

BEFORE THE
GOVERNANCE SUBCOMMITTEE 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: AS INDICATED ON THE AGENDA

DATE: OCTOBER 6, 2009
11 A.M.

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

BRS FILE NO.: 85743

BARRISTERS' REPORTING SERVICE

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ROLL CALL		4
CONSIDERATION OF CONTRACT WITH LECG FOR AN ECONOMIC IMPACT ANALYSIS OF THE CIRM		5
PUBLIC COMMENT		18

BARRISTERS' REPORTING SERVICE

TUESDAY, OCTOBER 6, 2009

11 A.M.

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2
3
4 CHAIRPERSON LANSING: THAT'S GREAT. SO I
5 WANT TO WELCOME EVERYBODY AND THANK YOU FOR TAKING
6 TIME OUT TO ATTEND THE MEETING OF THE GOVERNANCE
7 SUBCOMMITTEE OF THE ICOC. I BELIEVE WE HAVE
8 PARTICIPANTS IN SEVEN LOCATIONS, BUT I'M NOT SURE.
9 SO I'M GOING TO DO A ROLL CALL TO SEE. I'M IN MY
10 L.A. OFFICE. ARE WE ON THE LINE WITH DAVIS?

11 DR. POMEROY: WE'RE HERE.

12 CHAIRPERSON LANSING: SAN FRANCISCO.

13 MS. KING: WE'RE HERE WITH SEVERAL MEMBERS
14 PRESENT.

15 CHAIRPERSON LANSING: CITY ATTORNEY'S
16 OFFICE.

17 MR. SERRANO-SEWELL: PRESENT.

18 CHAIRPERSON LANSING: DR. FONTANA IN WEST
19 L.A.?

20 DR. FONTANA: PRESENT.

21 CHAIRPERSON LANSING: IRVINE.

22 DR. STEWARD: YES, HERE.

23 CHAIRPERSON LANSING: AND DES MOINES, IOWA
24 THAT'S COOL.

25 MR. ROTH: I AM HERE.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: THAT'S A FIRST.
2 THANK YOU FOR PARTICIPATING AGAIN IN THIS IMPORTANT
3 CALL. AND, MELISSA, WILL YOU CALL THE ROLL?
4 MS. KING: YES, I WILL DO THAT. BOB
5 KLEIN. NOT YET HERE. SHERRY LANSING.
6 CHAIRPERSON LANSING: HERE.
7 MS. KING: TED LOVE.
8 DR. LOVE: HERE.
9 MS. KING: PHIL PIZZO. CLAIRE POMEROY.
10 DR. POMEROY: HERE.
11 MS. KING: JEANNIE FONTANA FOR JOHN REED.
12 DR. FONTANA: HERE.
13 MS. KING: DUANE ROTH.
14 MR. ROTH: HERE.
15 MS. KING: DAVID SERRANO-SEWELL.
16 MR. SERRANO-SEWELL: HERE.
17 MS. KING: JEFF SHEEHY.
18 MR. SHEEHY: HERE.
19 MS. KING: OS STEWARD.
20 DR. STEWARD: HERE.
21 MS. KING: ART TORRES.
22 MR. TORRES: HERE.
23 MS. KING: JUST A QUICK CHECK. IS SOMEONE
24 ON THE LINE FROM BARRISTERS' ?
25 THE REPORTER: YES, MELISSA. I'M HERE.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: WE ARE GOING TO
2 CONSIDER THE LECG REPORT FOR AN ECONOMIC IMPACT
3 ANALYSIS OF CIRM. AND IS BOB THERE?

4 MS. KING: HE IS NOT YET HERE, SO WHAT I
5 SUGGEST WE DO IS GO IMMEDIATELY TO DR. ROBSON AND
6 LET HIM INTRODUCE IT.

7 CHAIRPERSON LANSING: I THINK THAT IS A
8 GOOD IDEA. JOHN, COULD YOU KIND OF SET THE TONE FOR
9 THIS AND LEAD US THROUGH THE DETAILS OF THE
10 CONTRACT?

11 DR. ROBSON: SURE. I'D BE GLAD TO.

12 MS. KING: JUST BEFORE DR. ROBSON STARTS
13 THAT, JUST TO MAKE SURE EVERYBODY IS LOOKING AT THE
14 DOCUMENT FOR THE ITEM, WHICH IS AGENDA ITEM NO. 3.
15 IF YOU DO NOT HAVE THE DOCUMENT, PLEASE SPEAK UP
16 RIGHT NOW. I'M GOING TO GIVE YOU ABOUT TEN SECONDS.
17 AND IN THAT TEN SECONDS WE WERE ACTUALLY JOINED,
18 SHERRY, BY BOB KLEIN.

19 CHAIRPERSON LANSING: THEN I'M GOING TO
20 ASK BOB IF HE WOULD OPEN THIS WITH SOME BACKGROUND
21 ON THIS ITEM. AND THEN, JOHN, AS SOON AS BOB IS
22 DONE, WILL YOU TAKE IT?

23 MR. KLEIN: CERTAINLY. SO THE CONTEXT FOR
24 LOOKING AT THIS ITEM RELATES TO CURRENT INFORMATION
25 WE NEED FOR THE STATE. THE STATE DEPARTMENT OF

BARRISTERS' REPORTING SERVICE

1 FINANCE IS CURRENTLY WITH SCARCE RESOURCES HIGHLY
2 FOCUSED ON WHICH EXPENDITURES OF THE STATE ARE
3 CREATING LARGE JOB DIVIDENDS AND WHICH EXPENDITURES
4 OF THE STATE ARE CREATING MAJOR ECONOMIC MULTIPLIERS
5 AND NEW ECONOMIC ACTIVITY.

6 IN THAT CONTEXT, THE STAFF WENT THROUGH
7 SOME TIME AGO A VERY SIGNIFICANT RFA PROCESS THAT
8 DR. ROBSON WILL DESCRIBE IN DETAIL. AND WHEN THEY
9 ARRIVED AT THIS PARTICULAR TEAM THROUGH THAT
10 PROCESS, THEY HAD VALIDATED A VERY LONG HISTORY IN
11 COST BENEFIT ANALYSIS AND REVENUE ANALYSIS THAT THIS
12 PARTICULAR FIRM HAD THE ABILITY TO GENERATE.

13 IN OUR OWN ACTIVITY WE HAVE DONE STUDIES
14 HISTORICALLY OF OUR JOB CREATION AND ECONOMIC
15 BENEFITS RELATING TO MAJOR FACILITIES, BUT WE DO NOT
16 HAVE THAT INFORMATION AS RELATES TO OUR RESEARCH
17 EFFORT, THE CORE OF OUR PROGRAM. IT WAS DECIDED
18 THAT THE FIRM COULD BREAK DOWN ITS APPROACH INTO
19 FOUR INCREMENTS OF \$75,000 EACH, ALLOWING FOR THE
20 AGENCY TO CLOSELY MONITOR THE PRODUCTIVITY OF THE
21 STUDY.

22 THE FIRST 75,000 WOULD BE FOCUSED ON DR.
23 KATRINA JAMIESON'S WORK FOR THE PHASE I HUMAN TRIALS
24 THAT SHE HAS FOR THE SMALL MOLECULE THERAPY AT UC
25 SAN DIEGO. THE INTENT IS TO USE THAT AS A MODEL AND

BARRISTERS' REPORTING SERVICE

1 ACCEPT THAT MODEL, VALIDATE THAT MODEL, AND BUILD
2 AND OR MODIFY THAT MODEL TO BROADER APPLICATIONS.

3 BUT FOR THE DEPARTMENT OF FINANCE, THIS
4 TYPE OF INFORMATION IS CURRENTLY BEING USED TO
5 PRIORITIZE ALLOCATIONS OF BOND AUTHORITY. WE HAVE
6 AN INITIATIVE-BASED AUTHORITY. I THINK IT'S VERY
7 IMPORTANT ON A COMPETITIVE BASIS TO SHOW THAT OUR
8 ALLOCATION IS JUSTIFIED SO THAT IT'S CLEAR THAT
9 CALIFORNIA HAS A TREMENDOUS ECONOMIC BENEFIT THAT WE
10 CAN DOCUMENT LEGITIMATELY FROM AN INDEPENDENT SOURCE
11 AS AN ADDITIONAL PROOF OF OUR CONTRIBUTION TO THE
12 STATE.

13 RELATIVE TO THE EXPENDITURES THAT WE HAVE,
14 I THINK THIS IS A SMALL COST TO HAVE A HIGHLY
15 PROFESSIONAL DOCUMENTATION OF THAT CONTRIBUTION
16 WE'RE MAKING TO THE STATE.

17 CHAIRPERSON LANSING: THANK YOU, BOB.
18 AGAIN, I'D LIKE TO TURN IT OVER TO JOHN TO KIND OF
19 LEAD US THROUGH THE DETAILS OF THE CONTRACT AND THEN
20 GET QUESTIONS FROM THE COMMITTEE.

21 DR. ROBSON: SURE. I HOPE YOU'VE ALL HAD
22 A CHANCE TO AT LEAST HAVE RECEIVED THE SUMMARY THAT
23 WE PUT TOGETHER ON THIS. THE IDEA BEHIND DOING THIS
24 CONTRACT REALLY GOES BACK TO PROPOSITION 71 AND ALSO
25 TO THE STRATEGIC PLAN IN 2006, WHICH WAS DEVELOPED

BARRISTERS' REPORTING SERVICE

1 WITH HEAVY INPUT FROM THE PUBLIC AND THE BOARD AND
2 WAS APPROVED BY THE BOARD. AND THERE WAS A PLAN --
3 PART OF THE STRATEGIC PLAN INCLUDES PLANS TO DO AN
4 ECONOMIC IMPACT STUDY WITH A PRELIMINARY STUDY TO BE
5 DONE IN 2008 AND THEN MORE EXTENSIVE FOLLOW-UPS TO
6 BE DONE IN 2012 AND 2017.

7 THIS ONE WE'RE TALKING ABOUT NOW IS THIS
8 FIRST STAGE IN THAT PROCESS. AND ALAN TROUNSON
9 STARTED THIS IN SEPTEMBER OF 2008. WE PUT OUT AN
10 RFP. WE GOT FIVE RESPONSES. THERE WERE THREE OF US
11 ON THE STAFF WHO EVALUATED AND SCORED THOSE. WE
12 NARROWED IT DOWN TO TWO THAT WE THOUGHT WERE THE
13 TOP, THAT WERE THE MOST RESPONSIVE, AND INTERVIEWED
14 THEM ON THE TELEPHONE. WE THEN DECIDED THAT ONE
15 SEEMED TO COME OUT CLEARLY PREFERRED.

16 WE THEN ENGAGED BOB KLEIN'S HELP AND
17 INTERVIEWED -- THIS IS LECG -- WE INTERVIEWED THEM A
18 SECOND TIME ON THE TELEPHONE WITH HENRY MILLER,
19 THEIR PRINCIPAL, AND AT THAT POINT DECIDED -- THIS
20 WAS IN FEBRUARY -- DECIDED TO GO AHEAD WITH THAT
21 CONTRACT.

22 BUT BECAUSE OF THE ECONOMIC SITUATION IN
23 THE STATE AT THE TIME AND OUR CONCERNS ABOUT -- IF
24 YOU REMEMBER BACK TO FEBRUARY, WE WERE PRETTY
25 CONCERNED ABOUT OUR CASH FLOW OVER THE NEXT COUPLE

BARRISTERS' REPORTING SERVICE

1 OF YEARS. WE THOUGHT IT WOULD BE PRUDENT FOR US TO
2 MAYBE DELAY ACTIVATING THIS CONTRACT. THINGS
3 IMPROVED LATER IN THE SPRING, AND SO IN THE SUMMER
4 WE REINITIATED OUR TALKS WITH LECG. AND IN
5 SEPTEMBER HENRY MILLER AND ONE OF HIS COLLEAGUES
6 CAME AND VISITED CIRM, AND WE SPENT A GOOD PART OF
7 THE DAY DISCUSSING WITH THEM THE SCOPE OF WORK AND
8 HOW THIS WOULD GO.

9 AND WHAT WE'VE COME TO AS AN AGREEMENT IS
10 WE WOULD BEGIN, AS BOB SAID, WITH A STUDY OF THE
11 IMPACT OF -- REALLY TO DO A TEST CASE, I GUESS IS
12 THE WAY TO SAY IT. LOOK AT THE IMPACT OF THE WORK
13 OF KATRINA JAMIESON ON POLYCYTHEMIA VERA. THAT'S IN
14 CLINICAL TRIAL. IT'S VERY PROMISING RESULTS THAT
15 SHE'S BEEN GETTING. WE HEARD ABOUT THIS AT THE LAST
16 ICOC MEETING. AND IT'S A GOOD EXAMPLE TO REALLY
17 LOOK AT WHAT ARE THE DIRECT CONSEQUENCES OF OUR
18 FUNDING; THAT IS, IN TERMS OF JOBS CREATED THROUGH
19 OUR GRANTS. THAT WOULD BE POST-DOCS, FACULTY
20 MEMBERS, TECHNICIANS. LOOK AT SOME OF THE INDIRECT
21 EFFECTS WHICH WOULD BE THROUGH SUPPLIERS AND PERHAPS
22 OPPORTUNITIES FOR BIOTECH COMPANIES. AND THEN ALSO
23 TO LOOK AT THE IMPACT ON HEALTH. WHAT WILL BE THE
24 COST OF SUCH A THERAPY RELATIVE TO THE CURRENT
25 THERAPIES THAT ARE AVAILABLE AND THEN TRY TO

BARRISTERS' REPORTING SERVICE

1 EVALUATE ALSO INCREASED PRODUCTIVITY FOR BOTH THE
2 PATIENTS AND THE CAREGIVERS DUE TO INCREASED
3 VITALITY AND HEALTH OF THE PATIENT AND FREEDOM OF
4 TIME FOR THE CAREGIVER.

5 SO THE PEOPLE AT LECG WERE VERY
6 ENTHUSIASTIC ABOUT THIS IDEA. SO THE PLAN WE'VE
7 DEVELOPED REALLY HAS FOUR MILESTONES. EACH OF THOSE
8 MILESTONES IS VALUED AT \$75,000 AND COMES WITH A
9 TIMELINE.

10 INITIALLY THEY WILL DEVELOP A MODEL FOR
11 EVALUATING IN THE TEST CASE FOR MODELING
12 POLYCYTHEMIA VERA. ONCE THEY'VE DEVELOPED A MODEL,
13 THEY WILL MEET WITH US AND AN EXPERT PANEL, WHICH
14 WILL INCLUDE PEOPLE THAT WE WILL RECRUIT AND THAT
15 THEY RECRUIT, TO EVALUATE THE MODEL. THAT SHOULD
16 HAPPEN THE END OF OCTOBER, EARLY NOVEMBER.
17 FOLLOWING THAT THEY'LL FINE-TUNE THE MODEL AND GIVE
18 US A FINAL REPORT END OF NOVEMBER OR EARLY DECEMBER.

19 ONCE THAT'S ACCEPTED, THAT WOULD BE STAGE
20 TWO, WE WOULD MOVE ON TO MILESTONE NO. 3, WHICH
21 WOULD BE TO EXPAND THE MODEL SO THAT WE COULD USE
22 DIFFERENT TYPES OF STEM CELL THERAPIES OR
23 APPLICATIONS. THE POLYCYTHEMIA VERA CASE IS ONE
24 WHICH STEM CELLS WERE USED TO DEVELOP A SMALL
25 MOLECULE THERAPY, BUT THERE WOULD ALSO BE CELLULAR

BARRISTERS' REPORTING SERVICE

1 THERAPIES WE COULD LOOK AT, SCREENING TECHNIQUES,
2 DIAGNOSTIC TECHNIQUES. SO WE'LL DEVELOP MODELS WE
3 CAN USE FOR THOSE DIFFERENT KINDS OF APPLICATIONS,
4 AND IT COULD BE APPLIED TO DIFFERENT DISEASES.

5 SO THAT FINAL MODEL AND SUPPORTING
6 DOCUMENTS WOULD BE DUE TO US IN END OF FEBRUARY, AND
7 THE FINAL REPORT DUE AT THE END OF APRIL. SO EACH
8 OF THOSE FOUR MILESTONES COMES WITH A DEADLINE AND A
9 COST OF \$75,000. SO IN THE END, WHAT WE SHOULD HAVE
10 IS A ROBUST TEST CASE, AN EXAMPLE OF WHAT ARE THE
11 ECONOMIC BENEFITS PROVIDED BY CIRM'S RESEARCH
12 FUNDING. WE SHOULD HAVE A GENERALIZED MODEL THAT WE
13 CAN APPLY AGAIN IN THE FUTURE, AND WE SHOULD HAVE
14 GUIDANCE FROM LECG ON THE KINDS OF DATA THAT WE
15 SHOULD BE COLLECTING IN THE SORT OF ONGOING PROCESS
16 FOR NOW GOING FORWARD SO THAT WE'LL BE ABLE TO HAVE
17 THE DATA AVAILABLE THAT WE'LL NEED IN ORDER TO DO
18 THOSE MODELS IN THE FUTURE.

19 SO WE'RE QUITE EXCITED ABOUT THE PLAN. WE
20 THINK IT'S A THOROUGH PLAN. WE THINK IT'S GOING TO
21 BE PRODUCTIVE FOR CIRM AND FOR THE PUBLIC. AND WE
22 HOPE WE CAN GET YOUR APPROVAL TO GO FORWARD WITH
23 THIS.

24 CHAIRPERSON LANSING: THANK YOU, JOHN.
25 THAT WAS A VERY GOOD REPORT, AS WAS BOB'S. NOW, I'D

BARRISTERS' REPORTING SERVICE

1 LIKE TO TURN IT OVER TO COMMENTS FROM THE
2 SUBCOMMITTEE. SO I WILL ASK IF WE HAVE ANY
3 QUESTIONS AT DAVIS?

4 DR. POMEROY: MY QUESTION IS HOW WILL THE
5 RESULTS OF THIS REPORT BE DISSEMINATED TO US AND TO
6 THE PUBLIC?

7 DR. ROBSON: WELL, MY EXPECTATION IS THAT
8 AS THESE MILESTONES COME OUT, WE'LL MAKE
9 PRESENTATIONS ABOUT THE RESULTS TO THE ICOC.

10 MR. KLEIN: IT WOULD ALSO -- DR. POMEROY,
11 IT WOULD BE OUR INTENT TO INCLUDE THESE RESULTS IN
12 PRESENTATIONS AROUND THE STATE. WE WILL HAVE
13 MEETINGS WITH CHAMBERS OF COMMERCE AROUND THE STATE
14 AS WELL AS MEETINGS WITH THE CONSTITUTIONAL
15 OFFICERS. AND IT WOULD BE OUR INTENT TO MAKE
16 INFORMATION AVAILABLE IN THOSE MEETINGS AS IT
17 DEVELOPS.

18 DR. POMEROY: IS THAT PART OF THE CONTRACT
19 OR NOT?

20 MR. KLEIN: THEY ARE PRODUCING THE
21 INFORMATION. IT IS OUR OBLIGATION TO DISSEMINATE
22 THE INFORMATION.

23 DR. POMEROY: THANK YOU.

24 CHAIRPERSON LANSING: THANK YOU, CLAIRE.
25 SAN FRANCISCO, QUESTIONS?

BARRISTERS' REPORTING SERVICE

1 MS. KING: WE'VE GOT SEVERAL MEMBERS
2 JOINING FROM SAN FRANCISCO. SO SENATOR TORRES, ANY
3 QUESTIONS OR COMMENTS? JEFF SHEEHY? TED LOVE?

4 DR. LOVE: NO QUESTIONS. I'M SUPPORTIVE.

5 MS. KING: DAVID SERRANO-SEWELL IS ALSO IN
6 SAN FRANCISCO.

7 MR. SERRANO-SEWELL: NONE.

8 CHAIRPERSON LANSING: THAT WAS AT THE
9 ATTORNEY'S OFFICE. DR. FONTANA?

10 DR. FONTANA: I SUPPORT THE IDEA. I'M
11 JUST KIND OF CURIOUS AT THE EXPENSE OF IT. IT
12 SOUNDED LIKE A LOT TO ME.

13 MR. KLEIN: I THINK, DR. FONTANA, THE KEY
14 HERE IS THAT WE'RE TRYING TO CREATE A MODEL THAT WE
15 CAN USE WITH MODIFICATIONS BECAUSE IT WILL BE A
16 PROGRESSIVE LEARNING EXPERIENCE THROUGHOUT THE
17 FUNDING HISTORY OF THE AGENCY. IT IS A VERY
18 SOPHISTICATED OBJECTIVE TO REALLY LOOK DETAILED IN
19 PARTICULAR AT THE HEALTHCARE SAVINGS AND THE
20 TRADE-OFFS OF ALTERNATIVE APPROACHES TO THERAPIES.

21 SO GIVEN THAT AFTER THE FIRST PHASE MODEL
22 IS VETTED, THAT THE MODEL THAT IS TO BE PRODUCED IS
23 INTENDED TO COVER A RANGE OF DISEASES. IT HAS TO BE
24 A VERY SOPHISTICATED PROGRAM PROVIDING FOR NUMEROUS
25 ALTERNATIVE ASSUMPTIONS. AND CERTAINLY WHEN WE VET

BARRISTERS' REPORTING SERVICE

1 THIS WITH AN EXPERT PANEL, WE'RE GOING TO BE
2 REPORTING OUT ON THAT AS WE PROCEED, AND INPUT FROM
3 THE BOARD WILL BE VERY WELCOME.

4 DR. FONTANA: I JUST HAD A THOUGHT. I'M
5 NOT KNOWLEDGEABLE ON THIS, BUT IT SOUNDED LIKE A
6 REALLY INTERESTING GRADUATE SCHOOL LEVEL PROJECT
7 WHERE YOU COULD PUT A COMPETITION OUT TO THE
8 DIFFERENT GRADUATE SCHOOLS TO COME UP WITH A MODEL.
9 YOU'RE SUPPORTING THE GRADUATE STUDENT'S EDUCATION,
10 MAYBE WIN A PRIZE PERHAPS, OR SOME RECOGNITION THAT
11 CIRM IS PICKING THEIR MODEL.

12 MR. KLEIN: DR. FONTANA, WE CERTAINLY CAN
13 DO THAT AS A FOLLOW-ON, BUT REAL-TIME DEMANDS THAT
14 CURRENTLY ARE BEING MADE BY THE CONSTITUTIONAL
15 OFFICERS OF CALIFORNIA, AS THEY SHOULD, TO JUSTIFY
16 WHAT ALTERNATIVE USES OF SCARCE RESOURCES ARE
17 PRODUCING FOR THE STATE, WE HAVE A CERTAIN TIME
18 PRESSURE TO PRODUCE THESE RESULTS. AND HAVING A
19 FIRM WITH AN EXTENSIVE TRACK RECORD TO VALIDATE THE
20 RESULTS IS VERY IMPORTANT FOR THEM TO HOLD UP.

21 NOW, I DO THINK THAT AS A FOLLOW-ON THOSE
22 GRADUATE SCHOOLS MIGHT CERTAINLY PROVIDE SOME
23 LEARNING FOR US WHEN WE HAVE A LONGER TIME PERIOD
24 FOR REFINEMENT OF THIS MODEL.

25 DR. FONTANA: I SUPPORT THE IDEA.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: THANK YOU. IRVINE?

2 DR. STEWARD: NO QUESTIONS. I GUESS I
3 WOULD JUST -- WELL, MAYBE ONE QUESTION. JUST ALONG
4 THE LINES THAT WE'VE BEEN TALKING HERE FOR THE PAST
5 FEW MINUTES, HOW IS IT ENVISIONED THAT THIS WOULD
6 FOLLOW UP WITH LATER THINGS? ARE WE TALKING ABOUT
7 SORT OF CONTINUING THIS KIND OF CONTRACT, OR WHAT
8 ARE THE TIMELINES INVOLVED, FOR EXAMPLE, IN TAKING
9 ON ANOTHER CASE STUDY, FOR EXAMPLE? JUST ONE
10 QUESTION.

11 DR. ROBSON: IF YOU GO BACK TO THE 2006
12 STRATEGIC PLAN, IT CALLED FOR THIS INITIAL STAGE, IT
13 CALLED FOR A SECOND ANALYSIS IN 2012, AND A THIRD IN
14 2017. THE DOLLAR FIGURES PUT ON THOSE WERE A
15 MILLION DOLLARS EACH. I THINK IF WE GET A
16 WELL-DEVELOPED MODEL HERE, THE COST FOR THOSE
17 FOLLOW-UP STUDIES WOULD BE SIGNIFICANTLY LESS. BUT
18 CERTAINLY THERE WILL BE EXPENSES AS WE APPLY TO
19 DIFFERENT DISEASES AND DIFFERENT CELLULAR THERAPIES
20 BECAUSE WE WILL NOT BE ABLE TO COLLECT ALL OF THE
21 DATA THAT WILL BE REQUIRED ON AN ONGOING BASIS AS
22 PART OF OUR GRANT REVIEW PROCESS. SO THERE WILL BE
23 CERTAINLY SOME EXPENSE, SO I WOULD HOPE THAT IT
24 WOULD BE CONSIDERABLY REDUCED.

25 MR. KLEIN: I WOULD ALSO HOPE THAT IF WE

BARRISTERS' REPORTING SERVICE

1 HAVE A GOOD MODEL, THAT WE CAN LOOK TO COMPLEMENTARY
2 FUNDING SOURCES LIKE THE NIH. THIS IS EXTREMELY
3 VALUABLE INFORMATION FOR THE NIH AS THEY TRY AND --
4 WELL, THEY CAN'T DIRECTLY ADVOCATE FOR MORE FUNDING.
5 BUT AS THEY TRY AND DOCUMENT THE CASE FOR THE
6 CONTRIBUTION THAT MEDICAL RESEARCH IS MAKING FOR THE
7 COUNTRY, THE NATIONAL ACADEMY, INSTITUTE OF MEDICINE
8 IS HIGHLY INTERESTED IN THIS INFORMATION. I WOULD
9 HOPE FOR COMPLEMENTARY SOURCES OF FUNDING TO CARRY
10 THIS MODEL FORWARD. BUT THE STRATEGIC PLAN
11 ORIGINALLY DEVELOPED WHEN ZACH HALL PRODUCED THE
12 FIRST STRATEGIC PLAN DID CALL FOR THESE FOLLOW-ON
13 COMPONENTS OF THIS STUDY.

14 CHAIRPERSON LANSING: OKAY. IRVINE?

15 DR. STEWARD: NO FURTHER QUESTIONS. THANK
16 YOU.

17 CHAIRPERSON LANSING: DES MOINES?

18 MR. ROTH: I WENT UP FOR THE PRESENTATION
19 AND SPENT THE DAY UP THERE TALKING WITH THE GROUP,
20 AND I BELIEVE THERE'S VALUE HERE. I'M PARTICULARLY
21 INTERESTED IN HAVING SOMETHING THAT SURVIVES BEYOND
22 JUST A SINGLE CASE STUDY, SO I THINK THAT'S BEEN
23 ARTICULATED. AND WE GAVE CONSIDERABLE INPUT THAT
24 THIS NEEDS TO BE SOMETHING THAT CAN BE USED LATER
25 ON.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: I JUST WANT TO ADD
2 IN L.A. I'M GLAD YOU BROUGHT THAT UP. I THINK IT'S
3 GREAT TO START WITH THIS ONE CASE STUDY, BUT I WANT
4 THIS TO BE A MODEL THAT WE CAN APPLY IN OTHER CASE
5 STUDIES AS WELL. SO THAT WAS MY COMMENT.

6 MR. KLEIN: SHERRY, JUST TO REINFORCE
7 THAT, BEYOND THE FIRST 75,000, THE BALANCE OF THIS
8 IS DEDICATED TO CREATING THAT MODEL THAT CAN BE
9 APPLIED TO OUR ONGOING RESEARCH EXPENDITURES.

10 CHAIRPERSON LANSING: GREAT. THAT WAS MY
11 ONLY CONCERN. NOW I'D LIKE TO GET QUESTIONS FROM
12 THE PUBLIC. SO LET ME JUST GO AROUND AGAIN AND ASK
13 DAVIS. ANY PUBLIC QUESTIONS?

14 MR. SERRANO-SEWELL: NONE HERE IN SAN
15 FRANCISCO.

16 CHAIRPERSON LANSING: DAVIS?

17 MR. SERRANO-SEWELL: DAVIS, SORRY.

18 CHAIRPERSON LANSING: SAN FRANCISCO?

19 MS. KING: IT APPEARS THAT WE HAVE ONE
20 PUBLIC QUESTION OR COMMENT. IF YOU COULD PLEASE
21 COME AND USE THE MICROPHONE RIGHT HERE. YOU CAN
22 ACTUALLY SIT RIGHT IN THIS CHAIR.

23 MR. LEE: MY NAME IS EUNE-SUB LEE IN SAN
24 FRANCISCO. I'M WORKING (UNINTELLIGIBLE). I'M NOT
25 VERY FAMILIAR. PERSONALLY I HAVE A LITTLE

BARRISTERS' REPORTING SERVICE

1 EXPERIENCE OF STEM CELL RESEARCH. BUT FIRST OF ALL,
2 I HAVE A SUGGESTION TO MAKE A MODEL, MAYBE SOME
3 EXPLANATION IN MORE DETAIL. I WANT TO KNOW IS IT
4 POSSIBLE MAYBE YOU CAN TELL ME YOUR STUDY TO MAKE A
5 MODEL IN MORE DETAIL, NUMBER OF PATIENT. ANYWAY,
6 MAYBE YOU MAKE OWN MODEL, MAYBE JUST SOME MORE
7 DETAIL EXPLANATION.

8 MR. KLEIN: SO IN THE ACTUAL PRESENTATION
9 OF THE MODEL, THERE WILL BE A VERY DETAILED SET OF
10 ASSUMPTIONS AND DATA SO THAT IT CAN BE WIDELY USED
11 AND AVAILABLE TO OURSELVES HERE IN CALIFORNIA AND
12 INTERNATIONALLY.

13 MR. LEE: OKAY.

14 CHAIRPERSON LANSING: THANK YOU. ANY
15 QUESTIONS IN THE ATTORNEY'S OFFICE?

16 MR. SERRANO-SEWELL: NONE.

17 CHAIRPERSON LANSING: ANY OTHER QUESTIONS
18 IN SAN FRANCISCO, PERIOD?

19 MS. KING: IT APPEARS THAT THAT IS IT HERE
20 IN SAN FRANCISCO.

21 CHAIRPERSON LANSING: IN WEST L.A.?

22 DR. FONTANA: NO PUBLIC.

23 CHAIRPERSON LANSING: IRVINE?

24 DR. STEWARD: NO PUBLIC.

25 CHAIRPERSON LANSING: DES MOINES?

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: EVERYBODY IS OUT IN THE CORN
2 FIELDS HERE.

3 CHAIRPERSON LANSING: IN L.A.?

4 MR. COLLINS: NO PUBLIC HERE.

5 CHAIRPERSON LANSING: SO THEN THAT BEING
6 SAID, I WOULD LIKE A MOTION TO APPROVE THIS
7 CONTRACT.

8 DR. LOVE: SO MOVED.

9 MR. KLEIN: SECOND.

10 CHAIRPERSON LANSING: MELISSA, WOULD YOU
11 TAKE A ROLL CALL VOTE?

12 MS. KING: BOB KLEIN.

13 MR. KLEIN: YES.

14 MS. KING: SHERRY LANSING.

15 CHAIRPERSON LANSING: YES.

16 MS. KING: TED LOVE.

17 DR. LOVE: YES.

18 MS. KING: CLAIRE POMEROY.

19 DR. POMEROY: YES.

20 MS. KING: JEANNIE FONTANA.

21 DR. FONTANA: YES.

22 MS. KING: DUANE ROTH.

23 MR. ROTH: YES.

24 MS. KING: DAVID SERRANO-SEWELL.

25 MR. SERRANO-SEWELL: YES.

BARRISTERS' REPORTING SERVICE

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MS. KING: JEFF SHEEHY.

MR. SHEEHY: YES.

MS. KING: OS STEWARD.

DR. STEWARD: YES.

MS. KING: ART TORRES.

MR. TORRES: AYE.

MS. KING: AND THAT MOTION CARRIES.

CHAIRPERSON LANSING: GREAT. IF THERE
ARE -- ARE THERE ANY FURTHER COMMENTS FROM
SUBCOMMITTEE MEMBERS? ANY FURTHER PUBLIC COMMENT?
THAT BEING SAID, I THANK YOU FOR YOUR TIME AND THE
MEETING IS ADJOURNED.

(THE MEETING WAS THEN ADJOURNED AT
11:36 A.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 TELEPHONIC PROCEEDINGS BEFORE THE GOVERNANCE SUBCOMMITTEE OF THE INDEPENDENT CITIZENS OVERSIGHT COMMITTEE TO THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING ON OCTOBER 6, 2009, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152
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