

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 SUNSET BOULEVARD  
11461 SUNSET BOULEVARD  
LOS ANGELES, CALIFORNIA

DATE: TUESDAY, MAY 3, 2011  
5 P.M.

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

BRS FILE NO.: 88080B

## BARRISTERS' REPORTING SERVICE

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## BARRISTERS' REPORTING SERVICE

1 JUST WANT YOU TO KNOW I HAVE NOT RECEIVED IT.

2 CHAIRMAN KLEIN: ALL RIGHT. JOAN, CAN YOU  
3 HEAR ME NOW?

4 MS. SAMUELSON: YES, I CAN, LOUD AND  
5 CLEAR.

6 CHAIRMAN KLEIN: GREAT. OKAY. IT'S GREAT  
7 TO START A MEETING WITH A SUCCESS.

8 WE WANT TO THANK LYNN HARWELL FOR  
9 ORGANIZING THE EXCELLENT SPOTLIGHT PRESENTATION FOR  
10 TOMORROW MORNING. IT'S ON SICKLE CELL DISEASE AND  
11 STEM CELL THERAPIES. DR. LUBIN, WHO IS A GREAT  
12 LEADER IN THAT AREA, WILL BE DOING THE  
13 INTRODUCTIONS. SO WE WILL ALL LOOK FORWARD TO THAT.  
14 AND THAT CONVENES, MELISSA, AT WHAT TIME?

15 MS. KING: 8:30 TOMORROW MORNING AT UCLA.  
16 SINCE YOU'VE BROUGHT THAT UP, ONE OF THE THINGS I  
17 NEED TO LET THE BOARD MEMBERS KNOW IS THAT TOMORROW  
18 MORNING, TO GET TO UCLA FOR BREAKFAST, WHICH IS  
19 AVAILABLE STARTING AT 8 O'CLOCK, AND TO BE HERE ON  
20 TIME FOR THE SPOTLIGHT AT 8:30, YOU CAN TAKE TAXIS  
21 FROM HERE TO UCLA. AMY CHEUNG WILL BE UP FRONT AT  
22 THE FRONT DESK AREA TO HELP PEOPLE WITH THAT. IT'S  
23 A LITTLE BIT CONFUSING. THERE'S SOME CONSTRUCTION  
24 GOING ON, AS SOME OF YOU MAY HAVE NOTICED GETTING  
25 HERE, BUT YOU CAN TAKE TAXIS OVER THERE. WE'LL MAKE

## BARRISTERS' REPORTING SERVICE

1 SURE THEY KNOW HOW TO GET TO THE LOCATION. AND I  
2 KNOW MANY OF YOU ARE DRIVING, AND IF YOU NEED A  
3 PARKING PASS FOR TOMORROW, PLEASE SEE JENNIFER PRYNE  
4 WHEN SHE'S BACK IN THE ROOM.

5 SO THE SPOTLIGHT STARTS AT 8:30, BREAKFAST  
6 STARTS AT EIGHT, AND WE LOOK FORWARD TO SEEING YOU  
7 ALL THERE.

8 CHAIRMAN KLEIN: ALL RIGHT. 7:45, A  
9 14-PASSENGER VAN IS LEAVING.

10 FOR THE SICKLE CELL PRESENTATION, THERE  
11 WILL BE A COMPETITION FOR THOSE SEATS.

12 THE ADMINISTRATIVE STEPS WE CAN TAKE AT  
13 THIS POINT ARE, MELISSA, FOR YOU TO LEAD US IN THE  
14 PLEDGE OF ALLEGIANCE FOLLOWED BY THE ROLL CALL.

15 (THE PLEDGE OF ALLEGIANCE.)

16 MS. KING: CALLING THE ROLL.

17 ROBERT PRICE FOR ROBERT BIRGENEAU.

18 DR. PRICE: HERE.

19 MS. KING: FLOYD BLOOM. DAVID BRENNER.

20 MS. KING: JACOB LEVIN FOR SUSAN BRYANT.

21 DR. LEVIN: HERE.

22 MS. KING: MARCY FEIT.

23 MS. FEIT: HERE.

24 MS. KING: MICHAEL FRIEDMAN. LEEZA  
25 GIBBONS.

## BARRISTERS' REPORTING SERVICE

1 MS. GIBBONS: HERE.  
2 MS. KING: MICHAEL GOLDBERG.  
3 MR. GOLDBERG: HERE.  
4 MS. KING: SAM HAWGOOD.  
5 DR. HAWGOOD: HERE.  
6 MS. KING: BOB KLEIN.  
7 CHAIRMAN KLEIN: HERE.  
8 MS. KING: SHERRY LANSING.  
9 MS. LANSING: HERE.  
10 MS. KING: TED LOVE. BERTRAM LUBIN.  
11 DR. LUBIN: HERE.  
12 MS. KING: SHLOMO MELMED.  
13 DR. MELMED: HERE.  
14 MS. KING: PHIL PIZZO. CLAIRE POMEROY.  
15 DR. POMEROY: HERE.  
16 MS. KING: FRANCISCO PRIETO.  
17 DR. PRIETO: HERE.  
18 MS. KING: ELIZABETH FINI FOR CARMEN  
19 PULIAFITO. ROBERT QUINT. DUANE ROTH.  
20 MR. ROTH: HERE.  
21 MS. KING: JOAN SAMUELSON.  
22 MS. SAMUELSON: HERE.  
23 MS. KING: DAVID SERRANO-SEWELL. JEFF  
24 SHEEHY.  
25 MR. SHEEHY: HERE.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: JON SHESTACK. OSWALD STEWARD.

2 DR. STEWARD: HERE.

3 MS. KING: ART TORRES.

4 MR. TORRES: HERE.

5 MS. KING: JEANNIE FONTANA FOR KRISTINA

6 VUORI. AND JAMES ECONOMOU FOR EUGENE WASHINGTON.

7 WE'LL BE JOINED BY THOSE OTHERS SHORTLY.

8 CHAIRMAN KLEIN: THANK YOU VERY MUCH. TO  
9 MAKE A VERY SHORT INTRODUCTION TO TODAY'S MEETING, I  
10 WOULD LIKE TO, ONE, CELEBRATE THE APPEALS COURT  
11 DECISION OF THE CHERYL DECISION.

12 (APPLAUSE.)

13 CHAIRMAN KLEIN: AND I WOULD LIKE TO  
14 REMIND US THAT IT DOESN'T TAKE JURISDICTION OUT OF  
15 THE HANDS OF THE JUDGE WHO ORIGINALLY MADE THE  
16 DECISION. SO WE HAVE A WAYS TO GO, BUT HOPEFULLY  
17 THIS JUDGE HAS RECEIVED A MESSAGE FROM THE COURT OF  
18 APPEALS. HOWEVER, HE HAS A HISTORY WHERE PREVIOUSLY  
19 HE WAS EVEN REMOVED FROM A CASE BECAUSE OF A  
20 DISCUSSION ABOUT WHETHER HE WAS ADEQUATELY COMMITTED  
21 TO FOLLOWING WHAT THE APPEALS COURTS FELT WAS THE  
22 LAW. SO IT'S A VERY UNPREDICTABLE PROCESS AT THIS  
23 TIME WHERE WE HAVE A LEADING EDGE.

24 I WOULD ALSO CALL TO YOUR ATTENTION ON THE  
25 LEGAL FRONT THAT THERE IS A VERY SUBSTANTIAL RISK IN



## BARRISTERS' REPORTING SERVICE

1 EUROPE WITH EU JUDGES CONSIDERING A TEST CASE THAT  
2 WOULD MAKE IT UNLAWFUL TO PATENT APPLICATIONS USING  
3 HUMAN EMBRYONIC STEM CELLS OR ANYTHING DERIVED FROM  
4 THEM ON MORAL GROUNDS. I WOULD POINT OUT TO YOU  
5 THAT YVES BOT, THE COURT'S ADVOCATE GENERAL, WHO  
6 ADVISES THE EU JUDGES, HAS TAKEN A POSITION THAT  
7 PATENTING ANY USE OF CELLS DERIVED FROM HUMAN  
8 EMBRYOS BREACHED ETHICAL PRINCIPLES. AND THE COURT  
9 HAS A HISTORY OF FOLLOWING THE ADVOCATE GENERAL'S  
10 ADVICE EIGHT OUT OF TEN TIMES.

11 IT IS AN ISSUE OF SUCH SIGNIFICANCE THAT  
12 ACADEMICS IN THE UNITED KINGDOM ARE BEING QUOTED AS  
13 BELIEVING THAT THE EU LAW COULD WIPE OUT MUCH OF THE  
14 BIOTECHNOLOGY INDUSTRY IN BRITAIN AND, IN FACT,  
15 DRIVE IT INTO CHINA AND THE UNITED STATES.

16 SO I THINK IT'S VERY IMPORTANT FOR US TO  
17 REALIZE THAT WE ARE A VANGUARD OF A MOVEMENT AND  
18 THAT MOVEMENT IS UNDER STRESS. I THINK I'VE  
19 REFERENCED THE FACT THAT THERE'S 20 STATES IN THE  
20 UNITED STATES WHERE THERE ARE PERSONHOOD INITIATIVES  
21 OR LEGISLATIVE ACTIONS UNDER WAY. FOUR OF THOSE  
22 STATES, THEY HAVE BEEN DEFEATED. SIXTEEN OTHERS  
23 THEY'RE STILL PENDING OR MOVING THROUGH THE  
24 LEGISLATURE. SOME OF THEM HAVE BEEN APPROVED BY THE  
25 LEGISLATURE AND THE GOVERNOR. AND THOSE PERSONHOOD

## BARRISTERS' REPORTING SERVICE

1 INITIATIVES DEFINE THE BEGINNING OF LIFE WITH THE  
2 FERTILIZATION OF THE EGG.

3 (DR. ECONOMOU ARRIVES.)

4 CHAIRMAN KLEIN: SO OUR LEADERSHIP IN THIS  
5 FIELD, OUR STABILITY, AND CONTINUITY OF FUNDING IS  
6 BECOMING MORE AND MORE IMPORTANT IN THE GLOBAL  
7 DEVELOPMENT OF THERAPIES DERIVED FROM HUMAN  
8 EMBRYONIC STEM CELLS.

9 ON THE POSITIVE SIDE, I BELIEVE THAT DR.  
10 TROUNSON HAS AN INTERESTING PRESIDENT'S REPORT FOR  
11 US, AND I WILL GIVE YOU THE FLOOR, DR. TROUNSON.

12 MS. SAMUELSON: BOB, MIGHT I JUST SAY  
13 THANK YOU SO MUCH FOR EVERYTHING YOU'VE DONE TO  
14 ADVANCE THE FIELD AGAINST THOSE OBSTACLES. I KNOW  
15 IT'S BEEN ENORMOUS AND I'M GRATEFUL.

16 CHAIRMAN KLEIN: JOAN, YOU WERE OUT THERE  
17 LEADING THE CHARGE FOR 15 YEARS BEFORE I WAS  
18 INVOLVED. SO THANK YOU RIGHT BACK TO YOU. I THINK  
19 EVERYONE ON THE BOARD REALLY HAS ALWAYS ADMIRERD THE  
20 TREMENDOUS TENACITY OF YOUR COMMITMENT.

21 DR. TROUNSON: THANK YOU, CHAIR. WELL,  
22 I'VE ACTUALLY BEEN PROVIDING THE BOARD WITH SOME  
23 INFORMATION IN REPORT FORM THAT I HOPE YOU'VE FOUND  
24 USEFUL BECAUSE THERE ARE TIMES WHEN I'M NOT GETTING  
25 THROUGH THE PRESIDENT'S REPORT, AND THERE'S A LOT OF

## BARRISTERS' REPORTING SERVICE

1 THE WORK GOING ON WHICH I THINK IS BRILLIANT IN  
2 CALIFORNIA, BUT ELSEWHERE AS WELL. SO I'M TRYING TO  
3 DRAW SOME OF THOSE THINGS TO YOUR ATTENTION IN A  
4 WRITTEN FORM. AND I HOPE THAT'S USEFUL, AND I  
5 WOULDN'T MIND SOME FEEDBACK. I KNOW I'VE HAD SOME  
6 FROM SOME PEOPLE SAYING, YEAH, THAT'S COOL.  
7 CONTINUE TO DO THAT. BUT IT IS SOMETHING THAT I  
8 THINK YOU NEED TO BE WELL AWARE OF THESE ADVANCES  
9 THAT ARE HAPPENING BECAUSE IT'S ASTONISHING AT  
10 TIMES.

11 AND IF I HAD AN OPTION, THE EXTERNAL  
12 REVIEW HAD SAID TO US, BRING SOMETHING IMPORTANT  
13 INTO CALIFORNIA THAT YOU DON'T HAVE, I WOULD  
14 ACTUALLY CHOOSE THIS ONE THAT I'M SHOWING YOU AT THE  
15 MOMENT, WHICH IS REALLY AN AMAZING FEAT, I THINK, BY  
16 THE JAPANESE SCIENTISTS AT KOBE, THE RIKEN CENTER  
17 FOR DEVELOPMENTAL BIOLOGY IN JAPAN PUBLISHED IN  
18 *NATURE* WHERE THEY SHOWED THAT THEY COULD CREATE A  
19 SELF-ORGANIZING OPTIC CUP. AND THAT'S SHOWN IN THE  
20 PICTURE UNDERNEATH, AND THIS IS HOW AN ACTUAL EYE  
21 FORMS. THE OPTICAL VESICLE FORMS, AND YOU CAN SEE  
22 THE STRUCTURES CHANGING AS YOU MOVE TOWARDS THE  
23 RIGHT. AND YOU END UP WITH AN EYE WITH A LENS IN  
24 IT.

25 AND THIS HAS BEEN DONE FROM EMBRYONIC STEM

## BARRISTERS' REPORTING SERVICE

1 CELLS. IN THIS CASE IT'S MOUSE EMBRYONIC STEM CELLS  
2 THAT THEY'VE BEEN ABLE TO DO THIS WITH. THIS IS IN  
3 THREE DIMENSIONAL CULTURES. AND I THINK WHAT YOU'VE  
4 GOT, WHAT YOU SEE THERE IS, AND I'LL SHOW YOU IN A  
5 MOMENT THE ACTUAL CELLS, BUT THIS IS ASTONISHING  
6 TISSUE ENGINEERING, IF YOU LIKE, ACHIEVED WITH  
7 EMBRYONIC STEM CELLS. I THINK YOU COULD DO THIS IN  
8 THE HUMAN. AND I THINK IT WOULD BE TERRIFIC IF  
9 WE'RE ABLE TO JOIN WITH THE RIKEN SCIENTISTS AND  
10 BRING SOME OF THIS TO CALIFORNIA. THIS IS A BIG  
11 STEP IN THE AREA.

12 IT NOT ONLY FORMS THE RETINA, BUT MOST OF  
13 THE OTHER ORGANS OR TISSUES OF THE EYE. AND THIS IS  
14 ASTONISHING STUFF. SO THE NEXT SLIDE IS WHAT YOU  
15 ACTUALLY SEE IN A DISH. AND DOWN ON THE BOTTOM IT  
16 SHOWS YOU THE CELLS WHICH ARE JUST CULTURED IN A  
17 BLUE COLONY THERE WHICH WITHIN ABOUT A COUPLE OF  
18 DAYS START TO EVAGINATE. YOU SEE THIS EVAGINATION  
19 GOING FORWARD. AND THIS IS THE RETINAL CUP FORMING.  
20 IF YOU LOOK UP AMONGST THOSE PICTURES ABOVE, YOU CAN  
21 ACTUALLY SEE, AND IT'S POSSIBLY BETTER SEEN ON THE  
22 SLIDE HANDOUT THAT I'VE GIVEN YOU, THE RED IS THE  
23 RETINAL MATERIAL. THIS IS THE RETINAL EPITHELIAL  
24 CELLS.

25 (DR. FONTANA ARRIVES.)

## BARRISTERS' REPORTING SERVICE

1 DR. TROUNSON: AND THE GREEN IS THE NEURAL  
2 EPITHELIA FORMING. AND IT ACTUALLY FORMS THE  
3 WHOLE -- IN CULTURE FORMS THE WHOLE OPTIC CUP THERE.  
4 AND THIS IS TREMENDOUS -- THIS IS REALLY TREMENDOUS  
5 BECAUSE IT ACTUALLY WORKS VERY CLOSELY WITH WHAT YOU  
6 SEE IN THE DEVELOPING ANIMAL. YOU SEE THIS ORGAN  
7 FORM IN THE EYE IN THIS WAY.

8 SO IF I WAS TO CREATE A LINKAGE FOR  
9 CALIFORNIA THAT WE DON'T HAVE, IT'S SOMETHING LIKE  
10 THIS, WHICH I THINK IS FANTASTIC SCIENCE, BRING IT  
11 FROM THE LABORATORY ANIMAL, BRING IT INTO THE HUMAN,  
12 AND LET'S SEE WHAT WE CAN DO WITH IT HERE. SO I  
13 JUST THOUGHT THIS WAS A BEAUTIFUL PAPER. AND IF YOU  
14 CARE TO READ THAT *NATURE* PAPER, IT IS WORTH THE READ  
15 BECAUSE I THINK IT'S A LANDMARK PAPER.

16 THE NEXT ONE IS ALSO A LANDMARK PAPER AND  
17 I THINK IN MANY WAYS SURPRISING. IT'S A MODEL OF  
18 SCHIZOPHRENIA USING HUMAN INDUCED PLURIPOTENTIAL  
19 STEM CELLS BY THE RESEARCH GROUP AT THE SALK  
20 INSTITUTE. IT WAS PUBLISHED AGAIN IN *NATURE* IN  
21 APRIL.

22 SCHIZOPHRENIA IS NOT SOMETHING THAT WE  
23 HAVE REALLY CONCENTRATED ON OR REALLY TALKED ABOUT,  
24 BUT WE'VE HAD A LOT OF CONCERNS ABOUT AUTISM AND  
25 EPILEPSY, BUT WE HAVEN'T EVEN THOUGHT ABOUT

## BARRISTERS' REPORTING SERVICE

1 SCHIZOPHRENIA. AND HERE'S A MODEL WHICH WAS TAKING  
2 CELLS FROM PATIENTS WHO HAVE SCHIZOPHRENIA AND  
3 MAKING IPS CELLS, INDUCED PLURIPOTENTIAL STEM CELLS.  
4 AND THEN WHEN THEY GREW THOSE CELLS OUT INTO  
5 NEURONS, WHAT THEY SHOWED, THAT THERE WAS DIMINISHED  
6 CONNECTIVITY BETWEEN THE NEURONS.

7 (MR. SHESTACK ARRIVES.)

8 DR. TROUNSON: A DECREASE IN THE NEURITE  
9 NUMBER, THE PROJECTIONS THAT CONNECT WITH ONE  
10 ANOTHER, VERSUS A CONTROL, AND A REDUCTION IN THE  
11 PSD-95 PROTEIN LEVELS AND GLUTAMATE RECEPTOR  
12 EXPRESSION, WHICH INDICATES THERE'S A GENE  
13 EXPRESSION ISSUE GOING ON HERE IN SCHIZOPHRENIA  
14 WHICH IS REALLY INTERESTING. SO THIS IS A REAL  
15 MODEL IN A DISH. THIS IS A DISEASE-IN-A-DISH MODEL.

16 CHAIRMAN KLEIN: DR. TROUNSON, WAS THIS  
17 FROM ONE OF OUR GRANTS?

18 DR. TROUNSON: YEAH. SO THIS IS WORK THAT  
19 WAS DONE BY RUSTY GAGE AND HIS COLLEAGUES THERE WITH  
20 OUR SUPPORT. SO THIS IS JUST -- THEY'RE DOING SUCH  
21 WONDERFUL WORK IN THAT PARTICULAR GROUP. HE'S  
22 ASTONISHING THE WORLD IN WHAT HE'S DOING. BUT THE  
23 POWER OF THIS, BECAUSE I THINK IT'S CONNECTED TO  
24 SOME OF THE OTHER INITIATIVES THAT I'M PUSHING  
25 FORWARD OR ENCOURAGING THE BOARD TO THINK ABOUT IN

## BARRISTERS' REPORTING SERVICE

1 THE NEAR FUTURE, BUT THESE NEURONS ALTERED  
2 EXPRESSION OF CYCLIC AMP AND WNT SIGNALING PATHWAYS.  
3 THESE ARE CRITICAL PATHWAYS IN DEVELOPMENT.

4 YOU KNOW, IF GENES ARE INTERACTING IN  
5 THESE PATHWAYS THAT ARE SUBOPTIMAL, THIS IS STARTING  
6 TO GIVE US A CAUSAL RELATION BETWEEN DEVELOPMENT IN  
7 THE DISEASE. AND THAT'S REALLY IMPORTANT IN  
8 UNDERSTANDING SCHIZOPHRENIA.

9 AND WHAT WAS IMPORTANT ALSO, THAT THEY  
10 USED AN ANTIPSYCHOTIC LOXAPINE, WHICH AMELIORATED  
11 THIS PHENOTYPE. SO IF YOU ACTUALLY USED THAT IN THE  
12 CULTURES, RIGHT, YOU DIDN'T GET THE EXPRESSION OF  
13 THESE DIFFERENCES. SO YOU ACTUALLY CAN FIND DRUGS  
14 THAT WILL POSSIBLY STOP THIS. SO IF YOU HAVE AN  
15 EARLY WARNING THAT WAS SET UP THAT THIS IS A  
16 POTENTIAL SCHIZOPHRENIC CONDITION, AN EARLY WARNING  
17 MIGHT ENABLE YOU TO ENTER MEDICALLY AND DO SOMETHING  
18 ABOUT IT.

19 SO THAT'S WHY THIS IS A REVOLUTIONARY  
20 PAPER, AND IT'S A VERY STRONG REASON WHY WE SHOULD  
21 SORT OF KEEP LOOKING IN THIS AREA FOR MAJOR NEW  
22 DEVELOPMENTS. SO THE END POINT IS THAT THE  
23 SCHIZOPHRENIA IS CLEARLY A COMPLEX GENETIC  
24 PSYCHIATRIC DISORDER. NOW, MAYBE PEOPLE MIGHT HAVE  
25 SAID THAT IN THE PAST, BUT THEY DIDN'T REALLY HAVE

## BARRISTERS' REPORTING SERVICE

1 THIS KIND OF EVIDENCE. AND THE IPS MODEL IS GOING  
2 TO BE INFORMATIVE FOR THERAPEUTICS GOING FORWARD.  
3 SO THIS IS REALLY IMPORTANT. THIS IS LANDMARK WORK,  
4 AND I THINK IT'S IMPORTANT FOR US TO RECOGNIZE THAT  
5 IN THE OPTIONS THAT WE'LL BE THINKING ABOUT IN THE  
6 NEAR FUTURE.

7 SO TWO BEAUTIFUL PAPERS WORTH READING ANY  
8 TIME OF THE DAY OR NIGHT.

9 SO I JUST WANT TO HAND OVER TO ELLEN  
10 FEIGAL JUST TO GIVE YOU A CLICK IN ON THE PATIENT  
11 ADVOCATES, AND THEN I WANT TO COME BACK AND TALK TO  
12 YOU ABOUT OUR PRODUCTIVITY BECAUSE HOW ARE WE GOING  
13 TO ACTUALLY MEASURE WHAT WE'RE DOING GOING FORWARD?  
14 I THINK IT'S A VERY CRITICAL DISCUSSION I NEED TO  
15 HAVE WITH YOU. I WANT TO GET SOME OF YOUR IDEAS,  
16 AND SO I WANT TO HAVE THAT DISCUSSION WITH YOU. I  
17 WANT ELLEN TO FINISH HER BIT BRIEFLY BEFORE THAT.

18 DR. FEIGAL: THANK YOU VERY MUCH. AND I  
19 JUST WANTED TO DRAW YOUR ATTENTION TO WHY ALL OF US  
20 REALLY ARE HERE, AND IT'S REALLY FOR THE PATIENTS.  
21 SO I WANTED TO START REALLY WITH THE IMPORTANCE OF  
22 PATIENT ADVOCACY AT CIRM, THE CENTRAL ROLE THAT  
23 PATIENT ADVOCATES PLAY IN ITS LEADERSHIP, IN THE  
24 RESEARCH, AND REALLY WHY WE'RE HERE, TO BRING THE  
25 POTENTIAL OF NEW CURES AND THERAPIES FORWARD FOR



## BARRISTERS' REPORTING SERVICE

1 PATIENTS WITH SERIOUS DISEASE AND WITH INJURY.

2 2010 WAS A DEFINING MOMENT FOR CIRM. THIS  
3 IS REALLY WHEN WE WERE READY TO APPROACH PATIENT  
4 ADVOCATES FOR A NEW PHASE OF OUR DEVELOPMENT. WE  
5 WERE WORKING ON DISEASES THAT PATIENTS COULD RELATE  
6 TO. THE DISEASE TEAMS WERE UP AND RUNNING. WE HAD  
7 A CIRM WEBSITE THAT ADDED DISEASE-SPECIFIC  
8 INFORMATION. ALL THE CIRM GRANTS BECAME SEARCHABLE  
9 BY DISEASE. WE ALSO ISSUED AN RFA FOR EARLY  
10 CLINICAL TRIALS WITH PLURIPOTENT STEM CELL THERAPY.  
11 AND THIS WOULD THEN ENABLE PATIENTS TO POTENTIALLY  
12 HAVE ACCESS TO AND INFORMATION ON INNOVATION  
13 THERAPY.

14 SO THIS WAS A TIME WE THOUGHT WAS  
15 APPROPRIATE TO REALLY PUT OUT A REQUEST FOR PROPOSAL  
16 FOR PATIENT ADVOCATE OUTREACH COORDINATORS. AND THE  
17 CONTRACT WENT TO STIEHL WORKS, LORRAINE AND CHRIS  
18 STIEHL. AND I WANT TO ACKNOWLEDGE AT THIS POINT OUR  
19 DIRECTOR OF COMMUNICATIONS, DON GIBBONS, WHO'S  
20 REALLY DONE ALL THE LEGWORK, ALL THE WORK, ALL THE  
21 EFFORT IN ACTUALLY PUTTING THIS INTO PLACE AND  
22 MAKING IT HAPPEN. WITHOUT HIM THIS WOULD NOT HAVE  
23 HAPPENED. SO I'M REALLY PRIVILEGED TO BE ABLE TO  
24 WORK WITH DON GIBBONS TO MAKE THIS GO FORWARD.

25 MR. TORRES: I ALSO WANT TO ADD A LOT OF

## BARRISTERS' REPORTING SERVICE

1 OUR INTERNS WORKED VERY HARD IN DEVELOPING THE  
2 CONTEXT FOR THIS UNDER THE LEADERSHIP OF MELISSA  
3 KING, WHICH I APPRECIATE, AND ALSO THE INTERNS THAT  
4 WE HAD OVER THE SUMMER. SO WE SHOULD RECOGNIZE THEM  
5 AS WELL.

6 DR. FEIGAL: ABSOLUTELY. SO IT'S NOT JUST  
7 A SINGLE INDIVIDUAL. I WAS JUST MENTIONING THE  
8 DIRECTOR WHO WAS HELPING TO COORDINATE AND LEAD IT.  
9 THANK YOU, MELISSA, AND ALL THE MANY OTHERS WHO  
10 PARTICIPATED.

11 THIS IS JUST AN EXAMPLE OF OUR WEBSITE  
12 FEATURE OF DISEASES THAT WE'RE WORKING ON. THIS IS  
13 AN EXAMPLE OF A DISEASE FACT SHEET IN ALZHEIMER'S  
14 DISEASE. THIS IS REALLY SHOWING YOU ACTUALLY A  
15 PICTURE OF SOME OF OUR INVESTIGATOR WORK OF A SLICE  
16 THROUGH A RAT BRAIN SHOWING CELLS OF THE HIPPOCAMPUS  
17 REGION AFFECTED BY ALZHEIMER'S DISEASE. THE POINT  
18 OF THIS IS REALLY JUST TO SAY WE'RE PUTTING  
19 INFORMATION AVAILABLE ON OUR WEBSITE ABOUT THE  
20 DISEASE, ABOUT THE LINKS TO WHAT WE'RE DOING AND  
21 RESEARCH, AND EVENTUALLY TO LINKS WITH WHAT WE'RE  
22 DOING IN CLINICAL TRIALS.

23 WE HAVE 18 DISEASE-SPECIFIC WEB PAGES. WE  
24 HAVE BASIC INFORMATION, AS I SAID, ABOUT THE  
25 DISEASE, WE HAVE LINKS TO OUR FUNDED RESEARCH

## BARRISTERS' REPORTING SERVICE

1 PROJECTS, AND LINKS TO RELATED STORIES AND ARTICLES.  
2 IN ADDITION, WE HAVE LINKS TO RELATED VIDEOS ON  
3 CIRM'S YOUTUBE CHANNEL, CIRM T.V.

4 SO THE FIRST PHASE OF CIRM'S PATIENT  
5 ADVOCATE OUTREACH WAS A LISTENING TOUR. AND THE  
6 QUESTION WE ASKED WAS WHAT DO YOU KNOW ABOUT CIRM?  
7 WHAT CAN WE DO TO HELP YOU? AND HERE ARE THE THINGS  
8 THAT WE HEARD. AND YOU HAVE THIS PACKET, "THE VOICE  
9 OF THE PATIENT ADVOCATE," IN YOUR BINDER.

10 AND WHAT WE HEARD FROM THE PATIENT  
11 ADVOCATES WAS KEEP ME CURRENT ON THE RESEARCH, TELL  
12 ME WHAT YOU'RE DOING. HOW DOES CIRM RESEARCH RELATE  
13 TO THE CLINIC? AND HOW CAN I ACCESS NEW TREATMENTS?  
14 IN ADDITION TO THE RESEARCH, PEOPLE WANTED TO KNOW  
15 HOW TO BE A BETTER ADVOCATE. HOW CAN I BECOME A  
16 PARTNER WITH CIRM? HOW CAN I BE A BETTER ADVOCATE  
17 FOR MY AGENCY? HOW CAN I UNDERSTAND THE BENEFIT OF  
18 CIRM IF I PARTNER WITH YOU?

19 AND THEN THIRDLY, EDUCATION. I NEED TO  
20 KNOW INFORMATION ABOUT THE DISEASE, NOT JUST FOR  
21 MYSELF, BUT FOR ALL THE OTHER PEOPLE THAT I WORK  
22 WITH THROUGH MY LOCAL CHAPTER OR THROUGH MY NATIONAL  
23 CHAPTERS. AND EDUCATE ME ABOUT CIRM, ABOUT WAYS WE  
24 CAN STAY INFORMED AND PROVIDE MATERIALS FOR  
25 LEARNING. SO THERE'S THREE DIFFERENT AREAS:

## BARRISTERS' REPORTING SERVICE

1 RESEARCH, ADVOCACY, AND EDUCATION.

2 SO WE LISTENED, AND THEN, OF COURSE, WE  
3 HAVE TO THINK HOW CAN WE ADDRESS THESE ISSUES THAT  
4 THE PATIENT ADVOCATES HAVE RAISED? AND HERE'S WHAT  
5 WE'VE DONE SO FAR. WE HAVE HAD 16 MEETINGS  
6 INVOLVING OVER 2,000 PATIENT ADVOCATES. WE HAVE TWO  
7 MAJOR EVENTS THIS MONTH. ACTUALLY OUR LOVELY LEEZA  
8 GIBBONS IS GOING TO BE AT THE MAY 7TH EVENT THIS  
9 WEEK WITH A FOCUS ON NEURODEGENERATIVE DISEASES AT  
10 UC IRVINE. AND YOU HAVE A NICE FLIER IN YOUR PACKET  
11 ABOUT THE PATIENT ADVOCACY DAY AND STEM CELL UPDATE  
12 ON NEURODEGENERATIVE DISEASES.

13 AND THE NEXT SLIDE WILL ACTUALLY LIST SOME  
14 OF THE TOPICS FOR THAT MEETING. IN ADDITION, WE  
15 HAVE A MEETING ON MAY 21ST WITH A FOCUS ON THE ROLE  
16 OF INFLAMMATION IN CARDIOVASCULAR AND AUTOIMMUNE  
17 DISEASES, AND THAT WILL TAKE PLACE AT STOCKTON.

18 WE HAVE NEARLY 600 ADVOCATES THAT SIGNED  
19 UP FOR OUR MONTHLY DIGEST. WE FOSTER SHARING OF  
20 CIRM EDUCATIONAL MATERIALS ON THEIR WEBSITES. WE'VE  
21 CREATED DISEASE-SPECIFIC HANDOUTS FOR THEM TO USE,  
22 AND WE'VE DRAFTED NEWSLETTER STORIES FOR THEM TO  
23 USE.

24 THE NEXT SLIDE SHOWS YOU JUST A LITTLE BIT  
25 ABOUT THE FLIER FOR THE MAY 7TH DATE. THE TYPING

## BARRISTERS' REPORTING SERVICE

1 MAY BE A LITTLE HARD TO READ, BUT BASICALLY WE HAVE  
2 SOME LEADERS IN THE FIELD OF NEURODEGENERATIVE  
3 DISEASE TALKING ABOUT THAT EVENT. LEEZA, OF COURSE,  
4 WILL BE KICKING IT OFF WITH A PLENARY TALK. SO  
5 WE'RE VERY THANKFUL TO HAVE HER ROLE IN THIS.

6 IN ADDITION, LET ME TELL YOU A LITTLE BIT  
7 ABOUT WHAT THE PLANS ARE IN TERMS OF THE NEXT STEPS.  
8 GO TO THE NEXT SLIDE. SO WE'RE MOVING IN THIS FIELD  
9 RIGHT NOW AS WE'RE MOVING TO CLINICAL APPLICABLE  
10 RESEARCH AND TO CLINICAL TRIALS. WE'RE GOING TO  
11 CONTINUE OUR IN-PERSON CHAPTER AND LOCAL MEETINGS.  
12 WE'RE GOING TO EXPAND OUR OUTREACH THROUGH THE  
13 MAILING LISTS. WE'RE GOING TO EXPAND WHAT WE DO FOR  
14 STEM CELL AWARENESS DAY. THE NEXT TIME IS COMING UP  
15 OCTOBER 5TH. LAST YEAR'S STEM CELL AWARENESS DAY  
16 GREW TO 20 EVENTS WITH ABOUT 1500 ATTENDEES FROM  
17 FIVE COUNTRIES AND SIX STATES. WE'RE GOING TO BE  
18 LISTENING TO WHAT THE PATIENTS HAVE TO SAY. WE'RE  
19 GOING TO FOLLOW UP THAT INITIAL SURVEY FROM  
20 SEPTEMBER IN JUNE WITH THE PATIENT ADVOCATES TO  
21 ASSESS OUR PROGRESS ON AREAS OF MUTUAL INTEREST,  
22 RESEARCH, EDUCATION, ADVOCACY. AND IN ADDITION, WE  
23 PLAN TO STRENGTHEN AND EXPAND RELATIONSHIPS IN  
24 CLINICAL RESEARCH AND CLINICAL TRIALS. THANK YOU  
25 VERY MUCH.

## BARRISTERS' REPORTING SERVICE

1           CHAIRMAN KLEIN:  THANK YOU VERY MUCH.  AND  
2  I'D LIKE TO SAY THAT I WAS AT CEDARS SINAI THIS  
3  WEEKEND WHERE THEY HAD AN OUTSTANDING SYMPOSIUM ON  
4  NEUROLOGICAL DISEASES.  AND LEEZA'S ADVOCACY FOR  
5  ALZHEIMER'S WAS THE ONE ADVOCACY EFFORT THAT WAS  
6  CALLED TO OUR ATTENTION DURING A LOT OF SCIENTIFIC  
7  PRESENTATIONS.  SO, LEEZA, WE REALLY THANK YOU FOR  
8  GETTING THAT INFORMATION OUT THERE.

9           I WOULD ALSO ECHO SENATOR TORRES' POINT  
10 THAT FOR FIVE YEARS WE REALLY HAVEN'T HAD ALL OF OUR  
11 CONTACT INFORMATION FOR ALL THE DISEASE GROUPS IN  
12 THE STATE.  AND MELISSA KING GRABBED FOUR OR FIVE  
13 INTERNS THIS SUMMER, CREATED THE MANPOWER WE NEEDED  
14 FOR ALL THE INDIVIDUAL CONTACTS AND ORGANIZATIONAL  
15 STRUCTURE SO THAT WE HAD AN ORGANIZATIONAL STRUCTURE  
16 THAT WE COULD GO FORWARD WITH.

17           (DR. QUINT ARRIVES.)

18           CHAIRMAN KLEIN:  AND THE STIEHL FAMILY HAS  
19 DONE A GREAT JOB IN ADVANCING THOSE EFFORTS BASED ON  
20 THAT CONTACT BASE.  SO WE REALLY, MELISSA REMINDS  
21 ME, SHOULD SEND A NOTE OF THANKS AND LET THOSE  
22 INTERNS KNOW THAT THEIR EFFORTS MADE THIS POSSIBLE.

23           MR. TORRES:  ONE OF THEM, WHO WAS MINE,  
24 DANIELLE WILSON, IS NOW IN LAW SCHOOL.  SO SHE'S  
25 HOPEFULLY COMING BACK TO CALIFORNIA AND BE AN

## BARRISTERS' REPORTING SERVICE

1 ADVOCATE. AND THE OTHER INTERNS THAT WERE THERE  
2 TOO. SO THANK YOU AGAIN, ALAN, FOR PROVIDING THE  
3 LEADERSHIP IN THIS AREA ALONG WITH DON AND OTHERS  
4 BECAUSE IT IS SO IMPORTANT THAT WE GET OUR MESSAGE  
5 OUT. AND I THINK THERE'S NO BETTER ADVOCATE OUT  
6 THERE THAN THE PATIENT ADVOCATES, SOME OF WHOM ARE  
7 IN THE ROOM THIS EVENING, THAT REALLY PROVIDE THE  
8 RESONANCE FOR THAT MESSAGE.

9 DR. TROUNSON: THANK YOU, ART, AND  
10 EVERYBODY, AND PARTICULARLY THANK YOU, LEEZA.

11 MR. ROTH: IF I COULD JUST QUICKLY ALSO  
12 THANK LORRAINE AND CHRIS FOR ALL THEY DO. THEY'RE  
13 ALL OVER SAN DIEGO. EVERY PLACE I GO THEY'RE THERE.  
14 IF I ASK THEM TO GET PATIENT ADVOCATES TO SHOW UP  
15 SOMEPLACE, THEY'RE THERE.

16 MR. TORRES: AND THEY'RE HERE.

17 (APPLAUSE.)

18 DR. TROUNSON: THE IMPORTANT PART IS  
19 WORKING TOGETHER, AND THAT'S WHAT WE'RE FOSTERING.  
20 THAT'S WHAT WE CONTINUE TO FOSTER. JOINING IN  
21 GETTING BOARD MEMBERS, GETTING EVERYBODY TO SORT OF  
22 JOIN IN, IT ACTUALLY DOES WORK. IT WORKS WELL. SO  
23 WE'RE GOING TO DO MORE OF THAT. SO WE'LL BE  
24 KNOCKING ON YOUR DOOR.

25 THE UPCOMING WORKSHOPS VERY QUICKLY,

## BARRISTERS' REPORTING SERVICE

1 THERE'S A JAPAN SCIENCE, JST AGENCY MEETING IN  
2 JAPAN. ONE WOULD HAVE THOUGHT AFTER THE DISASTERS  
3 THAT HAPPENED IN JAPAN, THAT THEY WOULD ACTUALLY  
4 TRANSFER THEIR MONEY TO REPAIR OF THEIR TERRIBLE  
5 PROBLEMS THAT THEY'VE BEEN HAVING THROUGH THE  
6 EARTHQUAKE AND THE TSUNAMI AND THE NUCLEAR MELTDOWN.  
7 THEY'RE NOT BACKING OFF ONE IOTA ON THIS AREA OF  
8 MEDICAL RESEARCH. THEY CAME STRAIGHT TO ME AND SAID  
9 WE WANT TO BE PART OF YOUR ONGOING PROGRAM. WE WANT  
10 TO BE PARTNERS. SO THAT'S A TREMENDOUS STATEMENT, I  
11 THINK, FROM A COUNTRY THAT'S REALLY BEEN DECIMATED  
12 IN THE LAST FEW MONTHS, AND WE'VE REALLY APPRECIATED  
13 THAT.

14 THERE'S ALSO A WORKSHOP WITH FRANCE, AND  
15 THAT WILL INITIATE OUR PROGRAM IN FRANCE. AND I'M  
16 LOOKING FORWARD TO THAT HAPPENING BECAUSE THERE'S  
17 SOME GREAT SCIENCE IN FRANCE. AND IF THAT IS NOW  
18 LINKED UP WITH CALIFORNIA, IT WILL BE TERRIFIC.

19 WE'VE ALSO GOT A NEUROLOGICAL DISORDERS  
20 LEADING TO CEREBRAL PALSY WORKSHOP. NOW, I THINK  
21 THIS IS VERY IMPORTANT. CEREBRAL PALSY IS THE MOST  
22 COMMON BIRTH DEFECT THAT THERE IS. AND IT'S THE  
23 LEAST WELL MEDICATED PROBLEM FOR BABIES AND FOR  
24 YOUNG KIDS. THERE REALLY ISN'T VERY MUCH TREATMENT  
25 FOR CEREBRAL PALSY.



## BARRISTERS' REPORTING SERVICE

1 WE'VE THOUGHT THAT WE SHOULD BE ABLE TO  
2 CONTRIBUTE TO CEREBRAL PALSY, BUT I'VE BEEN REALLY  
3 DISAPPOINTED THAT WE REALLY HAVEN'T HAD ENGAGEMENT  
4 THAT WOULD TAKE US THERE TO HELP WITH THIS TERRIBLE  
5 PROBLEM. SO THAT'S WHY I'VE ASKED TO ESTABLISH A  
6 WORKSHOP BECAUSE I THINK WE CAN ENGAGE THE PEOPLE,  
7 BOTH THE ADVOCATES IN THIS AREA AND ALSO THE  
8 CLINICIANS AND THE SCIENTISTS, AND SEE WHAT WE CAN  
9 DO. WHAT CAN WE DO? BECAUSE OUT OF THE WORKSHOP ON  
10 AUTISM, I THINK WE REALLY DID COME FORWARD WITH  
11 SOMETHING. IT STARTED SOMETHING, AND I THINK THAT  
12 WAS TERRIFIC. NOW I THINK WE NEED TO ADDRESS  
13 CEREBRAL PALSY.

14 SO I HOPE THAT SOME OF YOU WILL TAKE AN  
15 INTEREST IN THIS WORKSHOP, AND IT'S GOING TO BE, I  
16 THINK, PRETTY INTERESTING. THEY'VE GOT A VERY GOOD  
17 PROGRAM, AND THAT'S AVAILABLE FOR YOU TO SEE, IF YOU  
18 WISH.

19 DR. LUBIN: I JUST WANTED TO MENTION I'M  
20 REALLY GLAD TO SEE THIS PROGRAM. THERE'S A NATIONAL  
21 ORGANIZATION, THE NATIONAL CEREBRAL PALSY  
22 ORGANIZATION. WE OUGHT TO BE SURE TO INVITE PEOPLE  
23 FROM THAT ORGANIZATION TO COME TO THE WORKSHOP.

24 DR. TROUNSON: THEY ARE, BERT. HOPEFULLY  
25 WE CAN GET YOU TO COME TOO.

## BARRISTERS' REPORTING SERVICE

1 DR. LUBIN: IT'S SOMETHING THAT WE'RE VERY  
2 INTERESTED IN.

3 DR. TROUNSON: SO THERE'S ALSO A CIRM  
4 BRIDGES TO STEM CELLS ANNUAL TRAINEE MEETING. YOU  
5 KNOW VERY WELL THE BRIDGES PROGRAM, BUT THE 16  
6 BRIDGES PROGRAMS WILL BE PARTICIPATING IN THIS  
7 ANNUAL MEETING. AND THERE WILL BE 160 TRAINEES,  
8 MENTORS, AND PROGRAM DIRECTORS THERE. THERE'S A  
9 GREAT SPEAKER AND POSTER PRESENTATION CAREER PANEL.  
10 SO THIS IS REALLY GETTING DOWN AND HELPING THESE  
11 PEOPLE SO THEY'RE NOT COMPETING WITH ALL THE REALLY  
12 TOP PEOPLE. THEY'RE ACTUALLY THE TRAINEES. WE'RE  
13 BRINGING REALLY GOOD PEOPLE ALONG. WE'RE GIVING  
14 THEM THE OPPORTUNITY TO SORT OF REALLY FLOURISH.

15 SO, AGAIN, THANKS TO THE SCIENCE GROUP  
16 WHO'VE REALLY WORKED HARD TO GET THIS PROGRAM UP.  
17 IT'S TERRIFIC. THEY'VE REALLY DONE A WONDERFUL JOB,  
18 AND I THINK IT'S GOING TO BE GREAT. THAT WAS  
19 ENJOYED VERY MUCH LAST TIME, AND I THINK IT'S GOING  
20 TO BE EVEN BETTER THIS TIME.

21 THE NEXT ONE IS THE CIRM GRANTEE MEETING,  
22 WHICH IS IN SEPTEMBER. AND THIS IS THE BEST STEM  
23 CELL MEETING IN THE WORLD. THIS IS WHAT THE PEOPLE  
24 WHO COME TO THIS MEETING SAY. IT'S THE BEST STEM  
25 CELL MEETING IN THE WORLD. SO THIS IS WHERE WE HAVE

## BARRISTERS' REPORTING SERVICE

1 ALL OF OUR GRANTEES. I THINK WE HAVE UP TO 400 OR  
2 450 OF OUR GRANTEES THERE. AND THIS IS WHERE WE'RE  
3 GOING REALLY HARD AT THE SCIENCE. ALSO THE  
4 COLLABORATIVE FUNDING PARTNERS, IF THEY'RE FUNDED,  
5 ARE WITH US. SO WE'RE ALSO INVITING SOME OF THE  
6 REALLY TOP PEOPLE AROUND THE WORLD TO GIVE LECTURES.

7 AND THIS IS A GREAT MEETING. I THINK SOME  
8 PEOPLE HAVE BEEN AT THAT. I THINK BOB HAS BEEN, I  
9 THINK JEFF MIGHT HAVE BEEN THERE. THIS IS A GREAT  
10 SCIENCE MEETING. IT'S WONDERFUL. SO I'M JUST  
11 ALERTING YOU TO THAT. EVERYBODY THAT WE INVITE,  
12 NEARLY EVERYBODY, VERY FEW PEOPLE EVER TURN DOWN AN  
13 INVITATION TO COME TO THIS.

14 CHAIRMAN KLEIN: DR. TROUNSON, I THINK IT  
15 IS VERY IMPORTANT FOR THE BOARD TO LOOK AT THIS AS A  
16 RESOURCE BECAUSE THERE ARE TREMENDOUS PRESENTATIONS  
17 AT THIS MEETING OF SOME OF THE WORLD LEADERS THAT WE  
18 BRING IN FROM OUTSIDE OF CALIFORNIA. WE HAVE  
19 TREMENDOUS PRESENTATIONS FROM CALIFORNIA SCIENTISTS.  
20 IT REALLY IS BRINGING THE CUTTING EDGE OF THE WHOLE  
21 FIELD TOGETHER IN ONE PLACE. SO TO THE EXTENT YOU  
22 CAN PLAN AHEAD, EVEN THOUGH IT'S A MULTIPLE-DAY  
23 MEETING, YOU CAN FIND OUT IN ADVANCE WHAT THE  
24 SCHEDULE IS AND TRY AND MAKE A DAY OR PART OF A DAY  
25 THAT RELATES TO AN AREA WHERE YOU'VE MADE SOME

## BARRISTERS' REPORTING SERVICE

1 COMMITTED READING OF YOUR OWN. IT'S A WAY TO REALLY  
2 EXTEND YOUR KNOWLEDGE.

3 DR. TROUNSON: IT'S HELD ON THE COLD  
4 SPRING HARBOR RULES. THAT MEANS THAT YOU'RE FREE TO  
5 SPEAK ABOUT YOUR RESEARCH. IT WON'T BE PUBLISHED BY  
6 ANYBODY. AND UNDER THOSE CONDITIONS, THE SCIENTISTS  
7 JUST GO FLAT OUT, AND THEY TALK ABOUT THE WORK  
8 THEY'RE ACTUALLY DOING, THEIR ASPIRATIONS. THEY GET  
9 TURNED AROUND, THEIR LINKAGES ARE FORMED. THIS IS  
10 REALLY ONE OF THOSE GREAT DRIVING MEETINGS. IT'S  
11 THE BEST ONE IN STEM CELLS. IT'S THE BEST ONE THAT  
12 I GO TO. AND CLEARLY THIS IS WHAT THEY'RE SAYING.  
13 IT'S THE BEST MEETING THAT THE GRANTEES GO TO. SO  
14 FANTASTIC MEETING.

15 SO PLEASE, IF YOU FEEL INCLINED, WE'D LOVE  
16 YOU TO COME ALONG.

17 WORKSHOP IN AUSTRALIA. DON'T KNOW WHAT  
18 WE'RE DOING WITH AUSTRALIANS, MIND YOU. APRIL 11TH  
19 AND 12TH PAT OLSON AND MYSELF WENT TO MELBOURNE. I  
20 HAD TO ACTUALLY GET A VISA, WHICH TOOK A COUPLE OF  
21 WEEKS. AND THAT'S ANOTHER STORY. BUT EVENTUALLY  
22 THE AMERICAN EMBASSY GAVE ME ONE UNDER DURESS, I  
23 THINK, WITH A BIT OF HELP FROM ART TORRES AND  
24 WHATEVER ELSE. BUT WE ALSO HAD A WORKSHOP THERE,  
25 AND IT WAS A GREAT WORKSHOP. AND THERE WAS A

## BARRISTERS' REPORTING SERVICE

1 TERRIFIC GROUP OF PEOPLE. I CONVINCED IRV WEISSMAN  
2 TO DETOUR FROM MONTANA TO AUSTRALIA. I THOUGHT THAT  
3 WAS A GREAT START.

4 EMMANUELLE PASSEGUE FROM UCSF, MARKUS  
5 MUSCHEN FROM USC, GAY CROOKS FROM UCLA, AILEEN  
6 ANDERSON FROM UCI, BRIDGET GOMPARTS FROM UCLA,  
7 CAMILLE FORSBERG FROM UNIVERSITY OF SANTA CRUZ, AND  
8 GREG ADAMS FROM USC CAME WITH US. AND THEY WERE  
9 FANTASTIC. AND WE MET AND TALKED WITH A FEW MORE  
10 SCIENTISTS FROM AUSTRALIA. GREAT STUFF. AND THERE  
11 WAS SOME PRODUCT COMING OUT OF THIS WHICH I THINK  
12 WILL INVIGORATE THE SCIENCE AGAIN. THOSE  
13 AUSTRALIANS, THEY'RE NOT TOO BAD. THEY'RE NOT TOO  
14 BAD.

15 UPCOMING RFA'S JUST TO -- WE'VE GOT  
16 CONCEPT PRESENTATIONS, TARGETED CLINICAL DEVELOPMENT  
17 AND BASIC BIOLOGY THIS MEETING. DISEASE TEAM  
18 THERAPY DEVELOPMENT, BE AWARE THAT THE RFA IS GOING  
19 TO BE RELEASED IN NOVEMBER. WE'LL GET TO THE ICOC,  
20 IT TAKES A WHILE WITH ALL OF THE THINGS THAT HAVE TO  
21 HAPPEN WITH THAT, BUT BY AUGUST 2011. AND THE  
22 RESEARCH APPLICATIONS, THESE ARE THE ACTUAL RESEARCH  
23 APPLICATIONS, THEY'LL BE COMING IN IN MARCH, APRIL  
24 WITH A REVIEW IN JUNE. THERE'S TWO STAGES TO THIS  
25 DISEASE TEAM. BUT THE SECOND DISEASE TEAM IS ON THE

## BARRISTERS' REPORTING SERVICE

1 WAY TO YOU. IT'S MOVING TOWARDS YOU.

2 NOW I WANT TO TALK TO YOU A LITTLE BIT  
3 ABOUT PRODUCTIVITY BECAUSE IT'S AN AREA THAT WE  
4 ACTUALLY -- I THINK WE NEED TO GET INVOLVED WITH  
5 BECAUSE WE NEED TO ACTUALLY GET SOME DATA, GET SOME  
6 INFORMATION IN-HOUSE TO ENABLE US TO ANALYZE HOW  
7 WELL WE'RE PERFORMING. AND SO I JUST THOUGHT I'D  
8 BRING IT TO YOU JUST SO YOU'VE GOT A FEEL FOR IT,  
9 AND YOU CAN GIVE US SOME INPUTS BECAUSE IT'S  
10 SOMETHING THAT I'VE ASKED THE STAFF TO START  
11 THINKING ABOUT.

12 WELL, WE'RE MOVING TOWARDS THE CLINIC AND  
13 DIVINING A REGULATORY PATHWAY. SO WHAT SHOULD WE  
14 MEASURE? WELL, FIRST, IS THAT MOVING TO THE CLINIC  
15 AND THE CLINICAL PATHWAY, STIMULATING GROWTH IN STEM  
16 CELL RESEARCH, SCIENTIFIC ACCOMPLISHMENT, ECONOMIC  
17 IMPACT, ENGAGING THE PRIVATE SECTOR, EDUCATION AND  
18 COMMUNICATION ACTIVITIES, WE FEEL THAT'S WHAT WE  
19 SHOULD BE DOING UNDER THE HEADINGS THERE.

20 SO MOVING TOWARDS THE CLINIC, THE NUMBER  
21 OF IND FILINGS, CLINICAL TRIALS BASED ON CIRM-FUNDED  
22 RESEARCH, NUMBER OF COMMENTS SUBMITTED WITH RESPECT  
23 TO REGULATORY DRAFT GUIDANCE. A NUMBER OF MEETINGS  
24 WITH THE FDA AND OTHER REGULATORY AGENCIES. NUMBER  
25 OF PAPERS SUBMITTED BY CIRM ADVANCING A MORE DEFINED

## BARRISTERS' REPORTING SERVICE

1 REGULATORY PATHWAY. NUMBER OF STAKEHOLDER MEETINGS  
2 FOCUSED ON DEVELOPING STANDARDS AND BEST PRACTICES.  
3 YOU CAN THINK OF MANY DIFFERENT THINGS, BUT WE'RE  
4 TRYING TO SORT OF GET SOME OF THE INFORMATION THAT  
5 MAY BE USEFUL TO ANALYSIS OF PRODUCTIVITY.

6 CHAIRMAN KLEIN: DR. TROUNSON, EITHER IN  
7 ONE OF THESE CATEGORIES, OUTSIDE OF NUMBER,  
8 HOPEFULLY WE COULD FOCUS AS WELL IN IDENTIFYING  
9 QUALITATIVE BREAKTHROUGHS. SCIENTIFIC BREAKTHROUGHS  
10 THAT RAISE THE -- ADVANCE THE STAGE IN A MATERIAL  
11 WAY THAT WE CAN IDENTIFY NARRATIVELY SO THE PUBLIC  
12 IN A NARRATIVE VERSION COULD UNDERSTAND.

13 DR. TROUNSON: THAT'S A VERY GOOD POINT.  
14 THERE'S BOTH A QUANTITATIVE, IF YOU LIKE, AND A  
15 NARRATIVE FORM THAT NEEDS TO GO HAND IN HAND BECAUSE  
16 WHEN YOU'RE TRYING TO EXPRESS THIS TO PEOPLE WHO ARE  
17 INTERESTED IN PRODUCTIVITY, YOU REALLY DO HAVE TO  
18 HAVE THE NARRATIVE. PEOPLE DROP OFF THE SORT OF  
19 NUMBERS. YOU'RE ABSOLUTELY RIGHT. SO WE HAVE TO  
20 RECOVER THAT.

21 WE'VE BEEN DOING SOME OF THAT, BUT I DON'T  
22 THINK WE'VE BEEN DOING ENOUGH. SO I THINK THAT THIS  
23 IS WHAT WE NEED TO PUT INTO PLACE. I NEED TO THINK  
24 ABOUT HOW TO RESOURCE AND MAKE SURE WE GET IT  
25 BECAUSE SOME OF IT'S NOT SO EASY TO GET. IT JUST

## BARRISTERS' REPORTING SERVICE

1 DOESN'T FALL OFF THE TREE. YOU ACTUALLY GOT TO GO  
2 IN AND ACTUALLY ASK PEOPLE AND ACTUALLY SET UP A  
3 MEASURING SYSTEM. ALSO TO GET THAT WHOLE NARRATIVE  
4 REALLY DOES TAKE SOME TIME.

5 STIMULATING GROWTH IN STEM CELL RESEARCH,  
6 SO THE NUMBERS, WE GOT NUMBERS HERE. NEW STEM CELL  
7 SCIENTISTS WHO MOVED TO CALIFORNIA, NUMBER OF  
8 COMPANIES MOVED TO CALIFORNIA. IT'S REALLY  
9 DIFFICULT TO MEASURE, BUT IT'S POSSIBLE. IT'S  
10 POSSIBLE. JUST TAKES AN EFFORT TO DO. NUMBER OF  
11 COMPANIES CREATED IN CALIFORNIA. NUMBER OF  
12 COMPANIES SHIFTING FOCUS TO STEM CELLS, SO CHANGING  
13 FROM THEIR INTEREST TO OUR INTEREST. FUNDING GRANT  
14 APPLICATIONS BASED ON COLLABORATIONS, NUMBER OF  
15 GRANTS PER COUNTY OR STATE, OR VALUE OF CO-FUNDER  
16 INVESTMENT. SO THESE ARE SOME OF THE PARAMETERS  
17 WE'RE LOOKING FOR IN THIS AREA OF STIMULATING  
18 GROWTH.

19 SCIENTIFIC ACCOMPLISHMENT, RANKING OF  
20 CALIFORNIA STEM CELL SCIENTISTS. AND YOU'D BE  
21 INTERESTED THAT THE REALLY -- BETTER GET THIS RIGHT.  
22 THE TOP SCIENTIST IN STEM CELLS IN THE WORLD IS A  
23 LARGE MAN OUT OF STANFORD. YOU KNOW WHO THAT IS.  
24 BUT RUSTY GAGE IS NO. 2 IN THE WORLD IN STEM CELL  
25 RESEARCH. AND THERE ARE OTHERS IN THE TOP TEN AS



## BARRISTERS' REPORTING SERVICE

1 WELL. SO WE OUGHT TO RECOGNIZE, AS THEY MOVE UP  
2 INTO THESE, THIS IS MEASURED BY THEIR PRODUCTIVITY  
3 IN TERMS OF RESEARCH AND THEIR ABILITY TO AFFECT THE  
4 FIELD. AND THERE ARE WEBSITES THAT ACTUALLY MEASURE  
5 THIS, AND YOU CAN TELL WHERE YOU ARE AND WHAT YOU  
6 ARE DOING IN TERMS OF MOVEMENT IN THE LISTING ON HOW  
7 MUCH IMPACT YOU'RE HAVING.

8 AND SO WE OUGHT TO BE AT LEAST AWARE OF  
9 THESE KIND OF THINGS. THEY'RE THERE. NUMBER OF  
10 PUBLICATIONS, NUMBER OF PATENTS, EXPANDED USAGE OF  
11 SPECIMENS AND BIOLOGICAL MATERIALS GENERATED BY OUR  
12 FUNDS. THIS MATERIAL CAN BE OBTAINED AND WE CAN  
13 ACTUALLY LOG IT IN.

14 ECONOMIC IMPACT, THE LEVERAGED FUNDS, NEW  
15 MONIES BROUGHT TO CALIFORNIA. GRANTS OBTAINED FROM  
16 PUBLIC AND PRIVATE FOUNDATIONS BASED ON PRELIMINARY  
17 RESULTS. WE ACTUALLY AT THE MOMENT CAN'T EVEN GET  
18 THE DATA ON NIH GRANTS BECAUSE IT'S NOT LINKED IN  
19 ANY WAY. WE WILL NEED TO WORK TO GET THAT, BUT IT'S  
20 CLEARLY IMPORTANT THAT WHAT WE'RE DOING HERE, THERE  
21 WILL BE VERY LARGE FLOW OF MONEY, FOR EXAMPLE, FROM  
22 THE FEDERAL AGENCIES, FOUNDATIONS, AND SO ON. AND  
23 WE NEED TO BE ABLE TO SHOW THAT THAT'S BEING DRAWN  
24 INTO CALIFORNIA AS A RESPONSE TO THE SCIENTISTS WHO  
25 ARE ACTUALLY WORKING WITH OUR SUPPORT.

## BARRISTERS' REPORTING SERVICE

1 PHILANTHROPIC DONATIONS. MAJOR FACILITIES  
2 IS KIND OF EASY, BUT THERE ARE OTHER PHILANTHROPIC  
3 CONTRIBUTIONS THAT HAPPEN AND THAT WE WOULD AT LEAST  
4 BE PART VALUED IN. SO THAT WOULD NEED ANOTHER  
5 CONNECTION TO GET THAT.

6 CO-FUNDING OF CIRM GRANTS AND LOANS. WE  
7 HAVEN'T DONE ANY OF THAT YET, BUT THERE'S A LOT OF  
8 INTEREST IN DOING THAT. A LOT OF INTEREST FROM  
9 FOUNDATIONS, BUT ALSO FROM PUBLIC COMPANIES. AND SO  
10 WE NEED TO CONSIDER HOW WE CAN ENGAGE ON THAT  
11 BECAUSE THAT IS ANOTHER ECONOMIC IMPACT OF A STRONG  
12 POSITIVE FOR CALIFORNIA.

13 ENGAGING THE PRIVATE SECTOR, SUPPORT OF  
14 COMPANIES THROUGH SUBCONTRACTS ON GRANTS. CAPITAL  
15 IS ATTRACTED TO CIRM-FUNDED PROJECTS. THERE'S A LOT  
16 OF CAPITAL COMING INTO PROJECTS THAT WE DON'T  
17 ACTUALLY RECOGNIZE; BUT BECAUSE WE'VE FUNDED THEM,  
18 IT'S ATTRACTED OTHER CAPITAL. NUMBER OF GRANTS AND  
19 LOANS TO ACADEMIC AND INDUSTRY PARTNERS.

20 SO IN EDUCATION AND COMMUNICATIONS,  
21 THERE'S WAYS OF MEASURING THAT. WE SHOULD SET THAT  
22 UP, AT LEAST IN THE SCIENCE SENSE. WE THINK WE CAN  
23 ACTUALLY FIGURE SOME PARAMETERS THERE, SOME  
24 QUALITATIVE INFORMATION THAT WOULD BE USEFUL.

25 AND SO I'D BE -- I WOULD REALLY BE

## BARRISTERS' REPORTING SERVICE

1 INTERESTED IN ANY FEEDBACK YOU ON HAD ON ANY PART OF  
2 THAT BECAUSE IN SETTING THIS UP, IT WILL DEMAND SOME  
3 RESOURCES FROM US. AND BOB'S ALWAYS INTERESTED AND  
4 DUANE IS VERY INTERESTED IN THIS AREA. SO WE'VE GOT  
5 ENGAGEMENT AT THIS LEVEL AND, OF COURSE, ART, BUT WE  
6 PROBABLY WANT A BIT MORE ENGAGEMENT ABOUT THIS  
7 BECAUSE SOME THINGS ARE VERY DIFFICULT TO GET. AND  
8 IF YOU THOUGHT IT WASN'T WORTHWHILE, WE COULD  
9 PROBABLY NOT USE OUR RESOURCES TO DO THAT. OTHER  
10 THINGS CAN BE GOT WITH SOME BIT OF HELP, BUT I THINK  
11 WE WILL HAVE TO ACTUALLY USE SOME MANPOWER, PERSON  
12 POWER TO ACTUALLY GET SOME OF THIS INFORMATION. IT  
13 JUST DOESN'T HANG THERE AND EASILY GOT.

14 SO WITH THAT, IT'S GETTING VERY DARK ON  
15 THIS SLIDE, MR. CHAIRMAN. THAT'S BECAUSE IT'S  
16 GETTING CROWDED. SO MAYBE WE NEED TO LOSE A FEW --  
17 I DON'T KNOW WHAT WE NEED TO DO. WE NEED TO  
18 BRIGHTEN IT UP. IT DOESN'T LOOK GOOD ON THERE. WE  
19 ALL LOOK VERY SAD. WE'RE NOT. WE'RE NOT. WE'RE  
20 VERY HOPEFUL, WE'RE VERY HOPEFUL, AND WE'RE VERY  
21 REALLY EXCITED ABOUT WHAT'S HAPPENING. AND WE THINK  
22 IT'S A GREAT TIME. AND IT'S A GOOD TIME TO BE  
23 AROUND IN CALIFORNIA. IT HASN'T BEEN SUCH A GOOD  
24 TIME IN SOME OTHER PARTS OF THE U.S., BUT IT'S BEEN  
25 A GOOD TIME IN CALIFORNIA. AND WE RECOGNIZE THAT

## BARRISTERS' REPORTING SERVICE

1 OUR GRANTEES AND OUR SCIENCE IS WELL, IT'S HEALTHY,  
2 AND IT'S MAKING SOME OF THOSE BREAKTHROUGHS THAT I  
3 KEEP REPORTING TO YOU.

4 AND NOW WE WANT TO SEE IF WE CAN ACTUALLY  
5 QUANTITATE SOME OF THIS AND TURN IT INTO STORIES SO  
6 THAT WE CAN -- MY ANCESTORS ARE ABORIGINES. THEY  
7 NEVER WROTE ANYTHING DOWN, BUT THEY PASS THINGS ON  
8 BY STORY. AND THAT'S NOT A BAD IDEA. STORIES DO  
9 PASS ON. AND THEY ACTUALLY GET MORE ENGAGEMENT  
10 SOMETIME THAN STRAIGHT OUT DATA, HARD ECONOMIC DATA,  
11 BUT STORIES DO IT FOR YOU AS WELL. WITH THAT, THANK  
12 YOU VERY MUCH.

13 CHAIRMAN KLEIN: THANK YOU, DR. TROUNSON.  
14 WE NOW HAVE A QUORUM, SO I'M GOING TO TRY AND MOVE  
15 VERY QUICKLY THROUGH A NUMBER OF ITEMS BEFORE WE GO  
16 INTO ITEM 7, WHICH IS THE BASIC BIOLOGY AWARDS.

17 IN COORDINATING WITH THE APPLICANT  
18 INVOLVED WITH ITEM 8, WE'VE PRELIMINARILY SCHEDULED  
19 THAT TO BE DEALT WITH TOMORROW MORNING. SO WE WOULD  
20 LIKE TO MOVE OUT OF ORDER HERE ON SOME THINGS WE  
21 REALLY NEED TO MOVE FORWARD QUICKLY. ONE OF THEM IS  
22 ITEM 15, THE CONCEPT PROPOSAL FOR EARLY TRANSLATION  
23 AWARDS, SINCE THAT'S A VERY SUBSTANTIVE, EXTREMELY  
24 IMPORTANT INITIATIVE WE'RE ADVANCING. DR. TROUNSON,  
25 WHO WOULD YOU LIKE TO PRESENT THAT ITEM?

## BARRISTERS' REPORTING SERVICE

1 DR. OLSON: IT WILL BE PRESENTED BY  
2 DR. ARIE ABO.

3 CHAIRMAN KLEIN: THANK YOU. DR. ARIE ABO,  
4 YOU HAVE THE FLOOR.

5 DR. ABO: MR. CHAIRMAN, MEMBER OF ICOC,  
6 AND THE AUDIENCE, I'M HERE TO PRESENT TO YOU THE  
7 EARLY TRANSLATION CONCEPT FOR EARLY TRANSLATION III.  
8 YOU ARE FAMILIAR WITH THE TWO EARLY TRANSLATION.  
9 THIS IS THE THIRD CYCLE THAT WE'RE PUTTING FORWARD.  
10 OVER THE LAST TWO EARLY TRANSLATION AWARDS, WE  
11 DEVELOPED EXPERIENCE IN HOW TO MANAGE THESE PROGRAMS  
12 AND TO REFINE THIS PROCESS. SO THIS PROCESS I'M  
13 GOING TO PRESENT TO YOU IS ESSENTIALLY VERY SIMILAR  
14 TO EARLY TRANSLATION II WITH MORE PRECISE DEFINITION  
15 ABOUT THE TYPE OF AWARDS.

16 JUST TO ORIENT, THE GOAL OF THE EARLY  
17 TRANSLATION AWARD IS TO ADVANCE INNOVATIVE SCIENCE  
18 TO CLINICAL DEVELOPMENT. SO TO BRING IT TO IND  
19 ENABLING STAGE, YOU CAN SEE, AND AS YOU ARE FAMILIAR  
20 WITH OTHER WORK WE HAVE AT CIRM, ALL THE WAY FROM  
21 BASIC BIOLOGY TO DISEASE AND CLINICAL DEVELOPMENT,  
22 EARLY TRANSLATION SITS AND BRIDGES INNOVATIVE BASIC  
23 SCIENCE TO PRECLINICAL DEVELOPMENT.

24 SO AS PREVIOUSLY, AS EARLY TRANSLATION II,  
25 WE PROPOSE TO OFFER TWO TYPE OF AWARDS, WHICH IS

## BARRISTERS' REPORTING SERVICE

1 OUTLINED HERE: DEVELOPMENT CANDIDATE AWARD, THE DC  
2 AWARDS, AND THE DCF, THE DEVELOPMENT CANDIDATE  
3 FEASIBILITY AWARD.

4 THE GOAL OF THE DEVELOPMENT CANDIDATE  
5 AWARD IS TO ADVANCE THERAPEUTIC CANDIDATES ALL THE  
6 WAY TO IND ENABLING STAGE. AND THE DCF AWARD IS TO  
7 DEVELOP -- TO ADVANCE THERAPEUTIC CANDIDATE ALL THE  
8 WAY TO PRECLINICAL PROOF OF CONCEPT. FOR EXAMPLE,  
9 IN THE CATEGORIES OF CELL THERAPIES, WHAT WE WOULD  
10 EXPECT IN A DC AWARD THAT --

11 MS. SAMUELSON: IS IT POSSIBLE FOR YOU TO  
12 GET CLOSER TO THE MIC?

13 CHAIRMAN KLEIN: SHE'S ASKING IF YOU CAN  
14 SPEAK A LITTLE CLOSER TO THE MIC.

15 DR. ABO: SO FOR THE CELL THERAPY, FOR  
16 EXAMPLE, WE'RE ALWAYS TRYING TO ILLUSTRATE THE  
17 DIFFERENCES BETWEEN THESE TWO AWARDS. FOR STEM CELL  
18 THERAPIES UNDER THE DC CATEGORIES, WHAT WE WOULD  
19 EXPECT THAT THE INVESTIGATORS WILL BRING A  
20 THERAPEUTIC CANDIDATE, WHICH WILL BE A CELL LINE, A  
21 STEM CELL LINE, THAT WILL ENCOMPASS ALL THE  
22 ACTIVITIES OUTLINED HERE AND INCLUDING ACTIVITIES  
23 THAT WILL GENERATE A RESEARCH CELL BANK AND DEVELOP  
24 A SCALABLE RESEARCH PRODUCTION PROCESS AND BRING IT  
25 ALL THE WAY TO DISEASE MODIFYING ACTIVITIES WITH

## BARRISTERS' REPORTING SERVICE

1 THESE THERAPEUTIC CANDIDATES.

2 IN CONTRAST, THE DCF AWARDS, WHAT WE WOULD  
3 EXPECT, THAT THE INVESTIGATORS WILL MOVE THERAPEUTIC  
4 CANDIDATES IN TERMS OF CELL LINES, WILL CHARACTERIZE  
5 THE CELL LINES, AND WILL BRING YOU THE PROOF OF  
6 CONCEPT OR PRECLINICALS WHICH COULD BE INCLUDED TYPE  
7 OF ACTIVITY ASSOCIATED WITH DISEASE IN A DISH.

8 SO WE WANT TO PRIORITIZE THESE AWARDS AS  
9 OUTLINED TO YOU HERE, AND WE'RE GOING TO GIVE THE  
10 HIGHEST PRIORITIES, WE PROPOSE TO GIVE HIGHER  
11 PRIORITIES TO STEM CELL THERAPIES USING PLURIPOTENT  
12 CELLS AS THERAPEUTIC CANDIDATES. AND THE SECOND  
13 PRIORITY IS TO USE THE PLURIPOTENT STEM CELLS TO  
14 IDENTIFY THERAPEUTIC CANDIDATES. AND THESE  
15 CATEGORIES WOULD INCLUDE STEM CELLS THAT IS USED TO  
16 SCREEN FOR SMALL MOLECULES OR ANTIBODIES THAT WILL  
17 BECOME DRUGS THAT INFLUENCE STEM CELLS.

18 IN ADDITION, WHAT WE WOULD LIKE TO  
19 PROPOSE, THAT WE WOULD LIKE TO HAVE INVESTIGATORS OR  
20 AWARDS -- APPLICATION THAT WILL USE NOVEL APPROACHES  
21 FOR DISEASE THAT ARE ALREADY REPRESENTED IN CIRM'S  
22 TRANSLATIONAL PORTFOLIO. SO WE WANT TO AVOID  
23 REDUNDANCY IN THESE TYPE OF AWARDS THAT WOULD HAVE A  
24 SIMILAR ACTIVITY, BUT WE WANT TO ENCOURAGE  
25 INVESTIGATOR TO BRING NOVEL APPROACHES FOR THIS.

## BARRISTERS' REPORTING SERVICE

1 AND THE AWARD OF THE SCOPE IS OUTLINED TO  
2 YOU HERE. AND JUST REALLY QUICKLY, INSIDE OF SCOPE  
3 OF ACTIVITY WILL BE INCLUDING ACTIVITY WITH  
4 IDENTIFYING THERAPEUTIC CANDIDATES, EITHER STEM  
5 CELLS, MONOCLONAL ANTIBODIES, SMALL MOLECULES, AND  
6 CHARACTERIZE THE THERAPEUTIC CANDIDATES AND ACTIVITY  
7 SUCH AS RESEARCH PRODUCTION SCALE IF IT'S A  
8 THERAPEUTIC CANDIDATE, DEMONSTRATING DISEASE  
9 MODIFYING ACTIVITIES IN ANIMALS AND  
10 DISEASE-IN-A-DISH TYPE OF ACTIVITIES.

11 CHAIRMAN KLEIN: SO QUESTION FOR YOU. ON  
12 THE OUTSIDE OF THE SCOPE, THE IND ENABLING  
13 PRECLINICAL STUDIES IS OUTSIDE OF THE SCOPE IN TERMS  
14 OF THE INITIAL INTENT. BUT AS LONG AS THE BUDGET IS  
15 PROPERLY JUSTIFIED FOR WHAT'S INSIDE THE SCOPE, I  
16 THINK WE'VE PREVIOUSLY HAD BOARD DISCUSSIONS THAT IF  
17 THERE WERE FUNDS LEFT OVER AND THEY WERE ABLE  
18 SUCCESSFULLY TO ADVANCE FASTER THAN EXPECTED, CAN WE  
19 WRITE THESE GRANT ADMINISTRATION DOCUMENTS THAT THEY  
20 CAN USE THE FUNDS LEFT OVER FOR IND ENABLING  
21 PRECLINICAL STUDIES? THAT'S A QUESTION.

22 DR. OLSON: I JUST WANT TO MAKE A COMMENT  
23 ABOUT THAT. I THINK MANY OF US -- THIS IS A HUGE --  
24 THIS IS USUALLY A MAJOR MILESTONE IN DRUG  
25 DEVELOPMENT ACTIVITIES. THE TRANSITION FROM



## BARRISTERS' REPORTING SERVICE

1 ESSENTIALLY WHAT THEY BELIEVE IS A PRECLINICAL  
2 RESEARCH CANDIDATE TO A CANDIDATE THAT'S ACTUALLY  
3 READY TO MOVE INTO HUMANS. SO I WOULD CERTAINLY  
4 WANT, BEFORE AUTHORIZING ANYBODY TO SPEND THE  
5 DOLLARS, BECAUSE THESE ARE ALSO THE HIGH-PRICED  
6 ACTIVITIES, THESE ARE ESSENTIALLY MAKING THE GMP  
7 BANKS, THEY'RE MAKING THE GMP PRODUCT, THEY'RE DOING  
8 THE IND ENABLING TOXICOLOGY STUDIES, PRECLINICAL  
9 EFFICACY STUDIES AND SUCH, BUT I THINK WE BELIEVE  
10 THAT IF WE HAVE AN APPROPRIATE REVIEW AND AN  
11 AGREEMENT THAT IT'S A COMPETITIVE PRODUCT AND COULD  
12 GO FORWARD, THAT THAT MIGHT BE CRITERIA UNDER WHICH  
13 WE WOULD CONSIDER SOMETHING FROM MOVING FORWARD.

14 CHAIRMAN KLEIN: SO, DR. OLSON, THE STAFF  
15 COULD RETAIN THE DISCRETION BASED UPON INTERNAL  
16 REVIEW IF THERE WERE FUNDS LEFT OVER TO ALLOW THEM  
17 TO CONTINUE IF THEY WERE SUCCESSFUL BEYOND THEIR  
18 EXPECTATIONS. SO THAT IF THEY HAD A MILLION DOLLARS  
19 LEFT, THEY COULD, FOR EXAMPLE, UNDER THE STAFF  
20 SUPERVISION, PROPERLY ADVANCE TOXICOLOGY, FOR  
21 EXAMPLE?

22 DR. OLSON: AS I SAY, IF WE THOUGHT THAT  
23 THEY PASS A REVIEW, WHETHER IT BE WITH AN INTERNAL  
24 REVIEW COMMITTEE. I THINK THIS IS PART OF OUR  
25 STRATEGY TO MAKE THINGS MORE -- TO MOVE GOOD

## BARRISTERS' REPORTING SERVICE

1 PROJECTS FORWARD, BUT I WOULD DEFINITELY WANT TO  
2 ENCOURAGE THAT SORT OF REVIEW BEFORE THAT DECISION  
3 AUTHORIZATION WAS MADE.

4 CHAIRMAN KLEIN: RIGHT. SO I'D LIKE TO  
5 HEAR IF ANY OTHER BOARD MEMBERS HAVE VIEWS ON THIS,  
6 BUT I WOULD LIKE TO SEE THE STAFF RETAIN, WHEN THIS  
7 IS WRITTEN UP, RETAIN THE DISCRETION TO BE ABLE TO  
8 MOVE FORWARD IN THIS PROCESS BASED UPON THE STAFF'S  
9 BEST JUDGMENT. BECAUSE I WOULD HATE TO SEE  
10 SUCCESSFUL RESEARCH THAT HAS BREAKTHROUGHS AHEAD OF  
11 SCHEDULE, WE DON'T WANT THEM TO HAVE AN INCENTIVE  
12 JUST TO SPEND MONEY. WE WANT THEM TO HAVE AN  
13 INCENTIVE TO PROPERLY USE MONEY THAT'S LEFT OVER TO  
14 FURTHER ADVANCE IT UNDER STAFF SUPERVISION. DR.  
15 TROUNSON, IS THAT POSSIBLE?

16 DR. TROUNSON: I THINK THAT'S WHAT WE  
17 NORMALLY DO, CHAIR, BECAUSE IT'S ALWAYS POSSIBLE TO  
18 REVISE THE PROGRAM AS LONG AS YOU SUBMIT THAT  
19 REVISION TO STAFF, AND WE TAKE A LOOK AT THAT  
20 REVISED PROGRAM. SO THIS WOULD BE A REVISION OF THE  
21 PROGRAM TO, IF YOU LIKE, GO FURTHER OR GO INTO A  
22 MORE ADVANCED STAGE. AND I ACTUALLY DON'T THINK  
23 THAT THERE'S ANY DIFFICULTY AT ALL IN AGREEING TO  
24 THAT.

25 AND I ACTUALLY HAVEN'T HAD ONE OF THEM AS

## BARRISTERS' REPORTING SERVICE

1 YET. SO I'D BE VERY PLEASED TO BE FACED WITH  
2 SOMETHING THAT WAS MOVING SO QUICKLY THAT THEY  
3 WANTED TO MOVE OFF INTO A MORE ADVANCED STATE. I  
4 THINK MORE PROBLEMATIC IS THAT THEY DO THE STUDY AND  
5 THEN THERE'S A GAP, AND THAT'S WHY WE WANTED TO SORT  
6 OF TALK TO YOU, NOT THIS TIME, BUT PERHAPS AT THE  
7 NEXT MEETING ABOUT THESE OPPORTUNITY FUNDS. IF  
8 THERE'S A GAP, THERE COULD BE A PROBLEM WHERE YOU  
9 WERE GOING FROM ONE STAGE TO ANOTHER WHERE THEY'VE  
10 USED THE MONEY AND THEY DON'T HAVE MONEY IN THAT GAP  
11 PERIOD.

12 SO I THINK MORE THE PROBLEM IS THE OTHER  
13 WAY AROUND. I'LL BE DELIGHTED TO BE FACED WITH THE  
14 PROBLEM WHERE THEY HAVEN'T EXPENDED THE MONEY AND  
15 THEY WANT TO SORT OF MOVE ON MORE QUICKLY.

16 CHAIRMAN KLEIN: SO PREVIOUSLY WE'VE HAD  
17 SITUATIONS WHERE THE DEFINITION OF OUTSIDE THE SCOPE  
18 BECAME A PROBLEM FOR US. SO I JUST URGE US IN THE  
19 DOCUMENTATION TO HAVE THAT FLEXIBILITY SO THAT YOU  
20 CAN RETAIN THE DISCRETION GOING BACK TO SOME BASIC  
21 RESEARCH BECAUSE OF A GAP OR GOING FORWARD.

22 JEFF SHEEHY HAS A COMMENT AND THEN JOAN.

23 MR. SHEEHY: I'M GLAD ALAN MENTIONED  
24 OPPORTUNITY FUND BECAUSE I HAVE A FEELING THAT IT'S  
25 NOT SIMPLY A QUESTION OF LEFTOVER FUNDS, BUT IT'S A

## BARRISTERS' REPORTING SERVICE

1 QUESTION OF ADVANCING SCIENCE THAT'S BEEN WELL  
2 REVIEWED AND TRYING TO MOVE IT MORE QUICKLY AND NOT  
3 HAVING TO COME BACK AND COME BACK AND COME BACK.

4 I THINK THERE'S A GENERAL CONSENSUS. IT'S  
5 REALLY NOT ABOUT PUTTING SOMETHING IN TO HAVE MONEY  
6 LEFT OVER TO USE FOR THIS, BUT REALLY HAVING A  
7 PROCESS SET UP HERE WHEREBY WE CAN ADVANCE SCIENCE  
8 MORE RAPIDLY. SO I'M REALLY LOOKING FORWARD TO  
9 HEARING ABOUT THE OPPORTUNITY FUND.

10 CHAIRMAN KLEIN: JOAN.

11 MS. SAMUELSON: I'VE GOT A QUESTION ABOUT  
12 IPS CELLS AND ALSO ABOUT THE SCOPE. SCOPE FIRST.  
13 LET'S SAY THERE'S RESEARCH THAT WOULD GREATLY  
14 BENEFIT SUCCESS WHICH WOULD GREATLY ADVANCE PROGRESS  
15 TOWARD A SPECIFIC THERAPY OF SOME KIND OR SOMETHING  
16 PRETTY WELL DEFINED, BUT THE RESEARCH ITSELF IS  
17 FOCUSING NOT SO MUCH ON ANY OF THE CATEGORIES YOU  
18 MENTIONED, BUT LET'S SAY LIKE THE ENVIRONMENT OR  
19 NICHE THAT THE STEM CELL PRODUCT WOULD GO INTO. IS  
20 THAT WITHIN THE SCOPE, OR COULD IT BE CONSIDERED AS  
21 SUCH?

22 DR. ABO: IT'S NOT A STEM CELL. IF  
23 ADVANCING STEM CELL THERAPY THAT WOULD ALLOW IT TO  
24 IDENTIFY THERAPEUTIC CANDIDATES, THAT WILL REQUIRE  
25 ALL THE ACTIVITIES TO MOVE A THERAPEUTIC CANDIDATE

## BARRISTERS' REPORTING SERVICE

1 EITHER TO A PROOF OF CONCEPT TO SHOW EITHER IN A  
2 TEST TUBE OR IN VITRO OR IN VIVO THAT THIS  
3 THERAPEUTIC CANDIDATE HAS POTENTIAL THERAPEUTIC  
4 ACTIVITY UNDER THE DCF, THAT WILL BE IN SCOPE.

5 IN THE DC AWARDS, IF A THERAPEUTIC  
6 CANDIDATE IS ADVANCED TO A DISEASE MODIFYING STAGE  
7 AND SHOWS A PRELIMINARY CAPABILITY TO SCALE THE  
8 MATERIAL, THE THERAPEUTIC CANDIDATE IN A RESEARCH  
9 SCALE, IT'S NOT A DEVELOPMENT SCALE, THAT WILL BE IN  
10 SCOPE AS WELL.

11 MS. SAMUELSON: OKAY. GREAT.

12 IN TERMS OF IPS CELLS, LET'S SAY THAT THE  
13 CELL MODEL THERE FOCUSED ON SOMETHING OTHER THAN  
14 THAT, BUT THEY SHOW THAT THEY COULD PROBABLY MAKE  
15 GREAT PROGRESS USING WHATEVER IT IS. LET'S SAY IT'S  
16 FETAL TISSUE, FOR EXAMPLE. AND THAT THAT'S  
17 APPROPRIATE TO MAKE SOME GREAT HEADWAY AT WHATEVER  
18 STAGE THEY'RE AT. WHY ONLY IPS CELLS?

19 DR. ABO: IT'S NOT ONLY IPS CELLS. IT'S  
20 ANYTHING THAT IS RELATED -- THERAPEUTIC CANDIDATES  
21 WOULD BE QUALIFIED. IT COULD BE A SMALL MOLECULE  
22 AFFECTING STEM CELLS. IT COULD BE MONOCLONAL  
23 ANTIBODIES OR BIOLOGICS OR ANY GROWTH FACTORS THAT  
24 COULD HAVE AN IMPACT ON STEM CELL GROWTH, BUT WOULD  
25 HAVE THE POTENTIAL TO BE A THERAPEUTIC CANDIDATE TO

## BARRISTERS' REPORTING SERVICE

1 DEVELOP TO GO TO THE CLINICAL DEVELOPMENT. WE WANT  
2 TO AVOID IN THIS RFA SPONSORING BASIC RESEARCH.

3 OUR CHALLENGE IS TO REALLY -- WHAT WE SEE  
4 WORKING IN EARLY TRANSLATION II IS TO REALLY WORK  
5 VERY CLOSELY WITH INVESTIGATORS TO TRAIN THEM AND  
6 WORK THEM IN A FOCUSED WAY TO MOVE EARLY BIOLOGY AND  
7 HELP THEM TO TRANSLATE IT TO THERAPEUTIC  
8 DEVELOPMENT. AND THIS IS THE CHALLENGES THAT WE SEE  
9 IN OUR END, AND WE FEEL THAT BY CREATING A VERY  
10 FOCUSED THERAPEUTIC FOCUS, WE COULD REALLY MAKE THE  
11 DIFFERENCE FOR THE APPLICANTS AND FOR CIRM AS WELL.

12 CHAIRMAN KLEIN: DR. MELMED.

13 DR. MELMED: I CERTAINLY ENDORSE THE  
14 NOTION OF REMOVING OBSTACLES FOR EXPENDING FUNDS FOR  
15 APPROPRIATELY REVIEWED SCIENCE. I'M A LITTLE  
16 CONCERNED THAT THE UNEXPENDED FUNDS, IF WE PROCEED  
17 WITH AS PROPOSED, WILL BE VIEWED BY SOME AS BEING  
18 NON-PEER REVIEWED. SO I WOULD ASK IF PERHAPS THIS  
19 BOARD COULD GET A REPORT ON WHEN THAT HAPPENS SO AT  
20 LEAST WE COULD VOTE ON IT AND SEE IT SO WE HAVE THE  
21 OPPORTUNITY TO AT LEAST EXPRESS A PUBLIC OPINION.  
22 BECAUSE OTHERWISE WE WILL BE -- WE COULD BE ACCUSED  
23 OF GIVING OUT NON-PEER REVIEWED MONEY FOR EXPENSE.

24 CHAIRMAN KLEIN: OKAY. DR. OLSON, DID YOU  
25 HAVE A COMMENT?

## BARRISTERS' REPORTING SERVICE

1 DR. OLSON: I WAS JUST GOING TO MAKE THE  
2 COMMENT THAT THAT WAS THE NOTION OF SAYING THAT  
3 THERE WOULD BE SOME SORT OF REVIEW, WHETHER IT WOULD  
4 BE OUR CLINICAL REVIEW PANEL THAT DR. FEIGAL IS  
5 SETTING UP. SO WE WOULD, I DON'T THINK, WANT TO  
6 MAKE THE DECISION TO MOVE INTO IND ENABLING STUDIES  
7 WITHOUT SOME SORT OF REVIEW.

8 DR. MELMED: IT WILL COME BACK TO THIS  
9 BOARD SO AT LEAST WE COULD SEE --

10 CHAIRMAN KLEIN: OUR HISTORY HAS NOT BEEN,  
11 BUT IT'S OPEN AS A POLICY DISCUSSION, OUR HISTORY  
12 HAS NOT BEEN TO, IF IT'S A FULLY REVIEWED GRANT, TO  
13 BRING IT BACK. WE HAVE NOT PREVIOUSLY REQUIRED THEY  
14 BRING IT BACK TO THIS BOARD. IT'S BEEN IN THE  
15 PRESIDENT'S DISCRETION TO DETERMINE THAT.

16 DR. MELMED: OKAY. AS LONG AS IT WILL BE  
17 REVIEWED THROUGH THE PRESIDENT'S OFFICE.

18 CHAIRMAN KLEIN: RIGHT. OKAY.

19 DR. ABO: I SHOULD ADD THAT FROM OUR  
20 EXPERIENCE, WE DEVELOPED A LOT OF TOOLS TO REALLY  
21 ASSIST OUR INVESTIGATORS TO REALLY MOVE FORWARD WITH  
22 THIS. IT'S VERY INTERESTING AND VERY ATTRACTIVE,  
23 AND WE SEE A LOT OF PROGRESS THERE. SO SHOULD MOVE  
24 TO THE NEXT SLIDE, PLEASE.

25 SO UNDER THE AWARD ELIGIBILITY, AS

## BARRISTERS' REPORTING SERVICE

1 PREVIOUSLY, WE'RE PROPOSING 20-PERCENT COMMITMENT  
2 FROM THE PI, AND 15 PERCENT IN THE CO-PI IN THE DC  
3 AWARDS, WHICH DC AWARDS IS QUALIFIED FOR A CO-PI.

4 IN ADDITION, I SHOULD SAY THAT WE ARE  
5 ENCOURAGING, IN THIS RFA, WE WANT TO PROPOSE  
6 SUBMISSION OF A NEW FACULTY PHYSICIAN/SCIENTIST THAT  
7 IS WITHIN THE FIRST YEARS OF INDEPENDENT SCIENTISTS  
8 AND INSTITUTES THAT WOULD BE QUALIFIED TO APPLY FOR  
9 TRANSLATIONAL SCIENCE.

10 IN ADDITION, WE ALREADY SECURE THREE  
11 COLLABORATIVE FUNDS. GERMANY'S BMBF IS INTERESTED  
12 TO CONTINUE AND COLLABORATE WITH US ON THIS RFA.  
13 AND AS YOU HEARD FROM ALAN, THE JAPANESE AGENCY AND  
14 AUSTRALIAN IS ALREADY ALIGNED TO PARTICIPATE AND  
15 COLLABORATE WITH US IN THIS RFA. AND IT'S OPEN  
16 FOR -- THIS RFA IS OPEN FOR ACADEMIC AND NONPROFIT  
17 AND FOR-PROFIT INSTITUTIONS.

18 WE PROPOSE --

19 DR. TROUNSON: JUST A LITTLE BIT OF  
20 EXPLANATION ON THAT INVESTIGATOR. BECAUSE WE  
21 THOUGHT THAT IN THE DISCUSSIONS THAT WE'VE BEEN  
22 HAVING, THE IDEA OF TRYING TO GET SOME MORE OF THE  
23 INVESTIGATORS INTO THE INSTITUTIONS THAT MIGHT HAVE  
24 COME IN THROUGH ACADEMIC AWARDS, HERE'S AN  
25 OPPORTUNITY. SO WE THOUGHT WE HADN'T SORT OF -- WE



## BARRISTERS' REPORTING SERVICE

1 WANT TO PUT IT ON THE TABLE FOR YOU, AND I KNOW IT'S  
2 COME QUICKLY, BUT HERE'S THE TIME AND WE WERE GOING  
3 TO ACTUALLY DO THE CONCEPT. SO IF THERE WAS FEELING  
4 THAT THAT WAS BENEFICIAL AND USEFUL, WE'RE LOOKING  
5 FOR MORE OF THE KIND OF INVESTIGATORS THAT ARE  
6 M.D./PH.D. AND IT'S SOMETIMES A LONG TIME BETWEEN,  
7 YOU KNOW, THE TRANSLATION GRANTS, 12, 14 MONTHS.

8 AND SO IT WOULD BE A FAIR WAY DOWNSTREAM  
9 BEFORE WE GOT TO IT, SO WE THOUGHT WE WOULD BRING IT  
10 UP TO YOU AS A THOUGHT AT THIS STAGE TO BE INCLUSIVE  
11 OF THAT AND THAT MIGHT ENABLE US TO ATTRACT MORE OF  
12 THESE YOUNG M.D./PH.D. SCIENTISTS.

13 CHAIRMAN KLEIN: THIS IS AN INTERESTING  
14 INNOVATION. THIS WOULD REALLY CREATE A PROGRAMMATIC  
15 PRIORITY. JEFF, DO YOU WANT TO COMMENT ON THIS  
16 SINCE THIS IS SOMETHING YOU BROUGHT UP BEFORE, AND  
17 THEN I'M GOING TO GO TO DUANE.

18 MR. SHEEHY: I GUESS FROM MY PERSPECTIVE  
19 YOU OUGHT TO BE MOVING FORWARD WITH THE BEST  
20 SCIENCE. SO WHERE PEOPLE ARE IN THEIR CAREER PATH,  
21 AT LEAST IN TERMS OF TRYING TO GET A PRODUCT INTO  
22 THE CLINIC, OUGHT NOT TO BE A RELEVANT CRITERIA.  
23 WHAT I HAD HOPED IS THAT, GIVEN WHAT I THINK, IF WE  
24 TAKE A LOOK, ENORMOUS PRODUCTIVITY, OUR  
25 CLINICIAN/SCIENTISTS THAT WE PUT FORWARD IN OUR TWO

## BARRISTERS' REPORTING SERVICE

1 NEW FACULTY ROUNDS AND WE WOULD REPEAT THAT ROUND.  
2 THERE ARE UNIQUE FEATURES TO THAT RFA, INCLUDING THE  
3 ASSISTANCE WITH REPAYING STUDENT LOANS, BUYING  
4 CLINICAL TIME SO THESE FOLKS CAN ACTUALLY SPEND TIME  
5 IN THE LAB, NOT HAVE TO SPEND TIME TREATING  
6 PATIENTS, THAT THERE'S SEVERAL FEATURES THAT WERE  
7 DESIGNED TO ENCOURAGE CLINICIANS,  
8 CLINICIAN/SCIENTISTS, TO REALLY START A RESEARCH  
9 CAREER IN STEM CELL THERAPIES.

10 AND CATRIONA JAMIESON COMES TO MIND,  
11 ANTHONY RIVAS FROM UCLA IS SOMEONE ELSE THAT'S BEEN  
12 VERY PRODUCTIVE. AND THE OTHER THING THAT WAS  
13 IMPORTANT WITH THIS TOO IS THAT THESE WERE SCREENED  
14 BY THE INSTITUTIONS. SO WHAT HAPPENED IS WE ALSO  
15 GOT A LONG-TERM COMMITMENT FROM THE INSTITUTIONS TO  
16 THESE INDIVIDUALS' CAREERS. YOU KNOW, I KNOW IN THE  
17 HIV FIELD, I HEAR EVERY OTHER YEAR WE HAVE A DEARTH  
18 OF CLINICIANS COMING IN TO DO RESEARCH BECAUSE IT'S  
19 BURDENSOME. IT TAKES AWAY FROM YOUR CLINICAL  
20 CAREER. AND SO WE'RE GOING TO HAVE A CADRE OF  
21 CLINICIAN/SCIENTISTS TO TAKE THIS RESEARCH FROM THE  
22 LAB INTO THE CLINIC. IT THINK IT WOULD BE USEFUL TO  
23 DO THAT, TO ACTUALLY DO ANOTHER NEW FACULTY ROUND OR  
24 AT LEAST FOR CLINICIAN/SCIENTISTS.

25 WE HEARD, BY THE WAY, FROM SEVERAL OF OUR

## BARRISTERS' REPORTING SERVICE

1 REVIEWERS IN OUR LAST REVIEW THAT THEY FELT THAT  
2 THAT WAS ONE OF THE MORE OUTSTANDING ROUNDS THAT  
3 WE'D DONE, AND WE ACTUALLY HEARD FROM A LOT OF  
4 JUNIOR RESEARCHERS THAT THEY WISH THEY WERE HERE TO  
5 GET SOME OF THAT, TO GET INTO THAT KIND OF RESEARCH.

6 CHAIRMAN KLEIN: SO WE'RE GOING TO ADDRESS  
7 THAT AS ITEM 12 LATER IN THE AGENDA. BUT DUANE ROTH  
8 HAD A COMMENT FOLLOWED BY DR. MELMED FOLLOWED BY OS  
9 STEWARD.

10 MR. ROTH: I JUST HAD A QUESTION. IT SAYS  
11 AWARD ELIGIBILITY AND THEN THERE'S COLLABORATIVE  
12 FUNDING PARTNER. THAT DOESN'T INTEND TO MEAN THAT'S  
13 REQUIRED?

14 DR. ABO: NO.

15 CHAIRMAN KLEIN: OKAY. DR. MELMED.

16 DR. MELMED: A LOT OF THE HIGH QUALITY  
17 PHYSICIAN/SCIENTISTS AT THIS LEVEL ARE APPLYING FOR  
18 NIH K AWARDS. SO CAN WE PUT IN THAT A K AWARD DOES  
19 NOT OBVIATE ALSO GETTING THIS AWARD BECAUSE K AWARDS  
20 USUALLY PAY ABOUT 70 OR 80 PERCENT FACULTY PROTECTED  
21 TIME FOR JUNIOR FACULTY. SO IT WOULD BE NICE IF WE  
22 COULD SYNERGIZE THIS WITH A K AWARD SO IF SOMEBODY  
23 HAS AN NIH K AWARD AND THIS AWARD, THAT COULD  
24 BASICALLY COVER ALMOST 95 PERCENT OF THEIR TIME FOR  
25 RESEARCH, BUT WE SHOULD PUT THAT IN, THAT A K

## BARRISTERS' REPORTING SERVICE

1 AWARD -- I WOULD PROPOSE THAT A K AWARD DOESN'T  
2 BLOCK THE OPPORTUNITY OF RECEIVING ONE OF THESE  
3 AWARDS.

4 CHAIRMAN KLEIN: I THINK IT'S IMPORTANT  
5 LEGALLY TO BE CRAFTING THIS SO THAT THE 15 PERCENT  
6 OF TIME, THEY CAN BE SATISFYING THEIR TIME THROUGH  
7 THE K AWARD AND NOT HAVE THEM INADVERTENTLY KNOCKED  
8 OUT.

9 DR. MELMED: THE 20 PERCENT MAY PUT THEM  
10 ON THE BORDERLINE.

11 CHAIRMAN KLEIN: ELONA AND JAMES, WE  
12 REALLY NEED TO FOCUS ON THAT TREMENDOUS SUGGESTION.  
13 THANK YOU. OS STEWARD.

14 DR. STEWARD: THANK YOU, BOB. I HAVE JUST  
15 A TINY BIT OF CONCERN HERE, AND IT ACTUALLY COMES IN  
16 PART FROM THE DISCREPANCY BETWEEN WHAT IS ON THE  
17 SLIDE AND WHAT IS STATED HERE IN PRINT. AND LET ME  
18 JUST SAY I'M ALL FOR BRINGING PHYSICIAN/SCIENTISTS  
19 INTO THE MIX HERE.

20 THE ONE THING ABOUT THESE AWARDS IS THAT  
21 THEY DO REQUIRE A CERTAIN LEVEL OF EXPERIENCE AND  
22 LEADERSHIP THAT A NEW INVESTIGATOR IS MAYBE UNLIKELY  
23 TO HAVE. AND HAVING SAID THAT, I THINK IT'S GREAT  
24 TO HAVE ENCOURAGEMENT FOR PEOPLE TO APPLY, BUT  
25 ACTUALLY WHAT IT SAYS IN THE WRITTEN DOCUMENT HERE

## BARRISTERS' REPORTING SERVICE

1 IS THAT CIRM WILL ASK REVIEWERS TO GIVE ADDED  
2 CONSIDERATION TO PROPOSALS WHERE THE PI IS A  
3 PHYSICIAN/SCIENTIST AND IS NEW FACULTY.

4 AND I WOULD JUST SAY THAT I THINK THAT  
5 WHAT WE NEED TO DO HERE IS SIMPLY SET A BAR FOR THE  
6 BEST POSSIBLE SCIENCE AND NOT GIVE CONSIDERATION.  
7 THAT'S A CONCERN. I'D JUST RATHER GO FOR THE BEST  
8 SCIENCE WHATEVER IT IS.

9 CHAIRMAN KLEIN: OKAY. SO WE'VE HAD A  
10 LIVELY --

11 DR. ABO: FOR THE LAST SLIDE, THAT WE  
12 PROPOSED A PREAP PROCESS FOR THIS RFA.

13 CHAIRMAN KLEIN: LET ME DO THIS. LET ME  
14 GET DR. POMEROY'S COMMENT, AND THEN WE'LL GO TO THE  
15 NEXT SLIDE.

16 DR. POMEROY: I HAD A QUESTION ABOUT THE  
17 PORTFOLIO THAT'S REFERRED TO IN HERE AND JUST WANTED  
18 TO GET SOME CLARIFICATION. THIS MENTIONS THREE  
19 DISEASE AREAS THAT ARE ALREADY WELL REPRESENTED IN  
20 THE PORTFOLIO AND SINGLES OUT EYE, BONE AND  
21 CARTILAGE, AND CANCER. IS THAT THE COMPLETE LIST?  
22 I THINK IT'S IMPORTANT FOR APPLICANTS TO KNOW WHICH  
23 AREAS WILL BE LESS COMPETITIVE BECAUSE THEY'RE  
24 ALREADY WELL REPRESENTED IN THE PORTFOLIO.

25 DR. ABO: THIS IS JUST NOT THE ENTIRE LIST

## BARRISTERS' REPORTING SERVICE

1 OF THE PORTFOLIO. THIS IS JUST A PART OF THE LIST.  
2 WHEN WE MEANT THAT WE ENCOURAGE AND WE WOULD LIKE TO  
3 HAVE INVESTIGATOR COME IN WITH THE NORMAL APPROACH  
4 FOR THE DISEASE ALREADY REPRESENTED IN THE CIRM'S  
5 PORTFOLIO. SO --

6 DR. POMEROY: I'D JUST COMMENT THAT I'M  
7 NOT SURE IT'S FAIR TO EXPECT THE APPLICANTS TO KNOW  
8 WHAT OUR PORTFOLIO IS OR WHAT IS REQUIRED TO BE  
9 NOVEL. SO IF THIS LIST WAS MORE COMPLETE, I THINK  
10 IT WOULD BE INFORMATIVE TO THEM.

11 CHAIRMAN KLEIN: SO LET ME ASK A QUESTION.  
12 WERE THESE EXAMPLES MEANT TO BE EXAMPLES OF AREAS  
13 WHERE WE HAVE A PORTFOLIO THAT COULD BE BENEFITED  
14 FROM THIS RESEARCH AS VERSUS -- I'M TRYING TO  
15 UNDERSTAND THE NATURE OF THE ITEMS THAT ARE LISTED.

16 DR. ABO: THE NATURE OF IT, THAT WE WANT  
17 TO AVOID SIMILAR APPROACHES, IDENTICAL APPROACHES  
18 FOR THE SAME DISEASE. FOR EXAMPLE, IF SOMEBODY  
19 DEVELOPED ALREADY AN HIV STEM CELL THERAPY BY  
20 KNOCKING DOWN CCR5, ANOTHER INVESTIGATOR WRITES A  
21 SIMILAR APPROACH, WANTS TO KNOCK DOWN CCR5 IN A  
22 DIFFERENT WAY, AND WE HAVE THREE PROGRAMS THAT ARE  
23 USING SIMILAR APPROACHES, THAT WOULD BE A PORTFOLIO  
24 CONSIDERATION.

25 MR. SHEEHY: CAN I JUST SAY THAT'S A

## BARRISTERS' REPORTING SERVICE

1 HORRIBLE EXAMPLE BECAUSE WE HAVE THREE THERAPEUTIC  
2 DRUG -- WE DEVELOPED AN ANTIRETROVIRAL THAT TARGETS  
3 CCR5, AND IT TOOK MORE THAN THREE CANDIDATE PRODUCTS  
4 IN ORDER TO GET THE ONE PRODUCT THAT WAS SAFE AND  
5 EFFECTIVE. SO, YOU KNOW, TO SAY SOMEHOW A PRIORI  
6 THAT YOU ACCOMPLISHED SOME SORT OF CRITICAL MASS FOR  
7 ANY TARGET, I THINK, IS I'D LIKE TO HAVE A LITTLE  
8 FIRMER BASIS IN SCIENCE FOR MAKING THAT CONCLUSION  
9 BECAUSE WE SEND UP -- THERE WERE THREE PRODUCTS THAT  
10 MADE IT TO PHASE III CLINICAL TRIALS, AND AS OF  
11 RIGHT NOW ONLY ONE OF THEM HAS BEEN APPROVED. ONE  
12 OF THEM HAD VERY SERIOUS SIDE EFFECTS.

13 PLUS I WOULD NOTE THAT YOU HAVE TO BE VERY  
14 CAREFUL WHEN YOU'RE TALKING ABOUT KNOCKING OUT CCR5  
15 BECAUSE THERE ARE OTHER APPROACHES THAT NEED TO BE  
16 TRIED IN HIV. CCR5 IS ONLY ONE RECEPTOR THAT HIV  
17 ATTACHES TO. SO I'M VERY CONCERNED THAT WE ARE  
18 MOVING INTO PORTFOLIO KIND OF DECISIONS WITHOUT ANY  
19 REAL BASIS FOR DOING SO. I MEAN IF SOMEBODY CAME UP  
20 WITH A NOVEL APPROACH TO KNOCK OUT CCR5 FOR AN HIV  
21 APPLICATION AND THEY WEREN'T ALLOWED TO SUBMIT  
22 BECAUSE WE'VE GOT A COUPLE OF APPLICATIONS ALREADY  
23 THERE, I DON'T THINK I WOULD BE COMFORTABLE WITH  
24 THAT IF WE'VE REACHED THAT CRITICAL MASS THERE, AND  
25 RELATIVE TO OUR TOTAL PORTFOLIO, WE'RE NOT SPENDING

## BARRISTERS' REPORTING SERVICE

1 THAT MUCH MONEY ON HIV. I'D LIKE TO UNDERSTAND HOW  
2 THOSE DECISIONS ARE BEING MADE AND WHO'S MAKING  
3 THEM.

4 CHAIRMAN KLEIN: JEFF, LET ME TRY AND GET  
5 SOME CLARIFICATION HERE. I HAD BEEN INTERPRETING  
6 THIS TO SAY THAT YOU HAVE A PRESUMPTION THAT YOU  
7 HAVE TO SHOW THAT IT REALLY IS NOVEL RATHER THAN  
8 JUST DUPLICATIVE, NOT TO EXCLUDE THOSE FROM BEING  
9 CONSIDERED AT THE BOARD. BUT ESSENTIALLY YOU HAVE  
10 TO MAKE A REAL DEMONSTRATION THAT IT IS A NOVEL  
11 APPLICATION OF THIS PARTICULAR APPROACH. BUT MAYBE  
12 I COULD GET CLARIFICATION. IS THAT CORRECT?

13 DR. ABO: EXACTLY. IF IT'S AN IDENTICAL  
14 APPROACH, IF SOMEBODY COMES AND JUST WANTS TO KNOCK  
15 DOWN CCR5 WITH SHRN, WE HAVE AN AWARD ALREADY GOING  
16 THAT WE'RE FUNDING, THAT WILL BE A REDUNDANCY IN  
17 TERMS OF THE CONSIDERATION. IT WOULD BE AN  
18 IDENTICAL APPROACH.

19 MR. SHEEHY: NOBODY HAS KNOCKED OUT CCR5  
20 WITH SHRN.

21 DR. ABO: I'M JUST GIVING IT AS AN  
22 EXAMPLE. HIV --

23 MR. SHEEHY: SEE WHAT YOU GET INTO. AND  
24 THE REALITY IS THAT NOBODY WILL KNOW BECAUSE YOU  
25 GUYS WILL KNOCK IT OUT IN PREAP. AND THEN IF WE HAD



## BARRISTERS' REPORTING SERVICE

1 FAILURE IN THE APPLICATIONS THAT WE'VE FUNDED  
2 ALREADY, WE MAY HAVE NOT FUNDED THE ONE THAT WOULD  
3 BE SUCCESSFUL BECAUSE WE KNOW AS YOU GO DOWN THE  
4 CLINICAL PATHWAYS, THAT SOMETIMES IT'S SMALL THINGS  
5 THAT MAKE THE DIFFERENCE IN SUCCESS. IT'S NOT THE  
6 BROADBASED APPROACH.

7 DR. STEWARD: JUST TWO THINGS. ACTUALLY  
8 THE WORD "NOVEL" BOTHERS ME BECAUSE IN A SENSE IT  
9 MIGHT BE THAT A VERY SIMILAR APPROACH WOULD STILL BE  
10 OF COMPELLING IMPORTANCE. I'D PREFER THE WORD  
11 "COMPELLING" TO "NOVEL" TO TELL YOU THE TRUTH. AND  
12 THERE YOU HAVE THE OPPORTUNITY FOR PEOPLE TO COME IN  
13 WITH SOMETHING THAT MIGHT ACTUALLY BE A VERY SIMILAR  
14 THING, BUT IS SO COMPELLING BECAUSE OF ITS JUST  
15 SLIGHT TWIST THAT IT WOULD BE WORTH FUNDING. THIS  
16 IS A VERY RAPIDLY MOVING TARGET, AND WE MAY SEE THAT  
17 THINGS THAT STARTED TWO YEARS AGO IN THE FIRST ROUND  
18 OF FUNDING THESE CLINICAL TRANSLATION AWARDS ARE  
19 ALREADY OUT OF DATE AND SOMEBODY IS COMING IN WITH A  
20 REALLY INTERESTING NEW SPIN TO IT.

21 AGAIN, I ALWAYS KIND OF WORRY ABOUT  
22 LIMITING THINGS. JUST GO WITH THE BEST SCIENCE.

23 CHAIRMAN KLEIN: DR. TROUNSON, COULD I  
24 HAVE YOUR RESPONSE IN TERMS OF THE SUGGESTION THAT  
25 WE CALL IT COMPELLING APPROACHES VERSUS NOVEL?

## BARRISTERS' REPORTING SERVICE

1 DR. TROUNSON: I THINK WHAT THE STAFF ARE  
2 TRYING TO SAY IS THAT THEY'RE LOOKING FOR SORT OF  
3 WAYS TO SORT OF HELP USHER THE BEST SCIENCE INTO THE  
4 GATEWAY. THAT'S FOR SURE. AND THERE'S COMPELLING  
5 ARGUMENTS TO KEEP ATTACKING A CERTAIN GENE OR A  
6 CERTAIN PATHWAY, AND IT'S SCIENCE THAT SHOULD DRIVE  
7 THIS AND NOT WHAT IT PARTICULARLY IS.

8 I THINK WHAT WE'VE -- THERE IS A SEPARATE  
9 ISSUE ABOUT HOW MUCH MONEY WE SHOULD SPEND ON  
10 CERTAIN AREAS OR OTHERS BECAUSE THERE'S A LOT OF  
11 OTHER AGENCIES INVOLVED IN SOME AREAS AND NOT  
12 OTHERS. SO THERE MAY BE SOME DISEASES THAT REALLY  
13 ARE NOT GETTING, LIKE CEREBRAL PALSY, NOT GETTING  
14 ANYTHING. AND SHOULD WE SORT OF START SOMETHING IN  
15 THAT AREA THAT WASN'T ABSOLUTELY SO BRILLIANT? I  
16 DON'T KNOW. BUT MY VIEW HERE IS THAT WE SHOULD  
17 ALWAYS GO FOR THE BEST SCIENCE, AND HOPEFULLY IT'S  
18 NOT EXACTLY THE SAME BIT OF SCIENCE THAT SOMEBODY  
19 ELSE IS DOING HERE OR SOMEWHERE ELSE BECAUSE WE  
20 MIGHT BE FUNDING ON TOP OF THE SAME THING.

21 BUT I THINK WE NEED THE REVIEWS TO FOCUS  
22 ON THE BEST SCIENCE, THE BEST AND THE MOST  
23 COMPELLING SCIENCE FOR THE OUTCOME. THIS IS  
24 TRANSLATION. SO YOU'RE LOOKING FOR OPPORTUNITIES.  
25 YOU'RE LOOKING IN SOME OF THESE LOOKING FOR

## BARRISTERS' REPORTING SERVICE

1 OPPORTUNITIES. IN OTHERS YOU'RE LOOKING FOR THAT  
2 EXACT CANDIDATE. AND SO WE'RE LOOKING FOR THE  
3 OPPORTUNITIES AND THE CANDIDATE, AND SO THAT'S WHAT  
4 WE'RE LOOKING FOR IN THESE TRANSLATIONAL STUDIES.

5 I THINK YOU CAN GET MORE DEBATE IN THE  
6 DISEASE TEAMS ABOUT WHETHER YOU SHOULD BE RUNNING  
7 SOME VERY EXPENSIVE PROGRAMS ONE ON TOP OF ANOTHER.  
8 I THINK THAT'S A DIFFERENT KIND OF ISSUE TO BE  
9 HONEST, BUT THIS IS LOOKING FOR THE BEST AVAILABLE  
10 WAY TO GET YOURSELF INTO THE IND ENABLING PROCESS.  
11 AND THAT'S WHAT WE WANT TO FUND, AND THAT UNDER MY  
12 GUIDANCE WILL STAY THAT WAY. I WOULDN'T HAVE PUT IT  
13 IN THAT WAY THAT WE PUT AND I WOULDN'T HAVE USED  
14 THAT EXAMPLE EITHER, BUT, YOU KNOW, I'D GO LOOKING  
15 FOR THE BEST SCIENCE WHEREVER IT IS, WHEREVER IT IS.

16 CHAIRMAN KLEIN: ALL RIGHT.

17 DR. LEVIN: CAN I ASK JUST HOW MANY  
18 PREAPPLICATIONS YOU GOT FOR EARLY TRANSLATIONAL II?

19 DR. ABO: 112.

20 DR. LEVIN: 112. SO THEY'RE EXPECTING A  
21 SIMILAR NUMBER FOR ETA III, WHICH IS WHY YOU THINK  
22 THAT'S TOO MANY TO REVIEW FOR THE FULL APPLICATION.

23 DR. ABO: YEAH.

24 MR. TORRES: THAT ANSWER YOUR QUESTION?

25 DR. LEVIN: I WAS WONDERING IF THERE WERE

## BARRISTERS' REPORTING SERVICE

1 THE POSSIBILITY OF FOREGOING THE PREAPPLICATION  
2 ROUND AND OPENING IT UP SO THAT EVERYBODY WOULD GET  
3 FULL PEER REVIEW ON THEIR APPLICATIONS.

4 MR. TORRES: DR. TROUNSON.

5 DR. TROUNSON: WELL, FOR OVER A HUNDRED  
6 APPLICATIONS, THAT'S A HUGE EFFORT. I MEAN YOU HAVE  
7 TO KIND OF COME TO THE GRANTS REVIEW, FIND OUT HOW  
8 MUCH THAT TAKES. SO WE DON'T REALLY HAVE THE  
9 RESOURCES, NEITHER THE RESOURCES TO GET THAT NUMBER  
10 OF GRANTS WORKING PEOPLE ACROSS THAT AMOUNT OF TIME.

11 SO THERE ARE ALSO SOME APPLICATIONS THAT  
12 ARE PUT TO US THAT THE EXTERNAL REVIEWERS AND IT'S  
13 EVEN OBVIOUS TO ME THEY'RE NOT REALLY UP WITH IT.  
14 THEY'RE NOT -- IT'S NOT AS COMPELLING, THE SCIENCE  
15 IS NOT SO GOOD, AND/OR IT'S NOT ON TARGET. IT'S  
16 MUCH MORE OF A BASIC STUDY. THAT'S QUITE COMMON.  
17 OR IT'S NOT A STEM CELL STUDY. THERE'S A WHOLE RAFT  
18 OF THOSE DIFFERENT THINGS WHICH REALLY ENABLE YOU TO  
19 BRING IT DOWN TO A MANAGEABLE GROUP. BUT THESE ARE  
20 PRETTY -- WE REALLY DO WORK THE GRANTS WORKING GROUP  
21 PRETTY HARD OVER THOSE FEW DAYS TO DO THE NUMBER  
22 THAT WE DO. SO TO GET IT DOWN, THIS IS THE MOST  
23 EFFICIENT WAY OF DOING IT.

24 MR. TORRES: ALL RIGHT. ANY OTHER  
25 QUESTIONS?

**BARRISTERS' REPORTING SERVICE**

1 MR. SHEEHY: I WOULD JUST LIKE TO SUGGEST  
2 I THINK -- IT'S HELPFUL, I THINK, IF YOU REVIEW EACH  
3 CATEGORY SEPARATELY, YOU KNOW, WITH THE SAME REVIEW  
4 TEAM. BUT I THINK, AT LEAST IN THE LAST REVIEW WITH  
5 THE DISEASE DEVELOPMENT, YOU DO A DEVELOPMENT  
6 CANDIDATE, AND THEN YOU START TALKING ABOUT A  
7 DEVELOPMENT CANDIDATE FEASIBILITY, AND THEY SEEM  
8 REALLY THIN. EVEN THOUGH THEY KNOW THAT THEY'RE TWO  
9 DIFFERENT THINGS, BUT YOU MAY ALREADY BE PLANNING  
10 THAT. SAME REVIEW GROUP, BUT TWO SEPARATE DAYS.

11 DR. OLSON: JEFF, THAT'S A VERY GOOD POINT  
12 BECAUSE AS YOU REALLY WELL RECALL FROM THE LAST  
13 TIME, I THINK WE THOUGHT WE'D REVERSE THEM. WE'D DO  
14 THE DCF FIRST, WE'D HAVE A PROGRAMMATIC REVIEW, WE'D  
15 DO THE DC AND WE'D HAVE PROGRAMMATIC, AND THAT WAY  
16 THEY LOOK AT APPLES TO APPLES AND ORANGES TO  
17 ORANGES. VERY GOOD POINT.

18 MR. TORRES: QUESTION OF THE DAY. DO WE  
19 HAVE A QUORUM AT THIS POINT?

20 MR. HARRISON: YES.

21 MR. TORRES: ANY FURTHER QUESTIONS?

22 MS. SAMUELSON: THIS IS JOAN. THIS IS  
23 MORE OF A COMMENT, I GUESS. IT SOUNDS TO ME LIKE  
24 THE LANGUAGE OF THE RFA ISN'T SUFFICIENTLY AGREED  
25 UPON. THERE HAVE BEEN QUESTIONS RAISED AND SEVERAL

**BARRISTERS' REPORTING SERVICE**

1 ICOC MEMBERS HAVE EXPRESSED THE SAME CONCERN. SO IT  
2 SOUNDS TO ME LIKE SOME REDRAFTING IS IN ORDER.

3 MR. TORRES: DR. OLSON HAS A COMMENT.

4 DR. OLSON: THIS IS NOT THE RFA. THIS IS  
5 VERY SIMILAR IN CONTENT TO THE PREVIOUS ROUND OF THE  
6 EARLY TRANSLATIONAL AWARDS. I THINK WE WERE JUST  
7 SUGGESTING, GIVEN THAT WE NOW -- IS THERE -- DO WE  
8 WANT TO TAKE INTO CONSIDERATION A LITTLE BIT THE  
9 FACT THAT WE HAVE 43 PROJECTS IN OUR TRANSLATIONAL  
10 PORTFOLIO. WE'VE HEARD SOME COMMENTS FROM THE  
11 BOARD. WE'LL TAKE THAT INTO CONSIDERATION IN  
12 DRAFTING THE RFA. WE'VE ALSO SUGGESTED THAT IT  
13 MIGHT BE AT THIS RESEARCH STAGE, THIS IS THE  
14 RESEARCH STAGE OF TRANSLATION, LET ME REMIND YOU.  
15 AND SO, AGAIN, THE NOTION, I DON'T THINK ANYBODY  
16 WANTS TO SAY NOT THE BEST SCIENCE, BUT IN  
17 PROGRAMMATIC, IF WE HAVE SOMEBODY WHO'S RIGHT AT THE  
18 BORDERLINE, MAYBE THE FACT THAT THEY'RE A  
19 PHYSICIAN/SCIENTIST MIGHT BE.

20 SO THOSE ARE, I THINK, THE ONLY  
21 DIFFERENCES THAT WE WERE PROPOSING AS WELL AS, AS  
22 ARIE ALREADY INDICATED, PUTTING A MORE CLEAR  
23 DELINEATION ON WHAT A DEVELOPMENT CANDIDATE  
24 FEASIBILITY AWARD IS. I THINK THAT THOSE ARE ALL  
25 THINGS THAT POTENTIALLY COULD BENEFIT THE PROGRAM.

**BARRISTERS' REPORTING SERVICE**

1       THANK YOU.

2                   MS. SAMUELSON: I DIDN'T HEAR THE CONCERNS  
3       OF DR. STEWARD, FOR ONE, RESPONDED TO WAS ACTUAL  
4       LANGUAGE. I MAY BE WRONG.

5                   CHAIRMAN KLEIN: DR. STEWARD, WOULD YOU  
6       LIKE TO COMMENT ON THAT? JOAN WAS QUESTIONING  
7       WHETHER THERE HAD BEEN COMMENTS THAT WERE RESPONSIVE  
8       ENOUGH TO YOUR CONCERNS.

9                   DR. STEWARD: YES. THIS IS OS STEWARD,  
10      JOAN. YEAH. I THINK THAT WHAT I'M SENSING IS THAT  
11      WHAT WE'RE DOING IS PROVIDING A BIT OF FEEDBACK ON  
12      SOME OF THE LANGUAGE AND THAT, IN GENERAL, I THINK  
13      WE'RE AGREEING THAT THIS IS A GOOD CONCEPT. IT'S  
14      NOT THE FORMAL RFA, BUT JUST TO PROVIDE YOU WITH  
15      SOME FEEDBACK ON LITTLE AREAS OF BUFFING THE SIDES  
16      UP A LITTLE BIT. IN MY SENSE, THE IDEA HERE IS NOT  
17      TO BE TOO RESTRICTIVE ON THE FRONT END DEFINING  
18      THINGS SO TIGHTLY THAT YOU MISS THE GOOD SCIENCE.  
19      AS LONG AS WE'RE GOING FORWARD WHERE THE KEY THING  
20      IS GOOD SCIENCE, I'M COMFORTABLE WITH. ACTUALLY I  
21      WILL MAKE A MOTION IN WHATEVER FORM THAT THIS TAKES.

22                  CHAIRMAN KLEIN: SO WOULD YOU LIKE TO MAKE  
23      A MOTION TO MOVE THIS FORWARD?

24                  DR. STEWARD: I WILL MAKE THE MOTION THAT  
25      I GUESS WE APPROVE THIS AS A CONCEPT PROPOSAL AND

**BARRISTERS' REPORTING SERVICE**

1 ENCOURAGE STAFF TO GO FORWARD WITH A FORMAL.

2 MR. TORRES: SECOND.

3 CHAIRMAN KLEIN: THERE'S A SECOND FROM  
4 SENATOR TORRES. I'M GOING TO TAKE A COMMENT FROM  
5 DR. POMEROY.

6 DR. POMEROY: NOT NECESSARY. DR. STEWARD  
7 SCOOPED ME.

8 MS. SAMUELSON: LIKEWISE.

9 CHAIRMAN KLEIN: WE'VE HAD A ROBUST  
10 DISCUSSION. IS THERE PUBLIC COMMENT?

11 DR. ABO: THERE'S A FEW MORE SLIDES THAT  
12 WE HAVE TO GO THROUGH.

13 CHAIRMAN KLEIN: I THINK THAT THE BOARD  
14 HAS BEEN ABLE TO READ THEM. THEY'RE PUBLIC  
15 DOCUMENTS, AND WE KNOW, ARIE, THAT A HUGE AMOUNT OF  
16 EFFORT HAS GONE IN BRINGING IT THIS FAR. WE REALLY  
17 APPRECIATE THAT COMMITTED EFFORT.

18 IS THERE PUBLIC COMMENT? SEEING NO PUBLIC  
19 COMMENT, I'D LIKE TO HAVE A VOICE VOTE OF THOSE  
20 PRESENT, AND THEN WE'LL TAKE A ROLL CALL VOTE OF  
21 INDIVIDUAL -- JOAN ON THE PHONE.

22 ALL THOSE IN FAVOR.

23 (CHORUS OF AYES.)

24 CHAIRMAN KLEIN: OPPOSED? AND JOAN?

25 MS. SAMUELSON: AYE.



**BARRISTERS' REPORTING SERVICE**

1 MS. KING: AND DR. HAWGOOD.

2 DR. HAWGOOD: AYE.

3 CHAIRMAN KLEIN: DR. HAWGOOD, THANK YOU.

4 I WASN'T AWARE YOU WERE ON THE PHONE. THANK YOU  
5 VERY MUCH FOR BEING PART OF THIS MEETING. ALL  
6 RIGHT. THANK YOU VERY MUCH. TREMENDOUS EFFORT TO  
7 BRING IT TO THIS POINT.

8 SO I'D LIKE TO SEE IF -- COULD I HAVE SOME  
9 ADVICE ON THE DINNER SCHEDULE BECAUSE THE QUESTION  
10 IS SHOULD WE BREAK NOW AND THEN COME BACK AND  
11 IMMEDIATELY GO INTO THE BASIC BIOLOGY AWARDS?

12 MS. KING: THE ANSWER TO THAT IS YES  
13 BECAUSE DINNER IS JUST NOW READY. THE FINAL DISH  
14 WAS PUT OUT. IT'S FRESH. IT'S HOT.

15 MR. TORRES: HOW ABOUT A QUORUM? WILL  
16 THAT BE FRESH AND HOT?

17 CHAIRMAN KLEIN: OKAY. I'M GOING TO  
18 CONTROL THIS DISCUSSION. SO MELISSA FEELS WE'VE GOT  
19 GOOD CONTROL. WHAT I'D LIKE TO DO, IF I COULD, SO  
20 THAT WE CAN COMBINE THE DINNER WITH THE EXECUTIVE  
21 SESSION IS TO SEE IF WE COULD HAVE THE PRESENTATION  
22 OF THE BASIC BIOLOGY AWARDS SO WE CAN PUT THAT INTO  
23 THE PUBLIC DOMAIN. WOULD THAT MAKE SENSE, JAMES?

24 MR. HARRISON: SURE. THAT'S FINE.

25 CHAIRMAN KLEIN: QUESTION FOR YOU. WHO IS

## BARRISTERS' REPORTING SERVICE

1 GOING TO DO THE PRESENTATION? LET ME ASK BASICALLY  
2 YOUR TIME PARAMETERS TO DO THAT DISCUSSION. FIVE OR  
3 TEN MINUTES. WHY DON'T YOU GIVE US THE BASIC SCOPE  
4 OF THE ISSUES AND CRITERIA WE'RE GOING TO BE LOOKING  
5 AT SO WE HAVE THAT IN THE PUBLIC DOMAIN.

6 MS. KING: JUST FOR THE BOARD, MANY OF YOU  
7 KNOW HER ALREADY. THIS IS DR. KELLY SHEPARD,  
8 SCIENCE OFFICER.

9 DR. SHEPARD: GOOD EVENING, CHAIR, BOARD  
10 MEMBERS, AND PUBLIC. I'VE COME TO PRESENT FOR YOUR  
11 CONSIDERATIONS THE RECOMMENDATIONS FROM THE GRANTS  
12 WORKING GROUP ON THE BASIC BIOLOGY AWARD  
13 APPLICATIONS. THIS IS AGENDA ITEM NO. 7.

14 SO THIS IS RFA 10-04, WHICH IS OUR THIRD  
15 INSTALLMENT OF THE BASIC BIOLOGY AWARDS, ONE OF THE  
16 RECURRING RFA SERIES WE HAVE HERE AT CIRM, THE GOALS  
17 OF WHICH ARE TO SUPPORT STUDIES TACKLING  
18 SIGNIFICANT, UNRESOLVED ISSUES PERTINENT TO THE  
19 CONTROL OF STEM CELL FATE AND TO FOSTER CUTTING-EDGE  
20 RESEARCH TO UNDERSTAND MECHANISMS OF PLURIPOTENCY,  
21 DIFFERENTIATION, CELLULAR REPROGRAMMING, AND DISEASE  
22 MECHANISMS. THESE STUDIES ARE FOCUSED PRIMARILY ON  
23 HUMAN CELLS, BUT WE MAKE AN EXCEPTION FOR  
24 GROUNDBREAKING STUDIES WITH NECESSARY USE OF A MODEL  
25 SYSTEM.

## BARRISTERS' REPORTING SERVICE

1 THE SCOPE OF THESE AWARDS, THESE PROJECTS  
2 WOULD BE FUNDED FOR UP TO THREE YEARS WITH DIRECT  
3 PROJECT COSTS OF UP TO \$300,000 PER YEAR. THE  
4 OVERALL PROGRAM COULD SUPPORT UP TO 30 GRANTS  
5 TOTALING UP TO \$45 MILLION.

6 THESE AWARDS CONSIST OF A TWO-STEP REVIEW  
7 PROCESS. THE FIRST STEP IS THE PRELIMINARY  
8 APPLICATION REVIEW, OR PREAP. THERE WERE NO  
9 INSTITUTIONAL LIMITS IMPOSED ON THE NUMBER OF  
10 PREAPPLICATIONS THAT COULD BE SUBMITTED BY AN  
11 ELIGIBLE INSTITUTION.

12 THE PRELIMINARY APPLICATIONS ARE REVIEWED  
13 BY EXPERTS FROM OUTSIDE OF CALIFORNIA AS WELL AS  
14 CIRM SCIENTIFIC STAFF. AFTER THIS PROCESS, THE NEXT  
15 STEP IS THE REVIEW OF THE FULL APPLICATIONS THAT  
16 WERE INVITED AS A RESULT OF THE FIRST STEP. THESE  
17 ARE REVIEWED BY THE GRANTS WORKING GROUP. THEY WERE  
18 REVIEWED ON MARCH 17TH AND 18TH OF THIS YEAR, JUST A  
19 LITTLE OVER A MONTH AGO, AND THAT'S WHAT YOU'RE  
20 GOING TO BE CONSIDERING TODAY.

21 JUST WANT TO GIVE YOU SOME NUMBERS TO BACK  
22 UP WHAT I JUST TOLD YOU. WE RECEIVED 273  
23 PRELIMINARY APPLICATIONS. AFTER THE FIRST STEP OF  
24 THE REVIEW, 63 FULL APPLICATIONS WERE THEN REVIEWED  
25 BY THE FULL GRANTS WORKING GROUP.

## BARRISTERS' REPORTING SERVICE

1 THE CRITERIA THAT WERE USED BY THE GRANTS  
2 REVIEW GROUP TO REVIEW THESE AWARDS ARE THE  
3 FOLLOWING. THEY LOOKED AT THE SIGNIFICANCE AND  
4 INNOVATION OF THE PROPOSED RESEARCH. THEY LOOKED AT  
5 THE FEASIBILITY OF THE RESEARCH PLAN AND  
6 EXPERIMENTAL DESIGN. THEY LOOKED AT THE  
7 QUALIFICATIONS OF THE PRINCIPAL INVESTIGATOR AND  
8 RESEARCH TEAM TO EXECUTE THE PROPOSED STUDIES. AND  
9 THEY LOOKED AT THE RESPONSIVENESS TO THE RFA; THAT  
10 IS, HOW WELL DOES THE PROPOSED RESEARCH ADDRESS THE  
11 OBJECTIVES THAT WERE SET FORTH IN THE BASIC BIOLOGY  
12 III RFA.

13 SO THE NEXT SLIDE IS SHOWING THE SCORE  
14 DISTRIBUTION FROM THE WORKING GROUP REVIEW. THE X  
15 AXIS SHOWS THE SCORES OF THE REVIEWED APPLICATIONS.  
16 THE Y AXIS SHOWS THE NUMBER OF GRANTS THAT RECEIVED  
17 ANY GIVEN SCORE. SO FOLLOWING THE SCIENTIFIC  
18 REVIEW, BUT BEFORE THE PROGRAMMATIC REVIEW, THESE  
19 LINES WERE DRAWN TO CATEGORIZE THE APPLICATIONS INTO  
20 THREE TIERS.

21 SO A MOTION CARRIED TO PUT THE GREEN LINE  
22 AT 66, MEANING THAT APPLICATIONS WITH 66 OR HIGHER  
23 WERE RECOMMENDED FOR FUNDING. THEY WERE CONSIDERED  
24 MERITORIOUS. AND THIS IS TIER I. THE RED LINE WAS  
25 SET AT 57. GRANTS SCORING BELOW THE RED LINE WERE

## BARRISTERS' REPORTING SERVICE

1 PLACED INTO TIER III AND WERE NOT GENERALLY FELT TO  
2 BE SUFFICIENTLY MERITORIOUS TO RECOMMEND FOR  
3 FUNDING. AND THIS IS THE BASIS WHERE PROGRAMMATIC  
4 REVIEW BEGAN WHERE THE GRANTS WORKING GROUP, BOTH  
5 SCIENTISTS AND PATIENT ADVOCATE MEMBERS, HAD  
6 OPPORTUNITIES TO DISCUSS APPLICATIONS FOR  
7 PROGRAMMATIC CONSIDERATIONS AND TO PLACE  
8 APPLICATIONS FROM ONE TIER TO ANOTHER IF THAT'S WHAT  
9 THEY WISHED TO DO.

10 FINAL SLIDE. THIS IS THE SUMMARY OF BOTH  
11 THE SCIENTIFIC AND PROGRAMMATIC REVIEW. WE'RE  
12 BRINGING FOR YOUR CONSIDERATION 27 APPLICATIONS IN  
13 TIER I WHICH ARE RECOMMENDED FOR FUNDING, TOTALLY  
14 \$37.8 MILLION. AND I'LL JUST REMIND YOU THAT THE  
15 AMOUNT APPROVED AT CONCEPT WAS UP TO \$45 MILLION.  
16 THE REMAINDER WERE PLACED IN TIER III, NOT  
17 RECOMMENDED FOR FUNDING, AND THERE WERE 36 OF THOSE  
18 IN TOTAL.

19 I'LL BE HAPPY TO TAKE ANY QUESTIONS, OR WE  
20 CAN TAKE THEM AFTER DINNER IF EVERYBODY PREFERS.  
21 AND IF ANYBODY ELSE WANTS TO HAVE ANY COMMENTS AT  
22 THIS TIME, I'D BE HAPPY.

23 CHAIRMAN KLEIN: DR. SHEPARD, THANK YOU.  
24 WE'RE GOING TO FIND OUT IF JAMES BELIEVES WE SHOULD  
25 HAVE ANY ADDITIONAL INFORMATION INTRODUCED AT THIS

## BARRISTERS' REPORTING SERVICE

1 TIME. I THINK WE HAVE THREE -- ARE THERE THREE  
2 EXTRAORDINARY PETITIONS? IS THAT A CORRECT  
3 STATEMENT? TWO EXTRAORDINARY PETITIONS. ALL RIGHT.  
4 WHICH HAVE BEEN IDENTIFIED. JAMES, ANY ADDITIONAL  
5 FOUNDATIONAL INFORMATION AT THIS TIME?

6 MR. HARRISON: THE ONLY SUGGESTION I WOULD  
7 MAKE, CHAIR, IS IF THERE ARE PARTICULAR APPLICATIONS  
8 THAT MEMBERS HAVE QUESTIONS ABOUT RELATING TO  
9 NONPROPRIETARY INFORMATION. THIS WOULD BE AN  
10 APPROPRIATE TIME TO ASK THOSE QUESTIONS.

11 CHAIRMAN KLEIN: OKAY. ARE THERE ANY  
12 MEMBERS WHO WOULD LIKE TO AT LEAST INITIALLY RAISE,  
13 PRIOR TO LOOKING AT PROPRIETARY INFORMATION, ANY  
14 APPLICATION? YOU HAVE THE ABILITY TO RAISE THE  
15 QUESTIONS AS WELL AFTER REVIEWING PROPRIETARY  
16 INFORMATION. I DON'T SEE ANYONE SO MOTIVATED.

17 COULD WE PROVIDE THE STATUTORY BASIS FOR  
18 THE EXECUTIVE SESSION WHICH WE'LL CONDUCT? AND,  
19 DR. SHEPARD, THANK YOU FOR ALL OF YOUR WORK ON THIS  
20 RFA.

21 MR. HARRISON: THE BOARD WILL BE CONVENING  
22 IN CLOSED SESSION TO DISCUSS CONFIDENTIAL  
23 INTELLECTUAL PROPERTY OR WORK PRODUCT,  
24 PREPUBLICATION DATA, FINANCIAL INFORMATION, AND  
25 CONFIDENTIAL SCIENTIFIC RESEARCHER DATA RELATING TO

## BARRISTERS' REPORTING SERVICE

1 APPLICATIONS FOR CIRM BASIC BIOLOGY AWARDS III  
2 PURSUANT TO HEALTH AND SAFETY CODE SECTION  
3 125290.30(F)(3)(B).

4 CHAIRMAN KLEIN: THANK YOU. I DON'T THINK  
5 THIS IS GOING TO BE A PARTICULARLY LONG SESSION.  
6 UNLESS THE BOARD WOULD LIKE TO EXPRESS SOMETHING  
7 DIFFERENTLY, I WOULD SAY THAT WE WOULD HOPE TO BE  
8 BACK IN SESSION SOMEWHERE BETWEEN 45 AND 50 MINUTES.  
9 WOULD THE BOARD TAKE EXCEPTION WITH THAT?

10 MR. TORRES: THAT'S 8 O'CLOCK.

11 CHAIRMAN KLEIN: SENATOR TORRES INDICATES  
12 THAT IT'S 8 O'CLOCK AS THE TENTATIVE GOAL. BUT  
13 WE'LL MOVE IMMEDIATELY TO THE NEXT ROOM AS THE BOARD  
14 EXECUTIVE SESSION WILL BEGIN AT THAT TIME.

15 MS. KING: DR. HAWGOOD AND JOAN SAMUELSON,  
16 WE WILL CALL YOU WHEN WE ARE GOING BACK INTO THE  
17 OPEN SESSION.

18 (THE BOARD THEN MET IN CLOSED  
19 SESSION, NOT REPORTED NOR HEREIN TRANSCRIBED.)

20 CHAIRMAN KLEIN: WE'RE RECONVENING. IF  
21 THE STAFF WOULD PLEASE RECOVER THE BOARD MEMBERS  
22 SCATTERED AMONG THE GARDEN. LYNN, COULD YOU HELP  
23 THE OTHER STAFF FIND THE REMAINING BOARD MEMBERS,  
24 PLEASE? ALL RIGHT. MELISSA KING, STATUS ON THE  
25 QUORUM.

## BARRISTERS' REPORTING SERVICE

1 MS. KING: WAITING FOR DR. HAWGOOD AND  
2 JOAN TO JOIN US ON THE PHONE.

3 CHAIRMAN KLEIN: OKAY. THANK YOU. WHILE  
4 WE ARE WAITING, IS THERE ANYONE IN THE AUDIENCE THAT  
5 INTENDS TO MAKE A PRESENTATION RELATED TO THE BASIC  
6 SCIENCE GRANTS? NO. ALL RIGHT. MELISSA, WE'RE  
7 WAITING FOR JOAN.

8 MS. KING: WE ARE WAITING FOR JOAN. I  
9 WOULD SUGGEST YOU GET STARTED. SHE'S CALLING IN  
10 RIGHT NOW.

11 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU.  
12 SO WE HAVE A QUORUM?

13 MS. KING: YES, WE DO.

14 CHAIRMAN KLEIN: THANK YOU. AND IN TERMS  
15 OF THE BASIC SCIENCE ROUND, JEFF, WOULD YOU LIKE TO  
16 MAKE ANY GENERAL STATEMENT?

17 MR. SHEEHY: I DON'T THINK SO. IT WAS A  
18 GOOD ROUND. I THINK WE HAD A ROBUST PROGRAMMATIC  
19 REVIEW. SO WE HAD A GOOD PROGRAMMATIC REVIEW, I  
20 FELT. WE MOVED UP, I THINK, THREE APPLICATIONS.  
21 BUT IT WAS A GOOD ROUND, DILIGENTLY REVIEWED. STAFF  
22 DID A GREAT JOB, AND WE'RE NOT QUITE TO THE PAYLINE,  
23 BUT WE'RE CLOSE.

24 CHAIRMAN KLEIN: ALL RIGHT. IS THERE ANY  
25 BOARD DISCUSSION? IS THERE ANY GRANT THAT THE BOARD



## BARRISTERS' REPORTING SERVICE

1 MEMBERS WOULD LIKE TO BRING UP FOR DISCUSSION?  
2 SEEING NONE, I'D LIKE TO ASK AS PART OF THE FORMAL  
3 MEETING, IS THERE ANYONE FROM THE AUDIENCE THAT  
4 WOULD LIKE TO MAKE A COMMENT ON ANY GRANT? IS THERE  
5 A BOARD MEMBER WHO WOULD LIKE TO MAKE A MOTION?

6 MR. SHEEHY: DOESN'T IT NEED TO BE SOMEONE  
7 WITHOUT CONFLICTS?

8 CHAIRMAN KLEIN: IT WOULD NEED TO BE  
9 SOMEONE WITHOUT CONFLICTS, YES.

10 MR. ROTH: LET'S START WITH THE DOWN --

11 MR. SHESTACK: I'LL MAKE THE MOTION. I  
12 DON'T HAVE ANY CONFLICTS.

13 MR. ROTH: I'LL MAKE A MOTION THAT WE  
14 APPROVE ALL THE GRANTS AS RECOMMENDED.

15 MR. SHESTACK: I'LL SECOND.

16 CHAIRMAN KLEIN: OKAY. THANK YOU. ANY  
17 COMMENTS ON THE RECOMMENDATION? ANY DISCUSSION?  
18 HEARING NONE, MR. HARRISON, ANY REASON WE CAN'T MOVE  
19 THE MOTION, BUT I WOULD LIKE YOU, PARTICULARLY  
20 BECAUSE WE HAVE SOME NEW BOARD MEMBERS HERE, TO  
21 REMIND EVERYONE IN VOTING HOW THEY EXPRESS THEIR  
22 VOTE AS TO THOSE WITH WHICH THEY MAY BE IN CONFLICT.

23 MR. HARRISON: YOU SHOULD ALL HAVE A SHEET  
24 IN FRONT OF YOU THAT IDENTIFIES YOUR CONFLICTS BY  
25 APPLICATION NUMBER. FOR ANY APPLICATIONS FOR WHICH

## BARRISTERS' REPORTING SERVICE

1 YOU HAVE CONFLICT IN THE BASIC BIOLOGY III ROUND, IF  
2 YOU HAVE SUCH CONFLICTS, YOU SHOULD EXPRESS YOUR  
3 VOTE ON THE MOTION YES OR NO EXCEPT AS TO THOSE  
4 APPLICATIONS FOR WHICH YOU HAVE A CONFLICT.

5 CHAIRMAN KLEIN: AND THE STATEMENT IS THAT  
6 SIMPLE BECAUSE THERE IS A LOG KEPT ON THOSE IN  
7 CONFLICT, SO YOU DON'T ACTUALLY NEED TO LIST THEM.  
8 THEY'RE AWARE OF THE CONFLICTS AS LONG AS YOU AGREED  
9 WITH THE ITEMS WHICH ARE LISTED IN CONFLICT.

10 SO AT THIS POINT I'D LIKE TO CALL THE  
11 QUESTION WITH A ROLL CALL, PLEASE.

12 MS. KING: ROBERT PRICE.

13 DR. PRICE: YES, EXCEPT FOR THOSE WITH  
14 WHICH I HAVE A CONFLICT.

15 MS. KING: JACOB LEVIN.

16 DR. LEVIN: YES, EXCEPT FOR THOSE WITH  
17 WHICH I HAVE A CONFLICT.

18 MS. KING: MARCY FEIT.

19 MS. FEIT: YES, EXCEPT FOR THOSE WITH  
20 WHICH I HAVE A CONFLICT.

21 MS. KING: LEEZA GIBBONS.

22 MS. GIBBONS: YES.

23 MS. KING: MICHAEL GOLDBERG.

24 MR. GOLDBERG: YES, EXCEPT FOR THOSE WITH  
25 WHICH I HAVE A CONFLICT.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: SAM HAWGOOD.

2 DR. HAWGOOD: YES, EXCEPT FOR THOSE WITH  
3 WHICH I HAVE A CONFLICT.

4 MS. KING: BOB KLEIN.

5 CHAIRMAN KLEIN: YES.

6 MS. KING: BERTRAM LUBIN.

7 DR. LUBIN: YES.

8 MS. KING: SHLOMO MELMED.

9 DR. MELMED: YES, EXCEPT FOR THOSE WITH  
10 WHICH I HAVE A CONFLICT.

11 MS. KING: CLAIRE POMEROY.

12 DR. POMEROY: YES, EXCEPT FOR THOSE WITH  
13 WHICH I HAVE A CONFLICT.

14 MS. KING: FRANCISCO PRIETO.

15 DR. PRIETO: YES, EXCEPT FOR THOSE WITH  
16 WHICH I HAVE A CONFLICT.

17 MS. KING: ROBERT QUINT.

18 DR. QUINT: YES.

19 MS. KING: DUANE ROTH.

20 MR. ROTH: YES.

21 MS. KING: JOAN SAMUELSON.

22 MS. SAMUELSON: YES.

23 MS. KING: JEFF SHEEHY.

24 MR. SHEEHY: YES, EXCEPT FOR THOSE WITH  
25 WHICH I HAVE A CONFLICT.

**BARRISTERS' REPORTING SERVICE**

1 MS. KING: JON SHESTACK.

2 MR. SHESTACK: YES.

3 MS. KING: OSWALD STEWARD.

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

6 MS. KING: ART TORRES.

7 MR. TORRES: AYE. I NEVER HAVE A  
8 CONFLICT.

9 MS. KING: JEANNIE FONTANA.

10 DR. FONTANA: YES, EXCEPT FOR THOSE WITH  
11 WHICH I HAVE A CONFLICT.

12 MS. KING: JAMES ECONOMOU.

13 DR. ECONOMOU: YES, EXCEPT FOR THOSE WITH  
14 WHICH I HAVE A CONFLICT.

15 MS. KING: THANK YOU. FOR THE RECORD THE  
16 MOTION CARRIES.

17 CHAIRMAN KLEIN: THANK YOU. AND I THINK  
18 WE SHOULD GIVE A GREAT HAND OF APPLAUSE HERE TO THE  
19 STAFF THAT PUT TREMENDOUS AMOUNT OF WORK INTO MAKING  
20 THIS.

21 (APPLAUSE.)

22 CHAIRMAN KLEIN: I'D LIKE TO MOVE FORWARD  
23 TO ITEM 10, THE BUDGET, UNLESS, MR. HARRISON, YOU'D  
24 LIKE TO SEQUENTIALLY ADVANCE ANOTHER ITEM.

25 MR. HARRISON: I JUST WONDERED, CHAIR,

**BARRISTERS' REPORTING SERVICE**

1 WHETHER YOU WANTED TO ASK FOR A MOTION --

2 CHAIRMAN KLEIN: FOR THOSE THAT WERE NOT  
3 APPROVED. YES. I'M SORRY. IF SOMEONE WOULD LIKE  
4 TO MAKE A MOTION FOR THOSE THAT HAVE NOT BEEN  
5 RECOMMENDED, THAT WE ARE NOT APPROVING THOSE THAT  
6 HAVE NOT BEEN RECOMMENDED.

7 MR. TORRES: SO MOVED NOT TO APPROVE.

8 MS. GIBBONS: SECOND.

9 CHAIRMAN KLEIN: MOVED AND SECONDED.  
10 MOVED BY SENATOR TORRES, SECOND BY LEEZA GIBBONS.  
11 ANY DISCUSSION? ANY PUBLIC DISCUSSION?

12 MR. TORRES: MS. GIBBONS AND I ASK FOR THE  
13 QUESTION.

14 CHAIRMAN KLEIN: I CALL THE QUESTION.  
15 COULD WE HAVE A ROLL CALL, PLEASE.

16 MS. KING: ROBERT PRICE.

17 DR. PRICE: YES, EXCEPT FOR THOSE WITH  
18 WHICH I HAVE A CONFLICT.

19 MS. KING: JACOB LEVIN.

20 DR. LEVIN: YES, EXCEPT FOR THOSE WITH  
21 WHICH I HAVE A CONFLICT.

22 MS. KING: MARCY FEIT.

23 MS. FEIT: YES, EXCEPT FOR THOSE WITH  
24 WHICH I HAVE A CONFLICT.

25 MS. KING: LEEZA GIBBONS.

## BARRISTERS' REPORTING SERVICE

1 MS. GIBBONS: YES.  
2 MS. KING: MICHAEL GOLDBERG.  
3 MR. GOLDBERG: YES, EXCEPT FOR THOSE WITH  
4 WHICH I HAVE A CONFLICT.  
5 MS. KING: SAM HAWGOOD.  
6 DR. HAWGOOD: YES, EXCEPT FOR THOSE WITH  
7 WHICH I HAVE A CONFLICT.  
8 MS. KING: BOB KLEIN.  
9 CHAIRMAN KLEIN: YES.  
10 MS. KING: BERTRAM LUBIN.  
11 DR. LUBIN: YES.  
12 MS. KING: SHLOMO MELMED.  
13 DR. MELMED: YES, EXCEPT FOR THOSE WITH  
14 WHICH I HAVE A CONFLICT.  
15 MS. KING: CLAIRE POMEROY.  
16 DR. POMEROY: YES, EXCEPT FOR THOSE WITH  
17 WHICH I HAVE A CONFLICT.  
18 MS. KING: FRANCISCO PRIETO.  
19 DR. PRIETO: YES, EXCEPT FOR THOSE WITH  
20 WHICH I HAVE A CONFLICT.  
21 MS. KING: ROBERT QUINT.  
22 DR. QUINT: YES.  
23 MS. KING: DUANE ROTH.  
24 MR. ROTH: YES.  
25 MS. KING: JOAN SAMUELSON.

**BARRISTERS' REPORTING SERVICE**

1 MS. SAMUELSON: YES.

2 MS. KING: JEFF SHEEHY.

3 MR. SHEEHY: YES, EXCEPT FOR THOSE WITH  
4 WHICH I HAVE A CONFLICT.

5 MS. KING: JON SHESTACK.

6 MR. SHESTACK: YES.

7 MS. KING: OSWALD STEWARD.

8 DR. STEWARD: YES, EXCEPT FOR THOSE WITH  
9 WHICH I HAVE A CONFLICT.

10 MS. KING: ART TORRES.

11 MR. TORRES: AYE.

12 MS. KING: JEANNIE FONTANA.

13 DR. FONTANA: YES, EXCEPT FOR THOSE WITH  
14 WHICH I HAVE A CONFLICT.

15 MS. KING: JAMES ECONOMOU.

16 DR. ECONOMOU: YES, EXCEPT FOR THOSE WITH  
17 WHICH I HAVE A CONFLICT.

18 MS. KING: THAT MOTION CARRIES AS WELL.

19 CHAIRMAN KLEIN: THANK YOU. IS THERE ANY  
20 REASON THAT AT THIS POINT, MR. HARRISON, THAT WE  
21 CAN'T MOVE ON TO ITEM NO. 10? WE'RE BEING SENSITIVE  
22 TO WHO'S AVAILABLE AT EACH TIME SLOT IN THIS TWO  
23 DAYS TO MAKE SURE WE HAVE THE PEOPLE WHO WANT TO  
24 SPEAK TO EACH ITEM.

25 MR. HARRISON: YES. I THINK IT WOULD BE

## BARRISTERS' REPORTING SERVICE

1 APPROPRIATE TO MOVE ON TO ITEM 10.

2 CHAIRMAN KLEIN: MR. GOLDBERG.

3 MR. GOLDBERG: JOHN, ARE YOU PREPARED TO  
4 MAKE A PRESENTATION? BRIEF PREAMBLE, MARCY FEIT AND  
5 MYSELF WORKED CLOSELY WITH THE CIRM PROFESSIONAL  
6 STAFF BEGINNING IN THE FALL OF LAST YEAR TO PUT  
7 TOGETHER A CALENDAR THAT WOULD ALLOW MULTIPLE SERIAL  
8 REVIEWS OF BUDGET ASSUMPTIONS, DRAFT BUDGETS, AND SO  
9 FORTH SO THAT WE COULD DELIVER A TIMELY BUDGET THAT  
10 WAS READY FOR APPROVAL IN ADVANCE OF THE FISCAL  
11 YEAR. AND I THINK WE'VE DONE THAT HERE.

12 THE STAFF HAS BEEN EXTREMELY RESPONSIVE.  
13 I THINK THEY'VE NOW GOT A CALENDAR AND A PROCESS  
14 THAT CAN AND SHOULD BE REPLICATED GOING FORWARD.  
15 AND WE'RE MOST APPRECIATIVE OF ALL THE WORK THAT'S  
16 GONE INTO THAT BUDGET.

17 I SHOULD ALSO SAY THAT THE FINANCE  
18 SUBCOMMITTEE REVIEWED THE BUDGET EXTENSIVELY IN ITS  
19 MEETING OF APPROXIMATELY TWO WEEKS AGO AND REACHED  
20 CONSENSUS WITH A DISSENT ON ONE SPECIFIC ITEM, WHICH  
21 MAY OR MAY NOT COME UP LATER IN THIS EVENING'S  
22 DISCUSSION, TO APPROVE THE BUDGET. PRINCIPALLY THE  
23 OBSERVATION WAS THAT THE STAFF HAD WORKED QUITE  
24 THOROUGHLY WITH EVERYONE AT THE CIRM TO SCRUB THE  
25 BUDGET TO GET IT AS TIGHT AS POSSIBLE. AND EXCEPT



## BARRISTERS' REPORTING SERVICE

1 FOR SOME ADJUSTMENTS THAT HAVE NOTHING TO DO WITH  
2 THE CIRM FUNDAMENTAL ACTIVITY ITSELF, BUT SOME  
3 SPECIAL ONE-TIME AND STATE LEGISLATIVE-RELATED COSTS  
4 AND AUDIT-RELATED COSTS, THE BUDGET IS ESSENTIALLY  
5 FLAT. THE YEAR-OVER-YEAR BUDGET THAT WE EXPECT THE  
6 AGENCY TO HAVE IS APPROXIMATELY 2 PERCENT ABOVE OR A  
7 BIT LESS THAN WHERE WE ANTICIPATED THE BUDGET TO  
8 FINISH OUT THIS YEAR.

9 SO FROM THE STANDPOINT OF FISCAL  
10 SATISFACTION, I THINK I'M SATISFIED. I'LL LET MARCY  
11 SPEAK TO ANYTHING SHE WOULD CARE TO SPEAK TO OR THE  
12 OTHER MEMBERS OF THE SUBCOMMITTEE AFTER JOHN'S  
13 PRESENTATION. BUT FUNDAMENTALLY I'M PREPARED TO  
14 ENDORSE THE BUDGET AS YOU WILL SEE IT PRESENTED.

15 CHAIRMAN KLEIN: SO DID WE WANT MARCY TO  
16 SEE IF YOU WANT TO MAKE YOUR COMMENTS AT THIS POINT?

17 MS. FEIT: SURE. I DON'T HAVE MUCH TO  
18 ADD. I THINK ONCE YOU HEAR THE PRESENTATION, YOU  
19 WILL UNDERSTAND THE CONSIDERATIONS. I JUST WANT TO  
20 MAKE THE POINT THAT WE ARE VERY SENSITIVE TO THE  
21 FISCAL PRESSURES IN THE STATE OF CALIFORNIA, BUT WE  
22 FEEL STRONGLY THAT THE WORK OF CIRM AND THE SCIENCE  
23 THAT NEEDS TO MOVE FORWARD AND THE POSITION THAT THE  
24 SCIENCE IS IN THAT WE FUNDED NEEDS TO CONTINUE. AND  
25 SO I THINK THE CHANGES THAT YOU WILL HEAR ABOUT IN

## BARRISTERS' REPORTING SERVICE

1 THE BUDGET ARE SOME THAT WE GAVE GREAT CONSIDERATION  
2 TO AND ARE NECESSARY. THANK YOU.

3 CHAIRMAN KLEIN: JUST TO CREATE A  
4 FRAMEWORK TOO, WHICH DR. ROBSON IS GOING TO GIVE US  
5 SOME DETAILED DRILL-DOWN, FROM THE BIG-PICTURE  
6 VIEWPOINT, THE 3.3 PERCENT OF THE CHANGE FROM YEAR  
7 TO YEAR, SUCH AS THE INSTITUTE OF MEDICINE STUDY,  
8 WERE PAID FOR BY DONOR FUNDS. 3.7 REPRESENTS STATE  
9 MANDATED COSTS, VESTING OF RETIREMENT BENEFITS OR  
10 HEALTH BENEFIT COSTS ALONG WITH THE LEGISLATIVE  
11 MANDATED AUDIT. AND 7.5 PERCENT OF THE REMAINING  
12 8.5 PERCENT REPRESENTS SIX STAFF POSITIONS  
13 SPECIFICALLY AUTHORIZED AND APPROVED THROUGH THE  
14 LEGISLATURE LAST YEAR THROUGH THE ALQUIST BILL WITH  
15 FOUR OF THOSE BEING DIRECTLY SCIENCE AND SCIENCE  
16 SUPPORT SERVICES. ANOTHER ONE BEING IN THE I.T.  
17 AREA, WHICH DIRECTLY, OF COURSE, SUPPORTS THE GRANT  
18 ADMINISTRATION PROCESS.

19 DR. ROBSON, IF YOU WILL FILL OUT THAT WITH  
20 GIVING US THE DETAILED VIEW THAT YOU'VE EXAMINED IN  
21 THE MEMO THAT YOU PRESENTED TO US.

22 DR. ROBSON: THANK YOU. SO I'M PRESENTING  
23 THIS AS THE FISCAL YEAR BUDGET FOR 2011-12 THAT I'M  
24 HOPING THAT YOU WILL APPROVE. AS MICHAEL ALLUDED,  
25 THIS WAS NOT AN EASY PROCESS FOR US. WE HAD SOME

## BARRISTERS' REPORTING SERVICE

1 REAL CONFLICTING PRESSURES ON US. THE WORKLOAD HAS  
2 BEEN GROWING. WE REALLY HAD A NEED FOR MORE STAFF.  
3 WE HAVE NEW INITIATIVES THAT ARE STARTING WITH  
4 CLINICAL PROGRAMS COMING ONLINE. WE ALSO HAD  
5 VALIDATION THAT WE SHOULD BE GROWING FROM THE  
6 EXTERNAL REVIEW. WE GOT DIRECT COMMENTS THAT OUR  
7 STAFF WAS REALLY TOO SMALL TO MEET OUR MISSION. WE  
8 SHOULD BE HIRING MORE PEOPLE. AND EVEN THE  
9 LEGISLATURE RECOGNIZED IT WHEN THEY PASSED THE  
10 ALQUIST BILL THAT LIFTED OUR 50-EMPLOYEE CAP, THAT  
11 THEY SAW THAT WE WERE LIKELY TO NEED MORE EMPLOYEES.

12 ON THE OTHER HAND, WE HAD PRESSURE FROM  
13 THE GOVERNOR'S OFFICE, BECAUSE OF THE FINANCIAL  
14 SITUATION IN THE STATE THAT WAS BEING SENT TO ALL  
15 AGENCIES TO HOLD THEIR BUDGETS DOWN, TO REDUCE --  
16 LIMIT HIRING TO ONLY THE MOST ESSENTIAL POSITIONS.  
17 SO WE HAD TO STRUGGLE BETWEEN THOSE TWO PRESSURES ON  
18 US, AND WE ENDED UP TRIMMING OUR ORIGINAL BUDGET  
19 QUITE A BIT.

20 SO I'LL RUN THROUGH THIS QUICKLY. ONE OF  
21 THE THINGS THAT OFTEN COMES UP, I THOUGHT I'D DO A  
22 LITTLE -- SHOW YOU A LITTLE HISTORY OF OUR BUDGETS  
23 BECAUSE WE'RE OFTEN ASKED HOW DOES THE APPROVED  
24 BUDGET COMPARE WITH YOUR ACTUAL EXPENDITURES. SO  
25 I'LL SHOW YOU A LITTLE BIT OF HISTORY ON THAT AND

## BARRISTERS' REPORTING SERVICE

1 SORT OF WHERE WE ARE THIS YEAR.

2 SO THIS JUST -- THAT DIDN'T WORK. SO  
3 THESE JUST SHOW OUR BUDGETS FROM 2006 UNTIL THIS  
4 YEAR. AND THE BLUE LINES SHOW THE APPROVED BUDGET  
5 EVERY YEAR. THE PURPLE OR MAROON LINE SHOWS WHAT  
6 OUR ACTUAL EXPENDITURES WERE, AND THE NUMBERS ABOVE  
7 ARE THE PERCENTAGE DIFFERENCE. SO YOU CAN SEE FROM  
8 2006 TO 2009, OUR ACTUAL EXPENDITURES WERE QUITE A  
9 BIT UNDER WHAT THE APPROVED BUDGETS WERE. BUT IN  
10 THE LAST TWO YEARS, WE'VE DONE MUCH BETTER. WE'RE  
11 NOT GROWING QUITE AS FAST. WE'RE GETTING A BETTER  
12 HANDLE ON WHAT OUR NEEDS ARE. AND WE'VE BEEN ABOUT  
13 5 PERCENT UNDER THE LAST TWO YEARS -- EXCUSE ME --  
14 LAST YEAR. THIS YEAR WE ANTICIPATE WE'LL BE ABOUT 5  
15 PERCENT UNDER.

16 THE NEXT SLIDE SHOWS JUST THOSE NUMBERS  
17 FOR THE LAST TWO YEARS. SO IN FISCAL YEAR '09-'10,  
18 WE HAD AN APPROVED BUDGET OF 12.9 MILLION. WE SPENT  
19 12.3. WE WERE ABOUT 4.7 UNDER. THIS YEAR WE WERE  
20 APPROVED AT 16 MILLION. WE EXPECT AT THE END OF  
21 JUNE, WE WILL HAVE EXPENDED ABOUT 15.2 OR 5 PERCENT  
22 UNDER BUDGET. SO THAT GIVES YOU A CONTEXT THERE.

23 THE TWO THINGS THAT REALLY HAVE DRIVEN THE  
24 BUDGET UP ARE THE INCREASE IN THE WORKLOAD AT CIRM  
25 AND ALSO NEW PROGRAMS. SO I JUST PROVIDED THESE

## BARRISTERS' REPORTING SERVICE

1 FIGURES AS EXAMPLES FOR HOW OUR WORKLOAD HAS CHANGED  
2 IN THE LAST YEAR. SO PR'S AND PAR'S, THOSE ARE  
3 PROGRESS REPORTS AND PRIOR APPROVAL REQUESTS. PRIOR  
4 APPROVAL REQUESTS ARE WHEN GRANTEES COME TO US AND  
5 ASK FOR A CHANGE IN THEIR APPLICATION, EITHER  
6 REBUDGETING OR TO DO SOME SLIGHTLY DIFFERENT  
7 RESEARCH. THOSE THINGS REALLY ARE VERY DEMANDING ON  
8 THE GRANTS MANAGEMENT OFFICE AND THE SCIENCE OFFICE.

9 THE GRANTS MANAGEMENT OFFICE HAS TO REVIEW  
10 ALL THE COMPLIANCE ISSUES, THE FINANCIAL ISSUES.  
11 THE SCIENCE OFFICE HAS TO REVIEW THESE THINGS  
12 PROGRAMMATICALLY. SO YOU CAN SEE FROM LAST YEAR WE  
13 HAD 467 IN THESE TWO CATEGORIES. THIS YEAR WE HAVE  
14 563, SO THAT WAS A 20-PERCENT INCREASE.

15 PAYMENTS ARE THE PAYMENT SLIPS WE MAKE TO  
16 GRANTEES FOR INSTALLMENTS ON GRANTS AND SO FORTH.  
17 EACH OF THOSE HAS TO BE PROCESSED BY THE GRANTS  
18 MANAGEMENT OFFICE AND ALSO BY OUR FINANCE OFFICE,  
19 WHO HAS TO THEN MAKE THE REQUEST TO THE DEPARTMENT  
20 OF GENERAL SERVICES. THOSE REQUESTS WENT UP 47  
21 PERCENT THIS YEAR.

22 AND THEN ONE OTHER EXAMPLE IS GRANTS WITH  
23 CO-FUNDING PARTNERS. THESE ARE OUR INTERNATIONAL  
24 PARTNERS. THOSE NUMBERS ARE SMALL. THOSE GRANTS  
25 REQUIRE A LOT MORE WORK THAN OUR TYPICAL GRANTS JUST

## BARRISTERS' REPORTING SERVICE

1 BECAUSE OF THE PARTNERSHIPS AND THE COMPLICATIONS  
2 THERE. AND THOSE HAVE INCREASED 275 PERCENT. SO  
3 THOSE ARE JUST SOME EXAMPLES OF HOW OUR WORKLOAD HAS  
4 CHANGED.

5 AND THEN THE NEW INITIATIVES, JUST THE TWO  
6 MAIN CATEGORIES, AND THEY'RE REALLY RELATED TO THE  
7 FACT THAT WE HAVE CLINICAL PROGRAMS STARTING TO COME  
8 ONLINE, AND WE HAVE TO GET READY FOR THESE. ONE IS  
9 TO MONITOR THOSE PROGRAMS. AND ELLEN FEIGAL IS  
10 GOING TO BE HANDLING THAT, AND SHE'S BUILDING AN  
11 INFRASTRUCTURE AND A CLINICAL ADVISORY PANEL THAT  
12 WILL HELP IN THOSE PROCESSES. SO THAT'S ONE BIG  
13 AREA WE HAVE.

14 AND THEN WE ALSO HAVE TO MAKE SURE THAT  
15 THE REGULATORY PATHWAY IS CLEAR FOR THESE PROJECTS  
16 WHEN THEY COME ALONG AND ALSO THAT WE HAVE SOME  
17 COLLABORATION WITH THE PRIVATE SECTOR TO PARTNER  
18 WITH TO HELP CARRY -- FOR FOLLOW-ON FUNDING TO CARRY  
19 THESE THINGS THROUGH INTO THE CLINIC. AND THOSE  
20 LAST TWO EFFORTS ARE BEING CHAMPIONED MOSTLY BY  
21 ELONA BAUM IN THE PRESIDENT'S OFFICE.

22 SO THESE ARE NEW THINGS, AND THESE REQUIRE  
23 PEOPLE, THESE REQUIRE MONEY, AND SO FORTH TO GET  
24 THESE THINGS GOING.

25 SO THIS JUST SUMMARIZES REALLY WHAT WE

## BARRISTERS' REPORTING SERVICE

1 HAVE. LAST YEAR WE HAD, COMPARING LAST YEAR'S  
2 BUDGET WITH THIS IN TERMS OF WHAT WAS APPROVED, WE  
3 HAD 16 MILLION APPROVED LAST YEAR. THIS YEAR WE'RE  
4 REQUESTING 18.5. THAT'S A DIFFERENCE OF 2.5. IF  
5 YOU'D RATHER COMPARE IT TO WHAT WE ACTUALLY EXPECT  
6 TO EXPEND, THE DIFFERENCE WOULD BE 3.3 MILLION.

7 WHERE ARE THE MAJOR CHANGES? SO THE  
8 CHANGES IN THE BUDGET, REALLY THE BIGGEST ONE IS IN  
9 PERSONNEL. AND I'LL GO THROUGH THAT IN A LITTLE BIT  
10 OF DETAIL. SO THE \$2.5 MILLION DIFFERENCE,  
11 INCREASE, WE'RE LOOKING AT, ONE AND A HALF MILLION  
12 IS FOR PERSONNEL. FOR NONPERSONNEL, ALL OTHER  
13 ITEMS, WHICH IS ALMOST HALF THE BUDGET, NOT QUITE,  
14 THE INCREASE IS ABOUT 13 PERCENT, 986,000. SO LET'S  
15 JUST TALK ABOUT THESE TWO SEPARATELY. I'LL GO  
16 THROUGH THE PERSONNEL FIRST.

17 SO WE'VE INCREASED SALARIES AND BENEFITS  
18 ONE AND A HALF MILLION. THAT'S BECAUSE OUR STAFF  
19 SIZE HAS GONE FROM 50 TO 56. WE ALSO, AS BOB  
20 MENTIONED, WE HAVE SOME MANDATED INCREASES IN  
21 RETIREMENT AND HEALTHCARE. AND ALSO THESE POSITIONS  
22 THAT WE'RE TRYING TO FILL ARE FAIRLY HIGH LEVEL  
23 POSITIONS FOR THE MOST PART BECAUSE THESE ARE PEOPLE  
24 WHO ARE GOING TO BE FAIRLY HIGH LEVEL POSITIONS IN  
25 THE ORGANIZATION. SO THE SALARIES THAT THEY COMMAND

## BARRISTERS' REPORTING SERVICE

1 ARE A LITTLE HIGHER THAN AVERAGE, SO THAT'S KIND OF  
2 PUSHED THE FIGURE UP A LITTLE BIT MORE THAN YOU  
3 MIGHT EXPECT FOR THE INCREASE IN THE NUMBER OF  
4 EMPLOYEES.

5 SO THE NEXT. SO LET'S LOOK AT THE  
6 NONPERSONNEL ISSUES. SO THAT'S A LITTLE OVER \$8  
7 MILLION IN THIS BUDGET. AND THE INCREASE THERE,  
8 986,000 FROM LAST YEAR, WE CAN REALLY BREAK IT DOWN  
9 INTO TWO MAIN AREAS. ONE IS EXTERNAL CONTRACTS. SO  
10 OF THAT 986,`463,000 IS EXTERNAL CONTRACTS. BUT TWO  
11 OF THEM, TWO ITEMS IN THAT AREA ARE AUDITS AND  
12 REVIEWS. ONE IS THE PERFORMANCE AUDIT THAT'S  
13 MANDATED BY THE ALQUIST BILL, SO THAT'S 250,000.  
14 AND THEN THE OTHER ONE IS THE AUDIT BY THE INSTITUTE  
15 OF MEDICINE THAT THE BOARD AUTHORIZED. THE FIRST  
16 INSTALLMENT ON THAT -- THAT TOTAL CONTRACT IS ABOUT  
17 700,000, BUT THE FIRST INSTALLMENT THIS YEAR IS  
18 400,000. SO THERE WE'VE GOT A \$650,000 INCREASE  
19 JUST WITH THOSE TWO AUDITS RIGHT THERE.

20 AND THEN THE OTHER AREA WHERE WE HAVE AN  
21 INCREASE IS IN THE SCIENCE MEETINGS, \$338,000  
22 INCREASE IN THAT CATEGORY. BUT THE MAIN DRIVER ON  
23 THAT IS THE GRANTEE MEETING. NOW, OUR GRANTEE  
24 MEETING WE ONLY HAVE EVERY 18 MONTHS. WE DIDN'T  
25 HAVE ONE DURING THIS CURRENT FISCAL YEAR, SO THERE



## BARRISTERS' REPORTING SERVICE

1 IS NO BUDGET FOR A GRANTEE MEETING IN THE CURRENT  
2 BUDGET. SO THAT 262,000, IT'S A RECURRING EXPENSE  
3 THAT DOESN'T RECUR EVERY YEAR. WE JUST DIDN'T HAVE  
4 IT LAST YEAR. WE HAVE IT THIS YEAR.

5 AND THEN THE OTHER BIG ITEM IN THAT  
6 CATEGORY IS 125,000 FOR TRAINEES AND PATIENT  
7 ADVOCATES TO GO TO THE WORLD STEM CELL CONFERENCE  
8 THIS FALL, AND THE BOARD AUTHORIZED THAT, I THINK,  
9 THE MOST -- WELL, AT A RECENT MEETING. I CAN'T  
10 REMEMBER EXACTLY WHICH ONE. THAT ONE WILL BE PAID  
11 FROM DONATED FUNDS.

12 SO IF WE JUST TAKE THOSE ITEMS THAT WERE  
13 EITHER MANDATED OR GOING TO BE LOOKED AT -- PAID BY  
14 DONATED FUNDS, THE NEXT SLIDE WILL SHOW KIND OF HOW  
15 THEY ADD UP. SO WE HAVE THE PERFORMANCE AUDIT  
16 THAT'S MANDATED, THE INSTITUTE OF MEDICINE REVIEW,  
17 AND THEN THAT TRAVEL TO STEM CELL CONFERENCE, THOSE  
18 THINGS TOTAL 775,000 OUT OF THAT \$986,000 INCREASE.  
19 IF YOU WERE TO ADD TO THAT THE MONEY FOR THE GRANTEE  
20 MEETING, YOU'D BE WELL ABOVE 986,000. SO THE REST  
21 OF THE BUDGET BEYOND THAT IN ALL OF THE NONPERSONNEL  
22 CATEGORIES IS ACTUALLY CONTRACTED OTHER THAN THOSE  
23 FOUR ITEMS.

24 AND THEN BEFORE I STOP, I'D JUST LIKE TO  
25 ADDRESS ONE OTHER ISSUE BECAUSE IT HAS COME UP

## BARRISTERS' REPORTING SERVICE

1 SEVERAL TIMES IN THE YEARS THAT I'VE BEEN HERE  
2 RELATED TO THE BUDGET. THERE HAVE BEEN QUESTIONS  
3 ABOUT OUR COST FOR I.T., INFORMATION TECHNOLOGY.  
4 THOSE COSTS HAVE RISEN OVER THE YEARS. AND  
5 RIGHTFULLY BOARD MEMBERS HAVE ASKED US ABOUT THOSE.  
6 ARE OUR COSTS REASONABLE? ARE THEY -- IT SEEMS LIKE  
7 THEY'RE GOING UP FAST. ARE WE SPENDING TOO MUCH  
8 MONEY? SO WE'VE TRIED TO DO SOME BENCHMARKING ON  
9 THIS. IT'S NOT THAT EASY TO DO BECAUSE MOST OF THE  
10 STUDIES THAT HAVE BEEN DONE RELATE TO INDUSTRY, AND  
11 IT'S HARD TO COMPARE OUR SITUATION WITH INDUSTRY.

12 BUT I WAS ABLE TO DO A STUDY ON COMPARING  
13 OUR INFORMATION TECHNOLOGY WITH THE NATIONAL SCIENCE  
14 FOUNDATION. SO THE NATIONAL SCIENCE FOUNDATION IS  
15 LIKE US IN THE SENSE IT'S A PUBLICLY FUNDED  
16 ORGANIZATION, AND IT SUPPORTS RESEARCH THROUGH  
17 GRANTS AND CONTRACTS AND SO FORTH.

18 SO I LOOK -- THERE'S A GOVERNMENT WEBSITE  
19 THAT PROVIDES INFORMATION ON INFORMATION I.T. COSTS  
20 FOR DIFFERENT AGENCIES. SO I WAS ABLE TO GET THE  
21 I.T. COSTS FOR THE NATIONAL SCIENCE FOUNDATION FOR  
22 THE PAST SEVEN YEARS THERE. YOU CAN ALSO PUBLICLY  
23 GET AVAILABLE THE TOTAL BUDGETS FOR THE NSF DURING  
24 THAT PERIOD. SO IF YOU LOOK AT THE PROPORTION OF  
25 THE TOTAL BUDGET THAT WAS EXPENDED ON INFORMATION

## BARRISTERS' REPORTING SERVICE

1 TECHNOLOGY OVER THAT PERIOD, YOU WILL SEE IT STARTED  
2 AT 2004-5 AT ABOUT 6.5 PERCENT, AND NOW IT'S UP TO  
3 1.4 PERCENT. SO THE NST SPENDS 1.4 PERCENT OF ITS  
4 BUDGET ON INFORMATION TECHNOLOGY. ITS TOTAL BUDGET  
5 IS ABOUT 6.8 BILLION. THEY SPENT 96 MILLION ON  
6 INFORMATION TECHNOLOGY.

7 SO WE DO THE SAME ANALYSIS FOR CIRM IN THE  
8 CURRENT YEAR. OUR TOTAL BUDGET, EVERYTHING WE'VE  
9 SPENT ON OUR OPERATIONS, ALL OF OUR GRANTS, SO  
10 FORTH, SO IT'S ABOUT \$225 MILLION THAT WE WILL HAVE  
11 SPENT AT JUNE 30TH. WE'RE SPENDING ABOUT 1.4  
12 MILLION ON INFORMATION TECHNOLOGY THIS YEAR. THAT'S  
13 ABOUT .6 PERCENT. SO WE'RE LESS THAN HALF OF WHAT  
14 THE NSF IS SPENDING ON A PROPORTIONAL BASIS.

15 I WAS ABLE TO DO IT BACK FOUR YEARS. SO  
16 YOU CAN SEE, IF YOU LOOK AT THE RED ON THAT GRAPH,  
17 THAT'S JUST SHOWING WHERE CIRM COMPARES TO THE NSF.  
18 AND WE'VE BEEN HOVERING -- IN 2008 AND 9, THERE'S  
19 TWO BARS SHOWN THERE. YOU REMEMBER WE WERE  
20 ATTEMPTING IN 2008 AND 9 TO INSTALL A COMMERCIAL  
21 PRODUCT FOR GRANTS MANAGEMENT. AND WE FOUND OUT  
22 THAT THAT REALLY WASN'T GOING TO WORK. THAT WASN'T  
23 GOING TO BE SATISFYING FOR US. IT WASN'T GOING TO  
24 MEET OUR NEEDS. SO THOSE COSTS ARE INCLUDED IN NO.  
25 1 THERE IN THE RED BAR.

## BARRISTERS' REPORTING SERVICE

1 IF YOU TAKE OUT THE COST WE SPENT THAT  
2 YEAR ON THAT COMMERCIAL PRODUCT AND JUST LOOK AT ALL  
3 OF THE REST OF OUR I.T., THAT'S WHAT THE GREEN BAR  
4 SHOWS. SO YOU CAN SEE OTHER THAN THAT COMMERCIAL  
5 PRODUCT, FOR THE LAST THREE YEARS WE'VE BEEN  
6 HOVERING AT AROUND .6 PERCENT OF OUR TOTAL BUDGET AS  
7 BEING SPENT ON INFORMATION TECHNOLOGY.

8 SO THAT'S ONE POINT I WANTED TO MAKE. I  
9 THINK I HAVE ONE MORE SLIDE, WHICH IS JUST MY SIGNAL  
10 TO STOP TALKING AND LET YOU ASK US QUESTIONS. IT'S  
11 A SUMMARY. IT'S A SUMMARY. AND YOU HAVE ALL OF  
12 THESE DOCUMENTS, THIS AND MANY MORE DOCUMENTS IN  
13 YOUR BINDER. SO I WILL OPEN IT UP TO QUESTIONS NOW  
14 FOR YOU IF YOU HAVE ANY.

15 CHAIRMAN KLEIN: SO I'D LIKE TO THANK  
16 MICHAEL GOLDBERG, MARCY FEIT, AND DR. ROBSON,  
17 MARGARET, WHO PUT A TREMENDOUS AMOUNT OF TIME INTO  
18 THIS EFFORT, AND EVERYONE ELSE THAT REALLY  
19 CONTRIBUTED, THE PRESIDENT'S OFFICE, THE CHAIRMAN'S  
20 OFFICE AND THEIR STAFFS. IT WAS REALLY A UNIFIED  
21 EFFORT THIS YEAR ON A GOOD TIMETABLE WITH A NUMBER  
22 OF REVIEWS. AND SO I THINK WE ALL OWE A DEBT OF  
23 GRATITUDE FOR THAT EFFORT. AND VERY COMPLETE  
24 PRESENTATION, DR. ROBSON. THANK YOU VERY MUCH.  
25 QUESTIONS? DR. POMEROY AND THEN JONATHAN WE'LL GO

**BARRISTERS' REPORTING SERVICE**

1 TO YOU AND THEN TO DUANE.

2 DR. POMEROY: OF THE 2.1 MILLION THAT WE  
3 HEARD ABOUT THIS AFTERNOON REMAINING IN THE DONOR  
4 FUNDS, IS THAT BEFORE OR AFTER THE 525 THAT'S LISTED  
5 HERE?

6 DR. ROBSON: THAT'S AFTER -- IT'S AFTER  
7 THAT'S REMOVED PLUS THE SECOND INSTALLMENT FOR THE  
8 IOM. SO IT'S THE FULL -- CURRENTLY WE HAVE ABOUT  
9 3.2 MILLION. SO IF YOU TAKE OUT THE 700,000 PLUS  
10 THE 125,000, THAT'S HOW WE GET DOWN TO THAT.

11 DR. POMEROY: THANK YOU.

12 CHAIRMAN KLEIN: OKAY. THANK YOU. YES,  
13 JONATHAN.

14 MR. SHESTACK: I JUST WANTED TO ASK WHAT  
15 SOME OF THE HIGHLIGHTS WERE OF THE 463,000 OUTSIDE  
16 CONTRACTOR, OUTSIDE VENDORS OR CONTRACTS THAT I  
17 THINK YOU CITED. AND THEN WHAT DID WE END UP  
18 SPENDING FOR IN-HOUSE GRANTS MANAGEMENT PROGRAMMING?

19 DR. ROBSON: SO THE GRANTS MANAGEMENT IS  
20 ROLLED INTO THOSE I.T. COSTS. SO THE 1.4 MILLION  
21 INCLUDES EVERYTHING WE SPEND ON INFORMATION  
22 TECHNOLOGY INCLUDING THE DEVELOPMENT OF OUR GRANTS  
23 MANAGEMENT PROGRAM. THE DEVELOPMENT OF THE GRANTS  
24 MANAGEMENT PROGRAM IS ABOUT 900,000.

25 MR. SHESTACK: AND YOU REALLY HAVE TO

## BARRISTERS' REPORTING SERVICE

1 REINVENT THE WHEEL FOR THAT? NO EXISTING  
2 ORGANIZATION HAD A GRANTS MANAGEMENT SYSTEM THAT  
3 THEY WERE WILLING TO ADOPT OR ADAPT?

4 DR. ROBSON: SO IF YOU RECALL, WE DID TRY  
5 TWO COMMERCIAL PRODUCTS, ONE BEFORE I ARRIVED, ONE  
6 WAS PURCHASED -- ACTUALLY THEY WERE BOTH PURCHASED  
7 BEFORE I ARRIVED. AND WHEN WE REALIZED THAT THE  
8 SECOND ONE WAS NOT GOING TO MEET OUR NEEDS, WE DID A  
9 VERY EXTENSIVE STUDY. WE HIRED CONSULTANTS, WE WENT  
10 THROUGH AN ELABORATE REVIEW, AND WE CAME TO THE  
11 CONCLUSION, MUCH TO MY SURPRISE, THAT WE COULDN'T  
12 FIND A COMMERCIAL PRODUCT THAT WE FELT CONFIDENT  
13 COULD MEET OUR NEEDS.

14 NOW, THAT DOESN'T MEAN WE'RE BUILDING  
15 EVERYTHING FROM SCRATCH. WE HAVE PURCHASED  
16 COMMERCIAL PRODUCTS WHEN WE CAN. WE USE OUR BASIC  
17 SOFTWARE THAT WE'RE USING -- PROGRAM WE'RE USING TO  
18 BUILD THE SYSTEM ON. IT'S AN OPEN SOURCE SYSTEM.  
19 SO WE ARE ADAPTING WHERE WE CAN. WE JUST RECENTLY A  
20 MONTH OR TWO AGO FOUND OUT THAT THE UNDERLYING  
21 SYSTEM WE USE, IT'S CALLED RUBY ON RAILS, A BASIC  
22 SOFTWARE PLATFORM. WE FOUND OUT THAT THERE WAS AN  
23 OPEN SOURCE GRANTS MANAGEMENT SYSTEM RELEASED THAT  
24 WAS BUILT ON RUBY ON RAILS. SO WE'VE BEEN LOOKING  
25 AT THAT. SO FAR IT HASN'T BEEN THAT PROMISING; BUT

## BARRISTERS' REPORTING SERVICE

1 IF WE FIND PARTS OF THAT THAT WE CAN USE, OF COURSE,  
2 WE'RE GOING TO USE IT.

3 SO WE USE COMMERCIAL PRODUCTS WHEN WE CAN.  
4 THE POSTAWARD MONITORING WE DO NOW IS WITH A  
5 COMMERCIAL PRODUCT WE PURCHASED CALLED MICROEDGE  
6 GIFTS. THAT HAS BEEN A BIG HELP FOR US, BUT IT HAS  
7 LIMITS. AND AT SOME POINT WE ARE HOPING WE'LL ROLL  
8 ALL THAT INTO A SINGLE DATABASE. RIGHT NOW WE HAVE  
9 TWO DATABASES GOING. WE WANT TO MERGE IT ALL INTO  
10 ONE. THERE'S A LOT OF ADVANTAGES TO DO THAT.

11 CHAIRMAN KLEIN: DR. ROBSON, WE ACTUALLY  
12 HAVE A TIME LIMIT HERE BECAUSE OF A CONSTRAINT ON  
13 ONE OF THE MEMBERS WHO'S ESSENTIAL TO THE QUORUM.  
14 DUANE ROTH HAD A COMMENT.

15 MR. ROTH: MY COMMENT WILL BE CONSISTENT,  
16 HOPEFULLY, WITH WHAT I'VE SAID BEFORE ON THIS IOM  
17 STUDY REVIEW. I REALLY, REALLY WOULD LIKE TO SEE US  
18 DELAY THAT. I KNOW WE VOTED ON IT. WE HAD A  
19 DISCUSSION. BUT THERE'S TWO REASONS. ONE, WE JUST  
20 COMPLETED AN EXTERNAL REVIEW. TWO, WE SPENT AN  
21 ENORMOUS AMOUNT OF MONEY, MANDATED MONEY, ON AUDITS.  
22 AND THREE, EVEN IF IT'S PAID FOR BY OUTSIDE FUNDS,  
23 IT IS STAFF TIME. ANYBODY THAT'S BEEN THROUGH  
24 AUDITS KNOWS WHAT THAT DOES.

25 AND SO MY ONE REQUEST, I MADE THIS

## BARRISTERS' REPORTING SERVICE

1 PREVIOUSLY, WOULD BE THAT WE DELAY THAT TILL THE  
2 NEXT FISCAL YEAR AND THEN DEAL WITH IT THEN.

3 CHAIRMAN KLEIN: ALL RIGHT. DUANE, AS WE  
4 SAID IN THE FINANCE COMMITTEE WHEN THIS WAS VOTED  
5 FORWARD, WE ALREADY EXECUTED A CONTRACT. WE'RE  
6 UNDER CONTRACT WITH THE IOM. WE HAD A FINANCE  
7 SUBCOMMITTEE VOTE, A BOARD VOTE, WE APPROVED THE IOM  
8 STUDY. IT'S NOW UNDER CONTRACT. AND SO THIS IS --  
9 I KNOW THAT YOU VOTED AGAINST IT BEFORE, BUT THE  
10 QUESTION IS DO YOU WANT TO MAKE A MOTION TO AMEND  
11 THE BUDGET OR --

12 MR. ROTH: YES, I WOULD. I WOULD MAKE A  
13 MOTION THAT WE AMEND THE BUDGET AND DELAY THE IOM  
14 STUDY BY AT LEAST A YEAR.

15 CHAIRMAN KLEIN: OKAY. IS THERE A SECOND  
16 TO THAT?

17 MR. SHESTACK: I'LL SECOND IT. COULD YOU  
18 EXPLAIN IT? COULD YOU JUST DO A QUICK HIGHLIGHT,  
19 BOB, ON WHY AND WHAT OUR OBLIGATION IS TO DO IT?  
20 AND --

21 CHAIRMAN KLEIN: WE SPENT A YEAR WITH THE  
22 INSTITUTE OF MEDICINE LOOKING AT THIS. THIS WAS --  
23 THIS IS AN OUTSIDE BODY THAT HAS CREDIBILITY WITH  
24 THE PUBLIC, WITH THE U.S. CONGRESS, WITH THE  
25 LEGISLATURE, WITH BUSINESS, AND COMMUNITY GROUPS.



## BARRISTERS' REPORTING SERVICE

1 MR. SHESTACK: I KNOW WHO THE IOM IS, BUT  
2 THE AUDIT, WHY IS IT THAT WE AGREED --

3 CHAIRMAN KLEIN: IT'S NOT A FINANCIAL  
4 AUDIT. THIS IS A PERFORMANCE AND REVIEW AUDIT. AND  
5 ACTUALLY THE PROCESS TAKES UNTIL THE END OF 2012.  
6 SO IT'S AN 18-MONTH PROCESS. BUT THE KEY IS TO GET  
7 THIS TO IDENTIFY WHERE WE ARE IN OUR MILESTONES,  
8 WHAT PERFORMANCE OBJECTIVES THAT HAVE BEEN REALLY  
9 GOOD, AND GIVE US ENOUGH TIME BEFORE THERE'S A  
10 POTENTIAL LATER INITIATIVE TO SUPPLEMENT OUR FUNDS  
11 TO REALIZE IF THERE ARE GAPS IN OUR PERFORMANCE OR  
12 IF THERE'S IDEAS WE HAVEN'T EXAMINED SO THAT WE CAN  
13 THEN ADAPT AND HAVE THE TIME TO PRESENT A  
14 PERFORMANCE CONSISTENT WHERE WE CAN COVER THOSE  
15 ITEMS.

16 THIS IS SOMETHING THAT JEFF SHEEHY HAS  
17 SPOKEN VERY STRONGLY IN FAVOR OF. OF COURSE, I'VE  
18 OBVIOUSLY ALSO ADVOCATED IT ALONG WITH A NUMBER OF  
19 OTHER MEMBERS. BUT IT IS A VERY IMPORTANT MILESTONE  
20 OF OUR CREDIBILITY WITH THE PUBLIC AND THE  
21 LEGISLATURE.

22 MS. SAMUELSON: BOB, I HATE TO DISAGREE  
23 WITH DUANE OR JON. I ACTUALLY HAVE BEEN LOOKING  
24 FORWARD TO THE RESULTS OF THAT. I THINK IT'S  
25 PROBABLY A VERY DIFFERENT PROCESS THAN THE EXTERNAL

## BARRISTERS' REPORTING SERVICE

1 ADVISORY PANEL'S REPORT. AND THE SOONER WE CAN HAVE  
2 THE RECOMMENDATIONS, THE SOONER WE CAN IMPLEMENT  
3 THOSE THAT MAKE SENSE. AND IT'S MONEY WELL SPENT IS  
4 MY SENSE OF IT.

5 DR. PRICE: POINT OF INFORMATION. IS  
6 THERE SOME COST TO US, GIVEN THE CONTRACT WE'VE  
7 SIGNED, TO DELAYING THIS?

8 CHAIRMAN KLEIN: WELL, WE HAVE NOT ASKED  
9 THEM IF WE CAN BREAK OUR CONTRACT.

10 DR. PRICE: DELAYING IT WOULDN'T  
11 NECESSARILY BREAK IT. DEPENDS ON WHAT THE CONTRACT  
12 SAYS.

13 CHAIRMAN KLEIN: THE CONTRACT COMMENCES TO  
14 A SCHEDULE OF PAYMENTS AND PERFORMANCE ON THEIR PART  
15 OVER THIS PERIOD OF TIME.

16 MR. HARRISON: WE WOULD HAVE TO AMEND THE  
17 CONTRACT BECAUSE, AS THE CHAIR SPECIFIED, IT HAS  
18 BOTH A PAYMENT SCHEDULE AS WELL AS A PERFORMANCE  
19 SCHEDULE THAT WOULD HAVE TO BE DELAYED.

20 MR. GOLDBERG: COULD WE ASK THAT THIS  
21 ISSUE BE REDRESSED? I WOULD ACTUALLY SUPPORT THE  
22 MOTION BECAUSE I THINK WE NEED FACTS TO BETTER  
23 UNDERSTAND. I THINK WE DO NEED A FULL AND COMPLETE  
24 DISCUSSION OF THE INSTITUTE OF MEDICINE ISSUE, NOT  
25 THAT -- I DON'T THINK TONIGHT IS THE NIGHT TO DO

**BARRISTERS' REPORTING SERVICE**

1 THAT. I THINK TONIGHT IS THE NIGHT TO APPROVE THE  
2 BUDGET. AND WHAT I'D LIKE TO DO IS DO SOME  
3 FACT-FINDING ON THE INSTITUTE OF MEDICINE THING AND  
4 COME BACK TO THE BOARD. I DON'T THINK THERE ARE  
5 OTHER THINGS IN THE BUDGET THAT NEED TO BE  
6 READDRESSSED. I THINK THAT'S VERY CLEAR.

7 CHAIRMAN KLEIN: MICHAEL.

8 MR. SHESTACK: WOULD YOU AMEND THE MOTION  
9 ON THE BUDGET --

10 MR. GOLDBERG: I THINK THE MOTION WAS TO  
11 APPROVE THE BUDGET ABSENT THAT ITEM. AND I THINK  
12 THAT IS -- I THINK THAT'S SATISFACTORY. IN THE  
13 MEANTIME, WE'VE GOT ANOTHER BOARD MEETING IN THREE  
14 WEEKS.

15 CHAIRMAN KLEIN: SO LET ME ASK THE  
16 SIGNIFICANCE OF THAT BECAUSE THE BOARD HAS ALREADY  
17 APPROVED THE EXPENDITURE SEPARATE FROM THE BUDGET.  
18 THE EXPENDITURE IS ALREADY --

19 MR. GOLDBERG: I'D LIKE TO EVALUATE THE  
20 WHOLE THING. IN OTHER WORDS, AS FAR AS -- I DON'T  
21 KNOW WHETHER THE INSTITUTE OF MEDICINE IS ACTIVELY  
22 SPENDING MONEY NOW. I HAVEN'T LOOKED AT THE  
23 CONTRACT.

24 CHAIRMAN KLEIN: THAT'S FINE. SO THE  
25 POINT --

## BARRISTERS' REPORTING SERVICE

1 MR. GOLDBERG: I'D LIKE TO UNDERSTAND  
2 WHERE WE ARE WITH RESPECT TO THE COMMITMENT AND WHAT  
3 THE COST, IF ANY, OF ALTERING THAT COMMITMENT. I  
4 JUST WANT TO DO FACT-FINDING.

5 CHAIRMAN KLEIN: I'M TRYING TO UNDERSTAND  
6 WHAT YOUR OBJECTIVE IS HERE. ARE YOU TRYING TO  
7 APPROVE THE BUDGET WITHOUT MODIFYING THE PRIOR VOTE  
8 OF THE BOARD ON THE INSTITUTE OF MEDICINE?

9 MR. GOLDBERG: THAT'S CORRECT.

10 CHAIRMAN KLEIN: THAT'S WHAT I WAS TRYING  
11 TO CLARIFY. YOU'RE NOT TRYING IN THIS MEETING TO  
12 MODIFY THE PRIOR APPROVAL OF THE INSTITUTE OF  
13 MEDICINE. YOU'RE GOING TO DO A FACT-FINDING.

14 MR. GOLDBERG: THAT'S CORRECT. BUT THE  
15 BUDGET FOR THIS COMING FISCAL YEAR WOULD BE APPROVED  
16 WITHOUT THAT EXPENDITURE SUBJECT TO FURTHER REVIEW.

17 CHAIRMAN KLEIN: THE ITEM HAS PREVIOUSLY  
18 BEEN APPROVED BY THE BOARD.

19 MR. GOLDBERG: THAT DOESN'T REQUIRE IT TO  
20 BE APPROVED BY THE BUDGET. WE HAVE A CONTRACT. I'M  
21 NOT DISPUTING THAT AT ALL. I'M NOT DISPUTING THE  
22 INTENT OF HAVING THE STUDY DONE. I JUST WOULD LIKE  
23 TO UNDERSTAND WHETHER OR NOT IT'S NECESSARY TO OCCUR  
24 IN THIS FISCAL YEAR.

25 CHAIRMAN KLEIN: ALL I'M TRYING TO GET IS

## BARRISTERS' REPORTING SERVICE

1 THE INTENT OF YOUR AMENDMENT BECAUSE JEANNIE NEEDS  
2 TO LEAVE. WE NEED TO FOLLOW THAT SHE HAS SOMETHING  
3 REALLY URGENT TO DEAL WITH. SO YOU'RE NOT REVERSING  
4 THE PRIOR APPROVAL OF THIS EXPENDITURE. YOU ARE  
5 GOING TO DO A FACT-FINDING ISSUE. YOU ARE JUST  
6 APPROVING THE BUDGET WITHOUT ADDRESSING THIS ISSUE,  
7 WITHOUT ADDRESSING THIS EXPENDITURE.

8 MR. GOLDBERG: NO. IT'S OUT OF THE --  
9 IT'S OUT OF THE BUDGET. IT'S NOT AN APPROVED  
10 EXPENDITURE SUBJECT TO FURTHER REVIEW OF WHAT OUR  
11 CONTRACTUAL OBLIGATION IS.

12 MR. SHESTACK: EVERYTHING IN THE BUDGET IS  
13 APPROVED OTHER THAN THIS THING.

14 MR. GOLDBERG: THE REALITY, BOB, IS WE'RE  
15 NOT IN THIS FISCAL YEAR UNTIL JULY 1ST.

16 CHAIRMAN KLEIN: WHAT I'M TRYING TO TELL  
17 YOU IS ARE YOU TELLING US WE NEED TO SEND THE  
18 INSTITUTE TO MEDICINE A LETTER SAYING WE'VE REVERSED  
19 OUR PRIOR BOARD APPROVAL OF THAT EXPENDITURE?

20 MR. GOLDBERG: NO.

21 CHAIRMAN KLEIN: OKAY. ALL RIGHT.

22 DR. PRICE: NEXT MONTH WE MAY DO THAT.

23 MR. GOLDBERG: I THINK THE RECORD SHOULD  
24 SHOW THAT WE'RE VERY APPRECIATIVE OF THE INSTITUTE  
25 OF MEDICINE AND THE WORK THEY'VE DONE TO DATE, WE

## BARRISTERS' REPORTING SERVICE

1 WILL HONOR CONTRACTS AND OBLIGATIONS. WE LOOK  
2 FORWARD TO WORKING WITH THEM UNDER THE CONDITIONS  
3 THAT WE'RE REQUIRED TO.

4 MR. TORRES: MR. CHAIRMAN, I REALLY DO  
5 THINK THAT IF THAT'S THE CASE, WE'RE GOING TO HAVE  
6 TO BE VERY CAREFUL WITH OUR LEGAL OBLIGATIONS  
7 BECAUSE WE MAY BE IN BREACH OF CONTRACT AND PENALTY  
8 FOR THAT MAY BE HIGHER THAN WE REALIZE.

9 CHAIRMAN KLEIN: WE NEED TO HAVE A VOTE  
10 HERE, SO I'M GOING TO CALL THE QUESTION BECAUSE WE  
11 NEED TO GET JEANNIE IN THIS VOTE. I'M NOT ASKING  
12 FOR ADDITIONAL DEBATE UNLESS IT IS CRITICAL.

13 MS. BAUM: I WAS JUST GOING TO SAY THAT WE  
14 TYPICALLY HAVE A RIGHT TO CANCEL. AND JAMES WOULD  
15 PROBABLY KNOW WHETHER OR NOT THAT'S BEEN TAKEN OUT  
16 OF OUR FORM, BUT WE OFTEN HAVE A RIGHT TO CANCEL.

17 CHAIRMAN KLEIN: WE'LL GET THIS ALL WITH  
18 THE REVIEW. WE NEED TO GET A VOTE HERE ON WHAT  
19 WE'RE DOING. MY UNDERSTANDING IS THAT THIS IS TO  
20 APPROVE THE BUDGET WITHOUT REVERSING THE PRIOR  
21 APPROVAL OF THE BUDGET OF THE IOM AGREEMENT, WHICH  
22 IS GOING TO BE STUDIED AS BROUGHT BACK FOR SEPARATE  
23 ACTION.

24 DR. STEWARD: BOB, CAN WE DELAY THIS VOTE  
25 UNTIL TOMORROW WHEN WE HAVE A QUORUM?

## BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: YES. WE'LL DELAY IT TILL  
2 TOMORROW WHEN WE HAVE A QUORUM SO WE CAN HAVE TIME  
3 FOR A FULL DISCUSSION. ALL RIGHT. THANK YOU.

4 MR. HARRISON: SINCE WE'RE NOT GOING TO  
5 TAKE A VOTE ON THIS THIS EVENING, I JUST WANT TO  
6 RAISE ONE PROCEDURAL POINT RELATED TO ROBERT'S RULES  
7 OF ORDER. SINCE THE MOTION WAS PREVIOUSLY APPROVED,  
8 AS CHAIR KLEIN SAID, IN AUGUST TO FUND THE IOM STUDY  
9 USING DONOR FUNDS, IF ULTIMATELY YOU WANT TO  
10 RECONSIDER THAT DECISION, THEN A MOTION WOULD HAVE  
11 TO BE MADE TO AMEND THAT MOTION.

12 MR. GOLDBERG: UNDERSTOOD.

13 MS. GIBBONS: WHAT HAPPENS TO THE MOTION  
14 ON THE FLOOR NOW?

15 CHAIRMAN KLEIN: THE MOTIONS ON THE FLOOR,  
16 WE'LL RECONVENE THIS TO DISCUSS THIS ITEM. THERE'S  
17 MOTIONS --

18 MR. GOLDBERG: THE MOTION ON THE FLOOR WAS  
19 TO APPROVE THE BUDGET ABSENT THE EXPENDITURE FOR THE  
20 IOM STUDY, AND WE'RE TABLING THAT MOTION TILL THE  
21 MORNING.

22 CHAIRMAN KLEIN: SO WE ARE GOING TO --

23 MR. GOLDBERG: I SHOULD ALSO POINT OUT  
24 THAT IT'S STILL REMARKABLE IN A \$18.5 MILLION BUDGET  
25 THAT WE COULD GET THIS FAR AND WE'RE ONLY \$400,000

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1 OFF.

2 CHAIRMAN KLEIN: THANK YOU. SO LIVELY  
3 DISCUSSION AS ALWAYS. WE PROMISE OUR LISTENERS THE  
4 OPPORTUNITY TO SEE REAL DEBATE.

5 DR. POMEROY: BOB, COULD JAMES PLEASE  
6 CLARIFY WHETHER WE HAVE TO HAVE A VOTE TO TABLE THIS  
7 OR NOT?

8 CHAIRMAN KLEIN: CAN WE LEAVE THE ITEM  
9 OPEN IS THE QUESTION.

10 MR. HARRISON: WE HAVE A MOTION THAT'S ON  
11 THE TABLE WITH A FIRST AND A SECOND MADE BY MR.  
12 ROTH, SECONDED BY MR. SHESTACK. IF THEY'RE WILLING  
13 TO TABLE IT AS A FRIENDLY AMENDMENT UNTIL TOMORROW,  
14 WE CAN DO THAT. OTHERWISE WE HAVE TO TAKE A FORMAL  
15 MOTION TO PUT IT OVER UNTIL TOMORROW.

16 MR. TORRES: LEEZA HAS A SUBSTITUTE  
17 MOTION.

18 CHAIRMAN KLEIN: THERE'S A MOTION --  
19 LEEZA, THERE'S A MOTION ON THE FLOOR RIGHT NOW. SO  
20 WE NEED TO ASK, AS A MATTER OF PROTOCOL, ARE YOU  
21 PREPARED TO TABLE IT TILL TOMORROW?

22 MR. SHESTACK: YES.

23 CHAIRMAN KLEIN: OKAY. WE HAVE THE  
24 PERMISSION TO TABLE IT UNTIL TOMORROW.

25 MS. GIBBONS: NO. NO. NO.



**BARRISTERS' REPORTING SERVICE**

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CHAIRMAN KLEIN: OKAY. WE ARE GOING TO  
ADJOURN FOR THE EVENING. THANK YOU, JEANNIE, FOR  
STICKING IT OUT. WE KNOW YOU HAVE SOMETHING URGENT  
TO ATTEND TO. THANK YOU.

(THE MEETING WAS THEN ADJOURNED AT  
08:50 P.M.)

**BARRISTERS' REPORTING SERVICE**

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE 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

THE LUXE HOTEL SUNSET BOULEVARD  
11461 SUNSET BOULEVARD  
LOS ANGELES, CALIFORNIA  
ON  
TUESDAY, MAY 3, 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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