

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

LOCATION: CALIFORNIA INSTITUTE FOR
REGENERATIVE MEDICINE
1999 HARRISON STREET, SUITE 1650
OAKLAND, CALIFORNIA

DATE: JUNE 29, 2017
9 A.M.

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

FILE NO.: 2017-15

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

| ITEM DESCRIPTION | PAGE NO. |
|---|----------|
| REPORTS & DISCUSSION ITEMS | |
| 1. CALL TO ORDER. | 4 |
| 2. PLEDGE OF ALLEGIANCE. | 4 |
| 3. ROLL CALL. | 4 |
| 4. CHAIRMAN'S REPORT. | 7 |
| 5. PRESIDENT'S REPORT. | 47 |
| PROPOSED CONSENT CALENDAR ITEMS | |
| 6. CONSIDERATION OF APPOINTMENT OF SCIENTIFIC MEMBERS TO THE GRANTS WORKING GROUP. | 114 |
| ACTION ITEMS | |
| 7. CONSIDERATION OF APPLICATIONS SUBMITTED IN RESPONSE TO THE DISC 2 PROGRAM ANNOUNCEMENT - PARTNERING OPPORTUNITY FOR DISCOVERY STAGE RESEARCH PROJECTS: THE QUEST AWARDS | 115 |
| 8. CONSIDERATION OF APPLICATIONS SUBMITTED IN RESPONSE TO CLIN 1: PARTNERING OPPORTUNITY FOR LATE STAGE PRECLINICAL PROJECTS AND CLIN2: PARTNERING OPPORTUNITY FOR CLINICAL TRIAL STAGE PROJECTS. | 131 |
| 9. CONSIDERATION OF CIRM BUDGET FOR FISCAL YEAR 2017-2018. | 26 |
| 10. CONSIDERATION OF RESOLUTION FOR JAMES HARRISON. | 95 |
| 11. CONSIDERATION OF RESOLUTION FOR RANDY MILLS. | 71 |

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X (CONT' D.)

12. CONSIDERATION OF APPOINTMENT OF DR. MARIA MILLAN AS INTERIM CIRM PRESIDENT/CEO. 89

CLOSED SESSION ---

13. DISCUSSION OF CONFIDENTIAL INTELLECTUAL PROPERTY OR WORK PRODUCT, PREPUBLICATION DATA, FINANCIAL INFORMATION, CONFIDENTIAL SCIENTIFIC RESEARCH OR DATA, AND OTHER PROPRIETARY INFORMATION RELATING TO CLIN 1: PARTNERING OPPORTUNITY FOR LATE STAGE PRECLINICAL PROJECTS, CLIN 2: PARTNERING OPPORTUNITY FOR CLINICAL TRIAL STAGE PROJECTS AND DISC 2 PROGRAM QUEST AWARDS (HEALTH & SAFETY CODE 125290.30(F) (3) (B) AND (C)).

14. DISCUSSION OF PERSONNEL: APPOINTMENT OF INTERIM PRESIDENT/CEO (GOVERNMENT CODE SECTION 11126, SUBDIVISION (A); HEALTH & SAFETY CODE SECTION 125290.30(F) (3) (D)).

DISCUSSION ITEMS

15. CLINICAL PROGRAM UPDATES. 143

16. PUBLIC COMMENT. NONE

1 BURLINGAME, CALIFORNIA; THURSDAY, JUNE 29, 2017

2 9 A.M.

3

4 CHAIRMAN THOMAS: GOOD MORNING, EVERYBODY.
5 LIKE TO WELCOME EVERYONE TO OUR JUNE 29, 2017,
6 REGULAR MEETING OF THE ICOC AND APPLICATION REVIEW
7 SUBCOMMITTEE. MARIA, WILL YOU PLEASE LEAD US IN THE
8 PLEDGE OF ALLEGIANCE.

9 (THE PLEDGE OF ALLEGIANCE.)

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

12 MS. BONNEVILLE: GEORGE BLUMENTHAL.

13 DR. BLUMENTHAL: HERE.

14 MS. BONNEVILLE: LINDA BOXER. KEN BURTIS.

15 DR. BURTIS: HERE.

16 MS. BONNEVILLE: DEBORAH DEAS. JACK
17 DIXON.

18 DR. DIXON: HERE.

19 MS. BONNEVILLE: ANNE-MARIE DULIEGE.

20 DR. DULIEGE: HERE.

21 MS. BONNEVILLE: HOWARD FEDEROFF. JUDY
22 GASSON.

23 DR. GASSON: HERE.

24 MS. BONNEVILLE: DAVID HIGGINS.

25 DR. HIGGINS: HERE.

1 MS. BONNEVILLE: STEPHEN JUELGAARD.
2 MR. JUELGAARD: HERE.
3 MS. BONNEVILLE: SHERRY LANSING. KATHY
4 LAPORTE. BERT LUBIN.
5 DR. LUBIN: HERE.
6 MS. BONNEVILLE: LINDA MALKAS.
7 DR. MALKAS: HERE.
8 MS. BONNEVILLE: SHLOMO MELMED.
9 DR. MELMED: HERE.
10 MS. BONNEVILLE: LAUREN MILLER.
11 MS. MILLER: HERE.
12 MS. BONNEVILLE: ADRIANA PADI LLA.
13 DR. PADI LLA: HERE.
14 MS. BONNEVILLE: JOE PANETTA. FRANCISCO
15 PRIETO.
16 DR. PRIETO: HERE.
17 MS. BONNEVILLE: CARMEN PULI AFITO.
18 DR. PULI AFITO: HERE.
19 MS. BONNEVILLE: ROBERT QUINT.
20 DR. QUINT: HERE.
21 MS. BONNEVILLE: AL ROWLETT.
22 MR. ROWLETT: HERE.
23 MS. BONNEVILLE: JEFF SHEEHY. OSWALD
24 STEWARD. JONATHAN THOMAS.
25 CHAIRMAN THOMAS: HERE.

1 MS. BONNEVILLE: ART TORRES.

2 MR. TORRES: HERE.

3 MS. BONNEVILLE: KRISTINA VUORI.

4 DR. VUORI: HERE.

5 MS. BONNEVILLE: DIANE WINOKUR.

6 MS. WINOKUR: HERE.

7 CHAIRMAN THOMAS: THANK YOU, MARIA.

8 FIRST ORDER OF BUSINESS, WANT TO INTRODUCE
9 THE NEWEST MEMBER OF OUR BOARD, DR. LINDA MALKAS
10 FROM CITY OF HOPE TO MY RIGHT. WE ARE DELIGHTED TO
11 HAVE YOU HERE, AND PERHAPS YOU COULD GIVE THE GROUP
12 A BIT OF BACKGROUND ON YOURSELF.

13 DR. MALKAS: I'M SO VERY HONORED TO BE
14 PART OF THIS GROUP. I HAIL FROM NEW YORK CITY.
15 FORGIVE ME. I AM CURRENTLY THE DEPUTY DIRECTOR FOR
16 THE CITY OF HOPE COMPREHENSIVE CANCER CENTER AS WELL
17 AS A PROFESSOR OF MOLECULAR AND CELL BIOLOGY THERE.

18 MY RESEARCH OBVIOUSLY IS IN THE AREA OF
19 CANCER, INTERESTED IN GENOMIC INSTABILITY,
20 BIOMARKER, AND DRUG DISCOVERY. I ACTUALLY HAVE A
21 SMALL MOLECULE THAT I HAVE DEVELOPED AND BRINGING TO
22 THE CLINIC HOPEFULLY IN THE SPRING OF THIS COMING
23 YEAR, THIS COMING 2018. ONLY TOOK 18 YEARS TO GET
24 THERE.

25 CHAIRMAN THOMAS: THANK YOU VERY MUCH,

1 LINDA.

2 SO PROCEED NOW TO THE CHAIR'S REPORT.
3 OBVIOUSLY WE'VE HAD SOME MAJOR DEVELOPMENTS IN
4 LEADERSHIP AND SAGE COUNSEL, BUT WE WILL GET TO
5 THOSE A LITTLE BIT LATER IN THE AGENDA HERE.

6 WANTED TO TELL THE BOARD ABOUT A NUMBER OF
7 THINGS THAT HAVE HAPPENED SINCE OUR LAST IN-PERSON
8 MEETING IN FEBRUARY. AS SOME OF YOU KNOW, THE
9 PROPOSITION 71 WAS CHALLENGED DURING THE INTERIM
10 THROUGH A STATE CONSTITUTIONAL AMENDMENT THAT WAS
11 PROPOSED BY STATE SENATOR MORLACH OF IRVINE, SCA 7,
12 WHICH, IF PASSED BY THE LEGISLATURE, WOULD HAVE PUT
13 ON THE BALLOT THE IDEA OF REPEALING PROPOSITION 71.
14 WE WERE NOT ENTIRELY SURE WHAT THE REASONS WERE THAT
15 SENATOR MORLACH HAD IN MIND FOR PROPOSING THAT
16 CONSTITUTIONAL AMENDMENT.

17 BUT NOTWITHSTANDING THAT, WE HAD A MEETING
18 THAT WE WENT TO THAT WAS CONVENED BY THE SENATE
19 HEALTH COMMITTEE IN SACRAMENTO AT WHICH THERE WAS
20 TESTIMONY PRO AND CON FOR THE PROPOSED AMENDMENT. I
21 SPOKE ON BEHALF OF CIRM; SENATOR MORLACH SPOKE ON
22 BEHALF OF HIS BILL. THERE WERE COMMENTS GIVEN BY
23 BOTH SIDES. SENATOR TORRES AND MARIA BONNEVILLE
24 WERE THERE AND VERY MUCH INVOLVED, AND OUR ESTEEMED
25 COMMUNICATIONS DIRECTOR, MR. MCCORMACK AS WELL.

1 SO WE GAVE THE TESTIMONY, AND THE NET
2 RESULT WAS THAT THE COMMITTEE DID NOT VOTE TO PASS
3 THE BILL ALONG ANY FURTHER, AND THAT WAS THE END OF
4 IT. BUT I JUST WANTED EVERYBODY TO KNOW THAT THAT
5 HAD TAKEN PLACE OUT THERE AND THAT THAT WAS THE
6 RESULT.

7 SENATOR, WOULD YOU LIKE TO ADD ANYTHING ON
8 THAT?

9 MR. TORRES: SENATOR MORLACH WAS ONE OF
10 THE ORIGINAL NO SIGNERS ON THE INITIATIVE IN 2004
11 WHEN HE WAS SERVING AS ORANGE COUNTY'S TREASURER.
12 AND HE HAD NO MORAL OPPOSITION TO OUR WORK OTHER
13 THAN THE FISCAL USE OF BOND FINANCING. THAT WAS HIS
14 BASIC TENET. AND THE DEMOCRATS ON THE COMMITTEE, OF
15 WHICH THEY WERE THE MAJORITY, WISELY DECIDED THAT
16 THIS REPEAL WAS NOT NECESSARY AND THAT WE SHOULD
17 CONTINUE IN OUR GOOD WORK.

18 HE HAD SOME GOOD REPORTS FROM J.T. ON THE
19 NUMBER OF CLINICAL TRIALS AND SOME OF THE ISSUES
20 THAT THEY WERE NOT AWARE OF. AND WE WILL CONTINUE
21 TO EDUCATE THEM IN TERMS OF RESULTS THAT WE OBTAIN
22 IN THE FUTURE.

23 CHAIRMAN THOMAS: I'D JUST LIKE TO SAY
24 THAT SENATOR TORRES DOES A TERRIFIC JOB OF KEEPING,
25 NOT JUST MEMBERS OF THE LEGISLATURE, BUT ALL

1 CALIFORNIA MEMBERS OF CONGRESS AND OUR SENATORS
2 APPRISED OF DEVELOPMENTS AT CIRM AND OF PROJECTS
3 THAT AFFECT THEIR PARTICULAR REGIONS SO THEY ARE
4 VERY MUCH UP TO SPEED ON WHAT WE DO IN REAL TIME.
5 ART IS BARELY OUT THE DOOR OF THE MEETING BEFORE HE
6 HAS SENT OFF THE UPDATES. AND IT IS VERY, VERY
7 HELPFUL, TO SAY THE LEAST.

8 AND I THINK I JUST WANTED TO GIVE A
9 PARTICULAR SHOUT-OUT TO ART FOR ALL HE DOES IN
10 HELPING US WITH SACRAMENTO AND WASHINGTON IN MANY
11 OTHER WAYS. SO, SENATOR TORRES, THANK YOU VERY
12 MUCH.

13 I WANTED TO TELL THE BOARD LAST WEEK WAS
14 THE ANNUAL MEETING OF ISSCR. THIS TIME IT TOOK
15 PLACE IN BOSTON. AS YOU KNOW, IT MOVES AROUND THE
16 COUNTRY OR THE WORLD ANNUALLY. THERE WERE MANY
17 REPRESENTATIVES FROM INSTITUTIONS IN CALIFORNIA WHO
18 ATTENDED AND PRESENTED AT ISSCR.

19 AS ALWAYS, THERE WAS A LOT OF DISCUSSION
20 ABOUT CIRM IN GENERAL AND ABOUT WHAT A BIG PART OF
21 THE REGENERATIVE MEDICINE WORLD CIRM IS AND HOW
22 IMPORTANT THE WORK IS THAT WE DO AND WHAT A
23 TREMENDOUS IMPACT THROUGH OUR BRILLIANT SCIENTISTS
24 THROUGHOUT THE STATE THAT CIRM HAS ON THE FIELD IN
25 GENERAL.

1 SO I JUST WANTED TO PASS THAT ALONG TO
2 YOU. WE CONTINUE TO BE THE ENVY OF THE STEM CELL
3 WORLD BASED ON THE WISDOM OF THE VOTERS. AND WE'RE
4 VERY HAPPY TO HEAR THAT, BUT WE HEAR THAT EVERY
5 YEAR, BUT IT'S NICE TO CONTINUE TO HEAR THAT.

6 I THINK IF YOU HAD ATTENDED ISSCR, YOU
7 WOULD HAVE HEARD, AS IS ALWAYS THE CASE, THAT THE
8 PACE OF RESEARCH IS PICKING UP. EVERY YEAR IT IS.
9 THERE ARE MORE AND MORE OF GREAT INTEREST THAT
10 SCIENTISTS AROUND THE WORLD ARE WORKING ON, AND IT'S
11 THE ONE INSTANCE OVER THE COURSE OF THE YEAR WHERE
12 THEY ALL COME TOGETHER. AND IT'S A MULTIDAY AFFAIR.
13 THERE ARE MANY PRESENTATIONS, AND YOU REALLY GET A
14 FEEL FOR JUST EXACTLY WHAT'S GOING ON. AND IT IS,
15 AS ALWAYS, QUITE REMARKABLE AND EXCITING.

16 ONE OF THE THINGS THAT WAS INTERESTING I
17 THOUGHT THE BOARD MIGHT LIKE TO HEAR. THERE WAS --
18 THIS IS SORT OF BY WAY OF DESCRIBING JUST EXACTLY
19 HOW IMPORTANT AND BIG A PART OF THE GAME CIRM IS.
20 THERE WERE SOME STATS GIVEN ON THE AMOUNT OF
21 RESEARCH IN HUMAN PLURIPOTENT STEM CELLS. SO THIS
22 WOULD INCLUDE BOTH EMBRYONIC AS WELL AS IPS, AND THE
23 FOLLOWING NUMBERS WERE PRESENTED.

24 BETWEEN 1998 AND 2006 -- I'M SORRY -- 16,
25 NIH HAS PUT OUT \$1.24 BILLION IN PLURIPOTENT STEM

1 CELL RESEARCH. SAME YEARS, THE EUROPEAN EU COUNCIL
2 HAS PUT OUT -- IN THAT AREA INVESTED 425.8 MILLION.
3 2000 TO 2016, THE JAPANESE GOVERNMENT HAS INVESTED
4 175.3 MILLION. AND 2002 TO 2016, THE UK, THROUGH
5 THE MRC, HAS PUT OUT 71.8 MILLION. IN THAT SAME
6 TIME FRAME, THE U.S. HAS PUT OUT 972 MILLION -- I'M
7 SORRY -- CIRM HAS PUT OUT 972 MILLION JUST IN
8 PLURIPOTENT STEM CELL RESEARCH ALONE. SO YOU CAN
9 SEE BY COMPARISON OF THE OTHERS WHO ARE PUTTING
10 FUNDING INTO THAT AREA, WE HAVE A VERY LARGE
11 PERCENTAGE OF THAT.

12 JUST HASTEN TO POINT OUT, THE OFFICIAL
13 SOURCES THAT REPORTED FROM WHICH THEY GOT THIS DATA
14 DID NOT INCLUDE CANADA, AUSTRALIA, INDIA, OR CHINA
15 FOR COMPARATIVE PURPOSES, NOR DID THEY REPORT ON THE
16 INVESTMENT OF PRIVATE ENTITIES SUCH AS NYSCF,
17 MICHAEL J. FOX, ETC.

18 TO DATE IN THE FIELD THERE HAVE BEEN
19 12,000 PUBLICATIONS BY 32,000 INVESTIGATORS FROM
20 4,084 RESEARCH ORGANIZATIONS ACROSS 80 COUNTRIES.
21 SO YOU CAN SEE THIS IS, AS IT HAS BEEN NOW FOR A
22 NUMBER OF YEARS, A WORLDWIDE PHENOMENON.

23 PATENTS FILED INVOLVING HUMAN PLURIPOTENT
24 STEM CELLS: EUROPE, THERE HAVE BEEN 1869, U.S. 472,
25 JAPAN 126, KOREA 106, ISRAEL 76, HONG KONG 27

1 AMONGST THE NUMBERS GIVEN. WORLDWIDE THERE ARE
2 CURRENTLY 18 CLINICAL TRIALS OR STUDEAS INVOLVING
3 HUMAN PLURIPOTENT STEM CELLS. SOME HAVE ENDED,
4 OTHERS ARE ONGOING. CIRM CURRENTLY HAS THREE OF
5 THOSE 18. THOSE WOULD THE HUMAYAN AMD PROJECT,
6 ASTERIAS AND VIACYTE.

7 JUST LAST STAT ON THIS, TO DATE 27 PERCENT
8 OF OUR PLATFORM DEALS WITH ESC PROJECTS, AND THAT
9 COVERS THE FULL RANGE OF PROJECTS ACROSS OUR
10 PORTFOLIO.

11 SO I JUST THOUGHT YOU'D LIKE TO HEAR THAT.
12 AND, AGAIN, YOU CAN SEE THAT CIRM, AS A FUNCTION OF
13 OTHER FUNDING SOURCES, IS A VERY, VERY PROMINENT
14 PLAYER.

15 NEXT I WOULD LIKE TO REPORT TO YOU. WE
16 HAD AN INTERESTING MEETING. THE ARMY HAD A
17 REPRESENTATIVE, THROUGH THE U.S. ARMY MEDICAL
18 RESEARCH COMMAND, HAD A PRESENTER AT CIRM AT A
19 FUNCTION SEVERAL WEEKS AGO. THE ARMY WAS NOT
20 PARTICULARLY FAMILIAR WITH CIRM AND FELT THAT,
21 BECAUSE OF THE WORK THAT THEY'RE DOING FOR THEIR
22 WOUNDED WARRIORS, THAT IT BEHOVED THEM TO LEARN
23 MORE ABOUT WHAT WE DO. SO THEY ASKED TO HAVE A
24 MEETING THAT THEY COULD COME AND HEAR WHAT WE'RE
25 DOING, THEY TELL US WHAT THEY'RE DOING.

1 AND SO A MEETING WAS CONVENED BY
2 DRS. CREASE AND OLSON AND OTHER MEMBERS OF THE TEAM
3 AT CIRM. AND THE ARMY SHOWED UP WITH TEN DIFFERENT
4 PEOPLE TO HEAR ABOUT WHAT WE WERE DOING.

5 AND SO I JUST WROTE DOWN A FEW NOTES HERE.
6 THE MAIN TAKEAWAYS -- AND IT WAS A VERY INTERESTING
7 DISCUSSION AND THESE PEOPLE WERE VERY ENGAGED AND I
8 MIGHT SAY EXTREMELY IMPRESSED WITH WHAT CIRM DOES
9 AND ALL THE SYSTEMS WE HAVE PUT IN PLACE. THIS WILL
10 BE ECHOED BY DR. MILLS IN HIS REPORT ABOUT A MEETING
11 WITH ANOTHER ENTITY, WHICH I'LL LET HIM DESCRIBE
12 WHEN HE GETS TO, BUT IT WAS VERY MUCH THE SAME SORT
13 OF RESPONSE.

14 SO THE TAKEAWAYS: EACH ORGANIZATION HAD A
15 COMMON SENSE MISSION AND URGENCY AROUND THE NEED FOR
16 TREATMENTS FOR UNMET MEDICAL NEEDS. EACH
17 ORGANIZATION VIEWS STEM CELLS AND REGENERATIVE
18 MEDICINE AS A FOUNDATIONAL TECHNOLOGY FOR MEETING
19 THIS NEED. FOCUS AREAS FOR THE MEDICAL RESEARCH
20 COMMAND COMPLEMENTS CIRM PROGRAMS AND PRIORITIES,
21 INCLUDING IN THE AREAS OF MUSCLE AND JOINT INJURY,
22 BONE AND CARTILAGE REPAIR, SPINAL CORD INJURY, BURN
23 AND SKIN REPAIR. WHAT WAS PARTICULARLY INTRIGUING
24 IS THE POTENTIAL FOR PLATFORMS THAT CIRM
25 INVESTIGATORS ARE DEVELOPING IN THESE PRIORITY AREAS

1 TO BE APPLIED IN MILITARY MEDICINE. FOR EXAMPLE,
2 OUR EFFORTS AROUND PEDIATRIC SKIN DISEASE MAY HAVE
3 APPLICATION TO OTHER ASPECTS OF SKIN REPAIR.

4 THEY WERE ALSO VERY IMPRESSED WITH OUR
5 PEER REVIEW GWG PROCESS AND VIEWS CIRM AS AN HONEST
6 BROKER THAT IS IDENTIFYING THE MOST PROMISING
7 PROGRAMS IN THE REGENERATIVE MEDICINE SPACE. THERE
8 WAS CONSIDERABLE INTEREST IN FURTHER EVALUATION OF
9 CIRM'S PORTFOLIO AND THERE IS A POTENTIAL FOR
10 MEDICAL RESEARCH COMMAND TO EXPAND THE SCOPE OF
11 THOSE PROGRAMS.

12 SO I THINK THAT WE WERE DELIGHTED TO SIT
13 DOWN. AND THE NEXT STEPS ON THAT, THEY ARE GOING TO
14 BE GETTING BACK TO US FOR FURTHER DISCUSSION ON HOW
15 WE MIGHT PROCEED TOGETHER.

16 I'D LIKE TO REPORT THAT, OVER THE COURSE
17 OF THE LAST FOUR MONTHS AS WELL, WE HAD A SECOND
18 ANNUAL ALPHA STEM CELL CLINIC SYMPOSIUM, AT WHICH --
19 THIS WAS HELD IN DR. MALKAS' BACKYARD AT CITY OF
20 HOPE. IT WAS ONE OF THE BEST EVENTS, I FEEL, THAT
21 I'VE SEEN IN MY YEARS HERE. THERE WAS TREMENDOUS
22 TURNOUT. THE FORMAT WAS OUTSTANDING. MANY OF THE
23 SPEAKERS GOT UP AND SPOKE IN ALMOST TED TALK
24 FASHION. THEY WERE REALLY PREPARED. THERE WERE
25 DESCRIPTIONS OF A NUMBER OF PROJECTS THAT ARE GOING

1 ON IN THE ALPHA STEM CELL CLINICS.

2 THERE WERE SEVERAL PANELS, I WAS ON ONE,
3 THAT I THOUGHT WERE JUST REALLY INFORMATIVE. AND I
4 THINK EVERYBODY WHO CAME AWAY FROM THAT JUST FELT
5 GREAT ABOUT THE ALPHA STEM CELL CLINIC PROGRAM, HOW
6 MUCH PROGRESS IT'S MADE, HOW MANY CLINICAL TRIALS,
7 BOTH CIRM-FUNDED AND NON-CIRM-FUNDED, ARE IN THE
8 ALPHA CLINIC NETWORK NOW. IT JUST WAS REALLY
9 EXCELLENT.

10 SHOUT-OUT TO GEOFF LOMAX, WHO IS ONE OF
11 THE PRINCIPALLY RESPONSIBLE PARTIES TO DR. MILLAN,
12 TO OTHER MEMBERS OF THE TEAM. I RECOMMEND THAT NEXT
13 YEAR. I BELIEVE IT'S GOING TO BE HELD AT UCLA.
14 WE'LL GIVE THE BOARD AMPLE NOTICE. IF ANY OF YOU
15 HAVE THE OPPORTUNITY TO ATTEND THIS DAY, IT IS
16 REALLY SOMETHING. YOU WILL COME AWAY FEELING GREAT
17 ABOUT THIS ALPHA STEM CELL CLINIC PROGRAM THAT WE
18 HAVE NOW HAD IN PLACE FOR SEVERAL YEARS.

19 AS YOU MAY KNOW, WE HAVE THREE CURRENTLY.
20 A COMBINATION ONE AT UCLA AND UC IRVINE, ONE AT CITY
21 OF HOPE, AND ONE AT UCSD. WE HAVE GONE OUT ASKING
22 FOR PROPOSALS FOR ANOTHER TWO, AND WE'LL BE GOING TO
23 THE GWG IN FAIRLY SHORT ORDER TO ADDRESS THAT, AND
24 ARE LOOKING TO ADD UP TO ANOTHER TWO TO THE MIX TO
25 FURTHER THIS OUTSTANDING PROGRAM.

1 THERE WERE A NUMBER OF OTHER SYMPOSIA THAT
2 ARE NOW ROUTINELY PUT ON BY OUR VARIOUS STEM CELL
3 CENTERS AROUND THE STATE. THERE WAS ONE AT UCSD
4 WHICH, AS THEY TEND TO DO, HIGHLIGHTED THE WORK OF
5 THE FOLKS AT THE INSTITUTION HOSTING THE SYMPOSIUM.
6 IT WAS, AS THESE ALWAYS WERE, VERY INFORMATIVE, AND
7 YOU GOT A VERY NICE FEEL FOR EXACTLY WHAT THE RANGE
8 OF PROJECTS ARE THAT ARE BEING UNDERTAKEN AND THE
9 RESEARCH DONE AT UCSD.

10 FROM TIME TO TIME, WE GO TO SACRAMENTO TO
11 GET NEW AUTHORIZATION FOR FUNDING FOR THE ENSUING
12 PERIOD. THE MEETING AT THE STATE TREASURER'S OFFICE
13 CONVENES AT WHICH WE GO UP AND THEY KINDLY AUTHORIZE
14 THE ISSUANCE OF MORE BONDS OR COMMERCIAL PAPER TO
15 FUND A CERTAIN AMOUNT OF RESEARCH THAT WILL COME IN
16 THE PERIODS FOLLOWING THAT. WE'VE DONE THIS NOW
17 ROUTINELY EVERY YEAR OR PERHAPS A BIT MORE, AND THAT
18 AUTHORIZATION WENT THROUGH WITHOUT A HITCH.

19 LAST THING I'D LIKE TO MENTION IS, AS YOU
20 KNOW, OUR FUNDING AT THE MOMENT IS DUE TO EXPIRE IN
21 2020. THE LEGISLATURE HAS ASKED THAT WE PUT
22 TOGETHER AND START THINKING ABOUT A TRANSITION PLAN
23 WHICH CAN CONTEMPLATE A VARIETY OF FACTORS. I WOULD
24 LIKE TO TELL THE BOARD THAT I AM GOING TO CONVENE A
25 WORKING GROUP COMPRISED OF MEMBERS OF THE BOARD WHO

1 ARE INTERESTED TO BE INVOLVED IN THIS AS WELL AS
2 MEMBERS OF THE TEAM TO START EXAMINING ALL THE
3 DIFFERENT FACTORS THAT NEED TO BE CONSIDERED IN THE
4 PROCESS OF PUTTING TOGETHER A TRANSITION PLAN. AND
5 WELCOME ANYBODY WHO IS ON THE BOARD WHO WOULD BE
6 INTERESTED IN JOINING INTO THAT EFFORT TO LET ME
7 KNOW AND WE WILL PROCEED ACCORDINGLY.

8 SO THAT CONCLUDES THE CHAIR'S REPORT, OR
9 ACTUALLY DOESN'T CONCLUDE. IT CONCLUDES AT THE END
10 OF THE MEETING WITH COMMENTS ABOUT A COUPLE OF OUR
11 VERY AUGUST COLLEAGUES, BUT FOR THE MOMENT THAT IS
12 IT, AND THEN ANY COMMENTS OR QUESTIONS. IF NOT, I
13 WILL TURN NEXT TO -- YES, MR. SHEEHY. I'M SORRY.
14 MR. SUPERVISOR.

15 MS. LANSING: THIS IS SHERRY. I HAVE A
16 QUESTION ALSO.

17 SUPERVISOR SHEEHY: I JUST, PER YOUR LAST
18 ITEM, SO I TALKED TO BOB KLEIN. THERE'S NO PLAN TO
19 GO TO THE VOTERS FOR A REAUTHORIZATION BEFORE 2020.
20 SO AS YOU THINK ABOUT TRANSITION, I MEAN REALLY WHAT
21 ARE WE TRYING TO DO? IS THIS A PLAN TO CONTINUE THE
22 AGENCY? IS THIS A PLAN TO WIND UP THE AGENCY?
23 WHAT'S THE GOAL HERE?

24 CHAIRMAN THOMAS: MR. JUELGAARD.

25 DR. JUELGAARD: YEAH, JEFF, SO I'VE

1 ALREADY PUT A LITTLE BIT THOUGHT TO THIS. I BROUGHT
2 THE SUBJECT UP AT THE BUDGET REVIEW FOR THE BUDGET
3 SUBCOMMITTEE EARLIER THIS YEAR. AND SO I THINK WE
4 NEED TO DEVELOP SEVERAL DIFFERENT SIDE-BY-SIDE
5 PLANS. SO THERE ARE ULTIMATELY THREE POSSIBILITIES,
6 RIGHT. THE ONE THAT'S MOST LOOMING IS THE ENDING OF
7 CURRENT FUNDING AT SOME POINT IN THE FUTURE. RIGHT
8 NOW WE'RE TARGETING 2020. LET ME ABOUT TALK THAT.
9 HOWEVER, WE'RE THE ONES WHO CAN DETERMINE WHEN THAT
10 FUNDING WILL END. IF WE THINK IT'S BETTER TO RUN
11 PAST 2020 TO GIVE OURSELVES MORE RUNWAY, THEN WE
12 SHOULD FORMULATE A PLAN THAT WOULD ALLOW US TO GO TO
13 2021 OR EVEN A LITTLE BIT BEYOND THAT TO SEE WHAT
14 HAPPENS. SO NOTHING IS CAST IN STONE YET EXACTLY
15 WHEN WE'RE GOING TO END UP WITH OUR FUNDING.

16 THE SECOND ONE WOULD BE THE OPPORTUNITY TO
17 HAVE A NEW BOND MEASURE PASSED, LET'S SAY, IN 2020.
18 SO WHAT'S THE PLAN? IF THAT WERE TO HAPPEN, THEN
19 THE THIRD ONE IS GOING BACK TO THE OLD
20 PRIVATE-PUBLIC PARTNER APPROACH WHICH, AS I
21 UNDERSTAND IT, IS STILL ON THE TABLE.

22 SO, IN ANY EVENT, I THINK WHAT WE NEED ARE
23 SIDE-BY-SIDE PLANS THAT LOOK AT ALL OF THOSE, THAT
24 AS TIME GOES ON AND IT BECOMES CLEAR WHICH OF THOSE
25 IS LIKELY TO OCCUR, WE CAN JUST PUT IT INTO PLAY.

1 THE ONE THAT'S MOST LIKELY TO BE PUT INTO PLAY IS
2 THE ONE THAT ENDS THE ORGANIZATION. AND THEN IF ONE
3 OF THE OTHERS COMES IN AFTER THE FACT, WE CAN THEN
4 PLUG IT IN AND CONTINUE ON.

5 CHAIRMAN THOMAS: SO, MR. SUPERVISOR, THE
6 ANSWER TO, I THINK, YOUR QUESTION IS ALL OF THE
7 ABOVE, WHICH IS THE PURPOSE OF CONVENING THE
8 TRANSITION SUBCOMMITTEE TO EVALUATE ALL THE
9 DIFFERENT OPTIONS THAT WE HAVE TO CONSIDER AND WHAT
10 THE FACTORS WILL BE WITH EACH.

11 SUPERVISOR SHEEHY: I GUESS MY QUESTION
12 ALSO IS SO THE ONLY ROUTE TO REFUNDING THAT WE'RE
13 CURRENTLY CONSIDERING IS RELYING ON BOB KLEIN TO GO
14 BACK TO THE BALLOT. SO WE'RE NOT CONTEMPLATING
15 DISCUSSIONS WITH THE LEGISLATURE, WHICH COULD PUT US
16 ON THE BALLOT AT AN EARLIER POINT, OR, YOU KNOW,
17 EVEN PERHAPS THINKING -- I DON'T KNOW IF THERE'S ANY
18 TOLERANCE FOR FUNDING, BUT IT JUST ALWAYS STRUCK ME
19 AS ODD IN THIS ENTIRE PROCESS THAT, AS WE STARTED TO
20 COME TO THE END OF OUR FIRST TRANCHE OF FUNDING, WE
21 HAVEN'T ACTUALLY PLANNED ON ANY ENGAGEMENT WITH THE
22 LEGISLATURE OR STATE GOVERNMENT, WHICH SEEMS UNUSUAL
23 TO ME AS A STATE AGENCY.

24 DR. DIXON: THAT'S A VERY GOOD POINT.

25 CHAIRMAN THOMAS: SO, MR. SUPERVISOR,

1 THERE ARE NO OPTIONS OFF THE TABLE, INCLUDING THAT
2 AS A POTENTIAL WAY TO GO.

3 SUPERVISOR SHEEHY: OKAY. IS THAT PART OF
4 THIS TRANSITION COMMITTEE? BECAUSE I DIDN'T HEAR
5 THAT AS PART --

6 CHAIRMAN THOMAS: YES.

7 SUPERVISOR SHEEHY: -- OF THE WRIT FOR
8 THAT.

9 CHAIRMAN THOMAS: YES. THAT'S ABSOLUTELY
10 ONE OF THE FACTORS TO BE CONSIDERED AMONGST A
11 NUMBER.

12 SUPERVISOR SHEEHY: I WORRY ABOUT OUR
13 TEAM, AND THIS SEEMS VERY UNCERTAIN. AND I THINK --
14 DO WE HAVE A TIMELINE FOR COMING BACK WITH SOME
15 DECISIONS SO THAT WE CAN PROVIDE SOME REASSURANCE TO
16 THE PEOPLE WHO WORK FOR US THAT -- I WOULD FEEL
17 UNEASY. I JUST THINK THAT WE HAVE RESPONSIBILITY
18 FOR A NUMBER OF PEOPLE, AND A CERTAIN LEVEL OF
19 TRANSPARENCY AND URGENCY, I THINK, WOULD NOT BE
20 INAPPROPRIATE BECAUSE WE'RE HALFWAY THROUGH 2017.
21 AND IT SEEMS TO ME THAT WE WILL BE TALKING ABOUT A
22 SUBSTANTIAL SCALING BACK OF THE ORGANIZATION IN
23 2020. AND SO I THINK THERE WAS ALWAYS THIS -- WE'VE
24 KIND OF CREATED THIS EXPECTATION THAT WE WERE GOING
25 TO GO TO 2018 AND COME BACK WITH NEW MONEY. I DON'T

1 KNOW WHAT THE CONVERSATIONS HAVE BEEN TO REALLY LET
2 PEOPLE KNOW THAT THAT'S MATERIALLY CHANGED.

3 CHAIRMAN THOMAS: THANK YOU. YES, I AGREE
4 WITH BOTH YOUR COMMENT, THAT IT SHOULD BE
5 TRANSPARENT, WHICH IS THE PURPOSE OF APPOINTING THIS
6 SUBCOMMITTEE, AND WITH A SENSE OF URGENCY. SO IN
7 TERMS OF TIMETABLE, I THINK IT WILL BE ONE OF THE
8 TOPICS TO BE CONSIDERED BY THIS GROUP WHEN IT TALKS.

9 MR. SUPERVISOR, I HOPE THAT WE CAN COUNT
10 ON YOU TO BE A MEMBER OF THAT GROUP, IF YOU WOULD.

11 SUPERVISOR SHEEHY: I WILL PARTICIPATE TO
12 THE DEGREE THAT TIME ALLOWS. UNFORTUNATELY I HAVE A
13 CAMPAIGN TO RUN IN 2018 MYSELF. SO THAT DOES PUT
14 CERTAIN BURDENS ON MY TIME BESIDES BEING A
15 SUPERVISOR.

16 MR. TORRES: I'LL BE WALKING PRECINCTS
17 TOO.

18 MS. LANSING: I THINK WHAT I WANTED TO
19 ASK HAS ACTUALLY BEEN COVERED, BUT THESE THREE
20 DIFFERENT PATHS ARE VERY IMPORTANT, AND THERE MAY BE
21 PEOPLE WHO ARE ONLY INTERESTED IN TWO OUT OF THE
22 THREE. SO YOU REALLY NEED ONE BIG SUBCOMMITTEE, AND
23 THEN YOU NEED TO DIVIDE IT INTO THESE THREE
24 DIFFERENT AREAS.

25 CHAIRMAN THOMAS: THAT'S A VERY GOOD

1 SUGGESTION. THANK YOU, SHERRY.

2 MS. LANSING: ONE MORE THING. HOW MUCH
3 MONEY DO WE HAVE LEFT THAT HAS NOT BEEN ALREADY
4 ALLOCATED TO SCIENCE?

5 CHAIRMAN THOMAS: I BELIEVE, CORRECT ME IF
6 I'M WRONG, BUT IT'S BETWEEN SIX AND SIX FIFTY. I
7 DON'T KNOW WHAT THE LATEST IS.

8 MS. LANSING: THAT'S CLOSE ENOUGH. OKAY,
9 GREAT. THANK YOU.

10 CHAIRMAN THOMAS: SENATOR TORRES.

11 MR. TORRES: YES. I JUST WANT TO
12 ARTICULATE THAT BOTH THE COMMENTS FROM -- I WAS
13 GOING TO SAY SENATOR JUELSGAARD -- MR. JUELSGAARD --

14 CHAIRMAN THOMAS: DIDN'T EVEN NEED AN
15 ELECTION PROCESS.

16 MR. TORRES: -- AND SUPERVISOR SHEEHY ARE
17 RIGHT ON TARGET. YOU ALSO NEED TO KNOW THAT BOTH
18 J.T. AND I HAVE HAD PRIVATE CONVERSATIONS WITH MANY
19 MEMBERS OF THE LEGISLATURE WHO WOULD BE PIVOTAL IN
20 TERMS OF DEALING WITH OUR ISSUES. SO WE'VE TRIED TO
21 COVER PRELIMINARILY THE SENSE OF WHERE THE ISSUE IS,
22 BUT CERTAINLY NO DEFINITIVE ANSWER ON EITHER SIDE.
23 SO THAT'S WHY I THINK THE COMMITTEE THAT J.T. IS
24 PROPOSING IS SO IMPORTANT. AND THE AREAS THAT BOTH
25 JEFF AND STEVE HAVE OUTLINED NEED TO BE INCLUDED.

1 THE ONLY THING I HADN'T CONSIDERED WAS
2 WHAT SHERRY HAD JUST PROPOSED, AND THAT IS TO CREATE
3 A COMMITTEE WITH THREE SUBCOMMITTEES THAT DEAL WITH
4 EACH ISSUE. AND THAT MAY BE DEPENDENT ON TIME AND
5 COMMITMENT, BUT I WILL BE VERY BUSY IN MY DISTRICT
6 SUPPORTING MY SUPERVISOR AND WALKING DISTRICTS IN
7 2018 AS WELL.

8 SUPERVISOR SHEEHY: WELL, I WOULD BE HAPPY
9 TO SERVE ON THE ONE THAT DEALS WITH THE POLITICAL --
10 YOU KNOW, THE REFUNDING ASPECTS NOW WITH ALL THESE
11 NEW RELATIONSHIPS I DEVELOPED, I MIGHT BE ABLE TO BE
12 OF SOME HELP.

13 CHAIRMAN THOMAS: THAT WOULD BE GREAT.
14 ABSOLUTELY. THANK YOU.

15 DR. DULIEGE: ONE QUESTION IS HAS THIS
16 COMMITTEE BEEN FORMALLY ASSEMBLED?

17 CHAIRMAN THOMAS: NO. WE'RE ASKING FOR
18 VOLUNTEERS WHO WOULD LIKE TO BE -- I KNOW WE'VE HAD
19 SOME INDICATIONS OF INTEREST FROM A NUMBER OF THE
20 BOARD MEMBERS, BUT ANYBODY WHO WOULD LIKE TO BE IS
21 WELCOME TO TAKE PART. SO, DR. DULIEGE, IF YOU WOULD
22 LIKE TO BE ON THERE, WE'D LOVE THAT AS WELL. SO --

23 MS. WINOKUR: I WOULD LIKE TO ECHO JEFF ON
24 THIS. I WOULD LIKE TO ECHO JEFF'S COMMENTS ON THE
25 URGENCY. I MEAN I DON'T GET A SENSE OF URGENCY

1 ABOUT THIS.

2 CHAIRMAN THOMAS: THERE ACTUALLY HAVE BEEN
3 A NUMBER OF DISCUSSIONS ON THIS THAT WE'VE HAD TO
4 SORT OF INFORM OUR GAME PLAN OR THE PRELIMINARY
5 THOUGHTS. THIS IS DEFINITELY TOP OF MINE, SO WE
6 WILL BE VERY MUCH OBSERVANT OF THE NEED FOR URGENCY
7 HERE.

8 MS. WINOKUR: AND WILL THE REST OF THE
9 BOARD KNOW?

10 CHAIRMAN THOMAS: YES, THROUGH THE
11 SUBCOMMITTEE, IT WILL ABSOLUTELY KNOW. SO THAT'S
12 THE PURPOSE OF PUTTING THIS ALL TOGETHER.

13 ANY OTHER QUESTIONS, COMMENTS, THOUGHTS?
14 OKAY. THANK YOU ALL FOR YOUR COMMENTS. IT'S VERY
15 MUCH APPRECIATED AND ON POINT.

16 OKAY. SO NEXT, WE'RE GOING TO GO TO THE
17 BUDGET. OH, YES. PUBLIC COMMENT. DO WE HAVE
18 PUBLIC COMMENT? MORNING, DON.

19 MR. REED: GOOD MORNING. MY QUESTION WAS
20 THE COMMITTEE THAT'S BEING TALKED ABOUT, WILL
21 PATIENT ADVOCATES BE WELCOME ON THAT?

22 CHAIRMAN THOMAS: ABSOLUTELY.

23 MR. REED: THANK YOU. I'M VOLUNTEERING.

24 CHAIRMAN THOMAS: YES. MORE COMMENT.
25 GOOD MORNING.

1 DR. CHIU: GOOD MORNING. PUBLIC COMMENT,
2 ARLENE CHIU FROM THE CITY OF HOPE. I JUST WANTED TO
3 DO A DEEPER DIVE ON SOME OF THE REPORTS AT THE ISSCR
4 MEETINGS THAT CHAIRMAN THOMAS HAS JUST REPORTED ON,
5 IN PARTICULAR THE CLINICAL TRIALS.

6 THE DATA WAS AMASSED BY TENNEILLE LUDWIG
7 FROM WICELL IN HER PRESENTATION, AND SHE WILL BE
8 COMING UP WITH A PAPER DESCRIBING ALL THE DATA AND
9 HOW IT WAS COLLECTED IN *CELL STEM CELL* VERY SOON,
10 BUT I THOUGHT IT WAS IMPORTANT FOR THIS BOARD TO
11 KNOW THAT, WHEN SHE FOUND 17 CLINICAL TRIALS USING
12 HUMAN EMBRYONIC STEM CELLS ONGOING OR THAT HAS
13 STARTED IN THE WORLD, 11 OF THOSE TRIALS FOUND ON
14 CLINICALTRIALS.GOV ARE BEING DONE OR WERE DONE IN
15 THE UNITED STATES, 11 OUT OF THE 17.

16 OF THOSE 11, ALL 11 WERE INITIATED OR HAVE
17 SOME PART OF IT CONDUCTED IN THE STATE OF
18 CALIFORNIA, ALL 11 OF THEM. OF THOSE 11, QUITE A
19 FEW WERE ON MACULAR DEGENERATION; BUT OF THE 11, SIX
20 WERE FROM THE COMPANY FORMALLY KNOWN AS ACT, NOW
21 KNOWN AS ASTELLAS BECAUSE IT HAS BEEN SOLD TO A
22 JAPANESE COMPANY, AND THOSE ALL DEAL WITH MACULAR
23 DEGENERATION. OF THE REMAINING FIVE THAT WERE NOT
24 ASTELLAS, ALL FIVE WERE PARTIALLY OR FULLY FUNDED BY
25 CIRM. AND THESE INCLUDE THE COMPANY THAT CHAIRMAN

1 THOMAS REFERRED TO THAT HUMAYAN AND HINTON AND KLEGG
2 HAVE BLOSSOMED OUT OF AN INITIAL DISEASE TEAM
3 FUNDING. IT INCLUDES TRIALS BY GERON, NOW ASTERIAS,
4 THAT ALSO IS FUNDED BY CIRM, THE ONLY ONES DEALING
5 WITH SPINAL CORD INJURY, AND THE TWO TRIALS BY
6 VIACYTE. SO I THINK IN TOTAL WHEN YOU LOOK AT THIS,
7 WITHOUT CALIFORNIA AND WITHOUT CIRM, THERE WOULD
8 HARDLY BE ANY CLINICAL TRIALS USING HUMAN EMBRYONIC
9 STEM CELLS IN THE UNITED STATES. THANK YOU.

10 CHAIRMAN THOMAS: THANK YOU, DR. CHIU.

11 ANY ADDITIONAL PUBLIC COMMENT? OKAY.

12 PROCEED NEXT TO THE BUDGET, CHILA SILVA-MARTIN.

13 MS. SILVA-MARTIN: GOOD MORNING, MR.

14 CHAIRMAN, MEMBERS OF THE BOARD. THANK YOU FOR THE
15 OPPORTUNITY TO PRESENT THE '17-'18 BUDGET. THE
16 PRESENTATION THIS MORNING WILL COVER THE OPERATING
17 BUDGET FOR THE CURRENT YEAR. WE'LL REVIEW THE
18 AMOUNT THAT THIS BOARD ALLOCATED FOR THE '16-'17
19 FISCAL YEAR AND LOOK AT WHERE WE EXPECT TO END THE
20 FISCAL YEAR AS OF TOMORROW, AND THEN WE'LL REVIEW
21 THE MAJOR DRIVERS THAT IMPACTED THOSE RESULTS. I'LL
22 THEN REVIEW THE '17-'18 PROPOSAL. I'LL BRIEFLY
23 REVIEW THE REQUEST AGAINST WHERE WE ARE GOING TO END
24 THIS FISCAL YEAR. I'LL ALSO TALK ABOUT SOME OF THE
25 MAJOR DRIVERS THAT ARE IMPACTING THE REQUEST. AND

1 THEN, FINALLY, LOOK AT SOME POTENTIAL RISKS THAT MAY
2 IMPACT THE FINAL RESULTS FOR THE '17-'18 BUDGET.

3 SO FIRST, A LOOK AT THE CURRENT FISCAL
4 YEAR. SHE'S GOING TO FIX THE PRESENTATION. BUT THE
5 FIRST CHART THAT YOU WILL SEE PRESENTS THE BUDGET,
6 THE CURRENT YEAR BUDGET, AND THE EXPECTED RESULTS AT
7 THE CATEGORICAL LEVEL.

8 (PAUSE IN PROCEEDINGS.)

9 CHAIRMAN THOMAS: THOSE ON THE PHONE,
10 WE'RE PAUSING. WE'RE HAVING A BIT OF TECHNICAL
11 DIFFICULTY WHICH I THINK WE'VE JUST RESOLVED HERE.

12 MS. SILVA-MARTIN: I BELIEVE IT DID.
13 THANK YOU.

14 SO THIS FIRST CHART PRESENTS THE BUDGET,
15 THE CURRENT YEAR BUDGET, AND THE EXPECTED FINAL
16 RESULTS AT THE CATEGORICAL LEVEL. THE FIRST COLUMN
17 REPRESENTS THE AMOUNT THAT WAS ALLOCATED BY THIS
18 BOARD FOR THE '16-'17 FISCAL YEAR. AS YOU CAN SEE,
19 IT'S ABOUT \$18.9 MILLION. THE SECOND COLUMN
20 REPRESENTS WHERE WE EXPECT TO END THE FISCAL YEAR AT
21 JUNE 30TH, JUST A LITTLE BIT OVER \$16.9 MILLION.
22 AND, FINALLY, THE LAST COLUMN REPRESENTS THE
23 VARIANCES, THE UNDERRUNS AND OVERRUNS, IN EACH OF
24 THE CATEGORICAL LEVELS. AND AS YOU CAN SEE, IT'S
25 JUST UNDER \$2 MILLION.

1 SO AS THE LAST COLUMN REFLECTS, WE HAVE A
2 FAIRLY LARGE VARIANCE IN A COUPLE CATEGORIES, AND
3 I'D LIKE TO BRIEFLY DISCUSS THOSE.

4 THE TWO AREAS WHERE WE HAVE A FAIRLY
5 SIGNIFICANT VARIANCE IS IN OUR EMPLOYEE EXPENSES OF
6 ABOUT \$1.4 MILLION AND IN REVIEWS, MEETINGS, AND
7 WORKSHOPS AT ABOUT \$400,000. SO WHY DID THESE
8 VARIANCES OCCUR?

9 IN EMPLOYEE EXPENSES, WHICH IS THE AREA
10 WHERE WE HAVE THE HIGHEST VARIANCE, THE HIGHEST
11 UNDERRUN, OUR EMPLOYEE EXPENSES WERE SIGNIFICANTLY
12 LOWER THAN WHAT WAS BUDGETED. SO FOR THE '16-'17
13 FISCAL YEAR, WE HAD 57 POSITIONS ALLOCATED TO
14 SUPPORT OUR STRATEGIC PLAN. AT THAT TIME WE HAD SIX
15 VACANCIES. AT THE BEGINNING OF THE FISCAL YEAR, WE
16 HAD SIX VACANCIES. FIVE OF THEM WERE IN OUR
17 THERAPEUTICS DEPARTMENT AND ONE OF THEM WAS OUR
18 STRATEGIC INFRASTRUCTURE DEPARTMENT. AT THE SAME
19 TIME AS THESE VACANCIES OCCURRED, WE ALSO HAD A
20 LEADERSHIP CHANGE, AS YOU MAY RECALL, FOR THOSE TWO
21 UNITS. DR. MARIA MILLAN WAS APPOINTED AS THE LEAD
22 OVER THE THERAPEUTICS DEPARTMENT IN JULY, AND SHE
23 DELAYED FILLING THOSE POSITIONS UNTIL SHE HAD A
24 CHANCE TO WORK WITH HER TEAM ON THE STRATEGIC GOALS.
25 THEY WERE ABLE TO MEET THE STRATEGIC GOALS WITH THE

1 EXISTING POSITIONS AND NOT HAVING TO FILL ANY
2 POSITIONS. SO WE DID NOT FILL THOSE FIVE POSITIONS
3 DURING THE FISCAL YEAR.

4 WHEN DR. MILLAN MOVED OVER TO
5 THERAPEUTICS, NEIL LITTMAN WAS APPOINTED DIRECTOR
6 OVER STRATEGIC INFRASTRUCTURE, AND MR. LITTMAN
7 DECIDED NOT TO BACK-FILL HIS POSITION. SO HOLDING
8 THESE POSITIONS VACANT DURING THE FISCAL YEAR
9 IMPACTED THAT \$1.4 MILLION SAVINGS.

10 I WANT TO POINT OUT, THOUGH, THAT THREE OF
11 THE VACANT POSITIONS ARE BEING RETAINED FOR THE
12 '17-'18 FISCAL YEAR TO MEET INCREASED WORKLOADS,
13 WHICH I'LL REVIEW LATER IN THE PRESENTATION.

14 ANOTHER AREA WHERE WE SAW SOME SAVINGS WAS
15 IN OUR REVIEWS AND MEETINGS CATEGORY, AND THAT
16 REALLY WAS A RESULT OF SEVERAL REASONS. FIRST OF
17 ALL, AS YOU KNOW, WE USED TO HOLD OUR ICOC BOARD
18 MEETINGS AT PRIVATE VENUES. DURING THE '16-'17
19 FISCAL YEAR, WE BROUGHT SOME OF THOSE MEETINGS IN
20 HOUSE TO OUR HEADQUARTERS LOCATION, AND WE WERE ABLE
21 TO SAVE MONEY.

22 WE ALSO WERE ABLE TO COMBINE SOME ALPHA
23 CLINIC OVERSIGHT FUNCTIONS WITH OUR THERAPEUTICS
24 UNIT WHICH RESULTED IN INCREASED EFFICIENCIES AND
25 COST SAVINGS AS WELL. DR. GIL SAMBRANO WAS ABLE TO

1 COMBINE A COUPLE OF THE REVIEWS DURING THE FISCAL
2 YEAR, AND WE HAD ADDITIONAL SAVINGS FROM THAT. AND
3 THEN, FINALLY, THE BUDGET DID INCLUDE A REVIEW FOR
4 ATP3, AND THAT DID NOT MATERIALIZE. SO OVERALL THAT
5 SAVINGS WAS ABOUT \$411,000.

6 SO NOW I'D LIKE TO BRIEFLY TALK ABOUT THE
7 '17-'18 PROPOSED BUDGET.

8 THIS NEXT CHART PROVIDES YOU A HIGH LEVEL
9 CATEGORICAL OVERVIEW OF THE '17-'18 BUDGET REQUEST,
10 AND IT LOOKS AGAINST THE BUDGET THAT WAS ALLOCATED
11 AS WELL AS WHERE WE EXPECT TO END THE '16-'17 FISCAL
12 YEAR.

13 SO, AGAIN, AS THE FIRST COLUMN REPRESENTS
14 THE BUDGET THAT WAS ALLOCATED IN THE CURRENT YEAR,
15 \$18.9 MILLION, OUR JUNE FORECAST IN THE SECOND
16 COLUMN AT \$16.9 MILLION, AND THEN, FINALLY, OUR
17 BUDGET REQUEST FOR THE '17-'18 FISCAL YEAR, WHICH IS
18 \$18,581,000. SO THE BUDGET REQUEST IS ABOUT
19 \$325,000 LOWER THAN WHAT WAS ALLOCATED FOR THE
20 CURRENT YEAR AND ABOUT \$1.6 MILLION MORE THAN OUR
21 JUNE FORECAST.

22 SO I'D LIKE TO BRIEFLY TALK ABOUT SOME OF
23 THE VARIANCES BETWEEN THE REQUEST AND WHERE WE
24 EXPECT TO END THE FISCAL YEAR. SO THERE'S A COUPLE
25 OF AREAS WHERE WE ARE SEEING SOME INCREASES IN THE

1 BUDGET REQUEST, AND THEY ARE IN EMPLOYEE EXPENSES
2 AND IN REVIEWS, MEETINGS, AND WORKSHOPS. HOWEVER,
3 WE ARE SEEING A DECREASE OVERALL IN OUR EXTERNAL
4 SERVICES CATEGORY. SO I'D JUST LIKE TO TALK ABOUT
5 THOSE BRIEFLY NOW.

6 SO WHY ARE WE ANTICIPATING HIGHER EMPLOYEE
7 EXPENSES DURING THE '17-'18 FISCAL YEAR? THERE ARE
8 SEVERAL REASONS FOR THAT. FIRST OF ALL, AS DR.
9 THOMAS MENTIONED EARLIER, JAMES HARRISON HAS DECIDED
10 TO STEP DOWN FROM HIS POSITION AS GENERAL COUNSEL.
11 SO WE'RE CONVERTING THOSE FUNCTIONS FROM EXTERNAL
12 SERVICES BECAUSE WE CURRENTLY CONTRACT FOR THEM, AND
13 WE'VE ADDED A POSITION TO SUPPORT THE GENERAL
14 COUNSEL FUNCTION IN HOUSE.

15 I TALKED ABOUT RETAINING THE THREE
16 POSITIONS. WE ARE SEEING INCREASED WORKLOAD IN OUR
17 CLINICAL PORTFOLIOS, AND WE ARE RETAINING THREE
18 POSITIONS, AND WE WILL BE FILLING THOSE TO SUPPORT
19 THOSE EFFORTS.

20 AND, LASTLY, AS A STATE AGENCY, WE ARE
21 MANDATED TO PAY SEVERAL BENEFITS FOR OUR EMPLOYEES.
22 AND THOSE BENEFITS ARE NEGOTIATED BY VARIOUS STATE
23 AGENCIES, AND THEY HAVE NOTIFIED US THAT THOSE COSTS
24 ARE GOING TO GO UP. SO FOR ALL OF THOSE REASONS, WE
25 ANTICIPATE THAT WE WILL SEE INCREASED EMPLOYEE

1 EXPENSES.

2 WE DO ANTICIPATE INCREASED EXPENSES IN OUR
3 REVIEWS AND MEETING CATEGORIES THIS YEAR. THE
4 MAJORITY OF THAT INCREASE IS REALLY DUE TO OUR
5 CLINICAL PORTFOLIO. SO AS YOU MAY BE AWARE, OUR
6 THERAPEUTICS DEPARTMENT CONVENES CLINICAL ADVISORY
7 PANELS FOR OUR CLINICAL PROGRAMS. AT THE BEGINNING
8 OF THE '16-'17 FISCAL YEAR IN JULY, WE HAD NINE
9 ACTIVE CLINICAL ADVISORY PROGRAMS. WE ARE NOW AT 27
10 AS OF THIS MONTH. SO AS YOU CAN SEE, THIS HAS BEEN
11 A 300-PERCENT INCREASE, AND SO WE ARE LOOKING FOR
12 THOSE THREE POSITIONS TO SUPPORT US DURING THAT
13 EFFORT.

14 SO OVERALL IN THIS CATEGORY, FOR THE
15 CLINICAL ADVISORY PROGRAM WE ARE ANTICIPATING ABOUT
16 A \$245,000 INCREASE, AND THE REMAINING INCREASES
17 SPREAD THROUGHOUT THE REST OF OUR DEPARTMENTS.

18 THERE IS ONE AREA WHERE WE ARE
19 ANTICIPATING DECREASED COSTS, AND THAT'S IN OUR
20 EXTERNAL SERVICES. AS I MENTIONED EARLIER, WE ARE
21 CONVERTING OUR GENERAL COUNSEL FUNCTION FROM
22 EXTERNAL SERVICES TO EMPLOYEE EXPENSES. SO WE'RE
23 SEEING AN OVERALL DECREASE OF ABOUT \$325,000 IN
24 EXTERNAL SERVICES. WE ALSO ARE ANTICIPATING LOWER
25 WEB DEVELOPMENT AND PROGRAMMING COSTS DURING THE

1 '17-'18 FISCAL YEAR. THOSE DECREASES ARE BEING
2 OFFSET BY A COUPLE OF INCREASES IN '16-'17. AS YOU
3 MAY BE AWARE, AS YOU MAY RECALL, THERE WAS
4 LEGISLATION THAT WAS PASSED SEVERAL YEARS AGO THAT
5 REQUIRES THAT WE CONDUCT A PERFORMANCE AUDIT EVERY
6 THREE YEARS. SO THE PERFORMANCE AUDIT NEEDS TO BE
7 CONDUCTED BY AN EXTERNAL AUDITOR. THEY WILL BE
8 REVIEWING THE '16-'17 FISCAL YEAR THAT'S JUST
9 ENDING, AND WE WILL ENTER INTO A CONTRACT WITH AN
10 AUDITOR TO CONDUCT THOSE SERVICES DURING THE '17-'18
11 FISCAL YEAR, AND THAT IS GOING TO COST AN ESTIMATED
12 \$300,000.

13 AND THEN, FINALLY, WE ARE SEEING SOME
14 INCREASED COST FOR OTHER ACCOUNTING SERVICES. WE
15 CONTRACT FOR OUR ACCOUNTING SERVICES WITH ANOTHER
16 STATE AGENCY, THE DEPARTMENT OF GENERAL SERVICES.
17 AND THEY HAVE NOTICED US THAT THEY EXPECT TO
18 INCREASE OUR COST BY \$82,000 NEXT YEAR.

19 SO NEXT I BRIEFLY WANT TO TALK ABOUT SOME
20 RISKS THAT MAY IMPACT THE FINAL RESULTS DURING THE
21 '17-'18 FISCAL YEAR. OVER THE LAST THREE, UNDER DR.
22 MILLS' LEADERSHIP AND WITH THE IMPLEMENTATION OF
23 CIRM 2.0, CIRM HAS SEEN A MAJOR TRANSFORMATION. THE
24 ENTIRE CIRM TEAM HAS WORKED ACTIVELY AND HARD TO
25 MANAGE OUR COSTS. HOWEVER, THERE ARE SOME THINGS

1 THAT WE DON'T HAVE ANY CONTROL OVER, AND THEY COULD
2 IMPACT OUR FINAL RESULTS.

3 ONE AREA IS APPLICATION VOLUME. WE COULD
4 SEE HIGHER THAN EXPECTED APPLICATIONS DURING OUR
5 REVIEWS, AND THAT MAY PUSH OUR COST UP. CONVERSELY,
6 THEY COULD BE LOWER AND WE COULD HAVE REDUCED COSTS.
7 WE COULD SEE HIGHER THAN NORMAL EMPLOYEE TURNOVER,
8 AND WE MAY HAVE AN UNDERRUN NEXT YEAR AGAIN IN THIS
9 CATEGORY. AND, LASTLY, OUR STATE BENEFITS. AGAIN,
10 WE HAVE NO CONTROL OVER THOSE. THEY HAVE BEEN
11 NEGOTIATED THUS FAR, BUT GENERALLY THOSE CONTROL
12 AGENCIES GO BACK IN THE FALL AND REASSESS WHAT THOSE
13 FEES ARE, AND THEY MAY INCREASE THEM, AND THAT COULD
14 HAVE AN IMPACT ON OUR FINAL RESULTS NEXT YEAR.

15 THIS CONCLUDES THE PRESENTATION. I DO
16 WANT TO POINT THAT YOU WERE PROVIDED WITH AN
17 APPENDIX THAT INCLUDES COST CENTER DETAILS FOR EACH
18 OF OUR COST CENTERS. WE DID MEET -- THE FINANCE
19 SUBCOMMITTEE DID MEET ON JUNE 7TH, AND THEY
20 RECOMMENDED APPROVAL OF THIS BUDGET. AND NOW WE
21 COME HERE AND REQUEST YOUR APPROVAL OF THE '17-'18
22 BUDGET. I'M HAPPY TO ANSWER ANY QUESTIONS YOU MAY
23 HAVE.

24 DR. JUELSGAARD: SO, AGAIN, THANK YOU. I
25 THANKED YOU AT THE FINANCE SUBCOMMITTEE MEETING FOR

1 REALLY A REMARKABLE JOB THAT'S REALLY EVOLVED OVER
2 THE YEARS. SO THIS IS THE BEST BUDGET, NOT ONLY
3 DERIVATION, BUT PRESENTATION THAT I'VE SEEN.

4 BUT THE DISCUSSION THAT WAS PROVOKED A
5 LITTLE BIT EARLIER, WHAT I TERM END OF LIFE
6 DISCUSSION, REALLY RELATES -- ONE OF THE IMPORTANT
7 FACTORS IT RELATES TO ARE THE LIMITS THAT WE HAVE ON
8 OUR ADMINISTRATIVE COSTS. SO THERE ARE NEW BOARD
9 MEMBERS HERE WHO MAY NOT BE QUITE AS FAMILIAR WITH
10 THAT. COULD YOU JUST DO TWO THINGS? ONE, SPEAK
11 BRIEFLY TO THE LIMITATION WE HAVE ON ADMINISTRATIVE
12 COSTS AND, TWO, STARTING WITH THIS PROPOSED BUDGET
13 AND HOW MUCH MONEY WE HAVE LEFT THAT WE CAN PUT TO
14 ADMINISTRATIVE COSTS?

15 MS. SILVA-MARTIN: ABSOLUTELY. I'LL BE
16 HAPPY TO.

17 SO THE LIMITS THAT WERE PLACED BY
18 PROPOSITION 71 WERE \$180 MILLION COULD BE SPENT FOR
19 OPERATING EXPENSES. AND SO AS OF THE END OF MAY, WE
20 HAVE APPROXIMATELY \$51 MILLION LEFT IN THAT POT.
21 AND I BELIEVE DR. MILLS WILL COVER THAT IN HIS
22 PRESENTATION AS WELL. BASED ON THIS BUDGET AND THE
23 FORECAST THAT WE PUT TOGETHER, WE BELIEVE THAT WE
24 HAVE SUFFICIENT FUNDING TO TAKE US THROUGH JUNE OF
25 2020.

1 DR. JUELGAARD: THANK YOU.

2 CHAIRMAN THOMAS: OTHER QUESTIONS FOR
3 CHI LA? DR. LUBIN.

4 DR. LUBIN: THAT WAS AN EXCELLENT REPORT.
5 AND WITH DECREASED NIH FUNDING, WE KNOW THERE ARE
6 GOING TO BE MORE APPLICATIONS. SO THERE'S NO
7 QUESTION ABOUT THAT, THE CHALLENGE WITH BENEFITS WE
8 ALL FACE. ANYONE THAT'S IN THE HEALTH BUSINESS OR
9 HOSPITAL BUSINESS, THAT'S AN UNCONTROLLABLE FACTOR,
10 AND THAT'S A FACTOR THAT REALLY HAS A MAJOR IMPACT.
11 AND THEN THE OTHER IS TURNOVER, WHICH IS DIFFICULT
12 TO CONTROL GIVEN WHAT THE LIMITATIONS ARE ON OUR
13 CURRENT FUNDING AND CONCERNS THAT PEOPLE HAVE
14 RELATED TO THEIR THE FUTURE CAREERS.

15 I THINK YOU'VE DONE AN EXCELLENT JOB. I
16 JUST WANT TO SUPPORT THE THREE AREAS THAT YOU SAID
17 ARE RISKS, ARE REAL RISKS, AND RECOGNIZE THE KINDS
18 OF THINGS WE HAVE TO FACE.

19 MS. SILVA-MARTIN: THANK YOU. OUR TEAM
20 WORKS REALLY HARD TO MITIGATE THOSE RISKS, AND WE
21 WILL CONTINUE TO DO SO.

22 SUPERVISOR SHEEHY: SO I JUST WANT TO
23 CONFIRM. SO WE RUN OUT OF MONEY IN THE LITTLE
24 BUCKET IN JUNE OF 2020?

25 MS. SILVA-MARTIN: APPROXIMATELY, YES.

1 DR. JUELSGAARD: JEFF, AS I SAID EARLIER,
2 THAT'S ENTIRELY WITHIN OUR CONTROL, RIGHT. I MEAN
3 THAT'S THE CURRENT PATH THAT WE'RE ON. WE DON'T
4 HAVE TO BE ON THAT PATH. WE CAN CREATE A DIFFERENT
5 PATH. THAT'S ONE OF THE THINGS THAT WE NEED TO
6 DISCUSS IN THE COMMITTEE OR SUBCOMMITTEE THAT
7 CHAIRMAN THOMAS REFERRED TO IS WHAT DO WE WANT TO
8 PLAN FOR IN TERMS OF WHEN WE RUN OUT OF MONEY ON
9 THIS FRONT.

10 SUPERVISOR SHEEHY: SO WE'RE APPROVING THE
11 '17-'18 BUDGET, SO WE REALLY ONLY HAVE TWO BUDGET
12 CYCLES WHERE WE CAN IMPACT THAT DATE.

13 DR. JUELSGAARD: THERE'S ALWAYS A CHANCE
14 TO REVISE A BUDGET. SO THE APPROVAL TODAY DOESN'T
15 MEAN THAT, YOU KNOW, HALF A YEAR FROM NOW WE DON'T
16 CHANGE HOW WE'RE THINKING ABOUT BUDGETING EVEN FOR
17 THIS YEAR. THINGS DON'T MOVE THAT QUICKLY THAT WE
18 SPEND MONEY JUST LOCKSTEP TOO QUICKLY.

19 SUPERVISOR SHEEHY: ONCE THE MONEY IS
20 GONE, IT'S GONE. WE CAN'T REALLOCATE IT ONCE IT'S
21 BEEN SPENT. DO WE HAVE ANY -- I GUESS THIS IS ALL
22 FOR THE COMMITTEE, BUT I'M NOT GETTING A SENSE OF
23 PRIORITIZATION BECAUSE WORKSHOPS, AND I THINK I'D
24 RATHER FOREGO WORKSHOPS. IS THERE ANYTHING THAT WE
25 CAN HOLD OFF ON, EVEN ACTUALLY NEW EMPLOYEES? SO

1 ARE WE GOING TO HIRE PEOPLE FOR TWO YEARS? WE HAVE
2 A PLAN THAT'S GOING TO HIRE THREE NEW PEOPLE, AND
3 THEY'RE ONLY GOING TO WORK FOR TWO YEARS. HAVE WE
4 HIRED THE NEW ATTORNEY? ARE WE GOING TO HIRE A NEW
5 ATTORNEY ONLY FOR TWO YEARS, TWO AND A HALF YEARS?

6 CHAIRMAN THOMAS: YOU MEAN TO REPLACE
7 JAMES?

8 SUPERVISOR SHEEHY: JAMES IS
9 IRREPLACEABLE.

10 CHAIRMAN THOMAS: HOLD THAT APPLAUSE.
11 WE'RE NOT TO THAT YET. YES, SCOTT TOCHER, AS RANDY
12 HAS APPOINTED HIM TO SUCCEED JAMES AS GENERAL
13 COUNSEL. SO SCOTT, AS YOU KNOW, HAS BEEN HERE FOR
14 ALMOST THE ENTIRETY OF CIRM'S LIFE AND IS HIGHLY
15 VERSED IN ALL ASPECTS OF THE AGENCY. AND WE'RE VERY
16 FORTUNATE TO HAVE HIM TO STEP IN AND FILL THAT ROLE.

17 MR. HARRISON: JUST A REMINDER. ONE OF
18 THE NUANCES OF PROPOSITION 71 IS THAT LEGAL COSTS
19 ARE NOT PART OF THE \$180 MILLION CAP.

20 SUPERVISOR SHEEHY: SO THAT PERSON IS
21 SAFE?

22 MR. HARRISON: CORRECT.

23 SUPERVISOR SHEEHY: BUT HAVE WE THOUGHT
24 ABOUT MAYBE LOOKING AT CONTRACTING OUT IN SOME WAY
25 FOR THOSE OTHER THREE POSITIONS? I JUST DON'T KNOW

1 HOW WE GO AND START HIRING PEOPLE IF WHAT WE HAVE
2 SAID IS THAT THIS AGENCY DOESN'T HAVE FUNDS BEYOND
3 JUNE OF 2020.

4 DR. MILLS: SO I'LL JUST SORT OF FRAME IT
5 ANOTHER WAY. IF YOU LOOK AT THIS AS A BIOTECH
6 ORGANIZATION, THIS AGENCY HAS FUNDING THAT IS
7 CERTAIN FOR AT LEAST THE NEXT THREE YEARS. SO THE
8 KINDS OF PEOPLE THAT WE WOULD BRING INTO THIS
9 ORGANIZATION TO HELP PLACE, REPLACE PEOPLE THAT ARE
10 LEAVING AND THEN ARE GOING TO LEAVE, WE KNEW THIS
11 WAS GOING TO HAPPEN, WE IDENTIFIED IT AS A RISK,
12 WHEN THE ALIENS CAME. WE IDENTIFIED IT AS A RISK,
13 THAT WE KNEW THAT PEOPLE WERE GOING TO BE LEAVING;
14 BUT THE KIND OF PEOPLE THAT WE'RE BRINGING INTO THIS
15 ORGANIZATION, GIVEN SORT OF THE 2.0 CULTURE OF
16 HUNTERS AND THOSE THAT GO GET THINGS, THOSE ARE THE
17 KINDS OF PEOPLE THAT OTHERWISE WOULD BE IN BIOTECH
18 ORGANIZATIONS. IF YOU LOOKED AT THEIR ALTERNATIVES,
19 OTHER THAN GOING TO A GENENTECH OR AMGEN, THREE
20 YEARS IS AN ETERNITY TO HAVE GUARANTEED FUNDING IN
21 ONE OF THOSE ORGANIZATIONS.

22 SO, YES FOR NOW, AND I AGREE WITH DR.
23 JUELSGAARD, THAT THIS IS SOMETHING THAT CAN BE
24 REVISITED. BUT THE ONE THING THAT'S SURE THAT'S
25 GOING TO HAPPEN IS THAT TIME IS GOING TO GO BY.

1 RIGHT NOW IN OUR LIFE, THIS IS THE TIME WHERE WE
2 HAVE TO BE AT MAXIMUM PRODUCTIVITY. IF WE'RE NOT,
3 WE COULD GET TO A SITUATION WHERE WE COULD RUN OUT
4 OF WHAT I CALL LITTLE BUCKET FUNDS. BY THE WAY, YOU
5 ARE TOTALLY STEALING MY PRESIDENT'S PRESENTATION
6 WHEN I TALK ABOUT ALL THIS STUFF, BUT THAT'S OKAY.
7 I'M GOING TO GIVE YOU A PASS. BUT TIME IS GOING TO
8 GO BY, AND TIME COSTS MORE MONEY THAN ONE OR TWO
9 PEOPLE. AND THE BAD SITUATION THAT WE DON'T WANT TO
10 HAVE IS WE DON'T WANT TO GET TO 2020, BE OUT OF
11 MONEY IN THE LITTLE BUCKET, AND STILL HAVE HAD THE
12 OPPORTUNITY TO HAVE HUNDREDS OF MILLIONS OF DOLLARS
13 THAT WE COULD HAVE DEPLOYED, AND WE'RE THAT WAY
14 BECAUSE WE DIDN'T HAVE THE TALENT IN-HOUSE TO BE
15 ABLE TO RUN AT THE VOLUMES WE NEED TO RUN AT.

16 SO I THINK IT'S A GREAT IDEA TO ASSEMBLE A
17 COMMITTEE TO LOOK AT THAT PLAN, BUT WIND DOWN ISN'T
18 A TODAY KIND OF THING FROM MY PERSPECTIVE. SO IT
19 CAN BE MODIFIED AS THE PLAN GETS CREATED, BUT FOR
20 NOW I THINK THE BUDGET AS IS IS THE BEST AND MOST
21 RESPONSIBLE THING FOR THE ORGANIZATION TO DO.

22 SUPERVISOR SHEEHY: I GUESS -- I JUST -- I
23 WONDER PERHAPS LIKE TRYING TO CONTRACT OUT SOME OF
24 THIS WORK. I MEAN WE HAVE AN ORGANIZATION THAT WE
25 HAVE A CRO/ACCELERATING CENTER/TRANSLATION CENTER

1 THAT HAS CAPACITY THAT PERHAPS WE COULD BORROW. IT
2 JUST SEEMS LIKE THE WHOLE PROCESS OF BRINGING ON
3 THREE NEW PEOPLE, THE TEAM TIME THAT THAT TAKES, I
4 THINK WE DO HAVE TO BE ABSOLUTELY TRANSPARENT IN THE
5 CONVERSATIONS THAT WE HAVE, THAT WE HAVE NO
6 GUARANTEE. AS IT STANDS RIGHT NOW, IF SOMEONE WERE
7 TO BE INTERVIEWED TODAY, I WOULD HOPE THAT WE WOULD
8 TELL THEM THAT YOUR POSITION WILL END IN JUNE OF
9 2020. BUT SINCE WE HAVE CAPACITY IN A PARTNER
10 ORGANIZATION THAT WE COULD DRAW ON TO GET SOME OF
11 THAT SERVICE -- I TOTALLY GET WE'RE GOING FULL
12 BLAST, BUT YOU'RE GOING TO TAKE PEOPLE WHO ARE PART
13 OF RUNNING FULL BLAST, HAVE THEM INTERVIEWING, HAVE
14 THEM HIRING WHEN MAYBE THE WISER THING IS ACTUALLY
15 TO LOOK AT OUR PARTNER, SEE WHAT EXCESS CAPACITY WE
16 CAN BORROW FROM THEM FOR THE NEXT THREE YEARS. IT'S
17 LIKELY TO BE MORE COST-EFFECTIVE, AND WE END UP NOT
18 HAVING THE BIG BENEFITS OVERHANG. SO WE HAVE TO ADD
19 35 PERCENT FOR BENEFITS FOR A STATE AGENCY TO
20 WHATEVER SALARY THAT WE PAY.

21 I GUESS MY POINT IS IS IT'S NOT CLEAR TO
22 ME, AND I THINK THAT THERE'S GREAT WORK. WE SAVED
23 \$2 MILLION IN LAST YEAR'S BUDGET, BUT REALLY
24 FOCUSING ON STRETCHING EVERY PENNY BECAUSE -- THIS
25 REMINDS ME OF THE MOVE, AND WE MADE ASSUMPTIONS, WE

1 MADE ASSUMPTIONS, AND SUDDENLY WE DIDN'T HAVE ANY
2 CHOICES OR OUR CHOICES BECAME MORE AND MORE LIMITED.
3 SO TO THE DEGREE THAT WE CAN PREPARE FOR OUR FUTURE
4 AND WE CAN HOLD ONTO THE PEOPLE THAT WE HAVE HAD
5 WORKING FOR US FOR A NUMBER OF YEARS, WHO THE TEAM
6 HAS JUST BEEN OUTSTANDING IN THEIR PERFORMANCE,
7 ESPECIALLY SINCE YOU'VE COME ON BOARD, I JUST THINK
8 IT SEEMS A LITTLE -- THE MUSIC SEEMS REALLY APROPOS
9 WHEN WE TALK ABOUT HIRING THREE MORE PEOPLE IN
10 POSITIONS THAT WE CAN'T GUARANTEE. SO REALLY CAN WE
11 FOCUS ON CAPACITY AND OUTPUT AND MAYBE LESS ABOUT
12 BRINGING PEOPLE INTO STATE JOBS THAT IN A LOT OF
13 WAYS CARRY FAIRLY SIGNIFICANT COST?

14 DR. MILLS: I LOOK AT IT --

15 SUPERVISOR SHEEHY: MAYBE WE SHOULD ASK
16 MARIA THAT WITH ALL DUE RESPECT.

17 DR. MILLS: IF YOU GIVE ME AN OPPORTUNITY
18 TO EXPLAIN. I'M NOT DEAD YET. GIVE ME AN
19 OPPORTUNITY TO EXPLAIN SORT OF THE REASON WHY. I
20 THINK -- BECAUSE IF YOU LOOK BACK RETROSPECTIVELY,
21 WE DON'T HIRE PEOPLE THAT WE DON'T ABSOLUTELY NEED.
22 IN THE LAST, NOT JUST THIS BUDGET, BUT OVER SEVERAL
23 BUDGETS, JUST BECAUSE WE HAVE THE ABILITY TO FILL
24 THE POSITION DOESN'T MEAN WE GO OUT AND WE FILL THE
25 POSITION BECAUSE IT'S THERE. WE THINK LONG AND HARD

1 ABOUT IT. AND IF IT'S THE RIGHT THING TO DO, WE
2 MAKE THAT DECISION AND WE FILL IT. SO WE'RE VERY
3 RESPONSIBLE. AND IF THERE IS A BETTER WAY TO DO IT,
4 THERE IS A BETTER WAY TO DO IT, BUT WHAT WE CAN'T DO
5 IS NOT GET THE WORK DONE. TO ME THAT'S SORT OF THE
6 BOTTOM LINE.

7 AND SO IF THERE IS AN EFFICIENT WAY, WE
8 HAVE USED CONTRACT TEAM MEMBERS BEFORE. WE DO THAT.
9 THAT'S ONE OF THE WAYS WE GET WORK DONE. IF IT'S
10 NOT APPLICABLE FOR A CERTAIN POSITION, THEN WE ARE
11 UNABLE TO USE IT. BUT THREE YEARS, ONLY THREE YEARS
12 LEFT, I'LL JUST REMIND YOU THREE YEARS AGO IS WHEN I
13 STARTED. SO YOU CAN DO SOMETHING IN THOSE THREE
14 YEARS. AND MY EXPECTATION IS THAT THIS ORGANIZATION
15 DOES IN THIS NEXT THREE YEARS WHAT IT'S DONE IN THE
16 THREE YEARS PREVIOUS. AND THAT IS WHAT MARIA SAID
17 SHE'S GOING TO DO.

18 CHAIRMAN THOMAS: MR. JUELGAARD.

19 DR. JUELGAARD: JUST ONE MORE QUICK
20 QUESTION FOR CHILA GOING BACK TO THE DISCUSSION OF
21 ADMINISTRATIVE COSTS. SO I DID A LITTLE
22 BACK-OF-THE-AGENDA ADDITION PROBLEM HERE. WHAT IS
23 THE TOTAL AMOUNT FOR THIS COMING FISCAL YEAR BUDGET
24 THAT WOULD BE ASSOCIATED WITH THE ADMINISTRATIVE
25 COST? WHAT'S THAT DOLLAR FIGURE? DO YOU HAVE THAT?

1 MS. SILVA-MARTIN: I THINK IT'S ABOUT \$16
2 MILLION. FIFTEEN FIVE. THAT'S RIGHT BECAUSE THE
3 LEGAL IS ABOUT 2.4. SO ABOUT FIFTEEN FIVE.

4 DR. JUELGAARD: OKAY. THANKS.

5 MS. SILVA-MARTIN: YOU'RE WELCOME.

6 CHAIRMAN THOMAS: ANY OTHER QUESTIONS OR
7 COMMENTS FOR CHILA?

8 JUST WANTED TO REMIND THE BOARD, BY THE
9 WAY, ON THE SUBJECT OF ADMINISTRATIVE COST, YOU MAY
10 RECALL FROM A NUMBER OF MONTHS AGO WE'VE BEEN
11 ACTIVELY LOOKING AT GETTING ADDITIONAL
12 ADMINISTRATIVE FUNDS PUT IN. AND WE ANNOUNCED AT
13 THAT POINT \$7 MILLION BETWEEN TWO GIFTS TOWARDS
14 ADMINISTRATIVE FUNDS, AND WE ARE ACTIVELY OUT
15 TALKING TO OTHERS TO ENLARGE THAT POT SO THAT WE
16 WILL HAVE FUNDING THAT CAN BE USED IN THE VARIOUS
17 SETS OF FACT THAT WE'RE DISCUSSING HERE. SO JUST
18 STAY TUNED FOR MORE ON THAT.

19 SUPERVISOR SHEEHY: WHAT'S THE TIMELINE?
20 AREN'T THOSE DEPENDENT ON REACHING A CERTAIN NUMBER?
21 THOSE AREN'T FUNDS THAT WE HAVE. THOSE ARE FUNDS
22 THAT ARE RELYING ON RAISING HOW MUCH ADDITIONALLY?

23 CHAIRMAN THOMAS: THAT'S IN THE PROCESS OF
24 BEING DISCUSSED BECAUSE THE NUMBERS THAT WERE
25 ORIGINALLY IN THOSE CONTINGENT GIFTS IN TERMS OF THE

1 DOLLAR AMOUNT WE NEEDED WERE ACTUALLY WAY TOO HIGH.
2 SO WE'RE LOOKING AT -- THE ASSUMPTION WAS IF WE DID
3 HAVE WIND-DOWN, WE DID RUN OUT OF FUNDS IN 2020,
4 MID-2020, TO GET THROUGH THE END OF WIND-DOWN, IT
5 WOULD COST APPROXIMATELY 15 MILLION.

6 SUPERVISOR SHEEHY: THOSE FUNDS WERE
7 PLEDGED PURSUANT TO HAVING THE FULL 15 MILLION, IF I
8 REMEMBER CORRECTLY, I COULD BE WRONG, WERE PLEDGED
9 PURSUANT TO HAVING THE FULL 15 MILLION COMMITTED,
10 RIGHT?

11 CHAIRMAN THOMAS: YES, THAT'S CORRECT.
12 OKAY. WE NEED A MOTION TO APPROVE THE BUDGET.

13 MR. TORRES: SO MOVED.

14 CHAIRMAN THOMAS: MOVED BY SENATOR TORRES.
15 SECONDED BY DR. BURTIS. ANY FURTHER COMMENT? DO WE
16 HAVE ANY PUBLIC COMMENT? HEARING NONE, DO WE NEED A
17 VOICE OR ROLL CALL VOTE, MR. HARRISON?

18 MR. HARRISON: VOICE AND ROLL CALL FOR
19 THOSE ON THE PHONE.

20 CHAIRMAN THOMAS: HOW NICE. BOTH. ALL
21 THOSE PRESENT IN THE ROOM IN FAVOR OF THE BUDGET
22 PLEASE SAY AYE. OPPOSED? ABSTENTIONS IN THE ROOM
23 BEFORE WE GET TO THOSE ON THE PHONE? NO
24 ABSTENTIONS. ALL THOSE ON THE PHONE, A ROLL CALL,
25 MARIA.

1 MS. BONNEVILLE: JACK DIXON.
2 DR. DIXON: YES.
3 MS. BONNEVILLE: HOWARD FEDEROFF. SHERRY
4 LANSING.
5 MS. LANSING: YES.
6 MS. BONNEVILLE: SHLOMO MELMED.
7 DR. MELMED: YES.
8 MS. BONNEVILLE: LAUREN MILLER.
9 MS. MILLER: YES.
10 MS. BONNEVILLE: AL ROWLETT.
11 MR. ROWLETT: YES.
12 MS. BONNEVILLE: THANK YOU.
13 CHAIRMAN THOMAS: THANK YOU. BETH, YOU
14 DOING OKAY?
15 THE REPORTER: I'M FINE.
16 CHAIRMAN THOMAS: BY THE WAY, BETH
17 MENTIONED EARLIER THAT THIS IS HER 30TH YEAR DOING
18 THIS SORT THING. SHE DOES AN OUTSTANDING JOB, SO A
19 SHOUT-OUT TO BETH FOR ALL YOUR GREAT WORK.
20 THE REPORTER: THANK YOU.
21 (APPLAUSE.)
22 MR. TORRES: HOW DID YOU RECORD THAT
23 APPLAUSE?
24 THE REPORTER: I WROTE "PLAUSE PLAUSE."
25 DR. MILLS: YOU SHOULD HAVE WROTE LIKE

1 STANDING OVATION. YOU GET TO CONTROL IT. CROWD
2 GOES WILD.

3 CHAIRMAN THOMAS: WE'RE GOING TO GO A
4 LITTLE BIT OUT OF ORDER HERE. WE'RE GOING TO
5 SKIP -- WE WENT OUT OF ORDER. WE'RE BACK TO THE
6 PRESIDENT'S REPORT. DR. MILLS.

7 THE REPORTER: I MIGHT NEED A BREAK NOW.

8 DR. MILLS: OKAY. NORMALLY I HANDLE THE
9 JOKES.

10 CHAIRMAN THOMAS, BOARD, THANK YOU VERY
11 MUCH FOR GIVING ME THE OPPORTUNITY TO PRESENT TO YOU
12 TODAY OUR PRESIDENT'S REPORT. I'M GOING TO GO OVER
13 A NUMBER OF DIFFERENT TOPICS. I'VE DECIDED TO GO
14 WITH SOMETHING AKIN TO GAME SHOW TITLES. AND SO
15 THEY MAY KEEP YOU GUESSING AS WE GO ALONG. I WILL,
16 OF COURSE, ASK J.T. IF IT'S OKAY. AND I WOULD LIKE
17 TO START, MR. CHAIRMAN, WITH "WHERE ARE WE GOING FOR
18 200?"

19 SO FIRST ITEM UP, I KNOW WE HAVE SOME
20 BRAND-NEW BOARD MEMBERS AND SOME NEWER BOARD
21 MEMBERS. THIS IS SOMETHING THAT I'VE DONE IN EVERY
22 PRESENTATION THAT I'VE EVER GIVEN FOR CIRM, AND IT
23 STARTS WITH THE MISSION AND REMINDING US WHY IT IS
24 WE'RE HERE AND WHAT IT IS WE'RE SUPPOSED TO BE
25 DOING.

1 SO OUR MISSION IS TEN SIMPLE WORDS, BUT
2 THEY' RE VERY POWERFUL AND THEY' RE VERY EFFECTIVE.
3 ACCELERATE STEM CELL TREATMENTS TO PATIENTS WITH
4 UNMET MEDICAL NEEDS. IT' S PUTS US SQUARELY IN THE
5 TIME BUSINESS. SO WHAT WE HAVE TO DO ARE BRING
6 THESE TREATMENTS TO PATIENTS FASTER THAN WOULD
7 OTHERWISE HAPPEN WITHOUT CIRM. THIS IS OUR TRUE
8 NORTH. THIS NEVER MOVES. SO WHEREVER WE ARE, WE
9 CAN LOOK AT THIS AND SEE WHAT WE' RE DOING AND ASK
10 OURSELVES THE QUESTION: ARE WE IN BOUNDS OR ARE WE
11 OUT OF BOUNDS WITH OUR MISSION? AND IF WE' RE OUT OF
12 BOUNDS, WE SHOULD GET BACK IN BOUNDS. AND IF WE' RE
13 IN BOUNDS, WE SHOULD TO DO IT MORE AND FASTER,
14 TRANSLATING THAT DOWN TO A VISION THAT WE CAN
15 ACTUALLY DO SOMETHING WITH.

16 SO NOW WE WANT TO DO IT, HOW ARE WE GOING
17 TO DO IT? IN 2015 WE DECIDED TO GO FROM WHAT I
18 WOULD CALL AN INITIATIVE-BASED AGENCY, CODE NAME
19 WHACK-A-MOLE, KIND OF AGENCY WHERE DIFFERENT
20 OPPORTUNITIES POP UP AND THEN GO AWAY TO MORE OF A
21 SYSTEMS-BASED APPROACH. AND, IN ESSENCE, WHAT WE' RE
22 TRYING TO DO IS CREATE AN ENGINE, AND THIS ENGINE' S
23 PURPOSE IS TO TAKE INTERESTING, NEW IDEAS THAT COULD
24 HELP PEOPLE, RUN THEM THROUGH DISCOVERY,
25 TRANSLATION, CLINICAL. AND ON THE BACK SIDE OF THAT

1 ENGINE, IT PRODUCE CURES IN A WAY WHERE ALL OF THE
2 PARTS OF THE ENGINE ARE WORKING TOGETHER TO DO MORE
3 THAN THEY COULD DO INDIVIDUALLY.

4 IN OUR VALUE PROPOSITION, THE THING THAT
5 WE OWE TO THE PEOPLE OF CALIFORNIA IS THAT WITH CIRM
6 IN PLACE, WE ARE ABLE TO DO THIS WITH A HIGHER
7 VOLUME, AT A GREATER QUALITY, AND WITH BETTER SPEED
8 THAN IF CIRM WEREN'T IN PLACE. THAT'S OUR VALUE
9 PROPOSITION: MORE, BETTER, FASTER THAN IF WE
10 WEREN'T AROUND.

11 WE LIKE TO MEASURE THINGS AT CIRM. WE
12 LIKE TO MAKE SURE THAT IF WE SAY WE'RE GOING TO DO
13 THAT, WE KNOW WE'RE GOING TO DO THAT, AND WE CAN
14 PROVE IT. AND SO WE SET OUT VERY OBJECTIVE MEASURES
15 OF SUCCESS WHEN WE LAID OUT OUR STRATEGIC PLAN AT
16 THE END OF 2015.

17 ONE OF THE THINGS THAT MAKES CIRM UNIQUE
18 IS THAT COME 2020, WE'RE GOING TO KNOW WHETHER OR
19 NOT WE ACCOMPLISHED THESE GOALS. THEY ARE
20 COMPLETELY MEASURABLE. GO THROUGH THEM: 50 NEW
21 CANDIDATES INTO THE DISCOVERY PROCESS. SO THIS IS
22 DISCOVERING 50 NEW POTENTIAL THERAPIES AT THE FRONT
23 END OF THAT ENGINE. INCREASED PROGRESSION EVENTS,
24 RIGHT. SO WHEN SOMETHING GOES FROM DISCOVERY TO
25 TRANSLATION OR TRANSLATION TO CLINICAL, WE CALL

1 THAT A PROGRESSION EVENT. WE WANT TO HAVE THE RATIO
2 OF THAT INCREASE BY 50 PERCENT, 50 PERCENT HIGHER
3 THAN WE'VE DONE IN THE PAST.

4 WE WANT TO ENACT NEW REGULATORY
5 LEGISLATION THAT WOULD HELP THESE STEM CELL PRODUCTS
6 MOVE FASTER. WE DID A GOOD JOB WITH THAT WITH THE
7 21ST CENTURY CURES ACT BEING PASSED LAST YEAR, AND
8 I'LL TALK MORE ABOUT THAT COMING UP.

9 WE WANTED TO REDUCE TRANSLATION TIME. SO
10 TRANSLATION TIME IS THE TIME WHEN YOU HAVE A DRUG
11 THAT'S BEEN DISCOVERED AND YOU HAVE THIS DRUG, BUT
12 YOU HAVEN'T TESTED IT IN ANYTHING. THIS IS THE TIME
13 YOU CAN ACTUALLY START TESTING IT IN HUMANS. FOR A
14 NON-STEM CELL THERAPY, THAT TIME, THAT TIME TAKES
15 3.2 YEARS. FOR A STEM CELL THERAPY, THAT TIME IS
16 EIGHT YEARS. WE WANT TO CUT THAT TIME IN HALF TO
17 FOUR YEARS. SO THAT'S ONE OF OUR GOALS.

18 PROBABLY THE MOST TALKED ABOUT OF THESE
19 BIG SIX ARE THE 50 NEW CLINICAL TRIALS. SO WE
20 ALREADY HAD 15. WE'RE ADDING 50 NEW CLINICAL TRIALS
21 TO BRING OUR TOTAL UP TO 65. AND THEN, LASTLY, WE
22 DON'T WANT THESE CLINICAL TRIALS JUST TO BE RUN. WE
23 WANT THEM TO GO AND IMPACT PATIENTS AND PATIENT
24 LIVES. AND THE WAY THAT YOU DO THAT IS YOU HAVE TO
25 GET INDUSTRY INVOLVED. AND SO WE WANT AT LEAST HALF

1 OF OUR CLINICAL PROGRAMS TO BE PARTNERED UP WITH
2 INDUSTRY THAT CAN TAKE THEM TO THE MARKET AND TAKE
3 THEM TO POPULATIONS OF PEOPLE BY THE TIME THEY LEAVE
4 OUR ORGANIZATION. SO VERY CLEAR, CRISP OBJECTIVE
5 GOALS, BUT THEY ARE DIFFICULT GOALS AS WELL.

6 I AM VERY PROUD TO REPORT THAT THE TEAM IS
7 CRUSHING ON ALL OF THESE RIGHT NOW, AND THEY'RE
8 DOING A GREAT JOB. AND I PREDICT IN 2020 WE ARE
9 GOING TO BE THE STATE AGENCY THAT IS ABLE TO SAY WE
10 DID EXACTLY WHAT SAID WE WERE GOING TO DO.

11 OKAY. SO THAT'S WHERE WE ARE GOING. NEXT
12 IS "MEET THE BUCKETS." WE TALKED ABOUT THIS A
13 LITTLE WHILE AGO. YOU GUYS KNOW THE BUCKETS. SORT
14 OF IN VISUAL TERMS ABOUT THE CONVERSATION WE WERE
15 JUST HAVING, CIRM IS A \$3 BILLION AGENCY, BUT NOT
16 REALLY. IT'S DIVIDED INTO TWO BUCKETS, AN AWARD
17 BUCKET THAT HAS \$2.75 BILLION IN IT. THAT'S THE
18 BUCKET THAT, WHEN WE MAKE AWARDS TO OUR GRANTEES,
19 THE MONEY COMES OUT OF THERE. THE MUCH SMALLER
20 BUCKET IS THE ADMINISTRATIVE BUCKET. \$180 MILLION
21 IN THAT BUCKET.

22 THERE ARE OTHER DIFFERENCES BETWEEN THESE
23 TWO BUCKETS. THE LITTLE BUCKET, FOR EXAMPLE, IS,
24 FOR THE MOST PART, ESSENTIALLY A ONE-WAY BUCKET.
25 MONEY ONLY COMES OUT OF IT. IT NEVER GOES BACK INTO

1 IT. SO OUT OF THE 180 MILLION, WE'VE SPENT 129. WE
2 HAVE 51 MILLION LEFT. AT A SPEND RATE RIGHT NOW OF
3 ABOUT FIFTEEN FIVE, THAT WILL PROBABLY GET US, GIVEN
4 THE DYNAMICS OF HOW WE GET SPENDING INCREASES ON
5 CERTAIN THINGS MANDATED TO US BY THE STATE, THAT
6 WILL LAND US RIGHT AROUND JUNE OF 2020 AS WE
7 PREDICTED, WHICH IS IMPORTANT BECAUSE IF EITHER ONE
8 OF THESE BUCKETS GOES TO ZERO IN AN UNSYNCHRONIZED
9 WAY, THEN WE END UP HAVING UNSPENT RESOURCES IN THE
10 OTHER.

11 HERE'S THE BIG BUCKET THOUGH. THE BIG
12 BUCKET WORKS A LITTLE BIT MORE DYNAMICALLY. SO THIS
13 IS A REPORT ON THE FIRST QUARTER ACTUAL. SO WHAT
14 ACTUALLY HAPPENED DURING THE FIRST QUARTER OF
15 CALENDAR YEAR 2017. WE MADE \$57 MILLION IN NEW
16 AWARDS, COMMITMENTS. SO THAT 57 MILLION CAME OUT OF
17 THE UNCOMMITTED BUCKET AND MOVED INTO THE COMMITTED
18 BUCKET. NOW, SIMULTANEOUS TO THAT, WE ACTUALLY HAD
19 A RECAPTURE OF \$2.4 MILLION OUT OF THE COMMITTED
20 BUCKET TO GO BACK INTO THE UNCOMMITTED BUCKET. SO
21 THAT GAVE US A NET MOVEMENT OF ABOUT \$55 MILLION.
22 OBVIOUSLY WE'RE ROUNDING THERE. BUT ABOUT \$55
23 MILLION NET MOVEMENT FROM THE UNCOMMITTED, LARGE
24 BUCKET TO THE COMMITTED LARGE BUCKET. AND THAT'S
25 PRETTY GOOD. I'M ACTUALLY VERY HAPPY WITH THE \$57

1 MILLION IN COMMITMENTS. THAT'S DOING WHAT WE'RE
2 SUPPOSED TO BE DOING, WHICH IS REVIEWING AWARDS,
3 GETTING THEM MATCHED UP TO HIGH QUALITY, GETTING THE
4 AWARDS WRITTEN AND OUT.

5 WE DO KNOW THAT ONCE WE PUT THE MILESTONE
6 SYSTEM IN PLACE, AND WE ACTUALLY ADHERE TO IT, WE
7 EXPECT TO SEE RETURN AT A PRETTY REASONABLE RATE AS
8 WELL BECAUSE BIOTECH JUST DOESN'T ALWAYS WORK. IF
9 YOUR RETURN IS ZERO, SOMETHING IS WRONG. SO IN THIS
10 CASE, IT WAS 2.4, WHICH IS A LITTLE LOW FOR THIS
11 QUARTER. I'LL TELL YOU, SPOIL ALERT FOR THE NEXT
12 TIME YOU SEE THIS, THAT FIRST QUARTER IS A LITTLE
13 BIT OF AN ANOMALY. AND IT APPEARS NOW -- LAST YEAR
14 OUR RETURN RATE WAS 30 MILLION FOR THE FULL YEAR.
15 IT APPEARS NOW THAT EVEN THROUGH PROBABLY THE END OF
16 THE THIRD QUARTER, WE WILL BE AT ABOUT 30 MILLION BY
17 THE END OF THE THIRD QUARTER. SO THAT RETURN RATE
18 IS LIKELY SOMEWHERE TO BE NORTH OF 35 MILLION FOR
19 THIS YEAR. AND WE KNOW BECAUSE RIGHT NOW I'M
20 PRESENTING AT THE END OF A QUARTER, SO I'M NOT
21 PRESENTING ON THE SECOND QUARTER, BUT A LOT OF
22 RETURN ACTIVITY HAS ALREADY HAPPENED IN THE SECOND
23 QUARTER THAT WE KNOW OF. SO THAT'S HOW THE BUCKETS
24 ARE GOING.

25 THIS IS GOING EXACTLY AS WE HAD PLANNED.

1 SO, AGAIN, THE IDEA IS TO MAKE SURE THAT YOU ALIGN
2 THE TRAJECTORIES OF THESE TWO BUCKETS, THE BIG
3 BUCKET AND THE LITTLE BUCKET, SUCH THAT THEY'RE
4 RUNNING OUT OF MONEY AT ABOUT THE SAME TIME. AND
5 THAT, AGAIN, IS ALL TRIANGULATING AROUND JUNE OF
6 2020. OKAY. THAT'S THE BUCKETS. IT'S LIKE EATING
7 BRAN. IT'S NOT FUN, BUT YOU GOT TO DO IT.

8 NOW WE'RE GOING TO MOVE ON TO "INCEPTION,
9 AGAIN, FOR 300," J.T. SO INCEPTION IS A PROGRAM
10 THAT WE INSTITUTED UNDER CIRM 2.0 AND THE STRATEGIC
11 PLAN, AND WE WANTED OUT OF INCEPTION WERE VERY EARLY
12 STAGE, GAME-CHANGING IDEAS THINGS. SO THE THINGS
13 THAT COULD REALLY TRANSFORM SCIENCE IF THEY ENDED UP
14 BEING TRUE, BUT THEY ESSENTIALLY HAVE NO DATA BEHIND
15 THEM. THEY ARE EARLIER STAGE PROGRAMS.

16 SO RECALL HOW OUR FUNDING PROGRAMS WORK.
17 THE EARLIEST CLASS OF FUNDING PROGRAMS WE HAVE IS
18 DISCOVERY, THEN IT GOES TO TRANSLATION, AND THEN IT
19 GOES TO CLINICAL. THE IDEA BEHIND ALL OF THIS IS
20 IT'S SEAMLESS. ONE LEADS TO THE NEXT LEADS TO THE
21 NEXT. WELL, INCEPTION SITS IN DISCOVERY. SO THE
22 YELLOW, GREEN, WHATEVER THAT COLOR IS, SITS IN
23 DISCOVERY AND IT SITS AS THE FIRST STEP IN
24 DISCOVERY. SO THIS IS THE VERY EARLIEST PROGRAM
25 THAT WE HAVE. AS I SAID, WE'RE OFFERING \$150,000,

1 WHICH IS OUR SMALLEST AWARD, TO GENERATE PRELIMINARY
2 DATA ON POTENTIALLY TRANSFORMATIONAL IDEAS. THE
3 PURPOSE OF THIS IS IT'S TO GENERATE THE PRELIMINARY
4 DATA, NOT TO EVALUATE DATA THAT'S ALREADY BEEN
5 GENERATED.

6 THE PROBLEM WE'RE HAVING HERE IS THE
7 NUMBER OF APPLICATIONS THAT WE'RE GETTING IN IS
8 DROPPING. THAT'S NOT GOOD. BUT PROBABLY MORE
9 WORRISSOME THAN THAT IS THE PERCENTAGE OF AWARDS
10 WE'RE MAKING OFF OF THOSE APPLICATIONS IS THE LOWEST
11 OF ANY PROGRAM WE HAVE. SO THIS IS ONE THAT
12 PROBABLY WE SHOULD BE THE LEAST CRITICAL ON FROM A
13 SCIENTIFIC STANDPOINT BECAUSE WE SHOULDN'T HAVE A
14 LOT OF DATA TO REVIEW. WE SHOULD REALLY JUST BE
15 REVIEWING IDEAS. BUT ONLY 8 PERCENT OF THEM ARE
16 MAKING IT THROUGH. AND WE THINK THE REASON FOR THAT
17 IS, ONE, JUST A MISUNDERSTANDING ABOUT WHAT THIS
18 PROGRAM IS WITH OUR APPLICANTS; TWO, THE APPLICATION
19 ITSELF IS CONSTRUCTED OR HAS BEEN CONSTRUCTED
20 PREVIOUSLY LIKE AN R01, LIKE A BIG RESEARCH GRANT.
21 SO, ONE, THAT'S KIND OF SCARING PEOPLE AWAY FOR
22 APPLYING FOR A \$150,000 GRANT, BUT IT'S ALSO SENDING
23 THE WRONG MESSAGE, THAT YOU NEED LOTS AND LOTS OF
24 DATA IN ORDER TO DO THIS. AND THEN, LASTLY, IT'S
25 CLEARLY SENDING A MESSAGE TO OUR REVIEWERS THAT THIS

1 LONG, BIG GRANT, I BETTER SEE DATA IN THAT THE SAME
2 WAY I SEE DATA IN R01S.

3 SO OUR SOLUTION TO THIS IS WE'RE GOING TO
4 COMMUNICATE BETTER WITH THE INVESTIGATORS, THE ONES
5 WHO ARE POTENTIALLY APPLICANTS FOR THIS. WE ARE
6 STREAMLINING SIGNIFICANTLY THE APPLICATION PROCESS
7 SO THAT INSTEAD OF HAVING THIS HUGE APPLICATION,
8 WE'RE GOING TO HAVE ONE THAT'S MORE SYNCED AND
9 CLEARLY MATCHES THE KIND OF APPLICATION WE WANT.
10 AND THEN WE'RE GOING TO PASS THAT ON TO THE
11 REVIEWERS SO THEY UNDERSTAND THEY'RE NOT DOING AN
12 R01-TYPE REVIEW. THEY'RE DOING AN EARLY SEED
13 REVIEW. ACTUALLY NOT CHANGING ANYTHING ABOUT THE
14 PROGRAM AND ITS EXPECTATIONS, HOW IT WAS DESIGNED OR
15 ANYTHING IN THE CONCEPT PLAN, JUST REALLY HOW WE
16 ADMINISTER IT. SO LOOK FORWARD TO THAT, AND WE'LL
17 HOPEFULLY SEE IF THAT WORKS. IF NOT, WE'LL COME UP
18 WITH INCEPTION 2.2.

19 "WHEN AN ANVIL IS A GOOD THING FOR 400."
20 THIS IS A TRICKY ONE, RIGHT? DO YOU REMEMBER OUR
21 ANNUAL REPORT THIS YEAR? WE PUT IT OUT, AND I
22 THOUGHT IT WAS PRETTY COOL. ON THE COVER OF IT WE
23 HAD EVANGELINA, WHO WAS CURED BY DON KOHN OF SCID'S
24 DISEASE, AND BRENDEN, WHO HAD ANOTHER
25 IMMUNODEFICIENCY DISEASE ALSO CURED BY DON KOHN.

1 WELL, APPARENTLY IT WAS GOOD, AND IT WAS MOVING
2 BECAUSE IT IS THE WINNER OF THE PUBLIC RELATION
3 SOCIETY OF AMERICA'S 2017 BRONZE ANVIL AWARD. THIS
4 IS THE LARGEST ORGANIZATION THAT DOES THIS KIND OF
5 THING. IT WAS UP AGAINST, AS I UNDERSTAND,
6 SOMETHING LIKE 500 OTHER POTENTIAL MEDIA CAMPAIGNS.
7 AND SO IT'S A GREAT RECOGNITION. IT'S GREAT
8 RECOGNITION FOR ME AND THE COMMUNICATIONS TEAM ON
9 THE PHENOMENAL JOB THEY DID ASSEMBLING THIS THING.
10 AND I THINK PROBABLY THE MOST IMPORTANT THING ABOUT
11 THIS PIECE THAT WE PUT OUT WAS THE VERY, VERY REAL
12 CONNECTION OF WHAT CIRM DOES TO THE PEOPLE IT
13 ATTEMPTS, NOT JUST ATTEMPTS, FOR THE PEOPLE IT
14 SERVES. SO THAT WAS A GREAT THING, AND
15 CONGRATULATIONS, YOU GUYS, FOR THAT WIN.

16 (APPLAUSE.)

17 DR. MILLS: NOW MY FAVORITE TOPIC:
18 "LAWYERS, WHO NEEDS THEM?" I'M FAIRLY CERTAIN THIS
19 IS THE DAILY DOUBLE.

20 CHAIRMAN THOMAS: LOT MORE THAN THAT.

21 DR. MILLS: JAMES IS HERE, SO I MIGHT
22 PHONE A FRIEND. LET'S JUST SEE WHAT'S BEHIND THIS
23 ONE. OKAY. SO I'D LIKE TO INTRODUCE TO YOU OUR NEW
24 GENERAL COUNSEL THAT I APPOINTED, SCOTT TOCHER, WHO
25 WILL BE TAKING OVER FOR JAMES HARRISON WHEN HE QUILTS

1 TODAY -- I'M SORRY -- WHEN HE LEAVES. AND JUST A
2 LITTLE BIT ABOUT SCOTT FOR THOSE WHO DON'T KNOW HIM.
3 EVERYONE WHO HAS BEEN AROUND AWHILE DOES KNOW HIM.
4 WHY? BECAUSE HE'S BEEN AROUND FOREVER.

5 SCOTT JOINED CIRM IN 2015, 12 YEARS AGO.
6 THAT'S BASICALLY -- 2005. THANK YOU. IF YOU KNOW
7 THE ANSWER, SHOUT IT OUT. IN 2005, 12 YEARS AGO,
8 WHICH IS ABOUT AS LONG AS CIRM HAS BEEN AROUND, HE
9 WAS IMMEDIATELY PAST OUR DEPUTY GENERAL COUNSEL AND
10 HAS BEEN INVOLVED ABSOLUTELY IN EVERYTHING THAT CIRM
11 DOES AND HAS BEEN DOING FOR A VERY LONG TIME. HE IS
12 A MAJOR CONTRIBUTOR TO THE LEADERSHIP TEAM AT CIRM.
13 HE'S ALSO A MAJOR CONTRIBUTOR TO THE DEVELOPMENT OF
14 OUR STRATEGIC PLAN, WHICH IS REALLY IMPORTANT THAT
15 WE HAVE CONTINUITY THERE.

16 IF YOU DO GET TO KNOW HIM, HE IS VERY
17 BRIGHT, AND HE HAS AN INCREDIBLE AMOUNT OF
18 INSTITUTIONAL KNOWLEDGE. HE KNOWS WHY THINGS ARE OR
19 WERE FOR THE GOOD AND FOR THE BAD. HE KNOW WHAT
20 POTHOLES TO AVOID AND IS EXCEPTIONALLY WELL
21 QUALIFIED FOR THIS JOB. HE IS FUNNY, AND THAT'S
22 SOMETHING THAT JAMES WANTED ME TO POINT OUT. AND
23 OBVIOUSLY, MOST IMPORTANTLY, HE IS A PILOT, WHICH IS
24 SOMETHING I WANT YOU GUYS TO KNOW, BUT THIS IS OUR
25 NEW GENERAL COUNSEL, SCOTT TOCHER. I DON'T KNOW IF

1 JAMES WANTS TO SAY ANYTHING, BUT SCOTT.

2 (APPLAUSE.)

3 DR. MILLS: YOU GOING TO PASS?

4 MR. HARRISON: SO A LOT OF YOU ASKED ME
5 WHY I MADE THE DECISION TO LEAVE CIRM WHEN I DID.
6 AND I AM RETURNING FULL TIME TO MY LAW PRACTICE, BUT
7 PART OF WHAT MADE THAT DECISION LESS DIFFICULT FOR
8 ME WAS KNOWING THAT YOU WOULD BE IN SCOTT'S GOOD
9 HANDS WHEN I LEFT. HE IS A REMARKABLE LAWYER, AN
10 AMAZING PROBLEM SOLVER, AND HAS THE SKILL SET THAT
11 AN AGENCY LIKE THIS NEEDS TO HELP IT FIND ITS WAY
12 THROUGH THE THICKET OF ISSUES THAT IT FACES AS A
13 STATE AGENCY THAT HAS A LARGE DEGREE OF AUTONOMY AND
14 THAT OPERATES IN A REALLY HIGHLY SPECIALIZED FIELD.

15 SO HE'S AN AMAZING LAWYER, AND I AM
16 GRATEFUL THAT HE WILL BE YOUR NEXT GENERAL COUNSEL.

17 DR. MILLS: EXCELLENT.

18 (APPLAUSE.)

19 CHAIRMAN THOMAS: SENATOR TORRES.

20 MR. TORRES: WHEN I FIRST CAME IN 2009 OF
21 APRIL, SCOTT WAS ONE OF THE FIRST PEOPLE I CONNECTED
22 WITH. AND EVER SINCE THEN, HE HAS GIVEN TREMENDOUS
23 ADVICE. AND BECAUSE OF HIS INSTITUTIONAL KNOWLEDGE
24 OF SACRAMENTO, BECAUSE HE WAS A LAWYER WITH THE FAIR
25 POLITICAL PRACTICES COMMISSION, AN ACT WHICH I

1 REJECT AND ABHOR, BUT NONETHELESS, HE CAME WITH THAT
2 EXPERIENCE AND ORIENTATION. AND I THINK HE'S WAITED
3 AS LONG AS PRINCE PHILLIP HAS TO TAKE OVER THE
4 REINS, AND NOW IT'S FINALLY OCCURRED. I JUST WANT
5 TO SAY WHAT A GREAT CHOICE, AND I LOOK FORWARD TO
6 WORKING WITH YOU, SCOTT.

7 MR. TOCHER: THANK YOU VERY MUCH.

8 (APPLAUSE.)

9 DR. MILLS: ONE LAST THING, JUST SORT OF A
10 COMMENT TO MAKE ON IT. THAT QUALITY OF INDIVIDUAL,
11 TO BE ABLE TO SEAMLESSLY TAKE OVER AFTER SOMEBODY
12 THAT NOT JUST HAS BEEN WITH THE AGENCY THE ENTIRE
13 TIME, BUT LITERALLY WROTE PROPOSITION 71, TO BE ABLE
14 TO HAVE SOMEBODY COME INTO THAT SEAT, I THINK,
15 SPEAKS SIMILARLY, WHICH I AM GOING TO GET TO HERE IN
16 A MOMENT, I JUST THINK SPEAKS VOLUMES TO THE BENCH
17 STRENGTH OF THIS ORGANIZATION AND THE HEALTH OF THIS
18 ORGANIZATION, THAT WE'RE NOT JUST STRONG, WE ARE
19 STRONG AND WE ARE DEEP IN THE BENCH, AND THAT'S A
20 VERY GREAT AND HEALTHY THING FOR AN ORGANIZATION TO
21 HAVE. SO WE'RE VERY LUCKY THERE.

22 OKAY. "STORY ABOUT A TRIP WE TOOK LAST
23 WEEK." THIS ONE IS PRETTY COOL, I THINK. SO
24 SEVERAL WEEKS AGO I GOT A CALL FROM THE CHIEF
25 SCIENTIFIC OFFICER OF NHLBI AND NIH. SO DECODING

1 THAT, NATIONAL HEART, BLOOD, AND LUNG INSTITUTE AT
2 THE NATIONAL INSTITUTES OF HEALTH. AND SHE SAID,
3 "WOULD YOU BE WILLING TO COME OUT TO NIH AND TELL US
4 A LITTLE BIT ABOUT WHAT YOU GUYS ARE DOING? WE'VE
5 BEEN TOLD WE HAVE TO HAVE MORE INFORMATION TO BE
6 COMPETITIVE WITH OUR 21ST CENTURY CURES ACT." THEY
7 ACTUALLY HAVE DIRECT RESPONSIBILITY FOR REGENERATIVE
8 MEDICINE UNDER 21ST CENTURY CURES. AND WE CONVENED
9 A PANEL, AND THE PANEL JUST REPEATEDLY KEPT COMING
10 BACK TO YOU NEED TO TALK CIRM. YOU NEED TO TALK TO
11 CIRM. WE DON'T KNOW WHO WAS ON THE PANEL, WE DON'T
12 KNOW WHO WAS SAYING IT. BUT, I GUESS, AFTER HEARING
13 IT ENOUGH, THEY SAID, "OKAY. WE GET IT. WE NEED TO
14 TALK TO CIRM."

15 AND THEY READ THROUGH OUR STRATEGIC PLAN.
16 THEY ACTUALLY READ THROUGH OUR ROAD SHOW AND OUR
17 ANNUAL REPORTS. AND THEY CALLED US, AND THEY SAID,
18 "WOULD THERE BE ANY WAY THAT YOU GUYS COULD COME
19 HERE AND SPEAK TO THE NIH ABOUT HOW IT IS YOU DO
20 WHAT YOU DO BECAUSE IT SEEMS VERY INTERESTING FOR US
21 AND WE'RE INTERESTED IN LEARNING ABOUT IT."

22 AND THESE ARE SOME OF THE QUESTIONS THAT
23 THEY POSED. AND YOU CAN SEE THEY'RE INTERESTING
24 QUESTIONS. WHAT'S CIRM'S MISSION AND VISION FOR
25 REGENERATIVE MEDICINE? HOW DOES CIRM MEASURE

1 SUCCESS? HOW HAVE CIRM'S STRATEGIES AND PRIORITIES
2 CHANGED UNDER CIRM 2.0? AND SO ON AND SO FORTH.
3 THIS IS AN ORGANIZATION LOOKING HOW TO DO BETTER,
4 SPECIFICALLY IN REGENERATIVE MEDICINE, BUT ALSO
5 ACROSS OTHER FIELDS.

6 AND SO WE AGREED WE WOULD DO THAT. WE
7 WOULD BE HONORED TO GO OUT AND DO THAT, AND SO WE
8 DID. AND THAT'S NOT A TYPO. WE HAD A
9 ONE-AND-A-HALF DAY MEETING WITH THE NIH, STARTED
10 WITH NIH DIRECTOR, FRANCES COLLINS, FOR THE FIRST
11 HALF OF THE DAY TALKING ABOUT OVERVIEW AND STRATEGY
12 AND HOW WE DO THINGS. THERE WERE 12 CENTER
13 DIRECTORS AND THEIR REPRESENTATIVES IN THE ROOM, ALL
14 TOLD, ABOUT 40 PEOPLE. AND THEN WE WENT INTO
15 ONE-ON-ONE BREAKOUT SESSIONS SO WE COULD DIVE DEEPER
16 INTO DIFFERENT TOPICS THAT THEY WOULD LIKE.

17 AND IT WAS EYE OPENING. ONE, THERE ARE
18 SEVERAL AREAS OF POTENTIAL SYNERGY BETWEEN THE NIH
19 AND CIRM. THAT WAS CLEAR. THERE ARE WAYS FOR US TO
20 PARTNER TO WHERE WE COULD PROBABLY STRETCH DOLLARS
21 WHERE THEY COULD BE A CO-FUNDER ON ONE OF OUR
22 PROGRAMS, THAT KIND OF THING. WE HAD A VERY
23 COLLABORATIVE DISCUSSION WHERE WE BRAINSTORMED IDEAS
24 ON HOW TO DO THIS. I'M NOT GOING TO GET TOO MUCH
25 INTO THAT. DR. MILLAN AND GABE THOMAS WILL BE

1 CARRYING THIS FORWARD. THEY HAVE THE BALL ON IT.

2 AND --

3 CHAIRMAN THOMAS: THAT WOULD BE GABE
4 THOMPSON.

5 DR. MILLS: THAT'S YOUR NAME? THOMPSON?
6 THOMPSON. OKAY. THAT'S WHY I CALLED YOU BIG G.
7 YES. GABRIEL THOMPSON WILL BE CARRYING THIS
8 FORWARD. AND THAT'S GOOD. LOOK FOR MORE TO COME
9 FROM THEM. I'M NOT GOING TO SPEAK SPECIFICALLY
10 ABOUT WHAT THEY'RE GOING TO DO. WHAT I WILL DO IS
11 THE TAKEAWAY.

12 SO THE WAY THIS HAPPENED WAS ALL OF THE
13 NIH DIRECTORS THERE AND THE REST OF THE CENTER
14 DIRECTORS WERE THERE AND THIS SETS THE ROOM
15 LITERALLY THERE. DR. MILLAN PRESENTING. SO I WENT
16 FIRST, AND I TALKED ABOUT SORT OF THIS GRAND VISION
17 AND STRATEGIC PLAN AND HOW WE DID OUR STRATEGIC PLAN
18 AND WHAT WE GOT OUT OF IT AND WHAT IT IS. JAMES
19 ACTUALLY DID A VERY FUNNY SESSION CALLED "LESSONS
20 LEARNED" WHERE HE MADE FUN OF NIH FOR A SECOND
21 INADVERTENTLY. AND THEN DR. MILLAN CAME ALONG AND
22 DID A SECTION, REALLY AN OVERVIEW OF OUR PROGRAMS.
23 SO WHAT DO WE OFFER? HOW DO WE OFFER THEM? HOW DO
24 THOSE PROGRAMS WORK TOGETHER? HOW DO PEOPLE COME
25 IN? AND THEN, LASTLY, THOMPSON, MR. THOMPSON,

1 APPARENTLY, CAME IN AND FINISHED IT OFF BY --
2 FINISHED IT OFF BY TALKING MECHANICALLY ABOUT HOW
3 YOU IMPLEMENT THESE TYPES OF GRANTS AND MILESTONES
4 AND HOW IMPORTANT THE MILESTONE-BASED PROGRAM WAS TO
5 MAKING ALL OF THIS STUFF WORK. WE DO THIS
6 PRESENTATION BOOM, BOOM, BOOM, BOOM IN A SERIES, AND
7 SIT DOWN. AND TO SAY THAT THEY WERE IMPRESSED JUST
8 WOULDN'T GO FAR ENOUGH. THE HEAD OF NIH HIMSELF,
9 AND YOU GUYS JUMP IN IF YOU THINK I'M EXAGGERATING,
10 BUT I WOULD SAY WAS IN AWE. THEY COULDN'T BELIEVE
11 IT, WHAT THEY WERE SEEING. THEY WANTED TO KNOW HOW
12 TO DO IT, HOW THEY COULD BE LIKE US. JUST FOR A
13 MOMENT THINK ABOUT THAT PARADIGM CHANGE.

14 WHEN THIS ORGANIZATION WAS SET UP, WE
15 MODELED OURSELF AFTER THE 32 BILLION, 27,000
16 EMPLOYEE NIH. AND TODAY THE NIH IS TRYING TO MODEL
17 ITSELF AFTER THE \$3 BILLION, 200 MILLION A YEAR,
18 50-PERSON CALIFORNIA INSTITUTE OF REGENERATIVE
19 MEDICINE. AND I JUST, PARTICULARLY FOR THE TEAM, IF
20 YOU THOUGHT YOU WERE DOING GOOD WORK AND YOU THOUGHT
21 LIKE THIS MIGHT BE DIFFERENT AND BETTER, I'LL TELL
22 YOU THE NIH THINKS YOU'RE DOING GOOD WORK AND THEY
23 THINK IT'S DIFFERENT AND BETTER, AND THEY WANT TO BE
24 LIKE YOU. AND I THINK THAT'S A TREMENDOUS
25 COMPLIMENT TO THE WORK THAT THIS TEAM HAS DONE.

1 TRIP TO THE NIH.

2 OKAY. LAST THING. I HAVE OVER THE PAST
3 THREE YEARS, THANKS TO -- SHE'S NOT HERE -- THANKS
4 TO THE HELP OF ANNE-MARIE AND ART, BECOME
5 MULTICULTURAL. I HAVE LEARNED TO SAY GRACIAS AND
6 ADIEU. AND I'D LIKE TO SAY THANK YOU FOR THAT. SO
7 LEAVING AN ORGANIZATION LIKE CIRM IS DIFFICULT. IT
8 IS NOT EASY, BUT IT'S BEEN A GOOD TIME. WE HAD A
9 GOOD TIME HERE AND THE GOOD TIMES CONTINUE. THEY
10 THREW A PARTY FOR MY LEAVING. THEY DIDN'T INVITE
11 ME, BUT THEY THREW A PARTY AND THEY HAD A CAKE AND
12 THEY SHOWED ME, AND I THOUGHT IT WAS REALLY NICE OF
13 THEM TO DO THAT. SO IT'S GOOD. BUT THAT'S WHY
14 LEAVING IS SO HARD. WHEN YOU HAVE THAT KIND OF
15 LOVE, IT'S LIKE, EMMM, I CAN GET THAT. AND SO
16 THEY'VE ALL BEEN, AND I'LL SAY THEY REALLY HAVE BEEN
17 HELPFUL, BUT MARIA MILLAN HAS BEEN PARTICULARLY
18 HELPFUL. SHE REALLY HAS. SHE'S BEEN A GREAT
19 COLLEAGUE TO WORK WITH. I'M VERY PROUD OF HER.

20 SHE'S GOING TO MAKE A GREAT CEO. SHE
21 UNDERSTANDS HOW TO INNOVATE IN WAYS THAT I SOMETIMES
22 DON'T KNOW HOW. I'LL JUST GIVE YOU AN EXAMPLE.
23 YESTERDAY SHE WAS SAYING, "HEY, THERE'S A MUCH
24 FASTER WAY OUT OF WHAT USED TO BE YOUR OFFICE,
25 RANDY. IT'S MY OFFICE NOW, AND I'LL SHOW YOU." AND

1 SHE WAS RIGHT, AND 16 STORIES JUST ISN'T THAT FAR.
2 AND IF YOU LAND ON A FLOWER BED OR SOMETHING, IT'S
3 ACTUALLY QUITE PLEASANT. SO THE TRANSITION OUT,
4 WHILE DIFFICULT, HAS BEEN BUFFERED BY THESE ACTS OF
5 LOVE. AND I'M VERY, VERY GRATEFUL FOR THEM.

6 NOW I'M GOING TO GET SERIOUS REAL QUICK,
7 AND I WANTED TO GET FUNNY SO I WOULDN'T HAVE IT BE
8 TOO SERIOUS. AS I SAID TO YOU GUYS YESTERDAY AND
9 THE TEAM WHEN WE MET, GREATEST TEAM I'VE EVER WORKED
10 WITH. I ASKED YOU TO -- YOU WILL REMEMBER BACK. WE
11 HAD A COUPLE OF STORIES HERE, BUT WE HAD AN
12 ALL-COMPANY AND I SAID JUST WALK WITH ME. THIS IS
13 WHEN I WAS NEW, AND IT WAS LIKE THIS GUY IS DOING
14 SOMETHING CRAZY. JUST WALK WITH ME. AND THEY
15 DIDN'T WALK WITH ME. THEY RAN WITH ME, AND THEN
16 THEY OUTRAN ME. AND THEY DID SUCH A PHENOMENAL JOB.
17 THIS IS THEM MORE THAN ANYTHING ELSE. AND YOU GUYS
18 ARE PHENOMENAL. IF YOU NEED ANYTHING, YOU CALL, YOU
19 GOT IT FROM ME.

20 THE LEADERSHIP TEAM IS THE BEST LEADERSHIP
21 TEAM I'VE EVER BEEN A PART OF. THEY ARE COHESIVE.
22 THEY FIGHT. THEY LAUGH. THEY GET THINGS DONE.
23 THEY MAKE DECISIONS. THEY MOVE ON. THEY LOVE EACH
24 OTHER. IT'S FANTASTIC.

25 OUR NEW CEO, MARIA, WE COULD NOT BE MORE

1 BLESSED. WE HAVE SOMEBODY THAT'S BEEN IN THIS
2 ORGANIZATION SINCE BEFORE I CAME, HAS BEEN PART OF
3 DEVELOPING THE STRATEGIC PLAN, UNDERSTANDS IT INSIDE
4 OUT, AND HAS HAD RESPONSIBILITY FOR EXECUTING ON
5 MOST OF IT FOR THE LAST YEAR AND A HALF OR SO. WE
6 ARE BEAUTIFULLY COVERED. WE ARE SO LUCKY TO HAVE, I
7 DON'T KNOW, THIS DUKE -- IS THAT HOW YOU PRONOUNCE
8 IT? -- DUKE HARVARD AND THEN I GUESS STANFORD,
9 STANFORD SURGEON. I KNOW WHAT YOU GUYS ARE
10 THINKING, BUT, RANDY, THAT'S NOT A PHARMACEUTICAL
11 SCIENTIST FROM THE UNIVERSITY OF FLORIDA. I KNOW.
12 I SHARE YOUR CONCERNS. BUT HOLD HANDS AND WE'LL GET
13 THROUGH THIS TOGETHER. TRUST ME. THERE'S SOMETHING
14 INSIDE OF HER. I CAN FEEL IT. SHE'S GOING TO BE
15 ABSOLUTELY PHENOMENAL.

16 JAMES, I'LL PROBABLY TALK ABOUT YOU LATER
17 BECAUSE I THINK I'M GOING TO STAY FOR YOURS.

18 MANDA, CAN'T THANK YOU ENOUGH. I'M GOING
19 TO LEAVE IT THERE.

20 J.T., THANK YOU FOR INVITING ME TO DINNER.
21 THOSE OF YOU WHO DON'T KNOW THE STORY, I WAS A GWG
22 REVIEWER FOR FIVE YEARS BEFORE TAKING THIS JOB.

23 J.T. TAPS ME ON THE SHOULDER IN FEBRUARY 2014 AND
24 SAYS, "RANDY, I'D LIKE TO TAKE YOU TO DINNER."

25 PROBABLY BECAUSE HE NEEDED MATERIAL FOR ONE OF HIS

1 COMING UP CHAIRMAN REPORTS. BUT WE GO OUT TO DINNER
2 AND HE SAYS, "HEY, WE NEED A CEO FOR CIRM." I SAID,
3 "I'LL THINK ABOUT IT. NO ONE COMES TO MIND
4 IMMEDIATELY." HE SAYS, "NO. YOU." I SAID, "OH,
5 YOU'VE GOT TO BE KIDDING." AND THEN THREE AND A
6 HALF YEARS LATER HERE WE ARE.

7 SO THANK YOU VERY MUCH. YOU HAVE BEEN A
8 PHENOMENAL CHAIRMAN. YOU HAVE GIVEN ME EVERYTHING I
9 NEED, ALL THE LATITUDE, INSTRUCTION. WHEN I NEEDED
10 TO HEAR SOMETHING BAD, YOU'VE TOLD IT TO ME. I
11 THINK WE'VE MADE AN INCREDIBLE TEAM, AND I CAN'T
12 THANK YOU ENOUGH FOR IT.

13 ART TORRES, YOU TOO, MY FRIEND, MI AMIGO.
14 SO ART PAID ME THE BIGGEST COMPLIMENT I THINK I'VE
15 BEEN PAID HERE AT CIRM. WE WERE IN A LEADERSHIP
16 TEAM MEETING, AND IT WAS A PRETTY RAUCOUS MEETING.
17 SO WHEN WE GET IN THERE, WE SHUT THE DOOR. WE FIGHT
18 A LOT. THAT'S A GOOD WAY -- I DON'T MEAN LIKE BAD
19 FIGHTING. WE GOOD FIGHT. WE ARGUE OVER IDEAS, BUT
20 VERY PASSIONATELY. EVERYONE GETS THEIR VIEWS OUT ON
21 THE TABLE. AND THIS WAS A PARTICULARLY CANTANKEROUS
22 MEETING. WE WERE REALLY GETTING INTO IT ON A COUPLE
23 OF ISSUES. AND IT WAS ABOUT TWO HOURS.

24 AND AFTER TWO HOURS, WE WALKED OUT OF THE
25 ROOM A LITTLE BIT SHAKEN AND ART SAYS, "I CAN'T

1 BELIEVE THIS PLACE HAS CHANGED SO MUCH." I SAID,
2 "WHAT DO YOU MEAN?" HE SAID, "I HAVE NEVER HEARD SO
3 MUCH LAUGHTER IN THIS ORGANIZATION THAN TILL LIKE
4 TODAY." AND THAT WAS OUR FIGHTING, AND I JUST
5 THOUGHT IT WAS SUCH A COOL THING TO RECOGNIZE
6 BECAUSE THIS GROUP HAS COME TOGETHER AS A TEAM AND
7 TEAMS FIGHT; BUT, IMPORTANTLY, TEAMS LOVE EACH OTHER
8 AND THEY TAKE CARE OF EACH OTHER, AND THEY LAUGH AND
9 THEY HAVE FUN. EVEN PAT HAS FUN NOW 48.76 PERCENT
10 OF TIME. WE GOT TO LEARN ABOUT SIGNIFICANT FIGURES,
11 PAT. BUT ANYWAY, THANK YOU FOR THAT.

12 SHERRY, I HOPE YOU'RE STILL ON THE PHONE.
13 SHERRY HAS BEEN HELPFUL IN EVERYTHING THAT I TRIED
14 TO DO FROM THE DAY SHE HUGGED ME AFTER THE REVIEW OR
15 THE INTERVIEW, WHICH MY WIFE SAID, "HOW DID IT GO?"
16 I SAID, "I DON'T KNOW. I'VE NEVER BEEN HUGGED AFTER
17 AN INTERVIEW," BUT I THINK THAT'S A GOOD SIGN, ALL
18 THE WAY TO HELPING ME PREPARE AND PRESENT THE
19 STRATEGIC PLAN AND SAY WHAT TO DO AND SAY WHAT NOT
20 TO DO. FROM A CEO'S PERSPECTIVE, THERE'S THIS
21 CONCEPT OF YOU WANT TO SURROUND YOURSELF WITH PEOPLE
22 THAT BETTER YOU. IF SHERRY LANSING IS IN THE ROOM
23 OR EVEN PROBABLY IN THE STATE, YOU HAVE CHECKED THAT
24 BOX OFF. SHE IS THE MOST INCREDIBLE CEO I HAVE EVER
25 MET.

1 JEFF, WOW. YOU HAVE -- YOU ARE JUST THE
2 PICTURE OF PASSION FOR BETTER. AND YOU ARGUE AND
3 YOU FIGHT FOR THINGS, BUT YOU FIGHT FOR BETTER. AND
4 I THOUGHT THIS ENTIRE TIME WE HAVE MADE A GREAT
5 TEAM, AND I WANT TO THANK YOU FOR THAT.

6 SAME THING WITH YOU, STEVE. LITTLE LESS
7 PASSION, A LOT MORE FIGHTING. BUT I WAS TALKING
8 WITH STEVE. I WANTED TO MAKE SURE HE KNEW I GOT IT.
9 STEVE JUST WANTS THE BEST FOR THE AGENCY, AND WE ALL
10 TO BE SUBORDINATE TO ITS MISSION, ME, THE BOARD,
11 EVERYONE, AND STEVE MAKES SURE THAT OUR PRODUCT IS
12 AS GOOD AS OUR PRODUCT CAN BE.

13 THE BOARD, IN GENERAL, I WILL BE HERE
14 FOREVER, BUT THANK YOU ALL. YOU HAVE BEEN
15 PHENOMENAL. YOU HAVE BEEN SO SUPPORTIVE. IN
16 EVERYTHING WE NEED TO DO, YOU HAVE CHALLENGED US TO
17 DO BETTER; BUT, MOST IMPORTANTLY, I THINK YOU HAVE
18 BEEN OUR PARTNER, YOU HAVE NOT BEEN THE OTHER SIDE.
19 YOU HAVE NOT BEEN THEM VERSUS US. WE ARE IN THIS
20 TOGETHER, AND YOU HAVE MADE A VERY CLEAR PARTNERSHIP
21 WHERE WE TOGETHER HAVE WORKED TO MAKE THINGS MUCH,
22 MUCH BETTER.

23 I'D LIKE TO THANK CHASE AND ALYSE, MY TWO
24 CHILDREN WHO THOUGHT IT WAS GOOD IDEA TO MOVE TO
25 CALIFORNIA EVEN THOUGH WE WERE ONLY GOING TO BE HERE

1 FOR THREE YEARS. AND THEN ONE DAY, I'LL TELL YOU A
2 STORY. WHEN I KNEW I WAS GOING TO GET THE OFFER
3 FROM NMDP, WE WERE IN A GROCERY STORE AND I HAD
4 ALYSE AND CHASE WITH ME. AND I SAID, "SO I'M GOING
5 TO GET AN OFFER TO RUN NMDP AND WE'RE GOING TO HAVE
6 TO MOVE TO MINNEAPOLIS. IF I SAY YES, WHAT DO YOU
7 WANT TO DO?" AND WITHOUT SKIPPING A BEAT, MY
8 13-YEAR-OLD DAUGHTER SAYS, "DAD, WE HAVE TO DO IT.
9 PEOPLE'S LIVES DEPEND ON IT."

10 WE HAVE A MISSION-BASED FAMILY, AND WE
11 HAVE A MISSION-BASED FAMILY BECAUSE I HAVE A
12 MISSION-BASED WIFE THAT HAS RAISED TWO BEAUTIFUL
13 CHILDREN. AND I CANNOT BE THANKFUL ENOUGH FOR THAT.
14 SO THANK YOU ALL. IT HAS BEEN AN HONOR AND A
15 PRIVILEGE.

16 (APPLAUSE.)

17 CHAIRMAN THOMAS: THANK YOU, RANDY. WE
18 NOW ARE AT THE POINT THAT ORGANIZATIONS ARE ALWAYS
19 FACED WITH IS A TIME OF TRANSITION. SOME TRANSITION
20 DAYS ARE MORE BITTERSWEET THAN OTHERS; AND IN THE
21 LIFE OF CIRM, THIS IS A PARTICULAR DOOZY FOR US AS
22 WE BID FAREWELL BOTH TO RANDY AND TO JAMES.

23 I'D LIKE TO SAY A FEW WORDS, IF I MIGHT,
24 STARTING WITH RANDY, FOLLOWING UP ON HIS REPORT. SO
25 WHEN WE KNEW WE WERE GOING TO NEED A NEW CEO BACK IN

1 2013, THE BOARD DECIDED THAT WE WANTED TO GET
2 SOMEBODY IN WHO COULD TAKE CIRM, WHICH WAS SORT OF
3 AT A MIDLIFE POINT IN THAT PARTICULAR YEAR, AND GET
4 SOMEONE IN WHO HAD EXPERIENCE PARTICULARLY IN THE
5 CLINICAL ARENA AND THE DEVELOPMENT ARENA WITH FDA,
6 WITH ALL OF THE PROCESSES THAT GO INTO DRIVING
7 TRANSITIONAL PROJECTS INTO THE CLINIC AND BEYOND.

8 WE GAVE IT A LOT OF THOUGHT AS TO THE
9 CRITERIA THAT WE HAD FOR THAT POSITION, AND THAT
10 DISCUSSION LED ME TO HAVE THAT DINNER THAT RANDY
11 ALLUDED TO AND TO INVITE HIM TO APPLY. AND HE IS
12 CORRECT IN SAYING ARE YOU KIDDING, ETC., AND ALL THE
13 CAVEATS THAT YOU MIGHT EXPECT FROM HIM. BUT HAVING
14 VIEWED RANDY IN ACTION OVER THE PRECEDING YEARS OF
15 THE GWG, WE HAD A HUNCH THAT HE WOULD BE JUST THE
16 RIGHT PERSON TO TAKE CIRM FROM WHERE IT WAS TO
17 HIGHER LEVELS.

18 WE HAD THE WORLDWIDE SEARCH, YOU WILL
19 RECALL. RANDY WAS ONE OF SEVERAL CANDIDATES WHO
20 WERE ASKED TO INTERVIEW FOR THE POSITION. HE CAME;
21 SHERRY HOSTED IT. EVERYBODY REMEMBERS THE GREAT
22 FOOD, SHERRY. IT WAS OUTSTANDING. AND WE DECIDED
23 THEN THAT WE WERE GOING TO ASK RANDY TO BE OUR NEW
24 CEO. AND AT THE BOARD MEETING THAT WE PRESENTED
25 THAT NEWS, THOSE OF YOU WHO WERE THERE MIGHT RECALL,

1 AS RANDY CAME IN TO ACCEPT THAT APPOINTMENT, THE
2 LIGHTS ALL WENT OUT IN THE ROOM, AND WE WERE ALL
3 TRYING TO SORT OF FIGURE OUT WHAT EXACTLY THAT
4 MEANT. AND PERHAPS THAT MEANT ANY NUMBER OF THINGS,
5 INCLUDING IT WAS A CLEAR LINE OF DEMARCATION BETWEEN
6 THE OLD AND THE NEW OR WHATEVER.

7 I WOULD LIKE TO REPORT TO YOU, FOR THOSE
8 OF YOU WHO WERE AT THE DINNER THAT WE HAD LAST NIGHT
9 IN RANDY AND JAMES' HONOR, AT THE END OF DINNER IN
10 THE ROOM THE LIGHTS WENT OUT. THERE WAS A TERRIFIC
11 SYMMETRY TO THE WHOLE THING. IT WAS VERY SYMBOLIC.

12 AND SO WE FIND OURSELVES HERE TODAY TO
13 ACKNOWLEDGE WHAT A TERRIFIC JOB RANDY HAS DONE FOR
14 THIS ORGANIZATION.

15 IF YOU WOULD INDULGE ME, WE HAVE A
16 RESOLUTION. I'M GOING TO READ THIS AS WELL AS
17 JAMES' BECAUSE I WANT TO MAKE SURE THAT EVERYBODY
18 GETS BOTH THE HISTORICAL CONTEXT OF PREVIOUS
19 ACCOMPLISHMENTS AND WHAT HAS HAPPENED DURING RANDY'S
20 TENURE.

21 SO, WHEREAS, DR. MILLS EARNED HIS BACHELOR
22 DEGREE IN MICROBIOLOGY AND CELL SCIENCE AND A PH. D.
23 IN DRUG DEVELOPMENT FROM THE UNIVERSITY OF FLORIDA.
24 AND I MIGHT -- I SUPPOSE I HAVE TO SAY GO GATORS.
25 THEY JUST WON THE COLLEGE WORLD SERIES. SO, RANDY,

1 CONGRATULATIONS ON THAT. RANDY, HE WAS MISSING AND
2 WAS ACTUALLY A PITCHER FOR THE GATORS IN THEIR TITLE
3 GAME. THERE'S NOTHING THAT HE CAN'T DO. SO IT WAS
4 VERY IMPRESSIVE.

5 WHEREAS, DR. MILLS IS THE FOUNDING MEMBER
6 OF THE UNIVERSITY OF FLORIDA TISSUE BANK AND SERVED
7 IN SEVERAL EXECUTIVE LEADERSHIP ROLES WITH THE
8 BANK'S SUCCESSOR ENTITY, RTI BIOLOGICS.

9 WHEREAS, DR. MILLS SERVED AS PRESIDENT AND
10 CHIEF EXECUTIVE OFFICER OF OSIRIS THERAPEUTICS,
11 WHICH UNDER DR. MILLS' LEADERSHIP DEVELOPED THE
12 WORLD'S FIRST APPROVED STEM CELL DRUG, PROCHYMAL,
13 FOR THE TREATMENT OF ACUTE GRAFT VERSUS HOST DISEASE
14 IN CHILDREN, A DEVASTATING COMPLICATION OF BONE
15 MARROW TRANSPLANTATION THAT CAN BE FATAL.

16 WHEREAS, DR. MILLS SERVED AS A MEMBER OF
17 CIRM'S GRANTS WORKING GROUP FOR FIVE YEARS, IS A
18 VOTING MEMBER OF THE NATIONAL INSTITUTES OF HEALTH
19 AND AIDS RESEARCH ADVISORY COUNCIL, AND IS VICE
20 CHAIRMAN OF THE AMERICAN ASSOCIATION OF TISSUE
21 BANK'S STANDARDS COMMITTEE.

22 WHEREAS, AT THE REQUEST OF -- I'LL SKIP
23 OVER THAT. I ALREADY TALKED ABOUT THAT. DR. MILLS
24 AGREED TO BE CONSIDERED AS A CANDIDATE FOR THE
25 POSITION OF PRESIDENT AND CEO OF CIRM AND WAS

1 UNANIMOUSLY SELECTED BY THE BOARD ON APRIL 30, 2014.

2 WHEREAS, SINCE TAKING THE HELM OF CIRM,
3 DR. MILLS ENGAGED THE CIRM BOARD, CIRM TEAM MEMBERS,
4 EXTERNAL STAKEHOLDERS, AND MEMBERS OF THE PUBLIC IN
5 AN EXTENSIVE AND OPEN STRATEGIC PLANNING PROCESS AND
6 RECONSIDERATION OF CIRM'S PROCESSES.

7 WHEREAS, THE OUTCOME OF THESE EFFORTS,
8 KNOWN AS CIRM 2.0, CONSTITUTED A DRAMATIC CHANGE IN
9 THE WAY THE AGENCY DOES BUSINESS, SIGNIFICANTLY
10 REDUCING THE AMOUNT OF TIME IT TAKES TO APPROVE
11 FUNDING FOR PROMISING STEM CELL RESEARCH,
12 STANDARDIZING RECURRENT PROGRAM OFFERINGS TO PROVIDE
13 PREDICTABLE OPPORTUNITIES FOR FUNDING, IMPROVING THE
14 QUALITY OF APPROVED APPLICATIONS, AND IMPLEMENTING
15 OBJECTIVE MILESTONE-BASED DISBURSEMENTS TO
16 ACCELERATE AND INCENTIVIZE PROGRESS.

17 WHEREAS, UNDER CIRM 2.0 AND THE STRATEGIC
18 PLAN UNANIMOUSLY ADOPTED BY THE BOARD, CIRM ADDED 20
19 HIGH QUALITY CLINICAL TRIALS TO ITS PORTFOLIO,
20 INCREASED THE NUMBER OF PROJECTS CIRM FUNDS EACH
21 YEAR BY 33 PERCENT, REDUCED THE TIME IT TAKES TO
22 FUND AN AWARD BY 82 PERCENT, ACCELERATED THE RATE OF
23 PATIENT ENROLLMENT IN CIRM-FUNDED CLINICAL TRIALS
24 NEARLY THREEFOLD, AND INCREASED THE NUMBER OF
25 MILESTONES HIT ON TIME FROM 19 PERCENT TO 79

1 PERCENT.

2 I JUST WANT EVERYBODY TO REFLECT ON THAT
3 WHEREAS. THAT'S A LOT OF GREAT STUFF THAT RANDY AND
4 THE TEAM GENERATED.

5 WHEREAS, DR. MILLS HAS ALWAYS KEPT CIRM'S
6 FOCUS ON THE PATIENTS WE SERVE, INCLUDING BY
7 CELEBRATING THEIR COURAGE AND STRENGTH.

8 WHEREAS, DR. MILLS IS A VISIONARY AND
9 HIGHLY REGARDED SCIENTIFIC AND BUSINESS LEADER WHO
10 IS COMMITTED TO ACCELERATING THERAPIES TO PATIENTS
11 WITH UNMET MEDICAL NEEDS, AND WHO UNIFIED THE CIRM
12 BOARD AND TEAM TO ADVANCE THIS SINGLE AND CLEAR
13 MISSION.

14 WHEREAS, DR. MILLS, THROUGH HIS
15 EXPERIENCE, COMMITMENT, KNOWLEDGE, AND LEADERSHIP,
16 CONTRIBUTED GREATLY TO THE MOMENTUM OF DISCOVERY AND
17 THE FUTURE THERAPIES WHICH WILL BE THE ULTIMATE
18 OUTCOME OF THE DEDICATED WORK OF THE RESEARCHERS
19 RECEIVING CIRM FUNDING.

20 BE IT RESOLVED, THAT THE CIRM GOVERNING
21 BOARD, ON BEHALF OF THE PEOPLE OF THE STATE OF
22 CALIFORNIA, WISHES TO EXPRESS ITS DEEPEST GRATITUDE
23 TO DR. MILLS FOR HIS SERVICE TO CIRM AND FOR HIS
24 DEDICATION TO ACCELERATING STEM CELL TREATMENTS TO
25 PATIENTS WITH UNMET MEDICAL NEEDS.

1 I THINK THAT THAT RESOLUTION CAPTURES THE
2 ESSENCE OF EVERYTHING THAT RANDY DID. I WANT TO
3 ADDRESS THE NEXT COMMENT TO YOUR FAMILY, TO YOUR
4 WIFE, TO YOUR LOVELY CHILDREN. YOU GUYS SHOULD BE
5 INCREDIBLY PROUD OF YOUR HUSBAND AND FATHER AS
6 SOMEBODY WHO HAS COME IN HERE INTO A MAJOR SETTING
7 WITH A CHANCE TO DO GREAT GOOD AND HAS EXCEEDED
8 EVERY EXPECTATION THAT WE HAD WHEN WE FIRST
9 APPOINTED HIM AS CEO. SO I HOPE YOU GUYS APPRECIATE
10 THAT, APPRECIATE THIS DAY.

11 AND I WOULD NOW LIKE TO CONGRATULATE RANDY
12 PERSONALLY. I WILL TELL YOU THAT IT'S NOT OFTEN
13 THAT A STATE AGENCY HAS SOMEBODY RUN IT LIKE A
14 BUSINESS, WHO HAS BOTH SUBJECT MATTER EXPERTISE,
15 CORPORATE VISION, ACUMEN TO MAKE THINGS HAPPEN. AND
16 SITTING AND WATCHING YOU ON A DAY-TO-DAY BASIS HAS
17 BEEN A GREAT LEARNING EXPERIENCE FOR ME PERSONALLY
18 AND FOR MEMBERS OF THE BOARD AND TEAM. YOU LEAVE
19 THIS GREAT ORGANIZATION THAT MUCH BETTER OFF FOR ALL
20 THE TERRIFIC WORK THAT YOU HAVE DONE AND HAVE SET
21 THE STAGE FOR CIRM TO GO ABOVE AND BEYOND IN FUTURE
22 YEARS, AS YOU SAID.

23 SO I PERSONALLY, ON BEHALF OF THE BOARD,
24 AND, BY THE WAY, AM NOW GOING TO WELCOME COMMENTS,
25 JUST CONGRATULATE YOU ON A TERRIFIC JOB WELL DONE.

1 AND THANK YOU ON BEHALF OF THE PEOPLE OF CALIFORNIA.

2 (APPLAUSE.)

3 CHAIRMAN THOMAS: WANT TO MAKE SURE I'M
4 GIVING YOU YOURS AND NOT JAMES'. NOPE. THERE YOU
5 GO. THANK YOU.

6 (APPLAUSE.)

7 CHAIRMAN THOMAS: COMMENTS BY MEMBERS OF
8 THE BOARD?

9 MS. LANSING: I WOULD LIKE TO COMMENT.
10 THIS IS SHERRY.

11 CHAIRMAN THOMAS: THANK YOU, SHERRY.

12 MS. LANSING: I FEEL SO BAD THAT I AM NOT
13 THERE IN PERSON TO COMMENT. I HAVE TO TELL YOU IT
14 HAS BEEN SUCH AN HONOR AND A PRIVILEGE TO WORK WITH
15 YOU, RANDY.

16 IT'S REALLY INTERESTING. I STILL REMEMBER
17 WHEN WE RECRUITED YOU, AND I WAS SO SURE WE WOULDN'T
18 GET YOU, AND I WAS SO OVERJOYED WHEN WE DID. YOU
19 REALLY ARE, AND I DON'T USE THIS WORD LIGHTLY, A
20 GENIUS IN WHAT YOU DO. AND YOUR COMMITMENT TO THE
21 MISSION, TO ALWAYS PUT THE PATIENTS FIRST, HAS BEEN
22 ONE OF THE MOST INSPIRATIONAL THINGS THAT I'VE
23 ENCOUNTERED. YOU HAVE GREAT INTEGRITY. YOU ARE
24 COLLEGIAL. I CANNOT BELIEVE THAT IT'S ONLY BEEN
25 THREE YEARS SINCE YOU'VE BEEN LEADING THIS

1 ORGANIZATION BECAUSE YOU HAVE TAKEN IT TO THE
2 FUTURE, AND YOU HAVE DONE WHAT I THINK WE
3 ANTICIPATED WAS GOING TO TAKE TEN YEARS.

4 SO I HAVE TO SAY I WILL FEEL VERY BAD IF
5 WE DON'T STAY IN TOUCH. I KNOW THAT YOUR FUTURE IS
6 BRIGHT. I CAN'T IMAGINE CIRM WITHOUT YOU, BUT THANK
7 YOU FOR LEAVING US IN SUCH GOOD SHAPE.

8 AND I STILL REMEMBER, ALSO, WHEN YOU TOLD
9 US HOW WE COULD GO ON MUCH LONGER WITH THE LIMITED
10 MONEY THAT WE HAD AND INCREASED IT TO 2020. SO FOR
11 YOUR GENIUS, FOR YOUR INTEGRITY, FOR, ABOVE ALL,
12 ALWAYS THINKING ABOUT THE PATIENTS AND PUTTING THE
13 PATIENTS FIRST, AND REMINDING US THAT WE'RE HERE TO
14 SAVE LIVES. YOU HAVE BEEN AN INSPIRATION TO ALL OF
15 US. I AM A BETTER PERSON BECAUSE I'VE WORKED WITH
16 YOU, AND I LOOK FORWARD TO OUR FRIENDSHIP
17 CONTINUING.

18 (APPLAUSE.)

19 DR. MILLS: THANK YOU, SHERRY, SO MUCH.

20 CHAIRMAN THOMAS: MR. SUPERVISOR.

21 SUPERVISOR SHEEHY: SO THERE'S A LOT I'D
22 LIKE TO SAY, BUT I HAVE TO LIMIT IT OR ELSE WE'D BE
23 HERE ALL DAY.

24 FIRST, I'M SO GRATEFUL YOU HEALED A BROKEN
25 ORGANIZATION. AND HAVING BEEN HERE SINCE THE

1 BEGINNING, YOU REALLY HAVE TURNED CIRM INTO THE
2 AGENCY THAT IT WAS MEANT TO BE.

3 JUST ON A PERSONAL NOTE, I FIRST GOT TO
4 LIKE YOU WHEN YOU GAVE THE FIRST ZERO WE EVER HAD IN
5 REVIEW AS A REVIEWER. THAT'S LIKE NONE OF THIS
6 PROFESSIONAL COURTESY WHERE WE'LL GIVE THEM A 55 AND
7 KNOW THIS IS GARBAGE. THE ZERO.

8 AND THEN WHEN WE WERE RECRUITING YOU, I
9 WAS REALLY IMPRESSED WITH THE STORY OF YOU WALK INTO
10 OSIRIS AND THE WALLS WOULD BE COVERED WITH PICTURES
11 OF PATIENTS YOU'D SAVED, YET YOU WALK INTO YOUR
12 OFFICE AND THE PICTURES WERE OF KIDS, BECAUSE YOU
13 WERE DOING PEDIATRIC GRAFT VERSUS HOST DISEASE, WAS
14 OF KIDS YOU'D LOST, AND THAT YOU WENT TO FUNERALS,
15 AS MANY FUNERALS AS YOU COULD GO TO OF PARTICIPANTS
16 IN YOUR TRIALS WHO DIDN'T MAKE IT.

17 AND OVER TIME, AS WE'VE WORKED TOGETHER,
18 YOU KNOW, I COME OUT OF HIV/AIDS, AND I'VE SAT
19 AROUND TABLES AND ACT UP WITH PEOPLE WHO AREN'T HERE
20 ANYMORE. AND WHEN WE WERE FIGHTING THOSE BATTLES,
21 ESPECIALLY IN THOSE DARK DAYS, THERE WAS SUCH A
22 SENSE OF URGENCY. AND I THINK, YOU KNOW, OUTSIDE OF
23 OTHER PATIENT ADVOCATES I'VE MET THROUGH THIS
24 AMAZING, AMAZING ENTERPRISE, YOU ARE THE ONLY PERSON
25 THAT I CAN IMAGINE SITTING AT THAT TABLE FIGHTING

1 WITH US JUST AS HARD WITH THAT SAME SPIRIT, THAT
2 SAME SENSE OF URGENCY, THAT SAME SENSE THAT DEATH IS
3 KNOCKING ON THE DOOR, AND WE'VE GOT TO DO EVERYTHING
4 WE CAN TO STAVE IT OFF.

5 SO THANK YOU FOR YOUR PASSION, THANK YOU
6 FOR YOUR COMMITMENT, THANK YOU TO YOUR FAMILY. THEY
7 HAVE BEEN -- I AM SO GRATEFUL TO THEM FOR SHARING
8 YOU WITH US.

9 DR. MILLS: THANK YOU SO MUCH.

10 (APPLAUSE.)

11 CHAIRMAN THOMAS: SENATOR TORRES.

12 MR. TORRES: I WAITED FIVE YEARS FOR YOU
13 TO ARRIVE. AND THOSE WERE FIVE VERY DIFFICULT YEARS
14 AND FRUSTRATING YEARS FOR ME. AND WHEN WE FINALLY
15 DID THE INTERVIEW, ALTHOUGH WE HAD MET DURING THE
16 WORKING GROUPS, I KNEW THAT YOU WERE THE RIGHT
17 PERSON TO TAKE US OUT OF THAT ABYSS AND MOVE US
18 FORWARD IN THE INTEREST OF PATIENTS. WHAT YOU'VE
19 DONE HAS GIVEN ME HONOR TO GO BACK TO THOSE HALLS OF
20 THE LEGISLATURE AND THE CONGRESS AND SAY WITH PRIDE
21 WHAT WE'VE BEEN DOING BECAUSE OF YOUR LEADERSHIP. I
22 KNOW WHAT YOU ARE ABOUT TO EMBARK ON IS EVEN MORE
23 SIGNIFICANT IN CREATING CURES FOR PEOPLE.

24 AS A FATHER, I ESPECIALLY APPRECIATED YOUR
25 LOVE AND COMPASSION FOR CHILDREN BECAUSE THAT'S THE

1 FUTURE, AND YOU'VE BEEN THERE FOR THEM. SO THANK
2 YOU AGAIN TO YOUR INCREDIBLE FAMILY, AND THANK YOU
3 AGAIN FOR AGREEING TO COME AND JOIN US. AND MY WAIT
4 WAS OVER AND NOW I SAY ADIOS.

5 DR. MILLS: I WOULDN'T HAVE MISSED IT FOR
6 THE WORLD, SIR.

7 (APPLAUSE.)

8 DR. JUELGAARD: THIS WILL BE VERY, VERY
9 BRIEF, RANDY, BUT JUST TWO THINGS. THE FIRST IS I
10 WANT TO THANK YOU FOR BEING THE PERSON THAT YOU ARE
11 AND THE FORCE THAT YOU ARE. NOT TOO MANY PEOPLE
12 THAT YOU GET TO MEET IN THE WORLD THAT HAVE THAT
13 COMBINATION OF ABILITY AND CHARACTER, ETC., THAT ARE
14 ABLE TO LEAD AN ORGANIZATION LIKE THIS AND DO A LOT
15 OF OTHER THINGS IN THEIR LIFE.

16 AND THE SECOND THING I WANT TO SAY IS JUST
17 THE BEST OF LUCK TO YOU AND YOUR FAMILY ON YOUR NEW
18 ENDEAVOR. I KNOW THAT YOU WILL BE SUCCESSFUL.
19 PERHAPS BESIDE THE MISGIVINGS, I KNOW YOU WILL ENJOY
20 MINNEAPOLIS, MINNESOTA.

21 DR. MILLS: THANK YOU, SIR.

22 CHAIRMAN THOMAS: OKAY. WELL, RANDY,
23 PLEASE STAY IN TOUCH. WE WILL CALL UPON YOU AND
24 WANT TO HEAR WITH GREAT ANTICIPATION HOW YOU WILL
25 TAKE YOUR NEW ORGANIZATION TO GREATER AND NEW

1 HEIGHTS AS YOU DID WITH CIRM.

2 SO BEFORE WE MOVE TO THE NEXT ITEM, WE
3 HAVE DR. MILLAN WOULD LIKE TO MAKE A PRESENTATION TO
4 YOU.

5 DR. MILLAN: SO CAN I PLEASE HAVE THE
6 LEADERSHIP TEAM STAND UP. WE'D LIKE TO TAKE THIS
7 OPPORTUNITY TO PRESENT THIS ON BEHALF OF CIRM.
8 YESTERDAY WE PRESENTED RANDY WITH A GAME BALL WHERE
9 EVERY MEMBER OF THE AGENCY HAD SIGNED THE GAME BALL.
10 AND TODAY WE'RE PRESENTING YOU WITH THIS HUGE GOLDEN
11 GLOVE BEFORE YOU LEAVE THE GOLDEN STATE, AND YOU
12 WILL REMEMBER, BECAUSE YOU JUST WON THE COLLEGE
13 WORLD SERIES, TO HOLD THIS BALL. WE THANK YOU FOR
14 YOUR BOLD VISION AND YOUR TRANSFORMATIONAL
15 LEADERSHIP. THANK YOU, RANDY.

16 (APPLAUSE.)

17 CHAIRMAN THOMAS: DO WE HAVE PUBLIC
18 COMMENT ABOUT DR. MILLS?

19 MS. SHAPIRO: HI. I'M ADRIENNE, AND SOME
20 OF YOU HAVE MET ME BEFORE. A WHILE AGO THEY CAME TO
21 ME AND THEY SAID, "WE WANT YOU TO BE ON A PANEL WITH
22 RANDY MILLS," AND I BROKE OUT INTO TEARS. AND THEY
23 SAID, "WHY ARE YOU CRYING?" I SAID, "WELL, I'M JUST
24 A MOM, AND HE'S LIKE THIS SUPER, SUPER GUY, AND I'M
25 JUST SPEECHLESS." AND SO WE WERE STANDING ON THE

1 STAGE, AND EVERYTHING THAT COULD GO WRONG WENT
2 WRONG. RANDY'S SLIDES SUDDENLY WERE MY SLIDES THAT
3 I'D MADE ON MY DAUGHTER'S TEN-YEAR OLD MAC, AND
4 RANDY IS TRYING TO TALK AND THEY'RE THE WRONG
5 SLIDES, AND HE MADE IT ALL JUST OKAY. AND THE THING
6 IS THAT -- WELL, ANYWAY. I'M NOT GOOD AT THIS.

7 YOU GUYS ARE THE ONLY PLACE. YOU MADE ME
8 START TALKING IN PUBLIC, AND NOW IT'S LIKE I CAN'T
9 STOP. BUT THIS IS WHAT WE HAVE MADE FOR YOU, AND
10 IT'S CALLED THE AWARD OF THE MOTHER'S HEART. AND
11 THAT'S BECAUSE HE'S GOT IT. AND FOR ALL OF US
12 MOTHERS IN THE PAST AND ALL OF US MOTHERS NOW AND
13 ALL OF US MOTHERS IN THE FUTURE AND THE MOTHERS LIKE
14 SANDY AND FRANCES, WHO AREN'T HERE, WE WANT TO THANK
15 YOU. AND IT'S SAYS, "AWARD OF THE MOTHER'S HEART
16 PRESENTED TO C. RANDY MILLS IN GRATITUDE FOR HIS
17 WORK WITH CIRM 2.0, WHICH WILL CONTINUE TO BRING
18 PATIENTS AND FAMILIES HOPE FOR DECADES TO COME."
19 AND KNOW THAT. ALL OF YOU IN THIS ROOM KNOW THAT
20 YOUR WORK MEANS THAT. AND SORRY --

21 (APPLAUSE.)

22 MS. SHAPIRO: YOU MAKE ME CRY.

23 (APPLAUSE.)

24 MR. REED: WHEN YOU CAME AND JOINED US, I
25 DID NOT LIKE YOU VERY MUCH. THE CALIFORNIA

1 INSTITUTE FOR REGENERATIVE MEDICINE HAS ALWAYS BEEN
2 THE MOST MAGNIFICENT ORGANIZATION I'VE EVER SEEN,
3 AND YOU WERE GOING TO COME HERE AND MAKE IT BETTER?
4 HOWEVER, I MUST GRUDGINGLY ADMIT YOU DID. YOU MADE
5 THINGS EASIER FOR THE SCIENTISTS, AND THAT'S THE
6 MOST IMPORTANT THING. A LOT OF TIMES PEOPLE WOULD
7 BE READY AT THE WRONG TIME OR CIRM WOULD NOT BE
8 READY FOR THEIR EXPERTISE, AND YOU SAID DON'T WORRY.
9 IT WILL COME AROUND AGAIN. YOU MADE IT POSSIBLE FOR
10 THE SCIENCE TO ADVANCE BECAUSE YOU MADE IT EASIER
11 FOR THE SCIENTISTS. THAT I'LL ALWAYS APPRECIATE.

12 ALSO, I HAVE TO SAY I'M VERY GLAD THAT YOU
13 CHOSE A MAGNIFICENT PERSON TO FOLLOW YOU. I HAVE
14 TREMENDOUS RESPECT FOR DR. MILLAN. ONE OF THE
15 THINGS I LIKE ABOUT HER, ON HER DESK IS A LITTLE
16 BOX, AND IN THAT BOX IS 500 WRISTBANDS OF THE
17 PATIENTS SHE'S OPERATED ON. AS IF HER SCALPEL WAS A
18 SWORD, SHE WENT INTO THE VALLEY OF THE SHADOW OF
19 DEATH AND SHE FOUGHT FOR THEIR LIVES. AND YOU
20 CHOOSE HER FOR YOUR SUCCESSOR. I THINK THAT'S
21 BRILLIANT, AND IT SHOWS THE KIND OF MAN YOU ARE.
22 THANK YOU.

23 (APPLAUSE.)

24 DR. CHIU: I FEEL THAT I DO HAVE TO SAY A
25 FEW WORDS BECAUSE I'VE BEEN WATCHING CIRM FOR A VERY

1 LONG TIME, AND I'VE HAD MY CONCERNS ABOUT WHETHER
2 CIRM WAS GOING TO DELIVER ON THE PROMISE THAT CAME
3 FORWARD WITH SUCH HOPE FROM THE STATE OF CALIFORNIA
4 BECAUSE I FEEL VERY PASSIONATELY ABOUT STEM CELL
5 RESEARCH AND THAT CALIFORNIA WAS THE BEST HOPE IN
6 THE UNITED STATES.

7 AND I HAVE TO SAY THAT CIRM 2.0 REALLY
8 MADE A HUGE DIFFERENCE IN THE WAY THAT THIS HOPE
9 COULD BE ACHIEVED. AND I DON'T SAY THIS LIGHTLY,
10 AND I ALSO TALK A LITTLE BIT ABOUT THE WE CAME IN AS
11 NIH AND NOW NIH IS COMING TO CIRM, WHICH I TAKE TO
12 BE A GOOD THING; BUT WHEN CIRM STARTED, IT WAS THE
13 ANTI-NIH. I THINK JEFF WOULD AGREE WITH THAT, THAT
14 WE WANTED TO DO EVERYTHING THAT NIH DOESN'T DO AND
15 WANTED TO LEARN FROM THE MISTAKES OF NIH, BUT IT WAS
16 MUCH HARDER THAN WHAT WE THOUGHT AT FIRST.

17 THE REASON IT WAS HARDER WAS THE REVIEWERS
18 HAD THE NIH MIND-SET, AND THEY DIDN'T WANT TO TURN
19 THE BATTLESHIP. THE APPLICANTS HAD NIH MIND-SET.
20 THEY ONLY WANTED TO WRITE NIH GRANTS.

21 AND IT WENT ON FOR A VERY LONG TIME
22 BECAUSE WE DIDN'T KNOW HOW TO CHANGE THIS CULTURE.
23 AND YOU CAME IN AND WITH ONE SWIFT BLOW, CALLING IT
24 CIRM 2.0, YOU JUST MADE IT SO. YOU SAID THIS IS NOT
25 THE WAY YOU ARE GOING TO DO BUSINESS, AND EVERYBODY

1 WHO WANTED FUNDING FROM CIRM HAD TO LEARN THE NEW
2 ENGINE. AND I REALLY APPLAUD YOU FOR THAT BECAUSE,
3 BECAUSE OF THAT, THESE THREE YEARS HAVE MADE ME
4 REALIZE WHAT CIRM COULD HAVE BEEN HAD IT BEEN THAT
5 WAY MUCH EARLIER. SO I WANT TO THANK YOU FOR THAT.
6 THANK YOU.

7 (APPLAUSE.)

8 MR. MCCORMACK: RANDY, UNLIKE DON, I LIKED
9 YOU FROM THE BEGINNING, BUT THAT WAS A CAREER MOVE.
10 I MEAN YOU'RE MY BOSS. I KNOW OTHER PATIENT
11 ADVOCATES REALLY WANTED TO BE HERE TODAY, BUT FOR
12 VARIOUS REASONS COULDN'T. JUDY ROBERSON, WONDERFUL
13 WOMAN AND PATIENT ADVOCATE FOR HUNTINGTON'S DISEASE,
14 IS TAKING CARE OF HER GRANDSON, BUT SHE WANTED YOU
15 TO KNOW JUST HOW GRATEFUL SHE IS FOR EVERYTHING
16 YOU'VE DONE.

17 ANOTHER PERSON WHO WANTED TO BE HERE WAS
18 JAKE JAVIER. AND MEMBERS OF THE BOARD, YOU MAY
19 REMEMBER, JAKE IS THE YOUNG MAN WHO TOOK PART IN THE
20 ASTERIAS SPINAL CHORD INJURY TRIAL. IT WAS PRETTY
21 MUCH A YEAR AGO TODAY, IN FACT, THAT HE WAS INJURED.
22 HE IS NOW AT CAL POLY LOOKING AROUND, GETTING READY
23 TO GO BACK TO COLLEGE. NORMALLY WHEN YOU GO TO CAL
24 POLY, YOU HAVE TO NAME YOUR MAJOR AHEAD OF TIME.
25 AND IF YOU WANT TO CHANGE IT, YOU HAVE TO GET

1 PERMISSION FROM THE PRESIDENT.

2 SO HE WAS ORIGINALLY GOING TO DO
3 MECHANICAL ENGINEERING; BUT BECAUSE OF HIS
4 EXPERIENCES WITH CIRM AND ASTERIAS, HE'S CHANGED IT
5 TO BIOMEDICAL ENGINEERING. SO YOU'VE CLEARLY HAD A
6 BIG IMPRESSION ON HIM. AND HE ASKED ME TO READ THIS
7 OUT.

8 "TO MR. RANDY MILLS" -- YOU LOST YOUR
9 DOCTORATE SOMEWHERE ALONG THE WAY -- "FIRST OFF,
10 CONGRATULATIONS. YOU HAVE PUT SO MUCH TIME AND WORK
11 INTO CIRM AND HAVE HELPED SO MANY PEOPLE ALONG THE
12 WAY. YOU POSITIVELY AFFECT SO MANY THROUGH YOUR
13 AMAZING FUNDING EFFORTS FOR LIFE-CHANGING RESEARCH,
14 AND YOU SHOULD BE VERY PROUD OF THAT. BUT SOMETHING
15 I WILL ALWAYS REMEMBER IS HOW PERSONAL AND GENUINE
16 YOU WERE WHILE DOING IT. I HOPE YOU GOT THE CHANCE
17 TO MEET AS MANY OF THE PEOPLE YOU HELPED AS POSSIBLE
18 BECAUSE I KNOW THEY WOULD REMEMBER YOU THE SAME WAY.

19 "THANK YOU SO MUCH FOR ALL THE GREAT
20 THINGS YOU HAVE DONE FOR ME AND SO MANY OTHERS,
21 JAKE. "

22 (APPLAUSE.)

23 CHAIRMAN THOMAS: WELL, I DON'T THINK YOU
24 COULD END THE COMMENTS ON A BETTER NOTE THAN THAT.
25 SO WITH THAT, WE BID ADIEU, AND WE GIVE -- BEFORE WE

1 GIVE BETH A BREAK, YOU WOULD LIKE TO SAY A FEW MORE
2 WORDS.

3 DR. MILLS: YEAH, I THOUGHT ABOUT IT A
4 LITTLE BIT AND NO. NO, I DON'T. I JUST WANT TO SAY
5 THANK YOU TO THIS BOARD FOR BEING SO PHENOMENAL, FOR
6 THE TEAM FOR BEING SO PHENOMENAL, AND FOR THE
7 PATIENTS. THIS IS ABOUT YOU, ALL OF IT. CIRM
8 EXISTS FOR YOU. AND I HOPE THAT IS ALWAYS -- IT IS
9 ALWAYS THE CASE. WE ARE IN GREAT HANDS WITH DR.
10 MILLAN. SO, DR. MILLAN, YOUR SHIP.

11 (APPLAUSE.)

12 CHAIRMAN THOMAS: WITH THAT, WE'LL TAKE A
13 TEN-MINUTE BREAK.

14 (A RECESS WAS TAKEN.)

15 CHAIRMAN THOMAS: IF WE COULD RECONVENE
16 PLEASE. EVERYBODY PLEASE TAKE YOUR SEATS. OKAY.
17 WELL, ENOUGH ABOUT RANDY. LET'S MOVE ON TO THE
18 FUTURE HERE.

19 AS WE HAVE NOTED, WE HAVE AN AGENDA TOPIC
20 HERE TO CONSIDER THE APPOINTMENT OF DR. MARIA MILLAN
21 AS OUR INTERIM CEO. THE PROCESS THAT WE HAVE HERE
22 IS WE'RE GOING TO HAVE THAT DISCUSSION TODAY. I
23 HAVE, PER OUR CIRM SUCCESSION PROCEDURES, CALLED FOR
24 A MEETING OF THE PRESIDENTIAL SEARCH SUBCOMMITTEE ON
25 JULY 17TH. AND THAT SUBCOMMITTEE IS COMPRISED OF A

1 NUMBER OF MEMBERS OF THE BOARD, AND WE WILL CONTINUE
2 THE DISCUSSION THAT WE'RE HAVING HERE TODAY AT THAT
3 TIME. BUT AT THE MOMENT, PER OUR PROCEDURES, WE
4 WANT TO HAVE DR. MILLAN'S APPOINTMENT AS INTERIM
5 CEO -- HOLD ON ONE SECOND.

6 (PAUSE IN PROCEEDINGS.)

7 CHAIRMAN THOMAS: SO LET ME -- JUST TO
8 GIVE EVERYBODY, YOU'VE HEARD BITS AND PIECES. FOR
9 THOSE OF YOU NOT INTIMATELY FAMILIAR WITH DR. MILLAN
10 AND HER EXTRAORDINARY CREDENTIALS, LET ME JUST AGAIN
11 BE INDULGED TO READ A BIT HERE, JUST GIVE YOU HER
12 STORY SO THAT YOU KNOW THE LEVEL OF PERSON THAT WE
13 ARE FORTUNATE ENOUGH TO HAVE STEPPING INTO THIS
14 POSITION.

15 DR. MILLAN IS VICE PRESIDENT OF CIRM'S
16 THERAPEUTICS GROUP. THIS GROUP IDENTIFIES PROMISING
17 CLINICAL STAGE STEM CELL PROJECTS FOR PARTNERSHIP
18 WITH CIRM AND, ALONG WITH TOP TIER ADVISORS AND KEY
19 OPINION LEADERS, WORKS WITH INVESTIGATORS TO
20 ACCELERATE THERAPEUTIC DEVELOPMENT FOR PATIENTS WITH
21 UNMET MEDICAL NEEDS.

22 JOINING CIRM IN DECEMBER 2012, MARIA WAS
23 THE MEDICAL OFFICER FOR TWO OF CIRM'S EARLY
24 FIRST-IN-HUMAN CLINICAL TRIALS AND LED THE FORMATION
25 OF THE ALPHA STEM CELL CLINICS NETWORK, WHICH,

1 WITHIN A YEAR OF LAUNCH, ACTIVELY SUPPORTS OVER 20
2 CLINICAL TRIALS. MARIA LED THE DEVELOPMENT OF
3 CIRM'S STRATEGIC CLINICAL AND TRANSLATIONAL
4 INFRASTRUCTURE PROGRAMS, THE ACCELERATING CENTER,
5 WHICH IS THE STEM CELL FOCUSED CLINICAL RESEARCH
6 ORGANIZATION, THE TRANSLATING CENTER, THE STEM CELL
7 FOCUSED PRECLINICAL RESEARCH ORGANIZATION, AND THE
8 ATP3 PUBLIC PRIVATE PARTNERSHIP, WHICH WE HAD
9 DEBATED IN THE PAST YEAR.

10 BEGINNING HER CAREER AS AN ACADEMIC
11 TRANSPLANT SURGEON AND RESEARCHER, MARIA HAS
12 CONTINUED TO FOCUS ON DRIVING INNOVATIVE SOLUTIONS
13 FOR IMPROVING TREATMENT OPTIONS AND OUTCOMES FOR
14 PATIENTS WITH LIFE-THREATENING CONDITIONS. SHE
15 RECEIVED HER GENERAL SURGERY TRAINING IN TRANSPLANT
16 IMMUNOLOGY POSTDOCTORAL FELLOWSHIP AT HARVARD
17 MEDICAL SCHOOL, BETH ISRAEL DEACONESS MEDICAL
18 CENTER, WAS TRAINED IN TRANSPLANT AT STANFORD SCHOOL
19 OF MEDICINE, AND SERVED AS ASSOCIATE PROFESSOR OF
20 SURGERY AND DIRECTOR OF THE PEDIATRIC ORGAN
21 TRANSPLANT PROGRAM AT STANFORD.

22 SHE SERVED ON MULTIPLE LEADERSHIP
23 COMMITTEES, INCLUDING THE STANFORD MEDICAL SCHOOL
24 FACULTY SENATE, FACULTY SEARCH AND RETENTION
25 COMMITTEES, LUCILLE PACKARD CHILDREN'S HOSPITAL

1 OPERATIONS COMMITTEE, THE AMERICAN SOCIETY FOR
2 TRANSPLANTATION'S VANGUARD COMMITTEE, AND THE ISSCR
3 CLINICAL TRANSLATION COMMITTEE. SHE IS A FORMER
4 VICE PRESIDENT AND ACTING CHIEF MEDICAL OFFICER FOR
5 STEM CELLS, INC. WHERE SHE OVERSAW THE LAUNCH OF THE
6 COMPANY'S FIRST CLINICAL TRIAL FOR A RARE AND FATAL
7 PEDIATRIC CNS CONDITION, AND SERVED AS THE HEAD OF
8 THE COMPANY'S LIVER PROGRAM.

9 AS YOU CAN TELL, SHE'S HIGHLY
10 ACCOMPLISHED, HIGHLY CREDENTIALLED, AND MORE THAN
11 THAT IN A GREAT POSITION, HAVING BEEN HERE FOR FIVE
12 YEARS AND HAVING BEEN AN INTEGRAL PART OF ALL OF THE
13 MAJOR DECISIONS UNDERTAKEN HERE AT CIRM, TO STEP IN
14 IN THIS INTERIM CEO POSITION.

15 DR. MILLS, DO YOU HAVE ANY OTHER COMMENTS
16 YOU'D LIKE TO MAKE BEFORE WE ASK FOR A MOTION?

17 DR. MILLS: I THINK SHE'S PRETTY GOOD. I
18 MEAN MINUS THAT HARVARD, DUKE, STANFORD STUFF, IT'S
19 NO FLORIDA, BUT WE'LL GET BY.

20 CHAIRMAN THOMAS: THANK YOU, DR. MILLS.
21 DO I HEAR A MOTION TO APPOINT HER? AND I SHOULD ADD
22 THIS WOULD BE TO BE CONTINUED IN HER INTERIM STATUS
23 AT HER CURRENT SALARY LEVEL.

24 MR. TORRES: SO MOVE.

25 DR. PRIETO: SECOND.

1 CHAIRMAN THOMAS: GOT LOTS OF SO MOVED,
2 LOTS OF SECONDED. SENATOR TORRES WAS FIRST OUT OF
3 THE GATE. WE' LL GIVE THE SECOND TO DR. PRIETO.

4 IS THERE DISCUSSION BY MEMBERS OF THE
5 BOARD? ANY COMMENTS FROM MEMBERS OF THE PUBLIC?

6 MR. REED: YOU ALREADY KNOW THE IMPORTANT
7 STUFF, BUT THERE' S ONE THING I THINK SHOULD BE
8 MENTIONED. THAT IS, SHE' S A COMMUNICATOR. SHE
9 NEVER USES A LARGE WORD WITHOUT IMMEDIATELY
10 EXPLAINING IN A GRACEFUL WAY. SHE SAYS
11 HEMATOPOIETIC DISORDER. SHE' LL SAY, YOU KNOW, THE
12 STUFF THAT GOES WRONG IN THE BLOOD. AND SHE DOES IT
13 IN A GRACEFUL WAY. YOU NEVER FEEL THAT YOU' RE BEING
14 TALKED DOWN TO, MERELY THAT YOU UNDERSTAND.

15 AND IF THE PUBLIC IS TO COOPERATE, WE HAVE
16 TO UNDERSTAND. SO I WOULD LIKE TO KEEP HER FOREVER.

17 CHAIRMAN THOMAS: THAT WAS A REASONABLY
18 STRONG ENDORSEMENT. THANK YOU, DON. ANY OTHER
19 COMMENTS FROM MEMBERS OF THE PUBLIC? OKAY.

20 JAMES, VOICE AND ROLL CALL. THANK YOU.
21 IN THE ROOM ALL THOSE IN FAVOR OF THIS MOTION PLEASE
22 SAY AYE. OPPOSED? ABSTENTIONS? MARIA, PLEASE CALL
23 THE ROLL.

24 MS. BONNEVILLE: JACK DIXON.

25 DR. DIXON: YES, SUPPORTIVE.

1 MS. BONNEVILLE: HOWARD FEDEROFF.

2 DR. FEDEROFF: YES, SUPPORTIVE.

3 MS. BONNEVILLE: SHERRY LANSING.

4 MS. LANSING: YES, SUPPORTIVE.

5 MS. BONNEVILLE: SHLOMO MELMED.

6 DR. MELMED: YES, SUPPORTIVE.

7 MS. BONNEVILLE: LAUREN MILLER.

8 MS. MILLER: YES, SUPPORTIVE.

9 CHAIRMAN THOMAS: THANK YOU, EVERYBODY.

10 AND CONGRATULATIONS TO DR. MILLAN.

11 (APPLAUSE.)

12 MR. TORRES: CONTINUING TO SAVE MONEY, WE
13 THANK YOU.

14 CHAIRMAN THOMAS: SHE CAN'T HAVE YOUR
15 DRINK? KIND OF STINGY. DR. MILLAN, WOULD YOU LIKE
16 TO SAY A FEW WORDS?

17 DR. MILLAN: CHAIRMAN THOMAS, MEMBERS OF
18 THE BOARD, IT'S MY PLEASURE TO TAKE ON THIS ROLE AS
19 INTERIM PRESIDENT AND CEO OF CIRM. IT'S BEEN A
20 PLEASURE TO BE AT CIRM FOR THESE FOUR AND A HALF
21 YEARS. THIS IS AN INCREDIBLE TEAM. WE HAVE AN
22 INCREDIBLE MACHINE HERE THAT'S WORKING, AND WE'RE
23 VERY, VERY EXCITED INTERNALLY ABOUT WHAT IS TO COME
24 IN THE NEXT TWO AND A HALF, THREE YEARS WITH OUR
25 PROGRAMS. AND I LOOK FORWARD TO WORKING WITH THIS

1 BOARD. THANK YOU.

2 (APPLAUSE.)

3 CHAIRMAN THOMAS: BACK OVER HERE NOW.

4 BACK TO THE BITTERSWEET PART OF TODAY'S AGENDA. SO
5 I'VE HAD THE PRIVILEGE OVER THE YEARS OF BEING ON A
6 NUMBER OF GOVERNMENT BOARDS AND WORKING WITH A
7 NUMBER OF OUTSIDE, INSIDE COUNSEL FOR THESE
8 GOVERNMENTAL ENTITIES. AND I CAN SAY WITHOUT ANY
9 RESERVATION THAT I HAVE NEVER HAD SOMEBODY WHO
10 PERFORMED THAT JOB AS WELL AS JAMES HARRISON.

11 JAMES, AS YOU KNOW, OUTDATES EVERYBODY IN
12 THE ROOM. HE WAS THERE WHEN PROP 71 WAS FIRST
13 ENVISIONED. HE WAS ONE OF THE DRAFTERS OF PROP 71.
14 HE HAS BEEN A PART OF LITERALLY EVERY SINGLE
15 DECISION AND MOVE THAT CIRM HAS MADE IN ITS ENTIRE
16 HISTORY. HE HAS BEEN INTEGRAL TO EACH OF THOSE
17 THINGS.

18 I FIRST GOT A HINT THAT THAT WAS GOING TO
19 BE THE CASE WHEN, AS I TOOK OVER AS CHAIR ABOUT SIX
20 YEARS AGO, BOB ADMONISHED ME AS HE WAS TURNING
21 THINGS OVER TO, QUOTE, UNQUOTE, NOT BRUSH YOUR TEETH
22 WITHOUT CHECKING WITH JAMES FIRST. SO THAT
23 SUGGESTED BOTH A LEVEL OF KNOWLEDGE AND INVOLVEMENT
24 THAT WAS ADMIRABLE.

25 SO SINCE CIRM HAS STARTED, THERE HAVE BEEN

1 MANY CHALLENGES, BOTH LEGAL POLICY AND OTHERWISE.
2 WHEN YOU START SOMETHING AS GROUNDBREAKING AND
3 DIFFERENT AS THIS ORGANIZATION, THERE AREN'T A LOT
4 OF RULES YOU GO BY. YOU'RE KIND OF WINGING IT. AND
5 WHEN YOU'RE DOING THAT, PARTICULARLY AS A STATE
6 AGENCY THAT IS ENTIRELY TRANSPARENT AND ACCOUNTABLE
7 TO THE PUBLIC, YOU NEED TO MAKE SURE YOU DON'T
8 MISSTEP BECAUSE IF YOU DO, THERE ARE REPERCUSSIONS.
9 AND THE AGENCY HAS BEEN EXTRAORDINARILY LUCKY TO
10 HAVE JAMES THERE AT ALL TIMES TO MAKE SURE THAT
11 THINGS PROCEEDED AS THEY SHOULD AND TO MY KNOWLEDGE
12 HAS BATTED A THOUSAND IN TERMS OF HIS ADVICE AND THE
13 WAY HE PROVIDED SAGE COUNSEL NO MATTER HOW MAJOR OR
14 MINOR THE ISSUE MAY HAVE BEEN.

15 MANY OF YOU MAY NOT KNOW THIS ABOUT JAMES.
16 YOU KNOW JAMES IS A LAWYER BY TRAINING, BUT HE ALSO
17 HAS HAD TRAINING IN ECONOMICS. HE REALLY PERFORMS
18 AN ECONOMIST ROLE FOR US, BECAUSE AS YOU'VE HEARD
19 OVER THE YEARS, IT'S ON THE ONE HAND AND ON THE
20 OTHER HAND. AND IT'S BEEN VERY INTERESTING TRYING
21 TO GET SOMETIMES JAMES TO GIVE WHICH HAND HE COMES
22 OUT ON. BUT HAVING SAID THAT, I CAN'T OVERSTATE
23 WHAT A TREMENDOUS ROLE HE'S HAD IN THE SUCCESS OF
24 THIS OPERATION. HE'S DONE SO WITH GREAT HUMILITY,
25 DONE SO WITH GRACE, DONE SO WITH GOOD HUMOR. HE HAS

1 GUIDED US EXPERTLY, AND WE ARE WHERE WE ARE TODAY IN
2 NO SMALL PART OWING TO HIS GREAT CAPABILITIES AND
3 HIS KNOWLEDGE AND HIS ADVICE.

4 ON HIS RESOLUTION, WHICH TALKS ABOUT ALL
5 THE GREAT STUFF HE DID, MUCH OF WHICH I'VE JUST
6 DESCRIBED, HAVING ACTED -- WHEN I FIRST STARTED, HE
7 WAS COUNSEL TO THE CHAIR. HE LATER BECAME COUNSEL
8 TO THE AGENCY. HE, WORKING IN TANDEM WITH SCOTT AND
9 BEN AND OTHERS OF THE LEGAL TEAM, HAVE ALWAYS BEEN
10 THERE FOR US. AND I JUST WANT TO READ A COUPLE
11 THINGS AT THE END. WE WERE TRYING TO THINK ABOUT
12 WHAT TO SAY FOR JAMES THAT WOULD SEND HIM OFF IN
13 APPROPRIATE FASHION. SO THE TAIL END OF HIS
14 RESOLUTION, WHICH I WILL READ, LISTS ALL THE GREAT
15 THINGS HE'S DONE, WHICH WE TALKED ABOUT.

16 WHEREAS, MR. HARRISON ACCOMPLISHED ALL THE
17 ABOVE WHILE DOING SO WITH EXTRAORDINARY GRACE,
18 HUMILITY AND HUMOR, EARNING THE ABIDING RESPECT AND
19 ADMIRATION OF THE ENTIRE CIRM TEAM AND THE BOARD.

20 WHEREAS, THROUGH HIS PASSION, COMMITMENT,
21 KNOWLEDGE, AND LEADERSHIP, MR. HARRISON CONTRIBUTED
22 GREATLY TO THE MOMENTUM OF DISCOVERY AND THE FUTURE
23 THERAPIES WHICH THE ULTIMATE OUTCOME WILL SHOW GREAT
24 RESULTS.

25 WHEREAS, MR. HARRISON -- THIS IS

1 IMPORTANT -- GIVES BACK TO THE COMMUNITY BY TEACHING
2 AN EXECUTIVE EDUCATION COURSE ENTITLED "JAMES, IS
3 THIS A ROLL CALL VOTE?"

4 BE IT RESOLVED, THAT THE GOVERNING BOARD
5 OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE
6 MEDICINE, ON BEHALF OF THE PEOPLE OF THE STATE OF
7 CALIFORNIA, ON THE ONE HAND, WISHES TO EXPRESS ITS
8 DEEPEST GRATITUDE TO JAMES HARRISON FOR HIS SERVICE
9 TO CIRM AND FOR HIS DEDICATION TO ACCELERATING STEM
10 CELL TREATMENTS TO PATIENTS WITH UNMET MEDICAL
11 NEEDS, ON THE OTHER HAND IS NOT SURE IF A ROLL CALL
12 VOTE IS REQUIRED TO DO SO.

13 JAMES, WE KNOW THAT EVEN THOUGH YOU ARE
14 STEPPING DOWN AS GENERAL COUNSEL, YOU WILL BE
15 AVAILABLE. AND, IN FACT, AS PART OF YOUR ONGOING
16 DUTY, THERE IS A HOTEL CALIFORNIA ELEMENT TO THIS
17 WHOLE THING, AND I'M SURE WE WILL CALL UPON YOU FOR
18 ADDITIONAL HELP AND GUIDANCE. WE ARE SO GRATEFUL
19 THAT WE HAVE SCOTT, WHO WAS VETTED EARLIER AS
20 SOMEBODY WHO HAS THE EXPERIENCE AND KNOWLEDGE TO
21 STEP INTO YOUR POSITION AND CARRY ON THE
22 EXTRAORDINARY WORK THAT YOU HAVE DONE.

23 HAVING SAID THAT, THE BOARD IS GOING TO
24 MISS YOU VERY MUCH, AND WE JUST WANT TO CONVEY TO
25 YOU WHAT AN EXCEPTIONAL JOB THAT YOU DO AND I KNOW

1 YOU WILL CONTINUE TO DO IN YOUR PRACTICE. SO ON
2 BEHALF OF THE BOARD, WE HAVE A FRAMED RESOLUTION FOR
3 YOU AS WELL. THANK YOU FOR EVERYTHING.

4 (APPLAUSE.)

5 CHAIRMAN THOMAS: COMMENTS FROM MEMBERS OF
6 THE BOARD?

7 MS. LANSING: CAN I GO FIRST? SO, JAMES,
8 THIS IS TRULY ONE OF THE MOST BITTERSWEET DAYS OF MY
9 LIFE. AND, AGAIN, I WISH I WAS THERE IN PERSON
10 BECAUSE I FEEL SO CLOSE TO YOU. WE HAVE BEEN THERE,
11 YOU BEFORE ME, BUT SINCE THE VERY BEGINNING. AND I
12 ECHO EVERYTHING THAT J.T. SAYS EXCEPT I REALLY WANT
13 TO STRENGTHEN IT. I'M NOT SURE THAT CIRM WOULD
14 EXIST WITHOUT YOU. YOUR GUIDANCE THROUGH THE MOST
15 DIFFICULT TIMES IN OUR BEGINNING WHEN THERE WERE SO
16 MANY LAWSUITS AND WHEN THERE WERE SO MANY ATTEMPTS
17 TO STOP US, YOU WERE THE ONE THAT WAS ALWAYS BUCKING
18 EVERYBODY UP, AND YOU WERE THE ONE THAT WAS ALWAYS
19 TELLING US THAT WE WOULD BE OKAY.

20 AND YOU HAVE CONTINUED THAT THROUGH THE
21 GOOD TIMES. BECAUSE EVEN IN THE GOOD TIMES, THERE'S
22 CHALLENGES. AND THERE'S MANY THINGS THAT BOARD
23 MEMBERS WORRY ABOUT WHEN YOU SERVE ON A BOARD, BUT
24 THERE'S ONE THING THAT I NEVER, EVER WORRIED ABOUT
25 AS A MEMBER OF THE CIRM BOARD, AND THAT WAS OUR

1 ETHICS BECAUSE I KNEW THAT YOU WERE PROTECTING US
2 ALL THE TIME. YOUR INTEGRITY IS EXTRAORDINARY. I
3 NEVER WORRIED THAT WE WERE EVER DOING ANYTHING THAT
4 WAS EVEN GRAY IN TERMS OF LEGALITY BECAUSE OF YOUR
5 MORALITY AND YOUR INCREDIBLE KNOWLEDGE.

6 THROUGH IT ALL, YOU WERE ALWAYS CALM AND
7 RATIONAL; AND NO MATTER WHAT WAS GOING ON, YOU WERE
8 ALWAYS THE ROCK THAT I COULD TURN TO AND SAY EXPLAIN
9 THIS TO ME. AND YOU WERE ALWAYS THE PERSON THAT
10 COULD ADDRESS EVERY SINGLE ISSUE WITH HUMOR AND
11 INTEGRITY.

12 SO I CAN'T, AS MUCH OF AN ADMIRER OF SCOTT
13 AS I AM, I CAN'T IMAGINE US WITHOUT YOU. AND I JUST
14 WANT YOU TO KNOW THAT, AGAIN, I AM IN AWE OF YOU. I
15 HAVE THE GREATEST RESPECT FOR YOU. AND I'M GOING TO
16 PESTER YOU FOR THE REST OF YOUR LIFE, AND I LOOK
17 FORWARD TO OUR FRIENDSHIP CONTINUING FOREVER. AND
18 THANK YOU AGAIN. I DON'T THINK WE WOULD REMOTELY BE
19 HERE WITHOUT YOU. THANK YOU.

20 (APPLAUSE.)

21 CHAIRMAN THOMAS: MR. SUPERVISOR.

22 SUPERVISOR SHEEHY: WOW. OF COURSE, THIS
23 ISN'T SAD BECAUSE NOW I'M IN POLITICS AND I'M GOING
24 TO SEE THIS GUY MORE THAN I SEE HIM NOW. IT'S TRUE
25 ACTUALLY, I THINK.

1 SO IT'S NOT -- I CAN'T CONFESS
2 BITTERSWEETNESS OR SADNESS. BUT SHERRY IS ACTUALLY
3 RIGHT. WE WOULD NOT BE HERE, NO. 1, BECAUSE HE
4 WROTE PROP 71. SO WE LITERALLY WOULD NOT BE HERE IF
5 NOT FOR THAT. NO. 2, HE ORGANIZED THE DEFENSE TO A
6 LARGE DEGREE WHEN WE WERE SUED BY OUR OPPONENTS.
7 AND NOT INSIGNIFICANT WAS THE DEPOSITION OF THE
8 ENTIRE BOARD, WHICH HE MANAGED. AND I'D NEVER BEEN
9 DEPOSED BEFORE. THAT WAS A VERY INTERESTING
10 EXPERIENCE ON BOTH SIDES, TO TELL YOU THE TRUTH. I
11 DIDN'T KNOW WHAT WAS GOING TO HAPPEN. AND THEN LIKE
12 THIS VERY, VERY RELIGIOUSLY CONSERVATIVE PERSON
13 PULLS OUT MY RESUME, AND IT'S LIKE OH, MY GOD. AIDS
14 ACTIVIST, LGBT CIVIL RIGHTS ACTIVIST, AND STEM
15 CELLS. I HIT THE TRIFECTA. AND I THINK I HAD THE
16 LONGEST DEPOSITION OF EVERYBODY. PEOPLE WERE IN AND
17 OUT OF THERE IN LIKE 20 MINUTES. I THOUGHT I WAS
18 THERE HALF A DAY, JUST NUDGING, NUDGING, NUDGING,
19 NUDGING. AND THANK YOU FOR BEING THERE FOR ME,
20 JAMES.

21 BUT WHAT WAS AMAZING ABOUT THAT, THAT WAS
22 AN INTENTIONAL DELAYING FACTOR, AND WE GOT THAT DONE
23 IN LESS THAN A MONTH. THEY WERE HOPIING THEY COULD
24 DRAG THAT OUT OVER SIX OR SEVEN MONTHS GIVEN THE
25 CALIBER OF THE PEOPLE ON THIS BOARD AND SCHEDULES

1 THAT THEY HAVE.

2 SO THEN DEFENDING PROP 71 WAS ALSO A MAJOR
3 ACCOMPLISHMENT. AND IT'S BEEN THE PERILS OF
4 PAULINE. IT REALLY HAS WITH VARIOUS LEADERSHIP
5 CHALLENGES THAT WE'VE HAD AND ALL OF THE LEGAL
6 DIFFICULTIES IN CREATING AN AGENCY FROM SCRATCH,
7 DOING SOMETHING THAT MOST -- WELL, WE'RE A RARITY.
8 I MEAN WE GIVE OUT MONEY TO SCIENTISTS IN BIG
9 NUMBERS AND KEEPING TRACK OF THAT, AND WE HAVE A
10 VERY BIG AND COMPLEX BOARD.

11 THE CONFLICT OF INTEREST CHALLENGES, THE
12 LEGAL CHALLENGES THAT SURROUND EVERYTHING THAT WE'VE
13 DONE HAS JUST BEEN NOTHING SHORT OF EXTRAORDINARY.
14 IT'S NOT LIKE YOU'VE HAD A TEAM OF 20. YOUR
15 BRILLIANCE AND YOUR STEADINESS, THAT IS THE THING
16 THAT I'VE ALWAYS THOUGHT WAS MOST IMPRESSIVE BECAUSE
17 WHILE WE'RE SCREAMING AND PULLING OUR HAIR OUT,
18 THERE'S JAMES. JUST JAMES. YOU SAY HIS NAME NOW,
19 DON'T YOU ALL FEEL A LITTLE MORE RELAXED? SO DON'T
20 YOU? SO THANK YOU, THANK YOU BECAUSE WE REALLY
21 WOULD NOT BE HERE IF NOT FOR YOU. AND THOSE CURES
22 THAT WE HAVE AND THOSE CURES THAT WE'RE GOING TO
23 SEE, YOU TAKE ENORMOUS AMOUNT OF CREDIT FOR THAT.

24 MR. TORRES: I THINK THIS IS THE MOST I'VE
25 SPOKEN AT ANY BOARD MEETING, AND I WILL NOT REPEAT

1 THIS AGAIN. BUT JAMES HARRISON, MANY OF YOU DON'T
2 KNOW, REPRESENTS ONE OF THE MOST POWERFUL POLITICAL
3 LAW FIRMS IN THE STATE IF NOT THE NATION. HE
4 ADVISES OUR GOVERNOR, OUR LI EUTENANT GOVERNOR, OUR
5 CONTROLLER, OUR TREASURER, THE CALI FORNIA ASSEMBLY,
6 THE CALI FORNIA SENATE, AND MY OLD JOB, THE UNITED
7 FARM WORKERS OF AMERI CA. AND ALL OF THAT TALENT AND
8 BRILLIANCE WE HAVE BENEFITED FROM BECAUSE NOW WE
9 HAVE ENJOYED THE TREMENDOUS EXPERTISE THAT HE AND
10 HIS FIRM BRINGS TO THE TABLE. ANY STATE AGENCY
11 WOULD BE PROUD TO HAVE JAMES AS THEIR GENERAL
12 COUNSEL.

13 MORE THAN THAT, I T'S THE CONSISTENT
14 PATTERN OF RESPONSIBILI TY AND FOCUS WHICH IS SO
15 IMPORTANT TO DETERMING LEGAL ISSUES AND TO MAKE SURE
16 YOU ALWAYS FALL ON THE RIGHT SIDE. AND KEEPING US,
17 AS SHERRY HAS SAID, AS JEFF HAS SAID, CONFORMING
18 WITH ETHICAL STANDARDS, MAKING SURE THAT WE DON'T
19 MAKE MI STAKES, INNOCENTLY IN MANY CASES, BUT WE
20 DON'T. AND I T'S BECAUSE OF HIS TREMENDOUS SUPPORT
21 AND LEGAL COUNSEL AND FRIENDSHIP, JAMES, THAT I FEEL
22 WITH YOU AND I .

23 BUT THE MOST IMPORTANT QUALITY IS THAT HE
24 MARRIED A LATINA. AND THAT HAS PRODUCED SOME
25 BEAUTI FUL CHI LDREN, ONE OF WHOM IS NOW IN COLLEGE,

1 AND SHE IS AN ABSOLUTE INSTITUTION IN HER OWN RIGHT.
2 AND SO I JUST WANT TO SAY IT'S NOT ADIOS; IT'S WE'LL
3 CONTINUE TO CONNECT TOGETHER. GOD BLESS YOU, JAMES.

4 (APPLAUSE.)

5 CHAIRMAN THOMAS: OTHER COMMENTS FROM
6 MEMBERS OF THE BOARD?

7 DR. PRIETO: I DEBATED WHETHER TO SAY
8 ANYTHING, BUT, JAMES, WHILE CIRM HAS IN MANY WAYS
9 KIND OF EATEN MY LIFE, BUT WHAT HAS MADE THIS A NET
10 POSITIVE EXPERIENCE, IN LARGE PART, HAS BEEN HAVING
11 YOUR GUIDANCE. ONE OF THE MOST MEMORABLE PARTS OF
12 THIS WAS WHEN JERRY LEVEY BEGAN OUR EVALUATION
13 PROCESSES SEVERAL YEARS AGO, AND THEN FAIRLY
14 PROMPTLY RETIRED AND SAID, "HERE, FRANCISCO, YOU CAN
15 DO THIS." THERE WAS AMPLE REASON TO PANIC GIVEN THE
16 SITUATION THAT WE THEN DISCOVERED. BUT THANKS TO
17 YOU, I THINK WE NEGOTIATED THAT OVER A COUPLE OF
18 YEARS ULTIMATELY VERY SUCCESSFULLY AND BUILT
19 SOMETHING PRETTY TREMENDOUS. IT HAS BEEN A RARE
20 PRIVILEGE TO BE PART OF THE FUTURE OF SCIENCE AND
21 MEDICINE HERE, AND I REALLY THINK THAT THAT'S WHAT
22 CIRM IS, AND A LARGE PART OF THAT IS THANKS TO YOU.

23 MR. JUELGAARD: JUST ONE REALLY BRIEF
24 THING. SO, JAMES, AS A FELLOW MEMBER OF THE
25 PROFESSION, YOU ARE AN INCREDIBLE LAWYER.

1 (APPLAUSE.)

2 CHAIRMAN THOMAS: THANK YOU. I THINK WE
3 HAVE SOME COMMENTS FROM MEMBERS OF THE PUBLIC,
4 INCLUDING A RECENTLY RETIRED.

5 DR. MILLS: I'M CEO EMERITUS RIGHT NOW.

6 SO A LOT OF PEOPLE TALK ABOUT JAMES
7 TECHNICALLY, FROM A LEGAL STANDPOINT HAS BEEN
8 INVOLVED, COMMITTED THE WHOLE TIME. GREAT LAWYER.
9 KEPT US OUT OF JAIL. KEPT US OUT OF TROUBLE. KEPT
10 US FROM STUFF. THERE'S TWO THINGS THAT I THINK ARE
11 IMPORTANT TO KNOW ABOUT JAMES THAT I THINK MAKES HIM
12 TRULY EXTRAORDINARY.

13 THE FIRST IS THAT, WHILE A LOT OF LAWYERS
14 WILL KEEP YOU FROM THINGS, STOP YOU FROM DOING
15 THINGS, JAMES DOESN'T TAKE THAT APPROACH. JAMES
16 WANTS TO KNOW WHAT IT IS YOU'RE TRYING TO DO BIG
17 PICTURE AND LOOKS FOR WAYS FOR IT TO HAPPEN. HE
18 LOOKS FOR WAYS TO MAKE THINGS HAPPEN INSIDE,
19 OBVIOUSLY, ALL THE APPLICABLE RULES THAT NEED TO BE
20 FOLLOWED. HE DOESN'T JUST SAY NO. HE FIGURES OUT
21 HOW TO SAY YES, AND HE PARTNERS WITH YOU IN ORDER TO
22 GET THAT DONE. AND THAT'S AN EXTRAORDINARY FEATURE.

23 THE SECOND THING IS IF YOU ONLY THINK
24 JAMES IS A GREAT LAWYER, YOU'RE MISSING SOMETHING
25 THAT WE GOT TO SEE IN THE LEADERSHIP TEAM. JAMES IS

1 A GREAT LEADER OF PEOPLE. AND IT'S SOMETHING THAT,
2 I GUESS, IN A SETTING LIKE THIS WOULD BE DIFFICULT
3 TO SEE, BUT JAMES CAN GET PEOPLE TO DO EXTRAORDINARY
4 THINGS AND MAKE IT FEEL LIKE THEY'RE HAVING A GOOD
5 TIME DOING IT. SO I JUST WANT TO SAY THANK YOU,
6 JAMES. YOU ARE ALL THAT AND A BAG OF CHIPS.

7 YOU HAVE BEEN A PHENOMENAL PARTNER AS
8 WE'VE GONE THROUGH THIS, A TRUSTED PARTNER, AND A
9 GOOD FRIEND. AND I WISH YOU NOTHING BUT THE BEST.

10 (APPLAUSE.)

11 MR. REED: WHEN I FIRST HEARD THE NEWS
12 THAT JAMES WAS LEAVING US, MY FIRST THOUGHT WAS
13 DON'T GO. TO LOSE JAMES, HE HAD BEEN WITH US
14 LITERALLY SINCE BEFORE CIRM BEGAN. WHEN BOB KLEIN
15 WROTE PROP 71, SHAPING AN INCREDIBLE DREAM INTO
16 WORDS, JAMES HARRISON WAS AT HIS SIDE. CALIFORNIA
17 ALREADY KNEW JAMES HARRISON. HE HELPED ROBRINER
18 WITH PROPOSITION 10, THE TOBACCO TAX. AND WHEN
19 PROPOSITION 10 WAS ATTACKED AS UNCONSTITUTIONAL,
20 JAMES HARRISON WAS THERE AND CALIFORNIA WON.

21 JAMES HAS BEEN INVOLVED WITH MANY SIMILAR
22 PRO PEOPLE EFFORTS AND INITIATIVES ALL HIS LIFE. I
23 HOPE SOMEDAY HE WRITES A BOOK ABOUT HIS INCREDIBLE
24 ADVENTURES IN PEOPLE POLITICS. BUT ABOVE ALL WAS
25 PROP 71, AND THE CALIFORNIA STEM CELL PROGRAM. AT

1 EVERY STEP OF THE WAY, JAMES HARRISON WAS THERE.
2 WHEN THE ANTI RESEARCH OPPOSITION SUED TO SHUT US
3 DOWN, JAMES WAS THERE. WHENEVER I WAS WRITING
4 SOMETHING ABOUT CIRM AND I HAD A LEGAL QUESTION, I
5 WOULD CALL A PROFESSIONAL LAWYER, LEAVE A MESSAGE
6 FOR JAMES, AND HE WOULD GET BACK TO ME. NOTHING HE
7 WAS PAID FOR, JUST THAT HE CARED ABOUT THE CAUSE.

8 AND WHATEVER SADNESS I FEEL RIGHT NOW, I
9 TAKE COMFORT WHEN AND IF PART 2 FOR CIRM FUNDING,
10 JAMES WILL BE THERE FIGHTING BESIDE US ONCE AGAIN.
11 WE WILL GIVE HIM NO CHOICE. SO VAYA CON DIOS, JAMES
12 HARRISON. GO WITH GOD. OUR HEARTS ARE WITH YOU
13 ALWAYS.

14 (APPLAUSE.)

15 DR. CHIU: I DON'T HAVE A LOT TO SAY
16 BECAUSE THIS IS VERY HARD TO LOSE JAMES BECAUSE I'VE
17 SEEN HIM AS THE BACKBONE OF CIRM KEEPING US ON THE
18 STRAIGHT AND NARROW. I STILL KEEP YOUR CARD IN MY
19 WALLET JUST IN CASE SOMETHING GOES WRONG AND I NEED
20 SOME GUIDANCE.

21 MR. HARRISON: I'LL BE THERE FOR YOU,
22 ARLENE.

23 DR. CHIU: SO I JUST WANT TO SAY THANK
24 YOU, JAMES.

25 (APPLAUSE.)

1 MS. SHAPIRO: HI, JAMES. I DON'T KNOW
2 YOU, BUT I HAVE TO SAY THAT THE WORK THAT YOU'VE
3 DONE HAS PROVIDED A CONSTRUCT FOR STEM CELL RESEARCH
4 THAT GIVES US COMFORT. AND WE KNOW THAT WHEN WE
5 TALK TO PEOPLE ABOUT THE RESEARCH AND WORKING ON OUR
6 BODEAS AND LOOKING FOR CURES AND SIGNING AWAY OUR
7 STUFF, THAT IT'S PROTECTED, THAT THOSE THINGS THAT
8 HAPPENED IN THE PAST AREN'T HAPPENING NOW, THOSE
9 THINGS THAT EVERYBODY IS SO AFRAID OF HAPPENING WITH
10 NEW TECHNOLOGIES AREN'T GOING TO HAPPEN. AND TO BE
11 ABLE TO DO THAT, I DON'T KNOW IF YOU -- IT'S NOT
12 ABOUT CIRM NOT BEING SUED. IT'S ABOUT SAFETY AND
13 THE ABILITY TO HAVE SOMETHING COME BE BORN, BE
14 BETTER. AND EVERYWHERE I GO, I TELL THEM WHEN THEY
15 ASK ME THESE QUESTIONS ABOUT THE TWO-HEADED BABIES
16 AND THE DESIGNER WHATEVER AND, I DON'T KNOW, MAKING
17 UNICORNS, I SAY TO THEM, YOU NEED TO LOOK AT THE
18 CIRM GUIDELINES.

19 SO THANK YOU AND KNOW THAT WE'RE SPREADING
20 THE WORD OF YOUR WORK EVEN THOUGH WE DON'T KNOW YOU
21 ALL OVER THE WORLD, AND HOPEFULLY IT'S GOING TO
22 CATCH ON LIKE WILDFIRE. SO THANK YOU.

23 (APPLAUSE.)

24 MR. HARRISON: I'LL TRY TO BE SHORT, BUT I
25 DID WANT TO SAY A FEW WORDS.

1 FIRST, IT HAS BEEN MY SINCERE HONOR TO BE
2 A PART OF THIS TREMENDOUS EFFORT AND THIS
3 ORGANIZATION AND TO WORK WITH ALL OF YOU ON THE
4 BOARD. WE HAVE HAD SOME ROCKY MOMENTS OVER THE
5 YEARS. I DON'T THINK I WILL EVER HAVE ANOTHER
6 EXPERIENCE IN MY LIFE WHERE IN THE MIDST OF A PUBLIC
7 MEETING, I'M CALLED TO THE DOOR BECAUSE A PROCESS
8 SERVER IS WAITING WITH 29 COPIES OF A COMPLAINT
9 NAMING EACH MEMBER OF THE BOARD AS A DEFENDANT, AND
10 THE PLAINTIFF IS A FICTITIOUS FROZEN EMBRYO. THAT
11 DOESN'T HAPPEN MANY TIMES IN ONE'S LEGAL CAREER.
12 AND I WAS DISTINCTLY HONORED TO HAVE THE CHANCE TO
13 BE A PART OF IT.

14 THIS BOARD HAS SUCH TREMENDOUS SERIOUSNESS
15 OF PURPOSE AND COMMITMENT TO MISSION, BUT THE THING
16 THAT I HAVE FOUND MOST IMPRESSIVE OVER THE COURSE OF
17 THE LAST 13 YEARS IS YOUR ABILITY TO WORK WITH ONE
18 ANOTHER THROUGH CHALLENGING ISSUES.

19 I'VE OFTEN BEEN ASKED BY COLLEAGUES HOW
20 CAN YOU POSSIBLY MANAGE A 29-MEMBER BOARD? IT JUST
21 SEEMS COMPLETELY UNTENABLE. AND THE TRUTH IS, IN MY
22 EXPERIENCE, YOU ALL HAVE BROUGHT DIVERSITY OF
23 EXPERIENCE, OF EXPERTISE, OF VIEWPOINTS TO THE
24 ISSUES THAT YOU'VE HAD TO CONFRONT, AND IT HAS
25 IMPROVED THE DECISION-MAKING THAT YOU ALL HAVE BEEN

1 CHARGED WITH. IT'S REALLY BEEN EXTRAORDINARY FOR ME
2 TO WATCH.

3 FOR THOSE BOARD MEMBERS WHO HAVE BEEN HERE
4 SINCE THE BEGINNING, JEFF, THE REASON YOUR
5 DEPOSITION LASTED SO LONG IS THAT YOU SCHOOLED THE
6 LAWYER. YOU ARE ACTUALLY A BETTER LAWYER THAN I AM,
7 I COULD SAY.

8 FRANCISCO, FOR YOUR LEADERSHIP OF THE
9 EVALUATION PROCESS THROUGH SOME VERY DIFFICULT
10 TIMES, THANK YOU.

11 OS FOR ALWAYS BEING SUCH A STEADY SOURCE
12 AND GUIDE FOR THE BOARD AND ALWAYS HAVING A SAGE
13 COMMENT TO MAKE.

14 AND, SHERRY, WATCHING YOU AS A MEMBER OF
15 THE BOARD HAS TRULY BEEN ONE OF THE MOST INSTRUCTIVE
16 EXPERIENCES I'VE HAD. YOU HAVE A MASTERY OF BEING
17 ABLE TO BRING PEOPLE TOGETHER ON DIFFICULT ISSUES.

18 SO THANK YOU, ALL OF YOU, IT'S BEEN A REAL
19 HONOR.

20 I'D LIKE TO SAY A COUPLE PARTICULAR WORDS
21 ABOUT J.T. AND ART. J.T., I WANT TO THANK YOU FOR
22 YOUR CALM AND QUIET LEADERSHIP, WHICH I THINK
23 SOMETIMES BELIES YOUR WILLINGNESS TO TAKE ON REALLY
24 DIFFICULT ISSUES. WHEN J.T. FIRST ASSUMED THE ROLE
25 OF CHAIRMAN, HE ASKED ME TO PUT TOGETHER A MEMO THAT

1 ADDRESSED EACH OF THE DIFFICULT AND THORNY ISSUES
2 FACING THE AGENCY. AND HE VERY DELIBERATELY OVER
3 TIME WENT THROUGH THAT MEMO AND TICKED OFF EACH OF
4 THEM, REALLY CULMINATING WITH THE APPOINTMENT OF DR.
5 MILLS. SO IT'S BEEN AN HONOR TO WORK WITH YOU, AND
6 I APPRECIATE YOUR LEADERSHIP.

7 ART, TO SAY THAT CIRM HAD AN ADVERSARIAL
8 RELATIONSHIP WITH THE LEGISLATURE BEFORE YOU BECAME
9 VICE CHAIR IS AN UNDERSTATEMENT. YEAR AFTER YEAR WE
10 FOUND OURSELVES AT ODDS WITH THE LEGISLATURE, FACING
11 DOWN BILL AFTER BILL AFTER BILL, WHICH CONSUMED AN
12 EXTRAORDINARY AMOUNT OF TIME AND ATTENTION AND
13 DISTRACTED US FROM THE IMPORTANT WORK THAT WE HAD TO
14 DO. YOU BROUGHT A DRAMATIC CHANGE TO THAT, AND THE
15 RELATIONSHIP THAT THIS BOARD NOW ENJOYS AND THIS
16 AGENCY NOW ENJOYS WITH SACRAMENTO, WITH OUR
17 POLITICAL LEADERS IS A CREDIT TO YOU. IT'S BEEN
18 JUST A DRAMATIC TRANSFORMATION, AND THE AGENCY IS
19 MUCH STRONGER FOR IT.

20 RANDY MILLS, IT'S HARD TO TALK ABOUT WHAT
21 AN IMPORTANT ROLE HE'S PLAYED IN THIS AGENCY. TO
22 SAY HE'S A TRANSFORMATIONAL LEADER IS REALLY AN
23 UNDERSTATEMENT. CIRM HAS, AS DON POINTED OUT,
24 ALWAYS BEEN A WONDERFUL PACE, BUT RANDY HAS HELPED
25 TRANSFORM THIS AGENCY INTO REALLY AN INCREDIBLE

1 MACHINE THAT INSPIRES THE AWE OF FOLKS LIKE NIH
2 DIRECTOR FRANCES COLLINS.

3 I WAS ABLE TO PARTICIPATE IN THAT MEETING,
4 AND IT WAS EVERYTHING RANDY SAID AND MORE. THEY
5 WERE REALLY AMAZED AT THE CHANGES THAT THIS BOARD
6 HAS PUT INTO PLACE OVER THE COURSE OF THE LAST THREE
7 YEARS, THE STRATEGIC PLAN THAT IS IN PLACE, AND THE
8 MACHINE THAT YOU ALL HAVE HELPED TO BUILD.

9 AND ONE OF THE REALLY SPECIAL THINGS ABOUT
10 THE MEETING WAS GETTING A CHANCE TO WATCH MARIA
11 MILLAN, YOUR NEW PRESIDENT, STEP INTO HER ROLE. SHE
12 IS INCREDIBLY IMPRESSIVE. HER MASTERY OF DETAIL OF
13 THE RESEARCH, HER STRATEGIC THINKING, HER IDEAS
14 ABOUT POTENTIALS FOR COLLABORATION BETWEEN CIRM AND
15 THE NIH, SHE REALLY COMMANDED THE ROOM. AND THAT
16 WAS REALLY A PLEASURE TO WATCH. SO YOU ARE IN VERY,
17 VERY GOOD HANDS.

18 I WANT TO ALSO THANK THE CIRM TEAM. IT'S
19 REALLY BEEN AMAZING WORKING WITH EACH OF YOU. IT
20 IS, AS RANDY SAID, A GREAT TEAM; BUT EACH OF YOU
21 BRINGS SUCH A UNIQUE SET OF SKILLS AND TALENTS TO
22 THE JOB, AND YOUR WILLINGNESS TO REALLY DIG IN AND
23 GO THROUGH A LOT OF CHANGES AND RUN ALONG EVEN WHEN
24 IT INVOLVED A DRAMATIC CHANGE TO WHAT YOU WERE ASKED
25 TO DO WAS REALLY INSPIRING TO ME.

1 I'M THE ONE WHO SITS AT THAT TABLE AT
2 THESE MEETINGS, BUT BEHIND ME IS THE LEGAL TEAM, BEN
3 HUONG, CYNTHIA SCHAFFER, GABE THOMPSON, AND SCOTT
4 TOCHER. AND THEY'RE THE ONES RESPONSIBLE FOR A LOT
5 OF THE WORK AND THE BENEFITS THAT YOU SEE FROM
6 CIRM'S LEGAL COUNSEL. SO I WANT TO THANK THEM.

7 AND LAST, BUT CERTAINLY NOT LEAST, I WANT
8 TO THANK ALL OF YOU IN THE AUDIENCE. THE PATIENT
9 ADVOCATES, DON REED YOU'VE BEEN THERE THE ENTIRE
10 TIME, THE PATIENTS WHO COME TO OUR MEETINGS, THE
11 OBSERVERS, ARLENE, THE CRITICS, AND DAVID JENSON --
12 I'M COMPLETELY SERIOUS -- YOU ALL PLAY A ROLE IN
13 HELPING HOLD OUR FEET TO THE FIRE AND KEEPING US
14 ACCOUNTABLE. AND THAT'S A REALLY IMPORTANT THING,
15 AND WE TAKE IT SERIOUSLY, AND THAT'S BEEN A GREAT
16 BENEFIT TO US. CHALLENGING AT TIMES, BUT A REALLY
17 GREAT BENEFIT. SO I WANT TO THANK YOU FOR THAT.

18 THANK YOU. IT'S BEEN A REAL HONOR.

19 (APPLAUSE.)

20 CHAIRMAN THOMAS: OKAY. WELL, WE MADE IT
21 THROUGH THE BITTERSWEET PORTION. THANK YOU AGAIN TO
22 BOTH OF YOU GUYS. OUR DEEPEST GRATITUDE. AND,
23 RANDY, ALOHA, BABY. HAVE A GOOD TIME IN HAWAII.

24 ALL RIGHT. NOW BACK TO THE -- SORRY.
25 LUNCH. SO COULD YOU PLEASE GET LUNCH AND BRING IT

1 BACK IN HERE, AND WE'RE GOING TO CONTINUE THE AGENDA
2 AND TRY TO GET THROUGH THE REMAINING ITEMS. WE'RE
3 SHOOTING FOR A 1:15 CONCLUSION. SO AS QUICKLY AS
4 YOU CAN COME BACK, WE APPRECIATE IT. THANK YOU.

5 (A RECESS WAS TAKEN.)

6 CHAIRMAN THOMAS: OKAY. WE'RE GOING TO GO
7 BACK TO OUR REGULAR BUSINESS HERE. FIRST ITEM IS
8 THE CONSENT AGENDA. ARE THERE ANY ITEMS ON THE
9 CONSENT AGENDA ANYBODY WANTS TO DISCUSS? IF NOT, DO
10 I HEAR A MOTION TO APPROVE?

11 DR. STEWARD: SO MOVED.

12 DR. GASSON: SECOND.

13 CHAIRMAN THOMAS: ALL THOSE IN FAVOR
14 PLEASE SAY AYE. ALL THOSE OPPOSED. NO OPPOSED.
15 ANY ABSTENTIONS? MARIA, PLEASE CALL THE ROLL.

16 MS. BONNEVILLE: JACK DIXON.

17 DR. DIXON: YES.

18 MS. BONNEVILLE: HOWARD FEDEROFF.

19 DR. FEDEROFF: YES.

20 MS. BONNEVILLE: SHERRY LANSING. SHLOMO
21 MELMED.

22 DR. MELMED: YES.

23 MS. BONNEVILLE: LAUREN MILLER.

24 MS. MILLER: YES.

25 CHAIRMAN THOMAS: MOTION APPROVED.

1 ON TO ITEM 7, CONSIDERATION OF
2 APPLICATIONS SUBMITTED IN RESPONSE TO THE DISC2
3 PROGRAM ANNOUNCEMENT, PARTNERING OPPORTUNITY FOR
4 DISCOVERY STAGE RESEARCH PROJECTS, THE QUEST AWARDS.
5 PRESENTATION BY DR. SAMBRANO.

6 DR. SAMBRANO: THANK YOU VERY MUCH, MR.
7 CHAIRMAN, MEMBERS OF THE BOARD. SO I'M GOING TO
8 JUST PROVIDE YOU AN OVERVIEW OF THE DISC2 PROGRAM
9 JUST AS A REMINDER OF WHAT WE ARE TALKING ABOUT
10 HERE.

11 THIS FIRST SLIDE IS JUST SHOWING YOU THE
12 FUNDING OPPORTUNITIES THAT WE HAVE AT CIRM AND WHERE
13 QUEST FITS, WHICH IS SQUARELY IN THE MIDDLE OF
14 DISCOVERY. IT IS KIND OF THE CORE OF THE DISCOVERY
15 PROGRAM, AND IT IS OFFERED TWICE A YEAR. AND THEN
16 JUST AS POINT OF REFERENCE, THE NEXT DEADLINE FOR
17 APPLICATIONS THAT DON'T MAKE IT THROUGH THIS ROUND,
18 THEY CAN RESUBMIT OR REAPPLY AUGUST 15TH. SO THAT
19 IS COMING UP IN ABOUT A MONTH.

20 THE OBJECTIVE OF THE DISCOVERY PROGRAM IS
21 TO PROMOTE DISCOVERY OF PROMISING NEW STEM
22 CELL-BASED TECHNOLOGIES THAT ARE READY OR WILL BE
23 READY FOR TRANSLATIONAL STUDEAS WITHIN ABOUT TWO
24 YEARS. SO THIS IS A TWO-YEAR AWARD, AND THE GOAL IS
25 TO ACHIEVE A CANDIDATE THAT WILL BE READY TO MOVE

1 THROUGH TRANSLATION.

2 SO WHAT QUALIFIES FOR QUEST? SO THE
3 PROGRAM ALLOWS FOR PROJECTS THAT PROPOSE A CANDIDATE
4 THAT'S EITHER A THERAPEUTIC, A DIAGNOSTIC, A MEDICAL
5 DEVICE, OR A TOOL THAT SLIDES RIGHT INTO THE
6 TRANSLATION PROGRAM THAT ALSO ADVANCES EACH OF THOSE
7 TYPES OF PRODUCTS THROUGH TRANSLATION AT THE NEXT
8 PHASE.

9 AND SO THIS IS ALSO A PRETTY BROAD
10 PROGRAM. JUST TO GIVE YOU AN IDEA, YOU WILL SEE
11 SOME OF THE PROJECTS THAT ARE COMING TO US THAT
12 COVER THINGS SUCH AS STEM PROGENITOR CELL THERAPIES,
13 REPROGRAMMED CELL THERAPIES, SMALL MOLECULES OR
14 BIOLOGICS THAT EITHER STIMULATE, RECRUIT, OR TARGET
15 ENDOGENOUS STEM CELLS OR CANCER STEM CELLS, AND IT
16 CAN EVEN BE A DEVICE OR A DIAGNOSTIC OR A TOOL IF IT
17 USES STEM PROGENITOR CELLS IN SOME WAY AS PART OF
18 THAT TOOL OR IF IT'S SOMETHING THAT ADDRESSES A
19 CRITICAL BOTTLENECK IN THE STEM CELL THERAPY FIELD.

20 WE HAVE FOUR KEY QUESTIONS THAT WE USE AS
21 THE CORE REVIEW CRITERIA FOR THE GRANTS WORKING
22 GROUP WHEN THEY ASSESS THESE APPLICATIONS. THE
23 FIRST IS DOES THE PROJECT HOLD THE NECESSARY
24 SIGNIFICANCE AND POTENTIAL FOR IMPACT? THAT IS,
25 WHAT VALUE DOES THE PROPOSAL BRING? AND HOW WELL

1 DOES IT ALIGN WITH THE OBJECTIVE OF THIS PROGRAM?
2 IS THE RATIONALE SOUND, MEANING IS THIS SOMETHING
3 THAT MAKES SENSE AND IS PRACTICAL AND HAS THE DATA
4 TO SUPPORT THAT THIS CAN BE DONE? IS THE PROJECT
5 WELL-PLANNED AND DESIGNED? AND IS THE PROJECT
6 FEASIBLE, MEANING DO THEY HAVE THE PROPER TEAM, ALL
7 THE RESOURCES THAT ARE REQUIRED TO ACCOMPLISH THE
8 PROPOSED PLAN?

9 FOR OUR DISCOVERY AND TRANSLATION
10 PROGRAMS, WE HAVE A SCORING SYSTEM THAT IS BASED ON
11 A ONE TO A HUNDRED SCALE. A SCORE OF 85 TO 100
12 MEANS THAT THE APPLICATION IS MERITORIOUS AND
13 THEREFORE RECOMMENDED FOR FUNDING, IF FUNDS ARE
14 AVAILABLE. A SCORE BETWEEN 1 AND 84 MEANS IT IS NOT
15 RECOMMENDED FOR FUNDING. AND APPLICATIONS ARE
16 SCORED BY ALL THE SCIENTIFIC MEMBERS OF THE GWG, AND
17 IT IS THE MEDIAN OF THE INDIVIDUAL SCORES THAT
18 DETERMINES THAT FINAL SCORE.

19 ONE THING THAT WE DO WITH ALL OF OUR GWG
20 REVIEWS, AT THE VERY END, ESPECIALLY OF OUR
21 DISCOVERY AND AS WE CONCLUDE EACH OF THE CLINICAL
22 REVIEWS, WE TAKE A VOTE ON THE PROCESS BECAUSE WE
23 WANT TO ENSURE THAT, FROM THE PERSPECTIVE OF THE
24 MEMBERS OF THE GWG, INCLUDING THE PATIENT ADVOCATES,
25 THAT THE REVIEW WAS CONDUCTED IN A SCIENTIFICALLY

1 RIGOROUS MANNER, THAT EVERYONE HAD THE OPPORTUNITY
2 TO HAVE THEIR VIEWPOINTS HEARD, AND OVERALL THAT IT
3 WAS CARRIED OUT IN A FAIR AND APPROPRIATE MANNER.
4 AND FOR THIS PARTICULAR REVIEW, AS IS THE CASE FOR
5 MANY OTHERS, ALL MEMBERS VOTED UNANIMOUSLY IN FAVOR
6 OF THESE TWO STATEMENTS.

7 THIS TABLE SUMMARIZES THE RECOMMENDATIONS
8 OF THE GWG FOR THE QUEST PROGRAM FOR THIS ROUND. WE
9 HAVE 39 APPLICATIONS THAT WERE REVIEWED. THERE ARE
10 12 THAT WERE RECOMMENDED BY THE GWG FOR A TOTAL
11 APPLICANT REQUEST OF ABOUT 18.9 MILLION. THIS IS
12 THE FIRST ROUND FOR THIS YEAR OF QUEST. SO THERE
13 ARE ABOUT 40 MILLION AVAILABLE THAT WAS ALLOCATED
14 FOR THIS PROGRAM. SO THERE IS PLENTY OF ROOM TO
15 FUND THESE APPLICATIONS.

16 HOWEVER, IN THIS NEXT TABLE WE ARE ADDING
17 ONE ADDITIONAL ONE. SO THESE ARE RECOMMENDATIONS
18 FROM CIRM TO ADD ONE ADDITIONAL APPLICATION FOR
19 FUNDING, AND I WILL TALK ABOUT IT AT THE END, THAT
20 WOULD INCREASE THE TOTAL APPLICANT REQUEST TO ABOUT
21 20 MILLION.

22 I'M GOING TO JUST VERY BRIEFLY GO OVER
23 EACH OF THE RECOMMENDED APPLICATIONS. I'LL DO THIS
24 QUICKLY BECAUSE I KNOW WE ARE ON A TIGHT SCHEDULE,
25 BUT I WANT YOU TO GET A SENSE OF THE TYPES OF

1 PROPOSALS THAT ARE COMING BEFORE YOU.

2 SO THE FIRST APPLICATION IS 1008,
3 "PRECLINICAL DEVELOPMENT OF AN AAV VECTOR-MEDIATED
4 IN VIVO HEPATIC REPROGRAMMING OF MYOFIBROBLASTS AS A
5 THERAPY FOR LIVER FIBROSIS." THIS IS A GENE THERAPY
6 APPROACH TO CREATE AN INTRAVENOUSLY INJECTABLE
7 DELIVERY OF THE VECTOR TO AID IN LIVER FIBROSIS OR
8 CIRRHOSIS.

9 AND I'M DOING THESE, JUST SO YOU KNOW, IN
10 RANK ORDER. SO THAT WAS THE HIGHEST SCORING
11 APPLICATION, AND I'M GOING DOWN THE LINE.

12 APPLICATION 10110, "MULTIPOTENT
13 CARDIOVASCULAR PROGENITOR REGENERATION OF THE
14 MYOCARDIUM AFTER MI." THIS IS A CELL THERAPY
15 APPROACH FOR HEART FAILURE WHERE THE GOAL IS TO
16 INJECT IPSC-DERIVED CARDIAC PROGENITOR CELLS INTO
17 THE HEART FOLLOWING AN MI. THIS IS AN APPLICATION
18 THAT ACTUALLY WAS RECOMMENDED IN THE LAST ROUND. IT
19 WENT THROUGH THE APPLICATION PROCESS AGAIN AND, ONCE
20 AGAIN, GOT A FAVORABLE RECOMMENDATION FROM THE GWG.

21 NEXT APPLICATION IS 10090, "HUMAN CARDIAC
22 CHIP FOR ASSESSMENT OF PROARRHYTHMIC RISK." THIS
23 APPLICATION IS A DRUG DISCOVERY TOOL INTENDED AS A
24 SCREENING PLATFORM USING HUMAN IPSC-DERIVED CARDIO
25 MYOCYTES OR A HEART ON A CHIP IN ORDER TO SCREEN FOR

1 POTENTIAL TOXICITY OF DRUGS DURING THEIR
2 DEVELOPMENT.

3 NEXT ONE IS 10124, "TARGETED GENE EDITING
4 IN THE TREATMENT OF X-LINKED HYPER- IGM SYNDROME."
5 THIS IS A GENE MODIFIED CELL THERAPY. AND THE IDEA
6 HERE IS THAT THERE WOULD BE A GENETIC MODIFICATION
7 OF AUTOLOGOUS HEMATOPOIETIC STEM CELLS THAT WOULD BE
8 DEVELOPED FOR TRANSPLANT TO TREAT THESE PATIENTS.

9 THE NEXT APPLICATION IS 10061,
10 "LGR5-MEDIATED SELF-RENEWAL IN B CELL SELECTION AND
11 LEUKEMIA-INITIATION." THIS IS AN ANTIBODY DRUG
12 CONJUGATE THAT TARGETS CANCER STEM CELLS. AND THE
13 TARGET CANCER IN THIS CASE ARE A VARIETY OF B CELL
14 TUMORS.

15 THE NEXT ONE IS 10120, "MICROENVIRONMENT
16 FOR HUMAN-INDUCED PLURIPOTENT STEM CELL-DERIVED
17 PACEMAKING CARDIOMYOCYTES." THIS IS A CELL THERAPY,
18 IPSC-DERIVED PACEMAKER CARDIOMYOCYTES, IN ORDER TO
19 TREAT CARDIAC ARRHYTHMIA, AND IN MANY CASES TO BE
20 UTILIZED WHERE PACEMAKERS CANNOT.

21 10195, THIS IS "IDENTIFICATION AND
22 CHARACTERIZATION OF THE OPTIMAL HUMAN NEURAL STEM
23 CELL LINE FOR THE TREATMENT OF TRAUMATIC BRAIN
24 INJURY." THIS APPLICATION IS ALSO ONE THAT WAS
25 RECOMMENDED IN THE LAST ROUND, WENT THROUGH THE

1 APPLICATION PROCESS AGAIN, AND AGAIN RECEIVED A
2 FAVORABLE RECOMMENDATION BY THE GRANTS WORKING
3 GROUP. THE GOAL IS TO ULTIMATELY CREATE A CELL
4 THERAPY, AND THEY' LL DO SO THROUGH A COMPARISON OF
5 FOUR GMP NEURAL STEM CELL PRODUCTS FROM WHICH THEY
6 WOULD LIKE TO SELECT A CANDIDATE.

7 THE NEXT APPLICATION IS 10182, WHICH IS
8 "THE DISCOVERY OF THERAPEUTICS FOR HUNTINGTON' S
9 DISEASE." THIS IS THE DEVELOPMENT OF A DRUG
10 SCREENING PLATFORM THAT USES HUMAN EMBRYONIC STEM
11 CELLS TO IDENTIFY POTENTIAL DRUGS THAT COULD BECOME
12 THERAPEUTIC CANDIDATES FOR HUNTINGTON' S DI SEASE.

13 10067, "A TOOL FOR RAPID DEVELOPMENT OF
14 CLINICAL-GRADE PROTOCOLS FOR DOPAMINERGIC NEURONAL
15 DIFFERENTIATION OF PARKINSON' S DI SEASE
16 PATIENT-DERIVED IPSC' S." SO THIS IS A CELL
17 PRODUCTION TOOL TO IMPROVE THE METHODS AND
18 STANDARDIZE THE METHODS BY WHICH CELLS THAT ARE
19 DIFFERENTIATED INTO DOPAMINERGIC NEURONS ARE
20 GENERATED TO TREAT PARKINSON' S DI SEASE VIA CELL
21 THERAPY.

22 THE NEXT APPLICATION IS 10129, "NONTOXIC,
23 HIGHLY EFFECTIVE BIOINSPIRED CRYOPROTECTANTS FOR
24 ON-DEMAND STEM CELL THERAPIES." THIS IS FOR THE
25 DEVELOPMENT OF A CRYOPRESERVATION MEDIUM THAT WOULD

1 IMPROVE ON THE STANDARD DMSO AND OTHER METHODS THAT
2 ARE CURRENTLY USED. IT IS KIND OF A NATURALLY BASED
3 MEDIUM WITH HOPEFULLY IMPROVED BENEFIT FOR CELL
4 THERAPY.

5 THE NEXT ONE IS 10188, "IMMUNIZATION
6 STRATEGIES TO PREVENT ZIKA, A VIRAL CONGENITAL EYE
7 AND BRAIN DISEASE." SO THIS IS A VACCINE DISCOVERY
8 TOOL THAT UTILIZES IPSC-DERIVED NEURAL AND OCULAR
9 CELLS TO IDENTIFY ZIKA VIRUS VACCINE CANDIDATES.

10 THE NEXT ONE IS 10107, WHICH IS "A NOVEL
11 APPROACH TO ERADICATE CANCER STEM CELLS." THIS IS
12 AN APPLICATION THAT WILL CONDUCT A SCREEN OF SMALL
13 MOLECULE CANDIDATES FOR EFFECTIVENESS AGAINST
14 COLORECTAL CANCER STEM CELLS AND OBVIOUSLY TO TREAT
15 COLORECTAL CANCER.

16 THOSE ARE THE APPLICATIONS THAT ARE
17 RECOMMENDED BY THE GWG. THE LAST APPLICATION I WANT
18 TO MENTION IS THE NEXT ONE IN THE RANK ORDER, SO
19 IT'S AT THE TOP OF THE NOT RECOMMENDED FOR FUNDING
20 CATEGORY. THIS IS 10134. IT'S ENTITLED "PLATFORM
21 TECHNOLOGY FOR PLURIPOTENT STEM CELL-DERIVED T-CELL
22 IMMUNOTHERAPY." THIS IS AN APPLICATION THAT WOULD
23 GENERATE T-CELLS THAT TARGET TUMORS FROM PLURIPOTENT
24 STEM CELLS. THE IDEA IS TO CREATE AN IMMUNOTHERAPY
25 UTILIZING A PLATFORM THAT WOULD BE OFF THE SHELF AND

1 THAT WOULD NOT REQUIRE TO CREATE T-CELLS FROM
2 INDIVIDUAL PATIENTS AS MANY OF THE CURRENT CAR-T AND
3 ADOPTIVE CELL THERAPIES DO.

4 I JUST WANT TO PUT OUT A COUPLE OF BULLET
5 POINTS AS TO WHY CIRM IS RECOMMENDING IT. WE
6 CERTAINLY THINK THIS IS A PROMISING, NOVEL
7 TECHNOLOGY THAT HAS A POTENTIAL FOR TREATING
8 PATIENTS. THIS IS SOMETHING THAT THE GWG ALSO
9 HIGHLIGHTED.

10 THE REVIEWERS FELT THAT THE APPLICATION
11 HAS SCIENTIFIC MERIT AND GAVE IT A SCORE OVERALL OF
12 84, AND THAT HAS COMPELLING PRELIMINARY DATA. MANY
13 OF THE CONCERNS OF THE GWG WERE RELATED TO ACHIEVING
14 AN OUTCOME OVER THE COURSE OF TWO YEARS AND RELATED
15 TO HAVING MAYBE A LITTLE MORE DETAIL ON THE FUTURE
16 DEVELOPMENT AND MANUFACTURING OF THIS PRODUCT THAT
17 GOES WELL BEYOND THE SCOPE OF THIS AWARD.

18 SO I THINK THEY WERE QUESTIONS ABOUT IF
19 THIS WORKS OUT, COULD IT IN THE FUTURE WORK? I
20 THINK PART OF THE ISSUE THERE IS THAT UNTIL THIS IS
21 DONE, IT WILL BE HARD TO ANSWER THOSE QUESTIONS.
22 AND AS SUCH, WE DIDN'T SEE THAT THERE WAS A CLEAR
23 WAY FOR THE APPLICANT TO BE ABLE TO IMPROVE ON THE
24 PROPOSAL FOR RESUBMISSION DESPITE WHAT WAS, I THINK,
25 VERY MUCH SUPPORT FROM THE GRANTS WORKING GROUP.

1 SO THAT CONCLUDES MY PRESENTATION.

2 CHAIRMAN THOMAS: QUESTIONS OR COMMENTS
3 FOR DR. SAMBRANO BY MEMBERS OF THE BOARD? MR.
4 JUELSGAARD.

5 DR. JUELSGAARD: YES, DR. SAMBRANO. ONE
6 THING THAT I THINK WOULD BE HELPFUL, AT LEAST FOR
7 ME, AND I THOUGHT THIS FOR A WHILE NOW, BUT I'VE
8 NEVER SAID ANYTHING ABOUT IT, IS IN THE ACTUAL
9 EVALUATIONS THAT ARE AT THE END OF THE GREEN AND
10 WHITE CHART THAT HAVE ALL THE DIFFERENT APPLICATIONS
11 THAT WERE BROUGHT TO BEAR, INCLUDING SCORES, ETC. ,
12 IF WE COULD LIST THE ONES THAT ARE BEING RECOMMENDED
13 FOR FUNDING IN THE ORDER IN WHICH THEY'RE BEING
14 PRESENTED ON THAT CHART SO THAT YOU COULD JUST GO
15 FROM, LET'S SAY, THE FIRST ONE, DISCOVERY 2-10088,
16 IMMEDIATELY BE ABLE TO GO TO IT AND LOOK AND GET
17 MORE DETAIL ON WHAT IT'S ABOUT, THAT WOULD AT LEAST
18 BE VERY HELPFUL FOR ME BECAUSE I'M CONTINUALLY
19 HAVING TO GO THROUGH AND SCROLL THROUGH TO SEE IF I
20 CAN FIND THAT NUMBER AMONGST ALL THE OTHER NUMBERS.
21 SO I WOULD JUST REQUEST THAT PLEASE.

22 DR. SAMBRANO: ALL RIGHT. WE WILL DO WHAT
23 WE CAN TO FACILITATE THAT.

24 DR. JUELSGAARD: THANK YOU.

25 CHAIRMAN THOMAS: OTHER QUESTIONS OR

1 COMMENTS? DO I HEAR A MOTION TO APPROVE?

2 DR. DIXON: SO MOVED.

3 DR. MALKAS: SECOND.

4 CHAIRMAN THOMAS: THANK YOU. SO MOVED.

5 THAT WAS -- I'M SORRY. EXCUSE ME. MR. SUPERVISOR.

6 SUPERVISOR SHEEHY: SO YEAH. I'M NOT SURE

7 WHAT -- SO WE HAVE A MOTION, BUT WHAT IS THE MOTION

8 REALLY TO APPROVE? SO WE'RE DOING THE APPLICATION

9 REVIEW SUBCOMMITTEE AT THIS POINT. SO I THINK --

10 MR. HARRISON: I THINK THE MOTION SHOULD

11 BE WITHDRAWN BECAUSE IT WAS MADE BY MEMBERS WHO ARE

12 NOT MEMBERS OF THE APPLICATION REVIEW SUBCOMMITTEE,

13 SO THAT MIGHT BE THE EASIEST PATH.

14 SUPERVISOR SHEEHY: SO I THINK THE FIRST

15 MOTION WOULD BE TO ACCEPT THE TEAM'S RECOMMENDATION

16 AND MOVE THIS APPLICATION INTO TIER I.

17 MR. TORRES: SO MOVED.

18 SUPERVISOR SHEEHY: MOVED BY SENATOR

19 TORRES.

20 DR. JUELSGAARD: SECOND.

21 CHAIRMAN THOMAS: SECONDED BY STEVE

22 JUELSGAARD. AND THEN I THINK ROLL CALL FOR THAT IS

23 APPROPRIATE. AND IF YOU HAVE A CONFLICT -- WELL,

24 THERE'S NO CONFLICTS ON THIS ONE.

25 DR. PULIAFITO: IF WE'RE GOING TO MOVE

1 THIS INTO THE GROUP, I'D LIKE TO KNOW WHAT THE
2 ORGANIZATION THAT'S DOING THE -- WHO THE
3 INVESTIGATORS ARE. DO WE GET TO KNOW THAT?

4 SUPERVISOR SHEEHY: NO.

5 DR. SAMBRANO: TYPICALLY WE DON'T IDENTIFY
6 THE APPLICANTS DURING THE COURSE OF THIS.

7 DR. PULIAFITO: I DON'T HAVE ENOUGH
8 INFORMATION TO KNOW THAT IT'S MERITORIOUS. WHY
9 WASN'T IT IN THE TOP GROUP IF THE WORKING GROUP
10 THOUGHT IT WAS SO GOOD?

11 SUPERVISOR SHEEHY: COUNSEL.

12 MR. HARRISON: SO TWO THINGS. ONE, AS A
13 MATTER OF POLICY, WE HAVE TREATED THE REVIEW AT THE
14 BOARD LEVEL, AND BY BOARD IN THIS CASE I'M REFERRING
15 TO THE APPLICATION REVIEW SUBCOMMITTEE, ON A BLIND
16 BASIS. SO WE DO NOT PROVIDE MEMBERS OF THE BOARD
17 WITH INFORMATION REGARDING THE IDENTITY OF THE
18 APPLICANT INSTITUTION.

19 DR. PULIAFITO: I WITHDRAW THAT REQUEST.
20 BUT MY QUESTION IS WHY WASN'T THIS IN THE FUNDABLE
21 GROUP? WHY ARE WE MOVING IT UP? I DON'T HAVE
22 ENOUGH EVIDENCE TO INDICATE THAT IT SHOULD BE MOVED
23 UP, AND WE HAVE A WORKING GROUP THAT'S SUPPOSED TO
24 RANK THEM.

25 DR. SAMBRANO: SO THIS APPLICATION

1 RECEIVED A MEDIAN SCORE OF 84, SO IT'S BASICALLY AT
2 THE LINE. SO WE HAVE, IF YOU LOOK AT --

3 DR. PULIAFITO: BUT CAN YOU TELL US HOW
4 MANY MORE ARE AT 84?

5 DR. SAMBRANO: YEAH. SO ON THIS CHART WE
6 SHOW THE NUMBER OF INDIVIDUAL MEMBERS THAT BASICALLY
7 SCORED IN FAVOR OR AGAINST. SO THE NUMBER OF GRANTS
8 WORKING GROUP VOTES THAT SCORED IN THE RANGE OF 85
9 TO 100 WAS 3 VERSUS 12 THAT SCORED IT IN THE RANGE
10 OF 1 TO 84.

11 DR. PULIAFITO: HOW MANY TOTAL GRANTS DID
12 WE HAVE THAT WERE RANKED 83 OR 84?

13 DR. SAMBRANO: TWO.

14 DR. PULIAFITO: TWO AT 84.

15 DR. SAMBRANO: ONE AT 83 AND ONE AT 84.
16 SO THIS IS AT THE TOP OF THE RANKING FOR THOSE THAT
17 ARE IN THE NOT RECOMMENDED CATEGORY.

18 DR. DIXON: IF YOU LOOK AT THE NUMBERS,
19 THE SCORES OBVIOUSLY SEEM TO FOCUS ON THIS MAGIC
20 NUMBER OF 84. THERE ARE QUITE A LOT OF 82S AND 83S.
21 IT TAKES A WHILE FOR IT TO GET A LOT WORSE. SO
22 OBVIOUSLY THE BOARD HAD A PRETTY GOOD IDEA WHERE THE
23 FUNDING LINE IS ON THIS KIND OF THING, AND I THINK
24 IT'S REFLECTIVE OF THE FACT THERE'S NOT A LOT OF
25 BREADTH IN THE NUMBERS.

1 SUPERVISOR SHEEHY: ARE THERE ADDITIONAL
2 BOARD COMMENTS? COUNSEL, WE NEED TO TAKE PUBLIC
3 COMMENT ON THIS BEFORE WE GO TO A VOTE?

4 MR. HARRISON: I'M SORRY. I MAY HAVE
5 MISSED IT IN TRYING TO UNDERSTAND WHAT WAS GOING ON.
6 DO WE HAVE A MAKER AND A SECOND FOR THE MOTION?

7 SUPERVISOR SHEEHY: WE DO HAVE A MAKER AND
8 A SECOND TO MOVE THIS INTO TIER I, TO ACCEPT THE
9 TEAM RECOMMENDATION. DO I NEED TO ASK FOR PUBLIC
10 COMMENT?

11 MR. HARRISON: YES.

12 SUPERVISOR SHEEHY: IS THERE ANY PUBLIC
13 COMMENT EITHER HERE OR AT ANY OF THE OTHER SITES?
14 COULD YOU CALL THE ROLL, PLEASE.

15 MS. BONNEVILLE: ANNE-MARIE DULIEGE.

16 DR. DULIEGE: AYE.

17 MS. BONNEVILLE: DAVID HIGGINS.

18 DR. HIGGINS: YES.

19 MS. BONNEVILLE: STEVE JUELGAARD.

20 MR. JUELGAARD: YES.

21 MS. BONNEVILLE: KATHY LAPORTE. LAUREN
22 MILLER.

23 MS. MILLER: YES.

24 MS. BONNEVILLE: ADRIANA PADI LLA.

25 DR. PADI LLA: YES.

1 MS. BONNEVILLE: JOE PANETTA. FRANCISCO
2 PRIETO.

3 DR. PRIETO: AYE.

4 MS. BONNEVILLE: ROBERT QUINT.

5 DR. QUINT: NO.

6 MS. BONNEVILLE: AL ROWLETT. JEFF SHEEHY.

7 SUPERVISOR SHEEHY: YES.

8 MS. BONNEVILLE: OS STEWARD.

9 DR. STEWARD: YES.

10 MS. BONNEVILLE: JONATHAN THOMAS.

11 CHAIRMAN THOMAS: YES.

12 MS. BONNEVILLE: ART TORRES.

13 MR. TORRES: AYE.

14 MS. BONNEVILLE: DIANE WINOKUR.

15 MOTION CARRIES.

16 SUPERVISOR SHEEHY: GREAT. NOW DO I HAVE
17 A MOTION TO MOVE ANY OTHER APPLICATION IN TIER II
18 INTO TIER I? SEEING NO MOTIONS, DO I HAVE A MOTION
19 TO FUND ALL THE APPLICATIONS IN TIER I AND TO NOT
20 FUND ANY OF THE APPLICATIONS IN TIER II?

21 MR. JUELGAARD: SO MOVED.

22 DR. PRIETO: SO MOVED.

23 SUPERVISOR SHEEHY: MADE BY STEVE
24 JUELGAARD, SECONDED BY DR. PRIETO. WITH THAT
25 MOTION, CAN COUNSEL GIVE THE FORM FOR THOSE WHO ARE

1 IN CONFLICT?

2 MR. HARRISON: YES. MEMBERS SHOULD VOTE
3 YES OR NO. IF YOU HAVE A CONFLICT WITH RESPECT TO
4 ANY ONE OR MORE OF THE APPLICATIONS, YOUR VOTE
5 SHOULD INCLUDE THE CAVEAT THAT YOU'RE NOT VOTING ON
6 THOSE APPLICATIONS.

7 SUPERVISOR SHEEHY: GREAT. COULD WE CALL
8 THE ROLL PLEASE.

9 MS. BONNEVILLE: ANNE-MARIE DULIEGE.

10 DR. DULIEGE: AYE.

11 MS. BONNEVILLE: DAVID HIGGINS.

12 DR. HIGGINS: YES.

13 MS. BONNEVILLE: STEVE JUELGAARD.

14 MR. JUELGAARD: YES.

15 MS. BONNEVILLE: KATHY LAPORTE. LAUREN
16 MILLER.

17 MS. MILLER: YES.

18 MS. BONNEVILLE: ADRIANA PADILLA.

19 DR. PADILLA: YES.

20 MS. BONNEVILLE: JOE PANETTA. FRANCISCO
21 PRIETO.

22 DR. PRIETO: AYE.

23 MS. BONNEVILLE: ROBERT QUINT.

24 DR. QUINT: YES.

25 MS. BONNEVILLE: AL ROWLETT. JEFF SHEEHY.

1 SUPERVISOR SHEEHY: YES.

2 MS. BONNEVILLE: OS STEWARD.

3 DR. STEWARD: YES, EXCEPT FOR THOSE WITH
4 WHICH I HAVE A CONFLICT.

5 MS. BONNEVILLE: JONATHAN THOMAS.

6 CHAIRMAN THOMAS: YES.

7 MS. BONNEVILLE: ART TORRES.

8 MR. TORRES: AYE.

9 MS. BONNEVILLE: DIANE WINOKUR.

10 MOTION CARRIES.

11 SUPERVISOR SHEEHY: SO SHOULD WE JUST ROLL
12 INTO THE NEXT PRESENTATION ON THE CLINICAL ROUND?

13 DR. SAMBRANO: THANK YOU, MR. SHEEHY.

14 WE'RE MOVING ON TO THE CLINICAL PROGRAM. SO THIS
15 ONE IS OBVIOUSLY A LITTLE DIFFERENT FROM DISCOVERY.
16 WE OFFER THREE DIFFERENT TYPES OF OPPORTUNITIES FOR
17 THE CLINICAL STAGE. WE HAVE FOUR APPLICATIONS UNDER
18 CONSIDERATION TODAY THAT FALL INTO THE CLIN1 AND
19 CLIN2 PROGRAMS. CLIN1 BEING FOR LATE STAGE
20 PRECLINICAL WORK AND CLIN2 FOR CLINICAL TRIAL STAGE
21 PROJECTS.

22 THE SCORING SYSTEM FOR THE CLINICAL
23 PROGRAM IS DIFFERENT. WE USE A SCORE OF 1, 2, OR 3
24 WHERE A SCORE OF 1 MEANS THAT THE APPLICATION HAS
25 EXCEPTIONAL MERIT AND WARRANTS FUNDING. A SCORE OF

1 2 GIVEN BY THE GWG MEANS IT NEEDS IMPROVEMENT,
2 DOESN' T WARRANT FUNDING, BUT COULD BE RESUBMITTED TO
3 ADDRESS AREAS OF IMPROVEMENT. OFTEN THAT COMES IN A
4 MATTER OF A COUPLE MONTHS. A SCORE OF 3 MEANS THAT
5 THE APPLICATION IS SUFFICIENTLY FLAWED THAT IT
6 DOESN' T WARRANT FUNDING AND THE SAME PROJECT NOT
7 RESUBMITTED FOR AT LEAST SIX MONTHS.

8 THE FIRST APPLICATION UNDER CONSIDERATION,
9 AND WE' LL TAKE THESE ONE AT A TIME, IS 9183. IT IS
10 A "CLINICAL TRIAL FOR FETAL ALPHA THALASSEMIA
11 MAJOR." THE THERAPY IS A MATERNAL BONE
12 MARROW-DERIVED HEMATOPOIETIC STEM CELL TRANSPLANT
13 INTO THE FETUS TO TREAT THE ALPHA THALASSEMIA MAJOR.
14 THE GOAL IS TO COMPLETE A CLINICAL TRIAL AND
15 ESTABLISH SAFETY OF IN-UTERO TRANSPLANTATION OF
16 MATERNAL HEMATOPOIETIC STEM CELLS FOR THALASSEMIA.

17 THE PROPOSED ACTIVITIES ARE TO MANUFACTURE
18 THE MATERNAL BONE MARROW STEM CELLS, ESTABLISH
19 SAFETY OF THE TRANSPLANTATION, AND ESTABLISH
20 FEASIBILITY OF THE HARVEST/TRANSPLANT PROCEDURES.
21 THE FUNDS REQUESTED ARE APPROXIMATELY 12.1 MILLION
22 FOR THIS AWARD.

23 WHEN WE GO THROUGH THE PROCESS OF
24 REVIEWING THE CLINICAL APPLICATIONS, IT GOES THROUGH
25 A COUPLE OF STAGES, INCLUDING A BUDGET REVIEW WHERE

1 OUR GRANTS MANAGEMENT OFFICE REVIEWS THE BUDGET TO
2 ENSURE THAT THE COSTS THAT ARE REQUESTED ARE ALIGNED
3 WITH TYPICAL MARKET VALUE OR ARE IN RANGE WITH WHAT
4 WE KNOW TO BE THE APPROPRIATE COST FOR WHAT THEY ARE
5 REQUESTING.

6 THEN THE GWG UNDERGOES THE PEER REVIEW OF
7 THE APPLICATIONS. IN THIS CASE IT RECEIVED A SCORE
8 OF 1 WITH 12 MEMBERS OF THE WORKING GROUP GIVING IT
9 A SCORE OF 1 AND NONE A SCORE OF 2 OR 3.

10 THE CIRM TEAM ALSO CONCURS WITH THIS
11 RECOMMENDATION FOR THE AWARD AMOUNT OF 12.1 MILLION.
12 AND THE ASTERISK IS JUST A REMINDER TO EVERYONE, AND
13 THIS APPLIES TO EACH OF THE APPLICATIONS, THAT THE
14 FINAL AWARD WILL NOT EXCEED THE AMOUNT SHOWN AND
15 MIGHT BE REDUCED CONTINGENT ON CIRM'S ASSESSMENT OF
16 ALLOWABLE COSTS AND ACTIVITIES AS WE GO THROUGH THE
17 CONTRACTING PHASE, SHOULD IT BE APPROVED.

18 MR. SHEEHY.

19 SUPERVISOR SHEEHY: SO COULD I GET A
20 MOTION TO APPROVE FUNDING THIS.

21 DR. HIGGINS: SO MOVE.

22 SUPERVISOR SHEEHY: MOVED BY DAVID
23 HIGGINS. SECOND?

24 MR. JUELGAARD: SECOND.

25 SUPERVISOR SHEEHY: SECONDED BY STEVE

1 JUELSGAARD. ANY DISCUSSION? ANY PUBLIC COMMENT?
2 CALL THE ROLL PLEASE.
3 MS. BONNEVILLE: ANNE-MARIE DULIEGE.
4 DR. DULIEGE: APPROVE.
5 MS. BONNEVILLE: DAVID HIGGINS.
6 DR. HIGGINS: YES.
7 MS. BONNEVILLE: STEVE JUELSGAARD.
8 MR. JUELSGAARD: YES.
9 MS. BONNEVILLE: KATHY LAPORTE. LAUREN
10 MILLER.
11 MS. MILLER: NO.
12 MS. BONNEVILLE: ADRIANA PADILLA.
13 DR. PADILLA: YES.
14 MS. BONNEVILLE: JOE PANETTA. FRANCISCO
15 PRIETO.
16 DR. PRIETO: AYE.
17 MS. BONNEVILLE: ROBERT QUINT.
18 DR. QUINT: NO.
19 MS. BONNEVILLE: AL ROWLETT. JEFF SHEEHY.
20 SUPERVISOR SHEEHY: YES.
21 MS. BONNEVILLE: JONATHAN THOMAS.
22 CHAIRMAN THOMAS: YES.
23 MS. BONNEVILLE: ART TORRES.
24 MR. TORRES: AYE.
25 MS. BONNEVILLE: DIANE WINOKUR. OS

1 STEWARD.

2 DR. STEWARD: YES.

3 MS. BONNEVILLE: MOTION CARRIES.

4 DR. SAMBRANO: THE NEXT APPLICATION IS
5 9433. THIS IS A CLIN1 FOR "PRECLINICAL DEVELOPMENT
6 OF A CELL THERAPY FOR STROKE." THIS UTILIZES HUMAN
7 NEURAL STEM CELLS THAT ARE HESC-DERIVED TO TEST
8 CHRONIC ISCHEMIC STROKE MOTOR DEFICITS.

9 THE GOAL IS TO COMPLETE PRECLINICAL
10 ACTIVITIES, TO FILE AN IND FOR TESTING THE CELL
11 THERAPY PRODUCT IN A FUTURE CLINICAL TRIAL. SO THE
12 PROPOSED ACTIVITIES ARE TO PERFORM THE IND-ENABLING
13 IN VITRO STUDEAS, GLP TOXICOLOGY AND BIODISTRIBUTION
14 STUDEAS, PUT TOGETHER THE IND, AND SUBMIT IT TO THE
15 FDA. THE FUNDS REQUESTED ARE 5.3 MILLION FROM THIS
16 APPLICANT.

17 THE BUDGET REVIEW FROM OUR GRANTS
18 MANAGEMENT OFFICE IS A PASS. THE GWG SCORE IS A 1
19 WITH NINE MEMBERS GIVING A SCORE OF 1, THERE WAS ONE
20 MEMBER THAT GAVE IT A SCORE OF 2, AND NONE GIVING IT
21 A SCORE OF 3.

22 THE CIRM TEAM CONCURS WITH THIS
23 RECOMMENDATION FOR AN AWARD AMOUNT OF 5.3 MILLION.

24 SUPERVISOR SHEEHY: COULD I GET A MOTION
25 TO FUND THIS APPLICATION.

1 DR. HIGGINS: SO MOVED.
2 SUPERVISOR SHEEHY: DAVID HIGGINS.
3 MR. JUELGAARD: SECOND.
4 SUPERVISOR SHEEHY: SECONDED BY STEVE
5 JUELGAARD.
6 ANY BOARD DISCUSSION? ANY PUBLIC COMMENT?
7 COULD WE CALL THE ROLL PLEASE.
8 MS. BONNEVILLE: ANNE-MARIE DULIEGE.
9 DR. DULIEGE: AYE.
10 MS. BONNEVILLE: DAVID HIGGINS.
11 DR. HIGGINS: YES.
12 MS. BONNEVILLE: STEVE JUELGAARD.
13 MR. JUELGAARD: YES.
14 MS. BONNEVILLE: KATHY LAPORTE. LAUREN
15 MILLER.
16 MS. MILLER: YES.
17 MS. BONNEVILLE: ADRIANA PADI LLA.
18 DR. PADI LLA: YES.
19 MS. BONNEVILLE: JOE PANETTA. FRANCISCO
20 PRIETO.
21 DR. PRIETO: AYE.
22 MS. BONNEVILLE: ROBERT QUINT.
23 DR. QUINT: YES.
24 MS. BONNEVILLE: AL ROWLETT. JEFF SHEEHY.
25 SUPERVISOR SHEEHY: YES.

1 MS. BONNEVILLE: OS STEWARD.

2 DR. STEWARD: YES.

3 MS. BONNEVILLE: JONATHAN THOMAS.

4 CHAIRMAN THOMAS: YES.

5 MS. BONNEVILLE: ART TORRES.

6 MR. TORRES: AYE.

7 MS. BONNEVILLE: DIANE WINOKUR.

8 OS, I'M SORRY. YOU'RE CONFLICTED WITH
9 THAT ONE.

10 DR. STEWARD: I WITHDRAW THAT YES.

11 MS. LANSING: I'M CONFLICTED, IS THAT
12 CORRECT, WITH ALL OF THEM?

13 MS. BONNEVILLE: YES, SHERRY.

14 SUPERVISOR SHEEHY: MOTION CARRIES.

15 DR. SAMBRANO: SO THE NEXT APPLICATION IS
16 9776, ALSO A CLIN1 APPLICATION FOR "PRECLINICAL
17 DEVELOPMENT OF A THERAPY FOR ACUTE MYELOID LEUKEMIA
18 OR AML." THIS IS AN ANTIBODY DRUG CONJUGATE THAT IS
19 TARGETING LEUKEMIC STEM CELLS. THE GOAL HERE IS
20 COMPLETE PRECLINICAL ACTIVITIES, TO FILE AN IND FOR
21 TESTING THE THERAPY PRODUCT IN A FUTURE CLINICAL
22 TRIAL. THE PROPOSED ACTIVITIES INCLUDE THE
23 COMPLETION OF NONCLINICAL AND IND-ENABLING GLP
24 STUDEAS, THE MANUFACTURE OF THE PRODUCT TO SUPPORT
25 THESE STUDEAS AND THE FUTURE PHASE 1 TRIAL. ALSO,

1 TO GENERATE A CLINICAL PROTOCOL AND, OF COURSE, FILE
2 THE IND.

3 THE FUNDS REQUESTED ARE ABOUT 6.8 MILLION
4 WITH THE APPLICANT CONTRIBUTING 1.7 MILLION IN
5 CO-FUNDING.

6 THE APPLICATION RECEIVED A PASS ON THE
7 BUDGET REVIEW. THE GWG SCORE IS A 1 WITH 11 MEMBERS
8 UNANIMOUSLY SCORING A 1. THE CIRM TEAM CONCURS WITH
9 THIS RECOMMENDATION FOR THE AMOUNT OF 6.8 MILLION.

10 SUPERVISOR SHEEHY: COULD I GET A MOTION
11 TO FUND THIS APPLICATION.

12 DR. HIGGINS: SO MOVE.

13 SUPERVISOR SHEEHY: DAVID HIGGINS.

14 MR. JUELGAARD: SECOND.

15 SUPERVISOR SHEEHY: SECOND STEVE
16 JUELGAARD. ANY BOARD DISCUSSION? ANY PUBLIC
17 COMMENT? COULD WE CALL THE ROLL, PLEASE.

18 MS. BONNEVILLE: ANNE-MARIE DULIEGE.

19 DR. DULIEGE: AYE.

20 MS. BONNEVILLE: DAVID HIGGINS.

21 DR. HIGGINS: YES.

22 MS. BONNEVILLE: STEVE JUELGAARD.

23 MR. JUELGAARD: YES.

24 MS. BONNEVILLE: SHERRY LANSING.

25 MS. LANSING: YES.

1 MS. BONNEVILLE: KATHY LAPORTE. LAUREN
2 MILLER.

3 MS. MILLER: YES.

4 MS. BONNEVILLE: ADRIANA PADI LLA.

5 DR. PADI LLA: YES.

6 MS. BONNEVILLE: JOE PANETTA. FRANCISCO
7 PRIETO.

8 DR. PRIETO: AYE.

9 MS. BONNEVILLE: ROBERT QUINT.

10 DR. QUINT: YES.

11 MS. BONNEVILLE: AL ROWLETT. JEFF SHEEHY.

12 SUPERVISOR SHEEHY: YES.

13 MS. BONNEVILLE: OS STEWARD.

14 DR. STEWARD: YES.

15 MS. BONNEVILLE: JONATHAN THOMAS.

16 CHAIRMAN THOMAS: YES.

17 MS. BONNEVILLE: ART TORRES.

18 MR. TORRES: AYE.

19 MS. BONNEVILLE: DIANE WINOKUR.

20 MOTION CARRIES.

21 DR. SAMBRANO: THE LAST APPLICATION IS
22 10344 FOR A "PHASE 2 B CLINICAL TRIAL OF A CELL
23 THERAPY FOR STROKE." THIS UTILIZES MODIFIED
24 MESENCHYMAL STEM CELLS TO TREAT CHRONIC ISCHEMIC
25 STROKE MOTOR DEFICITS. THE GOAL IS TO COMPLETE A

1 PHASE 2 B TRIAL TO ESTABLISH SAFETY AND EFFICACY OF
2 MODIFIED MSC'S IN PATIENTS WITH CHRONIC DISABILITY
3 THAT'S SECONDARY TO THE ISCHEMIC STROKE. THE
4 ACTIVITIES THAT ARE PROPOSED ARE TO COMPLETE THE
5 TRIAL ENROLLMENT AND TREATMENT, TO MANUFACTURE THE
6 MODIFIED MSC'S FOR THE TRIAL, AND ALSO TO UNDERGO
7 SOME ADDITIONAL STUDIES TO INVESTIGATE THE MECHANISM
8 OF ACTION AND IDENTIFY SOME MEASURES OF POTENCY FOR
9 THIS PRODUCT. THE FUNDS REQUESTED ARE 19.9 MILLION
10 FOR THIS PHASE 2 B. THE APPLICANT IS CONTRIBUTING
11 22.5 APPROXIMATELY OF CO-FUNDING TO THIS PROJECT.

12 THE BUDGET REVIEW RECEIVED A PASS. THE
13 SCORE GIVEN BY THE GWG WAS A 1 WITH EIGHT MEMBERS
14 GIVING IT A SCORE OF 1, FOUR MEMBERS GIVING IT A
15 SCORE OF 2, AND ZERO GIVING IT A SCORE OF 3.

16 THE CIRM TEAM CONCURS WITH THIS
17 RECOMMENDATION FOR AN AWARD AMOUNT OF 19.9 MILLION.

18 SUPERVISOR SHEEHY: COULD I GET A MOTION
19 TO APPROVE THIS APPLICATION?

20 DR. HIGGINS: SO MOVED.

21 SUPERVISOR SHEEHY: DAVID HIGGINS. COULD
22 I GET A SECOND.

23 DR. DULIEGE: SECOND.

24 SUPERVISOR SHEEHY: SECONDED BY ANNE-MARIE
25 DULIEGE.

1 MR. HARRISON: YOU CAN'T PARTICIPATE IN
2 THIS ONE. I'M SORRY.

3 DR. PRIETO: I'LL SECOND.

4 SUPERVISOR SHEEHY: SECONDED BY FRANCISCO
5 PRIETO. BOARD DISCUSSION?

6 DR. JUELSGAARD: DR. SAMBRANO, THERE'S A
7 STATEMENT IN THE ACCOMPANYING MORE FULSOME
8 DISCLOSURE THAT SAYS -- TALKS ABOUT THE PHASE 1-2 A
9 DATA DEMONSTRATED THAT THE PRODUCT WAS SAFE. THERE
10 WAS SOME SUGGESTION OF EFFICACY AND A TREND TOWARDS
11 DOSE DEPENDENCY. AS I UNDERSTAND, THE WAY THIS
12 PRODUCT IS ADMINISTERED, YOU ACTUALLY DELIVER IT
13 DIRECTLY INTO THE BRAIN. SO IT REQUIRES SOME
14 INTRACRANIAL SURGERY FOR DELIVERY PURPOSES, WHICH
15 OBVIOUSLY IS A BIT OF A MORE DIFFICULT PROCEDURE.
16 ARE YOU AT LIBERTY TO DESCRIBE WHAT THE SUGGESTION
17 OF EFFICACY AMOUNTED TO?

18 DR. SAMBRANO: I CANNOT SPEAK TO THAT. I
19 CAN'T BECAUSE I DON'T KNOW IT. I CAN LOOK IT UP FOR
20 YOU. SO I CAN GIVE YOU SOME HINT THAT WOULD BE IN
21 THEIR PRELIMINARY DATA.

22 DR. JUELSGAARD: IT'S JUST A MATTER OF
23 CURIOSITY. JUST GIVEN THE DIFFICULT NATURE BY WHICH
24 THIS WAS DELIVERED, I WAS JUST WONDERING HOW MUCH
25 EFFICACY IN PHASE 1 THEY ACTUALLY SAW.

1 DR. SAMBRANO: I UNFORTUNATELY CANNOT, BUT
2 I'M HAPPY TO LOOK THAT UP FOR YOU.

3 SUPERVISOR SHEEHY: ANY ADDITIONAL BOARD
4 COMMENT? ANY PUBLIC COMMENT? COULD WE CALL THE
5 ROLL PLEASE.

6 MS. BONNEVILLE: DAVID HIGGINS.

7 DR. HIGGINS: YES.

8 MS. BONNEVILLE: STEVE JUELSGAARD.

9 MR. JUELSGAARD: YES.

10 MS. BONNEVILLE: KATHY LAPORTE. LAUREN
11 MILLER.

12 MS. MILLER: YES.

13 MS. BONNEVILLE: ADRIANA PADILLA.

14 DR. PADILLA: YES.

15 MS. BONNEVILLE: JOE PANETTA. FRANCISCO
16 PRIETO.

17 DR. PRIETO: AYE.

18 MS. BONNEVILLE: ROBERT QUINT.

19 DR. QUINT: YES.

20 MS. BONNEVILLE: AL ROWLETT. JEFF SHEEHY.

21 SUPERVISOR SHEEHY: YES.

22 MS. BONNEVILLE: JONATHAN THOMAS.

23 CHAIRMAN THOMAS: YES.

24 MS. BONNEVILLE: ART TORRES.

25 MR. TORRES: AYE.

1 MS. BONNEVILLE: DIANE WINOKUR.

2 MOTION CARRIES.

3 SUPERVISOR SHEEHY: SO THIS CONCLUDES THE
4 BUSINESS OF THE APPLICATION REVIEW SUBCOMMITTEE.

5 CHAIRMAN THOMAS: THANK YOU VERY MUCH,
6 MR. SUPERVISOR.

7 I BELIEVE THE LAST ITEM ON THE AGENDA IS
8 THE CLINICAL PROGRAM UPDATE WHICH WILL BE GIVEN BY
9 FRESHLY MINTED INTERIM CEO DR. MILLAN.

10 DR. MILLAN: THANK YOU VERY MUCH, MEMBERS
11 OF THE BOARD, MEMBERS OF THE PUBLIC, AND COLLEAGUES.
12 IT'S MY PLEASURE TO CLOSE OUT TODAY'S SESSION WITH A
13 REVIEW OF OUR CLINICAL PROGRAM.

14 IN KEEPING WITH THE MISSION THAT YOU ARE
15 VERY FAMILIAR WITH, CIRM'S MISSION IS TO ACCELERATE
16 STEM CELL TREATMENTS TO PATIENTS WITH UNMET MEDICAL
17 NEEDS. IF THIS IS OUR COMPASS, THIS IS OUR TRUE
18 NORTH, AS RANDY MILLS HAD STATED EARLIER TODAY, THAT
19 OUR COMPASS IS THE BIG SIX, AS WE CALL IT, THE BIG
20 SIX GOALS FOR OUR FIVE-YEAR STRATEGIC PLAN. HE WENT
21 THROUGH THIS IN QUITE SOME DETAIL EARLIER TODAY.

22 THE FOCUS OF TODAY'S PRESENTATION IS TO
23 GIVE YOU AN IDEA OF HOW WE'RE DOING AGAINST THAT
24 GOAL OF BRINGING IN 50 CLINICAL TRIALS INTO CIRM'S
25 PORTFOLIO.

1 AS SHOWN ON THIS WHEEL GRAPH, WE CONTINUE
2 TO BUILD A DIVERSE PORTFOLIO TARGETING A
3 HETEROGENEOUS GROUP OF THERAPEUTIC AREAS WITH A
4 SUBSTANTIAL NUMBER IN ONCOLOGY, HEMATOLOGIC,
5 OPHTHALMOLOGIC, AND CARDIOVASCULAR, AS WELL AS
6 METABOLIC AND BONE DISEASE.

7 IN TOTAL, CIRM HAS FUNDED 31 CLINICAL
8 TRIAL PROGRAMS TO DATE. JUST TO GIVE YOU KIND OF AN
9 OVERVIEW, AND THEN I'LL SAY BY THE END OF THE
10 PRESENTATION, I'LL GO INTO LITTLE BIT MORE DEPTH IN
11 TERMS OF OUR CARDIOVASCULAR PORTFOLIO, BUT I WANTED
12 TO GIVE YOU AN IDEA OF JUST OUR CLINICAL PORTFOLIO
13 IN GENERAL. AND AS YOU KNOW, EACH QUARTER WE GO
14 INTO A LITTLE BIT OF A DEEPER CONVERSATION ABOUT
15 SPECIFIC AREAS WITHIN OUR PORTFOLIO.

16 SO WITH TODAY'S APPROVAL OF THE PROJECT TO
17 TREAT IN UTERO ALPHA THALASSEMIA MAJOR, WHICH IS A
18 FATAL BLOOD DISORDER, WE NOW HAVE TEN CLINICAL TRIAL
19 PROGRAMS WITHIN OUR HEMATOLOGIC PORTFOLIO, INCLUDING
20 A VERY VISIBLE PROGRAM, THE ADA-SCID PROGRAM, WHICH
21 YOU'VE HEARD ABOUT. RANDY HAD MENTIONED ONE OF THE
22 PATIENTS WHO HAS EARLIER EXPERIENCE WITH THIS
23 APPROACH FOR TREATMENT OF ADA-SCID. THIS IS A PHASE
24 2 PIVOTAL TRIAL, AND THE DATA WOULD SUPPORT
25 REGISTRATION FOR THIS PRODUCT.

1 THE OTHER PORTFOLIO PROGRAMS IN THE
2 HEMATOLOGIC SPACE ARE ALSO CONTINUING TO PROGRESS
3 ALONG AND ARE ACTIVELY ENROLLING. AND THE DISEASE
4 INDICATIONS ARE LISTED IN THE THIRD COLUMN IN GRAY.

5 OUR ONCOLOGY PROGRAM IS ALSO RATHER
6 ROBUST. THESE PROGRAMS INCLUDE APPROACHES THAT
7 TARGET CANCER STEM CELLS AND/OR TARGET A MECHANISM
8 OF ACTION WHICH INVOLVE STEM CELL BIOLOGY.

9 CURRENTLY THERE'S ONE OF THE PROGRAMS THAT
10 JUST -- OR TWO OF THE PROGRAMS HAVE BEEN
11 DISCONTINUED FOR CORPORATE REASONS, AND THOSE TWO
12 PROGRAMS WILL RETURN FUNDS BACK. WE'LL RECOVER
13 THOSE FUNDS AND BRING IT BACK INTO OUR FUNDING BIG
14 BUCKET SO WE CAN USE THAT FOR OTHER PROGRAMS IN THE
15 FUTURE.

16 WITH YOUR APPROVAL TODAY OF THE APPROACH
17 TO USE STEM CELLS FOR PATIENTS WITH DEBILITATING
18 MOTOR DEFICITS DUE TO CHRONIC STROKE, WE HAVE ADDED
19 ANOTHER TO OUR NEUROLOGIC PORTFOLIO AS SHOWN HERE.
20 OF NOTE, ONE OF THE EARLY TRIALS THAT CIRM FUNDED,
21 THE GERON THORACIC SPINAL CORD INJURY TRIAL, WAS
22 DISCONTINUED FOR CORPORATE REASONS. THAT TECHNOLOGY
23 IS TAKEN UP BY ANOTHER COMPANY CALLED ASTERIAS
24 BIOTHERAPEUTICS, AND THAT'S CURRENTLY IN A PHASE 1-2
25 TRIAL FOR CERVICAL SPINAL CORD INJURY. THAT TRIAL

1 IS ONGOING, AS WELL AS THE LIST OF TRIALS HERE,
2 INCLUDING A RECENTLY LAUNCHED TRIAL FOR ALS.

3 WE HAVE THREE PROGRAMS THAT ARE CURRENTLY
4 UNDER WAY IN THE BLINDING EYE DISEASE THERAPEUTIC
5 TARGET. AND OF NOTE, ONE OF THE PROGRAMS, DR.
6 KLASSEN'S PROGRAM, IS PROGRESSING QUITE NICELY.
7 THEY HAD COMPLETED THEIR PHASE 1-2 A CLINICAL TRIAL.
8 THE DATA FROM THAT SUPPORTED COMING IN FOR
9 ADDITIONAL CIRM FUNDING, AND THEY'RE NOW LAUNCHING
10 THEIR PHASE 2 B TRIAL FOR RETINITIS PIGMENTOSA.

11 WE HAVE TWO TRIALS FOR TYPE 1 DIABETES
12 WITH TWO DIFFERENT APPROACHES. ONE IS WITH A CELL,
13 ES-CELL-DERIVED PANCREATIC ISLET PROGENITOR CELLS IN
14 A COMBINATION DEVICE PRODUCT BY VIACYTE, AND ANOTHER
15 IS AN IMMUNOTHERAPY APPROACH WITH IMMUNOMODULATION
16 FROM CALADRIUS. THOSE TRIALS ARE ONGOING. AND WE
17 HAVE A TRIAL RECENTLY LAUNCHED AT UC DAVIS BY
18 DR. LANE FOR OSTEOPOROSIS. THAT'S A PHASE 1 TRIAL.

19 AND FINALLY, TO THE PORTION WHERE WE'LL
20 SPEND A LITTLE BIT MORE TIME IS OUR CARDIOVASCULAR
21 PORTFOLIO. YOU WILL NOTE THAT THE FIRST THREE OF
22 THESE PROJECTS ARE ACTUALLY UTILIZING THE SAME CELL
23 PRODUCT CANDIDATE, CARDIOSPHERE-DERIVED CELLS, A
24 CARDIAC PROGENITOR CELL, FOR THREE DIFFERENT
25 INDICATIONS: PULMONARY HYPERTENSION, POST-MI HEART

1 DISEASE LEADING TO HEART FAILURE, DUCHENNE MUSCULAR
2 DYSTROPHY-ASSOCIATED CARDIOMYOPATHY, AND THE FOURTH
3 OF THE VASCULAR PROGRAMS DEALS WITH A
4 TISSUE-ENGINEERED VASCULAR ACCESS FOR THE TREATMENT
5 OF PATIENTS WITH END STAGE RENAL DISEASE. THAT LAST
6 PROGRAM IS IN A PHASE 3 REGISTRATION PHASE.

7 FIRST, FOR THE PHASE 2 STUDY IN ISCHEMIC
8 HEART DISEASE WITH DR. RACHEL SMITH AS THE
9 INVESTIGATOR AND CAPRICOR AS A SPONSOR. THE
10 PUNCHLINE WITH THIS IS THE ORIGINAL AWARD WAS FOR
11 \$19.8 MILLION. WE'VE RECOVERED FIVE MILLION BECAUSE
12 THE COMPANY HAS DECIDED TO WIND DOWN THAT TRIAL.
13 I'LL GIVE YOU A LITTLE BIT MORE OF A REASON WHY.

14 IT WAS DESIGNED AS A PHASE 2 TRIAL. BASED
15 ON PRECLINICAL DATA AND PHASE 1 DATA THAT WAS
16 ORIGINALLY FUNDED BY THE NIH THAT SUGGESTED THAT
17 CARDIOSPHERE-DERIVED CELLS WHEN INJECTED INTO THE
18 CORONARY VESSELS OF PATIENTS AFTER A HEART ATTACK
19 COULD RESULT IN DIMINISHING THE RESULTS OF THAT
20 HEART ATTACK BY DECREASING THE SCAR SIZE, THE
21 COMPANY WISHED TO PURSUE THAT SIGNAL INTO A PHASE 2
22 TRIAL, MAKING THAT THEIR PRIMARY ENDPOINT.

23 I SHOULD NOTE THAT REDUCTION IN SCAR SIZE
24 IS NOT CURRENTLY A WELL-CHARACTERIZED PRIMARY
25 ENDPOINT, BUT THE COMPANY FELT VERY STRONGLY THAT

1 THE SIGNAL THEY RECEIVED COULD CORRELATE WITH A
2 FUNCTIONAL BENEFIT AND WANTED TO PURSUE THAT. THAT
3 WENT THROUGH THE PROCESS. WE FUNDED THAT.

4 SO THEY CONDUCTED A RANDOMIZED DOUBLE
5 BLIND PLACEBO CONTROLLED TRIAL WITH INTRACORONARY
6 DELIVERY OF 25 MILLION CELLS. SO IT WAS A SINGLE
7 DOSE STUDY. THE PRIMARY ENDPOINT, AS I MENTIONED,
8 IS REDUCTION IN SCAR SIZE, BUT THEY ALSO LOOKED AT
9 VENTRICULAR FUNCTION AS WELL AS OTHER MEASURES OF
10 HEART FUNCTION AND STRUCTURE. THEY ENROLLED 134
11 PATIENTS IN THE TRIAL; BUT AFTER A SIX-MONTH INTERIM
12 ANALYSIS, THEY FELT THAT STATISTICALLY THEY WERE NOT
13 GOING TO BE ABLE TO ACHIEVE THE PRIMARY EFFICACY
14 ENDPOINT OF THIS PHASE 2 TRIAL. AND, THEREFORE, THE
15 COMPANY MADE THE DECISION THAT THEY WOULD WIND DOWN
16 THE TRIAL. THEY'RE CURRENTLY STILL COMPLETING THE
17 ANALYSIS. THERE WILL BE MORE OF A LOOK AT THIS TO
18 DETERMINE WHAT TO DO WITH THIS DATASET, WHETHER THIS
19 WOULD STILL BE DEVELOPED IN A DIFFERENT FORMAT WITH
20 A DIFFERENT TRIAL DESIGN, BUT MEANWHILE THEY ARE
21 WINDING DOWN THIS PARTICULAR TRIAL. AND SO CIRM
22 WILL BE RECOVERING A PORTION OF THE INITIALLY
23 AWARDED AMOUNT FOR THIS TRIAL.

24 THE SAME PRODUCT AS I HAD MENTIONED IN THE
25 BEGINNING IS ALSO BEING TESTED FOR ANOTHER

1 INDICATION, DUCHENNE MUSCULAR DYSTROPHY-RELATED
2 CARDIOMYOPATHY. THIS AWARD IS \$3.4 MILLION TO
3 CAPRICOR WITH DR. ASCHEIM AS THE PRINCIPAL
4 INVESTIGATOR.

5 HEART FAILURE IS A LEADING CAUSE OF DEATH
6 FOR PATIENTS WITH DUCHENNE MUSCULAR DYSTROPHY IN
7 ADDITION TO THE OTHER MANIFESTATIONS OF DUCHENNE
8 MUSCULAR DYSTROPHY. AND THE RATIONALE BEHIND THIS
9 AGAIN LEVERAGES OFF OF THE PRECLINICAL DATA THAT THE
10 COMPANY IS SEEING WITH CARDIOSPHERE-DERIVED CELLS IN
11 REDUCING MYOCARDIAL FIBROSIS AND DECREASING CARDIAC
12 FUNCTION.

13 THIS PHASE 2 TRIAL WAS A RANDOMIZED OPEN
14 LABEL COMPARISON WITH STANDARD OF CARE CONTROL. IN
15 THIS CASE THE CELLS, 75 MILLION DOSE, WAS INFUSED
16 INTO MULTIPLE VESSELS OF THE HEART.

17 THE GOAL OF THIS STUDY IS A PHASE 1 TRIAL
18 TO DETERMINE SAFETY AND FEASIBILITY. THEY WERE ABLE
19 TO DEMONSTRATE THAT WITH MINIMAL TO NO SAFETY
20 CONCERNS. AND THE SECONDARY ENDPOINT WAS TO LOOK
21 FOR PRELIMINARY EVIDENCE OF EFFICACY. TWENTY-FIVE
22 PATIENTS HAVE BEEN ENROLLED THUS FAR. IN THIS
23 SIX-MONTH INTERIM ANALYSIS, THE COMPANY DID FEEL
24 THAT THEY SAW EVIDENCE OF IMPROVEMENT IN THESE
25 PATIENTS MEASURING CARDIAC FUNCTION. THEY ALSO, OF

1 NOTE, NOTED THAT THERE WAS SOME LIMB/MUSCLE BENEFIT
2 AS WELL TO THE CARDIAC INFUSION OF THE CELLS.

3 THE AWARD IS PROJECTED TO END IN DECEMBER
4 OF 2017. THE COMPANY HAS PUBLICLY ANNOUNCED THAT
5 THEY WISH TO PURSUE THIS INDICATION. AND PART OF
6 THE REASON TO WIND DOWN THE TRIAL FOR THE
7 POST-ISCHEMIC, POST-MI HEART FAILURE TRIAL WAS TO
8 CONSERVE FUNDS SO THEY CAN PURSUE THIS INDICATION.

9 THE THIRD STUDY WITH THE
10 CARDIOSPHERE-DERIVED CELLS IS BEING PERFORMED BY
11 DR. MICHAEL LEWIS, CEDARS SINAI. CIRM HAS AWARDED
12 \$7.3 MILLION FOR THIS PHASE 1 TRIAL. AND THE
13 INDICATION IS PULMONARY ARTERIAL HYPERTENSION.
14 DESPITE SOME PHARMACOLOGIC AGENTS OUT THERE, THE
15 FREQUENTLY USED BEING AN INTRAVENOUS VASO DILATOR,
16 MORTALITY STILL REMAINS VERY HIGH FOR PULMONARY
17 HYPERTENSION. AND LIFE SPAN HAS BEEN MAYBE
18 INCREASED BY A COUPLE OF YEARS, BUT GENERALLY THE
19 MORTALITY IS VERY HIGH TO REALLY BE AFFECTED IN FIVE
20 YEARS.

21 SO THE RATIONALE IS THAT THESE
22 CARDIOSPHERE-DERIVED CELLS COULD DECREASE LUNG
23 REMODELING AND VASCULAR CHANGES THAT LEAD TO THE
24 DISEASE. AND BY INFUSION OF THESE CELLS, THERE
25 COULD BE AN IMPROVEMENT IN THE LUNG BLOOD VESSELS.

1 AND THIS IS EXPECTED TO THEN TRANSLATE INTO BETTER
2 CARDIAC HEART FUNCTION.

3 IT'S A PHASE 1 TRIAL WHERE THE FIRST PART
4 OF IT IS LOOKING AT INCREASING DOSES OF THE STUDY,
5 EVALUATING THOSE PATIENTS FOR SAFETY AND
6 TOLERABILITY FOR THIS TREATMENT. AND THE SECOND
7 PHASE OF THE PHASE 1 TRIAL IS A RANDOMIZED STUDY
8 COMPARING THAT WITH PLACEBO, MEANING JUST NO ACTIVE
9 AGENT, AND LOOKING, AGAIN, AT SAFETY AND EVIDENCE OF
10 SOME IMPROVEMENT IN CARDIAC AND LUNG PARAMETERS.

11 IT'S A SINGLE DOSE STUDY THAT'S ADMINISTERED THROUGH
12 SOMETHING CALLED THE SWAN-GANZ CATHETER, WHICH IS
13 SOMETHING THAT THESE PATIENTS OFTEN GET PLACED ON.

14 IT'S A CATHETER THAT GOES THROUGH THE HEART INTO THE
15 LUNG VASCULATURE, AND THEY CAN MEASURE PRESSURES AND
16 PARAMETERS THAT WAY.

17 THE GOAL, AS WITH ANY PHASE 1 STUDY, IS
18 SAFETY. SECONDARY GOAL IS TO EXPLORE EFFICACY
19 MEASURES OF RIGHT VENTRICULAR FUNCTION. THE RIGHT
20 VENTRICLE, THE RIGHT CHAMBERS OF THE HEART, ARE
21 WHAT'S AFFECTED BY THE PRESSURES AND THE LUNGS
22 INCREASING IN THIS DISEASE. AND THAT'S WHAT
23 ULTIMATELY LEADS TO HEART FAILURE AND DEATH IN
24 PATIENTS.

25 THE STATUS OF THIS IS THAT THE FIRST

1 PATIENT IS EXPECTED TO BE ENROLLED IN JULY OF THIS
2 YEAR. AND THE AWARD IS EXPECTED TO END IN APRIL
3 2021.

4 AND FINALLY, THE LAST OF THE VASCULAR
5 PORTFOLIO IS A TISSUE-ENGINEERED VESSEL FOR THE
6 TREATMENT OF PATIENTS WITH END STAGE RENAL DISEASE.
7 THE INVESTIGATOR IS DR. JEFFREY LAWSON, WHO'S A
8 VASCULAR SURGEON, AND THE CHIEF MEDICAL OFFICER AT
9 HEMOCYTE. THE AWARD IS APPROXIMATELY \$10 MILLION,
10 AND IT'S FOR A PHASE 3 REGISTRATION TRIAL FOR THIS
11 PRODUCT.

12 THE RATIONALE FOR THIS TECHNOLOGY IS THAT
13 WITH PATIENTS WITH END STAGE RENAL DISEASE, THEY
14 NEED TO BE ON CHRONIC DIALYSIS UNLESS THEY CAN
15 RECEIVE A KIDNEY TRANSPLANT, AND EVEN THOSE WHO ARE
16 WAITING FOR A KIDNEY TRANSPLANT NEED A WAY TO MANAGE
17 THE DISEASE, THEIR ELECTROLYTES, AND TO PROVIDE THE
18 CLEARANCE THAT THE KIDNEY WOULD TYPICALLY PROVIDE.

19 THE PROBLEM IS IN ORDER TO DO THAT, THERE
20 NEEDS TO BE A RELIABLE WAY TO DIALYZE THE PATIENTS,
21 AND THE MOST IDEAL THING TO HAVE IS WHAT'S CALLED AN
22 AV FISTULA CONNECTION BETWEEN THE ARTERY AND VEIN.
23 THOSE OFTEN DON'T MATURE AND FORM A GOOD WAY TO GET
24 DIALYSIS ACCESS. AND THEN THE NEXT COMMON APPROACH
25 IS TO PUT IN A VASCULAR SYNTHETIC GRAFT. THE

1 PROBLEM WITH THAT IS INFECTION AND WHAT'S CALLED
2 PATENCY, THE ABILITY TO KEEP THAT OPEN LONG ENOUGH
3 WITHOUT HAVING TO KEEP REVISING AND REPLACING THAT
4 GRAFT.

5 SO THE IDEA BEHIND THIS HUMAN ACELLULAR
6 VESSEL IS IT'S MORE LIKE A BIOLOGIC BLOOD VESSEL.
7 AND THE VESSEL IS ACTUALLY A SCAFFOLD THAT'S CREATED
8 IN A BIOREACTOR UTILIZING PRIMARY SMOOTH MUSCLE
9 CELLS. THEN THIS VESSEL IS THEN DECELLULARIZED SO
10 IT REMOVES IMMUNE-TYPE CELLS, FORMS A TUBE THAT
11 LOOKS LIKE THIS, THAT LOOKS VERY MUCH LIKE A BLOOD
12 VESSEL, BUT IT'S VERY EASY TO WORK WITH. AND THEN
13 THAT'S IMPLANTED. THE INTRINSIC STEM CELLS WITHIN
14 THE PATIENT THEN POPULATE THIS AND THEN FORM WHAT
15 LOOKS LIKE AN ACTUAL NATIVE VESSEL. AND THEY'VE
16 SHOWED HISTOLOGY FOR THAT.

17 IN ANY CASE, THE DESIGN IS A PHASE 3
18 RANDOMIZED STUDY, SO IT WAS SUPPORTED BY PREVIOUS
19 PHASE 1 AND 2 DATA, TO COMPARE THIS VESSEL, THIS
20 TISSUE-ENGINEERED VESSEL VERSUS STANDARD SYNTHETIC
21 GRAFTS, AND THEY LOOK AT SAFETY, INFECTION RATES,
22 AND PATENCY, AND OVERALL OTHER PARAMETERS IN THOSE
23 PATIENTS. THEY'RE CURRENTLY ENROLLING AND ARE -- IN
24 FACT, THIS TEAM IS ENROLLING AHEAD OF SCHEDULE.
25 IT'S A 350-SUBJECT MULTICENTER TRIAL; 297 OF THOSE

1 SUBJECTS HAVE ALREADY BEEN ENROLLED. THERE'S A
2 TARGET OF 60 SUBJECTS TO BE ENROLLED IN CALIFORNIA.
3 AND AS OF RECENTLY, 53 SUBJECTS HAVE ALREADY BEEN
4 ENROLLED IN CALIFORNIA. SO THIS TEAM IS MEETING
5 THEIR ENROLLMENT PROJECTIONS AND MILESTONES.

6 ONE SIGNIFICANT THING, AS RANDY HAD
7 MENTIONED, THE REGENERATIVE MEDICINE ADVANCED
8 THERAPY PATHWAY THAT WAS CREATED BY THE 21ST CENTURY
9 CURES ACT, WHICH WOULD ALLOW REGENERATIVE MEDICINE
10 AND STEM CELL PRODUCTS TO GO THROUGH AN ACCELERATED
11 PATHWAY AND HAVE INCREASED INTERACTIONS WITH THE
12 FDA, HAVE THE ABILITY TO NEGOTIATE SOME NOVEL
13 ENDPOINTS AND SOME MEASURES THAT TYPICALLY FDA FOR
14 TRADITIONAL PRODUCTS WOULD NOT BE ABLE TO ACCEPT AS
15 SUPPORTING DATA. THIS GROUP, ALONG WITH ACTUALLY
16 THE JCYTE GROUP THAT I MENTIONED, THE TEAM WORKING
17 ON RETINITIS PIGMENTOSA WITH A CELL PRODUCT, THESE
18 TWO GROUPS RECEIVED THE RMAT. AND THEY WERE ONE OF
19 THE VERY FIRST GROUPS THAT RECEIVED THIS DESIGNATION
20 FROM THE FDA. SO THIS IS QUITE A GOOD INDICATION OF
21 OUR PROJECTS BEING ABLE TO TAKE ADVANTAGE OF THESE
22 INTERACTIONS.

23 AND THE PLAN IS FOR THIS PROJECT TO FILE A
24 BLA THAT GETS APPROVAL FROM THE FDA TO GO AHEAD AND
25 START DEVELOPING THIS FOR COMMERCIAL USE IN APRIL OF

1 2019.

2 AND THEN I JUST WANTED TO GIVE A SENSE,
3 I'M NOT GOING TO SPEND A LOT OF TIME, AND THESE ARE
4 DEIDENTIFIED BECAUSE SOME OF THIS IS STILL SENSITIVE
5 AND NONPUBLIC INFORMATION. THIS IS OUR INTERNAL
6 PORTFOLIO OF PROJECTS THAT ARE MATURING ALONG AND
7 WOULD GET TO THE CLINICAL STAGE. THEY ARE CURRENTLY
8 IN THE PROCESS OF EITHER COMPLETING THE WORK TO GET
9 TO THE IND OR, IN THIS CASE OF FOUR OF THESE
10 PROJECTS, HAVE OBTAINED THEIR IND AND ARE NOW IN THE
11 CLIN2 STAGE, EITHER READY TO INITIATE THE TRIAL OR
12 AWAITING CLIN2 FUNDING. SO IT JUST SHOWS THE
13 ROBUSTNESS OF EVEN OUR INTERNAL PIPELINE.

14 AND WITH THE APPROVAL OF TWO ADDITIONAL
15 PROJECTS TODAY IN THE NEUROLOGIC AND ONCOLOGIC
16 SPACE, THAT'S INCREASED OUR INTERNAL IND-STAGE
17 PIPELINE.

18 ONE OF THESE PROGRAMS, AND THIS IS THE
19 VERY LAST OF THE PROJECTS THAT I'LL MENTION TODAY,
20 IS A PROJECT DEVELOPING HUMAN EMBRYONIC STEM
21 CELL-DERIVED CARDIOMYOCYTES FOR PATIENTS WITH END
22 STAGE RENAL DISEASE. THE INVESTIGATOR IS DR. JOE WU
23 AT STANFORD. IT'S A \$19 MILLION AWARD. IT WAS
24 UNDER THE LEGACY PROGRAMS, THE DISEASE TEAM FUNDING
25 MECHANISM. THIS IS A GOOD EXAMPLE OF THINGS THAT

1 WE'RE DOING INTERNALLY. THIS HAS NOW BEEN CONVERTED
2 INTO THE FORMAT OF A CLIN1. SO IT'S MILESTONE
3 BASED, AND IT IS KIND OF REFORMATTED TO THE CIRM 2.0
4 MACHINERY, AND THAT'S WORKING WELL.

5 THE GOAL IS TO PERFORM THE IND-ENABLING
6 ACTIVITIES AND ASSEMBLE THE PACKAGE THAT WOULD MAKE
7 THIS READY TO GO TO THE FDA TO OBTAIN THE PERMISSION
8 TO GO INTO CLINICAL TRIALS, THE IND. THE RATIONALE
9 IS PRETTY CLEAR IN TERMS OF THE UNMET MEDICAL NEED
10 FOR PATIENTS WHO SUFFER FROM HEART FAILURE. AND
11 CURRENTLY THE TEAM IS ASSEMBLING THEIR DATA PACKAGE
12 AND SECURING THEIR CLINICAL PROTOCOL DESIGN.

13 SO THAT IS THE END OF THE PRESENTATION FOR
14 THE CARDIOVASCULAR PORTFOLIO. THANK YOU FOR YOUR
15 ATTENTION. AND WE ARE PRIVILEGED. WE ACTUALLY HAVE
16 A PATIENT, A VERY BRAVE YOUNG MAN, WHO KEVIN
17 MCCORMACK WILL INTRODUCE, WHO PARTICIPATED IN ONE OF
18 THESE TRIALS. THANK YOU.

19 (APPLAUSE.)

20 MR. MCCORMACK: THANK YOU, MADAM
21 PRESIDENT. I WANTED TO SAY THAT TO SOMEONE, ANYONE,
22 SINCE PROBABLY NOVEMBER. MADAM PRESIDENT, THANK
23 YOU.

24 ONE OF THE GREAT PLEASURES AND PRIVILEGES
25 OF MY JOB IS TO WORK WITH SOME EXTRAORDINARY PEOPLE,

1 PEOPLE LIKE ADRIENNE AND DON REED, PATIENT ADVOCATES
2 WHO ARE REALLY KIND OF CHAMPIONS FOR EVERYTHING THAT
3 WE DO. I ALSO FEEL TREMENDOUSLY PRIVILEGED TO BE
4 ABLE TO WORK AND MEET PEOPLE LIKE OUR SPEAKER TODAY,
5 CALEB SIZEMORE. HE HAS DUCHENNE MUSCULAR DYSTROPHY,
6 AND HE WAS THE FIRST PERSON EVER TO TAKE PART IN THE
7 CLINICAL TRIAL. SO HE STEPPED FORWARD TO DO
8 SOMETHING THAT NO ONE ELSE HAD EVER DONE. AND IN
9 MANY WAYS I CONSIDER HIM A HERO, AND WE'RE FORTUNATE
10 TO HEAR FROM HIM TODAY. HE'S HERE WITH HIS MOTHER,
11 SHARON. SO, CALEB, IF YOU WOULD LIKE TO COME ON UP.

12 (APPLAUSE.)

13 MR. SIZEMORE: HELLO. MY NAME IS CALEB
14 SIZEMORE, AND I'M A 20-YEAR-OLD PATIENT WITH
15 DUCHENNE MUSCULAR DYSTROPHY OR DMD FOR SHORT. FOR
16 THOSE OF YOU THAT DON'T KNOW WHAT DUCHENNE MUSCULAR
17 DYSTROPHY IS, DUCHENNE MUSCULAR DYSTROPHY IS A
18 MUSCLE DISEASE THAT RESULTS IN THE PROGRESSIVE LOSS
19 OF MUSCLE FUNCTIONING OVER TIME.

20 WITH THIS DISEASE, MOST PEOPLE STOP
21 WALKING WHEN THEY ARE 12 YEARS OLD. AND IT IS A
22 MIRACLE THAT I'M STILL WALKING AT 20 YEARS OLD.
23 ORIGINALLY PEOPLE WITH DMD DIDN'T LIVE PAST THEIR
24 TWENTIES, BUT WITH MEDICAL ADVANCEMENT ARE LIVING
25 LONGER. WITH DMD THE PROGRESSIVE LOSS OF MUSCLE

1 FUNCTIONING INCLUDES YOUR HEART AND LUNGS, WHICH IS
2 USUALLY WHAT KILLS YOU. IT IS MORE SO THE HEART
3 THAN THE LUNGS AS THERE ARE OXYGEN TANKS AND OTHER
4 THINGS YOU CAN DO WITH LUNGS.

5 A COUPLE OF YEARS AGO MY SPECIALIST FOUND
6 SOME HEART SCARRING ON MY HEART, AND I AM ON A
7 MEDICATION CALLED SPIRONOLACTONE THAT PREVENTS IT
8 FROM GETTING WORSE, BUT DOESN'T REVERSE THE DAMAGE.

9 HOWEVER, I AM A PATIENT IN THE CAPRICOR
10 HOPE TRIAL, AND I RECEIVED A NONEMBRYONIC STEM CELL
11 INFUSION IN MY HEART IN FEBRUARY 2016. IN AUGUST
12 2016, THEY FOUND OUT THAT IT HAD REVERSED SOME OF
13 THE DAMAGE, AND IN APRIL 2017 REVERSED FOR OTHERS IN
14 THE TRIAL, WHICH IS AN AMAZING MIRACLE.

15 IF IT WAS NOT FOR YOU ALL, THERE WOULD BE
16 NO WAY THAT THIS TREATMENT AND FEAT WOULD BE
17 POSSIBLE. ME AND MY FAMILY HAVE BEEN PRAYING FOR
18 YEARS THAT MORE SUCCESSFUL TREATMENTS WOULD BE
19 IMPLEMENTED FOR DUCHENNE MUSCULAR DYSTROPHY. AND
20 BECAUSE OF YOUR FUNDING, THOSE PRAYERS HAVE BEEN
21 ANSWERED. THIS STEM CELL TREATMENT PROVIDES SUCH
22 HOPE TO ME, MY FAMILY, AND THE DMD COMMUNITY, AND
23 FOR GENERATIONS TO COME.

24 THE TREATMENT WILL PROLONG THE LIVES OF
25 KIDS FOR GENERATIONS TO COME WHERE AFTER TARGETING

1 THE HEART, OTHER MUSCLES CAN HOPEFULLY BE TARGETED
2 AND LIVES WILL BE FURTHER PROLONGED, WHICH IS
3 CHANGING THE WORLD FOR THE BETTER.

4 I CANNOT THANK YOU ENOUGH FOR HELPING
5 SPONSOR THIS TRIAL. AND PLEASE, PLEASE CONTINUE
6 FUNDING THESE CLINICAL TRIALS AS YOU ALL ARE
7 CHANGING THE WORLD ONE TRIAL AT A TIME. WITH MY
8 STORY, GROWING UP WITH DUCHENNE MUSCULAR DYSTROPHY
9 WAS HARD WHERE I WAS LIMITED IN WHAT I COULD DO,
10 WHERE I COULDN'T PLAY SPORTS, AND WAS TEASED AND
11 BULLIED SOMETIMES FOR BEING DIFFERENT.

12 I USED TO HIDE THE FACT THAT I HAD DMD TO
13 MY CLASSMATES UNTIL MY SOPHOMORE YEAR OF HIGH SCHOOL
14 WHERE I WAS ACCEPTED FOR WHO I AM. DUCHENNE
15 MUSCULAR DYSTROPHY STILL AFFECTS ME TO THIS DAY
16 WHERE I HAVE NOTICED PROGRESSIVE MUSCLE FUNCTIONING
17 AND NOW CAN'T GET UP FROM THE FLOOR BY MYSELF AND
18 NEED HELP CARRYING THINGS. MY GAIT IS DIFFERENT AND
19 IT TAKES ME LONGER TO MOVE AROUND. BUT BECAUSE OF
20 YOUR FUNDING, THEY WILL HOPEFULLY BE ABLE TO TARGET
21 OTHER MUSCLES, AS STATED PREVIOUSLY, WHICH WILL
22 ALLOW ME AND, MORE IMPORTANTLY, OTHERS WITH THE
23 DISEASE TO HAVE LONGER AND BETTER LIVES.

24 WHAT HELPS ME AND CONTINUES TO HELP ME THE
25 MOST THROUGH THIS AND TO SAY YES TO THE TRIAL IS MY

1 FAITH AS A CHRISTIAN IN JESUS, WHICH HAS GIVEN ME
2 PEACE AND JOY IN MY LIFE, ESPECIALLY DURING
3 CIRCUMSTANCES THAT YOU WOULDN' T EXPECT. YOU
4 WOULDN' T EXPECT SOMEONE WITH A LIFE-THREATENING
5 DISEASE TO BE SO JOYFUL ALL THE TIME. MY FAITH
6 HELPS ME THE MOST, KNOWING THAT EVEN WHEN THE WORST
7 COULD HAPPEN, I WILL BE IN A BETTER PLACE. MOVING
8 FORWARD IN LIFE, I WANT TO DO HOSPITAL
9 ADMINISTRATION WHERE I' M A JUNIOR STUDYING
10 HEALTHCARE MANAGEMENT AT ANDERSON UNIVERSITY IN
11 SOUTH CAROLINA.

12 THE GOAL OF THIS IS TO HELP MAKE LIFE
13 BETTER FOR THE DISABLED, WHICH IS WHAT YOU ALL ARE
14 DOING THROUGH FUNDING THESE TRIALS WHICH WILL EXTEND
15 THEIR LIVES. I CANNOT THANK YOU ENOUGH FOR THE
16 OPPORTUNITY, AND PLEASE KEEP FUNDING THESE TRIALS.
17 THANK YOU.

18 (APPLAUSE.)

19 CHAIRMAN THOMAS: THANK YOU, CALEB, FOR
20 THOSE COMMENTS. AND YOU INSPIRE US ALL, SO KEEP UP
21 THE GOOD FIGHT. AND WE LOOK FORWARD TO HEARING
22 FURTHER PROGRESS FOR YOU DOWN THE LINE. SO THANK
23 YOU VERY MUCH FOR COMING.

24 WELL, I THINK THAT ABOUT CONCLUDES TODAY' S
25 MEETING.

1 DR. LUBIN: SO I REALLY THOUGHT YOUR
2 REPORT WAS GREAT. ONE OF THE THINGS THAT WOULD BE
3 OF INTEREST IS A NUMBER OF THE STUDEAS INVOLVE
4 MULTIPLE PLACES IN CALIFORNIA, AND THE PI IS LISTED,
5 BUT THE OTHER PROGRAMS AREN'T. AND IT WOULD BE NICE
6 ACTUALLY FOR THE BOARD TO SEE THAT MULTIPLE PLACES,
7 LIKE DON KOHN'S WORK, I KNOW, INVOLVES A NUMBER OF
8 GROUPS. AND TO LIST SOME OF THE OTHER GROUPS, IT
9 WOULD SHOW HOW PROFOUND AND HOW MANY PEOPLE ARE
10 REALLY BENEFITING FROM THIS. SO MAYBE NEXT TIME WE
11 DO THAT REPORT, IT WOULD BE NICE TO DO THAT.

12 DR. MILLAN: THANK YOU. WE WILL. I
13 SHOULD MENTION THAT MARIA BONNEVILLE AND HER
14 COMMUNICATIONS TEAM ARE PUTTING TOGETHER THIS
15 CLINICAL DASHBOARD THAT WILL BE READILY ACCESSIBLE
16 AND VERY EASILY NAVIGATED THAT WILL HAVE DIRECT
17 LINKS TO CLINICALTRIALS.GOV, WHICH LISTS ALL THE
18 SITES, AND IT WILL HAVE A DIRECT LINK TO THE SPONSOR
19 SITE. SO YOU CAN ACCESS THE INFORMATION AS WELL
20 FROM PRESS RELEASES WHICH THEY ALL PUT IN THEIR
21 SITES. SO IN ADDITION TO THE OTHER RESOURCES WITHIN
22 OUR WEBSITE, STAY TUNED. THAT'S COMING SOON.

23 CHAIRMAN THOMAS: MR. MCCORMACK.

24 MR. MCCORMACK: CHAIRMAN THOMAS, I HAVE A
25 LETTER HERE FROM JENNIFER RAUB, AND SHE'S A PATIENT

1 ADVOCATE FOR PARKINSON'S DISEASE. SHE WANTED TO BE
2 HERE TODAY, BUT UNFORTUNATELY COULDN'T MAKE IT. AND
3 SO SHE ASKED ME IF I COULD READ IT OUT TO THE BOARD.

4 CHAIRMAN THOMAS: PLEASE.

5 MR. MCCORMACK: "CHAIRMAN THOMAS AND
6 MEMBERS OF THE BOARD, MY NAME IS JENNIFER RAUB.
7 UNFORTUNATELY I AM UNABLE TO ATTEND TODAY'S MEETING
8 FOR PERSONAL REASONS. I WOULD LIKE TO TAKE THIS
9 OPPORTUNITY TO THANK THE ICOC AND THEIR DEDICATED
10 STAFF FOR THEIR EFFORTS TO HELP PEOPLE LIKE ME WITH
11 DISEASES AND CONDITIONS THAT HAVE NO CURE.

12 "I'D LIKE TO WISH DR. RANDY MILLS
13 HAPPINESS AND SUCCESS AT BE THE MATCH. ON THAT
14 NOTE, I WOULD ALSO LIKE TO WELCOME MARIA MILLAN AS
15 INTERIM CEO AND PRESIDENT. I WISH YOU WELL AND
16 SUCCESS IN BRINGING A JOYFUL OUTCOME FOR OUR
17 PARKINSON'S RESEARCH PROJECT AND MANY OTHER WORTHY
18 STEM CELL-BASED PROJECTS STATEWIDE.

19 "ON BEHALF OF SUMMIT4STEMCELL FOUNDATION,
20 ITS MANY SUPPORTERS AND PERSONS WITH PARKINSON'S
21 DISEASE, I WOULD LIKE TO TRY AND CONVEY TO YOU THE
22 DEPTHS OF THE APPRECIATION HELD TOWARDS THIS
23 ESTEEMED GROUP FOR THE FINANCIAL SUPPORT YOU HAVE
24 BESTOWED UPON THE RESEARCH SUMMIT SUPPORTS. THANKS
25 TO YOUR GRANT, RESEARCHERS SUPPORTED BY SUMMIT ARE

1 ON TARGET TO FILE THEIR APPLICATION WITH THE FDA TO
2 BEGIN CLINICAL TRIALS FOR A DOPAMINE NEURON
3 REPLACEMENT THERAPY FOR PARKINSON'S DISEASE LATE
4 2018 TO EARLY 2019. HOWEVER, WITHOUT YOUR FUNDING
5 IN THE VERY NEAR FUTURE, I FEAR THE TARGET DATE OF
6 LATE 2018 TO 2019 IS NOT POSSIBLE, AND THAT WOULD BE
7 TRAGIC. THANK YOU VERY MUCH. "

8 CHAIRMAN THOMAS: THANK YOU, MR.
9 MCCORMACK.

10 DO WE HAVE ANY OTHER PUBLIC COMMENT IN
11 GENERAL ON ANY TOPIC? HEARING NONE, I THINK THAT
12 CONCLUDES OUR MEETING.

13 OUR NEXT MEETING OF THE APPLICATION REVIEW
14 SUBCOMMITTEE WILL BE ON JULY 20TH, TELEPHONIC AS
15 USUAL. WITH THAT, WISH YOU A PLEASANT AFTERNOON,
16 AND WE'LL SEE EVERYBODY SOON.

17 (THE MEETING WAS THEN CONCLUDED AT
18 1:21 PM.)

19
20
21
22
23
24
25

REPORTER'S CERTIFICATE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 AND THE APPLICATION REVIEW SUBCOMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD AT THE LOCATION INDICATED BELOW

MARRIOTT HOTEL
1800 OLD BAYSHORE HIGHWAY
BURLINGAME, CALIFORNIA
ON
JUNE 29, 2017

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

BETH C. DRAIN, CA CSR 7152
133 HENNA COURT
SANDPOINT, IDAHO
(208) 255-5453