

BEFORE THE
EVALUATION SUBCOMMITTEE OF 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: AS INDICATED ON THE AGENDA

DATE: MONDAY, JUNE 6, 2011
5:30 P.M.

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

BRS FILE NO.: 90189

BARRISTERS' REPORTING SERVICE

I N D E X

ITEM DESCRIPTION	PAGE NO.
CALL TO ORDER	3
ROLL CALL	7
3. ANNOUNCEMENT OF CANDIDATES FOR ICOC CHAIR AND BRIEF PRESENTATIONS BY CANDIDATES.	7
CLOSED SESSION (NOT REPORTED)	
5. REPORT BACK FROM CLOSED SESSION, IF NECESSARY.	NONE
6. PUBLIC COMMENT.	29

BARRISTERS' REPORTING SERVICE

1 MONDAY, JUNE 6, 2011; 5:30 P.M.

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MS. KING: THIS IS MELISSA IN SAN FRANCISCO. I JUST WANTED TO DO A QUICK CHECK-IN. ARE DR. LITVACK AND JON THOMAS ON THE LINE?

DR. LITVACK: YES, I AM ON THE LINE.

MR. THOMAS: YES.

MS. KING: THANK YOU, GENTLEMEN. WE'RE JUST ABOUT TO GET STARTED HERE. THAT WAS DR. PRIETO, RIGHT.

CHAIRMAN PRIETO: YES, IT IS.

MS. KING: THANK YOU SO MUCH, DR. PRIETO. WE JUST DID A QUICK CHECK, AND BOTH OF OUR CANDIDATES ARE ALSO ON THE LINE. AND WE'VE GIVEN IT A COUPLE OF MINUTES AFTER THE START TIME JUST TO MAKE SURE THAT PEOPLE HAD TIME TO JOIN. I WANT TO THANK EVERYBODY FOR JOINING TODAY. I KNOW IT'S BEEN A MARATHON FOR MANY OF YOU FOR SUBCOMMITTEE MEETINGS TODAY, AND THAT MARATHON WILL CONTINUE RIGHT UP UNTIL THE BOARD MEETING. SO WE VERY MUCH APPRECIATE ALL YOUR EFFORTS THIS MONTH AND AS ALWAYS.

I WILL TURN IT OVER TO YOU, DR. PRIETO, TO GET THE MEETING STARTED.

CHAIRMAN PRIETO: OKAY. FIRST OF ALL, CAN I ASK WHO WE HAVE ON THE CALL TODAY?

BARRISTERS' REPORTING SERVICE

1 MS. KING: DR. PRIETO, WHAT I WILL DO, AND
2 I DID ON THE CALL ON FRIDAY AS WELL. SINCE THIS IS
3 TECHNICALLY A CALL OF THE EVALUATION SUBCOMMITTEE,
4 WHEN I GO THROUGH THE ROLL, I WILL ONLY CALL MEMBERS
5 OF THAT SUBCOMMITTEE. WE HAVE SEVERAL OTHER BOARD
6 MEMBERS THAT WILL BE ON THE CALL, AND WE MAY NOT
7 HAVE A QUORUM OF THE EVALUATION SUBCOMMITTEE BECAUSE
8 WE DON'T NEED TO FOR THE PURPOSE OF THIS MEETING,
9 AND MANY OF THEM JOINED THE CALL ON FRIDAY. THOSE
10 ARE THE NAMES I WILL CALL.

11 CHAIRMAN PRIETO: OKAY.

12 MS. KING: ONCE WE'RE IN CLOSED SESSION,
13 WE COULD GO THROUGH AND MAKE SURE THAT EVERYBODY
14 THAT I BELIEVE IS SUPPOSED TO BE THERE IS ON THE
15 PHONE. BUT FOR THIS PURPOSE, I AM ONLY GOING TO
16 CALL THE NAMES OF THE EVALUATION SUBCOMMITTEE
17 MEMBERS.

18 CHAIRMAN PRIETO: OKAY. SHALL I GO AHEAD
19 AND GET STARTED? LET ME JUST WELCOME EVERYBODY AND
20 THANK YOU AND PARTICULARLY OUR CANDIDATES, WHO I
21 KNOW WE ARE PUTTING YOU THROUGH A MARATHON, WHICH IS
22 A SMALL TASTE OF WHAT WE DO AT THE ICOC. AND I
23 UNDERSTAND WE HAVE SEVERAL LOCATIONS. I'M HERE AT
24 MY OFFICE IN THE SACRAMENTO AREA IN ELK GROVE. I
25 THINK THE OTHER LOCATIONS ARE AGENDIZED.

BARRISTERS' REPORTING SERVICE

1 AND I'D LIKE TO THANK OUR CONSTITUTIONAL
2 OFFICERS FOR ALL THEIR EFFORT, AND THEIR
3 NOMINATIONS, OF COURSE, ARE TWO EXCELLENT CANDIDATES
4 TO GIVE US WHAT I THINK SHERRY HAS CALLED A HIGH
5 CLASS PROBLEM, DECIDING BETWEEN THE TWO OF THEM.

6 WE'VE ASKED EACH CANDIDATE TO MAKE A
7 PUBLIC PRESENTATION OF JUST ABOUT TEN MINUTES BEFORE
8 THE SUBCOMMITTEE CONVENES IN CLOSED SESSION. I
9 BELIEVE DR. LITVACK WENT FIRST; IS THAT CORRECT,
10 MELISSA, AT THE OTHER MEETING?

11 MS. KING: YES, THAT'S CORRECT.

12 CHAIRMAN PRIETO: SO I THINK WE'LL START
13 TODAY WITH MR. THOMAS.

14 MS. KING: THAT IS CORRECT AS WELL.

15 CHAIRMAN PRIETO: OKAY. SHALL WE PROCEED?

16 MS. KING: TWO THINGS I WILL DO BEFORE WE
17 INVITE MR. THOMAS TO MAKE HIS STATEMENT ARE I WILL
18 TAKE ROLL. AND BEFORE I TAKE ROLL FOR THE
19 EVALUATION SUBCOMMITTEE, I JUST WANTED TO LET BOTH
20 THE BOARD MEMBERS ON THE PHONE AND MEMBERS OF THE
21 PUBLIC AS WELL, IF THERE ARE ANY, AND ALSO THE
22 CANDIDATES KNOW THAT WE DO HAVE ONE NEW BOARD MEMBER
23 WITH US TODAY. HE ACTUALLY CAME HERE SPECIFICALLY
24 TODAY AND TOOK HIS OATH OF OFFICE SO THAT HE COULD
25 PARTICIPATE IN THIS MEETING AHEAD OF THE JUNE BOARD

BARRISTERS' REPORTING SERVICE

1 MEETING WHERE WE ORIGINALLY PLANNED TO HAVE HIM TAKE
2 HIS OATH, AND THAT IS STEPHEN JUELSGAARD. AND WE
3 WANT WELCOME HIM TO THE ICOC.

4 CHAIRMAN PRIETO: WELCOME.

5 MS. KING: AND YOU WILL ALL GET TO MEET
6 HIM AT THE MEETING IN SAN DIEGO JUNE 22D AND 23D,
7 BUT I WANTED YOU ALL TO KNOW HE WAS HERE. THANK YOU
8 FOR COMING.

9 CHAIRMAN KLEIN: WE MIGHT, JUST AS A
10 MATTER OF BACKGROUND, INDICATE THAT HIS LAST MAJOR
11 ASSIGNMENT WAS AS GENERAL COUNSEL FOR GENENTECH. SO
12 HE BRINGS FABULOUS BACKGROUND IN INTELLECTUAL
13 PROPERTY KNOWLEDGE AND BIOTECH MERGERS, VENTURES,
14 ACQUISITIONS, AND BEING ACQUIRED, AS WELL AS THE
15 WHOLE SPECTRUM OF THAT ACTIVITY, BUT TREMENDOUS
16 ADDITION TO THE BOARD.

17 MS. KING: IN FACT, I WILL TAKE A ROLL OF
18 THE EVALUATION SUBCOMMITTEE.

19 MR. TORRES: I WANT TO THANK THE
20 LIEUTENANT GOVERNOR FOR MAKING AN INCREDIBLE
21 APPOINTMENT.

22 MS. KING: THANK YOU, SENATOR TORRES.
23 HERE. HERE.

24 TAKING ROLL OF THE EVALUATION
25 SUBCOMMITTEE, MARCY FEIT.

BARRISTERS' REPORTING SERVICE

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MS. FEIT: HERE.

MS. KING: MICHAEL GOLDBERG. BOB KLEIN.

CHAIRMAN KLEIN: HERE.

MS. KING: SHERRY LANSING. TED LOVE.
CLAIRE POMEROY.

DR. POMEROY: HERE.

MS. KING: FRANCISCO PRIETO.

CHAIRMAN PRIETO: HERE.

MS. KING: DUANE ROTH.

MR. ROTH: HERE.

MS. KING: DAVID SERRANO-SEWELL. JEFF
SHEEHY.

MR. SHEEHY: HERE.

MS. KING: ART TORRES.

MR. TORRES: HERE.

MS. KING: MEMBERS OF THE SUBCOMMITTEE.
OKAY. NOW, DR. PRIETO, BACK OVER TO YOU TO INVITE
OUR CANDIDATES TO MAKE THEIR STATEMENTS.

CHAIRMAN PRIETO: OKAY. SO AS I WAS
SAYING, WE ARE FLIPPING THE ORDER. WE HAD A COIN
FLIP BEFORE THE FIRST MEETING ON THE 3D. SO DR.
LITVACK SPOKE FIRST THEN. THIS TIME WE'RE GOING TO
ASK JON THOMAS TO MAKE A BRIEF PRESENTATION.

MR. THOMAS: THANK YOU VERY MUCH, DR.
PRIETO. I'D LIKE TO START BY CLEARING UP A BIT OF

BARRISTERS' REPORTING SERVICE

1 CONFUSION. AT THE TAIL END OF OUR WRAP-UP OPEN
2 SESSION ON FRIDAY, THERE WAS A DISCUSSION WHERE I
3 MENTIONED I WAS HAPPY TO PROVIDE A WRITTEN COPY OF
4 MY OPENING STATEMENT, WHICH I DID TO THE CIRM STAFF
5 ON EARLY SATURDAY MORNING. ON SUNDAY, UNBEKNOWNST
6 TO ME, IT GOT CAUGHT IN MY SPAM FILTER, I RECEIVED A
7 REQUEST FROM MR. JENSEN, WHO WAS DOING A PIECE FOR
8 HIS JUNE 5TH POSTING ON THE CANDIDATES. I DID NOT
9 PICK THAT UP, AND I NOTICED IN READING IT THERE WAS
10 REFERENCE TO HOW I HADN'T RESPONDED. I HAVE SINCE
11 CORRESPONDED WITH MR. JENSEN. I DID SEE THE
12 ORIGINAL MESSAGE CAUGHT IN THE SPAM FILTER AS THIS
13 AFTERNOON. HE NOW HAS MY OPENING STATEMENT, AND WE
14 HAD A VERY NICE AND CORDIAL EXCHANGE.

15 SO WITH THAT AS A LITTLE BACKGROUND, I'LL
16 LAUNCH RIGHT IN HERE.

17 MEMBERS OF THE INDEPENDENT CITIZENS
18 OVERSIGHT COMMITTEE, MY NAME IS JONATHAN THOMAS. I
19 APPRECIATE THE OPPORTUNITY TO ADDRESS YOU TODAY AS
20 ONE OF THE CANDIDATES FOR THE CHAIR POSITION AT THE
21 CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE OR
22 CIRM. FOR A PERSON WITH MY BACKGROUND AND INTEREST,
23 I TRULY VIEW THIS AS THE JOB OPPORTUNITY OF A
24 LIFETIME. I AM GRATEFUL FOR THE CONFIDENCE THAT THE
25 GOVERNOR, LIEUTENANT GOVERNOR, AND STATE TREASURER

BARRISTERS' REPORTING SERVICE

1 HAD IN NOMINATING ME FOR THIS POST.

2 I CONGRATULATE FRANK FOR BEING NOMINATED
3 AS WELL AND WISH HIM WELL IN THE PROCESS.

4 MY QUEST FOR THIS JOB BEGAN YEARS AGO EVEN
5 THOUGH I DIDN'T KNOW IT AT THE TIME. AS A YALE
6 TRAINED BIOLOGIST, I HAVE CLOSELY TRACKED
7 DEVELOPMENTS IN RECOMBINANT DNA, GENETIC
8 ENGINEERING, GENOMICS, STEM CELLS, AND OTHER HOT
9 AREAS OF BIOLOGICAL RESEARCH. WHILE MY CAREER HAS
10 BEEN PRINCIPALLY IN FINANCE, MOST RECENTLY AS THE
11 CO-FOUNDER IN 1990 OF AN INVESTMENT BANK AND PRIVATE
12 EQUITY FIRM CALL CALLED SAYBROOK CAPITAL, I HAVE
13 ALWAYS LOOKED TO RETURN TO BIOLOGY IF THE RIGHT
14 OPPORTUNITY PRESENTED ITSELF. THIS JOB IS THAT
15 OPPORTUNITY.

16 SINCE INCEPTION, CIRM HAS ENJOYED ENORMOUS
17 SUCCESS WITH OVER A BILLION AND A QUARTER GRANTED OR
18 LOANED PLUS OVER 800 MILLION IN SUPPLEMENTAL
19 DONATIONS. THE AGENCY HAS MADE GREAT STRIDES BOTH
20 IN FUNDING CUTTING EDGE RESEARCH AND IN BUILDING
21 INSTITUTES STATEWIDE TO HOUSE ITS INCREASING NUMBERS
22 OF SCIENTISTS HUNTING FOR STEM CELL THERAPIES.

23 AS THE AGENCY NOW LOOKS TO TRANSITION FROM
24 BASIC BIOLOGY TO CLINICAL TRIALS, IT FACES THE
25 DAUNTING TASK OF PICKING A NEW CHAIR TO REPLACE BOB

BARRISTERS' REPORTING SERVICE

1 KLEIN. BEFORE I CONTINUE, I WANT TO CONGRATULATE
2 BOB ON HIS VISION, DEDICATION, AND TIRELESS WORK IN
3 CREATING THE PREEMINENT MODEL FOR SCIENTIFIC
4 RESEARCH FUNDING. AT HIS INITIATIVE AND THROUGH HIS
5 AND YOUR CONSIDERABLE EFFORTS AND THOSE OF THE
6 PRESIDENT AND HIS STAFF, CIRM HAS BECOME THE LARGEST
7 FUNDING SOURCE FOR STEM CELL RESEARCH IN THE WORLD.

8 AS THE AGENCY NAVIGATES THE TRANSLATIONAL
9 PHASE OVER THE NEXT FEW YEARS, THE NEW CHAIR WILL
10 SET THE TONE FOR THOSE EFFORTS. I BELIEVE THAT
11 FRANK AND I GIVE YOU A GOOD CHOICE OF QUALIFIED
12 PEOPLE TO ASSUME THAT ROLE. THOUGH SOME HAVE SOUGHT
13 TO LABEL US AS FAVORING OVERSIGHT ON THE ONE HAND
14 VERSUS HANDS-ON THE OTHER, I BELIEVE THAT BOTH OF US
15 WOULD, IN FACT, LOOK TO EXERCISE OVERSIGHT AND, IN
16 ADDITION, TO EXERCISE ALL OF THE NUMEROUS STATUTORY
17 RESPONSIBILITIES SET FORTH IN THE LANGUAGE OF
18 PROPOSITION 71.

19 THE BIG QUESTION HERE ISN'T ABOUT LABELS.
20 IT'S ABOUT WHO IS BEST PREPARED TO CARRY OUT THESE
21 COMBINED EFFORTS. I BELIEVE THAT I'M YOUR BEST
22 CHOICE FOR THE PATIENTS, TAXPAYERS, THE AGENCY AND
23 ITS EMPLOYEES, AND YOU, THE BOARD. HERE'S WHY.

24 TO REVIEW BRIEFLY, PROPOSITION 71 IS CLEAR
25 ON THE CRITERIA FOR THE CHAIR POSITION AND ITS

BARRISTERS' REPORTING SERVICE

1 RESPONSIBILITIES. THE CHAIR MUST BE A PATIENT
2 ADVOCATE AND A PROPONENT OF STEM CELL RESEARCH, MUST
3 HAVE WIDE STATE AND FEDERAL LEGISLATIVE EXPERIENCE,
4 INCLUDING IN SECURING MEDICAL FUNDING. SHOULD HAVE
5 EXPERIENCE WITH GOVERNMENTAL AGENCIES, INCLUDING
6 EXECUTIVE OR BOARD POSITIONS. SHOULD HAVE LEGAL
7 EXPERIENCE PARTICULARLY DEALING IN REGULATORY
8 MATTERS AND INTELLECTUAL PROPERTY. SHOULD BE
9 PREPARED TO MANAGE A ROBUST PUBLIC COMMUNICATIONS
10 CAMPAIGN. SHOULD HAVE EXPERIENCE WITH THE PROCESS
11 OF ESTABLISHING GOVERNMENT STANDARDS AND PROCEDURES.
12 SHOULD HAVE DIRECT KNOWLEDGE AND EXPERIENCE IN BOND
13 FINANCING AND BE POSITIONED TO MANAGE CASH FLOW
14 PLANS AND TO OPTIMIZE ALL FINANCIAL LEVERAGE
15 OPPORTUNITIES FOR THE AGENCY. AND MUST HAVE NO
16 CONFLICTS OF INTEREST.

17 THE CHAIR'S RESPONSIBILITIES HIGHLIGHT AND
18 UTILIZE EACH OF THESE SKILL SETS AND MORE. WHEN
19 EVALUATED IN LIGHT OF THESE CRITERIA, I BELIEVE I
20 COME WITH A HOST OF LIFE EXPERIENCES THAT WILL HELP
21 IMPLEMENT THE INTENT AND VISION OF THE VOTERS. I
22 HAVE BEEN A PATIENT ADVOCATE FOR OVER 20 YEARS,
23 HAVING, AMONG OTHER THINGS, CHAIRED THE THEN
24 CRIPPLED CHILDREN'S SOCIETY OF SOUTHERN CALIFORNIA,
25 SINCE RENAMED ABILITY FIRST, A NONPROFIT, THAT

BARRISTERS' REPORTING SERVICE

1 SERVES CHILDREN AND YOUNG ADULTS WITH SPINAL
2 INJURIES AND CONDITIONS AND/OR A VARIETY OF MENTAL
3 HEALTH DISABILITIES THAT ARE CURRENTLY TARGETS OF
4 STEM CELL RESEARCH.

5 IN ADDITION, OUR DAUGHTER SUFFERED SEVERAL
6 YEARS AGO THROUGH A PROLONGED AND PAINFUL BOUT OF
7 INFLAMMATORY BOWEL DISEASE. I AM VERY INTERESTED IN
8 RESEARCH GOING ON IN THAT AREA AS WELL AND WOULD BE
9 WELL POSITIONED TO ADVOCATE FOR GROUPS WITH THAT
10 CONDITION.

11 ON THE STEM CELL SIDE, FOLLOWING YALE AND
12 A DOCTORATE AT OXFORD IN THE GENERAL FIELD OF HOW
13 DISEASE AND MEDICINE AFFECT ITS HISTORY, IN THIS
14 CASE THE EXPANSION OF THE BRITISH INTO COLONIAL EAST
15 AFRICA, I RETURNED TO YALE LAW SCHOOL AND, AMONG
16 OTHER THINGS, TAUGHT COURSES IN THE LEGAL
17 IMPLICATIONS OF GENETIC ENGINEERING AND OF THE
18 IMPACT OF DISEASE ON HISTORY.

19 AS I PROCEEDED THROUGH MY CAREER IN LAW
20 AND FINANCE, I PUT PARTICULAR INTEREST IN STEM CELL
21 RESEARCH AND LOOKED FOR A COMPANY TO WORK WITH IN
22 THAT ARENA. IN 2000 I BEGAN TRACKING ADVANCED CELL
23 TECHNOLOGY, OR ACT, A THEN FLEDGLING COMPANY
24 PURSUING THERAPEUTIC PRODUCTS FROM EMBRYONIC STEM
25 CELL RESEARCH. AFTER EXTENSIVE REVIEW OF THEIR

BARRISTERS' REPORTING SERVICE

1 INTELLECTUAL PROPERTY PORTFOLIO AND LENGTHY DUE
2 DILIGENCE, I LED AN EARLY ROUND FINANCING TO COVER
3 THE COMPANY'S OPERATING EXPENSES.

4 I HAVE TRACKED ACT OVER THE YEARS AND
5 FAMILIAR THROUGH IT WITH THE UPS AND DOWNS TYPICAL
6 OF THE BIOTECHNOLOGY INDUSTRY. NOW, 11 YEARS LATER,
7 ACT HAS TWO OF THE THREE PRODUCTS DERIVED FROM
8 EMBRYONIC STEM CELL RESEARCH CURRENTLY IN CLINICAL
9 TRIALS. IT WILL BE INTERESTING TO SEE HOW THINGS
10 PLAY OUT.

11 I HAVE EXPERIENCE OVER MORE THAN TWO
12 DECADES DEALING WITH LOCAL, STATE, AND FEDERAL
13 OFFICIALS. THAT EXPERIENCE SPANS MANY ISSUES AND IS
14 FREQUENTLY INVOLVED SECURING ONE SORT OF GOVERNMENT
15 FUNDING OR ANOTHER. IN ONE EXAMPLE OF DIRECT
16 RELEVANCE, AS A BOARD MEMBER AND TREASURER OF THE
17 BRENTWOOD BIOLOGICAL RESEARCH INSTITUTE, I HELPED
18 WITH SECURING FEDERAL FUNDING FOR RESEARCH DONE BY
19 THAT ORGANIZATION. I WOULD WELCOME THE OPPORTUNITY
20 TO WORK WITH SENATOR ART TORRES AND DUANE ROTH ON
21 THE HOST OF LEGISLATIVE MATTERS THAT WILL
22 UNDOUBTEDLY ARISE IN THE FUTURE.

23 I HAVE BEEN ON TWO MAJOR GOVERNMENT AGENCY
24 BOARDS FOR SEVEN YEARS EACH, SERVING AS VICE
25 PRESIDENT ON ONE. THAT WORK ON THE CITY OF LOS

BARRISTERS' REPORTING SERVICE

1 ANGELES HARBOR COMMISSION AND THE ALAMEDA CORRIDOR
2 TRANSPORTATION AUTHORITY INVOLVED THE FULL SPECTRUM
3 OF ISSUES THAT TYPICALLY CONFRONT BIG TICKET
4 AGENCIES ACTING ON BEHALF OF THE PUBLIC. AS
5 FINANCIAL ADVISOR TO THE CITY OF LOS ANGELES AND THE
6 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT IN
7 CONNECTION WITH THE FORMATION OF THE LOS ANGELES
8 COMMUNITY DEVELOPMENT BANK, I WAS DIRECTLY INVOLVED
9 IN ESTABLISHING GOVERNMENT STANDARDS AND PROCEDURES
10 FOR THAT ENTITY.

11 THE WORLD OF PUBLIC FINANCE IS AN ESOTERIC
12 CORNER OF THE FINANCE INDUSTRY, DIFFERENT IN MANY
13 IMPORTANT AND NUANCED RESPECTS FROM FINANCE IN THE
14 CORPORATE SECTOR. I HAVE MANY YEARS EXPERIENCE IN
15 PUBLIC FINANCE BOTH AT SAYBROOK AND IN AN EARLIER
16 JOB WITH THE THEN TOP TEN WALL STREET PUBLIC FINANCE
17 FIRMS. SOMEWHAT UNUSUALLY, I HAVE SERVED VARIOUSLY
18 AS AN UNDERWRITER, FINANCIAL ADVISOR, AND ISSUER OF
19 MANY KINDS OF TAXABLE AND TAX-EXEMPT BONDS,
20 INCLUDING GENERAL OBLIGATION BONDS OF THE SORT THAT
21 FUNDS THIS AGENCY.

22 OF PARTICULAR NOTE, HAVING OVERSEEN THE
23 STRUCTURING AND ISSUANCE OF OVER A BILLION DOLLARS
24 IN BONDS FOR THE ALAMEDA CORRIDOR, I WAS SINGLED OUT
25 BY THE U.S. TRANSPORTATION SECRETARY RODNEY SLATER

BARRISTERS' REPORTING SERVICE

1 AT THE CORRIDOR GROUNDBREAKING FOR THOSE EFFORTS AND
2 FOR FASHIONING A FIRST-OF-ITS-KIND FINANCING PACKAGE
3 FOR THAT \$2.4 BILLION PROJECT. I WAS LIKEWISE
4 RECOGNIZED BY CONGRESSMAN STEVE HORN ON THE FLOOR OF
5 THE CONGRESS FOR THAT SAME WORK.

6 I AM KEENLY AWARE OF THE STATE'S FINANCIAL
7 DIFFICULTIES. IF PROBLEMS ARISE WITH GETTING
8 ALLOCATIONS FROM THE DEPARTMENT OF FINANCE FOR
9 ENOUGH BONDS TO MEET THE AGENCY'S CASH FLOW NEEDS, I
10 AM VERY FAMILIAR WITH THE INS AND OUTS OF PRIVATE
11 PLACEMENTS AS AN ALTERNATIVE FUNDING SOURCE AND KNOW
12 ALL THE INDIVIDUALS AND INSTITUTIONS TO MAKE THAT
13 HAPPEN.

14 I HAVE BEEN THROUGH MANY BOND ELECTIONS.
15 SHOULD THE AGENCY DECIDE TO PURSUE A SECOND GENERAL
16 OBLIGATION BOND MEASURE, I WILL BE FULLY PREPARED TO
17 HELP LEAD THAT EFFORT.

18 I AM AN ATTORNEY BY TRAINING AND USE THAT
19 TRAINING TO INFORM 25 PLUS YEARS WORK IN THE
20 FINANCIAL INDUSTRY AS WELL AS IN DEALING EXTENSIVELY
21 WITH COUNSEL FOR GOVERNMENTAL AGENCIES. FURTHER ON
22 THE LEGAL SIDE, HAVING DONE EXTENSIVE DUE DILIGENCE
23 AS MENTIONED ON ACT'S INTELLECTUAL PROPERTY RIGHTS
24 BEFORE RAISING THEIR VENTURE ROUND, I AM WELL VERSED
25 IN THE LITANY OF INTELLECTUAL PROPERTY RIGHTS THAT

BARRISTERS' REPORTING SERVICE

1 ATTACH TO STEM CELL WORK.

2 ON THE REGULATORY SIDE, I CLERKED FOR A
3 JUDGE ON THE UNITED STATES CIRCUIT COURT OF APPEALS
4 FOR THE DISTRICT OF COLUMBIA CIRCUIT. THAT COURT
5 DEALT PREDOMINANTLY WITH REGULATORY ISSUES AND
6 ADMINISTRATIVE LAW. I AM VERY FAMILIAR WITH FDA
7 MATTERS AS THEY PERTAIN TO BIOTECHNOLOGY
8 APPLICATIONS, HAVING OBSERVED ACT AND A NUMBER OF
9 OTHER COMPANIES AS THEY WORK THEIR WAY THROUGH THE
10 CLINICAL TRIAL PROCESS.

11 FINALLY, I DO NOT WORK FOR, NOR NEVER HAVE
12 WORKED FOR ANY POTENTIAL APPLICANT FOR CIRM FUNDING.
13 I DO OWN A RESIDUAL SMALL INTEREST OF ACT
14 SECURITIES, BUT WILL SELL THOSE IF ELECTED CHAIR TO
15 AVOID ANY POTENTIAL FOR CONFLICT. I HAVE NO OTHER
16 ACTUAL OR PERCEIVED CONFLICTS IN THIS REGARD.

17 WHEN YOU ADD IT ALL UP, I HAVE EXPERIENCE
18 IN EACH OF THE REQUIRED AREAS SET FORTH IN THE JOB
19 DESCRIPTION. AS SUCH, I CAN HIT THE GROUND RUNNING
20 AND NOT HAVE TO WORRY ABOUT LEARNING ON THE JOB. MY
21 MANAGEMENT STYLE IS COLLABORATIVE. I BELIEVE THE
22 CHAIR AND PRESIDENT HAVE SEPARATE AND DISTINCT ROLES
23 AND THAT THE TWO POSITIONS WERE DESIGNED TO BE
24 COMPLEMENTARY, NOT OVERLAPPING. I WOULD LOOK TO THE
25 PRESIDENT AND HIS STAFF TO PERFORM THEIR DUTIES,

BARRISTERS' REPORTING SERVICE

1 JUST AS THEY WOULD LOOK TO ME AND MY STAFF TO
2 PERFORM OURS.

3 IN ADDITION, THE BOARD HAS AN
4 EXTRAORDINARY COLLECTION OF TALENTS AND SKILL SETS.
5 I WILL ALWAYS LOOK TO BOARD MEMBERS TO INFORM THE
6 GROUP'S OPINIONS AND WILL DELEGATE TO BOARD MEMBERS
7 TASKS THAT FALL WITHIN THEIR SPECIFIC AREAS OF
8 EXPERTISE. ONLY THROUGH SUCH JOINT EFFORT WILL WE
9 MAXIMIZE THE PERFORMANCE REQUIRED BY THE PUBLIC
10 TRUST.

11 IN CONCLUSION, I AM EXTREMELY ENTHUSIASTIC
12 ABOUT THIS OPPORTUNITY AND AM PREPARED TO GIVE IT
13 WHATEVER TIME IT TAKES TO DO IT RIGHT. I TRULY
14 BELIEVE THAT EVERYTHING IN MY CAREER TO THIS POINT
15 HAS LED ME TO THIS MOMENT. I WOULD BE DEEPLY
16 HONORED TO SERVE AS YOUR NEXT CHAIR. THANK YOU VERY
17 MUCH FOR LISTENING. I HOPE TO HAVE YOUR SUPPORT ON
18 JUNE 22D.

19 CHAIRMAN PRIETO: THANK YOU VERY MUCH.
20 ARE WE ALL STILL ON THE LINE? IT SOUNDED LIKE I WAS
21 MUTED.

22 NEXT, I'D LIKE TO ASK FRANK LITVACK TO
23 MAKE A BRIEF PRESENTATION.

24 DR. LITVACK: THANK YOU, DR. PRIETO. AND
25 MEMBERS OF THE ICOC, THANK YOU FOR YOUR TIME THIS

BARRISTERS' REPORTING SERVICE

1 AFTERNOON.

2 THIS IS THE SECOND OF THE TWO SPECIAL
3 MEETINGS, AND MANY OF YOU ON THE CALL TODAY DID NOT
4 PARTICIPATE ON FRIDAY. PLEASE NOTE THAT MY COMMENTS
5 FROM LAST WEEK ARE AVAILABLE ONLINE, AND TODAY I
6 SHALL DEVIATE SOMEWHAT FROM WHAT I SAID ON FRIDAY.

7 I AGAIN BEGIN BY RECOGNIZING THE
8 OUTSTANDING CONTRIBUTIONS AND DEDICATION OF THE MANY
9 TALENTED PEOPLE WHICH SERVED ON THE ICOC BOARD AS
10 WELL AS MEMBERS OF THE CIRM STAFF. YOU HAVE CREATED
11 A REALLY UNIQUE AND IMPORTANT INSTITUTION. AND I
12 ESPECIALLY THANK AS WELL BOB KLEIN, WHOSE VISION AND
13 TIRELESS EFFORTS CONCEIVED OF AND IMPLEMENTED CIRM.
14 BOB HAS DEVOTED AT GREAT PERSONAL SACRIFICE MORE
15 THAN SIX YEARS OF HIS LIFE TO THE INSTITUTE. AND
16 IT'S ONLY BECAUSE OF HIS UNWAVERING EFFORT FOR STEM
17 CELL RESEARCH AND THE CREATION OF CIRM THAT THE
18 AGENCY IS FORTUNATE ENOUGH TO BE ABLE TO TRANSITION
19 TO NEW CHAIRMANSHIP.

20 SHOULD I ASSUME THE CHAIR OF THE ICOC, I
21 WOULD REACH OUT TO BOB FOR MENTORSHIP AND ADVICE AS
22 HIS SKILLED EXPERTISE AND COMMITMENT ARE
23 UNPARALLELED.

24 I ALSO CONGRATULATE JON THOMAS FOR HIS
25 NOMINATION. HE HAS A WONDERFUL REPUTATION AS A

BARRISTERS' REPORTING SERVICE

1 GENTLEMAN, A SKILLED BUSINESSMAN, AND AS AN
2 INVESTOR. THE INSTITUTE IS INDEED FORTUNATE TO HAVE
3 HIM AS A CANDIDATE.

4 I'VE PROVIDED TO YOU ALL IN MY LETTER TO
5 THE ICOC A COMPREHENSIVE REVIEW OF MY BACKGROUND AND
6 EXPERIENCE. I HAVE HAD WHAT AMOUNTS TO THREE
7 CAREERS. I WAS A MEDICAL PRACTITIONER FOR NEARLY 30
8 YEARS. BEGINNING IN 1985 I PRACTICED CLINICAL AND
9 INTERVENTIONAL CARDIOLOGY AND LED THE PROGRAM AT
10 CEDARS-SINAI IN LOS ANGELES. I HAD THE PRIVILEGE OF
11 TAKING CARE OF THOUSANDS OF PATIENTS, MANY OF WHOM
12 WERE CRITICALLY ILL. TO ME THEIR SUFFERING WAS
13 NEITHER ACADEMIC NOR ABSTRACT. AND, IN FACT, I
14 IDENTIFY MYSELF FIRST AND FOREMOST AS A PHYSICIAN, A
15 FRONTLINE PATIENT ADVOCATE.

16 FROM MY CLINICAL EXPERIENCE, I TAKE AWAY A
17 VISCERAL UNDERSTANDING OF THE POWER OF AND THE NEED
18 FOR EFFECTIVE THERAPIES AND CURES. NOTHING IS MORE
19 GRATIFYING THAN A LIFE SAVED AND NOTHING MORE
20 DISCOURAGING THAN HELPLESSLY STANDING BY WHEN THERE
21 IS NOTHING MORE TO OFFER.

22 I'VE BEEN AN ACADEMIC AND CODIRECTED A
23 SUBSTANTIAL RESEARCH PROGRAM AT CEDARS-SINAI. AM
24 WELL PUBLISHED AND HAVE PARTICIPATED IN THE USUAL
25 SCHOLARLY ACTIVITIES OF GRANT WRITING, PEER REVIEW,

BARRISTERS' REPORTING SERVICE

1 AS WELL AS THE INTERNATIONAL LECTURE CIRCUIT. I
2 ACHIEVED THE RANK OF FULL PROFESSOR IN THE UCLA
3 SCHOOL OF MEDICINE WHEN I WAS IN MY EARLY 40S. MY
4 RESEARCH WAS MOSTLY WHAT WOULD BE CALLED TODAY
5 TRANSLATIONAL, OR WHAT WE USED TO CALL BENCH TO
6 BEDSIDE BEFORE THE WORD "TRANSLATIONAL" ENTERED THE
7 LEXICON. I WAS NEVER ONE FOR ARCANE QUESTIONS OF
8 CURIOSITY. RATHER, I HAD AN INTEREST IN FINDING NEW
9 WAYS TO TREAT THE PATIENT.

10 FROM MY EXPERIENCE AS AN ACADEMIC, I
11 LEARNED HOW TO BE AN INVESTIGATOR IN CLINICAL
12 TRIALS, HOW TO STRUCTURE A TRIAL SO AS TO RIGOROUSLY
13 TEST A HYPOTHESIS AND HOW TO DEAL WITH INSTITUTIONAL
14 REVIEW BOARDS SO AS TO GET CLINICAL RESEARCH DONE.
15 I LEARNED HOW TO WRITE RESEARCH GRANTS. I WAS AN
16 INVESTIGATOR ON THREE NIH-FUNDED GRANTS AND SEVERAL
17 OTHERS IN CORPORATION AND PHILANTHROPIC
18 ORGANIZATIONS. I LEARNED HOW TO CREATE AND REVIEW
19 GRANT BUDGETS AND, MORE IMPORTANTLY, AS RELATED TO
20 CIRM, HOW TO CRITICALLY REVIEW THEM FOR FISCAL
21 EFFICIENCY.

22 I LEARNED THE PROCESS OF PEER REVIEW. FOR
23 MANY YEARS I PROVIDED EXTERNAL REVIEW FOR SEVERAL
24 LEADING MEDICAL JOURNALS. I EDITED A BOOK IN THE
25 FIELD OF INTERVENTIONAL CARDIOLOGY, AND I ORGANIZED

BARRISTERS' REPORTING SERVICE

1 AND DIRECTED MANY COURSES FOR THE TEACHING OF
2 ADVANCES IN INTERVENTIONAL CARDIOLOGY TO
3 PRACTITIONERS FROM AROUND THE WORLD.

4 FINALLY, I HAVE BEEN AND REMAIN AN ACTIVE
5 ENTREPRENEUR IN THE LIFE SCIENCES SECTOR WITH
6 SEVERAL COMPANIES. THESE ENDEAVORS ARE THE
7 PRACTICAL EXTENSION OF MY PRIOR CLINICAL AND
8 RESEARCH EXPERIENCE. FROM THESE EXPERIENCES I HAVE
9 LEARNED HOW TO CREATE AND MANAGE AN ORGANIZATION OF
10 TALENTED PROFESSIONALS.

11 I WAS CHAIRMAN AND CEO OF CONNOR MED
12 SYSTEMS FROM THE TIME WE HAD JUST A HANDFUL OF
13 EMPLOYEES UNTIL, AT THE TIME OF OUR SALE, WE HAD 300
14 EMPLOYEES IN THE UNITED STATES AND EUROPE. THIS
15 INCLUDED AT THE SENIOR MANAGEMENT LEVEL A CHIEF
16 OPERATING OFFICER, A CHIEF FINANCIAL OFFICER, CHIEF
17 TECHNOLOGY OFFICER, AND VICE PRESIDENTS OF
18 OPERATIONS, REGULATORY AND CLINICAL AFFAIRS, AS WELL
19 AS DIRECTORS OF HUMAN RESOURCES, MARKETING, AND A
20 CONTROLLER. NONE OF THAT TEAM WAS IN PLACE WHEN WE
21 BEGAN.

22 FROM MY EXPERIENCE IN THE BUSINESS WORLD,
23 I LEARNED HOW TO INTERACT WITH FDA AND FOREIGN
24 REGULATORY BODIES ON HOW TO ASSEMBLE A TEAM OF KEY
25 OPINION LEADERS AND CLINICAL INVESTIGATORS FROM

BARRISTERS' REPORTING SERVICE

1 AROUND THE WORLD. I LEARNED HOW A PRODUCT GOES FROM
2 A CONTEXT TO COMMERCIALIZATION.

3 AS A RESULT OF THESE VARIED ENDEAVORS, I
4 BECAME DEEPLY IMMERSSED IN AND HAVE FIRSTHAND
5 EXPERIENCE WITH INTELLECTUAL PROPERTY AND
6 SPECIFICALLY BIOMEDICAL PATENTS. JUST IN THE LAST
7 YEAR, I'M A LISTED INVENTOR ON SEVERAL NEW PATENT
8 APPLICATIONS. I HAD THE ULTIMATE MANAGEMENT
9 RESPONSIBILITY FOR CONTENTIOUS GLOBAL PATENT
10 LITIGATION AND HAVE RETAINED AND DIRECTED SOME OF
11 THE SHARPEST INTELLECTUAL PROPERTY ATTORNEYS AROUND
12 THE WORLD.

13 FINALLY, I HAVE RAISED LARGE AMOUNTS OF
14 CAPITAL FROM MANY SOURCES, INCLUDING ANGELS, VENTURE
15 CAPITAL, CORPORATE PARTNERS, HEDGE FUNDS, AND THE
16 PUBLIC. MY EXPERIENCE, I KNOW THAT SUCCESSFUL FUND
17 RAISING IS NOT ABOUT THE MECHANICS OF THE
18 TRANSACTION, BUT RATHER IT IS ABOUT SELLING THE
19 VISION.

20 AS I HAVE HIGHLIGHTED IN SOME DETAIL IN MY
21 LETTER, I AM ACTIVELY ENGAGED IN A NUMBER OF
22 PROJECTS. I SERVE ON SEVERAL BOARDS, INCLUDING IN
23 THE CHAIRMAN POSITION. YOU MAY NOTE THAT NONE OF
24 THESE VENTURES AM I IN A FULL-TIME OPERATING
25 CAPACITY.

BARRISTERS' REPORTING SERVICE

1 MY INTEREST IN THE CIRM POSITION COMES
2 ONLY AFTER SUBSTANTIAL REFLECTION AS WELL AS
3 DISCUSSION WITH MANY PARTIES BOTH WITHIN CIRM AND ON
4 THE OUTSIDE. I BELIEVE THAT STEM CELL SCIENCE IS ON
5 THE VERGE OF TRANSLATING; THAT IS, WITHIN THE NEXT
6 FEW YEARS, WE HAVE A HIGH LIKELIHOOD OF WITNESSING
7 CLINICAL SUCCESS. HUMAN DISEASE, HOWEVER, IS A
8 STUBBORN FOE, AND WE SHOULD NOT UNDERESTIMATE THE
9 HURDLES YET TO COME. IF I CAN BE OF SOME MODEST
10 SERVICE IN THIS MONUMENTAL AND RIGHTEOUS ENDEAVOR, I
11 WOULD BE HONORED.

12 ALLOW ME TO ADDRESS MY VISION ON THE ROLE
13 OF CHAIRMAN ON A GOING-FORWARD BASIS. I SEE THE
14 ROLE OF CIRM AS SERVING AS A STIMULUS TO INNOVATION
15 AND TO CREATING A VIBRANT NEW MEDICAL TECHNOLOGY
16 INDUSTRY IN CALIFORNIA AND THE NATION. THIS STATE'S
17 VOTERS HAVE IDENTIFIED THE INITIATIVE AS A HIGH
18 PRIORITY. THE FIRST PRIORITY OF THE CHAIRMAN IS
19 OVERSIGHT. SIMPLY, THE CHAIRMAN WOULD BE ANOTHER
20 SET OF EXPERIENCED EYES AND EARS OF THE ICOC AND
21 WOULD, IN COLLABORATION WITH THAT BODY, PROVIDE
22 OVERSIGHT FOR THE AGENCY. THIS WOULD INCLUDE
23 PROVIDING DIRECTION, ADVICE, AND COUNSEL TO
24 MANAGEMENT AS WELL AS ASSURING ACCOUNTABILITY. THE
25 OVERSIGHT MODEL ONLY WORKS IF MANAGEMENT IS BOTH

BARRISTERS' REPORTING SERVICE

1 EMPOWERED AND ACCOUNTABLE.

2 GIVEN THE STAKES IN TERMS OF PUBLIC MONEY
3 AND OUR NEED TO PROVIDE NEW THERAPIES AS SOON AS
4 PRACTICAL, THE PUBLIC DESERVES AND EXPECTS
5 EXCELLENCE.

6 MY VISION INCLUDES OTHER CRUCIAL
7 RESPONSIBILITIES. THE CHAIRMAN MUST ALSO
8 EFFECTIVELY COLLABORATE WITH THE GOVERNOR'S OFFICE
9 AND THE TREASURER TO ASSURE THAT THE BOND MONIES ARE
10 AVAILABLE TO SUPPORT THE OPERATION AND THE
11 COMMITMENTS OF THE AGENCY.

12 WITH RESPECT TO THE MUNICIPAL BOND MARKET
13 IN CALIFORNIA, THESE ARE NO ORDINARY TIMES. CIRM IS
14 FORTUNATE TO BE WELL STAFFED WITH EXPERTS TO HELP IT
15 WEATHER A POSSIBLE STORM, INCLUDING ITS TWO VICE
16 CHAIRS, SENATOR ART TORRES AND DUANE ROTH, TO DIRECT
17 AND REPRESENT THE AGENCY'S INTERESTS IN SACRAMENTO.
18 THE BOARD COUNSEL, JAMES HARRISON, AND THE GENERAL
19 COUNSEL, ELONA BAUM, AND A YET TO BE RETAINED CFO,
20 ALL OF WHOM WILL PROVIDE LEGAL AND FINANCIAL
21 LEADERSHIP, THIS IS NOT TO MENTION OTHER LEGAL
22 CONSULTING OR BANKING TALENT THAT CAN BE CALLED IN
23 IF REQUIRED.

24 FINALLY, MY VISION IS THAT THE NEXT
25 CHAIRMAN WILL SURELY NEED TO SHORE UP THE AGENCY'S

BARRISTERS' REPORTING SERVICE

1 MESSAGING. THE PUBLIC IS WAITING TO HEAR WHAT IS
2 BEING DONE WITH THEIR MONEY. PATIENTS ARE WAITING
3 TO HEAR WHEN EXACTLY IT IS THAT SCIENCE WILL DELIVER
4 WHAT THEY HAVE BEEN WAITING FOR.

5 FINALLY, THE CHAIRMAN NEEDS TO TAKE A
6 LEADERSHIP ROLE IN SETTING STRATEGY BY COLLABORATING
7 WITH OTHER STAKEHOLDERS. THIS IS, AFTER ALL, A VERY
8 DYNAMIC FIELD THAT REQUIRES REAL-TIME ADJUSTMENTS OF
9 THE GAME PLAN. AN ORGANIZATION THAT HAS TWO CHIEF
10 EXECUTIVES CARRIES WITH IT THE INTRINSIC POTENTIAL
11 FOR SERIOUS CHALLENGES.

12 THE ACTUAL STRUCTURE OF THE ICOC CURRENTLY
13 INCLUDES MULTITALENTED AND A HIGHLY ENGAGED BOARD,
14 TWO SKILLED VICE CHAIRMAN, AND A FULL-TIME
15 MANAGEMENT TIME, INCLUDING A PRESIDENT. THE ROLE OF
16 THE PRESIDENT IS DAILY MANAGEMENT. HE OR SHE MUST
17 BE FREE TO PURSUE THIS ROLE WITHOUT ENCUMBRANCE.
18 THE FUNCTION OF THE CHAIRMAN, ON THE OTHER HAND, IS
19 NOT DAY-TO-DAY MANAGEMENT. RATHER, IT IS TO
20 ARTICULATE THE VISION OF THE ORGANIZATION AND
21 REPRESENT THE ORGANIZATION TO OUTSIDE PARTIES.

22 THE MOST IMPORTANT STRATEGIC IMPERATIVE AT
23 THE PRESENT TIME IS TO GET NEW PRODUCTS INTO THE
24 CLINIC. CIRM NEEDS NOT ONLY TO FUND PROMISING
25 RESEARCH, BUT ALSO TO FACILITATE THE TRANSLATION OF

BARRISTERS' REPORTING SERVICE

1 PROMISING THERAPIES THROUGH THE LABORATORY. AT THIS
2 STAGE CIRM MIGHT BE WELL ADVISED TO CONSIDER FURTHER
3 MECHANISMS OF BEING PROACTIVE IN THIS REGARD.

4 WITHOUT GETTING INTO DETAIL, THE AGENCY
5 COULD CONTEMPLATE DEVELOPING A CORE EXPERTISE IN
6 PRECLINICAL AND REGULATORY AFFAIRS. IT SHOULD
7 CONSIDER DEVELOPING A PUBLICLY AVAILABLE REPOSITORY
8 OF EXPERTISE AND DATA TO ASSURE THAT EACH NEW FDA
9 TRIAL APPLICANT IS NOT REINVENTING THE WHEEL AND
10 WASTING PRECIOUS TIME AND MONEY.

11 STEPPED-UP COLLABORATION WITH OTHER
12 ORGANIZATIONS DEVOTED TO THE PROMOTION OF INNOVATION
13 AND TRANSLATION, INCLUDING THE PASSIONATE AND
14 COMMITTED DISEASE ADVOCATE COMMUNITIES, THE CLINICAL
15 RESEARCHERS, AS WELL AS WITH FDA AND OTHER
16 REGULATORY AGENCIES, WOULD BE OF STRATEGIC AND
17 TACTICAL VALUE. CIRM LEADERSHIP MUST TAKE A PIVOTAL
18 ROLE IN FACILITATING THEIR INTERACTION OF THERAPY
19 INNOVATORS WITH THE FDA.

20 I BELIEVE THAT THE ENGINE OF AMERICAN LIFE
21 SCIENCE INNOVATION IS CURRENTLY IN JEOPARDY. IT IS
22 NOW TIME TO EXPLORE NEW PARADIGMS FOR EVALUATION AND
23 APPROVAL OF NEW THERAPIES. CIRM IS UNIQUELY
24 POSITIONED TO BE A DRIVER OF THIS EFFORT. WHILE
25 CIRM WILL ALWAYS STAND FOR SAFETY AND GOOD SCIENCE,

BARRISTERS' REPORTING SERVICE

1 WHEN IT COMES TO CRITICAL AND LIFE-THREATENING
2 ILLNESSES, PATIENTS SHOULD HAVE A MORE ACTIVE ROLE
3 IN THEIR OWN THERAPEUTIC OPTIONS.

4 THE CELL THERAPY INDUSTRY IS NASCENT, AND
5 THE CAPITAL MARKETS HAVE NOT RECENTLY BEEN KIND TO
6 THEM. CIRM NEEDS TO SHORE UP ITS COMMERCIAL
7 RELATIONSHIPS AS MOST NEW THERAPIES WILL REQUIRE THE
8 PRIVATE SECTOR IN ORDER TO SUCCEED.

9 FURTHER THOUGHT SHOULD BE GIVEN TO THE
10 CONCEPT OF GETTING CIRM TO BE PARTIALLY OR WHOLLY
11 SELF-FUNDED IN THE FUTURE. ONE SUCH METHOD MIGHT BE
12 GETTING UPSIDE PARTNERSHIP IN THE FINANCIAL SUCCESS
13 OF ITS GRANTEES. RECENTLY THE FEDERAL GOVERNMENT
14 WAS QUITE SUCCESSFUL IN THIS REGARD DURING THE
15 BANKING, INSURANCE, AND AUTO BAILOUTS. I REALIZE
16 THAT EACH OF THESE TOPICS IS REplete WITH OPINION AS
17 WELL AS WITH CONTROVERSY. NONETHELESS, THEY NEED TO
18 BE FURTHER EXPLORED AND DEVELOPED BY THIS AGENCY.

19 THE PRIMARY MISSION OF CIRM IS TO EXPEDITE
20 THE DEVELOPMENT AND DELIVERY OF NEW THERAPIES FOR
21 THOSE SUFFERING FROM CHRONIC, DEBILITATING, AND
22 FATAL ILLNESSES. AS A DERIVATIVE, WE WILL SEE SOME
23 OF THE WORLD'S BEST SCIENTISTS COME TO CALIFORNIA,
24 AND WE WILL BENEFIT FROM THOUSANDS OF NEW HIGH
25 PAYING JOBS AS OUR STATE BECOMES AND CONTINUES TO

BARRISTERS' REPORTING SERVICE

1 DEVELOP AS THE EPICENTER OF A NEW STEM CELL
2 BIOTECHNOLOGY INDUSTRY.

3 THIS WAS WHAT BOB KLEIN'S ORIGINAL VISION
4 WAS AND IT CAN COME TO THAT. THIS IS, HOWEVER, NO
5 EASY TASK, AND WE SHOULD NEVER UNDERESTIMATE THE
6 OBSTACLES. FORTUNATELY WE HAVE SOME OF THE GREATEST
7 SCIENTIFIC MINDS AND AN ENTIRE SUPPORTING CAST OF
8 ADVOCATES, MANAGERS, INVESTORS, AS WELL AS THE
9 PUBLIC STANDING TOGETHER IN THIS EFFORT. THANK YOU
10 VERY MUCH. THAT CONCLUDES MY OPENING REMARKS.

11 CHAIRMAN PRIETO: THANK YOU VERY MUCH. I
12 BELIEVE WE'RE NOW GOING TO GO INTO CLOSED SESSION,
13 AND YOU'VE ALL SEEN THE PROCEDURE. FIRST, I'M GOING
14 TO ASK JAMES TO STATE THE CODE SECTION ALLOWING US
15 TO DO THAT. AND THEN WE WILL GO INTO TWO SEPARATE
16 SESSIONS. DURING THE FIRST OF WHICH, AND THESE WILL
17 HAVE SEPARATE DIAL-INS, WE'LL ABLE TO ASK QUESTIONS
18 OF MR. THOMAS AND THE SECOND FOR DR. LITVACK.

19 MS. KING: JUST BRIEFLY, IF THERE'S
20 ANYBODY FROM THE BOARD ON THE LINE THAT DOES NOT
21 HAVE BOTH OF THE CLOSED SESSION DIAL-INS, PLEASE
22 E-MAIL ME AND I WILL GET THOSE TO YOU. YOU SHOULD
23 HAVE THEM IN THE E-MAILS THAT I'VE SENT, BUT THE
24 MOST RECENT ONE THAT I SENT LAST NIGHT IN
25 PREPARATION FOR THE MEETING TODAY.

BARRISTERS' REPORTING SERVICE

1 DR. LORING: MELISSA, THIS IS JEAN LORING.
2 I JUST WANTED TO KNOW IF YOU WERE GOING TO HAVE ANY
3 TIME FOR PUBLIC COMMENT.

4 MS. KING: WE ARE. THANK YOU, JEAN. AND
5 WE HAVE SOMEONE HERE IN SAN FRANCISCO THAT WOULD
6 LIKE TO MAKE A COMMENT AS WELL. I WAS JUST
7 DEFERRING TO JAMES TO BE ABLE TO CALL FOR THAT. AND
8 SO I'M GOING TO TURN IT BACK OVER.

9 CHAIRMAN PRIETO: I OVERLOOKED THAT, BUT,
10 YES. WE WILL AGAIN -- FOR THOSE COME BACK ON THE
11 CALL, WE WILL GO BACK INTO OPEN SESSION AFTER THE
12 CLOSED SESSION AND HAVE ANOTHER OPPORTUNITY FOR
13 COMMENTS THEN.

14 MS. FEIT: MELISSA, THIS IS MARCY. WOULD
15 YOU PLEASE CALL ME?

16 MS. KING: I WILL CALL YOU AS SOON AS WE
17 ARE OUT OF THIS OPEN SESSION AND RIGHT BEFORE WE GO
18 INTO THE CLOSED SESSION.

19 MR. HARRISON: DR. PRIETO, CAN I RECOMMEND
20 THAT WE TAKE PUBLIC COMMENT NOW FROM SAN FRANCISCO?
21 IT SOUNDS JEAN LORING IN SAN DIEGO AS WELL.

22 CHAIRMAN PRIETO: YES, PLEASE.

23 MS. KING: JEAN.

24 CHAIRMAN PRIETO: DR. LORING, WOULD YOU
25 LIKE TO START?

BARRISTERS' REPORTING SERVICE

1 DR. LORING: SURE. I'D BE HAPPY TO. FOR
2 THOSE OF YOU WHO DON'T KNOW ME, I'M JEAN LORING.
3 I'M THE DIRECTOR OF THE CENTER FOR REGENERATIVE
4 MEDICINE AT THE SCRIPPS RESEARCH INSTITUTE IN LA
5 JOLLA, AND I AM A CIRM-FUNDED STEM CELL RESEARCHER.

6 IN SOME WAYS YOU MIGHT WANT TO CALL ME A
7 STEM CELL RESEARCHER ADVOCATE SINCE I'M VERY
8 INTERESTED IN THE ACTIVITIES OF CIRM. I WANTED THE
9 CANDIDATES AND THE BOARD TO KNOW THAT WE ARE VERY
10 PLEASED THAT CIRM HAS INTRODUCED US TO THE PATIENT
11 ADVOCATES. AND I WANTED THE PATIENT ADVOCATES TO
12 KNOW THAT WE ARE INSPIRED BY YOUR PASSION FOR CURING
13 DISEASE.

14 I ALSO WANTED TO THANK CIRM FOR
15 ENCOURAGING US TO EDUCATE THE PUBLIC, TO STEP OUT OF
16 OUR LABORATORIES AND EDUCATE THE PUBLIC ABOUT THE
17 PROMISES AND PERHAPS SHORTCOMINGS OF STEM CELL
18 RESEARCH.

19 CIRM IS UNIQUE, AND BOB HAS A GREAT DEAL
20 TO DO WITH THAT UNUSUAL CHARACTER OF CIRM. WE'RE
21 GOING TO MISS OUR INTERACTIONS WITH BOB. HE'S
22 PERSONALLY TRANSFORMED MANY BASIC RESEARCHERS WHO
23 WERE SOMEWHERE IN THE BASEMENT OF SOME BUILDING IN
24 THE DARK INTO TRANSLATIONAL MEDICAL RESEARCHERS WHO
25 REALLY CARE ABOUT WHAT THE IMPACT OF THEIR RESEARCH

BARRISTERS' REPORTING SERVICE

1 WILL BE TO PATIENTS. AND WE HOPE THAT THE NEW CHAIR
2 WILL REACH OUT TO US WHO ARE ON THE FRONT LINES OF
3 RESEARCH AND CONTINUE TO ENCOURAGE US TO PARTICIPATE
4 IN CIRM'S MISSION TO IMPROVE HUMAN HEALTH. THANK
5 YOU.

6 CHAIRMAN PRIETO: THANK YOU, DR. LORING.
7 IN SAN FRANCISCO WE HAVE PUBLIC COMMENT.

8 MS. KING: WE HAVE DON REED RIGHT HERE.

9 MR. REED: FIRST, A MESSAGE FROM MY SON,
10 ROMAN REED, WHO SAYS HE DOES NOT ENVY WHOEVER
11 FOLLOWS BOB KLEIN. HE SAYS THIS LIKE BEING THE
12 FOLLOW-UP SINGER TO ELVIS PRESLEY.

13 FIRST, YOU ARE BOTH OUTSTANDING
14 CANDIDATES. CALIFORNIA IS PROUD OF SUCH MEN.
15 WHOEVER WINS WILL HAVE MY PERSONAL PLEDGE OF
16 SUPPORT. WHOEVER COMES IN SECOND PLEASE HELP US
17 ANYWAY. STAY INVOLVED.

18 I HAVE TWO QUESTIONS, I'D LIKE AN ANSWER
19 FROM BOTH CANDIDATES. ONE, IN THE EVENT THAT
20 CALIFORNIA NO LONGER OFFERS GENERAL OBLIGATION
21 BONDS, AND YOU MUST REACH OUT TO PRIVATE SOURCES FOR
22 FUNDING, WHAT IN YOUR EXPERIENCE WILL HELP YOU IN
23 THIS DIFFICULT TASK?

24 MR. THOMAS: YOU WANT US TO ANSWER THESE
25 IN SEQUENCE HERE, DON?

BARRISTERS' REPORTING SERVICE

1 MR. REED: THAT WILL BE FINE.

2 MR. THOMAS: OKAY. THAT CLEARLY IS AN
3 ISSUE HOPEFULLY WHICH WILL NOT COME TO PASS, BUT
4 COULD VERY EASILY IF THE FINANCIAL DIFFICULTIES OF
5 THE STATE SOMEHOW IMPACT THE ALLOCATION FROM THE
6 DIRECTOR OF FINANCE TO CIRM IN A MANNER WHERE YOU
7 NEED TO HAVE PRIMARY COVERAGE OF YOUR CASH FLOW
8 NEEDS. SO THERE ARE SEVERAL THINGS YOU CAN DO.

9 THE QUICKEST THING OBVIOUSLY IS TO PURSUE
10 A PRIVATE PLACEMENT IN THE BOND WORLD, WHICH WOULD
11 CONTEMPLATE STRUCTURING A FINANCING WHICH YOU WOULD
12 MOST LIKELY GO OUT TO MARKET TO HIGH NET WORTH
13 INDIVIDUALS TO THE EXTENT THE FINANCING WAS TAX
14 EXEMPT, AND THEY COULD UTILIZE THE TAX EXEMPT NATURE
15 OF THE SECURITIES. OR IF YOU STILL HAD TAXABLE
16 BONDS FOR SALE, THEN YOU'VE OPENED THE WORLD UP TO
17 THE INSTITUTIONS AS WELL, WHICH WOULD INCLUDE THE
18 PENSION FUNDS, FOUNDATIONS, ENDOWMENTS, ETC.

19 SO WHAT YOU WOULD NEED TO DO AND QUICKLY,
20 UNFORTUNATELY, BECAUSE YOU DO HAVE A DEADLINE ON
21 CASH FLOW REQUIREMENTS, WOULD BE TO PUT TOGETHER
22 WITH STATE BOND COUNSEL, ORRICK HARRINGTON, AND
23 THROUGH THE AUSPICES OF THE TREASURER'S OFFICE,
24 ETC., TO GO OUT AND RAISE MONEY AND WOULD LOOK TO
25 STRUCTURE IT SOMEWHAT SIMILARLY TO THE BOND

BARRISTERS' REPORTING SERVICE

1 ANTICIPATION NOTES FORMAT THAT BOB PUT IN PLACE FOR
2 THE FINANCING WHILE THE LITIGATION WAS GOING ON
3 WHEREIN THE SECURITIES WOULD BE BOUGHT, WOULD LOOK
4 TO BE TAKEN OUT BY SUBSEQUENT G.O. BOND ISSUANCE AT
5 SUCH TIME AS THAT HAPPENS. IF SOMETHING
6 CATASTROPHIC HAPPENED TO THE FINANCIAL SYSTEM AND
7 THERE WAS NO SUBSEQUENT FINANCING DOWN THE ROAD, IT
8 WOULD HAVE TO BE UNDERSTOOD THAT ESSENTIALLY THE
9 INVESTMENT WOULD BE A DONATION TO THE STEM CELL
10 CAUSE.

11 SO I THINK FIRST AND FOREMOST, YOU NEED TO
12 PUT THIS TYPE OF FINANCING IN PLACE. I THINK THAT
13 THERE ARE OTHER WAYS TO DO IT WHICH WOULD INVOLVE
14 SEEKING EQUITY INVESTMENT FROM BIOTECHS OR
15 PHARMACEUTICAL COMPANIES IN THE INTELLECTUAL
16 PROPERTY STREAM OF CIRM GRANTEES, OR YOU COULD LOOK
17 TO DO A VENTURE PHILANTHROPY ALTERNATIVE THAT SOUGHT
18 TO FORM ESSENTIALLY A PRIVATE EQUITY-LIKE FUND THAT
19 WOULD GET MONEY IN.

20 THE ISSUE WITH THOSE TWO LATTER
21 ALTERNATIVES, TYPICALLY THEY TAKE A LITTLE LONGER TO
22 PUT TOGETHER. I BELIEVE I'VE HAD A LOT OF
23 EXPERIENCE IN THE PRIVATE PLACEMENT WORLD AND WITH
24 ALL OF THE MAJOR PLAYERS AND TYPES OF INVESTORS
25 YOU'D HAVE TO LOOK TO TO CARRY OUT A PRIVATE

BARRISTERS' REPORTING SERVICE

1 PLACEMENT. I THINK THAT WOULD BE THE WAY TO GO.

2 I WOULD ALSO MENTION, DON, THAT IT'S VERY
3 IMPORTANT FOR THE TAXPAYERS OF THE STATE TO GET
4 HOPEFULLY TO A TIME WHEN ALL CIRM BONDS ARE TAX
5 EXEMPT THROUGH A PRIVATE LETTER RULING, WHICH I'VE
6 BEEN THROUGH A NUMBER OF THOSE AS WELL, AND WOULD
7 LOOK TO LEAD ON BEHALF OF THE AGENCY SO THAT WHEN
8 YOU DO HAVE THESE TAX EXEMPTIONS IN PLACE, THAT DOES
9 CREATE SAVINGS FOR THE TAXPAYERS.

10 MR. REED: CANDIDATE NO. 2, DO YOU WANT TO
11 ADD TO THAT?

12 DR. LITVACK: THIS IS CANDIDATE NO. 2.
13 DON, I'M GOING TO INTERPRET YOUR QUESTION A LITTLE
14 BIT DIFFERENTLY. I THOUGHT YOU SAID IF THE STATE IS
15 NOT AUTHORIZING G.O. BONDS. THE AGENCY WILL NOT BE
16 ABLE TO PUT THE FAITH AND CREDIT OF THE CALIFORNIA
17 TREASURY BEHIND BONDS IF THE STATE AND THE PEOPLE DO
18 NOT AUTHORIZE G.O. BONDS, AS I UNDERSTAND IT. SO
19 I'M GOING TO FOCUS ON WHAT HAPPENS IF STATE BONDS
20 ARE SHUT DOWN. AND THE LIST IS -- YOU KNOW, YOU ARE
21 GOING TO HAVE TO GET CREATIVE HERE.

22 NO. 1, I THINK IT'S VERY IMPORTANT THAT
23 CIRM STARTS TAKING EQUITY IN SOME FORM. I KNOW THE
24 STATE CAN'T OWN EQUITY, BUT I'M SURE IT CAN BE
25 STRUCTURED THROUGH A PARALLEL 501(3)(C) THAT WE CAN

BARRISTERS' REPORTING SERVICE

1 SET UP, WHICH CAN REVERT THE PROCEEDS BACK UPON
2 LIQUIDATION OF THE ASSETS TO CIRM IN THE COMPANIES
3 THAT IT IS PROVIDING CAPITAL TO OR LOANS TO. THIS
4 IS A BRUTAL CAPITAL MARKET FOR CELL THERAPY
5 COMPANIES. AND I THINK THE AGENCY WOULD BE IN A
6 GOOD POSITION TO REQUEST AND TO RECEIVE WARRANTS OR
7 SOME OTHER FORM OF EQUITY IN THESE COMPANIES.

8 I LIKE EQUITY BETTER THAN ROYALTIES
9 BECAUSE YOU TEND TO SEE RAPID APPRECIATION OF EQUITY
10 UPON EARLY CLINICAL SUCCESS EVEN ON A PRECOMMERCIAL
11 BASIS WHERE ROYALTIES HAVE TO RUN OUT OVER THE
12 COURSE OF A PRODUCT. FIRST OF ALL -- SO THAT'S NO.
13 1.

14 NO. 2, ROYALTIES AS CURRENTLY STRUCTURED
15 ACTUALLY GO TO THE STATE GENERAL FUND, NOT TO THE
16 CIRM. SO INASMUCH AS ROYALTIES COULD BE ACCRUED, WE
17 WOULD HAVE TO GO TO THE LEGISLATURE AND ASK TO GET
18 ROYALTIES FROM STEM CELL PRODUCTS RETURNED TO THE
19 FUNDING OF CIRM. IN DIFFICULT TIMES THAT CAN
20 OBVIOUSLY OPEN A WHOLE PANDORA'S BOX OF OPPOSITION.
21 SO EQUITY, ROYALTIES THERE.

22 YOU'D HAVE TO GO TO INDUSTRY. INDUSTRY
23 WILL OFTEN FUND RESEARCH AT THE BASIC SCIENCE LEVEL
24 ON A GRANT BASIS, AND THERE IS AN OPPORTUNITY OUT
25 THERE, ESPECIALLY IF WE DO CREATE THINGS LIKE COMMON

BARRISTERS' REPORTING SERVICE

1 KNOWLEDGE POOLS, THAT WE COULD CREATE INDUSTRY
2 CONSORTIUM VERY MUCH LIKE THEY HAVE IN THE
3 SEMICONDUCTOR BUSINESS WHERE WE'RE ACTUALLY DOING
4 WORK THAT CAN BE SHARED ACROSS MANY COMPANIES AND
5 GET INDUSTRY SUPPORT.

6 AND, OF COURSE, THE PHILANTHROPY.
7 PHILANTHROPY, THE AMOUNT OF MONIES WE'RE TALKING
8 ABOUT ARE VERY LARGE FOR CONVENTIONAL PHILANTHROPY,
9 BUT THERE ARE A LOT OF VERY PASSIONATE INDIVIDUALS
10 WHO WOULD SUPPORT STEM CELL THERAPY AND, OF COURSE,
11 THERE'S ALL THE LARGE FOUNDATIONS AND ENDOWMENTS.
12 YOU'D HAVE TO BE CAREFUL THERE BECAUSE SOME OF THEM
13 SEE ARE ALREADY -- SOME INSTITUTIONS WOULD VIEW THIS
14 AS COMPETITIVE WITH THEIR OWN PHILANTHROPIC SUPPORT,
15 BUT I DO THINK THERE ARE A NUMBER OF PLACES THAT WE
16 COULD GO. THAT'S KIND OF THE WAY I WOULD LOOK AT
17 IT.

18 MS. KING: BEFORE YOU GO ON TO YOUR SECOND
19 QUESTION, JUST BECAUSE WE DO HAVE SOMEWHAT LIMITED
20 TIME, I JUST WANT TO FIND OUT BECAUSE WE PROBABLY
21 TIME FOR ONE, MAYBE TWO MORE QUESTIONS BEFORE WE GO
22 INTO CLOSED SESSION. OUT OF A SENSE OF FAIRNESS, I
23 WANT TO FIND OUT IF WE HAVE ANY QUESTIONS FROM ANY
24 OF THE OTHER SITES THAT ARE ON THE LINE. ARE THERE
25 ANY QUESTIONS FROM MEMBERS OF THE PUBLIC AT ANY OF

BARRISTERS' REPORTING SERVICE

1 THE OTHER SITES?

2 DR. LORING: I THINK I'M GOING TO DEFER TO
3 DON.

4 MS. KING: MR. REED, IF YOU WOULD PROCEED
5 WITH YOUR SECOND QUESTION, PLEASE, AND THEN WE'LL
6 PROBABLY HAVE TO GO INTO CLOSED SESSION IMMEDIATELY
7 FOLLOWING YOUR RESPONSES TO THIS QUESTION.

8 MR. REED: THANK YOU, JEAN LORING. IN
9 ORDER FOR TO BE A PROP 71 PART 2, WE NEED SOME
10 CONCRETE SUCCESSES, SOME ACTUAL CURES OR PRODUCTS TO
11 AMELIORATE SUFFERING. WHAT IN YOUR EXPERIENCE WILL
12 HELP YOU TO LEAD THE PROCESS OF DEVELOPING SUCH
13 BREAKTHROUGHS?

14 MR. THOMAS: I THINK THE WAY I WOULD LOOK
15 AT THIS QUESTION, DON -- BY THE WAY, THIS IS
16 CANDIDATE NO. 1 -- IS YOU NEED TO BE ABLE TO FASHION
17 A STORY STARTING RIGHT NOW TO THE PUBLIC. THERE'S
18 BEEN WONDERFUL WORK DONE TO DATE, SOME OF WHICH HAS
19 BEEN PUBLISHED, SOME OF IT WAITING TO BE PUBLISHED,
20 AND BY AND LARGE, THOUGH THE SCIENTIFIC MEDIA IS
21 VERY UP TO SPEED ON ALL THESE DEVELOPMENTS, YOU NEED
22 TO REALLY HAVE A CONCERTED EFFORT TO INFORM THE
23 PUBLIC ITSELF, THE VOTERS, ON EXACTLY WHAT HAS BEEN
24 DONE. THEY DESERVE TO KNOW, NO. 1. NO. 2, THERE IS
25 A GREAT STORY TO TELL TEMPERED WITH OBVIOUSLY A BIT

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1 OF REALITY. THIS IS NOT SOMETHING THAT MOVES AT
2 WARP SPEED ALTHOUGH BY SCIENTIFIC STANDARDS, THERE
3 ARE DEVELOPMENTS SORT OF COMING AT YOU VERY QUICKLY
4 THAT REQUIRE EXPLANATION IN A WAY THAT THE
5 ELECTORATE CAN READILY FOLLOW.

6 NO. 3, IF YOU DON'T GET YOUR STORY OUT
7 THERE, THERE WILL TEND TO BE A SERIES OF ARTICLES
8 THAT MIGHT PAINT OR EDITORIALS OR WHATEVER THAT
9 MIGHT PAINT THE AGENCY AND ITS WORK IN A LESS
10 POSITIVE LIGHT. YOU WANT TO BE ABLE TO TELL YOUR
11 STORY.

12 AND NO. 4, IF YOU DO HAVE A G.O. BOND
13 MEASURE LOOMING TO EXTEND THE LIFE OF THE AGENCY,
14 YOU WANT TO HAVE THE CORRECT STORY OUT AS SOON AS
15 POSSIBLE.

16 SO I WOULD SAY, INSTEAD OF SORT OF WAITING
17 TO DRIVE THROUGH CLINICAL SUCCESS TO REALLY BE ABLE
18 TO TELL THE STORY, I WOULD START IMMEDIATELY.

19 HAVING SAID THAT, WHILE THAT EFFORT IS
20 PROCEEDING, I WOULD LOOK TO ENGAGE THE VERY CAPABLE
21 QUALITIES OF MEMBERS OF THE BOARD AND STAFF WHO HAVE
22 BEEN THROUGH THE FDA PROCESS. WHETHER THAT WOULD BE
23 DR. JUELSGAARD, WHETHER IT WOULD BE ELONA BAUM,
24 THERE ARE VERY TALENTED PEOPLE WHO KNOW ALL THE INS
25 AND OUTS. AND TO THE EXTENT THAT WE REQUIRE ANY

BARRISTERS' REPORTING SERVICE

1 ADDITIONAL HELP, THERE ARE OUR COUNSEL OUT THERE --
2 I MENTIONED ONE IN MY LETTER -- THAT HAVE DIRECT
3 HANDS-ON EXPERIENCE FROM INSIDE THE FDA IN PUTTING
4 APPLICATIONS THROUGH AND KNOW ALL THE INS AND OUTS.

5 SO BETWEEN THE TEAM THAT WE HAVE ASSEMBLED
6 HERE, I THINK THAT WE WILL BE VERY FORMIDABLY PLACED
7 TO GO FORWARD TO ADVISE GRANTS OR COMPANIES ON THE
8 PROCESS OF GETTING CLINICAL SUCCESS. SO I WOULD ON
9 ONE THE HAND IMPLEMENT AN IMMEDIATE AND VERY STRONG
10 PUBLIC COMMUNICATIONS PLAN THAT TAKES ADVANTAGE OF
11 ALL THE WORK WE'VE DONE, AND I WOULD, HAVING SORT OF
12 WATCHED THIS THROUGH ACT AND OTHER COMPANIES, I'M
13 VERY FAMILIAR WITH THE PROCESS, WHAT YOU HAVE TO DO
14 AS A BIOTECH COMPANY IN DISCUSSIONS WITH THE FDA,
15 AND WOULD WORK WITH THOSE THAT WE HAVE HERE AND
16 WITHOUT TO IMMEDIATELY HELP PUSH THOSE PRODUCTS IN
17 THE DEVELOPMENT PORTFOLIO INTO THE NEXT
18 TRANSLATIONAL PHASE.

19 MS. KING: THANK YOU, JON. IF WE COULD
20 GET DR. LITVACK'S RESPONSE TO THAT QUESTION PLEASE.

21 DR. LITVACK: YES. DON, GREAT QUESTION.
22 I'M GOING TO KEEP IT SIMPLE. GET INTO THE CLINIC,
23 GET CLINICAL SUCCESS, GET A PRODUCT OR TWO APPROVED,
24 OR ELSE WE'RE IN TROUBLE. THAT'S THE MISSION.

25 MS. KING: ALL RIGHT. THANK YOU SO MUCH,

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1 BOTH OF YOU, FOR YOUR FLEXIBILITY IN DOING AN
2 IMPROMPTU Q AND A FROM ONE OF OUR DIE HARD PATIENT
3 ADVOCATES, DON REED. AND WE LOVE TO HAVE HIM FOR
4 HIS INSIGHT INTO OUR ORGANIZATION. AND I PERSONALLY
5 APPRECIATE YOU TAKING THE TIME TO RESPOND TO THOSE
6 QUESTIONS.

7 NOW, AS DR. PRIETO HAD ASKED JAMES TO DO
8 EARLIER, I WILL ASK HIM TO READ THE CORRECT LANGUAGE
9 ALLOWING US TO GO INTO THIS CLOSED SESSION.

10 MR. HARRISON: THE EVALUATION SUBCOMMITTEE
11 WILL BE CONVENING IN CLOSED SESSION PURSUANT TO
12 HEALTH AND SAFETY CODE SECTION 125290.30(F)(3)(D).

13 MS. KING: MARCY, I WILL GIVE YOU A CALL
14 MOMENTARILY. I HAVEN'T SEEN E-MAILS FROM ANYBODY
15 ELSE, BUT I WILL DO A QUICK CHECK-IN ONCE I DIAL US
16 INTO CLOSED SESSION TO MAKE SURE EVERYONE I'M
17 EXPECTING TO BE THERE IS THERE. WE WILL TALK YOU TO
18 IN A COUPLE OF MINUTES.

19 CHAIRMAN PRIETO: THANK YOU, MELISSA.

20 (THE COMMITTEE THEN WENT INTO CLOSED
21 SESSION, NOT REPORTED NOR HEREIN TRANSCRIBED. AT
22 THE CONCLUSION OF THE CLOSED SESSION, THE COMMITTEE
23 THEN RECONVENED IN OPEN SESSION AND WAS HEARD AS
24 FOLLOWS.)

25 CHAIRMAN PRIETO: WE'RE BACK IN OPEN

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1 SESSION, AND WE DON'T HAVE ANYTHING TO REPORT FROM
2 THE CLOSED SESSION AS NO ACTION WAS TAKEN. AND IF
3 THERE IS NOTHING FURTHER, WE NOW STAND ADJOURNED.
4 THANK YOU VERY MUCH.

5 (THE MEETING WAS THEN CONCLUDED AT
6 7:30 P.M.)

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REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE TELEPHONIC PROCEEDINGS BEFORE THE EVALUATION SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD ON MONDAY, JUNE 6, 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.

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