING OFF THE SCIENTIFIC RESEARCH THAT'S  
25 OUT-OF-STATE. IT IS TREMENDOUS THAT THESE

## BARRISTERS' REPORTING SERVICE

1 SCIENTISTS FEEL THE DEDICATION TO THE MISSION TO  
2 REALLY WORK WITH THE CALIFORNIA RESEARCHER EVEN  
3 THOUGH WE CAN'T FUND THEIR WORK OUT-OF-STATE. SO  
4 THAT'S A REMARKABLE PAPER OF TREMENDOUS OPPORTUNITY  
5 HERE POTENTIALLY IN THE INTESTINAL FIELD.

6 DR. POMEROY: IS THE CIRM APPLICANT A  
7 CO-AUTHOR ON THAT *NATURE* PAPER?

8 DR. TROUNSON: NO, HE'S NOT AN APPLICANT  
9 ON THAT PAPER. BUT THE PI ON THE PAPER IS A  
10 CONSULTANT ON THE PROJECT.

11 CHAIRMAN KLEIN: OKAY. SO I'D LIKE TO  
12 START BY ASKING IF THERE ARE ANY MEMBERS WHO WOULD  
13 LIKE TO BRING UP INDIVIDUAL GRANTS FOR DISCUSSION.  
14 AND THEN AFTER THAT PROCESS, I WILL THEN ASK IF  
15 THERE ARE APPLICANTS IN THE AUDIENCE WHO WOULD LIKE  
16 TO MAKE A THREE-MINUTE STATEMENT. FIRST, STARTING  
17 WITH THE MEMBERS OF THE BOARD, ANYONE WOULD LIKE --  
18 DR. LUBIN.

19 MR. HARRISON: I'M JUST WONDERING IF YOU  
20 WOULD LIKE ME TO --

21 CHAIRMAN KLEIN: IT WOULD BE GOOD, SO WE  
22 HAVE NEW MEMBERS, THANK YOU, JAMES, TO GO OVER THE  
23 CONFLICTS PROVISION. IT IS A VERY SENSITIVE ISSUE.  
24 SO WE'LL GO, IN FACT, SLOWLY TODAY TO MAKE SURE WE  
25 OBSERVE THESE VERY CAREFULLY WITH NEW MEMBERS.

## BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: THANK YOU. YOU SHOULD ALL  
2 HAVE IN FRONT OF YOU A LIST OF APPLICATIONS BY  
3 NUMBER FOR WHICH YOU HAVE A CONFLICT. YOU DO NOT.  
4 ALL RIGHT. YOU SHOULD. GIVEN THE ABSENCE OF SOME  
5 OF MY COLLEAGUES, I SUSPECT THAT'S WHAT IS IN  
6 PROCESS AT THIS MOMENT.

7 BEFORE WE DISCUSS A PARTICULAR  
8 APPLICATION, SINCE YOU DON'T HAVE YOUR LISTS IN  
9 FRONT OF YOU, I'D RECOMMEND TO THE CHAIR THAT  
10 COUNSEL IDENTIFY THOSE MEMBERS WHO HAVE A CONFLICT  
11 SO WE CAN ENSURE THAT NONE OF YOU PARTICIPATE.  
12 ORDINARILY YOU HAVE THE LIST IN FRONT OF YOU, AND WE  
13 MONITOR THE CONVERSATION TO MAKE SURE THAT NO ONE  
14 WITH AN INTEREST IN AN APPLICATION PARTICIPATES.  
15 AND WITH RESPECT TO ANY APPLICATION THAT'S ON THAT  
16 LIST, YOU CANNOT ENGAGE EITHER IN THE DISCUSSION OR  
17 IN THE VOTE ON THAT PARTICULAR APPLICATION. YOU CAN  
18 REMAIN IN THE ROOM, BUT YOU HAVE TO ENSURE THAT YOU  
19 DON'T PARTICIPATE IN ANY WAY EITHER IN THE  
20 DISCUSSION OR IN ANY CONVERSATIONS WITH OTHER BOARD  
21 MEMBERS.

22 AND THEN WHEN THERE'S A VOTE ON A  
23 PARTICULAR APPLICATION, TO THE EXTENT THAT YOU HAVE  
24 AN INTEREST, WHEN WE DO A ROLL CALL VOTE, WE WILL  
25 NOT CALL YOUR NAME. ON OTHER OCCASIONS THERE ARE

## BARRISTERS' REPORTING SERVICE

1 OMNIBUS MOTIONS THAT APPLY TO ALL APPLICATIONS IN A  
2 PARTICULAR TIER, FOR EXAMPLE, IN WHICH CASE WE ASK  
3 YOU TO VOTE ON THE MOTION EITHER YES, NO, OR ABSTAIN  
4 EXCEPT FOR THOSE APPLICATIONS IN WHICH YOU HAVE A  
5 CONFLICT OF INTEREST. AND STAFF MONITORS THE NUMBER  
6 OF MEMBERS WHO HAVE A CONFLICT AND DETERMINES  
7 WHETHER OR NOT THE MOTION PASSES FOR EACH PARTICULAR  
8 APPLICATION.

9 IF YOU HAVE ANY QUESTIONS, I'D BE HAPPY TO  
10 ADDRESS THEM.

11 CHAIRMAN KLEIN: IF WE CAN TAKE A MOMENT,  
12 I BELIEVE AMY CHIUNG. AMY, ARE YOU PASSING OUT THE  
13 CONFLICTS LIST? YES, THANK YOU. WE'LL JUST TAKE A  
14 MOMENT BEFORE WE START THE DISCUSSION OF ANY ITEM.

15 GIVEN THAT, JUST UTILIZING THE TIME, LET  
16 ME ASK HOW MANY OF THE MEMBERS OF THE AUDIENCE HAVE  
17 STATEMENTS THEY'D LIKE TO MAKE, IF YOU COULD RAISE  
18 YOUR HANDS. SO WE HAVE THREE STATEMENTS TO MAKE.

19 WHILE WE ARE AWAITING FOR THESE TO BE, A,  
20 PASSED OUT AS THE CONFLICTS LISTS AND EXAMINED BY  
21 THE MEMBERS TO MAKE SURE THEY'RE COMFORTABLE THAT  
22 THE LISTS ARE INCLUSIVE, I'D LIKE TO HAVE THE  
23 MEMBERS WHO HAVE PETITIONS WHERE THEY'D LIKE TO MAKE  
24 A THREE-MINUTE STATEMENT TO COME FORWARD.

25 YES. IF YOU COULD IDENTIFY YOUR NAME AND

## BARRISTERS' REPORTING SERVICE

1 THE APPLICATION, AND THEN WAIT JUST A MOMENT SO WE  
2 CAN ALL TURN TO THAT APPLICATION.

3 DR. TANG: MY NAME IS E. TANG. I'M FROM  
4 UNIVERSITY OF CALIFORNIA LOS ANGELES. MY  
5 APPLICATION NO. IS 1913. I'M THE CO-PI ON THAT  
6 GRANT.

7 CHAIRMAN KLEIN: ALL RIGHT. IF YOU WOULD  
8 GO FORWARD ON YOUR PRESENTATION, PLEASE.

9 DR. TANG: THANK YOU VERY MUCH, ICOC,  
10 CHAIR KLEIN, AND DR. TROUNSON. THANK YOU FOR YOUR  
11 TIME TO HEAR THE EXTRAORDINARY PETITION FOR THIS  
12 GRANT 1913.

13 (DR. PENHOET JOINS THE MEETING.)

14 DR. TANG: THIS IS A PROPOSAL BY A TEAM OF  
15 STEM CELL BIOLOGISTS AND ENGINEERS. SO THE PI ON  
16 THIS GRANT IS PROFESSOR GUOPING FAN, AND HE IS ONE  
17 OF THE LEADING STEM CELL RESEARCHERS AT UCLA, AND  
18 MYSELF, YI TANG. I'M A CHEMIST AND A CHEMICAL  
19 ENGINEER WITH EXPERTISE IN CHEMICAL BIOLOGY AND  
20 MATERIAL SCIENCE.

21 THEREFORE, WE BELIEVE WE HAVE A STRONG  
22 TEAM ADDRESSING THIS PARTICULAR CALL FOR TOOLS AND  
23 DEVELOPMENT. THE GOALS OF THIS GRANT IS TO DEVELOP  
24 A NOVEL NANOCAPSULE-BASED PROTEIN DELIVERY SYSTEM  
25 THAT CAN SIGNIFICANTLY IMPROVE, FIRST, THE



## BARRISTERS' REPORTING SERVICE

1 EFFICIENCY OF NONVIRAL CELLULAR PROGRAMMING  
2 GENERATING IPS CELLS; AND, TWO, TO FACILITATE THE  
3 DIFFERENTIATION OF IPS CELLS OR SOMATIC CELLS FOR  
4 CELL REPLACEMENT THERAPY.

5 THESE GOALS WILL ADDRESS MAJOR BOTTLENECKS  
6 OF REPROGRAMMING EFFICIENCY AND SAFETY IN THE USE OF  
7 IPS CELLS AND HUMAN EMBRYONIC STEM CELLS FOR  
8 PATIENT-SPECIFIC TREATMENTS. THIS WILL BE A MAJOR  
9 STAGE STEP TOWARDS MAKING CLINICAL GRADE IPS CELLS.  
10 THEREFORE, WE BELIEVE THIS PROPOSAL FITS WITH THE  
11 TOOLS AND TECHNOLOGY AWARDS SCOPE.

12 THIS PROPOSAL WAS RATED 72 BY THE  
13 DISTINGUISHED PANEL. REVIEWERS ALL AGREE THAT THE  
14 LACK OF EFFICIENT NONVIRAL CELL REPROGRAMMING TOOLS  
15 IS A MAJOR BOTTLENECK FOR THE DEVELOPMENT OF STEM  
16 CELL-BASED THERAPIES, AND ADVANCEMENT IN THIS AREA  
17 WILL BE OF SIGNIFICANT VALUE TO THE FIELD.

18 REVIEWERS ALSO FOUND THE PROPOSAL TO BE  
19 FOCUSED AND CAREFULLY DESIGNED WITH METHODOLOGIES,  
20 STRATEGIES, ANALYSES THAT ARE LOGICAL AND  
21 APPROPRIATE TO COMPLETE THE AIMS.

22 THEY FURTHER AGREED THAT WE PROVIDED  
23 QUANTITATIVE MEASURES OF SUCCESS AND INCLUDED  
24 CONVINCING PRELIMINARY DATA, AND THEY ALSO SAID OUR  
25 TEAM WAS OUTSTANDING AND ARE CAPABLE TO CARRY OUT

## BARRISTERS' REPORTING SERVICE

1 THE RESEARCH.

2 SO BASED ON WHAT WE READ IN THE REVIEW, A  
3 MAJOR CONCERN FOR NOT GATHERING ENOUGH SUPPORT TO  
4 MOVE INTO TIER I WAS THAT SOME REVIEWERS FELT OUR  
5 APPROACH IS NOT INNOVATIVE ENOUGH, AND SOME OF THE  
6 DATA PRESENTED LACKED DETAILS. SO I WOULD JUST LIKE  
7 TO MAKE A STRONG ARGUMENT FOR THE INNOVATIVENESS AND  
8 FEASIBILITY OF THE PROPOSAL BY FIRST POINTING OUT  
9 THAT NEARLY THE ENTIRE PRELIMINARY DATA THAT WE  
10 PRESENT IN THE GRANT HAS RECENTLY BEEN ACCEPTED FOR  
11 PUBLICATION IN THE *JOURNAL OF ACS NANO*, WHICH IS  
12 RAPIDLY BECOMING A PREMIERE JOURNAL IN THE FIELD OF  
13 NANOBIOTECHNOLOGY. AND I BROUGHT A COPY OF THE  
14 PAPER THAT JUST CAME ONLINE YESTERDAY.

15 I'D LIKE TO MENTION THAT THE FULL  
16 REVIEWERS OF THE PAPER ALL NOTED THAT NOVELTY IS THE  
17 STRENGTH OF THE PAPER AND THE STRENGTH OF APPROACH  
18 OF PROTEIN DELIVERY COMPARED TO EXISTING METHODS AND  
19 OUR NANOCAPSULE APPROACH HAS SIGNIFICANT ADVANTAGES.

20 ONE REVIEWER IN PARTICULAR POINTED OUT THE  
21 STRIKINGLY EFFICIENT DELIVERY OF TRANSCRIPTION  
22 FACTORS TO THE NUCLEUS OF THE CELLS THAT WE USED AND  
23 HINTING THAT THIS COULD POTENTIALLY BE USEFUL IN THE  
24 GENERATION OR REPROGRAMMING OF IPS CELLS.

25 OUR APPROACH ALSO ADDRESSES SEVERAL

## BARRISTERS' REPORTING SERVICE

1 BOTTLENECKS SIMULTANEOUSLY, INCLUDING MEDIUM  
2 STABILITY OF THE TRANSCRIPTION FACTORS, EFFICIENT  
3 CELL INTERNALIZATION, ESCAPING THE ENDOSOME AND  
4 RELEASE OF NATIVE PROTEINS INTO THE NUCLEUS.

5 SO IN THIS PAPER WE ALSO PERFORMED  
6 SIDE-BY-SIDE COMPARISON BETWEEN OUR APPROACH AND THE  
7 ELEVEN OTHER APPROACH DELIVERING ONE OF THE OSKM  
8 FACTORS KLB4, SO WE SHOWED OUR APPROACH IS VASTLY  
9 SUPERIOR COMPARED TO DIRECT PROTEIN DELIVERY.  
10 THEREFORE, WE BELIEVE THIS HIGHLY POSITIVE REVIEW BY  
11 THIS PAPER IS A TESTAMENT TO THE INNOVATIVENESS AND  
12 COMPETITIVENESS OF THIS APPROACH.

13 IN SUMMARY, WE AIM TO COMBINE OUR  
14 EXPERTISE IN NANOBIOLOGY AND STEM CELL BIOLOGY  
15 TO MAKE CLINICAL GRADE STEM CELLS AS WELL AS STEM  
16 CELL-DERIVED TISSUE CELLS. RELEVANT TO DISEASE,  
17 ADVANCEMENT OF TOOLS DESCRIBED HERE CAN BE USEFUL  
18 FOR TREATING PATIENTS WITH NEUROLOGICAL DISEASE SUCH  
19 AS PARKINSON'S DISEASE, ALZHEIMER'S DISEASE, AND  
20 STROKE, AND MANY OTHER DISORDERS THAT REQUIRE CELL  
21 REPLACEMENT THERAPY. I THANK YOU VERY MUCH FOR THIS  
22 OPPORTUNITY.

23 CHAIRMAN KLEIN: THANK YOU VERY MUCH.  
24 APPRECIATE YOUR PRESENTATION. WOULD THE SCIENTIFIC  
25 STAFF LIKE TO COMMENT ON THIS PARTICULAR APPLICATION

## BARRISTERS' REPORTING SERVICE

1 IN TERMS OF A RESPONSE? I WOULD LIKE TO SEE, BEFORE  
2 ACTUALLY ASKING FOR THAT, IN TERMS OF OUR NEW  
3 PROTOCOL, IF THERE'S A BOARD MEMBER WHO WOULD LIKE  
4 TO HEAR THAT RESPONSE. IF NOT, UNDER OUR NEW  
5 PROTOCOL, WE WON'T HAVE A RESPONSE AND MOVE FORWARD.

6 DR. BIRGENEAU: I'D LIKE TO HEAR THE  
7 RESPONSE.

8 CHAIRMAN KLEIN: DR. BIRGENEAU WOULD LIKE  
9 TO HEAR THE RESPONSE.

10 DR. TROUNSON: I COULD ASK ONE OF THE  
11 SCIENTISTS WHO REVIEWED THIS. I WOULD SAY THAT WE  
12 SKIPPED OVER THE PRESIDENT'S REPORT, BUT JUST TO LET  
13 YOU KNOW, THE MAJOR DEVELOPMENT OUT OF LAST YEAR WAS  
14 SYNTHETIC RNA TO REPROGRAM CELLS. IT WAS BY FAR AND  
15 AWAY THE MOST IMPORTANT PAPER AS JUDGED BY THE  
16 SCIENTIFIC FIELD. SO THIS WAS SYNTHETIC RNA. I  
17 DIDN'T GET A CHANCE TO PRESENT THAT TO YOU.

18 SO WITHIN THE CONTEXT OF WHAT'S HAPPENING  
19 IN THE FIELD, IT NEEDS TO BE JUDGED AGAINST WHERE  
20 THE FAST MOVING LINE IS IN THIS AREA. AND I THINK  
21 IT'S -- THIS WORK IS AN INNOVATIVE METHOD, BUT I'M  
22 NOT SURE IT'S GOING TO BE IN ANY WAY COMPETITIVE TO  
23 THE SYNTHETIC RNA METHODS THAT HAS REALLY BEEN  
24 EMBRACED BY THE FIELD.

25 SO IF YOU WOULD LIKE TO HAVE SOME MORE

## BARRISTERS' REPORTING SERVICE

1 DETAILS FROM THE SCIENTIST WHO WAS WORKING ON THIS,  
2 I DON'T KNOW WHO THAT IS.

3 CHAIRMAN KLEIN: DR. JORGENSEN, PLEASE.

4 DR. JORGENSEN: SO I DON'T HAVE A SPECIFIC  
5 RESPONSE TO THE PETITION, SO I'M JUST GOING TO  
6 SUMMARIZE WHAT THE REVIEWERS CONSIDERED TO BE THE  
7 STRENGTHS AND WEAKNESSES OF THIS PARTICULAR  
8 APPLICATION. SO THE REVIEWERS DID AGREE THAT THIS  
9 IS ADDRESSING A MAJOR BOTTLENECK IN THE FIELD, BUT  
10 THEY WERE SPLIT SOMEWHAT ON THE INNOVATION OF THIS  
11 PARTICULAR PROJECT. AND WHAT THAT MEANT BY BEING  
12 SPLIT IS THAT THEY AGREED THAT THERE WAS NOVEL  
13 ASPECTS OF THE TECHNOLOGY ITSELF, THAT THE  
14 NANOCAPSULES THAT WERE GOING TO BE USED TO DELIVER  
15 THE PROTEINS HAD NOVEL ASPECTS. HOWEVER, WHERE THE  
16 REVIEWERS FELT THE NOVELTY WAS LACKING IS IN WHAT  
17 THEY MIGHT CONTRIBUTE TO THE REPROGRAMMING FIELD IN  
18 GENERAL.

19 AS ALAN JUST MENTIONED, THERE'S BEEN  
20 SIGNIFICANT ADVANCES, AND THEY DIDN'T NECESSARILY  
21 SEE A SPECIFIC ADVANTAGE TO THIS APPROACH OVER OTHER  
22 APPROACHES IN DEVELOPMENT. SO THEY WERE NOT SURE  
23 WHAT TYPE OF IMPACT THIS WOULD HAVE ON THE  
24 REPROGRAMMING SINCE THIS IS SUCH A COMPETITIVE  
25 FIELD.

## BARRISTERS' REPORTING SERVICE

1 WITH REGARDS TO THE EXPERIMENTAL PLAN,  
2 THEY DID AGREE THAT IT WAS VERY WELL LAID OUT, BUT  
3 THE PRIMARY ISSUE THERE WAS SOME EXPERIMENTAL DETAIL  
4 WAS LACKING ON A FEW DIFFERENT ASPECTS.

5 SO THERE WERE SEVERAL ISSUES WITH HOW  
6 REPROGRAMMING WORKS WITH RESPECT TO THESE  
7 NANOCAPSULES. SO THE FIRST ISSUE, THEY HAD A  
8 CONCERN OF THE HALF-LIFE OF THE PROTEINS. SO  
9 REPROGRAMMING IS A TECHNIQUE THAT TAKES A LONG TIME  
10 TO HAPPEN, AND THE APPLICANT DID NOT LAY OUT IN  
11 SPECIFIC DETAIL HOW THEY WOULD APPROACH A POTENTIAL  
12 PROBLEM OF NOT HAVING SUFFICIENT HALF-LIFE OF THE  
13 PROTEINS OR HOW THEY WOULD ADDRESS THE ISSUE OF  
14 ASSEMBLING THE APPROPRIATE RATIO OF THE PROTEINS IN  
15 THE CELLS FOR REPROGRAMMING.

16 SO THESE ARE JUST SOME EXAMPLES OF THE  
17 THINGS THAT CAME UP IN THE REVIEW WHERE DETAIL WAS  
18 LACKING.

19 AND THEN IN THE THIRD AIM, THERE WAS A  
20 PORTION OF THAT AIM THAT WAS VERY SUPERFICIALLY  
21 ADDRESSED IN SUCH A MANNER THAT IT WAS VERY  
22 DIFFICULT FOR THE REVIEWERS TO ASSESS THE  
23 FEASIBILITY OF THAT PARTICULAR PORTION. AND THEY  
24 AGREED THAT THE TEAM WAS OUTSTANDING.

25 CHAIRMAN KLEIN: OKAY.

## BARRISTERS' REPORTING SERVICE

1 DR. JORGENSEN: I'M HAPPY TO TAKE ANY  
2 QUESTIONS.

3 CHAIRMAN KLEIN: ANY ADDITIONAL QUESTIONS?  
4 OKAY. THANK YOU VERY MUCH.

5 I'D LIKE TO, JUST FOR CONTINUITY, GO ON TO  
6 THE NEXT PETITION. AND I'D SAY FOR THE BENEFIT OF  
7 THOSE IN THE AUDIENCE, WITH THE INFORMATION, WE  
8 WILL, AFTER HAVING PUBLIC DISCUSSION, GO INTO  
9 EXECUTIVE SESSION. AFTER EXECUTIVE SESSION, LOOKING  
10 AT PROPRIETARY INFORMATION, THE BOARD MAY CHOOSE TO  
11 RAISE ANY OF THESE ISSUES IN THE PETITIONS, ANY OF  
12 THE PETITIONS AT ISSUE, OR NOT RAISE ANY OF THEM.  
13 SO THE BOARD HAS PLENARY AUTHORITY TO CHOOSE WHICH  
14 OF THESE APPLICATIONS TO LOOK AT AS WELL AS ANY  
15 OTHER APPLICATION WHETHER THERE'S A PETITION OR NOT.

16 COULD THE SECOND SPEAKER IDENTIFY  
17 THEMSELVES, PLEASE.

18 DR. MARTIN: MY NAME IS DR. MARTIN MARTIN.  
19 I'M THE PI ON THE DIARRHEA GRANT THAT PRESIDENT  
20 THORENSEN (SIC) MENTIONED EARLIER.

21 MR. TORRES: CAN WE HAVE A NUMBER ON THAT?

22 CHAIRMAN KLEIN: 1985.

23 DR. MARTIN: CHAIRMAN KLEIN AND PRESIDENT  
24 THORENSEN AND OVERSIGHT BOARD AND CIRM STAFF, I WANT  
25 TO THANK YOU FOR GIVING ME THE OPPORTUNITY TO

**BARRISTERS' REPORTING SERVICE**

1 PRESENT THIS EXTRAORDINARY PETITION REALLY ON BEHALF  
2 OF THE GRANT THAT DR. THORENSEN HAS BROUGHT UP  
3 EARLIER.

4 CHAIRMAN KLEIN: DR. TROUNSON.

5 DR. MARTIN: TROUNSON PRESENTED EARLIER.  
6 I'M SORRY. RELATED TO REALLY CHILDREN WHO HAVE  
7 VARIOUS FORMS OF CHRONIC DIARRHEAL DISORDERS. THE  
8 REASON FOR THIS PETITION IS REALLY BECAUSE I THINK  
9 I'D LIKE TO HIGHLIGHT THREE CONCERNS, I THINK, THAT  
10 WERE RAISED BY THE REVIEWERS.

11 ONE WAS AN ISSUE OF INNOVATION, WHICH I  
12 THINK WAS DISCUSSED EARLIER, SOME PRELIMINARY DATA,  
13 WHICH WAS ALSO DISCUSSED, AND REALLY PROGRAMMATIC  
14 REVIEW ISSUES.

15 SO ONE CONCERN WAS A COMMENT, I THINK,  
16 THAT THE METHODS AND TOOLS PROPOSED ARE NOT  
17 PARTICULARLY INNOVATIVE. I THINK WE REALLY ARE IN  
18 AN EXCITING AREA NOW IN GASTROINTESTINAL PHYSIOLOGY  
19 THAT'S REALLY DEVELOPED OVER THE LAST YEAR OR SO.  
20 WE ARE, AS PROPOSED IN THE GRANT APPLICATION,  
21 PLANNING TO USE TOTAL GENOME SEQUENCING TO SEQUENCE  
22 NOT JUST ONE GENE, BUT 30,000 GENES IN SOME OF THESE  
23 PATIENTS THAT I MANAGE AND HAVE MANAGED FOR YEARS.  
24 WE CAN DO THIS NOW WITH COLLABORATORS WITHIN A WEEK.  
25 WE ALSO ARE PART OF AN NIH CONSORTIUM ON INTESTINAL



## BARRISTERS' REPORTING SERVICE

1 STEM CELLS THAT I RUN AT UCLA WHERE WE ARE ACTIVELY  
2 GROWING MOUSE INTESTINE, PRIMARY INTESTINE,  
3 ISOLATING STEM CELLS, AND ALSO, IN FACT, HAVE MADE  
4 RECENT PROGRESS IN DOING SIMILAR THINGS WITH HUMAN  
5 INTESTINE.

6 AND THEN WHAT WE DID PRESENT IN PART OF  
7 THE PRELIMINARY DATA WAS REALLY THE FIGURES THAT  
8 WERE IN THIS *NATURE* PAPER THAT WAS MENTIONED  
9 EARLIER. WE WERE -- DR. WELLS CAME TO US BECAUSE HE  
10 KNEW THAT WE HAD A LARGE COLLECTION OF PATIENTS. IN  
11 FACT, THE MAIN DISORDER THAT HE MENTIONS IN THE  
12 FIRST PARAGRAPH OF HIS PAPER WAS A DISORDER THAT I  
13 DISCOVERED THAT WAS PUBLISHED IN THE *NEW ENGLAND*  
14 *JOURNAL* A COUPLE YEARS AGO THAT DEMONSTRATES THAT  
15 ENDOCRINE CELLS PLAY A PREVIOUSLY UNAPPRECIATED ROLE  
16 IN NUTRIENT ABSORPTION, AND THAT WAS REALLY THE  
17 FEATURE. HE ASKED ME TO BE PART OF THIS, BUT I WAS  
18 IN THE PROCESS OF MY OWN ESCRO APPROVAL AND IRB  
19 APPROVAL, WHICH ACTUALLY WE JUST RECEIVED JUST THIS  
20 MONTH. AND THAT'S REALLY WHY UNFORTUNATELY I WASN'T  
21 PART OF THIS *NATURE* PAPER.

22 THE OTHER CRITICISM WAS THAT THERE WAS  
23 REALLY INSUFFICIENT PRELIMINARY DATA, AND I  
24 APPRECIATE THAT, THAT WE HAD FOUR PAGES. I NEEDED  
25 TO -- CERTAINLY THE GROUPS OF PATIENTS, THEY'RE AN

## BARRISTERS' REPORTING SERVICE

1 UNUSUAL GROUP OF PATIENTS THAT ARE DIVERSE. I  
2 WANTED TO PRESENT OUR PRELIMINARY DATA IN HOW WE ARE  
3 ABLE TO GROW NOW IN CULTURE AT THAT TIME JUST MOUSE,  
4 BUT CERTAINLY NOW HUMAN INTESTINE, AND GIVE A LITTLE  
5 BIT OF BACKGROUND AS WELL IN TERMS OF TOTAL GENOME  
6 SEQUENCING.

7 WE WERE ABLE TO PUT SOME FIGURES  
8 DEMONSTRATING THE FEASIBILITY. THANKFULLY DR. WELLS  
9 PROVIDED THAT TO US, BUT WE COULD NOT REVEAL ALL OF  
10 THE INFORMATION, AND WE DID NOT SEND, AS WAS  
11 SUGGESTED, THE MANUSCRIPT IN FOR REVIEW.

12 THE BIGGER ISSUE HERE I THINK IS REALLY A  
13 PROGRAMMATIC QUESTION. THEY SAID THAT THERE WERE NO  
14 PROGRAMMATIC REASONS TO FUND THIS PARTICULAR  
15 APPLICATION. TO THAT I CERTAINLY WOULD DISAGREE.  
16 AND I KNOW MANY OF US HAVE EXPERIENCED BOUTS OF  
17 DIARRHEA THAT LAST TWO TO THREE DAYS. I KNOW THAT  
18 IT IS INCREDIBLY INCONVENIENT FOR ALL OF US, BUT THE  
19 CHILDREN THAT ARE REALLY THE FOCUS OF THIS  
20 APPLICATION, MOST OF THEM HAVE HAD DIARRHEA FROM  
21 BIRTH. I HAVE FOLLOWED MANY OF THEM NOW. THEY HAVE  
22 BASICALLY HAD CHRONIC DIARRHEA, MANY OF THEM IN  
23 THEIR TWENTIES. AND NOT ONLY DO THEY HAVE TO DEAL  
24 WITH THE INCONVENIENCE OF THAT, BUT MANY OF THESE  
25 CHILDREN REALLY CAN'T EAT BECAUSE IT REALLY

## BARRISTERS' REPORTING SERVICE

1 EXACERBATES THEIR DIARRHEAL SYMPTOMS, AND THEY CAN'T  
2 ABSORB THEIR NUTRIENTS.

3 SO THESE CHILDREN REALLY ARE DEPENDENT ON  
4 I.V. NUTRITION. PARENTS HOOK THESE CHILDREN UP  
5 EVERY EVENING TO A BAG THAT HAS CALORIES OF VITAMINS  
6 THAT ARE CONNECTED TO THEM VIA CATHETERS. THIS IS  
7 CERTAINLY LIFESAVING FOR MOST OF THESE KIDS, BUT  
8 IT'S FRAUGHT WITH MANY PROBLEMS, INCLUDING MANY  
9 INFECTIONS, MULTIPLE READMISSIONS TO THE HOSPITAL,  
10 AND LIVER DISEASE.

11 THE OTHER OPTION FOR THESE CHILDREN IS  
12 REALLY INTESTINAL TRANSPLANTATION, WHICH WE ARE VERY  
13 INVOLVED IN AT UCLA AND HAVE MANY PATIENTS THAT HAVE  
14 HAD THESE. THESE KIDS GENERALLY GET LIVER DISEASE  
15 AS WELL BECAUSE OF THE I.V. NUTRITION. AND THEY CAN  
16 SPEND SIX MONTHS A YEAR IN THE HOSPITAL. THE  
17 AVERAGE COST OF AN INTESTINAL TRANSPLANT, WHICH IS  
18 THE MOST EXPENSIVE, IS 1.5 MILLION PER PATIENT. AND  
19 CERTAINLY UCLA HAS LOTS OF KIDS LIKE THIS AND  
20 STANFORD CHILDREN'S DOES AS WELL.

21 SO I REALLY THINK THIS AREA IS CERTAINLY  
22 UNSTUDIED, AND I THINK IT SHOULD BE REALLY  
23 RECONSIDERED. I HAVE A COLLECTION OF TWO TO 300  
24 PATIENTS THAT I HAVE COLLECTED OVER THE YEARS.  
25 THEY'VE CONTACTED ME WORLDWIDE. MANY OF THESE

## BARRISTERS' REPORTING SERVICE

1 PEOPLE ARE INTERESTED IN PARTICIPATING IN THE STUDY.  
2 WE JUST GOT OUR IRB APPROVAL COUPLE OF WEEKS AGO AND  
3 ALREADY HAVE TWO PATIENTS THAT ARE SIGNED UP. AND  
4 DR. WELLS HAS BEEN REALLY GRACIOUS IN HIS  
5 WILLINGNESS TO TEACH US. I'D LIKE TO POINT OUT THAT  
6 WE'VE ADVANCED CONSIDERABLY AND IN OUR LABORATORY,  
7 AS PART OF THE NIH CONSORTIUM, ARE ABLE TO GROW  
8 CERTAINLY HUMAN INTESTINE REALLY BEYOND WHAT WAS  
9 PRESENTED BY DR. WELLS. AND SO WE'RE VERY FAMILIAR  
10 WITH MANY ASPECTS, ALTHOUGH REPROGRAMMING WE HAVEN'T  
11 DONE.

12 CHAIRMAN KLEIN: SO THANK YOU, DR. MARTIN.  
13 I THINK YOU'VE COVERED THE KEY POINTS. AND I WOULD  
14 POINT OUT I THINK THE WAY I READ THIS WAS IT WASN'T  
15 THAT THERE WASN'T PROGRAMMATIC VALUE. THEY, IN  
16 FACT, IDENTIFIED IT AS POTENTIALLY A HIGH IMPACT,  
17 BUT THEY WEREN'T GOING TO RAISE IT THROUGH  
18 PROGRAMMATIC REVIEW BECAUSE SOME OF THE DATA THAT IS  
19 NOW PRESENTED IN THE *NATURE* PAPER WASN'T AVAILABLE  
20 AT THAT TIME TO GIVE THEM THE COMFORT THAT THE  
21 PROGRAMMATIC AIMS WOULD BE ACHIEVED. SO THANK YOU  
22 VERY MUCH FOR BRINGING THE PAPER AND THE INFORMATION  
23 TO OUR ATTENTION.

24 AND FOR THE MEMBERS, YOU WILL SEE THERE  
25 ARE LETTERS FROM PATIENT FAMILIES IN YOUR BINDERS

## BARRISTERS' REPORTING SERVICE

1 THAT DESCRIBE THE DISEASE IN GREAT DETAIL. AND  
2 WHILE IT IS AN ORPHAN DISEASE, AS I SAID, THE WELLS  
3 PAPER MAKES SOME VERY COGENT POINTS ABOUT THE  
4 BROADER APPLICATIONS OF THIS. THANK YOU.

5 MR. TORRES: DR. MARTIN, AS BEING PART OF  
6 THE OVERALL GROUP THAT EVALUATED ALL THESE  
7 PROPOSALS, THE LAST ITEM, WHICH IS DID NOT FIND THE  
8 RESEARCH PLAN FEASIBLE DUE TO A LACK OF PRELIMINARY  
9 DATA, CAN YOU RESPOND QUICKLY TO THAT, PLEASE?

10 DR. MARTIN: WELL, LOOK IT. I THINK ALL  
11 THE APPLICANTS ARE LIMITED TO FOUR PAGES. I NEEDED  
12 TO BRING IN REALLY DIVERSE TOPICS. I HAD TO PRESENT  
13 THE PATIENTS. THAT WAS REALLY ONE PAGE. I NEEDED  
14 TO PRESENT OUR OWN WORK IN GROWING INTESTINES.  
15 CERTAINLY MOUSE INTESTINE, WHICH IS ALL WE COULD  
16 GROW AT THE TIME. I HAD TO PRESENT WELLS'  
17 PRELIMINARY DATA, AND ALSO DISCUSS ABOUT TOTAL  
18 GENOME SEQUENCING, WHICH REALLY AT THE TIME THAT I  
19 WROTE THIS GRANT REALLY HAD JUST COME TO THE  
20 FOREFRONT. SO THERE WERE REALLY DIVERSE TOPICS,  
21 COULDN'T GET INTO GREAT DETAIL, WHICH IS WHEN YOU'RE  
22 LIMITED TO FOUR PAGES, YOU REALLY HAVE TO KIND OF  
23 PICK AND CHOOSE.

24 AND I UNDERSTAND THE REVIEWERS' CONCERN.  
25 WE HAD TO GIVE KIND OF A BIRD'S EYE VIEW BECAUSE WE

## BARRISTERS' REPORTING SERVICE

1 COULDN'T -- DIDN'T HAVE THE SPACE TO GET INTO  
2 DETAILS TO REASSURE THE REVIEWERS THAT WE COULD DO  
3 THESE STUDIES.

4 MR. TORRES: THANK YOU.

5 MS. GIBBONS: DR. MARTIN, CAN YOU JUST  
6 VERY BRIEFLY MENTION WHAT YOU PERCEIVE TO BE THE  
7 BROADER APPLICATIONS OF THIS? I THINK YOU HAD  
8 MENTIONED IRRITABLE BOWEL SYNDROME.

9 DR. MARTIN: MANY PATIENTS REALLY DEVELOP  
10 SIGNIFICANT DIARRHEA, MANY IRRITABLE BOWEL SYNDROME,  
11 AND INFLAMMATORY BOWEL DISEASE. WE KNOW REALLY VERY  
12 LITTLE ABOUT WHAT CAUSES THIS. I THINK WHAT THE  
13 ORPHAN PATIENTS PRESENT, THESE ORPHAN DISEASES  
14 PRESENT IS AN OPPORTUNITY TO REALLY UNCOVER AND  
15 UNDERSTAND HUMAN PHYSIOLOGY. SO, FOR INSTANCE, OUR  
16 GROUP WAS THE FIRST, AND AS MENTIONED IN HIS PAPER,  
17 WELLS' PAPER, TO DISCOVER THAT WE DESCRIBE PATIENTS'  
18 CHILDREN WHO HAD NO ENDOCRINE CELLS, NO HORMONE  
19 PRODUCING CELLS, NEVER BEEN DESCRIBED BEFORE. THIS  
20 WAS PUBLISHED IN THE *NEW ENGLAND JOURNAL*. AND SO IT  
21 WAS REALLY THE FIRST PROOF THAT HORMONES FOR SOME  
22 REASON PLAY AN IMPORTANT ROLE IN FACILITATING  
23 NUTRIENT ABSORPTION.

24 SO YOU CAN IMAGINE MANY WAYS THAT THIS CAN  
25 APPLY. NOW WE HAVE SUBSEQUENTLY FOUND KIDS WHO HAVE

## BARRISTERS' REPORTING SERVICE

1 DEFECTS WE BELIEVE THAT ARE DOWNSTREAM OF THAT  
2 PROBLEM. SO WE HAVE MANY PATIENTS AND MANY  
3 HOSPITALS THAT HAVE SHORT INTESTINES. CAN YOU FIND  
4 THE HORMONE, FOR INSTANCE, THAT FACILITATES NUTRIENT  
5 ABSORPTION, AND CAN YOU TREAT THESE KIDS WHO ARE  
6 BORN WITH INTESTINES OR LOST THEIR INTESTINES FOR  
7 VARIOUS REASONS TO ENHANCE NUTRIENT ABSORPTION? OR  
8 CAN YOU THEN FIND ANTAGONISTS TO, IN FACT, BLOCK  
9 THAT? THAT'S REALLY THE GOAL OF THE APPLICATION.

10 I THINK IT HELPS US UNDERSTAND KIND OF HOW  
11 OUR OWN INTESTINES WORK IN PATIENTS WHO ARE  
12 OTHERWISE HEALTHY.

13 CHAIRMAN KLEIN: OKAY. DR. LUBIN.

14 DR. LUBIN: JUST ONE COMMENT. ONE OF THE  
15 COMMONEST CAUSES OF DEATH THROUGHOUT THE WORLD IS  
16 INFANTILE DIARRHEA, AND ANY INFORMATION YOU SHED IN  
17 THIS THAT COULD HELP WORLDWIDE HAS ENORMOUS  
18 IMPLICATIONS.

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

21 WE HAVE -- DON, WE HAVE ANOTHER PETITIONER  
22 WHO I'D LIKE TO ADDRESS FOR THE MOMENT, PLEASE. IS  
23 THERE ANOTHER PETITIONER WHO WOULD LIKE TO MAKE A  
24 STATEMENT?

25 DR. HELLER: MY NAME IS STEFAN HELLER.

## BARRISTERS' REPORTING SERVICE

1 I'M A PROFESSOR AT STANFORD, AND I'M HERE TO SUPPORT  
2 MY WRITTEN PETITION FOR APPLICATION 1939.

3 CHAIRMAN KLEIN: DO YOU HAVE ORAL  
4 COMMENTS? YOU HAVE THREE MINUTES TO MAKE ANY ORAL  
5 COMMENTS.

6 DR. HELLER: YES.

7 CHAIRMAN KLEIN: OKAY.

8 DR. HELLER: I'M BASICALLY HERE TO SUPPORT  
9 MY PETITION THAT I WROTE, WHICH RAISED EIGHT  
10 ARGUMENTS THAT YOU ALL HAVE.

11 CHAIRMAN KLEIN: AND YOUR PETITION NUMBER  
12 IS?

13 DR. HELLER: 1939. AND I WOULD LIKE TO  
14 EMPHASIZE ACTUALLY TWO POINTS ON THIS PETITION.  
15 FIRST POINT DEALS WITH THE SCIENTIFIC CRITICISM, AND  
16 THE SECOND POINT DEALS WITH PROGRAMMATIC ISSUES.

17 THE SCIENTIFIC CRITICISM, THE MAIN  
18 CRITICISM ON OUR APPLICATION, I'M WORKING IN THE  
19 HEARING FIELD, AND MY LAB TRIES TO GENERATE INNER  
20 EAR CELLS IN A CULTURE DISH. IT WAS BROUGHT UP BY  
21 THE REVIEWERS, A POINT OF FEASIBILITY, THAT OUR  
22 LABORATORY IS UNABLE TO GENERATE ENOUGH CELLS FOR  
23 ACTUALLY DOING THE PROPOSED EXPERIMENTS.

24 YESTERDAY I WENT TO A LABORATORY WITH MY  
25 POST-DOC, AND WE COUNTED CELLS. SO I CAN TELL YOU



## BARRISTERS' REPORTING SERVICE

1 THAT WE ROUTINELY AND REALLY EVERY WEEK GENERATE  
2 ABOUT THREE MILLION PROGENITOR CELLS FROM HUMAN  
3 EMBRYONIC STEM CELLS, AND 30 PERCENT OF THESE CELLS,  
4 ROUGHLY ABOUT ONE MILLION CELLS, ARE AVAILABLE TO US  
5 EVERY WEEK THAT WE CAN DO THE PROPOSED EXPERIMENT.

6 THE MAIN POINT OF THE APPLICATION WAS TO  
7 FIND NOVEL TOOLS AND TECHNOLOGY TO PURIFY THESE  
8 CELLS, 30 PERCENT CELLS THAT I WAS TALKING ABOUT.  
9 SO THE MAIN ARGUMENT, THAT WE ARE NOT ABLE TO  
10 GENERATE SUFFICIENT NUMBERS OF CELLS, IN MY MIND IS  
11 NOT VALID.

12 THE SECOND POINT IS REGARDING PROGRAMMATIC  
13 NEEDS. OUR RESEARCH AFFECTS ABOUT 30 MILLION PEOPLE  
14 IN THE UNITED STATES, MILLIONS OF PEOPLE IN  
15 CALIFORNIA THAT SUFFER FROM HEARING LOSS. THE INNER  
16 EAR CANNOT BE BIOPSIED, AND INNER EAR CELLS ARE NOT  
17 AVAILABLE FOR RESEARCH. NO RESEARCHER IN THE WORLD  
18 HAS HUMAN INNER EAR CELLS AVAILABLE. OUR LABORATORY  
19 IS THE ONLY LABORATORY IN THE WORLD THAT IS ABLE TO  
20 GENERATE HUMAN INNER EAR CELLS FOR INVESTIGATION IN  
21 A CULTURE DISH. JUST COMPARED TO THE EYE, THE HUMAN  
22 RETINA CONTAINS ABOUT 140 MILLION PHOTORECEPTORS  
23 THAT ARE AVAILABLE AND THAT CAN BE CULTURED. THE  
24 HUMAN COCHLEAR CONTAINS 12,000 CELLS THAT SIT IN THE  
25 HARDEST BONE OF THE HUMAN BODY. THESE CELLS ARE

## BARRISTERS' REPORTING SERVICE

1 VIRTUALLY IMPOSSIBLE TO ACCESS; AND IF YOU ACCESS  
2 THEM, THEY COME OUT AND DO NOT LIVE. WE CAN  
3 GENERATE THESE CELLS.

4 THE TOOLS AND TECHNOLOGY AWARD WOULD  
5 ENABLE US TO GENERATE THESE CELLS IN HIGH PURITY AND  
6 IN HIGH NUMBERS, WHICH WOULD AFFECT THE LIVES OF  
7 MILLIONS OF PEOPLE THROUGHOUT THE UNITED STATES AND  
8 IN CALIFORNIA.

9 CHAIRMAN KLEIN: OKAY. THANK YOU. AND  
10 MR. SHEEHY.

11 MR. SHEEHY: I JUST -- I'D LIKE TO,  
12 BECAUSE WE DID LOOK AT THIS PROGRAMMATICALLY, SO I  
13 DO THINK -- ACTUALLY I DO THINK IT'S A PROGRAMMATIC  
14 ISSUE. AND I'LL QUOTE, PANELISTS REITERATED THE  
15 GREAT MEDICAL NEED FOR TREATING HEARING LOSS. SO  
16 THEY RECOGNIZED THE NEED. AND HEARING LOSS RESEARCH  
17 IS NOT WELL REPRESENTED IN CIRM'S GRANT PORTFOLIO.  
18 HOWEVER, I THINK WHAT I'D LIKE IS SOME SORT OF SENSE  
19 OF RESOLUTION OF THE ISSUES THAT WERE RAISED. DUE  
20 TO STRONG CONCERNS REGARDING FEASIBILITY OF  
21 DEVELOPING AN ADEQUATE HUMAN HESC-DERIVED OTIC CELL  
22 MODEL, ESPECIALLY BECAUSE LITTLE PROGRESS WAS  
23 REPORTED DESPITE AN ONGOING CIRM-FUNDED EFFORT IN  
24 THIS LABORATORY. THAT TO ME IS THE CRUX OF THE  
25 PROBLEM.

## BARRISTERS' REPORTING SERVICE

1 I THINK THAT -- I MEAN THERE IS THE NEED,  
2 BUT I THINK THAT LAST SENTENCE, THAT'S RESOLVABLE.  
3 WE SHOULD BE ABLE TO HAVE OBJECTIVE INFORMATION ON  
4 THAT DEPENDING ON WHICH WAY THAT FALLS.

5 CHAIRMAN KLEIN: SO WOULD YOU LIKE TO  
6 ANSWER THE QUESTION?

7 DR. HELLER: I WOULD LIKE TO ANSWER THIS  
8 QUESTION.

9 MR. SHEEHY: I ALSO THINK THAT'S A  
10 QUESTION FOR STAFF.

11 CHAIRMAN KLEIN: YES, ABSOLUTELY. GO  
12 AHEAD AND THEN WE'LL HAVE STAFF TO COMMENT ON THIS  
13 PLEASE.

14 DR. HELLER: WE WORK IN PARALLEL ON MOUSE  
15 EMBRYONIC STEM CELL GUIDANCE AND ON HUMAN EMBRYONIC  
16 STEM CELL GUIDANCE. AND OUR MOUSE PROJECT IS  
17 PARTIALLY FUNDED BY CIRM. OUR HUMAN PROJECT IS  
18 FULLY FUNDED BY CIRM. INNER EAR HAIR CELLS, THE  
19 SENSORY CELLS OF YOUR INNER EAR, ARE REALLY COMPLEX  
20 CELLS. THEY ARE NOT JUST BUBBLES IN A DISH THAT YOU  
21 CAN STAIN WITH AN ANTIBODY. THESE CELLS HAVE A VERY  
22 COMPLEX CYTOMORPHOLOGY, AND THEY HAVE VERY SPECIFIC  
23 ELECTRICAL PROPERTIES. OUR RESEARCH REALLY LOOKS AT  
24 ALL THESE FACTORS.

25 OUR MOUSE DATA HAS BEEN PUBLISHED IN 2010

## BARRISTERS' REPORTING SERVICE

1 IN THE JOURNAL *CELL*, WHICH IS A REALLY HIGH IMPACT  
2 JOURNAL, WHERE WE NOT ONLY SHOW THAT THESE CELLS ARE  
3 ABLE TO FORM LITTLE BUBBLES THAT WE CAN STAIN WITH  
4 ANTIBODIES, WE SHOWED THAT THESE CELLS HAVE THE  
5 CORRECT CYTOMORPHOLOGY. THEY REALLY LOOK LIKE THE  
6 INNER EAR SENSORY HAIR CELLS. THEY HAVE HAIR  
7 BUNDLES, WHICH IS A VERY SPECIALIZED CELL STRUCTURE.  
8 AND THEY ARE FUNCTIONAL. WE HAVE DONE VERY COMPLEX  
9 ELECTROPHYSIOLOGICAL EXPERIMENTS ON THOSE.

10 IN THE HUMAN, ON THE HUMAN SIDE, WE ARE AT  
11 THE POINT WHERE WE CAN SEE THESE BUNDLES FORMING.  
12 WE ARE NOW LOOKING AT THOSE WITH ELECTRON MICROSCOPY  
13 AND WE ARE NOT LOOKING AT THOSE  
14 ELECTROPHYSIOLOGICALLY. ALL THIS HAS BEEN PROPOSED  
15 IN OUR ONGOING CIRM-FUNDED PROJECT, AND WE ARE VERY  
16 MUCH WITHIN THE TIME FRAME OF THIS PROJECT.

17 THE PROBLEM IS WE DON'T RUSH OUT OF  
18 PUBLICATION BECAUSE WE WANT TO BE REALLY -- AS ONE  
19 OF THE FEW REPRESENTATIVE LABORATORIES IN THIS  
20 FIELD, WE WANT TO SHOW THE HIGHEST QUALITY SCIENCE.  
21 AND THIS IS ONE OF THE REASONS THIS HASN'T BEEN  
22 PUBLISHED. THE PROCESS OF MAKING THESE CELLS HAS  
23 BEEN RECENTLY PATENTED THOUGH, SO WE HAVE A  
24 PROVISIONAL PATENT APPLICATION THAT ALLOWS US TO  
25 DEVELOP A DRUG SCREENING PLATFORM FOR THESE CELLS.

**BARRISTERS' REPORTING SERVICE**

1                   SO I THINK, ALTHOUGH THAT'S NOT A PAPER,  
2                   BUT WE HAVE PUBLISHED SEVERAL PAPERS INCLUDING A  
3                   HIGH IMPACT PAPER ON THIS TOPIC, AND I THINK THIS IS  
4                   NOT A LACK OF PRODUCTIVITY. I THINK THIS IS A SIGN  
5                   OF DILIGENCE ON OUR SIDE.

6                   CHAIRMAN KLEIN: DR. TROUNSON, YOUR  
7                   COMMENTS AND ANY SCIENTIFIC STAFF YOU'D LIKE TO  
8                   COMMENT.

9                   DR. TROUNSON: I'D LIKE TO ASK THE  
10                  SCIENTIFIC STAFF. IN COMMENT ON THIS, WE LOOKED AT  
11                  THE PROGRESS REPORT ON THE COMPREHENSIVE GRANT.  
12                  THERE WAS NO STUDIES, THERE WAS NO INDICATION THAT  
13                  THIS WORK HAD PROGRESSED IN THE HUMAN DESPITE THE  
14                  GRANT BEING FOCUSED, AS THE APPLICANT SAYS, IN THE  
15                  HUMAN. THERE WAS NO PRELIMINARY DATA IN THE  
16                  APPLICATION, AND THERE WAS NO DATA PROVIDED TO US IN  
17                  THE PERIOD BEFORE, IMMEDIATELY BEFORE, THIS MEETING,  
18                  WHICH THE APPLICANT HAS ALL OF THOSE CHOICES TO DO.

19                  SO, LOOK, I JUST THINK IN THIS CASE, IF  
20                  THE APPLICANT HAS THE DATA, HE'S NOT PROVIDED IT TO  
21                  US, AND I THINK IT WOULD BE UNREASONABLE FOR US TO  
22                  COME DOWN ON ANY OTHER SIDE BUT TO SAY THAT WE DON'T  
23                  HAVE ANY INFORMATION THAT WOULD SUGGEST THAT THEY'VE  
24                  MADE PROGRESS, NO EVIDENCE FOR THAT, AT THIS POINT  
25                  IN TIME.

## BARRISTERS' REPORTING SERVICE

1 IT'S VERY CLEAR IT'S A VERY IMPORTANT  
2 AREA. WE WISH IT TO GO FORWARD, AND WE WISH THE  
3 APPLICANT TO DO THIS WORK IN THE HUMAN. AND IT'S  
4 VERY STRAIGHTFORWARD, VERY CLEAR, AND I'M A LITTLE  
5 SURPRISED THAT THE APPLICANT COMES TODAY WHEN  
6 THEY'VE HAD A LOT OF OPPORTUNITY TO GIVE US SOME OF  
7 THIS PRELIMINARY INFORMATION BEFORE NOW. SO I'M A  
8 LITTLE DISAPPOINTED, BUT THAT'S NOT TO SAY THAT I  
9 DON'T THINK THIS IS A VERY IMPORTANT AREA AND IT'S A  
10 VERY IMPORTANT SCIENTIST WHO'S DOING THIS WORK, AND  
11 MAYBE EXTRA OVER DILIGENT IN DOING THE MOUSE WORK,  
12 AND I THINK IT'S NOT THE RIGHT TIME FOR US ON THIS  
13 PARTICULAR PROJECT.

14 BUT IF ONE OF THE SCIENTISTS WHO WAS  
15 LOOKING IN DETAIL AT THIS PROJECT WOULD LIKE TO GIVE  
16 YOU A LITTLE BIT MORE INFORMATION, I WANTED TO GIVE  
17 YOU MY SUMMARY FROM THAT POINT OF VIEW BECAUSE IT  
18 WAS A LITTLE FRUSTRATING. I THINK JEFF ADEQUATELY  
19 EXPRESSED THE SENTIMENT THAT WAS HAD AT THE TIME OF  
20 REVIEW.

21 DR. AVILA: I THINK ALAN SYNTHESIZED THE  
22 WHOLE THING. I AM THE PROGRAM OFFICER ON PROFESSOR  
23 HELLER'S COMPREHENSIVE GRANT. AND BASICALLY  
24 SYNTHESIZING, THE MAIN ISSUE FOR THIS APPLICATION  
25 WAS IN TERMS OF FEASIBILITY. AND THE TITLE OF THE

## BARRISTERS' REPORTING SERVICE

1 APPLICATION IS HEARING LOSS IN A DISH MODEL FOR  
2 OTOPROTECTIVE AND OTOREGENERATIVE DRUG DEVELOPMENT.

3 AND THE APPLICANT, THE MAIN CONCERN WAS  
4 THAT HE HAS DONE THE WORK OF DIFFERENTIATION AND  
5 PRODUCTION OF THE PROGENITORS AND THEN  
6 DIFFERENTIATION INTO THE INNER EAR HAIR CELLS IN  
7 MICE, BUT HE HASN'T SHOWN YET THAT HE CAN ACHIEVE A  
8 FULL DIFFERENTIATION OF FUNCTIONAL WITH A FULL  
9 CHARACTERIZATION OF THE INNER EAR HAIR CELLS FROM  
10 HUMAN. I'M SURE HE'S CAPABLE OF IT. HE'S ACTUALLY  
11 A REALLY THOROUGH SCIENTIST WHO I ADMIRE.

12 BUT THE PROBLEM WAS AT THE TIME OF THE  
13 APPLICATION, THE DATA WASN'T THERE, AND IT DIDN'T  
14 CONVINCED THE REVIEWERS THAT AFTER THREE YEARS HE WAS  
15 ABLE TO PRODUCE THEM.

16 AND THERE'S GOING TO BE OTHER  
17 OPPORTUNITIES, OTHER RFA'S, WHERE IF HE HAS THE  
18 DATA, HE WILL BE ABLE TO PUT IT IN THE PRELIMINARY  
19 DATA. SO I THINK THAT'S THE MAIN ISSUE. THE DATA  
20 WASN'T THERE, AND I'M SURE HE CAN DO IT, BUT WE  
21 STILL HAVEN'T SEEN IT.

22 CHAIRMAN KLEIN: OKAY.

23 MS. SAMUELSON: IT'S A QUESTION ABOUT  
24 PROCESS AND THE COMMUNICATION BETWEEN STAFF AND THE  
25 SCIENTIFIC GRANTEE TEAM. GIVEN THAT THEY ARE PAST

## BARRISTERS' REPORTING SERVICE

1 GRANTEES, I WOULD THINK THAT THIS ISSUE COULD HAVE  
2 COME UP OR DID COME UP IN THE ONGOING OVERSIGHT OF  
3 THE GRANT TO SAY WHERE IS THE DATA OR WHATEVER WOULD  
4 RESOLVE THAT CONCERN.

5 DR. AVILA: AS YOU KNOW, JOAN, THE DATA  
6 PROGRESS REPORT ISN'T PUBLIC, SO WE CAN'T DISCUSS  
7 DURING PUBLIC SESSION. I CAN TELL YOU THAT WE DO  
8 HAVE CORRESPONDENCE WITH THE GRANTEE. HE'S  
9 ABSOLUTELY VERY DILIGENT, AND THIS IS A VERY HARD  
10 FIELD TO WORK IN. SO I THINK THAT HE'S A TERRIFIC  
11 SCIENTIST AND THAT HE WILL GET THERE. AND WE  
12 DISCUSSED ALL THAT. AFTER THREE YEARS, FOR  
13 DIFFERENT REASONS, HE STILL HAD NOT ACHIEVED A FULL  
14 DIFFERENTIATED AND CHARACTERIZED FUNCTIONALLY  
15 ELECTROPHYSIOLOGICALLY AND MECHANOSENSITIVITY ASSAYS  
16 AS WELL THE HUMAN EMBRYONIC STEM CELL-DERIVED HAIR  
17 CELLS.

18 CHAIRMAN KLEIN: SO, DR. HELLER, IN 60  
19 SECONDS, IF YOU COULD TELL US DO WE HAVE THE DATA ON  
20 THE HUMAN CELLS WITH A FULL CHARACTERIZATION?

21 DR. HELLER: WE HAVE DATA ON THE HUMAN  
22 CELLS, AND WE ARE -- I'M SORRY. I MISUNDERSTOOD THE  
23 PROCESS. AND I THINK THERE WAS MAYBE I COULD HAVE  
24 PROVIDED YOU WITH DATA, BUT I WROTE THIS  
25 EXTRAORDINARY PETITION, WHICH GIVES ME THREE PAGES,



## BARRISTERS' REPORTING SERVICE

1 AND I RAISED POINTS TO THE COUNSEL AND DIDN'T WANT  
2 TO PACK IT WITH SCIENTIFIC DATA. I'M VERY HAPPY TO  
3 PROVIDE YOU WITH THE DATA.

4 CHAIRMAN KLEIN: SHOWING FULL  
5 CHARACTERIZATION?

6 DR. HELLER: WE SHOW THAT WE CAN GENERATE  
7 PROGENITOR CELLS, AND THAT IS THE BASIS FOR THIS  
8 TOOLS AND TECHNOLOGY AWARD. AND WE CAN SHOW THAT WE  
9 CAN GENERATE CELLS THAT HAVE A SIMILAR  
10 CYTOMORPHOLOGY AND THAT EXPRESS ALL MARKERS. WE  
11 HAVE NOT DONE THE ELECTROPHYSIOLOGY. AND FOR THIS  
12 TOOLS AND TECHNOLOGY AWARD, THIS FINAL  
13 ELECTROPHYSIOLOGY IS TOTALLY IRRELEVANT. THE  
14 PROGENITOR CELLS ARE RELEVANT.

15 CHAIRMAN KLEIN: I THINK WE HAVE THE  
16 INFORMATION WE NEED, AND WE CAN GO FORWARD. THANK  
17 YOU. WE CERTAINLY RESPECT THE RESEARCHER DOING  
18 EXTREMELY IMPORTANT WORK, AND CLEARLY STAFF ADMIRES  
19 THE EFFORT AND THE TALENT OF YOUR TEAM.

20 SO ARE THERE ADDITIONAL COMMENTS FROM THE  
21 MEMBERS? ARE THERE ANY ADDITIONAL PETITIONS THE  
22 MEMBERS WOULD LIKE TO LOOK AT?

23 MR. TORRES: MR. CHAIRMAN AND MEMBERS, DR.  
24 TROUNSON HIGHLIGHTED A VERY IMPORTANT POINT. AND  
25 THAT IS THAT THE INFORMATION WAS NOT PROVIDED. YET

## BARRISTERS' REPORTING SERVICE

1 WE JUST HEARD FROM THE WITNESS, NOT THE WITNESS,  
2 FORGIVE ME, WE JUST HEARD FROM THE PROFESSOR THAT  
3 THE INFORMATION WAS AVAILABLE, BUT HE MISUNDERSTOOD  
4 THE PROCESS. SO WHY DID EVERYBODY ELSE UNDERSTAND  
5 THE PROCESS AND THIS INVESTIGATOR DIDN'T? I DON'T  
6 GET THAT.

7 DR. SAMBRANO: CAN I JUST SPEAK TO THAT A  
8 LITTLE BIT. PART OF THIS IS THE ISSUE OF HAVING THE  
9 INFORMATION AVAILABLE FOR REVIEWERS SO THAT IT CAN  
10 BE EVALUATED AND PEER REVIEWED. I THINK THAT'S THE  
11 KEY. SO SOMETIMES SOMEBODY MAY CLAIM OR SAY I HAVE  
12 DATA; BUT UNTIL SOMEBODY IS ABLE TO ACTUALLY LOOK AT  
13 IT AND EVALUATE IT, ONE CAN'T REALLY INTELLIGENTLY  
14 FORM AN OPINION ON IT. I THINK THAT'S WHAT WE NEED.

15 IN TERMS OF THE PROCESS, YOU KNOW, THIS IS  
16 AN ONGOING THING BETWEEN THE SPECIFIC SCIENCE  
17 OFFICER AND THE GRANTEE. WE ENCOURAGE COMMUNICATION  
18 WITH OUR GRANTEES TO KNOW WHAT THE STATUS OF THE  
19 PROJECT IS AT ANY TIME SO THAT WE HAVE THE LATEST  
20 AND BEST INFORMATION. WE GET THIS AT LEAST ON AN  
21 ANNUAL BASIS. AND SO WE EXPECT THAT WHEN AN  
22 APPLICATION COMES TO US, THE PRELIMINARY DATA IS A  
23 PLACE WHERE YOU ARE ALSO GOING TO INCLUDE THE LATEST  
24 DATA AND AN OPPORTUNITY TO PRESENT OTHER DATA, SUCH  
25 AS A PETITION, IS AVAILABLE, BUT THE ABSENCE OF

## BARRISTERS' REPORTING SERVICE

1 HAVING A PEER REVIEW IS ONE OF THE QUALIFIERS TO  
2 THAT.

3 CHAIRMAN KLEIN: AND WE CERTAINLY  
4 UNDERSTAND THAT SOMEONE SHOULD BE CONSERVATIVE ABOUT  
5 WHEN THEY PUBLISH DATA, BUT THEY CAN GIVE US  
6 UNPUBLISHED DATA IN THE CONFIDENTIAL PEER REVIEW.  
7 SO ANY ADDITIONAL COMMENTS?

8 MR. ROTH: I HAVE A GENERAL COMMENT BACK  
9 TO THE PROCESS. FIRST OF ALL, I'D LIKE TO ALSO  
10 THANK STAFF AND JEFF FOR THE PROGRAMMATIC REVIEW  
11 SUMMARY. I FOUND THAT TO BE VERY HELPFUL, WRITTEN  
12 AT A TIME WHEN IT WAS FRESH, AND I REALLY COMMEND  
13 YOU FOR DOING THAT.

14 THE STAFF RECOMMENDATIONS ARE ALSO VERY  
15 USEFUL, AND I'D ENCOURAGE STAFF TO CONSIDER A  
16 WRITTEN APPROACH TO THIS AS WELL GIVEN THE RATIONALE  
17 FOR WHY WE SHOULD LOOK AT A GRANT BASED ON  
18 EVERYTHING YOU KNOW ABOUT IT TODAY.

19 WHAT IS TROUBLING IS THE EXTRAORDINARY  
20 PETITIONS. AND I JUST -- I WANT TO GO BACK AND  
21 REVIEW AND MAKE SURE I'M CORRECT, THAT WE SET UP  
22 THAT PROCESS FOR REALLY LOOKING AT FACTUAL ERROR,  
23 THAT SOMEBODY JUST TOTALLY FACTUALLY GOT IT WRONG IN  
24 THE REVIEW, EITHER ONE OF OUR CONSULTANTS OR ONE OF  
25 THE REVIEWERS, AND THAT WAS CORRECT. I REMEMBER A

## BARRISTERS' REPORTING SERVICE

1 GRANT AT CITY OF HOPE WHERE SUCH AN ERROR OCCURRED.

2 BUT UNFORTUNATELY I THINK WE'RE GETTING A  
3 LOT OF EXTRAORDINARY PETITIONS THAT TALK ABOUT  
4 THINGS THAT ARE VERY SUBJECTIVE, LIKE INNOVATION.  
5 BELIEVE ME, I TRY TO DESCRIBE THAT WORD EVERY DAY IN  
6 MY DAY JOB. IT'S VERY HARD. INNOVATIVE TO ONE  
7 PERSON IS NOT TO ANOTHER. ALL OF THE NOVELTY, THOSE  
8 ARE VERY DIFFICULT PARAMETERS. AND SO ADDRESSING  
9 THOSE OUT OF CONTEXT OF THE REST OF THE REVIEW, I  
10 THINK, IS DANGEROUS.

11 I DON'T WANT TO BIAS THESE BECAUSE THERE  
12 ARE SOME THAT MAY WELL BE WORTH FUNDING, BUT I THINK  
13 WE HAVE TO HAVE A PROCESS, A REFINEMENT. WE TALKED  
14 ABOUT THIS THE LAST THREE MEETINGS. I THINK WE  
15 REALLY NEED TO BE VERY CLEAR. OTHERWISE, WE SHOULD  
16 EXPECT DOZENS OF NONFUNDED PROGRAM PI'S TO APPEAR  
17 BEFORE US MAKING THESE VERY ARGUMENTS, WHICH IS  
18 EXTREMELY HARD OUT OF CONTEXT. YOU GET INTO HE  
19 SAID, SHE SAID KIND OF THINGS. YOU HAVE NEW  
20 INFORMATION TO PROVE YOUR CASE. I JUST THINK IN  
21 GENERAL THAT'S A VERY, VERY HARD WAY TO DO AN  
22 OBJECTIVE EVALUATION.

23 CHAIRMAN KLEIN: SO, DUANE, THERE IS A  
24 BROADER PERSPECTIVE THAN FACTUAL ERROR. CERTAINLY  
25 AT TIMES PEER REVIEW WILL TURN ON THE FACT THAT THE

## BARRISTERS' REPORTING SERVICE

1 DATA IS THERE, BUT IT'S NOT PUBLISHED. SO THEY  
2 DON'T KNOW WHAT CREDIBILITY TO GIVE IT. AND THEN IF  
3 THE PUBLICATION OCCURS BEFORE THE DATE OF OUR  
4 MEETING, CERTAINLY THAT'S A THIRD-PARTY, VETTED,  
5 HIGH IMPACT JOURNAL VALIDATION THAT'S RELEVANT TO  
6 BRING IN.

7 JOAN, YOU HAD A COMMENT?

8 MS. SAMUELSON: JUST TO THE POINT THAT MY  
9 UNDERSTANDING OF THE EXTRAORDINARY PETITION IS THAT  
10 IT'S A MUCH BROADER SCOPE. THAT IF SOMETHING -- IF  
11 THE APPLICANTS SEE FROM COMMUNICATIONS THEY HAVE HAD  
12 THAT SOMETHING HAS BEEN MISSED OR NOT GIVEN THE  
13 ATTENTION IT DESERVES, WHETHER FROM THE SOCIAL  
14 IMPACT TO A DATA PROBLEM, IT CAN BE RAISED.

15 CHAIRMAN KLEIN: I WOULD LIKE TO SAY THAT  
16 I THINK THAT'S CORRECT; BUT IN TERMS OF WHAT DUANE'S  
17 FOCUS IS HERE, THE SCIENTIFIC STAFF, I THINK, AND  
18 THE PEER REVIEW DO A GREAT JOB. AND THE HURDLE IS  
19 VERY HIGH. IF YOU ARE GOING TO HAVE AN  
20 EXTRAORDINARY PETITION, YOU BETTER HAVE SOMETHING  
21 REALLY PRETTY SIGNIFICANT TO BRING TO US IF YOU ARE  
22 GOING TO HAVE A CONVINCING CASE. SO DON'T SPEND  
23 YOUR TIME UNLESS IT'S A REALLY CONVINCING SITUATION.

24 DR. TROUNSON: WELL, I THINK THE  
25 EXTRAORDINARY PETITION ALLOWS PEOPLE TO BRING

## BARRISTERS' REPORTING SERVICE

1 ANYTHING FORWARD TO THE COMMITTEE, WHATEVER THEY  
2 LIKE. ANYONE FROM CALIFORNIA CAN DO THAT. I THINK  
3 IT'S EMBEDDED IN THE BOARD TO DECIDE WHAT YOU DO  
4 WITH THE INFORMATION. YOU NEED TO TRACK BACK TO  
5 WHAT YOU'VE AGREED TO DO. SO I THINK THAT IS A LOT  
6 TO DO WITH WHETHER THERE'S SOME INCORRECT DATA OR  
7 SOMETHING INCORRECT THERE THAT NEEDS TO BE  
8 CORRECTED. AND, FOR EXAMPLE, SOME VERY SUBSTANTIAL  
9 PAPER, BOB JUST SAID, MAY CORRECT A VIEW THAT WE  
10 REVIEWERS AND OURSELVES COULDN'T RESOLVE, AND IT'S  
11 RESOLVED COMPLETELY BY A PUBLICATION. SO I THINK  
12 THAT'S THE WAY IT IS.

13 I THINK THEY CAN BRING ANYTHING. IT'S UP  
14 TO THE BOARD TO SORT OF KEEP THE PARAMETERS.

15 MR. ROTH: THAT'S WHY I BROUGHT IT UP AND  
16 SAID THE CONTEXT. I RECALL IT BEING LIMITED PRETTY  
17 NARROWLY TO FACTUAL ERROR, LIKE DATA, LIKE A MISSING  
18 PIECE OF INFORMATION THAT WOULD HAVE CHANGED THE  
19 REVIEWERS. HOPEFULLY THAT EXISTS SOMEWHERE. WE  
20 HAVE IT SOMEWHERE, RIGHT?

21 MS. SAMUELSON: I'M JUST TRYING TO  
22 UNDERSTAND. I UNDERSTAND WHAT THE ISSUE IS HERE IN  
23 THIS PARTICULAR GRANT. AND WHAT I'M HEARING IS THAT  
24 THERE WAS AN ONGOING RELATIONSHIP WITH THIS GRANTEE  
25 AND THAT STAFF HAVE DATA AND HAD DATA AT THE TIME OF

## BARRISTERS' REPORTING SERVICE

1 THE APPLICATION AND THE REVIEW, BUT THAT IT WAS NOT  
2 INCLUDED IN THE APPLICATION FOR THIS UPCOMING GRANT.

3 CHAIRMAN KLEIN: JOAN, BECAUSE OF THE  
4 PROPRIETARY NATURE OF SOME OF THIS DATA, AND BECAUSE  
5 WE'RE GOING TO HAVE AN EXECUTIVE SESSION TO DEAL  
6 WITH PROPRIETARY DATA AND INFORMATION, LET'S GET  
7 THE -- LET'S LOOK AT IT IN EXECUTIVE SESSION. WE  
8 CAN MAKE A JUDGMENT. WE CAN DECIDE THIS IS A CASE  
9 THAT'S CLOSED OR A CASE THAT'S OPEN AFTER THE  
10 EXECUTIVE SESSION.

11 MR. ROTH: JAMES, COULD YOU READ THAT  
12 PLEASE?

13 MR. HARRISON: YES. JUST TO REFRESH YOU  
14 ALL WITH RESPECT TO THE DEBATE WE HAD ABOUT THIS  
15 SUBJECT, DUANE, I BELIEVE YOU'RE CORRECT, THAT ONE  
16 OF THE EXAMPLES THAT WAS CITED FOR WHAT MIGHT BE A  
17 WORTHY EXTRAORDINARY PETITION INVOLVED ONE WHERE  
18 THERE WAS A FACTUAL ERROR. HOWEVER, THE ULTIMATE  
19 POLICY THAT WAS ADOPTED DOES NOT INCLUDE THAT  
20 RESTRICTION IN PART BECAUSE THE BOARD FELT THAT ANY  
21 MEMBER OF THE PUBLIC HAS THE ABILITY TO COMMUNICATE  
22 WITH THE BOARD UNDER ANY CIRCUMSTANCES. AND THE  
23 BOARD, AS I RECALL, DIDN'T FEEL COMFORTABLE IMPOSING  
24 A SPECIFIC RESTRAINT ON THE TYPE OF COMMUNICATION.  
25 SO IT USED THE TERM "EXTRAORDINARY PETITION" AND

## BARRISTERS' REPORTING SERVICE

1 SAID THESE PETITIONS SHOULD ONLY BE SUBMITTED UNDER  
2 EXTRAORDINARY CIRCUMSTANCES, BUT DID NOT DEFINE IN  
3 THE POLICY WHAT CONSTITUTED EXTRAORDINARY  
4 CIRCUMSTANCES.

5 CHAIRMAN KLEIN: WHICH IS WHY IT'S  
6 IMPORTANT TO EMPHASIZE THERE'S A VERY HIGH BAR TO  
7 PASS TO SHOW THAT YOU'RE MAKING AN EFFECTIVE APPEAL  
8 THAT WE'RE GOING TO LISTEN TO. BUT IN THOSE  
9 EXTRAORDINARY CASES, WE DEFINITELY HAVE A MISSION TO  
10 ADVANCE THERAPIES. AND WE'RE GOING TO LOOK THROUGH  
11 TO THE REAL BENEFIT TO PATIENTS AND TO RESEARCH.

12 SO AT THIS TIME, UNLESS COUNSEL WOULD LIKE  
13 TO ADDRESS ME LATER, WE'RE GOING TO TAKE PUBLIC  
14 COMMENT LATER UNLESS THE PUBLIC -- IS THERE ANYONE  
15 IN THE PUBLIC THAT LIKES TO DRAW ATTENTION TO ANY  
16 OTHER APPLICATION? NO. SO GIVEN THE TIME  
17 MANAGEMENT HERE AND SOME OF THE SPECIFIC ISSUES WE  
18 NEED TO ADDRESS IN A SPECIFIC TIME FRAME, UNLESS  
19 COUNSEL CAN ADVISE ME OTHERWISE, I'D LIKE TO MOVE TO  
20 ITEM 16 BECAUSE SHERRY LANSING HAS A STOP TIME. AND  
21 THEN WE'RE GOING TO GO INTO EXECUTIVE SESSION ON  
22 PERSONNEL FOLLOWED BY AN EXECUTIVE SESSION ON THE  
23 GRANT REVIEW.

24 SO WHEN WE GO INTO EXECUTIVE SESSION, IF  
25 MR. HARRISON WOULD READ BOTH THE STATUTORY BASES FOR



## BARRISTERS' REPORTING SERVICE

1 THE EXECUTIVE SESSION ON PERSONNEL AND THE EXECUTIVE  
2 SESSION STATUTORY AUTHORIZATION FOR THE GRANT REVIEW  
3 AFTER ITEM 16. EVERYONE, AT THIS POINT WE'RE GOING  
4 TO ITEM 16.

5 MS. LANSING: FIRST OF ALL, I WANT TO  
6 THANK YOU FOR ADJUSTING THE SCHEDULE AND ASSURE YOU  
7 THAT IT WASN'T FOR FRIVOLOUS REASONS. I'M GOING  
8 BACK TO LOS ANGELES FOR A CANCER ORGANIZATION IN  
9 WHICH WE ARE GIVING OUT CANCER RESEARCH GRANTS. SO  
10 FULFILLING OUR MISSION AS WELL IN AN INCLUSIVE WAY.

11 YESTERDAY THE GOVERNANCE COMMITTEE MET FOR  
12 SEVERAL HOURS. IT WAS A VERY GOOD AND INTENSIVE  
13 MEETING IN WHICH A LOT OF OPINIONS WERE AIRED. AND  
14 WE CAME TO A CONCLUSION ABOUT A PROCESS THAT WILL  
15 ALLOW US TO IN A TRANSPARENT WAY DETERMINE THE  
16 CRITERIA FOR THE NEW CHAIR AND HOW TO PROCEED. AND,  
17 JAMES, I'D LIKE YOU TO PRESENT THIS ITEM. THE  
18 GOVERNANCE COMMITTEE FULLY RECOMMENDS THIS.

19 MR. HARRISON: THANK YOU, SHERRY. WOULD  
20 YOU LIKE ME TO BRIEFLY SET THE STAGE AS I DID FOR  
21 THE GOVERNANCE SUBCOMMITTEE? THIS MAY BE FAMILIAR  
22 TO SOME OF YOU BECAUSE WE WENT THROUGH THIS PROCESS  
23 PRETTY RECENTLY. BUT UNDER PROP 71, FOUR  
24 CONSTITUTIONAL OFFICERS HAVE THE AUTHORITY TO MAKE  
25 NOMINATIONS FOR CHAIR AND VICE CHAIR: THE GOVERNOR,

## BARRISTERS' REPORTING SERVICE

1 THE LIEUTENANT GOVERNOR, THE CONTROLLER, AND THE  
2 TREASURER. THE BOARD AND ANY MEMBERS OF THE PUBLIC  
3 HAVE THE OPPORTUNITY TO MAKE SUGGESTIONS TO THE  
4 CONSTITUTIONAL OFFICERS, BUT ULTIMATELY THE  
5 INDIVIDUALS WHO ARE NOMINATED ARE NOMINATED SOLELY  
6 BY THE CONSTITUTIONAL OFFICERS. THE BOARD HAS THE  
7 AUTHORITY TO SELECT FROM AMONG THOSE NOMINATIONS AND  
8 ELECT A CHAIR.

9 YOU SHOULD BE AWARE THAT THERE ARE  
10 MANDATORY STATUTORY CRITERIA FOR CHAIR, AND THERE  
11 ARE FOUR OF THEM. ONE IS THAT THE CHAIR MUST HAVE A  
12 DEMONSTRATED HISTORY AND SUCCESSFUL STEM CELL  
13 RESEARCH ADVOCACY. THE SECOND IS THAT THE CHAIR  
14 MUST HAVE EXPERIENCE WITH STATE AND FEDERAL  
15 LEGISLATIVE PROCESSES, EITHER RELATING TO MEDICAL  
16 APPROVALS OF STANDARDS OR FUNDING. THE THIRD IS  
17 THAT THE CHAIR MUST BE QUALIFIED FOR APPOINTMENT AS  
18 A PATIENT ADVOCATE, SPECIFICALLY A CALIFORNIA  
19 REPRESENTATIVE OF A REGIONAL, STATE, OR NATIONAL  
20 PATIENT ADVOCACY ORGANIZATION FROM ONE OF THE  
21 DISEASE GROUPS THAT'S SPECIFIED IN PROP 71. AND  
22 THOSE ARE LISTED BEFORE YOU. AND THEN THE FINAL  
23 MANDATORY CRITERIA FOR CHAIR IS THAT THE CHAIR  
24 CANNOT BE CONCURRENTLY EMPLOYED BY OR ON LEAVE FROM  
25 A CURRENT OR PROSPECTIVE GRANT RECIPIENT.

## BARRISTERS' REPORTING SERVICE

1           PROP 71 ALSO SETS FORTH SEVERAL ADDITIONAL  
2           CRITERIA FOR CHAIR THAT ARE FOR CONSIDERATION ONLY.  
3           THEY ARE NOT MANDATORY. AND, AGAIN, THERE ARE FOUR  
4           HERE. THE FIRST IS EXPERIENCE WITH GOVERNMENTAL  
5           AGENCIES OR INSTITUTIONS. THE SECOND IS EXPERIENCE  
6           WITH A PROCESS OF ESTABLISHING GOVERNMENT STANDARDS  
7           AND PROCEDURES. THE THIRD IS EXPERIENCE WITH LEGAL  
8           REVIEW OF PROPER GOVERNMENTAL AUTHORITY FOR THE  
9           EXERCISE OF GOVERNMENT AGENCY OR GOVERNMENT  
10          INSTITUTION POWER. AND THEN THE FINAL SUGGESTED  
11          CRITERIA IS DIRECT EXPERIENCE AND KNOWLEDGE IN BOND  
12          FINANCING.

13                 YOU SHOULD ALSO BE AWARE THAT THERE ARE  
14          PARAMETERS FOR CHAIR. UNLIKE THE REST OF YOU, THE  
15          CHAIR AND THE STATUTORY VICE CHAIR ARE CONSIDERED  
16          EMPLOYEES OF CIRM. AND WHAT THAT MEANS IS THAT THEY  
17          ARE ENTITLED TO A SALARY RATHER THAN A PER DIEM FOR  
18          THEIR EFFORTS.

19                 THE BOARD ALSO AS PART OF THAT HAS THE  
20          AUTHORITY TO ESTABLISH THE PERCENT EFFORT REQUIRED  
21          FOR THE CHAIR IN ADDITION TO THE CHAIR'S SALARY.  
22          THE CURRENT SALARY RANGE THAT THE BOARD ESTABLISHED  
23          FOR THE CHAIR IS \$275,000 TO \$508,750. WHEN THE  
24          BOARD CONSIDERED THE PERCENT EFFORT AND SALARY  
25          REQUIRED OF THE CHAIR BACK IN 2008, IT ESTABLISHED

## BARRISTERS' REPORTING SERVICE

1 THE SALARY AT \$150,000 FOR 50-PERCENT EFFORT.

2 THE GOVERNANCE SUBCOMMITTEE CONSIDERED  
3 THESE MATTERS YESTERDAY AND HAS TWO RECOMMENDATIONS.  
4 ONE, DR. POMEROY PROPOSED THE USE OF A SURVEY TO  
5 GATHER INFORMATION FROM MEMBERS OF THE BOARD IN  
6 THREE DIFFERENT AREAS. ONE, AN ASSESSMENT OF THE  
7 BOARD'S PERFORMANCE; TWO, A SELF-ASSESSMENT OF  
8 MEMBERS' PERFORMANCE; AND, THIRD, AN ASSESSMENT OF  
9 THE DESIRED ATTRIBUTES FOR CHAIR, INCLUDING BOTH  
10 PERSONAL QUALITIES, SKILLS, AS WELL AS COMPENSATION  
11 AND PERCENT EFFORT.

12 AND THE GOVERNANCE SUBCOMMITTEE MADE A  
13 MOTION AND PASSED A MOTION TO USE THIS SURVEY TO  
14 COLLECT INFORMATION FROM BOARD MEMBERS AS QUICKLY AS  
15 POSSIBLE IN ORDER TO USE THE INFORMATION TO INFORM  
16 THE BOARD'S DECISIONS WITH RESPECT TO THE SELECTION  
17 OF THE NEXT CHAIR.

18 THE GOVERNANCE SUBCOMMITTEE ALSO APPROVED  
19 A SECOND MOTION IN ORDER TO TAKE ADVANTAGE OF  
20 INDIVIDUALS WHOSE NAMES MAY SURFACE BEFORE THE BOARD  
21 COMES TO A CONCLUSION ON CRITERIA AND PARAMETERS TO  
22 AUTHORIZE TWO-MEMBER TEAMS OF GOVERNANCE  
23 SUBCOMMITTEE OR BOARD MEMBERS TO MEET WITH POTENTIAL  
24 NOMINEES WHOSE NAMES HAVE SURFACED TO GATHER  
25 INFORMATION FROM THEM AND TO REPORT BACK TO THE

## BARRISTERS' REPORTING SERVICE

1 BOARD.

2 MS. LANSING: SO THAT'S OUR MOTION. IT'S  
3 REALLY PRETTY SELF-EXPLANATORY. I REALLY WANT TO  
4 THANK CLAIRE FOR TAKING THE INITIATIVE IN GIVING US  
5 A SURVEY TO ASSESS OURSELVES, WHICH I THINK IS  
6 REALLY SOMETHING THAT WE REALLY BELIEVE WE SHOULD BE  
7 DOING EVERY YEAR, TO LEARN FROM IT. IT'S NOT A  
8 GRADE. IT'S JUST HOW CAN WE IMPROVE OURSELVES. AND  
9 SECOND, FOR GIVING US A DOCUMENT THAT WE WILL LOOK  
10 OVER AGAIN IN THE NEXT TWO DAYS. I THINK TED AND  
11 CLAIRE AND JAMES ARE GOING TO LOOK OVER IT JUST TO  
12 MAKE SURE IT'S CLEAR AND IT DOCUMENTS SO THAT REALLY  
13 WE DETERMINE THE CRITERIA THAT WE'RE LOOKING FOR IN  
14 THE CHAIR.

15 I WANT TO EMPHASIZE AGAIN THAT WE DO NOT  
16 HAVE THE AUTHORITY IN ANY WAY TO APPOINT ANYONE, BUT  
17 I DO BELIEVE, AND WE'VE SAID THIS OVER AND OVER  
18 AGAIN, THAT IT'S OUR CIVIC RESPONSIBILITY TO REALLY  
19 START THINKING OF IDEAS. I KNOW THAT THE PEOPLE WHO  
20 ARE EMPOWERED TO DO SO REALLY WELCOME OUR INPUT.  
21 THEY MAY NOT AGREE WITH IT, BUT THEY CERTAINLY  
22 WELCOME ANY SUGGESTIONS THAT WE MIGHT HAVE.

23 SO WHAT WE REALLY WOULD LIKE TO DO IS GET  
24 THIS OUT TO YOU HOPEFULLY BY MONDAY OR TUESDAY.  
25 WE'D LIKE TO URGE YOU TO FILL IT OUT WITHIN THE NEXT

## BARRISTERS' REPORTING SERVICE

1 WEEK. IT'S NOT VERY DIFFICULT TO DO SO. SO THAT  
2 THE GOVERNANCE SUBCOMMITTEE CAN MEET HOPEFULLY  
3 WITHIN TWO WEEKS TO BEGIN THE PROCESS OF  
4 DETERMINING, NOT IN ANY WAY THAT CONFLICTS WITH WHAT  
5 WE ALREADY HAVE, BUT PERHAPS THE WEIGHT OF CERTAIN  
6 ATTRIBUTES.

7 AND THE SECOND PART OF THIS WAS REALLY  
8 JUST SAYING CERTAIN NAMES MAY SURFACE, AND WE JUST  
9 WANTED TO FEEL THAT WE COULD AT LEAST RETURN  
10 SOMEBODY'S PHONE CALL, AT LEAST ANSWER SOME  
11 QUESTIONS BECAUSE THIS PROCESS MAY TAKE A LITTLE  
12 LONGER, AND WE DON'T WANT ANYONE TO FEEL THAT WE'RE  
13 NOT ENCOURAGING PEOPLE TO WANT THIS JOB. SO WITH  
14 THAT, I'D LIKE A MOTION.

15 MR. TORRES: SO MOVED.

16 CHAIRMAN KLEIN: I'LL SECOND THE MOTION  
17 THAT SENATOR TORRES MADE. I'D LIKE TO MAKE A COUPLE  
18 OF COMMENTS.

19 MS. LANSING: AND NOW I'D LIKE DISCUSSION.

20 MR. TORRES: AS THE MOVER OF THE MOTION,  
21 I'D LIKE TO STATE, FIRST OF ALL, THAT I APPRECIATE  
22 THE WORK OF SHERRY AND CLAIRE AND THE OTHER MEMBERS  
23 OF THE SUBCOMMITTEE BECAUSE IT WAS NOT AN EASY TASK  
24 TO UNDERGO.

25 AND SECONDLY, I JUST WANT TO MAKE SURE

## BARRISTERS' REPORTING SERVICE

1 THAT AMONGST US, AS GENTLE PERSONS WORKING TOGETHER,  
2 THAT WE KEEP AN AIR OF CONFIDENTIALITY REGARDING ANY  
3 NAMES THAT MAY SURFACE. I JUST FEEL THAT I NEED TO  
4 SAY THAT, TO MAKE SURE THAT WE AS A BOARD RECOGNIZE  
5 THE SENSITIVITY OF ANY CANDIDATE'S POTENTIAL  
6 CANDIDACY AND THAT WE NOT JEOPARDIZE THEIR CURRENT  
7 EMPLOYMENT OR THEIR CURRENT SITUATION BY DIVULGING  
8 OUTSIDE OF OUR OWN CIRCLE UNTIL WE'RE PREPARED TO  
9 MAKE IT PUBLIC SUCH A CANDIDATE.

10 MS. LANSING: THANK YOU, ART. I CAN'T  
11 EMPHASIZE THAT ENOUGH. THERE ARE PEOPLE THAT MAY  
12 CALL, AND THEN AFTER THE CALL MAY REALLY NOT BE  
13 INTERESTED FOR ALL SORTS OF REASONS, THE TIME  
14 DEMANDS, WHATEVER. TO IN ANY WAY HURT SOMEBODY'S  
15 CURRENT EMPLOYMENT WOULD REALLY BE IMMORAL. SO  
16 THANK YOU FOR EMPHASIZING THAT. THAT IS SO  
17 IMPORTANT.

18 ALSO, BEFORE I TURN IT OVER TO BOB, I WANT  
19 TO GRACIOUSLY THANK BOB. HOW CAN I POSSIBLY FIND  
20 WORDS TO THANK BOB FOR EVERYTHING THAT HE'S DONE.  
21 JUST IN THIS PARTICULAR THING, FOR AGREEING TO STAY  
22 FOR A SHORT PERIOD OF TIME, AS HE SAYS, UNTIL WE  
23 FIND, WHICH WE WILL NEVER FIND, SOMEONE TO REPLACE  
24 HIM, BUT SOMEBODY WHO WILL SERVE AS OUR CHAIR.  
25 THANK YOU, BOB.

## BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THANK YOU. CERTAINLY A  
2 GREAT PRIVILEGE TO SERVE WITH THE INDIVIDUALS ON  
3 THIS BOARD WHO EACH IN THEIR OWN WAY HAVE MADE  
4 EXTRAORDINARY CONTRIBUTIONS TO THE FUTURE OF  
5 MEDICINE AND TO FUTURE PATIENT THERAPIES.

6 I'D LIKE TO SAY THAT I THINK THE SURVEY IS  
7 A VERY GOOD IDEA BECAUSE THERE'S A SPREAD OF  
8 OPINIONS ON THE BOARD, AND IT'S GREAT TO HAVE AN  
9 ORGANIZED WAY TO GET THOSE OPINIONS. AND I BELIEVE  
10 WE'RE GOING TO ADD AT LEAST ONE QUESTION TO IT  
11 DEALING WITH FINANCIAL OVERSIGHT BECAUSE OF THE  
12 LEVEL OF PUBLIC SCRUTINY THAT WE'RE REQUIRED TO MEET  
13 AS A STANDARD. THE LEVEL OF FINANCIAL SCRUTINY OF  
14 OUR BUDGETS AND OUR OPERATIONS IS VERY SPECIAL IN  
15 MEETING OUR ROLE AS OVERSEERS FOR THE PUBLIC OF THE  
16 STATE.

17 SECONDLY, WE HAVE HAD A PRECEDENT IN USING  
18 AS INFORMATION GATHERERS AND FACT FINDERS A  
19 TWO-PERSON -- TWO PERSONS ACTING TOGETHER ON THE  
20 BOARD AS KIND OF A TEAM TO PROVIDE BASIC INFORMATION  
21 AND FACT-FINDING WITH CANDIDATES FOR POSITIONS. IN  
22 OUR INITIAL STAGES WE USED THIS APPROACH FOR  
23 SELECTING THE CHAIR OF THE PEER REVIEW COMMITTEE AND  
24 THE MEMBERS OF THE PEER REVIEW COMMITTEE. WE HAVE A  
25 NUMBER OF INDIVIDUALS THAT ARE ON THE BOARD NOW THAT



## BARRISTERS' REPORTING SERVICE

1 REALLY PUT OUT SOME EXTRAORDINARY SERVICE IN THAT  
2 PROCESS. BUT I'D LIKE TO EMPHASIZE THAT THESE  
3 TWO-PERSON GROUPS ARE ONLY TO PROVIDE INFORMATION.  
4 THEY ARE NOT MAKING ANY COMMITMENTS FOR THE BOARD.  
5 THEY ARE NOT EXPRESSING THE BOARD'S POSITION. THE  
6 BOARD'S POSITION, I THINK, WILL BE BEST KNOWN AFTER  
7 THE SURVEY AND AFTER THE BOARD HAS A CHANCE TO LOOK  
8 AT WHAT, AS A BOARD, WE REALLY WANT. AND THAT MAY  
9 VARY. IT MAY BE A RANGE OF CRITERIA THAT WILL  
10 RESULT ONLY IN A FINAL WAY WHEN WE SEE WHO THE FINAL  
11 CANDIDATES ARE.

12 BUT I'D LIKE TO THANK SHERRY FOR LEADING  
13 THIS PROCESS. AS THE VICE CHAIR AND A REGENT, SHE'S  
14 GOT A LOT OF VERY CRITICAL JOBS TO ACCOMPLISH IN THE  
15 STATE OF HUGE IMPORTANCE TO US. AND SO THANK YOU  
16 VERY MUCH, SHERRY.

17 MS. LANSING: THANK YOU FOR YOUR KIND  
18 WORDS, BOB, AND ALSO THANK YOU FOR THE  
19 CLARIFICATION.

20 MR. ROTH: I THOUGHT IT WAS PARTICULARLY  
21 HELPFUL WHEN CLAIRE WALKED US THROUGH LAST NIGHT THE  
22 FINAL SECTION OF THIS REVIEW. THE FIRST IS BOARD  
23 PERFORMANCE. EVERYBODY PROBABLY CAN FILL THAT OUT  
24 EXCEPT OUR NEW BOARD MEMBERS, BUT MAYBE YOU CAN DO  
25 THAT AND JUST GIVE SOME FLAVOR WHAT YOU HAD IN MIND.

## BARRISTERS' REPORTING SERVICE

1 THESE ARE THE DESIRED ATTRIBUTES OF THE BOARD CHAIR.

2 DR. POMEROY: THE TYPES OF QUESTIONS THAT  
3 WE'LL ASK FOR INPUT ON WOULD BE THE DESIRED SORT OF  
4 LEADERSHIP QUALITIES OF THE BOARD CHAIR,  
5 COLLABORATION, TEAMWORK, INSPIRATIONAL, THAT SORT OF  
6 THING. ALSO, WE WANTED WHAT KIND OF BACKGROUND,  
7 WITHIN THE PARAMETERS SET BY PROPOSITION 71, BUT  
8 PEOPLE CAN ADVOCATE FOR PATIENTS FROM A WHOLE BUNCH  
9 OF DIFFERENT BACKGROUNDS. AND WHAT THE MOST  
10 IMPORTANT THINGS: SCIENTIFIC BACKGROUND, FINANCIAL  
11 BACKGROUND, BOARD CHAIRMANSHIP EXPERIENCE, THAT SORT  
12 OF THING.

13 I WAS ALSO A PARTICULARLY INTERESTED IN  
14 GETTING SOME INFORMATION, AGAIN, ON WHAT PEOPLE  
15 THOUGHT WAS THE APPROPRIATE PERCENT EFFORT FOR THE  
16 BOARD CHAIR. HOW MUCH THEY HAVE TO DO THEMSELVES  
17 VERSUS DELEGATING AND THAT COULD TRANSLATE TO THAT.  
18 AND THEN THAT WOULD LEAD TO APPROPRIATE FINANCIAL  
19 COMPENSATION THAT WOULD STEM FROM THE PERCENT  
20 EFFORT.

21 MS. LANSING: THANK YOU, CLAIRE.

22 MR. SHEEHY: I JUST WANT TO -- AND I WAS  
23 ABLE TO FIND THE TRANSCRIPT. HAVE YOU BEEN ABLE TO  
24 LOOK AT IT? I THINK IT IS IMPORTANT TO KNOW THAT  
25 THE BOARD HAS ACTED ALREADY ON PERCENT OF EFFORT.

## BARRISTERS' REPORTING SERVICE

1 AND SINCE WE ARE TALKING ABOUT HEARING FROM  
2 CANDIDATES IN THE INTERIM TILL THE BOARD ACTS AGAIN,  
3 AND THAT THE BOARD HAS ACTED ON PERCENT OF EFFORT  
4 AND SALARY NOT BASED ON AN INDIVIDUAL, I WENT BACK  
5 AND LOOKED. IT'S ON PAGE 310 OF THE TRANSCRIPT FROM  
6 DECEMBER 10TH, 2008. AND DR. POMEROY, WHO'S SITTING  
7 TO MY LEFT, MADE THE MOTION AND WAS VERY EXPLICIT,  
8 THAT THIS WAS NOT RELATED TO A SPECIFIC INDIVIDUAL,  
9 BUT WAS RELATED TO THE DUTIES THAT WERE ENUMERATED  
10 IN PROP 71.

11 AND BASED ON THOSE DUTIES THAT WERE  
12 ENUMERATED IN PROP 71, THE PERCENT OF EFFORT THAT  
13 THE BOARD APPROVED AT THAT DATE WAS 50 PERCENT AND  
14 THE SALARY OF 150,000. SO JUST IF WE DO HAVE  
15 DISCUSSIONS BEFORE THE BOARD TAKES ACTION TO CHANGE  
16 THAT, I THINK WE NEED TO BE CLEAR TO THOSE  
17 INDIVIDUALS THAT THERE'S -- WE'RE OPERATING UNDER AN  
18 EXISTING FRAMEWORK THAT'S BEEN ADOPTED BY THE BOARD,  
19 AND THE BOARD WOULD HAVE TO TAKE VERY SPECIFIC  
20 ACTION TO CHANGE THAT.

21 CHAIRMAN KLEIN: WELL, I'D LIKE TO CREATE  
22 A FRAMEWORK FOR THAT, WHICH IS THERE'S A LOT OF  
23 DIFFERENCES ON THIS BOARD ABOUT PERCENTAGE EFFORT.  
24 IT'S GOING TO BE INTERESTING WHAT THE SURVEY SAYS.  
25 I WILL TELL YOU FLATLY THAT THE CONVERSATIONS

## BARRISTERS' REPORTING SERVICE

1 LEADING UP THE 50 PERCENT OF EFFORTS WERE WITH A  
2 NUMBER OF BOARD MEMBERS. BOB, WE KNOW YOU'RE GOING  
3 TO PUT IN 80 PERCENT OR A HUNDRED PERCENT REGARDLESS  
4 OF WHETHER WE TELL YOU IT'S 50 PERCENT OR PAY YOU  
5 FOR 50 PERCENT. AND I WILL TELL YOU THAT I DON'T  
6 PERSONALLY BELIEVE AS AN INDIVIDUAL, AND WE'LL SEE  
7 WHAT THE BOARD WANTS TO DO, THAT ANYONE CAN DO THIS  
8 JOB IN 50 PERCENT OF THE JOB. AND I CERTAINLY  
9 HAVEN'T BEEN DOING IT IN 50 PERCENT OF THE TIME.  
10 IT'S SUBSTANTIALLY MORE.

11 SO WE'RE GOING TO HAVE A VIBRANT  
12 DISCUSSION, BUT I THINK WE HAVE TO LOOK AT THE  
13 INTENSE PERIOD WE'RE GOING INTO. WITH CLINICAL  
14 TRIALS, IT'S GOING TO ADD AN ENTIRE DIFFERENT  
15 EXPOSURE TO THIS JOB AND TO THE AGENCY. IF EIGHT OR  
16 TEN CLINICAL TRIALS ARE GOING ON, AND YOU HAVE  
17 ISSUES WITH PUBLIC COMMUNICATION RELATING TO THOSE,  
18 AND AT ANY TIME YOU ARE GOING TO NEED TO BE EXPOSED  
19 TO PROBLEMS THAT ARISE, AND PUBLIC ANNOUNCEMENTS BY  
20 THE FDA, YOU HAVE A MASSIVE COMMUNICATIONS JOB THAT  
21 IS EVEN MORE COMPLEX THAN WHAT WE'VE BEEN THROUGH  
22 EXCEPT POTENTIALLY IN THE LITIGATION PERIOD.

23 THE BOARD WILL HAVE A GREAT DEAL OF  
24 DISCUSSION, JEFF. I DON'T THINK WE SHOULD PREJUDICE  
25 IT BY PAST PERIODS AND SACRIFICES I WAS ABLE TO

## BARRISTERS' REPORTING SERVICE

1 MAKE. WE NEED TO SERVE THE MISSION OF MOVING  
2 RESEARCH FORWARD AND THERAPY DEVELOPMENT FOR  
3 PATIENTS, AS WE'RE ALL DEDICATED TO. YOU ARE  
4 EXQUISITELY DEDICATED TO IT, AND WE'LL SEE WHAT THE  
5 BOARD MEMBERS THINK AT THE TIME.

6 MS. LANSING: LET ME JUST PUT A FINAL  
7 STAMP ON THIS BECAUSE THIS IS SOMETHING WE DISCUSSED  
8 QUITE A BIT. THE POINT OF THE SURVEY AND THE POINT  
9 OF THE CRITERIA OF THE CHAIR IS TO DETERMINE WHETHER  
10 WE WISH TO CONTINUE WITH CERTAIN POLICIES OR WHETHER  
11 WE DON'T OR WHETHER WE WISH TO MODIFY IT OR WHAT WE  
12 THINK. AND I THINK THAT IS WHAT THE GOVERNANCE  
13 SUBCOMMITTEE, THAT'S PART OF WHAT THE GOVERNANCE  
14 SUBCOMMITTEE HAS TO SORT THROUGH. SO I THINK YOU'RE  
15 BOTH RIGHT. THERE IS A POLICY AND THERE IS THE  
16 OPPORTUNITY, SHOULD WE DECIDE TO, TO CHANGE THE  
17 POLICY.

18 I THINK AT THIS POINT THAT IS WHY THE  
19 SURVEY IS SO IMPORTANT. LET ME EMPHASIZE THAT WHEN  
20 ANY MEMBER, SHOULD ANY MEMBER BE ASKED TO MEET,  
21 SHOULD SOMEONE CALL ANYBODY AND SAY, HEY, I'D LIKE  
22 TO LEARN MORE ABOUT THIS JOB, HE'S PERFECTLY FREE TO  
23 SAY THAT. AND REALLY WHAT WE'RE TRYING TO DO UNTIL  
24 WE DETERMINE THE CRITERIA IS JUST NOT -- WHAT'S THE  
25 PHRASE I WANT TO USE -- KEEP PEOPLE INTERESTED.

## BARRISTERS' REPORTING SERVICE

1 JUST NOT NOT RETURN SOMEBODY'S CALL, WHICH MIGHT BE  
2 A VERY VIABLE CANDIDATE, BECAUSE WE HAVEN'T FINISHED  
3 OUR PROCESS, BUT SAY TO THAT PERSON, AT LEAST THIS  
4 IS HOW I WOULD PUT IT, GEE, I'M GLAD TO ANSWER ANY  
5 QUESTIONS THAT YOU MIGHT HAVE, BUT WE ARE IN PROCESS  
6 AND SO I PROBABLY CAN'T GIVE YOU THE ANSWER TO SOME  
7 OF THESE THINGS. OF COURSE, I'M HAPPY TO MEET WITH  
8 YOU. YOU CAN ASK YOUR QUESTION. HE WANTED TO  
9 KNOW --

10 DR. BIRGENEAU: SPEAKING AS A PERMANENT  
11 RESIDENT, THERE ARE MANY EXTRAORDINARILY TALENTED  
12 PEOPLE IN THE BIOTECH INDUSTRY IN CALIFORNIA WHO ARE  
13 PERMANENT RESIDENTS RATHER THAN AMERICAN CITIZENS.  
14 AND I JUST WONDER WHETHER OR NOT, BECAUSE THERE WAS  
15 SOME AMBIGUITY ABOUT THAT, GIVEN THE LEADERS OF OUR  
16 OF UNIVERSITIES, EVEN THE FLAGSHIP, CAN BE PERMANENT  
17 RESIDENTS, WHETHER OR NOT IT'S ALSO POSSIBLE FOR THE  
18 PERSON IN THIS POSITION TO BE A PERMANENT RESIDENT.

19 MR. HARRISON: THERE IS A STATUTORY  
20 PROVISION IN CALIFORNIA THAT SPECIFIES THAT PUBLIC  
21 OFFICERS IN CALIFORNIA HAVE TO BE U.S. CITIZENS.  
22 THERE IS ALSO, HOWEVER, A 1978 OPINION FROM THE  
23 ATTORNEY GENERAL'S OFFICE DECLARING THAT THAT  
24 PROVISION IS UNCONSTITUTIONAL. SO WE HAVE A VERY  
25 STRONG OPINION FROM THE ATTORNEY GENERAL; HOWEVER,

## BARRISTERS' REPORTING SERVICE

1 THE STATUTE REMAINS ON THE BOOKS.

2 DR. TROUNSON: CHAIR, I'D HAVE A GRAVE  
3 CONCERN IF THE BOARD HAD A DIFFERENT VIEW HERE  
4 BECAUSE I TRAVEL ON AN E3 VISA, AND TO BE DEFINED  
5 OUT OF MY JOB WOULD BE DISAPPOINTING.

6 CHAIRMAN KLEIN: SO THE LEGAL ADVICE AT  
7 THE BOARD LEVEL, INCLUDING OUR EXTERNAL COUNSEL AND  
8 OUR INTERNAL COUNSEL, IS, IN FACT, THAT IT SHOULD BE  
9 LEGAL. HOWEVER, IT HASN'T BEEN LITIGATED IN A COURT  
10 OF APPEAL. UNTIL IT'S LITIGATED IN A COURT OF  
11 APPEAL, THE ATTORNEY GENERAL OPINION IS ADVISORY,  
12 BUT NOT DEFINITIVE IN THE LAST MEASURE. SO WE ARE  
13 IN A POSITION THAT IN ORDER TO REMOVE ANY ISSUE ON  
14 THIS MATTER, WE WOULD HAVE TO ADDRESS IT WITH THE  
15 ATTORNEY GENERAL FURTHER. AND I HAVE A CALL INTO  
16 THE ATTORNEY GENERAL'S STAFF. AND AS SOON AS THEY  
17 GET CLEAR OF THEIR CURRENT AVALANCHE OF ISSUES,  
18 THEY'RE PREPARED TO TALK ABOUT THIS, BUT WE DON'T  
19 HAVE A FINAL, FINAL RESOLUTION, BUT WE HAVE  
20 UNANIMITY OF OUR INTERNAL AND EXTERNAL LEGAL ADVICE.

21 MR. TORRES: LET'S BE VERY CLEAR. TODAY  
22 IT HAS TO BE A U.S. CITIZEN. END OF STORY. UNLESS  
23 AN APPEALS COURT RULES, WHICH IS THE REQUIREMENT  
24 WHICH THE GOVERNOR RELIED UPON IN THE LAST EXERCISE,  
25 THAT'S IN THE CONSTITUTION OF THE STATE OF

## BARRISTERS' REPORTING SERVICE

1 CALIFORNIA, THIS LAW IS CURRENT LAW UNLESS IT'S BEEN  
2 APPEALED SUCCESSFULLY TO BE OVERTHROWN BY AN APPEALS  
3 COURT. OBVIOUSLY IF AN APPEALS COURT DOES THAT,  
4 THERE'S OBVIOUSLY MORE APPEALS AVAILABLE.

5 BUT CURRENTLY AND LEGALLY, CORRECT ME IF  
6 I'M WRONG, MR. HARRISON, WE CAN ONLY CONSIDER PEOPLE  
7 WHO ARE UNITED STATES CITIZENS FOR THIS POST.

8 MS. BAUM: I THINK IT'S IMPORTANT TO GO ON  
9 RECORD TO SAY THAT WE BELIEVE THAT DR. TROUNSON IS  
10 LEGALLY EMPLOYED HERE. OKAY. IT'S A VERY IMPORTANT  
11 POINT, AND IT'S RELEVANT. SO I THINK WE NEED TO BE  
12 ON RECORD WITH THAT.

13 CHAIRMAN KLEIN: IT'S A RISK MANAGEMENT  
14 DECISION. WE BELIEVE THAT THE LAW FAVORS OUR  
15 POSITION, BUT FROM A CONSERVATIVE VIEWPOINT --

16 MR. TORRES: WHAT IS OUR POSITION?

17 CHAIRMAN KLEIN: I THINK YOU ARE PROPERLY  
18 STATING OUR POSITION, THAT CONSERVATIVELY AT THIS  
19 MOMENT WE SHOULD TAKE THE POSITION YOU ARTICULATED.

20 MR. TORRES: WE HAVE NO OTHER CHOICE, BOB.

21 CHAIRMAN KLEIN: WELL, WE DO.

22 MR. TORRES: WE CAN CHOOSE TO APPEAL. BUT  
23 TODAY, IF WE WERE TO MAKE A SELECTION, THAT  
24 CANDIDATE OR CANDIDATES PROFFERED BY THE FOUR  
25 CONSTITUTIONAL OFFICERS MUST BE U.S. CITIZENS.



## BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: CAN WE DEFER THIS TO A  
2 POINT WHERE WE CAN BRING BACK A REPORT?

3 MS. LANSING: CAN I JUST PUT A HALT TO  
4 THIS CONVERSATION BECAUSE THIS IS A VERY IMPORTANT  
5 THING. BUT THIS IS THE PROCESS THAT WE'RE SUPPOSED  
6 TO BE GOING THROUGH. THESE ARE THE DIFFERING  
7 OPINIONS, AND ALL THAT WE AS A GROUP ARE GOING TO BE  
8 ABLE TO DO IS RECOMMEND WHAT WE WOULD LIKE TO SEE.  
9 AGAIN, WE DO NOT HAVE THE AUTHORITY TO APPOINT  
10 ANYBODY, BUT WE ARE TRYING TO EXERCISE WHAT WE THINK  
11 IS RIGHT.

12 SO THIS ISSUE WILL COME BACK IN A SURVEY,  
13 AND WE WILL DISCUSS IT, AND WE WILL DISCUSS IT  
14 AGAIN, AND WE'LL SEE WHAT HAPPENS LEGALLY. BUT I  
15 THINK RIGHT NOW WE SHOULD ALLOW THE PROCESS TO  
16 UNFOLD. WHAT I DON'T WANT US TO DO TODAY IS START  
17 TRYING TO INFLUENCE WHAT PEOPLE CHECK IN THEIR  
18 BOXES.

19 DR. POMEROY: I JUST WANTED TO MAKE ONE  
20 FINAL POINT OF CLARIFICATION ON THIS, WHICH IS I  
21 AGREE WITH JEFF ABOUT THAT MOTION THAT I MADE ALL  
22 THAT TIME AGO, BUT THOSE WERE REALLY MAXIMUM AMOUNTS  
23 THAT WE AGREED TO FOR THE CHAIR. AS WE KNOW, BOB IS  
24 NOT CURRENTLY TAKING ANY SALARY. SO THOSE WERE  
25 REALLY UPPER LIMITS. SO I JUST WANTED TO CLARIFY

## BARRISTERS' REPORTING SERVICE

1 THAT, NOT ABSOLUTE AMOUNTS.

2 AND THEN THE OTHER POINT I WANTED TO BRING  
3 OUT WAS THE DISCUSSION THAT WE HAD IN THE GOVERNANCE  
4 SUBCOMMITTEE, WHICH IS THAT WE'RE A RAPIDLY EVOLVING  
5 ORGANIZATION. AND THE RESPONSIBILITIES OF THE CHAIR  
6 IN THE BEGINNING OF THIS ORGANIZATION MIGHT BE VERY  
7 DIFFERENT THAN WHAT'S BEST FOR THIS ORGANIZATION  
8 GOING FORWARD. AND THAT THERE ARE MULTIPLE MODELS  
9 BY WHICH WE COULD PROCEED. AND THE PURPOSE OF THIS  
10 SURVEY IS TO HELP US DEFINE WHAT WE THINK WOULD BE  
11 THE BEST MODEL.

12 DR. PENHOET: IF I COULD ADD, I THINK THE  
13 CRITICAL ISSUE IS ARE WE TRYING TO RECRUIT A CHAIR  
14 WHO IS DE FACTO THE CEO OF THE CIRM, OR ARE WE  
15 TRYING TO RECRUIT A CHAIR WHO PLAYS A MORE  
16 TRADITIONAL CHAIRMAN ROLE GOING FORWARD BECAUSE IF  
17 YOU EXPECT THE CHAIR TO BE THE DE FACTO CEO, IT  
18 DEFINES A COMPLETELY DIFFERENT UNIVERSE OF PEOPLE  
19 THAN IF YOU EXPECT SOMEONE WHO IS OTHERWISE  
20 EMPLOYED. AND I KNOW THESE ISSUES WILL COME OUT IN  
21 THE SURVEY. THAT'S FINE. I JUST WANT TO POINT OUT  
22 THAT THIS ISSUE IS EXTREMELY CRITICAL AS SORT OF A  
23 POINT WHICH MUST BE CONSIDERED BECAUSE IT TOTALLY  
24 DEFINES THE POPULATION OF PEOPLE WHO WILL BE  
25 INTERESTED IN THIS JOB AND WHO CAN CARRY IT OUT.

## BARRISTERS' REPORTING SERVICE

1 MS. LANSING: LET ME JUST STATE ONCE AGAIN  
2 BECAUSE I THINK WHAT WE'RE DOING NOW IS WE'RE HAVING  
3 THE DISCUSSION. WE'RE HAVING A FULL GOVERNANCE  
4 DISCUSSION, WHICH I THINK IS NOT REALLY WHAT WE WANT  
5 TO DO NOW. THERE'S A SURVEY. ANYONE WHO WANTS TO  
6 LOOK AT THAT SURVEY AND ADD SOMETHING TO IT SHOULD  
7 FEEL FREE TO TALK TO CLAIRE, TO TALK TO TED, AND  
8 JAMES. WE'RE GOING TO BE INCLUSIVE ABOUT THE  
9 QUESTIONS YOU WANT TO ASK.

10 THEN WHEN WE GET THE SURVEY BACK, WE'RE  
11 GOING TO HAVE ANOTHER GOVERNANCE SUBCOMMITTEE  
12 MEETING, HOPEFULLY WITHIN TWO WEEKS, BY PHONE OR IN  
13 PERSON. THAT MEETING WILL PROBABLY NOT BE THE END  
14 OF THIS. WE WILL PROBABLY HAVE ANOTHER MEETING, AND  
15 THEN WE'LL PROBABLY -- MAYBE THAT WILL BE THE LAST  
16 ONE. THEN WE WILL COME BACK TO THE BOARD, AND THEN  
17 THE BOARD WILL SAY THIS IS WHAT HAS COME OUT OF THE  
18 SURVEY OR THIS IS THE AREAS THAT WE DISAGREE ON.  
19 AND THEN WE CAN HAVE A FULL AND ROBUST DISCUSSION,  
20 BUT WHAT I FEEL WE'RE DOING NOW IS TALKING ABOUT HOW  
21 WE FEEL ABOUT QUESTIONS THAT ARE BEING ASKED IN THE  
22 SURVEY, AND I THINK WE SHOULD LET THE PROCESS BE  
23 TRANSPARENT AND OPEN AND GO THROUGH IT.

24 CHAIRMAN KLEIN: SO IN THAT REGARD, I  
25 THINK THAT'S PROPER PROCESS. I WOULD LIKE TO TALK

## BARRISTERS' REPORTING SERVICE

1 TO TED AND CLAIRE AND JAMES ABOUT ANOTHER QUESTION  
2 TO ADD TO THE SURVEY BECAUSE I DON'T THINK THAT THE  
3 PARADIGMS OF A CEO OR A NON-CEO IS THE RIGHT  
4 PARADIGM. IT'S A NEW MODEL OF A SHARED PARTNERSHIP.  
5 I'D LIKE TO PUT ANOTHER QUESTION IN TO SEE WHAT THE  
6 BOARD THINKS ABOUT THAT ISSUE.

7 MS. LANSING: WE'RE GOING TO HAVE TWO MORE  
8 QUESTIONS. PHIL AND THEN, JEFF, YOU CAN HAVE THE  
9 FINAL WORD.

10 DR. PIZZO: SO I THINK MY COMMENT IS GOING  
11 TO BE PRETTY SELF-EVIDENT, BUT JUST TO BE CLEAR. AS  
12 WE GO THROUGH THE PROCESS OF COMPLETING THE SURVEY,  
13 MY UNDERSTANDING IS THAT THIS WILL ASK QUESTIONS  
14 WHICH ARE BROAD AND OPEN. BY THAT I MEAN WE DON'T  
15 WANT TO BEGIN THE PROCESS OF COMPLETING THE SURVEY  
16 WITH PRECONCEIVED CONCEPTIONS OF THE POSITION IS  
17 BASED UPON THE EXISTING FORMULATION OF ACTIVITIES  
18 BECAUSE THAT WILL BIAS THE OUTCOME OF THIS. I THINK  
19 WE NEED TO CLEARLY DO THAT.

20 MS. LANSING: IT WILL BE DONE ANONYMOUSLY.  
21 SO EVERYONE SHOULD FEEL FREE TO GIVE THEIR OPINION.  
22 AND THEN JAMES, WITH HIS GUIDANCE, WILL BE  
23 INTERPRETING WHAT THE RESULTS ARE, AND THEN WE WILL  
24 CONTINUE THE DIALOGUE.

25 MR. SHEEHY: I THINK IN OUR DISCUSSION

**BARRISTERS' REPORTING SERVICE**

1 ABOUT THE CITIZENSHIP, THERE MAY HAVE BEEN SOME  
2 CONFUSION. AND I HOPE SENATOR TORRES CAN CLARIFY.  
3 THIS IN NO WAY APPLIES TO THE PRESIDENT. THE  
4 PRESIDENT IS PERFECTLY LEGALLY ABLE WITHIN HIS ROLE.  
5 THE CONTEXT OF A PUBLIC OFFICIAL DOESN'T APPLY TO  
6 THE PRESIDENT IN THE CONTEXT IN WHICH WE'RE USING  
7 IT. WE'RE CORRECT ON THAT.

8 MR. TORRES: CORRECT. NOR TO THE  
9 UNIVERSITY OF CALIFORNIA.

10 MR. SHEEHY: JUST BECAUSE HE SPOKE, I  
11 DON'T WANT TO SUDDENLY READ TOMORROW A  
12 CONVERSATION -- I LOVE MR. JENSEN, BUT I DON'T WANT  
13 TO SUDDENLY, WHO I'M SURE IS LISTENING IN, SAY,  
14 WELL, THE PRESIDENT'S ROLE IS IN QUESTION BECAUSE HE  
15 WAS IN SOME WAY IN THIS DISCUSSION. HE IS FIRMLY  
16 AND LEGALLY ABLE TO SERVE AS LONG AS WE'RE LUCKY  
17 ENOUGH TO HAVE HIM.

18 MS. LANSING: ABSOLUTELY. AND JUST TO ADD  
19 A LITTLE HUMOR, BECAUSE I THINK WE NEED A LITTLE  
20 HUMOR, I WOULD JUST LIKE TO ADD A CORRECTION TO MY  
21 ESTEEMED COLLEAGUE, CHANCELLOR BIRGENEAU'S,  
22 COMMENTS, THAT ALL TEN OF THE UC UNIVERSITIES ARE  
23 FLAGSHIP UNIVERSITIES.

24 SO NOW CAN I HAVE PUBLIC COMMENT, PLEASE?  
25 CAN I NOW HAVE PUBLIC COMMENT? SEEING AS THERE ARE

**BARRISTERS' REPORTING SERVICE**

1 NONE, I HAVE A MOTION AND A SECOND. DO I NEED A  
2 ROLL CALL VOTE? ALL IN FAVOR.

3 (CHORUS OF AYES.)

4 CHAIRPERSON LANSING: ANY OPPOSED? ALL  
5 RIGHT. THANK YOU. THE MOTION CARRIES. AND THANK  
6 YOU FOR THE VERY HELPFUL DISCUSSION. NOW WE HAVE  
7 ANOTHER --

8 CHAIRMAN KLEIN: FOR CLARIFICATION, MR.  
9 HARRISON, THE MOTION COVERED BOTH POINTS; IS THAT  
10 CORRECT?

11 MR. HARRISON: THAT IS CORRECT.

12 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

13 MS. LANSING: NOW WE NEED -- THE REQUEST,  
14 JAMES, WE HAVE ONE MORE MOTION?

15 MR. HARRISON: YES. I'LL TRY TO DO THIS  
16 QUICKLY. JUST QUICKLY BY WAY OF BACKGROUND, THE  
17 CITIZENS FINANCIAL ACCOUNTABILITY OVERSIGHT  
18 COMMITTEE, A BODY ESTABLISHED TO REVIEW CIRM'S  
19 FINANCIAL PRACTICES AND PERFORMANCE, AT ITS LAST  
20 MEETING ADOPTED A MOTION TO REQUEST THAT THIS BOARD  
21 CONSIDER POSTING ITS MEMBERS' FORM 700S AND TRAVEL  
22 EXPENSE CLAIMS AS WELL AS THE FORM 700S AND TRAVEL  
23 EXPENSE CLAIMS FILED BY CIRM'S EXECUTIVE STAFF ON  
24 CIRM'S WEBSITE.

25 SO JUST BRIEFLY FOR BACKGROUND PURPOSES,

## BARRISTERS' REPORTING SERVICE

1 AS YOU ALL KNOW, OUR NEW MEMBERS WILL SOON LEARN,  
2 EACH YEAR PUBLIC OFFICIALS IN CALIFORNIA HAVE TO  
3 FILE WHAT'S CALLED A FORM 700, DISCLOSING THEIR  
4 ECONOMIC INTERESTS. AND THESE INCLUDE SOURCES OF  
5 INCOME OF \$500 OR MORE, SOURCES OF GIFTS OVER \$50 OR  
6 MORE, INVESTMENTS IN BUSINESS ENTITIES, AND REAL  
7 PROPERTY OF \$2,000 OR MORE, AND CERTAIN TRAVEL  
8 PAYMENTS.

9 THESE DOCUMENTS ARE PUBLIC RECORDS  
10 ALREADY, AND ANY MEMBER OF THE PUBLIC CAN SEND A  
11 REQUEST TO CIRM AND GET ACCESS TO YOUR FORM 700. IN  
12 FACT, ON AN ANNUAL BASIS DAVID JENSEN DOES SUBMIT  
13 SUCH A REQUEST. AND LAST YEAR HE POSTED ALL OF YOUR  
14 FORM 700S ON HIS WEBSITE.

15 YOU SHOULD ALSO KNOW THAT THE CALIFORNIA  
16 LEGISLATURE IS BEGINNING TO MOVE TOWARDS A MODEL  
17 WHERE THE FORM 700S OF ALL PUBLIC OFFICIALS IN THE  
18 STATE ARE POSTED ON THEIR AGENCY'S WEBSITE.  
19 CURRENTLY THIS IS A PILOT PROGRAM INVOLVING SEVERAL  
20 COUNTIES. BUT THE LEGISLATURE IS REALLY TESTING IT  
21 TO DETERMINE WHETHER OR NOT TO REQUIRE THE POSTING  
22 OF ALL PUBLIC OFFICIALS' 700S. SOME PUBLIC  
23 OFFICIALS, THE GOVERNOR'S OFFICE AND OTHER  
24 CONSTITUTIONAL OFFICERS, HAVE BEGUN THE PROCESS TO  
25 VOLUNTARILY POST THEIR FORM 700S AND FORM 700S OF

## BARRISTERS' REPORTING SERVICE

1 THEIR STAFF.

2 SO THE GOVERNANCE SUBCOMMITTEE CONSIDERED  
3 THIS REQUEST AT ITS MEETING YESTERDAY AND ADOPTED A  
4 MOTION TO RECOMMEND TO THE BOARD THAT CIRM BEGIN AS  
5 OF APRIL OF THIS YEAR TO POST MEMBERS' FORM 700S, AS  
6 WELL AS THE FORM 700S FILED BY CIRM'S EXECUTIVE  
7 STAFF, AND ALSO TO POST THE TOP SHEET OR COVER SHEET  
8 OF TRAVEL EXPENSE CLAIMS FILED BY CIRM EXECUTIVE  
9 STAFF AND BOARD MEMBERS ON A QUARTERLY BASIS WITH A  
10 DELEGATION OF AUTHORITY TO DAVID SERRANO-SEWELL AND  
11 MYSELF TO WORK WITH THE CFAOC TO MAKE SURE THAT WE  
12 PROPERLY UNDERSTAND THEIR REQUEST AND ARE BEING  
13 RESPONSIVE IN THE MANNER IN WHICH WE POST THE TRAVEL  
14 EXPENSE CLAIM INFORMATION.

15 THAT'S THE GOVERNANCE SUBCOMMITTEE'S  
16 UNANIMOUS RECOMMENDATION TO THE BOARD. I'D BE HAPPY  
17 TO ANSWER ANY QUESTIONS.

18 MS. LANSING: AGAIN, I JUST WANT TO BE  
19 CLEAR. WE HAVE BEEN DOING THIS ANYWAY. THIS HAS  
20 BEEN REQUESTED BY MR. JENSEN. SO IT'S THERE. THE  
21 STAFF IS COMFORTABLE WITH IT. AND SO BEFORE I DO  
22 DISCUSSION, CAN I HAVE A MOTION?

23 CHAIRMAN KLEIN: MOTION TO APPROVE.

24 DR. FRIEDMAN: SECOND.

25 CHAIRMAN KLEIN: I'D LIKE TO, AGAIN,



## BARRISTERS' REPORTING SERVICE

1 EMPHASIZE, AS CHAIR AND SENATOR TORRES AS VICE CHAIR  
2 AND DUANE ROTH AS THE BYLAWS VICE CHAIR, WE HAVE  
3 POSTED OUR 700S ON THE WEBSITE AT THIS POINT AS A  
4 VOLUNTARY ACTION TO SHOW INTENT. BUT, SECONDLY, I'D  
5 LIKE TO EMPHASIZE THAT DAVID SERRANO-SEWELL RAISED A  
6 VERY SPECIFIC POINT ABOUT ADMINISTRATIVE BURDEN.  
7 THE TOP SHEET THAT IS BEING REFERRED TO HAS A  
8 DISCLOSURE ON TRAVEL CLAIMS. IT WAS THOUGHT THAT WE  
9 CAN DO THAT AS PART OF OUR NORMAL PROCESS. WE DON'T  
10 WANT TO GET INTO SOMETHING THAT HAS A BIG  
11 ADMINISTRATIVE BURDEN WITH A HUGE AMOUNT OF DETAIL.  
12 WE WANT THE SUBSTANTIVE DETAIL ON COST TO MEET THEIR  
13 NEEDS. BUT WE DELEGATED TO -- THE RECOMMENDATION  
14 WAS TO DELEGATE TO DAVID AND JAMES AND THE REST OF  
15 THE TEAM AN EFFORT TO MEET THE CFAOC'S INTENT AND  
16 SUBSTANTIVE INTENT AND THE PUBLIC'S NEEDS WITHOUT  
17 CREATING A NEED TO HIRE ADDITIONAL STAFF TO BE  
18 CHURNING THIS INFORMATION. MR. HARRISON.

19 MR. HARRISON: I'D JUST LIKE TO ADD ONE  
20 OTHER THING FOR CLARITY. CONSISTENT WITH THE  
21 POLICIES THAT OTHER AGENCIES HAVE ADOPTED, BEFORE WE  
22 POST FORM 700S, WE WOULD REDACT ADDRESSES, TELEPHONE  
23 NUMBERS, AND SIGNATURES. SINCE THESE MATERIALS ARE  
24 GOING TO BE ON THE WEB, WE WANT TO PROVIDE AN  
25 ADDITIONAL LAYER OF PROTECTION FOR PRIVACY PURPOSES.

## BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: AND WE DON'T WANT BACKUP  
2 MATERIAL THAT SHOWS CREDIT CARDS AND OTHER  
3 INFORMATION OF BOARD MEMBERS, WHICH COULD OBVIOUSLY  
4 CREATE SOME MAJOR PROBLEMS. SO WE'RE TRYING TO GET  
5 SUBSTANTIVE INFORMATION WITHOUT PRIVACY AND FRAUD  
6 RISK AND MAKE SURE THAT WE'RE COMMUNICATING WITHOUT  
7 CREATING A BURDEN. THANK YOU.

8 MS. LANSING: AS WE HAVE NOTHING TO HIDE,  
9 AND HAS BEEN REQUESTED BY THE STATE CONTROLLER, AND  
10 IT IS ALREADY OUT THERE, I THINK THIS RECOMMENDATION  
11 WAS UNANIMOUSLY SUPPORTED BY THE GOVERNANCE  
12 SUBCOMMITTEE.

13 ANY MORE DISCUSSION? PUBLIC COMMENT? ALL  
14 IN FAVOR? SEEING NO PUBLIC COMMENT, ALL IN FAVOR.

15 (CHORUS OF AYES.)

16 MS. LANSING: ANY OPPOSED? OKAY. THAT  
17 CONCLUDES THE PUBLIC. YOU WANT TO -- NOW I THINK  
18 WE'RE GOING TO GO INTO CLOSED SESSION. JAMES, DO  
19 YOU WANT TO TELL US THE RULES OF THAT, PLEASE.

20 MR. HARRISON: YES. THE BOARD WILL BE  
21 CONVENING IN CLOSED SESSION TO DISCUSS BOTH  
22 PERSONNEL PURSUANT TO GOVERNMENT CODE SECTION 11126  
23 AND HEALTH AND SAFETY CODE SECTION 125290.30, AND  
24 ALSO CONFIDENTIAL AND PROPRIETARY INFORMATION  
25 RELATING TO THE APPLICATIONS WE'VE DISCUSSED TODAY

**BARRISTERS' REPORTING SERVICE**

1 PURSUANT TO HEALTH AND SAFETY CODE SECTION  
2 125290.30(D)(3)(B) AND (C).

3 MS. LANSING: THANK YOU. SO NOW  
4 WE'LL ADJOURN TO CLOSED SESSION.

5 MR. ADAMS: IS THERE A CHANCE TO HAVE  
6 PUBLIC COMMENT, THREE MINUTES?

7 CHAIRMAN KLEIN: THERE IS GOING TO BE A  
8 CHANCE TO HAVE PUBLIC COMMENT, BUT WE'RE RESERVING  
9 THAT TO AFTER THE EXECUTIVE SESSION.

10 (THE BOARD THEN CONVENED IN CLOSED  
11 SESSION, NOT REPORTED NOR HEREIN TRANSCRIBED. AT  
12 THE CONCLUSION OF THE CLOSED SESSION, THE BOARD THEN  
13 RECONVENED IN PUBLIC SESSION AND WAS HEARD AS  
14 FOLLOWS:)

15 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU  
16 VERY MUCH. APPRECIATE YOUR PATIENCE AS WE BROUGHT  
17 AV BACK ONLINE. AND I'D LIKE TO REOPEN THE SESSION.

18 DR. POMEROY, IT'S MY UNDERSTANDING THAT  
19 THERE'S NOTHING TO REPORT ABOUT ON GOVERNANCE; IS  
20 THAT CORRECT?

21 DR. POMEROY: THAT IS CORRECT. NO ACTIONS  
22 WERE TAKEN.

23 CHAIRMAN KLEIN: NO ACTIONS WERE TAKEN IN  
24 GOVERNANCE.

25 SO ON THE GRANT PROCESS THEMSELVES FOR

## BARRISTERS' REPORTING SERVICE

1 THIS ROUND, ARE THERE ANY BOARD MEMBERS WHO WOULD  
2 LIKE TO MAKE ANY MOTIONS, OR ARE THERE ANY BOARD  
3 MEMBERS WHO HAVE ANY QUESTIONS?

4 (BOARDMEMBER HAWGOOD JOINS THE  
5 MEETING.)

6 CHAIRMAN KLEIN: IN THE ABSENCE OF SEEING  
7 ANY, I WOULD LIKE TO ASK DR. TROUNSON AND HIS  
8 SCIENTIFIC STAFF, ON THE REVIEW SUMMARY, WHICH, AS  
9 WE KNOW, IS THE SUMMARY OF THE MINUTES TAKEN DURING  
10 THE REVIEW MEETING AND ARE SEPARATE FROM THE  
11 TECHNICAL WRITE-UP, IT STATED ON 1985 THAT THE  
12 REVIEWERS APPRECIATED THE PI HAD ASSEMBLED A  
13 TALENTED GROUP OF COLLABORATORS AND GENERALLY FOUND  
14 THE RESEARCH TEAM WELL QUALIFIED TO CARRY OUT THE  
15 PROPOSED RESEARCH. GIVEN THAT THE PI HIMSELF DID  
16 NOT HAVE DIRECT EXPERIENCE IN HIS LAB AND ASSEMBLED  
17 A TEAM AT UCLA, I'D LIKE TO UNDERSTAND FROM THE  
18 SCIENTIFIC LEADERSHIP OF OUR STAFF WHY YOU FELT THAT  
19 THIS TEAM WAS ADEQUATE OR WELL QUALIFIED TO CARRY  
20 OUT THIS RESEARCH, OR IF YOU DISAGREED WITH THAT.  
21 AND I'D LIKE TO FIND OUT WHY YOU FELT THIS WOULD BE  
22 A VALUABLE GRANT TO CONSIDER FUNDING.

23 DR. TROUNSON: I WONDER IF I CAN ASK GIL  
24 SAMBRANO TO ADDRESS THOSE PARTICULAR ISSUES. I  
25 THINK I PROBABLY SAID PRETTY MUCH WHAT I WANTED TO

## BARRISTERS' REPORTING SERVICE

1 BEFORE. I THINK THERE'S AN OPPORTUNITY HERE. I  
2 WOULD AGREE THAT THERE'S A TRANSLATIONAL COMPONENT  
3 THAT NEEDS TO HAPPEN FROM THE CINCINNATI TEAM, AND  
4 THAT WOULD HAVE TO GET UNDER WAY IF THE WORK WAS  
5 FUNDED. AND THE EXPERTISE CLEARLY IN THAT RESPECT  
6 IS NOT THERE YET, BUT THAT IS THAT COMPONENT.

7 CAN I ASK GIL TO ADDRESS OTHER MEMBERSHIP  
8 OF THE TEAM THERE SO THAT HE'S GOT THAT INFORMATION  
9 PROBABLY BETTER THAN I AT THIS POINT.

10 DR. SAMBRANO: AND JUST TO BRING EVERYBODY  
11 ON THE SAME PAGE, THIS IS APPLICATION 1985. AND SO  
12 IT'S THE ONE THAT IS FOCUSED ON THE DEVELOPMENT OF  
13 IN VITRO MODELS FOR INHERITED DIARRHEAL DISORDERS.  
14 AND SO THE QUESTION, MR. CHAIRMAN, THAT YOU ASKED  
15 REGARDING THE EXPERTISE, SO THERE ARE A VARIETY OF  
16 EXPERTS THAT ARE BROUGHT AS A WHOLE TO THE TEAM. SO  
17 THE PI, WHO IS A SURGEON AND AN EXPERT IN THE  
18 DIARRHEAL DISORDERS, THERE ARE OTHER EXPERTS THAT  
19 ARE ALSO AT THE APPLICANT INSTITUTION WHO WOULD  
20 ADDRESS SOME OF THE NEEDS OF THE PROJECT SUCH AS THE  
21 GENOMICS ARE PRESENT AT UCLA.

22 BUT THEN THERE ARE OTHER KEY COLLABORATORS  
23 WHO ARE PRESENTED WHO NEED TO BE PART OF THE TEAM  
24 OUTSIDE OF THE APPLICANT INSTITUTION AND OUTSIDE OF  
25 CALIFORNIA WHO ARE KEY IN BRINGING THE TECHNOLOGY OF

## BARRISTERS' REPORTING SERVICE

1 DIFFERENTIATING THE IPS CELLS INTO THE INTESTINAL  
2 EPITHELIAL ORGANOIDS THAT ARE PROPOSED AS WELL AS  
3 OTHER COLLABORATORS WHO WOULD DO THE HISTOLOGICAL  
4 ANALYSIS OF THE TISSUES, COMPARING THOSE THAT COME  
5 FROM THE DIARRHEAL DISORDER PATIENTS AND COMPARED  
6 THOSE TO NORMALS.

7 SO THE REVIEWERS' ASSESSMENT WAS THAT, IN  
8 TERMS OF ALL THE INDIVIDUALS INVOLVED, ALL THESE ARE  
9 INDIVIDUALS WHO ARE QUITE CAPABLE AND HAVE FOR THEIR  
10 AREAS OF EXPERTISE RECOGNIZED MERIT. HOWEVER, THERE  
11 WAS THE CONCERN IN TERMS OF, AND THAT'S WHY IT COMES  
12 BACK TO FEASIBILITY, THAT A LOT OF THESE ASSAYS OR  
13 TECHNOLOGIES HAVE NOT NECESSARILY BEEN DEVELOPED  
14 WITHIN THE PI'S OWN LABORATORY. AND SO IT WILL  
15 REQUIRE THE TRAINING OF MANY OF THE INDIVIDUAL PI'S  
16 STAFF IN ORDER TO ACCOMPLISH THESE THINGS.

17 SO I THINK, IN GENERAL, THE PEOPLE WHO ARE  
18 INVOLVED ARE ALL WELL RECOGNIZED, BUT THERE IS THAT  
19 BARRIER THAT NEEDS TO BE OVERCOME IN BRINGING THE  
20 PROJECT ALL INTO ONE LABORATORY FROM ALL THOSE  
21 OUTSIDE COLLABORATORS.

22 CHAIRMAN KLEIN: IN TERMS OF THE  
23 DISEASE-IN-THE-DISH MODEL, ON THE TEAM IN TERMS OF  
24 DISEASES IN IPS OR RELATED TECHNOLOGIES.

25 DR. SAMBRANO: SO THEY HAVE A COLLABORATOR

**BARRISTERS' REPORTING SERVICE**

1 WHO IS SOMEBODY WHO HAS BEEN RECENTLY APPOINTED TO  
2 THE FACULTY AT THE APPLICANT INSTITUTION WHO COMES  
3 FROM A LABORATORY THAT IS WELL EXPERIENCED IN  
4 REPROGRAMMING AND HUMAN EMBRYONIC STEM CELL AND IPS  
5 STEM CELL WORK.

6 CHAIRMAN KLEIN: OKAY. THERE'S A  
7 FUNDAMENTAL DECISION TOO IN THIS GRANT, I THINK, IN  
8 THAT IT'S NOT ALWAYS EMPHASIZED, BUT IN ORDER TO NOT  
9 BE DEPENDENT JUST ON THE FUNDS WE HAVE IN  
10 CALIFORNIA, WE'RE OFTEN VERY EXPOSED TO RELYING ON  
11 COLLABORATIONS THAT CAN BE OUT-OF-STATE. IN THIS  
12 PARTICULAR CASE, WE'RE PARTICULARLY DEPENDENT  
13 BECAUSE THE TEAM MAY IN AGGREGATE HAVE THIS  
14 EXPERIENCE, BUT THE PI DOESN'T HAVE THIS EXPERIENCE.

15 SO JEFF SHEEHY. AND THEN I THINK THE  
16 APPLICANT, YOU HAVE 60 SECONDS TO RESPOND TO THAT  
17 AFTER JEFF SHEEHY SPEAKS, PLEASE.

18 MR. SHEEHY: I GUESS, I JUST HAVE A  
19 PROCESS QUESTION. IS THERE A MOTION ON THE FLOOR  
20 AND --

21 CHAIRMAN KLEIN: IT'S A QUESTION THAT I  
22 RAISED BEFORE. I WANT TO MAKE A MOTION. I WANT TO  
23 GET THE INFORMATION.

24 MR. SHEEHY: WELL --

25 MS. GIBBONS: DID YOU MOVE THAT WE MOVE IT

## BARRISTERS' REPORTING SERVICE

1 TO TIER I?

2 CHAIRMAN KLEIN: I'LL MOVE THAT WE ELEVATE  
3 IT. I MAY WITHDRAW THE MOTION AFTER I GET ALL THE  
4 ANSWERS. BUT IN TERMS OF PROCESS, JEFF,  
5 FUNDAMENTALLY WE HAVE TO GET THE INFORMATION OUT  
6 THERE AND THEN DECIDE.

7 MR. SHEEHY: WELL, I ALSO WANTED TO JUST  
8 MAKE THE POINT THAT WE DID ADOPT AN ADDITIONAL  
9 PROCESS THROUGH THE SCIENCE SUBCOMMITTEE FOR  
10 PRECISELY THESE TYPES OF ISSUES WHERE WE COULD REFER  
11 A GRANT BACK TO THE CHAIRS OF THE REVIEW COMMITTEE  
12 FOR ADDITIONAL ANALYSIS, IF YOU REMEMBER THAT  
13 PROCESS. I PERSONALLY FEEL VERY UNCOMFORTABLE  
14 CERTAINLY MOVING FORWARD ON THIS GRANT WHEN THE  
15 INFORMATION HAS BEEN BROUGHT FORWARD. I MEAN THE  
16 WORKING GROUP MAY HAVE MADE A MISTAKE. OKAY. SO WE  
17 CAN SEND IT BACK AND GET SOME OBJECTIVE ANALYSIS,  
18 BUT I FEEL LIKE I'M GETTING --

19 CHAIRMAN KLEIN: JEFF, I THINK THAT'S AN  
20 EXCELLENT RECOMMENDATION, AND I THINK IT'S GOOD TO  
21 REMIND US OF THAT. SO JUST TO PUT THIS INTO  
22 DISCUSSION, I WILL MAKE A MOTION THAT WE SEND THIS  
23 BACK UNDER THE PROCESS PREVIOUSLY ADOPTED TO THE  
24 CHAIRS OF THE PEER REVIEW SESSION TO ANALYZE THE  
25 *NATURE* ARTICLE AND THE ADDITIONAL INFORMATION ON THE



## BARRISTERS' REPORTING SERVICE

1 TEAM SO THAT WE CAN COME TO A MORE INFORMED POSITION  
2 ON THIS ITEM BECAUSE WE HAVE A SPLIT IN THE  
3 INFORMATION THAT'S AVAILABLE TO US AT THIS POINT.

4 MS. GIBBONS: SECOND.

5 CHAIRMAN KLEIN: THANK YOU. IF YOU COULD  
6 KEEP IT VERY SHORT.

7 DR. MARTIN: I JUST WANT TO POINT OUT --  
8 DR. MARTIN. I AM A PHYSICIAN SCIENTIST. I  
9 CERTAINLY TAKE CARE OF PATIENTS, BUT I AM VERY BUSY  
10 IN THE LABORATORY. WE'VE BEEN GROWING HUMAN AND  
11 MOUSE INTESTINES AS PART OF AN NIH CONSORTIUM.  
12 YOU'RE RIGHT THAT WE DON'T HAVE ANY IPS EXPERIENCE;  
13 AND BECAUSE I HAD TO GO THROUGH THE UCLA PROCESS,  
14 WE'RE PROHIBITED TO ACTUALLY DO THIS WORK UNLESS  
15 WE'VE BEEN TRAINED. CAME TO STANFORD FOR THE  
16 TRAINING. HAVE ESTABLISHED COLLABORATORS. THIS  
17 TOOK ME A YEAR TO DO AND EVEN PRIOR TO THIS  
18 APPLICATION.

19 AND SO, FINALLY, WE'RE NOW AT A POSITION  
20 WHERE WE'VE GOT THE APPROVAL. WE'VE GONE THROUGH  
21 THE TRAINING, WE HAVE UCLA COLLABORATORS WHO ARE  
22 WILLING TO KIND OF SHOW US. AND, FRANKLY, MOST OF  
23 THE WORK THAT'S PUBLISHED IN THE *NATURE* PAPER RELIES  
24 ON METHODS THAT WE'VE BEEN DEVELOPING FOR THE NIH ON  
25 HUMAN SAMPLES AS WELL AS MOUSE SAMPLES.

## BARRISTERS' REPORTING SERVICE

1           CHAIRMAN KLEIN:  OKAY.  I THINK YOU STATED  
2           THE INFORMATION.  AND SO DISCUSSION ON THE ISSUE OF  
3           REFERRING IT BACK TO THE CHAIRS TO TAKE INTO  
4           CONSIDERATION THE *NATURE* ARTICLE AND ANY ADDITIONAL  
5           INFORMATION AND TO EVALUATE THE TEAM'S ABILITY TO  
6           EXECUTE ON THIS PROCESS.

7           MR. SHEEHY:  AND I ALSO WANT TO -- THE  
8           PROCESS DOES INCLUDE SIGNIFICANT INPUT FROM STAFF,  
9           SO WE'RE SENDING IT BACK TO THE PRESIDENT, STAFF,  
10          AND THE CHAIRS.  THIS WAY WE CAN COME BACK WITH SOME  
11          SORT OF OBJECTIVE OPINION AND NOT CONTINUE TO TRY TO  
12          EVALUATE THE SCIENCE HERE.

13          CHAIRMAN KLEIN:  I THINK IT'S AN EXCELLENT  
14          SUGGESTION.

15          MR. TORRES:  WHAT IS THE TIME CERTAIN ON  
16          THIS?

17          CHAIRMAN KLEIN:  THEY WOULD BE BRINGING IT  
18          BACK AT THE NEXT BOARD MEETING, SO THAT WOULD BE IN  
19          MARCH.

20          DR. BRENNER:  THE FIRST IS THAT THE DATA  
21          FROM THE *NATURE* ARTICLE WAS PUT IN AS PRELIMINARY  
22          DATA THAT WAS PROVIDED BY WELLS AND CINCINNATI.  SO  
23          THE REVIEWERS DID HAVE AN OPPORTUNITY TO SEE THAT  
24          MATERIAL.

25          SECOND, I DON'T THINK WE SHOULD SAY THAT

## BARRISTERS' REPORTING SERVICE

1 BECAUSE AN ARTICLE IS PUBLISHED AFTER THE GRANT'S  
2 ALREADY SUBMITTED AFTER THE DUE DATE THAT WE SHOULD  
3 GO BACK AND REVISIT IT. THAT DOESN'T MAKE ANY SENSE  
4 TO ME. THERE'S A CUTOFF DATE. ALL THE INFORMATION  
5 HAS TO BE AVAILABLE THEN. YOU CAN'T LATER SAY,  
6 WELL, SOMETHING INTERESTING HAS COME UP THAT WOULD  
7 MAKE US REVISIT IT. I THINK PROCEDURALLY THE ONLY  
8 REASON WE SHOULD IT SEND BACK -- I THINK JEFF'S IDEA  
9 IS REALLY GOOD, BUT WE SHOULD HAVE A REASON WHY WE  
10 WERE UNHAPPY WITH THE FIRST REVIEW THAT WE ASK FOR A  
11 SECOND REVIEW AND NOT BECAUSE SOMETHING COMES OUT  
12 AFTER THE DUE DATE THAT WE THINK IS INTERESTING.

13 CHAIRMAN KLEIN: DR. BRENNER, OUR  
14 OBLIGATION IS TO PATIENTS AND ADVANCED THERAPIES.  
15 THIS IS A NOT A RACE BETWEEN SCIENTISTS THAT WE'RE  
16 ARBITRATING. WE HAVE PREVIOUSLY ACCEPTED UPDATED  
17 INFORMATION AND PUBLICATIONS. THAT'S A HISTORY THAT  
18 WE HAVE.

19 DR. BRENNER: THAT'S --

20 CHAIRMAN KLEIN: AFTER THE DUE DATE WE  
21 HAVE ACCEPTED IT.

22 DR. BRENNER: BEFORE THE REVIEW.

23 CHAIRMAN KLEIN: NO. WE HAVE BROUGHT TO  
24 THIS COMMITTEE PUBLICATION INFORMATION.

25 SO DR. PIZZO.

## BARRISTERS' REPORTING SERVICE

1 DR. PIZZO: BOB, I WOULD JUST LIKE TO  
2 REGISTER THIS COMMENT. I THINK WE ALL RECOGNIZE OUR  
3 OBLIGATION TO PATIENTS THAT WE SERVE. I DON'T THINK  
4 THAT THAT SHOULD BE UNDERScoreD ALMOST IN A  
5 RETRIBUTION KIND OF WAY. I THINK THAT WE APPRECIATE  
6 THAT WE'RE TALKING ABOUT NOW SCIENTIFIC REVIEW AND  
7 NOT OUR EMOTIONAL REACTION TO PATIENTS. WE ALL  
8 UNDERSTAND THAT.

9 CHAIRMAN KLEIN: I APPRECIATE YOUR  
10 COMMENT. I TAKE IT SINCERELY.

11 DR. PIZZO: THANK YOU.

12 MR. ROTH: I WANT TO JUST UNDERScoreD THAT,  
13 AND I WANT US TO ALWAYS REMEMBER THAT THERE ARE  
14 PATIENTS BEHIND EVERY ONE OF THESE GRANTS. AND IF  
15 THEY WERE TO STAND BEFORE US, I'M SURE WE WOULD BE  
16 COMPELLED BY THEIR ARGUMENTS AS WELL. SO I THINK  
17 THAT HAS TO BE UNFORTUNATELY SET ASIDE IF WE'RE  
18 GOING TO KEEP THE PROCESS CLEAR.

19 CHAIRMAN KLEIN: OKAY. ADDITIONAL  
20 DISCUSSION ON THIS MOTION TO SEND IT BACK? SEEING  
21 NO ADDITIONAL COMMENTS FROM THE BOARD, ARE THERE  
22 COMMENTS FROM THE PUBLIC?

23 MR. REED: DON REED. I CANNOT EVER LEAVE  
24 THE PATIENTS OUT, AS I KNOW NONE OF YOU CAN EITHER.  
25 NO MATTER HOW LOGICAL WE TRY TO BE, THESE ARE -- FOR

## BARRISTERS' REPORTING SERVICE

1 ME, WHEN I'M THINKING ABOUT THIS, I'M THINKING ABOUT  
2 MY GRANDDAUGHTER. SHE'S 20 MONTHS OLD AND SHE IS  
3 CERTIFIABLY THE CUTEST KID IN THE HISTORY OF THE  
4 UNIVERSE. I CAN'T EVER FORGET THAT ANYTHING THAT  
5 THREATENS HER LIFE, WE HAVE TO FIGHT THAT.

6 I THINK THAT THE PORTFOLIO COULD BE  
7 IMPROVED BY THIS GRANT. THIS IS A WORLD RENOWN  
8 AUTHORITY ON THIS. THE REVIEWS WERE, I THOUGHT,  
9 STRONG. THEY VARIED FROM, WELL, THIS IS NOT TOO  
10 INNOVATIVE BECAUSE SOME OF THE THINGS WERE VERY  
11 LOGICAL AND ACCEPTED, AND THE OBJECTIONS WHICH WERE  
12 RAISED, IT SEEMED TO ME, TO HAVE BEEN MET BY  
13 INFORMATION THAT THEY DID NOT HAVE ACCESS TO.

14 SO I THINK SENDING IT BACK TO THE  
15 REVIEWERS ON THE BASIS OF THIS INFORMATION WHICH WAS  
16 AVAILABLE NOT IN A CONVENIENT WAY IS IMPORTANT  
17 BECAUSE THIS IS IMPORTANT. I THINK ALSO THIS IS A  
18 VERY INTERNATIONALLY IMPORTANT THING. INFANT  
19 DIARRHEA KILLS KIDS ALL ACROSS THE WORLD. WE SHOULD  
20 HAVE A GOOD GRANT FOR IT. THANK YOU.

21 CHAIRMAN KLEIN: THANK YOU. I'D LIKE TO  
22 EMPHASIZE TO DR. PIZZO'S COMMENT THAT HE MADE, AND I  
23 IDENTIFY WITH THE FACT EVERY PERSON ON THIS BOARD  
24 ALWAYS IS MOTIVATED BY PATIENTS. THAT'S THE WHOLE  
25 REASON YOU'RE HERE. THE REASON LIFETIMES WITH DR.

**BARRISTERS' REPORTING SERVICE**

1 BRENNER, EVERYONE IN HERE HAS DEDICATED THEIR LIFE  
2 TO IMPROVING PATIENTS. SO I WANT TO MAKE SURE THAT  
3 MY COMMENT WAS NOT TAKEN IN THAT CONTEXT. SO  
4 APOLOGIZE IF IT WERE. THANK YOU VERY MUCH.

5 WE WILL NEED TO CALL THE ROLL ON THIS  
6 ITEM. THE MOTION IS, JAMES, WOULD YOU LIKE TO  
7 REPEAT THE MOTION?

8 MR. HARRISON: THE MOTION IS TO REFER  
9 APPLICATION 1985 FOR ADDITIONAL ANALYSIS PURSUANT TO  
10 THE BOARD'S POLICY TO REVIEW THE *NATURE* ARTICLE AND  
11 ADDITIONAL INFORMATION REGARDING THE TEAM.

12 CHAIRMAN KLEIN: UNDER THE PROCEDURE  
13 ADOPTED BY THE BOARD FOR RETURNING IT TO THE CHAIRS  
14 OF THE PEER REVIEW GROUP IN ADDITION TO THE  
15 SCIENTIFIC STAFF TO REPORT BACK TO US TO RESOLVE THE  
16 ISSUE OF THE ABILITY OF THE STAFF -- THE ABILITY OF  
17 THIS TEAM TO CARRY OUT THIS PROPOSAL.

18 MS. KING: FOR THE PURPOSE OF THIS ROLL  
19 CALL, I WILL ONLY CALL YOUR NAME IF YOU ARE PRESENT  
20 AND NOT IN CONFLICT WITH THIS APPLICATION.

21 DAVID BRENNER.

22 DR. BRENNER: NO.

23 MS. KING: MARCY FEIT.

24 MS. FEIT: YES.

25 MS. KING: MICHAEL FRIEDMAN.

## BARRISTERS' REPORTING SERVICE

1 DR. FRIEDMAN: YES.  
2 MS. KING: LEEZA GIBBONS.  
3 MS. GIBBONS: YES.  
4 MS. KING: MICHAEL GOLDBERG.  
5 MR. GOLDBERG: YES.  
6 MS. KING: SAM HAWGOOD.  
7 DR. HAWGOOD: YES.  
8 MS. KING: BOB KLEIN.  
9 CHAIRMAN KLEIN: YES.  
10 MS. KING: BERTRAM LUBIN.  
11 DR. LUBIN: YES.  
12 MS. KING: PHIL PIZZO.  
13 DR. PIZZO: YES.  
14 MS. KING: CLAIRE POMEROY.  
15 DR. POMEROY: YES.  
16 MS. KING: FRANCISCO PRIETO.  
17 DR. PRIETO: YES.  
18 MS. KING: ROBERT QUINT.  
19 DR. QUINT: YES.  
20 MS. KING: DUANE ROTH.  
21 MR. ROTH: NO.  
22 MS. KING: JOAN SAMUELSON.  
23 MS. SAMUELSON: YES.  
24 MS. KING: DAVID SERRANO-SEWELL.  
25 MR. SERRANO-SEWELL: YES.

## BARRISTERS' REPORTING SERVICE

1 MS. KING: JEFF SHEEHY.

2 MS. SHEEHY: YES.

3 MS. KING: ART TORRES.

4 MR. TORRES: AYE.

5 MS. KING: KRISTINA VUORI.

6 DR. VUORI: YES.

7 MS. KING: AND ELIZABETH FINI FOR CARMEN

8 PULIAFITO.

9 DR. FINI: YES.

10 CHAIRMAN KLEIN: THANK YOU. ANY  
11 ADDITIONAL MOTIONS ARE IN ORDER. WOULD ANYONE LIKE  
12 TO IF THEY EITHER, A, IF THERE ARE NO MOTIONS TO  
13 MOVE ANY ITEM, IS THERE A MOTION TO APPROVE THE  
14 RECOMMENDED ITEMS?

15 MR. ROTH: SO MOVED.

16 MR. TORRES: SECOND.

17 CHAIRMAN KLEIN: SO MOVED BY DUANE ROTH  
18 AND THE SECOND IS SENATOR TORRES. IS THERE A  
19 DISCUSSION? SEEING NO DISCUSSION BY THE PANEL, ARE  
20 THERE MEMBERS OF THE PUBLIC WHO WOULD LIKE TO  
21 CONTRIBUTE AND WHO HAVE NOT YET SPOKEN? SEEING  
22 NONE, COULD WE CALL THE ROLL ON THIS, PLEASE.

23 MS. KING: AS A POINT OF CLARIFICATION --

24 CHAIRMAN KLEIN: BECAUSE THERE ARE NEW  
25 MEMBERS OF THIS BOARD, LET ME STATE THAT IF YOU HAVE



## BARRISTERS' REPORTING SERVICE

1 A CONFLICT WITH ANY GRANT THAT IS BEING MOVED UNDER  
2 THIS MOTION, YOUR RESPONSE WOULD BE TO APPROVE OR  
3 NOT APPROVE, YES OR NO, EXCEPT FOR THOSE IN WHICH  
4 YOU ARE IN CONFLICT. ALL RIGHT. SO YOU MAKE THAT  
5 STATEMENT EACH TIME IN A ROLL CALL.

6 JAMES HARRISON, WOULD YOU LIKE TO PROVIDE  
7 ANY SUPPLEMENTAL?

8 MR. HARRISON: I JUST WANTED TO CLARIFY  
9 THAT, AS SCIENTIFIC STAFF POINTED OUT AT THE OUTSET  
10 OF THE DISCUSSION, THE RECOMMENDATIONS WITH RESPECT  
11 TO A COUPLE OF THE APPLICATIONS INCLUDED  
12 MODIFICATIONS WITH RESPECT TO THE AIMS. SO I ASSUME  
13 THAT'S INCORPORATED WITHIN YOUR MOTION.

14 MR. ROTH: IT IS.

15 CHAIRMAN KLEIN: IS THAT INCORPORATED IN  
16 THE SECOND, SENATOR TORRES?

17 MR. TORRES: YES.

18 CHAIRMAN KLEIN: YES. OKAY.

19 MS. FEIT: COULD WE HAVE A RESTATEMENT OF  
20 THE MOTION? THERE'S BEEN SO MUCH DISCUSSION.

21 CHAIRMAN KLEIN: THE MOTION IS TO MOVE FOR  
22 FUNDING FOR EVERYTHING RECOMMENDED BY PEER REVIEW  
23 WITH THE MODIFICATIONS ON THE TWO GRANTS WHERE THE  
24 AIMS WERE LIMITED AND FOCUSED BY THE PEER REVIEW  
25 COMMITTEE.

## BARRISTERS' REPORTING SERVICE

1 MS. FEIT: THANK YOU.

2 MS. KING: ROBERT BIRGENEAU.

3 DR. BIRGENEAU: YES, EXCEPT FOR THOSE WITH  
4 WHICH I HAVE CONFLICTS.

5 MS. KING: DAVID BRENNER.

6 DR. BRENNER: YES, EXCEPT FOR THOSE WITH  
7 WHICH I HAVE CONFLICTS.

8 MS. KING: MARCY FEIT.

9 MS. FEIT: YES, EXCEPT FOR THOSE WITH  
10 WHICH I HAVE CONFLICTS.

11 MS. KING: MICHAEL FRIEDMAN.

12 DR. FRIEDMAN: YES, EXCEPT FOR THOSE WITH  
13 WHICH I HAVE CONFLICTS.

14 MS. KING: LEEZA GIBBONS.

15 MS. GIBBONS: YES.

16 MS. KING: MICHAEL GOLDBERG.

17 MR. GOLDBERG: YES, EXCEPT FOR THOSE WITH  
18 WHICH I HAVE CONFLICTS.

19 MS. KING: SAM HAWGOOD.

20 DR. HAWGOOD: YES, EXCEPT FOR THOSE WITH  
21 WHICH I HAVE CONFLICTS.

22 MS. KING: BOB KLEIN.

23 CHAIRMAN KLEIN: YES.

24 MS. KING: BERTRAM LUBIN.

25 DR. LUBIN: YES.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: PHIL PIZZO.

2 DR. PIZZO: YES, EXCEPT FOR THOSE WITH  
3 WHICH I HAVE CONFLICTS.

4 MS. KING: CLAIRE POMEROY.

5 DR. POMEROY: YES, EXCEPT FOR THOSE WITH  
6 WHICH I HAVE CONFLICTS.

7 MS. KING: FRANCISCO PRIETO.

8 DR. PRIETO: YES, EXCEPT FOR THOSE WITH  
9 WHICH I HAVE CONFLICTS.

10 MS. KING: ELIZABETH FINI.

11 DR. FINI: YES.

12 MS. KING: ROBERT QUINT.

13 DR. QUINT: YES. I HAVE NO CONFLICTS.

14 MS. KING: DUANE ROTH.

15 MR. ROTH: YES.

16 MS. KING: JOAN SAMUELSON.

17 MS. SAMUELSON: YES.

18 MS. KING: DAVID SERRANO-SEWELL. JEFF  
19 SHEEHY.

20 MR. SHEEHY: YES, EXCEPT FOR THOSE WITH  
21 WHICH I HAVE CONFLICTS.

22 MS. KING: ART TORRES.

23 MR. TORRES: AYE.

24 MS. KING: KRISTINA VUORI.

25 DR. VUORI: YES, EXCEPT FOR THOSE WITH

**BARRISTERS' REPORTING SERVICE**

1 WHICH I HAVE CONFLICTS.

2 MS. KING: JAMES ECONOMOU.

3 DR. ECONOMOU: YES, EXCEPT FOR THOSE WITH  
4 WHICH I HAVE CONFLICTS.

5 MR. HARRISON: BOB, I BELIEVE DR. LUBIN  
6 MAY NOT HAVE REALIZED THAT THERE ARE INSTITUTIONS  
7 WITH WHICH HIS INSTITUTION MAY HAVE AN AFFILIATION,  
8 SO HE NEEDS TO STATE.

9 CHAIRMAN KLEIN: WOULD YOU LIKE TO RESTATE  
10 YOUR POSITION?

11 DR. LUBIN: YES, EXCEPT FOR THOSE WITH  
12 WHICH I HAVE CONFLICTS.

13 DR. PIZZO: WELCOME TO THE ICOC.

14 CHAIRMAN KLEIN: ALL RIGHT. SOMETIMES  
15 WE'RE OVERLY CAUTIOUS IN THE ASSOCIATIONS THAT WE  
16 CONDITION THINGS ON. SO I APPRECIATE EVERYONE  
17 RECOGNIZING THAT IT MAY NOT BE IMMEDIATELY APPARENT,  
18 SO WE HAVE COUNSEL THAT IS ALWAYS MONITORING THE  
19 SITUATION TO MAKE SURE WE PROPERLY RECOGNIZE A  
20 DISTANT ISSUE THAT MAY NOT BE A REAL CONFLICT. EVEN  
21 IF THERE'S AN APPEARANCE, WE CONSIDER IT A CONFLICT,  
22 AND THAT'S WHY WE CONDITION ANYONE'S VOTE OR  
23 PARTICIPATION. AND WE DO THAT IN EXECUTIVE SESSION  
24 AS WELL AS IN THE PUBLIC SESSION.

25 SO IS THERE A MOTION ON TIER III? WELL,

**BARRISTERS' REPORTING SERVICE**

1 WE HAVE -- MR. HARRISON.

2 MR. HARRISON: I WAS JUST GOING TO  
3 CLARIFY. IT WOULD BE A MOTION NOT TO FUND THE  
4 REMAINING APPLICATIONS.

5 MR. ROTH: SO MOVED.

6 CHAIRMAN KLEIN: REMAINING APPLICATIONS  
7 WITH THE EXCEPTION OF THE ONE --

8 MR. HARRISON: 1985.

9 CHAIRMAN KLEIN: -- THAT WE HAVE SENT BACK  
10 FOR OTHER CONSIDERATION.

11 MR. ROTH: MOTION TO NOT FUND WITH THE  
12 EXCEPTION OF 1985, WHICH WE'LL DEAL WITH LATER.

13 CHAIRMAN KLEIN: SECOND?

14 MS. GIBBONS: SECOND.

15 CHAIRMAN KLEIN: DISCUSSION?

16 MS. SAMUELSON: CHAIRMAN, DON'T WE QUALIFY  
17 APPLICATIONS TO THE STAFF, SOME OF THE APPLICATIONS  
18 WHERE THEY WANTED TO CHANGE SOME OF THE AIMS?

19 CHAIRMAN KLEIN: WELL, WE DID THAT ON THE  
20 MOTION TO APPROVE, SO WE DON'T HAVE TO DO THAT ON  
21 THE MOTION TO --

22 MS. SAMUELSON: GOT IT. THANK YOU.

23 CHAIRMAN KLEIN: THANK YOU. HELPFUL  
24 REMINDERS ARE ALWAYS APPRECIATED. SO PUBLIC  
25 COMMENT? I'D LIKE TO CALL THE QUESTION AND HAVE A

**BARRISTERS' REPORTING SERVICE**

1 ROLL CALL VOTE, PLEASE.

2 MS. KING: THE RESPONSE SHOULD BE THE SAME  
3 AS FOR THE PREVIOUS MOTION, CORRECT?

4 CHAIRMAN KLEIN: YES. CONDITION YOUR  
5 RESPONSE EXCEPT FOR THOSE WITH WHICH YOU HAVE A  
6 CONFLICT.

7 MS. KING: ROBERT BIRGENEAU.

8 DR. BIRGENEAU: YES, EXCEPT FOR THOSE WITH  
9 WHICH I HAVE CONFLICTS.

10 MS. KING: DAVID BRENNER.

11 DR. BRENNER: YES, EXCEPT FOR THOSE WITH  
12 WHICH I HAVE CONFLICTS.

13 MS. KING: MARCH FEIT.

14 MS. FEIT: YES, EXCEPT FOR THOSE WITH  
15 WHICH I HAVE CONFLICTS.

16 MS. KING: MICHAEL FRIEDMAN.

17 DR. FRIEDMAN: YES, EXCEPT FOR THOSE WITH  
18 WHICH I HAVE CONFLICTS.

19 MS. KING: LEEZA GIBBONS.

20 MS. GIBBONS: YES.

21 MS. KING: MICHAEL GOLDBERG.

22 MR. GOLDBERG: YES, EXCEPT FOR THOSE WITH  
23 WHICH I HAVE CONFLICTS.

24 MS. KING: SAM HAWGOOD.

25 DR. HAWGOOD: YES, EXCEPT FOR THOSE WITH

**BARRISTERS' REPORTING SERVICE**

1 WHICH I HAVE CONFLICTS.

2 MS. KING: BOB KLEIN.

3 CHAIRMAN KLEIN: YES.

4 MS. KING: BERTRAM LUBIN.

5 DR. LUBIN: YES, EXCEPT FOR THOSE WITH  
6 WHICH I HAVE CONFLICTS.

7 MS. KING: PHIL PIZZO.

8 DR. PIZZO: YES, EXCEPT FOR THOSE WITH  
9 WHICH I HAVE CONFLICTS.

10 MS. KING: CLAIRE POMEROY.

11 DR. POMEROY: YES, EXCEPT FOR THOSE WITH  
12 WHICH I HAVE CONFLICTS.

13 MS. KING: FRANCISCO PRIETO.

14 DR. PRIETO: YES, EXCEPT FOR THOSE WITH  
15 WHICH I HAVE CONFLICTS.

16 MS. KING: ELIZABETH FINI.

17 DR. FINI: YES.

18 MS. KING: ROBERT QUINT.

19 DR. QUINT: YES.

20 MS. KING: DUANE ROTH.

21 MR. ROTH: YES.

22 MS. KING: JOAN SAMUELSON.

23 MS. SAMUELSON: YES.

24 MS. KING: JEFF SHEEHY.

25 MR. SHEEHY: YES, EXCEPT FOR THOSE WITH

**BARRISTERS' REPORTING SERVICE**

1 WHICH I HAVE CONFLICTS.

2 MS. KING: ART TORRES.

3 MR. TORRES: AYE.

4 MS. KING: KRISTINA VUORI.

5 DR. VUORI: YES, EXCEPT FOR THOSE WITH  
6 WHICH I HAVE CONFLICTS.

7 MS. KING: JAMES ECONOMOU.

8 DR. ECONOMOU: YES, EXCEPT FOR THOSE WITH  
9 WHICH I HAVE CONFLICTS.

10 MS. KING: DAVID SERRANO-SEWELL, DID YOU  
11 WANT TO CAST A VOTE ON THAT MOTION?

12 MR. SERRANO-SEWELL: YES.

13 MR. HARRISON: CHAIR, JUST TO BE CLEAR, IF  
14 WE COULD HAVE MR. SERRANO-SEWELL VOTE ON THE  
15 PRECEDING MOTION AS WELL, WHICH WAS TO APPROVE FOR  
16 FUNDING THOSE RECOMMENDED APPLICATIONS ALONG WITH  
17 THE PROPOSED MODIFICATIONS RECOMMENDED BY THE GRANTS  
18 WORKING GROUP.

19 MR. SERRANO-SEWELL: AYE ON BOTH MOTIONS.

20 CHAIRMAN KLEIN: COUNSEL, DO I NEED TO --  
21 CAN I AS CHAIR DECIDE TO HAVE THE MOTION OPEN FOR  
22 THAT ADDITIONAL VOTE?

23 MR. HARRISON: YES.

24 CHAIRMAN KLEIN: WITHOUT A VOTE I CAN.  
25 BOTH MOTIONS ARE OPEN TO INCORPORATE DAVID



**BARRISTERS' REPORTING SERVICE**

1 SERRANO-SEWELL'S VOTE.

2 MS. KING: FOR THE RECORD, HIS VOTE IS AYE  
3 FOR BOTH.

4 CHAIRMAN KLEIN: OKAY. THANK YOU VERY  
5 MUCH.

6 CONSIDERING TIME HERE, I'D LIKE TO MOVE  
7 THOUGHTFULLY, BUT RELATIVELY QUICKLY THROUGH SOME  
8 ITEMS AFTER I GET ADVICE FROM COUNSEL.

9 MR. HARRISON: CHAIR, AS YOU KNOW, OUR  
10 QUORUM CHANGES BASED ON THE CONFLICTS FOR EACH  
11 APPLICATION. SO IF WE COULD LEAVE THE VOTE ON THOSE  
12 TWO MOTIONS OPEN IN THE EVENT THAT WE NEED DR.  
13 PENHOET TO RETURN TO VOTE ON THE MATTER, THAT WOULD  
14 BE HELPFUL.

15 CHAIRMAN KLEIN: OUT OF LEGAL  
16 CONSERVATISM, I WOULD JUST LIKE A VOICE VOTE OF THE  
17 BOARD ON KEEPING THOSE MOTIONS OPEN? I'D LIKE TO  
18 MAKE A MOTION TO KEEP BOTH OF THOSE OPEN FOR A VOTE.  
19 IS THERE A SECOND?

20 MR. ROTH: SECOND.

21 CHAIRMAN KLEIN: SECOND BY DUANE ROTH.  
22 ALL IN FAVOR.

23 (CHORUS OF AYES.)

24 CHAIRMAN KLEIN: OPPOSED? I JUST LIKE  
25 FORMALLY TO HAVE A TIGHT RECORD. THANK YOU.

## BARRISTERS' REPORTING SERVICE

1 IF I CAN, AT THIS POINT I'D LIKE TO GO  
2 QUICKLY TO ITEM 12, AND THEN I'M GOING TO GO, FOR  
3 PURPOSES OF KEEPING THE GRANT REVIEWS WORKING  
4 QUICKLY, I THINK WE CAN DO ITEM 13 AND THEN ITEM 15.  
5 I BELIEVE WE HAVE TIME TO GET THROUGH THOSE, THEN  
6 I'LL DOUBLE BACK TO ITEMS WHICH HAVE LESS TIME  
7 SENSITIVITY.

8 THAT'S A VERY GOOD POINT. MELISSA KING  
9 POINTED OUT TO ME THAT TIME SENSITIVITY AFFECTS ITEM  
10 9. DR. TROUNSON, I THINK WE SHOULD PROCEED ON THAT  
11 BEFORE I GO TO ITEM 12. WHO WOULD YOU LIKE TO  
12 PRESENT ON ITEM 9?

13 DR. TROUNSON: DR. OLSON WILL PRESENT THIS  
14 TO THE BOARD.

15 DR. OLSON: MR. CHAIRMAN, MEMBERS OF THE  
16 BOARD, STAFF, AND GUESTS, I'D JUST LIKE TO BRING TO  
17 YOUR ATTENTION THE AWARD WHICH IS THE EARLY  
18 TRANSLATION REVIEW WHICH YOU CONSIDERED AT YOUR  
19 MEETING IN OCTOBER, WHICH HAS, BECAUSE OF MANY  
20 PRESSING MATTERS, NOT BEEN ABLE TO BE BROUGHT  
21 FORWARD TO THE BOARD FOR THE LAST TWO MEETINGS. I  
22 JUST WANT TO REMIND YOU OF WHERE THIS WAS.

23 AT YOUR OCTOBER MEETING YOU AGREED TO  
24 POSTPONE ACTION ON THIS APPLICATION AND REFER, UNDER  
25 THE PROCESS YOU JUST CITED, TO THE ADMINISTRATIVE

## BARRISTERS' REPORTING SERVICE

1 CHAIRS AND TO THE PRESIDENT AND TO STAFF TO DISCUSS  
2 WITH THE APPLICANT AND RECOMMEND TO THE BOARD  
3 WHETHER A PORTION OF THIS APPLICATION COULD BE  
4 REFORMULATED AS A DEVELOPMENT CANDIDATE AWARD TO BE  
5 FUNDED UNDER AN EARLY TRANSLATIONAL RFA.

6 LET ME JUST REMIND YOU THAT THIS WAS A  
7 STUDY, A PROPOSAL TO STUDY THE MECHANISMS OF AND TO  
8 PURSUE APPROACHES TO MODIFY NEURAL INFLAMMATION AS A  
9 MEANS FOR TREATING PARKINSON'S DISEASE.

10 SO I JUST WANT TO TELL YOU THAT WE HAVE  
11 WORKED WITH THE APPLICANT, WITH THE ADMINISTRATIVE  
12 CHAIR OF THE GRANTS WORKING GROUP, AND WE HAVE  
13 STREAMLINED THE PROPOSAL TO FOCUS ON SPECIFIC  
14 OBJECTIVES THAT ARE FEASIBLE AND MEET THE  
15 REQUIREMENTS OF THE DEVELOPMENT CANDIDATE  
16 FEASIBILITY AWARD.

17 THE PROPOSED FOCUS IS TO DEVELOP AND  
18 VALIDATE NEURAL CELL ASSAYS USING IPSC FROM  
19 PARKINSON'S DISEASE PATIENTS AS WELL AS CONTROL  
20 PATIENTS AND TO ASSESS THE ROLE OF INFLAMMATORY  
21 STIMULI ON THEIR READOUTS AND TO USE THESE ASSAYS TO  
22 TEST CANDIDATE SMALL MOLECULES FOR THEIR EFFECT ON  
23 THE NEURAL INFLAMMATORY RESPONSE IN PARKINSON'S  
24 DISEASE IPSC.

25 WE ARE, AS PART OF THIS, RETAINING A KEY

## BARRISTERS' REPORTING SERVICE

1 COLLABORATION WITH A PARTNER PI WHO DOES HAVE THE  
2 PATIENTS IDENTIFIED WHO WOULD PROVIDE THE SAMPLES.

3 WE HAVE ALIGNED THE PROJECT COSTS WITH THE  
4 REQUIREMENT OF THE DCF AWARD AND REDUCED THE COST TO  
5 1.4 MILLION. THE TOTAL FUNDS REQUESTED ARE WITHIN  
6 THE RANGE OF APPROVED DCF AWARDS WHICH RANGE FROM  
7 1.5 TO 2.3 MILLION, BUT I DO HAVE TO LET YOU KNOW  
8 THAT THE DIRECT PROJECT COSTS IN THIS AWARD ARE  
9 SLIGHTLY OVER THE MAXIMUM THAT WERE SET. SO I WANT  
10 YOU AS A BOARD TO RECOGNIZE THAT WHAT YOU APPROVED  
11 IN CONCEPT IS BEING SLIGHTLY EXCEEDED HERE EVEN  
12 THOUGH THE TOTAL COSTS ARE WITHIN THE RANGE, JUST SO  
13 THAT WE'RE AWARE OF THAT AND YOU KNOW.

14 BUT I WOULD NOTE THAT THE APPLICANT WORKED  
15 CLOSELY WITH US AND WITH THE BEST INTENTIONS TO  
16 ACTUALLY BRING THE AWARD WITHIN PARAMETERS THAT WERE  
17 VERY CLOSE TO WHAT WAS REQUESTED.

18 SO WITH THAT, MELISSA, I WOULD LIKE TO  
19 REQUEST ICOC APPROVAL TO APPROVE APPLICATION  
20 TR-201778 FOR FUNDING AS A DCF WITH FUNDING OF 2.13  
21 MILLION.

22 DR. PRIETO: SO MOVED.

23 CHAIRMAN KLEIN: IS THERE A SECOND?

24 MR. TORRES: SECOND.

25 CHAIRMAN KLEIN: SENATOR TORRES.

## BARRISTERS' REPORTING SERVICE

1 MS. SAMUELSON: MR. CHAIRMAN, I HAVE  
2 FURTHER INPUT ON THIS.

3 CHAIRMAN KLEIN: WE'RE GOING TO GET A  
4 COMMENT FROM JOAN. WE ALSO HAVE A LETTER IN OUR  
5 BOOKS FROM DR. SLADEK, WHO IS THE ADMINISTRATIVE  
6 CHAIR.

7 MS. SAMUELSON: I CAN SPEAK TO THAT.

8 CHAIRMAN KLEIN: THEN, JOAN, YOU HAVE THE  
9 FLOOR.

10 MS. SAMUELSON: THANK YOU. I THINK I'M  
11 SAYING THE SAME THING AS DR. OLSON, BUT MAYBE SAYING  
12 IT A LITTLE DIFFERENTLY. AT THE LAST BOARD MEETING,  
13 WE VOTED TO SEND THIS TO A THREE-WAY DISCUSSION  
14 BETWEEN DR. TROUNSON AND THE APPLICANT, DR. GAGE,  
15 AND DR. SLADEK, THE ADMINISTRATIVE CHAIR OF THE  
16 GRANTS WORKING GROUP, FOR THEIR COLLABORATIVE  
17 DECISION ABOUT WHAT WOULD BE THE BEST OUTCOME. FOR  
18 SOME REASON OR OTHER, DR. TROUNSON AND DR. GAGE  
19 SPOKE, AND IT WASN'T A THREE-WAY CONVERSATION. SO  
20 DR. SLADEK HAD A SEPARATE CALL WITH DR. GAGE, AND I  
21 CAN REPORT ON THAT.

22 AND IT'S INFLUENCED BY THE FACT THAT I  
23 ASKED DR. SLADEK TO BE SURE THAT WE KNEW A FEW  
24 THINGS ABOUT WHAT THE OPPORTUNITIES WERE FOR FUNDING  
25 ASIDE FROM JUST A LOWER NUMBER, WHICH WAS ONE

## BARRISTERS' REPORTING SERVICE

1 OPTION, AND WHETHER BOTTOM LINE DR. GAGE COULD USE  
2 MORE MONEY THAN THE 1. --

3 DR. OLSON: THE AWARD IS FOR 2.14 MILLION.

4 MS. SAMUELSON: THE AMOUNT REQUESTED IN  
5 THE GRANT WAS THREE NINE, IS THAT CORRECT?

6 DR. OLSON: THE AMOUNT OF -- THE REQUESTED  
7 AWARD WAS INITIALLY TO GET A DEVELOPMENT CANDIDATE,  
8 IN WHICH CASE THERE WAS MORE FUNDING. IT WAS THE  
9 OPINION OF THE GRANTS WORKING GROUP THAT THE AWARD  
10 IN NO WAY WAS FEASIBLE TO ACHIEVE A DEVELOPMENT  
11 CANDIDATE.

12 MS. SAMUELSON: OKAY. I DISAGREE WITH  
13 THAT CHARACTERIZATION, BUT I THINK THAT'S A  
14 CONVERSATION FOR ANOTHER DAY. HERE'S THE BOTTOM  
15 LINE OF THE OTHER PIECE OF IT. I READ VERY  
16 CAREFULLY AND HAVE TAKEN VERY SERIOUSLY THE  
17 RECOMMENDATIONS OF THE EXTERNAL ADVISORY PANEL. AND  
18 AFTER PRAISING US FOR WHAT WE'VE DONE IN OUR FIRST  
19 CHAPTER, THEY THEN VERY STRONGLY OVER AND OVER IN  
20 THE DOCUMENT TOLD US WE SHOULD BE OPERATING MORE  
21 PROACTIVELY, MORE AGGRESSIVELY, NOT IN THE MORE  
22 TRADITIONAL WAYS OF FUNDING, BUT TRYING TO GET THE  
23 BEST AND SPEEDIEST CURES POSSIBLE.

24 AND SO IN THAT LIGHT, IN THAT LIGHT, I AM  
25 ASKING THAT YOU LISTEN TO DR. SLADEK'S COMMENTS, AND

## BARRISTERS' REPORTING SERVICE

1 THERE'S JUST A FEW BRIEF POINTS.

2 FIRST OF ALL, THE SCIENCE IS VERY STRONG  
3 AND VERY IMPORTANT FOR DEVELOPMENT OF PARKINSON'S  
4 DISEASE AND MANY OTHER DISEASES, HE SAID. IT MAKES  
5 A CLEVER USE OF PATIENT-SPECIFIC IPSC'S TO TEST  
6 NOVEL COMPOUNDS. TIMELY ANALYSIS OF THE ROLE OF  
7 INFLAMMATION THAT'S BEEN LOOKED AS A CAUSE OF  
8 PARKINSON'S SINCE THE '70S, DR. SLADEK SAYS. AND  
9 NOW, FINALLY, THAT FIELD IS REALLY BREAKING OPEN.  
10 IT'S VERY EXCITING, THERE ARE LOTS OF OPPORTUNITIES,  
11 AND IT'S VERY EXCITING TO HIM THAT DR. GAGE WOULD  
12 WANT TO GET INTO THIS FIELD. HE HAS NOT BEEN IN THE  
13 PARKINSON'S FIELD BEFORE.

14 AND DR. GAGE HAS ASSEMBLED A WORLD-CLASS  
15 TEAM, INCLUDING THE TEAM AT THE HOSPITAL IN -- IS  
16 THAT GERMANY -- EUROPE IN ANY CASE. HE SAID HE HAS  
17 NEVER WITNESSED SUCH A PASSION TO SUCCEED AS HE SEES  
18 IN DR. GAGE, AND THAT WE HAVE AN IMPORTANT  
19 OPPORTUNITY, UNIQUE OPPORTUNITY TO ADVANCE  
20 PARKINSON'S RESEARCH USING A CLEVER AND MEANINGFUL  
21 APPROACH TO BY TESTING NOVEL DRUG CANDIDATES ON  
22 PATIENT-SPECIFIC CELLS IN THE CENTRAL NERVOUS  
23 SYSTEM, TO WHICH I WOULD ADD IT'S PRETTY CLEAR TO ME  
24 THAT DR. GAGE COULD USE EVERY NICKEL THAT WE GIVE  
25 HIM UP TO ORIGINAL REQUESTED AMOUNT, AN ADDITIONAL

## BARRISTERS' REPORTING SERVICE

1 MILLION BEYOND, A MILLION PLUS BEYOND THE AMOUNT  
2 THAT WE ARE BEING RECOMMENDED TO FUND HIM BY STAFF.

3 I CAN'T IMAGINE ANY REASON TO NOT GIVE HIM  
4 THE FULL AMOUNT. THERE'S A WORLD-CLASS TEAM,  
5 THERE'S AN EXTREMELY IMPORTANT AREA OF SCIENCE THAT  
6 WE COULD JUMP INTO INSTEAD OF TIP-TOEING AND MOVING  
7 VERY SLOWLY. AND WE'RE BEING URGED TO DO THAT OVER  
8 AND OVER BY OUR OWN EXTERNAL ADVISORY TEAM.

9 DR. SLADEK ENDS BY SAYING, "I WOULD GIVE  
10 THEM EVERY OPPORTUNITY NOT TO FAIL." WHAT I GATHER  
11 HE MEANS BY THAT IS THAT HE DOESN'T WANT TO SEE  
12 SMALLER STEPS OVER AND OVER, BUT LET HIM HAVE ALL  
13 THE AMMUNITION HE NEEDS TO SUCCEED QUICKLY. AND  
14 THAT'S MOST CERTAINLY WHAT I WANT US TO DO. AND SO  
15 I WOULD URGE US TO FUND AT THE FULL 3.9 ORIGINALLY  
16 REQUESTED.

17 CHAIRMAN KLEIN: SO, JOAN, DR. SLADEK  
18 RECOMMENDED A \$200,000 INCREASE, AND YOU ARE TAKING  
19 A DIFFERENT POSITION?

20 MS. SAMUELSON: I AM. I AM. BECAUSE MY  
21 UNDERSTANDING OF THE 200,000 IS THAT DR. GAGE WAS  
22 ASKED BY STAFF TO REDUCE THE GRANT.

23 CHAIRMAN KLEIN: RIGHT.

24 MS. SAMUELSON: BE CONSISTENT WITH THE  
25 NOTION THAT IT SHOULD BE SMALLER BECAUSE IF IT WERE



## BARRISTERS' REPORTING SERVICE

1 A DCF INSTEAD OF A DC, IS THE INITIALS, SO HE WAS  
2 RESTORING THAT AMOUNT.

3 CHAIRMAN KLEIN: SO IF I COULD GET DR.  
4 TROUNSON'S COMMENTS AND THEN DR. OLSON'S COMMENTS,  
5 PLEASE.

6 DR. TROUNSON: SO JUST A COUPLE OF THINGS,  
7 CHAIR. IN THE DISCUSSION WE HAD OVER THIS PROJECT,  
8 AND IT WAS THE REVIEWER'S VIEW AS WELL, AND WAS VERY  
9 PRIMARY THAT PART OF THAT WORK WAS NOT PARTICULARLY  
10 APPROPRIATE BECAUSE THERE'S NO METHOD FOR DEVELOPING  
11 MICROGLIA. AND SO THERE WAS -- THERE WAS A MAJOR  
12 AIM TAKEN OUT OF THE STUDIES, AND THAT WAS THE  
13 DISCUSSION THAT ALL OF US HAD WITH DR. GAGE. THERE  
14 WAS A THREE-WAY DISCUSSION, WHICH INCLUDED ALL OF US  
15 AND ALSO INCLUDED GIL SAMBRANO. AND WE CAME TO THE  
16 AGREEMENT THAT THE FUNDING LEVEL THAT WE PROPOSED  
17 WAS APPROPRIATE. THAT WAS THE AGREEMENT THAT WE HAD  
18 COME TOGETHER WITH DR. GAGE OVER THE RESCHEDULED  
19 STUDIES.

20 AND SO THE MICROGLIA AND THE OTHER  
21 COMPONENTS, HE CAN ACTUALLY GET THEM NOW ANYWAY. HE  
22 DOESN'T HAVE TO MAKE THEM, SO IT'S NOT A CRITICAL  
23 PART OF THE PATHWAY. SO IT'S NOT IMPORTANT. THAT'S  
24 NOT IMPORTANT. HE CAN ACTUALLY PURCHASE THOSE.  
25 THEY'RE AVAILABLE COMMERCIALY. SO WE WENT THROUGH

**BARRISTERS' REPORTING SERVICE**

1 ALL OF THESE DETAILS WITH HIM. AND WE CAME TO THE  
2 AGREEMENT THAT THAT WOULD BE A SUITABLE GRANT AT  
3 THAT LEVEL RECOMMENDED BY THE STAFF.

4 OF COURSE, ANY SCIENTIST COULD USE ANOTHER  
5 200,000. THAT'S NOT A DEBATE, NOT AT ALL. HE'S A  
6 GOOD SCIENTIST, NO DEBATE ABOUT THAT, NONE AT ALL.  
7 SO I THINK IT WAS THE AGREEMENT THAT WE ALL CAME  
8 TOGETHER WITH IN A SINGLE PHONE CALL WHERE GIL  
9 SAMBRANO, MYSELF, AND ADMINISTRATIVE CHAIR WERE  
10 TALKING TO DR. GAGE OVER THIS PARTICULAR MATTER.

11 CHAIRMAN KLEIN: DR. OLSON, YOU HAD A  
12 COMMENT. I'D LIKE TO SAY THAT THE SCIENTIFIC STAFF  
13 PUTS A LOT OF PASSION AND COMMITMENT INTO THIS  
14 PROCESS. WE DEEPLY APPRECIATE THEIR REALLY SERIOUS  
15 DELVING INTO THESE GRANTS TO FIGURE OUT HOW WE CAN  
16 SALVAGE THE BEST OF THE SCIENCE, AND THOSE POINTS  
17 THAT ARE SOMEWHAT PREMATURE ARE DEFERRED TO ANOTHER  
18 ROUND. THANK YOU VERY MUCH FOR ALL OF YOUR  
19 COMMITTED EFFORT. DR. OLSON.

20 DR. OLSON: I THINK I'LL JUST DEFER MY  
21 COMMENTS FOR NOW.

22 CHAIRMAN KLEIN: OKAY. THANK YOU. DO WE  
23 HAVE A MOTION ON THE FLOOR? THAT'S RIGHT. CAN WE  
24 RESTATE THE MOTION, JAMES?

25 MR. HARRISON: MOTION IS TO APPROVE

## BARRISTERS' REPORTING SERVICE

1 FUNDING FOR EARLY TRANSLATION TO APPLICATION 1778 AS  
2 A DCF WITH FUNDING OF \$2,136,404.

3 DR. OLSON: AND WITH AIMS AS MODIFIED IN  
4 JOINT DISCUSSION.

5 CHAIRMAN KLEIN: SO, JAMES, YOU WANT TO  
6 PUT THAT ON THE RECORD.

7 MR. HARRISON: WITH AIMS AS MODIFIED IN  
8 JOINT DISCUSSION.

9 CHAIRMAN KLEIN: THANK YOU. JEFF SHEEHY.

10 MR. SHEEHY: ARE THE MAKERS OF THE MOTION  
11 PREPARED TO ACCEPT JOAN'S AMENDMENT?

12 DR. PRIETO: WHAT WOULD --  
13 SPECIFICALLY WHAT WOULD THE AMENDMENT BE?

14 MR. SHEEHY: FULL FUNDING.

15 DR. PRIETO: FULL FUNDING AS A  
16 DEVELOPMENTAL CANDIDATE?

17 MS. SAMUELSON: YES.

18 DR. PRIETO: I THINK DR. OLSON WANTS TO  
19 WEIGH IN ON THIS.

20 MS. SAMUELSON: AND IT MIGHT BE. IT MIGHT  
21 BE THAT, AND THIS IS JUST MY SUPPOSITION. NO ONE  
22 SAID THIS. SO PLEASE DON'T QUOTE ME ON THIS. BUT  
23 IT MIGHT BE THAT THEY MIGHT NOT BE READY FOR AN IND  
24 IN THREE YEARS. IN THIS EXTREMELY INNOVATIVE,  
25 GROUNDBREAKING, IMPORTANT BEYOND EVEN PARKINSON'S

## BARRISTERS' REPORTING SERVICE

1 FIELD OF ENDEAVOR, THEY WILL LEARN AN ENORMOUS  
2 AMOUNT. THEY WILL MOVE THE FIELD WAY AHEAD, AND  
3 THEY MIGHT NOT BE READY FOR AN IND. AND WHAT I  
4 UNDERSTOOD FROM THE EXTERNAL ADVISORY PANEL WAS  
5 THESE DISTINCTIONS ARE NOT IMPORTANT. YOU SHOULD BE  
6 SURE YOU ARE FUNDING GREAT WORLD-CLASS SCIENCE, AND  
7 YOU SHOULD BE SURE THAT YOU ARE PUSHING EVERY DAY  
8 AND THAT THEY HAVE ENOUGH MONEY TO, AS DR. SLADEK  
9 SAID, NOT FAIL, FAIL BY LITTLE STUTTER STEPS.

10 AS I UNDERSTAND IT, HE'S CUTTING HIS FTE  
11 FROM FIVE SOMETHING TO TWO SOMETHING. SO THEY ARE  
12 NOT GOING TO BE MOVING WITH BOLD LEAPS BECAUSE THEY  
13 WON'T HAVE ENOUGH MONEY FOR THAT GRANT. AND SO I'M  
14 SAYING GIVE THEM ALL THE MONEY THAT THEY SAID THEY  
15 NEED.

16 I VOTED FOR AN INFINITE NUMBER OF BASIC  
17 BIOLOGY GRANTS WHERE OUR JOB WAS TO LOOK AT WHETHER  
18 THEY ARE DOING GOOD SCIENCE, AND THEN THEY WERE  
19 ALLOWED TO ALWAYS USE THE FUNDING LEVEL THAT THEY  
20 SAID THEY NEEDED. WE WEREN'T SUPPOSED TO GET INTO  
21 MICROMANAGING. NOW WE ARE. AND THAT'S A  
22 DISTINCTION I DON'T UNDERSTAND, AND I REALLY THINK  
23 THE EXTERNAL ADVISORY PANEL IS SPEAKING LOUD AND  
24 CLEAR IN THIS KIND OF FACT SITUATION.

25 CHAIRMAN KLEIN: LET ME ASK. IS THE MAKER

## BARRISTERS' REPORTING SERVICE

1 OF THE MOTION AND THE SECOND, ARE THEY PREPARED TO  
2 AMEND, OR WHAT IS YOUR MOTION?

3 MS. SAMUELSON: I'M SORRY YOU'RE BEING PUT  
4 ON THE SPOT.

5 DR. PRIETO: YOU AREN'T NOT PUTTING ME ON  
6 THE SPOT. I WANT TO BE A GOOD STEWARD OF THE FUNDS  
7 THAT WE'RE ENTRUSTED WITH.

8 MS. SAMUELSON: AS DO I.

9 DR. PRIETO: THE QUESTION IN MY MIND IS  
10 WOULD THEY FAIL TO PROCEED WITH THEIR WORK IF WE DO  
11 NOT FUND THEM AT THE HIGHER LEVEL?

12 MS. SAMUELSON: THEY'LL DO LESS. THAT'S  
13 ALL. THAT'S THE ONLY CRIME HERE.

14 CHAIRMAN KLEIN: JOAN, LET ME ASK JEFF.

15 MR. SHEEHY: YOU KNOW, IN THE SPIRIT OF  
16 TRYING TO COMPROMISE, I DO THINK WHAT DR. SLADEK  
17 SAID IS VALUABLE. IT'S UNDER TAB 9. AND I THINK I  
18 HAVE AN ENORMOUS AMOUNT OF RESPECT FOR DR. SLADEK,  
19 AND HE MAKES A VERY SPECIFIC RECOMMENDATION, WHICH I  
20 FIND VERY COMPELLING, NOTWITHSTANDING THE REMOVAL OF  
21 THE AIM.

22 I'LL QUOTE, BECAUSE HE'S REDUCED HIS  
23 WORKFORCE FOR THIS PROJECT FROM 5.4 FTE TO 2.2 FTE,  
24 IT'S LOGICAL THAT THE PACE WOULD BE ACCELERATED WITH  
25 MORE STAFF. WHEN I ASKED FOR MORE SPECIFICS, HE

## BARRISTERS' REPORTING SERVICE

1 MENTIONED ANOTHER \$200,000 IN DIRECT COSTS SPREAD  
2 OVER THREE YEARS WOULD ALLOW HIM TO MORE  
3 ADVANTAGEOUSLY STAFF THE PROJECT. I AGREE BASED ON  
4 THE COMPLEXITY OF THE SCIENCE.

5 YOU KNOW, AT LEAST, YOU KNOW, IF THE MAKER  
6 IS NOT WILLING TO FUND FULLY, I THINK BASED -- I'M  
7 SITTING HERE WATCHING. SO TIME MATTERS, AT LEAST  
8 WHERE JOAN IS CONCERNED. IF THIS MAKES THIS GO  
9 FASTER, IT'S VERY HARD FOR ME NOT TO SUPPORT THAT.

10 DR. PRIETO: AS BOB POINTED OUT, THERE ARE  
11 PATIENTS BEHIND EVERY SINGLE ONE OF THESE.

12 MS. SAMUELSON: IT'S NOT ABOUT ME.

13 DR. PRIETO: I APPRECIATE THAT, AND I KNOW  
14 THAT. YOU KNOW, I TRUST YOU ABSOLUTELY ON THIS KIND  
15 OF QUESTION. I THINK I'D BE MORE COMFORTABLE FULLY  
16 STAFFING HIS LAB AND ACCEPTING A -- MODIFYING IT TO  
17 ADD \$200,000 TO ALLOW THAT STAFFING THAN CHANGING IT  
18 TO THE OTHER CATEGORY OF A DEVELOPMENTAL CANDIDATE  
19 RATHER THAN A DCF.

20 THIS IS AS A DCF. WHAT I THINK THAT JEFF  
21 IS TALKING ABOUT WHAT DR. SLADEK PROPOSED IS ADDING  
22 200,000 RATHER THAN MOVING IT UP INTO THE OTHER  
23 CATEGORY IN ORDER TO ALLOW HIM TO FULLY STAFF THE  
24 LAB, THAT THAT WOULD IMPROVE THE PRODUCTIVITY.

25 MR. SHEEHY: WOULD YOU TAKE THAT AS A

**BARRISTERS' REPORTING SERVICE**

1 FRIENDLY AMENDMENT?

2 DR. PRIETO: I WOULD TAKE THAT AS A  
3 FRIENDLY AMENDMENT.

4 MS. KING: TORRES.

5 CHAIRMAN KLEIN: SENATOR TORRES, DO YOU  
6 ACCEPT THE AMENDMENT?

7 MR. TORRES: YES.

8 DR. OLSON: I WOULD LIKE TO JUST MAKE A  
9 FEW COMMENTS NOW. AN ADDITIONAL 200,000 IN DIRECT  
10 COST WILL PROBABLY TRANSLATE TO AN ADDITIONAL THREE  
11 TO 400. IRRESPECTIVE OF THE MONEY, I WANT TO POINT  
12 OUT SOMETHING ABOUT THE PROCESS.

13 THIS WAS THE SUBJECT OF A REVIEW. YOU ARE  
14 HAVING THE COMMENTS NOW FROM ONE MEMBER OF THE  
15 REVIEW TEAM AS WELL AS TWO MEMBERS OF THE TEAM. SO  
16 I WANT TO POINT THAT OUT.

17 I WOULD ALSO POINT OUT THAT IF YOU HAD IN  
18 FRONT OF YOU THE SUMMARY FOR THIS REVIEW, WHAT YOU  
19 WOULD SEE IS THAT ASIDE FROM THE CRITICISM OF THAT  
20 THEY DIDN'T THINK IT WAS FEASIBLE TO GET TO A  
21 DEVELOPMENT CANDIDATE, THAT MANY OF THE ACTIVITIES  
22 IN THIS AWARD FELL UNDER THE PURVIEW OF BASIC  
23 RESEARCH AND WOULD BE WELL DIRECTED THERE.

24 IN POINT OF FACT, THIS WAS A SUBJECT OF A  
25 LENGTHY PROGRAMMATIC DISCUSSION AS WELL AT THAT

## BARRISTERS' REPORTING SERVICE

1 SESSION. AND AT THAT ONE THE REVIEW PANEL EVEN  
2 WOULD NOT ACCEPT A RECOMMENDATION TO MOVE THIS TO A  
3 DCF BECAUSE OF THE FACT THAT THEY THOUGHT IT HAD A  
4 LOT OF BASIC ELEMENTS IN IT.

5 NOW, AND I APPRECIATE JOAN AND DR.  
6 SLADEK'S DESIRE TO MOVE IT INTO THE DCF CATEGORY FOR  
7 ALL THE REASONS THAT HAVE BEEN CITED, THAT IT'S  
8 GREAT TO BRING A RESEARCHER OF THE RENOWN OF THE  
9 APPLICANT INTO THE FIELD. I APPRECIATE THAT. BUT I  
10 DO THINK IT DOES A DISSERVICE TO THE REVIEW PANEL TO  
11 ESSENTIALLY HAVE AN ADDITIONAL OPPORTUNITY FOR ONE  
12 MEMBER OF THAT TO HAVE SUCH A SAY; WHEREAS, THE  
13 GROUP AS A WHOLE, WHO INCLUDED OTHER NEURAL BIOLOGY  
14 EXPERTS, I WOULD REMIND YOU, TO NOT HAVE THAT SAY.

15 CHAIRMAN KLEIN: DR. OLSON, IN THIS CASE  
16 IT'S THE ADMINISTRATIVE CHAIR WHO'S MAKING THE  
17 RECOMMENDATION THAT IS IN THE AMENDED MOTION, NOT  
18 JOAN'S PROPOSAL. BUT WHILE EVERY MEMBER IS VERY  
19 IMPORTANT, JEFF SHEEHY, COULD YOU PLEASE MAKE A  
20 COMMENT?

21 MR. SHEEHY: I'D LIKE TO MAKE A SPECIFIC  
22 POINT ABOUT THAT REVIEW. THEY DID RECOMMEND THAT HE  
23 APPLY IN THE BASIC BIOLOGY ROUND, AND THEY WERE TOLD  
24 THAT THERE WAS AN UPCOMING BASIC BIOLOGY ROUND THAT  
25 HE COULD APPLY FOR. WHAT THEY WERE NOT TOLD IS THAT



## BARRISTERS' REPORTING SERVICE

1 THE REVIEWS WOULD NOT BE PROVIDED TO THE SCIENTISTS  
2 UNTIL AFTER THE POINT AT WHICH THEY COULD APPLY FOR  
3 BASIC BIOLOGY. SO GRANTED, THEY WOULD HAVE BEEN --  
4 THEY WERE VERY ENTHUSIASTIC ABOUT THIS SCIENTIST AND  
5 THE SCIENCE. THEY THOUGHT IT WAS TOO PREMATURE.  
6 THIS IS THE REASON THAT WE WENT THROUGH THIS PROCESS  
7 OF SENDING IT BACK TO THE ADMINISTRATIVE CHAIR  
8 BECAUSE I DON'T KNOW WHAT THEY WOULD HAVE DONE IF  
9 THEY HAD KNOWN THAT DR. GAGE COULD NOT APPLY FOR THE  
10 BASIC BIOLOGY ROUND BECAUSE HE WOULDN'T HAVE GOTTEN  
11 HIS REVIEW BACK FROM THIS ROUND, KNOWING HE'D BEEN  
12 REJECTED AND ADVISED TO APPLY FOR BASIC BIOLOGY.

13 SO HE DOESN'T GET THE OPPORTUNITY TO APPLY  
14 FOR BASIC BIOLOGY FOR AT LEAST A YEAR. SO LET'S  
15 JUST BE HONEST ABOUT WHAT THE REVIEWERS WERE  
16 INFORMED OF AT THAT TIME. AND SO THEY HAD FULL  
17 EXPECTATION THAT HE WOULD BE ABLE TO APPLY AND GET  
18 FUNDED IN THE UPCOMING BASIC BIOLOGY ROUND, WHICH IS  
19 NOT TRUE.

20 CHAIRMAN KLEIN: WHAT'S IMPORTANT HERE IS  
21 THE STAFF WORKS IN GOOD FAITH, THE PEER REVIEW GROUP  
22 WORKS IN GOOD FAITH. VERY QUICKLY, IN A VERY SHORT  
23 DISCUSSION, THERE WERE SOME DATES THAT WEREN'T  
24 RECONCILED. THE TIMETABLES WEREN'T FIGURED OUT.  
25 JEFF HAS A VERY VALID POINT. I'D LIKE TO POINT OUT

## BARRISTERS' REPORTING SERVICE

1 THE STAFF WAS JUST TRYING TO BE HELPFUL IN  
2 INDICATING THERE WAS A BASIC BIOLOGY ROUND. SO THE  
3 INFORMATION, I THINK, IS ON THE TABLE.

4 DR. PRIETO: I JUST WOULD LIKE TO BRIEFLY  
5 MAKE MORE A GENERAL COMMENT. I VERY MUCH RESPECT  
6 WHAT DR. OLSON IS SAYING AND THE INCREDIBLE AMOUNT  
7 OF WORK THAT SHE AND HER SCIENTIFIC STAFF PUT INTO  
8 ALL OF THESE REVIEWS. BUT I JUST WANT TO REMIND ALL  
9 OF US THAT ONE OF THE REASONS THAT WE SIT HERE AS A  
10 BOARD AND THAT WE HAVE THIS PROCESS IS NOT SO THAT  
11 THEY CAN MAKE THE FINAL DECISION, BUT WE HAVE TO  
12 INDEPENDENTLY MAKE OUR OWN DECISION, INCLUDING  
13 MODIFYING RECOMMENDATIONS THAT THEY'VE SENT UP TO  
14 US. WITHOUT THAT, WE'VE REALLY VIOLATED OUR TRUST.

15 CHAIRMAN KLEIN: I'D LIKE TO SEE IF WE CAN  
16 WRAP THIS UP BECAUSE WE'VE GOT OTHER THINGS TO  
17 COVER. WE REALLY DEEPLY APPRECIATE THE SCIENTISTS  
18 ON OUR TEAM GOING THROUGH THIS PROCESS AND REALLY  
19 REFORMATTING AND RESCUING SOME GREAT WORK THAT HAS  
20 POTENTIAL HERE.

21 MR. ROTH: CONSIDERING ALL THAT, I THINK  
22 THIS IS THE RIGHT COMPROMISE, AND I'D LIKE TO CALL  
23 THE QUESTION.

24 CHAIRMAN KLEIN: ALL RIGHT. THE QUESTION  
25 HAS BEEN CALLED. PUBLIC COMMENT? SEEING NO PUBLIC

**BARRISTERS' REPORTING SERVICE**

1 COMMENT, COULD WE HAVE A ROLL CALL? AND AGAIN --

2 DR. FRIEDMAN: I'M GOING TO ASK FOR A  
3 CLEAR RESTATEMENT IF YOU DON'T MIND.

4 CHAIRMAN KLEIN: WE WILL HAVE CLEAR  
5 RESTATEMENT HERE. AND THEN I'D LIKE TO JUST REMIND  
6 EVERYONE AGAIN, BECAUSE WE HAVE NEW MEMBERS ON THE  
7 BOARD, MAKE SURE IF YOU HAVE ANY CONFLICTS --  
8 THERE'S NO CONFLICTS?

9 MR. HARRISON: THERE ARE. WE WILL NOT BE  
10 CALLING THE NAMES OF THOSE MEMBERS WITH CONFLICTS.  
11 THE MOTION, AS I UNDERSTAND IT, IS TO APPROVE EARLY  
12 TRANSLATION II APPLICATION 1778 FOR FUNDING AS A DCF  
13 WITH FUNDING OF \$2,136,404 WITH AIMS AS MODIFIED IN  
14 JOINT DISCUSSION WITH STAFF, PLUS AN ADDITIONAL  
15 200,000 IN DIRECT COST SPREAD OVER THREE YEARS.

16 MS. KING: ROBERT BIRGENEAU.

17 DR. BIRGENEAU: YES.

18 MS. KING: MARCY FEIT.

19 MS. FEIT: YES.

20 MS. KING: MICHAEL FRIEDMAN.

21 DR. FRIEDMAN: YES.

22 MS. KING: LEEZA GIBBONS.

23 MS. GIBBONS: YES.

24 MS. KING: MICHAEL GOLDBERG.

25 MR. GOLDBERG: YES.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: SAM HAWGOOD.  
2 DR. HAWGOOD: YES.  
3 MS. KING: BOB KLEIN.  
4 CHAIRMAN KLEIN: YES.  
5 MS. KING: BERTRAM LUBIN.  
6 DR. LUBIN: YES.  
7 MS. KING: ED PENHOET.  
8 DR. PENHOET: NO.  
9 MS. KING: PHIL PIZZO.  
10 DR. PIZZO: YES.  
11 MS. KING: CLAIRE POMEROY.  
12 DR. POMEROY: YES.  
13 MS. KING: FRANCISCO PRIETO.  
14 DR. PRIETO: AYE.  
15 MS. KING: ELIZABETH FINI.  
16 DR. FINI: YES.  
17 MS. KING: ROBERT QUINT.  
18 DR. QUINT: YES.  
19 MS. KING: DUANE ROTH.  
20 MR. ROTH: YES.  
21 MS. KING: JOAN SAMUELSON.  
22 MS. SAMUELSON: YES.  
23 MS. KING: DAVID SERRANO-SEWELL.  
24 MR. SERRANO-SEWELL: YES.  
25 MS. KING: JEFF SHEEHY.

**BARRISTERS' REPORTING SERVICE**

1 MR. SHEEHY: YES.

2 MS. KING: ART TORRES.

3 MR. TORRES: AYE.

4 MS. KING: JAMES ECONOMOU.

5 DR. ECONOMOU: YES.

6 CHAIRMAN KLEIN: THANK YOU VERY MUCH. WE  
7 ARE GOING TO MOVE ON TO ITEM 12 UNLESS COUNSEL HAS  
8 SOMETHING ELSE TO SAY, AND I'D LIKE TO EMPHASIZE TOO  
9 THAT, FOR THE BENEFIT OF THE PUBLIC, WE'D LOVE TO GO  
10 THROUGH THE AGENDA SEQUENTIALLY. BECAUSE WE HAVE  
11 SUCH A DISTINGUISHED PANEL, THERE ARE CRITICAL ITEMS  
12 THAT ARISE VERY LATE. SO DURING THE MEETING, I  
13 ACTUALLY FIND WHEN INDIVIDUALS ARE LEAVING, SO IN  
14 REAL-TIME I HAVE TO ADJUST THE SCHEDULE. AND PLEASE  
15 BE PATIENT WITH US BECAUSE I'M TRYING TO MAKE  
16 CERTAIN WE PICK THINGS UP IN AN ORDER THAT WE HAVE  
17 QUORUM AND WE MEET OUR CRITICAL PATH WITH THE  
18 AGENCY'S REQUIREMENTS AS WELL AS MAKING SURE WE HAVE  
19 THE INPUT OF CRITICAL INDIVIDUALS, SUCH AS SHERRY  
20 LANSING, WHO HAD TO LEAVE EARLIER TODAY, AT A TIME  
21 WHEN THEIR ITEM COMES UP. THANK YOU FOR YOUR  
22 UNDERSTANDING.

23 ITEM 12. THIS ITEM HAS BEEN DISCUSSED  
24 BEFORE. JAMES, WOULD YOU LIKE TO EXPLAIN THIS ITEM  
25 WHICH HAS BEEN DISCUSSED PREVIOUSLY BEFORE THIS

## BARRISTERS' REPORTING SERVICE

1 GROUP.

2 MR. HARRISON: AS YOU ALL WILL RECALL,  
3 SB 1064, WHICH WAS ENACTED LAST YEAR AND WENT INTO  
4 EFFECT ON JANUARY 1ST OF THIS YEAR, PERMITS THE  
5 BOARD TO ESTABLISH A DAILY CONSULTING RATE RATHER  
6 THAN A PER DIEM FOR THE PATIENT ADVOCATE MEMBERS OF  
7 THE BOARD, EXCLUDING THE CHAIR AND THE STATUTORY  
8 VICE CHAIR, FOR THEIR SERVICE TO THE WORKING GROUPS.

9 AS YOU WILL KNOW, PROP 71 REQUIRES THE  
10 PATIENT ADVOCATES TO MAKE A SUBSTANTIAL COMMITMENT  
11 TO THE AGENCY ABOVE AND BEYOND THE COMMITMENT THAT  
12 ALL OF YOU MAKE TO SERVE ON THE BOARD AND ON  
13 SUBCOMMITTEES AND TASK FORCES BECAUSE IT REQUIRES  
14 THEM TO ALSO SERVE THE INSTITUTE'S WORKING GROUPS,  
15 AND THAT REQUIRES A SUBSTANTIAL AMOUNT OF TIME. IN  
16 THE AGGREGATE I THINK WHAT WE'VE SEEN IS THAT THE  
17 SERVICE ON THE WORKING GROUPS HAS A SUBSTANTIAL  
18 IMPACT ON THE MEMBER'S ABILITY TO CARRY OUT THEIR  
19 OTHER RESPONSIBILITIES WHILE SIMULTANEOUSLY SERVING  
20 ON THE WORKING GROUPS.

21 BACK IN AUGUST THE BOARD ADOPTED A BYLAW  
22 AMENDMENT TO ESTABLISH PARAMETERS FOR COMPENSATION.  
23 LET ME JUST BRIEFLY REMIND YOU WHAT THOSE ARE.  
24 FIRST, THE BYLAWS REQUIRE THE BOARD TO DETERMINE ON  
25 AN INDIVIDUAL BASIS THAT THE MEMBER'S SERVICE ON THE

## BARRISTERS' REPORTING SERVICE

1 WORKING GROUP REQUIRES AN EXTRAORDINARY COMMITMENT  
2 OF TIME.

3 SECOND, THE RATE WAS LIMITED TO 75 PERCENT  
4 OF THE DAILY CONSULTING RATE ESTABLISHED FOR  
5 SCIENTIFIC MEMBERS OF THE GRANTS WORKING GROUP,  
6 WHICH IS CURRENTLY \$770.

7 THIRD, TOTAL COMPENSATION FOR PATIENT  
8 ADVOCATE MEMBERS OF THE BOARD FOR THEIR SERVICE ON  
9 THE WORKING GROUPS COULD NOT EXCEED \$15,000 UNLESS  
10 THE BOARD APPROVED AN EXCEPTION.

11 AND FOURTH, ONLY THE PATIENT ADVOCATE  
12 MEMBERS OF THE GRANTS WORKING GROUP, THE CO-CHAIR OF  
13 THE STANDARDS WORKING GROUP, AND THE VICE CHAIR OF  
14 THE FACILITIES WORKING GROUP WOULD BE ELIGIBLE FOR A  
15 STIPEND.

16 AS I MENTIONED EARLIER, THE CHAIR OF THE  
17 BOARD AND THE STATUTORY VICE CHAIR WOULD NOT BE  
18 ELIGIBLE.

19 WE ARE COMING TO YOU TODAY TO PRESENT AN  
20 ADMINISTRATIVE PROCEDURE TO ACTUALLY IMPLEMENT THIS  
21 BYLAW CHANGE. AND THE PROPOSAL IS AS FOLLOWS.

22 FIRST, WE WOULD ASK THE BOARD TO MAKE A  
23 DETERMINATION THAT SERVICE BY EACH OF THE PATIENT  
24 ADVOCATE MEMBERS OF THE GRANTS WORKING GROUP,  
25 EXCLUDING THE CHAIR AND THE STATUTORY VICE CHAIR,

## BARRISTERS' REPORTING SERVICE

1 AND BY THE VICE CHAIR AND CO-CHAIR OF THE FACILITIES  
2 WORKING GROUP AND STANDARDS WORKING GROUP  
3 RESPECTIVELY REQUIRES A SUBSTANTIAL COMMITMENT OF  
4 TIME.

5 SECOND, WE WOULD ASK YOU TO SET THE  
6 STIPEND RATE AT 75 PERCENT OF THE RATE THAT IS PAID  
7 TO THE SCIENTIFIC MEMBERS OF THE GRANTS WORKING  
8 GROUP. SO THAT WOULD TRANSLATE INTO \$562.50 PER  
9 DAY.

10 THIRD, WE'D ASK YOU TO AUTHORIZE THE CHAIR  
11 OF THE BOARD TO DETERMINE THE NUMBER OF DAYS  
12 REQUIRED FOR PREPARATION AND PARTICIPATION IN A  
13 PARTICULAR GRANT REVIEW MEETING BASED ON THE VOLUME  
14 OF APPLICATIONS AND THE COMPLEXITY OF APPLICATIONS  
15 AND IN CONSULTATION WITH SCIENTIFIC STAFF TO MAKE  
16 THE SAME DETERMINATION FOR THE SCIENTIFIC MEMBERS OF  
17 THE WORKING GROUP.

18 LIKewise, WE WOULD ASK YOU TO AUTHORIZE  
19 THE CHAIR TO DO THE SAME THING WITH RESPECT TO THE  
20 CO-CHAIR OF THE STANDARDS WORKING GROUP AND THE VICE  
21 CHAIR OF THE FACILITIES WORKING GROUP TO DETERMINE  
22 THE NUMBER OF DAYS REQUIRED FOR PARTICIPATION AND  
23 PREPARATION IN THOSE MEETINGS.

24 AND FINALLY, WE WOULD ASK THAT YOU APPLY  
25 THE \$15,000 ANNUAL CAP ON STIPENDS ON A FISCAL YEAR



## BARRISTERS' REPORTING SERVICE

1 BASIS TO MAKE IT EASIER FOR THE AGENCY FROM AN  
2 ADMINISTRATIVE PERSPECTIVE. AND WE'D ASK YOU TO  
3 RETAIN THE FLEXIBILITY TO LIFT THAT CAP IF  
4 NECESSARY.

5 CHAIRMAN KLEIN: THANK YOU. AND SENATOR  
6 TORRES. I'D ALSO LIKE TO SAY, MR. HARRISON, YOUR  
7 RECOMMENDATION ON WHO WOULD VOTE ON THIS ITEM.

8 MR. HARRISON: LET ME JUST BRIEFLY EXPLAIN  
9 THAT. THERE IS AN EXCEPTION UNDER THE FPPC'S  
10 REGULATIONS THAT PERMITS A PERSON TO PARTICIPATE IN  
11 A VOTE EVEN IF IT RELATES TO A SALARY TO BE PAID TO  
12 THAT PERSON PROVIDED THE SALARY IS THE SAME FOR  
13 EVERY PERSON IN THAT CLASSIFICATION.

14 OUT OF AN ABUNDANCE OF CAUTION, IN THE  
15 PAST WE HAVE RECOMMENDED THAT PATIENT ADVOCATES  
16 ABSTAIN FROM PARTICIPATING IN THE VOTE, BUT THAT  
17 DECISION IS UP TO THEM. AND THE BOARD IS CERTAINLY  
18 FREE TO ASK THE PATIENT ADVOCATE MEMBERS FOR  
19 INFORMATION SO THAT THEY CAN REACH A DETERMINATION  
20 ABOUT THE TIME COMMITMENT, ETC.

21 CHAIRMAN KLEIN: AND, AGAIN, NEITHER THE  
22 STATUTORY VICE CHAIR OR THE CHAIR PARTICIPATES IN  
23 THIS PROGRAM. SO WE HAVE NO EVEN APPEARANCE OF  
24 CONFLICT.

25 MR. TORRES: I WANT TO THANK THE COUNSEL

## BARRISTERS' REPORTING SERVICE

1 FOR PROVIDING THE INFORMATION HERE. I FIRST RAISED  
2 THIS WITH THE PRESIDENT OF THE SENATE, DARYL  
3 STEINBERG, SENATOR ALQUIST, AND SENATOR FLORES, WHO  
4 WAS THEN MAJORITY LEADER, AT OUR FIRST NEGOTIATING  
5 SESSION OF SB 1064. I FEEL VERY STRONGLY THAT THE  
6 PATIENT ADVOCATES TAKE SO MUCH OUT OF THEIR TIME AND  
7 SOME DON'T -- WOULD PROBABLY NOT TAKE ADVANTAGE OF  
8 THIS PROVISION BECAUSE THEY HAVEN'T IN THE PAST IN  
9 TERMS OF EXPENSES OR OTHER MATTERS. BUT I REALLY  
10 FEEL THAT -- AND THIS 15,000 CAP IS NOTHING. BUT  
11 JUST A SENSE OF WHERE WE FEEL ABOUT THE PATIENT  
12 ADVOCATES AND THE TIME THEY PUT INTO THIS EFFORT,  
13 THAT THEY DESERVE SOME RECOGNITION AND SOME  
14 COMPENSATION FOR THEIR TIME. I ONLY THINK IT'S  
15 APPROPRIATE. 75 PERCENT OF WHAT WE ALREADY PROVIDE  
16 AS A DAILY CONSULTANT RATE FOR SCIENTIFIC MEMBERS OF  
17 THE GRANTS WORKING GROUP WOULD BE APPROPRIATE.

18 IT WAS VERY DIFFICULT NEGOTIATIONS WITH  
19 THE GOVERNOR'S OFFICE ON THIS MATTER AND BRINGING  
20 TOGETHER THE LEADERSHIP IN THE ASSEMBLY AND THE  
21 SENATE AND WAS ALMOST A STUMBLING BLOCK IN RESPECT  
22 TO SENATE BILL 1064, BUT WE PREVAILED BECAUSE AFTER  
23 EXPLAINING THE SITUATION TO THE GOVERNOR'S OFFICE  
24 AND TO THE LEGISLATIVE LEADERS, IT WAS CLEAR TO THEM  
25 THAT THIS WAS AN APPROPRIATE STEP TO TAKE FOR THOSE

## BARRISTERS' REPORTING SERVICE

1 WHO WISH TO TAKE ADVANTAGE OF IT. SO I MOVE THE  
2 RECOMMENDATION.

3 CHAIRMAN KLEIN: IS THERE A SECOND?

4 MR. ROTH: SECOND.

5 CHAIRMAN KLEIN: AND I'D LIKE TO JUST  
6 CLARIFY, I THINK, SENATOR TORRES, YOU'RE POINTING  
7 OUT IT DOESN'T REALLY COMPENSATE THEM FOR THEIR  
8 LOSS, BUT IT IS STILL MEANINGFUL TO PROVIDE AT LEAST  
9 SOME RELIEF. AND THAT'S IN THE CONTEXT OF THAT  
10 COMMENT YOU MADE.

11 SO IS THERE ADDITIONAL DISCUSSION ON THIS  
12 BECAUSE WE DISCUSSED THIS BEFORE? IS THERE  
13 ADDITIONAL?

14 MS. SAMUELSON: I THINK WHAT I WOULD  
15 RECOMMEND, AND I'D BE INTERESTED IN THE COMMENTS OF  
16 EVERYONE, INCLUDING MY FELLOW PATIENT ADVOCATES, IS  
17 WHETHER WE COULD START FROM THIS POINT AND HAVE SOME  
18 PERIOD OF STUDY OF WHAT COMPENSATION IS, IN FACT,  
19 NEEDED AND APPROPRIATE AND WHY. BECAUSE I THINK WE  
20 GOT PART OF THE WAY THERE WITH THIS, BUT THERE'S  
21 SOME BIG ADDITIONAL PIECES OF UNDERSTANDING I THINK  
22 THAT ARE MISSING BECAUSE I STUDIED THIS, AND I  
23 REALIZED IT DIDN'T SEEM TO ME THAT THERE WAS AN  
24 UNDERSTANDING OF WHAT OUR ROLE IS AND WHAT WE DO.

25 WE'RE NOT JUNIOR SCIENTISTS. WE HAVE A

## BARRISTERS' REPORTING SERVICE

1 VERY DIFFERENT JOB, AND IT MAY SEEM ONLY  
2 ADVERSARIAL, BUT I THINK, I HOPE, ESPECIALLY TODAY,  
3 BUT I HOPE IT'S CLEAR AND INCREASINGLY CLEAR THAT WE  
4 HAVE VALUE IN A VARIETY OF WAYS, AND THAT WE DO OUR  
5 JOB WITH GREAT EFFORT AND PASSION, AND THAT THAT  
6 USUALLY IS ALL TO THE GOOD AS FAR AS EVERYONE IS  
7 CONCERNED.

8 AND I THINK IT'S AWFULLY IMPORTANT THAT WE  
9 AGREE ON THAT, WHATEVER THE DETAILS OF THIS. IF  
10 THIS INDICATES THAT THAT'S NOT CLEAR, THEN I THINK  
11 WE NEED TO BE SURE THAT IT IS.

12 THERE'S SOME OTHER FACT-FINDING KIND OF  
13 PIECES THAT I THINK WE NEED TO BE SURE WE  
14 UNDERSTAND. I DON'T SEE HOW THE STAFF CAN ASSESS  
15 HOW MANY HOURS WE SHOULD BE SPENDING ON THAT JOB.

16 CHAIRMAN KLEIN: IT'S THE CHAIR THAT  
17 ASSESSES IT. THE CHAIR, WHOEVER THE CHAIR IS,  
18 ASSESSES IT.

19 MS. SAMUELSON: EVEN SO, EVERY ONE OF US  
20 DOES SOMETHING DIFFERENT, AND WHAT WE DO IS WE BRING  
21 OUR TALENTS AND THEN DECIDE WHAT WE'RE GOING TO DO.  
22 JEFF AND I HAVE SORT OF SIMILAR RESUMES AS MEMBERS  
23 OF THIS ORGANIZATION, BUT WE'VE CHOSEN VERY  
24 DIFFERENT THINGS KIND OF INTUITIVELY AND BROUGHT  
25 BENEFIT IN BOTH OF THEM. AND ONE WILL BE REAL TIME

## BARRISTERS' REPORTING SERVICE

1 CONSUMING AT ONE POINT AND NOT AT ANOTHER AND VICE  
2 VERSA. AND WE KNOW THAT, AND WE'RE PROFESSIONALS,  
3 WE HAVE TIME SHEETS, WE'VE PROBABLY BOTH OF US SENT  
4 INVOICES FOR OUR TIME. HOW CAN SOMEONE ELSE DO THAT  
5 FOR US, AND WHY SHOULD THEY?

6 CHAIRMAN KLEIN: JOAN, THERE'S A NEED IN  
7 THIS REGULATION TO HAVE SOME OBJECTIVE PERSON WHO  
8 DOESN'T HAVE A FINANCIAL INTEREST IN THE DECISION,  
9 AND THERE IS A CAP ON THIS. YOU'RE APT TO HIT THE  
10 CAP IN ANY CASE. SO I DON'T THINK THE FACT THAT YOU  
11 SPEND MORE TIME IS GOING TO PREJUDICE YOU IN THIS  
12 CONSIDERATION BECAUSE EVERYONE IS UNDER THE SAME  
13 CAP. WE COULDN'T APPROVE MORE TIME EVEN IF YOU  
14 SPENT IT.

15 MS. SAMUELSON: IT SHOULD BE INTELLIGENTLY  
16 DONE IS MY MAIN CONCERN.

17 CHAIRMAN KLEIN: I GUARANTEE YOU THAT  
18 THERE WILL BE A DEDICATION TO MAKING SURE IT'S  
19 INTELLIGENTLY DONE.

20 MS. SAMUELSON: I SHOULDN'T HAVE USED THAT  
21 WORD. THERE'S TWO LAWYERS HERE.

22 CHAIRMAN KLEIN: IS THERE ADDITIONAL  
23 COMMENTS?

24 MS. GIBBONS: I THINK I UNDERSTOOD YOU TO  
25 SAY, JAMES, THAT IF WE VOTE TO ADOPT THIS POLICY TO

## BARRISTERS' REPORTING SERVICE

1 IMPLEMENT THIS PROCEDURE THAT WE HAVE DISCUSSED,  
2 THAT WHILE THERE IS RIGHT NOW THE CAP OF 15,000  
3 ANNUALLY, THAT WE WOULD LEAVE THAT OPEN FOR FURTHER  
4 REFLECTION AND ADJUSTMENT, IF NECESSARY, CORRECT?

5 MR. HARRISON: THAT'S RIGHT. THE BYLAWS  
6 PERMIT THE BOARD TO LIFT THAT CAP IN A PUBLIC  
7 MEETING.

8 CHAIRMAN KLEIN: AND I THINK IT'S  
9 IMPORTANT TO SAY THAT SENATOR TORRES AND DUANE ROTH  
10 SPENT A LOT OF TIME MAKING SURE THAT THE LEGISLATURE  
11 WAS COMFORTABLE WITH THIS, THAT WE WOULD BE VERY  
12 CAREFUL TO MAKE SURE WE CONSULTED IF WE WERE GOING  
13 TO REEXAMINE THIS. IT IS A SUBJECT, AS JOAN POINTS  
14 OUT, WHERE THERE'S A TREMENDOUS AMOUNT OF TIME  
15 COMMITTED THAT IS NOT FULLY UNDERSTOOD. AND WE NEED  
16 TO COLLECT SOME DATA AND MAKE SURE WE HAVE IT WELL  
17 DOCUMENTED IF WE ARE GOING TO REVISIT THIS.

18 MR. TORRES: THANKS AGAIN TO DUANE FOR HIS  
19 RELATIONSHIP WITH THE GOVERNOR AT THE TIME.

20 DR. PENHOET: MAYBE TO BE RESPONSIVE TO  
21 JOAN'S BROADER POINT, THIS SAYS WE'RE MAKING THIS  
22 ACCOMMODATION BECAUSE OF THE COMMITMENT OF TIME, BUT  
23 I THINK THE COMMITMENT GOES BEYOND TIME. IF THERE  
24 WAS A WHEREAS THAT WE COULD START AS A PREAMBLE TO  
25 THIS THAT SIMPLY RECOGNIZES THE EXTRAORDINARY

**BARRISTERS' REPORTING SERVICE**

1 CONTRIBUTIONS OF THIS GROUP OF PEOPLE BEYOND -- I  
2 DON'T HAVE ALL THE RIGHT WORDS. MAYBE YOU WOULD,  
3 JOAN, BUT I THINK IT WOULD NICE FOR US TO RECOGNIZE  
4 THEIR CONTRIBUTIONS TO THIS BODY SORT OF BEYOND  
5 TIME.

6 CHAIRMAN KLEIN: SO IF THE MAKER OF THE  
7 MOTION COULD INSTRUCT COUNSEL TO WORK WITH YOU,  
8 SENATOR TORRES, TO MAKE SURE THAT THE PREAMBLE  
9 PROPERLY INCORPORATES DR. PENHOET'S SENTIMENTS.

10 MR. TORRES: WE WILL WORK ON DR. PENHOET'S  
11 SENTIMENTS.

12 CHAIRMAN KLEIN: I THINK IT'S ABSOLUTELY  
13 TRUE.

14 DR. PENHOET: I'M NOT VERY SENTIMENTAL.

15 CHAIRMAN KLEIN: BODY, MIND, AND SPIRIT  
16 ARE COMMITTED IN TREMENDOUS DEPTH HERE.

17 SO I'D LIKE TO CALL THE QUESTION AFTER  
18 SEEING IF THERE'S PUBLIC COMMENT. NO PUBLIC  
19 COMMENT. WE ARE GOING TO HAVE A ROLL CALL VOTE  
20 BECAUSE WE WANT TO DISTINGUISH THE FACT THAT THOSE  
21 PATIENT ADVOCATES ARE NOT PARTICIPATING IN THIS  
22 VOTE.

23 MR. HARRISON: IF THEY CHOOSE TO ABSTAIN,  
24 THEY CAN JUST SAY ABSTAIN.

25 CHAIRMAN KLEIN: OKAY. IT'S AN INDIVIDUAL

**BARRISTERS' REPORTING SERVICE**

1 DECISION.

2 MR. TORRES: BUT THE CHAIR AND THE VICE  
3 CHAIR MAY VOTE.

4 CHAIRMAN KLEIN: CORRECT.

5 MS. KING: DAVID BRENNER.

6 DR. BRENNER: YES.

7 MS. KING: MARCY FEIT.

8 MS. FEIT: ABSTAIN.

9 MS. KING: MICHAEL FRIEDMAN.

10 DR. FRIEDMAN: YES.

11 MS. KING: LEEZA GIBBONS.

12 MS. GIBBONS: YES.

13 MS. KING: MICHAEL GOLDBERG.

14 MR. GOLDBERG: YES.

15 MS. KING: SAM HAWGOOD.

16 DR. HAWGOOD: YES.

17 MS. KING: BOB KLEIN.

18 CHAIRMAN KLEIN: YES.

19 MS. KING: BERTRAM LUBIN.

20 DR. LUBIN: YES.

21 MS. KING: ED PENHOET.

22 DR. PENHOET: YES.

23 MS. KING: PHIL PIZZO.

24 DR. PIZZO: YES.

25 MS. KING: CLAIRE POMEROY.



## BARRISTERS' REPORTING SERVICE

1 DR. POMEROY: YES.  
2 MS. KING: FRANCISCO PRIETO.  
3 DR. PRIETO: ABSTAIN.  
4 MS. KING: ELIZABETH FINI.  
5 DR. FINI: YES.  
6 MS. KING: ROBERT QUINT.  
7 DR. QUINT: YES.  
8 MS. KING: DUANE ROTH.  
9 MR. ROTH: YES.  
10 MS. KING: JOAN SAMUELSON.  
11 MS. SAMUELSON: ABSTAIN.  
12 MS. KING: DAVID SERRANO-SEWELL.  
13 MR. SERRANO-SEWELL: ABSTAIN.  
14 MS. KING: JEFF SHEEHY.  
15 MR. SHEEHY: ABSTAIN.  
16 MS. KING: ART TORRES.  
17 MR. TORRES: AYE.  
18 MS. KING: KRISTINA VUORI.  
19 DR. VUORI: YES.  
20 MS. KING: JAMES ECONOMOU.  
21 DR. ECONOMOU: YES.  
22 CHAIRMAN KLEIN: I'D LIKE TO POINT OUT  
23 LEEZA GIBBONS IS NOT SERVING IN A ROLE WHERE SHE  
24 WOULD QUALIFY FOR THIS COMPENSATION AND THE SAME FOR  
25 DR. QUINT. OKAY. AT THIS TIME THEY'RE NOT ON THOSE

**BARRISTERS' REPORTING SERVICE**

1 COMMITTEES IN THE FUNCTIONS THAT WOULD QUALIFY.

2 MR. HARRISON: LET THE RECORD SHOW THAT  
3 MOTION PASSES.

4 CHAIRMAN KLEIN: IF WE COULD MOVE TO ITEM  
5 13. DR. TROUNSON, FOR THE GRANT REVIEW MEMBERS, DR.  
6 SAMBRANO, YOU HAVE THE FLOOR. IF WE COULD MOVE  
7 RAPIDLY BECAUSE WE TO HAVE THE RESUMES, AND WE'LL DO  
8 QUICK ABSTRACT HIGHLIGHTS AND THEN SEE IF ANY BOARD  
9 MEMBER HAS ANY QUESTIONS.

10 DR. SAMBRANO: SO JUST VERY QUICKLY, WE  
11 HAVE NOMINEES FOR GRANTS WORKING GROUP MEMBERS. I  
12 CAN JUST SIMPLY GO TO THE NAMES SINCE YOU HAVE THE  
13 BIOS. THESE INDIVIDUALS ARE GYULA ACSADI, RICHARD  
14 SANFORD FINKEL, KEVIN GREGORY-EVANS, HENRY J.  
15 KAPLAN, BRIAN K. KWON, CHRISTIAN L. LORSON, GUSTAV  
16 STEINHOFF, SCOTT R. WHITTEMORE.

17 THE ONLY OTHER THING I WOULD ADD IS THAT  
18 THESE PARTICULAR INDIVIDUALS ARE QUITE CRITICAL AS  
19 WE MOVE TOWARDS THE REVIEW OF CLINICAL TRIALS AND  
20 RELATED TYPES OF REVIEWS.

21 CHAIRMAN KLEIN: THANK YOU. DO BOARD  
22 MEMBERS HAVE QUESTIONS? DON'T SEE ANY. ARE THERE  
23 PUBLIC COMMENTS?

24 DR. LUBIN: SO I WAS JUST CURIOUS IN THE  
25 SELECTION OF THESE WHAT EXPERIENCE PEOPLE HAVE HAD

## BARRISTERS' REPORTING SERVICE

1 IN PUTTING TOGETHER CLINICAL TRIALS AND MONITORING  
2 THEM. AND SINCE THE NIH IS FOCUSING SO MUCH NOW ON  
3 CLINICAL TRIALS, ARE THESE PEOPLE THAT COME FROM  
4 THAT BACKGROUND, OR ARE THEY GOING TO LEARN ABOUT  
5 CLINICAL TRIALS AS PART OF THIS?

6 DR. SAMBRANO: THESE ARE INDIVIDUALS THAT  
7 WE RECRUIT BASED ON THEIR EXPERTISE IN EITHER  
8 SPECIFIC DISEASE AREA THAT IS NEEDED TO REVIEW A  
9 PARTICULAR GRANT PROPOSAL THAT WOULD INVOLVE THAT  
10 DISEASE AREA, AND WHO MAY HAVE APPROACHED CLINICAL  
11 TRIALS FROM DIFFERENT PERSPECTIVE. SO IT'S EITHER  
12 FROM A CLINICAL TRIAL PERSPECTIVE, A DEVELOPMENT  
13 PLAN PERSPECTIVE, REGULATORY PERSPECTIVES, AND WE  
14 BRING THEM ALTOGETHER INTO A REVIEW. SO THAT'S  
15 WHERE THESE INDIVIDUALS COME IN.

16 CHAIRMAN KLEIN: THANK YOU. THAT WAS VERY  
17 HELPFUL. THANK YOU FOR YOUR QUESTION, DR. LUBIN.  
18 THERE'S NO PUBLIC COMMENTS. WE WOULD LIKE A MOTION  
19 TO APPROVE.

20 MR. SHEEHY: SO MOVED.

21 DR. HAWGOOD: SECOND.

22 CHAIRMAN KLEIN: ALL IN FAVOR.

23 (CHORUS OF AYES.)

24 CHAIRMAN KLEIN: OPPOSED? MOTION PASSES.

25 IF WE COULD GO TO ITEM NO. 15, PLEASE. I

## BARRISTERS' REPORTING SERVICE

1 PREVIOUSLY SAID 16. I MEAN ITEM 15. ELONA BAUM  
2 WILL PRESENT.

3 MS. BAUM: GOOD AFTERNOON. I HAVE JUST A  
4 COUPLE SLIDES TO ORIENT YOU TO WHAT WAS APPROVED IN  
5 DECEMBER BY THE BOARD VIS-A-VIS THE RISK PREMIUM  
6 MULTIPLE PAYBACK OPTION.

7 LAST DECEMBER THE BOARD APPROVED IN  
8 CONCEPT, HOPEFULLY YOU CAN SEE IT ON THE SCREEN,  
9 THIS ALTERNATIVE TO WARRANT COVERAGE. AND WHAT  
10 WE'RE DOING TODAY IS SEEKING APPROVAL OF THE ACTUAL  
11 IMPLEMENTING REGULATIONS.

12 THE IMPLEMENTING REGULATIONS ARE IN YOUR  
13 BINDER AT TAB 15. I'M NOT GOING TO GO POINT BY  
14 POINT THROUGH ALL OF THEM, BUT SIMPLY TO ORIENT YOU  
15 TO THE SALIENT PORTIONS OF THOSE AND REQUEST THAT  
16 YOU APPROVE THESE INTERIM REGULATIONS. THEY'RE TIME  
17 SENSITIVE. WE WOULD LIKE TO HAVE THEM IN PLACE SO  
18 THAT WE CAN EXECUTE A LOAN THAT NEEDS TO BE  
19 FINALIZED BY MARCH.

20 THERE'S JUST A FEW POINTS FOR YOU TO  
21 REALLY FOCUS ON HERE. I'LL DRAW YOUR ATTENTION TO  
22 THEM. NOTHING HAS CHANGED IN TERMS OF THE CONCEPT  
23 WITH RESPECT TO THE MULTIPLE FOR COMPANY-BACKED  
24 VERSUS PRODUCT-BACKED LOANS. UNDER WHAT YOU  
25 APPROVED LAST TIME, THERE WOULD BE A FIVE-TIME

## BARRISTERS' REPORTING SERVICE

1 MULTIPLE FOR A PAYBACK FOR PRODUCT-BACKED LOANS, AND  
2 THERE WILL BE A THREE PAYBACK MULTIPLE FOR THE  
3 COMPANY-BACKED LOANS IN ADDITION TO PRINCIPAL AND  
4 INTEREST.

5 CHAIRMAN KLEIN: AND, ELONA, THAT'S  
6 QUALIFIED BY THE CHART WHICH SHOWS THAT THESE  
7 PAYBACKS ARE AT DIFFERENT LEVELS OF COMMERCIAL  
8 SUCCESS.

9 MS. BAUM: OF COURSE, THERE ARE MILESTONE  
10 PAYMENTS. ABSOLUTELY. SO THAT GETS TO MY NEXT  
11 POINT, THE THIRD BULLET POINT THERE. WHAT'S THE  
12 DEFINITION OF PRODUCT REVENUES SO THAT YOU CAN  
13 DETERMINE WHETHER OR NOT THESE MILESTONE PAYMENTS  
14 ACTUALLY HAVE BEEN TRIGGERED. AND THAT WAS A POINT  
15 THAT NEEDED A LOT OF CONSIDERATION. IT LOOKS VERY  
16 EASY TO PUT THAT ON A CHART; BUT THEN WHEN YOU HAVE  
17 TO CONSIDER HOW TO DRAFT THE DIFFERENT SCENARIOS, IT  
18 BECAME A LITTLE CHALLENGING IN LIGHT OF THE FACT  
19 THAT WE FUND EVERYTHING FROM POTENTIAL SCREENING  
20 TOOLS, DIAGNOSTICS THAT ARE APPROVED, DIAGNOSTICS  
21 THAT ARE NOT APPROVED, AND HOME BREW TESTS. WE FUND  
22 THERAPEUTICS. WE ACTUALLY COULD ACTUALLY FUND A  
23 SCREENING SERVICE.

24 SO WITH THAT IN MIND, WE ACTUALLY REACHED  
25 OUT AND GOT INPUT FROM SOME INDUSTRY LEADERS, AND

## BARRISTERS' REPORTING SERVICE

1 THEY FELT COMFORTABLE WITH THE CONCEPT OF US SEEKING  
2 TO DEFINE, IN NEGOTIATION WITH THEM, WHAT THESE  
3 PRODUCT REVENUE STREAMS WOULD BE PRIOR TO THEM  
4 SUBMITTING THEIR APPLICATION. SO THAT THEY WOULD --  
5 WE ARE ALL TALKING ABOUT A KNOWN QUANTITY WHEN WE'RE  
6 SEEKING TO DEFINE WHAT PRODUCT REVENUE IS, WHICH  
7 WOULD ACTUALLY TRIGGER THESE MULTIPLE PAYBACK  
8 REVENUES.

9 CHAIRMAN KLEIN: ELONA, COULD YOU GIVE THE  
10 BOARD JUST QUICKLY THE BACKGROUND ON STEVEN  
11 JUELSGAARD AND HIS CONTRIBUTION, NOTING THAT HE'S NO  
12 LONGER AT GENENTECH?

13 MS. BAUM: I WORKED VERY CLOSELY WITH  
14 STEVE JUELSGAARD WHILE HE WAS AT GENENTECH. HE WAS  
15 THE GENERAL COUNSEL THERE AND ON THE EXECUTIVE TEAM.  
16 HE PROBABLY WAS THERE 20 YEARS OR SO AND HAS  
17 EXTENSIVE KNOWLEDGE IN THE FIELD, SO HE WAS  
18 INSTRUMENTAL WHEN WE BROUGHT TO HIM THE DECISION  
19 POINT AS TO WHETHER OR NOT WE SHOULD SEEK TO CRAFT  
20 SOME LANGUAGE THAT WOULD ACTUALLY BE IN A REGULATION  
21 AND DETERMINE IN ADVANCE WHAT PRODUCT REVENUE IS  
22 VERSUS ALLOW US THE LIBERTY TO DETERMINE THAT WHILE  
23 WE HAD ALL THE FACTS AT HAND. AND HE CERTAINLY  
24 BELIEVED THAT IT WAS BETTER TO DO THE LATTER THAN  
25 THE FORMER, THAT IT WAS TOO HARD TO DRAFT A

## BARRISTERS' REPORTING SERVICE

1 REGULATION THAT WOULD ENCOMPASS ALL THE ASPECTS THAT  
2 WE NEEDED TO ENCOMPASS IN ADDRESSING REVENUE.

3 SO HE WAS MUCH IN FAVOR OF DOING IT ON A  
4 CASE-BY-CASE BASIS.

5 CHAIRMAN KLEIN: THANK YOU. HE  
6 PARTICIPATED IN A NUMBER OF DISCUSSIONS, AND WE HAD  
7 OTHER INDUSTRY INPUT, SOME OF WHICH WE DISAGREED  
8 WITH, BUT WE TALKED TO DR. PENHOET ALONG THE WAY  
9 ABOUT THIS. WE HAVE A NUMBER OF POINTS OF  
10 CONTRIBUTIONS FROM VERY EXPERT SOURCES.

11 MS. BAUM: THAT'S ONE ASPECT THAT WE'RE  
12 PROPOSING IS THAT, PRIOR TO THE SUBMITTAL BEFORE AN  
13 RFA, AND THAT IS MORE WORK FOR STAFF TO DO, BUT WE  
14 ARE COMMITTED TO ACHIEVING THAT DISCUSSION IN  
15 ARISING IN A MORE INFORMED MANNER THE DEFINITION OF  
16 WHAT PRODUCT REVENUE WOULD BE. SO THAT'S THE THIRD  
17 POINT FOR CONSIDERATION OF THE KEY ASPECTS OF THESE  
18 IMPLEMENTING REGULATIONS.

19 ANOTHER ASPECT IS THAT ON THE FIRST SLIDE  
20 YOU MIGHT HAVE NOTICED THAT THE TRIGGER FOR PAYMENT  
21 WOULD BE IN THE SAME QUARTER THAT THE REVENUE WAS  
22 ACHIEVED THAT ACTUALLY TRIGGERED THE PAYMENT. BUT,  
23 OF COURSE, THAT WOULD RESULT IN TRUE-UP SITUATIONS.  
24 SO THAT WE HAVE, WITH INPUT OF INDUSTRY, DECIDED  
25 THAT, THIS IS YOUR FOURTH BULLET ON THE SLIDE IN

## BARRISTERS' REPORTING SERVICE

1 FRONT OF YOU, THAT PAYMENT WOULD BE DUE IN FOUR  
2 EQUAL QUARTERLY INSTALLMENTS, AND THAT THEY WOULD BE  
3 DUE AT THE LATTER OF THE END OF THE ORIGINAL TERM  
4 AND COMMERCIALIZATION. AND THEY WOULD BE DUE THE  
5 QUARTER AFTER THAT IS ACHIEVED.

6 CHAIRMAN KLEIN: IF YOU, FOR THE PUBLIC,  
7 WOULD MODIFY YOUR FOURTH POINT HERE TO INDICATE THE  
8 LANGUAGE AT THE LATTER OF.

9 MS. BAUM: WELL, THAT'S NOT ON THERE. I'M  
10 JUST TRYING TO COMBINE A COUPLE BULLET POINTS.

11 CHAIRMAN KLEIN: I UNDERSTAND. SO WHAT  
12 I'M SAYING IS CLARIFYING AFTER THE SESSION WHEN WE  
13 PUT UP THIS INFORMATION OR PUT IT OUT IN PUBLIC TO  
14 INDICATE IT'S THE LATTER OF.

15 MS. BAUM: YES. IT'S THE LATTER OF THE  
16 END OF THE ORIGINAL TERM AND COMMERCIALIZATION.

17 CHAIRMAN KLEIN: THANK YOU.

18 MS. BAUM: AND IT'S PAID OUT OVER FOUR  
19 QUARTERS. I WAS JUST TRYING TO CUT TO THE CHASE  
20 HERE. TIME IS OF THE ESSENCE. THOSE ARE ON THE  
21 NEXT COUPLE OF BULLETS POINTS IN THE FOLLOWING  
22 SLIDE.

23 SO, OF COURSE, IF THE LOAN HAS BEEN  
24 FORGIVEN, UNDER A PRODUCT-BACKED LOAN, THERE WOULD  
25 BE NO MULTIPLE PAYBACK REQUIRED. THE DEFINITION OF



## BARRISTERS' REPORTING SERVICE

1 NET COMMERCIAL SALES WAS USED AND INCORPORATED INTO  
2 THE DEFINITION OF PRODUCT REVENUE AT THE GUIDANCE OF  
3 STEVE JUELSGAARD AGAIN. AS HAD BEEN REQUESTED  
4 INITIALLY AND APPROVED INITIALLY, THERE IS A SUNSET  
5 CLAUSE. SO THIS ALTERNATIVE TO WARRANTS IS REALLY  
6 ONLY IN EFFECT FOR ONE YEAR, AND THEN THE BOARD WILL  
7 REVISIT IT AGAIN.

8 CHAIRMAN KLEIN: DID WE -- IN THE LAST  
9 MEETING, DID WE AGREE ON ONE YEAR, OR WAS IT AN  
10 18-MONTH PROCESS? IF WE COULD -- MY SUGGESTION IS  
11 WILL WE GET ENOUGH INFORMATION IN 12 MONTHS?  
12 EIGHTEEN MONTHS OR 24 MONTHS, I THINK, WILL GET US  
13 ENOUGH INFORMATION.

14 MS. BAUM: I LOOKED AT THE SLIDE. IT SAID  
15 12 MONTHS.

16 CHAIRMAN KLEIN: WE HAD SOME DISCUSSION.  
17 I'M NOT SURE WHERE WE ENDED UP.

18 MS. BAUM: I'LL TAKE 18.

19 MR. SHEEHY: I THINK YOU'RE AT 18.  
20 BECAUSE YOU WERE TRYING TO GET IN THE DISEASE TEAM  
21 APPLICATIONS, AND WE WOULDN'T GET THROUGH BOTH OF  
22 THOSE ROUNDS IN ONE YEAR. IT WOULDN'T MAKE ANY  
23 SENSE FOR THEM TO COME IN WITH THEIR -- YOU KNOW,  
24 YOU KNOW HOW WE'RE DOING THIS TWO-STAGE PROCESS. IT  
25 DOESN'T MAKE ANY SENSE TO COME UNDER ONE STAGE AND

**BARRISTERS' REPORTING SERVICE**

1 THEN HAVE UNCERTAINTY FOR THE SECOND STAGE.

2 CHAIRMAN KLEIN: THE INITIAL SEED GRANT  
3 FOR THEM, THEY'D BE UNDER ONE REGULATION, AND WE  
4 DON'T WANT TO SWITCH BEFORE WE GET TO THE DISEASE  
5 TEAM ROUND FINAL. SO WE WANT THE TIME PERIOD TO BE  
6 SUFFICIENT TO INCORPORATE ACTUALLY EXECUTING THE  
7 LOAN ADMINISTRATION POLICY AGREEMENT FOR DISEASE  
8 TEAMS. SO WE'LL LOOK AT THOSE DATES AND CONFORM  
9 THIS TO MAKE SURE WE INCORPORATE THOSE DATES. IS  
10 THAT THE POINT?

11 MR. SHEEHY: I THINK THAT'S WHAT WE WERE  
12 TRYING TO DO.

13 CHAIRMAN KLEIN: I THINK THAT'S OUR  
14 DISCUSSION PREVIOUSLY.

15 MS. BAUM: PERFECT.

16 CHAIRMAN KLEIN: I KNOW YOU'D LIKE MORE  
17 TIME TO BE ABLE TO MAKE SURE WE GET THROUGH THAT  
18 PROCESS.

19 MS. BAUM: THAT'S THE SUM AND SUBSTANCE OF  
20 THE IMPLEMENTING REGULATION.

21 CHAIRMAN KLEIN: ARE THERE ADDITIONAL  
22 COMMENTS BY THE BOARD? ARE THERE COMMENTS BY THE  
23 PUBLIC? IS THERE A MOTION TO APPROVE?

24 DR. PENHOET: SO MOVED.

25 CHAIRMAN KLEIN: IS THERE A SECOND?

## BARRISTERS' REPORTING SERVICE

1 DR. PIZZO: SECOND.

2 CHAIRMAN KLEIN: ANY FURTHER DISCUSSION?

3 CALL THE QUESTION. ALL IN FAVOR.

4 (CHORUS OF AYES.)

5 CHAIRMAN KLEIN: OPPOSED? THANK YOU.

6 ALL RIGHT. SO WHAT I'D LIKE TO DO HERE IS

7 AT THIS POINT SEE IF WE CAN CAPTURE ENOUGH TIME

8 QUICKLY TO GO THROUGH ITEMS 11 AND 14. WHO WOULD

9 YOU LIKE, DR. TROUNSON, TO PRESENT ITEM 11?

10 DR. TROUNSON: DR. YAFFE. THANK YOU VERY

11 MUCH, CHAIR.

12 DR. YAFFE: THANK YOU, MR. CHAIRMAN,

13 MEMBERS OF THE BOARD. I BRING FOR YOUR

14 CONSIDERATION A PROPOSAL FOR CIRM VISITING FACULTY

15 AWARDS. THIS PROGRAM WILL PROVIDE SUPPLEMENTS TO

16 ACTIVE CIRM RESEARCH GRANTS TO SUPPORT VISITING

17 FACULTY TO PARTICIPATE IN STEM CELL RESEARCH IN

18 CIRM-FUNDED LABORATORIES.

19 THE PROGRAM WILL SUPPLEMENT EXISTING

20 ACADEMIC SABBATICAL PROGRAMS AND ALLOW FACULTY

21 RESEARCHERS FROM THE CALIFORNIA STATE UNIVERSITIES

22 AND FROM OTHER FOUR-YEAR CALIFORNIA COLLEGES TO

23 DEVOTE 6 TO 12 MONTHS TO RESEARCH DIRECTLY RELATED

24 TO CIRM'S MISSION.

25 THIS PROGRAM WAS DEVELOPED IN RESPONSE TO

## BARRISTERS' REPORTING SERVICE

1 A RECOMMENDATION OF THE CIRM DIVERSITY WORKSHOP.  
2 THE GOALS OF THE PROGRAM ARE TO CREATE LASTING  
3 COLLABORATIONS BETWEEN FACULTY MEMBERS AT DIFFERENT  
4 INSTITUTIONS TO FACILITATE THE TRANSFER OF STEM CELL  
5 EXPERTISE TO A GREATER NUMBER OF CALIFORNIA COLLEGES  
6 AND UNIVERSITIES, PARTICULARLY THOSE INSTITUTIONS  
7 THAT ARE SERVING STUDENT POPULATIONS REPRESENTING  
8 THE DIVERSITY OF CALIFORNIA'S POPULATION. AND  
9 FINALLY, TO EXPAND THE CADRE OF STEM CELL SCIENTISTS  
10 WORKING TO ADVANCE CIRM'S MISSION.

11 FACULTY ELIGIBLE TO PARTICIPATE IN THIS  
12 PROGRAM WILL BE MEMBERS FROM THE CALIFORNIA STATE  
13 UNIVERSITIES AND OTHER FOUR-YEAR CALIFORNIA COLLEGES  
14 THAT DO NOT RECEIVE MAJOR RESEARCH OR INFRASTRUCTURE  
15 FUNDING FROM CIRM. THE AWARDS WILL BE SUPPLEMENTS  
16 TO EXISTING CIRM-FUNDED RESEARCH GRANTS.  
17 APPLICATIONS WILL BE MADE BY THE CIRM PRINCIPAL  
18 INVESTIGATOR ON BEHALF OF DESIGNATED VISITING  
19 FACULTY MEMBERS. AWARDS WILL BE MADE FOLLOWING  
20 STAFF REVIEW TO CONFIRM FACULTY AND LAB ELIGIBILITY.  
21 THIS IS NOT A COMPETITION. THE AWARDS WILL BE MADE  
22 ON A FIRST COME/FIRST SERVED BASIS WITH UP TO ONE  
23 AWARD PERMITTED PER RESEARCH GRANT PER YEAR.

24 THE PROGRAM WILL RUN FOR UP TO THREE YEARS  
25 OR UNTIL ALL OF THE FUNDS ARE COMMITTED.

## BARRISTERS' REPORTING SERVICE

1 ALLOWABLE COSTS SUPPORTED BY CIRM WOULD BE  
2 A RESEARCH AND TRAVEL ALLOWANCE FOR THE VISITING  
3 SCIENTIST, SALARY AND BENEFITS FOR THE VISITING  
4 SCIENTIST AT THEIR CURRENT RATE OF COMPENSATION.  
5 AND I SHOULD NOTE THAT THIS SALARY FOR THE ACADEMIC  
6 YEAR MUST BE MATCHED BY THE VISITING SCIENTIST'S  
7 HOME INSTITUTION. SO HERE WE'RE TRYING TO LEVERAGE  
8 THE FUNDS AVAILABLE FOR ACADEMIC SABBATICALS AND  
9 BOLSTER THEM SO THAT THE VISITING SCIENTISTS CAN  
10 HAVE A LONGER, MORE FULFILLING SABBATICAL RESEARCH  
11 PERIOD.

12 FINALLY, FUNDS FROM CIRM WILL COVER  
13 FACILITY COSTS AND INDIRECT COSTS AT THE HOST  
14 INSTITUTION.

15 SO I REQUEST, WE REQUEST YOUR APPROVAL FOR  
16 THE ESTABLISHMENT OF A SUPPLEMENTAL VISITING FACULTY  
17 RESEARCH FUND OF \$6 MILLION TO SUPPORT UP TO 30  
18 VISITING FACULTY AWARDS. I'M HAPPY TO ANSWER ANY  
19 QUESTIONS.

20 CHAIRMAN KLEIN: THIS IS PUT FORWARD IN  
21 THE CONTEXT WITH TREMENDOUS AUSTERITY ACROSS THE  
22 STATE. SOME OF THESE PROGRAMS SURVIVING IN THE  
23 FOUR-YEAR STATE COLLEGES, FOR EXAMPLE, TO HAVE A  
24 POSITION WHERE THEY CAN BE A BOLT-ON TO AN EXISTING  
25 GRANT MAY ALLOW THEM TO KEEP SOMEONE AT HALF SALARY

## BARRISTERS' REPORTING SERVICE

1 WHO THEY'D OTHERWISE HAVE TO CUT OR ALLOW SOME OTHER  
2 POSITION TO SURVIVE WITHIN THEIR BIOLOGY DEPARTMENT  
3 OR THEIR BIOMEDICAL, LARGER BIOMEDICAL RESEARCH  
4 AREA. DR. PIZZO.

5 I THINK THE REASON THAT MR. HARRISON WANTS  
6 TO COMMENT IS THAT SINCE THIS IS A BOLT-ON PROGRAM  
7 AND IT AFFECTS EXISTING INSTITUTIONS WITH EXISTING  
8 GRANTS, I'M INTO MIND READING AT THIS POINT, BUT I'M  
9 SURE THAT WHAT HE IS SUGGESTING HERE IS THAT WE'RE  
10 GOING TO END UP WITH A VERY LIMITED GROUP WHO CAN  
11 VOTE ON THIS, PROBABLY THE PATIENT ADVOCATES AND  
12 PROBABLY DR. LUBIN BECAUSE HE DOESN'T -- HIS  
13 INSTITUTION DOESN'T HAVE ANY CURRENT GRANTS WITH US.  
14 BUT ANYONE WHO REPRESENTS AN INSTITUTION WITH A  
15 CURRENT GRANT COULDN'T VOTE. NOW, THE INDUSTRY  
16 INDIVIDUALS --

17 MR. HARRISON: PROVIDED THAT A PERSON NOT  
18 AFFILIATED WITH AN INSTITUTION THAT HAS AN ACTIVE  
19 GRANT, HE OR SHE CAN PARTICIPATE. SO THE BOARD  
20 MEMBERS WHO CAN PARTICIPATE ARE GIBBONS, KLEIN,  
21 LOVE, QUINT, ROTH, SAMUELSON, SERRANO-SEWELL,  
22 SHESTACK, TORRES, AND LUBIN.

23 CHAIRMAN KLEIN: OKAY. DR. LUBIN.

24 DR. LUBIN: SO I GUESS THE PART OF WHAT I  
25 HEARD IS THE GOAL OF DIVERSITY THAT'S UNDER THE

## BARRISTERS' REPORTING SERVICE

1 DIVERSITY COMMITTEE, BUT I KNOW THAT THIS ISN'T  
2 SELF-SERVING BECAUSE WE DON'T HAVE A CIRM GRANT AT  
3 OUR PLACE, BUT THERE ARE A NUMBER OF RESEARCH  
4 INSTITUTES IN THIS STATE THAT REALLY ADDRESS  
5 DIVERSITY ISSUES AND COULD BE GREAT PLACES TO HAVE  
6 SABBATICALS, BUT YOU'RE LIMITING THIS TO STATE  
7 UNIVERSITIES. IS THERE A REASON WHY IT HAS TO BE  
8 LIMITED LIKE THAT?

9 DR. YAFFE: IT'S NOT LIMITED JUST TO THE  
10 STATE UNIVERSITIES. OTHER CALIFORNIA COLLEGES. THE  
11 IDEA, WELL, IS SEVERALFOLD. ONE IS TO BOLSTER THE  
12 EDUCATIONAL ENVIRONMENT BACK AT THESE INSTITUTIONS  
13 BY BRINGING CUTTING-EDGE KNOWLEDGE OF STEM CELL  
14 RESEARCH. MANY OF THESE OR MOST OF THESE FACULTY,  
15 IN FACT, HAVE SMALL LABORATORIES AT THEIR COLLEGES,  
16 AND THIS WILL WORK TO STRENGTHEN THOSE LABORATORIES.

17 AND THIS WAS A SUGGESTION AND  
18 RECOMMENDATION MADE BY CIRM DIVERSITY WORKSHOP THAT  
19 WE HELD A YEAR AND A HALF AGO, I BELIEVE IT WAS.  
20 AND THE FEELING WAS TO TRANSFER STEM CELL EXPERTISE  
21 AND KNOWLEDGE TO EDUCATIONAL INSTITUTIONS THAT HAD A  
22 MORE DIVERSE STUDENT POPULATION THAN, FOR EXAMPLE,  
23 THE UNIVERSITY OF CALIFORNIA.

24 DR. TROUNSON: JUST TO UNDERLINE, THIS IS  
25 PART OF THE DIVERSITY PROGRAM TO IMPROVE DIVERSITY

## BARRISTERS' REPORTING SERVICE

1 REALLY ACROSS THE WHOLE STATE AND OUR ENABLEMENT TO  
2 BE IN IT. SO IT CAME OUT OF THAT PROGRAM. WE THINK  
3 THAT WE'VE GOT REASONABLY STRONG SUPPORT FROM MANY  
4 COLLEGES AND STATE UNIVERSITIES AND OTHERS WHO  
5 BASICALLY DON'T HAVE ANY OF OUR INFRASTRUCTURAL  
6 SUPPORT. THEY DON'T HAVE ANY LABORATORY NEARBY THAT  
7 THEY CAN ACTUALLY UTILIZE AND SO ON. AND WE FELT IT  
8 WAS ONE OF THE STEPS THAT WE COULD DO, AND WE ADDED  
9 A BOLT-ON TO THE ESTABLISHED GRANTS THAT WOULD BE A  
10 VERY MUCH EASIER WAY FOR US TO BE ABLE TO HANDLE IT.

11 AND IT WOULD BE ONLY ONE PERSON PER  
12 INVESTIGATOR. THERE COULD BE A LARGE NUMBER OF  
13 INVESTIGATORS ACROSS THE STATE; BUT BECAUSE WE'RE  
14 REQUIRING THAT THE INSTITUTION FROM WHICH THESE  
15 PEOPLE WOULD COME WOULD HAVE TO PAY PART OF THE  
16 SALARY, AS THEY NORMALLY DO UNDER THESE AWARDS IF  
17 PEOPLE DO A SABBATICAL OR VISIT. IT'S TOUGH TIMES  
18 AT THE MOMENT OUT THERE AND IT WILL PROBABLY BE  
19 TOUGH. SO ONLY ONE IN SEVEN OF ANY STAFF OF ANY  
20 UNIVERSITY, COLLEGE WILL REALLY BE IN THE TIME FRAME  
21 WHERE THEY CAN TAKE A SABBATICAL.

22 BUT WE JUST DID FEEL IT WAS SOMETHING THAT  
23 WE COULD CREATE SOME LINKAGES THAT WOULD PROVIDE AN  
24 IMPROVEMENT FOR US PARTICULARLY ON THE DIVERSITY  
25 ISSUE AND GIVE SOME PEOPLE WHO REALLY WOULD LIKE TO



## BARRISTERS' REPORTING SERVICE

1 TRY AND PARTICIPATE A CHANCE TO GET IN WITHOUT  
2 HAVING TO TRY AND COMPETE HOLUS-BOLUS WITH THE FRONT  
3 LINE OF THE GRANTS, WHICH ARE PRETTY COMPETITIVE.

4 DR. LUBIN: I THINK IT'S ACTUALLY A  
5 TERRIFIC IDEA, AND I DO THINK EMPHASIS ON HOW TO  
6 INCORPORATE DIVERSITY-RELATED ISSUES INTO CIRM'S  
7 MISSION HAS BEEN ONE OF THE CRITICISMS THAT I'VE  
8 HEARD AT DIFFERENT MEETINGS THAT I'VE BEEN AT. I  
9 THINK THIS IS A GOOD WAY TO ADDRESS IT AND GET IT  
10 STARTED. I'M VERY SUPPORTIVE. I LIKE THE IDEA A  
11 LOT.

12 CHAIRMAN KLEIN: AND DAVID SERRANO-SEWELL,  
13 YOU WERE ONE OF THE BOARD MEMBERS WITH MARCY FEIT  
14 WHO REALLY LED THE BOARD ON THE BRIDGES PROGRAM,  
15 WHICH ALSO ADDRESSES THIS AREA.

16 MR. SERRANO-SEWELL: YEAH. SO WHO ARE THE  
17 QUALIFIED POTENTIAL APPLICANTS?

18 DR. YAFFE: WELL, THE APPLICATION WILL  
19 ACTUALLY COME FROM CIRM PI'S, BUT THEY WILL SUBMIT  
20 AN APPLICATION ON BEHALF OF A FACULTY MEMBER WHO'S  
21 GOING TO WORK IN THEIR LAB AND DO RESEARCH IN THEIR  
22 LAB. THE QUALIFIED ELIGIBLE PEOPLE WILL BE THOSE  
23 WHO ARE FACULTY MEMBERS AT FOUR-YEAR COLLEGES WHICH  
24 DO NOT -- FOUR-YEAR COLLEGES THAT DO NOT ALREADY  
25 RECEIVE CIRM FUNDING FOR INFRASTRUCTURE RESEARCH.

## BARRISTERS' REPORTING SERVICE

1 MR. SERRANO-SEWELL: THAT'S THE LINK I'M  
2 NOT MAKING. SO TO QUALIFY, YOU HAVE TO BE AN  
3 EXISTING GRANTEE?

4 DR. YAFFE: TO SERVE AS A HOST FOR ONE OF  
5 THESE VISITORS, YOU NEED TO BE AN EXISTING CIRM  
6 GRANTEE.

7 CHAIRMAN KLEIN: THE APPLICANTS, DAVID, DO  
8 NOT HAVE ONE.

9 DR. YAFFE: DON'T HAVE TO HAVE ANY HISTORY  
10 WITH US.

11 MR. SERRANO-SEWELL: LIKE CHILDREN'S WHERE  
12 OUR NEW COLLEAGUE WORKED, THEY COULDN'T APPLY  
13 BECAUSE THEY DON'T HAVE A GRANT.

14 DR. LUBIN: THEY COULD IF THEY WERE  
15 WORKING AT BERKELEY OR UCSF OR AT STANFORD. OF IF  
16 YOU WERE AT LANEY COLLEGE AND YOU HAD A RELATIONSHIP  
17 WITH SOMEBODY AND YOU WANTED TO APPLY, YOU COULD  
18 APPLY. AND THE GRANT WOULD GO TO ONE OF THOSE  
19 UNIVERSITIES, BUT THEY WOULD FUND THAT PERSON.  
20 THAT'S THE WAY I UNDERSTAND IT.

21 DR. YAFFE: I THINK YOU UNDERSTAND IT  
22 CORRECTLY. A NICKNAME WOULD BE THIS IS THE BRIDGES  
23 PROGRAM FOR FACULTY MEMBERS.

24 MR. SERRANO-SEWELL: LET ME JUST ASK  
25 ANOTHER QUESTION. I THINK I KNOW THE ANSWER, BUT

## BARRISTERS' REPORTING SERVICE

1 EXPLAIN IT TO ME AGAIN. HOW DOES THIS HELP  
2 DIVERSITY? IS IT THE UNDERSTANDING THAT THE  
3 SPONSORING APPLICANTS, IF YOU WILL, ARE WE HOPING  
4 THAT THEY WILL HAVE A LINKAGE AS DR. LUBIN  
5 DESCRIBED, AND DO PEOPLE GET EXTRA POINTS IF THEY DO  
6 THAT?

7 DR. YAFFE: THE EXPECTATION OF HOW THIS  
8 WILL AFFECT DIVERSITY IS THAT THE STATE  
9 UNIVERSITIES, MANY OF THE STATE UNIVERSITIES SERVE A  
10 DIVERSE STUDENT POPULATION. THEY DON'T CURRENTLY  
11 HAVE FACULTY WHO HAVE EXPERTISE IN STEM CELL  
12 BIOLOGY, AND MANY OF THOSE STUDENTS, EXCEPT FOR  
13 THOSE WHO ARE INVOLVED IN THE BRIDGES PROGRAM AND  
14 SOME OTHER PROGRAMS LIKE THAT, DON'T HAVE THE  
15 OPPORTUNITY TO WORK IN A STEM CELL LAB, TO BE  
16 EXPOSED TO STEM CELL RESEARCH IN A DIRECT AND  
17 HANDS-ON WAY.

18 THESE FACULTY MEMBERS WHO TRAIN IN CIRM  
19 LABS WILL GO BACK, WE HOPE, TO THEIR COLLEGES WHERE  
20 THEY WILL BE ABLE TO TEACH COURSES IN STEM CELL  
21 BIOLOGY. THEY WILL HAVE A PROGRAM IN THEIR OWN  
22 LABORATORIES, FOR EXAMPLE, AT SAN FRANCISCO STATE OR  
23 AT CAL STATE L.A., AND THEN STUDENTS FROM THOSE  
24 COLLEGES WILL BENEFIT. HOPEFULLY THIS WILL BE A  
25 MORE DIVERSE STUDENT BODY THAN IS BENEFITING

**BARRISTERS' REPORTING SERVICE**

1 CURRENTLY FROM CIRM FUNDING AND TRAINING.

2 DR. LUBIN: YOU DON'T HAVE TO FIT INTO A  
3 DIVERSITY CATEGORY, LET'S SAY, THE NIH OR SOMEBODY  
4 HAS TO BE A RECIPIENT OF THIS AWARD.

5 DR. YAFFE: THAT'S CORRECT. I'M NOT SURE  
6 THAT WOULD BE CONSISTENT WITH CALIFORNIA LAW.

7 DR. PIZZO: CAN I MAKE A COMMENT THAT'S  
8 NOT SPECIFICALLY RELATED TO THIS, BUT IS AN  
9 EXTENSION OR AT LEAST A REFLECTION? LET ME START  
10 AND YOU CAN STOP ME. I THINK THERE ARE MANY  
11 CONCEPTS THAT COME FORWARD THAT ARE HIGHLY  
12 MERITORIOUS AND THAT COULD BE IMPROVED CONCEPTUALLY  
13 AND FURTHER IF THE OPPORTUNITY FOR INPUTTING  
14 INFORMATION FROM OTHERS WITH EXPERTISE IN AN AREA  
15 WAS ALLOWED. AND IN AREAS WHERE SUCH CONCEPTUAL  
16 CONCEPTS COME FORWARD, I, AS ONE PERSON, HAVE A LOT  
17 OF THINGS THAT I THINK COULD IMPROVE THAT CONCEPTUAL  
18 IDEATION.

19 THE FACT THAT I CAN'T COMMENT ON THE  
20 CONCEPTUAL IDEATION MAKES THIS -- I THINK MAKES A  
21 CONCEPTUAL IDEATION LESS USEFUL FOR THE COMMUNITY  
22 WE'RE TRYING TO SERVE. THANK YOU VERY MUCH.

23 CHAIRMAN KLEIN: SO LET'S DEAL WITH THIS  
24 IN TERMS OF WE HAVE A MOTION HERE.

25 MR. SERRANO-SEWELL: INDULGE ME ONE MORE

## BARRISTERS' REPORTING SERVICE

1 QUESTION. SO A SPONSORING LIKE AN INSTITUTION,  
2 LET'S SAY, STANFORD, FOR EXAMPLE, OR ANY -- I'LL  
3 JUST USE STANFORD AS AN EXAMPLE. WE'RE NOT FORCING  
4 A MARRIAGE BETWEEN STANFORD AND THE LOCAL COMMUNITY  
5 COLLEGE?

6 CHAIRMAN KLEIN: NO.

7 MR. SERRANO-SEWELL: STANFORD COULD COME  
8 IN AND SAY WE WANT TO BRING IN -- WE WANT THIS  
9 PROGRAM TO AUGMENT OUR EXISTING FACULTY PROGRAM OR  
10 WHATEVER TO PAY FOR A -- TO SUBSIDIZE A FACULTY  
11 PERSON ALREADY AT STANFORD.

12 CHAIRMAN KLEIN: NO. NO.

13 DR. YAFFE: THIS WILL INVOLVE EXISTING  
14 GRANTEES. A PI AT STANFORD WOULD LIKE TO HOST A  
15 FACULTY MEMBER FROM SAN FRANCISCO STATE UNIVERSITY  
16 IN THEIR LABORATORY. THAT FACULTY MEMBER FROM SAN  
17 FRANCISCO STATE WILL GO, DO RESEARCH, BE PART OF THE  
18 RESEARCH TEAM, GAIN EXPERTISE IN STEM CELL RESEARCH.  
19 WE'RE SUPPORTING SIMPLY THE COST OF HAVING THAT --  
20 SOME OF THE COST OF HAVING THAT INDIVIDUAL WORK IN  
21 THE STANFORD LABORATORY, GET INCREDIBLY WONDERFUL  
22 EXPERIENCE, AND THEN GO BACK TO SAN FRANCISCO STATE.

23 MR. SERRANO-SEWELL: OKAY.

24 CHAIRMAN KLEIN: OKAY. SO WHAT I WAS  
25 GOING TO SAY IS IF THERE WERE A MOTION TO APPROVE,

## BARRISTERS' REPORTING SERVICE

1 PERHAPS THE MOTION COULD DIRECT THE SCIENTIFIC STAFF  
2 TO TALK TO INDIVIDUALS AT HOST INSTITUTIONS, NOT  
3 INVOLVING THE BOARD MEMBERS, WHO MIGHT INCORPORATE  
4 INFORMATION THAT WOULD BE HELPFUL IN CARRYING OUT  
5 THE OBJECTIVES. IS THERE A MOTION TO APPROVE?

6 MR. ROTH: I HAVE A QUESTION, THEN I'LL  
7 MAKE A MOTION. WHERE DID THIS GENERATE FROM?

8 CHAIRMAN KLEIN: THE DIVERSITY WORKSHOP.

9 DR. YAFFE: THIS WAS A SUGGESTION OF THE  
10 DIVERSITY WORKSHOP THAT WE HELD A YEAR AND A HALF  
11 AGO. I SHOULD ALSO SAY THAT IT WAS A SUGGESTION  
12 THAT DR. GIL SAMBRANO AND I HEARD WHEN WE VISITED --  
13 WHEN WE WERE DEVELOPING THE FEATURES OF THE BRIDGES  
14 PROGRAM AND VISITED A NUMBER OF THE CALIFORNIA STATE  
15 UNIVERSITIES. AND WE HEARD THIS FROM THE FACULTY.  
16 WHY DON'T YOU HAVE A PROGRAM SO THAT WE CAN GO AND  
17 GAIN THE KNOWLEDGE FIRSTHAND? RATHER THAN SENDING  
18 OUR STUDENTS, HOW ABOUT IF WE GO TO THE UNIVERSITY  
19 OF CALIFORNIA, TO STANFORD, USC, AND SOME OF THE  
20 EXCELLENT RESEARCH INSTITUTES AND GET TRAINING  
21 OURSELVES?

22 SO THIS ACTIVITY SEEMS TO BE  
23 ENTHUSIASTICALLY SUPPORTED BY FACULTY OF THE  
24 CALIFORNIA STATE UNIVERSITIES IN PARTICULAR AND WAS  
25 ALSO SUGGESTED BY OTHER PARTICIPANTS IN THE

**BARRISTERS' REPORTING SERVICE**

1 DIVERSITY WORKSHOP.

2 MR. ROTH: THE CONCERN I HAVE, AND I THINK  
3 IT'S BEING ADDRESSED BY SEVERAL QUESTIONS, IT'S IN  
4 CONCEPT A GOOD IDEA. WITHOUT TALKING TO THE  
5 INSTITUTES THAT ARE GOING TO ENTERTAIN THESE TO MAKE  
6 SURE, IN FACT, IT HAPPENS AND IS DONE IN A WAY  
7 THAT'S GOING TO FULFILL THE VISION YOU'VE LAID OUT,  
8 I WOULD CAUTION THAT WE NOT GO TOO FAST AND MAKE  
9 SURE IT'S THE RIGHT THING.

10 DR. YAFFE: I'D JUST ADD THAT WE PRESENTED  
11 THE IDEA OF THIS CONCEPT TO THE LEADERS OF THE STATE  
12 STEM CELL PROGRAMS AT THE PRESIDENT'S STEM CELL  
13 ADVISORY MEETING IN SAN DIEGO EARLIER THIS MONTH,  
14 AND THERE WAS WIDESPREAD SUPPORT FOR THAT AMONG THAT  
15 GROUP. WE'VE ALSO BEEN IN COMMUNICATION WITH SUSAN  
16 BAXTER AT THE STATE UNIVERSITY SYSTEM WHO HAS ALSO  
17 SUPPORTED THIS IDEA.

18 DR. TROUNSON: SO JUST TO UNDERLINE WHAT  
19 MICHAEL SAID, IT WAS UNANIMOUS AND VERY STRONG  
20 SUPPORT FROM THE LEADERS. THESE ARE THE LEADERS OF  
21 THE STEM CELL CENTERS IN ALL THE MAJOR INSTITUTIONS  
22 REPRESENTING THE MAJOR UNIVERSITIES THAT HAVE MAJOR  
23 GRANTS, AND THEY THOUGHT IT WAS A TERRIFIC IDEA.  
24 AND WE'D BE VERY OPEN TO WHATEVER IMPROVEMENT. SO  
25 IF ANY MEMBERS OF THE BOARD COULD SEND LETTERS OF

## BARRISTERS' REPORTING SERVICE

1 IMPROVEMENT GENERALLY.

2 CHAIRMAN KLEIN: MEMBERS OF THE BOARD  
3 CAN'T SEND YOU MANNERS OF IMPROVEMENT. BUT YOU AS A  
4 SCIENTIFIC STAFF CAN CONSULT WITH INSTITUTIONS THAT  
5 ARE GRANT RECIPIENTS AND GET ADDITIONAL INPUT FROM  
6 THEM ON SOME IDEAS THAT MIGHT IMPROVE THE  
7 IMPLEMENTATION.

8 DR. TROUNSON: WE COULD GO BACK TO THOSE  
9 PEOPLE THAT WE'VE BEEN TALKING TO AND SEEK SOME  
10 FURTHER INFORMATION, BUT THEY FELT THAT IT WAS A  
11 VERY STRONG PROPOSAL AS IT WAS. SO WE WILL DO SOME  
12 MORE DILIGENCE, LET'S SAY, AND SEE IF WE CAN ADD TO  
13 THIS PROPOSAL. BUT WE DID -- WE HAVE BEEN OUT  
14 THERE. WE HAVE BEEN TALKING TO THE PEOPLE ON BOTH  
15 SIDES OF THIS, WHETHER THEY BE HOSTS OR THEY BE  
16 VISITORS, AND IT'S VERY STRONGLY SUPPORTED PRETTY  
17 MUCH REALLY RIGHT ACROSS THE STATE.

18 CHAIRMAN KLEIN: I THINK SOMEONE HAD A  
19 MOTION OVER HERE.

20 MS. FEIT: I'LL MAKE A MOTION THAT WE  
21 ESTABLISH A VISITING FACULTY RESEARCH FUND AND ASK  
22 THE STAFF TO PURSUE THE PROCESS. I CAN'T MAKE THE  
23 MOTION?

24 MR. ROTH: I'LL MAKE THE MOTION TO  
25 APPROVE. I WOULD LIKE TO MODIFY IT SIMPLY BY SAYING



**BARRISTERS' REPORTING SERVICE**

1 THAT AFTER YOU WORK OUT THE PROGRAM AND YOU HAVE THE  
2 FIRST THIRD, THAT YOU BRING IT TO US FOR MAKING SURE  
3 THAT IT DOES EXACTLY WHAT YOU SAID.

4 CHAIRMAN KLEIN: WELL, MY UNDERSTANDING IS  
5 WE'RE GOING -- THESE WILL COME BACK HERE FOR  
6 APPROVAL OR NOT?

7 MR. ROTH: THAT'S WHAT I'M ASKING, BOB,  
8 THAT WE BRING IT BACK. GO AHEAD WITH THE PROGRAM.  
9 WE CAN APPROVE THE MONEY. LET'S MAKE SURE THAT IN  
10 THAT ENSUING TIME THAT WE HAVE A CHANCE TO RE-REVIEW  
11 IT AND MAKE SURE IT MEETS THE OBJECTIVE.

12 CHAIRMAN KLEIN: IS THERE A SECOND?

13 MS. GIBBONS: SECOND.

14 CHAIRMAN KLEIN: ADDITIONAL DISCUSSION  
15 FROM THE BOARD? PUBLIC? CALL THE QUESTION FOR --  
16 ACTUALLY WE'RE GOING TO HAVE A ROLL CALL BECAUSE OF  
17 THE APPEARANCE OF CONFLICT DESPITE THE STATUTORY  
18 EXCEPTION.

19 MS. KING: LEEZA GIBBONS.

20 MS. GIBBONS: YES.

21 MS. KING: BOB KLEIN.

22 CHAIRMAN KLEIN: YES.

23 MS. KING: BERTRAM LUBIN.

24 DR. LUBIN: YES.

25 MS. KING: ROBERT QUINT.

**BARRISTERS' REPORTING SERVICE**

1 DR. QUINT: YES.

2 MS. KING: DUANE ROTH.

3 MR. ROTH: YES.

4 MS. KING: JOAN SAMUELSON.

5 MS. SAMUELSON: YES.

6 MS. KING: DAVID SERRANO-SEWELL.

7 MR. SERRANO-SEWELL: YES.

8 MS. KING: ART TORRES.

9 MR. TORRES: AYE.

10 DR. POMEROY: MAY I HAVE DISCUSSION? SO  
11 I'M A LITTLE BIT UNCLEAR ON THE PROCESS HERE, SO  
12 THERE'S NOT AN APPLICATION PROCESS FOR THIS?

13 CHAIRMAN KLEIN: THERE IS AN APPLICATION  
14 PROCESS.

15 DR. POMEROY: WE ARE NOT INVOLVED IN ANY  
16 WAY IN THAT PROCESS? THAT'S WHAT I'M TRYING TO  
17 UNDERSTAND.

18 CHAIRMAN KLEIN: NO, WE'RE NOT INVOLVED  
19 BECAUSE THESE GRANTS HAVE PREVIOUSLY GONE THROUGH  
20 PEER REVIEW. SO IT'S AUGMENTATION TO EXISTING  
21 GRANTS. WITH DUANE'S MOTION THAT HE HAS MADE, IT  
22 WILL COME BACK TO US, SO WE'RE GOING TO GET FEEDBACK  
23 ON HOW THAT APPLICATION PROCESS IS GOING AFTER A  
24 THEY'RE A THIRD OF THE WAY THROUGH.

25 DR. POMEROY: SO STAFF WILL MAKE THE

## BARRISTERS' REPORTING SERVICE

1 DECISION OF WHETHER IT IS APPROPRIATE FACULTY?

2 DR. YAFFE: STAFF WILL REVIEW THE  
3 APPLICATION WHICH WILL LET US KNOW ABOUT THE  
4 BACKGROUND AND TALENTS OF THE APPLICANT, THE LAB  
5 THEY'RE GOING TO, HOW THIS APPLICANT'S ACTIVITY IN  
6 THAT LAB WILL FIT IN WITH THE GRANT, AND ALSO  
7 CONFIRMING THE SUPPORT FROM THE HOME INSTITUTION OF  
8 HALF THE SALARY.

9 MR. SWEEDLER: DR. POMEROY, ONE OF THE  
10 REASONS THIS IS DONE THE WAY IT IS, NOT WITH  
11 APPLICATIONS COMING FROM THE VISITING FACULTY  
12 MEMBERS AND THEIR INSTITUTIONS, IS THAT BY MAKING  
13 THESE SUPPLEMENTS TO EXISTING APPROVED PROJECTS, IT  
14 MEANS WE DON'T HAVE TO CONVENE THE GRANTS WORKING  
15 GROUP FOR EACH ONE. BUT I ALSO WANT TO BE CLEAR  
16 THAT THIS IS ALSO SET UP SO THAT STAFF IS NOT  
17 EVALUATING APPLICATIONS IN ANY SORT OF SUBJECTIVE  
18 WAY.

19 STAFF'S JOB WILL BE TO VERIFY COMPLIANCE  
20 WITH THE ELIGIBILITY REQUIREMENTS. IN OTHER WORDS,  
21 IT DOES HAVE TO BE -- THE FULL PROPOSAL, AS YOU HAVE  
22 IT IN THE BOOK, SPECIFIES THEY HAVE TO HAVE A  
23 CERTAIN KIND OF FACULTY APPOINTMENT THAT INCLUDES A  
24 RESEARCH COMPONENT AT THEIR HOME INSTITUTION. SO IF  
25 IT WAS AN ENGLISH PROFESSOR, HOWEVER MUCH WE MIGHT

## BARRISTERS' REPORTING SERVICE

1 LIKE THEM, WE WOULDN'T BE ABLE TO APPROVE IT. BUT  
2 JUST FOR LEGAL REASONS, I WANT IT TO BE CLEAR THAT  
3 STAFF IS NOT EVALUATING APPLICATIONS.

4 DR. POMEROY: IT WILL BE FIRST COME, FIRST  
5 SERVED WITHOUT ANY PRIORITY?

6 CHAIRMAN KLEIN: THE ISSUE, DR. POMEROY,  
7 IS THERE'S A QUALITATIVE SCREENING IN THAT THE HOST  
8 INSTITUTION PI HAS TO DO AN ENDORSEMENT TO SHOW THAT  
9 THERE'S -- THEY BELIEVE THERE'S GOING TO BE A  
10 QUALITY CONTRIBUTION HERE.

11 DR. POMEROY: I ONLY BRING THIS UP  
12 BECAUSE, SAY, UC DAVIS GOT IT TOGETHER REALLY  
13 QUICKLY AND SUBMITTED 30 PROPOSALS FOR SUPPLEMENT  
14 BEFORE MY COLLEAGUES GOT IT TOGETHER TO DO IT.  
15 SO --

16 CHAIRMAN KLEIN: WE'RE NOT GOING TO ANSWER  
17 THAT QUESTION FOR YOU, BUT LET ME STATE ANOTHER WAY.  
18 IT WOULD BE -- DR. YAFFE, IS THERE A DISTRIBUTION  
19 SYSTEM SO THAT WE DON'T HAVE CONCENTRATION AND WE  
20 GET OPPORTUNITIES TO REALLY GET --

21 DR. YAFFE: WE HAVEN'T DEFINED THAT. WE  
22 CERTAINLY COULD IF THAT'S THE WISH OF THE BOARD.  
23 THE CHANCE THAT 30 FACULTY MEMBERS WHO ARE ALL ABLE  
24 TO TAKE THEIR SABBATICALS IN ONE YEAR AT DAVIS, AS  
25 GREAT AS DAVIS IS, BEING A DAVIS GRADUATE MYSELF, I

## BARRISTERS' REPORTING SERVICE

1 DON'T THINK SO.

2 CHAIRMAN KLEIN: SO LET'S NOT TALK ABOUT A  
3 CAMPUS. THE CONCEPT, AND I WILL MAKE THE COMMENT,  
4 IF YOU RESPOND TO MY COMMENT, WHICH IS THAT I THINK  
5 IT WOULD BE ADVISABLE, WHEN YOU COME BACK FOR REVIEW  
6 AFTER A THIRD OF THEM, TO SEE THAT THERE IS, IN YOUR  
7 ADMINISTRATION OF THIS, SOME DISTRIBUTION SO THAT WE  
8 GET DIVERSITY ACROSS THE STATE. THAT WOULD BE  
9 SOMETHING THAT PROBABLY WOULD BE WELL RECEIVED BY  
10 THE BOARD.

11 SO IF WE CAN GO TO ITEM 15 VERY QUICKLY.  
12 EXCUSE ME. WE'RE GOING TO GO TO ITEM 14, AND THEN  
13 WE'RE -- WE'RE GOING TO GO TO ITEM 14. ON ITEM 14,  
14 I'D LIKE TO MAKE A CORRECTION TO SEE IF -- I HAVE AN  
15 EARLIER BINDER AND A LATER BINDER. IN THE SUMMARY  
16 IT'S GOT A STATEMENT THAT THERE WOULD BE A PROGRAM  
17 THAT WOULD ACCOMMODATE 80 YOUNG CALIFORNIA  
18 RESEARCHERS IN THIS AND UP TO 40 PATIENT ADVOCATES  
19 IN THIS. 120 AT 2,000 EACH IS 240,000, NOT 200.  
20 AND OBVIOUSLY THAT'S A COMMA THAT DIDN'T GET PICKED  
21 UP IN THE FINAL DRAFT, SO WE'LL MODIFY THAT.

22 IN TERMS OF THIS PROGRAM, DR. TROUNSON,  
23 WOULD YOU LIKE TO DISCUSS THIS OR WOULD YOU LIKE ME  
24 TO --

25 DR. TROUNSON: WELL, I THINK YOU COULD DO

## BARRISTERS' REPORTING SERVICE

1 THAT, BUT I ALSO WOULD LIKE IAN SWEEDLER TO MAKE  
2 SOME COMMENTS FOR US AS WELL.

3 CHAIRMAN KLEIN: LET ME MAKE A QUICK  
4 SUMMARY OF THIS FIRST, AND THEN WE'LL ASK FOR THE  
5 COMMENTS FROM IAN. IT IS IMPORTANT TO REALIZE THAT  
6 THERE WAS, EVEN THOUGH THERE WAS AN EXTREMELY SHORT  
7 PERIOD OF TIME BEFORE THE LAST ISSCR MEETING IN SAN  
8 FRANCISCO, THAT THERE WAS A VERY STRONG RESPONSE  
9 FROM THE COMMUNITY.

10 YOU MAY REMEMBER THAT I TALKED TO A NUMBER  
11 OF THE SENIOR RESEARCH PROGRAM LEADERS AT THE  
12 DIFFERENT UNIVERSITIES ABOUT THIS ISSUE. THEY  
13 INDICATED THAT THEY'RE ALWAYS IN THE PROCESS THAT  
14 THERE'S COMPETITION FOR THESE FUNDS, ALTHOUGH THEY  
15 HAVE TO LEVEL PROJECT THEM ACROSS THEIR GRANT OR  
16 OFTEN THEIR ADMINISTRATORS DO, THEY HOLD SOME BACK  
17 UNTIL THE END BECAUSE OF IMPORTANT CONFERENCES WHERE  
18 THEY WANT TO PRESENT THEIR FINDINGS OF THEIR GRANTS.  
19 SO THEY'RE ALWAYS IN AN UNCERTAIN POSITION AS TO HOW  
20 MUCH MONEY THEY HAVE AVAILABLE FOR THE YOUNGEST  
21 RESEARCHERS THEY'RE REALLY TRYING TO PERMANENTLY  
22 RECRUIT INTO THIS FIELD.

23 AND EFFECTIVELY THIS LAST TIME WE DIDN'T  
24 ALLOW ANY APPLICATIONS UNTIL THE APPLICATION PERIOD  
25 WAS CLOSED, SO IT WAS CLEAR THAT THESE PEOPLE HAD NO

## BARRISTERS' REPORTING SERVICE

1 ABILITY TO ATTEND OTHERWISE AND THEN HAD A SPECIAL  
2 OPENING TO BRING THESE RESEARCHERS IN. WE FOUND  
3 THERE WERE 88, SO THAT'S A GOOD BENCHMARK FOR US TO  
4 INDICATE 80 BEING AN APPROPRIATE NUMBER FOR THE  
5 ISSCR MEETING IN TORONTO.

6 SECONDLY, IN TERMS OF PATIENT ADVOCATES,  
7 WE HAD, I THINK, ONLY ABOUT 12 THAT WERE ABLE TO  
8 ATTEND ON VERY SHORT NOTICE. AND IT'S PARTICULARLY  
9 IMPORTANT THAT WE BE ABLE TO HAVE THE PATIENT  
10 ADVOCATES WHO ARE LEADERS IN THEIR DISEASE AREAS BE  
11 ABLE TO BE EXTREMELY WELL INFORMED. SOME OF THESE  
12 ARE PATIENT ADVOCATES WHO ARE M.D.'S, SOME OF THEM  
13 ARE PATIENT FAMILY MEMBERS WHO HAVE PUT TEN OR  
14 TWELVE YEARS INTO TRYING TO STUDY THE DISEASE,  
15 WORKING WITH CLINICIANS AND SCIENTISTS; BUT IT IS  
16 NOT ONLY IMPORTANT FOR CALIFORNIA PATIENT ADVOCATES  
17 TO BE WELL ADVISED OF THE ADVANCES IN THE FIELD.  
18 STRATEGICALLY I WANT TO REMIND US THAT CANADA AND  
19 PARTICULARLY THE PROVINCE OF ONTARIO AND QUEBEC,  
20 WHICH WILL BE WELL REPRESENTED AT THE ISSCR  
21 CONFERENCE, HAPPEN TO BE MAJOR CONCENTRATIONS OF  
22 BIOTECH RESEARCH IN NORTH AMERICA. CALIFORNIA IS  
23 NO. 1, MASSACHUSETTS IS NO. 2, THEN IT GOES ONTARIO  
24 AND QUEBEC BEFORE WE GET TO ANOTHER STATE.

25 SO THERE IS A STRATEGIC NORTH AMERICAN

## BARRISTERS' REPORTING SERVICE

1 ALLIANCE IN MOVING THIS RESEARCH FORWARD. THEY ARE  
2 AN INTERNATIONAL FUNDING PARTNER FOR US, AND THEIR  
3 LEADERS HAVE ASKED THAT IF OUR PATIENT ADVOCATES  
4 WERE ATTENDING, IF THEY COULD WORK WITH THEIR  
5 PATIENT ADVOCATES TO HELP THEM TO UNDERSTAND HOW TO  
6 EFFECTIVELY PROVIDE INFORMATION WITHIN THEIR  
7 GOVERNMENTAL SYSTEM TO ENHANCE THEIR FUNDING. IN  
8 ONTARIO ITSELF, AFTER GOVERNOR SCHWARZENEGGER  
9 ATTENDED IN 2006, I BELIEVE, AT A PRESENTATION THAT  
10 I ALSO MADE, THE PREMIER MCGUINITY HAD A FUND THAT HE  
11 STARTED WHICH AMOUNTED TO \$400 MILLION OVER SEVERAL  
12 YEARS OF SUPPORT FOR STEM CELL RESEARCH.

13 THE NEW MINISTER OF RESEARCH FOR ONTARIO  
14 I'VE MET WITH, AND THEY WANT TO FURTHER EXPAND THEIR  
15 PROGRAM, BUT THEY INDICATE THEY NEED PATIENT  
16 ADVOCATES TO BE INFORMED AND UNDERSTAND THE WAY TO  
17 INFORM THE PUBLIC IN CANADA AS IN CALIFORNIA SO THEY  
18 CAN HAVE THE SUPPORT TO MOVE FORWARD WITH AN  
19 EXPANDED PROGRAM.

20 THE FUNDS, I WOULD SUGGEST, ALTHOUGH NOT  
21 ADDRESSED HERE, THE FUND SHOULD COME OUT OF THE  
22 DOLBY AND GOLDMAN MONEY. AS ED PENHOET KNOWS,  
23 BECAUSE HE WENT WITH ME TO GET THE GOLDMAN MONEY,  
24 AND AS I KNOW IN SPADES BECAUSE OF THE DOLBY  
25 FAMILY'S DESIRES, WHEN WE RAISED THIS MONEY, WE SAID



## BARRISTERS' REPORTING SERVICE

1 IT WAS FOR CONFERENCES AND SPECIAL PROGRAMS OF THIS  
2 KIND. AND WE HAVE ALMOST \$3 MILLION, I THINK, MAYBE  
3 A LITTLE SHORT OF \$3 MILLION REMAINING IN THOSE  
4 FUNDS. THEY'VE BEEN THERE FOR A NUMBER OF YEARS.  
5 WE EXPRESSED URGENCY IN GETTING THE FUNDS IN THE  
6 FIRST PLACE. AND SO WE HAVE BEEN HUSBANDING THOSE  
7 FUNDS, AND IT IS APPROPRIATE THAT WHEN WE GET  
8 DONORS' FUNDS, WE FIND VALUABLE USES FOR THOSE FUNDS  
9 THAT ARE APPROPRIATE TO OUR MISSION.

10 I WOULD SUGGEST THAT THIS WOULD BE A  
11 SOURCE OF FUNDING, IF THE BOARD FEELS THAT IT'S  
12 APPROPRIATE, TO HAVE A MOTION TO APPROVE THIS. SO  
13 WITH THAT AS BACKGROUND, I WOULD ALSO SAY THE INTENT  
14 IS TO HANDLE THIS BECAUSE THE SCIENCE OFFICE AND THE  
15 GRANT ADMINISTRATION OFFICE, WE DON'T WANT THEM TO  
16 BE ENCUMBERED BY THIS. WE HAVE WORKED OUT WITH  
17 ISSCR A METHODOLOGY TO ADMINISTRATIVELY HANDLE THIS  
18 SO THAT THERE IS NOT AN INDIVIDUAL PROCESSING  
19 THROUGH OUR STAFF. THAT'S HANDLED EXTERNALLY WITH  
20 THE ISSCR WITH A RECONCILIATION AND JUSTIFICATION  
21 WITH DOCUMENTATION AT THE END WITH FUNDS THAT ARE  
22 NOT UTILIZED FOR THIS BEING RETURNED TO THIS AGENCY.

23 MR. SWEEDLER: THANK YOU, MR. CHAIRMAN. I  
24 HAVE VERY LITTLE TO ADD OTHER THAN JUST TO SAY THAT  
25 I WORKED CLOSELY WITH MR. HARRISON TO FIND A WAY TO

## BARRISTERS' REPORTING SERVICE

1 MEET THIS IMPORTANT GOAL IN A WAY THAT, AS YOU SAID,  
2 MR. CHAIRMAN, WOULD MINIMIZE DISRUPTION TO OUR OTHER  
3 PROGRAMS. AND JUST THAT WE APPRECIATE THAT THE  
4 OFFICE OF THE CHAIR WAS FLEXIBLE AND THAT WE FOUND A  
5 REALLY GOOD SOLUTION THAT DOESN'T END UP CREATING  
6 DISRUPTION. SO VERY PLEASED WITH THIS APPROACH.

7 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND  
8 THANK YOU, DR. TROUNSON, TO YOU AND YOUR STAFF'S  
9 SUPPORT THROUGH THIS PROCESS.

10 ARE THERE ADDITIONAL COMMENTS? JEFF  
11 SHEEHY, YOU WERE INSTRUMENTAL IN THE LAST ROUND OF  
12 THESE.

13 MR. SHEEHY: I MEAN I THINK THIS IS  
14 CRITICAL. I THINK WE'RE SETTING A GOOD EXAMPLE FOR  
15 THE FIELD. AS I NOTED LAST TIME, THEY DO THIS  
16 ROUTINELY FOR ALL THE MAJOR HIV CONFERENCES,  
17 INTERNATIONAL CONFERENCE, THE RETROVIRUS CONFERENCE.  
18 THEY HAVE SCHOLARSHIPS, THE CONFERENCES ACTUALLY DO.  
19 I KNOW THE FIELD IS NEW, AND IT REALLY CREATES A  
20 UNIQUE DYNAMIC CASE BETWEEN THE PATIENT COMMUNITY,  
21 THE RESEARCH COMMUNITY. AND IT'S JUST INVALUABLE.  
22 SO I HAVE MANY FRIENDS WHO GO TO ALL THE CONFERENCES  
23 AND MAKE THEM ON SCHOLARSHIPS. SO I THINK WE SHOULD  
24 BE PROUD THAT WE'RE DOING THIS.

25 I'D MAKE TWO RECOMMENDATIONS. I WOULD GO

## BARRISTERS' REPORTING SERVICE

1 AHEAD AND GO TO 250,000 IN CASE YOU DO GET THE WHOLE  
2 120 THAT YOU ARE LOOKING AT IN TERMS OF SCIENTISTS.

3 AND THEN THE OTHER THING I WOULD SUGGEST  
4 IS I ACTUALLY SAW THIS FANTASTIC PRESENTATION ON  
5 SOCIAL MEDIA AMY ADAMS DID FOR STAFF. SHE'S DOING  
6 JUST AN UNBELIEVABLE JOB WITH THAT. I WOULD LOOK  
7 TOWARDS, YOU KNOW, SINCE WE'RE SUPPORTING THESE  
8 FOLKS, INTEGRATING THEM INTO A SOCIAL MEDIA,  
9 BLOGGING, TWITTERING. I JUST THINK THEY'LL GIVE A  
10 CERTAIN TEXTURE TO THE CONFERENCE THAT WILL BE  
11 REALLY UNIQUE THAT MIGHT BE REALLY VALUABLE FOR OUR  
12 COMMUNICATIONS EFFORT. SO I WOULD JUST PUT THAT,  
13 NOT TO BURDEN STAFF, BUT JUST SOMETHING THAT WE WANT  
14 TO KEEP IN MIND.

15 AND LET THE PARTICIPANTS KNOW BECAUSE I  
16 THINK THAT THEY CAN DRIVE IT PREDOMINANTLY, AND IT  
17 WOULD GIVE US -- LIKE I KNOW FOR AMY, IT HELPS HER  
18 IF THEY HAVE CONNECTIONS TO THEIR ADVOCACY  
19 ORGANIZATIONS TO SPREAD WHATEVER SHE'S  
20 DISSEMINATING, SO IT BECOMES THIS DYNAMIC THAT  
21 ALLOWS US TO GET A MUCH BIGGER FOOTPRINT, AND WE  
22 COULD REALLY EXPAND OUR SOCIAL MEDIA, FACEBOOK,  
23 TWITTER, ALL NINE YARDS. IF WE START WALKING IN  
24 LIKE, OKAY, WE'RE ALL GOING TO USE THIS AS A GREAT  
25 WAY TO VITALIZE OUR SOCIAL COMMUNICATION EFFORTS.

**BARRISTERS' REPORTING SERVICE**

1 CHAIRMAN KLEIN: SO WOULD YOU MAKE A  
2 MOTION?

3 MR. SHEEHY: YEAH.

4 CHAIRMAN KLEIN: YOUR MOTION WOULD BE?

5 MR. SHEEHY: TO APPROVE THIS 250,000 AND  
6 THE RECOMMENDATION -- I DON'T WANT THE MOTION TO  
7 INCLUDE, BUT IT'S A RECOMMENDATION TO STAFF OR A  
8 SUGGESTION.

9 CHAIRMAN KLEIN: JEFF, YOUR MOTION WOULD  
10 INCLUDE THAT THIS WOULD COME FROM DOLBY AND GOLDMAN  
11 MONEY?

12 MR. SHEEHY: FROM DONATED MONEY, YEAH.

13 CHAIRMAN KLEIN: YES. THANK YOU.

14 MR. HARRISON: TO CLARIFY, IS IT 240 OR  
15 250?

16 MR. SHEEHY: JUST SAY TWO FIFTY.

17 CHAIRMAN KLEIN: IS THERE A SECOND?

18 MS. SAMUELSON: SECOND.

19 CHAIRMAN KLEIN: IS THERE DISCUSSION? IS  
20 THERE PUBLIC DISCUSSION?

21 MR. REED: I ATTENDED THE LAST ONE ON A  
22 CIRM SCHOLARSHIP. I WOULD NOT OTHERWISE HAVE BEEN  
23 ABLE TO AFFORD THAT. I CAN ONLY GO IF I SPEAK.

24 ALSO, I THINK IT'S GREAT TO HAVE THE  
25 PEOPLE BE FORCEFULLY ASKED TO DO A WRITE-UP ON SOME

**BARRISTERS' REPORTING SERVICE**

1 PORTION OF THAT AND THAT THAT BE SHARED WITH THEIR  
2 COMMUNITY AND WITH CIRM. THIS IS A TREMENDOUS THING  
3 TO GIVE PEOPLE THE SENSE OF INTERNATIONALLY, THE  
4 WORLD WORKING TOGETHER. SO THANK YOU VERY MUCH.

5 CHAIRMAN KLEIN: THANK YOU. I'D LIKE TO  
6 CALL THE QUESTION. ALL IN FAVOR.

7 (CHORUS OF AYES.)

8 CHAIRMAN KLEIN: OPPOSED? THANK YOU.

9 COUNSEL AND DR. TROUNSON, DO WE HAVE  
10 ADDITIONAL ITEMS WE NEED TO ADDRESS?

11 MR. HARRISON: I BELIEVE, CHAIR, THE LAST  
12 ITEM WE NEED A VOTE ON IS APPROVAL OF THE MINUTES,  
13 AND THEN WE HAVE THE PRESIDENT'S REPORT.

14 MR. ROTH: MOTION TO APPROVE THE MINUTES  
15 IS SUBMITTED IN THE PACKAGE.

16 CHAIRMAN KLEIN: SECOND. IS THERE  
17 DISCUSSION? PUBLIC DISCUSSION? OKAY. CALL THE  
18 QUESTION. ALL IN FAVOR.

19 (CHORUS OF AYES.)

20 CHAIRMAN KLEIN: OPPOSED.

21 DR. TROUNSON HAS AN OUTSTANDING  
22 PRESIDENT'S REPORT, AND I'D LIKE TO SEE WHO CAN STAY  
23 FOR THIS. HOPEFULLY YOU'VE BUDGETED SOME MORE TIME.  
24 SHOW OF HANDS.

25 DR. TROUNSON, IF YOU WOULD DELIVER THE

## BARRISTERS' REPORTING SERVICE

1 PRESIDENT'S REPORT, I'M GOING TO DEFER CHAIRMAN'S  
2 REPORT AND JUST DO IT IN WRITING TO SAVE TIME FOR  
3 THE MEMBERS.

4 MR. SERRANO-SEWELL: DR. TROUNSON, I HAVE  
5 A REAL QUICK QUESTION BEFORE YOU START. THIS MOTION  
6 THAT WE JUST PASSED FOR THIS CONFERENCE IN TORONTO,  
7 WHO ON YOUR STAFF ARE YOU GOING TO DELEGATE?

8 CHAIRMAN KLEIN: THE CHAIR'S OFFICE.

9 MR. SERRANO-SEWELL: IT'S GOING TO BE  
10 THROUGH THE CHAIR.

11 CHAIRMAN KLEIN: THE CHAIR'S OFFICE IS  
12 ADMINISTERING THIS WITH ISSCR.

13 MR. SERRANO-SEWELL: SO IT'S GOING TO BE  
14 OPERATED THROUGH. GREAT. THANK YOU.

15 DR. TROUNSON: WE ACTUALLY HAVE TO DO SOME  
16 THINGS, DAVID. THERE ARE SOME ELEMENTS THAT WE WILL  
17 BE INVOLVED WITH, BUT THERE WILL BE A PRIMARY  
18 RESPONSIBILITY IN THE CHAIR'S OFFICE.

19 SO, NOW, THIS IS THE STAFF. BECAUSE IT'S  
20 UPSIDE DOWN, YOU'RE GETTING THE PRESIDENT'S REPORT  
21 AT THE END OF THE MEETING, SO WE GOT THE LAST SLIDE  
22 FIRST.

23 CHAIRMAN KLEIN: MANY PEOPLE VALUE BEING  
24 THE LAST WORD.

25 DR. TROUNSON: THIS IS WONDERFUL GROUP OF

## BARRISTERS' REPORTING SERVICE

1 PEOPLE SHOWN THERE. JUST FANTASTIC. THAT'S WHAT  
2 RUNS THIS ORGANIZATION. I JUST TELL YOU I  
3 APPRECIATE THEM EVERY DAY I GET UP IN THE MORNING  
4 AND GO HOME AT NIGHT.

5 SO NEXT SLIDE, PLEASE. SO I DID MENTION  
6 THIS TO THE BOARD. BOB EDWARDS, THE IVF PIONEER,  
7 WON THE NOBEL PRIZE FOR PHYSIOLOGY LAST YEAR. HE'S  
8 A CLOSE FRIEND AND COLLEAGUE OF MINE. UNFORTUNATELY  
9 HE HAS DEMENTIA, SO I'M NOT SURE HOW MUCH OF IT HE  
10 REMEMBERS. HE WAS UNABLE TO MAKE THE NOBEL DINNER,  
11 AND IT WAS A GREAT SADNESS TO ME THAT IT WAS AWARDED  
12 SO LATE IN HIS LIFETIME. BUT WE WERE GREAT FRIENDS  
13 AND WORKED TOGETHER, AND I JUST WANTED TO RECOGNIZE  
14 HIM WITH YOU.

15 BUT TO ADD ONTO THAT, I THOUGHT I'D DRAW  
16 YOUR ATTENTION TO WHAT FLOWS, WHAT IS FLOWING IN THE  
17 WORLD REALLY. I DON'T THINK WE'VE SPOKEN ABOUT THIS  
18 HARRIS POLL THAT WAS DONE ON SEPTEMBER 28TH TO THE  
19 30TH LAST YEAR. BUT THAT HARRIS POLL WAS DONE  
20 ACROSS OVER 2,000 INDIVIDUALS AGE 18 OR MORE. THE  
21 IMPORTANT PART OF THAT IS THAT OVER 70 PERCENT OF  
22 THOSE PEOPLE THAT WERE POLLED SUPPORTED EMBRYONIC  
23 STEM CELL RESEARCH. AND IT IS CONNECTED TO BOB  
24 EDWARDS BECAUSE WITHOUT THOSE EMBRYOS THAT WE  
25 DEVELOPED IN THE EARLY DAYS FROM IVF, WE WOULDN'T

## BARRISTERS' REPORTING SERVICE

1 HAVE HAD EMBRYONIC STEM CELLS, AND I WOULDN'T BE  
2 HERE WITH YOU AS WELL.

3 SO HERE'S AN INCREDIBLE ENDORSEMENT WHICH  
4 WAS JUST PRIOR TO THE ELECTION. WE SOMETIMES  
5 FORGET, BECAUSE WE'VE GOT MEMBERS IN THE CONGRESS  
6 WHO MIGHT BE MORE NEGATIVE THAN WE ARE, THAT RIGHT  
7 ACROSS THE U.S., IRRESPECTIVE OF WHAT RELIGIOUS  
8 GROUPS, WERE INCREDIBLY SUPPORTIVE. I THINK WE WANT  
9 TO TAKE THIS FEELING THAT WE'RE ACTUALLY IN A SPACE  
10 THAT IS HIGHLY, HIGHLY SUPPORTED. AND WE SHOULDN'T  
11 LOSE THAT NO MATTER WHAT CRITICISM WE GET FROM  
12 MOMENT TO MOMENT.

13 THIS IS WORKING REALLY, REALLY WELL, AND  
14 THE PEOPLE SUPPORT US. AND I THINK THAT MR.  
15 TAYLOR'S COMMENT, THAT THERE IS NOW OVERWHELMING  
16 PUBLIC SUPPORT FOR USING HUMAN EMBRYONIC STEM CELLS  
17 IN BIOMEDICAL RESEARCH, IS A REAL TRUISM. I WANTED  
18 THE BOARD TO SORT OF GET THAT BECAUSE SOMETIMES WE  
19 GET A LOT OF NEGATIVES. SO I WANTED THAT TO FIT IN  
20 WITH MY FRIEND BOB EDWARDS.

21 CHAIRMAN KLEIN: DR. TROUNSON, JUST TO  
22 SUPPLEMENT THAT, IT'S IMPORTANT TO NOTE THAT EVEN  
23 WITH THE SUPPORT OF MANY RELIGIOUS GROUPS OF THE  
24 RESEARCH WE'RE DOING, THAT IN IOWA, WHICH IS WHERE  
25 THE PRESIDENTIAL PRIMARIES WILL OCCUR IN 2012, THERE



## BARRISTERS' REPORTING SERVICE

1 IS A LEGISLATIVE EFFORT TO CRIMINALIZE EMBRYONIC  
2 STEM CELL RESEARCH AGAIN. SO PLEASE, WITH YOUR  
3 COLLEAGUES AND WITH THE PATIENT GROUPS, PROVIDE THE  
4 INFORMATION ON THE MILESTONES OF PROGRESS WE HAVE,  
5 THE CLINICAL TRIALS THAT ARE GOING ON, THE CLINICAL  
6 TRIALS WE'LL CONSIDER SOON AT THIS BOARD. IT IS  
7 IMPORTANT THAT THERE BE POLITICAL FIGURES WHO  
8 UNDERSTAND THE SUPPORT, KNOW THAT THEIR SUPPORTERS  
9 ARE ACTUALLY GOING TO GO VOTE, WHICH IS AN IMPORTANT  
10 DISTINCTION, AND MAKE SURE THAT WE DON'T GET  
11 ISOLATED HERE IN CALIFORNIA.

12 DR. TROUNSON: THERE ARE IMPORTANT  
13 MILESTONES IN STEM CELL RESEARCH. I NOTE JUST TWO  
14 OF THEM. GERON INITIATED THEIR FIRST CLINICAL TRIAL  
15 WITH HUMAN EMBRYONIC STEM CELLS WITH A PATIENT, AND  
16 THIS WAS REPORTED TOWARDS THE END OF LAST YEAR.  
17 ALSO IMPORTANTLY, THE THIRD PATIENT IS GOING TO COME  
18 FROM STANFORD. I THINK THAT'S FANTASTIC, AND THAT'S  
19 REALLY SAYING SOMETHING ABOUT US. SO WELL DONE.

20 (APPLAUSE.)

21 DR. TROUNSON: AND IT'S SAYING SOMETHING  
22 ABOUT US GETTING UP AND BEING THERE BECAUSE THERE  
23 WAS A POINT IN TIME WHERE THEY THOUGHT, WELL, TOO  
24 HARD TO DO CLINICAL TRIALS IN CALIFORNIA. WELL, NO,  
25 IT'S NOT. AND I WANT TO TAKE THIS MESSAGE MORE

## BARRISTERS' REPORTING SERVICE

1 STRONGLY TO YOU THROUGH THIS YEAR, THAT I THINK WE  
2 SHOULD BE DOING MORE OF THE CLINICAL TRIAL WORK HERE  
3 IN CALIFORNIA. SO I WANT TO BE TALKING TO PEOPLE  
4 WHO ARE INTERESTED IN THAT THROUGHOUT THIS YEAR.

5 DR. PIZZO: WE AGREE. WE ALSO HAVE ANDREW  
6 LUCK, SO THIS IS A DUET.

7 DR. TROUNSON: SO THE NEXT SLIDE. NOW,  
8 THERE WAS ANOTHER ANNOUNCEMENT. AND IN CASE YOU  
9 JUST MISSED THIS, THIS WAS STEM CELLS BEING USED TO  
10 FIGHT BRAIN TUMOR, GLIOBLASTOMA. AND THIS IS A  
11 REPORT ON THE CBS EVENING NEWS ON NOVEMBER THE 11TH.  
12 THIS IS A REPORT OF THE FIRST WOMAN BEING TREATED  
13 WITH NEURAL STEM CELLS THAT WERE PRELOADED WITH A  
14 CHEMICAL WHICH IS TOXIC WHEN PATIENTS ARE GIVEN THE  
15 ANCILLARY DRUG TO CONVERT TO A HIGHLY CYTOTOXIC  
16 STATE. AND THIS, WE'RE HOPING, OF COURSE, WILL FLOW  
17 ONTO THE NEXT STUDIES WHICH WE'RE SUPPORTING IN THE  
18 DISEASE TEAMS BECAUSE THEY'RE USING EXACTLY THE SAME  
19 NEURAL STEM CELL LINE FOR THE STUDIES IN OUR DISEASE  
20 TEAMS, AND THEY'RE GOING TO USE A MORE CYTOTOXIC  
21 SUBSTANCE TO GET A MORE CYTOTOXIC EFFECT IN A VERY  
22 LOCALIZED AREA.

23 I THINK THIS IS GREAT BECAUSE IT WOULD  
24 MAKE THAT DISEASE TEAM INCREDIBLY RELEVANT AND VERY  
25 MORE LIKELY TO GET INTO A CLINICAL TRIAL MORE

## BARRISTERS' REPORTING SERVICE

1 QUICKLY THAN I WOULD HAVE ANTICIPATED PERHAPS WHEN  
2 WE SET THAT STUDY UP. SO THIS IS KAREN ABOODY'S  
3 STUDIES AT THE CITY OF HOPE. AND BRAVO TO HER THAT  
4 SHE'S GOT THIS WORK GOING. AND WE HOPE TO SEE THE  
5 OUTCOME OF THESE STUDIES, BUT ALSO THE NEXT STUDIES  
6 THAT WE'RE POWERING UP IN THE DISEASE TEAM WHICH  
7 COULD BE EVEN MORE EFFECTIVE THAN THE ONES THAT  
8 SHE'S CURRENTLY DOING.

9 THESE ARE JUST GOOD MILESTONE THINGS WHICH  
10 WE DON'T ALWAYS CELEBRATE, AND I JUST THINK THEY'RE  
11 IMPORTANT. THE REST OF THE WORLD SEEING THIS IS  
12 IMPORTANT, AND I WANT THE BOARD HERE TO SORT OF  
13 UNDERSTAND THAT THE ACCELERATOR IS DOWN AND WE'RE  
14 GOING, AND WE'RE GOING VERY HARD AT THE MOMENT ALL  
15 AROUND.

16 SO THIS WAS THE STUDY THAT I DID MENTION  
17 TO YOU THROUGHOUT THE DAY, WHICH IS DERRICK ROSSI'S  
18 LABORATORY AT HARVARD. DERRICK WAS HERE IN  
19 CALIFORNIA, BUT HE'S PUBLISHED IN *CELL STEM CELL* A  
20 PAPER ON A HIGHLY EFFICIENT REPROGRAMMING OF SOMATIC  
21 CELLS TO INDUCE PLURIPOTENTIAL STEM CELLS USING A  
22 SYNTHETIC MODIFIED RNA.

23 NOW, THIS PAPER IS RECOGNIZED AS THE BEST  
24 PAPER IN STEM CELLS LAST YEAR BY A WIDE SPECTRUM OF  
25 INDIVIDUALS AND EDITORS. AND SO I JUST THINK IT IS

## BARRISTERS' REPORTING SERVICE

1 ONE OF THE IMPORTANT DEVELOPMENTS IN THE FIELD, AND  
2 IT'S BEING RECOGNIZED AS SUCH. AND I THINK IT'S  
3 INCREDIBLY IMPORTANT BECAUSE IF YOU LOOK AT THE  
4 EFFICIENCY THEY'RE REPORTING IN THIS, 4.4 PERCENT  
5 UNDER LOW OXYGEN CULTURE CONDITIONS, THAT COMPARES  
6 TO .04 OR .01 PERCENT WITH THE RETROVIRAL  
7 METHODOLOGIES.

8           IMPORTANTLY, THE CELLS THAT THEY REPROGRAM  
9 IN THIS WAY APPEAR TO BE MUCH MORE LIKE EMBRYONIC  
10 STEM CELLS THAN THE VIRALLY TRANSDUCED CELLS. SO IF  
11 YOU LOOK AT THE RNA CLUSTERING IN THE STUDIES THAT  
12 THEY REPORT, THEY ARE MUCH, MUCH CLOSER TO EMBRYONIC  
13 STEM CELLS. AND I THINK THAT WOULD GIVE US A LOT OF  
14 HEART THAT THEY'VE GOT A REPROGRAMMING EVENT WHICH  
15 MUCH MORE CLOSELY RECAPITULATES PLURIPOTENTIALITY OF  
16 EMBRYONIC STEM CELLS.

17           NOW, THEY NOT ONLY DID THAT, BUT THEY'RE  
18 ABLE TO SHOW THAT YOU COULD DIFFERENTIATE THOSE IPS  
19 CELLS USING ANOTHER SYNTHETIC RNA, MYOD -- MYOD, IF  
20 YOU LIKE -- FOR THREE DAYS. AND YOU CAN TURN THOSE  
21 IPS CELLS INTO MUSCLE CELLS. SO HERE WE'VE GOT A  
22 WAY OF MANUFACTURING. THIS IS A VERY NEAT  
23 MANUFACTURING PROCESS. YOU CAN TURN A PATIENT'S  
24 CELLS INTO IPS CELLS AND THEN TURN THEM INTO MUSCLE  
25 CELLS USING SYNTHETIC RNA. THIS IS JUST WHAT WE

## BARRISTERS' REPORTING SERVICE

1 WANT IN TERMS OF MANUFACTURING. THIS MIGHT BE -- I  
2 THINK THE FIELD THINKS THIS IS THE WAY IN WHICH THE  
3 WORK IS GOING TO GO.

4 WHILE THERE MIGHT BE OTHER METHODS THAT  
5 IMPROVE UPON THIS, THIS IS A PRETTY GIGANTIC STEP  
6 FORWARD, AND I WANT YOU TO RECOGNIZE HERE THAT THIS  
7 IS A BIG STEP IN THE RIGHT DIRECTION. AND GOOD LUCK  
8 TO THE PEOPLE WHO DID THAT WORK. SO THEY EITHER USE  
9 FOUR OF THOSE FACTORS OR FIVE OF THOSE FACTORS, BUT  
10 THERE WAS NO INCLUSION AND THERE CAN'T BE ANY  
11 INCLUSION BECAUSE THERE'S NO DNA. THERE WAS NO DNA  
12 INSERTED INTO THESE, SO THERE'S A MESSENGER RNA.  
13 AND YOU KEEP UP THE MESSENGER RNA FOR THE TIMES THAT  
14 THE CELLS ARE EXPOSED, AND THEN IT GOES AWAY. AND  
15 THERE'S NO WAY YOU CAN INCORPORATE ANY DNA IN THE  
16 GENOME. SO THAT'S A HUGE VALUE IN THIS FIELD AND A  
17 BIG STEP FORWARD.

18 DR. PRIETO: QUESTION JUST SO I CAN  
19 UNDERSTAND BETTER. THE FIRST POINTS, MODIFIED TO  
20 OVERCOME INNATE ANTIVIRAL RESPONSES. IF YOU COULD  
21 EXPLAIN WHY. THERE IS NO VIRUS UTILIZED IN THEIR  
22 METHOD, CORRECT?

23 DR. TROUNSON: NO. THERE IS NO VIRUS IN  
24 THIS. BUT IF YOU ARE USING A VIRUS, YOU WOULD GET  
25 VIRAL ELEMENTS INCORPORATED IN NO MATTER WHAT. EVEN

## BARRISTERS' REPORTING SERVICE

1 WITH THE SO-CALLED METHODS THAT ARE NOT SUPPOSED TO  
2 INTEGRATE, YOU OFTEN FIND SOME INTEGRATION EVEN AT A  
3 VERY LOW LEVEL OF THE VIRAL ELEMENTS. NOW, THE  
4 IMMUNE SYSTEM CAN RECOGNIZE THAT AND RESPOND TO IT.  
5 SO THE BEST IDEA IS TO NOT HAVE THEM IN THERE  
6 BECAUSE OTHERWISE THOSE CELLS BECOME A TARGET FOR  
7 VERY EFFICIENT IMMUNE SYSTEMS TO TAKE THOSE CELLS  
8 OUT.

9 SO THESE DON'T HAVE ANY OF THOSE VIRAL  
10 ELEMENTS. SO THAT GETS OVER THAT PARTICULAR  
11 PROBLEM. IT'S BEEN A PROBLEM THAT'S BEEN RECOGNIZED  
12 BY PEOPLE WHO WANTED TO USE THESE CELLS CLINICALLY  
13 THAT MAY WELL HAVE THOSE VIRAL ELEMENTS IN THERE  
14 THAT WOULD PREDISPOSE THOSE CELLS TO ATTACK BY AN  
15 EFFICIENT IMMUNE STEM CELL.

16 SO VERY NICE PAPER. SO THIS IS JUST  
17 DEMONSTRATING THAT WORK. THE TOP LINE SHOWS YOU HOW  
18 TO MUSCLE CELLS IN A VERY SYSTEMATIC, VERY  
19 STRAIGHTFORWARD WAY. I JUST THINK IT PROBABLY WILL  
20 BE THE METHOD THAT WILL BE ADOPTED PRETTY MUCH  
21 WORLDWIDE. THAT'S THE FEELING IN THE FIELD AT THE  
22 PRESENT TIME.

23 NOW, ON TOP OF THAT, THERE'S SOME -- WE'VE  
24 ALWAYS HAD THIS PROBLEM ABOUT, WELL, WE NEEDED  
25 EMBRYONIC STEM CELLS BECAUSE WE CAN NEVER MULTIPLY

## BARRISTERS' REPORTING SERVICE

1 SATISFACTORY HUMAN HEMATOPOETIC STEM CELLS, THE  
2 DERIVATIVES OF THE BLOOD SYSTEM. NOW, THIS IS  
3 BEAUTIFUL WORK DONE BY PETE SCHULTZ GROUP, THE  
4 SCHULTZ AND THE NOVARTIS RESEARCH FOUNDATION. IT'S  
5 FOUND A SMALL MOLECULE -- AND I'M HAVING A DISTANT  
6 LOOK FROM THIS. THIS IS SR1, AM I CORRECT AT THIS  
7 DISTANCE? THIS IS A MOLECULE WHICH, AS EXPLAINED  
8 THERE, CAN HAVE -- IT WAS FOUND IN THE HIGH  
9 THROUGHPUT SCREENING LOOKING FOR MOLECULES WHICH  
10 WOULD ENABLE THE MULTIPLICATION OF THESE  
11 HEMATOPOETIC STEM CELLS.

12 SO IF YOU LOOK AT THE GRAPH ON THE  
13 LEFT-HAND SIDE IN THE DARK BARS, THAT'S THE  
14 MULTIPLICATION THAT THEY'RE ACHIEVING BY EXPOSING  
15 HEMATOPOETIC STEM CELLS, THE CD34 CELLS. THEY'RE  
16 EXPOSING THEM TO THIS MOLECULE, AND YOU'RE GETTING  
17 AN INCREDIBLE RAMP-UP IN THE MULTIPLICATION OF THESE  
18 CELLS.

19 AND THE NEXT GRAPH SHOWS YOU THAT THESE  
20 CELLS, THEY WILL INTEGRATE INTO THE BONE MARROW IN A  
21 VERY EFFECTIVE WAY EVEN IF IT TAKES YOU FIVE OR MORE  
22 DAYS TO MULTIPLY THEM OUT. HERE WE'VE NOW GOT A  
23 SYSTEM OF MULTIPLYING THOSE HEMATOPOETIC STEM CELLS.  
24 SO IF WE, FOR EXAMPLE, ARE WORKING WITH THE PATIENTS  
25 WHO WANT TO GET THE HEMATOPOETIC STEM CELLS OUT TO

## BARRISTERS' REPORTING SERVICE

1 MODIFY THE CCR5 GENE, THIS IS MAYBE WHAT YOU WANT TO  
2 DO. YOU WANT TO MULTIPLY THOSE CELLS UP AND GIVE  
3 YOU AN EVEN BETTER CHANCE.

4 SO THIS IS A PRETTY IMPORTANT STEP, BUT  
5 ANY PROJECT, AND THERE ARE A NUMBER OF THEM WITH US  
6 THAT WERE USING HEMATOPOETIC STEM CELLS, WHERE WE  
7 WANT TO DO ANY KIND OF GENETIC ENGINEERING, THIS IS  
8 IMPORTANT. AND THIS IS A GOOD, IMPORTANT ADD-ON  
9 THAT HASN'T REALLY BEEN IN THE FIELD FOR A LONG TIME  
10 UP UNTIL NOW.

11 DR. LUBIN: JUST TO COMMENT ON THAT, SINCE  
12 I'M VERY MUCH INTERESTED IN CORD BLOOD, ONLY A THIRD  
13 OF THE CORD BLOODS THAT WE COLLECT HAVE ADEQUATE  
14 NUMBERS OF STEM CELLS, AND THE COST OF COLLECTING  
15 THE HUNDRED PERCENT WHEN ONLY 30 PERCENT IS THERE IS  
16 PROHIBITIVE. SO IF WE WERE ABLE TO EXPAND THE  
17 NUMBER OF CD34S, WE COULD REALLY HAVE STEM CELLS  
18 AVAILABLE FOR BONE MARROW OR HEMATOPOETIC  
19 RECONSTITUTION FOR A VARIETY OF DISEASES.

20 DR. TROUNSON: ABSOLUTELY.

21 DR. LUBIN: IT'S A REALLY GREAT  
22 APPLICATION WITHOUT GENE THERAPY.

23 DR. TROUNSON: I THINK IT'S GOING TO GO  
24 QUITE ACROSS THE FIELD. PETE SCHULTZ IS A VERY  
25 SMART SCIENTIST. CLEARLY LOTS OF PEOPLE WOULD KNOW



## BARRISTERS' REPORTING SERVICE

1 PETE. BUT THIS IS GREAT WORK. AND IT'S THE ABILITY  
2 TO WORK IN THE STEM CELL FIELD. APPLIED SMALL  
3 MOLECULES DOING SPECIAL THINGS IS REALLY THE LOW  
4 HANGING FRUIT, IF YOU LIKE, OF THE POTENTIAL  
5 UTILIZATION OF THESE MOLECULES COMING FORWARD. SO  
6 GREAT BIT OF SCIENCE, AND IT WAS PUBLISHED IN  
7 *SCIENCE* IN SEPTEMBER LAST YEAR, AND I JUDGE IT TO BE  
8 ONE OF THE LANDMARK PAPERS THAT I SAW.

9 DR. PENHOET: WE DID TURN DOWN ONE OF HIS  
10 GRANTS TO DO SOMETHING VERY SIMILAR.

11 DR. TROUNSON: THAT PROBABLY MADE HIM  
12 ANGRY TO DO IT.

13 SO, NOW, IF YOU'RE GOING TO GET THESE  
14 HEMATOPOETIC STEM CELLS OUT OF THE NICHE, BECAUSE  
15 THAT'S WHERE THEY ARE, WE ACTUALLY DON'T TAKE BONE  
16 MARROW THESE DAYS, BUT WE ACTUALLY GIVE THE PATIENTS  
17 MOBILIZING FACTORS, THE COLONY STIMULATING FACTORS  
18 TO RELEASE THEM FROM THE BONE MARROW SO WE CAN  
19 COLLECT THEM. SO THESE HEMATOPOETIC STEM CELLS  
20 RESIDE IN THE BONE MARROW, AND THEY'RE FOUND IN THIS  
21 REALLY NEAT STUDY FROM THE UC SANTA CRUZ RESEARCH  
22 GROUP FROM CAMILLA FORSBERG'S LAB, THAT THE  
23 MOLECULE, THE GENE AND THE MOLECULE, THE PROTEIN  
24 MOLECULE ROBO4 IS ONLY PRESENT IN HEMATOPOETIC STEM  
25 CELLS IN THE ENDOTHELIUM LINING OF BLOOD VESSELS.

## BARRISTERS' REPORTING SERVICE

1           THIS IS ONE OF THE GENE PRODUCTS THAT  
2           HOLDS THE CELL IN THE NICHE, THE HEMATOPOETIC STEM  
3           CELL IN THE NICHE. SO IT TOGETHER WITH CCR4 --  
4           CXCR4 IS THE ANCHORING, ENABLES THE ANCHORING OF  
5           THESE CELLS IN THE BONE MARROW. HERE NOW WE'VE GOT  
6           A TARGET FOR LETTING THEM LOOSE. IF YOU CAN LET GO  
7           THOSE CELLS, LET THEM INTO THE BLOOD STREAM, GET  
8           THEM OUT OF THE BLOOD STREAM, MULTIPLY THEM, NOW  
9           WE'RE GETTING TOWARDS THE KIND OF CLINICAL  
10          OPPORTUNITIES THAT WE'VE BEEN LOOKING FOR SOME TIME.  
11          I LIKE THIS PAPER, AND I LIKE THE TARGET. I LIKE  
12          THE WAY IT WAS DONE. AND, AGAIN, IT WAS ONE OF  
13          THOSE PAPERS PUBLISHED JUST THIS YEAR.

14                 THE OTHER STUDY HERE THAT I WANTED TO  
15                 BRING TO YOUR ATTENTION, WHICH I GUESS QUITE A FEW  
16                 PEOPLE MIGHT KNOW ABOUT ALREADY, BUT THE PROBLEM OF  
17                 AUTISM WE DEALT WITH AT ONE OF OUR WORKSHOPS. HOW  
18                 TO GET INVOLVED WITH STEM CELLS WITH AUTISM. WELL,  
19                 I'VE ACTUALLY USED THIS PARTICULAR MODEL OF RETT  
20                 SYNDROME BECAUSE RETT SYNDROME IS ONE OF THE AUTISM  
21                 SPECTRUM DISEASES.

22                 AND ONE OF THE RECOMMENDATIONS FROM THE  
23                 WORKSHOP HAS KIND OF BEEN OPERATED ON HERE THAT WE  
24                 SHOULD GET INVOLVED IN MAKING IPS CELLS FROM  
25                 PATIENTS WITH AUTISM TO SEE WHAT WE COULD FIND FROM

## BARRISTERS' REPORTING SERVICE

1 THOSE KIND OF STUDIES. SO WHAT THEY'VE DONE HERE IS  
2 MADE IPS CELLS FROM RETT SYNDROME PATIENTS. SO  
3 THAT'S A GENETIC TYPE OF AUTISM. AND THEN THEY'VE  
4 LOOK -- THEY'VE CREATED A CULTURE SYSTEM THAT ALLOWS  
5 THOSE CELLS TO FORM NEURONS. AND THEN THEY'VE  
6 LOOKED AT THOSE NEURONS IN THE RETT SYNDROME  
7 PATIENTS IN IPS CELLS DERIVED FROM RETT SYNDROME  
8 PATIENTS AND COMPARED THEM TO CONTROL.

9 AND WHAT YOU SEE IS INTERESTING. YOU GET  
10 A REDUCED SPINAL DENSITY IN SMALLER SOMA SIZE IN  
11 THOSE NEURONS, AND YOU GET ABERRANT CALCIUM  
12 SIGNALING AND ELETROPHYSIOLOGICAL DEFECTS COMPARED  
13 TO CONTROLS. THERE'S A CALCIUM SIGNALING. THE ONE  
14 ON THE LEFT-HAND SIDE IS THE NORMAL PATIENTS. SO  
15 THESE ARE THE CELLS FROM THE NORMAL PATIENT. AND  
16 THE ONE ON THE RIGHT IS THE CELLS FROM THE RETT  
17 SYNDROME PATIENT. YOU CAN SEE THERE'S A VERY BIG  
18 DIFFERENCE BETWEEN THOSE TWO. THERE'S MUCH LOWER  
19 CALCIUM SIGNALING GOING ON, AND THAT'S BEEN SHOWN IN  
20 THOSE HISTOGRAMS AT THE BOTTOM.

21 THIS MEANS WE'VE GOT A DISEASE-IN-A-DISH  
22 MODEL, AT LEAST RETT SYNDROME. AND IT ARGUES THAT  
23 MAYBE WE SHOULD EXPLORE THIS EVEN FURTHER IN  
24 AUTISM-RELATED PATIENTS BECAUSE IF YOU CAN START TO  
25 UNDERSTAND THESE DISEASES, THEN WE CAN MAYBE START

## BARRISTERS' REPORTING SERVICE

1 ON THE PROGRESS FORWARD BY EITHER USING DRUG  
2 SCREENING SYSTEMS TO SEE IF WE CAN CORRECT THAT OR  
3 WHETHER WE CAN UNDERSTAND THE DISEASE EVEN BETTER.

4 IN THIS PARTICULAR PAPER THOUGH, THEY  
5 SHOWED THAT IF YOU USE DRUGS THAT CAN INFLUENCE THIS  
6 DISEASE IN AN ANIMAL MODEL, THIS AUTISM-IN-A-MOUSE  
7 MODEL, AND YOU GET IN EARLY ENOUGH, YOU CAN ACTUALLY  
8 PREVENT THE PHENOTYPE FROM OCCURRING. SO IF YOU  
9 KNEW THAT YOUR CHILDREN OR YOUR CONCEPTUS WAS  
10 POSSIBLY GOING TO HAVE THE RETT SYNDROME PHENOTYPE,  
11 YOU COULD MAYBE CORRECT, ON THIS PAPER, IF YOU GOT  
12 IN THERE EARLY ENOUGH. NOW, THAT MAY NOT ALWAYS BE  
13 EXACTLY WHAT YOU WANT BECAUSE YOU MIGHT HAVE TO DO  
14 THAT VERY EARLY. IT MIGHT HAVE TO BE AT A FETAL  
15 STAGE OR VERY NEONATAL, VERY CLOSE TO BIRTH. BUT  
16 THIS PAPER HAS SUGGESTED THAT IF YOU DO IT EARLY,  
17 YOU CAN INTERFERE WITH THE EXPRESSION OF THAT  
18 PHENOTYPE.

19 WHAT WE'D LIKE TO SEE IS THE ABILITY TO BE  
20 ABLE TO INTERFERE WITH AN ESTABLISHED PHENOTYPE AS  
21 WELL, GET IT BACK TO A NORMAL PHENOTYPE AND AWAY  
22 FROM THIS ABNORMALITY, WHICH MAY THEN WORK TOWARDS  
23 CORRECTING AUTISM AT LEAST IN SOME OF THE SPECTRUM  
24 OF AUTISM.

25 I LIKE THIS PAPER. I THINK IT'S

## BARRISTERS' REPORTING SERVICE

1 CONSIDERED AN IMPORTANT PAPER IN THE FIELD. IT WAS  
2 PUBLISHED IN *CELL* IN NOVEMBER LAST YEAR.

3 NOW, THERE'S A WHOLE RANGE OF PRIORITIES,  
4 BUT THERE WERE SOME THINGS HAPPENING HERE. I'VE  
5 BEEN BUSY ON EXTERNAL REVIEWS, AND THERE'S A DRAFT  
6 REVISED OPERATIONAL REPORT IN PREPARATION. I'VE  
7 BEEN WORKING WITH THE CHAIR TO GET A PROCESS FOR  
8 THAT. SO WE'RE WORKING INTO A DRAFT OPERATIONAL  
9 REPORT THAT WE'LL BE TALKING TO THE CHAIR AND THE  
10 DEPUTY CHAIRS, AND EVENTUALLY WE HOPE TO THEN BRING  
11 THAT FORWARD TO THE BOARD TO CONSIDER.

12 I'VE BEEN MEETING WITH CALIFORNIA STEM  
13 CELL SCIENCE LEADERS, GETTING THEIR FEEDBACK ON A  
14 NUMBER OF THINGS, SOME OF THOSE THAT WE TALKED ABOUT  
15 WITH YOU TODAY. BEEN WORKING ON A CLINICAL RFA,  
16 FOUR FINAL APPLICATIONS THAT ARE GOING TO BE  
17 REVIEWED IN FEBRUARY. IT'S GOING TO BE AN IMPORTANT  
18 MILESTONE FOR US TO MOVE INTO CLINICAL RFA'S.

19 THE DISEASE TEAMS, I CAN REPORT TO YOU THE  
20 PROJECTS ARE ALL UNDER WAY. AND I CAN SAY TO YOU AT  
21 THE MOMENT THERE'S SATISFACTORY BEGINNINGS. SOME OF  
22 THEM ARE ONLY SIX MONTHS TO 12 MONTHS IN PROGRESS,  
23 BUT THEY'RE SATISFACTORY AT THIS POINT IN TIME  
24 BECAUSE IT'S VERY EARLY.

25 I REPORTED TO YOU ON THE RESTRUCTURING

## BARRISTERS' REPORTING SERVICE

1 PLANS EARLIER TODAY. CALIFORNIA STEM CELL  
2 LEADERSHIP AWARDS, WE ARE CONTINUING DISCUSSIONS  
3 WITH INSTITUTIONS ON THESE MATTERS. I HAVEN'T GOT  
4 ANYTHING MORE TO REPORT. A LOT OF DISCUSSIONS HAVE  
5 BEEN TAKING PLACE. THERE'S BEEN A LOT FOR  
6 REGENERATIVE MEDICINE. BEEN VERY BUSY IN THAT  
7 SECTOR. THIS IS REALLY THE INDUSTRY ORGANIZATION  
8 WHICH HAS A STRONG POLITICAL ARM, BUT THEY ALSO HAVE  
9 A FOCUS WHICH MYSELF AND ELONA HAVE BEEN INVOLVED  
10 WITH ON GETTING SOME WORKSHOPS AND SOME WHITE PAPERS  
11 GOING FOR WORK IN THIS REGULATORY PATHWAY. SO  
12 TRYING TO GET SOME STANDARDS, SOME VIEW FROM  
13 INDUSTRY. A LOT OF THESE PEOPLE HAVE ACTUALLY BEEN  
14 UP THIS PATHWAY. SO IT'S BEEN VERY USEFUL. WE  
15 COUNTED IT AS A VERY USEFUL EXERCISE.

16 THE CONSORTIUM FOR REGENERATIVE MEDICINE,  
17 WHICH IS THE CIRM-INITIATED PROGRAM, HAD A  
18 ROUNDTABLE WITH THE FDA ON ANIMAL MODELS. IT WAS  
19 TERRIFIC. WE HAD A GREAT SESSION WITH THE FDA. AND  
20 THAT WAS THOUGHT TO BE A VERY SPECIAL MEETING, AND  
21 THE GROUPS THAT WENT WITH US, THERE WAS A LARGE  
22 GROUP OF PEOPLE FROM CALIFORNIA AND OTHER MEMBERS  
23 FROM OTHER SCIENTISTS IN OTHER STATES WENT THERE.  
24 WE HAD A REALLY GOOD TIME. AND I THOUGHT IT WAS  
25 VERY EFFECTIVE THE STUDIES THAT WE DID.

## BARRISTERS' REPORTING SERVICE

1 COLLABORATIVE RESEARCH, COLLABORATING  
2 PARTNERS. WE HAVE AN MOU WITH INDIA SIGNED. I'M  
3 NOT SURE YOU KNEW, BUT WE HAVE. WE'RE WORKING WITH  
4 THE NIH CLINICAL INSTITUTE AND GOT A DRAFT AGREEMENT  
5 THAT HAS BEEN EXCHANGED. SO NOT COMPLETED YET. AND  
6 I HAVE A VISIT TO CHINA SCHEDULED FOR NEXT MARCH.  
7 THAT'S A NECESSARY NEXT STEP FOR CHINA.

8 CHAIRMAN KLEIN: DR. TROUNSON, I THINK THE  
9 BOARD AND THE PUBLIC NEEDS TO RECOGNIZE THE VALUE OF  
10 REALLY WORKING WITH INDIA. IN 2005 THE MINISTER OF  
11 HEALTH OF INDIA AND THE HEAD OF RESEARCH AND THE  
12 HEAD OF CLINICS VISITED US WITH A TEAM OF EIGHT,  
13 INDICATING THEIR RESEARCHERS AND THEIR HOSPITAL  
14 PHYSICIAN/SCIENTISTS ARE EDUCATED IN ENGLISH, MANY  
15 IN OUR OWN INSTITUTIONS. THEY'RE PREPARED TO FOLLOW  
16 OUR STANDARDS AND ETHICS IN CLINICAL TRIALS. THEY'D  
17 LIKE TO COLLABORATE ON CLINICAL TRIALS IN PARTICULAR  
18 WITH US. BUT THIS IS A VERY IMPORTANT SECTOR.

19 DR. TROUNSON HAS BEEN VERY SELECTIVE ABOUT  
20 THE GROUP IN INDIA THAT WE'RE COLLABORATING WITH.  
21 AND I THINK IT'S GOING TO BE A VERY IMPORTANT  
22 BILATERAL FUNDING PARTNER.

23 DR. GALLIAN AT THE NIH, WHO HEADS THE  
24 RESEARCH GROUP WITHIN THE NIH HOSPITAL FUNDED BY  
25 CONGRESS FOR PARTICULAR -- IN PARTICULAR FOR

## BARRISTERS' REPORTING SERVICE

1     ADVANCING RESEARCH WITH A FOCUS ON ORPHAN DISEASES,  
2     IS A TREMENDOUS RESOURCE.  SO THIS IS A PHENOMENAL  
3     OUTREACH PARTNERSHIP THAT DR. TROUNSON HAS  
4     NEGOTIATED WITH VERY HIGH AND PRESTIGIOUS VISIBILITY  
5     TO SHOW THAT THE BEST PEOPLE IN THE COUNTRY ARE  
6     COLLABORATING WITH THIS AGENCY.

7             THEY HAVE INDEPENDENT FUNDING, WHICH  
8     REALLY FACILITATES COLLABORATIONS WITH SCIENTIFIC  
9     EXPERTISE IN CALIFORNIA ON CLINICAL TRIALS IN  
10    PARTICULAR.  SO I THINK THESE ARE VERY IMPORTANT  
11    CONTRIBUTIONS, DR. TROUNSON.  AND I KNOW THAT YOUR  
12    LEGAL TEAM, INCLUDING NANCY, HAVE BEEN INSTRUMENTAL  
13    IN THIS, AND IT'S VERY MUCH APPRECIATED.

14            DR. TROUNSON:  THANK YOU.  I THINK I'VE  
15    HAD ALREADY SOME DISCUSSIONS WITH THE NEW NIH  
16    TRANSLATIONAL PLANNING TEAMS, AND WE WILL HOPEFULLY  
17    HAVE CONNECTIONS WITH THEM DOWNSTREAM.  SO WE'RE  
18    TRYING TO MAKE THESE CONNECTIONS TOGETHER WITH SOME  
19    OF THE OTHER INSTITUTES THROUGH -- THESE CLINICAL  
20    INSTITUTES WILL PROBABLY CONNECT US TO ONE OR OTHER  
21    OF THE OTHER CENTERS AT NIH AS WELL.  SO WE HAVE,  
22    HOPEFULLY, GOOD COLLABORATIVE PROGRAMS LINKED IN  
23    WITH NIH IN THE FUTURE.

24            WE'VE BEEN LOOKING AT GENOMICS AND STEM  
25    CELL CENTERS, POSSIBILITY OF THOSE KIND OF CENTERS



## BARRISTERS' REPORTING SERVICE

1 OF EXCELLENCE IN CALIFORNIA. IT'S BEEN BROUGHT TO  
2 MY ATTENTION BY ONE OR TWO BOARD MEMBERS THAT WE  
3 OUGHT TO BE THINKING ABOUT THAT. SO WE'RE IN THE  
4 INFORMATION GATHERING MODE AT THE MOMENT. MICHAEL  
5 YAFFE IS WORKING TO HELP ME DO THAT AT THE PRESENT  
6 TIME. WE'LL COME FORWARD WITH SOME SORT OF DOCUMENT  
7 IN DUE COURSE ON THOUGHTS IN THAT AREA.

8 WE'VE GOT WORKSHOP REPORTS OUT. THE  
9 SOMATIC CELL NUCLEAR TRANSFER WORKSHOP REPORT IS  
10 POSTED, SO IT'S ON OUR -- ANYONE WHO'S INTERESTED IN  
11 THAT, IT'S ON OUR WEBSITE. AND THE IPS CELL BANK  
12 REPORT IS IN PREPARATION, AND WE HAVEN'T COMPLETED  
13 THAT YET. SO THOSE WORKSHOP REPORTS ARE GETTING IN  
14 PLACE.

15 WE'LL BE LOOKING TO SEE WHAT WE SHOULD DO  
16 IN SCNT. SO I'VE ASKED THE STAFF TO TAKE THE  
17 WORKSHOP REPORTS AND SEE IF THERE'S SOME ELEMENTS IN  
18 THERE THAT WE CAN MAKE USEFUL USE OF IN THINKING  
19 ABOUT HOW WE MIGHT GO FORWARD ON SCNT. IT'S REALLY  
20 NOT CLEAR TO ME WHERE WE CAN BE EFFECTIVE AT THIS  
21 POINT IN TIME, BUT I'M ASKING THEM TO GIVE ME SOME  
22 ADVICE ON THAT.

23 INTERESTING, I JUST NOTED IT WOULD BE OF  
24 INTEREST TO YOU THAT THE CIRM TRANSLATIONAL MODEL  
25 THAT WE'RE CURRENTLY USING OF ACADEMICS AND

## BARRISTERS' REPORTING SERVICE

1 COMPANIES LOOKS TO BE THE SAME AS THE NIH NEW  
2 TRANSLATIONAL CENTER IS GOING TO ADOPT. THAT WAS  
3 REPORTED IN THE *NEW YORK TIMES* ON SUNDAY, JANUARY  
4 THE 23D. NOW, IT DIDN'T SAY THAT THEY'RE ADOPTING  
5 OUR MODEL, BUT IT WAS CLEAR THAT THEY ARE. SO GOOD  
6 FOR US. WE SHOULD TAKE KUDOS WHEN IT'S THERE. I  
7 THINK THEY THINK THAT WE'VE CREATED A GOOD MODEL AND  
8 ONE WHICH IS VERY INTERESTING. WE WROTE A PAPER ON  
9 THAT, THE SCIENCE AND MY LEGAL COLLEAGUES WROTE A  
10 PAPER ON THAT THAT WAS PUBLISHED IN *CELL STEM CELL*  
11 LAST YEAR ON THIS MODEL.

12 SO NOW ONE OF THE MOST IMPORTANT THINGS  
13 THAT'S HAPPENED FOR US IS THE VP R&D. WE POSTED  
14 THAT RESEARCH FIRM IN JULY 2009 WITH LEVIN &  
15 COMPANY. THEY WERE CHOSEN IN AUGUST. AND WE'VE  
16 BEEN LOOKING AT 106 CANDIDATES. WE REVIEWED AND  
17 CONSIDERED 106 CANDIDATES. SEVENTEEN OF THEM WERE  
18 INTERVIEWED IN SOME SORT OF WAY THROUGH AN INTERVIEW  
19 PROCESS. AND I'M HAPPY TO ANNOUNCE AN APPOINTMENT  
20 HAS BEEN MADE THIS LAST WEEK. THAT'S JANUARY 2011.  
21 I COULDN'T BE HAPPIER.

22 IF YOU DON'T ALREADY KNOW, AS I SENT OUT A  
23 NOTE TO YOU ALL, IT'S ELLEN FEIGAL. SHE'S AN M.D.  
24 HER INITIAL MEDICAL TRAINING WAS AT UC DAVIS AND  
25 THEN A RESIDENCY AT UC DAVIS AND STANFORD. THEN SHE

## BARRISTERS' REPORTING SERVICE

1 WAS A FELLOW AT UCSF WORKING ON REGULATION IN  
2 AIDS-ASSOCIATED LYMPHOMA. AND THEN SHE WENT ON TO  
3 UCSD AS A PI ON AN R01 GRANT, LOOKING AT THERAPEUTIC  
4 APPROACHES TO AIDS-ASSOCIATED LYMPHOMA, AND JOINED  
5 NCI, THE NATIONAL CANCER INSTITUTE, IN 1992 IN THE  
6 CANCER THERAPY EVALUATION PROGRAM LOOKING AT AIDS  
7 MALIGNANCY CLINICAL TRIALS IN THAT CONSORTIUM, WHICH  
8 IS A BROADLY BASED CONSORTIUM, AS I UNDERSTAND. I  
9 THINK PHIL PIZZO KNOWS QUITE A BIT ABOUT THAT  
10 PARTICULAR ACTIVITY.

11 SHE ENDED UP BEING DEPUTY DIRECTOR FOR THE  
12 DIVISION OF CANCER TREATMENT AND DIAGNOSIS AT THE  
13 NCI. IN 2004 SHE BECAME THE VICE PRESIDENT OF  
14 CLINICAL SCIENCE IN NEW TRANSLATIONAL GENOMICS  
15 RESEARCH INSTITUTE, WHICH IS A NOT-FOR-PROFIT  
16 INSTITUTE, WHERE SHE'S DEVELOPING CLINICAL  
17 PARTNERSHIPS ACROSS ARIZONA. IN 2006 DIRECTED THE  
18 MEDICAL DEVICES AND IMAGING PROGRAMS OF THE CRITICAL  
19 PATH INSTITUTE, WHICH IS, AGAIN, A NONPROFIT  
20 ORGANIZATION THAT WAS DEALING WITH ORPHAN DISEASES.

21 IN 2006 SHE WAS APPOINTED UCSF ADJUNCT  
22 PROFESSOR AND DIRECTOR OF THE AMERICAN COURSE ON  
23 DRUG EVALUATION AND REGULATORY SCIENCES AND WAS THE  
24 DIRECTOR OF THAT UNTIL THE END OF LAST YEAR. IN  
25 2007 SHE BECAME THE CHIEF MEDICAL OFFICER OF INSYS

## BARRISTERS' REPORTING SERVICE

1 THERAPEUTICS SUPPORT, WHICH IS A SUPPORTIVE CARE  
2 ONCOLOGY AND NEUROLOGICAL GROUP DEVELOPING AND  
3 DESIGNING AND OVERSAW PHASE I AND PHASE III CLINICAL  
4 TRIALS. IN 2008 SHE JOINED AMGEN AS EXECUTIVE  
5 MEDICAL DIRECTOR GLOBAL DEVELOPMENT AND WAS  
6 RESPONSIBLE FOR CLINICAL DEVELOPMENT IN THERAPEUTICS  
7 IN HEMATOLOGY AND ONCOLOGY AND WAS INVOLVED IN THE  
8 EVALUATION AND INVESTIGATIONAL AGENTS INTERFACING  
9 WITH PATIENT ADVOCACY ORGANIZATIONS, CLINIC GUIDANCE  
10 DOCUMENTS FOR THE THERAPEUTIC STEERING COMMITTEES OF  
11 THAT ORGANIZATION CROSS-FUNCTIONAL TEAMS.

12 SO SHE'S GOT A REALLY, REALLY TREMENDOUS  
13 BACKGROUND. I GIVE YOU TWO HIGHLIGHTS FROM THE  
14 REVIEWS THAT WE GOT BECAUSE SHE JUST GOT ABSOLUTELY  
15 OUTSTANDING REVIEWS. I'VE NEVER HAD REVIEWS AS GOOD  
16 THIS. I'VE NEVER SEEN ANYONE WHO CONSISTENTLY HAD  
17 REVIEWS AS GOOD AS THESE. I WILL JUST READ THEM TO  
18 YOU.

19 HIGHLY ORGANIZED AND FOCUSED AND ACTION  
20 ORIENTED. HER STYLE IS TO GENERATE TEAM EFFORT AND  
21 INSPIRE. I WOULD SAY HER GRANDEST QUALITIES ARE  
22 CAPACITY FOR EFFECTIVE LEADERSHIP, THOUGHT AND  
23 INSPIRATIONAL STYLE THAT MOTIVATES BOTH INDIVIDUALS  
24 AND GROUPS.

25 SECOND QUOTE FROM ANOTHER PERSON. SHE'S A

## BARRISTERS' REPORTING SERVICE

1 BRILLIANT CLINICAL SCIENTIST WHO KNOWS DRUG  
2 DEVELOPMENT VERY WELL, VERY CREATIVE, VERY  
3 DEDICATED, VERY FOCUSED, AND VERY HARD WORKING.  
4 EVERY EFFORT OR PROJECT THAT SHE UNDERTAKES IS DONE  
5 IN TIME. SHE'S SOMEONE I WOULD RANK AS A SUPERSTAR.

6 NOW THAT'S TERRIFIC. I LIKE THAT.

7 CHAIRMAN KLEIN: DR. TROUNSON, YOU AND THE  
8 SENIOR SCIENTIFIC STAFF HAVE WORKED EXTREMELY HARD  
9 ON THIS RECRUITMENT. CLAIRE POMEROY WAS INVOLVED IN  
10 THE RECOMMENDATION ORIGINALLY, BUT IT TOOK A  
11 TREMENDOUS AMOUNT OF TIME TO GO THROUGH THIS  
12 PROCESS, MAKE SURE THAT THIS PERSON WAS INTEGRATED  
13 WITH THE OUTSTANDING LEADERSHIP WE ALREADY HAVE IN  
14 THE SCIENTIFIC OFFICE. AND I THINK WE SHOULD GIVE  
15 YOU A ROUND OF APPLAUSE WITH THE SCIENTIFIC STAFF.

16 (APPLAUSE.)

17 DR. TROUNSON: THANK YOU. MAYBE MIGHT  
18 HAVE EXPECTED TO MEET HER BY NOW, BUT SHE'S GOING TO  
19 BE JOINING US ON MONDAY. SHE DID ASK TO KEEP HER  
20 INTEREST IN THIS POSITION ABSOLUTELY CONFIDENTIAL  
21 AND TO A MINIMUM OF PEOPLE. SO WE KEPT IT TO A VERY  
22 SMALL GROUP AS WE WENT THROUGH THIS PROCESS.

23 THERE ARE NEW PERSONNEL, DOUG KEARNEN  
24 JOINED US, A GRANTS MANAGEMENT SPECIALIST FROM UC  
25 SAN FRANCISCO.

**BARRISTERS' REPORTING SERVICE**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

(APPLAUSE.)

DR. TROUNSON: YOU GOT SOME REPORTS, I THINK, PUT ON YOUR TABLE THIS MORNING FROM A COUPLE OF NEWSPAPERS, BUT YOU MIGHT WANT TO HAVE A VERY BRIEF INFORMATION ON CIRM'S ECONOMIC IMPACT STUDY. I'LL JUST GET JOHN ROBSON TO GIVE YOU THAT IN A VERY SUMMARIZED FASHION, IF YOU WOULD LIKE. IT'S GOOD MEDIA. IT'S GOOD INFORMATION, AND I THINK YOU WILL FIND IT USEFUL TO HAVE IF YOU HAVEN'T ALREADY READ THE REPORT.

DR. ROBSON: I CAN GO THROUGH THIS FAIRLY QUICKLY. JUST TO REMIND YOU, THIS HAS BEEN AN ONGOING PROCESS FOR QUITE A LONG TIME, THIS ECONOMIC STUDY. WE HAD HOPED TO HAVE IT DONE EARLIER. IT'S JUST TAKEN LONGER THAN WE THOUGHT. BUT WE CONTRACTED WITH LECG COMPANY AS CONSULTANTS TO UNDERGO THIS A LITTLE OVER A YEAR AGO. AND THE OBJECTIVE WAS FOR THEM TO DEVELOP A MODEL SO THAT WE COULD MEASURE THE ECONOMIC IMPACT OF CIRM'S INVESTMENTS.

BY THAT ECONOMIC IMPACT WERE REALLY TWO ASPECTS. ONE IS TO LOOK AT JOB CREATION TAX REVENUES THAT COME OUT OF OUR INVESTMENTS. THAT'S WHAT THE PRESENT REPORT IS ABOUT.

THE SECOND ASPECT OF IT IS TO LOOK AT

## BARRISTERS' REPORTING SERVICE

1 SAVINGS TO THE HEALTHCARE SYSTEM IN INCREASED  
2 PRODUCTIVITY THAT WOULD DEVELOP FROM PATIENTS WHOSE  
3 SYMPTOMS WOULD HAVE BEEN ALLEVIATED AND THEY WOULD  
4 BE ABLE TO GET BACK TO THE WORKFORCE. THAT'S THE  
5 SECOND PART OF THE STUDY THAT'S NOT QUITE COMPLETE  
6 YET.

7 SO I'M JUST GOING TO GO THROUGH VERY  
8 QUICKLY SOME OF THE RESULTS FROM THIS FIRST ASPECT,  
9 THE ONE, THE REPORT THAT YOU HAVE IN YOUR BINDERS.

10 SO THE GOAL, AS I SAID, THE GOAL OF THIS  
11 WAS TO MEASURE OUR ECONOMIC ACTIVITY. THIS IS AN  
12 INTERIM STUDY, SO REALLY, AGAIN, THE EMPHASIS WAS TO  
13 DEVELOP THE MODEL. AND THEN WE JUST USE -- TOOK A  
14 SNAPSHOT OF WHERE WE WERE AT ONE POINT IN TIME,  
15 WHICH WAS HOW MUCH MONEY HAD WE INVESTED AS OF JULY  
16 2010, AND TO LOOK AND SEE WHAT THE IMPACT OF THOSE  
17 FUNDS WOULD BE UNTIL THE PERIOD WHEN THEY WOULD END,  
18 WHICH WAS ABOUT 2014 WHEN ALL THOSE GRANTS WOULD BE  
19 OVER, TO LOOK AT WHAT KIND OF JOBS WERE CREATED, HOW  
20 MANY JOBS WOULD BE CREATED, WHAT KIND OF TAX  
21 REVENUES WOULD ACCRUE TO THE STATE.

22 THE AMOUNT OF MONEY WE'RE TALKING ABOUT IS  
23 A LITTLE OVER \$1 BILLION IN CIRM FUNDS, BUT THERE  
24 WAS ALSO SIGNIFICANT AMOUNT OF LEVERAGE IN MATCHING  
25 FUNDS THAT WAS ASSOCIATED WITH THE MAJOR FACILITIES

## BARRISTERS' REPORTING SERVICE

1 PROGRAM. SO THAT 560 MILLION IN MATCHING FUNDS, AND  
2 THEN A COMMITMENT OF ANOTHER 320 BY THE GRANT  
3 RECIPIENT INSTITUTIONS THAT WOULD BE USED FOR  
4 RECRUITMENT AND OTHER CAPITAL COSTS RELATED TO THAT  
5 IMPROVEMENT. SO THAT'S A LITTLE OVER 1.9 BILLION  
6 THAT WE'RE TALKING ABOUT THE IMPACT.

7 AND THE KINDS OF MEASUREMENTS THAT WE  
8 LOOKED AT OR THAT OUR CONSULTANTS LOOKED AT ARE  
9 DIRECT IMPACT. AND WHAT I MEAN BY DIRECT IMPACT,  
10 THAT'S JOBS, TAX REVENUES CREATED BY THE MONEY THAT  
11 CIRM SPENDS, THE PEOPLE THAT CIRM'S MONEY HIRES  
12 DIRECTLY, AND THE IMPLICATIONS OF THAT. THERE'S  
13 ALSO INDIRECT BENEFITS, AND WHAT I MEAN BY INDIRECT,  
14 THOSE WOULD BE JOBS AND TAX REVENUES CREATED BY  
15 SUPPLIES AND EQUIPMENT THAT THE CIRM MONEY IS USED  
16 TO PURCHASE.

17 AND THEN FINALLY, THERE ARE INDUCED  
18 IMPACTS. THESE ARE JOBS THAT ARE CREATED JUST  
19 BECAUSE THOSE OTHER INVESTMENTS KIND OF LIFT THE  
20 GENERAL ECONOMIC ACTIVITY. SO AS WE HIRE PEOPLE,  
21 THOSE PEOPLE HAVE TO GO TO GROCERY STORES AND GAS  
22 STATIONS, AND THEN THERE ARE JOBS CREATED THAT WAY.  
23 THOSE ARE WHAT ARE BEING TERMED HERE AS INDUCED JOBS  
24 AND TAX REVENUES. AND THOSE ARE ONE-TIME IMPACTS.  
25 THOSE THINGS LAST -- THOSE EFFECTS LAST AS LONG AS



## BARRISTERS' REPORTING SERVICE

1 CIRM'S MONEY DOES. WHEN THE MONEY STOPS, THOSE  
2 IMPACTS STOP.

3 THEN THERE'S ONGOING BENEFITS. AND  
4 ONGOING BENEFITS ARE REALLY A COUPLE OF AREAS. ONE  
5 IS RAISING THE ACTIVITY IN THE BIOTECH SECTOR.  
6 BIOTECH SECTOR RISES UP AS A RESULT OF CIRM'S  
7 INVESTMENTS. THEN THERE WILL BE LONG-TERM EFFECTS  
8 THROUGH THAT INCREASED ECONOMIC ACTIVITY. THERE ARE  
9 OTHER BENEFITS WHICH ARE NOT MENTIONED RIGHT HERE,  
10 BUT CIRM'S GRANTS, FOR EXAMPLE, COULD PRODUCE  
11 PRELIMINARY RESULTS THAT ENABLE OUR SCIENTISTS TO GO  
12 TO OTHER PLACES TO GET ADDITIONAL FUNDS, EITHER  
13 THROUGH THE NIH, DISEASE FOUNDATIONS, PHILANTHROPY,  
14 AND SO FORTH. SO THOSE ARE OTHER KINDS OF MONIES  
15 THAT GET LEVERAGED AND INDUCE. THOSE CAN HAVE  
16 LONG-TERM EFFECTS.

17 FINALLY, THE SAVINGS TO THE HEALTHCARE  
18 SYSTEM, WHICH WE'RE NOT GOING TO TALK ABOUT IN THIS  
19 REPORT.

20 SO THE METHOD THAT WAS USED BY OUR  
21 CONSULTANT, JOSE ALBERA. I WAS HOPING HE COULD BE  
22 HERE TODAY. HE LIVES IN EMERYVILLE, OR WORKS OUT OF  
23 EMERYVILLE. I DON'T KNOW WHERE HE LIVES.  
24 UNFORTUNATELY HE'S NOT AVAILABLE. HE'S OUT OF THE  
25 COUNTRY.

## BARRISTERS' REPORTING SERVICE

1 SO THE PROGRAM HE USED IS CALLED IMPLANT.  
2 IT WAS DEVELOPED AT THE UNIVERSITY OF MINNESOTA IN  
3 THE MID '80S AND HAS BEEN SPUN OFF INTO A COMPANY.  
4 IT'S WIDELY USED. IT'S BEEN USED BY SOMETHING OVER  
5 1500 STUDIES SINCE THEN. CURRENTLY IT'S USED BY  
6 OVER A HUNDRED STATE AGENCIES TO MEASURE ECONOMIC  
7 ACTIVITY AND IMPACT, 250 COLLEGES AND UNIVERSITIES,  
8 MANY OTHER KINDS OF ORGANIZATIONS AS WELL.

9 IT MEASURES MANY, MANY DIFFERENT SECTORS,  
10 MANY, MANY DIFFERENT KINDS OF ACTIVITY. THE ONES  
11 THAT REALLY ARE APPROPRIATE, MOST APPROPRIATE FOR  
12 US, ARE THE ONES THAT ARE LISTED HERE. THESE ARE  
13 INVESTMENTS IN TRAINING, RESEARCH FACILITIES, AND  
14 EQUIPMENT. EACH OF THOSE HAS A DIFFERENT EMPLOYMENT  
15 MULTIPLIER. WHAT I MEAN BY AN EMPLOYMENT MULTIPLIER  
16 IS THAT IF THE DIRECT IMPACT OF CIRM'S INVESTMENT IS  
17 TO CREATE ONE JOB, THAT WILL FILTER THROUGH THE  
18 ECONOMY AND CREATE SOME MULTIPLE OF THAT. IN THE  
19 CASE OF TRAINING, THAT MULTIPLE IS 1.5. IN THE CASE  
20 OF RESEARCH, IT'S 2.4. SO DIFFERENT KINDS OF  
21 INVESTMENTS HAVE DIFFERENT MULTIPLIERS, JOB  
22 MULTIPLIERS ASSOCIATED WITH IT.

23 SO THE AVERAGE THAT HE CALCULATED FOR OUR  
24 INVESTMENTS TO DATE IS A MULTIPLIER OF 2.28.

25 SO WHAT DOES THAT MEAN FOR JOBS CREATED?

## BARRISTERS' REPORTING SERVICE

1 IT LOOK AT THE GRANTS AND LOANS, THAT'S CIRM'S  
2 MONEY, LITTLE OVER ONE BILLION. THE CALCULATION IS  
3 13,500 JOB YEARS OR FTE'S OVER A PERIOD BETWEEN 2006  
4 AND 2014. MATCHING LEVERAGE FUNDS WOULD CREATE  
5 ANOTHER 11,000. SO THAT'S ALMOST 25,000 JOB YEARS  
6 OR FTE'S CREATED DURING THAT TIME PERIOD. ABOUT  
7 11,000 OF THOSE ARE DIRECT, 5,000 ARE INDIRECT, AND  
8 THEN ANOTHER 9,000 ARE INDUCED IN THOSE DIFFERENT  
9 CATEGORIES THAT I SHOWED YOU.

10 WHAT KIND OF TAX REVENUES DOES THAT  
11 DEVELOP? I THINK THAT'S SHOWN IN THE NEXT SLIDE.  
12 SO HE BROKE THESE OUT INTO DIFFERENT KINDS OF TAXES  
13 THAT WOULD BE PRODUCED THAT WOULD BE PAID IN  
14 CALIFORNIA. FEDERAL TAXES, WE DIDN'T COUNT THOSE.  
15 OVER THAT PERIOD TAX REVENUES WOULD BE ABOUT \$200  
16 MILLION. MOST OF THAT WILL ACCRUE TO THE STATE,  
17 ABOUT 157 MILLION, AND 44 MILLION WOULD ACCRUE TO  
18 LOCAL MUNICIPALITIES. MOSTLY THAT'S PROPERTY TAX  
19 AND A PORTION OF SALES TAX WHICH GOES TO LOCAL  
20 ORGANIZATIONS. SO THERE WOULD BE 157 MILLION THAT  
21 WILL GO TO THE STATE FUND DURING THAT PERIOD.

22 AND LAST, JUST TO SUMMARIZE, WE THINK  
23 THESE RESULTS ARE FAIRLY CONSERVATIVE. SO WHY DO WE  
24 THINK THEY'RE CONSERVATIVE? WELL, THEY DON'T  
25 INCLUDE MUCH INFORMATION ABOUT THE BIOTECH INDUSTRY.

## BARRISTERS' REPORTING SERVICE

1 WE THINK IT'S JUST TOO EARLY FOR US TO COLLECT THAT  
2 INFORMATION IF THERE'S BEEN AN INCREASE IN ACTIVITY.  
3 THERE'S STUDIES OUT OF HARVARD THAT DISCUSS BIOTECH  
4 CLUSTERS. CLUSTERS OF COMPANIES, IF YOU GET TIGHT  
5 CLUSTERS OF LIKE COMPANIES TOGETHER, THEY TEND TO  
6 LIFT EACH OTHER UP. TWO IN THE BIOPHARMACEUTICAL  
7 AREA THAT HAVE BEEN IDENTIFIED IN CALIFORNIA. ONE  
8 IS IN THE BAY AREA AND THE OTHER ONE IS AROUND SAN  
9 DIEGO. IN THE PERIOD, I THINK IT WAS ABOUT TEN  
10 YEARS, UP TO ABOUT 2007, IN THOSE AREAS JOBS WERE  
11 CREATED AT ABOUT 20 TO 30 TIMES THE NATIONAL RATE,  
12 THE AVERAGE RATE IN THE NATION. SO THESE BIOTECH  
13 CLUSTERS, THERE ARE TWO OF THEM IN CALIFORNIA, AND A  
14 LARGE PORTION OF OUR RESEARCH MONEY IS GOING TO  
15 ORGANIZATIONS THAT ARE IN THE VICINITY OF THOSE  
16 CLUSTERS.

17 SO WE THINK THERE WILL BE BENEFITS THERE.  
18 IT'S BEEN A LITTLE TOO EARLY TO MEASURE. THE SAME  
19 THING IS TRUE WITH OTHER LEVERAGED FUNDS THAT MIGHT  
20 COME OUT OF OUR RESEARCH, THAT IS, FROM PHILANTHROPY  
21 OR ADDITIONAL NIH GRANTS. I'LL JUST GIVE YOU ONE  
22 EXAMPLE. THE FIRST OF OUR CIRM RESEARCH LEADERSHIP  
23 AWARD WINNERS, DR. WECHLER-REYA WHO HAS NOW COME TO  
24 CALIFORNIA. HE STARTED AT THE BURNHAM INSTITUTE IN  
25 NOVEMBER. NOW WE'RE INVESTING OVER SIX YEARS \$6

## BARRISTERS' REPORTING SERVICE

1 MILLION IN HIS CAREER. SO THAT'S ABOUT A MILLION  
2 DOLLARS A YEAR. THAT MILLION DOLLARS A YEAR IS  
3 CALCULATED AS PART OF THIS STUDY. THAT MILLION IS  
4 IN THERE. HE'S ALSO BROUGHT WITH HIM ANOTHER FIVE  
5 TO \$700,000 A YEAR IN RESEARCH GRANTS FROM NIH,  
6 MOSTLY NIH AND OTHER SOURCES. THOSE MONIES ARE NOT  
7 YET CALCULATED IN THIS STUDY. HE WASN'T EVEN HERE  
8 WHEN THE DATA WERE COLLECTED, BUT WE HAVEN'T  
9 INCLUDED THOSE KINDS OF THINGS YET.

10 WE THINK THAT THE NUMBERS THAT YOU SAW  
11 REALLY ARE CONSERVATIVE. WE ALSO, IF WE COMPARE OUR  
12 MULTIPLIER WITH WHAT'S BEEN USED BY OTHER STATES,  
13 IT'S A LITTLE BIT LOW, BUT IT'S HARD FOR US TO  
14 ACTUALLY MAKE THE COMPARISON BECAUSE MOST OTHER  
15 STUDIES THAT HAVE BEEN DONE, THE METHODS HAVE NOT  
16 BEEN WELL DEFINED OR DESCRIBED. AND THEY ALSO  
17 INCLUDE MORE THAN WHAT WE'RE JUST TALKING ABOUT.  
18 MANY OF THEM HAVE ALREADY INCORPORATED IN MEASURES  
19 ABOUT BIOTECH COMPANIES AND SO FORTH. SO WE DON'T  
20 REALLY HAVE THAT INFORMATION. IT'S HARD TO COMPARE  
21 OUR STUDIES WITH OTHER.

22 LIKE I SAY, THIS IS A FIRST STEP IN THIS  
23 PROCESS. I THINK WE HAVE A MODEL NOW. WE HAVE A  
24 WAY TO LOOK AT IT. WE'VE GOT ADVICE FROM THE  
25 CONSULTANTS ON HOW TO GATHER THE ADDITIONAL DATA WE

## BARRISTERS' REPORTING SERVICE

1 NEED ON THE BIOTECH SECTOR AND SO FORTH, AND WE'LL  
2 BE ABLE TO FOLLOW THIS THROUGH OVER THE NEXT COMING  
3 YEARS, AND HOPEFULLY IN THE NEAR FUTURE WE'LL HAVE  
4 SOMETHING FOR YOU ON HEALTHCARE SAVINGS AND  
5 INCREASED PRODUCTIVITY.

6 CHAIRMAN KLEIN: THANK YOU, DR. ROBSON.  
7 I'D ALSO LIKE TO POINT OUT THAT THE WELLCOME TRUST  
8 WORKING WITH MEDICAL RESEARCH COUNCIL OF ENGLAND IN  
9 THEIRS CAME OUT WITH MULTIPLIERS MORE THAN TWICE AS  
10 HIGH AS THE ONES WE'RE USING. THEY MAY HAVE WELL  
11 TAKEN INTO ACCOUNT CLUSTER EFFECTS, AS DR. ROBSON  
12 APPROPRIATELY POINTS OUT IN THE HARVARD STUDY. SO  
13 WE'RE STARTING VERY CONSERVATIVELY HERE, WHICH IS A  
14 GOOD PLACE TO START. AND AS WE GET ADDITIONAL  
15 DOCUMENTATION, WE'D EXPECT THESE NUMBERS TO MOVE UP  
16 OVER TIME. BUT IT'S ALSO VERY GOOD TO KNOW THE  
17 STATE LEGISLATIVE ANALYST USES NUMBERS CONSISTENT OR  
18 LOWER IN TERMS OF MULTIPLIERS -- HIGHER IN TERMS OF  
19 MULTIPLIERS THAN WE DO ON THE DIRECT AND INDIRECT  
20 EFFECTS. SO WE SHOULD BE SEEING OUR NUMBERS WITH  
21 THE STATE LEGISLATIVE ANALYST RISE OVER TIME AS WE  
22 BRING IN ADDITIONAL DATA ON CLUSTER EFFECTS.

23 THAT'S GREAT NEWS FOR THE LEGISLATURE.  
24 SENATOR TORRES.

25 MR. TORRES: GREAT NEWS FOR LEGISLATORS.

## BARRISTERS' REPORTING SERVICE

1 GREAT NEWS FOR THE STATE OF CALIFORNIA, ESPECIALLY  
2 AS WE LOOK AT THE FACT THAT OUR DEBT SERVICE WILL BE  
3 LITERALLY MINIMALIZED BY THE TREMENDOUS REVENUE  
4 SOURCES THAT WE'LL BRING BACK TO THE STATE. SO,  
5 AGAIN, WE MAY HAVE THE NEXT TWO YEARS OF FREE, NOT  
6 FREE, BUT DEFINITELY COVER THE DEBT SERVICE FOR  
7 THESE BONDS.

8 SECONDLY, I THINK IT'S ALSO IMPORTANT THAT  
9 WE INCLUDE LATER DOWN THE ROAD THE FEDERAL TAXES  
10 THAT ARE PAID. KEEP IN MIND A PORTION OF THOSE  
11 FEDERAL TAXES COME BACK TO THE STATE OF CALIFORNIA.  
12 SO WE HAVE TO TAKE CREDIT FOR THAT AS WELL BECAUSE  
13 THAT USUALLY MEANS NOT AS GOOD AS ONE TO ONE, BUT  
14 MAYBE 75 CENTS OF EVERY DOLLAR THAT WE PAY IN  
15 FEDERAL INCOME TAXES COMES BACK TO CALIFORNIA. WE  
16 NEED TO DO BETTER THAN THAT, BUT AT LEAST LET US USE  
17 THAT AS A STANDARD TO ALSO INDICATE THAT MONEY ALSO  
18 COMES BACK TO CALIFORNIA.

19 DR. ROBSON: WE HAD THAT DISCUSSION WITH  
20 OUR CONSULTANT. I'LL JUST TELL YOU HIS COMMENT  
21 BECAUSE I THINK IT REFLECTS A BIT ON THIS DOCUMENT.  
22 THAT HE MADE IT CLEAR TO US FROM THE BEGINNING THAT  
23 THIS WAS HIS DOCUMENT; IT WASN'T OUR DOCUMENT. AND  
24 HE WAS GOING TO PREPARE IT. WE COULD MAKE  
25 SUGGESTIONS, BUT HE WAS GOING TO PREPARE IT THE WAY

**BARRISTERS' REPORTING SERVICE**

1 HE THOUGHT WAS BEST.

2 HE FELT THAT THE USE OF FEDERAL TAX  
3 REVENUES, BECAUSE I TRIED TO PUSH HIM TO INCLUDE  
4 THAT FOR EXACTLY THE REASONS THAT YOU SAID, HE  
5 THOUGHT THAT WAS INAPPROPRIATE BECAUSE HE SAID  
6 THAT'S NOT REALLY -- THERE'S NOT A ONE-TO-ONE  
7 RELATIONSHIP BETWEEN INCREMENT AND WHAT COMES BACK.  
8 HE SAID THESE THINGS ARE DISCONNECTED. HE DIDN'T  
9 FEEL COMFORTABLE WITH THAT.

10 MR. TORRES: I FEEL COMFORTABLE.

11 DR. ROBSON: I FELT COMFORTABLE WITH IT  
12 TOO, BUT I COULDN'T GET HIM TO PUT IT IN THIS  
13 DOCUMENT.

14 MR. TORRES: YOU KNOW WHAT YOU DO IN THAT  
15 INSTANCE? YOU FIND ANOTHER CONSULTANT.

16 CHAIRMAN KLEIN: NO. NO. IT'S GOOD TO  
17 START OFF CONSERVATIVELY, AND IT'S GOOD TO HAVE THE  
18 INDEPENDENCE OF THE CONSULTANT. IT'S ALWAYS GREAT  
19 TO HAVE A STUDY THAT EVERYBODY ELSE HAS A HIGHER  
20 MULTIPLIER IN TERMS OF THE STATES THAT WE'VE LOOKED  
21 AT SO THAT WE'RE IN A STRONG, DEFENSIBLE POSITION  
22 BECAUSE THESE ARE EXTREMELY MATERIAL CONTRIBUTIONS  
23 TO THE STATE GENERAL FUND AT A TIME WHEN THEY REALLY  
24 NEED IT. AND, AGAIN, IT'S GOING TO BE IMPORTANT FOR  
25 US TO COMMUNICATE TO THE PUBLIC THAT THEY'RE NOT



## BARRISTERS' REPORTING SERVICE

1 PUTTING OUT \$200 MILLION A YEAR, IF THAT'S WHAT  
2 WE'RE APPROVING IN GRANTS. THE DEBT SERVICE THAT  
3 MAY GO OUT IN A YEAR COULD BE 45 TO \$55 MILLION,  
4 PARTICULARLY BECAUSE WE HAVE THE BENEFIT OF  
5 SOMETHING CALLED THE BUILD AMERICA BOND PROGRAM,  
6 WHICH SUBSIDIZES OUR BOND RATES.

7 BUT WE'VE GOT WORK TO DO. WE'RE ALWAYS  
8 GOING TO TRY AND WORK WITH THE STATE TREASURER AND  
9 THE STATE DIRECTOR OF FINANCE TO REDUCE OUR FINANCE  
10 COST, BUT THE STATE, THE LEGISLATORS, AND THE PUBLIC  
11 NEED TO UNDERSTAND ON A CASH FLOW BASIS,  
12 PARTICULARLY WITH THE FIRST FIVE YEARS OF DEBT  
13 SERVICE CAPITALIZED, THAT THE STATE IS IN A NET  
14 POSITIVE POSITION ON CASH FLOW COMING FROM THIS  
15 PROGRAM ALONG WITH A TREMENDOUS AMOUNT OF JOBS,  
16 WHICH WILL BE VERY HELPFUL TO THE ECONOMY.

17 THANK YOU. DR. ROBSON PUT A LOT OF EFFORT  
18 INTO THIS STUDY. IT TOOK A TREMENDOUS AMOUNT OF  
19 TIME IN REVIEWS, AND THE DOCUMENTATION WAS CHECKED  
20 BY SEVERAL PEOPLE. SO THANK YOU, DR. ROBSON. IT'S  
21 A GOOD POINT OF ENDING THIS DAY.

22 (APPLAUSE.)

23 DR. TROUNSON: CHAIR, THERE'S JUST A  
24 COUPLE OF SLIDES FROM CHILA MARTIN ON THE BUDGET, IF  
25 YOU'D ACCOMMODATE THAT.

## BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: CHILA, YOU'VE PUT IN A  
2 TREMENDOUS AMOUNT OF EFFORT. LET'S GO THROUGH  
3 THESE. WE KNOW YOU'RE GOING TO MAKE ANOTHER  
4 PRESENTATION TO THE CALIFORNIA FINANCIAL OVERSIGHT  
5 COMMITTEE HERE THAT SENATOR TORRES IS GOING TO LEAD  
6 OUR GROUP TOMORROW IN LOS ANGELES. SO, CHILA, YOU  
7 HAVE THE FLOOR.

8 MS. SILVA-MARTIN: THANK YOU VERY MUCH,  
9 MR. CHAIR, MEMBERS OF THE BOARD. I WILL BE  
10 PRESENTING CIRM'S BUDGET AND EXPENDITURES THROUGH  
11 DECEMBER 31, 2010. THE INFORMATION THAT I'M GOING  
12 TO BE PRESENTING ONLY INCLUDES CIRM'S OPERATING  
13 BUDGET AND DOES NOT INCLUDE GRANT PAYMENTS.

14 AT THE LAST MEETING, AS YOU MAY REMEMBER,  
15 WE WERE ASKED TO PROVIDE ADDITIONAL FINANCIAL  
16 INFORMATION. SO IN YOUR BINDER YOU WILL ACTUALLY  
17 FIND THREE GRAPHS AND TWO CHARTS THAT SUPPORT THOSE  
18 GRAPHS. BEHIND TAB 6.

19 SO GENERALLY I GO OVER THE DETAILS IN THIS  
20 PARTICULAR GRAPH, BUT INSTEAD I'M JUST GOING TO THE  
21 LAST GROUP OF BARS AND TALK ABOUT OUR BUDGET  
22 OVERALL. SO WE WERE ALLOCATED A TOTAL OF  
23 \$16,019,000 IN THIS FISCAL YEAR. AS OF DECEMBER  
24 31ST, WE HAVE RECORDED EXPENDITURES OF \$5,453,000 OR  
25 34 PERCENT OF THAT BUDGET, LEAVING US A BALANCE OF

## BARRISTERS' REPORTING SERVICE

1 \$10,566,000 OR 66 PERCENT OF THE BUDGET.

2 NOW, I WANT TO REMIND YOU THAT THESE  
3 NUMBERS HERE DON'T INCLUDE LAGS. AND FOR THE MONTH  
4 OF DECEMBER WE HAD LAGS OF OVER \$700,000.

5 SO THE OTHER CHART THAT'S INCLUDED IN YOUR  
6 BINDER IS THIS ONE, AND THIS WAS THE INFORMATION  
7 THAT WE WERE ASKED TO PROVIDE, SO I'M GOING TO GO  
8 OVER THIS DETAIL. AS YOU CAN SEE IN THE FIRST --  
9 THERE'S THREE GROUPINGS. THE BUDGET IS FOR THE  
10 SALARIES AND BENEFITS, OUR OPERATING EXPENDITURES,  
11 AND THEN THE LAST GROUPING WOULD BE OUR TOTAL  
12 BUDGET. AND THIS INFORMATION HERE REPRESENTS OUR  
13 BUDGET AND OUR EXPENDITURES FOR THE PERIOD OF JULY  
14 1ST THROUGH DECEMBER 31ST.

15 SO IN THE FIRST GROUPING, WE HAVE SALARIES  
16 AND BENEFITS. FOR SALARIES AND BENEFITS FOR THE  
17 PERIOD OF JULY 1ST THROUGH DECEMBER 31ST, WE WERE  
18 ALLOCATED A TOTAL OF \$4,254,000. WE RECORDED  
19 EXPENDITURES AGAINST THAT OF \$3,841,000 OR 90  
20 PERCENT OF OUR BUDGET.

21 IN THE NEXT GROUP, OUR OPERATING  
22 EXPENDITURES, WE WERE ALLOCATED \$2,558,000 FOR THE  
23 REPORTING PERIOD, AND WE RECORDED EXPENDITURES OF  
24 \$1,611,000. NOW, ADD TO THAT, WHICH IS IN THE GREEN  
25 SECTION, THE LAG OF \$700,000, AND WE WILL HAVE

## BARRISTERS' REPORTING SERVICE

1 ACTUALLY EXPENDED THROUGH DECEMBER 31ST \$2,311,000.

2 SO IN SUMMARY, FOR THIS PARTICULAR  
3 REPORTING PERIOD, WE WERE ALLOCATED A TOTAL OF  
4 \$6,811,000. WITH OUR LAG WE HAVE RECORDED  
5 \$6,152,000 OF EXPENDITURES OR 90 PERCENT OF OUR  
6 BUDGET. WE HAVE HAD SOME SAVINGS BECAUSE WE DID  
7 HAVE SOME POSITIONS VACANT. BUT AS DR. TROUNSON  
8 REPORTED, WE HAVE FILLED A SIGNIFICANT POSITION IN  
9 THAT AREA. AND WE HAVE OPERATING EXPENSE SAVINGS AS  
10 WELL THAT ARE ASSOCIATED WITH THOSE POSITIONS.

11 SO THAT CONCLUDES MY PRESENTATION. I'M  
12 HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

13 CHAIRMAN KLEIN: ANY QUESTIONS FROM THE  
14 BOARD? I'D LIKE TO POINT OUT TOO THAT LOOKING BACK  
15 OVER THE LAST THREE YEARS SINCE DR. TROUNSON HAS  
16 BEEN HERE, IN A RECONCILIATION STUDY DONE BY SCOTT  
17 TOCHER FOR ME I THINK WITH HELP FROM LYNN HARWELL,  
18 WE LOOKED AT ALL OF THE GRANT BUDGETS THAT THIS  
19 BOARD HAS APPROVED AND LOOKED THEN AT CONCEPTUAL  
20 APPROVALS AND LOOKED AT WHAT WE ACTUALLY APPROVED IN  
21 GRANTS COMING TO US. WHILE SOME WERE UNDER, SOME  
22 WERE OVER, AND IT TURNS OUT THAT OVER THE LAST THREE  
23 YEARS, WE HAVE EXPENDED 98 PERCENT OF THE TOTAL  
24 AMOUNT APPROVED CONCEPTUALLY. SO WE HAVE BALANCED  
25 OVER TIME TO STAY WITHIN OUR CONCEPTUAL APPROVALS,

## BARRISTERS' REPORTING SERVICE

1 AND THERE'S AN OVERALL DISCIPLINE THAT REFLECTS  
2 TRYING TO RECOGNIZE THE BEST SCIENCE WHEN IT'S  
3 THERE.

4 WHEN WE HAVE ADDITIONAL GREAT SCIENTIFIC  
5 PROPOSALS, WE'VE BEEN ABLE TO FUND IT BECAUSE WE  
6 HAVE ECONOMIZED WHEN THE SCIENCE HASN'T BEEN UP TO  
7 THE QUALITY NECESSARY; BUT ON AN OVERALL BASIS, WE  
8 HAVE STAYED WITHIN OUR THREE-YEAR APPROVAL  
9 CONCEPTUALLY.

10 I WOULD ALSO BRING TO YOUR ATTENTION A  
11 STUDY THAT I'LL SEND YOU AS WELL ON THE 30  
12 DIFFERENT -- MORE THAN 30, IN FACT, DIFFERENT VOTES  
13 DURING THAT PERIOD WHERE WE MOVED GRANTS IN OR OUT  
14 OF THE APPROVED CATEGORY WHERE, IN FACT, WE HAD A  
15 DIFFERENT POSITION THAN THE PEER REVIEW GROUP. IN  
16 THOSE 30 VOTES, 80 PERCENT OF THE TIME THE  
17 MAJORITIES OF THE SCIENTISTS AND THE MAJORITIES OF  
18 THE PATIENT ADVOCATES VOTED TOGETHER. SO IT SHOWS A  
19 VERY COLLABORATIVE CULTURE WITH HIGH LEVELS OF  
20 MUTUAL RESPECT.

21 THERE ARE NUMEROUS SITUATIONS WHERE  
22 INDIVIDUALS FROM ONE OR THE OTHER COMMUNITY STARTED  
23 OFF MAKING A MOTION AND, IN FACT, CHANGED THEIR  
24 POSITION DURING THE MOTION BECAUSE OF THE SCIENTIFIC  
25 STAFF'S INPUT, BECAUSE OF THE DEBATE. SO WE HAVE A

## BARRISTERS' REPORTING SERVICE

1 VERY VIBRANT CULTURE THAT IS COLLABORATIVE, HIGHLY  
2 RESPECTFUL. AND THE SUPPOSITION FROM SOME THAT THE  
3 PATIENT ADVOCATES AND THE SCIENTIFIC, INCLUDING  
4 INDUSTRIAL REPRESENTATIVES, WOULD BE HIGHLY  
5 DISPARATE IN WHAT THEY WOULD VOTE FOR IS, IN FACT,  
6 NOT PROVED OUT. THE DEBATES HAVE CARRIED BOTH  
7 GROUPS IN EQUIVALENT PERCENTAGES THROUGH AN ENTIRE  
8 THREE-YEAR PERIOD AND SHOWS THAT TOGETHER, WHEN WE  
9 LOOK AT THE MERITS, WE HAVE A VERY SIMILAR VIEW OF  
10 THE MERITS FROM APPLICATION TO APPLICATION WITH FULL  
11 SCIENTIFIC BRIEFING BY THE SCIENTIFIC STAFF AND OUR  
12 ABILITY TO LOOK AT THE RESEARCH APPLICATIONS.

13 WITH THAT, I'D ASK CHILA, IS THERE ANY  
14 QUESTIONS OF CHILA? I'D LIKE TO GIVE CHILA AND  
15 MARGARET, WHO'S NOT HERE, A HAND BECAUSE THEY DO  
16 YEOMAN'S WORK LATE IN THE NIGHT MANY TIMES.

17 (APPLAUSE.)

18 CHAIRMAN KLEIN: DR. TROUNSON, DO YOU HAVE  
19 ANYTHING ELSE TO BE COVERED? MR. HARRISON? NO.  
20 I'D LIKE TO, AGAIN, GIVE A ROUND OF APPLAUSE TO THE  
21 SCIENTIFIC STAFF FOR THE TREMENDOUS REVIEW.

22 (APPLAUSE.)

23 CHAIRMAN KLEIN: WE DEEPLY APPRECIATE YOUR  
24 TREMENDOUS COMMITMENT, PASSIONATE DEDICATION TO THE  
25 SCIENCE, AND TO THE ADVANCEMENT OF THERAPIES.

**BARRISTERS' REPORTING SERVICE**

1 AND ARE THERE ANY OTHER PUBLIC COMMENTS?  
2 I UNDERSTOOD THAT THERE MIGHT BE TONY KLEIN IS  
3 SOMEONE WHO REQUESTED TO SPEAK. IS HE HERE? HE HAD  
4 TO LEAVE. JUST VERY QUICKLY, QUICK COMMENT.

5 MR. REED: MY COMMENTS ARE ALWAYS QUICK.  
6 ROMAN REED SPINAL CORD INJURY RESEARCH ACT SPENT \$14  
7 MILLION FOR CALIFORNIA, ATTRACTED 60 MILLION FROM  
8 THE FEDS. OVER ITS NINE-YEAR HISTORY DID VERY WELL,  
9 BUT OUR FUNDING WAS CUT. I'M HAPPY TO ANNOUNCE THAT  
10 YESTERDAY ASSEMBLY BILL 190 WAS ANNOUNCED. IT IS AN  
11 ATTEMPT TO FUND THE ROMAN REED BILL ONCE MORE. IT  
12 WILL BE A TRAFFIC TICKET ADD-ON OF \$3. HAS TO GO  
13 THROUGH A BIG FIGHT, BUT WE HAVE A CHANCE. THAT'S  
14 THE BILL THAT BEGAN THE WORK THAT GERON IS CARRYING  
15 FORWARD. OUR SMALL WORK GOES FORWARD TOO. THANK  
16 YOU.

17 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

18 (APPLAUSE.)

19 CHAIRMAN KLEIN: WE HOPE FOR YOU THE BEST.  
20 AND THE STATE OF VICTORIA IN AUSTRALIA, I'M AWARE  
21 THAT THEY HAVE TRAFFIC TICKET ADD-ON THAT'S VERY  
22 EFFECTIVE IN FUNDING RESEARCH, WHETHER STEM CELL OR  
23 OTHER RESEARCH, FOR SPINAL CORD INJURY. SO WE HOPE  
24 YOU THE SAME SUCCESS. THANK YOU ALL FOR ATTENDING.  
25 THANK THE PUBLIC. AND WE ARE ADJOURNED.

**BARRISTERS' REPORTING SERVICE**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

(THE MEETING WAS THEN ADJOURNED AT  
3:50 P.M.)



## 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

CROWNE PLAZA SFO  
{ADDRESS LINE 2}  
\*\*\*, CALIFORNIA  
ON  
{DATE}

WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

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