

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

LOCATION: AS INDICATED ON THE AGENDA

DATE: NOVEMBER 22, 2013
9 A.M.

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

BRS FILE NO.: 95406

BARRISTERS' REPORTING SERVICE

I N D E X

ITEM DESCRIPTION	PAGE NO.
CALL TO ORDER	3
ROLL CALL	3
CONSIDERATION OF RECOMMENDATIONS FROM THE SCIENTIFIC ADVISORY BOARD AND PRIORITIZATION OF CIRM PROJECTS.	5
PUBLIC COMMENT	NONE

BARRISTERS' REPORTING SERVICE

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NOVEMBER 22, 2013; 9 A.M.

CHAIRMAN SHEEHY: SO THIS IS JEFF SHEEHY.
OS, ARE YOU ON?

DR. STEWARD: YES, I'M HERE.

CHAIRMAN SHEEHY: SO I THINK THE FIRST
ORDER OF BUSINESS IS TO CALL THE ROLL.

MS. BONNEVILLE: JEFF SHEEHY.

CHAIRMAN SHEEHY: HERE.

MS. BONNEVILLE: OS STEWARD.

DR. STEWARD: YES. HERE.

MS. BONNEVILLE: MARCY FEIT. MICHAEL
FRIEDMAN.

DR. FRIEDMAN: HERE.

MS. BONNEVILLE: BURT LUBIN. SHLOMO
MELMED. JOAN SAMUELSON. ART TORRES.

MR. TORRES: HERE.

MS. BONNEVILLE: JONATHAN THOMAS.

CHAIRMAN THOMAS: HERE.

MS. BONNEVILLE: CHRISTINA VUORI. WE
DON'T HAVE A QUORUM YET, BUT BERT IS EXPECTED, AND
MARCY SAID WAS JOINING AND WE'RE JUST WAITING.

MR. HARRISON: AND WE'RE NOT ANTICIPATING
TAKING ANY ACTION, I DON'T THINK, OTHER THAN
IDENTIFYING THE DECISION POINTS AND QUESTIONS THAT

BARRISTERS' REPORTING SERVICE

1 SHOULD BE ADDRESSED AT THE BOARD MEETING.

2 CHAIRMAN SHEEHY: EXACTLY. DID EVERYBODY
3 HEAR JAMES AND CLEAR ON WHAT WE'RE TRYING TO
4 ACCOMPLISH? WE'RE NOT TRYING TO GET TO THE BOTTOM
5 OF ANY OF THESE ISSUES, BUT REALLY MAKING SURE THAT
6 WE HAVE A NICE STRUCTURE FOR THE BOARD TO WORK
7 THROUGH THE ISSUES AND MAKING SURE THAT WE IDENTIFY
8 ALL THE ISSUES WE WANT THE BOARD TO ADDRESS, AND
9 ALSO WE MAKE CLEAR WHAT WE THINK WILL BE THE
10 DECISION POINTS.

11 DR. FRIEDMAN: SO, JEFF, THIS IS MIKE. I
12 AGREE WITH THAT AND THINK THAT'S A REALLY GOOD IDEA.
13 IS IT YOUR INTENTION TO HAVE THE COMMITTEE MAKE
14 RECOMMENDATIONS, OR DO YOU SIMPLY WANT TO LAY THINGS
15 OUT AND SAY THESE ARE THE OPTIONS AND THESE ARE THE
16 DECISION POINTS? I PERSONALLY DON'T HAVE A STRONG
17 BIAS ONE WAY OR THE OTHER. I'M JUST INTERESTED IN
18 WHAT YOUR INTENTION WOULD BE.

19 CHAIRMAN SHEEHY: I THINK, OS, CHIME IN
20 PLEASE, BUT I THINK OUR GOAL WAS FOR THE FIRST, FOR
21 THE LATTER -- THE FORMER. EXCUSE ME. TO JUST
22 REALLY MAKE SURE THAT WE HAD A CLEAR FRAMEWORK FOR
23 THE BOARD TO MAKE THE DECISIONS AND TO HASH THIS
24 OUT. I THINK THESE ARE REALLY IMPORTANT DECISIONS,
25 AND I THINK MAKING SURE THAT WE HAVE ALL THE

BARRISTERS' REPORTING SERVICE

1 INFORMATION BEFORE THE BOARD IN ORDER THEN TO
2 CAREFULLY CONSIDER WHAT THEY NEED TO DECIDE OR WHAT
3 WE NEED TO DECIDE.

4 DR. FRIEDMAN: I'M VERY COMFORTABLE WITH
5 THAT. THANK YOU.

6 MS. FEIT: THIS IS MARCY FEIT. I'VE
7 JOINED THE CALL.

8 CHAIRMAN SHEEHY: THANKS, MARCY. WE'RE
9 JUST STARTING.

10 SO ARE THERE ANY OTHER QUESTIONS? I THINK
11 THE NEXT PIECE OF BUSINESS MIGHT BE FOR STAFF TO
12 START GOING THROUGH THEIR PRESENTATIONS. AND,
13 AGAIN, IF THERE'S INFORMATION, BECAUSE I THINK THIS
14 IS KIND OF GOING TO BE BETA, SO TO SPEAK, FOR THE
15 BOARD DISCUSSION, IF THERE'S INFORMATION THAT ANY
16 MEMBER WOULD LIKE TO SEE INCLUDED THAT'S NOT PART OF
17 THESE PRESENTATIONS, IT WOULD BE VERY HELPFUL TO GET
18 THAT SO THAT, AGAIN, THE BOARD CAN HAVE A GOOD,
19 ROBUST DISCUSSION.

20 DR. OLSON: ELLEN, DID WE DECIDE YOU WERE
21 GOING TO TALK?

22 DR. FEIGAL: IT'S UP TO YOU.

23 DR. OLSON: WHATEVER. YOU WANT ME TO DO
24 AN UPDATE ON SORT OF OUR FUNDING, OR WOULD YOU LIKE
25 TO TALK ABOUT THE RECOMMENDATIONS AND THE SAB

BARRISTERS' REPORTING SERVICE

1 RECOMMENDATIONS.

2 MR. HARRISON: I THINK THE IDEA WAS THAT
3 PAT WOULD START WITH THE BROAD FRAMEWORK SO EVERYONE
4 UNDERSTOOD THE CONTEXT, AND THEN WE'D GET INTO THE
5 RECOMMENDATIONS.

6 MS. BONNEVILLE: SO FOR EVERYONE ON THE
7 PHONE, THIS IS PRESENTATION NO. 3 B THAT I EMAILED
8 TO YOU YESTERDAY.

9 DR. OLSON: I WOULD ALSO POINT OUT THAT IT
10 IS IN CONCERT WITH THE TABLE THAT WE MADE AVAILABLE
11 TO YOU ABOUT A WEEK AGO.

12 SO WHAT I WANTED TO DO TODAY WAS REALLY
13 JUST TO GIVE YOU A SENSE OF WHERE WE ARE, GIVE YOU A
14 SENSE OF WHAT WE MIGHT BE ABLE TO DO, AND THAT'S THE
15 INTENT OF THIS. SO THIS IS SORT OF A STARTING
16 POINT.

17 SO WHAT I HAVE UP IN THE FIRST SLIDE IS
18 OUR CURRENT FUNDING ALLOCATION, AND IT'S A BIT OF A
19 DETAIL. AND YOU CAN SEE THE GRAPH ON ONE SIDE IS
20 THAT THIS BOARD HAS AWARDED ABOUT 1.7 BILLION. AND
21 WHAT I WANT TO POINT OUT HERE IS THIS IS ACTUAL
22 DOLLARS FROM THE GRANTS MANAGEMENT SYSTEM WHEN THE
23 AWARDS ARE IN IT; OR IF IT'S SOMETHING THAT'S BEEN
24 RECENTLY APPROVED AND NGA'S ARE STILL BEING ISSUED,
25 IT'S THE AMOUNT THAT THE BOARD FUNDED. THAT'S WHAT

BARRISTERS' REPORTING SERVICE

1 THAT IS FOR THE AWARDED.

2 CONCEPT APPROVED, AS YOU KNOW, THESE ARE
3 THINGS -- THIS IS MONEY THAT THE BOARD HAS APPROVED
4 IN CONCEPT, BUT NOT YET AWARDED. AND THEN THERE'S
5 FUTURE FUNDING WHICH REPRESENTS THE FUNDING PLAN
6 THAT WE'RE CURRENTLY WORKING ON THAT HAS NOT BEEN
7 BROUGHT FORTH TO THE BOARD AT ALL, BUT IS A FUTURE
8 FUNDING PLAN.

9 IF YOU LOOK AT THE ACTUAL DETAILED TABLE
10 BELOW THAT, THAT JUST OUTLINES WITHIN THE SPECIFIC
11 CATEGORIES. SO WE FUND RESEARCH IN FACILITIES AND
12 CORE RESOURCES, RESEARCH AND TRAINING, CAREER
13 DEVELOPMENT, BASIC RESEARCH, TRANSLATIONAL RESEARCH,
14 AND DEVELOPMENT. AND THEN THERE'S SOMETHING I'LL
15 CALL MULTIPLE, AND I'LL GO INTO A LITTLE BIT MORE
16 DETAIL ABOUT THOSE.

17 SO WHAT I'VE DONE IS I'VE BROKEN THE
18 AWARDED DOWN INTO EACH OF THOSE CATEGORIES FOR
19 BOTH -- I'VE BROKEN BY CATEGORY THE AWARDED, THE
20 CONCEPT APPROVED, AND THE FUTURE. AND WHAT I
21 DIFFERENTIATE BETWEEN FUTURE ALLOCATED AND
22 UNALLOCATED IS ALLOCATED IS MONEY THAT WE SAID IN
23 THE PLAN WAS GOING TO BE USED FOR A DISEASE TEAM
24 AWARD OR A BASIC BIOLOGY VI AWARD. AND UNALLOCATED
25 IS WHEN MONEY HAS COME BACK LIKE IF BOARD ONLY

BARRISTERS' REPORTING SERVICE

1 AWARDS 25 MILLION OF A \$30 MILLION BASIC BIOLOGY
2 AWARD, I WILL PUT THAT \$5 MILLION BACK IN THE BASIC
3 RESEARCH CATEGORY. IF THE BOARD ONLY AWARDS 30
4 MILLION OF A NEW FACULTY TRANSLATIONAL RESEARCH
5 AWARD WHEN THE AWARD WAS SET AT 70 MILLION, I WILL
6 PUT THAT 40 MILLION BACK IN CATEGORY 2,
7 TRAINING/CAREER DEVELOPMENT. SO THAT'S WHAT
8 UNALLOCATED MEANS. OKAY. THE SUM OF THE TWO, THE
9 MONEY AVAILABLE FOR FUTURE FUNDING IS SHOWN IN THE
10 FAR RIGHT COLUMN.

11 THERE ARE A COUPLE OF POINTS I WANT TO
12 MAKE ABOUT THIS. IF YOU LOOK IN THE AWARDED
13 CATEGORY, OF THE 1.7 BILLION THAT'S ACTUALLY BEEN
14 AWARDED, THERE'S ACTUALLY ABOUT 480 MILLION WE HAVE
15 YET TO PAY OUT. OKAY. NOW, WE EXPECT TO PAY THAT
16 ALL OUT, BUT SOMETIMES THINGS HAPPEN. SOMETIMES WE
17 STOP PROGRAMS. SOMETIMES A PI LEAVES AND THERE'S
18 NOT A SUITABLE REPLACEMENT. SO I JUST WANT TO MAKE
19 IT CLEAR 480 MILLION HAVE NOT EVEN BEEN PAID OUT.

20 THEN I ALSO WANT TO MAKE IT CLEAR THAT
21 ACTUALLY \$1 BILLION DOES REMAIN TO BE AWARDED
22 BECAUSE THAT INCLUDES THE CONCEPT APPROVED AS WELL
23 AS THE AVAILABLE FUTURE FUNDING. SO I JUST WANT YOU
24 TO UNDERSTAND WHAT WE'RE LOOKING AT IN TERMS OF OUR
25 MONEY.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN SHEEHY: SO JUST TO BE CLEAR, SO,
2 AGAIN, I'M WORKING OFF A COUPLE OF DIFFERENT
3 DOCUMENTS. SO THERE'S A DOCUMENT YOU GUYS GOT
4 EARLIER, WHICH IS A MEMO FROM PAT, THAT KIND OF
5 GIVES YOU THE FRAMEWORK OF WHAT'S A CONCEPT APPROVED
6 PROGRAM. THIS KIND OF PUTS IT ON THE SAME PAGE. SO
7 THAT'S THE 604. AND IF YOU WANT TO SEE THE ACTUAL
8 PROGRAM, THE 420 IN CONCEPT APPROVED IS FUNDING TO
9 BE AWARDED, THAT'S TABLE 2 IN THAT EARLIER
10 MEMORANDUM. AT LEAST FOR ME THAT HELPS ME TO KIND
11 OF HAVE THEM SIDE BY SIDE.

12 DR. OLSON: AND I HAVE A MORE ABBREVIATED
13 VERSION OF THAT ACTUALLY IN THE NEXT SLIDE. I'M
14 SITTING HERE TRYING TO DO THIS MYSELF.

15 MS. BONNEVILLE: JUST TELL ME WHEN TO MOVE
16 IT AND I WILL.

17 DR. OLSON: OKAY. SO AS JEFF NOTED, IN
18 TABLE 2, I BELIEVE IT'S CALLED, OF A HANDOUT THAT
19 CAME EARLIER, THERE'S A MORE DETAILED VERSION OF
20 THIS. BUT THIS IS ACTUALLY SORT OF A HIGH LEVEL
21 SUMMARY OF THIS. AND, AGAIN, THIS JUST MAKES THE
22 POINT THAT WHAT ARE THE CURRENT PROGRAMS THAT ARE IN
23 CONCEPT APPROVED. SO THE ALPHA STEM CELL CLINICS, I
24 THINK YOU'RE WELL AWARE OF, THAT'S GOING TO
25 COME -- I BELIEVE THAT COMES TO THE BOARD IN ABOUT

BARRISTERS' REPORTING SERVICE

1 JULY FOR FUNDING APPROVAL. RESEARCH LEADERSHIP,
2 WE'RE GOING TO REVIEW THAT FIRST QUARTER. WE'LL
3 COME TO THE BOARD SOMETIME IN JUNE OR SO. BASIC
4 RESEARCH V AND STEM CELL GENOMICS BOTH WILL COME TO
5 THE BOARD FOR FUNDING DECISIONS IN JANUARY. TOOLS
6 AND TECHNOLOGIES WILL NOT COME UNTIL LATE NEXT YEAR.
7 DEVELOPMENT, THE DISEASE TEAM III THIS DECEMBER
8 BOARD MEETING FUNDING DECISIONS WILL BE MADE ON THAT
9 ONE. STRATEGIC PARTNERSHIP III I BELIEVE IS IN THE
10 SPRING OF NEXT YEAR. FUNDING DECISIONS WILL BE
11 MADE. AND THEN THE EXTERNAL INNOVATION BRIDGING AND
12 EXTRAORDINARY SUPPLEMENTS ARE SORT OF ONGOING AS
13 THEY ARE ARISE. SO THAT'S WHAT I CALL MULTIPLE.

14 CHAIRMAN SHEEHY: SO, PAT, NOT TO MAKE
15 MORE WORK FOR YOU, BUT JUST IN TERMS OF BEFORE THE
16 BOARD MEETING, CAN WE ACTUALLY GET INFORMATION ON
17 THE TIMELINES ON EACH OF THESE?

18 DR. OLSON: YOU MEAN WHEN THEY'RE GOING TO
19 BE AWARDED? WHAT ARE YOU INTERESTED IN KNOWING?

20 CHAIRMAN SHEEHY: WHATEVER -- IT'S WHEN
21 THEY'RE REVIEWED, WHEN YOU THINK THEY'LL BE AT THE
22 BOARD, JUST SOMETHING THAT'S CONSISTENT.

23 DR. OLSON: I THINK WHEN I THINK THEY'D BE
24 AWARDED WOULD BE THE MOST USEFUL THING FOR THE
25 BOARD.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN SHEEHY: JUST SO WE HAVE THAT
2 FRAMEWORK UNLESS SOMEBODY ON THE LINE HAS A FEELING
3 OF SOMETHING DIFFERENT. JUST SO WE HAVE A SENSE OF
4 WHEN THE MONEY IS GOING TO BE GOING OUT THE DOOR.

5 DR. OLSON: YEAH. SO I THINK THAT'S
6 ACTUALLY THE IMPORTANT ONE. AND THEN I REALLY WANT
7 YOU TO LOOK AT THAT NEXT POINT, BASED ON DATA TO
8 DATE. AND LET ME TELL YOU WHERE THAT DATA COMES
9 FROM. IF YOU LOOK IN THAT TABLE A OR TABLE 1 THAT I
10 SENT OUT IN THE PREREAD, IT HAS A COLUMN CALLED
11 CONCEPT APPROVED, THE ACTUAL BOARD APPROVED CONCEPT,
12 AND THEN IT HAS THE ACTUAL. SO I JUST CALCULATED
13 WHAT PERCENTAGE OF CONCEPT APPROVED ENDED UP BEING
14 AWARDED, AND IT 87 PERCENT.

15 SO I WOULD JUST POINT OUT THAT IF YOU TOOK
16 THIS TABLE, THEN BASED ON HISTORICAL DATA, ONE MIGHT
17 SUGGEST THAT 13 PERCENT OF THIS WILL NOT BE AWARDED.
18 NOW, OBVIOUSLY THAT'S UP TO THE BOARD, AND IT CAN
19 VARY AWARD TO AWARD, BUT I'M JUST GIVING YOU A FACT
20 AT THE MOMENT.

21 CHAIRMAN SHEEHY: HAVEN'T WE SEEN --
22 YOU'VE MADE THAT CALCULATION BASED ACROSS THE ENTIRE
23 SPECTRUM OF AWARDS?

24 DR. OLSON: YES.

25 CHAIRMAN SHEEHY: MY SENSE IS THAT IF YOU

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1 WERE TO ACTUALLY GRAPH IT LOOKING AT JUST THE LAST
2 COUPLE OF YEARS, THAT IT MIGHT BE SLIGHTLY STEEPER
3 THAN 13 PERCENT.

4 DR. OLSON: YOU MAY WELL BE RIGHT, AND I
5 THINK THAT'S A TRUE STATEMENT. AND THAT'S THE
6 REASON THAT I MADE THE POINT ABOUT WHEN THESE WERE
7 GOING TO BE AWARDED. YOU KNOW, YOU'RE GOING TO KNOW
8 SOME INFORMATION WITHIN THE NEXT SIX TO SEVEN MONTHS
9 ABOUT A SUBSTANTIAL PERCENTAGE OF THIS 420 MILLION.
10 YOU'RE GOING TO KNOW WHERE YOU ARE. OBVIOUSLY THESE
11 HAVE ALL BEEN REVIEWED, BUT THEY HAVEN'T BEEN --
12 DECISIONS HAVEN'T BEEN MADE BY THE BOARD. SO I'M
13 JUST SAYING THAT BASED ON DATA WE HAVE, THIS IS NOT
14 AN UNREASONABLE POINT. AND YOUR POINT IS, I THINK,
15 IF I WANTED TO DO THAT, I'M NOT SURE THAT'S TRUE.

16 CHAIRMAN SHEEHY: NO. IT'S NOT A GOOD USE
17 OF YOUR TIME. BUT I THINK 13 PERCENT IS PROBABLY A
18 MINIMUM.

19 DR. OLSON: I THINK THAT'S A REASONABLE
20 WAY TO LOOK AT THINGS. OKAY.

21 MR. TORRES: ONE QUESTION. DO WE HAVE AN
22 INVENTORY OF THOSE PROJECTS THAT WE HAVE STOPPED AND
23 WHERE -- AND HOW MUCH COST SAVINGS WENT BACK INTO
24 THE GENERAL POT?

25 DR. OLSON: I MEAN GRANTS MANAGEMENT COULD

BARRISTERS' REPORTING SERVICE

1 PROBABLY PULL THAT DATA. I KNOW -- YOU KNOW THAT WE
2 STOPPED ONE DISEASE TEAM AWARD. WE KNOW THAT WE
3 STOPPED ONE EARLY TRANSLATION AWARD. WE KNOW THAT
4 WE HAVE HAD SOME AWARDS IN THE BASIC AREA THAT WE
5 STOPPED BECAUSE WE WERE NOT HAPPY WITH EITHER THE
6 WEREN'T WORKING ON HUMAN EMBRYONIC OR HUMAN CELLS AS
7 THEY STATED, THE PI MOVED, THERE WAS NOT A SUITABLE
8 REPLACEMENT. WE COULD PROBABLY GET THAT
9 INFORMATION.

10 DR. FEIGAL: CAN I JUST CLARIFY SOMETHING?

11 MR. TORRES: IT'S A RUSH ON MY PART. I
12 JUST ALWAYS REFER TO THE FACT THAT WE HAVE A VERY
13 STRICT FISCAL STEWARDSHIP GOING ON. AND SOMETIMES
14 WE DON'T ALWAYS CONTINUE FUNDING WHEN WE FIND THAT
15 THERE ARE WEAKNESSES. AND I JUST WANTED TO GET A
16 NUMBER SO THAT I CAN THROW THAT OUT AT SOME POINT.

17 CHAIRMAN SHEEHY: MAYBE THAT'S SOMETHING
18 WE WOULD BRING TO THE BOARD.

19 DR. FEIGAL: YOU KNOW WHAT? WE CAN DO
20 THAT. WE KEEP VERY HEIGHTENED OVERSIGHT OF OUR
21 FINANCES. SO WE CAN GO BACK AND GET YOU THAT NUMBER
22 FOR THE BOARD.

23 CHAIRMAN SHEEHY: THAT'D BE GREAT.

24 DR. OLSON: BUT ANOTHER POINT ABOUT THAT,
25 A LOT OF TIMES WHAT YOU DON'T SEE IN THE SPOTS

BARRISTERS' REPORTING SERVICE

1 AWARDS IS YOU DON'T SEE WHAT THE BOARD FUNDS; BUT
2 THEN WHEN STAFF OR GRANTS MANAGEMENT GOES THROUGH IT
3 AND LOOKS AT THE BUDGET, THE AWARD ENDS UP GETTING
4 TRIMMED A BIT TO ACTUALLY BETTER REFLECT THE COST.

5 DR. STEWARD: PAT, THIS OS. I REALLY
6 THINK THAT IT WOULD BE USEFUL TO HAVE THAT
7 INFORMATION TOO. AGAIN, JUST AMPLIFYING ON THE
8 POINT THAT ART MADE. WE ALWAYS SAY, WELL, YOU KNOW,
9 THESE AWARDS ARE SUBJECT TO REVIEW BY STAFF, AND WE
10 MAINTAIN CAREFUL STEWARDSHIP ON THESE FUNDS AND SO
11 FORTH. BUT IT WOULD BE VERY NICE TO HAVE SOME
12 DOCUMENTATION OF THAT SO THAT WE CAN ACTUALLY LOOK
13 BACK AT IT AND SAY, YES, WE REALLY DO THAT AND THIS
14 IS THE EXTENT TO WHICH WE DO IT.

15 MR. TORRES: EXACTLY.

16 DR. FEIGAL: SO, OS, THIS IS ELLEN FEIGAL.
17 WE CAN DO TWO THINGS. ONE, WE CAN GET YOU THE
18 NUMBER FOR WHEN THINGS GET TERMINATED EARLY OR
19 PREMATURELY. THAT'S A NUMBER WE KEEP TRACK OF AND
20 WE CAN EASILY GET YOU. WE CAN ALSO GET YOU THE
21 DIFFERENCE BETWEEN WHAT WAS AWARDED AT THE ICOC, AND
22 BEFORE THE MONEY GOES OUT THE DOOR, THE NEGOTIATIONS
23 THAT WENT ON AND THE DELTA. AND WE CAN GET YOU THAT
24 NUMBER AS WELL AND BRING THAT TO YOU. SO I THINK
25 THOSE TWO DIFFERENT ITEMS WE CAN EASILY BRING YOU.

BARRISTERS' REPORTING SERVICE

1 MR. TORRES: THANK YOU.

2 DR. STEWARD: YES. THANK YOU. THAT WOULD
3 BE GREAT.

4 DR. OLSON: SO I JUST NOW WANT TO GO
5 THROUGH THE FUTURE FUNDING WHICH IS WHAT WE'VE BEEN
6 OPERATING ON FOR THE LAST COUPLE OF YEARS. THIS IS
7 THE SCENARIO WE HAVE BEEN OPERATING ON. WHAT I'M
8 GOING TO SUGGEST IS A MODIFICATION, BUT I THOUGHT IT
9 WOULD BE USEFUL FOR YOU TO SEE. I GUESS ONE POINT I
10 WANTED TO MAKE IS THAT AT LEAST ON THIS SCENARIO WE
11 WERE NOT GOING TO DO ANY FURTHER -- NOTHING WAS
12 PLANNED FOR TRAINING AND CAREER DEVELOPMENT. WE
13 ANTICIPATED ROUGHLY THREE MORE OFFERINGS OF BASIC
14 BIOLOGY BECAUSE WE BELIEVED IT WAS IMPORTANT TO KEEP
15 THE BASIC RESEARCH GOING. WE HAD ANTICIPATED
16 FURTHER OFFERINGS -- ONE MORE OFFERING IN EARLY
17 TRANSLATION PLUS SOME SORT OF MAYBE ANOTHER REPEAT
18 OF TOOLS AND TECHNOLOGIES OR IMMUNOLOGY.

19 BUT WHAT WE WERE REALLY FOCUSED ON, AND
20 YOU'LL RECALL FROM OUR DISCUSSION BEFORE, THAT IN
21 ORDER TO MEET THE STRATEGIC GOAL OF CLINICAL PROOF
22 OF CONCEPT, WE WERE GOING TO HAVE TO INVEST HEAVILY
23 IN DEVELOPMENT, PARTICULARLY GIVEN THE COST OF
24 DEVELOPMENT AND THE PROBABILITIES OF SUCCESS. SO WE
25 HAD ANTICIPATED ROUGHLY THREE MORE EACH OF DISEASE

BARRISTERS' REPORTING SERVICE

1 TEAM AND STRATEGIC PARTNERSHIP.

2 WE HAD CONTEMPLATED POSSIBLY ANOTHER
3 BRIDGING FUND, AND THEN WE HAVE AN UNALLOCATED
4 CATEGORY. WHEREVER THERE WAS UNALLOCATED FUNDS THAT
5 CAME BACK, IT SHOWS UP THERE.

6 SO NOW I'D LIKE TO MOVE TO THE NEXT SLIDE.
7 AND I'D LIKE TO JUST -- YOU KNOW, THESE ARE SOME
8 THINGS I PUT OUT FOR CONSIDERATION OR DISCUSSION.
9 PERHAPS NOT NOW. PERHAPS AFTER ELLEN GIVES HER
10 TALK. BUT THESE ARE THINGS THAT I'D LIKE YOU TO
11 THINK ABOUT WHEN WE TALK ABOUT HOW DO WE WANT TO USE
12 OUR MONEY TO BEST ACHIEVE OUR STRATEGIC GOALS.

13 AND THE ASSUMPTION I HAVE MADE, AND
14 OBVIOUSLY THIS ASSUMPTION IS SUBJECT TO THIS
15 DISCUSSION TODAY AND THE BOARD, BUT FOR THE SAKE OF
16 DISCUSSION AND FOR THROWING OUT A STRAW MODEL, IT'S
17 VERY DIFFICULT TO DO ANYTHING WITHOUT A STRAW MODEL.
18 I AM MAKING THE ASSUMPTION THAT THE BOARD WILL BE
19 INTERESTED -- WILL IMPLEMENT SORT OF THE MANAGEMENT
20 SAB RECOMMENDATIONS. OKAY. AND ELLEN WILL GO
21 THROUGH THOSE IN A LITTLE BIT MORE DETAIL, AND
22 I WILL BRING THEM UP IN THE CONTEXT.

23 THE ASSUMPTION ALSO IS THAT WE WILL LIKE A
24 FUNDING SCENARIO THAT IS COMPATIBLE WITH THE
25 STRATEGIC PLAN THAT I BELIEVE WE'RE ALL SORT OF

BARRISTERS' REPORTING SERVICE

1 WORKING OFF OF.

2 I WOULD -- I MAKE THE FURTHER ASSUMPTION,
3 WHICH IS IN CONTEXT OF THE STRATEGY AND THE
4 MANAGEMENT SAB RECOMMENDATIONS, THAT CLINICAL PROOF
5 OF CONCEPT IS A PRIORITY. AND I SAY THAT SIMPLY
6 BECAUSE I THINK WE RECOGNIZE THAT IN OUR STRATEGIC
7 PLAN DISCUSSIONS AND WE THINK THAT THAT'S -- I THINK
8 THAT WAS HIGHLIGHTED BY THE SAB. ELLEN WILL HAD
9 RING THAT UP AS WELL.

10 THE IMPLICATION THERE IS FUNDING OF
11 PRIORITIZED DEVELOPMENT PROGRAMS TO CLINICAL PROOF
12 OF CONCEPT.

13 OTHER CONSIDERATIONS THAT I JUST WANT YOU
14 TO KEEP IN MIND, I THINK IT'S IMPORTANT FOR YOU TO
15 THINK OF WHEN YOU TALK ABOUT A FUNDING SCENARIO.
16 OVER THE PAST TWO YEARS, BASICALLY AS PART OF THE
17 STRATEGIC PLAN THAT YOU APPROVED EARLY IN 2012, CIRM
18 HAS BEEN AGGRESSIVELY SURVEYING FOLKS AND FUNDING
19 THE BEST CLINICAL OR NEAR CLINICAL PROGRAMS. YOU
20 WILL RECALL THAT'S WHAT WE WERE TRYING TO DO BECAUSE
21 WE HAD A STRATEGIC GOAL OF CLINICAL PROOF OF CONCEPT
22 IN 2017. SO WE WERE WORKING VERY HARD TO GET IN TO
23 BE FUNDING THE BEST CLINICAL -- THE BEST PROGRAMS
24 THAT WERE AT OR NEAR THE CLINIC.

25 SO WE ACTUALLY PUT OUT FIVE AWARDS THAT

BARRISTERS' REPORTING SERVICE

1 SPECIFICALLY HAD THAT FOCUS IN THAT TIME FRAME. THE
2 DISEASE TEAM II, THE DISEASE TEAM III, THE SP I, II,
3 AND III, WE WERE REALLY LOOKING FOR PROGRAMS THAT
4 COULD COMPLETE A CLINICAL TRIAL. SO I WANT YOU TO
5 REMEMBER THAT WE HAVE BEEN SURVEYING WHAT IS
6 AVAILABLE.

7 AS A RESULT OF THOSE, WE HAVE ALREADY
8 FUNDED DT II. YOU HAVE APPROVED AWARDS FOR DT II.
9 YOU HAVE APPROVED AWARDS FOR SP I, AND YOU WILL BE
10 APPROVING AWARDS FOR DT III AND FOR SP III WITHIN
11 THE NEXT -- WELL, DT III IN DECEMBER AND SP III
12 PROBABLY FOUR OR FIVE MONTHS FROM NOW.

13 SO YOU HAVE ALREADY FUNDED FOR THE NEXT
14 THREE TO FOUR YEARS A BUNCH OF PROGRAMS. I'M NOT
15 SURE I CAN GIVE YOU THAT NUMBER. SORRY. YOU HAVE
16 ALREADY FUNDED FOR THE NEXT THREE OR FOUR YEARS FOR
17 A COMPLETION OF IN MANY CASES EITHER PHASE I, A
18 PHASE I-II A, OR IN SOME CASES A PHASE II TRIAL.

19 DR. FEIGAL: THERE'S 21 SO FAR.

20 DR. LUBIN: TWENTY-ONE TRIALS?

21 DR. FEIGAL: TWENTY-ONE DEVELOPMENT
22 PROGRAMS THAT HAVE THE POTENTIAL TO GO ON AND DO
23 CLINICAL TRIALS. RIGHT NOW TWO ARE IN CLINICAL
24 TRIAL.

25 CHAIRMAN SHEEHY: SO THAT DOES RAISE THE

BARRISTERS' REPORTING SERVICE

1 QUESTION, AND I THINK WE DO NEED TO KIND OF ALIGN
2 THESE. WE DO AT SOME POINT NEED TO THINK ABOUT WHAT
3 THE DECISION POINTS WILL BE FOR THE BOARD, BUT IT
4 DOES RAISE THE QUESTION OF WHETHER WE NEED TO DO
5 THREE MORE ROUNDS OF DISEASE TEAMS.

6 DR. OLSON: RIGHT. AND WE AGREE. SO
7 THAT'S A POINT I WANTED -- WELL, THAT'S SOMETHING
8 I WILL MENTION.

9 SO THAT GETS TO THE TIMING POINT, WHICH I
10 JUST MADE, WHICH IS WE HAVE JUST FUNDED OVER THE
11 LAST TWO YEARS MANY PROGRAMS THAT WILL GO ON FOR
12 THREE OR FOUR YEARS. OKAY. WE'VE FUNDED.

13 WE HAVE DONE AN ANALYSIS. WE'VE SUGGESTED
14 SOME FUTURE FUNDING THAT IS CURRENTLY ALLOCATED TO
15 DEVELOPMENT. SO AT THE MOMENT IT IS \$340 MILLION,
16 ALONG WITH ANY UNAWARDED FUNDING IN THE CURRENT
17 CONCEPT APPROVED DEVELOPMENT CATEGORY, AND WE CAN'T
18 SPEAK FOR THAT. WE DON'T KNOW WHAT DECISIONS THE
19 BOARD WILL MAKE ON FUNDING. BUT, AS I SAY, GOING ON
20 HISTORICAL DATA, IT'S NOT UNREASONABLE TO ASSUME
21 SOME MONEY WILL NOT BE AWARDED IN SP III AND DT III.

22 THAT FUNDING SHOULD ALLOW FUNDING OF
23 PRIORITIZED DEVELOPMENT PROGRAMS, AND WE'VE BEEN
24 TALKING ABOUT SIX TO EIGHT, TWO OF CLINICAL PROOF OF
25 CONCEPT, AND IT SHOULD ALLOW MOVING ADDITIONAL

BARRISTERS' REPORTING SERVICE

1 PROGRAMS INTO AND THROUGH. SO AT LEAST A COUPLE
2 MORE ROUNDS OF SOMETHING LIKE IT.

3 CHAIRMAN SHEEHY: SO THE CHALLENGE WITH
4 THIS SLIDE IS THAT THEY'RE ASSUMPTIONS AND THEY'RE
5 NOT DECISION POINTS FOR THE BOARD TO MAKE. SO ARE
6 WE GOING TO GET TO THAT?

7 MR. HARRISON: YES. SO JUST TO BE CLEAR,
8 WHAT PAT IS TRYING TO DO IS TO ESTABLISH A CONTEXT
9 AND TO SET UP A STRAWMAN, AND THEN THERE WILL
10 BE -- IT WILL ESSENTIALLY BE BROKEN DOWN INTO ITS
11 COMPONENT PARTS BASED ON THE RECOMMENDATIONS OF
12 MANAGEMENT REGARDING THE SAB REPORT. SO THE
13 DECISION POINTS WILL --

14 CHAIRMAN SHEEHY: ARE WITHIN THE
15 RECOMMENDATIONS OF THE SAB REPORT? I MEAN WHERE ARE
16 WE GOING TO GET TO -- AT WHAT POINT DO WE START
17 TALKING ABOUT BECAUSE I THINK THAT THERE'S A REAL
18 QUESTION ON WHAT HAPPENS. THAT'S OVER HALF OF THE
19 REMAINING FUNDS.

20 DR. FEIGAL: IT'S ALREADY ALLOCATED. AND
21 THIS IS ALREADY FOR DEVELOPMENT. IT'S NOT NEW
22 MONEY.

23 DR. OLSON: IN THE FUTURE.

24 DR. FEIGAL: IT'S ALREADY THERE.

25 CHAIRMAN SHEEHY: IT SAYS FUTURE FUNDING

BARRISTERS' REPORTING SERVICE

1 CURRENTLY ALLOCATED TO DEVELOPMENT. I THINK AS A
2 BOARD WE CAN REALLOCATE THAT. THOSE RFA'S HAVEN'T
3 GONE OUT, HAVE THEY?

4 MR. HARRISON: RIGHT.

5 DR. FEIGAL: CORRECT. THAT'S RIGHT.

6 CHAIRMAN SHEEHY: SO THAT'S A DECISION
7 POINT FOR THE BOARD. THAT MEANS DO WE WANT TO
8 HAVE -- I THINK WE'RE TALKING ABOUT A MORE EXTENSIVE
9 BOARD OVERVIEW OF PRIORITIZATION THAN YOU MAY BE
10 ANTICIPATING. WE NEED TO LOOK AT THESE BOXES.
11 DON'T YOU AGREE?

12 MR. HARRISON: JEFF --

13 CHAIRMAN SHEEHY: WE NEED TO START SEEING
14 WHERE THE REST OF OUR MONEY IS GOING TO GO.

15 MR. HARRISON: TO BE CLEAR, IF I
16 UNDERSTAND CORRECTLY, I BELIEVE THE RECOMMENDATION
17 REGARDING PRIORITIZATION ADDRESSES THAT VERY POINT
18 BECAUSE IF, IN FACT, THE BOARD DECIDES TO
19 PRIORITIZE, THAT WOULD MEAN THAT SOME OF THIS MONEY
20 WOULD BE DIRECTED INTO THOSE PROGRAMS, AND THAT
21 WOULD BE THE OPPORTUNITY FOR THE BOARD TO SAY, WELL,
22 WE WANT TO DO THAT OR WE DON'T WANT TO DO THAT. SO
23 IT WOULD BE IN THAT CONTEXT OF THE DEVELOPMENT
24 DISCUSSION RECOMMENDATIONS OF THE SAB.

25 CHAIRMAN SHEEHY: I GUESS I JUST -- I'M

BARRISTERS' REPORTING SERVICE

1 TRYING TO SET UP A FRAMEWORK WHERE THE DECISION
2 POINTS ARE CLEARLY LINED OUT. SO I'M NOT SEEING IT
3 YET. IF THAT'S GOING TO COME UP IN A FUTURE SLIDE,
4 BUT I WANT TO GET BELOW JUST MOVING MONEY FROM
5 BUCKET TO BUCKET AND ACTUALLY GET -- WE NEED TO
6 ANSWER THE QUESTION: DO WE NEED THREE MORE DISEASE
7 TEAM ROUNDS? DO WE NEED THREE MORE STRATEGIC
8 PARTNERSHIP ROUNDS?

9 DR. FEIGAL: THAT WILL BE -- IF I COULD
10 JUST MAKE A COMMENT. ALL WE'RE DOING IS TALKING
11 ABOUT THE POTENTIAL POOL THAT WE MIGHT BE ABLE TO
12 RECONFIGURE. I THINK WHAT PAT WAS TRYING TO GET
13 ACROSS WITH THIS IS THERE'S A LARGE POOL OF DOLLARS
14 THAT, IF WE FRAME IT RIGHT, WE COULD DO THE
15 PRIORITIZATION AND A VERY STRATEGIC USE OF PERHAPS
16 FUTURE INITIATIVES. IT'S NOT NECESSARILY THAT WE
17 PURSUE THE PATH THAT YOU'VE HEARD ABOUT. IT COULD
18 BE THAT WE GO WITHIN THAT POOL OF DOLLARS AND
19 RECONFIGURE IT SO THAT WE CAN DO THE PRIORITIZED
20 PROJECTS PLUS HAVE SOME STRATEGIC --

21 CHAIRMAN SHEEHY: I WANT TO BE CLEAR WHO
22 THE WE IS THAT'S MAKING THAT DECISION.

23 DR. FEIGAL: I THINK THE BOARD MAKES THE
24 DECISION.

25 CHAIRMAN SHEEHY: AND THAT THAT DECISION

BARRISTERS' REPORTING SERVICE

1 POINT IS OUTLINED.

2 DR. OLSON: BUT WE CANNOT MAKE THAT
3 DECISION RIGHT NOW UNTIL WE DO THE PRIORITIZATION,
4 BUT I GUESS WHAT I'M TRYING TO TELL YOU IS THE
5 PRIORITIZATION IS GOING TO HAVE TO BE DONE WITH
6 PROJECTS THAT CURRENTLY EXIST WITHIN OUR PORTFOLIO
7 DEVELOPMENT. MOST OF THOSE HAVE ALL BEEN FUNDED FOR
8 THE NEXT THREE TO FOUR YEARS. OKAY. SO YOU WILL
9 HAVE -- SO THAT GETS SOME THINGS. BUT THAT DOESN'T
10 ALLOW FOR THERE MAY BE SOME NEW PROJECTS YOU WANT TO
11 MOVE FORWARD. THERE MAY BE SOME PROJECTS THAT WE'VE
12 SEEN THAT WE WANT TO -- THE POINT IS DO WE HAVE
13 ENOUGH MONEY TO GET THOSE TO CLINICAL PROOF OF
14 CONCEPT? SO WE MAY NEED ANOTHER ROUND FOR THEM A
15 COUPLE YEARS DOWN THE ROAD.

16 CHAIRMAN SHEEHY: CAN WE KEEP BECAUSE WE
17 DON'T HAVE A LOT --

18 DR. FEIGAL: THIS IS VERY MUCH DETAIL.
19 MAY WE KEEP IT -- MAYBE IF YOU COULD FINISH UP. DO
20 YOU WANT HER TO FINISH UP WITH THE FUNDING, AND THEN
21 WE CAN TALK ABOUT THE PRIORITIZATION.

22 DR. OLSON: SO IF WE GO TO THE NEXT SLIDE,
23 SO WITH THESE ASSUMPTIONS --

24 DR. FEIGAL: DO YOU ALL HAVE YOUR HANDOUT?

25 DR. OLSON: OKAY. THE NEXT SLIDE ON THE

BARRISTERS' REPORTING SERVICE

1 RIGHT JUST PUTS FORTH A POSSIBLE SCENARIO. SO THE
2 ONE ON THE LEFT IS WHAT WE WERE CURRENTLY WORKING
3 ON. THE ONE ON THE RIGHT IS UP FOR CONSIDERATION.
4 IT'S A STRAW MODEL. WE WILL BE BRINGING AN IPSC
5 SUPPLEMENT TO YOU IN DECEMBER. SO I PUT THAT IN
6 THERE. WE WILL BE DOING -- I THINK ALAN'S BEEN
7 TALKING A LITTLE BIT ABOUT PARTICIPATING IN THIS
8 INTERNATIONAL EFFORT TO DEVELOP A SET OF HAPLOTYPE
9 LINES TO SUSTAIN CIRM'S LEADERSHIP. AND HE WILL
10 TALK ABOUT THAT AT THE DECEMBER MEETING.

11 FOR TRAINING, WE HAVE -- AS I SAY, THAT
12 WAS ONE OF THE RECOMMENDATIONS OF THE SAB THAT WAS
13 SUPPORTED BY MANAGEMENT IS TO CONTINUE TRAINING II.
14 SO IT WOULD BE A SECOND THIRD YEAR EXTENSION.
15 TRAINING II WILL GO FOR NINE YEARS IN ADDITION TO
16 TRAINING I. SO WE WILL HAVE FUNDED TRAINING FOR A
17 TOTAL OF 12 YEARS IF THE BOARD CHOOSES TO DO THAT.

18 BRIDGES, IT WILL BE, AGAIN, A SECOND
19 EXTENSION TO THE EXISTING PROGRAM. SO IF WE DO
20 THAT, IT WILL GO -- IT WILL HAVE BEEN A NINE-YEAR
21 PROGRAM.

22 CREATIVITY, IT WILL BE A FIRST EXTENSION.
23 SO IT'S CURRENTLY A THREE-YEAR PROGRAM. WE WOULD
24 EXTEND IT AN ADDITIONAL THREE YEARS FOR SIX YEARS.
25 THAT HAS A COST OF \$73 MILLION TO DO THAT.

BARRISTERS' REPORTING SERVICE

1 BASIC BIOLOGY, WE BELIEVE, AND, AGAIN,
2 BASED ON THE SAB RECOMMENDATION AND SUPPORTED BY
3 MANAGEMENT, THAT IT'S IMPORTANT TO KEEP FUNDING
4 BASIC BIOLOGY. WE HAVE 92 MILLION, IN ESSENCE, LEFT
5 FOR THAT. THAT COULD EASILY ALLOW THREE AWARDS, ONE
6 A YEAR, AT 30 MILLION. AND IN DISCUSSIONS WITH
7 MICHAEL AND THE REST OF THE TEAM, WE BELIEVE THAT IS
8 A ROBUST BASIC BIOLOGY. IF YOU LOOK AT THE ACTUAL
9 BASIC BIOLOGY AWARDS, AND, AGAIN, YOU WILL SEE THE
10 BASIC BIOLOGY V IN JANUARY, 30 MILLION OR AROUND
11 THERE IS NOT A BAD NUMBER.

12 IN THE EARLY TRANSLATIONAL CATEGORY,
13 THERE'S ABOUT 138 MILLION, AND WE'RE PROPOSING
14 RECONFIGURING THAT. WE WOULD LIKE TO USE SOME OF
15 THAT TO MOVE SOME OF OUR EARLY TRANSLATIONAL
16 PROGRAMS TO BOLSTER ESSENTIALLY THE DEVELOPMENT
17 POOL, IF YOU LIKE, TO ENSURE THAT SOME OF THE EARLY
18 TRANSLATIONAL PROGRAMS, THE BEST ONES, CAN MOVE
19 FORWARD INTO IND-ENABLING DEVELOPMENT AND POSSIBLY
20 INTO THE CLINIC AT SOME POINT.

21 AND THEN THERE'S SOMETHING I'LL CALL
22 TRANSLATIONAL TRANSITION AWARDS, WHICH IS WE HAVE
23 MANY -- YOU WILL RECALL THAT FOR EARLY TRANSLATION
24 WE HAVE SOMETHING CALLED A DCF PROGRAM WHERE THEY
25 WERE SMALLER AWARDS. THEY ONLY GOT THEM TO CLINICAL

BARRISTERS' REPORTING SERVICE

1 PROOF OF CONCEPT IN MANY CASES. WE HAVE SOME VERY
2 INTERESTING PROGRAMS GOING ON IN THAT SPACE. AND
3 WE'D LIKE TO TALK ABOUT GETTING THOSE READY TO MOVE
4 INTO DEVELOPMENT AS WELL. SO THAT'S WHAT THAT'S
5 FOR.

6 AND THEN FOR THE DEVELOPMENT POT OF
7 330 -- CURRENTLY 339 MILLION, WE'D AGAIN LIKE TO
8 TALK ABOUT RECONFIGURE THE TIMING OF FUTURE FUNDING
9 TO ASSURE FOLLOW-ON FUNDING WHERE NEEDED FOR
10 PRIORITY PROJECTS AND TO ASSUME MAYBE ONE OR TWO
11 MORE STRATEGIC PARTNERSHIP PROGRAMS OVER THE NEXT
12 COUPLE OF YEARS TO PICK UP SOME THINGS THAT WOULD BE
13 POTENTIALLY GOOD PROGRAMS.

14 CHAIRMAN THOMAS: ON THE DISEASE TEAMS,
15 YOU'RE CONTEMPLATING THE SAME NUMBER GOING FORWARD,
16 BUT JUST REALLOCATING? ARE YOU GOING TO SUGGEST
17 SOME PROJECTS GET LESS EMPHASIS? AND IF SO, HOW
18 DOES THAT AFFECT DOLLAR AMOUNTS AND ALL THAT SORT OF
19 THING?

20 DR. FEIGAL: J.T., THIS IS ELLEN FEIGAL.
21 WHY DON'T WE GET INTO THAT WHEN WE TALK ABOUT THE
22 PRIORITIZATION PROCESS? WHAT PAT IS DOING IS NOT
23 GOING THROUGH WHERE STRATEGICALLY THE BOARD MAY MAKE
24 DECISIONS ABOUT WHEN INITIATIVES GET DEPLOYED, BUT
25 BASICALLY SHE'S JUST LAYING OUT THE AMOUNT THAT IS

BARRISTERS' REPORTING SERVICE

1 AVAILABLE AND SUGGESTING THAT'S THE POT OF MONEY
2 THROUGH WHICH WE HAVE FLEXIBLE RECONFIGURING OF HOW
3 TO GET THE DEVELOPMENT TEAMS MOVING FORWARD. SO LET
4 ME SUGGEST THAT WE GO THROUGH THAT DISCUSSION WHEN
5 WE DO THE PRIORITIZATION DISCUSSION.

6 CHAIRMAN THOMAS: THAT'S FAIR ENOUGH.

7 MS. BAUM: AND MAYBE FOR THE BOARD WE
8 DON'T NEED THE EARLIER SLIDE BECAUSE IT'S A LOT OF
9 THE DETAIL. I THINK THE FOCAL POINT SHOULD BE ON
10 WHAT THE POT IS.

11 CHAIRMAN SHEEHY: I THINK WE NEED THIS
12 SLIDE. WE'LL ALSO PROBABLY GO INTO FURTHER DETAIL
13 ON THIS SLIDE.

14 MS. BAUM: I THOUGHT YOU WERE GETTING LOST
15 IN THE DETAILS.

16 CHAIRMAN SHEEHY: I'M NOT LOST.

17 DR. OLSON: PART OF WHAT WE'RE DOING IS
18 THIS IS A MODEL WE'VE COME UP WITH. IF THE BOARD
19 BUYS INTO THIS MODEL TO SOME EXTENT, THEN WE WILL
20 START MAPPING OUT THE ACTUAL RFA'S. SO WE CAN TALK
21 ABOUT THAT LATER. BUT I DO WANT TO MAKE THE POINT
22 THAT IF YOU LOOK NOW, WE REALLY ONLY HAVE 604
23 MILLION IN FUTURE FUNDING AT THIS POINT IN TIME.

24 CHAIRMAN SHEEHY: I THINK MY POINT IS IS I
25 THINK THAT THE BOARD, WHEN THEY MAKE THE DECISION,

BARRISTERS' REPORTING SERVICE

1 AT LEAST FOR ME, AND IF ANYBODY DISAGREES, WE ALSO
2 WOULD LIKE TO SEE THE RFA MAP, NOT JUST APPROVE A
3 POT OF MONEY AND THEN HAVE SOME -- I MEAN IF WE'RE
4 TALKING ABOUT DOING A DISEASE TEAM ROUND IN 2017, I
5 DON'T SEE THE LOGIC OF THAT. SO IT WOULD BE GOOD IF
6 WE'RE GOING TO TALK ABOUT THAT WE NOT JUST ALLOCATE
7 MONEY IN POTS, BUT WE GET TO THAT LEVEL OF
8 GRANULARITY SO THAT THE BOARD CAN ANTICIPATE WHEN
9 THESE FUNDS WILL BE AWARDED. SO THERE IS A
10 CHALLENGE THERE. WE'RE NOT TALKING ABOUT AN
11 INFINITE AMOUNT OF TIME.

12 DR. OLSON: WELL, THE TIME, EVEN THE
13 CURRENT FUTURE, THE LAST AWARDS WOULD HAVE BEEN MADE
14 IN 2018. MOST OF THEM WOULD HAVE BEEN MADE BEFORE
15 THAT, BUT THAT WAS GOING TO BE THE LAST OF THE AWARD
16 TIME WHICH WAS IN OUR 2021. SO WE CAN TALK
17 ABOUT -- BUT I THINK YOU HAVE TO BUY INTO CERTAIN
18 CONCEPTS. DO YOU BUY INTO -- SO THAT'S SOMETHING
19 THAT WE CAN TALK ABOUT LATER.

20 THERE IS A FUNDING GAP OF 49 MILLION TO DO
21 AS IT'S LAID OUT, OKAY, MAKING THE ASSUMPTIONS THAT
22 DEVELOPMENT KEEPS ALL ITS MONEY, THAT EARLY
23 TRANSLATIONAL IS USED FOR DEVELOPMENT.

24 CHAIRMAN SHEEHY: RIGHT. SO NOW WE HAVE A
25 GAP -- BUT YOU'VE KIND OF GIVEN US A GAP.

BARRISTERS' REPORTING SERVICE

1 DR. OLSON: CAN I GO TO THE NEXT SLIDE?

2 CHAIRMAN SHEEHY: YEAH. LET'S GO TO THE
3 NEXT SLIDE. SO I DON'T -- I GUESS I DON'T SEE THE
4 GAP. YOU'RE MAKING THE GAP AND THEN YOU'RE SHOWING
5 US HOW TO ADDRESS THE GAP. AND THAT SEEMS LIKE THE
6 GAP HAS BEEN MADE BEFORE WE'VE MADE A LOT OF
7 DECISIONS.

8 DR. OLSON: AS I SAY, I MADE ASSUMPTIONS
9 FOR THIS MODEL. SO IF YOU ACCEPT THE ASSUMPTIONS,
10 THEN THIS IS THE GAP. OKAY. I JUST WANT TO TELL
11 YOU ABOUT SOME THINGS THAT WE CAN THINK ABOUT DOING.
12 AND THE GAP IS ONLY AT THIS POINT IN TIME. I
13 WOULDN'T MAKE -- YOU KNOW, IT'S NOT TOTALLY CLEAR
14 THAT THAT GAP WILL BE THERE IN ANOTHER SIX MONTHS.
15 OKAY.

16 SO ONE OF THE THINGS THAT WE THINK WOULD
17 BE A GOOD THING TO DO, ESPECIALLY NOW THAT A LOT OF
18 OUR MONEY IS DEVELOPMENT, IS WE WOULD LIKE TO HAVE
19 AN IMMEDIATE REDUCTION OF THE INDIRECT RATE FROM 20
20 TO 10 PERCENT ON NEW AWARDS. AND I WOULD JUST MAKE
21 THE POINT THAT THE GAP DOES ALLOW FOR CIRM TO SET
22 THE INDIRECT COST RATE ON AN RFA-BY-RFA BASIS.

23 WHAT THAT DOES -- I DON'T KNOW IF YOU
24 REALIZE THAT THE AVERAGE OVERHEAD WE PAY ON RESEARCH
25 AWARDS IS 65 PERCENT. SO THAT INCLUDES A FACILITIES

BARRISTERS' REPORTING SERVICE

1 DIRECT CHARGE --

2 DR. LUBIN: BECAUSE YOU SPIN IT IN. YOU
3 DON'T DO IT -- YOU SAY THE OVERHEAD IS 10 PERCENT.

4 DR. FEIGAL: IT INCLUDES FACILITIES PLUS
5 INDIRECT.

6 DR. OLSON: THE INDIRECT IS DIFFERENT THAN
7 THE TOTAL OVERHEAD, WHICH IS COMPRISED OF FACILITIES
8 COST WHICH INCLUDES OPERATIONS AND MAINTENANCE,
9 LIBRARY, DEPRECIATION.

10 CHAIRMAN SHEEHY: SO THIS WOULD BE A
11 DECISION POINT FOR THE BOARD.

12 MR. HARRISON: UNDER THE GAP, STAFF HAS
13 AUTHORITY TO SET THE INDIRECT RATE ON AN RFA-BY-RFA
14 BASIS. SO THAT WAS PART OF THE DELEGATION OF
15 AUTHORITY BY THE BOARD IN APPROVING THE GAP. SO IF
16 YOU WANT TO RECONSIDER THAT, WE'D HAVE TO RECONSIDER
17 IT IN THE CONTEXT OF THE GAP ITSELF.

18 CHAIRMAN SHEEHY: WELL, I DON'T KNOW WHAT
19 OTHER PEOPLE'S THOUGHTS ARE.

20 DR. FRIEDMAN: THIS IS MIKE FRIEDMAN. IF
21 I COULD JUST WEIGH IN ON THAT LAST POINT. IF WE'RE
22 GOING TO HAVE A DISCUSSION OF CHANGING THE INDIRECT
23 RATE, I THINK WE HAVE TO HAVE BOTH THE BENEFITS THAT
24 IT WOULD ALLOW FOR FUNDING FLEXIBILITY, BUT ALSO THE
25 DISADVANTAGES THAT IT CAUSES FOR INSTITUTIONS. AND

BARRISTERS' REPORTING SERVICE

1 I THINK THAT'S A VERY SERIOUS KIND OF CONSIDERATION.
2 AND I THINK EVERYTHING SHOULD BE ON THE TABLE, SO
3 I'M CERTAINLY ENDORSING A DISCUSSION, BUT I THINK
4 THE DISCUSSION HAS TO BE A RATHER THOUGHTFUL ONE OF
5 NOT JUST WHAT THE SAVINGS WOULD BE FOR CIRM AND THE
6 EXTRA FLEXIBILITY AND ABILITY TO FUND THINGS, BUT
7 WHAT DISADVANTAGES IT MIGHT HAVE FOR SOME OF THE
8 INSTITUTIONS THAT PARTICIPATE.

9 SO, AGAIN, WE'RE NOT MAKING DECISIONS AT
10 THIS MEETING, NOR ARE WE MAKING RECOMMENDATIONS, BUT
11 I WOULD SAY IF YOU ARE GOING TO HAVE THAT KIND OF
12 DISCUSSION, IT'S GOING TO REQUIRE A LOT MORE RIGOR
13 AND A LOT MORE THOUGHTFUL ENGAGEMENT. AND I DON'T
14 WANT TO STEP NEAR THE BOUNDARY LINE OF SELF-INTEREST
15 BECAUSE THAT'S INAPPROPRIATE, BUT ALL OF THE
16 ACADEMIC INSTITUTIONS WOULD HAVE SOME THOUGHTS ABOUT
17 THIS. AND MAYBE MR. HARRISON OR OTHERS CAN TALK
18 ABOUT HOW WE CAN HAVE THAT DISCUSSION IN A
19 THOUGHTFUL AND LEGAL WAY.

20 DR. STEWARD: I WAS ACTUALLY JUST GOING TO
21 ASK JAMES WHO ON THE BOARD WOULD ACTUALLY BE ABLE TO
22 PARTICIPATE IN A DISCUSSION OF THAT TYPE?

23 MR. HARRISON: WELL, I THINK IT DEPENDS IN
24 PART. AS I SAID, FIRST OF ALL, THIS AUTHORITY
25 ALREADY RESIDES IN STAFF'S HANDS PURSUANT TO THE

BARRISTERS' REPORTING SERVICE

1 GAP. SO THE STAFF TODAY COULD DECIDE THAT FOR A
2 FUTURE RFA THAT IT WANTED TO AWARD 5 PERCENT AS AN
3 INDIRECT RATE RATHER THAN 20 PERCENT BECAUSE THE
4 BOARD DELEGATED THAT AUTHORITY TO STAFF. SO THAT'S
5 THE FIRST ISSUE.

6 WITH RESPECT TO YOUR ISSUE WITH RESPECT TO
7 WHO COULD PARTICIPATE IN THIS KIND OF DISCUSSION, IT
8 DEPENDS IN PART ON WHETHER THIS REDUCTION APPLIES
9 WHOLLY PROSPECTIVELY TO FUTURE RFA'S AS TO WHICH
10 NO ONE HAS YET APPLIED OR POTENTIALLY TO AWARDS THAT
11 HAVE NOT YET BEEN ISSUED, BUT THAT HAVE BEEN
12 AWARDED. AND THAT WOULD CREATE A CONFLICT THAT WE
13 WOULD HAVE TO NAVIGATE.

14 CHAIRMAN SHEEHY: JAMES, AND J.T., I THINK
15 IF I CAN GET YOUR CONCURRENCE, SO CAN WE HAVE
16 AGENDAD AN ITEM FOR CONSIDERATION ON THIS POINT THAT
17 THE BOARD MEMBERS CAN TAKE PART IN THAT CREATES
18 ACTION?

19 DR. LUBIN: I AGREE. THIS IS GOING TO BE
20 A MAJOR ISSUE.

21 CHAIRMAN THOMAS: I AGREE, JEFF.

22 CHAIRMAN SHEEHY: AND WHATEVER ACTIONS
23 NEED TO IMPLEMENT IT SO THAT IT'S CLEAR. A CLARITY
24 THAT THE BOARD CAN LOOK AT THIS, MAKE A DECISION,
25 AND THEN TAKE ACTION WITH ALL NECESSARY

BARRISTERS' REPORTING SERVICE

1 IMPLEMENTATION STEPS. OKAY.

2 DR. FRIEDMAN: I CERTAINLY ENDORSE THAT AS
3 WELL. THANK YOU.

4 CHAIRMAN SHEEHY: PAT, SO THE NEXT SLIDE
5 IS CONCEPT APPROVED, BUT NOT APPROVED --

6 DR. OLSON: SO I AM JUST BRINGING UP THE
7 POINT THAT, AGAIN, THERE IS SOME MONEY THAT MAY COME
8 BACK FROM THAT AS WELL. SO THERE'S POTENTIAL FOR
9 THIS. I WOULD ALSO REMIND THE BOARD THAT NOT ALL
10 AWARDS ARE ACCEPTED. RESEARCH LEADERSHIP, AS YOU
11 KNOW, IS A RECRUITING TOOL. WE'VE BEEN PRETTY GOOD
12 AT BEING -- AT GETTING --

13 CHAIRMAN SHEEHY: CAN WE KIND OF
14 KEEP -- BECAUSE WE'RE RUNNING OUT OF TIME. SO CAN
15 WE LOOK AT THE NEXT SLIDE? AND I THINK THIS IS JUST
16 A --

17 DR. OLSON: IT'S A SUMMARY.

18 CHAIRMAN SHEEHY: -- A SUMMARY. SO CAN WE
19 GO TO THE NEXT PRESENTATION?

20 DR. FEIGAL: THANKS VERY MUCH, PAT. AND
21 WHAT PAT WAS DOING WAS REALLY JUST PROVIDING YOU THE
22 FRAMEWORK THAT WAS CONSISTENT WITH THE 2012
23 STRATEGIC PLAN. AND JUST TO GIVE YOU A FRAMEWORK
24 WHERE THE BINS OF MONEY ARE AND WHERE FLEXIBILITIES
25 MIGHT BE TO THINK ANEW ABOUT WHAT WE NEED TO DO TO

BARRISTERS' REPORTING SERVICE

1 BE CLOSER TO OUR GOALS.

2 MS. BONNEVILLE: THE NEXT PRESENTATION IS
3 NUMBERED 3 C FROM THE DOCUMENTS I SENT YOU LAST
4 NIGHT.

5 CHAIRMAN SHEEHY: I THINK, FIRST OF ALL,
6 IN TERMS OF PRIORITIZATION, I THINK WE'RE ALL
7 AGREED. I THINK THAT THERE'S ENOUGH PEOPLE ON THE
8 BOARD THAT WOULD ACTUALLY LIKE TO MAKE THE DECISION
9 WHETHER OR NOT TO PRIORITIZE IF THAT'S THE FIRST
10 DECISION.

11 DR. FEIGAL: AGREE. WHAT I HAD TODAY, AND
12 PERHAPS I MISUNDERSTOOD, BUT I THOUGHT TODAY'S
13 MEETING WAS JUST TO HAVE A DISCUSSION. THERE ARE NO
14 DECISIONS.

15 CHAIRMAN SHEEHY: BUT WE'RE TRYING TO
16 DECIDE THE DECISION POINTS, AND YOU'RE SAYING THAT,
17 FIRST OF ALL, YOU TAKE ADVICE. AND WE'RE NOT GIVING
18 ADVICE. WE'RE MAKING DECISIONS. AND THE TWO POINTS
19 THAT YOU MAKE ARE PROCESS AND CRITERIA FOR REVIEW.
20 AND I DON'T KNOW THAT THAT ACTUALLY SUMS UP ALL THE
21 DECISION POINTS THAT THE BOARD NEEDS TO MAKE.

22 SO THE FIRST DECISION POINT IS WHETHER OR
23 NOT TO PRIORITIZE. I THINK THE SECOND DECISION
24 POINT IS HOW MUCH MONEY TO ALLOCATE TO THE
25 PRIORITIZATION.

BARRISTERS' REPORTING SERVICE

1 DR. FEIGAL: SURE. THAT'S FINE.

2 CHAIRMAN SHEEHY: THOSE ARE TWO DECISION
3 POINTS. SHOULD WE START -- ARE THERE OTHER DECISION
4 POINTS THAT --

5 DR. STEWARD: IT SEEMED TO ME THAT THERE
6 WERE SEVERAL CHANGES IN THE PROPOSED SCENARIO IN
7 PAT'S PRESENTATION. AND I WONDER IF EACH OF THOSE
8 REPRESENTS A SEPARATE DECISION POINT?

9 CHAIRMAN SHEEHY: THANKS, OS. THEN I
10 THINK WE'RE READY -- AND OTHER PEOPLE FEEL FREE TO
11 EMAIL JAMES IF YOU HAVE OTHER DECISION POINTS. BUT
12 I THINK WE REALLY WANT THE BOARD TO THOUGHTFULLY
13 COME TO CONCLUSIONS ON THIS.

14 SO NOW I THINK THE PROCESS IS A GOOD --

15 DR. FEIGAL: WHEN I MEANT ADVICE, I MEANT
16 FROM THE SCIENTIFIC SUBCOMMITTEE. THIS IS NOT THE
17 BOARD PRESENTATION. THIS IS A DISCUSSION WITH THE
18 SCIENTIFIC SUBCOMMITTEE.

19 CHAIRMAN SHEEHY: WELL, WHAT'S THE BOARD
20 GOING TO SEE? THAT'S THE POINT. WE WANT TO KNOW
21 WHAT THE BOARD WOULD SEE HERE.

22 DR. FEIGAL: WELL, WHAT I WAS THINKING IS
23 THAT USUALLY SINCE WE'RE TALKING TO YOU IN ADVANCE,
24 A FEW WEEKS IN ADVANCE OF THE BOARD, WHAT I THOUGHT
25 WOULD BE USEFUL IS TO GET YOUR THOUGHTS DURING THIS

BARRISTERS' REPORTING SERVICE

1 SUBCOMMITTEE MEETING. AND THERE MIGHT BE WAYS THAT
2 I RESHAPE WHAT THAT PRESENTATION TO THE ICOC LOOKS
3 LIKE DEPENDING ON THE DISCUSSION TODAY. AT LEAST
4 THAT WAS MY THOUGHTS ABOUT HOW THIS WOULD BE A
5 USEFUL SUBCOMMITTEE SESSION IS TO ACTUALLY HEAR WHAT
6 YOU HAD TO SAY ABOUT SOME OF THE THOUGHTS ABOUT
7 PROCEEDING.

8 CHAIRMAN SHEEHY: WE DID. OS AND I SENT
9 YOU SOME THOUGHTS, AND I WAS HOPING WE COULD KIND OF
10 WHIP THROUGH THOSE.

11 DR. FEIGAL: SURE.

12 CHAIRMAN SHEEHY: SO WE HAD WHAT WOULD THE
13 PROCESS LOOK LIKE? WOULD IT BE A COMPETITIVE
14 PROCESS? WOULD IT BE AN RFA? WOULD IT BE AN SAB OR
15 GWG REVIEW?

16 DR. FEIGAL: FINE. SO WHY DON'T I GO
17 THROUGH WHAT I --

18 CHAIRMAN SHEEHY: I'VE NOT SEEN THOSE
19 CONFESSION NECESSARILY ENCAPSULATED IN THIS
20 PRESENTATION. NOW, GRANTED, I HAVEN'T BEEN ABLE TO
21 SEE THIS PRESENTATION BECAUSE I CAME IN LATE LAST
22 NIGHT AND I HAVEN'T LOOKED AT IT. SO WE DID
23 SEND -- DIDN'T WE, OS, SEND SOME VERY SPECIFIC
24 QUESTIONS? AND WE WERE HOPING THAT --

25 DR. FEIGAL: I THINK I'LL COVER SOME OF

BARRISTERS' REPORTING SERVICE

1 IT, JEFF, IF I COULD HAVE PERMISSION TO PROCEED.

2 CHAIRMAN SHEEHY: WE WERE HOPING TO SEE
3 THOSE AND MAKE SURE THAT THOSE KIND OF CAPTURE WHAT
4 PEOPLE THOUGHT. AND THEN IF THERE WERE OTHER ONES.
5 SO COULD WE MAYBE -- I'M NOT SURE WHICH DOCUMENT WE
6 SHOULD BE WORKING OFF OF. IT'S HARD FOR ME -- THIS
7 IS WHERE IT BECOMES CONFUSING FOR ME TO BE ABLE
8 TO --

9 DR. FEIGAL: CAN YOU GO BACK ONE?

10 CHAIRMAN SHEEHY: I THOUGHT THAT WE
11 DID -- AND CHIME IN, OS. I THOUGHT WE DID A DECENT
12 FIRST PASS OF TRYING TO IDENTIFY THE ISSUES. AND SO
13 MAYBE WE SHOULD JUST GO TO THAT DOCUMENT.

14 DR. FEIGAL: WELL, IF I COULD, WE DID
15 SPEND SOME TIME THINKING ABOUT SOME OF THE ISSUES.
16 THERE ARE ONLY FIVE SLIDES. I COULD PROBABLY DO
17 THEM --

18 CHAIRMAN SHEEHY: WELL, WE'VE GOT 40
19 MINUTES LEFT. UNLESS THERE'S SOMETHING THAT'S NOT
20 IN THE OVERVIEW.

21 DR. FEIGAL: I THINK THAT THIS IS REALLY
22 TRYING TO GET SOME OF OUR THOUGHTS TOGETHER. SO I
23 THINK IT WOULD BE HELPFUL. I WOULD CERTAINLY LIKE
24 TO GET YOUR INPUT BECAUSE I NEED TO THINK ABOUT HOW
25 SO SHAPE IT FOR THE BOARD DISCUSSION. SO IF I

BARRISTERS' REPORTING SERVICE

1 COULD.

2 CHAIRMAN SHEEHY: WE GIVE INPUT AND THEN
3 YOUR INPUT DOESN'T MESH WITH OUR INPUT, AND IT GETS
4 VERY CONFUSING FOR ME TO TRY TO FIGURE OUT HOW TO
5 MAKE THE TWO CONSISTENT BECAUSE WE'RE TRYING TO
6 IDENTIFY DECISIONS THAT WILL PROBABLY IN FRONT OF
7 THE BOARD.

8 DR. FEIGAL: CAN WE DO BOTH? WHAT I WAS
9 TRYING TO GET AT, IF I COULD JUST MAYBE SPEAK FOR A
10 COUPLE MINUTES, WE HAVE AN HOUR AND A HALF MEETING,
11 WHAT I WAS THINKING OF IS I COULD JUST TAKE A FEW
12 MINUTES OF THE TIME. WE HAVE THOUGHTFULLY GONE
13 THROUGH THE ISSUES TO TRY AND ADDRESS YOUR
14 QUESTIONS. YOUR FIRST ONE IS ABOUT SHOULD WE
15 PRIORITIZE. THESE ARE JUST SOME OF THE THOUGHTS:
16 THAT THE BOARD RECOMMENDATIONS, THE SCIENTIFIC
17 ADVISORY BOARD RECOMMENDATIONS, THEY DIRECTLY ALIGN
18 WITH THE CLINICAL GOAL OF CIRM'S STRATEGIC PLAN TO
19 ADVANCE STEM CELL SCIENCE TOWARDS EFFICACY, SAFETY,
20 AND ACTIVITY IN PATIENTS TO SHOW CLINICAL PROOF OF
21 CONCEPT.

22 AND SO AS PART OF OUR STRATEGIC PLAN,
23 WE'VE ALWAYS BEEN THINKING OF THIS FIVE-YEAR. IF
24 YOU GO BACK TO OUR STRATEGIC PLAN, THIS WILL BE A
25 TIME OF PRIORITIZATION AND OF FOCUS. SO WHAT I WAS

BARRISTERS' REPORTING SERVICE

1 GETTING ACROSS IN THIS VERY FIRST SLIDE IS JUST
2 TALKING ABOUT THE REASON WHY WE THINK IT IS
3 IMPORTANT TO PRIORITIZE.

4 SO I THINK THAT DOES ADDRESS ONE OF YOUR
5 FIRST QUESTIONS: SHOULD WE PRIORITIZE?

6 CHAIRMAN SHEEHY: I BELIEVE THAT'S A
7 DECISION POINT THAT WE'VE ALREADY IDENTIFIED FOR THE
8 BOARD WITH ME TODAY WHEN WE'VE ALREADY SPENT TIME
9 TALKING ABOUT RECOMMENDATIONS ABOUT THE DECISION
10 POINTS. WE'RE TRYING TO CONSIDER QUESTIONS. SO CAN
11 WE START TRYING TO MAKE SURE THAT WE HAVE ALL THE
12 IMPORTANT QUESTIONS?

13 DR. FEIGAL: SURE. CAN WE GO TO THE NEXT
14 QUESTION THEN? THESE ARE JUST GOING THROUGH OPTIONS
15 TO CONSIDER FOR THE PROCESS, THE WHAT, THE HOW, THE
16 WHO, AND THE WHEN. WHAT PROJECTS WOULD BE IN THE
17 DENOMINATOR IF THE DECISION POINT IS TO PRIORITIZE,
18 THEN THE NEXT QUESTION IS WHAT IS IT THAT WE WANT TO
19 PRIORITIZE. AND IF WE DECIDE WHAT THOSE DENOMINATOR
20 OF PROJECTS MIGHT BE, HOW WOULD IT BE REVIEWED? WHO
21 WOULD REVIEW IT? AND WHEN? AND I THINK THE FIFTH
22 QUESTION IS WHAT DOES IT MEAN TO BE A PRIORITIZED
23 PROJECT? WHAT SPECIAL TYPES OF FUNDING, WHAT
24 SPECIAL TYPES OF RESOURCES ARE PROVIDED TO THOSE,
25 QUOTE, PRIORITIZED PROJECTS?

BARRISTERS' REPORTING SERVICE

1 THESE ARE OPTIONS TO CONSIDER. THE BOARD
2 WILL MAKE THE DECISIONS ON WHETHER THESE ARE
3 REASONABLE THINGS TO CONSIDER, BUT WE THOUGHT IT WAS
4 IMPORTANT TO GET THIS OUT ON THE TABLE. SO WE
5 THOUGHT THE DENOMINATOR OF PROJECTS SHOULD BE THOSE
6 CURRENTLY FUNDED THAT EVEN HAVE THE POTENTIAL TO
7 REACH CLINICAL PROOF OF CONCEPT WITHIN A DEFINED
8 TIME FRAME, WHETHER IT'S 2016, 2017, 2018. BUT YOU
9 WANT TO START WITH A DENOMINATOR OF PROJECTS THAT
10 EVEN HAVE THE POTENTIAL TO REACH THAT. AND RIGHT
11 NOW WE THINK THE POTENTIAL PROJECTS WOULD BE THE
12 DISEASE TEAMS AND THE STRATEGIC PARTNERSHIPS THAT
13 WOULD HAVE BEEN FUNDED BY QUARTER ONE OF 2014.

14 THE THOUGHT IN TERMS OF HOW IT WOULD BE
15 DONE -- AND, ONCE AGAIN, THESE ARE OPTIONS FOR
16 DISCUSSION. THIS IS NOT IN CONCRETE. THESE ARE
17 JUST THOUGHTS OF HOW THIS COULD BE DONE -- IS TO
18 CATEGORIZE THAT DENOMINATOR OF PROJECTS INTO
19 THERAPEUTIC AREA CLUSTERS. FOR EXAMPLE, THESE ARE
20 SUGGESTIONS OF HOW THEY MIGHT BE CLUSTERED. OPEN TO
21 OTHER WAYS TO CLUSTER THEM, BUT THE POINT WAS TO GET
22 THE REQUISITE EXPERTISE, IF YOU GO TO THE NEXT
23 SLIDE, FROM EXTERNAL EXPERTS FROM WITHIN OUR GRANT
24 REVIEW GROUP, FROM WITHIN OUR CLINICAL DEVELOPMENT
25 ADVISORY PANELS, OR OTHER SPECIALIZED EXPERTISE TO

BARRISTERS' REPORTING SERVICE

1 REVIEW THOSE DENOMINATOR OF PROJECTS. AND THEN TO
2 BRING THOSE PRIORITIZED ALREADY FUNDED PROJECTS,
3 THEY'RE GOING TO CONTINUE TO BE FUNDED, BUT WHAT'S
4 BEING PRIORITIZED IS WHETHER WE GO FURTHER WITH
5 THOSE PROJECTS. THEY WOULD BE BROUGHT TO THE GRANT
6 WORKING GROUP TO REVIEW AND RECOMMEND THE TOP
7 PROJECTS.

8 CHAIRMAN SHEEHY: SO THE PRIORITIZATION
9 WE'RE ANTICIPATING TAKES PLACE OUTSIDE OF ANY BOARD
10 PARTICIPATION, RIGHT? SO IF THERE'S --

11 DR. FEIGAL: THESE ARE ALREADY FUNDED
12 PROJECTS. SO WE WOULD TAKE IT THROUGH A CDAP-LIKE
13 PROCESS WHICH WE CURRENTLY DO FOR ALL OF OUR DISEASE
14 TEAMS AND STRATEGIC PARTNERSHIPS. THEY'RE ALREADY
15 FUNDED PROJECTS. AND THEN BRING IT TO THE GRANT
16 REVIEW GROUP.

17 CHAIRMAN SHEEHY: I THINK THAT THAT SHOULD
18 GO THAT A GRANTS WORKING GROUP PROCESS. SO THAT'S A
19 DECISION POINT.

20 DR. FEIGAL: WELL, IT WILL.

21 CHAIRMAN SHEEHY: NO. I MEAN AND THEN
22 COME TO THE BOARD. I MEAN SO YOU'VE ALREADY --
23 WHAT YOU ALREADY SAID IS THAT THE PRIORITIZATION IS
24 GOING TO HAPPEN OUTSIDE OF THE BOARD.

25 DR. FEIGAL: NO. WHAT I'M SAYING --

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN SHEEHY: WELL, YOU'RE SAYING IT'S
2 GOING TO BE REVIEWED, AND THEN THEY'RE GOING TO PICK
3 THE PRIORITIZED PROJECTS, WHICH ARE THEN BROUGHT TO
4 THE --

5 DR. FEIGAL: WE WOULD BRING -- JUST TO BE
6 CLEAR, WE WOULD BRING ALL THE PROJECTS TO THE GRANT
7 REVIEW GROUP, BUT THEY ALREADY GO THROUGH SOME
8 STEPS --

9 CHAIRMAN SHEEHY: WELL, WE'RE TALKING
10 ABOUT 21 PROGRAMS AS I UNDERSTAND. SO I DON'T KNOW
11 WHY THAT CAN'T GO THROUGH A GRANTS WORKING GROUP
12 PROCESS -- SOME OTHER PROCESS WHERE THE BOARD
13 ACTUALLY PICKS THE PRIORITIZED PROJECTS.

14 DR. FEIGAL: THAT'S A FINE SUGGESTION.
15 THIS IS AN OPTION.

16 CHAIRMAN SHEEHY: IT'S NOT A SUGGESTION.
17 IT'S A DECISION POINT FOR THE BOARD.

18 DR. FEIGAL: RIGHT.

19 CHAIRMAN SHEEHY: SO I THINK THE BOARD,
20 GIVEN THAT THERE'S ONLY 21 PROJECTS WE'RE TALKING
21 ABOUT, SHOULD BE -- AND HOW WE -- THIS PROCESS, I'M
22 NOT COMFORTABLE WITH THIS BEING A CDAP PROCESS.

23 DR. FEIGAL: IF I COULD JUST --

24 DR. STEWARD: THIS IS OS. CAN I MAYBE
25 BRING US BACK TO THE POINT HERE? THIS IS ACTUALLY

BARRISTERS' REPORTING SERVICE

1 GOING BACK TO THE SECOND SLIDE. IT MAY OR MAY NOT
2 BE TRUE THAT THE PRIORITIZATION SCHEME ALIGNS WITH
3 THE STRATEGIC PLAN, BUT I THINK IT'S ALSO TRUE THAT
4 THERE ARE OTHER POSSIBLE SCHEMES THAT ALSO WOULD
5 ALIGN WITH THE STRATEGIC PLAN. AND I THINK THAT'S
6 REALLY THE FUNDAMENTAL THING THAT WE NEED TO DISCUSS
7 AT THE BOARD LEVEL. ALL THESE DETAILS DON'T REALLY
8 MATTER IF WE DON'T DECIDE TO PRIORITIZE. AND IN
9 FACT, IN SOME SENSE THE DETAILS OF HOW WE WOULD
10 PRIORITIZE MIGHT ACTUALLY GET WRAPPED UP INTO THE
11 DISCUSSION OF WHETHER TO PRIORITIZE.

12 SO I'M NOT SURE REALLY WHAT WE DON'T NEED
13 IS JUST AN OPEN DISCUSSION OF THE ENTIRE THING
14 REALLY WITH THE QUESTION OF WHETHER. AND THESE
15 THINGS CAN KIND OF WRAP IN.

16 DR. FEIGAL: I AGREE WITH YOU. IF THE
17 BOARD DECIDES NOT TO PRIORITIZE, THEN I AGREE THE
18 SETS POINT DISCUSSIONS ARE MOOT.

19 MR. HARRISON: OS, ARE YOU SUGGESTING THAT
20 THE DECISION ABOUT WHETHER OR NOT TO PRIORITIZE WILL
21 BE AIDED BY HAVING A DISCUSSION OF WHAT
22 PRIORITIZATION WOULD LOOK LIKE IF IT WERE
23 UNDERTAKEN?

24 DR. STEWARD: I THINK THAT IT WOULD BE AT
25 LEAST USEFUL TO HAVE AS A BACKGROUND, BUT NOT AS A

BARRISTERS' REPORTING SERVICE

1 PRESENTATION UP FRONT.

2 DR. FEIGAL: THAT'S FINE.

3 DR. STEWARD: I THINK THAT AS WE GO
4 THROUGH THIS AND THINK ABOUT WHETHER, THERE MIGHT BE
5 SEVERAL DIFFERENT LINES OF CONSIDERATION. SO IF WE
6 DECIDE TO PRIORITIZE, FOR EXAMPLE, WHAT DOES THAT
7 MEAN, HOW MANY? SO THAT MIGHT -- I THINK THAT HAS
8 TO BE WRAPPED UP INTO THE WHETHER.

9 DR. FEIGAL: SO WHAT I WOULD SUGGEST, JUST
10 TO HAVE A LITTLE BIT OF THOUGHT TO INFORM A MORE
11 FLESHED OUT DISCUSSION, IS THESE ARE JUST THOUGHTS,
12 THAT IF THE GWG REVIEWS AND RECOMMENDS PROJECTS,
13 THEY HAVE A MEETING, THEY HAVE A DISCUSSION OF ALL
14 OF THE PROJECTS, AND THEY MAKE THE FINAL
15 RECOMMENDATION OF WHAT GOES TO THE ICOC, AND THE
16 ICOC MAKES THE FINAL APPROVAL. NOW, IF YOU DECIDE
17 NOT TO PRIORITIZE, THAT'S FINE. THIS IS A SCENARIO
18 IN CASE YOU DO, SOME THINGS YOU MAY WANT TO THINK
19 ABOUT. AND WHAT WE'RE SUGGESTING IS THAT
20 PRIORITIZED PROJECTS MIGHT RECEIVE, TAKEN FROM THE
21 ALREADY FUNDS THAT ARE AT LEAST BOOKMARKED FOR
22 DEVELOPMENT WITHOUT DIPPING INTO OTHER FUNDING
23 CATEGORIES, MILESTONE-DRIVEN PROJECTS THROUGH
24 CLINICAL PROOF OF CONCEPT AND DEPLOY EMPLOY
25 INCREASED UTILIZATION OF OUR RESOURCES, INCLUDING

BARRISTERS' REPORTING SERVICE

1 CDAP DISCUSSIONS, TO HELP PUT THEM ON THE RIGHT
2 TRACK. SO SIMILAR TO WHAT THE FDA DOES WITH
3 EXPEDITED PATHWAYS, PRIORITY REVIEW, A VARIETY OF
4 DIFFERENT TERMS YOU COULD USE, IT'S NOT JUST
5 FUNDING. IT'S HOW YOU WORK WITH THE GROUPS TO GET
6 THEM ON THE RIGHT TRACK TO AT THE END OF THE DAY
7 WHAT WE WANT TO HAVE IS PROGRAMS THAT ACTUALLY CAN
8 EFFICIENTLY AND EFFECTIVELY GET INTO THE CLINIC AND
9 BE WELL DESIGNED TO ANSWER THOSE CLINICAL PROOF OF
10 CONCEPT QUESTIONS. AND THIS WAS A PROPOSED TIMELINE
11 FOR DOING IT SHOULD THE BOARD DECIDE THIS IS
12 SOMETHING THEY WANT TO DO.

13 THE NEXT SLIDE IS JUST TALKING ABOUT
14 THINGS TO CONSIDER. THESE ARE THINGS THAT ARE
15 READY, PROBABLY THINGS THAT THE BOARD HAS THOUGHT
16 ABOUT, HAS HEARD ABOUT FOR POTENTIAL CRITERIA, THAT
17 IT'S FOR STEM CELL THERAPIES WHERE THE STEM CELL
18 CONNECTION IS STRONG AND COMPELLING. IT'S FOR
19 PROJECTS WHERE THERE'S A CLEAR OR STRONG PLAN FOR A
20 DEVELOPMENT PATHWAY. WHERE THERE'S A POTENTIAL FOR
21 IF THE PROJECTS WORKS, IT COULD HAVE A MAJOR IMPACT.
22 THERE'S A POTENTIAL THAT THERE MAY BE SOME DISEASES
23 WHERE THERE'S A BIOMARKER OR SOMETHING ACCEPTABLE
24 WHERE YOU EVEN HAVE THE POTENTIAL TO GET AN EARLY
25 READ FOR CLINICAL PROOF OF CONCEPT, AND WHERE YOU

BARRISTERS' REPORTING SERVICE

1 HAVE A STRONG, CREDIBLE TEAM THAT HAS EXPERTISE IN
2 DEVELOPMENT AND HAS THE ABILITY OR BRINGS IN THE
3 EXPERTISE TO EXECUTE ON THEIR PLAN.

4 AND THEN THE LAST SLIDE, IF YOU COULD
5 ADVANCE THAT, MARIA.

6 CHAIRMAN SHEEHY: THAT'S THE LAST SLIDE.

7 DR. FEIGAL: SO THEN THAT'S IT. THOSE ARE
8 JUST BIG PICTURE POINTS TO CONSIDER. SO THIS WAS
9 REALLY JUST FOR DISCUSSION.

10 DR. LUBIN: SO AREN'T THESE THE CRITERIA
11 BEFORE (INAUDIBLE)?

12 DR. FRIEDMAN: COULD I ASK YOU TO SPEAK UP
13 JUST A LITTLE BIT? I'M SORRY.

14 DR. LUBIN: THAT'S MY FAULT.

15 DR. FRIEDMAN: THANK YOU.

16 DR. LUBIN: SO MY QUESTION IS ARE THESE
17 THE CRITERIA THAT WERE CONSIDERED WHEN THE AWARDS
18 WERE INITIALLY MADE? IS THIS SOMETHING NEW? THAT'S
19 ONE.

20 AND SECOND, ARE WE DECIDING THAT SOME
21 PROJECTS THAT WE THOUGHT MET THESE CRITERIA ARE NOT
22 AND WE'RE NOT GOING TO FUND THEM ANY FURTHER? AND
23 SO THOSE ARE TWO -- THOSE ARE QUESTIONS THAT I HAVE.
24 NOT THAT WE'RE MAKING A DECISION. I'M JUST ASKING A
25 QUESTION.

BARRISTERS' REPORTING SERVICE

1 DR. FEIGAL: SO THE NEW PARTS TO THIS IS
2 HAVING MORE EMPHASIS ON WHAT THE DEVELOPMENT PATHWAY
3 COULD LOOK LIKE AS OPPOSED TO THE FIRST CLINICAL
4 TRIAL. TO GO INTO MORE DETAILS ABOUT IF THE PHASE I
5 IS SUCCESSFUL, WHAT WOULD THE PHASE II LOOK LIKE.

6 THE OTHER BULLET POINT IS REALLY ABOUT THE
7 DISEASES. BEFORE WE'VE BEEN COMPLETELY OPEN-ENDED,
8 AND THE THOUGHT IS IF WE'RE TRYING TO GET TO AN
9 EARLY READ OF CLINICAL PROOF OF CONCEPT, THERE MAY
10 BE SOME ADVANTAGES WITH CERTAIN DISEASES WHERE THEY
11 MIGHT HAVE AN ACCEPTABLE BIOMARKER OR SOME EARLY
12 READ. THERE'S SOME DISEASES WHERE THERE MAY BE A
13 LABORATORY TEST THAT'S HIGHLY PREDICTIVE, FOR
14 EXAMPLE, AND SO THE BLOOD DISORDERS AND SOME OF THE
15 INFECTIOUS DISEASE DISORDERS.

16 DR. LUBIN: WHAT WOULD YOU DO IF THERE WAS
17 ONE? WOULD YOU NOT FUND OTHERS? WOULD YOU PUT MORE
18 MONEY INTO THAT ONE, OR WOULD YOU GUYS GET MORE
19 INVOLVED ON A DAY-TO-DAY OR MONTH-TO-MONTH BASIS SO
20 THAT THEY GET TO THE GOAL THAT YOU WANT US TO GET TO
21 OR THE BOARD WANTS THEM TO GET?

22 DR. FEIGAL: SO WHAT WE'RE THINKING OF,
23 AND RIGHT NOW, SINCE YOU'RE ASKING ME, I'LL GIVE YOU
24 WHAT WE WERE THINKING, AND THEN OBVIOUSLY THE
25 DISCUSSIONS AT ARE THE BOARD, BUT WHAT WE WERE

BARRISTERS' REPORTING SERVICE

1 THINKING IS THAT THE CURRENTLY FUNDED PROGRAMS WOULD
2 CONTINUE TO WHAT THEIR END GOAL WAS. NOBODY IS
3 TALKING ABOUT DEFUNDING PEOPLE. RIGHT NOW WE HAVE
4 WHAT I WOULD CALL THE ROUTINE, EFFICIENT WAY. WE
5 WORK WITH GROUPS. THEY ALL GET A LOT OF INPUT AND
6 INTERACTIONS WITH CIRM, AND IN ADDITION THEY GET ONE
7 CDAP PANEL MEETING A YEAR.

8 WHAT WE'RE THINKING OF FOR THESE GROUPS,
9 THAT IN ADDITION TO THE MILESTONE-DRIVEN FUNDING TO
10 GET TO CLINICAL PROOF OF CONCEPT, THEY WOULD GET
11 MORE CONTINUOUS TYPES OF INTERACTION AND ACCESS TO
12 RESOURCES THAT WE COULD DEPLOY. AND WE CAN'T DO
13 THAT WITH 25 DIFFERENT PROJECTS. WE WOULD DO THAT
14 WITH A PRIORITIZED SET OF PROJECTS SIMILAR TO WHAT
15 THE FDA DOES FOR ACCELERATED OR PRIORITY REVIEW.
16 THEY DEPLOY MORE RESOURCES TO HELP THOSE TEAMS.

17 CHAIRMAN SHEEHY: SO COULD WE -- I THINK
18 THAT DR. LUBIN HAS RAISED AN IMPORTANT POINT. SO
19 COULD WE GET A CLEAR DESCRIPTION OF WHAT
20 PRIORITIZATION MEANS? AND MAYBE IF WE COULD GET A
21 SENSE OF WHAT (INAUDIBLE) WOULD BE.

22 DR. FEIGAL: YES, ABSOLUTELY.

23 CHAIRMAN SHEEHY: LET'S FIGURE OUT, WHEN
24 WE SAY PRIORITY, WHAT DOES THAT MEAN?

25 DR. FEIGAL: CAN YOU GO BACK ONE SLIDE?

BARRISTERS' REPORTING SERVICE

1 SO WHAT WE WERE THINKING IS ONE IS THE MONEY. AND
2 WE CAN DEFINITELY BRING YOU WHAT WE'RE THINKING OF
3 FOR WHAT THE MONEY WOULD BE FOR THOSE SLOTS THAT ARE
4 PRIORITIZED. AND TO BE VERY CLEAR, WE'RE NOT
5 TALKING ABOUT DEFUNDING PROJECTS. THOSE WOULD
6 CONTINUE. WHAT WE'RE TALKING ABOUT IS ENHANCED
7 RESOURCES TO MAKE SURE AT LEAST THAT THOSE
8 PRIORITIZED PROJECTS CAN GET TO CLINICAL PROOF OF
9 CONCEPT WITHOUT ANY IMPEDIMENTS AS MUCH AS POSSIBLE.
10 THAT'S WHAT WE'RE TALKING ABOUT.

11 CHAIRMAN SHEEHY: CAN WE GET A LITTLE BIT
12 MORE DETAIL AND A LITTLE BIT MORE GRANULARITY SO
13 THAT --

14 DR. FEIGAL: THAT'S FINE. I CAN GIVE YOU
15 ACTIVITIES AND A BUDGET TO GO WITH THOSE ACTIVITIES
16 IF YOU'D LIKE. AND THAT I CAN EASILY DO.

17 MS. BAUM: AND I THINK THAT THIS SORT OF
18 INTERSECTS IN MANY WAYS WITH THE PUBLIC/PRIVATE
19 INITIATIVE THAT'S UNDER WAY WHERE THEY TALK ABOUT AN
20 ACCELERATOR. AND THEY HAVE A SLIDE, CATEGORIES OF
21 VERY DETAILED TYPE OF SERVICE. SO THAT COULD SHED
22 LIGHT.

23 AND I WANT TO ALSO OFFER UP ONE MORE
24 DECISION POINT THAT MIGHT BE APPLICABLE FOR YOUR
25 CONSIDERATION, AND THAT IS AS PART OF THIS PROCESS,

BARRISTERS' REPORTING SERVICE

1 THAT THE PRIORITY PROJECTS GET A PREDETERMINED NEXT
2 ROUND OF FUNDING FOR THE NEXT PHASE IF MILESTONES
3 ARE MET.

4 DR. FEIGAL: THAT'S WHAT I'M SUGGESTING IN
5 THAT BULLET. SO WHAT I'M SUGGESTING IS SINCE WE
6 CAN'T DO IT FOR ALL PROJECTS. AND THE OTHER THING
7 THE BOARD COULD CONSIDER IS SOME OF THOSE PROJECTS
8 ARE GOING TO DROP OUT. AND SO THE THOUGHT IS THAT
9 WE STILL HAVE SOME SORT OF SOLICITATION OR SOME SORT
10 OF MECHANISM TO BRING IN THINGS THAT COULD BE
11 PRIORITIZED TO FILL THAT SLOT. SO IT'S NOT THAT
12 THOSE THINGS THAT AREN'T IN THE FIRST ROUND OF
13 PRIORITIZATION DON'T HAVE A POTENTIAL OPPORTUNITY TO
14 ENTER IT BECAUSE I DON'T EXPECT EVERYTHING TO ENTER
15 THE DEVELOPMENT PROGRAM.

16 CHAIRMAN SHEEHY: SO YOU'RE ANTICIPATING A
17 POROUS FRONT DOOR?

18 DR. FEIGAL: I'M ANTICIPATING WE SHOULD BE
19 ABLE TO ACCOMMODATE THAT.

20 DR. LUBIN: DO WHAT? SAY THAT AGAIN,
21 JEFF.

22 CHAIRMAN SHEEHY: A POROUS FRONT DOOR SO
23 THAT PROJECTS WOULD FALL OFF, WHICH WE ALL KNOW
24 THAT, AND THAT ALSO THE POSSIBILITY THEN MORE
25 PROJECTS -- LET OTHER PROJECTS COME INTO THE

BARRISTERS' REPORTING SERVICE

1 PRIORITY DECISION PROCESS.

2 DR. LUBIN: SO MY QUESTION WOULD BE HOW IS
3 THE BOARD GOING TO SET UP PRIORITIES FOR CERTAIN
4 AREAS TO AGREE TO IT AND ADD ADDITIONAL STEPS SO
5 THAT WE KNOW THE PRODUCT AND GOAL BENEFITS PATIENTS?
6 THAT'S REALLY WHAT WE'RE TRYING TO DO. HOW IS THE
7 BOARD GOING TO MAKE, IF IT'S THE HIV PROJECT --

8 DR. FEIGAL: THE GWG MAKES THAT
9 RECOMMENDATION.

10 CHAIRMAN SHEEHY: I THINK THAT THAT'S WHAT
11 WE'RE GOING TO TALK ABOUT. NO. 1, DO WE WANT TO DO
12 THAT? AND NO. 2, WE'RE GOING TO MAKE DECISION
13 POINTS FOR THE BOARD TO DECIDE WHAT THE PROCESS WILL
14 LOOK LIKE FOR DOING THAT. AND IF YOU LOOK, IF YOU
15 LOOK AT THIS OTHER DOCUMENT, AND LOOK AT PAGE, I
16 GUESS, PAGE 2 OF THE OUTLINE OR MAYBE PAGE 3. AND
17 JUST LOOK.

18 DR. LUBIN: YEAH. I SEE THAT.

19 CHAIRMAN SHEEHY: AND LOOK AT THE
20 CRITERIA. THE CRITERIA DON'T NECESSARILY MATCH, BUT
21 MAYBE IF WE COULD DIRECT JAMES AND MARIA TO KIND OF
22 GET ALL OF THIS TO KIND OF, ONE, WHAT THE CRITERIA
23 ARE, WHAT THE PROCESS WILL BE SO THAT THE BOARD HAS
24 REALLY CLEAR DECISION POINTS AND THEY'RE LINED OUT.
25 AND IF ANYBODY ELSE, THE PROCESS, I DON'T THINK WE

BARRISTERS' REPORTING SERVICE

1 NEED TO GO INTO MORE DETAILS ABOUT WHAT THAT PROCESS
2 MIGHT BE. IN TERMS OF CRITERIA, WE PUT DOWN SOME,
3 AND THANK YOU, OS, AND DR. FEIGAL HAS PUT SOME DOWN.
4 IF PEOPLE SEE, LOOKING UNDER THE CRITERIA, EVEN IF
5 YOU COME UP AFTER THIS MEETING WITH OTHER CRITERIA
6 THAT SHOULD BE PUT IN FOR THE BOARD TO LOOK AT. AND
7 THAT'S ASSUMING THAT WE DO DECIDE TO PRIORITIZE AND
8 WE CAN COME UP WITH A PROCESS, THIS IS A WAY OF
9 REALLY GETTING A GOOD LOOK AT THE CRITERIA.

10 DR. FEIGAL: CAN I ASK YOU A QUESTION?
11 WHAT I DIDN'T PROVIDE, BECAUSE I DIDN'T THINK WE
12 WANTED TO TALK ABOUT THAT GROUP, WHAT TYPES OF
13 INFORMATION A GRANTS WORKING GROUP REALLY WANTS TO
14 SEE BECAUSE THAT WOULD BE DRIVEN BY THE CRITERIA.
15 BUT IF YOU'D LIKE, SOMETIME BETWEEN NOW AND THE
16 BOARD, IF WE COULD JUST HAVE A DISCUSSION ON THE
17 TYPE OF EITHER BACKGROUND DOCUMENT OR PRESENTATION
18 THAT WOULD BE USEFUL TO HAVE AN INFORMED DISCUSSION,
19 AND I'LL BE COMPLETELY RECEPTIVE TO WHAT THOSE
20 INPUTS ARE. I PUT THIS TOGETHER BECAUSE I ACTUALLY
21 THOUGHT THIS ADDRESSED SOME OF THE ISSUES, AND YOU
22 MIGHT BE INTERESTED IN WHAT WE WERE THINKING IN
23 TERMS OF SOME OF THOSE THINGS.

24 AND THEN AFTER THIS MEETING, WE CAN TALK
25 ABOUT HOW TO GET THE APPROPRIATE AMOUNT OF MATERIAL

BARRISTERS' REPORTING SERVICE

1 SO THAT WE CAN HAVE A DISCUSSION.

2 DR. FRIEDMAN: SO, MR. CHAIRMAN AND ELLEN,
3 THIS IS MIKE FRIEDMAN. IF I COULD JUST OFFER A
4 COUPLE OF SUGGESTIONS. OBVIOUSLY THERE'S BEEN A LOT
5 OF THINKING AND, ELLEN, WITH YOU AND THE REST OF THE
6 STAFF TRYING TO CLARIFY AND MAKE SPECIFIC YOUR
7 SUGGESTIONS FOR US TO BREAK DOWN THESE VERY
8 COMPLICATED ISSUES. LET ME SHARE WITH YOU ALL WHAT
9 I WOULD FIND MOST USEFUL AT THE NEXT MEETING, AND I
10 FULLY UNDERSTAND THIS MAY NOT BE THE WAY PEOPLE WANT
11 TO DO. I STRONGLY AGREE WITH OUR CHAIR THAT WE
12 SHOULD HAVE, FIRST, THE DECISION OF DO WE WANT TO
13 PRIORITIZE OR NOT. AND I WOULD ACTUALLY STRUCTURE
14 THESE AS SPECIFIC QUESTIONS WITH SPECIFIC AMOUNT OF
15 TIME DEVOTED TO ALLOWING THE BOARD TO DISCUSS THIS.
16 AND IF THERE HAS TO BE PUBLIC DISCUSSION THAT'S
17 FINE, AND THEN STRUCTURE A VOTE. BECAUSE THAT WILL
18 DECIDE WHETHER OR NOT WE CONTINUE DOWN THAT PATHWAY.

19 THE SECOND SET OF CONCERNS THAT I THINK,
20 IF WE DO DECIDE THAT WE WANT TO PRIORITIZE, AND I'LL
21 TRY HARD NOT TO GIVE MY PREJUDICE IN THIS BECAUSE
22 WE'RE NOT MAKING DECISIONS TODAY OR LOBBYING, IF WE
23 DECIDE TO PRIORITIZE, THEN I THINK WE WANT TO MAKE
24 SOME BROAD JUDGMENTS ABOUT DO WE WANT TO INVEST MORE
25 OR LESS OR ANYTHING IN BASIC RESEARCH? DO WE WANT

BARRISTERS' REPORTING SERVICE

1 TO INVEST IN EDUCATION? AND, AGAIN, I'M NOT SAYING
2 THESE ARE GOOD THINGS OR BAD THINGS. I'M JUST
3 SAYING THESE ARE THE SORT OF BROAD STROKES. THERE
4 WILL BE SOME PEOPLE ON THE BOARD WHO WILL SAY I WANT
5 TO MOVE TO PRACTICAL APPLICATIONS NOW. THERE ARE
6 OTHER PEOPLE ON THE BOARD WHO WILL SPEAK
7 PASSIONATELY ABOUT THE VALUE OF BASIC SCIENCE AND
8 SAY NO, NO, YOU CAN NEVER HAVE ENOUGH BASIC SCIENCE
9 INFRASTRUCTURE. WE SHOULD CONTINUE TO SUPPORT THAT.

10 AGAIN, I'M NOT ARGUING EITHER WAY. I'M
11 JUST SAYING THOSE ARE IMPORTANT DECISION POINTS.

12 THE NEXT KIND OF BROAD DECISION POINT WILL
13 BE CLUSTERED AROUND DO WE WANT TO HAVE SOME DISEASE
14 REPRESENTATION, OR DO WE JUST WANT TO PICK THE BEST
15 PLAYER AVAILABLE AT THAT MOMENT? AND IF JOAN WERE
16 ON THE CALL, SHE WOULD BE ARGUING PASSIONATELY FOR
17 CERTAIN DISEASE REPRESENTATION BECAUSE THAT'S BEEN
18 HER PERSPECTIVE. AND I RESPECT THAT. THERE ARE
19 OTHERS ON THE BOARD WHO MAY NOT NECESSARILY AGREE
20 WITH THAT.

21 IF WE DECIDE THAT WE SHOULD HAVE DISEASE
22 REPRESENTATION, THAT LEADS US DOWN ONE PATH VERSUS
23 THAT, OH, NO, WE'LL JUST TAKE THE BEST OPPORTUNITY,
24 BEST CLINICAL IMPACT, WHATEVER IT IS NO MATTER WHERE
25 IT COMES.

BARRISTERS' REPORTING SERVICE

1 HAVING BIG QUESTIONS LIKE THAT WITH VERY
2 FINITE AMOUNTS OF TIME WILL, I THINK, ALLOW US TO
3 THEN GET TO THE ISSUES, ELLEN, THAT YOU'VE RAISED,
4 WHICH IS IF WE CHOOSE TO GO IN A CERTAIN DIRECTION,
5 WHAT MIGHT THE MECHANISM BE FOR PROSECUTING THAT?
6 AND I THINK IT'S REALLY VALUABLE, BUT I THINK IT WAS
7 OS WHO SAID EARLIER OR SOMEBODY LET'S NOT GET INTO
8 THE DETAILS OF HOW WE WOULD DO THIS RIGHT NOW.
9 LET'S DECIDE WHAT WE WANT TO DO, AND THEN I'M SURE
10 WE CAN FIGURE OUT A WAY TO MAKE IT HAPPEN. AND I'M
11 SORRY TO HAVE TAKEN SO LONG.

12 DR. STEWARD: THIS IS OS. AND, MICHAEL, I
13 THINK YOU'VE SUMMARIZED IT ABSOLUTELY PERFECTLY.

14 DR. FEIGAL: THE ONLY CAVEAT, OF COURSE,
15 IS TIME AND JUST WHATEVER DECISION IS MADE, WHATEVER
16 DISCUSSIONS NEED TO BE MADE, OBVIOUSLY IT MAY BE THE
17 DISCUSSION WOULD TAKE PLACE IN A CRISP WAY SO THAT A
18 DECISION IS CLEARLY MADE SO THAT THERE'S AN
19 OPPORTUNITY TO MAKE AN IMPACT ON HOW THINGS ARE
20 SHAPED BECAUSE AFTER A CERTAIN POINT IN TIME, THERE
21 WON'T REALLY BE AN OPPORTUNITY TO RESHAPE THINGS.

22 DR. FRIEDMAN: ELLEN --

23 DR. FEIGAL: SO THAT'S SOMETHING THAT'S
24 PART OF THE DISCUSSION.

25 DR. FRIEDMAN: I'M SORRY IF I DIDN'T SAY

BARRISTERS' REPORTING SERVICE

1 THIS CLEARLY. I AGREE WITH YOU STRONGLY. IF MR.
2 HARRISON AND IF J.T., IF THIS FITS WITH ALLOWABLE
3 RULES, THAT WE WOULD HAVE VERY DEFINED PERIODS OF
4 TIME FOR DISCUSSION. IT WOULD BE LIKE SPEED DATING
5 FOR IMPORTANT ISSUES IN STEM CELL RESEARCH. WE'D
6 HAVE A SPECIFIC AMOUNT OF TIME FOR DISCUSSION AND
7 CONSIDERATION, A CRISP UP-OR-DOWN VOTE, AND THEN
8 MOVE ON TO THE NEXT ONE. SO THAT I THINK THIS
9 IS -- IT WILL TAKE A LOT OF TIME. I ACTUALLY THINK
10 IT WILL BE A LITTLE BIT EXHAUSTING BECAUSE THESE ARE
11 HUGE IMPLICATIONS AND VERY COMPLICATED, AND THERE'S
12 NO EASY RIGHT OR WRONG ANSWER UNDER THESE
13 CIRCUMSTANCES, BUT THAT THIS WILL GIVE THE STAFF AND
14 THE BOARD THE DIRECTION IN WHICH TO PROCEED.

15 CHAIRMAN SHEEHY: I THINK YOU MADE A GOOD
16 POINT, DR. FRIEDMAN. AND I THINK ALSO THESE ARE ALL
17 THINGS THAT AS BOARD MEMBERS WE'VE BEEN THINKING
18 ABOUT IN ONE WAY OR ANOTHER. SO MAYBE THE CHAIR AS
19 HE CHAIRS THIS MEETING, MAYBE WE ALL DON'T NEED TO
20 EXPRESS OUR OPINIONS. AND KIND OF GET THE MAIN
21 ARGUMENTS OUT THERE, AND THEN OUR OPINION IS OUR
22 VOTE. I THINK PEOPLE WILL HAVE OPINIONS, AND WE
23 WON'T NECESSARILY NEED TO HAVE EVERY SINGLE
24 MEMBER'S --

25 MR. HARRISON: FORTUNATELY WE DID SET

BARRISTERS' REPORTING SERVICE

1 ASIDE THE FULL DAY FOR THIS DISCUSSION. WE'LL TRY
2 TO KEEP TO A TIGHT TIMELINE.

3 CHAIRMAN SHEEHY: I JUST WANTED, DO OTHER
4 MEMBERS ON THE LINE WANT TO OFFER UP ANY OTHER
5 THOUGHTS OR ANYTHING? THANK YOU, DR. FRIEDMAN.
6 IT'S BEEN REALLY HELPFUL.

7 CHAIRMAN THOMAS: I THINK MICHAEL
8 SUMMARIZED IT PERFECTLY. I THINK WE'VE GOT TO KEEP
9 ORDER IN DEFINED TIMEFRAMES FOR THE DISCUSSION OF
10 EVERY TOPIC OR ELSE WE'LL JUST HAVE THINGS THAT CAN
11 GO ON AND ON AND GET ENDLESS OPINIONS ON AND GIVE
12 SHORT SHRIFT TO OTHER THINGS. WE HAVE TO BE VERY
13 DISCIPLINED ABOUT THE WAY WE ADDRESS EACH OF THE
14 ISSUES.

15 MS. FEIT: I AGREE WITH DR. FRIEDMAN. I
16 THINK HE SUMMARIZED IT PERFECTLY. THANK YOU.

17 DR. LUBIN: SO WHEN CIRM WAS PUT TOGETHER,
18 WAS IT TO ADDRESS ECONOMICS OF DISEASES IN
19 CALIFORNIA? AND IS THAT A PARAMETER AT ALL FOR US
20 TO CONSIDER IN THESE DECISIONS OR NOT?

21 CHAIRMAN SHEEHY: I THINK THAT'S A VALID
22 CRITERIA TO PUT UP FOR DISCUSSION.

23 DR. FEIGAL: THIS IS JUST A STRAW OPTION,
24 SO YOU CAN BRING UP.

25 DR. LUBIN: BUT I'M RAISING THE QUESTION

BARRISTERS' REPORTING SERVICE

1 IS THIS A PARAMETER WE WANT TO THINK ABOUT?

2 CHAIRMAN SHEEHY: I THINK THAT'S A GOOD
3 POINT. SO IF I'M CORRECT IN SUMMARIZING THE SENSE
4 OF THE COMMITTEE, WE WILL ADDRESS DR. FRIEDMAN'S
5 HIGH LEVEL CONSIDERATIONS. AND THEN DEPENDING ON
6 HOW THOSE VOTES GO, WE WILL DROP DOWN TO OTHER
7 LEVELS OF DECISION-MAKING. DOES THAT SEEM LIKE A
8 GOOD -- THE RECOMMENDATION OF THIS COMMITTEE TO
9 THE -- AND I DON'T THINK WE NEED TO TAKE A VOTE, DO
10 WE? -- TO THE BOARD? DOES THAT KIND OF SUMMARIZE
11 PEOPLE'S VIEWS? AM I CORRECT, MR. HARRISON AND
12 MARIA, THAT YOU GUYS HAVE EVERYTHING YOU NEED?

13 MS. BONNEVILLE: IN SOME FORM OR FASHION,
14 YES.

15 CHAIRMAN SHEEHY: AND STAFF?

16 DR. FEIGAL: I THINK WE'LL FOLLOW UP THIS
17 DISCUSSION WITH YOU.

18 CHAIRMAN SHEEHY: IS THERE ANYTHING ELSE
19 PEOPLE ON THE PHONE WOULD LIKE TO ADD? AND IF
20 THERE'S NOT, I GUESS I'LL TAKE PUBLIC COMMENT IF
21 THERE IS ANY AT ANY OF THE SITES OR HERE AT CIRM.
22 WELL, UNLESS SOMEBODY HAS SOMETHING ELSE, I THINK
23 WE'RE READY TO ADJOURN. OS, ARE YOU OKAY WITH THAT?

24 DR. STEWARD: YES, ABSOLUTELY. THANKS TO
25 EVERYONE.

BARRISTERS' REPORTING SERVICE

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CHAIRMAN SHEEHY: THANK YOU VERY MUCH.
THANK YOU, DR. FRIEDMAN, FOR HELPING US GET TO WHERE
WE NEEDED TO GO, BY THE WAY.

DR. FRIEDMAN: THANK YOU. I LOVE WORKING
WITH THIS GROUP.

CHAIRMAN THOMAS: THANKS, EVERYBODY.
(THE MEETING WAS THEN CONCLUDED AT
10:18 A.M.)

BARRISTERS' REPORTING SERVICE

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE SCIENCE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD ON NOVEMBER 22, 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.

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