

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: CLAREMONT HOTEL
41 TUNNEL ROAD
BERKELEY, CALIFORNIA

DATE: THURSDAY, MAY 23, 2013
9 A.M.

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

BRS FILE NO.: 92754

BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 BERKELEY, CALIFORNIA; THURSDAY, MAY 23, 2013

2 9 A.M.

3

4 CHAIRMAN THOMAS: GOOD MORNING LIVE FROM
5 THE CLAREMONT HOTEL IN BERKELEY, CALIFORNIA. WE
6 WELCOME EVERYBODY TO THE MAY MEETING OF THE ICOC.

7 FIRST ORDER OF BUSINESS, MARIA, WILL YOU
8 PLEASE LEAD US IN THE PLEDGE OF ALLEGIANCE.

9 (THE PLEDGE OF ALLEGIANCE.)

10 CHAIRMAN THOMAS: MARIA, WILL YOU PLEASE
11 CALL THE ROLL.

12 MS. BONNEVILLE: SUE BRYANT.

13 DR. BRYANT: HERE.

14 MS. BONNEVILLE: ANNE-MARIE DULIEGE.

15 DR. DULIEGE: HERE.

16 MS. BONNEVILLE: MARCY FEIT. ELIZABETH

17 FINI.

18 DR. FINI: HERE.

19 MS. BONNEVILLE: MICHAEL GOLDBERG.

20 MR. GOLDBERG: HERE.

21 MS. BONNEVILLE: SAM HAWGOOD.

22 DR. HAWGOOD: HERE.

23 MS. BONNEVILLE: STEPHEN JUELSGAARD.

24 DR. JUELSGAARD: HERE.

25 MS. BONNEVILLE: TED Krontiris.

BARRISTERS' REPORTING SERVICE

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DR. KRONTIRIS: HERE.
MS. BONNEVILLE: SHERRY LANSING. BERT
LUBIN. SHLOMO MELMED.
DR. MELMED: HERE.
MS. BONNEVILLE: KIRK PETERSON.
DR. PETERSON: HERE.
MS. BONNEVILLE: CLAIRE POMEROY.
DR. POMEROY: HERE.
MS. BONNEVILLE: ROBERT PRICE. FRANCISCO
PRIETO.
DR. PRIETO: HERE.
MS. BONNEVILLE: ROBERT QUINT. EMIL
REISLER.
DR. REISLER: HERE.
MS. BONNEVILLE: DUANE ROTH.
MR. ROTH: HERE.
MS. BONNEVILLE: JOAN SAMUELSON. JEFF
SHEEHY. JONATHAN SHESTACK.
MR. SHESTACK: HERE.
MS. BONNEVILLE: OSWALD STEWARD.
DR. STEWARD: HERE.
MS. BONNEVILLE: JONATHAN THOMAS.
CHAIRMAN THOMAS: HERE.
MS. BONNEVILLE: ART TORRES.
MR. TORRES: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: KRISTINA VUORI. DONNA
2 WESTON.

3 DR. WESTON: HERE.

4 MS. BONNEVILLE: DIANE WINOKUR.

5 MS. WINOKUR: HERE.

6 CHAIRMAN THOMAS: THANK YOU, MARIA. WE'LL
7 PROCEED NOW TO THE CHAIRMAN'S REPORT. FIRST, I
8 WOULD LIKE TO WELCOME THREE NEW MEMBERS OF OUR
9 BOARD. I'M GOING TO INTRODUCE THEM AND ASK THEM
10 JUST TO SAY A FEW WORDS ABOUT WHERE THEY'RE FROM AND
11 WHAT THEY DO THERE.

12 SO, FIRST, I'D LIKE TO INTRODUCE DONNA
13 WESTON FROM THE SCRIPPS INSTITUTE.

14 DR. WESTON: THANK YOU. I'M THE CHIEF
15 FINANCIAL OFFICER OF THE SCRIPPS RESEARCH INSTITUTE
16 AT LA JOLLA, CALIFORNIA. I AM MICHAEL MARLETTA'S
17 ALTERNATIVE REPRESENTATIVE AND AM VERY PLEASED TO BE
18 HERE. WE DO BASIC BIOMEDICAL RESEARCH.

19 CHAIRMAN THOMAS: THANK YOU. NEXT DR.
20 KIRK PETERSON FROM USCD.

21 DR. PETERSON: I'M PRESENTLY THE DEPUTY
22 DEAN OF THE SCHOOL OF MEDICINE. LAST THREE YEARS
23 I'VE DIRECTED THE CARDIOVASCULAR CENTER AT UCSD.
24 I'M HERE AS AN ALTERNATE FOR DR. DAVID BRENNER.
25 VERY PLEASED TO BE WITH YOU. THANK YOU.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: THANK YOU. AND LAST,
2 BUT NOT LEAST, DR. EMIL REISLER FROM UCLA.

3 DR. REISLER: I'M PROFESSOR OF
4 BIOCHEMISTRY AND MOLECULAR BIOLOGY AT UCLA AND
5 SERVED IN THE PAST AS AN ASSOCIATE DEAN OF SCHOOL
6 MEDICINE AND DEAN OF LIFE SCIENCES. AND MY MAIN
7 RESEARCH AREA AND INTERESTS ARE IN THE CYTOSKELETON
8 OF CELLS. THANK YOU.

9 CHAIRMAN THOMAS: THANK YOU ONE AND ALL.
10 WELCOME ABOARD. WE'RE DELIGHTED TO HAVE YOU AS PART
11 OF THE CIRM TEAM.

12 CONTINUING WITH THE CHAIR'S REPORT, THIS
13 IS, AS YOU KNOW, NOW THE FIRST MEETING AFTER THE
14 SERIES OF MEETINGS DEALING WITH THE IOM REPORT AND
15 THE RESPONSE OF THE BOARD TO THAT REPORT. YOU WILL
16 SEE LATER ON SOME OF THE CHANGES THAT WERE
17 IMPLEMENTED AT THE MARCH MEETING ACTUALLY PUT INTO
18 PLAY HERE AS JAMES WILL DESCRIBE.

19 SINCE THE LAST MEETING, WE'VE, IN
20 CONNECTION WITH THE IOM REPORT AND OUR ADOPTED
21 RESPONSE, WE'VE SPENT FURTHER TIME MEETING WITH A
22 NUMBER OF THE EDITORIAL BOARDS THROUGHOUT THE STATE.
23 I THINK THAT YOU HAVE SEEN THE EDITORIALS AS WE'VE
24 PASSED THEM ALONG AS THEY'VE COME OUT. WE MET IN
25 TOTAL THUS FAR WITH THE PAPERS IN SAN JOSE, LOS

BARRISTERS' REPORTING SERVICE

1 ANGELES, SAN DIEGO, SACRAMENTO, AND FRESNO.

2 IN EACH INSTANCE, WE MET WITH
3 REPRESENTATIVES OF THE RESPECTIVE ED BOARDS. AND
4 OUR TEAM CONSISTED OF MYSELF, SENATOR TORRES, KEVIN
5 MCCORMACK, ONE OF OUR GRANTEES WHO WAS DOING WORK IN
6 THE AREA AT WHICH THE ED BOARD WAS LOCATED, AND,
7 MOST IMPORTANTLY, ONE OF OUR PATIENT ADVOCATES WHO
8 WAS ABLE TO PUT A REAL HUMAN FACE ON WHAT WE'RE
9 DOING AND WHY IT'S SO IMPORTANT. AND I THINK EACH
10 OF THESE MEETINGS WITH THE EDITORIAL BOARDS WERE
11 VERY INSTRUCTIVE FOR THEM. I THINK THEY GAINED A
12 MUCH GREATER APPRECIATION FOR WHAT IT IS THAT WE DO
13 AND WHY THE WORK IS SO IMPORTANT.

14 SO I THINK THAT THAT'S AN OPPORTUNITY THAT
15 PRESENTED ITSELF TO US, AND I THINK THAT THAT WAS A
16 VERY POSITIVE MOVE IN TERMS OF OUR RELATIONSHIP WITH
17 THE PRESS GOING FORWARD.

18 COUPLE OF VERY INTERESTING MEETINGS THAT I
19 ATTENDED ON BEHALF OF THE CIRM FAMILY. ONE WAS DR.
20 STEPHEN HAWKING WAS A GUEST DOWN AT CEDARS-SINAI.
21 DR. CLIVE SVENDSEN INVITED ME TO COME TO HEAR HIM
22 AND MEET HIM, AND IT WAS A VERY EXCITING THING TO
23 DO. HE WAS THERE, OF COURSE, TO GET INSIGHT INTO
24 DR. SVENDSEN AND HIS TEAM'S WORK IN ALS AS FUNDED
25 THROUGH ONE OF OUR DISEASE TEAM GRANTS. AND THE

BARRISTERS' REPORTING SERVICE

1 INTERPLAY BETWEEN DR. SVENDSEN AND DR. HAWKING WAS
2 MOST INTERESTING.

3 HE MADE A TRIP ALL THE WAY FROM ENGLAND.
4 IT WAS A LONG TRIP AND WAS VERY ENGAGED FIRST IN THE
5 LAB TOUR, WHICH DR. SVENDSEN GAVE HIM, WHERE HE
6 ASKED A NUMBER OF QUESTIONS, AND THEN IN A SPEECH
7 THAT HE GAVE SORT OF ABOUT HIS LIFE AND OBSERVATIONS
8 TO A RAPT AUDIENCE AT CEDARS. APPRECIATED BEING
9 THERE ON BEHALF OF CIRM, AND IT WAS A REAL HONOR TO
10 MEET HIM.

11 SIMILARLY, LAST WEEK SIR JOHN GURDON,
12 FRESH OFF HIS NOBEL PRIZE, WAS A RECIPIENT OF AN
13 HONORARY DEGREE FROM USC LAST WEEK. AND THE STEM
14 CELL INSTITUTE HOSTED HIM IN ADVANCE. DR. ANDY
15 MCMAHON INVITED ME TO COME TO THAT TO MEET WITH SIR
16 JOHN AND ACTUALLY HAD ABOUT A NICE 15-MINUTE
17 ONE-ON-ONE WITH HIM, TALKING ABOUT HIS WORK AND
18 LIFETIME ACHIEVEMENTS, WHERE HE SORT OF SEES THINGS
19 GOING FROM HERE. AND THAT WAS FOLLOWED UP BY A
20 LECTURE THAT HE GAVE TO A NUMBER OF FOLKS AT USC AT
21 THE STEM CELL CENTER.

22 AND ALSO THE FOLLOWING DAY, HE WENT, NOT
23 TO BE OUTDONE, WENT TO UCLA AND GAVE THE SAME SPEECH
24 THERE TO FOLKS AT UCLA. AND AS ONE WOULD EXPECT, IT
25 WAS A MOST INTERESTING TALK. SO APPRECIATED THE

BARRISTERS' REPORTING SERVICE

1 OPPORTUNITY TO MEET SIR JOHN. THAT WAS LIKEWISE A
2 THRILL FOR ME AND MOST INTERESTING.

3 WANTED TO LET THE BOARD KNOW ONE OF THE
4 THINGS WE'RE GOING TO BE DOING GOING FORWARD IS TO
5 INITIATE A SERIES OF MEETINGS WITH PATIENT ADVOCATES
6 IN DIFFERENT PARTS OF THE STATE. WE ARE GOING TO
7 HAVE AT REGULAR INTERVALS THESE MEETINGS, THE GOAL
8 OF WHICH IS TO KEEP THE PATIENT ADVOCATE COMMUNITY
9 FULLY UP TO SPEED ON WHAT IT IS THAT WE'RE DOING.

10 WE HAD A DRY RUN. DON REED, WHO'S HERE,
11 CAME TO THE OFFICE YESTERDAY AND MET WITH DR.
12 FEIGAL, KEVIN, AND MYSELF AT VARIOUS TIMES OF THE
13 DAY AND SORT OF GOT A NICE UPDATE, DON, ON WHERE
14 THINGS STAND. AND WE'RE GOING TO BE CONVENING THE
15 FIRST OF THE GROUP MEETINGS WITH PATIENT ADVOCATES
16 IN THE OFFICE IN MID-JULY. WE'RE GOING TO HAVE
17 SIMILAR MEETINGS IN LOS ANGELES, IN SAN DIEGO, IN
18 THE CENTRAL VALLEY, AND IN SACRAMENTO OVER A PERIOD
19 OF TIME AND PLAN ON HAVING THIS AS A REGULAR THING
20 BECAUSE IT'S MOST IMPORTANT THAT THE PATIENT
21 ADVOCATE COMMUNITY HEAR WHAT THE LATEST PROGRESS IS
22 AND ALL THE VARIOUS FUNDED PROJECTS AND TO KEEP THEM
23 FULLY IN THE LOOP, WHICH, OF COURSE, IS, AFTER ALL,
24 BECAUSE THIS IS ALL ABOUT THEM.

25 LAST THING, JUST A BIT OF A LOGISTICAL

BARRISTERS' REPORTING SERVICE

1 NOTE, YOU HAD ON YOUR CALENDARS ORIGINALLY THAT OUR
2 JULY MEETING WAS GOING TO BE A TWO-DAY MEETING.
3 IT'S NOW GOING TO BE ONE DAY, JULY 25TH. SO YOU
4 MIGHT WANT TO ADJUST YOUR CALENDAR ON THAT REGARD.

5 THAT CONCLUDES THE CHAIR'S REPORT. I'D
6 LIKE TO TURN OVER NOW FOR THE PRESIDENT'S REPORT.
7 DR. TROUNSON IS ABROAD. IN HIS PLACE DR. FEIGAL IS
8 GOING TO BE DELIVERING THE PRESIDENT'S REPORT. DR.
9 FEIGAL.

10 DR. FEIGAL: HI. GOOD MORNING. THANKS
11 VERY MUCH. SO I'M VERY PLEASED TO BE HERE TODAY.

12 IN THIS REPORT, WHAT I'D LIKE REALLY TO DO
13 TODAY IS TO SUMMARIZE SOME OF THE KEY ACTIVITIES
14 WE'RE PERFORMING AT CIRM TO REALLY MEET OUR
15 STRATEGIC GOALS. SOME OF THOSE WE'LL BE SHARING,
16 SOME OF THE FIVE EXCITING ADVANCES THAT HAVE
17 RECENTLY BEEN PUBLISHED THAT COULD HAVE IMPACT ON
18 OUR ABILITY TO UNDERSTAND DISEASE AND TO APPLY WHAT
19 WE FIND IN THE LAB TO PATIENTS. IN ADDITION TO
20 GIVING SOME BRIEF VIGNETTES ON SOME OF THESE
21 SCIENTIFIC ADVANCES, I'LL BE PROVIDING YOU A
22 SCHEDULE OF OUR UPCOMING INITIATIVES THROUGH THE END
23 OF THIS CALENDAR YEAR ACROSS THE SPECTRUM OF BASIC
24 BIOLOGY, TOOLS AND TECHNOLOGY, EARLY TRANSLATION
25 THROUGH TO CLINICAL DEVELOPMENT.

BARRISTERS' REPORTING SERVICE

1 FOLLOWING THAT, I'LL GIVE YOU AN UPDATE ON
2 SOME OF THE KEY STRATEGIC MEETINGS THAT CIRM HAS HAD
3 AND SOME OF THE FOLLOW-UP ITEMS FROM THOSE, AS WELL
4 AS A PREVIEW OF UPCOMING MEETINGS OVER THE NEXT
5 SEVERAL MONTHS. AFTER THAT I'LL PROVIDE YOU AN
6 UPDATE ON SOME OF THE IMPROVEMENTS AND SOME OF THE
7 TOOLS THAT OUR INFORMATION TECHNOLOGY TEAM HAS PUT
8 TOGETHER TO HELP IMPROVE EFFICIENCIES AND WORKFLOW
9 ACROSS THE AGENCY. AND THEN I'LL BE INTRODUCING ONE
10 NEW APPOINTMENT TO CIRM WHO IS JOINING US IN AN AREA
11 OF PARTICULAR EMPHASIS FOR CIRM AS WE COME INTO THE
12 COMING YEARS, AND THAT'S IN THE AREA OF INDUSTRY AND
13 ENGAGEMENT AND COLLABORATIONS.

14 FOLLOWING MY PRESENTATION, CHILA
15 SILVA-MARTIN, OUR DIRECTOR OF FINANCE, WILL PROVIDE
16 AN UPDATE ON FINANCES AND DONATIONS. AND THEN
17 SHE'LL BE FOLLOWED BY AN UPDATE BY DR. PAT OLSON,
18 WHO IS THE EXECUTIVE DIRECTOR OF SCIENTIFIC
19 ACTIVITIES, REALLY PROVIDING AN UPDATE ON WHERE WE
20 ARE WITH OUR FUNDING ALLOCATIONS TO HELP PROVIDE
21 SOME CONTEXT TO HELP INFORM THE FUNDING DECISIONS
22 THAT YOU'RE GOING TO BE MAKING TODAY.

23 LATER THIS YEAR, BUT NOT AT THIS SESSION,
24 WE'RE GOING TO BE COMING BACK TO YOU WITH AN UPDATE
25 OF OUR FUNDING AND RECOMMENDATIONS THAT WE RECEIVE

BARRISTERS' REPORTING SERVICE

1 FROM EXTERNAL ADVISORS. WE'RE GOING TO HAVE SOME
2 MEETINGS ON OUR TRANSLATIONAL PORTFOLIO. WE'RE
3 GOING TO HAVE A MEETING WITH OUR NEWLY PUT TOGETHER
4 SCIENTIFIC ADVISORY BOARD TO HELP GIVE US SOME
5 ADVICE ABOUT WHERE TO PLACE OUR INVESTMENTS. THIS
6 WILL INCLUDE LOOKING AT SHOULD WE DO ANOTHER ROUND
7 OF RESEARCH LEADERSHIP? SHOULD WE CONTINUE TO
8 INVEST AS WE'RE PLANNED WITH OUR CORE PROGRAMS?
9 WE'RE NOT READY TO HAVE THAT DISCUSSION TODAY. BUT
10 WHAT WE'D LIKE TO DO IS HAVE THOSE DISCUSSIONS AND
11 INPUTS FROM OUR EXTERNAL ADVISORS THAT WE'VE
12 RECENTLY PUT TOGETHER AND THEN COME BACK TO YOU
13 LATER THIS YEAR TO HAVE AN INFORMED DISCUSSION ABOUT
14 THAT.

15 THERE'S BEEN A LOT IN THE NEWS LATELY
16 ABOUT SOMATIC CELL NUCLEAR TRANSFER. AND EVEN AS
17 I'M GETTING READY FOR THIS BOARD MEETING, THINGS ARE
18 CONTINUING TO CHANGE. THIS IS A REPORT THAT WENT
19 ONLINE MAY 15TH REPORTING AN ADVANCE THAT HAS ELUDED
20 SCIENTISTS FOR OVER A DECADE, AND THAT'S THE
21 DERIVATION OF EMBRYONIC STEM CELL LINES FROM CLONED
22 HUMAN EMBRYOS.

23 IN SOMATIC CELL NUCLEAR TRANSFER, WHAT YOU
24 DO IS YOU REMOVE THE CHROMOSOMES FROM A DONOR EGG
25 AND THEN REPLACE THEM WITH THE CHROMOSOMES FROM AN

BARRISTERS' REPORTING SERVICE

1 ADULT CELL. AND THEN YOU TRY TO GET THAT EGG TO
2 MATURE NORMALLY FOR FIVE TO SIX DAYS UNTIL YOU CAN
3 THEN HARVEST THE STEM CELLS. AND EVER SINCE DOLLY
4 THE SHEEP WAS CLONED ABOUT 17 YEARS AGO, TEAMS HAVE
5 TRIED HUMAN SOMATIC CELL NUCLEAR TRANSFER. BUT WHAT
6 HAS HAPPENED IS THAT WHEN ADULT DNA IS PUT INTO
7 HUMAN EGGS, THEY DON'T MATURE IN THE SAME WAY AND
8 ACHIEVE THE SUCCESS THAT WE SEE IN ANIMALS.

9 LAST YEAR A GROUP FROM THE NEW YORK STEM
10 CELL FOUNDATION CAME CLOSE. THEY FOUND THAT WHEN
11 YOU REMOVE THE EGG'S CHROMOSOMES COMPLETELY, YOU
12 TEND TO TAKE AWAY SOMETHING THAT'S NEEDED TO GET THE
13 HUMAN EGGS TO MATURE. SO THEY LEFT BOTH SETS OF
14 CHROMOSOMES IN PLACE, BUT THEN THEY ENDED UP WITH
15 STEM CELL LINES THAT HAD THREE PAIRS OF CHROMOSOMES
16 INSTEAD OF TWO. SO IT WAS FOUND THAT PARTICULAR
17 EXPERIMENT WAS VALUABLE FOR STUDYING REPROGRAMMING,
18 NOT FOR THERAPY.

19 THEN THIS TEAM PUBLISHED RESULTS THAT THEY
20 WERE ABLE TO PRODUCE EMBRYOS WITH MUCH MORE
21 EFFICIENCY THAN PRIOR ATTEMPTS THAT HAVE REQUIRED
22 DOZENS OF EGGS TO GET A SINGLE EMBRYO. THEY CREATED
23 ONE OF THEIR CELL LINES WITH JUST FIVE DONOR EGGS.

24 SO WHAT THIS PAPER WAS ATTEMPTING TO SHOW
25 IS THE POTENTIAL TO PROVIDE A TOOL FOR IMPROVING

BARRISTERS' REPORTING SERVICE

1 REPROGRAMMING AND POTENTIALLY BE A SOURCE OF
2 HEALTHY, GENETICALLY MATCHED CELLS FOR INDIVIDUALS,
3 SAY, WITH MITOCHONDRIAL DISEASE.

4 NOW, WHAT'S HAPPENED OVER THE PAST 24
5 HOURS AND 48 HOURS IS THERE'S BEEN A LOT OF SCRUTINY
6 OF THAT PAPER AND OF THE DATA. AND I BELIEVE IT
7 JUST CAME OUT THIS MORNING THAT THERE MAY HAVE BEEN
8 SOME DUPLICATION OF IMAGES IN THE PAPER. AND SO
9 IT'S ACTUALLY UNDERGOING MORE SCRUTINY AT THIS
10 POINT. AND THE SENIOR AUTHOR IS WORKING WITH HIS
11 INSTITUTIONAL REVIEW BOARD TO MAKE HIS CELL LINES
12 AVAILABLE WITH PROBABLY ABOUT TEN OTHER
13 INSTITUTIONS. SO THE AUTHORS ARE CERTAINLY STANDING
14 BY THE DATA THAT THEY PRESENT, BUT THEY ACKNOWLEDGE
15 THAT THERE WERE SOME ERRORS THAT THEY MADE IN, I
16 GUESS WHAT YOU WOULD CALL, THE RUSH TO PUBLICATION.

17 SO AT ANY RATE, NEEDLESS TO ADD, AS WITH
18 ANY SCIENTIFIC EXPERIMENT, PARTICULARLY THOSE THAT
19 ARE GROUNDBREAKING, IT NEEDS TO BE REPRODUCED. AND
20 SO RIGHT NOW IT'S UNDERGOING ADDITIONAL SCRUTINY,
21 BUT I JUST WANTED TO CONTINUE TO BRING IT TO YOUR
22 ATTENTION BECAUSE I'M SURE IT'S GOING TO STAY AN
23 ACTIVE PART OF BOTH THE SCIENTIFIC COMMUNITY AND THE
24 NEWS IN THE WEEKS TO COME.

25 NOW, THE SECOND ITEM THAT I WANTED TO

BARRISTERS' REPORTING SERVICE

1 BRING TO YOUR ATTENTION AND THE NEXT SEVERAL
2 VIGNETTES OF SCIENTIFIC ADVANCES HAVE TO DO WITH
3 SOME INTERESTING SCIENTIFIC ADVANCES IN PRECLINICAL
4 ANIMAL MODELS. THIS PARTICULAR ONE IS WORKING ON A
5 BIOENGINEERED KIDNEY THAT FUNCTIONS WHEN
6 TRANSPLANTED INTO AN ANIMAL MODEL. THIS IS FROM
7 HARALD OTT AT HARVARD. THIS WAS PUBLISHED IN *NATURE*
8 *MEDICINE* LAST MONTH.

9 AND JUST TO GIVE YOU A LITTLE CONTEXT FOR
10 THE NATURE OF THE PROBLEM, THERE'S ABOUT A HUNDRED
11 THOUSAND INDIVIDUALS IN THE UNITED STATES WHO ARE
12 CURRENTLY AWAITING KIDNEY TRANSPLANTATION. AND
13 ABOUT 400,000 LIVE WITH END-STAGE KIDNEY DISEASE
14 REQUIRING DIALYSIS. SO THE CREATION OF A
15 TRANSPLANTABLE GRAFT TO PERMANENTLY REPLACE KIDNEY
16 FUNCTION WOULD ADDRESS DONOR ORGAN SHORTAGE AND THE
17 MORBIDITY ASSOCIATED WITH IMMUNOSUPPRESSION WHEN YOU
18 GET A KIDNEY TRANSPLANT. SO A BIOENGINEERED GRAFT
19 THAT HAD KIDNEY'S ARCHITECTURE AND FUNCTION WOULD BE
20 A TREMENDOUS ADVANCE FOR THE FIELD.

21 WHAT THIS TEAM DID IS THEY USED A RAT
22 KIDNEY TO CREATE A MATRIX. THEY USED DETERGENTS TO
23 REMOVE THE SOFT TISSUE, LEAVING A SCAFFOLD OF
24 CARTILAGE. AND IT WAS THOUGHT THAT THE CARTILAGE
25 WITHOUT ALL THE CELLS WOULD NOT BE TARGETED BY THE

BARRISTERS' REPORTING SERVICE

1 IMMUNE SYSTEM. THEY THEN SEEDED THIS SCAFFOLDING
2 WITH TWO TYPES OF CELLS, BOTH EPITHELIAL AND
3 ENDOTHELIAL, AND THEY GREW IT IN A BIOREACTOR. AND
4 SO THIS BIOENGINEERED GRAFT REALLY GREW AND
5 DEVELOPED ALL THE VASCULATURE, ALL THE FILTRATION
6 COMPARTMENTS SO THAT IT COULD FUNCTION AS A NORMAL
7 KIDNEY. AND THEN WHEN IT WAS TRANSPLANTED INTO THE
8 RAT, THEY FOUND THAT IT ACTUALLY FUNCTIONED LIKE A
9 KIDNEY AND ACTUALLY PRODUCED URINE.

10 SO WE'RE A LONG WAY FROM THE HUMAN, BUT
11 THIS IS A VERY INTERESTING SET OF EXPERIMENTS. THE
12 PICTURE THERE IS NOT OF THE RAT KIDNEY. THAT'S A
13 HUMAN KIDNEY JUST TO SHOW YOU A LITTLE BIT ABOUT THE
14 ANATOMY. I'M AFRAID THE COLOR DOESN'T COME OUT VERY
15 WELL. ON THE LEFT-HAND SIDE, THAT KIDNEY HAS A NICE
16 COLOR. IT'S SORT OF PINKISH RED. IT HAS ALL ITS
17 CELLS. THE RA IS JUST THE RENAL ARTERY. THE U JUST
18 STANDS FOR THE URETER THAT GOES FROM THE KIDNEY TO
19 THE BLADDER SO THAT IT'S THE CONDUIT FOR URINE GOING
20 OUT OF THE BODY. AND THEN THE RIGHT SIDE JUST SHOWS
21 THE VERY PALE DECELLULARIZED MATRIX. SO IT'S JUST
22 TO GIVE YOU A VISUAL EXAMPLE OF WHAT THAT LOOKS
23 LIKE.

24 SO THE NEXT SCIENTIFIC ADVANCE THAT I JUST
25 WANTED TO SHOW YOU ALSO WAS IN PRECLINICAL ANIMAL

BARRISTERS' REPORTING SERVICE

1 MODELS. THIS IS USING INDUCED PLURIPOTENT STEM
2 CELLS TO CREATE THREE-DIMENSIONAL BONE GRAFTS. SO
3 THIS IS TRYING TO ADDRESS A CLINICAL PROBLEM OF
4 CONGENITAL DEFECTS IN THE SKELETAL SYSTEM IN THE
5 BONE. AND THIS COULD OCCUR AT BIRTH OR COULD OCCUR
6 BY TRAUMA OR IT COULD OCCUR BY DISEASE. AND THESE
7 CAN REALLY COMPROMISE THE INTEGRITY OF THE BONE AND
8 ALSO THE FUNCTIONING OF THE SKELETAL SYSTEM TO THE
9 POINT THAT IT REALLY REQUIRES A BONE GRAFT, SO
10 ENGINEERING VIABLE BONE SUBSTITUTES TO COVER THAT
11 BIG DEFECT.

12 WHAT THIS PROCESS IS TRYING TO DO IS
13 INDIVIDUALIZE THE PROCESS SO THAT IT CAN MEET THE
14 SPECIFIC CLINICAL NEEDS AND POTENTIALLY BE A
15 PROMISING THERAPEUTIC ALTERNATIVE TO A BONE GRAFT.
16 SO THEY INDUCED THREE HUMAN INDUCED PLURIPOTENT STEM
17 CELL LINES FROM DIFFERENT TISSUES USING DIFFERENT
18 REPROGRAMMING BACKGROUNDS INTO THE MESENCHYMAL
19 LINEAGE AND THEN IDENTIFIED LINES THAT HAS THE
20 STRONG BONE-FORMING POTENTIAL. THEY THEN ENGINEERED
21 FUNCTIONAL BONE SUBSTITUTION BY CULTURING THESE
22 PROGENITOR CELLS ON A SCAFFOLD THAT WAS CONDUCIVE TO
23 FORMING BONE.

24 SO WHAT THIS IS TRYING TO DO IS REALLY GO
25 THROUGH, AND THE MAIN POINTS OF THIS RESEARCH IS

BARRISTERS' REPORTING SERVICE

1 THAT SOME OF THE RESULTS THAT WE SEE FROM HERE COULD
2 PAVE THE WAY FOR GROWING PATIENT-SPECIFIC BONE
3 SUBSTITUTES TO CORRECT DEFECTS IN THE BONE. AND IT
4 COULD ALSO PROVIDE A QUALIFIED EXPERIMENTAL MODEL
5 FOR UNDERSTANDING BONE BIOLOGY AND ALSO PERHAPS A
6 MODEL FOR TESTING DRUGS USING SELECT POOLS OF IPS
7 CELL LINES FROM PATIENTS IN HEALTHY INDIVIDUALS.

8 THE NEXT EXAMPLE THAT I WANTED TO BRING TO
9 YOU IS USING STEM CELLS AS A DRUG DELIVERY VEHICLE
10 TO DELIVER A THERAPEUTIC PAYLOAD. AND THIS IS FROM
11 JOSEPH MOSCA AND COLLEAGUES FROM TWO COMPANIES ALSO
12 PUBLISHED THIS MONTH.

13 AND THIS IS LOOKING AT THE CLINICAL
14 CONTEXT OF RHEUMATOID ARTHRITIS, WHICH IS AN
15 AUTOIMMUNE DISEASE WHERE TUMOR NECROSIS FACTOR ALPHA
16 PLAYS A CRITICAL ROLE IN THE INFLAMMATORY EFFECTS
17 THAT CAUSE JOINT DESTRUCTION AND PAIN.

18 AND IT'S REALLY THIS TNF WHICH CAUSES THE
19 INFLAMMATION. AND THE STANDARD THERAPY, ONE OF
20 WHICH IS ETANERCEPT, BLOCKS THIS ABILITY OF TNF
21 MEDIATED DAMAGE AND SO IT REDUCES INFLAMMATION.

22 SO WHAT THIS TEAM WAS TRYING TO DO IS TO
23 SEE WHETHER OR NOT BY USING MORE OF A TARGETED
24 HOMING DELIVERY SO THAT THE DRUG IS REALLY DELIVERED
25 TO THE POINTS OF INFLAMMATION AND THE POINTS OF

BARRISTERS' REPORTING SERVICE

1 DEFECT, WHETHER OR NOT THEY COULD DO THIS IN A
2 FASTER, MORE TARGETED WAY. SO AT LEAST IN
3 PRECLINICAL ROAD MODELS OF ARTHRITIS, THEY DID SHOW
4 THAT THESE CELLS HOME TO THE AREAS OF INFLAMMATION
5 IN A FASTER WAY THAN THE CURRENT DRUG THAT'S
6 CURRENTLY AVAILABLE.

7 SO THESE PRECLINICAL RESULTS ARE GIVING
8 THE PROMISING RESULTS THAT ARE LEADING THEM TO GO
9 FURTHER TOWARDS THE HUMAN CLINICAL TRIALS.

10 AND THEN THE LAST ADVANCE THAT I JUST WANT
11 TO BRING TO YOUR ATTENTION IS DIRECT REPROGRAMMING.
12 AND THIS IS TAKING SKIN CELLS AND DIRECTLY
13 REPROGRAMMING THEM TO MYELIN-PRODUCING BRAIN CELLS.
14 SO TRANSPLANTATION OF WHAT'S CALLED THE
15 OLIGODENDROCYTE PRECLINICAL CELLS IS A POTENTIAL
16 THERAPEUTIC STRATEGY FOR DISEASES THAT AFFECT
17 MYELIN.

18 AND THIS IS REALLY -- MYELIN IS THE
19 INSULATOR FOR THE NERVES THAT ALLOW THE SIGNAL FOR
20 THE BRAIN TO GET TO OTHER PARTS OF THE BODY SO THAT
21 WE CAN FUNCTION. AND THE DERIVATION OF ENGRAFTABLE
22 OLIGODENDROCYTE PRECURSOR CELLS FROM HUMAN
23 PLURIPOTENT STEM CELLS HAS PROVEN TO BE VERY
24 DIFFICULT, AND PRIMARY OPC'S ARE NOT READILY
25 AVAILABLE. SO THIS TEAM IS REPORTING ON THE

BARRISTERS' REPORTING SERVICE

1 GENERATION OF INDUCED OPC'S BY DIRECT LINEAGE
2 CONVERSION USING THREE DIFFERENT TRANSCRIPTION
3 FACTORS THAT WERE SUFFICIENT TO REPROGRAM -- ONCE
4 AGAIN, THIS IS IN PRECLINICAL ANIMAL MODELS -- MOUSE
5 AND RAT FIBROBLASTS INTO THESE OPC'S. AND THEY HAVE
6 MORPHOLOGIES AND THEY HAVE GENE EXPRESSION
7 SIGNATURES THAT RESEMBLED THOSE OF THE NATURAL
8 OPC'S, AND THAT THESE INDUCED OPC'S COULD THEN GIVE
9 RISE TO MATURE OLIGODENDROCYTES, AND THEN THESE WERE
10 THE CELLS THAT REALLY ARE INVOLVED WITH ENSHEATHING
11 THE AXONS, THE NERVES, AND ABLE TO FORM MYELIN WHEN
12 IT WAS TRANSPLANTED INTO A MOUSE MODEL OF MYELIN
13 DEFICIENCY.

14 SO ONCE AGAIN, THIS IS A PROPOSAL TO
15 REALLY DIRECT LINEAGE REPROGRAM AS A VIABLE
16 ALTERNATIVE FOR APPROACHING THE GENERATION OF OPC'S
17 FOR USE IN DISEASE MODELING AND IN THERAPEUTICS.

18 SO WHAT I WAS TRYING TO DO IS JUST GIVE
19 YOU SOME FIVE VIGNETTES OF SCIENTIFIC ADVANCES THAT
20 COULD BE GAME CHANGERS IN HOW WE THINK ABOUT
21 DEVELOPMENTAL BIOLOGY AND HOW THE BODY WORKS, BUT IN
22 ADDITION, HOW THESE PRECLINICAL EXPERIMENTS COULD
23 REALLY PAVE THE WAY TO SOME TRANSFORMATIVE TYPES OF
24 THERAPIES.

25 WHAT I'D LIKE NOW TO DO IS GIVE YOU JUST A

BARRISTERS' REPORTING SERVICE

1 BRIEF INVENTORY OF WHAT OUR TRAJECTORY IS OVER THE
2 CALENDAR YEAR FOR OUR DIFFERENT PROGRAMMATIC
3 INITIATIVES. THE ONES THAT YOU WILL HEAR TODAY ARE
4 RESULTS FROM REVIEW FROM STRATEGIC PARTNERSHIP II.
5 THAT'S OUR INITIATIVE THAT'S REALLY TRYING TO ENGAGE
6 INVESTIGATORS WITH BIOTECH, BIOPHARMA TO BRING
7 MATURE PRODUCTS THAT HAVE BEEN THROUGH THE
8 PRECLINICAL DEVELOPMENT STUDIES AND STEPS INTO THE
9 CLINIC FOR PATIENTS. SO YOU ARE GOING TO HEAR
10 RECOMMENDATIONS FROM OUR GRANT REVIEW GROUP ON THE
11 STRATEGIC PARTNERSHIP II AT THIS MEETING.

12 YOU'RE ALSO GOING TO HEAR RECOMMENDATIONS
13 FROM OUR GRANTS REVIEW GROUP AND FROM STAFF
14 DECISIONS ON THE RESEARCH LEADERSHIP AWARD. THAT'S
15 GOING TO BE AT THIS MEETING AS WELL. ALSO AT THIS
16 MEETING YOU ARE GOING TO HEAR ABOUT THE CONCEPT FOR
17 THE NEXT ITERATION OF STRATEGIC PARTNERSHIP III. WE
18 HAVE WHAT WE THINK IS A NOVEL NEW TRACK AS PART OF
19 THIS STRATEGIC PARTNERSHIP III. AND WE'D BE
20 INTERESTED IN GETTING YOUR INPUT ON THIS NEW TRACK
21 THAT WE'RE PROPOSING. AND IF ALL GOES WELL WITH THE
22 INPUTS AND ALL, WE PLAN TO DO THE POSTING FOR THIS
23 CONCEPT IN JULY OF THIS YEAR.

24 IN JUNE OF THIS YEAR, WE'LL BE DOING THE
25 REVIEW OF THE NEXT ITERATION OF EARLY TRANSLATION

BARRISTERS' REPORTING SERVICE

1 AWARDS. IN JULY OF THIS YEAR, YOU ARE GOING TO HEAR
2 A CONCEPT PROPOSAL ABOUT THE ALPHA CLINICS. AND
3 THIS IS REALLY GOING TO BE CREATING THE
4 INFRASTRUCTURE AND THE COORDINATION AND THE BRAIN
5 REPOSITORY, SO TO SPEAK, OF INFORMATION ABOUT STEM
6 CELL-BASED CLINICAL TRIALS AND REALLY MAKING
7 CALIFORNIA A HUB FOR WHERE TO GO TO GET THESE TYPES
8 OF HIGH QUALITY CLINICAL TRIALS. SO YOU'RE GOING TO
9 HEAR THAT CONCEPT PROPOSAL IN JULY.

10 ALSO AT THAT SAME JULY MEETING, THE NEXT
11 VERSION OF TOOLS AND TECHNOLOGIES, WHICH IS OUR
12 INITIATIVE TO REALLY FOCUS ON BIOMARKERS, ASSAYS, A
13 VARIETY OF DIFFERENT TOOLS THAT MIGHT BE HELPFUL TO
14 INVESTIGATORS AS THEY'RE TRYING TO ADVANCE THEIR
15 SCIENCE.

16 IN AUGUST OR SEPTEMBER OF THIS YEAR, WE'RE
17 GOING TO HAVE THE GRANT REVIEW GROUP ASSESSMENT OF
18 APPLICATIONS THAT CAME IN FOR DISEASE TEAM III.
19 WE'VE NOW BEEN THROUGH TWO ITERATIONS OF DISEASE
20 TEAMS. WE HAVE ABOUT 24 DISEASE TEAMS AND TWO
21 STRATEGIC PARTNERSHIP AWARDS. THIS IS THE NEXT
22 VERSION. AND SO YOU'RE GOING TO BE HEARING MORE
23 ABOUT THIS LATER THIS YEAR.

24 THE NEXT ITERATION OF BASIC BIOLOGY V IS
25 GOING TO BE REVIEWED IN SEPTEMBER OF THIS YEAR. AND

BARRISTERS' REPORTING SERVICE

1 THEN I THINK YOU KNOW THAT THE GENOMICS IS GOING TO
2 BE REVIEWED LATER THIS YEAR AS WELL. THERE WAS A
3 DECISION MADE TO RETHINK SOME OF THE PROPOSALS THAT
4 CAME IN. SO THE APPLICANTS ARE BEING GIVEN AN
5 OPPORTUNITY TO COME BACK IN WITH A REVISED VERSION
6 THAT TAKES INTO ACCOUNT SOME OF THE CONSTRUCTIVE
7 COMMENTS THAT WERE MADE AT AN EARLIER ASSESSMENT.
8 SO THAT WILL TAKE PLACE IN NOVEMBER.

9 IN TERMS OF MEETINGS AND WORKSHOPS, I'M
10 GOING TO TELL YOU ABOUT TWO THAT WE'VE ALREADY HAD,
11 BUT JUST A LITTLE BIT OF FOLLOW-UP. SO JUST TO
12 REMIND YOU, WE HAD A PARKINSON'S DISEASE WORKSHOP IN
13 MARCH OF THIS YEAR WITH THE GOAL TO REALLY PROMOTE
14 COLLABORATIONS OF CALIFORNIA RESEARCHERS WITH
15 EXTERNAL RESEARCHERS ACROSS THE WORLD WITH THE FOCUS
16 ON DRUG DISCOVERY AND THERAPEUTIC APPROACHES. DR.
17 ROSA CANET-AVILES WORKING WITH THE NATIONAL
18 INSTITUTES OF HEALTH, CIRM, AND WORLDWIDE
19 PARKINSON'S INVESTIGATORS PUT TOGETHER THIS MEETING
20 ALONG WITH A TREMENDOUS AMOUNT OF SUPPORT TO PUT THE
21 MEETING ON FROM KIM WILLIAMS AND AMY CHEUNG.

22 IT WAS A BROAD ARRAY OF PARTICIPANTS, AND
23 THE OUTCOMES, WHICH IS REALLY WHAT I WANTED TO TELL
24 YOU ABOUT, IS THAT IT'S GOING TO HELP PRIORITIZE
25 WHAT WE DO IN THIS AREA FOR RESEARCH AND FUNDING.

BARRISTERS' REPORTING SERVICE

1 IT HELPED FORGE NEW COLLABORATION. AND THERE IS
2 GOING TO BE A WHITE PAPER THAT YOU WILL BE SEEING IN
3 JULY AS WE ANTICIPATE WHEN THAT PAPER WILL BE ABLE
4 TO BE SHOWN TO YOU REGARDING THE OUTCOMES FROM THAT
5 WORKSHOP.

6 THE OTHER WORKSHOP THAT HAPPENED SEVERAL
7 MONTHS AGO, BUT THERE'S SOME UPCOMING OUTCOMES, IS
8 THE CIRM ALPHA CELL CLINICS WORKSHOP. AND THAT TOOK
9 PLACE BACK IN NOVEMBER. AND THERE WE REALLY HELD A
10 GROUP TOGETHER TO TALK ABOUT WHAT CLINICAL CAPACITY
11 IS NEEDED IN THE STATE TO ACCELERATE DEVELOPMENT AND
12 DELIVERY OF SAFE, EFFECTIVE, AND ACCESSIBLE STEM
13 CELL THERAPIES.

14 THIS AMBITIOUS MEETING WAS ORGANIZED BY
15 DRS. NATALIE DEWITT AND GEOFF LOMAX. ONCE AGAIN,
16 THEY HAD TREMENDOUS SUPPORT AND LOGISTICAL HELP FROM
17 KIM WILLIAMS, FROM AMY CHEUNG. I PLEASE APOLOGIZE
18 IF I FORGOT TO MENTION SOMEBODY. BUT IT TOOK A
19 VILLAGE, I THINK, TO PUT THIS MEETING TOGETHER. WE
20 HAD A BROAD RANGE OF DISCIPLINES AND STAKEHOLDERS
21 THAT ATTENDED THIS MEETING, BUT THE NEXT STEPS ARE
22 REALLY IN JUNE. YOU ARE GOING TO SEE A WHITE PAPER
23 THAT SUMMARIZES THE DELIBERATIONS AND DISCUSSIONS.
24 AND THEN IN JULY, AS I MENTIONED BEFORE, I GUESS IT
25 WILL BE JULY 25TH, WE'LL BE PRESENTING A CONCEPT TO

BARRISTERS' REPORTING SERVICE

1 YOU ABOUT WHAT WE THINK WE'D LIKE TO GO FORWARD
2 WITH.

3 SOME OF THE UPCOMING MEETINGS. WE'RE
4 HAVING AN IPS INITIATIVE START-UP MEETING LATER THIS
5 MONTH. SO WE HAVE THE SEVEN TISSUE COLLECTORS, THE
6 ONE CELL DERIVER, AND THE ONE REPOSITORY AWARDEE ALL
7 COMING TO CIRM TO BRAINSTORM ON HOW THEY'RE GOING TO
8 LAUNCH THIS INITIATIVE AND HOW THEY'RE ALL GOING TO
9 WORK TOGETHER. SO IT'S A VERY AMBITIOUS GROUP OF
10 PEOPLE TO MOVE THIS WHAT WE HOPE WILL BE A VERY
11 IMPORTANT RESEARCH RESOURCE FORWARD.

12 LATER IN THIS MEETING ELONA BAUM AND HER
13 TEAM ARE GOING TO TALK TO YOU ABOUT TWO UPCOMING
14 MEETINGS. ONE IS THE CIRM AND THE ALLIANCE FOR
15 REGENERATIVE MEDICINE VENTURE CAPITAL FIRST LOOK
16 MEETING ON JUNE 24TH. AND THE SECOND IS THE TOOLS
17 AND TECHNOLOGY RESEARCH AND DEVELOPMENT ROUNDTABLE
18 THAT WILL TAKE PLACE THE FOLLOWING DAY. I'M NOT
19 GOING TO GIVE YOU DETAILS NOW, BUT THEY'RE GOING
20 INTO THE DETAILS WITH THEIR PRESENTATION LATER
21 DURING THIS MEETING.

22 ALSO, WE HAVE A BRIDGES TRAINEE MEETING
23 THAT'S TAKING PLACE JULY 18TH AND 19TH. AS I THINK
24 YOU KNOW, THE BRIDGE AWARDS FUND RESEARCH INTERNSHIP
25 AND ASSOCIATED TRAINING ACTIVITIES FOR UNDERGRADUATE

BARRISTERS' REPORTING SERVICE

1 AND MASTER'S LEVEL STUDENTS. THESE INTERNSHIPS
2 REALLY AUGMENT AND ARE INTEGRATED WITH EDUCATIONAL
3 PROGRAMS AT THE STUDENT'S HOME INSTITUTIONS TO
4 PERFORM REALLY THE COMPREHENSIVE PREPARATION NEEDED
5 TO EQUIP THESE TRAINEES FOR RESEARCH AND CAREER
6 OPPORTUNITIES IN PROVIDING A REGENERATIVE MEDICINE
7 BRIDGE BETWEEN UNDERGRADUATE AND MASTER LEVEL
8 TRAINING BY BIOTECHNOLOGY AND THE BIOMEDICAL
9 SCIENCES AND LABS THAT ARE ENGAGED IN STEM CELL
10 RESEARCH. SO THAT'S GOING TO TAKE PLACE IN SAN
11 FRANCISCO IN JULY.

12 IN AUGUST WE'RE HAVING A CREATIVITY POSTER
13 DAY. THIS IS REALLY ALSO OUR SUMMER -- THE
14 CREATIVITY PROGRAM IS REALLY OUR SUMMER INTERNSHIP
15 PROGRAM THAT INTRODUCE HIGH SCHOOL STUDENTS TO STEM
16 CELL SCIENCE AND RELATED FIELDS AND CUTTING-EDGE
17 MEDICAL RESEARCH. IT'S REALLY TO FOSTER THEIR
18 CREATIVITY AND PROMOTE STEM CELL EDUCATION AND
19 AWARENESS. THAT'S ALSO GOING TO TAKE PLACE IN SAN
20 FRANCISCO IN AUGUST.

21 AND THEN WE HAVE A MEETING WITH THE
22 NATIONAL INSTITUTE OF NEUROLOGIC DISEASES AND STROKE
23 ON AN IPS MEETING. DR. UTA GRIESHAMMER, ONE OF OUR
24 SCIENTIFIC OFFICERS, SERVES ON THE STEERING
25 COMMITTEE FOR THAT CONSORTIUM. WE ALSO PROVIDE

BARRISTERS' REPORTING SERVICE

1 SUPPLEMENTAL FUNDING TO THE HUNTINGTON'S DISEASE
2 COMPONENT OF THAT NINDS CONSORTIA. THAT'S TAKING
3 PLACE MAY 30TH THROUGH JUNE 1ST. AND THEN THE
4 INTERNATIONAL SOCIETY FOR STEM CELL RESEARCH IS
5 TAKING PLACE IN BOSTON IN JUNE OF THIS YEAR.

6 I WANTED TO GIVE YOU SOME QUICK UPDATES ON
7 WHAT WE'RE DOING WITH OUR GRANTS MANAGEMENT SYSTEM.
8 RECENT RELEASED AND AVAILABLE TO THE PUBLIC ARE THE
9 NOTICE OF GRANT AWARD, OUR GRANT BUDGETS, AND ALSO
10 TOOLS TO HELP BETTER MANAGE REVIEWER CRITIQUES.

11 UPCOMING WITHIN OUR GRANTS MANAGEMENT
12 OFFICE IS A SCHEDULE OF GRANT REQUIREMENTS,
13 INCLUDING THE COMPLETE PROGRESS REPORT LIFESTYLE,
14 PAYMENTS AND PAY MEMOS, REVIEW IMPROVEMENTS. WE'RE
15 CREATING A REVIEWER DATABASE, STREAMLINING WORKFLOW
16 FOR EXTERNAL REVIEWERS AND CIRM REVIEW STAFF,
17 PROVIDING SOME ENHANCEMENT IN OUR CONFLICT OF
18 INTEREST CHECKS, AND INTEGRATING A SUPPLEMENT REVIEW
19 INTO THE NEAREST APPROPRIATE REVIEW BODY.

20 WITHIN THIS PAST YEAR, WE NOW HAVE
21 BRIDGING AWARDS, WE HAVE SUPPLEMENT AWARDS, WE'RE
22 PUTTING OUT OUR EXTERNAL COLLABORATION AWARD, WHICH
23 DON'T HAVE DEFINED DATES FOR WHEN PROPOSALS CAN COME
24 IN. SO WE'RE TRYING TO BE FLEXIBLE. AS THESE
25 PROPOSALS COME IN, WE'LL BE ABLE TO TRIAGE THEM TO

BARRISTERS' REPORTING SERVICE

1 THE APPROPRIATE REVIEW BODY THAT'S ALREADY SCHEDULED
2 TO TAKE PLACE.

3 WE ALSO HAVE SOME NAVIGATION IMPROVEMENTS
4 TO SIMPLIFY ACCESS TO THE GRANTS MANAGEMENT SYSTEM
5 FOR ALL USERS. AND WE HAVE A NEW DOCUMENT
6 MANAGEMENT SYSTEM WHICH WILL INTEGRATE OUR GRANTS
7 MANAGEMENT SYSTEM WITH THE DOCUMENT MANAGEMENT
8 SYSTEM FOR FILE ATTACHMENT, STORAGE, AND RETRIEVAL.
9 I KNOW THAT MAY NOT SOUND VERY EXCITING TO YOU AS
10 SCIENTIFIC ADVANCES, BUT WHAT IT REALLY DOES IS HELP
11 US TO BE MORE EFFICIENT, IMPROVE OUR WORKFLOW SO
12 THAT WE CAN SPEND THE TIME ON THINGS THAT ARE REALLY
13 HIGH PRIORITY. SO IT'S A VERY IMPORTANT ASPECT OF
14 WHAT WE NEED TO DO IN ORDER TO OPERATE EFFICIENTLY.

15 AND LASTLY, BUT NOT LEAST, I WANT TO
16 INTRODUCE A NEW APPOINTMENT WE'RE VERY HAPPY TO
17 HAVE. THIS IS BEN HUANG, WHO JOINED CIRM APRIL
18 26TH. HE'S OUR LIFE SCIENCES TRANSACTION ATTORNEY.
19 HE HAD BEEN WORKING AT GERON FOR THE PAST SIX YEARS
20 AS A CORPORATE ATTORNEY ASSISTING THE CLINICAL
21 OPERATIONS GROUP NEGOTIATING AGREEMENTS, COVERING
22 DEVICE MANUFACTURING, TESTING, AND SOFTWARE
23 DEVELOPMENT AND LICENSING. PRIOR TO THAT HE WORKED
24 AS A CORPORATE COUNSEL AT PDL IN BIOPHARMA. HE
25 RECEIVED HIS J.D. AT DUKE UNIVERSITY, HIS MASTER'S

BARRISTERS' REPORTING SERVICE

1 IN GENETICS FROM NORTH CAROLINA STATE, AND AN NIH
2 BIOINFORMATICS TRAINING FELLOWSHIP. HE'S VERY WELL
3 TRAINED, HAS AN IMPRESSIVE SET OF CREDENTIALS. HE'S
4 ALSO A MEMBER OF THE CALIFORNIA BAR AND THE U.S.
5 PATENT AND TRADEMARK OFFICE. BEN, IF YOU WOULDN'T
6 MIND TAKING A STAND SO PEOPLE CAN SAY HELLO TO YOU.

7 (APPLAUSE.)

8 DR. FEIGAL: SO HIS SMILING FACE HAS BEEN
9 ADDED IN THE FAR RIGHT-HAND CORNER THERE TO THE
10 OTHER BEAUTIFUL FACES THAT ARE THERE ON YOUR SCREEN.

11 WITHOUT FURTHER ADO, WHAT I'D LIKE TO DO
12 NOW IS INTRODUCE CHILA SILVA-MARTIN TO GIVE YOU AN
13 UPDATE ON FINANCES AND DONATIONS.

14 DR. KRONIRIS: JUST A QUICK QUESTION
15 ABOUT THE GENOMICS INITIATIVE. THIS WAS WHERE NONE
16 OF THE GRANTS RECEIVED SUFFICIENT SUPPORT.

17 DR. FEIGAL: CORRECT.

18 DR. KRONIRIS: SOMETIMES WHEN THAT
19 HAPPENS, THE PEER REVIEWERS ARE AS UNHAPPY WITH THE
20 UNDERLYING RFA AS THEY ARE WITH THE APPLICATIONS.
21 DID YOU GET ANY NEGATIVE FEEDBACK FROM THE GRANTS
22 WORKING GROUP ABOUT THE INITIATIVE ITSELF?

23 DR. FEIGAL: THE FEEDBACK WE GOT -- YOU
24 KNOW, THERE ARE DIFFERENT -- I THINK PEOPLE FELT THE
25 RFA AS WRITTEN WAS FINE IN TERMS OF TRYING TO

BARRISTERS' REPORTING SERVICE

1 ADDRESS WHAT THE ISSUES ARE. IT'S SORT OF THE
2 PROBLEM YOU HAVE IS PEOPLE INTERPRET WHAT'S ON THE
3 PAGE DIFFERENTLY. AND SO THE INTENT OF PEOPLE
4 WRITING IT AND THE INTENT AT LEAST OF SOME OF THE
5 PEOPLE WAS OF A CERTAIN PERSUASION, BUT OTHER PEOPLE
6 MAY HAVE INTERPRETED DIFFERENTLY.

7 SO WHAT WE DID TRY TO DO IS GIVE MORE
8 GUIDANCE IN TERMS OF WHAT WE WERE REALLY LOOKING FOR
9 IN THOSE PROPOSALS. SO RATHER THAN GOING THROUGH
10 THE BUREAUCRATIC ROUTE AND REWRITING THE RFA, WHAT
11 WE OPTED TO DO IS TO TAKE THE CONSTRUCTIVE
12 CRITICISMS THAT CAME FROM THE PROPOSALS, SHARED
13 THOSE WITH THE APPLICANTS, AND SEE WHETHER OR NOT
14 THEY COULD INCORPORATE SOME OF THOSE CONSTRUCTIVE
15 CRITICISMS INTO HOW THEY MIGHT REFASHION A NEW
16 PROPOSAL. SO THAT'S THE ROUTE WE OPTED TO TAKE.

17 ARE THERE OTHER QUESTIONS? SO LET ME TURN
18 IT OVER TO CHILA NOW.

19 MS. SILVA-MARTIN: THANK YOU, DR. FEIGAL.
20 GOOD MORNING. I'M GOING TO BE PROVIDING YOU WITH A
21 VERY BRIEF FINANCIAL UPDATE TODAY BECAUSE REALLY NOT
22 MUCH HAS CHANGED SINCE I LAST REPORTED IN MARCH.
23 OUR COST CENTERS ALL CONTINUE TO BE WITHIN BUDGET.
24 WE EXPECT TO BE -- OUR FORECAST IS TO BRING OUR
25 BUDGET IN ABOUT ANYWHERE BETWEEN 5 TO 7 PERCENT OF

BARRISTERS' REPORTING SERVICE

1 WHAT WAS BUDGETED. SO WE'RE LOOKING REALLY WELL IN
2 TERMS OF OUR EXPENDITURES.

3 I WILL PROVIDE A LITTLE BIT MORE DETAIL ON
4 THE CURRENT YEAR EXPENDITURES WHEN I PRESENT THE
5 BUDGET FOR THE '13-'14 LATER ON.

6 SO I JUST WANT TO GIVE YOU AN UPDATE ON
7 OUR FINANCES IN TERMS OF OUR GRANT DISBURSEMENTS
8 THIS YEAR HAVE JUST BEEN RIGHT UNDER \$160 MILLION AS
9 COMPARED TO THE PRIOR YEAR DURING THIS SAME PERIOD
10 WHERE WE DISBURSED A LITTLE BIT OVER \$193 MILLION.

11 WE CONTINUE TO HAVE A VERY HEALTHY CASH
12 BALANCE. OUR AVAILABLE CASH AS OF APRIL 30, 2013,
13 WAS JUST A LITTLE BIT OVER \$63 MILLION, WHICH IS AN
14 INCREASE OF JUST UNDER \$2 MILLION FROM WHAT I
15 REPORTED IN MARCH. WE DID RECEIVE \$20 MILLION IN
16 COMMERCIAL PAPER FOR APRIL. AND THEN WE DID HAVE
17 DISBURSEMENTS FOR GRANT AND LOAN PAYMENTS AS WELL AS
18 OUR OPERATIONAL PAYMENTS.

19 THIS NEXT CHART IS JUST PROVIDING YOU WITH
20 A VERY BRIEF -- IT'S GIVING YOU OUR 6-PERCENT
21 ADMINISTRATIVE CAP. AS YOU KNOW, PROPOSITION 71
22 PLACES A 6-PERCENT ADMINISTRATIVE CAP AGAINST THE \$3
23 BILLION FOR OUR GRANT AND GENERAL ADMINISTRATION.
24 SO FOR THE FIRST EIGHT YEARS OF OPERATIONS, WE HAVE
25 SPENT \$61.4 MILLION, AND OUR PROJECTIONS FOR THE

BARRISTERS' REPORTING SERVICE

1 CURRENT YEAR ARE AT ABOUT \$14 MILLION, LEAVING US A
2 LITTLE BIT OVER \$104 MILLION FOR THE '13-'14 FISCAL
3 YEAR AND BEYOND.

4 ON THIS PARTICULAR SUBJECT MATTER AS WELL,
5 I WILL BE PROVIDING SOME MORE DETAILS REGARDING THE
6 6-PERCENT CAP WHEN I PRESENT ON THE BUDGET.

7 SO THE LAST THING THAT I ACTUALLY WANTED
8 TO PRESENT FOR THE FINANCIAL REPORT IS THE
9 DONATIONS. SO DONATIONS SINCE LAST YEAR, BEGINNING
10 WITH JULY 2011 THROUGH MAY OF THIS YEAR, WE'VE
11 RECEIVED ONE DONATION. AND THAT DONATION WAS
12 RECEIVED FROM MR. ROBERT KLEIN IN MAY OF 2012. AND
13 HE PROVIDED THAT DONATION SO THAT STAFF COULD ATTEND
14 THE 2012 ISSCR MEETING IN JAPAN.

15 AND THAT REALLY DOES CONCLUDE THE
16 FINANCIAL UPDATE. I'M HAPPY TO ANSWER ANY QUESTIONS
17 YOU MAY HAVE. NO. OKAY. GREAT. THANK YOU.

18 CHAIRMAN THOMAS: THANK YOU, CHILA. PAT.

19 DR. OLSON: OKAY. AS WE HAVE OVER THE
20 PAST YEAR, WHAT I'D LIKE TO DO IS PROVIDE AN UPDATE
21 TO YOU ON OUR RFA FUNDING STATUS. WHEN WE PRESENTED
22 THE STRATEGIC PLAN LAST YEAR, WE AGREED WE WOULD DO
23 THIS WHEN WE PRESENTED NEW CONCEPTS. SO THIS IS
24 ACTUALLY AN UPDATE TO WHAT WAS LAST PRESENTED TO YOU
25 AT THE DECEMBER MEETING.

BARRISTERS' REPORTING SERVICE

1 WHAT IS ON THE FIRST SLIDE IS THE CURRENT
2 BREAKDOWN OF OUR RESEARCH FUNDING OF ROUGHLY THE
3 \$2.8 BILLION THAT IS ALLOCATED FOR THAT. AND I DO
4 NEED TO POINT OUT THAT THIS IS WHAT IT LOOKS LIKE
5 ASSUMING THAT ALL THE RECOMMENDATIONS AND PROPOSALS
6 THAT ARE BEING BROUGHT TO YOU TODAY ARE APPROVED FOR
7 YOU. SO WE'LL ADJUST ACCORDINGLY, BUT THAT'S WHAT
8 IT LOOKS LIKE AT THIS POINT.

9 AND AS I HOPE YOU CAN SEE, THAT ROUGHLY
10 \$1.7 BILLION HAS ACTUALLY BEEN AWARDED. THAT MEANS
11 IT HAS BEEN APPROVED BY THE BOARD AND IS AWARDED
12 FUNDS.

13 CONCEPT APPROVED, SO THESE ARE, AGAIN,
14 CONCEPTS THAT YOU HAVE ALREADY APPROVED OR WILL BE
15 APPROVED BY YOU TODAY OF \$363 MILLION OR 13 PERCENT
16 OF THAT. AND THEN THE SO-CALLED FUTURE ALLOCATED,
17 THAT IS ACCORDING TO THE STRATEGIC PLAN THAT WAS
18 PRESENTED TO YOU IN MAY OF LAST YEAR, ROUGHLY 551
19 MILLION. AND WHAT I'M CALLING FUTURE UNALLOCATED,
20 WHICH IS ACTUALLY FUNDS THAT WERE CONCEPT APPROVED,
21 BUT NOT AWARDED, ABOUT 146 MILLION. SO THERE'S
22 CLOSE TO \$700 MILLION THAT HAS NOT YET BEEN EITHER
23 CONCEPT APPROVED OR AWARDED. AND THAT REMAINS.

24 AND NOW I'D LIKE TO HIGHLIGHT ESSENTIALLY
25 WITHIN EACH CATEGORY THE DISTRIBUTION OF FUNDING.

BARRISTERS' REPORTING SERVICE

1 I HOPE YOU CAN SEE THAT. I SUGGEST YOU REFER TO
2 YOUR COPIES, OR I ENCOURAGE YOU TO REFER TO YOUR
3 COPIES, AND I WILL TRY -- AND IT'S A LITTLE BIT HARD
4 FOR ME TO TELL. THIS IS THE MAC TO PC CHANGE, I
5 THINK, OR MAYBE IT'S THE PROJECTOR. OKAY.

6 IF YOU LOOK AT THE \$1.7 BILLION. AND WHAT
7 I WANT TO SHOW IS THAT WITHIN -- SO THAT'S THE
8 AWARDED CATEGORY. AND HOW IS THAT BROKEN DOWN
9 ESSENTIALLY? WE'VE TALKED ABOUT WE GROUP OUR RFA'S
10 INTO WHETHER THEY'RE FACILITIES OR SHARED RESOURCES,
11 WHETHER THEY'RE TRAINING CAREER DEVELOPMENT, WHETHER
12 THEY SUPPORT THE BASIC RESEARCH, THE TRANSLATIONAL
13 RESEARCH, OR THE DEVELOPMENT. AND THAT'S WHAT I'M
14 SHOWING IN THIS SLIDE. I'M SHOWING YOU THAT
15 CURRENTLY, AT LEAST OF THE AWARDED FUNDS OF \$1.7
16 BILLION, AND, AGAIN, AS I NOTED, ASSUMING THAT ALL
17 THE ACTIONS THAT ARE BEING BROUGHT TO YOU TODAY ARE
18 BEING IMPLEMENTED, THAT EACH OF THESE -- THERE'S A
19 ROUGHLY EQUAL DISTRIBUTION BETWEEN ALL THE -- EACH
20 OF THE CATEGORIES AS REPRESENTED EITHER FROM 14 TO
21 25 PERCENT.

22 AMONG THE CHANGES SINCE DECEMBER, THE IPS
23 AWARDS WERE APPROVED BY THIS BOARD AT THE JANUARY
24 MEETING. SO THAT'S INCLUDED HERE. ALSO WHAT'S
25 INCLUDED HERE IS THE RECOMMENDED AWARDS THAT WE'RE

BARRISTERS' REPORTING SERVICE

1 BRINGING TO YOU TODAY, WHICH INCLUDES THE RESEARCH
2 LEADERSHIP AND THE SP II THAT WAS RECOMMENDED.

3 IF I MOVE TO THE NEXT ONE, WHICH IS
4 CONCEPT APPROVED, AGAIN, THIS IS THE \$363 MILLION.
5 AND HOW IS THAT BROKEN DOWN? AND THIS IS WHERE WE
6 START TO SEE THE IMPACT OF OUR FUNDING STRATEGY
7 GOING FORWARD. YOU WILL RECALL LAST YEAR WHEN WE
8 TALKED ABOUT THAT IN ORDER TO MEET SOME OF OUR KEY
9 STRATEGIC OBJECTIVES, WE WERE GOING TO BE
10 IMPLEMENTING SPECIFIC CONCEPTS.

11 SO IF I THINK ABOUT ONE OF OUR KEY
12 STRATEGIC OBJECTIVES, WHICH IS TO FOSTER
13 TRANSFORMATIVE RESEARCH, IF YOU LOOK WITHIN THE
14 BASIC RESEARCH CATEGORY, YOU SEE 86 MILLION IN
15 CONCEPTS. AND THAT'S FOR OUR GENOMICS INITIATIVE,
16 WHICH HAS THE OPPORTUNITY TO DO THAT, AS WELL AS OUR
17 BB V, OUR BASIC BIOLOGY, THE FIFTH ROUND OF THAT.
18 AND AS YOU MAY RECALL, WHEN WE BROUGHT YOU THE
19 CONCEPT, I BELIEVE IT WAS AT OUR LAST MEETING, THAT
20 INCLUDES A TRACK WHICH IS ACTUALLY SPECIFICALLY
21 ADDRESSED TO THOSE PROJECTS WHICH THE APPLICANT
22 BELIEVES REALLY COULD LEAD TO A CHANGE IN DOGMA, SO
23 A TRANSFORMATIVE FINDING. SO THOSE ARE IN THERE.

24 ALSO IN THE TRANSLATIONAL CATEGORY, IT
25 INCLUDES THE ET IV CONCEPT PROPOSAL, WHICH IS IN THE

BARRISTERS' REPORTING SERVICE

1 PROCESS OF BEING IMPLEMENTED. AND, AGAIN, THAT
2 OFFERS THE OPPORTUNITY TO TEST POTENTIALLY
3 TRANSFORMATIVE PRECLINICAL HYPOTHESES FOR THERAPY
4 DEVELOPMENT. IT ALSO FEEDS INTO OUR DEVELOPMENT
5 CATEGORY. IN DEVELOPMENT YOU WILL RECALL WE HAVE
6 KEY STRATEGIC OBJECTIVES OF ACHIEVE PRECLINICAL
7 PROOF OF CONCEPT FOR STEM CELL THERAPY, SPECIFICALLY
8 CELL THERAPIES. AND WE ALSO HAVE A STRATEGIC GOAL
9 OF FUNDING TEN THERAPIES IN PHASE I OR PHASE II
10 TRIALS IN FIVE DIFFERENT THERAPEUTIC AREAS THAT ARE
11 BASED ON STEM CELL RESEARCH.

12 SO YOU CAN SEE, AND WITHIN THAT ONE, THAT
13 INCLUDES OUR DT III CONCEPT, WHICH HAS BEEN APPROVED
14 AND, AGAIN, WHICH IS IN THE PROCESS OF ACCEPTING
15 APPLICATIONS AND GETTING READY TO UNDERGO REVIEW.
16 IT ALSO INCLUDES A STRATEGIC PARTNERSHIP III CONCEPT
17 WHICH WE WILL BRING TO YOU TODAY.

18 OKAY. FUTURE AWARDS. THIS IS THE -- THIS
19 INCLUDES IN THIS CASE BOTH THE FUTURE ALLOCATED AND
20 UNALLOCATED. IT INCLUDES -- AS I SAY, ROUGHLY 700
21 MILLION OR 25 PERCENT OF OUR RESEARCH FUNDING IS IN
22 THIS CATEGORY. AGAIN, WE ARE -- AT THIS POINT THE
23 STRATEGIC PRIORITIES CONTINUE TO BE REFLECTED IN
24 FUTURE FUNDING. SO WE HAVE CONTINUED INVESTMENT.
25 WE EXPECT, ACCORDING TO THE PLAN THAT WAS APPROVED

BARRISTERS' REPORTING SERVICE

1 AT THE BOARD MEETING LAST YEAR, WE HAVE CONTINUED
2 INVESTMENT IN BASIC RESEARCH, WE HAVE CONTINUED
3 INVESTMENT IN TRANSLATIONAL RESEARCH, WHICH INCLUDES
4 THE TOOLS AND TECHNOLOGIES RFA THAT, AS DR. FEIGAL
5 INDICATED, WE WILL BE BRINGING TO YOU THE CONCEPT
6 FOR THAT AT YOUR NEXT BOARD MEETING. IT INCLUDES
7 THE DEVELOPMENT, WHICH IS THE LARGEST CATEGORY,
8 WHICH INCLUDES THE ALPHA CLINICS PROGRAM. AGAIN,
9 THE CONCEPT OF WHICH WILL COME TO YOU AT THE NEXT
10 BOARD MEETING, AS WELL AS FUTURE DISEASE TEAM AND
11 STRATEGIC PARTNERSHIP FUNDING INITIATIVES, WHICH WE
12 WILL BRING TO YOU OVER THE NEXT FEW YEARS, WHEREBY
13 WE HOPE TO CONTINUE TO MOVE THERAPIES FORWARD INTO
14 THE CLINIC FOR THE BENEFIT OF PATIENTS.

15 THE UNALLOCATED CATEGORY AT 146 MILLION,
16 AGAIN, THAT ASSUMES APPROVAL OF WHAT WE'RE BRINGING
17 TO YOU TODAY. IT'S A LITTLE BIT OF A MISNOMER TO
18 USE THE WORD "UNALLOCATED" AS THIS CATEGORY IS
19 PRIMARILY COMPOSED OF THOSE FUNDS WHICH WERE CONCEPT
20 APPROVED BUT NOT AWARDED. SO IF I ACTUALLY SHOW YOU
21 THE BREAKDOWN OF THIS, FOR EXAMPLE, IN THE TRAINING
22 CAREER DEVELOPMENT CATEGORY, THAT CATEGORY INCLUDES
23 THE NEW FACULTY PHYSICIAN SCIENTIST FUNDING THAT YOU
24 MAY RECALL THAT WE DIDN'T GET NEARLY ENOUGH
25 MERITORIOUS APPLICATIONS TO USE ALL THE MONEY THAT

BARRISTERS' REPORTING SERVICE

1 THE BOARD HAD CONCEPT APPROVED, SO ACTUALLY THERE'S
2 ROUGHLY 44 MILLION THAT WAS LEFT FROM THAT
3 INITIATIVE THAT COULD BE CONSIDERED AVAILABLE FOR
4 SUPPORTING FUNDING WITH COMPARABLE GOALS, SUCH AS
5 THE RESEARCH LEADERSHIP AWARDS, WHICH WE WILL BRING
6 TO YOU TODAY FOR YOUR APPROVAL.

7 SIMILARLY, THE DEVELOPMENT CATEGORY
8 INCLUDES THINGS LIKE WHEN GERON RETURNED THEIR
9 TARGETED CLINICAL DEVELOPMENT AWARD, THAT WENT INTO
10 THAT CATEGORY. SIMILARLY, WHEN THE STRATEGIC
11 PARTNERSHIPS DO NOT USE ALL THE FUNDING THAT'S
12 ALLOCATED, IT GOES THERE. AND AGAIN, WE'LL BE
13 TALKING WITH YOU ABOUT THAT TODAY.

14 THE SO-CALLED GENERAL CATEGORY PRIMARILY
15 REFLECTS CHANGES TO AWARDS DUE TO THE IMPLEMENTATION
16 OF THE FACILITIES B. SO THAT IS WHEN GRANTS ARE
17 AWARDED, IF THE GRANTEE IS IN AN INSTITUTION THAT IS
18 FUNDED BY CIRM AS PART OF THE MAJOR FACILITIES
19 PROGRAM, WE REDUCE THE AMOUNT OF MONEY FOR CAPITAL
20 DEPRECIATION AND AMORTIZATION.

21 IN THE FINAL SLIDE I JUST WANT TO REMIND
22 YOU THAT ESSENTIALLY WHAT WE ARE DOING IS WE ARE
23 IMPLEMENTING THE FUNDING STRATEGY THAT WAS APPROVED
24 BY THIS BOARD IN THE MAY 2012 MEETING. WE USE THE
25 EXCESS UNALLOCATED FUNDS CONSISTENT WITH OUR

BARRISTERS' REPORTING SERVICE

1 STRATEGY, AND WE CURRENTLY HAVE ROUGHLY \$700 MILLION
2 LEFT FOR SO-CALLED FUTURE FUNDING.

3 SO I'M HAPPY TO TAKE ANY QUESTIONS THAT
4 YOU MAY HAVE AT THIS TIME.

5 DR. STEWARD: IS THERE ANY DISCUSSION IN
6 THE TRAINING CAREER DEVELOPMENT CATEGORY OF TRYING
7 THE SAME KIND OF THING WITH THEM THAT WAS DONE WITH
8 THE LEADERSHIP AWARDS; IN OTHER WORDS, ROLLING
9 DEADLINES RATHER THAN HAVING A SINGLE THING? I
10 REMEMBER THAT WE DIDN'T GET A LOT, BUT IT'S OFTEN A
11 TIMING ISSUE AND SOMETIMES YOU HAVE PEOPLE COMING IN
12 AND OUT OF THE SYSTEM AT ALL KINDS OF DIFFERENT
13 TIMES.

14 DR. OLSON: WELL, AS YOU MAY RECALL -- ARE
15 YOU TALKING SPECIFICALLY ABOUT THE TRAINING AWARDS?

16 DR. STEWARD: TALKING ABOUT THE PHYSICIAN
17 SCIENTIST AWARDS IN PARTICULAR.

18 DR. OLSON: I SEE. THAT WAS NOT OBVIOUSLY
19 CONSIDERED AT THAT TIME. THAT MIGHT BE A POINT THAT
20 WE CAN RAISE WITH OUR SCIENTIFIC ADVISORY BOARD OR
21 IN DISCUSSION. SO, YOU KNOW, I THINK THERE ARE A
22 LOT OF THINGS ON THE TABLE AND THAT WE HOPE TO BRING
23 SOME THOUGHTS THAT WE'VE COLLECTED FROM EXTERNAL
24 ADVISORS AND SUCH TO YOU LATER THIS YEAR. SO THANK
25 YOU FOR THAT SUGGESTION.

BARRISTERS' REPORTING SERVICE

1 ANY OTHER COMMENTS OR QUESTIONS?

2 MR. ROTH: JUST A COMMENT. YOU MENTIONED
3 THIS WAS REALLY PUT IN PLACE A YEAR AGO, MAY 1212.
4 AND THE QUESTION I'M RAISING IS REALLY IF STAFF AND
5 THIS UPCOMING ADVISORY BOARD THAT YOU TALKED ABOUT
6 EARLIER, IS IT NOT PRUDENT THAT WE MAY TAKE ANOTHER
7 LOOK AT THAT? TODAY IS A LITTLE EARLY, BUT I THINK
8 IT WOULD BE IMPORTANT THAT THE BOARD AND STAFF SPEND
9 SOME TIME TALKING ABOUT THAT AGAIN.

10 DR. OLSON: I THINK THAT'S THE POINT OF
11 SOLICITING EXTERNAL INPUTS AND THEN BRINGING THAT
12 BACK TO THIS BOARD WITH THE THOUGHT OF IS THIS,
13 GIVEN WHERE WE ARE NOW COMPARED TO WHERE WE WERE A
14 YEAR AGO, IS THE STRATEGY THAT WE TALKED ABOUT AT
15 THAT TIME, HOW DO WE WANT TO TWEAK IT, OR HOW DO WE
16 WANT TO REVISE IT. SO I THINK THAT IS THE PLAN.

17 MS. SAMUELSON: OF THE 1.7 BILLION THAT'S
18 BEEN AWARDED, HOW MUCH OF THAT IS SPENT?

19 DR. OLSON: HOW MUCH -- WELL, I'M NOT SURE
20 WHAT YOU MEAN BY SPENT. OUT THE DOOR. I DON'T HAVE
21 THAT ANSWER FOR YOU RIGHT NOW. THE EASIEST WAY FOR
22 YOU TO GET THAT IS ON OUR GREAT NEW WEB SITE. IF
23 YOU GO TO THE -- CHILA KNOWS. 1.2 BILLION. IT
24 ACTUALLY ALSO IS ON OUR WEB SITE, THOUGH, IN ONE OF
25 THE CHARTS. IT SHOWS HOW MUCH HAS BEEN ACTUALLY

BARRISTERS' REPORTING SERVICE

1 AWARDED AND HOW MUCH HAS BEEN SPENT. NOW, THAT IS A
2 NUMBER THAT CONTINUOUSLY EVOLVES A BIT, BUT 1.2
3 BILLION HAS BEEN SPENT, BUT THE BOARD HAS COMMITTED
4 1.7 BILLION.

5 MS. SAMUELSON: IT'S AWARDED.

6 DR. OLSON: AWARDED, YES. SO IT'S UNDER
7 MANAGEMENT BY THE SCIENCE OFFICE.

8 MS. SAMUELSON: AND IS THAT THE SAME FOR
9 THESE OTHER CATEGORIES, CONCEPT APPROVED, FUTURE
10 ALLOCATED?

11 DR. OLSON: NO.

12 MS. SAMUELSON: AND TO A CERTAIN EXTENT
13 FUTURE UNALLOCATED.

14 DR. OLSON: NO. CONCEPT APPROVED ARE
15 THOSE FUNDS THAT, WHEN A CONCEPT IS PRESENTED TO THE
16 BOARD AND IS ACCEPTED, UNTIL THE POINT -- SO IT
17 FALLS INTO THAT CATEGORY UNTIL THE POINT THE BOARD
18 MAKES A FUNDING DECISION. SO AS I SAY, CURRENTLY
19 WHAT'S IN THAT CATEGORY IS THE DISEASE TEAM III.
20 YOU'VE APPROVED A CONCEPT FOR THAT. IT HAS NOT
21 BEEN -- THERE'S BEEN NO FUNDING DECISION YET. WE
22 ARE IN THE MIDST OF THE APPLICATION ACCEPTANCE
23 REVIEW PROCESS. SIMILARLY, BASIC BIOLOGY V, ET IV
24 JUST AS EXAMPLES.

25 MS. SAMUELSON: BUT IN TERMS OF OUR

BARRISTERS' REPORTING SERVICE

1 STRATEGIC DIRECTION, THOSE --

2 DR. OLSON: THOSE CONCEPTS CAME FROM THE
3 STRATEGY. THOSE CONCEPTS WERE AN IMPLEMENTATION OF
4 THE STRATEGY THAT THE BOARD APPROVED IN MAY.

5 MS. SAMUELSON: RIGHT. OKAY. AND THEN OF
6 THAT THAT'S BEEN SPENT, WHAT PERCENTAGE OF THIS
7 PORTFOLIO IS DONE? IN OTHER WORDS, THEY'VE SPENT
8 THE MONEY, COMPLETED THE GRANT, REACHED THEIR
9 MILESTONES OR NOT.

10 DR. OLSON: WHAT AWARDS HAVE BEEN CLOSED
11 OUT IS WHAT YOU ARE ASKING ME, I BELIEVE. I THINK
12 THAT IS WHAT YOU ARE ASKING ME. AND I REGRET TO SAY
13 I DON'T HAVE THE EXACT NUMBER. I CAN TELL YOU -- I
14 CAN GET YOU THAT NUMBER. IT'S NOT THAT MANY, BUT
15 IT'S GETTING TO BE. SO WE'VE CLOSED THE SEED AWARD
16 PROGRAM. THE FIRST TRAINING PROGRAM IS CLOSED.
17 WE'RE JUST GETTING A CLOSEOUT ON THE COMPREHENSIVE
18 PROGRAM. THE FIRST TOOLS AND TECHNOLOGIES IS
19 CLOSED. THE FIRST ET IS ACTUALLY NOT QUITE CLOSED.
20 SO WE'RE STARTING TO GET -- RECALL, ALL OF OUR
21 AWARDS GENERALLY LAST FROM THREE PLUS YEARS. AND SO
22 WE'RE STARTING TO SEE FINALS IN CERTAIN RFA'S.

23 MS. SAMUELSON: WHEN DO YOU FIRST SEE
24 RESULTS? WHEN IS THERE COMMUNICATION ABOUT THAT?

25 DR. OLSON: AS YOU MAY RECALL, IN JANUARY

BARRISTERS' REPORTING SERVICE

1 OF THIS YEAR, DR. FEIGAL AND MYSELF DID DO A BIT OF
2 AN OUTCOMES REPORT ON SOME OF THESE PROGRAMS. I
3 THINK WE'VE TALKED ABOUT WHEN A SPECIFIC PROGRAM
4 CLOSES, SUMMARIZING THAT FOR THE BOARD. I THINK WE
5 DID A BIT OF THAT IN THE -- WE DID A BIT OF THAT IN
6 JANUARY, AN OUTCOMES REPORT AT THE OFF-SITE WORKSHOP
7 THAT WE GAVE THE BOARD. WE ALSO DID AN UPDATE ON
8 OUR TRANSLATIONAL PORTFOLIO AT THE LAST BOARD
9 MEETING, WHICH ESSENTIALLY UPDATED YOU ON THE STATUS
10 OF THAT.

11 MS. SAMUELSON: OKAY. I'M NOT REMEMBERING
12 A REPORT ON RESULTS. NOT TO ENGAGE IN ANY KIND OF
13 ARGUMENT ABOUT IT. I'M JUST THINKING I'M HEARING
14 THAT WE'RE NEARING THE END OF THE STRATEGIC ROLE OF
15 THE BOARD BECAUSE ALMOST ALL OF THE MONEY IS
16 ALLOCATED TO SOME STRATEGIC DIRECTION OR OTHER, AND
17 I'M WONDERING WHERE WE ARE WITH RESULTS. WE'RE
18 GOING TO BE ASKED THAT.

19 DR. OLSON: INCREASINGLY, I THINK IT
20 LIKELY THAT THE BOARD WILL BE FOCUSED ON RESULTS
21 BECAUSE PROGRAMS WILL BE EVOLVING, COMPLETING, WE
22 WILL GET RESULTS. WE TRY AS WE GO ALONG, WHEN
23 THERE'S A BIG ADVANCE, DR. TROUNSON WILL SAY HERE'S
24 A SPECIFIC HIGH PROFILE PAPER. WE CITE WHEN WE
25 FILED IND'S. WE LET YOU KNOW WHEN WE INITIATE A

BARRISTERS' REPORTING SERVICE

1 CLINICAL TRIAL. SO WE'VE TRIED TO KEEP YOU
2 APPRAISED, BUT I HEAR YOUR SENTIMENT AND APPRECIATE
3 THAT WE WILL, AS WE HAVE MORE AND MORE PROGRAMS
4 EVOLVING AND REACHING THEIR OBJECTIVES, I THINK
5 WE'LL BE ABLE TO FOCUS ON THAT MORE AND MORE.

6 MS. SAMUELSON: I THINK WE NEED TO FOCUS
7 ON IT NOW. I DON'T MEAN RIGHT THIS SECOND. I CAN'T
8 GLEAN A SENSE OF OUR -- THE EXTENT OF OUR
9 ACHIEVEMENT OF OUR MISSION FROM A PAPER AND
10 COLLABORATION AND SO ON. IT'S TOO DIFFUSE. I NEED
11 TO KNOW WHERE ARE WE IN TERMS OF THE FINITE
12 THERAPEUTIC OUTCOMES THAT WE'RE SEEKING. AND SO I
13 WOULD LOOK TO THE TEN THERAPIES.

14 DR. OLSON: RIGHT. AND THOSE ARE CLEARLY
15 TARGETED GOALS.

16 MS. SAMUELSON: BUT AT SOME POINT WHEN
17 WE'VE SPENT AS MUCH MONEY AS WE HAVE, AND THEY'VE
18 SPENT IT AND THE GRANTS ARE DONE OR NEARLY DONE AND
19 THEY'VE GOT RESULTS, WE NEED TO KNOW WHAT'S
20 HAPPENED. AND I DON'T HAVE A SENSE OF THAT. I
21 GUESS MAYBE WHAT I'M ASKING FOR, BECAUSE IT'S NOT
22 FAIR TO JUST SPRING THIS ON YOU, IS MAYBE FOR THE
23 NEXT BOARD MEETING, THAT I AS ONE BOARD MEMBER FEELS
24 OUR FIDUCIARY ROLE. I THINK WE NEED TO GET THAT
25 INFORMATION AND IN A VERY CLEAN, CLEAR, DIRECT FORM.

BARRISTERS' REPORTING SERVICE

1 DR. FEIGAL: CAN I JUST TRY AND ANSWER,
2 JOAN, AS WELL. WHAT WE CAN DO IS -- WHAT WE'VE
3 TRIED TO DO ACTUALLY FOR THE PAST YEAR AND A HALF IS
4 AT THE BOARD MEETINGS WHAT WE DO TRY AND DO IN A
5 TANGIBLE WAY IS NOT JUST PROVIDE YOU INFORMATION
6 ABOUT WHERE WE'RE SPENDING MONEY, BUT WE ARE TRYING
7 TO PROVIDE YOU OUTCOMES FROM WHERE WE'VE ALREADY
8 INVESTED. AND WE DO HAVE A PORTFOLIO UPDATE THAT
9 WAS GIVEN IN JANUARY. THE TRANSLATIONAL PORTFOLIO
10 UPDATE WAS PROVIDED IN MARCH. BUT WHAT WE WILL DO
11 IS MAYBE AT EACH BOARD MEETING PROVIDE AN UPDATE SO
12 IT CAN BE A CONTINUOUS UPDATING OF WHERE WE ARE, OR
13 WE'D BE HAPPY TO ENTERTAIN OTHER THOUGHTS THAT YOU
14 HAVE IN TERMS OF HOW WE CAN KEEP YOU UPDATED ON
15 OUTCOMES FROM OUR WORK.

16 MS. SAMUELSON: THAT'S GREAT. ONE THING
17 WOULD BE SOMETHING MORE THAN INFORMATION ABOUT THE
18 AMOUNT OF MONEY SPENT THAT IS BELIEVED TO BE ABLE TO
19 TARGET A GIVEN DISEASE. X DOLLARS IN PARKINSON'S
20 DISEASE OR WHATEVER DOESN'T TELL ME ENOUGH TO TELL
21 ANYONE WHETHER WE'RE GOING TO ACHIEVE ANY KIND OF
22 THERAPEUTIC RESULT.

23 DR. FEIGAL: SO WE HEAR YOU. WE AGREE.
24 AND WE'LL MAKE SURE THAT WE PERHAPS AT EVERY BOARD
25 MEETING HAVE -- WE'LL WORK OUT THE SCHEDULE WITH

BARRISTERS' REPORTING SERVICE

1 YOU, BUT WE'LL SEE IF WE CAN HAVE A PART OF IT BE
2 FOCUSED ON THAT.

3 MS. SAMUELSON: I THINK IT HAS TO BE AT
4 EVERY BOARD MEETING. WE DON'T HAVE A ROLE
5 OTHERWISE. IF THERE ARE EXTERNAL ADVISORS, AND I
6 UNDERSTAND THAT TO BE NOT THE GRANTS WORKING GROUP.
7 IT'S THE OTHER GROUP YOU'VE GOT ADVISING AND WE'RE
8 NOT IN THE LOOP ANYMORE. VERY SOON WE WON'T BE.

9 DR. FEIGAL: THIS BOARD IS THE ONLY BOARD
10 THE AGENCY HAS THAT CAN MAKE DECISIONS. THIS IS THE
11 ONLY BOARD THE AGENCY HAS FOR DECISIONS. SO THIS IS
12 A VERY POWERFUL BOARD, REMAINS THAT, IN TERMS OF
13 HELPING WITH OUR STRATEGY AND PROVIDING THE
14 DECISIONS. WHAT WE HAVE WITH SOME OF THESE OTHER
15 EXTERNAL INPUTS, LIKE ANY GOOD PRACTICES OF ANY
16 AGENCY, IS SOMETIMES WHEN YOU'RE LOOKING AT
17 SOMETHING AND YOU'VE HELPED BUILD IT AND DEVELOP IT,
18 YOU MAY NOT HAVE AS OBJECTIVE A LOOK AS SOMEBODY
19 WHO'S LOOKING AT IT FROM THE OUTSIDE. SO WE THINK
20 IT'S HEALTHY AND IT'S ALSO IN RESPONSE TO THE IOM
21 REPORT TO HAVE SOME EXTERNAL LOOK AT SOME OF THE
22 THINGS WE DO. BUT THIS IS THE ONLY BOARD WE HAVE
23 THAT REMAINS POWERFUL FOR HELPING US WITH OUR
24 STRATEGIC PLAN AND MAKING THE FINAL DECISIONS.

25 MS. SAMUELSON: OKAY. AND NOT TO BELABOR

BARRISTERS' REPORTING SERVICE

1 IT. I'M JUST EXPRESSING MY LACK OF UNDERSTANDING
2 ABOUT WHAT MY ROLE IS GOING FORWARD BECAUSE IF WE'VE
3 ALLOCATED THE MONEY ROUGHLY INTO STRATEGIC
4 DIRECTIONS AND STAFF IS IMPLEMENTING IT, AND I DON'T
5 KNOW WHAT RESULTS WE'VE GOTTEN FROM IT, I DON'T KNOW
6 HOW I CAN INFLUENCE OUR MISSION GOING FORWARD. SO
7 WE COULD JUST TAKE THE STRATEGIC POWER AWAY, BUT
8 WE'VE GIVEN A LOT OF AUTHORITY TO THE STAFF, AND I
9 UNDERSTAND THE REASONS FOR THAT. BUT IT LEAVES ME
10 NOT KNOWING WHAT THE CHANCES ARE WE'RE GOING TO
11 ACCOMPLISH ANYTHING LIKE OUR MISSION BECAUSE WE
12 HAVEN'T HEARD THOSE KINDS OF CONCRETE DETAILS YET.

13 SO I DON'T KNOW IF THIS WAS THE AGENDA
14 ITEM IN WHICH TO TALK ABOUT THIS, BUT I FEEL LIKE
15 THIS IS THE TOP PRIORITY FOR EVERY AGENDA AND HELP
16 ME UNDERSTAND WHERE WE TALK ABOUT IT. THANKS.

17 CHAIRMAN THOMAS: CAN I INTERJECT HERE. I
18 THINK, JOAN, THE BOARD WILL CONTINUE OBVIOUSLY
19 DIRECTING THE STRATEGIC VISION AS INFORMED BY STAFF
20 ON THE STATUS OF THINGS. I'M FULLY CONFIDENT THAT
21 WE WILL BE SO INFORMED. OBVIOUSLY THESE THINGS ARE
22 WORKS IN PROGRESS, SO THE REPORTS ARE INCREMENTAL.
23 BUT STAFF, AS I SAY, I'M CERTAIN WILL BE PROVIDING
24 US INCREASINGLY AS WE GO ALONG GIVEN THAT MORE
25 THINGS ARE FURTHER AND FURTHER ALONG IN THE

BARRISTERS' REPORTING SERVICE

1 PIPELINE. I THINK YOUR COMMENTS THAT WE NEED TO
2 KNOW THAT ARE ENTIRELY CORRECT, AND I BELIEVE THAT
3 WAS THE FULL INTENTION OF STAFF TO DO JUST THAT. SO
4 I THINK WE'LL END UP ON THE SAME PAGE.

5 MS. SAMUELSON: THANKS, J.T.

6 CHAIRMAN THOMAS: SO ANY OTHER THOUGHTS ON
7 PRESIDENT'S REPORT? MR. JUELSGAARD.

8 DR. JUELSGAARD: JUST TO SORT OF FOLLOW UP
9 ON WHAT JOAN WAS TALKING ABOUT, BUT PERHAPS A LITTLE
10 DIFFERENT DIRECTION, EITHER DR. OLSON OR DR. FEIGAL.
11 SO IF I GO ON THE CIRM WEB SITE, I CAN LOOK AT THE
12 PROJECTS THAT HAVE BEEN PERFORMED, AND THERE'S A
13 VERY LONG ABSTRACT ABOUT WHAT THE RESULTS WERE.
14 WHAT I THINK WOULD BE HELPFUL, BECAUSE NOT
15 EVERYTHING RESULTS IN THE OUTCOME THAT YOU HAD HOPED
16 FOR, IS SORT OF A GENERAL SENSE OF THE THINGS THAT
17 WE FUNDED TO DATE THAT HAVE BEEN COMPLETED, WHAT
18 RESULTED IN THINGS THAT WE THINK WERE POSITIVE OR
19 HELPFUL, AND THEN WHAT THINGS SIMPLY DIDN'T WORK OUT
20 BECAUSE SOME THINGS ARE NOT GOING TO WORK OUT.
21 THAT'S NOBODY'S FAULT. IT'S JUST THE NATURE OF
22 SCIENCE.

23 BUT I WOULD JUST LIKE TO GET SOME SENSE,
24 IF WE COULD, ON A JUST OVERARCHING BASIS KIND OF THE
25 MONEY THAT'S SPENT, WHAT'S RESULTED IN SOMETHING

BARRISTERS' REPORTING SERVICE

1 THAT'S WORTHWHILE AND SOMETHING THAT TURNED OUT TO
2 BE A DEAD END. IS THAT POSSIBLE?

3 DR. FEIGAL: WHY DON'T I ANSWER AND DR.
4 OLSON MAY HAVE OTHER PERSPECTIVES AS WELL. BUT THE
5 SHORT ANSWER IS, YES, WE CAN DO THAT. FOR EXAMPLE,
6 AT THE LAST MEETING WE GAVE YOU THE PROGRESS THAT
7 THREE OF OUR DISEASE TEAM I'S WERE HEADED INTO THE
8 CLINIC, WHAT THE OBJECTIVE OF THOSE CLINICAL TRIALS
9 ARE, WHAT THERAPEUTIC AREAS, WHAT OUR ANTICIPATIONS
10 ARE FOR 2014. BUT I THINK WHAT YOU'RE SAYING IS
11 RATHER THAN JUST DATA, COULD IT BE SYNTHESIZED IN
12 SOME WAY AND PRESENTED WITH A LITTLE BIT OF
13 INTERPRETATION TO IT SO THAT WE CAN PUT SOME
14 PERSPECTIVE ON WHERE WE ARE. THE ANSWER IS, YES, WE
15 CAN CERTAINLY DO THAT.

16 DR. JUELSGAARD: SO RATHER THAN ANECDOTAL
17 REPORTS ON SPECIFIC PROJECTS, IT'S MORE A
18 COMPREHENSIVE LOOK. WE DON'T HAVE TO GO THROUGH
19 PROJECT BY PROJECT. WE DON'T HAVE TO TALK ABOUT
20 WHAT THE RESULTS WERE, BUT JUST AN OVERARCHING SENSE
21 OF WHAT OUR SUCCESS RATE IS.

22 MS. BAUM: I'D LIKE TO MAKE A COMMENT. I
23 THINK THAT IN ADDITION TO LOOKING AT THE SCIENTIFIC
24 SUCCESS, THERE'S BEEN AN INITIAL LOOK AT THE
25 UNIVERSITIES' OUT-LICENSING EFFORTS. I HAVE ONE

BARRISTERS' REPORTING SERVICE

1 SLIDE IN MY PRESENTATION TODAY THAT TOUCHES ON THAT.
2 AND IT WAS MY INTENTION TO PROVIDE SOME FORUM,
3 EITHER AT THE BOARD OR IP AND INDUSTRY SUBCOMMITTEE,
4 TO TALK MORE ABOUT THAT BECAUSE THE SUCCESS IS NOT
5 ONLY MEASURED SCIENTIFICALLY, BUT IN THE UPTAKE
6 THROUGH LICENSES AT DIFFERENT ORGANIZATIONS. AND
7 I'M THINKING THAT WE'RE SEEING SOME POSITIVE
8 DEVELOPMENTS IN THAT REGARD.

9 CHAIRMAN THOMAS: OTHER COMMENTS? DON
10 REED, YOU HAD YOUR HAND UP THERE. DON, HOLD ON ONE
11 SECOND. MR. SHEEHY.

12 MR. SHEEHY: SO I JUST HAD A QUESTION
13 ABOUT YOUR LAST -- ABOUT THE OUT-LICENSING. SO WHEN
14 YOU DO THAT, CAN YOU FIND OUT IF THEY'VE GENERATED
15 ANY REVENUE AND IF ANY PORTION OF THAT HAS MADE ITS
16 WAY BACK TO THE STATE. WHEN YOU SAID LICENSING, I
17 KNOW THAT OUR RULES DO ALLOW. IT WOULD BE NICE TO
18 SHOW THAT --

19 MS. BAUM: THAT'S EXACTLY WHAT I DO. WE
20 ASK THEM FOR NOT ONLY A REPORT, BUT WE ACTUALLY LOOK
21 AT THE AGREEMENTS.

22 CHAIRMAN THOMAS: MR. REED.

23 MR. REED: FIRST, I HAVE TO ACKNOWLEDGE
24 THE HERCULEAN EFFORT ON THE WEB SITE TO CLARIFY IT
25 AND MAKE IT MORE USER FRIENDLY. IT'S VISIBLE. IT'S

BARRISTERS' REPORTING SERVICE

1 FEELABLE. EVERY TIME I GO THERE, I FEEL A LITTLE
2 BIT CLEARER AND I CAN FIND MY WAY MORE EASILY.

3 YESTERDAY I WAS DELIGHTED TO BE PART OF
4 THE PATIENT ADVOCATE EDUCATION SITUATION. AND ONE
5 THING STRIKES ME. THIS IS THE SAME THING THAT
6 YOU'RE TALKING ABOUT HERE THAT THE PATIENT ADVOCATES
7 NEED. I HAVE A STRONG RECOMMENDATION.

8 EVERYTHING THAT WE SAY SHOULD BEGIN WITH
9 THE NAME OF THE DISEASE IT'S ABOUT. IF YOU SAY
10 REMYELINATION OF NERVES, I HAVE TO STOP AND THINK
11 WHAT IS THAT. IF YOU SAY MULTIPLE SCLEROSIS, AND
12 THEN THE PATIENT ADVOCATE WILL SAY, OH, MULTIPLE
13 SCLEROSIS. OKAY. I KNOW SOMEBODY THAT HAS THAT.
14 AND THEN, AS YOU KNOW, THIS WORK BECAUSE THE NERVES
15 DON'T INSULATE THEMSELVES. I'M STILL FOLLOWING YOU.
16 AND THEN YOU SAY WE'RE TRYING TO INSULATE THOSE
17 NERVES. I'VE GOT A CLEAR ONE-TWO-THREE STEP PATH.
18 I THINK THAT EVERYTHING THAT COMES OUT OF THIS
19 BOARD, EVERYTHING THAT COMES ON THE WEB SITE HAS TO
20 BEGIN WITH THE DISEASE THAT IT ATTACKS.

21 CHAIRMAN THOMAS: THANK YOU, MR. REED.
22 ANY OTHER COMMENTS? THAT CONCLUDES THE PRESIDENT'S
23 REPORT. THANK YOU ONE AND ALL.

24 WE'RE NOW GOING TO MOVE ON TO THE ACTION
25 ITEMS. FIRST ONE IS THE RESEARCH LEADERSHIP AWARDS.

BARRISTERS' REPORTING SERVICE

1 I'M GOING TO TURN IT OVER FIRST TO MR. HARRISON JUST
2 TO SET CONTEXT AS FAR AS PROCEDURE HERE BASED ON THE
3 IOM PROTOCOLS ADOPTED BY THE BOARD IN MARCH. MR.
4 HARRISON.

5 MR. HARRISON: THANKS, J.T. I'D JUST LIKE
6 TO BRIEFLY REMIND THE BOARD OF THREE OF THE
7 SIGNIFICANT POLICY CHANGES ADOPTED BY THE BOARD AT
8 THE LAST MEETING THAT WILL HAVE AN EFFECT ON YOUR
9 REVIEW OF APPLICATIONS TODAY. THE FIRST IS THAT THE
10 BOARD ESTABLISHED AN APPLICATION REVIEW
11 SUBCOMMITTEE. THE GOOD NEWS IS THAT YOU'RE ALL
12 MEMBERS OF IT. SIXTEEN OF YOU ARE ELIGIBLE TO VOTE:
13 THE PATIENT ADVOCATES, LIFE SCIENCE, COMMERCIAL
14 ENTITY MEMBERS, AND THE CHAIR AND STATUTORY VICE
15 CHAIR. THE MEMBERS WHO ARE APPOINTED FROM
16 INSTITUTIONS THAT ARE ELIGIBLE TO RECEIVE CIRM
17 FUNDING MAY PARTICIPATE IN THE DISCUSSION AND DEBATE
18 OF APPLICATIONS, ASSUMING THAT YOU DON'T OTHERWISE
19 HAVE A CONFLICT OF INTEREST, BUT YOU WILL NOT
20 PARTICIPATE IN THE ULTIMATE VOTE ON THOSE
21 APPLICATIONS.

22 YOU SHOULD EACH HAVE A LIST IN FRONT OF
23 YOU THAT IDENTIFIES THE APPLICATIONS IN WHICH YOU
24 HAVE A CONFLICT. PLEASE CONSULT THAT AS ALWAYS
25 BEFORE RAISING YOUR HAND TO OFFER A COMMENT ABOUT A

BARRISTERS' REPORTING SERVICE

1 SPECIFIC APPLICATION.

2 THE SECOND SIGNIFICANT CHANGE THAT YOU
3 ADOPTED AT THE LAST MEETING INVOLVES PROGRAMMATIC
4 REVIEW AND THE CONSIDERATION OF APPLICATIONS
5 THEMSELVES. AS PART OF THE AMENDMENTS TO THE BYLAWS
6 ADOPTED AT THE LAST MEETING, THE BOARD SET SPECIFIC
7 FUNDING TIERS FOR APPLICATIONS AND TRANSFERRED
8 AUTHORITY FOR PROGRAMMATIC REVIEW FROM THE GRANTS
9 WORKING GROUP TO THE APPLICATION REVIEW
10 SUBCOMMITTEE.

11 BECAUSE APPLICATIONS FOR RESEARCH
12 LEADERSHIP WERE REVIEWED BY THE GRANTS WORKING GROUP
13 PRIOR TO THE ADOPTION OF THOSE CHANGES, THOSE RULES
14 DID NOT APPLY. THE GRANTS WORKING GROUP ITSELF
15 CONDUCTED PROGRAMMATIC REVIEW. SO FOR PURPOSES OF
16 YOUR CONSIDERATION OF THE RESEARCH LEADERSHIP
17 AWARDS, THE REVIEW WILL BE MUCH AS IT ALWAYS IS.
18 STAFF WILL MAKE A PRESENTATION REGARDING THE GOALS
19 OF THE RFA, THE RECOMMENDATIONS OF THE GRANTS
20 WORKING GROUP, INCLUDING REQUESTS FROM BOARD MEMBERS
21 FOR A SUMMARY OF THE REVIEW OF A SPECIFIC
22 APPLICATION, WILL HAVE AN OPPORTUNITY, OF COURSE,
23 FOR THE STAFF TO MAKE ANY ADDITIONAL RECOMMENDATIONS
24 OF THEIR OWN FOLLOWED BY PUBLIC COMMENT, AND, IF
25 THERE'S A NEED, A CLOSED SESSION. AND AFTER THAT

BARRISTERS' REPORTING SERVICE

1 POINT IN TIME, THOSE MEMBERS WHO ARE ELIGIBLE TO
2 VOTE MAKE MOTIONS TO MOVE APPLICATIONS FROM ONE TIER
3 TO ANOTHER BEFORE WE TAKE A FINAL VOTE TO FUND THOSE
4 APPLICATIONS IN TIER I AND NOT TO FUND THE REMAINING
5 APPLICATIONS.

6 THE NEXT APPLICATIONS THAT YOU WILL
7 CONSIDER ARE FOR STRATEGIC PARTNERSHIP II. THAT
8 REVIEW BY THE GRANTS WORKING GROUP OCCURRED AFTER
9 THE BOARD ADOPTED THE BYLAWS CHANGES, SO THIS WILL
10 BE THE FIRST OPPORTUNITY FOR THE APPLICATION REVIEW
11 SUBCOMMITTEE TO CONDUCT PROGRAMMATIC REVIEW.
12 HOWEVER, THERE ARE ONLY TWO APPLICATION, SO THERE
13 MIGHT NOT BE A LOT TO DISCUSS; BUT, NONETHELESS, YOU
14 WILL HAVE THE OPPORTUNITY TO CONSIDER NONSCIENTIFIC
15 ISSUES SUCH AS PORTFOLIO URGENCY, UNMET HEALTH
16 NEEDS, ALIGNMENT WITH PROP 71 AND WITH THE GOALS OF
17 THE SPECIFIC RFA. AND YOU WILL HAVE, OF COURSE, THE
18 OPPORTUNITY, AS ALWAYS, TO HEAR FROM STAFF ABOUT THE
19 REVIEW, THE GRANTS WORKING GROUP'S RECOMMENDATIONS,
20 ANY SPECIFIC RECOMMENDATIONS FROM STAFF, PUBLIC
21 COMMENT, AND, AGAIN, CLOSED SESSION, IF NECESSARY,
22 AND ALL THAT WILL TAKE PLACE BEFORE YOU CONDUCT
23 PROGRAMMATIC REVIEW.

24 AND THEN THE FINAL SIGNIFICANT CHANGE HAS
25 TO DO WITH PUBLIC COMMENT AND THE EXTRAORDINARY

BARRISTERS' REPORTING SERVICE

1 PETITION PROCESS. AS YOU MAY RECALL, APPLICANTS
2 UNDER FORMER POLICIES WERE ENTITLED TO FILE WHAT
3 WERE ESSENTIALLY APPEALS DIRECTLY WITH THE BOARD.
4 AT THE LAST MEETING THE BOARD ELIMINATED THAT POLICY
5 AS WELL AS THE ADDITIONAL ANALYSIS OPTION. OF
6 COURSE, INDIVIDUALS STILL HAVE AN OPPORTUNITY TO
7 MAKE PUBLIC COMMENTS. BUT IF AN APPLICANT WISHES TO
8 RAISE A MATERIAL DISPUTE OF FACT OR TO PRESENT
9 MATERIAL NEW INFORMATION, WE HAVE A NEW AND SEPARATE
10 AVENUE FOR THAT.

11 APPLICANTS HAVE AN OPPORTUNITY BEFORE THE
12 BOARD MEETING TO FILE AN APPEAL RELATED TO A
13 MATERIAL DISPUTE OF FACT OR REQUEST FOR NEW
14 INFORMATION, AND THOSE ARE FILED WITH CIRM STAFF WHO
15 WILL REVIEW THEM TO MAKE A DETERMINATION AS TO
16 WHETHER THE APPLICANT HAS MADE A CLEAR SHOWING TO
17 SATISFY THE CRITERIA APPROVED BY THE BOARD. IF THE
18 APPLICANT HAS NOT, THEN THE GRANTS WORKING GROUP'S
19 RECOMMENDATION WILL BE PRESENTED TO THE BOARD AND
20 YOU WILL HAVE AN OPPORTUNITY TO CONSIDER IT. ON THE
21 OTHER HAND, IF STAFF DETERMINES THAT THE APPLICANT
22 HAS MET THOSE THRESHOLD CRITERIA, THEN YOUR
23 CONSIDERATION OF THE APPLICATION WILL BE DEFERRED
24 WHILE STAFF AND THE PRESIDENT DETERMINE WHETHER
25 ADDITIONAL SCIENTIFIC REVIEW IS NEEDED.

BARRISTERS' REPORTING SERVICE

1 SO THOSE ARE ALL NEW POLICIES. OBVIOUSLY
2 IF YOU HAVE QUESTIONS ABOUT THEM AS WE GO ALONG OUR
3 BUSINESS TODAY, PLEASE DON'T HESITATE TO ASK.

4 MR. SHESTACK: I DO HAVE A QUESTION FOR
5 MR. HARRISON. IS THAT ALL RIGHT, J.T.? WHAT IS THE
6 PROCESS ENVISIONED FOR EVALUATING WHETHER OR NOT THE
7 NEW SPECIAL PROPOSITION, PROPOSAL WORKS, WHETHER OR
8 NOT, IN FACT, PEOPLE ARE AVAILING THEMSELVES OF THE
9 STAFF, WHETHER OR NOT -- HOW MANY ARE BEING
10 REVIEWED, HOW MANY ARE BEING REJECTED OF THE SPECIAL
11 PROPOSITIONS. IT SEEMS LIKE THIS IS SOMETHING THAT
12 THE BOARD WOULD LIKE TO KNOW ABOUT EARLIER RATHER
13 THAN LATER TO SEE WHETHER THIS MECHANISM IS
14 EFFECTIVE.

15 MR. HARRISON: YES. AS YOU WILL RECALL,
16 THE BOARD ADOPTED ALL OF THESE POLICIES WITH A VIEW
17 TOWARDS LOOKING AT THEM TO SEE IF THEY WERE
18 EFFECTIVE AND, IF NECESSARY, MAKING CHANGES. SO
19 AFTER WE HAVE SOME DATA, AFTER THESE POLICIES HAVE
20 BEEN IN PLACE FOR SOME TIME, WE CAN GATHER THAT DATA
21 AND PRESENT IT TO YOU SO YOU CAN HAVE A CHANCE TO
22 REVIEW HOW YOU BELIEVE IT'S WORKING.

23 MR. SHESTACK: SO PERHAPS IN SIX MONTHS WE
24 MIGHT HAVE ENOUGH -- SEVERAL GRANT PROCESSES THAT
25 HAVE GONE THROUGH THAT WE HAVE -- SIX MONTHS DATING

BARRISTERS' REPORTING SERVICE

1 BACK FROM THE ADOPTION, WE MIGHT HAVE ENOUGH DATA TO
2 HAVE A LOOK AT IT AND HAVE A CASUAL CONVERSATION
3 OVER WHETHER OR NOT IT'S WORKING?

4 MR. HARRISON: YEAH. I THINK THAT'S
5 RIGHT. IT MAY, DEPENDING UPON THE SCHEDULE FOR THE
6 BOARD'S CONSIDERATION OF APPLICATIONS, IT MAY BE
7 TOWARDS THE END OF 2013. BUT WE'LL CERTAINLY BRING
8 THAT TO YOU AS SOON AS THERE'S SUFFICIENT
9 INFORMATION FOR YOU TO MAKE INFORMED JUDGMENTS ABOUT
10 IT.

11 MR. SHESTACK: RIGHT. BUT WE'RE SUPPOSED
12 TO MAKE A FINAL JUDGMENT AT THE END OF A YEAR.
13 WOULD THAT BE NOT THE END OF 2013? THAT WOULD BE IN
14 THE MIDDLE OF 2014. IS THAT WHAT YOU'RE SAYING?

15 MR. HARRISON: RIGHT. THAT WOULD BE
16 PROBABLY IN APRIL OF 2014.

17 MR. SHESTACK: I STILL THINK SIX MONTHS
18 FROM THE ADOPTION OF THE REGS WOULD BE A GOOD
19 TARGET.

20 MR. HARRISON: WE'LL TARGET THAT; AND IF
21 WE HAVE ENOUGH INFORMATION, WE'LL BRING IT TO YOU
22 THEN.

23 CHAIRMAN THOMAS: THANK YOU, MR. HARRISON.
24 DR. YAFFE WILL PRESENT ON THIS ITEM. SORRY. MR.
25 SHEEHY. CAN'T SEE YOU IN THE GLARE THERE.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: JUST A QUICK QUESTION. DO WE
2 KNOW IF WE GOT ANY REQUESTS FOR RE-REVIEW IN EITHER
3 OF THESE TWO ROUNDS?

4 MR. HARRISON: YES. STAFF, WHEN THEY MAKE
5 THEIR PRESENTATION TO YOU, WILL DESCRIBE THAT THEY,
6 IN FACT, RECEIVED ONE APPEAL AND WHAT THEY'VE DONE
7 WITH IT.

8 DR. YAFFE: MR. CHAIRMAN, MEMBERS OF THE
9 COMMITTEE, MEMBERS OF THE PUBLIC, I'D LIKE TO
10 PRESENT FOR YOUR CONSIDERATION THE RECOMMENDATIONS
11 OF THE GRANTS WORKING GROUP ON THE MOST RECENT ROUND
12 OF RESEARCH LEADERSHIP AWARDS. THIS IS AGENDA ITEM
13 NO. 6.

14 JUST TO REFRESH YOUR MEMORY AND PROVIDE A
15 BRIEF OVERVIEW OF THIS PROGRAM, THE RESEARCH
16 LEADERSHIP AWARDS HAVE AS THEIR GOAL TO FACILITATE
17 THE RECRUITMENT TO CALIFORNIA OF THE MOST PRODUCTIVE
18 AND PROMISING EARLY TO MIDCAREER SCIENTISTS IN STEM
19 CELL BIOLOGY AND REGENERATIVE MEDICINE. AND
20 FOLLOWING THEIR SUCCESSFUL RECRUITMENT, TO SUPPORT
21 THEIR ROBUST AND INNOVATIVE RESEARCH PROGRAMS
22 FOCUSED ON FUNDAMENTAL STUDIES OF PLURIPOTENT AND
23 PROGENITOR STEM CELL BIOLOGY AND ALSO ON
24 TRANSLATIONAL STUDIES LEADING TO INNOVATIVE STEM
25 CELL-BASED THERAPIES FOR DISEASE AND INJURY.

BARRISTERS' REPORTING SERVICE

1 THESE PROGRAMS -- THIS PROGRAM IS OPEN TO
2 NONPROFIT CALIFORNIA INSTITUTIONS. THE CANDIDATE OR
3 PRINCIPAL INVESTIGATOR MUST HOLD A POSITION OUTSIDE
4 CALIFORNIA AT THE TIME OF APPLICATION AND HAVE BEEN
5 INDEPENDENT FOR AT LEAST THREE YEARS. INDIVIDUAL
6 ELIGIBLE INSTITUTIONS MAY RECEIVE ONLY ONE RESEARCH
7 LEADERSHIP AWARD.

8 THESE AWARDS FEATURE RESEARCH SUPPORT FOR
9 UP TO SIX YEARS, REQUIRE AWARDEES TO COMMIT AT LEAST
10 75 PERCENT OF THEIR TIME TO STEM CELL OR
11 REGENERATIVE MEDICINE-RELATED RESEARCH, AND INCLUDE
12 ELIGIBLE COSTS, INCLUDING THE PI'S SALARY, LAB
13 OPERATIONS, LAB RELOCATION COSTS, EQUIPMENT WHICH
14 MUST BE MATCHED ONE TO ONE BY THE INSTITUTION, AND
15 APPROPRIATE FACILITIES, AND INDIRECT COSTS.

16 THE GRANTS REVIEW GROUP HAS USED THE
17 FOLLOWING CRITERIA TO REVIEW THESE APPLICATIONS.
18 APPLICATIONS WERE REVIEWED PARTICULARLY IN THREE KEY
19 AREAS. ONE, RESEARCH VISION AND PLANS. HERE
20 CONSIDERING IN PARTICULAR THE SIGNIFICANCE OF THE
21 RESEARCH PROGRAM, ITS POTENTIAL IMPACT, AND THE
22 INNOVATION AND NOVELTY OF THE PLAN.

23 SECOND KEY AREA IS THE PI'S
24 ACCOMPLISHMENTS AND POTENTIAL. HERE CONSIDERING THE
25 RESEARCH ACHIEVEMENTS OF THE CANDIDATE; THE IMPACT,

BARRISTERS' REPORTING SERVICE

1 BOTH PREVIOUS IMPACT AND POTENTIAL IMPACT; THE
2 LEADERSHIP QUALITIES OF THE CANDIDATE, BOTH AS
3 PREVIOUSLY DEMONSTRATED AND THE PROJECTED LEADERSHIP
4 ROLES; AND AN ASSESSMENT OF THE ACCOMPLISHMENTS AND
5 POTENTIAL OF THE CANDIDATE BY LEADERS IN THE FIELD.
6 HERE THIS ANALYSIS IS DONE BY THE CONSIDERATION OF
7 LETTERS OF RECOMMENDATION.

8 AND THE THIRD KEY AREA IS THE
9 INSTITUTIONAL COMMITMENT AND ENVIRONMENT. AND WE
10 ASK REVIEWERS TO CONSIDER BOTH HOW THE INSTITUTION,
11 THE APPLICANT INSTITUTION, WILL BENEFIT THE
12 CANDIDATE AND HOW THE CANDIDATE WILL CREATE
13 SYNERGISTIC OPPORTUNITIES AND STRENGTHEN THE
14 RESEARCH PROGRAM AT THE INSTITUTION.

15 AS MANY OF YOU KNOW, WE HAVE HAD RECURRING
16 CYCLES OF APPLICATION AND REVIEW FOR THIS RFA. THIS
17 IS, IN FACT, CYCLE 12. IN THIS RECENT CYCLE THERE
18 WERE SIX APPLICATIONS RECEIVED. THE GRANTS WORKING
19 GROUP REVIEWED THESE APPLICATIONS IN MARCH. THEY
20 FOUND THIS GROUP TO BE AN EXTREMELY STRONG SET OF
21 PROPOSALS AND IMPRESSIVE INDIVIDUALS, FOCUSED ON A
22 DIVERSE RANGE OF RESEARCH, BOTH BASIC AND
23 TRANSLATIONAL RESEARCH. THE GRANTS WORKING GROUP
24 RANKED AND RATED THESE PROPOSALS ALL IN THE TOP
25 QUARTILE AND RECOMMENDED THE TOP FIVE FOR YOUR

BARRISTERS' REPORTING SERVICE

1 APPROVAL.

2 IN ADDITION, DR. TROUNSON AND THE
3 SCIENTIFIC STAFF ARE RECOMMENDING THE SIXTH PROPOSAL
4 FOR YOUR APPROVAL. THE RATIONALE FOR THIS
5 RECOMMENDATION IS THAT THE PROPOSAL RECEIVED A SCORE
6 OF 75, WHICH IS IN THE TRADITIONALLY FUNDABLE RANGE.
7 FIFTY PERCENT OF THE GRANTS WORKING GROUP VOTED TO
8 RECOMMEND THIS FOR FUNDING. UNDER OUR POLICIES A
9 TIE VOTE CANNOT BE A RECOMMENDATION FOR FUNDING.
10 MOREOVER, THE PROPOSED RESEARCH IS FOCUSED ON AREAS
11 CRITICAL TO CIRM'S MISSION: TRANSLATION, TOOL
12 DEVELOPMENT, TISSUE ENGINEERING, AND CELL
13 MANUFACTURING, AND ALSO FOCUSED ON A KEY THERAPEUTIC
14 AND DISEASE AREA, THAT OF CARDIAC DISEASE.

15 THE PI ON THIS APPLICATION HAS A
16 SUBSTANTIAL AND IMPRESSIVE TRACK RECORD, INCLUDING
17 MULTIPLE PUBLICATIONS IN HIGH PROFILE JOURNALS,
18 CONSIDERABLE EXTRAMURAL FUNDING, AND STRONG LETTERS
19 OF RECOMMENDATION. AND THE CANDIDATE'S RESEARCH
20 COMPLEMENTS THE STRENGTHS AND FOCUS OF THE PROGRAMS
21 AT THE APPLICANT INSTITUTION.

22 YOUR APPROVAL OF ALL SIX OF THESE
23 APPLICATIONS WILL REQUIRE OR WOULD REQUIRE AN
24 INCREASE IN THE OVERALL PROGRAM BUDGET. THE
25 ORIGINAL PROGRAM BUDGET APPROVED AT CONCEPT APPROVAL

BARRISTERS' REPORTING SERVICE

1 WAS UP TO \$44 MILLION FOR UP TO EIGHT AWARDS. THIS
2 BOARD HAS PREVIOUSLY APPROVED FOUR AWARDS FOR A
3 TOTAL OF \$21.7 MILLION. FUNDS REQUIRED FOR
4 APPROVING AND FUNDING THE SIX AWARDS UP FOR CURRENT
5 CONSIDERATION IS \$36.1 MILLION, REQUIRING AN
6 ADDITIONAL FUNDING OF 13.8 MILLION. I SHOULD NOTE
7 THAT THESE FUNDS ARE AVAILABLE IN THE FUTURE
8 UNALLOCATED POOL FOR TRAINING AND CAREER DEVELOPMENT
9 THAT DR. OLSON DISCUSSED A LITTLE BIT BEFORE.

10 IN SUMMARY, YOUR APPROVAL IS REQUESTED FOR
11 SIX LEADERSHIP AWARDS FOR A TOTAL COST OF 36.1
12 MILLION. THE SCIENTIFIC STAFF AND I WILL BE VERY
13 HAPPY TO ANSWER QUESTIONS FOR YOU ABOUT THE PROGRAM
14 OR ABOUT INDIVIDUAL APPLICATIONS. THANK YOU.

15 MR. TORRES: A PROCEDURAL QUESTION. DO WE
16 NEED TO VOTE FIRST TO INCREASE THE BUDGET OR BY OUR
17 VOTE ALONE OF THE SIX IT WILL BE INCORPORATED INTO
18 THAT VOTE?

19 MR. HARRISON: THE LATTER. YOU DO NOT
20 NEED TO VOTE TO INCREASE THE BUDGET.

21 MR. TORRES: THEN I SO MOVE.

22 DR. PRIETO: SECOND.

23 CHAIRMAN THOMAS: IT'S BEEN MOVED BY
24 SENATOR TORRES, SECONDED BY DR. PRIETO.

25 MR. GOLDBERG.

BARRISTERS' REPORTING SERVICE

1 MR. GOLDBERG: CAN WE HAVE A DISCUSSION
2 PRIOR TO THE VOTE?

3 CHAIRMAN THOMAS: ABSOLUTELY.

4 MR. GOLDBERG: SO MY QUESTION TO STAFF IS
5 INDEPENDENT OF THE MERITORIOUSNESS OF THE
6 RECOMMENDATION, WHICH I WILL ACCEPT FULLY, MY
7 QUESTION IS WHAT IS THIS GOING TO CROWD OUT FROM A
8 SPENDING STANDPOINT? SO WE'RE GOING TO SPEND MORE
9 MONEY THAN IS ALLOCATED IF YOUR PROPOSAL IS
10 ACCEPTED. THE QUESTION IS WHAT IS THAT -- WHAT ARE
11 WE GOING TO PUSH OUT?

12 DR. FEIGAL: JUST SO YOU KNOW, AND DR.
13 OLSON LOOKS LIKE SHE'S AT THE PODIUM, BUT WHAT SHE
14 PRESENTED TO YOU INCORPORATED THE POSSIBILITY THAT
15 ALL SIX COULD BE AWARDED. DR. OLSON CAN GO OVER
16 THAT WITH YOU.

17 DR. OLSON: SO AS I INDICATED, THERE IS
18 THIS STRATEGY OR THERE IS THIS SO-CALLED POT OF
19 MONEY OF \$146 MILLION WHICH ESSENTIALLY IS SO-CALLED
20 FUNDS NOT UTILIZED BY THE BOARD, THE DIFFERENCE
21 BETWEEN WHAT YOU APPROVED IN CONCEPT AND WHAT WAS
22 ACTUALLY AWARDED. WITHIN THAT CATEGORY OF 146
23 MILLION, WE TRACK ACTUALLY WHERE THAT CAME FROM.

24 SO IN THE CATEGORY OF UNALLOCATED FUNDS,
25 NOT THE OTHER 551 MILLION, BUT IN THE CATEGORY OF

BARRISTERS' REPORTING SERVICE

1 UNALLOCATED FUNDS, THERE WAS, FOR EXAMPLE, LEFT OVER
2 FROM NEW FACULTY PHYSICIAN SCIENTIST ROUGHLY 44
3 MILLION. IN THAT TRAINING CAREER DEVELOPMENT, THERE
4 WAS 6.4 MILLION FROM THE SUPPLEMENT TO -- WHAT WAS
5 THAT? -- IT WAS THE SABBATICAL PROGRAM WHICH
6 BASICALLY HAD NO UPTAKE OVER THE THREE YEARS.

7 SO THERE IS A BUCKET OF FUNDING THERE
8 WHICH, YES, AT SOME POINT -- BUT, YOU KNOW, I THINK
9 THE BOARD NEEDS TO THINK ABOUT THE NOTION OF WE'VE
10 TALKED ABOUT THIS PROGRAM AS PUTTING IN PLACE THOSE
11 LEADERS WHO WILL ACT AS A MAGNET TO BUILD PROGRAMS
12 AROUND AND TO ATTRACT RESEARCH AND FUNDING TO
13 CALIFORNIA. AND SO WE BELIEVE THAT WE'VE BEEN
14 PARTICULARLY FORTUITOUS IN THIS LATEST ROUND IN
15 HAVING -- BUT, SURE, IT'S ALWAYS A ZERO-SUM GAME AT
16 SOME POINT. BUT I AM SAYING THAT, ARGUABLY, YOU
17 COULD LOOK AT IT AS THERE ARE FUNDS AVAILABLE.

18 MR. ROTH: SO I HAVE A QUESTION ON THE
19 AMOUNTS. I RECALL THAT THESE WERE TARGETED AROUND
20 FIVE MILLION EACH.

21 DR. OLSON: WHAT THEY WERE ACTUALLY
22 TARGETED WAS A DIRECT COST BUDGET. AND AS YOU WELL
23 KNOW, DIFFERENT INSTITUTIONS HAVE A DIFFERENT
24 FACILITIES RATE. AND SO THAT REALLY MAKES A
25 DIFFERENCE. ON AVERAGE I THINK, IF I AVERAGE THE

BARRISTERS' REPORTING SERVICE

1 AWARDS THAT HAVE BEEN MADE, THEY COME OUT AT ROUGHLY
2 5.8 MILLION, BUT SOME ARE HIGHER AND SOME ARE LESS.

3 MR. ROTH: AND THE QUESTION I HAVE IS CAN
4 YOU NEGOTIATE THOSE?

5 DR. OLSON: YOU KNOW, THE DIRECT COSTS ARE
6 WHAT WE SAID WAS IN THE AWARD. WE SAID THERE'S THIS
7 MUCH FOR THIS, THIS MUCH FOR EQUIPMENT, THERE'S THIS
8 MUCH FOR THIS. I MEAN THE INDIRECT RATE HAS BEEN
9 FIXED, AND THEN THE FACILITIES RATE IS REALLY THE
10 ONLY NEGOTIABLE ONE. AND I MAY LET MR. THOMPSON
11 FROM GRANTS MANAGEMENT COMMENT ON THAT, BUT
12 BASICALLY I HAVEN'T RUN INTO AN INSTITUTION YET
13 THAT'S USUALLY WILLING TO NEGOTIATE THAT.

14 MR. ROTH: WELL, WE CAN NEGOTIATE. I'M
15 TROUBLED THAT THE LOWEST TWO SCORES ARE THE HIGHEST
16 NUMBERS. I'M NOT LIKELY -- THAT WOULD INFLUENCE MY
17 DECISION.

18 DR. OLSON: AS I SAY, THAT IS BECAUSE OF
19 THEIR FACILITIES RATES. IT REALLY IS.

20 MR. ROTH: THEY CAN FIX THAT, I THINK.

21 CHAIRMAN THOMAS: LET'S SEE. WE HAD --
22 RESPONSE TO THIS QUESTION, I THINK DR. FEIGAL AND
23 MR. HARRISON.

24 MR. HARRISON: I JUST WANT TO MAKE A POINT
25 ABOUT THE GROUND RULES. IT WOULD BE HELPFUL, SINCE

BARRISTERS' REPORTING SERVICE

1 SOME MEMBERS HAVE CONFLICTS WITH RESPECT TO SPECIFIC
2 APPLICATIONS, IF THERE IS A DISCUSSION ABOUT A
3 SPECIFIC APPLICATION, THAT WE FOCUS ON THAT, OR
4 GENERAL QUESTIONS, TO MAKE THOSE WITHOUT REFERENCE
5 TO THE MOTION THAT'S CURRENTLY ON THE TABLE.

6 CHAIRMAN THOMAS: I'M NOT QUITE SURE WE
7 FOLLOW THAT, MR. HARRISON.

8 MR. HARRISON: HERE'S THE PROBLEM. THE
9 MOTION THAT'S CURRENTLY ON THE TABLE IS TO APPROVE
10 ALL SIX APPLICATIONS. THOSE INDIVIDUALS WHO ARE ON
11 THE BOARD WHO HAVE A CONFLICT WITH RESPECT TO ONE OF
12 THOSE APPLICATIONS ARE PRECLUDED FROM SPEAKING TO
13 THE MOTION. SO THAT'S THE CHALLENGE WE FACE.

14 DR. PRICE: POINT OF ORDER. IF THE MOTION
15 HAD NOT BEEN MADE, THAT CONSTRAINT WOULD NOT APPLY;
16 IS THAT RIGHT?

17 MR. HARRISON: CORRECT.

18 DR. PRICE: SO CAN WE ASK THE MAKER OF THE
19 MOTION TO WITHDRAW THE MOTION SO WE CAN HAVE A
20 DISCUSSION?

21 MR. TORRES: OF COURSE.

22 DR. PRICE: PLEASE WITHDRAW YOUR MOTION.

23 MR. TORRES: OF COURSE. ABSOLUTELY.

24 DR. PRIETO: I AGREE.

25 CHAIRMAN THOMAS: DR. FEIGAL, DID YOU HAVE

BARRISTERS' REPORTING SERVICE

1 A COMMENT ON MR. ROTH'S COMMENT?

2 DR. FEIGAL: I HAVE A COMMENT. I'M SORT
3 OF HESITATING TO MAKE IT. WHAT THE HECK, I'LL MAKE
4 IT. THIS WAS THE PROPOSED LAST ROUND ALSO OF
5 RESEARCH LEADERSHIP AWARDS. WE'RE STILL GOING TO BE
6 DELIBERATING AND DEBATING WHETHER OR NOT WE DO
7 ANOTHER ROUND. SO AS OPPOSED TO PREVIOUS YEARS
8 WHERE THERE MIGHT ALWAYS BE A SUBSEQUENT ONE, WE
9 CAN'T GUARANTEE THAT WITH THIS PARTICULAR
10 INITIATIVE. SO THAT ALSO WENT INTO THE THINKING
11 PROCESS. I JUST WANTED TO SHARE THAT COMMENT.

12 CHAIRMAN THOMAS: DR. MELMED AND THEN MR.
13 SHESTACK.

14 DR. MELMED: BECAUSE THIS IS THE LAST ONE
15 THAT YOUR STAFF IS APPROVING FOR US IS OUTSIDE OUR
16 PEER REVIEW PROCESS, CAN YOU PERHAPS TELL US,
17 WITHOUT VIOLATING ANY COMPLIANCE RULES, WHAT THE
18 CONCERNS WERE ABOUT THE LAST ONE? WHAT WAS THE
19 REASON FOR THE LOWER SCORE? WAS THERE SOMETHING
20 THAT THIS BOARD SHOULD UNDERSTAND THAT BOTHERED THE
21 PEER REVIEW GROUP? BECAUSE YOU'RE ASKING THE BOARD
22 TO APPROVE SOMETHING WHICH WAS NOT APPROVED IN THE
23 PEER REVIEW PROCESS.

24 SO PERHAPS YOU COULD SHARE WITH US WHAT
25 THEIR CONCERNS WERE AND AT THE SAME TIME PERHAPS

BARRISTERS' REPORTING SERVICE

1 SHARE WITH US MORE OF WHY STAFF THINKS THIS
2 INDIVIDUAL IS A GREAT CANDIDATE. CAN YOU GIVE US
3 SOME EXAMPLES OF WHY THE INDIVIDUAL IS A WONDERFUL
4 CANDIDATE AND SHARE WITH US WHY THERE WERE CONCERNS
5 EXPRESSED?

6 DR. YAFFE: WE CAN DO THAT. WE CAN'T BE
7 TOO SPECIFIC WITHOUT BEING IN CLOSED SESSION.

8 DR. MELMED: I UNDERSTAND.

9 DR. YAFFE: DR. KADYK COULD PRESENT TO YOU
10 THAT APPLICATION IF THAT'S THE DESIRE OF THE BOARD
11 NOW.

12 MR. SHESTACK: IN DECIDING WHETHER OR
13 NOT -- THIS WAS A PARTICULARLY -- I MEAN THERE WAS
14 SOME DEVIATION. THERE WERE PEOPLE WHO WERE
15 PASSIONATE ENDORSERS OF THIS APPLICANT AND THEN
16 OTHERS WHO FELT -- I RECALL MAYBE THE PUBLICATION
17 HISTORY HADN'T BEEN AS ROBUST. BUT IT IS SUCH AN
18 INTERESTING APPLICANT, THAT IF YOU CAN'T DO A FULL
19 DISCUSSION IN GROUP, THEN YOU SHOULDN'T BOTHER TO DO
20 IT. YOU SHOULD DO IT IN CLOSED SESSION WHERE YOU
21 ACTUALLY CAN DO IT BECAUSE YOU'RE GOING TO HAVE A
22 WATERED-DOWN KIND OF EXPERIENCE, WHICH WE ARE
23 ENFORCING.

24 AND THE OTHER THING I WOULD LIKE TO POINT
25 OUT, FOR THOSE OF US WHO WEREN'T HERE, THIS WAS AN

BARRISTERS' REPORTING SERVICE

1 UNUSUAL REVIEW. HAVING BEEN THROUGH MANY GRANT
2 REVIEWS WHERE IT WAS KIND OF VERY -- THE EXCITEMENT
3 RATE WAS MEDIOCRE OR TEPID, IT WAS UNUSUAL TO BE IN
4 THIS GRANT REVIEW GROUP WHERE FIVE OUT OF SIX WERE
5 ENDORSED WITHOUT ANY RESERVATION AND EVEN THE LAST
6 HAD AMAZINGLY STRONG BACKERS. IT WAS --
7 STATISTICALLY IT WAS JUST AN ANOMALY. BUT THE GRANT
8 REVIEW GROUP TO A MAN AND WOMAN WERE INCREDIBLY
9 IMPRESSED BY THIS GROUP OF APPLICANTS AND ALSO FELT
10 THEY WOULD ADD AN AMAZING AMOUNT TO CALIFORNIA, AND
11 THEY WOULD ALL BE WITHIN A COUPLE YEARS ABLE TO
12 STAND ALONE ON THEIR OWN FUNDING IN CALIFORNIA.

13 DR. MELMED: THAT WASN'T MY QUESTION.

14 MR. SHESTACK: YOU WANT TO KNOW ABOUT NO.
15 6.

16 MR. ROTH: PUT THE SLIDE UP THAT YOU
17 SHOWED BEFORE ON THAT APPLICANT.

18 MS. SAMUELSON: I'M THINKING ABOUT IT AND
19 I'M WONDERING WHAT THE STAFF INPUT IS ON THIS. IS
20 THERE A WAY OF COMPARING THE SPENDING OF THIS MONEY,
21 WHICH WOULD TAKE US DOWN TO 110 MILLION IN THE
22 UNALLOCATED FUNDS?

23 DR. OLSON: AS I INDICATED, THE GRAPHS
24 THAT I PRESENTED ASSUMED THE RECOMMENDATIONS AND
25 PROPOSALS BEING BROUGHT TO THIS BOARD WERE

BARRISTERS' REPORTING SERVICE

1 IMPLEMENTED. SO IT'S 146 IF YOU ACCEPT THE
2 RECOMMENDATIONS.

3 MS. SAMUELSON: WHAT I'M TRYING TO DO IS
4 THINK ABOUT WHAT IS THE BANG FOR THE BUCK OF
5 SPENDING THAT CHUNK OF MONEY ON THIS PROGRAM. AND
6 I'M A BIG FAN OF THE RESEARCH LEADERSHIP AWARDS. I
7 THINK WE PROBABLY GET A LOT FOR OUR MONEY BECAUSE OF
8 THE SYNERGY OF BRINGING PEOPLE IN FROM OUT-OF-STATE
9 AND THAT WOULD LURE OTHER PEOPLE OF EXCELLENCE FROM
10 THEIR LABS AND SO ON, AND IT'S HIGHLY COLLABORATIVE
11 AND SO ON.

12 SO IT MIGHT BE THAT I WOULD CONCLUDE THAT
13 IT'S A GREAT USE OF FUNDS, BUT I WANT TO BE SURE
14 WE'RE ASKING AS COMPARED TO WHAT ELSE. AND I WOULD
15 THINK THAT PROBABLY THAT'S SOMETHING THAT THE STAFF
16 DOES ON A REGULAR BASIS AS YOU'RE CHOOSING WHAT YOU
17 ARE GOING TO RECOMMEND FOR FUNDING. SO THAT'S MY
18 QUESTION, I GUESS.

19 HOW DO YOU SEE THE SPENDING OF THIS MONEY
20 FOR THAT AWARD AS COMPARED TO SOME OTHER USE OF IT
21 AT THIS STAGE IN OUR SPENDING HISTORY?

22 DR. OLSON: I GUESS WHAT I'M SAYING OR
23 WHAT I WOULD LIKE TO REMIND THE BOARD OF IS THAT AT
24 THE MAY 2012 MEETING THE BOARD AGREED TO AN
25 ALLOCATION OF FUNDS FOR RESEARCH IN TRAINING CAREER

BARRISTERS' REPORTING SERVICE

1 DEVELOPMENT, FOR RESEARCH AND DEVELOPMENT, FOR
2 RESEARCH IN BASIC BIOLOGY, AND FOR RESEARCH IN
3 TRANSLATIONAL MEDICINE. EVERYTHING WE HAVE DONE
4 SINCE THAT TIME ESSENTIALLY, AND WE HAVE BROUGHT IT
5 TO YOU AT EVERY STEP ALONG THE WAY, WE HAVE BROUGHT
6 YOU CONCEPT PROPOSALS, WE HAVE BROUGHT YOU FUNDING
7 RECOMMENDATIONS. IT HAS ALL BEEN CONSISTENT WITH
8 THAT STRATEGY.

9 SO IN POINT OF FACT, WE ARE NOT ASKING TO
10 DO ANYTHING OUTSIDE OF ESSENTIALLY THAT FUNDING
11 STRATEGY. I APPRECIATE YOUR CONSIDERATION, BUT I DO
12 NOTE THAT IF YOU THINK ABOUT WHAT WE ARE TRYING TO
13 DO, AND PART OF WHAT WAS IN PROPOSITION 71 WAS TO
14 MAKE CALIFORNIA A LEADER IN STEM CELL RESEARCH, A
15 MAGNET FOR INVESTMENT AND RESEARCH. AND I THINK WE
16 ALL THINK, AND I KNOW YOU ALL THINK, BECAUSE I THINK
17 YOU WERE ALL VERY EXCITED ABOUT THE RESEARCH
18 LEADERSHIP PROGRAM, BY BRINGING PEOPLE HERE WHO ARE
19 THE MIDCAREER SCIENTISTS WHO ARE THE LEADERS OF THE
20 NEXT GENERATION, WE HELP REACH THAT GOAL TOO.

21 SO I GUESS THOSE ARE CONSIDERATIONS I
22 WOULD ASK YOU TO TAKE IN MIND.

23 CHAIRMAN THOMAS: MR. JUELSGAARD.

24 DR. JUELSGAARD: THIS IS A FOLLOW-UP TO
25 MICHAEL'S QUESTION AND IN SOME SENSE IN CONCERT WITH

BARRISTERS' REPORTING SERVICE

1 JOAN'S. SO IF YOU ASSUME FOR A MOMENT THAT THESE
2 INDIVIDUALS WERE ACTUALLY ALREADY LOCATED IN
3 CALIFORNIA, SO WE AREN'T TRYING TO BRING THEM HERE,
4 BUT THEY'RE HERE AND THEY WERE BRINGING PROPOSALS
5 FORWARD FOR FUNDING BY THIS ORGANIZATION, SO IT'S
6 NOT PART OF RESEARCH LEADERSHIP, BUT JUST THE
7 GENERAL FUNDING APPROACH, WHAT GROUPS WOULD THEY
8 FALL INTO? ARE THEY ALL BASIC BIOLOGY, ARE SOME
9 TRANSLATIONAL? WHAT ARE THEY? BECAUSE I THINK ONE
10 WAY OF GETTING AT YOUR QUESTION IS TO SAY TO THE
11 EXTENT THAT THERE'S OVERAGE OF CLOSE TO \$14 MILLION,
12 THAT MAYBE WE OFFSET THAT AMOUNT OF MONEY AGAINST
13 ONE OR MORE OF THE OTHER BUCKETS THAT WE HAVE.

14 DR. YAFFE: I WOULD SAY THAT THE MAJORITY
15 OF RESEARCH LEADERSHIP AWARDS THAT HAVE BEEN MADE
16 ALREADY AND SOME OF THESE CANDIDATES WERE IN BASIC
17 BIOLOGY. HOWEVER, THE ONE UNDER CONSIDERATION NOW,
18 THE LOWEST SCORING ONE IS IN TRANSLATION, VERY MUCH
19 IN TRANSLATION. THE SECOND HIGHEST SCORING ONE IS
20 ALSO TRANSLATIONAL.

21 I'D ALSO JUST LIKE TO AUGMENT WHAT DR.
22 OLSON SAID. WHEN THESE INDIVIDUALS ARE BROUGHT
23 HERE, WE'RE NOT JUST BRINGING AN INDIVIDUAL. WE'RE
24 BRINGING A LABORATORY. THESE ARE PEOPLE WHO HAVE
25 ESTABLISHED LABS, ESTABLISHED RESEARCH PROGRAMS.

BARRISTERS' REPORTING SERVICE

1 THEY'RE COMING -- THEY'RE BRINGING NIH GRANTS,
2 THEY'RE BRINGING FOUNDATIONAL GRANTS, THEY'RE
3 BRINGING OTHER KINDS OF MONIES INTO CALIFORNIA.
4 THEY'RE BRINGING INDIVIDUALS IN. THEY ARE
5 ESTABLISHING A ROBUST RESEARCH PROGRAM HERE.

6 SO IN A WAY IT'S NOT DIRECTLY COMPARABLE,
7 I THINK, TO A SINGLE RESEARCH GRANT LIKE A BASIC
8 BIOLOGY GRANT.

9 CHAIRMAN THOMAS: DR. KADYK, COULD WE GET
10 BACK TO DR. MELMED'S QUESTION, PLEASE?

11 DR. KADYK: I'D LIKE TO SHARE WITH YOU
12 JUST A BRIEF SUMMARY OF WHAT WE CAN PUBLICLY
13 DISCLOSE FROM THE GRANTS WORKING GROUP DISCUSSION.
14 SO, AGAIN, THIS IS THE APPLICATION LA 106916
15 ENTITLED "ENGINEERING CARDIAC TISSUE FOR
16 REGENERATION AND DRUG DEVELOPMENT."

17 AND SO THE OVERALL SUMMARY IS THIS
18 APPLICANT IS A RECENTLY PROMOTED FULL PROFESSOR WHO
19 IS A RECOGNIZED LEADER IN THE BIOENGINEERING FIELD
20 FOR HIS OR HER WORK ON BIOMATERIALS AND TISSUE
21 MIMETICS. AND THE GOAL OF THIS PROPOSAL, AS DR.
22 YAFFE JUST MENTIONED, IS TRANSLATIONAL IN NATURE.
23 NAMELY, HE OR SHE WANTS TO DEVELOP SCALABLE GMP
24 COMPLIANT METHODS FOR DERIVATION OF MATURE AND FULLY
25 FUNCTIONAL HUMAN CARDIOMYOCYTES FROM HUMAN

BARRISTERS' REPORTING SERVICE

1 PLURIPOTENT STEM CELLS. AND THIS WILL BE DONE BY
2 USING BIOMATERIALS TO MIMIC THE CELLULAR ENVIRONMENT
3 IN THE HEART MUSCLE.

4 AND SO, IF SUCCESSFUL, THE RESULTING
5 PROCESS WOULD ALLOW FOR CONSISTENT PRODUCTION OF
6 SUFFICIENT QUANTITIES OF CELLS TO BE USED FOR
7 REGENERATIVE MEDICINE THERAPIES. AND I CAN JUST
8 BRIEFLY SUMMARIZE SOME OF THE STRENGTHS AND
9 WEAKNESSES THAT WERE DISCUSSED IN THE VARIOUS KEY
10 CATEGORIES OF CONSIDERATION FOR THIS PARTICULAR RFA.

11 SINCE THIS IS A RESEARCH LEADERSHIP AWARD,
12 OF COURSE, THE APPLICANT THEMSELF IS A MAJOR
13 CONSIDERATION. AND WITH RESPECT TO THIS PARTICULAR
14 APPLICANT, THE GRANT WORKING GROUP REALLY PRAISED
15 THIS APPLICANT AS A BIG THINKER WHO COMES UP WITH
16 UNIQUE, CLEVER, AND CREATIVE IDEAS AND WHO HAS HAD
17 MULTIPLE PUBLICATIONS IN HIGH IMPACT JOURNALS IN
18 BOTH THE ENGINEERING AND THE BIOMEDICAL FIELDS, AND
19 WHO HAS ALSO ALREADY GENERATED SUBSTANTIAL
20 INDEPENDENT FUNDING TO MAINTAIN A LARGE LABORATORY
21 GROUP.

22 THE WORKING GROUP ALSO NOTED THAT
23 RECOGNIZED LEADERS IN THE FIELDS OF BOTH
24 BIOENGINEERING AND OF CARDIAC REGENERATIVE MEDICINE
25 WROTE LETTERS OF SUPPORT FOR THE APPLICANT, STATING

BARRISTERS' REPORTING SERVICE

1 THAT HE OR SHE HAS ALREADY HAD AN IMPACT ON THE
2 FIELDS OF CARDIAC REGENERATIVE MEDICINE AND TISSUE
3 ENGINEERING, AND THAT HE OR SHE WOULD CONTINUE, THEY
4 EXPECTED, TO HAVE A VERY POSITIVE IMPACT ON THE
5 APPLICANT INSTITUTION.

6 FOR THE RESEARCH VISION AND PLANS, THE
7 GRANT WORKING GROUP FELT THAT THE ABILITY TO
8 MANUFACTURE CARDIOMYOCYTES AT SCALE WAS, IN FACT, A
9 SIGNIFICANT CHALLENGE IN THE FIELD THAT, IF
10 OVERCOME, COULD HAVE A MAJOR IMPACT. THEY WERE A
11 LITTLE LESS CONVINCED THAT THE GOAL OF DEVELOPING
12 GMP QUALITY STANDARDS FOR THIS PROCESS WAS A
13 SIGNIFICANT BOTTLENECK.

14 THEY DIDN'T FIND THE PROPOSED WORK TO BE
15 PARTICULARLY INNOVATIVE SINCE THE GENERAL APPROACH
16 IS COMMONLY USED BY OTHERS, BUT ALSO STATED THEY
17 DIDN'T FEEL ENOUGH INFORMATION WAS GIVEN IN THE
18 APPLICATION TO REALLY UNDERSTAND WHETHER THE
19 APPROACH WAS TRULY NOVEL. NEVERTHELESS, THE
20 REVIEWERS FELT THAT THE SIGNIFICANCE OF
21 UNDERSTANDING THE EFFECTS OF MECHANICAL STIMULI ON
22 CARDIOMYOCYTE AND HEART FUNCTION COULD LEAD TO NEW
23 INSIGHTS ABOUT HEART DISEASE IN ADDITION TO THE
24 PRIMARY GOAL OF BEING ABLE TO MANUFACTURE
25 CARDIOMYOCYTES AT SCALE.

BARRISTERS' REPORTING SERVICE

1 FINALLY, WITH RESPECT TO THE INSTITUTIONAL
2 COMMITMENT AND THE ENVIRONMENT, THE GRANTS WORKING
3 GROUP FELT THERE'S A VERY RICH ENVIRONMENT AT THE
4 APPLICANT INSTITUTION THAT WOULD SIGNIFICANTLY
5 BENEFIT THE PI, THE APPLICANT PI, AND WOULD PROVIDE
6 OPPORTUNITIES TO MOVE HIS OR HER RESEARCH IN NEW
7 DIRECTIONS. THE INSTITUTIONAL COMMITMENT WAS GOOD,
8 INCLUDING LAB SPACE, START-UP SUPPORT, MATCHING
9 FUNDS, AND SO ON.

10 THE GRANTS WORKING GROUP DID COMMENT THAT
11 THEY WERE A LITTLE BIT DISAPPOINTED THAT SPECIFIC
12 PLANS FOR COLLABORATIONS WITH MEMBERS OF THE
13 APPLICANT INSTITUTION WERE NOT SPELLED OUT IN THE
14 APPLICATION. BUT AS I STATED PREVIOUSLY, THEY DID
15 FEEL THAT THE APPLICANT WOULD HAVE A VERY POSITIVE
16 EFFECT ON THE INSTITUTION. I THINK THAT'S WHAT I
17 CAN SHARE WITH YOU IN PUBLIC.

18 CHAIRMAN THOMAS: DR. KADYK, AS I RECALL,
19 THERE WAS SORT OF ONE, MAYBE MORE, OUTLIERS ON THE
20 LOW SIDE ON THE VOTES. DO YOU HAPPEN TO RECALL?
21 WAS THAT ONE OF THE PRESENT ACTUALLY REVIEWERS WHO
22 SPOKE, OR WAS THAT JUST A SCORE THAT WAS INDICATED
23 AT THE END? AND DO YOU KNOW WHAT THE ISSUES WERE
24 WITH RESPECT TO THAT ONE PARTICULAR PERSON?

25 DR. KADYK: I ACTUALLY DON'T KNOW WHO GAVE

BARRISTERS' REPORTING SERVICE

1 THE LOW SCORE. SO I DON'T KNOW IF IT WAS ONE OF THE
2 PRIMARY REVIEWERS OR NOT.

3 DR. YAFFE: I THINK WHAT WE CAN SAY IN
4 TERMS OF THE SCORES, THOUGH, IS THAT THERE WERE --
5 THERE WAS ONE -- WE'VE SHOWN YOU -- I THINK YOU HAVE
6 IN THE MATERIALS THERE THE RANGE OF SCORES FROM 50
7 TO 85. THERE WAS ONE 50, THERE WAS ONE 60. ALL THE
8 REST OF THE SCORES WERE FROM 70 AND UP. I'M SORRY.
9 I HAVE A CORRECTION, THAT THE MEDIAN IS ACTUALLY 78,
10 NOT 77.

11 DR. JUELSGAARD: SO I WOULD JUST LIKE TO
12 READ TWO SENTENCES FROM WHAT YOU PROVIDED US AND
13 THEN ASK A LITTLE ABOUT THE EXPERTISE OF THE PEOPLE
14 AT THE MEETING IN TERMS OF WEIGHING IN ON THIS
15 ISSUE.

16 SO THE APPLICANT STATES THAT IN MOST CASES
17 THE SCIENTIFIC FIELD HAS YET TO PREPARE A MODEL OF
18 STEM CELL MANUFACTURING THAT WILL MEET THE FOOD AND
19 DRUG ADMINISTRATION'S REQUIREMENTS OF GOOD
20 MANUFACTURING PRACTICES AND PROVIDE SUFFICIENT
21 QUANTITIES OF QUALITY STEM CELLS TO MEET PATIENT
22 NEED.

23 AND THEN THE SECOND SENTENCE IS IT WAS
24 FELT THAT DEVELOPING GMP QUALITY STANDARDS FOR
25 PRODUCTION OF CARDIOMYOCYTES WAS NOT A KEY

BARRISTERS' REPORTING SERVICE

1 BOTTLENECK FOR DEVELOPING THESE THERAPIES.

2 SO THOSE TWO STATEMENTS STAND, I THINK, IN
3 PRETTY STARK CONTRAST TO EACH OTHER. SO IN TERMS OF
4 THE EVALUATION THAT WAS MADE BY THE GRANTS WORKING
5 GROUP, WHAT WAS THE EXPERTISE, THE REGULATORY
6 EXPERTISE, AND IN PARTICULAR IN THE PROCESS SCIENCES
7 AREA, OF WHOEVER WERE MAKING THESE JUDGMENTS?

8 DR. KADYK: WELL, FIRST OF ALL, I THINK TO
9 MAYBE EXPLAIN THE APPARENT CONFLICT BETWEEN THOSE
10 TWO STATEMENTS, I THINK THEY WERE MAKING THE
11 DISTINCTION BETWEEN THE ABILITY TO SCALE UP, WHETHER
12 A GMP LEVEL OR NOT, OF CARDIOMYOCYTES, AND THEN
13 APPLYING THOSE GMP QUALITY STANDARDS WOULD BE A
14 SECONDARY STEP IN THAT PROCESS. MAYBE THAT'S A
15 LITTLE BIT OF A FINE DISTINCTION.

16 I THINK IN TERMS OF THE -- YOU ARE ASKING
17 WHO WERE THE REGULATORY EXPERTS ON THE REVIEW PANEL?

18 DR. JUELSGAARD: IN THIS AREA IN
19 PARTICULAR, NOT JUST ON FDA ISSUES GENERALLY, BUT ON
20 WHAT I WOULD CALL PROCESS SCIENCES/CMC ISSUES.

21 DR. KADYK: TRYING TO RECALL.

22 DR. YAFFE: THERE WAS NO SPECIFIC
23 REGULATORY EXPERTISE ON THE PANEL IN THIS AREA.
24 THERE WERE SOME INDIVIDUALS WHO HAD SOME EXPERIENCE
25 WITH THIS, BUT IN THIS AREA THERE WAS NO REGULATORY

BARRISTERS' REPORTING SERVICE

1 EXPERTISE.

2 DR. JUELSGAARD: THAT'S WHAT I ASSUMED
3 FROM THE SECOND OF THE TWO STATEMENTS.

4 CHAIRMAN THOMAS: DR. STEWARD.

5 DR. STEWARD: MY COMMENTS ARE MORE
6 GENERAL, SO IF WE COULD MAYBE FINISH WITH THIS
7 APPLICATION, AND THEN I'LL COME BACK AND MAKE
8 GENERAL COMMENTS.

9 CHAIRMAN THOMAS: OKAY. DR. MELMED.

10 DR. MELMED: JUST TO COME BACK TO YOUR
11 QUESTION, I'M A LITTLE PUZZLED BY THAT AS WELL.
12 THERE ARE TRIALS ONGOING WITH HUMAN CARDIAC STEM
13 CELLS. SO I'M ALSO PUZZLED BY THAT STATEMENT.

14 DR. JUELSGAARD: SO CLINICAL TRIALS DON'T
15 HAVE TO BE CONDUCTED UNDER GMP. GMP IS ESSENTIALLY
16 A REQUIREMENT IN THE COMMERCIALIZATION. AND IN
17 THEORY YOU SHOULD BE WORKING ON, AS YOU SCALE UP, TO
18 SCALING UP TO GMP STANDARDS AS WELL. SO THE
19 QUESTION IS WHAT GMP STANDARDS HAVE BEEN DEVELOPED
20 BECAUSE ESSENTIALLY THOSE ARE DEVELOPED BY THE FDA.
21 AND I THINK THERE'S A LOT OF LACK OF CLARITY. IN
22 FACT, I THINK THERE'S A LOT THAT HAS TO BE DONE YET
23 TO ESTABLISH THOSE GMP'S IN THIS AREA. I THINK IT'S
24 ACTUALLY ONE OF THE THINGS THAT PERHAPS THIS
25 ORGANIZATION COULD HELP WITH IN TERMS OF DEALING

BARRISTERS' REPORTING SERVICE

1 WITH THE FDA. THAT'S ANOTHER BIG DISCUSSION FOR
2 ANOTHER TIME.

3 CHAIRMAN THOMAS: OKAY. ANY OTHER
4 COMMENTS?

5 DR. PRICE: I'D JUST LIKE TO GO BACK TO
6 DUANE'S QUESTION, WHICH RELATES TO THE LEVEL OF
7 FUNDING THAT'S BEING REQUESTED HERE AND WHICH, I
8 GUESS, HAS BEEN APPROVED, AT LEAST PROVISIONALLY
9 APPROVED, ESPECIALLY IN LIGHT OF THE CONSTRAINTS
10 THAT MICHAEL SPOKE TO WITH RESPECT TO OUR CONTINUING
11 SHRINKING POT OF MONEY TO ALLOCATE. SO THE ANSWER
12 TO THE QUESTION WHY IS THIS SO MUCH HIGHER, NOT JUST
13 ALL THE OTHERS THAT WE HAVE HERE, BUT THE AVERAGE OF
14 WHAT WE'VE BEEN GIVING OUT IN THE PAST, WAS THAT THE
15 FACILITIES RATE OF THE PARTICULAR INSTITUTION WERE
16 PARTICULARLY HIGH RELATIVE TO THESE OTHERS.

17 MY QUESTION HERE IS IF WE DON'T PROVIDE
18 THE TOTAL AMOUNT OF MONEY, WE PROVIDE, I DON'T KNOW,
19 5,500,000, 6 MILLION, IT SEEMS TO ME THE INSTITUTION
20 HAS A CHOICE OF EITHER ADJUSTING ITS RATE OR FINDING
21 MONEY FROM ANOTHER POT TO COVER THAT, TO MOVE MONEY
22 FROM ONE PLACE TO ANOTHER IN ORDER TO GET THE FULL
23 AMOUNT. SO I WOULD PROPOSE THAT WE FIND WHAT WE
24 THINK IS A REASONABLE AMOUNT AND LET THE
25 INSTITUTION, IF THEY WANT TO RECRUIT THIS

BARRISTERS' REPORTING SERVICE

1 INDIVIDUAL, MAKE THE NECESSARY ADJUSTMENTS TO MEET
2 THE BUDGET NEEDS, IF INDEED MEETING THAT LEVEL IS
3 WHAT'S REQUIRED TO BRING THIS PERSON HERE. THAT'S
4 MY SUGGESTION.

5 CHAIRMAN THOMAS: MR. HARRISON, DO YOU
6 HAVE A COMMENT?

7 MR. HARRISON: SO THE GRANTS
8 ADMINISTRATION POLICY SPECIFIES THE FACILITIES RATE.
9 SO IT'S ESTABLISHED BY REGULATION, AND IT'S TIED TO
10 THE FEDERALLY NEGOTIATED RATE. SO THAT'S FIXED BY
11 REGULATION.

12 DR. PRICE: DIFFERENT INSTITUTIONS HAVE
13 DIFFERENT RATES.

14 MR. HARRISON: BECAUSE THEY HAVE
15 NEGOTIATED DIFFERENT RATES.

16 DR. PRICE: OKAY. I GOT IT.

17 CHAIRMAN THOMAS: DR. POMEROY.

18 DR. POMEROY: BUT ALONG THOSE LINES, IS IT
19 AN OPTION TO CUT THE TOP FIVE BY A MILLION EACH TO
20 GENERATE FIVE MILLION TO FUND THE SIXTH ONE, FOR
21 EXAMPLE?

22 DR. YAFFE: THIS IS NOT A DIRECT ANSWER TO
23 THAT. BUT I WANT TO REMIND THE BOARD THAT THESE ARE
24 RECRUITMENT AWARDS. THE CHANCE OF US RECRUITING ALL
25 SIX OF THESE MAY NOT BE GREAT. AND THE BOARD HAS

BARRISTERS' REPORTING SERVICE

1 MADE AWARDS IN THIS CATEGORY IN THE PAST WHERE WE
2 HAVE NOT BEEN ABLE TO LAND THE CANDIDATE. SO IN A
3 WAY WE'RE DEALING OUT IN THE HYPOTHETICAL. OF
4 COURSE, WE WANT TO BE RESPONSIBLE AND MAKE SURE THE
5 MONEY IS THERE SHOULD ALL SIX COME TO CALIFORNIA.
6 WE WOULD BE, BY MY ESTIMATION, INCREDIBLY LUCKY TO
7 ACHIEVE THAT, BUT THE CHANCE THAT WE'RE GOING TO
8 LAND ALL SIX IS NOT CERTAIN.

9 MR. TORRES: SO WHAT WE ARE THEN BEING
10 ASKED TO VOTE ON ARE POTENTIAL OFFERS THAT WE WILL
11 MAKE, NOT PEOPLE WHO HAVE ALREADY ACCEPTED AND WE'RE
12 GOING TO FUND?

13 DR. YAFFE: THAT'S CORRECT. AND THAT'S
14 BEEN THE WAY THIS PROGRAM HAS RUN SINCE THE START.

15 CHAIRMAN THOMAS: ARE THERE ANY IN YOUR
16 POT, PAT, OF UNALLOCATED OR APPROVED BUT NOT USED,
17 ANY OF THOSE IN THIS CATEGORY?

18 DR. OLSON: YES, THERE IS. YOU MAY RECALL
19 THAT THIS BOARD DID APPROVE AN AWARD TO UC BERKELEY
20 THAT FOR ACTUALLY PERSONAL REASONS THE RECIPIENT,
21 THE RESEARCH LEADER, THAT WAS TO BE RECRUITED WAS
22 UNABLE TO COME. SO IN POINT OF FACT, THERE IS -- I
23 BELIEVE THAT NUMBER WAS 5.6 MILLION.

24 MR. ROTH: SO JUST, AGAIN, BACK TO THE
25 POINT ABOUT THIS BEING THE MOST EXPENSIVE ONE, THE

BARRISTERS' REPORTING SERVICE

1 LOWEST SCORING ONE. IF YOU LOOK AT WHAT WAS WRITTEN
2 IN THE REVIEW, THE INSTITUTIONAL COMPONENT WAS
3 CONSIDERED TO BE ADEQUATE, ALTHOUGH NOT OVERLY
4 GENEROUS, INCLUDING -- SO THE INSTITUTION, EVEN
5 THOUGH IT'S THE MOST EXPENSIVE ONE, IT WAS NOT FELT
6 TO BE OVERLY GENEROUS.

7 DR. YAFFE: I THINK IF WE WANT TO LOOK AT
8 THAT, WE WOULD HAVE TO DO THAT IN CLOSED SESSION TO
9 GIVE YOU MORE DETAIL ABOUT EXACTLY WHAT THE
10 INSTITUTIONAL COMMITMENT WAS AND MONETARY VALUES
11 THERE.

12 I THINK THAT THAT MAY BE IN COMPARISON TO
13 SOME OF THEM WHERE MAYBE THEY'RE GIVING THE PERSON A
14 BUILDING, WHICH MIGHT BE CONSIDERED VERY GENEROUS.
15 BUT TO LOOK AT THE DETAILS OF THAT COMMENT AND TRY
16 AND UNDERSTAND IT, I THINK WE WOULD HAVE TO DO THAT
17 IN CLOSED SESSION.

18 CHAIRMAN THOMAS: DR. DULIEGE.

19 DR. DULIEGE: WE REALIZE THAT IF WE VOTE
20 YES, ALL THIS MONEY WILL BE ALLOCATED INDEED. BUT
21 BASED ON YOUR LAST COMMENT AND YOUR EXPERIENCE IN
22 GENERAL, WHAT IS THE LIKELIHOOD THAT -- YOU
23 MENTIONED THE LIKELIHOOD OF THESE SIX BECOMING MONEY
24 TO BE USED IS LOW. WHAT DO YOU THINK WILL BE THE
25 PERCENTAGE OF POSITIVE REALLOCATION OF THIS MONEY

BARRISTERS' REPORTING SERVICE

1 AND PEOPLE REALLY MOVING INTO CALIFORNIA?

2 DR. YAFFE: ARE YOU ASKING MY PERSONAL
3 OPINION?

4 DR. DULIEGE: OR THE OPINION OF THE GROUP
5 REVIEWING.

6 DR. YAFFE: IT'S VERY DIFFICULT TO KNOW.
7 I'D BE VERY CERTAIN WE'RE GOING TO GET THREE OF
8 THESE PEOPLE, AND I THINK THERE'S A GOOD CHANCE WE
9 COULD GET FOUR TO FIVE.

10 DR. STEWARD: SO I DID WANT TO JUST MAKE A
11 SORT OF GENERAL COMMENT AND HAVE EVERYBODY LOOK AT
12 THE COMPILATION OF PROGRAMMATIC REVIEW SUMMARIES.
13 IT DOES HIGHLIGHT A COUPLE OF OTHER THINGS RELATING
14 TO SOME OF THE OTHER GRANTS. THIS WASN'T THE ONLY
15 ONE WHERE THERE WAS A SPLIT VOTE. THERE WAS, IN
16 FACT, A MINORITY OPINION ON ONE OF THE GRANTS. AND
17 YOU CAN SEE THAT. IT'S 6198. NEVERTHELESS, THE
18 SCIENTIFICS PRIORITY SCORE WAS VERY HIGH.

19 I JUST WANTED TO POINT THAT OUT AND GIVE
20 EVERYBODY A CHANCE TO LOOK AT THAT. THIS WAS IN
21 SORT OF I GUESS I WOULD CALL IT A TRANSITION FROM
22 OUR OLD STYLE WHERE REALLY THE GRANTS WORKING GROUP
23 THOUGHT ABOUT SCIENCE AND THEN HAD A PROGRAMMATIC
24 REVIEW AT THE END AND NOW INTO THE NEW STYLE AND TO
25 WHICH WE'RE NOW GOING WHERE THE PROGRAMMATIC REVIEW

BARRISTERS' REPORTING SERVICE

1 IS SUPPOSED TO BE DONE AT THE BOARD LEVEL.

2 SO THIS WAS STILL KIND OF IN THE OLD
3 STYLE, BUT I WOULD SAY REALLY WE DIDN'T DO ALL THAT
4 MUCH OF WHAT I WOULD REALLY CALL PROGRAMMATIC REVIEW
5 THERE. SO JUST WANTED TO POINT THAT OUT IN A
6 GENERAL SENSE. J.T., MAYBE YOU COULD ADD TO THAT A
7 LITTLE BIT.

8 CHAIRMAN THOMAS: I THINK THAT'S RIGHT. I
9 ALSO THINK THAT BECAUSE, AS MR. SHESTACK CORRECTLY
10 POINTS OUT, THE QUALITY OF THIS GROUP WAS SO HIGH,
11 THERE WAS ALMOST A SENSE THAT THE GROUP COULDN'T
12 RECOMMEND ABSOLUTELY EVERYTHING, AND THAT THIS LAST
13 PROPOSAL MAY HAVE SUFFERED AS A RESULT. I THINK IT
14 HAD SOME VERY STRONG SUPPORT IN THE ROOM. AND HAD
15 IT BEEN A SITUATION WHERE YOU DIDN'T HAVE SUCH
16 EXTRAORDINARILY STRONG OTHER PROPOSALS THAT WERE UP
17 FOR DISCUSSION, YOU CAN SEE, GIVEN THE LEVEL OF
18 FUNDING, I THINK, WOULD HAVE BEEN SOMETHING THAT
19 PERHAPS WOULD HAVE BEEN RECOMMENDED FOR FUNDING IN
20 ANOTHER SETTING.

21 ARE THERE OTHER COMMENTS?

22 DR. YAFFE: I THINK WE TOTALLY AGREE WITH
23 CHAIRMAN THOMAS' ASSESSMENT THERE. IF THIS
24 APPLICATION HAD COME UP BY ITSELF, I THINK THERE'S A
25 VERY GOOD CHANCE IT WOULD HAVE BEEN HIGHLY

BARRISTERS' REPORTING SERVICE

1 RECOMMENDED.

2 DR. JUELSGAARD: JUST FOLLOWING UP ON WHAT
3 DR. STEWARD JUST TALKED ABOUT, SO COULD YOU DISCUSS
4 A LITTLE BIT MORE, BECAUSE I DON'T GET A GOOD SENSE
5 OF IT FROM JUST THE WRITTEN WORDS, WHAT THE MINORITY
6 REPORT ON THE 18, THE LAST NUMBERS ARE 18? THE ONE
7 APPLICATION HAD A MINORITY REPORT, IF WE COULD HEARD
8 A LITTLE BIT MORE ABOUT THE SENSE OF THE MINORITY
9 SINCE IT'S NOT A USUAL STEP.

10 DR. STEWARD: I'LL SAY A SENTENCE OR TWO,
11 BUT THEN MAYBE SCIENCE STAFF CAN ADD TO IT. I THINK
12 THE SENSE WAS THAT THIS WAS REALLY A MICRO-RNA GRANT
13 THAT HAS A STEM CELL COMPONENT RATHER THAN A STEM
14 CELL GRANT THAT HAD A MICRO-RNA COMPONENT. AND THAT
15 THE CRITICISMS WERE FOCUSED PRIMARILY ON THE FACT
16 THAT THE EXPERIMENTS SEEMED REALLY REDUCTIONISTIC
17 AND BASIC RATHER THAN TRANSLATIONAL. THAT'S MAYBE
18 MORE THAN TWO SENTENCES.

19 DR. YAFFE: I THINK THAT'S ACCURATE. I
20 THINK THERE WAS A SENSE THAT THE FOCUS OF THE ACTUAL
21 PROPOSED RESEARCH WAS FAIRLY NARROW.

22 I JUST WANT TO ADD AS A CAVEAT HERE,
23 THOUGH, THAT AS OPPOSED TO A DETAILED RESEARCH PLAN,
24 HERE IN THESE APPLICATIONS FOR RESEARCH LEADERSHIP,
25 WE ASK FOR THEIR RESEARCH VISION AND PLANS. AND

BARRISTERS' REPORTING SERVICE

1 IT'S MEANT TO BE SOMETHING MORE GENERAL. THESE ARE
2 SIX-YEAR AWARDS. SO WE DON'T EXPECT THEM TO TELL US
3 THE EXPERIMENTS, INDIVIDUAL EXPERIMENTS, THAT
4 THEY'RE GOING TO BE DOING IN YEARS FOUR AND FIVE AND
5 SIX.

6 AND SO THERE'S A DESIRE BY THE GRANTS
7 WORKING GROUP TO LOOK AND HAVE SOME FEELING FOR
8 WHERE THIS PROGRAM IS GOING. AND I THINK IT WAS
9 THEIR ASSESSMENT, BASED ON THE INFORMATION INCLUDED
10 IN THAT APPLICATION, THAT THE INITIAL FOCUS WAS
11 RATHER NARROW AND FAIRLY BASIC. AND A MINORITY OF
12 MEMBERS, I THINK, WERE BOTHERED BY THAT.

13 CHAIRMAN THOMAS: MR. JUELSGAARD.

14 DR. JUELSGAARD: I TAKE WHAT DR. STEWARD
15 SAYS. AND I GUESS THE CONCERN AT LEAST THAT I HAVE
16 IS WHETHER THIS IS A BOOTSTRAP EFFORT, IN ESSENCE,
17 TO BRING SOMEBODY INTO THE STATE USING IN PART
18 CIRM'S MONEY WHEN THE EMPHASIS OF THEIR RESEARCH IS
19 NOT NECESSARILY GOING TO BE HIGHLY USEFUL FOR STEM
20 CELLS, BUT WILL BE USEFUL IN A MUCH, MUCH BROADER
21 CONTEXT, WHETHER THAT'S REALLY HOW WE WANT TO SPEND
22 OUR MONEY. SO IT'S JUST A CONCERN, I THINK, THAT
23 COMES OUT OF WHAT I'VE HEARD.

24 DR. YAFFE: RELEVANT TO THAT, I COULD SAY
25 THAT THREE LETTERS OF RECOMMENDATION ARE FROM

BARRISTERS' REPORTING SERVICE

1 LEADING STEM CELL RESEARCHERS WHO ALL CITE THIS
2 INDIVIDUAL AND THEIR RESEARCH AS BEING CRITICAL TO
3 THE ADVANCEMENT OF STEM CELL RESEARCH AND IS ALREADY
4 MAKING SOME FUNDAMENTAL MOMENTOUS BREAKTHROUGHS.

5 DR. STEWARD: YEAH. AND I THINK JUST TO
6 ADD TO THAT, I THINK THE SENSE WAS THAT THIS WAS A
7 PERSON WHO, IF THEY WERE IN CALIFORNIA, WOULD, IN
8 FACT, BLOSSOM IN THE STEM CELL FIELD. THIS IS A
9 TECHNOLOGY, MICRO-RNA'S TECHNOLOGY THAT IS REALLY
10 HAVING A HUGE IMPACT IN A LOT OF AREAS. IF THIS
11 PERSON WAS IN CALIFORNIA, THEY WOULD CONTINUE TO
12 HAVE IMPACT, BUT I THINK THAT THE OPPORTUNITY EXISTS
13 FOR REALLY HAVING SOME IMPACT IF PUT IN THE MILIEU
14 OF THE CALIFORNIA STEM CELL INITIATIVE.

15 CHAIRMAN THOMAS: CAN WE --

16 MR. SHESTACK: CALL THE QUESTION.

17 CHAIRMAN THOMAS: WE DON'T HAVE A MOTION.
18 WE NEED TO RESTATE THE MOTION. MR. HARRISON, YOU'RE
19 WAGGING YOUR FINGER.

20 MR. HARRISON: SO THE FIRST QUESTION IS
21 WHETHER ANY BOARD MEMBERS FEEL A NEED OR DESIRE TO
22 CONVENE IN CLOSED SESSION TO DISCUSS ANY OF THE
23 APPLICATIONS. IF THAT IS NOT THE CASE, THEN I'D
24 RECOMMEND THAT YOU FIRST CONSIDER A MOTION TO MOVE
25 THE APPLICATION THAT'S CURRENTLY IN TIER III INTO

BARRISTERS' REPORTING SERVICE

1 TIER I SO THAT WE CAN RESOLVE THAT WITH A MINIMUM
2 NUMBER OF CONFLICTS. AND THEN YOU CAN TAKE ANY
3 OTHER MOTIONS TO MOVE APPLICATIONS FROM TIER I TO
4 TIER III, AND THEN YOU CAN CONSIDER AN OMNIBUS
5 MOTION TO APPROVE WHAT YOU'VE DECIDED UPON.

6 CHAIRMAN THOMAS: ELOQUENTLY PHRASED, AS
7 USUAL, MR. HARRISON. MR. SHESTACK.

8 MR. SHESTACK: I'D BE HAPPY TO MOVE THE
9 FINAL APPLICATION INTO TIER I.

10 MR. TORRES: SECOND.

11 CHAIRMAN THOMAS: BEEN MOVED BY MR.
12 SHESTACK, SECONDED BY SENATOR TORRES. DISCUSSION,
13 MEMBERS OF THE BOARD?

14 I WOULD JUST LIKE TO, IN SUPPORT OF THIS
15 MOTION, REITERATE THE POINT THAT WHILE EVERYTHING WE
16 SPEND MONEY ON IS EXTRAORDINARILY VALUABLE, I THINK
17 THAT THE IDEA OF BRINGING IN VERY HIGHLY TALENTED
18 INDIVIDUALS AND THE MULTIPLIER EFFECT THAT THAT HAS
19 IS AMONGST THE BEST USES OF OUR MONEY. AND I, FOR
20 ONE, WOULD BE SUPPORTIVE OF BRINGING THIS INTO TIER
21 I EVEN THOUGH IT WILL RESULT IN AN ADDITIONAL
22 REQUIREMENT TO ALLOCATE ABOVE AND BEYOND WHAT WE
23 ORIGINALLY HAD PUT ON THE TABLE.

24 ANY OTHER COMMENTS FROM MEMBERS OF THE
25 BOARD?

BARRISTERS' REPORTING SERVICE

1 DR. JUELSGAARD: JUST TO FOLLOW UP ON
2 THAT, CHAIRMAN THOMAS. SO I GUESS I'LL ASK THIS
3 QUESTION OF STAFF OR WHOEVER. SO DO WE THINK THAT
4 7.5 MILLION ROUGHLY IS THE RIGHT AMOUNT OF MONEY TO
5 DEVOTE TO THIS PARTICULAR RESEARCH LEADERSHIP AWARD?
6 IT STANDS AGAINST THE OTHERS AS CONSIDERABLY
7 GREATER. AND SO IT'S JUST SOMEBODY'S JUDGMENT CALL
8 THAT THAT SEEMS LIKE THE RIGHT AMOUNT OF MONEY FOR
9 WHAT IS BEING PROPOSED HERE.

10 MR. SHESTACK: DOESN'T STAFF HAVE THE
11 OPPORTUNITY AT A LATER DATE TO WEIGH IN A LITTLE BIT
12 ON BUDGET IN MANY DIFFERENT WAYS, EVEN IF IT'S NOT
13 THE DIRECTS, WHICH ARE PRENEGOTIATED?

14 MR. THOMPSON: THAT'S RIGHT. WE WILL TAKE
15 A LOOK AFTER BOARD APPROVAL, AND WE WILL REVIEW THE
16 FACILITIES RATES TO MAKE SURE THAT THEY ARE WHAT
17 WE'VE ALREADY PREDETERMINED.

18 MR. TORRES: COULD YOU IDENTIFY YOURSELF
19 FOR PUBLIC RECORD?

20 MR. THOMPSON. ABSOLUTELY. I'M GABRIEL
21 THOMPSON FROM GRANTS MANAGEMENT OFFICE. AND SO
22 WE'LL MAKE SURE THE FACILITIES RATES ARE CORRECT
23 WITH WHAT WE'VE ALREADY PREDETERMINED IS ALLOWABLE.

24 MR. SHESTACK: AND THERE WOULD BE A NOTE
25 THAT THE BOARD HAD SOME EXPRESSED CONCERN ABOUT THE

BARRISTERS' REPORTING SERVICE

1 LEVEL OF THE -- WHETHER OR NOT, IF THE THING IS
2 VOTED, THAT THE BOARD HAD SOME EXPRESS CONCERN ABOUT
3 RATES.

4 MR. THOMPSON: ABSOLUTELY. DEFINITELY WE
5 WOULD TAKE A CLOSER LOOK AT THAT PARTICULAR
6 APPLICATION.

7 CHAIRMAN THOMAS: DOES THAT ANSWER YOUR
8 QUESTION, MR. JUELSGAARD?

9 DR. JUELSGAARD: YES, AS LONG AS, FROM MY
10 POINT OF VIEW, WHEN WE COME TO THESE GRANTS AND
11 THEIR APPROVAL, THE APPROVAL FOR AN AMOUNT UP TO
12 THAT AMOUNT OF MONEY AND NOT NECESSARILY THAT AMOUNT
13 OF MONEY SPECIFICALLY.

14 CHAIRMAN THOMAS: WOULD YOU LIKE TO TAKE
15 THAT AS A FRIENDLY AMENDMENT?

16 MR. SHESTACK: YES, THAT WOULD BE GREAT.

17 MR. HARRISON: THAT'S PART OF EVERY BOARD
18 APPROVAL. IT'S AN UP TO APPROVAL, AND STAFF
19 NEGOTIATES AND, PURSUANT TO THEIR PFAR REVIEW,
20 REDUCES WHERE NECESSARY.

21 CHAIRMAN THOMAS: THANK YOU ONCE AGAIN,
22 MR. HARRISON.

23 DR. JUELSGAARD: I MISSED THAT IN THE
24 BOARD ORIENTATION SESSION THAT I NEVER HAD.

25 CHAIRMAN THOMAS: I GUESS I DID TOO, MR.

BARRISTERS' REPORTING SERVICE

1 JUELSGAARD.

2 MR. TORRES: CALL FOR THE QUESTION.

3 CHAIRMAN THOMAS: WE ALSO NEED TO HEAR ANY
4 COMMENT FROM MEMBERS OF THE PUBLIC.

5 DR. PRICE: WELL, IN REGARD TO THIS LAST
6 DISCUSSION, THE STAFF, AS I UNDERSTAND IT, CAN MAKE
7 DECISIONS ABOUT THE APPROPRIATENESS OF EXPENDITURES,
8 BUT IT CAN'T TAKE A POLICY DECISION ABOUT THE LEVEL;
9 IN OTHER WORDS, THAT WE DON'T WANT TO PAY MORE THAN
10 \$5,500,000 FOR A GRANT. THAT'S SOMETHING ONLY THE
11 BOARD CAN DECIDE. SO THAT DOESN'T REALLY RESOLVE
12 THE QUESTIONS THAT HAVE BEEN RAISED HERE ABOUT THE
13 APPROPRIATE LEVEL OF FUNDING FOR THESE GRANTS. THE
14 BOARD CAN'T SAY, WELL, WE'LL CUT IT AT THIS LEVEL
15 AND LET THE INSTITUTION MAKE UP THE DIFFERENCE,
16 WHICH IS ONE OPTION.

17 DR. FEIGAL: I DON'T KNOW IF GABE THOMPSON
18 WANTS TO MAKE A COMMENT. BUT ON EVERY GRANT WE HAVE
19 THE ABILITY TO SCRUTINIZE THE BUDGET AND TO WORK
20 WITH THE INVESTIGATOR. THAT'S TRUE FOR EVERY AWARD.

21 DR. PRICE: I UNDERSTAND THAT. THAT'S
22 DIFFERENT FROM SAYING WE ONLY HAVE SO MUCH MONEY.
23 THIS IS IT.

24 MR. ROTH: SO JUST PLEASE TAKE UNDER
25 CONSIDERATION THAT, AT LEAST FROM THIS BOARD MEMBER,

BARRISTERS' REPORTING SERVICE

1 I'M UNCOMFORTABLE WITH THE LEVELS OF THE LAST TWO
2 GRANTS. AND I WILL HOPE THAT YOU TALK WITH THEM AND
3 NEGOTIATE SOMETHING MORE REASONABLE. THANK YOU.

4 MS. SAMUELSON: I'D BE HAPPY TO TURN THAT
5 INTO A MOTION IF A FRIENDLY AMENDMENT WOULD BE
6 ACCEPTED BY WHOEVER MADE THE UNDERLYING MOTION.

7 CHAIRMAN THOMAS: IT SOUNDS LIKE THAT'S
8 PART OF THE PROCEDURE IN ANY EVENT. MR. ROTH.

9 MR. ROTH: IT IS PART OF THE PROCEDURE,
10 BUT I THINK IN THIS CASE WE'RE SAYING SOMETHING A
11 LITTLE BIT DIFFERENT. WE'RE ACTUALLY ASKING YOU TO
12 GO BACK AND SAY THE BOARD IS REALLY UNCOMFORTABLE
13 WITH THE LEVEL OF FUNDING AND WE'D REALLY TAKE A
14 MILLION OR MILLION AND A HALF OUT OF THIS. CAN YOU
15 RECRUIT THE PERSON FOR THAT AMOUNT? THAT'S WHAT I'M
16 ASKING TO BE DONE. THE AVERAGE OF THE TOP ONES IS
17 5.5 MILLION. THIS ONE IS TWO MILLION OVER. THE
18 SIXTH ONE IS A MILLION OVER.

19 DR. STEWARD: SO, AGAIN, WHAT WE'RE
20 LOOKING AT IS THE DIRECT COST VERSUS THE TOTAL COST
21 HERE. AND IF WE'RE GOING TO DO THAT, EVERY GRANT WE
22 GIVE HAS THIS ISSUE OF SOME INSTITUTIONS HAVE HIGHER
23 FACILITY RATES, WHETHER IT'S THE DISEASE TEAMS OR
24 WHATEVER. I JUST THINK WE'RE GETTING INTO A LITTLE
25 BIT OF KIND OF A SLIPPERY SLOPE HERE.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: I'LL ACCEPT THAT. CAN YOU
2 ACTUALLY TELL US WHAT THE DIRECT IS?

3 DR. STEWARD: I THINK THAT WOULD PROBABLY
4 REVEAL -- JUST TO SAY, THE WAY TO HANDLE YOUR NOTION
5 IS TO NEGOTIATE ON THE DIRECT AND COMPARE THAT
6 INDIVIDUAL'S AWARD WITH WHAT'S BEING GIVEN TO THE
7 OTHER INDIVIDUALS. IT MIGHT END UP BEING THAT IT'S
8 ABOUT THE SAME. IT'S JUST THE INDIRECT.

9 CHAIRMAN THOMAS: MR. HARRISON, DO WE --

10 DR. YAFFE: THE DIRECT COST MAXIMUM IS THE
11 SAME FOR EVERY SINGLE AWARD.

12 MR. ROTH: WHICH IS WHAT?

13 DR. YAFFE: THE INDIRECT COST, I THINK WE
14 WOULD NEED COUNSEL TO TELL US WHETHER OR NOT THOSE
15 INDIRECT COST RATES CAN BE CHANGED OR ALTERED. AND
16 I DON'T BELIEVE -- MY BELIEF IS THEY CAN'T BE
17 CHANGED. THEY'RE A FEDERALLY NEGOTIATED RATE, WHICH
18 IS SET ESSENTIALLY IN POLICY AND, AS FAR AS I KNOW,
19 IN LAW. SO THE DIRECT COST FOR ALL OF THESE AWARDS
20 IS APPROXIMATELY \$4.5 MILLION.

21 DR. PRICE: QUESTION. DOES CIRM'S GRANTS
22 MANAGEMENT POLICY STIPULATE THAT WE WILL PAY
23 WHATEVER THE FEDERAL RATE IS BECAUSE MANY
24 FOUNDATIONS SIMPLY PAY WHATEVER THEY WANT. TAKE FOR
25 EXAMPLE THE GATES FOUNDATION. THEY PAY 10 PERCENT.

BARRISTERS' REPORTING SERVICE

1 FEDERAL RATES COULD BE 65 PERCENT OR WHATEVER. THEY
2 ONLY PAY 10 PERCENT.

3 MR. HARRISON: YES. CIRM'S GRANT
4 ADMINISTRATION POLICY SAYS THAT THE FACILITIES RATE
5 WILL BE EQUAL TO THE FEDERALLY NEGOTIATED RATE FOR
6 THE INSTITUTION. SO WE CANNOT CHANGE THAT SHORT OF
7 BOARD ACTION.

8 MS. BAUM: SHORT OF BOARD ACTION. THAT'S
9 WHAT I WANTED TO EMPHASIZE. SO YOU CAN CHANGE YOUR
10 OWN REGULATIONS.

11 MR. SHESTACK: SUBSEQUENT MEETING.

12 DR. STEWARD: RIGHT, BUT THAT BOARD ACTION
13 WOULD HAVE TO APPLY TO ALL AWARDS, NOT TO AN
14 INDIVIDUAL AWARD. AM I RIGHT?

15 CHAIRMAN THOMAS: OKAY. SO WE HAVE A
16 MOTION. IT DOESN'T SOUND LIKE -- YOU HAVE THE SENSE
17 OF THE BOARD ON WHERE WE ARE TO THE EXTENT THAT THAT
18 GIVES YOU SOME LEEWAY IN YOUR NEGOTIATIONS. I DON'T
19 BELIEVE WE NEED A SUBSEQUENT MOTION.

20 COMMENTS BY MEMBERS OF THE PUBLIC.

21 DEEPAK, WOULD YOU LIKE TO SPEAK HERE?

22 DR. SRIVASTAVA: MY NAME IS DEEPAK
23 SRIVASTAVA. I DIRECT CARDIOVASCULAR AND STEM CELL
24 RESEARCH AT THE GLADSTONE INSTITUTES, AND I HAD THE
25 PRIVILEGE TO SPEAK -- ADDRESS THIS BOARD A FEW

BARRISTERS' REPORTING SERVICE

1 MONTHS AGO TO SHARE OUR UPDATES OF SUCCESS THROUGH
2 YOUR FUNDING.

3 I APPRECIATE THE TIME YOU'VE SPENT ON THIS
4 PARTICULAR APPLICATION IN QUESTION. AND I THOUGHT
5 I'D SHARE WITH YOU WHY I'M PARTICULARLY ENTHUSIASTIC
6 ABOUT RECRUITING THIS INDIVIDUAL TO CALIFORNIA. AND
7 IT FALLS INTO THREE BUCKETS. ONE IS QUALITY OF
8 SCIENCE. SECOND IS IMPACT, LOCAL IMPACT, ON
9 DISCOVERY AND BREAKTHROUGH SCIENCE. AND THE THIRD
10 IS THE BROADER IMPACT ON CALIFORNIA IN STEM CELL
11 RESEARCH IN CALIFORNIA.

12 THIS INDIVIDUAL IS -- THE REASON I'M MOST
13 EXCITED IS HE'S PARTICULARLY CREATIVE. HE'S
14 INNOVATIVE. ONE OF THE CRITICISMS YOU HEARD IS THE
15 PROPOSAL WAS NOT SO INNOVATIVE IN TRYING TO CREATE
16 MANUFACTURED, SCALED CARDIOMYOCYTES. AND THERE
17 ACTUALLY ARE NO CARDIOMYOCYTES IN CLINICAL TRIAL --
18 STEM CELL-DERIVED CARDIOMYOCYTES IN CLINICAL TRIALS
19 CURRENTLY. AND SO THE PROPOSAL IS A BIT NARROW IN
20 THAT WAY, BUT THIS INDIVIDUAL IS BROAD.

21 AS AN EXAMPLE, HE WAS CITED IN *TIME*
22 *MAGAZINE* AND *60 MINUTES* LAST YEAR ON CREATING A
23 JELLYFISH-LIKE CONTRACTILE APPARATUS USING
24 CARDIOMYOCYTES THAT PUMPS FLUID. AND THIS IS A
25 PRELUDE TO BEING ABLE IN A THREE-DIMENSIONAL FASHION

BARRISTERS' REPORTING SERVICE

1 CONSTRUCT A HEART.

2 AT THE GLADSTONE INSTITUTES WE HAVE
3 ASSEMBLED A TEAM OF INVESTIGATORS THAT ARE
4 MULTIDISCIPLINARY. AND WITH YOUR SUPPORT, WE'VE
5 LARGELY SOLVED THE PROBLEM OF HOW TO MAKE
6 CARDIOVASCULAR CELL TYPES. OUR NEXT BIG HURDLE IS
7 AN ENGINEERING HURDLE, HOW TO PUT THOSE TOGETHER IN
8 A MEANINGFUL FASHION. AND THIS IS AN INDIVIDUAL, I
9 THINK, THAT'S CRITICAL TO GO TO THAT NEXT STEP IN
10 THE BREAKTHROUGHS WE HAVE TO MAKE TO TRANSLATE OUR
11 DISCOVERIES TO DATE INTO PEOPLE.

12 AND THE THIRD ASPECT IS IMPACT ON
13 CALIFORNIA AND IS REALLY A LEADERSHIP ISSUE. THIS
14 PERSON IS A FORCE OF NATURE. HE'S A NATURAL LEADER
15 BOTH IN HIS OWN COMMUNITY, BUT ALSO IN THE MORE
16 NATIONAL COMMUNITY.

17 AND SO I THINK THESE ARE THE REASONS OUR
18 SEARCH COMMITTEE, AFTER LOOKING FOR SEVERAL YEARS
19 FOR THE RIGHT PERSON, HAS FELT THAT THIS WAS THE
20 BEST PERSON IN THE WORLD THAT WE COULD RECRUIT TO
21 OUR PROGRAM. AND I'M HOPEFUL THAT WE WILL BE ABLE
22 TO DO THIS WITH YOUR SUPPORT. THANK YOU.

23 CHAIRMAN THOMAS: THANK YOU. DR. MELMED.

24 DR. MELMED: JUST A POINT OF INFORMATION,
25 DEEPAK. YOU MENTIONED THERE ARE NO HUMAN CARDIAC

BARRISTERS' REPORTING SERVICE

1 STEM CELLS IN TRIAL. THERE ARE. AT OUR INSTITUTION
2 THERE ARE.

3 DR. SRIVASTAVA: THERE ARE NO PLURIPOTENT
4 STEM CELL-DERIVED CARDIOMYOCYTES.

5 DR. MELMED: YOU DIDN'T SAY THAT.

6 DR. SRIVASTAVA: THERE ARE NO STEM
7 CELL-DERIVED CARDIOMYOCYTES IN CLINICAL TRIALS.

8 DR. MELMED: BUT THERE ARE CARDIAC STEM
9 CELLS IN CLINICAL TRIALS.

10 DR. SRIVASTAVA: THERE ARE NO CLINICAL
11 TRIALS IN PLACE THAT ARE USING A CELL THAT THINKS --
12 THAT IS GOING TO BECOME A CARDIOMYOCYTE. I THINK
13 PEOPLE IN OUR FIELD WOULD ALL AGREE THAT THE STEM
14 CELLS THAT HAVE BEEN UTILIZED EITHER FUNCTION
15 THROUGH A PARECRINE EFFECT ON AFFECTING ENDOGENOUS
16 MYOCYTES OR THROUGH CREATING NEW BLOOD VESSELS. I
17 THINK THAT'S FAIRLY CLEAR IN OUR FIELD.

18 CHAIRMAN THOMAS: OTHER COMMENTS BY
19 MEMBERS OF THE PUBLIC? YES. PLEASE STATE YOUR
20 NAME.

21 MS. RALSTON: MY NAME IS AMY RALSTON, AND
22 I'M A FACULTY MEMBER AT -- CAN I SAY? -- UNIVERSITY
23 OF CALIFORNIA SANTA CRUZ. AND I'M HERE WITH MY
24 COLLEAGUE. WE'RE SO EXCITED THAT OUR INSTITUTION IS
25 BEING CONSIDERED FOR A CIRM LEADERSHIP AWARD, AND WE

BARRISTERS' REPORTING SERVICE

1 WERE DELIGHTED TO READ THE REVIEWERS' POSITIVE
2 COMMENTS ON THE QUALITY OF OUR APPLICANT'S PROPOSAL.

3 CAN I MENTION THE NUMBER OF THE PROPOSAL?
4 NO. 18, NO. 6918. ONE OF THE MOST UNIQUE ASPECTS OF
5 THE CIRM LEADERSHIP AWARD IS ITS RECOGNITION OF THE
6 IMPLICIT IMPORTANCE OF DISCOVERING FUNDAMENTAL
7 MOLECULAR MECHANISMS REGULATING STEM CELLS AND THEIR
8 DIFFERENTIATION.

9 AND ANOTHER UNIQUE ASPECT OF THE CIRM
10 LEADERSHIP AWARD IS THAT IT PROVIDES THE OPPORTUNITY
11 TO RECRUIT ESTABLISHED LEADERS FROM PRESTIGIOUS
12 UNIVERSITIES OUTSIDE OF CALIFORNIA INTO CALIFORNIA.

13 OUR CANDIDATE'S APPLICATION IS A PERFECT
14 FIT FOR BOTH OF THESE PRIORITIES, BOTH THE IMPLICIT
15 IMPORTANCE OF UNDERSTANDING THE MOLECULAR MECHANICS
16 OF STEM CELLS AND THE VALUE IN RECRUITING RECOGNIZED
17 SCIENTIFIC TALENT TO CALIFORNIA.

18 WE WOULD LIKE TO PROVIDE SOME COMMENTS ON
19 THE TRANSFORMATIVE ASPECTS OF OUR CANDIDATE'S WORK
20 AND THE IMPACT THAT THIS RECRUITMENT WILL HAVE ON
21 OUR INSTITUTION.

22 HERE'S MY COLLEAGUE.

23 MR. SANFORD: GOOD MORNING. MY NAME IS
24 JEREMY SANFORD. I'M ASSISTANT PROFESSOR AT UC SANTA
25 CRUZ AS WELL. I'D REALLY LIKE TO JUST COMMENT A

BARRISTERS' REPORTING SERVICE

1 LITTLE BIT, AGAIN, HOW FANTASTIC THIS PROGRAM IS,
2 THAT IT SUPPORTS REALLY FUNDAMENTAL RESEARCH ON THE
3 BASIC MECHANISMS OF CELLULAR AND MOLECULAR BIOLOGY
4 OF STEM CELLS.

5 AND THE CANDIDATE THAT WE'RE CONSIDERING
6 HERE, I GUESS, HAS ALREADY CONTRIBUTED SIGNIFICANTLY
7 TO THE ROLES OF MICRO-RNA AND MICRO-RNA BIOGENESIS
8 TO STEM CELL BIOLOGY. AND I THINK THE BEAUTIFUL
9 THING ABOUT THIS PROPOSAL AND THIS PROGRAM IS THAT
10 IT'S GOING TO ALLOW HIM TO TRANSITION, OR HER, INTO
11 HUMAN STEM CELL BIOLOGY. AND THIS IS GOING TO BE A
12 MASSIVELY IMPORTANT SORT OF MOVE TOWARDS
13 TRANSLATIONAL MEDICINE.

14 SO I GUESS ONE OF THE CRITICISMS OF THIS
15 PROPOSAL WAS THAT IT WAS VERY REDUCTIONIST. AND SO
16 I VIEW THIS AS A MAJOR STRENGTH OF THIS PROPOSAL.
17 SO I'M SORRY. SO HIS --

18 MR. TORRES: WE DON'T WANT YOU TO LOSE THE
19 PROPOSAL.

20 MR. SANFORD: COULD I JUST SAY ONE LAST
21 THING BEFORE I GET SHELLLED HERE? SORRY. I'M NOT
22 VERY GOOD AT READING THINGS OFF -- SO I GUESS THE
23 BOTTOM LINE IS THAT HE'S -- HIS REAL STRENGTH IS THE
24 ABILITY TO REDUCE VERY COMPLEX PATHWAYS TO MOLECULAR
25 MECHANISMS, AND THAT THIS IS GOING TO ALLOW HIM TO

BARRISTERS' REPORTING SERVICE

1 IDENTIFY REALLY KEY TARGETS AND THERAPEUTIC
2 APPROACHES, I THINK. SO MECHANISM IS ESSENTIAL TO
3 UNDERSTANDING -- TO IDENTIFYING TARGETS, BUILDING
4 THERAPIES, BUILDING TRANSLATIONAL MEDICINE. SO
5 THAT'S WHAT I'VE GOT.

6 MS. RALSTON: I JUST HAVE A COUPLE FINAL
7 QUICK COMMENTS.

8 CHAIRMAN THOMAS: PLEASE MAKE IT QUICK. I
9 WOULD NOTE THAT THE MOTION ON THE TABLE HAS TO DO
10 WITH THE SIXTH ON THE LIST HERE. SO WE'RE A LITTLE
11 AHEAD OF OURSELVES. IF YOU HAVE A MINUTE TO
12 COMPLETE, PLEASE GO AHEAD.

13 MS. RALSTON: I JUST WANTED TO FINALLY
14 MENTION THAT THIS APPLICATION WILL TRANSFORM OUR
15 INSTITUTION BECAUSE OUR INSTITUTION HAS RECOGNIZED
16 EXPERTISE IN RNA BIOLOGY, GENOME BIOLOGY, AND MORE
17 RECENTLY WE HAVE A BURGEONING STEM CELL GROUP. AND
18 THE CANDIDATE'S EXPERTISE IS PERFECTLY COMPLEMENTARY
19 TO OUR INSTITUTIONAL EXPERTISE AND WILL, THUS,
20 SYNERGISTICALLY ENHANCE THE QUALITY OF SCIENCE
21 PURSUED AT OUR INSTITUTE.

22 MOREOVER, OUR INSTITUTE HAS COMMITTED
23 THREE ADDITIONAL FACULTY LINES FOR NEW TENURE TRACK
24 STEM CELL PI'S AS PART OF THE RECRUITMENT PACKAGE.
25 AND SO THE ARRIVAL OF A TOTAL OF FOUR NEW STEM CELL

BARRISTERS' REPORTING SERVICE

1 PI'S AND LABS AT OUR INSTITUTION WILL EFFECTIVELY
2 DOUBLE THE NUMBER OF STEM CELL LABS THAT WE HAVE
3 AND, THEREFORE, MASSIVELY TRANSFORM THE PROFILE OF
4 OUR INSTITUTE.

5 FINALLY, THE CANDIDATE'S PUBLICATION,
6 FUNDING, AND AWARD TRACK RECORDS DEMONSTRATE
7 UNEQUIVOCALLY HIS STATUTE AS A STAR IN THE FIELD.
8 AND WE THINK THIS IS AN EXCEPTIONAL OPPORTUNITY FOR
9 CIRM BECAUSE THE CANDIDATE IS EXCITED TO COME TO OUR
10 INSTITUTION AND BECAUSE HIS RESEARCH IS GUARANTEED
11 TO WORK. THANKS. THANKS FOR YOUR PATIENCE.

12 CHAIRMAN THOMAS: ARE THERE ANY OTHER
13 PUBLIC COMMENTS ON THE SIXTH PROPOSAL ON THE SCREEN
14 AT THE MOMENT, WHICH IS THE SUBJECT OF THE MOTION?
15 HEARING NONE, MARIA, PLEASE TAKE THE ROLL.

16 MS. BONNEVILLE: ANNE-MARIE DULIEGE.

17 DR. DULIEGE: YES.

18 MS. BONNEVILLE: MARCY FEIT.

19 MS. FEIT: YES.

20 MS. BONNEVILLE: MICHAEL GOLDBERG.

21 MR. GOLDBERG: YES.

22 MS. BONNEVILLE: STEVE JUELSGAARD.

23 MR. JUELSGAARD: YES.

24 MS. BONNEVILLE: FRANCISCO PRIETO. ROBERT
25 QUINT.

BARRISTERS' REPORTING SERVICE

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DR. QUINT: YES.
MS. BONNEVILLE: DUANE ROTH.
MR. ROTH: YES.
MS. BONNEVILLE: JOAN SAMUELSON.
MS. SAMUELSON: YES.
MS. BONNEVILLE: JON SHESTACK.
MR. SHESTACK: YES.
MS. BONNEVILLE: OS STEWARD.
DR. STEWARD: YES.
MS. BONNEVILLE: JONATHAN THOMAS.
CHAIRMAN THOMAS: YES.
MS. BONNEVILLE: ART TORRES.
MR. TORRES: AYE.
MS. BONNEVILLE: DIANE WINOKUR.
MS. WINOKUR: YES.
CHAIRMAN THOMAS: OKAY. I THINK WE CAN
SAFELY SAY THAT MOTION IS APPROVED. THAT NOW PUTS
ALL SIX IN PLAY. SENATOR TORRES MOVES APPROVAL OF
ALL SIX. SECONDED BY MR. JUELSGAARD.
IS THERE ANY DISCUSSION BY MEMBERS OF THE
BOARD ON THIS MOTION? HEARING NONE, ANY ADDITIONAL
PUBLIC COMMENT BEYOND WHAT WE'VE HAD ALREADY?
MARIA, PLEASE CALL THE ROLL.
MR. HARRISON: AS WITH OUR PAST PRACTICE,
IF YOU HAVE A CONFLICT WITH RESPECT TO ONE OR MORE

BARRISTERS' REPORTING SERVICE

1 OF THE APPLICATIONS AMONG THE SIX, PLEASE VOTE YES
2 OR NO EXCEPT WITH RESPECT TO THOSE WITH WHICH YOU
3 HAVE A CONFLICT. THANK YOU.

4 MS. BONNEVILLE: ANNE-MARIE DULIEGE.

5 DR. DULIEGE: YES.

6 MS. BONNEVILLE: MARCY FEIT.

7 MS. FEIT: YES, EXCEPT FOR THOSE WITH
8 WHICH I HAVE A CONFLICT.

9 MS. BONNEVILLE: MICHAEL GOLDBERG.

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

12 MS. BONNEVILLE: STEVE JUELSGAARD.

13 MR. JUELSGAARD: YES.

14 MS. BONNEVILLE: SHERRY LANSING.
15 FRANCISCO PRIETO.

16 DR. PRIETO: AYE.

17 MS. BONNEVILLE: ROBERT QUINT.

18 DR. QUINT: YES.

19 MS. BONNEVILLE: DUANE ROTH.

20 MR. ROTH: YES.

21 MS. BONNEVILLE: JOAN SAMUELSON.

22 MS. SAMUELSON: YES.

23 MS. BONNEVILLE: JEFF SHEEHY.

24 MR. SHEEHY: YES, EXCEPT FOR THOSE WITH
25 WHICH I HAVE A CONFLICT.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: JON SHESTACK.

2 MR. SHESTACK: YES.

3 MS. BONNEVILLE: OS STEWARD.

4 DR. STEWARD: YES, EXCEPT FOR THOSE WITH
5 WHICH I HAVE A CONFLICT EXCEPT I DON'T THINK I HAVE
6 A CONFLICT.

7 MS. BONNEVILLE: JONATHAN THOMAS.

8 CHAIRMAN THOMAS: YES.

9 MS. BONNEVILLE: ART TORRES.

10 MR. TORRES: AYE.

11 MS. BONNEVILLE: DIANE WINOKUR.

12 MS. WINOKUR: YES.

13 CHAIRMAN THOMAS: THAT MOTION IS APPROVED.
14 THANK YOU. DR. YAFFE.

15 DR. YAFFE: I JUST THOUGHT YOU MIGHT BE
16 INTERESTED IN KNOWING WHO THESE INDIVIDUALS ARE.
17 HERE THE INDIVIDUALS ARE LISTED IN ORDER OF
18 APPLICATION NUMBER. I WOULD NOTE THAT THE
19 APPLICANT, THE PI FOR THE LAST ONE HAD ASKED THAT
20 HIS NAME NOT BE RELEASED PENDING SOME FINAL DETAILS
21 TO BE WORKED OUT AND WILL BE RELEASED NEXT MONTH.
22 BUT WITH THAT EXCEPTION, YOU CAN SEE THE
23 INDIVIDUALS, THE INSTITUTIONS THAT YOU HAVE APPROVED
24 FOR FUNDING TODAY AND THE PREVIOUS INSTITUTION.

25 CHAIRMAN THOMAS: THANK YOU. MR. SHEEHY.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: QUICK QUESTION. SO THE
2 STANFORD RECRUIT, I WON'T BUTCHER HIS NAME, HASN'T
3 HE RECENTLY PUBLISHED A FAIRLY SIGNIFICANT PAPER ON
4 THE DERIVATION OF HEMATOPOIETIC STEM CELLS FROM
5 PLURIPOTENT SOURCES?

6 DR. YAFFE: ABSOLUTELY. THESE ARE REALLY
7 STELLAR INDIVIDUALS WHO ARE PUBLISHING AT THE
8 HIGHEST LEVEL. KIT PARKER WAS RECENTLY FEATURED ON
9 *60 MINUTES*. THAT'S THE GLADSTONE'S CANDIDATE. A
10 NUMBER OF THESE PEOPLE HAVE BEEN IN THE NEWS, IN THE
11 SCIENCE NEWS. I THINK WE'RE REALLY GETTING, IF WE
12 LAND ALL OF THESE INDIVIDUALS, AND I THINK WE WILL
13 CERTAINLY GET A NUMBER OF THEM, WE'LL BE ADDING
14 INCREDIBLE STRENGTH TO CALIFORNIA'S STEM CELL
15 RESEARCH EFFORT.

16 CHAIRMAN THOMAS: THANK YOU, DR. YAFFE.
17 WE NEED A FIVE-MINUTE BREAK FOR OUR LONG SUFFERING
18 BETH. PLEASE, EVERYBODY, WE HAVE A NUMBER OF ITEMS,
19 SO LET'S NOT STRAY TOO FAR. WE'LL RECONVENE IN
20 PRECISELY FIVE. THANK YOU.

21 (A RECESS WAS TAKEN.)

22 CHAIRMAN THOMAS: PLEASE TAKE YOUR SEATS
23 AGAIN. OKAY. PLEASE, EVERYBODY, TAKE YOUR SEATS.
24 WE'RE NOW GOING TO PROCEED TO ITEM NO. 7, DISCUSSION
25 OF THE BUDGET. CHILA, CAN YOU PLEASE APPROACH THE

BARRISTERS' REPORTING SERVICE

1 PODIUM? CHILA, PLEASE GO AHEAD HERE.

2 MS. SILVA-MARTIN: GOOD MORNING AGAIN.

3 AND AFTER THAT VERY HEARTY DISCUSSION, I WILL BE
4 PRESENTING THE '13-'14 BUDGET. THE INFORMATION IS
5 UNDER TAB 6 IN YOUR BINDER AND INCLUDES TWO
6 DOCUMENTS. ONE OF THEM IS THE BUDGET OVERVIEW, AND
7 THE SECOND IS A DETAILED LINE-ITEM BUDGET FOR EACH
8 OF THE COST CENTERS.

9 THIS BUDGET WAS PRESENTED TO AND APPROVED
10 BY THE FINANCE SUBCOMMITTEE ON APRIL 22D OF THIS
11 YEAR. BEFORE I ACTUALLY GO OVER THE BUDGET DETAILS,
12 I JUST WANTED TO BRIEFLY HIGHLIGHT A FEW OF THE
13 STEPS THAT WERE TAKEN IN DEVELOPING THE '13-'14
14 BUDGET.

15 WE FIRST CONDUCTED AN ANALYSIS OF OUR
16 CURRENT YEAR EXPENDITURES AND WE DEVELOPED A
17 FORECAST. SO BASED ON THIS ANALYSIS, WE ARE
18 CURRENTLY PROJECTING THAT THE '12-'13 EXPENDITURES
19 WILL COME IN JUST UNDER \$17 MILLION, \$16.6 MILLION,
20 WHICH IS ABOUT 93 PERCENT OF WHAT WAS BUDGETED FOR
21 THE FISCAL YEAR. THE NEXT STEP WAS REALLY TO ALIGN
22 THE BUDGET WITH OUR STRATEGIC PLAN AND OUR CURRENT
23 WORKLOAD, WHICH, AS YOU CAN SEE, CONTINUES TO GROW.
24 OUR STAFF IS CURRENTLY MANAGING 22 -- I GUESS 24
25 DISEASE TEAMS AND TWO STRATEGIC PARTNERSHIPS AS WELL

BARRISTERS' REPORTING SERVICE

1 AS ALMOST 600 AWARDS.

2 AND WHILE WE HAVE A VERY DYNAMIC STRATEGIC
3 PLAN AND OUR SCIENCE PORTFOLIO CONTINUES TO GROW, WE
4 ARE VERY MINDFUL OF THE EXPENDITURE LIMITATIONS
5 IMPOSED BY PROPOSITION 71. AND THAT IS THAT THE
6 GENERAL AND GRANT EXPENDITURES ARE LIMITED TO 6
7 PERCENT OF THE 3 BILLION THAT IS AUTHORIZED UNDER
8 THE PROPOSITION.

9 SO KEEPING THAT IN MIND, THE '13-'14
10 BUDGET REFLECTS AN OVERALL DECREASE OF \$465,000 OR
11 2.6 PERCENT WHICH WAS BUDGETED FOR THE '12-'13
12 FISCAL YEAR. SO THIS IS THE SECOND CONSECUTIVE YEAR
13 THAT WE'VE DEVELOPED A BUDGET THAT NOT ONLY MEETS
14 OUR OPERATIONAL NEEDS, BUT WAS REDUCED FROM THE
15 PRIOR YEAR.

16 SO MOVING ON, I'M NOT GOING TO GO OVER THE
17 DETAILS IN THIS SLIDE. IT'S RELATIVELY
18 SELF-EXPLANATORY. I JUST WANTED TO SHOW YOU THE
19 TIME FRAME THAT WAS INVOLVED IN DEVELOPING THIS
20 BUDGET AS WELL AS THE FACT THAT IT INVOLVED ALL
21 MEMBERS OF CIRM'S MANAGEMENT TEAM. SO IT WAS A VERY
22 LONG AND DETAILED PROCESS WITH SEVERAL LAYERS OF
23 REVIEW.

24 THIS NEXT SLIDE IS A BUDGET ROLLUP, AND IT
25 PROVIDES THE BUDGET FOR THE '13-'14 FOR EACH OF THE

BARRISTERS' REPORTING SERVICE

1 COST CENTERS, AND IT PROVIDES A BOTTOM-LINE
2 COMPARISON TO THE '12-'13 FISCAL YEAR BUDGET. AND
3 HERE I JUST WANT TO HIGHLIGHT A FEW THINGS. FIRST,
4 AS I MENTIONED EARLIER, OVERALL THE BUDGET IS DOWN
5 BY \$465,000 OR ALMOST 3 PERCENT. THE '13-'14 BUDGET
6 IS 17,443,000 AS COMPARED TO THE CURRENT YEAR, WHICH
7 IS 17,908,000.

8 ALTHOUGH THE BUDGET OVERALL IS REFLECTING
9 A DECREASE, THOSE COST CENTERS THAT ARE REALLY
10 FOCUSED ON ADVANCING THE SCIENCE TOWARDS CLINICAL
11 TRIALS AND MAINTAINING OUR EXPANDED TRANSLATIONAL
12 PORTFOLIO AND REALLY WORKING ON INCREASING THE
13 PUBLIC'S AWARENESS OF CIRM'S MISSION, THOSE UNITS
14 ARE SEEING INCREASES WHILE SOME OF OUR OTHER COST
15 CENTERS ARE DECREASING. AND REALLY THESE INCREASES
16 AND DECREASES REFLECT OUR CENTRAL FUNCTIONS AND
17 ALIGN BUDGET TO OUR STRATEGIC PLAN.

18 NOW LOOKING AT THE ACTUAL BUDGET, IN THIS
19 CHART WE HAVE -- THE FIRST COLUMN IS THE '12-'13
20 BUDGET, THE SECOND COLUMN IS OUR YEAR-END FORECAST
21 FOR '12-'13, AND THEN THE '13-'14 FISCAL YEAR
22 BUDGET, AND THE LAST COLUMN IS THE VARIANCE, NOT
23 BETWEEN THE BUDGET AND THE '13-'14 BUDGET, BUT THE
24 VARIANCE BETWEEN OUR FORECAST OF \$16.6 MILLION AND
25 THE '13-'14 BUDGET OF 17.4 MILLION.

BARRISTERS' REPORTING SERVICE

1 AND LOOKING AT THE INDIVIDUAL CATEGORIES,
2 IN EMPLOYEE EXPENSES, OVERALL WE ARE SEEING AN
3 INCREASE OF JUST OVER A MILLION DOLLARS FROM YEAR TO
4 YEAR. SO THIS INCREASE INCLUDES FUNDING FOR MERIT
5 SALARY ADJUSTMENTS AND PERFORMANCE ADJUSTMENTS AT
6 THE SAME LEVEL THAT WAS FUNDED IN THE '12-'13 FISCAL
7 YEAR, INCREASED COST FOR EMPLOYER SHARE OF
8 RETIREMENT BENEFITS, AS WELL AS INCREASED COST FOR
9 EMPLOYER SHARE OF HEALTH BENEFITS, AND THEN
10 CONVERSION OF EXTERNAL SERVICES, CONSULTING
11 CONTRACTS, TO POSITIONS.

12 LOOKING AT OUR EXTERNAL SERVICES CATEGORY,
13 THIS BUDGET IS DOWN SIGNIFICANTLY FOR THE '13-'14
14 FISCAL YEAR. IT'S ALMOST \$1.4 MILLION LESS THAN
15 WHAT WAS BUDGETED IN '12-'13. AND THIS IS REALLY
16 DUE TO A VARIETY OF FACTORS. FOR ONE THING, WE HAD
17 SOME ONE-TIME COSTS IN THE '12-'13 FISCAL YEAR THAT
18 WILL NOT MATERIALIZE IN '13-'14, SUCH AS THE IOM
19 REPORT. WE ALSO HAD SOME COSTS THAT WE FUNDED FOR
20 THREE YEARS LIKE THE ONLINE JOURNAL, AND THE LAST
21 YEAR OF FUNDING WILL BE IN THE '12-'13 FISCAL YEAR.
22 AND THEN WE HAD SOME COSTS THAT JUST DID NOT
23 MATERIALIZE, LEGAL SERVICES. AND THEN WE HAVE
24 CONVERSIONS OF POSITIONS FROM CONSULTING SERVICES TO
25 POSITIONS.

BARRISTERS' REPORTING SERVICE

1 THE NEXT CATEGORY I JUST WANTED TO GO OVER
2 IS THE REVIEW MEETINGS AND WORKSHOPS. IN THIS
3 CATEGORY WE'RE ALSO SEEING A REDUCTION IN BUDGET.
4 AND THIS IS REALLY ATTRIBUTABLE TO THE GRANTEE
5 MEETING THAT WE HOLD EVERY 18 MONTHS. AS YOU KNOW,
6 WE HELD THAT IN MARCH OF THIS YEAR, SO WE'RE NOT
7 SCHEDULED TO HAVE THAT UNTIL THE '14-'15 FISCAL
8 YEAR. SO THE 13-'14 BUDGET DOES NOT INCLUDE THAT
9 ITEM.

10 AND THEN THE LAST CATEGORY THAT I REALLY
11 WANTED TO COVER WAS TRAVEL. AND OVERALL WE ARE
12 SEEING A SLIGHT INCREASE IN THE BUDGET, BUT THAT
13 INCREASE IS TOTALLY ATTRIBUTABLE TO OUR
14 ADMINISTERING THE STATE'S PUBLIC TRANSIT INCENTIVE
15 PROGRAM. THE RATES FOR THIS PROGRAM ARE BASED ON
16 FEDERAL GUIDELINES. IN THE 2012 FISCAL YEAR --
17 CALENDAR YEAR, THE FEDERAL GOVERNMENT REVISED THOSE
18 RATES. AND SO OUR BUDGET IS REFLECTING THAT
19 INCREASE.

20 SO THE NEXT THING I THINK I REALLY WANT TO
21 DO IS PUT ALL OF THIS INTO CONTEXT WITH THE
22 6-PERCENT ADMINISTRATIVE CAP THAT I MENTIONED
23 EARLIER. SO BEFORE I ACTUALLY LOOK AT THE NUMBERS,
24 I WANT TO BRIEFLY IDENTIFY THE LONG-TERM OPERATIONAL
25 FORECAST AND WHAT THINGS ARE INCLUDED IN THAT.

BARRISTERS' REPORTING SERVICE

1 SO FOR THE LONG-TERM FORECAST, WE'RE
2 MAKING ASSUMPTIONS THAT WE WILL HAVE OPERATIONAL
3 GROWTH THROUGH THE '16-'17 FISCAL YEAR, WHICH IS
4 WHEN WE'RE PLANNING TO MAKE OUR LAST AWARDS. SO
5 OBVIOUSLY IF THAT CHANGES, THAT SCHEDULE CHANGES,
6 WE'LL NEED TO MAKE ADJUSTMENTS TO THIS FORECAST.
7 THE FORECAST ALSO INCORPORATED INCREASED EMPLOYER
8 RETIREMENT COSTS. WE ARE CURRENTLY IN -- THE SPACE
9 WE'RE CURRENTLY IN WE DO NOT PAY RENT, BUT BEGINNING
10 IN NOVEMBER 2015, WE WILL HAVE TO START INCURRING
11 RENT. SO THIS FORECAST DOES INCLUDE RENT BEGINNING
12 IN NOVEMBER OF 2015, AND THAT RENT RATE IS BASED ON
13 CURRENT YEAR, 2013 RENTAL RATES, FOR THE AREA WE'RE
14 CURRENTLY LOCATED IN. IT INCLUDES A CONSERVATIVE
15 INFLATIONARY FACTOR, AND THEN IT INCLUDES SOME OF
16 THOSE ONETIME OR REGULAR COSTS THAT I MENTIONED
17 EARLIER, SUCH AS THE GRANTEE MEETING. WE ALSO ARE
18 REQUIRED BY SENATE BILL 1064 TO CONDUCT A
19 PERFORMANCE AUDIT EVERY THREE YEARS, AND THAT'S
20 INCORPORATED INTO THIS FORECAST.

21 SO BASED ON THESE ASSUMPTIONS, THIS
22 FOLLOWING CHART SHOWS HOW WE WILL SPEND OUR
23 ADMINISTRATIVE -- GENERAL AND GRANT ADMINISTRATIVE
24 FUNDS. SO COSTS WILL CONTINUE TO INCREASE THROUGH
25 THE '16-'17 FISCAL YEAR, AND THEN WE START TO DROP

BARRISTERS' REPORTING SERVICE

1 OFF IN '17-'18 WHERE WE'LL NO LONGER BE MAKING
2 AWARDS, BUT WE'LL ACTUALLY JUST BE MANAGING THE
3 AWARDS THAT WE HAVE.

4 THIS REALLY CONCLUDES THE BUDGET. I'M
5 HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

6 CHAIRMAN THOMAS: SENATOR TORRES.

7 MR. TORRES: YES. I WANTED THE BOARD TO
8 KNOW THAT STAFF, PAUL STEIN AND ALEXANDRA CAMPE AND
9 OTHERS, HAVE BEEN INVOLVED WITH ME IN TRYING TO
10 DETERMINE OUR NEXT SPACE.

11 AND SO I MET WITH THE MAYOR OF SAN
12 FRANCISCO, WHO'S A DEAR FRIEND, AND HE ENCOURAGED US
13 TO BE AWARE THAT HE'S VERY COMMITTED TO HELPING US
14 FIND SOME SPACE IN SAN FRANCISCO. WHETHER IT MEANS
15 TAX CREDITS OR INCENTIVES TO A POTENTIAL LANDLORD,
16 WE STILL HAVE TO WORK THAT OUT. OBVIOUSLY WE STILL
17 HAVE TO WORK OUT WHAT THE SPACE WILL BE. BUT THE
18 FACT THAT THE MAYOR HAS INDICATED VERY EXPLICITLY
19 THAT HE WANTS TO KEEP US IN SAN FRANCISCO, I THINK
20 IT WILL BODE WELL FOR US DOWN THE ROAD.

21 THE CURRENT OWNER OF THE PROPERTY HAS NOT
22 BEEN HAPPY THAT FOR TEN YEARS THEY'VE HAD TO SUPPLY
23 FREE RENT TO US. AND WHAT THEY DIDN'T ANTICIPATE
24 WAS HAVING TO PROVIDE FOR OVER 755,000 IN OPERATING
25 COSTS, WHICH THEY THOUGHT SOME DONORS WOULD TAKE ARE

BARRISTERS' REPORTING SERVICE

1 OF. THOSE DONORS, SOME OF WHOM PASSED AWAY AND
2 OTHERS WHO CHOSE TO GIVE MONEY TO OTHER
3 INSTITUTIONS, UC SAN FRANCISCO IN PARTICULAR TO THE
4 STEM CELL LAB, WHICH WAS VERY MUCH APPRECIATED, I
5 KNOW, BY UCSF. BUT AT THE END OF THE DAY, THERE'S
6 NO ROOM FOR NEGOTIATIONS WITH THIS CURRENT OWNER.
7 SO WE'RE FORCED TO LOOK FOR ANOTHER LOCATION. I
8 JUST WANTED TO GIVE YOU AN UPDATE, AND I'LL BE
9 UPDATING THE BOARD AS WE PROCEED ALONG AS TO
10 POTENTIAL ALTERNATIVES THAT WE MIGHT FIND IN SAN
11 FRANCISCO.

12 CHAIRMAN THOMAS: THANK YOU, SENATOR
13 TORRES.

14 MS. SAMUELSON: I HAVE A QUESTION ABOUT
15 THAT. THANK YOU SO MUCH, SENATOR TORRES, FOR THAT
16 WORK. IS IT THE WORKING ASSUMPTION THAT THAT WOULD
17 BE FREE THEN? THERE'S LOTS OF SPACE.

18 MR. TORRES: I WOULD NOT WORK ON THAT
19 ASSUMPTION. I WOULD WORK ON THE ASSUMPTION
20 SOMEWHERE BETWEEN A DOLLAR AND MORE, AGAIN,
21 DEPENDENT UPON WHAT KIND OF TAX INCENTIVES THE CITY
22 OF SAN FRANCISCO WOULD PROVIDE. WE'RE VERY
23 FORTUNATE THAT MY SON IS THE DEPUTY MAYOR FOR
24 ECONOMIC DEVELOPMENT, SO WE ALSO HAVE HIM WORKING ON
25 THIS AS WELL.

BARRISTERS' REPORTING SERVICE

1 MS. SAMUELSON: I'LL ASK MORE QUESTIONS
2 OFFLINE.

3 CHAIRMAN THOMAS: DR. STEWARD AND THEN MR.
4 JUELSGAARD.

5 DR. STEWARD: I'M SORRY. I DIDN'T
6 UNDERSTAND WHAT YOU SAID ABOUT THE TRAVEL THING.
7 COULD YOU UNPACK THAT CASE A LITTLE BIT?

8 MS. SILVA-MARTIN: SURE. OVERALL,
9 ALTHOUGH WE'RE SEEING AN INCREASE IN TRAVEL, IT'S
10 ALL ATTRIBUTABLE TO THE STATE'S PUBLIC TRANSIT
11 PROGRAM. SO THE STATE HAS A PROGRAM THAT ENCOURAGES
12 EMPLOYEES NOT TO DRIVE TO WORK, BUT RATHER TAKE
13 PUBLIC TRANSIT, AND THEY ARE REIMBURSED FOR THESE
14 COSTS.

15 IN 2012 WE USED THE FEDERAL GUIDELINES TO
16 ESTABLISH THAT DOLLAR AMOUNT THAT WE REIMBURSE THE
17 STAFF, AND THAT AMOUNT INCREASED, SO WE INCREASED
18 OUR REIMBURSEMENT. ACTUALLY IN PRIOR YEARS, WE
19 HADN'T BUDGETED FOR THAT. WE WERE ABLE TO
20 INCORPORATE IT INTO OUR EXISTING BUDGET; BUT BECAUSE
21 WE VERY CLOSELY LOOKED AT EVERY LINE ITEM OF
22 EXPENDITURE THIS YEAR, WE FELT WE HAD TO INCLUDE IT
23 TO MAKE SURE THAT WE HAD IT COVERED.

24 DR. STEWARD: JUST TO BE CLEAR, THAT'S
25 \$73,000.

BARRISTERS' REPORTING SERVICE

1 MS. SILVA-MARTIN: WELL, ACTUALLY I DON'T
2 KNOW THAT IT'S \$73,000 OVERALL. I GUESS I MISSPOKE.
3 WHAT I MEANT TO SAY WAS THAT THE OVERALL TRAVEL
4 BUDGET IN OUT-OF-STATE HAS ACTUALLY REDUCED IN THIS
5 FISCAL YEAR BY ABOUT 15,000. SO THE IN-STATE TRAVEL
6 IS A LITTLE BIT HIGHER.

7 DR. STEWARD: OKAY. SO THE DIFFERENCE
8 BETWEEN LAST YEAR AND THIS YEAR IS \$73,000, BUT IT'S
9 NOT ALL BECAUSE OF THAT?

10 MS. SILVA-MARTIN: YES, THAT'S CORRECT.
11 SOME OF IT IS JUST REGULAR IN-STATE TRAVEL. SORRY
12 ABOUT THAT.

13 DR. JUELSGAARD: SO IN THE SLIDE JUST
14 PRIOR TO THIS WHEN YOU TALKED ABOUT SOME OF THE
15 LONG-RANGE EXPENSE SHIFTS, WHAT ARE YOU ASSUMING IN
16 THIS FOR HEAD COUNT GROWTH IN THE ORGANIZATION?

17 MS. SILVA-MARTIN: WELL, WE'RE BASICALLY
18 AT A PEAK NOW AND WILL CONTINUE PROBABLY AT THE SAME
19 LEVEL OR CLOSE TO THE SAME LEVEL THROUGH '16-'17,
20 AND THEN IN THE '17-'18 FISCAL YEAR, WE'LL START
21 REDUCING STAFF AT THAT POINT. SO I DON'T KNOW, 25,
22 35 PERCENT BASED ON WHAT WE'RE PROJECTING THE
23 WORKLOAD TO BE AT THE TIME.

24 DR. JUELSGAARD: ESSENTIALLY THIS ASSUMES
25 NO ADDITIONAL HEAD COUNT?

BARRISTERS' REPORTING SERVICE

1 MS. SILVA-MARTIN: YES, THAT'S CORRECT.

2 CHAIRMAN THOMAS: OTHER QUESTIONS FROM
3 MEMBERS OF THE BOARD?

4 DR. STEWARD: I'M SORRY. THIS IS SORT OF
5 A TECHNICAL QUESTION THAT I ASKED EARLIER, AND IT
6 HAS TO DO WITH THE 6-PERCENT CAP. AND GOING
7 FORWARD, YOU'RE REDUCING HEAD COUNT BASED ON
8 WORKLOAD, BUT DO YOU ALSO NEED EACH YEAR TO STAY
9 WITHIN THAT 6-PERCENT CAP? AND HOW IS THAT BEING
10 PROJECTED FORWARD, OR IS THAT A 6-PERCENT CAP THAT
11 APPLIES TO THE WHOLE PERIOD OR JUST -- THE WHOLE
12 THING? SO IT IS POSSIBLE TO AMORTIZE THAT OUT.

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

14 CHAIRMAN THOMAS: ANY OTHER COMMENTS FROM
15 MEMBERS OF THE BOARD?

16 MS. SAMUELSON: QUESTION. DO YOUR
17 DISCUSSIONS WITHIN THE STAFF ABOUT THE BUDGET, DO
18 THEY INCLUDE STRATEGIC DISCUSSIONS ABOUT WHERE STAFF
19 HOPES TO BE PROGRAMMATICALLY --

20 MS. SILVA-MARTIN: YES, ABSOLUTELY.

21 MS. SAMUELSON: -- AT VARIOUS POINTS AND
22 WHAT KIND OF STAFF IS NEEDED --

23 MS. SILVA-MARTIN: YES.

24 MS. SAMUELSON: -- AND EFFORT BY THE
25 INSTITUTION --

BARRISTERS' REPORTING SERVICE

1 MS. SILVA-MARTIN: YES, ABSOLUTELY.

2 MS. SAMUELSON: -- TO ACCOMPLISH THAT?
3 BECAUSE TO BE REDUCING THE STAFF AT A TIME WHEN WE
4 SHOULD BE HAVING CRITICAL MASS ON ALL SORTS OF
5 SCIENTIFIC FRONTS, I WOULD THINK, IF WE ARE
6 DECLINING IN SIZE, WE ARE ASSUMING WE WILL NOT BE
7 THE GLOBAL LEADER OF THAT DEVELOPMENT.

8 MS. SILVA-MARTIN: THIS ASSUMES THAT WE
9 WILL NOT BE RECEIVING ANY OTHER FUNDING BECAUSE THE
10 PROPOSITION ONLY PROVIDES FOR THIS 3 BILLION AND 6
11 PERCENT, SO \$180 MILLION.

12 MS. SAMUELSON: I UNDERSTAND THAT'S FISCAL
13 RESPONSIBILITY, OF COURSE. BUT IT'S LACKING A
14 SYNC-UP WITH, I THINK, AN IMPORTANT STRATEGIC
15 TARGET. SO I GUESS I'D ENCOURAGE STAFF TO THINK
16 ABOUT THAT AND MAYBE COME BACK TO US.

17 MS. SILVA-MARTIN: ABSOLUTELY. WHEN WE
18 DEVELOPED THIS BUDGET, WE DID LOOK AT OUR STRATEGIC
19 PLAN AND OUR WORKLOAD AND THE RESOURCES THAT WERE
20 NEEDED, AND WE WILL CONTINUE TO DO THAT EVERY YEAR
21 AS WE MOVE FORWARD, KEEPING MINDFUL OF THE FACT THAT
22 WE DO HAVE \$180 MILLION CAP THAT WE CANNOT EXCEED.

23 CHAIRMAN THOMAS: THAT IS AN INTEGRAL
24 PART, JOAN. POINT WELL TAKEN, BUT VERY MUCH A
25 FRONTLINE ISSUE EACH YEAR ON THIS. MARCY.

BARRISTERS' REPORTING SERVICE

1 MS. FEIT: I JUST WANT THE BOARD TO KNOW
2 THAT THE STAFF HAS BEEN REALLY GREAT TO WORK WITH.
3 THIS IS NOT AN EASY BUDGET TO PUT TOGETHER KNOWING
4 WHERE WE'RE AT TODAY. THE WORKLOAD IS SIGNIFICANT.
5 AND THEY DID MAKE ADDITIONAL STAFFING REQUESTS, AND
6 WE ASKED THEM TO RECONSIDER IT BECAUSE WE ARE
7 LOOKING DOWNSTREAM. WE WANT TO PRESERVE AS MUCH OF
8 THE MONEY AS POSSIBLE TO CONTINUE THE GRANT WORK.
9 THAT IS THE HEART OF WHAT THE MISSION IS FOR THIS
10 ORGANIZATION. AND THE STAFF HAS BEEN JUST
11 TREMENDOUS AT ADHERING TO THAT.

12 RIGHT NOW TODAY THE WORKLOAD IS
13 SIGNIFICANT AND THEY'RE TRYING TO BE FUTURISTIC
14 ABOUT THE FISCAL CONSERVATIVENESS THAT HAS TO HAPPEN
15 TO SUSTAIN US GOING FORWARD AS LONG AS POSSIBLE. SO
16 I COMMEND THEM. AND WE GET REALLY UPDATED CURRENT
17 BUDGET INFORMATION FROM THE STAFF REGULARLY. IT'S
18 GREAT. AND I HAVE NOTHING BUT PRAISE FOR THEIR
19 COMMITMENT TO THIS.

20 CHAIRMAN THOMAS: THANK YOU. ANY OTHER
21 COMMENTS FROM MEMBERS OF THE BOARD? MEMBERS OF THE
22 PUBLIC? MR. REED.

23 MR. REED: I WOULD JUST LIKE TO ASK IF THE
24 TRAVEL BUDGET CONTAINS FUNDS TO SEND SIX SCIENTISTS
25 OR MORE TO THE ISSCR NEXT YEAR. I THINK IT WAS DONE

BARRISTERS' REPORTING SERVICE

1 BY A DONATION THIS TIME, BUT I THINK THAT SHOULD BE
2 SOMETHING THAT WE DO AUTOMATICALLY. ISSCR IS THE
3 WORLD'S PREMIER STEM CELL RESEARCH ASSOCIATION, AND
4 WE HAVE TO HAVE A PRESENCE THERE. AND ALSO THEY
5 SHOULD GO THERE, LEARN, SHARE, AND BRING BACK WHAT
6 THEY LEARNED.

7 MS. SILVA-MARTIN: YES. THE BUDGET DOES
8 INCLUDE FUNDING FOR STAFF TO ATTEND THE ISSCR.

9 CHAIRMAN THOMAS: OKAY. MR. HARRISON, IS
10 THE VOICE VOTE ADEQUATE ON THIS?

11 MR. HARRISON: EXCEPT FOR SUE BRYANT WHO'S
12 ON THE TELEPHONE.

13 MS. SAMUELSON: QUICK QUESTION, MR.
14 CHAIRMAN. DO WE HAVE A DEVELOPMENT -- A PERSON ON
15 STAFF WITH DEVELOPMENT RESPONSIBILITY CONSIDERING
16 THAT WE ARE ALL HOPING WE WILL HAVE MONEY COMING IN
17 AT SOME POINT.

18 CHAIRMAN THOMAS: THAT WOULD BE ME, JOAN.
19 SO YES. OKAY.

20 MOTION IS ON THE TABLE. MR. HARRISON, DO
21 WE NEED A RESTATEMENT OTHER THAN JUST TO SAY MOVE
22 APPROVAL OF THE BUDGET?

23 MR. HARRISON: THERE'S NO MOTION YET.

24 CHAIRMAN THOMAS: NO MOTION YET.

25 DR. JUELGAARD: SO MOVED.

BARRISTERS' REPORTING SERVICE

1 MR. TORRES: SECOND.

2 CHAIRMAN THOMAS: MOVED BY MR. JUELSGAARD,
3 SECONDED BY SENATOR TORRES. GOT A BIT AHEAD OF
4 MYSELF. ALL THOSE IN FAVOR PLEASE SAY AYE.
5 OPPOSED? SUE.

6 DR. BRYANT: AYE.

7 CHAIRMAN THOMAS: THANK YOU. MOTION
8 UNANIMOUSLY CARRIES.

9 WE ARE GOING TO GO TO ONE MORE ITEM BEFORE
10 OUR LUNCH AND SPOTLIGHT, WHICH IS ITEM NO. 8,
11 CONSIDERATION OF THE APPLICATIONS FOR STRATEGIC
12 PARTNERSHIP II AWARDS. INGRID, YOU ARE GOING TO BE
13 PRESENTING.

14 DR. FEIGAL: I JUST WANT TO INTRODUCE
15 INGRID. DR. CARAS IS THE SENIOR SCIENCE OFFICER FOR
16 CIRM AND HAS BEEN INSTRUMENTAL IN CREATING AND
17 ORGANIZING AND FOLLOWING THROUGH ON THIS CONCEPT.
18 SO THANK YOU, INGRID.

19 DR. CARAS: OKAY. SO I'LL BE PRESENTING
20 FOR YOUR CONSIDERATION THE APPLICATIONS FOR RFA
21 12-09, CIRM'S STRATEGIC PARTNERSHIP II AWARDS. THIS
22 IS AGENDA ITEM 8.

23 SO JUST TO REMIND YOU, THE PURPOSE OF THIS
24 INITIATIVE IS TO ATTRACT INDUSTRY ENGAGEMENT AND
25 INVESTMENT IN CIRM-FUNDED STEM CELL RESEARCH. AND

BARRISTERS' REPORTING SERVICE

1 REASONS FOR THIS ARE THREEFOLD. FIRST, TO PROVIDE A
2 SOURCE OF CO-FUNDING IN THE EARLY STAGES OF
3 DEVELOPMENT. SECOND, TO ENHANCE THE LIKELIHOOD THAT
4 CIRM-FUNDED PROJECTS WILL OBTAIN FOLLOW-ON FINANCING
5 FOR THE LATER STAGES THAT CIRM WILL NOT BE ABLE TO
6 FUND. AND THIRD, TO ENABLE CIRM-FUNDED PROJECTS TO
7 ACCESS DEVELOPMENT EXPERTISE THAT EXISTS WITHIN THE
8 LARGE PHARMAS AND BIOTECHS.

9 SO, AGAIN, TO REMIND YOU, THIS INITIATIVE
10 HAS TWO UNIQUE FEATURES THAT DISTINGUISH IT FROM
11 SOME OF THE OTHER PROGRAMS. FIRST, IT REQUIRES
12 APPLICANTS TO SHOW THAT THEY HAVE FINANCIAL CAPACITY
13 TO MOVE THE PROJECT THROUGH DEVELOPMENT OR THAT
14 THEY'RE ABLE TO ATTRACT THE CAPITAL TO DO SO. AND
15 THIS CAN BE EVIDENCED BY HAVING INVESTMENTS FROM
16 VC'S, COMPANIES, DISEASE FOUNDATIONS, TOGETHER WITH
17 SIGNIFICANT LIQUID ASSETS, OR BY HAVING A
18 DEVELOPMENT AGREEMENT WITH A LARGE PHARMA OR BIOTECH
19 COMPANY.

20 AND THE SECOND FEATURE IS THAT THIS
21 INITIATIVE REQUIRES APPLICANTS TO PROVIDE CO-FUNDING
22 FOR THE PROPOSED PROJECT.

23 BY WAY OF BACKGROUND, THE STRATEGIC
24 PARTNERSHIP INITIATIVE WAS APPROVED BY THIS BOARD IN
25 OCTOBER 2011 AND AMENDED IN SEPTEMBER 2012. THE

BARRISTERS' REPORTING SERVICE

1 CURRENT CONCEPT DIRECTS CIRM TO IMPLEMENT THE
2 INITIATIVE VIA AN RFA PROCESS. AND THE INTENT IS TO
3 OFFER THIS FAIRLY FREQUENTLY WITH SOLICITATIONS
4 EVERY APPROXIMATELY SIX TO NINE MONTHS.

5 SO RFA 12-09, STRATEGIC PARTNERSHIP II
6 AWARDS, IS THE SECOND SOLICITATION UNDER THIS
7 INITIATIVE. THE AWARD AMOUNT IS UP TO \$10 MILLION
8 PER AWARD WITH THE POSSIBILITY TO INCREASE IT TO 15
9 MILLION IN EXTRAORDINARY CIRCUMSTANCES.

10 AS WAS THE CASE WITH STRATEGIC PARTNERSHIP
11 I, STRATEGIC PARTNERSHIP II IS DESIGNED TO CAPTURE
12 MATURE PROGRAMS THAT ARE CLOSE TO OR AT THE EARLY
13 CLINICAL DEVELOPMENT STAGE. AND THIS GRAPHIC SHOWS
14 WHERE THE RFA FITS ALONG THE SPECTRUM OF RESEARCH
15 THAT'S FUNDED BY CIRM AND ALSO IN RELATION TO SOME
16 OF THE OTHER RFA'S.

17 THE OBJECTIVE OF A STRATEGIC PARTNERSHIP
18 II AWARD IS COMPLETION WITHIN FOUR YEARS OF AN EARLY
19 STAGE CLINICAL TRIAL. BY THAT WE MEAN PHASE I OR
20 PHASE II. THE FOUR-YEAR PROJECT CAN INCLUDE
21 PRECLINICAL IND-ENABLING WORK, BUT ALL APPLICANTS
22 MUST BE ABLE TO COMPLETE A CLINICAL TRIAL. AND I
23 THINK IT'S IMPORTANT TO POINT OUT THAT THIS
24 OBJECTIVE IS ALIGNED WITH CIRM'S FIVE-YEAR STRATEGIC
25 GOAL TO ATTRACT INDUSTRY ENGAGEMENT AND INVESTMENT

BARRISTERS' REPORTING SERVICE

1 IN CIRM-FUNDED STEM CELL RESEARCH, AND IT'S ALSO
2 ALIGNED WITH CIRM'S FIVE-YEAR STRATEGIC CLINICAL
3 OBJECTIVE TO ADVANCE STEM CELL SCIENCE INTO CLINICAL
4 TRIALS TO ACHIEVE THERAPEUTIC BENEFIT FOR PATIENTS.

5 SO THESE WERE THE REVIEW CRITERIA. FIRST,
6 THE SIGNIFICANCE AND IMPACT OF THE PROPOSED THERAPY.
7 SECOND, THE SCIENTIFIC RATIONALE AND THE POTENTIAL
8 RISKS AND BENEFITS FOR PATIENTS. THIRD, DESIGN AND
9 FEASIBILITY. THIS HAD SEVERAL COMPONENTS THAT
10 INCLUDED THE OVERALL DEVELOPMENT PLAN, THE
11 PRECLINICAL PLAN, THE MANUFACTURING STRATEGY, AND,
12 VERY IMPORTANTLY, THE DESIGN AND FEASIBILITY OF THE
13 PROPOSED CLINICAL TRIAL.

14 FOURTH, THE TRACK RECORD AND EXPERIENCE OF
15 THE PI AND THE TEAM.

16 AND FINALLY, THE COLLABORATIONS, ASSETS,
17 RESOURCES, AND ENVIRONMENT.

18 REGARDING THE REVIEW, EACH APPLICATION WAS
19 EVALUATED BY MULTIPLE REVIEWERS WITH SPECIALIZED
20 EXPERTISE IN KEY AREAS. THESE INCLUDED OVERALL
21 THERAPY DEVELOPMENT, PRECLINICAL PHARMACOLOGY AND
22 TOXICOLOGY, MANUFACTURING, CLINICAL AND REGULATORY
23 EXPERTISE, KNOWLEDGE OF THE TARGET DISEASE AREA, AND
24 ANY ADDITIONAL SPECIALIZED EXPERTISE AS NEEDED. AN
25 EXAMPLE WOULD BE GENE THERAPY.

BARRISTERS' REPORTING SERVICE

1 SO THE GWG REVIEW MEETING TOOK PLACE ON
2 APRIL 18, 2013. AND BEFORE I GO TO THE
3 APPLICATIONS, I JUST WANT TO SAY SOMETHING ABOUT THE
4 SCIENTIFIC SCORING BECAUSE IT WAS DONE JUST A LITTLE
5 BIT DIFFERENTLY FROM IN THE PAST.

6 SO AS BEFORE, ONE HUNDRED IS THE HIGHEST
7 AND ONE IS THE LOWEST SCORE POSSIBLE. BUT WHAT WAS
8 NEW FOR THIS REVIEW IS THAT REVIEWERS WERE
9 INSTRUCTED THAT THEIR SCORES WOULD BE DETERMINATIVE.
10 SO A SCORE OF 75 TO A HUNDRED WOULD AUTOMATICALLY
11 PLACE AN APPLICATION IN TIER I, RECOMMENDED FOR
12 FUNDING. A SCORE OF 65 TO 74 WOULD PLACE IT IN TIER
13 II, MEANING THAT IT'S OF MODERATE SCIENTIFIC QUALITY
14 OR THAT CONSENSUS ON SCIENTIFIC MERIT CANNOT BE
15 REACHED AND IT MAY BE SUITABLE FOR PROGRAMMATIC
16 CONSIDERATION BY THE ICOC. AND A SCORE OF 64 OR
17 LESS WOULD AUTOMATICALLY PUT IT IN TIER III, NOT
18 RECOMMENDED FOR FUNDING.

19 SO THIS IS THE GWG REVIEW SUMMARY. THERE
20 WERE TWO APPLICATIONS THAT MET THE COMMERCIAL
21 VALIDATION ELIGIBILITY REQUIREMENT AND WERE
22 REVIEWED. BOTH WERE FROM INDUSTRY APPLICANTS. ONE
23 APPLICATION, THIS IS NO. 6902, RECEIVED A SCORE OF
24 80, PLACING IT IN TIER I, RECOMMENDED FOR FUNDING BY
25 THE GWG. ONE APPLICATION, 6906, RECEIVED A SCORE

BARRISTERS' REPORTING SERVICE

1 PLACING IT IN TIER III, NOT RECOMMENDED FOR FUNDING.
2 THE CIRM STAFF RECOMMENDATION IS IN AGREEMENT WITH
3 THE GWG RECOMMENDATIONS.

4 SO THIS SLIDE SHOWS THE APPLICATION THAT
5 WAS IN TIER I, RECOMMENDED FOR FUNDING. THIS IS NO.
6 6906 -- SORRY -- 6902. IT'S ENTITLED "A TREATMENT
7 FOR BETA THALASSEMIA VIA HIGH EFFICIENCY TARGETED
8 GENOME EDITING OF HEMATOPOIETIC STEM CELLS." AND ON
9 THE BOTTOM OF THE SLIDE, YOU CAN SEE THE TOTAL
10 AMOUNT OF FUNDS REQUESTED FROM CIRM, AND AS WELL AS
11 THE AMOUNT OF CO-FUNDING THAT THE APPLICANT WILL
12 PROVIDE. AND YOU HAVE THOSE NUMBERS.

13 THIS SLIDE IS -- I'M SHOWING THIS SLIDE TO
14 MAKE YOU AWARE THAT WE HAVE ANOTHER AWARD IN THE
15 CIRM TRANSLATION PORTFOLIO THAT IS TARGETING BETA
16 THALASSEMIA. THIS IS THE SP I AWARD NO. 6477, BUT
17 IT'S USING A VERY DIFFERENT APPROACH. AND IN ORDER
18 TO EXPLAIN THE DIFFERENCE, I NEED TO TELL YOU
19 SOMETHING ABOUT THE DISEASE.

20 SO BETA THALASSEMIA IS A SERIOUS BLOOD
21 DISORDER THAT'S CAUSED BY A GENETIC DEFECT IN THE
22 BETA GLOBIN GENE, WHICH IS ONE OF TWO GENES THAT ARE
23 REQUIRED TO MAKE FUNCTIONAL HEMOGLOBIN. THIS BETA
24 GLOBIN DEFECT PERTURBS THE PRODUCTION OF HEMOGLOBIN
25 AND RED BLOOD CELLS, AND AFFECTED INDIVIDUALS HAVE

BARRISTERS' REPORTING SERVICE

1 SEVERE ANEMIA AND REQUIRE LIFELONG BLOOD
2 TRANSFUSIONS IN ORDER TO SURVIVE.

3 SO THE SP I PROJECT NO. 6477 IS USING
4 AUTOLOGOUS HEMATOPOIETIC STEM CELLS GENETICALLY
5 MODIFIED WITH A VIRAL VECTOR ENCODING A FUNCTIONAL
6 COPY OF THE BETA GLOBIN GENE WHICH CAN REPLACE THE
7 DEFECTIVE COPY THAT'S IN THE CELLS.

8 THE PENDING SP II AWARD, NO. 6902, IS ALSO
9 USING AUTOLOGOUS HEMATOPOIETIC STEM CELLS, BUT THESE
10 WILL BE GENETICALLY MODIFIED USING A NOVEL GENE
11 EDITING TECHNOLOGY TO REACTIVATE EXPRESSION OF THE
12 FETAL GAMMAGLOBIN GENE. SO FETAL GAMMAGLOBIN CAN
13 SUBSTITUTE VERY WELL FOR THE DEFECTIVE BETA GLOBIN,
14 WHICH IS WHY THIS DISEASE DOES NOT PRESENT DURING
15 THE FIRST YEAR OF LIFE. BUT THEN ITS EXPRESSION
16 GETS TURNED OFF DURING NORMAL DEVELOPMENT. AND THE
17 AIM OF THIS PROPOSAL IS TO TURN IT BACK ON AGAIN
18 PERMANENTLY AND, THUS, MAKE THE BETA GLOBIN DEFECT
19 REDUNDANT.

20 AND TO PROVIDE YOU SOME ADDITIONAL
21 CONTEXT, THIS SLIDE SHOWS YOU CIRM'S TRANSLATION
22 PORTFOLIO FOR BLOOD DISORDERS. AND THE TOP TWO ROWS
23 SHOW THE TWO BETA THALASSEMIA PROJECTS THAT WE JUST
24 TALKED ABOUT, ONE OF THEM APPROVED AND ONE THAT IS
25 PENDING.

BARRISTERS' REPORTING SERVICE

1 AND FINALLY, THIS IS APPLICATION 6906, THE
2 ONE THAT IS IN TIER III, NOT RECOMMENDED FOR
3 FUNDING. AND FOR YOUR INFORMATION, THE APPLICANT
4 SUBMITTED AN APPEAL UNDER THE NEW APPROVED PROCESS.
5 CIRM STAFF REVIEWED THE APPEAL AND DETERMINED THAT
6 IT DID NOT MEET THE CRITERIA FOR FURTHER
7 CONSIDERATION. AND IN ADDITION, IT DID NOT ADDRESS
8 THE MAJOR CONCERNS OF THE GWG THAT IMPACTED THE
9 SCORE.

10 THAT CONCLUDES MY PRESENTATION, AND I'LL
11 BE HAPPY TO ANSWER ANY QUESTIONS.

12 CHAIRMAN THOMAS: THANK YOU, DR. CARAS.
13 SEEING NO QUESTIONS, MR. HARRISON, WE UNDER THE NEW
14 PROCEDURE WOULD NOW PROCEED TO PROGRAMMATIC REVIEW.

15 MR. HARRISON: YES, UNLESS A MEMBER OF THE
16 BOARD BELIEVES IT'S NECESSARY TO ADDRESS ANY ISSUES
17 IN CLOSED SESSION.

18 CHAIRMAN THOMAS: ANY MEMBERS OF THE BOARD
19 SO WISH? HEARING NONE, PROCEED TO PROGRAMMATIC
20 REVIEW WHICH WILL BE LED BY DR. STEWARD.

21 DR. STEWARD: RIGHT. I JUST WANTED TO
22 ACTUALLY THANK STAFF FOR PUTTING TOGETHER THIS
23 PORTFOLIO SUMMARY. IT'S REALLY VERY HELPFUL TO SEE
24 WHAT OTHER KINDS OF THINGS ARE THERE AND I THINK
25 PUTS EVERYTHING IN CONTEXT VERY NICELY.

BARRISTERS' REPORTING SERVICE

1 AS FAR AS PROGRAMMATIC REVIEW, AGAIN,
2 WE'RE IN A NEW SITUATION HERE WHEREBY THE BOARD HAS
3 THE OPPORTUNITY TO CONSIDER THESE GRANTS FOR
4 RELEVANCE IN TERMS OF HEALTH NEEDS OF CALIFORNIANS
5 OR, FOR THAT MATTER, ANY OTHER PROGRAMMATIC ISSUE.
6 HAVING THE PORTFOLIO IN FRONT OF US IS VERY HELPFUL.
7 IT LETS US SEE WHAT IS BEING FUNDED.

8 SO I GUESS REALLY THE THING TO DO IS TO
9 JUST GO AHEAD AND ASK FOR MOTIONS IN EITHER
10 DIRECTION. SO WE HAVE ONE GRANT IN THE FUNDED
11 CATEGORY THAT YOU COULD RECOMMEND BE MOVED INTO THE
12 NONFUNDED CATEGORY AND VICE VERSA. SO ANY MOTIONS
13 IN EITHER REGARD?

14 MS. WINOKUR: I MOVE THAT THE APPROVED ONE
15 BE APPROVED.

16 DR. STEWARD: OKAY.

17 MR. SHESTACK: I'LL SECOND THAT.

18 DR. STEWARD: OKAY. ALL RIGHT. WE THEN
19 COULD PRESUMABLY MOVE VERY QUICKLY AND HAVE A VOTE
20 ON THAT PORTFOLIO IN THE ABSENCE OF FURTHER
21 DISCUSSION; IS THAT CORRECT?

22 CHAIRMAN THOMAS: YES. I THINK THERE'S
23 LIKELY TO BE SOME PUBLIC COMMENT.

24 DR. STEWARD: PROBABLY.

25 CHAIRMAN THOMAS: WITH RESPECT TO THE ONE

BARRISTERS' REPORTING SERVICE

1 THAT IS THE SUBJECT OF THIS MOTION, UNLESS THERE'S
2 ANY DISCUSSION ON THE SUBJECT, WE CAN PROCEED RIGHT
3 TO A VOTE.

4 DR. PRICE: I JUST HAVE A QUESTION READING
5 THESE REVIEWS. ALMOST EVERY REVIEW WE'VE EVER SEEN
6 FOR GRANTS MAKES SOME COMMENTS ABOUT THE QUALITY OF
7 THE RESEARCH TEAM, THEIR TRACK RECORD, AND SO ON. I
8 DON'T NOTICE ANYTHING IN HERE IN THESE REVIEWS ABOUT
9 THAT, JUST READING THROUGH. ARE THESE PARTNERSHIPS
10 BETWEEN ACADEMIC RESEARCH INSTITUTIONS, AND WHO'S
11 THE PARTNER?

12 DR. CARAS: WELL, THERE WERE TWO WAYS TO
13 COME IN. ONE IS A COMPANY COULD HAVE FINANCIAL
14 VALIDATION ON ITS OWN, WHICH WAS THE CASE WITH BOTH
15 OF THESE APPLICANTS, OR SOMEONE COULD COME IN WITH A
16 PARTNER. SO IN THIS CASE IT'S THE COMPANY ITSELF
17 WHICH FULFILLED THE REQUIREMENT, THE ELIGIBILITY
18 REQUIREMENT, THAT WE HAD SET FORTH IN THE RFA.

19 DR. PRICE: SO IT'S A PARTNERSHIP OF ONE?

20 DR. CARAS: YEAH. JUST READING FROM THE
21 SUMMARY FOR THE ONE THAT IS APPROVED, REVIEWERS DID
22 SAY THAT THEY FELT THAT THE TEAM WAS EXCELLENT. SO
23 THEY DID REVIEW IT.

24 DR. STEWARD: WE DO HAVE A MOTION AND A
25 SECOND. FURTHER BOARD COMMENT?

BARRISTERS' REPORTING SERVICE

1 MS. SAMUELSON: I THINK WE SHOULD GIVE A
2 LITTLE BIT OF CONTEXT, WHICH IS THAT THIS IS -- I
3 BELIEVE THIS IS USING THE NEW FORMAT IN WHICH
4 PROGRAMMATIC REVIEW IS DONE BY THE BOARD. BUT I
5 THINK IT'S IMPORTANT THE BOARD KNOW WHAT WE DON'T
6 HAVE. IT'S AN EXTRA LAYER OF -- MAYBE THIS GOES IN
7 PART TO DR. PRICE'S QUESTION. WE DON'T HAVE THAT
8 OTHER LAYER OF ANALYSIS THAT WAS DONE BY THE
9 SCIENTISTS WITH THE PATIENT ADVOCATES.

10 AND THERE WAS A LONG DISCUSSION AT THE END
11 OF THAT MEETING AND THEN IT CONTINUED AFTER WE
12 ADJOURNED FOR PERHAPS ANOTHER HOUR. IT WAS WELL
13 OVER AN HOUR, AND I THINK IT WAS MORE LIKE TWO
14 HOURS, IN WHICH THEY UNANIMOUSLY EXPRESSED GREAT
15 CONCERN WITH THE NEW PROCESS. AND NOT ONLY THE
16 THOUGHT THAT OUR PROCESS OF REVIEWING GRANTS WOULD
17 BE IMPAIRED BY THE LACK OF THE PROGRAMMATIC REVIEW
18 AS IT WAS BEFORE, AND THEY MADE A SPECIAL POINT OF
19 SAYING THEY REALLY APPRECIATED GREATLY THE ROLE OF
20 THE PATIENT ADVOCATES. THEY MADE A BIG POINT OF
21 THIS. IT WAS A BIG SURPRISE TO SOME OF US. WE HAD
22 NOT KNOWN THAT.

23 BUT ALSO THEY SAID THAT THEY THOUGHT THIS
24 WAS SORT OF A CHECK ON -- THE PROGRAMMATIC AS IT'S
25 BEEN CONDUCTED IN GRANTS WORKING GROUP HAS BEEN SORT

BARRISTERS' REPORTING SERVICE

1 OF A CHECK ON THEIR OWN PROCESS, THAT THEY HAVE
2 GIVEN IT KIND OF ONE LEVEL OF ANALYSIS TO GET THE
3 SCIENTIFIC SCORE, BUT THAT THAT WAS REALLY
4 ELABORATED UPON WITH PROGRAMMATIC REVIEW AND THAT
5 THE SCIENTIFIC SCORES, THUS, AREN'T REALLY
6 REFLECTIVE OF THE BREADTH OF THEIR VIEW ABOUT THE
7 WHOLE THING. SO I THOUGHT IT WAS IMPORTANT THAT YOU
8 KNOW THAT.

9 DR. STEWARD: THANK YOU, JOAN. FURTHER
10 BOARD COMMENTS?

11 MS. WINOKUR: DOES THE LACK OF A
12 PARTNERSHIP, FOR EXAMPLE, ACADEMIC -- A COMPANY,
13 DOES THAT AUTOMATICALLY VOTE AGAINST THIS PROPOSAL
14 BECAUSE THE TITLE IMPLIES THAT THEY'RE GOING TO BE A
15 PARTNERSHIP?

16 DR. FEIGAL: DR. CARAS CAN ANSWER. SINCE
17 I CHOSE TO TURN ON THE MICROPHONE. IT'S A LITTLE
18 BIT OF A MISNOMER BECAUSE IF THE ENTITY HAS
19 FINANCIAL STRENGTH IN AND OF ITSELF, IT DOESN'T NEED
20 TO HAVE A PARTNER. SO THAT WAS THE MAIN PURPOSE.
21 IT COULD EITHER BE AN ACADEMIC OR A SMALL BIOTECH
22 WHO DOESN'T HAVE FINANCIAL STRENGTH THEMSELVES TO
23 LEVERAGE DOLLARS. AND SO THEY HAVE TO HAVE A
24 PARTNER, A LARGER BIOTECH OR PHARMA. BUT THEY COULD
25 COME IN IF THEY THEMSELVES HAVE FINANCIAL STRENGTH

BARRISTERS' REPORTING SERVICE

1 AND CAPACITY AND ARE GOING TO LEVERAGE. AND AS YOU
2 SAW, THEY DID SHOW WHAT THEIR FINANCIAL LEVERAGE
3 WOULD BE. AND IN ADDITION, DUE DILIGENCE WAS DONE
4 AHEAD OF TIME TO MAKE SURE THEY WERE ELIGIBLE.

5 MS. WINOKUR: SO THE PARTNERSHIP PIECE
6 DOESN'T IMPLY INDUSTRY AND ACADEMIA. IT'S
7 FINANCIAL.

8 DR. CARAS: CORRECT.

9 MS. WINOKUR: THANK YOU.

10 DR. STEWARD: OKAY. OTHER BOARD COMMENTS?

11 DR. JUELSGAARD: JUST A QUESTION. SO WHAT
12 AMOUNT OF MONEY ALTOGETHER HAS BEEN ALLOCATED FOR
13 THE STRATEGIC PARTNERSHIPS TO DATE?

14 DR. FEIGAL: I CAN ANSWER THAT QUESTION.
15 SO IT'S BEEN APPROXIMATELY 40 MILLION. I THINK THE
16 FIRST ROUND WAS 30, THE SECOND ROUND WAS 40. WE'LL
17 BE COMING TO YOU AFTER LUNCH WITH A CONCEPT PLAN FOR
18 THE NEXT ROUND. OF THAT ALLOCATED, ONLY TWO HAVE
19 BEEN AWARDED. SO THERE'S ACTUALLY SOME UNALLOCATED
20 DOLLARS THAT FIT IN THIS BIN THAT HAVE NOT BEEN
21 USED.

22 DR. STEWARD: OTHER BOARD QUESTIONS?
23 MAYBE JUST A COMMENT ON DR. PRICE'S COMMENT EARLIER
24 ON. IF THERE WAS AN ISSUE ABOUT COMPETENCE -- AND,
25 JAMES, MAYBE YOU CAN CORRECT ME IF I'M WRONG ON

BARRISTERS' REPORTING SERVICE

1 THIS -- THAT COULD BE DISCUSSED AS PROPRIETARY AND
2 CONFIDENTIAL INFORMATION; IS THAT RIGHT?

3 MR. HARRISON: AN ISSUE OF WHAT?

4 DR. STEWARD: COMPETENCE OF THE
5 INVESTIGATORS TO CARRY OUT THE WORK.

6 MR. HARRISON: WELL, ONLY IF IT GOT INTO,
7 I THINK, SPECIFIC EXAMPLES OF LACK OF COMPETENCE.
8 IF IT'S JUST A GENERAL DISCUSSION, I DON'T THINK IT
9 WOULD HAVE TO OCCUR IN CLOSED SESSION.

10 DR. CARAS: NORMALLY ANY COMMENTS ON THE
11 PI AND TEAM THAT WOULD HAVE IMPACTED THE SCORE WOULD
12 HAVE BEEN INCLUDED IN THE SUMMARY.

13 DR. FEIGAL: I JUST WANT TO MAKE IT VERY
14 CLEAR. THERE WERE CRITERIA, INCLUDING THE
15 COMPETENCE OF THE PI, THE COMPETENCE AND EXPERTISE,
16 THAT WAS CONSIDERED AS PART OF THE REVIEW DISCUSSION
17 AND THE SCORE. AND IT MAY BE AN ARTIFACT OF HOW WE
18 CHOSE TO PUT THINGS IN A PUBLIC SUMMARY, BUT IT WAS
19 CERTAINLY DISCUSSED AND PART OF THE IMPACT ON THE
20 SCORE.

21 DR. STEWARD: I DID JUST WANT TO MAKE ALL
22 OF THAT CLEAR. OKAY. FURTHER BOARD COMMENT?
23 PUBLIC COMMENT?

24 SO WE'RE TALKING ABOUT A MOTION TO APPROVE
25 ONE GRANT ONLY. THAT'S THE ONLY MOTION ON THE TABLE

BARRISTERS' REPORTING SERVICE

1 RIGHT NOW. OKAY. MR. HARRISON, COULD YOU RESTATE?

2 MR. HARRISON: THE MOTION IS TO APPROVE
3 STRATEGIC PARTNERSHIP II APPLICATION 06902.

4 DR. STEWARD: MARIA.

5 MS. BONNEVILLE: ANNE-MARIE DULIEGE.

6 DR. DULIEGE: YES.

7 MS. BONNEVILLE: MARCY FEIT.

8 MS. FEIT: YES.

9 MS. BONNEVILLE: MICHAEL GOLDBERG.

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

12 MS. BONNEVILLE: STEVE JUELSGAARD.

13 MR. JUELSGAARD: YES.

14 MS. BONNEVILLE: SHERRY LANSING.

15 FRANCISCO PRIETO.

16 DR. PRIETO: AYE.

17 MS. BONNEVILLE: ROBERT QUINT.

18 DR. QUINT: YES.

19 MS. BONNEVILLE: DUANE ROTH.

20 MR. ROTH: YES.

21 MS. BONNEVILLE: JOAN SAMUELSON.

22 MS. SAMUELSON: YES.

23 MS. BONNEVILLE: JON SHESTACK.

24 MR. SHESTACK: YES.

25 MS. BONNEVILLE: OS STEWARD.

BARRISTERS' REPORTING SERVICE

1 DR. STEWARD: YES.

2 MS. BONNEVILLE: JONATHAN THOMAS.

3 CHAIRMAN THOMAS: YES.

4 MS. BONNEVILLE: ART TORRES.

5 MR. TORRES: AYE.

6 MS. BONNEVILLE: DIANE WINOKUR.

7 MS. WINOKUR: YES.

8 DR. STEWARD: OKAY, THEN. AND NOW WE
9 COULD ENTERTAIN A MOTION REGARDING THE OTHER
10 APPLICATION. IT CAN BE EITHER DIRECTION, TO FUND OR
11 NOT TO FUND.

12 MR. SHESTACK: IT WAS NOT RECOMMENDED FOR
13 FUNDING.

14 DR. STEWARD: WE STILL NEED ACTION ON IT.

15 MR. SHESTACK: WE STILL NEED ACTION ON IT?
16 I MOVE THAT WE AGREE WITH THE GRANT WORKING GROUP'S
17 RECOMMENDATION ON THAT SECOND PROPOSAL.

18 DR. STEWARD: IS THERE A SECOND?

19 DR. JUELSGAARD: I SECOND.

20 DR. STEWARD: BOARD DISCUSSION?

21 MS. SAMUELSON: THAT MOTION MAY NOT BE
22 SUFFICIENT BECAUSE IT HAS TO ENCOMPASS PROGRAMMATIC
23 REVIEW, RIGHT, AND THERE WASN'T ONE AT THE GRANTS
24 WORKING GROUP LEVEL.

25 DR. STEWARD: I THINK THE MOTION IS JUST

BARRISTERS' REPORTING SERVICE

1 NOT TO FUND.

2 MR. SHESTACK: IN ACCORD WITH THE GRANT
3 WORKING GROUP RECOMMENDATION.

4 DR. STEWARD: RIGHT.

5 CHAIRMAN THOMAS: DR. STEWARD, I'D LIKE TO
6 POINT OUT THAT, WITH RESPECT TO THIS PARTICULAR
7 PROPOSAL, IT DOES APPLY THE NEW PROTOCOL FOR APPEAL,
8 WHICH HAS BEEN FOLLOWED WHEREIN THE APPLICANT FILED
9 AN APPEAL, WHICH NO LONGER IS IN THE FORM OF AN
10 EXTRAORDINARY APPEAL IN FRONT OF THE BOARD. IT'S IN
11 THE FORM OF AN APPEAL THAT GOES TO STAFF, WHICH DID
12 A RIGOROUS REVIEW OF THE APPEAL AND DETERMINED THAT
13 IT WAS NOT SOMETHING THAT SHOULD BE TAKEN TO THE
14 GRANTS WORKING GROUP FOR REANALYSIS. AND STAFF
15 RECOMMENDS PER THAT PROTOCOL THAT THE PROPOSAL NOT
16 BE FUNDED.

17 SO JUST TO REMIND EVERYBODY THAT UNDER THE
18 TERMS OF THE NEW PROCEDURE, EVERYTHING HAS BEEN
19 FOLLOWED TO THE LETTER OF THAT PROCEDURE.

20 MS. SAMUELSON: MR. CHAIRMAN, GIVEN IT'S
21 THE FIRST USE OF THAT, I'D LIKE TO SUGGEST THAT WE
22 GIVE IT A QUICK LOOK IN CLOSED SESSION, WHICH WOULD
23 MEAN, I GUESS, A MOTION TO THAT EFFECT, THAT WE PUT
24 OFF A VOTE UNTIL WE REVIEW THE APPEAL BRIEFLY IN
25 CLOSED SESSION. DOES THAT MAKE SENSE PROCEDUREWISE?

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: I BELIEVE -- MR.
2 HARRISON, I WOULD DEFER TO YOU ON THIS. BUT THE
3 BOARD, I DON'T BELIEVE, WOULD BE REVIEWING THE
4 APPEAL. BUT I ASK YOU THAT QUESTION.

5 MR. HARRISON: THAT'S CORRECT. TWO
6 POINTS. ONE, WE'D ONLY GO INTO CLOSED SESSION IF A
7 QUESTION HAS BEEN RAISED THAT CAN'T BE ANSWERED IN
8 OPEN SESSION WITH RESPECT TO PROPRIETARY
9 INFORMATION. AND SECONDLY, UNDER THE APPEAL PROCESS
10 APPROVED BY THE BOARD, THE BOARD VESTED STAFF WITH
11 THE AUTHORITY TO MAKE A DETERMINATION WHETHER THE
12 THRESHOLD CRITERIA THAT HAD BEEN ESTABLISHED BY THE
13 BOARD HAD BEEN MET BY THE APPLICANT IN MAKING AN
14 APPEAL. AND IN THIS CASE STAFF HAS DETERMINED,
15 AFTER REVIEWING IT, THAT THE APPLICANT HAS NOT
16 SATISFIED THOSE THRESHOLD CRITERIA AND THAT NO
17 FURTHER ACTION IS REQUIRED.

18 MS. SAMUELSON: I'D LIKE TO GIVE A BRIEF
19 LOOK AT THAT, AND IN PARTICULAR THE PROPRIETARY
20 INFORMATION THAT MAY HAVE LED STAFF TO THAT
21 CONCLUSION. DOES THAT GET US INTO CLOSED SESSION?

22 CHAIRMAN THOMAS: I'LL ASK MR. HARRISON.
23 IS THAT APPROPRIATE UNDER THE TERMS OUR NEW POLICY?

24 MR. HARRISON: SO I GUESS THE FIRST POINT
25 I WOULD MAKE IS THAT THE POINT OF THE POLICY WAS TO

BARRISTERS' REPORTING SERVICE

1 GIVE STAFF THE AUTHORITY TO MAKE THAT JUDGMENT, NOT
2 THE BOARD. AND THE SECOND POINT IS THAT WE REALLY
3 DO NEED TO IDENTIFY PROPRIETARY INFORMATION. I
4 DON'T KNOW WHETHER THERE'S ANY THAT'S BEEN
5 IDENTIFIED TO DATE, SO I'M NOT SURE WHAT WE WOULD GO
6 INTO CLOSED SESSION TO EVALUATE.

7 MS. SAMUELSON: I'M UNCOMFORTABLE WITH
8 JUST SAYING THAT GOING FORWARD WE'LL HAVE NO REVIEW
9 CAPACITY ON ANY OF THOSE GRANTS WHERE THE APPLICANT
10 ELECTS TO USE THE APPEAL PROCESS. BUT I CAN'T COME
11 UP WITH ANYTHING BETTER ON THE WORDING.

12 CHAIRMAN THOMAS: JOAN, THIS IS THE
13 PROCESS. WE DISCUSSED THIS IN CONSIDERABLE DETAIL,
14 AND THIS IS THE PROCESS THAT WE PUT IN PLACE HERE,
15 AND IT HAS BEEN ADHERED TO. WE STILL CAN HEAR FROM
16 WHOMEVER WOULD LIKE TO SPEAK IN PUBLIC COMMENT, BUT
17 THE NEW PROCEDURE HAS GIVEN TO STAFF THE AUTHORITY
18 TO DO THAT REVIEW.

19 MS. SAMUELSON: I UNDERSTAND. I JUST
20 DON'T THINK IT NEEDS TO BE QUITE SUCH A MYSTERY JUST
21 AT THE OUTSET WHERE WE'RE JUST GIVING IT A LOOK.

22 CHAIRMAN THOMAS: I WOULD ALSO LIKE TO
23 POINT OUT THAT, AS WE HAVE THIS PROCEDURE IN PLACE,
24 THIS BEING THE INITIAL INSTANCE THAT WE ARE
25 FOLLOWING IT, IF WE START INSTITUTING A PROCESS

BARRISTERS' REPORTING SERVICE

1 WHERE THE BOARD IS LOOKING TO REVIEW STAFF'S REVIEW
2 WITH RESPECT TO THIS APPLICATION, THAT BASICALLY
3 WOULD SET A PRECEDENT FOR EVERYTHING THAT FOLLOWS.
4 AND WE SPECIFICALLY DESIGNED THIS PROCESS TO HAVE AN
5 EFFICIENT AND WELL THOUGHT OUT REVIEW, WHICH WE'VE
6 HAD HERE. AND SO I BELIEVE THAT THAT'S WHAT WE'VE
7 DISCUSSED DOING AND IT'S WHAT WE SHOULD DO ON THIS
8 AND GOING FORWARD.

9 MS. SAMUELSON: I'M JUST JUGGLING THAT
10 WITH MY OVERSIGHT FIDUCIARY RESPONSIBILITY AND BEING
11 ON THE WORKING GROUP.

12 CHAIRMAN THOMAS: I UNDERSTAND. I DO
13 UNDERSTAND THAT.

14 MS. SAMUELSON: PERHAPS HAVING PUBLIC
15 COMMENT WILL SUFFICE. I DON'T KNOW. WE'LL SEE.

16 CHAIRMAN THOMAS: CAN WE HAVE DIANE AND
17 THEN DR. STEWARD.

18 MS. WINOKUR: AS I REMEMBER THE DISCUSSION
19 OF THIS NEW POLICY, IT HAS AN ENDING DATE IN WHICH
20 WE REVIEW THE WAY IT'S BEEN WORKING.

21 CHAIRMAN THOMAS: THAT'S CORRECT. UP TO A
22 YEAR FROM THE ADOPTION OF ALL THE RELEVANT CHANGES
23 IN MARCH.

24 MS. WINOKUR: WELL, I SUGGEST THAT WE
25 SOMEHOW KEEP TRACK OF COMMENTS THAT COME UP PRO OR

BARRISTERS' REPORTING SERVICE

1 CON THE NEW POLICY SO THAT WHEN IT'S TIME TO REVIEW
2 IT AND MAKE A DECISION ON IT, WE HAVE SOMETHING TO
3 START WITH.

4 CHAIRMAN THOMAS: THANK YOU. DR. STEWARD,
5 BACK TO YOU.

6 DR. STEWARD: THANKS. I WAS JUST GOING TO
7 REST THE CHAIR. SO WE DO HAVE A MOTION ON THE FLOOR
8 WITH A SECOND, AND THAT WAS NOT TO FUND THIS
9 PROPOSAL. IS THERE ANY FURTHER BOARD DISCUSSION ON
10 THAT MOTION?

11 IF NOT, PUBLIC COMMENT? AND JUST TO
12 REMIND YOU TO PLEASE INTRODUCE YOURSELF AND ALSO
13 PLEASE KEEP YOUR COMMENTS TO THREE MINUTES.

14 MR. CASHMAN: JAN CASHMAN. I'M THE
15 PRESIDENT OF THE HUMAN BIOMOLECULAR RESEARCH
16 INSTITUTE. AND, DIANE, WE WERE ACTUALLY THE PARTNER
17 IN THIS STRATEGIC PARTNER APPLICATION. SO THERE WAS
18 A PARTNER. WE'RE AN ACADEMIC NONPROFIT. WE
19 SPECIALIZE IN SMALL MOLECULES THAT CAUSE STEM CELL
20 DIFFERENTIATION. AND WE'VE BEEN VERY SUCCESSFUL IN
21 PART WITH CIRM FUNDING FOR CARDIOMYOCYTE
22 DIFFERENTIATION AND NEURONAL DIFFERENTIATION.

23 AND WE TURNED OUR ATTENTION RECENTLY IN A
24 COLLABORATION WITH A LOCAL CALIFORNIA STEM CELL
25 COMPANY TO DEVELOP A SMALL MOLECULE THAT WOULD

BARRISTERS' REPORTING SERVICE

1 STIMULATE BONE FORMATION. THIS COMPANY IS THE
2 WORLD'S LARGEST DISTRIBUTOR OF HUMAN STEM CELLS. I
3 REPEAT. THE LARGEST DISTRIBUTOR OF HUMAN CELLS.
4 THAT'S A CALIFORNIA COMPANY. IT SHOULD BE
5 SUPPORTED.

6 THE TECHNOLOGY IS EXCELLENT, AND IT'S
7 DEMONSTRATED BY THE HANDOUT WHICH I CAN BRIEFLY GO
8 OVER. IF YOU JUST LOOK AT THE BLUE SIDE OF THE
9 PAPER FOR A MOMENT, THAT EXPLAINS OVERALL THE
10 STRATEGY. SO THE STRATEGY IS TO COMBINE A SMALL
11 MOLECULE WITH MSC'S OR MESENCHYMAL STEM CELLS, WHICH
12 ELLEN TALKED ABOUT BRIEFLY THIS MORNING. STIMULATE
13 THOSE CELLS INTO A LINEAGE THAT WILL PRODUCE BONE
14 AND THEN COMBINE THAT WITH A MATRIX WHICH WILL HOUSE
15 OR BE THE SCAFFOLD FOR THE IMPLANTATION OF THE BONE.

16 SO YOU CAN SEE THOSE TWO DEVICES RIGHT
17 THERE. ONE IS THE SYRINGE THAT LOOKS LIKE THIS THAT
18 HAS THE MATRIX AND ANOTHER IS THE SYRINGE JUST LIKE
19 THIS THAT HAS THE CELLS. AND I CAN ASK MY SURGEON
20 FOR TODAY AND MY SURGEON ASSOCIATE TO DO THE
21 SURGICAL OPERATION THAT CAN BE DONE IN ANY SURGICAL
22 THEATER.

23 SO, MR. CHAIRMAN, WE'RE GOING TO HAVE A
24 SURGICAL THEATER HERE TODAY. HERE'S THE CELLS
25 THAT'S IN A BIOLOGICAL ADHESIVE, AND THEY'RE GOING

BARRISTERS' REPORTING SERVICE

1 TO COMBINE THESE TOGETHER JUST LIKE THIS. AND YOU
2 HOLD ON TO THIS AND YOU PUSH FORWARD. YOU CAN'T SEE
3 THAT, BUT THAT'S THE SURGICAL PROCEDURE. IT JUST
4 HAPPENED. NOW YOU DISASSEMBLE. THANK YOU, SURGEON
5 FEIGAL. AND YOU TAKE THIS MATERIAL AND YOU PUT IT
6 INTO THE CAGE, WHICH IS ILLUSTRATED IN THE HANDOUT
7 THAT YOU HAVE. AND THEN YOU TAKE THIS MATERIAL AND
8 YOU FIND A SPINE THAT'S IN NEED OF SPINAL FUSION.
9 IS THERE ANY VOLUNTEERS IN THE AUDIENCE?

10 MR. HARRISON: YOU NEED TO WRAP UP YOUR
11 COMMENTS.

12 MR. CASHMAN: DR. FEIGAL, YOU JUST SIMPLY
13 SQUIRT OUT THE PRODUCT. SURGERY CAN BE FUN. SQUIRT
14 IT INTO THE CAGE FOR THE PATIENT. IT'S THAT SIMPLE.
15 IT'S VERY SIMPLE. AND IN THE CASE OF AN ANIMAL, IF
16 YOU WAIT 16 WEEKS, YOU RECEIVE, IF YOU TURN TO THE
17 BACK OF YOUR PAGE, YOU SEE THIS HISTOPATHOLOGY. AND
18 YOU CAN SEE THAT THERE'S AN ENORMOUS AMOUNT OF BONE
19 THAT'S FORMED. ALL OF THE PINK IS BONE. AND ALL OF
20 THE BLUE IS HEMATOPOIESIS WHICH IS ESSENTIAL FOR
21 BONE FORMATION.

22 MR. HARRISON: EXCUSE ME. COULD YOU
23 PLEASE WRAP UP YOUR COMMENTS QUICKLY?

24 MR. CASHMAN: YES, MR. HARRISON. SO YOU
25 CAN SEE IT'S A VERY SIMPLE PROCESS. IT'S EXTREMELY

BARRISTERS' REPORTING SERVICE

1 EFFECTIVE. AND THIS IS THE PRODUCT FOR OVER 600,000
2 AMERICANS, WHICH TRANSLATES TO OVER 72,000
3 CALIFORNIANS. AND THAT NUMBER, OF COURSE, IS GOING
4 TO INCREASE IN THE FUTURE BECAUSE THE POPULATION IS
5 AGING. BUT YOU CAN SEE THIS IS EXTREMELY EFFECTIVE.
6 AND COMPARED TO A COMPETITOR'S PRODUCT, YOU CAN SEE
7 THIS LITTLE BIT OF MOON, WHICH IS THE BONE IN THE
8 COMPETITOR'S PRODUCT. THAT'S NOT GOING TO LEAD TO
9 AN EFFECTIVE THERAPY.

10 THE OTHER PROBLEM WITH THE --

11 DR. STEWARD: EXCUSE ME. WE REALLY DO
12 NEED TO MOVE ON. REALLY.

13 MR. CASHMAN: LET ME JUST FINISH ONE FINAL
14 SENTENCE. THERE'S NO HEMATOPOIESIS. THERE'S NO
15 BLUE. THERE'S PLENTY OF HEMATOPOIESIS HERE. THIS
16 IS A PRODUCT THAT IS GOING TO HELP CALIFORNIANS.
17 AND THIS PROGRAM AND THIS PRODUCT SHOULD BE
18 SUPPORTED BY CIRM.

19 DR. STEWARD: THANK YOU.

20 MR. CASHMAN: I'M HAPPY TO ANSWER
21 QUESTIONS.

22 DR. STEWARD: ANY OTHER PUBLIC COMMENT?
23 SO I THINK WE NEED TO GO AHEAD WITH THE VOTE, THEN,
24 UNLESS THERE'S FURTHER BOARD COMMENT OR QUESTION.

25 MR. ROTH: LET ME MAKE JUST A QUICK

BARRISTERS' REPORTING SERVICE

1 COMMENT. I HOPE THAT WE'LL SPEND THE TIME TO HELP
2 THIS APPLICANT TAKE A DEEPER DIVE INTO WHAT DIDN'T
3 SCORE WELL HERE SO THEY HAVE A CHANCE TO COME BACK.

4 JUST A GENERAL COMMENT, I'M DISAPPOINTED
5 WE ONLY HAD TWO. IT WOULD BE WONDERFUL TO SEE MORE
6 OF THESE COMING FORWARD. SO THOSE THAT WE DO GET,
7 IF THERE'S MERIT AND IT CAN BE ADDRESSED, WHICH I
8 READ IN THE COMMENTS MADE, THINGS NEED TO BE
9 ADDRESSED. IF THOSE CAN, I HOPE THEY'LL COME BACK.

10 DR. CARAS: CAN I ADD THAT WE ALREADY HAVE
11 PLANS TO HAVE A COMMUNICATION WITH THE APPLICANT TO
12 TALK THROUGH THESE ISSUES.

13 DR. STEWARD: THANK YOU. MARIA.

14 MR. HARRISON: JUST AS A REMINDER, THE
15 MOTION IS NOT TO FUND STRATEGIC PARTNERSHIP II
16 APPLICATION 06906. SO A YES VOTE MEANS THAT YOU
17 AGREE WITH THE RECOMMENDATION NOT TO FUND.

18 MS. BONNEVILLE: ANNE-MARIE DULIEGE.

19 DR. DULIEGE: YES.

20 MS. BONNEVILLE: STEVE JUELSGAARD.

21 MR. JUELSGAARD: YES.

22 MS. BONNEVILLE: FRANCISCO PRIETO.

23 DR. PRIETO: AYE.

24 MS. BONNEVILLE: ROBERT QUINT.

25 DR. QUINT: ABSTAIN.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: DUANE ROTH.
2 MR. ROTH: YES.
3 MS. BONNEVILLE: JOAN SAMUELSON.
4 MS. SAMUELSON: YES.
5 MS. BONNEVILLE: JON SHESTACK.
6 MR. SHESTACK: YES.
7 MS. BONNEVILLE: OS STEWARD.
8 DR. STEWARD: YES.
9 MS. BONNEVILLE: JONATHAN THOMAS.
10 CHAIRMAN THOMAS: YES.
11 MS. BONNEVILLE: ART TORRES.
12 MR. TORRES: AYE.
13 MS. BONNEVILLE: DIANE WINOKUR.
14 MS. WINOKUR: YES.
15 MR. HARRISON: THAT MOTION CARRIES.
16 CHAIRMAN THOMAS: OKAY. THANK YOU. THAT
17 CONCLUDES OUR PROGRAMMATIC REVIEW. WE WILL NOW HAVE
18 EVERYBODY BREAK TO GO GET LUNCH AND BRING IT BACK.
19 MARIA, PLEASE.
20 MS. BONNEVILLE: LUNCH IS NEXT DOOR IN
21 NAPA II AND III. IF YOU COULD BRING YOUR LUNCH
22 BACK, WE HAVE A SPOTLIGHT PRESENTATION.
23 CHAIRMAN THOMAS: BACK INTO THIS ROOM.
24 CORRECT. THANK YOU.
25 (A RECESS WAS TAKEN.)

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: WE ARE NOW GOING TO
2 RESUME OUR AGENDA. WE'RE ON TO AGENDA ITEM 9,
3 CONSIDERATION OF CONCEPT PROPOSAL FOR STRATEGIC
4 PARTNERSHIP III AWARDS. DR. CARAS.

5 DR. CARAS: OKAY. SO I'M GOING TO PRESENT
6 FOR YOUR CONSIDERATION THE CONCEPT PLAN FOR
7 STRATEGIC PARTNERSHIP III. THIS IS AGENDA ITEM NO.
8 9.

9 I KNOW YOU SAW THIS A LITTLE EARLIER
10 TODAY, BUT JUST TO REITERATE. CIRM'S STRATEGIC
11 PARTNERSHIP INITIATIVE WAS CREATED TO ATTRACT
12 INDUSTRY ENGAGEMENT AND INVESTMENT IN CIRM-FUNDED
13 STEM CELL RESEARCH. AND THE THREE REASONS WHY WE
14 WANT TO DO THIS IS TO PROVIDE CO-FUNDING, FOLLOW-ON
15 FINANCING, AND TO ACCESS DEVELOPMENT EXPERTISE.

16 AGAIN, WE SAW THIS EARLIER, BUT AS A
17 REMINDER, THE TWO UNIQUE FEATURES OF THIS ARE THE
18 REQUIREMENT FOR APPLICANTS TO SHOW THEY HAVE
19 FINANCIAL CAPACITY TO MOVE THE PROJECT THROUGH
20 DEVELOPMENT OR THEY CAN ATTRACT THE CAPITAL TO DO
21 THAT. AND WE REFER TO THIS AS COMMERCIAL
22 VALIDATION. AND SECOND, IT REQUIRES APPLICANTS TO
23 PROVIDE CO-FUNDING FOR THE PROPOSED PROJECT.

24 SO AS I THINK I MENTIONED EARLIER, THE
25 STRATEGIC PARTNERSHIP INITIATIVE WAS APPROVED BY

BARRISTERS' REPORTING SERVICE

1 THIS BOARD IN OCTOBER 2011, AMENDED SEPTEMBER 2012,
2 AND CURRENTLY DIRECTS CIRM TO IMPLEMENT THE
3 INITIATIVE USING AN RFA PROCESS WITH THE IDEA OF
4 HAVING SOLICITATIONS APPROXIMATELY EVERY SIX TO NINE
5 MONTHS.

6 SO RFA 1205, STRATEGIC PARTNERSHIP I, WAS
7 POSTED IN MAY 2012 AND RFA 1209, STRATEGIC
8 PARTNERSHIP II, WHICH WE TALKED ABOUT EARLIER TODAY,
9 WAS POSTED IN NOVEMBER OF 2012. AND ON THE NEXT FEW
10 SLIDES, I'LL PRESENT THE CONCEPT PROPOSAL FOR THE
11 THIRD SOLICITATION, STRATEGIC PARTNERSHIP III.

12 SO FOR STRATEGIC PARTNERSHIP III, THE
13 ADDITION OF AN ALTERNATIVE FUNDING TRACK IS
14 PROPOSED. THE EXISTING TRACK, AS WAS IMPLEMENTED
15 FOR STRATEGIC PARTNERSHIP I AND II, WILL BE REFERRED
16 TO AS TRACK A. IT'S SIMILAR TO STRATEGIC
17 PARTNERSHIP I AND II IN BOTH SCOPE AND OBJECTIVE,
18 AND EACH AWARD PROVIDES FUNDING FOR A SINGLE
19 APPROVED PROJECT OVER A FOUR-YEAR PROJECT PERIOD.

20 NOW, TO COMPLEMENT TRACK A, CIRM PROPOSES
21 TO ADD TRACK B, WHICH WE'LL REFER TO AS A MILESTONE
22 PAYMENT PATHWAY. SO UNDER TRACK B, FOR-PROFIT
23 APPLICANTS MAY APPLY FOR FUNDING FOR UP TO FIVE
24 DIFFERENT PROJECTS. AND APPROVED PROJECTS WILL
25 RECEIVE CIRM FUNDING ONLY UPON SUCCESSFUL

BARRISTERS' REPORTING SERVICE

1 ACHIEVEMENT OF A MAJOR DEVELOPMENT MILESTONE WHICH
2 WILL BE AGREED TO IN ADVANCE. IN OTHER WORDS, TRACK
3 B WILL BE PAYMENT ONLY FOR SUCCESS.

4 TO GO INTO THIS IN A LITTLE MORE DETAIL,
5 WE'RE TALKING NOW ABOUT B TRACK, THE B MILESTONE
6 PATHWAY. THE MAJOR DEVELOPMENT MILESTONES AND THE
7 SUCCESS CRITERIA WILL BE AGREED TO BETWEEN CIRM AND
8 THE APPLICANT AT THE PROJECT START. ACHIEVEMENT OF
9 THE MAJOR DEVELOPMENT MILESTONE WILL REQUIRE
10 COMPLETION OF A CLINICAL TRIAL THAT SHOWS SOME
11 LEVEL, SOME EVIDENCE OF BIOLOGICAL ACTIVITY OR
12 CLINICAL EFFICACY AS WELL AS SAFETY. THERE WILL BE
13 NO UP-FRONT PAYMENT. INSTEAD, CIRM FUNDS WILL BE
14 PAID ONLY IF THE MAJOR DEVELOPMENT MILESTONE IS
15 SUCCESSFULLY ACHIEVED. AND THE INTENT IS THAT THE
16 MILESTONE PAYMENT WOULD ENABLE FURTHER DEVELOPMENT
17 OF THE PROJECT WITH THE ULTIMATE GOAL OF GAINING
18 REGULATORY APPROVAL TO BRING A NOVEL THERAPY TO
19 PATIENTS.

20 REGARDING THE AWARD REVIEW AND APPROVAL
21 PROCESS, BOTH TRACK A AND TRACK B APPLICATIONS WILL
22 BE REVIEWED BY THE GRANTS WORKING GROUP, AND
23 PROPOSALS MUST BE APPROVED BY THE ICOC IN ORDER TO
24 RECEIVE CIRM FUNDING. AND THIS APPLIES TO BOTH
25 TRACK A AND TRACK B.

BARRISTERS' REPORTING SERVICE

1 TRACK A PROJECTS WILL BE OVERSEEN AND
2 MANAGED BY CIRM AND ASSESSED BY THE CLINICAL
3 DEVELOPMENT ADVISORY PANEL, CDAP, AT VARIOUS POINTS
4 DURING THE PROJECT PERIOD. TRACK B PROJECTS WILL BE
5 OVERSEEN BY CIRM, AND CDAP WILL ASSESS AND ADVISE
6 CIRM ON WHETHER THE MAJOR DEVELOPMENT MILESTONE HAS
7 BEEN MET.

8 SO JUST TO RECAP, TRACK A IS SIMILAR TO
9 STRATEGIC PARTNERSHIP I AND II IN ALL ASPECTS. THE
10 AWARD WILL BE UP TO \$10 MILLION OVER FOUR YEARS FOR
11 ONE PROJECT WITH THE POSSIBILITY TO GO UP TO 15
12 MILLION IN EXTRAORDINARY CIRCUMSTANCES. THE
13 OBJECTIVE WILL BE COMPLETION OF A PHASE I AND/OR
14 PHASE II TRIAL WITHIN FOUR YEARS. AND ELIGIBILITY
15 REQUIRES COMMERCIAL VALIDATION, AND CO-FUNDING IS
16 REQUIRED FROM THE APPLICANT.

17 TRACK B, THE MILESTONE PAYMENT PATHWAY,
18 HERE THE AWARD WILL BE UP TO 10 MILLION PER PROJECT
19 FOR UP TO FIVE PROJECTS PER APPLICANT, BUT FUNDS
20 WILL BE PAID IF, AND ONLY IF, THE MAJOR DEVELOPMENT
21 MILESTONE IS ACHIEVED WITHIN THE FOUR-YEAR PROJECT
22 PERIOD. IN OTHER WORDS, PAYMENT IS CONTINGENT UPON
23 SUCCESS. AND CIRM FUNDS ONLY GO TO PROJECTS THAT
24 ARE SUCCESSFUL.

25 IN TERMS OF ELIGIBILITY, COMMERCIAL

BARRISTERS' REPORTING SERVICE

1 VALIDATION IS, AGAIN, REQUIRED AND, AGAIN, THIS
2 REQUIRES CO-FUNDING FROM THE APPLICANT.

3 THE PROPOSED TOTAL ALLOCATION FOR SP III
4 IS \$80 MILLION, AND THESE FUNDS ARE PROPOSED TO COME
5 FROM FUNDS ALREADY ALLOCATED FOR THIS PROGRAM. SO
6 \$40 MILLION HAVE BEEN ALLOCATED FOR SP IN THE ICOC
7 APPROVED STRATEGIC RFA FUNDING PLAN, AND
8 APPROXIMATELY 40 MILLION IS AVAILABLE FROM
9 UNALLOCATED FUNDING PLANNED FOR SP I AND SP II.
10 ACTUALLY IT'S A LITTLE MORE THAN 40 MILLION. I
11 THINK IT'S SOMEWHERE AROUND 43 OR 44. THE AMOUNT
12 WILL BE 10 MILLION PER PROJECT. UNDER EXCEPTIONAL
13 CIRCUMSTANCES THAT COULD BE 15, AND THIS WILL APPLY
14 TO TRACK A ONLY. THE AWARD TERM WILL BE UP TO FOUR
15 YEARS, AND CO-FUNDING FROM THE APPLICANT IS A
16 REQUIREMENT.

17 THIS IS THE PROVISIONAL TIMETABLE. WE
18 WOULD LIKE TO POST THE RFA IN JULY 2013, FAIRLY
19 SOON. LETTERS OF INTENT WILL BE DUE IN AUGUST, FULL
20 APPLICATIONS IN OCTOBER. REVIEW WILL OCCUR IN
21 FEBRUARY OF 2014, REVIEW AND APPROVAL BY THE ICOC IN
22 MARCH OF 2014, AND WE ANTICIPATE FUNDING THE AWARDS
23 IN THE MIDDLE OF 2014.

24 SO THAT'S THE CONCEPT, AND I EXPECT YOU
25 MIGHT HAVE A FEW QUESTIONS.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: QUESTIONS FROM MEMBERS
2 OF THE BOARD?

3 DR. KRONIRIS: WHAT IS THE ADVANTAGE TO A
4 POTENTIAL GRANTEE OF TRACK B?

5 DR. CARAS: THAT'S A GOOD QUESTION. WE'RE
6 REALLY GEARING THIS TO COMPANIES THAT HAVE BEEN
7 SUCCESSFUL IN RAISING FUNDS OR AT LEAST THE EARLY
8 STAGES AND HAVE MULTIPLE VERY PROMISING PROJECTS
9 THAT THEY ARE GOING TO PURSUE. WHAT THIS DOES IS
10 GIVE THEM THE OPPORTUNITY TO RECEIVE CIRM FUNDING
11 FOR MORE THAN ONE PROJECT IF THE PROJECT'S
12 SUCCESSFUL. AND THEN THOSE SUCCESSFUL ONES WILL
13 HAVE A LITTLE HELP TO MOVE THEM FURTHER ALONG THE
14 DEVELOPMENT PATH.

15 DR. KRONIRIS: JUST TO FOLLOW ON THAT,
16 HAVE YOU SURVEYED POTENTIAL GRANTEES TO SEE IF THERE
17 ARE LIKELY TO BE?

18 DR. CARAS: YES. AND PERHAPS OUR VP OF
19 BUSINESS DEVELOPMENT CAN SPEAK ON THAT.

20 MS. BAUM: YES, WE HAVE DONE INITIAL
21 SURVEYS. WE KNOW OF AT LEAST TWO COMPANIES THAT
22 HAVE EXPRESSED KEEN, VERY KEEN INTEREST IN THIS. WE
23 THINK IT'S A GREAT OPPORTUNITY TO MINIMIZE THE RISK
24 FOR CIRM BECAUSE WE ONLY PAY UPON SUCCESS. WHEN I
25 FIRST HEARD ABOUT IT, I SAID THIS IS A GREAT IDEA IF

BARRISTERS' REPORTING SERVICE

1 SOMEONE WOULD SIGN ON THE DOTTED YELLOW LINE.

2 MR. SHESTACK: SO WHEN DO THEY APPLY?

3 DR. CARAS: THEY WOULD FOLLOW THIS
4 SCHEDULE PRETTY MUCH IN LINE WITH WHAT TRACK A
5 APPLICANTS WILL FOLLOW. AND I GUESS ONE THING I
6 SHOULD ADD, THESE ARE ALL MATURE PROGRAMS THAT ARE
7 MOVING TOWARDS THE CLINIC. SO I THINK THE ADVANTAGE
8 TO CIRM IS THAT, WITH VERY LITTLE RISK TO CIRM,
9 THERE'S THE OPPORTUNITY FOR US TO INCREASE THE
10 NUMBER OF CIRM-FUNDED CLINICAL TRIALS, WHICH IS VERY
11 MUCH IN LINE WITH OUR MISSION AND GOALS.

12 CHAIRMAN THOMAS: DR. PRICE, THEN DR.
13 STEWARD, THEN MR. JUELGAARD.

14 DR. PRICE: ON TRACK B I PRESUME WE'LL
15 HAVE SOME MECHANISM FOR ENSURING THAT ONCE THEY
16 REACH THE MILESTONE AND WE PROVIDE THE MONEY, THE
17 MONEY WILL GO TO FURTHER THE RESEARCH, NOT TO REFILL
18 THE COFFERS OF MONEY THEY'VE ALREADY EXPENDED TO
19 REACH THE MILESTONE.

20 DR. FEIGAL: THE WAY WE SEE THIS IS PAYING
21 FOR SUCCESS. AND SO AS PART OF THE APPLICATION
22 PROCESS, OF COURSE, THEY HAVE TO PUT DOWN WHAT THEIR
23 PLANS OR ACTIVITIES, A BUDGET.

24 DR. PRICE: POST.

25 DR. FEIGAL: NO, BEFORE THE --

BARRISTERS' REPORTING SERVICE

1 DR. PRICE: THE PLANS ARE FOR WHAT HAPPENS
2 AFTER THE MILESTONE, RIGHT.

3 DR. CARAS: YES. THEY WILL PROVIDE A PLAN
4 MOVING FORWARD.

5 DR. FEIGAL: BUT I WAS GETTING AT YOUR
6 ISSUE OF THE ACTIVITIES THAT THEY'RE DOING ARE GOING
7 TO ALSO BE PART OF THE APPLICATION AS WELL AS THE
8 BUDGET. AND, YES, WE WILL ASK THEM FOR WHAT THEIR
9 INTENDED PLAN IS SHOULD THEY BE SUCCESSFUL. DOES
10 THAT ANSWER YOUR QUESTION?

11 DR. PRICE: YEAH.

12 DR. CARAS: I THINK THE LIKELIHOOD IS IF
13 THESE PROJECTS ARE SUCCESSFUL, IT'S IN THE COMPANY'S
14 INTEREST TO MOVE THEM FORWARD.

15 DR. STEWARD: AS WE SAW EARLIER, BEING IN
16 A PARTNERSHIP ISN'T ACTUALLY A FORMAL REQUIREMENT.
17 AND I'M JUST WONDERING IF THAT TERM "STRATEGIC
18 PARTNERSHIP" MIGHT NOT BE CONFUSING SOME OF OUR
19 POTENTIAL APPLICANTS AND MAYBE LIMITING APPLICATIONS
20 THAT MIGHT OTHERWISE COME IN. ALL I'M SAYING IS IS
21 THERE A BETTER TERM THAT WE COULD USE FOR THIS TO
22 CLARIFY?

23 MS. BAUM: COMMENT WELL TAKEN. I DO SEE
24 THAT THERE'S A GROWING CONFUSION THERE, AND THIS IS
25 A MORPHING PROGRAM. SO I DO UNDERSTAND. WE COULD

BARRISTERS' REPORTING SERVICE

1 CALL IT AN INDUSTRY, BUT THAT'S NOT EXACTLY TRUE
2 EITHER. WE CAN TAKE THAT UNDER CONSIDERATION.

3 DR. JUELSGAARD: SO THIS IS PROBABLY A BIT
4 OF A PREMATURE QUESTION. BUT YOU'VE IDENTIFIED THAT
5 SOMEBODY WHO APPLIES FOR THIS TRACK COULD HAVE UP TO
6 FIVE PROJECTS, WHICH THEN WOULD MEET MILESTONES
7 POTENTIALLY, AND THEN THEY WOULD BE PAID FOR MEETING
8 THOSE MILESTONES. DO YOU ENVISION HAVING ANY SINGLE
9 MILESTONE THAT'S MET BASICALLY COVERING SEVERAL
10 PROJECTS SO THAT YOU GET MULTIPLE PAYMENTS AT ONCE?
11 SO IN OTHER WORDS, YOU WILL SET THE MILESTONES SO
12 DIFFERENTLY FROM EACH OTHER THAT YOU CAN'T HAVE
13 CROSSOVER.

14 DR. CARAS: I THINK THAT EACH PROJECT WILL
15 BE A DIFFERENT TRIAL. AND THE MILESTONE, THE MAJOR
16 DEVELOPMENT MILESTONE, IS NOT JUST COMPLETING THE
17 TRIAL, BUT COMPLETING THE TRIAL WITH EVIDENCE OF
18 BIOLOGICAL ACTIVITY OR CLINICAL EFFICACY AND SAFETY.
19 SO EACH ONE WILL BE DISTINCT. IT'S POSSIBLE THAT IT
20 COULD BE THE SAME THERAPEUTIC CANDIDATE, BUT BEING
21 TESTED IN DIFFERENT INDICATIONS. THAT'S A
22 POSSIBILITY.

23 DR. JUELSGAARD: I KNOW, AND YOU'RE
24 SPEAKING TO CLINICAL MILESTONES. BUT THERE ARE
25 OTHER MILESTONES THAT COULD BE AS WELL, NONCLINICAL

BARRISTERS' REPORTING SERVICE

1 ONES.

2 DR. CARAS: THE MAJOR DEVELOPMENT
3 MILESTONE THAT WOULD TRIGGER PAYMENT, THERE CAN JUST
4 BE ONE, WHICH IS THE ONE I JUST MENTIONED. THERE'S
5 A POSSIBILITY THERE MIGHT BE SOME INTERIM MILESTONES
6 WHICH WOULD LEAD TO GO/NO-GO DECISIONS FOR THE
7 PROGRAM, BUT THESE WOULD NOT BE THE MILESTONES UPON
8 WHICH THE PAYMENT WOULD BE BASED.

9 DR. JUELSGAARD: IF ANYTHING, I'M JUST
10 SAYING I THINK THAT'S ONE THING YOU HAVE TO SORT OF
11 WATCH OUT FOR. IF THE INTENTION IS TO MAKE SURE
12 THAT ONE MILESTONE ONLY COVERS ONE PROJECT, THEN IT
13 WILL HAVE TO BE WRITTEN CAREFULLY --

14 DR. CARAS: THAT'S VERY GOOD.

15 MR. JUELSGAARD: -- SO YOU DON'T HAVE A
16 DOUBLE-DIPPING GOING ON.

17 DR. CARAS: WE AGREE.

18 CHAIRMAN THOMAS: INGRID, WHAT IS THE
19 THINKING ON THE NUMBER OF FIVE PROJECTS PER
20 APPLICANT?

21 DR. CARAS: I THINK IT -- WELL, IT'S UP TO
22 FIVE. THE APPLICANT CAN CHOOSE TO PUT IN LESS. WE
23 SORT OF HAVE TO BALANCE WHAT'S A REASONABLE NUMBER
24 THAT WOULD ENSURE THAT THERE'S LIKELY TO BE ONE OR
25 TWO SUCCESSFUL ONES. AND IT ALSO HAS TO BE

BARRISTERS' REPORTING SERVICE

1 SOMETHING THAT'S WORKABLE FOR CIRM. SO I THINK THAT
2 SEEMS LIKE A REASONABLE BALANCE IN SERVING THE NEEDS
3 OF CIRM AND POTENTIALLY THE INTEREST OF THE
4 APPLICANT.

5 CHAIRMAN THOMAS: AND FOR THE INTEREST OF
6 THE BOARD, YOU SPOKE OF A COUPLE OF COMPANIES THAT
7 ARE INTERESTED IN THIS POTENTIALLY. DO THEY HAVE
8 MULTIPLE PROJECTS TO WHICH THIS COULD APPLY?

9 MS. BAUM: YES. WE QUERIED THEM AND WE
10 WERE SATISFIED THAT THEY FIT WITHIN OUR MISSION. SO
11 IT'S NOT ONLY MULTIPLE PROJECTS, BUT IT'S THE ONES
12 THAT FIT WITHIN OUR MISSION.

13 DR. HAWGOOD: DO THE REVIEWERS OF THE
14 MULTIPLE PROJECTS HAVE THE OPTION OF APPROVING TWO
15 BUT NOT THE OTHER THREE OR TAKE THEM AS A PACKAGE?

16 DR. CARAS: YES. THE REVIEWERS WILL
17 ASSESS EACH PROJECT INDIVIDUALLY ACCORDING TO THE
18 CRITERIA IN THE RFA AND CAN CERTAINLY RECOMMEND
19 APPROVAL FOR TWO, THREE, FOUR, AND NOT OTHERS.

20 CHAIRMAN THOMAS: DONNA.

21 DR. WESTON: IF THE AWARDEE IS A
22 FOR-PROFIT ORGANIZATION, THEN THEY HAVE THEIR CHOICE
23 OF A GRANT OR A LOAN. WHAT WOULD THE TERMS OF THE
24 LOAN BE? AND IS IT A SECURED LOAN? HOW ARE YOU
25 GOING TO GET PAID BACK?

BARRISTERS' REPORTING SERVICE

1 DR. CARAS: I'M GOING TO ASK OUR GENERAL
2 COUNSEL TO ADDRESS THAT.

3 MS. BAUM: WELL, WE DON'T HAVE ANY SECURED
4 LOANS THAT'S UNDER OUR LOAN PROGRAM. AND THE NATURE
5 OF THE LOAN WILL LIKELY HAVE TO CHANGE IN TERMS OF
6 OUR REGULATIONS BECAUSE WE'LL HAVE TO SORT OF SET
7 SOME PARAMETERS AROUND THE TERM, WHICH WOULD HAVE TO
8 CHANGE FROM OUR CURRENT REGULATIONS. BUT I THINK
9 FOR THE MOST PART WE CAN MAKE SOME MINOR TWEAKS TO
10 OUR LOAN REGULATIONS. AND IF THIS PASSES TODAY, I'M
11 SURE I'LL BE BACK WITH SOME PROPOSED REGULATIONS TO
12 MAKE IT WORKABLE. BECAUSE, FOR INSTANCE, ONE OF OUR
13 LOAN PROVISIONS IS AN AUTOMATIC EXTENSION FOR TEN
14 YEARS. I DON'T THINK WE WANT TO PERMIT THAT SORT OF
15 TERM, ETC. SO WE'LL HAVE TO GO BACK AND MAKE SOME
16 TWEAKS IN OUR REGULATIONS TO FIT THIS.

17 DR. DULIEGE: JUST BECAUSE TRACK B IS
18 PROPOSED TO COMPLEMENT TRACK A, IS IT POSSIBLE THAT
19 AN APPLICANT WOULD APPLY TO BOTH, ONE, TRACK A TO
20 GET A PHASE I TRIAL ON THE WAY, AND TRACK B --

21 DR. CARAS: THAT'S A GOOD POINT. I THINK
22 WHEN WE WRITE THE RFA, WE'LL PUT A CLAUSE IN THAT
23 SAYS YOU HAVE TO CHOOSE ONE OR THE OTHER, BUT YOU
24 CANNOT DO BOTH.

25 DR. PRICE: I HAVE SOME CONCERNS ABOUT

BARRISTERS' REPORTING SERVICE

1 THIS PLAN B. DON'T WE NEED SOMETHING THE EQUIVALENT
2 OF MARCH-IN RIGHTS? HERE'S MY SCENARIO. THE
3 COMPANY PLAN B MEETS ITS MILESTONES, WE THEN
4 REIMBURSE THEM BECAUSE, IN FACT, THAT'S WHAT WE'RE
5 DOING WITH ALL THIS MONEY THEY'VE ALREADY EXPENDED.
6 AND THEN THEY DECIDE, AS COMPANIES WILL DO, WE'RE
7 GOING TO GO IN ANOTHER DIRECTION, BUT WE'LL KEEP THE
8 INTELLECTUAL PROPERTY BECAUSE WE DON'T WANT OUR
9 COMPETITORS TO HAVE IT. SO THEN WE PAID MONEY FOR
10 SOMETHING THAT'S PROMISING BUT DOESN'T FIT THE
11 BUSINESS PLAN OF A PARTICULAR COMPANY AND IT DIES.
12 THAT'S MY CONCERN.

13 MS. BAUM: WE DO HAVE MARCH-IN RIGHTS
14 REGARDLESS.

15 DR. PRICE: WE CAN TAKE THE IP IF THEY
16 DON'T DEVELOP IT AFTER THEY'VE SUCCEEDED?

17 MS. BAUM: THERE'S A WHOLE PROCESS ON HOW
18 THOSE MARCH-IN RIGHTS OPERATE. SO WHAT WE CAN DO IS
19 WE CAN REQUEST THAT THEY OUT-LICENSE IT IF THEY
20 DON'T WANT TO SELF-DEVELOP IT. AND THEN WE CAN, IF
21 WE FIND SOMEONE WHO IS INTERESTED IN TAKING SUCH A
22 LICENSE, WE CAN GO THROUGH A PROCESS WHEREIN
23 ULTIMATELY WE CAN FORCE THEM TO OUT-LICENSE.
24 USUALLY, THOUGH, THIS HAS NEVER BEEN EXERCISED BY
25 THE NIH, AND IT USUALLY -- WE WOULDN'T FIND

BARRISTERS' REPORTING SERVICE

1 OURSELVES IN THAT POSITION IF THE PROJECT WAS REALLY
2 THAT STRONG. I THINK THAT'S WHY WE'VE NEVER SEEN IT
3 EXERCISED BECAUSE THERE'S USUALLY NOT SCIENCE ENOUGH
4 TO WARRANT AN EXERCISE OF MARCH-IN RIGHTS WHERE A
5 PARTY DOESN'T WANT TO DEVELOP.

6 BUT THE BOTTOM LINE IS IT'S WITHIN OUR
7 REGULATIONS.

8 DR. WESTON: DID YOU CONSIDER RATHER THAN
9 A LOAN OR A GRANT, PARTICULARLY IF IT'S IN A GRANT,
10 GETTING SHARES OF STOCK IF IT'S IN A BIOTECH COMPANY
11 RATHER THAN JUST THAT SO YOU HAVE SOMETHING THAT
12 MIGHT BE COMING BACK TO YOU?

13 MS. BAUM: BY LAW WE'RE NOT ALLOWED TO
14 HOLD STOCK. OUR LOAN REGULATIONS PROVIDE FOR
15 WARRANTS. AND THAT IS SORT OF OUR WAY OF GETTING A
16 SIMILAR BENEFIT AS OPPOSED TO HOLDING STOCK. SO
17 IT'S ALL WITHIN OUR SET OF REGULATIONS.

18 CHAIRMAN THOMAS: OTHER COMMENTS BY
19 MEMBERS OF THE BOARD? JAMES, WHAT'S THE COURSE OF
20 ACTION HERE?

21 MR. HARRISON: YOU NEED A MOTION TO
22 APPROVE THE CONCEPT PLAN.

23 DR. HAWGOOD: SO MOVED.

24 CHAIRMAN THOMAS: MOVED BY DEAN HAWGOOD.

25 DR. JUELSGAARD: SECOND.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: SECONDED BY MR.
2 JUELSGAARD. HAVE A MOTION ON THE TABLE. ANY
3 FURTHER DISCUSSION? ANY PUBLIC COMMENT? HEARING
4 NONE, MR. HARRISON, CAN WE JUST DO THIS ON VOICE
5 VOTE? ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED?
6 ABSTENTIONS? SUE.

7 DR. BRYANT: AYE.

8 CHAIRMAN THOMAS: THANK YOU. MOTION
9 CARRIES. THANK YOU, DR. CARAS.

10 DR. CARAS: THANK YOU.

11 CHAIRMAN THOMAS: OKAY. NEXT, ON TO ITEM
12 12, CONSIDERATION OF APPOINTMENT OF NEW SCIENTIFIC
13 MEMBERS TO THE GRANTS WORKING GROUP. DR. SAMBRANO.

14 DR. SAMBRANO: THANK YOU, MR. CHAIRMAN,
15 MEMBERS OF THE BOARD. WE'RE BRINGING TO YOU THREE
16 CANDIDATES FOR GRANTS WORKING GROUP MEMBERSHIP
17 TODAY. THESE COVER AREAS IN THE FIELDS OF
18 NEUROSCIENCE AND ORTHOPEDIC RESEARCH. THEIR BIOS
19 ARE IN YOUR BOOKS UNDER THIS AGENDA ITEM. AND THESE
20 ARE DRS. ROGER A. BARKER, DR. OLE ISACSON, AND DR.
21 SAMIR MEHTA. AND SO WE ARE SEEKING YOUR APPROVAL TO
22 APPROVE THESE CANDIDATES AS MEMBERS OF THE GRANTS
23 WORKING GROUP.

24 DR. STEWARD: SO MOVED.

25 CHAIRMAN THOMAS: IS THERE A SECOND?

BARRISTERS' REPORTING SERVICE

1 DR. POMEROY: SECOND.

2 CHAIRMAN THOMAS: MOVED BY DR. STEWARD,
3 SECONDED BY DEAN POMEROY. ALL THOSE IN FAVOR PLEASE
4 SAY AYE.

5 DR. BRYANT: AYE.

6 CHAIRMAN THOMAS: WHAT WAS THAT, JAMES?
7 WE HAVE TO HAVE PUBLIC COMMENT. IS THERE ANY PUBLIC
8 COMMENT? SORRY. LET'S TRY THAT AGAIN. ALL THOSE
9 IN FAVOR PLEASE SAY AYE.

10 DR. BRYANT: AYE.

11 CHAIRMAN THOMAS: OPPOSED. THANK YOU,
12 SUE. MOTION APPROVED.

13 WE ARE GOING TO SKIP DOWN, SINCE IT'S
14 VIRTUALLY MANDATORY WE HAVE TO DO AT LEAST ONE THING
15 OUT OF ORDER PER MEETING AT A MINIMUM, WE'RE GOING
16 TO GO ON TO ITEM 17, CONSIDERATION OF REQUEST FOR
17 BRIDGING FUNDING. DR. OLSON.

18 DR. OLSON: THANK YOU, MR. CHAIRMAN AND
19 MEMBERS OF THE BOARD. WHAT I'D LIKE TO BRING TO YOU
20 TODAY IS A REQUEST FOR SUPPLEMENTAL BRIDGING FUNDING
21 TO AN EARLY TRANSLATION AWARD TR 101249. I WANT TO
22 REMIND THIS BOARD, BECAUSE I THINK IT'S BEEN A WHILE
23 SINCE YOU'VE HEARD ABOUT THE BRIDGING PROGRAM, THAT
24 AT YOUR DECEMBER MEETING IN 2011 YOU APPROVED THE
25 CONCEPT PROPOSAL AND ACTUALLY ALLOCATED \$12 MILLION

BARRISTERS' REPORTING SERVICE

1 IN FUNDING FOR A COMPONENT OF THE OPPORTUNITY FUND,
2 THE SO-CALLED SUPPLEMENTAL BRIDGING FUNDING PROGRAM.

3 THE GOAL OF THIS PROGRAM IS TO PROVIDE
4 SUPPLEMENTAL FUNDING TO OUR MOST PROMISING EARLY
5 TRANSLATION AND DEVELOPMENT PROGRAM AWARDS TO HELP
6 BRIDGE TO FURTHER FUNDING. THE MAXIMUM ALLOWABLE
7 AWARD IS \$3 MILLION AND FOR A TERM OF UP TO 18
8 MONTHS.

9 THE APPROVED CONCEPT PROVIDED THAT
10 PROJECTS IN GOOD STANDING -- THAT PROMISING PROJECTS
11 IN GOOD STANDING WOULD BE ASKED TO SUBMIT A FULL
12 APPLICATION FOR THE BRIDGING FUND AND THAT THE TYPE
13 OF REVIEW WOULD DEPEND ON THE SCOPE OF ACTIVITIES
14 PROPOSED FOR THAT FUNDING.

15 SO IF THE PROPOSED ACTIVITIES FELL WITHIN
16 THE SCOPE OF THE EXISTING AWARD PROGRAM, A REVIEW BY
17 EXTERNAL EXPERTS WAS REQUIRED. IF THE PROPOSED
18 ACTIVITIES FELL OUTSIDE THE SCOPE OF THE EXISTING
19 AWARD PROGRAM, FOR EXAMPLE, IF THEY WERE
20 DEVELOPMENT-TYPE ACTIVITIES INSTEAD OF EARLY
21 TRANSLATIONAL ACTIVITIES, A GRANTS WORKING GROUP
22 REVIEW WAS REQUIRED. IN BOTH CIRCUMSTANCES THE
23 RECOMMENDATIONS WERE TO BE BROUGHT BACK TO THIS
24 BOARD WHO WOULD MAKE THE FINAL DECISION.

25 CIRM IS REQUESTING THAT BRIDGING FUNDING

BARRISTERS' REPORTING SERVICE

1 IN THE AMOUNT OF \$496,036 BE APPROVED FOR
2 SUPPLEMENTAL FUNDING. THIS WOULD BE THE FIRST
3 FUNDING REQUEST THAT WE ARE BRINGING TO THE BOARD
4 FOR BRIDGING FUNDING.

5 IN 2009 DR. MICHAEL LONGAKER OF STANFORD
6 UNIVERSITY AND HIS TEAM RECEIVED THE EARLY
7 TRANSLATIONAL AWARD IN THE AMOUNT OF FIVE POINT --
8 WELL, IT WAS ACTUALLY \$5.8 MILLION THAT WAS AWARDED,
9 BUT THEY ENDED UP SPENDING, BECAUSE OF ALLOWABLE
10 FUNDS AND SUCH, \$5.3 MILLION TO CONDUCT RESEARCH TO
11 GENERATE A STABLE FORM OF RECOMBINANT WNT3A AND TO
12 TEST ITS REGENERATIVE POTENTIAL IN SEVERAL DISEASE
13 INDICATIONS WITH A GOAL OF ACHIEVING A DEVELOPMENT
14 CANDIDATE TO MOVE INTO IND-ENABLING DEVELOPMENT IF
15 THEY WERE SUCCESSFUL IN SO DOING AND DEFINING THE
16 TARGET INDICATION TO DO SO.

17 THE WNT FAMILY OF SECRETED PROTEINS IS
18 ACTUALLY IMPORTANT FOR THE HEALING OF MOST TISSUES
19 IN THE HUMAN BODY AND CAN WORK THROUGH THE
20 ACTIVATION OF ADULT TISSUE RESIDENT STEM CELLS.
21 DURING THE FIRST TWO YEARS OF THE PROJECT, THEY WERE
22 ASKED TO DEVELOP AN INITIAL METHOD. WNT IS NOT AN
23 EASY PROTEIN TO MAKE. AND THEY WERE ASKED TO
24 PRODUCE A STABLE HUMAN RECOMBINANT WNT3A. THEY'VE
25 BEEN PREDOMINANTLY WORKING AT MOUSE UP TO THIS

BARRISTERS' REPORTING SERVICE

1 POINT. AND TO AT LEAST CONDUCT INITIAL STUDIES IN
2 FOUR DIFFERENT THERAPEUTIC AREAS: BONE, SKIN,
3 NEURO, AND CARDIAC REGENERATION.

4 AT THE END OF THE SECOND YEAR, THE TEAM
5 MET WITH EXTERNAL EXPERTS, INCLUDING DEVELOPMENT
6 EXPERTS AND VC'S, AND WENT OVER THE DATA, AND
7 ACTUALLY ALSO OUR PROGRAM OFFICER, DR. ARI ABO, WHO,
8 BY THE WAY, IS A WNT EXPERT, AND MET WITH THEM AND
9 SELECTED AN INDICATION TO MOVE FORWARD WITH. THEY
10 SELECTED BONE REGENERATION AS THE LEAD INDICATION.

11 THE TEAM HAS SUBSEQUENTLY DEVELOPED A CELL
12 LINE AND METHODS AND ASSAYS FOR SCALABLE RESEARCH
13 PRODUCTION AND PURIFICATION OF A STABLE RECOMBINANT
14 WNT3A WITH THE PURITY AND YIELD SUFFICIENT TO
15 SUPPORT RESEARCH CLINICAL STUDIES. THEY HAVE
16 DEMONSTRATED THAT TREATMENT WITH STABLE RECOMBINANT
17 WNT3A WAS SUFFICIENT TO STIMULATE OSTEOGENIC GENE
18 EXPRESSION, TO GENERATE SIGNIFICANTLY MORE BONE IN
19 PRECLINICAL MODELS, MULTIPLE PRECLINICAL MODELS, I
20 WOULD NOTE, COMPARED TO AVAILABLE TREATMENT OPTIONS,
21 AND WAS NOT ASSOCIATED WITH ANY ADVERSE REACTIONS.

22 THE TEAM HAS ACHIEVED ALL ITS MILESTONES
23 AS AGREED TO IN THEIR EARLY TRANSLATIONAL PROJECT,
24 AND THEY ARE NOW COMPLETING THIS EARLY TRANSLATION
25 AWARD AND IS REQUESTING THE BRIDGING FUNDING TO

BARRISTERS' REPORTING SERVICE

1 ADDRESS KEY ACTIVITIES TO BETTER POSITION THEM FOR
2 FURTHER FUNDING AND TO MAINTAIN TEAM COHERENCE AND
3 MOMENTUM AS THEY PURSUE NEW FUNDING OPTIONS.

4 WE REQUESTED -- CIRM WAS AWARE OF ALL OF
5 THIS AND REQUESTED A FULL APPLICATION FOR BRIDGING
6 FUNDING. IT WAS RECEIVED ON MARCH 27TH OF THIS YEAR
7 FROM DR. LONGAKER, WHO IS THE PI, AND DR. HELM, WHO
8 IS THE CO-PI.

9 OVER A PERIOD OF SIX MONTHS, THEY PROPOSE
10 TO CONDUCT PILOT SAFETY STUDIES AND TO CONDUCT
11 STUDIES TO VALIDATE THE PRIMARY MODE OF ACTION OF
12 THE CANDIDATE. CIRM RECRUITED TWO EXTERNAL
13 REVIEWERS WHO HAD COMBINED EXPERTISE IN WNT, IN
14 ADULT STEM CELLS, IN THE PATHOPHYSIOLOGY AND THE
15 MOLECULAR BASIS OF DISEASES AFFECTING BONE, AND THE
16 ROLE OF STEM CELLS IN BONE TISSUE ENGINEERING AND
17 REGENERATIVE MEDICINE.

18 THESE REVIEWERS REVIEWED THE APPLICATION
19 FOLLOWING A CONFLICT CHECK. REVIEW CRITERIA
20 INCLUDED THE TARGET PRODUCT PROFILE, CLINICAL
21 COMPETITIVENESS AND IMPACT, RESPONSIVENESS, PROJECT
22 PROGRESS, AND PROPOSED RESEARCH PLAN, TEAM, ASSETS,
23 COLLABORATION, RESOURCES, AND ENVIRONMENT. THE
24 REVIEWERS WERE ASKED TO MAKE A RECOMMENDATION TO
25 EITHER FUND OR NOT TO FUND.

BARRISTERS' REPORTING SERVICE

1 BOTH REVIEWERS RECOMMENDED FUNDING. THE
2 STRENGTHS INCLUDED A VERY STRONG TARGET PRODUCT
3 PROFILE, A VERY REAL CLINICAL NEED TO ADDRESS BONE
4 REGENERATION, GOOD PROGRESS ON THE PROJECT,
5 COMPELLING PRELIMINARY DATA, A VERY STRONG TEAM, AND
6 A FEASIBLE AND WELL-DESIGNED RESEARCH PLAN THAT
7 ADDRESSES IMPORTANT QUESTIONS AND WILL SERVE TO MOVE
8 THE PROJECT FORWARD INTO DEVELOPMENT IF THEY ARE
9 SUCCESSFUL IN ACHIEVING FURTHER FUNDING. THE
10 PROPOSED BUDGET OF \$496,000 WAS DEEMED TO BE
11 REASONABLE.

12 SO ON THE BASIS -- SO WE PROVIDED THESE
13 REVIEWS TO OUR PRESIDENT WHO REVIEWED THEM AS WELL
14 AND ENDORSED THEIR REVIEWS. AND, THEREFORE, WE ARE
15 BRINGING FOR YOUR CONSIDERATION A REQUEST TO APPROVE
16 SUPPLEMENTAL BRIDGING FUNDING OF \$496,030 FOR EARLY
17 TRANSLATION APPLICATION TR-1 01249. I'M HAPPY TO
18 ANSWER ANY QUESTIONS.

19 CHAIRMAN THOMAS: MR. JUELSGAARD.

20 DR. JUELSGAARD: SO IN THE WRITTEN
21 DESCRIPTION THAT YOU WERE JUST GOING OVER, IN
22 ESSENCE, AS I UNDERSTAND IT, THE PURPOSE OF THE
23 MONIES, AS STATED HERE, IS TO ADDRESS CERTAIN OR TO
24 ADDRESS KEY ACTIVITIES TO BETTER POSITION THEM FOR
25 FURTHER FUNDING AND TO MAINTAIN TEAM COHERENCE AND

BARRISTERS' REPORTING SERVICE

1 FORWARD MOMENTUM AS THEY PURSUE NEW FUNDING OPTIONS,
2 WHICH TO ME IS A LITTLE VAGUE. SO DO YOU HAVE ANY
3 MORE DETAIL ON SPECIFICALLY WHAT THEY INTEND TO DO
4 WITH THIS MONEY?

5 DR. OLSON: YES. AS I INDICATED, THEY ARE
6 CONDUCTING BOTH IN VITRO AND IN VIVO PILOT SAFETY
7 STUDIES OF THEIR CANDIDATE. THEY ALSO INTEND TO --
8 THEY BELIEVE THEY KNOW THE MECHANISM OF ACTION.
9 THEY HAVE TO CONFIRM THAT. THAT WILL ACTUALLY HELP
10 GIVE THEM INFORMATION IN DEFINING POTENCY ASSAYS
11 THAT ARE IMPORTANT AS YOU MOVE FORWARD INTO
12 DEVELOPMENT. SO THOSE ARE THE ACTIVITIES THAT THEY
13 PLAN TO PURSUE OVER THE SIX MONTHS OF THE AWARD.

14 DR. STEWARD: I'M GOING TO ASK THE SAME
15 QUESTION, BUT WITH A LITTLE BIT OF A DIFFERENT SPIN.
16 A BRIDGE TO WHAT?

17 DR. OLSON: IN THIS CASE THEY ARE PURSUING
18 A NUMBER OF DIFFERENT FUNDING OPTIONS. THEY ARE
19 APPLYING FOR OTHER GRANTS. THEY ARE SPEAKING WITH
20 VC'S. SO AS I SAY, THIS IS FOR ONE -- YOU KNOW, WE
21 DON'T WANT TO DO THIS FOR EVERY PROJECT WE HAVE. WE
22 WANT TO BRING THE ONES THAT WE CONSIDER PROMISING,
23 THAT WE CONSIDER HAVE REALLY DONE A GREAT JOB.

24 ONE THING I DIDN'T MENTION IN HERE, BUT IT
25 IS TRUE, IS THIS TEAM, IT'S BEEN VERY INTERESTING TO

BARRISTERS' REPORTING SERVICE

1 WATCH BECAUSE THEY STARTED OUT WAY BACK WHEN WHEN
2 THEY FIRST CAME IN WITH THIS AWARD WORKING WITH A
3 MOUSE PROTEIN. THEY WERE BASIC SCIENTISTS, BUT THEY
4 HAD A VERY GOOD PLAN. I CAN REMEMBER BEING
5 IMPRESSED BY THE APPLICATION AND REVIEWERS WERE TOO.
6 THIS WAS OUR HIGHEST SCORING EARLY TRANSLATIONAL I
7 APPLICATION BY THE REVIEW GROUP. AND OVER THE
8 COURSE OF THE THREE AND A HALF YEARS OR WHATEVER
9 IT'S BEEN AT THIS POINT, THEY HAVE REALLY GOTTEN
10 COMMITTED TO THIS PROGRAM AND TO TAKING IT FORWARD
11 INTO DEVELOPMENT. THEY HAVE BROUGHT IN AN AMAZING
12 GROUP OF EXTERNAL CONSULTANTS, PEOPLE WELL VERSED IN
13 DRUG DEVELOPMENT. AND THIS IS REALLY WHAT THEY WANT
14 TO DO WITH THIS. THEY WANT TO BRING WHAT WAS --

15 WNT IS A VERY INTERESTING GROUP OF
16 PROTEINS. YOU CAN GOOGLE IT IN *PUBMED*, AND YOU'LL
17 GET HUNDREDS, IF NOT THOUSANDS, OF PAPERS THAT HAVE
18 BEEN PUBLISHED. BUT THEY BELIEVE THEY HAVE A WAY TO
19 TAKE THIS FORWARD TO ACTUALLY HELP BENEFIT PATIENTS.

20 AND SO YOU CAN TALK TO DR. ABO. HE WILL
21 TELL YOU BECAUSE HE DEALS WITH THEM QUITE ROUTINELY,
22 AND HE TELLS ME HOW IT'S BEEN REALLY EXCITING TO
23 WATCH HOW THIS TEAM HAS BECOME SO PASSIONATELY
24 COMMITTED TO MOVING THEIR PROGRAM FORWARD.

25 CHAIRMAN THOMAS: DR. OLSON, ARE THEY DT

BARRISTERS' REPORTING SERVICE

1 III APPLICANTS?

2 DR. OLSON: I DON'T THINK IT'S APPROPRIATE
3 FOR ME TO COMMENT ON THAT.

4 CHAIRMAN THOMAS: SORRY I ASKED THAT
5 QUESTION. LET ME ASK ANOTHER ONE. IF WE GIVE THIS
6 AWARD TO DR. LONGAKER, CAN HE PROCURE FOR OUR OFFICE
7 A BASKETBALL SIGNED BY HIS COLLEGE BASKETBALL
8 TEAMMATES?

9 DR. OLSON: I WILL CONVEY THAT REQUEST TO
10 HIM.

11 CHAIRMAN THOMAS: FOR THOSE OF YOU WHO
12 DON'T KNOW THE STORY, DR. LONGAKER, BEING A RATHER
13 RENAISSANCE FELLOW, PLAYED FOR THE 1979 MICHIGAN
14 STATE BASKETBALL TEAM AND WAS A TEAMMATE THERE OF
15 MAGIC JOHNSON. ANY OTHER QUESTIONS?

16 MR. GOLDBERG: I WOULD JUST SUGGEST IF
17 DR. LONGAKER WOULD DO THAT FOR US, THAT DR.
18 SRIVASTAVA SHOULD REDUCE HIS INSTITUTIONAL INDIRECT
19 OVERHEAD.

20 CHAIRMAN THOMAS: ANY OTHER COMMENTS OR
21 QUESTIONS? OKAY. DO WE HAVE A MOTION? CAN WE HAVE
22 A MOTION? WOULD SOMEBODY LIKE TO MAKE A MOTION?

23 DR. JUELSGAARD: I'D LIKE TO MOVE IT.

24 CHAIRMAN THOMAS: MR. JUELSGAARD. CAN WE
25 HAVE A SECOND?

BARRISTERS' REPORTING SERVICE

1 DR. DULIEGE: I SECOND.

2 CHAIRMAN THOMAS: THANK YOU. MOVED BY MR.
3 JUELSGAARD, SECONDED BY DR. DULIEGE. ANY FURTHER
4 BOARD DISCUSSION?

5 DR. STEWARD: YEAH. I DID ASK THAT
6 QUESTION WITH A PURPOSE IN MIND. IT DOES JUST
7 BOTHER ME A LITTLE BIT WITHOUT THERE BEING SORT OF
8 A -- IT'S FINE. I UNDERSTAND.

9 DR. OLSON: WE CAN'T GUARANTEE.

10 DR. STEWARD: I KNOW. BUT YOU CAN IMAGINE
11 THIS KIND OF THING ALL THE TIME. THEY HIT THIS SIX
12 MONTHS AND RUN OUT OF MONEY.

13 DR. OLSON: THEY'RE ONLY ALLOWED TO GET
14 ONE. IT'S LIMITED TO ONE. AND AS I SAY, ONE OF THE
15 CRITERIA WE TRY IS THAT WE DO NOT ALLOW EVERYBODY TO
16 SUBMIT A FULL APPLICATION. SO WE TRY AND NOT WASTE
17 YOUR TIME AND THE TAXPAYERS' MONEY.

18 DR. STEWARD: I'M JUST GOING TO SAY I'M
19 GOING TO VOTE FOR IT, BUT IT JUST DOES BOTHER ME A
20 LITTLE BIT THAT WE DON'T SEE THAT BIG THING OVER
21 THERE THAT BRIDGE IS GOING TO.

22 DR. POMEROY: SO CAN YOU GO OVER ONE MORE
23 TIME WHAT'S GOING TO BE DIFFERENT SIX MONTHS FROM
24 NOW, THAT THEY CAN GO OUT AND GET MONEY THAT THEY
25 COULDN'T HAVE DONE IT SIX MONTHS AGO PROACTIVELY?

BARRISTERS' REPORTING SERVICE

1 DR. OLSON: THEY WILL HAVE MUCH MORE
2 SAFETY DATA IS, I THINK, A KEY ASPECT OF IT.

3 MR. SHESTACK: I WILL VOTE FOR THIS, AND
4 I'VE BEEN A BIG SUPPORTER OF THIS ABILITY OF STAFF
5 TO WHEN THERE IS AN OPPORTUNITY, WHEN THERE'S A
6 PROBLEM, WHEN THEY NEED EXTRA MONEY, OF THE BOARD
7 GIVING FLEXIBILITY. AND I'VE BEEN A BIG SUPPORTER.
8 SO I'M GOING TO TAKE THIS MOMENT TO NOT MAKE MY VOTE
9 CONDITIONAL, BUT SAY THAT REALLY IN REVIEWING BEFORE
10 THE MEETING THE PORTFOLIO, I WANT TO SAY BEFORE THE
11 MEETING IS OVER, I'M SO DISAPPOINTED REALLY IN THE
12 RESULTS OF WHAT WE HAVE -- WHEN WE HAVE MEETINGS
13 SUCH AS ON PARKINSON'S, WE'LL SEE WHAT HAPPENS. WE
14 HAVE MEETINGS ON CEREBRAL PALSY. WE HAVE MEETINGS
15 ON AUTISM AND WE PRODUCE AN AWESOME WHITE PAPER.
16 THAT IS IT.

17 I'VE BEEN ON THIS BOARD FOR OVER EIGHT
18 YEARS. THERE IS NO REAL EFFORT TO TARGET A DISEASE.
19 WE GIVE AFFIRMATIVE ACTION TO INDUSTRY. WHY DON'T
20 WE GIVE AFFIRMATIVE ACTION TO KIDS WHO HAVE A
21 DISEASE THAT LASTS FOR 70 YEARS, THAT KEEPS THEM
22 COMPLETELY DEPENDENT ON THEIR FAMILIES FOR 70 YEARS?
23 THAT IS BANKRUPTING OUR STATE WHERE WE HAVE, LIKE, I
24 DON'T KNOW, THE AUTISM SOCIETY SAYS WE HAVE 70,000
25 PEOPLE WITH AUTISM IN CALIFORNIA. LET'S SAY THAT'S

BARRISTERS' REPORTING SERVICE

1 HIGH. LET'S SAY THEY'RE WRONG AND IT'S ONLY 35,000.
2 AFTER EIGHT YEARS AND A BUNCH OF WHITE PAPERS, WE
3 COULD DO A LITTLE SOMETHING.

4 SO I WOULD LIKE TO USE THIS OPPORTUNITY TO
5 REALLY LAUNCH A FORMAL REQUEST THAT STAFF FIGURE OUT
6 HOW TO TARGET A DISEASE, TARGET A DISEASE THAT
7 AFFECTS CHILDREN, AND GO AFTER IT WITH AN RFA THAT
8 REALLY MAKES AN EFFORT TO DO IT AND NO MORE WHITE
9 PAPERS. IT'S RIDICULOUS. HONESTLY, IF I LOOK JUST,
10 FOR INSTANCE, JUST AUTISM, BECAUSE IT'S THE ONLY
11 THING I KNOW ABOUT, THERE'S NOTHING. REALLY THERE'S
12 THINGS THAT ARE LIKE -- THERE'S 1.9 FROM SIX YEARS
13 AGO THAT'S NOT SPECIFIC TO AUTISM, AND THERE'S 1.4
14 THAT'S ACTUALLY SPECIFICALLY NOT AUTISM. IT'S
15 CREDITED UNDER AUTISM EVERY TIME, BUT IT'S A RETTS
16 GRANT. EVERY TIME I COMPLAIN ABOUT IT, THAT'S WHAT
17 I HEAR. AND I DON'T WANT TO HEAR THAT ANYMORE.

18 SO I SUPPORT STAFF IN USING THEIR JUDGMENT
19 AND INDEPENDENCE ALL THE TIME, BUT I WOULD LIKE
20 STAFF TO BE RESPONSIVE TO THE NEEDS OF A BIG GROUP
21 OF THE POPULATION IN CALIFORNIA IN A SERIOUS WAY AND
22 NOT A LIP SERVICE WAY. SO THANK YOU FOR LETTING ME
23 TAKE THE MOMENT TO SAY IT. I DON'T EXPECT A
24 RESPONSE TO THAT.

25 CHAIRMAN THOMAS: ANY OTHER COMMENTS FROM

BARRISTERS' REPORTING SERVICE

1 MEMBERS OF THE BOARD? COMMENTS FROM MEMBERS OF THE
2 PUBLIC? OKAY. MR. HARRISON, IS THIS A VOICE OR A
3 ROLL VOTE?

4 MR. HARRISON: THIS IS A VOICE CALL -- A
5 ROLL CALL VOTE. AND THE MOTION IS TO APPROVE
6 BRIDGING FUNDING FOR EARLY TRANSLATION AWARD TR-1
7 1249 IN THE AMOUNT OF \$496,036.

8 MS. BONNEVILLE: ANNE-MARIE DULIEGE.

9 DR. DULIEGE: YES.

10 MS. BONNEVILLE: MARCY FEIT.

11 MS. FEIT: YES.

12 MS. BONNEVILLE: STEVE JUELSGAARD.

13 MR. JUELSGAARD: YES.

14 MS. BONNEVILLE: SHERRY LANSING.

15 FRANCISCO PRIETO.

16 DR. PRIETO: AYE.

17 MS. BONNEVILLE: ROBERT QUINT.

18 DR. QUINT: YES.

19 MS. BONNEVILLE: DUANE ROTH.

20 MR. ROTH: YES.

21 MS. BONNEVILLE: JOAN SAMUELSON. JEFF

22 SHEEHY. JON SHESTACK.

23 MR. SHESTACK: YES.

24 MS. BONNEVILLE: OS STEWARD.

25 DR. STEWARD: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: JONATHAN THOMAS.

2 CHAIRMAN THOMAS: YES.

3 MS. BONNEVILLE: ART TORRES.

4 MR. TORRES: AYE.

5 MS. BONNEVILLE: DIANE WINOKUR.

6 MS. WINOKUR: I'LL ABSTAIN ON THAT ONE.

7 CHAIRMAN THOMAS: OKAY. I WANT TO TAKE --

8 YES. SORRY.

9 MR. HARRISON: MOTION CARRIES.

10 CHAIRMAN THOMAS: THANK YOU. I WANT TO
11 TAKE ONE OF THE DISCUSSION ITEMS NOW. DUANE HAS TO
12 LEAVE AT 2:30, AND I WANT TO GET TO THIS AS WELL AS
13 SOMETHING ELSE BEFORE HE LEAVES. SO IF WE COULD GO
14 TO ITEM 18, THE BUSINESS DEVELOPMENT UPDATE.

15 ELONA, CAN I JUST ASK A QUESTION JUST FOR
16 TIME BUDGETING PURPOSES? HOW LONG DO YOU THINK THIS
17 WILL TAKE?

18 MS. BAUM: BEST CASE, 20 MINUTES, WORST
19 CASE 30. I COULD TRY TO DO IT IN 15. I COULD
20 ADJUST.

21 CHAIRMAN THOMAS: JUST DO WHATEVER YOU
22 NEED TO.

23 MS. BAUM: I'M FROM NEW JERSEY, SO I SPEAK
24 VERY FAST IF I HAVE TO.

25 THANK YOU VERY MUCH, AND I WILL SPEAK AS

BARRISTERS' REPORTING SERVICE

1 FAST I CAN, AND I WON'T GET INTO DEPTH UNLESS ANYONE
2 HAS QUESTIONS. BUT BEFORE I START, I CERTAINLY WANT
3 TO GIVE A LOT OF ACCOLADES AND RECOGNIZE NEIL
4 LITTMAN'S HELP IN PREPARING, NOT ONLY THE SLIDE DECK
5 WITH ME, BUT, MORE IMPORTANTLY, BEING A TERRIFIC
6 PARTNER IN EXECUTION OF ALL OF THE ACTIVITIES THAT
7 WE'LL BE TALKING ABOUT TODAY. AND HE WILL ACTUALLY
8 PROVIDE SOME OF THE PRESENTATION AS WELL.

9 I JUST WANT TO GIVE A LITTLE CONTEXT AND
10 REMIND EVERYBODY THAT THEY HAVE BEEN PRESENTED WITH
11 THE BD PLAN, WHICH WE CALL IT FOR SHORT. IT'S
12 REALLY THE INDUSTRY ENGAGEMENT AND COMMERCIALIZATION
13 SUPPORT PLAN. BUT AS I SAID, I'LL BE CALLING IT THE
14 BD PLAN.

15 IN DECEMBER OF LAST YEAR, JUST TO REMIND
16 EVERYBODY, THIS PLAN, OF COURSE, WAS DEVELOPED TO
17 FURTHER THE GOALS OF CIRM'S MISSION. AND I WON'T
18 FOCUS TOO MUCH ON WHAT THE MISSION IS BECAUSE I'M
19 SURE YOU ALL KNOW THAT VERY WELL BY NOW.

20 THERE ARE FOUR KEY ATTRIBUTES OR FOUR KEY
21 STRATEGIC OBJECTIVES OF THE PLAN. I'LL GO THROUGH
22 THOSE RIGHT NOW, AND THEN I'LL TALK A LITTLE BIT
23 ABOUT WHAT WE'RE DOING TO IMPLEMENT AND FURTHER
24 THOSE AND WHY THOSE WERE SELECTED AND EXPLAIN THEIR
25 IMPORTANCE.

BARRISTERS' REPORTING SERVICE

1 SO THE FIRST ONE IS THE ATTRACTION OF
2 FOLLOW-ON FINANCING AND CO-FUNDING. YOU WILL HEAR
3 THOSE TERMS MENTIONED THROUGHOUT THE STRATEGIC
4 PARTNERSHIP FUNDING PROGRAM BECAUSE ACTUALLY THAT'S
5 ONE OF THE TOOLS TO ACHIEVE THE ENDS OF THIS. BUT
6 THERE'S A LOT OF OTHER WAYS IN WHICH WE TRY TO
7 ATTRACT FOLLOW-ON FUNDING.

8 SOME PEOPLE HAVE ASKED ME WHAT I MEAN BY
9 FOLLOW-ON FUNDING. IT MEANS ATTRACTING CAPITAL TO
10 FURTHER THE PROGRAM WHEN CIRM'S FUNDING IS DONE FOR
11 THE PARTICULAR STUDY. IT'S IMPERATIVE THAT, AT
12 LEAST WITH RESPECT TO DRUGS, THAT WE HAVE SOURCES OF
13 CAPITAL THAT WILL SUPPORT THEM, ESPECIALLY WHEN THEY
14 NEED TO ENTER CLINICAL PHASE III'S.

15 THE SECOND OBJECTIVE IS TO HAVE EARLY
16 ACCESS TO BIOPHARMA EXPERTISE. I'LL TALK ABOUT WHY
17 THAT'S IMPORTANT AND WHAT LEVERS WE'RE USING TO TRY
18 TO SATISFY THAT GOAL. WE ALSO HAVE A GOAL OF
19 COMPANY SUPPORT, CREATION, GROWTH, AND RELOCATION.
20 THAT STRATEGIC OBJECTIVE ARISES PRIMARILY FROM
21 PROPOSITION 71'S GOAL, IN ADDITION TO ACCELERATION
22 OF THE SCIENCE, TO MOVE IT TO THE BEDSIDE OF
23 PATIENTS. THE GOAL IN PROPOSITION 71 INCLUDES THE
24 CREATION OF AN ECONOMIC ENGINE IN THE LIFE SCIENCES
25 FIELD PRIMARILY IN STEM CELL RESEARCH. SO THAT'S

BARRISTERS' REPORTING SERVICE

1 WHAT THAT GOAL IS ALL ABOUT WITHIN THIS BD PLAN.

2 AND FINALLY, THERE'S A CATCHALL CATEGORY
3 CALLED "LEADERSHIP AND INDUSTRY SUPPORT." AND NEIL
4 WILL TALK A LITTLE BIT ABOUT WHAT WE'RE DOING IN
5 THAT FRAMEWORK, AND THAT WILL SHED SOME LIGHT ON
6 THAT.

7 SO LET ME START WITH THE FIRST OBJECTIVE,
8 FOLLOW-ON FINANCING AND CO-FUNDING. I WANT TO SET
9 THE TONE HERE BECAUSE I HATE TO USE THIS ANALOGY,
10 IT'S A MARATHON. IT'S NOT A SPRINT, BUT IN MANY WAYS
11 THAT'S REALLY WHAT THIS IS. IN ORDER TO ACHIEVE
12 THIS, IN ORDER TO DEVELOP THESE LONG-TERM
13 ENGAGEMENTS WITH PHARMA AND VC INVESTMENT, IT TAKES
14 A LOT OF MEETINGS. THOSE MEETINGS HOPEFULLY TURN
15 INTO DUE DILIGENCE, AND HOPEFULLY THE DUE DILIGENCE
16 IS SUCCESSFUL ON MANY FRONTS, SCIENTIFIC, MARKETING,
17 CONSISTENCY WITH THE BUSINESS' STRATEGIC OBJECTIVES,
18 AND ULTIMATELY A DEAL IS STRUCK.

19 I JUST WANT TO QUOTE A FEW STATISTICS THAT
20 I RECENTLY HEARD AT A COUPLE CONFERENCES AND A VC WE
21 RECENTLY MET WITH. ONE VC SAID THAT FOR EVERY
22 THOUSAND BUSINESS PLANS THEY SEE, THEY FUND ONE. SO
23 THAT'S KIND OF DEPRESSING. A BETTER STATISTIC WAS
24 FROM BURL & COMPANY, WHICH LAST WEEK SAID AT A
25 CONFERENCE FOR EVERY 200 BUSINESS PLANS THEY SEE A

BARRISTERS' REPORTING SERVICE

1 MONTH, THEY FUND ONE. SO IT JUST PUTS IT INTO
2 CONTEXT. THIS IS TWO DATA POINTS THAT WE'VE SEEN.
3 SO LET ME GIVE YOU A SENSE AS TO WHAT
4 WE'RE DOING AND WHAT WE'VE ACCOMPLISHED TO DATE.
5 THUS FAR, BETWEEN NEIL, MYSELF, ALAN, ELLEN, OTHERS,
6 WE HAD ABOUT 121 CIRM ENGAGEMENTS WITH VC'S AND
7 PHARMAS. THAT HAS DEVELOPED INTO 26 SEPARATE VC
8 PHARMA OUTREACH TO GRANTEES AND POTENTIAL
9 APPLICANTS. THAT HAS DEVELOPED INTO SIX DUE
10 DILIGENCES, ONE OF WHICH YOU HEARD ABOUT, I GUESS,
11 IT'S LAST YEAR NOW WITH THE GSK/VIACYTE THAT WAS, I
12 WANT TO EMPHASIZE, A SUCCESSFUL SCIENTIFIC DUE
13 DILIGENCE EVEN THOUGH THEY ULTIMATELY DIDN'T END UP
14 FUNDING THE PROGRAM. THEY HAVE SAID PUBLICLY THAT
15 THE SCIENCE WAS REVIEWED BY AT LEAST TWO SEPARATE
16 LEVELS OF MANAGEMENT WITHIN THAT ORGANIZATION, AND
17 IT WAS APPROVED WITH FLYING COLORS IN THAT CONTEXT.
18 AND FINALLY, THERE'S BEEN FIVE VC PHARMA
19 LETTERS OF SUPPORT ISSUED IN CONJUNCTION WITH
20 VARIOUS RFA'S.
21 I WON'T SPEND TIME ON WHAT WE DO AT BIO
22 AND AT THE JP MORGAN CONFERENCE. IT'S A LOT OF
23 MEETINGS, SUFFICE IT TO SAY. THE BREAKDOWN OF WHO
24 WE'RE MEETING WITH YOU CAN LOOK AT IN YOUR SLIDES IN
25 THE INTEREST OF TIME.

BARRISTERS' REPORTING SERVICE

1 I THINK IT'S IMPORTANT JUST TO SAY THAT
2 THERE ARE A FEW PHARMAS, VC'S TALKING TO OUR
3 GRANTEES RIGHT NOW. I'M NOT AT LIBERTY TO DISCLOSE
4 THOSE CONVERSATIONS. WHAT I CAN TELL YOU IS A
5 LITTLE BIT ABOUT THE CONTEXT OF WHAT WE'VE LEARNED
6 TO DATE. SO NO SURPRISE. A LOT OF THE PHARMAS AND
7 MAYBE EVEN THE VC'S DO NOT WANT US TO PUBLICIZE WHAT
8 AREAS THEY WANT TO INVEST IN FROM A STRATEGIC
9 PERSPECTIVE, ESPECIALLY VIS-A-VIS REGENERATIVE
10 MEDICINE MODALITY. THE EXCEPTION TO THAT IS
11 ASTRAZENECA, WHICH HAS SAID REGENERATIVE MEDICINE IS
12 ACTUALLY A STRATEGIC PRIORITY FOR US IN CARDIO. AND
13 I SAID, "WELL, CAN WE TELL PEOPLE THAT?" THEY SAID
14 SURE. SO THERE IT IS. IT'S IN BLACK AND WHITE
15 RIGHT UP THERE. I'M VERY, VERY HAPPY TO BE ABLE TO
16 REPORT THAT BECAUSE THERE'S A LOT I CAN'T REPORT.
17 AND IF YOU KNEW, I THINK YOU'D BE A LITTLE MORE
18 ENLIVENED BY THAT.

19 THERE IS ONE PHARMA THAT IS TALKING TO US
20 INTERESTED IN SEED FUNDING SOME SMALL COMPANIES IN
21 THE FIELD. I THINK YOU'VE HEARD IN THE NEWS ROCHE
22 BAYER IS WORKING WITH QB3 TO FUND SEED COMPANIES TO
23 SOME DEGREE. SO THOSE ARE SOME OTHER POTENTIAL
24 AVENUES TO LOOK AT.

25 THERE'S SOME VC'S RIGHT NOW, AS I SAID,

BARRISTERS' REPORTING SERVICE

1 THAT ARE LOOKING AND TALKING TO OUR DISEASE TEAMS,
2 ESPECIALLY DISEASE TEAM I'S. SO I THINK THAT'S A
3 GOOD SYNOPSIS OF WHERE WE ARE.

4 I WANT TO HIGHLIGHT WHAT I WOULD CALL AN
5 EARLY SUCCESS. THIS IS A SITUATION WHERE WE
6 ACTUALLY PROVIDED SOME COMPREHENSIVE FUNDING TO
7 STANFORD. AND THAT IS A PROGRAM THAT WAS ACTUALLY
8 PICKED UP BY INCEPTION 1. YOU CAN LOOK AT YOUR
9 SLIDES IN MORE DETAIL LATER ON. BUT IT RELATES TO A
10 HEARING LOSS PROGRAM. AND THE UNDERLYING PLATFORM
11 WAS PICKED UP AS AN END LICENSE BY A VC SLASH SORT
12 OF DEVELOPMENT COMPANY CALLED INCEPTION 3, AND IT
13 HAS NEGOTIATED AN OPTION WITH ROCHE THAT COULD BE
14 EXERCISED UPON SUBMISSION OF AN IND. SO THAT
15 GENERATED FROM CIRM. AND I DO CALL THAT AN EARLY
16 SUCCESS. I THINK THAT AS OUR PROGRAMS MATURE, I'M
17 POSITIVE, I THINK WE'LL SEE MORE OF THOSE.

18 AND I ALSO WANT TO HIGHLIGHT A COUPLE
19 WINS. THEY'RE NOT EXACTLY FOLLOW-ON FINANCING, BUT
20 I THINK IT'S IMPORTANT TO NOTE THAT VALA SCIENCES
21 HAS ALSO ATTRACTED CAPITAL FROM THE EPA. WE'VE
22 HEARD ABOUT THAT THE LAST ICOC MEETING. AND THEY'VE
23 ALSO ENGAGED WITH ONE OF OUR OTHER FUNDED ENTITIES,
24 VISTAGEN, TO DEVELOP CARDIOMYOCYTES. AND SO THIS IS
25 AN EXAMPLE OF OUR FUNDING ACTUALLY GETTING INTO

BARRISTERS' REPORTING SERVICE

1 COMMERCE, AND I THINK IT'S IMPORTANT TO NOTE THAT.

2 MORE DETAILS IN THIS SLIDE ABOUT THE
3 COLLABORATION BETWEEN VISTAGEN AND VALA, WHICH I
4 DON'T FEEL LIKE I NEED TO GET INTO.

5 I WANT TO FOCUS A LITTLE BIT ON
6 CO-FUNDING. SO AS I SAID, OUR STRATEGIC PARTNERSHIP
7 FUNDING PROGRAM, MAYBE WE CAN CALL IT FAST TRACK OR
8 WE'LL REBRAND IT OR SOMETHING LIKE THAT, BUT IT'S
9 ALSO GEARED TO GENERATE CO-FUNDING. YOU MIGHT
10 NOTICE THAT WE ALWAYS TALK ABOUT THE CO-FUNDINGS
11 ELEMENT. THAT'S ONE OF THE TOOLS WE USE TO DEVELOP
12 CO-FUNDING. THUS FAR WE'VE HAD BLUEBIRD, 9.3,
13 VIACYTE, THREE. NOW SANGAMO, JUST APPROVED TODAY,
14 WILL BE GENERATING 6.7. AND ACTUALLY THE TRUE FACT
15 IS IS THAT WE'VE ACTUALLY GARNERED MORE CO-FUNDING,
16 BUT I'D HAVE TO PROBABLY RELEASE INFORMATION
17 RELATING TO THE TOTAL BUDGETS OF THE DIFFERENT
18 PROGRAMS. SO SUFFICE IT TO SAY THAT ALL TOLD, LAST
19 YEAR WE HAVE MET OUR GOAL OF \$50 MILLION IN
20 CO-FUNDING FROM INDUSTRY AND ALSO FROM COLLABORATIVE
21 FUNDING PARTNERS. AND WE EXPECT THAT THIS WILL
22 INCREASE AS WE SEE MORE DISEASE TEAMS, MORE
23 STRATEGIC PARTNERSHIP PROGRAMS APPROVED.

24 THE SECOND PRONG THAT IS A STRATEGIC
25 OBJECTIVE OF OURS, AS I SAID, EARLY ENGAGEMENT OF

BARRISTERS' REPORTING SERVICE

1 INDUSTRY. WHY IS THAT IMPORTANT? I'LL JUST
2 REITERATE THE FACT THAT, AGAIN, THERE'S NO FOCUS OF
3 CIRM ON FUNDING PHASE III CLINICAL TRIALS. WHERE IS
4 THAT MONEY GOING TO COME TO? YOU CERTAINLY WANT
5 THESE PROGRAMS TO MOVE TO THE BEDSIDE. I REALLY DO
6 THINK THAT WE HAVE TO ENGAGE WITH VC'S THAT COULD
7 BUILD COMPANIES AND HOPEFULLY END UP IN AN IPO. NOT
8 A GOOD STORY THESE DAYS. OR PHARMA IS USUALLY THE
9 OTHER DEEP POCKET TO FUND VERY EXPENSIVE CLINICAL
10 TRIALS. SO IT'S VERY IMPORTANT TO ENGAGE THEM
11 EARLY. WHEN YOU ENGAGE THEM EARLY, YOU DEVELOP
12 CHAMPIONS WITHIN THE ORGANIZATIONS, AND THEN THEY
13 ALSO HELP SHAPE THE DIFFERENT PROGRAMS TO THEIR
14 LIKING SO THEY'RE MORE LIKELY TO INVEST IN THEM IN
15 THE FUTURE. IF YOU'RE REALLY LUCKY, YOU GET SOME
16 CO-FUNDING FROM THEM AS WELL. SO I THINK THAT'S A
17 CORE AND IMPORTANT STRATEGIC OBJECTIVE FOR US TO
18 FOCUS ON.

19 HOW ARE WE GOING ABOUT ACHIEVING IT? WE
20 HAVE A COUPLE LEVERS. THE FIRST ONE, AS I SORT OF
21 ALLUDED TO, IS STRATEGIC PARTNERSHIP FUND BECAUSE WE
22 REQUIRE CO-FUNDING AND ALSO BECAUSE WE ALLOW THE
23 PHARMAS TO COME IN WITH AN IN-KIND SERVICES MATCH.
24 THIS HAS TO BE EFFECTED OR SEEN VIA THE BUDGET, SO
25 THEY CAN'T JUST HAVE A WILLY-NILLY, GEE, WE'RE

BARRISTERS' REPORTING SERVICE

1 HELPING THEM AND THAT'S CONSIDERED A MATCH. WE
2 ACTUALLY WANT TO MAKE SURE THAT WHAT THEY'RE DOING
3 ACTUALLY HAS AN IMPACT BY TAKING LINE ITEMS OFF THE
4 BUDGET. AND WE'RE SEEING A VERY POSITIVE RESPONSE
5 TO THAT TYPE OF ARRANGEMENT. THEY LIKE IT BECAUSE
6 THEY GET IN EARLY, THEY GET A LOOK AT THE PROGRAM,
7 THEY HELP TO SHAPE IT, BUT IT'S EASY ON THEIR
8 INTERNAL BUDGETS.

9 WE ALSO HAVE AS ANOTHER MECHANISM USED IN
10 SOME CONTEXT A STATEMENT WITHIN OUR RFA'S THAT SAY
11 WE GIVE PREFERENCE TO INDUSTRY PARTNERS OR TO
12 PROGRAMS THAT HAVE INDUSTRY PARTNERS. IN STRATEGIC
13 PARTNERSHIP THAT'S ACTUALLY REQUIRED UNLESS THEY'VE
14 REACHED A CERTAIN LEVEL OF INVESTMENT ON THEIR OWN.
15 OTHERWISE, THEY HAVE TO HAVE A PARTNER, BUT
16 SOMETIMES, LIKE, FOR INSTANCE, IN DISEASE TEAMS, WE
17 END UP ACTUALLY INCLUDING THIS AS AN INFORMAL, I
18 SHOULD SAY, SCORING CRITERIA.

19 AND FINALLY, AND THIS IS A LITTLE MORE
20 CREATIVE AND IT'S CERTAINLY UNDER EXPLORATION, WE
21 ARE LOOKING AT MAYBE CO-FUNDING CERTAIN RFA'S WITH
22 INDUSTRY AND/OR ENCOURAGING THEM TO IDENTIFY
23 THEMSELVES AS CIRM CO-FUNDING PARTNERS OR
24 COLLABORATION PARTNERS. IF WE GET A LIST OF PHARMA
25 THAT WANT TO BE COLLABORATION PARTNERS AND WE

BARRISTERS' REPORTING SERVICE

1 ADVERTISE THIS, THAT MIGHT HELP US ATTRACT MORE
2 NON-PROFITS THAT WILL THEREAFTER FORM RELATIONSHIPS
3 WITH THESE PHARMAS AND BE ABLE TO COME INTO
4 STRATEGIC PARTNERSHIP FUNDING ROUNDS.

5 THAT'S ALL I WAS GOING TO SAY ABOUT THIS
6 PROGRAM. AND I WANTED TO SWITCH GEARS NOW TO TALK
7 ABOUT THE THIRD STRATEGIC OBJECTIVE BEFORE WE HAVE
8 NEIL COME TO TALK ABOUT THE LAST ONE.

9 SO THE THIRD ONE, AS I MENTIONED, IS
10 COMPANY GROWTH, SUPPORT, AND EVEN RELOCATION. NOT
11 TO SAY THAT RELOCATION IS A PRIMARY OBJECTIVE OF
12 THIS OBJECTIVE, SO TO SPEAK, BUT I JUST WANTED TO
13 HIGHLIGHT THAT WE'VE BEEN SUCCESSFUL HERE. THROUGH
14 STRATEGIC PARTNERSHIP FUNDS, WE'VE BEEN ABLE TO
15 ENCOURAGE BLUEBIRD TO COME OUT. THAT IS IN THE
16 FINALIZATION STAGES. WE ARE WORKING ON AN NGA THAT
17 WE HOPE TO BE FINALIZED BY SEPTEMBER THE LATEST, I
18 BELIEVE. SO CELLULAR DYNAMICS, FOR INSTANCE, CAME
19 TO CALIFORNIA AS A RESULT OF OUR STEM CELL BANK
20 INITIATIVE. AND THEY HAVE RECENTLY STATED THEY WILL
21 BE HIRING 25 EMPLOYEES AT THE BUCK. AND I DO
22 BELIEVE THAT GROWING A FOOTPRINT HERE EVER SO SMALL
23 ENDS UP GROWING A BIGGER ONE LATER DOWN THE ROAD.

24 AASTROM IS AN INTERESTING ENTITY. THEY
25 DON'T HAVE ANY OF OUR FUNDING AND THEY HAVE YET

BARRISTERS' REPORTING SERVICE

1 APPLIED. BUT IT'S IMPORTANT TO NOTE THAT THEY CAME
2 HERE, AND THEY'LL TELL YOU THIS IF YOU ASK THEM,
3 STRICTLY BECAUSE THEY FELT THAT THE STEM CELL
4 SCIENTISTS IN CALIFORNIA ARE PREMIER AND THEY
5 COULDN'T FIND THEM ANYWHERE ELSE. SO THAT'S WHY
6 THEY'VE LOCATED A HUB WITHIN CALIFORNIA, AND I
7 THOUGHT THAT WAS IMPORTANT TO ACKNOWLEDGE. I'M SURE
8 IF I DID A SURVEY, I'D SEE SIMILAR SITUATIONS THERE.
9 WE AT SOME POINT WILL DO A BETTER JOB AT CAPTURING
10 THAT DATA.

11 ONE OF OUR OBJECTIVES WITHIN THIS CONTEXT
12 IS SPIN-OUT COMPANIES. SO I'M HAPPY TO REPORT THAT
13 THERE ARE NOW 11 SPIN-OUTS THAT HAVE ARRIVED FROM
14 ESSENTIALLY CIRM-FUNDED RESEARCH. I DON'T WANT TO
15 OVERSTATE THE SIZE OF THESE ENTITIES. THERE'S 11 OF
16 THEM, YES. I THINK MOST OF THEM ARE VIRTUAL OR NEAR
17 VIRTUAL. BUT WE ARE SUPPORTING THEM AS BEST THAT WE
18 CAN, LETTING THEM KNOW WHAT OPPORTUNITIES ARE OUT
19 THERE FOR OTHER FUNDING, OURS AND OUR OTHERS, AND
20 PROVIDING WORKSHOPS, ETC. SO I WON'T GO THROUGH THE
21 WHOLE LIST OF ALL OF THE DIFFERENT FUNDED ENTITIES,
22 AND I WON'T EVEN TALK ABOUT THE ONE THAT I
23 HIGHLIGHTED ON THIS SLIDE UNLESS YOU WANT ME TO. I
24 JUST THINK IT'S IMPORTANT TO NOTE THAT SPINOUTS ARE
25 STARTING TO BECOME MORE FREQUENT. THE LAST TIME WE

BARRISTERS' REPORTING SERVICE

1 REPORTED THE NUMBER OF SPINOUTS, IT WAS EIGHT. NOW
2 IT'S 11, SO I THINK IT'S A GOOD TREND.

3 I OFTEN GET QUERIED AS TO HOW MANY AWARDS
4 HAVE BEEN GIVEN TO INDUSTRY. I WANT TO REPORT OUT
5 THAT IT'S 25 AWARDS NOW TO A TOTAL SUM OF ABOUT \$150
6 MILLION. I DON'T NEED TO GO THROUGH EVERY SINGLE
7 ONE. I JUST WANTED YOU TO HAVE THAT INFORMATION AT
8 HAND.

9 AND MY LAST SLIDE BEFORE I COME BACK AND
10 JUST TALK A LITTLE BIT ABOUT OUT-LICENSING EFFORTS
11 IS JUST TO MENTION THAT CIRM IS NOW SEEKING TO
12 ENGAGE WITH INCUBATORS SUCH AS QB2, AND I THINK
13 THAT'S ANOTHER IMPORTANT AVENUE THAT WE CAN ENGAGE
14 TO, ONE, SUPPORT THESE SPINOUTS AND COMPANIES AT
15 LARGE IN CALIFORNIA.

16 AND SO WITH THAT, I'D LIKE TO CALL NEIL
17 LITTMAN UP WHO WILL TALK ABOUT THE FOURTH STRATEGIC
18 OBJECTIVE THAT WE HAVE. AND WE'RE ALMOST DONE.

19 MR. LITTMAN: THANK YOU, ELONA. SO I'M
20 GOING TO TALK TODAY A LITTLE BIT ABOUT OUR
21 LEADERSHIP AND INDUSTRY SUPPORT INITIATIVES. THESE
22 INITIATIVES ENCOMPASS CONFERENCES, SPEAKING
23 ENGAGEMENTS, AND OTHER BUSINESS-RELATED SUPPORT
24 SERVICES THAT WE PROVIDE TO OUR GRANTEEES.

25 SO AS MANY OF YOU ARE PROBABLY FAMILIAR

BARRISTERS' REPORTING SERVICE

1 WITH, IN CONJUNCTION WITH ALLIANCE FOR REGENERATIVE
2 MEDICINE, CIRM WILL BE SPONSORING THE THIRD ANNUAL
3 INVESTOR AND PARTNERING FORUM AT THE STEM MEETING ON
4 THE MESA. THIS EVENT WILL TAKE PLACE IN LA JOLLA ON
5 OCTOBER 14TH AND 15TH. WE'RE VERY PROUD OF THE FACT
6 THAT THIS IS THE ONLY PARTNERING MEETING ORGANIZED
7 SPECIFICALLY FOR THE REGENERATIVE MEDICINE SPACE.
8 IT'S A GREAT OPPORTUNITY FOR OUR GRANTEEES TO
9 INTERACT WITH INDUSTRY REPRESENTATIVES, INVESTORS,
10 OR OTHER RESEARCHERS, AND POTENTIAL COLLABORATORS.

11 AS YOU CAN SEE FROM THE PIE CHARTS, THIS
12 SUMMARY OF ATTENDEES FROM LAST YEAR'S MEETING, IT
13 THEN ATTRACTS A WIDE VARIETY OF STAKEHOLDERS THAT
14 HAVE A SPECIFIC INTEREST IN CELLULAR THERAPIES. A
15 MAJORITY OF ATTENDEES ARE COMPANY EXECUTIVE WHO HAVE
16 A SPECIFIC FOCUS ON CELL AND TISSUE-BASED
17 THERAPEUTICS OR TOOLS AND OTHER SERVICES.

18 A FEW STATS FROM LAST YEAR'S MEETING. A
19 TOTAL OF 290 ATTENDEES WERE AT THE 2012 MEETING.
20 THIS REPRESENTS A 29-PERCENT INCREASE OVER THE PRIOR
21 YEAR. THERE ARE ALSO 312 UNIQUE PARTNERING
22 MEETINGS, WHICH REPRESENTS A 57-PERCENT INCREASE
23 OVER THE PRIOR YEAR. IN ADDITION, WE EXPECT
24 ADDITIONAL GROWTH FROM THIS YEAR'S MEETING.

25 WE ALSO TOOK A SURVEY OF LAST YEAR'S

BARRISTERS' REPORTING SERVICE

1 MEETING, AND 88 PERCENT OF ATTENDEES FOUND THIS
2 MEETING TO BE SUPPORTIVE OF THEIR BUSINESS
3 DEVELOPMENT OBJECTIVES, AND 95 PERCENT OF THEM FELT
4 THAT THEY MADE WORTHWHILE CONNECTIONS AT THE
5 MEETING.

6 IN ADDITION TO THE STEM CELL MEETING ON
7 THE MESA, WE WILL ALSO BE HOSTING A TOOLS AND
8 TECHNOLOGY R&D ROUNDTABLE IN JUNE. THE GOAL OF THIS
9 IS TO BRING TOGETHER SOME OF OUR GRANTEES WITH
10 INDUSTRY REPRESENTATIVES TO ADDRESS THREE KEY
11 BOTTLENECKS -- OR BOTTLENECKS IN THREE KEY AREAS.
12 ONE IS MANUFACTURING, TWO IS ASSAYS AND BIOMARKER
13 DEVELOPMENT, AND THREE IS IMAGING TECHNOLOGY.

14 ALSO IN JUNE, IN COLLABORATION WITH THE
15 ALLIANCE FOR REGENERATIVE MEDICINE, WE WILL BE
16 HOSTING WHAT WE ARE CALLING A REGENMED/VC MEET-UP
17 DAY AT THE CIRM OFFICES. THE GOAL OF THIS IS TO
18 BRING TOGETHER BAY AREA VENTURE CAPITALISTS WITH
19 CIRM-FUNDED EARLY STAGE COMPANIES AND OTHER MEMBER
20 COMPANIES.

21 IN ADDITION TO FACILITATING INTERACTIONS
22 WITH INDUSTRY AND INVESTORS, WE ALSO ARE ABLE TO
23 PROVIDE VALUABLE SUPPORT SERVICES TO OUR GRANTEES.
24 ONE EXAMPLE OF THIS IS WE RECENTLY ASSISTED A
25 DISEASE TEAM I GRANTEE AND PROVIDED VALUATION

BARRISTERS' REPORTING SERVICE

1 GUIDANCE, AND THAT AIDED IN THEIR DISCUSSIONS WITH
2 THIRD PARTIES.

3 IN ADDITION, WE ALSO OFFER FREE WEBINARS
4 TO HELP EDUCATE OUR GRANTEES. AND THE NEXT WEBINAR
5 WE'LL BE OFFERING WILL BE IN JUNE, AND THIS IS A
6 REIMBURSEMENT WEBINAR.

7 IN ADDITION, AS PART OF OUR BD EFFORT, WE
8 PARTICIPATE IN INDUSTRYWIDE CONFERENCES AND HAVE HAD
9 THE OPPORTUNITY TO BOTH SPEAK ON AND MODERATE PANELS
10 AT SEVERAL CONFERENCES THIS YEAR. THESE INCLUDE TO
11 FACILITATE THE STEM CELL AND COMMERCIALIZATION AND
12 PARTNERING CONFERENCE, AND MOST RECENTLY THE
13 BUSINESS OF PERSONALIZED MEDICINE SUMMIT.

14 IN MARCH I ALSO HAD THE OPPORTUNITY TO
15 SPEAK ON A PANEL HOSTED AT JANSSEN LABS DOWN IN SAN
16 DIEGO DISCUSSING THE ALTERNATIVE FORMS OF FINANCING.
17 AND THIS HIGHLIGHTED OPTIONS FOR SECURING
18 NONDILUTIVE CAPITAL.

19 SO I BELIEVE THESE EVENTS PROVIDE A GREAT
20 OPPORTUNITY TO INCREASE CIRM'S VISIBILITY WITHIN THE
21 INDUSTRY AND ALSO PROVIDE A GREAT FORUM FOR US TO
22 PROVIDE UPDATES TO THE COMMUNITY ON NEW CIRM
23 PROGRAMS AND INITIATIVES.

24 WITH THAT, I'D LIKE TO TURN IT BACK OVER
25 TO ELONA.

BARRISTERS' REPORTING SERVICE

1 MS. BAUM: SO ONE LAST ASPECT THAT I
2 WANTED TO REPORT OUT IS SOME OF THE OUT-LICENSING
3 SUCCESSES TO DATE THAT SHOULD FULLY BE GIVEN CREDIT
4 TO THE UNIVERSITIES BECAUSE OBVIOUSLY WE'RE NOT IN A
5 POSITION TO DO THE OUT-LICENSING, BUT I THINK IT
6 MERITS MENTIONING HERE BECAUSE IT SHOWS AGAIN THE
7 SUCCESS OF OUR MISSION. AT SOME POINT IN TIME, I
8 WOULD LIKE TO SPEND A LITTLE MORE TIME DIVING INTO
9 WHAT THESE DIFFERENT OUT-LICENSES ARE, WHAT TYPE OF
10 TECHNOLOGIES, WHO'S ACTUALLY OR AT LEAST THE
11 CATEGORIES OF ENTITIES THAT ARE ACTUALLY
12 END-LICENSING THEM SO YOU'LL GET A SENSE AS TO WHAT
13 THEY ARE.

14 JEFF, TO YOUR POINT, IT'S EARLY DAYS, SO
15 WE HAVEN'T GOTTEN ANY REVENUE FROM IT, BUT WE WILL
16 BE TRACKING THAT AS WELL, ABSOLUTELY. SO I THINK
17 IT'S VERY EXCITING THAT WE HAVE 13 NONEXCLUSIVE
18 LICENSES. AND I THINK IT'S REALLY BECAUSE I KNOW A
19 LOT ABOUT WHAT THEY ARE. AND I COULD SAY THAT IT'S
20 TECHNOLOGY THAT CAME OUT OF IRV WEISSMAN'S -- EIGHT
21 OF THEM ARE TECHNOLOGY THAT CAME OUT OF IRV
22 WEISSMAN'S LAB. AND IT'S TWO VERY LARGE
23 CORPORATIONS, AND I THINK THAT THEY WILL -- I THINK
24 THIS WILL GENERATE SOME REVENUE FOR US, ESPECIALLY
25 AS THE INDUSTRY MATURES. AND THAT'S ALL I WILL SAY

BARRISTERS' REPORTING SERVICE

1 ABOUT THAT, BUT I HOPE I CAN HAVE SOME FOLLOW-UP ON
2 THAT LATER ON.

3 I WANT TO EMPHASIZE THAT THE EXCLUSIVE
4 LICENSES ARE PRIMARILY THE ONES THAT WENT OUT TO THE
5 SPIN-OUT COMPANIES, WHICH YOU WOULD NOT OR I GUESS
6 WHAT YOU WOULD EXPECT TO HAPPEN.

7 AND THEN IN TERMS OF WHAT RFA'S ARE
8 GENERATING THEM, YOU WILL SEE THAT MOST OF THEM ARE
9 IN THE COMPREHENSIVE AREA OR NEW CELL LINES. AND
10 WHEN YOU THINK ABOUT IT, I WAS A LITTLE SURPRISED BY
11 THAT, BUT THOSE ARE THE ONES THAT HAVE BEEN
12 COMPLETE, AND THOSE ARE THE ONES THAT HAVE BEEN THE
13 OLDEST OF ALL OF OUR AWARDS. AND SO I GUESS IT
14 SHOULD BE NO SURPRISE, BUT THAT THE ACTIVITY HAS
15 BEEN GOING ON FOR A LONGER PERIOD OF TIME, AND
16 THEY'VE ACTUALLY BEEN SUCCESSFUL IN ACTUALLY
17 OUT-LICENSING SOME OF THIS TECHNOLOGY.

18 SO WE WILL CONTINUE TO TRACK THIS AS WELL
19 AND REPORT OUT BECAUSE I THINK THIS IS A TERRIFIC
20 INVESTMENT.

21 SO TO SUM UP, I JUST WANT TO SAY THAT IT'S
22 QUITE AN EFFORT, BUT I THINK THAT WE HAVE A LOT OF
23 POSITIVES TO LOOK TO. I DON'T WANT TO OVERSELL IT.
24 IT WILL TAKE SOME TIME TO GET THE BIG DEALS DONE
25 BECAUSE THE SCIENCE IS QUITE YOUNG. AS I THINK I

BARRISTERS' REPORTING SERVICE

1 MENTIONED, THERE'S A NUMBER OF PHARMAS AND VC'S THAT
2 JUST WANT TO INVEST ON PROOF OF CONCEPT, AND WE'RE
3 NOT REALLY AT THAT STAGE RIGHT NOW. WE'RE FORTUNATE
4 ENOUGH THAT SOME ARE EAGER TO GET INTO THE FIELD,
5 AND WE HOPE TO ACTUALLY SEE THEM INVEST IN THIS
6 SPACE MORE READILY.

7 I'M ALMOST DONE. AND SO WITH THAT, I
8 GUESS -- YEAH. I GUESS I COULD BE DONE AND TAKE
9 QUESTIONS.

10 DR. PRICE: ARE YOU TRACKING INVENTION
11 DISCLOSURES?

12 MS. BAUM: WE'LL HAVE A LOT OF DETAIL.
13 YEAH. WE'RE TRACKING -- SO WE'RE GOING FROM
14 INVENTION DISCLOSURES TO PATENTS TO OUT-LICENSES.
15 WE DID SOME PRELIMINARY WORK ON A WHOLE SERIES OF
16 SLIDES, AND THEN THE DATA DOESN'T ALWAYS SYNC UP
17 NICELY, SO WE DECIDED THAT WE SHOULD SPEND A LITTLE
18 MORE TIME CLEANING IT UP.

19 DR. PRICE: JUST CURIOUS. THE INVENTION
20 DISCLOSURES AND THE LICENSING ACTIVITY TAKES PLACE,
21 FOR THE MOST PART, AT INSTITUTIONS.

22 MS. BAUM: YES.

23 DR. PRICE: SO YOU'RE CONFIDENT YOU
24 ACTUALLY HAVE THE INFORMATION FROM ALL THE
25 INSTITUTIONS YOU DEAL WITH?

BARRISTERS' REPORTING SERVICE

1 MS. BAUM: SO THAT HAS BEEN A PROBLEM.
2 THEY ARE REQUIRED TO REPORT IT TO US, BUT THEY ARE
3 ONLY REQUIRED TO REPORT IT ANNUALLY. SO I NEVER
4 REALLY HAVE AN UPDATE, BUT ONE OF OUR RECENT
5 REGULATION CHANGES WAS TO GIVE US MORE UP-TO-DATE
6 NOTICE OF ANY OF THIS OUT-LICENSING ACTIVITY AND TO
7 ACTUALLY GIVE US THE ACTUAL COPIES OF THE LICENSE.
8 MY FEELING BEING HOW CAN I POSSIBLY TRACK REVENUES
9 AND MAKE SURE THAT CIRM AND THE TAXPAYERS ARE
10 ACTUALLY RECEIVING THE REVENUES THAT THEY DESIRE
11 WITHOUT KNOWING WHAT THE TERMS OF THE AGREEMENT ARE?
12 WE REALLY CAN'T GO TO EVERY SINGLE UNIVERSITY AND DO
13 IN-DEPTH REVIEWS. SO GETTING COPIES OR AT LEAST
14 THROUGH AN ELECTRONIC LIBRARY AT LEAST LOOK AT THEM
15 HELPS US MANAGE THAT.

16 ANY OTHER QUESTIONS?

17 CHAIRMAN THOMAS: ANY OTHER COMMENTS?

18 MR. ROTH: I'LL ASK JUST A GENERAL
19 QUESTION. HAVING GONE THROUGH, THERE'S A LOT OF
20 ACTIVITY, OBVIOUSLY. BUT HOW DO YOU AND OTHERS FEEL
21 INTERNALLY ABOUT WHAT WE'VE BEEN ABLE TO ACCOMPLISH
22 HERE? DO YOU THINK WE'VE DONE A REALLY GOOD JOB OR
23 AN OKAY JOB? I WAS SURPRISED TO SEE \$150 MILLION OF
24 WHAT WE HAVE INVESTED, ALREADY TWO BILLION, HAS MADE
25 ITS WAY TO COMPANIES. AND THERE ISN'T -- YOU HEARD

BARRISTERS' REPORTING SERVICE

1 SEVERAL COMMENTS TODAY ABOUT DISEASES AND THE CLINIC
2 AND SO ON. SO I WOULD LIKE TO KNOW WHAT YOUR
3 ASSESSMENT IS.

4 MS. LANSING: BEFORE HE GOES ON, THIS IS
5 SHERRY LANSING. I JUST WANTED YOU TO KNOW I WAS ON
6 THE CALL NOW.

7 CHAIRMAN THOMAS: HI, SHERRY.

8 MS. LANSING: THANK YOU. I APOLOGIZE FOR
9 MISSING THE BEGINNING.

10 MS. BAUM: IF THE QUESTION IS HAVE WE
11 ACTUALLY ENDED UP FUNDING ENOUGH INDUSTRY, YOU'RE
12 RIGHT. 150 MILLION DOESN'T SEEM LIKE A LOT COMPARED
13 TO WHAT HAS ACTUALLY GONE OUT. I WANT TO PUT THAT
14 IN CONTEXT, THOUGH, BECAUSE A LOT WAS SPENT IN THE
15 INITIAL DAYS JUST SEEDING THE INDUSTRY. SO
16 INITIALLY WE REALLY DIDN'T HAVE RFA'S THAT WERE
17 DIRECTED AT INDUSTRY.

18 THE STRATEGIC PARTNERSHIP FUND IS
19 DEVELOPED PRIMARILY TO ATTRACT INDUSTRY IN MANY
20 RESPECTS OR AT LEAST NONPROFIT WITH A FOR-PROFIT AND
21 EVENTUALLY DEVELOP THIS. I'D LIKE TO SEE A LOT MORE
22 DEDICATED TO THAT AREA, IF POSSIBLE. I ALSO WANT TO
23 ACKNOWLEDGE, AND I ALMOST HAD A SLIDE ON THIS, BUT
24 IT WOULD HAVE BEEN, QUITE FRANKLY, A PRETTY
25 CONTROVERSIAL SLIDE. THERE AREN'T THAT MANY

BARRISTERS' REPORTING SERVICE

1 CALIFORNIA COMPANIES WORKING IN OUR SPACE. SO WHEN
2 YOU THINK ABOUT IT, THAT'S WHY WE DIDN'T HAVE THAT
3 MANY ENTRANTS INTO SP II INITIALLY BECAUSE, ONE,
4 THEY WERE EITHER WORKING IN AREAS THAT WERE NOT AS
5 MATURE. SO IF THEY ARE IN THIS SPACE, THEY ARE
6 PLURIPOTENT OR PROGENITOR STEM CELL FOCUSED.
7 SOMETIMES THEY'RE EARLIER STAGE. AND WE WILL BE
8 GOING AND FUNDING SOME EARLIER STAGE RESEARCH MOVING
9 FORWARD. WE HAD TO WEIGH THAT AGAINST OUR
10 OBJECTIVES OF GETTING PROGRAMS INTO THE CLINIC. SO
11 THAT'S MY HONEST VIEWPOINT.

12 CHAIRMAN THOMAS: ANY OTHER COMMENTS?
13 THANK YOU, ELONA.

14 DR. DULIEGE: THANK YOU VERY MUCH FOR THE
15 ASSESSMENT. AND ACTUALLY I'M NOT SURPRISED BY YOUR
16 COMMENTS BECAUSE THE LEVEL OF RISKS THAT ARE WITH
17 THIS PROGRAM IS PERCEIVED TO BE VERY HIGH BY THE
18 PHARMACEUTICAL INDUSTRY. IT'S NOT EVEN PERCEIVED.
19 IT IS. AND THE LEVEL OF FUNDING OTHERWISE BY VC'S,
20 AS YOU MENTIONED AND WE KNEW IN THE PAST, HAS BEEN
21 REDUCING OVER THE YEARS.

22 SO IT'S REALLY A GREAT THING THAT CIRM IS
23 DOING TO FACILITATE THIS DIALOGUE AND TO PROVIDE
24 MORE INCENTIVE TO THE PHARMACEUTICAL INDUSTRY TO
25 EXPAND AND TAKE MORE RESPONSIBILITY HERE.

BARRISTERS' REPORTING SERVICE

1 MY COMMENTS NOW GOES TO, INDEED, WHAT HAS
2 BEEN SAID BEFORE, WHICH IS I FEEL THAT AS WE'RE
3 COMING EVERY MEETING CLOSER TO THE TIME WHERE
4 ACTUALLY THE MONEY WILL RUN OUT AND OUR MISSION WILL
5 RUN OUT AT SOME POINT, THAT WE NEED AS A BOARD TO
6 HAVE A COMPLETE ASSESSMENT, BOTH AT A VERY HIGH
7 LEVEL AS WELL AS SOME IN-DEPTH ASSESSMENT, OF HOW
8 DOES THIS TRANSLATE FOR PATIENT'S BENEFIT? ARE WE
9 FAR AWAY FROM IT, OR ARE WE GETTING CLOSER? I
10 ASSUME WE'RE OBVIOUSLY GETTING CLOSER, BUT HOW CLOSE
11 IT IS. IT'S PROBABLY A SUGGESTION AT ONE OF THE
12 COMING MEETINGS, AND I'M SURE SOME PEOPLE HAVE
13 THOUGHT, AND THAT MAY BE EVEN IN MOTION, THAT WE
14 DEVOTE ENOUGH TIME TO THIS OVERALL ASSESSMENT,
15 WHETHER IT'S OVERARCHING AND THEN DISEASE BY
16 DISEASE, WHICH WOULD BE VERY LONG, BUT THERE MAY BE
17 OTHER WAYS TO GET AN IN-DEPTH ASSESSMENT.

18 MS. BAUM: ABSOLUTELY. EFFORTS ARE UNDER
19 WAY IN THAT REGARD.

20 CHAIRMAN THOMAS: THANK YOU, ELONA. THANK
21 YOU, NEIL.

22 WE ARE GOING TO TAKE ITEM 15 NOW, THE MOST
23 BITTERSWEET ITEM ON THE AGENDA, WHICH IS OUR THANK
24 YOU TO DEAN POMEROY. WE HAVE A NUMBER OF PEOPLE WHO
25 WOULD LIKE TO SPEAK HERE, AND WE'RE GOING TO START

BARRISTERS' REPORTING SERVICE

1 WITH DUANE.

2 MR. ROTH: SO I'LL START BY JUST SAYING,
3 CLAIRE, I'M NOT HAPPY. I'M REALLY UNHAPPY ABOUT
4 YOUR DECISION. HAPPY FOR YOU.

5 I THINK WHAT I'D LIKE TO SAY IS FOR ALL
6 THE TIME THAT I WATCHED THIS BOARD FUNCTION, BEFORE
7 I WAS ON IT AND THEN AS I CAME ON IT, THERE WAS THIS
8 ONE VOICE WITH A VERY COMPELLING LAUGH THAT YOU
9 ALWAYS LISTEN TO, AND THAT WAS CLAIRE. WHEN I THINK
10 ABOUT YOU, CLAIRE, I THINK ABOUT ALL THE THINGS
11 WE'VE GONE THROUGH AND YOUR CONSTANT COMPASS
12 POINTING NORTH AND THE INTEGRITY THAT THAT BROUGHT
13 TO ALL OF US.

14 YOU WERE NOT AFRAID TO TAKE A NO VOTE WHEN
15 EVERYBODY ELSE VOTED YES ON THE PRINCIPLES. YOU
16 DIDN'T GO WITH THE CROWD. YOU WENT WITH WHAT YOU
17 BELIEVED IN. I JUST SAY THERE HAVE BEEN MANY, MANY
18 GREAT MEMBERS OF THIS BOARD, PEOPLE HAVE SERVED, BUT
19 NONE BETTER THAN YOU. AND WE WILL MISS YOU.

20 CHAIRMAN THOMAS: THANK YOU, DUANE.
21 SHERRY, CLAIRE IS HUGGING DUANE.

22 DR. POMEROY: THAT'S THE REAL PAYOFF FOR
23 SERVING ON THIS COMMITTEE.

24 MR. ROTH: THAT'S RIGHT, SHERRY. NEVER
25 RESIGN OR I'LL HUG YOU.

BARRISTERS' REPORTING SERVICE

1 MS. LANSING: I WANT TO FEEL THAT HUG OVER
2 THE PHONE.

3 DR. POMEROY: HUG, HUG, HUG.

4 MS. LANSING: YOU KNOW, DUANE ARTICULATED
5 SO MUCH OF WHAT I WANT TO SAY. CLAIRE, YOU AND I
6 STARTED IN THE BEGINNING TOGETHER. AND THERE'S NO
7 WAY, THERE'S NO WORDS THAT I CAN POSSIBLY PUT
8 TOGETHER THAT CAN CONVEY HOW MUCH RESPECT AND
9 ADMIRATION I HAVE FOR YOU. AND EVERY TIME I THINK
10 I'M AT THE TOP, THEN YOU DO SOMETHING AND MY LOVE
11 AND ADMIRATION GOES EVEN HIGHER.

12 YOU ARE ONE OF THE MOST INTELLIGENT PEOPLE
13 I HAVE EVER MET IN MY WHOLE LIFE. YOU'RE ONE OF THE
14 MOST STRATEGIC THINKERS I'VE EVER MET. EVERY ISSUE
15 THAT CAME BEFORE THE BOARD YOU WERE SO THOROUGH AND
16 YOU THOUGHT EVERYTHING SO WELL OUT AND SO THOROUGHLY
17 THROUGH IT, THAT WHENEVER I WAS CONFUSED, YOU
18 BECAME, AS DUANE SAID, THE COMPASS FOR ALL OF US.
19 YOU BECAME THE INTELLIGENT COMPASS, BUT YOU ALSO
20 BECAME THE MORAL COMPASS AND OUR CONSCIENCE BECAUSE
21 YOU ALWAYS DID THE RIGHT THING. AND YOU WERE NEVER
22 AFRAID TO GO AGAINST THE GRAIN, AND YOU ALWAYS CAME
23 FROM A POINT OF CARING SO MUCH ABOUT THE MISSION,
24 CARING SO MUCH ABOUT THE SCIENCE, AND CARING SO MUCH
25 ABOUT THE INTEGRITY OF THE ORGANIZATION. AND

BARRISTERS' REPORTING SERVICE

1 BECAUSE YOU HAD THIS INCREDIBLE INTELLIGENCE AND
2 SCIENTIFIC BACKGROUND, YOU WENT TO DEPTHS THAT I
3 COULD NEVER HOPE TO GO THROUGH. SO I WOULD ALWAYS
4 LOOK TO YOU. AND IF YOU WERE FOR SOMETHING, IT
5 ALWAYS MADE ME FEEL COMFORTABLE THAT I WAS FOR IT AS
6 WELL.

7 I AM GOING TO MISS YOU ON THE BOARD, BUT I
8 AM ONE OF THE LUCKY PEOPLE BECAUSE, WITH FULL
9 DISCLOSURE, I'M ON THE BOARD OF THE LASKER
10 FOUNDATION. SO I HAVE TO ADMIT THAT I WISH YOU
11 COULD BE ON BOTH BOARDS, BUT I'M GOING TO GET TO SEE
12 YOU IN NEW YORK AT LEAST FIVE TIMES A YEAR. SO I'M
13 GOING TO STILL BE ABLE TO LOOK ACROSS THE TABLE AND
14 SAY IF CLAIRE THINKS THIS IS A GOOD IDEA, THEN IT
15 MUST REALLY BE A GOOD IDEA. I LOVE YOU. I RESPECT
16 YOU. AND ABOVE ALL ELSE, CLAIRE HAS BECOME MY
17 GIRLFRIEND. AND SHE IS A LOT OF FUN, AND I'M REALLY
18 PRIVILEGED THAT I'M GOING TO BE ABLE TO CONTINUE
19 ENJOYING THAT EVEN THOUGH IT WILL BE IN NEW YORK
20 INSTEAD OF IN CALIFORNIA. SO WE MISS YOU, BUT ALSO
21 CONGRATULATIONS. AND AS A BOARD MEMBER OF THE
22 LASKER FOUNDATION, I CAN SAY THEY ARE VERY LUCKY TO
23 HAVE YOU.

24 DR. POMEROY: THANK YOU, SHERRY. BIG HUGS
25 FOR MY GIRLFRIEND THROUGH THE PHONE. AND I HAVE TO

BARRISTERS' REPORTING SERVICE

1 ALSO JUST SAY YOU HAVE BEEN THE GREAT, GREAT,
2 GREATEST BOSS AS A REGENT WHILE I WAS EMPLOYED BY
3 UC. AND I'M REALLY LOOKING FORWARD TO HAVING YOU
4 AGAIN AS MY BOSS AT LASKER. THANK YOU FOR
5 EVERYTHING.

6 MS. LANSING: MOSTLY A DEAR FRIEND.

7 CHAIRMAN THOMAS: SENATOR TORRES.

8 MR. TORRES: THIS IS SO BITTERSWEET. THE
9 FIRST TIME I MET CLAIRE WAS IN HER OFFICE AT UC
10 DAVIS, AND SHE PUT ME COMPLETELY AT EASE
11 IMMEDIATELY. AND SHE MADE THE ULTIMATE SACRIFICE
12 TODAY BY NOT BEING AT THE RALLY TO WELCOME THE
13 SACRAMENTO KINGS BACK TO SACRAMENTO. THAT LEADS ME
14 TO THE OTHER COMMENT I WANTED TO MAKE.

15 I SPENT 20 YEARS OF MY LIFE IN SACRAMENTO
16 IN THE CAPITOL. AND ALL THE PEOPLE AND FRIENDS THAT
17 I'VE MADE OVER THE YEARS, WHEN YOU CAME TO UC DAVIS
18 AND THE YEARS THAT YOU SPENT THERE, YOU ARE SO
19 BELOVED BY THAT COMMUNITY. NOT ONLY BECAUSE YOU ARE
20 FILLED WITH INTEGRITY AND CHARACTER, BUT YOU JUST
21 MADE YOURSELF AVAILABLE TO PEOPLE. AND WHOMEVER I
22 TALK TO IN SACRAMENTO THAT I TOLD I SERVED WITH
23 CLAIRE POMEROY ON THE BOARD, THEY WERE JUST
24 ABSOLUTELY UNBELIEVABLY IMPRESSED, AS WAS I.

25 AND SO THE EXPERIENCES THAT YOU'VE SHARED

BARRISTERS' REPORTING SERVICE

1 WITH ME OVER THE YEARS THAT I'VE SERVED WITH YOU,
2 YOUR TREMENDOUS ROLE WITH SHERRY ON THE GOVERNANCE
3 COMMITTEE HAD SOME INCREDIBLE CHALLENGES, BUT YOU
4 MET THEM. YOU MET THEM. AND AT THE END OF THE DAY,
5 YOUR TREMENDOUS LEADERSHIP IN HIV EARLY ON IS ALWAYS
6 A SOURCE OF PRIDE FOR ME THAT I KNOW YOU PERSONALLY.
7 I KNOW A HEROINE PERSONALLY THAT HAS DONE SUCH
8 INCREDIBLE WORK. SO I WILL MISS YOU TRULY, BUT I
9 HOPE I CAN GET BACK TO NEW YORK AND TO SEE YOU AS
10 WELL. I LOVE YOU, CLAIRE.

11 DR. POMEROY: IT'S A DEAL. THANK YOU SO
12 MUCH.

13 CHAIRMAN THOMAS: MARCY.

14 MS. FEIT: IT'S BEEN AN HONOR FOR ME TO
15 GET TO KNOW DR. POMEROY BOTH ON THIS BOARD. I'M
16 JUST HONORED TO KNOW THAT I SERVED THIS TIME WITH
17 YOU, CLAIRE. EVERYTHING, I ECHO EVERYTHING
18 EVERYBODY SAID. AND ALSO TO WORK WITH YOU IN THE
19 INDUSTRY, HEALTHCARE INDUSTRY IN CALIFORNIA, HAS
20 BEEN A TRUE HONOR AND GIFT.

21 BUT ON THE LIGHTER SIDE, I HAVE TO GIVE
22 CLAIRE CREDIT. EARLY ON IN THIS AGENCY SHE HELPED
23 ADVOCATE FOR LUNCH AND FOOD WITH ALL OF US. AS THE
24 MARATHON MEETINGS WENT ON AND ON AND ON AND IT WOULD
25 BE TWO IN THE AFTERNOON, AND YOU'D HEAR CLAIRE AND A

BARRISTERS' REPORTING SERVICE

1 COUPLE OF US SAYING, IF YOU DON'T FEED US, WE'RE NOT
2 GOING TO VOTE ON ANYTHING ELSE. SO THANK YOU,
3 CLAIRE.

4 BUT YOU'RE A REAL GIFT TO ALL OF US. AND
5 WE WISH YOU SO WELL, AND WE WILL MISS YOU ON THIS
6 BOARD, BUT WE HOPE WE GET TO INTERACT WITH YOU AGAIN
7 AT SOME LEVEL IN THE FUTURE. GOOD LUCK TO YOU AND
8 THANK YOU, CLAIRE.

9 DR. POMEROY: THANK YOU.

10 CHAIRMAN THOMAS: OTHER --

11 DR. BRYANT: JON, COULD I SAY A COUPLE OF
12 WORDS?

13 CHAIRMAN THOMAS: ABSOLUTELY. PLEASE.

14 DR. BRYANT: SO I ECHO EVERYTHING THAT
15 EVERYBODY SAID. CLAIRE HAS BEEN AN ICONIC MEMBER OF
16 THE BOARD. SHE KNOWS THE SCIENCE, SHE KNOWS THE
17 POLITICS, SHE KNOWS THE UNIVERSITY, AND THE
18 SCIENTIFIC ENTERPRISE, AND SHE JUST BRINGS, HAS
19 BROUGHT HER WISDOM AND CARING AND HER ALL-EMBRACING
20 WISDOM TO THE BOARD. AND I HAVE LEARNED A LOT FROM
21 HER. AND I ALSO WILL NOT BE ON THE BOARD FOR MUCH
22 LONGER BECAUSE I'M STEPPING OUT OF MY POSITION HERE.
23 SO I WILL MISS YOU NO MATTER WHAT BECAUSE I WON'T BE
24 SERVING ON THE BOARD EITHER.

25 AND I WISH YOU ALL THE VERY BEST IN THE

BARRISTERS' REPORTING SERVICE

1 NEW PHASE IN YOUR CAREER. WHAT AN EXCITING NEW
2 VENTURE FOR YOU TO BE HEADING INTO. AND WE WILL ALL
3 MISS YOU IN OUR DIFFERENT VARIOUS WAYS, BUT THANK
4 YOU FOR BEING A BEACON AND A ROLE MODEL AND JUST A
5 WONDERFUL BEACON OF HOPE AND HAPPINESS. THANK YOU.

6 DR. POMEROY: THANK YOU, SUE. IT'S BEEN A
7 GREAT RIDE TOGETHER.

8 DR. BRYANT: I THINK SO. IT'S BEEN
9 WONDERFUL. THANKS.

10 MR. SHEEHY: THIS MAY BE THE SADDEST DAY
11 FOR ME HERE. WE'VE ALL COME HERE FROM DIFFERENT
12 PLACES. AND FOR ME NINE YEARS AGO IT WAS A LITTLE
13 BIT SCARY, YOU KNOW. EVEN THOUGH -- I MEAN NOBEL
14 PRIZE WINNER, OSCAR WINNER. AND, YOU KNOW, BESIDES
15 THE INTEGRITY PIECE, I DON'T KNOW, WITHOUT YOUR
16 SENSE OF INTEGRITY, THIS AGENCY, THIS ENTERPRISE
17 WOULD HAVE SURVIVED. BUT THE SPIRIT OF COMPASSION
18 AND WARMTH AMID A BUNCH OF PEOPLE COMING FROM A LOT
19 OF THE DIFFERENT PLACES UNDER A TREMENDOUS AMOUNT OF
20 PRESSURE TOGETHER, AND I AM SO GRATEFUL TO HAVE
21 KNOWN YOU.

22 CHAIRMAN THOMAS: OTHER COMMENTS?

23 DR. HAWGOOD: I THINK WHAT HAS BEEN SAID
24 HAS BEEN BEAUTIFULLY SAID, AND I WOULD JUST ADD THAT
25 I'VE KNOWN CLAIRE ALSO, I GUESS, AS THE SENIOR DEAN

BARRISTERS' REPORTING SERVICE

1 WITHIN THE UC SYSTEM. AND ALL OF THE
2 CHARACTERISTICS THAT HAVE BEEN MENTIONED ALREADY
3 SPILL OVER INTO HER ROLE AS A DEAN OF ONE OF THE
4 GREAT PUBLIC SCHOOLS OF MEDICINE IN THE COUNTRY.

5 SHE WAS EXTREMELY HELPFUL TO ME AS I TOOK
6 UP THE POSITION, AND I GUESS SHE'S COACHED ALL FOUR
7 OF THE JUNIOR DEANS IN THE UC SYSTEM OVER THE LAST
8 SEVERAL YEARS AND HAS BEEN A TREMENDOUS HELP IN
9 ADVANCING EDUCATION THROUGHOUT THE STATE TOO WITH
10 OTHER PASSION AND INTEGRITY. I WISH YOU WELL,
11 CLAIRE, AND I HOPE YOU DON'T FORGET CALIFORNIA WHEN
12 YOU GIVE OUT THOSE LASKER PRIZES.

13 DR. POMEROY: THANKS FOR EVERYTHING, SAM.

14 CHAIRMAN THOMAS: OTHER COMMENTS? WELL, I
15 WILL WRAP UP HERE. OH, YES. PUBLIC. I'LL WARP UP
16 AFTER THE VERY IMPORTANT PUBLIC COMMENT.

17 MS. ROBERSON: HI. FOR THE PAST TEN AND A
18 HALF YEARS, DR. CLAIRE POMEROY HAS SERVED AS THE UC
19 DAVIS DEAN OF SCHOOL OF MEDICINE, CEO AND VICE
20 CHANCELLOR. SHE'S ALSO SERVED AS ONE OF THE
21 FOUNDING CIRM ICOC BOARD MEMBERS NOW IN YOUR NINTH
22 YEAR. RIGHT? YEAH.

23 IT'S REMARKABLE TO ME HOW YOU, CLAIRE, CAN
24 MANAGE ALL THESE RESPONSIBILITIES. I FOUND OUT
25 YESTERDAY THAT THERE'S A SUBSTITUTE ASSIGNED FOR

BARRISTERS' REPORTING SERVICE

1 THIS BOARD SEAT, BUT I'VE NEVER MET HIM. EVERY ICOC
2 MEETING I'VE BEEN TO YOU'VE BEEN HERE.

3 CLARE, YOUR VISION AND LEADERSHIP BROUGHT
4 ABOUT THE FIRST CIRM-FUNDED STEM CELL LAB BUILDING
5 OPEN IN CALIFORNIA AT UC DAVIS, ALONG WITH THE GMP
6 FACILITY, AND YOU GOT TO NAME THE BUILDING THE UC
7 DAVIS IRC, INSTITUTE FOR REGENERATIVE CURES. NOT
8 THE INSTITUTE FOR REGENERATIVE HOPEFUL TREATMENTS,
9 BUT FOR CURES BECAUSE YOU, LIKE ALL OF US, DREAM
10 BIG, WORK HARD, AND ARE COURAGEOUS. AND THERE'S
11 LIVES AT STAKE.

12 MILLIONS OF PEOPLE WITH RARE, MEAN,
13 TERMINAL DISEASES THAT DON'T HAVE ONE TREATMENT.
14 THEY'RE HOPELESS, LIKE HUNTINGTON'S. BUT BECAUSE OF
15 CIRM, YOU, UC DAVIS GOT A \$19 MILLION GRANT FOR
16 FUNDING HUNTINGTON'S DISEASE, AND THEY'RE GOING TO
17 START RECRUITING IN AUGUST. SO WE'RE SO GRATEFUL.
18 HD COMMUNITY WISHES CLAIRE OUR BEST AS SHE JOINS THE
19 LASKER FOUNDATION AS ITS PRESIDENT. WE'RE SAD TO
20 LOSE YOU, BUT WE'RE HAPPY FOR YOU. AND, CLAIRE,
21 YOU'VE LEFT A LASTING LEGACY NOT ONLY HERE AT CIRM,
22 BUT AT UC DAVIS AND IN THE BIG DISEASE COMMUNITY
23 BECAUSE YOUR EFFORTS HAVE TAKEN PEOPLE FROM HOPELESS
24 TO HOPEFUL. THANK YOU SO MUCH.

25 DR. POMEROY: THANK YOU, JUDY. YOU'RE

BARRISTERS' REPORTING SERVICE

1 GREAT.

2 MR. REED: WHEN I THINK OF YOU, IT WILL BE
3 OF INTEGRITY, MODERATION, AND STYLE. THE FIRST TIME
4 I KNEW WHO YOU WERE WAS WHEN WE WERE FIGHTING OVER
5 WHICH CITY WOULD GET THE HONOR OF HAVING CIRM THERE.
6 AND WE WERE IN SACRAMENTO, YOUR AREA, AND THIS ONE
7 ENTHUSIASTIC ADVOCATE, WHOSE MOTIVES I CAN TOTALLY
8 UNDERSTAND, TRIED TO DO SOMETHING THAT WAS A LITTLE
9 BIT OFF THE EDGE AND TRIED TO ADD AN EXTRA THING,
10 AND YOU STOPPED HIM. YOU SAID NO. THE TIME FOR
11 SWEETENING THE DEAL IS PAST. THAT WAS INTEGRITY.

12 THE MODERATION, THIS IS A BOARD OF
13 PASSIONATE BELIEVERS. EVERYONE HERE IS A POWERFUL
14 LEADER, A CHAMPION. AND SOMETIMES IT WOULD GO BACK
15 AND FORTH AND BACK AND FORTH, AND THEN YOU WOULD
16 FIND A MIDDLE ROUTE. ALL OF A SUDDEN, OH, OKAY. I
17 CAN DEAL WITH THAT. I CAN LIVE WITH THAT. THAT'S
18 IMPORTANT.

19 THE STYLE, MANY TIMES I WOULD ASK YOU
20 WOULD YOU WRITE ME ONE MORE LETTER ON BEHALF OF THE
21 ROMAN REED SPINAL CORD INJURY RESEARCH, WHICH I HAVE
22 ASKED EVERYBODY MILLIONS OF TIMES, AND THEY'VE COME
23 THROUGH AGAIN AND AGAIN. AND YOURS WERE ALWAYS
24 WRITTEN WELL. THEY WERE BEAUTIFULLY WRITTEN.

25 AND THE STYLE ALSO, I USED TO ALWAYS ENJOY

BARRISTERS' REPORTING SERVICE

1 TO SEE HOW BEAUTIFULLY YOU DRESSED UP. THE PERSON
2 THAT SUMMED IT UP BEST, I THINK, WAS IN A TIME OF
3 GREAT SADNESS WHEN THE VOICE OF KERMIT THE FROG, JIM
4 HENSON, PASSED AWAY. AND HIS WIFE SAID, "WE WILL
5 NOT WEEP THAT WE MUST SAY GOODBYE. WE WILL TAKE JOY
6 IN KNOWING YOU." THANK YOU.

7 DR. POMEROY: IT IS A JOY, HAS BEEN A JOY,
8 DON.

9 CHAIRMAN THOMAS: THANK YOU, JUDY AND DON.
10 BEAUTIFULLY SAID.

11 SO, CLAIRE, I HAD THE PRIVILEGE, AS YOU
12 KNOW, OF GOING TO YOUR GOING AWAY PARTY IN
13 SACRAMENTO A COUPLE OF WEEKS AGO. AND I'D LIKE TO
14 REPORT TO EVERYBODY THAT THIS WAS A STUNNING EVENT,
15 A PACKED ROOM, A VERY LONG SERIES OF PASSIONATE
16 TESTIMONIALS ABOUT CLAIRE AND WHAT SHE MEANT TO THE
17 SPEAKER, THE SPEAKER'S ORGANIZATION, ETC. AND
18 SOMETHING I LEARNED I THOUGHT WAS QUITE INTERESTING
19 WAS THE LIST OF THINGS CLAIRE IS AN INTEGRAL MEMBER
20 OF GOES ON AND ON AND ON. AND TO HEAR EACH OF THE
21 TESTIMONIALS, IT'S CLEAR THAT EVERYBODY,
22 NOTWITHSTANDING SHARING CLAIRE, FEELS THAT THEY ALL
23 HAVE HER UNDIVIDED ATTENTION. AND THAT IS A VERY
24 DIFFICULT SENTIMENT TO HAVE WHEN YOU'RE PULLED IN SO
25 MANY DIRECTIONS CONCURRENTLY.

BARRISTERS' REPORTING SERVICE

1 WE ARE MOST HONORED THAT WE WERE ONE OF
2 THOSE. I PERSONALLY WANT TO THANK YOU FOR YOUR
3 YEARS OF SERVICE AS A RELATIVE NEWCOMER TO THE BOARD
4 COMPARED TO EVERYBODY ELSE. YOU HAVE BEEN A GREAT
5 COLLEAGUE. YOU'VE BEEN A GREAT COUNSELOR. YOU'VE
6 SERVED WITH ALL THE ATTRIBUTES SO BEAUTIFULLY
7 ARTICULATED HERE TODAY. AND THE LASKER FOUNDATION
8 AND SHERRY AND YOUR OTHER COLLEAGUES ARE MOST
9 FORTUNATE TO HAVE SOMEBODY. YOUR LEGACY WILL LIVE
10 ON. AND I JUST WANT TO PERSONALLY THANK YOU ON
11 BEHALF OF THE BOARD AND TO GIVE YOU SOMETHING TO
12 TAKE WITH YOU TO PUT ON YOUR WALL IN THE LASKER
13 OFFICES TO REMIND YOU OF CIRM, WHICH IS THE CLASSIC
14 CIRM PROCLAMATION, WHICH I WON'T READ.

15 DR. POMEROY: WHICH I WILL CHERISH.

16 CHAIRMAN THOMAS: IT TAKES WAY TOO LONG TO
17 GET THROUGH EVERYTHING AND ALL THE WHEREASES, BUT
18 SUFFICE IT TO SAY YOU WERE A WONDERFUL, WONDERFUL
19 DRIVING FORCE AND BOARD MEMBER AND WE'RE GOING TO
20 MISS YOU GREATLY. CONGRATULATIONS.

21 (APPLAUSE.)

22 DR. POMEROY: BEAUTIFUL. OKAY.

23 CHAIRMAN THOMAS: WE CAN NOW TURN -- WE
24 NEED TO HEAR HER SPEAK.

25 DR. POMEROY: THANK YOU. THANK YOU,

BARRISTERS' REPORTING SERVICE

1 EVERYBODY. THAT FELT REALLY GOOD. SO THANK YOU.
2 BUT IT HAS BEEN. I MEAN IT'S AN INCREDIBLE HONOR TO
3 SERVE ON THIS ICOC. IT HAS BEEN CENTRAL TO WHAT
4 MOTIVATED AND INSPIRED ME OVER THESE PAST NINE
5 YEARS. SO I WANT TO THANK YOU, J.T., FOR YOUR
6 LEADERSHIP AND DUANE IN ABSENTIA HERE AND ART AS OUR
7 VICE CHAIRS. I WANT TO THANK EVERY SINGLE ONE OF MY
8 BOARD COLLEAGUES OLD AND NEW.

9 WHAT A GREAT COLLECTION OF PEOPLE,
10 PERSONALITIES, I MEAN FANTASTIC INDIVIDUALS. AND I
11 WANT TO THANK ALL OF THE CIRM STAFF. YOU GUYS ARE
12 AMAZING. YOU REALLY -- YOU'RE TRULY AN AMAZING
13 GROUP OF COMMITTED PEOPLE. SO ALL OF THAT'S BEEN
14 FANTASTIC.

15 I WANT TO THANK, THOUGH, THE SCIENTISTS
16 WHO ARE DOING THE RESEARCH AND A SPECIAL THANK YOU
17 TO ALL THE PATIENTS. I MEAN THE PATIENTS ARE THE
18 ONES THAT INSPIRE US, RIGHT? THEY'RE THE ONES THAT
19 GIVE THE MEANING TO WHAT WE DO. AND THE PEOPLE OF
20 CALIFORNIA WHO GAVE US THE CHANCE WHO VOTED FOR
21 THIS.

22 I LOOKED BACK ON THESE PAST NINE YEARS,
23 AND I HAVE LEARNED SO MUCH ABOUT A WHOLE NEW FIELD
24 OF SCIENCE THAT WHEN I WAS IN MEDICAL SCHOOL, THEY
25 DIDN'T EVEN TEACH US THIS THING CALLED REGENERATIVE

BARRISTERS' REPORTING SERVICE

1 MEDICINE. AND SO I'VE LEARNED IT HERE IN PUBLIC IN
2 FRONT OF -- YOU KNOW, ALONG WITH ALL OF YOU. AND
3 ISN'T THAT AMAZING, THAT THERE'S A WHOLE NEW FIELD
4 OF SCIENCE THAT'S PROBABLY GOING TO FUNDAMENTALLY
5 CHANGE THE WAY WE TAKE CARE OF PATIENTS GOING ON
6 INTO THE FUTURE.

7 AND YOU KNOW AT A TIME WHEN OUR COUNTRY IS
8 TURNING AWAY FROM SCIENCE FAR TOO OFTEN, THE PEOPLE
9 OF CALIFORNIA AND THE PEOPLE OF CIRM HAVE STEPPED UP
10 AND EMBRACED SCIENCE AS THE SOLUTION. AND AT A TIME
11 WHEN OUR COUNTRY ISN'T WILLING TO INVEST IN R&D, THE
12 PERCENT OF GDP THAT WE INVEST IN R&D IS DECREASING,
13 AND AT THAT MOMENT, THE PEOPLE OF CALIFORNIA MADE
14 THIS HUGE INVESTMENT. AND THAT GIVES US A
15 RESPONSIBILITY, AND A RESPONSIBILITY WHICH I KNOW
16 EVERYBODY HERE TAKES SERIOUSLY. CIRM IS KIND OF THE
17 EPITOME OF INNOVATION, RIGHT? AND SO IN MY NEW JOB
18 AT LASKER, THE MISSION OF LASKER IS TO CELEBRATE THE
19 IMPORTANCE OF MEDICAL RESEARCH AND TO ENCOURAGE
20 ONGOING SUPPORT, BOTH PUBLIC AND PRIVATE, OF MEDICAL
21 RESEARCH.

22 AND SO I'VE HAD THE EXPERIENCE IN THIS
23 PAST NINE YEARS OF A GREAT INVESTMENT BEING MADE IN
24 MEDICAL RESEARCH. AND I'LL GET TO CONTINUE TO DO
25 THAT AS PARTNERS WITH YOU WHEN I'M AT LASKER. SO

BARRISTERS' REPORTING SERVICE

1 IT'S BEEN A GREAT JOURNEY TOGETHER. I AM SO
2 GRATEFUL TO HAVE BEEN PART OF IT. AND REALLY ON
3 BEHALF OF ALL OF THE PATIENTS THAT WE DO THIS FOR,
4 ALL THE CURRENT PATIENTS AND THE FUTURE PATIENTS, I
5 WANT YOU TO KNOW HOW EXCITING IT'S BEEN FOR ME TO BE
6 PART OF IT AND HOW MUCH I TRUST ALL OF THE PEOPLE
7 HERE TO MOVE IT INTO THE FUTURE TO EVEN HIGHER
8 LEVELS SO THAT I GET THAT FANTASY THAT I'VE TOLD
9 JUDY ABOUT, WHICH IS THAT WE WILL STAND UP WHEN WE
10 ANNOUNCE CURES TOGETHER AND KNOW THAT THIS IS WHERE
11 IT STARTED. THANK YOU VERY MUCH FOR ALL YOUR KIND
12 WORDS AND FOR THIS OPPORTUNITY.

13 (APPLAUSE.)

14 DR. POMEROY: THIS IS WHAT THE HOCKEY GUYS
15 DO. ALL RIGHT. J.T., TIME TO GET BACK TO WORK.
16 THANK YOU, EVERYBODY.

17 CHAIRMAN THOMAS: THANK YOU, CLAIRE.

18 (A RECESS WAS TAKEN.)

19 CHAIRMAN THOMAS: IF EVERYBODY COULD GRAB
20 THEIR CUPCAKES AND PLEASE RETURN TO YOUR SEATS.
21 OKAY. I THINK WE'RE READY TO RESUME HERE.

22 OF COURSE, WE COULDN'T GO MORE THAN TEN
23 MINUTES IN A MEETING WITHOUT MR. HARRISON POINTING
24 OUT THAT WE HADN'T DONE SOMETHING CORRECTLY. SO
25 HE'S BROUGHT TO MY ATTENTION THAT WE NEED A MOTION

BARRISTERS' REPORTING SERVICE

1 TO APPROVE THE RESOLUTION FOR DEAN POMEROY.

2 MR. TORRES: SO MOVED.

3 CHAIRMAN THOMAS: MOVED AND SECONDED BY
4 EVERYBODY. WE DON'T REQUIRE A VOTE.

5 DR. POMEROY: I FEEL I SHOULD ABSTAIN
6 HOWEVER.

7 DR. PRICE: ARE INSTITUTIONAL MEMBERS
8 ALLOWED TO VOTE?

9 CHAIRMAN THOMAS: YES, INSTITUTIONAL
10 MEMBERS, YES, ABSOLUTELY. THANK YOU, MR. HARRISON.

11 NOW, THE UNENVIABLE TASK FOLLOWING THE
12 LAST AGENDA ITEM FALLS TO MR. TOCHER WHO WILL NOW
13 ADDRESS ITEM 13, WHICH IS CONSIDERATION OF ADOPTION
14 REGULATIONS GOVERNING REPOSITORY FOR PLURIPOTENT
15 STEM CELLS AND EMBRYONIC STEM CELLS. MR. TOCHER.

16 MR. TOCHER: THANK YOU, CHAIRMAN. THIS
17 WAS SUPPOSED TO BE JAMES' CONTRACT TO FOLLOW
18 CLAIRE'S RESOLUTION. GOOD LUCK WITH YOUR ITEM,
19 JAMES, WHEN IT COMES UP.

20 CHAIRMAN AND MEMBERS, IN THIS ITEM WE SEEK
21 TO TAKE THE FINAL STEP IN A PROCESS THAT THE BOARD
22 ACTUALLY BEGAN LAST YEAR. YOU WILL RECALL JUST
23 RECENTLY IN MARCH THAT YOU MADE AWARDS REGARDING THE
24 HPSC BANKING INITIATIVES, WHICH COMPRISES A PROGRAM
25 TO COLLECT, DERIVE, AND BANK DISEASE-SPECIFIC CELL

BARRISTERS' REPORTING SERVICE

1 LINES. WHEN THAT CONCEPT WAS CONSIDERED LAST YEAR,
2 THE BOARD ALSO CONSIDERED AT THAT TIME A CONCEPT
3 PROPOSAL TO ADOPT ON AN INTERIM BASIS SPECIAL RULES
4 REGARDING INTELLECTUAL PROPERTY THAT WOULD GOVERN
5 THIS RFA PROGRAM.

6 THESE RULES WERE DEVELOPED WITH THE
7 GUIDANCE OF THE IP AND INDUSTRY SUBCOMMITTEE WHICH
8 WERE THEN RECOMMENDED TO THE ICOC, AND THE BOARD
9 ADOPTED THOSE LAST YEAR ON AN INTERIM BASIS.

10 THESE SPECIAL IP RULES ARE EFFECTIVE FOR
11 270 DAYS AND THEN EXPIRE UNLESS THEY'RE MADE
12 PERMANENT THROUGH THE REGULAR OAL ADOPTION PROCESS.
13 SO STAFF HAS TAKEN THOSE RULES AND INITIATED THE OAL
14 PROCESS IN ORDER TO MAKE THEM PERMANENT, AND THAT
15 PROCESS HAS NOW CONCLUDED.

16 THE REGULATIONS THAT ARE ATTACHED THAT
17 APPLY TO THE HPSC BANKING INITIATIVES ARE UNCHANGED
18 FROM THE VERSIONS THAT YOU ADOPTED LAST YEAR. THEY
19 WERE DISTRIBUTED FOR PUBLIC COMMENT, AND NO COMMENT
20 WAS RECEIVED. SO ON THAT BASIS, WE'RE LOOKING TO
21 HAVE THAT PROCESS BUTTONED UP TODAY AND HAVE THEM
22 SENT TO OAL FOR FINAL ADOPTION.

23 CHAIRMAN THOMAS: THANK YOU, MR. TOCHER.
24 ARE THERE ANY COMMENTS ON THIS ITEM? THIS IS LISTED
25 AS AN ACTION ITEM, JAMES. SO WE HAVE TO VOTE.

BARRISTERS' REPORTING SERVICE

1 MR. SHESTACK: ARE YOU TRYING TO GET THIS
2 DONE BEFORE -- IS THIS JUST A FUNCTION OF THE DAYS
3 EXPIRING, OR ARE YOU TRYING TO GET THIS DONE BEFORE
4 THE MEETING ON THE 28TH OF YOUR TISSUE DERIVERS?

5 MR. TOCHER: WELL, THEY'RE ACTUALLY
6 ALREADY APPLICABLE TO THIS RFA BECAUSE THERE'S AN
7 INTERIM REG IN PROCESS. BUT BECAUSE THAT WILL
8 EXPIRE, WE WANT TO GET IT FINALIZED BEFORE THAT
9 EXPIRES IN SEPTEMBER.

10 MR. SHESTACK: THEY ALL SAW THAT AND HAD
11 NO PARTICULAR COMMENTS?

12 MR. TOCHER: THAT'S RIGHT.

13 CHAIRMAN THOMAS: DO WE HEAR A MOTION?

14 MR. SHESTACK: I'LL MAKE A MOTION TO
15 ADOPT.

16 MR. SHEEHY: SECOND.

17 MS. LANSING: I'LL SECOND IT.

18 CHAIRMAN THOMAS: MOVED BY MR. SHESTACK,
19 SECONDED BY MR. SHEEHY AND BY SHERRY, JUST TO GIVE
20 ADDED EMPHASIS.

21 ANY COMMENTS ON THE MOTION? ANY COMMENTS
22 FROM MEMBERS OF THE PUBLIC? HEARING NONE, WE'LL DO
23 A VOICE VOTE. ALL THOSE IN FAVOR PLEASE SAY AYE.

24 DR. BRYANT: AYE.

25 CHAIRMAN THOMAS: OPPOSED? ABSTENTIONS?

BARRISTERS' REPORTING SERVICE

1 SUE.

2 DR. BRYANT: NO PROBLEMS HERE.

3 CHAIRMAN THOMAS: THANK YOU. JUST
4 CHECKING. THANK YOU.

5 OKAY. MOTION PASSES.

6 ON TO THE LENGTHIEST ITEM OF TODAY'S
7 AGENDA, WHICH IS THE APPROVAL OF THE MINUTES FOR THE
8 MARCH BOARD MEETING. HEAR A MOTION TO APPROVE.

9 MR. TORRES: SO MOVED.

10 DR. PRIETO: SECOND.

11 CHAIRMAN THOMAS: MOVED BY SENATOR TORRES,
12 SECONDED BY DR. PRIETO. ALL THOSE IN FAVOR PLEASE
13 AYE. OPPOSED. MR. HARRISON, DON'T TELL ME I WAS
14 SUPPOSED TO SOLICIT PUBLIC COMMENT FOR THAT BECAUSE
15 I KNOW I WASN'T GOING TO GET ANY.

16 NOW THE MOST CONTENTIOUS ITEM OF THE
17 AGENDA, THE CONSIDERATION OF THE RENEWAL OF THE
18 CONTRACT FOR REMCHO, JOHANSEN & PURCELL.

19 SO EVERY YEAR AT THIS TIME WE ADDRESS THE
20 ISSUE OF RE-UPPING WITH MR. HARRISON. I THINK IT IS
21 IMPOSSIBLE TO OVERSTATE HIS IMPORTANCE TO THE BOARD
22 AND THE SERVICE HE PROVIDES AND THE SAGE COUNSEL HE
23 PROVIDES -- MARIA IS SHAKING HER HEAD NO -- PROVIDES
24 ON ALL MATTERS THAT THE BOARD DEALS WITH AND THE
25 AGENCY DEALS WITH THROUGHOUT THE COURSE OF THE YEAR.

BARRISTERS' REPORTING SERVICE

1 YOU HAVE IN YOUR PACKET SORT OF A REVIEW
2 OF A NUMBER OF THE ACCOMPLISHMENTS THAT MR. HARRISON
3 HAS HAD IN THE PAST YEAR. IT'S NOT WORTH REVIEWING
4 BECAUSE, SUFFICE IT TO SAY, HE DOES EVERYTHING AS AN
5 OUTSIDE COUNSEL THAT YOU COULD POSSIBLY WANT.

6 SO THE CONTRACT IS FOR \$550,000, WHICH, I
7 BELIEVE, MR. HARRISON, IS CONSISTENT WITH THIS PAST
8 YEAR; IS THAT CORRECT?

9 MR. HARRISON: RIGHT.

10 CHAIRMAN THOMAS: SO I WOULD LIKE TO
11 ENTERTAIN A MOTION TO APPROVE.

12 MR. TORRES: SO MOVED.

13 MR. SHEEHY: SO MOVED.

14 CHAIRMAN THOMAS: MOVED BY SENATOR TORRES,
15 SECONDED BY MR. SHEEHY. DO WE HAVE ANY COMMENTS
16 FROM MEMBERS OF THE BOARD?

17 DR. PRICE: ONE COMMENT. THIS IS FOR THE
18 MEMBERS OF THE BOARD WHO ARE RELATIVELY NEW WHO
19 HAVEN'T BEEN HERE FOR MUCH OF THE SAGA, AND I WOULD
20 SAY FOR THEIR BENEFIT, AND I DON'T THINK ANY OF THE
21 OLDER MEMBERS OF THE BOARD WOULD DISAGREE, THAT IF
22 IT WASN'T FOR JAMES, WE WOULD SPEND MOST OF OUR TIME
23 EITHER IN CIVIL COURT OR IN JAIL.

24 MR. TORRES: BRAVO.

25 CHAIRMAN THOMAS: THANK YOU, DR. PRICE.

BARRISTERS' REPORTING SERVICE

1 OKAY. ANY OTHER COMMENTS? TOUGH TO TOP THAT ONE.
2 COMMENTS FROM MEMBERS OF THE PUBLIC?

3 MR. REED: THIS IS JUST SO EASY, BUT I
4 JUST MUST. HE HAS BEEN SUCH A FORCE FOR GOOD SINCE
5 BEFORE IT BEGAN. HE HELPED WRITE IT. HE'S THE ONLY
6 MAN -- WHEN BOB KLEIN DOESN'T KNOW SOMETHING ABOUT
7 PROPOSITION 71, HE TURNS TO JAMES. SO THANK YOU SO
8 MUCH FOR ALL YOUR HARD WORK. IT'S FAR MORE THAN A
9 FINANCIAL OBLIGATION. THANK YOU.

10 CHAIRMAN THOMAS: THANK YOU, MR. REED. I
11 THINK WE PROCEED TO VOTE. ALL THOSE IN FAVOR PLEASE
12 SAY AYE. OPPOSED?

13 NOTICE, MR. HARRISON, I SPARED YOU HAVING
14 TO RESTATE THE MOTION.

15 MR. HARRISON: YOU HAVE TO ASK THE MEMBERS
16 ON THE PHONE, HOWEVER.

17 MR. TORRES: HE WANTS TO MAKE SURE HE GETS
18 PAID.

19 MS. LANSING: I VOTE YES.

20 DR. BRYANT: YES, OF COURSE.

21 CHAIRMAN THOMAS: THANK YOU. AS USUAL,
22 THANK YOU, MR. HARRISON, FOR POINTING OUT THAT WE
23 DIDN'T DO SOMETHING CORRECTLY. SO EARNING HIS KEEP
24 DOWN TO THE LAST SECOND.

25 OKAY. SO NOW WE ARE ON TO A

BARRISTERS' REPORTING SERVICE

1 COMMUNICATIONS REPORT FROM KEVIN.

2 MR. MC CORMACK: GOOD AFTERNOON, CHAIRMAN
3 THOMAS, MEMBERS OF THE BOARD. I'M JUST GRATEFUL I
4 WASN'T FOLLOWING THE TRIBUTE TO DR. POMEROY. THAT
5 WOULD HAVE BEEN A VERY HARD ACT TO FOLLOW. I WAS
6 SITTING OVER THERE TRYING TO KEEP UP WITH ALL THE
7 KIND OF STATEMENTS OF GRATITUDE AND APPRECIATION. I
8 THINK IT'S HARD TO TYPE BETWEEN THE TEARS, AND WE'LL
9 BE BLOGGING ABOUT THAT TOMORROW. SO THANK YOU. IN
10 THE SHORT TIME I'VE GOT TO KNOW YOU, IT'S BEEN
11 WONDERFUL WORKING WITH YOU. I KNOW THAT YOU'LL BE
12 DEEPLY MISSED BY EVERYONE.

13 IT'S BEEN AWHILE SINCE I'VE HAD A CHANCE
14 TO TALK TO YOU, SO I WANTED TO GIVE YOU AN UPDATE ON
15 WHAT'S BEEN HAPPENING IN COMMUNICATIONS. AS
16 CHAIRMAN THOMAS MENTIONED EARLIER, THE LAST COUPLE
17 OF MONTHS SENATOR TORRES AND MYSELF, THE CHAIRMAN,
18 ACCOMPANIED BY A PATIENT ADVOCATE AND RESEARCHER ON
19 EACH VISIT, HAVE BEEN GOING AROUND DOING VISITS TO
20 EDITORIAL BOARDS.

21 BUT THE INITIAL IMPETUS WAS TO DISCUSS THE
22 IOM REPORT AND THE RESPONSES WE'VE MADE, BUT IT WAS
23 ALSO IN A SENSE, A BIGGER SENSE, A CHANCE TO
24 REINTRODUCE OURSELVES, TO GET TO KNOW THE EDITORIAL
25 BOARD PEOPLE AND FOR THEM TO GET TO KNOW US AND THE

BARRISTERS' REPORTING SERVICE

1 WORK WE'RE DOING. AND THE HOPE WAS TO RESOLVE A LOT
2 OF THE CONCERNS THEY'VE HAD ABOUT THE IOM, ABOUT THE
3 WAY WE OPERATED, AND TO GET THEM TO CHANGE THE
4 FOCUS, THE FOCUS FROM HOW WE WORK TO THE WORK THAT
5 WE DO AND TO THE FUNDING AND THE RESEARCH THAT WE
6 DO. I THINK OVERALL IT WAS VERY POSITIVE.

7 WE HAVE A NUMBER OF THE EDITORIAL BOARD
8 HEADLINES UP THERE. EVEN WITH NEWSPAPERS WHO
9 TRADITIONALLY HAVE BEEN A LITTLE ANTAGONISTIC
10 TOWARDS US, SHALL WE SAY, THE *L.A. TIMES*, THE
11 *SACRAMENTO BEE*, WERE REMARKABLY RECEPTIVE. THE
12 QUESTIONS THEY ASKED WERE VERY TOUGH, BUT THE END
13 RESULT WAS RECEPTIVE. AND I THINK THE OVERALL
14 IMPACT WAS VERY POSITIVE. SO WE'RE LOOKING FORWARD
15 NOW TO BUILDING ON THAT.

16 AND THE IDEA IS NOW THAT WE CAN GET THE
17 MEDIA TO FOCUS ON SOME OF THE REALLY MORE POSITIVE
18 STORIES, LIKE THIS STORY THAT WAS IN THE *SANTA*
19 *BARBARA INDEPENDENT*. IT WAS ABOUT SOME OF OUR
20 BRIDGES STUDENTS. AND IT WAS A GREAT STORY. IT WAS
21 ABOUT THESE KIDS AND WHAT THEY DID DURING THE SUMMER
22 HOLIDAY ESSENTIALLY. AND IT WAS A REALLY POSITIVE
23 STORY.

24 OTHER STORIES LIKE THIS ONE FROM THE *MARIN*
25 *INDEPENDENT JOURNAL* ABOUT THE STEM CELL BANK THAT'S

BARRISTERS' REPORTING SERVICE

1 GOING TO BE OPENING UP AT THE BUCK INSTITUTE FOR
2 RESEARCH ON AGING IN NOVATO.

3 BUT WE'RE NOT JUST RELYING ON TRADITIONAL
4 MEDIA TO TRY AND GET THE WORD OUT. RECENTLY WE'VE
5 LAUNCHED A SERIES OF NEW INITIATIVES TO TRY AND
6 EXPAND OUR REACH, TO GET OUR WORD OUT, TO CONTROL
7 THE MESSAGE OURSELVES.

8 ONE OF THE WAYS IS THROUGH OUR NEW WEB
9 SITE. MY COLLEAGUE, AMY ADAMS, HAS DONE A GREAT JOB
10 ON THIS NEW WEB SITE. SHE CAME AND TALKED TO YOU
11 ABOUT IT FEW MONTHS AGO, BUT IT'S NOW UP AND
12 RUNNING, AND IT'S WONDERFUL. IT'S GOT A LOT OF KIND
13 OF NEW FEATURES. I THINK, FIRST OF ALL, VISUALLY
14 IT'S MUCH EASIER TO NAVIGATE AROUND. IT'S MUCH MORE
15 APPEALING, MUCH MORE ENGAGING. A LOT OF THE
16 MATERIAL ON THERE IS WRITTEN AT A LEVEL FOR THE LAY
17 PUBLIC IN PARTICULAR, SO IT'S MUCH MORE ACCESSIBLE.

18 BUT IT'S ALSO THE WAY THAT WE'RE USING
19 THAT WEB SITE. AMY IS ALWAYS TINKERING AND TWEAKING
20 OUR SOCIAL MEDIA APPROACH. AND IN PARTICULAR
21 RECENTLY SHE'S BEEN LOOKING AT THE BLOG. THE BLOG
22 IS THE BIGGEST DRIVER OF TRAFFIC TO OUR WEB SITE.
23 IT'S A GREAT RESOURCE FOR US. AMY HAS BEEN LOOKING
24 AT HOW TO INCREASE TRAFFIC, LOOKING AT FACEBOOK.
25 TYPICALLY IN FACEBOOK, THE THINGS THAT GET SHARED,

BARRISTERS' REPORTING SERVICE

1 THE THINGS THAT GET PEOPLE TO GO FROM YOUR FACEBOOK
2 POSTING AND SHARING THAT WITH THEIR FRIENDS, THE
3 THINGS THAT ARE EITHER REALLY CUTE AND FUNNY LIKE
4 WATER SKIING SQUIRRELS, WHICH WE DON'T HAVE A LOT OF
5 IN STEM CELL RESEARCH, OR THINGS THAT MAKE PEOPLE
6 SEEM SMART. MICE. OR THINGS THAT MAKE PEOPLE SEEM
7 SMART. PEOPLE LIKE TO SHARE THINGS THAT MAKE THEM
8 SEEM LIKE THEY'RE SMART AND INTERESTING. AND SO WE
9 HAVE BEEN KIND OF WORKING ON THAT AND TRYING TO
10 UPDATE A LOT OF THE WAY WE DO OUR BLOG. INSTEAD OF
11 POSTING ONCE A DAY AND FOCUSING MOSTLY ON THE
12 RESEARCH THAT WE DO, WE'VE BEEN POSTING SEVERAL
13 TIMES A DAY, FOCUSING, AGAIN, ON THE RESEARCH THAT
14 WE DO, BUT ALSO LOOKING AT OTHER THINGS THAT ARE
15 REALLY INTERESTING, SCIENCE THAT'S FASCINATING, AND
16 THEN LINKING IT BACK TO THE WORK THAT WE DO.

17 AND IT'S BEEN A VERY EFFECTIVE METHOD. IN
18 THE LAST VIEW, THE UNIQUE VISITORS TO OUR SITE IS UP
19 28 PERCENT. AND I THINK A LOT OF THAT IS DUE TO THE
20 REWORKED WEB SITE. PEOPLE COMING TO US FROM
21 SEARCHES ON GOOGLE, WHICH IS ONE OF THE BIGGEST
22 DRIVERS OF SEARCH ON THE INTERNET. OBVIOUSLY IT'S
23 UP 34 PERCENT.

24 MORE PARTICULARLY, THE READERSHIP FOR OUR
25 BLOG IS UP 60 PERCENT COMPARED TO THE SAME MONTH

BARRISTERS' REPORTING SERVICE

1 LAST YEAR. WE'VE JUST BEEN DOING THIS NEW APPROACH
2 IN A VERY SHORT TIME, BUT ALREADY IT'S HAVING AN
3 IMPACT. AND PEOPLE ARE STAYING ON THE SITE 58
4 PERCENT LONGER. AND I THINK THAT'S A REALLY
5 IMPORTANT NUMBER BECAUSE IT MEANS THAT THEY'RE NOT
6 JUST KIND OF GOING, LOOKING, AND THEN LEAVING.
7 THEY'RE STICKING AROUND. THEY'RE LOOKING AT SOME OF
8 THE OTHER MATERIAL ON THE SITE.

9 DON GIBBONS AND I ARE ALSO WORKING TO TRY
10 AND REACH OUT TO OTHER GROUPS, NOT JUST USING
11 TRADITIONAL MEDIA, SOCIAL MEDIA, BUT REMEMBERING
12 THAT SOME OF THE MOST IMPORTANT THINGS THAT WE CAN
13 DO ARE THE FACE-TO-FACE MEETINGS. SO WE'RE SETTING
14 UP A LOT MORE SPEAKING ENGAGEMENTS. WE'RE WORKING
15 WITH SERVICE ORGANIZATIONS LIKE THE ROTARY CLUB,
16 SCIENCE CAFES, AND BUSINESS ORGANIZATIONS.

17 I'VE BEEN TO A NUMBER OF THESE ALREADY,
18 AND IT'S REALLY INTERESTING TO SEE THE KIND OF
19 RESPONSE WE GET. PEOPLE ARE REALLY INTERESTED.
20 THEY WANT TO KNOW WHAT'S GOING ON. THEY KNOW ABOUT
21 PROP 71. IN MANY CASES THEY'VE FORGOTTEN ABOUT IT;
22 BUT ONCE WE START TO TALK ABOUT THE RESEARCH AND THE
23 SCIENCE, THEY'RE REALLY ENGAGED. THEY'RE REALLY
24 HUNGRY FOR MORE INFORMATION. I THINK THIS IS A
25 GREAT OPPORTUNITY FOR US TO BE ABLE TO DELIVER OUR

BARRISTERS' REPORTING SERVICE

1 MESSAGE WITHOUT ANY FILTERS AND TO REACH OUT TO THE
2 PUBLIC IN WAYS THAT ARE FAR MORE EFFECTIVE THAN JUST
3 HAVING AN ARTICLE IN THE NEWSPAPER.

4 AND IF YOU KNOW OF ANY OPPORTUNITIES TO
5 SPEAK, PLEASE LET ME KNOW. DON AND I ARE TRYING TO
6 CREATE KIND OF A STABLE OF SPEAKERS UP AND DOWN THE
7 STATE. SO WE'RE REALLY INTERESTED IN GETTING AS
8 MANY OPPORTUNITIES AND USING AS MANY PEOPLE AS WE
9 CAN TO HELP US DO THIS.

10 EARLIER, OF COURSE, CHAIRMAN THOMAS
11 MENTIONED ABOUT OUR PATIENT ADVOCATE MEETINGS. AND
12 THIS ACTUALLY BEGAN BECAUSE OF A MEETING BETWEEN
13 CHAIRMAN THOMAS AND JUDY ROBERSON, WHO WAS UP HERE
14 EARLIER. JUDY WAS COMPLIMENTING J.T. ON A MEETING
15 THAT HE HAD WHEN HE FIRST JOINED THE AGENCY, AND
16 SAYING IT WAS REALLY GREAT TO HAVE A CHANCE TO KIND
17 OF SIT DOWN WITH THE STAFF AT CIRM, WITH THE SCIENCE
18 STAFF, AND HEAR WHAT'S GOING ON PERSONALLY. AND WE
19 WANT TO EXPAND THAT. WE WANT TO TAKE IT THROUGH
20 SACRAMENTO, SAN FRANCISCO, L.A., SAN DIEGO, AND TO
21 THE CENTRAL VALLEY. AND THE IDEA IS TO ENGAGE OUR
22 PATIENT ADVOCATE POPULATION. THEY'RE OUR BEST
23 CHAMPIONS. THEY'RE THE FIERCEST DEFENDERS OF US.
24 AND SO WE WANT TO ENGAGE THEM IN A CONVERSATION AND
25 MAKE THEM FEEL THAT THEY'RE PART OF WHAT WE DO

BARRISTERS' REPORTING SERVICE

1 RATHER THAN JUST PEOPLE WE TURN TO OR GROUPS WE TURN
2 TO WHEN WE NEED SUPPORT. SO WE'RE GOING TO BE DOING
3 THAT AS WELL.

4 OF COURSE, SOME OF THE OTHER BIGGEST
5 AMBASSADORS OF WHAT WE DO ARE OUR GRANTEES. AND
6 WE'VE BEEN TRYING TO FIND NEW WAYS TO WORK WITH
7 THEM. PART OF THE PROBLEM WORKING WITH SCIENTISTS,
8 THOUGH, IS THAT -- HOW SHOULD I SAY THIS? -- THEY
9 TALK LIKE SCIENTISTS. AND TO GET THEM TO TRY AND
10 LOOSEN UP, TO TALK TO THE PUBLIC IN A WAY THAT THE
11 PUBLIC WILL UNDERSTAND.

12 AT A GRANTEE MEETING RECENTLY WE HELD AN
13 ELEVATOR PITCH CHALLENGE. AND THE IDEA BEHIND IT
14 WAS TO GET THEM TO THINK ABOUT HOW DO YOU EXPLAIN TO
15 THE PUBLIC WHAT YOU DO AND WHY YOU DO IT AND WHY
16 IT'S IMPORTANT IN 30 SECONDS OR LESS IN SIMPLE
17 ENGLISH. AND THEY RESPONDED WONDERFULLY.

18 TODD DUBNICOFF VIDEOTAPED ALL THE
19 CHALLENGES AND EDITED THEM. IN THE END THERE ARE
20 ABOUT 60 EDITS OF VIDEOS. AND IT WAS WONDERFUL TO
21 SEE HOW PEOPLE RESPONDED. IT WAS FROM EVERYONE LIKE
22 DR. SRIVASTAVA, WHO WAS HERE EARLIER, TO OUR BRIDGES
23 STUDENTS. THERE WAS A REAL ENTHUSIASM FOR LEARNING
24 HOW TO COMMUNICATE MORE EFFECTIVELY. AND I HAVE A
25 FEW EXAMPLES HERE THAT I'LL SHOW YOU.

BARRISTERS' REPORTING SERVICE

1 ON SECOND THOUGHT, LET'S NOT LOOK AT
2 THOSE. THEY WERE WONDERFUL, AND THEY GOT A REALLY
3 GOOD RESPONSE. WE HAD A GREAT STORY IN THE *SAN*
4 *FRANCISCO CHRONICLE* ABOUT THEM. WE ALSO HAD A
5 REALLY GOOD PIECE ON ABC 7 TV. THE RESPONSE WAS
6 REALLY GOOD. WE ALSO GOT A REALLY GOOD RESPONSE
7 FROM THE INSTITUTIONS WHERE THE RESEARCHERS CAME
8 FROM. A LOT OF THE PUBLIC INFORMATION OFFICERS
9 THERE WERE REALLY KEEN TO KIND OF USE THOSE SAME
10 TECHNIQUES, THAT SAME MODEL TO WORK WITH OTHER
11 RESEARCHERS TO GET THEM TO UNDERSTAND THE IMPORTANCE
12 OF TALKING ABOUT THE WORK THAT THEY DO IN PLAIN
13 ENGLISH BECAUSE, AFTER ALL, THIS IS PUBLIC FUNDED
14 RESEARCH. IF THE PUBLIC IS GOING TO UNDERSTAND
15 WHAT'S GOING ON AND CONTINUE TO SUPPORT IT, THEY
16 NEED TO KNOW ABOUT THE WORK AND THEY NEED TO KNOW
17 ABOUT IT IN TERMS THEY CAN UNDERSTAND.

18 SO WE'RE HOPING TO USE THIS AS A MODEL FOR
19 A LOT OF OTHER THINGS THAT WE'RE DOING. AND WE
20 RECENTLY RE-EDITED ALL THESE ELEVATOR PITCH
21 CHALLENGES. AND THEY'RE NOW GOING TO BE SHOWN ON UC
22 TV INTERSPERSED BETWEEN ALL THE OTHER PROGRAMS THAT
23 THEY RUN. SO WE'RE GOING TO GET A MUCH BIGGER
24 AUDIENCE. UC TV, UNIVERSITY OF CALIFORNIA TV.

25 MR. SHESTACK: SOMETIMES I WATCH THAT.

BARRISTERS' REPORTING SERVICE

1 MR. MC CORMACK: THE COMEDY SHOWS ARE
2 AWFUL, BUT SOME OF THE OTHER PROGRAMMING IS REALLY
3 GOOD.

4 MR. SHESTACK: INTERESTING LECTURES.

5 MR. MC CORMACK: AND WHEN WE POSTED THE
6 VIDEOS ON OUR YOUTUBE CHANNEL, THE NUMBER OF VIEWS
7 THAT WE HAD THAT DAY WAS 120 PERCENT MORE THAN
8 ANYTHING WE'D EVER USED BEFORE. SO CLEARLY IT WAS
9 SOMETHING THAT WAS SIMPLE, IT WAS VISUAL, IT WAS FUN
10 AND ENGAGING. AND WE'RE LOOKING FOR MORE IDEAS LIKE
11 THAT TO REACH OUT BEYOND THE MORE TRADITIONAL
12 APPROACHES, TO REACH PEOPLE IN -- DIFFERENT WAYS TO
13 GET TO NEW PEOPLE IN WAYS THAT WE HAVEN'T TRIED
14 BEFORE.

15 AND, OF COURSE, WE'RE ALWAYS LOOKING FOR
16 NEW WAYS TO REACH OUT AND GET ANOTHER AUDIENCE. SO
17 IF YOU HAVE ANY IDEAS, IF ANYONE YOU COME ACROSS HAS
18 AN INTERESTING IDEA, BY ALL MEANS, DIRECT THEM
19 TOWARDS US. WE'RE ALWAYS TRYING DIFFERENT WAYS AND
20 DIFFERENT APPROACHES.

21 WITH THAT, IF YOU HAVE ANY QUESTIONS, I'LL
22 BE HAPPY TO ANSWER THEM.

23 MR. TORRES: YES. I JUST WANT TO FIRST
24 PERSONALLY THANK THE COMMUNICATIONS TEAM. WE HAVE A
25 COMMUNICATIONS MEETING ONCE A WEEK. DR. FEIGAL IS

BARRISTERS' REPORTING SERVICE

1 THERE, J.T. IS ON IT AS WELL. BUT ALSO JUST A
2 SPECIAL SHOUT-OUT TO AMY AND TO TODD, OUR
3 VIDEOGRAPHER, TO DON GIBBONS, WHO'S STILL HERE, I
4 THINK, AND, OF COURSE, TO KEVIN. WE HAVE A GREAT
5 TEAM, AND IT'S BEEN VERY COHESIVE. AND I THINK
6 YOU'RE SEEING THE RESULTS. THE NUMBERS ARE DRAMATIC
7 COMPARED TO LAST YEAR. AND I THINK IT CAN ONLY GO
8 UP. SO I JUST WANT TO SAY THANK YOU TO ALL OF YOU
9 WHO PARTICIPATE ON A REGULAR BASIS AND HAVE OFFERED
10 SO MUCH, NOT ONLY COMBAT PAY WHEN WE WENT TO
11 EDITORIAL BOARDS, BUT ALSO IN TERMS OF REACHING OUT
12 TO YOUNG PEOPLE, ESPECIALLY OUR GRANTEES.

13 MR. MC CORMACK: THANK YOU, SENATOR.

14 MR. SHESTACK: DISABILITY GROUP MEETINGS,
15 YOU HAD ONE.

16 MR. MC CORMACK: THE FIRST ONE, THE
17 PATIENT ADVOCATE MEETING IS GOING TO BE JULY 15TH IN
18 SAN FRANCISCO, AND WE HAVEN'T SET UP DATES FOR THE
19 OTHERS.

20 MR. SHESTACK: WHICH GROUP IS THAT FOR?

21 MR. MC CORMACK: IT'S FOR ALL GROUPS.
22 WE'RE GOING TO INVITE PATIENT ADVOCATES FROM ALL
23 OVER THE STATE. THE REASON FOR HOLDING THEM IN
24 DIFFERENT CITIES IS JUST TO MAKE IT MORE CONVENIENT
25 FOR PEOPLE TO BE THERE IN PERSON. ONE OF THE THINGS

BARRISTERS' REPORTING SERVICE

1 THAT WE LEARNED WHEN WE WERE DOING THE EDITORIAL
2 BOARD TOURS WERE JUST HOW POWERFUL THE VOICES OF OUR
3 PATIENT ADVOCATES AND THE RESEARCHERS ARE WHEN WE
4 WOULD SIT DOWN. THEY UNDERSTOOD THAT CHAIRMAN
5 THOMAS AND SENATOR TORRES WERE GOING TO BE TALKING
6 ABOUT THE AGENCY. WHEN THE PATIENT ADVOCATES AND
7 WHEN THE RESEARCHERS SPOKE UP, IT HAD A LOT OF
8 POWER, A LOT OF THE RESONANCE, AND THEY REALLY PAID
9 ATTENTION. AND I THINK THAT MADE A BIG DIFFERENCE
10 IN HELPING CHANGE SOME OF THE PERSPECTIVES ABOUT WHO
11 WE ARE AND WHAT WE DO. THAT'S WHY WE WANT TO KIND
12 OF BE MORE ACTIVE AND BE MORE ENGAGED WITH OUR
13 PATIENT ADVOCATES.

14 MR. SHESTACK: I JUST WANT TO ECHO ART'S
15 KUDOS. THE WEBSITE IS GREAT. I REGRET SPENDING 58
16 MINUTES THERE WHEN I COULD BE DOING SOMETHING ELSE,
17 BUT IT IS REALLY GOOD. IT'S REALLY WELL DONE.

18 CHAIRMAN THOMAS: ANY OTHER COMMENTS? SO
19 WITH THAT, I BELIEVE WE HAVE CONCLUDED TODAY'S
20 AGENDA. THANK YOU, EVERYBODY, AS ALWAYS. WE WILL
21 SEE YOU NEXT ON JULY 25TH.

22 MS. LANSING: WHERE IS THE MEETING?

23 CHAIRMAN THOMAS: JULY 25TH, WHERE IS THE
24 MEETING?

25 MS. BONNEVILLE: THE HILTON IN BURLINGAME.

BARRISTERS' REPORTING SERVICE

1 MS. LANSING: IT'S JUST ONE DAY AND NOT
2 THE 24TH.

3 CHAIRMAN THOMAS: CORRECT. IT'S JUST THE
4 25TH.

5 MS. LANSING: THANK YOU VERY MUCH.

6 CHAIRMAN THOMAS: LADIES ON THE PHONE,
7 THANK YOU VERY MUCH. LADIES AND GENTLEMEN, WE WILL
8 SEE YOU IN JULY.

9 (THE MEETING WAS THEN CONCLUDED AT
10 03:31 P.M.)

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BARRISTERS' REPORTING SERVICE

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD AT THE LOCATION INDICATED BELOW

THE CLAREMONT HOTEL
41 TUNNEL ROAD
BERKELEY, CALIFORNIA
ON
THURSDAY, MAY 23, 2013

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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