

BEFORE THE
SCIENTIFIC AND MEDICAL FACILITIES WORKING GROUP OF THE
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
TO THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

LOCATION: TELEPHONIC

DATE: TUESDAY, OCTOBER 2, 2007
6:30 P.M.

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

BRS FILE NO. : 79440

BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 TELECONFERENCE; TUESDAY, OCTOBER 2, 2007

2 6:30 P.M.

3

4 CHAIRMAN LICHTENGER: RICK, IS IT OKAY IF I

5 CALL THE MEETING TO ORDER NOW?

6 MR. KELLER: SURE.

7 CHAIRMAN LICHTENGER: OKAY. SO WHY DON'T

8 WE -- SO I'D LIKE TO CALL THE FACILITIES WORKING GROUP TO

9 ORDER OF THE CALIFORNIA INSTITUTE OF REGENERATIVE

10 MEDICINE, SO CAN WE JUST CALL THE ROLL, PLEASE?

11 MR. KELLER: DAVID LICHTENGER.

12 CHAIRMAN LICHTENGER: HERE.

13 MR. KELLER: DAVID SERRANO-SEWELL.

14 MR. SERRANO-SEWELL: HERE.

15 MR. KELLER: MARCY FEIT. DEBORAH HYSEN.

16 MS. HYSEN: HERE.

17 MR. KELLER: ED KASHIAN. ROBERT KLEIN.

18 MR. KLEIN: HERE.

19 MR. KELLER: STUART LAFF.

20 MR. LAFF: HERE.

21 MR. KELLER: JEFF SHEEHY. JOAN SAMUELSON.

22 MS. SAMUELSON: HERE.

23 MR. KELLER: AT THIS POINT WE HAVE SIX MEMBERS,

24 WHICH IS NOT A QUORUM; BUT AS SUGGESTED, WE CAN HAVE

25 DISCUSSIONS, BUT UNTIL WE HAVE THE QUORUM, WE CAN'T TAKE

BARRISTERS' REPORTING SERVICE

1 A VOTE.

2 CHAIRMAN LICHTENGER: THAT'S FINE, RICK. RICK,
3 IF YOU COULD GO AHEAD AND GIVE EVERYONE AN OVERVIEW OF
4 THE DOCUMENT AND ALSO JUST GO OVER THE DATE JUST TO MAKE
5 SURE EVERYBODY HAS GOT THE RIGHT DOCUMENT IN FRONT OF
6 THEM.

7 MR. KELLER: SURE. THE ITEM ON YOUR AGENDA
8 TODAY FOR CONSIDERATION OF THE GRANTS ADMINISTRATION
9 POLICY OR GAP RELATED TO FACILITIES WILL ALLOW THE
10 INSTITUTE TO ADVISE APPLICANTS AND ULTIMATELY GRANTEEES
11 FOR THE LARGE FACILITIES GRANT TO UNDERSTAND THE RULES
12 AND REGULATIONS THAT WILL APPLY TO THOSE GRANTS THAT ARE
13 SPECIFIC TO THE MAJOR FACILITIES GRANT.

14 MANY OF THESE PROVISIONS ARE SIMILAR TO THE
15 PROVISION THAT YOU REVIEWED -- SET THAT YOU ADOPTED, THE
16 GAP PROVISIONS, FOR THE SHARED RESEARCH AND STEM CELL
17 COURSE RFA. ALL I WANT TO DO IS GO VERY BRIEFLY OVER THE
18 FACT THAT WE HAVE DISTRIBUTED AN INITIAL VERSION OF THE
19 DRAFT GAP ON SEPTEMBER 19TH AFTER REVIEW BY THE CIRM
20 INTERIM PRESIDENT. AND RICHARD MURPHY IS HERE AS WELL IN
21 ATTENDANCE FOR YOU ON THE PHONE TO KNOW. AND IN THE
22 COURSE OF REVIEWING THAT DOCUMENT, ADDITIONAL REVISIONS
23 WERE RECEIVED, AND ON SEPTEMBER 28TH A REVISED VERSION OF
24 THE PROPOSED GAP WAS SENT AND POSTED ON THE INTERNET. SO
25 YOU SHOULD HAVE THE DOCUMENT THAT IS DATED FACILITIES

BARRISTERS' REPORTING SERVICE

1 WORKING GROUP MEETING OCTOBER 2D. I DON'T KNOW IF WE
2 HAVE A VERSION CONTROL ON THE ACTUAL DOCUMENT, BUT I
3 THINK IF YOU'RE USING THE ONE THAT YOU RECEIVED LAST
4 FRIDAY, THAT IS THE VERSION THAT WE'RE WORKING FROM.

5 SO IF EVERYBODY IS WITH THAT, I WANT TO JUST GO
6 OVER BRIEFLY THE PROVISIONS OF THE GAP THAT DEAL -- THE
7 AREAS THAT IT DEALS WITH PRIMARILY DEAL WITH PROPOSITION
8 71 REQUIREMENTS THAT WE DISCUSSED AT OUR MEETINGS
9 PREVIOUSLY AND THEN THE POLICY ISSUES THAT WERE ALSO
10 DISCUSSED BY THE FACILITIES WORKING GROUP.

11 SO THE ASPECTS THAT ARE REQUIRED BY PROPOSITION
12 71 DEAL WITH THE ELIGIBILITY THAT'S CONTAINED IN THE
13 DRAFT UNDER CHAPTER VIII, SECTION A, ELIGIBILITY,
14 PREFERENCE FOR CALIFORNIA SUPPLIERS NONPROFIT.

15 THE OTHER MAJOR AREA IN TERMS OF THE FACILITIES
16 WORKING GROUP POLICY OR RECOMMENDATIONS TO THE ICOC DEAL
17 WITH ISSUES THAT ARE CONTAINED IN SECTION 8 BEGINNING
18 WITH C -- I'M SORRY -- I SKIPPED OVER. SECTION B DEALS
19 WITH THE PREVAILING WAGE, WHICH IS A REQUIREMENT WITHIN
20 PROP 71.

21 SO IN THE DRAFT BEFORE YOU, AS YOU GO DOWN THE
22 PROVISIONS FOR EQUIPMENT, WHICH MAY BE AMENDED LATER,
23 MATCHING FUNDS, WHICH WE HAVE ESTABLISHED TO BE 20
24 PERCENT CASH CONTRIBUTION, THE NOTION OF PROJECT
25 LEVERAGE, WHICH IS ALL OF THE OTHER APPLICANTS'

BARRISTERS' REPORTING SERVICE

1 INVESTMENT IN THE PROJECTS BEYOND THE 20 PERCENT CASH
2 MATCH, THERE'S A PROVISION F THAT DEALS WITH THE
3 COMMITMENT OF THE APPLICANT TO USE THE SPACE FOR TEN
4 YEARS FOR STEM CELL RESEARCH.

5 AND ITEM G IS A RECOGNITION OF CIRM FUNDING SO
6 THAT CIRM IS ENGAGED IN CEREMONIES AND HAS THE ABILITY TO
7 HAVE NAMING OF FACILITIES.

8 AND LASTLY, UNDER OVERSIGHT AND PAYMENT
9 PROCEDURES UNDER H, THIS IS THE AREA THAT DEALS WITH HOW
10 CIRM WILL ACTUALLY PAY FUNDS TO THE GRANTEES AS WELL AS
11 UNDERTAKE PROGRESS REPORTS AND CONDUCT POSTAUDITS.

12 SO YOU'VE ALL HAD A CHANCE TO REVIEW THIS, BUT
13 I WANTED TO MAKE SURE THAT YOU UNDERSTOOD ALL OF THE
14 SECTIONS THAT WE WERE DEALING WITH. THE ONE MAJOR AREA
15 OF REVISION FROM THE ORIGINAL DRAFT TO THE ONE YOU
16 RECEIVED ON SEPTEMBER 28TH DEALT WITH THE PROVISION FOR
17 PAYMENT. AND CHAIRMAN KLEIN, IF THERE'S A NEED TO GO
18 INTO THAT MORE FULLY, YOU COULD EXPLAIN SOME OF THE
19 ASPECTS OF THAT SECTION H.

20 MR. KLEIN: LET ME JUST TAKE A MOMENT. FIRST
21 OF ALL, JUST AS A POINT OF INFORMATION, ON SUBSECTION
22 VIII, CAPITAL B, THAT CHANGE IS MERELY TO PICK UP
23 LANGUAGE STRAIGHT OUT OF THE INITIATIVE TO SHOW THAT THE
24 PREVAILING WAGE REQUIREMENT IS MEANT TO APPLY
25 SPECIFICALLY AND ONLY TO CONSTRUCTION.

BARRISTERS' REPORTING SERVICE

1 MR. KELLER: CORRECT.

2 MR. KLEIN: THE SECTION THAT YOU'RE REFERRING
3 TO MERELY CONFIRMS AN OPTION TO HAVE ALTERNATIVE FUNDING
4 METHODOLOGIES. IT PROVIDES A METHODOLOGY TO FUND AT
5 THE -- AS THE FUNDS COME IN, IT PROVIDES A METHODOLOGY TO
6 MAKE PROGRESS PAYMENTS OR IT PROVIDES A METHODOLOGY TO
7 FUND AFTER THE MATCHING FUNDS ARE IN, BUT AT THE FRONT
8 END OF THE PROJECT. THE CONCEPT OF PRESERVING THAT
9 OPPORTUNITY IS THAT IT MAY BE VIEWED BY THE INSTITUTIONS
10 AS A VERY HIGH COST IF THEY HAVE TO WAIT TO THE END OF
11 THE PROJECT AND FOR AUDITS TO GET THE FUNDS IN.

12 NOW, IN ANY CASE, THEY WOULD HAVE A COMPLETION
13 GUARANTEE IN ANY CASE. THEY WOULD HAVE PROVISIONS
14 DEALING WITH NONPERFORMANCE WHERE THEY HAVE TO GUARANTEE
15 TO RETURN FUNDS IF THEY HAVEN'T PERFORMED, OR IF THERE'S
16 A SAVINGS IN THE COST OF THE PROJECT TO PROPORTIONALLY
17 RETURN FUNDS; IS THAT RIGHT, RICK?

18 MR. KELLER: YES.

19 MR. KLEIN: SO WHAT WE'RE DOING HERE IS
20 PRESERVING AN OPPORTUNITY WHICH CAN BE VETTED AND
21 DEVELOPED WITH OUTSIDE (INAUDIBLE) OVER TIME.

22 IS THAT MARCY FEIT?

23 MR. SHEEHY: JEFF SHEEHY. HOW ARE YOU, BOB?

24 MR. KLEIN: HI. I'M FINE. AND, JEFF, LET ME
25 TURN IT BACK TO THE CHAIRMAN FOR A SECOND BECAUSE HE'S

BARRISTERS' REPORTING SERVICE

1 GOING TO BE OVERJOYED TO KNOW YOU'RE ON THE PHONE.

2 CHAIRMAN LICHTENGER: THANKS, BOB. JEFF,
3 THANKS FOR JOINING US. (INAUDIBLE) HAVE A QUORUM. ARE
4 YOU THERE, RICK?

5 MR. KELLER: YEAH. I'M HERE. I CAN BARELY
6 HEAR YOU, DAVID. I THINK WHAT YOU SAID IS WE NOW HAVE A
7 QUORUM AND THE WORKING GROUP HAS THE ABILITY TO CONDUCT
8 ITS BUSINESS BY VOTE OF A QUORUM.

9 CHAIRMAN LICHTENGER: IS THAT BETTER NOW?

10 MR. KELLER: YES. VERY GOOD.

11 CHAIRMAN LICHTENGER: JEFF, RIGHT NOW WE'RE
12 VIEWING SECTION H, BOB --

13 MR. KLEIN: H.

14 CHAIRMAN LICHTENGER: YES. -- IN THE DOCUMENT.
15 IT SHOULD BE FROM LORI. I BELIEVE IT WAS DATED FRIDAY;
16 IS THAT CORRECT, FRIDAY 9/2/08 AT 4 0' CLOCK?

17 MR. SHEEHY: YEAH. I FIGURE YOU'RE LOOKING AT
18 THE FACILITIES GAP, RIGHT?

19 CHAIRMAN LICHTENGER: CORRECT.

20 MR. SHEEHY: I'VE LOOKED AT IT, SO I'M FAMILIAR
21 WITH IT.

22 MR. KLEIN: SO, JEFF, I WAS JUST SUMMARIZING
23 THAT IN SECTION H, ALL WE'RE DOING HERE IS PRESERVING
24 THREE DIFFERENT PAYMENT OPTIONS, AND WE WILL VET THESE AS
25 WE PROGRESS, CONFIRM EACH OPTION WITH OUTSIDE COUNSEL,

BARRISTERS' REPORTING SERVICE

1 AND REALLY LOOK TO UNCOVER WHETHER OR NOT ONE OR THE
2 OTHER OF THESE OPTIONS PROVIDES SUCH A SIGNIFICANT
3 SAVINGS TO THE INSTITUTIONS, THAT WHEN THEY -- IN
4 FEBRUARY WHEN THEY SUBMIT THEIR -- OR THE END OF JANUARY
5 WHEN THEY SUBMIT THEIR APPLICATION FOR THE SECOND PART OF
6 THE FACILITIES PROCESS, THAT IF THEY WERE TO ELECT ONE OF
7 THESE OPTIONS, THEY UNDER CERTAIN OPTIONS MIGHT BE ABLE
8 TO REDUCE THE COST TO THE AGENCY OF BUILDING THAT OPTION.

9 SO AT THIS POINT WE'RE MERELY PRESERVING THOSE
10 OPTIONS FOR STUDY. I DON'T HAVE ANY OTHER COMMENTS,
11 RICK.

12 MR. KELLER: I WOULD JUST OFFER ONE
13 CLARIFICATION NOW WE HAVE A QUORUM ON THE PHONE, THAT IN
14 THE DRAFTING OF ITEM F, WE HAVE SHORTENED THAT TO
15 BASICALLY SAY THAT GRANTEES MUST ASSIGN CIRM-FUNDED
16 FACILITIES TO STEM CELL-RELATED RESEARCH FOR A MINIMUM OF
17 TEN YEARS. HOWEVER, THE FIRST SENTENCE UNDER F, THAT'S
18 ON PAGE 4, STILL SEEMS TO SOMEWHAT RESTRICT THE USE OF
19 THE FACILITIES TO CIRM RESEARCH GRANTS. AND OUR INTENT
20 THERE IS TO ALLOW THE BUILDINGS TO BE USED FOR STEM CELL
21 RESEARCH FROM CIRM-FUNDED AND OTHER SOURCES.

22 SO I'M SUGGESTING A STAFF REVISION AT THIS TIME
23 THAT THE FIRST SENTENCE UNDER F BE REPLACED WITH A
24 STATEMENT THAT SAYS CIRM-FUNDED FACILITIES WILL HOUSE
25 STEM CELL AND RELATED RESEARCH FUNDED BY CIRM AND OTHER

BARRISTERS' REPORTING SERVICE

1 SOURCES.

2 MR. KLEIN: AND, RICK, THIS IS BOB KLEIN. MY
3 UNDERSTANDING IS THAT DR. MURPHY IS SUPPORTIVE OF THAT;
4 IS THAT CORRECT? DR. MURPHY IS HERE AND HE IS SAYING
5 THAT HE IS SUPPORTIVE OF THAT.

6 MR. CHAIRMAN, IN TERMS OF TECHNICAL JUST AS A
7 CLEANUP ITEM, UNDER H(3)(C) ON LINE 5 AT THE RIGHT
8 MARGIN, IT SAYS, "PRESIDENT DETERMINES THAT ALL
9 REQUIREMENTS HAVE BE SATISFIED." I THINK THAT SHOULD BE
10 BEEN, HAVE BEEN SATISFIED.

11 CHAIRMAN LICHTENGER: RIGHT. THAT'S FINE.

12 MR. KLEIN: OKAY.

13 CHAIRMAN LICHTENGER: I DON'T THINK WE NEED TO
14 CALL A VOTE ON THAT, BOB. WE CAN JUST CLEAN THAT UP; IS
15 THAT CORRECT?

16 MR. KELLER: AS AMENDED WE'LL ADOPT IT.

17 CHAIRMAN LICHTENGER: AND THEN SO DO WE NEED --
18 ON YOUR SUGGESTION, RICK, DO WE NEED TO ACTUALLY -- I
19 GUESS WE CAN INCORPORATE IT, AND THEN WE CAN TRY TO VOTE
20 ON THE WHOLE DOCUMENT.

21 MR. KELLER: THAT'S RIGHT.

22 MR. SERRANO-SEWELL: DAVID LICHTENGER, THIS IS
23 DAVID SERRANO-SEWELL. IT MIGHT BE A GOOD TIME, I THINK,
24 AS YOU STATED, TO TAKE ANY QUESTIONS FROM THE COMMITTEE
25 MEMBERS IF THERE ARE ANY. IF NOT, I AM PREPARED TO MAKE

BARRISTERS' REPORTING SERVICE

1 A MOTION TO APPROVE THE GAP WITH THE AFOREMENTIONED
2 CHANGES AND RECOMMEND IT FOR APPROVAL TO THE ICOC.

3 CHAIRMAN LICHTENGER: YEAH. BEFORE WE -- I
4 OPEN UP THE FLOOR, I JUST WANT TO MENTION THAT I HAVE
5 SPENT SOME SIGNIFICANT TIME REVIEWING THIS WITH STAFF,
6 AND I FEEL COMFORTABLE WITH WHERE WE'RE AT ON THIS AND
7 THE PROCESS WE PUT THIS THROUGH. BUT NOW AT THIS POINT I
8 DO WANT TO OPEN UP FOR ANY COMMENTS BY THE WORKING GROUP.

9 MS. SAMUELSON: THIS IS JOAN. I DON'T HAVE ANY
10 QUESTIONS. IT SEEMS QUITE STRAIGHTFORWARD, AND THANKS
11 FOR ALL THE TIME YOU'VE PUT INTO IT.

12 CHAIRMAN LICHTENGER: THANKS, JOAN. ANYONE
13 ELSE?

14 MS. HYSEN: THIS IS DEBORAH. I THINK IT LOOKS
15 GREAT.

16 CHAIRMAN LICHTENGER: JEFF.

17 MR. SHEEHY: LOOKS GREAT TO ME TOO.

18 CHAIRMAN LICHTENGER: OKAY. SO THEN IF DAVID
19 IS PUTTING FORTH THE MOTION TO APPROVE THE DOCUMENT AS
20 EXISTS --

21 MR. SERRANO-SEWELL: WITH YOUR AMENDMENT TO
22 SECTION F AND BOB'S CLEANUP IN SECTION H(3).

23 CHAIRMAN LICHTENGER: OKAY.

24 MR. KELLER: AT THIS POINT IT WOULD BE
25 APPROPRIATE TO OFFER --

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: THERE NEEDS TO BE A SECOND FIRST.

2 CHAIRMAN LICHTENGER: I'LL SECOND IT.

3 MR. KLEIN: OKAY.

4 MR. KELLER: I'M SORRY. DAVID SERRANO-SEWELL
5 WAS THE MAKER OF THE MOTION AND THE SECOND.

6 MR. SERRANO-SEWELL: I MADE THE MOTION; DAVID
7 LICHTENGER SECONDED THE MOTION. MY MOTION INCLUDED DAVID
8 LICHTENGER'S CHANGE TO SECTION F AND THE LITTLE CHANGE TO
9 SECTION H THAT BOB HAD SUGGESTED. SO MY MOTION
10 ENCOMPASSES THOSE CHANGES. SO WE ALREADY HAD A SECOND.
11 IF NOT, DAVID ARE YOU PREPARED TO CALL THE ROLL CALL FOR
12 A VOTE?

13 MR. KLEIN: WE AT THIS POINT, DAVID
14 SERRANO-SEWELL, THAT WE HAVE A NUMBER OF PUBLIC MEMBERS
15 THAT YOU CAN'T SEE THAT ARE PRESENT HERE IN SAN DIEGO.

16 MR. SERRANO-SEWELL: THANK YOU.

17 CHAIRMAN LICHTENGER: SO, BOB, IF YOU COULD
18 PLEASE WORK WITH RICK ON HAVING ANYONE WHO WANTS TO
19 COMMENT ON THIS COME UP AND STATE THEIR NAME AND
20 AFFILIATION.

21 MR. KLEIN: OKAY. FIRST OF ALL, MELISSA, IS
22 THERE A CLARIFICATION? DID MARCY JUST JOIN? NO. OKAY.
23 SO IN THE AUDIENCE HERE, JOHN, YOU HAVE A POINT OF
24 INFORMATION?

25 MR. SIMPSON: YEAH. JOHN SIMPSON FROM THE

BARRISTERS' REPORTING SERVICE

1 FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS. I'M A
2 LITTLE BIT CONCERNED FROM THE PROCESS SIDE OF THINGS. I
3 DOWNLOADED THE DOCUMENT FROM YOUR WEBSITE, WHICH DOES NOT
4 SEEM TO BE THE DOCUMENT THAT'S BEING DISCUSSED NOW; IS
5 THAT CORRECT, BUT THEN THERE WAS NO INDICATION THAT I SAW
6 THAT IF THINGS HAD CHANGED, THEY HAD BEEN REPOSTED.

7 MR. KELLER: IT WAS REPOSTED ON FRIDAY. I
8 CHECKED IT MYSELF.

9 MR. SIMPSON: I GUESS THE POINT, IT DIDN'T SHOW
10 UP AS A NEW -- OR NO INDICATION THAT I COULD SEE THAT A
11 NEW DOCUMENT HAD BEEN POSTED. SO I JUST SUGGEST IN THE
12 FUTURE, IF THINGS CHANGE, THERE NEEDS TO BE SOME --

13 MR. KELLER: NOTICE THAT A REVISED DRAFT --

14 MR. SIMPSON: -- OH, BY THE WAY, WE'VE A GOT A
15 NEW --

16 MR. KLEIN: SO MAYBE WE COULD PUT A HEADLINER
17 ON IT THAT SAYS AS NOTED, THIS IS A REPOSTING. IT WOULD
18 BE HELPFUL TO EVERYONE.

19 MR. SIMPSON: AND THE OTHER ISSUE HERE TOO, I
20 GUESS I'M A LITTLE PUZZLED PERHAPS BY THE EMPHASIS I
21 GUESS IT WOULD BE TO LETTER G. ARE YOU SAYING THAT YOU
22 ARE GOING TO REQUIRE THAT EVERY ONE OF THE BUILDINGS
23 CARRIES A NAME SOMEHOW CALIFORNIA INSTITUTE OF
24 REGENERATIVE MEDICINE BUILDING? IS THAT WHAT THAT
25 IMPLIES?

BARRISTERS' REPORTING SERVICE

1 MR. KELLER: THAT'S WHAT IT STATES, YES. FOR
2 THE MAJOR BUILDINGS OR ADDITIONS, THERE WILL BE SOME SORT
3 OF RECOGNITION OF CIRM IN THE NAMING OF THE BUILDING, THE
4 WING, THE LABS, WHATEVER.

5 MR. KLEIN: BUT LET ME ASK SO I CAN UNDERSTAND
6 THIS. CERTAINLY IF THERE'S A MAJOR DONOR IN A BUILDING,
7 THAT COULD BE THE DOMINANT NAME OF THE BUILDING. SO
8 WE'RE SUGGESTING FORMAL RECOGNITION, BUT WE CERTAINLY
9 RECOGNIZE THE IMPORTANCE OF DONOR LEADERSHIP, RIGHT?

10 MR. KELLER: WE SAY THE NAMING NAME INCLUDE
11 RECOGNITION OF OTHER DONORS, HONOREES, OR CONTRIBUTORS.

12 MR. KLEIN: YES. SO WE'RE NOT SUGGESTING
13 THAT -- WE'RE SUGGESTING ONLY THAT THE VOTERS BE
14 RECOGNIZED FOR THEIR COMMITMENT TO THE PROJECT, BUT NOT
15 THAT THEY BE THE DOMINANT NAME ON THE BUILDING. IS THAT
16 AN APPROPRIATE STATEMENT?

17 MR. KELLER: I THINK THAT WAS THE INTENT OF THE
18 PASSAGE WITH THAT CLARIFICATION, AND WE SPECIFICALLY HAD
19 THE PROVISION THAT THE NAMINGS WOULD BE SUBMITTED TO THE
20 ICOC PRIOR TO COMPLETION OF CONSTRUCTION FOR THAT VERY
21 REASON, SO THAT THERE WOULD BE THE OPPORTUNITY TO
22 UNDERSTAND FROM THE APPLICANT OR GRANTEES, RATHER, THEIR
23 LOGIC FOR HOW THEY'RE GOING TO MEET THE REQUIREMENTS OF
24 THIS SECTION.

25 MR. KLEIN: OKAY.

BARRISTERS' REPORTING SERVICE

1 MR. SIMPSON: WHAT HAPPENS IF THEY COME UP WITH
2 A NAME AND YOU DON' T LIKE IT?

3 CHAIRMAN LICHTENGER: COULD YOU REPEAT THAT,
4 JOHN?

5 MR. KLEIN: JOHN SIMPSON' S POINT IS WHAT
6 HAPPENS IF THEY SUBMIT A NAME AND THE BOARD DOESN' T LIKE
7 IT. THERE' S BEEN DISCUSSION AT THE BOARD ON POLICY
8 RELATED TO NAMING, AND THOSE DISCUSSIONS WENT TO THE
9 ISSUE OF NOT THE AESTHETICS OR THE RHYMING NATURE OF THE
10 NAME, BUT MORE SUBSTANTIVE ISSUES OF IS THE PERSON OR
11 ENTITY THEY' RE NAMING AFTER IT HAVE SOME VERY NEGATIVE,
12 UNETHICAL CONDUCT OR OTHER ASSOCIATION THAT WOULD POORLY
13 REFLECT ON SCIENCE AND THE STATE OF CALIFORNIA. SO IT
14 WASN' T MEANT TO BE A QUESTION OF TASTE, BUT RATHER OF THE
15 HIGHEST ETHICS -- HIGHEST STANDARDS OF MORALS. IS THAT
16 AN ACCURATE STATEMENT, MR. CHAIRMAN AND MR. VICE
17 CHAIRMAN?

18 MR. SERRANO-SEWELL: YES. IT' S MY
19 UNDERSTANDING, YES.

20 CHAIRMAN LICHTENGER: THAT' S IN KEEPING WITH MY
21 UNDERSTANDING AS WELL, BOB.

22 MR. KLEIN: THIS IS DUANE, A MEMBER OF THE
23 BOARD, DUANE ROTH WHO IS SPEAKING.

24 MR. ROTH: I READ THIS YESTERDAY AND HAD THE
25 SAME REACTION TO IT, THAT THE WAY IT' S WRITTEN NOW, IT' S

BARRISTERS' REPORTING SERVICE

1 REALLY OPEN TO INTERPRETATION THAT MAY RESTRICT THE DONOR
2 FROM SAYING THAT THEY WOULD MAKE A DONATION TO THIS IF
3 THEY CANNOT BE LISTED AS THE PRIMARY --

4 MR. KLEIN: AS THE PRIMARY.

5 MR. ROTH: -- RECOGNITION FOR THAT. THE WAY
6 THAT'S WORDED, SOMEBODY COULD EASILY TAKE THE POSITION
7 THAT THAT HAS TO BE CO-EQUAL BILLING, AND I THINK THAT
8 GETS CUMBERSOME.

9 MR. KLEIN: SO, MEMBER ROTH, ARE YOU ASKING
10 THAT THERE BE -- THAT THE COMMITTEE ADOPT A SENSE OF
11 AMENDMENT WHERE THE STAFF WOULD BE DIRECTED TO CLARIFY
12 WITHIN THIS SECTION THE FACT THAT THE OUTSIDE PRIMARY
13 DONOR FOR THE BUILDING WOULD GET THE PRIMARY RECOGNITION?

14 MR. ROTH: I THINK YOU SHOULD MAKE THAT A
15 STRONG VOTE (INAUDIBLE).

16 MR. KLEIN: OKAY. MR. CHAIRMAN AND MR. VICE
17 CHAIRMAN, MEMBER ROTH HAS A REQUEST. WHAT IS YOUR VIEW
18 OF THE REQUEST?

19 MR. SERRANO-SEWELL: AS THE MATTER OF THE
20 MOTION AND MY ESTEEMED COLLEAGUE, I WOULD ACCEPT HIS
21 FRIENDLY AMENDMENT AS ARTICULATED BY BOB KLEIN. AND WE
22 CAN GET THAT -- HOPEFULLY WE CAN WORK ON THAT TONIGHT,
23 DUANE; AND SO WHEN WE HAVE A DOCUMENT FOR THE ICOC
24 TOMORROW, IT WILL REFLECT THAT CHANGE.

25 CHAIRMAN LICHTENGER: I WOULD SUPPORT THAT,

BARRISTERS' REPORTING SERVICE

1 DAVID, BOB. I WOULD SUPPORT THAT.

2 MR. SERRANO-SEWELL: BOB, ARE THERE ANY OTHER
3 COMMENTS FROM THE PUBLIC?

4 MR. KLEIN: ARE THERE ANY OTHER COMMENTS FROM
5 THE PUBLIC? YES.

6 MR. JENSON: DAVID JENSON WITH THE *CALIFORNIA*
7 *STEM CELL REPORT*. ONE QUESTION HERE.

8 MR. KLEIN: CAN YOU HEAR, DAVID?

9 MR. SERRANO-SEWELL: YES, WE CAN.

10 MR. JENSON: ONE QUESTION HERE ON THE NAMING
11 PROPOSAL, IT SEEMS LIKE THIS MAY NOT BE A MATTER THAT THE
12 ICOC WOULD WANT TO BRING UP. YOUR SPECIFIC MENTION OF
13 CHARACTER, PERSONALITIES, OR PAST BEHAVIOR IS A
14 QUESTIONABLE RECOLLECTION. WHAT IF MICHAEL MILKEN FOR A
15 SPECIFIC EXAMPLE CAME UP? I MEAN THERE'S DIFFERENT VIEWS
16 ABOUT THAT.

17 CHAIRMAN LICHTENGER: BOB, I DON'T THINK
18 IT'S -- I WOULDN'T WANT TO SUPPOSE ANYTHING, AND I REALLY
19 THINK THAT WE'VE GOT TO LEAVE ENOUGH FLEXIBILITY IN
20 LANGUAGE TO ALLOW THIS TO TAKE SOME COURSE AND SEE WHAT
21 THE ICOC SAYS OF THIS.

22 MR. SERRANO-SEWELL: OKAY. ARE THERE ANY OTHER
23 COMMENTS FROM THE PUBLIC?

24 MR. KLEIN: YES, THERE IS ONE MORE COMMENT FROM
25 THE PUBLIC.

BARRISTERS' REPORTING SERVICE

1 MR. COFFMAN: LOUIS COFFMAN FROM THE --

2 THE REPORTER: EXCUSE ME. CAN YOU REPEAT THE
3 NAME AGAIN?

4 MR. KLEIN: COULD YOU COME TO THE FRONT,
5 PLEASE, AND RESTATE YOUR NAME SO THEY CAN ALL HEAR YOU.

6 MR. COFFMAN: MY NAME IS LOUIS COFFMAN. I'M
7 WITH THE SAN DIEGO CONSORTIUM. MY QUESTION HAS TO DO
8 WITH SECTION D, SECOND LINE, MATCHING FUNDS EQUAL TO 20
9 PERCENT OF THE CIRM AMOUNT. CAN WE CLARIFY THIS? IS IT
10 TO BE THE GRANT AWARD? CIRM AMOUNT IS -- I THINK IT'S
11 ASSUMED, BUT JUST TO MAKE SURE, IT'S THE GRANT AWARD.

12 MR. SERRANO-SEWELL: THAT'S LANGUAGE THAT'S IN
13 PROP 71.

14 MR. COFFMAN: SO DOES PROP 71 SUGGEST THAT IT
15 IS THE GRANTS AWARD? I WANTED TO CLARIFY IT. THAT'S
16 ALL.

17 MR. SERRANO-SEWELL: THAT IS -- IT'S MY
18 UNDERSTANDING. THIS IS DAVID SERRANO-SEWELL SPEAKING.
19 WHAT YOU STATED IS WHAT'S REFLECTED IN THE CURRENT
20 LANGUAGE. SO, YES, THAT IS OUR UNDERSTANDING. I DON'T
21 THINK WE NEED TO CHANGE THE LANGUAGE, BUT THAT'S THE
22 ANSWER TO YOUR QUESTION.

23 ARE THERE OTHER MEMBERS OF THE PUBLIC?

24 MR. KLEIN: YES. MR. JENSON HAS ANOTHER
25 COMMENT.

BARRISTERS' REPORTING SERVICE

1 MR. JENSON: QUESTION ON PROJECT LEVERAGE. AM
2 I CORRECT IN ASSUMING THAT WHEN IT SAYS THAT LEVERAGE
3 COULD INCLUDE FUNDS USED TO PURCHASE LAND AND THE
4 REFERENCE IS AT ANY TIME, IF THIS LAND WAS PURCHASED 50
5 YEARS AGO, THOSE FUNDS COULD BECOME LEVERAGE NOW IN A
6 GRANT?

7 MR. KLEIN: THE QUESTION THAT'S BEEN PUT
8 FORWARD, MR. CHAIRMAN, MR. VICE CHAIRMAN, WOULD YOU LIKE
9 STAFF TO ADDRESS THAT?

10 CHAIRMAN LICHTENGER: YES, PLEASE. RICK.

11 MR. KELLER: WELL, THE INTENTION HERE IS THAT
12 IF THERE WAS AN OUTLAY SPECIFICALLY FOR THE PURPOSE OF
13 SECURING A SITE FOR A BUILDING, THEN THAT OUTLAY AT THE
14 COST TO THE INSTITUTION, NOT AT THE APPRAISED VALUE OR
15 THE CIRCUMSTANCE THAT WOULD CREATE SOME SORT OF
16 CALCULATED VALUE, THAT IN THE FORMER CASE WHERE THERE WAS
17 AN OUTLAY, THAT AMOUNT OF MONEY WOULD BE ALLOWED AS PART
18 OF THE LEVERAGE, BUT NOT GOING BACK DECADES TO WHEN LAND
19 WAS PURCHASED AND THEN -- IT WOULD HAVE TO BE
20 SPECIFICALLY RELATED TO THE FACT THAT IT WAS FOR THE
21 PURPOSE OF ESTABLISHING THIS BUILDING FOR THE CIRM
22 PURPOSE. SO IT'S CLEARLY A CAMPUS IS PURCHASED FOR THE
23 PURPOSE OF ACADEMIC RESEARCH INSTITUTION, NOT FOR THE
24 CIRM BUILDING.

25 MR. SERRANO-SEWELL: RICK, THANK YOU FOR THAT

BARRISTERS' REPORTING SERVICE

1 CLARIFICATION. ARE THERE ANY OTHER COMMENTS FROM THE
2 PUBLIC? IF NOT, THEN CHAIRMAN LICHTENGER, IF WE CAN
3 PROCEED TO THE VOTE.

4 CHAIRMAN LICHTENGER: SURE.

5 MR. KLEIN: WOULD YOU LIKE TO ASK -- DR. MURPHY
6 IS HERE. WOULD YOU LIKE TO ASK IF HE HAS ANY INPUT?

7 MR. SERRANO-SEWELL: UNLESS IT'S GOING -- THIS
8 IS DAVID SERRANO-SEWELL SPEAKING. I DON'T WANT TO -- IF
9 RICHARD WANTS TO SPEAK, BY ALL MEANS WE SHOULD HAVE HIM
10 SPEAK, BUT WE'RE GOING TO LOSE QUORUM SHORTLY, SO I'D
11 LIKE TO TAKE A VOTE.

12 DR. MURPHY: I'M FINE WITH IT. ONE STATEMENT
13 THAT SAYS CIRM IN THE NAMING OF THE BUILDING, BY SAYING
14 IN THE NAMING OR DESIGNATION OF THE BUILDING CIRM IS
15 BEING (INAUDIBLE). OTHER THAN THAT, I'M VERY COMFORTABLE
16 WITH THE STATEMENT. IT'S AN ENORMOUS AMOUNT OF WORK PUT
17 INTO THIS DOCUMENT BY THIS COMMITTEE. AND ON BEHALF OF
18 EVERYONE AT CIRM, I WANT TO THANK YOU ALL.

19 CHAIRMAN LICHTENGER: DR. MURPHY, THIS IS DAVID
20 LICHTENGER. SO YOU'RE SAYING THE NAMING OR DESIGNATION.
21 HOW DO THE MEMBERS FEEL ABOUT ADDING THAT LANGUAGE IN?

22 MR. SERRANO-SEWELL: DAVID, WHAT I THOUGHT WE
23 WERE GOING TO DO IS WHAT BOB HAD ARTICULATED DUANE ROTH'S
24 REQUEST. WE'VE GOT SOME FURTHER SORT OF COMMENTS FROM
25 RICHARD. I'M COMFORTABLE IN MY MOTION JUST SORT OF

BARRISTERS' REPORTING SERVICE

1 LETTING RICHARD MURPHY WORK AND HIS STAFF PUT TOGETHER
2 SOME LANGUAGE FOR THE ICOC'S CONSIDERATION TOMORROW. I
3 DON'T THINK WE NEED TO GET IN THE WEEDS ON THIS SECTION.
4 HE PRETTY CLEARLY UNDERSTANDS THE INTENT THAT'S
5 ENCOMPASSED IN MY MOTION. SO IN THAT SPIRIT, IF WE COULD
6 JUST GO --

7 CHAIRMAN LICHTENGER: SURE. I'D LIKE TO --
8 RICK, I'D LIKE TO VOTE ON THE MOTION. CAN YOU CALL ROLL,
9 PLEASE.

10 MR. KELLER: CERTAINLY. DAVID LICHTENGER.

11 CHAIRMAN LICHTENGER: YES.

12 MR. KELLER: DAVID SERRANO-SEWELL.

13 MR. SERRANO-SEWELL: YES.

14 MR. KELLER: MARCY FEIT. DEBORAH HYSEN.

15 MS. HYSEN: YES.

16 MR. KELLER: ED KASHIAN. ROBERT KLEIN.

17 MR. KLEIN: YES.

18 MR. KELLER: STUART LAFF.

19 MR. LAFF: YES.

20 MR. KELLER: JEFF SHEEHY.

21 MR. SHEEHY: YES.

22 MR. KELLER: JOAN SAMUELSON.

23 MS. SAMUELSON: YES.

24 UNANIMOUS, MR. CHAIRMAN, SEVEN, WHICH IS THE
25 QUORUM.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: GREAT. GREAT. THANK
2 YOU, RICK. IS THERE ANY OTHER BUSINESS SET FOR THIS
3 MEETING, RICK?

4 MR. KELLER: NO, THERE IS NOT. THAT CONCLUDES
5 THE BUSINESS AT HAND.

6 MR. KLEIN: IT IS A HISTORIC MOMENT. IT'S THE
7 FASTEST WORKING GROUP MEETING IN THE HISTORY OF CIRM.

8 CHAIRMAN LICHTENGER: I'D LIKE TO GIVE CREDIT
9 WHERE CREDIT IS DUE FOR RICK AND THE OTHER STAFF MEMBERS,
10 LORI WORKED ON THIS, AND DR. MURPHY. THANK YOU. AND WE
11 TYPICALLY TAKE COMMENTS AT THE END OF THESE MEETINGS AS
12 WELL, PUBLIC COMMENTS?

13 MR. KLEIN: I DON'T SEE ANY OTHER PUBLIC. JOHN
14 SIMPSON --

15 MR. SIMPSON: BRIEFLY, I WOULD LIKE TO AGAIN
16 COMMEND THE WORKING GROUP FOR EMBARKING ON THE PROCESS
17 THAT HAD THE COMMITTEE -- THE PUBLIC HEARINGS THAT LED TO
18 THIS AND THE STAFF FOR DOING A SPLENDID JOB OF
19 SHEPHERDING IT THROUGH.

20 THE OTHER THING I WOULD JUST SUGGEST IS THAT
21 WHILE THE ICOC IS BOUND BY RULES OF THE SUPER MAJORITY
22 UNDER PROP 71, I DON'T BELIEVE THE WORKING GROUPS ARE AND
23 THAT -- BY THE BYLAWS YOU ARE, BUT THE BYLAWS CAN BE
24 CHANGED. AND MY SUGGESTION WOULD BE PRECISELY THAT, ON
25 SOME OF THE WORKING GROUPS AND COMMITTEES REVISIT THE

BARRISTERS' REPORTING SERVICE

1 QUESTION OF WHAT THE REQUIRED MAJORITY IS AND MAKE IT A
2 SIMPLE MAJORITY, AND IT MIGHT MAKE LIFE SIMPLER FOR
3 PEOPLE. YOU CAN'T OBVIOUSLY DO THAT WITH THE ICOC
4 ITSELF.

5 MR. SERRANO-SEWELL: DAVID LICHTENGER, THANK
6 YOU FOR CHAIRING THIS MEETING. AND I ALSO WANT TO EXTEND
7 MY APPRECIATION TO STAFF AND MY COLLEAGUES ON THIS
8 WORKING GROUP. I HAVE TO CHECK OUT, BUT I'LL SEE
9 EVERYONE TOMORROW.

10 CHAIRMAN LICHTENGER: GREAT. THANKS, DAVID.
11 SO AT THIS POINT, JOHN, THANK YOU FOR YOUR COMMENTS.
12 THANKS EVERYONE FOR CALLING IN, AND THE MEETING IS NOW
13 ADJOURNED. THANK YOU.

14 (THE MEETING WAS THEN ADJOURNED AT 7:10
15 P. M.)

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BARRISTERS' REPORTING SERVICE

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REPORTER' S CERTIFI CATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE TELEPHONIC PROCEEDINGS BEFORE THE SCIENTIFIC AND MEDICAL FACILITIES WORKING GROUP OF THE INDEPENDENT CITIZEN' S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING ON OCTOBER 2, 2007, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

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