

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

LOCATION: HYATT REGENCY SAN FRANCISCO AIRPORT
1333 BAYSHORE HIGHWAY
BURLINGAME, CALIFORNIA

DATE: APRIL 30, 2014
9 A.M.

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

BRS FILE NO.: 96126

BARRISTERS' REPORTING SERVICE

I N D E X

ITEM DESCRIPTION NO.	PAGE
OPEN SESSION	
1. CALL TO ORDER.	3
2. PLEDGE OF ALLEGIANCE.	3
3. ROLL CALL.	3
CLOSED SESSION	
4. DISCUSSION OF PERSONNEL [PRESIDENTIAL SEARCH] (GOVERNMENT CODE SECTION 11126, SUBDIVISION (A); HEALTH & SAFETY CODE SECTION 125290.30(F) (3) (D)).	4
OPEN SESSION	
5. CONSIDERATION OF APPOINTMENT OF NEW PRESIDENT, INCLUDING COMPENSATION PACKAGE.	6
6. PUBLIC COMMENT	

BARRISTERS' REPORTING SERVICE

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APRIL 30, 2014; 9 A.M.

CHAIRMAN THOMAS: MARIA, WILL YOU PLEASE
LEAD US IN THE ALLEGIANCE AND THEN CALL THE ROLL.
THANK YOU.

(THE PLEDGE OF ALLEGIANCE.)

CHAIRMAN THOMAS: ROLL CALL, PLEASE.

MS. BONNEVILLE: DAVID BRENNER. SUE
BRYANT. LARS BERGLUND.

DR. BERGLUND: YES.

MS. BONNEVILLE: ANNE-MARIE DULIEGE.
ELIZABETH FINI. MICHAEL FRIEDMAN.

DR. FRIEDMAN: HERE.

MS. BONNEVILLE: JUDY GASSON.

DR. GASSON: HERE.

MS. BONNEVILLE: SAM HAWGOOD. STEVE
JUELSGAARD.

DR. JUELSGAARD: HERE.

MS. BONNEVILLE: BERT LUBIN.

DR. LUBIN: HERE.

MS. BONNEVILLE: SHLOMO MELMED. LLOYD
MINOR.

DR. MINOR: HERE.

MS. BONNEVILLE: JOE PANETTA.

MR. PANETTA: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: FRANCISCO PRIETO.

2 DR. PRIETO: HERE.

3 MS. BONNEVILLE: ROBERT QUINT.

4 DR. QUINT: HERE.

5 MS. BONNEVILLE: AL ROWLETT.

6 MR. ROWLETT: HERE.

7 MS. BONNEVILLE: JOAN SAMUELSON. JEFF

8 SHEEHY.

9 MR. SHEEHY: HERE.

10 MS. BONNEVILLE: OS STEWARD.

11 DR. STEWARD: HERE.

12 MS. BONNEVILLE: JONATHAN THOMAS.

13 CHAIRMAN THOMAS: HERE.

14 MS. BONNEVILLE: ART TORRES. CHRISTINA

15 VUORI.

16 DR. VUORI: HERE.

17 MS. BONNEVILLE: DONNA WESTON.

18 DR. WESTON: HERE.

19 MS. BONNEVILLE: DIANE WINOKUR.

20 MS. WINOKUR: HERE.

21 CHAIRMAN THOMAS: I'D LIKE TO THANK

22 EVERYBODY FOR COMING THIS MORNING. AS YOU KNOW,

23 TODAY IS THE CULMINATION OF A MULTIPLE MONTH PROCESS

24 THAT WE'VE HAD TO IDENTIFY AND SELECT A NEW

25 PRESIDENT FOR CIRM TO REPLACE DR. TROUNSON, WHO WILL

BARRISTERS' REPORTING SERVICE

1 BE RETURNING TO AUSTRALIA FOR THE NEXT CHAPTER IN
2 HIS PROFESSIONAL AND PERSONAL LIFE, GETTING BACK TO
3 HIS FAMILY.

4 WHAT WE'RE GOING TO DO TODAY IS WE'RE
5 GOING TO ADJOURN HERE IN A MINUTE INTO CLOSED
6 SESSION, AND THEN WE WILL HAVE A DISCUSSION ABOUT
7 THE CANDIDATES, ETC. AND WE WILL -- AND THIS IS FOR
8 THE BENEFIT OF THOSE MEMBERS OF THE PUBLIC WHO ARE
9 IN THE ROOM. THIS WILL BE A PROCESS THAT IS GOING
10 TO TAKE A LITTLE WHILE. EVERYBODY CAN APPRECIATE.
11 AT THE END OF THE DISCUSSION, WE WILL RECONVENE IN
12 PUBLIC SESSION TO REPORT ANY RESULTS THAT HAVE COME
13 OUT OF CLOSED SESSION AND THEN TAKE IT FROM THERE.

14 SO I GUESS WITHOUT FURTHER ADO, JAMES,
15 COULD YOU STIPULATE THE RELEVANT SECTION THAT WE ARE
16 USING TO ADJOURN INTO CLOSED SESSION.

17 MR. HARRISON: YES. THE BOARD WILL BE
18 CONVENING IN CLOSED SESSION TO DISCUSS PERSONNEL
19 PURSUANT TO GOVERNMENT CODE SECTION 11126 AND HEALTH
20 AND SAFETY CODE SECTION 125290.30(F)(3)(D).

21 CHAIRMAN THOMAS: THANK YOU, JAMES. SO
22 MEMBERS OF THE PUBLIC, IF YOU'D BE SO KIND AS TO
23 ADJOURN FROM THE ROOM HERE FOR A WHILE, AND WE WILL
24 NOTIFY YOU WHEN OPEN SESSION RECONVENES IN A BIT.
25 THANK YOU VERY MUCH.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: FOR THOSE OF YOU ON THE
2 PHONE, BOARD MEMBERS, IF YOU COULD HANG UP AND
3 REDIAL INTO THE CLOSED SESSION NUMBER. THANKS.

4 (THE BOARD THEN RECONVENED IN CLOSED
5 SESSION, NOT REPORTED, NOR HEREIN TRANSCRIBED. AT
6 THE CONCLUSION OF CLOSED SESSION, THE BOARD
7 RECONVENED IN OPEN SESSION AND WAS HEARD AS
8 FOLLOWS:)

9 CHAIRMAN THOMAS: OKAY. I'D LIKE TO CALL
10 THIS MEETING BACK TO ORDER IN OPEN SESSION. AS WE
11 SAID EARLIER THIS MORNING, THE BOARD TODAY IS AT THE
12 FINAL STAGE OF SELECTING A NEW PRESIDENT FOR CIRM.
13 IT COMES AT A TIME WHEN CIRM'S PORTFOLIO IN THE
14 SPACE OF CELLULAR THERAPY AND REGENERATIVE MEDICINE
15 IS SECOND TO NONE. WE'VE HAD TREMENDOUS GROWTH OVER
16 THE PAST TEN YEARS IN TERMS OF FUNDING RESEARCH
17 CURRENTLY IN 39 INCURABLE DISEASES AND CONDITIONS,
18 HAVING FUNDED SOME 65 EITHER MEDICAL SCHOOLS,
19 RESEARCH INSTITUTIONS, OR BIOTECH COMPANIES
20 THROUGHOUT THE STATE OF CALIFORNIA, ALL OF WHICH,
21 THROUGH THE WISDOM OF THE VOTERS OF CALIFORNIA, HAS
22 TRANSFORMED THE STATE INTO THE EPICENTER OF STEM
23 CELL RESEARCH IN THE WORLD.

24 WE NOW REACH A TIME IN OUR CIRM LIFE,
25 WHICH IS SORT OF MIDLIFE, WHERE THE BOARD, AFTER

BARRISTERS' REPORTING SERVICE

1 CONSIDERABLE DISCUSSION, HAS DETERMINED THAT WE
2 WANTED TO PLACE INCREASING EMPHASIS ON PROJECT
3 DEVELOPMENT, GETTING OUR MANY DIFFERENT ELEMENTS OF
4 OUR TRANSLATIONAL PORTFOLIO THROUGH CLINICAL TRIALS
5 TOWARDS PROOF OF CONCEPT IN AS PRUDENT AND
6 EXPEDITIOUS A MANNER AS POSSIBLE.

7 AS A RESULT, WHEN WE WENT OUT NOW SEVERAL
8 MONTHS AGO TO ADVERTISE FOR THE POSITION OF
9 PRESIDENT, WE MADE IT CLEAR IN THE CRITERIA THAT
10 WERE LISTED ON THE WEBSITE THAT WE WERE LOOKING FOR
11 SOMEBODY WHO HAD A COMBINATION OF THE FOLLOWING
12 CRITERIA: FAMILIARITY WITH THE STEM CELL SPACE,
13 SOMEBODY WITH A LONG TRACK RECORD OF MANAGEMENT
14 EXPERIENCE IN BIOTECH, IDEALLY SOMEBODY WHO IS
15 FAMILIAR WITH US AND WE WITH HIM OR HER, SOMEBODY
16 WHO HAD A GREAT DEAL OF HANDS-ON EXPERIENCE WITH THE
17 CLINICAL TRIAL PROCESS, LIKEWISE WITH THE REGULATORY
18 PROCESS AND ALL THAT GOES INTO IT, PARTICULARLY IN
19 THE FIELD OF CELLULAR THERAPY WHERE IT'S BEEN A
20 PROCESS OF EDUCATING THE REGULATORS ON THIS NEW AND
21 EMERGING TECHNOLOGY, WANTED SOMEBODY WHO HAD
22 EXPERIENCE IN RAISING CAPITAL FOR HIS OR HER
23 ENTERPRISE WHICH WOULD BE ABLE TO BE BROUGHT TO BEAR
24 HERE TO ASSIST ME AND OUR TEAM IN GOING OUT TO RAISE
25 ALTERNATIVE FUNDS FOR THE AGENCY, AND SOMEBODY WHO

BARRISTERS' REPORTING SERVICE

1 COULD COME IN AND SORT OF TAKE A FRESH LOOK, TAKE
2 STOCK OF WHAT WE HAVE HERE AT CIRM, OUR MANY
3 WONDERFUL PROGRAMS, OUR EXTRAORDINARY PORTFOLIO,
4 COME AND EVALUATE WHAT WE'RE DOING RIGHT, WHAT WE'RE
5 DOING THAT COULD BENEFIT FROM SOME ADJUSTMENT, AND
6 TO GUIDE CIRM IN THIS MIDLIFE, MORE DEVELOPMENTAL
7 PHASE INTO THE NEXT GREAT STEP.

8 OBVIOUSLY THE PERSON COMING IN SUCCEEDING
9 DR. ALAN TROUNSON, WHO OVER THE PAST SIX YEARS HAS
10 PRESIDED OVER THIS EFFORT AND HAS LED US TO THE
11 POINT WE ARE AT WITH OUR 90 SOME ODD PROJECTS IN OUR
12 TRANSLATIONAL PORTFOLIO, HAS KEPT CIRM ALWAYS ON THE
13 CUTTING-EDGE IN THE REGENERATIVE MEDICINE SPACE, AND
14 HAS POSITIONED US TO BE WORLD LEADERS IN THAT SPACE
15 FOR WHICH WE THANK HIM FOR HIS MANY CONTRIBUTIONS IN
16 GETTING US TO THE POSITION THAT WE ARE TODAY.

17 HAVING SAID ALL OF THAT, NOW IT IS MY
18 PLEASURE TO INTRODUCE THE PERSON WHO HAS COME
19 THROUGH OUR PROCESS, WHICH WAS AN EXTENSIVE ONE,
20 WHERE WE GARNERED CONSIDERABLE INTEREST FROM MANY
21 CANDIDATES THROUGH THE AID OF KORN FERRY, A
22 PREEMINENT SEARCH FIRM WHO HELPED US IN THIS REGARD,
23 WE CAME WITH A SLATE WHICH KORN FERRY AND MEMBERS OF
24 THE PRESIDENTIAL SEARCH SUBCOMMITTEE, WHOM I
25 CONVENED BACK LAST OCTOBER, WHITTLED DOWN TO SEVEN

BARRISTERS' REPORTING SERVICE

1 THAT WERE INTERVIEWED IN OBVIOUSLY CLOSED SESSION,
2 CONFIDENTIAL SESSION, A COUPLE OF WEEKS AGO. WE
3 AROSE FROM THAT WITH A CONSENSUS THAT ONE CANDIDATE
4 ROSE ABOVE ALL ELSE AND WOULD BE ABLE TO TAKE CIRM
5 FROM THE CONSIDERABLE POSITION WE ARE IN
6 REGENERATIVE MEDICINE TODAY ON TO OUR NEXT BIGGER
7 AND GREATER PHASE.

8 THAT PERSON I'M HAPPY NOW TO INTRODUCE TO
9 THE PUBLIC, AND HE IS RANDY MILLS. RANDY, COULD YOU
10 COME UP TO THE PODIUM, PLEASE? RANDY IS A PERSON
11 WELL-KNOWN TO CIRM, HAVING SERVED FOR FIVE YEARS AS
12 A FREQUENT MEMBER OF OUR GRANTS WORKING GROUP. WE
13 ARE KNOWN TO HIM AS HE IS KNOWN TO US. RANDY WAS
14 MOST RECENTLY TEN YEARS THE CEO OF OSIRIS
15 THERAPEUTICS, A LEADING STEM CELL PRODUCT COMPANY
16 THAT HAS GROWN UNDER HIS LEADERSHIP FROM A SMALL
17 COMPANY TEN YEARS AGO TO ONE THAT WAS VERY
18 SUCCESSFUL IN THE SPACE.

19 HE BRINGS WITH HIM GREAT MANAGEMENT
20 EXPERTISE, GREAT KNOWLEDGE OF THE STEM CELL WORLD,
21 MUCH HANDS-ON EXPERIENCE IN CLINICAL TRIALS THROUGH
22 OSIRIS, MANY, MANY, MANY HOURS OF DEALINGS WITH
23 REGULATORY AGENCIES BOTH IN THE UNITED STATES,
24 CANADA, AND NEW ZEALAND. RANDY IS SOMEBODY WHO
25 RAISED SOME \$160 MILLION IN THE CAPITAL MARKET FOR

BARRISTERS' REPORTING SERVICE

1 OSIRIS, VERY FAMILIAR WITH THE INVESTOR SPACE, AND
2 IS SOMEBODY WHO I THINK WILL BE THE PERFECT CHOICE
3 TO LEAD CIRM IN ITS MIDLIFE NEW CAPACITY TO WHERE WE
4 WANT TO GO.

5 HE'LL BRING A FRESH SET OF EYES, WILL BE
6 ABLE TO HELP WORK WITH OUR WONDERFUL STAFF ON
7 DIRECTION GOING FORWARD, WHAT TO EMPHASIZE, WHAT
8 NOT, ETC. WE COULD NOT BE HAPPIER TO MAKE THIS
9 CHOICE. AND SO WITHOUT FURTHER ADO, LET ME TURN IT
10 OVER TO RANDY FOR A FEW COMMENTS.

11 DR. MILLS: THANK YOU. THANK YOU VERY
12 MUCH, JON, FOR THOSE INCREDIBLY KIND WORDS. USUALLY
13 I WOULD SAY SOMETHING FUNNY RIGHT NOW, BUT I CAN'T
14 THINK OF ANYTHING. SO I'M GOING TO GO WITH SINCERE.
15 I AM SO INCREDIBLY HONORED TO BE SELECTED TO BE THE
16 NEXT LEADER OF CIRM, OF THIS INCREDIBLE
17 ORGANIZATION, OF THIS INCREDIBLE VISION, THIS
18 INCREDIBLE THOUGHT, THIS INCREDIBLE CONCEPT TO SAY
19 ABOVE NOT JUST ANY OTHER STATE, BUT LITERALLY ANY
20 OTHER COUNTRY, CALIFORNIA IS GOING TO TAKE THE LEAD
21 IN REGENERATIVE MEDICINE AND SHOW THE REST OF THE
22 WORLD THE TYPE OF POTENTIAL TO IMPACT FAVORABLY ON
23 PATIENT'S LIVES THAT CELL THERAPY AND REGENERATIVE
24 MEDICINE HAS. AND I JUST WANT TO THANK EVERYONE
25 INVOLVED IN THE SELECTION PROCESS. IT'S AN

BARRISTERS' REPORTING SERVICE

1 INCREDIBLE HONOR. I LOOK FORWARD TO DOING IT. IT'S
2 GOING TO BE A CHALLENGE.

3 I AM A REALLY BIG BELIEVER IN WELL DONE IS
4 BETTER THAN WELL SET. AND SO WE'RE GOING TO WORK ON
5 THAT, AND WE'RE GOING TO WORK REALLY HARD. AND THE
6 PROMISE I MADE TO YOU, TO THE ENTIRE BOARD AND TO
7 THE PEOPLE OF CALIFORNIA, IS THAT WE ARE GOING TO
8 WORK RELENTLESSLY FOR THE BENEFIT OF THE PATIENTS
9 AND THE PEOPLE OF THE STATE OF CALIFORNIA. THANK
10 YOU.

11 (APPLAUSE.)

12 CHAIRMAN THOMAS: THANK YOU. THANK YOU
13 VERY MUCH, RANDY. MR. SENATOR, DO YOU HAVE A
14 MOTION?

15 MR. TORRES: I WILL DEFER TO MR.
16 JUELSGAARD AND I'LL SECOND HIS MOTION ONCE HE'S MADE
17 IT.

18 DR. JUELSGAARD: I'D LIKE TO MOVE THAT C.
19 RANDALL MILLS BE APPOINTED AS PRESIDENT OF THE
20 CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE.

21 MR. TORRES: I SECOND THAT MOTION.

22 CHAIRMAN THOMAS: WE NEED TO -- IT'S BEEN
23 MOVED AND SECONDED. WE NEED TO HAVE JAMES LAY OUT
24 THE COMPENSATION PACKAGE AND HAVE THAT INCORPORATED
25 INTO THE MOTION AS WELL. JAMES.

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1 MR. HARRISON: THE COMPENSATION TERMS FOR
2 THE APPOINTMENT OF DR. MILLS AS PRESIDENT AND CHIEF
3 EXECUTIVE OFFICER OF CIRM ARE AS FOLLOWS: HIS START
4 DATE WILL BE NEGOTIATED BETWEEN DR. MILLS AND CHAIR
5 THOMAS. AS SOME OF YOU KNOW, THE SALARY RANGE FOR
6 PRESIDENT OF CIRM IS CURRENTLY \$303,761 TO \$575,446.
7 AND DR. MILLS WILL BE APPOINTED AT A SALARY OF
8 \$550,000 ANNUALLY. CIRM WILL REIMBURSE DR. MILLS
9 FOR MOVING EXPENSES AND TEMPORARY HOUSING AS
10 PROVIDED FOR UNDER STATE LAW. HE WILL BE ENTITLED
11 TO A RELOCATION ALLOWANCE UNDER CIRM POLICY OF
12 \$75,000 PAYABLE OVER A FOUR-YEAR PERIOD, 40 PER
13 CENT. . .

14 (THE AUDIO PORTION OF THE MEETING WAS
15 INTERRUPTED BY A POWER FAILURE AND NOT REINSTATED.
16 THE FOLLOWING IS PROVIDED TO COMPLETE THE RECORD:)

17 "MR. HARRISON CONTINUED TO OUTLINE THE
18 TERMS OF DR. MILLS' APPOINTMENT FOLLOWING THE POWER
19 FAILURE. THESE TERMS ARE REFLECTED IN THE BOARD'S
20 MINUTES. MR. JUELGAARD THEN MADE A MOTION,
21 SECONDED BY MR. TORRES, TO APPOINT DR. MILLS AS CIRM
22 PRESIDENT AND CEO ON THE TERMS RECITED BY MR.
23 HARRISON. AFTER PUBLIC COMMENT, THE BOARD
24 UNANIMOUSLY APPROVED THE MOTION AND THE MEETING WAS
25 ADJOURNED. "

BARRISTERS' REPORTING SERVICE

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(THE MEETING WAS THEN CONCLUDED.)

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 SPECIAL MEETING HELD AT THE LOCATION INDICATED BELOW

HYATT REGENCY SAN FRANCISCO AIRPORT
1333 BAYSHORE HIGHWAY
BURLINGAME, CALIFORNIA
ON
APRIL 30, 2014

WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS WERE 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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