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Stem Cell Agency President Takes Strong Stand on Ethics and Integrity

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San Francisco, CA – The President and CEO of the California stem cell agency, C. Randal Mills, today told the agency's governing Board that he is taking a strong stand on personal ethics and integrity.

Mills told the Board that earlier this week he instructed the agency's General Counsel to draw up an agreement indicating that Mills will not to accept a job with any company funded by CIRM for at least one year following his departure, and will refuse to accept gifts or travel payments from any company, institution or individual who receives agency funding.

"I want the people of California to know that my sole interest in being at CIRM is to help advance stem cell treatments to patients who are in need," said Dr. Mills. "I will do so with a full commitment to transparency and by never compromising the integrity of our mission nor our trust to the taxpayers of California."

The Chair of the agency's Board, Jonathan Thomas, Ph.D., J.D., welcomed Mills' decision. "As Chairman of CIRM's Board it is my responsibility to ensure the agency operates with only the highest

ethical standards. It was the motivation behind the sweeping changes the Board unanimously adopted last year regarding conflict of interest procedures. It was central in our selection of the new President and CEO. And it is reflected today in Randy's actions.”

Board member and patient advocate, Sherry Lansing, echoed that saying: “We take even the possibility of a perception of a conflict of interest very seriously and are determined to do whatever is necessary to ensure that we protect the reputation of the agency and the work that we do. We fully support Dr. Mills in the way he is handling this issue.”

The commitment takes effect immediately and follows the announcement that the agency’s previous President, Dr. Alan Trounson, has joined the Board of Stem Cells Inc, (SCI) a company that has an almost \$20 million award from the California Institute for Regenerative Medicine (CIRM) as the agency is more formally called. That award is to develop a therapy for Alzheimer’s disease. While Trounson’s appointment to the SCI Board is permitted under California law it did raise questions about potential conflicts of interest.

In other actions the agency’s Board approved a change in the Alpha Stem Cell Clinic concept plan, agreeing to remove a \$15 million section that would have created a data and information management center.

In a memo to the Board Mills explained his reasons saying: “While all of the aims of the concept plan are individually laudable, it is my firm belief that the proposal as written is too broad and overly complex to be successful. In a word, it lacks focus. Following a thorough review it is my opinion that the \$70 million price tag is not clearly justified in terms of the benefits it will deliver to the people of California.”

The Board accepted Mills proposal to narrow the scope of the program to only those activities directly related to conducting high quality clinical trials.

“For CIRM to achieve its full potential we need to stay focused on bringing treatments to patients, fast. Without focus, you never have

to have the hard conversation. You never have to say “no.” However, without focus, you also tend to not get things done. The team at CIRM is committed to getting stem cell treatments to patients in need and that means focus.”

In keeping with that approach two projects were awarded Bridging awards to help them carry out research that was not covered by earlier agency funding.

Sophie Deng, M.D., Ph.D., a researcher at the University of California, Los Angeles, was awarded almost \$700,000 for work in developing a synthetic scaffold to be used in advancing our knowledge of Limbal Stem Cell Deficiency, a blinding eye disorder, generally caused by damage to the cornea on the surface of the eye.

Leslie Thompson, Ph.D., from the University of California, Irvine, was awarded more than \$500,000 to conduct laboratory tests of a potential therapy for Huntington’s disease, a devastating and always fatal brain disorder. Currently there are no effective treatments for Huntington’s.

“Supporting projects like these is what we were created to do,” says Chairman Thomas. “Without us, this kind of work almost certainly would not get the funding it needs, and the patients suffering from these conditions would be left without any hope that a therapy might one day help people suffering from these conditions.”

About CIRM: CIRM was established in November 2004 with the passage of Proposition 71, the California Stem Cell Research and Cures Act. The statewide ballot measure, which provided \$3 billion in funding for stem cell research at California universities and research institutions, was overwhelmingly approved by voters, and called for the establishment of an entity to make grants and provide loans for stem cell research, research facilities, and other vital research.