

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: THE LUXE HOTEL  
11461 SUNSET BOULEVARD  
LOS ANGELES, CALIFORNIA

DATE: WEDNESDAY, OCTOBER 20, 2010  
4:30 P.M.

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

BRS FILE NO.: 85135

## BARRISTERS' REPORTING SERVICE

### I N D E X

ITEM	DESCRIPTION	PAGE NO.
	CALL TO ORDER	4
	ROLL CALL	6
	4. CHAIRMAN'S REPORT.	8
	5. PRESIDENT'S REPORT.	NOT HEARD
	6. REPORT REGARDING THE FINANCIAL IMPLICATIONS OF FUNDING \$243 MILLION OF DISEASE TEAM II AWARDS.	12
	7. CONSIDERATION OF STRATEGIC FINANCIAL PLAN PROJECTED CASH FLOWS.	12
	CLOSED SESSION (NOT REPORTED)	26
	8. DISCUSSION OF PERSONNEL [EVALUATION OF PRESIDENT] (GOVERNMENT CODE SECTION 11126, SUBDIVISION (A); HEALTH & SAFETY CODE SECTION 125290.30(D) (3) (D)).	
	11. DISCUSSION OF CONFIDENTIAL INTELLECTUAL PROPERTY OR WORK PRODUCT, PREPUBLICATION DATA, FINANCIAL INFORMATION, AND CONFIDENTIAL SCIENTIFIC RESEARCH OR DATA RELATING TO APPLICATIONS FOR RFA 10-01: CIRM EARLY TRANSLATIONAL II RESEARCH AWARDS AND AN APPLICATION FOR RFA 09-04: CIRM RESEARCH LEADERSHIP AWARDS. (HEALTH & SAFETY CODE 125290.30(D) (3) (B) AND (C)).	
	PUBLIC REPORT OF ANY ACTION TAKEN, IF NECESSARY, DURING CLOSED SESSION.	NONE
	17. ADDITIONAL AGENDA ITEM - CIRM-FUNDED ELECTRONIC JOURNAL	10

## BARRISTERS' REPORTING SERVICE

### ACTION ITEMS

9. CONSIDERATION OF RECOMMENDATIONS FROM GRANTS WORKING GROUP REGARDING APPLICATIONS SUBMITTED IN RESPONSE TO RFA 10-01: CIRM EARLY TRANSLATIONAL II RESEARCH AWARDS.

- A) EXTRAORDINARY PETITION APPLICATION TR2-01768
- B) EXTRAORDINARY PETITION APPLICATION TR2-01785
- C) EXTRAORDINARY PETITION APPLICATION TR2-01797
- D) EXTRAORDINARY PETITION APPLICATION TR2-01763

10. CONSIDERATION OF RECOMMENDATION FROM GRANTS WORKING GROUP REGARDING APPLICATION SUBMITTED IN RESPONSE TO RFA 09-04: CIRM RESEARCH LEADERSHIP AWARDS.

### ACTION ITEMS

12. CONSIDERATION OF MINUTES FROM PREVIOUS BOARD MEETING. 29

13. CONSIDERATION OF AMENDMENTS TO AND ADOPTION OF LOAN ADMINISTRATION POLICY. 26

14. CONSIDERATION OF PROPOSAL FOR BOARD OPTION TO REQUEST ADDITIONAL ANALYSIS ISSUES ARISING FROM GRANTS WORKING GROUP, AS RECOMMENDED FOR APPROVAL BY THE SCIENCE SUBCOMMITTEE.

15. CONSIDERATION OF PROCESS FOR REVIEW OF REQUESTS FOR CHANGE IN SCOPE TO PERMIT USE OF UNUSED RESEARCH AWARD FUNDS FOR HUMAN CLINICAL TRIAL RESEARCH, WHEN HUMAN RESEARCH WAS NOT PART OF THE ORIGINAL APPLICATION, AS RECOMMENDED FOR CONSIDERATION BY THE SCIENCE SUBCOMMITTEE.

### DISCUSSION ITEMS

16. PUBLIC COMMENT. 31

**BARRISTERS' REPORTING SERVICE**

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

LOS ANGELES, CALIFORNIA;  
WEDNESDAY, OCTOBER 20, 2010; 4:30 P.M.

CHAIRMAN KLEIN: WHILE WE'RE WAITING FOR A FEW MEMBERS, I THINK WE SHOULD COMMENCE THIS MEETING. THANK YOU ALL FOR COMING TODAY. WELCOME TO THE GREAT CITY OF LOS ANGELES. SOME OF THE GREAT PATRONS OF THE CITY ARE SEATED AT THIS TABLE. SO WE'LL MAKE SURE THAT MANY TIMES DURING THE SESSIONS WE APPROPRIATELY RECOGNIZE THE GREATNESS OF THE CITY.

WE HAVE A SET OF IMPORTANT ITEMS TO COVER; BUT IN THE PROCESS OF STARTING THE MEETING, I'D LIKE TO THANK JENNIFER PRYNE, AMY CHEUNG, NICK WARSHAW, AND MELISSA KING FOR GETTING US HERE AND THE LOGISTICS THAT ARE ALWAYS IMPORTANT IN HAVING AN EFFECTIVE MEETING.

I'D LIKE TO REMIND EVERYONE THAT WE'RE GOING TO HAVE A PHENOMENAL SPOTLIGHT ON NMO OR DEVIC'S DISEASE FOR TOMORROW MORNING, OCTOBER 21ST. LYNN HARWELL AND AMY CHEUNG HAVE PUT IT TOGETHER. SHERRY LANSING HAS JUST GIVEN ME A PREVIEW OF IT AND TOLD ME HOW INCREDIBLE THIS IS GOING TO BE. SO PLEASE MAKE A SPECIAL EFFORT TO BE THERE TOMORROW MORNING. WHAT TIME WILL THAT START?

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: 8:30.

2 CHAIRMAN KLEIN: 8:30. AND THAT IS GOING  
3 TO BE AT UCLA. AND WHAT TIME DO WE HAVE TO LEAVE  
4 HERE TO GET THERE BY 8:30? 7:45. 7:45 THE BUS IS  
5 GOING TO LEAVE.

6 THE PROCEEDINGS OF BOTH MEETINGS ARE BEING  
7 AUDIOCAST AND MADE PUBLIC TO ALL MEMBERS OF THE  
8 PUBLIC BY THE INTERNET AS USUAL.

9 I'D LIKE TO ASK, IN TERMS OF SEEING HOW  
10 WE'RE DOING ON A COUNT FOR MEMBERS IN PROGRESS, HOW  
11 CLOSE ARE WE HERE?

12 MS. KING: WITH THE TWO PEOPLE THAT ARE ON  
13 THE PHONE, WE HAVE 17 MEMBERS PRESENT RIGHT NOW. SO  
14 WE'RE TWO SHORT OF A QUORUM.

15 CHAIRMAN KLEIN: GREAT. ALL RIGHT. MY  
16 NAME IS ROBERT KLEIN. I'M CHAIRMAN OF THIS BOARD OF  
17 DISTINGUISHED CONTRIBUTORS TO THE ADVANCEMENT OF  
18 MEDICAL RESEARCH IN THE STATE OF CALIFORNIA AND  
19 AROUND THE WORLD. AND I WOULD LIKE TO OPEN THE  
20 MEETING FORMALLY AT THIS POINT BY MELISSA KING  
21 LEADING US IN THE PLEDGE OF ALLEGIANCE.

22 (THE PLEDGE OF ALLEGIANCE.)

23 CHAIRMAN KLEIN: WOULD YOU PLEASE CALL THE  
24 ROLL.

25 MS. KING: ROBERT BIRGENEAU. FLOYD BLOOM.

**BARRISTERS' REPORTING SERVICE**

1 DR. BLOOM: HERE.  
2 MS. KING: GORDON GILL FOR DAVID BRENNER.  
3 DR. GILL: HERE.  
4 MS. KING: WILLIAM BRODY. JACOB LEVIN FOR  
5 SUSAN BRYANT.  
6 DR. LEVIN: HERE.  
7 MS. KING: MARCY FEIT. MICHAEL FRIEDMAN.  
8 DR. FRIEDMAN: HERE.  
9 MS. KING: LEEZA GIBBONS.  
10 MS. GIBBONS: HERE.  
11 MS. KING: MICHAEL GOLDBERG.  
12 MR. GOLDBERG: HERE.  
13 MS. KING: SAM HAWGOOD. BOB KLEIN.  
14 CHAIRMAN KLEIN: HERE.  
15 MS. KING: SHERRY LANSING.  
16 MS. LANSING: HERE.  
17 MS. KING: JAMES ECONOMOU.  
18 DR. ECONOMOU: HERE.  
19 MS. KING: FOR EUGENE WASHINGTON. TED  
20 LOVE. SHLOMO MELMED. ED PENHOET. PHIL PIZZO.  
21 CLAIRE POMEROY.  
22 DR. POMEROY: MELISSA, I'M HERE BUT I  
23 CAN'T HEAR ANYTHING.  
24 MS. KING: CAN YOU HEAR ME IF I SPEAK INTO  
25 THE MIC?

**BARRISTERS' REPORTING SERVICE**

1 DR. POMEROY: YES, THAT'S BETTER.

2 MS. FEIT: THIS IS MARCY. CAN YOU HEAR  
3 ME?

4 DR. POMEROY: I CAN HEAR YOU PERFECTLY,  
5 MARCY.

6 MS. KING: MARCY, WE CAN HEAR YOU. CAN  
7 YOU NOW HEAR ME?

8 MS. FEIT: YES, I CAN. THANK YOU.

9 MS. KING: FRANCISCO PRIETO.

10 DR. PRIETO: HERE.

11 MS. KING: CARMEN PULIAFITO. ROBERT  
12 QUINT. JEANNIE FONTANA FOR JOHN REED.

13 DR. FONTANA: HERE.

14 MS. KING: DUANE ROTH. JOAN SAMUELSON.  
15 DAVID SERRANO-SEWELL.

16 MR. SERRANO-SEWELL: PRESENT.

17 MS. KING: JEFF SHEEHY.

18 MR. SHEEHY: HERE.

19 MS. KING: JON SHESTACK. OSWALD STEWARD.

20 DR. STEWARD: HERE.

21 MS. KING: ART TORRES.

22 MR. TORRES: HERE.

23 CHAIRMAN KLEIN: THANK YOU VERY MUCH,  
24 MELISSA KING. CAN BOTH MEMBERS ON THE PHONE HEAR  
25 ME? THIS IS BOB KLEIN.

**BARRISTERS' REPORTING SERVICE**

1 DR. POMEROY: NO.

2 CHAIRMAN KLEIN: NO, YOU CANNOT.

3 DR. POMEROY: THAT IS CORRECT.

4 CHAIRMAN KLEIN: ALL RIGHT. CAN YOU HEAR  
5 ME NOW?

6 DR. POMEROY: THAT'S MUCH BETTER.

7 CHAIRMAN KLEIN: THE TECHNICAL CREW HERE  
8 SAYS YOU SHOULD BE ABLE TO HEAR ME AT THIS TIME.

9 DR. POMEROY: YES.

10 CHAIRMAN KLEIN: ALL RIGHT. SO IN OPENING  
11 THIS MEETING, WHAT I'D LIKE TO DO IS FOR THE FULL  
12 MEETING TOMORROW START THAT WITH THE PRESIDENT'S  
13 REPORT IF THAT'S ACCEPTABLE, DR. TROUNSON, SO THAT  
14 WE CAN MOVE RELATIVELY QUICKLY INTO THE EXECUTIVE  
15 SESSION. BUT BEFORE WE DO SO, I'D LIKE TO MAKE A  
16 FEW COMMENTS ABOUT THE ROBUST NATURE OF OUR  
17 COLLABORATIONS WITH CANADA AND THEIR EFFORTS TO  
18 EXPAND THEIR WORK BEYOND CANCER STEM CELLS AND HAVE  
19 A BROAD COLLABORATION THAT COVERS THE WHOLE AREA OF  
20 STEM CELL RESEARCH.

21 (MEMBERS ROTH AND PULIAFITO JOIN THE  
22 MEETING.)

23 CHAIRMAN KLEIN: APPROXIMATELY A MONTH AGO  
24 I MET IN TORONTO WITH THE NEW SCIENCE MINISTER OF  
25 RESEARCH INNOVATION FOR THE PROVINCE OF ONTARIO, WHO



## BARRISTERS' REPORTING SERVICE

1 INDICATED THAT PREMIER MCGUINTY WAS EXTREMELY  
2 ENTHUSED ABOUT THE COLLABORATION WITH CALIFORNIA.  
3 ONTARIO IS PART OF THE CONSORTIUM BOARD THAT HAS  
4 PARTICIPATED WITH US, AND THEY ARE MAKING AN EFFORT  
5 IN ONTARIO TO ENHANCE THEIR PARTICIPATION  
6 NATIONALLY, HOPING THAT IF THEY INCREASE THEIR  
7 FUNDING FOR THE PROGRAMS IN ONTARIO, IT WILL HAVE  
8 THE EFFECT OF STIMULATING THE OTHER AREAS OF THE  
9 COUNTRY TO PUT UP MORE FUNDS, A PORTION OF WHICH  
10 WOULD GO INTO BILATERAL FUNDING WITH US.

11 ALSO MET WITH TOM HUDSON, PRESIDENT AND  
12 SCIENTIFIC DIRECTOR OF THE ONTARIO INSTITUTE FOR  
13 CANCER RESEARCH, FORMERLY THE VICE CHAIR OF GENOME  
14 CANADA, AND DR. MORAG PARK, THE SCIENTIFIC DIRECTOR  
15 FOR CIHR, THE CANADIAN INSTITUTE OF CANCER RESEARCH.  
16 THE CHAIRMAN OF GENOME CANADA WAS NOT THERE, THOMAS  
17 CASKEY, BUT DALE PATTERSON WAS THERE, WHO IS THE  
18 ACTING CEO AND PRESIDENT OF GENOME CANADA. IT  
19 APPEARS THAT THEY WILL BE ABLE TO EXPAND THEIR  
20 COMMITMENTS AS WELL. BUT AT THIS POINT THEY'RE  
21 BRINGING TOGETHER AN ENLARGED ACTIVE PARTICIPATION  
22 IN THEIR ABILITY TO COLLABORATE WITH US.

23 THEY ARE VERY ENTHUSED, BUT WE WILL BE  
24 HOPEFUL THAT, IN FACT, TOM HUDSON'S THOUGHT THAT  
25 THEY ARE GOING TO BE ABLE TO RAISE THEIR LEVEL OF

## BARRISTERS' REPORTING SERVICE

1 PARTICIPATION WITH A BROADER GROUP OF SCIENTISTS IN  
2 CANADA COLLABORATING WITH CALIFORNIA SCIENTISTS  
3 COMES TO PASS. I WAS THERE SPEAKING FOR THE  
4 GAIRDNER SYMPOSIUM BEFORE THE GAIRDNER AWARDS TO  
5 HONOR DR. CAL STILLER WHO I HAD THE PRIVILEGE OF  
6 BEING THE CO-CHAIR WITH ON THE CANADIAN STEM CELL --  
7 CANADIAN/CALIFORNIA CANCER STEM CELL INITIATIVE.

8 THE FIRST ITEMS WE'LL GO INTO JUST VERY  
9 QUICKLY ARE MORE INFORMATIONAL ITEMS. THEN WE'LL GO  
10 IMMEDIATELY INTO EXECUTIVE SESSION. WE'LL FOLLOW  
11 THE EXECUTIVE SESSION WITH ITEMS THAT REQUIRE ACTUAL  
12 VOTES. I DO BELIEVE, HOWEVER, THAT WE NOW HAVE A  
13 QUORUM; IS THAT CORRECT?

14 MS. KING: THAT IS CORRECT. FOR THE  
15 RECORD, DUANE ROTH AND CARMEN PULIAFITO HAVE JOINED  
16 THE MEETING.

17 CHAIRMAN KLEIN: ALL RIGHT. AND WITH A  
18 QUORUM, I WOULD LIKE TO CONSIDER ONE ITEM, WHICH IS  
19 TO FORMALLY ADD TO THE AGENDA THE CONSIDERATION OF A  
20 PROPOSAL FOR A CIRM-FUNDED ELECTRONIC JOURNAL. THIS  
21 IS NOT TO DEBATE WHETHER OR NOT WE PROCEED ON THIS  
22 ITEM. IT IS TO ADD IT TO THE AGENDA. BECAUSE THIS  
23 ITEM CAME TO THE AGENDA LATE, WE NEED A TWO-THIRDS  
24 VOTE AND A MOTION OF THE BOARD WITH A TWO-THIRDS  
25 VOTE BACKING IT TO ADD IT TO THE AGENDA. IS THERE

**BARRISTERS' REPORTING SERVICE**

1 SOMEONE WHO WOULD LIKE TO MAKE A MOTION TO ADD IT TO  
2 THE AGENDA?

3 DR. BLOOM: SO MOVED.

4 CHAIRMAN KLEIN: DR. FLOYD BLOOM.

5 MR. GOLDBERG: SECOND.

6 CHAIRMAN KLEIN: THE MAKER OF THE MOTION  
7 AND THE SECOND IS MICHAEL GOLDBERG. IS THERE ANY  
8 DEBATE ON THIS ITEM?

9 MR. HARRISON: JUST TO CLARIFY, THAT  
10 MOTION IS TO MAKE A DETERMINATION THAT THE ITEM CAME  
11 TO THE BOARD'S ATTENTION AFTER THE AGENDA WAS POSTED  
12 AND THAT THERE'S A NEED TO TAKE IMMEDIATE ACTION.

13 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND  
14 BY PASSING THAT, WE DO HAVE THE EFFECT OF THEN  
15 ADDING IT TO THE AGENDA.

16 ANYONE IN THE PUBLIC WOULD LIKE TO ADDRESS  
17 THIS? SEEING NONE, I'D LIKE TO CALL THE QUESTION.  
18 ALL IN FAVOR.

19 (CHORUS OF AYES.)

20 CHAIRMAN KLEIN: OPPOSED.

21 (NO RESPONSE.)

22 CHAIRMAN KLEIN: WE NEED, BECAUSE WE HAVE  
23 MEMBERS ON THE PHONE, TO CONFIRM THEIR  
24 PARTICIPATION.

25 MS. KING: MARCY FEIT.

**BARRISTERS' REPORTING SERVICE**

1 MS. FEIT: AYE.

2 MS. KING: CLAIRE POMEROY.

3 DR. POMEROY: YES.

4 MS. KING: FOR THE RECORD THAT MOTION  
5 CARRIES.

6 CHAIRMAN KLEIN: OKAY. THANK YOU VERY  
7 MUCH, MELISSA KING.

8 THE ITEMS THAT ARE INFORMATIONAL THAT  
9 WE'RE GOING TO ADDRESS START WITH ITEM 6, A REPORT  
10 REGARDING THE FINANCIAL IMPLICATIONS OF FUNDING THE  
11 243 MILLION OF DISEASE TEAM II AWARDS. ACTUALLY I  
12 THINK THAT THAT WILL BE EASIER TO UNDERSTAND IF WE  
13 FIRST COVER ITEM 7. DR. ROBSON, COULD YOU COVER  
14 ITEM 7 TO CREATE A FRAMEWORK FOR THE DISCUSSION OF  
15 ITEM 6, PLEASE? THESE ARE INFORMATIONAL ITEMS.

16 DR. ROBSON: HAPPY TO. THANK YOU. THIS  
17 TOPIC CAME UP IN JUNE, AND I MADE A PRESENTATION  
18 ABOUT SOME LONG-TERM IMPLICATIONS ON FINANCIAL  
19 SPENDING OF THE FULL \$3 BILLION. IT'S COME BACK  
20 HERE BECAUSE A REQUEST WAS MADE TO REVIEW IT AGAIN  
21 AS CHANGES HAVE BEEN MADE IN SOME OF THE ASSUMPTIONS  
22 WE'VE BEEN USING.

23 I WROTE A NEW DOCUMENT THAT WAS GIVEN --  
24 WAS PREPARED FOR THE EXTERNAL REVIEW THAT WAS  
25 CONDUCTED AT CIRM LAST WEEK. I TOOK THAT DOCUMENT,

## BARRISTERS' REPORTING SERVICE

1 MODIFIED IT A LITTLE BIT, AND THAT WAS WHAT WAS  
2 GIVEN TO YOU IN YOUR PACKET.

3 WE DISCUSSED THIS AT SOME LENGTH AT THE  
4 FINANCE SUBCOMMITTEE MEETING LAST WEEK, SO I'M GOING  
5 TO TRY TO BE BRIEF AND LEAVE IT OPEN TO YOU FOR  
6 DISCUSSION.

7 THE REASON WE'RE TALKING ABOUT THIS HERE,  
8 REALLY I THINK WHAT STIMULATED IT WAS THE FACT IT  
9 WAS A REQUEST TO FIND OUT WHAT WOULD BE THE  
10 IMPLICATIONS, LONG-TERM FINANCIAL IMPLICATIONS, OF  
11 FUNDING THE DISEASE TEAM II ROUND AT \$240 MILLION.  
12 SO THAT'S KIND OF WHAT STIMULATED THIS WHOLE  
13 CONVERSATION.

14 NOW, IN THE DOCUMENT YOU HAVE, I THINK IN  
15 TRYING TO UNDERSTAND WHAT THESE PROJECTIONS MEAN AND  
16 HOW YOU CAN USE THEM, THE MOST IMPORTANT THING IS  
17 THAT YOU GET AN APPRECIATION AND UNDERSTANDING OF  
18 WHAT THE ASSUMPTIONS ARE THAT WE USE WHEN WE MAKE  
19 THESE MODELS. SO I'D LIKE TO JUST RUN THROUGH THE  
20 ASSUMPTIONS, AND THAT WILL ONLY TAKE A COUPLE OF  
21 MINUTES.

22 WHAT I USED WAS AN RFA SCHEME OR PLAN  
23 THAT'S OUTLINED IN THIS TABLE. AND IT INCLUDES  
24 THREE CORE RFA'S THAT APPEAR REGULARLY, NOT AT THE  
25 SAME FREQUENCY, BUT REGULARLY: EARLY TRANSLATION,

## BARRISTERS' REPORTING SERVICE

1 BASIC STEM CELL BIOLOGY, AND THE DISEASE TEAMS. THE  
2 MAIN DIFFERENCES FROM WHAT I PRESENTED TO YOU IN  
3 JUNE ARE, ONE, THAT THE EARLY TRANSLATIONAL ROUND IS  
4 STILL AT \$80 MILLION, BUT IT'S BEEN EXTENDED FROM  
5 EVERY 12 MONTHS TO EVERY 15 MONTHS. THIS IS AFTER  
6 DISCUSSIONS WITH THE -- FURTHER DISCUSSIONS WITH THE  
7 SCIENCE TEAM. THEY THINK THAT THE DEMAND IS  
8 PROBABLY -- THE DEMAND THAT'S OUT THERE, 15 MONTHS  
9 IS PROBABLY A LITTLE MORE APPROPRIATE. IT ALSO  
10 GIVES THEM A LITTLE MORE FLEXIBILITY IN THEIR WORK  
11 SCHEDULE. SO THAT'S THE REASON THAT'S BEEN CHANGED.

12 THE BIGGEST CHANGE, THOUGH, IS THAT THE  
13 DISEASE TEAMS HAVE BEEN EXTENDED FROM EVERY 12  
14 MONTHS TO EVERY 24. AND THE REASON THAT THAT CHANGE  
15 WAS MADE IS BECAUSE THE BOARD DECIDED THAT RATHER  
16 THAN USING PREAPPLICATION REVIEW AS PART OF THE  
17 DISEASE TEAM RFA PROCESS, IT WOULD USE A DISEASE  
18 TEAM PLANNING AWARD INSTEAD. SO INSERTING THAT  
19 PLANNING AWARD LENGTHENS THE WHOLE REVIEW PROCESS  
20 FOR DISEASE TEAMS OUT TO 24 MONTHS.

21 I'VE ALSO LISTED SOME OTHER RFA'S. THE  
22 ONES THAT ARE HIGHLIGHTED IN YELLOW YOU PROBABLY  
23 HAVEN'T SEEN ON ANY OF THESE PROJECTIONS BEFORE. IN  
24 FACT, YOU CAN'T EVEN SEE THEM AT ALL RIGHT NOW. BUT  
25 THESE ARE THINGS THAT I THINK YOU'VE HEARD ALAN

## BARRISTERS' REPORTING SERVICE

1 TROUNSON TALK A LITTLE BIT ABOUT, THINGS THAT WE'VE  
2 BEEN THINKING ABOUT AND TALKING ABOUT INTERNALLY  
3 THAT WE MAY BRING TO THE BOARD AT SOME TIME IN THE  
4 FUTURE. AND THOSE INCLUDE STEM CELL GENOMICS, ALPHA  
5 CLINICS, AND DISEASE TEAM FOLLOW-ONS FOR PROVIDING  
6 CLINICAL FUNDS FOR SOME OF THOSE EARLY DISEASE TEAM  
7 PROJECTS THAT ARE SUCCESSFUL AND READY TO GO TO THE  
8 CLINIC.

9 THE OTHER ASSUMPTIONS THAT ARE LISTED I  
10 THINK ARE SUMMARIZED IN THE NEXT SLIDE. SO WHEN  
11 I'VE DONE THIS, I'VE ASSUMED THAT ALL THE MONEY  
12 THAT'S TARGETED FOR EACH RFA WILL ACTUALLY BE  
13 COMMITTED. AS YOU KNOW, YOU OFTEN -- THE BOARD  
14 OFTEN AWARDS MORE OR LESS THAN WHAT WAS ORIGINALLY  
15 TARGETED. IF YOU ACTUALLY LOOK HISTORICALLY, THOSE  
16 DIFFERENCES HAVE PRETTY MUCH BALANCED OUT OVER TIME.  
17 AND MY ASSUMPTION IS THAT THOSE VARIANCES WILL  
18 BALANCE OUT IN THE FUTURE.

19 I ALSO ASSUME THAT ALL FUNDS THAT ARE  
20 COMMITTED WILL BE EXPENDED, AND THIS IS AN IMPORTANT  
21 POINT BECAUSE FOR SOME OF THESE LARGE AWARDS, LIKE  
22 EARLY TRANSLATION OR THE DISEASE TEAMS THAT ARE  
23 MILESTONE BASED AND HAVE GO/NO-GO DECISION POINTS,  
24 THERE MAY BE DECISIONS MADE TO TERMINATE SOME OF  
25 THOSE EARLY. SO IT'S POSSIBLE THAT A SIGNIFICANT

## BARRISTERS' REPORTING SERVICE

1 AMOUNT OF MONEY COULD COME BACK TO CIRM TO BE  
2 REINVESTED IN FUTURE RFA'S.

3 NOW, WE CHOSE NOT TO PUT ANY MONEY VALUE  
4 TO THAT BECAUSE WE DON'T KNOW HOW MUCH MONEY MIGHT  
5 COME BACK, AND WE DON'T KNOW WHEN IT MIGHT COME  
6 BACK. OUR DECISION WAS THAT, WELL, WE'LL JUST DEAL  
7 WITH THAT LATER. WHEN IT HAPPENS, WE'LL MAKE  
8 ADJUSTMENTS. THAT WAS THE ASSUMPTION WE TOOK AT THE  
9 TIME, BUT YOU CAN CERTAINLY ASSUME DIFFERENTLY AS  
10 WE'LL TALK ABOUT IN A COUPLE OF MINUTES.

11 FINALLY, I ASSUMED THAT THERE WOULD BE NO  
12 NEW MONEY THAT WOULD COME TO CIRM, NOTHING FROM  
13 REVENUE SHARING. REVENUE SHARING, THOSE FUNDS WOULD  
14 GO DIRECTLY TO THE STATE FUND, GENERAL FUND OF THE  
15 STATE. THEY WOULDN'T COME TO CIRM.

16 LOAN REPAYMENTS, WE HAVE ONE LOAN OUT  
17 THERE. IT'S NOT DUE TO BE REPAYED UNTIL 2020. I'M  
18 NOT ASSUMING THAT THAT'S GOING TO HAVE AN IMPACT ON  
19 OUR LONG-TERM PROJECTIONS BECAUSE, AS YOU WILL SEE,  
20 WE WOULD EXPECT TO HAVE ALREADY COMMITTED OUR LAST  
21 RFA BEFORE 2020. AND WE COULD GET MONEY FROM  
22 WARRANTS, BUT WE DON'T KNOW WHEN THAT MIGHT BE. WE  
23 HAVEN'T ASSUMED ANYTHING IS GOING TO COME FROM  
24 WARRANT SALES.

25 AND, FINALLY, WE DON'T ASSUME THERE WILL



## BARRISTERS' REPORTING SERVICE

1 BE ANY BOND SALES AUTHORIZED BEYOND THE \$3 BILLION.  
2 AGAIN, THAT COULD CHANGE, BUT AT THIS POINT, WE'RE  
3 ASSUMING 3 BILLION IS ALL WE HAVE.

4 SO WITH THOSE ASSUMPTIONS AND THAT RFA  
5 TABLE THAT I SHOWED YOU, IF WE PROJECT THAT OUT, WE  
6 GET THIS SORT OF SPENDING PLAN WITH EACH OF THOSE  
7 VERTICAL BARS BEING A FISCAL YEAR BETWEEN NOW AND TO  
8 WHEN THE MONEY ENDS. THE GREEN LINE IS HOW MUCH  
9 MONEY WE HAVE REMAINING. SO IT STARTS AT \$3 BILLION  
10 AT THE UPPER LEFT; AND WITH TIME, IT PROJECTS DOWN.  
11 THE BLUE ARROW AT THE BOTTOM SHOWS 2016-17 ON THIS  
12 PROJECTION. THAT'S WHEN THE LAST RFA WOULD COME TO  
13 THE BOARD FOR APPROVAL, AND ALL OF THE MONEY WOULD  
14 BE EXPENDED BY 2020. SO THIS IS A DIFFERENT  
15 SCENARIO THAN I SHOWED YOU IN JUNE. I SHOWED YOU  
16 TWO IN JUNE. THIS IS SORT OF HALFWAY IN BETWEEN THE  
17 TWO OF THEM. AND IT'S BECAUSE OF THE CHANGES THAT  
18 WERE MADE IN THE ASSUMPTIONS.

19 NOW, IF WE HAVE THE NEXT SLIDE, THERE'S  
20 ANOTHER RFA SCHEDULE THAT WAS PROVIDED TO YOU, AND  
21 IT'S A LITTLE BIT DIFFERENT THAN THE ONE THAT I  
22 SHOWED YOU. THE ACTUAL INDIVIDUAL RFA'S ARE NOT  
23 THAT MUCH DIFFERENT. THERE ARE MORE THAT ARE TO BE  
24 DETERMINED, BUT THERE'S ONE DIFFERENCE IN THE  
25 ASSUMPTIONS. SO IN THAT ONE IT IS ASSUMED THAT \$190

## BARRISTERS' REPORTING SERVICE

1 MILLION WILL BE RETURNED THROUGH THE FACT THAT SOME  
2 PROJECTS WOULD BE TERMINATED EARLY. AND THAT MONEY  
3 IS THEN USED TO BUILD SOME NEW RFA'S TOWARDS THE END  
4 OF CIRM'S LIFE. THAT'S A SLIGHTLY DIFFERENT SCHEME,  
5 AND IT SHOWS YOU THAT UNDER THOSE CIRCUMSTANCES IT'S  
6 NOT UNREASONABLE TO THINK THAT WE COULD STILL BE  
7 AWARDING RFA'S INTO 2017 WHERE THE ONE I SHOWED YOU  
8 WAS 2016.

9 SO THAT'S REALLY WHAT I WANTED TO SHOW YOU  
10 AND EXPLAIN TO YOU WHAT WE'RE DOING. I THINK THESE  
11 MODELS ARE USEFUL. THEY'RE QUITE FLEXIBLE. AS YOU  
12 CAN SEE, WE CAN CHANGE THE ASSUMPTIONS, WE CAN  
13 CHANGE THE VALUE OF THE DIFFERENT RFA'S, AND WE CAN  
14 EASILY SHOW YOU WHAT THE IMPACT OF THAT IS ON THE  
15 LONG-TERM FINANCIAL PLANNING. I THINK THIS IS  
16 USEFUL INFORMATION FOR YOU IN MAKING STRATEGIC  
17 DECISIONS ALONG WITH INFORMATION LIKE PORTFOLIO  
18 ANALYSIS AND WHAT'S CHANGING IN THE FIELD AT THE  
19 TIME OR WHAT WE FORESEE ARE GOING TO BE THE BIG  
20 THINGS DOWN THE ROAD.

21 SO I JUST OFFER THAT TO YOU, AND IT'S OPEN  
22 TO DISCUSSION. WE HAD A FAIRLY GOOD DISCUSSION  
23 ABOUT THIS AT THE FINANCE SUBCOMMITTEE.

24 CHAIRMAN KLEIN: SO MICHAEL GOLDBERG I'M  
25 GOING TO CALL UPON. JUST INFORMATIONALLY, DR.

**BARRISTERS' REPORTING SERVICE**

1 ROBSON, THE \$190 MILLION ASSUMPTION, YOU HAD  
2 MODIFIED THAT IN THE PRINTED MATERIAL WE GOT BEFORE  
3 THE AUGUST MEETING. AND SO THAT'S NOT NEW TODAY,  
4 BUT YOU'RE SAYING IT'S A CHANGE FROM JUNE. IT'S A  
5 CHANGE FROM THE ASSUMPTIONS YOU MADE IN JUNE.

6 DR. ROBSON: I THINK THAT WAS IN THE JUNE  
7 DOCUMENT. I'M SORRY. I DIDN'T UNDERSTAND.

8 CHAIRMAN KLEIN: THE \$190 MILLION, YOU  
9 THINK THAT WAS IN THE JUNE DOCUMENT?

10 DR. ROBSON: I THINK IT WAS.

11 CHAIRMAN KLEIN: IT WAS AS EARLY AS JUNE.  
12 I KNOW IT WAS PRIOR TO THE AUGUST MEETING WE HAD IT  
13 IN THE PRINTED MATERIAL. THEN IN THE AUGUST MEETING  
14 WE HAD BY THAT POINT ALREADY GONE THROUGH COMMITTEE  
15 AND MADE A DECISION TO, IN FACT, MODIFY THE  
16 SCHEDULES ON THOSE TWO DIFFERENT PROGRAMS.

17 MR. GOLDBERG.

18 MR. GOLDBERG: YES. I JUST WANTED TO  
19 THANK JOHN FOR THIS UPDATE. THANKS TO MEMBERS OF  
20 THE CHAIRMAN'S STAFF AS WELL WHO PROVIDED FEEDBACK.  
21 THANK YOU. I JUST WANTED TO THANK JOHN FOR THE WORK  
22 HE'S DONE ON THIS. ALSO THANK THE MEMBERS OF THE  
23 CHAIRMAN'S OFFICE WHO ASSISTED IN THE PROCESS.

24 I THINK IT'S OUR VIEW, THE MEMBERS OF THE  
25 SUBCOMMITTEE, THAT THE PROJECTIONS ARE AN ONGOING

## BARRISTERS' REPORTING SERVICE

1 KIND OF WORK IN PROGRESS, THAT WE WANT TO MAKE SURE  
2 THAT WE'RE FLEXIBLE, THAT WE'RE NIMBLE, AND AGILE IN  
3 RESPONSE TO THE EVOLVING NEEDS OF THE SCIENCE AND  
4 THE TRANSLATIONAL CLINICAL ACTIVITIES THAT WE'RE  
5 ANTICIPATING.

6 BY THE SAME TOKEN, I THINK IT WOULD BE  
7 HELPFUL FOR US TO CREATE A FIXED PROJECTION THAT WE  
8 OPERATE THE SAME WAY WE HAVE A FIXED BUDGET; THAT  
9 IS, TO MAKE SURE THAT WE DON'T JUST KIND OF SLIDE  
10 MEETING TO MEETING BASED ON A RANGE OF POSSIBLE  
11 OUTCOMES THAT MAY BE THE SCENARIOS DU JOUR.

12 SO WHAT I'D LIKE TO PROPOSE IS THAT, IN  
13 CONNECTION WITH THE FORMAL BUDGET PROCESS, THAT WE  
14 ADOPT AN ONGOING FIXED VIEW OF OUR FORWARD CASH  
15 FORECAST. IF WE NEED TO REVISIT THAT ON AN INTERIM  
16 BASIS DURING A SPECIFIC FISCAL YEAR, I THINK WE CAN  
17 DO THAT. BUT I'D LIKE TO DO THAT IN A FORMAL WAY IN  
18 CONCERT WITH RATIFICATION BY THE FINANCE  
19 SUBCOMMITTEE AND THE BOARD SO THAT WE'RE ALL  
20 OPERATING, NOT JUST INTERNALLY, BUT ALSO THE PUBLIC  
21 EXTERNALLY WITH THE MOST CLARITY THAT WE CAN PROVIDE  
22 GIVEN OUR OBJECTIVE TO BE RESPONSIVE AND NIMBLE TO  
23 OPPORTUNITIES. THANK YOU.

24 CHAIRMAN KLEIN: OKAY. AND AS BACKGROUND  
25 TO THE PRESENTATION, I CONVEYED MR. SHEEHY'S CONCERN

## BARRISTERS' REPORTING SERVICE

1 FOR THE INFORMATION TO DR. ROBSON. AND I THINK,  
2 JEFF, YOU HAVE SOME COMMENTS YOU WANTED TO MAKE. WE  
3 WANT TO GO TO THE NEXT ITEM.

4 MR. SHEEHY: MY ONLY ISSUE WAS THAT THERE  
5 WAS NO PROBLEM FULLY FUNDING DISEASE TEAMS II. AND  
6 I THINK THAT THAT WAS THE QUESTION THAT WAS  
7 INITIALLY ASKED AT THE LAST MEETING. I THINK THIS  
8 IS CLEAR, THAT THAT IS NOT A PROBLEM.

9 CHAIRMAN KLEIN: YOU'RE SAYING AT THE \$230  
10 MILLION LEVEL?

11 MR. SHEEHY: RIGHT. AT THE LEVEL THE  
12 BOARD APPROVED.

13 CHAIRMAN KLEIN: OKAY. SO I THINK WE ALL  
14 HAVE A CONSENSUS NOW THAT WE'RE FINE AT THAT FUNDING  
15 LEVEL. ALL RIGHT. DR. TROUNSON.

16 DR. TROUNSON: I THINK THE -- I THINK THAT  
17 WE WERE ASKED BY MEMBERS OF THE BOARD LAST TIME TO  
18 GIVE AN INDICATION OF WHAT HAPPENS WHEN YOU MAKE  
19 THOSE ADJUSTMENTS. AND I THINK THE BASIS OF JEFF'S  
20 QUESTION IS THAT, YOU KNOW, THAT IF IT WAS A HUNDRED  
21 MILLION OR 240 MILLION, HOW WOULD IT AFFECT IT. SO  
22 WE WENT TO THE 240 MILLION. AND I THINK, YOU KNOW,  
23 IT SEEMS TO BE PERFECTLY OKAY WITHIN THE FRAMEWORK  
24 OF WHAT WE'RE DOING IF WE ACCEPT THAT WE ARE GOING  
25 TO GO OUT TO 2016-17.

## BARRISTERS' REPORTING SERVICE

1           AND I THINK YOU AND I AT LEAST, CHAIRMAN,  
2           ARE IN CONCERT IN THINKING, WELL, THAT'S ABOUT  
3           RIGHT. IT WOULD CHANGE A FEW MONTHS IF YOU MADE  
4           ADJUSTMENTS, BUT IT PRIMARILY FITS IN THAT  
5           FRAMEWORK.

6           AND THE ONLY THING THAT I WOULD SAY IS  
7           THAT I THINK WE'RE GOING TO BE OFFERED SOME VERY  
8           INTERESTING OPPORTUNITIES FROM THE EXTERNAL REVIEW  
9           COMING UP, THEIR REPORT. SO IT SHOULD BE -- I AGREE  
10          WITH MICHAEL. THERE SHOULD BE GREAT DEAL OF  
11          FLEXIBILITY THERE. AND IF WE CAN AGREE TO SOME  
12          CONSTANTS AND SOME VARIABLES, THAT WOULD BE  
13          TERRIFIC. BUT I THINK THERE'S GOING TO BE QUITE AN  
14          INTERESTING DISCUSSION, I THINK, WITH THOSE EXTERNAL  
15          REVIEWERS ABOUT OUR PROGRAM.

16          AND SO IN TERMS OF INFORMATION FOR THE  
17          BOARD, THAT GROUP OF EXTERNAL REVIEWERS, ALL OF THEM  
18          ARE HOPING TO COME TO THE MEETING IN DECEMBER TO  
19          TALK TO THE BOARD. AND THIS IS INCLUDING MARTIN  
20          EVANS WHO COMES FROM CARDIFF IN WALES. HE WANTS TO  
21          BE HERE WHEN THEY PRESENT THEIR REVIEW TO THE BOARD.

22          SO I THINK IT WOULD MAKE, IF WE HAVE TIME,  
23          CHAIR, TO MAKE TIME AVAILABLE IN THE DECEMBER  
24          MEETING MIGHT BE VERY INSTRUCTIVE, VERY INTERESTING,  
25          AND THEN FURTHER THOUGHTS ABOUT OUR EXPENDITURES AND

## BARRISTERS' REPORTING SERVICE

1 BUDGETS MIGHT FLOW FROM WHATEVER STRATEGIES WE MAY  
2 DEVELOP FROM THERE.

3 CHAIRMAN KLEIN: IN ORDER TO HAVE THE  
4 OPPORTUNITY FOR THE WHOLE BOARD TO REALLY  
5 SUBSTANTIVELY ENGAGE WITH THE REVIEW PANEL WHICH, AS  
6 DR. TROUNSON SAID, HAS DECLARED THEIR WILLINGNESS TO  
7 COME IN TOTAL TO THE DECEMBER 8TH MEETING, INCLUDING  
8 SIR MARTIN EVANS, WHO GOT THE NOBEL PRIZE FOR HIS  
9 STEM CELL RESEARCH, RICK KLAUSNER, WHO WAS THE HEAD  
10 OF THE NATIONAL CANCER INSTITUTE AND STARTED THE  
11 GATES FOUNDATION, REALLY A SET OF PREEMINENT  
12 INDIVIDUALS, ALLEN BERNSTEIN, DR. ALLEN BERNSTEIN,  
13 WHO HEADS THE GLOBAL HIV VACCINE PROJECT, WE HAVE AN  
14 EXTRAORDINARY ABILITY TO HAVE A SUBSTANTIVE  
15 INTERCHANGE WITH THIS GROUP IN A PUBLIC FORMAT WHERE  
16 WE CAN DISCUSS LONG-TERM STRATEGY. AND I'M GOING TO  
17 HAVE MELISSA KING SURVEY THE BOARD BECAUSE I BELIEVE  
18 THAT IT'S GOING TO BE SUCH A MATERIAL FOCUS OF THAT  
19 MEETING ALONG WITH THE GRANT CYCLE WE'LL BE GOING  
20 THROUGH, THAT WE'RE GOING TO NEED TO HAVE A SEPARATE  
21 BOARD MEETING POTENTIALLY IN THE AREA OF THE 15TH OR  
22 16TH OF DECEMBER TO DEAL WITH THE ELECTIONS AND  
23 BRINGING IN THE NEW MEMBERS.

24 I WOULD SUGGEST THAT THAT IS A VERY GOOD  
25 MEETING THAT ANYONE WHO'S BEEN NOMINATED TO THE

## BARRISTERS' REPORTING SERVICE

1 BOARD AS A POTENTIAL NEW APPOINTEE TO COME TO THAT  
2 MEETING TO GET ORIENTED TO A REALLY DEEP DISCUSSION  
3 FROM SOME OF THE GREAT THINKERS ON A GLOBAL BASIS OF  
4 THE POSSIBILITIES OF NEW PROGRAMS THAT WE CAN HAVE.  
5 SO WE'RE GOING TO HAVE SOME FINANCE CHALLENGES HERE,  
6 SOME SCIENTIFIC CONCEPTUAL CHALLENGES OF SOME WAYS  
7 THAT WE COULD REALLY INNOVATE IN A WAY THAT PERHAPS  
8 THE NIH DOESN'T HAVE THE SAME OPPORTUNITY. IT'S AN  
9 EXTRAORDINARY OPPORTUNITY WE HAVE HERE WHICH WAS  
10 IMPRESSED UPON US CONSTANTLY BY THE REVIEW PANEL  
11 DURING THEIR MEETINGS. AND TO HAVE THE BOARD HAVE  
12 THE ABILITY TO HAVE A ONE-ON-ONE PUBLIC INTERCHANGE  
13 WITH THIS GROUP, I THINK, WILL REALLY CONTRIBUTE TO  
14 THE FUTURE DEFINITION OF OUR MISSION AND REFINING  
15 OUR TARGETS AND OBJECTIVES.

16 WITH THAT -- JONATHAN WELCOME. WITH THAT,  
17 I THINK THAT WE'RE IN A POSITION THAT WE CAN ADJOURN  
18 FOR OUR EXECUTIVE SESSION. AND COULD COUNSEL, MR.  
19 HARRISON, PLEASE CITE THE BASIS OF THAT. AND THEN  
20 LOGISTICALLY I'M GOING TO HAVE MELISSA KING TALK TO  
21 US ABOUT WHERE THE EXECUTIVE SESSION IS GOING TO BE  
22 HELD AND TIMING ISSUES.

23 MS. KING: BEFORE WE DO THAT, JUST FOR THE  
24 RECORD, ROBERT QUINT AND JONATHAN SHESTACK HAVE  
25 JOINED THE MEETING.



**BARRISTERS' REPORTING SERVICE**

1 MR. HARRISON: THE BOARD WILL BE CONVENING  
2 IN CLOSED SESSION TO DISCUSS PERSONNEL PURSUANT TO  
3 GOVERNMENT CODE SECTION 11126 AND HEALTH AND SAFETY  
4 CODE SECTION 125290.30(D)(3)(D).

5 CHAIRMAN KLEIN: THANK YOU VERY MUCH.  
6 MELISSA KING, LOGISTICS.

7 MS. KING: RIGHT NEXT DOOR. OUT THIS DOOR  
8 AND TO THE RIGHT.

9 DR. POMEROY: MELISSA, WHAT DO THE PHONE  
10 PEOPLE DO?

11 MS. KING: WE WILL CALL EACH OF YOU AND  
12 GIVE YOU THE NUMBER TO DIAL IN MOMENTARILY. CAN WE  
13 CALL EACH OF YOU ON YOUR CELL PHONES?

14 MS. FEIT: MELISSA, CALL MY OFFICE.

15 DR. POMEROY: MELISSA, HOLD ON AND I'LL  
16 GIVE YOU THE RIGHT NUMBER TO CALL.

17 CHAIRMAN KLEIN: WE'RE IN A PUBLIC FORUM  
18 STILL. MELISSA WILL GIVE YOU A CALL.

19 MS. KING: I HAVE YOUR CELL NUMBER AND THE  
20 NUMBER WHERE YOU ARE, YOUR HOTEL. I CAN CALL EITHER  
21 ONE OF THOSE IF YOU JUST TELL ME WHICH ONE.

22 DR. POMEROY: HOTEL, PLEASE.

23 CHAIRMAN KLEIN: THANK YOU. IN ORDER TO  
24 HAVE A GOOD, SUBSTANTIVE DISCUSSION, THIS IS  
25 EXPECTED TO BE A FAIRLY LENGTHY EXECUTIVE SESSION.

## BARRISTERS' REPORTING SERVICE

1 WE COULD BE A COUPLE OF HOURS IN THIS SESSION. SO  
2 WE WILL LOOK FORWARD TO RECONVENING, BUT PLEASE,  
3 MEMBERS OF THE PUBLIC, TAKE YOUR TIME WITH DINNER OR  
4 OTHER OBJECTIVE TASKS THAT YOU MIGHT COMPLETE IN  
5 THAT TIME PERIOD. OKAY.

6 (THE BOARD THEN RECONVENED IN CLOSED  
7 SESSION, NOT REPORTED NOR HEREIN TRANSCRIBED.)

8 CHAIRMAN KLEIN: IF WE COULD RECONVENE  
9 VERY QUICKLY HERE. DO WE HAVE A QUORUM?

10 MR. HARRISON: DR. POMEROY, MARCY FEIT,  
11 ARE YOU ON THE LINE? MR. CHAIR, WE HAVE A QUORUM.

12 CHAIRMAN KLEIN: THANK YOU. I THINK TO  
13 TRY AND TAKE AN INCREMENTAL PIECE OF THE AGENDA THAT  
14 HOPEFULLY WE COULD ADDRESS VERY QUICKLY BECAUSE  
15 WE'RE ONLY GOING TO CONVENE FOR A FEW MINUTES  
16 TONIGHT AND THEN WE'RE GOING TO ADJOURN UNTIL THE  
17 MORNING, MR. PRESIDENT, COULD WE ADDRESS THE  
18 AMENDMENTS TO AND ADOPTION OF THE LOAN  
19 ADMINISTRATION POLICY, PLEASE.

20 MS. BAUM: SCOTT TOCHER IS GOING TO DO  
21 THAT.

22 MR. TOCHER: GOOD EVENING. THIS ITEM  
23 HOPEFULLY IS A QUICK ONE FOR YOU AND SHOULD LOOK  
24 FAMILIAR. THIS REGARDS SORT OF A TWO-STEP PROCESS  
25 FOR FINALIZING THE ADOPTION OF OUR LOAN

## BARRISTERS' REPORTING SERVICE

1 ADMINISTRATION POLICY.

2 IN FEBRUARY OF THIS YEAR, YOU CONSIDERED A  
3 SHEET WHICH IS EXHIBIT B TO THE MEMO WHICH OUTLINED  
4 THE PROPOSED GUIDELINES AND TERMS FOR THE LOANS THAT  
5 WE WILL BE MAKING. THE DRAFT BEFORE YOU, WHICH IS  
6 EXHIBIT A, IS SIMPLY THE ACTUAL LANGUAGE WITHIN THE  
7 POLICY THAT IMPLEMENTS THE DECISION POINTS THAT YOU  
8 MADE IN FEBRUARY. SO WE HAVEN'T ALTERED THAT OR  
9 WE'RE NOT PRESENTING ANYTHING NEW FOR YOU TO  
10 CONSIDER BEYOND WHAT YOU'VE ALREADY CONSIDERED.

11 TWO ISSUES REMAIN PRIMARILY CONCERNING THE  
12 CIRCUMSTANCES WHERE LOANS WILL BE FORGIVEN OR  
13 SUSPENDED AND ALSO THE CRITERIA THAT THE ICOC WILL  
14 EMPLOY IN DETERMINING WHETHER OR NOT TO AWARD A  
15 LOAN. THE FINANCE SUBCOMMITTEE IS STILL CHEWING ON  
16 THOSE SUBJECTS, AND THOSE ARE THE SUBJECT OF A  
17 MEETING NEXT TUESDAY FOR THE FINANCE SUBCOMMITTEE.  
18 ONCE THEY CONSIDER THAT AND FINALIZE THEIR  
19 RECOMMENDATIONS, WE WILL BRING THOSE BACK TO YOU AT  
20 YOUR NOVEMBER MEETING.

21 SO AT THIS POINT WHAT STAFF IS ASKING TO  
22 DO IS LOCK DOWN THE AMENDMENTS THAT YOU'VE OR I  
23 SHOULD SAY THE POLICY TERMS THAT YOU ADOPTED IN  
24 FEBRUARY, AND THEN WE'LL HAVE A MUCH SORT OF  
25 SMALLER, EASIER TO READ DOCUMENT FOR YOU NEXT MONTH

## BARRISTERS' REPORTING SERVICE

1 WITH THOSE REMAINING ISSUES.

2 CHAIRMAN KLEIN: THANK YOU. THIS ITEM HAS  
3 BEEN DISCUSSED AT COMMITTEE LEVEL AND HAS BEEN  
4 REVIEWED BY THE STAFF, AND BOARD MEMBERS HAVE  
5 PARTICIPATED IN THIS REVIEW. ARE THERE ADDITIONAL  
6 ITEMS TO THIS, RECOGNIZING THAT THE ITEMS THAT THE  
7 FINANCE COMMITTEE HAD ISSUES WITH, AS SCOTT TOCHER  
8 SAID, HAVE BEEN PUT OVER TO AN ADDITIONAL FINANCE  
9 COMMITTEE MEETING? I DON'T SEE ANY QUESTIONS FROM  
10 THE BOARD. QUESTIONS FROM THE PUBLIC? I DON'T SEE  
11 QUESTIONS FROM THE PUBLIC. I'D LIKE TO CALL THE  
12 QUESTION ALL IN FAVOR.

13 (CHORUS OF AYES.)

14 CHAIRMAN KLEIN: OPPOSED? IT WOULD BE  
15 GOOD TO HAVE A MOTION.

16 DUANE ROTH IS GOING TO MAKE THE MOTION.

17 MR. TORRES: I'LL SECOND.

18 CHAIRMAN KLEIN: SECOND BY SENATOR TORRES.  
19 AGAIN, ANY ADDITIONAL QUESTIONS BY THE BOARD? ANY  
20 ADDITIONAL POINTS FROM THE AUDIENCE OR THE PUBLIC?  
21 ANY ITEMS FROM THOSE BOARD MEMBERS ON THE PHONE?  
22 CALL THE QUESTION. ALL IN FAVOR?

23 (CHORUS OF AYES.)

24 CHAIRMAN KLEIN: OPPOSED?

25 (NO RESPONSE.)

**BARRISTERS' REPORTING SERVICE**

1 CHAIRMAN KLEIN: AND, MELISSA KING, PLEASE  
2 TAKE A VERIFICATION OF THOSE ON THE PHONE.

3 MS. KING: CLAIRE POMEROY.

4 DR. POMEROY: YES.

5 MS. KING: I BELIEVE WE'RE WAITING FOR  
6 MARCY FEIT TO JOIN US. MARCY, HAVE YOU JOINED US?  
7 NO. BUT WE HAVE A QUORUM WITHOUT HER. FOR THE  
8 RECORD, THE MOTION CARRIES.

9 CHAIRMAN KLEIN: THANK YOU. SO I'D LIKE  
10 TO PICK UP THE NEXT ITEM, ADOPTION OF THE MINUTES  
11 FROM THE PREVIOUS BOARD MEETING.

12 MR. TORRES: SO MOVED.

13 CHAIRMAN KLEIN: MOVED BY SENATOR TORRES.  
14 IS THERE A SECOND?

15 DR. GILL: SECOND.

16 CHAIRMAN KLEIN: BY DR. GILL. QUESTIONS  
17 OR COMMENTS FROM THE BOARD? QUESTIONS OR COMMENTS  
18 FROM THE PUBLIC? ALL IN FAVOR?

19 (CHORUS OF AYES.)

20 CHAIRMAN KLEIN: OPPOSED?

21 (NO RESPONSE.)

22 CHAIRMAN KLEIN: MOTION CARRIES, BUT  
23 CONFIRMATION FROM --

24 DR. POMEROY: YES.

25 MS. KING: CLAIRE POMEROY'S VOTE IS YES.

**BARRISTERS' REPORTING SERVICE**

1 MOTION CARRIES. THANK YOU.

2 CHAIRMAN KLEIN: ALL RIGHT.

3 MS. KING: CHAIRMAN KLEIN, I BELIEVE THAT  
4 MR. HARRISON HAS SOME OTHER SUGGESTIONS FOR ITEMS  
5 THAT WE COULD COVER TONIGHT. I WILL DEFER TO MR.  
6 HARRISON ON THOSE.

7 CHAIRMAN KLEIN: OKAY. THE IDEA OBVIOUSLY  
8 IS TO MAKE IT A VERY DISCRETE CONSIDERATION IF THAT  
9 IS APPROPRIATE.

10 MR. HARRISON: IT'S ENTIRELY UP TO THE  
11 CHAIR. WE HAD PLANNED ON COVERING THE ONLINE  
12 JOURNAL ITEM TONIGHT, BUT WE'RE NOT PREPARED TO DO  
13 THAT AT THIS TIME.

14 CHAIRMAN KLEIN: WE'RE COVERING THAT  
15 TOMORROW SO THAT THE BOARD CAN GET DISTRIBUTION OF  
16 THE MATERIALS; IS THAT CORRECT?

17 MR. HARRISON: THAT'S CORRECT. WE'LL  
18 COVER THAT IN THE MORNING. DINNER IS READY NOW, SO  
19 YOU COULD ADJOURN. OR IF YOU'D LIKE TO COVER SOME  
20 ADDITIONAL ITEMS, WE COULD TURN TO ITEMS 14 AND/OR  
21 15, WHICH ARE ITEMS THAT COME OUT OF THE SCIENCE  
22 SUBCOMMITTEE.

23 CHAIRMAN KLEIN: ITEM 14 AND 15 MAY  
24 ENGENDER SIGNIFICANT DISCUSSION. I'D LIKE TO MAKE  
25 SURE WE HAVE SUCH DISCUSSION. JEFF SHEEHY, I'LL

## BARRISTERS' REPORTING SERVICE

1 LEAVE IT UP TO YOU, BUT I THINK IT WOULD BE BETTER  
2 TO HAVE THOSE TOMORROW. WHAT WOULD YOUR  
3 RECOMMENDATION BE?

4 MR. SHEEHY: THAT'S FINE WITH ME.

5 CHAIRMAN KLEIN: SO WE'RE GOING TO DEFER  
6 THOSE TO TOMORROW. WE ARE GOING TO FEED A HUNGRY  
7 BOARD. WE ARE ADJOURNED UNLESS THERE IS PUBLIC  
8 COMMENT.

9 MR. REED: AS MOST OF YOU KNOW -- DON  
10 REED, PUBLIC PERSON. AS MOST OF YOU KNOW, THE ROMAN  
11 REED ACT WAS RENEWED, BUT WITH NO MONEY. IN NINE  
12 YEARS THE ROMAN REED ACT PROVIDED \$14 MILLION OF  
13 SPINAL CORD INJURY RESEARCH FOR A CURE. WE FUNDED  
14 DR. HANS KIERSTEAD, WHICH IS NOW WITH GERON. MORE  
15 IMPORTANTLY, WE ATTRACTED \$60 MILLION FROM THE  
16 FEDERAL GRANTS.

17 NOW THAT THAT'S GONE, IT WON'T BE COMING  
18 BACK. THAT'S A SMALL THING COMPARED TO THE FEDERAL  
19 PROBLEM THAT WE'RE ALL FACING NOW. AND I KNOW THAT  
20 YOU ARE WORKING ON THIS. I KNOW THAT IT'S GOING TO  
21 BE ON THE NOVEMBER 11TH ICOC MEETING, AND I KNOW  
22 THAT THERE'S GOING TO BE A SUBCOMMITTEE MEETING  
23 BEFORE THEN. BUT I REALLY URGE YOU, BOTH AS  
24 INDIVIDUALS AND AS A GROUP, TO GIVE THE PATIENT  
25 ADVOCATES SOME LEADERSHIP ON THESE ISSUES.

## BARRISTERS' REPORTING SERVICE

1 I SEE VERY STRONG POSSIBILITIES OF US  
2 LOSING FEDERAL BACKUP FOR THE GLORIOUS WORK THAT'S  
3 GOING ON HERE. THE REPUBLICANS HAVE NOT WITHDRAWN  
4 THEIR PLEDGE IN 2008 TO BAN ALL EMBRYONIC STEM CELL  
5 RESEARCH PUBLIC AND PRIVATE. THE COURT CASE,  
6 LOOKING AT THE PEOPLE FROM A POLITICAL POINT OF  
7 VIEW, I WORRY. I JUST -- WE NEED TO HAVE EITHER A  
8 STEM CELL PROTECTION ACT, AND WE COULD DO THAT IF WE  
9 CAN PASS IT IN WASHINGTON. BUT TO DO THAT, WE HAVE  
10 TO ACT BOTH AS INDIVIDUALS, YOU REACHING OUT TO  
11 EVERYBODY YOU KNOW, AND AS A GROUP.

12 AGAIN, AS ALWAYS, I'M PROBABLY SAYING  
13 THINGS YOU'VE ALREADY THOUGHT OF AND YOU'RE WAY  
14 AHEAD OF ME, BUT I'VE NEVER BEEN AFRAID TO BE  
15 IRRELEVANT. SO PLEASE HELP US. THANK YOU.

16 MR. TORRES: ON THAT POINT, MR. REED, I  
17 WANT YOU TO KNOW THAT JEANNIE FONTANA, GEOFF LOMAX,  
18 AND CLEARLY BOB, I'M GOING TO CALL A LEGISLATIVE  
19 SUBCOMMITTEE HEARING PRETTY SOON SO WE CAN HAVE AN  
20 OPPORTUNITY TO GO OVER ALL OF THE FEDERAL  
21 LEGISLATION THAT'S BEFORE THE CONGRESS AND MAYBE  
22 THAT WHICH IS NOT YET BEFORE THE CONGRESS SO WE HAVE  
23 A SENSE OF WHERE WE'RE HEADED. THAT DISCUSSION  
24 SHOULD TAKE PLACE SOMETIME AFTER THE ELECTION AND  
25 CLEARLY BEFORE NOVEMBER 15TH. THANK YOU.



## BARRISTERS' REPORTING SERVICE

1           CHAIRMAN KLEIN:  AND, DON, I WOULD ALSO  
2           SAY WE HAVE TO CONSIDER THE IMPLICATIONS.  IF WE DO  
3           NOT KNOW THAT WE CAN WIN THE VOTE, WHAT IS THE  
4           PSYCHOLOGICAL IMPLICATIONS FOR THE COUNTRY, WHAT ARE  
5           THE POLITICAL IMPLICATIONS FOR THE COUNTRY, AND WHAT  
6           IS THE SUB VOCE INFLUENCE ON THE COURT SYSTEM IF WE  
7           CALL A VOTE AND LOSE A VOTE.  I JUST SAY LET'S THINK  
8           ABOUT WHAT WE'RE DOING AND BE STRATEGIC.

9           MR. REED:  NO ONE KNOWS MORE ABOUT THESE  
10          THINGS THAN YOU DO.  THERE'S NO COMPARISON.  
11          HOWEVER, WE HAVE A STEM CELL MAJORITY NOW.  WHEN  
12          THEY COME BACK, WE'LL HAVE THAT ONE MONTH OF THE  
13          LAME DUCK.  AFTER THAT WE WILL NOT HAVE A STEM CELL  
14          MAJORITY.  WHATEVER WE'RE GOING TO DO, IT'S GOING TO  
15          BE MUCH EASIER WHEN WE HAVE OUR FRIENDS IN OFFICE  
16          THAN WHEN WE DON'T.

17          CHAIRMAN KLEIN:  IT'S IMPORTANT TO COUNT  
18          VOTES AND MAKE SURE YOU CAN GET PAST THE FILIBUSTER  
19          IN THE SENATE.  THANK YOU.

20          MS. KING:  TWO QUICK ANNOUNCEMENTS.  ONE  
21          IS I APOLOGIZE FOR NOT HAVING THE DOCUMENT FOR YOU  
22          ABOUT THE ONLINE JOURNAL IN THE BINDERS.  IT'S AN  
23          ITEM THAT WAS REFERRED BY THE FINANCE SUBCOMMITTEE.  
24          IT WAS NOT INITIALLY ON THE BOARD AGENDA.  WE ADDED  
25          IT AS A PROPOSED ADDITIONAL ITEM THAT YOU VOTED TO

## BARRISTERS' REPORTING SERVICE

1 ADD TONIGHT. AND THERE WAS A MISCOMMUNICATION. I  
2 DIDN'T REALIZE THAT I NEEDED TO INCLUDE THE DOCUMENT  
3 THAT HAD BEEN PRESENTED TO THE FINANCE SUBCOMMITTEE.  
4 SO WHAT WE WILL DO IS GET YOU THAT DOCUMENT IN THE  
5 MORNING, AND THEN HOPEFULLY YOU WILL HAVE TIME TO  
6 REVIEW IT. IT'S NOT EXTREMELY LONG AND YOU CAN  
7 COVER IT LATER IN THE DAY TOMORROW. THAT'S THE  
8 FIRST THING.

9 THE SECOND THING IS THAT NICK AND AMY WANT  
10 YOU TO KNOW THAT THERE WILL BE CABS TO TAKE YOU ALL  
11 TO UCLA TOMORROW MORNING AT 7:45 LIKE WE TALKED  
12 ABOUT EARLIER. YOU WANT TO LOOK FOR NICK AND AMY.  
13 THEY WILL HELP YOU INTO THOSE CABS IN THE MORNING.  
14 THANK YOU.

15 CHAIRMAN KLEIN: SO, MELISSA KING, FOR THE  
16 HUNDREDS AND HUNDREDS OF DOCUMENTS THAT OVER SIX  
17 YEARS YOU'VE GOTTEN TO THIS BOARD, THE FACT THAT  
18 WE'RE HAVING THOSE DOCUMENTS IN THE MORNING VERSUS  
19 TONIGHT, WE SHOULD GIVE YOU A HAND OF APPLAUSE.

20 (APPLAUSE.)

21 CHAIRMAN KLEIN: OKAY. WE THANK EVERYONE,  
22 AND WE'LL LOOK FORWARD TO SEEING YOU IN THE MORNING.  
23 PLEASE, THIS IS GOING TO BE AN OUTSTANDING  
24 SPOTLIGHT. PLEASE MAKE THE EXTRA EFFORT. LET'S ALL  
25 BE THERE. THANK YOU. WE'RE ADJOURNED.

**BARRISTERS' REPORTING SERVICE**

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

(THE MEETING WAS THEN ADJOURNED AT  
07:36 P.M. TO RECONVENE OCTOBER 21, 2010.)

**BARRISTERS' REPORTING SERVICE**

**REPORTER'S CERTIFICATE**

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

11461 SUNSET BOULEVARD  
LOS ANGELES, CALIFORNIA  
ON  
WEDNESDAY, OCTOBER 20, 2010

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  
BARRISTER'S REPORTING SERVICE  
1072 BRISTOL STREET  
SUITE 100  
COSTA MESA, CALIFORNIA  
(714) 444-4100