

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: UC IRVINE
PACIFIC BALLROOM, STUDENT CENTER
IRVINE, CALIFORNIA

DATE: WEDNESDAY, DECEMBER 8, 2010
9:30 A.M.

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

BRS FILE NO.: 85137

BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 IRVINE, CALIFORNIA; WEDNESDAY, DECEMBER 8, 2010

2 9:30 A.M.

3
4 CHAIRMAN KLEIN: ALL RIGHT. WE NEED TO
5 MOVE RIGHT INTO THIS MEETING. I WANT TO WELCOME YOU
6 TO IRVINE. UC IRVINE IS OUR HOST TODAY. THANK YOU,
7 DR. BRYANT, THANK YOU, DR. STEWARD. I'D LIKE TO
8 HAVE MELISSA CALL THE ROLL AND THEN LEAD US IN THE
9 FLAG SALUTE. WE HAVE THE REVIEW COMMITTEE ON THE
10 LINE ON A CALL-IN FOR PRESENTATION OF THE EVALUATION
11 REPORT. AND WE ARE HONORED TO HAVE DR. EUGENE
12 WASHINGTON AS A MEMBER OF THE BOARD TODAY. LET'S
13 GIVE HIM A HAND OF APPLAUSE.

14 (APPLAUSE.)

15 CHAIRMAN KLEIN: I WILL GO THROUGH SOME OF
16 HIS BACKGROUND LATER, AND WE WILL HAVE THE
17 CHAIRMAN'S REPORT AND THE PRESIDENT'S REPORT
18 FOLLOWING THIS REVIEW COMMITTEE CALL-IN. THE TIME
19 WAS VERY IMPORTANT TO THE SCIENTISTS CALLING IN.
20 COULD YOU GO THROUGH THE ROLL, PLEASE?

21 MS. KING: PLEASE STAND IF YOU ARE ABLE.

22 (PLEDGE OF ALLEGIANCE.)

23 CHAIRMAN KLEIN: WE'RE GOING TO REFINE
24 THAT WHILE WE'RE CALLING THE ROLL. AND WE'LL HAVE
25 THE ACOUSTICS PEOPLE TRY AND TUNE THAT UP WHILE WE

BARRISTERS' REPORTING SERVICE

1 GO THROUGH THE ROLL.

2 MS. KING: ROBERT PRICE FOR ROBERT
3 BIRGENEAU.

4 DR. PRICE: HERE.

5 MS. KING: FLOYD BLOOM.

6 DR. BLOOM: HERE.

7 MS. KING: DAVID BRENNER. KIM WITMER FOR
8 WILLIAM BRODY.

9 DR. WITMER: HERE.

10 MS. KING: SUSAN BRYANT.

11 DR. BRYANT: HERE.

12 MS. KING: MARCY FEIT.

13 MS. FEIT: HERE.

14 MS. KING: MICHAEL FRIEDMAN. LEEZA
15 GIBBONS.

16 MS. GIBBONS: HERE.

17 MS. KING: MICHAEL GOLDBERG.

18 MR. GOLDBERG: HERE.

19 MS. KING: SAM HAWGOOD. BOB KLEIN.

20 CHAIRMAN KLEIN: HERE.

21 MS. KING: SHERRY LANSING. TED LOVE.

22 SHLOMO MELMED.

23 DR. MELMED: HERE.

24 MS. KING: ED PENHOET. PHIL PIZZO.

25 CLAIRE POMEROY.

BARRISTERS' REPORTING SERVICE

1 DR. POMEROY: HERE.
2 MS. KING: FRANCISCO PRIETO.
3 DR. PRIETO: HERE.
4 MS. KING: ELIZABETH FINI FOR CARMEN
5 PULIAFITO. ROBERT QUINT.
6 DR. QUINT: HERE.
7 MS. KING: JOHN REED. DUANE ROTH. JOAN
8 SAMUELSON. DAVID SERRANO-SEWELL.
9 MR. SERRANO-SEWELL: HERE.
10 MS. KING: JEFF SHEEHY.
11 MR. SHEEHY: HERE.
12 MS. KING: JON SHESTACK.
13 MR. SHESTACK: HERE.
14 MS. KING: OSWALD STEWARD. ART TORRES.
15 MR. TORRES: HERE.
16 MS. KING: EUGENE WASHINGTON.
17 DR. WASHINGTON: HERE.
18 CHAIRMAN KLEIN: OKAY. FOR THE SCIENTIFIC
19 MEMBERS OF THE REVIEW PANEL THAT ARE ON THE PHONE,
20 I'D LIKE TO EXPRESS OUR GRATITUDE FOR THE
21 INDEPENDENT REVIEW PANEL AND THEIR EVALUATION. THEY
22 SPENT A NUMBER OF MONTHS IN THIS PROCESS. WE WILL
23 PUT INTO THE TRANSCRIPT A HISTORY AND TIMELINE
24 DESCRIBING THE PROCESS AND THE VOLUMINOUS MATERIALS
25 THAT THEY REVIEWED IN THIS PROCESS.

BARRISTERS' REPORTING SERVICE

1 ADDITIONALLY, I WILL TELL YOU THAT IT WAS
2 TWO AND A HALF DAYS. THE BOARD SESSIONS WERE PUBLIC
3 SESSIONS. THEY HAD EXECUTIVE SESSIONS WITH STAFFS
4 WHERE INTERVIEWS COULD BE CONDUCTED. THEY ALSO DID
5 THEIR OWN INDEPENDENT INTERVIEWS OF INDUSTRY
6 REPRESENTATIVES AND PATIENT ADVOCATES. THEY MAY
7 CHOOSE TO --

8 (INTERRUPTION IN PROCEEDINGS.)

9 CHAIRMAN KLEIN: ALL RIGHT. CAN YOU HEAR
10 ME ON THE PHONE AT THIS POINT?

11 DR. BERNSTEIN: YES.

12 CHAIRMAN KLEIN: ALL RIGHT. SO IF THE
13 TECHNICAL CREW WORKING ON THINGS, PLEASE DON'T TURN
14 THAT SWITCH OFF AGAIN. ALL RIGHT. SO FOR THOSE OF
15 YOU WHO ARE REVIEW PANELS, I WAS EXPRESSING MY
16 GRATITUDE AND BRIEFLY DESCRIBING THE PROCESS. BUT I
17 KNOW THERE'S A TIME CONSTRAINT ON YOUR END.
18 HOPEFULLY WE HAVE DR. ALAN BERNSTEIN ON THE LINE,
19 DR. RICK KLAUSNER, AND DR. GEORGE DALEY, I BELIEVE,
20 IS JOINING AT TEN.

21 DR. DALEY: I'M ON.

22 CHAIRMAN KLEIN: GREAT. ON THE PHONE.
23 ARE THERE ANY OTHER MEMBERS, DR. BERNSTEIN, ON THE
24 PHONE WITH YOU?

25 DR. BERNSTEIN: NOT THAT I KNOW OF.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: AND THERE IS NANCY WEXLER
2 HERE. AND, NANCY, MAYBE YOU WOULD COME UP AND SIT
3 HERE, AND WE'LL GIVE YOU A MICROPHONE.

4 MY UNDERSTANDING OF THIS FORMAT IS THAT
5 DR. BERNSTEIN WILL PRESENT A SUMMARY EVALUATION OF
6 THE REPORT, AND THEN THERE WILL BE A
7 QUESTION-AND-ANSWER PERIOD OF WHICH ALL THE PANEL
8 MEMBERS PRESENT WILL PARTICIPATE. AND, DR.
9 BERNSTEIN, YOU MIGHT INDICATE THE OTHER PANEL
10 MEMBERS WHO I'VE NOT NAMED WHO PARTICIPATED IN THE
11 FULL REVIEW AND THE REPORT, BUT ARE NOT AVAILABLE
12 FOR THIS MEETING.

13 DR. BERNSTEIN: OKAY. JUMP IN, BOB?

14 CHAIRMAN KLEIN: YES, IF YOU COULD
15 COMMENCE, PLEASE.

16 DR. BERNSTEIN: OKAY. FIRST OF ALL, I
17 APPRECIATE ON BEHALF OF ALL MY COLLEAGUES THIS
18 OPPORTUNITY TO PRESENT THE REPORT OF THE EXTERNAL
19 ADVISORY PANEL TO THE GOVERNING BOARD OF CIRM.

20 I'M JUST GOING TO SPEND A FEW MINUTES ON
21 PROCESS IN TERMS OF WHO WAS ON THE REVIEW AND WHAT
22 WE DID, AND THEN I'LL TOUCH ON SOME HIGHLIGHTS FROM
23 THE REPORT. AND THEN MY COLLEAGUES AND I WILL BE
24 VERY PLEASED TO TRY TO ANSWER ANY QUESTIONS THAT
25 MEMBERS OF THE BOARD MIGHT HAVE.

BARRISTERS' REPORTING SERVICE

1 LET ME JUST START FIRST WITH WHO WAS ON
2 OUR PANEL. I WANT TO THANK CIRM, ESPECIALLY BOB
3 KLEIN AND ALAN TROUNSON, FOR, I THINK, REALLY
4 ASSEMBLING A DREAM TEAM, A SAN FRANCISCO GIANTS
5 TEAM, OF REALLY OUTSTANDING INDIVIDUALS TO SERVE ON
6 THE PANEL. I WON'T GO THROUGH ALL OF THE BIOS OF
7 PEOPLE WHO WERE THERE. I HOPE YOU HAVE IT IN FRONT
8 OF YOU. BUT I'LL START WITH THE PEOPLE WHO ARE ON
9 THE PHONE AND NANCY WHO'S WITH YOU RIGHT NOW.

10 GEORGE DALEY IS DIRECTOR OF STEM CELL
11 TRANSPLANTATION AT CHILDREN'S HOSPITAL AT THE DANA
12 FARBER CANCER INSTITUTE. HE HOLDS THE SAM LUX CHAIR
13 OF HEMATOLOGY, AND HE'S A VERY WELL-KNOWN MEMBER OF
14 THE INTERNATIONAL STEM CELL COMMUNITY.

15 RICK KLAUSNER WAS THE FORMER DIRECTOR OF
16 THE NATIONAL CANCER INSTITUTE AT THE NIH, FORMER
17 DIRECTOR OF GLOBAL HEALTH AT THE BILL AND MELINDA
18 GATES FOUNDATION, AND NOW HE'S THE MANAGING DIRECTOR
19 OF THE COLUMN GROUP, WHICH IS A VENTURE CAPITAL
20 GROUP IN CALIFORNIA.

21 NANCY WEXLER, THE HIGGINS PROFESSOR OF
22 NEUROPSYCHOLOGY IN THE DEPARTMENT OF NEUROLOGY AND
23 PSYCHIATRY AT COLUMBIA. SHE'S PRESIDENT OF THE
24 HEREDITARY DISEASE FOUNDATION AND HAS REALLY BEEN
25 FOR A LONG TIME A CHAMPION FOR PATIENTS AND PATIENT

BARRISTERS' REPORTING SERVICE

1 ADVOCATES PARTICULARLY AROUND HUNTINGTON'S DISEASE,
2 BUT NOT ONLY.

3 OTHER INDIVIDUALS WHO ARE ON THE REVIEW,
4 IGOR GONDA IS THE CHIEF EXECUTIVE OFFICER OF ARADIGM
5 CORPORATION. IT'S A CALIFORNIA BIOTECH COMPANY THAT
6 SPECIALIZES IN THE PREVENTION AND TREATMENT OF
7 SEVERE RESPIRATORY DISEASES.

8 SIR MARTIN EVANS, NOBEL LAUREATE FOR HIS
9 DISCOVERY AND WORK ON EMBRYONIC STEM CELLS, IS THE
10 PRESIDENT OF CARDIFF UNIVERSITY AND PROFESSOR OF
11 MAMMALIAN GENETICS AT THAT UNIVERSITY.

12 DICK INSEL, RICHARD INSEL, IS THE CHIEF
13 SCIENTIFIC OFFICER AT THE JUVENILE DIABETES RESEARCH
14 FOUNDATION IN NEW YORK.

15 JUDY ILLES HOLDS THE CANADA RESEARCH CHAIR
16 IN NEUROETHICS AT THE UNIVERSITY OF BRITISH
17 COLUMBIA.

18 SO IT WAS IN MY JUDGMENT, CERTAINLY, A
19 VERY WELL-ROUNDED GROUP OF OUTSTANDING INDIVIDUALS
20 WHO EMBRACED BOTH FUNDAMENTAL SCIENCE, COMPANY
21 PERSPECTIVES, ETHICS PERSPECTIVES, AND EXPERIENCE IN
22 BEING A FUNDER AS WELL AS A RECIPIENT OF FUNDS. SO
23 I THOUGHT IT WAS JUST AN OUTSTANDING GROUP, BOB.

24 LET ME JUST GO THROUGH BRIEFLY, IF I MAY,
25 NOW THE PROCESS, AND THEN I'LL COME TO THE REVIEW

BARRISTERS' REPORTING SERVICE

1 ITSELF. WE MET FOR THREE DAYS IN SAN FRANCISCO
2 STARTING ON THE EVENING OF THE 12TH AND GOING ON THE
3 13TH, 14TH, AND 15TH OF OCTOBER. OUR DAYS BEGAN
4 EVERY MORNING WITH A PUBLIC OPEN SESSION. AND FIRST
5 DAY WE MET WITH STAFF AT CIRM STARTING WITH, OF
6 COURSE, ALAN TROUNSON AS PRESIDENT AND CEO. AND WE
7 WENT THROUGH REALLY A COMPLETE RANGE OF DISCUSSIONS
8 OF WHAT CIRM IS ABOUT WITH THE STAFF. AND THAT WAS
9 PRECEDED BY RECEIVING A LOT OF MATERIAL FROM CIRM,
10 BOTH IN TERMS OF ITS OPERATIONS, THE GRANTS THAT IT
11 FUNDS, THE SCIENTISTS THAT IT FUNDS, THE BUILDINGS
12 THAT HAVE BEEN BUILT. SO I THOUGHT WE CAME THERE
13 ARMED WITH A LOT OF KNOWLEDGE ABOUT THE ORGANIZATION
14 AND WHAT IT'S BEEN DOING, WHAT ITS FUTURE PLANS ARE.

15 ON THE SECOND DAY WE HAD VERY -- WE
16 STARTED WITH AN OPEN SESSION WITH SOME MEMBERS OF
17 THE BOARD LED BY YOU, BOB, WHERE WE DISCUSSED A BIT
18 ON GOVERNANCE, ON FINANCING, BOARD RESPONSIBILITIES,
19 ETC. AND, AGAIN, TRAVELED TO CIRM. WE HAD
20 MEETINGS, THEN, WITH MEMBERS OF THE GRANTS WORKING
21 GROUP. AS YOU KNOW, THESE ARE THE INDIVIDUALS FROM
22 AROUND THE WORLD WHO SERVE AS PEER REVIEWERS FOR
23 GRANTS THAT COME INTO CIRM. WE HAD A WONDERFUL
24 MEETING WITH PATIENT ADVOCATES. THERE WAS ABOUT
25 EIGHT OR NINE OF THEM WHO CAME IN TO MEET WITH US.

BARRISTERS' REPORTING SERVICE

1 I THOUGHT THAT WAS, SPEAKING PERSONALLY, A VERY
2 INFORMATIVE MEETING, A MEETING WITH SCIENTISTS FROM
3 CALIFORNIA BOTH IN PERSON AND ON THE PHONE. VERY
4 INTERESTING MEETING WITH BIOTECH COMPANIES, WHICH
5 I'LL COME BACK TO. AND THEN WE HAD AN EXECUTIVE
6 SESSION AFTER A PRETTY LONG, EXHAUSTIVE DAY.

7 THE NEXT DAY STARTED AGAIN WITH A PUBLIC
8 MEETING, A VERY MOVING ONE ACTUALLY. THERE WAS
9 THREE MEMBERS OF THE PUBLIC WHO CAME AND MET WITH
10 US, ALL OF WHOM HAD TYPE 1 JUVENILE DIABETES, AND
11 TALKED TO US IN EXTREMELY ELOQUENT TERMS ABOUT THAT
12 DISEASE AND WHAT IT MEANS FOR THEM PERSONALLY. IT
13 WAS, I THOUGHT, A VERY MOVING WAY TO START OUR DAY,
14 AND IT CERTAINLY FOCUSED MY MIND IN TERMS OF WHAT WE
15 ARE ALL ABOUT.

16 WE WENT, THEN, TO CIRM AND HAD A QUESTIONS
17 AND ANSWERS WITH THE PRESIDENT, DR. TROUNSON,
18 EXECUTIVE SESSIONS, AND WE STARTED WRITING THE
19 REPORT. THE REPORT WAS THEN PUT INTO DRAFT FORM,
20 AND WE WERE VERY MUCH HELPED BY STAFF, AN INDIVIDUAL
21 WHO WAS WORKING WITH US, SAIRA RAMASASTRY, WHO DID A
22 SUPER JOB IN HELPING ALL OF US WITH THE WRITING.

23 THE DRAFT WAS THEN CIRCULATED TO ALL
24 MEMBERS OF THE PANEL IN THE LATTER HALF OF OCTOBER
25 AND SIGNED OFF ON EARLY IN NOVEMBER. AND EVERYBODY

BARRISTERS' REPORTING SERVICE

1 ON THAT PANEL AGREED WITH BOTH THE EARLIER VERSIONS
2 OF THE DRAFT AND THEN SUBSEQUENT REFINEMENTS AND
3 POLISHING AS WE WENT ALONG.

4 SO THAT WAS PERHAPS TOO LONG A DESCRIPTION
5 OF CONTENT AND PROCESS, BUT I THINK IT'S IMPORTANT.

6 LET ME JUST JUMP IN, IF I MAY, TO THE
7 REPORT ITSELF. IT'S PUBLIC, OF COURSE, AND I'M SURE
8 YOU ALL HAVE A HARD COPY IN FRONT OF YOU. I'M NOT
9 GOING TO GO THROUGH IT LINE BY LINE OBVIOUSLY. IT'S
10 PRETTY DENSE, DELIBERATELY. THERE'S A LOT OF
11 MATERIAL THERE, AND I'LL TRY TO JUST HIGHLIGHT A FEW
12 THINGS.

13 FIRST, LET ME START WITH, I THINK, AN
14 IMPORTANT POINT HERE. WHAT WE WERE ASKED TO DO, THE
15 STATED GOALS, WHICH ARE ON PAGE 6 OF THE REPORT,
16 WERE TO EVALUATE CIRM'S PROGRAMS AGAINST ITS OWN
17 GOALS. NO. 2, TO ASSESS EFFECTIVENESS IN MOVING
18 CIRM TOWARDS MEETING ITS GOALS, ACCOMPLISHING ITS
19 MISSION. THREE, RECOMMEND CHANGES IN ITS FUNDING
20 PRIORITIES TO ENSURE THAT CIRM IS SUPPORTING THE
21 MOST PROMISING ADVANCES IN THE FIELD. AND FOURTH,
22 PROVIDE OTHER FEEDBACK AS NECESSARY. SO THAT WAS
23 WHAT WE WERE ASKED TO DO BY THE CIRM.

24 THEN I'LL JUST JUMP TO SOME OF THE KEY
25 POINTS. PERHAPS I'LL JUST DO IT BY MAKING ONE

BARRISTERS' REPORTING SERVICE

1 OVERARCHING COMMENT OR OBSERVATION OF THE PANEL, AND
2 THEN I'LL GO INTO INDIVIDUAL RECOMMENDATIONS.

3 THE OVERARCHING COMMENT WAS THAT, IN OUR
4 JUDGMENT, CIRM IS AT A REALLY INTERESTING FLEX POINT
5 IN ITS HISTORY WHERE IT'S EVOLVING FROM WHAT WE CALL
6 STAGE I TO STAGE II. IN STAGE I WE CHARACTERIZE AS
7 BEING, FIRST OF ALL, VERY PRODUCTIVE. WE WERE VERY
8 IMPRESSED WITH THE SPEED IN WHICH CIRM GOT GOING IN
9 TERMS OF SPEED IN WHICH VERY GOOD GRANTS, VERY
10 OUTSTANDING GRANTS AND SCIENCE HAS BEEN FUNDED,
11 BUILDINGS ARE BEING BUILT, OUTREACH TO YOUNG PEOPLE,
12 TRAINING PROGRAMS, A LOT OF PROGRAMS THAT ALL OF YOU
13 WILL KNOW BETTER THAN I DO IN DETAIL. WE WERE
14 IMPRESSED WITH THAT, AND WE CONGRATULATED CIRM AND
15 THE STAFF AND THE BOARD FOR THAT SPEEDY START.

16 NOW THAT IT'S IN ITS TRANSITION, IT'S
17 INTERESTING, AND I THINK THIS IS A CHALLENGING TIME
18 FOR CIRM, TO TRANSITION FROM BEING WHAT WE WOULD
19 CALL SORT OF A TRADITIONAL GRANTING AGENCY, ALTHOUGH
20 WE APPRECIATE THAT THERE ARE SOME THINGS THAT ARE
21 NOT TRADITIONAL THERE, BUT BY AND LARGE A
22 TRADITIONAL GRANTING AGENCY TO ONE NOW THAT IS MUCH
23 MORE PROACTIVE AND HANDS-ON IN MANAGING A PORTFOLIO
24 AND IS VERY DIFFERENT FROM A TRADITIONAL NIH
25 GRANTING MODEL AND ONE THAT IS FOCUSED NOW ON

BARRISTERS' REPORTING SERVICE

1 BUILDING ON THE SCIENCE THAT HAS BEEN SEEDED IN
2 STAGE I AND MOVING THAT SCIENCE NOW INTO PRODUCTS
3 AND NEW TREATMENTS FOR PATIENTS WITH GENETIC
4 DISEASES, INJURIES, ETC.

5 AND SO THIS IS, I THINK, GOING TO BE A
6 VERY INTERESTING TIME FOR CIRM, A VERY IMPORTANT
7 TIME, AND HOW IT MANAGES THAT TRANSITION AND PUTS ON
8 THE KIND OF LEADERSHIP THAT'S REQUIRED IS GOING TO
9 BE VERY CRITICAL TO ENSURE SUCCESS GOING TO STAGE
10 II.

11 I'LL JUST BRIEFLY GO THROUGH THE
12 RECOMMENDATIONS. RECOMMENDATION 1 IS -- REALLY
13 RECOMMENDATIONS 1 AND 2 ARE QUITE SIMILAR, WHICH IS
14 TO MAINTAIN A FOCUS ON OUTSTANDING SCIENCE. IT IS
15 THE ENGINE OF DISCOVERY. I THINK NONE OF US ON THE
16 PANEL THOUGHT THAT STEM CELL SCIENCE WAS FINISHED BY
17 NO MEANS. THERE'S A LOT OF REALLY IMPORTANT
18 DISCOVERY STILL TO BE DONE IN THIS VERY RICH BIOLOGY
19 THAT IS STEM CELLS. AND CIRM HAS TO PLAY AND
20 CONTINUE TO PLAY A GLOBAL LEADERSHIP ROLE IN FUNDING
21 THAT SCIENCE AND HAVING THAT SCIENCE ON ITS DOORSTEP
22 IF IT'S GOING TO REALLY HOPE TO CAPTURE THE BENEFITS
23 OF THAT SCIENCE FOR PATIENTS.

24 SO RECOMMENDATIONS 1 AND 2 ARE TO BUILD ON
25 EXCELLENCE IN SCIENCE AND MAINTAIN A STRONG FOCUS ON

BARRISTERS' REPORTING SERVICE

1 FUNDAMENTAL DISCOVERY.

2 RECOMMENDATION 3, AGAIN, IT REPEATS A
3 LITTLE BIT WHAT I SAID, WHICH IS THAT NOW CIRM HAS
4 TO EVOLVE SO IT CAN DELIVER ON THE REAL MISSION OF
5 DELIVERING INNOVATIVE THERAPIES FOR DISEASE AND
6 INJURIES. AND THAT'S GOING TO MEAN MOVING AWAY FROM
7 BEING A TRADITIONAL FUNDING AGENCY AND TO BE MUCH
8 MORE AGGRESSIVELY PROACTIVE IN IDENTIFYING
9 INNOVATIVE PROJECTS BOTH WITHIN CALIFORNIA, BUT, AS
10 WE SAY IN RECOMMENDATION 5, REALLY ANYWHERE -- I'LL
11 COME BACK TO THAT -- TO EMBRACE THOSE ADVANCES AND
12 TO HARNESS THEM AND PUSH THEM DOWN TOWARDS A
13 PIPELINE OF PRODUCT DEVELOPMENT AND NEW TREATMENTS
14 AND NEW THERAPIES.

15 WE HEARD A LOT FROM THE SENIOR LEADERS
16 FROM THE BIOTECH INDUSTRY ABOUT HOW THEY FEEL A
17 LITTLE BIT LEFT OUT OF THE CIRM PROCESS AND THAT
18 THEY WANT IN. AND OUR JUDGMENT WAS THAT IN STAGE I
19 THAT WAS APPROPRIATE. CIRM NEEDED TO GET ITS
20 PROCEDURES IN PLACE. IT NEEDED TO START FUNDING
21 THAT SCIENCE, BUT AT STAGE II NOW IT REALLY NEEDS TO
22 FIGURE OUT HOW TO ENGAGE THE BIOPHARMA INDUSTRY IN
23 INNOVATIVE WAYS BECAUSE THERE IS NO WELL-TORN PATH
24 HERE. THERE IS NO MODEL TO FOLLOW IN TERMS OF STEM
25 CELL THERAPIES. SO THIS IS GOING TO BE, I THINK, A

BARRISTERS' REPORTING SERVICE

1 VERY INTERESTING EXERCISE FOR CIRM'S ENGAGEMENT.
2 RECOMMENDATION 4, WE MADE THE COMMENT HERE
3 THAT CIRM HAS STARTED, PERHAPS APPROPRIATELY, A WIDE
4 RANGE OF PROGRAMS, DISEASE TEAMS AND OTHER THINGS,
5 HAVING A WIDE RANGE OF DISEASE AND INJURY AREAS.
6 BUT AT SOME POINT YOU'RE GOING TO HAVE TO
7 PRIORITIZE. AND THE REASON WE SAID THAT WAS A
8 COUPLE OF REASONS. ONE IS AS YOU MOVE DOWN THE
9 PIPELINE TOWARDS CLINICAL TRIALS AND PRODUCT
10 DEVELOPMENT, COSTS GO WAY UP. AND NO ORGANIZATION,
11 IF YOU THINK ABOUT EVEN A LARGE PHARMACEUTICAL
12 COMPANY, CAN HAVE THE BREADTH OF PRODUCTS IN THE
13 PIPELINE THAT CIRM NOW HAS.

14 AND SO THERE'S GOING TO BE PROBABLY A
15 CHALLENGING PRIORITIZATION PROCESS THAT CIRM IS
16 GOING TO HAVE TO EMBARK ON THAT IS BUILT ON WHAT
17 LOOKS LIKE THE MOST PROMISING IN TERMS OF THE
18 SCIENCE AND WHERE IT'S GOING, AND THAT WILL REQUIRE
19 LOTS OF ADVICE. AND IT'S GOING TO REQUIRE THE KINDS
20 OF LEADERSHIP THAT I'M SURE THE BOARD CAN BRING TO
21 THE TABLE BECAUSE I THINK IN ANY GOOD BOARD, OF
22 COURSE, PEOPLE LEAVE THEIR OWN PARTICULAR AGENDA AT
23 THE DOOR AND ASK WHAT'S BEST FOR THE AGENCY. AND
24 THAT'S WHAT THIS IS GOING TO REQUIRE AS CIRM GOES
25 FORWARD IN TERMS OF THAT PORTFOLIO PRIORITIZATION

BARRISTERS' REPORTING SERVICE

1 PROCESS.

2 RECOMMENDATION 5 IS TO DEVELOP AN OPEN

3 INNOVATION, POROUS PIPELINE. LET ME CLARIFY HERE.

4 I THINK THERE'S A LITTLE BIT OF MISUNDERSTANDING

5 THAT WE THOUGHT CIRM COULD FUND OUTSIDE THE STATE.

6 WE KNOW IT CAN'T. IT WAS NEVER IN OUR MIND. BUT WE

7 ALSO ARE AWARE THAT THERE IS STEM CELL SCIENCE GOING

8 ON ALL AROUND THE WORLD NOW, VERY INNOVATIVE

9 SCIENCE. GEORGE DALEY WAS ON OUR PANEL, DICK INSEL

10 FUNDS STEM CELL SCIENCE THROUGH JDRF, RICK KLAUSNER

11 IS AWARE OF WHAT'S GOING ON THROUGH HIS ACTIVITIES

12 IN THE COLUMN GROUP, ETC. AND SO WE FELT STRONGLY

13 THAT CIRM NEEDS TO REALLY SCAN THE HORIZON

14 CONSTANTLY AND PUT MECHANISMS IN PLACE TO MAKE SURE

15 IT'S CAPABLE OF DOING THAT AND MAKING SURE THAT IT

16 DOESN'T RESTRICT ITS PRODUCT DEVELOPMENT ACTIVITIES

17 TO ONLY THE BASIC SCIENCE THAT'S BEING FUNDED IN THE

18 STATE OF CALIFORNIA BY CIRM, BUT RATHER TAKE

19 ADVANTAGE OF ANY SCIENCE THAT'S GOING ON ANYWHERE.

20 GEE, IF WE HAVE A PROMISING LEAD FOR

21 CARDIOVASCULAR DISEASE IN THE STATE AND SOMETHING IN

22 BOSTON OR LONDON, ENGLAND, IS DOING SOMETHING THAT

23 ALSO WOULD COMPLEMENT AND STRENGTHEN WHAT WE'RE

24 DOING HERE IN CALIFORNIA, WE HAVE TO REACH OUT AND

25 FIGURE OUT HOW TO SET UP A JOINT VENTURE WITH THOSE

BARRISTERS' REPORTING SERVICE

1 INDIVIDUALS SO THAT WE WORK TOGETHER AND ACCELERATE
2 WHAT WE'RE DOING HERE IN CALIFORNIA. SO THAT'S IN
3 PART WHAT WE MEANT BY A POROUS INNOVATION PIPELINE.
4 AND IT REALLY IS GLOBALIZING INNOVATION BEYOND WHAT
5 CIRM'S IMMEDIATE MANDATE IS, WHICH IS TO DEVELOP NEW
6 THERAPIES. SO WE CAN TALK ABOUT THAT.

7 RECOMMENDATION 6, SOCIAL, ETHICAL,
8 HEALTHCARE DELIVERY, AND REGULATORY ISSUES. THIS
9 WAS PART OF A LARGER CONVERSATION ABOUT NOW THAT
10 CIRM IS MOVING INTO STAGE II, THE PANEL FELT THAT
11 CIRM REALLY SHOULD BE TAKING A GLOBAL LEADERSHIP
12 ROLE IN ALL THINGS TO DO WITH STEM CELL SCIENCE,
13 INCLUDING THE SOCIAL, ETHICAL, HEALTHCARE DELIVERY,
14 AND REGULATORY ISSUES. AND IT SHOULD START BOTH
15 WITHIN THE STATE AND GLOBALLY THE KINDS OF
16 CONVERSATIONS AMONGST ACADEMICS, POLICYMAKERS, THE
17 PUBLIC THAT ARE SO KEY IF THIS SCIENCE IS REALLY
18 GOING TO BE ROBUST ENOUGH TO ACTUALLY NOT TO WORK IN
19 THE CLINIC, BUT WORK SOCIALLY AND ECONOMICALLY. AND
20 SO THERE NEEDS TO BE VERY BROAD DISCUSSIONS THAT
21 CIRM IS IDEALLY POSITIONED TO LEAD AND TO CATALYZE
22 AROUND THOSE ISSUES.

23 DITTO AROUND INDUSTRY ENGAGEMENT. AS I
24 SAID EARLIER, THERE'S NO WELL-WORN MODEL HERE. SO
25 CIRM WITH THE BIOTECH INDUSTRY IN CALIFORNIA AND

BARRISTERS' REPORTING SERVICE

1 ELSEWHERE PERHAPS HAS AN OPPORTUNITY TO EXPLORE WHAT
2 ARE THE RIGHT MODELS FOR INDUSTRY ENGAGEMENT IN ALL
3 OF THIS.

4 INTERNATIONAL PARTNERSHIPS, WE
5 CONGRATULATE CIRM ON REALLY PUTTING A HIGH PRIORITY
6 ON INTERNATIONAL PARTNERSHIPS FROM DAY ONE. WE
7 THINK THAT SHOULD BE CONTINUED. AND WE TALK A
8 LITTLE BIT ABOUT THAT IN TERMS OF THE POROUS
9 INNOVATION PIPELINE IN RECOMMENDATION 5.

10 NINE IS ABOUT OUTREACH AND EDUCATION.
11 AGAIN, CALIFORNIA HAS BEEN A WORLD LEADER STARTING
12 WITH RECOMBINANT DNA TECHNOLOGY IN THE BAY AREA IN
13 REALLY ENGAGING THE PUBLIC IN IMPORTANT SCIENTIFIC
14 ISSUES THAT ARE BOTH, ON THE ONE HAND, ETHICAL, BUT
15 ON THE OTHER HAND TOUCH THEIR DAILY LIVES, PEOPLE'S
16 DAILY LIVES. WE THINK THAT CIRM HAS BOTH AN
17 OPPORTUNITY AND OBLIGATION AND JUST A GREAT
18 OPPORTUNITY TO REALLY REACH OUT TO CALIFORNIANS
19 ABOUT THIS WHOLE AREA OF SCIENCE AND TO ENGAGE
20 CALIFORNIANS IN TERMS OF THE ETHICAL, SOCIOECONOMIC
21 ISSUES, BUT ALSO TO ENGAGE YOUNG CALIFORNIANS IN THE
22 EXCITEMENT OF THIS AREA OF SCIENCE, TURNING KIDS ON
23 TO SCIENCE.

24 AND THAT EVERYBODY, IN OUR JUDGMENT, IN
25 CALIFORNIA SHOULD KNOW ABOUT CIRM. THAT SHOULD BE

BARRISTERS' REPORTING SERVICE

1 THE GOAL AND SHOULD KNOW ABOUT WHAT CIRM IS DOING
2 AND THE GOOD WORK THAT IT'S DOING. AND IF IT ISN'T,
3 THEN CIRM REALLY SHOULD BE LOOKING AT WHY NOT
4 BECAUSE THIS IS A LOT OF CALIFORNIA TAXPAYERS' MONEY
5 HERE, AND THIS IS A WONDERFUL OPPORTUNITY FOR CIRM.

6 THE GOVERNING BOARD, RECOMMENDATION 10,
7 AND CORPORATE GOVERNANCE, WE WEREN'T REALLY ASKED TO
8 COMMENT ON THAT, BUT IT WAS DISCUSSED IN FRONT OF
9 US. WE JUST MADE AN OBVIOUS COMMENT, NOT BEING
10 GOVERNANCE EXPERTS BY ANY MEANS. WE WERE SCIENTISTS
11 AND LAY PEOPLE, THAT THERE SHOULD BE A CLEAR
12 DIVISION OF RESPONSIBILITY BETWEEN THE BOARD CHAIR
13 AND THE PRESIDENT.

14 WE ALSO RECOGNIZE THAT, AS A START-UP, I
15 THINK THE BOARD CORRECTLY HAS BEEN VERY HANDS-ON.
16 THAT WAS OUR SENSE. AND THAT'S TRUE IN ALL GOOD
17 START-UPS, THAT THE BOARD IS VERY HANDS-ON. AS CIRM
18 EVOLVES INTO STAGE II, THERE WILL BE NEW ISSUES THAT
19 ARISE. HOW DO YOU BECOME A MORE PROACTIVE, LESS
20 TRADITIONAL GRANTING AGENCY? WHAT DOES THAT MEAN?
21 AND THE BOARD WILL HAVE TO CHANGE ITS COMPOSITION
22 PERHAPS. ITS ROLES ARE GOING TO HAVE TO EVOLVE
23 ALONG WITH CIRM'S MANAGEMENT ITSELF IN TERMS OF
24 REFLECTING THAT CHANGE AND WHAT ITS ROLE VIS-A-VIS
25 OVERSEEING WHAT MANAGEMENT IS DOING.

BARRISTERS' REPORTING SERVICE

1 I THINK THESE ARE BIG ISSUES. WE REALLY
2 DID NOT ADDRESS THEM IN ANY MEANINGFUL WAY BECAUSE
3 THAT WASN'T OUR FULL MANDATE, NOR DID I THINK WE
4 HAVE THE RIGHT PEOPLE AROUND THE TABLE TO LOOK AT
5 THAT. BUT I THINK IT WOULD BE TIMELY FOR CIRM'S
6 BOARD TO SOMEHOW KICK-START THAT CONVERSATION.

7 SO, BOB, I'LL STOP THERE. I'LL JUST MAKE
8 A SUMMARY COMMENT, THAT WE WERE VERY IMPRESSED WITH
9 STAGE I. WE THINK THE TRANSITION IS A CRITICAL
10 MOMENT FOR CIRM. IT NEEDS TO BE MANAGED VERY
11 CAREFULLY, BUT THERE'S A WONDERFUL OPPORTUNITY FOR
12 CIRM TO REALLY BUILD ON THE GREAT WORK IT'S DONE IN
13 STAGE I AND REALLY UP ITS GAME IN TERMS OF WHAT IT'S
14 HOPING TO ACCOMPLISH IN STAGE II.

15 WE PUT DOWN SOME BENCHMARKS FOR SUCCESS.
16 I WON'T GO THROUGH THOSE. AND I'M SURE THAT MY
17 COLLEAGUES AND I WILL BE VERY PLEASED TO TRY TO
18 ANSWER ANY QUESTIONS THE BOARD MIGHT HAVE. THANK
19 YOU VERY MUCH.

20 CHAIRMAN KLEIN: THANK YOU VERY MUCH,
21 DR. BERNSTEIN. AND WE HAVE A LARGE BOARD GROUP
22 HERE. WE HEARD YOU VERY WELL. CAN YOU HEAR ME AT
23 THIS POINT?

24 DR. BERNSTEIN: YES.

25 CHAIRMAN KLEIN: SO WE HAVE A LARGE BOARD

BARRISTERS' REPORTING SERVICE

1 GROUP HERE TODAY, AND ONE BOARD MEMBER ON THE PHONE,
2 JEFF SHEEHY. I'D LIKE TO HAVE A SHOW OF HANDS FROM
3 THE BOARD MEMBERS THAT ARE HERE OF WHICH ONES HAVE
4 QUESTIONS, AND I'LL TRY AND ORGANIZE THAT SO THAT WE
5 SEQUENTIALLY COVER THOSE. ANY OTHER QUESTIONS HERE?
6 JEFF, WOULD YOU HAVE A QUESTION AS WELL? I DON'T
7 HEAR HIM YET, BUT WE'LL GO BACK TO JEFF.

8 I THINK PRACTICE SHOWS THAT WE SHOULD
9 SPEAK VERY CLOSE TO THE MIC SO THAT THOSE ON THE
10 PHONE CAN HEAR CLEARLY.

11 SO, ART TORRES, YOU HAD A QUESTION. WOULD
12 YOU LIKE TO LEAD OFF WITH YOUR QUESTION?

13 MR. TORRES: FIRST, TWO HOUSEKEEPING
14 ISSUES, WHICH I WANT TO RECORD. WE HAVE THE DEPUTY
15 CONTROLLER FOR THE STATE OF CALIFORNIA WITH US, RUTH
16 HOLTON-HODSON. RUTH, WELCOME TO THE BOARD MEETING.
17 WONDERFUL TO HAVE YOU TO EXPERIENCE THE ARTICULATION
18 OF THIS REPORT.

19 AND SECONDLY, I JUST WANT TO GIVE A KUDOS
20 TO LEEZA GIBBONS, WHO WAS JUST APPOINTED AS THE
21 AMBASSADOR FOR CARE FOR AARP NATIONALLY. SHE WILL
22 BE REACHING 44 MILLION AMERICANS, NOT ONLY ONLINE AS
23 AN AMBASSADOR FOR CARE, BUT ALSO HOSTING A NEW
24 TELEVISION SERIES FOR AARP. I AM OVER 50, AS YOU
25 WELL KNOW, AND SO I AM GRATEFUL FOR THAT. SO I JUST

BARRISTERS' REPORTING SERVICE

1 WANTED TO SAY CONGRATULATIONS, AMBASSADOR GIBBONS.

2 (APPLAUSE.)

3 MR. TORRES: DR. WEXLER AND I AND HER
4 FAMILY AND I HAVE KNOWN EACH OTHER FOR MANY YEARS.
5 SO IT'S SO WONDERFUL TO HAVE YOU HERE. MINE IS NOT
6 A QUESTION, BUT RATHER A SENSE OF GRATITUDE TO
7 DR. BERNSTEIN AND THE OTHER MEMBERS OF THE
8 COMMITTEE. I FELT YOUR WORK WAS DONE VERY, VERY
9 WELL. YOU WERE VERY INTENSE, VERY DETAILED IN YOUR
10 EVALUATION OF THIS AGENCY. AND I DON'T THINK
11 THERE'S EVER BEEN A MORE SUBSTANTIVE EVALUATION OF A
12 CALIFORNIA STATE AGENCY WITH INTERNATIONAL
13 REPERCUSSIONS THAN HAS BEEN ACCOMPLISHED THROUGH
14 THIS EFFORT. SO I APPLAUD YOU AND THANK YOU.

15 CHAIRMAN KLEIN: ALL RIGHT. AND FLOYD
16 BLOOM PASSED ME A QUESTION WHICH I'LL READ. AND,
17 DR. BERNSTEIN, AFTER I READ THE QUESTION, MAYBE YOU
18 COULD DECIDE WHO ON YOUR COMMITTEE WOULD BE BEST TO
19 ADDRESS THIS SPECIFIC ANSWER. DR. BLOOM SAYS,
20 "WHILE I UNDERSTAND THE SPIRIT OF THE
21 RECOMMENDATIONS 3 AND 4 (PROACTIVE, AGGRESSIVE, AND
22 INDUSTRY INCLUSIVE), IMPLEMENTATION OF THESE
23 RECOMMENDATIONS BEYOND EXISTING KNOWLEDGE AND
24 TECHNOLOGY SEEMS RISKY AND PERHAPS NOT FEASIBLE. DO
25 YOU HAVE SPECIFIC IDEAS YOU WOULD HAVE US PURSUE?"

BARRISTERS' REPORTING SERVICE

1 DR. BERNSTEIN: OKAY. RICK, I DON'T KNOW
2 IF YOU COULD HEAR THE QUESTION. I CAN REPEAT IT IF
3 YOU'D LIKE AND ASK YOU TO HAVE A SHOT IT.

4 DR. KLAUSNER: I CAN ONLY HEAR YOU. I
5 HAVEN'T HEARD ANYTHING.

6 DR. BERNSTEIN: THE QUESTION WAS FROM
7 FLOYD BLOOM ABOUT RECOMMENDATIONS 3 AND 4. AND I
8 THINK THE INTENT OF THE QUESTION WAS HOW DO WE MOVE
9 BEYOND FUNDAMENTAL DISCOVERY. BOB, YOU MIGHT WANT
10 TO REPEAT FOR ME THE LATTER HALF OF THE QUESTION SO
11 I MAKE SURE I GET IT RIGHT FOR RICK.

12 CHAIRMAN KLEIN: WHILE HE UNDERSTANDS THE
13 SPIRIT OF RECOMMENDATIONS 3 AND 4, PROACTIVE,
14 AGGRESSIVE, AND INDUSTRY INCLUSIVE IMPLEMENTATIONS
15 OF THESE RECOMMENDATIONS. THE SECOND HALF IS BEYOND
16 EXISTING KNOWLEDGE AND TECHNOLOGY SEEMS RISKY AND
17 PERHAPS NOT FEASIBLE. DO YOU HAVE SPECIFIC IDEAS
18 YOU WOULD HAVE US PURSUE?

19 DR. BERNSTEIN: THE QUESTION IS DO WE HAVE
20 SPECIFIC IDEAS ON HOW TO PURSUE RECOMMENDATIONS 3 OR
21 4 BEYOND EXISTING TECHNOLOGIES GIVEN THE RISK OF
22 GOING BEYOND WHAT WE KNOW IN TERMS OF THE SCIENCE AS
23 IT IS TODAY?

24 DR. KLAUSNER: THIS IS TO ME. FLOYD, I
25 DON'T THINK WE IN ANY WAY INTENDED TO TALK ABOUT

BARRISTERS' REPORTING SERVICE

1 GOING BEYOND EXISTING TECHNOLOGY OR SCIENCE. QUITE
2 THE OPPOSITE. I THINK OUR IDEA ABOUT PROACTIVE AND
3 POROUS REFLECTED ALL OF OUR EXCITEMENT THAT CIRM
4 PLAYS THIS POTENTIAL CRITICAL ROLE, NOT JUST FOR
5 CALIFORNIA, BUT FOR THE WORLD TO FIGURE OUT HOW TO
6 TRANSLATE THE SCIENCE THAT WILL KEEP GOING ON AND
7 INCLUDING THAT WE THINK CIRM NEEDS TO KEEP FUNDING
8 WITH THE RECOGNITION THAT GREAT IDEAS WILL COME FROM
9 ALL OVER THE WORLD.

10 AND IF CIRM CAN FIND A WAY, INSTEAD OF
11 THINKING ABOUT ITSELF AS LIKE A CLOSED SYSTEM
12 PHARMACEUTICAL COMPANY WHERE IT HAS ITS OWN
13 PRECLINICAL PROGRAM THAT IS GOING TO LEAD TO ITS OWN
14 PHASE I THAT'S GOING TO LEAD TO ITS OWN PHASE II AND
15 A NUTRITION MODEL, WHICH, BY THE WAY, LOOKS LIKE A
16 PHARMACEUTICAL COMPANY AND IS WHAT PHARMACEUTICAL
17 COMPANIES HAVE HAD TO ABANDON AS THEY BECOME POROUS.
18 SO THAT GOOD IDEAS, WHETHER PRECLINICAL STAGE I,
19 STAGE II, DIFFERENT PHASES CAN COME INTO THE SYSTEM.

20 THIS, WE THOUGHT, WAS THE WAY THAT CIRM
21 AND CALIFORNIA CAN FIND A WAY OF BEING THE MAGNET
22 FOR THE BEST IDEAS THAT MAY OR CAN OR SHOULD BE
23 TRANSLATED COULD BE ATTRACTED INTO CALIFORNIA
24 BECAUSE OF COLLABORATIONS, THE INFRASTRUCTURE, THE
25 KNOWLEDGE, THE APPROACH TO HOW ONE DOES CLINICAL

BARRISTERS' REPORTING SERVICE

1 TRIALS BECAUSE OF REGULATORY KNOWLEDGE. SO THAT'S
2 WHAT WE'RE TALKING ABOUT. WE WERE NEVER TALKING
3 ABOUT GETTING BEYOND THE SCIENCE OF TECHNOLOGY.

4 WHAT WE WERE TALKING ABOUT IS THAT CIRM
5 HAS THE OPPORTUNITY TO MAKE SURE THAT IT IS ALWAYS
6 ATTACHED TO THE BEST SCIENCE AND TECHNOLOGY WHETHER
7 THE ORIGIN OF A PROJECT OR A PROGRAM OR A POTENTIAL
8 TRANSLATION PROGRAM IN PARTICULAR COMES FROM
9 ANYWHERE IN THE WORLD.

10 DR. BERNSTEIN: LET ME JUST ADD TO WHAT
11 RICK HAS SAID SO CLEARLY, WHICH IS THAT I THINK WE
12 SHOULD RETHINK HOW WE REGARD TRIALS AND PRODUCT
13 DEVELOPMENT AS THE SCIENCE STOPS NOW, WE'RE GOING TO
14 CDO A TRIAL. RATHER, VIEW THE TRIALS AS A NATURAL
15 EXTENSION OF THE FUNDAMENTAL SCIENCE THAT'S GONE ON
16 BEFORE. AND, INDEED, ONE CAN LEARN A LOT MORE
17 SCIENCE IF THE TRIALS ARE DESIGNED PROPERLY IN THE
18 COURSE OF DOING THESE TRIALS.

19 AND THESE ARE -- AS SYDNEY BRENNER, AS I'M
20 SURE YOU KNOW, FLOYD, HAS BEEN ARGUING, THE TRIALS
21 IN HUMANS, GIVEN THE TECHNOLOGIES THAT WE HAVE
22 AVAILABLE TODAY, SHOULD REALLY BE TEACHING US A LOT
23 OF SCIENCE. SO I DON'T VIEW IT AS THE SCIENCE STOPS
24 HERE, NOW WE'RE GOING TO DO A TRIAL. IT'S A NATURAL
25 EVOLUTION OF THE SCIENCE INTO A HUMAN TRIAL.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: DR. BERNSTEIN, NANCY
2 WEXLER IS HERE AND WANTED TO ADD A COMMENT. SHE'S
3 ASKING IF SHE COULD ADD A COMMENT.

4 DR. BERNSTEIN: SURE. GO AHEAD, NANCY.

5 DR. WEXLER: I HAVE THE ADVANTAGE OF BEING
6 ABLE TO LOOK AT THE SPECIFIC QUESTION THAT FLOYD
7 ASKED BECAUSE HE'S ASKING ABOUT RECOMMENDATION 3 AND
8 4. AND WE WERE SORT OF ANSWERING ABOUT 5. YOU WERE
9 ANSWERING ABOUT BEING POROUS AND INNOVATIVE. AND
10 YOU'RE ASKING ABOUT RECOMMENDATION 3, WHICH IS
11 PAVING THE WAY TOWARDS INDUSTRY INVOLVEMENT AND ALSO
12 HOW DO YOU PRIORITIZE.

13 AND I THINK THAT THESE QUESTIONS REALLY
14 WERE EXTREMELY DIFFICULT FOR THE BOARD BECAUSE
15 YOU'RE BRINGING UP AN ISSUE RIGHT NOW WHICH IS THE
16 BIOTECH OR PHARMACY OR THE TRANSLATIONAL
17 IMPLICATIONS OF THESE IS VERY DIFFICULT TO
18 UNDERSTAND AND TO BRING IN. AND EVEN KNOWING HOW TO
19 PRIORITIZE AT THIS STAGE, HOW DO YOU DO THAT? ONE
20 OF CIRM'S ADVANTAGES IN BEING FLEXIBLE AND LIGHT ON
21 YOUR FEET IS THAT YOU HAVE BEEN ABLE TO RESPOND TO
22 BASIC SCIENCE INNOVATION, IPS CELLS, AND HAVE NOT
23 GOTTEN FREIGHTED WITH PREMATURE DECISIONS ABOUT WHAT
24 SHOULD BE THE NEXT BIOTECH OR PHARMACEUTICAL
25 IMPLICATION FOR THE DEVELOPMENT OF THAT.

BARRISTERS' REPORTING SERVICE

1 SO I THINK WE REALLY GRAPPLED WITH THAT.
2 HOW DO YOU INVOLVE THE COMMUNITY OR PEOPLE WHOM
3 EVERYBODY THINKS INDUSTRY OR BIOTECH PROBABLY OUGHT
4 TO PLAY A ROLE, BUT IT'S REALLY PREMATURE. AND HOW
5 DO YOU DO THAT? SO ONE OF THE THINGS WE TALKED
6 ABOUT ACTUALLY IS JUST BEING ABLE TO HAVE WORKSHOPS
7 OR BRAINSTORMING SESSIONS TO BRING SOME OF THE
8 PEOPLE IN THE SECTORS IN TO LOOK AT THESE ISSUES.
9 WE EVEN TALKED ABOUT HAVING PEOPLE ON THE REVIEW
10 COMMITTEES, HAVING SOME SEPARATE REVIEW COMMITTEES
11 TO BRAINSTORM ABOUT THAT IN TERMS OF WHAT KINDS OF
12 THINGS GET FUNDED.

13 I THINK YOU ACTUALLY PUT YOUR FINGER RIGHT
14 ON. I WOULD SAY SOME OF THE MOST DIFFICULT
15 DISCUSSIONS AND MOST SORT OF FREIGHTED
16 RECOMMENDATIONS, WE STRUGGLED WITH THAT, AND
17 PROBABLY THOSE ARE THE MOST DIFFICULT INTERACTIONS
18 IN TERMS OF THE PEOPLE THAT YOU LISTEN TO. GOOD
19 QUESTION.

20 DR. BERNSTEIN: BOB, I THINK NANCY HAS
21 MADE SOME EXCELLENT POINTS, AND I WOULD JUST BUILD
22 ON WHAT SHE JUST SAID. BUT I THINK YOU'RE SEEING
23 WHAT KIND OF PERVADED OUR DISCUSSIONS AFTER A WHILE
24 WAS THAT CIRM HAS GOT TREMENDOUS CONVENING POWER BY
25 VIRTUE OF BEING A GENEROUSLY FUNDED, VERY FOCUSED

BARRISTERS' REPORTING SERVICE

1 AGENCY FOCUSED IN TERMS OF REGENERATIVE MEDICINE AND
2 STEM CELL TECHNOLOGY. THOSE TWO THINGS GIVE IT
3 GLOBAL CONVENING POWER TO REALLY HAVE A GLOBAL
4 CONVERSATION ABOUT THESE, AS NANCY JUST SAID, THESE
5 TOUGH DECISIONS THAT HAVE TO BE MADE.

6 CHAIRMAN KLEIN: OKAY. SO, DR. BERNSTEIN
7 AND MEMBERS OF THE PANEL, I HAVE A QUESTION FROM
8 MICHAEL GOLDBERG ON OUR BOARD. HE SAYS, "ARE THERE
9 SPECIFIC RECOMMENDATIONS REGARDING GRANTING
10 PROCESSES AND FUNDING CRITERIA WHICH YOU SUGGEST
11 COULD BE CLARIFIED AND STREAMLINED TO BE MORE
12 COMPATIBLE WITH INDUSTRY NEEDS AND TIMELINES?"

13 DR. BERNSTEIN: WELL, I'LL HAVE A STAB AND
14 MAYBE RICK OR GEORGE CAN JUMP IN ON THIS ONE. WE
15 CERTAINLY HEARD FROM INDUSTRY THAT A LOT OF THE
16 GRANTING PROGRAMS AND PROCESSES WERE NOT OPTIMAL FOR
17 THEM AND WERE NOT, IN FACT, WORKING FOR THEM. THE
18 TIMELINES WERE TOO LONG. SOME OF THE DETAILS, WHICH
19 I DON'T THINK WE NEED TO GO INTO TODAY, SOME OF THE
20 DETAILS OF THE LOAN PROGRAM NEEDED TO BE REEXAMINED.

21 AND SO WE ENDED UP BY SAYING UNDER
22 RECOMMENDATION 7, AND I'LL READ IT, THE PANEL
23 SUGGESTS THAT CIRM CONVENES AN INDUSTRY ADVISORY
24 PANEL TO MEET WITH CIRM MANAGEMENT TO DISCUSS THE
25 ISSUES THAT ARE LISTED ABOVE AND OTHER ISSUES AS

BARRISTERS' REPORTING SERVICE

1 THEY ARISE.

2 IN OTHER WORDS, WE FELT THAT WE WERE
3 HEARING A LOT OF THINGS FROM INDUSTRY ABOUT WHAT WAS
4 NOT WORKING FOR THEM. AND RATHER THAN US SORT OF
5 STARTING TO START TEASING APART WHICH IS IMPORTANT
6 AND WHICH ISN'T AND ALL THAT, I THINK THE
7 RECOMMENDATION WE'VE MADE, WHICH I THINK IS THE
8 RIGHT ONE, IS THAT CIRM MANAGEMENT HAS TO START
9 TALKING WITH INDUSTRY IN A MEANINGFUL TWO-WAY
10 DIALOGUE ABOUT WHAT WORKS FOR THEM AND, MORE
11 IMPORTANTLY, WHAT ARE THEY TRYING TO ACCOMPLISH;
12 I.E., CIRM. WHAT IS CIRM TRYING TO ACCOMPLISH? AND
13 WHAT ARE THE PROGRAMS THAT WILL WORK BOTH FOR CIRM
14 AND ALSO FOR INDUSTRY TO MAKE SURE THEY ACCOMPLISH
15 IT.

16 SO, GEORGE, I DON'T KNOW IF YOU WANT TO
17 ADD ANYTHING AT THIS POINT ON THAT.

18 DR. DALEY: WE SPENT A LOT OF TIME TALKING
19 ABOUT THE GRANTS WORKING GROUP, ITS COMPOSITION, THE
20 WAY GRANTS WERE BEING REVIEWED, AND THE QUALITY OF
21 THE SCIENCE THAT WAS BEING PURSUED, WHICH IS
22 OUTSTANDING. I THINK WE WERE TREMENDOUSLY IMPRESSED
23 WITH THE QUALITY OF THE SCIENCE. AND ESPECIALLY THE
24 TIME WHEN FUNDING PRESSURES FROM THE NIH AND OTHER
25 AGENCIES HAVE BECOME SO INTENSE. BEING ABLE TO HAVE

BARRISTERS' REPORTING SERVICE

1 THE GENEROUS RESOURCES OF CIRM IS JUST EXTREMELY
2 VALUABLE FOR CALIFORNIA SCIENCE IN PARTICULAR, BUT
3 REALLY STEM CELL SCIENCE AROUND THE GLOBE. HOWEVER,
4 WE REALLY FELT THAT EXCELLENCE IS OFTEN IN THE EYES
5 OF WHO'S DOING THE REVIEWING.

6 AND THERE IS A RANGE OF OUTSTANDING
7 SCIENCE BEING DONE IN INDUSTRY. THERE ARE
8 TECHNOLOGIES AND ASPECTS OF THE BIOLOGY WHICH DO
9 LEND THEMSELVES TO TRANSLATION, AND THAT WE FELT IT
10 WAS VERY CRITICAL FEATURE, THAT THE COMPOSITION OF
11 THE WORKING GROUPS BE BALANCED IN A WAY THAT
12 REFLECTED GREATER INDUSTRY OVERSIGHT. AND SO WE
13 THINK THAT THAT ALONE IS GOING TO LEAD TO SOME
14 CHANGE IN THE NATURE OF THE GRANTS THAT ACTUALLY GET
15 FUNDED. BUT THE EXCELLENCE, THE PREEMINENCE OF THE
16 SCIENCE WAS SORT OF THE TONE THROUGHOUT, AND THAT
17 HAS TO BE MAINTAINED.

18 CHAIRMAN KLEIN: ALL RIGHT. ANY
19 ADDITIONAL COMMENT ON THAT ITEM? IF NOT, DR. SUSAN
20 BRYANT HAS A QUESTION. MICHAEL GOLDBERG.

21 MR. GOLDBERG: I HAD A SECOND QUESTION
22 THAT ACTUALLY DOVETAILED SPECIFICALLY TO THE
23 COMMITTEE'S RESPONSE TO MY FIRST QUESTION. IF YOU'D
24 BE KIND ENOUGH TO READ THAT, I'D BE INTERESTED IN
25 THEIR PERSPECTIVE.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: SURE. I WAS JUST TRYING
2 TO GET DOWN THE LIST. DO YOU HAVE ANY SPECIFIC
3 RECOMMENDATIONS AS TO THE SIZE AND COMPOSITION OF AN
4 INDUSTRY ADVISORY PANEL TO WORK WITH CIRM
5 MANAGEMENT?

6 DR. BERNSTEIN: WE DIDN'T DISCUSS THAT,
7 BOB. AND SO I WON'T SORT OF SECOND-GUESS THE PANEL
8 IN TERMS OF WHAT THEY WOULD HAVE SAID. I THINK
9 THESE PANELS, ADVISORY PANELS, SHOULDN'T BE TOO BIG
10 AND THEY SHOULDN'T BE TOO SMALL. THEY SHOULD BE
11 LIKE A GOLDBLOCKS.

12 CHAIRMAN KLEIN: ALL RIGHT.

13 DR. BERNSTEIN: THE GRANTS WORKING GROUP
14 HAVE DRAWN IMPRESSIVELY FROM SCIENTISTS NATIONALLY
15 AND INTERNATIONALLY. AND WE ASSUME, GIVEN, ONCE
16 AGAIN, THE CONVENING POWER OF CIRM, THAT THEY'LL BE
17 ABLE TO HAVE SIMILAR OUTSTANDING REPRESENTATION
18 DRAWING FROM A GLOBAL CONSTITUENCY IN INDUSTRY.

19 DR. DALEY: THAT IS AN IMPORTANT POINT.
20 THE SIZE IS AN IMPORTANT DETERMINANT, BUT ALSO WHO'S
21 ON THERE. THE QUANTITY AND THE QUALITY ARE BOTH
22 IMPORTANT. SO CIRM SHOULD, I DON'T FEEL, -- AGAIN,
23 I THINK THE PANEL WOULD AGREE HERE -- SHOULD NOT
24 RESTRICT ITS ADVISORS TO THOSE PEOPLE WHO ARE IN THE
25 STATE OF CALIFORNIA. IT DOESN'T DO THAT FOR THE

BARRISTERS' REPORTING SERVICE

1 GRANTS WORKING GROUP, WHICH OBVIOUSLY SHOULDN'T, AND
2 I WOULD SAY THE SAME THING, AND I THINK THE PANEL
3 WOULD AS WELL, FOR THE INDUSTRY ADVISORY PANEL. IT
4 SHOULD GET THE VERY BEST PEOPLE FROM ANYWHERE TO
5 ADVISE THEM ON HOW TO MOVE FORWARD.

6 DR. BERNSTEIN: WE NOTED THE FACT THAT THE
7 COMPOSITION OF THE GRANTS WORKING GROUP WAS
8 UNIFORMLY OUTSTANDING, HIGH PROFILE SCIENTISTS.
9 SITTING ON A STUDY SECTION RIGHT NOW, I CAN TELL YOU
10 THAT THE GRANTS WORKING GROUP AND CIRM IS OF A SORT
11 OF HIGHER STANDARD. AND I THINK THAT TRANSLATES
12 INTO THE PERSPECTIVE AND THE EMPHASIS ON EXCELLENCE.
13 AND THAT SHOULD BE TRANSLATED TO THE INDUSTRY
14 WORKING GROUP AS WELL.

15 CHAIRMAN KLEIN: AND, DR. BERNSTEIN, DR.
16 WEXLER HAS A POINT BEFORE WE GO ON THE NEXT. AND
17 THE TRANSCRIBER HAS ASKED THAT BEFORE EACH PERSON
18 SPEAKS IF THEY COULD JUST PLEASE ANNOUNCE THEIR NAME
19 BECAUSE ON THE PHONE SHE CAN'T DIFFERENTIATE THAT
20 DISTINCTLY.

21 DR. WEXLER: I THINK EVERYONE WAS REALLY
22 JUST UNIFORMLY IMPRESSED, NOT ONLY WITH THE QUALITY
23 OF THE SCIENCE AND REVIEWERS, BUT ALSO THE CONFLICT
24 OF INTEREST ISSUES, HAVING NON-CALIFORNIANS AND
25 HAVING A BALANCE.

BARRISTERS' REPORTING SERVICE

1 ONE OF THE SUGGESTIONS THAT CAME UP IN OUR
2 MEETING IS TO START THE INDUSTRY BY HAVING A
3 DISCUSSION ACTUALLY AMONG YOUR BOARD OR SOME OF THE
4 SCIENTISTS ABOUT WHAT KINDS OF ISSUES MIGHT BE DEALT
5 WITH. SO THAT WOULD, IN TURN, GIVE SOME SUGGESTIONS
6 ABOUT WHAT KINDS OF PEOPLE SHOULD BE ON THE PANEL.
7 BUT A LOT OF IT YOU CAN DO REALLY AS A KIND OF
8 INFORMAL DISCUSSION. BECAUSE, AGAIN, ALL OF US ARE
9 EXTREMELY IMPRESSED BY YOUR CONVENING POWER, BUT
10 ALSO YOU NEED TO SORT OF DEAL WITH CONFLICT OF
11 INTEREST ISSUES THAT WILL ARISE THERE AS WELL.

12 CHAIRMAN KLEIN: THANK YOU. AND JUST TO
13 PUT IN A QUICK QUESTION. YOU COMMENTED ON THE VALUE
14 OF THE FINANCING MODEL IN THE FIRST PHASE OF CIRM'S
15 LIFE. AND I'M WONDERING WHAT YOU THINK THE VALUE OF
16 THE FINANCING MODEL WILL BE IN THE SECOND PHASE IN
17 TERMS OF DRIVING THROUGH PHASE I HUMAN TRIALS AND
18 PHASE II HUMAN TRIALS IN THE CONTEXT OF ALTERNATIVE
19 CAPITAL OR THE LACK OF ALTERNATIVE CAPITAL THAT IS
20 OUT THERE. WHAT IS THE VALUE OF THE STABILITY OF
21 WHAT THE CALIFORNIA VOTERS HAVE PROVIDED?

22 DR. BERNSTEIN: WE DIDN'T DISCUSS IT
23 EXPLICITLY OTHER THAN TO NOTE WHAT I THINK IS WELL
24 KNOWN IN THE INDUSTRY, WHICH IS AS YOU GO FROM BASIC
25 SCIENCE DOWN A PRODUCT DEVELOPMENT PIPELINE, THE

BARRISTERS' REPORTING SERVICE

1 COSTS GO UP EXPONENTIALLY. THE CLINICAL TRIALS ARE
2 EXPENSIVE. AND SO OBVIOUSLY THAT TRANSLATES INTO
3 THE NEED FOR FUNDS. AND CLINICAL TRIALS CAN TAKE A
4 WHILE, AND SO THE STABILITY OF THOSE FUNDS IN WHAT
5 ARE AT THE END OF THE DAY HIGH-RISK EXPERIMENTS IS
6 CRITICAL.

7 SO I THINK THE FUNDING MODEL THAT'S BEEN
8 SO VALUABLE IN PHASE I OR STAGE I, I THINK IS GOING
9 TO BE JUST AS IMPORTANT GOING TO STAGE II. SO THAT
10 WOULD BE MY COMMENT. I DON'T KNOW WHETHER RICK OR
11 GEORGE WANT TO ADD ANYTHING TO THAT.

12 CHAIRMAN KLEIN: OKAY. AND THEN I'M GOING
13 TO GO TO DR. BRYANT, THEN DR. POMEROY, THEN LEEZA
14 GIBBONS. I'M GOING TO CHECK BACK. JEFF SHEEHY, ARE
15 YOU ON? HE'S ON. JEFF, I'M GOING TO GO BACK AND --

16 MR. SHEEHY: I'M ON, BOB.

17 CHAIRMAN KLEIN: GREAT. DR. BRYANT ASKED
18 HOW DO WE EXPAND BEYOND CALIFORNIA IN TERMS OF
19 EXPANDING THE PIPELINE OTHER THAN ENCOURAGING
20 COLLABORATIONS GIVEN WE CANNOT FUND RESEARCH OR
21 DEVELOPMENTS OUTSIDE OF CALIFORNIA? THIS GOES TO
22 OUR INTERNATIONAL BILATERAL FUNDING AGREEMENTS AND
23 OTHER SUGGESTIONS YOU MIGHT HAVE OR YOU MIGHT HAVE
24 EVALUATED.

25 DR. BERNSTEIN: RICK, YOU WANT TO HAVE A

BARRISTERS' REPORTING SERVICE

1 STAB AT THAT? I'LL TRY TO ADDRESS THAT. WELL, THAT
2 SPEAKS TO THE POROUS INNOVATION MODEL. I THINK THAT
3 WE WERE THINKING THERE WAS A COUPLE OF THINGS.
4 FIRST, WE DID NOT -- THE EASY THING TO SAY, I GUESS,
5 IS WE DID NOT THINK THAT CIRM SHOULD RESTRICT WHAT
6 GETS FED INTO A PRODUCT DEVELOPMENT PIPELINE TO ONLY
7 THE SCIENCE THAT'S GOING ON IN CALIFORNIA AND ONLY
8 THE SCIENCE THAT IT HAPPENS TO BE FUNDING. THAT
9 WOULD BE, AS RICK SAID EARLIER, SORT OF A
10 TRADITIONAL, RATHER OUT-OF-DATE LARGE PHARMA MODEL.
11 AND BIG PHARMA IS MOVING AWAY FROM THAT PRETTY
12 QUICKLY. THEY ARE CONSTANTLY SCANNING THE HORIZON
13 FOR NEW DEVELOPMENTS IN THE BIOTECHNOLOGY SECTOR AND
14 IN ACADEMIA ALL THE TIME.

15 HAVING SAID THAT, THEN I THINK DR. BRYANT
16 HAS TOUCHED ON AN IMPORTANT ISSUE. SO GIVEN THAT
17 CIRM CAN'T FUND OUTSIDE OF CALIFORNIA, HOW DOES IT
18 THEN TAKE ADVANTAGE OF SCIENCE THAT'S GOING ON
19 ELSEWHERE? I THINK THERE ARE VARIOUS MODELS FOR
20 DOING THAT. ONE IS TO FORM, AS I SAID IN MY OPENING
21 REMARKS, A JOINT VENTURE WITH EITHER THE ACADEMIC
22 WHEREVER THAT PERSON MAY BE OR WITH THE COMPANY
23 WHEREVER THAT COMPANY MAY BE TO SORT OF MOVE IN THE
24 LICENSING THERE SO THAT THERE'S A MUTUAL ADVANTAGE
25 TO BOTH THE PARTNER AS WELL AS TO INDIVIDUALS IN

BARRISTERS' REPORTING SERVICE

1 CALIFORNIA IF THAT TECHNOLOGY IS USED TOWARDS A
2 USEFUL PRODUCT AT THE END OF THE DAY. AND THAT'S
3 ONE MODEL.

4 I THINK THERE'S SOME OTHER MODELS THAT
5 COULD BE PURSUED, BUT I THINK WE WANTED CIRM TO GET
6 AWAY FROM THE NOTION THAT IT ONLY CAN FEED INTO THIS
7 PIPELINE THINGS THAT IT'S FUNDING.

8 DR. DALEY: I THINK WE WERE VERY
9 IMPRESSED, AS WE WERE LISTENING, TO THE WAY THAT THE
10 CIRM INVESTMENTS WERE BEING LEVERAGED TO BRING
11 ADDITIONAL CAPITAL TO PLAY IN THE STEM CELL FIELD.
12 THAT'S VERY OBVIOUS IN THE BUILDING PROJECTS AROUND
13 CALIFORNIA WHERE THE INITIAL SEED MONEY IS PROVIDED
14 BY CIRM, AND THEN THERE'S A LOT OF EXTRA INVESTMENT
15 ON THE PART OF THE INSTITUTIONS. AND THAT'S BEING
16 PLAYED OUT IN THESE INTERNATIONAL COLLABORATIONS.

17 CIRM COMES TO THE TABLE PROVIDING
18 SUSTENANCE FOR THE CALIFORNIA PART OF THE PROJECT,
19 AND IT INSPIRES SIMULTANEOUS INVESTMENTS BY THE
20 PARTNER. I'M SEEING THIS FROM THE PERSPECTIVE OF
21 THE FIELD. THIS IS FANTASTIC. SO CALIFORNIA
22 INVESTS OVER TEN YEARS 3 BILLION PLUS, AND THAT
23 LEADS ALONG WITH IT THROUGH THE LEVERAGE TO
24 INVESTMENTS MANY TIMES THAT NUMBER. IT'S VERY, VERY
25 GOOD FOR THE FIELD AND ULTIMATELY FOR CALIFORNIA

BARRISTERS' REPORTING SERVICE

1 SCIENCE.

2 DR. BERNSTEIN: I TOTALLY AGREE WITH WHAT
3 GEORGE JUST SAID. JUST TO BE CONCRETE FOR A MOMENT,
4 IT'S A HYPOTHETICAL EXAMPLE, BUT KIND OF AN EXAMPLE.
5 CIRM COULD APPROACH ANOTHER COUNTRY OR ANOTHER
6 PARTNER WHO HAS TECHNOLOGY THAT IS OF INTEREST TO
7 CIRM AND SAY WHY DON'T WE JOINTLY FUND A PRODUCT
8 DEVELOPMENT INITIATIVE ALONG THIS LINE. AND LET'S
9 SAY IT'S CARDIOVASCULAR DISEASE JUST FOR ARGUMENT
10 SAKE. AND THE PARTNER COULD PURSUE A CERTAIN LINE
11 OF APPROACH IN THEIR CONSTITUENCY AND CIRM COULD
12 PURSUE A CERTAIN LINE WITH AN UNDERSTANDING THAT
13 WHICHEVER ONE SEEMS TO BE THE MOST PROMISING WILL BE
14 TRANSLATED ONE TO THE OTHER.

15 SO CIRM IN A SENSE IS DOUBLING ITS
16 OPPORTUNITIES OF GETTING A PRODUCT BECAUSE IT HAS
17 ANOTHER PARTNER WHO'S ASSUMING 50 PERCENT OF THE
18 RISK AND PURSUING A SLIGHTLY DIFFERENT APPROACH TO
19 CARDIOVASCULAR DISEASE, BUT IT'S BEING DONE
20 CONJOINTLY BECAUSE THERE MAY BE SOME SCIENTIFIC OR
21 FINANCIAL OR OTHER REASONS WHY THAT WOULD MAKE
22 SENSE.

23 I THINK THERE ARE INNOVATIVE MODELS, AND
24 THERE A LOTS OF MODELS NOW IN, FOR EXAMPLE, GENOMICS
25 SCIENCE THAT IS BEING DONE INTERNATIONALLY THAT CIRM

BARRISTERS' REPORTING SERVICE

1 COULD LOOK TO AS POSSIBLE MODELS TO PUT INTO THIS
2 PARADIGM.

3 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
4 DUANE ROTH JUST JOINED US. THANK YOU, DUANE, FOR
5 GIVING NANCY WEXLER YOUR CHAIR FOR THE MOMENT AS SHE
6 PARTICIPATES IN THIS PANEL. DR. POMEROY, YOU HAD A
7 QUESTION.

8 DR. POMEROY: YES. THANK YOU. PLEASE LET
9 ME ADD MY THANKS TO THE EXTERNAL REVIEWERS.

10 CHAIRMAN KLEIN: DR. POMEROY, IF YOU COULD
11 PULL THAT VERY CLOSE TO YOU, PLEASE.

12 DR. POMEROY: I'M RARELY ACCUSED OF NOT
13 BEING HEARD. THANK YOU.

14 I WAS PARTICULARLY INTRIGUED BY
15 RECOMMENDATION NO. 9 THAT ENCOURAGES CIRM TO
16 SIGNIFICANTLY INCREASE BOTH THE QUALITY AND BREADTH
17 OF ITS COMMUNITY OUTREACH. AND I'M WONDERING IF YOU
18 COULD GIVE US A LITTLE MORE FEEDBACK ON WHERE YOU
19 SEE THE CURRENT GAPS AND THE SPECIFIC TYPES OF
20 ACTIONS THAT WE COULD USE TO CLOSE THOSE GAPS.

21 DR. BERNSTEIN: NANCY, WOULD YOU LIKE TO
22 HAVE A FIRST SHOT AT THAT ONE?

23 DR. WEXLER: WE ACTUALLY TALKED QUITE A
24 BIT ABOUT THAT. I THINK IT'S DIFFICULT EVEN TO
25 EXPLAIN TO PEOPLE WHEN YOU SAY I'M GOING TO A

BARRISTERS' REPORTING SERVICE

1 MEETING ABOUT CIRM, EVERYBODY THINKS THAT YOU
2 MISSPELLED IT. IS THAT LIKE -- SO I THINK ALL OF US
3 NEED TO THINK ABOUT HOW TO HAVE AN OUTREACH AND
4 COMMUNITY MESSAGE THAT'S HEARD.

5 WE WERE, AGAIN, EXTREMELY IMPRESSED BY
6 YOUR OUTREACH TO YOUNG KIDS, TO GETTING PEOPLE
7 INVOLVED WHO ARE PASSIONATE EDUCATORS. I THINK THEY
8 DON'T TOTALLY HAVE THE RIGHT MESSAGE. THEY DON'T
9 HAVE HOW TO EXPLAIN WHAT PEOPLE ARE DOING.
10 ESPECIALLY CHILDREN AND MINORITY KIDS WHO ARE IN
11 SORT OF DISADVANTAGED PROGRAMS, THERE'S SUCH A NEED
12 RIGHT NOW. EVEN THE NATIONAL ACADEMY REPORT ISSUED
13 A FEW DAYS AGO IN THE *NEW YORK TIMES* TALKED ABOUT
14 THE FACT THAT OUR ENTIRE COUNTRY IS MISSING IN
15 SCIENCE AND EDUCATED CHILDREN. PARTICULARLY
16 MINORITY CHILDREN ARE JUST GOING MISSING, AND WE'RE
17 LOSING A PHENOMENAL CADRE OF PASSIONATELY
18 POTENTIALLY INVOLVED CHILDREN AND YOUNG ADULTS.

19 SO YOU ACTUALLY HAVE THE PROGRAMS, BUT
20 THERE'S KIND OF A DISCONNECT BETWEEN TEACHING THEM
21 THE WORDS. EVEN IF YOU JUST SAY, OH, WHEN I SAY I'M
22 GOING TO CIRM, SOMEBODY SAYS WHAT'S THAT, I SAY, OH,
23 YOU KNOW, THAT'S REGENERATIVE MEDICINE. THAT'S
24 MAKING OUR BRAIN BETTER. THAT'S STEM CELLS. OH,
25 OKAY. I KNOW WHAT THAT IS. SO YOU HAVE TO JUST

BARRISTERS' REPORTING SERVICE

1 FORGET THE INITIALS. YOU HAVE TO GET TO WHAT YOU'RE
2 ALL ABOUT.

3 UNFORTUNATELY THERE ARE OTHER STATES THAT
4 ALSO HAVE ALMOST EXACTLY THE SAME NAME, INSTITUTES
5 FOR REGENERATIVE MEDICINE. SO YOU HAVE TO JUST KEEP
6 PUSHING, PUSHING. THIS IS THE CALIFORNIA INSTITUTE
7 FOR REGENERATIVE MEDICINE AND HAVE OUTREACH AND
8 EDUCATION AT ALMOST EVERY SECOND, BUT HAVE IT REALLY
9 BE TOTALLY UNDERSTANDABLE SOCIAL NETWORK, YOUTUBE,
10 YOU NAME IT, BECAUSE, AGAIN, I THINK EVERYBODY FELT
11 THE CALIFORNIA EXPERIENCE IS A PHENOMENAL
12 EXPERIMENT, PHENOMENAL INVESTMENT. THAT'S WHY WE
13 REALLY COMPARED IT ALSO WITH SILICON VALLEY AND ALL
14 THESE KINDS OF INNOVATIONS FROM CALIFORNIA.

15 BUT THERE'S KIND OF A CHASM BETWEEN SORT
16 OF LIKE GOING OVER THE GOLDEN GATE BRIDGE. YOU HAVE
17 A LOT OF WATER, BUT YOU DON'T HAVE A LOT OF THINGS
18 CONNECTING IT. AND I THINK THAT WE HAVE TO REALLY,
19 REALLY GET EVERY SINGLE LEVEL, GET VERY SPECIFIC
20 ABOUT THE MESSAGE.

21 WE WERE ALSO WORRIED ABOUT YOUR CONTINUING
22 TO GET FUNDING FROM THE STATE BECAUSE THEY'RE GOING
23 TO SAY, "WELL, WHAT DID YOU DO FOR US?" AND IF WE
24 CAN'T EVEN EXPLAIN WHAT THESE INITIALS MEAN, THEN
25 IT'S GOING TO BE VERY HARD TO CONTINUE THE

BARRISTERS' REPORTING SERVICE

1 ADDITIONAL FUNDING, WHICH EVERYBODY FEELS
2 PASSIONATELY ABOUT. YOU ARE DOING SUCH PHENOMENAL
3 WORK, YOU DESERVE IT. SO HOW TO REALLY DO THAT MORE
4 EFFECTIVELY.

5 CHAIRMAN KLEIN: AND SO, DR. BERNSTEIN,
6 THIS IS BOB KLEIN. PART OF THIS DISCUSSION TOO
7 OVERLAPS A PROGRAM THAT DAVID SERRANO-SEWELL ON OUR
8 BOARD AND MARCY FEIT LED TO CREATE THE BRIDGES
9 PROGRAM TO INVOLVE COMMUNITY COLLEGES AND STATE
10 UNIVERSITIES.

11 DR. WEXLER: GREAT.

12 DR. BERNSTEIN: WE MET A COUPLE
13 OUTSTANDING STUDENTS IN THAT PROGRAM.

14 DR. DALEY: THEY WERE TERRIFIC.

15 DR. BERNSTEIN: CAN I ADD A LITTLE BIT TO
16 WHAT DR. WEXLER JUST SAID, WHICH I AGREE WITH. YOU
17 KNOW, YOU'RE NOW FUNDING A REALLY OUTSTANDING GROUP
18 OF INVESTIGATORS ACROSS THE STATE, AND YOU'VE BUILT
19 WITH PARTNERS A LARGE NUMBER OF WHAT I'M TOLD, I
20 HAVEN'T SEEN ANY OF THEM, BUT WHAT I'M TOLD ARE VERY
21 IMPRESSIVE BUILDINGS DEDICATED TO STEM CELL SCIENCE.
22 IT WOULD SEEM TO ME THAT CIRM NOW NEEDS TO TAKE
23 ADVANTAGE OF THAT RESOURCE AND REALLY CREATE
24 AMBASSADORS WITH EVERY SCIENTIST WHO'S BEING FUNDED,
25 EVERY BUILDING THAT'S BEEN BUILT TO REACH OUT TO THE

BARRISTERS' REPORTING SERVICE

1 COMMUNITY, THAT THIS SHOULD NOT BE OWNED AT ALL OR
2 SOLELY BY THE STAFF AT CIRM. BUT THIS HAS GOT TO BE
3 AN EFFORT OF OUTREACH THAT EMBRACES EVERYBODY WHO'S
4 PART OF THE CIRM FAMILY NOW AND TO USE THE
5 MULTIPLICATIVE POWER OF WHAT CIRM HAS INVESTED IN SO
6 FAR AND ENCOURAGE, AND THERE ARE WAYS OF DOING IT,
7 WHICH WE CAN TALK ABOUT, BUT ENCOURAGE ITS GRANTEES,
8 ENCOURAGE THE BUILDINGS, THE PEOPLE WHO RUN THOSE
9 BUILDINGS, TO REALLY REACH OUT.

10 AND, AGAIN, THERE ARE MANY EXAMPLES AROUND
11 THE WORLD OF WHAT I VIEW AS OUTSTANDING OUTREACH AND
12 EDUCATION PROGRAMS FOR THE PUBLIC THAT HAVE BEEN
13 DEVELOPED BY VARIOUS INSTITUTES BOTH HERE IN THE
14 UNITED STATES AND AROUND THE WORLD.

15 SO I WOULD -- I THINK THERE'S LOTS OF
16 MODELS OF HOW TO DO THAT. I THINK, AS I SAID IN MY
17 OPENING COMMENTS, GIVEN CIRM'S MANDATE AND MISSION,
18 GIVEN ITS SIZE, THE OBJECTIVE, I THINK, SHOULD BE
19 THAT EVERYBODY IN CALIFORNIA KNOWS ABOUT CIRM AND IS
20 PROUD OF WHAT CIRM IS DOING AND ITS ACTIVITIES AND
21 ITS MISSION.

22 DR. DALEY: I MIGHT ADD TO THAT SCIENTISTS
23 AROUND THE WORLD KNOW THE MISSION OF CIRM AND
24 RESPECT IT. BUT WHEN WE ARRIVED IN SAN FRANCISCO,
25 WE FOUND THAT THE TAXI DRIVER DIDN'T, THE WAITER AT

BARRISTERS' REPORTING SERVICE

1 THE HOTEL RESTAURANT DIDN'T. SOME HAD HEARD A BIT
2 ABOUT THE STEM CELL INITIATIVE AND THE PROPOSITION.
3 BUT, IN GENERAL, THE GOOD WORK AND THE MESSAGE WAS
4 NOT GETTING OUT BROADLY.

5 NOW, YOU CAN SEE THIS IN THE -- YOU CAN
6 REALLY REPACKAGE IT AND SAY IT'S IMPORTANT FOR
7 CREATING A PIPELINE OF TRAINEES AND THE LONG-TERM
8 JOB CREATION TO CREATE SPECIFIC PROGRAMS AND PUBLIC
9 EDUCATION AS WELL AS THE SPECIFIC JOB OPPORTUNITY
10 PROGRAMS, SUCH AS AT THE UNDERGRADUATE AND EVEN HIGH
11 SCHOOL LEVEL. SO EDUCATION BROADLY AND RESEARCH
12 OPPORTUNITIES IN THE PARTICULAR WAY WAS SOMETHING WE
13 FELT WAS VERY IMPORTANT TO BE DONE.

14 CHAIRMAN KLEIN: OKAY. THANK YOU VERY
15 MUCH. BEFORE YOU WERE ONLINE, OR I GUESS WHILE YOU
16 WERE ONLINE, WE HAD AN ANNOUNCEMENT THAT LEEZA
17 GIBBONS, WHO IS ONE OF OUR GREAT COMMUNICATION
18 EXPERTS ON OUR BOARD, WAS RECENTLY IN THE LAST WEEK
19 NAMED TO BE THE AARP AMBASSADOR OF CARE FOR THE
20 NATION WITH A POTENTIAL TO REACH 44 MILLION PEOPLE.
21 AND I'D LIKE TO KNOW IF SHE'D LIKE TO COMMENT ON
22 THIS IN TERMS OF BETTER DELIVERY ON OUR OBLIGATIONS
23 TO COMMUNICATE OUR PROGRESS TO THE CITIZENS OF OUR
24 STATE AND BEYOND. I KNOW SHE WAS SOLICITING YOUR
25 IDEAS AS WELL, WHICH TIES INTO THE DISCUSSION WE

BARRISTERS' REPORTING SERVICE

1 JUST HAD.

2 MS. GIBBONS: THANK YOU. THIS HAS BEEN, I
3 THINK, OUR ONGOING CHALLENGE. AND I THINK YOU'VE
4 IDENTIFIED IT AT THIS PANEL. REALLY APPRECIATE THE
5 FOCUS PUT ON THIS AND MAKING IT A PRIORITY. I THINK
6 IT'S PRETTY SIMPLE THAT WE ALL WANT AND NEED HEROES.
7 AND WE HAVE AN OPPORTUNITY, I THINK, TO RECOGNIZE
8 THE SCIENCE LEADERS, THE INVESTIGATORS, OUR STAFF,
9 THIS EFFORT TO RECOGNIZE THIS AS BEING HEROIC
10 BECAUSE IT REALLY CALLS UPON US TO REACH OUR HIGHEST
11 SELVES, AND THAT'S WHAT GOT EVERYBODY SO EXCITED
12 ABOUT PROP 71.

13 I THINK THAT IF WE CAN CREATE THE
14 EMOTIONAL CONNECTION BETWEEN AND CREATE THE STORY
15 BEHIND WHAT GOES ON HERE AND WHAT GOES ON WHEN THE
16 MONEY IS UNLEASHED AND WHAT HAPPENS WHEN WE GET
17 CLOSER AND CLOSER AND EVEN WHAT HAPPENS WHEN THERE'S
18 A DEAD END BECAUSE EVERY NO AND EVERY BRICK WALL IS
19 ANOTHER PIECE OF THE PUZZLE, ANOTHER OPPORTUNITY
20 THAT WE HAVE TO GET CLOSER TO THESE THERAPIES AND TO
21 FULFILL OUR MISSION.

22 SO I THINK THAT THE CHALLENGE WE HAVE,
23 WHILE THERE ARE SO MANY GREAT THINGS GOING ON, IS
24 FOR EACH OF US TO FIGURE OUT WHAT IS OUR PART IN
25 CREATING THAT EMOTIONAL CONNECTION AND TELLING OUR

BARRISTERS' REPORTING SERVICE

1 STORY BETTER SO THAT WE CAN CREATE AN IDENTITY FOR
2 THIS INSTITUTION, AND JUST THE VERY WORD
3 "INSTITUTION" IS KIND OF OFF PUTTING, HOW DO WE
4 CREATE AN IDENTITY FOR CIRM AND A NAME AND A HANDLE
5 AND AN ACCESSIBILITY THAT WE ARE STRUGGLING WITH?

6 I KNOW DON HAS GIVEN US GREAT TOOLS, AND
7 WE'VE LOOKED AT THE VIDEOS THAT HAVE TRACKED ON
8 YOUTUBE, AND WE'VE LOOKED AT THE PIECES THAT HAVE
9 BEEN EXCITING FOR PEOPLE. FOR LAY PEOPLE AND
10 INDUSTRY PEOPLE AND SCIENCE PEOPLE ALIKE, THE PIECES
11 THAT TRACK ARE THE PIECES THAT TELL A STORY AND THAT
12 YOU FEEL LIKE YOU'RE A PART OF THAT STORY. SO I'M
13 EXCITED THAT WE HAVE AN OPPORTUNITY TO DO THAT. AND
14 I WAS KIND OF HOPING THE PANEL WOULD HAVE SOME FAIRY
15 DUST TO SPRINKLE ON IT AND HAVE ITS MAGIC WAND TO
16 SAY DO THIS.

17 DR. BERNSTEIN: I THINK THEY'VE GOT YOU,
18 LEEZA, SO THEY DON'T NEED US. YOU KNOW, THE ONE
19 THING I WOULD ADD, JUST TO BUILD ON ONE OF THE
20 THINGS YOU SAID, WHICH ARE WONDERFUL COMMENTS -- AND
21 CONGRATULATIONS ON BEING NAMED AMBASSADOR. IT'S
22 TERRIFIC -- IS THE PEOPLE WE MET, THE PATIENT
23 ADVOCATES THAT WE MET, BOTH IN THE GROUP SESSION
24 DURING THE DAY AND THEN ALSO AT THE OPENING SESSION,
25 EACH ONE OF THOSE INDIVIDUALS IN MY JUDGMENT WOULD

BARRISTERS' REPORTING SERVICE

1 BE JUST PHENOMENAL AMBASSADORS OR CHAMPIONS FOR WHAT
2 CIRM IS ALL ABOUT.

3 I'LL JUST SINGLE OUT ONE YOUNG WOMAN.
4 GEORGE, YOU WILL REMEMBER. I HAVE HER NAME HERE,
5 BUT I WON'T USE HER NAME. I DON'T KNOW WHETHER SHE
6 WOULD WANT THAT. BUT SHE HAS TYPE 1 DIABETES,
7 BALLROOM DANCER. SHE SPOKE SO ELOQUENTLY AND SO
8 MOVINGLY TO US ABOUT HOW THAT DISEASE AFFECTS HER
9 LIFE. I THINK SHE SAID, I WROTE THIS DOWN, "HER
10 DIABETES OVERSHADOWS EVERYTHING." AND I'M SURE IF
11 YOU WERE TO CONTACT HER OR PEOPLE LIKE HER, AND
12 THERE ARE LOTS OF THEM EVERYWHERE, WE ALL HAVE THEM
13 IN OUR FAMILIES, WE ALL HAVE THEM AS OUR NEXT DOOR
14 NEIGHBORS, THESE PEOPLE ARE AS ELOQUENT AS ANYTHING
15 BECAUSE THEY'RE SPEAKING FROM THE HEART. AND THEY
16 ARE YOUR AMBASSADORS. THEY JUST NEED TO BE
17 HARNESSED. THEIR ENERGY AND THEIR PASSION NEEDS TO
18 BE HARNESSED IN A WAY THAT WORKS FOR THEM AND WORKS
19 FOR CIRM. I DON'T THINK YOU WILL HAVE ANY TROUBLE
20 FINDING ALL KINDS OF PEOPLE LIKE THAT.

21 AND ANOTHER GUY, AND, GEORGE, YOU WILL
22 REMEMBER THIS PERSON, HE TALKED ABOUT -- HE ALSO HAD
23 TYPE 1 DIABETES. HE GAVE A METAPHOR OF THE CHILEAN
24 MINERS THAT WERE TRAPPED IN THE MINE FOR SO LONG.
25 AND THE METAPHOR WAS THAT THE EFFORT TO FREE THESE

BARRISTERS' REPORTING SERVICE

1 MINERS FROM THE MINE, THEY DIDN'T JUST PURSUE ONE
2 PATH. THEY USED THREE PATHS TO GET TO THE MINERS.
3 AND SO HIS TRANSITION INTO THE SCIENCE WAS THAT, AS
4 HE SAID, THAT'S WHY EMBRYONIC STEM CELL SCIENCE IS
5 SO IMPORTANT. WE CAN'T RELY ON JUST ONE APPROACH,
6 WHETHER IT'S THE EVIDENCE AND PROTOCOL OR EMBRYONIC
7 STEM CELLS OR INDUCED PLURIPOTENT STEM CELLS. THESE
8 ARE ALL APPROACHES THAT NEED TO BE PURSUED
9 VIGOROUSLY AND PASSIONATELY FUNDED BY AGENCIES LIKE
10 CIRM. THERE ARE LOTS AND LOTS OF PEOPLE LIKE HIM.

11 I FOUND THAT THE MOST MOVING SESSION AND
12 THE ONE WE HAD DURING THE DAY WITH THE OTHER PATIENT
13 ADVOCATES IS THE MOST MOVING SESSION AND ALSO THE
14 MOST KNOWLEDGEABLE ACTUALLY IN TERMS OF WHAT THEY
15 REASONABLY EXPECTED FROM THE SCIENCE OVER THE NEXT
16 FEW YEARS. I THINK THOSE ARE YOUR CHAMPIONS THAT
17 YOU TALKED ABOUT, LEEZA, AND ALL POWER TO YOU GUYS.

18 CHAIRMAN KLEIN: SO, DR. BERNSTEIN,
19 MELISSA KING THIS SUMMER WITH SOME INTERNS UPDATED
20 ALL OF OUR PATIENT ADVOCATE ORGANIZATIONS IN
21 CALIFORNIA AND ADDED NEW ONES BECAUSE WE KNOW WE
22 HAVE A REAL OBLIGATION TO GET THE BEST INFORMATION
23 ON A REAL-TIME BASIS OUT TO THEM. AND WE'VE NOW
24 IMPLEMENTED A PROGRAM THROUGH THE COMMUNICATIONS
25 STAFF TO TRY AND REACH THEM ON A CURRENT BASIS WITH

BARRISTERS' REPORTING SERVICE

1 INFORMATION.

2 ONE OF THEM, I JUST GOT A NOTE, IS A
3 PATIENT ADVOCATE THAT I DIDN'T KNOW WAS GOING TO BE
4 HERE AND HAVEN'T MET, IS JOHN DEWEY OF THE SPINA
5 BIFIDA ASSOCIATION. HE HAS TO LEAVE ON A PLANE, AND
6 HE ASKED IF HE COULD JUST SPEAK FOR THREE MINUTES
7 BECAUSE HE HAS TO LEAVE.

8 MR. DEWEY: THANK YOU VERY MUCH. AGAIN,
9 MY NAME IS JOHN DEWEY. I'M ACTUALLY THE VICE
10 CHAIRMAN OF THE BOARD OF THE SPINA BIFIDA
11 FOUNDATION. IT'S BASED IN WASHINGTON, D.C., BUT
12 I LIVE AND WORK HERE IN ORANGE COUNTY.

13 TO BRING HOME THE WHOLE DISCUSSION ABOUT
14 OUTREACH, I HAD NEVER EVEN HEARD OF THE NAME CIRM
15 UNTIL YESTERDAY AFTERNOON. I HAVE A SON WHO'S 15
16 YEARS OLD. HE WAS BORN WITH A MILD FORM OF SPINA
17 BIFIDA. I'M GOING TO CATCH A PLANE TO GO SEE HIM IN
18 SOUTH FLORIDA WHERE HE'S BEEN THE ENTIRE YEAR WITH
19 MY WIFE AND OTHER SON BECAUSE HE'S HAD TEN SURGERIES
20 THIS YEAR. HE IS 15 YEARS OLD. HE TOOK HIS NINTH
21 GRADE OFF OF SCHOOL. HE HAS AN ORTHOPEDIC
22 CONDITION. BUT ALL THE WORK YOU'RE DOING, THE
23 RECOMMENDATIONS OF THE PANEL WE SUPPORT. WE SUPPORT
24 AND APPLAUD WHAT YOU ARE DOING BECAUSE ULTIMATELY
25 THE LONG-TERM BENEFITS OF ALL OF THE REGENERATIVE

BARRISTERS' REPORTING SERVICE

1 MEDICINE RESEARCH HAS AN IMPACT ONE ON ONE WITH EACH
2 OF THE KIDS AND THE ADULTS IMPACTED BY THESE RARE
3 AND VERY DEBILITATING CONDITIONS.

4 SO WE APPLAUD YOUR EFFORTS. WE ABSOLUTELY
5 WOULD LOVE TO BE ENGAGED IN A MORE FORMAL DIALOGUE,
6 A PATIENT ADVOCATE COMMITTEE, MAYBE IT'S A
7 SUBCOMMITTEE OF ONE OF YOUR CITIZENS GROUPS, TO
8 SHARE WITH YOU ON A REGULAR BASIS TO BRING FORTH OUR
9 KIDS THAT ARE IMPACTED BY THESE DEBILITATING
10 CONDITIONS BECAUSE ULTIMATELY IT'S ALL ABOUT TAPPING
11 INTO THE PASSION OF THOSE KIDS.

12 LEEZA SAID IT BEST. WE HAVE THE UNTOLD
13 STORIES AND THE HOURS AND THE 43 DAYS IN THE
14 HOSPITAL THIS YEAR, AND THERE'S NOTHING LIKE IT.
15 IT'S CHALLENGING AND THESE GUYS ARE HEROES. THEY
16 HAVE GREAT STORIES TO TELL. THEY'RE A PICTURE OF
17 RESILIENCE AND PERSEVERANCE, AND THEY'RE THE
18 INSPIRATION THAT CAN KEEP, NOT ONLY YOUR STAFF, BUT
19 ALL OF YOU AS VOLUNTEERS VERY ENGAGED FOR THE
20 GENERATION OF WORK THAT'S IN FRONT OF YOU. THANK
21 YOU FOR YOUR EFFORTS, AND WE LOOK FORWARD TO WORKING
22 ON A COLLABORATIVE BASIS.

23 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

24 (APPLAUSE.)

25 CHAIRMAN KLEIN: SO, JOAN SAMUELSON, DO

BARRISTERS' REPORTING SERVICE

1 YOU HAVE A QUESTION?

2 MS. SAMUELSON: YES. FIRST OF ALL, LET ME
3 ECHO THE THANKS FOR YOUR HARD WORK AND YOUR THOROUGH
4 RECOMMENDATIONS. MY QUESTION, I THINK, HAS BEEN
5 ASKED SEVERAL DIFFERENT TIMES, SO I'M GOING TO JUST
6 TRY TO ASK IT ANOTHER WAY. I GUESS WHAT I'M HEARING
7 IS THAT WE HAVE TO BE PIONEERS IN FIGURING OUT THE
8 BEST FUNDING MECHANISMS THAT WILL PAY ATTENTION TO
9 THAT URGENCY ON BEHALF OF THE SUFFERING PATIENT THAT
10 WE JUST HEARD ABOUT. AND SO THAT WE WILL WORK AS
11 FAST AS WE CAN AND HELP THE SCIENTISTS IN ACADEMIC
12 MEDICINE AS WELL AS IN INDUSTRY GO TO WORK EVERY DAY
13 WITH THAT SENSE OF URGENCY AND MAKING AS FEW
14 MISTAKES AS POSSIBLE, HAVING AS MUCH INSIGHT AS
15 POSSIBLE SO THAT EVERY DAY THERE'S A POSSIBILITY
16 THAT ONE OF THOSE SCIENTISTS, PROBABLY MORE LIKELY
17 IN CALIFORNIA BECAUSE WE'RE PROVIDING THEM MONEY,
18 BUT ANYWHERE IN THE WORLD WILL COME UP WITH THAT
19 GREAT IDEA THAT WILL THEN CREATE THE INTERSECTION
20 BETWEEN THE BASIC SCIENCE AND A GREAT NEW
21 THERAPEUTIC OPPORTUNITY.

22 SO MY QUESTION IS HOW DO WE INCREASE THE
23 ODDS THAT THAT WILL HAPPEN, THAT TIME DOESN'T PASS
24 UNNECESSARILY?

25 DR. BERNSTEIN: I THINK YOU'RE ABSOLUTELY

BARRISTERS' REPORTING SERVICE

1 RIGHT, JOAN, THAT THIS IS, I THINK, THE CRUX OF THE
2 ISSUE. AND WE DELIBERATELY DIDN'T PUT FORTH A
3 FORMULAIC KIND OF HERE'S HOW TO DO IT.

4 MS. SAMUELSON: THANKS A LOT.

5 DR. BERNSTEIN: FOR A COUPLE REASONS. ONE
6 IS IT WOULD BE PRESUMPTUOUS. I DON'T THINK ANYBODY
7 REALLY KNOWS HOW TO DO IT. NO. 2, ONE SIZE DOES NOT
8 FIT ALL. I THINK WE MADE THAT COMMENT IN THE
9 REPORT. AND SO CIRM HAS AN OPPORTUNITY, AND THIS IS
10 A BIT SCARY, TO EXPLORE ACTIVELY HOW TO DO IT. SO I
11 WOULDN'T JUST RELY FOR IT TO HAPPEN PASSIVELY. I
12 THINK CIRM HAS TO BE PROACTIVE, AND THAT'S A WORD WE
13 USED SEVERAL TIMES IN THE REPORT, HAS TO BE
14 PROACTIVE IN DELIBERATELY STIMULATING AND EXPLORING
15 WAYS OF MAKING THAT TRANSITION FROM GREAT SCIENCE TO
16 A PRODUCT DEVELOPMENT PIPELINE.

17 AND YOU WILL MAKE MISTAKES, AND I DON'T
18 THINK YOU SHOULD BE AFRAID OF MAKING MISTAKES. YOU
19 SHOULDN'T BEAT YOURSELF UP IF YOU'VE MADE MISTAKES
20 BECAUSE YOU'RE IN UNCHARTERED TERRITORY, UNCHARTERED
21 TERRITORY BOTH IN TERMS OF THE SCIENCE, BUT ALSO IN
22 TERMS OF THE PROCESSES THAT WILL GET YOU FROM THE
23 SCIENCE TO A PRODUCT. AND THE WORST MISTAKE YOU CAN
24 MAKE, I THINK, WOULD BE TO BE SO CONSERVATIVE THAT
25 YOU DON'T RISK ANYTHING. THIS IS RISKY, AND THAT'S

BARRISTERS' REPORTING SERVICE

1 WHY THAT STABILITY OF FUNDING THAT MR. KLEIN ALLUDED
2 TO EARLIER IS SO CRITICAL TO WHAT YOU ARE DOING AND
3 LARGELY WHY THE BIOTECH INDUSTRY HAS HAD GREAT
4 DIFFICULTY IN RAISING MONEY FOR DOING THIS KIND OF
5 WORK. IT'S RISKY.

6 CHAIRMAN KLEIN: OKAY. THANK YOU VERY
7 MUCH. JEFF SHEEHY, DO YOU HAVE A QUESTION?

8 MR. SHEEHY: I DO. AND IT'S KIND OF
9 RELATED TO THE LAST SUGGESTION ABOUT GOVERNANCE.
10 AND IT SEEMS THAT THERE'S A RECOMMENDATION THAT THE
11 BOARD KIND OF PULL BACK A BIT, BUT A LOT OF THE
12 INTERACTION BETWEEN THE BOARD AND THE AGENCY IS
13 THROUGH THE EFFORTS OF THE PATIENT ADVOCATES. AND
14 YOU TALKED ABOUT THE GRANTS WORKING GROUP, AND I
15 KNOW A LOT OF THE SCIENTISTS ON THE GRANTS WORKING
16 GROUP APPRECIATE THE PARTICIPATION OF THE PATIENT
17 ADVOCATES. WE JUST GOT THROUGH HEARING HOW
18 IMPORTANT IT IS TO HAVE PATIENT ADVOCATES AS
19 COMMUNICATORS, BUT I WONDER IF WHAT YOU'RE STARTING
20 TO TALK ABOUT IS KIND OF UNRAVELING THE PARTNERSHIP
21 BETWEEN PATIENT ADVOCATES AND THE MEANINGFUL POLICY
22 AND IMPACT ON THE SCIENCE ROLE.

23 I KNOW YOU ARE TALKING ABOUT TRANSLATION,
24 AND IT SEEMS LIKE ONE OF THE BIG BARRIERS IN
25 CLINICAL TRIALS IS GOING TO BE THE ACCEPTABILITY FOR

BARRISTERS' REPORTING SERVICE

1 RISK AT THE REGULATORY AGENCY LEVEL. AND AT LEAST
2 COMING FROM THE HIV FIELD, HAVING THE ACTIVE
3 INVOLVEMENT OF THE PATIENT ADVOCACY AND ACTIVIST
4 COMMUNITY IN THE DESIGN AND THE RECRUITMENT FOR
5 CLINICAL TRIALS HAS CERTAINLY MADE THAT A MUCH MORE
6 PERMISSIVE ENVIRONMENT.

7 SO THERE SEEMS TO BE KIND OF A
8 CONTRADICTION HERE IN THAT YOU'RE KIND OF PUSHING
9 THE PATIENT ADVOCATES ON THE BOARD BACK, AND YET YOU
10 WANT US IN OTHER ROLES. SO I WONDER IF YOU COULD
11 KIND OF CLARIFY THAT.

12 DR. BERNSTEIN: I'LL SAY SOMETHING, AND
13 THEN DR. WEXLER OR DR. DALEY, PLEASE FEEL FREE TO
14 JUMP IN. I THINK THE EXAMPLE THAT YOU JUST GAVE,
15 MR. SHEEHY, IS RIGHT ON. THAT IS, I'LL GO BACK TO
16 THE QUESTION BY JOAN SAMUELSON AND MY ANSWER. WE
17 FEEL THERE'S A NEED TO EXPLORE NEW MECHANISMS FOR
18 TEACHING APPROACHES FOR HOW DO YOU GO FROM THE BASIC
19 SCIENCE DOWN A PRODUCT DEVELOPMENT PIPELINE. THOSE
20 STRATEGIC DECISIONS AND CHOICES, MUCH AS IT WAS IN
21 THE '80S AND '90S AROUND AIDS, IS EXACTLY WHAT WE
22 THINK THE BOARD NEEDS TO FOCUS ON. THOSE ARE
23 STRATEGIC DECISIONS THAT ARE SO CRITICAL FOR STAGE
24 II OF CIRM'S SUCCESS.

25 AND WE WEREN'T COMMENTING AT ALL ABOUT THE

BARRISTERS' REPORTING SERVICE

1 ROLE OF PATIENT ADVOCATES IN PEER REVIEW. WE JUST
2 TOOK THAT AS A GIVEN. WE DIDN'T SAY YOU SHOULD
3 DIMINISH AT ALL. IF YOU READ THAT IN THERE, THEN
4 IT'S NOT MEANT TO BE THAT WAY. WE WEREN'T
5 COMMENTING ON THAT. BUT WE WERE STRESSING THE
6 POSITIVE, THAT THE CIRM BOARD NEEDS TO NOW FOCUS ON
7 THE BIG PICTURE OF THE STRATEGIC DIRECTIONS CIRM IS
8 GOING, THE MECHANISMS TO DO THAT TRANSITIONING, AND
9 TO LEAD WITH CONVERSATION ON HOW TO BEST HANDLE
10 THAT, AND WHAT ARE THE MODELS, MUCH AS WHAT HAPPENED
11 WITH AIDS TREATMENT IN THE '80S AND '90S.

12 I WOULD IN ONE SENSE AGREE WITH YOU, THAT
13 THIS IS AN OPPORTUNITY FOR THE BOARD TO PLAY A
14 BIGGER ROLE, BUT IT'S A STRATEGIC ROLE. IT'S NOT A
15 MANAGEMENT ROLE. THAT'S WHY YOU HAVE MANAGEMENT.
16 THE ROLE OF THE BOARD IS ALWAYS STRATEGY, AND
17 STRATEGY NOW COMES RIGHT TO THE FRONT. WHEN YOU'RE
18 JUST A GRANTING AGENCY, I DON'T MEAN TO BELITTLE IT,
19 BUT YOU'RE SOLELY DOING GRANTING, THERE'S SOME ROLE
20 FOR STRATEGY, BUT LESS ROOM FOR IT THAN THERE IS
21 NOW. NOW IS WHEN STRATEGY AND EFFORT ON THE BOARD
22 IS JUST GOING TO BE SO IMPORTANT IN EVERYONE'S
23 PERSPECTIVE, THE ACADEMIC PERSPECTIVE, THE INDUSTRY
24 PERSPECTIVE, AND THE PATIENT ADVOCATE PERSPECTIVE IS
25 ABSOLUTELY KEY IN THIS NEXT STAGE.

BARRISTERS' REPORTING SERVICE

1 NANCY OR GEORGE, ANYTHING YOU'D LIKE TO
2 ADD?

3 DR. DALEY: I THINK THAT WE REALLY APPLAUD
4 THE ENGAGEMENT OF THE PATIENT ADVOCACY COMMUNITY.
5 IT WAS PRETTY CLEAR THAT IT WAS SOMETHING VERY
6 DISTINCTIVE ABOUT THE CIRM APPROACH, AND IT WAS
7 SOMETHING THAT MADE THE ENTIRE EXPERIENCE THAT MUCH
8 RICHER. AND I THINK IT LEADS TO A DIFFERENT BALANCE
9 OF DECISIONS ON THE KINDS OF WORK THAT GETS
10 SUPPORTED. I THINK WE HAVE TO BE REMINDED IN THE
11 IVORY TOWER SOMETIMES ABOUT THE VALUE OF
12 TRANSLATION. AND I THINK THE ADVOCATES PLAY AN
13 IMPORTANT ROLE THERE.

14 THE COMMENT ON GOVERNANCE I DON'T THINK
15 WAS IN ANY WAY PERTINENT TO THE ROLE OF THE PATIENT
16 ADVOCATES. I THINK IT WAS IN RESPONSE TO THE LITTLE
17 HARRIS (SIC) REPORT AND THE JUST STRONG SENSE THAT
18 THERE ARE DIFFERENT ROLES TO BE PLAYED IN AN
19 ORGANIZATION FOR A BOARD AND MANAGEMENT. AND THAT
20 THOSE ROLES HAD, I THINK JUST BECAUSE OF THE WAY
21 CIRM HAD EVOLVED IN ITS EARLY DAYS AND SOME OF THE
22 TRANSITIONS IN EARLY LEADERSHIP THAT BOB HAS PLAYED
23 AN ENORMOUS ROLE AND THAT'S BEEN TO GREAT ADVANTAGE,
24 BUT WE NOW HAVE ALAN TROUNSON IN PLACE WHO'S
25 EXTREMELY EFFECTIVE. AND I THINK THOSE ROLES AND

BARRISTERS' REPORTING SERVICE

1 THE INDEPENDENCE AND THE ROLE OF THE BOARD AND
2 STRATEGY AND THE ROLE OF THE MANAGEMENT IN DOING ITS
3 JOB HAS TO BE CLEAR, AND THAT WILL HELP THE
4 ORGANIZATION GO FORWARD.

5 CHAIRMAN KLEIN: NEXT DR. WEXLER HAS A
6 COMMENT AS WELL.

7 DR. WEXLER: I WANT TO JUST REITERATE THAT
8 AT NO POINT IN ANY OF THE SENTENCES OF THE REPORT DO
9 WE SAY THAT THE PATIENT ADVOCATE OR THE PATIENT
10 POINT OF VIEW SHOULDN'T BE CRITICAL IN GUIDING. I
11 THINK THAT'S WHAT ALL OF US GET UP FOR IN THE
12 MORNING, WHAT GUIDES US. AND TO HAVE, AGAIN, THE
13 COURAGE TO MAKE MISTAKES. IF YOU ARE TRYING NEW
14 THINGS, IF YOU ARE BEING INNOVATIVE, THEN YOU ARE
15 GOING TO END UP POTENTIALLY WASTING EVEN MORE TIME
16 AND EFFORT AND MONEY. BUT TO BE ABLE TO BE LIGHT ON
17 YOUR FEET AND HOW DO YOU DO THAT? HOW DO YOU COMMIT
18 TO RESEARCH FUNDING; BUT IF IT DOESN'T -- IF IT'S
19 THE WRONG PATH, HOW DO YOU DISENGAGE? HOW TO BE
20 HONEST ABOUT WHERE YOU ARE GOING, WHAT THE
21 IMPLICATIONS ARE.

22 BUT I THINK ALL OF US FEEL PASSIONATELY.
23 AND OBVIOUSLY WITH SOMEBODY WHO SPENT MY ENTIRE LIFE
24 THINKING ABOUT HOW TO FIND CURES FOR PEOPLE
25 SUFFERING WITH THESE DISEASES, I THINK ALL OF US

BARRISTERS' REPORTING SERVICE

1 HAVE TO KEEP THAT KIND OF RIGOR AND ENTHUSIASM
2 BEFORE US ALL THE TIME. THERE'S NO SENTENCE IN
3 THERE THAT SAYS THAT THAT SHOULDN'T BE OUR GUIDING
4 FORCE.

5 IN FACT, I THINK ALL OF US FEEL VERY
6 STRONGLY THAT THE MINUTE THERE'S SOMETHING THAT THAT
7 OUGHT TO BE TAKEN TO THE FDA, YOU'RE MUCH BETTER OFF
8 GOING WITH A WHOLE GROUP OF PEOPLE, WHETHER IT'S
9 STEM CELLS OR IPS CELL, WHATEVER IT MAY BE, IF IT
10 NEEDS TO HAVE SORT OF SPECIAL RECOGNITION BY THE
11 FDA, YOU'RE MUCH BETTER OFF GOING WITH PEOPLE WHO
12 ARE GOING TO BE IMMEDIATELY IMPACTED AND HAVE THEM
13 INVOLVED. IF YOU HAVE TO HAVE ANY KIND OF REVIEW
14 GROUP, KEEP PEOPLE WHO ARE GOING TO BE AFFECTED.
15 AND I'VE SEEN PERSONALLY IT TOTALLY CHANGES WHETHER
16 OR NOT THE FDA WILL APPROVE SOMETHING.

17 WHEN WE TALK ABOUT HAVING THE BOARD BE
18 STRATEGIC, I THINK IT REALLY IS JUST BE ABLE TO,
19 AGAIN, SIT BACK AND THINK ABOUT WHAT COULD BE NEW
20 DIRECTIONS, WHAT COULD BE INNOVATIONS, AND NOT TO BE
21 SORT OF IMPEDED BY THE MODELS THAT MIGHT HAVE
22 WORKED, BUT TO ALWAYS BE SORT OF STEPPING BACK AND
23 SAYING IS THERE ANY WAY THAT WE COULD DO THIS A
24 LITTLE BETTER, A LITTLE FASTER, A LITTLE
25 DIFFERENTLY? AND I THINK THE BOARD, YOUR STRENGTH

BARRISTERS' REPORTING SERVICE

1 IS YOUR INTERDISCIPLINARY REPRESENTATION. SO I
2 THINK EVERYBODY IS REALLY VERY ENTHUSIASTIC ABOUT
3 THAT AND COULD EVEN BE USED TO GREATER EXTENT.

4 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND
5 CERTAINLY, DR. BERNSTEIN, WE RECOGNIZE THAT WHEN YOU
6 WERE THE PRESIDENT OF THE CANADIAN INSTITUTE FOR
7 HEALTH RESEARCH, THAT THIS IS FIRST TIME IN CANADIAN
8 HISTORY THAT I'M AWARE OF THAT ALL THE MAJOR DISEASE
9 GROUPS, PATIENT ADVOCACY GROUPS CAME TOGETHER AND
10 PRESENTED A NATIONAL AWARD FOR ADVANCING HEALTHCARE
11 AND PATIENT ADVOCACY TO A SCIENTIFIC LEADER WITH
12 YOUR MAKING THE PATIENT ADVOCATE AND PUBLIC
13 APPOINTMENTS TO SOME 30 DIFFERENT COMMISSIONS AT
14 THAT TIME.

15 DR. BERNSTEIN: THE ONLY OTHER THING I
16 WOULD ADD TO WHAT GEORGE AND NANCY SAID OR MAYBE
17 JUST EMPHASIZE IS THAT I THINK THAT THE PATIENT
18 ADVOCATE PERSPECTIVE ON BOTH THE GRANT WORKING
19 GROUPS THAT YOU REFER TO, JEFF, BUT ALSO THE
20 STRATEGIC TABLE; I.E., AT THE BOARD TABLE, NOT ONLY
21 DO THEY ENRICH THE CONVERSATION, BUT THEY'RE
22 CRITICAL TO THE CONVERSATION.

23 CHAIRMAN KLEIN: JON SHESTACK, DO YOU HAVE
24 A QUESTION?

25 MR. SHESTACK: YEAH. I JUST WANTED TO

BARRISTERS' REPORTING SERVICE

1 CALL ATTENTION TO A COUPLE OF THINGS, BUT TO
2 RECOMMENDATION 4, WHICH WAS THE PORTFOLIO
3 PRIORITIZATION PROCESS, AND ASK A LITTLE BIT IN MORE
4 DETAIL WHAT THE PANEL WAS THINKING. I KNOW FROM MY
5 OWN SENSE I THINK THAT THIS IS A CRITICAL THING,
6 THAT THE SCIENTIFIC STAFF PROVIDE CONTINUING
7 OVERSIGHT AND GUIDANCE AND HAVE ONGOING
8 RELATIONSHIPS WITH THE PEOPLE WE FUND SO THAT BETTER
9 PORTFOLIO MANAGEMENT CAN HAPPEN. I THINK IT IS
10 TOTALLY OKAY, AND NONE OF THE ADVOCATES WOULD REALLY
11 OBJECT, IF THE STAFF OR A COMBINATION WITH OUTSIDE
12 PEOPLE SAID THIS AREA IS PROMISING, THIS AREA IS
13 PROMISING, THIS AREA IS NOT RIGHT NOW, AND, IN FACT,
14 WE WILL RECRUIT HEAVILY RATHER THAN RELY ON THINGS
15 THAT COME OVER THE TRANSOM.

16 I KNOW A LOT OF THE PATIENT ADVOCATES
17 WOULD LIKE TO SEE AREAS OF PROMISE IDENTIFIED AND
18 THEN HEAVY RECRUITMENT TO TAKE ADVANTAGE OF WHAT
19 COULD BE A WIN. AS WE GET A LITTLE MORE MATURE,
20 THAT WOULD BE GOOD TO HAPPEN. AND THEN IT IS
21 CRITICALLY IMPORTANT, I THINK, TO KEEP THE PATIENT
22 ADVOCATES INVOLVED IN IT. AND IF THAT RESULTS IN A
23 LITTLE BIT MORE CHAOS, IT'S REALLY A SMALL PRICE TO
24 PAY FOR THE EXTRA COMMITMENT YOU GET.

25 THIS WAS, OF COURSE, ACTUALLY A LESSON

BARRISTERS' REPORTING SERVICE

1 THAT WE LEARNED YEARS AGO FROM NANCY WEXLER. AND
2 ONE OF THE MOST IMPORTANT THINGS WE EVER DID IN
3 AUTISM WAS ACTUALLY PUT AUTISM RESEARCHERS TOGETHER
4 WITH PEOPLE WHO HAD AUTISM WHO THEY HAD NEVER
5 NECESSARILY MET. AND THAT KIND OF CONSTANT EXPOSURE
6 BROUGHT A LOT OF FOCUS TO THE ENDEAVOR.

7 SO ANYHOW, ANY THOUGHTS ON PRIORITY 4, I'D
8 APPRECIATE IT. THANK YOU.

9 DR. BERNSTEIN: I'LL TAKE A STAB AT IT,
10 AND THEN DR. DALEY MIGHT WANT TO SAY SOMETHING. YOU
11 KNOW, THIS IS GOING TO BE A DIFFICULT ONE, I'LL BE
12 VERY FRANK WITH THE BOARD, IN THE SENSE THAT YOU ARE
13 GOING TO MAKE OR SOMEONE IS GOING TO HAVE TO MAKE
14 TOUGH DECISIONS ABOUT WHAT GOES FORWARD AND WHAT
15 DOESN'T. THE REASON WE FELT THAT WAS DOLLARS AND
16 RESOURCES ARE FINITE. AND IF YOU ARE GOING TO MOVE
17 FORWARD ON 20 DIFFERENT DISEASE OR INJURY CONDITION
18 FRONTS, I JUST DON'T THINK CIRM HAS THE RESOURCES OR
19 THE STATE HAS THE SCIENTIFIC DEPTH AND THE CLINICAL
20 DEPTH TO MOVE FORWARD ACROSS SUCH A BROAD FRONT.

21 LET ME EMPHASIZE RIGHT NOW THAT'S NOT A
22 CRITICISM OF WHAT YOU'VE DONE SO FAR. I THINK IT'S
23 FINE TO SEED A LOT OF SEEDS AND SEE WHICH ONES LOOK
24 THE MOST PROMISING. BUT AT SOME POINT YOU'RE GOING
25 TO HAVE TO DECIDE WHICH ONES ARE GOING TO GO FORWARD

BARRISTERS' REPORTING SERVICE

1 AND WHICH ONES AREN'T. I THINK WE FELT THAT IT
2 NEEDS TO BE ON THE BASIS OF THE ONES, AS YOU JUST
3 SAID, THAT ARE THE MOST PROMISING BASED ON CRITERIA
4 THAT EVERYONE AGREES ON. AND THOSE ARE PORTFOLIO --
5 PRIORITIZATION DECISIONS ARE ALWAYS TOUGH DECISIONS.
6 THEY'RE ALWAYS TOUGH. AND IT'S GOT TO BE A
7 COMBINATION OF MANAGEMENT AND THE BOARD WORKING HAND
8 IN GLOVE MAKING THOSE TOUGH DECISIONS.

9 BUT I THINK PUTTING IT POSITIVELY, I THINK
10 IF ONE COULD DEMONSTRATE FOR EVEN ONE DISEASE AREA,
11 EVEN ONE, NOT EVEN 20, BUT ONE, THAT A STEM CELL
12 THERAPY WAS WORKING, IT WOULD BE A HUGE BREAKTHROUGH
13 FOR ALL 20. IT WOULD BE A PROOF OF PRINCIPLE FOR
14 THE FIELD THAT WOULD JUST PUT CIRM ON THE MAP AND
15 PUT THE WHOLE FIELD REALLY JUST A HUGE LEAP FORWARD.

16 CHAIRMAN KLEIN: AND DR. OS STEWARD.

17 DR. STEWARD: THANK YOU, BOB. AGAIN, LET
18 ME JOIN THE CHORUS OF PEOPLE WHO HAVE THANKED ALL OF
19 YOU FOR YOUR VERY HARD WORK IN PUTTING TOGETHER AN
20 EXTREMELY THOUGHTFUL DOCUMENT. ACTUALLY THIS
21 QUESTION COMES AT, I THINK, A PERFECT TIME. IT
22 FOLLOWS UP ON WHAT ACTUALLY WAS JUST SAID BECAUSE
23 I'M PARTICULARLY INTERESTED IN THE FIRST OF THE
24 OTHER RECOMMENDATIONS, WHICH RELATES TO STREAMLINING
25 PROCESSES, BUT ALSO HOPEFULLY WOULD ALLOW INNOVATIVE

BARRISTERS' REPORTING SERVICE

1 PROJECTS TO BE CAPTURED IN A FLEXIBLE WAY. BUT IN A
2 SENSE THAT ALMOST SEEMS TO BE IN CONTRADICTION TO
3 WHAT YOU JUST SAID BECAUSE THE VERY MOST INNOVATIVE
4 PROJECTS THAT MIGHT BE CAPTURED IN A FLEXIBLE WAY
5 ARE ONES WE DON'T KNOW ABOUT RIGHT NOW. AND BY
6 FOCUSING, BY TRIAGING, IF YOU WANT, THE PROJECTS
7 THAT SEEM MOST PROMISING AT A PARTICULAR POINT IN
8 TIME, WE MIGHT ACTUALLY END UP MISSING SOME OF
9 THESE.

10 SO MY QUESTION IS REALLY A TWOFOLD
11 QUESTION. AND THE FIRST ONE I HAD EVEN BEFORE YOU
12 TALKED WAS IF YOU COULD JUST THINK OUT LOUD A BIT ON
13 HOW THE FLEXIBILITY MIGHT BE BUILT IN. AS A STATE
14 AGENCY, WE HAVE TO THINK ABOUT EQUALITY OF
15 OPPORTUNITY FOR POTENTIAL AWARDS. AND SO THAT
16 LIMITS FLEXIBILITY TO SOME EXTENT. SO HOW DO YOU
17 BALANCE EQUALITY OF OPPORTUNITY WITH TAKING
18 ADVANTAGE OF THINGS THAT POP UP OFF FUNDING CYCLE
19 AND SO FORTH?

20 AND THEN SECOND, HOW DO YOU BALANCE THAT
21 VERY IMPORTANT GOAL TO CAPTURE THE MOST INNOVATIVE
22 THING THAT MIGHT NOT BE ON EVERYBODY'S RADAR SCREEN
23 WITH THIS OTHER THING OF TRIAGING AND FOCUSING ON
24 THE THINGS THAT SEEM MOST PROMISING NOW?

25 DR. BERNSTEIN: GEORGE, YOU WANT TO HAVE A

BARRISTERS' REPORTING SERVICE

1 STAB AT THAT?

2 DR. DALEY: I THINK IT ALL GOES TO THIS
3 VERY STRONG SENSE THAT THE PANEL HAD THAT CIRM IS IN
4 A UNIQUE POSITION DISTINCT FROM THAT OF MANY OTHER
5 ORGANIZATIONS THAT FUND RESEARCH BECAUSE IT HAS A
6 BULLY PULPIT. IT HAS A TREMENDOUS INFLUENCE BECAUSE
7 IT CAN MARSHAL RESOURCES. AND WE THOUGHT THAT TO
8 DATE, PERHAPS APPROPRIATELY, IT HAD ACTED THROUGH
9 PRIMARILY A MORE REACTIVE KIND OF MODEL WHERE IT
10 ACCEPTED LOTS OF APPLICATIONS FROM OUTSTANDING
11 SCIENTISTS AND FUNDED OUTSTANDING SCIENCE. BUT WE
12 REALLY THOUGHT IT NEEDED TO MOVE MORE INTO A
13 DIFFERENT REALM TO BECOME MORE PROACTIVE, AND THAT'S
14 WHY WE SUGGESTED THE PRIORITIZATION PROCESS SO THAT
15 YOU TAKE A VERY, VERY INTENSE LOOK AT WHAT IS BEING
16 FUNDED, HOW IT'S DOING, AND MAKE REAL DECISIONS
17 ABOUT WHAT TO CONTINUE AND WHAT TO STOP AND THEN TO
18 REALLOCATE THOSE RESOURCES.

19 AND THEN JUST SOMEHOW MARRY THAT WITH A
20 MODEL THAT ALLOWS SORT OF A RAPID STRIKE FORCE TO
21 WORK, MAYBE A HIGH LEVEL SCIENTIFIC REVIEW DONE
22 INTERMITTENTLY EVERY SIX MONTHS OR SO TO IDENTIFY
23 OUTSTANDING CREATIVE NEW OPPORTUNITIES, WHETHER
24 WITHIN CALIFORNIA OR AROUND THE GLOBE, AND FIGURE
25 OUT A WAY FOR CALIFORNIA TO PLAY A ROLE.

BARRISTERS' REPORTING SERVICE

1 SO I DON'T THINK -- I THINK THE INTERNAL
2 PRIORITIZATION AND THIS METHOD FOR REVIEW THAT WOULD
3 ALLOW FOR EXPLOITATION OF OPPORTUNITIES WHEREVER
4 THEY ARRIVE, I THINK THOSE ARE ACTUALLY VERY
5 CONSISTENT AND PART OF THE FEELING THAT THE PANEL
6 HAD THAT CALIFORNIA CAN DO MORE.

7 CHAIRMAN KLEIN: AND DR. DALEY OR
8 DR. BERNSTEIN, THIS IS BOB KLEIN. MY UNDERSTANDING
9 IN READING THIS AS WELL, AS WELL AS TAKING PART IN
10 THE PUBLIC SESSIONS THAT I WAS IN, WAS THAT THIS WAS
11 NOT MEANT TO BE AN ALLOCATION TO THE EXCLUSION OF
12 THINGS LIKE CONTINUING BASIC SCIENCE GIVEN THAT WE
13 REALLY HAVE TO ENHANCE OUR UNDERSTANDING OF THE
14 MECHANISMS OF DISEASE AND OUR BASIC SCIENCE WHILE WE
15 WERE MOVING FORWARD ON TRANSLATIONAL MEDICINE. IS
16 THAT A CORRECT STATEMENT?

17 DR. BERNSTEIN: ABSOLUTELY. IT WASN'T AN
18 ACCIDENT THAT RECOMMENDATIONS 1 AND 2 ARE ABOUT
19 CONTINUING THE BASIC SCIENCE, THE VERY FIRST
20 RECOMMENDATION. SO I DON'T THINK WE'RE AT -- AS I
21 SAID IN MY OPENING REMARKS, NONE OF US FELT THAT THE
22 SCIENCE OF STEM CELLS IS AT ALL EVEN CLOSE TO BEING
23 FULLY EXPLORED, THAT THERE'S A RICHNESS OF BIOLOGY
24 THERE THAT I THINK WE ARE JUST SCRATCHING THE TIPS
25 OF. SO THERE'S JUST A WHOLE LOT MORE SCIENCE THAT

BARRISTERS' REPORTING SERVICE

1 WE NEED TO UNDERSTAND, AND CIRM NEEDS AND CALIFORNIA
2 NEEDS TO CONTINUE TO BE AT THE FOREFRONT OF THAT
3 SCIENCE.

4 CHAIRMAN KLEIN: DR. BERNSTEIN, DR. WEXLER
5 HAS A SUPPLEMENTAL COMMENT.

6 DR. BERNSTEIN: SURE. GO AHEAD, NANCY.

7 DR. WEXLER: I THINK THAT THE BASIC
8 SCIENCE AND THOSE QUESTIONS ARE SO CRITICAL. THE
9 FACT THAT IPS CELLS MOVED AS QUICKLY AS THEY DID AND
10 YOU WERE ABLE TO RESPOND TO THAT, I THINK, IS REALLY
11 CONGRATULATIONS TO ALL OF YOU IN REALLY PAYING
12 ATTENTION TO WHERE THE BREAKING BASIC SCIENCE IS.
13 THE FACT THAT YOU HAVE PERMISSION TO DO THESE REALLY
14 CUTTING EDGE RESEARCH, THE WORLD IS DEPENDENT ON
15 YOU. IF YOU DO SOME OF THE SUPPORT WORK, IN OTHER
16 WORDS, SOME OF THE THINGS YOU MIGHT NOT WANT TO
17 CONTINUE, BUT YOU HAVE SEED MONEY, THOSE COULD BE
18 FUNDED BY THE NIH OR A WORLDWIDE CONSORTIUM. EVEN
19 THINGS THAT YOU MIGHT NOT PARTICULARLY PURSUE FOR
20 THERAPY, IF YOU CAN DO THE LEGWORK SO THAT OTHER
21 ORGANIZATIONS CAN PICK THEM UP, I THINK, AGAIN,
22 YOU'RE DOING A SERVICE.

23 SO ALL OF US FEEL THAT CONTINUING TO DO
24 THE BASIC AND THE SUPERB BASIC RESEARCH IS
25 ESSENTIAL.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: I'D LIKE TO, SINCE WE'RE
2 OUT OF TIME IN TERMS OF OUR COMMITMENT, WE KNOW,
3 DR. DALEY, YOU AND DR. BERNSTEIN HAVE OTHER
4 COMMITMENTS. FROM THE PUBLIC, CAN I SEE A SHOW OF
5 HANDS OF ANYONE FROM THE PUBLIC THAT WOULD LIKE TO
6 ASK A QUESTION HERE? I'M GOING TO TAKE THIS WOMAN
7 DIRECTLY BACK. THEN THE GENTLEMAN. WE HAVE THREE
8 MEMBERS FROM THE PUBLIC. I'M GOING TO ASK THEM TO
9 BE VERY QUICK, LIMIT THEMSELVES TO A QUESTION RATHER
10 THAN A STATEMENT. AND IF YOU COULD STATE YOUR
11 QUESTION IN JUST A MINUTE BECAUSE WE'RE TRYING TO
12 GET INPUT FROM THE OUTSIDE. IF YOU HAVE A STATEMENT
13 TO MAKE, I'LL TAKE THAT LATER AFTER THEY'RE OFF THE
14 PHONE. SO YOU CAN COME BACK AGAIN.

15 MS. MOUTON: MY NAME IS PATTY MOUTON. I'M
16 A PATIENT ADVOCATE FOR ALZHEIMER'S CARE. AND MY
17 QUESTION TO THOSE OF YOU WHO ARE THE DECISION MAKERS
18 WITH CIRM IS IF YOU WERE TOLD THAT YOU ABSOLUTELY
19 HAD A GUARANTEED 50-PERCENT CHANCE OF LIVER FAILURE
20 THAT WOULD CAUSE PROTRACTED, TERRIBLE DECLINE IN
21 HEALTH OVER THE END OF YOUR LIFE, WOULD YOU FEEL
22 MOTIVATED TO DO WHATEVER WAS NECESSARY TO FIND
23 APPROPRIATE TREATMENTS? I THINK THE ANSWER IS YES.

24 ALZHEIMER'S DISEASE WILL CAUSE THAT KIND
25 OF PROBLEM. SO I'LL BE HAPPY TO WAIT AND MAKE MY

BARRISTERS' REPORTING SERVICE

1 STATEMENT LATER ON. THANK YOU.

2 CHAIRMAN KLEIN: THANK YOU. SO SHE'S
3 INTRODUCING THE STATEMENT. ROMAN, WOULD YOU LIKE TO
4 MAKE A STATEMENT?

5 THIS IS ROMAN REED, WHO WORKS WITH
6 PARALYSIS AND RECOVERY ACTUALLY IN ASSOCIATION WITH
7 STANFORD UNIVERSITY. HE IS A PATIENT ADVOCATE
8 LEADER.

9 MR. REED: THANK YOU VERY MUCH FOR
10 ALLOWING ME THE OPPORTUNITY TO COME HERE AND TESTIFY
11 AND ASK A QUESTION IN FRONT OF THIS BEACON OF HOPE
12 THAT IS CIRM. SO I'VE MADE COMMENTS AND I'LL KEEP
13 THEM VERY SHORT AND LATER ON WILL BRING IT TO YOU.
14 BUT I HAD A QUESTION THAT CAME TO MY MIND. I HEARD
15 SOME GREAT NORMATIVE STATEMENTS ABOUT PATIENT
16 ADVOCATES AND THEY SHOULD BE REALLY A PART AND
17 PARCEL OF THE PROCESS OF FUNDING STEM CELL CURE
18 RESEARCH. I COMPLETELY AGREE WITH THAT. BUT THE
19 QUESTION IS IS IT MORE THAN NORMATIVE? IS THERE AN
20 ACTUAL PLACE THAT WE CAN BE? IS THERE A
21 SUBCOMMITTEE?

22 I KNOW JEFF SHEEHY BROUGHT UP THE IDEA,
23 AND I KNOW THAT LEEZA GIBBONS WOULD BE A PERFECT
24 ADVOCATE TOO. BUT IF YOU REALLY WANT TO EVER FULLY
25 EMPOWER THE PATIENT ADVOCATES, THEN YOU MUST EMPOWER

BARRISTERS' REPORTING SERVICE

1 US WITH THE TRUST OF PLAYING A SERIOUS ROLE. BRING
2 US TO THE TABLE. YOU'D BE AMAZED AT THE DEPTH OF
3 SCIENCE THAT WE UNDERSTAND.

4 I'M LIVING IN A CHAIR. I CANNOT AFFORD TO
5 FUND THE WRONG RESEARCH. I PROMISED MY SON THAT ONE
6 DAY THAT I'D PICK HIM UP AND HOLD HIM HIGH, AND I
7 WILL DO EVERYTHING IN MY POWER TO BE A PART OF THAT
8 AND MAKE THAT COME TRUE. AND I PROMISE YOU THE
9 PATIENT ADVOCATES WILL BE AN IMPORTANT FORCE AND
10 EMPOWERING FORCE TO BRING CIRM THE POTENTIAL THAT IT
11 EMBODIES. THANK YOU VERY MUCH.

12 CHAIRMAN KLEIN: THANK YOU, ROMAN. AND
13 HOPEFULLY BY TEN PATIENT ADVOCATES ON THIS BOARD,
14 WE'RE HONORING THAT THOUGHT BECAUSE THIS IS WHERE
15 THE STRATEGIC DECISIONS ARE MADE AS WELL AS ALL
16 GRANT AND LOAN APPROVALS, AS YOU KNOW.

17 I'D LIKE TO THE NEXT GENTLEMAN RIGHT TO
18 YOUR LEFT.

19 UNIDENTIFIED SPEAKER: I WAS ACTUALLY
20 GOING TO MAKE MORE OF A STATEMENT RATHER THAN --

21 CHAIRMAN KLEIN: WE WILL THEN RESERVE YOU
22 TO --

23 UNIDENTIFIED SPEAKER: I CAN DEFER FOR A
24 FEW MINUTES IF YOU'D LIKE.

25 CHAIRMAN KLEIN: I'LL RESERVE YOU TO --

BARRISTERS' REPORTING SERVICE

1 DR. BERNSTEIN: BOB, CAN I SAY SOMETHING
2 FROM THE SECOND PERSON WHO JUST SPOKE. I THINK ALL
3 OF US ON THE PANEL WOULD AGREE WITH BOTH THE
4 SPECIFICS OF THAT COMMENT AND THE SENTIMENT BEHIND
5 IT. THAT IS, PATIENT ADVOCATES HAVE A KEY ROLE TO
6 PLAY BOTH ON THE BOARD IN TERMS OF ITS STRATEGIC
7 DECISIONS THAT ARE BEING MADE AS WELL AS ON THE
8 DECISION-MAKING HAPPENING AT THE FRONT LINES, AS IT
9 WERE, AT THE GRANTS WORKING GROUPS. AND SO I THINK,
10 AGAIN, WE APPLAUDED CIRM FOR NOT JUST MAKING THE
11 NORMATIVE STATEMENTS, AS YOU PUT IT, BUT GOING
12 BEYOND THAT AND WALKING THE WALK. THAT IS, PATIENT
13 ADVOCATES HAVE TO BE INVOLVED THROUGHOUT THE
14 ORGANIZATION IN BOTH THE FUNDING DECISIONS AND THE
15 STRATEGIC DECISIONS THAT CIRM TAKES.

16 AND SO WE APPLAUD CIRM FOR BEING ONE OF
17 THE LEADERS IN APPROPRIATELY HAVING PATIENT
18 ADVOCATES AT THE TABLE. AND I THINK THAT BEHOOVES
19 ALL OF US TO CONTINUE TO EXPLORE OTHER MEANINGFUL
20 WAYS THAT PATIENT ADVOCATES CAN BE INVOLVED IN THE
21 DECISION-MAKING OF THIS ORGANIZATION.

22 CHAIRMAN KLEIN: OKAY. THANK YOU VERY
23 MUCH. SO WE HAVE GONE THROUGH OUR ALLOTTED TIME
24 WITH YOU. WE'D LIKE TO DEEPLY EXPRESS OUR
25 APPRECIATION FOR ALL OF THE PHENOMENAL LEADERS THAT

BARRISTERS' REPORTING SERVICE

1 HAVE BEEN ON THIS COMMITTEE. WE HAVE, AS A MATTER
2 OF RECORD, NOW RECEIVED THE REPORT ON A FORMAL BASIS
3 WITH THE SIGNATURES OF ALL OF THE MEMBERS OF THE
4 PANEL ENDORSING THE REPORT AND ITS STATEMENTS. WE
5 REALLY APPRECIATE THIS INTERCHANGE.

6 I'D LIKE TO GIVE DR. TROUNSON TIME TO MAKE
7 A STATEMENT AND HE DESERVES CREDIT. THIS IS THE
8 REVIEW OF THE SCIENTIFIC STRATEGIC PLAN, AND HE LED
9 THE EFFORT OF PULLING THIS INTERNATIONAL GROUP
10 TOGETHER AND LED THE PROCESS OF THE REVIEW.

11 I WOULD LIKE TO THEN SEE, DR. BERNSTEIN,
12 IF YOU OR DR. DALEY OR DR. WEXLER HAVE A CONCLUDING
13 SUMMARY OR STATEMENT YOU'D LIKE TO SAY. I KNOW THAT
14 DR. KLAUSNER INDICATED HE HAD A BOARD MEETING THAT
15 HE HAD STEPPED OUT OF TO PARTICIPATE, SO HE'S NOT
16 AVAILABLE FOR A CONCLUDING STATEMENT.

17 DR. TROUNSON: THANK YOU, CHAIR. I HOPE
18 YOU CAN HEAR ME. THANK YOU VERY MUCH. THANK YOU,
19 ALAN, GEORGE, AND NANCY, AND ALL OF THE MEMBERS OF
20 THE COMMITTEE. MANAGEMENT THINKS THIS IS A TERRIFIC
21 REPORT INASMUCH AS I THINK YOU RECOGNIZE THAT WE'VE
22 WORKED VERY HARD TO DELIVER ON THE CURRENT
23 OPPORTUNITY. BUT YOU'RE GIVING US SOME SUGGESTIONS
24 AND RECOMMENDATIONS TO THE BOARD FOR US TO DO IT
25 EVEN BETTER. AND I THINK IF I GET A CHANCE TO TALK

BARRISTERS' REPORTING SERVICE

1 A LITTLE LATER TO THE BOARD, THEN WE IN MANAGEMENT
2 THINK THAT WE CAN ADDRESS PRETTY MUCH ALL OF THESE
3 MATTERS IN SOME WAY OR ANOTHER AND HOPE THE BOARD
4 MIGHT SEE THAT AS SOMETHING REALLY WORTHWHILE.

5 I THINK ONE OF THE COMMENTS THAT WAS MADE
6 BY ONE OF YOU, AND I THINK WAS ENDORSED BY
7 EVERYBODY, IS THAT WE DON'T REALLY WANT TO BE
8 REMEMBERED AS A PALE NIH AS A FUNDING ORGANIZATION,
9 WHICH REALLY IS A PALE REPLICA OF NIH. WE WANT TO
10 BE REMEMBERED AS AN AGENCY OF CHANGE, AND YOU SAID
11 IT. AND I APPRECIATE THAT AND SO DOES MANAGEMENT,
12 AND I SUSPECT THE BOARD DOES TOO. AND SO I WANT TO
13 THANK YOU VERY MUCH FOR YOUR VERY THOUGHTFUL AND
14 CHALLENGING, BUT VERY THOUGHTFUL AND HELPFUL
15 RECOMMENDATIONS. AND I WISH YOU ALL THE VERY BEST
16 FOR THE COMING SEASON AND HOPE TO SEE YOU ALL VERY
17 SOON.

18 CHAIRMAN KLEIN: OKAY. AND IN THAT
19 CONTEXT, I'M SURE DR. TROUNSON AND I WOULD JOIN IN
20 SAYING THAT WE ALL ACKNOWLEDGE THAT WE STAND ON THE
21 SHOULDERS OF NIH, A PHENOMENAL CONTRIBUTOR AND
22 DRIVER OF BIOMEDICAL RESEARCH IN THIS NATION. IT
23 PLAYS A VITAL ROLE, AND WE'RE TRYING, WITH YOUR HELP
24 FROM THIS EVALUATION, TO DEFINE A ROLE THAT'S
25 DISTINCTIVE AND COMPLEMENTARY TO NIH AND THE

BARRISTERS' REPORTING SERVICE

1 PHENOMENAL IMPACT IT'S HAD ON DRIVING RESEARCH IN
2 THIS COUNTRY TOWARDS NEW THERAPIES. DR. BERNSTEIN.

3 DR. BERNSTEIN: THANKS, BOB. MY
4 CONCLUDING REMARKS WOULD BE, I'LL BE BRIEF BECAUSE
5 WE ARE OVER TIME, JUST TO SAY A COUPLE OF THINGS.
6 FIRST, WHAT MAKES DOING THESE REVIEWS FUN AND
7 ENJOYABLE ARE, I THINK, THREE THINGS. ONE IS THAT
8 THE COLLEAGUES YOU HAVE WITH YOU ON YOUR SIDE OF THE
9 TABLE ARE INTERESTING AND STIMULATING AND IMPORTANT
10 SCIENTISTS. I'LL SPEAK FOR MYSELF IN THAT I JUST
11 HAD A WONDERFUL SET OF COLLEAGUES ON THE EXTERNAL
12 ADVISORY PANEL. AND I THANK YOU, ALAN, FOR LARGELY
13 PULLING THAT GROUP TOGETHER. AS I SAID IN MY
14 OPENING REMARKS, THEY REALLY ARE THE SAN FRANCISCO
15 GIANTS OF REVIEW TEAMS. AND SO WE HAD GREAT FUN,
16 AND FUN IN THE SENSE THAT WE WERE DISCUSSING
17 INTELLECTUALLY AND SCIENTIFICALLY IMPORTANT TOPICS.

18 SECONDLY, WHAT MADE IT ENJOYABLE WAS THAT
19 WE WERE REVIEWING AN AGENCY THAT WAS DOING A GOOD
20 JOB. SO WE WEREN'T IN A RESCUE OPERATION, BUT
21 RATHER IN A BUILDING OPERATION. AND SO THAT MADE
22 IT, I THINK, VERY ENJOYABLE. AND IT WAS QUITE
23 CHALLENGING TO THINK ABOUT HOW TO GO FORWARD INTO
24 STAGE II. AND ALL OF US WERE REALLY KIND OF
25 WRAPPING OUR HEADS AROUND THAT CHALLENGE OF HOW DO

BARRISTERS' REPORTING SERVICE

1 YOU GO FORWARD IN STAGE II GIVEN ALL THE STUFF
2 AROUND CIRM AND YOUR LEGISLATION AROUND CIRM AND ALL
3 THESE INEVITABLE ISSUES.

4 I THINK THE FINAL THING WAS I THINK WHAT
5 MOTIVATES EVERY SCIENTIST IS I ALWAYS QUOTE LOUIS
6 PASTEUR, WHAT LOUIS PASTEUR SAID A LONG TIME AGO,
7 WHICH IS WHAT EVERY SCIENTIST WANTS REALLY IS TO DO
8 SOME GREAT SCIENCE, HAVE IT RECOGNIZED BY HIS OR HER
9 PEERS, AND TO SEE IT APPLIED TO IMPROVE HUMANITY.
10 AND I CAN'T THINK OF AN AREA OF SCIENCE, BIOMEDICAL
11 SCIENCE, TODAY THAT WOULD RANK AS HIGH AS STEM CELL
12 RESEARCH WITH THAT POTENTIAL. I CAN'T THINK OF A
13 PLACE BETTER THAN CALIFORNIA TO DO THAT SCIENCE.

14 SORRY, GEORGE, FOR SAYING THAT. BUT I
15 THINK THERE ARE TREMENDOUS OPPORTUNITIES IN
16 CALIFORNIA FOR ATTRACTING AND KEEPING AND HARNESSING
17 THAT GREAT SCIENCE TO TREAT SERIOUS DISEASES AND
18 INJURIES AND CONDITIONS. SO I HOPE THE REPORT IS
19 TAKEN SERIOUSLY. EVERY WORD THAT'S THERE WAS
20 THOUGHT THROUGH VERY CAREFULLY. THE RECOMMENDATIONS
21 WERE DEFINITELY THOUGHT THROUGH VERY CAREFULLY. AND
22 WE BY DEFINITION DID NOT GO THROUGH A LOT OF DETAILS
23 BECAUSE THE DETAILS DON'T MATTER. IT'S THE BROAD
24 STROKES THAT MATTER, AND THE DETAILS CHANGE WITH
25 TIME IN ANY CASE; BUT EVERYTHING THAT'S THERE, WE

BARRISTERS' REPORTING SERVICE

1 GAVE IT A LOT OF THOUGHT AND HOPE THAT THE BOARD
2 WILL AS WELL. I LOOK FORWARD, AND I'M SURE MY
3 COLLEAGUES DO AS WELL, TO SEE HOW CIRM EVOLVES INTO
4 PHASE II OVER THE COMING YEARS. IT'S A VERY
5 IMPORTANT ORGANIZATION. AND I THANK YOU ALL FOR THE
6 OPPORTUNITY TO CHAIR THIS REVIEW PANEL.

7 DR. DALEY: I CAN'T LET THAT STAND WITHOUT
8 A CHALLENGE. I FELT PERSONALLY VERY PRIVILEGED TO
9 BE PART OF THE PANEL, AND I THINK THE ENTIRE PANEL
10 WAS OVERALL VERY IMPRESSED. THE WORK THAT THE ICOC
11 HAS DONE AND THE LEADERSHIP OF BOB AND THE WORK OF
12 ALAN AND HIS TEAM HAS REALLY BEEN EXTRAORDINARY.
13 YOU'VE BUILT SOMETHING THAT'S THE ENVY OF MANY.

14 OF COURSE, I STILL THINK WE'RE NO. 1 AT
15 HARVARD, BUT WE'RE ENVIOUS. WE'RE ENVIOUS OF THE
16 PROGRESS THAT'S BEING MADE IN CALIFORNIA. THE NEW
17 INSTITUTIONS THAT HAVE BEEN BUILT, THE RECRUITING
18 AND SUPPORT OF NEW SCIENTISTS, THE PUSHING OF THE
19 FRONTIERS OF SCIENCE HAS REALLY BEEN NOTHING SHORT
20 OF REMARKABLE. SO IT'S BEEN WONDERFUL.

21 I THINK WE FELT ON THE PANEL, AND I WOULD
22 HAVE TO SAY THAT WHILE WE WERE LOOKING AT IT AS VERY
23 IMPRESSIVE, WE FELT THERE WERE OPPORTUNITIES TO DO
24 BETTER. AND SO OUR RECOMMENDATIONS WERE REALLY
25 OFFERED IN THE SPIRIT OF THAT CONSTRUCTIVE FEEDBACK.

BARRISTERS' REPORTING SERVICE

1 PROBABLY THE ONE THEME WAS THE NEED TO REBALANCE THE
2 EMPHASIS TOWARDS MORE TRANSLATION, THIS MOVE FROM
3 THE PHASE I TO PHASE II, SO THAT WE COULD IMAGINE
4 CIRM MEETING ITS GOALS, REALIZING ITS MISSION, WHICH
5 IS REALLY TO HELP PATIENTS IN THE LONG RUN.

6 SO IT WAS A PRIVILEGE, VERY ENJOYABLE, AND
7 IT'S GOING TO BE VERY ENJOYABLE TO WATCH THE
8 PROGRESS AS IT PLAYS OUT OVER THE NEXT FEW YEARS.

9 CHAIRMAN KLEIN: DR. WEXLER HAS A CLOSING
10 STATEMENT.

11 DR. WEXLER: I THINK DR. BERNSTEIN'S VERY
12 CANADIAN WHEN HE SAYS YOU'RE DOING A GOOD JOB. I
13 THINK THE --

14 DR. BERNSTEIN: WHAT DOES THAT MEAN,
15 NANCY?

16 DR. WEXLER: I THINK THE REST OF US REALLY
17 FELT VERY PASSIONATE ABOUT THE POSSIBILITY OF CIRM.
18 I THINK THE FACT THAT WE FELT THAT THERE WAS EVEN A
19 GREATER POTENTIAL JUST SPEAKS TO THE FACT THAT WE
20 THINK WHAT YOU'RE DOING IS SO UNIQUE. AND WE WOULD
21 LIKE YOU TO DO WHAT THE REST OF THE COUNTRY AND THE
22 WORLD IS HOPING FOR. I THINK WE WERE HOPING THAT
23 ALL OF YOU WOULD GO TO WASHINGTON AND SEE IF WE
24 COULDN'T CHANGE THE LEGISLATION ABOUT STEM CELLS
25 BECAUSE YOU ACTUALLY THOUGHT ABOUT THESE ISSUES.

BARRISTERS' REPORTING SERVICE

1 YOU HAVE THE LANGUAGE TO CHANGE THE LAW. YOU HAVE
2 THE ETHICAL, LEGAL, SOCIAL RAMIFICATIONS OF STEM
3 CELL RESEARCH. THERE'S A TREMENDOUS AMOUNT THAT
4 YOU'VE ALREADY DONE.

5 AND I THINK THAT YOUR PERSPECTIVE IS
6 REALLY GOING TO BE TREMENDOUSLY FAR REACHING. I
7 THINK HAVING IT BE MORE LIGHT ON YOUR FEET, ARE ABLE
8 TO CHANGE BALANCE, I THINK YOU HAVE THE CAPACITY TO
9 DO THAT.

10 I WAS STRUCK BY A RECENT SPEECH FROM
11 PATRICK KENNEDY, WHO IS THE SON OF THE LATE TED
12 KENNEDY. HE WAS SPEAKING BEFORE THE SOCIETY FOR
13 NEUROSCIENCE, ABOUT 30,000 NEUROSCIENTISTS, AND HE
14 REMINDED ALL OF US THAT THIS IS THE 40TH ANNIVERSARY
15 OF THE MOONSHOT. HE SAID MY UNCLE, JACK KENNEDY,
16 DIDN'T START THE MOONSHOT BECAUSE HE THOUGHT IT WAS
17 EASY. HE DID IT BECAUSE IT WAS HARD, BECAUSE IT WAS
18 DIFFICULT, BECAUSE IT CHALLENGED ALL OF US TO THINK
19 ABOUT WHERE IS SCIENCE, AND WHERE DO WE NEED TO GO,
20 HOW DO WE WORK TOGETHER AS A NATION TO LAND ON THE
21 MOON?

22 HIS UNCLE WAS PASSIONATE ABOUT HAVING
23 HEALTHCARE FOR EVERYONE. SO PATRICK KENNEDY IS SORT
24 OF LAUNCHING A MOONSHOT TO HAVE EVERYBODY KIND OF
25 GET BEHIND HIM TO TRY TO ADVOCATE FOR MORE RESEARCH

BARRISTERS' REPORTING SERVICE

1 DOLLARS, TO DESTIGMATIZE THE KINDS OF CONDITIONS
2 THAT ARE PLAGUING ALL OF US, AND HE REALLY IS SUCH A
3 PASSIONATE ADVOCATE ALSO OF EVERYBODY GETTING
4 TOGETHER. WHATEVER OUR DISEASES ARE, THEY ALL HAVE
5 A COMMON BOND. IT'S OUR DNA. SORT OF TALKING TO US
6 IN A WAY WE DON'T LIKE.

7 SO I THINK THAT THIS OPPORTUNITY TO JOIN
8 HIM IN THE MOONSHOT 54 YEARS LATER TO TRY TO SAY HOW
9 DO WE UNITE AS A NATION TO TRY TO GET TOGETHER AND
10 HAVE A FUTURE THAT'S NOT CLOUDED BY TERROR AND FEAR
11 AND SICKNESS AND DISEASE. AND I THINK YOU GUYS ARE
12 REALLY DOING IT. SO I WOULD SAY HATS OFF TO YOU,
13 AND WE WANT TO BE PART OF THE MOONSHOT.

14 CHAIRMAN KLEIN: THANK YOU. THANK YOU SO
15 MUCH FOR YOUR VERY GENEROUS WORDS. AND CERTAINLY
16 UNDERSTANDING THE HISTORY OF SCIENCE IS FACING
17 UNKNOWN KNOWLEDGE AND CHALLENGES, AND WITH THE
18 COMMITMENT TO DISCOVERY OF NEW ANSWERS AND
19 INNOVATION TO PURSUE THE FRONTIERS OF KNOWLEDGE,
20 PARTICULARLY FOR US FOCUSED ON STEM CELL RESEARCH
21 KNOWLEDGE AND NEW STEM CELL THERAPIES TO REDUCE
22 HUMAN SUFFERING, IS A PRIVILEGE. IT'S A PRIVILEGE
23 GIVEN TO US BY 7 MILLION CALIFORNIA VOTERS. WE
24 DEEPLY APPRECIATE YOUR GUIDANCE, YOUR HARD
25 QUESTIONS, YOUR INNOVATIVE IDEAS IN THE EVALUATION

BARRISTERS' REPORTING SERVICE

1 TO HELP US PURSUE THAT VERY IMPORTANT MORAL,
2 ETHICAL, AND PERSONAL OBLIGATION FOR EACH OF US. IT
3 IS AN OPPORTUNITY. IT IS A MOONSHOT. THERE IS NO
4 OTHER MOONSHOT ON STEM CELL RESEARCH IN THIS
5 COUNTRY. WE WILL DO OUR VERY BEST AND WITH YOUR
6 DIRECTION, GUIDANCE, AND THE BENEFIT OF THIS
7 EVALUATION, HOPEFULLY WE'LL REACH IN PHASE II TO NEW
8 LEVELS OF INNOVATION AND DISCOVERY TO MEET OUR
9 MANDATE. SO THANK YOU VERY MUCH.

10 DR. BERNSTEIN: THANK YOU ALL.

11 CHAIRMAN KLEIN: SHALL WE GIVE A HAND.

12 (APPLAUSE.)

13 CHAIRMAN KLEIN: SO WITH THAT, I'M GOING
14 TO ADJOURN THIS PART OF THE SESSION SO THAT WE CAN
15 GIVE A BREAK TO THE TRANSCRIBER AS WELL AS TO THE
16 MEMBERS OF THE AUDIENCE AND THE BOARD. THANK THE
17 REVIEWERS. WE ARE GOING TO RECONVENE FOR SOME
18 PUBLIC STATEMENTS THAT I BELIEVE ARE IN THE
19 AUDIENCE, WHICH WE WILL PUT INTO THE TRANSCRIPT AND
20 CONVEY TO THE PANEL.

21 SO WE'RE GOING TO TAKE A FIVE-MINUTE BREAK
22 AT THIS POINT. THANK YOU VERY MUCH.

23 (A RECESS WAS TAKEN.)

24 CHAIRMAN KLEIN: OKAY. WE'RE RECONVENING.
25 WE HAD A COUPLE OF EXTRA TASKS I WASN'T AWARE OF

BARRISTERS' REPORTING SERVICE

1 DURING THE BREAK. THE LEGISLATURE CAN STOP THE
2 CLOCK FOR THE BUDGET, AND WE CAN STRETCH FIVE
3 MINUTES.

4 SO WE HAVE -- I'D LIKE TO JUST QUICKLY SEE
5 IF I CAN MOVE BOTH ITEMS ON THE CONSENT CALENDAR
6 BEFORE GOING INTO THE BALANCE OF OUR PRESENTATION.

7 MR. TORRES: SO MOVED.

8 MR. GOLDBERG: SECOND.

9 CHAIRMAN KLEIN: MOTION HAS BEEN MADE AND
10 SECONDED. IS THERE ANY PUBLIC COMMENT OR BOARD
11 COMMENT AS TO EITHER ITEM ON THAT CALENDAR? MY
12 UNDERSTANDING IS THE STANDARDS WORKING GROUP HAS
13 GIVEN US ITEM 9 WITHOUT DISSSENT, AND THAT IT JUST
14 ADDS THE AUSTRALIAN STEM CELL LINES. ANY QUESTIONS?
15 PUBLIC COMMENTS? ALL RIGHT.

16 ALL IN FAVOR.

17 (CHORUS OF AYES.)

18 CHAIRMAN KLEIN: OPPOSED.

19 MS. SAMUELSON: SORRY, BOB. WHAT ITEM ARE
20 WE ON?

21 CHAIRMAN KLEIN: JUST THE CONSENT
22 CALENDAR. I JUST WANTED TO MOVE THAT BEFORE I GOT
23 SOME STATEMENTS FROM THE PUBLIC. JEFF SHEEHY, DO
24 YOU HAVE A COMMENT OR A VOTE? ALL RIGHT. THE ITEM
25 CARRIES. AND SO I WANTED TO MAKE CERTAIN THAT WE

BARRISTERS' REPORTING SERVICE

1 GOT THAT ITEM OUT.

2 AS A SUPPLEMENT TO THE SESSION WE JUST
3 WENT THROUGH, IF THERE ARE PATIENT ADVOCATES THAT
4 WOULD LIKE TO MAKE A THREE-MINUTE STATEMENT TO THE
5 BOARD RELATED TO THE PANEL EVALUATION, COULD I SEE
6 YOUR HANDS? OKAY. I HAVE THREE MEMBERS. COULD YOU
7 COME FORWARD, PLEASE?

8 MR. WEBBER: I'M GLENN WEBBER. I LIVE IN
9 SANTA ANA RIGHT NEARBY HERE, AND I'M A STAKEHOLDER
10 ON MULTIPLE LEVELS. I'M A CALIFORNIA TAXPAYER AND
11 VOTER. I'M A UNIVERSITY OF CALIFORNIA GRADUATE AND
12 SUPPORTER. AND LIKEWISE, I'VE ALSO HAD TYPE 1
13 JUVENILE DIABETES FOR 35 YEARS.

14 IN 1993 I STARTED TO BECOME INVOLVED IN
15 JDRF IN FUND-RAISING AND GOVERNMENT VOLUNTEER
16 ACTIVITIES. AND AS A FOLLOWER OF JDRF, I'VE BECOME
17 WELL INDOCTRINATED IN THE RESEARCH, NIH RESEARCH AND
18 RESEARCH ELSEWHERE ALSO FUNDED BY JDRF.

19 I WANTED TO GIVE YOU A LITTLE BACKGROUND
20 ON MY DIABETES. I'VE BEEN A TYPE 1 DIABETIC, AS I
21 SAID, FOR 35 YEARS, INSULIN INDEPENDENT. I TAKE
22 NUMEROUS BLOOD SUGAR STICKS AND THINGS LIKE THAT.
23 AND I'M VERY INTERESTED IN EMERGING TECHNOLOGIES. I
24 HAPPEN TO USE AN INSULIN PUMP AND CONTINUOUS GLUCOSE
25 MONITORING TO HELP CONTROL MY DIABETES.

BARRISTERS' REPORTING SERVICE

1 IN 1993, WHEN I FIRST STARTED MONITORING
2 DIABETES RESEARCH, THEY WERE ACTUALLY STILL DOING
3 STUDIES ON MICE AND THINGS LIKE THAT, AND VERY
4 LITTLE WAS OUTSIDE OF THE RESEARCH LABORATORIES IN
5 1993. AND I KIND OF SEE CENTER FOR REGENERATIVE
6 MEDICINE SORT OF IN THAT SAME STAGE WHERE WE'RE JUST
7 ABOUT TO GET OUTSIDE OF THE LAB AND GET TO THE
8 PUBLIC AND TO THE DISEASE GROUPS. AND LOOK FORWARD
9 TO SEEING FURTHER DEVELOPMENT WITH CIRM AND LOOKING
10 FOR -- I LOOK FORWARD TO SEEING A CURE PATH OR OTHER
11 PATIENT BENEFITS FOR TYPE 1 JUVENILE DIABETES AND
12 OTHER AUTOIMMUNE-TYPE DISEASES AND OTHER DISEASE
13 GROUPS. THANK YOU.

14 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
15 APPRECIATE YOUR STATEMENT.

16 (APPLAUSE.)

17 CHAIRMAN KLEIN: IF WE HAVE THE GROUP IN
18 THE BACK WHO HAVEN'T SPOKEN YET. YES, THE TWO OF
19 YOU. I THINK YOU HAVE A COMMENT. THANK YOU VERY
20 MUCH.

21 MR. KRULL: JUST TO BE REAL BRIEF HERE, I
22 THINK WE'VE BEEN HERE BEFORE. WE REPRESENT
23 HUNTINGTON'S DISEASE. AND JUST WE'RE CALIFORNIA
24 VOTERS. WE VOTED FOR CIRM. WE'RE PROUD OF CIRM.
25 THE REASON WE'RE PROUD OF IT IS BECAUSE OF WHAT YOU

BARRISTERS' REPORTING SERVICE

1 GUYS HAVE DONE HERE. IF IT WEREN'T FOR YOU, IT
2 WOULD BE DIFFERENT. EVERYBODY HERE. AND JUST
3 DIDN'T GET A CHANCE LAST TIME. JUST WANT TO SAY
4 THANK YOU, AND YOU GUYS ARE DOING A GOOD JOB.

5 TED AND CARLA KRULL.

6 MS. KRULL: EMMIE SAYS THANK YOU TOO.

7 CHAIRMAN KLEIN: THANK YOU SO MUCH.

8 (APPLAUSE.)

9 CHAIRMAN KLEIN: AND THANK YOU FOR YOUR
10 PATIENCE IN WAITING TO MAKE A STATEMENT.

11 MS. SAMUELSON: BOB, CAN I MAKE ONE
12 COMMENT ABOUT THE LAST SPEAKERS? I JUST WANT YOU TO
13 KNOW YOU ARE PROBABLY THE MOST EFFECTIVE VOICE I'VE
14 EVER HEARD. AND IT IS IN MY DREAMS THAT YOU WOULD
15 GO TO WASHINGTON AND LEAD DELEGATIONS ON THE HILL TO
16 KEY VOTES ON STEM CELL RESEARCH. THEY WILL NOT BE
17 ABLE TO SAY NO TO YOU. AND THAT'S A POWER. YOU
18 MIGHT AS WELL USE IT. SO THANK YOU.

19 CHAIRMAN KLEIN: THANK YOU. THE
20 HUNTINGTON DELEGATIONS THAT HAVE BEEN HERE,
21 INCLUDING YOURS, AND YOUR EARLIER STATEMENTS YOU'VE
22 MADE BEFORE US HAVE BEEN EXTREMELY EFFECTIVE.
23 AGAIN, SECOND JOAN'S COMMENT. THANK YOU VERY MUCH.

24 MS. MOUTON: THANK YOU KINDLY. GOOD
25 MORNING AGAIN. MY NAME IS PATTY MOUTON. I

BARRISTERS' REPORTING SERVICE

1 REPRESENT THE ALZHEIMER'S ASSOCIATION, ORANGE COUNTY
2 CHAPTER. I'M A PATIENT ADVOCATE, EVEN A PATIENT
3 ZEALOT, BUT I'M ALSO A FAMILY CAREGIVER. SO THIS IS
4 NOT ONLY A VERY STRONG PROFESSIONAL CRUSADE, THIS IS
5 PERSONAL.

6 I THINK FOR ALL OF US WE NEED TO MAKE IT
7 PERSONAL. BECAUSE FOR THOSE OF US WHO HOPE TO REACH
8 AGE 85, AND THAT'S MOST OF US IN THE ROOM, HALF OF
9 US WHO REACH AGE 85 WILL HAVE ALZHEIMER'S DISEASE.
10 IT'S THE SIXTH LEADING CAUSE OF DEATH IN THE UNITED
11 STATES TODAY, AND EVERY 70 SECONDS ANOTHER
12 INDIVIDUAL IS DIAGNOSED WITH ALZHEIMER'S DISEASE.

13 THAT BEING SAID, WE CAN ALL AGREE THAT THE
14 PUBLIC HEALTH STATISTICS AND THE PUBLIC POLICY
15 IMPACT ARE DEVASTATING. WE WILL BANKRUPT ALL OF OUR
16 HEALTHCARE DELIVERY SYSTEMS BY THE YEAR 2050 BECAUSE
17 WE'LL BE SPENDING IN EXCESS OF \$20 TRILLION JUST ON
18 MANAGING ALZHEIMER'S CARE, NOT GETTING IT ANY
19 BETTER, NOT GETTING TO ANYTHING DISEASE MODIFYING,
20 OR EVEN SOMETHING AS LOFTY AS A CURE.

21 ONE OF THE GENTLEMEN MENTIONED THAT YOUR
22 JOB IS TO LOOK AT QUALITY OPPORTUNITIES IN RESEARCH.
23 I WOULD SUGGEST THAT THIS IS NOT ONLY A QUALITY
24 OPPORTUNITY. THIS IS AN OPPORTUNITY OF MORAL
25 IMPERATIVE. WE DON'T WANT TO DEVALUE THE LAST

BARRISTERS' REPORTING SERVICE

1 PHASES OF LIFE. AND IF WE DON'T FIND SOMETHING TO
2 GET TO THE HEART OF THIS DISEASE, WE WILL NOT BE
3 ABLE TO HAVE PEOPLE ENJOY THE LONGEVITY THAT WE'RE
4 SEEING BECAUSE OF ALL THE ADVANCES IN OTHER FORMS OF
5 RESEARCH AND OTHER DISEASE PROCESSES.

6 I REALLY SUPPORT THE RECOMMENDATIONS OF
7 YOUR PLAN, ESPECIALLY THOSE THAT INCREASE AWARENESS
8 VIA ADVOCACY AND LIGHTING A FIRE OF ENGAGEMENT UNDER
9 THE HEALTHCARE PROFESSIONALS AND THE PHARMA
10 INDUSTRY. THERE IS A PERVASIVE ATTITUDE OF
11 THERAPEUTIC NEOLISM AMONG CLINICIANS WHEN IT COMES
12 TO OLD PEOPLE. MANY, MANY DOCTORS ARE UNDER THE
13 MISCONCEPTION THAT ALZHEIMER'S DISEASE AND OTHER
14 FORMS OF DEMENTIA ARE JUST A VARIANT OF NORMAL
15 AGING. EVEN IF THAT WERE THE CASE, WHICH IT IS NOT,
16 WE STILL NEED TO DO SOMETHING TO MAKE OLD AGE AS
17 HEALTHY AS POSSIBLE.

18 YOU WANT TO TAKE YOUR LIVER AND YOUR
19 KIDNEYS AND YOUR SPLEEN AND YOUR LUNGS WITH YOU WITH
20 EVERY DECADE OF LIFE. THIS ISN'T LIKE WHEN YOU WERE
21 16 AND YOUR MOTHER SAID, "DIDN'T YOU TAKE YOUR BRAIN
22 WITH YOU LAST NIGHT, DEAR?" WE NEED TO TAKE OUR
23 BRAINS WITH US ALL THROUGHOUT OUR LIVES. AND IN
24 ORDER TO DO THAT, YOU NEED TO PUT THE IMPORTANCE OF
25 STEM CELL RESEARCH INTO FINDING DISEASE MODIFYING

BARRISTERS' REPORTING SERVICE

1 TREATMENTS FOR ALZHEIMER'S DISEASE. THAT WILL LIGHT
2 A FIRE UNDER THE CLINICIANS, THAT WILL INCREASE
3 COMMUNITY AWARENESS, AND IT WILL SHOW THAT YOU
4 UNDERSTAND JUST HOW IMPORTANT IT IS THAT WE GET TO
5 THE BOTTOM OF THIS DISEASE, WE DON'T BANKRUPT OUR
6 HEALTHCARE DELIVERY SYSTEMS, AND WE LOOK AT THE
7 PERSONAL HUMAN TRAGEDY THAT ALZHEIMER'S DISEASE
8 CAUSES, NOT ONLY THE PEOPLE WHO SUFFER WITH THE
9 DISEASE THEMSELVES, BUT FOR THE THREE INDIVIDUALS IN
10 EVERY FAMILY WHO LOSE THEIR HEALTH, LOSE THEIR
11 FINANCIAL STATUS, AND LOSE THEIR SENSE OF SELF TO
12 THE DEVASTATION THAT THE CAREGIVING EXPERIENCE ALSO
13 LEADS TO.

14 THANK YOU FOR YOUR ATTENTION. THANK YOU
15 FOR YOUR INTEREST. AND PLEASE THINK ABOUT ALL OF
16 THE PEOPLE THAT HAVE NOW BEEN DIAGNOSED WITH
17 ALZHEIMER'S DISEASE DURING THIS THREE MINUTES.
18 THANK YOU KINDLY.

19 (APPLAUSE.)

20 CHAIRMAN KLEIN: THANK YOU FOR YOUR
21 ADVOCACY. I KNOW MY MOTHER AS WELL AS OTHER BOARD
22 MEMBERS' MOTHERS HAVE DIED WITH THIS DISEASE, AS
23 WELL AS FATHERS. SO THANK YOU. LEEZA.

24 MS. GIBBONS: I JUST WANT TO SAY, PATTY,
25 THANKS TO YOU AND YOUR COLLEAGUES AND ALL THE

BARRISTERS' REPORTING SERVICE

1 PATIENT ADVOCATES FOR TAKING THE TIME TO SHOW UP AND
2 INCONVENIENCE YOUR LIVES AND REALLY WALK YOUR TALK
3 WITH THIS. AND APPRECIATION TO THE ALZHEIMER'S
4 ASSOCIATION FOR ITS COLLABORATION ON THE SHRIVER
5 REPORT, WHICH I THINK DID A LOT OF WHAT WE ALL KNOW
6 NEEDS TO BE DONE TOWARDS CHIPPING AWAY AT THIS
7 AWARENESS AND HAVING ALL OF US FIND OUR PLACE TO BE
8 ARCHITECTS OF CHANGE AS IT RELATES TO THIS
9 PARTICULAR DISEASE.

10 WE HAVE, AS YOU KNOW, AND I HOPE THAT YOU
11 ARE INSPIRED BY IT, FUNDED RESEARCH THAT WILL
12 HOPEFULLY MOVE US DOWN THE ROAD IN THIS AREA. AND
13 WE'RE VERY PROUD OF THAT BECAUSE THOSE WHO ARE
14 FORGETTING SHOULD NOT BE FORGOTTEN, AND THE
15 CAREGIVERS SHOULDN'T BE ALONE. SO THANK YOU, PATTY.

16 CHAIRMAN KLEIN: THANK YOU VERY MUCH. IN
17 CONCLUDING THIS SECTION, WE HAVE -- IF BOTH SAMUEL
18 HONG AND LESLIE KIRBY COULD COME TO THE MIC
19 TOGETHER, THEY HAVE A TIME CONSTRAINT. AND THESE
20 HAPPEN TO BE BRILLIANT BRIDGES STUDENTS THAT ARE THE
21 SPEARHEAD OF OUR PROGRAM. THEY'D LIKE TO ADDRESS US
22 BEFORE THEY HAVE TO GO OFF TO THEIR ASSIGNMENT LAB.

23 MR. HONG: MEMBERS OF THE BOARD AND
24 EVERYONE ELSE. I'M SAMUEL HONG. MY NAME IS SAMUEL
25 HONG, AND I'M CURRENTLY AN INTERN IN TRAINING FROM

BARRISTERS' REPORTING SERVICE

1 CAL STATE FULLERTON'S BRIDGES TO STEM CELL RESEARCH
2 PROGRAM. ON BEHALF OF CAL STATE FULLERTON AND ALL
3 THE INTERNS THERE, WE'D LIKE TO THANK YOU FOR
4 PROVIDING THIS INCREDIBLE OPPORTUNITY TO PRACTICE
5 STEM CELL RESEARCH.

6 FOR MY ASPIRATIONS, I PLAN ON ATTENDING
7 MEDICAL SCHOOL TO OBTAIN AN M.D. AND BECAUSE OF
8 THIS EARLY INTRODUCTION TO STEM CELL RESEARCH, I
9 THINK I'LL ALWAYS GRAVITATE TOWARDS STEM CELL-BASED
10 APPLICATIONS. MY EXPERIENCE IN THE BRIDGES PROGRAM
11 WILL ALLOW ME TO INTEGRATE STEM CELL RESEARCH,
12 LABORATORY PRACTICES, ALONG WITH CLINICAL
13 APPLICATIONS.

14 WITH TRAINING IN MEDICINE AND STEM CELL
15 RESEARCH, I PLAN TO ASSIST IN BRINGING STEM CELL
16 THERAPIES TO THE CLINIC. ALSO THE BRIDGES PROGRAM
17 GIVES UNDERGRADUATES A MUCH NEEDED ACCESS TO BASIC
18 AND TRANSLATIONAL STEM CELL RESEARCH. IN JANUARY WE
19 WILL BE STARTING OUR INTERNSHIPS AT OUR HOST
20 LABORATORIES. MANY OF THE INTERNS WILL BE DIRECTLY
21 INVOLVED IN TRANSLATIONAL RESEARCH FOR DISEASES SUCH
22 AS MULTIPLE SCLEROSIS, ALZHEIMER'S DISEASE, AND
23 SPINAL CORD INJURY. EXPERIENCE GAINED FROM THE
24 REQUIRED COURSEWORK AND DIRECT PARTICIPATION IN
25 RESEARCH HAS AND WILL CONTINUE TO PROVIDE US WITH

BARRISTERS' REPORTING SERVICE

1 THE KNOWLEDGE AND SKILLS TO PURSUE DEGREES IN HIGHER
2 EDUCATION. MOST OF THE INTERNS ARE PLANNING TO
3 OBTAIN PROFESSIONAL DEGREES THAT AIM TO FURTHER THE
4 FIELD OF STEM CELL BIOLOGY AND DEVELOP NEW
5 STRATEGIES FOR REGENERATIVE MEDICINE.

6 THE OPPORTUNITY TO BECOME THE NEXT
7 GENERATION OF STEM CELL RESEARCHERS INSTILLS IN US
8 THE RESPONSIBILITY TO MAKE STEM CELL-BASED
9 REGENERATIVE MEDICINE A REALITY FOR MANY, IF NOT ALL
10 PATIENTS.

11 AND ALSO I'D LIKE TO SAY BASED ON WHAT YOU
12 SAID EARLIER REGARDING GETTING CIRM'S NAME OUT
13 THERE, I'M SURE, EVEN THOUGH MY PI MAY KILL ME FOR
14 THIS LATER, CAL STATE FULLERTON BRIDGES PROGRAM
15 WOULD BE HAPPY TO HELP IN ANY WAY. IF YOU GUYS HAVE
16 ANY T-SHIRTS, I'LL BE GLAD TO WEAR THEM AROUND
17 SCHOOL. THANK YOU.

18 (APPLAUSE.)

19 MS. KIRBY: LIKE SAM, I WOULD LIKE TO
20 EXPRESS MY APPRECIATION FOR MAKING THIS OPPORTUNITY
21 AVAILABLE TO UNDERGRADUATE STUDENTS. IT'S JUST A
22 PHENOMENAL EXPERIENCE THAT WE'VE BEEN GOING THROUGH
23 THE LAST SIX MONTHS AND WILL CONTINUE TO EXPERIENCE
24 THE NEXT SEVEN MONTHS.

25 MY GOALS ARE TO GET A PH.D. IN STEM CELL

BARRISTERS' REPORTING SERVICE

1 BIOLOGY AND EVENTUALLY LEAD A RESEARCH TEAM IN THE
2 DEVELOPMENT OF STEM CELL-BASED THERAPIES FOR CHRONIC
3 DISEASES. I HAVE BEEN INVOLVED IN STEM CELL
4 RESEARCH FOR TWO YEARS AT CAL STATE FULLERTON, AND
5 IT HAS GIVEN ME A STRONG FOUNDATION IN EXPERIMENTAL
6 DESIGN AND OTHER RESEARCH-RELATED SKILLS.

7 THE BRIDGES PROGRAM HAS TAKEN THIS
8 EXPERIENCE TO A COMPLETELY NEW HEIGHT. BEING
9 SELECTED AS AN UNDERGRADUATE INTERN HAS SOLIDIFIED
10 MY COMMITMENT TO STEM CELL RESEARCH. THE TRAINING I
11 HAVE RECEIVED IN THE BRIDGES PROGRAM HAS INCREASED
12 MY CONFIDENCE AND MY MOTIVATION TO FIND A CURE FOR
13 DISEASES SUCH AS MULTIPLE SCLEROSIS.

14 I WILL BE AN INTERN IN DR. THOMAS LANE'S
15 LAB HERE AT UCI STARTING IN JANUARY. I'M VERY MUCH
16 LOOKING FORWARD TO CONTRIBUTING TO STEM CELL
17 RESEARCH AND MULTIPLE SCLEROSIS FIELDS. THE
18 OPPORTUNITY TO PARTICIPATE IN CUTTING EDGE RESEARCH
19 AT THIS EARLY STAGE IN MY CAREER HAS INSPIRED ME AND
20 WILL PREPARE ME FOR MY ULTIMATE GOAL TO FIND A CURE
21 FOR THIS DEBILITATING DISEASE.

22 CHAIRMAN KLEIN: THANK YOU SO MUCH.

23 (APPLAUSE.)

24 CHAIRMAN KLEIN: THANK YOU, ALAN TROUNSON
25 MICHAEL YAFFE, FOR THE SPEARHEAD OF THE

BARRISTERS' REPORTING SERVICE

1 IMPLEMENTATION OF THIS PROGRAM. AND THANK YOU DAVID
2 SERRANO-SEWELL AND MARCY FEIT ON THE BOARD TASK
3 FORCE TO PUSH THIS PROGRAM FORWARD. CAN WE HAVE A
4 HAND FOR BOTH THE BOARD AND THE STAFF?

5 (APPLAUSE.)

6 CHAIRMAN KLEIN: AT THIS POINT THE NEXT
7 ITEM ON OUR AGENDA, UNLESS THERE IS CORRECTION, IS
8 THE FINANCIAL AUDIT REPORT. OKAY. EVEN THOUGH
9 THEY'RE AT POINT FIVE, THEY EVIDENTLY HAVE
10 RESCHEDULED TO THIS AFTERNOON.

11 SO, DR. TROUNSON, WOULD YOU LIKE TO TAKE
12 AT THIS POINT, AND BECAUSE WE HAVE A LOT OF ITEMS
13 AND A QUORUM, AND FOCUS THE PORTION OF YOUR
14 PRESENTATION THAT RELATES TO THE EVALUATION REPORT?
15 CAN YOU FOCUS ON THOSE SLIDES AT THIS POINT, AND
16 WE'LL CALL YOU BACK UP LATER TO DEAL WITH THE
17 BALANCE OF THE REPORT.

18 DR. TROUNSON: THANK YOU, CHAIR. WE'LL
19 JUST GET THAT UP. I JUST WANTED TO SORT OF JUST GET
20 FOCUSED, MAKE SURE THAT WE WERE FOCUSED ON THIS, AND
21 WE REALLY HAD SOME DISCUSSIONS IN MANAGEMENT ABOUT
22 THE MERITS AND WHAT WE COULD ACTUALLY DO. I'LL JUST
23 TAKE THESE THROUGH FAIRLY BRIEFLY FOR YOU, BUT GIVE
24 YOU SOME IDEA OF WHAT WE THINK IS POSSIBLE.

25 CLEARLY THE FIRST ONE IS TO MAINTAIN FOCUS

BARRISTERS' REPORTING SERVICE

1 ON MEANINGFUL SCIENTIFIC EXCELLENCE. THERE I THINK
2 WE JUST NEED TO ENSURE THE SCIENTIFIC INTEGRITY OF
3 THE GRANTS REVIEW IS MAINTAINED AND IMPROVED. SO
4 THAT'S PRETTY STRAIGHTFORWARD, AND THAT'S WHAT WE
5 WOULD CONTINUE TO DO.

6 SUSTAINED FUNDAMENTAL DISCOVERY, THAT
7 MEANS MAINTAINING A STRONG BASIC SCIENCE DISCOVERY
8 AND TRAINING PROGRAM. AND WE HAVE EVERY INTENTION
9 OF DOING THAT.

10 THIRDLY, PAVING THE PATH FROM FUNDAMENTAL
11 TO TRANSLATIONAL RESEARCH, TRANSLATIONAL MEDICINE,
12 PRODUCT DEVELOPMENT, AND HEALTHCARE DELIVERY. IT
13 REALLY MEANS, THE WAY I READ IT AND TAKEN IT FROM
14 THE REVIEW, IS DEVELOP A MORE AGGRESSIVELY PROACTIVE
15 APPROACH TO IDENTIFY INNOVATION ACROSS THE WHOLE
16 THERAPEUTIC LANDSCAPE, FULLY ENGAGE INDUSTRY IN
17 DELIVERY OF THERAPEUTICS.

18 SO I THINK WHAT WE NEED TO DO IS GATHER
19 INTELLIGENCE ON RAPIDLY MOVING RESEARCH AND
20 TRANSLATION THROUGH INDUSTRY ADVISORY CONNECTIONS,
21 KEY CONFERENCES, SCIENTISTS REVIEWING HOT AREAS.
22 AND THERE ARE A LOT OF HOT AREAS AROUND. AND
23 SCIENCE INDUSTRY ADVISORY GROUPS AND COLLABORATIVE
24 FUNDING PARTNERS AND SOCIETIES. SO THERE'S A REAL
25 INTELLIGENCE GATHERING PROCESS THAT WE SHOULD

BARRISTERS' REPORTING SERVICE

1 UNDERGO TO IDENTIFY WHAT IS REALLY SUPER OUT THERE
2 THAT WE'RE NOT ENGAGED WITH OR NOT SUFFICIENTLY
3 ENGAGED WITH.

4 IDENTIFY CALIFORNIAN PARTNERS AND A RANGE
5 OF APPROPRIATE LINKAGES AND ENABLE APPROPRIATE ENTRY
6 INTO THE REVIEW PROCESS. AND WE HAVE BEEN WORKING
7 WITH OUR COLLABORATIVE FUNDING PARTNERS IN THESE
8 REGARDS, BUT THAT NEEDS MORE FOCUS.

9 TALKING ABOUT PORTFOLIO PRIORITIZATION
10 PROCESSES, THIS IS REALLY QUITE A DIFFICULT ONE, BUT
11 IT SEEMED TO US THAT WE MIGHT NEED TO CREATE AN
12 ADVISORY GROUP, INCLUDING OUTSIDE INTERDISCIPLINARY
13 EXPERTS, TO CONDUCT A CRITICAL ASSESSMENT OF OUR
14 CURRENT PORTFOLIO WITH OBJECTIVE BENCHMARKS OF THE
15 CURRENT PORTFOLIO TO IDENTIFY PROGRAMS THAT DESERVE
16 CIRM SUPPORT TO MOVE FORWARD AND THOSE THAT SHOULD
17 NOT.

18 NOW, THAT SEEMS LIKE IT'S ONE OF THE
19 DIFFICULT AREAS THAT WE SHOULD TACKLE, I THINK, WITH
20 SOME REAL EXPERTISE. AND I THINK THE EXPOSURE THAT
21 I'VE HAD TO SOME OF THE INDUSTRY INCLUDES AN ISSUE
22 OF RELEVANCE, WHICH IS A KEY CONSIDERATION FOR
23 INDUSTRY SUPPORT AND MERIT OF EARLY STAGE PROJECTS.
24 SO IT COULD BE GREAT SCIENCE, BUT MAYBE IT ISN'T
25 RELEVANT. AND THAT RELEVANCE ISSUE PROBABLY NEEDS

BARRISTERS' REPORTING SERVICE

1 TO BE INTRODUCED HERE TO ENABLE US TO MOVE FORWARD.

2 AND, MICHAEL GOLDBERG, WE'RE VERY WELL
3 AWARE OF THIS KIND OF THING, AS INDUSTRY PEOPLE
4 WOULD. THE RELEVANCE COMPONENT IS REALLY ONE OF THE
5 DECISIVE INSTRUMENTS IN MAKING DECISIONS.

6 FOCUS THE NUMBER OF PROJECTS TO THOSE THAT
7 HAVE THE GREATEST CHANCE OF DEVELOPMENT PROGRESS AND
8 CLINICAL SUCCESS GIVEN REASONABLE TIMELINES AND
9 BUDGETS, BUT TO CONSIDER ALSO CRITICAL NEEDS IN
10 TRANSLATION THAT ENCOMPASS A WIDER SPECTRUM THAN THE
11 SINGLE DISEASE CONDITIONS. I'M SAYING THAT MAYBE
12 IN, FOR EXAMPLE, THE NEURAL DEGENERATIVE DISORDERS,
13 THERE ARE SOME GENERAL THINGS THAT WE CAN FOCUS ON
14 IN TRANSLATION THAT WOULD BE HELPFUL FOR THE WHOLE
15 AREA. AND THIS HAS BEEN BROUGHT FORWARD TO ME BY A
16 NUMBER OF INTERESTING SCIENTIFIC INPUTS. I THINK
17 IT'S SOMETHING THAT WE OUGHT TO EXPLORE BECAUSE BY
18 JUST PUSHING DIFFERENT DISEASES, I THINK WE'RE JUST
19 SORT OF SPIKING; WHEREAS, WE MIGHT MAKE A MUCH MORE
20 PROFOUND MOVE IF WE ACTUALLY CONSIDER THE WHOLE
21 ENTITY.

22 FOR EXAMPLE, MANUFACTURING CELLS FOR A
23 WHOLE LOT OF EXPERIMENTAL WORK IN THAT AREA. BUT I
24 PUT IT TO YOU THAT THERE'S SOME SLIGHTLY DIFFERENT
25 WAYS OF LOOKING AT THESE THINGS THAN WE HAVE IN THE

BARRISTERS' REPORTING SERVICE

1 PAST, SAY, WITH OUR INDIVIDUAL DISEASES TEAMS.

2 SO DEVELOP AN OPEN INNOVATION, POROUS
3 PIPELINE POLICY. THE CLINICAL PROJECTS MAY COME
4 FROM EITHER INSIDE OR OUTSIDE OF CIRM-FUNDED
5 RESEARCH, INCLUDING OUT OF THE INDUSTRY AND EVEN
6 FROM OUTSIDE CALIFORNIA. WE NEED MORE FLEXIBLE
7 PROJECT FUNDING PROCESSES WITH LESS ADMINISTRATIVE
8 DOCUMENTATION AND ROLLING FUNDING CYCLES TO ALLOW
9 FOR INNOVATIVE PROJECTS TO BE CAPTURED IN THE CIRM
10 PORTFOLIO, PARTICULARLY FROM INDUSTRY, THAT MAY NOT
11 FALL WITHIN THE ESTABLISHED RFA CYCLE.

12 SO WE SET THESE CYCLES UP, BUT IT DOESN'T
13 NECESSARILY CONFORM TO THE NEEDS OF INDUSTRY. THEY
14 CANNOT TAKE AN 18-MONTH PERIOD BEFORE THEY CAN GET
15 FUNDED, FOR EXAMPLE. IT DOESN'T WORK. SO LET'S
16 OPEN THE PIPELINE AND MAKE IT MORE POROUS. AND I
17 MADE A SUGGESTION IN SOME OF THE UPCOMING RFA'S
18 ABOUT HOW TO DO THAT. AND I HAVEN'T HAD A CHANCE TO
19 WORK THAT THROUGH WITH MR. KLEIN. HE'S BEEN BUSY ON
20 SOME OTHER THINGS JUST LATELY. WE'LL TAKE THAT.
21 THERE ARE OPPORTUNITIES HERE FOR DOING THIS AND
22 PARTICULARLY THAT SORT OF MAKE US A BIT MORE
23 ACCOMMODATING TO INDUSTRY.

24 CHAIRMAN KLEIN: DR. TROUNSON, VERY
25 SPECIFICALLY, IN DISEASE TEAMS II I THINK ONE OF THE

BARRISTERS' REPORTING SERVICE

1 CONCEPTS YOU'RE GOING TO BRING BACK TO THIS BOARD
2 FOR CONSIDERATION OR FOR DISCUSSION, ALTHOUGH WE
3 MAY, IN FACT, PROGRAM THE FLEXIBILITY INTO DISEASE
4 TEAM II CONCEPT APPROVAL TO ACCOMPLISH IT, IS THAT
5 WHERE INDUSTRY MAY NOT NEED THE SMALL PROGRAM
6 PLANNING GRANTS, THEY COULD ENTER LATER IN THE STAGE
7 IF THE PRESIDENT AND THE SCIENTIFIC STAFF FOUND THE
8 QUALITY OF THEIR APPLICATION TO BE SUFFICIENTLY
9 DEVELOPED TO GO TO THE FULL PEER REVIEW AS AN
10 EXAMPLE.

11 DR. TROUNSON: THERE'S A POROSITY
12 COMPONENT. WE COULD DO A LITTLE MORE, BUT HERE'S A
13 BEGINNING. WE'D BE INTERESTED IN THE BOARD'S VIEW
14 OF THOSE THINGS.

15 PROJECTS COULD ENTER THE CIRM PIPELINE AT
16 ANY STAGE OF PRECLINICAL, CLINICAL DEVELOPMENT. SO
17 WE WANT TO MAKE IT, AS I SAID, MUCH MORE POROUS.

18 SO IF YOU LOOK AT THE PIPELINE, CURRENTLY
19 WE TEND TO SORT OF HAVE THE PIPELINE WITH PROJECTS
20 SORT OF FOLLOWING ONE ANOTHER IN THAT GENERAL
21 PIPELINE. SO WE'VE BEEN PUTTING TO YOU THAT
22 PIPELINE RESEARCH. AND WHAT THEY'RE SAYING IS,
23 WELL, THERE'S INTERNAL CALIFORNIA COMPONENTS,
24 PARTICULARLY FROM INDUSTRY, THAT CAN ENTER THAT
25 PIPELINE, BUT WHY NOT ALSO TAKE EXTERNALS, INCLUDING

BARRISTERS' REPORTING SERVICE

1 INTERNATIONAL DEVELOPMENTS. AND THAT'S CHALLENGING,
2 BUT I THINK IT'S DOABLE. I THINK IT'S DOABLE IF
3 YOU'VE GOT THE RIGHT MIND-SET TO DRAW IT IN.

4 WHAT YOU'VE GOT TO BE CAREFUL OF, I'D
5 SUGGEST, IS TO MAKE SURE THAT THE BENEFITS OF DOING
6 THAT ALSO ACCUMULATE TO CALIFORNIA. SO THAT'S WHAT
7 YOU HAVE TO ACTUALLY CONCENTRATE ON WHEN YOU'RE
8 DOING IT.

9 SO REVIEW, LOOKING AT THE SOCIAL, ETHICAL,
10 AND HEALTHCARE DELIVERY AND REGULATORY ISSUES,
11 IDENTIFY AND STIMULATE RESEARCH IN CRITICAL ETHICAL,
12 ECONOMIC, MANUFACTURING, HEALTH DELIVERY, AND SOCIAL
13 ISSUES NEEDED FOR TRANSLATION TO POLICY AND
14 PRACTICE. I'D SUGGEST WE MIGHT WANT TO ESTABLISH AN
15 ADVISORY GROUP TO IDENTIFY THE CRITICAL ISSUES AND
16 PRIMARY ACTIVITIES NEEDED TO RESOLVE THESE.

17 STANDARDS FOR MANUFACTURING AND CELL
18 INTEGRITY FOR RESEARCH, FOR EXAMPLE. CLINICAL USE
19 COULD BE DEVELOPED AS A ROLE FOR CIRM. WE HAVEN'T
20 DONE THAT, BUT I SUGGEST THAT MIGHT VERY MUCH HELP
21 IN THAT PATHWAY.

22 THE POSSIBILITY OF PROVIDING DELIVERY
23 THROUGH CIRM-SPONSORED STEM CELL CLINICAL UNITS, FOR
24 EXAMPLE, THE ALPHA CLINICAL MODEL THAT WE PUT TO YOU
25 REALLY THROUGH THE REVIEW OF MY POSITION, BUT WE

BARRISTERS' REPORTING SERVICE

1 HAVEN'T COME BACK TO YOU ON THAT, MIGHT BE ANOTHER
2 WAY OF DOING THESE THINGS.

3 DIVERSITY IN CIRM ACTIVITIES NEEDS TO BE
4 CONTINUOUSLY EXAMINED, I BELIEVE. STRATEGIES
5 ADDRESSING ECONOMIC BARRIERS THAT ARE EARLY
6 DEVELOPMENT SHOULD ALSO BE ACTIVELY PURSUED. SO
7 THERE ARE BARRIERS HERE THAT WE -- ECONOMIC BARRIERS
8 THAT WE REALLY HAVEN'T DEALT WITH, AND I THINK WE
9 NEED TO. I'M SUGGESTING THAT IF WE HAVE AN INDUSTRY
10 ADVISORY BOARD, THAT IS ONE AREA THAT COULD REALLY
11 HELP US IN THAT.

12 WE'RE MAKING PROGRESS ON REGULATORY ISSUES
13 AND THEIR RESOLUTION. FURTHER WORK IS NEEDED TO
14 INCLUDE INTERNATIONAL HARMONIZATION.

15 SO THE INDUSTRY ENGAGEMENT, WHICH WAS A
16 PRETTY POINTED RECOMMENDATION, WAS TO ENABLE A MORE
17 SIGNIFICANT ENGAGEMENT WITH THE BIOPHARMACEUTICAL
18 INDUSTRY. IN FACT, BE MORE ACCOMMODATING TO
19 INDUSTRY TIME AND FINANCIAL RESTRAINTS.

20 SO ESTABLISH THE SCOPE AND INTEREST OF ALL
21 SECTORS IN THE BIOPHARM INDUSTRY IN PROVIDING
22 SERVICES. PARTNERING CIRM AND ACADEMIA, DEVELOPING
23 MAJOR NEW CRITICAL CAPACITY, FOR EXAMPLE, CELL
24 MANUFACTURING, STANDARDS, AS I JUST MENTIONED,
25 INTERNATIONAL CONNECTIONS, CLINICAL CELLULAR

BARRISTERS' REPORTING SERVICE

1 THERAPEUTICS, ETC. THERE'S NOT A LOT OF PEOPLE IN
2 CELLULAR THERAPEUTICS SPECIFICALLY AT THE MOMENT IN
3 CALIFORNIA. WE MIGHT NEED TO SORT OF LOOK WHERE WE
4 CAN HARNESS SOME OF THE ACTIVITIES THAT ARE WORKING
5 OUTSIDE CALIFORNIA.

6 DEVELOP A RAPID ENTRY MECHANISM FOR
7 ASSESSING GRANT REVIEW FOR THE INDUSTRY. WHY NOT
8 LOOK AT THIS AS SOMETHING THAT WAS NEEDED TO BE
9 ACCOMMODATING.

10 STREAMLINE GRANT AWARD PROCESSES TO
11 INCREASE INDUSTRY REVIEWERS FOR MORE ADVANCED RFA'S.
12 SO LET'S DO IT. LET'S SEE HOW WE CAN DO IT. I
13 THINK IT'S POSSIBLE.

14 DEVELOP STRATEGIC PARTNERSHIPS THAT
15 DEVELOP REGENERATIVE MEDICINE WITH BIOPHARMA. WE
16 WANDERED INTO THIS AREA. WE'VE STARTED TO TALK, BUT
17 WE REALLY HAVEN'T CONSUMMATED ANY RELATIONSHIP TO
18 DATE.

19 ENHANCE IP UTILIZATION AND UPTAKE BY CIRM
20 PROJECTS. I THINK THERE IS AN ISSUE HERE THAT WE
21 NEED TO WORK WITH OTHERS ON THAT. I'D LIKE
22 PARTICULARLY TO GET ADVICE FROM DUANE AND OTHERS ON
23 THE BOARD WHO REALLY HAVE WORKED IN THIS SECTOR.

24 WE NEED TO APPOINT AN INDUSTRY ADVISORY
25 COMMITTEE, MAKE ENGAGEMENT EFFECTIVE, AND

BARRISTERS' REPORTING SERVICE

1 COMPLEMENTARY. SO LET'S DO IT. LET'S FIND THOSE
2 PEOPLE. I THINK THE SUGGESTION WAS NOT TO BE ALL IN
3 CALIFORNIA, AT LEAST TO GET SOME PEOPLE FROM OUT OF
4 CALIFORNIA.

5 AND MAKE THE LOAN PROGRAM ACCEPTABLE TO
6 INDUSTRY. MY VIEW HERE IS TO ALLOW FOR SOME
7 NEGOTIATED ENTRY INTO LOANS. I DON'T THINK EVERYONE
8 WOULD AGREE WITH THAT, BUT I THINK THAT'S A NATURAL
9 THING COMPANIES DO. AND MAYBE WE OUGHT TO BE A BIT
10 MORE NATURAL WITH THEM TO ALLOW THEM TO COME IN
11 BECAUSE THEY ALWAYS LIKE TO SHIFT THINGS AROUND TO
12 MAKE THEM FIT FOR WHAT THEY NEED. I'M SUGGESTING WE
13 MIGHT WANT TO THINK ABOUT THAT.

14 INTERNATIONAL PARTNERSHIPS, BROADEN AND
15 DIVERSIFY THESE COLLABORATIVE FUNDING PARTNERSHIPS.
16 IDENTIFY EXCELLENCE OUT THERE. MISSING CAPACITY,
17 THAT IS, OUR MISSING CAPACITY IN CALIFORNIA. RAPID
18 DEVELOPMENTS THAT ARE HAPPENING AND INTEREST TO
19 COLLABORATE. YOU'VE GOT TO FIND THAT. WE'RE
20 ACTUALLY NOW FINDING OUR COLLEAGUES IN CHINA WANTING
21 TO COME VERY CLOSE TO US SUDDENLY. NOW, THAT'S A
22 NEW MOVEMENT, AND THAT'S TERRIFIC BECAUSE THERE ARE
23 SOME VERY SPECIAL THINGS THERE AND SOME VERY SPECIAL
24 NEEDS TO NEGOTIATE INTO THAT. AND THERE'S SOME
25 LOGICAL PARTNERSHIPS THAT HAVE POTENTIAL IN

BARRISTERS' REPORTING SERVICE

1 CALIFORNIA.

2 SO ENCOURAGE MULTIPLE -- WHY NOT ENCOURAGE
3 MULTIPLE INTERNATIONAL-INTERSTATE PARTNERSHIPS WITH
4 CIRM. CURRENTLY WE HAVE TWO, CIRM AND SOMEBODY
5 ELSE. WHY NOT THREE? WHY NOT THREE? WHY NOT FOUR?
6 IT STRESSES THE LEGAL OFFICE, BUT, YOU KNOW, THEY'RE
7 TERRIFIC INNOVATIVE PEOPLE AND WE NEED TO STRETCH
8 THEM A BIT IN THESE KIND OF WAYS, I THINK, WOULD BE
9 REALLY WORTHWHILE.

10 EXPLORE INTERNATIONAL-INDUSTRY
11 PARTNERSHIPS THAT CAN ACCELERATE CLINICAL THERAPIES.
12 IP AND AGREEMENTS NEED TO PROTECT CALIFORNIAN
13 INTEREST. THAT'S WHAT'S REALLY CRITICAL HERE. SO
14 WHEN WE DO IT, WE SHOULD NOT GIVE AWAY THE VALUABLE
15 ENTITIES THAT WE'RE CREATING HERE IN CALIFORNIA.
16 AND CONNECT AND PARTNER WITH NIH. FOR EXAMPLE,
17 WE'RE WORKING TOWARDS A CONNECTION IN THE CLINICAL
18 INSTITUTE AT NIH FOR CLINICAL TRIALS.

19 I THINK I'M NEARLY FINISHED. THERE'S ONE
20 MORE. OUTREACH AND EDUCATION. SIGNIFICANTLY
21 INCREASE THE QUALITY AND BREADTH OF COMMUNITY
22 OUTREACH AND EDUCATION. INCREASE THE CAPACITY AND
23 RAISE THE INTERACTION WITH ALL FORMS OF MEDIA TO
24 ENHANCE THE RECOGNITION OF CIRM AND PROGRESS THE
25 POTENTIAL CONTRIBUTIONS TO COMMUNITY HEALTH.

BARRISTERS' REPORTING SERVICE

1 CONTINUE TO EXPAND PATIENT ADVOCACY AND
2 EDUCATION, BECAUSE WE'RE DOING THAT, AND I WOULD
3 EXPAND IT, INCLUDING COOPERATION WITH THE FDA AND
4 OTHER GOVERNMENT AGENCIES. DEVELOP MEDIA INTEREST
5 ARTICLES. I THINK WE CAN DO BETTER AT MAKING THEM
6 MORE ATTRACTIVE. VIDEOS AND OTHER COMMUNICATION
7 TOOLS. UTILIZE SCIENTISTS WITH MEDIA SKILLS TO
8 PROVIDE REGULAR UPDATES ON CIRM PROGRESS. WE TEND
9 NOT TO USE THEM AS WELL AS WE COULD. I THINK
10 THERE'S SOME VERY GOOD COMMUNICATORS OUT THERE THAT
11 WE SHOULD UTILIZE GENERALLY FOR OUR INTERESTS.

12 THOSE GOOD COMMUNICATORS CAN BE VERY GOOD.
13 IF YOU SEE SOME OF THE PEOPLE IN THE HEALTH ON
14 TELEVISION WHO ARE VERY GOOD AT GETTING THESE
15 MESSAGES ACROSS, THEY'RE VERY EFFECTIVE. AND I
16 THINK WE SHOULD TRY AND FIND SOME OF THOSE PEOPLE
17 THAT WE SHOULD BE ABLE TO USE.

18 GOVERNANCE ISSUES, REEXAMINE THE ROLE OF
19 ICOC AND MANAGEMENT IN DELIVERY OF STAGE II. I
20 THINK THERE ARE SOME CHANGES, SO IT'S WORTH
21 CONSIDERING THEM BECAUSE WE WANT TO SEE IF WE CAN
22 GET AN ENHANCED EFFECTIVENESS. AND THAT IS WHAT
23 WE -- THAT'S, I THINK, WHAT IT'S CHALLENGED US TO
24 DO, ENABLE THE ENHANCED CIRM PROGRAM. BE LESS
25 CONCERNED ABOUT PROCESS DOCUMENTATION ALTHOUGH WE

BARRISTERS' REPORTING SERVICE

1 KNOW THAT WE'VE GOT VERY REGULAR AUDITS.
2 DOCUMENTATION AT SOME LEVEL IS PRETTY MUCH
3 ESSENTIAL. MORE FLEXIBLE FOR ENHANCED OUTCOMES.

4 MANAGEMENT, THEY POINTED OUT, IS TOO LEAN
5 FOR DELIVERY OF THE OPPORTUNITIES. WE WILL NEED TO
6 INCREASE OUR CAPACITY. I THINK THE NUMBER OF
7 PEOPLE, BUT WE DO HAVE THE 6-PERCENT CAP. AND I'VE
8 SPOKEN TO THE CHAIR ABOUT THIS. WE CANNOT SORT OF
9 CRACK THAT CEILING. IF WE DO, WE NEED TO FIND
10 OTHERS FUNDS TO DO IT.

11 THAT'S A GENERAL RESPONSE TO THAT. I
12 THINK MANAGEMENT FEELS VERY POSITIVE ABOUT THESE. I
13 THINK MOVING FORWARD, WE'D LIKE TO BRING FORWARD TO
14 YOU A NEW OPERATIONS PLAN WHICH SORT OF INCLUDES
15 SOME OF THESE THINGS. WE WOULD LIKE SOME GUIDANCE
16 FROM YOU ON AREAS THAT YOU THINK ARE PRIORITIES, AND
17 THEN WE NEED FOR YOU TO AGREE THAT WE COME FORWARD
18 IN A RELATIVELY APPROPRIATE -- IN AN APPROPRIATE
19 TIME WITH A NEW OPERATIONS PLAN TO TAKE ON BOARD, I
20 THINK, THE RECOMMENDATIONS THAT YOU BELIEVE ARE
21 WORTHWHILE FROM THIS REVIEW. AND WE THINK THAT WE
22 COULD DO WELL IN NEARLY ALL OF THOSE AREAS THAT THEY
23 RECOMMENDED IN THE REVIEW. THANK YOU.

24 CHAIRMAN KLEIN: THANK YOU, DR. TROUNSON,
25 AND THE SCIENTIFIC STAFF FOR SUCH A REAL-TIME,

BARRISTERS' REPORTING SERVICE

1 CREATIVE RESPONSE, AN INNOVATIVE RESPONSE. THE
2 IDEAS ARE TREMENDOUS AND PROVIDES US SOME REAL
3 OPPORTUNITIES FOR DISCUSSION.

4 AND I THINK THE VICE CHAIR, SENATOR
5 TORRES, HAS SUGGESTED IT WOULD BE GREAT IF WE COULD
6 GET A COPY OF YOUR SLIDES, THEY'RE EXCELLENT, AS A
7 STARTING POINT FOR THIS PROCESS, WHICH IS GOING TO
8 BE CHALLENGING JUST LIKE THE INNUMERABLE GOALS WE'VE
9 GONE THROUGH BEFORE.

10 BEFORE ASKING IF THERE'S BOARD COMMENTS ON
11 YOUR PRESENTATION AT THIS TIME, I THINK IT'S
12 IMPORTANT THAT WE THANK OUR STAFF THAT PUT A HUGE
13 AMOUNT OF EFFORT INTO PROVIDING MATERIALS, BEING
14 RESPONSIVE TO REQUESTS FROM THE EVALUATION PANEL.
15 THAT WAS A TREMENDOUS EFFORT THEY PUT OUT TO PROVIDE
16 THOSE MATERIALS AND SUPPORT. BUT ALSO THERE WAS
17 INDEPENDENT STAFF THAT WAS RETAINED BY THE REVIEW
18 PANEL. AND MS. SAIRA RAMASASTRY IS HERE. COULD YOU
19 PLEASE STAND AND BE ACKNOWLEDGED FOR DEVELOPING THE
20 REVIEW PANEL?

21 (APPLAUSE.)

22 CHAIRMAN KLEIN: THANK YOU. SHE IS A
23 MANAGING PARTNER AT LIFE SCIENCE ADVISORY, LLC, A
24 STRATEGIC ADVISORY SERVICE FOCUSED ON THE EMERGING
25 BIOPHARMACEUTICAL INDUSTRY. AND SHE REPRESENTED THE

BARRISTERS' REPORTING SERVICE

1 INDEPENDENT STAFF FOR THE REVIEW PANEL IN DRAWING UP
2 THE REPORT.

3 AND I THINK IT WOULD BE APPROPRIATE, AS
4 SENATOR TORRES POINTS OUT, TO HAVE OUR STAFF STAND
5 AND BE ACKNOWLEDGED AS WELL. IF THEY COULD PLEASE
6 STAND.

7 (APPLAUSE.)

8 CHAIRMAN KLEIN: WE CAN MAKE STRATEGIC
9 DECISIONS ALL DAY LONG, BUT WITHOUT THE TREMENDOUS
10 BACKGROUND WORK THAT THE STAFF GIVES US AND
11 GUIDANCE, WITHOUT DR. TROUNSON, HIS EXECUTIVE
12 STAFF'S INPUT, WITHOUT THE DEDICATED WORK OF THE
13 SCIENTIFIC STAFF IN IMPLEMENTING THESE PROGRAMS, WE
14 WOULD NEVER COME CLOSE TO THE QUALITY OF THE REVIEW
15 AND THE REMARKABLE MARKS THAT WE RECEIVED IN THAT
16 REVIEW. SO THANK YOU ALL.

17 ARE THERE COMMENTS AT THIS POINT FOR DR.
18 TROUNSON?

19 MS. FEIT: JUST WANT TO THANK YOU FOR THAT
20 GREAT OVERVIEW AGAIN ON THE REPORT. YOU ANSWERED
21 ALL THE QUESTIONS I WAS HAVING DURING THE REVIEW
22 PANEL. WHAT'S THE PROCESS GOING TO BE LIKE, AND
23 YOU'RE STARTING TO GO DOWN THAT PATH.

24 BUT I WAS WONDERING. I HAVEN'T LOOKED AT
25 THE STRATEGIC PLAN FOR SOME TIME FOR CIRM AND HOW

BARRISTERS' REPORTING SERVICE

1 ALL OF THIS WOULD FIT INTO THE STRATEGIC PLAN GOING
2 FORWARD. THAT WOULD BE MY ONLY COMMENT, BUT THANK
3 YOU.

4 CHAIRMAN KLEIN: SO, MARCY, THIS IS PART
5 OF WHAT WAS MANDATED IN THE STRATEGIC PLAN FOR AN
6 UPDATE REVIEW. DR. TROUNSON, WOULD YOU LIKE TO
7 COMMENT?

8 DR. TROUNSON: I THANK YOU FOR THAT. IT
9 WOULD CHALLENGE THAT STRATEGIC PLAN. SO THE
10 STRATEGIC PLAN PROBABLY NEEDS SOME ADJUSTMENT, AND
11 THAT SHOULD HAPPEN. PARTICULARLY THE OPERATIONS
12 PLAN WILL NEED TO BE ADJUSTED TO ACCOMMODATE THESE
13 THINGS BECAUSE, AS YOU SAW, THERE ARE SOME
14 CHALLENGING ELEMENTS IN THERE. AND WE WILL HAVE TO
15 SORT OF REFIT SOME OF OUR ACTIVITIES, OUR
16 REGULATIONS, ETC. TO ACCOMMODATE. BUT I THINK THAT
17 CAN ALL BE DONE. AND I'D LIKE TO PROGRESS ON THAT
18 BY MAKING SOME RECOMMENDATIONS, IF YOU LIKE, FOR THE
19 STRATEGIC PLAN, BUT PARTICULARLY TO DEVELOP A NEW
20 OPERATIONS PLAN THAT WOULD REFLECT THE
21 RECOMMENDATIONS COMING FORWARD. UNLESS YOU FELT ONE
22 OR OTHER OF THOSE RECOMMENDATIONS WAS INAPPROPRIATE,
23 WE WOULD HAVE TO FIT IT IN, OF COURSE, WITHIN THE
24 STATUTE ALLOWANCES HOW WE OPERATE. BUT JUST SAYING
25 THAT, AS LONG AS IT'S APPROPRIATE WITHIN THE

BARRISTERS' REPORTING SERVICE

1 STATUTES, THEN WE WOULD ATTEMPT TO MAKE SOME CHANGES
2 TO ACCOMMODATE ALL OF THOSE RECOMMENDATIONS.

3 MS. FEIT: I JUST THINK IT WOULD BE
4 IMPORTANT NOT TO HAVE COMPETING DOCUMENTS FOR THE
5 AGENCY GOING FORWARD IN THE FUTURE.

6 CHAIRMAN KLEIN: I THINK LOOKING FORWARD,
7 I'LL WORK WITH DR. TROUNSON TO SCHEDULE THAT TO COME
8 BACK TO THE BOARD FOR DISCUSSION OF HOW IT
9 INTERFACES WITH THE STRATEGIC PLAN, WHAT THE
10 MODIFICATIONS MIGHT BE CONCURRENTLY AS PART OF A
11 STRATEGIC DEBATE ON HOW TO ADAPT TO THESE IDEAS AND
12 FIND THE TREMENDOUS VALUE THAT'S IN THIS REPORT.

13 MR. ROTH: SO I APOLOGIZE. I CAME IN LATE
14 AND THEREFORE DIDN'T ASK ANY QUESTIONS DURING THE
15 REVIEW. BUT I DID WANT TO NOTE THAT AT LEAST THREE,
16 THREE AND A HALF, OR FOUR OF THE TEN ITEMS THAT WERE
17 DISCUSSED DEAL WITH EITHER TRANSLATIONAL, INDUSTRY,
18 POLICY, VERY FOCUSED ON THAT PART OF IT. AND
19 CERTAINLY FROM THE DISCUSSION THAT I HEARD IN THE
20 ROOM, I THINK WE'RE ALL QUITE ANXIOUS TO GET
21 INVOLVED IN THAT PHASE OF IT.

22 AND I ENCOURAGE ALAN AND I ENCOURAGE THE
23 BOARD EVEN TO CONSIDER FORMING A SUBCOMMITTEE FOR
24 THIS ENGAGEMENT, THAT IT CONSISTS OF BOARD MEMBERS
25 AND STAFF TO BRING INDUSTRY AND THE REGULATORY PART

BARRISTERS' REPORTING SERVICE

1 UNDER THAT PERHAPS BECAUSE OF ITS IMPORTANCE. SO
2 ONE THING TO CONSIDER WOULD BE A STANDING COMMITTEE
3 THAT ACTUALLY TAKES THIS VERY SERIOUS BECAUSE MANY
4 OF THE THINGS THAT WE'VE DISCUSSED, THERE'S NOT
5 AGREEMENT ON IN TERMS OF WHAT'S KEEPING INDUSTRY
6 FROM GETTING FUNDED. I'M PLEASED TO SEE SOME
7 CREATIVITY IN TERMS OF THE THINKING ABOUT HOW TO DO
8 THAT. BUT I AM NOT CONVINCED, FOR EXAMPLE, THAT
9 SOME OF THE OTHER TERMS OF THE LOANS AND THINGS LIKE
10 THAT ARE THE PROBLEM.

11 I'M VERY CONCERNED, AND I'VE SAID THIS
12 OVER AND OVER AGAIN, ABOUT THE FRONT DOOR AND THE
13 ABILITY OF COMPANIES WITH PRODUCTS TO GET THROUGH
14 THAT DOOR, WHICH INVOLVES A SCIENTIFIC REVIEW THAT
15 IS HEAVILY BIASED AND NOT -- THIS ISN'T INTENTIONAL,
16 BUT IT'S BIASED TOWARDS THE RESEARCH.

17 AND SO THE REVIEW ITSELF, I THINK, HAS TO
18 BE SEGREGATED AND DONE DIFFERENTLY. AND MANY IDEAS
19 LIKE THAT THAT ARE TOO LONG TO BELABOR TODAY, BUT I
20 THINK IT'S REALLY IMPORTANT WE TAKE THIS SERIOUS.

21 JUST A FINAL COMMENT. THESE KINDS OF
22 REVIEWS ARE EXTREMELY HELPFUL, BUT THEY HAVE TO
23 REALLY BE EMBRACED, ENDORSED, AND LIVED. AND WE
24 NEED TO HAVE CONTINUAL UPDATES ON HOW WE'RE
25 ADDRESSING THESE TEN ITEMS. THEY HAVE GIVEN US THE

BARRISTERS' REPORTING SERVICE

1 TEN. WE CAN ARGUE ABOUT THE IMPORTANCE OF THOSE AND
2 PRIORITY OF THOSE, BUT I THINK WE NEED TO SEE THE
3 PROGRESS AND WHAT WE'RE DOING TO ADDRESS EACH OF
4 THOSE. THANKS.

5 CHAIRMAN KLEIN: SO, DUANE, YOU'VE GIVEN
6 TREMENDOUS INPUT TO THIS BOARD OVER TIME, BUT
7 PERHAPS I COULD TALK TO YOU ABOUT HEADING THAT
8 COMMITTEE BECAUSE WITH YOUR BACKGROUND AND
9 EXPERIENCE, I THINK IT IS SOMETHING WE NEED TO FOCUS
10 ON. AND IT WOULD BE TREMENDOUS TO GET YOUR
11 LEADERSHIP ON THAT COMMITTEE.

12 MR. ROTH: THERE WILL BE SOME NEW BOARD
13 MEMBERS COMING IN. IT'S TIME NOW TO GIVE THIS THE
14 KIND OF ATTENTION AND IMPORTANCE IT DESERVES. WE
15 DID THE RIGHT THING IN THE BEGINNING, FOCUS ON
16 SCIENCE, BASIC RESEARCH, MANY UNANSWERED QUESTIONS,
17 BUT IT REALLY IS PROGRESSING.

18 JUST ON THE GOOD NEWS SIDE. IT'S ADULT
19 STEM CELLS, BUT CEPHALON TODAY MADE AN OFFER, AN
20 INCREDIBLE OFFER, ON A STEM CELL COMPANY THAT IS
21 GOING TO GET -- IT'S THE LEAD STORY IN THE BIO NEWS.
22 IT'S UP TO OVER A BILLION DOLLARS FOR THE COMPANY
23 DOING STEM CELLS. ANY TIME THAT HAPPENS, INDUSTRY
24 STARTS TO PAY ATTENTION. IT TAKES THAT KIND OF
25 MOVEMENT, AS MICHAEL WILL TELL YOU, TO GET PEOPLE'S

BARRISTERS' REPORTING SERVICE

1 ATTENTION.

2 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

3 ADDITIONAL BOARD COMMENTS?

4 DR. STEWARD: TWO THINGS SORT OF RELATED.

5 IT REALLY GOES TO THE POINT OF THE OTHER
6 RECOMMENDATIONS, STREAMLINING OF PROCESSES. AND
7 JUST TO SAY WHAT CLEARLY IS A GREAT NEED IS FINDING
8 WAYS TO PROMOTE, CAPTURE, IF YOU WANT, OF INNOVATIVE
9 PROJECTS FROM INDUSTRY. I DON'T ALSO WANT TO LOSE
10 THE POSSIBILITY OF CAPTURING INNOVATIVE ACTIVITIES
11 FROM OTHER SOURCES AS WELL.

12 JUST TO PUT THAT ON THE TABLE, THERE COULD
13 VERY WELL BE THINGS THAT ARE COMING OUT OF ACADEMIA
14 THAT COULD BE JUST AS INNOVATIVE, JUST AS IMPORTANT.
15 IT WOULD BE GREAT IF WE COULD FIGURE OUT A WAY ALSO
16 TO SOMEHOW MAKE IT POSSIBLE FOR THINGS TO COME IN
17 THAT ARE OUT OF THE BOX, OUT OF THE RFP PROCESS, OFF
18 THE TIMELINE. I DON'T KNOW HOW TO DO THIS, BUT IT
19 WAS ONE OF THE MESSAGES THAT I THINK WAS PRETTY
20 CLEAR IN THE REPORT.

21 THE SECOND THING IS THAT AN EXPLICIT
22 RECOMMENDATION, I BELIEVE, IT ISN'T ACTUALLY IN THE
23 REPORT, BUT DID COME OUT OF THE QUESTION THAT I
24 ASKED. I REALLY LIKED A LOT, AND I SAW A LOT OF
25 OTHER NODDING HEADS AROUND THE TABLE, AND IT WAS TO

BARRISTERS' REPORTING SERVICE

1 HAVE A HIGH LEVEL SCIENTIFIC REVIEW EVERY SIX MONTHS
2 OR SO TO IDENTIFY STRATEGIC OPPORTUNITIES. I DIDN'T
3 SEE THAT IN YOUR DOCUMENT HERE, BUT I DO THINK
4 THAT'S JUST A SUPERB IDEA.

5 THE ONE THING THAT I JUST WONDER IS
6 WHETHER, GIVEN THAT THAT'S A STRATEGIC OPPORTUNITY,
7 WHETHER THIS IS SOMETHING THAT THE BOARD OUGHT TO BE
8 INVOLVED IN AND ACTUALLY EVEN ORGANIZE ITSELF. I
9 DON'T KNOW. THERE'S SOME UPS AND DOWNSIDES, MAINLY
10 THE TIME INVOLVED AND SO FORTH, BUT IT WOULD BE AN
11 INTERESTING THING. IT WILL BE A LOT OF FUN FOR THE
12 BOARD TO COME TOGETHER AND HEAR FROM A GROUP OF
13 PEOPLE WHO WERE REALLY PLUGGED INTO WHAT'S GOING ON
14 AND HELP US THINK ABOUT STRATEGIC OPPORTUNITIES.

15 CHAIRMAN KLEIN: OKAY. THANK YOU VERY
16 MUCH. IT IS, I THINK, VERY IMPORTANT THAT, AS WE
17 DID WITH DISEASE TEAM II, THAT WE HAVE SOME LANGUAGE
18 IN THAT PROCESS THAT ALLOWS THE PRESIDENT WITH THE
19 ADVICE OF SCIENTIFIC STAFF TO IDENTIFY THESE LATE
20 DEVELOPING OPPORTUNITIES WHEREVER THEY COME FROM,
21 INDUSTRY OR ACADEMIC SOURCES, WHERE THEY CAN PULL
22 THEM INTO THE SYSTEM. SOMEWHAT ENHANCES THEIR
23 CHANCES IF THEY GO THROUGH THE PLANNING GRANT
24 PROCESS, BUT BY EXCEPTION FOR EXTRAORDINARY
25 BREAKTHROUGHS, HAVING A FLEXIBLE SYSTEM COMPLETELY

BARRISTERS' REPORTING SERVICE

1 CONSISTENT WITH THE STATUTORY REQUIREMENTS AND, OF
2 COURSE, EVERYTHING WE DO GOING THROUGH THE FULL PEER
3 REVIEW PROCESS. WITH ALL OF THOSE CAVEATS IN PLACE,
4 HAVING A FLEXIBLE AND RESPONSIVE SYSTEM IS GOING TO
5 BE VERY IMPORTANT BECAUSE THIS IS A REAL DYNAMIC
6 AREA THAT IS MOVING VERY QUICKLY. THANKFULLY VERY
7 QUICKLY.

8 ADDITIONAL BOARD COMMENTS?

9 DR. TROUNSON: JUST IN RESPONSE TO THAT, I
10 THINK ONE OF THE REASONS THAT INDUSTRY DON'T ALWAYS
11 COME IN IS BECAUSE THE TIMELINES ARE TOO LONG. SO
12 TO ACCOMMODATE THAT PARTICULARLY, BECAUSE, AS DUANE
13 POINTED OUT, THERE'S A LOT OF FOCUS ON US
14 ACCOMMODATING -- WORKING OUT HOW TO ACCOMMODATE
15 INDUSTRY'S NEEDS, THE REVIEW WAS -- THEY HEARD FROM
16 THE SCIENTISTS, AND THEY SAW THE RAPID WAY IN WHICH
17 WE INCORPORATED DEVELOPMENTS. SO WE'RE NOT DOING
18 TOO BADLY AT THAT STATE, I THINK, AT THIS PRESENT
19 TIME, OS. BUT WHAT WE'RE NOT DOING WELL, I THINK,
20 IS BEING ABLE TO INCORPORATE THE NEEDS OF INDUSTRY.
21 AND THAT WAS REALLY ONE OF THE THINGS THAT THEY
22 HIGHLIGHTED.

23 CHAIRMAN KLEIN: OKAY.

24 MS. SAMUELSON: THIS IS JUST SORT OF A
25 MECHANICAL, LOGISTICAL SORT OF THING, I GUESS.

BARRISTERS' REPORTING SERVICE

1 THERE ARE SEVERAL VERY INTRIGUING THINGS THAT HAVE
2 JUST BEEN SAID, AND I COULDN'T CATCH THEM ALL.
3 DUANE HAD SEVERAL. OS DID. I THINK FOR THE
4 EDUCATION OF US, THE BOARD, WE'RE GOING TO STEP UP
5 IN OUR STRATEGIC CAPACITY, IT SOUNDS LIKE, BECAUSE
6 THAT'S FAIRLY OUR RESPONSIBILITY IN THIS. AND I
7 DON'T KNOW WHAT IT IS. SOME KIND OF VIRTUAL
8 COMMUNICATION SYSTEM CONSISTENT WITH BAGLEY-KEENE.
9 IT WOULD BE NICE IF WE CAN BE TALKING ON A MORE
10 FREQUENT BASIS BECAUSE I THINK THERE ARE CHANNELS
11 THAT INFORMATION GOES TO AND THROUGH, AND THIS MIGHT
12 BE ONE WE MIGHT WANT TO ENLIVEN.

13 CHAIRMAN KLEIN: OKAY. ADDITIONAL BOARD
14 COMMENTS? THANK YOU. AND WE'LL GO BACK, DR.
15 TROUNSON, TO THE REST OF YOUR PRESENTATION LATER.
16 JON, YOU HAD A COMMENT.

17 MR. SHESTACK: COUPLE THINGS. I KNOW THIS
18 REPORT TALKS A LOT ABOUT, AND ALL OF US DO HERE
19 CONSTANTLY, ABOUT CIRM'S FAILURE TO ENGAGE INDUSTRY
20 PROPERLY. OKAY. MAYBE. MAYBE THAT'S TRUE. I KNOW
21 THAT INDUSTRY IS GOOD AT ONE THING, WHICH IS
22 CONSISTENTLY COMPLAINING THAT PEOPLE DON'T ENGAGE IT
23 PROPERLY AND GIVE IT ENOUGH MONEY.

24 MY CONCERN REALLY GOES BACK TO THE OTHER,
25 TO WHAT OS STEWARD SAID, WHICH IS ALSO IN THIS

BARRISTERS' REPORTING SERVICE

1 REPORT, WHICH IS IF THIS GROUP WANTS TO CONTINUE AND
2 GET FUNDED AGAIN BY THE STATE, IT HAS TO GET SOME
3 HITS. AND THAT MEANS THAT IT HAS TO BECOME, TO ME,
4 LESS OF A MINIATURE NIH AND MORE OF A THINK TANK,
5 BEING WILLING TO BE MORE AGGRESSIVE AND HAVE PROGRAM
6 OFFICERS WHO REALLY GO OUT INTO THE FIELD AND TELL
7 PEOPLE WE'RE INTERESTED IN ALS THIS YEAR. WHO ARE
8 YOUR BEST PEOPLE?

9 IT'S TRUE THAT CIRM HAS THE COMMANDING
10 HEIGHT IN CALIFORNIA. WE GIVE OUT A TON OF DOUGH.
11 AND IF SOMEBODY SHOWS UP AT ANY FACULTY IN THE
12 STATE, THERE WILL BE 50 PEOPLE THERE WAITING TO FIND
13 OUT WHAT CIRM IS INTERESTED IN. AND SO I REALLY
14 THINK IT IS INCUMBENT ON CIRM TO PICK SOME THINGS TO
15 BE INTERESTED IN AND BE REALLY AGGRESSIVE ABOUT
16 FUNDING CUTTING EDGE THINGS IN THOSE AREAS. AND
17 THAT WILL ULTIMATELY BE THE BIGGEST GIFT WE CAN EVER
18 GIVE TO INDUSTRY AND TO THE STATE.

19 AND JUST ON A PRACTICAL LEVEL, MAYBE MR.
20 HARRISON CAN ASK US. THERE IS THIS ISSUE WITH A CAP
21 ON ADMINISTRATIVE STAFF. IS THERE A WAY THAT CIRM
22 CAN BASICALLY GET CERTAIN FACULTIES WHERE WE HAVE
23 SPENT OVER \$100 MILLION TO LOAN US SOME FTE'S FOR A
24 YEAR OR TWO AT A TIME TO BRING PEOPLE IN THAT IS NOT
25 TECHNICALLY GOING OVER OUR CAP, BUT GET PEOPLE WHO

BARRISTERS' REPORTING SERVICE

1 CAN HELP ON PROGRAM COMMITTEES WHO REALLY WORK FOR
2 US? AND THE SAME MIGHT BE TRUE OF INDUSTRY.
3 CERTAINLY THERE'S FOUR FACULTIES WHO HAVE RECEIVED
4 OVER \$75 MILLION FROM US. I THINK THAT IT WOULD BE
5 A REASONABLE THING TO ASK FOR SOME MANPOWER TO HELP
6 US CONTINUE OUR MISSION AT A HIGHER LEVEL.

7 CHAIRMAN KLEIN: SO, MR. SHESTACK, THAT'S
8 A CREATIVE SUGGESTION. AND WE'VE PURSUED THAT. THE
9 PROBLEM IS THE STATE LAW, AS WE'VE TRIED TO EXHAUST
10 THOSE OPPORTUNITIES, HAS FOUND THAT IT WOULD CREATE
11 SO MANY CONFLICTS, THAT IT DOESN'T APPEAR THAT WE
12 COULD UTILIZE THOSE PEOPLE. IT WOULD DISQUALIFY THE
13 INSTITUTIONS FROM PARTICIPATING IN THE WHOLE
14 PROGRAM.

15 BUT, YOU KNOW, IT MAY TAKE TEN GREAT IDEAS
16 TO FIND THE ONE THAT WE CAN REALLY PUSH THROUGH THE
17 SYSTEM, BUT WE DEEPLY APPRECIATE EVERY ONE OF THEM.
18 SO THANK YOU.

19 DOES JEFF SHEEHY HAVE A POINT TO MAKE?
20 EXCUSE ME. DR. WEXLER WOULD LIKE TO ADD A COMMENT.
21 SHE'S STILL HERE. FOR THOSE LISTENING ON THE PHONE
22 FROM THE REVIEW COMMITTEE, SHE'S STILL SITTING IN
23 THE ROOM WITH US.

24 DR. WEXLER: THE COMMITTEE'S TALKED A LOT
25 ABOUT NONINDUSTRY THERAPEUTIC RESPONSES.

BARRISTERS' REPORTING SERVICE

1 PARTICULARLY WE TALKED ABOUT CREATING ALPHA CLINICS
2 OR STEM CELL CLINICS, CLINICS THAT CAN LOOK AT
3 DISEASE IN A DISH, BE MORE SPECIFIC TO WORKING WITH
4 DIFFERENT DISEASES. WE TALKED A LOT ABOUT HAVING
5 THE BONE MARROW TRANSPLANT AS A MODEL. SO THAT'S A
6 WAY OF SERVING THAT'S PRETTY MUCH ACCEPTED WORLDWIDE
7 AND IS ACCEPTED SOMETIMES FOR EVEN INSURANCE
8 PURPOSES WITHOUT ANY INDUSTRY OR COMPANIES INVOLVED.

9 SO I THINK THERE'S A LOT OF FLEXIBILITY IN
10 TRYING TO MEET THE CLINICAL NEEDS THAT DON'T
11 NECESSARILY HAVE TO GO THROUGH COMPANIES PER SE. I
12 THINK SOME OF THAT IS IN THE DISCUSSION NOTES OF THE
13 MEETING.

14 CHAIRMAN KLEIN: OKAY. THANK YOU. ANY
15 ADDITIONAL COMMENTS? OKAY. PUBLIC COMMENTS?

16 MR. REED: DON REED. TWO THINGS. FIRST
17 OFF, THE REPORT WAS BASICALLY WONDERFUL. I THOUGHT
18 IT WAS ACCURATE. I HAD A STRONG EMOTIONAL FEELING
19 LIKE ABOUT TIME SOMEONE TOOK A REALLY CLOSE LOOK AND
20 REALIZE THE FANTASTIC STUFF THAT'S GOING ON.

21 COUPLE POINTS. NO. 1, I AM VERY WORRIED
22 ABOUT THIS PRIORITIZATION. I THINK THERE'S A
23 DEFINITE DANGER THAT WE COULD HAVE DISEASE TEAM
24 GROUPS FIGHTING AGAINST EACH OTHER. IF THAT IS
25 DECIDED, THEN THE WAY TO DO IT IS TO DO EXACTLY LIKE

BARRISTERS' REPORTING SERVICE

1 WE DID WHEN WE PICKED THE SITE. WE HAD MULTIPLE
2 HEARINGS UP AND DOWN THE STATE. SO IT WAS A HUNDRED
3 PERCENT TRANSPARENT. IT WAS NO BACK-ROOM DEALS.
4 THIS WAS SOMETHING THAT THE WHOLE STATE COULD BE A
5 PART OF AND BE HEARD. I THINK THAT'S CRUCIAL
6 BECAUSE I DON'T WANT TO SEE INFIGHTING AMONG THE
7 DISEASE GROUPS ON SOMETHING WE SHOULD BE UNITED ON.

8 SECOND THING IS I LOVE TO VISIT THE CIRM
9 WEB SITE. THERE'S ALWAYS A TREASURE TROVE OF
10 INFORMATION THERE, AND I MAY JUST HAVE MISSED THIS.
11 ONE THING I THINK IS REALLY VERY VALUABLE IS WE ARE
12 LOOKED TO BY THE NATION AS A SOURCE OF INFORMATION
13 ON WAYS TO ANSWER THE SAME ATTACKS THAT EVERY STEM
14 CELL RESEARCH PROGRAM FACES ACROSS THE COUNTRY. I
15 THINK IT WOULD BE REALLY HELPFUL IF WE HAD AN
16 ARGUMENT AND ANSWER SECTION WHERE WE HAVE ACCESS TO
17 THE BEST BIOETHICISTS, BEST SCIENTISTS IN AMERICA
18 AND THE WORLD. I THINK EVERY ARGUMENT THAT'S RAISED
19 AGAINST US, WE SHOULD HAVE A CLEAR AND CONCISE
20 ANSWER THAT ADVOCATES ACROSS THE NATION COULD HAVE
21 ACCESS TO. THANK YOU.

22 CHAIRMAN KLEIN: THANK YOU VERY MUCH. ALL
23 RIGHT. ROMAN.

24 MR. REED: I'D LIKE TO THANK DR. TROUNSON
25 FOR SHOWING US THE CONCRETE STEPS THAT WE'LL BE ABLE

BARRISTERS' REPORTING SERVICE

1 TO TAKE. AS A PATIENT ADVOCATE, I CAN UNDERSTAND
2 AND GO FORTH AND PROMOTE THESE STEPS. ONE STEP THAT
3 I THINK MUST BE TAKEN, AND SEEING AN ABILITY ON A
4 SLIDE THAT SAID WE WANT TO ENGAGE THE PATIENT
5 ADVOCATES, TO BORROW ON WHAT DUANE ROTH SAYS, WHY
6 NOT HAVE A LEGISLATIVE SUBCOMMITTEE FOR PATIENT
7 ADVOCATES. THIS WILL TAKE AWAY WHAT MY FATHER WAS
8 WORRIED ABOUT, HAVING PRIORITIZATIONS. BUT AS
9 PATIENT ADVOCATES, BE ABLE TO TALK THIS THROUGH.
10 I'M NOT ASKING THAT PATIENT ADVOCATES BE AT PEER
11 REVIEW, BUT JUST TO HAVE AN ACTUAL CONCRETE VOICE AS
12 A SUBCOMMITTEE, I THINK, WOULD BE A GREAT VERSION OF
13 PROP 71 2.0.

14 CHAIRMAN KLEIN: SURE. AND, ROMAN, WHILE
15 EMBRACING CERTAINLY THE PATIENT ADVOCATE GOALS, LET
16 US MAKE SURE THE PUBLIC UNDERSTANDS WE DO HAVE SEVEN
17 PATIENT ADVOCATES ON PEER REVIEW ALREADY, AND THAT
18 WE DO HAVE TEN MEMBERS OF THE BOARD WHO ARE
19 APPOINTED AS PATIENT ADVOCATES. SO WE'RE TRYING TO,
20 IN FACT, UNIQUELY IN THE COUNTRY EMBRACE THIS BUT --

21 MR. REED: YOU ALREADY HAVE EVERY SINGLE
22 PIECE. I AGREE WITH YOU. SO WHY NOT LET'S PUT THEM
23 ALL TOGETHER IN A SUBCOMMITTEE AND SOMETHING GREAT
24 WILL COME OUT OF THAT? I AGREE WITH YOU. EVERYONE
25 HERE IS THE PROPER PERSON.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: I THANK YOU. THANK YOU
2 VERY MUCH. SO --

3 MR. ROTH: I WANT TO SHARE WITH THE BOARD
4 JUST BRIEFLY SOME EXPERIENCES I'VE HAD ABOUT THIS.
5 I WAS CALLED UP TO SEATTLE ON BEHALF OF SAN DIEGO
6 STATE, MIT, AND THE UNIVERSITY OF WASHINGTON FOR A
7 PEER REVIEW ON A BIG NATIONAL SCIENCE FOUNDATION
8 GRANT. AND IT'S ABOUT AMPUTEES AND DEVELOPING
9 NEURAL NETWORKS AND THINGS THAT CAN ALLOW ARTIFICIAL
10 LIMBS TO FUNCTION. I SAT THROUGH THE WHOLE DAY OF
11 THAT MEETING, LISTENED TO EVERY ONE OF THE PANEL'S
12 DISCUSSIONS.

13 AND THE HEAD PERSON FROM NSF, WHEN HE MET
14 PRIVATELY WITH INDUSTRY, THE WHOLE TEAM MET THE
15 INDUSTRY REPRESENTATIVES THERE, HE ASKED A QUESTION.
16 HE SAID, "I'M NOT SUPPOSED TO TALK," BUT HE SAID, "I
17 DON'T SEE ANY AMPUTEES IN THE WHOLE DAY. HAVE YOU
18 INVOLVED THEM IN THE PROCESS?" AND IT WAS STUNNING
19 HOW ALL THE SCIENTISTS, ALL THE CLINICIANS, ALL THE
20 INDUSTRY PEOPLE SO OVERLOOKED THAT.

21 HIS POINT WAS WE'RE REALLY INTERESTED IN
22 WHAT THEY FEEL AND THINK IN HOW TO MOVE THIS AHEAD.
23 SO ONE OF THE THINGS THAT I WILL BE PROPOSING TO
24 THIS BOARD IS AROUND THIS FDA INVOLVEMENT. HOW,
25 INSTEAD OF JUST TALKING ABOUT TRANSLATIONAL

BARRISTERS' REPORTING SERVICE

1 MEDICINE, GET A SEAT AT THE TABLE WHEN THE DECISIONS
2 BETWEEN INDUSTRY AND THE REGULATOR ARE DISCUSSED.
3 TODAY YOU AS PATIENT ADVOCATES GET TO SIT IN THE
4 HALLWAY AND WAIT FOR THE NEWS. YOU NEED TO BE IN
5 THAT ROOM AND DO THE KINDS OF THINGS YOU DO IN HERE,
6 WHICH MAKE US ALL THINK DIFFERENTLY BECAUSE ONLY
7 YOU, THE AFFECTED GROUP, CAN SEE RISK AND BENEFIT.
8 I'VE LEARNED THAT FROM YOU.

9 AND I THINK IF WE START TO WORK THAT END
10 OF THE SPECTRUM IN ADDITION TO THE RESEARCH END, THE
11 RESEARCH WILL MOVE SO MUCH FASTER IF THERE'S A
12 PATHWAY TOWARDS APPROVAL AND REIMBURSEMENT AS
13 OPPOSED TO WE'RE GOING TO GET IT THERE, AND THEN
14 WE'RE GOING TO BEG INDUSTRY. JONATHAN'S POINT IS
15 RIGHT. INDUSTRY DOESN'T DO THIS IN A VACUUM. THEY
16 SIT IN THESE MEETINGS AND SAY THEY'LL NEVER APPROVE
17 THIS STUFF. THERE'S NO WAY TO DO THE CLINICAL
18 TRIAL. WHO'S THE CONTROL GROUP? HOW LONG IS IT
19 GOING TO TAKE TO ENROLL? THEY'RE GOING TO ASK US A
20 HUNDRED SAFETY QUESTIONS, AND THEY GO, "WE'RE JUST
21 NOT GOING TO DO IT."

22 SO IF WE DON'T ADDRESS THAT PROBLEM, I
23 THINK ALL THE WORK WE DO WILL LARGELY TAKE 10, 15
24 YEARS, AND A FEW THINGS WILL GET THROUGH AS OPPOSED
25 TO WHAT SHOULD BE GETTING THROUGH, WHICH ARE

BARRISTERS' REPORTING SERVICE

1 HUNDREDS OF IDEAS, BUT IT WON'T HAPPEN IF THERE ARE
2 TWO PEOPLE IN THE ROOM WHO ARE EACH BIASED. I WOULD
3 BE BIASED IF I WERE THE FDA, AND I KNOW I WAS BIASED
4 AS A COMPANY. I SAW THE GOOD THINGS IN MY PRODUCT,
5 AND I HAD A TOUGH TIME THINKING ABOUT THE BAD
6 THINGS. BUT HAVING SOMEBODY WHO CAN HELP US,
7 INDUSTRY AND THE REGULATOR, BY HELPING US UNDERSTAND
8 HOW THEY VIEW RISK AND BENEFIT COULD CHANGE
9 EVERYTHING.

10 CHAIRMAN KLEIN: I THINK THAT IS A VERY
11 IMPORTANT CONCEPT. I KNOW THAT IN PRIOR DISCUSSIONS
12 WITH SENATOR HARKIN ABOUT THIS CONCEPT, HE'S VERY
13 RECEPTIVE TO THIS CONCEPT. BUT THIS IS SOMETHING
14 THAT'S GOING TO TAKE A LOT OF LEADERSHIP. HOPEFULLY
15 WE HAVE THE BENEFIT OF SENATOR TORRES AND DUANE ROTH
16 IN A BIPARTISAN LEADERSHIP EFFORT. IT'S GOING TO
17 TAKE A REAL TREMENDOUS EFFORT CONGRESSIONALLY, BUT
18 IT WILL BE INSTRUMENTAL. AND I THINK JEFF SHEEHY
19 HAS GIVEN US EXAMPLES FROM THE AIDS MOVEMENT WHERE
20 THIS WAS CRITICAL. THAT'S A GREAT MODEL OF WHY WE
21 NEED IT AND HOW IT CAN BE EFFECTIVE. AND THE MORE
22 WE CAN LEARN FROM THAT THE BETTER.

23 MR. ROTH: I WROTE A PAPER ABOUT THIS
24 EXPERIENCE ON THIS CIRM BOARD. IT WILL BE PUBLISHED
25 IN JANUARY, FIRST WEEK IN JANUARY. AND IT RELAYS

BARRISTERS' REPORTING SERVICE

1 JEFF SHEEHY, SHERRY LANSING, AND ALL THE THINGS I'VE
2 LEARNED ABOUT RISK AND BENEFIT, AND CALLS FOR A
3 THIRD SEAT AT THE TABLE. AND FROM THAT, I WOULD
4 HOPE THIS GROUP, WHICH IS BEST EQUIPPED TO DO IT,
5 BECOMES A PART OF SETTING THE STAKEHOLDERS IN A ROOM
6 AND START TO HAVE THIS DIALOGUE ABOUT HOW WE COULD
7 IMPLEMENT MUCH MORE DIRECT INVOLVEMENT IN THE PEOPLE
8 THAT ARE MOST AFFECTED. IT'S THEIR DISEASE. IT'S A
9 SHAME THEY CAN'T SIT IN THE ROOM.

10 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
11 ADDITIONAL BOARD COMMENTS? OKAY.

12 SO IN TERMS OF THE AGENDA, AGAIN, WE NEED
13 TO ADJOURN TO LUNCH AND EXECUTIVE SESSION. WHAT I'D
14 LIKE TO DO IS PROVIDE JUST SOME HIGHLIGHT COMMENTS
15 FROM MY CHAIR'S REPORT AND THEN DEFER THE REST OF MY
16 COMMENTS AS DR. TROUNSON HAS WITH HIS REPORT.

17 AND I'D LIKE TO BEGIN THE CHAIR'S REPORT
18 BY STEPPING BACK AND PROVIDING SOME BACKGROUND FOR
19 THE RECORD ON DR. WASHINGTON. DR. WASHINGTON WHO,
20 AS I SAID EARLIER, JOINED THE BOARD TODAY IS VICE
21 CHANCELLOR OF HEALTH SCIENCES AND DEAN OF THE DAVID
22 GEFFEN SCHOOL OF MEDICINE AT THE UNIVERSITY OF
23 CALIFORNIA LOS ANGELES.

24 IN HIS ROLE AS VICE CHANCELLOR, HE
25 OVERSEES THE SCHOOL OF MEDICINE AND THE UCLA HEALTH

BARRISTERS' REPORTING SERVICE

1 SYSTEM, WHICH INCLUDES FOUR HOSPITALS AND THE
2 MEDICAL PRACTICES. AND HE SERVES AS THE PRINCIPAL
3 SPOKESPERSON FOR HEALTH SERVICES ON CAMPUS AND TO
4 THE EXTERNAL CONSTITUENCIES. HE IS ALSO A
5 DISTINGUISHED PROFESSOR OF GYNECOLOGY AND HEALTH
6 POLICY AT UCLA AND HOLDS THE GERALD S. LEVEY, M.D.
7 ENDOWED CHAIR. CERTAINLY THAT'S AN EXTRAORDINARILY
8 DISTINGUISHED CHAIR, PARTICULARLY WITH OUR GRATITUDE
9 FOR DR. LEVEY WHO SERVED WITH GREAT DISTINCTION ON
10 THIS BOARD.

11 DR. WASHINGTON SERVED AS EXECUTIVE VICE
12 CHANCELLOR AND PROVOST AT THE UNIVERSITY OF
13 CALIFORNIA SAN FRANCISCO FROM 2004 TO 2010. AND HE
14 FOUNDED UCSF MEDICAL EFFECTIVE RESEARCH CENTER FOR
15 DIVERSE POPULATIONS IN 1993 AND SERVED AS THE
16 DIRECTOR OF IT THROUGH ITS ESTABLISHMENT, THROUGH
17 JULY 2005. SO, AGAIN, WITH THE PROPER INTRODUCTION,
18 NOW THAT WE HAVE A LITTLE MORE TIME, I'D LIKE TO
19 HAVE US ALL GIVE A HAND TO DR. WASHINGTON.

20 (APPLAUSE.)

21 CHAIRMAN KLEIN: I'D LIKE TO ALSO ECHO THE
22 REPORTS OF MY COLLEAGUE, SENATOR TORRES, CELEBRATING
23 THE REMARKABLE LEEZA GIBBONS. YOU KNOW, WHEN YOU'RE
24 GOING TO BE THE AMBASSADOR OF CARE TO 44 MILLION
25 PEOPLE, YOU'VE REACHED VISIONARY STATUS. AND I

BARRISTERS' REPORTING SERVICE

1 THINK WE SHOULD HAVE A PRACTICE OF PROVIDING A
2 VISIONARY AWARD FROM THIS BOARD, AND LEEZA SHOULD GO
3 TO THE TOP OF THE LIST. 44 MILLION PERSONS THAT ARE
4 REACHED IS TREMENDOUS, AND IT IS A VERY SPECIAL
5 RESPONSIBILITY. SO, AGAIN, CONGRATULATIONS.

6 MS. GIBBONS: THANK YOU. YOU'RE
7 EMBARRASSING ME, BUT I WILL SAY THAT I HAVE ALREADY
8 COMMUNICATED WITH SEVERAL PEOPLE IN THIS ROOM ON HOW
9 WE CORRAL THIS OPPORTUNITY FOR OUR OWN MAXIMUM
10 ADVANTAGE, ESPECIALLY THE AREA OF OUTREACH AND
11 EDUCATION. SO I THINK THAT WHEN WE FAIL TO SHOW HOW
12 WE CARE AND WHEN WE FAIL TO TELL THE STORY OF HOW WE
13 DO IT, WE POLLUTE OUR SOULS. SO THANK YOU VERY MUCH
14 FOR THE ENCOURAGEMENT.

15 CHAIRMAN KLEIN: THANK YOU. THANK YOU,
16 LEEZA.

17 AND THERE HAS BEEN, IN THE INTERIM PERIOD
18 BETWEEN THE BOARD MEETINGS, THERE'S BEEN QUESTIONS
19 IN THE PRESS ABOUT THE PROCESS FOR NOMINATIONS FOR
20 NOMINEES FOR POSITIONS ON THE BOARD AS WELL AS FOR
21 CANDIDATES, PROPOSED CANDIDATES, FOR THE BOARD TO
22 CONSIDER FOR CHAIR AND VICE CHAIR. WHILE NOT
23 COMMENTING AT ALL ON THE CANDIDATES, WHAT I WOULD
24 LIKE TO SAY FOR THE PUBLIC RECORD, BECAUSE THERE WAS
25 A REQUEST FOR THE PUBLIC RECORD, TO SUMMARIZE WHAT

BARRISTERS' REPORTING SERVICE

1 THIS PROCESS IS, JUST HITTING THE HIGH POINTS.

2 NO. 1, WE KNOW THAT IN AUGUST WE HAD A
3 BOARD MEETING WHERE THERE WAS A PRESENTATION BY OUR
4 BOARD COUNSEL, JAMES HARRISON, ON THIS PROCESS,
5 INCLUDING APPOINTMENTS TO THE BOARD BY
6 CONSTITUTIONAL OFFICERS AND POTENTIAL NOMINATIONS
7 FOR CHAIR AND VICE CHAIR.

8 IT IS IMPORTANT FOR US TO RECOGNIZE, AS
9 INDICATED AT THAT TIME, THIS IS A PROCESS CONTROLLED
10 NOT BY US, BUT BY THE CONSTITUTIONAL OFFICERS. IT
11 IS THEIR AUTHORITY. AND IT HAS BEEN OUR HISTORY
12 OVER SIX YEARS NOT TO INFRINGE ON THEIR AUTHORITY.
13 WE RESPOND TO THEIR REQUEST AS THEY ASK INDIVIDUAL
14 MEMBERS OF THIS BOARD. AND I THINK PERHAPS, FROM
15 WHAT I CAN TELL, 11 MEMBERS OF THIS BOARD MAY HAVE
16 BEEN ASKED AT VARIOUS TIMES, THERE MAY BE MORE THAT
17 I JUST DON'T KNOW ABOUT, IN THIS PARTICULAR PROCESS
18 WE'VE BEEN THROUGH. THEY'VE BEEN ASKED FOR THEIR
19 RECOMMENDATION.

20 IT IS VERY IMPORTANT TO UNDERSTAND THAT WE
21 CAN'T HOLD KIND OF A SEARCH COMMITTEE AND TELL THE
22 CONSTITUTIONAL OFFICERS THIS IS THE PERSON. I THINK
23 HAVING A VERY OPEN PROCESS WHERE ANY BOARD MEMBER
24 CAN SUGGEST AND ANY MEMBER OF THE PUBLIC CAN SUGGEST
25 NOMINEES FOR ANY OF THESE CATEGORIES PROVIDES THE

BARRISTERS' REPORTING SERVICE

1 GREATEST ACCESS TO THE DIVERSITY OF THE CANDIDATES
2 THAT MIGHT BE AVAILABLE TO US.

3 THE CHAIR AND VICE CHAIRS OF THE BOARD,
4 THE CHAIR AND VICE CHAIRS OF THE GOVERNANCE
5 SUBCOMMITTEE, THE CHAIRS OF ALMOST ALL THE BOARD
6 SUBCOMMITTEES HAVE MADE SUGGESTIONS TO THE
7 CONSTITUTIONAL OFFICERS BASED UPON INFORMATION THAT
8 I HAVE REGARDING POTENTIAL NOMINEES AND/OR
9 APPOINTMENTS IN THE COURSE OF PREPARING FOR THIS
10 TRANSITION.

11 WE ARE INDEBTED TO THE CONTROLLER, WHO
12 POSTED A PUBLIC NOTICE INVITING THE PUBLIC OF
13 CALIFORNIA TO MAKE SUGGESTIONS -- AND, IN FACT,
14 EVERY MEMBER, I THINK, OF THE BOARD RECEIVED AN
15 INVITATION FROM THE CONTROLLER TO DIRECTLY MAKE
16 NOMINATIONS TO THE CONTROLLER -- REALLY MAKING IT
17 VERY CLEAR THAT WE COULD ALL PARTICIPATE
18 INDIVIDUALLY IN THAT PROCESS BECAUSE IT'S THE
19 CONSTITUTIONAL OFFICERS WHO NEED TO TAKE IN ALL THAT
20 INFORMATION AND THEN MAKE DECISIONS.

21 I HAVE ACTUALLY NOT PERSONALLY CONTACTED
22 THE TREASURER OR CONTROLLER DURING THIS PROCESS.
23 WHEN I GOT THE REQUEST, MY WIFE AND I WERE GOING
24 THROUGH A CHALLENGING HEALTH CYCLE, BUT CERTAINLY WE
25 DEEPLY APPRECIATE THEIR OUTREACH.

BARRISTERS' REPORTING SERVICE

1 MANY INDIVIDUALS FROM INSIDE AND OUTSIDE
2 THE AGENCY, I THINK, HAVE MADE SUGGESTIONS IN THIS
3 VERY RICH PROCESS THAT BRINGS IN VIEWS WITHOUT US
4 FILTERING THEM DOWN THROUGH SOME FORMAL PROCESS.
5 AND I HAVE DONE A QUICK SUMMARY OF THE NOMINATION
6 PROCESS WHERE I POINTED OUT THE CHALLENGES OF
7 FINDING SOMEONE WHO WILL, IN PARTICULAR, TAKE A
8 CHAIR OR VICE CHAIR POSITION. AND I JUST WOULD
9 REMINDE US ALL THAT THEY CAN'T MAINTAIN A SCIENTIFIC
10 LAB. THEY HAVE NO POSSIBILITY OF A PENSION WITHOUT
11 FIVE YEARS OF VESTING. THEY WOULD HAVE TO TERMINATE
12 ALL CONNECTIONS WITH RESEARCH INSTITUTIONS IN
13 CALIFORNIA, INCLUDING THE BUYOUT OF PENSION BENEFITS
14 AND SURRENDERING TENURE, BECAUSE THEY CANNOT HAVE
15 ANY CONNECTION WHATSOEVER. THEY CANNOT OWN STOCK IN
16 ANY COMPANY DOING STEM CELL RESEARCH. AND AT TIMES
17 THEY HAVE TO BE ABLE TO DEAL WITH PUBLIC INPUT AND
18 CRITICISM FROM A VARIETY OF SOURCES. SO IT IS A
19 CHALLENGING PROCESS, BUT WE'VE CERTAINLY HAD A BROAD
20 PARTICIPATION, WHICH I APPLAUD.

21 WITH THAT, I'D LIKE TO ADJOURN FOR LUNCH
22 AFTER DR. DONOVAN GIVES US AN INVITATION.

23
24 (THE FULL COMMENTS OF CHAIRMAN KLEIN
25 ARE HEREIN INCORPORATED AS FOLLOWS:)

BARRISTERS' REPORTING SERVICE

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STATEMENT OF ROBERT N. KLEIN REGARDING THE
NOMINATION PROCESS

"AS WE DISCUSSED AT THE AUGUST BOARD MEETING, WHEN COUNSEL TO THE BOARD MADE A PRESENTATION ON THIS SUBJECT AND THE BOARD VOTED TO APPROVE THE PROPOSED TIMELINE FOR NOMINATIONS AND THE ELECTION FOR CHAIR AND VICE CHAIR, THE CONSTITUTIONAL OFFICERS, NOT THE BOARD, HAVE THE POWER TO MAKE NOMINATIONS FOR CHAIR AND VICE CHAIR AND APPOINTMENTS TO THE BOARD.

"ALTHOUGH THE BOARD CANNOT DICTATE WHOM THE CONSTITUTIONAL OFFICERS NOMINATE, BOARD MEMBERS, AS WELL AS ANY OTHER INTERESTED PARTY, ARE FREE TO MAKE SUGGESTIONS TO THE CONSTITUTIONAL OFFICERS REGARDING POTENTIAL NOMINEES AND APPOINTEES. THIS IS IN ACCORDANCE WITH STATE LAW, PROPOSITION 71, AND THE FIRST AMENDMENT OF THE US CONSTITUTION.

"THE CHAIR AND VICE CHAIRS OF THE BOARD, THE CHAIR AND VICE CHAIR OF THE GOVERNANCE SUBCOMMITTEE, AND THE CHAIRS OF ALMOST ALL OF THE BOARD SUBCOMMITTEES HAVE MADE SUGGESTIONS TO THE CONSTITUTIONAL OFFICERS REGARDING POTENTIAL NOMINEES AND/OR APPOINTEES, IN THE COURSE OF PREPARING FOR THIS ELECTION.

BARRISTERS' REPORTING SERVICE

1 "INDEED, THE CONTROLLER POSTED A PUBLIC
2 NOTICE REQUESTING SUGGESTIONS FROM THE PUBLIC FOR
3 BOTH NOMINATIONS FOR CHAIR AND VICE CHAIR AND
4 APPOINTMENTS. THIS WAS AN INVITATION TO ANY BOARD
5 MEMBER, AND ANY MEMBER OF THE PUBLIC, TO PROVIDE
6 SUGGESTIONS FOR NOMINEES AND APPOINTEES.

7 "I DID NOT PERSONALLY CONTACT THE
8 TREASURER OR CONTROLLER, ALTHOUGH THEY ASKED FOR MY
9 INPUT, BECAUSE BOTH MY WIFE AND I WERE SICK AT THE
10 TIME OF THE REQUESTS.

11 "MANY INDIVIDUALS, FROM INSIDE AND OUTSIDE
12 THE AGENCY, HAVE MADE SUGGESTIONS TO THE
13 CONSTITUTIONAL OFFICERS. AS CHAIR, I ASKED A NUMBER
14 OF THE MEMBERS OF THE BOARD FOR SUGGESTIONS,
15 INCLUDING THE CHAIRS OF MANY OF THE COMMITTEES OF
16 THE BOARD, AND I REACHED OUT TO SEVERAL PEOPLE OVER
17 THE PAST YEAR WHOM I THOUGHT WOULD BE GOOD
18 CANDIDATES TO DETERMINE WHETHER THEY WERE
19 INTERESTED.

20 "A SIGNIFICANT NUMBER OF CANDIDATES WERE
21 CONSIDERED AS PART OF THIS PROCESS, BUT WITHDREW
22 BECAUSE: (A) THEY COULDN'T MAINTAIN A LAB; (B) THERE
23 WAS NO POSSIBILITY OF A PENSION WITHOUT FIVE YEARS
24 OF VESTING; (C) THEY WOULD HAVE TO TERMINATE ALL
25 CONNECTIONS WITH RESEARCH INSTITUTIONS IN

BARRISTERS' REPORTING SERVICE

1 CALIFORNIA, INCLUDING A BUYOUT OF PENSION BENEFITS
2 AND SURRENDERING TENURE; (D) THEY COULD NOT OWN
3 STOCK IN ANY COMPANY DOING STEM CELL RESEARCH;
4 AND/OR (E) THEY WOULD HAVE TO BE PREPARED TO DEAL
5 WITH PUBLIC CRITICISM FROM STEM CELL RESEARCH
6 OPPONENTS AND MEDIA CRITICS DURING THE COURSE OF
7 THEIR SERVICE, REGARDLESS OF THEIR PERFORMANCE.

8 "DR. BERNSTEIN IS AN EXTRAORDINARY
9 SCIENTIST AND PATIENT ADVOCATE FOR AIDS, DIABETES,
10 AND BROAD AREAS OF CHRONIC DISEASE. HE RECEIVED AN
11 AWARD FOR ADVANCING HEALTH CARE AND FOR HIS PATIENT
12 ADVOCACY FROM A COALITION OF ALL OF THE MAJOR
13 PATIENT ADVOCACY ORGANIZATIONS OF CANADA. HE ALSO
14 PASSED ALL OF THE ABOVE CRITERIA. BECAUSE OF HIS
15 EXTRAORDINARY HISTORY OF SUCCESSFUL CONTRIBUTIONS TO
16 BIOMEDICAL RESEARCH, I SUGGESTED HIM FOR
17 CONSIDERATION BY THE GOVERNOR.

18 "I ORGANIZED A DINNER AMONG ALL OF THE
19 INDIVIDUALS WHOSE NAMES WERE UNDER CONSIDERATION FOR
20 NOMINATION. I ASKED FOR BOARD COUNSEL TO BE PRESENT
21 TO BE SURE THAT BAGLEY-KEENE REQUIREMENTS WERE
22 OBSERVED. THE INTENT WAS TO PROVIDE A FREE EXCHANGE
23 OF IDEAS BETWEEN THE CANDIDATES AND AN OPPORTUNITY
24 FOR THEM TO GET TO KNOW ONE ANOTHER. INDEED, I
25 INTENTIONALLY INVITED AN INDIVIDUAL WHOM I KNEW HAD

BARRISTERS' REPORTING SERVICE

1 A SIGNIFICANTLY DIFFERENT POSITION THAN MINE, IN
2 ORDER TO PROVIDE HIM AN OPPORTUNITY TO PRESENT HIS
3 VIEWS. THE MUTUAL RESPECT AND UNDERSTANDING OF THE
4 CANDIDATES' POSITIONS IS GENERALLY CONSIDERED
5 ESSENTIAL TO PREPARE FOR A THOUGHTFUL BOARD
6 DISCUSSION ON SIMILARITIES, DIFFERENCES AND
7 STRATEGIC ADVANTAGES OF ONE POSSIBLE CANDIDATE
8 VERSUS ANOTHER. IT WAS ALSO INTENDED TO LAY A
9 FOUNDATION FOR CONSTRUCTIVE COOPERATION BETWEEN
10 THOSE WHO SUCCEEDED AND THOSE WHO DID NOT SUCCEED IN
11 THE ELECTION.

12 "ULTIMATELY, LACKING TIME TO RESOLVE A
13 TECHNICAL LEGAL ISSUE, THE GOVERNOR NOMINATED ME,
14 BUT I HAVE MADE IT CLEAR THAT I ONLY INTEND TO SERVE
15 UNTIL A NEW CHAIR CAN BE SELECTED. IN MY VIEW, THE
16 BEST CANDIDATE WOULD BE A PERSON WHO HAS EXCEPTIONAL
17 SCIENTIFIC AND/OR CLINICAL EXPERTISE AND OUTSTANDING
18 PATIENT ADVOCACY CREDENTIALS THAT TESTIFY TO HIS OR
19 HER ABILITY TO ASSIST IN REACHING THE ULTIMATE
20 OBJECTIVE OF OUR PRINCIPAL MISSION OF DRIVING
21 THERAPIES SAFELY AND QUICKLY THROUGH FDA-APPROVED
22 CLINICAL TRIALS TO PATIENTS. CERTAINLY, I WOULD
23 INCLUDE IN OUR PRIMARY MISSION THE PARALLEL
24 DEVELOPMENT OF BASIC SCIENCE TO VALIDATE OUR
25 UNDERSTANDING OF CHRONIC DISEASE AND THE "MECHANISMS

BARRISTERS' REPORTING SERVICE

1 OF ACTION" OF POTENTIAL THERAPIES; AS THERAPIES
2 PROCEED THROUGH CLINICAL TRIALS, THERE WILL BE
3 INNUMERABLE INTELLECTUAL CHALLENGES TO OVERCOME,
4 RANGING FROM BASIC SCIENCE THROUGH EARLY
5 TRANSLATIONAL DEVELOPMENT ISSUES THROUGH TO CLINICAL
6 TRIAL METHODOLOGIES. THE IDEAL CANDIDATE WOULD HAVE
7 THE EDUCATION AND EXPERIENCE TO UNDERSTAND THIS
8 ENTIRE CONTINUUM OF BIOMEDICAL KNOWLEDGE.

9 "I HAD SCHEDULED A GOVERNANCE SUBCOMMITTEE
10 MEETING TO DISCUSS THE VALUE OF A SCIENTISTCLINICIAN
11 AS CHAIR, BUT GIVEN THAT DR. BERNSTEIN WAS NO LONGER
12 A CANDIDATE, THAT ISSUE WAS MOOT.

13 "I LOOK FORWARD TO A FUTURE, ROBUST
14 DISCUSSION AT THE GOVERNANCE SUBCOMMITTEE AND AT THE
15 BOARD OF THE BEST CRITERIA FOR A NEW CHAIR.

16 "THERE ARE CURRENTLY PENDING NOMINEES FOR
17 CHAIR AND VICE CHAIR THAT REFLECT DIFFERENT
18 INDIVIDUAL BOARD PERSPECTIVES ON THESE ISSUES. THE
19 PURPOSE OF THE DECEMBER 8 AND 15 MEETINGS IS TO
20 PROVIDE A FORUM TO CONSIDER THE NOMINATIONS THAT
21 HAVE BEEN MADE."

22 (END OF CHAIRMAN KLEIN'S COMMENTS.)

23 DR. DONOVAN: GOOD AFTERNOON, EVERYONE.
24 I'M PETER DONOVAN. I'M THE DIRECTOR OF THE STEM
25 CELL RESEARCH CENTER HERE AT UC IRVINE. I'D LIKE TO

BARRISTERS' REPORTING SERVICE

1 WELCOME YOU TO IRVINE.

2 SINCE YOU MET HERE LAST, WE'VE CONSTRUCTED
3 A NEW BUILDING ON THIS CAMPUS. IT'S THE NEWEST
4 BUILDING ON OUR CAMPUS, AND IT'S A CIRM INSTITUTE.
5 AND WE'RE INCREDIBLY GRATEFUL TO YOU FOR THE FUNDING
6 THAT ALLOWED US TO PUT UP THAT BUILDING. AND IT'S
7 HAD A DRAMATIC IMPACT ON STEM CELL RESEARCH ON THIS
8 CAMPUS BY ALLOWING US TO BRING TOGETHER SO MANY OF
9 THE RESEARCHERS INTO ONE PLACE, ABOUT 14 FACULTY
10 MEMBERS, 150 STUDENTS AND POSTDOCTORAL FELLOWS. AND
11 THE SYNERGY, I THINK, HAS REALLY INCREASED OUR
12 ABILITY TO DO GREAT STEM CELL RESEARCH.

13 IT'S ALSO INCREASED OUR ABILITY TO DO
14 EDUCATIONAL OUTREACH. WE'VE HAD VISITS BY LOCAL
15 HIGH SCHOOLS, UNDERGRADUATES, GRADUATE STUDENTS.
16 IT'S REALLY IMPROVED OUR ABILITY TO DO THAT. AND
17 IT'S ALSO BECOME A FOCUS FOR MANY OF OUR PATIENT
18 GROUPS. THEY LOVE TO COME TO THE BUILDING, SEE WHAT
19 WE'RE DOING, AND LEARN WHAT'S GOING ON. AND WE ARE
20 AN INSPIRATION TO THEM JUST AS THEY ARE AN
21 INSPIRATION TO US.

22 THAT'S WHAT THIS BUILDING HAS MEANT TO
23 THIS CAMPUS. WE'RE INCREDIBLY GRATEFUL TO YOU FOR
24 THE FUNDING THAT ALLOWED US TO BUILD IT.

25 I THINK MELISSA KING HAS INVITED YOU TO

BARRISTERS' REPORTING SERVICE

1 VISIT TODAY. I KNOW YOU HAVE A TIGHT SCHEDULE. IF
2 YOU CAN COME AND YOU'D LIKE TO COME, WE'D LOVE TO
3 SEE YOU AND SHOW YOU AROUND. SO IT WOULD BE GREAT
4 TO BE ABLE TO SHOW OFF THIS BUILDING THAT YOU
5 PROVIDED A MAJOR PART OF THE FUNDING FOR. THANK
6 YOU.

7 CHAIRMAN KLEIN: SO, DR. DONOVAN, HOW LATE
8 CAN WE DO THAT? I THINK AT ABOUT 4:30 OR SO WE LOSE
9 OUR QUORUM, SO WOULD 5 O'CLOCK BE TOO LATE?

10 DR. DONOVAN: WE'LL ALL STILL BE THERE.

11 CHAIRMAN KLEIN: THANK YOU. AND FOR THE
12 BENEFIT OF THE PUBLIC AND THE BOARD, MY
13 UNDERSTANDING IS THAT IN ENHANCING OUR INCENTIVES
14 FOR LEVERAGE, IN LEVERAGING THE STATE FUNDS, I THINK
15 DONORS PUT UP ABOUT \$3 FOR EVERY DOLLAR THAT THE
16 STATE PUT UP IN THIS INSTITUTION. MY UNDERSTANDING
17 IS YOU WERE ABLE TO ALSO NEGOTIATE AN ADDITIONAL
18 FLOOR OF TENANT IMPROVEMENTS, IS THAT CORRECT, IN
19 THE CONSTRUCTION CONTRACT NEGOTIATION?

20 DR. DONOVAN: SO THERE WERE TWO GREAT
21 THINGS ABOUT THE SITE WHERE THE BUILDING WAS BUILT.
22 THERE WAS A HOLE THERE, SO THE CONTRACTOR HAD TO
23 BUILD A BASEMENT TO PUT THE REST OF THE BUILDING UP.
24 AND SUSAN BRYANT ACTUALLY, WHEN SHE WAS VICE
25 CHANCELLOR OF RESEARCH, GOT A GRANT FOR 12 MILLION

BARRISTERS' REPORTING SERVICE

1 TO FUND THE COMPLETION OF THAT FLOOR.

2 WE ALSO HAVE A FOURTH FLOOR THAT BOTH OF
3 THE CONTRACTORS WHO BID ON THE BUILDING THREW IN AS
4 PART OF THE COMPETITION. SO WE HAVE A FOURTH FLOOR
5 THAT'S PARTIALLY COMPLETED. WE'RE TALKING TO DONORS
6 ABOUT FINISHING OFF THAT FOURTH FLOOR AS WELL. AND
7 WE'RE REALLY EXCITED ABOUT COMPLETING THAT BECAUSE
8 NOW WE HAVE FIVE FACULTY LINES THAT WE NEED TO FILL,
9 SO WE NEED THE SPACE TO RECRUIT THOSE PEOPLE. AND
10 THOSE PEOPLE REPRESENT A COMMITMENT OF ABOUT \$17
11 MILLION THE OVER NEXT FIVE YEARS BY THE UNIVERSITY
12 TO FUND THEIR RESEARCH PROGRAMS.

13 SO THE BUILDING REALLY HAS ALLOWED US TO
14 LEVERAGE A LOT BOTH FROM THE UNIVERSITY AND THE
15 OUTSIDE COMMUNITY.

16 CHAIRMAN KLEIN: SO YOU KNOW I'M A GREAT
17 ADMIRER OF THOSE WHO STRIVE FOR ADDITIONAL
18 SCIENTIFIC LEVERAGE. SO THANK YOU FOR CARRYING OUR
19 CONCEPT TO A NEW LEVEL. AND IT'S CERTAINLY A
20 TREMENDOUS RETURN FOR THE TAXPAYERS OF CALIFORNIA,
21 AN INCREDIBLE LEVERAGE FROM DONOR MONEY, CONTRACTOR
22 FUNDS THAT HAVE BEEN THROWN IN, OUTSIDE GRANTS THAT
23 YOU'VE GOTTEN, AND IT'S REMARKABLE WHAT YOU'VE
24 ACHIEVED IN A VERY SHORT TIME BEING OPEN WITHIN THAT
25 24-MONTH CYCLE OF AN EXTRAORDINARILY COMPLICATED

BARRISTERS' REPORTING SERVICE

1 BUILDING. THANK YOU.

2 DR. DONOVAN: THANK YOU VERY MUCH.

3 CHAIRMAN KLEIN: WITH THAT, COULD WE HAVE
4 LOGISTICS ON LUNCH?

5 MS. KING: ONE THING I'LL SAY IS THAT THE
6 STAFF WILL BE JOINING YOU FOR THE BUFFET, SO WE NEED
7 TO DO THAT AND THEN EXIT SO YOU CAN HAVE YOUR CLOSED
8 SESSION.

9 CHAIRMAN KLEIN: COULD MR. HARRISON RECITE
10 THE STATUTORY BASIS FOR EXECUTIVE SESSION DURING
11 LUNCH FOR ECONOMY OF TIME?

12 MR. HARRISON: THE BOARD WILL BE CONVENING
13 IN CLOSED SESSION TO DISCUSS PERSONNEL PURSUANT TO
14 GOVERNMENT CODE SECTION 11126(A) AND HEALTH AND
15 SAFETY CODE SECTION 125290.30(D)(3)(D).

16 CHAIRMAN KLEIN: THANK YOU VERY MUCH. WE
17 WILL ADJOURN.

18 (THE BOARD THEN CONVENEED IN CLOSED
19 SESSION, NOT REPORTED NOR HEREIN TRANSCRIBED.)

20 CHAIRMAN KLEIN: OKAY. WE'RE GOING TO
21 RECONVENE HERE. WE HAVE AN AUDIENCE WITH GREAT
22 PATIENCE. WE APOLOGIZE. WE'RE GOING TO TRY AND
23 MOVE THROUGH SOME ITEMS THAT HAVE PREVIOUSLY BEEN
24 DISCUSSED AND ARE BROUGHT BACK FOR FINAL
25 DETERMINATION. QUICKLY ITEMS THAT TAKE MORE TIME

BARRISTERS' REPORTING SERVICE

1 MAY BE PUT FORWARD TO THE NEXT MEETING.

2 IN TERMS OF AN ITEM THAT HAS PREVIOUSLY
3 BEEN BROUGHT FORWARD, DR. TROUNSON, CAN WE HAVE A
4 STAFF PRESENTATION ON ITEM NO. 10, PLEASE. DR.
5 OLSON.

6 MS. SAMUELSON: MR. CHAIRMAN, ONE MOMENT
7 PLEASE. AS THE MAKER OF THE MOTION ON THIS ITEM, I
8 WOULD GREATLY APPRECIATE DEFERRING THIS UNTIL THE
9 NEXT MEETING NEXT WEEK.

10 CHAIRMAN KLEIN: ALL RIGHT. DR. SLADEK
11 LEFT SPECIFIC NOTES, WHICH HE ALSO DISCUSSED WITH
12 ME.

13 MS. SAMUELSON: AND I HAVEN'T SEEN THEM OR
14 HAD A CHANCE TO TALK TO HIM ABOUT IT. AND I GUESS
15 I'M NOT CLEAR ON WHAT THE URGENCY IS.

16 CHAIRMAN KLEIN: JUST TO TRY AND GET THE
17 FUNDING TO THE SCIENTIST, BUT I DON'T HAVE A
18 PROBLEM, JOAN, IF YOU'D LIKE TO DEFER THAT ITEM.

19 MS. SAMUELSON: I'D APPRECIATE IT.

20 DR. POMEROY: DO WE HAVE A QUORUM?

21 CHAIRMAN KLEIN: WE SHOULD HAVE A QUORUM.
22 LET US CONFIRM THAT.

23 DR. POMEROY: AS I LOOK AROUND, I'M
24 WONDERING.

25 DR. TROUNSON: BOB, I'M NOT CLEAR AS TO

BARRISTERS' REPORTING SERVICE

1 REALLY WHY THIS IS BEING DELAYED WHEN THE BOARD'S
2 ASKED US TO COMPLETE OUR DISCUSSIONS ON THIS MATTER
3 AND THEY HAVE BEEN COMPLETED AS REQUESTED.

4 CHAIRMAN KLEIN: DR. TROUNSON, WE HAVE
5 ANOTHER MEETING IN A WEEK. AND JOAN SAMUELSON HAS
6 ASKED TO DEFER THAT ITEM. SHE'S THE MAKER OF THE
7 MOTION, AND I NORMALLY DEFER TO THAT. AND I
8 APPRECIATE THE WORK THAT'S BEEN DONE. HOPEFULLY A
9 WEEK FROM NOW WE'LL BE ABLE TO ADDRESS IT.

10 DR. PRICE: DOES THAT MEAN WE'RE GOING TO
11 HAVE SUFFICIENT TIME TO DO THIS?

12 CHAIRMAN KLEIN: SO LET ME ASK THIS
13 QUESTION. MY UNDERSTANDING IS WE NEED NEW
14 SCIENTIFIC, ADDITIONAL SCIENTIFIC MEMBERS FOR THE
15 GRANTS WORKING GROUP. CAN WE MOVE ON THAT ITEM, DR.
16 TROUNSON?

17 DR. TROUNSON: YES. DR. SAMBRANO WILL
18 PROVIDE THAT ITEM TO YOU.

19 DR. SAMBRANO: OKAY. I WILL BE VERY
20 BRIEF. WE HAVE JUST FOUR NOMINEES THAT WE ARE
21 MOVING FORWARD: DR. LAUREN BLACK, DR. ROBERT DEANS,
22 DR. JAMES ELLIS, AND DR. JOYCE FREY-VASCONCELLS, ALL
23 CONTRIBUTING IN BRINGING VECTOR BIOLOGY, THERAPY
24 DEVELOPMENT, AND REGULATORY AFFAIRS TO OUR
25 EXPERTISE.

BARRISTERS' REPORTING SERVICE

1 MR. GOLDBERG: I READ ALL THEIR
2 BACKGROUNDS, AND VERY IMPRESSED WITH THEIR RANGE OF
3 REGULATORY, INDUSTRY, AND CLINICAL EXPERIENCE. AND
4 I'D LIKE TO MAKE A MOTION TO APPROVE.

5 DR. POMEROY: SECOND.

6 CHAIRMAN KLEIN: IS THERE DISCUSSION FROM
7 THE BOARD?

8 MS. SAMUELSON: MR. CHAIRMAN, I'M GOING TO
9 ABSTAIN IF WE HAVE A ROLL CALL VOTE. I'M NOT SURE
10 WHAT THE PROCEDURE IS FOR IT. I WANT TO VERY
11 BRIEFLY EXPLAIN IT.

12 I HAVE NOTHING AGAINST THESE CANDIDATES.
13 IN FACT, AS MICHAEL SAID, THEY SOUND EXCELLENT AND
14 WORKING IN FIELDS THAT COULD WELL USE THEIR TALENT.
15 THERE'S A MUCH LARGER ISSUE OF THE STRUCTURE AND
16 MEMBERSHIP OF THE GRANTS WORKING GROUP WHICH I THINK
17 MUST BE SOLVED FOR US TO BE AT OPTIMUM FIGHTING
18 CAPACITY, AS WE'VE TALKED EARLIER TODAY, TO CARRY
19 THROUGH WITH THE BIG MISSION THAT WE HAVE. AND I
20 DON'T THINK THE GRANTS WORKING GROUP IS AS PREPARED
21 AS IT COULD BE. AND SO I WILL WANT TO HAVE THAT
22 LONGER CONVERSATION, BUT THERE'S NOT TIME FOR IT
23 NOW.

24 CHAIRMAN KLEIN: I'M GOING TO PUT THAT ON
25 ONE OF THE BOARD AGENDAS AS A SEPARATE ITEM,

BARRISTERS' REPORTING SERVICE

1 INDUSTRY MEMBERSHIP AND COMPOSITION AND OTHER ISSUES
2 OF HOW WE CAN IMPROVE THE GRANTS WORKING GROUP TO
3 RESPOND TO EVALUATIVE COMMENTS FROM THE REVIEW
4 PANEL.

5 MS. SAMUELSON: THANK YOU.

6 CHAIRMAN KLEIN: BUT FOR FUNCTIONING IN
7 THE INTERIM, DR. SAMBRANO, WE'D LIKE TO, I THINK,
8 SEE IF THERE'S ANY QUESTIONS OF THE BOARD ON THOSE
9 THAT HAVE BEEN PUT FORWARD. ARE THERE PUBLIC
10 COMMENTS ON THOSE THAT HAVE BEEN PUT FORWARD? IF
11 NOT, I'D LIKE TO SEE IF THERE'S -- WE HAVE A MOTION
12 AND A SECOND. I'D LIKE TO CALL THE QUESTION. ALL
13 IN FAVOR.

14 (CHORUS OF AYES.)

15 CHAIRMAN KLEIN: OPPOSED? AND ON THE
16 PHONE?

17 MS. SAMUELSON: ABSTAIN.

18 CHAIRMAN KLEIN: JEFF SHEEHY, IS HE ON THE
19 PHONE? I'M GOING TO LEAVE THE ROLL OPEN IN CASE
20 HE'D LIKE TO JOIN THE VOTE.

21 MS. KING: MOTION CARRIES WITHOUT HIS
22 VOTE.

23 CHAIRMAN KLEIN: I'LL LEAVE IT OPEN IN
24 CASE HE'D LIKE TO ADD IT.

25 MR. TORRES: LET THE RECORD SHOW THAT JOAN

BARRISTERS' REPORTING SERVICE

1 ABSTAINED.

2 CHAIRMAN KLEIN: JOAN ABSTAINED, AND I
3 THINK THAT THEY PUT THAT DOWN.

4 COUNSEL, ARE WE PREPARED TO MOVE TO THE
5 NEXT ITEM?

6 MR. HARRISON: YES.

7 CHAIRMAN KLEIN: MR. TOCHER, CAN YOU TELL
8 US ON THE TIMING OF ITEM 12 AND THE SIGNIFICANCE OF
9 THIS MEETING AS VERSUS A WEEK FROM NOW?

10 MR. TOCHER: THE SIGNIFICANCE WOULD NOT BE
11 GREATLY IMPACTED IF YOU WISH TO POSTPONE THIS TO
12 NEXT WEEK.

13 CHAIRMAN KLEIN: WE'RE GOING TO TRY AND
14 COME BACK TO IT IF WE HAVE --

15 MS. BAUM: I WOULD AGREE WITH THAT.

16 CHAIRMAN KLEIN: -- TIME.

17 SO ITEM 13, ON ITEM 13, CONSIDERATION OF
18 ITEMS REFERRED AND RECOMMENDED BY THE FINANCE
19 SUBCOMMITTEE WITH REGARD TO CIRM LOAN PROGRAM.
20 JAMES HARRISON, COULD YOU MAKE A PRESENTATION,
21 PLEASE?

22 MR. GOLDBERG: CHAIRMAN KLEIN, COULD I
23 PROVIDE A PREAMBLE AS CHAIR OF THE FINANCE
24 SUBCOMMITTEE?

25 CHAIRMAN KLEIN: ABSOLUTELY.

BARRISTERS' REPORTING SERVICE

1 MR. GOLDBERG: THANKS. SO THE FINANCE
2 SUBCOMMITTEE CONSIDERED TWO DIFFERENT PROPOSALS.
3 ONE, MODIFICATION OF THE EXISTING LANGUAGE IN THE
4 LOAN PROGRAM AS PROPOSED BY DUANE ROTH, WHICH WAS
5 APPROVED UNANIMOUSLY BY THE COMMITTEE, A TEN TO ZERO
6 VOTE. AND THE SECOND WAS CONSIDERATION OF A NEW
7 PROPOSAL PUT FORWARD BY CHAIRMAN KLEIN THAT WAS AN
8 ALTERNATIVE THAT JAMES HARRISON WILL ELABORATE ON A
9 PAYBACK MULTIPLE ALTERNATIVE THAT WAS VERY COGENT
10 AND COMPELLING, BUT NOT TO ALL OF THE MEMBERS OF THE
11 FINANCE SUBCOMMITTEE. IT PASSED BY A VOTE OF SEVEN
12 TO THREE.

13 SO I WOULD LIKE, AFTER JAMES DESCRIBES
14 THAT PROPOSAL IN THE CONTEXT OF HIS SUMMARY REMARKS,
15 TO ASK DUANE ROTH, THE CHAIRMAN OF THE LOAN TASK
16 FORCE AND MOST PROMINENT DISSENTER ON THAT PROPOSAL,
17 TO PROVIDE HIS COUNTERVAILING VIEW SO THE FULL BOARD
18 HAS THE BENEFIT OF THE DISCUSSION BEFORE YOU'RE
19 ASKED TO VOTE.

20 CHAIRMAN KLEIN: AND THEN AT THAT POINT AS
21 WELL, I THINK WOULD I ALSO PROVIDE THE DISCUSSION ON
22 THE MULTIPLE PAYBACK OPTION?

23 MR. GOLDBERG: YES.

24 CHAIRMAN KLEIN: MR. HARRISON.

25 MR. HARRISON: SO AS CHAIR GOLDBERG SAID,

BARRISTERS' REPORTING SERVICE

1 THE FINANCE SUBCOMMITTEE MET TO CONSIDER THESE TWO
2 MOTIONS. I'D LIKE TO START WITH A DISCUSSION OF THE
3 MOTION TO MAKE AMENDMENTS TO THE WARRANT COVERAGE
4 REQUIREMENTS IN THE LOAN ADMINISTRATION POLICY. AND
5 LET ME JUST FOCUS YOUR ATTENTION FOR THE SAKE OF
6 SPEED IN PARTICULAR ON ITEM 2. THIS IS THE CURRENT
7 POLICY WHICH REQUIRES THAT, FOR PURPOSES OF A
8 COMPANY-BACKED LOAN, THE LOAN RECIPIENT PROVIDE
9 WARRANT COVERAGE TO CIRM EQUAL TO THE LESSER OF 20
10 PERCENT OF THE SHARES OF THE COMPANY FULLY DILUTED
11 OR 25 PERCENT OF THE AMOUNT OF THE LOAN UNDER TWO
12 CONDITIONS. ONE, THE LOAN RECIPIENT HAS TO OBTAIN
13 FINANCING EQUAL TO AT LEAST THREE TIMES THE AMOUNT
14 OF THE LOAN SINCE INCEPTION. AND, TWO, THE LOAN
15 RECIPIENT HAS TO HAVE AN EXISTING CONTRACTUAL
16 ARRANGEMENT WITH A BIOTECH OR PHARMA COMPANY THAT
17 PROVIDES FOR LICENSING REVENUES OR SOME MILESTONE
18 PAYMENTS.

19 THE PROPOSAL FOR MODIFYING THIS ASPECT OF
20 THE WARRANT COVERAGE YOU WILL SEE IN NO. 2 IS THAT
21 RATHER THAN REQUIRING A LOAN RECIPIENT TO MEET BOTH
22 OF THOSE CRITERIA IN ORDER TO HIT THE 25-PERCENT
23 MARK, THEY WOULD ONLY HAVE TO ACHIEVE ONE OF THEM.
24 AND THEN WE WOULD CORRESPONDINGLY MODIFY THE LAST
25 PROVISION SO THAT IF A LOAN RECIPIENT HASN'T MET

BARRISTERS' REPORTING SERVICE

1 EITHER OF THOSE REQUIREMENTS AND IT'S SEEKING A
2 COMPANY-BACKED LOAN, THEN IT WOULD HAVE TO PROVIDE
3 50-PERCENT WARRANT COVERAGE OR WARRANT COVERAGE
4 EQUAL TO 50 PERCENT OF THE AMOUNT OF THE LOAN.

5 THAT'S THE PROPOSAL WITH RESPECT TO
6 COMPANY-BACKED LOANS. WITH RESPECT TO
7 PRODUCT-BACKED LOANS, CURRENTLY THIS IS WHAT THE
8 LOAN ADMINISTRATION POLICY PROVIDES. AND THE AMOUNT
9 OF WARRANTS THAT THE LOAN RECIPIENT HAS TO PROVIDE
10 FOR A PRODUCT-BACKED LOAN VARIES DEPENDING UPON THE
11 AMOUNT OF FUNDS THAT CIRM PROVIDES.

12 SO YOU WILL SEE CURRENTLY UNDER NO. 1 THEY
13 HAVE TO PROVIDE WARRANT COVERAGE EQUAL TO 50 PERCENT
14 OF THE LOAN AMOUNT IF THE LOAN AMOUNT IS LESS THAN
15 50 PERCENT OF THE TOTAL FUNDS REQUIRED TO COMPLETE
16 THE PROJECT. AND THEN THE AMOUNT OF WARRANT
17 COVERAGE ESCALATES DEPENDING UPON THE AMOUNT OF CIRM
18 FUNDS AVAILABLE.

19 WE WOULD MODIFY THAT AS FOLLOWS: THE
20 WARRANT COVERAGE REQUIREMENT WOULD VARY DEPENDING
21 UPON THE AMOUNT OF CIRM'S CONTRIBUTION AS A
22 PERCENTAGE OF THE TOTAL AMOUNT OF FUNDS NECESSARY TO
23 COMPLETE THE ACTIVITIES FOR THE CIRM-FUNDED PROJECT
24 DURING THE PERIOD COVERED BY THE DISBURSEMENT.

25 SO JUST A SIMPLE EXAMPLE. IF THE FIRST

BARRISTERS' REPORTING SERVICE

1 DISBURSEMENT CIRM WAS PROVIDING 60 PERCENT OF THE
2 FUNDS NECESSARY TO COVER THE ACTIVITIES ENGAGED IN
3 DURING THE PERIOD COVERED BY THAT DISBURSEMENT, THEN
4 THE LOAN RECIPIENT WOULD HAVE TO PROVIDE WARRANT
5 COVERAGE EQUAL TO 60 PERCENT OF THE AMOUNT OF THE
6 LOAN. IF FOR THE NEXT DISBURSEMENT CIRM WAS ONLY
7 PROVIDING 30 PERCENT OF THE AMOUNT NECESSARY TO
8 COMPLETE THE PROJECT, THEN THE WARRANT COVERAGE
9 WOULD BE EQUAL TO 30 PERCENT OF THE AMOUNT OF THE
10 LOAN FOR THAT TRANCHE OF THE LOAN.

11 THOSE ARE THE TWO PROPOSALS WITH RESPECT
12 TO THE LOAN ADMINISTRATION POLICY. THOSE WOULD
13 ENTAIL AMENDMENTS TO THE LOAN ADMINISTRATION POLICY
14 ITSELF, WHICH WILL TAKE APPROXIMATELY FOUR OR FIVE
15 MONTHS TO COMPLETE THROUGH THE OFFICE OF
16 ADMINISTRATIVE LAW.

17 THE OTHER PROPOSAL THAT THE FINANCE
18 SUBCOMMITTEE CONSIDERED IS TO ADOPT AN INTERIM
19 REGULATION WHICH IS AUTHORIZED UNDER PROP 71 TO
20 CREATE AN ALTERNATIVE TO THE WARRANT COVERAGE
21 REQUIREMENTS ON A TRIAL BASIS. SO FOR A PERIOD OF
22 ONE YEAR FROM ADOPTION, LOAN RECIPIENTS WOULD HAVE
23 THE OPTION OF SELECTING EITHER THE WARRANT COVERAGE
24 PROVIDED UNDER THE LAP OR A PAYBACK PREMIUM
25 OBLIGATION UNDER THE INTERIM REGULATION.

BARRISTERS' REPORTING SERVICE

1 AND AS YOU WOULD SEE FROM THE SLIDE BEFORE
2 YOU, THE AMOUNT OF THE PAYBACK WOULD VARY DEPENDING
3 UPON, FIRST, WHETHER IT'S COMPANY-BACKED OR A
4 PRODUCT-BACKED LOAN, AND THEN DEPENDING UPON THE
5 SUCCESS OF THE PRODUCT ITSELF. SO, FOR EXAMPLE, IF
6 IT'S A PRODUCT-BACKED LOAN, THE FIRST TRIGGER WOULD
7 BE \$10 MILLION IN ANNUAL REVENUES, AND THAT WOULD
8 TRIGGER AN OBLIGATION ON THE PART OF THE LOAN
9 RECIPIENT TO PROVIDE A PAYBACK TO CIRM EQUAL TO 100
10 PERCENT OF THE LOAN PRINCIPAL AND INTEREST. AND AS
11 YOU WILL SEE, THAT ESCALATES -- THE PAYBACK
12 ESCALATES AS THE PRODUCT BECOMES MORE SUCCESSFUL.

13 AS CHAIR GOLDBERG SAID, THE FINANCE
14 SUBCOMMITTEE RECOMMENDED THE BOARD'S APPROVAL OF
15 BOTH OF THESE PROPOSALS.

16 MR. GOLDBERG: THANK YOU, JAMES. DUANE,
17 COULD I ASK YOU TO COMMENT ON YOUR RESERVATIONS ON
18 THE PAYBACK OPTION?

19 MR. ROTH: ON THE FIRST ONE, IF I COULD
20 JUST COMMENT SO EVERYBODY IS ON THE SAME PAGE, IT
21 SEEMS INHERENTLY FAIR THAT IF WE HAVE A FINANCING OF
22 A PROJECT IN A PARTICULAR PERIOD OF TIME, A PRODUCT
23 THAT OUR CONTRIBUTION WOULD BE WEIGHED AGAINST THE
24 COMPANY'S CONTRIBUTION, AND THAT WOULD SET THE
25 WARRANT COVERAGE. SO I REALLY LIKE THE WAY THAT

BARRISTERS' REPORTING SERVICE

1 WORKS. AND IT'S EASY FOR US TO DETERMINE BECAUSE
2 THEY HAVE TO PUT THE TOTAL COSTS IN THERE. SO THAT
3 PART I'M VERY COMFORTABLE WITH.

4 THE SECOND AND THE REASON I WAS NOT
5 FAVORABLE AND VOTED AGAINST THE SECOND PROPOSAL IS I
6 WOULD LIKE TO SEE IF THE FIRST ONE WORKS BECAUSE I
7 THINK THAT WILL BE INHERENTLY ACCEPTABLE. BUT
8 HERE'S THE CHALLENGE I SEE WITH THIS. IF WE DON'T
9 HAVE ANY WARRANTS AND THE PRODUCT FAILS, WE DON'T
10 GET REPAYED PRINCIPAL, WE DON'T GET REPAYED INTEREST,
11 AND WE HAVE ABSOLUTELY NO OWNERSHIP IN ANYTHING ELSE
12 THE COMPANY DOES. SO IT'S REALLY, REALLY A GOOD
13 DEAL.

14 SECOND ISSUE, UNLIKE OUR GRANT PROGRAM
15 WHERE IF THERE'S A COMPANY GRANT, THEY PAY PACK UP
16 TO NINE TIMES WHERE THIS IS UP TO FIVE TIMES. SO
17 HAVING SAID THAT, I OPPOSED IT. I DO UNDERSTAND
18 THAT THERE ARE PEOPLE WHO DISAGREE WITH ME AND THINK
19 THE REASON THAT COMPANIES AREN'T APPLYING IS BECAUSE
20 OF THE WARRANT COVERAGE OR THE OWNERSHIP COVERAGE OR
21 THE LOAN CONDITIONS.

22 SO WHAT WAS ASKED BY THE CHAIRMAN IN HIS
23 MARKUP HERE IS BASICALLY LET'S TRY THIS. SUNSET IT
24 AND SEE IF THAT CAUSES MORE PEOPLE TO COME IN. SO
25 IT'S REALLY FOR THAT REASON THAT I WON'T STAND ON MY

BARRISTERS' REPORTING SERVICE

1 HEAD HERE AND SAY IT'S THE WRONG THING TO DO, BUT I
2 PROBABLY WILL VOTE AGAINST THAT PART BECAUSE I THINK
3 IT'S PREMATURE TO ASSUME THAT THIS SOMEHOW AFFECTS
4 THE PROBLEM WHEN, IN FACT, I DON'T THINK THAT'S THE
5 REAL ISSUE.

6 CHAIRMAN KLEIN: OKAY. MR. GOLDBERG, IS
7 IT PROPER AT THIS POINT FOR ME TO MAKE MY COMMENTS?
8 SO I HOPE IN THE LONG TERM THAT WE CAN, WITH THE
9 KIND OF CONSISTENT LONG-TERM COMMITMENT THAT DUANE
10 MADE, THAT WE CAN CONTINUE TO REFINE THE PROGRAM
11 WITH WARRANTS AND GET IT TO WHERE WE HAVE GOOD
12 COMPANY ACCEPTANCE.

13 IN THE IMMEDIATE TERM, WE HAVE A DISEASE
14 TEAM GRANT. THE APPLICATIONS ARE DUE ON THE 15TH OF
15 DECEMBER. WE KNOW FROM THE LAST YEAR WHERE WE'VE
16 BEEN TRYING TO DEAL WITH THE WARRANT PROGRAM THAT WE
17 HAVE NOT HAD GOOD ACCEPTANCE. AND STEM CELLS, INC.,
18 FOR EXAMPLE, HAS REFUSED TO PARTICIPATE BECAUSE OF
19 WARRANTS. SANGAMO HAS REFUSED TO PARTICIPATE
20 BECAUSE OF WARRANTS AS ONE OF THE SIGNIFICANT
21 ISSUES. WE KNOW THAT IPERIAN HAS REAL PROBLEMS WITH
22 THESE WARRANTS. THESE ARE COMPANIES THAT HAVE
23 SCORED VERY HIGH IN OUR REVIEWS.

24 OUR PRIMARY MISSION IS TO DRIVE THERAPIES.
25 I ASKED DUANE, AND HE'S DONE A COMMENDABLE JOB, TO

BARRISTERS' REPORTING SERVICE

1 DRIVE THE LOAN PROGRAM. AND I'VE BEEN A BIG
2 SUPPORTER AND I'M VERY HOPEFUL THAT OVER THE LONG
3 TERM WE HAVE SOME MODIFICATIONS THAT WILL DEAL WITH
4 SOME OF THESE ISSUES.

5 ONE OF THE FUNDAMENTAL ISSUES THAT THEY
6 BRING UP IS THAT IF YOU HAVE WARRANTS, THEY CAN GET
7 IN THE HANDS OF SPECULATORS OR COMPETITION. THAT,
8 IN FACT, WHEN THEY GIVE OUT WARRANTS, THEY GIVE THEM
9 OUT TO MAJOR INVESTORS IN THEIR COMPANIES. BECAUSE
10 THOSE PEOPLE HAVE MAJOR INVESTMENTS IN THE
11 COMPANIES, THEY DON'T TAKE ACTIONS THAT ARE ADVERSE
12 TO THE COMPANY.

13 I KNOW THAT STEM CELLS, INC. HAS HAD SOME
14 REAL ISSUES WITH SPECULATORS BUYING STOCK, RIDING IT
15 HIGH, THEY BELIEVE, SECONDHAND, AS I JUST READ THE
16 LITERATURE, IT'S THEN SOLD, AND THEN THEY SPECULATE
17 ON THE STOCK, WHICH CAUSES A SEVERE PROBLEM.
18 COMPANIES THAT ARE CLOSELY HELD MAY NOT HAVE
19 PROBLEMS WITH WARRANTS. OTHER COMPANIES THAT HAVE
20 PUBLIC STOCK OR BROADER DISTRIBUTIONS OF STOCK MAY
21 HAVE REAL PROBLEMS.

22 WHAT WE KNOW EMPIRICALLY AND PRAGMATICALLY
23 IS THAT OVER THE LAST YEAR WHERE WE'VE BEEN TRYING
24 TO DRIVE THIS FORWARD, WE HAVEN'T HAD THE RIGHT
25 FORMULA. THIS DISEASE TEAM ROUND IS A TWO-YEAR

BARRISTERS' REPORTING SERVICE

1 CYCLE. IF WE MISS HAVING SOMETHING AS AN OPTION FOR
2 THEM, THEY CAN DO EITHER PROGRAM, EITHER THIS
3 PROGRAM OR THE MULTIPLE PAYBACK OPTION, WE'LL MISS
4 THAT INDUSTRY ENGAGEMENT IN A VERY IMPORTANT PROGRAM
5 FOR US IN A TWO-YEAR CYCLE.

6 SO MY REQUEST WAS LET'S MAKE THIS OPTION
7 AVAILABLE. WE'LL HAVE A TEST PERIOD. AND MR.
8 GOLDBERG, WHAT WAS YOUR AMENDMENT ON THE -- WHAT DID
9 YOU SET THE TEST PERIOD AT?

10 MR. GOLDBERG: A ONE-YEAR PERIOD AFTER
11 WHICH IT WOULD SUNSET.

12 CHAIRMAN KLEIN: A ONE-YEAR PERIOD FOR
13 TESTING THIS. AND BECAUSE THE OTHER PROGRAM IS PART
14 OF THE ADMINISTRATIVE PROCEDURES ACT ALREADY UNDER
15 FINAL REGULATIONS, IT TAKES FOUR TO FIVE MONTHS TO
16 CHANGE IT. SO IF WE'RE GOING TO DO SOME CHANGES,
17 IT'S GOING TO TAKE SOME TIME TO DO THESE
18 REFINEMENTS. I THINK WE'VE DONE -- I THINK THE
19 CURRENT PROPOSAL AND THOSE CHANGES ARE VERY GOOD,
20 AND I SUPPORTED THOSE CHANGES. I THINK IT REALLY
21 HELPS THE PROGRAM. AND IT'S MY HOPE THAT SOME OF
22 THE COMPANIES CHOOSE THE WARRANT PROGRAM. BUT,
23 AGAIN, I BRING US BACK TO THE POINT WHILE WHAT I'VE
24 ENCOURAGED AND TRIED TO BE AN ADVOCATE FOR A LOAN
25 PROGRAM SO WE CAN GET SOME MONEY BACK INTO THE

BARRISTERS' REPORTING SERVICE

1 SYSTEM, OUR PRIMARY MISSION IS TO ENGAGE AS BROAD A
2 SCOPE OF THE SCIENTIFIC POSSIBILITIES FOR THERAPIES
3 OF HIGH QUALITY AS POSSIBLE. AND WE HAVE
4 UNFORTUNATELY NOT BEEN CAPTURING ALL OF THAT. WE'LL
5 ONLY KNOW IF WE HAVE A TEST, AND SO I'VE ADVOCATED
6 THIS TEST PERIOD.

7 DR. GOLDBERG: DR. PRICE, YOU HAVE A
8 QUESTION?

9 DR. PRICE: I HAVE A QUESTION. I HAVE A
10 DIFFICULT TIME FOLLOWING THE INTRICACIES OF ALL
11 THIS. I HAVE TO ADMIT THAT UP FRONT. SO THIS
12 QUESTION IS SORT OF BASED ON THAT. I GATHER FROM
13 WHAT JAMES IS SAYING THAT THE MULTIPLE PAYBACK
14 OPTION INVOLVES CIRM ESSENTIALLY ABSORBING ALL THE
15 RISK OR AT LEAST MUCH OF THE RISK AND LITTLE OF IT.
16 THEREFORE, WOULD IT BE A REASONABLE THING TO ASSUME
17 THAT IF THE OPTION -- IF COMPANIES HAVE THE OPTION
18 OF MULTIPLE PAYBACK OR THE WARRANT PROCESS, THEY'RE
19 ALL GOING TO OPT FOR THE MULTIPLE OPTIONS BECAUSE OF
20 THE LACK OF RISK. IS THAT AN UNFAIR ASSUMPTION?

21 MR. GOLDBERG: I THINK THAT IS, IN FACT, A
22 REASONABLE ASSUMPTION.

23 DR. PRICE: THEREFORE, THIS EXPERIMENT IS
24 COMPLETELY FLAWED.

25 MR. GOLDBERG: NO. NO. IT WOULD BE IF WE

BARRISTERS' REPORTING SERVICE

1 WERE STARTING THIS DE NOVO, BUT WE'RE NOT, AND WE
2 HAVE HAD THE WARRANT SITUATION OUT THERE. WE
3 HAVEN'T HAD THE WARRANT SITUATION OUT THERE WITH THE
4 REVISED AMENDED LANGUAGE AS PROPOSED BY DUANE ROTH.
5 BUT WE ALSO DON'T HAVE AND WON'T HAVE FOR THE
6 PURPOSES OF THE EXISTING DISEASE TEAM THAT
7 VALIDATED.

8 SO WHAT WE HEARD UNDENIABLY FROM THE
9 EXTERNAL REVIEW BOARD IS THAT ONE OF THE AREAS THAT
10 WE NEEDED TO HAVE MORE SENSITIVITY AND
11 RESPONSIVENESS PERHAPS TO INDUSTRY WAS IN THIS
12 SPECIFIC AREA. THERE ARE SEVERAL SPECIFIC COMPANIES
13 THAT THIS SPEAKS TO A SET OF NEEDS THEY HAVE. IT IS
14 A WORK IN PROGRESS. AND THAT'S WHY WE AS A
15 COMMITTEE DECIDED TO EXPLORE HAVING THIS AS AN
16 OPTION FOR ONE YEAR AFTER WHICH WE'LL REEVALUATE IT,
17 AND WE WOULD HAVE TO BE AFFIRMATIVE IF WE WERE TO
18 REINSTATE IT BEYOND ONE YEAR. SO IT AUTOMATICALLY
19 GOES AWAY.

20 SO IT IS AN INTERIM AND A TRANSITIONAL
21 EXPERIMENT AND ONE WHICH THE COMMITTEE THOUGHT ON
22 BALANCE WAS WORTH TRYING.

23 CHAIRMAN KLEIN: IF I COULD CLARIFY HERE.
24 UNDER WHAT'S CALLED THE WARRANT PROGRAM, IT'S A LOAN
25 PROGRAM. AND THERE'S A COMPANY-BACKED LOAN AND A

BARRISTERS' REPORTING SERVICE

1 PRODUCT-BACKED LOAN FOR BOTH THE MULTIPLE PAYBACK
2 AND THE WARRANT OPTION. THEY'RE BOTH LOAN PROGRAMS.

3 UNDER THE COMPANY-BACKED LOAN, IN EITHER
4 CASE, WHETHER THE PRODUCT IS SUCCESSFUL OR NOT, THEY
5 HAVE TO PAY BACK THE LOAN. RIGHT. SO AS TO BOTH
6 CASES, THE COMPANY TAKES THE RISK. THEY HAVE A
7 LOWER WARRANT EXPOSURE, AND THEY HAVE A LOWER
8 MULTIPLE PAYBACK UNDER BOTH OF THOSE BECAUSE THEY'RE
9 TAKING ON MORE RISK.

10 UNDER THE PRODUCT-BACKED LOAN, IN BOTH
11 CASES WE DON'T GET THE LOAN PAID BACK IN EITHER CASE
12 IF THE PRODUCT DOES NOT CREATE COMMERCIAL REVENUE.
13 THAT'S TRUE IN BOTH CASES. THE DIFFERENCE IS THAT
14 IN THE CASE WITH THE WARRANTS, WE DO END UP WITH
15 WARRANTS EVEN THOUGH WE HAVEN'T HAD THE LOAN PAID
16 BACK. RIGHT.

17 NOW, SOME COMPANIES MAY BELIEVE THAT IF --
18 THEY MAY BELIEVE THAT THE MULTIPLE PAYBACK OPTION
19 WILL, IN FACT, CAUSE THEM TO PAY MORE MONEY BECAUSE
20 UNDER THE WARRANT SYSTEM, IF IT'S A VERY EXPENSIVE
21 PROGRAM, IT REDUCES THE WARRANTS ON THE PROJECT
22 BECAUSE OF WEIGHTING THE PROPORTION OF OUR MONEY
23 VERSUS THE TOTAL INVESTMENT.

24 SO I HAVE TALKED TO STEM CELLS, INC.,
25 IPERIAN, AND SANGAMO, AS I SAID. THEY ACTUALLY FIVE

BARRISTERS' REPORTING SERVICE

1 MONTHS FROM NOW, WHICH WILL MISS THE DISEASE TEAM
2 ROUND, I THINK ONE OF THOSE COMPANIES WILL ACTUALLY,
3 IF WE GET THIS MODIFICATION, WILL TRY ONE OF THESE
4 AS A MULTIPLE PAYBACK LOAN AND MAYBE EVEN TRY ONE ON
5 WARRANTS. I HOPE THEY DO. I'M GOING TO TRY AND
6 ENCOURAGE THEM. BUT THERE'S SOME SOPHISTICATED
7 ECONOMIC ANALYSIS AS TO WHICH IS BETTER FOR THE
8 COMPANY IF THEY'RE NOT -- IF THEY HAVE A LOT OF
9 STOCK OUT THERE; HOWEVER, NO MATTER WHAT WE DO, THEY
10 MAY NOT TAKE THE WARRANTS BECAUSE OF MANIPULATION
11 THEY'RE CONCERNED WITH.

12 SO IF WE WANT INDUSTRY IN HERE, HAVING
13 THEM THE OPTION, WE'RE GOING TO OTHERWISE LOSE THE
14 DISEASE TEAM BECAUSE EVEN THESE AMENDMENTS WON'T GO
15 INTO EFFECT FOR FOUR TO FIVE MONTHS.

16 MR. ROTH: I'LL JUST CONCLUDE BY SAYING
17 THERE'S A LOT OF WHAT BOB SAID I REALLY DISAGREE
18 WITH. HOWEVER, I'M WILLING TO GO FORWARD WITH THIS
19 TO DO THE EXPERIMENT, TO FIND OUT, AND I DON'T WANT
20 TO BELABOR IT ANYMORE. I'M NOT GOING TO FILIBUSTER
21 AND TELL YOU ALL THE THINGS THAT COULD GO WRONG. I
22 THINK IT'S WORTH GOING AHEAD WITH THIS. I WOULD
23 HAVE MODIFIED IT AND MADE IT A BIT DIFFERENT, BUT
24 I'M GOING TO STICK TO MY NO VOTE, BUT THAT DOESN'T
25 MEAN YOU SHOULDN'T VOTE FOR THAT BECAUSE IF YOU

BARRISTERS' REPORTING SERVICE

1 BELIEVE WE SHOULD TRY THAT, IT IS AN INCREDIBLE
2 DEAL. I HOPE EVERYBODY LOOKS AT IT AND SAYS, WOW,
3 THIS IS THE CLOSEST THING YOU CAN GET TO FREE MONEY.

4 MR. GOLDBERG: DO WE NEED TO SOLICIT
5 COMMENTS FROM THE PUBLIC BEFORE A VOTE? THE MOTION,
6 CAN I ASK DUANE ROTH FOR A MOTION ON THE AMENDED
7 WARRANT --

8 MR. ROTH: ON THE AMENDMENT WARRANT --

9 MR. GOLDBERG: -- WHICH WAS PASSED TEN
10 ZERO BY THE COMMITTEE.

11 MR. ROTH: MOTION TO APPROVE.

12 DR. POMEROY: SECOND.

13 MR. ROTH: THE MOTION IS ON THE VERY FIRST
14 ONE WE LOOKED AT WHERE THERE WOULD BE
15 PROPORTIONALITY TO THE PERIOD WE'RE FUNDING TO THE
16 WARRANT COVERAGE.

17 MR. GOLDBERG: ANY PUBLIC COMMENT?
18 HEARING NONE, ALL AYES.

19 (CHORUS OF AYES.)

20 MR. GOLDBERG: ANY OPPOSED?

21 MS. KING: CHECK WITH JEFF SHEEHY. ARE
22 YOU ON THE PHONE YET?

23 MOTION CARRIES. NEXT MOTION.

24 MR. GOLDBERG: NEXT MOTION, DO I HAVE A
25 MOTION TO PASS THE PAYBACK OPTION AS PROPOSED BY

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN? DO WE HAVE A MAKER OF THE MOTION?

2 CHAIRMAN KLEIN: I'LL MAKE THE MOTION.

3 MR. GOLDBERG: DO WE HAVE A SECOND?

4 DR. BLOOM: SECOND.

5 MR. GOLDBERG: DO WE HAVE ANY PUBLIC
6 COMMENT ON THE PROPOSED PAYBACK OPTION ALTERNATIVE
7 DURING THE NEXT YEAR? HEARING NONE, I'D LIKE TO
8 CALL THE MOTION TO VOTE. ALL THOSE IN FAVOR.

9 (CHORUS OF AYES.)

10 MR. GOLDBERG: OPPOSED?

11 MR. ROTH: NO.

12 MR. GOLDBERG: MOTION CARRIES.

13 DR. POMEROY: IT TAKES A VILLAGE.

14 CHAIRMAN KLEIN: SO I WOULD HOPE IN THE
15 NEXT SIX MONTHS THAT BOTH OF THESE ARE EFFECTIVE FOR
16 COMPANIES FOR DIFFERENT REASONS AND REALIZE WE ARE
17 BRAVELY GOING INTO THE FRONTIER HERE BECAUSE THE
18 OPTION IS WHAT IS REALLY, I DON'T CALL IT FREE
19 MONEY, BUT GRANTS WHERE WE DON'T GET ANY MONEY BACK
20 EVEN IF THEY ARE SUCCESSFUL. SO I REALIZE THE
21 OPTIONS WILL ONLY PLAY OUT BY THE REAL INDUSTRY
22 CHOOSING AND, AS I SAID, I THINK THAT THE OPTION
23 WITH THE WARRANTS WILL CONTINUE TO IMPROVE.

24 MR. ROTH: JUST SO YOU UNDERSTAND, I MADE
25 THAT FOR EMPHASIS BECAUSE I WANT AS MANY PEOPLE TO

BARRISTERS' REPORTING SERVICE

1 APPLY FOR THIS AS POSSIBLE. I'M SERIOUS ABOUT THAT.
2 YOU MIGHT AS WELL ADVERTISE IT BECAUSE IT IS AN
3 INCREDIBLE OPPORTUNITY.

4 CHAIRMAN KLEIN: WELL, WE HOPE THEY ENGAGE
5 US WITH THE OPPORTUNITY BECAUSE THAT WILL HELP US
6 DRIVE THERAPIES.

7 MR. ROTH: EXACTLY RIGHT.

8 CHAIRMAN KLEIN: THANK YOU FOR THAT
9 STATEMENT, DUANE.

10 SO I'D LIKE TO GO FOR THE MOMENT TO ITEM
11 NO. 5, WHICH DEALS WITH -- ITEM NO. 5 DEALS WITH THE
12 PRESENTATION OF THE AUDIT. OKAY. CAN WE HAVE THAT
13 PRESENTATION, PLEASE, AND THANK YOU FOR YOUR
14 PATIENCE.

15 MR. ROBERTSON: GOOD EVENING. MY NAME IS
16 RUSSELL ROBERTSON. I WAS THE MANAGER FOR THIS
17 YEAR'S AUDIT ENGAGEMENT FOR CIRM. AND FIRST, I
18 WOULD LIKE TO THANK THE OVERSIGHT COMMITTEE FOR
19 GIVING ME THE OPPORTUNITY TO PRESENT THE RESULTS OF
20 THE WORK THAT WAS PERFORMED. AND ALSO I WOULD LIKE
21 TO THANK CIRM'S MANAGEMENT AND STAFF FOR THEIR
22 ASSISTANCE AND HARD WORK DURING THE AUDIT AS WELL.

23 WE WERE ENGAGED TO PERFORM A FINANCIAL
24 AUDIT OF CIRM'S JUNE 30, 2010, FINANCIAL STATEMENTS
25 AND ULTIMATELY EXPRESS AN OPINION UPON THOSE

BARRISTERS' REPORTING SERVICE

1 FINANCIAL STATEMENTS AT THE CONCLUSION OF OUR AUDIT.
2 I THINK IT'S A GOOD POINT TO MAKE THE DIFFERENCES
3 BETWEEN THE INDEPENDENT AUDITOR AND THE MANAGEMENT.
4 THE INDEPENDENT AUDITOR IS RESPONSIBLE FOR PLANNING
5 AND PERFORMING THE AUDIT TO OBTAIN REASONABLE
6 ASSURANCE THAT THE FINANCIAL STATEMENTS ARE FAIRLY
7 STATED IN ALL MATERIAL RESPECTS IN ACCORDANCE WITH
8 THE UNDERLYING ACCOUNTING PRINCIPLES.

9 WE ALSO DO REVIEW THE SYSTEM OF INTERNAL
10 CONTROLS THAT ARE IN PLACE, BUT THAT'S MORE FOR THE
11 PURPOSE OF DESIGNING OUR PROCEDURES WHEN WE PERFORM
12 OUR AUDIT TEST, AND IT'S NOT NECESSARILY TO RENDER
13 OPINION ON THE SYSTEM OF CONTROLS THAT ARE IN PLACE.

14 MANAGEMENT IS RESPONSIBLE FOR PREPARING
15 THOSE FINANCIAL STATEMENTS IN ACCORDANCE WITH THE
16 ACCOUNTING PRINCIPLES AND FOR ESTABLISHING A SYSTEM
17 OF INTERNAL CONTROL TO PREVENT AND DETECT ERRORS
18 DURING THE NORMAL COURSE OF BUSINESS. ALSO
19 MANAGEMENT IS RESPONSIBLE FOR ESTABLISHING INTERNAL
20 CONTROLS TO ENSURE COMPLIANCE WITH LAWS,
21 REGULATIONS, CONTRACT PROVISIONS, AND OTHER MATTERS
22 SIGNIFICANT TO THE FINANCIAL STATEMENTS.

23 I UNDERSTAND THAT YOU HAVE IN YOUR BINDER
24 THE TWO REPORTS THAT WE ISSUED FOR THIS YEAR. ONE
25 IS OUR INDEPENDENT AUDITOR REPORT, AND THE OTHER IS

BARRISTERS' REPORTING SERVICE

1 THE REPORT TO THE ICOC. AND THROUGH MY DISCUSSION
2 ON THE RESULTS, I'LL REFER TO THOSE TWO REPORTS.

3 AT THE CONCLUSION OF OUR AUDIT, I AM
4 PLEASED TO REPORT THAT WE OBTAINED SUFFICIENT AND
5 APPROPRIATE AUDIT EVIDENCE TO RENDER AN UNQUALIFIED
6 OPINION. NOW, AN UNQUALIFIED OPINION IS THE HIGHEST
7 LEVEL OF ASSURANCE THAT AN INDEPENDENT AUDITOR CAN
8 PROVIDE AN ORGANIZATION ON THE FAIR PRESENTATION OF
9 THE FINANCIAL STATEMENTS.

10 WE ALSO NOTED THAT THERE WEREN'T ANY
11 MATERIAL OR SIGNIFICANT DEFICIENCIES IN THE INTERNAL
12 CONTROL SYSTEM. ALTHOUGH WE DIDN'T RENDER AN
13 OPINION ON THEM, WE DIDN'T ENCOUNTER ANY PROBLEMS
14 WITH THE SYSTEM THAT WAS IN PLACE.

15 IF YOU DO HAVE AN OPPORTUNITY, IN THE
16 AUDIT REPORT, IT'S THE THICKER OF THE TWO, THE
17 DETAILS OF OUR OPINION AND WHAT STANDARDS WE
18 FOLLOWED ARE EXPRESSED ON PAGE 1 ON PARAGRAPH 3. I
19 WON'T GO IN TOO MUCH DETAIL ON THIS REPORT; HOWEVER,
20 THERE WAS A COUPLE AREAS THAT I DID KIND OF WANT TO
21 HIGHLIGHT. IN PARTICULAR, MANAGEMENT'S DISCUSSION
22 AND ANALYSIS IN THAT REPORT. WHAT THAT IS EXACTLY,
23 IT IS ANALYSIS BY MANAGEMENT. THEY PROVIDE DETAIL
24 ON BASICALLY THE OPERATIONS DURING THE YEAR. AND
25 WHAT THIS DOES IS PROVIDES A HIGH LEVEL VIEW OF KIND

BARRISTERS' REPORTING SERVICE

1 OF WHAT OCCURRED DURING THE YEAR. CHANGES IN
2 SIGNIFICANT BALANCES IN THE FINANCIAL STATEMENTS ARE
3 HIGHLIGHTED IN THIS FIRST PART OF THE REPORT.

4 FOLLOWING THAT ARE THE FINANCIAL
5 STATEMENTS THEMSELVES. WHEN YOU DO REVIEW THESE
6 FINANCIAL STATEMENTS, I WOULD ENCOURAGE USING BOTH
7 THE MANAGEMENT DISCUSSION AND ANALYSIS AND THE NOTES
8 THAT PRECEDE THE FINANCIAL STATEMENTS WHEN YOU
9 REVIEW BECAUSE IT OFFERS A LITTLE MORE INSIGHT ON
10 THE NUMBERS THAT ARE PRESENTED AND GIVES YOU A
11 LITTLE MORE DETAIL SO YOU CAN FULLY UNDERSTAND WHAT
12 THE FINANCIAL STATEMENTS ARE PORTRAYING.

13 IN THE SECOND REPORT, THE SMALLER OF THE
14 TWO, IS THE REPORT TO THE ICOC. AND THIS IS
15 REQUIRED COMMUNICATIONS PER OUR PROFESSIONAL
16 STANDARDS. IT'S TYPICALLY ADDRESSED TO THE HIGHEST
17 LEVEL OF OVERSIGHT. AND WHAT THIS DOES IS
18 COMMUNICATE SIGNIFICANT ASPECTS OF OUR AUDIT THAT
19 ARE DEEMED NECESSARY BY OUR PROFESSIONAL STANDARDS.

20 IN THIS REPORT I WOULD LIKE JUST TO
21 HIGHLIGHT A COUPLE AREAS. WE GO INTO DETAIL WITH
22 SOME SIGNIFICANT AUDIT FINDINGS. IN THIS SECTION,
23 IF THERE WERE ANY FINDINGS, WE WOULD HIGHLIGHT THESE
24 TYPES OF ISSUES THAT WE CAME ACROSS DURING THE
25 AUDIT. AND I'M HAPPY TO REPORT THERE WERE NONE. SO

BARRISTERS' REPORTING SERVICE

1 IT DOES, HOWEVER, REITERATE THE FACT THAT MANAGEMENT
2 IS RESPONSIBLE FOR APPROPRIATE ACCOUNTING POLICIES.
3 IN CONJUNCTION WITH THAT FIRST REPORT THAT I
4 IDENTIFIED, IN NOTE 2 IT DETAILS EXACTLY WHAT
5 POLICIES WERE FOLLOWED BY MANAGEMENT FOR THE CURRENT
6 YEAR.

7 AND DURING THIS YEAR, THERE WERE NO NEW
8 POLICIES THAT WERE ESTABLISHED. AND, IN FACT, THE
9 ONES THAT WERE IN PLACE, THEY WEREN'T ALTERED. SO
10 WHAT THAT DOES IS IT GIVES A LITTLE BETTER LEVEL OF
11 COMPARABILITY FROM THE PREVIOUS YEAR.

12 ALSO IN THAT REPORT WE WOULD REPORT TO YOU
13 IF THERE WERE ANY DIFFICULTIES PERFORMING THE AUDIT,
14 WHICH, AGAIN, I'M HAPPY TO REPORT THERE WEREN'T ANY
15 SIGNIFICANT DIFFICULTIES DEALING WITH MANAGEMENT.
16 AND ALSO WE WOULD ALSO REPORT ANY DISAGREEMENTS THAT
17 WE MAY HAVE HAD DURING THE AUDIT ENGAGEMENT. ONCE
18 AGAIN, THERE WERE NONE.

19 SO AS YOU CAN TELL BY THIS DISCUSSION AND
20 KIND OF OUR EVIDENCE OF OUR OPINION, IT'S CLEARLY
21 EASY TO SEE THAT MANAGEMENT, WHO IS RESPONSIBLE FOR
22 PREPARING THESE FINANCIAL STATEMENTS, IS DOING A
23 GOOD JOB OF THAT. AND IT'S A TESTAMENT OF WHO'S IN
24 PLACE AND OVERSEEING THIS PROGRAM. WITH THAT, I
25 WOULD LIKE TO OPEN IT UP TO QUESTIONS.

BARRISTERS' REPORTING SERVICE

1 MR. GOLDBERG: THANK YOU FOR YOUR REPORT.
2 WE'RE DELIGHTED THAT CIRM MANAGEMENT IS DOING SUCH A
3 SOUND AND COMPETENT JOB. WE'RE VERY PLEASED THAT
4 THERE WERE NO MATERIAL MISSTATEMENTS OR ANY ITEMS
5 THAT YOU THOUGHT WORTHY OF RAISING TO OUR ATTENTION.
6 AND WE DO WANT TO REITERATE, AS A FINANCE
7 SUBCOMMITTEE, THAT YOU HAVE DIRECT ACCESS TO US
8 SHOULD THERE EVER BE PROBLEMS OR ISSUES THAT ARISE
9 IN CONNECTION WITH ANY OF YOUR AUDIT WORK.

10 MR. ROBERTSON: GREAT. THANK YOU.

11 CHAIRMAN KLEIN: OKAY. ADDITIONAL BOARD
12 QUESTIONS OR COMMENTS?

13 MR. ROTH: JUST I'LL ADD MY
14 CONGRATULATIONS. I DON'T GET AUDIT REPORTS THIS
15 CLEAN AT CONNECT, SO THANK YOU.

16 CHAIRMAN KLEIN: THANK YOU. AND I THINK
17 IF WE CAN GIVE A HAND OF APPLAUSE TO THE ENTIRE
18 EXECUTIVE STAFF AND THE ACCOUNTINGS STAFF WHO
19 SHEPHERDED THIS, WE SHOULD THANK THEM. IT'S A
20 TREMENDOUS DETAILED, UNDER-THE-MICROSCOPE PROCESS
21 THAT THEY GO THROUGH. AND THANK YOU VERY MUCH.

22 (APPLAUSE.)

23 CHAIRMAN KLEIN: THE NEXT ITEM THAT WE
24 HAVE HERE IS IF WE COULD --

25 DR. TROUNSON: I JUST WANTED TO -- WE'VE

BARRISTERS' REPORTING SERVICE

1 BEEN DELAYED IN WINDING UP VERY QUICKLY THE FINANCES
2 FROM LAST YEAR ENDING THE 30TH OF JUNE. AND CHILA
3 SILVA-MARTIN IS AVAILABLE JUST TO GIVE YOU THAT
4 BRIEF REPORT. WE HAVEN'T DONE IT BECAUSE WE REALLY
5 HAVEN'T HAD TIME IN THESE LAST TWO MEETINGS. AND WE
6 FEEL THAT YOU SHOULD RECEIVE IT.

7 CHAIRMAN KLEIN: YES. ABSOLUTELY. COULD
8 WE DO THIS, CHILA? COULD WE SEE IF WE CAN HANDLE
9 ITEM 12 AND 15 QUICKLY. IF WE CAN'T, THEN WE'RE
10 GOING TO COME RIGHT BACK TO YOU. SO BEFORE WE LOSE
11 OUR QUORUM HERE, MICHAEL, IF YOU CAN JUST GIVE US
12 FIVE MINUTES HERE. ITEM 12, WHO WOULD LIKE TO MAKE
13 THE PRESENTATION ON THAT ITEM, WHICH IS THE
14 CONSIDERATION OF AMENDMENTS TO CIRM'S INTELLECTUAL
15 PROPERTY POLICY AS RECOMMENDED BY IP TASK FORCE IN
16 RESPONSE TO SB 1064.

17 MS. BAUM: I CAN DO THIS VERY QUICKLY, AND
18 I'LL TRUNCATE WHAT I WAS INITIALLY GOING TO STATE IN
19 THE INTEREST OF TIME. YOU CAN LOOK AT THE DETAILED
20 BACKGROUND IN TAB 12. IN TAB 12 I PRESENT TWO
21 DIFFERENT AMENDMENTS. I'LL JUST QUICKLY STATE THAT
22 ONE AMENDMENT IS REQUIRED AS A RESULT OF THE
23 ENACTMENT OF SB 1064, AND THE OTHER ONE IS
24 DISCRETIONARY. IF YOU HAVE IT IN FRONT OF YOU, I'M
25 SORRY I DON'T HAVE A SLIDE, BUT THE FIRST PROVISION

BARRISTERS' REPORTING SERVICE

1 THAT WE NEED TO CONSIDER AND THAT MUST BE ENACTED,
2 SO I DON'T THINK THIS IS A DIFFICULT DECISION FOR
3 YOU, IS, IN ESSENCE, TO MAKE SURE THAT THE TIMELINE
4 FOR SUBMITTING THE ACCESS PLANS TO ICOC FOR REVIEW
5 AND APPROVAL NEEDS TO BE IN ACCORD WITH THE NEW
6 STATUTE THAT'S COMING INTO EFFECT JANUARY 1ST. AND
7 I JUST MADE SOME SUGGESTED CHANGES IN THE
8 DOCUMENTATION BEFORE YOU TO MAKE THOSE TWO -- TO
9 MAKE OUR REGULATION CONSISTENT WITH THE NEW STATUTE.

10 SO, IN ESSENCE, OUR REGULATION USED TO SAY
11 THAT IT NEEDED -- THE ACCESS PLAN NEEDED TO BE
12 SUBMITTED NO FEWER THAN 90 CALENDAR DAYS BEFORE THE
13 DRUG IS COMMERCIALIZED. NOW IN ACCORDANCE WITH THE
14 UPCOMING STATUTE THAT WILL COME IN EFFECT, WE ARE
15 CHANGING THAT TIMELINE TO TEN BUSINESS DAYS
16 FOLLOWING FINAL APPROVAL OF THE DRUG BY THE FDA IF
17 THERE IS NO EXTENSION PROVIDED. AND IF THERE IS AN
18 EXTENSION, IT NEEDS TO BE WITHIN 30 DAYS FOLLOWING
19 APPROVAL. THAT'S ALL AS REQUIRED BY THE NEW
20 STATUTE. WE NEED TO BE CONSISTENT WITH THAT NEW
21 STATUTE. IT WAS ALREADY LOOKED IT AND APPROVED BY
22 THE IP TASK FORCE UNANIMOUSLY. IT WOULD BE PRUDENT
23 TO TAKE A VOTE ON THAT NOW, AND THEN I CAN TALK
24 ABOUT THE DISCRETIONARY --

25 MR. ROTH: I'D LIKE TO MAKE A MOTION THAT

BARRISTERS' REPORTING SERVICE

1 WE APPROVE THAT. I WAS ON THE IP TASK FORCE ON THE
2 PHONE CALL, AND WE SHOULD DEFINITELY DO THIS.

3 MR. GOLDBERG: SECOND. I WAS AS WELL.

4 CHAIRMAN KLEIN: MOTION AND SECOND. IS
5 THERE ADDITIONAL COMMENTS FROM THE BOARD? IS THERE
6 COMMENTS FROM THE PUBLIC? CALL THE QUESTION. ALL
7 IN FAVOR.

8 (CHORUS OF AYES.)

9 CHAIRMAN KLEIN: OPPOSED? THANK YOU. IS
10 JEFF ON THE PHONE?

11 MS. KING: NO. MOTION CARRIES.

12 MS. BAUM: IF WE CAN TURN TO THE NEXT
13 PROPOSED AMENDMENT, WHICH, AGAIN, WAS APPROVED
14 UNANIMOUSLY AT THE NOVEMBER 23D MEETING OF THE IP
15 TASK FORCE. THIS ONE IS DISCRETIONARY; BUT AS THE
16 NEW STATUTE STATES, NOW THE 1-PERCENT ROYALTY
17 PROVISION FOR REVENUE SHARING IS ONLY GOING TO
18 APPLY, PURSUANT TO THE STATUTE, TO PATENTED
19 INVENTIONS. OUR REGULATION HAS IT APPLYING MUCH
20 MORE BROADLY, AND IT WAS A POINT OF CONTENTION WITH
21 INDUSTRY. SO WE HAD RECOMMENDED BEFORE THE IP TASK
22 FORCE THAT WE FOLLOW THE STATUTE AND THAT WE CHANGE
23 OUR REGULATION SO THAT THE 1-PERCENT ROYALTY, WHICH
24 IS ON TOP OF A NINE X FOR BLOCKBUSTER DRUGS, A NINE
25 X REPAYMENT, ONLY APPLIED TO PATENTED DISCOVERIES

BARRISTERS' REPORTING SERVICE

1 THAT ARE RESULTING IN THAT REVENUE.

2 AND, AGAIN, THIS IS APPROVED BY THE
3 STATUTE AND APPROVED UNANIMOUSLY BY THE IP TASK
4 FORCE.

5 MR. ROTH: I'LL MAKE A MOTION TO APPROVE.
6 AND I WILL JUST SAY TO THE BOARD THIS WAS ALWAYS OUR
7 INTENT. IT JUST WAS -- IT GOT LOST IN THE
8 TRANSLATION OVER TIME THAT THERE HAD TO BE A PATENT
9 IN ORDER TO HIT THAT BLOCKBUSTER 1-PERCENT ROYALTY.
10 YOU'VE STILL GOT TO PAY THE NINE X, BUT THE
11 1-PERCENT, YOU HAD TO HAVE A PATENTED INVENTION. SO
12 MOTION TO APPROVE.

13 MR. GOLDBERG: SECOND.

14 MS. SAMUELSON: QUESTION.

15 CHAIRMAN KLEIN: ANY QUESTIONS FROM THE
16 MEMBERS? THIS HAS BEEN THOROUGHLY LOOKED AT. ANY
17 QUESTIONS FROM THE PUBLIC? CALL THE QUESTION. ALL
18 IN FAVOR.

19 (CHORUS OF AYES.)

20 CHAIRMAN KLEIN: OPPOSED? FRANCISCO AND
21 CLAIRE, YOUR VOTES.

22 DR. PRIETO: AYE.

23 DR. POMEROY: AYE.

24 CHAIRMAN KLEIN: THANK YOU. ON ITEM 15 IS
25 AN ITEM THAT CAME FROM JEFF SHEEHY THROUGH THE

BARRISTERS' REPORTING SERVICE

1 SCIENCE SUBCOMMITTEE. AND COULD YOU PRESENT THAT?

2 DID WE LOSE --

3 MR. SHEEHY: I'M HERE.

4 THE POINT OF THIS WAS JUST TO PUT AN
5 OPTION OUT THERE BECAUSE WE HAD A DISCUSSION ABOUT
6 WHETHER OR NOT THE BOARD WOULD SIGN OFF ON APPROVALS
7 OR DISAPPROVALS OF CLINICAL TRIALS. AND SO IN THE
8 SCIENCE SUBCOMMITTEE WE PUT FORWARD A PROPOSAL FOR
9 THE BOARD FOR THOSE WHO THOUGHT THAT IT WAS
10 IMPORTANT THAT THE BOARD HAVE SOME ROLE IN MAKING
11 THE FINAL DECISION GIVEN THE IMPORTANCE OF CLINICAL
12 TRIALS. SO IT'S PRETTY STRAIGHTFORWARD.

13 CHAIRMAN KLEIN: JEFF, JUST TO PUT IT INTO
14 DISCUSSION, AND JAMES IS GOING TO ADDRESS IT, WOULD
15 YOU LIKE TO MAKE A MOTION FOR APPROVAL?

16 MR. SHEEHY: SURE. I'D LIKE TO MOVE TO
17 APPROVE. AND JUST TO BE CLEAR TOO, THIS DOESN'T
18 APPLY TO THE EARLY TRANSLATIONAL GRANTS THAT ARE
19 BEING TAKEN CARE OF THROUGH THE PROCESS THAT WAS
20 ADOPTED PREVIOUSLY. SO THIS WOULD ONLY BE GOING
21 FORWARD. YES, I'D LIKE TO MOVE APPROVAL.

22 CHAIRMAN KLEIN: I'LL SECOND THAT. SO
23 THIS IS ONLY PROSPECTIVE. JAMES.

24 MR. HARRISON: I'LL SKIP THE BACKGROUND
25 DISCUSSION BECAUSE I THINK JEFF HAS PROVIDED

BARRISTERS' REPORTING SERVICE

1 SUFFICIENT BACKGROUND. THE PROPOSAL, TO BE CLEAR,
2 AS JEFF SAID, IS PROSPECTIVE. AND WHAT IT ENTAILS
3 IS THAT A GRANTEE OR LOAN RECIPIENT REQUESTS A
4 CHANGE OF SCOPE TO PERMIT CIRM FUNDS TO BE USED FOR
5 HUMAN CLINICAL RESEARCH WHERE THE ORIGINAL
6 APPLICATION THAT WAS RECOMMENDED BY THE GRANTS
7 WORKING GROUP AND APPROVED BY THE BOARD DID NOT
8 INCLUDE A COMPONENT PROPOSING SUCH RESEARCH, THEN
9 THE BOARD WOULD HAVE AN OPPORTUNITY TO REVIEW IT
10 BASED ON THE PRESIDENT'S RECOMMENDATION.

11 AND THE NOTION IS THAT THIS WOULD NOT BE A
12 DETAILED EXAMINATION OF THE PROPOSED TECHNIQUES, BUT
13 WOULD BE SIMILAR TO THE CONCEPTUAL APPROVAL THAT THE
14 BOARD PROVIDES FOR REQUESTS FOR APPLICATIONS. SO IT
15 WOULD FOCUS PRIMARILY ON THE RISKS AND BENEFITS FOR
16 PATIENTS AND THERAPY DEVELOPMENT. THERE WERE A
17 NUMBER OF JUSTIFICATIONS OFFERED FOR THIS PROPOSAL,
18 INCLUDING THIS CREATING A FORUM FOR EDUCATING THE
19 PUBLIC ABOUT THE RISKS AND BENEFITS OF CLINICAL
20 TRIAL WORK, THE FACT THAT CLINICAL TRIAL WORK
21 GENERALLY INVOLVES THE GREATEST POTENTIAL FOR RISK
22 AND BENEFITS, AND THAT THIS IS DIFFERENT IN KIND
23 FROM THE ORDINARY REQUEST FOR CHANGE IN SCOPE
24 BECAUSE IT INVOLVES RESEARCH ON HUMAN SUBJECTS AND,
25 THEREFORE, PRESENTS A NEED FOR A GREATER LEVEL OF

BARRISTERS' REPORTING SERVICE

1 REVIEW.

2 SO THAT'S A SUMMARY OF THE PROPOSAL. THE
3 SCIENCE SUBCOMMITTEE RECOMMENDED THAT THE BOARD
4 CONSIDER THIS PROPOSAL, AND THERE'S A MOTION ON THE
5 TABLE.

6 CHAIRMAN KLEIN: ALL RIGHT.

7 DR. MELMED: DOES THIS IMPLY BYPASSING OF
8 THE PEER REVIEW PROCESS FOR THESE PROJECTS AND IRB
9 PROCESS?

10 CHAIRMAN KLEIN: NO. ALL OF THESE
11 PROCESSES WILL HAVE HAD TO GO THROUGH PEER REVIEW.

12 DR. MELMED: NOT WHAT IT SAYS. IT'S NOT
13 WHAT THE TEXT SAYS. THIS IS FUNDS USED IN A
14 CLINICAL TRIAL WHERE THE ORIGINAL APPLICATION
15 APPROVED BY THE BOARD DID NOT PROPOSE SUCH RESEARCH.

16 MR. ROTH: IT'S LEFT-OVER MONEY.

17 CHAIRMAN KLEIN: LET'S GO THROUGH THIS ONE
18 STEP AT A TIME. JEFF.

19 MR. SHEEHY: YES.

20 CHAIRMAN KLEIN: AS THE MAKER OF THE
21 MOTION, WOULD YOU LIKE TO ANSWER THE QUESTION?

22 MR. SHEEHY: I'M NOT SURE WHAT THE
23 QUESTION WAS.

24 CHAIRMAN KLEIN: THE QUESTION WAS DOES
25 THIS BYPASS THE PEER REVIEW PROCESS AND THE IRB

BARRISTERS' REPORTING SERVICE

1 PROCESS?

2 MR. SHEEHY: THE GRANT WOULD HAVE BEEN
3 ORIGINALLY APPROVED THROUGH A PEER REVIEW PROCESS.
4 THE IRB PROCESSES WOULD ALREADY BE IN PLACE. WE
5 COULDN'T APPROVE A CLINICAL TRIAL WITHOUT AN IRB.

6 DR. MELMED: THAT'S NOT WHAT THE TEXT
7 SAYS. THE TEXT SAYS THE ORIGINAL DID NOT PROPOSE
8 SUCH RESEARCH.

9 CHAIRMAN KLEIN: LET ME PULL THESE LEGAL
10 STRINGS TOGETHER. SO IN THE ORIGINAL PROPOSAL, IT
11 MAY NOT HAVE HAD A HUMAN TRIAL, SO IT WENT THROUGH
12 OUR PEER REVIEW, GOT APPROVED. NOW THERE ARE FUNDS
13 LEFT OVER. \$20 MILLION GRANT, THERE'S FOUR MILLION
14 LEFT OVER. THE QUESTION IS IF THEY GET AN FDA
15 APPROVAL, AN FDA APPROVAL, AFTER A PROPER IRB
16 REVIEW, CAN THEY THEN USE THE BALANCE OF THE FUNDS
17 THAT REMAIN, SHOWING US THE CERTIFICATION FOR THE
18 IRB APPROVAL AND THE FDA APPROVAL FOR THAT CLINICAL
19 TRIAL. AND THERE WOULD BE A SCIENTIFIC ADVISORY
20 COMMITTEE REQUIREMENT AS WELL UNDER OUR REGULATIONS,
21 AND IT WOULD HAVE HAD TO HAVE GONE THROUGH THE
22 REVIEW OF THE SCIENTIFIC ADVISORY COMMITTEE AS WELL
23 AS THE STAFF.

24 DR. MELMED: BUT THAT'S NOT WHAT IT SAYS,
25 BOB. WHAT YOU ARE SAYING SOUNDS GOOD, BUT IT'S NOT

BARRISTERS' REPORTING SERVICE

1 WHAT IT SAYS IN THE TEXT.

2 MR. HARRISON: IF I COULD INTERRUPT, THIS
3 IS JUST A SUMMARY POWERPOINT SLIDE. IT DOESN'T
4 ENCOMPASS EVERYTHING. AS BOB POINTED OUT, THIS
5 PROCESS IS REALLY NOT ABOUT THE APPROVAL OF A CHANGE
6 IN SCOPE. THAT HAPPENS UNDER ORDINARY PROCESSES.
7 SO FOR THE DISEASE TEAM ROUND, WHICH WAS THE FIRST
8 POINT IN TIME THAT THIS WAS DISCUSSED, THE BOARD
9 MADE THE DECISION THAT THE PRESIDENT COULD APPROVE
10 CHANGES IN SCOPE AFTER CONSULTING WITH AN EXTERNAL
11 EXPERT ADVISORY GROUP.

12 THE QUESTION THAT'S PRESENTED BY THIS
13 PROPOSAL IS PROSPECTIVELY WHETHER THE BOARD SHOULD
14 HAVE A ROLE IN THAT PROCESS.

15 CHAIRMAN KLEIN: WHAT WE SHOULD DO HERE,
16 EVEN IN OUR SUMMARY, I THINK THERE'S A REQUEST THAT
17 EVEN IN THE SUMMARY WE PUT IN ALL OF THESE THINGS
18 WE'VE DISCUSSED BEFORE IN THE BOARD MEETING THAT YOU
19 WEREN'T PRESENT AT SO THAT A THIRD PARTY, JUST LIKE
20 YOU'RE LOOKING AT IT TODAY, WOULD REALIZE WE HAVE TO
21 HAVE AN IRB APPROVAL, THERE HAS TO BE AN FDA
22 APPROVAL IN ADDITION TO A SCIENTIFIC ADVISORY
23 APPROVAL, IN ADDITION TO OUR STAFF'S RECOMMENDATION.
24 WOULD THAT ADDRESS THE PROBLEM?

25 DR. MELMED: YES.

BARRISTERS' REPORTING SERVICE

1 MS. SAMUELSON: ALSO, MR. CHAIRMAN --

2 DR. TROUNSON: WELL, I THINK THIS PROGRAM
3 WAS INTENDED FOR THE DISEASE TEAM PROGRAM THAT WENT
4 UP TO AN IND. SO THE CHANGE IN SCOPE IS TO ACCEPT
5 THAT IF AN IND WAS AWARDED TO THAT TEAM AND THEY MET
6 THE APPROPRIATE CRITERIA TO UNDERTAKE THAT IND, THAT
7 THE MONEY COULD BE USED, IF THERE WAS MONEY OVER
8 COULD BE USED FOR THOSE PURPOSES TO HELP THEM GET
9 STARTED ON A CLINICAL IND.

10 CHAIRMAN KLEIN: RIGHT. DR. TROUNSON, SO
11 IN ORDER TO GET STARTED ON CLINICAL IND, THERE WOULD
12 HAVE TO BE AN IRB APPROVAL, AN FDA APPROVAL.

13 DR. TROUNSON: AND TO MAKE THE FDA IND,
14 THEY HAVE TO HAVE ALL OF THOSE APPROVALS.

15 CHAIRMAN KLEIN: AND SO DR. OLSON.

16 MS. SAMUELSON: WHILE SHE'S APPROACHING
17 THE MIC, LET ME SPEAK FOR A MINUTE, MR. CHAIRMAN.
18 THIS ALSO TAKES INTO CONSIDERATION THE IMPORTANCE OF
19 OPERATING WITH DISPATCH AND PROACTIVELY AND WITH
20 FLEXIBILITY THAT WE WERE URGED TO RAMP UP ON THIS
21 MORNING IN A SITUATION LIKE THIS, WHERE THERE IS AN
22 IMPORTANCE OF URGENCY. SO I THINK IT'S COMPLETELY
23 CONSISTENT WITH THAT AS WELL.

24 CHAIRMAN KLEIN: THIS IS PROSPECTIVE ON
25 NEW RFA'S BEYOND WHERE WE ARE. THE CURRENT DISEASE

BARRISTERS' REPORTING SERVICE

1 TEAM RFA'S INCLUDES A PHASE I AND PHASE II TRIALS
2 WITHIN THE SCOPE AND IS NOT MEANT TO APPLY TO THAT
3 DISEASE TEAM ROUND.

4 DR. OLSON: I JUST WANTED TO MAKE CLEAR.
5 CERTAINLY AN IND APPROVAL WOULD BE REQUIRED, BUT
6 OFTENTIMES WITH THESE VERY COMPLEX THERAPIES, THE
7 IRB APPROVAL DOES NOT COME UNTIL AFTER THE IND
8 APPROVAL. BUT CERTAINLY BEFORE ANY CIRM FUNDS WOULD
9 FLOW, THAT WOULD BE PART OF THE PREFUNDING
10 ADMINISTRATIVE REVIEW TO ENSURE THERE WERE IRB
11 APPROVALS IN PLACE.

12 CHAIRMAN KLEIN: MR. HARRISON, IF YOU
13 COULD CAPTURE DR. OLSON'S REMARKS, SHE MADE A VERY
14 IMPORTANT DISTINCTION THAT WILL SHOW UP IN THE
15 TRANSCRIPT, WHICH IS THAT THE IND APPROVAL WILL BE
16 BEFORE ANY OF OUR FUNDS ARE DISBURSED, BUT IT DOES
17 NOT ALWAYS COME BEFORE THE IRB -- THE IRB APPROVAL
18 DOES NOT --

19 MR. ROTH: YOU GET THE FDA APPROVAL TO
20 PROCEED WITH YOUR TRIAL, THEN IT GOES TO THE IRB'S.

21 CHAIRMAN KLEIN: RIGHT. GETTING A LITTLE
22 TIRED TODAY. ALL RIGHT.

23 MS. SAMUELSON: CALL THE QUESTION.

24 CHAIRMAN KLEIN: YES.

25 MS. SAMUELSON: I'M CALLING THE QUESTION.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: DO WE HAVE A QUORUM? SO
2 CALL THE QUESTION. IF THERE'S PUBLIC COMMENT? ANY
3 PUBLIC COMMENT? NO. CALL THE QUESTION. ALL IN
4 FAVOR.

5 (CHORUS OF AYES.)

6 CHAIRMAN KLEIN: OPPOSED? MR. SHEEHY,
7 YOUR VOTE.

8 MR. SHEEHY: AYE.

9 CHAIRMAN KLEIN: OKAY. THANK YOU.

10 AND WE HAVE WITH US REPRESENTATIVES FROM
11 THE WORLD STEM CELL SUMMIT, AND THEY HAVE VERY
12 PATIENTLY WAITED. BERNIE SIEGEL, WHO IS APPROACHING
13 THE PODIUM TO ADDRESS US ON THIS ISSUE.

14 DR. TROUNSON: SORRY, CHAIR. I WONDER IF
15 I COULD ACTUALLY REALLY TRY AND INSIST THAT WE GET
16 TO JUST A COMPLETION OF THAT FINANCIAL REPORT BEFORE
17 WE LOSE ANYONE ELSE. YOU KNOW, WE'VE GONE PAST IT
18 FOR TWO MEETINGS.

19 CHAIRMAN KLEIN: MR. PRESIDENT, LET'S GET
20 THE COMPLETION OF THE FINANCIAL REPORT.

21 DR. TROUNSON: WE WON'T BE CRITICIZED FOR
22 NOT PRESENTING IT TO YOU THEN.

23 CHAIRMAN KLEIN: I APPRECIATE THAT. AND
24 WE DEEPLY APPRECIATE THE REPORT.

25 MS. SILVA-MARTIN: GOOD EVENING, MR.

BARRISTERS' REPORTING SERVICE

1 CHAIR, MEMBERS OF THE BOARD. I WILL MAKE THIS
2 BRIEF, BUT I DO WANT TO PRESENT ON THE FINAL
3 EXPENDITURES FOR THE 2009-10 FISCAL YEAR. AND THE
4 REPORTING WILL ONLY COVER CIRM'S OPERATING
5 EXPENDITURES AND WILL NOT INCLUDE OUR GRANT
6 PAYMENTS.

7 BUT BEFORE I ACTUALLY GO OVER THE NUMBERS,
8 I WOULD LIKE TO BRIEFLY EXPLAIN THE CHART THAT IS ON
9 THE SCREEN AND ALSO INCLUDED IN YOUR BINDERS. FOR
10 EACH OF THE GROUPINGS, THE FIRST COLUMN REPRESENTS
11 THE BUDGET THAT YOU APPROVED FOR EXPENDITURES. THE
12 SECOND BAR REPRESENTS THE FINAL EXPENDITURES FOR THE
13 2009-10 FISCAL YEAR, AND THEN THE THIRD BAR
14 REPRESENTS OUR UNSPENT BALANCE.

15 SO LOOKING AT THE FIRST GROUPING WHICH
16 REPRESENTS OUR PERSONAL SERVICES AND COVERS SALARIES
17 AND WAGES AND BENEFITS, WE WERE ALLOCATED A TOTAL OF
18 \$7.4 MILLION OF WHICH WE SPENT \$6.9 MILLION, LEAVING
19 AN UNSPENT BALANCE OF \$476,000.

20 IN OUR OPERATING EXPENDITURES, WHICH
21 INCLUDES SUCH COSTS AS OUR MEETING COST LIKE FOR THE
22 GRANTS WORKING GROUP, ICOC BOARD MEETINGS, OUR
23 TRAVEL, OUR CONSULTING SERVICES COSTS, OUR
24 INFORMATION TECHNOLOGY COSTS, WE WERE ALLOCATED \$5.5
25 MILLION, AND WE SPENT A LITTLE UNDER \$5.4 MILLION OR

BARRISTERS' REPORTING SERVICE

1 97 PERCENT OF THAT BUDGET, LEAVING ONLY \$184,000
2 UNSPENT.

3 OVERALL, OUR BUDGET ALLOCATION WAS
4 \$12,945,000. WE SPENT \$12,285,000 OR 95 PERCENT OF
5 OUR BUDGET, LEAVING A BALANCE OF \$660,000. AS YOU
6 MAY RECALL, AT ONE OF OUR PREVIOUS MEETINGS,
7 MARGARET FERGUSON, WHO HAD MADE SOME PROJECTIONS AND
8 REPORTED ON OUR BUDGET, SHE HAD ANTICIPATED THAT WE
9 WOULD HAVE ABOUT A 5-PERCENT BALANCE AT THE YEAR
10 END.

11 SO THAT CONCLUDES THE '09-'10
12 PRESENTATION. ARE THERE ANY QUESTIONS?

13 DR. REED: I HAVE ONE. WHAT IS THE ACTUAL
14 FTE COST ROUGHLY NOW AT CIRM?

15 MS. SILVA-MARTIN: I DON'T HAVE THAT
16 INFORMATION, BUT I CAN CERTAINLY GET IT FOR YOU. I
17 DON'T HAVE THAT CALCULATED.

18 DR. REED: HOW MANY TOTAL STAFF?

19 DR. TROUNSON: TOTAL STAFF, I THINK THERE
20 ARE FTE'S OF 44, 45; IS THAT CORRECT, JOHN?

21 DR. REED: SO IT'S \$12.3 WE'RE SPENDING
22 AND WE'RE EMPLOYING 44 PEOPLE?

23 CHAIRMAN KLEIN: THAT INCLUDES TRAVEL AND
24 OTHER ADMINISTRATIVE COSTS AND OUTSIDE STUDY COST,
25 ETC.

BARRISTERS' REPORTING SERVICE

1 DR. REED: ABOUT \$280,000 PER FTE.

2 CHAIRMAN KLEIN: OKAY. THANK YOU.

3 DR. REED: THAT STRIKES ME AS HIGH FOR AN
4 OFFICE OPERATION, BUT MAYBE THERE ARE COSTS THAT
5 DON'T NORMALLY APPLY. THAT WOULD BE MORE LIKE A
6 RESEARCH LAB COST.

7 MS. SILVA-MARTIN: THE COSTS THAT I'VE
8 PRESENTED ALSO INCLUDE SUCH COSTS THAT AREN'T
9 NECESSARILY RELATED TO FTE'S, SUCH AS LIKE THE
10 GRANTS WORKING GROUPS, ALL THE EXPENDITURES TO
11 CONDUCT ALL OF THOSE, AS WELL AS THESE BOARD
12 MEETINGS AND OTHER TYPES OF MEETINGS THAT WE HAVE.

13 DR. REED: THESE MEETINGS ARE EXPENSIVE, I
14 HEAR.

15 CHAIRMAN KLEIN: THE ENTIRE ADMINISTRATIVE
16 PROCEDURES ACT COST, THE WORKING GROUP COST FOR
17 STANDARDS, FOR GRANTS, FOR FACILITIES, ALL OF THOSE
18 PEOPLE'S COST, ALL OF THE PUBLIC MEETING COSTS FOR
19 THE BOARD, THE BOARD SUBCOMMITTEES, ALL OF THAT IS
20 IN THERE.

21 MR. ROTH: IN SALARIES AND BENEFITS?

22 MS. SILVA-MARTIN: THAT'S CORRECT.

23 MR. ROTH: IN SALARIES AND BENEFITS YOU
24 PUT THOSE KIND OF COSTS? IF YOU LOOK AT THE CHART,
25 SALARIES, I WOULD AGREE IF YOU'RE TALKING ABOUT

BARRISTERS' REPORTING SERVICE

1 TOTAL .

2 MS. SILVA-MARTIN: HE LOOKED AT TOTAL .

3 MR. ROTH: SO JOHN'S QUESTION IS REALLY
4 SALARIES AND BENEFITS .

5 DR. REED: I WAS TAKING 12.3 AND DIVIDING
6 BY 44, BUT I THINK WITH THE COMMENTS, THAT PROBABLY
7 WAS NOT A FAIR CALCULATION .

8 CHAIRMAN KLEIN: YEAH. DIVIDED BY THE
9 SALARIES, WHAT IS IT?

10 MR. ROTH: YOU CAN SEE THE SALARY NUMBER
11 UP THERE. SO IT'S HALF .

12 DR. REED: IT'S ABOUT 155 IF YOU JUST TAKE
13 THE SALARY .

14 CHAIRMAN KLEIN: THAT'S SALARIES AND
15 BENEFITS. AND, CHILA, WE THANK YOU VERY MUCH. MORE
16 COMMENTS YOU'D LIKE TO MAKE .

17 MS. SILVA-MARTIN: I DON'T KNOW IF YOU
18 WANT ME TO PRESENT ON THE CURRENT BUDGET. I DO HAVE
19 THAT INFORMATION AS WELL. IF YOU'D LIKE TO HAVE ME
20 BRIEFLY COVER THAT, I'M HAPPY TO DO SO .

21 CHAIRMAN KLEIN: COULD YOU DO THAT,
22 PLEASE .

23 MS. SILVA-MARTIN: SO FOR THE CURRENT
24 YEAR, LOOKING AGAIN AT OUR SALARIES AND BENEFITS,
25 WE'VE BEEN ALLOCATED A TOTAL OF \$8.8 MILLION, AND WE

BARRISTERS' REPORTING SERVICE

1 HAVE SPENT \$2.5 MILLION OR 28 PERCENT OF THE
2 ALLOCATION, LEAVING A BALANCE OF \$6.3 MILLION OR 72
3 PERCENT.

4 UNDER OUR OPERATING EXPENDITURES, WE HAVE
5 SPENT -- WE WERE ALLOCATED \$7.1 MILLION AND HAVE
6 SPENT \$886,000, LEAVING A BALANCE OF \$6.2 MILLION.
7 SO OVERALL WE HAVE SPENT ABOUT 21 PERCENT OF OUR
8 BUDGET. WE'VE GOT AN ALLOCATION OF \$16 MILLION.
9 WE'VE SPENT A LITTLE BIT UNDER \$3.4 MILLION AND
10 STILL HAVE 12.2 UNEXPENDED.

11 I DO WANT TO POINT OUT, THOUGH, FOR THE
12 CURRENT YEAR BUDGET IS THAT WE HAVE A LAG OF ABOUT
13 400 TO \$900,000 A MONTH, DEPENDING ON WHICH MONTH IT
14 IS. AND FOR MANY OF OUR SERVICES THAT WE RECEIVE,
15 PARTICULARLY FROM THE STATE AGENCIES, LIKE THE
16 DEPARTMENT OF GENERAL SERVICES, WE'RE BILLED IN
17 ARREARS AND QUARTERLY. FOR EXAMPLE, IN THIS OCTOBER
18 31ST FINANCIAL STATEMENT, WE HAVEN'T POSTED ANY OF
19 THE GENERAL SERVICES CHARGES. SO IT'S A LITTLE BIT
20 TOO EARLY TO TELL FROM THESE FINANCIAL STATEMENTS
21 WHETHER WE'LL HAVE ANY SAVINGS; AND IF WE DO, WHAT
22 THAT SAVINGS MIGHT BE.

23 CHAIRMAN KLEIN: MY UNDERSTANDING IS WE'RE
24 CLEARLY WITHIN BUDGET.

25 MS. SILVA-MARTIN: WE'RE CLEARLY WITHIN

BARRISTERS' REPORTING SERVICE

1 BUDGET, BUT IT'S A LITTLE BIT TOO EARLY TO TELL
2 WHERE OUR EXPENDITURES ARE GOING TO GO AT THIS
3 POINT.

4 MR. ROTH: SO THANK YOU FOR THESE
5 UP-TO-DATE NUMBERS. ONE REQUEST, I KEEP MAKING THIS
6 REQUEST, IS TO SHOW US YEAR TO DATE, WHICH YOU HAVE,
7 BUT SHOW US YEAR-TO-DATE BUDGET BECAUSE OTHERWISE
8 WE'RE LOOKING AT THE MONEY LEFT FOR THE YEAR. WE
9 DON'T KNOW HOW YOU'RE DOING BASED ON YOUR
10 PROJECTIONS AT THIS POINT IN TIME. SO THAT WOULD BE
11 JUST ANOTHER BAR CHART THAT SAYS YEAR-TO-DATE
12 ACTUAL, YEAR-TO-DATE BUDGET.

13 MS. SILVA-MARTIN: WE WILL BE HAPPY TO
14 PROVIDE THAT FOR YOU.

15 CHAIRMAN KLEIN: I THINK ON A QUARTERLY
16 BASIS, IT'S BETTER. WE SHOULDN'T TRY AND DO IT ON A
17 MONTH BECAUSE OF ALL THESE ACCRUALS THAT HAVE TO BE
18 MADE. SO I THINK ON A QUARTERLY BASIS WE CAN GET A
19 BETTER HANDLE ON THE ACCRUALS.

20 MS. SILVA-MARTIN: PARTICULARLY AFTER
21 DECEMBER. I THINK ONCE WE HIT THE DECEMBER MARK, I
22 THINK WE START GETTING MORE -- MORE EXPENDITURES GET
23 POSTED TO THE FINANCIAL STATEMENTS AND IT GIVES US A
24 CLEARER PICTURE.

25 CHAIRMAN KLEIN: OKAY. SO THANK YOU VERY

BARRISTERS' REPORTING SERVICE

1 MUCH. REALLY APPRECIATE THE HARD WORK THAT YOU AND
2 MARGARET AND THE STAFF GO THROUGH.

3 I'D LIKE TO AT THIS POINT ASK BERNIE
4 SIEGEL TO MAKE A PRESENTATION. I'D LIKE TO CALL TO
5 YOUR ATTENTION AS A BOARD THAT AT THE UNITED NATIONS
6 ABOUT 2004 OR 2005, WHEN THERE WAS AN EFFORT BY SOME
7 COUNTRIES TO BAN EMBRYONIC STEM CELL RESEARCH
8 THROUGH A RESOLUTION AT THE UNITED NATIONS, THAT
9 MANY NATIONS WEREN'T PAYING ATTENTION. AND IT WAS
10 PLEASURE OF WORKING WITH BERNIE TO REACH 80 SOME
11 PLUS NATIONS WHERE HE LED THE EFFORT TO MAKE CERTAIN
12 THAT IT WAS BROUGHT TO THE ATTENTION OF THE
13 SCIENTIFIC ADVISORS OF EACH OF THE NATIONS IN THE
14 WORLD THAT HAD A SERIOUS COMMITMENT TO SCIENCE. AND
15 HE WAS SPEARHEAD OF THE EFFORT TO STOP THE BANNING
16 OF EMBRYONIC STEM CELL RESEARCH ON A GLOBAL BASIS IN
17 TERMS OF A RESOLUTION. THAT'S NOT A TREATY, SO IT
18 WOULDN'T HAVE BOUND THE UNITED STATES, BUT IT WOULD
19 HAVE A VERY BAD PRECEDENT AND A VERY BAD MESSAGE TO
20 SCIENCE.

21 BERNIE HEADS THE WORLD STEM CELL SUMMIT
22 AND ACTIVITIES DRAWING COMMUNITIES OF RESEARCHERS
23 TOGETHER THROUGHOUT THE WORLD. HIS LEADERSHIP HAS
24 BEEN TREMENDOUS. AND HE IS ONE OF THE KEY AVENUES
25 FOR REALLY TRAINING PATIENT ADVOCATES THROUGHOUT THE

BARRISTERS' REPORTING SERVICE

1 WORLD.

2 MR. SIEGEL: THANK YOU, MR. CHAIRMAN, AND
3 THANK YOU TO THE BOARD FOR LETTING ME JUST ADDRESS
4 YOU BRIEFLY. I AM AS A PATIENT ADVOCATE FIRST AND
5 FOREMOST IN AWE AND IN GRATITUDE FOR THE PATHFINDING
6 WORK THAT ALL OF YOU DO.

7 I'M BASED IN PALM BEACH, FLORIDA, AND I AM
8 PART OF A BROAD CONSUMER MOVEMENT WHERE WE LOOK AT
9 73 PERCENT OF OUR POPULATION THAT SUPPORTS STEM CELL
10 RESEARCH AND EMBRYONIC STEM CELL RESEARCH. THEY
11 DON'T SEE IT AS A PUBLIC HEALTH ISSUE. THEY SEE IT
12 AS A PERSONAL HEALTH ISSUE FOR THEMSELVES, MEANING
13 FOR THEMSELVES OR LOVED ONES AND THEIR FAMILIES.
14 THIS IS AN INCREDIBLY POWERFUL FORCE THAT SPAWNED
15 PROPOSITION 71 THAT CREATED A FUNDAMENTAL RIGHT IN
16 YOUR STATE CONSTITUTION AND IN MISSOURI AND IN
17 MICHIGAN, AND IT'S GOING TO BE THE FORCE THAT'S
18 GOING TO MOVE FORWARD TO PROTECT STEM CELL RESEARCH.
19 I'M VERY PROUD TO BE PART OF THIS MOVEMENT.

20 AND I HAVE GOOD NEWS TO PRESENT TO THE
21 BOARD. WE HAVE PROVIDED YOU, OF COURSE, WITH A COPY
22 OF ONE OF OUR PUBLICATIONS, WHICH IS THE "WORLD STEM
23 CELL REPORT," WHICH SEEKS TO UNIFY THE STEM CELL
24 WORLD IN SCIENCE, INTERNATIONAL, BUSINESS, POLICY,
25 ETHICS, LAW. IF WE ALL WORK TOGETHER AS A UNIFIED

BARRISTERS' REPORTING SERVICE

1 FORCE, WE'RE GOING TO BRING THE FUTURE OF MEDICINE
2 TO US SOONER RATHER THAN LATER. AND THAT IS ONE OF
3 THE MISSIONS OF OUR NONPROFIT ORGANIZATION IS TO
4 ADVANCE FULL TIME THIS EFFORT.

5 THE GOOD NEWS WE ARE BRINGING THE WORLD
6 STEM CELL SUMMIT, WHICH OUTSIDE OF THE ISSCR, I
7 WOULD SUBMIT, IS THE MOST IMPORTANT MEETING IN THE
8 STEM CELL WORLD, TO PASADENA, CALIFORNIA, IN 2011,
9 OCTOBER 3D THROUGH THE 5TH.

10 THIS STARTED AS AN EFFORT, AS A PERSONAL
11 ADVOCACY AND NOW AN ORGANIZATIONAL EFFORT TO MOVE
12 THIS FIELD FORWARD. SO WE HAVE ALWAYS WORKED WITH
13 MAJOR ACADEMIC CENTERS. WE WERE WITH THE BAYLOR
14 COLLEGE OF MEDICINE IN 2005 IN HOUSTON AS THE STEM
15 CELL POLICY AND ADVOCACY SUMMIT WITH 200 PEOPLE.
16 AND THEN WE WERE AT STANFORD UNIVERSITY IN 2006.
17 OUR BREAKTHROUGH EVENT WAS WITH THE HARVARD STEM
18 CELL INSTITUTE AS OUR PARTNER IN 2007.

19 WE MOVED ON TO THE WORLD STEM CELL SUMMIT,
20 WHY NOT SEIZE THE MOUNTAINTOP, THE TITLE BECAUSE WE
21 HAVE PEOPLE FROM 25 COUNTRIES COMING TO IT. AND WE
22 WERE AT THE UNIVERSITY OF WISCONSIN AND WITH WICELL
23 IN 2009 WITH JOHNS HOPKINS UNIVERSITY, UNIVERSITY
24 SYSTEM OF MARYLAND, AND THE STATE OF MARYLAND. JUST
25 THIS YEAR, WE TOOK THE MEETING OF ALL PLACES TO

BARRISTERS' REPORTING SERVICE

1 DETROIT, MICHIGAN, THAT PASSED PROPOSAL II AND
2 WORKED WITH THE UNIVERSITY OF MICHIGAN, MICHIGAN
3 STATE, WAYNE STATE UNIVERSITY, AND THE STATE TO
4 SHOWCASE STEM CELL RESEARCH IN THE ENTIRE GREAT
5 LAKES REGION, BRINGING IN A THOUSAND ATTENDEES FROM
6 AROUND THE PLANET.

7 SO WHAT WE'RE GOING TO DO IS WE'RE GOING
8 TO BE WORKING WITH SIX OR SEVEN CO-ORGANIZING
9 INSTITUTIONS IN CALIFORNIA. I'M ON A ROAD TOUR, SO
10 TO SPEAK, AND SEEING THESE FABULOUS BUILDINGS, THESE
11 FABULOUS SCIENTISTS. I WAS AT STEM CELLS IN LA MESA
12 YESTERDAY. WHAT YOU'RE DOING IN SOUTHERN CALIFORNIA
13 IS EXTRAORDINARY. PERHAPS IT DOESN'T ALWAYS GET
14 SHOWCASED QUITE AS MUCH AS WHAT'S HAPPENING IN THE
15 BAY AREA. SO WE'RE COMING TO L.A. ESSENTIALLY. I
16 WANTED TO ANNOUNCE THAT AS A REAL FEEL-GOOD PROJECT,
17 I HOPE, FOR CIRM. AND WE'RE SO PROUD TO BE PART OF
18 WHAT'S COMING TO THE STATE.

19 (APPLAUSE.)

20 MR. SIEGEL: BRIEFLY, JUST ONE MOMENT.
21 STEM CELL RESEARCH, EMBRYONIC STEM CELL RESEARCH IS
22 UNDER SIEGE IN THE UNITED STATES NOW. MY
23 ORGANIZATION FILED AN AMICUS BRIEF IN THE CASE OF
24 SHIRLEY VS. SEBELIUS. HOWEVER IT TURNS OUT IN THE
25 APPELLATE COURT, IT'S GOING TO BE A CLOUD OVER THIS

BARRISTERS' REPORTING SERVICE

1 FIELD FOR SOME TIME. WE HAVE LAUNCHED AN INITIATIVE
2 CALLED STEM CELL ACTION, STEMCELLACTION.ORG. HOW DO
3 WE PORTRAY AND SHOW SOLIDARITY AND PUBLIC AWARENESS
4 OF THE 73 PERCENT OF OUR POPULATION THAT SUPPORTS
5 THIS? SO WE'RE TRYING TO GATHER THE ORGANIZATIONS.
6 WE HAVE ABOUT 40 ORGANIZATIONS AT OUR CORE,
7 EVERYTHING FROM RESEARCH AMERICA TO TINY BABY ALEX
8 FOUNDATION.

9 WHAT WE ARE TRYING TO SHOW IS TO SHOW THE
10 500 TO A THOUSAND ORGANIZATIONS THAT SUPPORT THIS,
11 5,000 ORGANIZATIONS, NO MATTER HOW TINY, TO PUT A
12 FACE ON THE POPULATION THAT SUPPORTS THIS
13 POTENTIALLY LIFESAVING RESEARCH.

14 I'M HOPING THAT ONE DAY CIRM MIGHT
15 AGENDIZE AN ENDORSEMENT FOR THIS IMPORTANT
16 PROPOSITION. PLEASE VISIT STEMCELLACTION.ORG AND
17 CONSIDER PRESSING A BUTTON AND TAKING ACTION TO
18 SUPPORT THIS FIELD.

19 ONE QUICK FINAL NOTE. MY GOOD FRIEND DON
20 REED IS IN THE AUDIENCE. DON AND I WERE PART OF A
21 HANDFUL OF ABOUT FIVE TO SEVEN ADVOCATES IN THE STEM
22 CELL ACTION NETWORK IN 2002, AND WE BROUGHT TOGETHER
23 AND CREATED, I THINK, A MOVEMENT. I'M SO DELIGHTED
24 TO HAVE A MOMENT TO CHAT WITH YOU. THANK YOU.

25 CHAIRMAN KLEIN: IT'S AN HONOR TO HAVE YOU

BARRISTERS' REPORTING SERVICE

1 HERE, BERNIE. WE'VE GOT TO RUN FOR SOME PLANES, BUT
2 WE THANK YOU. YOU'RE MAKING AN INCREDIBLE
3 CONTRIBUTION.

4 (APPLAUSE.)

5 CHAIRMAN KLEIN: WITHOUT OPPOSITION, THE
6 MEETING WOULD STAND ADJOURNED.

7 MR. ROTH: WAIT. WAIT. ANYBODY FEEL WE
8 SHOULD GO BACK INTO PRIVATE SESSION?

9 CHAIRMAN KLEIN: WHAT IS THE PLEASURE --
10 SO WHAT IS THE PLEASURE OF THE BOARD? WHAT IS THIS
11 ITEM?

12 MR. ROTH: THE SAME ITEM. WE JUST BROKE
13 TO COME OUT.

14 CHAIRMAN KLEIN: WHAT IS THE PLEASURE OF
15 THE MEMBERS PRESENT? CAN I GET A SHOW OF HANDS OF
16 HOW MANY PEOPLE WANT TO GO BACK INTO A PRIVATE
17 SESSION, EXECUTIVE SESSION. YOU DON'T NEED A
18 QUORUM. ALL RIGHT. SO IT APPEARS TO ME THERE'S
19 PLENTY OF PEOPLE THAT WANT TO GO BACK INTO EXECUTIVE
20 SESSION. JAMES, COULD YOU READ THE STATUTORY
21 ABILITY TO RECONVENE THAT EXECUTIVE SESSION?

22 MR. HARRISON: THE BOARD WILL RECONVENE IN
23 CLOSED SESSION TO DISCUSS PERSONNEL PURSUANT TO
24 GOVERNMENT CODE SECTION 11126 AND HEALTH AND SAFETY
25 CODE SECTION 125290.30(D)(3)(D).

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: OKAY. THANK YOU VERY
2 MUCH.

3 IN TERMS OF THE PUBLIC, DUANE ROTH JUST
4 SAID THAT WE WON'T BE RECONVENING. WE DO HAVE TO
5 RECONVENE, IT'S MY UNDERSTANDING. WE'LL HAVE TO
6 COME BACK INTO THE SESSION.

7 MR. HARRISON: CHAIR, TO BE CLEAR, WE
8 DON'T EXPECT TO TAKE ANY ACTION.

9 CHAIRMAN KLEIN: JAMES HARRISON INDICATED
10 AND DUANE ROTH HAS INDICATED THERE'S NO EXPECTATION
11 AND NO ONE WILL BE TAKING ACTION.

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

17 MR. HARRISON: WE'RE NOW BACK IN OPEN
18 SESSION, AND WE HAVE NO ACTION TO REPORT.

19 (THE MEETING WAS THEN ADJOURNED AT
20 05:43 P.M.)

21
22
23
24
25

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

UC IRVINE
PACIFIC BALLROOM, STUDENT CENTER
IRVINE, CALIFORNIA
ON
WEDNESDAY, DECEMBER 8, 2010

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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