

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

LOCATION: UNIVERSITY OF CALIFORNIA LOS ANGELES
COVEL COMMONS, SUNSET VILLAGE
LOS ANGELES, CALIFORNIA

DATE: WEDNESDAY, MAY 4, 2011
9 A.M.

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

BRS FILE NO.: 88084

BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 LOS ANGELES, CALIFORNIA; WEDNESDAY, MAY 4, 2011

2 09:51 A.M.

3
4 CHAIRMAN KLEIN: ALL RIGHT. IF WE CAN
5 BRING THE MEETING TO ORDER. WE WANT TO THANK DR.
6 ECONOMOU AND DR. WASHINGTON FOR HOSTING US HERE THIS
7 MORNING AT THIS FABULOUS UNIVERSITY. IT IS A GREAT
8 PRIVILEGE TO BE AT UCLA AND HAVE THE BENEFIT OF ONE
9 OF YOUR RESEARCH LEADERS, DR. KOHN, PRESENT THE
10 SICKLE CELL PROGRAM THIS MORNING. IT'S EXTREMELY
11 ENCOURAGING. I'M CERTAIN TO SEE THE LEADERSHIP OF
12 UCLA RECOGNIZED IN THE BASIC BIOLOGY AWARDS LAST
13 NIGHT. CONGRATULATIONS ON THAT LEADERSHIP.

14 I'D LIKE TO CALL THE MEETING TO ORDER.
15 AND WHILE WE'RE WAITING FOR A QUORUM, THERE ARE A
16 COUPLE OF ITEMS ON THE AGENDA WE CAN MOVE THROUGH.
17 MELISSA KING, COULD YOU BEGIN HERE WITH THE FLAG
18 SALUTE AND THEN THE ROLL CALL.

19 (THE PLEDGE OF ALLEGIANCE.)

20 MS. KING: ROBERT PRICE FOR ROBERT
21 BIRGENEAU.

22 DR. PRICE: HERE.

23 MS. KING: FLOYD BLOOM. DAVID BRENNER.
24 JACOB LEVIN FOR SUSAN BRYANT.

25 DR. LEVIN: HERE.

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1 MS. KING: MARCY FEIT.
2 MS. FEIT: HERE.
3 MS. KING: MICHAEL FRIEDMAN. LEEZA
4 GIBBONS. MICHAEL GOLDBERG.
5 MR. GOLDBERG: HERE.
6 MS. KING: SAM HAWGOOD. HE'LL BE JOINING
7 US BY PHONE.
8 BOB KLEIN.
9 CHAIRMAN KLEIN: HERE.
10 MS. KING: SHERRY LANSING. TED LOVE.
11 BERTRAM LUBIN.
12 DR. LUBIN: HERE.
13 MS. KING: SHLOMO MELMED. PHIL PIZZO.
14 CLAIRE POMEROY.
15 DR. POMEROY: HERE.
16 MS. KING: FRANCISCO PRIETO.
17 DR. PRIETO: HERE.
18 MS. KING: ELIZABETH FINI FOR CARMEN
19 PULIAFITO.
20 DR. FINI: HERE.
21 MS. KING: ROBERT QUINT.
22 DR. QUINT: HERE.
23 MS. KING: DUANE ROTH.
24 MR. ROTH: HERE.
25 MS. KING: JOAN SAMUELSON. SHE WILL ALSO

BARRISTERS' REPORTING SERVICE

1 BE JOINING US BY PHONE. DAVID SERRANO-SEWELL. JEFF
2 SHEEHY.

3 MR. SHEEHY: HERE.

4 MS. KING: JON SHESTACK. OSWALD STEWARD.

5 DR. STEWARD: HERE.

6 MS. KING: ART TORRES.

7 MR. TORRES: HERE.

8 MS. KING: KRISTINA VUORI.

9 DR. VUORI: HERE.

10 MS. KING: AND JAMES ECONOMOU FOR EUGENE
11 WASHINGTON.

12 DR. ECONOMOU: HERE.

13 CHAIRMAN KLEIN: THANK YOU VERY MUCH. WE
14 HAVE AN ITEM ON THE AGENDA THAT IS REPRESENTATIVE OF
15 OUR CONTINUING CREATIVITY THROUGH THE SCIENTIFIC
16 STAFF. AND, DR. TROUNSON, I THINK WE DON'T NEED A
17 VOTE ON THIS ITEM BECAUSE IT'S A PILOT STUDY, AND
18 WOULD YOU ADDRESS ITEM 16, PLEASE?

19 DR. TROUNSON: CAN I INVITE DR. MANI
20 VESSAL TO PRESENT THIS TO THE BOARD.

21 DR. VESSAL: MR. CHAIRMAN, MEMBERS OF THE
22 BOARD, MEMBERS OF THE AUDIENCE, I'M HERE TODAY TO
23 INTRODUCE A NEW PILOT PROGRAM CALLED THE CREATIVITY
24 AWARD, WHICH WE'RE LAUNCHING THIS SUMMER.

25 THE OBJECTIVE OF THIS PROGRAM IS TO

BARRISTERS' REPORTING SERVICE

1 INTRODUCE HIGH SCHOOL STUDENTS TO CUTTING EDGE
2 MEDICAL RESEARCH AND, MORE SPECIFICALLY, EXPOSE THEM
3 TO THE FIELD OF STEM CELL SCIENCE AT AN EARLY AGE,
4 FOSTER CREATIVITY, AND PROMOTE STEM CELL EDUCATION
5 AND AWARENESS AMONGST YOUNG PEOPLE.

6 NOW, WE'RE DOING THIS THROUGH FORMING
7 SYNERGY WITH INSTITUTIONS IN CALIFORNIA THAT ALREADY
8 HAVE AN EXISTING PROGRAM IN PLACE WITH A SIMILAR
9 MODEL THAT IS UP AND RUNNING.

10 A LITTLE BIT OF AN OVERVIEW OF THIS
11 PROGRAM, THE HIGH SCHOOL STUDENTS FOR THIS PILOT
12 PROGRAM WILL BE INVOLVED NOT ONLY IN BENCH STEM CELL
13 SCIENCE FULL TIME THROUGHOUT THE SUMMER PROGRAM, BUT
14 THEY WILL BE ALSO REQUIRED TO BE ENGAGED IN A
15 MULTIDISCIPLINARY APPROACH WHEREBY THEY WILL BE
16 TAKING ON A SECOND DISCIPLINE OF THEIR CHOICE. I
17 HAVE CITED SOME EXAMPLES HERE, SOCIAL SCIENCES,
18 CHEMISTRY, EPIDEMIOLOGY, ETC., ETC., BUT THAT'S UP
19 TO THEM TO CHOOSE AS A SECOND DISCIPLINE.

20 THE LOGIC BEHIND THIS IS THAT THERE HAVE
21 BEEN MANY EXAMPLES IN SCIENCE WHERE SCIENCE HAS BEEN
22 DRIVEN, INNOVATION HAS BEEN PUSHED BY LATERAL
23 THINKING THROUGH A SECOND DISCIPLINE. SOME
24 SPECTACULAR SCIENTISTS IN THE FIELD HAVE COMPLETELY
25 DIFFERENT HOBBIES, MAYBE MUSIC, SPORTS, OR OTHER

BARRISTERS' REPORTING SERVICE

1 ENGAGEMENTS THAT THEY'RE INVOLVED IN THROUGHOUT
2 THEIR DAY-TO-DAY ACTIVITIES. AND IT IS OUR HOPE
3 THAT THIS MULTIDISCIPLINARY APPROACH WILL FOSTER
4 THAT KIND OF A CREATIVITY IN THE NEXT GENERATION OF
5 STEM CELL SCIENTISTS.

6 FOR THIS SPECIFIC PILOT PROGRAM, WE HAVE
7 PARTNERED WITH THREE INSTITUTIONS IN CALIFORNIA,
8 UCSF, UC SANTA BARBARA, AND STANFORD, WHICH ALREADY
9 HAVE A SIMILAR MODEL IN PLACE, AND WE WILL BE
10 SUPPORTING SIX ENTERING JUNIOR AND SENIOR STUDENTS
11 WHEREBY THEY WILL BE ENROLLED THROUGH THEIR
12 PRESELECTION. THEY HAVE A PRESELECTION CRITERIA
13 WHICH, OF COURSE, INVOLVES AN ACADEMIC ACHIEVEMENT,
14 SOCIOECONOMIC BACKGROUNDS, AND ALSO REFERENCES FROM
15 THEIR SCIENCE TEACHERS.

16 ONCE WE HAVE APPROVED EACH OF THE SIX
17 CANDIDATES PER INSTITUTION, THE STUDENTS WILL BE
18 REQUIRED, OF COURSE, ON A FULL-TIME BASIS TO CONDUCT
19 RESEARCH, BENCH, IN A STEM CELL SCIENCE LAB AT A
20 MENTORING PI'S LABORATORY FOR A PERIOD OF EIGHT
21 WEEKS. THEY WILL BE INVOLVED IN WEEKLY LECTURES,
22 DISCUSSIONS, AND MEETINGS, NOT ONLY IN THE PI'S LAB,
23 BUT ALSO IN THE CURRICULUM'S ACTIVITIES, WHICH WILL
24 BE ALSO ON A WEEKLY BASIS. WE'RE ALSO REQUIRING
25 THEM TO CARRY OUT A WEEKLY BLOG, WHICH WILL BE

BARRISTERS' REPORTING SERVICE

1 MANAGED BY OUR COMMUNICATIONS STAFF AT CIRM. SO
2 THEY WOULD BLOG ON THEIR EXPERIENCE AND WHAT THEY'RE
3 LEARNING.

4 AND AT THE END OF THE SUMMER, IN AUGUST,
5 WE'LL BE HOSTING THEM AT OUR SAN FRANCISCO
6 HEADQUARTERS FOR A POSTER PRESENTATION WHERE THEY
7 WILL BE PRESENTING THEIR FINDINGS AND ALSO MEETING
8 OUR SCIENTIFIC STAFF AND CIRM STAFF AS A MEET AND
9 GREET AND ALSO SO THEY CAN MEET OTHER STUDENTS FROM
10 OTHER INSTITUTIONS THAT WERE SUPPORTED THROUGH THIS
11 PROGRAM.

12 ALSO, WE'RE ENCOURAGING THEM TO
13 PARTICIPATE IN THE FOLLOWING FALL/WINTER SCHOOL YEAR
14 AS A TEACHER'S ASSISTANT FOR THEIR SCIENCE TEACHERS
15 SO THAT THEY CAN FORM SOME FORM OF CURRICULUM ON
16 STEM CELL SCIENCE OR A STEM CELL DAY SO THEY CAN
17 IMPLEMENT WHAT THEY HAVE LEARNED THROUGHOUT THE
18 SUMMER IN THE FOLLOWING YEAR IN THE SCHOOL YEAR.

19 THE COST OF THIS PROGRAM WILL BE ABOUT
20 \$150,000 FROM OUR OPERATIONAL BUDGET FOR THIS PILOT
21 FOR THIS SUMMER. AND IT WILL COVER STUDENT STIPEND,
22 THE MENTOR'S STIPEND, AND THE LABORATORY, LITTLE BIT
23 OF A RESEARCH COST THAT THE STUDENTS WILL INCUR, AS
24 WELL AS ANY ADMINISTRATIVE AND PROGRAM COSTS
25 CONSISTENT WITH THE INSTITUTIONAL PROGRAM.

BARRISTERS' REPORTING SERVICE

1 IN THE FALL I'LL COME BACK WITH AN OUTCOME
2 OF THIS PROGRAM AND PRESENT TO YOU HOW IT BASICALLY
3 RAN OUT, AND ALSO WE WILL DESIGN A PROGRAM BASED ON
4 THOSE OUTCOMES FOR A PROGRAM IN THE SUMMER FOR 2012
5 FOR CONCEPT PROPOSAL FOR YOUR APPROVAL. I'LL BE
6 HAPPY TO TAKE ANY QUESTIONS THAT YOU MAY HAVE ON
7 THIS.

8 CHAIRMAN KLEIN: THANK YOU. DR. TROUNSON,
9 IF YOU COULD EXPLAIN TO THE BOARD THE STRUCTURE OF
10 THE FUNDING SO THEY UNDERSTAND HOW THIS PILOT
11 PROGRAM IS BEING CARRIED FORWARD AND THE INTENT, IF
12 THIS PILOT PROVES TO BE FRUITFUL, COMING BACK TO THE
13 BOARD FOR A CONCEPT APPROVAL SO THEY UNDERSTAND THIS
14 IS A VETTING OF A CONCEPT TO BE FOLLOWED IF IT'S
15 GOING TO BE EXTENDED WITH A FULL BOARD PRESENTATION.

16 I WOULD LIKE TO THANK MANI FOR THE
17 CREATIVE ENERGY YOU'VE INVESTED IN THIS BECAUSE I
18 KNOW YOU REALLY BELIEVE IN THE POTENTIAL OF THIS TO
19 BE A GREAT CONTRIBUTOR.

20 DR. TROUNSON: THANKS, CHAIR. JUST ONE
21 COMMENT BEFORE I GET TO THE FINANCES. CREATIVITY IS
22 BASED ON LATERAL CAPACITY; THAT IS, MOVING BETWEEN
23 DIFFERENT PHILOSOPHIES AND ACTUALLY THEN BRINGING
24 SOMETHING VERY SPECIAL TO THE AREA THAT YOU REALLY
25 BECOME INVOLVED IN. SO SOME OF THE GREAT LEAPS

BARRISTERS' REPORTING SERVICE

1 FORWARD OR MANY OF THE GREAT LEAPS FORWARD HAVE
2 REALLY BEEN DONE THROUGH MANEUVERING THROUGH THESE
3 SPACES. IF YOU READ, AS I DO, A LOT IN THE AREA OF
4 CREATIVITY, THE GREAT STEPS FORWARD IN THIS REALLY
5 COME FROM PEOPLE WHO INVEST THEMSELVES IN DIFFERENT
6 DISCIPLINES. AND THE MIXTURE OF THESE TWO
7 DISCIPLINES WILL OFTEN GIVE YOU AN INSIGHT THAT YOU
8 WON'T GET IF YOU'RE EMBEDDED DEEPLY IN A SINGLE
9 DISCIPLINE.

10 NOW, WE THOUGHT THAT WE WOULD LIKE TO
11 FOSTER THIS IN THE VERY YOUNG AND SORT OF MATURING
12 MIND THAT WOULD BE ON ITS WAY. SO THAT REALLY GOES
13 WAY BACK TO MY ORIGINAL INTEREST AND, AS I SPOKE TO
14 YOU ABOUT IT, BEEN ABLE TO FOSTER THIS AND BRING IT
15 ALONG TO THE STEM CELL ARENA IN OUR INTEREST.

16 THIS YEAR WE HAVE OPERATIONAL FUNDS OF
17 \$150,000. IT WILL STILL KEEP US BELOW THE 5 PERCENT
18 IF WE USE IT FOR THIS PROGRAM. AND I'M VERY MUCH
19 WILLING TO DO THAT. I THINK IT'S A GOOD INVESTMENT.
20 IT'S A GOOD TRIAL. WE HAVE THOSE THREE UNIVERSITIES
21 WHO REALLY HAVE PROGRAMS, AND IT FITS NICELY WITHIN
22 THEM. THEY'RE VERY KEEN TO PARTICIPATE WITH US. WE
23 THOUGHT THAT THIS WOULD BE A GOOD EXPERIMENT, IF YOU
24 LIKE, TO SEE HOW WELL IT WORKS, AND THEN WE CAN
25 ACTUALLY MAKE ADJUSTMENTS TO IT. BUT WE WILL THEN

BARRISTERS' REPORTING SERVICE

1 CREATE A PROGRAM THAT WILL COME BACK, A CONCEPT THAT
2 WILL COME BACK TO THE BOARD, AND THEN WILL HAVE TO
3 GO TO THE GRANTS WORKING GROUP FOR THEIR APPROVAL,
4 AND THEN BACK TO THE BOARD IF WE GET APPROVAL FROM
5 THE GRANTS WORKING GROUP.

6 THAT WILL BE THE PROCESS. AND SO I VERY
7 STRONGLY RECOMMEND THIS TO THE BOARD. AS YOU SAID,
8 MANI AND OTHERS, DON GIBBONS HAS BEEN INVOLVED, LOTS
9 OF PEOPLE HAVE BEEN INTERESTED IN THIS. SOME PEOPLE
10 HAVE BEEN DISINTERESTED, I MUST ADMIT, BUT THAT'S
11 THE NATURE OF SOMETHING WHICH IS A LITTLE BIT
12 DIFFERENT. BUT I THINK IT'S A GREAT IDEA. I FELT
13 STRONG SUPPORT FROM YOURSELF AND ART IN THIS MATTER.
14 AND SO I HOPE THAT WE'LL BE ABLE TO INITIATE THIS
15 EXPERIMENTAL PROGRAM.

16 CHAIRMAN KLEIN: SO FOR THE BOARD, AGAIN,
17 THIS IS OUT OF ADMINISTRATIVE FUNDS OUT OF THIS
18 YEAR'S BUDGET THAT IS AVAILABLE FUNDS. THEREFORE,
19 IT IS NOT RESEARCH FUNDS, WHICH IS WHY A PILOT CAN
20 GO DIRECTLY TO THE BOARD FOR DISCUSSION OF THE
21 CONCEPT. HE'S NOT ASKING FOR AN APPROPRIATIONS
22 VOTE. HE'S ASKING TO TEST IT SO THAT HE CAN
23 VALIDATE WHETHER OR NOT TO BRING IT BACK TO US.

24 SO I WOULD ASK, THOUGH, IF WE'RE HAVING
25 DISCUSSION ON THIS, MR. HARRISON, DO WE NEED TO

BARRISTERS' REPORTING SERVICE

1 RECUSE TWO THINGS? ONE IS DO WE NEED TO RECUSE THE
2 MEMBERS OF THE BOARD FROM THE THREE INSTITUTIONS
3 FROM THE DISCUSSION IF THERE'S NOT GOING TO BE A
4 VOTE? THAT'S THE FIRST QUESTION.

5 SECOND QUESTION IS ARE THERE ANY -- ARE
6 THERE ANY ISSUES THAT YOU HAVE IN TERMS OF GUIDANCE
7 ON THIS? IT IS AGENDIZED AS A CONSIDERATION ITEM SO
8 THAT IF YOU FELT THAT THERE NEEDED TO BE A VOTE, WE
9 COULD HAVE A VOTE. SO I'D LIKE TO KNOW WHETHER THE
10 PERSPECTIVE TAKEN BY DR. TROUNSON IS SOMETHING YOU
11 CONCUR WITH, OR OUT OF AN ABUNDANCE OF CAUTION, EVEN
12 IF YOU DO AGREE, SHOULD WE HAVE A VOTE?

13 MR. HARRISON: MY UNDERSTANDING IS THAT
14 STAFF IS NOT SEEKING BOARD ACTION ON THIS. THE
15 EXPENDITURE IS WITHIN DR. TROUNSON'S CONTRACT
16 AUTHORITY UNDER THE BOARD'S CONTRACT POLICY. TO THE
17 EXTENT THAT WE'RE NOT ASKING THE BOARD TO TAKE
18 ACTION AND DO NOT NEED TO ASK THE BOARD TO TAKE
19 ACTION, THE MEMBERS WILL NOT BE REQUIRED TO RECUSE
20 THEMSELVES. THIS IS JUST AN INFORMATIONAL ITEM.

21 CHAIRMAN KLEIN: HAVING THE GROUND RULES
22 IN PLACE, I'D LIKE TO ASK IS THERE ANY COMMENTS ON
23 THIS CONCEPT FROM ANY BOARD MEMBER?

24 DR. LUBIN: SO I THINK THIS IS A GREAT
25 IDEA. WE'VE HAD A SUMMER PROGRAM WITH 40 KIDS FOR

BARRISTERS' REPORTING SERVICE

1 THE PAST 18 YEARS MOSTLY FUNDED BY NIH THROUGH THE
2 SICKLE CELL DISEASE PROGRAM, AND THEN FOR STUDENTS
3 THAT COME FROM SOCIOECONOMICALLY CHALLENGED
4 BACKGROUNDS, WHICH I SAW YOU HAD ON THE SLIDE. OUR
5 EXPERIENCE HAS BEEN THAT THESE ARE YOUNG PEOPLE THAT
6 ARE VERY BRIGHT AND ENTHUSIASTIC AND HAVE TO BE
7 FOCUSED TO GET ANYTHING IN THE LAB. ALTHOUGH I'M
8 ALL FOR UNDERSTANDING A WHOLE VARIETY OF THINGS AS
9 ONE GROWS UP, IF WE'RE TALKING ABOUT HIGH SCHOOL
10 KIDS, WHICH I THINK YOU SAID, THIS IS A CHALLENGE TO
11 HAVE A HIGH SCHOOL KID COME IN AND LEARN SOMETHING
12 COMPLETELY NEW AND ALSO HAVE ANOTHER COURSE AND NOT
13 BE FOCUSED. SO I'D ASK YOU JUST TO THINK ABOUT THAT
14 A LITTLE BIT MORE.

15 THE OTHER IS IF -- YOU HAD ON ONE OF YOUR
16 SLIDES SOCIOECONOMIC STATUS. OUR EXPERIENCE HAS
17 BEEN THAT FOR CHILDREN OR YOUNG PEOPLE WITH
18 SOCIOECONOMIC CHALLENGES IN THEIR BACKGROUND, THEY
19 HAVE TO GET A STIPEND THAT'S SUBSTANTIAL BECAUSE
20 THEY ACTUALLY SUPPORT THEIR FAMILIES IN WHAT THEY DO
21 DURING THE SUMMER, AND THEY HAVE TO BE THERE FULL
22 TIME. SO NIH GIVES \$6,000, 3,000 A MONTH FOR TWO
23 MONTHS. AND I DON'T KNOW WHETHER YOUR STIPEND IS IN
24 THAT RANGE.

25 DR. VESSAL: SO FOR THIS YEAR WHAT WE'VE

BARRISTERS' REPORTING SERVICE

1 DONE IS WE'RE BASICALLY MAINTAINING CONSISTENCY
2 BETWEEN THE THREE INSTITUTIONS AND THE STIPENDS THAT
3 ARE BEING BASICALLY GIVEN TO THE STUDENTS. THE
4 STUDENTS ARE RECEIVING \$2,000 FOR STIPEND.

5 DR. LUBIN: FOR THE WHOLE SUMMER?

6 DR. VESSAL: FOR THE TWO MONTHS, FOR THE
7 EIGHT WEEKS THAT THEY'LL BE INVOLVED IN. SOME OF
8 THEM, OF COURSE, ARE SCHOLARSHIP PROGRAMS WHICH
9 THESE ARE PAID. FOR INSTANCE, UNIVERSITY OF
10 CALIFORNIA SANTA BARBARA IS A PAID PROGRAM. AND SO
11 WE'RE PAYING THE ENTIRE TUITION FEE, \$4,045 PER
12 STUDENT, WHICH OTHERWISE THEY WOULD NOT HAVE BEEN
13 ABLE TO PAY.

14 FROM THE ACADEMIC STANDING, THEY'RE EQUAL.
15 RIGHT. NOT ALL OF THEM ARE SOCIOECONOMICALLY
16 DISADVANTAGED.

17 DR. LUBIN: YOU NEED TO HAVE THAT IN THIS
18 APPLICATION BECAUSE I WOULD SUGGEST YOU ELIMINATE
19 THAT SO YOU DON'T GO WITH THAT AS AN ISSUE. JUST
20 TAKE HIGH SCHOOL STUDENTS THAT ARE ACADEMICALLY
21 QUALIFIED AT THIS LEVEL BECAUSE I THINK IT'S GOING
22 TO BE VERY DIFFICULT TO GET KIDS FROM
23 SOCIOECONOMICALLY CHALLENGED BACKGROUNDS TO BE ABLE
24 TO LIVE ON -- TO BE ABLE TO ACCEPT SOMETHING LIKE
25 THAT OR EVEN APPLY.

BARRISTERS' REPORTING SERVICE

1 DR. VESSAL: AS I SAID, JUST FOR THIS
2 SUMMER, WE'RE KEEPING IT IN LINE WITH THE ACTUAL
3 CURRICULUM AT THE INSTITUTION THROUGH THEIR
4 PRESELECTION CRITERIA THAT THEY ALREADY HAVE. SO
5 WE'RE NOT ADDING ANYTHING TO --

6 DR. LUBIN: YOU'RE JUST GIVING THEM --

7 DR. VESSAL: AT THIS POINT WE'RE JUST
8 SUPPORTING THROUGH THEIR PROGRAM BASICALLY, AND
9 THEY'RE OPENING UP MORE SPOTS FOR THE OPPORTUNITIES.

10 CHAIRMAN KLEIN: THANK YOU. SO AS A
11 PILOT, DR. LUBIN, SINCE IT'S AN IMPORTANT OBJECTIVE,
12 THERE MAY BE SUPPLEMENTAL FUNDS FROM OTHER SOURCES
13 AS WELL TO HELP STUDENTS FROM CHALLENGED
14 SOCIOECONOMIC BACKGROUNDS. FROM A PILOT VIEWPOINT,
15 IT WOULD BE POTENTIALLY IMPORTANT FOR THEM TO TEST
16 THEIR ABILITY TO REACH THOSE PEOPLE AND SEE WHAT
17 OTHER SUPPLEMENTAL FUNDS ARE OUT THERE. YOU
18 CERTAINLY HAVE AN EXTREMELY IMPORTANT POINT GOING
19 FORWARD, THAT WE HAVE TO TRY AND IDENTIFY
20 SUPPLEMENTAL FUNDS FOR THESE STUDENTS.

21 DR. PIZZO: CLEARLY I AGREE THAT THIS IS A
22 GREAT PROGRAM. I JUST WANT TO OFFER AT LEAST A
23 CONTEXT FOR DR. LUBIN. THAT IS THAT I APPRECIATE
24 THE POINT THAT YOU'VE MADE AND I AGREE WITH IT IN
25 SUBSTANCE, BUT I WOULD ALSO ADD THAT WE'VE HAD A

BARRISTERS' REPORTING SERVICE

1 PROGRAM FOR HIGH SCHOOL STUDENTS FROM DISADVANTAGED
2 BACKGROUNDS THAT'S BEEN IN PLACE FOR OVER TWO
3 DECADES THAT DOESN'T HAVE A STIPEND THAT HAS BEEN
4 ENORMOUSLY SUCCESSFUL. IN FACT, THE METRICS ARE
5 JUST EXCEPTIONAL.

6 SO THERE ARE WAYS OF -- THERE ARE YOUNG
7 PEOPLE WHO WILL COME TO THESE PROGRAMS. IT'S NOT TO
8 DISMISS THE RELEVANCE OF YOUR COMMENTS, HOWEVER.

9 CHAIRMAN KLEIN: ALL RIGHT. I THINK DR.
10 LUBIN WAS REACHING FOR THE OPTIMAL OPPORTUNITY HERE,
11 BUT I DO RECOGNIZE STATISTICALLY YOU HAVE SOME GREAT
12 HISTORY. DUANE.

13 MR. ROTH: JUST TWO QUICK, ONE QUESTION.
14 THIS FALLS UNDER OUR MISSION UNDER WORKFORCE
15 DEVELOPMENT. THAT WAS WHERE YOU CATEGORIZED THIS AS
16 A PROGRAM?

17 DR. TROUNSON: I THINK I WOULD SEE IT
18 UNDER EDUCATION, BUT IT COULD WELL BE WORKFORCE
19 DEVELOPMENT. WE WILL HAVE TO SORT OF MAKE A
20 JUDGMENT DOWNSTREAM HOW MANY OF THOSE PEOPLE
21 ACTUALLY JOINED OUR WORKFORCE, I GUESS. WHAT I'M
22 TRYING TO DO IS IF WE ESTABLISH A HANDFUL OF PEOPLE
23 THAT DO EXTRAORDINARY THINGS, THIS WILL BE A
24 FANTASTIC PROGRAM. AND SO THAT'S WHAT I'M HOPING
25 FOR, THAT THERE WILL BE SOME EXTRAORDINARY

BARRISTERS' REPORTING SERVICE

1 INDIVIDUALS THAT WILL COME OUT OF THIS PROGRAM. AND
2 IF YOU REACH DOWN DEEP ENOUGH, IT WILL HAPPEN.

3 I'VE SEEN SOME OF THIS HAPPENING WITH MY
4 OWN SON, BUT ALSO WITH CHILDREN OF PEOPLE THAT I
5 KNOW WHO HAVE BEEN GIVEN THAT OPPORTUNITY. AND I'D
6 JUST LIKE TO SEE US DO SOME OF THIS IN CALIFORNIA.
7 IT'S NOT A HUGE ITEM, BUT I THINK IT COULD BE
8 SPECTACULARLY SUCCESSFUL BECAUSE EVEN IF YOU HAVE A
9 FEW PEOPLE THAT MAKE A BIG DIFFERENCE, IT WILL BE
10 TERRIFIC.

11 MR. ROTH: SECOND QUESTION, I THINK YOU
12 SAID YOU CHOSE THESE THREE SITES BECAUSE OF EXISTING
13 PROGRAMS. AND THE QUESTION IS SIMPLY DID YOU LOOK
14 THROUGHOUT THE STATE AND SELECT THESE THREE? WHAT
15 WAS THE PROCESS?

16 DR. VESSAL: YES. I'VE BEEN ENGAGING
17 WITH, IN FACT, ALMOST ALL OF THE INSTITUTIONS IN
18 CALIFORNIA THAT ARE CIRM-FUNDED AND DO HAVE A STEM
19 CELL SCIENCE LABORATORY RUNNING AND RESEARCH GOING
20 ON AT THEIR INSTITUTIONS. THESE THREE INSTITUTIONS
21 WERE THE BEST FIT FOR WHAT WE'RE LOOKING FOR IN THE
22 MOST IMMEDIATE SENSE JUST FOR THE PILOT PROGRAM, BUT
23 I AM DEFINITELY RIGHT NOW ENGAGING WITH OTHER
24 INSTITUTIONS THROUGHOUT SOUTHERN CALIFORNIA AT UCI.

25 MR. ROTH: JUST APPROXIMATELY HOW MANY DID

BARRISTERS' REPORTING SERVICE

1 YOU GO TO?

2 DR. VESSAL: ABOUT TEN.

3 MR. ROTH: THANKS.

4 CHAIRMAN KLEIN: DUANE, I'D LIKE TO SAY
5 THAT I ENCOURAGED THEM TO HAVE A MUCH BROADER
6 PROGRAM, BUT I THINK THE KEY WAS TIMING. TO GET A
7 TEST OUT, A PILOT PROGRAM FOR THIS SUMMER, THEY
8 DIDN'T THINK THEY COULD REACH ACROSS THE STATE. SO
9 IT WASN'T THAT THEY LACKED THE AMBITION TO TRY AND
10 HAVE IT ON A BROADER PILOT. IT WAS A TIME
11 CONSTRAINT.

12 MR. TORRES: WHEN I CHAIRED THE JOINT
13 COMMITTEE ON SCIENCE AND TECHNOLOGY, THIS WAS IN
14 THE '80S, WE WERE TALKING ABOUT THE SHORTAGE OF
15 FUNDS FOR HIGH SCHOOL STUDENTS AND UNDERGRADUATES
16 FOR SCIENCE. WE HAD A SEVERE ENGINEERING SHORTAGE
17 AT THAT TIME, WHICH IS STILL THERE. AND THE
18 CONVERSATIONS I'VE HAD WITH OUR PRESIDENT REGARDING
19 THE WHOLE ISSUE OF DIVERSITY IS RIGHT ON POINT. THE
20 BRIDGES PROGRAM HAS BEEN SO SUPPORTED BY THE
21 CONSTITUTIONAL OFFICERS, BY THE LEGISLATURE WHEN
22 THEY'RE INFORMED OF IT AND EDUCATED ABOUT THAT. I
23 THINK THIS PROGRAM, ALTHOUGH IT'S A PILOT PROGRAM,
24 WILL BE EMBRACED BY THE LEGISLATURE BECAUSE IT'S
25 SOMETHING THEY CAN'T DO, AND YET WE'RE ATTEMPTING TO

BARRISTERS' REPORTING SERVICE

1 DO IT AT A VERY SMALL LEVEL.

2 IN RESPECT TO THE SOCIOECONOMIC ISSUES, I
3 REPRESENT A COMMUNITY THAT IN 2013, IN 2013, THAT'S
4 LESS THAN TWO YEARS FROM NOW, 50 PERCENT OF THE
5 STUDENTS IN THIS STATE ARE GOING TO BE LATINO, 50
6 PERCENT. SO WE HAVE TO NOT ONLY REACH OUT TO THOSE
7 SOCIOECONOMIC COMMUNITIES FOR A LOT OF REASONS, NOT
8 THE LEAST OF WHICH IS THE CHALLENGE WE'RE FACING
9 WITH THE DIVERSITY IN CLINICAL TRIALS, AND HOW THE
10 CONVERSATIONS WE HAD WITH DREW UNIVERSITY AND THEIR
11 FACULTY, AS ALAN WELL KNOWS. SO I APPLAUD YOUR
12 EFFORTS HERE, ALAN. I APPLAUD MANI FOR MAKING THIS
13 HAPPEN, AND I THINK IT'S A GOOD CHOICE BECAUSE IT'S
14 A PILOT PROGRAM. WE CAN SEE HOW IT WORKS IN THOSE
15 INSTITUTIONS. I KNOW STANFORD HAS AN INCREDIBLE
16 PROGRAM FOR YEARS BECAUSE MY SON TOLD ME ABOUT IT
17 YEARS AGO WHEN HE WAS THERE.

18 SO I THINK THE STEPS ARE IN THE RIGHT
19 DIRECTION, AND I'M FULLY SUPPORTIVE OF THIS EFFORT.
20 AND I CAN ASSURE YOU THE LEGISLATURE AND THE
21 GOVERNOR WOULD BE AS WELL.

22 DR. POMEROY: SO I TOO AM SUPPORTIVE OF
23 THE CONCEPT OF GIVING DIVERSE HIGH SCHOOL KIDS AN
24 OPPORTUNITY TO BE EXPOSED TO SCIENCE AND
25 SPECIFICALLY STEM CELL RESEARCH. I DO WANT TO

BARRISTERS' REPORTING SERVICE

1 EXPRESS SOME CONCERNS BECAUSE APPARENTLY WE'RE
2 STARTING A NEW METHODOLOGY OF BEGINNING PROGRAMS
3 WHICH WE HADN'T EVER REALLY DISCUSSED BEFORE, WHICH
4 WAS TO SPEND MONEY TO TARGETED INSTITUTIONS WITHOUT
5 GIVING ALL INSTITUTIONS A CHANCE TO COMPETE TO
6 PARTICIPATE. AND IF THAT'S GOING TO BE A NEW
7 POLICY, I REALLY DO WISH WE HAD DISCUSSED THAT
8 BEFORE IT CAME FORWARD IN THIS WAY.

9 CERTAINLY, BERT, I TOOK FROM YOUR COMMENTS
10 AN IMPLICATION THAT YOU MIGHT HAVE BEEN INTERESTED
11 IN BEING APPROACHED ABOUT THIS. CERTAINLY UC DAVIS
12 WOULD HAVE BEEN INTERESTED. WE ALL DO HAVE PROGRAMS
13 FOR HIGH SCHOOL KIDS. I THINK AN OPEN PROCESS IS
14 IDEAL.

15 DR. VESSAL: I JUST WOULD LIKE TO ADD A
16 COMMENT HERE, THAT ACTUALLY UC DAVIS WAS APPROACHED.
17 I DID COMMUNICATE. THE PROBLEM HERE WAS, AGAIN,
18 TIMING WAS THE ISSUE, AND THAT SUCH A SORT OF
19 LAST -- IT'S BEEN A FEW MONTHS IN THE WORKING, NOT
20 THAT IT HASN'T BEEN, BUT TO ACTUALLY MAKE THAT
21 PROGRAM HAPPEN, EVEN IN A VERY SMALL SCALE AS IT IS
22 RIGHT NOW, IT TOOK A LOT OF EFFORT WITH OUR VERY
23 LIMITED TIME IN THE SCIENCE OFFICE. AND, AGAIN,
24 BEING A PILOT PROGRAM, WE THOUGHT THAT IT'D BE BEST
25 TO JUST CONCENTRATE IT VERY, VERY FOCAL, AGAIN, DUE

BARRISTERS' REPORTING SERVICE

1 TO TIME CONSTRAINTS. ABSOLUTELY IT IS CERTAINLY MY
2 HOPE, AND I KNOW IT IS THE ENTIRE SCIENCE OFFICE'S
3 HOPE TO SCALE THIS UP TO THE ENTIRE CALIFORNIA
4 INSTITUTIONS FOR NEXT YEAR AS AN ACTUAL PROGRAM.

5 SO THAT THERE WOULD BE ABSOLUTELY EQUAL
6 OPPORTUNITY WHERE A PROGRAM -- IF IT DOES FIT INTO
7 THE MODEL. FOR INSTANCE, UC IRVINE, I'VE BEEN
8 TRYING ALSO VERY HARD TO FORM SOME PARTNERSHIP WITH,
9 BUT, AGAIN, THEY DON'T HAVE AN EXISTING PROGRAM THAT
10 ACTUALLY WOULD BE A GOOD FIT FOR THIS AS OF YET.
11 THIS IS HOPEFULLY SOMETHING WE CAN WORK WITH THE
12 SCHOOLS SO THAT WE CAN ACTUALLY FORM A PROGRAM IF
13 THEY DON'T ALREADY HAVE A CURRICULUM IN PLACE.

14 DR. POMEROY: MY POINT IS THE PROCESS HERE
15 OF AWARDING STATE FUNDS WITHOUT AN OPEN PROCESS FOR
16 PEOPLE TO COMPETE FOR.

17 CHAIRMAN KLEIN: SO THE PROCESS IS A VERY
18 IMPORTANT ONE, DR. POMEROY. AND MY PERSONAL DESIRE
19 WAS TO HAVE A BROADER PROGRAM. I WAS CONVINCED BY
20 THE STAFF THAT TO HAVE -- TO BRING BACK TO THIS
21 BOARD A FULLY DEVELOPED CONCEPT THAT WOULD HAVE A
22 BROAD COMPETITION ACROSS THE STATE, THEY NEEDED THIS
23 PILOT PROGRAM TO GO FORWARD IN THE SUMMER. I
24 THOUGHT IT WAS APPROPRIATE TO BRING IT TO THIS
25 BOARD. I PERSONALLY SUPPORT THIS PROGRAM. BUT AS A

BARRISTERS' REPORTING SERVICE

1 PRINCIPLE, WE WANT EVERY PROGRAM TO BE AVAILABLE ON
2 OPEN COMPETITION. THIS IS A VERY NARROW COMPETITIVE
3 PROGRAM USED OUT OF SOME SAVINGS IN THE
4 ADMINISTRATIVE BUDGET, NOT EVEN USING RESEARCH
5 FUNDS, BUT WE UNDERSTAND THE PRINCIPLE VERY WELL,
6 AND WE ARE, I THINK, IN COMPLETE AGREEMENT.

7 ADDITIONAL COMMENTS? ALL RIGHT. THANK
8 YOU VERY MUCH. WHERE ARE WE IN TERMS OF QUORUM?

9 MS. KING: DON'T QUITE HAVE A QUORUM, BUT
10 WE MIGHT WANT TO TAKE PUBLIC COMMENT.

11 CHAIRMAN KLEIN: DO WE HAVE ANY INDIVIDUAL
12 PUBLIC COMMENT ON THIS PARTICULAR PROGRAM?

13 SO WHILE WE NEED A VOTE ON ITEM 13, WHILE
14 WE NEED A VOTE ON IT, I THINK IT'S ONE OF THE
15 SIMPLER PROGRAMS. AND HOPEFULLY, IF WE OPEN THE
16 DISCUSSION, WE CAN SUMMARIZE IT FAIRLY QUICKLY WHEN
17 WE HAVE THE LAST MEMBERS OF THE QUORUM JOIN. IT
18 ALLOWS US TO MOVE FORWARD IF THAT'S ACCEPTABLE. DR.
19 FEIGAL.

20 DR. FEIGAL: DID YOU WANT ME TO PRESENT?

21 CHAIRMAN KLEIN: IF YOU WOULD, PLEASE.

22 DR. FEIGAL: SO WHAT I'LL BRING TO YOU
23 TODAY IS CONSIDERATION OF THE GRANT WORKING GROUP
24 RECOMMENDATION ON INDUCED PLURIPOTENT STEM CELLS AS
25 A RESEARCH RESOURCE FOR DRUG DISCOVERY AND DISEASE

BARRISTERS' REPORTING SERVICE

1 MODELING. THIS IS A PUBLIC/PRIVATE PARTNERSHIP WITH
2 THE NATIONAL INSTITUTE FOR NEUROLOGICAL DISORDERS
3 AND STROKE.

4 YOU HAVE A SHORT WHITE PAPER IN YOUR
5 BOOKLET, AND THIS HAS BEEN VETTED PREVIOUSLY WITH
6 THE SCIENTIFIC SUBCOMMITTEE AND WITH THE GRANTS
7 WORKING GROUP BEFORE COMING TO THE ICOC.

8 THERE WAS QUITE A BIT OF DISCUSSION AND
9 WORK AT CIRM, AND I'D LIKE TO SAY THIS WAS ACTUALLY
10 LED BY DR. SOHEL TALIB, ONE OF OUR SCIENCE OFFICERS
11 HERE AT THE INSTITUTE. A WORKSHOP WAS PUT TOGETHER
12 IN NOVEMBER OF 2010 REALLY IDENTIFYING THE NEEDS IN
13 INDUCED PLURIPOTENT STEM CELL DERIVATION AND IN
14 BANKING. THIS WORKSHOP WAS HELD WITH LEADERS IN THE
15 FIELD AND IDENTIFIED THE FOLLOWING NEEDS: A
16 REPOSITORY FOR EXISTING IPS CELL LINES GENERATED BY
17 CALIFORNIA RESEARCHERS AND THE ABILITY TO MAKE THEM
18 MORE WIDELY AVAILABLE, AND THEN A MORE COMPREHENSIVE
19 EFFORT TO GENERATE NEW IPS CELL LINES FOR TARGETED
20 DISEASES FOR DISEASE MODELING AND FOR IN VITRO
21 SCREENING.

22 AT THE SAME TIME IN 2010 AND IN 2011, THE
23 NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND
24 STROKE WAS ALSO WORKING ON THE USE OF INDUCED
25 PLURIPOTENT STEM CELLS AND HAD DEVELOPED CONSORTIA

BARRISTERS' REPORTING SERVICE

1 TO WORK ON DISEASE MODELING AND DRUG DISCOVERY
2 EFFORTS IN THE TARGETED DISEASE AREA OF
3 NEURODEGENERATIVE DISEASES. AND IN 2011 NINDS
4 PROPOSED A PUBLIC/PRIVATE PARTNERSHIP CONSISTING OF
5 MEMBERS FROM THE GOVERNMENT, FROM PATIENT ADVOCATE
6 FOUNDATIONS, FROM OTHER NONPROFIT ORGANIZATIONS, AND
7 WITH THE BIOPHARMACEUTICAL INDUSTRY TO DEVELOP THIS
8 RESEARCH RESOURCE IN NEURODEGENERATIVE DISEASES
9 TARGETED TO DISEASE MODELING AND DRUG DISCOVERY.
10 AND THIS COMPETITION WOULD BE AMONG THE CURRENTLY
11 FUNDED CONSORTIA.

12 SO WHAT I'M BRINGING YOU TODAY IS STEP ONE
13 OF A TWO-STEP CONCEPT. AND THE FIRST STEP IS WHAT
14 I'LL FOCUS ON TODAY, AND THAT'S CIRM AND NINDS
15 PARTNERING ON NEURODEGENERATIVE DISEASE MODELING AND
16 DRUG DISCOVERY. SO STEP ONE IS THAT NINDS' LIST OF
17 PROPOSALS FROM THE CURRENTLY FUNDED CONSORTIA IN
18 HUNTINGTON'S DISEASE, IN PARKINSON'S DISEASE, AND IN
19 AMYOTROPHIC LATERAL SCLEROSIS.

20 THE PURPOSE OR THE PRIMARY GOAL OF THIS
21 INITIATIVE IS TO FACILITATE THE SCIENTIFIC
22 EVALUATION OF IPS RESOURCES FOR DISEASE MODELING AND
23 DRUG DISCOVERY, AND TO INCREASE THE NUMBER OF LINES,
24 THE TYPES OF MUTATIONS, THE REPORT OF MODIFICATIONS,
25 THE MAINTENANCE AND DIFFERENTIATION PROTOCOLS, AND

BARRISTERS' REPORTING SERVICE

1 THE CELL LINE CHARACTERIZATION THAT CAN BE MADE MORE
2 BROADLY AVAILABLE TO THE RESEARCH COMMUNITY AS
3 RESEARCH RESOURCES. THIS INITIATIVE IS REALLY
4 INTENDED TO BE A PARTNERSHIP WITH GOVERNMENT,
5 NONPROFIT ORGANIZATIONS, AND BIOPHARMACEUTICAL
6 COMPANIES WHO ARE ALL INTERESTED IN ADVANCING
7 DISEASE MODELING AND DRUG DISCOVERY EFFORTS.

8 THE REVIEW CRITERIA ARE ONES YOU COMMONLY
9 SEE BASED ON SIGNIFICANCE, INVESTIGATORS, THE
10 INNOVATION APPROACH, AND ENVIRONMENT IN WHICH THE
11 RESEARCH WILL BE DONE. AND BECAUSE THESE ARE
12 ALREADY FUNDED CONSORTIA, IT WILL BE BASED ON THEIR
13 PRODUCTIVITY TO DATE, THEIR MILESTONES THAT THEY
14 HAVE REACHED. AND ALSO, BECAUSE THIS IS A GOING TO
15 BE A PUBLICLY AVAILABLE RESOURCE, RESOURCE SHARING
16 PLANS.

17 CIRM, AS PART OF THE PUBLIC/PRIVATE
18 PARTNERSHIP THAT IS COORDINATED BY THE FOUNDATION
19 FOR THE NATIONAL INSTITUTES OF HEALTH, WOULD PROVIDE
20 FUNDING TO MERITORIOUSLY REVIEWED CALIFORNIA
21 APPLICANTS. THE BUDGET AMOUNT WOULD BE A HUNDRED
22 FIFTY THOUSAND PER YEAR TIMES TWO YEARS. THIS WOULD
23 BE OUT OF THE TOTAL OF THE NINDS COMMITMENT OF 4.5
24 MILLION IN 2011, AND THEN THE 2012 COMMITMENT BY
25 NINDS WOULD BE PENDING THEIR APPROPRIATIONS. THIS

BARRISTERS' REPORTING SERVICE

1 IS REALLY A NEAR-TERM OPPORTUNITY WITH APPLICATIONS
2 DUE IN JUNE, REVIEW AND FUNDING IN AUGUST.

3 CHAIRMAN KLEIN: SO, DR. FEIGAL, COULD YOU
4 COMMENT ON THE PUBLIC AVAILABILITY TO RESEARCHERS OF
5 THIS REPOSITORY ASSET?

6 DR. FEIGAL: SO THERE'S GOING TO BE A
7 STEERING COMMITTEE -- MAYBE I CAN GET TO THAT AS I
8 GO THROUGH THE SLIDES, BUT BASICALLY IT WILL
9 PUBLICLY AVAILABLE BASED ON CRITERIA THAT THE
10 STEERING COMMITTEE AND THE OVERSIGHT BOARD DEEM
11 APPROPRIATE. SO THIS IS GOING TO BE FOR RESEARCH
12 PURPOSES.

13 STEP TWO, WHICH I WILL NOT TALK ABOUT
14 TODAY, BUT JUST SO YOU KNOW THIS IS PART OF AN
15 INTEGRATED PLAN, IS THAT LATER IN THIS CALENDAR
16 YEAR, WE'LL BE COMING BACK TO YOU WITH A CONCEPT TO
17 PROVIDE SIMILAR RESEARCH RESOURCES IN OTHER DISEASE
18 AREAS POTENTIALLY IN COLLABORATION WITH OTHER
19 PARTNERS.

20 SO THE VALUE TO DATE FROM THE NINDS
21 PREVIOUSLY FUNDED IPS CONSORTIA HAVE BEEN THE
22 FOLLOWING. IT'S ENABLED RAPID RESOURCE AND ANALYTIC
23 TOOL DEVELOPMENT, INITIAL IDENTIFICATION OF CELLULAR
24 PHENOTYPES ASSOCIATED WITH LATE ONSET
25 NEURODEGENERATIVE DISEASES, AND IT'S ALLOWED THE

BARRISTERS' REPORTING SERVICE

1 DEVELOPMENT OF IPS DISEASE-SPECIFIC LINES AND
2 PROTOCOLS OR METHODOLOGIES FOR CELL TYPE-SPECIFIC
3 DIFFERENTIATION IN THE LINEAGE ANALYSIS.

4 SO THE PUBLIC/PRIVATE PARTNERSHIP WITH
5 NINDS WOULD EXPAND THE DEVELOPMENT CAPABILITIES OF
6 THE CURRENTLY EXISTING CONSORTIA. SO IT WOULD
7 PROMOTE THE CONTINUED DEVELOPMENT OF THIS RESEARCH,
8 IT WOULD ENABLE AND ENCOURAGE COLLABORATIVE RESEARCH
9 AMONG ACADEMIC AND INDUSTRY INVESTIGATORS, AND
10 ULTIMATELY IT WOULD ACCELERATE BASIC SCIENCE
11 DISCOVERIES AND THERAPEUTIC DEVELOPMENT FOR LATE
12 ONSET NEURODEGENERATIVE DISEASES.

13 WE FEEL THAT THIS PROPOSAL AND THIS
14 PARTNERSHIP ALIGNS WITH CIRM'S MISSION AND WITH THE
15 EXTERNAL REVIEW PANEL RECOMMENDATIONS. IT ALIGNS
16 WITH OUR MISSION TO SUPPORT THE DEVELOPMENT OF
17 POTENTIAL CURES AND THERAPIES BASED ON STEM CELL
18 SCIENCE AND ALIGNS WITH THE EXTERNAL REVIEW PANEL
19 RECOMMENDATIONS TO MAINTAIN FOCUS ON MEANINGFUL,
20 TARGETED SCIENTIFIC EXCELLENCE, TO ADOPT A MORE
21 AGGRESSIVE PROACTIVE APPROACH TO IDENTIFYING
22 INNOVATIVE PROJECTS ACROSS THE STEM CELL THERAPEUTIC
23 LANDSCAPE THAT SHOWS PROMISE FOR MOVING INTO
24 TRANSLATIONAL RESEARCH, CLINICAL TRIALS, AND PRODUCT
25 DEVELOPMENT, AND IT ALSO ALLOWS US TO HAVE SERIOUS

BARRISTERS' REPORTING SERVICE

1 ENGAGEMENT WITH INDUSTRY.
2 SO THE BENEFIT OF THIS PARTNERSHIP FOR
3 CIRM IS, FOR A RELATIVELY MODEST INVESTMENT IN
4 FUNDING, WE HAVE THE OPPORTUNITY TO PLAY A
5 LEADERSHIP ROLE IN A NATIONAL EFFORT. WE WOULD HAVE
6 A SEAT AT THE OVERSIGHT BOARD OF THE PUBLIC/PRIVATE
7 PARTNERSHIP. IT LEVERAGES EXISTING RESOURCES AND
8 EXPERTISE. IT COULD PROVIDE VALUABLE INSIGHTS ON
9 DISEASE MODELING AND DRUG DISCOVERY EFFORTS THAT
10 COULD BE HELPFUL TO OUR INVESTIGATORS AS WELL AS TO
11 THE SUBSEQUENT CONCEPT THAT WE'LL BRING FORWARD IN
12 OTHER DISEASE AREAS. IT ENABLES ACCESS TO
13 CIRM-FUNDED INVESTIGATORS OF A NATIONAL RESOURCE,
14 BUT MORE IMPORTANTLY, IT PROVIDES OPPORTUNITIES FOR
15 MORE IN-DEPTH INTERACTIONS WITH INDUSTRY, WITH
16 TRANSLATIONAL SCIENTISTS, AND WITH PATIENT ADVOCACY
17 ENGAGEMENT, ALL OF WHOM ARE FOCUSED ON INCREASING
18 THE KNOWLEDGE OF STRATEGIC THERAPEUTIC AREAS AND
19 CATALYZING THE DEVELOPMENT OF MORE ACCURATE AND
20 PREDICTIVE SCREENS FOR DRUG DISCOVERY AND
21 DEVELOPMENT.

22 IN A NUTSHELL, WHAT WE'RE ASKING FOR IS
23 APPROVAL OF THE STEP ONE OF THE TWO-STEP PROPOSAL TO
24 THE TUNE OF A 150,000 PER YEAR FOR TWO YEARS.

25 CHAIRMAN KLEIN: AND, DR. FEIGAL, FROM A

BARRISTERS' REPORTING SERVICE

1 STRATEGIC POINT OF VIEW, MY UNDERSTANDING IS, IN
2 SUMMARY, THAT ALTHOUGH WE'RE ONLY A HUNDRED FIFTY
3 THOUSAND IN EACH YEAR OF WHAT IS APPROXIMATELY 4.5
4 MILLION OF OTHER FUNDS, WE GIVE THIS A BOARD
5 POSITION FROM WHICH WE CAN LEARN A TREMENDOUS AMOUNT
6 ABOUT IPSC REPOSITORIES IN TERMS OF, A, IT ALSO
7 MAKES IT AVAILABLE FOR COMPETITION FOR CALIFORNIA
8 RESEARCHERS; BUT, B, IT GIVES US THE INSIGHTS TO
9 POTENTIALLY, SUBJECT TO WHAT WE LEARN, BRINGING BACK
10 TO THIS BOARD A PROPOSAL FOR AN IPSC REPOSITORY IN
11 CALIFORNIA; IS THAT CORRECT?

12 DR. FEIGAL: YEAH. I THINK YOU SAID IT
13 BEAUTIFULLY. I DON'T NEED TO ADD ANY MORE WORDS.

14 CHAIRMAN KLEIN: SO DISCUSSION?

15 MR. HARRISON: I JUST WANTED TO NOTE THAT
16 BECAUSE THE NIH RFP IS LIMITED TO THREE EXISTING
17 CONSORTIA, OUT OF AN ABUNDANCE OF CAUTION, WE HAVE
18 ADVISED THOSE MEMBERS WHO ARE ASSOCIATED WITH PI'S
19 AFFILIATED WITH THOSE CONSORTIA TO REFRAIN FROM
20 PARTICIPATING IN THIS DISCUSSION. I JUST WANTED TO
21 IDENTIFY THOSE MEMBERS SO THEY'RE AWARE.

22 THEY ARE MEMBERS MELMED, LEVIN, SHEEHY,
23 HAWGOOD, LANSING, AND FEIT.

24 CHAIRMAN KLEIN: THANK YOU. DISCUSSION?

25 MR. GOLDBERG: THANK YOU, DR. FEIGAL. I

BARRISTERS' REPORTING SERVICE

1 THINK THIS IS AN OUTSTANDING PROPOSAL AND
2 OUTSTANDING OPPORTUNITY AND TOTALLY CONSISTENT WITH
3 OUR MISSION. I SUPPORT IT.

4 DR. POMEROY: IS THAT A MOTION TO APPROVE?

5 MR. GOLDBERG: THAT WAS A DISCUSSION ITEM.
6 I'D HATE TO USURP OTHER DISCUSSION; BUT IF THERE IS
7 NO OTHER DISCUSSION, I WOULD LIKE TO MAKE A MOTION
8 TO APPROVE.

9 CHAIRMAN KLEIN: WE CAN CONTINUE THE
10 DISCUSSION AFTER THE MOTION. THE MOTION BY MICHAEL
11 GOLDBERG. THERE'S A SECOND BY DR. POMEROY. IS
12 THERE DISCUSSION ON THE MOTION? I BELIEVE, IS IT
13 POSSIBLE THAT WE --

14 DR. LUBIN: JUST ONE POINT. I AM ALL FOR
15 THE REPOSITORY AND I'M ALL FOR PARTICIPATING. I'VE
16 BEEN IN A NUMBER OF REPOSITORIES, NOT AN IPS, BUT I
17 JUST CAUTION THAT WE HAVE ACCESS TO THAT REPOSITORY
18 WHEN WE WANT TO DO THE RESEARCH AND THAT GUIDELINES
19 AREN'T CREATED BY NIH THAT BLOCK SOME ACCESS OF
20 THINGS THAT WE GIVE OR THAT MATERIALS WE PROVIDE ARE
21 USED ELSEWHERE WITHOUT AT LEAST HAVING SOME IDEA OF
22 WHAT'S GOING ON.

23 DR. FEIGAL: I THINK IT'S INTENDED TO BE
24 CREDIBLE RESOURCES AND RESEARCH, AND PERHAPS THERE
25 COULD BE SOMETHING DIFFERENT FOR PEOPLE WHO ACTUALLY

BARRISTERS' REPORTING SERVICE

1 DONATE VERSUS THE BROADER RESEARCH COMMUNITY.
2 THAT'S OFTEN WHAT'S DONE IN RESEARCH REPOSITORIES.
3 SO WE CAN TALK ABOUT THOSE ISSUES, BUT THAT WILL BE
4 A TOPIC FOR THE OVERSIGHT BOARD.

5 CHAIRMAN KLEIN: BUT SPECIFICALLY THE
6 POINT I FOCUSED ON EARLIER IS IT'S INTENDED AS A
7 PUBLIC RESOURCE FOR CREDENTIALLED RESEARCHERS WHO
8 MEET THE CRITERIA FOR SERIOUS RESEARCH. AND HAVING
9 A POSITION ON THE BOARD GIVES AN ABILITY TO MAKE
10 CERTAIN THERE'S NOT AN INADVERTENT MISTAKE IN HOW
11 THE GUIDELINES ARE SET UP FOR ACCESS THAT LIMITS IT
12 UNNECESSARILY.

13 DR. PIZZO: ALAN, JUST AS AN EXTENSION OF
14 THE DISCUSSION THAT WE'VE HAD SEPARATELY, I WONDER
15 IF YOU WOULD ALSO SHARE HOW YOU ENVISION THIS PILOT
16 MIGHT GO, IF SUCCESSFUL, IN TERMS OF EMBRACING A
17 LARGER PORTFOLIO. AND IF SO, HOW WILL THIS BE
18 FACTORED INTO THE EQUATION OF OTHER INSTITUTIONS
19 SETTING UP THEIR OWN CELL BANKS VERSUS A NATIONAL
20 RESOURCE?

21 DR. FEIGAL: IT'S VERY GOOD. WHAT I
22 DIDN'T MENTION IS WHO THE RESOURCE REPOSITORY WOULD
23 BE, AND IT WOULD BE WITH CORIELL, WHICH HAS A
24 LONG-STANDING HISTORY OF BEING A SUSTAINABLE
25 RESOURCE FOR THESE TYPES OF CELL LINES. SO I THINK,

BARRISTERS' REPORTING SERVICE

1 FIRST OF ALL, FOR NEURODEGENERATIVE DISEASES, I
2 THINK WE WOULD NOT WANT TO REPLICATE SOMETHING LIKE
3 THAT IN CIRM, BUT FOCUS ON OTHER THERAPEUTIC AREAS
4 WOULD PROBABLY MAKE THE MOST SENSE FOR OUR
5 PORTFOLIO. I THINK IN TERMS OF A SUSTAINABLE
6 RESEARCH RESOURCE, WE NEED TO THINK OF THAT AND THE
7 TYPE OF RESOURCES THAT CORIELL OR PERHAPS OTHER
8 TYPES OF RESEARCH RESOURCES THAT ARE SUSTAINABLE CAN
9 BE HAD BECAUSE I THINK THAT'S VERY IMPORTANT AS
10 YOU'RE DONATING CELL LINES INTO A RESOURCE. DID
11 THAT ANSWER YOUR QUESTION?

12 CHAIRMAN KLEIN: SO, COUNSEL, BEFORE I ASK
13 FOR PUBLIC COMMENT, JUST WANT TO CHECK WITH YOU ON
14 OUR PROTOCOL. WE DO HAVE A PROTOCOL WHERE WE CAN
15 TAKE A VOTE, LEAVE IT OPEN, BUT WE LIMITED THAT
16 PROTOCOL. AND SINCE IT WAS NINE MONTHS AGO WHEN WE
17 PUT ON THOSE LIMITATIONS, I'D LIKE TO MAKE CERTAIN
18 THAT I'M LIVING WITHIN THOSE LIMITATIONS. SO IF YOU
19 COULD LOOK THAT UP WHILE I'M CALLING ON THE PUBLIC
20 FOR ANY COMMENTS. SO YOU'VE HAD ALL THE TIME YOU
21 ARE GOING TO HAVE.

22 DR. FEIGAL: I DON'T HAVE ANY JOKES TO
23 TELL.

24 MR. HARRISON: IT IS LIMITED TO
25 CIRCUMSTANCES WHERE THE BOARD HAS HAD A PRIOR

BARRISTERS' REPORTING SERVICE

1 DISCUSSION CONCERNING THE MATTER. THIS ISSUE HAS
2 BEEN BROUGHT TO THE SCIENCE SUBCOMMITTEE, BUT NOT TO
3 THE BOARD PREVIOUSLY.

4 CHAIRMAN KLEIN: ALL RIGHT. SO I WILL NOT
5 CALL THE ITEM FOR A VOTE AT THIS TIME, BUT WE'LL
6 JUST MOVE TO THE NEXT ITEM, LEAVING THIS ONE OPEN,
7 PLEASE. SO WE WILL PROCEED IN THAT MANNER.

8 WE HAVE ITEM NO. 12, TRYING TO FULLY
9 UTILIZE OUR TIME WHILE WE'RE WAITING FOR OUR LAST
10 VOTE, WHICH IS CONSIDERATION OF RECOMMENDATIONS OF
11 THE SCIENCE SUBCOMMITTEE. I'D LIKE TO ADVANCE THAT
12 ITEM IF WE COULD IN THIS TIME PERIOD.

13 ACTUALLY WHILE WE ARE DOING THAT, SINCE
14 IT'S DIFFICULT TO IMMEDIATELY LOCATE MR. SHEEHY, I'D
15 LIKE TO MOVE TO ITEM 17. DR. TROUNSON, WHO WOULD
16 YOU WOULD LIKE --

17 DR. PIZZO: ACTUALLY USING APPLE DEVICES,
18 WE COULD PROBABLY LOCATE.

19 CHAIRMAN KLEIN: DR. SAMBRANO, ITEM 17,
20 CONSIDERATION OF NEW SCIENTIFIC MEMBERS OF THE
21 GRANTS WORKING GROUP. COULD YOU GIVE US THE
22 BACKGROUNDS, PLEASE?

23 DR. SAMBRANO: YES. MR. CHAIRMAN, MEMBERS
24 OF THE BOARD, WE'RE BRINGING FOR YOUR CONSIDERATION
25 THREE NOMINEES FOR GRANTS WORKING GROUP MEMBERS THAT

BARRISTERS' REPORTING SERVICE

1 BRING US SOME KEY CLINICAL AND TRANSLATIONAL
2 EXPERTISE, SUCH AS IN THE AREAS OF CARDIOVASCULAR
3 DISEASE, SPINAL CORD INJURY, NEUROLOGICAL DISEASE,
4 AND REGULATORY AND PRODUCT DEVELOPMENT KNOWLEDGE.

5 THE NOMINEES ARE SHOWN IN YOUR BOOKS AND
6 INCLUDE DR. JOY CAVAGNARO, DR. THOMAS FREEMAN, AND
7 DR. WOLFRAM-HUBERTUS ZIMMERMAN. AND SO WE REQUEST
8 THE APPROVAL AND APPOINTMENT OF THESE NOMINEES AS
9 MEMBERS OF THE WORKING GROUP.

10 CHAIRMAN KLEIN: OKAY. IS THERE ANY
11 DISCUSSION ON THE NOMINEES? ANY QUESTIONS OF DR.
12 SAMBRANO ON THE NOMINEES? ANY PUBLIC COMMENT ON THE
13 NOMINEES? ALL RIGHT. I WILL WAIT, THEN, UNTIL WE
14 CAN HAVE A QUORUM.

15 I DO BELIEVE THAT SINCE WE WILL HAVE AN
16 EXECUTIVE SESSION RELATED TO ITEM 8, THAT IT'S
17 APPROPRIATE TO ASK HOW SOON DO WE EXPECT THE
18 ADDITION OF THE MEMBERS EITHER ON THE PHONE OR IN
19 PERSON WHO WILL BRING US TO THE QUORUM?

20 MS. KING: IN THE NEXT FIVE OR TEN
21 MINUTES.

22 CHAIRMAN KLEIN: SO POTENTIALLY IT WOULD
23 BE SAFE TO ASSUME THEY COULD JOIN US DURING THE
24 EXECUTIVE SESSION ON ITEM 8. AND SO, DR. TROUNSON,
25 PERHAPS ON ITEM 8 WE COULD HAVE THE SCIENTIFIC

BARRISTERS' REPORTING SERVICE

1 INTRODUCTION OF THE ITEM, AND THEN I'D LIKE TO GO
2 INTO EXECUTIVE SESSION. WE'LL DEAL WITH QUESTIONS
3 RELATED TO ITEM 8 WHEN WE HAVE THE FULL QUORUM AND
4 EVERYONE PRESENT SO EVERYONE HEARS ALL THE QUESTIONS
5 AND DISCUSSIONS. BUT AT LEAST THIS IS AN ITEM THAT
6 CAN BE PRESENTED BY DR. FEIGAL.

7 DR. FEIGAL: OKAY. THANK YOU. SO I'M
8 PLEASED TO BRING FORWARD TO YOU TODAY CONSIDERATION
9 OF RECOMMENDATIONS FROM OUR GRANT WORKING GROUP ON
10 TARGETED CLINICAL DEVELOPMENT AWARDS, RFA 10-03.

11 SO THIS TARGETED CLINICAL DEVELOPMENT
12 AWARD WAS TO FUND EARLY STAGE CLINICAL DEVELOPMENT
13 FOR A CELL THERAPY THAT WAS DERIVED FROM HUMAN
14 PLURIPOTENT STEM CELLS. HERE YOU CAN SEE THE
15 CHEVRON WITH THE DIFFERENT AREAS OF RESEARCH THAT
16 OUR INSTITUTE FUNDS. WHERE WE'RE LOOKING AT IS
17 WHAT'S HIGHLIGHTED IN RED AFTER THE IND FILING, THE
18 EARLY FIRST-IN-HUMAN CLINICAL DEVELOPMENT.

19 I WANT TO FIRST ALSO ACKNOWLEDGE MANY OF
20 THE SCIENCE OFFICERS AND EXECUTIVE DIRECTORS WHO
21 WORKED ON THIS INITIATIVE. AND I'D LIKE TO
22 ACKNOWLEDGE INGRID CARAS, PAT OLSON, AND BETTINA
23 STEFFEN, WHO DID REALLY THE LION'S SHARE OF THE WORK
24 ON THIS. I JUST HAVE THE PRIVILEGED OPPORTUNITY TO
25 PRESENT IT TO YOU TODAY.

BARRISTERS' REPORTING SERVICE

1 SO THIS IS CIRM'S ENTRY TO FIRST-IN-HUMAN
2 CLINICAL TRIALS WITH CELL THERAPY. AND HERE WE NEED
3 TO DO A BALANCING OF THE INNOVATION WITH SAFETY.
4 THIS RFA ALIGNS WITH CIRM'S MISSION TO SUPPORT THE
5 DEVELOPMENT OF POTENTIAL CURES AND THERAPIES BASED
6 ON STEM CELL SCIENCE. I THINK YOU SAW EARLIER TODAY
7 WITH THE PRESENTATION BY DR. DON KOHN THE YEARS OF
8 RESEARCH THAT IT TAKES TO EVEN GET TO THE IND
9 FILING. SO WE'RE LOOKING AT RESEARCH THAT HAS
10 ACTUALLY BEEN THROUGH MANY OF THE BUILDING BLOCKS OF
11 SCIENTIFIC DISCOVERY OF IND ENABLING RESEARCH TO
12 EVEN BRING THEM TO THIS POINT.

13 SO MOVING INNOVATIVE TECHNOLOGY INTO
14 CLINICAL TRIALS INVOLVES YEARS OF DEVELOPMENT,
15 INTENSIVE RESOURCE INVESTMENT, AND NAVIGATING
16 EVOLVING REGULATORY LANDSCAPE. AND THIS IS
17 SOMETHING THAT HAPPENS WHEN YOU'RE DEALING WITH
18 INNOVATIVE TECHNOLOGY.

19 OUR PRIMARY FOCUS FOR THESE EARLY PHASE
20 CLINICAL TRIALS IS TO GAIN PRELIMINARY EVIDENCE OF
21 SAFETY AND FEASIBILITY.

22 NEXT SLIDE. SO THE RFA INTENT IS TO FUND
23 EARLY CLINICAL DEVELOPMENT THAT WILL INFORM AND
24 ADVANCE REGENERATIVE MEDICINE. WHAT WE REALLY WANT
25 TO LOOK AT IN THESE APPLICATIONS IS IS THE CLINICAL

BARRISTERS' REPORTING SERVICE

1 TRIAL DESIGNED TO ADDRESS THE KEY ISSUES, AND IS THE
2 TRIAL DESIGNED TO REALLY ANSWER THOSE QUESTIONS?
3 THE RFA IS REALLY DONE TO FACILITATE DEVELOPMENT OF
4 NOVEL CELL THERAPIES THAT ARE DERIVED FROM
5 PLURIPOTENT STEM CELLS THAT COULD EVENTUALLY LEAD TO
6 POTENTIAL BENEFIT OF PERSONS WITH SERIOUS DISEASE OR
7 INJURY AND ALSO THE ABILITY TO COMPLETE WITHIN THREE
8 YEARS EARLY STAGE CLINICAL TRIALS THAT CAN EVALUATE
9 PRELIMINARY EVIDENCE OF SAFETY, EVIDENCE OF
10 MECHANISM, AND POTENTIALLY THE PRELIMINARY EVIDENCE
11 OF ACTIVITY AND EFFICACY.

12 THIS RFA WILL PROVIDE FUNDING FOR CRITICAL
13 ACTIVITIES IN CLINICAL TRIALS. IT WILL PROVIDE FOR
14 FUNDING OF MANUFACTURING OF THE CELL PRODUCT. JUST
15 TO REITERATE, I KNOW MANY OF YOU ALREADY KNOW THIS,
16 BUT IN CELL THERAPY, THE PROCESS AND HOW IT'S
17 MANUFACTURED IS KEY. IT'S NOT LIKE A SMALL
18 MOLECULE. AND THESE TYPES OF MANUFACTURING CAN BE
19 VERY INTENSIVE, VERY EXPENSIVE, AND SO WE'RE ABLE TO
20 FUND THIS PART OF THE PROJECT. IN ADDITION, IT WILL
21 FUND THE ACTUAL CLINICAL TRIAL AND ITS OPERATIONS
22 AND ANY CORRELATIVE STUDIES THAT ARE PERFORMED IN
23 THE CONTEXT OF THE PROPOSED CLINICAL TRIAL THAT
24 COULD SHED LIGHT AT ADDITIONAL INFORMATION ABOUT
25 SAFETY, MECHANISM OF ACTION, OR ACTIVITY. FOR

BARRISTERS' REPORTING SERVICE

1 EXAMPLE, THESE COULD BE LABORATORY ASSAYS, IMAGING
2 STUDIES.

3 THIS APPLICATION REQUIRED THAT THE
4 APPLICANT HAVE AN ACTIVE IND AND THAT THEY WERE ABLE
5 TO PROVIDE ONE-TO-ONE MATCHING FUNDS. THE CIRM
6 FUNDING FOR THIS RFA FOR EACH APPLICATION WOULD BE
7 EITHER THE LESSER OF 25 MILLION OR 50 PERCENT OF THE
8 TOTAL COSTS OF THE PROPOSED PROGRAM, AND THE TOTAL
9 PROGRAM COST WOULD SET ASIDE UP TO \$50 MILLION.

10 WE HAD VERY DETAILED REVIEW CRITERIA AND
11 HELD A VERY ROBUST REVIEW THAT INCLUDED DISEASE,
12 PRODUCT DEVELOPMENT, TECHNOLOGY, AND REGULATORY
13 EXPERTISE, INCLUDING THOSE EXPERTS VERY
14 KNOWLEDGEABLE ABOUT IND'S AND FDA. AND SORRY TO USE
15 ABBREVIATIONS, BUT I ASSUME ALL OF YOU KNOW AN IND
16 STANDS FOR AN INVESTIGATIONAL NEW DRUG APPLICATION.
17 JUST TO EXPLAIN SOME OF OUR ABBREVIATIONS.

18 I WANT TO GO THROUGH JUST IN A LITTLE BIT
19 OF DETAIL THE REVIEW CRITERIA THAT WE HAD FOR THESE
20 EARLY PHASE CLINICAL TRIALS. IT WAS SIGNIFICANCE
21 AND IMPACT, PROJECT DESIGN AND FEASIBILITY, THE
22 QUALIFICATIONS OF THE PI, THE CO-PI AND THEIR TEAM,
23 AND COLLABORATIONS, ASSETS, RESOURCES, AND
24 ENVIRONMENT. IN ANY KIND OF CLINICAL TRIAL, THERE'S
25 AN ENORMOUS TEAM THAT NEEDS TO BE PUT TOGETHER IN

BARRISTERS' REPORTING SERVICE

1 ORDER TO ENABLE A CLINICAL TRIAL TO GO FORWARD.
2 SO UNDER SIGNIFICANCE AND IMPACT, THE
3 FIRST THING THAT WE LOOKED AT WAS THE APPLICANT'S
4 VISION FOR THE PRODUCT, WHAT WE CALL THE TARGET
5 PRODUCT PROFILE. AND DID IT ADDRESS UNMET MEDICAL
6 NEED AND HAVE THE POTENTIAL TO IMPROVE PATIENT CARE?
7 AND THIS VISION FOR THE PRODUCT IS VERY IMPORTANT
8 BECAUSE IT ACTUALLY DRIVES THE WHOLE CLINICAL TRIAL
9 DEVELOPMENT PLAN. IS THERE A WELL-DEVELOPED,
10 WELL-CONCEIVED DEVELOPMENT STRATEGY? DID THE
11 PROJECT ADDRESS THE RFA OBJECTIVES? AND IS THERE
12 STRONG SCIENCE AND CLINICAL RATIONALE?

13 UNDER PROJECT DESIGN AND FEASIBILITY, IS
14 THE CHOICE OF THE PATIENT POPULATION APPROPRIATE?
15 ARE THE END POINTS AND OBJECTIVES APPROPRIATE? IS
16 THE ENROLLMENT FOR PATIENTS IN THE PROJECTED DISEASE
17 REASONABLE? ARE THE SUPPORTIVE STUDIES WELL
18 DESIGNED TO PROVIDE MEANINGFUL DATA? AND WILL
19 SOMETHING MEANINGFUL AND ADDRESSING THE QUESTIONS
20 COME OUT REGARDLESS OF THE OUTCOME OF THE TRIAL?
21 WILL WE LEARN SOMETHING FROM HAVING DONE THIS
22 PROJECT? ARE THE PLANS TO PROTECT PATIENTS
23 ADEQUATE? ARE THE PLANS FOR SELECTING AND
24 OVERSEEING THE CLINICAL SITES ADEQUATE?
25 IS THE FEASIBILITY OF THE MANUFACTURING

BARRISTERS' REPORTING SERVICE

1 STRATEGY TO BE MET FOR THE ENROLLMENT DEMANDS? AND
2 ARE THE TIMELINES APPROPRIATE? ARE THE CHEMISTRY,
3 MANUFACTURING, AND CONTROL ACTIVITIES NECESSARY TO
4 CONDUCT THE CLINICAL WORK APPROPRIATE? IS THERE AN
5 ADEQUATE PLAN TO MANAGE THE PRODUCT HANDLING AT THE
6 CLINICAL SITES? ARE THE PROJECT MILESTONES
7 MEANINGFUL, AND ARE THEY INDICATIVE OF PROGRESS?
8 ARE THERE CLEAR GO/NO-GO CRITERIA? AND ARE THEY
9 ADEQUATELY DEFINED? AND IS THERE INTEGRATION OF THE
10 MANUFACTURING AND THE CLINICAL TIMELINE COMPLETE AND
11 REALISTIC?

12 FOR THE QUALIFICATIONS AND EXPERIENCE OF
13 THE PRINCIPAL INVESTIGATOR AND TEAM, WE LOOKED AT
14 THEIR TRACK RECORD. DO THEY HAVE EXPERIENCE IN
15 FIRST-IN-HUMAN CLINICAL TRIALS? DO THEY HAVE
16 EXPERIENCE IN CONDUCTING THESE TYPES OF HIGHLY
17 REGULATED TRIALS?

18 AND FOR THE COLLABORATIONS, ASSETS,
19 RESOURCES ENVIRONMENT, WE LOOKED AT ANY KIND OF
20 VENDORS, CONTRACTORS THEY HAD TO MAKE SURE WHETHER
21 THEY WERE CONTRACT RESOURCE ORGANIZATIONS. WERE
22 THOSE APPROPRIATE? WERE THEY ADEQUATE?

23 SO AFTER LOOKING AT THESE VARIETY OF
24 CRITERIA, WE HAD A VERY ROBUST REVIEW AND
25 DISCUSSION. AND IN THE NEXT SLIDE IS THE

BARRISTERS' REPORTING SERVICE

1 RECOMMENDATION.

2 SO THE GRANTS WORKING GROUP RECOMMENDED
3 ONE APPLICATION MOVING FORWARD AT A BUDGET OF 24.8
4 MILLION OVER THE COURSE OF THREE YEARS, THIS IS A
5 LOAN, WITH MATCHING FUNDS BY THE APPLICANT.

6 CHAIRMAN KLEIN: OKAY. THANK YOU VERY
7 MUCH. WE'RE GOING TO ADJOURN TO GET OUR PROPRIETARY
8 DISCUSSION IN EXECUTIVE SESSION. BEFORE THAT, SINCE
9 WE NOW HAVE A QUORUM, I'D LIKE TO SEE IF WE CAN
10 QUICKLY ADDRESS TWO PENDING ITEMS.

11 ONE ITEM IS THE IPSC REPOSITORY WHICH
12 WOULD GIVE US A SEAT ON THE BOARD OF THAT
13 REPOSITORY. IT'S 150,000 A YEAR FOR EACH OF TWO
14 YEARS. THERE'S 4.5 MILLION OF OTHER FUNDS THAT IS
15 PUT FORWARD IN THAT. IT GIVES US THE STRATEGIC
16 KNOWLEDGE TO POTENTIALLY EVALUATE WHETHER WE SHOULD
17 HAVE A REPOSITORY IN CALIFORNIA IN ANOTHER
18 POTENTIALLY SPECIALIZED DISEASE AREA. ADDITIONALLY,
19 IT GIVES US THE ABILITY TO MAKE CERTAIN THAT FOR
20 QUALIFIED, CREDENTIALLED RESEARCHERS IN THE
21 NEUROLOGICAL AREA, WHICH IS WHAT THIS REPOSITORY
22 ADDRESSES, THAT THERE IS PROPER PUBLIC ACCESS FOR
23 SERIOUS RESEARCHERS TO THIS ASSET.

24 THE MEMBER WHO WAS ADDED WHO WAS NOT
25 PREVIOUSLY PRESENT WAS JONATHAN SHESTACK; IS THAT

BARRISTERS' REPORTING SERVICE

1 CORRECT? AND, JONATHAN, YOU HAVE THE MATERIALS ON
2 THIS IN YOUR BOOK, BUT ARE THERE ANY QUESTIONS YOU
3 WANT TO ASK BEFORE WE ASK FOR A MOTION ON THIS?

4 MR. SHESTACK: NO.

5 CHAIRMAN KLEIN: THANK YOU. IS THERE A
6 MOTION TO APPROVE THIS ITEM?

7 MR. HARRISON: WE HAVE A MOTION PENDING.

8 CHAIRMAN KLEIN: THANK YOU FOR REMINDING
9 ME. WE HAVE A MOTION AND A SECOND. IS THERE
10 FURTHER DISCUSSION FROM THE BOARD? IS THERE FURTHER
11 DISCUSSION FROM THE PUBLIC? SEEING NONE, I'D LIKE
12 TO CALL THE QUESTION. ALL IN FAVOR SAY -- THAT'S
13 RIGHT. BECAUSE WE DO HAVE POTENTIAL RECUSALS HERE,
14 WE'RE GOING TO DO A ROLL CALL VOTE.

15 MS. KING: JUST TO SET THE MEMBERS' MINDS
16 AT EASE, I WILL ONLY CALL YOU TO VOTE ON THIS IF YOU
17 ARE NOT IN CONFLICT WITH IT.

18 ROBERT PRICE.

19 DR. PRICE: YES.

20 MS. KING: MICHAEL GOLDBERG.

21 MR. GOLDBERG: YES.

22 MS. KING: BOB KLEIN.

23 CHAIRMAN KLEIN: YES.

24 MS. KING: BERTRAM LUBIN.

25 DR. LUBIN: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: PHIL PIZZO.
2 DR. PIZZO: YES.
3 MS. KING: CLAIRE POMEROY.
4 DR. POMEROY: YES.
5 MS. KING: FRANCISCO PRIETO. ELIZIBETH
6 FINI.
7 DR. FINI: YES.
8 MS. KING: ROBERT QUINT.
9 DR. QUINT: YES.
10 MS. KING: DUANE ROTH.
11 MR. ROTH: YES.
12 MS. KING: JOAN SAMUELSON.
13 MS. SAMUELSON: YES.
14 MS. KING: JON SHESTACK.
15 MR. SHESTACK: YES.
16 MS. KING: OSWALD STEWARD.
17 DR. STEWARD: YES.
18 MS. KING: ART TORRES.
19 MR. TORRES: AYE.
20 MS. KING: KRISTINA VUORI.
21 DR. VUORI: YES.
22 MS. KING: JAMES ECONOMOU.
23 DR. ECONOMOU: YES.
24 MS. KING: AND CIRCLING BACK TO FRANCISCO
25 PRIETO FOR YOUR VOTE.

BARRISTERS' REPORTING SERVICE

1 DR. PRIETO: AYE.

2 MS. KING: I WILL DEFER TO COUNSEL GIVEN
3 THE CONFLICT SITUATION.

4 MR. HARRISON: THE MOTION CARRIES.

5 CHAIRMAN KLEIN: I'D LIKE TO GO TO ITEM
6 17. IN THAT CASE I BELIEVE WE DID NOT HAVE A MOTION
7 AND A SECOND. WOULD SOMEONE LIKE TO MAKE A MOTION
8 TO MOVE THE ADDITIONAL QUALIFICATION OF SCIENTIFIC
9 MEMBERS FOR THE GRANTS WORKING GROUP?

10 MR. TORRES: SO MOVED.

11 CHAIRMAN KLEIN: MOVED BY SENATOR TORRES.
12 IS THERE A SECOND?

13 MR. ROTH: SECOND.

14 CHAIRMAN KLEIN: SECOND BY DUANE ROTH. IN
15 THIS CASE WE CAN HAVE A VOICE VOTE, AND WE HAVE
16 MEMBERS ON THE PHONE? SO WE WILL DO A VOICE VOTE
17 FOLLOWED BY ROLL CALL ON THE MEMBER ON THE PHONE.
18 IS THERE ANY PUBLIC COMMENT AGAIN? HEARING NONE,
19 ALL IN FAVOR. OPPOSED? AND LET US CALL JOAN.

20 MS. KING: JOAN SAMUELSON.

21 MS. SAMUELSON: YES.

22 CHAIRMAN KLEIN: THANK YOU.

23 MS. KING: THAT MOTION CARRIES.

24 CHAIRMAN KLEIN: AT THIS POINT, COUNSEL,
25 WOULD YOU GIVE US THE STATUTORY AUTHORITY FOR

BARRISTERS' REPORTING SERVICE

1 RETIRING INTO EXECUTIVE SESSION RELATED TO THE
2 PROPRIETARY INFORMATION UNDER ITEM 8?

3 MR. HARRISON: YES. THE BOARD WILL BE
4 CONVENING IN CLOSED SESSION TO DISCUSS CONFIDENTIAL
5 INTELLECTUAL PROPERTY OR WORK PRODUCT PREPUBLICATION
6 DATA, FINANCIAL INFORMATION, AND CONFIDENTIAL
7 SCIENTIFIC RESEARCHER DATA RELATING TO APPLICATIONS
8 FOR RFA 10-03, THE CIRM TARGETED CLINICAL
9 DEVELOPMENT AWARDS PURSUANT TO HEALTH AND SAFETY
10 CODE SECTION 125290.30(F)(3)(B) AND (C).

11 CHAIRMAN KLEIN: THANK YOU. AND THE ROOM
12 THAT WE WILL ADJOURN TO IS?

13 MS. KING: DIRECTLY ACROSS THE FLOOR OF
14 THE BUILDING.

15 CHAIRMAN KLEIN: SHERRY LANSING, AS
16 ALWAYS, YOUR TIMING IS IMPECCABLE. WE ARE
17 ADJOURNING FOR EXECUTIVE SESSION ON ITEM 8. SO
18 WE'RE GOING TO GO --

19 MS. LANSING: LET THE RECORD SHOW THAT THE
20 ONLY REASON THAT I CAME LATE WAS BECAUSE I'M RECUSED
21 FROM MOST OF THESE, NOT DUE TO A LACK OF INTEREST.
22 MY HEART IS WITH ALL OF YOU.

23 CHAIRMAN KLEIN: ALL RIGHT. SO WE'RE
24 GOING TO ADJOURN DIRECTLY ACROSS THE LOBBY AT THIS
25 MOMENT, AND WE WILL TRY AND KEEP THIS WITHIN 30 TO

BARRISTERS' REPORTING SERVICE

1 40 MINUTES. THANK YOU VERY MUCH.

2 MR. HARRISON: MEMBER SAMUELSON DOES NOT
3 HAVE A CONFLICT.

4 CHAIRMAN KLEIN: LET US DO THIS. I'D LIKE
5 TO MAKE CERTAIN THAT WE CALL JOAN IF WE'RE NOT SET
6 UP FOR A TELEPHONIC MEETING IN THE OTHER ROOM WITH A
7 SUMMARY OF PROPRIETARY INFORMATION. I'D LIKE TO
8 MAKE SURE SHE HAS DURING THE SESSION A DIRECT
9 ABILITY TO ASK QUESTIONS AND GET A SUMMARY. SO
10 WE'LL JUST DO THAT DIRECTLY. WE'LL CALL YOU
11 DIRECTLY, JOAN. THANK YOU. WE'RE GOING TO ADJOURN
12 AT THIS MOMENT.

13 (THE BOARD THEN CONVENED IN CLOSED
14 SESSION, NOT REPORTED NOR HEREIN TRANSCRIBED.)

15 CHAIRMAN KLEIN: MR. HARRISON, FOR THIS
16 DISCUSSION, ARE THE MEMBERS AWARE OF WHO IS RECUSED
17 FROM THE DISCUSSION?

18 MR. HARRISON: YES. ALL THE MEMBERS
19 SHOULD HAVE A SHEET IN FRONT OF THEM THAT IDENTIFIES
20 THEIR CONFLICT, IF THEY HAVE ONE, WITH THIS
21 APPLICATION. AND FURTHERMORE, I THINK I'VE SPOKEN
22 WITH EACH ONE OF THEM INDIVIDUALLY AND LET THEM KNOW
23 THAT THEY CAN'T PARTICIPATE.

24 CHAIRMAN KLEIN: THANK YOU. I THINK WE'RE
25 JUST WAITING FOR ONE MORE MEMBER. WE HAVE THE

BARRISTERS' REPORTING SERVICE

1 ADDITIONAL MEMBER WHO'S NOW PRESENT. DR. TROUNSON,
2 ARE YOU PREPARED TO GO FORWARD?

3 DR. TROUNSON: YES.

4 CHAIRMAN KLEIN: OKAY. JEFF SHEEHY, I
5 THINK, IS VERY IMPORTANT TO THIS PROCESS, AND HE'S
6 NOT YET IN THE ROOM. LET ME GRAB HIM PERSONALLY.
7 THANK YOU FOR YOUR PATIENCE.

8 DR. FEIGAL, ARE THERE ADDITIONAL COMMENTS
9 THAT YOU WOULD LIKE TO MAKE ON THE PROPOSAL IN
10 GENERAL, OR ARE THERE ADDITIONAL QUESTIONS? ARE
11 THERE QUESTIONS FROM THE BOARD THAT ARE CONCEPTUAL
12 QUESTIONS IN NATURE OUTSIDE OF PROPRIETARY ISSUES?

13 DR. FEIGAL: ACTUALLY I WOULD BE HAPPY
14 JUST TO REFRAME THE DISCUSSION IF I COULD JUST TAKE
15 A MOMENT FOR SOME OF YOU WHO MAY BE NEW TO THE
16 BOARD. LET ME REFRAME THIS BECAUSE I THINK SOME OF
17 YOU HAVEN'T PERHAPS BEEN PART OF SOME OF THE BOARD
18 DISCUSSIONS BEFORE.

19 CIRM'S MOVEMENT AND ENTRY TOWARDS AND INTO
20 CLINICAL TRIALS IS THE KEY PART OF WHAT THIS
21 INSTITUTE WAS PUT FORWARD TO DO. GOING INTO
22 CLINICAL TRIALS ALIGNS WITH CIRM'S MISSION TO
23 SUPPORT THE DEVELOPMENT OF POTENTIAL CURES AND
24 THERAPIES BASED ON STEM CELL SCIENCE.

25 WE ARE DOING A LOT OF INVESTMENT IN TERMS

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1 OF THE BASIC BIOLOGY AND SOME OF THE ENABLING WORK;
2 BUT AT THE END OF THE DAY, WHAT WE'RE EXPECTED TO DO
3 IS MOVE TOWARDS AND INTO ACTUAL HUMAN BEINGS, THAT
4 WE HAVE DONE A LOT OF WORK AND INVESTMENT IN ANIMAL
5 MODELS, WHICH INFORM WHAT WE CAN DO IN THE HUMANS,
6 BUT WE ARE SUPPOSED TO TAKE THE COMPELLING SCIENCE
7 AND THE EVIDENCE TO SUPPORT IT INTO FIRST-IN-HUMAN
8 CLINICAL TRIALS.

9 AND I JUST WANT TO REMIND YOU, AS YOU SAW
10 WITH DR. KOHN'S PRESENTATION EARLIER TODAY, IT TAKES
11 YEARS WELL BEFORE YOU SEE A FIRST HUMAN CLINICAL
12 TRIAL IN TERMS OF WORK, THE SCIENCE, THE DATA, THE
13 INTERPRETATION THAT GOES INTO PUTTING A PROTOCOL
14 TOGETHER.

15 IN ADDITION, WE REQUIRED AS MANDATORY THAT
16 THE APPLICANT HAD AN ACTIVE IND FILED AND ALREADY AT
17 THE FDA. SO WE HAVE BOTH THE SCIENCE AND THE
18 REGULATORY THAT IS LOOKED AT WHEN WE'RE BRINGING
19 THESE THINGS FORWARD TO YOU. I JUST WANTED TO
20 REMIND YOU OF THAT ISSUE AS YOU CONTINUE IN YOUR
21 DISCUSSIONS.

22 CHAIRMAN KLEIN: THANK YOU. AND WE SHOULD
23 ALSO, OF COURSE, REMIND THE PUBLIC THAT WITH ANY
24 CONSIDERATION OF A HUMAN TRIAL, WE HAVE TO EXPECT TO
25 HAVE GREAT PATIENCE AND UNDERSTAND IT'S GOING TO

BARRISTERS' REPORTING SERVICE

1 TAKE AN EXTENDED PERIOD OF TIME. INEVITABLY THERE'S
2 A HIGH PROBABILITY OF BOTH SUCCESSES AND FAILURES
3 ALONG THE WAY. WE MUST UNDERSTAND THE FAILURES,
4 LEARN FROM THEM, ENHANCE THE FIELD. THIS IS A
5 PROPOSAL FOR OLIGODENDROCYTES DERIVED FROM HUMAN
6 EMBRYONIC STEM CELLS. THE FACT THAT IT IS A DERIVED
7 CELL FROM HUMAN EMBRYONIC STEM CELLS, EVEN AT THE
8 SAFETY LEVEL OF A PHASE I, IT HELPS ESTABLISH THE
9 SAFETY OF CELLS DERIVED FROM HUMAN EMBRYONIC STEM
10 CELLS FOR STROKE, FOR ALS, FOR DIABETES, FOR A BROAD
11 FIELD OF THERAPIES THAT ARE TRYING TO USE DERIVED
12 CELLS FROM THE HUMAN EMBRYONIC STEM CELL TYPE.

13 SO THERE IS A CONTRIBUTION TO THIS
14 PARTICULAR AREA OF THE STUDY OF PARALYSIS. THERE'S
15 A CONTRIBUTION TO MEDICAL SCIENCE ACROSS A BROADER
16 FIELD AS WELL. WE HAVE TO MAKE THE JUDGMENT ON THIS
17 PARTICULAR APPLICATION AND REALLY UNDERSTAND THAT WE
18 ARE HERE TO LEARN. AS IN THE FIELD OF AIDS, THERE
19 WERE HEROIC PATIENTS WHO COMMITTED THEMSELVES TO
20 ADVANCING THERAPIES AND DEFENDING OTHER'S LIVES THAT
21 WOULD FOLLOW THEM BECAUSE THERE ARE REAL RISKS HERE
22 THAT WE ALL HAVE TO UNDERSTAND EVEN WITH AN FDA
23 APPROVAL, BUT CERTAINLY THE PROCESS THAT THIS
24 APPLICATION HAS GONE THROUGH HAS BEEN EXHAUSTIVE,
25 EXTREMELY HIGH STANDARD.

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1 MR. SHEEHY: FIRST, I'D LIKE TO MOVE, TO
2 GET US STARTED, TO APPROVE THIS APPLICATION. BUT
3 I'D ALSO LIKE TO HAVE A LITTLE ADD-ON. BOB, YOU AND
4 I HAVE TALKED ABOUT THIS, AND I THINK THIS IS GOING
5 TO BE AN IMPORTANT FEATURE THAT WE NEED TO THINK
6 ABOUT -- I'M GLAD YOU MENTIONED HIV/AIDS -- AS WE GO
7 INTO CLINICAL TRIAL SPACE IS HAVING A ROBUST
8 COMMUNICATIONS EFFORT THAT INVOLVES ALL THE
9 STAKEHOLDERS. I PRESENTED YOU WITH PLANS THAT WE
10 USE IN HIV PREVENTION TRIALS. AND I WOULD NOT BE
11 ABLE TO APPROVE THIS TRIAL NOT KNOWING THAT WE HAVE
12 IN PLACE -- WE'RE GOING TO A LEADERSHIP ROLE MUCH
13 LIKE THE BILL AND MELINDA GATES FOUNDATION HAS DONE
14 IN HIV/AIDS IN FACILITATING THE LINES OF
15 COMMUNICATION BETWEEN ALL THE RELEVANT STAKEHOLDERS,
16 THE COMPANY INVOLVED, US AS THE FUNDER, THE
17 STAKEHOLDER AND ADVOCACY COMMUNITY, SCIENTISTS
18 WORKING IN THE FIELD SO THAT IF -- YOU KNOW, WE ALL
19 PRAY THAT NO ADVERSE EVENT HAPPENS, THAT THIS IS ALL
20 SUCCESSFUL, BUT WE KNOW CLINICAL RESEARCH IS HIGH
21 RISK. AND AS WE HAVE SEEN TOO OFTEN IN THE PAST, IF
22 THERE'S NOT THE KIND OF COMMUNICATION INFRASTRUCTURE
23 TO SUPPORT GOOD NEWS AND BAD NEWS, THEN THE
24 INTERPRETATION OF WHAT HAPPENS CAN BE FLAWED, AND WE
25 CAN SET BACK SCIENCE NOT ONLY A COUPLE OF YEARS, BUT

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1 A DECADE.

2 AND SO I WOULD BE HAPPY TO APPROVE THIS IN
3 THE CONTEXT THAT WE PUT IN PLACE THE -- I'VE SHARED
4 WITH YOU WHAT WE'VE BEEN DOING IN HIV AND AIDS,
5 WHICH HAS BEEN EXTREMELY SUCCESSFUL IN A NUMBER OF
6 CONTROVERSIAL, SUCCESSFUL, AND FAILED CLINICAL
7 TRIALS. SO THAT WOULD BE MY ONE ADD-ON, THAT THIS
8 BE PART OF WHAT WE DO.

9 WE DON'T HAVE -- I'M NOT SAYING WE SHOULD
10 BE IN CONTROL, BUT WE CAN PLAY A VERY IMPORTANT ROLE
11 AS A FACILITATOR OF CREATING A ROBUST NETWORK IN
12 ORDER TO RESPOND TO ANYTHING THAT HAPPENS IN THE
13 CONTEXT OF THIS TRIAL SINCE WE'RE FUNDING IT.
14 THAT'S WHAT THE GATES FOUNDATION DOES.

15 CHAIRMAN KLEIN: IS THERE A SECOND?

16 MR. ROTH: SECOND.

17 CHAIRMAN KLEIN: SECOND BY DUANE ROTH.
18 ADDITIONAL DISCUSSION?

19 DR. MELMED: MAYBE YOU COULD CLARIFY FOR
20 US, GIVEN THAT THIS IS A LITTLE BIT UNIQUE FOR US AS
21 AN ACADEMIC BODY TO PARTNER WITH A FOR-PROFIT
22 ENTITY, HOW THIS WOULD ADVANCE THE MISSION FOR THE
23 CITIZENS OF CALIFORNIA OF CIRM?

24 CHAIRMAN KLEIN: CERTAINLY. SO LET ME
25 ADDRESS IT IN THREE PARTS. FIRST OF ALL, IN TERMS

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1 OF OUR MISSION TO MOVE THE SCIENCE FORWARD TO
2 CLINICAL TRIALS, AS DR. FEIGAL HAS REFERENCED, THE
3 SAFETY STUDIES THAT ARE HERE AND SUBSEQUENT PHASE
4 IIA STUDIES THAT ARE POSSIBLE, IF EVERYTHING IS
5 GOING WELL AND IF THERE'S VALIDATION ALONG THE WAY,
6 WOULD ESTABLISH THE SAFETY FOR THIS CELL TYPE,
7 OLIGODENDROCYTES DERIVED FROM HUMAN EMBRYONIC STEM
8 CELLS, FOR THIS THERAPEUTIC OPTION. SO IT OPENS AND
9 VALIDATES SAFETY OF A SPECIFIC CELL TYPE THAT
10 DIRECTLY RELATES TO PLURIPOTENT CELLS.

11 SECONDLY, IT OPENS THIS ISSUE OF -- AT
12 LEAST IT PROVIDES COLLATERAL EVIDENCE OF GENERAL
13 SAFETY FOR OTHER CELL THERAPIES DEPENDENT UPON CELL
14 TYPES DERIVED FROM HUMAN EMBRYONIC STEM CELLS.

15 THIRD IS THAT WHILE OUR FOCUS IS ON THE
16 PATIENT AND THE FOCUS IS ON IMPROVING QUALITY OF
17 LIFE, EVEN IF YOU CAN RESTORE MOVEMENT OF AN ARM, SO
18 SOMEONE CAN DRESS THEMSELVES AND FEED THEMSELVES,
19 IT'S A REALLY IMPORTANT QUALITATIVE CONTRIBUTION TO
20 THEIR LIFE. SO ANY SIGNIFICANT DEGREE OF
21 IMPROVEMENT OVER TIME IN LATER STUDIES THAT WILL
22 FOLLOW THIS, IF SAFETY IS ESTABLISHED, HELP ADVANCE
23 OUR MISSION OF IMPROVING QUALITY OF LIFE FOR
24 PATIENTS IN THIS CLASS. BUT IT'S ALSO TRUE THAT
25 THERE IS TREMENDOUS COST FOR THE TAXPAYER OF

BARRISTERS' REPORTING SERVICE

1 PATIENTS THAT BEAR THESE DISABLING DISEASES AND LOSS
2 OF PRODUCTIVITY IN THE SOCIETY.

3 FINALLY, BECAUSE THIS IS A COMPANY, THIS
4 IS UNDER A LOAN PROGRAM. AND IS THE LOAN OPTION
5 THAT THEY HAVE INITIATED ONE WITH MULTIPLE PAYBACKS?

6 MS. BAUM: THEY'VE SELECTED THE RISK
7 PREMIUM.

8 CHAIRMAN KLEIN: THE RISK PREMIUM. SO IT
9 IS A MULTIPLE PAYBACK. SO IF THIS WERE
10 SUBSTANTIALLY EFFECTIVE ON AN ECONOMIC BASIS, THE
11 STATE OF CALIFORNIA'S INVESTMENT IN OUR RESEARCH,
12 THE AGENCY'S POOL OF FUNDS COULD BE ADVANCED AND
13 EXTENDED BECAUSE THERE WOULD BE A FIVE TO SEVEN
14 TIMES PAYBACK POTENTIALLY. NOW, THAT REQUIRES A
15 NUMBER OF YEARS. IT REQUIRES A VERY HIGH OUTCOME.
16 IT COULD BE THAT IT IS FINANCIALLY LESS SUCCESSFUL
17 BECAUSE THERE ARE, BASED ON THIS KNOWLEDGE, THERE
18 ARE LATER SUPERSEDING TREATMENTS THAT TAKE UP MUCH
19 OF THIS MARKET, SO IT COULD HAVE A ONE OR TWO TIMES
20 PAYBACK, BUT THE PRINCIPAL AND INTEREST AND A
21 MULTIPLE RISK PREMIUM PAYBACK ON THIS LOAN WOULD
22 COME BACK TO THIS AGENCY FOR MORE RESEARCH.

23 ON A NUMBER OF LEVELS, THERE'S BENEFIT TO
24 THIS MISSION, THE CORE OF THE MISSION ORGANIZED
25 AROUND IMPROVING THE QUALITY OF LIFE FOR PATIENTS.

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1 DR. TROUNSON, WOULD YOU LIKE TO ADD TO THAT?

2 DR. TROUNSON: WELL, I THINK IT IS THE
3 CORE MISSION OF THIS AGENCY. AND IT'S CLEAR WE NEED
4 TO LEAD TO DISCOVERY AND BRING THEM TO PATIENTS. SO
5 I SAY THIS IS AN OPPORTUNITY OF MOVING STRONGLY IN
6 THAT DIRECTION. AND SO I FEEL VERY ENCOURAGED THAT
7 WE'RE EVEN CONSIDERING THESE MATTERS NOW. AND I
8 THINK WE CAN LOOK FORWARD TO THESE AND OTHER
9 PROJECTS TAKING US TO WHERE WE NEED TO GO FOR
10 CALIFORNIA, INDEED THE WORLD.

11 MR. ROTH: I WOULD JUST ADD TO THAT SORT
12 OF THE OVERVIEW THAT PROP 71 NOT ONLY WAS ABOUT
13 FUNDING BASIC RESEARCH, BUT TRANSLATIONAL. IT
14 SPECIFICALLY CALLED OUT IN THERE THAT WE NEED TO DO
15 THAT. AND THEN WHEN WE DID OUR STRATEGIC PLAN AND
16 THE UPDATE, WE CONSTANTLY TALKED ABOUT FUNDING WHERE
17 THERE IS VIRTUALLY NO FUNDING AVAILABLE THAT
18 PRESENTS A BOTTLENECK FOR MOVING THIS TECHNOLOGY
19 FORWARD. SO NOT ONLY ARE WE DOING THAT, BUT OTHER
20 DISEASE ASSOCIATIONS ARE DOING THAT NOW BECAUSE
21 THERE IS JUST NO VENTURE CAPITAL THAT WOULD POUR
22 INTO THERE. IT'S NOT A ROBUST AREA TO GET FUNDING.

23 FINALLY, I'D POINT OUT THE NATIONAL
24 INSTITUTE OF HEALTH OFTEN FUNDS LARGE CLINICAL
25 TRIALS. THEY'VE BEEN DOING THAT FOR MANY, MANY

BARRISTERS' REPORTING SERVICE

1 YEARS.

2 CHAIRMAN KLEIN: THANK YOU. SO I WOULD
3 LIKE TO SAY IN THIS REGARD THAT THIS IS A VERY
4 IMPORTANT PART OF OUR MISSION, AS DR. TROUNSON, DR.
5 FEIGAL HAVE TALKED ABOUT. AND THIS IS PART OF A
6 BROADER PORTFOLIO. NOT EVERYTHING IN THIS PORTFOLIO
7 WILL BE SUCCESSFUL AS WE MOVE TOWARDS IND'S, FOR
8 EXAMPLE, FDA APPROVALS WITH OUR DISEASE TEAMS. BUT
9 I WANT TO SAY THAT I'M PARTICULARLY IMPRESSED WITH
10 THE YEARS OF DEDICATED EFFORT, THE DEPTH OF THE
11 SUBMISSIONS TO THE FDA, THE THOROUGHNESS OF THE
12 TESTS THAT THEY'VE GONE THROUGH HERE IN TRYING TO
13 ESTABLISH A BASIC BODY OF EVIDENCE THAT HAS
14 CONVINCED THE FDA TO ALLOW THIS TRIAL TO GO FORWARD
15 ON A SAFETY BASIS.

16 MR. HARRISON: THE FINANCIAL DUE DILIGENCE
17 REQUIRED BY THE LOAN PROGRAM HAS NOT YET BEEN
18 COMPLETED FOR THIS APPLICANT, SO I WOULD REQUEST
19 THAT THE MOTION BE MADE CONTINGENT UPON SATISFACTORY
20 COMPLETION OF FINANCIAL DUE DILIGENCE.

21 CHAIRMAN KLEIN: BASED ON THE INFORMATION
22 WE KNOW, WE EXPECT THAT IT WILL BE, BUT WE HAVE A
23 PROCESS AND A PROCEDURE TO GO THROUGH FOR FINAL
24 CONFIRMATION. DR. FEIGAL.

25 MR. SHEEHY: BOB, COULD I INCLUDE THAT

BARRISTERS' REPORTING SERVICE

1 INFORMATION IN MY MOTION? I THINK THAT WOULD BE THE
2 STEP.

3 CHAIRMAN KLEIN: YES. THE MAKER OF THE
4 MOTION WOULD LIKE TO AMEND THE MOTION TO INCLUDE THE
5 CONTINGENT CONDITION SUBSEQUENT, WHICH IS THE DUE
6 DILIGENCE STEP BEING COMPLETED FOR FINANCIAL
7 CONFIRMATIONS OF THE LOAN QUALIFICATION. SECOND
8 ACCEPTS THAT AS WELL FOR THE RECORD.

9 DR. FEIGAL: THAT'S FINE. DID YOU ALSO
10 HAVE YOUR QUESTION ANSWERED ABOUT THE COMMUNICATION
11 PIECE?

12 MR. SHEEHY: I THOUGHT THAT WAS PART OF
13 THE MOTION. WE'LL WORK --

14 CHAIRMAN KLEIN: I'VE DISCUSSED WITH
15 MEMBERS OF THE COMPANY THAT THEY WERE VERY RECEPTIVE
16 TO THIS TYPE OF COMMUNICATION. THEY RECOGNIZE THE
17 IMPORTANCE OF THE MODEL THAT THE AIDS COMMUNITY
18 WORKED THROUGH.

19 OKAY. ADDITIONAL COMMENTS? OKAY. PUBLIC
20 COMMENTS? IF THE PUBLIC MEMBERS WOULD RECOGNIZE
21 THAT WE'RE NOT DISCUSSING COMPANY NAMES, AND WE'RE
22 NOT DISCUSSING PROPRIETARY INFORMATION. WE'RE
23 DISCUSSING THIS LOAN PROPOSAL ON A SCIENTIFIC BASIS.

24 MS. SAMUELSON: I HAVE A COMMENT, BOB.

25 CHAIRMAN KLEIN: I'LL COME RIGHT BACK TO

BARRISTERS' REPORTING SERVICE

1 YOU, JOAN.

2 MS. SAMUELSON: OKAY. THANK YOU.

3 MR. REED: THIS IS WHERE ALL OF YOUR HARD
4 WORK AND THE SCIENTISTS' WORK, THE PATIENT
5 ADVOCATES' WORK, EVERYTHING COMES TOGETHER WHERE THE
6 FIRST TIME THIS INCREDIBLE RESEARCH WILL TOUCH
7 LIVES.

8 MY SON CALLED ME LAST NIGHT, AND I DIDN'T
9 UNDERSTAND WHAT WAS GOING ON, AND I THOUGHT WE HAD
10 TO DRIVE HOME, IT WAS AN EMERGENCY, BUT HE JUST
11 WANTED TO BE SURE THAT HIS VOICE WAS HEARD TODAY IN
12 CONGRATULATIONS OF THIS MOMENTOUS MOMENT. AND HE
13 SENT AN E-MAIL, AND, MELISSA, IF YOU WOULD BE SO
14 KIND TO READ IT FOR OUR FAMILY. THANK YOU.

15 MS. KING: SO LIKE DON SAID, THIS IS A
16 MESSAGE FROM ROMAN REED, SOMEONE WHO I THINK THE
17 MEMBERS OF THE BOARD AND THE PUBLIC THAT JOINS US
18 OFTEN KNOW WELL.

19 HONORABLE CHAIR AND RESPECTED BOARD
20 MEMBERS, AS THE INSPIRATION FOR THE ROMAN REED
21 SPINAL CORD INJURY RESEARCH ACT, I FULLY SUPPORT
22 CIRM FUNDING THE HUMAN CLINICAL TRIAL APPLICATION UP
23 FOR A VOTE BY YOU TODAY. THIS IS THE MOST IMPORTANT
24 EXPERIMENT IN THE WORLD FOR SPINAL CORD INJURY,
25 NEURODEGENERATIVE MEDICINE, AND STEM CELL RESEARCH.

BARRISTERS' REPORTING SERVICE

1 YOUR AYE VOTE WOULD SET THE PACE OF SPINAL
2 CORD INJURY. THAT AFFECTS 650,000 SPINAL CORD
3 INJURY PARALYZED CALIFORNIANS, 1.9 MILLION AMERICANS
4 PARALYZED FROM SPINAL CORD INJURY, AND THE 5.6
5 MILLION AMERICANS WHO SUFFER FROM SOME SORT OF
6 PARALYSIS.

7 EVEN MORE IMPORTANTLY, YOUR AYE VOTE
8 ENSURES THE PROCESS OF HUMAN EMBRYONIC STEM
9 CELL-DERIVED HUMAN CLINICAL TRIALS FOR THE WHOLE
10 FIELD AND REALM OF INJURIES AND DISEASES. PLEASE
11 TAKE A STAND WITH YOUR AYE VOTE. TAKE A STAND SO
12 ONE DAY EVERYBODY CAN. THANK YOU. SINCERELY YOURS,
13 ROMAN REED.

14 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
15 THANK YOU, DON. THANK YOU, ROMAN.

16 JOAN, YOU HAD A COMMENT.

17 MS. SAMUELSON: OKAY. I'M GOING TO VOTE
18 AGAINST THIS TRIAL, AND I WANT TO VERY BRIEFLY JUST
19 TELL YOU WHY. IT DOESN'T SEEM TO ME THAT THIS TRIAL
20 IS READY, AND I DON'T THINK THAT WE AS AN INSTITUTE
21 ARE READY. THERE WERE LOTS OF -- THIS IS BASED ON
22 THE PEER REVIEW AND THE COMMENTS BY THE SCIENTIST
23 MEMBERS OF THE GRANTS WORKING GROUP.

24 THERE WERE MANY CONCERNS THAT MANY OF THE
25 SCIENTIST MEMBERS FELT SHOULD BE SATISFIED BEFORE

BARRISTERS' REPORTING SERVICE

1 EMBARKING ON A CLINICAL TRIAL AND THEY WEREN'T. I
2 THINK THE VOTE REFLECTS THAT. AND THAT IS WHAT I
3 BASED MY NO VOTE ON.

4 IT SEEMS TO ME THAT THIS IS GOING TO BE A
5 STEP THAT WILL GET GREAT PUBLIC ATTENTION. WE
6 HAVEN'T REALLY HAD PUBLIC ATTENTION ON OUR WORK TO
7 DATE, THE SORT OF PUBLIC ATTENTION THAT I THINK IT
8 WILL EVENTUALLY DESERVE. AND WE'VE BEEN -- I DON'T
9 MEAN THAT WE DON'T DESERVE IT. BUT WE HAVEN'T HAD
10 THE PUBLIC IN THE ROOM WATCHING US AND LOOKING AT
11 WHAT WE'RE DOING AND FORMING JUDGMENTS ABOUT WHETHER
12 WE'RE DOING OUR JOB WELL. AND THERE ARE LOTS OF
13 RISKS OF THIS, AND I DON'T THINK THAT IT'S READY AND
14 THAT WE'RE READY.

15 AND I HAVE TO SAY I DISAGREE WITH WHAT
16 ALAN SAID ABOUT WHAT OUR CENTRAL MISSION IS. I
17 DON'T THINK THAT OUR MISSION IS TO DO CLINICAL
18 TRIALS. I THINK IT'S TO DEVELOP EFFECTIVE
19 THERAPIES. AND I THINK THAT THAT WILL HAPPEN WHEN
20 WE HAVE INVESTED ENOUGH IN THREE PARTS, THE BASIC
21 SCIENCE, TRANSLATIONAL AND PRECLINICAL WORK, AND TO
22 WHATEVER EXTENT IT'S NEEDED CLINICAL TRIALS. BUT I
23 THINK WE HAVE YET TO GET ALL OF THOSE COMPONENT
24 PARTS WORKING TOGETHER IN AN INTEGRATED WAY. I
25 THINK WE'VE BEEN WORKING HARD AT THAT, BUT WE AREN'T

BARRISTERS' REPORTING SERVICE

1 THERE YET. AND I THINK IT WAS REFLECTED IN THE FACT
2 THAT THERE ARE MANY PRECLINICAL STEPS THAT REMAIN TO
3 BE DONE IN THIS TRIAL AND HAVE NOT BEEN.

4 SO I GUESS THAT'S THE BASIS FOR MY VOTE.
5 THANKS.

6 CHAIRMAN KLEIN: THANK YOU, JOAN. I WILL
7 TELL YOU JUST AS AN INDIVIDUAL I RESPECT YOUR
8 POSITION. BUT IN REVIEWING THE DOCUMENTATION, I
9 BELIEVE THEY THOROUGHLY, IN FACT, TO A VERY
10 UNUSUALLY HIGH STANDARD FULFILLED THE QUESTIONS AND
11 FULFILLED THEM VERY EFFECTIVELY. BUT A TRIAL IS A
12 TRIAL, AND WE HAVE TO WAIT FOR THE OUTCOME.

13 ARE THERE OTHER MEMBERS WHO WOULD LIKE TO
14 SPEAK OR SHOULD WE VOTE? DR. FEIGAL, WOULD YOU LIKE
15 A LAST COMMENT?

16 DR. FEIGAL: NO. I JUST WANT TO SAY THAT
17 WE VALUE ALL THE INPUT. I WANT TO MAKE IT CLEAR,
18 MAKING THE DECISION TO MOVE TOWARDS AND INTO A
19 CLINICAL TRIAL IS A VERY COMPLICATED DECISION. IT'S
20 NOT BLACK AND WHITE. IT'S BASED ON JUDGMENT, ON
21 EXPERIENCE, ON SCIENCE, AND THE DATA. AND THERE'S
22 NOT REALLY A RIGHT OR WRONG ANSWER. AND I JUST
23 THINK THAT THE TENOR OF THE DISCUSSIONS THAT WE'VE
24 HAD, THE TENOR OF THE DISCUSSIONS OF THE GRANT
25 REVIEW GROUP HAD WERE APPROPRIATELY DELIBERATIVE AND

BARRISTERS' REPORTING SERVICE

1 CONSIDERED ALL THE DIFFERENT ISSUES.

2 SO THIS ISN'T A BLACK AND WHITE ISSUE, A
3 RIGHT AND WRONG. IT'S A CONSIDERED JUDGMENT. AND
4 SO I JUST WANT TO SAY WE RESPECT EVERYBODY'S
5 DIFFERENT OPINIONS IN TERMS OF THESE ISSUES.

6 CHAIRMAN KLEIN: THANK YOU. I'D LIKE TO
7 CALL THE QUESTION UNLESS SOMEONE HAS A BURNING
8 POINT. I'D LIKE TO GO THROUGH A ROLL CALL, PLEASE.

9 MR. HARRISON: CHAIR, WOULD YOU LIKE ME
10 RESTATE THE MOTION?

11 CHAIRMAN KLEIN: IF YOU WILL RESTATE THE
12 MOTION, PLEASE.

13 MR. HARRISON: AS I UNDERSTAND IT, THE
14 MOTION IS TO APPROVE FUNDING OF TARGETED CLINICAL
15 DEVELOPMENT APPLICATION CT105168 CONTINGENT UPON
16 SATISFACTORY COMPLETION OF FINANCIAL DUE DILIGENCE
17 AND WITH THE UNDERSTANDING THAT CIRM WILL PLAY A
18 SIGNIFICANT ROLE IN ESTABLISHING A COMMUNICATIONS
19 INFRASTRUCTURE TO ENSURE THAT ANY ADVERSE EVENTS DO
20 NOT DERAIL THE FIELD OF STEM CELL RESEARCH.

21 CHAIRMAN KLEIN: I THINK IT'S POSITIVE OR
22 ADVERSE SO THAT THE COMMUNICATION IS ACCURATE,
23 OBJECTIVE, AND SCIENTIFIC.

24 MR. SHEEHY: I DON'T WANT TO MAKE IT SOUND
25 LIKE WE'RE TRYING TO FIX, BUT WE WANT TO MAKE SURE

BARRISTERS' REPORTING SERVICE

1 THAT ACCURATE INFORMATION IS PROVIDED IN A TIMELY
2 FASHION TO ALL THE STAKEHOLDERS INVOLVED.

3 CHAIRMAN KLEIN: THANK YOU. MELISSA KING.

4 MS. KING: AGAIN, I WILL ONLY CALL YOUR
5 NAME IF YOU ARE PRESENT AND NOT IN CONFLICT WITH
6 THIS APPLICATION.

7 ROBERT PRICE.

8 DR. PRICE: YES.

9 MS. KING: MARCY FEIT.

10 MS. KING: MICHAEL FRIEDMAN.

11 DR. FRIEDMAN: YES.

12 MS. KING: BOB KLEIN.

13 CHAIRMAN KLEIN: YES.

14 MS. KING: BERTRAM LUBIN.

15 DR. LUBIN: YES.

16 MS. KING: SHLOMO MELMED.

17 DR. MELMED: YES.

18 MS. KING: CLAIRE POMEROY.

19 DR. POMEROY: YES.

20 MS. KING: FRANCISCO PRIETO.

21 DR. PRIETO: YES.

22 MS. KING: ELIZIBETH FINI.

23 DR. FINI: YES.

24 MS. KING: ROBERT QUINT.

25 DR. QUINT: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: DUANE ROTH.

2 MR. ROTH: YES.

3 MS. KING: JOAN SAMUELSON.

4 MS. SAMUELSON: NO.

5 MS. KING: JEFF SHEEHY.

6 MR. SHEEHY: YES.

7 MS. KING: JON SHESTACK.

8 MR. SHESTACK: YES.

9 MS. KING: ART TORRES.

10 MR. TORRES: AYE.

11 MS. KING: KRISTINA VUORI.

12 DR. VUORI: YES.

13 MS. KING: JAMES ECONOMOU.

14 DR. ECONOMOU: YES.

15 CHAIRMAN KLEIN: THANK YOU. SO I WOULD
16 LIKE TO THANK OUR SCIENTIFIC STAFF FOR THEIR
17 EXHAUSTIVE WORK ON THIS, FOR THEIR THOUGHTFUL
18 DELIBERATION, FOR THEIR CONTINUOUS REACHING OUT FOR
19 ADDITIONAL INFORMATION. SO I'D LIKE TO THANK THE
20 PRESIDENT, DR. FEIGAL, AND THE ENTIRE TEAM. AND
21 COULD WE PLEASE GIVE THEM A HAND OF APPLAUSE.

22 (APPLAUSE.)

23 DR. FEIGAL: THANK YOU VERY MUCH.

24 CHAIRMAN KLEIN: DR. TROUNSON, WOULD YOU
25 LIKE TO INDIVIDUALLY RECOGNIZE ANY OTHER MEMBERS OF

BARRISTERS' REPORTING SERVICE

1 THE TEAM?

2 DR. TROUNSON: WELL, I THINK IT'S TERRIFIC
3 TO HAVE DR. FEIGAL HERE WITH US TO DO WHAT I THINK
4 WAS AN EXTREMELY GOOD JOB. THIS WAS HER FIRST RFA,
5 AND IT WAS WITHIN A FEW DAYS OF HER JOINING THE
6 ORGANIZATION. SO IT'S KIND OF BEEN A BAPTISM OF
7 FIRE IN A WAY. AND I THINK SHE'S DONE AN
8 EXTRAORDINARY JOB, BUT IT'S BUILT ON TERRIFIC WORK
9 BY PAT OLSON AND HER TEAM, HER ENTIRE TEAM, THAT
10 SORT OF SET THIS UP. AND I THINK EVERYBODY HAS MADE
11 SUCH A WONDERFUL CONTRIBUTION. I THINK THE
12 DISCUSSION IN THIS AREA HAS BEEN HEALTHY. IT'S BEEN
13 OPEN. IT'S BEEN AS OPEN AS WE CAN ACTUALLY MAKE IT.

14 I THINK THIS IS A REAL MILESTONE IN OUR
15 ACTIVITIES, AND I HOPE VERY MUCH THAT THIS TRIAL
16 WILL SHOW THE KIND OF OPTIMISM THAT THE GROUP THAT'S
17 PROMOTING THIS BELIEVES IT WILL DO. AND I THINK ALL
18 AROUND THE WORLD PEOPLE ARE LOOKING AT THIS
19 PARTICULAR TRIAL AS A FRONT STAGE FOR EMBRYONIC STEM
20 CELLS.

21 IT REALLY REMINDS ME WHEN YOU CAME AND
22 ASKED ME TO COME AND JOIN YOU AS A PARTNER IN THIS
23 ORGANIZATION. I WAS AN EMBRYONIC STEM CELL
24 SCIENTIST AND SOMEBODY WHO CARED ABOUT GETTING THOSE
25 CELLS TO DEMONSTRATE THEIR POTENTIAL. WELL, HERE'S

BARRISTERS' REPORTING SERVICE

1 THE CASE, THE FIRST CASE, FOR TRYING TO DEMONSTRATE
2 THEIR POTENTIAL. THEY MAY NOT SUCCEED, BUT REALLY,
3 REALLY HOPE THAT THEY DO. AND I THINK WE'VE BEEN
4 ABLE TO GIVE THEM A CHANCE. AND THIS COULDN'T
5 HAPPEN ANYWHERE ELSE IN THE WORLD. AND IT'S JUST
6 POSSIBLE THAT THIS TRIAL MIGHT HAVE FALTERED WITHOUT
7 OUR BACKING. AND SO I AM PERSONALLY VERY PLEASED TO
8 SEE THIS GO FORWARD AND THE OPPORTUNITY BE GIVEN TO
9 DEMONSTRATE WHETHER THESE CELLS GENUINELY DO HAVE A
10 ROLE IN REPAIR OF A VERY SERIOUS CONDITION. I THANK
11 ALL THE BOARD AND ALL THE STAFF FOR THEIR SUPPORT IN
12 THIS REGARD.

13 CHAIRMAN KLEIN: ALL RIGHT. JUST SO THE
14 PUBLIC UNDERSTANDS THE DEPTH OF DR. FEIGAL'S BAPTISM
15 BY FIRE, WHILE SHE STARTED ON THIS WITHIN A FEW DAYS
16 OF HER BECOMING A PART OF THIS STAFF, SHE'S NOW BEEN
17 IN THIS FOR SEVERAL MONTHS OF VERY DEEP, DEDICATED
18 WORK. SO THANK YOU AGAIN.

19 I'D LIKE TO ALSO THANK THE COMPANY'S
20 STAFF, THEIR SCIENTISTS, THEIR INVESTORS WHO THROUGH
21 DEEP DEDICATION OVER A NUMBER OF YEARS HAVE REALLY
22 MOVED THE FIELD FORWARD. THERE'S RISKS THAT THEY'VE
23 ACCEPTED. THEY KNOW THAT IF THEY HIT PROBLEMS,
24 THEY'LL HAVE TO WORK VERY HARD ON SOLVING THOSE
25 PROBLEMS. IT IS A CHALLENGING JOURNEY, BUT THEY'VE

BARRISTERS' REPORTING SERVICE

1 CERTAINLY DEMONSTRATED THEIR COMMITMENT AND SOME
2 REALLY OUTSTANDING WORK IN ADVANCING TO THIS POINT.

3 MR. HARRISON.

4 MR. HARRISON: FOR THE RECORD, THAT MOTION
5 PASSED WITH A VOTE OF 16 TO ONE.

6 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

7 (APPLAUSE.)

8 CHAIRMAN KLEIN: ALL RIGHT. IF WE COULD
9 GO TO THE -- SINCE THIS INVOLVES A LOAN, THERE'S A
10 LOAN ADMINISTRATION POLICY, ITEM 11, AND IF WE COULD
11 HAVE THE PRESENTATION FROM ELONA BAUM ON THAT ITEM,
12 PLEASE.

13 MS. BAUM: THANK YOU VERY MUCH. I HAVE
14 MATERIALS IN YOUR BINDERS UNDER TAB 11, I BELIEVE.
15 AND I WANTED TO START OFF BY PROVIDING, FIRST OF
16 ALL, ACTUALLY SOME GREAT GRATITUDE TO BOTH JAMES
17 HARRISON AND SCOTT TOCHER WHO DID A LOT OF THE LABOR
18 IN TERMS OF DRAFTING THIS MOST RECENT SET OF
19 PROPOSED REGULATIONS FOR YOUR CONSIDERATION TODAY.
20 AND THEN I THOUGHT IT APPROPRIATE TO AT LEAST PUT
21 SOME CONTEXT AS TO WHAT YOUR APPROVAL WILL MEAN.

22 WHAT YOU'RE SEEING TODAY ARE MOSTLY A LOT
23 OF CLARIFICATIONS AND IMPLEMENTATION OF SOME
24 CONCEPTS, INTERIM REGULATIONS THAT HAVE ALREADY BEEN
25 APPROVED. THIS STEP, THOUGH, ALLOWS US TO FORMALLY

BARRISTERS' REPORTING SERVICE

1 BEGIN THE RULEMAKING PROCESS. SO ONCE YOU APPROVE
2 IT TODAY, IT WILL GO UP TO THE OFFICE OF
3 ADMINISTRATIVE LAW. IT WILL BEGIN A 45-DAY PUBLIC
4 COMMENT PERIOD. BASED ON THE COMMENTS WE RECEIVE,
5 WE MAY HAVE SOME ADDITIONAL PROPOSED CHANGES THAT WE
6 WILL FIRST BRING TO THE FINANCE SUBCOMMITTEE AND
7 THEN TO THE ICOC AGAIN. SO THIS WILL NOT BE THE
8 LAST TIME THAT YOU SEE THESE PROPOSED CHANGES. I
9 WANTED YOU TO HAVE THAT CONTEXT.

10 I THOUGHT IT ALSO IMPORTANT TO EMPHASIZE
11 THAT THIS WAS BROUGHT -- ALL OF THESE PROPOSED
12 AMENDMENTS WERE BROUGHT TO THE FINANCE SUBCOMMITTEE
13 AND THEY RECOMMENDED FOR APPROVAL. WITH THAT, I
14 THINK THE EASIEST WAY TO PROCEED IS TO GO STEP BY
15 STEP THROUGH EACH OF THE PAGES. AGAIN, THE
16 MATERIALS ARE IN TAB 11. I'LL TRY TO DO IT FAIRLY
17 QUICKLY BECAUSE I KNOW IT'S JUST THIS ITEM THAT
18 PROBABLY STANDS BETWEEN US AND LUNCH.

19 BUT IF YOU TURN TO PAGE 6, IF YOU WANT TO
20 FOLLOW ALONG WITH THE MATERIALS, THE FIRST PROPOSED
21 CHANGE IS SOMETHING YOU HAVEN'T SEEN, BUT I THINK
22 IT'S A CLARIFICATION. IT RELATES TO THE OBLIGATIONS
23 OF SUCCESSORS AND ASSIGNS OF THE LOAN RECIPIENT. SO
24 THIS PROPOSED REDLINE VERSION ON PAGE 6 SIMPLY
25 STATES THAT IF THERE'S A SUCCESSOR IN INTEREST TO

BARRISTERS' REPORTING SERVICE

1 THE LOAN RECIPIENT OR IF THERE'S AN ASSIGNEE OF THE
2 CIRM-FUNDED INVENTIONS, THAT THEY WILL HAVE THE SAME
3 OBLIGATIONS AS THE LOAN RECIPIENT. AND IT ALSO
4 PROVIDES CIRM WITH THE RIGHT OF APPROVAL NOT TO BE
5 UNREASONABLY WITHHELD FOR ANY SUCH TRANSFER.

6 AND I WILL CONTINUE TO MOVE THROUGH ALL
7 THE NINE PROPOSED SUBSTANTIVE CHANGES UNLESS I HEAR
8 A QUESTION.

9 THE NEXT ITEM WOULD BE ON PAGE 8, AND IT
10 IS SIMPLY A DEFINITION OF SUCCESS. AND IT STATES
11 THAT A SUCCESSFUL PROJECT IS ONE THAT GENERATES
12 REVENUE. IF REVENUES LESS THAN THE AMOUNT OWED
13 UNDER PRINCIPLE AND INTEREST IS RECOGNIZED, THAT
14 AMOUNT IS DUE EVEN IF IT'S LESS THAN PRINCIPLE AND
15 INTEREST.

16 PROCEEDING TO PAGE 9, I THINK THIS IS A
17 VERY IMPORTANT MODIFICATION OR PROPOSED AMENDMENT AT
18 THE VERY TOP. IT PROVIDES A LOT OF FLEXIBILITY FOR
19 THE FINANCE SUBCOMMITTEE WITH THE AGREEMENT OF THE
20 LOAN RECIPIENT TO MODIFY TERMS OF OUR REGULATIONS
21 SUCH AS INTEREST, THE TERM OF THE LOAN, ETC. SO IT
22 PROVIDES MUCH NEEDED FLEXIBILITY SO WE CAN EXECUTE
23 THIS PROGRAM EFFECTIVELY AND EFFICIENTLY.

24 ALSO ON THIS PAGE WE HAVE SOME PROPOSED
25 REGULATIONS RELATING TO INTEREST. THIS IS MERELY A

BARRISTERS' REPORTING SERVICE

1 CLARIFICATION IN MANY REGARDS. YOU MAY RECALL THAT
2 WE HAD APPROVED AN INTEREST RATE OF LIBOR PLUS 2
3 PERCENT. WE FAILED TO ESTABLISH WHAT LIBOR, SO
4 WE'RE CLARIFYING THAT IT'S THE ANNUAL LIBOR RATE.
5 WE'VE ALREADY BEEN SETTING THIS IN PRACTICE. WE'VE
6 ALSO ESTABLISHED THAT THE LIBOR RATE IS SET AT THE
7 TIME OF DISBURSEMENT. SO WE MADE THAT
8 CLARIFICATION, AND WE CLARIFIED THAT THE INTEREST IS
9 COMPOUNDED ANNUALLY.

10 AND ALSO COMMENCING ON THIS PAGE 9 IS SOME
11 CHANGES TO THE WARRANT SCHEDULE. AND WE HAD A VERY
12 LONG ICOC MEETING THAT CONSIDERED THE CHANGES TO THE
13 WARRANT SCHEDULE AND ALSO APPROVED AN INTERIM
14 REGULATION FOR THE RISK PREMIUM ALTERNATIVE. SINCE
15 WE HAVE HAD EXTENSIVE DISCUSSION ON THAT, I WILL NOT
16 GO IN DETAIL IN TERMS OF WHAT THESE PROVISIONS ARE
17 UNLESS THERE'S A QUESTION. THESE HAVE ALREADY BEEN
18 APPROVED. WE SIMPLY ARE PUTTING THEM IN THIS
19 DOCUMENT. IT'S A PROCEDURAL STEP SO WE CAN COMMENCE
20 THE RULEMAKING PROCESS.

21 CHAIRMAN KLEIN: ELONA, BEFORE WE LEAVE
22 THIS REGION OF THE PROPOSALS, ON THE PAGE 9 WHERE
23 THE LIBOR RATE IS DEFINED, I HAD SUGGESTED, SINCE
24 WE'RE AT A HISTORICAL LOW IN SHORT-TERM RATES, THAT
25 IT WOULD BE EXTRAORDINARILY REASONABLE TO HAVE A

BARRISTERS' REPORTING SERVICE

1 3.5-PERCENT LIBOR FLOOR. WE DISCUSSED THAT IN THE
2 FINANCE COMMITTEE, AND I HAD REQUESTED THAT WE
3 CONSIDER THAT AS AN AMENDMENT TO WHAT'S PROPOSED
4 INCORPORATED, HOPEFULLY, IN THE MOTIONS BECAUSE OUR
5 RATE IS 2 PERCENT OVER LIBOR. EVEN IF IT'S 3.5,
6 THAT'S A 5.5 RATE, WHICH IS AN EXTREMELY ATTRACTIVE
7 RATE FOR COMPANIES. AND WE NEED THE INTEREST
8 REVENUE TO COME BACK IN TO CREATE AN EVERGREEN POOL
9 TO THE EXTENT POSSIBLE FOR ADDITIONAL LOANS IN THE
10 FUTURE.

11 MS. BAUM: YES. I HAD COMMITTED TO
12 SEEKING OUT, AT LEAST INFORMALLY, SOME INDUSTRY
13 INPUT ON THAT VERY TOPIC. I DID NOT RECEIVE ANY
14 NEGATIVE FEEDBACK ON THAT. IT WAS OUR INTENT TO PUT
15 THAT IN THE NEXT SET OF CHANGES THAT WE PROVIDE TO
16 YOU AFTER THE 45-DAY COMMENT PERIOD.

17 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

18 MS. BAUM: NO PROBLEM. I ALSO DID RECEIVE
19 SOME OTHER INPUTS DURING SOME OF THESE DISCUSSIONS
20 OR CONVERSATIONS AND E-MAILS THAT YOU WILL SEE MAY
21 MAKE THEIR WAY INTO A NEW VERSION OF THESE
22 REGULATIONS. AND IT RELATES TO THE FORGIVENESS
23 PROVISION, WHICH I'LL GET TO AS WE MOVE THROUGH THIS
24 DISCUSSION.

25 SO I THINK THAT THE NEXT SECTION IS PAGE

BARRISTERS' REPORTING SERVICE

1 14, AND IT TALKS ABOUT THE SUNSET RELATED TO THE
2 RISK PREMIUM REGULATIONS. AND INITIALLY, AS I
3 INDICATED, THOSE REGULATIONS IN THE INTERIM
4 REGULATIONS FOR THE RISK PREMIUM PAYBACK PROVIDED
5 FOR AN 18-MONTH SUNSET. WE AT THE FINANCE
6 SUBCOMMITTEE HAD DISCUSSED THAT PERHAPS WE SHOULD
7 CLARIFY AND MAYBE EVEN EXPAND THAT TIME PERIOD TO
8 ENSURE THAT IT WOULD CAPTURE EARLY TRANSLATION III
9 AND DISEASE TEAM II. AND THAT'S WHAT YOU SEE BEFORE
10 YOU. AND THAT IS WHAT WAS AGREED TO BY THE FINANCE
11 SUBCOMMITTEE. IT WASN'T A UNANIMOUS DECISION
12 THOUGH.

13 AND WE'RE GETTING CLOSE TO THE END. ALSO
14 ON 14 IS A FORGIVENESS PROVISION. THIS IS SOMETHING
15 NEW, NOT NEW TO THE FINANCE SUBCOMMITTEE, BUT NEW TO
16 THE ICOC. IT HAS NOT BEEN DISCUSSED BEFORE. IT
17 RELATES TO FORGIVENESS AND REINSTATEMENT. AND WHAT
18 WE'RE TRYING TO DO WITH THESE SETS OF REGULATIONS
19 IS, ONE, SIMPLIFY THEM. WE HAD AN UNUSUAL PROCESS
20 THAT WE HAD ADOPTED EARLIER. AND WHAT WE'RE SEEKING
21 TO DO WITH THESE PROPOSED REGULATIONS IS TO SAY THAT
22 FOR PRODUCT-BACKED LOANS, AND ONLY FOR
23 PRODUCT-BACKED LOANS, THAT THERE WILL BE AUTOMATIC
24 FORGIVENESS IF THREE CONDITIONS ARE SATISFIED. BUT
25 IN THE EVENT THAT THE PROJECT IS RESUMED, THERE'S

BARRISTERS' REPORTING SERVICE

1 AUTOMATIC REINSTATEMENT.

2 THIS, I THINK, IS BASED ON FEEDBACK WE GOT
3 FROM INDUSTRY THAT NEEDED SOME CERTAINTY AROUND WHEN
4 THERE WAS FORGIVENESS. AND IT, I BELIEVE, RELATES
5 TO SOME OF THEIR ACCOUNTING ISSUES AND SATISFIES
6 THOSE.

7 WITH RESPECT TO FORGIVENESS, IF ALL OF THE
8 THREE ARE SATISFIED, THEN THE LOAN IS AUTOMATICALLY
9 FORGIVEN AS LONG AS IT'S NOT REINSTATED. THE
10 CONDITIONS BEING THAT THE BORROWER HAS COMPLIED WITH
11 ALL REPORTING REQUIREMENTS TO CIRM, THAT THE
12 BORROWER HAD EITHER ABANDONED THE PROJECT, OR THAT
13 WE TERMINATED IT FOR CONDITIONS THAT WE'RE PERMITTED
14 TO TERMINATE ON, AND THAT TO THE EXTENT THAT THE
15 BORROWER HAD RECEIVED SOME REVENUE DURING THIS TIME
16 PERIOD, THAT THEY REPAY THAT BACK TO CIRM.

17 CHAIRMAN KLEIN: AND, ELONA, UNDER H2,
18 WHICH IS ADDRESSING IF IT IS REINSTATED, THE FLOOR
19 OF 3.5 PERCENT FOR LIBOR WOULD APPLY TO THIS SECTION
20 LIKE IT DOES TO THE ORIGINAL LOAN.

21 MS. BAUM: RIGHT. AND UNLIKE WHAT WAS
22 DISCUSSED AT THE FINANCE SUBCOMMITTEE, I ADDED SOME
23 TEXT IN YELLOW. IT'S HIGHLIGHTED BEFORE YOU. AND
24 THIS ACTUALLY STATES THAT IT'S REINSTATED, NOT AT
25 THE ORIGINAL INTEREST RATE, BUT AT THE INTEREST RATE

BARRISTERS' REPORTING SERVICE

1 IN EFFECT AT THE TIME OF REINSTATEMENT. SO THAT IS
2 THE ONE SUBSTANTIVE CHANGE IN YELLOW THAT YOU SEE
3 BEFORE YOU WHICH I THOUGHT WAS LOGICAL.

4 AND WITH THAT SAID, THERE'S JUST TWO MORE
5 POINTS. WE ALSO, BECAUSE WE HAD RECEIVED QUESTIONS
6 FROM INDUSTRY AS TO WHAT DOES IT MEAN, WHAT ARE THE
7 CONDITIONS FOR APPROVAL, DENIAL OF A LOAN, WE SOUGHT
8 TO GIVE A LITTLE MORE DEFINITION WITH THAT IN
9 SECTION K1, AND WE PROVIDED THE BASIS FOR A DENIAL.
10 AND THAT IS IF THERE IS ONE OR MORE LEGAL OR
11 FINANCIAL GROUNDS, INCLUDING BUT NOT LIMITED TO RISK
12 OF ATTACHMENT, BANKRUPTCY, OR INSOLVENCY, THOSE
13 COULD BE REASONS FOR DENIAL OF A LOAN.

14 AND FINALLY, WE JUST ACTUALLY, AGAIN,
15 CLARIFIED THAT THE AMOUNTS OF OUR DILIGENCE, SINCE
16 WE'VE BEEN ON THE TOPIC OF DILIGENCE, THE COSTS
17 INCURRED FOR THAT FINANCIAL DILIGENCE WILL BE
18 DEDUCTED AS AN INDIRECT COST FROM THE AWARD TO THE
19 LOAN RECIPIENT.

20 AND THAT IS A SUM AND SUBSTANCE OF ALL OF
21 THE SUBSTANTIVE CHANGES. THERE ARE SOME SEMANTIC
22 CHANGES AND WHATNOT IN THESE PROPOSED REGULATIONS.
23 AGAIN, WE WILL HAVE TO COME BEFORE THE BOARD ANYWAY.
24 SO THIS WILL NOT BE THE LAST TIME YOU SEE THESE
25 PROPOSED REGULATIONS.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THANK YOU VERY MUCH FOR
2 ALL YOUR HARD WORK ON THIS PROGRAM. AND THANK YOU
3 FOR ENGAGING THE PRIVATE COMPANIES IN THIS PROCESS.
4 AND THANK YOU, DUANE, FOR ALL OF YOUR COMMITTED WORK
5 ON THIS PROGRAM ALONG WITH MICHAEL GOLDBERG AND THE
6 OTHER MEMBERS OF THE FINANCE COMMITTEE, BUT MICHAEL
7 TAKING A REAL LEADERSHIP ROLE ON THAT ALONG WITH
8 DUANE AND I. SO THANK YOU.

9 WOULD WE HAVE ANY COMMENTS FROM BOARD
10 MEMBERS, OR WOULD BOARD MEMBERS WANT TO MAKE A
11 MOTION AND THEN HAVE DEBATE BASED ON THE MOTION?

12 MR. TORRES: SO MOVED.

13 MS. LANSING: SECOND.

14 CHAIRMAN KLEIN: MOTION IS MADE BY SENATOR
15 TORRES, SECOND BY SHERRY LANSING. AND DO I TAKE IT
16 THE MOTION INCLUDES -- DOES THE MOTION INCLUDE
17 HAVING A 3.5-PERCENT LIBOR FLOOR IN IT?

18 MR. TORRES: YES.

19 CHAIRMAN KLEIN: AND THE SECOND? YES, IT
20 DOES. OKAY. THANK YOU. DISCUSSION? ANY
21 DISCUSSION? THIS IS A TOPIC WE HAVE DISCUSSED
22 BEFORE. PUBLIC DISCUSSION? HEARING NO PUBLIC
23 DISCUSSION, CAN I CALL THE QUESTION. ALL IN FAVOR.

24 (CHORUS OF AYES.)

25 CHAIRMAN KLEIN: OPPOSED? THANK YOU.

BARRISTERS' REPORTING SERVICE

1 THANK, EVERYONE FOR THE TEAM EFFORT.

2 MS. KING: JOAN SAMUELSON, IF WE COULD GET
3 YOUR VOTE ON THIS ITEM, PLEASE.

4 MS. SAMUELSON: MY VOTE IS NO. THANK YOU.

5 CHAIRMAN KLEIN: THANK YOU. OKAY. ALL
6 RIGHT. MOVING DOWN THE SCHEDULE ITEM 12, MR.
7 SHEEHY, WOULD YOU LIKE TO PRESENT THE RECOMMENDATION
8 ON THE SCIENCE SUBCOMMITTEE DEALING WITH THE
9 ADDITIONAL CYCLE?

10 MR. SHEEHY: YES. AND I THINK THIS IS
11 JUST REALLY AN INFORMATION ITEM AT THIS POINT; AM I
12 CORRECT?

13 CHAIRMAN KLEIN: I THINK THAT THIS WAS
14 CONSIDERED TO BE AN INFORMATION ITEM FOR DISCUSSION.
15 I THINK YOU WANTED MORE INTERCHANGE WITH THE
16 SCIENTIFIC STAFF WHO HAD SOME CREATIVE IDEAS ON HOW
17 TO ADDRESS THIS.

18 MR. SHEEHY: I DO THINK IT WOULD BE
19 HELPFUL IF ANY BOARD MEMBERS HAVE ANY THOUGHTS.
20 WHAT HAPPENED WAS THAT AT THE LAST GRANTS WORKING
21 GROUP MEETING, THERE WERE SIDEBAR DISCUSSIONS. I
22 THINK BOB HEARD ABOUT THIS AND I DID AS WELL. THAT
23 THERE WAS THE SUGGESTION THAT MANY OF THE SCIENTISTS
24 FELT THAT ONE OF THE BEST ROUNDS WE HAD DONE WAS OUR
25 NEW FACULTY ROUND. WE DID TWO ROUNDS OF NEW

BARRISTERS' REPORTING SERVICE

1 FACULTY. I KNOW WE'VE GOT SOME NEW MEMBERS HERE.
2 BUT THAT THEY FELT THAT THAT WAS INCREDIBLY
3 PRODUCTIVE.

4 IN FACT, SOME OF THE LESS SENIOR MEMBERS
5 OF THE WORKING GROUP WERE A LITTLE BIT ENVIOUS OF
6 THAT ABILITY TO GET SECURE FUNDING, INSTITUTIONAL
7 SUPPORT AT THE BEGINNING OF THEIR CAREER, THE
8 OPPORTUNITY TO INNOVATE, AND GET SECURED AT A TIME
9 WHEN THE PAYLINE AT NIH IS REALLY VERY LOW, AND THE
10 ABILITY FOR NEW FACULTY TO GET GRANTS HAS GOTTEN TO
11 BE VERY DIFFICULT.

12 WHAT WE DISCUSSED AT THE WORKING GROUP WAS
13 A SENSE, AND I THINK ALAN HAS STEPPED OUT, BUT IN
14 TALKING TO THE PRESIDENT, THAT ONE PARTICULAR ASPECT
15 OF THAT THAT THERE WAS A GENERAL CONSENSUS ON THAT
16 HAD BEEN INCREDIBLY SUCCESSFUL WAS OUR PROGRAM
17 TARGETING PHYSICIAN/SCIENTISTS. IT'S VERY DIFFICULT
18 TO GET CLINICIANS, OR THE ABILITY FOR A
19 CLINICIAN/SCIENTIST TO COMMIT TO RESEARCH HAS BEEN
20 BECOMING MORE AND MORE CHALLENGING. AND AS I
21 MENTIONED LAST NIGHT, IN HIV/AIDS THIS IS A
22 RECURRENT THEME. WE NEED NEW CLINICIAN/SCIENTISTS
23 TO GET INTO THE FIELD.

24 STAFF IS GOING TO COME BACK WITH A LOOK AT
25 THE PRODUCTIVITY, BUT I THINK ANECDOTALLY I KNOW

BARRISTERS' REPORTING SERVICE

1 WHEN I READ CLIPS, WHEN I SEE GRANT APPLICATIONS
2 COMING IN, EARLY TRANSLATION OR DISEASE TEAMS, THAT
3 HAVE INDIVIDUALS ON IT THAT WE STARTED DOWN THEIR
4 CAREER WITH THE NEW FACULTY AWARD, THAT MAKES ME
5 THINK THAT WE'RE MAKING REAL PROGRESS AND THAT WE'RE
6 BUILDING AN INFRASTRUCTURE IN THIS STATE OF
7 CLINICIAN/SCIENTISTS THAT WE WILL NEED IF WE'RE
8 GOING TO TAKE, NOT JUST SPINAL CORD INJURY, BUT
9 APPROACHES TOWARDS ALL THESE CONDITIONS AND DISEASES
10 THAT WE'RE TRYING TO TARGET IF WE'RE GOING TO TAKE
11 THOSE INTO THE CLINIC.

12 AND SO PART OF IT IS WE DO NEED SOME
13 LEAD-TIME, AND I DON'T THINK THAT THERE'S ANY VIABLE
14 WINDOW IN OUR SCHEDULE UNTIL PROBABLY NEXT SUMMER.
15 I DO THINK IT IS THE TYPE OF THING THAT NEEDS TO
16 HAVE A LITTLE BIT OF -- THESE ARE APPLICATIONS THAT
17 ARE SCREENED BY INSTITUTIONS. AND A KEY COMPONENT
18 OF THIS IS INSTITUTIONAL SUPPORT. SO THAT I THINK
19 IT'S HELPFUL TO HAVE FEEDBACK TO SEE WHAT OTHER
20 PEOPLE ON THE BOARD, WHAT THEIR EXPERIENCE HAS BEEN
21 WITH THIS PROGRAM, POTENTIAL REFINEMENTS. I KNOW
22 ASPECTS OF THIS WAS THERE WAS FIVE-YEAR FUNDING. WE
23 BOUGHT CLINICAL TIME FOR THESE CLINICIAN/SCIENTISTS
24 SO THAT THEY COULD SPEND MORE TIME ON THEIR RESEARCH
25 AND NOT HAVE TO DEVOTE SO MUCH OF THEIR ENERGY

BARRISTERS' REPORTING SERVICE

1 TOWARDS BEING IN THE CLINIC. AND WE ALSO PROVIDED
2 ASSISTANCE FOR THEIR MEDICAL SCHOOL LOANS.

3 SO I THOUGHT IT WAS A GOOD PROGRAM. ANY
4 OTHER FEEDBACK. AND, AGAIN, THIS IS AN INITIAL
5 THING. I THINK THERE IS A LEAD-TIME BECAUSE THE
6 INSTITUTIONS HAVE TO LOOK AT WHO THEY HAVE OR MAYBE
7 PEOPLE THAT THEY'RE THINKING ABOUT BRINGING IN
8 KNOWING THAT THIS IS A POSSIBILITY OF AN OPPORTUNITY
9 THAT THEY MAY HAVE FOR SOMEBODY THAT THEY RECRUITED.
10 JUST TO PUT THIS OUT THERE.

11 CHAIRMAN KLEIN: JEFF, I KNOW THAT STAFF
12 RAISED THE QUESTION ABOUT SCHEDULING AND HOW THEY
13 CAN INTEGRATE THIS WITH OUR EXISTING SCHEDULE OF
14 RFA'S. IS THERE A POTENTIAL THAT YOU SEE OF BOLTING
15 THIS ON THE GREAT ASPECTS THAT YOU RECITED THAT ARE
16 BUYING CLINICAL TIME, FORGIVENESS OF LOANS, ETC., TO
17 BOLTING IT ONTO ANOTHER ROUND LIKE HAVING EARLY
18 TRANSLATION THAT HAS A NEW FACULTY COMPONENT IN
19 TERMS OF GETTING IT IN EARLIER IN THE PROCESS AND
20 YET PRESERVING THE INTEGRITY OF WHAT WE ACCOMPLISH
21 WHEN WE PROVIDE STRONG CONTINUITY OF SUPPORT FOR
22 EARLY FACULTY IN THIS AREA?

23 MR. SHEEHY: I THINK YOU MIGHT BE ABLE TO
24 DOUBLE UP ON THE REVIEW IF YOU HAVE SCIENTISTS WITH
25 RELEVANT EXPERTISE THAT ARE GOING TO BE REVIEWING A

BARRISTERS' REPORTING SERVICE

1 SET OF GRANTS. I HAVE TO SAY THAT WHAT WE WERE
2 DISCUSSING LAST NIGHT I WAS NOT THAT SUPPORTIVE OF,
3 WHICH WOULD BE GIVING SOME SORT OF ADVANTAGE TO AN
4 APPLICANT BECAUSE THEY WERE NEW FACULTY.
5 PROGRAMMATIC CONSIDERATIONS LIKE THAT HAVE BEEN
6 BROUGHT UP BY ME IN PROGRAMMATIC REVIEW, AND THE
7 SCIENTISTS ARE NOT -- I'VE SAID THIS IS A NEW
8 RESEARCHER. WE'RE GOING TO ENCOURAGE THEIR CAREER.
9 BUT STILL I ACTUALLY HAVE TO AGREE WITH THE
10 SCIENTISTS. WHAT YOU'RE REVIEWING IS THE SCIENCE.
11 AND SO SOMEONE'S PARTICULAR POSITION IN THE FOOD
12 CHAIN, SO TO SPEAK, SHOULD NOT NECESSARILY ADVANTAGE
13 THEM.

14 I THINK WE'RE PROBABLY BETTER SERVED IF WE
15 CAN GET, AT LEAST FROM MY PERSPECTIVE, IF WE CAN GET
16 THESE INDIVIDUALS WITH THIS FIVE-YEAR CAREER PATH
17 THAT'S FAIRLY CERTAIN. I THINK IT GETS A COMMITMENT
18 FROM MOST OF THESE INDIVIDUALS TO BE CLINICIAN
19 RESEARCHERS. I KNOW THERE ARE ASPECTS THAT STAFF,
20 THAT ALAN WANTED TO TWEAK TO MAKE SURE THAT WE HAD
21 FOLKS WORKING IN AREAS THAT ARE PART OF OUR OVERALL
22 MISSION, THAT WE DIDN'T JUST KIND OF SAY BRING US
23 WHAT YOU HAVE, THAT WE PROBABLY NEED TO HAVE A
24 LITTLE BIT BETTER MESH WITH WHAT WE WANT TO DO. BUT
25 IN GENERAL I THINK SOMETHING THAT WAS A STANDALONE

BARRISTERS' REPORTING SERVICE

1 PROGRAM, BUT COULD POTENTIALLY BE REVIEWED IN THE
2 CONTEXT OF A DISEASE TEAM OR AN EARLY TRANSLATION
3 ROUND WHERE YOU HAVE THE NECESSARY EXPERTISE THERE.
4 SO YOU WOULDN'T NECESSARILY HAVE TO COMPLETELY
5 FLUMMOX THE SCHEDULE.

6 I WOULD NOTE, BECAUSE THERE'S NO PREAP
7 PROCESS, THAT THIS ACTUALLY IS MUCH EASIER ON STAFF.
8 WHEN YOU HAVE, LIKE WE TALKED ABOUT IN EARLY
9 TRANSLATION, YOU HAVE 114 APPLICATIONS, AND YOU WEED
10 OUT TWO-THIRDS OF THOSE IN THE PREAP PROCESS, THAT'S
11 NOT AN INSIGNIFICANT AMOUNT OF STAFF TIME. I WONDER
12 IN SOME RESPECTS IF THAT'S NOT JUST AS MUCH OF A
13 BURDEN ON STAFF TO DO THE PREAP PROCESS AS TO
14 ACTUALLY CONDUCT THE REVIEW.

15 DR. FEIGAL: UNFORTUNATELY DR. TROUNSON
16 HAD TO LEAVE, SO HE ASKED ME TO STEP IN. BUT I
17 THINK THE ISSUE FOR THE PHYSICIAN/SCIENTIST IS THE
18 UNIQUE LEVERAGE THAT WE WANTED TO GET AT. AND IN
19 ADDITION, WE WANTED TO GET AWAY FROM SOME OF THE,
20 QUOTE, LEAKAGE AND ACTUALLY MAKE SURE THAT THESE
21 PHYSICIAN/SCIENTISTS WERE ACTUALLY WORKING ON STEM
22 CELL SCIENCE PERTINENT TO OUR SCOPE AND OUR MISSION
23 AND, IF POSSIBLE, CLINICALLY RELEVANT, MEDICALLY
24 APPLICABLE.

25 SO TRYING TO THINK OF IT IN TERMS OF LATER

BARRISTERS' REPORTING SERVICE

1 PARTS OF THE TRANSLATION THAT WE WORK ON.

2 DR. PIZZO: SO CLEARLY THIS IS A TERRIFIC
3 PROGRAM AND A TERRIFIC GOAL. I DO HAVE A CONCERN,
4 AND, ELLEN, YOU JUST TRIGGERED IT, WHICH IS IF WE'RE
5 GOING TO REALLY PROMOTE PHYSICIAN/SCIENTISTS, WE
6 HAVE DO IT IN A WAY THAT ALLOWS SOME FLEXIBILITY IN
7 TERMS OF HOW THEIR CAREER EVOLVES. IF WE GET TOO
8 CIRCUMSCRIBING IN TERMS OF WHAT THEY CAN WORK ON, WE
9 POTENTIALLY, A, WILL MISS THE OPPORTUNITY FOR THEM
10 AND THEIR CAREERS TO DEVELOP AND GROW; AND, B, IT
11 MAY MISS SOME OF THE GREAT THINGS THAT THEY COULD
12 DISCOVER.

13 SO IF WE'RE SERIOUS ABOUT CREATING
14 PHYSICIAN/SCIENTISTS, WE SHOULD NOT DO IT OF JUST
15 ONE PHENOTYPE. WE SHOULD DO IT FOR PEOPLE WHO ARE
16 REALLY GOING TO COMMIT THEMSELVES TO A LIFELONG
17 CAREER. ONE HOPES THAT THE INVESTMENT WILL BE IN
18 AREAS RELATED TO WHAT WE'RE WORKING ON, BUT I COULD
19 SPEAK TO THIS QUITE PERSONALLY. I MEAN MY CAREER
20 EVOLVED IN MANY WAYS THAT I WOULD HAVE NEVER
21 ANTICIPATED AT THE ONSET, AND IT MOVED INTO
22 DIFFERENT JOURNEYS, FRANKLY, FROM CANCER TO AIDS AT
23 ONE POINT AND BACK AND FORTH ACROSS THOSE DOMAINS.
24 AND IF WE JUST SAY THIS IS WHAT YOUR -- YOU NEED TO
25 DO THIS, I DON'T THINK THAT WILL -- I DON'T THINK

BARRISTERS' REPORTING SERVICE

1 THAT'S WHAT YOU'RE SAYING.

2 DR. FEIGAL: THAT WASN'T MY INTENT.

3 DR. PIZZO: I JUST WANT TO UNDERSCORE THAT
4 WE DON'T WANT TO DO THAT.

5 CHAIRMAN KLEIN: OKAY. ADDITIONAL
6 COMMENTS?

7 MS. SAMUELSON: QUESTION FOR DR. PIZZO.
8 HOW WOULD WE THEN DESCRIBE THE ELIGIBILITY FOR THIS
9 GRANT, DR. PIZZO, WOULD YOU SAY, TO ACCOMPLISH WHAT
10 YOU JUST DESCRIBED?

11 CHAIRMAN KLEIN: JOAN WAS ASKING HOW WE
12 WOULD DESCRIBE THE CRITERIA TO ACCOMPLISH YOUR
13 OBJECTIVE.

14 DR. PIZZO: THANK YOU, JOAN. MINE IS AN
15 UNSTATED OBJECTIVE, MEANING THAT I'M NOT SUGGESTING
16 THAT WE STATE ON IT THE POSITIVE OR EMPHATIC SIDE,
17 BUT THAT WE DON'T PUT IN RESTRICTIONS THAT GUIDE
18 THINGS ON THE NEGATIVE. BY THAT I MEAN IF WE ARE
19 TOO SPECIFIC IN TERMS OF WHAT IT MEANS TO BE A
20 PHYSICIAN/SCIENTIST SUPPORTED BY THIS FUNDING, WE'RE
21 GOING TO CREATE A TRUNCATION OF OPPORTUNITY. I'D
22 RATHER THAT WE START OUT WITH THE GENERAL PRINCIPLE,
23 ASPIRE PEOPLE TO FOCUS ON CELL-BASED THERAPY AND
24 STEM CELL WORK, BUT KNOW THAT THEIR PATH COULD MOVE
25 FROM STEM CELLS TO IMMUNOLOGY BACK AND FORTH ACROSS

BARRISTERS' REPORTING SERVICE

1 THOSE DOMAINS AND MANY OTHERS AS WELL, AND THAT'S A
2 GOOD OUTCOME AS WELL.

3 TO JEFF'S POINT, WE ARE AS A NATION IN A
4 CRITICAL PHASE WITH REGARD TO PHYSICIAN/SCIENTISTS.
5 WE WENT FROM HAVING 24,000 OF THEM IN 1994 TO 14,000
6 IN 2004. SO IT'S NOT AS IF THIS IS A GROWING GROUP.
7 IT'S A GROUP THAT WE NEED TO SUPPORT.

8 MS. SAMUELSON: SO YOU WOULDN'T ADD
9 ANYTHING TO THE CRITERIA?

10 CHAIRMAN KLEIN: BECAUSE THIS IS A
11 SOPHISTICATED QUESTION WITH A LOT OF LAYERS IN IT,
12 HOW WOULD YOU BE, WOULD YOU BE RECEPTIVE, DR. PIZZO,
13 JUST FOR A LIMITED NUMBER OF PHONES CALLS, HAVING
14 YOU AND JEFF BE A TASK FORCE WHERE YOU COULD DISCUSS
15 WITH THE STAFF THESE CONCEPTS?

16 DR. PIZZO: I SUSPECT IT WILL TAKE FIVE
17 MINUTES, BUT WOULD BE HAPPY TO DO IT.

18 MR. SHEEHY: I WOULD WELCOME.

19 DR. PIZZO: I ALWAYS ASPIRE TO BE ON A
20 TASK FORCE WITH JEFF.

21 CHAIRMAN KLEIN: DR. PIZZO, I HOPE IT'S
22 NOT LIKE WITH MY PERSONAL DECEPTIONS MY FIVE-MINUTE
23 CALLS.

24 DR. PIZZO: THIS IS DISTINCTLY DIFFERENT
25 FROM YOUR FIVE-MINUTE CALLS.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: FAIR PLAY. THANK YOU.
2 OKAY. SO I THINK, JEFF, WE'VE HAD A PRODUCTIVE
3 DISCUSSION ON THIS ITEM. I THINK WE CAN MOVE
4 FORWARD. IS THAT SATISFACTORY WITH YOU?

5 MR. SHEEHY: YEAH, I THINK SO. I THINK
6 THAT COVERS PRETTY MUCH THE ITEMS THAT WE COVERED AT
7 THE SCIENCE SUBCOMMITTEE. I THINK WE SHOULD -- WE
8 DO HAVE ANOTHER CHAIR. ED WAS THE CO-CHAIR OF THE
9 SCIENCE SUBCOMMITTEE. AND I THINK DR. STEWARD HAS
10 AGREED TO BE CO-CHAIR OF THE SCIENCE. AGAIN,
11 GETTING HELP HERE, I'M VERY GRATEFUL. THANK YOU.

12 CHAIRMAN KLEIN: THANK YOU. I WOULD LIKE
13 LOGISTICS, GIVEN THAT IT'S INADVISABLE TO HAVE LOW
14 BLOOD SUGAR ON THIS BOARD.

15 MS. LANSING: AT THE DISCRETION OF THE
16 BOARD, BUT I KNOW THAT SOME PEOPLE ARE GOING TO BE
17 CATCHING PLANES EARLY. AND UNLESS I'M WRONG, WE
18 ONLY HAVE TWO ITEMS LEFT. AND SO I WOULD LIKE TO,
19 IF THE BOARD WANTS TO, AND IT'S COMPLETELY UP TO YOU
20 BECAUSE I LIVE HERE, SO I DON'T HAVE ANY PROBLEM
21 TIMEWISE, BUT I WOULD LIKE TO SUGGEST THAT WE EITHER
22 HAVE A WORKING LUNCH. ONE OF THE ITEMS WAS A
23 GOVERNANCE ITEM THAT WE'VE HAD A ROBUST DISCUSSION
24 ON. AND THE BUDGET ITEM I KNOW YOU STARTED TO
25 DISCUSS YESTERDAY. AND UNLESS I'M WRONG, THAT'S ALL

BARRISTERS' REPORTING SERVICE

1 THAT'S LEFT. SO EITHER WE HAVE A WORKING LUNCH OR
2 WE DO THOSE TWO ITEMS AND HAVE LUNCH AT ONE OR WE
3 HAVE LUNCH AFTERWARDS, BUT I WOULD SUGGEST THAT WE
4 DO THAT BECAUSE I THINK WE'RE GOING TO LOSE QUORUM.

5 CHAIRMAN KLEIN: WHAT IS THE NATURE, IS IT
6 SANDWICHES OR IS IT HOT FOOD?

7 MS. KING: IT IS BOX LUNCHES, SO WE HAVE
8 LOTS OF OPTIONS. IT'S READY NOW.

9 CHAIRMAN KLEIN: LET'S TAKE A TEN-MINUTE
10 BREAK, GET THE BOX LUNCHES, AND MOVE FORWARD.

11 (A RECESS WAS TAKEN.)

12 CHAIRMAN KLEIN: SO HOW ARE WE WITH
13 MEMBERS? WE HAVE A FEW STILL GRABBING SOMETHING.

14 MS. KING: WE HAVE 18 IN THE ROOM. IF
15 JOAN IS ON THE LINE, WE ACTUALLY HAVE A QUORUM, AND
16 THERE ARE A COUPLE OF PEOPLE THAT I WILL GO SEEK OUT
17 AS WELL.

18 JOAN, I JUST WANTED TO CHECK. ARE YOU
19 WITH US ON THE LINE RIGHT NOW? I KNOW YOU MAY BE
20 MUTED.

21 UNIDENTIFIED SPEAKER: SHE IS NOT ON THE
22 LINE RIGHT NOW.

23 MS. KING: THANK YOU. SHE'LL BE BACK IN A
24 FEW MINUTES; IS THAT TRUE? JOAN WILL REJOIN US WHEN
25 SHE CAN, BUT WITH JONATHAN, WE HAVE A QUORUM IN THE

BARRISTERS' REPORTING SERVICE

1 ROOM.

2 CHAIRMAN KLEIN: I'M GOING TO WAIT JUST A
3 MOMENT BECAUSE I CAN SEE A COUPLE BOARD MEMBERS
4 GRABBING SOMETHING.

5 I WOULD LIKE TO SEE IS MY DISTINGUISHED
6 COLLEAGUE SHERRY LANSING, WHO IS CHAIR OF THE
7 GOVERNANCE COMMITTEE, AT A POINT SHE'S PREPARED TO
8 COVER THE GOVERNANCE ITEM?

9 MS. LANSING: YES.

10 CHAIRMAN KLEIN: I WILL TURN THIS OVER TO
11 SHERRY LANSING, WHO IS GOING TO ADDRESS ITEM 14.

12 MS. LANSING: WE HAD ABOUT AN HOUR AND A
13 HALF GOVERNANCE MEETING YESTERDAY AND HAD A HEALTHY
14 AND ROBUST DISCUSSION ABOUT ALL OF THE AGENDA ITEMS
15 THAT I'M GOING TO ASK JAMES HARRISON TO LEAD US
16 THROUGH, AND WE DID VOTE FOR APPROVAL OF THEM, BUT
17 WE'D LIKE YOUR SUPPORT AS WELL.

18 MR. HARRISON: THANK YOU, SHERRY. THE
19 MATERIALS ARE IN YOUR BINDER BEHIND TAB 14, AS
20 SHERRY MENTIONED. FIRST, I'D LIKE TO JUST TELL YOU
21 WHAT ACTIONS THE GOVERNANCE SUBCOMMITTEE TOOK, AND
22 THEN I'LL GO THROUGH EACH ITEM.

23 CHAIRMAN KLEIN: IF YOU COULD SPEAK A
24 LITTLE CLOSER TO THE MIC.

25 MR. HARRISON: FIRST, I WILL DESCRIBE THE

BARRISTERS' REPORTING SERVICE

1 ACTIONS THE GOVERNANCE SUBCOMMITTEE TOOK, AND THEN
2 I'LL TAKE YOU THROUGH BOTH ITEMS IN A LITTLE BIT
3 GREATER DETAIL. FIRST, THE GOVERNANCE SUBCOMMITTEE
4 ADOPTED A MOTION BY A VOTE OF SIX TO ONE TO
5 RECOMMEND BOARD APPROVAL OF THE REORGANIZATION PLAN
6 THAT YOU HAVE AND REQUEST THAT STAFF PRESENT THE
7 NECESSARY MODIFICATIONS TO THE INTERNAL GOVERNANCE
8 POLICY TO THE GOVERNANCE SUBCOMMITTEE AND THE BOARD
9 AT A SUBSEQUENT MEETING.

10 SECOND, THE BOARD UNANIMOUSLY ADOPTED A
11 MOTION TO RECOMMEND BOARD APPROVAL OF A PROPOSAL TO
12 AUTHORIZE THE BOARD TO USE PREEXISTING DONOR FUNDS
13 AS AN OPTION TO PAY ANY SALARY FOR THE NEW CHAIR IN
14 EXCESS OF \$150,000.

15 TURNING TO THE REORGANIZATION PROPOSAL,
16 CONSISTENT WITH THE BOARD'S EVALUATION OF THE
17 PRESIDENT, THE CHAIRMAN AND THE PRESIDENT HAVE SPENT
18 THE LAST SIX MONTHS DISCUSSING CHANGES TO CIRM'S
19 ORGANIZATIONAL STRUCTURE, INCLUDING THE CREATION OF
20 A NEW POSITION OF CHIEF FINANCIAL OFFICER OR
21 DIRECTOR OF FINANCE AS IT'S REFERRED TO IN THE
22 PROPOSAL, AND A NEW POSITION OF PUBLIC
23 COMMUNICATIONS DIRECTOR.

24 INITIALLY WE THOUGHT WE WOULD PROPOSE
25 THESE AS AMENDMENTS TO THE INTERNAL GOVERNANCE

BARRISTERS' REPORTING SERVICE

1 POLICY, BUT WE THOUGHT IT MIGHT BE EASIER TO PRESENT
2 THE CHANGES CONCEPTUALLY TO YOU FIRST WITHOUT ALL OF
3 THE INTERLINEATION AND TRACK CHANGES REQUIRED IN THE
4 INTERNAL GOVERNANCE POLICY. WITH YOUR APPROVAL, WE
5 WILL THEN TAKE THE STEP OF MODIFYING THE INTERNAL
6 GOVERNANCE POLICY TO BRING IT INTO CONFORMANCE WITH
7 THE REORGANIZATION PROPOSAL.

8 THERE ARE THREE IMPORTANT ASPECTS OF THE
9 REORGANIZATION PLAN THAT I'LL JUST TOUCH UPON
10 BRIEFLY. AS ALL OF YOU KNOW, THE CHAIR AND THE
11 PRESIDENT EACH HAVE STATUTORY RESPONSIBILITIES IN
12 THE AREA OF FINANCE. GENERALLY SPEAKING, THE CHAIR
13 HAS RESPONSIBILITY IN THE AREA OF EXTERNAL FINANCE
14 RELATING TO BOND FINANCING, CASH FLOW PLANNING, AND
15 OPTIMIZING LEVERAGE OPPORTUNITIES FOR THE AGENCY.
16 THE PRESIDENT, BY CONTRAST, HAS RESPONSIBILITY FOR
17 INTERNAL FINANCES, INCLUDING CIRM'S BUDGET AS WELL
18 AS CIRM'S COST CONTROL PROGRAMS.

19 CURRENTLY WE HAVE A VACANT POSITION THAT
20 HAS BEEN APPROVED BY THE BOARD FOR A FINANCE
21 POSITION IN THE CHAIR'S OFFICE, AND JOHN ROBSON, OUR
22 VICE PRESIDENT FOR OPERATIONS, HAS ANNOUNCED THAT HE
23 WILL BE LEAVING CIRM. UNDER THE PROPOSED
24 REORGANIZATION PLAN, BOTH OF THOSE CURRENT POSITIONS
25 WOULD BE ELIMINATED. AND, INSTEAD, TO CARRY OUT

BARRISTERS' REPORTING SERVICE

1 THESE RESPONSIBILITIES, WE WOULD PROPOSE TO
2 ESTABLISH A NEW POSITION OF CHIEF FINANCIAL OFFICER.
3 THIS INDIVIDUAL WOULD REPORT JOINTLY TO THE CHAIRMAN
4 AND THE PRESIDENT AND WOULD SUPPORT BOTH THE
5 CHAIRMAN AND THE PRESIDENT IN CARRYING OUT THE
6 FUNCTIONS ASSIGNED TO THEM UNDER PROP 71.

7 THE REORGANIZATION PROPOSAL ALSO
8 CONTEMPLATES THE CREATION OF A NEW POSITION FOR
9 DIRECTOR OF PUBLIC COMMUNICATIONS. AS WITH FINANCE,
10 THE CHAIR AND THE PRESIDENT HAVE RECOGNIZED THAT
11 THEY SHOULD EACH HAVE A ROLE IN CIRM'S
12 COMMUNICATIONS WITH THE CHAIR FOCUSED PRIMARILY ON
13 PUBLIC COMMUNICATIONS AND THE PRESIDENT FOCUSED
14 PRIMARILY ON SCIENTIFIC COMMUNICATIONS.

15 TO IMPLEMENT THIS PART OF THE PROPOSAL, A
16 NEW POSITION OF DIRECTOR OF PUBLIC COMMUNICATIONS
17 WOULD BE ESTABLISHED IN THE OFFICE OF THE CHAIR, AND
18 THE INDIVIDUAL WOULD REPORT TO THE CHAIR AND THE
19 STATUTORY VICE CHAIR. THE SCIENCE REPORTING AND
20 EDUCATION ACTIVITIES THAT CIRM CURRENTLY ENGAGES IN
21 WOULD CONTINUE TO BE HANDLED THROUGH STAFF REPORTING
22 TO THE PRESIDENT. AND PURSUANT TO THIS PROPOSAL,
23 BOTH THE CHAIR AND PRESIDENT WOULD MEET AND JOINTLY
24 REPORT TO THE COMMUNICATIONS SUBCOMMITTEE.

25 THE LAST ASPECT OF THE REORGANIZATION

BARRISTERS' REPORTING SERVICE

1 PROPOSAL I'D LIKE TO BRING TO YOUR ATTENTION RELATES
2 TO STAFF IN THE OFFICE OF THE CHAIR. CURRENTLY
3 STAFF IN THE OFFICE OF THE CHAIR REPORT FOR PURPOSES
4 OF WORK ASSIGNMENTS TO THE CHAIR AND THE VICE CHAIR.
5 BUT THE PRESIDENT HAS RESPONSIBILITY FOR EMPLOYMENT
6 DECISIONS, HIRING, FIRING, AND COMPENSATION FOR
7 STAFF IN THAT OFFICE.

8 THE NOTION BEHIND THIS PROPOSAL IS THAT BY
9 VESTING THE CHAIR AND THE VICE CHAIR WITH
10 RESPONSIBILITY NOT ONLY WITH RESPECT TO WORK
11 ASSIGNMENTS, BUT ALSO WITH RESPECT TO EMPLOYMENT
12 DECISIONS FOR STAFF FOR WHOM THEY'RE RESPONSIBLE, WE
13 WOULD ALIGN THE RESPONSIBILITY AND ACCOUNTABILITY
14 FOR THESE EMPLOYEES IN A SINGLE PERSON.

15 THAT'S THE PROPOSAL. AS I SAID, THE
16 GOVERNANCE SUBCOMMITTEE BY MOTION RECOMMENDED THAT
17 THE BOARD APPROVE THIS REORGANIZATION PROPOSAL BY A
18 VOTE OF SIX TO ONE AND REQUESTED THAT THE STAFF
19 RETURN TO THE GOVERNANCE SUBCOMMITTEE AND THE BOARD
20 WITH CONFORMING CHANGES TO THE INTERNAL GOVERNANCE
21 POLICY.

22 MS. LANSING: I JUST WANT TO SET THE
23 CONTEXT FOR THIS, AND THEN ASK FOR A CALL, A MOTION.
24 AS YOU REMEMBER, MANY MONTHS AGO WE ASKED ALAN TO
25 LOOK AT THIS, AND THIS WAS SOMETHING THAT THE BOARD

BARRISTERS' REPORTING SERVICE

1 WAS VERY INVOLVED IN, AND ALAN TOOK THE LEAD AND
2 AGREED TO THIS. WE PASSED THIS -- HOPEFULLY IF WE
3 PASS THIS RESOLUTION, WHICH I HOPE WE WILL, IT IS
4 WITH THE FULL UNDERSTANDING, AND THERE IS A
5 PARAGRAPH THAT EXPLAINS IT IN THE BEGINNING, WITH
6 THE FULL UNDERSTANDING THAT WHEN THE NEW CHAIR IS
7 HERE IN SIX WEEKS, WE WILL BE FLEXIBLE AND ADAPT TO
8 THIS DEPENDING ON HIS OR HER SKILL SET AND THE
9 RELATIONSHIP THAT HE HAS WITH THE PRESIDENT.

10 SO IN THAT CONTEXT, I'D LIKE TO ASK FOR A
11 MOTION TO APPROVE.

12 CHAIRMAN KLEIN: SHERRY, I'D LIKE TO MAKE
13 A MOTION TO APPROVE. AND I'D ALSO LIKE TO SAY THAT
14 BOTH SENATOR TORRES AND I MADE IT VERY CLEAR THAT
15 WE'RE COMMITTED TO MAKING CERTAIN THAT THE NEW HIRES
16 HERE ARE DONE WITH THE NEW CHAIR BECAUSE YOU REALLY
17 NEED TO MERGE AND HAVE A PARTNERSHIP BETWEEN THE NEW
18 CHAIR AND THE PRESIDENT. AND EVEN WITH THE PUBLIC
19 COMMUNICATIONS OFFICER, ALTHOUGH REPORTS TO THE
20 CHAIR, THAT IT'S GOING TO BE IMPORTANT TO HAVE A
21 COLLEGIAL RELATIONSHIP AND A COORDINATED
22 RELATIONSHIP WITH THE PRESIDENT SO WE HAVE A
23 COORDINATED VOICE IN THIS ORGANIZATION.

24 AND WITH THE CHIEF FINANCIAL OFFICER, YOU
25 HAVE DEFINED AREAS OF ROLES, BUT REALLY

BARRISTERS' REPORTING SERVICE

1 COLLABORATION ON THE OVERALL BUDGET AND REPORTING
2 RELATIONSHIP FOR THE AGENCY. SO THOSE HIRES HAVE TO
3 BE MADE BY THE NEW CHAIR AND THE PRESIDENT, NOT, IN
4 FACT, BY ART OR I, EVEN THOUGH WE'LL BE IN THESE
5 POSITIONS DURING THAT TIME PERIOD.

6 MS. LANSING: I WANT TO CLARIFY THAT WHAT
7 WAS SAID, AND I WANT TO RECONFIRM IT WITH BOTH BOB
8 AND ART, THAT SINCE WE ARE SO CLOSE TO FINDING A NEW
9 CHAIR, THAT THERE WILL BE NO HIRES DURING THE NEXT
10 SIX WEEKS UNTIL WE HAVE THE CHAIR. WE MAY POST THE
11 JOB JUST TO GET STARTED, BUT THERE WILL BE NO
12 HIRING.

13 CHAIRMAN KLEIN: THAT WAS MY PROPOSAL, AND
14 I THINK THAT IT WAS WELL RECEIVED. AND SENATOR
15 TORRES, YOU WANT TO COMMENT FOR YOURSELF?

16 MR. TORRES: I'VE BEEN AT CIRM NOW FOR TWO
17 YEARS, AND IT TAKES AT LEAST A YEAR TO HIRE
18 SOMEBODY. SO I DON'T THINK WE HAVE ANY PROBLEMS OR
19 DANGER IN THIS REGARD.

20 MS. LANSING: CAN I HAVE A SECOND?

21 MR. TORRES: SECOND.

22 MS. LANSING: DISCUSSION NOW.

23 DR. FEIGAL: I JUST WANT TO MAKE IT CLEAR
24 BECAUSE ALAN ISN'T HERE TO SPEAK FOR HIMSELF. BUT
25 THE PRESIDENT VERY CLEARLY STATED IN THE

BARRISTERS' REPORTING SERVICE

1 INTRODUCTION THAT THE NEW CHAIR MAY HAVE DIFFERENT
2 INTERESTS AND EXPERTISE THAN THE CURRENT CHAIR, AND
3 THAT THE NEW CHAIR AND THE PRESIDENT SHOULD DEVELOP
4 A STRUCTURE THAT BEST LEVERAGES THE TALENT AND
5 EXPERTISE OF EACH INDIVIDUAL. SO I WANTED TO MAKE
6 IT CLEAR THAT IT'S NOT -- WHAT HE WAS AGREEING TO
7 WAS NOT TO GO FORWARD IF THE NEW CHAIR HAD A
8 DIFFERENT STRUCTURE THEY WANTED TO PUT IN PLACE.

9 MR. TORRES: THAT WAS THE MOTION BY MR.
10 SHEEHY. THAT WAS HIS LANGUAGE.

11 DR. FEIGAL: I JUST WANT TO MAKE IT CLEAR.

12 MS. LANSING: WE UNDERSTAND. I WANT TO BE
13 VERY CLEAR ABOUT -- AND ALAN WAS PART OF THE
14 GOVERNANCE DISCUSSION AS WELL. WHAT I WANT TO BE
15 VERY CLEAR ABOUT IS THAT IN -- THE FULL BOARD MET,
16 WITH ALAN'S COOPERATION GAVE ALAN CERTAIN
17 GUIDELINES. HE CAME BACK AND PRESENTED THIS TO US,
18 AND WE APPROVED THIS. WE DO NOT WANT TO SEND MIXED
19 SIGNALS, AND WE WANT TO BE A BOARD THAT ACTS
20 RESPONSIBLY.

21 IN THAT CONTEXT, A BOARD THAT ACTS
22 RESPONSIBLY UNDERSTANDS THAT WHEN YOU HAVE A NEW
23 CHAIR, THIS DOCUMENT MUST BE FLEXIBLE AND MUST TAKE
24 INTO ACCOUNT THE SKILL SET OF THE NEW HIS OR HER
25 CHAIRMAN. EXCUSE MY LACK OF GOOD ENGLISH.

BARRISTERS' REPORTING SERVICE

1 MS. BAUM: SINCE WE'RE TALKING ABOUT THE
2 POSTING OF THE CFO POSITION, AND SINCE IT IS A JOINT
3 REPORTING POSITION, CAN I ASSUME FOR CLARIFICATION
4 SAKE THAT THAT MEANS THAT THE ACTUAL JOB DESCRIPTION
5 IS SOMETHING THAT WOULD BE REQUIRED TO BE AGREED TO
6 BY BOTH THE PRESIDENT AND THE CHAIR OR ART, FOR THAT
7 MATTER?

8 CHAIRMAN KLEIN: I'VE SPECIFICALLY HAD
9 DISCUSSION WITH ALAN, WHO'S ASKED ME TO SIT DOWN AND
10 GO OVER THOSE JOB DESCRIPTIONS SO WE COULD GET
11 SOMETHING POSTED; BUT CERTAINLY THE POSTING IS GOING
12 TO REALLY IDENTIFY WHO THE POTENTIAL CANDIDATES ARE.
13 AND IN THE SELECTION OF THE INDIVIDUAL, THEIR
14 TALENTS ARE GOING TO INFLUENCE THE ACTUAL JOB
15 DESCRIPTION, BUT ALSO THE TALENTS OF WHO THE CHAIR
16 IS IS GOING TO INFLUENCE IT AS WELL.

17 SO I THINK WE NEED TO BE MORE GENERIC IN
18 TERMS OF THIS DESCRIPTION SO WE CAN GET AN INVENTORY
19 OF THE TALENT WITHOUT TRYING TO BE EXTREMELY PRECISE
20 BECAUSE THAT'S GOING TO BE BETWEEN THE CHAIR AND THE
21 PRESIDENT.

22 MS. LANSING: LET ME MAKE SOMETHING CLEAR.
23 THERE'S ALREADY BEEN A DISCUSSION THAT THERE WILL BE
24 NO HIRING. SO WHEN YOU HAVE A CHAIR, SHOULD YOU
25 WANT TO REPOST AND CHANGE POSTING, WE'RE AN

BARRISTERS' REPORTING SERVICE

1 ORGANIZATION THAT HAS PROVEN TO BE FLEXIBLE AND
2 NIMBLE. SO ALL I'M TRYING TO SAY IS THAT THIS IS A
3 DOCUMENT THAT WE HAVE AGREED TO BEFORE. THIS IS A
4 DOCUMENT THAT WILL BE SOMETHING THAT WILL BE LOOKED
5 AT AND REEVALUATED WHEN YOU KNOW WHO THE NEW
6 CHAIRPERSON IS.

7 DR. FEIGAL: SHE'S JUST ASKING AN
8 OPERATIONAL QUESTION.

9 MS. LANSING: OPERATIONAL THING IS SHOULD
10 YOU WITHIN THE NEXT SIX WEEKS COME TO A CONCLUSION
11 AS TO HOW YOU WISH TO POST IT AND SHOULD THE NEW
12 CHAIRPERSON COME IN AND SAY, WELL, I HAVE THIS SKILL
13 SET, SO I WOULD RATHER DO X, Y, AND Z CAN REPOST IT.
14 WE'RE JUST TRYING NOT TO STOP EVERYTHING.

15 MS. BAUM: I THINK THAT IT'S INCUMBENT
16 UPON ME TO LET THE BOARD KNOW THAT THERE IS AN
17 EXISTING JOB DESCRIPTION AT THE MOMENT, AND THERE IS
18 A LACK OF AGREEMENT BETWEEN THE PRESIDENT AND THE
19 CHAIR AS TO WHETHER OR NOT WHAT IS IN THE CURRENT
20 VERSION OF THAT JOB DESCRIPTION ACCURATELY REFLECTS
21 WHAT IS BEING DISCUSSED WITHIN THE ACCEPTED POSITION
22 OF THE CFO.

23 CHAIRMAN KLEIN: SO I WISH THE PRESIDENT
24 WERE --

25 MR. SHEEHY: COULD I REQUEST WE GO INTO

BARRISTERS' REPORTING SERVICE

1 CLOSED SESSION?

2 MS. LANSING: OKAY.

3 MR. SHEEHY: BECAUSE THIS IS A PERSONNEL
4 ISSUE. I'M SURPRISED THAT COUNSEL IS RAISING A
5 PERSONNEL ISSUE.

6 MS. BAUM: ANY PERSONNEL ISSUE SHOULD BE
7 IN CLOSED SESSION. I DIDN'T CONSIDER THIS --

8 MR. SHEEHY: THIS COMES OUT OF THE
9 EVALUATION PROCESS, SO THIS IS A PERSONNEL ISSUE.

10 MS. BAUM: I DON'T THINK WE SHOULD SAY
11 ANYTHING MORE IF WE'RE TALKING ABOUT PERSONNEL
12 ISSUES.

13 MR. SHEEHY: IF YOU'RE NOT HONORING THE
14 AGREEMENTS OF THE PRESIDENT.

15 MS. BAUM: LOOK, I THINK THIS WENT BEYOND
16 WHAT WAS AGREED TO. THAT'S ALL I'M TRYING TO SAY
17 FOR YOUR INFORMATION.

18 CHAIRMAN KLEIN: WAIT A MINUTE.

19 MR. SHEEHY: THIS IS BETWEEN THE BOARD AND
20 THE PRESIDENT.

21 MS. LANSING: I WOULD LIKE TO STOP THIS
22 DISCUSSION AT THE MOMENT, IF POSSIBLE, AND JUST DEAL
23 WITH WHAT WE'RE DOING. THE PRESIDENT WAS IN THE
24 GOVERNANCE COMMITTEE. I'M SORRY HE'S NOT HERE NOW.
25 AND THE PRESIDENT HAS WILLINGLY FULFILLED THE WISHES

BARRISTERS' REPORTING SERVICE

1 OF THE JOINT DECISION OF THE EVALUATION SUBCOMMITTEE
2 AND THE BOARD WITH HIS FULL PARTICIPATION. ALL
3 WE'RE ASKING FOR IS APPROVAL OF A DOCUMENT THAT HAS
4 BEEN BEFORE US BEFORE, AND ALL WE ARE MAKING CLEAR
5 IS THAT NOBODY WILL BE HIRED DURING THIS SIX WEEKS
6 UNTIL WE HAVE A CHAIR. THIS IS REALLY ALL WE'RE
7 TALKING ABOUT.

8 DR. POMEROY: I'D LIKE TO CLARIFY MY VERY
9 MINORITY NO VOTE IN THE GOVERNANCE SUBCOMMITTEE.
10 AND I DO HAVE SIGNIFICANT CONCERNS ABOUT HIRING
11 ADDITIONAL PEOPLE AT A TIME WHEN I THINK THERE'S
12 GOING TO BE A MAJOR TRANSITION IN RELATIONSHIPS AND
13 DIVISIONS OF DUTIES AND STUFF TO BE DETERMINED WHEN
14 THE NEW CHAIR COMES. SO WHAT I ASKED, FOR THOSE WHO
15 WEREN'T THERE, WHAT I ASKED IN THE GOVERNANCE
16 SUBCOMMITTEE WAS THAT WE INCORPORATE INTO THE
17 APPROVAL THAT NO HIRES WOULD BE MADE. THAT WAS
18 VOTED DOWN AS BEING INCORPORATED INTO THE APPROVAL,
19 AND WE WERE ASKED TO JUST ACCEPT THE ASSURANCE
20 WITHOUT PUTTING IT INTO THE MOTION. AND I JUST
21 WASN'T PERSONALLY COMFORTABLE WITH THAT.

22 I THINK IT WOULD BE IRRESPONSIBLE TO DO
23 THAT. AND SO SINCE I'M VOTING ON THE MOTION, I
24 WANTED IT IN THE MOTION. I THINK THE TIMING OF THIS
25 IS DIFFICULT, AND I'M NOT SURE THAT I THINK IT'S A

BARRISTERS' REPORTING SERVICE

1 GOOD IDEA TO ENTER INTO A WHOLE PROCESS AT A TIME OF
2 MAJOR TRANSITION.

3 DR. STEWARD: CLAIRE, ARE YOU OFFERING A
4 MOTION?

5 DR. POMEROY: NO, NOT AT THIS TIME.

6 MS. LANSING: THAT MOTION WAS NOT BROUGHT
7 FORWARD. THE MOTION, WE VOTED ON IT AND THE
8 DECISION WAS IS THAT WE WANTED TO HONOR THE
9 EVALUATION SUBCOMMITTEE, TO HONOR THE FULL BOARD'S
10 REQUEST, AND TO VOTE ON WHAT WE HAD ASKED THE
11 PRESIDENT TO DO. AND WE, THEREFORE, ASKED FOR
12 ASSURANCES, AND WE PUT A PARAGRAPH IN STATING THAT
13 IF THERE -- WE WOULD TAKE FULL ADVANTAGE OF THE
14 PRESIDENT AND THE NEW CHAIR'S SKILL SET, AND THAT WE
15 WOULD EVALUATE IT AT THAT TIME, BUT WE DID NOT WANT
16 TO SEND MIXED SIGNALS.

17 MR. TORRES: QUESTION OF MR. HARRISON, IF
18 I MAY. I WAS CONCERNED BY COUNSEL'S REMARK THAT
19 THIS WAS NOT WHAT WAS AGREED TO BEFORE US. I WANTED
20 TO MAKE SURE THAT I THOUGHT THIS WAS A PROPOSAL, AND
21 THE CONVERSATIONS I HAD WITH ALAN CONFIRMED THAT TO
22 ME. WAS THIS THE PROPOSAL HE PRESENTED TO OUR BOARD
23 IN EXECUTIVE SESSION IN JANUARY, THE CONCEPT?

24 CHAIRMAN KLEIN: IT'S A PERSONNEL SESSION,
25 SO HE CAN'T ANSWER.

BARRISTERS' REPORTING SERVICE

1 MS. BAUM: I THINK YOU MISUNDERSTOOD WHAT
2 I SAID. I SAID THE JOB DESCRIPTIONS DIDN'T MATCH
3 WHAT IS CURRENTLY BEFORE THE BOARD, WHICH IS WHY --
4 THAT'S ALL I WAS TRYING TO CONVEY.

5 CHAIRMAN KLEIN: ALAN COMMUNICATED TO ME
6 HE WANTED TO MEET ON THE JOB DESCRIPTION, WHICH I
7 SAID FINE. SO THAT HASN'T HAPPENED. BUT IN ANY
8 CASE, THERE'S NO ONE GOING TO BE HIRED, AND THE
9 FINAL JOB DESCRIPTION IS GOING TO BE DECIDED BETWEEN
10 THE NEW CHAIR AND THE PRESIDENT.

11 MR. TORRES: THANK YOU.

12 MR. ROTH: I WANT TO MAKE A SIMILAR
13 COMMENT TO CLAIRE. I WAS ALSO CONCERNED ABOUT THE
14 TIMING OF THIS. IT MAY BE THE RIGHT DOCUMENT, BUT I
15 ASKED YESTERDAY AND I'LL REPEAT IT TODAY. WHY DO WE
16 HAVE TO DO THIS NOW? WHY CAN'T IT WAIT SIX WEEKS
17 UNTIL WE GET A NEW CHAIR AND GET THEIR INPUT INSTEAD
18 OF DO THIS, AND THEN WE POTENTIALLY HAVE TO DO IT
19 ALL OVER AGAIN? IT'S NOT THAT I DISAGREE WITH IT.

20 MS. LANSING: I THINK WE BETTER GO INTO
21 CLOSED SESSION THEN BECAUSE I KNOW JEFF -- I THINK
22 THERE'S A LOT OF PERSONNEL MATTERS THAT WE SHOULD
23 DISCUSS, SO I THINK WE BETTER GO INTO CLOSED SESSION
24 TO ANSWER THOSE QUESTIONS.

25 MS. FEIT: CAN WE STAY HERE? BECAUSE

BARRISTERS' REPORTING SERVICE

1 YOU'RE GOING TO LOSE ME IN A MINUTE, SO I'D LIKE TO
2 GET MOVING ON IT.

3 MS. LANSING: CAN WE ASK EVERYBODY TO
4 LEAVE, AND WE'LL GO INTO CLOSED SESSION.

5 MR. HARRISON: THE BOARD WILL BE CONVENING
6 IN CLOSED SESSION TO DISCUSS PERSONNEL PURSUANT TO
7 GOVERNMENT CODE SECTION 11126 AND HEALTH AND SAFETY
8 CODE SECTION 125290.30(F)(3)(D).

9 (THE BOARD THEN CONVENED IN CLOSED
10 SESSION, NOT REPORTED NOR HEREIN DESCRIBED.)

11 CHAIRMAN KLEIN: SO CAN YOU RESTATE THE
12 MOTION? WE HAVE A SECOND FOR IT.

13 MR. HARRISON: THE CURRENT MOTION THAT IS
14 ON THE TABLE IS TO APPROVE THE REORGANIZATION
15 PROPOSAL AND RETURN TO THE GOVERNANCE SUBCOMMITTEE
16 AND THE BOARD WITH CONFORMING CHANGES TO THE
17 INTERNAL GOVERNANCE POLICY.

18 MS. LANSING: DO I HAVE ANY DISCUSSION ON
19 THAT MOTION?

20 DR. POMEROY: I'D LIKE TO OFFER A FRIENDLY
21 AMENDMENT, THAT THE NEW POSITIONS DESCRIBED IN THIS
22 DOCUMENT WOULD COME BACK TO THE BOARD FOR REVIEW AND
23 APPROVAL.

24 CHAIRMAN KLEIN: SO I UNDERSTAND THAT TO
25 BE THE JOB DESCRIPTION?

BARRISTERS' REPORTING SERVICE

1 DR. POMEROY: THE JOB DESCRIPTIONS FOR THE
2 COMMUNICATIONS AND FINANCE OFFICERS.

3 CHAIRMAN KLEIN: I ACCEPT THAT AMENDMENT.

4 MR. HARRISON: AND THE SECOND IS SENATOR
5 TORRES.

6 MR. TORRES: CORRECT.

7 MS. LANSING: DO YOU ACCEPT THAT, SENATOR
8 TORRES?

9 MR. TORRES: YES, I DO.

10 MS. LANSING: OKAY. CAN I JUST DO -- DO I
11 NEED A ROLL CALL VOTE ON THIS?

12 MS. KING: YOU DON'T HAVE TO. YOU COULD
13 IF YOU WANT TO.

14 MS. LANSING: I'M GOING TO SAY ALL IN
15 FAVOR OF THIS MOTION -- ALL IN FAVOR PLEASE INDICATE
16 BY SAYING AYE.

17 (CHORUS OF AYES.)

18 MS. LANSING: ANY OPPOSED?

19 MS. KING: JOAN, ARE YOU BACK WITH US? WE
20 HAVE A QUORUM WITHOUT HER.

21 THE OPERATOR: THIS IS THE OPERATOR. JOAN
22 IS NOT ON THE LINE AT THIS TIME.

23 MS. LANSING: SHE IS NOT. SO WE HAVE A
24 QUORUM, SO THE MOTION CARRIES.

25 MR. HARRISON: WE SHOULD JUST MAKE SURE WE

BARRISTERS' REPORTING SERVICE

1 SEE IF THERE'S ANY PUBLIC COMMENT.

2 MS. LANSING: I'M SORRY. IS THERE ANY
3 PUBLIC COMMENT? THANK YOU. THEN I BELIEVE THE
4 MOTION CARRIED UNANIMOUSLY; IS THAT CORRECT?

5 MR. HARRISON: THAT'S CORRECT.

6 MS. LANSING: SO I'D LIKE TO THANK MY
7 FELLOW BOARD MEMBERS FOR THEIR INTELLIGENT
8 DISCUSSION AND FOR THEIR SUPPORT.

9 CHAIRMAN KLEIN: THANK YOU, SHERRY, FOR
10 ALL OF YOUR EFFORT. THANK YOU, FRANCISCO. TED LOVE
11 SPENT A TREMENDOUS AMOUNT OF TIME. I THANK ALL THE
12 MEMBERS OF THE BOARD WHO INVESTED A GREAT AMOUNT OF
13 TIME IN GETTING THIS ON A VERY CONSTRUCTIVE PATH TO
14 ADAPT TO OUR FUTURE. THANK YOU.

15 MR. HARRISON: CHAIR LANSING, IF YOU'D
16 LIKE, I CAN MOVE ON TO THE SECOND MOTION THAT THE
17 GOVERNANCE SUBCOMMITTEE ADOPTED. AS I MENTIONED,
18 THE SUBCOMMITTEE UNANIMOUSLY ADOPTED A MOTION TO
19 RECOMMEND THAT THE BOARD APPROVE A PROPOSAL MADE BY
20 CHAIRMAN KLEIN, VICE CHAIR TORRES, AND MEMBER TED
21 LOVE TO AUTHORIZE THE BOARD TO USE PREEXISTING DONOR
22 FUNDS AS AN OPTION TO PAY ANY SALARY FOR THE NEW
23 CHAIR IN EXCESS OF \$150,000.

24 MS. LANSING: AND ALL THAT WE ARE DOING BY
25 THIS, LET ME MAKE IT CLEAR, IS HAVING THE OPTION.

BARRISTERS' REPORTING SERVICE

1 SO IT IS SIMPLY AN OPTION, AND THAT CARRIED
2 UNANIMOUSLY. CAN I HAVE A MOTION FOR APPROVAL -- A
3 MOTION FOR THAT?

4 MR. TORRES: SO MOVED.

5 CHAIRMAN KLEIN: SECOND.

6 MS. LANSING: ANY DISCUSSION?

7 CHAIRMAN KLEIN: JUST AS A GENERAL
8 STATEMENT, WE EMPHASIZED TO ALLOW THE BOARD THE FULL
9 OPTION OF CANDIDATES WHO MAY NOT HAVE THE RESOURCES
10 TO TAKE NO SALARY OR A SMALL SALARY. WE RETAIN FOR
11 THE BOARD THE OPTION OF USING DONOR FUNDS. THE
12 CONSTITUTIONAL OFFICERS ALSO THEN HAVE THE OPTION OF
13 NOMINATING SOMEONE THAT THE BOARD COULD CONSIDER
14 THAT NEEDS A SALARY WITH THE BOARD ELECTING WHETHER
15 OR NOT TO USE DONOR FUNDS AS A SEPARATE DECISION.
16 RATHER THAN HAVING THIS BE AN ELITE, VERY RESTRICTED
17 OPPORTUNITY, WE MAKE IT A BROADER OPPORTUNITY TO
18 FIND THE BEST PEOPLE FOR THE MISSION AND THE STATE.

19 MS. LANSING: THIS IS MERELY AN OPTION.
20 WE MAY CHOOSE NOT TO USE IT AND STILL PAY SOMEONE A
21 HIGH SALARY. IT IS COMPLETELY AT THE DISCRETION OF
22 THE BOARD. SO WE HAVE A -- THE MOTION HAS BEEN
23 MOVED AND SECONDED. ALL IN FAVOR.

24 PUBLIC COMMENT, PLEASE. I APOLOGIZE.
25 HEARING NONE, ALL IN FAVOR PLEASE SAY AYE.

BARRISTERS' REPORTING SERVICE

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(CHORUS OF AYES.)

MS. LANSING: ARE THERE ANY OPPOSED? JOAN IS NOT ON THE PHONE. THEN THAT MOTION CARRIES UNANIMOUSLY. AND, AGAIN, THANK YOU.

CHAIRMAN KLEIN: THANK YOU VERY MUCH, MADAM CHAIRMAN.

THE REMAINING ITEMS THAT ARE OPEN, I THINK WE SHOULD GO BACK TO THE BUDGET ITEM, WHICH IS ITEM 10. AND AT THE POINT THAT WE TOOK A BREAK, THERE WAS A BASIC DISCUSSION ON ITEM 10 OF THE INSTITUTE OF MEDICINE STUDY, WHICH IS FUNDED BY DONOR FUNDS IN TWO DIFFERENT FISCAL YEARS, ALL OF WHICH HAS BEEN TAKEN INTO CONSIDERATION, BOTH YEARS, IN THE BALANCES THAT ARE QUOTED FOR THE DONOR FUNDS THAT I RAISED APPROXIMATELY FIVE YEARS AGO ON THE BASIS THAT WE HAD AN URGENT NEED FOR THOSE FUNDS IN THE NEAR TERM FOR STUDIES JUST LIKE THIS.

I WOULD LIKE TO TURN IT OVER TO MICHAEL GOLDBERG, BUT I'D LIKE TO INDICATE, JUST FOR A FACTUAL BASIS, THAT BESIDES THE YEAR AND A HALF WE SPENT IN THIS PROCESS AND THE VOTE WE TOOK IN DECEMBER OR JANUARY, WHICH WAS TWO NOES, FOUR ABSTENTIONS BECAUSE OF MEMBERS ON THIS BOARD WHO ARE ON INSTITUTE OF MEDICINE BOARDS OR COMMITTEES AND SO THEY COULD NOT VOTE, WE HAD TWO NOES AND WE HAD 18

BARRISTERS' REPORTING SERVICE

1 YESES IN THAT AFTER ABOUT AN HOUR-AND-15-MINUTE
2 DEBATE HAVING GONE TO FINANCE COMMITTEE PREVIOUSLY.
3 IT HAS ALSO GONE TO FINANCE COMMITTEE THIS TIME.

4 BUT FUNDAMENTALLY I WILL TELL YOU THAT IN
5 TERMS OF THE CONSTITUENCIES THAT WE WILL LOOK TO WHO
6 WILL MAKE AN INDEPENDENT DECISION IN 2014 OR 2016
7 ABOUT OUR PERFORMANCE, THE PEOPLE THAT HAVE
8 CONTRIBUTED \$900 MILLION TO OUR MAJOR FACILITIES,
9 THE PEOPLE WHO HAVE CONTRIBUTED AND BOUGHT THE
10 PRIVATE PLACEMENT OF BONDS, THE PEOPLE WHO HAVE
11 CONTRIBUTED TO THE ORIGINAL INITIATIVE RECOGNIZE THE
12 INSTITUTE OF MEDICINE AS A HIGHLY DISTINGUISHED
13 INDEPENDENT GROUP. THAT GROUP NOT ONLY HAS EXECUTED
14 THIS CONTRACT AFTER WE APPROPRIATED THE FUNDS, BUT
15 HAS HIRED THEIR PROJECT MANAGER. AND IT'S VERY
16 IMPORTANT TO REALIZE THAT WE HAVE A LONG HISTORY OF
17 TURNING TO THAT GROUP FOR VALIDATION AND GUIDANCE.

18 SO IMMEDIATELY AFTER THE ELECTION IN 2004,
19 I CALLED THE PRESIDENT OF THE NATIONAL ACADEMY WHO
20 CONVENED A WORKSHOP IN IRVINE. THAT WORKSHOP GAVE
21 US THEIR GUIDANCE, AND WE FOLLOWED THROUGH ON THEIR
22 SUGGESTIONS ON TRAINING GRANTS, ON SEED GRANTS. THE
23 INSTITUTE OF MEDICINE AGREED TO ACCELERATE THEIR
24 TASK FORCE ON MEDICAL AND ETHICAL STANDARDS, WHICH
25 WE USED AS THE BASIS FOR OUR STANDARDS, PROVIDING US

BARRISTERS' REPORTING SERVICE

1 GUIDANCE AND EXPERTISE BEYOND OUR RESOURCES SO WE
2 COULD MOVE QUICKLY.

3 THE COUNSEL TO THE NATIONAL ACADEMY I
4 CALLED UPON FOR GUIDANCE AND SUGGESTIONS ON OUR PEER
5 REVIEW GROUP. RECOMMENDED, TO AVOID CONFLICTS, THAT
6 WE HAVE PEER REVIEW PEOPLE FROM OUT-OF-STATE. WE
7 HAVE CONSISTENTLY REPORTED BACK TO THE
8 CONSTITUENCIES IN THIS STATE THAT ARE LEADERSHIP
9 CONSTITUENCIES, INCLUDING THE LEADERS IN THE
10 LEGISLATURE, HOW WE HAVE WORKED ALONG THE WAY WITH
11 OVERSIGHT, GUIDANCE, AND INPUT FROM THE NATIONAL
12 ACADEMIES.

13 TWO YEARS AGO I ASKED THE PRESIDENT OF THE
14 NATIONAL ACADEMY OF SCIENCE, RALPH CICERONE, I ASKED
15 THE PRESIDENT OF THE INSTITUTE OF MEDICINE TO WRITE
16 A LETTER IN OUR ANNUAL REPORTS REVIEWING OUR PEER
17 REVIEW PROCESS. THEY DID SO, VERY STRONG SUPPORTIVE
18 LETTERS, WHICH WERE VERY IMPORTANT WITH THE
19 LEGISLATURE. SO WE HAVE LOOKED FOR GUIDANCE
20 HISTORICALLY FROM THEM. IT'S BEEN VERY IMPORTANT AS
21 AN OUTSIDE INDEPENDENT VALIDATION. AS MUCH AS I
22 RESPECT THE CONTRIBUTIONS FROM THE REVIEW THAT HAS
23 BEEN COMPLETED, IT'S BY INDIVIDUALS. AND I WILL
24 TELL YOU THAT THE MAJOR LEADERSHIP CONSTITUENCIES TO
25 PHILANTHROPISTS IN THIS STATE WON'T READ RESUMES AND

BARRISTERS' REPORTING SERVICE

1 BIOGRAPHIES OF THOSE INDIVIDUALS, BUT THEY DO KNOW
2 WHO THE INSTITUTE OF MEDICINE IS.

3 IT IS A TREMENDOUSLY VALUABLE VALIDATION
4 IF THERE IS A NEW INITIATIVE. AND HAVING THE REPORT
5 BACK BY THE END OF 2012 AT A TIME WHEN WE HAVE AN
6 OPPORTUNITY TO INCORPORATE ANY SUGGESTIONS OR YOU
7 DO -- I WON'T BE HERE -- AT YOUR ELECTION IN HOW
8 THIS AGENCY IS RUN GIVES US THE ABILITY TO THEN MOVE
9 FORWARD TO ASK TO BE JUDGED BY THE ELECTORATE IN
10 2014 OR 2016 WITH A VERY HIGHLY RESPECTED
11 INDEPENDENT REVIEW THAT HAS BEEN VERY IMPORTANT TO
12 US AS AN INSTITUTION OF GUIDANCE AND LEARNING
13 THROUGHOUT THE HISTORY OF THIS AGENCY.

14 SO THAT'S THE CONTEXT IN WHICH I PRESENTED
15 THIS PREVIOUSLY. AND I DON'T THINK IN OUR
16 DISCUSSION YESTERDAY IT WAS CLEAR TO INDIVIDUALS
17 THAT IN TERMS OF OUR CREDIBILITY WITH THIS
18 SCIENTIFIC ORGANIZATION, FOR THEM TO BE REVIEWING
19 MATERIALS AND HAVING HIRED A PROJECT MANAGER AND
20 HAVING BEEN DOWNSTREAM, OUR CREDIBILITY, I THINK, IS
21 ON THE LINE WITH A GROUP WE'VE DEPENDED UPON IN
22 MATERIAL WAYS FROM THE INCEPTION. THAT'S THE
23 BACKGROUND OF WHY I BROUGHT IT FORWARD.

24 MR. GOLDBERG: THANK YOU, CHAIRMAN KLEIN.
25 SO WE HAD A SPIRITED DISCUSSION LAST NIGHT FOR THOSE

BARRISTERS' REPORTING SERVICE

1 WHO WEREN'T HERE. AND AS I SEE IT, WE REALLY HAVE A
2 VERY NARROW ISSUE TO DEAL WITH. IT'S INCUMBENT ON
3 US AS A BOARD TO APPROVE A BUDGET FOR THE COMING
4 FISCAL YEAR PRIOR TO ENTERING INTO THAT FISCAL YEAR.
5 I THINK WITH THE EXCEPTION OF THIS ONE ITEM, WE HAVE
6 A BUDGET THAT'S READY TO BE APPROVED.

7 I AM SUPPORTIVE OF THE INSTITUTE OF
8 MEDICINE STUDY. I THINK IT'S A QUESTION OF WHEN WE
9 DO IT, NOT SO MUCH IF WE DO IT. I THINK CHAIRMAN
10 KLEIN RAISES A NUMBER OF EXTRAORDINARILY IMPORTANT
11 POINTS ABOUT OUR LONGSTANDING RELATIONSHIP WITH THE
12 INSTITUTE, THE FACT THAT WE DO HAVE AN AGREEMENT
13 WITH THEM AND IT'S IN PLACE THAT THEY'VE BEEN
14 SPENDING AGAINST, ALTHOUGH IT CERTAINLY, I THINK, IS
15 WITHIN THE BOUNDS OF REASONABLE NEGOTIATION TO
16 DISCUSS DEFERRING THE IMPLEMENTATION OF THAT WITH
17 THEM AS A POSSIBILITY SHOULD THE BOARD CHOOSE TO DO
18 THAT.

19 AND I GUESS FROM MY STANDPOINT, I'D LIKE
20 TO PUSH FORWARD AN APPROVAL OF THE BUDGET WITH THE
21 PROVISIO THAT ON FURTHER STUDY AND COLLABORATION WITH
22 THE STAFF, WE DETERMINE WHEN WE WOULD ACTUALLY START
23 THAT STUDY. NOW, THAT'S A LITTLE DIFFERENT THAN
24 WHAT WAS ON THE TABLE LAST NIGHT. AND SO I'LL ASK
25 EITHER DUANE OR JOHN TO SHARE THEIR VIEW.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: I'LL BE MUCH BRIEFER IN MY
2 RATIONALE FOR WHY I BROUGHT THIS UP AGAIN. THERE'S
3 REALLY THREE THINGS. ONE, I THINK IT'S REDUNDANT.
4 I THINK WE JUST HAD AN EXTERNAL REVIEW THAT WAS PART
5 OF OUR STRATEGIC PLAN. IT WAS ALWAYS THERE. IF IT
6 SHOULD HAVE BEEN DONE BY INSTITUTE OF MEDICINE, WE
7 SHOULD HAVE PUT THE INSTITUTE OF MEDICINE FIRST AND
8 FOREMOST.

9 TWO, WE HAVE A NUMBER OF AUDITS AND A
10 BRAND-NEW ONE THAT WAS JUST IMPOSED ON US BY THE
11 STATE LEGISLATORS. ANYBODY THAT GOES THROUGH AUDITS
12 KNOW THAT IT TAKES CONSIDERABLE STAFF TIME. AND
13 IT'S NOT JUST THE DIRECT COST OF 700,000 FOR THIS.
14 IT'S WHAT IT WILL REQUIRE FROM THE STAFF TO HAVE TO
15 DO THIS OVER A VERY LONG PERIOD OF TIME. AND,
16 THEREFORE, I JUST DO NOT BELIEVE THAT NOW IS THE
17 TIME TO EMBARK ON YET ANOTHER AUDIT, PERFORMANCE
18 AUDIT, AND I'D LIKE TO SEE IT POSTPONED AND REDEALT
19 WITH A YEAR FROM NOW.

20 MR. SHEEHY: YOU KNOW, UNFORTUNATELY I
21 STEPPED OUT BECAUSE I THOUGHT WE'D ALREADY DECIDED
22 THIS. AND, YOU KNOW, AS SOMEONE WHO STRONGLY
23 SUPPORTED THIS, I HAVE TO SAY, JUST IN TERMS OF
24 PROCESS, I FIND THIS VERY DISAPPOINTING. WE HEARD
25 THIS IN FINANCE ORIGINALLY. WE BROUGHT IT TO THE

BARRISTERS' REPORTING SERVICE

1 BOARD. IT WAS ADOPTED AT THE BOARD.

2 I THINK THE PRECEDENT, WE HEARD -- WE
3 DISCUSSED THIS AGAIN IN FINANCE AND APPROVED THE
4 BUDGET AS WRITTEN. IF WE'RE GOING TO GO DOWN THE
5 ROAD OF LIFTING ITEMS -- OF REMOVING FUNDING, WE'RE
6 BASICALLY BEING THE HOUSE REPUBLICANS. WE'RE
7 PULLING FUNDING OUT FOR SOMETHING WE DON'T LIKE AT
8 THE LAST MINUTE AFTER IT'S GONE THROUGH AN ENTIRE
9 APPROVAL PROCESS. THIS IS THE HEALTHCARE PLAN PART
10 2.

11 WE'VE HAD THIS FULL RANGE OF SUPPORT FOR
12 THIS ALL THE WAY DOWN THE LINE. THE PLACE TO TALK
13 ABOUT THIS WAS FINANCE. THERE ARE ELEMENTS IN THIS
14 BUDGET THAT I'M NOT COMPLETELY SUPPORTIVE OF, BUT I
15 WASN'T GOING TO START PULLING THREATS BECAUSE I
16 FIGURED MY COLLEAGUES HAD DONE DUE DILIGENCE. I
17 DON'T KNOW WHY WE HAVE AN ACROSS-THE-BOARD 3-PERCENT
18 MERIT RAISE WHEN I'M NOT AWARE OF ANYONE ELSE IN THE
19 STATE OF CALIFORNIA RECEIVING THAT. WE'RE SUDDENLY
20 PENNYWISE AND POUND FOOLISH. WHY IS IT FAIR THAT IF
21 YOU WORK FOR CIRM, YOU GET A 3-PERCENT MERIT RAISE?
22 YOU DON'T GET IT IF YOU WORK AT UC. YOU DON'T GET
23 IT IF YOU WORK FOR THE STATE OF CALIFORNIA, BUT YOU
24 GET IT IF YOU WORK FOR CIRM. IT REINFORCES OUR
25 UNIQUE -- THAT WE'RE OUTSIDE.

BARRISTERS' REPORTING SERVICE

1 I WOULD LIKE -- IF WE'RE GOING TO START
2 TAKING THE BUDGET APART, I WOULD LIKE TO HAVE A
3 JUSTIFICATION FOR WHY WE'RE GIVING 3-PERCENT MERIT
4 RAISES WHEN NO ONE ELSE WORKING FOR THE STATE OF
5 CALIFORNIA IS UP FOR A MERIT RAISE. LET'S START
6 TAKING THE BUDGET APART PIECE BY PIECE.

7 I AM VERY DISAPPOINTED IN THIS PROCESS.
8 IN TERMS OF STAFF TIME, THE POINT OF THE IOM REPORT
9 IS NOT TO ANALYZE STAFF. IT'S TO LOOK AT THE WORK
10 WE'VE DONE, AND THAT IS READILY AVAILABLE ON OUR
11 WEBSITE. I DON'T BELIEVE THIS IS AN ONEROUS AUDIT
12 THE TYPE OF WHICH THE STATE IS DOING WHERE THEY'RE
13 ACTING -- LOOKING AT ALL OF OUR INTERNAL PROCESSES.
14 THIS IS TO LOOK AT OUR PRODUCT. THE WAY TO GET TO
15 THE BOTTOM OF OUR PRODUCT IS TO LOOK AT WHAT WE
16 FUNDED, LOOK AT THE PUBLICATIONS. YOU KNOW, I DON'T
17 UNDERSTAND HOW THIS IS ANY DIFFERENT WHAT THEY'RE
18 PROPOSING TO DO, WHY THIS DOESN'T MESH WITH THE
19 PRESENTATION THAT THE PRESIDENT GAVE ON METRICS FOR
20 CIRM. THEY'RE ASKING THE SAME QUESTIONS.

21 IF WE'RE ASKING THOSE QUESTIONS
22 INTERNALLY, WHY CAN'T WE SHARE THOSE ANSWERS WITH
23 THE IOM? FURTHERMORE, FROM MY PERSPECTIVE, I VIEW
24 THIS AS A KEY FIDUCIARY RESPONSIBILITY. WE HAVE
25 SPENT A BILLION DOLLARS OF MONEY FROM THE PEOPLE OF

BARRISTERS' REPORTING SERVICE

1 CALIFORNIA. WE HAVE NOT HAD AN INDEPENDENT
2 PERFORMANCE REVIEW BY SCIENTISTS OF WHAT WE'VE DONE.
3 AND I DO NOT ACCEPT THAT THE EXTERNAL ADVISORY
4 REVIEW REPORT HAS ANY VALIDITY BECAUSE WE OFFERED
5 THE CHAIR OF THAT COMMITTEE A \$400,000 JOB THE
6 MINUTE HE GOT THROUGH WITH IT. I DON'T KNOW WHY WE
7 ARE SO UNWILLING TO SUBJECT OURSELVES TO A FAIR
8 ANALYSIS OF THE WORK WE'VE DONE. WE OWE THAT TO THE
9 PUBLIC. I THINK THE PUBLIC WILL WANT TO SEE
10 SOMETHING LIKE THAT SOMETIME BEFORE THIS EFFORT IS
11 OVER.

12 CHAIRMAN KLEIN: I'D LIKE TO MAKE A
13 CORRECTION, A FACTUAL CORRECTION. WE DIDN'T OFFER
14 ANYONE ANY JOB ACTUALLY. THE PERSON WASN'T EVEN
15 NOMINATED BY A CONSTITUTIONAL OFFICER. FACTUALLY I
16 WANT TO MAKE THAT CLEAR. I'D ALSO LIKE TO FACTUALLY
17 STATE TO YOU THAT ONE OF THE FUNDAMENTAL AGENDA
18 ITEMS OF THIS REVIEW IS THE FUNDAMENTAL QUESTION:
19 SHOULD SCIENCE HAVE LONG-TERM, STABLE FUNDING
20 COMMITTED TO IT THROUGH A BOND MECHANISM? IS IT
21 IMPORTANT TO SCIENCE AND SCIENTIFIC RESEARCH THAT WE
22 HAVE A FUNDING MECHANISM THAT HAS STABILITY, THAT IS
23 NOT BASED ON ECONOMIC CYCLES, BUT ALLOWS A LONG
24 ENOUGH TIME PERIOD TO RUN FROM DISCOVERY THROUGH TO
25 EARLY STAGE HUMAN TRIALS?

BARRISTERS' REPORTING SERVICE

1 AS A CONCEPT, IT'S IMPORTANT FOR THE
2 VOTERS TO HAVE AN INDEPENDENT EVALUATION OF THAT
3 FUNDING MECHANISM AS A FUNDAMENTAL CONCEPT THAT LIES
4 BEHIND ANY CONSIDERATION OF EXTENDING THE FUNDING
5 FOR THIS AGENCY.

6 MS. LANSING: I JUST HAVE A QUESTION. I
7 WAS NOT PART OF THE ROBUST DISCUSSION. SO I TEND TO
8 BELIEVE THAT WHAT'S DONE IN SUBCOMMITTEES WE SHOULD
9 RESPECT. AND I JUST INSTINCTIVELY SUPPORT WHAT A
10 SUBCOMMITTEE OF PEOPLE WHO HAVE SPENT A GREAT DEAL
11 MORE TIME ON THE ISSUE THAN THE BOARD DOES WHEN THEY
12 GET IT. BUT I ALSO RESPECT THE FACT OF THE BOARD TO
13 QUESTION THE SUBCOMMITTEE. SO I'M A LITTLE CONFUSED
14 ON THIS ISSUE BECAUSE -- AND I'D LIKE SOME
15 CLARIFICATION. HAS THAT PROCESS ALREADY STARTED?
16 HAVE WE HIRED PEOPLE? I KNOW WHAT IS UNDERLYING ALL
17 OF THIS IS THE COST OF THIS. I'D LIKE TO GET SOME
18 CLARIFICATION AS TO WHERE WE ARE IN THE PROCESS.

19 CHAIRMAN KLEIN: FACTUALLY FINANCE
20 COMMITTEE BOARD APPROVED IT, BOARD APPROVED IT
21 18-TO-2 VOTE, CONTRACT IS EXECUTED, THEY'VE HIRED
22 THEIR PROJECT COORDINATOR, WE'VE SHIPPED THEM
23 DOCUMENTS TO BEGIN REVIEW ON, OR WE'RE UNDER
24 CONTRACT AT THIS POINT.

25 MS. LANSING: WELL, THEN, QUITE HONESTLY,

BARRISTERS' REPORTING SERVICE

1 YOU'RE GOING TO OWE THE CONTRACT.

2 MR. GOLDBERG: I WILL ADD ADDITIONAL
3 CLARIFICATION BASED ON MY REVIEW OVERNIGHT OF THE
4 CONTRACT, SOME OF WHICH MAY BE A MATTER OF
5 INTERPRETATION. BUT AS I READ THE CONTRACT, THE
6 CONTRACT ISN'T EFFECTIVE UNTIL JULY 1. THE CONTRACT
7 HAS A 30-DAY TERMINATION CLAUSE TO BE EXERCISED AT
8 THE DISCRETION OF THE CIRM. SO THAT, I THINK, IS
9 ALMOST A SIDE ISSUE.

10 THE IMPORTANT THING THAT YOU ASKED ABOUT
11 WAS WHAT HAS GONE ON INTERNALLY, AND I THINK WHAT
12 CHAIRMAN KLEIN SAID IS ACCURATE. AS RECENTLY AS THE
13 FINANCE SUBCOMMITTEE MEETING WHERE WE REVIEWED THE
14 BUDGET, THE COMMITTEE AUTHORIZED APPROVAL OF THE
15 BUDGET WITH THAT IOM STUDY IN IT. LAST NIGHT WHEN
16 WE WERE PROPOSING TO APPROVE THE BUDGET, AN
17 AMENDMENT WAS PROPOSED. THAT AMENDMENT WAS MADE BY
18 DUANE, WHO HAD EXPRESSED HIS CONCERNS ABOUT THE IOM
19 STUDY AT THE SUBCOMMITTEE LEVEL, AND SECONDED BY JON
20 SHESTACK.

21 AND THAT LED TO A CONVERSATION ABOUT A
22 NUMBER OF FACTORS WHICH REALLY AREN'T THE
23 APPROPRIATE PURVIEW OF THE FINANCE SUBCOMMITTEE. IT
24 REALLY HAD TO DO WITH POLICY ISSUES RELATED TO THE
25 PRIOR BOARD DISCUSSION AND THE DETERMINATION THAT

BARRISTERS' REPORTING SERVICE

1 THE BOARD MADE THAT THIS WOULD BE A GOOD IDEA.

2 I DON'T THINK ANYBODY DOESN'T THINK IT'S A
3 GOOD IDEA. I THINK ONE OF THE QUESTIONS THAT IS
4 BEING -- OR THAT IT'S APPROPRIATELY PRICED OR THAT'S
5 PROPERLY PAPERED. I THINK THE ONLY QUESTION IS WHEN
6 TO IMPLEMENT IT. AND I, FOR ONE, WOULD BE
7 COMFORTABLE, JUST AS AN INDIVIDUAL BOARD MEMBER,
8 AUTHORIZING THE CIRM, IN COOPERATION WITH THE
9 CHAIRMAN'S OFFICE, TO REVIEW WHEN TO OPTIMALLY
10 IMPLEMENT BASED ON THE WORKLOAD IMPACT, WHICH I
11 THINK IS THE ONLY ISSUE THAT IS RELEVANT HERE.
12 THERE'S SOME DISPUTE OR MISUNDERSTANDING OR
13 DIFFERENCE OF OPINION, WHICH IS BEYOND THE SCOPE OF,
14 I THINK, OUR BOARD TO INVESTIGATE IN REAL-TIME HERE,
15 AS TO HOW MUCH TIME WOULD BE REQUIRED ON BEHALF OF
16 THE PRESIDENT'S OFFICE. I'VE HEARD ALL KINDS OF
17 DIFFERING VIEWS, AND I THINK IT'S ALL EASILY
18 RESOLVED.

19 SO MY OWN PREFERENCE WOULD BE TO APPROVE
20 THE BUDGET, APPROVE IT WITH THE IOM IN THERE, AND
21 AUTHORIZE, BUT SPEND THE TIME BETWEEN NOW AND THE
22 NEXT BOARD MEETING ON JUNE 22D KIND OF WRESTLING TO
23 GROUND WHAT THE REAL WORK REQUIREMENTS ARE FOR THE
24 PRESIDENT'S OFFICE, WHICH THE CHAIRMAN'S OFFICE
25 ARGUES IS DE MINIMIS, AND I'M INCLINED TO BELIEVE.

BARRISTERS' REPORTING SERVICE

1 I THINK THE PRESIDENT'S OFFICE DOESN'T REALLY KNOW
2 FOR SURE, BUT THAT CAN BE CLARIFIED.

3 AND IF, IN FACT, THE PRESIDENT'S OFFICE IS
4 GOING TO BE BURDENED AFTER THEY'VE DONE, I THINK, AN
5 OUTSTANDING JOB OF DEVELOPING A BUDGET THAT'S VERY,
6 VERY TIGHT AND SCRUBBED DOWN, WE MAY NEED TO PROVIDE
7 SOME ADDITIONAL RESOURCES TO THEM FUNDED EITHER
8 THROUGH THE GENERAL FUNDS OR FUNDED THROUGH DONOR
9 FUNDS TO HELP SUPPORT THAT IF THAT'S THE BOARD'S
10 WILL.

11 BUT IN ANY EVENT, THE MOST IMPORTANT THING
12 THAT I WOULD LIKE TO COMMUNICATE TO THIS BOARD IS
13 THE IMPORTANCE OF GETTING THE CORE BUDGET APPROVED.
14 AND THE APPROVAL OF THE BUDGET SHOULDN'T BE TURNED
15 INTO A POLICY DEBATE ABOUT THE INSTITUTE OF MEDICINE
16 AND ITS WORTHINESS OR TIMELINESS.

17 MS. LANSING: SO I JUST HAVE ONE QUESTION.
18 SHOULD WE DECIDE -- I JUST WANT TO MAKE SURE I
19 UNDERSTAND THIS. WE ARE ALL SAYING THAT WE BELIEVE
20 THAT THIS IS NECESSARY. WE'RE NOW DISCUSSING THE
21 POSSIBLE TIMING OF IT EVEN THOUGH THE PROCESS HAS
22 STARTED. SO I WOULD LIKE TO SAY SHOULD WE, AND I
23 DON'T KNOW WHERE WE'RE GOING TO END UP, SHOULD WE
24 DECIDE THAT WE WANT TO ANALYZE THE OPTIMAL TIMING
25 FOR IT, YOU WOULD ALSO HAVE TO COME BACK TO THE FULL

BARRISTERS' REPORTING SERVICE

1 BOARD WITH WHAT ADDITIONAL COSTS THERE MIGHT BE
2 BECAUSE A CONTRACT IS A CONTRACT. AND IF YOU
3 POSTPONE SOMETHING FOR SIX MONTHS, THERE MIGHT BE
4 ADDITIONAL COSTS, WHICH WOULD NOT BE, IN MY OPINION,
5 GOOD.

6 CHAIRMAN KLEIN: MICHAEL, JUST FACTUALLY,
7 THIS WAS APPROVED BY THE BOARD IN LIKE JANUARY. WE
8 SPECIFICALLY AT THE REQUEST OF THE PRESIDENT'S
9 OFFICE DEFERRED THE ACTUAL START ON THEIR MEETINGS
10 UNTIL JULY. BUT, IN FACT, BECAUSE WE HAD A BOARD
11 VOTE THAT THEY WERE AWARE OF AND IT WAS APPROVED AND
12 WE WERE ONLY RECONCILING THE CONTRACT, MY
13 INFORMATION IS THAT THEY WENT AHEAD AND HIRED THEIR
14 PROJECT COORDINATOR AND PLANNED OUT THE WORK
15 SCHEDULES OF THEIR STAFFS ON THIS. SO THERE'S A
16 MOBILIZATION ON HERE THAT IS IN PROCESS. BUT THEY
17 ALSO LENGTHEN THE DELIVERY SUBSTANTIALLY.

18 BUT DO I UNDERSTAND YOUR PROPOSAL RIGHT
19 NOW IS TO APPROVE THE BUDGET WITH IT IN THERE AND
20 COME BACK IN THE JUNE MEETING WITH SOME
21 CORRESPONDENCE WITH THEM AS TO WHETHER WE CAN
22 STRETCH OUT THE TIME FRAME TO WORK BETTER WITH THE
23 PRESIDENT'S OFFICE?

24 MR. GOLDBERG: CERTAINLY FROM MY
25 STANDPOINT THAT'S REASONABLE. I DON'T KNOW THAT

BARRISTERS' REPORTING SERVICE

1 WILL -- TO THE EXTENT THAT THAT ACCOMMODATES OTHER
2 MEMBERS OF THE BOARD, I'M FINE WITH THAT.

3 CHAIRMAN KLEIN: I THINK THAT WOULD BE A
4 PROFESSIONAL WAY TO APPROACH IT THAT WOULD MAINTAIN
5 OUR CREDIBILITY WITH THE ORGANIZATION. BUT IT MAY
6 REQUIRE, SINCE THERE'S A LONGER PERIOD OF TIME AND
7 THEY'VE SET OUT THEIR WORK PLAN AND RESERVED
8 SUBSTANTIAL RESOURCES, THERE MAY BE SOME COST
9 IMPACT. I DO BELIEVE THAT IT IS VERY IMPORTANT TO
10 MAINTAIN THE CREDIBILITY OF THIS ORGANIZATION
11 DEALING WITH THIRD PARTIES THAT WE RESPECT, AS JEFF
12 SAYS, THE PROCESS OF GOING THROUGH SEVERAL
13 COMMITTEES, APPROVING THINGS, NEGOTIATING WITH
14 PEOPLE IN GOOD FAITH, DELAYING THE IMPLEMENTATION,
15 BUT AT LEAST COMING BACK TO THEM AGAIN.

16 I DO BELIEVE THAT THERE IS WORK FOR THE
17 PRESIDENT'S OFFICE. THE ATTEMPT WAS IN EARLY STAGES
18 TO MINIMIZE THAT WORK AND DELIVER MATERIALS THAT
19 WERE BEING AGGREGATED THROUGH THE CHAIR'S OFFICE,
20 BUT THERE WILL BE SIGNIFICANT DOWNSTREAM WORK FOR
21 THE PRESIDENT'S OFFICE AND THE STAFF IN THIS. IT'S
22 BEEN PUSHED AS MUCH AS POSSIBLE INTO 2012.

23 DR. PRICE: I THINK THERE IS A TIMING
24 ISSUE WHICH IS IN ADDITION TO THIS QUESTION OF STAFF
25 TIME. I'M SAYING THIS WITH THE ASSUMPTION THAT

BARRISTERS' REPORTING SERVICE

1 WE'RE GOING TO DO AN IOM STUDY, THAT WE'RE NOT GOING
2 TO GO BACK ON THAT. THERE IS A QUESTION OF HOW BEST
3 TO SERVE THE INTEREST OF OUR ORGANIZATION WITH
4 RESPECT TO WHEN THAT STUDY IS DONE.

5 NOW, IT SEEMS TO ME THERE ARE TWO VALID
6 ARGUMENTS HERE. ONE WAS THE ARGUMENT THAT BOB MADE
7 IS THAT YOU WANT THE REVIEW TO BE DONE IN SUCH A WAY
8 THAT WHEN IT MAKES RECOMMENDATIONS, WE HAVE TIME TO
9 IMPLEMENT THOSE RECOMMENDATIONS BEFORE WE COME UP TO
10 A NEW BOND ISSUE. ON THE OTHER HAND, IF THE PURPOSE
11 OF THIS REVIEW IS TO LET THE PEOPLE OF CALIFORNIA
12 KNOW HOW WELL WE HAVE DONE, SO AS TO CREATE THE
13 FOUNDATION FOR ANOTHER BOND ISSUE OR ANOTHER
14 PROPOSITION, THEN IT SEEMS TO ME YOU CAN MAKE THE
15 ARGUMENT WE SHOULD WAIT UNTIL WE HAVE MORE
16 PERFORMANCE TO BE PART OF THAT REVIEW. AND THAT
17 WAITING A COUPLE OF YEARS, DELAYING FOR A COUPLE OF
18 YEARS WOULD SERVE US BETTER THAN DOING IT NOW.

19 I THINK THERE ARE VALID ISSUES OF TIMING
20 INDEPENDENT OF THE QUESTION OF WHETHER WE WANT TO DO
21 AN IOM REVIEW.

22 CHAIRMAN KLEIN: SO IN TERMS OF THE TIMING
23 ISSUE, THERE'S TWO DIFFERENT FUNDAMENTAL QUESTIONS,
24 PRODUCTIVITY AND THERE'S PLENTY OF MILESTONES ALONG
25 THE WAY, PUBLICATIONS, WHAT'S IN PHASE I TRIALS.

BARRISTERS' REPORTING SERVICE

1 OBVIOUSLY THE MAJOR FACILITIES ARE A MAJOR EFFORT --
2 ARE A MAJOR PRODUCT ALREADY. THE DONOR FUNDS THAT
3 HAVE BEEN ATTRACTED, THE ECONOMIC DRIVERS AND TAX
4 REVENUES AND JOBS THAT HAVE BEEN CREATED FOR
5 CALIFORNIA, THOSE ARE ALL PRODUCTIVITY INDEXES.

6 BUT THE SECOND IS SHOULD WE, IN FACT, BE
7 FUNDING RESEARCH FOR LONG-TERM, STABLE COMMITMENTS
8 AMORTIZED OVER THE BENEFIT GROUP WITH BONDS?
9 FUNDAMENTAL QUESTION. ABOUT A YEAR AND A HALF
10 BEFORE ANY BOND ISSUE, YOU NEED TO GO TO THE
11 LEADERSHIP GROUPS AND SAY THIS IS WHAT WE'VE DONE.
12 AND, BY THE WAY, THIS IS AN OUTSIDE EVALUATION OF
13 WHETHER THAT LONG-TERM, STABILIZED FUNDING ON THIS
14 APPROACH IS IMPORTANT AS A CONCEPT FOR FUNDING
15 SCIENCE, PARTICULARLY STEM CELL RESEARCH CONTINUING.
16 SO YOU'VE GOT SUBSTANTIAL LEAD-TIME BEFORE YOU EVER
17 HAVE A BOND ISSUE, AND YOU'VE GOT TO TAKE THAT INTO
18 CONSIDERATION WHEN YOU GET THESE RESULTS.

19 MS. KING: CHAIRMAN KLEIN, I JUST WANTED
20 TO LET YOU KNOW DR. PIZZO THAT WOULD LIKE TO MAKE A
21 COMMENT, AND I BELIEVE DR. MELMED, CORRECT ME IF I'M
22 WRONG.

23 DR. PIZZO: JIM HAS TOLD ME THAT I CAN'T.

24 DR. MELMED: I CALL THE QUESTION.

25 DR. PIZZO: BUT I JUST SHOULD CLARIFY THIS

BARRISTERS' REPORTING SERVICE

1 BECAUSE I REALLY WOULD LIKE TO MAKE A COMMENT. SO
2 IF I GAVE YOU THE DISCLOSURE, THEN YOU COULD DECIDE
3 WHETHER OR NOT. I HAVE NO FINANCIAL CONNECTIONS OR
4 INTERESTS IN THE INSTITUTE OF MEDICINE. I'VE BEEN
5 AN ELECTED MEMBER SINCE 1997. I DID CHAIR THE
6 HEALTH SCIENCE POLICY BOARD, AND I'M ON THE COUNCIL
7 OF IT. DOES THAT PRECLUDE ME FROM SAYING ANYTHING?
8 THERE'S NO FINANCIAL. I CAN'T INFLUENCE ANYTHING.

9 MR. HARRISON: ARE YOU A DUES PAYING
10 MEMBER?

11 DR. PIZZO: AM I A DUES PAYING MEMBER?
12 NO. WE DON'T PAY DUES. IT'S AN HONORARY
13 ORGANIZATION.

14 MS. LANSING: I CAN'T COMMENT AS A REGENT
15 ON ANY OF THE THINGS, AND I DON'T RECEIVE ONE SINGLE
16 DIME.

17 MR. HARRISON: WHY DON'T WE GO TO DR.
18 ECONOMOU AND LET ME TAKE A QUICK LOOK.

19 DR. MELMED: I CALL THE QUESTION.

20 CHAIRMAN KLEIN: WHAT IS THE QUESTION?

21 DR. MELMED: CALL THE QUESTION.

22 CHAIRMAN KLEIN: IS THERE A MOTION?

23 MICHAEL GOLDBERG, YOU STATED A POSITION OF MOVING
24 THE BUDGET, INCLUDING THIS ITEM, COMING BACK IN THE
25 JUNE MEETING REPORTING ON THE TIMING TO SEE IF IT

BARRISTERS' REPORTING SERVICE

1 NEEDED TO BE MODIFIED; IS THAT CORRECT?

2 MR. GOLDBERG: CORRECT.

3 CHAIRMAN KLEIN: YOU MAKE A MOTION TO THAT
4 EFFECT?

5 MR. GOLDBERG: YES, I HAVE.

6 MR. HARRISON: WE HAVE A MOTION THAT'S
7 CURRENTLY PENDING ON THE TABLE THAT EITHER NEEDS TO
8 BE WITHDRAWN.

9 CHAIRMAN KLEIN: WHO MADE THE MOTION?

10 MR. HARRISON: THE MOTION THAT IS ON THE
11 TABLE IS TO AMEND THE BUDGET TO DELAY THE IOM STUDY
12 BY AT LEAST ONE YEAR MADE BY VICE CHAIR ROTH AND
13 MEMBER SHESTACK. UNLESS THAT MOTION IS WITHDRAWN OR
14 THERE IS A MOTION TO AMEND THAT MOTION, WHICH WOULD
15 TAKE PRECEDENCE OVER THE MAIN MOTION, THAT'S THE
16 MOTION THAT'S CURRENTLY PENDING.

17 MR. SHESTACK: I WOULD JUST SAY THAT MY
18 REACTION LAST NIGHT WAS TO STICKER SHOCK AT THE
19 PRICE, CONCERN OVER THE AMOUNT OF TIME. I RECOGNIZE
20 THAT IT MAY BE SOMEWHAT UNFAIR TO EXAMINE ITEMS THAT
21 HAVE ALREADY BEEN APPROVED, BUT I THINK THE TIMES
22 HAVE CHANGED. THE TIMES HAVE CHANGED IN CALIFORNIA.
23 AND THIS IS WHY I WANTED TO KNOW MORE ABOUT IT AND
24 HAVE DISCUSSION.

25 I FEEL LIKE I HAVE SUBSEQUENTLY -- THERE

BARRISTERS' REPORTING SERVICE

1 HAS BEEN ENOUGH DISCUSSION. I FEEL THERE WILL BE A
2 SINCERE EFFORT TO LOOK AND SEE WHETHER OR NOT IT IS
3 BEST FOR US TO POSTPONE IT A LITTLE BIT, WHETHER OR
4 NOT IT ACTUALLY NEEDS TO COST \$700,000. I SEE -- I
5 DEFINITELY SEE THE UTILITY IN IT FOR THE
6 ORGANIZATION, AND I WOULD BE SATISFIED WITH MICHAEL
7 GOLDBERG'S VERSION OF IT.

8 BUT I WILL SAY ONE THING BEFORE, WHICH IS
9 I WILL NOT VOTE FOR THE BUDGET RIGHT NOW UNLESS I
10 ACTUALLY -- UNLESS I GET SOME ASSURANCES FROM THE
11 SCIENCE DEPARTMENT ON SOMETHING ELSE, WHICH IS FOR
12 SOME SIX MONTHS I'VE NOTIFIED PEOPLE AT THE HIGHEST
13 LEVEL OF THE SCIENCE DEPARTMENT THAT THE LARGEST
14 AUTISM MEETING IN THE COUNTRY IS NEXT WEEK IN SAN
15 DIEGO. AND I FIND ATTENDANCE AT IT WAS SORT OF AN
16 AFTERTHOUGHT. IT WAS NOT ADDRESSED WITH THE
17 IMPORTANCE THAT I WAS PROMISED IT WOULD BE.

18 AND I WOULD LIKE TO TAKE THIS OPPORTUNITY
19 TO REMIND THE BOARD THAT WE DO NOT HAVE A SINGLE
20 AUTISM GRANT, THAT THE GRANT THAT WAS FUNDED LAST
21 TIME WITH MUCH FANFARE WAS, IN FACT, A RETT'S GRANT.
22 AND I WILL TAKE THIS OPPORTUNITY BEFORE I VOTE ON
23 THE BUDGET TO GIVE CIRM AND THE SCIENCE DEPARTMENT
24 THE MONEY IT NEEDS TO OPERATE, THAT A LITTLE BIT
25 MORE RESPONSIVENESS TO THE ADVOCATE COMMUNITY WOULD

BARRISTERS' REPORTING SERVICE

1 BE APPRECIATED AND WILL BE ESSENTIAL GOING FORWARD.

2 MR. ROTH: SO I'M GOING TO ACCEPT
3 MICHAEL'S AMENDMENT TO THAT, BUT I WANT TO JUST MAKE
4 A BRIEF COMMENT ABOUT WHY I KEEP BRINGING THIS UP.
5 I THINK JONATHAN HIT ON IT. TIMES ARE DIFFERENT.
6 WE HAD ANOTHER AUDIT ADDED. THERE'S BEEN A LOT OF
7 THINGS THAT HAVE HAPPENED. I'M NOT HERE TO CARRY
8 WATER FOR THE STAFF. I THINK IT IS OUR
9 RESPONSIBILITY TO RECOGNIZE STAFF INVOLVEMENT IN
10 THESE KINDS OF AUDITS. IT IS NOT TRIVIAL. AND
11 THAT'S WHY I BROUGHT IT UP, NOT BECAUSE I HAVE A
12 PHILOSOPHICAL PROBLEM WITH ANY OF THIS.

13 I COULD ARGUE THAT IF YOU GET A VERY NICE
14 SHINING IOM REPORT AND IT'S KNOWN THAT YOU SPENT
15 700,000, I COULD MAKE THE CASE THAT, WELL, WAS THAT
16 AN INDEPENDENT AUDIT OR NOT. THERE ARE MANY
17 CONCEPTS HERE.

18 MR. SHESTACK: IT'S DONOR MONEY. IT IS
19 ACTUALLY INDEPENDENT MONEY.

20 MR. SHEEHY: YOU CAN'T SAY THAT ABOUT THE
21 IOM.

22 MR. ROTH: IF ED PENHOET WERE HERE, I SAID
23 THIS LAST NIGHT, HE WOULD REMIND YOU WE HAVE A
24 FIDUCIARY RESPONSIBILITY FOR THAT MONEY JUST AS IF
25 IT WERE TAXPAYER MONEY. IT MEANS WE CAN USE IT FOR

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1 DIFFERENT THINGS THAT CAN'T BE SUPPORTED BY THIS
2 ORGANIZATION. SO, THEREFORE, ONCE THAT'S GONE,
3 UNLESS SOMEBODY IS GOING TO GO OUT AND RAISE MORE
4 MONEY, WE ARE LIMITED TO WHAT WE CAN DO. LET'S MOVE
5 IT. YOU ACCEPT THAT, JONATHAN?

6 MR. SHESTACK: YES. I WOULD REVISE.

7 CHAIRMAN KLEIN: I'D LIKE TO ASK IF
8 THERE'S ANY PUBLIC COMMENT? ANY MORE BOARD COMMENT?

9 MS. KING: I BELIEVE DR. ECONOMOU HAD A
10 COMMENT IN THE PAST. I DON'T KNOW IF YOU'D STILL
11 LIKE TO MAKE YOUR COMMENT, DR. ECONOMOU.

12 DR. ECONOMOU: I WAS GOING TO JUST SAY
13 VERY QUICKLY THAT DESPITE JEFF'S DISPARAGING REMARKS
14 ABOUT REPUBLICANS, I'M IN COMPLETE AGREEMENT WITH
15 HIM.

16 CHAIRMAN KLEIN: OKAY. THANK YOU VERY
17 MUCH. I'D LIKE TO CALL THE QUESTION. MR. HARRISON,
18 WE HAVE SOME RECUSALS.

19 MR. HARRISON: NO, WE DON'T. I'VE CLEARED
20 DR. PIZZO AFTER DOING SOME QUICK RESEARCH. HE CAN
21 JOIN THE VOTE. FOR THE RECORD, HIS INTEREST IS AS A
22 MEMBER OF THE IOM.

23 DR. PIZZO: BUT I'VE ELECTED NOT TO SAY
24 ANYTHING BECAUSE THIS DISCUSSION HAS GONE ON TOO
25 LONG.

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1 CHAIRMAN KLEIN: I'D LIKE TO CALL THE
2 QUESTION.

3 DR. POMEROY: WE NEED THE MOTION RESTATED,
4 PLEASE.

5 MR. HARRISON: AS I UNDERSTAND IT, THE
6 MOTION IS TO APPROVE THE BUDGET WITH A PROVISIO THAT
7 THE BOARD AUTHORIZES CIRM STAFF IN COORDINATION WITH
8 THE CHAIR'S OFFICE TO CONSIDER WHEN BEST TO
9 IMPLEMENT THE IOM STUDY.

10 CHAIRMAN KLEIN: IS IT THE CHAIR OF
11 FINANCE, AND THE CHAIR'S OFFICE IS GOING TO WORK
12 WITH STAFF?

13 MR. GOLDBERG: YES. I'D BE HAPPY TO DO
14 THAT.

15 CHAIRMAN KLEIN: OKAY. OKAY. WITH THAT,
16 I THINK WE CAN HAVE A VOICE VOTE; IS THAT CORRECT,
17 MR. HARRISON? ALL IN FAVOR.

18 (CHORUS OF AYES.)

19 CHAIRMAN KLEIN: OPPOSED? THANK YOU.

20 DO WE HAVE ANY OTHER EXCITING ELEMENTS TO
21 THIS MEETING?

22 MS. KING: YES. ITEM 6, THE MINUTES FROM
23 THE PRIOR BOARD MEETING.

24 CHAIRMAN KLEIN: ANY MOTION?

25 MR. ROTH: MOTION TO APPROVE.

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DR. LEVIN: SECOND.

CHAIRMAN KLEIN: OKAY. PUBLIC COMMENT?
CALL THE QUESTION. ALL IN FAVOR?

(CHORUS OF AYES.)

CHAIRMAN KLEIN: OPPOSED? THANK THE BOARD
FOR ANOTHER JOURNEY INTO THE FUTURE.

(THE MEETING WAS THEN CONCLUDED AT
02:17 P.M.)

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REPORTER'S CERTIFICATE

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

UNIVERSITY OF CALIFORNIA LOS ANGELES
11461 SUNSET BOULEVARD
LOS ANGELES, CALIFORNIA
ON
WEDNESDAY, MAY 4, 2011

WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152
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